

## **Banpu reports 2004 Operational Performance.**

**Net profit rises by 78 percent due to higher coal sale volume and selling price.**

Banpu Public Company Limited today reported its 2004 performance with a net profit of Baht 3,645 million, rising by Baht 1,599 million or a 78 percent increase year on year, thanks to higher coal sales volume and selling price. The company is planning to increase its target coal production to 18.5 million tons in 2005 while at the same time seeking for further investment opportunities in coal-fired power plants in both China and Indonesia.

Mr.Chanin Vongkusolkit, Chief Executive Officer (CEO) of Banpu Public Company Limited, said that during the fiscal year 2004 (January 1 – December 31, 2004) Banpu has earned Baht 17,227 million of sales revenue, an increase of Baht 4,744 million or 38 percent from the previous year. This resulted in a gain in net profit of Baht 3,645 million, an increase of Baht 1,599 million or 78 percent year on year. Additionally, the 2004 earnings per share were reported at Baht 13.42 per share compared to Baht 7.75 per share in the previous year.

The Company's sound financial result in 2004 was due to higher coal sales and selling price following rising coal demand in several countries. In 2004, Banpu recorded its coal sales volume of 15.6 million tons, compared to 13.72 million tons in 2003, a 14 percent increase from last year. Revenue from coal sales was at Baht 17,062 million, accountable for 99 percent of total sales revenue, comprising of Baht 15,489 million of coal sales from Indonesian mines and Baht 1,573 million from domestic mines. Another one percent of the company's total sales revenue worth Baht 165 million was from industrial minerals. Besides, average coal selling price in 2004 was USD 25.36 per ton, rising by 21 percent from the previous year.

“ During 2004, the broad economic recovery in major industrial countries has accelerated demands for electricity and base-load fuels, including coal, to a notable level. The robust Chinese economy made the country's coal exporters pre-occupied in accommodating domestic need, further constraining the availability of coal for the region. The coal industry, therefore, witnessed the tight market situation and an unprecedented rally in global coal prices. The coal market previously mentioned has brought Banpu, one of the coal exporters in the region, a significant successful performance in 2004,”

Mr. Chanin elaborated.

As at December 31, 2004, the Company's total assets was reported at Baht 39,538 million, an increase of Baht 5,545 million or 16 percent compared to the same period in 2003. Meanwhile, liabilities were reported at Baht 16,423 million, increasing Baht 4,785 million or 41 percent, compared with the same period in the previous year. Net debt to equity on consolidated balance sheet as at December 31, 2004 decreased to 0.22 times, compared with 0.28 times as at December 31, 2003. For the dividend payment, the Board of Directors agreed in its 2/2005 meeting on February 24, 2005 to pay dividend at Baht 3.25 per share for the second-half 2004, deriving from profit of BOI privileges at the rate of Baht 0.75 per share and profit of non-BOI business operation at the rate of Baht 2.50 per share respectively. This dividend payment will be presented to the Company's annual shareholder meeting in April. In the first-half 2004, Banpu paid a dividend at Baht 2.25 per share. The dividend payment for the year 2004 is Baht 5.50 per share.

Mr. Chanin added that this year the Company is still planning to expand its investment on its core businesses, coal and power with a ratio of 70:30, in Asian countries that have high potential and able to generate added values to its shareholders. Meanwhile, the Company will continue to divest its non-core businesses and utilize this income for the further development of its core businesses.

For coal business, the Company plans to increase its coal production from 15.6 million tons in 2004 to 18.5 million tons in 2005, an increase of 2.9 million tons or 18 percent. This will include 2.1 million tons of coal production from Trubaindo Mine and the increment from the other mines. Meanwhile, the Company's coal reserves were reported at 300.8 million tons as at December 2004. Additionally, the average coal-selling price is

expected to be higher than last year due to the rising demand of energy in the Asian region.

For power business, the Company continues focusing on investment in coal-fired power plant as well as seeks for further investment opportunities in power business in China and Indonesia. Regarding BLCP power plant, located in Map Ta Phut Industrial Estate and a 50 percent owned by Banpu, the current construction completion is reported at 27 percent. The first unit of this project is expected to be commissioning and supply power in October 2006 while the second unit is expected to commence its operation in February 2007 with a full capacity of 1,434 MW.

-----