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Electric Power Development Co., Ltd.

Acquisition of New Power Companies by Gulf Electric Public Company (Holding Company for IPP Business in Thailand)

Gulf Electric Public Company, a corporation engaged in IPP business in Thailand and partially owned by J-POWER (which has a 49% share in its equity capital), has acquired two new power companies in Thailand.

The companies concerned are first, Nong Khae Cogeneration Co., Ltd. (Installed capacity: power output 127,000kW and steam generation 26 tons/hour), owned by Tractebel (Head office in Belgium) and second, Samutprakarn Cogeneration Co., Ltd. (Installed capacity: power output 122,000kW and steam generation 35 tons/hour). Both were taken over by Gulf Electric Public Company for 94.3 million US dollars (approx. 11.5 billion yen, subject to a dollar/yen exchange rate of 122 yen to the dollar).

In connection with the takeover, J-POWER decided to increase its equity share with an additional investment of 980 million bahts (approx. 2.8 billion yen; subject to an exchange rate of 2.82 yen to the baht) in Gulf Electric Public Company. This amount was paid in on November 22 and with it, J-POWER's total investment participation in Gulf Electric Public Company now stands at approx. 6,300 million yen.

Following this move, the number of overseas power plants in which J-POWER is involved has reached a total of ten (seven in operation, two under construction and one being designed (see Note 1). In Thailand itself, the number is seven (five in operation and two under construction).

J-POWER was satisfied with its assessment of the present acquisition of the two power companies by Gulf Electric Public Company and therefore decided to increase its equity share for the following reasons:

- (1) Both companies had already established a sound operational record and presented an extremely low risk in technical terms so that appropriate profit return can be anticipated from their IPP operations;
- (2) Both companies had already signed long-term electricity sales agreements for 90,000kW with Electricity Generating Authority of Thailand (EGAT) under the Electric Power Purchase Guarantee System for Small-Scale Power Generators. The two companies have also signed long-term power and

steam sales agreements with companies in the industrial park. A reliable source of income from energy tariffs is therefore assured;

- (3) EGCO, a joint investor of Gulf Electric Public Company which is the main purchaser of the two power companies, is Thailand's largest private power generating company. J-POWER's present investment goes to strengthen the already close bonds with EGCO, giving J-POWER a greater opportunity to contribute to the development of Thailand's power sector.

Profile of Gulf Electric Public Company (see Note 2)

Gulf Electric Public Company was established in 1994 as a holding company to engage in the IPP business in Thailand. J-POWER acquired a share in the company's equity in December 2001. At present, J-POWER owns a cogeneration facility (power output 107,000kW and steam generation 32 tons/hour) which has been in commercial operation in Kaeng Khoi District of Saraburi Province, Thailand. J-POWER also has plans for a thermal power station based on imported coal, a biomass power plant, and a gas-fired thermal power facility.

1. Outline of Nong Khae Cogeneration Company

Name:	Nong Khae Cogeneration Co., Ltd.
Location:	Bangkok, Thailand (established in 1997)
Number of employees:	38
Capitalization fund (Authorized and paid-in capital):	1,513 million bahts (as of December 2001)
Equity sharing:	100% owned by Gulf Electric Public Company
Business profile:	Ownership and operation of gas cogeneration facility and sale of electricity and steam

Description of Gas Cogeneration Facility

Location:	Situated in the industrial park of Nong Khae District in Saraburi Province, Thailand (86km north of Bangkok)
Type of plant:	Gas combined cycle generating plant
Output:	127,000kW (Electricity) and 26 tons/hour (Steam) (Maximum)
Fuel:	Natural gas (Gas supply agreement signed with Petroleum Authority of Thailand)
Scheme:	Build, Own, and Operate (BOO) scheme
Customers:	EGAT (Electricity Generating Authority of Thailand): 90,000kW (21 year agreement)

Companies in the industrial park:	22,100kW and 23.4 tons/hour of steam
Operation and maintenance:	Under direct management
Overall operating costs:	Approx. 3,626 million bahts (42% self-financed and 58% loan-financed)
Schedule:	Commencement of commercial operation in December 2000 and successful operation continued until the present

2. Outline of Samutprakarn Cogeneration Company

Name:	Samutprakarn Cogeneration Co., Ltd.
Location:	Bangkok, Thailand (established in 1995)
Number of employees:	38
Capitalization fund (Authorized and paid-in capital):	1,338 million bahts (as of December 2001)
Equity sharing:	100% owned by Gulf Electric Public Company
Business profile:	Ownership and operation of gas cogeneration facility and sale of electricity and steam.

Description of Gas Cogeneration Facility

Location:	Situated in the industrial park of Bangpoo District in Samutprakarn Province, Thailand Type of plant: Gas combined cycle generating plant
Output:	122,000kW (Electricity) and 35 tons/hour (Steam) (Maximum)
Fuel:	Natural gas (Gas supply agreement signed with the Petroleum Authority of Thailand)
Scheme:	Build, Own, and Operate (BOO) scheme
Customers:	EGAT (Electricity Generating Authority of Thailand): 90,000kW (21% agreement)
Companies in the industrial park:	25,300kW and 21.5 tons/hour of steam
Operation and maintenance:	Under direct management
Overall operating costs:	Approx. 3,512 million bahts (38% self-financed and 62% loan-financed)
Schedule:	Commencement of commercial operation in August 1999 and successful operation continued until the present

End of announcement