

EXIM Thailand Extends Syndicated Loan with Seven Thai and Foreign Banks to Lao PDR's Theun-Hinboun Hydropower Extension Project

EXIM Thailand provides 100 million USD as part of a syndicated loan worth 585.5 million USD with seven other Thai and foreign financial institutions to finance Theun-Hinboun hydropower extension project. This financial support aims to advance infrastructural development in the Greater Mekong Subregion in response to the growing electricity demand, particularly, in Thailand and Lao PDR. Ninety-five percent of the electricity generated by Theun-Hinboun will be sold to EGAT.

Dr. Apichai Boontharawara, President of Export-Import Bank of Thailand (EXIM Thailand), Dr. Prasarn Trairatvorakul, President of Kasikornbank Public Co., Ltd. and Mr. Jackie B. Surtani, Head of Project Finance - Asia Pacific, Belgium's KBC Bank NV, and five other representatives from Thai and foreign financial institutions along with Mr. David L. Michaels, Managing Director of GMS Power Public Co., Ltd., signed a syndicated loan agreement comprising USD and Baht tranches totaling 187.5 million USD and 13,940 million baht, respectively, at the Conrad Bangkok on October 8, 2008. The dual currency loan facility is earmarked to finance Theun-Hinboun Power Co., Ltd. (THPC)'s electricity generation expansion project in Lao PDR.

EXIM Thailand contributed 50 million USD in the USD-denominated loan facility offered by Australia & New Zealand Banking Group Ltd. (ANZ), KBC Bank, France's BNP Paribas and EXIM Thailand. Another 1,750 million baht was provided as part of the Thai Baht-denominated tranches together with other syndicated parties comprising four Thai commercial banks, namely, Kasikornbank Public Co., Ltd., Siam City Bank Public Co., Ltd., Bank of Ayudhya Public Co., Ltd., and Thanachart Bank Public Co., Ltd. THPC is a joint venture company consisting of three shareholders, namely Electricité du Laos (EdL), Nordic Hydropower AB of Norway and GMS Lao Co., Ltd. of Thailand. The THPC will use the loan to increase power generating capacity of the Theun-Hinboun Dam in Lao PDR from 210 megawatts (MW) to 500 MW, of which 440 MW will be sold to the Electricity Generating Authority of Thailand (EGAT) and the rest to EdL.

Theun-Hinboun Extension Project marks the first hydroelectric power project in Lao PDR to conclude a Power Purchase Agreement with EGAT and commence construction works in 2008. The project consists of 1) New hydropower plant near the Nam Gnouang River providing an extended electricity generation capacity from the existing capacity of 210 MW to 500 MW 2) 70-meter-high dam and 2,450-cubic-meter reservoir on the Nam Gnouang River which help divert waterflows 3) Headrace tunnel running from the intake gate to the new hydropower station and 4) 230 kilovolt double-circuit transmission lines running from the new hydropower plant to Thakhek District, Lao PDR to connect with the existing transmission lines in Sakon Nakhon province, Thailand.

According to EXIM Thailand's President, EXIM Thailand has provided financial support to Theun-Hinboun Hydropower Project continuously since 1994 in recognition of the importance of infrastructural development in Thailand and Lao PDR to sustaining the economic growth in the Greater Mekong Subregion. This commitment is also in response to the two countries' growing demand for electric power for both domestic and industrial use. In addition, hydropower is a less expensive source of energy for the industrial sectors, thereby increasing their competitiveness. It is also considered a clean energy resource.

Theun-Hinboun Project received a 30-year Build-Own-Operate-Transfer (BOOT) concession from Lao PDR's government and started generating electricity in April 1998. At least 95% of the total generated electricity from the project is contracted to be sold to EGAT for 25 years, until 2024. The remainder of the electricity generated from the project will be sold to EdL.

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