

Press Release

20/01/2000

Banpu to adjust its Stakes in COCO Giving a Control over COCO to One Major Shareholder

Banpu Public Company Limited signed a call option agreement with Sithe Pacific Holdings Limited, giving the right to purchase shares in the Cogeneration Public Co.,Ltd. (COCO). A completion of the deal will result in only one party as a major shareholder and therefore increase the effectiveness in management.

Banpu disclosed the results of its joint effort with Sithe Pacific Holdings Limited, another major shareholder who has almost equal stake in COCO, to improve the efficiency in the operations of COCO. Both parties agreed that there should be only one major shareholder in COCO. As a result, on January 19, Banpu signed a call option agreement with Sithe Pacific Holdings Limited, granting the right to the latter until November 15, 2000 to buy 22.07 percent of the issued shares of COCO.

According to Mr.Chanin Vongkusolkit, Group President of Banpu Public Co.,Ltd., *"After completion, Banpu will receive a net consideration totalling of approximately Baht 3,900 million, or about 24.50 Baht per share. This will greatly strengthen the company's financial position and provide it with more flexibility to invest in other projects. Banpu, however, will still hold a 10 percent stake in COCO."*

In case Sithe Pacific Holdings Limited decides not to exercise its rights it would be bound by its agreement to pay USD 10 million in compensation to Banpu and it will grant an option for Banpu to purchase 22.07 percent of the issued shares at the same amount of consideration. Such option may be exercised within 271 days from the end of the call option period.

"Both cases benefit COCO because it will allow only one major shareholder and will increase the efficiency of COCO's operations as well as the effectiveness in management"
concluded Mr. Chanin Vongkusolkit.