

Banpu Releases First-Half 2016 Results

Highlights Balanced Growth and Sustainability

Banpu Public Company Limited (BANPU) today announced its operating results for the first half of 2016. The total revenue from sales is USD 1,022 million (approximately THB 36,253 million), with the overall ongoing business plan to maintain robust cash flows as well as develop and offer the complete energy cycle, from upstream to downstream. Banpu's strategy is to chart a course of sustainable and balanced growth, and escalate the investment and development potential of several renewable energies. Banpu additionally expects to increase its equity-based power generating capacity to 4,300 MWe by the end of 2025, of which renewable energy will account for not less than 20 percent.

"Banpu is maintaining the principles of balanced and sustainable growth, in line with global directions on energy trends and energy policies in each country. We have strengthened the company's core energy business of coal by utilizing cost-reduction programs and continually improving the production and logistics of our Australian and Indonesian coal mines. This is to remain stable during any unpredictable market conditions and to obtain long-term benefits when coal prices increase," **said Ms. Somruedee Chaimongkol, Chief Executive Officer of Banpu.** "Moreover, our power businesses have continually grown in accordance with the company's plan to increase its equity-based power generating capacity. Currently, Banpu has a total power generating capacity of 1.86 GWe, which will increase to 2.4 GWe based on committed project by 2018. By the end of 2025, we aim to achieve 4.3 GWe, whereby a minimum of 20 percent will be renewables based."

During the first two quarters of 2016, the third unit project of *Hongsa Power Plant* in Laos was completed and began supplying electricity to Thailand, according to the Power Purchase Agreement of which its equity income increased to USD 12.87 million in the second quarter of this year. The *Shanxi Lu Guang Power Project* in China, with an installed-capacity of 1,320 MW is currently in the construction phase and targeted to start commercial operations by the end of 2017.

Banpu is actively moving toward the renewable power business, to continue asset growth. Banpu's four solar projects in China's Shandong province have an aggregate capacity of 90 MW. Three of the projects, the *Jinshan* project, *Huineng* project and *Huoyuan* project, have started commercial operations with a total power generating capacity of 70 MW. The *Hui'en* project, with a total power generating capacity of 20 MW, will have a commercial operation date (COD) in the third quarter of this year. The company has completed the acquisition of the Huineng project through its subsidiary. The remaining acquisitions are expected to complete by the end of 2016, subject to the satisfaction of certain conditions precedent. In addition, another eight solar projects in Japan, with the total power generating capacity of 74.4 MWe (AC) will gradually start operating commercially between 2017 and 2018. At present, the two projects operating in the market are the *Olympia* project and *Hino* project, with an equity power generation capacity of 6.6 MW (AC).



By 2025, Banpu plans to increase investment in the solar, hydro, wind and biomass sectors in the countries where it has already established presence, as well as other countries to be selected according to their demand for renewable energy capacity, including China, Japan, Indonesia, the Philippines and the Greater Mekong Subregion. Geographical diversification is part of the company's renewable energy investment strategy to create balanced opportunities and business advantages, while lowering risks. In addition, an initial public offering (IPO) of Banpu's power and renewable energy subsidiary, Banpu Power Public Company Limited or 'BPP', has been approved by the Office of Securities and Exchange Commission and is expected to be listed on the Stock Exchange of Thailand in the last quarter of 2016.

"Banpu is strategically moving towards our five-year plan of sustainable growth, with focus on our philosophy of flexibility and resilience which enables us to overcome business challenges. Our proactive financial strategy of maintaining strong cash flow and balance-sheet equity combined with our ongoing growth plan that incorporates upstream and downstream, and investment in the renewable energy business in the region, will fortify our position as a strong leader in the energy sector," **Ms. Chaimongkol concluded.**

Summary of Banpu Public Company Limited First Half of 2016 Performance

Banpu reports that the company coal sales in the first half of this year was 19.57 million tonnes, decreasing six percent YoY. Total sales were driven by Banpu's Australian mines at 6.45 million tonnes and Indonesian mines at 13.12 million tonnes. Coal sales accounted for USD 926 million, 91 percent of total sales revenue. Banpu's power business EBITDA accounted for USD 83 million in which the EBITDA in Q2/2016 increased 57% YoY to USD 40 million. This quarter also marks the first accounting consolidation of the unconventional gas business in the US with EBITDA of USD 2 million.

The exercise of rights to purchase the newly issued ordinary shares of Banpu under BANPU W-3 is taking place on 5th September. All shareholders can visit www.banpu.co.th/investor_news/ or contact Investor Relations Department at 02.694.6600 for more details of the conversion guideline.

** calculated with foreign exchange rate of USD 1: THB 35.4745

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About BANPU

BANPU is a pioneering Asian energy company, with power, coal and renewable energy businesses in nine countries; Thailand, Indonesia, China, Australia, Lao PDR, Mongolia, Singapore, Japan and the United States of America. As of 30 June 2016, Banpu's assets totaled USD 6,870 million (approximately THB 241,717 million) while total liabilities were USD 4,642 million (approximately THB 163,316 million).

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