



NEWS RELEASE

- NAM THEUN 2 CELEBRATES ITS SUCCESSFUL BEGINNING -

**PRIME MINISTER OF LAOS, PRIME MINISTER OF THAILAND, AMBASSADOR OF FRANCE IN LAOS,
GATHER AT THE NAM THEUN 2 POWER STATION SITE**

NAKAI, November 27th, 2005 -- Ahead of the 30th anniversary of the Lao People Democratic Republic on 2 December, more than 300 Lao and Thai Governments officials, diplomats, members of the international community in Laos and Project officials gathered this Sunday at the site of the Nam Theun 2 Hydroelectric Project to celebrate the Project construction cornerstone inauguration.

After delivering their respective speeches, H.E. Bounnhang Vorachit, Prime Minister of the Lao PDR; H.E. Thakhsin Shinawatra, Prime Minister of the Royal Thai Government; and H.E. Maurice Portiche, Ambassador of France in the Lao PDR; together pulled the rope to open the curtain revealing a commemorative plaque with the flags of Laos, Thailand and France, at the Nam Theun 2 power house location.

In his speech, H.E. Prime Minister Bounnhang recalled that the Nam Theun 2 Hydroelectric Project is “the largest foreign investment in Lao PDR to date and a model of fruitful cooperation.” H.E. Mr. Bounnhang emphasized that the power exchange programme that exists between Laos and Thailand “has strengthened integration in the socio-economic development of the two countries and the two peoples,” and that Nam Theun 2 is yet another important piece of this programme. H.E. Mr. Bounnhang praised the fact that Nam Theun 2, which development and implementation is the result of the combined strengths and skills of a large panel of international partners, of which private sector companies, lenders and international development institutions, will bring direct financial benefits to the country and also improve local livelihoods. “In the next five years, we also expect to receive indirect development such as socio-economic infrastructure that improves the livelihood of people living in the area, and further build the capacity of our Government staff working in conjunction with the Project,” said H.E. Mr. Bounnhang.

Accompanied by a delegation of senior members of the Thai Government and media, H.E. Prime Minister Thaksin Shinawatra arrived by helicopter from Nakhon Phanom on the Thai side of the Mekong to the site of the ceremony where he was greeted by senior officials of the Lao Government and more than 300 students from the surrounding villages. In his speech, H.E. Mr. Thaksin emphasized the strong relationship that Thailand and Laos have been developing for the past decades and that he was confident in the success of the Nam Theun 2 Project, which he described as part of the joint effort made by ACMECS (Ayeyawady – Chao Phraya – Mekong Economic Cooperation Strategy) countries to seek alternatives energy sources to oil. Moreover, H.E. Mr. Thaksin re-affirmed Laos’ position as the “battery of Asia.” As for the Lao-Thai-French partnership of the Project, H.E. Mr. Thaksin described it as “an excellent showcase for the kind of tripartite cooperation that can help promote ACMECS.”

H.E. Mr. Maurice Portiche, Ambassador of France in the Lao PDR and representative of the French Government reminded the audience about the French involvement in the Project since its earliest stages more than 12 years ago. In particular, H.E. Mr. Portiche paid tribute to the Project sponsors for the financial investment and risks they have been taking during all this time. “It has been a bet on the Project feasibility as much as a proof of confidence vis-à-vis the Lao authorities”, said H.E. Mr. Portiche. He reminded the audience that even during the inevitable period of doubts that such project can endure, “the support by France has



never failed, and was often directly expressed through the strong personal involvement of the French Republic President, M. Jacques Chirac”.

The Nam Theun 2 Power Company Ltd (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
- 25% - Electricity Generating Public Company Limited (EGCO) of Thailand
- 15% - Italian-Thai Development Public Company Limited (ITD) of Thailand

Earlier this year, NTPC signed the financing documentation for a total of US\$ 1,580 million in capital commitments 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 designed and established with the support and guidance of the World Bank, the Asian Development Bank, and the Agence Française de Développement.

During the event, representatives of the Project sponsors and International Financial Institutions partners, of which the World Bank, the Asian Development Bank, and the Agence Française de Développement, made speeches recalling the purpose of their involvement in the Project and appreciation for the progresses that they have witnessed so far. In his speech, Mr. Ian Porter, World Bank Country Director for Laos, summarized the ultimate goal of the World Bank and other multilateral partners in development to Laos, being to “harness Lao PDR’s strength of hydropower and will and commitment of its people, into a development success story, one capable of improving lives, reducing poverty, and giving Lao citizens a better hope for the future.”

Mr. Hervé Machenaud, Executive Vice President of EDF and President of its Asia Pacific Branch, reiterated the strong involvement of EDF in the Project, as lead shareholder of NTPC and Head Contractor for the Project construction. “Nam Theun 2 is truly a comprehensive human development adventure, and EDF is committed to actively support NTPC in its multi-dimension tasks in the long run”, said Mr. Machenaud.

Dr. Norkun Sitthipong, Director of the Board of EGCO and speaking on behalf of its Chairman, confirmed that the Project was “in line with EGCO’s vision to provide comprehensive energy services with full commitment to environment protection and social development”. EGCO is a shareholder of NTPC and operation and maintenance contractor.

As regard the construction of the Project, Mr. Premchai Karnasuta, Chairman of ITD, a shareholder in NTPC and main civil work contractor for the Project, emphasized the fact that Nam Theun 2 “is good combination of environmental management and construction activities”. “Priority is being given to ensuring minimal disruption to the ecology of the area”, said Mr. Premchai.

From the second half of 2009, Nam Theun 2 will begin generating electricity to Thailand and revenues to Laos through tax, royalties and dividend.

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