



PRESS RELEASE

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Banpu Announces Its Q1/2015 Results

- *Power business growing as planned*
- *Coal business long-term view: Reengineering for better margins & competitive advantage throughout coal supply chain*

Banpu Public Company Limited (BANPU) announces its Q1/2015 results, and reveals the company's strategic approach to investment for long-term, sustainable profit. The energy titan showcases Centennial Coal Co., Ltd., and its journey towards operational excellence, leading the way to improved margins especially as coal prices recover.

"We at Banpu have always taken a long-term view of our investment horizon. We have sought synergies in all new portfolio acquisitions. When we acquired Centennial Coal in Australia, we were determined to improve its productivity, optimize the operation, and synergize for flexibility. Many of the initiatives taken since those days have led to key achievements today. We have improved the Average Selling Price, and achieved record annual productivity while the costs of production, sales, and distribution have reduced remarkably," said Ms. Somruedee Chaimongkol, BANPU Chief Executive Officer.

Measures to continuously improve productivity and control costs contributed largely to the Q1/2015 performance of Banpu's coal businesses in Australia and Indonesia. In Australia, the average cost per tonne was reduced by AUD 6.73 (THB 172.83; AUD 1 = THB 25.68), compared to that of Q1/2014, thanks to a higher than planned production output. At the same time, the Indonesian mines' average cost per tonne was reduced by USD 6.38 (THB 208.31; USD 1 = THB 32.65) year-on-year. This was due to the lower stripping ratio, from 10.2 times in Q1/2014, to 8.8 times in Q1/2015, and the lower price of diesel, which is a key factor in mining and logistic costs. Additionally, Banpu's Q1/2015 Cost of Sales of USD 445 million (THB 14,517.07 million) reflected a reduction of 18 percent year-on-year.

“Today, our coal sector portfolio is unique in geographic and supply-chain diversity, especially with synergies that can be made in the marketing and blending of Indonesian and Australian coals for premium export markets. We are always ready to adapt our plans to create value in the face of new challenges or to take advantage of any opportunities which arise. Our aim is to optimize assets during coal price volatility, and reengineer key operational factors to improve margins and capture maximum value from price recovery,” **said Ms. Chaimongkol.**

During the first three months of 2015, Banpu’s revenue from coal sales was at USD 631 million (THB 20,602.15 million), representing 92 percent of total sales revenue. The additional eight percent of sales revenue, amounting to USD58 million (THB 1,893.70 million), was generated from sales of power, steam, and others.

The Gross Profit was reported at USD245 million (THB 7,991.50 million), 15 percent lower than the same period last year. Banpu’s Gross Profit Margin was at 36 percent in Q1/2015, derived from 36 percent coal business and 42 percent power business. The Gross Profit Margin of power business improved from 33 percent in Q1/2014 as the lower coal price was favorable for coal-fired power plants.

“Banpu’s power business is growing as planned with all projects progressing according to schedule. The Hongsa Power Plant will commence its commercial operation in June. Over the past quarter, our high-performance power plants in China brought in a profit of USD14 million (THB 457 million). We also expect that, in another two years, or from 2017 onwards, our power business in Thailand, China, and Lao PDR should have a combined electricity generating capacity of 2,750 equity-megawatts, which will bring in a consistent stream of income,” **concluded Ms. Chaimongkol.**

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About Banpu

Banpu is a coal-mining and power generation group with a presence in eight countries across the Asia-Pacific region: Thailand, Lao PDR, Indonesia, Singapore, Australia, China, Mongolia and Japan. As at 31 March 2015, Banpu’s assets totaled USD 6,731 million (approximately THB 219,142.65 million) while total liabilities were USD 4,435 million (approximately THB 144,369.87 million). The Net Debt to Equity ratio as at 31 March 2015 was 1.19 times. Earnings per Share (EPS) was reported at USD 0.001 per share (equivalent to THB 0.027 per share).

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