



ASIA POWER CORPORATION LIMITED
(Company Registration No:-199701487C)

APPROVAL GRANTED TO HEILONGJIANG ASIAPOWER XINBAO HEATING & POWER CO., LTD. (黑龙江亚电鑫宝热电有限公司) TO COMMENCE PRELIMINARY WORK ON 上大压小 PROJECT

Pursuant to Rule 703 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors of Asia Power Corporation Limited (the "**Company**") is pleased to announce that the Company has received on 23 March 2009 approval from the National Energy Administration of the People's Republic of China ("**PRC**") for the Company's 51%-owned subsidiary, Heilongjiang Asiapower Xinbao Heating & Power Co., Ltd. (黑龙江亚电鑫宝热电有限公司) ("**Xinbao**"), to commence preliminary work on its 上大压小 project (the "**Project**").

The Project is in line with the spirit of the "国发 [2007] 2 号" circular issued by the State Council of the PRC relating to the reduction of fuel consumption and emission of pollutants in the power industry in the PRC through the establishment of more efficient and environmentally-friendly power generating units and the closing down of small thermal power units. As part of the approval, Xinbao is required to comply with, amongst others, national policies on energy-saving and emission reduction, and conduct an economic feasibility study in relation to the Project.

The Project involves the proposed installation of one 300 MW coal-fired power generating unit (the "**300MW Generating Unit**") and the subsequent closing down of six coal-fired power generating units of 25MW each (the "**25 MW Generating Units**") and 51 small-scale boilers (the "**Boilers**") within Xinbao's area of production after the commencement of operations of the 300MW Generating Unit. As the proposed installation of the 300MW Generating Unit would fulfil certain criteria stipulated by the National Development and Reform Commission of the PRC, construction work under the Project will be given priority by the relevant authorities.

As the Project is expected to be completed in about four years time, there will be an additional depreciation charge over the balance of the net book value of the six 25 MW Generating Units and the 51 Boilers as their useful life will be shortened. As such, the Project is expected to reduce the earnings per share ("**EPS**") and net tangible asset ("**NTA**") per share of the Asia Power group of companies (the "**Group**") for the financial year ending 31 December 2009 ("**FY2009**"). The Group is unable to quantify the exact impact on the EPS and NTA per share for FY2009. Assuming that the Project commenced on 1 January 2008, the EPS of the Group for the financial year ended 31 December 2008 ("**FY2008**") will be reduced from 1.97 cents (based on the Group's latest announced unaudited financial statements for FY2008) to 1.62 cents. Assuming that the Project commenced on 31 December 2008, the NTA per share of the Group for FY2008 will be reduced from 25.21 cents (based on the Group's latest announced unaudited financial statements for FY2008) to 24.86 cents.

By Order of the Board

Sha Guangwen
Executive Director & Chief Executive Officer
26 March 2009