

October 30, 2006

Subject: **Announcement of the Grand Opening of Banyan Tree Lijiang Hotel**

To: **President**
 The Stock Exchange of Thailand

Laguna Resorts & Hotels Public Company Limited (“Company”) is pleased to announce the grand opening of the Banyan Tree Lijiang Hotel on October 28, 2006.

Banyan Tree Lijiang Hotel is owned by Lijiang Banyan Tree Hotel Co., Ltd. (“**LBTH**”), a joint venture company incorporated in People’s Republic of China (“**PRC**”) between Laguna Banyan Tree Limited (“**LBTL**”), wholly owned subsidiary of the Company, and Banyan Tree Holdings Limited (“**BTH**”). The shareholding structure is 70 percent by LBTL and 30 percent by BTH.

Banyan Tree Lijiang Hotel is situated to the Northwest of Yunnan Plateau in PRC near the Southeast side of the Tibetan Plateau. Travel to Lijiang takes 40 minutes by plane from Kunming International Airport or 8 hours by car. UNESCO declared Lijiang as a World Heritage Site. A total of about US\$ 33 million has been invested in the Banyan Tree Lijiang Hotel project including undeveloped land and working capital.

Banyan Tree Lijiang Hotel offers 55 luxurious villas reflecting the rich fabric of this locale through their design and furnishings, restaurants, bar, spa complex, gallery shop, gym, treks and tours. Banyan Tree Lijiang Hotel is managed by Banyan Tree Hotels & Resorts Pte Ltd.

To the extent of the Company’s 70 percent ownership in LBTH, the Company has an interest in all of the potential profit, if any, generated by LBTH and in the profit generated from the operation of Banyan Tree Lijiang Hotel.

Please be informed accordingly.

Yours sincerely,

(Ms. Sirivan Skulkerevathana)
Director