



Press Release

9 September 2003

BANPU launches seven-year Debentures

Overwhelming response from investors

Banpu Public Company Limited announces today the successful close of the company's no. 2/2003 debentures issuance. The issue size of the unsubordinated, unsecured and amortizing debentures was set at THB 2 billion and the coupon rate was fixed at 3.65% per annum. Standard Chartered Bank, Thailand, Bangkok Bank PLC and Siam Commercial Bank PLC have been appointed joint-lead arrangers, and United Securities PLC, co-arranger.

The THB 2 billion debentures are amortizing debentures with a tenor of seven years, which due in 2010. They were offered to institutional investors on private placement basis, in which there was a vast amount of demand for the debentures on the book building date. The success of the debenture issuance, while the bond market is still unstable and fluctuating, illustrates a high confidence from investors on the company. This is reflected from a relatively low credit spread of 105bps over Government Bond Yield.

Mr. Chanin Vongkusolkit, Banpu PLC's Chief Executive Officer, stated that, "The purpose of this debenture issuance is to refinance the existing long-term debts and debentures, which will help the company to save approximately THB 30 million per year. In addition to obtaining a competitive financial cost, the debentures will help extend the term of funding for the company, which creates a better financial structure. The proceeds of the transaction will also be used for capital expenditure in coal and power business, which will ultimately create a benefit to our shareholders.

Mr. Arthid Nanthawithaya, Executive Vice President and Head of Fixed Income, Standard Chartered Bank, Thailand, said on behalf of the lead arrangers that, "Banpu and its debentures have been rated "A" by TRIS Rating Company Limited (TRIS), due to high expertise and long experience of the company and management team. It also reflects the success in its coal business in Indonesia as well as the reshaping of its power business in order to capture future growth of this industry. Nevertheless, the company's focus on good corporate governance policy is also accounted for a high rating from TRIS."

Banpu, a leading regional coal-based energy group, is ranked the 4th largest coal producer in Indonesia, and the 8th largest in Seaborne market. Its Coal Reserves and Resources in Indonesia and Thailand were reported at 312 million tonnes at the end of June 2003, with planned production capacity of 14.5 million tonnes per annum. To strengthen its coal business, the company has entered into a coal mining investment in China recently. The restructuring of its power business is under way. Its long-term strategy in power generation business is to develop a regional coal-fired power activity that is directly synergistic with and supportive for the coal mining business.

Summary of Offering

Issuer	: Banpu Public Company Limited
Type	: Unsubordinated, Unsecured and Amortizing Debentures
Issue Size	: THB 2 billion
Par Value	: THB1,000 per unit
Maturity	: 7 years
Issue Date	: 15 September 2003
Due Date	: 15 September 2010
Offering Price	: THB1,000 per unit
Coupon Rate	: 3.65% and paid semi-annual
Placement	: Private Placement
Amortizing Structure	: Grace period of 4.5 years, thereafter 5 equal installments semi-annually
Issue Rating	: "A" from TRIS
Governing Law	: Thai law

For further information, please contact

Arthid Nanthawithaya	Sopitta Chotechuang / Nuchjira Morasert
Executive Vice President	Corporate Communications Department
Head of Fixed Income	Banpu Public Company Limited
Standard Chartered Bank Thailand	Tel: +66 2694 6783-4
Tel: +66 2724 8840	Fax: +66 2207 0697
Anutra Sinchaipanich	
Corporate Affairs Department	
Standard Chartered Bank Thailand	
Tel: +66 2724 8022	

Fax: +66 2724 8018