

CENTENNIAL COAL MARKET RELEASE



Centennial Announces Recommended 100% Takeover Offer From Banpu at A\$6.20 Cash per Share

Summary

- Recommended all cash takeover offer (the “Offer”) at A\$6.20 cash per share for all Centennial Coal Company Limited (“Centennial”) shares not already owned or controlled by Banpu Public Company Limited (“Banpu Plc”). Banpu Plc will use a wholly owned subsidiary Banpu Minerals (Singapore) Pte Ltd (“Banpu”) to make the Offer.
- Centennial Directors unanimously recommend Centennial’s shareholders accept the Offer in the absence of a Superior Proposal and subject to an independent expert finding that the Offer is fair and reasonable to Centennial shareholders.
- The Offer price represents a 55% premium to the closing price on 5 May 2010, being the day prior to Banpu Plc announcing it had acquired a relevant interest in 14.9% of the shares in Centennial.

Takeover Offer for Centennial

The Board of Centennial today announced that it had entered into a Bid Implementation Agreement (“BIA”) with Banpu, pursuant to which Banpu has agreed to make an all cash off-market takeover bid at A\$6.20 per share for all of the Centennial shares not already owned or controlled by Banpu Plc.

The Offer price of A\$6.20 per share values the fully diluted equity in Centennial at approximately A\$2.5 billion. Banpu Plc currently owns or controls 19.9% of the shares in Centennial.

The Offer price of A\$6.20 per Centennial share represents a premium of:

- 40% to the closing price of \$4.42 on 2 July 2010, being the last day of trading prior to this announcement; and
- 55% to the closing price of \$3.99 on 5 May 2010, being the day prior to Banpu Plc announcing it had acquired a relevant interest of 14.9% in Centennial.

The Offer will be financed through a combination of Banpu Plc’s cash reserves and available capacity under new and existing credit facilities.

Centennial Coal Company Limited
ACN: 30 003 714 538
Level 18, BT Tower,
1 Market Street,
Sydney NSW 2000 Australia
T: (61-2) 9266 2700
F: (61-2) 9261 5533
cey1@centennialcoal.com.au
www.centennialcoal.com.au

SHARE REGISTRY
Computershare Investor
Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
T: 1300 855 080
(Investor Enquiries)
F: (61-2) 8234 5050
www.computershare.com

The Centennial Board has carefully considered the Offer and unanimously recommends it to Centennial shareholders in the absence of a Superior Proposal and subject to an independent expert finding that the Offer is fair and reasonable to Centennial shareholders. All Centennial Directors intend to accept the Offer with respect to their own shareholdings, subject to the above qualifications.

Centennial Chairman, Dr Ken Moss AM, said

“The Offer price of A\$6.20 cash per share delivers compelling value to Centennial shareholders and represents an attractive premium to the recent Centennial share price.”

Centennial Managing Director and CEO, Mr Bob Cameron, said:

“Centennial is strategically placed to take advantage of strong demand for thermal coal, with long term domestic contracts expiring in coming years. We also expect to grow production as a result of our new operations at Airly and the Newstan Lochiel Project. Banpu’s Offer recognises both the current profitability of Centennial and its upside.”

“I am pleased to confirm that Banpu Plc has indicated its high regard for our personnel and its intention to maintain current operations and employees.”

The Centennial Board intends to provide an independent expert’s report to Centennial shareholders with its target’s statement. The independent expert will determine whether, in its opinion, the Offer is fair and reasonable.

Bid Implementation Agreement

The BIA sets out the obligations of Banpu and Centennial in relation to the implementation of the Offer and includes an exclusivity arrangement in favour of Banpu (such arrangement has been extracted in Attachment 1 to this announcement).

The BIA also sets out the conditions of the Offer, which in summary includes:

- 50.1% minimum acceptance;
- No material adverse change in Centennial;
- The exchange rate of the Australian dollar to the US dollar not exceeding A\$1.00=US\$0.97 on the business day prior to the date on which Banpu is required to declare the Offer unconditional;
- No prescribed occurrences and various other restrictions on the conduct of Centennial’s businesses during the Offer period;
- Australia’s Foreign Investment Review Board (“FIRB”) approval;
- Approval from the Bank of Thailand for Banpu to remit foreign currency to pay the consideration under the Offer; and
- Banpu Plc obtaining shareholder approval from 75 percent of the votes cast at a Banpu Plc shareholder meeting to approve the Offer.

Under the BIA Centennial is permitted to pay a final dividend of up to A\$0.04 per share. At this stage, Centennial has made no decision as to the amount or timing of any such dividend. In the event that such dividend is paid, under the terms of the Offer shareholders on the record date for the dividend will be entitled to keep the dividend without adjustment to the Offer price. However, whether or not shareholders who accept the Offer will receive the dividend will depend on a number of factors, including the timing of the record date for the dividend, the takeover offer period and the timing of the offer becoming unconditional.

The BIA includes a cost reimbursement arrangement under which Centennial will be required to pay Banpu a break fee of A\$24 million in certain circumstances and under which Banpu will be required to pay Centennial a break fee of A\$24 million in certain circumstances. Those circumstances have been extracted in Attachment 1 to this announcement.

The Banpu Plc shareholder meeting required to approve Banpu making the Offer is expected to occur in approximately mid August, consistent with the usual timeframe for preparing materials and complying with statutory notice periods in Thailand. Banpu has submitted its application to FIRB to acquire up to 100% of the Centennial shares.

Banpu Plc's Media Release in Relation to the Offer

This is attached to this announcement as Attachment 2.

Further Information

For further information:

Investor enquiries, please contact:

Tony Macko

Centennial General Manager: Corporate Affairs and Company Secretary

Telephone: (612) 9266 2700

Anthony Sweetman

Managing Director

UBS AG, Australia Branch

Telephone: (612) 9324 2529

Media enquiries, please contact:

Martin Debelle

Citadel

Telephone: (61) 2 9290 3033

Mobile: (61) 409 911 189

Background on Banpu Plc

Banpu Plc is a Stock Exchange of Thailand listed pan-Asian coal focused energy group with a market capitalisation of approximately A\$6.0 billion. It has a diverse portfolio of coal mining and power assets clustered around three main countries: China, Thailand and Indonesia. Coal output in 2009 was 21 million tonnes. Banpu Plc's Indonesian coal business, PT IndoTambangraya Megah ("ITMG"), was floated on the Indonesian Stock Exchange in December 2007. Banpu Plc has power generation capacity (on an equity basis) of around 1.5GW.

Background on Centennial

Established in 1989 and listed on the Australian Securities Exchange in 1994, Centennial is a coal mining and marketing company supplying thermal coal to domestic and export markets. Centennial has ten mines, all located in New South Wales, which produced 15 million ROM tonnes (equity share) of coal in the 2009 financial year. Centennial is a major fuel supplier to the New South Wales energy industry, and also sells approximately 30 – 35% of its coal into the export market, with a strategy to increase exports firmly underway. Coal is exported through ports at Newcastle and Port Kembla in NSW. Customers include power stations, steel mills and other industrial users in Japan, Taiwan, Korea, China and Europe.

Advisers

UBS AG, Australia Branch is acting as financial adviser and Freehills as legal adviser to Centennial.

Date: 5 July 2010

Attachment 1

Extract from the BIA - Cost Reimbursement and Exclusivity Arrangements

1 Reimbursement Fees

1.1 Background to Reimbursement Fee

- (a) Banpu and Centennial acknowledge that, if they enter into this agreement and the Takeover Bid is subsequently not implemented, Banpu will incur significant costs.
- (b) In these circumstances, Banpu has requested that provision be made for the payments outlined in clause 1.2, without which Banpu would not have entered into this agreement or otherwise agreed to implement the Takeover Bid.
- (c) The Board believes, having taken legal advice from its external lawyers and Financial Advisers, that the Takeover Bid will provide benefits to Centennial and the Shareholders and that it is appropriate for Centennial to agree to the payments referred to in clause 1.2 in order to secure Banpu's participation in the Takeover Bid.

1.2 Reimbursement Fee Triggers

Centennial must pay the Reimbursement Fee to Banpu, without set-off or withholding, if:

- (a) during the Exclusivity Period the Board or any Director fails to recommend that Shareholders accept the Offer in the absence of a Superior Proposal or, having made such a recommendation, withdraws, adversely revises or adversely qualifies that recommendation for any reason, in each case other than a result of the report of an independent expert commissioned by Centennial determining that the Offer is not fair and reasonable (other than a report that is in response to a Third Party Proposal or which otherwise determines that the Offer is not fair and reasonable as a result of a Third Party Proposal);
- (b) during the Exclusivity Period the Board or any Director recommends that Shareholders accept, vote in favour of or otherwise support (including support by way of accepting or voting in respect of securities a Director owns or controls) a Third Party Proposal in relation to or involving Centennial or a Subsidiary of Centennial which is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period;
- (c) before the end of the Offer Period a person (other than Banpu or an Associate of Banpu) and that person's Associates acquire a Relevant Interest in more than 50% of the Shares;
- (d) Centennial commits a breach of clause 1 where that breach would reasonably be likely to lead to a Third Party Proposal being announced or implemented; or
- (e) during the Exclusivity Period, any of the Bid Conditions are breached or become incapable of being satisfied, in either case due to an act or omission of Centennial, a Related body corporate of Centennial or a director of Centennial or any Related body corporate of Centennial, provided that, in any such case, Banpu publicly announces that it will, as a result of such act or omission, allow its bid to lapse without freeing the Offer from the relevant Bid Condition.

1.3 Timing of Payment of Reimbursement Fee

A demand by Banpu for payment of the Reimbursement Fee under clause 1.2 must be in writing and state the circumstances which give rise to demand. Centennial must pay the Reimbursement Fee to Banpu within 2 Business Days of receipt by Centennial of a demand for payment where Banpu is entitled under clause 1.2 to the Reimbursement Fee.

1.4 Refund

If, despite the occurrence of any of the events referred to in clause 1.2, Banpu becomes the holder of not less than 50.1% of Centennial's share capital as a result of the Takeover Bid or otherwise within 6 months of the date of this agreement, Banpu must repay to Centennial any amount received by it under this clause 1.

1.5 Background to Reverse Reimbursement Fee

Banpu and Centennial acknowledge that, if they enter into this agreement and the Takeover Bid is subsequently not implemented, Centennial will incur significant costs, including significant opportunity costs.

In these circumstances, Centennial has requested that provision be made for the payments outlined in clause 1.6, without which Centennial would not have entered into this agreement.

The Banpu Plc Board believes, having taken legal advice from its external lawyers and Financial Advisers, that the Takeover Bid will provide benefits to Banpu and the Shareholders and that it is appropriate for Banpu to agree to the payments referred to in clause 1.6 in order to secure Centennial's participation in the Takeover Bid.

1.6 Reverse Reimbursement Fee Trigger

Subject to clause 1.9, Banpu must pay the Reverse Reimbursement Fee to Centennial, without set-off or withholding, if, during the Exclusivity Period, any Banpu Plc Director fails to recommend that Banpu Plc Shareholders vote in favour of the Banpu Plc Shareholder Approval or, having made such a recommendation, withdraws, adversely revises or adversely qualifies that recommendation, in each case other than as a result of the report of an independent financial adviser commissioned by Banpu Plc determining that the Offer is not fair and reasonable or that the shareholders of Banpu Plc should not approve the Offer.

1.7 Timing of Payment or Reimbursement of Reverse Reimbursement Fee

A demand by Centennial for payment of the Reverse Reimbursement Fee under clause 1.6 must be in writing and state the circumstances which give rise to the demand. Banpu must pay the Reverse Reimbursement Fee to Centennial within 2 Business Days of receipt by Banpu of a demand for payment where Centennial is entitled under clause 1.6 to the Reverse Reimbursement Fee.

If Banpu pays the Reverse Reimbursement Fee to Centennial, Centennial must reimburse that Reverse Reimbursement Fee to Banpu within 2 Business Days of receipt of a demand for reimbursement if Banpu Plc Shareholder Approval is obtained before the end of the Exclusivity Period.

1.8 Basis of Reimbursement Fee and Reverse Reimbursement Fee

The Reimbursement Fee in the case of Banpu and the Reverse Reimbursement Fee in the case of Centennial have been calculated to reimburse each party for costs including the following:

- (a) fees for legal and financial advice in planning and implementing the Takeover Bid;
- (b) reasonable opportunity costs incurred in engaging in the Takeover Bid or in not engaging in other alternative acquisitions or strategic initiatives;
- (c) costs of management and directors' time in planning and implementing the Takeover Bid; and
- (d) out of pocket expenses incurred by Banpu Plc's and Banpu's employees, advisers and agents in planning and implementing the Takeover Bid.

1.9 Compliance With Law

This clause 1 does not impose an obligation on Centennial to pay the Reimbursement Fee, or on Banpu to pay the Reverse Reimbursement Fee, to the extent (and only to the extent) that the obligation to pay the Reimbursement Fee or the Reverse Reimbursement Fee:

- (a) is declared by the Takeovers Panel to constitute Unacceptable Circumstances; or
- (b) is determined to be unenforceable as determined by a court.

1.10 Reimbursement Fee and Reverse Reimbursement Fee Payable Only Once

- (a) Where the Reimbursement Fee becomes payable to Banpu under clause 1.2 and is actually paid to Banpu, Banpu cannot make any Claim against Centennial or any of its Subsidiaries or Related Persons for payment of any subsequent Reimbursement Fee.
- (b) Where the Reverse Reimbursement Fee becomes payable to Centennial under clause 1.7 and is actually paid to Centennial, Centennial cannot make any claim against Banpu or any of its Subsidiaries or Banpu Related Persons for payment of any subsequent Reimbursement Fee.

1.11 Other Claims

- (a) Where an amount becomes payable to Banpu under clause 1.2 and is actually paid to Banpu (or is payable, but no demand is made under clause 1.3), Banpu cannot make any Claim (other than a Claim under this clause 1) against Centennial or any of its Subsidiaries or Related Persons which directly or indirectly relates to the facts, matters, circumstances, events or occurrences which gave rise to the obligation to make the payment to Banpu under clause 1.2.
- (b) Where an amount becomes payable to Centennial under clause 1.6 and is actually paid to Centennial (or is payable, but no demand is made under clause 1.6), Centennial cannot make any Claim (other than a Claim under this clause 1) against Banpu or any of its Subsidiaries or Banpu Related Persons which directly or indirectly relates to the facts, matters, circumstances, events or occurrences which gave rise to the obligation to make the payment to Centennial under clause 1.6.

2 Exclusivity

2.1 No Talk

- (a) Subject to clause 2.3, during the Exclusivity Period, Centennial must not, and must procure that none of its Related Persons:
 - (1) directly or indirectly participates in or continue any discussions or negotiations;
 - (2) provides or makes available any information (including by way of providing information and access to perform due diligence on the Centennial Group);
 - (3) enters into any agreement, arrangement or understanding (whether or not in writing and whether or not legally binding); or
 - (4) communicates any intention or agreement to do any of the things referred to above in this clause 2.1(a)(1),in relation to, or which would reasonably be expected to lead to, a Third Party Proposal.
- (b) Nothing in this clause 2.1 prevents Centennial from continuing to make normal presentations to brokers, portfolio investors and analysts in the ordinary course of business or promoting the merits of the Takeover Bid. For the avoidance of doubt, clause 3.2 applies to any such presentation.

[Clause 3.2 states: "During the Exclusivity Period, no public announcement in connection with the Takeover Bid (other than a procedural notification or announcement required by the Corporations Act or, without limiting clause 2.5, an announcement by Centennial in relation to a Third Party Proposal) may be made other than in a form approved by both parties (which approval must not be unreasonably withheld). Each party must use all reasonable endeavours to provide the approval as soon as practicable, subject to legal obligations (including any obligation under the Listing Rules or the rules of SET) which make such consultation and approval impractical."]

2.2 No Shop

During the Exclusivity Period, Centennial must ensure that neither it nor any of its Related Persons:

- (a) directly or indirectly solicit (including by way of providing information concerning the Centennial Group to any person) or invite enquiries, discussions or proposals in relation to, or which would reasonably be expected to lead to a Third Party Proposal; or
- (b) communicate to any person an intention or agreement to do any of the things referred to in clause 2.2(a).

2.3 Limitation to No talk

Subject to clause 2.5, Centennial and any of its Related Persons may undertake any action that would otherwise be prohibited by clause 2.1, in relation to a bona fide Third Party Proposal which was not solicited and was not otherwise brought about (directly or indirectly) as a result of any breach by it of its obligations under clause 2.2, where the Board acting in good faith:

- (a) reasonably determines (after receiving written advice from its external lawyers) that not undertaking that act would reasonably be likely to involve a breach of the fiduciary or statutory duties owed by any Director or would otherwise be unlawful; and
- (b) reasonably determines after taking written advice from its Financial Advisers and legal advisers that the Third Party Proposal is or is likely to be:
 - (1) reasonably capable of being valued and completed on a timely basis taking into account all aspects of the Third Party Proposal and the person making it, including having regard to legal, regulatory and financial matters and any conditions precedent; and
 - (2) more favourable to shareholders than the Takeover Bid, taking into account all the terms and conditions of the Third Party Proposal.

2.4 Notification of Approaches

During the Exclusivity Period, Centennial must notify Banpu as soon as reasonably practicable in writing if it, or any of its Related Persons becomes aware of:

- (a) any approach or attempt to initiate negotiations or discussions or any intention to make such an approach or attempt to initiate negotiations or discussions in respect of any offer or proposal of a kind referred to in clause 2.1 or 2.2;
- (b) any proposal whether written or otherwise made to Centennial, its Related Persons or any of its Subsidiaries in connection with, or in respect of, any exploration or consummation of, a Third Party Proposal or a proposed or potential Third Party Proposal, whether unsolicited or otherwise; and
- (c) the provision by Centennial, its Related Persons or any of its Subsidiaries of any information relating to the Centennial Group or any of their businesses or operations to any person, or any request for such information, in connection with or for the purposes of a current or future Third Party Proposal.

A notification given under this clause 2.4 must be accompanied by details of the terms and conditions of any Third Party Proposal or any proposed or potential Third Party Proposal (including price), but not details of the identity of the relevant person or persons making or proposing the Third Party Proposal, unless and to the extent that the Board has determined,

in good faith and acting reasonably, after receiving written legal advice from external lawyers, that to do so would or would reasonably be likely to constitute a breach of the Directors' fiduciary or statutory duties.

2.5 Response to Third Party Proposal

Subject always to the other provisions of clause 2, Centennial must:

- (a) not enter into any legally binding agreement in relation to a Third Party Proposal; or
- (b) procure that none of the Directors adversely change their recommendation in favour of the Takeover Bid or recommend a Third Party Proposal, unless,
 - (c) the Board acting in good faith reasonably determines after taking written advice from its Financial Advisers and legal advisers that the Third Party Proposal is:
 - (1) reasonably capable of being valued and completed on a timely basis taking into account all aspects of the Third Party Proposal and the person making it, including having regard to legal, regulatory and financial matters and any conditions precedent; and
 - (2) more favourable to shareholders than the Takeover Bid, taking into account all the terms and conditions of the Third Party Proposal;
 - (d) Centennial has provided Banpu with the material terms and conditions of the Third Party Proposal (including price) (but not the identity of the Third Party making the Third Party Proposal); and
 - (e) Centennial has given Banpu at least 4 Business Days after provision of those material terms and conditions to provide a matching or superior proposal to the terms of the Third Party Proposal.

2.6 Cease Existing Discussions

Centennial must cease any discussions or negotiations existing as at the date of this agreement relating to:

- (a) any Third Party Proposal; or
- (b) any transaction that is reasonably likely to reduce the likelihood of the success of the Takeover Bid.

2.7 Compliance With Law

If it is finally determined by the court, or the Takeovers Panel, that the agreement by the parties under clause 2 or any part of it:

- (a) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the Directors; or
- (b) constituted, or constitutes, or would constitute Unacceptable Circumstances; or
- (c) was, or is, or would be, unlawful for any other reason,

then, to that extent (and only to that extent) Centennial will not be obliged to comply with that provision of clause 2.

2.8 Equal Access to Information

Where Centennial or any Related Person provides information in relation to Centennial or its Subsidiaries to any person in connection with or for the purpose of a current or potential Third Party Proposal, it must promptly provide to Banpu a complete copy of that information.

Definitions

The meanings of the terms used in this Attachment 1 are set out below.

Term	Meaning
Agreed Bid Terms	the agreed terms and conditions of the Takeover Bid.
Associate	has the meaning given in section 12(2) of the Corporations Act.
Banpu	Banpu Minerals (Singapore) Pte Ltd.
Banpu Plc	Banpu Public Company Limited.
Banpu Plc Board or Banpu Plc Directors	the board of directors of Banpu Plc.
Banpu Plc Shareholder	a holder of Banpu Plc shares.
Banpu Plc Shareholder Approval	the approval of the Takeover Bid by Banpu Plc Shareholders in accordance with Banpu Plc's constitutional documents and the relevant laws and regulations.
Banpu Related Person	<ol style="list-style-type: none">1 a Related body corporate of Banpu;2 an adviser or consultant of Banpu or an adviser or consultant of a Related body corporate of Banpu; or3 a director, officer or employee of Banpu or any entity referred to in paragraph 1 or 2 of this definition.
Bid Conditions	the conditions set out in the Agreed Bid Terms.
Board	the board of Directors of Centennial.
Business Day	a day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday.
Centennial	Centennial Coal Company Limited.
Centennial Group	Centennial and each of its Subsidiaries.
Claim	actions, suits, causes of action, debts, dues, costs, claims, liabilities, demands, damages, losses, costs and expenses of any description, decisions, judgments and orders either at law or in equity or arising under any statute.

Term	Meaning
Control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of Centennial.
Exclusivity Period	the period from and including the date of this agreement to the earlier of: <ol style="list-style-type: none"> 1 the termination of this agreement in accordance with its terms; 2 the end of the Offer Period; and 3 31 December 2010.
Financial Adviser	any financial adviser retained by a party in relation to the Takeover Bid or Offers from time to time.
Listing Rules	the official listing rules of ASX.
Offer	each offer to acquire Shares made in connection with the Takeover Bid.
Offer Period	the period that the Offer is open for acceptance.
Reimbursement Fee	the amount of \$24,000,000 (inclusive of GST, if any).
Related corporate body	has the meaning given in section 50 of the Corporations Act.
Related Person	<ol style="list-style-type: none"> 1 a Related body corporate of Centennial; 2 an adviser or consultant of Centennial or an adviser or consultant of a Related body corporate of Centennial; or 3 a director, officer or employee of Centennial or any entity referred to in paragraph 1 or 2 of this definition.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Reverse Reimbursement Fee	the amount of \$24,000,000 (inclusive of GST, if any).
SET	Stock Exchange of Thailand.

Term	Meaning
Share	an ordinary share in the capital of Centennial.
Shareholder	a holder of Shares.
Subsidiary	has the meaning given in section 9 of the Corporations Act.
Superior Proposal	<p>a bona fide Third Party Proposal of the kind referred to in either paragraph 1, 3 or 4 of the definition of Third Party Proposal (and not resulting from a breach by Centennial of its obligations under this agreement including, without limitation, clause 1) which the Board, acting in good faith, and after receiving written advice from its legal and Financial Advisers, determines is:</p> <ol style="list-style-type: none"> 1 reasonably capable of being valued and completed on a timely basis, taking into account all aspects of the Third Party Proposal and the person making it, including without limitation having regard to legal, regulatory and financial matters and any conditions precedents; and 2 more favourable to Shareholders than the Takeover Bid (as varied by Banpu or any subsequent transaction proposed by Banpu), taking into account all terms and conditions of the Third Party Proposal.
Takeover Bid	the off-market takeover bid made by Banpu for the Shares referred to in this announcement.
Third Party	a party other than Centennial and any Subsidiary of Centennial and Banpu Plc and any Subsidiary of Banpu Plc.
Third Party Proposal	<p>a transaction or arrangement pursuant to which a Third Party (together with any Associates of the Third Party) may, if the transaction or arrangement is entered into or completed:</p> <ol style="list-style-type: none"> 1 acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in all or a material part of the business of Centennial or a material Subsidiary of Centennial; 2 acquire a Relevant Interest in, become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in 20% or more of the Shares in Centennial or any interest in any other class of securities of Centennial or any interest in any securities of a Subsidiary of Centennial; 3 acquire Control of Centennial or a material Subsidiary of Centennial; or 4 otherwise acquire or merge with Centennial or a material Subsidiary of Centennial, <p>whether by way of takeover offer, scheme of arrangement, merger, shareholder approved acquisition, capital reduction or buy back, sale or purchase of shares or other securities or assets, joint venture, dual-listed company structure (or other synthetic merger), or other transaction or arrangement; or</p> <ol style="list-style-type: none"> 5 Centennial or a Subsidiary of Centennial may acquire any material business, asset or company.

Term	Meaning
Unacceptable Circumstances	has the meaning set out in section 657A of the Corporations Act.

Attachment 2

Banpu Plc's Media Release in Relation to the Offer



BANPU ANNOUNCES RECOMMENDED TAKEOVER OFFER FOR 100% OF CENTENNIAL COAL COMPANY LIMITED

5 July 2010

Highlights:

- All cash takeover Offer of A\$6.20 per share¹ for Centennial Coal Company Limited, providing the certainty of cash in an uncertain and volatile market
- Offer represents a significant premium over Centennial's recent and long-term trading prices
- The Centennial Board has unanimously recommended shareholders accept Banpu's Offer in the absence of a superior proposal and an independent expert finding that the Offer is not fair and reasonable to Centennial shareholders
- Banpu currently owns 19.9% of Centennial, having received recent FIRB approval to move to 20.0% ownership
- The Offer values Centennial's equity at A\$2,504 million¹

Banpu Public Company Limited ("Banpu plc") today announced that its subsidiary, Banpu Minerals (Singapore) Pte Ltd ("Banpu"), intends to make an off-market takeover offer for all of the shares in Centennial Coal Company Ltd ("Centennial") that it does not already own (the "Offer").

Under the terms of the Offer, Banpu will offer Centennial shareholders A\$6.20 per Centennial share¹. The Offer will be conditional upon certain requirements, including FIRB and Banpu plc shareholder approvals, and the achievement of a relevant interest in 50.1% of Centennial shares.

More details of the conditions to the Offer are set out in the Annexure.

Banpu is pleased to note that the board of directors of Centennial has unanimously recommended that Centennial shareholders accept the Banpu Offer in the absence of a superior proposal and an independent expert finding that the Offer is not fair and reasonable to Centennial shareholders. All Centennial directors intend to accept the Banpu Offer in respect of any Centennial shares held by them, or on their behalf, in the absence of a superior proposal and an independent expert finding that the Offer is not fair and reasonable to Centennial shareholders.

Banpu plc is a Thai stock exchange listed company which owns operating coal mines and power generating assets across Asia. Banpu recently increased its ownership to 19.9% of Centennial, following receipt of FIRB approval to move to 20.0% ownership.

The Offer represents an attractive premium for Centennial shareholders, namely:

- 40.3% to Centennial's last closing price of A\$4.42 per share on 2 July 2010, being the last trading day prior to this announcement;

¹ Assumes fully diluted shares of 403.9mm

- 55.4% to Centennial's last closing price of A\$3.99 per share on 5 May 2010, being the last trading day prior to Banpu's acquisition of 10.0% of Centennial shares and subsequent public announcement as a substantial shareholder
- 38.4% to Centennial's 1-month VWAP of A\$4.48 per share² prior to this announcement
- 41.9% to Centennial's 3-month VWAP of A\$4.37 per share² prior to this announcement
- 49.4% to Centennial's 6-month VWAP of A\$4.15 per share² prior to this announcement

Banpu plc CEO Chanin Vongkusolkrit said: "Following our successful on-market acquisition of 19.9% of Centennial, Banpu is pleased to make this Offer for all the issued capital of Centennial. We believe this transaction presents a unique and compelling opportunity for all stakeholders involved.

"Banpu's Offer for Centennial is at a significant premium to recent trading levels of Centennial and has regard to Centennial's strategy of supplying domestic and export markets, and increasing its mix of coal sales to export parity pricing, as well as mooted expansion and development plans such as Newstan Lochiel. Furthermore, we believe that the cash nature of the Offer will enable Centennial shareholders to realise certain and immediate value for their shares in a volatile and uncertain market.

"Banpu is excited to have exposure to the Australian coal sector and believes that an acquisition of Centennial would be the initial step in driving further consolidation of the sector. In addition, Banpu is strongly supportive of the Centennial management team and its current strategy, and would expect Centennial's existing management team to continue with operations and development projects as planned."

Financing

The consideration will be financed through a combination of cash reserves and available capacity under new and existing credit facilities.

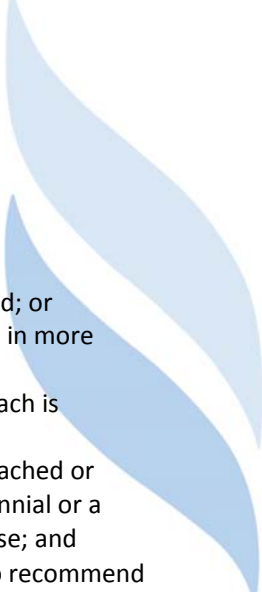
Bid Implementation Agreement

Banpu and Centennial have entered into a bid implementation agreement pursuant to which the parties have given certain undertakings to each other to facilitate the implementation of the Offer ("Bid Implementation Agreement"). The Bid Implementation Agreement includes exclusivity provisions pursuant to which Centennial agrees not to solicit alternative transactions to the Offer or have discussions with competing bidders (subject to exceptions to allow Centennial's directors to comply with their duties and the law).

The parties have also agreed a break-fee regime pursuant to which a break fee of A\$24 million will be payable by:

- Centennial to Banpu if:
 - during the exclusivity period, the board or any director of Centennial:
 - fails to recommend that shareholders accept the Offer in the absence of a superior proposal or withdraws their recommendation other than as a result of the report of an independent expert finding that the Offer is not fair and reasonable (other than a report that is in response to a third party proposal); or

² VWAPs exclude special crossings; VWAP = volume weighted average price

- 
- recommends a third party proposal during the exclusivity period; or
 - before the end of the offer period a person acquires a relevant interest in more than 50% of the Centennial shares; or
 - Centennial commits a breach of the exclusivity provisions and such breach is reasonably likely to lead to a third party proposal; or
 - during the exclusivity period, any of the conditions to the Offer are breached or become incapable of being satisfied due to an act or omission of Centennial or a related person and Banpu relies on that breach to allow its Offer to lapse; and
 - Banpu to Centennial, if during the exclusivity period, any Banpu director fails to recommend that Banpu shareholders vote in favour of a resolution approving Banpu making the Offer or withdraws their recommendation, other than as a result of the report of an independent financial advisor.

Transaction timing

It is intended that Banpu's Bidder's Statement will be dispatched to Centennial shareholders in July / August 2010. Furthermore, the Extraordinary General Meeting ("EGM") to be held by Banpu plc in order for its shareholders to vote on the Offer is expected to be held in mid-August.

Advisers

J.P. Morgan is acting as financial adviser and Norton Rose as legal adviser to Banpu.

For further information, please contact:

David Hine
Executive Director
J.P. Morgan Australia
+61 3 9633 4003

For media enquiries, please contact:

Mark Gold
Director
FD Third Person
+61 2 8298 6100
+61 411 221 292

About Banpu

Banpu (SET: BANPU) is a Thai stock exchange listed company which owns operating coal mines and power generating assets across Asia, with a long (25-year) track record of exceptional growth and operational performance.

Banpu has successfully adopted a best practice management philosophy and culture built on international principles of corporate governance, transparency and social responsibility. It also has a deep commitment to the safety and well being of its employees, as well as environmental conservation.

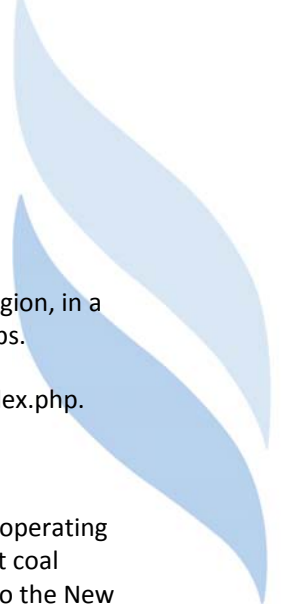
Banpu's strategy is to grow coal sector investments and operations in the pan-Asian region, in a sustainable fashion, through organic growth, acquisitions and joint venture partnerships.


For further information, please see Banpu's website at <http://www.banpu.com/en/index.php>.

About Centennial

Centennial (ASX: CEY) is an Australian Securities Exchange listed company which owns operating coal mines in New South Wales, Australia. Centennial is Australia's largest independent coal producer and exporter of thermal coal. Centennial is a major supplier of thermal coal to the New South Wales electricity industry with growing export exposure, having stated that one of its key investment themes is margin expansion as domestic contract tonnage rolls-off and is re-priced to export parity prices. Centennial exports to customers in Japan, Korea, China, Taiwan and Europe via Port Kembla and Newcastle.

For further information, please see Centennial's website at <http://www.centennialcoal.com.au>.





Annexure Key conditions to the Offer

Key conditions to the Offer

A glossary of defined terms used in this Annexure is set out in section 4.

1 Consideration

The consideration under the Offer is A\$6.20 cash for each Centennial Share³.

2 Offer Period

The initial Offer Period shall last for at least one month and shall be subject to Banpu's right to extend the period in accordance with the Corporations Act.

3 Bid Conditions

The Offer and any contract arising from the acceptance of the Offer is subject to fulfilment or waiver of the following conditions before the end of the Offer Period:


(1) FIRB

One of the following occurring:

- (a) Banpu receiving notice from, or on behalf of, the Australian Treasurer to the effect that there is no objection under the Commonwealth Government's foreign investment policy or under the *Foreign Acquisition and Takeovers Act 1975 (Cth) (FATA)* to the acquisition by Banpu of the Centennial Shares under the Offer and that notice is not subject to any condition;
- (b) the period provided under the FATA during which the Australian Treasurer may make an order under section 18 or an interim order under section 22 of the FATA prohibiting the acquisition by Banpu of the Centennial Shares under the Offer elapsing, without such an order being made; or
- (c) if an interim order prohibiting the acquisition of the Centennial Shares by Banpu under the Offer is made by the Australian Treasurer under section 22 of the FATA, the subsequent period for making a final order prohibiting the acquisition elapsing, without such a final order being made.

(2) Banpu plc Shareholder Approval

³ Assumes fully diluted shares of 403.9mm



Shareholders of Banpu plc approve the acquisition of the Centennial Shares by Banpu in accordance with Banpu plc's constitutional documents and the relevant laws and regulations.

(3) Foreign currency control approval

Banpu plc receiving approval from the Bank of Thailand for Banpu to remit foreign currency to pay the consideration under the Offer.

(4) Minimum Acceptance Condition

At the end of the Offer Period, Banpu has a Relevant Interest in at least 50.1% of the Centennial Shares.

(5) No Material Adverse Change of Centennial

Between the Announcement Date and the end of the Offer Period, no matter, event, change, condition, circumstance or thing occurs, is announced or becomes known to Banpu (in any such case, individually or when aggregated with all such matters, events, changes, conditions, circumstances and things and whether or not becoming public) that would result in or would reasonably be likely to result in:

- (a) the value of consolidated net assets of the Centennial Group being reduced by at least \$100 million against what they would reasonably have been expected to have been but for the matter, event or circumstance (as the case may be); or
- (b) reducing the ongoing annual earnings before interest, tax, depreciation and amortisation of Centennial by an amount of \$20 million or more,

other than,

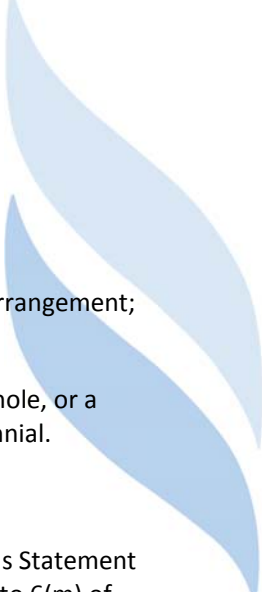
- (c) matters, events or circumstances required or permitted by the Bid Implementation Agreement, which took place with the written consent of Banpu or which Centennial disclosed in an announcement made to the ASX prior to entry into the Bid Implementation Agreement;
- (d) changes in economic or business conditions (including changes in coal prices, interest rates or currency exchange rates);
- (e) any change in law, regulation or other policy of a Public Authority including changes to taxation rates, laws and policies from those in place at the Announcement Date; or
- (f) any change in accounting policy required by law which impacts on Centennial and its competitors in a similar manner.

(6) No Prescribed Occurrences

During the period from the date the Bidder's Statement is given to Centennial and ending at the end of the Offer Period, none of the occurrences listed in section 652C(1) or (2) of

the Corporations Act happen (other than the issue of Centennial Shares pursuant to the exercise of Options or performance rights issued before the Announcement Date). That is:

- (a) Centennial converts all or any of its shares into a larger or smaller number of shares;
- (b) Centennial or a Subsidiary of Centennial (which is not a directly or indirectly wholly owned Subsidiary) resolves to reduce its share capital in any way;
- (c) Centennial or a Subsidiary of Centennial (which is not a directly or indirectly wholly owned Subsidiary):
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Centennial or a Subsidiary of Centennial issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option (other than to or in favour of Centennial or a directly or indirectly wholly owned Subsidiary of Centennial where the issue, grant or agreement does not have an adverse effect on the Centennial Group taken as a whole);
- (e) Centennial or a Subsidiary of Centennial issues, or agrees to issue, convertible notes (other than to or in favour of Centennial or a directly or indirectly wholly owned Subsidiary of Centennial where the issue or agreement to issue does not have an adverse effect on the Centennial Group taken as a whole);
- (f) Centennial or a Subsidiary of Centennial disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property (other than to or in favour of Centennial or a directly or indirectly wholly owned Subsidiary of Centennial where the disposal or agreement to dispose does not have an adverse effect on the Centennial Group taken as a whole);
- (g) Centennial or a Subsidiary of Centennial charges, or agrees to charge, the whole, or a substantial part, of its business or property (other than to or in favour of Centennial or a directly or indirectly wholly owned Subsidiary of Centennial where the charge or agreement to charge does not have an adverse effect on the Centennial Group taken as a whole);
- (h) Centennial or a Subsidiary of Centennial resolves to be wound up;
- (i) the appointment of a liquidator or provisional liquidator of Centennial or a Subsidiary of Centennial;
- (j) a court makes an order for the winding up of Centennial or a Subsidiary of Centennial;
- (k) an administrator of Centennial, or a Subsidiary of Centennial, is appointed under section 436A, 436B or 436C of the Corporations Act;

- 
- (l) Centennial or a Subsidiary of Centennial executes a deed of company arrangement;
or
 - (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Centennial or a Subsidiary of Centennial.


(7) No Prescribed Occurrences Between Announcement and Service

During the period from the Announcement Date to the day before the Bidder's Statement is given to Centennial, none of the occurrences referred to in paragraphs 6(a) to 6(m) of this happen (other than the issue of Centennial Shares pursuant to the exercise of Options or performance rights issued before the Announcement Date).

(8) Conduct of Centennial business

Between the Announcement Date and the end of the Offer Period, neither Centennial, nor any Subsidiary of Centennial:

- (a) declares, or distributes any dividend, bonus issue or other share of its profits or assets other than the Centennial Permitted Dividend;
- (b) makes any changes to its constitution or passes any special resolution or amends the terms of issue of any shares, options or other convertible securities;
- (c) gives or agrees to give any Third Party Rights over any of its assets which assets have a value in excess of \$10 million otherwise than in the ordinary course of business and which is consistent with the plans of Centennial which have been disclosed to the ASX prior to the Announcement Date;
- (d) borrows or agrees to borrow any money in excess of \$15 million (except for working capital borrowing from its bankers in the ordinary course of business and except for any Permitted Borrowing);
- (e) releases, discharges or modifies any obligation in excess of \$10 million to it of any person, firm or body corporate or agrees to do so;
- (f) conducts its business otherwise than in the ordinary course where such conduct would be material to Centennial or the relevant Subsidiary;
- (g) acquires or disposes of, or enters into or announces any agreement for the acquisition or disposal of, any asset or business, or enters into any corporate transaction, which would or would reasonably be likely to involve a material change in the manner in which Centennial conducts its business;
- (h) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise (other than at the request of Banpu or as required by the Bid Implementation Agreement);
- (i) except as required by law does any of the following without the prior written consent of Banpu:

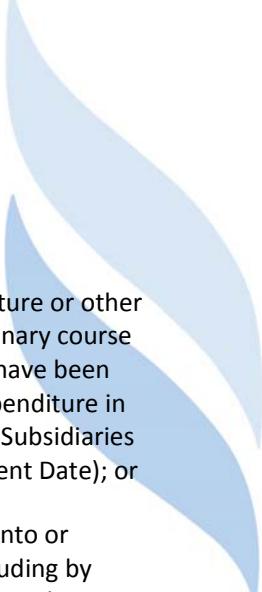
- 
- (A) enter or agree to enter into any new contract of service or substantially vary or agree to substantially vary any existing contract of service with any director or Executive Officer;
 - (B) make or agree to make any substantial change in the basis or amount of remuneration of any director or Executive Officer; or
 - (C) except as provided under any superannuation, provident or retirement scheme or contract in effect on the Announcement Date, pay or agree to pay any retirement benefit or allowance to any director or Executive Officer; or
- (j) passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the ASIC Act 2001 (Cth) or any corresponding legislation.

Nothing in this paragraph(8) shall apply in relation to any dealings, agreements or arrangements between (1) Centennial and any directly or indirectly wholly owned Subsidiary of Centennial or (2) any directly or indirectly wholly owned Subsidiaries of Centennial which does not have an adverse effect on the Centennial Group taken as a whole.

(9) No material acquisitions or disposals

None of the following events occur between the Announcement Date and the end of the Offer Period:

- (a) Centennial, or any Subsidiary of Centennial, acquires, offers to acquire, agrees to acquire or acquires an interest in property or other assets with a value of more than \$15 million (other than in the ordinary course of business and which is consistent with the plans of Centennial which have been disclosed to the ASX prior to the Announcement Date) or makes an announcement in relation to such an acquisition;
- (b) Centennial, or any Subsidiary of Centennial, disposes (including by grant of Third Party Rights), offers to dispose, agrees to dispose or disposes of interests in property or other assets with a value of more than \$5 million (other than in the ordinary course of business and which is consistent with the plans of Centennial which have been disclosed to the ASX prior to the Announcement Date) or makes an announcement in relation to such a disposal;
- (c) Centennial, or any Subsidiary of Centennial, enters into, offers to enter into or announces that it proposes to enter into any joint venture, asset or profit sharing, partnership or dual listed company structure in respect of an asset with a value of more than \$10 million or makes an announcement in relation to such a commitment;
- (d) Centennial, or any Subsidiary of Centennial, incurs or commits to, or grants to another person a right the exercise of which would involve Centennial or any



Subsidiary of Centennial incurring or committing to any capital expenditure or other liability with a value of more than \$15 million (other than (1) in the ordinary course of business and which is consistent with the plans of Centennial which have been disclosed to the ASX prior to the Announcement Date, or (2) capital expenditure in the day to day operating activities of the business of Centennial and its Subsidiaries conducted in substantially the same manner as before the Announcement Date); or

- (e) Centennial, or any Subsidiary of Centennial enters into, offers to enter into or announces that it proposes to enter into any form of commitment (including by grant of Third Party Rights) with any party or parties which would result in the creation of any right or entitlement to acquire coal, minerals or ore from Centennial or any Subsidiary of Centennial that is not in the ordinary course of business and that has a value of more than \$5 million.

Nothing in this paragraph (9) shall apply in relation to any dealings, agreements or arrangements between (1) Centennial and any directly or indirectly wholly owned Subsidiary of Centennial or (2) any directly or indirectly wholly owned Subsidiaries of Centennial which does not have an adverse effect on the Centennial Group taken as a whole.

(10) Material contracts

Between the Announcement Date and the end of the Offer Period, no person exercises or purports to exercise, or states an intention in writing to exercise any right (whether subject to conditions or not) which has or is reasonably likely to result in:

- (a) termination or variation of any material agreement with Centennial or a Subsidiary of Centennial or any action being taken or claim arising under such an agreement;
- (b) the interest of Centennial or any Subsidiary of Centennial in any material firm, material joint venture, material trust, material corporation or other material entity or material asset being terminated, modified or required to be transferred, disposed of or redeemed; or
- (c) the business of Centennial or any material Subsidiary of Centennial with any other person being materially adversely affected,

as a result (directly or indirectly) of Banpu acquiring or proposing to acquire Centennial Shares.

(11) Renewal of Tenements

The Key Tenements expiring between the Announcement Date and the end of the Offer Period (if any) being successfully renewed without material adverse conditions being imposed.

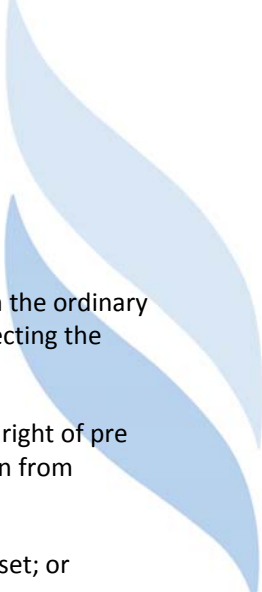
(12) Appreciation in the Australian Dollar

On the Business Day after the date on which each of the conditions in paragraphs 3(1), 3(2), 3(3) and 3(4) have been satisfied or waived, one Australian Dollar is not valued at or

more than 0.97 United States Dollars (on the basis of the average of the buy and sell rates in respect of the exchange rate of Australian Dollars to United States Dollars appearing in the hard copy newspaper version of *The Australian Financial Review* published on that Business Day).

4 Glossary

- (1) **Announcement** means this Announcement including any Annexure to it;
- (2) **Announcement Date** means the date of this Announcement, being 5 July 2010;
- (3) **ASX** means ASX Limited ABN 98 008 624 691;
- (4) **Banpu** means Banpu Minerals (Singapore) Pte Ltd;
- (5) **Banpu plc** means Banpu Public Company Limited;
- (6) **Bidder's Statement** means the bidder's statement to be issued by Banpu in relation to the Offers in accordance with the Corporations Act;
- (7) **Bid Implementation Agreement** means the bid implementation agreement between Banpu and Centennial dated 5 July 2010;
- (8) **Business Days** means a day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday;
- (9) **Board** the board of Directors of Centennial;
- (10) Centennial means Centennial Coal Company Limited;
- (11) **Centennial Group** means Centennial and each of its Subsidiaries;
- (12) **Centennial Permitted Dividend** means an amount in respect of the financial year ended 30 June 2010, which amount does not exceed \$0.04 per Share;
- (13) **Centennial Shares** means an ordinary share in the capital of Centennial;
- (14) **Corporations Act** means *Corporations Act 2001* (Cth);
- (15) **Director** means a director of Centennial;
- (16) **Encumbrances** means in relation to any asset:
 - (a) a mortgage, charge, lien, pledge, hypothecation or other encumbrance over the asset;
 - (b) a profit a prendre, easement or restrictive covenant affecting the asset;
 - (c) a caveat, garnishee order, writ of execution, right of set off, assignment by way of security, deposit of money by way of security or monetary claim affecting the asset;


- 
- (d) a preferential interest, trust, title retention arrangement (other than in the ordinary course of business), or other estate, interest, claim or arrangement affecting the asset;
 - (e) a right, including a contractual right, an option, a right of first refusal, a right of pre-emption or other right, to acquire the property or to restrain any person from acquiring the asset;
 - (f) a right, including a lease, licence or other right, to occupy or use the asset; or
 - (g) an agreement to grant, create or register any of them or to allow any of them to exist,

and whether the Encumbrance is registered or unregistered, statutory, legal or equitable;

(17) **Executive Officer** means any officer of Centennial whose total remuneration package is in excess of \$350,000 per annum;

(18) **Key Projects** means each of:

- (a) Airly;
- (b) Charbon & Charbon Open-Cut;
- (c) Angus Place/Springvale JV;
- (d) Clarence;
- (e) Mandalong;
- (f) Mannering;
- (g) Myuna;
- (h) Newstan Lochiel; and
- (i) Awaba;

- 
- (19) **Key Tenements** means the tenements, without which, the Key Projects could not be operated in substantially the same way as those Key Projects are operated as at the date of the this Agreement, nor expanded in substantially the same way as they are proposed to be expanded as at the date of this Agreement;
- (20) **Offer** means Banpu's proposed off-market all cash takeover offer for all Centennial Shares that it does not already control;
- (21) **Offer Period** means the period that the Offer is open for acceptance;
- (22) **Option** means an option or performance right issued or granted by Centennial prior to the Announcement Date, to acquire a Centennial Share;
- (23) **Permitted Borrowings** means each of the following:
- (a) draw downs and rollovers of debt under Centennial's facilities in existence as at the Announcement Date;
 - (b) borrowings necessary to fund the Centennial Group's interest in the Newcastle Coal Infrastructure Group or Port Kembla Coal Terminal expansions; and
 - (c) drawings or financing arrangements under a master operating lease with the Commonwealth Bank of Australia in existence as at the Announcement Date in connection with the acquisition of coal rail trains;
- (24) **Public Authority** means any government or governmental, semi governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world;
- (25) **Relevant Interest** has the meaning given in sections 608 and 609 of the Corporations Act;
- (26) **Subsidiaries** has the meaning given in section 9 of the Corporations Act; and
- (27) **Third Party Rights** means all Encumbrances or material adverse interests of any nature and restrictions on transfer of any nature (legal or otherwise).