

Press Release

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Banpu Plc Announces Plan to Reduce Stake in Kaolin and Ball Clay Business

Banpu Public Company Limited – Banpu Public Company Limited is negotiating to sell its shareholding stake in the kaolin and ball clay business to France's Imerys in a strategic move to load off its non-core business and stick to its core businesses of coal and power that it is well-versed.

Banpu Plc's Chief Executive Officer Mr. Chanin Vongkusolkit said that the company's Board of Directors' Meeting No. 4/2002 resolved to allow Banpu Plc to enter into the Memorandum of Understanding (MOU) with Imerys SA, the French mining company, to reduce proportion of its investment in the kaolin and ball clay business. Conclusion of the negotiation will prompt Banpu Plc to receive Baht 180 million from the investment sale.

To reduce its investment stake in the business, Banpu Plc will lower its shareholding in MRD-ECC Co. Ltd (MRD-ECC), a manufacturer and distributor of ball clay, from 51 per cent to 30 per cent of the firm's registered capital. At the same time, Imerys will increase its stake in MRD-ECC from 49 per cent to 70 per cent of the registered capital. MRD-ECC will hold 100 per cent stake in Mineral Resources Development Co., Ltd (MRD), the manufacturer and distributor of kaolin.

Imerys will conduct a due diligence before increasing its stake. Yet, the French firm is to confirm its intention to boost its interest in MRD-ECC within 15 May 2002 while the sales agreement is expected to be inked within 14 June 2002. If Imerys eventually decides not to raise its stake, the MOU will be nullified.

Recently, Banpu Plc has strategically shredded off its non-core businesses. An example is its entering into an agreement with Nam Yuen Yong Shipping Co Ltd to sell the latter a commercial port business at Laem Chabang Deep Sea Port. The sale of Banpu Plc's non-core business in the mining field to Imerys this time is also one of its strategic moves to firmly thrive in its core businesses of coal and power, which are its expertise, with an aim to generate the best returns to its shareholders.

For more information, please contact Corporate Communications Division,

Banpu Public Company Limited

Tel. +66 (0) 2694 6783-4

Fax. +66 (0) 2207 0696