0166/040

11th July 2023

-Translation-

Subject: Investment in "Temple II" Gas-fired power plant in USA

To: President of the Stock Exchange of Thailand

Banpu Public Company Limited ("Banpu") would like to inform the Stock Exchange of Thailand that our subsidiary, Temple Generation Intermediate Holdings II, LLC[1], has entered into a Purchase and Sale Agreement to acquire 100% interest in CXA Temple 2, LLC which owns Temple II Gas-fired power plant ("Temple II") that is situated adjacent to Temple I Gas-fired power plant ("Temple I") in Texas, USA. The total investment amount is USD 460 million, or equivalent to THB 16,060 million. The transaction was successfully completed on 10th July 2023.

Temple II is a natural gas-fueled, combined cycle facility with a generating capacity of 755 MW. The power plant has been in Commercial Operation (COD) since August 2015. It is situated in a strategic location in the State of Texas, which experiences consistent electricity demand due to economic growth, urbanization, and rapid population growth. Furthermore, Texas is a state blessed with abundant energy resources. The power plant employs state-of-the-art Combined Cycle Gas Turbines (CCGT), renowned for their modernity, efficiency, high flexibility, and advantageous merit order, making it well-suited for meeting the demands of dynamic merchant market like Electric Reliability Council of Texas (ERCOT). Additionally, it used advanced emissions-control technology, establishing itself as one of the leading environmentally friendly gas-fired power plants in the USA.

The group has invested in Temple I since the end of 2021 and has recently established its electricity retail business in Texas. The acquisition of Temple II presents excellent growth prospects for our power business in the USA. The strategic proximity of our two power plants creates synergistic value, enabling us to efficiently operate and manage the power plants, thereby enhancing flexibility and reliability in electricity generation. This, in turn, affords us greater opportunities to capture profits in the merchant market and optimize resource utilization, resulting in the Economies of Scale. Furthermore, the additional capacity strengthens our competitive position in managing breakeven points and diversifying risks along our power business value chain.

[1] Temple Generation Intermediate Holdings II, LLC is 100% held by BKV-BPP Power, LLC ("BKV-BPP"), which is a joint venture established by BKV Corporation ("BKV") 96.1% subsidiary of Banpu and Banpu Power US Corporation ("BPPUS"), 100% subsidiary of BPP, in which BKV and BPPUS equally hold 50% ownership in BKV-BPP.

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Moreover, as an operational power plant, it is capable of generating immediate cash flow. This investment is aligned with Greener & Smarter strategy to embrace future trends and growing towards Smarter Energy for Sustainability, support the acceleration of Banpu transformation, enabling us to achieve a capacity target of 6,100 MW by 2025.

BANPU certifies that this investment is not a connected transaction and does not trigger the reporting requirement for the acquisition of assets of listed companies under the Notification of Capital Market Supervisory Board.

Please be informed accordingly and kindly disseminate the information herein to investors.

Sincerely yours,

- signature -

(Ms. Somruedee Chaimongkol)
Chief Executive Officer

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