



March 15, 2001

Electric Power Development Co., Ltd.

Participating in the Rayong Gas Co-Generation IPP project in Thailand

Electric Power Development Co., Ltd. (EPDC) has recently decided to participate in the Gas Co-Generation IPP project (output, 105 thousand kW; steam, 30 tons/hour) under planning in Rayong, Thailand.

On March 7, the inter-stockholder agreement was concluded by three companies, EGCO (the largest private power generation company in Thailand), TLPC (an affiliate company for gas power generation business under EGCO), and EPDC to make investment (20 percent) to TLP Cogeneration (a local project company).

Furthermore, on March 14, the loan contract was signed between the local Business Company and bankers, allowing the construction to start in April. The initiation of operation is scheduled in January 2003.

This project will allow wholesale of electricity to the EGAT (Electricity Generating Authority of Thailand), based on the SPP program (Small Power Producers program), while providing direct sale of electricity and steam to businesses in the industrial park.

The reason why EPDC has recently decided to participate in this project is because EPDC has judged the project will possess the following significance:

- (1) The project is expected to easily be realized, with stable profitability.
- (2) The cooperation with the EGCO (the largest private power generation company in Thailand) is expected to expand EPDC's overseas investment business, in particular business chances towards ASEAN nations.
- (3) This will be the first project to participate in the overseas gas combined co-generation business for EPDC.

This is the fifth overseas IPP project participation of the Company. One in operation, one under construction, and two under planning.

*SPP program (Small Power Producers) program

SPP program is the law enacted in 1992, from the viewpoint of promoting the utilization of raw energy and exhaust residual fuel, according to the policy which approves small-scale businesses with a capacity of 90 thousand kW to generate power and sell it to the EGAT. Specifically, EGAT purchases the electric power generated by one of the following power generation methods:

- (1) Hydroelectric, wind, and miniature hydroelectric power generations.
 - (2) Biomass power generation.
 - (3) Thermal power generation and co-generation (combined supply of heat and electricity).
- As of October 2000, 43 power stations are in operation for supplying 179.4 million kW in total.

1. Outline of project

Location:	Within the Rayong Industrial Park, Rayong, Thailand (200 km southeast of Bangkok)
Type:	Gas combined cycle power generation
Output:	105 thousand kW and 30-ton steam per hour
Fuel:	Natural gas <<Supply contract concluded with PTT (Petroleum Authority of Thailand)>>
Scheme:	BOO method (Build, Own and Operate method)
Sales to:	EGAT (Electricity Generating Authority of Thailand): 60 thousand kW (30 tons/hour) Business enterprises within the Rayong Industrial Park: 45 thousand kW (30 tons/hour)
Name of business:	TLP Cogeneration: Established in December 1997)
Operation and maintenance:	ESCO (affiliate company of EGCO)
Total operation expense:	Approximately 3.523 billion baht (approximately 10.2 billion yen) [Investment, 30%; borrowing, 70%]
Loan:	procured by the project finance program of three banks, including Krung Thai Bank Ltd. (KTB)
Schedule:	April 2001: Start of construction (period of construction: 21 months): January 2003: Start of operation

2. Outline of local business company

Name:	TLP Cogeneration
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Location:	Bangkok, Thailand
Capital:	Approximately 1.06 billion baht (approximately 3.1 billion yen at an exchange rate of baht to 2.9 yen)
Capital ratios:	<p>EGCO (Electric Generating Public Company): 40% (equivalent to approximately 1.24 billion yen)</p> <p>TLPC (Thai LNG Power Corporation Limited): 40% (equivalent to approximately 1.24 billion yen)</p> <p>EPDC: 20% (equivalent to approximately 620 million yen)</p> <p>*Five directors, including one absentee director appointed from EPDC.</p>
Outline of business:	Construction and operation of power generation facilities and sales of electricity and steam

End of announcement