

NEWS RELEASE FROM ADARO ENERGY

General Media:

For further information please contact:

*Mr. Devindra Ratzarwin Corporate Secretary*Tel: (6221) 521 1265

Fax: (6221) 5794 4685

Email: corsec@ptadaro.com

Financial Media:

For further information please contact:

Mr. Cameron Tough Head of Investor Relations

Tel: (6221) 521 1265 Fax: (6221) 5794 4685

Email: cameron.tough@ptadaro.com

Adaro Buys 35% of South Sumatra Integrated Coal Mining Services Provider for Rp200 Billion

Jakarta, October 12th, 2011 – PT. Adaro Energy Tbk (IDX – ADRO) is pleased to announce that on October 10th, 2011 its subsidiary, PT. Alam Tri Abadi ("ATA"), signed a deed of transfer shares to acquire a 35% interest in PT Servo Meda Sejahtera ("SMS") for Rp200 billion from PT Servo Infrastructure ("SI"). Post transaction, the ownership structure of SMS is 50% SI, 35% ATA and 15% PT Bumi Alam Sejahtera ("BAS"). This acquisition is not material nor a related-party transaction. Adaro Energy carried out this transaction to support and develop its coal logistics operations in South Sumatra.

Adaro Energy's President Director, Mr. Garibaldi Thohir said:

"Our investment in SMS is part of our strategy to replicate the proven success of Adaro Indonesia's business model in South Kalimantan as we acquire and develop coal mining assets in South Sumatra. This deal brings us one step closer to owning and or controlling a vertically integrated coal supply chain in South Sumatra. The ultimate aim is to create long term sustainable value from Indonesian coal, to create a bigger and better Adaro Energy and achieve our vision of being a leading Indonesian Mining and Energy Group."

SMS provides integrated coal logistic services in South Sumatra. Via its subsidiary, SMS owns a dedicated haul road in South Sumatra and provides coal hauling services. Via another subsidiary, SMS owns a dedicated coal port on the east coast of South Sumatra and provides barge loading services.