

May 8, 2001  
Electric Power Development Co., Ltd.

## **EPDC Overseas Coal Co., Ltd., a member of EPDC group, making inloads into worldwide coal e-marketplace**

EPDC Overseas Coal Co., Ltd. (President: Tetsuya Taki; Head office: Nihonnbashi-Muromachi, Chuo Ward, Tokyo), one of the EPDC group companies, has recently made an capital participation (approximately 6%; approximately 37 million yen) in Global Coal Limited (London base), prior to the establishment of Global Coal Limited, which organizes the establishment and operation in e-marketplace for coal. The said company is aiming at the start of transaction in May.

Global Coal Limited aims at establishment and management of worldwide e-marketplace for members only.

Internet is used for the extensive transactions among the participants concerned with coal business.

Therefore, the said company plans to conduct independent as well as neutral operation by its own staff.

Global Coal Limited positions the sea-borne trade based on Standard Coal Trade Agreement(SCoTA) with Standard Quality Specifications at the major business in e-marketplace. The coal to be handled is steam coal used for power generation and general industry (including cement and paper). In addition, transactions in the plan include the trading according to separate contract terms, tenders, and auctions.

Price trends information based on actual transaction and coal-related information will also be provided.

Swap trading and option transaction will be brought into view in the future.

The outstanding characteristic of Global Coal Limited is that the company consists of four resources companies of the world's premier coal sellers and four electric companies of the major coal buyers as its founders. Transactions are expected in considerable quantity.

EPDC has received a strong request for capital participation as the company that boasts the largest import quantity of steam coal in Asia (approximately 13 million tons in fiscal 2000; the largest in Japan).

EPDC has recently decided to participate because the capital investment in this project has the following advantages:

- (1) Promoting the diversification of coal procurement method will lead to the maintenance and improvement of competitiveness in coal procurement.
- (2) The procurement through e-marketplace can speed up and increase efficiency in coal procurement business.
- (3) There is a big success potential in business and stable management is anticipated.

Global Coal Limited has a web site at: [www.globalcoal.com](http://www.globalcoal.com). Software application related to the standard contract transactions of the company is downloadable from this site. Upon conclusion of the agreement, services from the company will be available.

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#### Outline of Global Coal Limited

- (1) Name: Global Coal Limited
- (2) Established place: London
- (3) Expected initial paid-in capital 3,466,183pound (Approximately 6.06 million yen, at an exchange rate of 175 yen to pound)
- (4) Establishment members (shareholders)

<b>Company</b>	<b>Capital ratio</b>	<b>Descriptions</b>
<b>Glencore</b>	19.5%	Mining and natural resource company; Head office in Switzerland
<b>Billiton</b>	19.3%	Mining and natural resource company; Head office in UK
<b>Rio Tinto</b>	13.9%	Mining and natural resource company; Head office in UK
<b>Accel-KKR</b>	15.0%	Internet venture capital firm; Head office in USA
<b>Anglo American</b>	13.9%	Mining and natural resource company; Head office in UK
<b>EPDC Overseas Coal</b>	6.1%	Subsidiary company of EPDC; coal mining investment and coal trading are major businesses
<b>Enel</b>	5.5%	Electric company; Head office in Italy
<b>E-On</b>	3.1%	Comprehensive energy company including the productions of electricity and chemicals; Head office in Germany
<b>TXU Europe</b>	1.0%	Energy company; European company of Texas Utilities; Head office in UK
<b>Gigajoule</b>	3.0%	E-Commerce company; UK *Investment in kind

(5) Outline of trade:

<1> Standard Trading: Trading locations

- Newcastle [Australia]
- Richards Bay [South Africa]
- Porto Bolivar [Colombia]
- Amsterdam, Rotterdam, Antwerp [Northwest Europe]
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<2> Custom contract transaction

<3> Tender / auction / reverse auction system

<4> Other related services (Distribution service of news concerning coal trade; announcement of coal price index)

(6) Revenue

The above services are provided to sellers and buyers of coal, securing benefits through handling charges

according to the service.

(Standard trading charge is five cents each from both seller and buyer per approved transaction.)

End of announcement