



Press Release

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Banpu maintains its target coal sales volume of 20.5 million tonnes in 2009, expecting 2009 sales revenue to grow 12 percent

Banpu Public Company Limited, an energetic Asian energy company, expects an increase of 2 million tonnes of coal sales volume this year to backup the 12 percent growth of 2009 sales revenue as estimated despite a softening average selling price in second half this year.

Mr. Chanin Vongkusolkrit, Chief Executive Officer of Banpu, said during the press conference that in the first half 2009, Banpu reported a sound performance, recording a net profit of THB 8,780 million, an increase of THB 4,407 million or 101 percent from the same period last year. The Company's first half year net profit was consisted of THB 6,469 million from coal business and THB 2,311 million from power business, accountable for 74 percent and 26 percent respectively of the total earning.

"The net profit from coal business in the first six months of this year has significantly increased compared to the same period last year bolstered by higher selling price contracted in advance in middle 2008 when the market price was soaring. Additionally, the Chinese coal business also generated a remarkable equity income boosted by a higher production volume and a strong coal price in China," Mr. Chanin said.

In the first half of 2009, Banpu sold 8.6 million tonnages of coal from the full year target number of 20.5 million tonnes. Though there is probably a minimal risk in coal delivery, the Company thinks that the remaining 58 percent or 12 million tonnes sales target will be achievable in this second half as planned. The Company's net income in the second half this year, however, will be lower than the first six months since the revenue from coal business will decrease following the lower selling price made in late last year in which the market coal price was dropping. Moreover, the equity income from BLCP power plant will be lower than the previous half year resulted by its annual maintenance shutdown in late this year.



“The average selling price for the second half 2009 will be over than USD 60 per tonne compared to around USD 78.86 per tonne in the first half. As a result, revenue from coal business will be lower despite an increase of 2 million tonnes of coal sales volume from 18.5 million tonnes in 2008 to 20.5 million tonnes this year,” Mr. Chanin added.

Banpu average coal sales price this year is expected to be about the same as last year of USD 72 per tonne. In addition, 90 percent of the coal volume to be sold this year has been priced and contracted. It is expected that the 2009 sales revenue will grow 12 percent as forecasted. The total sales revenue of this year will increase from THB 50,530 million last year to around THB 56, 594 million this year.

“A coal production from Indonesian coal mines is expected to increase by 10 percent at around 22-23 million tonnes in 2010. The Company has fixed the price for approximately 30 percent of 2010 coal sales both in regular sales contract and coal swap,” Mr. Chanin concluded.