



NEWS RELEASE

- NTPC SIGNS US\$ 1 BILLION LOAN AGREEMENTS -

LARGEST PRIVATE SECTOR HYDROPOWER FINANCING, LARGEST INTERNATIONALLY FINANCED IPP IN ASIA SINCE 1997

VIENTIANE, May 3rd, 2005 -- The Nam Theun 2 Power Company Ltd (NTPC) is pleased to announce that it has signed the financing documentation for senior term loans of US\$ 1 billion equivalent, denominated in equal proportions between Thai Baht and US\$, in addition to about US\$ 130 million of bonding facilities and US\$ 450 million of equity commitments.

These loans have been raised on a limited recourse basis and will be used by NTPC for financing the construction and implementation of the 1,070 MW Nam Theun 2 Hydroelectric Project in the Lao PDR. NTPC will sell 95% of its electricity production to Thailand, making Nam Theun 2 the largest cross-border power project in Asia.

The US\$ senior debt facilities includes political risk guarantees from the Asian Development Bank (ADB), the World Bank and the Multilateral Investment Guarantee Agency (MIGA), export credit agency support from COFACE of France, EKN of Sweden and GIEK of Norway, and direct loans from a number of multilateral and bilateral development agencies including the ADB, Nordic Investment Bank, Agence Française de Développement (AFD), PROPARCO and Export-Import Bank of Thailand.

Nine international commercial banks (ANZ, BNP Paribas, BOTM, Calyon, Fortis Bank, ING, KBC, SG and Standard Chartered) and seven Thai commercial banks (Bangkok Bank, Bank of Ayudhya, KASIKORNBANK, Krung Thai Bank, Siam City Bank, Siam Commercial Bank and Thai Military Bank) are providing long term loans to NTPC.

NTPC was established on 28 August 2002 as a limited company incorporated under the laws of the Lao PDR to develop, finance, own and operate the Nam Theun 2 Project. Its shareholders are:

- 35% - EDF International (EDFI), a subsidiary of Electricité de France
- 25% - Lao Holding State Enterprise (LHSE), a company fully owned by the Government of the Lao PDR (GOL)
- 25% - Electricity Generating Public Company Limited (EGCO) of Thailand
- 15% - Italian-Thai Development Public Company Limited (ITD) of Thailand

In addition to senior loans facilities, shareholders complete the Project financing by contributing equity pro-rata their respective participation in NTPC. The equity contribution of LHSE is financed by means of loans, grants and other financing from institutions including the AFD, ADB, European Investment Bank and the World Bank.

A total of US\$ 1,580 million in capital commitments for NTPC has been completed to finance the total base Project cost of US\$ 1,250 million, plus additional amounts for contingency and ancillary bonding facilities. From these financing sources, substantial amounts are allocated



to fund a robust programme of environmental and social safeguards that NTPC has put in place and budgeted thanks to the support and guidance of the World Bank and the Asian Development Bank.

Such financing, completed within just 14 months, is a major milestone in the economic history of the Lao PDR, as the Project is expected to produce revenues of almost US\$ 2 billion for Laos over the first 25 years of its commercial operations. In the framework of a revenue management programme by GOL to be supported and monitored by the International Financial Institutions involved in the Project, these revenues are to be directed to the country overall development and poverty reduction efforts.

The completion of the Nam Theun 2 Project financing makes it the largest ever foreign investment into the Lao PDR, the largest ever private sector cross-border power project financing, the largest ever private sector hydroelectric project financing and the largest internationally financed IPP in Asia since the 1997 financial crisis.

Nam Theun 2 represents a significant step in the cooperation between Laos and Thailand. Its commercial operations are planned to start in late 2009.

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For more information about the Nam Theun 2 Project, please visit:

NTPC : <http://www.namtheun2.com>