

No. EGCO 110/092

Date: March 1, 2011

Attn: President of the Stock Exchange of Thailand

Subject: Purchase of 12.5% share in Xayaburi Power Company Limited (Revised Version)

The Electricity Generating Public Company Limited (“EGCO”) would like to inform the Stock Exchange of Thailand that EGCO acquired a 12.5% ownership interest in Xayaburi Power Company Limited (“XPCL”) from CH. Karnchang Public Company Limited (“CK”) with effect on March 1, 2011. XPCL is a company dedicated to the development of Xayaburi hydropower project which is a run-of-river dam with the installed capacity of 1,285 MW located in Laos PDR. This investment was approved by the Board of Directors in the Meeting No.7/2010, held on October 29, 2010.

At present, XPCL has the registered capital of 800,000,000 baht comprising 80,000,000 shares with the par value of 10 baht each. EGCO now holds 10,000,000 shares in XPCL with the value of 100,000,000 baht. The total cost of Xayaburi project is approximately **115,000,000,000 baht.**

This transaction is not classified a connected transaction. Including the previous acquisition of the Quezon assets in Philippines on December 13, the combined transaction size still does not trigger a requirement for EGCO to disclose information in accordance with the SET’s notification re: “Acquisition and Disposal of Assets of Listed Companies”. Further summary information on the transaction is as follows:

**1. Transfer Date** March 1, 2011

**2. Parties**

**Buyer:** Electricity Generating Public Company Limited (“EGCO” or “Buyer”)

**Seller:** CH. Karnchang Public Company Limited (“CK” or “Seller”)

**3. General Feature of the Transaction**

Purchase of 10,000,000 (ten) million shares, equivalent to 12.5% of XPCL registered capital from CK providing EGCO with a direct 12.5% ownership interest in XPCL.

**4. Share’s Price**

10 (ten) baht per share.

**5. Information about the Investment Project**

XPCL is the developer of Xayaburi hydropower Project. It has the registered capital of 800 (eight hundred) million baht comprising 80,000,000 (eighty million) shares with the par value of 10 (ten) baht each. The shareholders comprised CK and PT Construction and Irrigation Company Limited (“PT”) which held 95% and 5% ownership in the company, respectively.

XPCL is awarded the concession agreement from the government of Laos PDR to design, develop, construct and implement the Xayaburi hydroelectric power project for 29 years after the commercial operation date. The project will be handed over to the government of Laos

PDR at the end of the concession period. The project has the installed capacity of 1,285 MW and it is located 80-kilometer from Luang Prabang province. XPCL has entered into the PPA with EGAT to sell 1,220 MW to the Electricity Generating Authority of Thailand and a PPA to sell 60 MW to Electricité du Laos over the concession period. The construction will take 8 years to complete and the commercial operation date is expected in January 2019.

After the transaction date, EGCO would own a 12.5% ownership interest in XPCL, while Natee Synergy Company Limited, CK and PT Construction and Irrigation Company Limited ("PT") would own 25%, 57.5% and 5% , respectively.

#### **6. Transaction Value and Size**

The total consideration to be paid for the acquisitions is approximately 100 (one hundred) million baht which accounts for 0.19% of EGCO's consolidated assets based upon EGCO's unaudited, consolidated financial statements as at December 31, 2010.

Including the previous acquisition of Quezon assets in the Philippines on December 13, the combined transaction size still does not trigger a requirement for EGCO to disclose information in accordance with the SET's notification re: "Acquisition and Disposal of Assets of Listed Companies".

#### **7. Source of Funds**

Sources of funds for acquisition are internal cash.

#### **8. Benefits from investment**

- The acquisition is in line with EGCO's business plan to invest in power businesses in the ASEAN region which will provide portfolio diversity and long-term value prospects. EGCO believes that its experience and knowledge from the development of Nam Theun 2 hydropower project will be beneficial to the development of Xayaburi hydropower project.
- The acquisition will strengthen EGCO's presence in Laos PDR and we expect it should provide opportunities for growth in the future.
- The project will enhance the security of power supply for Thailand over a long term.

Please be informed accordingly.

Yours sincerely,



Vinit Tangnoi  
President

Corporate Secretary Division  
Tel. 0 2998 5020-6