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Ref: CS10/2023

March 20, 2023

Subject: Execution of the Power Purchase Agreement for Pak Lay hydroelectric power project in Lao PDR

To: President
The Stock Exchange of Thailand

Reference is made to Gulf Energy Development Public Company Limited (the “Company”)’s notification to the Stock Exchange of Thailand on January 24, 2022, whereby the Company and Sinohydro (Hong Kong) Holding Ltd. (“SHK”), a subsidiary of Power Construction Corporation of China Ltd. (POWERCHINA), which is the People's Republic of China’s state-owned enterprise, has entered into a Tariff Memorandum of Understanding (Tariff MOU) with the Electricity Generating Authority of Thailand (“EGAT”) for Pak Lay hydroelectric power project (the “Project”). The Project has an installed capacity of 770 megawatts and is located on the Mekong River in Pak Lay district, Xayaburi province, Lao People’s Democratic Republic (“Lao PDR”). The Project will sell all of the electricity generated to EGAT at an average tariff rate of 2.6989 Thai Baht / kilowatt-hour.

The Company would like to provide notification that on March 20, 2023, Pak Lay Power Company Limited, a joint venture company in which the Company holds 40% equity stake and SHK holds 60% equity stake, has entered into a Power Purchase Agreement with EGAT for a period of 29 years from the commercial operation date, which is scheduled on January 1, 2032.

The Project is a run-of-the-river hydroelectric power plant that uses the natural flow rate of water in the Mekong River to generate electricity, with no large reservoir and no water diverting from the Mekong River, resulting in the equal amount of water inflow and water outflow. Therefore, there will be no impact on the water volume in the Mekong River.

The investment in the Project marks the Company’s first step in entering the hydroelectric power market in Lao PDR, and is aligned with the Company’s strategy to increase its investments in renewable energy business, with the aim to reduce greenhouse gas emissions and move towards Net Zero Emissions.

The aforementioned transaction size is not classified as a transaction under the Notification of the Capital Market Supervisory Board No. Tor Chor. 20/2008 regarding Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and is not considered a connected transaction. However, the Company is required to disclose the aforementioned information to the Stock Exchange of Thailand in accordance with the Regulation of the Stock Exchange of Thailand regarding Rules, Conditions and Procedures of Information Disclosure and Practices of Listed Company.

Yours Sincerely,
Gulf Energy Development Public Company Limited
- Signed –
(Ms. Yupapin Wangviwat)
Chief Financial Officer