

Banpu Reveals First Half 2017 with Strong Results from Higher Coal Prices Gearing Up to the Era of New Energy with Banpu Greener & Smarter Strategy

- **First half of 2017 net profit reported at USD 107 million (approximately THB 3.670 billion), a significant improvement over previous year's net profit of USD 2.8 million (approximately THB 96 million)**
- **Average Selling Price of Coal increases by 44 percent in 2Q compared to same period last year**
- **Power business gains equity income at a good level especially from Hongsa Power plant in 2Q**
- **Looking for investment in new business in line with future energy trends**

Banpu Public Company Limited (BANPU), a pioneering Asian energy company, has announced its first half 2017 operating results with total sales revenue of USD 1.266 billion (approximately THB 43.425 billion), an increase of 24 percent or equivalent to USD 244 million (approximately THB 8.369 billion) compared to the same period last year. The net profit is reported at USD 107 million (approximately THB 3.670 billion), showing a significant increase over the same period last year of USD 2.8 million (approximately THB 96 million). This is due to the average selling price of coal which has increased by 44 percent in 2Q. Banpu is now gearing up to capture the new era in the energy industry by focusing on the Banpu Greener & Smarter strategy.

Ms. Somruedee Chaimongkol, Chief Executive Officer of Banpu Public Company Limited, said: "Banpu has managed to achieve the company's growth target thanks to continuously higher coal prices in the world market, resulting in a higher average selling price of coal. The Shale Gas business generated a profit increase following an additional investment made in the first quarter of 2017 while the Power Business has operated continuously throughout the quarter.

For the second quarter of 2017, Banpu reported a total sales revenue of USD 633 million (approximately THB 21.713 billion), a 35-percent increase or equivalent to USD 163 million (approximately THB 5.591 billion) compared to the same period last year. EBITDA (earnings before interest, tax, depreciation and amortization) is similar to the previous quarter at USD 215 million (approximately THB 7.375 billion) with a significant increase when compared with the same period last year. Net profit is reported at USD 66 million (approximately THB 2.264 billion), a 61-percent increase over the previous quarter and a 725-percent increase compared to the same period last year.

With the performance in the second quarter of 2017, the company achieved a total sales revenue for the first half of 2017 at USD 1.266 billion (approximately THB 43.425 billion), a USD 244 million (approximately THB 8.369 billion) or 24 percent increase over the same period last year. EBITDA for the first half of 2017 was USD 431 million (approximately THB 14.784 billion) and a net profit of USD 107 million (approximately THB 3.670 billion), reflecting the company's strong performance with a significant improvement over the last year.

Q2/2017 Business Performance can be categorized as follows:

For the **Coal Business**, Banpu reports sales revenue of USD 582 million (approximately THB 19.963 billion), a 3-percent increase over the previous quarter and a 36-percent increase over the same period last year. The increased revenue came from a significant rise in the average selling price of coal at USD 66.66 per tonne, a 44-percent increase from USD 46.23 per tonne last year. The increase has continued on from the last quarter at USD 65.86, with a total sales volume of 8.71 million tonnes, equivalent to 0.13 million tonnes over the previous quarter, with 5.56 million tonnes from Indonesia and 3.15 million tonnes from Australia.

The average selling price of coal from Indonesia, Australia and the China Republic has increased in line with the world market's average selling price, giving a 2-percent increase over the previous quarter and 52 percent over the previous year to USD 70.43 per tonne.

Banpu's Power Business reported total sale revenues from power, steam and other business at USD 43 million (approximately THB 1.475 billion) with strong equity income from BLCP and Hongsa Power Plant, both of which are operating smoothly. This quarter shows the highest contribution from Hongsa Power Plant since its COD in the last two years. As a result, EBITDA from Power Business is USD 59 million (approximately THB 2.024 billion) in this quarter.

Banpu's Gas Business in the U.S. reported revenue of USD 8 million (approximately THB 274 million), a 14-percent increase or equivalent to a USD 1 million (approximately THB 34 million) increase over the previous quarter due to the higher production from the additional two sources in which Banpu invested in the last quarter.

“Banpu Greener & Smarter business strategy is about operating a business that is environmentally friendly and smartly uses all energy resources. We are exploring and looking for possibilities for further investment in renewable energy and energy technology solutions in addition to our strong performance in the coal

business. We are moving towards to becoming a leading energy provider that is aligned with fast-changing global energy trends,” Ms Somruedee added.

“World energy consumption is increasing continuously. Fossil fuel from coal and oil is projected to retain its growth as it is the most reliable source of energy. The COP21 agreement in Paris, which underlined concerns about climate change and aims to control rises in temperature to not exceeding 2 degree Celsius between 2050 and 2100, plays an important role in setting the world’s energy policy for the future. This is reflected in the fast growth of renewable energy to replace conventional energy resources. The ever-growing technology has also changed people’s behavior and this will lead to more opportunities for Banpu, as an energy company, to explore new business opportunities that are environmentally friendly. We are analyzing how we can best utilize technology with better energy management and efficient consumption for the current digital lifestyle and this should be more concrete in the near future,” Ms. Somruedee concluded.

*Remark: Calculation based on exchange rate USD 1: THB 34.30

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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 30 June 2017, Banpu’s assets totaled USD 7.497 billion, an increase of USD 524 million compared that of 31 December 2016.

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