



Press Release

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## Banpu Strengthens Growth Plan & Reports First-half 2015 Results

*Power Business: Robust Growth with Solar Power in Japan*

*Coal Business: Asia-Pacific Synergies Increase Competitiveness for Premium Export Market*

Banpu Public Company Limited (BANPU) strengthens its growth towards sustainability, and creates added value for all stakeholders with business expansions covering a range of conventional and renewable energies across the Asia-Pacific. In the first half of 2015, the company's sales revenues totaled USD 1,291 million (approximately THB 42,534 million\*).

Leveraging on its regional presence, the company fills the demand gap of high-quality coal with premium-grade blends based on its Indonesian and Australian reserves. In a broader perspective, Banpu has recently invested in multiple Japanese solar power projects, along with increasing the generating capacity of its power plants in China. As the Hongsa Power Project (HPC) begins to turn profits and will be at full capacity from Q2/2016 onwards, Banpu will also look for opportunities to invest in diverse power projects in the region.

"Thanks to our company-wide cost control effort and efficient cash flow management, the total cost of sales in the first half of 2015 reduced by 17 percent year on year, a saving of USD 171 million (approx. THB 5,233 million), to USD 865 million (approx. THB 28,494 million). So we are progressing into the second half with reliable growth. All projects are developing as planned," said Ms. Somruedee Chaimongkol, Chief Executive Officer, Banpu Public Company Limited.

Banpu continues growing its power assets portfolio to cover a wider range of advanced conventional and renewable energies. The focus is on striking a balance considering economics, reliability, and environmental concerns. Banpu has invested in Japanese solar farms spread across the northern and central parts of the country with a total power generating capacity of 37 megawatts, equity-based.

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“We are evaluating investment and acquisition opportunities in renewables throughout the Asia-Pacific, including China, India, and other ASEAN countries. These types of projects offer the advantage of a short lead time, plus short payback period. Banpu expects to scale up renewable power generation to 200 megawatts within a 3-year timeframe,” **added Ms. Somruedee.**

Banpu’s power stations in China: Zouping, Luannan, and Zhengding, all operated smoothly in the first half of 2015, returning a consistent revenue stream. The capacity of Zhengding Power Plant has been expanded with the new cooling tower being completed. It now offers 73 installed-megawatts, along with 370 tph of steam, and chilled water which can be sold during summertime. During the first six months of 2015, by selling electricity, steam, and others, the three power assets generated a total revenue of USD 99 million (approx. THB 3,268 million), equivalent to 7 percent of Banpu’s total revenue.

Additionally in China, Banpu is developing the new Shanxi Lu Guang Power Project (SLG), holding 30 percent of its total 1,200 installed-megawatts. On track to start its operations in late 2017, SLG will employ the high-efficiency, low-emission “Ultra-Supercritical” technology.

“Banpu’s power assets portfolio is growing, and the growth will be significant in 2018 when we have a total of 2,300 megawatts of equity-based capacity from all committed projects. Currently our equity capacity is around 1,400 megawatts but this will increase by an additional 900 equity-megawatts when the Hongsa, and Shanxi Lu Guang Power Plants reach full commercial operations,” **said Ms. Somruedee.**

Over the course of the year, Banpu will continue its emphasis on improving productivity and reducing operating costs of its coal operations in Indonesia, Australia, and China, at the same time managing for price competitiveness and developing custom-quality blends for premium markets. By year-end 2015, Banpu expects its coal production output from Indonesia, Australia, and China to reach 48.5 million tonnes.

In the first half of 2015, Banpu's coal production output from Indonesia reached 13.7 million tonnes. Australia's Centennial Coal Co., Ltd., in which Banpu holds 100 percent equity, produced 7.4 million tonnes despite some mines undergoing care & maintenance schedules. Gaohe mine and Hebi mine in China, together produced 2.3 million tonnes, equity basis.

In China, Banpu's coal operation productivity has been transformed over the past few years by leveraging the expertise of Centennial Coal's knowledge and advance technology, resulting in a continuously improved annual production rate. Gaohe mine, for example, now produces as much as 10 million tonnes of coal a year, compared to six million tonnes in years earlier.

During the first half of 2015, coal business has generated gross revenue of USD 1,192 million (approx. THB 39,266 million), equivalent to 93 percent of the company's total gross revenue. The company's average selling price (ASP) was at USD 56.41 per tonne (approx. THB 1,851 per tonne).

"Banpu's saleable reserves from all countries amount to approximately 600 million tonnes. We are ready to capture maximum value from price recovery, and continue exploring potential acquisitions in Indonesia and Australia to increase our reserves. A major determining factor is securing resources with the right fit to match our current product and marketing strategy as we aim to export to markets in need of high-quality blends, such as Japan, Korea, and Taiwan," **concluded Ms. Somruedee.**

*\*Exchange Rate of USD 1 = THB 32.95*

#### PHOTOS:

Banpu has recently invested in multiple Japanese solar power projects.



HPC begins to turn profits and will be at full capacity from Q2/2016 onwards.



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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 30 June 2015, Banpu's assets totaled USD 6,657 million (approximately THB 224,863 million) while total liabilities were USD 4,329 million (approximately THB 148,339 million).

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