



COAL-BASED ENERGY

ASIA - PACIFIC

ORGANIC GROWTH
TO OVER 50 MTPA
BY 2015

EQUITY COAL
RESERVES
0.7 BILLION
TONNES

STRONG
LONG TERM
COAL SECTOR
FUNDAMENTALS

CHINA

30 YEARS OF EXPERIENCE
ESTABLISHED 1983

THAILAND

VERTICALLY
INTEGRATED
COAL-
FIRED
POWER

INDEPENDENT

INDONESIA

AUSTRALIA

ANNUAL REPORT 2012

BANPU PUBLIC COMPANY LIMITED

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THE ASIAN FACE OF ENERGY

THREE DECADES OF GROWTH

Banpu was established in 1983. From small beginnings in Thailand, over the past 30 years the Company has grown into one of the Asia-Pacific region's leading coal-based energy players. Banpu is unique in its geographic reach in the coal sector with projects and operations in six Asia-Pacific countries. The Company is also distinctive in its innovative approach to building long term shareholder value in a way that also maximizes value to all stakeholders. It is this philosophy which has underpinned Banpu's longevity to date and which will ensure the sustainability of its growth and success in the future.





FINANCIAL HIGHLIGHTS

For the year ending

		2012	2011	2010
Financial Position				
Total Assets	(THB million)	222,047	225,010	193,122
Total Liabilities	(THB million)	133,442	136,355	124,063
Total Shareholders' Equity	(THB million)	88,604	88,656	69,059
Issued and Paid-up Share Capital	(THB million)	2,717	2,717	2,717
Operational Results				
Sale Revenues	(THB million)	117,337	112,404	65,285
Cost of Sales	(THB million)	72,526	62,960	38,511
Gross Profit	(THB million)	44,811	49,444	26,774
Selling and Administration Expenses	(THB million)	17,103	15,477	10,333
Royalty Fee	(THB million)	11,889	11,370	6,925
Other Revenues	(THB million)	5,529	13,086	17,960
Other Expenses	(THB million)	-	322	1,041
Profit from Operation	(THB million)	21,348	35,361	26,435
Share of Gain/(Loss) of Joint Ventures and Asso.	(THB million)	2,873	1,939	6,117
Interest Expenses	(THB million)	3,470	3,047	1,676
Financial Expenses	(THB million)	330	349	299
Corporate Income Tax	(THB million)	6,121	8,506	3,733
Net Profit	(THB million)	9,293	20,060	24,880
Financial Ratios				
Gross Profit Margin	(%)	38.19	43.99	41.01
Net Profit Margin	(%)	7.56	15.99	29.89
Returns on Assets	(%)	4.16	9.59	16.89
Returns on Equity	(%)	10.49	25.44	39.80
Interest Coverage Ratio	(times)	9.13	13.08	10.86
Net Debt to Equity	(times)	0.83	0.74	1.07
Data per Share				
Earnings per Share	(THB)	34.19	73.82	91.56
Book Value per Share	(THB)	326.05	326.24	254.13
Dividend per Share	(THB)	18.00*	21.00	21.00

* The Company announced a total dividend of THB 18 per share arising from its performance during the period between 1 January 2012 – 31 December 2012, of which THB 9.00 was paid on 26 September 2012. The remaining dividend of THB 9.00 per share for 2012 performance will be paid on 26 April 2013.

Remark: Financial figures are based on the consolidated financial statement.



OPERATIONAL RESULTS

	For the year ending		
	2012	2011	2010
Coal Sales Volume (Million Tonnes)	41.58	39.57	25.89
Indominco-Bontang	14.47	14.80	14.48
Trubaindo	7.84	6.81	5.39
Jorong	1.11	1.43	1.01
Kitadin-Embalut	1.32	1.18	1.30
Kitadin-Tandung Mayang	2.22	0.43	-
Bharinto	0.26	-	-
Centennial	14.30	14.86	3.57
Thailand	0.07	0.06	0.15
Coal Sales Revenue (THB Million)	117,338	112,404	65,285
Coal Business:			
Indominco-Bontang	37,659	43,209	34,268
Trubaindo	25,839	23,085	14,838
Jorong	2,261	2,775	1,488
Kitadin-Embalut	3,696	3,421	2,735
Kitadin-Tandung Mayang	6,967	1,604	-
Bharinto	812	-	-
Centennial	33,538	32,751	6,498
Thailand	35	30	74
<i>Total Revenue from Coal Business</i>	<i>110,807</i>	<i>106,874</i>	<i>59,901</i>
Power Business	5,679	5,236	4,865
Other Businesses	852	293	520
Gross Profit Margin (%)	38	44	41
Indominco-Bontang	40	49	42
Trubaindo	43	52	51
Jorong	39	40	33
Kitadin-Embalut	46	52	45
Kitadin-Tandung Mayang	58	74	-
Bharinto	37	-	-
Centennial	30	36	32
Thailand	57	26	10
Coal Business	39	46	43
Power Business	17	10	16
Other Businesses	57	6	12



BOARD OF DIRECTORS' REVIEW

"THE BOARD HAS GREAT CONFIDENCE IN THE FUTURE AND SHALL STAND UP FOR ITS LEGITIMATE RIGHTS AND INTERESTS WITH HIGH ETHICAL STANDARD. OUR GUIDING CODE OF CONDUCT WILL ALWAYS BE BASED ON HONESTY, GOOD GOVERNANCE, MORALITY AND LEGALITY. WE VIEW THESE VALUES AS NECESSARY FOUNDATION IN BUSINESS SUCCESS AMID FLUCTUATING GLOBAL ECONOMY AND FIERCE MARKET COMPETITION."





In 2012, the coal industry suffered from excess supply as global coal production outpaced demand for coal, putting the coal prices under pressure. The euro zone crisis and the sluggish U.S. economy, which led to global economic downturn added severity to the problem. Another price suppressing factor was the recent increasing shale gas production and usage in the U.S.. It has amplified the anticipation that it will be exploited as an alternative to coal, with lower prices.

The Board of Directors has been closely monitoring the issues concerned as well as other economic and energy trends. Matters of significance were dealt with at every Board meeting. In particular, we discussed and assessed the probability and potential impacts of different risks – and considered actions that Banpu could take to divert, mitigate, and eliminate them.

In the past year, the Board endorsed several measures initiated by the Banpu management to tackle weakening coal prices. Deferral or reduction of lower priority investments, production cost management, and strict adherence to financial disciplines were among the actions implemented to ensure sound net profit margins and cash flows, sustainable business performance and growth.

By the third quarter of 2012, the efforts began to yield satisfactory results.

The Board shall continue to scrutinize the Company's actions to make sure that Banpu's business is conducted in a prudent and appropriate manner. The Board shall safeguard the Company's sustainability, prepare it for unforeseen circumstances and ensure that the Company's strategies and long-term strategic plan are effectively implemented without undue disruption.

As for the Hongsa Project court case, the Board has accorded great importance to the issue. It has taken and

will do all at its legitimate disposal to ensure justice for the Company. Board-level and management-level taskforces were set up to handle the legal proceedings of the case.

The Board takes great pride in the Company's business ethics and integrity. Throughout the 30 years since its inception, Banpu has unwaveringly upheld the fundamental principles of lawfulness, ethics, morality and good governance. The Company has never compromised the aforementioned philosophy and principles in conducting its business dealing in the best interests of its shareholders and stakeholders. Banpu's commercial presence in six different countries - Thailand, Indonesia, Australia, China, Lao PDR and Mongolia – and all the awards and recognitions it received say volume about the level of trust, acceptance and praise the Company enjoys internationally.

The Board has great confidence in the future and shall stand up for its legitimate rights and interests with high ethical standard. Our guiding code of conduct will always be based on honesty, good governance, morality and legality. We view these values as necessary foundation in business success amid fluctuating global economy and fierce market competition.

The Board takes this opportunity to express our sincere appreciation to all our clients, stakeholders and related parties both local and overseas for their continued support. In return, we offer our assurance that the Board shall continue to strive for sustainable business growth for the Company, based on the principles of integrity, transparency, and good corporate citizenship, in every country in which we have business operations.

Our commitment is to build lasting success and create further value for the shareholders and all stakeholders.

Mr. Kirk-Krai Jirapaet

Chairman of the Board of Directors





CHIEF EXECUTIVE OFFICER REVIEW

"AS BANPU ENTERS ITS 30TH YEAR, THE FOCUS IS ONCE AGAIN ON STRENGTHENING THE COMPANY'S CORE CAPABILITIES FOR LONG TERM GROWTH. THE PRINCIPLES OF INNOVATION, SYNERGY, INTEGRITY AND CARE WILL CONTINUE TO GUIDE OUR ACTIONS. THE *BANPU SPIRIT* IS THE KEY TO OUR COMPETITIVE EDGE AND SUSTAINABILITY."





As Banpu¹ enters its 30th year, the focus is once again on strengthening the Company's core capabilities for long term growth. The principles of *innovation, synergy, integrity* and *care* will continue to guide our actions. The *Banpu Spirit* is the key to our competitive edge and sustainability.

2012 was a tough year with average thermal benchmark coal prices down by over 20% and an uncertain global macro-economic outlook. Since mid-2012 and into 2013, Banpu has taken decisive action to rationalize operating costs and capital expenditure. With a leaner cost-base, secure infrastructure access and stable earnings from our power business, Banpu is in an excellent position to face any further challenges ahead - and to take advantage of any upturn.

Summary of Our Financial Performance in 2012

Banpu's financial performance in 2012 reflected a phase of adjustment to rapidly declining coal prices as well as the normal irregularity of underground production patterns at our Australian operations.

Higher strip ratios at the Company's main Indonesian operations early in 2012 combined with regulatory delays at Springvale and an extended longwall changeover at Mandalong in Australia were significant factors in generating an increased cost of sales per tonne during the first half of the year. Although the Company achieved an increase in coal sales to 41.6 million tonnes on a consolidated basis, up 5%, the gross profit margin declined to 38% from 44% the year before. As a result

EBITDA² was down by about 8% to THB 29.3 billion (equivalent to around USD 0.9 billion).

Although Banpu's coal business EBITDA as a whole fell 10% to THB 26.9 billion, the China coal operations made a strong contribution at THB 0.9 billion (versus break-even the year before), thanks to the ramp up in production at Gaohe. The power business also performed well with 24% EBITDA growth to THB 2.4 billion.

Banpu's net earnings for 2012 were THB 9.3 billion or THB 34.2 per share. The previous year's net earnings figure, at THB 20.1 billion, though much higher, was distorted by an exceptional gain from the divestment of the interest in the Daning mine as well as higher currency-related gains. Overall non-recurring items and foreign exchange translation gains totaled only THB 3.5 billion in 2012 versus THB 11.4 billion in 2011.

Going forward Banpu has decided to reduce its capital expenditure plans for 2012-2015 by around USD 0.5 billion to approximately USD 1.25 billion, mainly through project postponements. The Company is also emphasizing cost rationalization measures and productivity improvements at its Indonesian and Australian operations - as well as at a corporate level.

Analysis of Our Coal Sales and The Thermal Coal Market

Banpu achieved a 10% increase in its coal sales from Indonesia in 2012 to 27.2 million tonnes. The increase was thanks to strong sales growth at Indominco's East Block (up 15% at 8.3 million tonnes) and Trubaindo

¹ Banpu Public Company Limited or the 'Company'; note that unless otherwise stated all figures in this review are stated on a consolidated basis

² Earnings before interest, tax, depreciation and amortization





(up 15% at 7.8 million tonnes). Ramp up at Tandung Mayang to 2.2 million tonnes and first output at Bharinto (0.3 million tonnes) also made an important contribution.

Banpu's Indonesian coal sales increased in nearly all major markets. The biggest growth was in exports to China, which increased by 1.3 million tonnes to 7.1 million tonnes, followed by sales to India, up 1 million tonnes to 3.3 million tonnes. Sales to Japan also performed well, increasing by 0.5 million tonnes to 4.5 million tonnes. Domestic sales in Indonesia grew by 0.4 million tonnes to 2.6 million tonnes. Banpu's average selling price for its Indonesian coal sales fell around 6% to USD 91 per tonne in 2012 due to weakening seaborne benchmark prices.

Banpu's Australian coal sales declined slightly in 2012 to 14.3 million tonnes (from 14.9 million tonnes in 2011). Closure of the Awaba mine, restructuring at Mannering and a combination of regulatory delays and poor geological conditions at Springvale were the main reasons for the net fall. Third-party traded coal was also lower in 2012 versus 2011.

Banpu continued to rebalance its sales strategy for its Australian coal. Exports increased from 39% of total Australian coal sales (in tonnage terms) in 2011 to 44% in 2012. Over 80% of Banpu's Australian coal exports went to the premium East Asian markets. Despite the falling benchmark price, Banpu's average Australian coal selling price (for both domestic and export sales) in 2012 was up slightly at AUD 72.9 per tonne.

The FOB thermal benchmark price at Newcastle (6,300 Kcal GAR³) started the year fairly strong, averaging

around USD 116 in January and February, but by mid-year had fallen to USD 88 per tonne (the average for June and July). By the end of the year the benchmark price had started to strengthen again to around USD 93 per tonne, but the average for the year at USD 96 per tonne was down 21% versus 2011 (USD 121.5 per tonne). Although Chinese and Indian import demand continued to increase in 2012, coal prices were impacted globally by an unprecedented surge in the availability of US coal for export caused by the domestic trend in favor of gas-fired power (based on new shale gas supplies) on top of continued supply growth from Indonesia and Australia.

A significant percentage of global coal supply capacity is now sub-economic and a number of players, both large and small, have cut back production and capital spending plans in recent months. While global macro-economic conditions remain relatively subdued in the short term, we do expect a more substantial recovery in Asia-Pacific seaborne coal prices to materialize in the medium term.

Banpu's Indonesian Coal Business: ITM

Banpu's Indonesian mines delivered a strong performance in 2012 with record run-of-mine output of 28.2 million tonnes, up 12% versus 2011. At Indominco, although West Block continued its gradual decline, East Block achieved a 17% increase in output to 8.3 million tonnes and Tandung Mayang ramped up to 2.4 million tonnes (from 0.7 million tonnes in 2011). Trubaindo

³ Kilocalories per kilogramme of coal on a Gross As Received basis





realized production growth of 12% year-on-year to 8.3 million tonnes and Bharinto delivered its first substantial tonnage at 0.6 million tonnes. Kitadin-Embalut's output was steady at 1.2 million tonnes. The Jorong mine in South Kalimantan, Banpu's oldest mine in Indonesia, produced 1.1 million tonnes in 2012, down from 1.5 million tonnes the previous year.

In 2013, Banpu is targeting further growth in output to around 29 million tonnes in Indonesia. Better use will be made of existing infrastructure (haulage roads, Bunyut port and Bontang) and a significant ramp up in output from Bharinto is expected. ITM will also continue to focus on cost reductions with an objective to reduce strip ratios further and lower overheads. Overall ITM is planning up to a 10% cut in unit operating costs.

Banpu's Australian Coal Business: Centennial

Centennial's run-of-mine output in 2012 declined by around 5% in 2012 to 14.6 million tonnes from 15.4 million tonnes the year before. At Centennial's Western Operations, Angus Place, Airly and Charbon all achieved higher output but Springvale experienced regulatory delays at the beginning of the year and poor geological conditions later in the year resulting in a drop in output to 1.2 million tonnes in 2012 (from 1.5 million tonnes the year before). Airly is a high cost operation and a decision has been made recently to put it onto care and maintenance and to transfer equipment to Clarence.

At the Northern Operations, Awaba (0.9 million tonnes output in 2011) ceased operation and Mannering went

through a restructuring resulting in a fall in production during the year. Operations at Mannering have recently been put on hold with equipment transferred to Myuna and Newstan.

Going forward into 2013, Centennial faces another challenging year. With a coal price outlook that remains uncertain, Centennial will have to work hard to increase its output to 15 million tonnes while also cutting its costs further. Centennial is targeting significant productivity improvements, measures to minimize longwall changeover periods and further operating cost reductions of up to 6%.

Banpu's China and Mongolian Coal Businesses

Gaohe in Shanxi province, 45%-owned by Banpu, received its safety and production licenses in the third quarter of 2012 and is now officially 'operational'. Coal output in 2012 was approximately 4.3 million tonnes. Gaohe has a preparation and washing plant and is working on land acquisitions for a railroad spur.

Hebi Zhong Tai in Henan province, 40%-owned by Banpu, registered output of 1.5 million tonnes in 2012, down slightly on the previous year due to regulatory restrictions. Normalized output and a better price outlook is expected in the year ahead.

In Mongolia, Banpu continues to conduct exploration, feasibility and market study work in relation to Hunnu's coal resources. For the Tsant Uul project, in addition to power sector sales, Banpu is also now considering the potential for sales to the coal chemicals market in China.





With low coal prices, high logistics costs and difficulties in exporting to China, however, it is likely that the Hunnu projects will take longer to develop than had originally been expected.

Banpu's Power Business

BLCP (50%-owned by Banpu) was affected by a scheduled maintenance shut down in the fourth quarter, but nevertheless delivered a strong result for the year with attributable equity income to Banpu up 21% at THB 2.4 billion.

In Laos, the vertically-integrated 1,878 megawatt coal-fired Hongsa project (40%-owned by Banpu) made good progress in 2012 and by year end construction was 40% complete. The main road from the Thai border was finished early in the year and has been used for transporting major equipment and infrastructure to the site. Current work is focused around the boiler and cooling tower structures. Commissioning of the first unit is scheduled for June 2015.

In China, Banpu's three combined steam and power plants also performed well. Their aggregate net profit contribution to Banpu was THB 0.4 billion.

HR, Governance and Stakeholders

Like most companies, Banpu endeavors to create value from three types of resources: our physical resources (coal resources, equipment etc.), financial resources and human resources. My comments above have focused mainly on the first two categories, but it is the last of these

that is the key to our long term competitive edge and sustainability. Banpu's human resource base totals around 6,300 people with a rich diversity of skills, technical capabilities and cultural backgrounds. This diverse group is united and motivated by four core principles which guide their actions on a day-to-day basis: *care, integrity, innovation and synergy*.

The principles of 'care' and 'integrity' go hand-in-hand and define the way in which we interact with each other and all other stakeholders: partners, customers, suppliers, local communities, government officials, investors, lenders and so on. These two first principles also ensure that our corporate governance programmes are genuine in their objectives of transparency, accountability and ethical conduct. I believe strongly that stakeholder value and shareholder value are inextricably connected. Building stakeholder value is essential to long term shareholder value maximization and vice versa.

The principles of 'innovation' and 'synergy' are also paired to inspire our people with a philosophy of continuous improvement, creative thinking and teamwork. Last year, 2012, was a tough year, but over the past three decades we have faced many similar challenges. We have approached past and current difficulties with a positive 'can do' attitude, a focus on potential solutions and a belief that nothing is impossible.





Strategic Status and Outlook

Banpu's financial fundamentals are strong. We have underlying operating earnings (EBITDA) approaching USD 1 billion per year, a significant cash position on our balance sheet (approximately USD 1 billion), a comfortable level of gearing and a robust dividend policy. We continue to benefit from excellent relationships with the financial community and a diverse investor base, including a strong retail investor following. Our coal resources are predominantly high calorific value and most of our coal exports are to large creditworthy buyers in north Asian markets. A significant proportion of our revenues come from domestic coal sales and power sector business, both of which have more stable, less volatile and lower risk earnings dynamics.

In the face of a weaker coal market and an uncertain global macro-economic outlook, however, we must be prudent. During the second half of last year and into 2013 the focus of the Company has been on strengthening our 'core'. That means rationalizing costs, enhancing our productivity, securing our infrastructure access, streamlining our systems and improving our skills base. Going forward, Banpu will also be strengthening the synergies between its different businesses: marketing synergies between Indonesia and Australia, power market knowledge, vertically integrated coal-to-power opportunities, Mongolia-China synergies and so on. These areas of synergy are also likely to represent key themes for both organic and inorganic growth in the years ahead.

We are making good progress. My intention is to ensure that Banpu is able both to weather any further 'storms' and to take full advantage of any coal price recovery and other growth opportunities which may arise in the future. We will not just 'prepare for the worst and hope for the best', we are preparing deliberately both for the worst and the best.

Despite the challenging environment, I continue to have faith in Banpu's management and staff. I am constantly impressed by their dedication, hard work and determination to rise above short time problems to focus on longer term improvements and growth. The *Banpu Spirit* is alive and well. This is what inspires confidence in me that Banpu's future is secure and sustainable. Allow me to take this opportunity once again to extend my sincere and warmest thanks to all Banpu stakeholders for their commitment last year and going forward. I look forward to working with you all again in 2013.

Mr. Chanin Vongkusolkrit

Chief Executive Officer





KEY FINANCIAL RESULTS

Total Assets

Total assets as of 31 December 2012 was at THB 222,047 million, a decrease of THB 2,964 million or 1% compared to 31 December 2011, due mainly to a decline in cash by THB 6,753 million and accounts receivable from divestment of a subsidiary by THB 2,138 million, which is an accrued income from the disposal of interest in a joint venture in China. Meanwhile, machinery and equipment saw a net increase of THB 3,627 million.

Total Shareholder's Equity

Shareholders' Equity totaled THB 88,604 million, a decrease of THB 51 million compared to 31 December 2011. Major items affecting change in shareholders' equity include 1) dividend payment of THB 11,169 million 2) loss incurred from foreign exchange translation of THB 2,303 million 3) the 2012 net profit at THB 9,293 million 4) non-controlling interest of THB 4,001 million and 5) change in fair value of available-for-sale securities at THB 127 million.

Net Debt to Equity Ratio

Net debt equaled THB 73,804 million, an increase of THB 8,515 million from the previous year mainly due to issuance of debentures valued THB 6,000 million, a decrease of operating cash flow by THB 6,043 million, and partial repayment of loans at THB 1,524 million. Net debt to equity ratio increased from 0.74 times in 2011 to 0.83 times in 2012.

Total Sales Revenues

Total sales revenue of THB 117,337 million, an increase of THB 4,933 million compared to the previous year, or 4%. This was mainly due to an increase in Indonesian coal sales volume.

Total coal sales in 2012 was 41.6 million tonnes, of which 27.2 million tonnes came from the Company's Indonesian mines, 14.3 million tonnes came from Australian mines, and 0.07 tonne from a Thai mine.

The 2012 average selling price for Indonesian coal was USD 90.98 per tonne and AUD 72.86 per tonne for Australian coal.

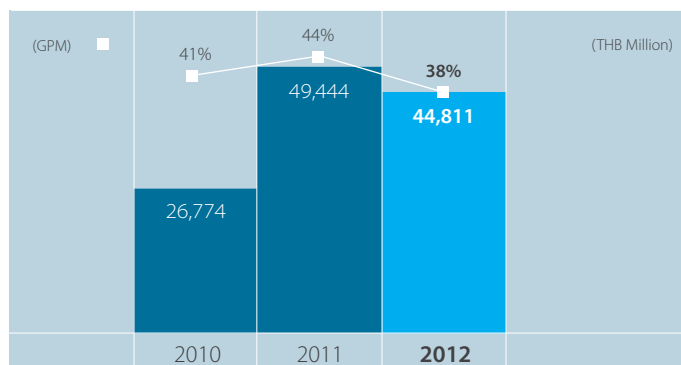
				(THB Million)
	193,122	225,010	222,047	
	2010	2011	2012	
				(THB Million)
	69,059	88,656	88,604	
	2010	2011	2012	
				(Times)
	1.07	0.74	0.83	
	2010	2011	2012	
				(THB Million)
	65,285	112,404	117,337	
	2010	2011	2012	



Gross Profit and Gross Profit Margin

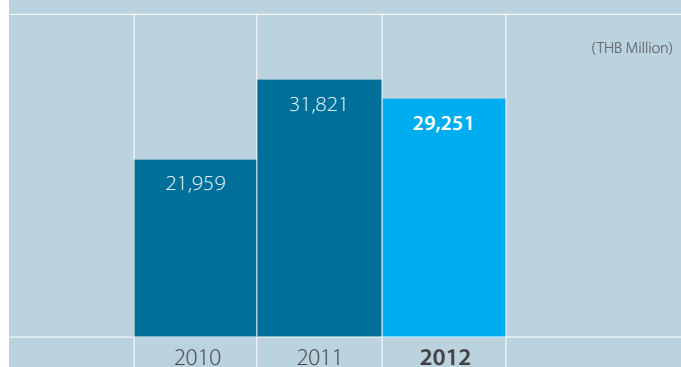
Gross profit for 2012 equaled THB 44,811 million, decreasing 4,632 million from the previous year due to lower global coal prices.

Gross profit margin was at 38%, declining from 44% in 2011. Gross profit margin from coal business was 39% compared to 46% a year earlier while power business's gross profit margin was 17% compared to 10% in 2011.



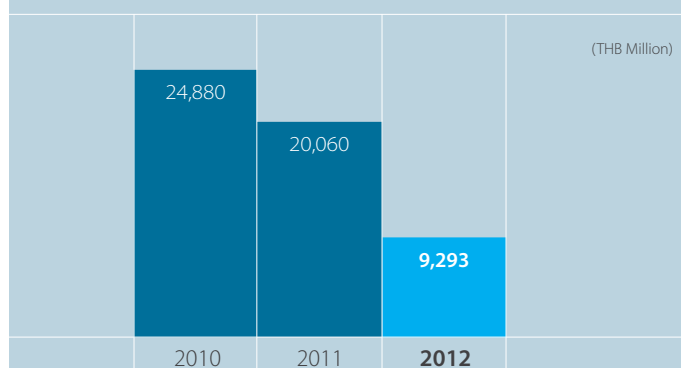
EBITDA

EBITDA was THB 29,251 million, decreasing THB 2,570 million or by 8% compared to the year before. Of this, THB 26,870 million was from coal business and THB 2,381 million from power business.



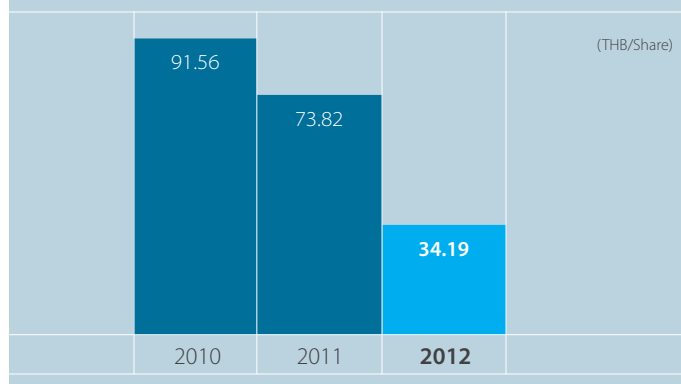
Total Net Profit

Total net profit for the year ending 31 December 2012 was THB 9,293 million, decreasing by THB 10,767 million or 54% from 2011 when the profit from divestment of an asset amounted THB 8,254 million was recorded, constituting to a total net profit of THB 20,060 million in 2011. Profit from core business was affected by weakening coal price starting from early 2012.



Earnings Per Share

Earnings per share as of 31 December 2012 was THB 34.19, a decrease of 54% from the same period in 2011 at THB 73.82 per share.





2012 FOCUS: THROUGH THICK AND THIN: THREE DECADES OF GROWTH

Banpu was established in 1983. From small beginnings in Thailand, over the past 30 years the Company has grown into one of the Asia-Pacific region's leading coal-based energy players. Banpu is unique in its geographic reach in the coal sector with projects and operations in six Asia-Pacific countries. The Company is also distinctive in its innovative approach to building long term shareholder value in a way that also maximizes value to all stakeholders. It is this philosophy which has underpinned Banpu's longevity to date and which will ensure the sustainability of its growth and success in the future.

The Early Years: Indigenous Energy

Banpu was initially established around a small lignite mining venture in the north of Thailand in 1983. Although Banpu started on a small scale, it was nonetheless conceived around an important idea: that coal is an indigenous Asian resource and that it is both cheaper and more reliable than oil and gas as a source of energy in the region. The decade preceding Banpu's formation witnessed severe global oil supply disruptions and price spikes. Banpu's starting rationale was therefore to develop domestic coal resources as an alternative fuel for industrial boilers in Thailand.

Even though the intention was to develop a large corporate venture, the name 'Ban Pu' was chosen to honor the village and the local resource upon which the foundations of the Company were first built. This symbol of respect for local communities and the environment has become a theme in Banpu's development ever since.

By the late 1980s Banpu was selling around 1 million tonne of coal per annum (including a one-third share in Lanna Lignite) and had a sufficient profit track record to consider a stock market listing. Banpu was floated on the Stock Exchange of Thailand (SET) in 1989, raising towards THB 100 million. At the end of the first day of trading the company had a market capitalization of just under THB 0.5 billion.

The 1990s: Breakout Expansion and Diversification

Benefitting from good stock market conditions and a rising share price, Banpu raised fresh equity capital throughout the early and mid-1990s. Although some of the capital raised was invested in new coalmining projects in Thailand, domestic coal resources were limited and Banpu was forced to seek other ways of expanding:

1. Large-scale Coal Contract Mining:

Banpu successfully bid for a 10 year contract to operate EGAT's lignite mine at Mae Moh starting in 1992. The contract involved the removal of around 40 Mtpa of overburden and 6 Mtpa of lignite per year, giving Banpu its first opportunity to practice and develop large-scale mining expertise.

2. Indonesian Coal:

Banpu participated in a government-led delegation to Indonesia in 1990 to assess coal investment opportunities in that country. Initially the Company conducted exploration work in Sumatra but by 1996 had acquired the Jorong concession in South Kalimantan. In 1998, the Jorong mine was commissioned, eventually ramping up to around 3 Mtpa.

3. Australian Coal:

Banpu also looked further a-field for coal investment opportunities and in 1991 took a minority stake in an Australian coalmining company. Although the shares were sold by 1998, the experience sewed the seed for Banpu's renewed interest in Australia a decade later.



4. Power and Steam:

In 1993, Banpu set up Thai Cogeneration, later renamed 'COCO', along with venture capital from a Swedish group to develop a power and steam project in Map Ta Phut Industrial Estate as part of EGAT's first SPP programme. In 1995, Banpu also formed two joint ventures with partners to bid for projects under EGAT's new IPP programme: Tri-Energy Co, a 700 MW gas-fired project in Ratchaburi, and BLCP, a 1,400 MW coal-fired project in Rayong.

5. Other Mining:

In the 1990s, Banpu also diversified into industrial minerals in Thailand and Vietnam – and was involved in the development of the Chatree gold mine in Thailand, eventually earning the Company shares in Kingsgate, listed on the Australian Stock Exchange.

In responding immediately to the Thai government's liberalization programme in the 1990s, Banpu became a pioneer in the development of country's private power sector. By 1996, Banpu achieved commissioning of COCO's first 300 MW power generation unit, a listing of COCO on the SET, signature of TECO's PPA and approval of its BLCP bid. By this time Banpu had established itself as a diversified energy player with a billion dollar market capitalization, a thousand employees and good growth prospects.

1997-2000: Years of Crisis Management and Reflection

The onset of the Asian economic crisis in July 1997 was the first major set-back for the Company since its formation. The crisis brought with it a number of challenges for Banpu as it did for most Thai companies. Banpu had to restructure, initially involving a phased divestment of COCO between 1998 and 2001. Although some proceeds were invested in a shareholding in RATCH, a large Thai power group, the question of how to use the Banpu's remaining capital and how to restructure and refocus the Company in a more fundamental way became the subject of reflection and a strategic rethink around 2000-2001.

2001-2010: Becoming a Regional and 'Local' Coal-based Energy Player

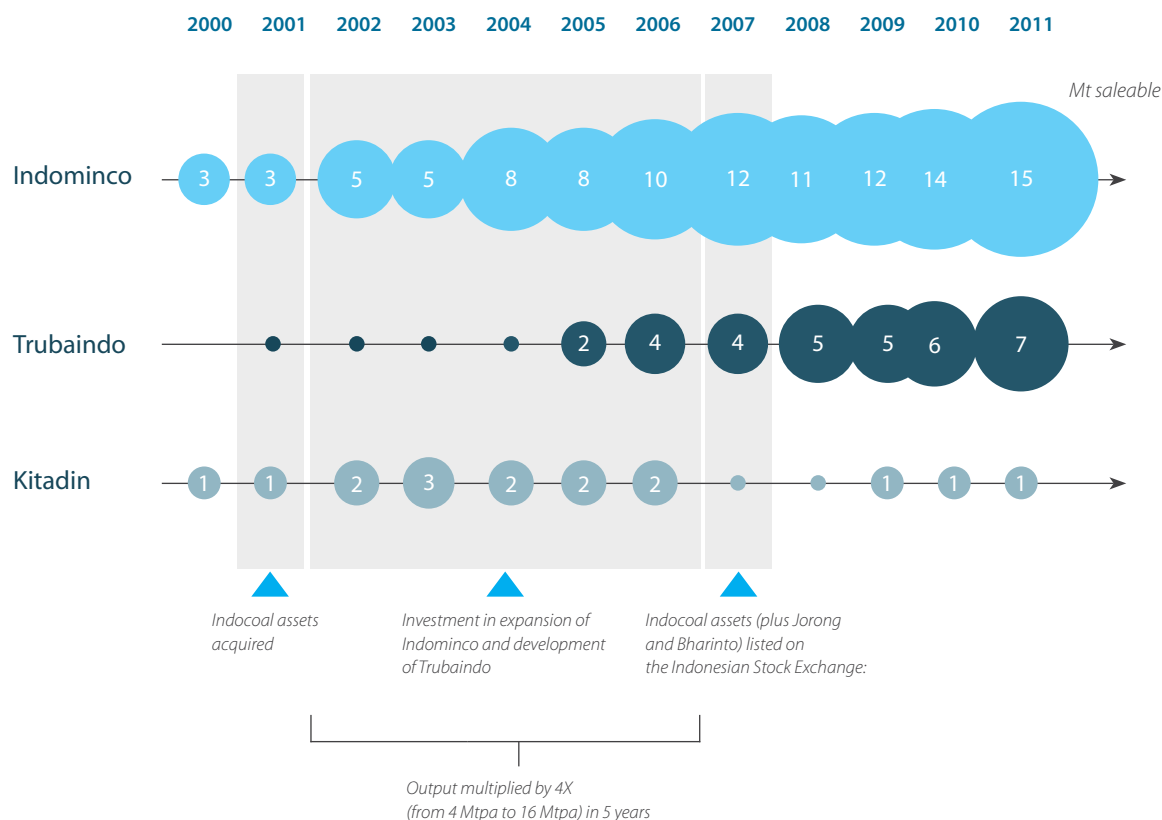
The outcome of the strategic review was a decision to focus around what the Company saw as its core skills and competitive advantages, namely coal and coal-fired power, and to expand in these industries around the region. Commensurate with this strategy, Banpu also planned to gradually divest all other non-core investments and to reinvest proceeds in the core businesses.

Of critical importance, Banpu determined not only to expand regionally but to make sure that in each country where it acquired new operations or made new investments, it would do so in ways that showed full respect for local communities, culture and practices. The Company has therefore treated local communities, their representatives and regulators as Banpu 'stakeholders' and has always done everything it can to ensure that as Banpu grows, creating 'shareholder value', it also creates and maximizes 'stakeholder value' in tandem.

Indonesia

In March 2001, Banpu made a decisive move to expand its coal business outside Thailand by acquiring a group of companies known as 'Indocoal', including two existing operations in East Kalimantan: Indominco and Kitadin-Embalut plus two undeveloped deposits: Trubaindo in East Kalimantan and Barasentosa in Sumatra. In 2002, Banpu was able to consolidate the equity of the acquired companies.

The total Indocoal acquisition cost was less than USD 170 million, but between 2003 and 2005 the Company focused capital investment on expanding Indominco and on commissioning Trubaindo. Importantly, Banpu also developed extensive and far-reaching local community development programmes around its mining projects in Indonesia. As a result of these investments in the physical assets and in the stakeholders associated with them, output from the Indocoal business was augmented by a factor of four times between 2001 and 2006. During the same period coal prices approximately doubled, the combined effect bringing substantial returns to Banpu's shareholders.



In 2007, Banpu consolidated its Indonesian coal interests into one entity, including the Bharinto project (adjacent to Trubaindo, acquired in 2004) and Jorong. The new company, PT Indotambangraya Megah Tbk (ITM), was floated via an initial public offering (IPO) on the Indonesian Stock Exchange in the same year with the objectives of enhancing local accountability, corporate governance and corporate citizenship. Indonesian investors participated in the offering and have become significant shareholders in ITM ever since. On close of trading on the first day, ITM's market capitalization was worth over USD 2 billion.

China

In parallel with the expansion in Indonesia, Banpu assessed the potential for coal sector investment in other countries including India and China. In 2003, Banpu took its first step in China taking a minority stake in AACI, a venture with interests in two underground coalmining projects in Shanxi province: Daning (56%) targeting 4 Mtpa and Gaohe (45%) targeting up to 6 Mtpa. Two years later Banpu established a new joint venture in Henan province to develop another underground coal mine called Hebi Zhong Tai with capacity of around 1.5 Mtpa. By 2006, Banpu could claim 1 Mtpa of equity coal output in China, with Daning's longwall being commissioned in that year. In 2008 Banpu went a step further and acquired full control of AACI for a consideration of just over USD 420 million.



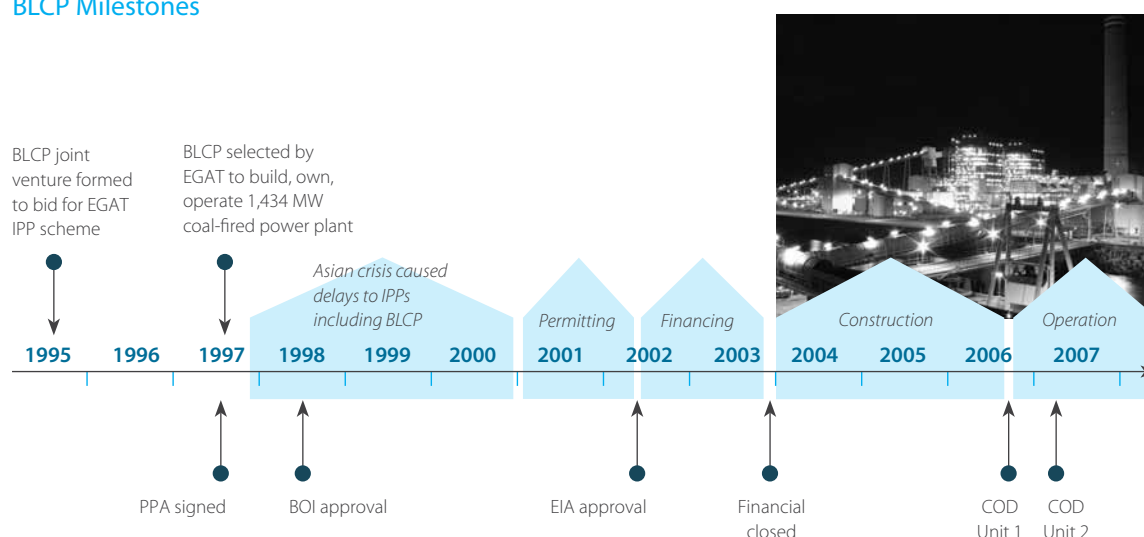
Australia

In 2010 came the climax of Banpu's regional coal sector expansion, with the acquisition of Centennial in Australia for over USD 2 billion. In that year Centennial had run-of-mine equity coal output of just over 14 Mtpa from ten high calorific value mines in New South Wales, mainly from underground longwall operations. The transaction more than doubled Banpu's equity coal resources to over 3 billion tonnes and marked a major shift in Banpu's geographic risk structure.

Power

During decade to 2010, Banpu divested its gas-fired interests (the TECO stake in 2002 and the RATCH stake in 2010) but also made big moves to expand its coal-fired power business. In 2000, Banpu increased its stake in the BLCP project to 50% and in 2003 successfully closed a USD 1.1 billion financing facility for project with construction starting in that year. The first BLCP unit was commissioned in 2006 and the second by early 2007, with total power generation capacity of 1,434 MW.

BLCP Milestones



The year 2006 also saw two other important milestones in the development of Banpu's power business with the acquisition of Peak Pacific in China and an agreement with the government of Laos to develop a vertically integrated lignite-fired power project at Hongsa in Xayaburi province.

The Chinese power business consists of three plants, two in Hebei province and one in Shandong province with combined power capacity of just under 250 MW and steam capacity of nearly 800 tonnes per hour.

After some delays, Banpu eventually secured a PPA with EGAT and record project financing of USD 2.8 billion for Hongsa in 2010. The 1,878 MW project is due for commissioning in 2015. Banpu has a 40% shareholding in partnership with RATCH and the Lao government.



2011 - 2013: Consolidation and Preparation for New Era of Growth

The year 2011 saw some changes in Banpu's coal strategy in north Asia with the divestment of Daning and the acquisition of coal resources in Mongolia. These transactions coming quickly after the large Centennial acquisition have necessitated a period of consolidation and re-establishing some equilibrium internally within the Banpu group.

The need for another phase of consolidation and reflection has been reinforced by a downturn in the coal price. The expansion of shale gas supplies in the US and an unprecedented surge in US coal available for export has combined with global macro-economic problems to create weakness in the Asian coal market since early 2011. For most of 2011 and 2012 the coal price was in a downward trend, falling around 40% from peak to trough.

Although the Asian benchmark coal price has risen from its lowpoint in recent months, the current focus of Banpu since early 2012 and into 2013 has been on strengthening the 'fundamentals' of the Company. Key themes include:

- **Cost rationalization and productivity:** Banpu has been seeking ways of cutting unit costs at its Australian and Indonesian operations and improving efficiencies. Measures have included productivity improvements, putting high cost mines on care and maintenance (e.g. in Australia) and reducing strip ratios (e.g. in Indonesia). Banpu has also taken steps to cut administrative and overhead costs at all levels. Further cost reductions are being targeted in 2013.
- **Capital planning:** Banpu has postponed a number of capital expenditure projects and held back on all non-essential investment in the short term. Overall Banpu's medium term capital expenditure plans have been reduced by nearly 30%.
- **Synergy drive:** Banpu is unique in its geographic spread and expertise across the coal value chain into power. Going forward Banpu will be developing ways of strengthening the synergy value and interconnectivity of its different businesses. Key areas of focus will include maximizing the value of Banpu's regional portfolio of different coal qualities, Indonesia-Australia marketing synergies, knowledge of the North Asian power market, Mongolia-China synergies and vertically-integrated coal-fired power.
- **Human resources development:** Banpu today has around 6,300 personnel, of which nearly half are in Indonesia, just under 30% are in Australia and the rest are mostly in Thailand and China. Banpu has a unique and dynamic diversity of technical skills and cultural backgrounds amongst its staff to draw upon, representing a 'resource' for the Company every bit as valuable as its coal resource base. We will continue to develop the skills and capabilities of all our staff through training courses, innovation drives, staff rotations, secondments and other programmes.
- **Financial streamlining:** Banpu is optimizing its capital structure and strategy including measures to buy-back Banpu shares at low share prices, reducing the total amount of gross debt, lengthening debt maturities, enhancing the US dollar component of its debt exposure - and pushing debt down in the group to asset and intermediary levels.
- **Organic growth:** Achieving the full potential of our current organic growth projects should deliver significant value creation for our shareholders in the medium term. In particular, the completion of the Hongsa mining and power project in Laos, the ramp-up of Bharinto to around 5 - 6 Mtpa in Indonesia and the expansion of Gaohe (which obtained its operating licenses last year) up to 5 - 6 Mtpa in China should substantially expand our earnings base in these countries.

The combined effect of these measures will be to create a leaner, stronger and more dynamic platform for long term growth and for facing any further challenges. The future is always uncertain – and so the underlying objective is, as it has always been, to enhance the fundamental sustainability of the Company. Banpu is resilient to exogenous shocks – but is also ready to seize new growth opportunities - and to make the most of any more substantial coal price recovery.

While Banpu will continue to push the boundaries of its business and explore new horizons in the years and decades ahead, at its core the Company will remain what it has been since its inception around small lignite resource near a village in northern Thailand thirty years ago: an indigenous *Asian* energy company. The Banpu 'Spirit' resides in the indigenous energy resources and physical earth of the Asia-Pacific region, in the local communities that depend on and live around our operations – and in Banpu's 'people': our employees and all other stakeholders who we work with every day, guided in our actions by the essential principles of *care, integrity, innovation and synergy*.



SUMMARY OF MAJOR CHANGES AND DEVELOPMENTS IN 2012 AND MAJOR CURRENT EVENTS

- On 5 April 2012, Banpu Group disposed the investment in Hunnu Coal (Hong Kong) Ltd., a Banpu subsidiary. In addition, Hunnu Holding Pty Ltd., another subsidiary, registered its dissolution and liquidation on 3 April 2012. There was no significant impact on the Group.

- On 24 May 2012, Banpu issued senior unsecured debentures in Thai Baht including a THB 3 billion debenture with a 7-year maturity and a THB 3 billion debenture with a 10-year maturity, totaling THB 6 billion. The coupon rates were 4.73% per annum and 4.94% per annum for the 7- and 10-year debentures respectively. Debentures were offered to institutional investors and/or high-net-worth investors.

- On 3 July 2012, Silamani Corp. Ltd. and Silamani Marble Co., Ltd. (the Banpu Group's subsidiaries) registered its dissolution with the Department of Business Development, Ministry of Commerce. In addition, on 6 July 2012, Bansa-Mining Co., Ltd. completed its dissolution and liquidation proceedings. The dissolution had no impact on business operations of the Company.

- Tris Rating Co., Ltd. issued ratings of Banpu and its unsecured debentures at "AA-" with a stable outlook. The ratings reflect Banpu's position as a leading coal mining company in Asia, its diversified coal and customer base as well as the reliable stream of dividend income from its power business. The ratings also took into consideration the Company's healthy financial position, its flexibility to rationalize capital expenditures and capability to reduce operating costs during the downturn of coal industry.

- During 2012, Banpu Group increased investment value of its two subsidiaries, Banpu Minerals Co., Ltd. and Banpu New Energy Holdings Co., Ltd. by THB 3,160 million and THB 50.50 million respectively. In addition, the investment value of Banpu's joint venture holding in Ratchasima Green Energy Co., Ltd., increased by THB 45 million.

- On 29 August 2012, The Board of Directors' Meeting resolved to approve an interim dividend payment from retained earnings and the operating profit during the six-month period ended 30 June 2012 for 271,747,855 eligible shares at a rate of THB 9.00 per share, for a total of THB 2,445,730,695. The dividend was appropriated from the corporate income tax – exempted profit on which shareholders were not entitled to tax credits. The interim dividend was paid on 26 September 2012.

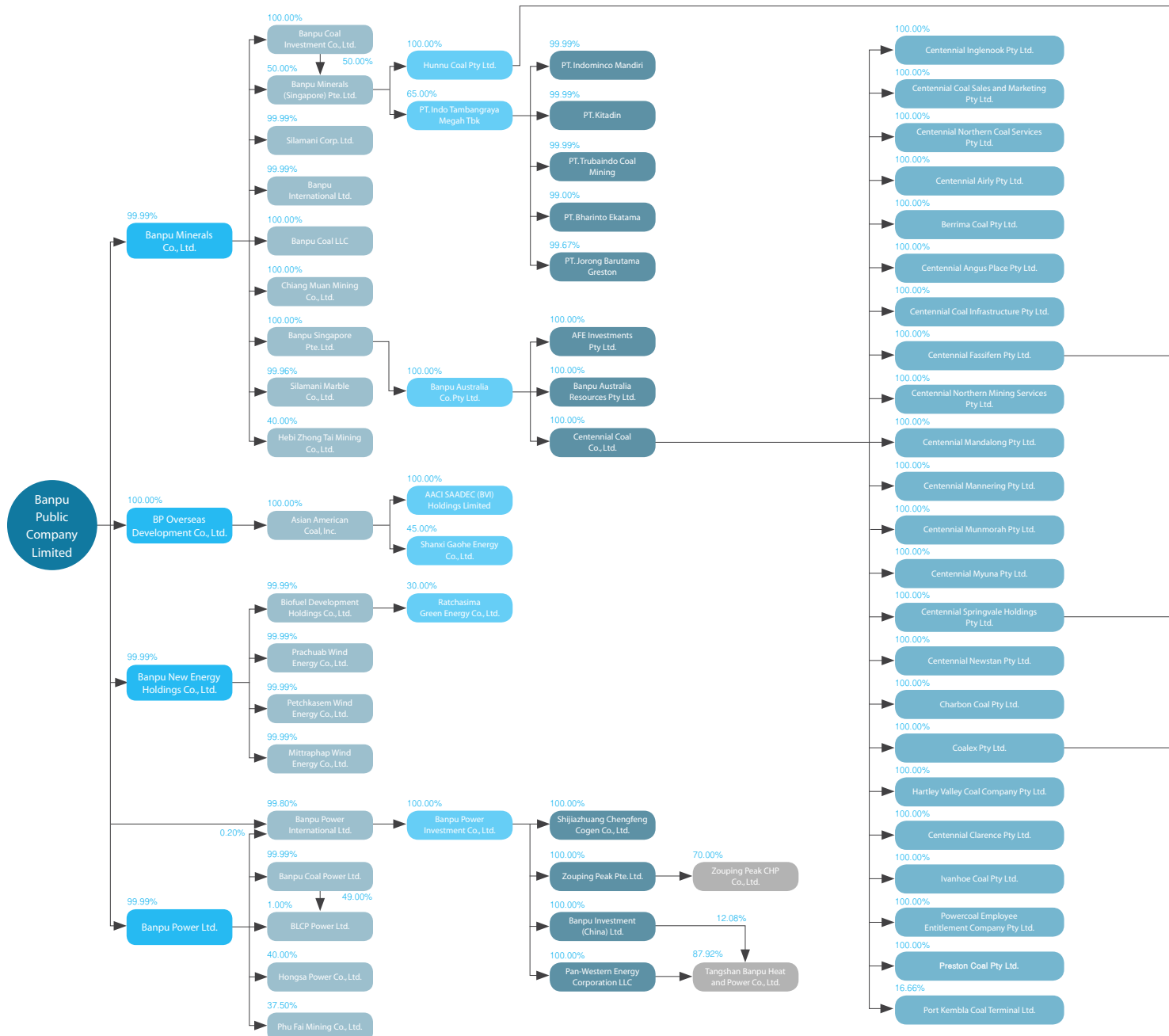
- On 20 February 2013, the Board of Directors' Meeting resolved to pay a total annual dividend of THB 18.00 per share arising from its performance during the period between 1 January 2012 – 31 December 2012, of which THB 9.00 was paid on 26 September 2012. The remaining dividend of THB 9.00 per share for 2012 performance would be paid out of the retained earnings and operating profit during the period of 1 July 2012 – 31 December 2012. The THB 9.00 dividend is appropriated from the corporate income tax – exempted profit on which shareholders are not entitled to tax credits. The dividend payment is scheduled for 26 April 2013.

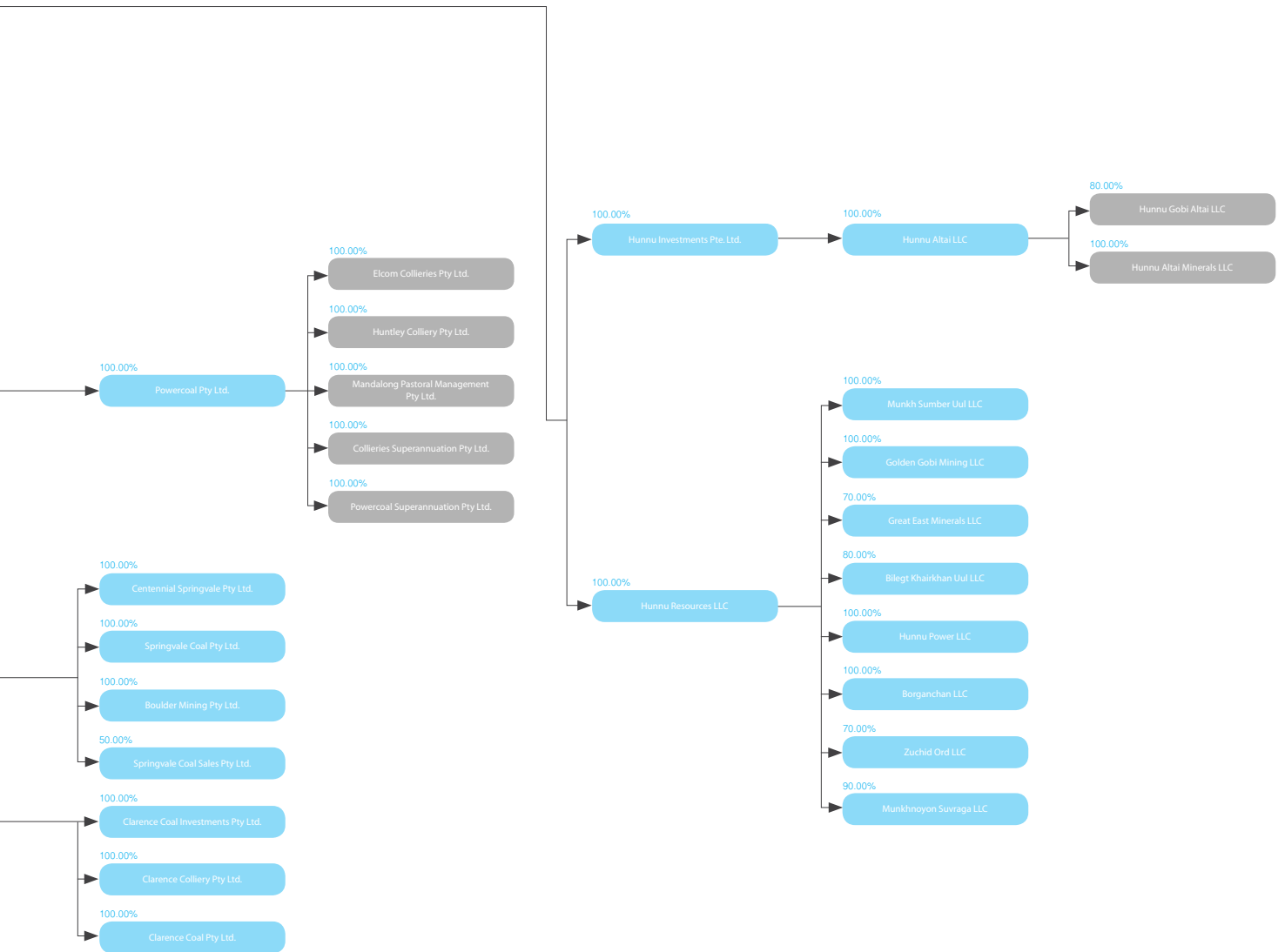


BANPU GROUP STRUCTURE

As of 31 December 2012

(Entities with 10% or more shares held by Banpu)

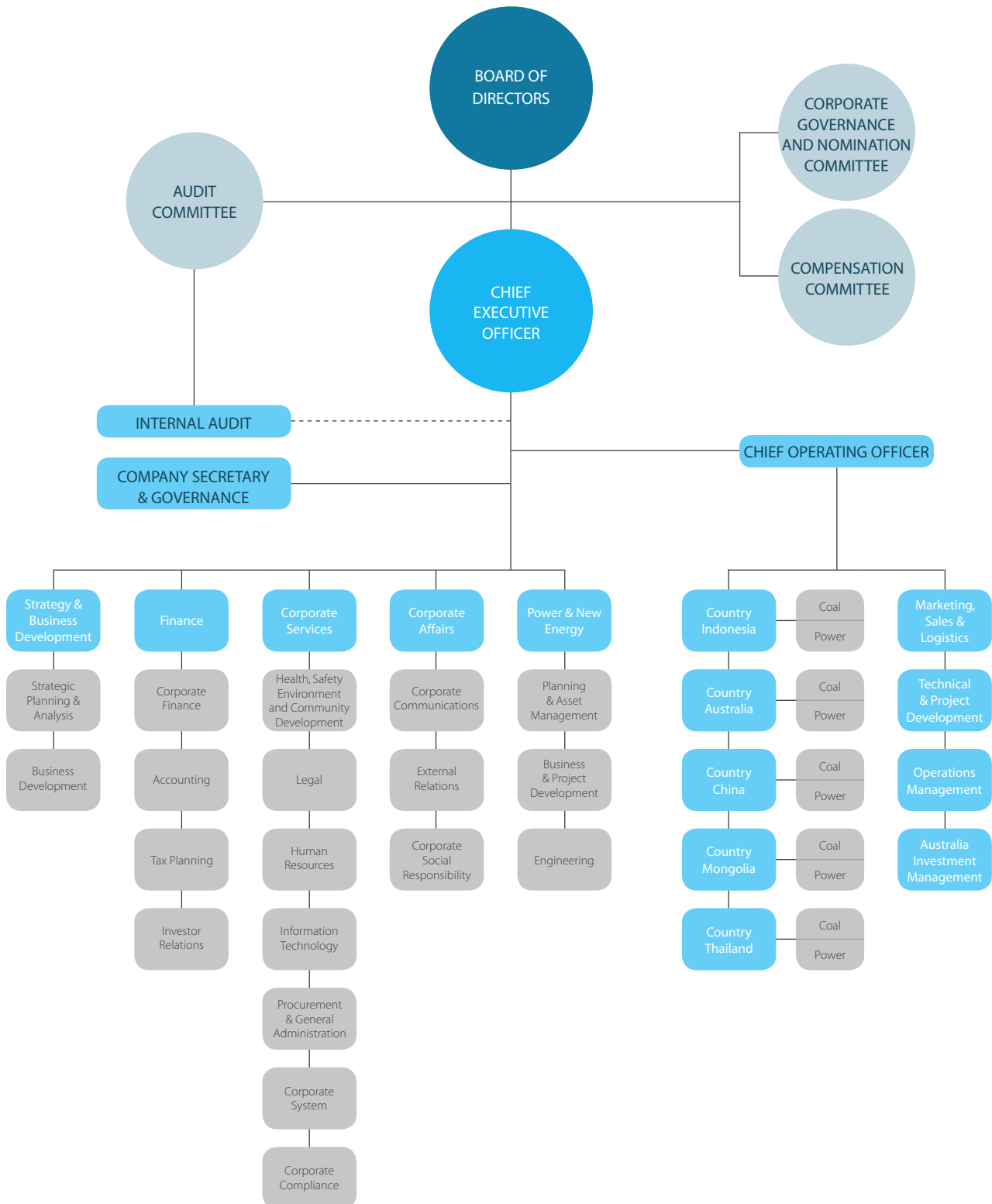






ORGANIZATION CHART

As of 31 December 2011





MANAGEMENT STRUCTURE

The Company's management structure as of 31 December 2012 consisted of the Board of Directors and executive officers. The Board of Directors consisted of independent directors, non-executive directors and executive directors. Independent directors accounted for half of the Board membership.

The Board set up three sub-committees, namely, the Audit Committee, the Corporate Governance and Nomination Committee and the Compensation Committee.

The Board also required that Chairman of the Board, Chairman of the Audit Committee, Chairman of the Corporate Governance and Nomination Committee, Chairman of the Compensation Committee and all directors in the Audit Committee be independent directors.

1. The Board of Directors consists of:

1. Mr. Krirk-Krai Jirapaet	Chairman of the Board of Directors / Independent Director
2. Mr. Vitoon Vongkusolkrit	Vice Chairman
3. Mr. Rutt Phanijphand	Independent Director
4. Mr. Montri Mongkolswat	Independent Director
5. Mr. Somkiat Chareonkul	Independent Director
6. Mr. Anothai Techamontrikul	Independent Director
7. Mr. Teerana Bhongmakapat	Independent Director
8. Mr. Metee Auapinyakul	Director
9. Mr. Chanin Vongkusolkrit	Director
10. Mr. Ongart Auapinyakul	Director
11. Mr. Rawi Corsiri	Director
12. Mr. Verajet Vongkusolkrit	Director

Note: Mr. Kopr Kritayakirana and Mr. Sawatdiparp Kantatham resigned from their positions as Director. The annual general meeting of the shareholders in 2012 resolved to elect Mr. Teerana Bhongmakapat to take Mr. Kopr Kritayakirana's position and Mr. Rawi Corsiri to take Mr. Sawatdiparp Kantatham's position, effective from 6 April 2012 onward.

Directors with Authority to Sign on Behalf of the Company

Any two of the following five board members have the authority to sign on behalf of the Company: Mr. Chanin Vongkusolkrit, Mr. Metee Auapinyakul, Mr. Ongart Auapinyakul, Mr. Verajet Vongkusolkrit, and Mr. Rawi Corsiri. These individuals are authorized to sign jointly on a document affixed with the Company's seal.

Note: Mr. Sawatdiparp Kantatham was a director with signatory authority until 5 April 2012. The Board of Directors' Meeting appointed Mr. Rawi Corsiri as a director with authority to sign on behalf of the Company in the 4/2012 meeting on 12 April 2012.

Duties and Responsibilities of the Board of Directors

The Board of Directors is accountable to shareholders with respect to managing the Company and supervising its management so that the firm achieves its goals while shareholders' interests are maximized. At the same time, the Board of Directors makes sure that the Company's business operations are in compliance with the Code of Conduct and that the interests of all stakeholders are considered.

The Board of Directors has a duty to comply with the laws, objectives and regulations of the company and with resolutions of the shareholders' meeting. It must perform duties with integrity and must safeguard short- and long-term interests of shareholders. The Board also complies with rules and regulations of the Stock Exchange of Thailand (SET), the Office of the Securities and Exchange Commission (SEC) and the Capital Market Supervisory Board established according to the Securities and Exchange Act, B.E. 2535 as amended by the SEC Act (No. 4), B.E. 2551.



To perform its duty, the Board entrusts the CEO to run the company's business. To supervise the company's business, the Board has formulated "the Practices for the Board of Directors of Banpu Public Company Limited" in 2009 as a guideline for the Board of Directors. The handbook consists of definitions, composition and criteria of the Board, directors' qualifications, terms of office and vacancies, duties and responsibilities of the Board as well as meetings and voting procedures. It was amended and edited in 2011 and 2012 to reflect changing responsibilities and business climates.

The Board has also formulated a charter for the Audit Committee, the Corporate Governance and Nomination Committee and the Compensation Committee as a guideline for their duties.

The Board also organizes an orientation session for new directors so that they are aware of what Banpu expects from them. Through orientation, the directors learn about their roles and responsibilities, about Banpu's corporate governance policy and practices, and about Banpu's business and operations. In addition, visits to the Company's different operational units are arranged for the new directors. These activities are carried out with the purpose to prepare them for the role of Banpu's directors.

The Board of Directors has a policy to enhance all directors' horizons on corporate governance, industrial outlook, businesses, new technology and innovations. Directors are encouraged to attend seminars or trainings held by the Thai Institute of Directors (IOD) and other reputable institutions to sharpen their performance. In addition, seminars are held with the management to transfer technical knowledge directly related to the Company's business.

The Board of Directors also holds a joint meeting between independent directors and non-executive directors at least twice a year to allow directors to freely express and discuss opinions relating to management. The Company Secretary is required to submit a summary report of these meetings to all directors.

The Board of Directors also requires a "Board Retreat" to be held annually to provide directors with an opportunity to raise issues, express opinions or provide recommendations with the aim of improving teamwork and administrative direction.

The Board of Directors requires that the Board itself be subject to a performance evaluation once a year. Independence of directors is also assessed on an annual basis. This duty is entrusted to the Corporate Governance and Nomination Committee.

The Board requires the three sub-committees to do their own self-assessment, and the Corporate Governance and Nomination Committee has set a standard assessment form which focuses on roles and responsibilities corresponding to each Committee's charter. The sub-committees will use the assessment form as a part of their performance report presented to the Board annually, starting in 2012.

2. The Audit Committee consists of:

- | | |
|-----------------------------|---------------------------------|
| 1. Mr. Somkiat Chareonkul | Chairman of the Audit Committee |
| 2. Mr. Montri Mongkolswat | Member |
| 3. Mr. Teerana Bhongmakapat | Member |

The Audit Committee's term of office is three years from April 2010 to the 2013 Annual General Meeting of Shareholders.

Duties and Responsibilities of the Audit Committee

The Audit Committee has a duty to review the Company's financial statements, its adequacy of internal control and risk management systems, and compliance with applicable laws and regulations. The Audit Committee is also required to prepare a report or to give opinions to the Board of Directors for approval or for submission to the shareholders' meeting, as the case may be. (See more information in Banpu's website at http://www.banpu.com/en_subcommittee.php)



3. The Corporate Governance and Nomination Committee consists of:

- | | |
|-------------------------------|---|
| 1. Mr. Anothai Techamontrikul | Chairman of the Corporate Governance and Nomination Committee |
| 2. Mr. Rawi Corsiri | Member |
| 3. Mr. Verajet Vongkusolkrit | Member |

The details are as follows:

- Mr. Kopr Kritayakirana held the position of Chairman of the Corporate, Governance and Nomination Committee from 1 January to 5 April 2012 and has retired from directorship in the 2012 Annual General Meeting of Shareholders.
- Mr. Sawatdiparp Kantatham held the position of a member of the Corporate Governance and Nomination Committee committee from 1 January to 5 April 2012 and has retired from directorship in the 2012 Annual General Meeting of Shareholders.
- Mr. Anothai Techamontrikul took the position of Chairman of the Corporate, Governance and Nomination Committee in April 2012.
- Mr. Rawi Corsiri took the position of member of the Governance and Nomination Committee in April 2012.

The Corporate Governance and Nomination Committee's term of office is three years, starting from April 2010 to the 2013 Annual General Meeting of Shareholders.

Duties and Responsibilities of the Corporate Governance and Nomination Committee

According to its charter, the Corporate Governance and Nomination Committee has two major duties. Firstly, to review the Corporate Governance Policy and the Code of Conduct as well as to monitor compliance of the policy and practices within Banpu's Code of Conduct. Secondly, to nominate directors and Chief Executive Officer to review a succession plan in order to nominate appropriate persons to fill the management positions (from department head level and higher), and to submit recommendations to the Board of Directors for approval or for submission to the shareholders' meeting, as the case may be. (See more information in Banpu's website at http://www.banpu.com/en_subcommittee.php)

4. The Compensation Committee consists of:

- | | |
|-----------------------------|--|
| 1. Mr. Rutt Phanijsaphand | Chairman of the Compensation Committee |
| 2. Mr. Vitoon Vongkusolkrit | Member |
| 3. Mr. Montri Mongkolsawat | Member |

The Compensation Committee's term of office is three years from April 2010 to the 2013 Annual General Meeting of Shareholders.

Duties and Responsibilities of the Compensation Committee

The Compensation Committee's duty is to provide suggestions related to compensation management to the Board of Directors for approval or for submission to the shareholders' meeting, as the case may be. (See more information in Banpu's website at http://www.banpu.com/en_subcommittee.php)

5. The Management* consists of:

- | | |
|---------------------------------|---|
| 1. Mr. Chanin Vongkusolkrit | Chief Executive Officer |
| 2. Mr. Somyot Ruchirawat | Chief Operating Officer (Deputy Chief Executive Officer**) |
| 3. Ms. Somruedee Chaimongkol | Assistant Chief Executive Officer - Finance |
| 4. Mr. Sathidpong Wattananuchit | Assistant Chief Executive Officer - Corporate Services |
| 5. Mr. Akaraphong Dayananda | Assistant Chief Executive Officer - Strategy and Business Development |
| 6. Ms. Udomlux Olarn | Senior Vice President - Corporate Affairs |

Note: * The next first four executives from the CEO are those announced in the Company's organization structure effective from 1 January 2009. The four are appointed to manage the coal business unit, the power business unit, finance, corporate services, strategy and business development and corporate affairs.

** Mr. Somyot Ruchirawat has been appointed Deputy Chief Executive Officer and Mr. Voravudhi Linananda has been appointed Chief Operating Officer since 1 January 2013.



Duties and Authority of Chief Executive Officer

The Board of Directors sets operational goals for the CEO and evaluates his performance every year. The CEO then evaluates the performance of executive officers and senior executive officers by using goals and evaluation criteria linked closely with Banpu's strategic plan and annual operating plan, and uses this information to set appropriate and attractive compensation packages and incentives. (For more information, please see 56-1 Form: CEO's duties and responsibilities).

6. Independent Directors, who account for 50% of the Company's Board of Directors consists of:

- | | |
|-------------------------------|----------------------|
| 1. Mr. Krirk-Krai Jirapaet | Independent Director |
| 2. Mr. Montri Mongkolswat | Independent Director |
| 3. Mr. Teerana Bhongmakapat | Independent Director |
| 4. Mr. Somkiat Chareonkul | Independent Director |
| 5. Mr. Rutt Phanijphand | Independent Director |
| 6. Mr. Anothai Techamontrikul | Independent Director |

Banpu has defined the qualifications of "Independent Directors" following the Notification of the Capital Market Supervisory Board No. TorJor. 4/2552 dated 20 February B.E. 2552. (For more information, please see 56-1 Form and the Notification of Capital Market Supervisory Board No. TorJor. 4/2552 dated 20 February B.E. 2552).

7. Company Secretary

The Board of Directors has appointed Ms. Boonsiri Charusiri as the Company Secretary, whose duties and responsibilities are as stipulated in the Securities and Exchange Act (No. 4), B.E. 2551, an amendment of the Securities and Exchange Act B.E. 2535. The Company Secretary is responsible for organizing meetings for the Board of Directors and shareholders, ensuring compliance with the meetings' resolutions, and advising the Board on rules and regulations to which it must comply. Additionally, the Company Secretary is responsible for preparing and keeping the register of directors, the Board meeting invitation letters, the Board meeting's minutes, Banpu's Annual Report, invitation letters to attend the shareholders' meeting and its minutes, the report on conflict of interests of directors or executive officers and other duties as required by the Capital Market Supervisory Board.

Nomination of Directors and Executives

The Corporate Governance and Nomination Committee will nominate new directors to fill vacancies which arise due to end of the office term or other reasons. Nominations are made according to the following procedures:

1. The Committee will review the structure and composition of Board of Directors to strengthen its status.
2. The Committee will review general and specific qualifications of independent directors, add new nomination criteria and qualifications to suit the Company's requirements and circumstances and ensure compliance with the SET's requirements. The Corporate Governance and Nomination Committee will subsequently submit nominations to the Board of Directors for approval before seeking a resolution at the Annual General Meeting of Shareholders and making an official appointment.

For the nomination of executives, the Corporate Governance and Nomination Committee monitors a succession plan covering CEO, COO and senior executives to ensure that the Company will have competent executives with proper expertise and experiences to fill important positions in the future.



MARKETING AND COMPETITION

Marketing

1. Coal Marketing

1.1 Overseas Coal Market

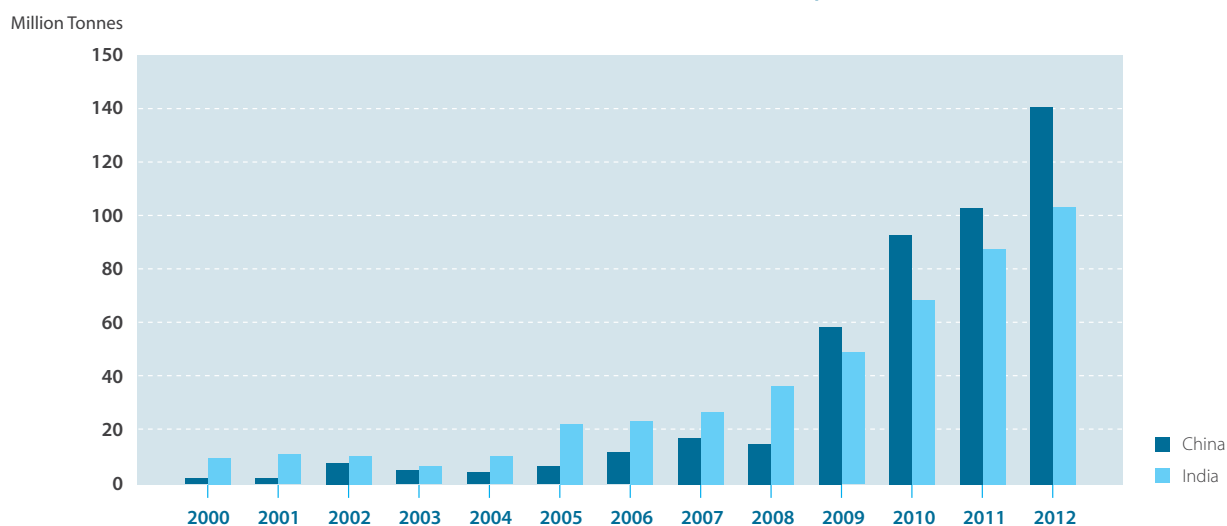
Demand for thermal coal in 2012 grew considerably from the previous year, mostly in Asia, particularly in China and India where there was a sharp rise in coal imports. However, coal production from major exporters exceeded global demand for coal imports, resulting in an oversupply that pressured coal prices throughout the year.

China's demand for thermal coal has grown dramatically since 2009, as a result of the country's continued economic growth. China was expected to become the world's number one importer of thermal coal in 2012, taking over from Japan, while India would rise to number three. However, with China's sluggish economy last year, coupled with the country's increased capacity for hydroelectricity generation, there was a slowdown in coal demand, resulting in increased coal stocks at power plants. Coal users, therefore, postponed their buying in the spot market. Coal buyers from China who entered into purchase contracts during late 2011 and early 2012 when prices were high re-negotiated prices with coal traders, while some refused to accept delivery. Consequently, coal traders were forced to reoffer the coal in the spot market, which pressured coal prices further. At the same time, due to a sluggish economy, the deflation of the rupee and predictions that coal prices would go down, Indian coal buyers put off buying.

Japan's demand for coal in 2012 increased as the country had recovered from the tsunami catastrophe in March 2011. The rebound was further supported by an accident at the Fukushima Nuclear Power Plant, which brought coal consumption back to high levels.

In Europe, coal demand in 2012 grew despite the ongoing debt crisis, particularly in the UK where the demand rose sharply. With rising natural gas prices and low carbon credit prices, the coal-fired power plants were able to make more profits than the gas-fired ones, prompting several European countries to run their generators on coal. Europe's demand for coal was expected to rise by 10% from 2011. Despite growing demand, coal prices in Europe dropped as a result of high supply. Coal stocks at major ports and power plants in Europe remained high throughout the year, surpassing demand.

China and India Thermal Coal Import





In terms of supply, production in Indonesia and Australia increased due to production capacity expansion and development of coal transportation systems over the past couple of years. Meanwhile, the US increased its coal exports in relation to a swift drop in domestic demand which resulted from an economic slowdown and the unusual warm weather. As shale gas prices in the US were very low, power plant operators decided to increase the production of natural gas-generated electricity and lower that of coal-fired electricity, thus creating an oversupply of coal and prompting coal producers to increase their exports to overseas markets. In early 2012, a flow of US coal entered Asia due to the region's high coal prices and low sea freight charges. Furthermore, there was an oversupply in Europe, particularly in output from Colombia and Russia. Producers in these two countries, therefore, tried to push their coal into Asian markets.

Coal prices in early 2012 were at high levels before experiencing a gradual drop throughout the year due to several reasons. Firstly, Chinese and Indian buyers slowed down their purchases as their demand did not rise as expected. Secondly, the world's major coal producers were able to meet their production target thanks to a suitable climate. Lastly, output from the US and Colombia exceeded demand in European and US markets and was channeled to Asian markets, thus further pressuring coal prices in Asia. In late 2012, the coal prices sank below production costs of many mines. However, prices are unlikely to drop below the current level or else supplies will disappear from the market.

Late last year, taking advantage of a fall in coal prices, the Chinese government decided to abolish the annual contract price scheme, allowing traders and buyers to negotiate prices on their own. Effective since 1 January 2013, the new measure is expected to help boost China's coal imports since delivering coal from northern China for use in the south costs more than importing it. The competition between local and foreign producers will bring global coal prices more into line with Chinese coal.

Competition Strategies

Competition in 2012 got more aggressive because of an oversupply, particularly in the low-rank coal market due to an increase in output from Indonesia. With Banpu's focus on high-rank coal, the impact from the competition was not critical. However, prices weakened as customers enjoyed more options. The Company used the following strategies:

- **Expanding Customer Base**

Banpu intensified its market expansion in China and India, the world's highest-growth markets for coal. Last year, sales of coal produced by the Company's Indonesian coal mines were sold mainly to China and India. These markets grew by 23% and 43% respectively. Meanwhile, the Company maintained its customer base in core markets, including Japan, South Korea, and Taiwan, resulting in sale increases of 10%, 15%, and 10% in these markets respectively. Moreover, sales in Indonesia, which is the Company's main production base, grew by 20%.

- **Expanding Transportation Channels at Bontang**

In addition to operations at the Bontang Terminal, Banpu enabled offshore coal transportation near the terminal using a floating crane to transport coal from barges to a large liner. This expansion helped the Company increase its delivery capacity better responding to customer needs.

- **Strengthening the "Banpu" Brand**

The Company continued to strengthen the "Banpu" brand by sponsoring global coal conferences held in different countries. In addition, Banpu's executives were invited to speak at various international coal business forums, making the Company become more recognized by coal producers, traders and users around the world. Being able to always keep its promises with customers and maintain its reputation as a producer of high-quality coal with reliable delivery and professional operations has established "Banpu" as a brand of a world-leading coal producer.



- **Focusing on Long-term Customer Relationships**

With an emphasis on building long-term customer relationships, Banpu has a large number of regular customers. Customer relationships are strengthened by various activities, including giving the Company's performance updates on a regular basis, exchanging information about the coal industry, and organizing the Company's facility visits.

- **Updating Customer and Market Databases**

Banpu frequently updated its customer and market databases, which were used for planning and improving the Company's strategies, to respond to marketing situations in each period and to the needs of each customer.

- **Visiting Customers**

Apart from sending sales representatives to regularly visit its customers, the Company also assigned staff from production and quality control to meet with customers in order to learn about their problems, so that new solutions can be developed. The Company's high-ranking executives also met and discussed with their counterparts, receiving feedback that led to development of products and services that would better meet customer needs. This helped forge closer relationships with customers and maintain a customer base in the long run.

Major Competitors

Major competitors were key producers in Australia, Indonesia, South Africa, and Russia. Last year, US and Colombian producers also entered Asian markets as coal prices in Asia were higher than Europe and sea freight charges sank to a very lower level.

Pricing Policy

Coal prices were usually based on global prices and determined by quality, calorific value, and properties. The prices, however, could not be lower than reference prices set by the Indonesian government. Prices could be fixed or floated based on global market prices, or the Index Link. The Company would adjust the proportions of fixed and floated prices according to market conditions at the time. Last year, the proportion of fixed prices was increased to be in line with predictions of a downtrend in global coal prices. In the first half of last year, the proportion of fixed prices was over 75% of the annual sales target, thus easing the impact from a price drop in the latter half of the year.

Customer Profiles

Banpu's customers were mostly large coal-fired power plants with high demand for coal to generate electricity. They are scattered in different countries, including Japan, South Korea, Taiwan, China, India, Malaysia, the Philippines, Indonesia, and some European countries. In addition, the Company also sold to cement, petrochemical, paper, plastic and chemical industries.

Distribution and Distribution Channels

To sell coal to customers, the Company either sold it directly or through agents, who helped to facilitate sales, documentation and after-sales service with customers. In countries where direct sales were difficult, the Company traded coal via trading companies and was, therefore, able to reach target customers and reduce marketing expenditure at the same time.

1.2 Australia's Coal Market

Coal is abundant in Australia, especially in Queensland and New South Wales where black coal, including sub-bituminous, bituminous and anthracite, are richest. According to the Australian Energy Resource Assessment, there are over 100 operating mines and more than 35 new mines which are in various stages of development in Australia. The Australian Bureau of Agricultural and Resource Economics (ABARE) has made the following observations of Australia:



- ***It is the world's fourth largest coal producer.***
- ***It is the world's largest coal exporter.***
- ***It is the world's largest coking coal exporter.***
- ***It is the world's second largest thermal coal exporter.***
- ***It possesses the world's fourth largest coal resources*** (with approximately 76.4 billion tonnes according to

ABARE).

- ***The main use of thermal coal in Australia is for power generation.***

The impressive economic growth of Asian countries, particularly China and India in the past several years, is the key factor for increased demand for thermal coal, which consequently benefits Australian thermal coal exports. Japan is the largest importer of thermal coal from Australia, prompting Australia to become the world's second largest thermal coal exporter after Indonesia. Australia exports its coal by sea, which means the country can benefit from convenient transportation and lower costs, as its major importers are close by.

- ***Coal Price History***

Coal prices in Australia are based on global market prices. Prices reflect quality, calorific value, and properties of the coal as well as the global demand and supply mechanism. As a major exporter of coal, Australia has its own reference price called Newcastle FOB, which is a spot market price at Australia's Newcastle port, excluding any transportation costs incurred.

Domestic coal prices, on the other hand, are negotiated between producers and customers with or without export parity reference prices. However, in case of long-term contracts, the agreed coal prices may differ from global market prices.

- ***Infrastructure***

A comprehensive infrastructure network gives Australia an edge in maintaining its leadership as a top coal exporter. In the coal industry, infrastructure consists of ports, roads, conveyor belts, and railroads. Long established coal mines in Australia are usually located on the shoreline and are readily equipped with a comprehensive transportation system. Newly developed mines may be located away from ports and require infrastructure development necessary for mine-to-port transportation. Therefore, the government has developed additional ports by allowing private companies to co-invest in these projects in an attempt to reduce limitations on coal exports.

1) Domestic Transportation

Roads and Conveyor Belts: Several power plants in Australia are located near coal mines where coal is transported via conveyor belts. Roads and conveyor belts are useful for short-distance transportation and local consumption.

Railroads: Rail systems are extensively used in coal transportation in Australia.

2) International Transportation

Ports: At the end of 2012, Australia had a transportation capacity of 461 million tonnes of coal per year. The capacity is expected to increase to 711 million tonnes per year at the end of 2020 (as estimated by Wood Mackenzie). The coal ship queue at the Newcastle port hit a record high in the past three years, underlining a need to improve the infrastructure for coal exports, an important issue for realizing export marketing plans by companies operating in Australia.



Centennial's Distribution

- **Centennial's Response to Continued Demand Growth**

Most coal produced by Centennial is used domestically by power plants in New South Wales. Even so, coal exports to power plants in Asian countries have been growing. Currently, Centennial supplies approximately 80% of coal needed by Delta Electricity power plants located in the Western Region, most of which are state-owned. Coal contracts signed with these power plants are long-term and the amounts of coal and prices are negotiated and settled in advance. The contracts made with New South Wales power plants offer Centennial a number of advantages which are as follows:

- **Centennial's coal mines have a coal transportation system that connects to the power plants directly (so-called mine-mouth power plants).** Equipped with roads and conveyor belts, the system gives Centennial an edge in transportation. It reduces transportation costs and minimizes impact on local communities.

- **Purchase contracts are in Australian dollars,** eliminating exchange rate risk.

- **The domestic market provides a continuing business.** It generates cash flow from reliable customers for Centennial.

Although coal prices indicated in purchase contracts are below export prices or global market prices, a number of changes witnessed in the coal market in the past few years are likely to push up the domestic prices to reflect export parity prices.

Such changes include:

- **Price hikes are caused by several factors,** such as production cost pressure, increased demand from export markets, a lack of new supply, and uncertainties involving new, current, and future supplies of coal. These are basic factors that will contribute to higher thermal coal prices in the near future. Centennial has stated that once these existing domestic contracts expire, new contract prices might be adjusted to reflect export parity prices.

- **The improvement and development of infrastructure has significantly facilitated and paved the way for coal exports.**

- **Overseas power plants have come to realize that securing a reliable and sustainable coal source is important.** Foreign power plants have invested in coal mines in Australia to secure contracts for long-term coal supply at market prices.

- **During the past few years, it became more difficult to obtain coal mining licenses, making it even harder to increase coal supply.** As a result, domestic power plants may be forced to pay higher prices for coal to ensure availability of coal for their operations. This also meant that they had to buy as much as possible from suppliers and producers that are located within their close proximity.

In conclusion, increases in energy demand and growing challenges in finding new energy sources will add value to the existing coal mines. Based on these factors, Centennial has developed its sales and marketing plans to respond to the increasing demand for thermal coal from both domestic and international markets. Centennial has expanded its production capacity for exported coal at the Airly mine, of which export can be arranged via Port Kembla. Centennial has also invested in an infrastructure system at the Mandalong mine, of which export can be arranged through the Newcastle port.

When the existing domestic purchase contracts expire, Centennial will adjust proportions of domestic sales and exports to be in line with its strategies. However, Centennial will maintain its strong position as one of the country's major coal suppliers for power generation.



- **Access to Infrastructure System**

The capacity and reliability of Centennial's transportation are crucial factors to success. One of Centennial's many strengths lies in an efficient transportation system that enables prompt delivery to domestic power plants. Centennial is the only coal producer that can transport coal without dependence on public roads. For international shipment, Centennial coal is generally handled through Port Kembla in Wollongong.

During the past few years, coal producers have experienced heavy traffic at the Newcastle port. In September 2009, the New South Wales government in association with the Port Waratah Coal Services (PWCS) and the Newcastle Coal Infrastructure Group (NCIG) Port endorsed the Capacity Framework Agreements which allow for expansion of the port to accommodate growing coal demand.

PWCS increased its logistics capacity to 133 million tonnes a year. Also, PWCS would like to find coal producers to support its plan to increase logistics capacity to 145 million tonnes per year provided that the coal producers are willing to sign long-term contracts with PWCS.

At present, NCIG has a logistics capacity of 53 million tonnes a year and is carrying on an expansion project to increase its capacity to 66 million tonnes a year. The expansion is expected to be completed by the end of December 2013.

1.3 Thailand's Coal Market

Coal demand in the industrial sector in the first ten months of 2012 increased by 3.7% from the same period of previous year as the sector had recovered from the flood crisis in 2011 and thanks to the operations of GHECO-One Co., Ltd., one of the power plants under the Independent Power Producers (IPP) scheme. In the first ten months, domestically produced coal accounted for only 7% of the total coal consumption in the industrial sector. Since coal reserves in Thailand are limited, most of the coal demand from the private sector has to be met by imports.

In the first ten months of 2012, consumption of coal imports shot up by 14% compared to the previous year, prompting coal traders to enter the market. Competition continually intensified in relation to the growing number of coal traders, particularly in the small-scale factory segment where prices were a determining factor. However, when selling to small factories, coal traders must have a stock yard, as these factories have limited storage space and delivery must be made in small amounts. Machines at several small factories also require coal in small chunks as they cannot operate on pulverized coal. Importers then need to sort coal before delivery. There are not many players in this market and few can meet the needs of their customers since this business requires huge investment to enter the market. However, the fact that importers can command high prices is attracting more players into the business, leading to high market competition.

Major coal consumers, such as cement factories, coal-fired power plants, and factories using large steam boilers, typically have the capacity to import coal directly on their own, mostly from producers with high credibility. There are several large exporters competing in this market, making it impossible for small exporters that do not have their own production base to penetrate this market.



Competition Strategies

- **Domestically Produced Coal**

Banpu produced washed coal at its mine in Lamphun Province. The production was small and the coal was supplied to the Company's regular customers, who are all in the cement industry.

- **Imported Coal**

Competition in the import market was fierce due to its constant trading nature and the fact that new players can easily enter the market. The Company created the following strategies:

- **Reliability in Delivery**

With its own coal production base in Indonesia, which boasts a large amount of reserves, the Company is always able to demonstrate reliability and accountability to the customers by producing coal that meet their requirements in terms of quantity and quality, and by delivering it on time. The Company has earned the trust from its customers with consistent delivery.

- **Focusing on Target Markets**

Fully aware of fierce competition in the import market, the Company shifted its focus to large clients with whom it has had long relationships. These clients look for high reliability in delivery.

- **Coal Distribution Center**

The Company has two coal distribution centers to store imported coal before distributing it to customers. This capacity reduces not only the customers' burden of storage but also their inventory costs. The Company is highly committed to reliable delivery and meeting customers' coal specification requirements. Its strong compliance with environmental regulations to reduce impacts on local communities ensures customers that the Company's operations and delivery of supply will not be disrupted in the long run.

- **Reducing Coal Types**

Banpu has reduced the types of coal it sells, focusing on coal produced by the Company's mines for more effective stock and cost management.

Major Competitors

- **Domestically Produced Coal**

At present, there are few producers. Last year, coal production in the private sector dropped significantly due to limited reserves. The major coal producers are Siam Cement Industry Co., Ltd., which produces and supplies coal to the Siam Cement Group, and minor coal producers.

- **Imported Coal**

There are many competitors in the market, most of which are trading companies. However, major competitors remain the same. In 2012, there were 20 coal traders. The Company's major competitors include Lanna Resources Public Co., Ltd., Unique Mining Services Public Co., Ltd., Asia Green Energy Public Co., Ltd., and Energy Earth Public Co., Ltd. Several coal traders have their own storage yards. However, many are only trading companies and do not have their own production base. Such companies may face problems in delivery and the quality of coal. In addition to local coal traders, there were large foreign traders competing in the market, including Rio Tinto Plc., Glencore International Plc., Noble Energy Inc., Eastern Energy Co., Ltd. and Phoenix Commodities Ltd.



Pricing Policy

- **Domestically Produced Coal**

At present, Banpu produces only a small amount of low-rank washed coal from a mine in Lamphun Province. Prices are based on global market prices with discounts reflecting the coal quality.

- **Imported Coal**

Prices of imported coal are based on global market prices at the time of trading and adjustments in prices to reflect the coal quality. Therefore, each customer buys at a different price depending on various factors, such as the amount ordered, quality specifications, and other conditions as agreed. Since the Company is also responsible for the transportation and delivery of the coal it sells, prices include sea freight charges. To avoid freight cost fluctuations, contracts with liners are matched to the amount of coal and delivery period specified in the coal supply contracts.

Customer Profiles

Banpu's major customers in the industrial sector remain the same and can be categorized as follows:

- Cement producers, which use coal in the pyroprocessing stage: These producers are Thailand's largest coal consumers in the private sector. Though the customers in this segment are few in number, their demand is voluminous.
- Coal-fired power plants in the Independent Power Producers (IPP) scheme: These are large coal consumers who make long-term purchase contracts with large coal producers overseas.
- Power and steam plants, which use coal as fuel for their large boilers: The steam produced from these plants is then used to generate electricity as well as in other manufacturing processes in different businesses, such as in petrochemical and textile industries as well as at small power producers (SPP).
- Other industries, most of which are factories that use coal as fuel for small boilers: These industries include petrochemical, food, and textile businesses. There are also small factories that use coal in the firing, baking, and boiling processes in their manufacturing, such as chemical and animal feed producers. Even though their demand for coal is limited, these businesses make up a sizable customer base.

2. Power Business

2.1 Power Business in Thailand

Banpu holds 50% of the shares in the BLCP power plant, which has a generation capacity of 717 equity megawatts. The generated power is sold to the Electricity Generating Authority of Thailand under a long-term IPP (Independent Power Producer) power purchase agreement.

Competition Strategies

- **Coal-Fired Power Plants in Thailand**

Banpu puts environmental protection and community acceptance as its main strategy. Recently in Thailand, there has been an increasing awareness of environmental issues, which has led to amendments of laws and regulations and improvements in environmental standards, as well as campaigns against coal-fired power plants across the country.

Banpu has made investments to improve and maintain its power plants and the machinery in order to constantly reduce its environmental impact. The Company has also regularly supported community activities and communicated with local communities regarding environmental matters. Therefore, it has met all the legal requirements and standards, and has achieved good relationships with communities.



Major Competitors

- **Major power producers in Thailand** are Electricity Generating Plc., Ratchaburi Electricity Generating Holding Plc., and Glow Energy Plc.
- **Power producers and foreign investors**

2.2 Power Business in China

In 2012, Banpu administered its business to be in line with market opportunities. In winter time when demand for steam was high, the Company dedicated its full capacity to producing and distributing electricity and steam. During other times when the need for both power and steam was low, the Company would shift its focus to production efficiency to reduce production costs.

A dramatic decline in the average coal price in 2012 resulted in lower production costs for electricity and steam when compared to those in 2011. Yet, demand for electricity and steam also dropped in line with the economy. The Company tried to manage its costs more efficiently and managed to achieve a good performance, having succeeded in meeting its production and sales targets.

Regarding coal trading in China in 2012, the average coal price in the latter half of the year declined considerably from early in the year. As global coal prices had dropped in response to an economic recession, China's coal imports increased, but they were still under the government's supervision.

Competition Strategies

Combined heat and power (CHP) plants generally receive more support from the Chinese government due to higher energy efficiency and better pollution management in comparison with other power plants. Therefore, CHP plants enjoy a number of privileges, including guaranteed power purchase agreements with local power authorities and an exclusive right to sell steam and heat to designated districts. The Company took these factors into account and formulated its competition strategies as follows:

- **Service Quality and Customer Relationship Management**

Banpu placed great emphasis on quality and service. This strategy translated into the Company's readiness and the stability of its power and steam production and distribution, allowing customer needs to be answered quickly. Banpu maintained good customer relationships on the basis of integrity and mutual benefits, which helped gain customers' trust and credibility. Agreements were made with industrial customers to allow steam price adjustments in case fuel costs would rise beyond what was indicated in the contracts. These agreements eased the financial burden in times of rising fuel prices.

- **Cost Management**

Banpu had an effective cost management system, particularly on fuel and coal costs. The Company's strategies were to buy coal when prices dropped, to reserve it for use when prices were high, and to improve production efficiency to reduce costs.

- **Adaptability**

With fluctuations in the Chinese market, Banpu continuously kept a close watch on the situation and adjusted its operations according to new developments. This ensured that the Company could capture business opportunities as well as reduce negative effects that came with the change.



- **Relationship Management with Local Authorities and Communities**

Banpu's relationships with local authorities are based on the mutual goal to provide fundamental utilities (power and steam) to local communities, to build credibility and equality, and to constantly support community activities. In return, when affected by uncontrollable external factors, the Company receives good support from local authorities to alleviate negative impact on its operations such as in situations requiring financial support or permission to increase steam prices. The Company has been recognized by local authorities and communities as a role model in conducting business with responsibility.

2.3 Power Business in Lao PDR (Hongsa Power Project)

Banpu has invested in Hongsa Power Co., Ltd. (HPC) and Phu Fai Mining Co., Ltd. (PFMC) 40% and 37.5% respectively, which altogether equals 751 equity megawatts of power. The generated power will be sold mainly to the Electricity Generating Authority of Thailand under a long-term IPP (Independent Power Producer) power purchase agreement. Some power will also be sold to Laos. The Hongsa Power project is currently under construction and will be completed and ready to begin its commercial operation in 2015.

Competition Strategies

- **Coal-Fired Power Plant in Lao PDR**

Banpu has always been aware of possible impacts from the development and construction of the Hongsa Power Project that may occur to nearby communities. The Company, therefore, is determined to promote participation of the communities and to support the development of their living standard. This objective has been reflected in its community development initiatives, such as the development of public utilities, waterworks, electricity, roads, land replacement, and career opportunities.

Major Competitors

Power producers and overseas investors.

Competition

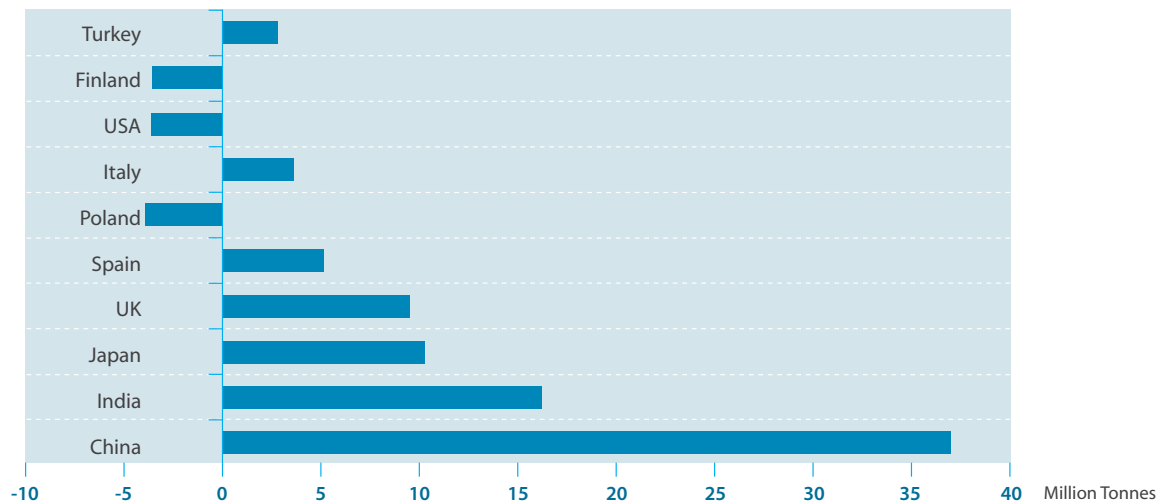
1. Competition in the Coal Industry

Competition in the thermal coal market was aggressive last year despite a sharp rise in coal demand. However, as the increased demand was exceeded by supply, coupled with the sluggish Chinese and Indian economies resulting in slow buying from these two countries, the coal market was oversupplied and prices dropped.

Coal imports in 2012 increased 11% from the previous year, totaling 840 million tonnes, thanks to an increase in demand from China and India. Together, their thermal coal imports combined increased by 54 million tonnes from the previous year, amounting to 65% of the increase in global demand. Moreover, demand from Japan also rose as the country had recovered from the tsunami.

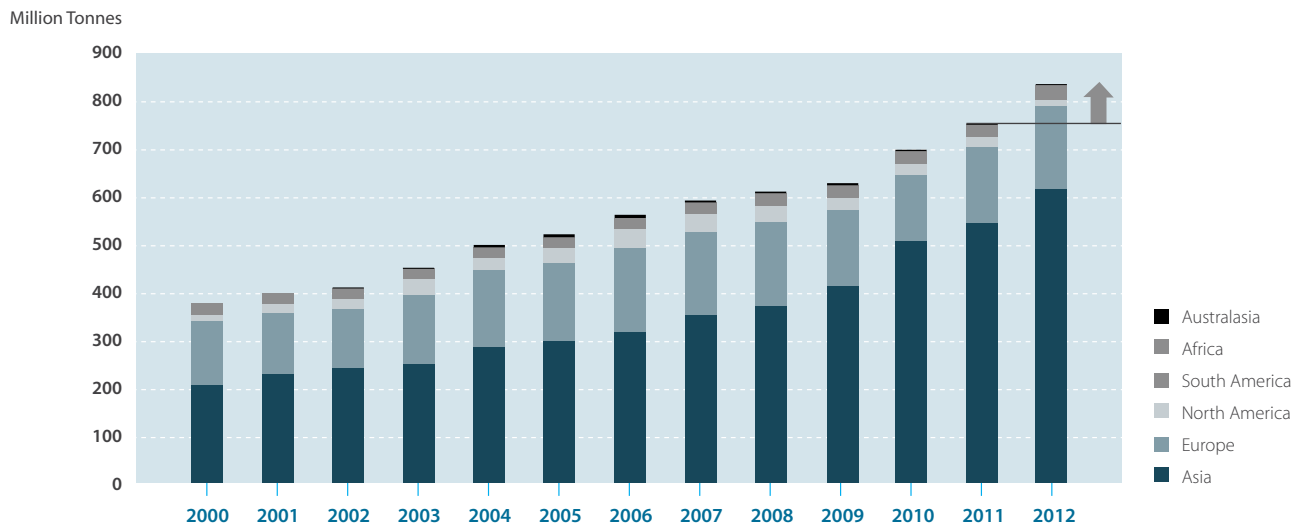


Change in Thermal Coal Import 2012 vs 2011



Source: Wood Mackenzie and Marketing, Sales & Logistics Analyst, Banpu

Historical of World Seaborne Thermal Coal Import

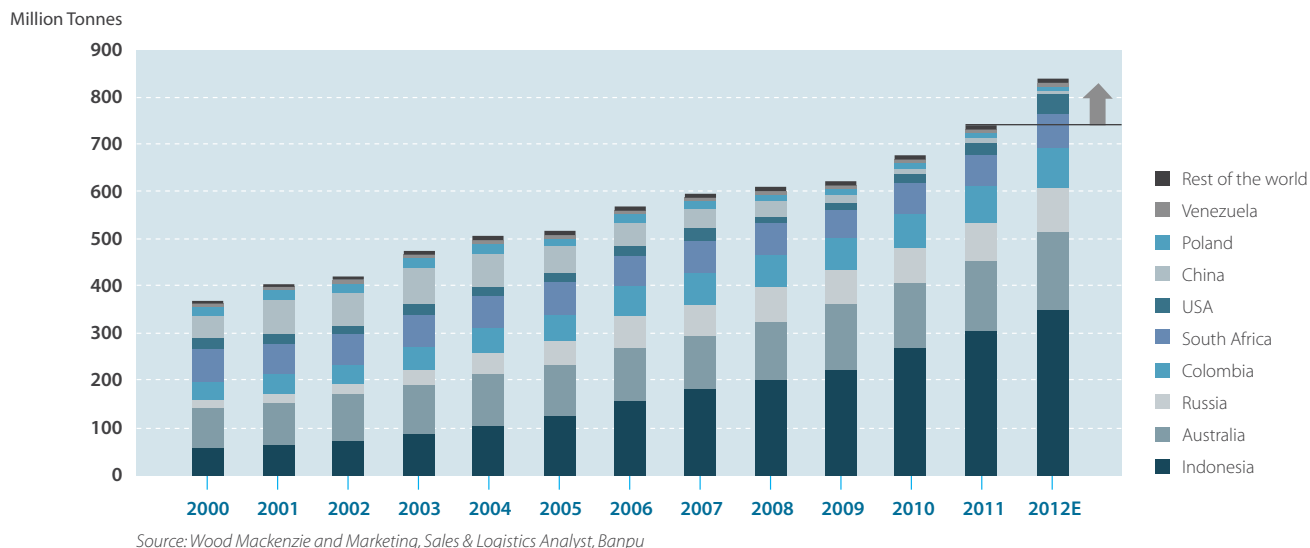


Source: Wood Mackenzie and Marketing, Sales & Logistics Analyst, Banpu

Demand for imported coal in Europe also experienced high growth, despite the ongoing debt crisis, as natural gas prices in Europe remained high and carbon credit prices significantly dropped. Since coal-fired power plants could make more profit than gas-fired power plants, many operators in Europe shifted to coal. Coal imports grew by 11% from the previous year. Major importers were the UK, Spain, and Italy.

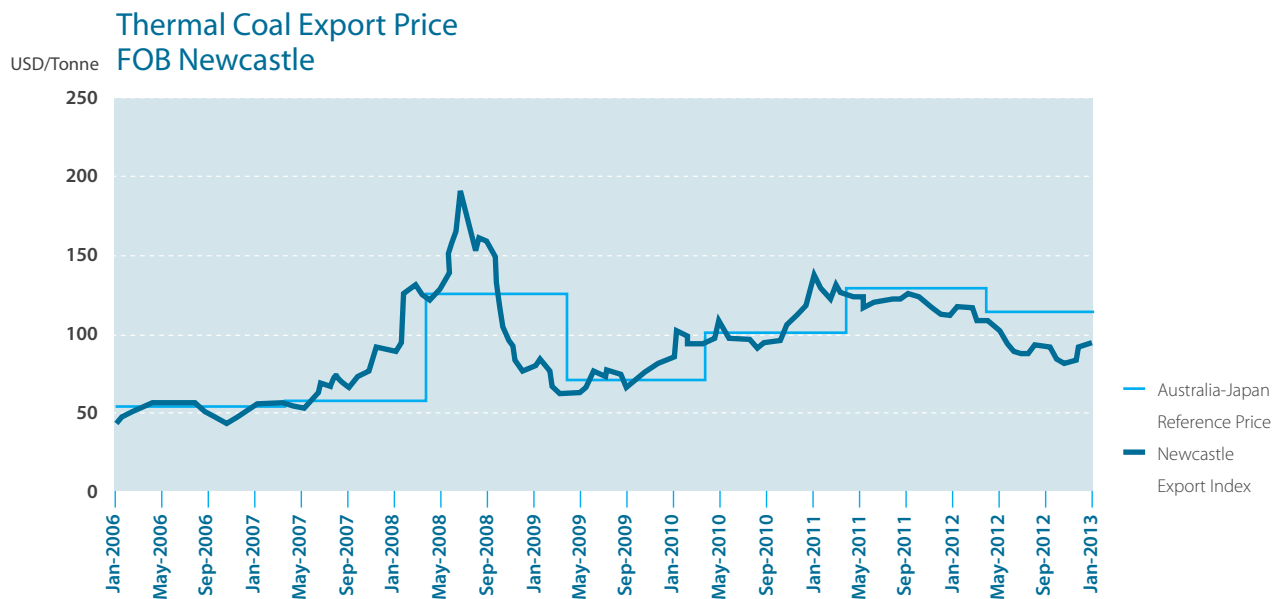


Historical of World Seaborne Thermal Coal Exports by Countries



Exports of thermal coal in 2012 totaled 841 million tonnes, or a 13.5% increase from the previous year. There were six major thermal coal exporters, namely Indonesia, Australia, Russia, Colombia, South Africa, and the US, totaling 97% of the global exports. Indonesia remained the world's largest thermal coal exporter. The country exported 350 million tonnes of coal last year, or about 42% of the global exports. However, the increased amount of exports was low-rank coal, whose main markets were India and China. The second largest thermal coal exporter was Australia, which last year exported 168 million tonnes of coal, or an increase of 20 million tonnes from the previous year. Coal exports from Russia grew constantly due to its expansion into Asian markets. Exports from Colombia increased by 7.5% from the previous year following several labor protests in the country. Meanwhile, South Africa's coal exports grew at just about the same level as Colombia due to limitations on its rail transportation system. Meanwhile, the US enjoyed the world's highest growth rate in thermal coal exports, at 50%. In the previous year, coal demand in the US dropped considerably due to low shale gas prices, prompting power plants to run their generators on shale gas instead of coal. Coupled with a sluggish economy, US demand for electricity also decreased. Therefore, US coal producers had to lower their production while increasing exports.

Even though the amount of exported coal in 2012 was close to that which was imported, major producers like Indonesia and Australia still had excess capacity due to investments made in recent years to expand production. As demand fell, producers had to lower their production accordingly.



Global coal prices continually dropped throughout the year. The benchmark coal price is based on the Australia-Japan reference price, which stood at around USD 115.25 per tonne for the 2012 delivery year (April 2012 – March 2013), decreasing by 11% from the previous year. Meanwhile, FOB price in the spot market at the Newcastle port, Australia, gradually decreased throughout the year due to an oversupply and sluggish buying from China and India. In early 2012, coal prices in Asia were at high levels, which led to increased supply from the US and Colombia, thus lowering coal prices in Asia. At the same time, Indonesia produced a large amount of low-rank coal, which was sold to China and India at relatively low prices. Australian producers were then forced to produce low-rank coal with high ash content to compete with Indonesian coal, pressuring coal prices in Asia further below production costs for several producers. Producers with high costs had to stop their production, while others had to find ways to lower their costs.

1.1 Coal Business in Thailand

Thailand's coal industry grew constantly, as coal offers the lowest cost per energy unit when compared to oil and natural gas. This price differential prompted many industrial factories to use coal to lower their costs. Coal consumption in the private sector in the first ten months of 2012 expanded by 3.7% from the same period of the previous year, totaling 17.35 million tonnes, or an increase of 0.61 million tonnes. Domestically produced coal totaled 1.25 million tonnes, dropping 53%. Imported coal totaled 16.1 million tonnes, increasing by 14.4%. The total volume of imported coal in 2012 was estimated to be higher than the previous year by two million tonnes, thanks to a recovery after the flood and the operations of GHECO-One's coal-fired plant, one of the plants under the Independent Power Producers (IPP) scheme.



Coal Consumption in Thailand (Not including the Mae Moh Power Plant of the Electricity Generating Authority of Thailand)

Unit: Million Tonnes

	2008	2009	2010	2011	10 Months		Growth			
					2011	2012	2009	2010	2011	2012 (10 Months)
Domestic Coal	2.12	2.04	2.02	2.86	2.67	1.25	-3.8%	-1.0%	41.6%	-53.2%
Imported Coal	15.98	16.39	16.90	16.33	14.07	16.10	2.6%	3.1%	-3.4%	14.4%
Total	18.10	18.43	18.92	19.19	16.74	17.35	1.8%	2.7%	1.4%	3.6%

Source: Energy Policy and Planning Office, Ministry of Energy

2. Competitions in the Power Industry

2.1 Power Business in China

China's power industry in 2012 shrank from the previous year as a result of the country's sluggish economy, both in the industrial sector and in domestic consumption. The following table shows the growth rates of electricity consumption in China:

	Unit	2012	2011	2010
Growth Rate of Total Consumption	%	5.5	11.7	16.0
Growth Rate of Industrial Sector Consumption	%	3.9	11.9	17.0
Growth Rate of Production Capacity	%	8.0	9.3	7.6
Total Production Capacity	Megawatts	1,140,000	1,055,760	941,372

2.2 Power Business in Thailand

The Office of the National Economic and Social Development Board (NESDB) predicted a 5.7% growth for the Thai economy in 2012, thanks to a recovering global economy, a recovery of the country's industrial sector after the floods in 2011, the government's investment in infrastructure projects which indirectly stimulated the private sector, and increased domestic household consumption.

The country's installed power capacity in 2012 was 32,290 MW. The 2012 peak power consumption was recorded in April at 26,121 MW, increasing by 2,221 MW or 9.2% higher than the 2011 record of 23,009 MW. In the same year, the Electricity Generating Authority of Thailand (EGAT) generated and purchased 173,230 gigawatts per hour, increasing by 9% from 2011. The distribution of EGAT's energy sources is as follows: 67% from natural gas, 20% from coal, 5% from hydropower, 6% from imported energy, and 1% from fuel oil. (Source: Electricity Generating Authority of Thailand: EGAT)

Thailand's average power demand in 2012 was 1,615 gigawatts per hour, an increase of 8.3% from the previous year, thanks to a recovery in the economy and the industrial sector. (Source: Energy Policy and Planning Office: EPPO)



REVENUE STRUCTURE

For the previous 3 years ended 31 December

Banpu Public Company Limited

Unit: THB Million

Products/Services	Conduct by	% of Shareholding	2012		2011		2010	
			Revenue	%	Revenue	%	Revenue	%
Sales Revenues								
1. Domestic Coal	BP	100.00	36	1.71	7	0.30	-	-
2. Imported Coal	BP	100.00	1,868	89.59	2,346	96.46	597	75.57
3. Other Revenues	BP	100.00	181	8.70	79	3.24	193	24.43
Total Sales Revenues			2,085	100.00	2,432	100.00	790	100.00
Participating Profit (Loss) from Investment in Associated Companies (Equity Method)			2,873		1,939		6,117	
Total Revenues			4,958		4,371		6,907	

Banpu Public Company Limited and its Subsidiaries

Unit: THB Million

Products/Services	Conduct by	% of Shareholding	2012		2011		2010	
			Revenue	%	Revenue	%	Revenue	%
Sales Revenues - Thailand								
1. Domestic Coal	BP	100.00	36	0.03	7	0.01	-	-
	BMC	99.99	-	-	23	0.02	74	0.11
2. Imported Coal	BP	100.00	1,868	1.59	2,346	2.08	597	0.91
	CMMC	100.00	2,525	2.15	526	0.47	-	-
	BPI	99.99	1,248	1.06	1,571	1.40	793	1.22
	IMM	64.99	-	-	-	-	1,033	1.58
	TCM	64.99	-	-	264	0.24	451	0.69
	JBG	64.79	-	-	12	0.01	108	0.17
	KTD	64.79	-	-	108	0.10	27	0.04
3. Other Revenues			559	0.48	163	0.14	520	0.80
Total Sales Revenues - Thailand			6,235	5.31	5,020	4.47	3,603	5.52



Banpu Public Company Limited and its Subsidiaries

Unit: THB Million

Products/Services	Conduct by	% of Shareholding	2012		2011		2010	
			Revenue	%	Revenue	%	Revenue	%
Sales Revenues - Overseas								
1. Coal - International Trade	IMM	64.99	35,071	29.89	41,119	36.57	33,071	50.66
	KTD	64.99	9,769	8.33	4,736	4.21	2,498	3.83
	TCM	64.99	25,242	21.51	21,681	19.29	13,971	21.40
	JBG	64.79	1,803	1.54	1,861	1.66	779	1.19
	CEY	100.00	33,538	28.58	32,751	29.14	6,498	9.95
2. Power	BIC	100.00	5,679	4.84	5,236	4.66	4,865	7.45
Total Sales Revenues - Overseas			111,102	94.69	107,384	95.53	61,682	94.48
Total Sales Revenues			117,337	100.00	112,404	100.00	65,285	100.00
Participating Profit (Loss) from Investment in Associated Companies (Equity Method)			2,873		1,939		6,117	
Total Revenues			120,209		114,343		71,402	

Notes: 1. Other revenues consist of other services.

2. The Company did not realize sales revenues from its power business in Thailand as its shareholding is not more than 50%.



RISK MANAGEMENT

Banpu and its group of companies prioritize risk management in order to support sustainable growth. Business risk management efforts are under supervision of the board of directors (BOD) and various management-level committees such as the Risk Management Committee, which convenes on a quarterly basis to review organization's risks and follow up on implementation of risk mitigation plans. The Financial Management Committee convenes monthly to assess and manage the organization's financial risks, while the Commodity Risk Management Committee convenes to discuss coal price risk management, which is a factor that affects the Company's profitability and reports the review of organizational risk management to the Audit Committee and the BOD on a quarterly basis. The Audit Committee convenes on a quarterly basis to review the thoroughness of organizational risk management.

Additionally, the Company has institutionalized a risk management process at the operational level to keep pace with rapid changes and to effectively and timely monitor and manage risks that may arise from both internal and external factors, to ensure that risk factors remain within acceptable levels. This process is according to organization's policy, which puts a high priority on managing risk in accordance with current issues and changing trends, both internally and externally.

1. Strategic Risks

1.1 Risks from Inability to Increase Coal Reserves

In formulating its strategic plan, Banpu not only focuses on business growth but also sees the importance of sustainability. Due to fluctuations in the energy industry, coal prices have a tendency to take a momentary dip, therefore the Company has adjusted its short-term strategies away from focusing on business expansion for value creation to "Defensive Mode", with the objective being to retain its profit margin, cash flow and Debt to Equity ratio. This adjustment is done to ensure that the Company's performance and balance sheets remain stable and grow sustainably. The Company continually assesses, analyzes and mitigates risk by closely monitoring the situation of the coal industry, the power industry and other related businesses. Long-term strategic plans are formulated by taking into account investment in existing assets and new potential assets that are in the process of consideration. The aim is to keep the door open for investment opportunities at the right time to maintain the Company's value. Meanwhile, Banpu has also invested more in mine exploration technology to increase its capability and its opportunity to locate new coal reserves, ensuring that it can sustain the ability to serve customers' needs in the long run.

1.2 Risks from Formulating an Inappropriate Strategic Plan

To address and manage this type of risk, Banpu has initiated a system and process to periodically review its strategies in order to avoid miscalculation from changing economic and business conditions. This process includes holding the Quarterly Strategic Review (QSR) meeting, convening internal meetings for situation assessment every fortnight, comparing information with reliable institutions and other sources, and developing internal tools to systematically forecast economic conditions to support effective decision making. External specialists in each particular area are engaged to verify credibility of information and possibility of various assumptions.

1.3 Risks from Inability to Maximize Resources

The Company studies, analyzes and monitors strategic planning by allowing relevant parties to participate in improving the process and reporting. The aim is to ensure the strategic plans are implemented efficiently in every business unit. Communication regarding the strategic direction is done among all management levels to ensure understanding among all management personnel regarding the Company's direction. Human resources are encouraged to demonstrate innovation-based thinking and to come up with initiatives to improve their work. Project-based assignments are promoted to ensure teamwork, cross-function work and optimum utilization of existing resources for maximum benefits.



1.4 Risks from Failure to Create Added Value from a New Investment

Banpu executes risk management programs to ensure that new investments create value to the group to be no less than anticipated before the acquisition. Competent team members from various departments are assigned to communicate with staff and management of newly-acquired entities. Priorities and urgencies are determined with respect to short, medium and long term dimensions. Work procedures and collaboration processes are clearly defined, focusing on creating trust and good relationships to facilitate change management and to ensure smooth integration and long-term growth for Banpu.

2. Financial Risks

2.1 Risks from Failure to Secure Financial Resources as Planned

Banpu manages this risk with a goal to make sure that it will have sufficient funds under the proper financial structure to drive the Company's growth according to its investment plan. Financial strategy has been formulated in line with Banpu's business strategy. Various scenarios relating to both internal and external sources of funds have been made and carefully analyzed. The Company focuses on maintaining a good relationship with financial institutions in order to ensure accessibility of the sources of funds. It also focuses on managing efficient cash flows.

2.2 Exchange Rate Risks

The Company follows risk mitigation plans to reduce impact of risks associated with fluctuating exchange rates, both at the corporate level and at the group level, through a natural hedging policy where it strives to create a balance between its foreign-currency assets and liabilities in Thailand, Indonesia, China, and Australia. Other financial instruments are chosen from time to time as appropriate.

As of 31 December 2012, 70% the Company's debt is dominated in US dollars; 23% in Thai Baht; 6% in Australian dollars, and 1% in Chinese RMB. The Company will continue to increase the proportion of its debt in US dollars. The Company has adjusted its foreign currency forward contracts based on its estimated revenues and expenses so as to match its foreign currency assets and liabilities and to be in line with market trends and circumstance. At the same time, the Company also maintains an appropriate proportion of its foreign currency revenues and allocates funds in US dollars, or converts them into other foreign currencies as necessary to accommodate overseas investments.

2.3 Interest Rate Risks

Banpu manages interest rate risk by closely monitoring the trend of interest rates in the world's markets as well as in Thailand. Banpu allocates its debt portfolio in both short and long term contracts or loans with fixed and floating interest rates corresponding to their types of investments. The Company has chosen financial instruments to create an alternative source of funding and to manage its financial structure properly in every country in which it invests. For example, interest rate swaps are being used to manage the proportion of fixed interest rates necessary to meet the market trends.

As of 31 December 2012, Banpu's proportion of fixed- and floating-rate loans was at 44% and 56%, respectively.



2.4 Risks from Coal and Oil Price Fluctuations

Banpu has managed risks from coal prices that affect its income, and from oil prices that affect its operating costs, by partly engaging in coal swaps and gas oil swaps to reduce volatility in its coal business performance. A Commodity Risk Management Committee has been set up to manage risks from coal and oil prices of Banpu group. The committee also reviews the counterparty banks' risk status on an annual basis. Sales and production in the short- and medium-term are constantly adjusted to alleviate negative impacts from decreasing sales revenue or increasing cost of production. Banpu actively monitors and assesses the situation of the world's coal market and price trends to seek the best opportunities to settle sales prices with customers. In addition, a ratio of coal sold on an index-linked and fixed-price basis are constantly adjusted to suit the coal prices in the world market.

3. Risks in Coal Business

3.1 Delivery Risk

Delivery risk occurs mostly as a result of an inability to deliver on time, so the Company has the responsibility to pay demurrage charges for cargo ships.

The Company sees the importance of this risk and therefore continues to focus on Health, Safety, Environment and Community (HSEC) measures in the production process to ensure that operations run smoothly. It has initiated a platform for communication, production planning, monitoring, and coal sales to be shared between production and marketing departments. The Company has also developed a system to track production and coal transport so that it can get access to production and coal transport information at all times, enabling it to effectively adjust delivery schedules in advance and timely revise marketing strategies for both quantity and quality.

In 2012, Banpu successfully increased efficiency of its terminal by having six 35,000-tonne coal transport barges monthly, as well as increasing the number of barges for transshipment to eight barges monthly. A self-discharge barge (SDB) for additional coal transport has been prepared. All these have equipped the Company with the ability to increase the speed of coal loading by 3,000 tonnes per hour on average for every type of transport, thereby reducing the risk in delivery.

3.2 Operational and Transportation Risks from Coal Terminal in Indonesia

To prevent the risk from transportation disruption at the Bontang Coal Terminal and to mitigate risk from maritime accidents, the Company has purchased insurance against the risk of suspension of coal transport at the Bontang Coal Terminal. To mitigate the risk of machine malfunctioning, Banpu has formulated a maintenance plan which emphasizes preventive maintenance, and requires regular skills training to maintenance staff. It also emphasizes stocking enough critical spare parts to minimize repair time and impact on operations. However, if there is any force majeure that disrupts the coal terminal, Banpu has already prepared an emergency plan to handle the situation. Under this plan, coal will be loaded to smaller barges before being unloaded onto a ship vessel in the sea, or the Company will use other terminals temporarily to minimize impacts on coal delivery.



3.3 Risks from Volatility in Production Costs

Fuel cost, which is highly volatile, is a major variable in production cost. In coal production, fuel is needed for the operation of heavy machinery and electricity generation, as well as in smaller machinery such as vehicles and water pumps. Banpu addresses and mitigates this risk by analyzing and tracking energy consumption in all its activities. Production management plans, including coal quality and transportation management, are devised to minimize energy consumption and increase energy efficiency. An example of Banpu's effort to reduce energy consumption is its planning processes of coal mining in which it aims to minimize distance for overburden and coal hauling, directly reducing energy used in transportation. Staff is trained to operate heavy machinery in a way that saves energy. Electricity generators are constantly analyzed and monitored, and water utilization is managed to minimize the use of water pumps.

3.4 Risks from Contractors' Operations

If the contractors cannot operate as planned due to problems such as a late arrival of machineries, sub-standard maintenance, ineffective operation or labor problems, this disruption may affect the Company's production capacity. To mitigate this risk, the Company has established a Coal Hauling Master Plan and closely monitors contractors' performance. Priority in selection is given to reliable contractors. Long-term service contracts are given to contractors with good track records to encourage them to invest in new machinery, thus, improve overall efficiency. The Company has also held meetings with individual contractors on a weekly basis to participate in mining planning and has worked with contractors to find optimal solutions to any problems that are likely to occur.

4. Risks in Power Business

4.1 Risks in Power Business in Thailand

Risks from power buyers

The Company's investment risk in the Power Business in Thailand is considered low. Under the Independent Power Producer (IPP) scheme, electricity is supplied solely to the Electricity Generating Authority of Thailand (EGAT) according to the long-term Power Purchase Agreement (PPA) with EGAT. Therefore, there is no risk regarding power buyer and selling prices, as the amount of power purchased is fixed (based on the existing production capacity), while the tariff can also be adjusted based on costs of fuel, the Thai Baht exchange rate, and the inflation rate at the time.

Risks in coal supply

Coal is the main fuel for BLCP Power Plant. The Plant has made a long-term contract with a reliable major coal supplier, with amount and quality clearly stated in the agreement. However, BLCP might have a reason to source coal outside the long-term contract if the supplier is unable to deliver coal according to plan due to an act of God, such as flooding in Queensland, Australia. In that case, BLCP must buy coal from other suppliers in the coal market, which in general results in higher prices compared to the fixed rates in the agreement with the original supplier. Moreover, fluctuating prices could result in difficulties in management, and result in higher costs for the Plant. However, the Plant closely monitors coal production and coal pricing, and has plans to increase coal stock. BLCP works closely with coal supplier on their delivery schedules, and requests for extra shipments occasionally to prevent stock shortages in case of unforeseen circumstances.

Risks from volatility in coal production cost

At present, the production cost of coal is increasing, making the actual cost of coal production higher than the contracted rate under long-term coal purchase contracts. There is a risk that the coal supplier might negotiate price increases or change some conditions in the contract. The Plant manages this risk by planning with the coal supplier and in jointly managing costs so that the coal supplied is within the acceptable price range for the supplier while still retaining the quality required by BLCP.



4.2 Risks in Power Business in China

Risks in electricity and steam purchase

Risks in power business in China are higher than those in Thailand because there is no long-term power purchase contract like in Thailand. However, because the Company's Combined Heat and Power Plant (CHP) are more efficient than other power plants, the government has given them sole distributor rights for selling steam and heat in permitted areas. The Plants have also been given extra privileges in selling power to local energy authorities as well as in requesting support from local government, which can be utilized to manage risks.

Following the Chinese government's energy efficiency and environmental conservation policies, rules and regulations have been adjusted. Such changes might affect the Company's power business in China. However, Banpu has implemented various measures to mitigate risks, such as by increasing efficiency of energy usage within the Plant and controlling its environmental impact in accordance with the Chinese government's policy.

Risks from volatility in coal price

While prices were on the upbeat in the previous year, in 2012, coal prices decreased due to a slower economy in China, which resulted in lower demand for coal. This change indicates volatility in coal prices. Such volatility is a major risk factor for the power business in China. Banpu manages these risks by closely monitoring coal prices, and ensuring procurement is in line with cost and production plans. The Company has also signed contracts with some clients, clearly stating the structure of electricity and steam prices that can be adjusted based on prevailing fuel prices.

4.3 Risks in Power Plant Project in Laos PDR

Risks in construction and project management

The major risk of the Hongsa Power Project in Laos PDR is the risk of delayed construction work, which would delay the commercial operation of the project as required by the long-term power purchase agreement. To mitigate this risk, the Project has developed a Project Master Schedule to monitor progress of the project and to control and manage construction work. Additionally, the structure of the construction management unit has been designed to facilitate better control and management to ensure steps are taken according to the master schedule. A construction consulting company has been employed specifically to support this part of the work.

Moreover, the Project has employed contractors under a Turnkey EPC Contract, with a clearly stated duration of work and contract value, particularly for the power plant construction, which is of highest importance. The contractors must provide collateral security as required by contract, and the Project can demand compensation for liquidated damages in case the construction is delayed from the agreed date. The compensation includes the amount to be paid in compensation to EGAT if the power cannot be supplied on the agreed date, and also covers the loan interest.

Risks from environment and community issues

The Project is aware of its impact on the environment and community, and has formulated risk management plans as follows:

1. Conduct Environmental Impact Assessment (EIA) covering all activities of the Project within the concession area, and formulate the Environmental Management Plan (EMP).
2. Conduct Social Impact Assessment (SIA) and prepare Resettlement Action Plan (RAP). A new community was built with improved housing, basic facilities and health care services for better living conditions of the people previously living in the construction area. The work included land reform, occupational support, construction of water, electricity and road systems. A long-term development master plan is in place. At present, resettlement and community development have been completed.



5. Risks from Political Changes in Indonesia and China

The Company has purchased insurance protection worth USD 250 million against its investments in Indonesia and USD 75 million against its investments in China. Assets covered by the insurance policies include investment in the following companies:

Indonesia

1. PT. Indo Tambangraya Megah (Holding company and coal distribution company)
2. PT. Jorong Barutama Greston (Produce and sell coal - Jorong Mine)
3. PT. Trubaindo Coal Mining (Produce and sell coal - Trubaindo Mine)
4. PT. Kitadin (Produce and sell coal - Kitadin Mine)
5. PT. Indominco Mandiri (Produce and sell coal - Indominco Mine)
6. PT. Bharinto Ekata (Produce and sell coal - Bharinto Mine)

China

1. Shanxi Gaohe Energy Co., Ltd.

6. Risks from Regulatory Changes

As most of the Company's operations are overseas; namely, Indonesia, China, Australia and Mongolia, the Company has to confront risks from potential regulatory changes in these countries. During the past year, rules and regulations in these countries were changed. Some of the examples are as follows:

Indonesia

- Under the New Indonesian Mining Law No. 4/2009 Article 28, which came into effect on 29 August 2012, the Company is obligated to perform an extraction of coal and minerals, supply all mining equipment on its own, and provide personnel with expertise in order to be able to continue coal production as planned. It is also required to conduct all necessary activities such as regular meetings and planning sessions, ensure provision of related equipment by leasing, and provide training courses for its personnel, etc.
- The New Indonesian Mining Law No. 4/2009 Article 34 requires coal producers to sell coal in the domestic market in proportion to its total production volume, to meet the demand of the domestic market (Domestic Market Obligation). The Company, therefore, plans to adopt such laws by increasing the proportion of coal sales in Indonesia and to exercise mechanisms allowed by the law to sell coal in domestic markets at reasonable prices.
- Indonesian Coal Price Regulation has set the minimum coal price for export to restrict coal exporters from selling coal at low prices which would affect the government's royalty fee revenue.
- The Indonesian Government has entered into agreements with several other governments with details that could possibly affect the issuance of forestry permits to the Company. Banpu, however, has managed this risk by planning to apply for important permits longer in advance to meet both the short and long term plans.

China

- A coal price adjustment fund has been taken in effect since October 2011 in Henan Province where the Henan Provincial Government is in charge of taxing coal producers in order to control supply and demand of coal, to stabilize the local coal price, and to promote other related industries. In 2012, the coal market in China was affected by the global economic downturn, which resulted in decreased coal consumption. The surplus caused the coal price to drop continuously. To alleviate the burden of coal mine operators, the Henan Provincial Government announced the temporary cancellation of the coal price adjustment fund during the period between 1 August 2012 and 31 October 2012. However, from 31 October 2012 onward, the coal price adjustment fund has not been reactivated.



- Safety policy against coal mines and environmental protection measures: measures that have been continuously executed are closure of inefficient and unsafe small-and medium-sized coal mines where production capacity is less than 300,000 tonnes per annum and which do not meet safety standards.

- Maximization of natural resources use: a coal mine must improve its production capacity and efficiency. The government has required that a new mine must have a production capacity of at least 450,000 tonnes per annum, especially new mines in Shanxi, Shaanxi and Inner Mongolia, where their production capacity must be no less than 1.2 million tonnes per annum. The government also charges more fees in using resources in provinces considered to be China's strategic coal production base. In addition, the Chinese government also increased the ratio of fund allocated for sustainable coal development.

Australia

The Australian Government introduced a new Mineral Resource Rent Tax (MRRT), which came into effect in July 2012. Banpu prepared to mitigate this risk by hiring a financial advisor specializing in tax to assess the possible impacts and to recommend risk mitigation plans.

Carbon Tax legislation: imposing tax on the emission of carbon according to the Clean Energy Future (CEF) Legislative Package also came into effect in July 2012 to serve as a tool in controlling greenhouse gases released from the industrial sector, particularly carbon dioxide, and to encourage investment in clean energy. Banpu has addressed the impacts and is planning to take advantage of the Assistant Package from the Australian government during the first six years, while at the same time, has explored options in coal combustion technology to reduce greenhouse gases emissions. The Company has also adjusted its activities to strictly comply with the policy and to minimize the negative impacts of such regulation.

To manage risks from regulatory changes, Banpu is committed to developing new processes and a variety of tools to effectively manage problems and risks. The Company has assigned a responsible person to monitor regulatory changes in each country at both the central and local government levels. It has also hired local law firms to help with interpreting laws and regulations to ensure Banpu's compliance.

7. Environmental and Safety Risks

7.1 Environmental Risks

The Company recognizes the importance of nature and the environment, therefore, it has defined the "Sustainable Development Policy" which clearly commits to reducing and minimizing environmental impacts resulting from the Company's operations. The Sustainable Development Committee has supervised and monitored environmental performance of the Company and assigned the Health, Safety, Environment and Community Development (HSEC) Department to coordinate and assist other units, to ensure environmental compliance, and to focus efforts on effective resource utilization. Banpu hopes that these activities will help to conserve the environment and to control indirect impacts of resource utilization, such as global climate change and biodiversity.

Environmental Compliance

The Company complies with environmental regulations and environmental impact reduction measures as required by environmental impact assessment reports. In 2012, Banpu's environmental compliance standards remained high and continued to improve. The Company focuses on managing major risks as follows:

- Quality of water discharged from the Company's mines to public waterways - this is determined by pH value and quality of sludge. The Company implements measures to prevent water acidity and treat water that becomes acid due to its mining processes at mine sites, starting from mine exploration to production planning, land management and rehabilitation. The Company also conducts a Quality Assurance Review (QAR) of Acid Mine Drainage Management and of Mine Site Rehabilitation.



For all open-pit mines, ground-covering plants are grown to prevent soil erosion and settling ponds are built and maintained so that sludge from soil erosion can be effectively rested. In addition, Banpu takes preventive measures to make sure that after-mine pits are filled as much as possible. In cases where overburden disposal outside the mine pits is needed, revegetation will be done as soon as the land grading is complete.

- Dust occurs from mining activities such as pit opening, coal mining, coal preparation and coal transport. The Company has implemented several measures that are suitable to each operation. For example, a wind-blocking dike is built in a high-risk area to avoid dusting, speed of vehicles is limited in mining areas for dust control and safety, and roads are regularly water-sprayed. Dust is also regularly measured in mining areas and nearby communities to effectively control it.

Resource Utilization

Inefficient use of resources could increase production costs, while creating conflict and competition for limited resources. Banpu, therefore, focuses on the management of resources in two main dimensions.

- Land Use: Recognizing the importance of land use, the Company, therefore, has carefully planned its land management in order to minimize the geographical and ecological impacts. These activities are based on its environmental master plan and mine-closure plan.

In 2012, the Company had approximately 134,877 hectares of land in total, more than double the amount it had in 2010, as a result of its investment in Centennial Coal Company Limited in Australia. As most of the Company's Australian mines are underground mines, there is no need for overburden removal. In 2012, only approximately 14,870 hectares were being used for mining activities, representing 23% of the total land. At the same time, a total area of 7,149 hectares, or 48% of the used land (as of October 2012) has been rehabilitated, while the rest has been reserved in its pre-mining conditions to preserve the forest and biodiversity.

To effectively manage biodiversity, the Company conducts a survey and an in-depth study of biodiversity before mining, including Bharinto Mine in Indonesia. In 2012, it expanded the area of survey to include the new mining area of Indominco Mine. The study can be effectively used as a guideline for mine rehabilitation and community development programs. The study can also be applied to other mines as well.

- Energy Use: Banpu is fully aware of the impacts of the greenhouse effects. To prevent emission of greenhouse gases into the atmosphere, the Company has defined in its Sustainability Policy that it will develop a database and provide greenhouse gas emissions reports to the public. At the same time, the Company has implemented energy conservation programs at all mine sites and offices. It is also working under a partnership to study Liquefied Natural Gas, (LNG) from neighboring areas as an alternative to diesel fuel, the Company's main source of energy. LNG provided by local producers offers advantages, such as increasing energy stability and lowering costs for the Company. Moreover, it produces lower greenhouse gas emissions and smaller particles from combustion as compared to diesel.

7.2 Occupational Health and Safety Risks

Due to the nature of mining activities which involve the use of heavy equipment and vehicles, risk of accidents arising from work is relatively high. In 2012, Banpu followed a work safety policy and promoted a safety culture among staff at all levels and all contractors under the "3 Zeros" policy which included:

1. Zero Incident: To aim for no accidents during work
2. Zero Repeat: To prevent accidents from recurring
3. Zero Compromise: To follow safety rules and regulations with no exception



Working with a large number of contractors, the Company has improved its Contractor Management System (CMS) and implemented it with all contractors involved in the coal production process in order to closely manage and control contractors and to work safely with a traceable process. For three consecutive years, Health, Safety, Environment and Community Summit (HSEC Summit) is held among all top executives to define directions and guidelines to implement the Company's policies for health, safety, and environment at all levels and in every operation, as well as to raise awareness of HSEC.

The Company follows international standards in assessing occupational health and safety risk at the workplace, and has implemented these strategies in every operation. In 2012, the Company has received certifications as follows:

- Integrated Management System of ISO9001, 14001 and OHSAS 18001 certifications for operation of Luannan power plant in China, and it is expected that the same certifications will be granted to the Zhengding and Zouping power plants in China in 2013.
- OHSAS 18001:2007 for Tandung Mayang coal mine, and
- Surveillance Audit of ISO 9001, ISO 14001 and OHSAS 18001 at Indominco mine.

In addition, the Company continues following the Business Continuity Management plan at all mines, power plants, Bangkok and other offices to alleviate impacts from emergency and crisis that may occur, such as fire accidents, floods, earthquakes, epidemics, protests or riots. In 2012, the Company has run Business Continuity Management emergency drills at head offices in Bangkok and Indonesia and at mine operations in Indonesia to ensure confidence in handling emergency and crisis.

8. Risks from Social and Community Impacts

Banpu has been aware of its impacts on communities, whether they are impacts on the environment, safety, economy or the society. It has formulated a risk management plan to mitigate these impacts as follows:

1. Setting up standard operating procedures that cover risks from social and community impacts. The clear guidelines allow our community development officers at all sites to work effectively under the same set of standards.
2. Setting up the Community Consultative Committee (CCC) consisting of representatives from the local government, local communities and the Company to set community development directions that meet community's needs, which are in line with the government's development plan, to ensure acceptance from all related parties.
3. Community development programs are aimed at meeting each community's needs and ensuring responsiveness to problems in each community, with an emphasis on community participation which can lead to sustainable development. Social Mapping for each community was conducted to collect detailed data from each community for the purpose of planning. The Community Development Management Information system (CDMIS) has been adopted to track the effectiveness of community development programs in various communities.
4. Community development programs are carried out with regard to the satisfaction of the community and stakeholders. Perception Surveys have been conducted to assess attitudes and satisfaction of the community towards community development programs and the Company.
5. Allocating sufficient number of officers at each mine site. The community development officers are considered primary mechanism of communication between communities and mines, as well as the group of staff who work hand in hand with communities to improve the quality of life at each of the communities.



9. Environmental and Safety Risks in Power Generation

9.1 Environmental Risks

The main environmental issue of power plants is air quality resulting from the emissions of combustion and steam engines. The Company has put an emphasis on controlling and reducing impacts by:

1. Preventing emissions: This can be done by choosing a suitable choice of fuels, for example, high-quality coal with low sulfur; and

2. Treating or Disposing emissions: An electrostatic precipitator and a flue gas desulphurization system have been installed as a standard of practice at the Company's power plants in Thailand and China, and at the Hongsa Power Project in Laos PDR. The BLCP power plant has a Continuous Emission Monitoring System (CEMS) and four units of Real-Time Monitoring System around the plant to monitor ambient air quality. Banpu also established an environmental management system and was certified under the ISO 14001 assurance standard in 2008 for its power plants in Thailand and China.

9.2 Occupational Health and Safety Risks

As power generation has to deal with heat and pressure, each power plant must comply with strict safety standards. The BLCP power plant has been certified for meeting the OHSAS 18001 occupational health and safety standards since 2007. Emergency drills are conducted every year at BLCP. The Company also prepares OHSAS 18001 standards certification for its power plants in China.

10. Risk from Hongsa Power Project Court Case

The Company sees the importance of managing risks from the Hongsa Power Project court case. Special working teams have been set up both at the Board and executive levels to monitor progress of the case. Legal strategies have been planned and the situation is being closely monitored and analyzed. Progress and performance are reported regularly to the Board and executives. The Company also aims to raise understanding and confidence among stakeholders by developing a clear approach in reacting to the situation.

The Company is in the process of appealing the case. The court proceedings may take 3 to 5 years. Moreover, it is likely that the case will be brought to the Supreme Court.

The management and the Board believes in its integrity in developing the Project, of which will be proven by substantial facts to be presented to the court.



INTERNAL CONTROL

Banpu continues to emphasize internal control. The Board of Directors has designated the Audit Committee to review Banpu's assessment of its internal control system and to regularly monitor internal control progress. The internal control should be adequate and appropriate to the Company's risks to ensure effective and efficient operation and resource utilization. In addition, having proper internal control will safeguard assets and protect the Company from mistakes and damages. In 2012, the Board of Directors convened 14 times, all of which were attended by the Audit Committee, to express opinions about adequacy and soundness of the internal control system. The Audit Committee reported to the Board of Directors on 18 January 2012.

In 2012, the Audit Committee convened 9 times. These meetings were held with the management, auditors and the Internal Audit Department. The Audit Committee performed its duties in compliance with relevant laws and to the extent entrusted by the Board of Directors according to the Audit Committee Charter. Its duties include review of financial statements, risk management supervision, auditor appointment and internal auditing supervision. Through risk-based auditing, the accounting system and financial statements were accurate and reliable. Laws, rules and regulations relating to the Company's business were accordingly in compliance.

The Board of Directors agreed to the same opinions as that of the Audit Committee, which are summarized as follows:

1. Organization and Environment

Banpu encourages a healthy internal control environment where the Board of Directors supervises the management by requiring all departments to set clear and measurable annual business goals and plans. Processes have been enhanced to allow the Company to improve its business goals and to formulate a strategic plan in response to a rapidly-changing business environment. A clear chain of command and delegation of authority were defined to allow more flexibility in line with the business environment. Key Performance Indicators (KPIs) are defined and used as a guideline for work and performance evaluation against stated goals. Policies and Standard Operating Procedures (SOP) for finance and accounting, procurement, asset management and general administration have been improved.

The Company focuses on recruiting and managing human resources in a systematic manner and in a way suitable to corporate culture while remunerating employees fairly. Banpu continues to underline the importance of integrity, business ethics and accountability to stakeholders. The Company communicated its business Code of Conduct and now requires full compliance by all employees. In 2012, Banpu also became part of the Anti-Corruption Movement.

2. Risk Management

Banpu underlines the importance of compliance in its risk management policy and processes. The management and business units are required to assess risk factors, impacts, and likelihood of risk, and to develop risk management plans which are in line with changes in internal and external risks. The level of risk appetite for each of the business units was also clearly defined.

Key Risk Indicators (KRIs) were formulated as guidelines for business management. The risk management system was integrated into the corporate strategic planning process. A Value-Based Management (VBM) was also conducted to assess factors that may affect Banpu's value. A risk management unit regularly monitors the progress of risk management and reports to the Risk Management Committee. The report is reviewed by the Audit Committee, which reports to the Board of Directors on a quarterly basis.

In 2012, the risk management manual was updated to address risk management of overseas subsidiaries and major investments. This manual was written with the purpose of establishing a single, organization-wide standard. The manual also intends to educate and promote the effective implementation of Banpu's risk management policies and processes.



3. Control Activities

The Board of Directors appointed three sub-committees, namely, the Audit Committee, the Corporate Governance and Nomination Committee and the Compensation Committee. The three sub-committees have performed well and within the scopes of responsibility to which they were entrusted. KPIs are used to plan and monitor the performance of executives and employees of all levels for the purpose of comparing actual results with pre-determined goals. In addition, Banpu updates its organizational structure and its Delegation of Authority (DOA). These actions have been done to decentralize management and approval authority, to effectively respond to the Company's expansion and growth, and to improve upon its system of checks and balances.

Banpu has reviewed and updated its key Standard Operating Procedures (SOP) to correspond with international standards. Assets are further protected, and transactions with long-term binding effects are monitored to ensure compliance with agreed conditions. Measures are taken to prevent Banpu's interests from being exploited for personal benefit. Monitoring is done to ensure legal compliance in all relevant jurisdictions, while corporate management as working under an adequate and appropriate internal control system is promoted. The Control Self-Assessment (CSA) was introduced to encourage individual departments to put in place an internal control system which is consistent with their risk levels and is in line with Banpu's business conduct.

4. Information Technology and Communication

Banpu realizes the importance of information systems and of communicating relevant information obtained from internal and external sources, especially information relevant to operational performance and financial reports. This importance is even more profound as the Company expands its investment overseas. Effective tools will help to ensure that business decisions are made based on adequate, accurate and reliable information, and that these decisions will enhance the Company's competitiveness.

In 2012, Banpu introduced a sophisticated, highly effective and highly secure IT system for internal use. The new system implementation included the design and development of a standardized management reporting system to be used organization-wide. The conditional forecasting system, called the Shipment Demand Pull (SDP) system, has been implemented to manage the supply chain. With this system, management has greater visibility of different supply chain scenarios, and can simulate the impact of each scenario in advance. This system also allows executives to choose the most appropriate action in each situation to manage risk and support business decisions.

5. Monitoring

Banpu has implemented monitoring systems at both operational and management levels. The Board of Directors and the management continually compare operational results with previously-set targets. In addition, clear guidelines have been established to provide guidance to management if a result differs from a target. The three supervisory sub-committees regularly monitor performance and report it to the Board of Directors. If there is a major issue with possible impact to Banpu, the CEO and the management will monitor results and implementation of proposed solutions from relevant units, on a monthly basis.

The Internal Audit Office has formulated an audit plan that promotes balance and transparency while covering major management and operational process. The Internal Audit Office also evaluates the adequacy of the internal control system required by the management to ensure its effectiveness. Auditing and monitoring results are regularly reported to the Board of Directors, the Audit Committee, the CEO and the management.



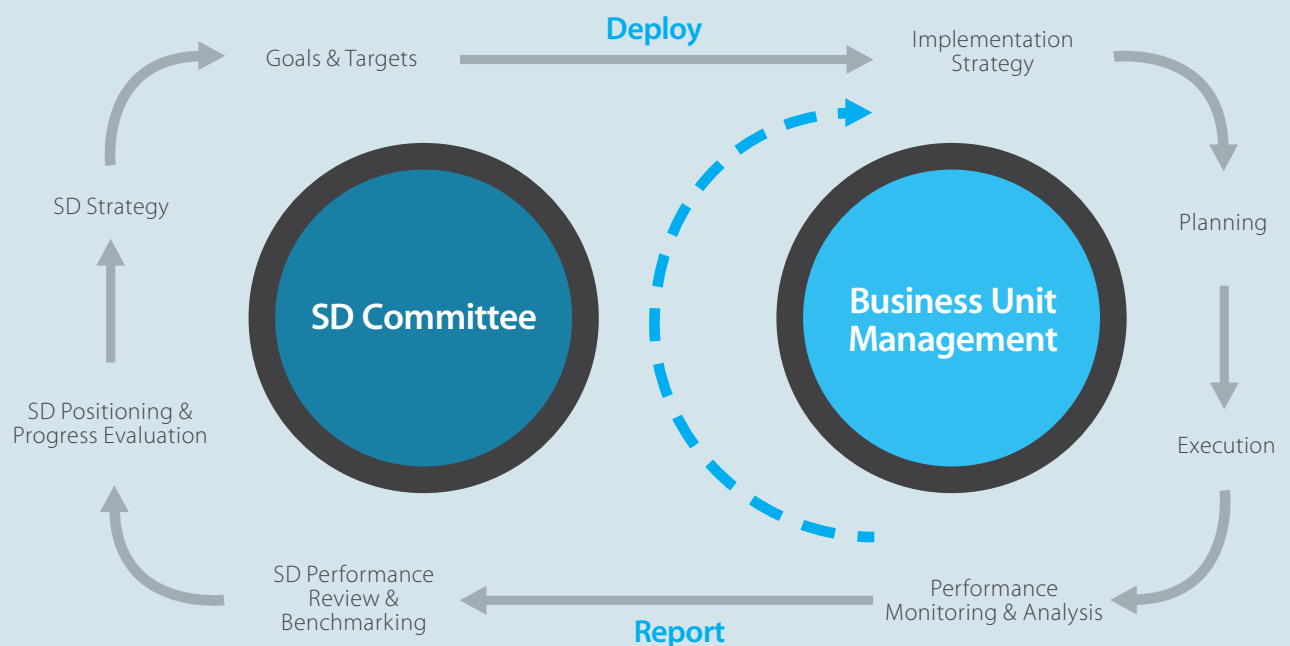
SUSTAINABLE DEVELOPMENT

For Banpu, sustainability means long-term existence, and is the result of our business performance, people and corporate culture. It is our ambition not just to exist in the long run but to bring sustainable growth and development to society, to the environment and to our stakeholders. Besides, to become a dynamic regional energy provider as we aim to become, proactiveness, excellence in quality, internationally-accepted frameworks and flexibility are fundamental to our sustainable growth.

To drive sustainable development, Banpu set up the Sustainable Development (SD) Committee, chaired by the CEO, with senior executives and heads of business units as members. The SD Committee helps by analyzing the Company's strategic position and sustainable growth direction, and by defining a set of common goals that truly reflect the Company's performance. These goals must be practical to implement, while allowing each business unit enough freedom to manage their activities within a guided framework.

The areas of focus for the Sustainable Development Committee include leadership and governance, strategic planning, efficiency and quality, customers, human resources, finance, environment, occupational health and safety, community and government relations. The committee convenes four times a year.

The Sustainable Development Report 2011 was released to disclose the Company's sustainable development performance. This report will be released annually through Banpu's website.





HUMAN RESOURCE MANAGEMENT

For almost 30 years, Banpu Public Company Limited has remained keenly aware of the importance of our human resources, as they are considered of utmost importance to the success and growth of the Company. At present, Banpu has grown and expanded its businesses into different regions. The Company currently has more than 6,000 employees in six countries, namely, Thailand, Indonesia, China, Laos, Australia, and Mongolia.

Human resource management is very important for business success and sustainable growth of Banpu. Therefore, determination of a clear direction in developing and managing employees from the policy level down to the operating level is extremely challenging, especially for an organization striving to excel in a competitive world.

To enable our employees to work at their full capacity, Banpu has carried out the following initiatives:

Promoting Unity with the Corporate Share Values of “Banpu Spirit”

Banpu respects differences in background, social status, education and living. Uniting people of different backgrounds, races, and cultures into a common goal and leading them towards professionalism and international standards is a challenge for Banpu. Thus, the Company introduced ‘BANPU Spirit’, the corporate culture comprising of four core values, namely, ‘Integrity’, ‘Innovation’, ‘Care’, and ‘Synergy’. The four core values are currently applied in every country Banpu operates to build unity, and it has become the core of Banpu people’s identity.

Human resource management under ‘BANPU Spirit’ culture is the foundation for building a high-performance team with the right attitude, creativity, and good behavior. With ‘Banpu Spirit’, employees can move forward with clear goals in mind. They work at their best to achieve tangible and measurable targets, both at the individual and team levels.

Preparing Staff to be Ready for Changes

Changes in the business world and the global economy today can bring both opportunities, and threats to a company’s sustainable growth. Realizing this fact, Banpu ensures its employees are ready for change, and that they have all the qualities which enable them to cope with uncertainties. These qualifications are adaptability, flexibility, mobility, creativity, professionalism, and commitment to good corporate governance and code of conduct. With these qualities, they will become “good employees” and “good citizens” of the community, society and country wherever they work.

Building People Management Skills Among Superiors

In bringing policy into practice, Banpu believes that the “superior” is a key mechanism. A good supervisor should understand his or her subordinates, care for them and be a role model. Therefore, it is important to train the superior to be aware of and have expertise in people management and related skills, such as job assignment, coaching, and performance management. The superior should be able to develop individual development plans, encourage subordinates to continuously learn and improve themselves, and offer them an opportunity for job rotation in order to broaden their skills and in order to prompt them with the capability to handle all types of challenging assignments in the future.



Motivating and Inspiring Employees

Banpu also emphasizes building motivation and inspiration as it encourages better performance. In addition to self-motivation, inspiration through good leadership of the senior management is also very important. We have several top executives who have been working with Banpu for 10 years or more. These executives are not only the keys to the Company's success and growth but also role models who effectively inspire, motivate and coach other employees. More importantly, they set high standards of work for the younger colleagues.

Creating a Good Work Environment

Work environment is as important as human resource development in giving people inspiration and support. At Banpu, office decoration, space management, color schemes, lighting, office equipment and facilities are all designed to support our broad nature of work and to comply with generally accepted standards, while promoting physical and mental health. The Company also provides recreational activities and social contribution activities that promote employees' participation, which includes setting up of a fitness gym, sports club, eco-tourism club and charity club.

In addition, the Company's 'Work at Home' and 'Flexi Time' programs have been implemented as part of its efforts to promote a better work environment as well as to facilitate a better work-life balance. These are part of the motivation to help retain talented employees and build sustainability.

Continuously Improving Human Resource Management

Effective human resource management requires effective monitoring and evaluation. Through regular performance appraisals, the Company is able to keep track of employees' performance while other relevant surveys are conducted to identify potential areas of improvement in HR work. Therefore, the "BANPU Spirit Survey" and "Employee Engagement Survey" were recently conducted to collect employees' opinions. Findings from the surveys are used to further develop and improve the Company's human resource management systems, enhance BANPU Spirit, and improve the level of employee engagement.

In addition to our employees, Banpu pays attention to human resources of the neighboring communities in every country we operate. The Company's goal is to ensure that the communities and the environment of the places in which Banpu operates are growing together with us. Therefore, Banpu emphasizes education, career development, environmental conservation, healthcare promotion and social development programs, such as youth development activities. Banpu also promotes environmental awareness and conservation knowledge among community leaders so that they could lead their own community in protecting the natural resources, from soil to water and forests, with an aim to achieve harmonious living between man and nature in the long run. This aim corresponds to Banpu's commitment to being a good citizen in every country it operates.



CORPORATE GOVERNANCE AND SUPERVISION ON THE USE OF INTERNAL INFORMATION

Corporate Governance

1. Corporate Governance Policy

The Board of Directors is committed to systematic management and Corporate Governance. It formulated the Corporate Governance Policy and the Code of Conduct in 2002. The current Corporate Governance Policy and the Code of Conduct are in their second edition, having been revised in 2005 and announced in 2006. The CG Policy and Code of Conduct handbooks are available in Thai, English, Bahasa Indonesia and Chinese. In 2012, the Board of Directors resolved to update the Corporate Governance Policy and the Code of Conduct to keep up with changes in rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, and to be in line with international practice. The newly updated edition will be used as reference and practice guidelines for directors, executives and staff.

Banpu has assessed the effectiveness of its Corporate Governance Policy implementation using Behavioral Factors, part of the Key Performance Indicators (KPIs), in which “Integrity”, one of our corporate values, is used as an indicator. The result, categorized by staff levels and operational locations, has revealed a satisfactory outcome.

In 2012, Banpu developed a plan to promote better understanding of corporate culture and corporate governance awareness, which aims for improved compliance with the CG Policy and the Code of Conduct. This plan was communicated to Banpu staff at all levels through the following activities:

- 1) An orientation session on corporate governance as part of the orientation program for new Banpu staff.
- 2) Intranet-based communication through the “CG Talk” program where CG information and news are posted and where employees can participate in quizzes to test their knowledge of CG. In 2012, The CG Talk was implemented under the theme, “CG Fit & Firm”, in which five representatives from various departments were invited as “CG Trainers” to share their stories about CG implementation and to provide advice on CG compliance to Banpu employees.
- 3) The “CG Day” was held to raise staff’s awareness about corporate governance and promote adherence to integrity. In 2012, the “Fit & Firm” theme was introduced to encourage staff to remain “fit & firm” with respect to corporate governance and to promote compliance with the CG policy and the Code of Conduct, with an aim to achieve business goals while upholding ethical standards.
- 4) The “CG in 15 Minutes” session was held for various departments to educate staff on corporate governance. The session allowed staff to share ideas on corporate governance principles, on their compliance with the corporate governance policy and on the business Code of Conduct. It also prepared them for compliance with international CG standards in the future.

In 2012, Banpu was one of the 59 listed companies receiving Excellent CG Scoring and one of the 27 top quartile of listed companies with over THB 10 billion market capitalization. This scoring was made according to a survey on corporate governance of listed companies in 2012, organized by the Stock Exchange of Thailand, the Securities and Exchange Commission and the Thai Institute of Directors.

In addition, Banpu was ranked No. 4 among the 300 Top Companies of the Year and No. 2 in the natural resources sector by *Money & Banking Magazine*. We were also ranked by *Finance Asia* in the following categories:

- No. 5 out of the eight companies awarded for excellent management
- No. 4 out of the seven companies awarded for excellent corporate governance
- No. 4 out of the six companies awarded for excellent corporate social responsibility.



2. Shareholders: Rights and Equality Treatment

The Board of Directors emphasizes the rights and equitable treatment of shareholders. This priority has been clearly elaborated in Banpu's Corporate Governance Policy, which states that Banpu's shareholders have the right to receive share certificates and to transfer their shares. They have the right to receive timely and adequate information in the format appropriate for decision making. Shareholders are also entitled to attend and to cast their vote at a shareholders' meeting in order to amend the Company's major policies. They also have the right to elect and remove directors, to approve the appointment of auditors and to receive their share of profits.

At the shareholders' meeting, the Board of Directors facilitates shareholder decisions by sending adequate information in time for the meeting. It encourages shareholders to attend and to vote at the meeting, or to appoint a proxy or an independent director to vote on their behalf in case of their absence. In addition, shareholders are equally allowed to express their views, request an explanation or ask a question.

Banpu held the 2012 AGM on 5 April 2012, at Plaza Athenee 1 Room, Plaza Athenee Royal Meridian Hotel, No. 61, Wireless Road, Lumpini, Pathumwan, Bangkok 10330. The meeting was attended by 12 directors. Banpu had designated Thailand Securities Depository Co., Ltd., its share registrar, to circulate an invitation letter to shareholders. The letter was also posted at http://www.banpu.com/en_agm_egm.php 30 days prior to the meeting date. The Minutes of the 2012 AGM were posted on the website 14 days after the meeting. Shareholders were allowed to propose an amendment if, within 30 days from the day it was disclosed on Banpu's website, they found the minutes were inaccurate. Banpu allowed minority shareholders to propose an agenda item between December 2011 and January 2012. The invitation to shareholders to propose 2012 AGM agenda items was announced in its letter to the SET which was also uploaded on the website at http://www.banpu.com/en_agm_egm.php. Procedures and methods for considering the proposed agenda items were clearly stated. No shareholder, however, proposed a meeting agenda item for the 2012 AGM.

In 2012, the Board of Directors resolved to allow minority shareholders to nominate qualified candidates as directors for the 2013 AGM. The nomination was open in November and December 2012.

3. Rights of Stakeholders

Banpu commits to treat all stakeholders equally. In fact, Banpu's policy to stakeholders is part of its Corporate Governance Policy to promote collaboration between the Company and stakeholders, who are referred to as staff, customers, suppliers, creditors, government agencies, communities, and the society in general. The principle has been stated in the Code of Conduct as a guideline for directors, executives and staff to ensure that stakeholders are treated on the basis of fairness and equitability for the mutual interest of all parties involved. Important principles include those related to conflicts of interest; responsibility to shareholders; policy and treatment of staff, customers, suppliers, creditors, business competitors and society. Directors, executives and staff are to understand and strictly comply with the guidelines so that all stakeholders are fairly treated and that their rights are duly protected. In addition, Banpu has set up a channel to receive complaints from three groups of stakeholders; namely, customers, shareholders & investors and Banpu's staff, and this channel is regularly monitored and reported.

Regarding the workforce, Banpu believes that employees are critical to the Company's success. This belief has led to a policy for fair treatment of staff. As stated in its Code of Conduct, all employees are treated equally regardless of their nationality and language, whether in terms of job opportunity, remuneration, appointment, job transfer, skill development or safe work environment. Banpu strictly complies with appropriate safety, environmental and occupational health measures to prevent casualties from accidents, injuries and job-related illness.



Banpu has announced the Human Resources Philosophy based mainly on three principles: equitability, performance-based and competency. Based on the changing business environment and the world's economic condition, it is the Company's duty to promote adaptability, flexibility, mobility, positive creativity and professionalism among Banpu staff. In short, Banpu intends to build its staff to be truly committed to the Banpu Spirit, which refers to Innovation, Integrity, Care and Synergy, and to be truly "professional".

Banpu commits to fair compensation in the form of salary, welfare and other fringe benefits that relate to long-term value creation for our shareholders. Banpu promotes fair human resources management and encourages staff at all levels to fully develop their skills and knowledge. The Company has set up the Job Evaluation Committee and the Organization Development Committee, and it has closely supported the Compensation Committee and the Corporate Governance and Nomination Committee in order to promote transparency and to drive its resources towards a sustainable future.

In terms of customers, Banpu commits to finding effective ways and means to respond to their needs. Its Code of Conduct includes policy and practices on how Banpu should treat its customers. Banpu will strictly honor a promise made to customers by delivering quality products and services at a fair price; offering accurate and sufficient information to customers in a timely fashion; strictly complying with customer's requirements; providing customers a grievance system to complain about quality, volume and safety of our products and services; advising customers on how to effectively use Banpu's products and services for their benefit, keeping customer's confidentiality and refrain from abusing it.

For suppliers and creditors, Banpu has a policy to treat them equally and fairly by taking into consideration the Company's maximum benefits and the mutual benefits of both parties. In addition, Banpu will avoid circumstances that may lead to a conflict of interest and will comply with all contractual obligations.

Regarding business competitors, in its Code of Conduct, Banpu has set a policy to treat competitors in a way that is consistent with international practice and within a legal framework on trade competition. The Company will not spy on or fraudulently seek competitors' secrets. Banpu has run its business with fairness and strictly complies with its Code of Conduct. During the past year, Banpu had no dispute with competitors.

Regarding communities and the society, Banpu has a policy to do business in a way that benefits the economy and the society, with a purpose to create a balance between business growth, community development, social development, and good environmental practice. The Company aims to safeguard local customs and to be a good corporate citizen by complying with applicable laws and regulations. The Company tries to improve people's quality of life either by itself or by collaborating with government agencies, communities or non-governmental organizations. Banpu has implemented its Sustainable Development Policy by benchmarking itself against international standards. This benchmarking includes, for example, reporting on the greenhouse gas emissions of its coal mines or power plant operations. In addition, Banpu has formulated effective Health, Safety, Environment practices, covering risk identification and management of operational risks that may affect staff, business partners, the environment and surrounding communities.

To support the policies mentioned above, Banpu has pursued Corporate Social Responsibility (CSR) programs based on the belief that "an industry will be strong only when it is developed in tandem with social and environmental responsibility." Throughout its nearly three decades of business, Banpu has constantly supported CSR activities. Budget from part of Banpu's incomes has been allocated for CSR activities both at the local and corporate levels, including projects in other countries where Banpu has an operational presence, especially in Indonesia and China. Banpu constantly promotes the "learning" activities among its target groups, namely children and youth, as they are a critical force for a country's sustainable future. Banpu believes that the "learning" is a power of change and development. In addition, attempts have been made to raise CSR awareness among staff at all levels to maintain their commitment to social responsibility. The ultimate goal is to promote the sustainable growth of communities and society by using the "Do by Heart" approach on the basis of sincerity, seriousness and willingness.



4. Shareholders' Meeting

In 2012, the Company held one Annual General Meeting of Shareholders (AGM) on 5 April 2012 at 13.00 hours, at Plaza Athenee 1 Room, Plaza Athenee Royal Meridian Hotel, No. 61, Wireless Road, Lumpini, Pathumwan, Bangkok 10330. Following the Board's policy to encourage shareholders to participate in the decision-making process and to ensure that shareholders receive complete and adequate information in a timely fashion for decision making, Banpu therefore sent invitation letters and supporting documents to shareholders prior to the meeting date. Each agenda item contained Board of Directors' opinions. The meeting was attended by 12 directors including Chairman of the Audit Committee, Chairman of the Corporate Governance and Nomination Committee and Chairman of the Compensation Committee. Banpu also invited senior executives, auditors and independent observers from a law firm to attend the meeting.

The Chairman of the AGM provided an equal opportunity for all shareholders to review and to inquire about Banpu's operations during discussion on each agenda item. The Chairman encouraged shareholders to express their opinions and seek explanations on Banpu's business activities. The Board also made sure that the Minutes of the Meeting was posted on the Company's website 14 days after the meeting date to allow shareholders to check and propose amendments within 30 days.

5. Leadership and Vision

The Board of Directors oversees formulation of the Company's vision, mission, goals, policies, management directions, long-term strategic plan, action plan and annual budget. The management is entrusted to propose these to the Board. The Board will then fully express its opinion and discuss issues with the management to seek general agreement mutual consent before giving approval. The Board of Directors appoints the Chief Executive Officer (CEO) to develop and implement the Company's strategies. It also makes sure that roles, duties and responsibilities between the Board, the sub-committee and Banpu's executives are clearly defined.

In 2012, the management, led by the CEO, reviewed the Five-Year Strategic Plan (2010 - 2015) and business direction to ensure that Banpu responded well to the changing business circumstances, to assess the Company's risks, and to prepare the Company for a rapidly changing business environment. The Board of Directors expressed its opinions on the revised strategic plan and business direction before approving it during the 13th Board Meeting in November 2012.

6. Conflicts of Interest

Banpu considers it very important to prevent its directors, executives and staff from using their status for personal gain. The Code of Conduct handbook clearly states that directors, executives and staff should avoid a Connected Transaction that may lead to a conflict of interest with Banpu. If necessary, a transaction can be carried out as if it is done with a third party, and a director or staff with a conflict of interest must not be involved in the approval process. If a transaction is a connected transaction under the SET's rules, it must strictly comply with the ruling, procedures and information disclosure methods required for listed companies.

In addition, the Board of Directors also prohibits directors, executives, and staff from using an opportunity or information acquired from their work to seek personal interest or to compete or do related business against Banpu. This policy includes a prohibition on the use of insider's information to buy or sell the Company's shares or from giving such information to a third party to buy or sell Banpu's shares. If an executive or an staff is involved in a special task that has not yet been disclosed to the public, and if a negotiation is ongoing, the price sensitive information must be kept confidential to prevent an effect on the Company's share price. In such a case, the executive or staff involved is required to sign a confidentiality agreement with the Company which will remain effective until the information is disclosed to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).



7. Code of Conduct

Aside from its commitment to good corporate governance principles, the Board of Directors has a policy to do business to maximize shareholders' benefit, focusing on goals and the means to achieve success. Banpu's Code of Conduct has set clear corporate goals, vision, mission statements, values, Corporate Governance principles and practice guidelines which allow directors, executives and staff to understand the Company's expectations as well as to provide a basis for dealing with staff, shareholders, customers, traders, suppliers, creditors, business competitors and society in general.

Banpu requires directors, executives and staff to understand and strictly comply with policies and practices stated in the Code of Conduct. Regular meetings are held and promotional materials are distributed to inform and remind staff in Thailand and abroad of the importance of the Code of Conduct. All department heads must make sure that their supervisees know, understand and strictly comply with the Code of Conduct. Staff at all levels must be good role models. Beyond the standards stated in the Code of Conduct, Banpu has promoted its Corporate Shared Values to encourage good corporate culture among staff by developing the do's and don'ts guideline, which is in line with the policy stated in the Code of Conduct, to ensure tangible results.

8. Balancing of Power by Non-Executive Directors

The Board of Directors ensures that the number of its existing directors is appropriate to the Company's size. At present, Banpu's Board of Directors consists of 12 members. Three of them are executive directors, three are non-executive directors and six are independent directors.

During the past year, the Corporate Governance and Nomination Committee reviewed the proportion among non-executive directors executive directors, and independent directors of the Board and found the existing ratio of non-executive directors appropriate.

9. Consolidation or Separation of Office

The Board of Directors requires that its Chairman and CEO be two different persons. Their roles and responsibility, power and duty are clearly separated to achieve a healthy balance between management and good corporate governance. The current Chairman of the Board is an independent director.

10. Remunerations of Directors and Executives

The Board of Directors has assigned the Compensation Committee to review compensation structure as well as remuneration of Banpu's executives and directors. For each executive, remuneration must be performance-based, taking into consideration the duties and responsibilities of the executive position, and must be competitive with the market and the industry while encouraging effective performance.

Director's remuneration consists of two equal elements, one is a monthly payment, the other is a meeting allowance. Director's annual bonus will be based on dividends paid to shareholders, and remunerations must be approved during the shareholders' meeting.

Details of remuneration Banpu paid in 2012 to its directors and executive officers are available in the 'Remuneration of the Board of Directors and Management' section of this Annual Report.



11. Board of Directors' Meetings

The Board of Directors convenes at least once a month on the last Wednesday of the month. An additional meeting may be held if necessary. At the meeting, there are clear meeting agenda items. A complete set of supporting documents is sent to the Board of Directors at least seven days in advance of the meeting to allow the Board an opportunity to properly review the agenda before the meeting. Adding an agenda item after documents are distributed to the Board is allowed only when it is extremely necessary and justified, and when the item has been approved by the Chairman of the Board. Each meeting lasts approximately 3.5 hours. During the meeting, all directors may openly voice their opinions. The Chairman of the Board must summarize decisions and agreed opinions. If a director has a conflict of interest in an issue being discussed by the Board, the director must leave the room when the matter is considered.

Minutes of the meeting are subsequently made in writing and, after being approved by the meeting, are certified true and correct by the Chairman of the Board of Directors and the Secretary of the Board. The original copy of the meeting minutes and a scanned copy are kept for use by directors and other parties as a reference. Meeting documents, including supporting documents during the past five years, are also kept in electronic format for reference. They are safeguarded from possible document manipulation and disaster risk.

In 2012, the Board of Directors convened 14 times. Each director attended the meeting, as follows:

Name	Title	Term of Office	Meeting Attendance		
			Ordinary Meeting	Special Meeting	Total
1. Mr. Krirk-Krai Jirapaet	Chairman	Apr. 2011 - AGM. 2014	12	2	14/14
2. Mr. Vitoon Vongkusolkrit	Vice Chairman	Apr. 2012 - AGM. 2015	12	1	13/14
3. Mr. Montri Mongkolswat	Independent Director	Apr. 2011 - AGM. 2014	12	2	14/14
4. Mr. Sawatdiparp Kantatham*	Director	Apr. 2010 - AGM. 2013	3	-	3/3
5. Mr. Rawi Corsiri*	Director	Apr. 2012 - AGM. 2013	9	1	10/10
6. Mr. Kopr Kritayakirana*	Independent Director	Apr. 2010 - AGM. 2013	3	-	3/3
7. Mr. Teerana Bhongmakapat*	Independent Director	Apr. 2012 - AGM. 2013	9	1	10/10
8. Mr. Somkiat Chareonkul	Independent Director	Apr. 2010 - AGM. 2013	12	2	14/14
9. Mr. Rutt Phanijphand	Independent Director	Apr. 2011 - AGM. 2014	10	1	11/14
10. Mr. Anothai Techamontrikul	Independent Director	Apr. 2012 - AGM. 2015	11	2	13/14
11. Mr. Chanin Vongkusolkrit	Director	Apr. 2011 - AGM. 2014	10	2	12/14
12. Mr. Metee Auapinyakul	Director	Apr. 2011 - AGM. 2014	12	1	13/14
13. Mr. Ongart Auapinyakul	Director	Apr. 2012 - AGM. 2015	11	2	13/14
14. Mr. Verajet Vongkusolkrit	Director	Apr. 2012 - AGM. 2015	12	2	14/14

Note:* Mr. Kopr Kritayakirana and Mr. Sawatdiparp Kantatham resigned from their directorship with effect from 6 April 2012 while Mr. Teerana Bhongmakapat and Mr. Rawi Corsiri were appointed to replace Mr. Kopr Kritayakirana and Mr. Sawatdiparp Kantatham for their remaining term of office, respectively.



12. Sub-Committees

- **The Audit Committee**

The Audit Committee consists of three independent directors. It is responsible for reviewing Banpu's financial statements, adequacy of Banpu's internal control and risk management systems, its financial derivative and commodity hedging transactions and compliance with applicable laws and regulations. It also selects and appoints the Company's auditor, proposes an auditing fee and reviews disclosure of Banpu's information in case of connected transactions or transactions with possible conflict of interest so that the disclosure is done in a complete, accurate and transparent manner. The Committee's other tasks include reviewing operational plans and results, budget and manpower of the Internal Audit Department.

In 2012, the Audit Committee convened nine times, each of which was attended by all Audit Committee members and with all agenda items being covered. There was coordination and follow-up based on the Audit Committee's recommendations, which were clearly recorded in the minutes of meeting.

- **The Corporate Governance and Nomination Committee**

In 2012, the Corporate Governance and Nomination Committee consisted of three members¹ and was chaired by an independent director. All members of the Committee were non-executive directors. The Corporate Governance and Nomination Committee had two major responsibilities: firstly, to review Banpu's Corporate Governance Policy and its Code of Conduct and monitor its compliance based on the policy, and secondly, to recruit and nominate candidates as directors and CEO, to follow-up a succession plan to identify suitable top executives for department head level and higher before seeking approval of the Board of Directors or for further submission to the Shareholders' Meeting, as the case may be. In addition, the Corporate Governance and Nomination Committee had a duty to seek approval from the Board on how directors and the Board should be evaluated. The Committee took part in evaluation and monitoring to improve results from the evaluation. In 2012, the Corporate Governance and Nomination Committee submitted a draft evaluation form of the three sub-committees for the Board's approval, which would be used for the first time in the 2012 performance evaluation.

In 2012, the Corporate Governance and Nomination Committee convened eight times, all of which were attended by all members.

- **The Compensation Committee**

The Compensation Committee consisted of three members and was chaired by an independent director. All its members were non-executive directors.

In 2012, the Compensation Committee convened seven times, all of which were attended by all members.

13. Internal Control and Auditing

The Board of Directors has set up an internal control system that covers all aspects of Banpu's business, ranging from finance, accounting, asset management, operations to legal compliance. The Board makes sure that there are sufficient and effective check-and-balance mechanisms to protect stakeholders, shareholders' equities and Banpu's assets. The Board has also ensured that the Internal Audit Department remains independent by requiring it to directly report to the Audit Committee. This requirement is in place to make sure that the internal control and audit system remains an effective mechanism to drive Banpu to expand in a sustainable manner. The Internal Audit Department monitors the internal control of operating procedures and critical systems covering all Banpu's business units and supporting functions. The Department gives advice on internal control and risk management to improve Banpu's business processes and ensure that the business continues to grow in the rapidly changing economy.

¹ During 1 January - 5 April 2012, The Corporate Governance and Nomination Committee consisted of four members.



14. Board of Directors' Report

The Board of Directors is responsible for Banpu's consolidated financial statements and the financial information that appears in Banpu's Annual Report. The financial statements are prepared under the Generally Accepted Accounting Principles (GAAP) in Thailand where an appropriate accounting policy has been selected and implemented. The Audit Committee and auditors jointly review the accounting policy to see if it remains practical. While preparing the financial statements, the Board of Directors insists that the working team carefully exercise its discretion and that important information is adequately disclosed in the notes to the financial statements.

In addition, the Board of Directors entrusts the Audit Committee to monitor the quality of Banpu's financial statements and its internal control system. The Audit Committee's opinion has been stated in the "Report of the Audit Committee to Shareholders" published in this Annual Report.

The Board of Directors is of the opinion that the financial statements of both Banpu and its subsidiaries as of 31 December 2012 are complete, accurate and reliable.

15. Investor Relations

The Board of Directors makes sure that both financial and non-financial information relating to the Company's business and performance is revealed in a complete, adequate, regular and timely manner. In addition, the information must reflect the Company's actual performance and its true financial status, as well as its business future while strictly complying with the laws, rules and regulations relating to information disclosure of both the SEC and the SET.

Aside from disclosing information as required by the SET and the SEC, Banpu also communicates with shareholders and investors through other channels. The Investor Relations Division directly communicates with shareholders, investors and securities analysts both domestically and abroad, while the Corporate Communications Department disseminates corporate information to shareholders, investors and the public through local and international press.

In 2012, Banpu provided information to foreign investors, institutional investors, retail investors, securities analysts and the press as follows:

- | | | |
|---|---|-------|
| • To foreign investors through international road shows: | 7 | times |
| • To domestic institutional investors: | 5 | times |
| • To securities analysts through quarterly analyst meetings: | 4 | times |
| • Participating in the "Opportunity Day" to announce quarterly results: | 4 | times |
| • Press conference to announce the Company's performance and update business movements: | 2 | times |

Banpu also welcomed investors and analysts wishing to learn more about Banpu's operational results in 78 company visits. In addition, Banpu regularly distributed press releases when there were important investment or business activities.

Banpu also disclosed information through its website at www.banpu.com so that other stakeholders can equally access information. Those interested in Banpu's information can contact the Investor Relations Division at Tel. 0 2694 6744, or Fax 0 2207 0557 or send an email to investor_relations@banpu.co.th.



Supervision on the Use of Internal Information

Banpu is aware of the importance of information disclosure and transparency. The policies governing information disclosure, transparency, financial statements and related actions are defined in its Corporate Governance Policy. This is to ensure that accurate, complete, reliable financial and other business information is disclosed to shareholders, investors, securities analysts and the public in a timely basis. The Board of Directors commits to compliance with related rules and regulations with regard to information disclosure and transparency. Sales or purchase of shares by any director or executive have been reported to a supervision agency according to the SEC's requirements. In addition, the status of each director's securities holding is also reported monthly at the Board of Directors' Meeting.

To supervise the use of internal information, Banpu has formulated measures to protect internal information in its Code of Conduct under the topic of "Conflict of Interests and Keeping Confidential Information".

Banpu considers that it is a responsibility of directors, executives and staff to keep information strictly confidential, especially if it is internal information not yet released to the public, or if it is data or information that may affect Banpu's business or share price. Regarding directors, there are practices stated in the Practice Guidelines for the Board of Directors 2009 and the Code of Conduct as follows:

1. Directors, executives and staff must not use information they receive from their directorship or employment for personal benefit or for conducting business or other activities in competition with the Company.
2. Directors, executives and staff in possession of Company information which is not generally known and which may influence the share price ("inside information") must refrain from dealing the Company's shares using inside information. This information shall not be given to any third party for the purpose of dealing of the shares of the Company.
3. No business secrets shall be disclosed to any third party especially to competitors even after a director, executive or staff member has left the Company.

Banpu also stated in its Corporate Governance Policy that the Company will not allow directors, executives and staff to exploit their status for personal gain or to engage in business in direct competition with the Company. Transactions that may lead to a conflict of interest with the Company shall be avoided. If such a transaction is unavoidable, the Board of Directors will ensure that the transaction is carried out with transparency and fairness similar to transactions carried out with other parties. Directors, executives or staff having an interest in any transaction must not take part in its approval process. If a transaction is considered a connected transaction according to the Announcement of the SET, the Board of Directors must make sure that relevant rules and procedures for disclosure of connected transactions are strictly complied with.

Banpu has introduced Information Technology (IT) to control the use of its internal information. For example, it has a system that prevents outsiders from accessing information, while staff of different levels are given different levels of access to information based on their responsibilities. If an executive or staff is involved in a special task relating to information not yet disclosed to the public and is being negotiated, and where the release of such information may affect Banpu's share price, such executive and staff must sign a Confidentiality Agreement with Banpu which will be effective until the information is released to the SET and SEC.

For the use of the Company's internal information, Banpu has stipulated in its work regulations under the topic of "Disciplinary Action" that anyone not complying with or in violation of such regulation will be subject to disciplinary action and punishment according to the nature of the offence. The statement is written in the Company's rules and regulations, anyone **"disclosing the Company's secret with an intention to destroy its reputation, credibility or its products, resulting in Banpu losing or suffering from a loss of business opportunity"** can be dismissed.



CORPORATE SOCIAL RESPONSIBILITY

Based on the Company's credo that "an industry will be strong only when it is developed in tandem with social and environment responsibility", Banpu, for almost 30 years of its establishment, places a high emphasis on environmental and social responsibility at every location it operates. The Company consistently supports CSR activities. Budget from part of Banpu's income has been allocated for the CSR activities both at the local and corporate-levels including projects in countries where Banpu has a presence, especially in Indonesia and China.

Banpu's CSR activities focus on encouraging and developing "learning" platforms in various aspects for children, who are the future of our nation. This corresponds to our belief that "learning" is a power of constructive change and development.

Moreover, Banpu attempts to raise CSR awareness among staff at all levels to maintain their continuous commitment to social responsibility and impart CSR to our culture. The ultimate goal is to create a community and a society that grow sustainably, emphasizing the "Do by Heart" approach where sincerity, seriousness and willingness are fundamental to achieving this goal.

Thailand

In 2012, Banpu continued working on many CSR programs at a corporate level which emphasized three major areas, namely educational, environmental and youth capabilities development. All initiatives shared one core concept, which was to promote continual "Learning" in various areas, in and out of classrooms.

Educational Support Programs

Banpu Education for Sustainability

- 2012 was the ninth consecutive year of this program where Banpu sent native English speakers to teach English at six Banpu-sponsored schools in Lamphun, Lampang and Phayao provinces. Our goals were to equip students and teachers with better English skills to prepare for AEC in 2015. Funds were also given to support the schools' projects to enhance students' potential and promote self-learning. The goal is to equip the students with knowledge and ethical sense; to enhance teachers' teaching capacity in order to upgrade educational standards of rural schools to the same league as that of city schools; and to turn these schools into a sustainable learning center for their communities.
- Banpu's "Independent Careers Training for Underprivileged Children and Youth" program at three sponsored schools in Lampang and Lamphun provinces is in its third consecutive year. This program was organized to prepare students for an independent career path. Since 2010, the program has trained about 150 students, and there are 19 lead teachers. In 2012, 70 participating students started 14 different career projects with interest-free loans sponsored by Banpu. Their projects involve agriculture, home economics, handicraft and service.

Throughout the nine years of this program, Banpu has contributed a total monetary support of over THB 26.5 million, resulting in academic achievements among the students. Students from these schools have shown significant progress in their English language skills and ethical standards. They have received several recognitions from academic competitions and are known for their moral promotion activities at both regional and national levels. Teachers are able to develop their teaching through interesting lessons, especially those related to promoting students' analytical skills. Moreover, a network was formed among teachers to allow for the exchange of experience within the group. In terms of school development, their academic standards were enhanced. Some schools have become the learning center for the surrounding communities. Some have become the role model or pilot school in several important education projects.



Financial Support to Schools in the South

- For the sixth year running, Banpu continued to fund schools affected by the unrest in the South where THB 1.5 million was donated to 15 schools under the Bureau of Education Development for Administrative Zone in the southern provinces of Songkhla, Narathiwat, Pattani, Yala and Satun. The funding was to help students in the affected areas to continue honing their capabilities despite the upheavals, and to boost morale among teachers and students in the areas. Banpu has already supported 72 schools in the past six years through donations of THB 8.5 million.

Scholarship for Geology and Mining Engineering Students

- Banpu is in its fourth year of a scholarship program that promotes the production of highly sought after personnel in geology and mining engineering fields. Ten geology and mining engineering senior students from four universities; namely Chulalongkorn University, Khon Kaen University, Chiang Mai University and Prince of Songkhla University, were given a scholarship each year. During the past four years, the program has given the scholarship to 38 students.

Environmental Support Program

The Power Green Camp 7: “Going Green, Going Cool, Going One ASEAN”

- Banpu, in collaboration with the Faculty of Environment and Resources Studies, Mahidol University organized the “Power Green Camp” for the seventh consecutive year. This project aims to educate and broaden youth’s understanding about environmental science in the hope of building up sustainable environmental conservation conscience for future generations. The 2012 “Power Green Camp 7” was held under the theme, “Going Green, Going Cool, Going One ASEAN”, where 70 science major students in their eleventh grade attended, to learn about environmental concerns in the ASEAN region and to prepare to conserve nature as an ASEAN citizen. In addition to this project, Banpu, together with the Faculty of Environment and Resources Studies, held the fifth “Power Green Youth Leader Camp” to expand both a network of youth interested in environmental science and the “Power Green Camp” network itself. Throughout seven years of the program, there were about 470 participating students. Moreover, the Power Green Camp has developed a group of youth leaders who had an opportunity to exercise their leadership by helping to support the Power Green campers. The network is being expanded with a total of about 100 youth leaders at present.

Youth Support Programs

“Banpu Champions for Change 2” Program

- In 2012, Banpu continued the “Banpu Champions for Change” program, which is in its second year, to further support the development of next generation social entrepreneurs. This “social enterprise development” program gives Thai youth opportunities to create and manage their own social enterprise with an aim to connect business with society and environment through management tools as well as ethical practices. Funding was given to ten teams of aspiring youth for a three-month experiment. Then, four teams with outstanding performance were selected for the second phase of monetary support for another six months. The four projects were related to education, people with disabilities, community tourism and fund raising for social development entities.

Since 2011, Banpu Champions for Change project has supported 20 social enterprises to run trial operations based on the project owners’ concept and interest. Moreover, eight outstanding projects were further promoted to develop into sustainable social enterprises. Banpu Champions for Change also gives consulting services and training for young social entrepreneurs in many fields, such as business model development, financial planning and social impact assessment.



Banpu Table Tennis Club

- The Banpu Table Tennis Club (BTTC) organized skill-enhancing activities and exposed its athletes to the world of table tennis through a series of events. In 2012, the club focused on athletes' self-development through physical, mental and emotional health by means of various activities, such as daily trainings, and participation in major domestic and international tournaments. In addition, together with the Table Tennis Association of Thailand, Banpu All Thailand Table Tennis Championship 2012 was held between 19 and 21 May at Fashion Island. The competition served as a platform for Thai youth to improve their table tennis skills and techniques, as well as to improve their physical and emotional strength. Additionally, Banpu also supported a charity match to raise funds, THB 50,000 in total, for Home for Blind Children with Multiple Disabilities in Bangkok, The Christian Foundation for the Blind in Thailand under Royal Patronage of H.M. the King; and Thailand Disabled Table Tennis Club under the Association of the Physically Handicapped of Thailand.

Additionally, BTTC strives to develop its table tennis standards and management systems as well as to create an individual development plan for athletes. Other activities to nurture athletes' ethics, discipline and unity are also arranged. Currently, the BTTC has about 70 members nationwide.

Over the past five years, the Club's players have used their table tennis skills to earn their seats in colleges and universities. They have also won prizes in national and international matches.

Support for Disaster Relief

Banpu and its staff realize the importance of giving a helping hand when a disaster strikes, whether in Thailand or overseas.

The Great Flood in 2009 devastated many parts of Thailand. Banpu recognized the potential to put the Company's expertise and dedication to good use and assisted in rehabilitating many areas that have been severely inundated by the flood, so that the communities could return to normalcy. Communities were also developed as strong model communities who are self-reliant and sustainable, ready to face future challenges. In 2012, Banpu initiated and continued the following efforts to rehabilitate the flooded areas.

Banpu Post-Flood Rehabilitation Project at Ban Khao Samorkhon, Lopburi

Banpu has rehabilitated the community's Village 1, 2 and 3 at Ban Khao Samorkhon, Thawung district, Lopburi province, to enable the community to be self-reliant and return to normalcy, as well as to develop pilot projects as examples for sustainable, self-reliant communities. The project was divided into three stages – short-term, medium-term and long-term. The activities include cleaning houses after the water had receded, fixing 45 houses in Village 3, and fixing the community's Health Promotion Hospital. Moreover, a fertilizer revolving fund was set up for the Ban Khao Samorkhon's Farmers-for-Truth Group. Training and study trips were organized for community leaders and members. Youth volunteer groups were also set up, and plans were formulated for the three villages to prepare for future disasters. Banpu, together with the Thai Red Cross Society, formulated plans and organized a workshop titled "Preparing the Community for Future Disasters" for the three villages. Repairing work was carried out at a multi-purpose building in Khao Samorkhon Temple and water purifiers were installed so that the temple could be a relief center at a time of crisis and accommodate community activities during normal periods. In addition, Banpu continues to support attempts to add value to organically-farmed products through, for example, organic rice farming currently being trialed by 14 households covering more than 80 rai (about 32 acres) of land. Banpu also conducted a community baseline survey, of which the results will be used to formulate plans that genuinely respond to the problems and needs of the community.

Banpu encourages its staff to participate in the rehabilitation efforts at Ban Khao Samorkhon through many activities such as Big Cleaning Day in which they helped clean and repaint the hospital's area, multi-purpose building and child care center. They also joined Kathina ceremony (a Buddhist ceremony) and joined the ceremony to handover a relief center to Khao Samorkhon Temple.



Banpu Post-Flood Rehabilitation Project at Nakhon Pathom

Banpu offered community assistance at severely flooded areas in Bang Len district, Nakhon Pathom province by donating 7,000 liters of diesel to farmers who needed it to pump water out of their fields and by supporting the repair of damaged roads under the administration of 14 Sub-district Administrative Organizations of Bang Len district.

Post-Flood Rehabilitation Project at Inundated Schools

Banpu has rehabilitated schools that were damaged by the flood by improving their landscape and buildings, elevating the buildings, building fences and a multi-purpose pavilion and providing necessary teaching material for seven schools in four provinces namely Pathum Thani, Nakhon Pathom, Ayutthaya and Lopburi. The aim is for the schools to be able to resume normal operation with sufficient facilities and equipment. The seven schools are Samwa Wittaya School in Ladlumkaew district, Suankularbittayalai Rangsit School, Klong 4, Klong Luang district, Pathum Thani province, Ban Khlong Nok Krathung School in Khlong Nok Krathung sub-district, Bang Len district, Klong Phra Mor Pisai School in Bang Len district, Nakhon Pathom province, Wat Sivaram, Boh Ta Lo sub-district, Wangnoi district, Ayutthaya province, Wat Khao Samorkhon School and Wat Tam Tako in Ban Khao Samorkhon sub-district, Thawung district, Lopburi province.

Banpu staff also organized activities to paint school buildings, arranged the library, cleaned and organized “5s” activities at Samwa Wittaya School in Pathum Thani province.

Community Development

Facilities Banpu’s Lamphun Mine supported the construction of a water overflow weir, procurement of water pumps and drains as well as organizing the forest ordination ceremony to make a fire barrier.

Public Health Banpu’s Lamphun Mine provided financial support to a Village Health Volunteer sports competition in Li sub-district. Additionally, a medical mobile unit was organized to provide healthcare and basic healthcare advice for residents of Hong and Van-Narin villages in Li district, Lamphun province. Sports equipment was also donated to children, while a petanque competition for senior players was also supported.

Education Development Chiang Muan Mine gave 73 scholarships to students in 15 schools in Chiang Muan district. Lamphun Mine also granted 88 scholarships to students both in and outside of Li district. Meanwhile, Lampang Mine bestowed 44 scholarships to elementary school students and two college funds to students from the area, totaling THB 399,500. Moreover, the three mines of Banpu also supported a series of activities in various schools within vicinities of its mines.

Religion and Local Tradition Lamphun Mine facilitated the construction of monk residences, elevation of temple pillars, sponsored the Vessantara Preaching, and the city pillar ceremony. Banpu also joined a cultural meeting with Hong Village to organize a local culture conservation activity. Chiang Muan Mine also donated money to fix the roof of Sra Tai Temple’s main hall in Chiang Muan district, Phayao province. The aim of these supports was to preserve local tradition and to nurture a good relationship between Banpu and local communities.

Community’s Environmental Improvement Lamphun Mine supported the improvement of Li District Office’s landscape and the area in front of Ban Hong Temple. Meanwhile, Chiang Muan Mine developed an ex-mining area as a knowledge center and tourism spot for Phayao province.

Economic Development Lamphun Mine sponsored career training on egg-bearing chicken farming and cow manure fertilizer for local residents. In association with Waste Bank, waste collection activities were organized locally to separate waste. Baking lessons were also held.



Indonesia

Banpu places as much priority to its business here as its CSR for communities. At the corporate level, our Jakarta office organizes the CSR activities under a program called, "ITM for Education." For communities located nearby our operations in Kalimantan, including Indominco, Kitadin, Jorong, Trubaindo and Bharinto mines, most activities focus at improving the quality of life in the communities. Banpu supports projects proven useful to the public and to the environment with the communities' participation, and in cooperation with local public agencies. Banpu conducted its CSR projects in Indonesia in the following areas:

Basic Infrastructure Development Infrastructure was built, including a childcare center, primary school building, multi-purpose building, mosque, healthcare center, Dayak cultural building, roads and bridges. Electric systems and village generators were installed.

Economic Development Vocational training activities were organized to generate long-term income for the community. Training included agriculture, rubber farming, rice farming and milling, mushroom farming, livestock feeding, cage fish farming, integrated farming, biofertilizer production, food processing, and tailoring. Savings group and community stores were also established. Intensive training on technical skills such as truck driving, mechanics, and welding were also provided for youth, allowing them to have better occupational opportunities.

Education Development Banpu Indonesia continued to give away over 700 scholarships to students, from primary school level to undergraduate level. This scholarship program includes scholarships for nursing students to add more medical staff to communities. Banpu also provided transportation to carry students to and from schools, and offered computer training for teachers. Teaching equipment and books were donated to libraries, and classes were organized outside the school for underprivileged adults in the community, giving them access to educational opportunities.

Public Health and Safety Mobile medical units were dispatched to provide healthcare services to 37 communities around the mines. Health check-ups and advice were offered, and children's nutrition advice was given to breastfeeding mothers and pregnant women. Breastfeeding mothers, infants and pre-school children were given supplementary food. Pest control efforts were carried out to reduce mosquitoes. First aid and emergency assistance training was offered, particularly on how to deal with fire and accidents. In addition, village water supply and water purification systems were installed to give the community access to clean water.

Environmental Conservation The Company, in collaboration with local authorities and communities, participated in mangrove reforestation activity, to restore the forest and create nursing grounds for marine life.

Community Development Community Consultative Committee (CCC) meetings were arranged to plan for participatory community development which appropriately addresses community's needs. Study trips and training on community development were arranged for committee members and community leaders to broaden their knowledge on developmental processes.

Community Relations The Company supported activities that helped in maintaining religion, tradition, culture and the way of life of people in the communities, and provided assistance to those suffering from natural disasters such as fire and flooding.



China

Banpu Investment (China) Ltd. (BIC), a Chinese subsidiary of Banpu, supported activities relating to cultural and traditional conservation. It was also regularly involved in investment promotion activities in provinces where Banpu operates, to forge a long-lasting relationship between Thailand and China. Moreover, BIC's main policy in community support also led the firm to provide assistance to communities around its coal mines and power plants, as follows:

Education Development

- BIC granted RMB 50,000 in funding and donated uniforms and T-shirts to the Luannan Banpu Special Education School, which is a school for handicapped children in Luannan county. The school has 30 teachers and provides education for 79 children with hearing impairment, speech impairment, and other physical and mental disabilities.
- Scholarships worth RMB 180,000 were given to 90 students majoring in underground mining from four education institutes in Taiyuan, capital of Shanxi province.
- Zhengding Power Plant donated toys, books and sports equipment to three schools in Zhengding on the occasion of International Children's Day.
- The BIC office in Beijing organized "Care to Children of Migrant Worker" activity to fix toys and playground equipment for the students of Tongxin Experimental School, located in the suburbs of Beijing – a primary school for about 660 children of migrant workers. Financial support of RMB 22,000 was also given for the purpose of changing rubber safety padding in the school playground. Stationery and sports equipment were also donated to the students.
- Gaohe Mine gave RMB 100,000 to Gaohe Primary School to buy 20 sets of computers for computer classes, and an electric gate was installed for the school's security.

Public Health

- Hebi Mine offered RMB 150,000 to Hebi Town Hospital to acquire medical supplies.

Environmental Activities

- Staff from offices in Beijing, Jincheng, Zhengzhou and Hebi participated in a tree planting activity on the occasion of National Tree Planting Day in China. The Beijing office also organized a tree planting activity on China's National Children's Day to raise awareness about environmental conservation among its staff.
- With environmental conscience in mind, BIC's power plants are all equipped with a series of pollution prevention, control and disposal devices to ensure that their operations meet environmental requirements set by the government. Hence, our power plants were recognized by local governments as a role model and a learning center for other organizations with respect to environmental management and natural resources conservation.

Sports Activities

- BIC supported Zhengding's Table Tennis Club, which is a nationally recognized club for training and developing national-level table tennis players. It is also a training center for coaches from around the world.

Senior Citizen Support

- Gaohe Mine supported a nursing home in Changzhi county with needed equipment, such as wheelchairs, walking canes, winter clothes and personal care items worth about RMB 100,000 in total. The nursing home is located near Gaohe Mine.



BOARD OF DIRECTORS AND MANAGEMENT

Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
1. Mr. Krirk-Krai Jirapaet • Independent Director • Chairman	69	• B.A. (Hons) Political Science, Chulalongkorn University • Master of Economics, Sydney University, Australia • Certificate in Economic Developments, Japan • Certificate in Project Appraisal, Oxford University, UK • Certificate in Commercial Counsellor Practices, Federal Republic of Germany • National Defence College (Class 37) • Role of Chairman (RCP) # 11/2005, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP) # 61/2005, Thai Institute of Directors Association (IOD) • Audit Committee Program # 8/2005, Thai Institute of Directors Association (IOD) • Capital Market Academy Leader Program (CMA) # 9, Capital Market Academy	-	Present 2006 - 2008	Independent Director/Chairman Member, Council of the University of the Thai Chamber of Commerce Chairman of the Board of Directors Vice Chairman Minister of Commerce	Banpu Public Company Limited The University of the Thai Chamber of Commerce Thai Garment Development Foundation Thai Institute of Directors Association (IOD) Ministry of Commerce
2. Mr. Vitoon Vongkusolkrit • Vice Chairman • Member of the Compensation Committee * An older brother of person number 10 * An uncle of person number 12	71	• B.Sc. (Pharmacology), Chulalongkorn University • Director Certification Program (DCP) # 17/2002, Thai Institute of Directors Association (IOD) • Senior Executive Program # 6, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Chairman 2000 # 11/2005, Thai Institute of Directors Association (IOD)	1.35	2010 - Present 1983 - Present 2001 - Present 2004 - Present 1974 - 2012 1987 - Present 1977 - Present 1983 - 2009 1989 - 2007	Vice Chairman Director Member of the Compensation Committee Director/Chairman of Investment Committee Director Director Director Chairman Director	Banpu Public Company Limited Banpu Public Company Limited Banpu Public Company Limited The Erawan Group Mitr Phol Sugar Corp., Ltd. and its affiliates Erawan Hotel Public Company Limited United Standard Terminal Public Company Limited IAG Insurance (Thailand) Co., Ltd. Erawan Ploenchit Co., Ltd.



Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
3. Mr. Somkiat Chareonkul • Independent Director • Chairman of the Audit Committee	71	<ul style="list-style-type: none"> • Bachelor of Commerce, Thammasat University • Bachelor of Law, Sukhothai Thammathirat University • Certificate in "Strategic Alliance Seminar", The Wharton School, University of Pennsylvania, U.S.A. • Certificate of "Selected Problems of Tax Auditing and Investigation", Germany and Singapore • Certificate of "Seminar on Taxation (Indirect Tax Course)", JICA (Japan International Cooperation Agency), Japan • Certificate of Training "The Management Program" Sasin Graduate Institute of Business Administration, Chulalongkorn University • Certificate of Training "Senior Executive, Class 30" Civil Service Training Institute, Civil Service Commission • Director Certification Program (DCP) # 79/2006, Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP), # 21/2004, Thai Institute of Directors Association (IOD) • Audit Committee Program, Class 1/2004, Thai Institute of Directors Association (IOD) • Successful Formulation & Execution of Strategy, Thai Institute of Directors Association (IOD) 	-	2005 - Present	Independent Director, Chairman of the Audit Committee	Banpu Public Company Limited
				2004 - Present	Director	Chantaburi Resort and Spa Co., Ltd.
				2006 - 2010	Director	Oishi Group Public Company Limited
				2006 - 2010	Director	Oishi Ramen Company Limited
				2006 - 2010	Director	Oishi Trading Company Limited
				2003 - 2009	Director	Mueng Kit Co., Ltd.



Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
4. Mr. Rutt Phanijphand • Independent Director • Chairman of the Compensation Committee	65	• M.S. in Business Ad., Fort Hays Kansas State University, Hays, Kansas, U.S.A. • B.S. Kasetsart University • Director Accreditation Program (DAP): Governance Training for Listed Company Directors, # 4/2003, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP) # 61/2005, Thai Institute of Directors Association (IOD) • Financial Institutions Governance Program (FGP) # 1/2010, Thai Institute of Directors Association (IOD) • National Defence College (Class 388)	-	2005 - Present 2010 - Present 2009 - Present 2005 - Present 2001 - Present 2007 - Present 2007 - Present 2001 - Present 2006 - 2009 2002 - 2008 2006 - 2008	Independent Director / Chairman of the Compensation Committee Chairman/ Director Chairman of Executive Directors / Director Chairman of Executive Directors / Director President / Chief Executive Officer Chairman of the Nomination and Compensation Committee Executive Director Director Director / Member of the Audit Committee Chairman of the Activities Promotion Committee Member, Council of Kasetsart University	Banpu Public Company Limited Land and Houses Fund Management Co., Ltd. LH Financial Group Public Company Limited Land and Houses Bank Public Company Limited Quality Houses Public Company Limited Home Product Centre Public Company Limited Home Product Centre Public Company Limited Home Product Centre Public Company Limited IRPC Public Company Limited Kasetsart University Kasetsart University
5. Mr. Anothai Techamontrikul • Independent Director • Chairman of the Corporate Governance and Nomination Committee	69	• B.A. (Accounting), Chulalongkorn University • Diploma in Advanced Vocational Training, Germany • Director Accreditation Program (DAP) # 5/2003, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP) # 89/2007, Thai Institute of Directors Association (IOD)	-	2006 - Present 2007 - 2012 Present	Independent Director Member of the Audit Committee Member of the Corporate Governance and Nomination Committee Chairman of the Governance and Nomination Committee Chairman (Executive Board) Vice Chairman Vice Chairman Director	Banpu Public Company Limited Banpu Public Company Limited Banpu Public Company Limited D.T.C. Industries Public Company Limited Amcor Flexible Bangkok Public Company Limited United Auditing PKF Limited Safety Steel Industry Company Limited
6. Mr. Montri Mongkolswat • Independent Director • Member of the Audit Committee • Member of the Compensation Committee	69	• B.A. (Commerce), Thammasat University • B.A. (Accountancy), Thammasat University • National Defence College (Class 355) • Chairman 2000 Program # 3/2001, Thai Institute of Directors Association (IOD) • Audit Committee Effectiveness Seminar, Federation of Accounting Professions Under The Royal Patronage of His Majesty The King	-	1999 - Present 2002 - Present Present	Independent Director / Member of Audit Committee Member of the Compensation Committee Director/Member of the Nomination Committee and Compensation Committee/Advisor to the Executive Committee	Banpu Public Company Limited Banpu Public Company Limited The Deves Insurance Public Company Limited



Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
7. Mr. Rawi Corsiri • Director • Member of the Corporate Governance and Nomination Committee	63	• M.B.A., Sasin Graduate Institute of Business Administration of Chulalongkorn University • B.Sc. (Geology), Chulalongkorn University • Director Certification Program (DCP) # 32/2003, Thai Institute of Directors Association (IOD) • Capital Market Academy Leader Program (CMA) # 2/2006, Capital Market Academy • Executive Leadership Program Nida-Wharton, Co-program between National Institute of Development Administration (NIDA) and The Wharton School, University of Pennsylvania, U.S.A.	-	2012 - Present 2011 - Present 2010 - Present 2004 - Present 2009 - Present 2009 - Present 2001 - Present 2001 - 2010 2004 - 2011 2007 - 2010 2001 - 2011 2010 - 2012 1997 - 2012	Director / Member of the Corporate Governance and Nomination Committee Advisor Director Director Director Director Director Chief Operating Officer Director Director (Commissioner) Director Director Director	Banpu Public Company Limited Banpu Public Company Limited Centennial Coal Co., Ltd., Australia Banpu Power Co., Ltd. Hongsa Power Co., Ltd. Phufai Mining Co., Ltd. BLCP Power Ltd. Banpu Public Company Limited Banpu Minerals Co., Ltd. PT. Indo Tambangraya Megah Tbk Banpu International Co., Ltd. Banpu New Energy Holdings Co., Ltd. Banpu Coal Power Co., Ltd.
8. Mr. Teerana Bhongmakapat • Independent Director • Member of the Audit Committee	57	• Ph.D (Econ), University of Wisconsin at Madison, U.S.A. • M.Econ, Thammasat University • B.Econ (Quantitative Economics), Chulalongkorn University • Capital Market Academy Leader Program (CMA) # 14, Capital Market Academy • Director Certification Program (DCP) # 161/2012, Thai Institute of Directors Association (IOD) • Audit Committee Effectiveness Seminar, Federation of Accounting Professions Under The Royal Patronage of His Majesty The King	-	Present 2006 - Present 2010 - Present 2008 - 2012 2008 - 2012	Independent Director/ Member of Audit Committee Professor of Economics Eminent Member, Anti-Money Laundering Committee (AMLO) Dean, Faculty of Economics Eminent Member, Committee on Antidumping Duties and Countervailing Subsidies	Banpu Public Company Limited Chulalongkorn University Anti-Money Laundering Office (AMLO) Chulalongkorn University Ministry of Commerce
9. Mr. Metee Auapinyakul • Director • Executive Officer * An older brother of person number 11	59	• B.S.C. (Management), St. Louis University, Missouri, U.S.A. • Infrastructure for the Market Economy, Harvard University John F. Kennedy School of Government, Boston, U.S.A. • National Defence College (Class 377) # 7 • National Defence College, College of Management, (Class# 1) • Director Certification Program (DCP) # 61/2005, Thai Institute of Directors Association (IOD)	0.11	1983 - Present 2008 - Present 2007 - 2011 2004 - Present 2009 - Present	Director/Executive Officer Honorary Advisor, Energy Committee Director Advisor Advisor, the National Accreditation Council	Banpu Public Company Limited House of Representatives Thai Agro Energy Public Company Limited GENCO Public Company Limited Ministry of Industry



Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
10. Mr.Chanin Vongkusolkrit • Director • Chief Executive Officer * A younger brother of persons number 2 * An uncle of person number 12	60	• M.B.A. (Finance), St. Louis University, Missouri, U.S.A. • B. Economics, Thammasat University • Director Certification Program (DCP) # 20/2002, Thai Institute of Directors Association (IOD) • DCP Refresher Course # 3/2006, Thai Institute of Directors Association (IOD)	0.53	1983 - Present 1983 - Present 2004 - Present 2011 - Present 2003 - 2010 2005 - 2009	Director / Chief Executive Officer Director Director Chairman Director Vice Chairman	Banpu Public Company Limited Mitr Phol Sugar Corp., Ltd. The Erawan Group Public Company Limited Thai Listed Companies Association Ratchaburi Electricity Generating Holding PCL. Thai Listed Companies Association
11. Mr.Ongart Auapinyakul • Director • Executive Officer * A younger brother of person number 9	56	• B.S. (Mechanical Engineering), University of Missouri, Columbia, U.S.A. • Senior Executive Program 3, Sasin Graduate Institute of Business Administration of Chulalongkorn University • National Defence College (Class 4414) • Director Certification Program (DCP) # 23/2002, Thai Institute of Directors Association (IOD) • Capital Market Academy Leader Program (CMA) # 8, Capital Market Academy • Top Executive Program in Commerce and Trade (TEPCoT) # 4 • Top Executive Program (TEA#1) Thailand Energy Academy	0.10	1983 - Present	Director / Executive Officer	Banpu Public Company Limited
12. Mr.Verajet Vongkusolkrit • Director • Member of the Corporate Governance and Nomination Committee * A nephew of person number 2 and 10	48	• Bachelor of Science (Finance) Babson College, Massachusetts, U.S.A. • Director Certification Program (DCP) # 24/2002, Thai Institute of Directors Association (IOD)	-	2010 - Present 2008 - Present 2008 - Present 2008 - Present 2008 - Present 2003 - Present 2003 - Present 2003 - Present 2004 - 2010 2007 - 2010	Director / Member of the Corporate Governance and Nomination Committee Director Director Director Member of the Audit Committee Director Director Director Director Director	Banpu Public Company Limited Mid Siam Sugar Corp., Ltd. Mitr Phol Sugar Corp., Ltd. United Farmer and Industry Co., Ltd. Mitr Phol Group TME Capital Co., Ltd. Advanced Medical Center Co., Ltd. Saimai Hospital Co., Ltd. Panel Plus Co., Ltd. United Standard Terminal Public Company Limited

Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
13. Mr. Somyot Ruchirawat • Deputy Chief Executive Officer	57	• B.Eng (Chemical Engineering), Chulalongkorn University • M.Eng (Industrial Engineering and Management), Asian Institute of Technology (AIT) • M.B.A. (Executive), Chulalongkorn University • Director Certification Program (DCP) # 75/2006, Thai Institute of Directors Association (IOD) • Capital Market Academy Leader Program (CMA) # 3, Capital Market Academy	-	Present	Deputy Chief Executive Officer	Banpu Public Company Limited
				2011 - 2012	Chief Operating Officer	Banpu Public Company Limited
				2011 - Present	Director	Banpu Coal Investment Co., Ltd.
				2010 - Present	Director	Banpu Minerals (Singapore) Pte. Ltd.
				2011 - Present	Director	Banpu Power International Ltd.
				2001 - Present	Director	Banpu Minerals Co., Ltd.
				2001 - Present	Director	Banpu International Ltd.
				2011 - Present	Director	BP Overseas Development Co., Ltd.
				2011 - Present	Director	Chiang Muan Mining Co., Ltd.
				2012- Present	Director	Hunnu Investments Pte. Ltd.
				2012 - Present	Director	Hunnu Coal Pty Ltd.
				2011 - Present	Director	Pan-Western Energy Corporation LLC
				Present	Director	Silamani Marble Co., Ltd.
				Present	Director	Silamani Corp. Ltd.
				2012- Present	Director (Commissioner)	PT. Indo Tambangraya Megah Tbk
				2006-2012	President Director	PT. Indo Tambangraya Megah Tbk
				2007-2012	Director	PT. Bharinto Ekatama
				2007-2012	Director	PT. Indominco Mandiri
				2007-2012	Director	Indo Tambang Megah (ITM), Indonesia
				2007-2012	Director	PT. Jorong Barutama Greston
				2007-2012	Director	PT. Trubaindo Coal Mining
14. Mr. Voravudhi Linananda • Chief Operating Officer	56	• M.B.A., Sasin Graduate Institute of Business Administration of Chulalongkorn University • B.S. (Mechanical Engineering), Chulalongkorn University • Advanced Management Program (AMP 173) Harvard Business School, U.S.A. • Director Certification Program (DCP) # 149/2011, Thai Institute of Directors Association (IOD)	-	Present	Chief Operating Officer	Banpu Public Company Limited
				2009- Present	Director	Hongsa Power Co., Ltd.
						Phufai Mining Co., Ltd.
						Banpu Power Co., Ltd.
						BLCP Power Co., Ltd.
						Banpu Coal Power Co., Ltd.
						Hongsa Power Co., Ltd.
						Phufai Mining Co., Ltd.
15. Ms. Somruedee Chaimongkol • Chief Financial Officer	51	• B.Sc. (Accounting), Bangkok University • Program for Global Leadership, Harvard University Graduate School of Business Administration, Boston, U.S.A. • Director Certification Program (DCP) # 78/2006, Thai Institute of Directors Association (IOD)	0.08	2006 - Present	Chief Financial Officer	Banpu Public Company Limited
				2001 - 2006	Senior Vice President - Finance	Banpu Public Company Limited
				Present	Director	Banpu Power Development Co., Ltd.
					Director	Banpu Singapore Pte. Ltd.
					Director	Banpu Minerals Company Limited
					Director	Banpu International Limited
					Director	Silamani Corp. Ltd.
					Director	Silamani Marble Company Limited
					Director	BP Overseas Development Co., Ltd.
					Director	Centennial Coal Co., Ltd.
					Director	Banpu New Energy Holdings Co., Ltd.
					Director	Biofuel Development Holdings Co., Ltd.
					Director	Hunnu Coal Pty Ltd.

Name/Position	Age	Education	% Share held	Work experience in the last five years		
				Period	Position	Organization
16. Mr.Sathidpong Wattananuchit • Assistant Chief Executive Officer - Corporate Services	54	• Doctor of Philosophy in Strategic Management, University of Northern Washington • M.B.A. Strategic Management Leadership, IOU of Netherlands • Theology Study, Saint Sabriel's Institution India • Director Certification Program (DCP) # 74/2006, Thai Institute of Directors Association (IOD)	-	2006 - Present	Assistant Chief Executive Officer - Corporate Services	Banpu Public Company Limited
				2004 - 2005	Senior Vice President - Internal Audit	Banpu Public Company Limited
				1998 - 2003	Senior Vice President - Human Resources	Banpu Public Company Limited
17. Mr.Akaraphong Dayananda • Assistant Chief Executive Officer - Strategy and Business Development	54	• B.S.(Engineering), Chulalongkorn University • M.B.A., Bowling Green State University, Ohio, U.S.A. • Executive Program in Strategy and Organization, Stanford University, California, U.S.A. • Director Certification Program (DCP) # 91/2007, Thai Institute of Directors Association (IOD) • Director Diploma Examination # 22/2007, Thai Institute of Directors Association (IOD)	0.00	2011 - Present	Assistant Chief Executive Officer - Strategy and Business Development	Banpu Public Company Limited
				2008 - 2010	Senior Vice President - Strategy and Business Development	Banpu Public Company Limited
				2001 - 2008	Senior Vice President - Corporate Strategic Planning	Banpu Public Company Limited
				2009 - Present	Director	Banpu Minerals Company Limited
					Director	Banpu Power Limited
					Director	Banpu International Limited
				2010- Present	Director	Banpu Australia Co. Pty Ltd.
					Director	Banpu New Energy Holdings Co., Ltd.
					Director	Biofuel Development Holdings Co., Ltd.
					Director	Petchkasem Wind Energy Co., Ltd.
					Director	Prachuab Wind Energy Co., Ltd.
					Director	Mittraphap Wind Energy Co., Ltd.
				2011- Present	Director	Ratchasima Green Energy Co., Ltd.
18. Ms.Udomlux Olarn • Senior Vice President - Corporate Affairs	53	• B.A., Journalism and Mass Communication (Advertising and Public Relations), Thammasat University	0.00	2009 - Present	Senior Vice President - Corporate Affairs	Banpu Public Company Limited
				2007 - 2008	Senior Vice President - Corporate Communications & Public Affairs	Banpu Public Company Limited



SHAREHOLDINGS OF THE BOARD OF DIRECTORS AND MANAGEMENT

As of 31 December 2012

Name	Ordinary Share		
	31 Dec. 2012	31 Dec. 2011	+ / (-)
1. Mr. Krirk-Krai Jirapaet	-	-	-
2. Mr. Montri Mongkolswat	-	-	-
3. Mr. Rawi Corsiri	60,000	Appointed since April 2012	-
4. Mr. Vitoon Vongkusolkrit	3,660,911	3,590,911	70,000
5. Mr. Teerana Bhongmakapat	-	Appointed since April 2012	-
6. Mr. Somkiat Chareonkul	-	-	-
7. Mr. Rutt Phanijphand	-	-	-
8. Mr. Anothai Techamontrikul	-	-	-
9. Mr. Chanin Vongkusolkrit	1,767,971	1,627,971	140,000
10. Mr. Metee Auapinyakul	310,800	280,800	30,000
11. Mr. Ongart Auapinyakul	423,425	393,225	30,200
12. Mr. Verajet Vongkusolkrit	-	-	-
13. Mr. Somyot Ruchirawat	-	-	-
14. Ms. Somruedee Chaimongkol	212,628	212,628	-
15. Mr. Sathidpong Wattananuchit	-	-	-
16. Mr. Akaraphong Dayananda	5,400	5,400	-
17. Ms. Udomlux Olarn	11,000	11,000	-

Note: From report of securities held by the Company's directors as of 31 December 2012



REMUNERATION OF THE BOARD OF DIRECTORS AND MANAGEMENT

1. Remuneration in Cash for the Year Ending 31 December 2012

1.1 Total cash remuneration of the Board of Directors in forms of meeting allowance and annual remuneration amounted to THB 72,293,700.00, the details of which are as follows.

Name/Position	Meeting Allowance (THB)				Annual Remuneration (THB)	Total Remuneration (THB)
	Director	Audit Committee	Corporate Governance and Nomination Committee	Compensation Committee		
1. Mr. Krirk-Krai Jirapaet Chairman/Independent Director	1,482,000.00	-	-	-	5,951,807.26	7,433,807.26
2. Mr. Vitoon Vongkusolkrit Vice Chairman/Member of the Compensation Committee	1,276,500.00	-	-	210,000.00	5,265,060.24	6,751,560.24
3. Mr. Somkiat Charoenkul Independent Director/ Chairman of the Audit Committee	1,140,000.00	421,200.00	-	-	4,578,313.25	6,139,513.25
4. Mr. Rutt Phanijsaphand Independent Director/Chairman of the Compensation Committee	1,050,000.00	-	-	234,000.00	4,578,313.25	5,862,313.25
5. Mr. Anothai Techamontrikul Independent Director/Member of the Audit Committee/Chairman of the Corporate Governance and Nomination Committee	1,110,000.00	144,000.00	294,000.00	-	4,578,313.25	6,126,313.25
6. Mr. Montri Mongkolswat Independent Director/Member of the Audit Committee/Member of the Compensation Committee	1,140,000.00	324,000.00	-	210,000.00	4,578,313.25	6,252,313.25
7. Mr. Rawi Corsiri Director/Member of the Corporate Governance and Nomination Committee	840,000.00	-	180,000.00	-	-	1,020,000.00
8. Mr. Teerana Bhongmakapat Independent Director/Member of the Audit Committee	840,000.00	180,000.00	-	-	-	1,020,000.00
9. Mr. Metee Auapinyakul Director	720,000.00	-	-	-	4,578,313.25	5,298,313.25
10. Mr. Chanin Vongkusolkrit Director	720,000.00	-	-	-	4,578,313.25	5,298,313.25
11. Mr. Ongart Auapinyakul Director	720,000.00	-	-	-	4,578,313.25	5,298,313.25
12. Mr. Verajet Vongkusolkrit Director/Member of the Corporate Governance and Nomination Committee	1,140,000.00	-	240,000.00	-	4,578,313.25	5,958,313.25



Name/Position	Meeting Allowance (THB)				Annual Remuneration (THB)	Total Remuneration (THB)
	Director	Audit Committee	Corporate Governance and Nomination Committee	Compensation Committee		
13. Mr. Kopr Kritayakirana Independent Director/ Chairman of the Corporate Governance and Nomination Committee	270,000.00	-	78,000.00	-	4,578,313.25	4,926,313.25
14. Mr. Sawatdiparp Kantatham Director/Member of the Corporate Governance and Nomination Committee	270,000.00	-	60,000.00	-	4,578,313.25	4,908,313.25
Total						72,293,700.00

Notes:

- Mr. Anothai Techamontrikul (person number 5) who previously held the position of a member of the Corporate Governance and Nomination Committee was appointed as the Chairman of the Corporate Governance and Nomination Committee. He resigned from his position as a member of the Audit Committee, effective from 12 April 2012.
- Mr. Rawi Corsiri (person number 7) was appointed as a director, effective from 6 April 2012. He was also appointed as a member of the Corporate Governance and Nomination Committee, effective from 12 April 2012.
- Mr. Teerana Bhongmakapat (person number 8) was appointed as a director, effective from 6 April 2012. He was also appointed as a member of the Audit Committee, effective from 12 April 2012.
- Mr. Kopr Kritayakirana (person number 13) resigned as a director and chairman of the Corporate Governance and Nomination Committee, effective from 6 April 2012.
- Mr. Sawatdiparp Kantatham (person number 14) resigned as a director and a member of the Corporate Governance and Nomination Committee, effective from 6 April 2012.

1.2 Details of cash remuneration of Company's executives in forms of salary and bonus are as follows:

Unit: THB	Number of Executives	2012	Number of Executives	2011
Total Salaries	6	55,759,300.00	6	48,844,150.00
Total Bonuses	6	80,114,740.00	6	136,889,620.00
Total		135,874,040.00		185,733,770.00

Notes:

- In 2011, there were six executives, namely, Mr. Chanin Vongkusolkrit, Mr. Somyot Ruchirawat, Ms. Somruedee Chaimongkol, Mr. Sathidpong Wattananuchit, Mr. Akaraphong Dayananda, and Ms. Udomlux Olarn.
- In 2012, there were six executives, namely, Mr. Chanin Vongkusolkrit, Mr. Somyot Ruchirawat, Ms. Somruedee Chaimongkol, Mr. Sathidpong Wattananuchit, Mr. Akaraphong Dayananda, and Ms. Udomlux Olarn.

2. Other Remunerations

2.1 Contribution to Provident Fund

Details of Company's contribution to provident fund for executives are as follows:

Unit: THB	Number of Executives	2012	Number of Executives	2011
Contribution to Provident Fund	6	3,362,940.00	6	2,932,949.40

Notes:

- In 2011, there were six executives, namely, Mr. Chanin Vongkusolkrit, Mr. Somyot Ruchirawat, Ms. Somruedee Chaimongkol, Mr. Sathidpong Wattananuchit, Mr. Akaraphong Dayananda, and Ms. Udomlux Olarn.
- In 2012, there were six executives, namely, Mr. Chanin Vongkusolkrit, Mr. Somyot Ruchirawat, Ms. Somruedee Chaimongkol, Mr. Sathidpong Wattananuchit, Mr. Akaraphong Dayananda, and Ms. Udomlux Olarn.



MAJOR SHAREHOLDERS

Ten Major Shareholders as of 31 December 2012

Major Shareholders	Amount of Shares Held	Percentage
1. The Vongkusolkrit Family and related companies*	54,065,769	19.90
2. Thai NVDR Co., Ltd.	33,449,181	12.31
3. The Bank of New York Mellon-CGT Taxable	10,025,662	3.69
4. HSBC (Singapore) Nominees Pte. Ltd.	9,229,910	3.40
5. State Street Bank and Trust Company	8,024,231	2.95
6. State Street Bank Europe Limited	5,083,626	1.87
7. Government of Singapore Investment Corporation	4,262,000	1.57
8. Chase Nominees Limited 1	3,617,689	1.33
9. Social Security Office	3,571,000	1.31
10. Chase Nominees Limited 28	3,016,950	1.11

Notes: * The Vongkusolkrit Family and related companies comprise:

	No. of Shares	Percentage
1) The Vongkusolkrit Family	26,240,635	9.66
2) Mitr Phol Sugar Corp., Ltd. <i>Mid Siam Sugar Corp., Ltd. holds 99.99% of its paid-up capital.</i>	14,406,408	5.30
3) TME Capital Co., Ltd. <i>The Vongkusolkrit Family holds 54.23% of its paid-up capital.</i> <i>Ufinves Co., Ltd. holds 10.50% of its paid-up capital.</i>	6,751,600	2.48
4) United Farmer and Industry Co., Ltd. <i>Mitr Phol Sugar Corp., Ltd. holds 87.56% of its paid-up capital.</i>	1,779,445	0.65
5) MP Particle Board Co., Ltd. <i>United Farmer and Industry Co., Ltd. holds 99.99% of its paid-up capital.</i>	1,520,965	0.56
6) Mid-Siam Capital Co., Ltd. <i>Mid Siam Sugar Corp., Ltd. holds 99.99% of its paid-up capital.</i>	929,000	0.34
7) Pacific Sugar Corporation Ltd. <i>Mitr Phol Sugar Corp., Ltd. holds 62.50% of its paid-up capital.</i>	681,905	0.25
8) Ufinves Co., Ltd. <i>TME Capital Co., Ltd. holds 100.00% of its paid-up capital.</i>	660,611	0.24
9) Mitr Phu Viang Sugar Co., Ltd. <i>United Farmer and Industry Co., Ltd. holds 99.99% of its paid-up capital.</i>	615,200	0.23
10) Mitr Kalasin Sugar Co., Ltd. <i>United Farmer and Industry Co., Ltd. holds 99.99% of its paid-up capital.</i>	480,000	0.18

Foreign Limit

The foreign limit for the Company's shares is 40% of its paid-up capital. As of 31 December 2012, the foreign shareholders held around 26.49 % of the Company's paid-up capital.



CONNECTED PERSONS AND TRANSACTIONS

Connected Persons

Connected Persons/ Type of Business	Description of Relationship	Major Shareholders	Board of Directors Membership
1. Mitr Phol Sugar Corp., Ltd. (Production and distribution of sugar and molasses)	1) One of the major shareholders of Banpu Plc., holding 5.30% of its paid-up capital 2) The major shareholder is the Vongkusolkit Family, which is also one of the major shareholders of Banpu Plc. 3) There are 2 joint directors, as follows: 1. Mr. Chanin Vongkusolkit 2. Mr. Verajet Vongkusolkit	As of 31 December 2012, Mid Siam Sugar Corp., Ltd. 99.99%	1. Mr. Isara Vongkusolkit 2. Mr. Chanin Vongkusolkit 3. Mr. Buntoeng Vongkusolkit 4. Mr. Choosak Vongkusolkit 5. Mr. Klanarong Sriroth 6. Mr. Thaweevat Thaweepiyamaporn 7. Wg. Cmr. Lucksamee Vongkusolkit 8. Mr. Krisda Monthienvichienchai 9. Mr. Verajet Vongkusolkit 10. Assoc. Prof. Chiradet Ousawat 11. Mr. Attaphol Vongkusolkit
2. TME Capital (Investment Company)	1) One of the major shareholders of Banpu Plc., holding 2.48% of its paid-up capital 2) The major shareholder is the Vongkusolkit Family, which is also one of the major shareholders of Banpu Plc. 3) There are 6 joint directors as follows: 1. Mr. Vitoon Vongkusolkit 2. Mr. Chanin Vongkusolkit 3. Mr. Metee Auapinyakul 4. Mr. Ongart Auapinyakul 5. Mr. Sawatdiparp Kantatham 6. Mr. Verajet Vongkusolkit	As of 31 December 2012, 1. The Vongkusolkit Family 54.23% 2. The Auapinyakul Family 24.16% 3. Ufinves Co., Ltd. 10.50% 4. The Kantatham Family 3.17% 5. The Kanjanakumnerd 0.58% 6. The Putongsiriporn Family 0.63%	1. Mr. Soonthorn Vongkusolkit 2. Mr. Vitoon Vongkusolkit 3. Mr. Chanin Vongkusolkit 4. Mr. Metee Auapinyakul 5. Mr. Ongart Auapinyakul 6. Mr. Sawatdiparp Kantatham 7. Mr. Prachuab Trinikorn 8. Mr. Verajet Vongkusolkit 9. Ms. Jintana Kanjanakumnerd 10. Mr. Banchoet Vongkusolkit
3. United Farmer and Industry Co., Ltd. (Production and distribution of sugar and molasses)	1) Shareholder of Banpu Plc., holding 0.65% of its paid-up capital 2) The major shareholder is Mitr Phol Sugar Corp., Ltd. 3) There is one joint director, namely: Mr. Verajet Vongkusolkit	As of 31 December 2012 Mitr Phol Sugar Corp., Ltd. 87.56%	1. Mr. Isara Vongkusolkit 2. Mr. Buntoeng Vongkusolkit 3. Ms. Chayawadee Chaianan 4. Mr. Taweewat Taweepiyamaporn 5. Ms. Jintana Kanjanakumnerd 6. Mr. Sukkan Wattanawekin 7. Mr. Krisda Monthienvichienchai 8. Mr. Verajet Vongkusolkit 9. Mrs. Arada Lattapanit
4. Pacific Sugar Corporation Ltd. (Import and export of sugar)	1) Shareholder of Banpu Plc., holding 0.25% of its paid-up capital 2) The major shareholder is Mitr Phol Sugar Corp., Ltd. 3) There is no joint director	As of 31 December 2012, Mitr Phol Sugar Corp., Ltd. 62.50%	1. Mr. Isara Vongkusolkit 2. Mr. Jirasak Vongkusolkit 3. Mr. Krisda Monthienvichienchai 4. Mrs. Amporn Kanjanakumnerd
5. Mitr Phu Viang Sugar Co., Ltd. (Production and distribution of sugar and molasses)	1) Shareholder of Banpu Plc., holding 0.23% of its paid-up capital 2) The major shareholder is United Farmer and Industry Co., Ltd. 3) There is no joint director	As of 31 December 2012, United Farmer and Industry Co., Ltd. 99.99%	1. Mr. Isara Vongkusolkit 2. Mr. Buntoeng Vongkusolkit 3. Mr. Krisda Monthienvichienchai



Connected Persons/ Type of Business	Description of Relationship	Major Shareholders	Board of Directors Membership
6. Ufinves Co., Ltd. (Holding Company)	1) Shareholder of Banpu Plc., holding 0.24% of its paid-up capital 2) The major shareholder is the Vongkusolkrit Family, which is also one of major shareholders of Banpu Plc. 3) There are 6 joint directors as follows: 1. Mr. Vitoon Vongkusolkrit 2. Mr. Chanin Vongkusolkrit 3. Mr. Metee Auapinyakul 4. Mr. Ongart Auapinyakul 5. Mr. Sawatdiparp Kantatham 6. Mr. Verajet Vongkusolkrit	As of 31 December 2012, TME Capital Co., Ltd. 100.00%	1. Mr. Soonthorn Vongkusolkrit 2. Mr. Vitoon Vongkusolkrit 3. Mr. Chanin Vongkusolkrit 4. Mr. Metee Auapinyakul 5. Mr. Ongart Auapinyakul 6. Mr. Sawatdiparp Kantatham 7. Mr. Prachuab Trinikorn 8. Mr. Verajet Vongkusolkrit 9. Ms. Jintana Kanjanakumnerd 10. Mr. Banchoet Vongkusolkrit
7. Mitr Kalasin Sugar Co., Ltd. (Production and distribution of sugar and molasses)	1) Shareholder of Banpu Plc., holding 0.18% of its paid-up capital 2) The major shareholder is United Farmer and Industry Co., Ltd. 3) There is no joint director	As of 31 December 2012 United Farmer and Industry Co., Ltd. 99.99%	1. Mr. Isara Vongkusolkrit 2. Mr. Buntoeng Vongkusolkrit 3. Mr. Taweewat Taweepiyamaporn 4. Ms. Jintana Kanjanakumnerd 5. Mr. Sukkan Wattanawekin 6. Ms. Chayawadee Chaianan 7. Mr. Krisda Monthienvichienchai 8. Mrs. Arada Lattapanit
8. MP Particle Board Co., Ltd.	1) Shareholder of Banpu Plc., holding 0.56% of its paid-up capital 2) The major shareholder is United Farmer and Industry Co., Ltd. 3) There is no joint director	As of 31 December 2012 United Farmer and Industry Co., Ltd. 99.99%	1. Mr. Isara Vongkusolkrit 2. Mr. Krisda Monthienvichienchai 3. Mrs. Amporn Kanjanakumnerd 4. Mr. Sukkan Wattanawekin 5. Mr. Attaphol Vongkusolkrit
9. Mid-Siam Capital Co., Ltd.	1) Shareholder of Banpu Plc., holding 0.34% of its paid-up capital 2) The major shareholder is Mid Siam Sugar Corp., Ltd. 3) There is no joint director	As of 31 December 2012 Mid Siam Sugar Corp., Ltd. 99.99%	1. Mr. Soonthorn Vongkusolkrit 2. Mr. Isara Vongkusolkrit 3. Mr. Buntoeng Vongkusolkrit 4. Mr. Kachorn Theppatipath 5. Mr. Suppanit Manajit



OTHER REFERENCES

1) Ordinary Share Registrar	Thailand Securities Depository Company Limited 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Klongtoey, Bangkok 10110 Tel. 0 2229 2800
2) Debenture Registrar	TMB Bank Public Company Limited 3000 Paholyothin Road, Chatuchak, Bangkok 10900 Tel. 0 2299 1111 Bangkok Bank Public Company Limited 333 Silom Road, Bangkok 10500 Tel. 0 2230 1893 Siam Commercial Bank Public Company Limited 9 Ratchadapisek Road, Jatujak, Bangkok 10900 Tel. 0 2544 1111
3) Auditor	Mr. Somchai Jinnovart Authorized Auditor No. 3271 PricewaterhouseCoopers ABAS Ltd. 15 th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120 Tel. 0 2286 9999, 0 2344 1000
4) Financial Advisor	-None-
5) Advisor or Manager under Management Agreement	The Company did not hire any advisors or managers under any permanent management agreement. Advisors, including financial advisors, were hired on a case-by-case basis as necessary to support its operations from time to time. The Company's management is mainly supervised by the Board of Directors.
6) Financial Institutions Regularly in Contact	The Company is regularly in contact with around 30 local and international commercial banks and financial institutions



DETAILS OF THE COMPANY AND ITS SUBSIDIARIES AND ASSOCIATED COMPANIES

Name	Type of business	Authorized capital	Paid-up capital	No. of paid-up capital (shares)	Par value per share	% of holding	Head Office	Telephone
1. Banpu Plc.	Energy	3,540,504,790 THB	2,717,478,550 THB	271,747,855	10	-	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
Subsidiary companies								
2. Banpu Minerals Co., Ltd.	Coal mining and trading	3,200,000,000 THB	3,200,000,000 THB	3,200,000	1,000	99.99%	58/1 Soi Thungkwao1, Yontrakijkosol Road, Moo 1, Tambol Thungkwao, Amphoe Muang Prae, Prae Province	0 2694 6600
3. Banpu Singapore Pte. Ltd.	Coal trading	No authorized shares*	1,500,000 SGD 300,000,000 USD	1,500,000 300,000,000	No par value*	100.00%	One Marina Boulevard, #28-00 Singapore 018989	65 6890 7188
4. Banpu Minerals (Singapore) Pte. Ltd.	Investment in coal mining	No authorized shares*	17,670,002 SGD 11,000,000 USD	17,670,002 17,670,002	No par value*	100.00%	One Marina Boulevard, #28-00 Singapore 018989	65 6890 7188
5. Banpu Australia Co. Pty Ltd.	Investment in coal mining in Australia	2,428,021,000 AUD	2,428,021,000 AUD	2,428,021,000	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
6. PT. Indo Tambangraya Megah Tbk	Mining, construction, transportation, workshop, plantation, general trading, industry, services in Indonesia	1,500,000,000,000 IDR	564,962,500,000 IDR	1,129,925,000	500	65.00%	3 rd Floor, Ventura Building, Jalan R.A. Kartini No.26, Cilandak, Jakarta 12430, Indonesia	6221 750 4390
7. PT. Indominco Mandiri	Coal mining in Indonesia	20,000,000,000 IDR	12,500,000,000 IDR	12,500	1,000,000	99.99%	3 rd Floor, Ventura Building, Jalan R.A. Kartini No.26, Cilandak, Jakarta 12430, Indonesia	6221 750 4390
8. PT. Jorong Barutama Greston	Coal mining in Indonesia	4,500,000,000 IDR	4,500,000,000 IDR	300	15,000,000	99.67%	3 rd Floor, Ventura Building, Jalan R.A. Kartini No.26, Cilandak, Jakarta 12430, Indonesia	6221 750 4390
9. PT. Trubaindo Coal Mining	Coal mining in Indonesia	100,000,000,000 IDR	63,500,000,000 IDR	63,500	1,000,000	99.99%	3 rd Floor, Ventura Building, Jalan R.A. Kartini No.26, Cilandak, Jakarta 12430, Indonesia	6221 750 4390
10. PT. Kitadin	Mining, contractor & trading in Indonesia	1,000,000,000,000 IDR	377,890,000,000 IDR	188,945	2,000,000	99.99%	3 rd Floor, Ventura Building, Jalan R.A. Kartini No.26, Cilandak, Jakarta 12430, Indonesia	6221 750 4390
11. PT. Bharinto Ekatama	Coal mining in Indonesia	68,000,000,000 IDR	17,000,000,000 IDR	17,000	1,000,000	99.00%	3 rd Floor, Ventura Building, Jalan R.A. Kartini No.26, Cilandak, Jakarta 12430, Indonesia	6221 750 4390
12. Banpu Coal Investment Co., Ltd.	Investment in coal mining	11,050,500 USD	11,050,500 USD	11,050,500	1	100.00%	4 th Floor, Ebene Skies, Rue de L'Institut, Ebene, Republic of Mauritius	230 404 8000
13. Banpu International Ltd.	Investment in coal mining	250,000,000 THB	250,000,000 THB	25,000,000	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
14. Silamani Corp., Ltd.	Coal trading	75,000,000 THB	75,000,000 THB	7,500,000	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
15. Silamani Marble Co., Ltd.	Coal trading	50,000,000 THB	50,000,000 THB	500,000	100	99.96%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
16. Chiang Muan Mining Co., Ltd.	Coal mining and trading	231,350,000 THB	231,350,000 THB	23,135,000	10	100.00%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
17. BP Overseas Development Co., Ltd.	Investment in coal mining	15,533,002 USD	15,533,002 USD	15,533,002	1	100.00%	4 th Floor, Ebene Skies, Rue de L'Institut, Ebene, Republic of Mauritius	230 404 8000
18. Asian American Coal Inc.	Investment in coal mining	50,000,000 USD	40,917,026 USD	40,917,026	1	100.00%	Geneva Place, 2 nd Floor, #333 Waterfront Drive, Road Town, Tortola, British Virgin Islands.	(284) 494 4388
19. AACI SAADEC (BVI) Holdings Limited	Investment in coal mining	50,000 USD	1 USD	1	1	100.00%	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	(284) 494 2233
20. Centennial Coal Co., Ltd.	Coal mining and marketing	2,449,783,562 AUD	2,449,783,562 AUD	395,126,381	6.20	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
21. Centennial Northern Coal Services Pty Ltd.	Employer company for Newstan Washery	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
22. Berrima Coal Pty Ltd.	Dormant	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
23. Centennial Airly Pty Ltd.	Coal mining	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
24. Centennial Angus Place Pty Ltd.	Coal mining	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
25. Centennial Coal Infrastructure Pty Ltd.	Coal exporting logistics and infrastructure	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700

Remark: * Under Singaporean Corporate Law



Name	Type of business	Authorized capital	Paid-up capital	No. of paid-up capital (shares)	Par value per share	% of holding	Head Office	Telephone
26. Centennial Coal Sales and Marketing Pty Ltd.	Coal marketing	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
27. Centennial Fassifern Pty Ltd.	Coal mining	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
28. Centennial Northern Mining Services Pty Ltd.	Employer company for Newstan	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
29. Centennial Inglenook Pty Ltd.	Coal mining	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
30. Centennial Mandalong Pty Ltd.	Coal mining	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
31. Centennial Mannering Pty Ltd.	Coal mining	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
32. Centennial Munmorah Pty Ltd.	Coal mining (now Dormant)	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
33. Centennial Myuna Pty Ltd.	Coal mining	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
34. Centennial Newstan Pty Ltd.	Coal mining	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
35. Charbon Coal Pty Ltd.	Coal mining	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
36. Coalex Pty Ltd.	Coal mining - Clarence JV	1,500,000 AUD	1,500,000 AUD	750,000	2	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
37. Clarence Coal Investments Pty Ltd.	Coal mining - Clarence JV	19,500,002 AUD	19,500,002 AUD	15,500,002 Ord A shares 4,000,000 Ord B shares	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
38. Clarence Colliery Pty Ltd.	Coal mining - Clarence JV	10,000 AUD	10,000 AUD	10,000	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
39. Clarence Coal Pty Ltd.	Coal mining - Clarence JV	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
40. Centennial Clarence Pty Ltd.	Coal mining - Clarence JV	8,800,000 AUD	8,800,000 AUD	8,800,000	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
41. Powercoal Pty Ltd.	Dormant holding company	4,590,001 AUD	4,590,001 AUD	4,590,001	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
42. Powercoal Superannuation Pty Ltd.	Superannuation company (Dormant)	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
43. Collieries Superannuation Pty Ltd.	Superannuation company (Dormant)	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
44. Elcom Collieries Pty Ltd.	Dormant	1,500,000 AUD	1,500,000 AUD	750,000	2	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
45. Huntley Colliery Pty Ltd.	Dormant	354,000 AUD	354,000 AUD	177,000	2	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
46. Mandalong Pastoral Management Pty Ltd.	Dormant	2,736,028 AUD	2,736,028 AUD	10,000,000 Ord partly paid shares- \$0.20 368,014 Ord shares - \$2.00	2	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
47. Powercoal Employee Entitlements Company Pty Ltd.	Employee Trust Company Ex Powercoal	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
48. Hartley Valley Coal Co. Pty Ltd.	Dormant	1,000,000 AUD	1,000,000 AUD	1,000,000	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
49. Ivanhoe Coal Pty Ltd.	Coal mining	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
50. Preston Coal Pty Ltd.	Dormant	1,250,000 AUD	1,250,000 AUD	750,000 A Class shares 250,000 B Class shares 250,000 C Class shares	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
51. Centennial Springvale Holdings Pty Ltd.	Coal mining	1 AUD	1 AUD	1	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
52. Centennial Springvale Pty Ltd.	Coal mining	1,000,000 AUD	1,000,000 AUD	1,000,000	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
53. Springvale Coal Pty Ltd.	Coal mining	2,000,000 AUD	2,000,000 AUD	2,000,000	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
54. Springvale Coal Sales Pty Ltd.	Coal marketing	2 AUD	2 AUD	2	1	50.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
55. Boulder Mining Pty Ltd.	Coal mining	1,000 AUD	1,000 AUD	1,000	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
56. AFE Investments Pty Limited	Mining investment	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
57. Banpu Power Ltd.	Investment in power	6,021,995,000 THB	6,021,995,000 THB	602,199,500	10	99.99%	26-28 th Floor, Thanapoom Tower 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600

Remark: * Under Singaporean Corporate Law



Name	Type of business	Authorized capital	Paid-up capital	No. of paid-up capital (shares)	Par value per share	% of holding	Head Office	Telephone
58. Banpu Coal Power Ltd.	Investment in power	5,921,587,160 THB	5,921,587,160 THB	592,158,716	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
59. Banpu Power International Ltd.	Investment in power	40,050,000 USD	40,050,000 USD	40,050,000	1	100.00%	4 th Floor, Ebene Skies, Rue de L'Institut, Ebene, Republic of Mauritius	230 404 8000
60. Banpu Power Investment Co., Ltd.	Investment in electrical power business	No authorized shares*	84,177,391 USD	77,132,663	No par value*	100.00%	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981	65 6338 1888
61. Shijiazhuang Chengfeng Cogen Co., Ltd.	Power and heat production and sales	15,125,000 USD	14,000,000 USD	1,125,000	NA	100.00%	North Beiguan, Zhengding County, Shijiazhuang City 050800, Hebei Province, PRC	(86311) 85176918
62. Zouping Peak Pte. Ltd.	Investment in electrical power business	No authorized shares*	2 SGD	2	No par value*	100.00%	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981	65 6338 1888
63. Banpu Investment (China) Ltd.	Investment in electrical power business	30,000,000 USD	30,000,000 USD	0	NA	100.00%	9A, 9 th Floor, Tower B, Gateway Plaza, No.18 Xia Guang Li, North Road of East Third Ring, Chaoyang District, Beijing 100027, PRC	(8610) 5758 0388
64. Pan-Western Energy Corporation LLC	Investment in power	100,000 USD	100,000 USD	10,000,000	0.01	100.00%	The offices of Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	1 345 814 5354
65. Tangshan Banpu Heat and Power Co., Ltd.	Power and heat production and sales	47,504,000 USD	47,504,000 USD	0	NA	100.00%	West of Gujiaying Village, Benshi Road, Luannan County, Tangshan City 063500, Hebei Province, PRC	(86315) 4168274
66. Zouping Peak CHP Co., Ltd.	Power and heat production and sales	261,800,000 RMB	261,800,000 RMB	0	NA	70.00%	Xiwang Industrial Region, Handian Town, Zouping County, Binzhou City 256209, Shandong Province, PRC	(86543) 4615655
67. Banpu New Energy Holdings Co., Ltd.	Investment in alternative energy	88,000,000 THB	88,000,000 THB	8,800,000	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
68. Biofuel Development Holdings Co., Ltd.	Investment in alternative energy	76,000,000 THB	76,000,000 THB	7,600,000	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
69. Prachub Wind Energy Co., Ltd.	Investment in alternative energy	10,000,000 THB	5,000,000 THB	1,000,000	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
70. Mittraphap Wind Energy Co., Ltd.	Investment in alternative energy	10,000,000 THB	2,500,000 THB	1,000,000	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
71. Petchkasem Wind Energy Co., Ltd.	Investment in alternative energy	10,000,000 THB	3,500,000 THB	1,000,000	10	99.99%	26-28 th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400	0 2694 6600
72. Banpu Coal LLC	Investment in coal mining	3,300,000 USD	3,300,000 USD	3,300,000	1	100.00%	Suit 408, Central Tower, Sukhbaatar Square, Sukhbaatar District, Ulaanbaatar, Mongolia	(976) 77114000
73. Banpu Australia Resources Pty Ltd.	Investment in coal mining	2 AUD	2 AUD	2	1	100.00%	Level 18, BT Tower, 1 Market Street, Sydney NSW 2000, Australia	61 2 9266 2700
74. Hunnu Coal Pty Ltd.	Coal mining and trading	No authorized capital*	107,303,502 AUD	248,100,002	No par value*	100.00%	Suit 3, 91 Aberdeen Street, Northbridge, WA, Australia 6003	61 8 9200 4267
75. Hunnu Investment Pte Ltd.	Foreign trade	100 SGD	100 SGD	100	No par value*	100.00%	One Marina Boulevard, #28-00 Singapore 018989	65 6890 7188
76. Hunnu Altai LLC	Foreign trade, minerals mining	138,490,000 MNT	138,490,000 MNT	1,000	138,490	100.00%	Seoul Business Centre 201, Zaluuchud Avenue, 1 st Khoroo, Bayanzurkh District, Ulaanbaatar, Mongolia	976 11 450238
77. Munkh Sumber Uul LLC	Foreign trade	1,000,000 MNT	1,000,000 MNT	100	10,000	100.00%	Central Tower Suite 901, Sukhbaatar Square-2, Sukhbaatar District-8, Ulaanbaatar 14200, Mongolia	976 51 211914
78. Golden Gobi Mining LLC	Foreign trade mineral exploration	40,000,000 MNT	40,000,000 MNT	4,000	10,000	100.00%	Central Tower Suite 1201, Sukhbaatar Square-2, Sukhbaatar District-8, Ulaanbaatar 14200, Mongolia	976 11 321914
79. Great East Minerals LLC	Foreign trade mineral exploration	1,000,000 MNT	1,000,000 MNT	100	10,000	70.00%	Central Tower Suite 1201, Sukhbaatar Square-2, Sukhbaatar District-8, Ulaanbaatar 14200, Mongolia	976 11 321914
80. Bilegt Khairkhan Uul LLC	Foreign trade mineral exploration	10,000,000 MNT	10,000,000 MNT	10,000	1,000	80.00%	Central Tower Suite 1201, Sukhbaatar Square-2, Sukhbaatar District-8, Ulaanbaatar 14200, Mongolia	976 11 321914
81. Hunnu Power LLC	Foreign trade	1,000,000 MNT	1,000,000 MNT	1,000	1,000	100.00%	Central Tower Suite 1201, Sukhbaatar Square-2, Sukhbaatar District-8, Ulaanbaatar 14200, Mongolia	976 11 321914
82. Borganchan LLC	Foreign trade	1,000,000 MNT	1,000,000 MNT	1,000	1,000	100.00%	Central Tower Suite 1201, Sukhbaatar Square-2, Sukhbaatar District-8, Ulaanbaatar 14200, Mongolia	976 11 321914
83. Zuchid Ord LLC	Business consulting, mineral exploration, foreign trade	1,000,000 MNT	1,000,000 MNT	100	10,000	70.00%	Central Tower Suite 1201, Sukhbaatar Square-2, Sukhbaatar District-8, Ulaanbaatar 14200, Mongolia	976 11 321914

Remark: * Under Singaporean Corporate Law



Name	Type of business	Authorized capital	Paid-up capital	No. of paid-up capital (shares)	Par value per share	% of holding	Head Office	Telephone
84. Munkhnoyon Suvraga LLC	Foreign trade, minerals mining, tourism, and construction	1,000,000 MNT	1,000,000 MNT	1,000	1,000	90.00%	60-9, 2 nd Sub-district, Sukhbaatar District-1, Ulaanbaatar 14200, Mongolia	976 99085479
85. Hunnu Gobi Altai LLC	Foreign trade, mineral exploration, mining	155,000,000 MNT	155,000,000 MNT	155,000	1,000	80.00%	Seoul Business Centre 201, Zaluuchuud Avenue, 1 st Khoroo, Bayanzurkh District, Ulaanbaatar Mongolia	976 11 450238
86. Hunnu Altai Minerals LLC	Foreign trade, minerals exploration	145,000,000 MNT	145,000,000 MNT	145,000	1,000	100.00%	Central Tower Suite 1201, Sukhbaatar Square-2, Sukhbaatar District-8, Ulaanbaatar 14200, Mongolia	976 11 321914
87. Hunnu Resources LLC	Foreign trade	100,000 USD	100,000 USD	100,000	1	100.00%	Central Tower Suite 1201, Sukhbaatar Square-2, Sukhbaatar District-8, Ulaanbaatar 14200, Mongolia	976 11 321914
Associated companies								
88. Shanxi Gaohe Energy Co., Ltd.	Coal mining in China	670,250,000 RMB	670,250,000 RMB	NA	NA	45.00%	Changzhi County, Changzhi City, Shanxi, P.R. China	(8610) 5820 3663
89. BLCP Power Ltd.	Power production and sales	12,010,000,000 THB	12,010,000,000 THB	120,100,000	100	49.99%	9 i-8 Road, Map Ta Phut Industrial Estate, Maung District, Rayong	038 925100
90. Hebi Zhong Tai Mining Co., Ltd.	Investment in coal mining	783,330,000 RMB	783,330,000 RMB	NA	NA	40.00%	No. 98, Hongqi Street, Hebi, Henan Province, PRC	(86392) 291 7401-2
91. Hongsa Power Co., Ltd.	Power production and sales	100,000 USD	100,000 USD	10,000	10	40.00%	Building B, Park View Executive Suites, Ban Sithanneau, Sikhottabong District, Vientiane Capital City, Lao PDR	865 (0) 2122 2482
92. Phu Fai Mining Co., Ltd.	Investment in coal mining	50,000 USD	50,000 USD	5,000	10	37.50%	Building B, Park View Executive Suites, Ban Sithanneau, Sikhottabong District, Vientiane Capital City, Lao PDR	865 (0) 2122 2483
93. Ratchasima Green Energy Co., Ltd.	Investment in alternative energy	250,000,000 THB	250,000,000 THB	25,000,000	10	30.00%	2 Ploenchit Center, Sukhumvit Road, Klongtoey, Bangkok 10110	0 2794 1000
94. Port Kembla Coal Terminal Limited	Shiploading coal port	600,000 AUD	600,000 AUD	600,000	1	16.66%	Port Kembla Road, Inner Harbour, Wollongong NSW 2520, Australia	61 2 4228 0288

Remark: * Under Singaporean Corporate Law

A photograph of an industrial facility, possibly a power plant or refinery, with a worker standing on a platform. The image is overlaid with a blue tint. The worker is wearing a white hard hat and a light-colored shirt. The platform has metal railings. In the background, there is a large, dark, conical structure, possibly a cooling tower or a chimney. The sky is blue with some clouds.

FINANCIAL STATEMENTS



REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The main priority of the Board of Directors is to supervise the Company's operations, making sure they are in line with good corporate governance policy and that the financial statements and financial information appearing in the Company's annual report are accurate, complete and adequate. Its duty is also to make sure that the financial statements are in line with Thai Financial Reporting Standards and that an appropriate accounting policy has been chosen and is being carefully pursued on a regular basis. In addition, the Board of Directors must also ensure that the Company has an effective internal control system to assure the credibility of its financial statements. The Board also ensures protection over potential conflicts of interest through systems which are place to prevent unusual transactions. Connected transactions which might lead to possible conflicts of interest are closely monitored to ensure they are genuine transactions and are reasonably carried out, based on the normal course of business and for the Company's maximum benefits, and that the Company is in compliance with relevant laws and regulations. The Audit Committee has already reported the result of its action to the Board of Directors and has also reported its opinions in the Audit Committee's Report as seen in the annual report.

The Board of Directors is of the opinion that the Company's internal control system has been proven to be satisfactory. The Board was able to obtain reasonable assurance on the credibility of the Company's financial statements as at 31 December 2012 which the Company's auditor has audited based on the generally-accepted accounting standards. The auditor is of the opinion that the financial statements present fairly the Company's financial position and the results of its operations in accordance with generally accepted accounting principles.

(Mr. Krirk-Krai Jirapaet)

Chairman of the Board

(Mr. Chanin Vongkusolkrit)

Chief Executive Officer



REPORT OF THE AUDIT COMMITTEE TO SHAREHOLDERS

Dear Shareholders of Banpu Public Company Limited,

The Audit Committee of Banpu Public Company Limited consists of Mr. Somkiat Charoenkul as the Chairman, Mr. Montri Mongkolswat and Mr. Teerana Bhongmakapat. The Audit Committee performs its duty independently based on its scope of responsibility to support the Board of Directors according to the Audit Committee Charter and the announcement made by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). In 2012, the Audit Committee held nine meetings. All members attended all meetings. Executives, Senior Vice President of Internal Audit Department, and auditors also attended the meetings when there are relevant agenda items that need their input. Results of the Audit Committee's performance can be summarized as follows:

- **Financial Statement Review** The Audit Committee reviewed the quarterly financial statements and the 2012 financial statements of the Group and found that they were completed accurately. The information was adequately disclosed in a reliable manner, and was approved by the auditors without conditions. The meetings were held with auditors, without members of management present, to discuss the independence of the Committee, opinions of auditors, their observations, and improvement guidelines that would be of benefit to the Company.

- **Internal Control System** The Audit Committee reviewed the internal control system of Banpu Public Company Limited and its subsidiaries overseas with respect to accounting and finance, safeguarding of assets, operations, evaluation as well as legal and regulatory compliance. Check and balance mechanisms were implemented and monitoring was performed by Internal Audit Department whose independence and efficiency are deemed sufficient for protecting the interest of shareholders and relevant parties. The Company has transparent whistle-blowing and complaint-handling procedures in place. Moreover, it has announced its intention to be part of the Anti-Corruption Movement in response to Thailand's policy to support transparency and sustainability in business.

- **Business Law Compliance** The Audit Committee determined that the Company duly complied with laws governing securities and exchange, as required by the SET, the SEC and other statutes relating to the Company's business.

- **Connected Transactions or Transactions with Potential Conflict of Interest** The Audit Committee reviewed connected transactions and found that they were genuine transactions carried out as a normal course of business, and with reasonable cause. The Company carried them out according to a good corporate governance without any conflict of interest. The Company has strictly followed the SEC's and SET's rules and regulations by taking into account the interest of all stakeholders.

- **Risk Management** The Audit Committee reviewed the annual plan and monitored the progress of the risk management on a quarterly basis. The Audit Committee was confident that the Company has appropriate and efficient risk management policy and procedures. Risk assessment criteria of investment projects were standardized in response to changing business environment, with the objective of discovering new business opportunities and creating value for the Company.

The Audit Committee expressed its opinion, stating that the Company was actively committed to its corporate governance policy. Risk management is in line with the Company's policy. This compliance resulted in an effective and adequate internal control system that corresponded with both internal and external changes. An appropriate internal control system was in place. Connected transactions that may lead to conflict of interest were deemed to be genuine transactions carried out based on a normal course of business for the Company's maximum benefit. All related laws and regulations were fully complied with. The financial statements for the accounting period ending on 31 December 2012 were duly prepared, while adequate and reliable information was properly disclosed.



Appointment of auditors and auditing fees for 2013

The Audit Committee considered selection of the auditors based on Banpu's evaluation criteria, which includes independence, quality, standards of work, and qualifications according to SET requirements, and would like to propose to the Board of Directors and to seek shareholders' approval for appointment of the following individuals:

1. Mr. Somchai Jinnovart, CPA, License No. 3271; and/or
2. Ms. Amornrat Permpoonwattanasuk, CPA, License No. 4599; and/or
3. Mr. Vichien Khingmontri, CPA, License No. 3977;

of PricewaterhouseCoopers ABAS Limited (PwC), an international company with extended networks over several countries, as Banpu's auditor in 2013 for a total auditing fee of THB 2,100,000, and acknowledge the annual auditing fee, the quarterly auditing fees of the Company and its subsidiaries and the auditing fee of the financial statements totaled THB 53,361,421.

14 February 2013

On behalf of the Audit Committee

(Mr. Somkiat Charoenkul)

Chairman of the Audit Committee
Banpu Public Company Limited



MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's management has set out below a comparison of its fiscal year financial statements ended 31 December 2012 with the fiscal year financial statements ended 31 December 2011. Details of financial statements are set out in the consolidated statements as of 31 December 2012.

1. The Statement of Comprehensive Income for the fiscal year ended 31 December 2012 in comparison with the Statement of Comprehensive Income for the fiscal year ended 31 December 2011

1.1 Sales revenue in 2012 reached THB 117,337 million, an increase of THB 4,933 million, or 4%, compared to the previous year. This increase was mainly due to a higher coal sale volume from Indonesian mines. Details of the company's sales revenue are as follows:

- Revenue from coal sales was THB 110,807 million or 94% of total sales revenue. This amount represents an increase of THB 3,933 million, or 4%. The revenue from coal sales includes:
 - Sales revenue from Indonesian coal mines of THB 77,234 million;
 - Sales revenue from Australia coal mines of THB 33,538 million;
 - Sales revenue from a domestic coal mine of THB 35 million.

Revenue	2012 Amount (MB)	2011 Amount (MB)
Coal Business	110,807	106,874
Power/Steam Business	5,679	5,236
Others	851	293
Total	117,337	112,403

- Sales of power and steam accounted for THB 5,679 million, or 5% of total sales revenue, an increase of 8% from 2011. This increase was due to an increase in tariff rates and in the number of production hours, by 198 hours, compared to that of 2011.

- Other income was THB 851 million, an increase of THB 558 million, or 190%, mainly due to carbon tax costs from subsidiaries in Australia. According to the terms of customer contracts, these costs could be passed through to customers, amounting to a savings of THB 213 million.

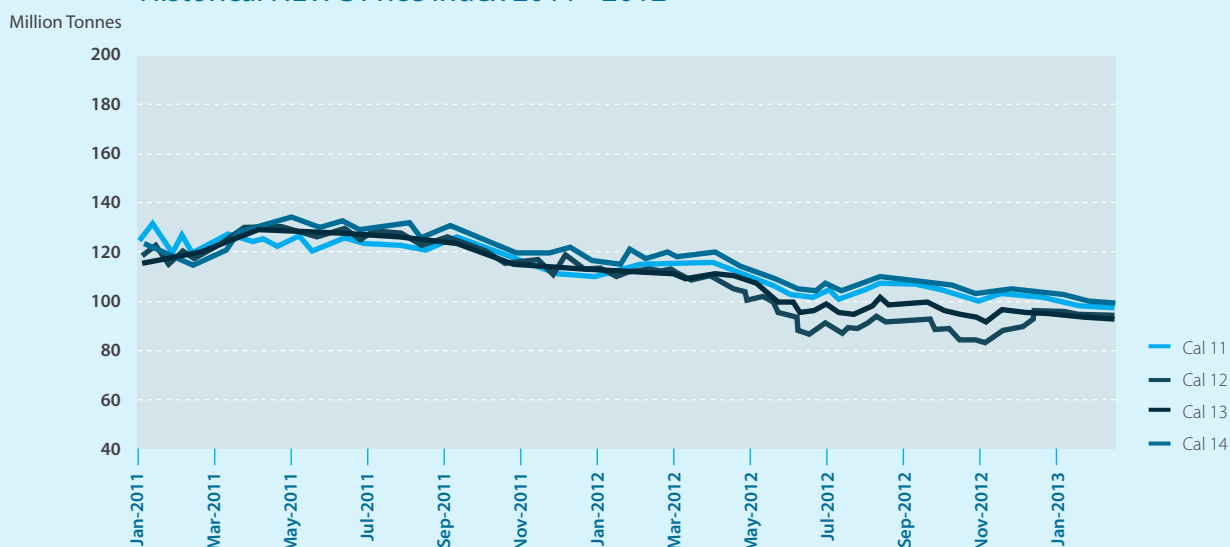
Coal Business	2012 Sales Vol. (MT)	2011 Sales Vol. (MT)	2012 ASP Per Tonne	2011 ASP Per Tonne	2012 COGS Per Tonne	2011 COGS Per Tonne
Coal Indonesia	27.20	24.64	USD 90.98	USD 97.26	USD 51.89	USD 48.18
Coal Australia	14.30	14.86	AUD 72.86	AUD 69.83	AUD 50.75	AUD 45.08
Coal Thailand	0.07	0.06				
Total	41.57	39.56				

- Coal sales volume for 2012 totaled 41.57 million tonnes, increasing by 5% due to higher production and sales volume from Indonesian mines, which themselves increased 2.56 million tonnes. Sales volume from the Australian mines decreased 0.56 million tonnes, while production of the Thai mine had no significant change from last year.

- The Company's average coal selling price in 2012 was USD 85.72 per tonne, down from the previous year by 3% as a result of lower global coal market prices compared to the previous year. The average selling price from Indonesian mines was USD 90.98 per tonne, also down from the previous year by USD 6.28 per tonne, or 6%.



Historical NEWC Price Index 2011 - 2012



Average selling price of Australian mines was AUD 72.86 per tonne, increasing by AUD 3.03. This change was due to an increase in export volume and weakening global coal prices. (See more details in the table below)

Coal Australia	2012 Sales Vol. (MT)	2011 Sales Vol. (MT)	2012 ASP Per Tonne	2011 ASP Per Tonne
Domestics sale	7.98	9.11	AUD 50.05	AUD 45.96
Export sale	6.32	5.75	AUD 106.16	AUD 107.68
Total	14.30	14.86	AUD 72.86	AUD 69.83

1.2 Cost of sales in 2012 were THB 72,526 million, increasing THB 9,565 million or 15% from the year before due to cost increases in the coal mining business.

- Average cost of sales per tonne from Indonesian mines increased by USD 3.71 or 7%, mainly due to higher stripping costs compared to 2011, resulting in an increased cost of sales by USD 1.9 per tonne (the stripping ratio in 2012 was 12.28, while in 2011, it was 11.61). Increased fuel cost also impacted cost of sales, increasing it by USD 0.4 per tonne. Depreciation and amortization pushed the cost up by USD 0.2 per tonne while longer overburden haul distance pushed the cost up by USD 1 per tonne.

- Average cost of sales per tonne from Australian mines increased AUD 5.67, or 13% as production target was not achieved due to a combination of regulatory delay and unfavorable geological conditions. This situation resulted in an increase of cost by AUD 3.1 per tonne. Increased depreciation, mobilization costs and other mining costs effected cost per tonne by an increase of AUD 0.8, AUD 0.4 and AUD 0.6, respectively.



1.3 Gross profit in 2012 was THB 44,811million, a decrease of THB 4,632 million, or 9%. The overall gross profit margin was 38%. The gross profit margin of the coal business was 39%, and the power business was 17% (In 2011, overall gross profit was 44%, with the coal business having a 46% gross margin and the power business having 10%). The main reasons for the decrease in gross profit include the decline in global coal market prices and accompanying increasing costs of sales, as explained on item #1.2 above. On the other hand, those trends were favorable to power – while the cost of coal fell, it effectively increased the gross profit of the power business.

1.4 Selling expenses for 2012 were THB 9,120 million, an increase of THB 1,232 million or 16%. Selling expense of the Indonesian subsidiary increased THB 536 million, which was in line with the increase in sales volume from last year by 2.56 million tonnes. The Australian subsidiary's selling expenses rose THB 696 million, resulting mainly from rail to port costs to fulfill increased export sales.

1.5 Administrative expenses for 2012 were THB 7,983 million, an increase of THB 394 million, or 5%. The increase was mainly due to the carbon tax expense in Australia of THB 626 million. Administrative expenses in Mongolia were THB 281 million (in the previous year, there were no reported administrative expenses, as the Hunnu acquisition was completed around end of December 2011). The expenses related to employees were THB 463 million, lower than the previous year.

1.6 2012 royalty fees were THB 11,889 million, an increase of THB 519 million, or 5%, due to higher coal sales volume.

1.7 2012 interest income amounted to THB 685 million, an increase of THB 222 million, or 48%, due to management of cash surplus, in which interest rates were at 2.5% - 3.5% per annum.

1.8 The gain on foreign exchange amounted to THB 1,325 million, having decreased by THB 2,184 million from the year before due to gains on forward exchange rate contracts in both Australian dollars and U.S. dollars.

1.9 Gains from financial derivatives of THB 2,213 million were realized, arising primarily from gains on coal swaps amounting to THB 2,290 million, and losses from interest rate swaps and oil hedging amounting to THB 77 million.

1.10 Management and other fees amounted to THB 1,287 million, an increase of THB 489 million, or 61%, due to the following: Subsidy income from the Australian government from a carbon tax of THB 394 million, cash receipts from the final arbitration award of AACI of THB 212 million, subsidy income from the Chinese government of THB 158 million, and other management fees amounting to THB 523 million.

1.11 Equity income from associates were reported at THB 2,873 million, derived from equity income from BLCP of THB 2,361 million, equity income from the China coal business of THB 885 million, and other losses of THB 373 million.

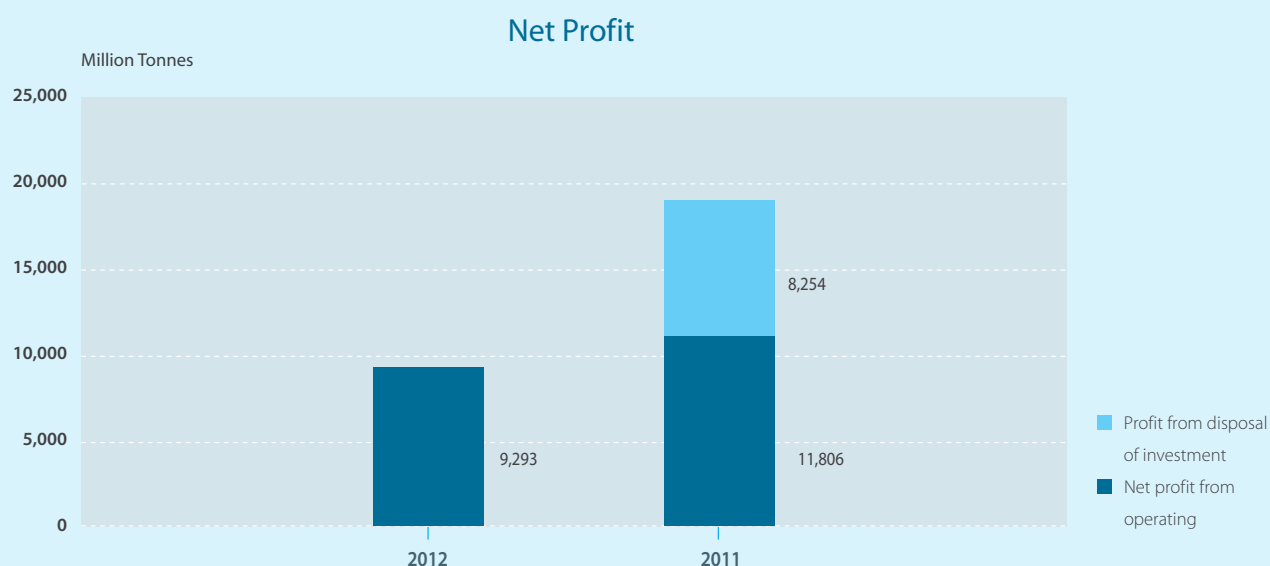
Net equity income recognized in 2012 increased THB 934 million from the previous year, mainly due to the increases in operating income from BLCP of THB 409 million and from a joint venture in China of THB 586 million. In 2012, there was no loss shared from the divestment of SAADEC, as in 2011 amounted THB 280 million.

1.12 2012 Interest expense was THB 3,470 million, increasing THB 423 million, or 14%, over the year before due to an increase in interest from new bonds worth THB 6,000 million issued during the 2nd quarter, resulting in higher interest expense of THB 176 million. There was also an increase from interest expense derived from a USD 225 million loan taken by a subsidiary in Australia during the 4th quarter of last year which resulted in an increase in interest expense for 2012.

1.13 Corporate income tax totaled THB 6,121million, decreasing THB 2,385 million due to decreased net profit in the coal businesses in both Indonesia and Australia, lowering corporate income tax by THB 986 million and THB 357 million, respectively. In the previous fiscal year, there was an income tax expense on the disposal of investment in SAADEC which amounted to THB 1,941 million. This change explains a large portion of the lower income tax amount in 2012. Moreover, in 2012, corporate income tax from Thailand decreased by THB 20 million while there was an increase in corporate income tax from the China power business by 107 million, and a withholding tax on dividend received, which amounted to THB 812 million.



1.14 Net profit in 2012 was THB 9,293 million, a decrease of THB 10,767 million, or 54%, mainly from lower earning of the coal business and no investment disposal gain. Net profit from operating in 2012 decreased THB 2,513 million or 21% when compared with the previous year as shown in the graph below.



1.15 Earnings per share (EPS) for the fiscal year 2012 was THB 34.19 per share, compared to THB 73.82 per share last year, a decrease of 54%.

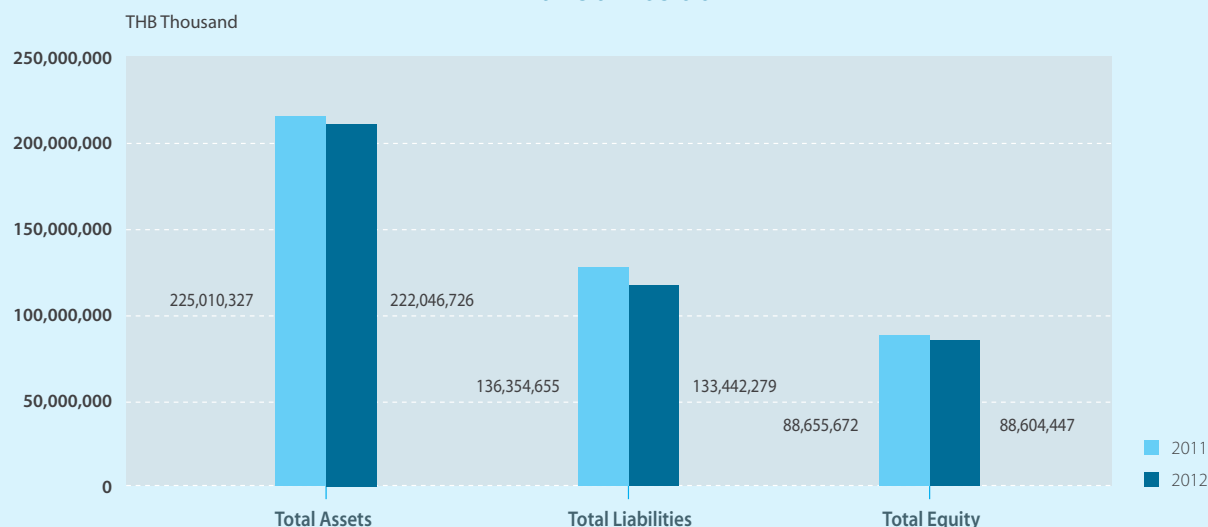
2. Statements of Financial Position as of 31 December 2012 in comparison with Statements of Financial Position as of 31 December 2011

2.1 Total assets were THB 222,047 million, decreased by THB 2,964 million, or 1%. Details of this change are given below:

- Cash and cash equivalents were THB 22,770 million, decreased by THB 6,753 million, or 23%. (See explanation in item #3 on the Consolidated Statement of Cash Flow)
- Accounts and notes receivable were THB 9,758 million decreased THB 941 million, or 9%.
- Accrued dividends from related businesses amounted to THB 7,599 million. These were from the accrued dividend of the domestic power business (BLCP).
- Accounts receivable from investment disposal were THB 2,138 million. The amount was recorded in 2011 as accounts receivable from disposal of an investment in a joint venture in China, and was fully paid in 2012.
- Investment in subsidiaries, joint ventures and associates totaled THB 20,988 million, increasing by THB 268 million, or 1%, from profit sharing after deducting dividends.
- Other investment of THB 739 million, an increase of THB 301 million, or 69%, due to additional investment in domestic financial institutions and mark-to-market adjustments.



Financial Position



- Property, plant and equipment were THB 48,232 million, an increase of THB 3,637 million. The increase was from the purchase of machinery and equipment by subsidiaries in Indonesia and Australia, amounting to THB 10,819 million, reclassification of THB 13 million, asset disposals and write-offs amounting to THB 560 million, depreciation expense of THB 5,743 million and losses incurred from foreign exchange translation amounting to THB 892 million.

2.2 Total liabilities were THB 133,442 million, decreasing by THB 2,912 million, or 2%. Details of this change are described below:

- Short term bank loans were THB 244 million, a decrease of THB 4,013 million, or 94%. Significant changes during the year came from partial repayment of loans in the amount of THB 13,156 million, additional borrowing of THB 10,145 million and translation of exchange rate in the amount of THB 1,002 million.

- Current portion of long-term loans and debentures was THB 8,144 million, a net increase of THB 2,571 million resulted from reclassification of long-term to current portion of THB 13,054 million, repayment of long-term loan of THB 7,866 million, redemption of debenture of THB 2,000 million, and translation of exchange rate of THB 617 million.

- Accrued overburden and coal transportation expenses were THB 5,688 million, increasing by THB 1,045 million mainly from the Indonesian operations.

- Accrued corporate income tax of THB 1,150 million decreased by THB 4,407 million from

- Payment of corporate income tax in 2011 for the subsidiaries in Indonesia, Australia, Singapore and China, amounting to THB 8,202 million.

- Corporate income tax from divestment of a subsidiary in China, amounting to THB 1,941 million, which was paid in 2012.

- Adjustment in 2011 for accrued corporate income tax from Indonesian subsidiaries, resulting in a lower accrued corporate income tax of THB 385 million.

- Recorded corporate income tax in 2012 of THB 6,121 million.

- Long-term loans totaled THB 61,119 million, decreasing by THB 2,082 million due to an increase in new long-term loans amounting to THB 15,894 million; reclassification of long-term loans to current portion of long term loans and debentures, the effect from exchange rate changes amounting to THB 13,054 million; repayment of debentures amounting to THB 4,388 million; and translation of exchange rate amounting to THB 534 million.



- Baht debentures totaled THB 27,750 million, increasing by THB 5,996 million from the issuance of new baht debentures totaling THB 6,000 million and THB 4 million fees.

2.3 Shareholders' equity was THB 88,604 million, a decrease of THB 51 million mainly from

- Dividend payment of THB 11,169 million
- Foreign exchange translations of THB 2,303 million
- THB 9,293 million net profit for the year ended 2012
- THB 4,001 million non-controlling interests
- THB 127 million from mark to market value of available for sales of investments

2.4 Net debt-to-equity as of 31 December 2012 was reported at 0.84 times for the consolidated statements of financial position (As of 31 December 2011, the ratio was 0.74 times for the consolidated financial statement of position)

3. Statement of Consolidated Cash Flow for the fiscal year ended 31 December 2012 in comparison with the previous year ended 31 December 2011

Banpu's statement of consolidated cash flow for the fiscal year ending 31 December 2012 recorded an increase in net cash flow of THB 6,563 million (which included the effect from exchange rate translation of THB 190 million). The company's net cash flow is divided into the following:

3.1 Cash inflow from operations was THB 7,635 million; with major operating items as follows;

- Receipts from coal sale were THB 125,976 million.
- Overburden, Coal mining and Coal transportation payments of THB 50,542 million
- Interest payments of THB 3,487 million
- Corporate income tax payment of THB 6,876 million
- Royalty payment of THB 11,748 million
- Other payments and costs amounting to THB 45,688 million

3.2 Cash outflow from investing activities were THB 8,671 million;

- Cash payments, for investment in machine, equipment and project in progress, of THB 11,235 million
- Cash payments, for investment in other companies and short term investment, of THB 929 million
- Cash receipts from selling investment in a subsidiary of THB 2,026 million
- Cash receipts, from subsidiaries and power business in Thailand, of THB 769 million
- Cash receipts, from interest income and other items, of THB 698 million

3.3 Cash outflow from financing were THB 5,527 million, mainly from

- Repayment of bank loan, long-term loan and debentures amounting to THB 25,910 million
- Financial charges of THB 487 million
- Dividend payments of THB 11,169 million
- Increases in bank loans, long-term loans and debentures amounting to THB 32,039 million

4. Management Discussion and Analysis

The financial statements of 2012 reports a net profit of THB 9,293 million, a drop of 54% compared to 2011's net profit of THB 20,060 in which a one-off divestment gain of THB 8,254 million was included. Earnings from core business were affected by the unfavorable coal market situation that resulted in weakening coal prices throughout the year. Nevertheless contributions from the Power business continued to provide a solid earnings base for the group. For 4Q12 the net profit amounted to THB 1,513 million. Details on performance of each business unit are described below.



Indonesia coal operation delivered strong sales volume of 27.197 million tonnes, slightly above plan and higher by 10% from the previous year. Quarterly sales volume in 4Q12 was record-high at 8.238 million tonnes, supported by good execution of mine plans under favorable weather conditions. The strong shipment during the late part of last year also reaffirms that coal import demand in the region remains resilient. The 4Q12 sales volume by mines included 4.516 million tonnes from Indominco, 2.404 million tonnes from Trubaindo, 0.241 million tonnes from Bharinto, 0.324 million tonnes from Jorong and at 0.753 million tonnes from both Kitadin mines.

Despite achievements in production and sales, the overall Indonesian performance has been dragged down by the unfavorable coal market during the year, which lowered average coal selling prices (ASP) to USD 90.98 per tonne compared to USD 97.26 per tonne in the previous year. The 4Q12 ASP was the lowest during the year at USD 82.06 per tonne (-7% QoQ and -6% YoY).

Production costs were well under control, with the average cost of goods sold increasing only 2% to USD 51.89 per tonne. The adjustment in mine plans put in place since mid-2012 has lowered unit cost in key areas including mining and overburden handling. These measures helped to lessen the impact from a lower ASP. Nevertheless, the average gross profit margin (GPM) from Indonesia retreated to 43% from 50% in 2011. Likewise, the GPM in 4Q12 was the lowest, at 37% (43% in 3Q12 and 52% in 4Q11).

The Australian coal operation delivered sales volume of 14.30 million tonnes in 2012, lower by 4% from the previous year. This change was the result of varied production performance from major mines. While Angus Place achieved record production during the year, Mandalong faced two major Longwall stoppages for planned equipment changeover, whereas Springvale encountered surface constraint early in the year. In 4Q12 the operations of Airly and Mannering, both regarded as small and high-cost mines, were put in Care and Maintenance phase in order to improve efficiency for the group. Sales volume in 4Q12 amounted to 3.297 million tonnes (-22% QoQ and -4% YoY).

On the other hand, Australia's coal selling price weathered through market difficulty almost unaffected. The ASP in 2012 unchanged from the previous year, at AUD 72.86 per tonne. This level is attributed to having a majority of sales in the domestic market with stable selling prices, which thus cushioned against price volatility in the export market. Domestic sales tonnage made up 56% of the total, with exports being 44%. In 2011 this proportion was 61% versus 39%. The unit production cost increased by 16% to AUD 50.75 per tonne, as the majority of cost components spread over lower production volumes. This resulted in lower gross profit margin for the year at 30%, versus the previous year's 36%.

For China's coal business, the commencement of the Gaohe operation marked another milestone following the divestment of Daning mine in 2011. Coal demand in the local market was relatively firm during the year, which supported coal selling prices for both Gaohe and Hebi. Equity income from the China coal business was THB 885 million during 2012. For 4Q12, the equity income was THB 437 million.

Earnings from the Power business were highlighted by strong performance at both BLCP and BIC in China. BLCP delivered another year of smooth equity income contribution of THB 2,361 million, including an FX gain of THB 153 million. However, in 4Q12, BLCP generated an equity income of THB 270 million, a small amount compared to 3Q12. The difference was due to the annual maintenance shutdown occurred in 4Q12. The power plants in China generated a good net income of THB 384 million in 2012, of which THB 53 million was in 4Q12.

EBITDA for 2012 amounted to THB 29,251 million, lower than the previous year by 8%. EBITDA from coal and power were THB 26,870 million (10% lower) and THB 2,381 million (24% higher) respectively.



AUDITOR'S REPORT

To the Shareholders of Banpu Public Company Limited

I have audited the accompanying consolidated and company financial statements of Banpu Public Company Limited and its subsidiaries and of Banpu Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Banpu Public Company Limited and its subsidiaries and of Banpu Public Company Limited as at 31 December 2012, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Somchai Jinnovart)

Certified Public Accountant (Thailand) No. 3271
PricewaterhouseCoopers ABAS Ltd.

Bangkok
20 February 2013



STATEMENTS OF FINANCIAL POSITION

As at 31 December 2012 and 2011

Unit: THB Thousand

		Consolidated		Company	
	Notes	2012	2011	2012	2011
ASSETS					
Current assets					
Cash and cash equivalents	6	22,769,849	29,522,521	4,635,766	1,062,234
Short-term investments		709,415	-	-	-
Trade accounts receivable, net	7	9,757,683	10,699,083	436,067	412,028
Amounts due from related parties	30	6,096	6,258	588,200	2,170,627
Dividend receivables from related parties	30	7,599,111	6,087,898	18,133,874	8,943,399
Advances to related parties	30	1,389	4,451	28,038	308,762
Inventories, net	8	6,240,700	5,976,303	255,611	420,415
Spare parts and machinery supplies, net		1,573,414	1,563,542	61,052	74,069
Accounts receivable from disposal of investment in a subsidiary		-	2,137,535	-	-
Other current assets	9	5,602,871	6,626,966	289,994	210,957
Total current assets		54,260,528	62,624,557	24,428,602	13,602,491
Non-current assets					
Loans to employees		14,070	12,591	34	35
Long-term loans to related parties	30	-	-	65,262,951	71,407,259
Long-term loans to other companies, net		-	4,733	-	4,733
Investments in subsidiaries and interests in joint ventures	10	20,987,687	20,720,050	11,314,002	8,103,502
Other investments, net	11	738,562	437,214	341,309	263,458
Investment property, net		107,779	109,543	77,882	77,882
Property, plant and equipment, net	12	48,232,187	44,594,926	226,676	165,892
Other non-current assets					
Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net	13	28,361,321	22,588,549	-	-
Mining property rights, net	14	67,307,590	71,974,427	-	-
Projects under development	15	77,522	638,130	10,338	8,487
Other non-current assets		1,959,480	1,305,607	379,245	159,408
Total non-current assets		167,786,198	162,385,770	77,612,437	80,190,656
Total assets		222,046,726	225,010,327	102,041,039	93,793,147

The notes to the consolidated and company financial statements on pages 118 to 175 are an integral part of these financial statements.



STATEMENTS OF FINANCIAL POSITION

As at 31 December 2012 and 2011

Unit: THB Thousand

		Consolidated		Company	
	Notes	2012	2011	2012	2011
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current assets liabilities					
Short-term loans from financial institutions	16	243,669	4,256,962	-	3,310,518
Trade accounts payable		2,989,277	3,735,808	-	-
Trade accounts payable - a subsidiary	30	-	-	112,738	137,632
Advances from and amounts due to related parties	30	42	266	6,110	954
Short-term loan from a related party	30	-	-	495,518	-
Current portion of borrowings, net	18	8,143,911	3,572,796	5,914,779	3,172,761
Current portion of debentures	19	-	2,000,000	-	2,000,000
Other current liabilities					
Accrued overburden and coal transportation costs		5,687,609	4,642,691	-	227
Accrued interest expenses		376,179	393,075	366,061	378,647
Accrued royalty expenses		1,426,963	1,246,810	13,214	2,499
Accrued income taxes		1,149,880	5,556,464	-	-
Accrued employee benefits	20	2,984,192	2,658,282	-	-
Other current liabilities	17	9,501,225	9,541,577	393,706	750,949
Total current liabilities		32,502,947	37,604,731	7,302,126	9,754,187
Non-current liabilities					
Long term loan from a related party	30	-	-	175,432	-
Long-term loans from other company		26,374	26,724	-	-
Long-term borrowings, net	18	61,119,311	63,201,367	45,224,098	45,200,534
Debentures, net	19	27,749,525	21,753,841	27,749,525	21,753,841
Employee retirement benefits obligation	20	857,852	703,907	257,993	249,173
Deferred unfavourable contract liabilities, net		8,465,018	10,668,955	-	-
Other liabilities		2,721,252	2,395,130	4,474	6,033
Total non-current liabilities		100,939,332	98,749,924	73,411,522	67,209,581
Total liabilities		133,442,279	136,354,655	80,713,648	76,963,768

The notes to the consolidated and company financial statements on pages 118 to 175 are an integral part of these financial statements.



STATEMENTS OF FINANCIAL POSITION

As at 31 December 2012 and 2011

Unit: THB Thousand

		Consolidated		Company	
	Notes	2012	2011	2012	2011
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
Shareholders' Equity					
Share capital					
Registered share capital					
354,050,479 ordinary shares of THB 10 each		3,540,505	3,540,505	3,540,505	3,540,505
Issued and paid-up share capital					
271,747,855 ordinary shares of THB 10 each	21	2,717,479	2,717,479	2,717,479	2,717,479
Premium on share capital	21	5,058,329	5,058,329	5,058,329	5,058,329
Retained earnings					
Appropriated					
Legal reserve	29	2,347,572	1,915,187	354,051	354,051
Other reserves	23	371,409	-	-	-
Unappropriated		66,329,643	63,546,940	13,130,291	8,690,804
Other components of shareholders' equity		477,838	2,653,198	67,241	8,716
Total parent's shareholders' equity		77,302,270	75,891,133	21,327,391	16,829,379
Non-controlling interests		11,302,177	12,764,539	-	-
Total shareholders' equity		88,604,447	88,655,672	21,327,391	16,829,379
Total liabilities and shareholders' equity		222,046,726	225,010,327	102,041,039	93,793,147



STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2012 and 2011

Unit: THB Thousand

	Notes	Consolidated		Company	
		2012	2011	2012	2011
Sales		117,337,168	112,404,092	2,084,945	2,432,078
Cost of sales		(72,525,759)	(62,960,289)	(1,991,688)	(2,373,642)
Gross profit		44,811,409	49,443,803	93,257	58,436
Selling expenses		(9,119,993)	(7,887,946)	(99,252)	(129,948)
Administrative expenses		(7,983,412)	(7,589,104)	(1,765,000)	(1,642,890)
Royalty fee		(11,888,967)	(11,370,141)	(14,442)	(2,130)
Profit (loss) from sales		15,819,037	22,596,612	(1,785,437)	(1,716,532)
Dividend income from subsidiaries	30	-	-	11,334,733	7,846,133
Dividend income from other companies		18,631	60,835	10,571	8,961
Interest income		684,589	463,034	2,366,842	1,943,099
Net gain from disposal of investment in a subsidiary		-	8,248,255	-	-
Net gain from disposal of investment in available-for-sale securities		-	5,708	-	-
Net gain (loss) on exchange rate		1,325,356	3,509,794	(134,717)	375,488
Net gain (loss) from financial derivatives		2,212,873	(321,867)	(76,412)	(48,194)
Management fee and others		1,287,224	798,488	1,121,226	1,652,511
Interest expenses		(3,470,293)	(3,046,996)	(2,573,385)	(2,054,334)
Finance costs		(329,718)	(348,939)	(118,671)	(143,566)
Interests in joint ventures	10	2,872,585	1,938,627	-	-
Profit before income taxes		20,420,284	33,903,551	10,144,750	7,863,566
Income taxes	25	(6,120,512)	(8,505,652)	-	-
Net profit for the year		14,299,772	25,397,899	10,144,750	7,863,566
Other comprehensive income (expense):					
Discount from increase of investments in subsidiaries		(758,734)	-	-	-
Translation adjustments		(2,549,555)	973,415	-	-
Unrealised gain on available-for-sale securities		127,604	2,898	58,525	6,822
Other comprehensive income (expense) for the year		(3,180,685)	976,313	58,525	6,822
Total comprehensive income for the year		11,119,087	26,374,212	10,203,275	7,870,388
Profit attributable to:					
Owners of the parent		9,293,195	20,059,830	10,144,750	7,863,566
Non-controlling interests		5,006,577	5,338,069	-	-
		14,299,772	25,397,899	10,144,750	7,863,566
Total comprehensive income attributable to:					
Owners of the parent		7,117,835	19,894,464	10,203,275	7,870,388
Non-controlling interests		4,001,252	6,479,748	-	-
		11,119,087	26,374,212	10,203,275	7,870,388
Earnings per share (THB)					
Basic earnings per share	26	34.19	73.82	37.33	28.94

The notes to the consolidated and company financial statements on pages 118 to 175 are an integral part of these financial statements.



STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended 31 December 2012 and 2011

Unit: THB Thousand

Consolidated 2012

Attributable to owners of the parent												
Notes	Issued and paid-up share capital	Premium on share capital	Other components of shareholders' equity									
			Retained earnings				Other comprehensive income (expense)					
			Legal Reserves	Other reserves	Un-appropriated	changes of investments in subsidiaries	Surplus (discount) on reserve of available-for-sale securities	Fair value Translation adjustment	Total other components of shareholders' equity	Total Owners of the parent	Non-controlling interests	Total shareholders' equity
Opening balance of 2012	2,717,479	5,058,329	1,915,187	-	63,546,940	6,760,098	(134,697)	(3,972,203)	2,653,198	75,891,133	12,764,539	88,655,672
Impact from liquidation of subsidiaries		-	-	(1,435)	-	-	-	-	-	(1,435)	-	(1,435)
Legal reserve	29	-	-	433,820	-	(433,820)	-	-	-	-	-	-
Other reserves	23	-	-	-	371,409	(371,409)	-	-	-	-	-	-
Dividend paid	28	-	-	-	-	(5,705,263)	-	-	-	(5,705,263)	-	(5,705,263)
Dividend paid of a subsidiary		-	-	-	-	-	-	-	-	-	(5,463,614)	(5,463,614)
Total comprehensive income (expense) for the year		-	-	-	-	9,293,195	(758,734)	127,604	(1,544,230)	(2,175,360)	7,117,835	4,001,252
Closing balance of 2012		2,717,479	5,058,329	2,347,572	371,409	66,329,643	6,001,364	(7,093)	(5,516,433)	477,838	77,302,270	11,302,177

Unit: THB Thousand

Consolidated 2011

	Attributable to owners of the parent												
	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Surplus on dilution of investments in subsidiary	Other components of shareholders' equity			Total Other components of shareholders' equity	Total Owners of the parent	Non- controlling interests	Total shareholders' equity
				Legal Reserves	Un- appropriated		Fair value reserve of available- for-sale securities	Translation adjustment					
Opening balance of 2011		2,717,479	5,058,329	1,869,661	48,576,649	6,760,098	(137,595)	(3,867,944)	2,754,559	60,976,677	8,737,010	69,713,687	
Retrospective adjustments from the change in accounting policies		-	-	-	(425,474)	-	-	-	-	(425,474)	(229,102)	(654,576)	
Balance after adjustments		2,717,479	5,058,329	1,869,661	48,151,175	6,760,098	(137,595)	(3,867,944)	2,754,559	60,551,203	8,507,908	69,059,111	
Impact from liquidation of subsidiaries		-	-	(1,240)	-	-	-	64,005	64,005	62,765	(723)	62,042	
Legal reserve	29	-	-	46,766	(46,766)	-	-	-	-	-	-	-	
Dividend paid	28	-	-	-	(4,617,299)	-	-	-	-	(4,617,299)	-	(4,617,299)	
Dividend paid of a subsidiary		-	-	-	-	-	-	-	-	-	(2,222,394)	(2,222,394)	
Total comprehensive income (expense) for the year		-	-	-	20,059,830	-	2,898	(168,264)	(165,366)	19,894,464	6,479,748	26,374,212	
Closing balance of 2011		2,717,479	5,058,329	1,915,187	63,546,940	6,760,098	(134,697)	(3,972,203)	2,653,198	75,891,133	12,764,539	88,655,672	

The notes to the consolidated and company financial statements on pages 118 to 175 are an integral part of these financial statements.



STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended 31 December 2012 and 2011

Unit: THB Thousand

Company 2012

	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Fair value reserve of available- for-sale securities	Other components of shareholders' equity		Total shareholders' equity
				Legal reserves	Un- appropriated		Other comprehensive income	Total other components of shareholders' equity	
Opening balance of 2012		2,717,479	5,058,329	354,051	8,690,804	8,716	8,716	16,829,379	
Dividend paid	28	-	-	-	(5,705,263)	-	-	(5,705,263)	
Total comprehensive income for the year		-	-	-	10,144,750	58,525	58,525	10,203,275	
Closing balance of 2012		2,717,479	5,058,329	354,051	13,130,291	67,241	67,241	21,327,391	

Unit: THB Thousand

Company 2011

					Other components of shareholders' equity			
					Other comprehensive income			
	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Fair value reserve of available-for-sale securities	Total other components of shareholders' equity	Total shareholders' equity
				Legal reserves	Un-appropriated			
Opening balance of 2011		2,717,479	5,058,329	354,051	5,444,537	1,894	1,894	13,576,290
Dividend paid	28	-	-	-	(4,617,299)	-	-	(4,617,299)
Total comprehensive income for the year		-	-	-	7,863,566	6,822	6,822	7,870,388
Closing balance of 2011		2,717,479	5,058,329	354,051	8,690,804	8,716	8,716	16,829,379

The notes to the consolidated and company financial statements on pages 118 to 175 are an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

For the years ended 31 December 2012 and 2011

Unit: THB Thousand

		Consolidated		Company	
	Notes	2012	2011	2012	2011
Cash flows from operating activities					
Net profit for the year before income taxes		20,420,284	33,903,551	10,144,750	7,863,566
Adjustment to reconcile net profit					
for cash receipts (payments) from operations					
Depreciation and amortisation		6,410,069	6,230,133	60,279	23,770
Write-off projects under development	15	-	57,038	-	1,992
Write-off property, plant and equipment	12	559,999	504,662	3,675	2,507
Reversal of allowance for impairment of property, plant and equipment	12	(3,336)	-	-	-
Allowance for doubtful accounts (reversal)	7	3,593	(20,609)	-	(20,609)
Allowance for slow-moving and net realisable value of coal	8	26,071	7,922	19,704	7,922
Allowance for slow-moving of spare parts and machinery supplies		166,195	-	6,014	-
Interest expenses		3,470,293	3,046,996	2,573,385	2,054,334
Finance costs		329,718	348,939	118,671	143,566
Interest income		(684,589)	(463,034)	(2,366,842)	(1,943,099)
Interests in joint ventures		(2,872,585)	(1,938,627)	-	-
Dividend income from subsidiaries		-	-	(11,334,733)	(7,846,133)
Dividend income from other companies		(18,631)	(60,835)	(10,571)	(8,961)
Gain on disposal of property, plant and equipment		(7,624)	(182,500)	(3,423)	(180,907)
Gain on disposal of investment property		(745)	(291)	-	-
Gain on disposal of investment in a subsidiary		-	(8,248,255)	-	-
Gain on liquidation of subsidiaries		-	(12,180)	-	-
Write-off investment in other company		674	-	674	-
(Gain) loss on disposal of investment in available-for-sale securities		-	(5,708)	-	-
Net unrealised (gain) loss on exchange rate		(6,332,494)	(876,365)	419,047	(670,488)

The notes to the consolidated and company financial statements on pages 118 to 175 are an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

For the years ended 31 December 2012 and 2011

Unit: THB Thousand

	Notes	Consolidated		Company	
		2012	2011	2012	2011
Cash flow before changes in working capital		21,466,892	32,290,837	(369,370)	(572,540)
Changes in working capital (exclude effect from acquisitions and disposal of subsidiaries)					
Trade accounts receivable		937,807	(3,892,098)	(24,039)	(85,924)
Amounts due from related parties		162	10,022	(48,495)	(26,053)
Advance to related parties		3,062	266	280,724	545,744
Inventories		(437,286)	(1,644,760)	145,100	(31,656)
Spare parts and machinery supplies		(205,845)	(446,460)	7,003	147
Other current assets		816,271	(60,846)	(16,785)	179,586
Deferred exploration and development expenditures and deferred overburden expenditures		(5,770,158)	(3,694,794)	-	-
Other non-current assets		(56,476)	74,943	(274,857)	14,012
Trade accounts payable		(746,531)	668,118	-	-
Trade accounts payable - a subsidiary		-	-	(24,894)	137,632
Advances from and amounts due to related parties		(224)	235,464	6,965	(1,297)
Accrued overburden and coal transportation costs		1,044,918	1,821,573	(227)	(2,190)
Accrued royalty fee		180,153	646,879	10,715	(577)
Employee retirement benefits obligation		479,855	508,815	8,820	(8,656)
Other current liabilities		(40,352)	1,310,187	(357,222)	(165,776)
Other liabilities		326,122	662,247	(1,559)	(1,414)
Cash generated (payments) from operating activities		17,998,370	28,490,393	(658,121)	(18,962)
Interest paid		(3,487,189)	(2,997,442)	(2,506,757)	(1,946,161)
Income tax paid		(6,876,030)	(3,929,307)	-	-
Net cash receipts (payments) from operating activities		7,635,151	21,563,644	(3,164,878)	(1,965,123)

The notes to the consolidated and company financial statements on pages 118 to 175 are an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

For the years ended 31 December 2012 and 2011

Unit: THB Thousand

		Consolidated		Company	
	Notes	2012	2011	2012	2011
Cash flows from investing activities					
Cash payments for short-term investments		(709,415)	-	-	-
Cash receipts from long-term loans					
to related parties	30	-	-	14,834,243	19,298,751
Cash payments for long-term loans					
to related parties	30	-	-	(10,619,834)	(25,015,490)
Cash receipts from short-term loans					
to other company		-	367,440	-	-
Cash payments for long-term loans					
to other company		4,606	-	4,606	-
Cash receipts (payments) from loans					
to employees, net		(1,479)	4,357	-	(5)
Cash receipts from disposal of investment					
in a subsidiary		2,026,401	18,258,900	-	-
Cash receipt from liquidation of subsidiaries		-	13,686	-	-
Cash payments for purchase of investments in					
subsidiaries and joint ventures	10	(45,000)	(15,032,024)	(3,210,500)	-
Cash receipts from disposal of other investments		-	10,081	-	-
Cash payments for purchase of other investments	11	(175,396)	-	(20,000)	-
Cash payments for projects under development	15	(78,497)	(206,864)	(1,851)	(4,196)
Cash payments for purchase of property, plant and equipment		(11,157,031)	(7,385,120)	(70,280)	(47,564)
Cash receipts from disposal of property, plant and equipment		33,297	189,391	3,965	182,421
Cash receipts from disposal of investment property		3,545	3,250	-	-
Interest received		659,126	463,002	3,928,091	702,974
Cash receipts from dividends from subsidiaries and joint ventures		750,000	1,600,000	2,116,055	2,259,301
Cash receipts from dividends from other investments		18,631	60,835	10,571	8,961
Net cash receipts (payments) from investing activities		(8,671,212)	(1,653,066)	6,975,066	(2,614,847)

The notes to the consolidated and company financial statements on pages 118 to 175 are an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

For the years ended 31 December 2012 and 2011

Unit: THB Thousand

		Consolidated		Company	
	Notes	2012	2011	2012	2011
Cash flows from financing activities					
Cash receipts from short-term loans from financial institutions		10,145,114	8,244,998	10,145,114	8,465,552
Repayments of short-term loans from financial institutions		(13,156,338)	(5,903,235)	(13,504,061)	(5,239,200)
Cash receipts from short-term loans from a subsidiary		-	-	173,831	-
Cash receipts from long-term loans from financial institutions	18	15,893,626	3,744,165	14,517,777	3,051,680
Repayments of long-term loans from financial institutions	18	(10,753,860)	(25,701,938)	(10,124,642)	(11,260,111)
Cash receipts from long-term loan from a subsidiary		-	-	492,710	-
Cash payment for finance costs		(486,702)	(323,815)	(162,153)	(171,197)
Cash receipts from private placement notes		-	6,887,212	-	-
Cash receipts from debentures	19	6,000,000	15,000,000	6,000,000	15,000,000
Repayments of debentures	19	(2,000,000)	(1,500,000)	(2,000,000)	(1,500,000)
Dividend paid		(5,705,263)	(5,958,346)	(5,705,263)	(5,958,346)
Dividend paid of subsidiaries		(5,463,614)	(2,222,394)	-	-
Net cash receipts (payments) from financing activities		(5,527,037)	(7,733,353)	(166,687)	2,388,378
Net increase (decrease) in cash and cash equivalents		(6,563,098)	12,177,225	3,643,501	(2,191,592)
Exchange gain (loss) from cash and cash equivalents		(189,574)	271,553	(69,969)	9,537
Cash from acquisition of investments in a subsidiary		-	94,004	-	-
Cash and cash equivalents at beginning of the year		29,522,521	16,979,739	1,062,234	3,244,289
Cash and cash equivalents at end of the year		22,769,849	29,522,521	4,635,766	1,062,234

Non cash transactions

Significant non-cash transactions as at 31 December are as follow:

Other accounts payable for purchase of property,

plant and equipment	337,023	930,013	-	-
Non-receipts from disposal of investment in a subsidiary	-	2,137,535	-	-
Additional investment in a subsidiary	-	-	-	1,219,799
Decreased of dividend from a subsidiary	-	-	-	1,219,799

The notes to the consolidated and company financial statements on pages 118 to 175 are an integral part of these financial statements.



NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the years ended 31 December 2012 and 2011

1. General information

Banpu Public Company Limited ("the Company") is a public limited company incorporated and resident in Thailand. The address of the Company's registered office is 1550 New Petchburi Road, Makkasan, Ratchthewi, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purpose, the Company and its subsidiaries are referred to as the Group.

The Group is engaged in coal mining and power businesses.

The Group has operations in Thailand and overseas which are mainly in Indonesia, the People's Republic of China, Australia and Mongolia.

These consolidated and company financial statements were authorised by Board of Directors on 20 February 2013.

2. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below.

2.1 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Account Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention except for certain accounts as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

An English version of the consolidated and company financial statements has been prepared from the consolidated and company financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language consolidated and company financial statements shall prevail.

2.2 New accounting standard, new financial reporting standards, new interpretation and amendments to accounting standards (collectively "the accounting standards")

2.2.1 The accounting standards being effective for the periods beginning on or after 1 January 2013

TAS 12	Income taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders



The Group has applied the aforementioned accounting standards from 1 January 2013. The application of those accounting standards does not have significant impact to the financial statements being presented except the following standards.

- TAS 12 deals only with taxes on income, comprising current and deferred tax. Current tax expense for a period is based on the taxable and deductible amounts that will be shown on the tax return for the current year. Current tax assets and liabilities for the current period are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax accounting is based on the temporary differences between the tax base of an asset or liability and its carrying amount in the financial statements.

- TAS 21 (revised 2009) requires an entity to determine its functional currency which is the currency of the primary economic environment in which the entity operates. Currency other than functional currency of an entity is foreign currency. Foreign currency transactions are required to be translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rate of monetary items denominated in foreign currency are recognised in profit or loss. The standard permits the presentation currency of a reporting entity to be any currencies. The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated in the presentation currency as follows: (a) assets and liabilities are translated at the closing rate at the date of that statement of financial position; (b) income and expenses are translated at the exchange rate at the date of the transactions; and (c) all resulting exchange differences are recognised in the statement of comprehensive income.

The Group's management has determined that the US Dollar is the functional currency in accordance with this accounting standard. However, the Group is required to present its financial statements in Thai Baht (the presentation currency) by conversion the US Dollar to Thai Baht in order to comply with the regulations of the Stock Exchange of Thailand and the Department of Business Development commencing the period on 1 January 2013.

The Group has retrospectively applied TAS 12 and TAS 21. The Group's management is in the process of reviewing and considering the impacts to the consolidated and company financial statements as at 31 December 2012.

- TFRS 8 requires a management approach under which segment information is presented on the same basis that used for internal reporting purpose as provided to the chief operating decision makers. The new standard will have an impact on disclosure.

2.2.2 The accounting standards being effective for the periods beginning on or after 1 January 2014

TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

The Group has not early adopted the aforementioned accounting standards and the Group's management is in the process of reviewing the impacts of those accounting standards. However, the significant changes in accounting standards to the Group are summarised as below.



- TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset.

- TFRIC 12 deals with public-to-private service concession arrangements for the delivery of public services. It applies only to concession agreements where the use of the infrastructure is controlled by the grantor. This interpretation requires two different accounting treatments, depending on the specific terms of the concession agreement. When the operator builds infrastructure and has an unconditional contractual right to receive cash or another financial asset from the grantor, that right is treated as a financial asset. When the operator builds infrastructure and receives a right (a licence) to charge users of the public service, that right is treated as an intangible asset.

- TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values.

- TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements.

2.3 Changes in accounting policies

Commencing 1 January 2013, the Group will change the accounting policies in relating to the accounting for derivative financial instruments and hedging activities in accordance with the International Accounting Standard No. 39 “Financial Instruments: Recognition and measurement” (“IAS 39”). The difference between Thai Accounting Standard No. 105 “Accounting for Investment in Debt and Equity Securities” and IAS 39 relates to the categorisation of certain investments in debt and equity securities. IAS 39 requires the financial assets, including investments in debt and equity securities to be categorised. However, this has no impact on the measurement of the Group’s investment in debt and equity securities presented in the financial statements.

2.3.1 Accounting for derivative financial instruments

The Group recognises derivative financial instruments at fair value on the statement of financial position and changes to fair value are recognised through profit or loss (see current accounting policy in Note 3.8). The Group shall retrospectively adjusted for the change of this accounting policy. The Group’s management is current reviewing and considering the impacts to the consolidated and company financial statements as at 31 December 2012.

2.3.2 Hedge Accounting

In case the Group apply the hedge accounting which is appropriate based upon the specific criteria of the International Accounting Standard No. 39, the impact of recording the derivative instrument is offset to the extent that the hedging relationship is effective. If a hedge is designated as a fair value hedge, changes in the derivative’s fair value are recorded as gain or loss and the hedged item is marked to market for changes in fair value associated with the hedged risk. If designated as a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognised in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument shall be recognised in profit or loss. The prospective adjustments shall be applied for the impacts of applying this accounting policy.



2.4 Group accounting - Investments in subsidiaries and associates and interests in joint ventures

2.4.1 Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group's companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the company financial statements, investments in subsidiaries are accounted for using the cost method of accounting. Under the cost method, income from investments in subsidiaries will be recorded when dividends are declared. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A test for impairment for investments in subsidiaries is carried out when there is a factor indicating that investments might be impaired. If the carrying value of the investments is higher than its recoverable amount, impairment loss is charged to the profit or loss.

A list of the Group's subsidiaries and the financial effects of the acquisitions and disposals of subsidiaries are shown in Note 10.

2.4.2 Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in the profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.



2.4.3 Associates and interests in jointly controlled entities

Associates and interests in jointly controlled entities are entities over which the Group has significant influence or joint control, but which it does not control. Investments in associates and interests in joint ventures are accounted for by the equity method of accounting in the consolidated financial statements. Under this method the Group's share of the post-acquisition profits and losses of associates and joint ventures is recognised in the profit or loss and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate or interest in a joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealised gains or losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interests in the associates and joint ventures, except that unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.4.4 Interests in jointly controlled assets and operations

Interests in jointly controlled assets and operations are accounted for by proportionate consolidation in the consolidated financial statements. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities, and cash flows on a line-by-line basis with similar items in the consolidated financial statements. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

In the Company's separate financial statements, investments in associates and interests in joint ventures are reported by using the cost method.

A list of the Group's principal associates and joint ventures are shown in Note 10.

2.5 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using the reporting currency of that entity. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into the reporting currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the reporting currency at the exchange rates prevailing at financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Statements of comprehensive income and cash flows of foreign entities are translated into Thai Baht at the weighted average exchange rates for each month and statement of financial position are translated at the exchange rates ruling on the end of reporting period. Currency translation differences arising from the retranslation of the net investment in foreign entities are taken to shareholders' equity. On disposal of such foreign entity, accumulated currency translation differences are recognised in the consolidated statement of comprehensive income as part of the gain or loss on disposal.

2.6 Cash and cash equivalents

In the consolidated and company statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.



2.7 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are recognised in the profit or loss within administrative expenses.

2.8 Inventories, spare parts and machinery supplies

Coal inventories are valued at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of coal comprises direct labour, other direct costs and related production overhead to mine activities.

Spare parts and machinery supplies are valued at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the spare parts and machinery supplies, such as import duties and transportation charge, less all attributable discounts, allowances or rebates.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories, spare parts and machinery supplies.

2.9 Other investments

Investments other than investments in subsidiaries and associates and interests in joint ventures are classified into the following three categories: 1) held-to-maturity, 2) available-for-sale and 3) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within twelve months from the statement of financial position date which are classified as current assets.
- Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than twelve months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of available for sales investments are recognised in equity.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the profit or loss.



On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.10 Investment property

Property that is held for long-term rental or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property or land held for a currently undetermined future use. Investment property of the Group is land held for a currently undetermined future use. The Group has not determined that it will use the land as owner-occupied property or as capital appreciation.

Investment property is measured initially at its cost including related transaction costs. Subsequently, the investment property is carried at cost less accumulated impairment losses (if any).

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred.

2.11 Other non-current assets

2.11.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture or associated undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated statement of financial position as an intangible assets. Goodwill on acquisitions of interests in joint ventures or associates is included in interests in joint ventures and investments in associates and is tested for impairment as part of the overall balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified to operating segment.

2.11.2 Mining property rights

Mining property rights represent the excess of the cost of an acquisition over the fair value of net assets, which in managements' view represents future economic benefits attributable to the mining rights held by subsidiaries. Mining property rights are amortised using the units of coal production.

2.11.3 Deferred unfavourable contract liabilities

Deferred unfavourable contract liabilities are recognised as identifiable liabilities in the acquired entity's financial statements as part of the purchase price allocation at the acquisition date. The unfavourable contract liabilities incurred from an excess of the fair value of long-term coal sales contracts than sales values specified in such coal sales contracts. The deferred unfavourable contract liabilities are amortised based on delivered units of coal.



2.11.4 Deferred exploration and development expenditures

Exploration expenditures are capitalised on an area of interest basis. Such expenditures comprise net direct costs such as license, geology and geophysics expenditures and do not include general overheads or administrative expenditures not directly attributable to a particular area of interest. Exploration expenditures are capitalised as deferred expenditures when the following conditions is met:

a) Such costs are expected to be recouped through successful development and exploitation of the area of interest or, by its sales;

b) Exploration activities in the area of interest have not yet reached the stage which permits a reasonable assessment of the existence of economically recoverable reserves, and active operations in the area are continuing.

Recoupment of exploration expenditure carried forward is dependent upon successful development and commercial exploitation, or sale of the respective area. Each area of interest is reviewed at the end of period. Exploration expenditures in respect of an area of interest, which has been abandoned or for which a decision has been made by the Group against the commercial viability of the area of interest, are written-off in the period the decision is made to the profit or loss.

Development expenditures and incorporated costs in developing an area of interest prior to commencement of operations in the respective area, as long as they meet the criteria for deferral, are capitalised.

Deferred exploration and development expenditure is principally amortised using the units of coal production of each area of interest starting from the commencement of the commercial operations.

2.11.5 Stripping costs/Overburden costs

For certain mining areas, stripping costs are recognised as production costs based on the average life of mine stripping ratio (the ratio of waste to coal produced). When the actual stripping ratio exceeds the life of mine average, the excess stripping costs are deferred. When the actual stripping ratio is lower than the life of mine average, the difference is adjusted against the amount of deferred costs. Changes in estimated for average life of mine stripping ratio are accounted for on a prospective basis over the remaining of mine life.

For other mining areas, stripping cost are recognised as production costs based on the actual stripping ratio for the period. During the period, if stripping costs incurred for overburden without exposing the coal are deferred and will be recognised as production costs when the coal has been exposed. Deferred costs are written-off during the period in which the coal is determined to be not available and/or not economic to be mined.

2.12 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. All plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment (if any).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.



Depreciation is calculated on the straight-line method to write off the cost of each asset, except for land as it is deemed to have an indefinite life, to their residual values over their estimated useful life as follows:

Land improvement	10 years
Buildings, infrastructures, construction and building improvement	shorter period of the mine or 5 to 20 years
Machinery and equipment	2 to 20 years
Furniture	4 and 5 years
Office equipment and tools	4 and 5 years
Motor vehicles	4 and 5 years
Equipment under finance lease	5 to 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the profit or loss.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of cost of the asset during the period of time required to complete and prepare the property for its intended use. Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings, and related taxes;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance lease charges.

All other borrowing costs except for the listed above are expensed in the profit or loss.

2.13 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Long-term leases - where a Group is the lessee

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the profit or loss over the lease period. Property, plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.



Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.15 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.16 Employee benefits

The Group operates a provident fund that is a defined contribution plan, the assets of which are held in a separate trust fund, managed by trustee. The provident fund is funded by payments from employees and by the relevant Group companies. Contributions to the provident fund are charged to the profit and loss in the year to which they relate.

Employees are entitled to receive benefits on reaching normal retirement age under the labour law applicable in Thailand and countries, which the Group has the operation, or such other dates of entitlement as may be agreed between the Group and employees. The defined benefit obligation on the Group is measured, using the projected unit credit method in accordance with actuarial as the present value of the estimated future cash outflows, based on employee wages, turnover rate, retirement ages, mortality, length of service and others, and using the interest rates of government securities, which have terms to maturity approximating the term of the related obligations. Actuarial gains or losses arising from changes in actuarial assumptions, when exceeding 10% of the present value of defined benefit, are recognised as income or expenses over the average remaining service lives of the related employees.

Other employee benefits

Other employee benefits of the Indonesian subsidiaries, which consist of long service reward and long leave benefit, are recognised in the consolidated statement of financial position at the present value of the defined benefit obligation. The actuarial gains and losses and the past service costs are recognised immediately in the profit or loss.

Other employee benefits of the Australian subsidiaries, which consist of annual leave, sick leave and long service leave, are paid on monthly basis in accordance with Coal Mining Industry (Long Service Leave Funding Corporation) and recognised as expenses in the profit or loss.



2.17 Provisions

Provisions, which excluded employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provision for environmental rehabilitation (if any) is recognised by units of sale at the rate determined by the Group's geologist. The provisioning rate is based on the estimated cost for mine rehabilitation through to the end of the mine. The Group reviews and revises the rate to reflect the actual expenses incurred on a regular basis.

2.18 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Revenue recognition

Revenue comprises the invoiced value for the sale of goods and services net of value-added tax, rebates, discounts and transportation. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Sales of coal are quantified by weight at the front mine. The increment or reduction of coal values as a result of quality and weight noticed by customers will be recorded in the month of goods delivery.

Sales of electricity and steam are shown net of output tax and discount. Sales will be recognised upon transmission of electricity and steam at delivery points stipulated in Power Purchase Agreement ("PPA") and Steam Purchase Agreement ("SPA").

Service income is recognised when services are rendered.

Other revenues earned by the Group are recognised on the following bases:

- interest income is recognised using the effective interest method.
- dividend income is recognised when the Group's right to receive payment is established.

2.20 Dividends

Dividends payable are recorded in the consolidated and company's financial statements in the period in which they are approved by the Board of Directors or Shareholders.

2.21 Segment reporting

Segment information is presented by geographical areas of the Group's operations.



3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, interest rates, coal price and oil price. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts, currency swaps contracts, interest rate swap contracts, coal swap contracts and oil hedging contract to hedge certain exposure.

Risk management is carried out by a central treasury department under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

3.2 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Australian Dollar. The Group uses forward foreign exchange contracts and currency swaps contracts to hedge their exposure to foreign currency risk in connection with their measurement currency.

3.3 Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. All interest rate derivative transactions are subject to approval by the Financial Management Committee before execution. The Group's policy is to maintain borrowings in both fixed and floating rate instruments.

3.4 Coal price fluctuation risk

The Group is exposed to coal price risk from substantial fluctuations in coal price in world market. The Group uses coal swap contracts to minimise its exposure to fluctuations in coal price in its business operations and maintains on emphasis on a balance of overall coal price in the Group by entering into both short-term and long-term sales agreements.

3.5 Oil price fluctuation risk

The Group is exposed to oil price risk from substantial fluctuations in oil price in world market. The Group uses oil hedging contract to minimise its exposure to fluctuation in oil price in its business operations of the Group.

3.6 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of goods and services are made to customers with an appropriate credit history. Derivative counter parties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.



3.7 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims at maintaining flexibility in funding by keeping credit lines available.

3.8 Accounting for derivative financial instruments and hedging activities

The Group enters to derivative financial instruments, which mainly comprise forward foreign currency contracts and foreign currency swap contracts. These are recognised in the financial statements on inception. Interest rate swap contracts, coal swap contracts and oil hedging contract are not recognised on the inception date of each contract.

Forward foreign currency contracts and foreign currency swap contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the related contracts. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes and are recognised in the financial statements. The fee incurred in establishing agreement is amortised over the contract period.

Interest rate swap contracts protect the Group from movements in interest rates. Any differential to be paid or received on interest rate swap contracts is recognised as a component of interest expenses in the profit or loss.

Coal swap contracts protect the Group from movements in coal price by establishing the agreed price, which is not recognised at inception. The difference between the price at contract settlement date and agreed price will be recognised as realised gains and losses in the profit or loss at settlement date.

Oil hedging contract protects the Group from movements in oil price by establishing the agreed price, which is not recognised at inception. The difference between the price at contract settlement date and agreed price will be recognised as realised gains and losses in the profit or loss at settlement date.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 32.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The results of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Reserve and resources

The Group estimates reserve and resources based on its best estimate of product that can be economically extracted from the relevant mining area. Estimates are supported by geological studies and drilling samples to determine the reserve and resources.



5. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

6. Cash and cash equivalents

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Cash on hand	22,353	56,702	435	324
Deposits held at call with banks	7,899,750	11,362,167	1,369,430	704,155
Fixed deposits	14,697,746	17,903,652	3,115,901	157,755
Bills of exchange	150,000	200,000	150,000	200,000
Total cash and cash equivalents	22,769,849	29,522,521	4,635,766	1,062,234

The interest rate on deposits held at call with banks was 0.10% - 3.30% per annum (2011: 0.50% - 2.75% per annum).

The interest rate on fixed deposits with banks was 0.30% - 7.10% per annum (2011: 0.10% - 7.35% per annum).

Bills of exchange represent original maturities less than three-month and the interest rate was 2.75% per annum (2011: 2.38% per annum).

7. Trade accounts receivable, net

Trade accounts receivable consist of:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Trade accounts receivable				
• Subsidiaries (Note 30)	-	-	16,237	-
• Third parties	9,796,128	10,733,935	420,835	413,033
	9,796,128	10,733,935	437,072	413,033
<u>Less</u> Allowance for doubtful accounts	(38,445)	(34,852)	(1,005)	(1,005)
Trade accounts receivable, net	9,757,683	10,699,083	436,067	412,028



Trade accounts receivable balance are aged as follows:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Trade accounts receivable under credit term	9,178,527	10,327,888	381,961	400,805
Trade accounts receivable due for payment				
• Less than 3 months	517,059	358,350	53,083	314
• Over 3 months but less than 6 months	98,294	8,540	-	6,649
• Over 6 months but less than 12 months	239	-	19	-
• Over 12 months	1,004	16,475	1,004	4,260
• Trade debtor under the Central Bankruptcy Court	1,005	22,682	1,005	1,005
Total trade accounts receivable	9,796,128	10,733,935	437,072	413,033
Less Allowance for doubtful accounts	(38,445)	(34,852)	(1,005)	(1,005)
Trade accounts receivable, net	9,757,683	10,699,083	436,067	412,028

8. Inventories, net

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Coal inventories	6,351,012	6,060,544	352,316	497,416
Less Allowance for slow-moving	(103,945)	(84,241)	(96,705)	(77,001)
Less Allowance for net realisable value	(6,367)	-	-	-
Inventories, net	6,240,700	5,976,303	255,611	420,415



9. Other current assets

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Prepayments	1,220,592	1,028,437	89,895	110,843
Advances for business	625,797	431,606	700	969
Interest receivable	26,961	-	26,773	-
Advance to Coal Industry Fund	1,627,822	1,416,880	-	-
Value added tax	687,519	699,764	47,799	36,208
Withholding tax	529,614	1,841,448	83,420	44,254
Other accounts receivable	884,566	1,207,331	41,407	17,209
Accrued income	-	1,500	-	1,474
Total other current assets	5,602,871	6,626,966	289,994	210,957

10. Investments in subsidiaries and interests in joint ventures

Investments in subsidiaries and interests in joint ventures are as follows:

Unit: THB Thousand

	Consolidated (Equity method)		Company (Cost method)	
	2012	2011	2012	2011
Subsidiaries				
Banpu Minerals Co., Ltd.	-	-	3,199,994	39,994
BP Overseas Development Co., Ltd.	-	-	606,566	606,566
Banpu Power Ltd.	-	-	6,197,890	6,197,890
Banpu Power International Co., Ltd.	-	-	1,221,552	1,221,552
Banpu New Energy Holdings Co., Ltd.	-	-	88,000	37,500
Joint ventures				
BLCP Power Ltd.	6,089,172	6,089,172	-	-
Hebi Zhong Tai Mining Co., Ltd.	1,631,649	1,631,649	-	-
Shanxi Gaohe Energy Company Limited	9,240,192	9,240,192	-	-
Hongsa Power Company Limited	983,201	983,201	-	-
Phu Fai Mining Company Limited	836	836	-	-
Ratchasima Green Energy Co., Ltd. (formerly named "Surin GreenEnergy Co., Ltd.")	75,000	30,000	-	-
Investments in subsidiaries and interests				
in joint ventures - cost method	18,020,050	17,975,050	11,314,002	8,103,502
<u>Add</u> Cumulative equity account of interests in joint ventures	2,967,637	2,745,000	-	-
Investments in subsidiaries and interests in joint ventures	20,987,687	20,720,050	11,314,002	8,103,502



As at 31 December 2012, under the condition of loan for project finance of joint ventures, the Group uses its investments in a subsidiary and two joint ventures with a cost of THB 12,993 million (2011: THB 12,993 million), as collateral for loans from financial institutions of such joint ventures.

Movements of investments in subsidiaries and interests in joint ventures for the years ended 31 December are as follows:

Unit: THB Thousand				
	Consolidated (Equity method)		Company (Cost method)	
	2012	2011	2012	2011
Opening balance	20,720,050	33,587,292	8,103,502	6,883,703
Additional of investments in subsidiaries	-	-	3,210,500	1,219,799
Additional of interest in a joint venture	45,000	-	-	-
Decrease from disposal of interest in a joint venture	-	(11,645,889)	-	-
Dividend received from joint ventures	(2,261,213)	(1,932,888)	-	-
Translation adjustment	(388,735)	(1,227,092)	-	-
Add Interests in joint ventures during the year	2,872,585	1,938,627	-	-
Closing balance	20,987,687	20,720,050	11,314,002	8,103,502

Changing in investments in subsidiaries and interests in joint ventures

The Group increased the investments in Banpu Minerals Co., Ltd. and Banpu New Energy Holdings Co., Ltd., which are subsidiaries, amounting to THB 3,160 million and THB 50.50 million and Ratchasima Green Energy Co., Ltd, which is a joint venture, amounting to THB 45 million.

The Group increased the percentage of shareholding of investments in Mongolian subsidiaries. The difference between the book value of the non-controlling interest and the payment which incurred by USD 24.77 million or equivalent to THB 758.73 million was recognised as the discount from the changes of investments in subsidiaries under the parent shareholders' equity.

Hunnu Holding Pty Ltd., a subsidiary, had registered its liquidation on 3 April 2012. In addition, the Group has disposed the investment in Hunnu Coal (Hong Kong) Ltd., a subsidiary, on 5 April 2012. The impact of these is not significant to the Group.

Dividend income from a joint venture

Dividend income from a joint venture is the dividend income from BLCP Power Ltd. of THB 2,261.21 million (2011: 1,932.89 million).



Assets, liabilities and net profit (loss) of joint ventures by percentage of shareholding consist of:

Unit: THB Thousand

Name of company	Percentage of shareholding	Property, Plant and equipment	Other assets	Total assets	Long-term borrowings	Accrued expenses	Other liabilities	Total liabilities	Net assets	Sales	Profit (loss) before tax	Income tax	Profit (loss) after tax
31 December 2012													
BLCP Power Ltd.	50	15,338,839	9,360,958	24,699,797	7,847,183	290,066	9,678,495	17,815,744	6,884,053	9,211,976	2,376,678	(15,239)	2,361,439
Hebi Zhong Tai Mining Co., Ltd.	40	1,109,942	2,301,560	3,411,502	-	407,375	(18,729)	388,646	3,022,856	1,439,873	107,822	(26,864)	80,958
Shanxi Gaohe Energy Co., Ltd.	45	9,275,065	833,449	10,108,514	2,632,732	-	2,708,897	5,341,629	4,766,885	5,420,778	1,138,531	(161,976)	976,555
Hongsa Power Company Limited	40	107,363	14,429,091	14,536,454	12,764,228	1,077,951	307,140	14,149,319	387,135	-	(372,619)	-	(372,619)
Phu Fai Mining Company Limited	37.50	-	539	539	-	102	93	195	344	-	(56)	-	(56)
Ratchasima Green Energy Co., Ltd.	30	52,964	26,307	79,271	-	50	6,420	6,470	72,801	-	(612)	(103)	(715)
31 December 2011													
BLCP Power Ltd.	50	16,094,000	8,857,452	24,951,452	9,482,873	590,589	8,095,496	18,168,958	6,782,494	8,892,746	1,968,893	(16,467)	1,952,426
Hebi Zhong Tai Mining Co., Ltd.	40	1,043,347	2,193,928	3,237,275	-	273,545	(42,348)	231,197	3,006,078	1,504,741	(64,024)	1,750	(62,274)
Shanxi Asian American-Danning Energy Co., Ltd.	56	-	-	-	-	-	-	-	-	156,790	(279,915)	-	(279,915)
Shanxi Gaohe Energy Co., Ltd.	45	9,269,214	1,390,573	10,659,787	2,615,798	-	4,142,145	6,757,943	3,901,844	2,718,266	486,218	(47,366)	438,852
Hongsa Power Company Limited	40	61,436	8,435,780	8,497,216	7,086,840	525,969	146,710	7,759,519	737,697	-	(30,785)	-	(30,785)
Phu Fai Mining Company Limited	37.50	-	557	557	-	144	-	144	413	-	(76)	-	(76)
Ratchasima Green Energy Co., Ltd.	30	8,268	20,540	28,808	-	82	233	315	28,493	-	(1,507)	-	(1,507)



List of subsidiaries and interests in joint ventures are as follows:

Name of company	Country	Business	Percentage of direct shareholding	
			2012 %	2011 %
<u>Direct shareholding</u>				
Banpu Minerals Co., Ltd.	Thailand	Coal mining and trading	99.99	99.99
BP Overseas Development Co., Ltd.	Mauritius Islands	Investment in coal mining and trading	100.00	100.00
Banpu Power Ltd.	Thailand	Investment in power	99.99	99.99
Banpu Power International Co., Ltd.	Mauritius Islands	Investment in power	100.00	100.00
Banpu New Energy Holdings Co., Ltd.	Thailand	Investment in new energy	99.99	99.99
<u>Indirect shareholding</u>				
Banpu Minerals Co., Ltd.				
Subsidiaries and a joint venture are as follows:				
<u>Subsidiaries</u>				
1) Chiang Muan Mining Co., Ltd.	Thailand	Coal mining and trading	100.00	100.00
2) Banpu International Co., Ltd.	Thailand	Coal trading	99.99	99.99
3) Silamani Co., Ltd.	Thailand	Coal trading	99.99	99.99
4) Silamani Marble Co., Ltd.	Thailand	Coal trading	99.99	99.99
5) Banpu Coal LLC	Mongolia	Investment in coal mining and trading	100.00	100.00
6) Banpu Singapore Pte. Ltd. and subsidiaries	Singapore	Coal trading	100.00	100.00
• Banpu Australia Co., Pty Ltd. and subsidiaries	Australia	Investment in coal mining and power	100.00	100.00
• AFE Investment Pty Ltd.	Australia	Investment in coal mining and power	100.00	-
• Banpu Australia Resources Pty Ltd.	Australia	Investment in coal mining	100.00	100.00
• Centennial Coal Co., Ltd., and subsidiaries, associate and joint ventures	Australia	Investment in coal mining and trading	100.00	100.00
<u>Subsidiaries</u>				
• Centennial Inglenook Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Berrima Coal Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Airly Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Angus Place Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Coal Infrastructure Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Clarence Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Fassifern Pty Limited	Australia	Coal mining and trading	100.00	100.00
and subsidiaries				
• Powercoal Pty Limited and subsidiaries	Australia	Investment in coal mining and trading	100.00	100.00
• Elcom Collieries Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Huntley Colliery Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Mandalong Pastoral Management Pty Limited	Australia	Investment in coal mining and trading	100.00	100.00
• Collieries Superrannuation Pty Limited	Australia	Manage provident fund	100.00	100.00



Name of company	Country	Business	Percentage of direct shareholding	
			2012 %	2011 %
<u>Indirect shareholding (continued)</u>				
6) Banpu Singapore Pte. Ltd. and subsidiaries (continued)				
• Banpu Australia Co., Pty Ltd. and subsidiaries (continued)				
• Centennial Coal Co., Ltd. and subsidiaries, associate and joint ventures (continued)				
<u>Subsidiaries (continued)</u>				
• Powercoal Superannuation Pty Limited	Australia	Manage provident fund	100.00	100.00
• Centennial Northern Mining Services Pty	Australia	Coal service provider	100.00	100.00
• Centennial Mandalong Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Mannering Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Munmurah Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Myuna Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Newstan Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Northern Coal Services Pty Limited	Australia	Mining Services	100.00	100.00
• Centennial Coal Sales and Marketing Pty Limited	Australia	Sales and marketing	100.00	100.00
• Charbon Coal Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Hartley Valley Coal Company Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Ivanhoe Coal Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Preston Coal Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Powercoal Employee Entitlements Company Pty Limited	Australia	Manage provident fund	100.00	100.00
• Coalex Pty Limited and subsidiaries	Australia	Coal mining and trading	100.00	100.00
• Clarence Coal Investment Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Clarence Coal Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Clarence Colliery Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Centennial Springvale Holdings Pty Limited and subsidiaries and a joint venture	Australia	Coal mining and trading	100.00	100.00
<u>Subsidiaries</u>				
• Centennial Springvale Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Boulder Mining Pty Limited	Australia	Coal mining and trading	100.00	100.00
• Springvale Coal Pty Limited	Australia	Coal mining and trading	100.00	100.00
<u>Jointly controlled entities</u>				
• Springvale Coal Sales Pty Limited	Australia	Coal trading	50.00	50.00



Name of company	Country	Business	Percentage of direct shareholding	
			2012 %	2011 %
<u>Indirect shareholding (continued)</u>				
6) Banpu Singapore Pte. Ltd. and subsidiaries (continued)				
• Banpu Australia Co., Pty Ltd. and subsidiaries (continued)				
• Centennial Coal Co., Ltd. and subsidiaries, associate and joint ventures (continued)				
<u>Associate</u>				
• Port Kembla Coal Terminal Ltd.	Australia	Port service	16.66	16.66
<u>Jointly controlled operations</u>				
• Charbon Joint Venture	Australia	Coal mining and trading	95.00	95.00
• Clarence Joint Venture	Australia	Coal mining and trading	85.00	85.00
• Springvale Joint Venture	Australia	Coal mining and trading	50.00	50.00
• Angus Place Joint Venture	Australia	Coal mining and trading	50.00	50.00
7) Banpu Coal Investment Company Limited	Mauritius Islands	Investment in coal mining	100.00	100.00
8) Banpu Minerals (Singapore) Pte. Ltd. and subsidiaries	Singapore	Coal trading	100.00	100.00
• PT. Indo Tambangraya Megah and subsidiaries	Indonesia	Investment in coal mining	65.00	65.00
• PT. Trubaindo Coal Mining	Indonesia	Coal mining and trading	99.99	99.99
• PT. Indominco Mandiri	Indonesia	Coal mining and trading	99.99	99.99
• PT. Kitadin	Indonesia	Coal mining and trading	99.99	99.99
• PT. Bharinto Ekutama	Indonesia	Coal mining and trading	99.00	99.00
• PT. Jorong Barutama Greston	Indonesia	Coal mining and trading	99.67	99.67
• Hunnu Coal Pty Ltd. and subsidiaries	Australia	Investment in coal mining and trading	100.00	100.00
• Hunnu Resources LLC and subsidiaries	Mongolia	Coal trading	100.00	100.00
• Munkh Sumber Uul LLC	Mongolia	Coal mining and trading	100.00	100.00
• Golden Gobi Mining LLC	Mongolia	Coal mining and trading	100.00	60.00
• Great East Minerals LLC	Mongolia	Coal mining and trading	70.00	70.00
• Bilegt Khaikhan Uul LLC	Mongolia	Coal mining and trading	80.00	80.00
• Hunnu Power LLC	Mongolia	Coal trading	100.00	100.00
• Borganchan LLC	Mongolia	Coal trading	100.00	60.00
• Zuchid Ord LLC	Mongolia	Coal mining and trading	70.00	70.00
• Munkhnoyon Suvraga LLC	Mongolia	Business consult in coal mining and trading	90.00	90.00
• Hunnu Coal (Hong Kong) Limited	Hong Kong	Coal trading	-	100.00



Name of company	Country	Business	Percentage of direct shareholding	
			2012 %	2011 %
<u>Indirect shareholding (continued)</u>				
8) Banpu Minerals (Singapore) Pte. Ltd. and subsidiaries (continued)				
• Hunnu Investments Pte. Ltd. and subsidiaries	Singapore	Coal trading	100.00	100.00
• Hunnu Altai LLC and subsidiaries	Mongolia	Coal mining and trading	100.00	100.00
• Hunnu Gobi Altai LLC (formerly Rio Gobi LLC)	Mongolia	Coal mining and trading	80.00	80.00
• Hunnu Altai Minerals LLC (formerly Rio Ad LLC)	Mongolia	Coal mining and trading	100.00	70.00
• Hunnu Holding Pty Ltd.	Australia	Coal mining and trading	-	100.00
<u>Joint Venture</u>				
1) Hebi Zhong Tai Mining Co., Ltd.	Republic of China	Coal mining and trading	40.00	40.00
<u>BP Overseas Development Co., Ltd.</u>				
Subsidiary and joint ventures are as follows:				
<u>Subsidiaries</u>				
Asian American Coal Inc., subsidiaries and joint venture	British Virgin Islands	Investment in coal mining	100.00	100.00
1) AACI Gaohe HK Holdings Limited	Hongkong	Investment in coal mining	-	100.00
2) AACI SAADEC (BVI) Holdings Limited, a subsidiary and joint venture	British Virgin Islands	Investment in coal mining	100.00	100.00
<u>Joint Venture</u>				
• Shanxi Gaohe Energy Co., Ltd.	Republic of China	Coal mining and trading	45.00	45.00
<u>Banpu Power Ltd.</u>				
Subsidiaries and joint ventures are as follows:				
<u>Subsidiaries</u>				
1) Banpu Coal Power Ltd. and a joint venture	Thailand	Investment in power	99.99	99.99
• BLCP Power Ltd.	Thailand	Power production and trading	50.00	50.00
<u>Joint ventures</u>				
• Hongsa Power Company Limited	Lao PDR	Power concession	40.00	40.00
• Phu Fai Mining Company Limited	Lao PDR	Mining concession	37.50	37.50
<u>Banpu Power International Co., Ltd.</u>				
Subsidiaries are as follows:				
Banpu Power Investment Co., Ltd. and subsidiaries	Singapore	Investment in power	100.00	100.00
1) Shijiazhuang Chengfeng Cogen Co., Ltd.	Republic of China	Power production and trading	100.00	100.00



Name of company	Country	Business	Percentage of direct shareholding	
			2012 %	2011 %
<u>Indirect shareholding (continued)</u>				
Banpu Power Investment Co., Ltd. and subsidiaries (continued)				
2) Banpu Investment (China) Ltd. and a subsidiary	Republic of China	Investment in power	100.00	100.00
• Tangshan Banpu Heat & Power Co., Ltd.	Republic of China	Power production and trading	12.08	12.08
3) Zouping Peak Pte. Ltd. and a subsidiary	Singapore	Investment in power	100.00	100.00
• Zouping Peak CHP Co., Ltd.	Republic of China	Power production and trading	70.00	70.00
4) Pan-Western Energy Corporation LLC and a subsidiary	Cayman Islands	Investment in power	100.00	100.00
• Tangshan Banpu Heat & Power Co., Ltd.	Republic of China	Power production and trading	87.92	87.92
Banpu New Energy Holdings Co., Ltd.				
Subsidiaries are as follows:				
1) Biofuel Development Holdings Co., Ltd. and a joint venture	Thailand	Bio fuel production and trading	99.99	99.99
• Ratchasima Green Energy Co., Ltd.	Thailand	Bio fuel production and trading	30.00	30.00
2) Prachuap Wind Energy Co., Ltd.	Thailand	Power production and trading	99.99	99.99
3) Mittraparp Wind Energy Co., Ltd.	Thailand	Power production and trading	99.99	99.99
4) Petchkasem Wind Energy Co., Ltd.	Thailand	Power production and trading	99.99	99.99



11. Other investments, net

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Investments in available-for-sale securities	473,673	318,277	107,336	107,336
General investments	435,682	446,342	166,732	176,412
Total other investments	909,355	764,619	274,068	283,748
<u>Add</u> Changes in fair value for investments in available-for-sale securities	(7,093)	(134,697)	67,241	8,716
<u>Less</u> Allowance for impairment of general investments	(163,700)	(192,708)	-	(29,006)
Other investments, net	738,562	437,214	341,309	263,458

Movements of other investments for the years ended 31 December are as follows:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Opening net book value	437,214	440,243	263,458	256,636
Additions	175,396	1,380,871	20,000	-
Reclassified to investments in subsidiaries	-	(1,380,871)	-	-
Disposal of investment	-	(4,373)	-	-
Write-off of investment	(674)	-	(674)	-
Changes in fair value of investments	127,604	2,898	58,525	6,822
Translation adjustment	(978)	(1,554)	-	-
Closing net book value	738,562	437,214	341,309	263,458



12. Property, plant and equipment, net

Unit: THB Thousand

Consolidated

	Land	Land improvement	Building and infrastructures	Machinery & equipment	Furniture & office equipment	Tools	Vehicle	Construction in progress	Total
As at 31 December 2010									
Cost	2,313,754	2,667,833	7,546,729	50,863,052	454,655	359,240	170,696	1,115,106	65,491,065
<u>Less</u> Accumulated depreciation	-	(1,402,637)	(2,635,921)	(20,342,516)	(285,590)	(248,093)	(120,212)	-	(25,034,969)
<u>Less</u> Allowance for impairment	(22,168)	-	(2,200)	(1,136)	-	-	-	-	(25,504)
Net book amount	2,291,586	1,265,196	4,908,608	30,519,400	169,065	111,147	50,484	1,115,106	40,430,592
Retrospective adjustments from the change in accounting policies	(112,502)	-	-	(476,681)	-	-	-	-	(589,183)
Net book amount after adjustment	2,179,084	1,265,196	4,908,608	30,042,719	169,065	111,147	50,484	1,115,106	39,841,409
Year ended 31 December 2011									
Opening net book amount after adjustment	2,179,084	1,265,196	4,908,608	30,042,719	169,065	111,147	50,484	1,115,106	39,841,409
Increase from acquisition of subsidiaries	-	-	-	352,985	31,805	-	27,050	-	411,840
Additions	86,026	1,443	44,768	6,975,418	58,888	81,392	38,674	1,028,524	8,315,133
Disposals - Net book value	-	-	(1,621)	(3,699)	(1,302)	-	(269)	-	(6,891)
Reclassification	-	8,460	(808,154)	2,056,014	(87,848)	18,857	1,844	(1,217,669)	(28,496)
Write-off	(1,367)	(677)	(5,197)	(492,570)	(2,739)	(176)	(35)	(1,901)	(504,662)
Translation adjustment	104,535	64,398	311,729	1,667,666	7,901	6,019	4,217	62,442	2,228,907
Depreciation charge	-	(263,009)	(522,020)	(4,760,251)	(45,374)	(50,662)	(20,998)	-	(5,662,314)
Closing net book amount	2,368,278	1,075,811	3,928,113	35,838,282	130,396	166,577	100,967	986,502	44,594,926
As at 31 December 2011									
Cost	2,368,278	2,800,749	7,130,728	60,636,449	454,654	467,894	223,111	986,502	75,068,365
<u>Less</u> Accumulated depreciation	-	(1,724,938)	(3,200,415)	(24,797,031)	(324,258)	(301,317)	(122,144)	-	(30,470,103)
<u>Less</u> Allowance for impairment	-	-	(2,200)	(1,136)	-	-	-	-	(3,336)
Net book amount	2,368,278	1,075,811	3,928,113	35,838,282	130,396	166,577	100,967	986,502	44,594,926



Unit: THB Thousand

Consolidated

	Land	Land improvement	Building and infrastructures	Machinery & equipment	Furniture & office equipment	Tools	Vehicle	Construction in progress	Total
Year ended 31 December 2012									
Opening net book amount	2,368,278	1,075,811	3,928,113	35,838,282	130,396	166,577	100,967	986,502	44,594,926
Additions	58,697	11,476	65,899	8,330,277	177,445	110,572	99,047	1,965,559	10,818,972
Disposals - Net book value	-	-	(226)	(8,197)	(2,935)	(92)	(14,223)	-	(25,673)
Reclassification	-	181,148	306,944	82,568	7,705	19,220	16,994	(578,613)	35,966
Write-off	(5,979)	-	(4,794)	(523,362)	(297)	(1)	(123)	(25,443)	(559,999)
Reversal of allowance for impairment	-	-	2,200	1,136	-	-	-	-	3,336
Translation adjustment	(31,263)	(36,809)	(122,169)	(653,900)	(4,338)	(79)	(4,484)	(39,300)	(892,342)
Depreciation charge	-	(316,247)	(415,451)	(4,854,291)	(60,515)	(67,326)	(29,169)	-	(5,742,999)
Closing net book amount	2,389,733	915,379	3,760,516	38,212,513	247,461	228,871	169,009	2,308,705	48,232,187
As at 31 December 2012									
Cost	2,389,733	2,898,536	7,267,862	66,453,464	591,073	582,617	283,312	2,308,705	82,775,302
Less Accumulated depreciation	-	(1,983,157)	(3,507,346)	(28,240,951)	(343,612)	(353,746)	(114,303)	-	(34,543,115)
Net book amount	2,389,733	915,379	3,760,516	38,212,513	247,461	228,871	169,009	2,308,705	48,232,187



Unit: THB Thousand

Company

	Land	Land improvement	Building and infrastructures	Machinery & equipment	Furniture & office equipment	Tools	Vehicle	Construction in progress	Total
As at 31 December 2010									
Cost	81,877	99,688	234,817	2,784,630	120,847	27,400	32,669	45,685	3,427,613
<u>Less</u> Accumulated depreciation	-	(95,456)	(175,869)	(2,764,607)	(83,421)	(26,891)	(30,512)	-	(3,176,756)
<u>Less</u> Allowance for impairment	(405)	-	-	-	-	-	-	-	(405)
Net book amount	81,472	4,232	58,948	20,023	37,426	509	2,157	45,685	250,452
Retrospective adjustments from the change in accounting policies	(81,472)	-	-	-	-	-	-	-	(81,472)
Net Book amount after adjustment	-	4,232	58,948	20,023	37,426	509	2,157	45,685	168,980
Year ended 31 December 2011									
Opening net book amount after adjustment	-	4,232	58,948	20,023	37,426	509	2,157	45,685	168,980
Additions	-	-	-	100	10,516	741	21,364	14,843	47,564
Disposals - Net book value	-	-	(486)	(28)	(1,000)	-	-	-	(1,514)
Reclassification	-	-	1,989	-	(15,087)	14	-	(6,371)	(19,455)
Write-off	-	-	(628)	-	(507)	-	-	(1,372)	(2,507)
Depreciation charge	-	(1,150)	(8,345)	(4,145)	(10,920)	(184)	(2,432)	-	(27,176)
Closing net book amount	-	3,082	51,478	15,950	20,428	1,080	21,089	52,785	165,892
As at 31 December 2011									
Cost	-	99,688	216,110	1,787,142	104,972	21,651	39,476	52,785	2,321,824
<u>Less</u> Accumulated depreciation	-	(96,606)	(164,632)	(1,771,192)	(84,544)	(20,571)	(18,387)	-	(2,155,932)
Net book amount	-	3,082	51,478	15,950	20,428	1,080	21,089	52,785	165,892



Unit: THB Thousand

	Company							
	Land improvement	Building and infrastructures	Machinery & equipment	Furniture & office equipment	Tools	Vehicle	Construction in progress	Total
Year ended 31 December 2012								
Opening net book amount	3,082	51,478	15,950	20,428	1,080	21,089	52,785	165,892
Additions	-	1,164	-	21,280	115	20,536	27,185	70,280
Disposals - Net book value	-	(97)	-	(430)	(15)	-	-	(542)
Reclassification	9,366	7,847	15,205	17,365	135	-	(15,046)	34,872
Write-off	-	(2,593)	-	(103)	-	-	(979)	(3,675)
Depreciation charge	(3,110)	(9,192)	(6,987)	(11,699)	(325)	(8,838)	-	(40,151)
Closing net book amount	9,338	48,607	24,168	46,841	990	32,787	63,945	226,676
As at 31 December 2012								
Cost	103,912	221,913	1,786,269	131,809	18,807	52,190	63,945	2,378,845
<u>Less</u> Accumulated depreciation	(94,574)	(173,306)	(1,762,101)	(84,968)	(17,817)	(19,403)	-	(2,152,169)
Net book amount	9,338	48,607	24,168	46,841	990	32,787	63,945	226,676

Leased assets included above, where the Group is a lessee under a finance lease, are presented below:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Cost	1,288,441	1,403,034	-	-
<u>Less</u> Accumulated depreciation	(355,251)	(264,101)	-	-
Net book amount	933,190	1,138,933	-	-

As at 31 December 2012, property, plant and equipment in the consolidated financial statements amounting to USD 123.36 million or equivalent to THB 3,778.68 million (2011: USD 122.09 million or equivalent to THB 3,869.39 million) have been used as collateral (Note 18).

As at 31 December 2012, the Group has capital commitments which are shown in Note 31.



13. Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net

As at 31 December consist of:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Deferred exploration and development expenditures	19,453,789	16,823,361	-	-
Deferred overburden expenditures/stripping costs	8,907,532	5,765,188	-	-
	28,361,321	22,588,549	-	-

Unit: THB Thousand

	Consolidated	
	2012	2011
As at 1 January		
Cost	103,332,325	65,743,676
<u>Less</u> Accumulated amortisation	(80,362,043)	(50,005,288)
Allowance for impairment	(381,733)	(381,733)
Net book amount	22,588,549	15,356,655
For the year ended 31 December		
Opening net book amount	22,588,549	15,356,655
Additions during the year	38,484,321	29,890,818
Increase from acquisition of subsidiaries	-	3,485,146
Amortisation during the year	(32,241,427)	(27,046,218)
Translation adjustment	(470,122)	902,148
Net book amount	28,361,321	22,588,549
As at 31 December		
Cost	138,584,209	103,332,325
<u>Less</u> Accumulated amortisation	(109,841,155)	(80,362,043)
Allowance for impairment	(381,733)	(381,733)
Net book amount	28,361,321	22,588,549

During the year 2012, the majority of additions and amortisation represents overburden expenditures. The Group presents the amortisation incurred during the year under cost of sales in the statement of comprehensive income. For presentation in the statements of cash flows, net balance of additions and amortisation are presented under operating activities.



14. Mining property rights, net

Movements of mining property rights for the years ended 31 December are as follows:

Unit: THB Thousand

	Consolidated	
	2012	2011
Opening net book amount	71,974,427	59,361,777
Change in fair value of net asset from the acquisition of a subsidiary	-	111,830
Increase from the acquisition of subsidiaries	-	11,843,155
Amortisation during the year	(2,300,467)	(2,658,446)
Translation adjustment	(2,366,370)	3,316,111
Closing net book amount	67,307,590	71,974,427

15. Projects under development

Movements of projects under development for the years ended 31 December are as follows:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Opening balance	638,130	405,460	8,487	6,283
Additions during the year	78,497	266,009	1,851	4,196
Reclassification	(616,855)	-	-	-
Write-off during the year	-	(57,038)	-	(1,992)
Translation adjustment	(22,250)	23,699	-	-
Closing balance	77,522	638,130	10,338	8,487

16. Short-term loans from financial institutions

Consolidated

As at 31 December 2012, short-term loans from financial institutions represent RMB loans amounting to RMB 50 million (2011: US Dollar loans amounting to USD 104 million, RMB loans amounting to RMB 122 million and Australian Dollar loans amounting to Australian Dollars 10 million). The loans bear interest at the rates of 6.16% per annum (2011: 1.05% - 1.25% per annum, 5.79% - 6.71% per annum and 7.48% per annum, respectively) and are due for repayment within one year.

Company

As at 31 December 2011, short-term loans from financial institutions represent US Dollar loans amounting to USD 104 million. The loans bear interest at the rates of 1.05% - 1.25% per annum and were due for repayment within one year.



17. Other current liabilities

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Accrued expenses	8,904,769	8,719,656	254,525	469,840
Other accounts payable	2,012	2,000	2,000	2,000
Financial derivative payable	90,671	211,929	90,524	229,633
Withholding tax payable	168,134	291,702	18,709	14,360
Value added tax payable	217,342	204,392	4,881	12,701
Retention payable	94,503	88,107	865	204
Dividend payables	23,794	23,791	22,202	22,211
Total other current liabilities	9,501,225	9,541,577	393,706	750,949

18. Borrowings, net

Borrowings consist of:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Current portion				
Loans from financial institutions	7,993,759	3,422,187	5,914,779	3,172,761
Finance lease liabilities, net	150,152	150,609	-	-
Total current portion, net	8,143,911	3,572,796	5,914,779	3,172,761
Non current portion				
Loans from financial institutions, net	53,614,489	55,216,307	45,224,098	45,200,534
Private placement notes, net	6,854,840	7,098,891	-	-
Finance lease liabilities, net	649,982	886,169	-	-
Total non-current portion, net	61,119,311	63,201,367	45,224,098	45,200,534
Total borrowings, net	69,263,222	66,774,163	51,138,877	48,373,295



Loans from financial institutions

unit : THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Baht loans	750,000	7,000,000	750,000	7,000,000
Foreign currency loans	61,153,450	51,947,343	50,577,692	41,522,945
Total	61,930,450	58,947,343	51,327,692	48,522,945
<u>Less</u> Deferred financing service fee	(295,202)	(308,849)	(188,815)	(149,650)
	61,608,248	58,638,494	51,138,877	48,373,295
<u>Less</u> Current portion of loans from financial institutions	(7,993,759)	(3,422,187)	(5,914,779)	(3,172,761)
Loans from financial institutions, net	53,614,489	55,216,307	45,224,098	45,200,534

Movements in loans from financial institutions of the Group are as follows:

unit : THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Opening net balance	58,638,494	77,868,039	48,373,295	54,579,853
Additions	15,893,626	3,744,165	14,517,777	3,051,680
Repayment of loans	(10,753,860)	(25,701,938)	(10,124,642)	(11,260,111)
Financing service fees	(125,751)	(60,949)	(123,979)	(31,438)
Amortisation of deferred financing service fees	136,349	77,165	84,814	31,570
(Gain) loss from exchange rate	(2,180,610)	2,712,012	(1,588,388)	2,001,741
Closing net balance	61,608,248	58,638,494	51,138,877	48,373,295

During the year ended 31 December 2012, the Group has made an early payment of loans amounting to THB 4,000 million, USD 50 million or equivalent to THB 1,533.68 million.

Loans of the Company from banks amounting to THB 750 million (2011: THB 7,000 million) and USD 1,643.33 million (2011: USD 1,304.44 million) are unsecured liabilities. Detail of loans is shown as follow:

Baht loan

- Loan from a bank, which is an unsecured liability, amounting to THB 750 million bears the interest at the rate of THBFX 3 months plus applicable fixed margin. The principal of loan is repayable every 6 months commencing 31 May 2010.

US Dollar loan

- Loan from a bank, which is an unsecured liability, amounting to USD 100 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable as expired agreement on 12 November 2013.



- Loan from a bank, which is an unsecured liability, amounting to USD 50 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable every 6 months commencing on 14 August 2013.
- Loan from a bank, which is an unsecured liability, amounting to USD 200 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable as expired agreement on 20 July 2015.
- Loan from a bank, which is an unsecured liability, amounting to USD 70 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable as expired agreement on 23 March 2017.
- Loan from a bank, which is an unsecured liability, amounting to USD 50 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable every 6 months commencing 18 April 2013.
- Loan from a bank, which is an unsecured liability, amounting to USD 200 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable every 6 months commencing 25 February 2013.
- Loan from a bank, which is an unsecured liability, amounting to USD 300 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable annually commencing 31 October 2011.
- Loan from a bank, which is an unsecured liability, amounting to USD 33.33 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable every 6 months commencing 14 October 2011.
- Loan from a bank, which is an unsecured liability, amounting to USD 120 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable every 6 months commencing 18 April 2011.
- Loan from a bank, which is an unsecured liability, amounting to USD 75 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable as expired agreement on 21 September 2015.
- Loan from a bank, which is an unsecured liability, amounting to USD 100 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable as expired agreement on 8 December 2016.
- Loan from a bank, which is an unsecured liability, amounting to USD 100 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable as expired agreement on 8 May 2017.
- Loan from a bank, which is an unsecured liability, amounting to USD 45 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable as expired agreement on 17 February 2017.
- Loan from a bank, which is an unsecured liability, amounting to USD 100 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable as expired agreement on 25 June 2022.
- Loan from a bank, which is an unsecured liability, amounting to USD 100 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable every year commencing 27 June 2018.

Loans of subsidiaries from banks amounting to USD 137.87 million (2011: USD 125.74 million) and AUD 200 million (2011: AUD 200 million). Detail of loans is shown as follow:

US Dollar loan

- Loan from a bank, which is a secured liability, amounting to USD 17.87 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable within 2013.
- Loan from a bank, which is an unsecured liability, amounting to USD 75 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable every 6 months commencing 19 January 2011.



- Loan from a bank, which is an unsecured liability, amounting to USD 30 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable within 27 March 2013.
 - Loan from a bank, which is an unsecured liability, amounting to USD 15 million bears the interest at the rate of BBA LIBOR plus applicable fixed margin. The principal of the loan is repayable within 28 March 2013.
- The US Dollar loan, which is secured liabilities, amounting to USD 17.87 million is secured over the assets of an overseas subsidiary according to long-term loan agreements (Note 12).

Australian Dollar loan

- Loan from a bank, which is an unsecured liability, amounting to AUD 200 million bears interest rate of BBSY plus applicable fixed margin. The principal of the loan is repayable within 19 December 2015.

After taking account of interest rate swap, the weighted average effective interest rates of loans from financial institutions of the Group are as follows:

	2012 %	2011 %
Baht loan	3.06	3.90
US Dollar loan	2.24	2.24
Australian Dollar loan	5.44	6.74

Interest rates risk of long-term loans of the Group is as follow:

Unit: THB Thousand				
	Consolidated		Company	
	2012	2011	2012	2011
• at fixed rates	-	-	-	-
• at floating rates	61,903,450	58,947,343	51,327,692	48,522,945
Total loans	61,903,450	58,947,343	51,327,692	48,522,945

Maturities of loans from financial institutions are as follows:

Unit: THB Thousand				
	Consolidated		Company	
	2012	2011	2012	2011
Within 1 year	7,993,759	3,422,187	5,914,779	3,172,761
Later than 1 year but not later than 5 years	41,627,871	50,025,156	33,131,093	39,850,184
Later than 5 years	12,281,820	5,500,000	12,281,820	5,500,000
Total loans	61,903,450	58,947,343	51,327,692	48,522,945

The Group is required to comply with certain procedure and conditions; for example, maintaining debt to equity ratio, etc.

**Private Placement notes**

As at 31 December 2012, private placement notes which are unsecured liabilities comprise senior debt notes in the amount of USD 225 million (2011: USD 225 million) to the institutional investor in United States of America with a range of maturities of 10 to 15 years. The notes have the weighted average effective interest rate of 4.55% per annum. (2011: 4.55% per annum).

Finance lease liabilities

Minimum lease payments under finance lease liabilities are as follows:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Not later than 1 year	209,390	225,460	-	-
Later than 1 year but not later than 5 years	764,794	1,094,466	-	-
	974,184	1,319,926	-	-
<u>Less</u> Future finance charges on finance leases	(174,050)	(283,148)	-	-
Present value of finance lease liabilities	800,134	1,036,778	-	-
Representing lease liabilities:				
• Current portion	150,152	150,609	-	-
• Non-current portion	649,982	886,169	-	-
Total finance lease liabilities	800,134	1,036,778	-	-

The present value of finance lease liabilities is as follow:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Not later than 1 year	150,152	150,609	-	-
Later than 1 year but not later than 5 years	649,982	886,169	-	-
Total finance lease liabilities	800,134	1,036,778	-	-



19. Debentures, net

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Local debentures	27,800,000	23,800,000	27,800,000	23,800,000
<u>Less</u> Deferred financing service fee	(50,475)	(46,159)	(50,475)	(46,159)
	27,749,525	23,753,841	27,749,525	23,753,841
<u>Less</u> Current portion of debentures	-	(2,000,000)	-	(2,000,000)
Debentures, net	27,749,525	21,753,841	27,749,525	21,753,841

Movements in debentures for the years ended 31 December are as follows:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Opening net balance	23,753,841	10,280,454	23,753,841	10,280,454
Additions	6,000,000	15,000,000	6,000,000	15,000,000
Financing service fee	(11,162)	(35,465)	(11,162)	(35,465)
Repayment of debentures	(2,000,000)	(1,500,000)	(2,000,000)	(1,500,000)
Amortisation of deferred financing fee	6,846	8,852	6,846	8,852
Closing net balance	27,749,525	23,753,841	27,749,525	23,753,841

The weighted average effective interest rate of debentures of the Group after recognised effect from interest rate swap contracts is 5.16% per annum (2011: 5.12% per annum).

The interest rates on the debentures of the Group are as follows:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
• at fixed rates	27,800,000	23,800,000	27,800,000	23,800,000
• at floating rates	-	-	-	-
Total debentures	27,800,000	23,800,000	27,800,000	23,800,000



Maturities of debentures are as follows:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Within 1 year	-	2,000,000	-	2,000,000
Later than 1 year but not later than 5 years	6,800,000	6,800,000	6,800,000	6,800,000
Later than 5 years	21,000,000	15,000,000	21,000,000	15,000,000
Total debentures	27,800,000	23,800,000	27,800,000	23,800,000

During the year ended 31 December 2012, the Company issued senior and unsecured debentures amounting to THB 6,000 million as details below:

Bond Description	BANPU 1/2012 # 1 (THB 3,000 million)	BANPU 1/2012 # 2 (THB 3,000 million)
• Type	Senior and unsecured debentures. Principal repayment at the maturity date.	Senior and unsecured debentures. Principal repayment at the maturity date.
• Category	Specifying name	Specifying name
• Total offering price	THB 3,000 million	THB 3,000 million
• Issue amount	3,000,000 units	3,000,000 units
• Par value	THB 1,000	THB 1,000
• Offering price per unit	THB 1,000	THB 1,000
• Coupon rate per annum	Year 1 - 7 4.73% per annum	Year 1 - 10 4.94% per annum
• Interest paid	Twice a year	Twice a year
• Life	7 years	10 years
• Issue date	24 May 2012	24 May 2012
• Maturity date	24 May 2019	24 May 2022

Debentures are unsecured liabilities. However, the Group is required to comply with certain procedure and conditions; for example, maintaining debt to equity ratio, etc.



20. Employee benefits obligation

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Accrued employee benefits	2,984,192	2,658,282	-	-
Employee retirement benefits obligation	857,852	703,907	257,993	249,173
Total	3,842,044	3,362,189	257,993	249,173

Accrued employee benefits presented as current liabilities amounting to AUD 93.91 million or equivalent to THB 2,984.19 million (2011: AUD 82.56 million or equivalent to THB 2,658.28 million) which is provision for employee annual leave, sick leave and long service leave according to Australian regulation.

Movements of employee benefits obligation (non-current liabilities) are as follows:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Opening balance	703,907	621,000	249,173	254,455
Recognition in statement of comprehensive income	287,743	157,107	12,553	12,100
Payment during the year	(119,334)	(92,969)	(3,733)	(17,382)
Unrealised (gain) loss on exchange rate	(14,464)	18,769	-	-
Closing balance	857,852	703,907	257,993	249,173

Principal actuarial assumptions are as follows:

	2012	2011
Discount rate	2.68% - 6.25%	3.50% - 10.75%
Salary increases	2.00% - 8.00%	4.00% - 10.00%
Withdrawal rate	1.80% - 5.60%	1.00% - 8.00%
Normal retirement age	55 to 60 years	55 to 60 years



21. Share capital

Issued and paid-up share capital

Unit: THB Thousand

	Number of share	Ordinary shares	Share premium	Total
As at 31 December 2010	271,747,855	2,717,479	5,058,329	7,775,808
Issue of shares	-	-	-	-
As at 31 December 2011	271,747,855	2,717,479	5,058,329	7,775,808
Issue of shares	-	-	-	-
As at 31 December 2012	271,747,855	2,717,479	5,058,329	7,775,808

As at 31 December 2012, there are 271,747,855 ordinary shares (2011: 271,747,855 shares) at par value of THB 10 per share (2011: THB 10 per share). All issued shares are fully paid-up.

22. Other components of shareholders' equity

Movements of other components of shareholders' equity for the years ended 31 December are as follows:

Unit: THB Thousand

Consolidated				
	Surplus (discount) on changes of investments in subsidiaries	Fair value reserve of available-for-sale securities	Translation adjustment	Total other components of shareholders' equity
Opening balance as at 1 January 2011	6,760,098	(137,595)	(3,867,944)	2,754,559
Changes in fair value (Note 11)	-	2,898	-	2,898
Movements in foreign exchange rate	-	-	(168,264)	(168,264)
Impact from liquidation of investment in a subsidiary	-	-	64,005	64,005
Closing balance as at 31 December 2011	6,760,098	(134,697)	(3,972,203)	2,653,198
Opening balance as at 1 January 2012	6,760,098	(134,697)	(3,972,203)	2,653,198
Discount on increase of investments in subsidiaries	(758,734)	-	-	(758,734)
Changes in fair value (Note 11)	-	127,604	-	127,604
Movements in foreign exchange rate	-	-	(1,544,230)	(1,544,230)
Closing balance as at 31 December 2012	6,001,364	(7,093)	(5,516,433)	477,838



Unit: THB Thousand

	Company	
	2012	2011
Change in fair value reserve of available-for-sale securities		
Opening balance	8,716	1,894
Changes in fair value (Note 11)	58,525	6,822
Closing balance	67,241	8,716

23. Other reserves

As at 31 December 2012, the Group has other reserves which represent the reserves of a joint venture in People's Republic of China. These reserves are in accordance with the regulation of a government unit in People's Republic of China with the objective of future development, safety, transformation and environment.

24. Expenses by nature

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Staff costs	12,195,363	13,387,678	692,549	1,084,664
Depreciation on plant and equipment	5,723,877	6,066,439	37,536	23,770
Write-off of assets and projects under development	539,972	561,698	3,675	2,507
Amortisation of deferred exploration and development expenditures and deferred overburden expenditures	32,241,427	27,046,218	-	-
Operating leases	1,436,439	876,743	52,766	44,772
Allowance for slow-moving of coal	19,704	7,922	19,704	7,922
Allowance for net realisable value of coal	6,367	-	-	-
Demurrage expenses	952,576	1,205,914	(587)	12,925
Reversal of allowance for doubtful accounts	-	(20,609)	-	(20,609)



25. Income tax

The Group does not recognise corporate income tax payable or receivable in future periods in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Corporate income tax for the years ended 31 December 2012 and 2011 is calculated based on the net profit (tax base) which excludes the interests in joint ventures. The rates are as follows:

	2012	2011
Thailand	23%	30%
Singapore	17%	17%
Indonesia	25%	25%
People's Republic of China	25%	7.5% - 15%
Mauritius Island	15%	15%
Australia	30%	30%
Mongolia	10% - 25%	25%

Income taxes for the years ended 31 December consist of:

	Consolidated		Company	
	2012	2011	2012	2011
Income taxes for the year	5,285,554	8,097,688	-	-
Withholding tax for dividends	1,220,308	407,964	-	-
Adjustment of income taxes for the year 2011	(385,350)	-	-	-
Total income taxes	6,120,512	8,505,652	-	-

Unit: THB Thousand

Withholding tax from dividends is withheld from the dividends which were received by overseas subsidiaries. These dividends are treated as non-taxable income for income tax calculation; therefore, the withholding tax is unclaimed.

Adjustment of income taxes for the year 2011 represented the income tax adjustment of an Indonesian subsidiary. The adjustment is incurred because such subsidiary included unrealised gain from derivatives in the income tax calculation for the year 2011. However, during the year ended 31 December 2012, the Revenue Authority of Indonesia announced that unrealised gain/loss from derivatives is not considered as taxable transaction. Hence, the income taxes of 2011 were overstated of USD 12.17 million or equivalent to THB 385.35 million and it was adjusted under income taxes for the year ended 31 December 2012.

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue and paid-up during the year.

There are no potential dilutive shares in issue for the years ended 31 December 2012 and 2011.

Unit: THB Thousand

[illegible]



Unit: THB Thousand

Consolidated 2011

	Coal and Minerals				Power				
	Thailand	Indonesia	People's Republic of China and Mongolia	Australia	Thailand	People's Republic of China	Elimination entries	Total	
For the year ended 31 December 2011									
Revenue from operation	4,646,450	73,598,773	-	32,638,773	-	5,634,700	(4,114,604)	112,404,092	
Segment results	3,941	22,914,164	-	4,084,724	-	309,608	(352,621)	26,959,816	
Unallocated expenses								(4,363,204)	
Unallocated income								9,576,320	
Interests in joint ventures	-	-	18,568	-	1,920,059	-	-	1,938,627	
Net gain on exchange rate								3,509,794	
Net loss from financial derivatives								(321,867)	
Interest expenses and finance costs								(3,395,935)	
Income taxes								(8,505,652)	
Net profit for the year								25,397,899	
Total segmented assets	3,967,846	44,826,658	16,589,770	51,901,903	7,659,897	8,010,541	(473,487)	132,483,128	
Total unallocated assets								92,527,199	
Total assets								225,010,327	

28. Dividends

At the Board of Directors' meeting on 18 January 2012, the board approved a payment of special interim dividends of 2011 of THB 3 per share for 271,679,247 shares, totaling of THB 815 million which was paid to shareholders on 10 February 2012.

At the Annual General Shareholders meeting on 5 April 2012, the shareholders approved a payment of final dividends of 2011 of THB 9 per share for 271,674,591 shares, totaling of THB 2,445 million which was paid to shareholders on 30 April 2012.

At the Board of Directors' meeting on 29 August 2012, the board approved payment of interim dividends of 2012 of THB 9 per share for 271,683,802 shares, totaling of THB 2,445 million which was paid to shareholders on 26 September 2012.

At the Annual General Shareholders' meeting on 5 April 2011, the shareholders approved a payment of final dividend of 2010 of THB 8 per share of dividend-paying shares of 271,538,297 shares, totaling of THB 2,172 million which were paid on 29 April 2011.

At the Board of Directors' meeting on 31 August 2011, the board approved a payment of interim dividend of 2011 of THB 9 per share of dividend-paying shares of 271,665,797 shares, totaling of THB 2,445 million which were paid on 28 September 2011.



29. Legal reserve

As at 31 December, legal reserve consists of:

Unit: THB Thousand

Consolidated 2012				
	Opening balance	Increase	Decrease	Closing balance
Legal reserve				
• Company	354,051	-	-	354,051
• Subsidiaries	1,561,136	433,820	(1,435)	1,993,521
	1,915,187	433,820	(1,435)	2,347,572

Unit: THB Thousand

Consolidated 2011				
	Opening balance	Increase	Decrease	Closing balance
Legal reserve				
• Company	354,051	-	-	354,051
• Subsidiaries	1,515,610	46,766	(1,240)	1,561,136
	1,869,661	46,766	(1,240)	1,915,187

Under the Public Company Act, the Company is required to set aside a statutory reserve of at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve reaches not less than 10% of the registered capital. The legal reserve is non-distributable. At present, the Company has set aside legal reserve at 10% of registered capital.



30. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The following significant transactions were carried out with related parties:

Transactions during the years ended 31 December are as follows:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Sales of goods and services to a subsidiary	-	-	310,380	10,227
Purchases of goods and cost of services from subsidiaries	-	-	1,517,231	1,869,548
Dividends received from subsidiaries	-	-	11,334,733	7,846,133
Management fee				
• Subsidiaries	-	-	1,112,850	1,430,479
• Joint ventures	34,769	34,918	-	-
Total management fee	34,769	34,918	1,112,850	1,430,479
Interest income from subsidiaries	-	-	2,206,591	1,788,484
Interest expense to a subsidiary	-	-	4,094	-
Management remuneration	153,638	188,667	153,638	188,667

Commencing 1 January 2008, the Company entered into a service agreement with an overseas subsidiary to provide certain management and advisory services, which have been divided into general services and marketing and logistics advisory services. Under such agreement, the subsidiary pays the Company a fixed fee of USD 2 million per quarter for general services and a variable fee of 1.5% of such subsidiary's gross coal sales for marketing and logistics advisory services. This agreement was expired on 31 December 2011.

Commencing from 1 January 2012, the Company entered into a marketing service agreement with overseas subsidiaries to provide marketing and logistics advisory services. The subsidiaries pay the Company a variable fee of 1.5% of such subsidiaries' gross exported coal.

The pricing policies for transactions between subsidiaries, joint ventures and related parties are set out below:

- The prices of sales and services charged between the Company and subsidiaries approximate to those charged to third parties.

- Management income represents fee charged to subsidiaries and joint ventures for rendering the management services in the normal course of business. The fees are based on the service provided and the agreed rate in accordance with the condition in agreement.

- For loans, borrowings, interest income and interest expenses, the Group charges interest by considering the average cost of borrowings plus 0.5% per annum for local subsidiaries and plus 2% per annum for overseas subsidiaries.



Amounts due from related parties as at 31 December consist of:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Trade accounts receivable - subsidiaries (Note 7)	-	-	16,237	-
Interest receivable - subsidiaries	-	-	345,423	1,976,345
Other receivables				
• Subsidiaries	-	-	242,777	194,282
• Joint ventures	6,096	6,258	-	-
	6,096	6,258	242,777	194,282
Total amounts due from related parties	6,096	6,258	588,200	2,170,627
Dividend receivable				
• Subsidiaries	-	-	18,133,874	8,943,399
• Joint ventures	7,599,111	6,087,898	-	-
Total dividend receivable from related parties	7,599,111	6,087,898	18,133,874	8,943,399

Advances and long-term loans to related parties as at 31 December consist of:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Advances to				
• Subsidiaries	-	-	27,495	308,703
• Joint ventures	1,389	4,451	543	59
Total advances to related parties	1,389	4,451	28,038	308,762
Long-term loans to related parties	-	-	65,262,951	71,407,259

Long-term loans to subsidiaries represent US Dollar loans amounting to USD 1,793 million and Thai Baht loan amounting to THB 10,602 million (2011: USD 1,815 million and Thai Baht loan amounting to THB 14,148 million) bearing interest at rates of 2.22% - 4.18% per annum (2011: 1.04% - 4.20% per annum). The repayment term is at call. However, the Company will not request repayment until these subsidiaries have the ability to pay.



Movements of long-term loans to related parties for the years ended 31 December are as follows:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Opening balance	-	-	71,407,259	63,070,341
Increase	-	-	10,619,834	25,015,490
Repayment	-	-	(14,834,243)	(19,298,751)
Gain (loss) on exchange rate	-	-	(1,929,899)	2,620,179
Closing balance	-	-	65,262,951	71,407,259

Trade accounts payable, advances and amounts due to related parties comprised:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Trade accounts payable - a subsidiary	-	-	112,738	137,632
Accrued interest expenses - a subsidiary	-	-	4,209	-
Amount due to a subsidiary	-	-	944	-
Total amount due to related parties	-	-	4,973	-
Advances from				
• Subsidiaries	-	-	1,137	759
• Joint venture	42	266	-	195
Total advances from related parties	42	266	1,137	954
Total advances from and amounts due to related parties	42	266	6,110	954

Loans from related parties comprised:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Short-term loans from a subsidiary	-	-	495,518	-
Long-term loans from a subsidiary	-	-	175,432	-

Short-term loans from a subsidiary represent US Dollar loans amounting to USD 16.10 million bearing interest at rate of 1% per annum. The repayment will be on 14 March 2013.

Long-term loans from a subsidiary represent US Dollar loans amounting to USD 5.70 million bearing interest at rate of 1% per annum. The repayment will be on 13 December 2017.



31. Commitment, significant contracts and contingent liabilities

As at 31 December, the Group has obligations with banks as follows:

Unit: Million (Original Currency)				
	Consolidated		Company	
	2012	2011	2012	2011
Letters of Guarantee				
• US Dollar	4.00	1.68	-	-
• Thai Baht	4,105.64	104.71	4,053.34	52.41
• Indonesian Rupiah	377,357.64	418,494.72	-	-
• Australian Dollar	147.70	126.72	-	-
Letters of Credit				
• US Dollar	210.01	219.78	204.24	204.24

Significant contracts

a) A subsidiary in Thailand has entered into contract regarding the service of coal ash removal from the area under the silo in the area of two power plants in respect of which a subsidiary is responsible for any damage possibly incurred from the service. Payment is determined in accordance with the removed quantity. The contract duration lasts for 3 years and 15 years commencing from the date of operation on 31 August 2011 and 17 March 1999, respectively.

b) A subsidiary in Thailand has entered into contract for mining and disposal of lignite coal at Ban-sa Mine, Amphur Chiang Muan, Payao Province, with the Energy Development and Promotion Department for which the subsidiary is granted subrogation right for 22 years commencing on 10 January 1996. Moreover, such subsidiary has to comply with various requirements specified in the contract.

c) Indonesian subsidiaries have entered into the mining services contracts with other companies in Indonesia. Each agreement governs among others the price rate and other factors. Contract values are dependent on volumes of overburden moved and coal mined. These contracts will expire between January 2013 and July 2015.

d) Indonesian subsidiaries have entered into a fuel purchase agreement with another company in Indonesia with a total contract quantity of 216 million litres (price on delivery). As at 31 December 2012, the remaining contract quantity is 70 million litres. Such subsidiaries are required to provide a guarantee of 105% of one-month's fuel requirement, at a minimum.

e) Indonesian subsidiaries have entered into a contract for production sharing with the Government of Indonesia to share 13.50% of coal produced with the Government.

f) An Indonesian subsidiary, holding the mining rights, has an obligation to pay an exploitation fee ranging from 3% to 7% of sales, net of selling expenses.



g) Under the Coal agreement, an Indonesian subsidiary is required to spend a minimum of USD 10 per hectare on exploration activities. If, after 36 months from the date of commencement of the exploration period, the subsidiary has not met its obligations with respect to minimum expenditures, it may be required to deliver a guarantee of an amount not exceeding the total outstanding expenditure obligations. The management believes that it has met the obligations as required by the Coal agreement.

h) Under the Coal agreement, an Indonesian subsidiary is obligated to pay the Government a dead-rent fee during the terms of the agreement. Dead-rent is calculated by reference to the number of hectares in the Coal agreement, in accordance with the rates stipulated in the Coal agreement. Land and building tax payable for the pre-production period is equal to the amount of dead-rent. During the production period, the subsidiary is required to pay land and building tax equal to the dead-rent plus 0.15% of gross revenue from the mining operations.

i) Four Indonesian subsidiaries that have activities in production in a protected forest area but not related to forestry activity will have the obligation to pay a forestry fee ranging from Indonesian Rupiah 1.2 million to Indonesian Rupiah 3.0 million per hectare.

j) Three Indonesian subsidiaries have entered into agency agreements with third-party agents to market to their customers. The agents will receive commissions based on a percentage of sales to those customers.

k) Indonesian subsidiaries have entered into the vehicle rental agreements. The total remaining contract value is Indonesian Rupiah 74,230 million.

l) Chinese subsidiaries have entered into the Power Purchase Agreement ("PPA") and Steam Purchase Agreement ("SPA") with their local bureau at the agreed quantity and price according to such agreements. The agreement term is annually.

m) Hongsia Power Company Limited (joint venture) entered into Power Purchase Agreement with Electricity Generating Authority of Thailand. The agreement period is 25 years starting from the commercial operating date. Such joint venture also entered into the credit facilities contracts with nine financial institutions. The contracts set out the preliminary agreements on the approximately USD 2,783 million or equivalent to THB 85,248 million for the development of power plant.

Litigation

a) An Indonesian subsidiary has been sued and asked for the claim for land amounting to Indonesian Rupiah 1,020 million and compensation of Indonesian Rupiah 51 million per month. On 21 April 2009, the Appeal Court decided in favour of the subsidiary. However, the plaintiff has appealed to the Supreme Court, which is currently going through the judicial process. The Group's management is of the view that the subsidiary has no responsibility for the damages as claimed by the plaintiff. Consequently, the subsidiary has not provided for any losses from such litigation.



b) During the year 2007, an overseas subsidiary has been sued by a former director of the company (the Buyer) who bought an investment from the subsidiary. The plaintiff alleged that the purchase was not lawful and requested the court to invalidate the transaction. He is claiming for the subsidiary and the Buyer to jointly pay damages amounting to USD 302.55 million. The subsidiary has defended the case, and the Civil Court dismissed such claim. The plaintiff appealed the decision of the Civil Court to the Appeal Court. The Appeal Court issued a decision which ordered such subsidiary to pay the compensation to the plaintiff of USD 1.275 million plus 2% interest per annum until fully paid. However, the subsidiary submitted an appeal to the Supreme Court which is currently going through the judicial process of the Supreme Court.

c) One of an Indonesian subsidiary's contractor commenced arbitration in Singapore against the subsidiary for a claim worth a total of USD 1.42 million. As of 31 December 2012, the arbitration has not yet progressed beyond the service of notice because such contractor has not paid the arbitration fee. The Group's management believes that the results will not have a significant impact on the financial statements.

d) A joint partner in Mongolia commenced arbitration in Mongolia against a Mongolian subsidiary and a Australian subsidiary for a claim worth a total of USD 30 million, including rights over 3 concession agreements. As of 31 December 2012, the arbitration is currently going through the process. However, the Group's management believes that the subsidiaries have no responsible on this claim as the claim is invalid.

e) In the year 2007, a group of individuals and corporate entities ("Plaintiffs"), who were ex-developers of a coal mine and a power plant in Lao PDR (Hongsa Project), filed a civil lawsuit against the Company, Banpu International Limited, Banpu Power Limited (a subsidiary holding equity in Hongsa Power Company Limited which holds coal mine and power concessions awarded by the Government of Lao PDR ("GOL")) and three members of management as defendants, based on the allegations that the Defendants had deceptively entered into a joint development agreement with the Plaintiffs for the purpose of gaining access to the information of the Hongsa Project, and had, in bad faith, misinformed the GOL to terminate their Hongsa Project concessions in order that the Company could directly enter into a concession contract with the GOL. The Plaintiffs demanded the Defendants to pay damages of THB 2,000 million as for the value of the Hongsa Project information, another THB 2,000 million as for the investment costs to the studies and expenditures in the Hongsa Project, and THB 59,500 million as for the lost profits due to the GOL having terminated the Hongsa Project concessions, totaling THB 63,500 million plus interest thereon.

On 20 September 2012, the Civil Court issued a judgment that the Defendants did not breach the joint development agreement; the Plaintiffs breached the joint development agreement; the Defendants committed a wrongful act by using the Plaintiffs' information of the Hongsa Project (for the development of a 600 MW power plant) to currently develop the 1,800 MW power plant, and adjudicated that the Company and Banpu Power Limited pay to the Plaintiffs the damages of THB 2,000 million for the value of the information, another THB 2,000 million for the investment costs to the studies and expenditures in the Hongsa Project, totaling THB 4,000 million plus 7.5% interest per annum from the date of plaint until fully payment, and for loss of profits of THB 860 million per year for years 2015 - 2027 and THB 1,380 million per year for years 2028 - 2039, payable at each year end, totaling THB 27,740 million. The grand total of damages is THB 31,740 million. The complaints involving Banpu International Limited and the management were dismissed.



The management of the Company and Banpu Power Limited required legal advisors to review the judgment, and their legal opinions firmly assure that there are strong defenses of both factual and legal grounds, and that the Company and Banpu Power Limited should not be held liable for the damages for information, investment and expenditures of a 600 MW power plant, or for the loss of profits from the former Hongsa Project of the Plaintiffs, which had been earlier terminated by the GOL.

The management of the Company is confident that the manner in which it undertook its dealings with regard to the Hongsa Project cannot be considered, in anyway whatsoever, as dishonest or wrongful. Having duly and thoroughly considered information, evidence and facts as well as the legal opinions, the Company and Banpu Power Limited have submitted their appeal on 12 December 2012 against the judgement of the Civil Court with confidence in strong defences of both factual and legal grounds for the appeal. With these reasons, the Company and Banpu Power Limited do not record a contingent liability in respect of this civil case in the financial statement.

f) An Indonesian subsidiary filed a civil claim against an insurance company ("Defendant") of USD 1.40 million in relation to a defaulting payment of performance bond previously claimed by such subsidiary. This claim of performance bond was claimed to the Defendant as the performance bond issuer in response to a contractual default by the subsidiary's contractor. In August 2009, the Civil Court issued decision which ordered the Defendant to pay compensation to the subsidiary of USD 1.40 million. Subsequently, the Defendant submitted an appeal to the Appeal Court. During the appealing, the subsidiary and the Defendant agreed to settle the dispute amicably. The Defendant agreed to pay USD 840,000. However, in July 2011, the Appeal Court issued a decision which declared that the subsidiary's claim is unacceptable. The subsidiary submitted an appeal to the Supreme Court which is currently going through the judicial process.

Others

During the year 2010, the Directorate General of tax of Indonesia ("DGT") completed a tax audit for fiscal year 2008 of a subsidiary. The management of such subsidiary has disagreed with USD 16.20 million of claims made by the tax auditors and has filed objection letters. As at 31 December 2012, the subsidiary's management believes that they can discuss with DGT and the final result of this tax audit will not have a material adverse impact to the financial statements.

In addition, four Indonesian subsidiaries are being audited by the tax office. However, they have not yet received the audit results. The management believes that the results will not have a significant impact on the financial statements.



Capital commitments

As at 31 December 2012, the Group had capital commitments but not recognised in the consolidated financial statements in the amount of AUD 112.78 million and USD 17.13 million (2011: AUD 118.21 million).

Coal Supply Agreement commitments

As at 31 December 2012, the Group of Indonesian subsidiaries had coal supply commitments in accordance with the Coal Supply Agreement in the amount of 69.70 million tonnes at the market price (2011: 67.40 million tonnes), such coals to be delivered within 2021 (2011: within 2021).

Contingent liabilities

An Australian subsidiary has entered into service contracts with senior executive, which stipulate that in the event that their service contracts are terminated early by the subsidiary, such subsidiary will be required to compensate the executive. The aggregate amount that would be paid out if these contracts were terminated at reporting date is Australian Dollars 3.9 million.

32. Financial instruments

The principal financial risks faced by the Group are interest rate risk, foreign exchange rate risk, coal price fluctuations risk, oil price fluctuations and credit risk.

The Group has established a Financial Management Committee which holds monthly meetings for consideration and discussion of how to protect or reduce financial risks which might be incurred.

The Group manages these risks as follows:

a) Interest rate risk

The Group manages its exposure to interest rate risk through a variety of measures, including the use of both fixed and variable instruments with different activities and entering into interest rate swap contract on a specific basis where management consider it appropriate to do so.

Interest rate swap contracts

Interest rate swap contracts are entered into to manage exposure to fluctuations in interest rate.

As at 31 December 2012, the Group has the interest rate swap agreements for debentures and loans with the following interest rates.

- Interest rate swap agreements for debenture of THB 2,500 million by converting fixed interest rates to floating interest rates as follows:



No.	Total amount (THB million)	Effective period	Fixed rate (per annum)	Floating rate (per annum)	Repayment condition
1.	1,000	19 March 2009 - 16 November 2015	8.00%	THB-THBFIX-REUTERS 6 months plus applicable fixed margin	Semi-annual repayment
2.	1,000	16 January 2009 - 16 November 2015	8.00%	THB-THBFIX-REUTERS 6 months plus applicable fixed margin	Semi-annual repayment
3.	500	2 February 2009 - 16 November 2015	8.00%	THB-THBFIX-REUTERS 6 months plus applicable fixed margin	Semi-annual repayment

• Interest rate swap agreements for US Dollar loans of USD 80 million by converting floating interest rates to fixed interest rates are as follows:

No.	Total amount (THB million)	Effective period	Floating rate (per annum)	Fixed rate (per annum)	Repayment condition
1.	10	14 January 2010 - 12 November 2013	LIBOR plus applicable fixed margin	3.30%	Every 3 months repayment
2.	10	19 January 2010 - 12 November 2013	LIBOR plus applicable fixed margin	3.25%	Every 3 months repayment
3.	10	4 March 2010 - 12 November 2013	LIBOR plus applicable fixed margin	3.00%	Every 3 months repayment
4.	5	21 April 2010 - 12 November 2013	LIBOR plus applicable fixed margin	3.00%	Every 3 months repayment
5.	5	10 May 2010 - 12 November 2013	LIBOR plus applicable fixed margin	2.945%	Every 3 months repayment
6.	10	2 July 2010 - 12 November 2013	LIBOR plus applicable fixed margin	2.505%	Every 3 months repayment
7.	10	2 July 2010 - 12 November 2013	LIBOR plus applicable fixed margin	2.505%	Every 3 months repayment
8.	10	22 July 2010 - 12 November 2013	LIBOR plus applicable fixed margin	2.299%	Every 3 months repayment
9.	10	18 December 2012 - 20 October 2014	LIBOR plus applicable fixed margin	0.494%	Every 6 months repayment



- Interest rate option collar contract for Australian Dollar loan of Australian Dollars 140 million by converting floating interest rate to fixed interest rate is as follow:

No.	Total amount (Australian Dollar million)	Effective period	Floating rate (per annum)	Fixed rate (per annum)	Repayment condition
1.	140	19 December 2011 - 17 December 2014	BBSY	Cap 6.36% and floor 5.14%	Every 3 months repayment

Net fair value

The net fair value of interest rate swap contracts at the statement of financial position date was:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
(Unfavourable) interest rate swap contracts	(215,505)	(243,878)	(41,141)	(81,412)

Fair values of interest rate swap contracts have been calculated using the information from the financial institutions of the Group as if the contracts were terminated at the statement of financial position date.

b) Foreign exchange risk

In order to reduce exposure to fluctuations in currency exchange rates, the Group uses the natural hedges of its business operations, both in Thailand and overseas, through emphasis on a balance of foreign currencies in the Group and sometime through the use of financial instruments.

The Group has both assets and liabilities that are foreign currency denominated and uses the natural hedges between these assets and liabilities to manage certain its exposures. The Group will also enter into forward foreign exchange contracts in specific circumstances.

The objectives in using financial instruments are to reduce uncertainty over future cash flows arising from movements in exchange rate. The following strategies are employed to achieve these objectives.

Forward foreign exchange contracts are entered into to manage exposure to fluctuations in foreign currency exchange rate on general transactions.

**Forward foreign exchange contracts**

As at 31 December, the settlement dates on open forward foreign exchange contracts were within 1 year. The amounts to be received and contractual exchange rates of the outstanding contracts were:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Buying and selling				
2012:				
• Buying contract amounting to USD 50.40 million at the rates of RMB 6.4498 : USD 1 and				
• Selling contracts amounting to USD 249.75 million at the rates of THB 30.7985 - 31.00 : USD 1, RMB 324.64 million at the rates of THB 4.9176 : RMB 1, USD 86.20 million at the rates of Indonesian Rupiah 9,470 - 10,038 : USD 1 and USD 423 million at the rate of USD 0.9487 : AUD 1				
(2011:				
• Buying contract amounting to USD 4.56 million at the rates of THB 31.74 : USD 1 and				
• Selling contracts amounting to USD 497.16 million at the rates of THB 30.27 - 31.99 : USD 1, USD 111.95 million at the rates of Indonesian Rupiah 8,653 - 9,530 : USD 1 and USD 745 million at the rate of USD 0.9306 AUD 1)				
	26,260,925	44,182,175	10,150,905	7,494,549
	26,260,925	44,182,175	10,150,905	7,494,549



Net fair values

The net fair values of forward foreign exchange contracts at the statement of financial position date were:

Unit: THB Thousand				
	Consolidated		Company	
	2012	2011	2012	2011
(Unfavourable) favourable forward foreign exchange contracts	561,362	731,033	(25,376)	(202,472)

Fair values of forward foreign exchange contracts have been calculated using the information from the financial institutions of the Group as if the contracts were terminated at the statement of financial position date.

Cross currency swap contracts

As at 31 December 2012, the Group has entered into cross currency swap contracts with the financial institutions to manage exposure of fluctuations in foreign currency exchange rates and interest rates for the debentures from THB 6,400 million to be USD 208.96 million at the interest rates of 2.76% to 6.39% per annum, starting from 10 June 2011 to 1 April 2026.

Net fair values

The net fair values of the cross currency swap contracts at the statement of financial position date were:

Unit: THB Thousand				
	Consolidated		Company	
	2012	2011	2012	2011
(Unfavourable) cross currency swap contracts	(1,341,384)	(780,544)	(1,341,384)	(780,544)

Fair values of cross currency swap contracts have been calculated using information from the financial institutions of the Group as if the contracts were terminated at the statement of financial position date.

c) Coal price fluctuations risk

The Group manages its exposure to coal price fluctuations risk from its business operations, both in Thailand and overseas, and to achieve a balance of overall coal price in the Group by entering into both short-term and long-term sales agreements and sometimes through the use of financial instruments.

The objective in using financial instruments is to reduce uncertainty over future cash flows arising from movements in coal price. The following strategy is employed to achieve these objectives.

**Coal swap contracts**

Coal swap contracts are entered into to manage exposure to fluctuations in coal price on general transactions.

As at 31 December 2012, the Group has entered into coal swap contracts with no physical delivery of selling side amounting to 2,460,000 tonnes at the rates of USD 87.10 - 99.00 per tonne. Such contracts are due within 1 year. Differences between the coal swap contracts price and market price are specified by API 4 Index and Newcastle Coal Index (2011: coal swap contracts of selling side amounting to 3,750,000 tonnes at the average rate of USD 103.00 - 129.20 per tonne).

Net fair values

The net fair values of average coal swap contracts at the statement of financial position date were:

Unit: THB Thousand				
	Consolidated		Company	
	2012	2011	2012	2011
Favourable (unfavourable) coal swap contracts	(897,823)	832,986	-	-

Fair values of coal swap contracts have been calculated using the information from the financial institutions of the Group as if the contracts were terminated at the statement of financial position date.

d) Oil price fluctuations risk

The Group manages its exposure to oil price fluctuations risk from its business operations in overseas and to achieve a balance of overall oil price in the Group by through the occasional use of financial instruments.

The objective in using financial instruments is to reduce uncertainty over future cash flows arising from movements in oil price. The following strategy is employed to achieve these objectives.

Oil hedging contracts

Oil hedging contracts are entered into to manage exposure to fluctuations in oil price on general transactions.

As at 31 December 2012, the Group has entered into oil hedging contracts of buying side amounting 1,260,000 barrels at the rates between USD 112.30 - 123.75 per barrel (2011: 1,701,000 barrels at the rates between USD 113.35 - 130.00 per barrel). Such contracts are due within 1 year. Differences between oil hedging contract price and market price are specified by Gasoil 0.5%S.



Net fair values

The net fair value of oil hedging contracts at the statement of financial position date were:

Unit: THB Thousand

	Consolidated		Company	
	2012	2011	2012	2011
Favourable (unfavourable) oil hedging contract - buying	114,864	(28,909)	-	-

Fair value of oil hedging contracts have been calculated using the information from the financial institutions of the Group as if the contract was terminated at the statement of financial position date.

e) Credit risk

The Group has no significant concentrations of credit risks. Derivative counter-parties and cash transactions are limited to high credit quality financial institutions.

f) Fair values

The carrying amounts of the following financial assets and financial liabilities approximate to their fair values: cash and cash at banks, investments, trade receivables and payables, other receivables and payables, short-term loans to and from related parties and short-term loans due to the short maturity period.

The carrying amounts of long-term loans to and from related parties approximate fair value due to floating interest rate.

The Group has the fair values information of borrowings and debentures as follows:

Unit: THB Million

	2012		2011	
	Contract amount	Fair values	Contract amount	Fair values
Borrowings	68,463	68,463	65,737	65,737
Debentures	27,800	28,654	23,800	26,076

The fair values of derivative are disclosed above in (b) and (c).

g) Other risks - Indonesian economic conditions

Indonesia has been experiencing a prolonged period of economic difficulty which has been compounded by a downturn in the global economy and its domestic political situation. Indonesia's return to economic stability is dependent to a large extent on the effectiveness of measures taken by the government and decisions of international lending organisations. However, the Group has entered into insurance policies with overseas insurance companies to protect it from investment risk that might occur through a breakdown in law and order or administrative actions of the Indonesian government.

THE ASIAN FACE OF ENERGY

VISION

To be an energetic Asian energy provider of quality products and services; and be recognized for its fairness, professionalism, and concerns for society and environment.

MISSION

To develop businesses in the fields of energy in pursuit of Asian leadership position.

To diversify and invest in strategic businesses to enhance competitiveness.

To provide a variety of quality products and services with commitment, reliability and flexibility.

To conduct business in a socially, ethically and environmentally responsible manner.

To build sustainable value for shareholders, customers, business partners, employees, local communities, and to be a good citizen to host governments.



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CARE, SYNERGY,
INNOVATION,
INTEGRITY

STAKEHOLDER
VALUE

BEST PRACTICE
CORPORATE
GOVERNANCE
ACCOUNTABILITY,
TRANSPARENCY,
EFFICIENCY,
INTEGRITY
LONG TERM
AND SUSTAINABLE
SHAREHOLDER
VALUE GROWTH

THE ASIAN FACE OF ENERGY



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