

YTL Power buys major power plant in Indonesia

Kuala Lumpur, 31 May, 2004



YTL Power International Berhad (YTLPI) today announced that it has agreed to acquire a 35% shareholding and certain loan stock interest in PT Jawa Power from PT Bumipertiwi Tatrpradipta (Bumipertiwi). YTLPI will also acquire 100% of the shares of PT Powergen Jawa Timur, the operator of the power station under a 30 year agreement.

YTLPI will pay a price of USD139.4m for the 35% shareholding and loan stock in PT Jawa Power and a price of USD3.6m for the shareholding in PT Powergen Jawa Timur.

The investment in PT Jawa Power is a good opportunity to invest in a well structured and operating asset that is past the construction stage and already generating profits. Barring any unforeseen circumstances, the investment is expected to contribute, before financing cost, post tax profit of approximately RM105 million to the Group commencing the financial year ending 30 June 2005.

The acquisition by YTLPI is subject to various approvals by project parties, regulatory authorities and lenders to PT Jawa Power.

The acquisition is expected to be completed in the second half of 2004.

Quotations

Tan Sri (Dr) Francis Yeoh, Managing Director of YTLPI said, "Indonesia is the most natural growth market in the region for us to deploy our energy and infrastructure skills; we very much look forward to working with Siemens and Bumipertiwi and the operations staff to manage this power station as well as to develop further opportunities in the market."

Jongkie Sugiarto, President Director of PTBT said, " We very much welcome YTLPI, with its regional leadership in independent power project development and long standing relationship with Siemens, as our new partner and operator."

Information on PT Jawa Power

PT Jawa Power owns a 1,220MW coal fired power station in East Jawa. The power station was commissioned in 2000. It was developed by and is currently owned by Siemens Project Ventures GmbH (50%), Powergen (35%), and Bumipertiwi (15%). Following the acquisition by E.ON AG of Powergen, the group has decided to divest its interest in non core assets to focus on its European and US activities. PT Jawa Power supplies power to PT PLN, the Indonesian state owned integrated utility pursuant to a 30 year power purchase agreement. PT Jawa Power burns Indonesian coal supplied from three mines in Kalimantan. In addition to shareholder funding, the construction of the power station was funded by debt and guarantees provided by German and US Government backed institutions, various US institutional investors and a consortium of international banks.