



News Release

10 November 2017

## Banpu Announces Strong Results for Q3/2017

### Gearing Up to be a Leading Total Energy Solution Provider for the New Era of Energy

- Net profit reported at USD 61 million (equivalent to THB 2,090 million)
- Average selling price of coal in this quarter increases to USD 73.83 per tonne following a rise in the global coal price with expectations for continued improvement in 2018
- Latest investment in gas business in the U.S. amounted to USD 210 million (equivalent to THB 7,196 million) which enabled Banpu to acquire shares and operator position.
- Banpu continues transforming its business with Banpu Greener & Smarter strategy, focusing on renewable sources and environmentally friendly energy.

**Banpu Public Company Limited (BANPU), a pioneering Asian energy company,** reported its Q3/2017 operating results with total sales revenue of USD 720 million (equivalent to THB 24,674 million), an increase of 23 percent or equivalent to USD 134 million (equivalent to THB 4,592 million) compared to the same period last year. EBITDA (earnings before interest, tax, depreciation and amortization) were USD 263 million (equivalent to THB 9,013 million), a 23-percent increase over the last quarter while net profit stood at USD 61 million (equivalent to THB 2,090 million). This shows a significant increase compared to the same quarter of last year's net profit of USD 2 million (equivalent to THB 65 million) due to a higher coal price. Banpu continues to pursue the Greener and Smarter strategy, which will lead Banpu into the new era of energy business.

**Ms. Somruedee Chaimongkol, Chief Executive Officer of Banpu Public Company Limited, said:** "In this quarter, our coal business performance has grown due to the continued high coal price. Operation performance of both BLCF and Hongsa Power Plant were as planned. In addition, we have invested in three businesses in line with our Banpu Greener and Smarter strategy. We have expanded our solar capacity in Japan while our one-stop service for solar energy solutions using advanced technology on the concept 'Go Green Together', Banpu Infinergy, recently launched in Thailand. Banpu Infinergy has also become a major stakeholder of Sunseap Group Pte Ltd, the leading renewable energy player in Singapore. Last but not least, we have continued to expand our gas business with a recent investment in the fifth resource located at the Marcellus Shale in the U.S."

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**The Q3/2017 Business Performance of Banpu Group can be categorized as follows:**

**Coal Business** reported sales revenue of USD 664 million (equivalent to THB 22,755 million), a 14-percent increase over the previous quarter, and EBITDA of USD 225 million (equivalent to THB 7,710 million). The average selling price of coal in this quarter was USD 73.83 per tonne, a 45-percent increase or equivalent to USD 23.04 per tonne over the same period last year at USD 50.79 per tonne, which was due to the higher global coal price.

**Coal Business in Indonesia** reported coal sales volume in this quarter at 5.34 million tonnes which is around the same amount as in the last quarter due to an unusually long rainy season.

**Coal Business in Australia** reported smooth performance with a higher sales volume of 3.4 million tonnes, an 8-percent increase from last quarter and a 6-percent decrease over the same period of previous year.

**Coal Business in China** reported operation result which reflected a strong coal price within the country with a combined equity income from Gaohe and Hebi of USD 31 million (equivalent to THB 1,062 million), a 49-percent increase from the previous quarter.

**Banpu's Power Business** reported total sale revenues from power, steam and other business at USD 48 million (equivalent to THB 1,644 million). In this quarter, BLCP and Hongsa Power Plant completed the planned maintenance while combined heat and power plants in China reported lower earnings due to the higher coal cost. Power business generated a decrease of 45-percent EBITDA or equivalent to USD 32 million (equivalent to THB 1,096 million) compared to the previous quarter.

**Banpu's Gas Business** reported stable sales revenue and EBITDA of USD 8 million (equivalent to THB 274 million) and USD 6 million (equivalent to THB 205 million), respectively.

Furthermore, due to the demand and supply of gas in the U.S., the Company recently invested a total of USD 210 million (equivalent to THB 7,196 million) in the fifth resource (NEPA or Northeast Pennsylvania) in Marcellus Shale location. The acquisition allows Banpu to be in an operator position and goes in line with Banpu's strategy focusing on the assets which have already generated cash flow and realized profit at a lower risk. All of these will benefit the Company in terms of competitive advantage in order to strengthen sustainable business value in the long run.

“At present, Banpu owns five shale gas resources with a total investment value of USD 417 million (equivalent to THB 14,290 million) from a budgeted USD 500 million (equivalent to THB 17,135 million). Yet, these resources can generate 149 Million Cubic Feet Per Day (MMcfd) which achieved nearly 2 times over our original target of 78 MMcfd in 5 years or 2020,” **Ms. Somruedee** added.

“Banpu continues transforming its business with the ‘Banpu Greener & Smarter’ strategy with the aim of becoming a leading total energy solution provider. The strategy is integrated with upstream business (coal, gas and new sources of energy) to mid-stream (supply chain management) and to downstream (power plant) including the latest solar energy solutions from Banpu Infinergy. We continue to explore new business opportunities that are in line with the Company’s strategy, and, that meet the changing lifestyles in the digital age where people are looking for total energy solutions. Our people are well trained in both working skills and work culture to grow with the Company’s direction. We also retain a strong cash flow for even better investment value and sustainable value for all stakeholders,” **Ms. Somruedee** concluded.

In Q3/2017, the Company incurred a foreign loss of USD 17 million (equivalent to THB 582 million) due to strong appreciation of Thai baht against US Dollar. However, the net profit excluding foreign exchange reported at USD 78 million (equivalent to THB 2,673 million) showing a USD 10 million (equivalent to THB 342 million) increase compared to last year.

Photos



Shale gas infrastructure in Marcellus Shale

\*Remark: Calculation based on exchange rate of USD 1: THB 34.27

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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<sup>th</sup> September 2017, Banpu's assets totaled USD 7.741 billion, an increase of USD 768 million compared to 31<sup>st</sup> December 2016.

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