

## MEDIA RELEASE

5 May 2002

### CS Energy acquires 100% of Kogan Creek Project

Queensland electricity generator, CS Energy Ltd announced today it had acquired Mirant Asia Pacific's 60% shareholding in the 750-megawatt Kogan Creek Power Station project thereby increasing its ownership to 100% in the Project. Mirant's decision to sell its shareholding is part of its global divestment strategy announced in January 2002.

The acquisition also includes Allied Queensland Coalfields' Kogan coal deposit, located immediately adjacent to the proposed power station site, near Chinchilla in South East Queensland. Allied Queensland Coalfields is a wholly owned subsidiary of Mirant.

Announcing the acquisition today, CS Energy Chief Executive Tony Bellas, said the purchase would greatly enhance CS Energy's position by integrating the coal mine development as part of the Kogan Creek Project while providing greater flexibility in future options for the project.

"The fundamentals for the Kogan Creek Power Station are very strong and CS Energy is fully committed to making this project a reality. It is the last coal-fired power station granted a license under the State Government's Energy Policy and, with all of the other necessary development approvals already in place, we are in a strong position to respond quickly to future market opportunities," Mr Bellas added.

The Kogan Creek Power Station is an efficient "mine mouth" project designed to be cost competitive in today's deregulated national electricity market. Kogan Creek will burn low sulphur, high-energy coal from the adjoining coal deposit and utilise technology that will create the lowest environmental emissions of any coal-fired power station in Australia.

CS Energy's ownership of the Kogan Creek Project builds on a diverse energy portfolio of about 2,510 megawatts that includes both coal-fired and gas-fired generation. Commercial operation of the new 385-megawatt, state-of-the-art Swanbank E Power Station will begin in October 2002. This gas-fired generator is the first of its kind in Australia and will complement CS Energy's existing gas-fired facility at Mica Creek, near Mt Isa. CS Energy is currently the largest single producer of gas-fired electricity in Queensland.

ENDS

For further information contact:

Neil Rickleman  
CS Energy Corporate Communications  
Manager  
Ph: (07) 3222 9312  
Mb: 0403 508 688

Andrew Tod or Clive Turton  
Mirant Asia Pacific  
Ph: (07) 3839 2883