



**INTERNATIONAL
LAWYERS
NETWORK**

September 20, 2006

Dear Clients & Friends,

We are writing to report on the current political situation in Thailand. Today has been declared an official public holiday by the Administrative Reform Council. This newly established Council which is comprised of the Chiefs of the Royal Thai Navy, Army and Air Force and the Chief of National Police Bureau has dissolved Parliament and has assigned the permanent secretary of each government Ministry to act as the head of the ministry under the order of the Administrative Reform Council. Except for the Constitutional Court, all courts under the judiciary system and public administrative and military systems shall continue to maintain their normal function. The Council plans that both public and private sectors should resume normal operations tomorrow.

The head of the Administrative Reform Council, General Sonthi Boonyarataglin announced that Thailand's democratic system will be re-established as soon as possible and requests the cooperation from the Thai people. Gen Sonthi said the Council has no intention to rule the country. Power will be returned to Thai people as soon as possible. The action taken by the Council was needed to resolve conflicts, and bring back normality, and unity among Thais. The reasons given for the Council taking control was due to the corruption, confrontation, civil disorder and lack of public confidence in the Caretaker government which has caused a decline in the stability and economic growth of the country. Prior to the public announcement, the Council requested an audience with His Majesty the King at midnight September 19, 2006 in order to assure His Royal Highness of their peaceful intentions to restore public confidence and to defuse mass confrontation and business interference within the Kingdom.

In view of the situation we anticipate some delays in doing business but a normal recovery in the last quarter of the year should be in the plans after the formation of the new national government which should take place in approximately two weeks. Once a new Prime Minister and members of the legislation receive His Royal Highness's royal endorsement, business should resume as normal.

We will update you on the situation as soon as we have further information.

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