

# NEWS RELEASE

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## **ADARO ENERGY SELLS 35% OF SOUTH SUMATRA INTEGRATED COAL LOGISTIC SERVICES PROVIDER FOR US\$25.13 MILLION**

**Jakarta, February 25<sup>th</sup>, 2014** – PT Adaro Energy Tbk (IDX – ADRO) is pleased to announce that on February 21<sup>st</sup>, 2014 its wholly owned subsidiary, PT Alam Tri Abadi (“ATA”), signed a sell and purchase shares deed to divest its entire 35% interest or 360,500 shares in PT Servo Meda Sejahtera (“SMS”) for US\$25.13 million. The shares were sold to two parties namely PT Perusahaan Palembang Investama for 216,300 shares with a value of US\$15.08 million, and PT Energi Karya Persada for 144,200 shares with a value of US\$10.05 million. In addition under the transaction ATA’s loans of US\$16.67 million and Rp499.20 billion have also been paid and/or transferred. The transaction was executed by ATA with parties that are affiliated with Titan Group and Trafigura Pte. Ltd.

Adaro Energy’s President Director and Chief Executive Officer, Garibaldi Thohir, said "The sale of SMS is consistent with our focus to preserve our solid balance sheet and on our long-term objective to create maximum sustainable value from Indonesian coal. Our strategy of vertical integration remains, as we will now focus on pit to power integration in South Sumatra. Even though we have divested our entire stake in SMS, we still retain the rights to use the hauling road owned by PT Servo Lintas Raya as well as the port facility operated by PT Swarnadwipa Dermaga Jaya, where both companies are controlled by SMS. These rights will be executed under special agreement once the hauling road and port facility are commercially operated. And will last until the licenses of our coal assets in South Sumatra are expired. We believe that under its new ownership, SMS will continue to operate strongly and contribute to local community."

SMS provides integrated coal logistic services in South Sumatra. SMS was acquired by Adaro in October 2011 for Rp200 billion.

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