Ref: CS01/2020

January 3, 2020

Subject: Investment in a gas-fired power project with a total capacity of 1,400 megawatts through Hin Kong Power Holding Company Limited

To: President
The Stock Exchange of Thailand

Gulf Energy Development Public Company Limited (the “Company”) would like to provide notification to the Stock Exchange of Thailand that on January 3, 2020, the Company has invested in Hin Kong Power Holding Company Limited (“HKH”), which is a subsidiary of RATCH Group Public Company Limited (“RATCH”), and is a holding company of Hin Kong Power Company Limited (“HKP”), to develop and operate Hin Kong Power Project with capacity of 1,400 megawatts, located in Hin Kong subdistrict, Mueang district, Ratchaburi province (“Hin Kong Power Project”). The Company has acquired 49% ordinary shares of HKH from RATCH at share price equal to par value of 10 baht per share. Payment for the share purchase has been made and the Company has received 196,000 shares with total value of 1,960,000 baht on the same day.

The joint investment with RATCH will support the National Energy Policy, as the Company and RATCH both have experiences and expertise in Independent Power Producer (IPP) business and can exchange experiences to develop the Hin Kong Power Project to operate more efficiently. This also serves as a good opportunity for both companies to jointly strengthen the society, community and environment surrounding the project. Moreover, the investment will bolster the Company’s growth and is aligned with the Company’s policy to expand its power generation capacity.

Additionally, on July 12, 2019, HKP has entered into the Power Purchase Agreement for Hin Kong Power Project with Electricity Generating Authority of Thailand for 25 years. Hin Kong Power Project is a combined-cycle power plant that uses natural gas as the main source of fuel with total contracted capacity of 1,400 megawatts (700 megawatts per unit). At present, the project is in the process of preparing the Environmental Impact Assessment and is expected to commence commercial operation in 2024 and 2025, respectively. The Company will provide notification if there is any progress of the project’s development.

The aforementioned transaction size is not classified as a transaction under the Notification of the Capital Market Supervisory Board No. Tor Chor. 20/2008 regarding Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and is not considered a connected transaction. However, the Company is required to disclose the aforementioned information to the Stock Exchange of Thailand in accordance with the Regulation of the Stock Exchange of Thailand regarding Rules, Conditions and Procedures of Information Disclosure and Practices of Listed Company.

Yours Sincerely,
Gulf Energy Development Public Company Limited

– Signed –

(Ms. Yupapin Wangviwat)
Executive Director