



BANPU ANNOUNCES STRATEGIC PARTNERSHIP WITH HUNNU COAL IN MONGOLIA

8 MARCH 2011

Highlights:

- **Banpu to form strategic partnership with Hunnu for the long term benefit of both companies.**
- **Banpu to acquire 30 million shares in Hunnu through a private placement at AU\$1.50 per share for a total consideration AU\$45 million.**
- **Banpu to become Hunnu's largest shareholder with 12.39% of Hunnu Coal's share capital.**
- **Banpu to nominate a representative to the Board of Hunnu and support management with the development of Hunnu's coal projects in Mongolia.**

Banpu Public Company Limited ("Banpu") today announced a strategic partnership with Hunnu Coal Limited ("Hunnu"), an ASX-listed company which has several highly prospective pre-development coal projects in Mongolia.

Under terms of the partnership Banpu Minerals (Singapore) Pte Ltd ("Banpu") will acquire 30 million shares in Hunnu through a private placement at \$1.50 per share for a total consideration \$45 million.

Banpu will become the largest shareholder in Hunnu with 12.39% of Hunnu Coal's issued share capital. Banpu will nominate a representative to the Board of Hunnu and support Hunnu's development of its coal mining assets in Mongolia.

Banpu plc CEO Chanin Vongkusolkrit said that Banpu is seeking to be a long term player in both the growth and development of Hunnu and the Mongolian coal sector.

"Hunnu is a well managed business with a clear strategy and great prospects. The strategic partnership with Hunnu is an effective way for Banpu to partner with Hunnu for the long term benefit of both companies.

"The Mongolian coal sector has great potential, with extensive coal deposits and rapidly developing infrastructure. Mongolia's close proximity to key coal export markets such as China makes it an attractive investment destination.

"A strategic partnership with Hunnu is a lower-risk way for Banpu to familiarize itself with the Mongolian coal industry. Establishing a strategic alliance in Mongolia is part of Banpu's strategy to expand its position in key Asia Pacific markets.

"We are strongly supportive of the Hunnu's management team and its current strategy. The alliance will allow Banpu and Hunnu to share operational expertise, with Banpu representation on the Board allowing Banpu's expertise to benefit Hunnu at the highest level," Mr Vongkusolkrit said.

Banpu plc has a strong track record as a successful Thai Stock Exchange listed company, with a best practice management philosophy and culture built on international principles of corporate governance, transparency and social responsibility.

The acquisition of an interest in Hunnu by Banpu plc, a Thai public company with a significant foreign ownership itself, diversifies foreign investment in the resources sector.

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About Banpu

Banpu (SET: BANPU) is a Thai stock exchange listed company which owns operating coal mines and power generating assets across Asia, with a long (25-year) track record of exceptional growth and operational performance.

Banpu has successfully adopted a best practice management philosophy and culture built on international principles of corporate governance, transparency and social responsibility. It also has a deep commitment to the safety and well being of its employees, as well as environmental conservation.

Banpu's strategy is to grow coal sector investments and operations in the pan-Asian region, in a sustainable fashion, through organic growth, acquisitions and joint venture partnerships.

For further information, please see Banpu's website at <http://www.banpu.com/en/index.php>.