



Press Release

August 11, 2005

Banpu Q2 2005
Profit rose, led by higher coal price

Banpu Public Company Limited reported its second quarter 2005 result (April 1 – June 30, 2005) with a net profit rising Baht 458 million, a 41 per cent higher than the same period last year, resulting from an increase of average selling prices.

Mr. Chanin Vongkusolkit, CEO of Banpu Public Company Limited, said that in the second quarter this year, the Company's sales revenue was at Baht 5,491 million, an increase of Baht 1,438 million or 35 per cent compared to the same period last year while a net profit rose to Baht 1,588 million, increasing Baht 458 million or 41 per cent higher than the same period last year. Earnings per share (EPS) rose to Baht 5.84 from Baht 4.16 of the same period last year. During the first half 2005, the Company has earned a net profit totaling Baht 3,157 million, a 141 per cent up from the same period last year.

CEO of Banpu added that during the second quarter this year, coal sales volume decreased 6 per cent compared to the same period last year due to longer rainy season in Indonesia. The Company's average selling price, however, rose by 47 per cent from the same period last year to US\$34.15 per tonne. Total sales revenue for the second quarter 2005 was Baht 5,491 million, representing 99 per cent of total sales revenue of which Baht 5,450 million was from coal sales. Coal sales revenue included Baht 4,846 million of coal sales from its own mines in Indonesia and Baht 604 million of sales from domestically produced coal in Thailand. Additionally, sales of industrial mineral and other services were reported at Baht 41 million accountable for 1 per cent of total sales revenue.

"The Company's result for first half 2005 reflects a good performance of our coal business especially an increase of our coal selling price even though there was a slightly decrease in sales volume compared to the same period last year" Mr. Chanin said.

Banpu also realized a loss from subsidiaries and affiliates of Baht 87 million, while recorded a dividend income of Baht 252 million from power investment as well as profit before tax from divestment of non-core asset of Baht 810 million. As at June 31, 2005, the Company's total assets were reported at Baht 41,638 million, an increase of Baht 2,100 million or 5 per cent compared to that of December 31, 2004. Meanwhile, liabilities were reported at Baht 18,040 million, increasing Baht 1,617 million or 10 per cent compared to December 31, 2004. Net debt to equity on consolidated balance sheet as at June 30, 2005 was 0.24 time, compared to 0.22 time as at December 31, 2004.



In 2005, the Company targets to rise its coal production and sales to 18.5 million tonnes, an increase of 18 per cent compared to that of 15.6 million tonnes in 2004. Total production cost is expected to be 10 per cent higher than last year due to a sharp rise on diesel price in Indonesia. Nevertheless, an increase in average selling price will offset such impact. Moreover, the Company has focused on energy conservation and cost saving schemes at all offices and mines. Besides, a study of innovative measures to enhance logistic efficiency and cost reduction in the long run is also in the pipeline.

Banpu's investment in coal mining in China is also in well progress. The Daning Mine in Shanxi Province where Banpu invested through Asian American Coal Inc. will commence its operation with a capacity of 5.5 million tonnes per year in September 2005. Furthermore, in the fourth quarter 2005, the Company will be able to record an income from Hebi coal mine in Henan Province, a new investment between Banpu and Hebi Coal and Electricity Company. Hebi coal mine has its current production capacity at 0.9 million tonnes a year and will be increased to 1.5 million tonnes yearly in the near future.

For Power Business, a construction of BLCP coal-fired power plant located in Map Ta Phut Industrial Estate in Rayong, of which Banpu holds 50 per cent stake, has construction progress up to 70 per cent as of July 30, 2005. The first unit is expected to complete as plan and will be able to commence its operation in October 2006, while the second unit completion is expected in February 2007.

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