

Press Release

15/02/2000

Banpu Reports Completion of Capacity Expansion, Gearing toward Higher Revenue and Profit for the 2nd Half

Mr.Chanin Vongkusolkit - Group president of Banpu Public Company Limited reported that it has completed the capacity expansion of two projects namely - Jorong coal project in Indonesia and Yen Bai calcium carbonate project in Vietnam - during the 1st half (July 1 - December 31, 1999) of its fiscal year as planned.

According to Mr. Chanin, the Company has done all necessities at Jorong mine to expand its production capacity up to 3 million tons per year. It plans to increase coal production in the 2nd half to meet its marketing plan targeting mainly at other countries in the region. Other projects include minerals and port handling services will also utilize the remaining capacity to boost their production, as a result, bringing up the marginal revenue and marginal profit to the Company. Meanwhile, COCO Phase III is expecting to resume the operation within the 3rd quarter (January 1 - March 31, 2000) while Tri Energy's power plant will start supplying electricity to the Electricity Generating Authority of Thailand - EGAT in June, 2000.

Group President also announced the 1st half's performance. Banpu's consolidated sale revenues were Baht 2,118 million, an increase of 27.45 % from the same period last year. Of which, Baht 1,318 million or 62 % came from coal sales, Baht 575 million or 27 % came from EGAT overburden removal service, Baht 106 million came from port handling services and the rest of Baht 56 million was from other services.

Though the total revenues of the 1st half increased as targeted, at the same time, however, the Company realized the redemption premium of Euro Convertible Bond Series 1 of Baht 156 million as financial expenses and million 180 Baht loss on foreign exchange. In the 1st half, consequently, the Company reported net loss of Baht 308 million, or 2.94 Baht per share. However, total revenues and profits of 2nd half are expected to be higher as the utilizing rate of production capacity increase.

Banpu, during the period of time, succeeded its several financial activities as part of its long-term financial plan. Such those were a redemption of Euro Convertible Debenture Series 1 worth million 476 Baht in August 1999, a private placement of Unsecured Senior Debenture worth Billion 2 Baht in November 1999, and a capital increase of Baht 1,048 million in January

2000. The Company has reduced its foreign debt by USD 48 million in the 1st half and, currently carried the outstanding foreign debt of USD 88 million. The financial activities, not only reduces the exposure of foreign exchange rate risk but also minimizes the cost of fund, lays the Company the appropriate and flexible financial structure. The current debt/equity ratio is 1.3:1 and will be maintained at about 1:1 within the 2nd half".