



PRESS RELEASE

11 August 2010

BANPU reports THB 3.8 billion net profit for 2Q/2010

Banpu Public Company Limited (BANPU) reported its financial performance for the second quarter 2010, with a net profit of THB 3,795 million, an increase of 40 percent from the first quarter this year thanks to higher average selling price. Target coal sales volume is remained at 23 million tonnes this year.

Mr. Chanin Vongkusolkit, Chief Executive Officer of Banpu Public Company Limited, said the THB 3,795 million net profit in the second quarter increased 40 percent from the previous quarter, but 5 percent lower than the same period last year. The sound net profit was led by income from coal business while contribution from power business remained stable. In the second quarter this year, the Company posted total sales revenue of THB 14,840 million, of which THB 13,655 million, accountable for 92 percent of total sales, was from coal business. The second quarter's coal sales revenue was close to that of the first quarter and 15 percent higher than the same period last year. Sales of power and steam from the three combined heat and power plants in China were THB 1,081 million or 8 percent of the total sales revenue.

“The average coal selling price of USD 77.77 per tonne in the second quarter increased 17 percent from the first quarter this year and helped sustain the coal business' net income though coal sales volume in this quarter dropped 13 percent from the first quarter. The higher selling price also helped the coal operations in withstanding rising diesel cost. The rising selling price was a result of sustained coal prices in the international market and better quality of coal shipped to our customers,” Mr. Chanin said.

Mr. Chanin added that coal sales volume of 5.36 million tonnes in the second quarter, 13 percent lower than the first quarter, was due to the seasonal rainfall in Kalimantan, Indonesia during the period and the lack of output from Jorong mine which had been temporarily suspended its operation since middle January. The Jorong mine, however, recently received the



extension permit from the Forestry Ministry to resume its operation which will be started in middle August. The Company's target coal sales volume of this year is still remained at 23 million tonnes as earlier set.

For the Chinese coal operations in which Banpu realizes the net income based on equity basis, also reported a strong performance due to high domestic demand and de-stocking of coal inventory at Daning mine. China coal contributed an equity income of THB 1,491 million, or 28 percent higher than the first quarter this year, but 15 percent lower than the same period last year. The Daning mine, however, has recently revised down 10 percent of its production plan from 4 million tonnes to 3.6 million tonnes for the year 2010 after some derailment in the process related to renewal of operating license. The further delay in obtaining the license would result in Daning's lower net profit of about USD 10 million per month.

In power business, BLCP reported smooth operation and provided equity income of THB 807 million (including an FX loss of THB 4 million). The Chinese subsidiary, BPIC which operates three combined heat and power plants, recorded a slightly lower net profit of THB 45 million due to pressure from higher coal cost.

Banpu Public Company Limited is an energetic Asian energy company managing two core businesses – coal mining and power generation – in three countries namely Thailand, Indonesia and China. As of June 30, 2010, Banpu's assets totaled THB 108,794 million, an increase of THB 7,377 million when compared to those of December 31, 2009. Total liabilities were at THB 50,136 million, an increase of THB 4,671 million or 10 percent from December 31, 2009. The Net Debt to Equity ratio as of June 30, 2010 was 0.37 times compared to 0.16 times as of December 31, 2009. Its EPS was THB 13.96 a share, a decrease of 5 percent compared to THB 14.65 a share of the same quarter last year.