



BANPU Reports Higher first half-year Results for 2014
Management Heralded as Major Factor in Achieving Corporate Goal
Hongsa 90% Complete and Ready for Commercial Trial by Mid-Next Year

Banpu Public Company Limited (BANPU) reports higher first half-year financial results for 2014 having its gross profit increasing 3 percent to USD 513 million (THB 16.706 billion) compared to the same period a year ago of USD 500 million (THB 14.920 billion). This is largely due to consistent revenues from its power business, success in cost reduction and profits from coal swaps.

Banpu CEO Mr. Chanin Vongkusolkit said that during the first half-year of 2014 (January 1-June 30), although total sales revenues were down 8 percent to USD 1.549 billion (THB 50.447 billion) from the same period the previous year, thanks to effective Company management, Banpu recorded a better performance. USD 1.442 billion was generated from coal sales which accounted of 93 per cent of the total income. Coal sales from Indonesia amounted to USD 981 million while the remaining USD 461 million were from Australian mines. Meanwhile, Banpu also generated USD 92 million from sales of power and steam, accounting for 6 per cent of its total revenues.

The first half-year financial results were satisfactory as they were largely driven by efficient sales. A total of 22.8 million tons of coal from the three countries of Indonesia, Australia and China had been sold. The majority of coal volume sold came from Banpu's production bases in Indonesia and Australia which represented 13.8 million tons and 7.1 million tons, respectively. When combining with revenue expansion from its power business, Banpu's overall performance was as anticipated. This year, Banpu expects to sell approximately 48 million tons of coal from its mines in the three countries.

CEO Chanin Vongkusolkit added that "production and sales volumes of coal from Banpu's Australian sites during the first half year progressed according to plan as a result of new machine

replacement at Mandalong Mine and resumption of coal production at Airly Mine after a temporary shutdown. Together with measures to improve productivity, our coal business in Australia was able to operate more efficiently which contributed to the growth of our gross profit," he said.

Overall, the average selling price (ASP) of coal during the first half of 2014 fell 9 per cent to USD 68.1 per ton from USD 71.1 per ton a year earlier which corresponded with the downturn of the coal price in the world market where the ASP of Indonesian and Australian coal were USD 69.6 per ton and USD 71.58 per ton, respectively.

Banpu continued as planned to tighten its production costs while enhancing its operation efficacy. This mitigated the effect from falling coal prices. Compared to the first half year of 2013, Indonesian coal mines were able to reduce their production costs by 14.6 percent while Australian mines witnessed their costs trimmed by 3.4 per cent. Similarly, the power business also reported a strong financial result as Thailand's BLCP Power Plant had recognized USD 50.6 million revenue up 12 percent year on year. Meanwhile, construction of the Hongsa Power Plant in Laos PDR is now 90 per cent complete as planned and expects to kick off its commercial operation in mid-2015.

About Banpu

Banpu Public Company Limited is a pan-Asian energy company which manages coal and related businesses clustered in six countries, namely Thailand, Indonesia, China, Australia, Laos PDR and Mongolia. As of June 30, 2014, Banpu's assets totaled USD 7.256 billion (equivalent to THB 235.510 billion) while total liabilities were USD 4.609 billion (equivalent to THB 149.606 billion). The Net Debt to Equity ratio as of June 30, 2014 was 1.09 times as compared to 1.10 times as of December 31, 2013; the Earnings per Share (EPS) was at US\$ 0.008 per share (equivalent to THB 0.2654 per share) as compared to USD 0.005 per share (THB 0.160 per share) a year ago.