



# Investor presentation

March 23, 2005

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## **1. Banpu introduction**

2. Industry overview

3. Strategy overview

4. Operational review

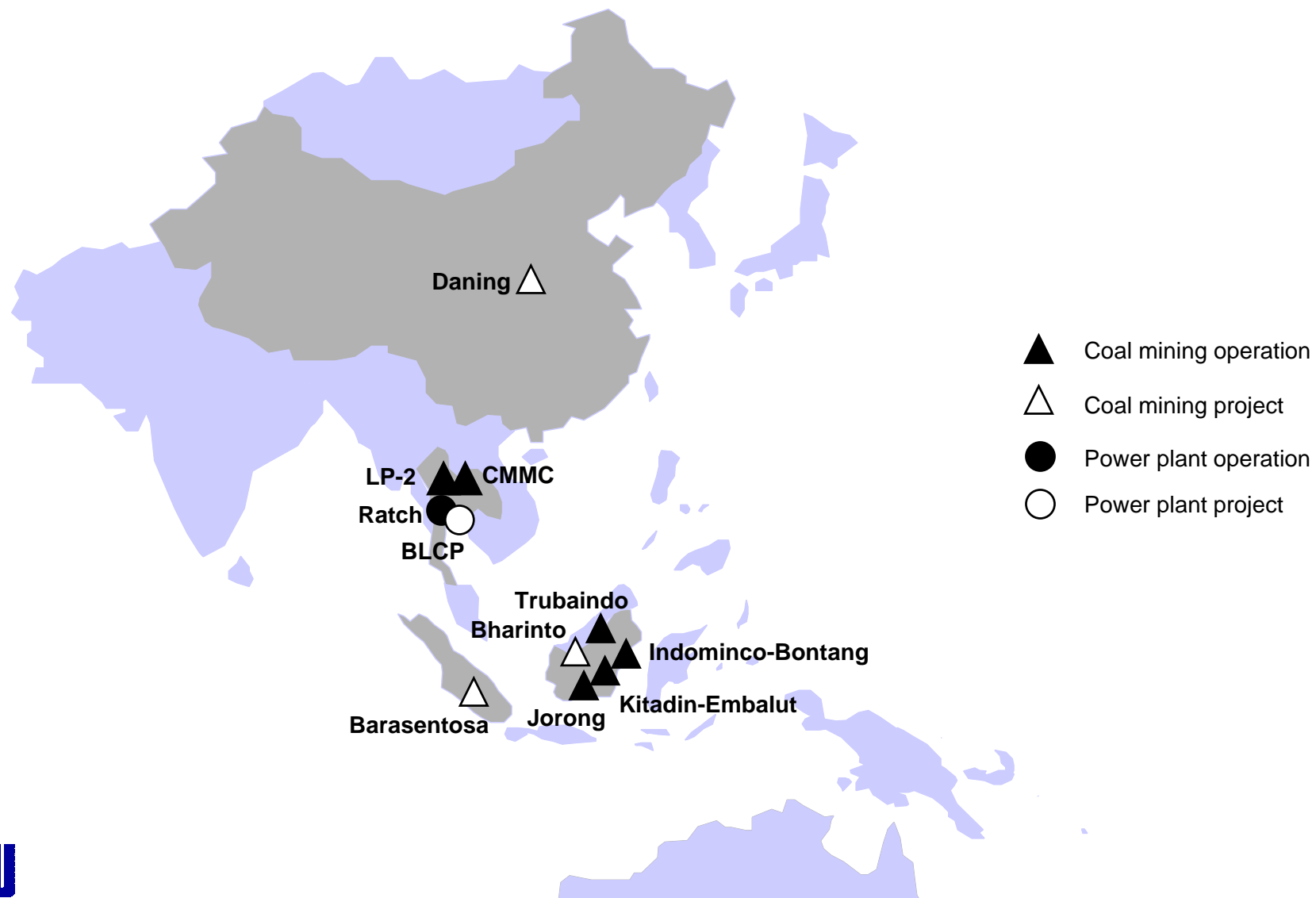
5. Commercial review

6. Financial review

# Summary

- **Banpu is a leading Asian energy player**
- **Banpu coal sales in 2004: 15.6 mt from Indonesia and Thailand**
- **Power investments equivalent to 1.4 GW capacity in Thailand**
- **Looking for expansion opportunities throughout the Asia-Pacific region**

# Banpu regional snapshot





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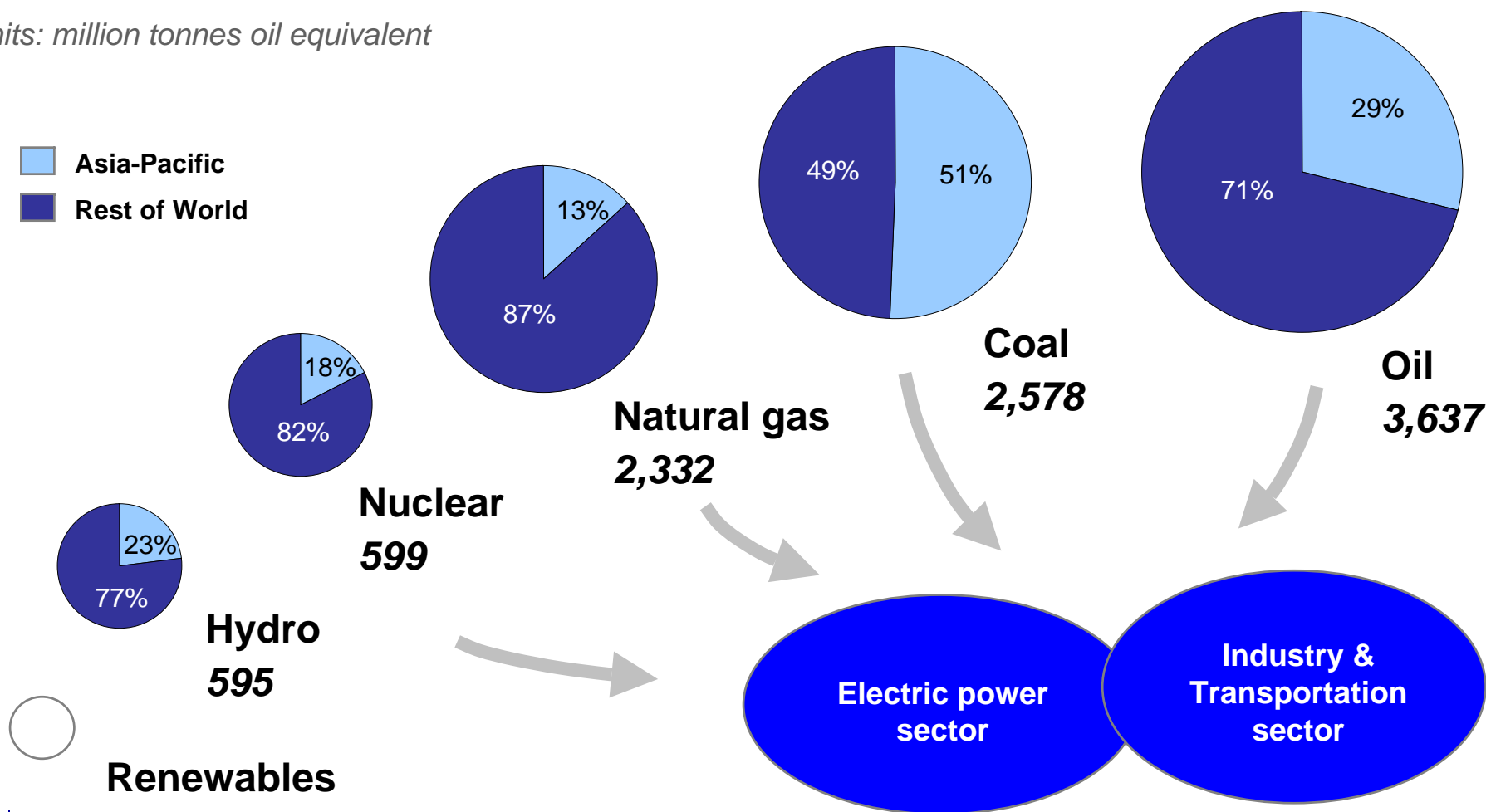
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# World energy consumption

Units: million tonnes oil equivalent

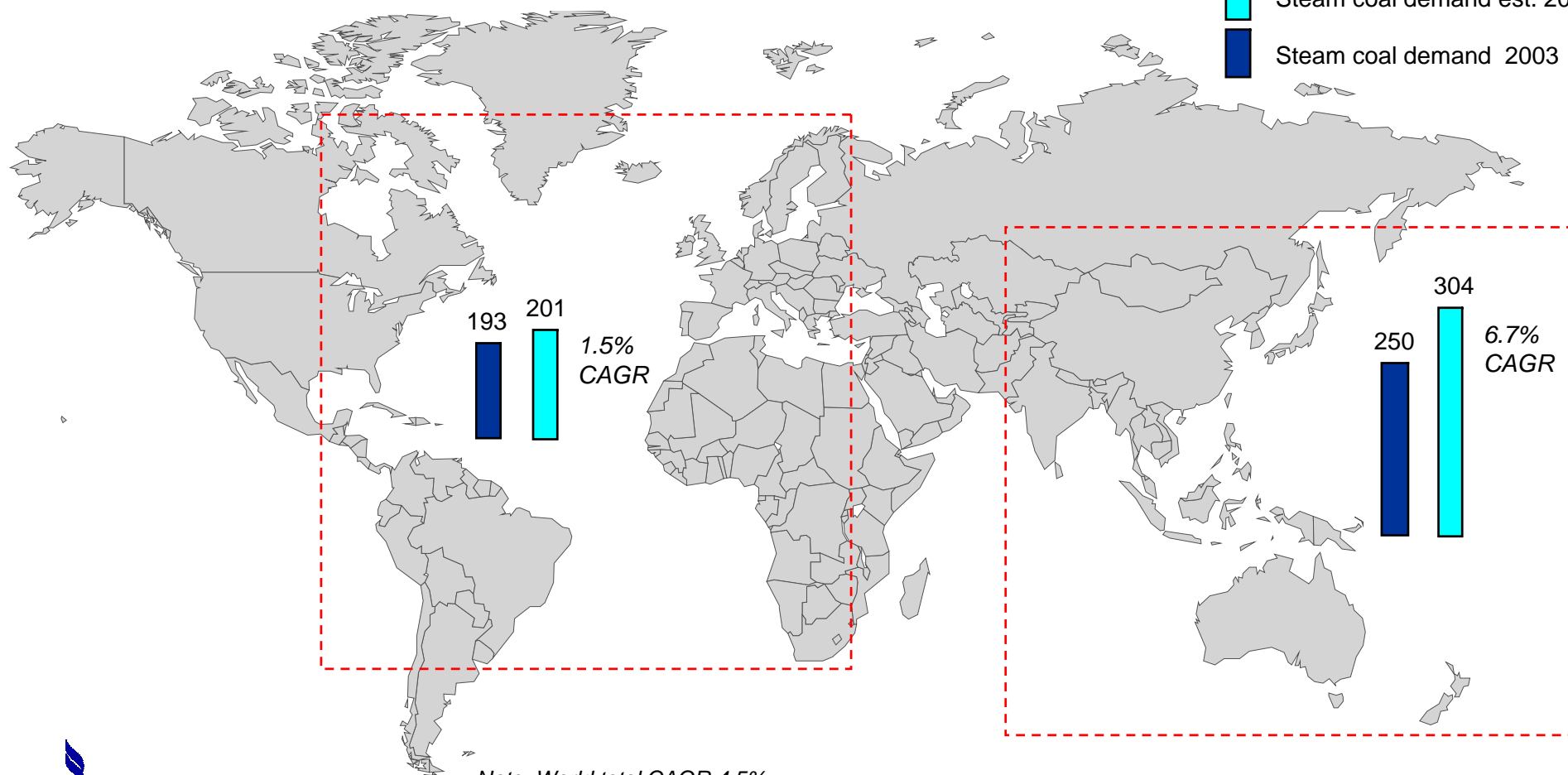
Asia-Pacific  
Rest of World



# Coal demand in Asia-Pacific outgrows other regions

Units: million tonnes

Steam coal demand est. 2006  
Steam coal demand 2003



Note: World total CAGR 4.5%

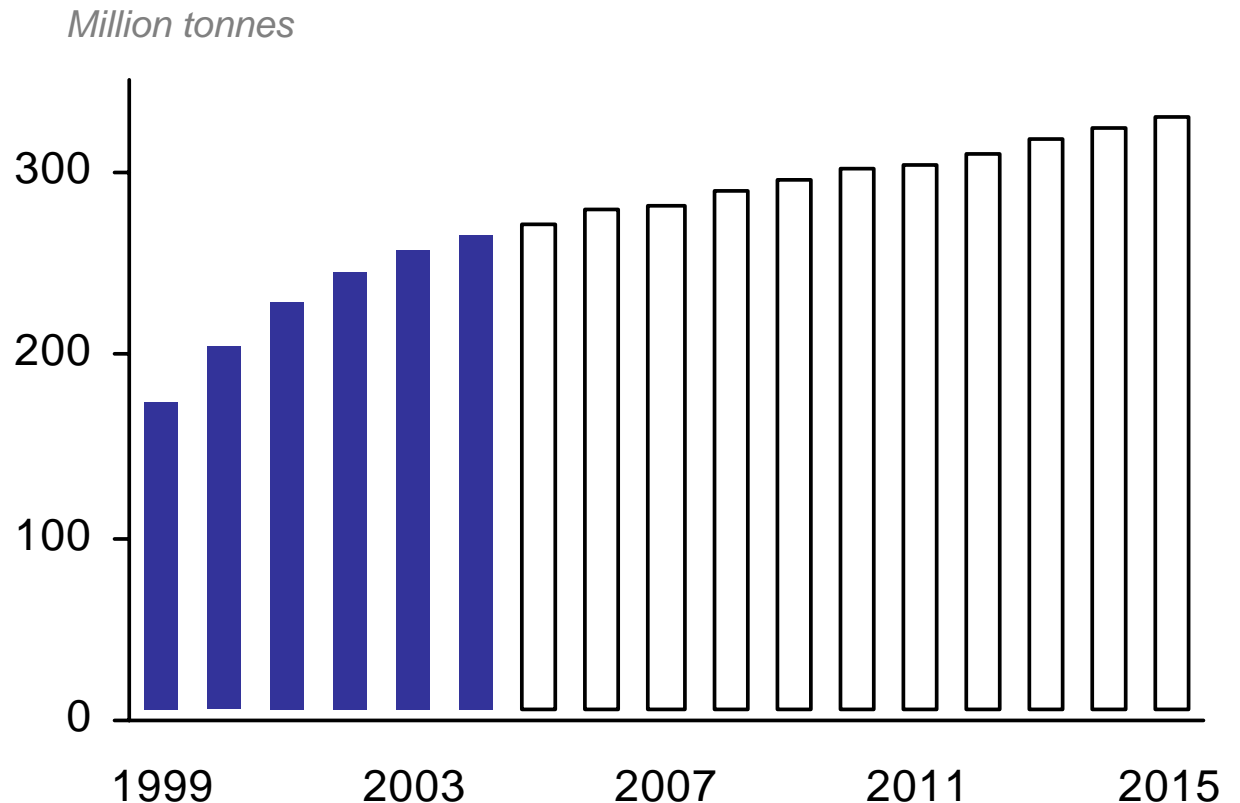
Source: Steam Coal Forecaster



# Main catalysts for regional industry growth

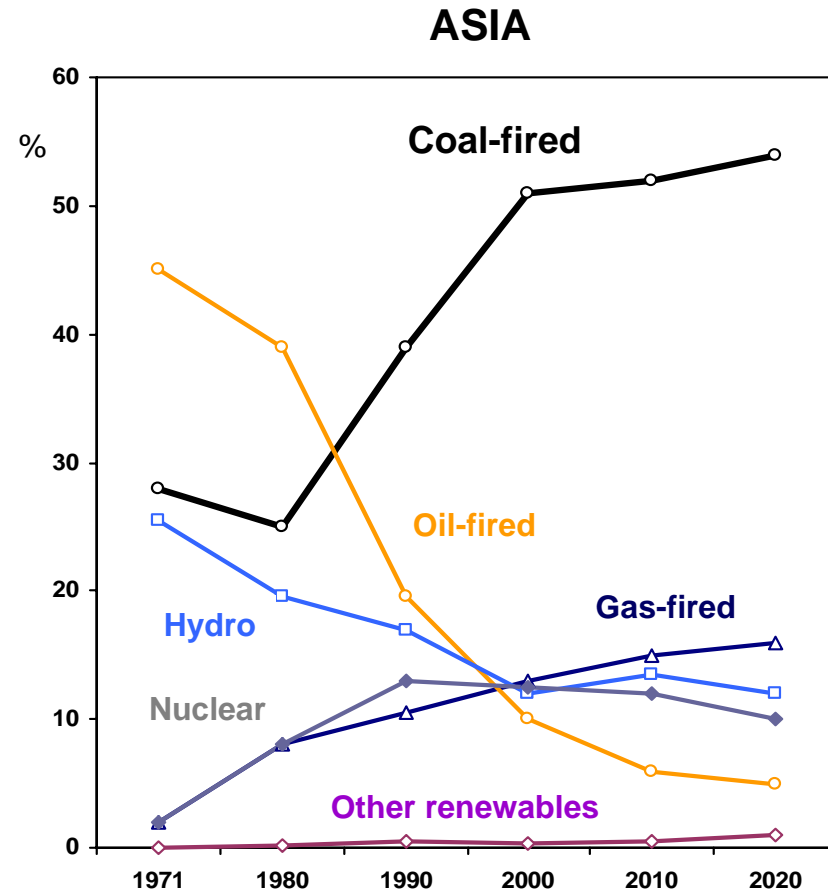
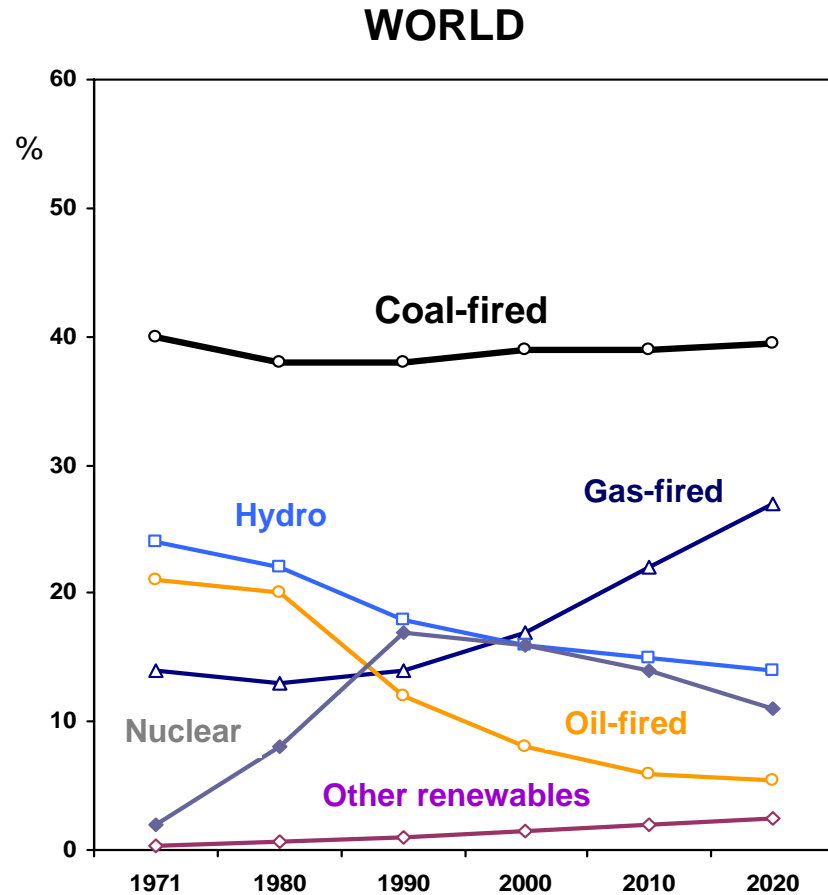
- Sustained high oil price means coal becomes more attractive in long-term (diversification of fuel sources)
- Robust outlook of Chinese economy
- Dynamics of emerging markets such as India
- Optimism on commodities as a hedge against inflation

## Demand for imported coal in Asia



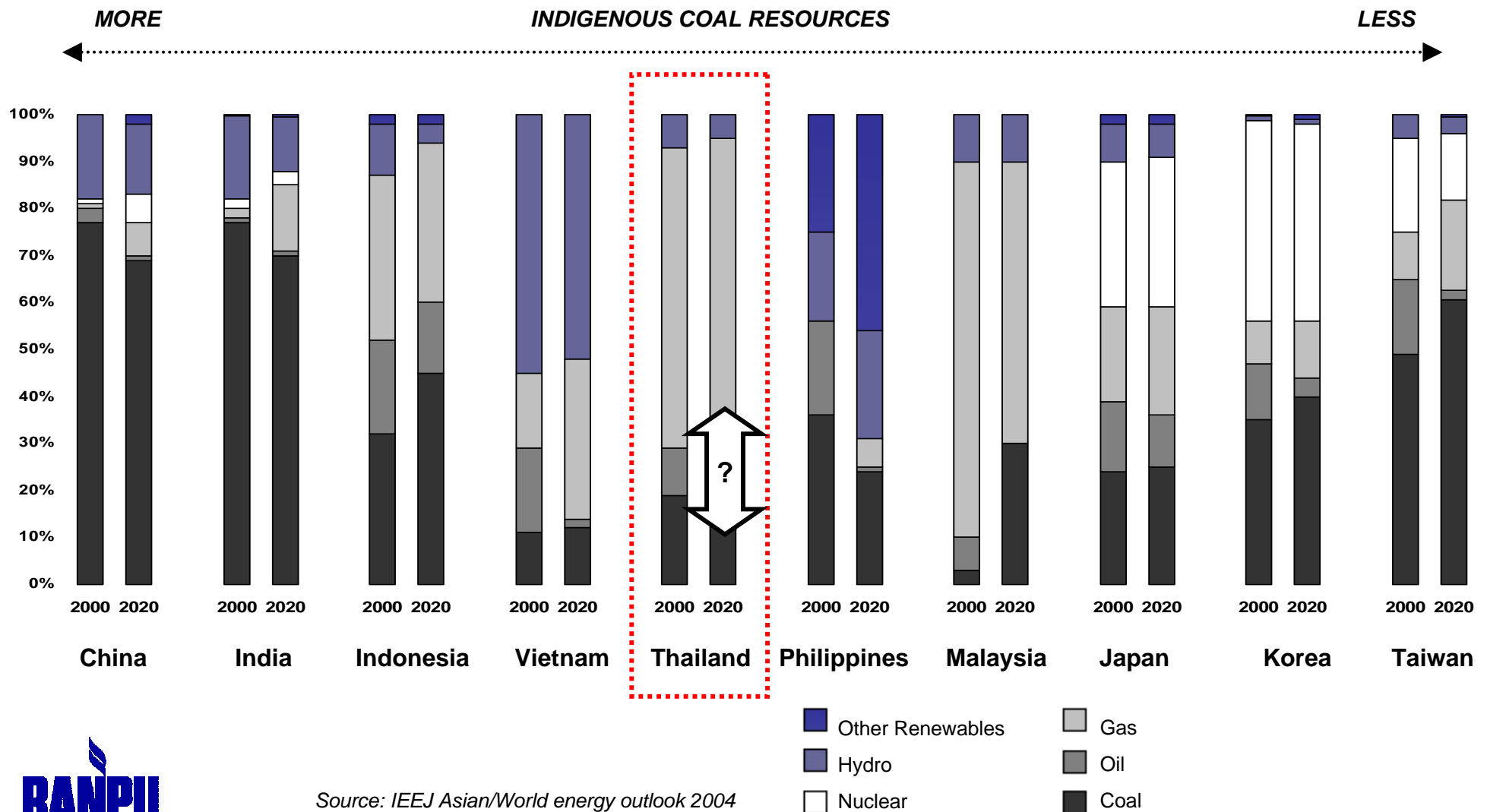
Source: Barlow Jonker Statistic


# More than 50% of power generation in Asia is coal-fired



Source: IEEJ Asia Energy Outlook March 2004

# Thailand's reliance on coal-fired power is low



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# Key events in 2004

## ACTIVITY

## THAILAND

## INDONESIA

## CHINA

### Organic growth projects

✓ **BLCP on track**

✓ **Trubaindo: mining commenced 4Q04**  
 ✓ **Indominco: E Block; UG pre-feasibility**  
 ✓ **Barasentosa: upgraded to reserves**

✓ **AACI on track: review of budget, capacity**

### Acquisitions / New BD

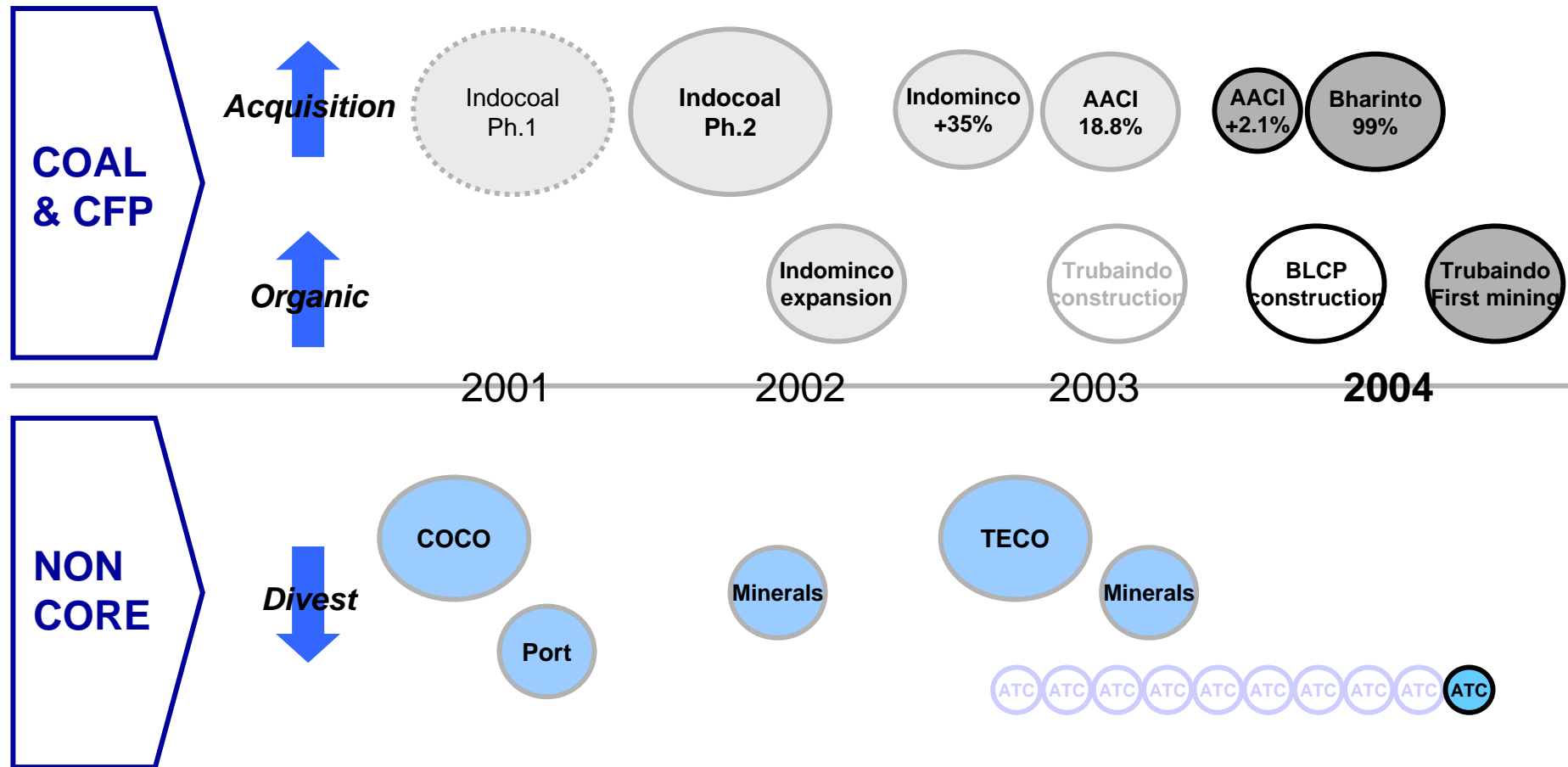
✓ **Bharinto acquisition**  
 • **2 prospects; declined**

• **3 prospects; 1 remaining (coal)**  
 ✓ **2 new prospects (1 power, 1 coal)**

### Other...

✓ **China business unit ready**

# Banpu continues to build on its strategic objectives



# Objectives for the year ahead, 2005

## ACTIVITY

## THAILAND

## INDONESIA

## CHINA

### Organic growth projects

- **BLCP: keep on track**

- **Trubaindo: complete**
- **Indominco: complete E Block + UG studies**
- **Bontang port: upgrade (throughput, blending)**
- **Bharinto: accelerate**

- **AACI: initiate 2<sup>nd</sup> project**

### Acquisitions / New BD

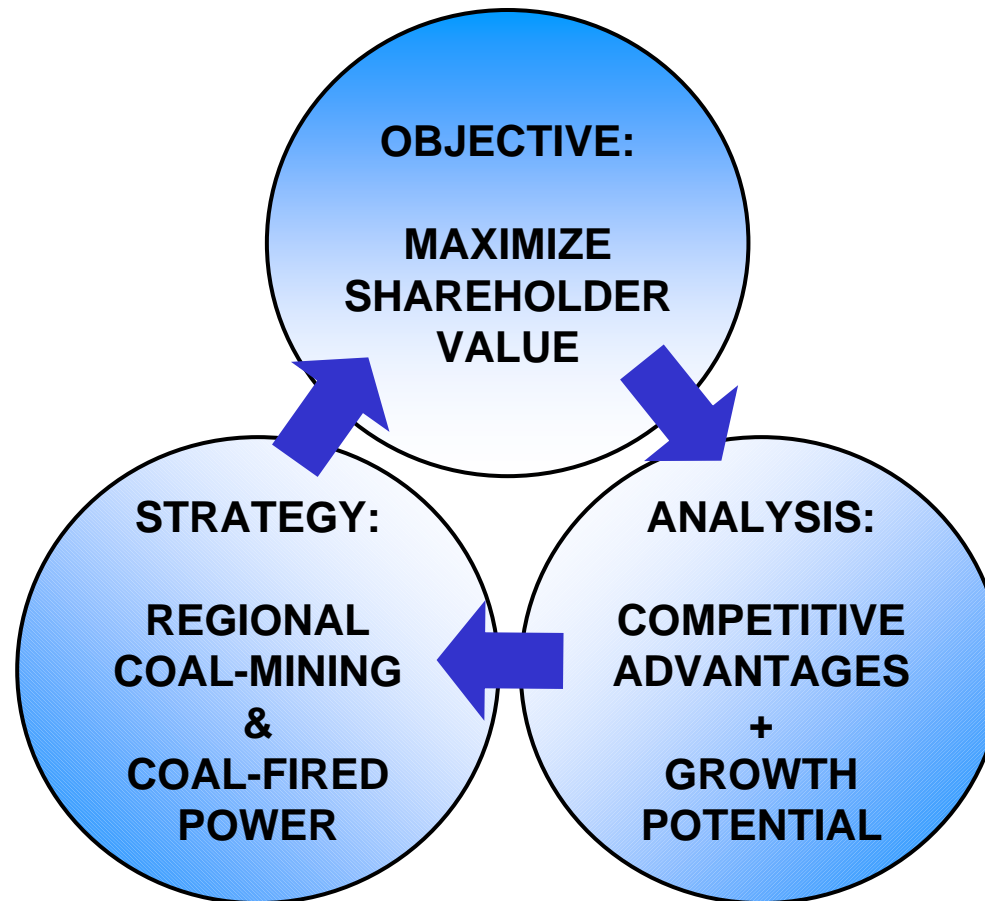
- **Power prospects**

- **Power prospects**

- **Secure at least 1 new asset**
- **2 new prospects (coal, power)**

### Other...

## A word on strategy and growth ...

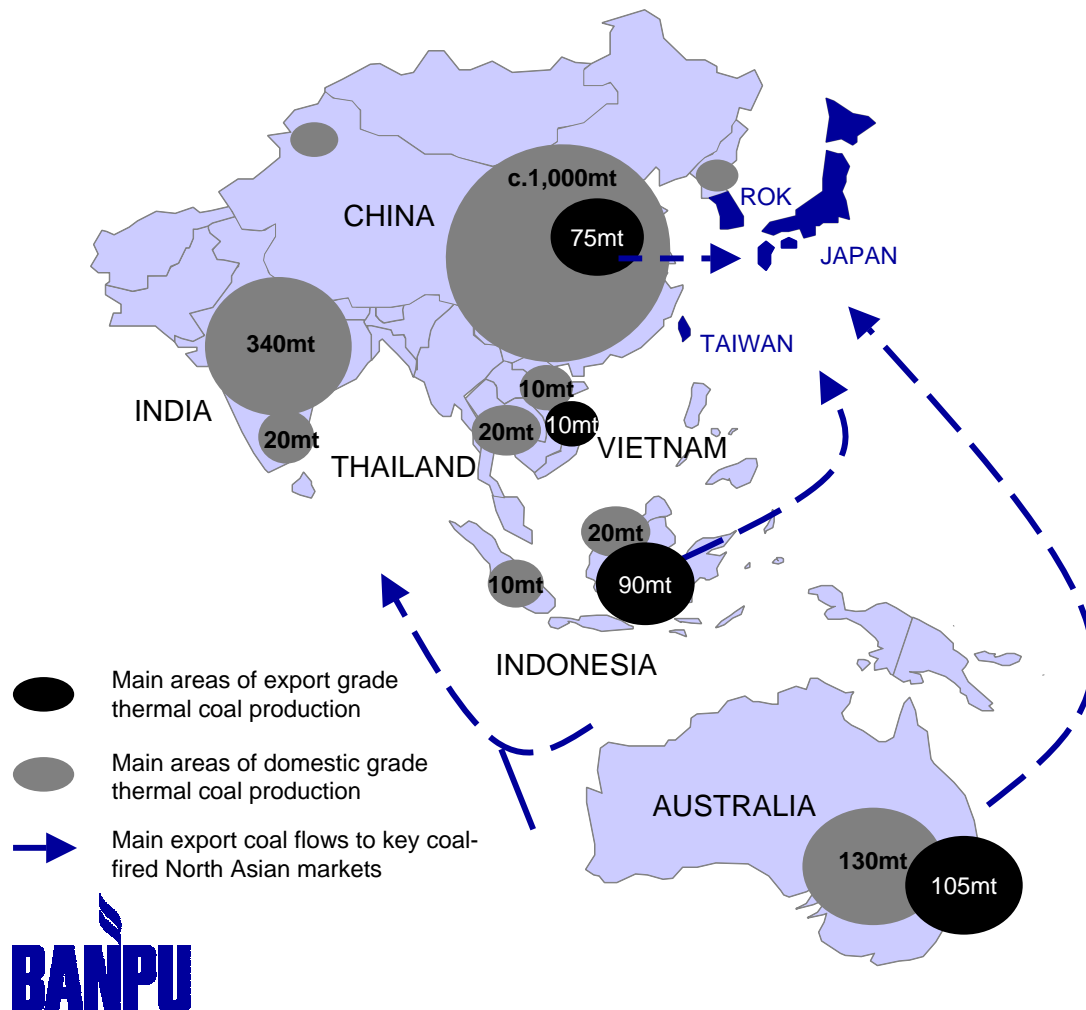





# Plenty of room for Banpu to grow in the region

## ASIA-PACIFIC THERMAL COAL INDUSTRY (2004e TONNES)

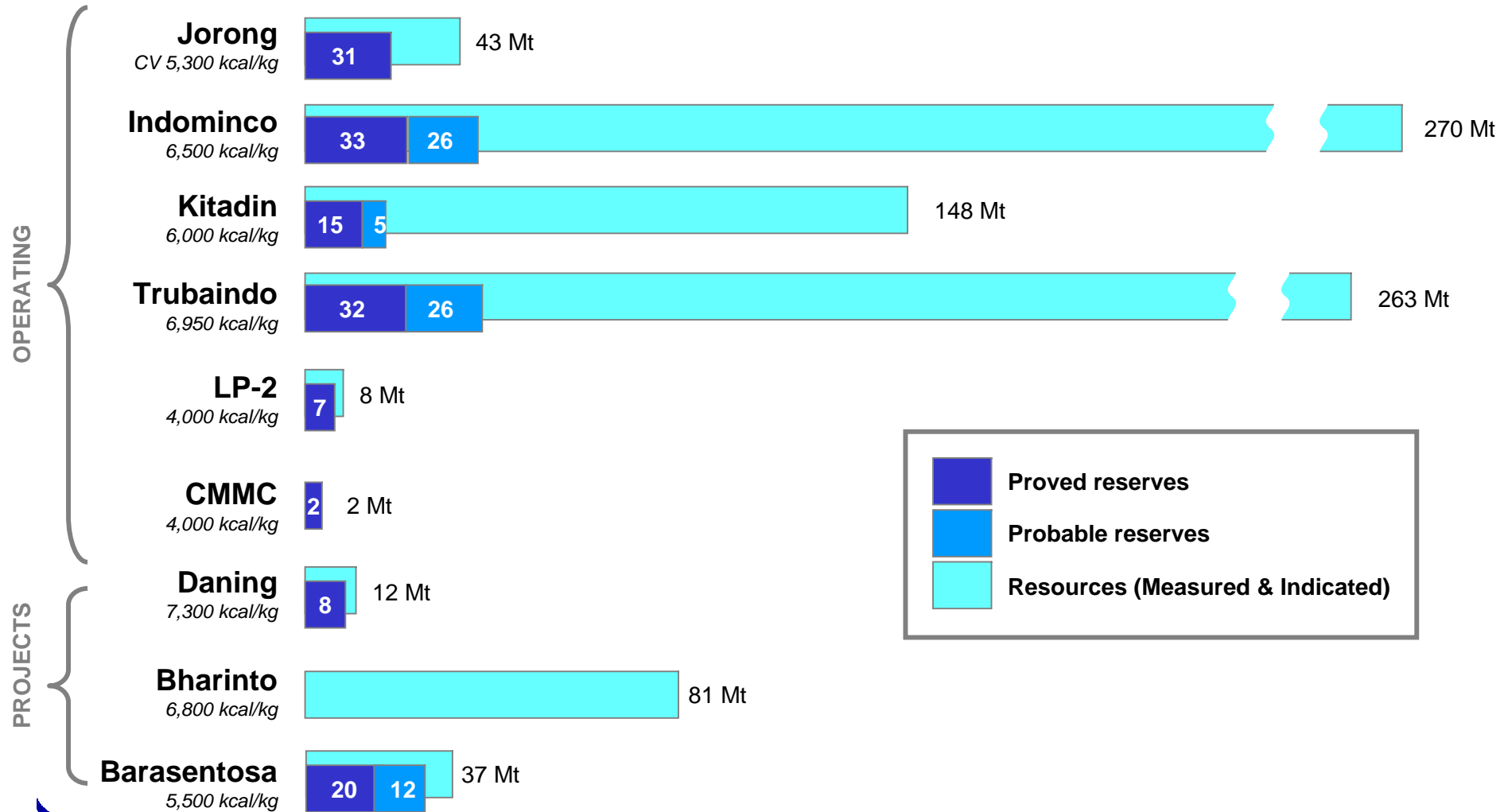
Numbers are rounded and illustrative only



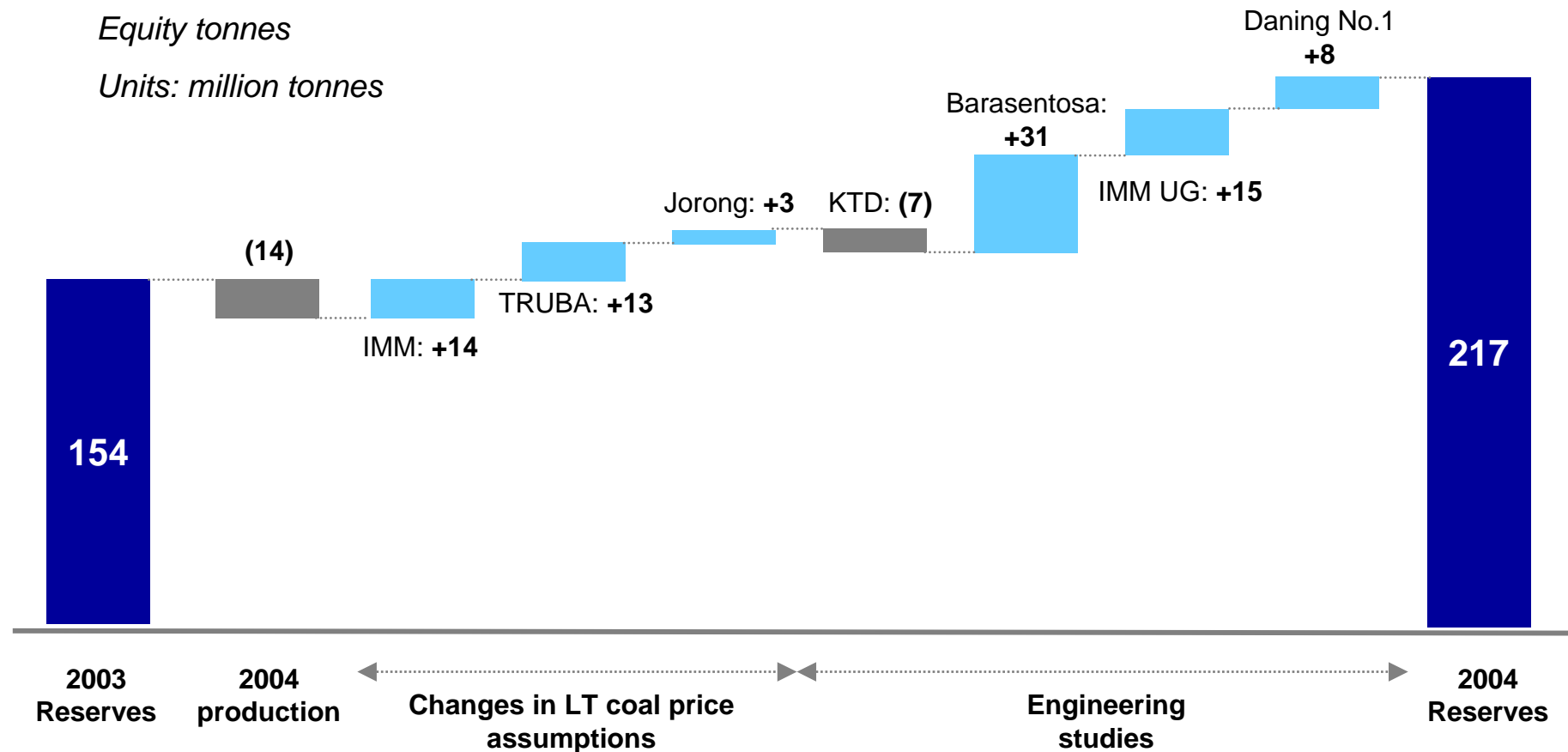
- Region accounts for approximately half world coal production and consumption
- Export grade coal from region of c.275mtpa (2004)
- Around 50% of all power supply in region is coal-fired
- China and India first and third largest coal producers in the world; will also account for 75% of all growth in thermal coal demand to 2020

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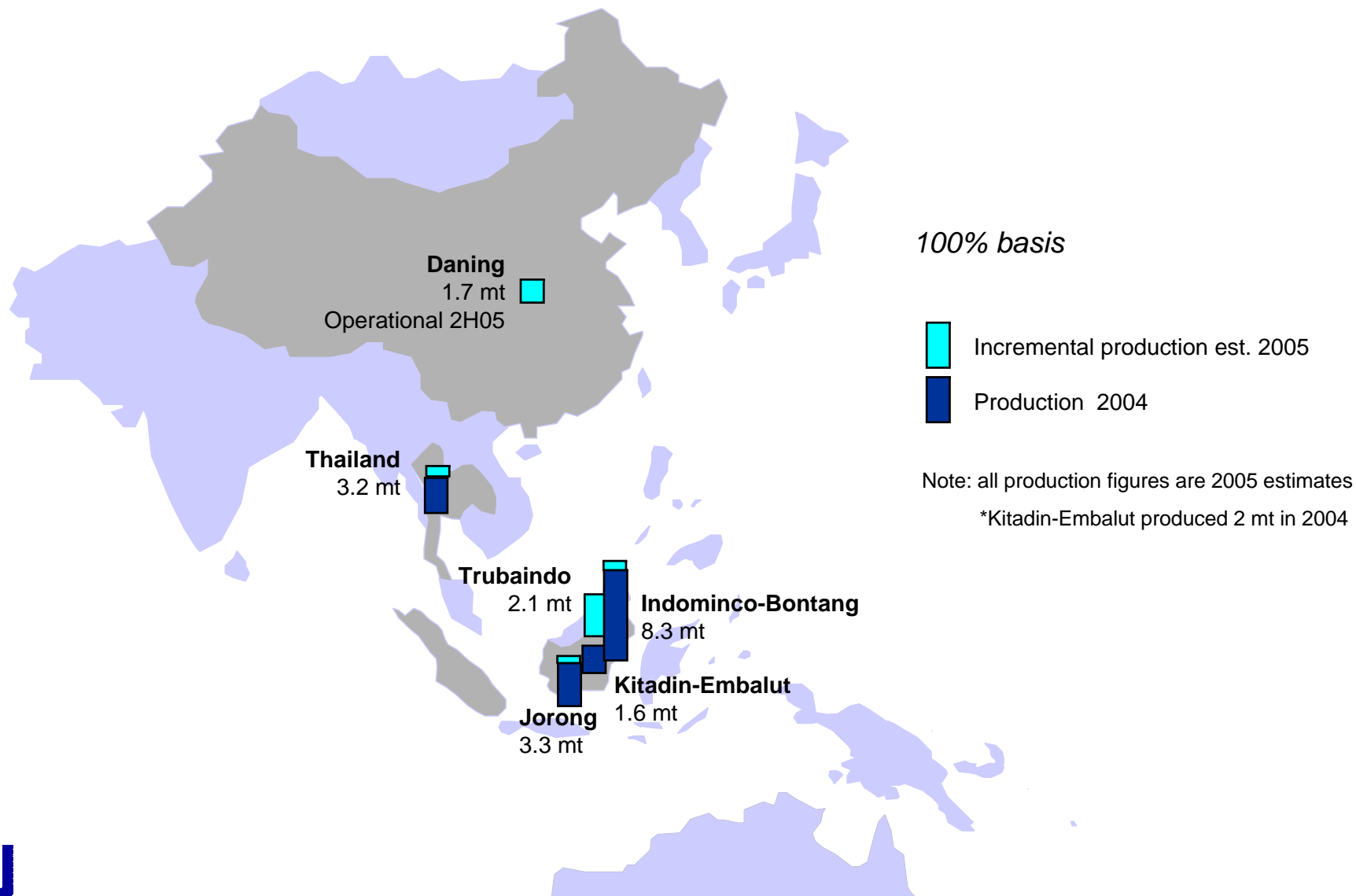
# Total coal reserves are 217Mt (equity tonnage)



# Changes between 2003 and 2004 reserves figures



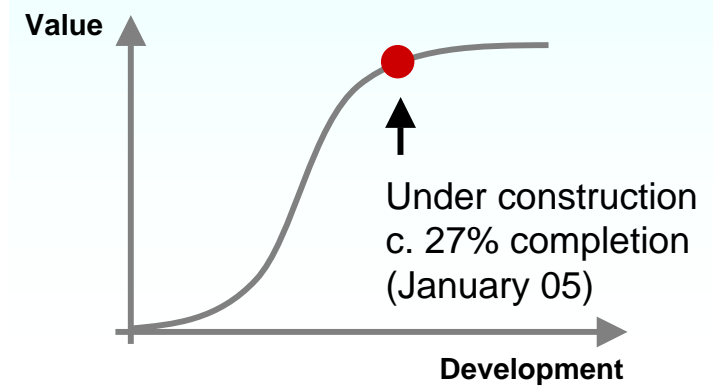
# Estimated 2005 production 18.5mt (excluding Daning)



# BLCP progress review




- Location : Map Ta Put Industrial Estate
- Banpu % : 50%
- Capacity : 1,434 MW
- Fuel : Coal (approximately 3 mtpa)
- COD : Oct06 and Feb07 (c. 700MW each unit)



# Danling progress review



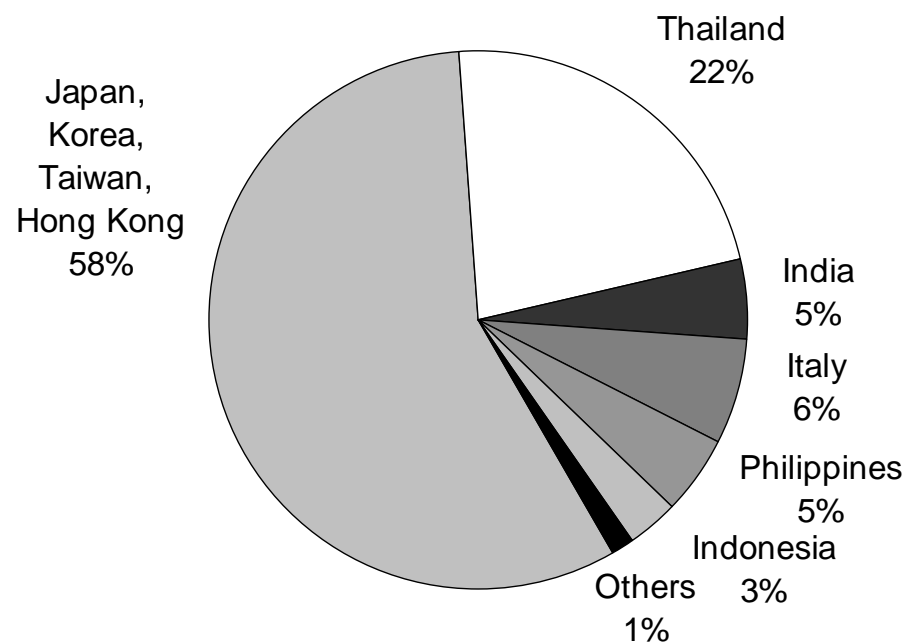
- Location : Shanxi province, China
- Banpu % : c. 21% x 56%
- Reserves : 75 Mt. Anthracite
- Method : Underground longwall
- Capacity : 4mtpa expandable to 5.5mtpa
- Market : Domestic power plants
- Logistics: Short-distance rails and trucks
- COD : 2H05
- Status : Under construction (On schedule)

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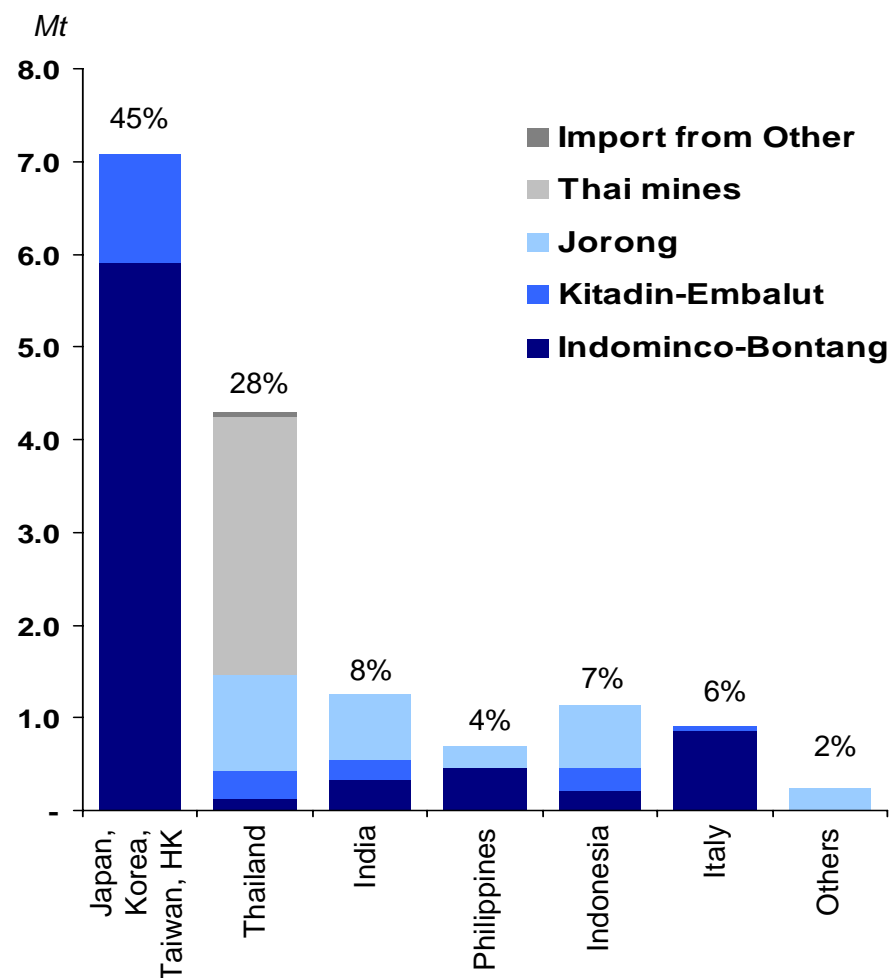


# c.58% of sales (by value) were to premium Asian markets

**Coal sales by value: Bt 17,062 m in 2004**



**Coal sales by volume: 15.62 Mt in 2004**



# Asian coal market: recent price developments

## Recent development

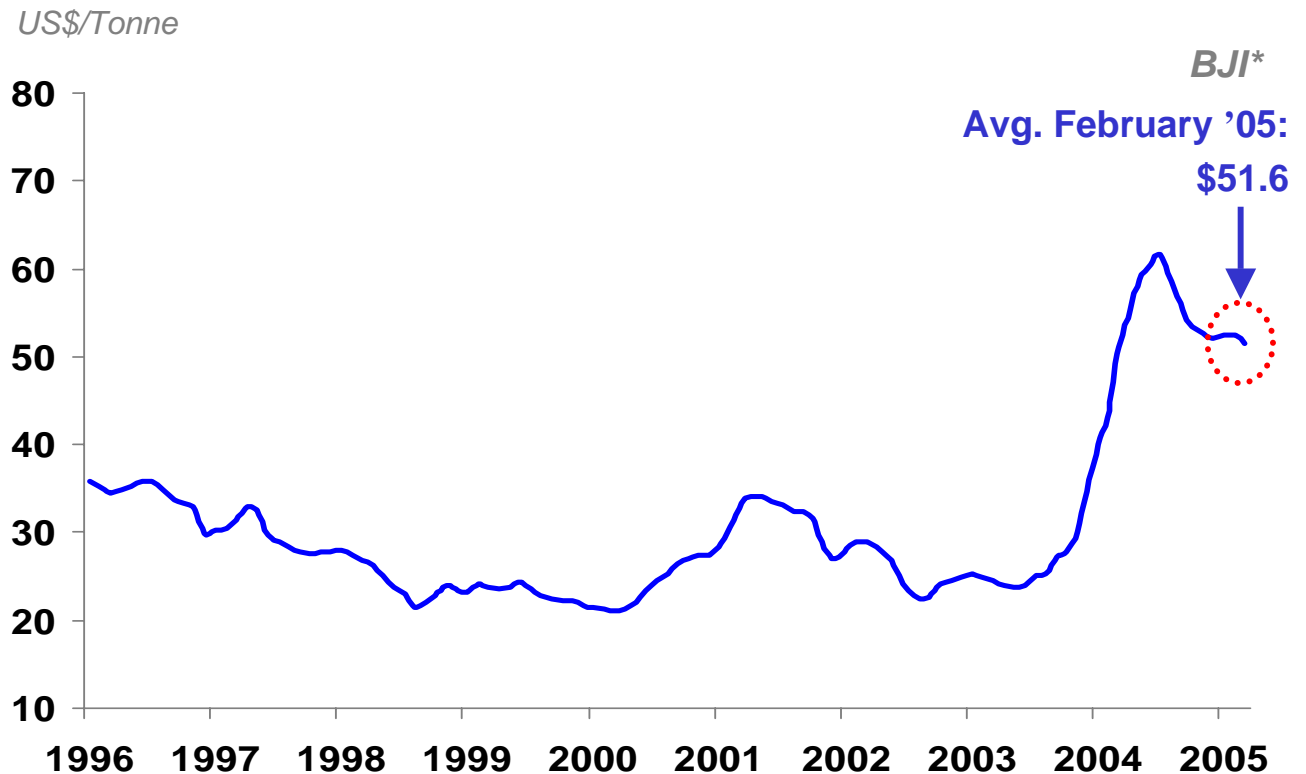
Spot market becomes less active as buyers have secured their contract purchase for most of 2005

## Short-term outlook

Prices in 2005 are likely to stay high relative to historical trend

## Main drivers

Fluctuation in Chinese export will influence price outlook for Asia-Pacific region

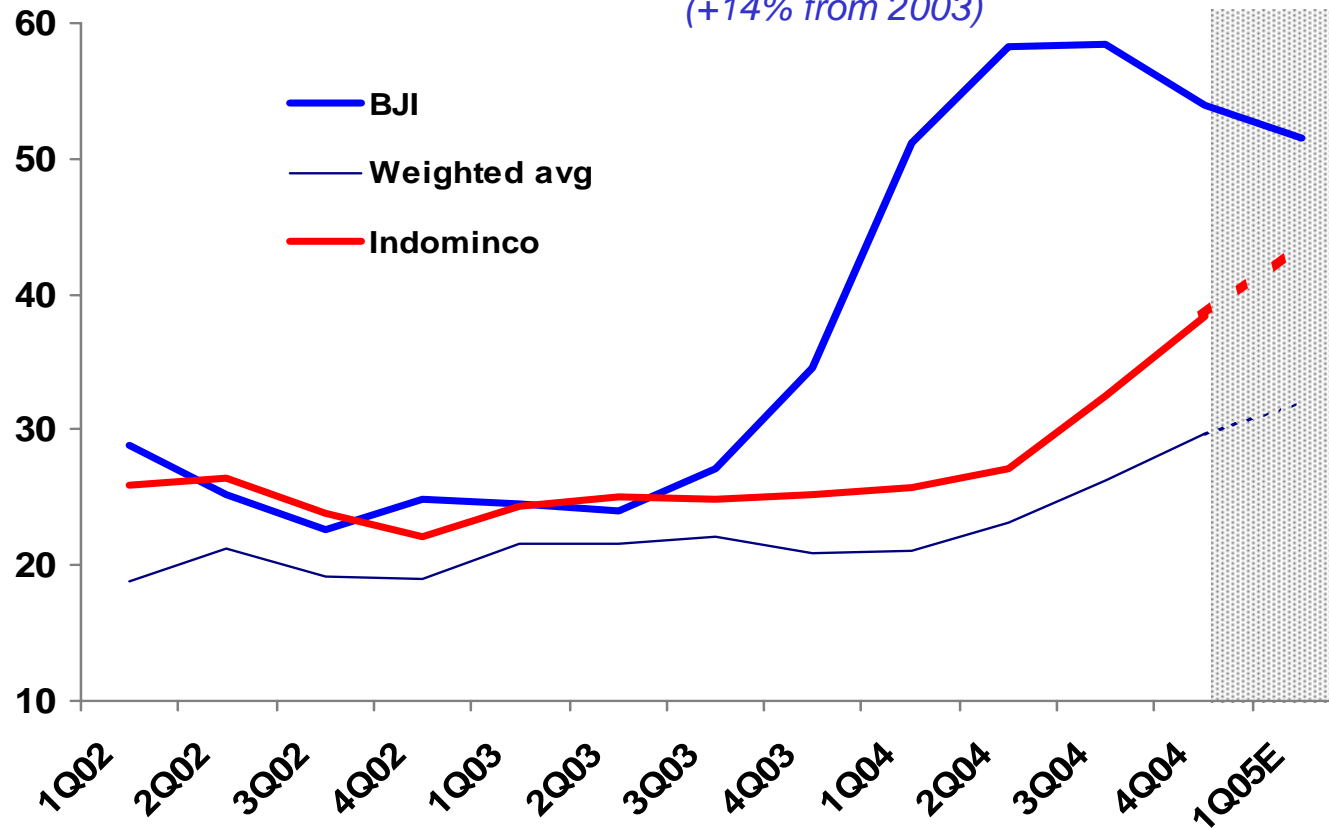


Note: \*Barlow Jonker Index (BJI) based on CV 6,700 kcal/kg GAD from Australia to Japan  
Source: Barlow Jonker

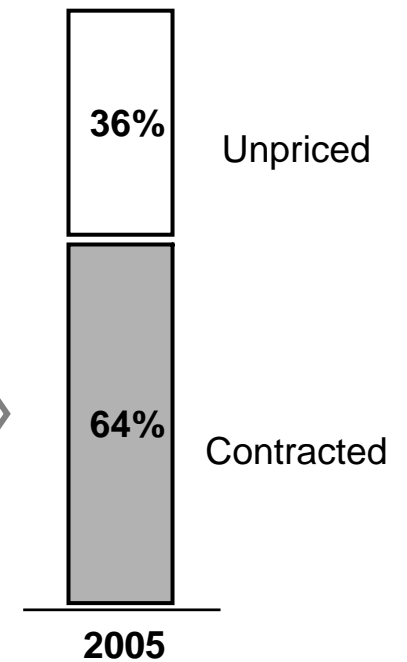
# Average selling prices


US\$/Tonne

ASP 2004 \$25.6 per tonne  
(+14% from 2003)



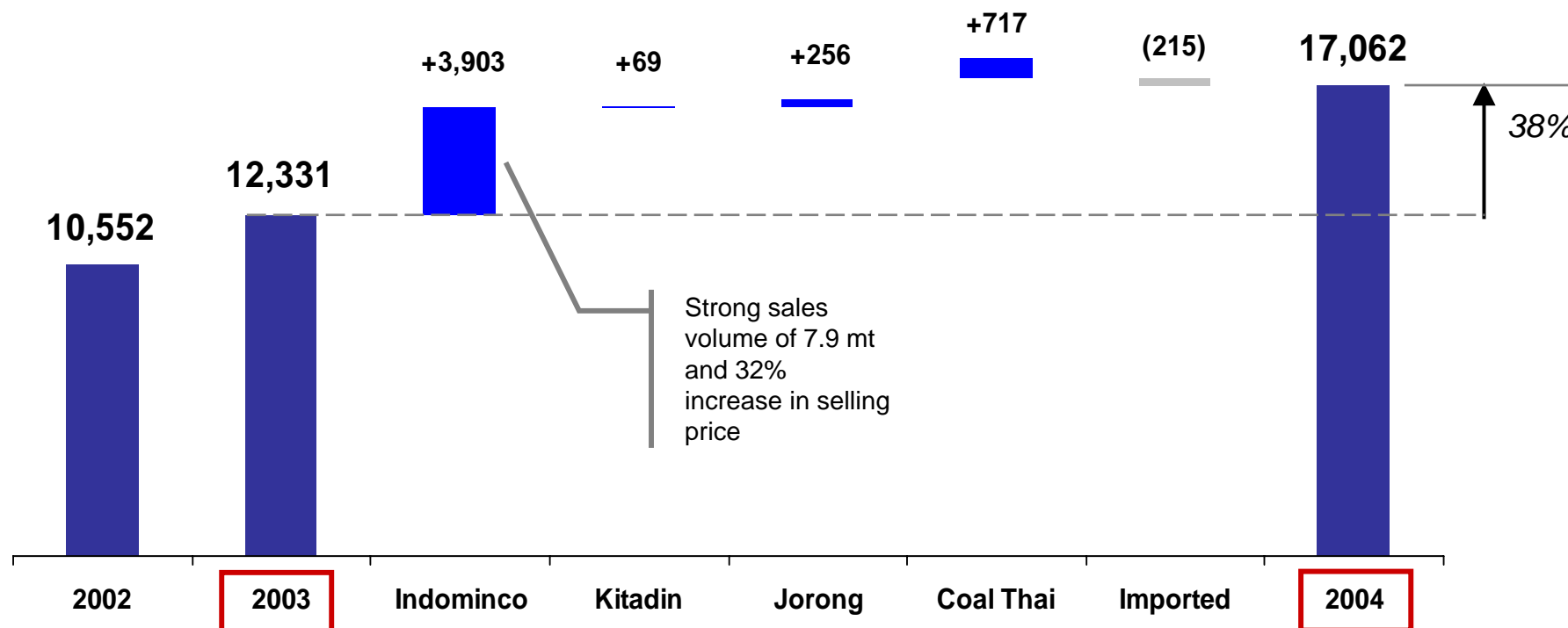
Contracted sales  
2005



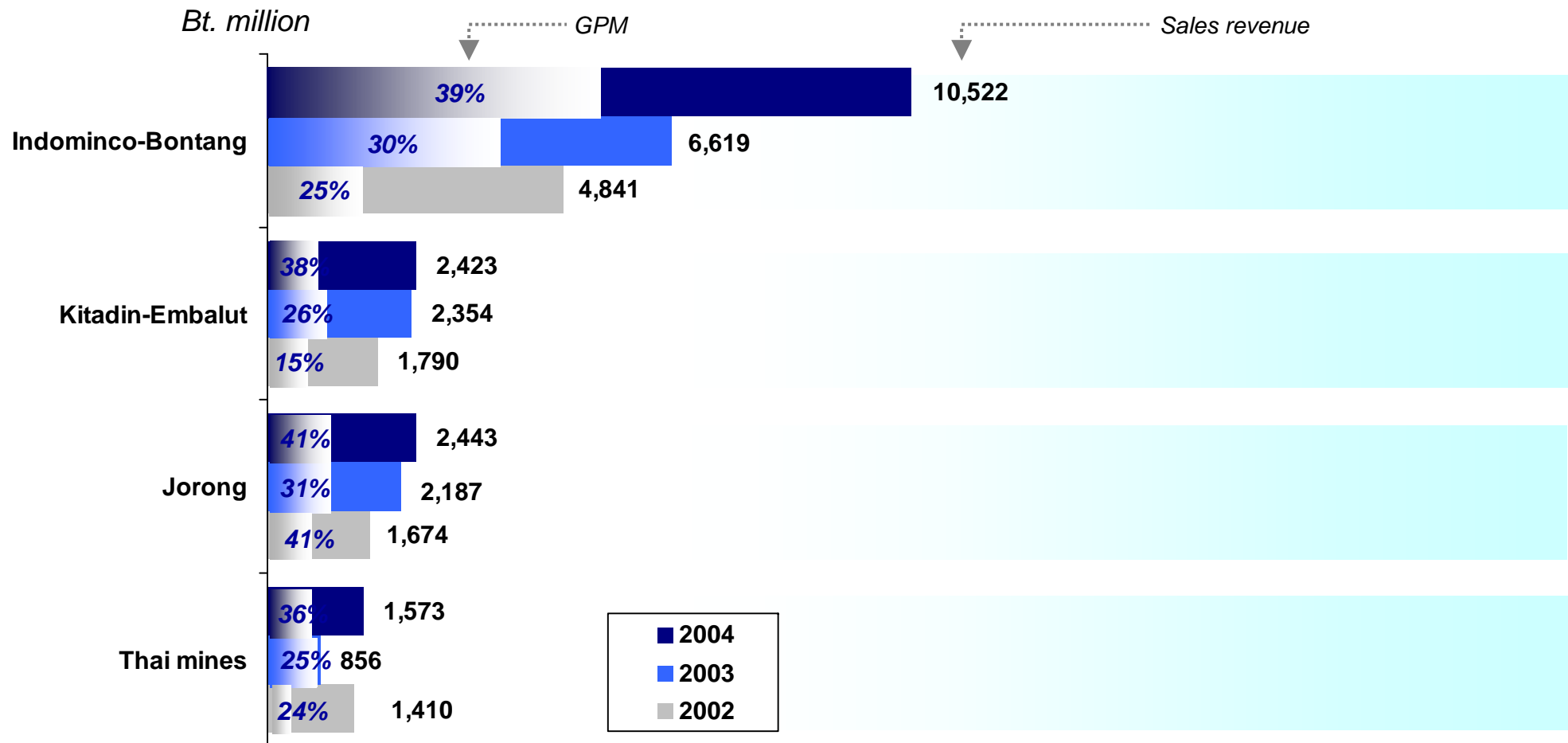
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# Sales revenues: coal business

Units : Bt. million

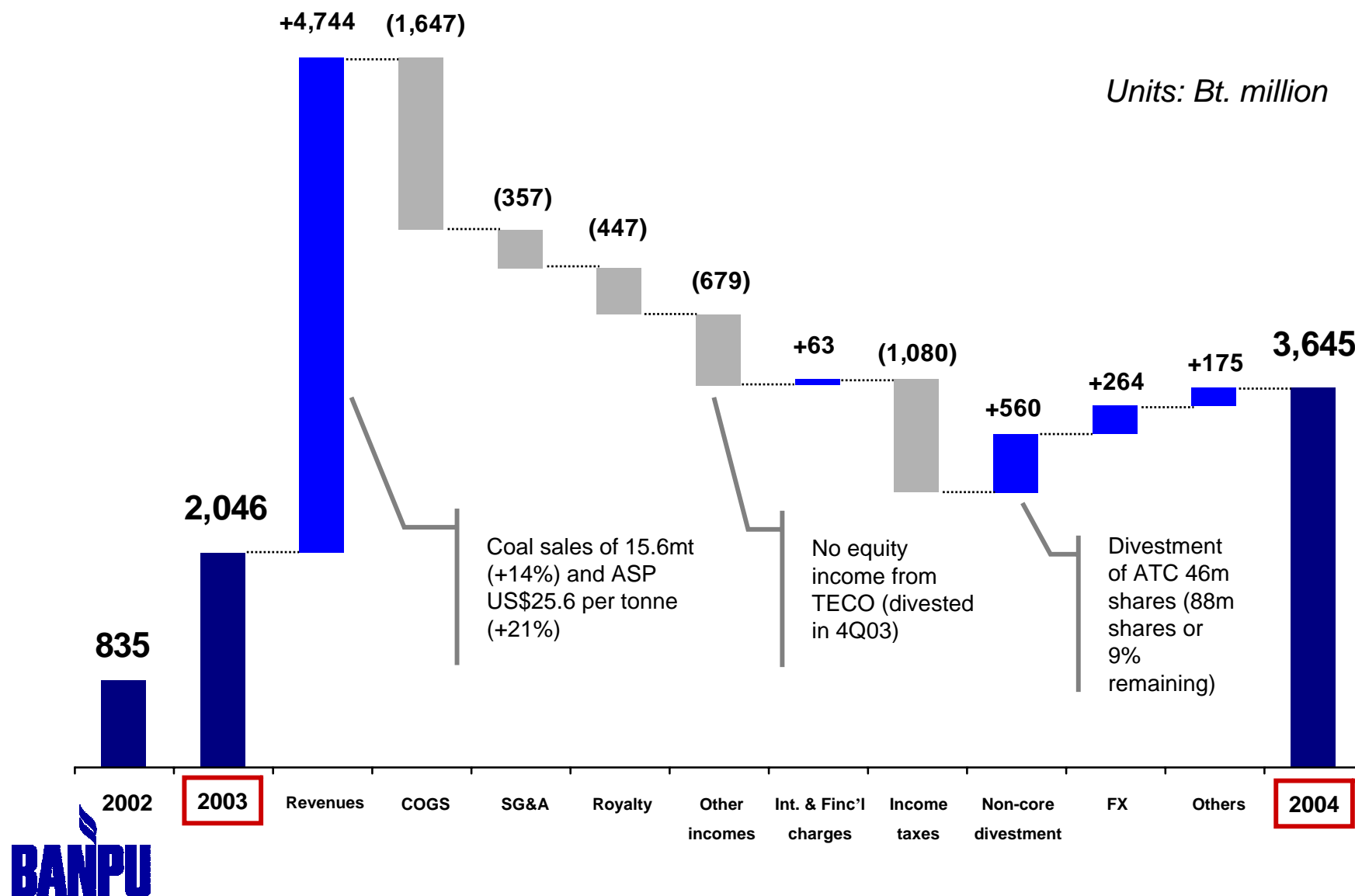


# Average gross profit margin increased to 39%



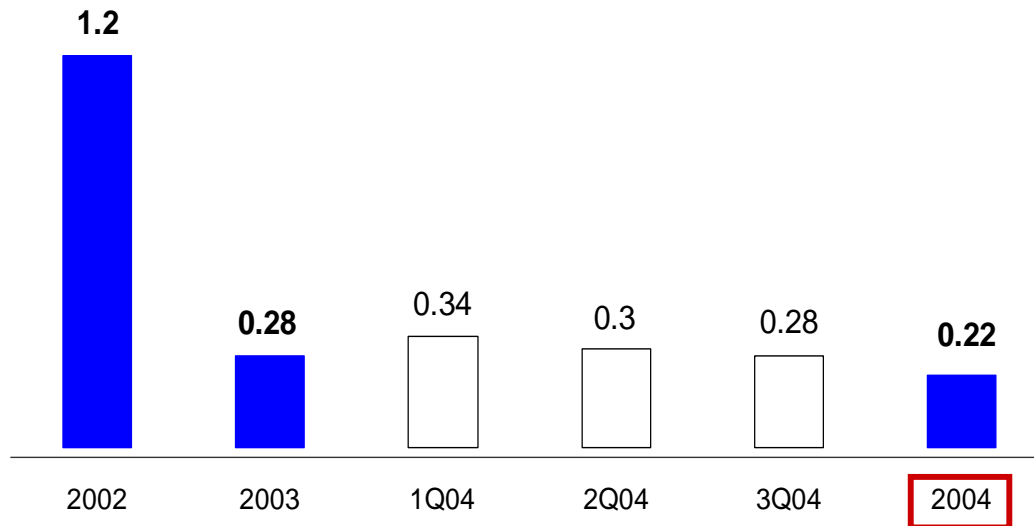
# Net profit variance

Units: Bt. million

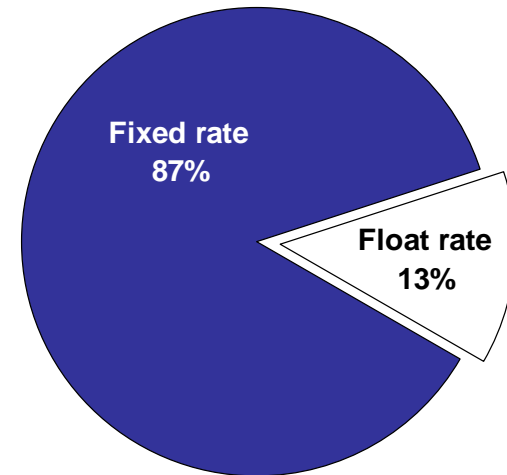


# Balance sheet remains strong

*Net D/E (Times)*



*Debt structure*

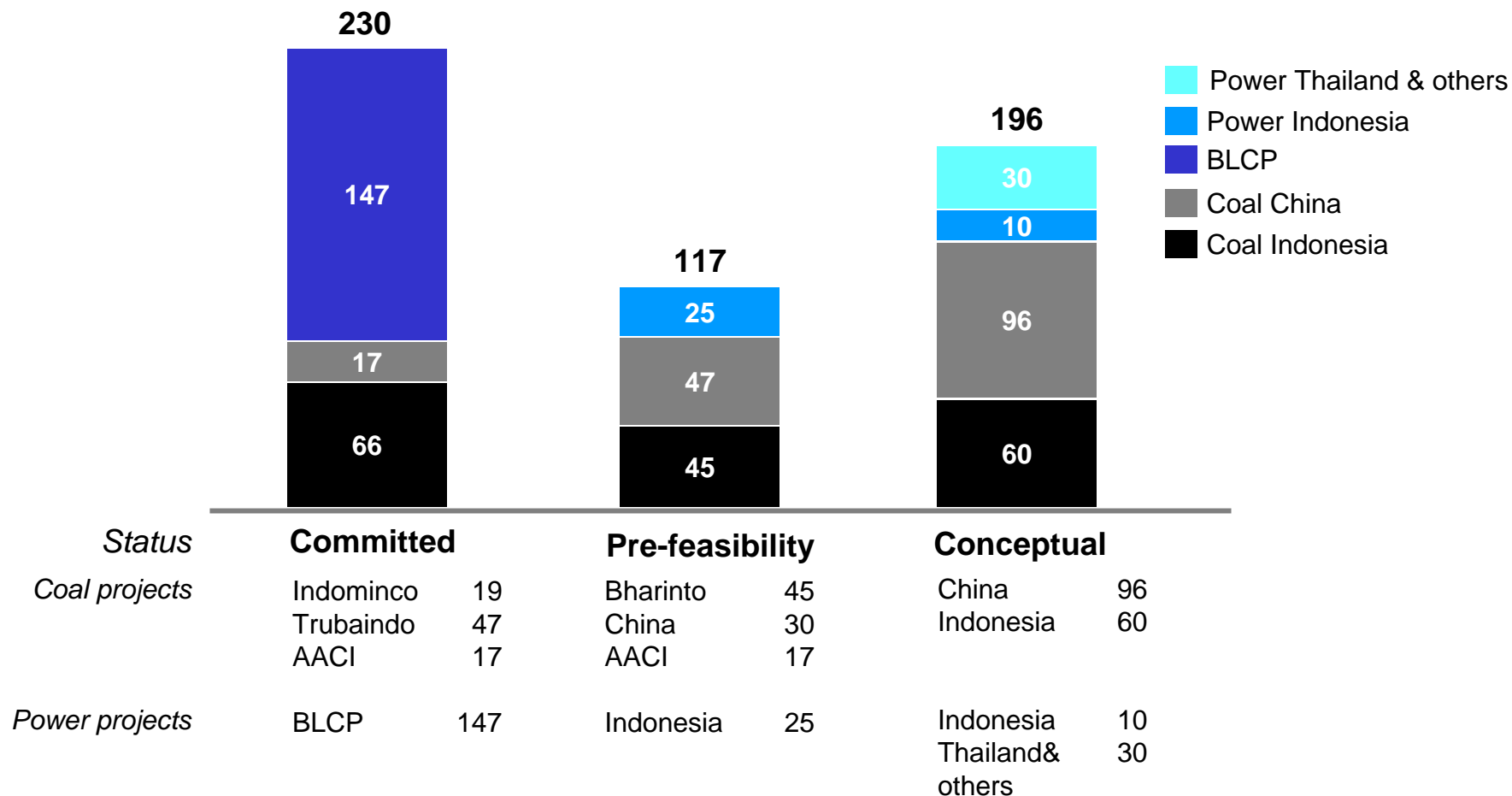


*As end of 2004*



# Capital expenditure plan (2005 – 2008)

Units: USD million



The capital expenditure figures shown above are indicative only and do not include estimates for maintenance or sustaining capital expenditure. The figures shown in the 'Conceptual' column should be treated with extra caution and are likely to change as new projects are conceived, some are cancelled and as pre-feasibility analyses generate modified estimates of capital expenditure requirements.

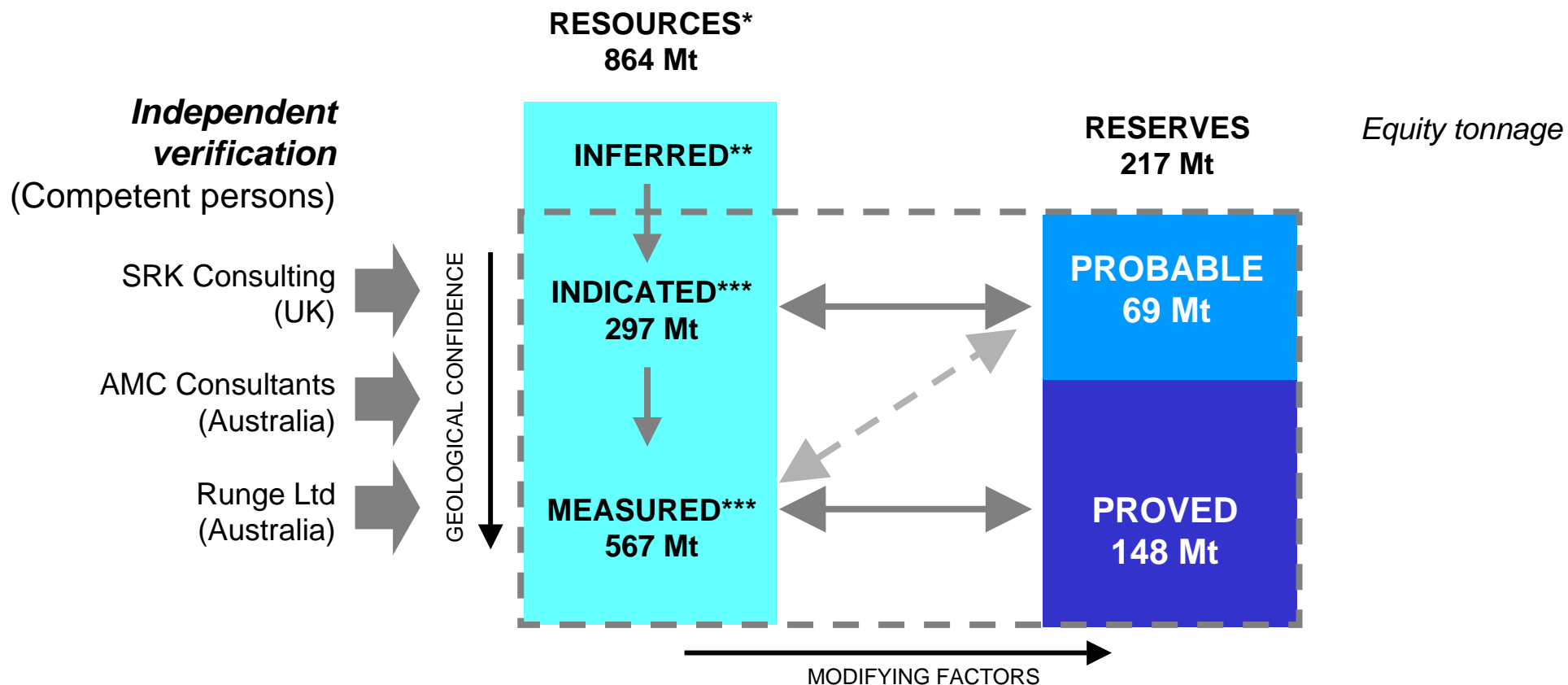


# *Question & Answer*



# APPENDICES

# Banpu 2004 Coal Resources & Reserves (equity tonnage)

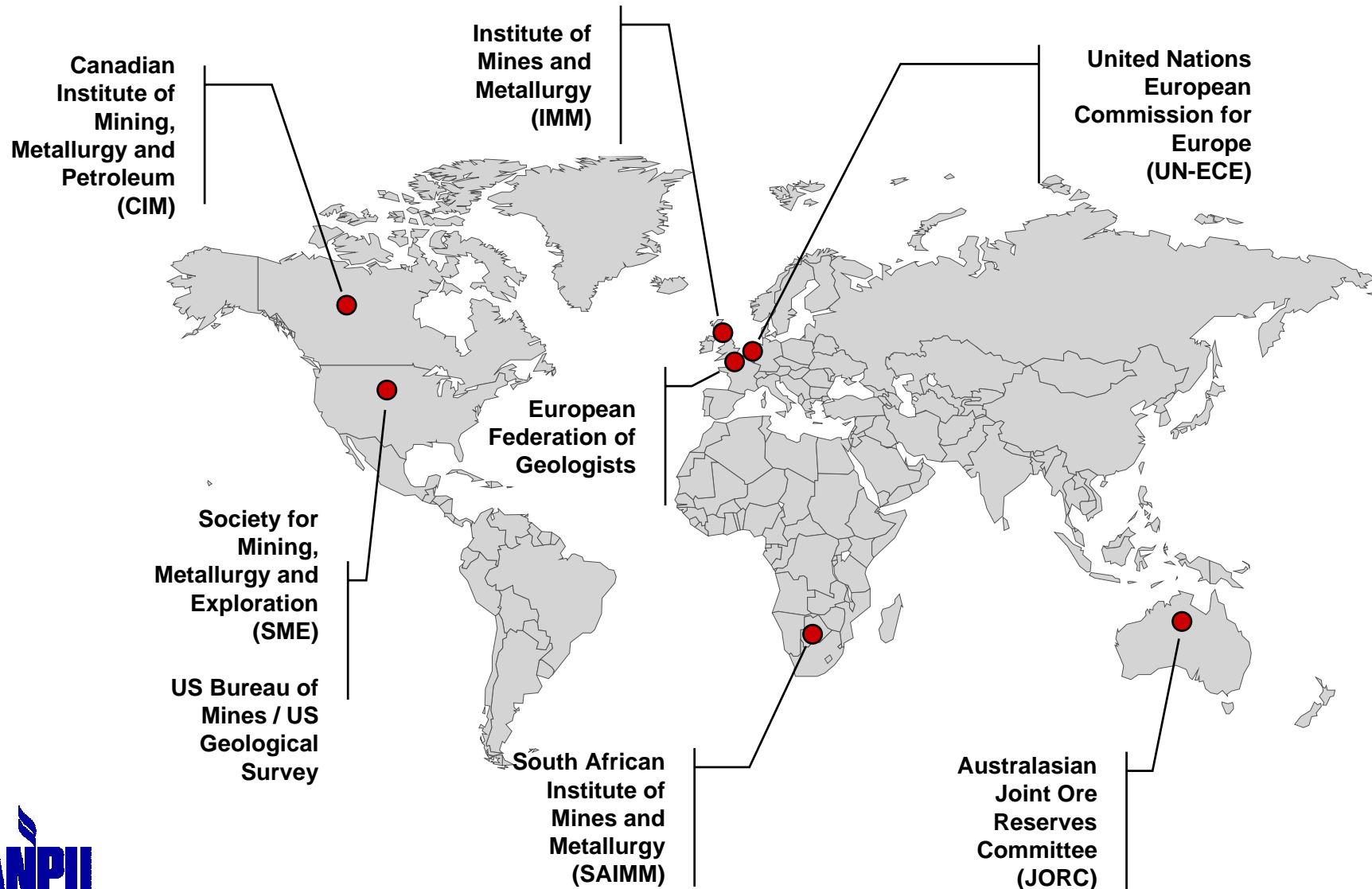


Notes: \* Only Measured and Indicated Coal Resources; \*\* Inferred Resources are not reported  
\*\*\* The Measured and Indicated Coal Resources are inclusive of those Coal Resources used to derive the Coal Reserves

# Banpu's Resources & Reserves statement (100% basis)

Mine operation and project	Interest (%)	As at 31 December 2004						As at 31 December 2003	
		Measured Resources	Indicated Resources	Total Resources	Proved Reserves	Probable Reserves	Total Reserves	Total Resources	Total Reserves
<u>Mine operation</u>									
Jorong	95.00	45.0	-	45.0	32.3	0.8	33.1	7.6	33.5
Indominco	94.98	212.5	71.5	283.9	35.2	27.2	62.4		39.9
Kitadin	94.98	104.9	51.0	155.9	15.9	5.1	21.0	71.7	29.2
Trubaindo	85.49	172.7	134.7	307.4	37.2	30.0	67.2	20.9	51.6
LP-2	100.00	7.9	-	7.9	7.2	-	7.2	-	10.0
CMMC	96.48	2.4	-	2.4	2.2	-	2.2	-	2.0
Daning No. 1	11.00	75.0	35.0	110.0	75.0	-	75.0	-	-
<u>Project</u>									
Bharinto	94.04	21.8	64.1	85.9	-	-	-	-	-
Barasentosa	94.99	38.1	0.7	38.8	20.5	12.3	32.8	24.7	-
Mampun Pandan	100.00							14.1	-
Total		680.3	357.0	1,037.2	225.4	75.4	300.8	139.0	166.4

# There are a number of institutions with definitions of reserves and resources



## 2004 operating profits

<i>Units: Bt. million</i>	2004	2003	Y-Y%
<b>Sales revenues</b>	<b>17,227</b>	<b>12,482</b>	<b>38%</b>
Cost of sales	(10,525)	(8,878)	
<b>Gross profit</b>	<b>6,702</b>	<b>3,604</b>	<b>86%</b>
<b>GPM</b>	<b>39%</b>	<b>29%</b>	
SG&A	(2,003)	(1,646)	
Royalty	(1,700)	(1,252)	
Equity income - Power	(22)	565	
Dividend income - Power	413	489	
Other income	277	278	
<b>EBIT</b>	<b>3,667</b>	<b>2,038</b>	<b>80%</b>
<b>EBITDA</b>	<b>5,159</b>	<b>3,317</b>	<b>56%</b>

## 2004 earnings

<i>Units: Bt. million</i>	2004	2003	Y-Y%
<b>EBIT</b>	<b>3,667</b>	<b>2,038</b>	<b>80%</b>
Interest expenses	(412)	(480)	
Financial expenses	(141)	(145)	
Income tax	(1,204)	(124)	
Minorities	(67)	(57)	
<b>Net profit before extra items</b>	<b>1,843</b>	<b>1,232</b>	<b>50%</b>
Non-recurring items	1,846	1,286	
Unrealized gain on coal swap contract	24	-	
Bond redemption premium	-	(152)	
Mining property expense	(61)	(50)	
<b>Net profit</b>	<b>3,651</b>	<b>2,317</b>	<b>58%</b>
FX translations	(6)	(270)	
<b>Net profit</b>	<b>3,645</b>	<b>2,046</b>	<b>78%</b>
<i>EPS (Bt/share)</i>	<i>13.42</i>	<i>7.75</i>	