



PRESS RELEASE

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Banpu Reports Third-Quarter Results

Banpu Public Company Limited (BANPU) reported a 2014 third-quarter result with a consolidated net profit of USD 4 million (approximately THB 131 million), decreased by 81% compared to the same period last year due to a reversal of deferred tax from MRRT repeal by Australian government. By excluding this one-time extraordinary item, the operating profit is concluded at

USD 28 million (approximately THB 901million), which is almost unchanged from previous quarter, and 27% higher than the same period last year.

"BANPU's operating income in this period reflects strong production and effective cost management during the unfavorable coal market. However, non-operating income is affected by the reversal of deferred tax due to the repeal of Minerals Resource Rent Tax (MRRT) by the Australian government, amounted to USD 24 million (approximately THB 778 million), which is non-recurring, and has no effect to the company's cash flow," said Mr. Chanin Vongkusolkit, Chief Executive Officer, BANPU.

The company's overall sales revenue is reported at USD 852 million (approximately THB 27.345 billion), an increase of USD 43 million (approximately THB 1.869 billion), up 5% compared to the same period last year. Revenue from coal sales of USD 816 million (approximately THB 26.190 billion) represented 96% of total sales revenue while sales of power, steam and others contributed to 4% of total sales revenue, a figure of USD 36 million (approximately THB 1.155 billion). The coal sales volume in the third quarter reached 12.42 million tonnes in total, up 16% from the same period last year, driven by an increase of 1.46 million tonnes from Australia mines, and 0.23 million tonnes from Indonesia operations.



"BANPU's coal business footprints in Indonesia, Australia, and China, have all delivered a good performance with quarterly record-high sales volume in Australia and Indonesia along with well-managed production cost at Gaohe mine in China. In power business, on the other hand, BLCP generated an equity income of USD 17 million (approximately THB 546 million) while China power business realized a net profit of USD 3.15 million (approximately THB 101 million)," said Mr. Vongkusolkit.

Looking at BANPU's operations in Indonesia, the company continues to see strong sales volume growth with an increase of 16% compared to the previous quarter, or accounted for 7.74 million tonnes in the third quarter. All mines reported strong sales volume while Indominco and Trubaindo achieved record-high sales volumes at 4.07 million tonnes and 1.81 million tonnes, respectively.

In Australia, BANPU's coal operations have been focused on productivity improvement to reduce average production cost along with sales optimization by balancing domestic and export sales, and matching coal qualities to customer needs. In the third quarter of 2014, both Mandalong and Angus Place achieved record-high of coal production compared to the second quarter of this year: Mandalong mine produced 2.1 million tonnes, up 72%; whereas the production output from Angus Place reached 1.2 million tonnes, up 92%. Additionally, the sales volume of coal in Australia operations also reached quarterly record-high, 44% higher than last quarter, with domestic sales and prices offset lower export prices.

Mr. Vongkusolkit further explained about the company's development plan in China: a continuous growth of coal production at Gaohe mine thanks to the consistent domestic demand in China.



In addition, Banpu has signed an Equity Joint Venture Agreement to study and co-develop Shanxi Lu Guang power project. Under the agreement, Banpu Power will hold a 30% shareholding in the Project with Shanxi Lu'an Mining Group, and Gemeng International Energy Co., Ltd. as partners. The Shanxi Lu Guang power project, a new 1200 MW coal-fired power project in China's Shanxi province, will employ an Ultra-super critical technology, which in general consumes less coal while offering higher heat and boiler efficiency with lower emissions. Preliminary approvals for the Project have now been received from the Shanxi Provincial Development and Reform Commission. The Project is still at an early stage of development and some aspects of the Project may be subject to change.

BANPU's power business in Lao PDR, the Hongsa mine-mouth Power Plant, is on plan to start its first unit's commercial operating date (COD) under EGAT's PPA in mid-2015. It is designed to have a nominal gross rating of 1,878 MW, consisting of 3 x 626 MW Generating Units with a net available-for-sale power output of 1,653 MW.

About BANPU

Banpu Public Company Limited is a pan-Asian energy company which manages coal and related businesses clustered in six countries, namely Thailand, Indonesia, China, Australia, Laos PDR and Mongolia. As of September 30, 2014, Banpu's assets totaled USD 7.146 billion (equivalent to THB 231.360 billion) while total liabilities were USD 4.639 billion (equivalent to THB 150.184 billion). The Net Debt to Equity ratio as of September 30, 2014 was 1.10 times, unchanged from 1.10 times as of December 31, 2013; the Earnings per Share (EPS) was at USD 0.002 per share (equivalent to THB 0.051 per share) compared to USD 0.008 per share (THB 0.269 per share) a year ago.

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