

**Banpu signed contract to reduce
shareholding stake in the kaolin and ball clay**

Banpu Public Company Limited signed contracts with Imerys SA to sell its equity investment in the kaolin and ball clay businesses following their Memorandum of Understanding, which Banpu's Board approved on March 8, 2002. This elucidates Banpu's strategic move to unload its non-core business and focus on its core businesses of coal and power generation.

Based on the contract, Banpu Plc. would reduce proportion of its investment in the kaolin and ball clay business. The company would obtain Baht 220 million from the divestment.

To reduce its investment stake in the business, Banpu Plc. would lower its shareholding in MRD-ECC Co., Ltd (MRD-ECC), a manufacturer and distributor of ball clay, from 51 percent to 30 percent of the firm's registered capital. At the same time, Imerys would increase its shareholding stake in MRD-ECC from 49 percent to 70 percent of the registered capital. Banpu Plc would also sell out all shares in the subsidiary company, Minerals Resources Development Co., Ltd. to MRD-ECC

Banpu Plc. and Imerys executed a number of agreements in respect of the divestment of kaolin and ball clay businesses on the condition that the Closing of such agreements would take place upon the fulfillment of the terms and conditions precedent set forth therein by July 1, 2002. However if the parties were not able to complete the terms and conditions, the agreement would be cancelled.

The sale of Banpu Plc.'s investment in MRD-ECC is a strategic move to mainly focus on its virtual expertise in core businesses, coal and power, with an aim to generate the ultimate returns to its shareholders.

For more information, please contact:
Corporate Communications Division
Banpu Public Company Limited
Phone +66(0) 2694 6783, 2694 6784
Fax +66(0) 2207 0696