



Press Release

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Banpu Reports First Quarter Result Net profit up by higher coal selling price

Banpu Public Company Limited (BANPU) announced its financial performance for the first quarter of 2008 fiscal year, recording a net profit of THB 2,074 million, an increase of THB 880 million or 74 percent from the same period of last year. This higher earning is contributed by sound improvement on the coal business resulted from rising average selling price following the regional coal market.

Ms. Somruedee Chaimongkol, Chief Financial Officer of Banpu Public Company Limited, said the Company's average selling price in the first quarter this year rose to USD 49.39 per tonne, a 37 percent increase from the same period last year and 12 percent higher than the fourth quarter 2007. The higher average selling price reflects higher contracted prices according to the regional market prices and higher portion of good quality coal sales from Indominco and Trubaindo mines in Indonesia which account for 78 percent of total coal sales volume of this quarter. Coal sales volume in the first quarter totaled 4.54 million tonnes, 5 percent higher compared to the same period last year, but 10 percent lower than the fourth quarter of 2007 since the first quarter marks the rainy season for Indonesia.

The Company's coal sales revenue in the first quarter 2008 was THB 7,536 million, an increase of THB 1,786 million or 31 percent compared with the same quarter last year. Coal sales revenue accounted for 87 percent of THB 8,637 million total sales revenue, which increased THB 1,937 million or 29 percent from the same period last year. Coal sales revenue from Indonesian coal mines was THB 7,393 million while sales of domestically produced coal was THB 143 million. Additionally, sales of power and steam from three combined heat and power plants in China was THB 1,076 million, accounted for 12 percent of total sales revenue.



“In the power business, BLCP reported smooth operation with strong electricity dispatch due to seasonally high demand during the period. BLCP contributed THB 1, 425 million of equity income in the first quarter 2008 which included gain from FX of THB 504 million, while the three combined heat and power plants of Banpu Power (China) Investment Ltd. or BPIC, subsidiary of Banpu, had a weakened performance resulted from the capped tariffs on the back of rising coal prices. BPIC’s net profit contribution for the first quarter 2008 remained modest at THB 85 million,” Ms. Somruedee said.

Ms. Somruedee added that the Company’s cost of sales in the first quarter this year was up 37 percent compared to the same period of the previous year due to the higher stripping ratio, the edging diesel price and the higher unit cost associated with higher portion of good quality coal sales. Moreover, the cost of sales for power and steam was significantly increased following an increase of coal price in China. The Company, however, is still targeting the 2008 coal production of 20 million tonnes, most of which will come from its mines in Indonesia while coal production from the mines in Thailand will be declining to 500,000 tonnes as they approach the end of mine life. In addition, Banpu expects to see its total sales revenue growing, driven by the rise of an average selling price to around USD 60 per tonne this year.

Banpu Public Company Limited is one of the leading energy companies in Asia, which manages two core businesses, coal and power, and has its operation bases in three countries namely Thailand, Indonesia and China. As of 31 March 2008, Banpu’s assets totaled THB 62,704 million, a decrease of 2,347 million or 4 percent compared to those of 31 December 2007. The Company recorded total liabilities of THB 22,393 million, a 16 percent decrease of THB 4,161 million. Its Debt to Equity ratio as of 31 March 2008 was 0.13 compared to 0.14 as of 31 December 2007. Its EPS was THB 7.63 a share as compared to THB 4.39 a share of the same quarter last year.

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