



Press Release

27 February 2017

Banpu Releases 2016 Targeted Results Moving Business Forwards from Upstream to Downstream

Banpu Public Company Limited (BANPU), a pioneering Asian energy company, recently announced its 2016 operating result with a net profit of USD 47 million (approximately THB 1,677 million), a considerable improvement from the USD 43 million net loss in the previous year, largely due to a more balance of coal demand and supply, affecting a higher average selling price, especially when the average selling price in Indonesia hiked from USD 51.4 per tonne in third quarter to USD 62.9 per tonne during the fourth quarter last year. Banpu is currently moving towards the company's strategic plan in developing from upstream business of coal and - gas businesses to downstream business of power plants, including both conventional power generation and renewable power generation. This strategic approach is to chart a course of sustainable and balanced growth.

“Banpu continues to maintain the company's cash flow from the success of Banpu Warrant (Banpu-W3) and Banpu Power IPO, which will extend the group business growth from upstream to downstream. In addition, Banpu's net profit in the fourth quarter is prominent, due to the coal price adjustment from a more proportional balance demand and supply of coal in the market,” **said Ms. Somruedee Chaimongkol, Chief Executive Officer of Banpu Public Company Limited**

In 2016, Banpu's total sales revenue is USD 2,259 million (approximately THB 79,737 million), decreasing 9 percent compared to 2015. The revenue consists of total coal sales at USD 2,063 million (approximately THB 72,804 million), which contributed to 91 percent of the total sales revenue. While the company's sales of power, steam and others generated USD 181 million (approximately THB 6,418 million). In addition, Marcellus Shale Gas business in Pennsylvania, U.S. has begun to generate revenue since the first quarter at USD 15 million (approximately THB 515 million).

Banpu's total coal sales in 2016 is 40.0 million tonnes, a 3 percent decrease comparing to 2015. The average selling price in Indonesia is USD 52.4 per tonne, a 10 percent drop when comparing with 2015, while the average selling price in Australia is USD 67.3 per tonne, a 2 percent increase comparing to 2015. However, the Company's efficient cost-saving program resulted positively in an increase in gross profit when compared with the year before. In addition, our power business has recognized its revenue after all 3 units of Hongsa Power Plant are fully commercial operated. In 2016, Banpu's EBITDA is USD 540 million (approximately THB 19,059 million), representing 15 percent increase from the year before.

Banpu business strategy in 2017 will focus strongly on business development for stable growth, and an escalated business management efficiency and potential investments from upstream to downstream business. Banpu has invested in the second Shale gas resource in Northeast

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Pennsylvania or NEPA, which is located close to our first shale gas resource. We expect this new investment will generate revenue in the first quarter this year. Banpu continues to explore any potential added-value investment, from upstream business, and to balance company's future growth of integrated energy. For power business, Banpu believes that Banpu Power, its subsidiary, has strong potential to grow and expand its power generating capacity, to 4,300 MWe by the end of 2025, of which, no less than 20 percent will be renewable energy sources. In addition, with long experience and capability, Banpu is ready to provide supply chain management service and energy solutions management to contribute long term benefit to all stakeholders.

On 23 February 2017, the Company's Board of Directors recently agreed to propose to the Annual General Meeting of Shareholders for the year 2017 to approve the annual dividend payment at THB 0.50 per share for the period during 1 January - 31 December 2016, of which THB 0.25 per share was paid as interim dividend. Thus, the remaining THB 0.25 dividend would be further paid out of the retained earnings and profits from the operation during the period of 1 July – 31 December 2016. The Ex-dividend date is scheduled on 10 April 2017, which warrant holders submitting the notification to convert the existing BANPU-W3 warrants into Banpu shares by 3 March 2017 will also be eligible for this dividend payment. However, the existing holders of BANPU-W3 who intend not to exercise their rights to purchase the shares this time will be accommodated with the adjustment of the exercise ratio of the warrants representing the right to purchase new ordinary shares of BANPU-W3 as a compensation for this dividend payment.

“Banpu will integrate new technology to manage all coal mines for the highest production efficiency and to meet the different demand of coals in the markets. We continue to focus on cost saving and cost efficiency to create added value from the high quality coal, expansion of customer base for high-quality coal as well as logistics management service providing. Banpu will also continue to explore new business opportunities of renewable energy in the countries where we operate and in the CLMV countries. This will lead Banpu to become a leading energy provider in Asia-Pacific,” **Ms. Somruedee** concluded.

Banpu remains adhering with its philosophy in creating sustainable value to all stakeholders. Recently in January, Banpu was awarded “2017 Sustainability Award” from RobecoSAM, an assessor on Corporate Sustainability Assessment, in “Gold Class” and “Industry Mover” category in the Coal and Consumable Fuels sector for the third and second consecutive year respectively.

Remark: Calculation based on exchange rate USD 1: THB 35.296

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About BANPU

Banpu Public Company Limited 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 31st December 2016, Banpu's assets totaled USD 6,973 million, an increase of USD 420 million comparing to last year as of 31 December 2015.

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