



Press Release

February 26, 2004

**Banpu Reports 2003 Performance
and 2004 Business Direction, focusing further investment of
high quality coal**

Banpu Public Company Limited today reported a total sales revenue of Baht 12,482 million, an increase of Baht 1,574 million or 14 per cent year-on-year, for the 2003 fiscal year (January 1 – December 31, 2003). This resulted from an increase of 6 per cent in coal sales volume and an increase of 7 per cent of average selling prices, following a higher sales volume of coal from its mines in Indonesia while the proportion of sales volume of coal produced in Thailand decreased. The company has a net profit of Baht 2,046 million. In 2004, the company plans for more investments in coal business development and expansion in order to increase its total coal reserves.

According to Mr.Chanin Vongkusolkit, Chief Executive Officer (CEO) of Banpu Public Company Limited, for 2003 operational performance, the company has a net profit of Baht 2,046 million. Therefore, net profit per share is reported at Baht 7.75/share increased from Baht 3.93/share last year. The gross profit margin is at Baht 3,604 million, accounts for 29 per cent of the sales revenues, increased from 26 per cent of the previous year. Net debt to equity on consolidated balance sheet as of December 31, 2003 decreased to 0.28 times, compared with 1.31 times as of December 31, 2002

CEO of Banpu further states that the sales revenue of 2003 fiscal year was Baht 12,482 million, an increase of Baht 1,574 million or 14 per cent from those of the previous year. Revenue from coal sale at Baht 12,331 million, contributes 99 per cent of the total sales revenue, an increase of Baht 1,713 million or 16 per cent over last year. Revenue of coal sale includes sales of coal from its own mines in Indonesia and sales of domestically

produced coal in Thailand which account for Baht 11,475 million and Baht 856 million respectively.

The equity income which is attributed by subsidiary and associated companies is reported at Baht 573 million, an increase of Baht 121 million from those of the previous year, of which Baht 567 million is a gain from Tri Energy Company Limited -- classified into an operating profit of Baht 296 million and a Baht 271 million from foreign exchange translation, and Baht 6 million is a loss from other associated companies

For the coal business during 2003, the company focused on an increase of production capacity as well as the production and transportation cost reduction program at its Indonesian mines, inclusive of reduction of mining operational cost and an improvement of Bontang Port capacity from 6 mtpa to 8.5 mtpa. For business development program, the company started its initial investment in coal business in China. This is another important move of the company into a high quality coal resource. During the second half of 2003 the company was engaged in the construction and development of its Trubaindo mine, which will come on stream by the end of this year. For the year 2004 the company plans to continue its Bontang Port efficiency improvement and looking for investment opportunities in high quality coal projects. This includes its acquisition of a coal mine called Bharinto, an extension phase of Trubaindo, in January this year. Regarding the market situation, the company forecasts that the world's average coal price will continue to increase during the next few years due to the higher demand in China and many countries in Asia.

For the power business, Banpu looks for further investment opportunities in which it plays some roles in project management. In addition, the company will expand its investment into the Asian region. For the BLCP power plant, the project has received debt financing from a consortium of Thai and international financing institutions since September 2004. Regarding the project's construction, the land preparation, the design and construction site inspection were completed. The project is expected to be

commissioning and supply power to the EGAT in October 2006 for its first production unit and in February 2007 for its second production unit.

Regarding the share sale and purchase transactions with respect to Ratchaburi Electricity Generating Holding PLC (RATCH) and Electricity Generating PLC (EGCOMP) between Banpu and the Electricity Generating Authority of Thailand (EGAT), the company received an approval from its shareholders. Though, the deal has to be postponed due to awaiting fulfilling conditions precedent, it is still in process.

In addition to a continued focus in coal and power businesses including development of its current projects and expansion of its investment into regional scale which will result in value added for its shareholders and investors, Banpu will further concentrate in the principle of good corporate governance in 2004 to enhance its long-term sustainable growth.

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