

# NEWS RELEASE



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## **Adaro Energy Pursues Growth in Metallurgical Coal Market through Acquisition of Kestrel Coal Mine**

**Jakarta, 1<sup>st</sup> August 2018** – PT Adaro Energy Tbk (IDX: ADRO) (Adaro Energy) on 1<sup>st</sup> August 2018, with EMR Capital Ltd completed the acquisition of Rio Tinto’s 80% interest in the Kestrel Coal Mine (Kestrel). Initially, on 27 March 2018, Adaro Energy entered into a binding agreement with EMR Capital Ltd (EMR), a specialist mining private equity manager, to acquire 80% of Kestrel. EMR and Adaro Energy will jointly manage and operate the Kestrel mine.

Upon completion of the deal, Kestrel is owned by Kestrel Coal Resources Pty Ltd (80%) and Mitsui Coal Australia (20%). Kestrel Coal Resources Pty Ltd is a joint venture company formed by Adaro Energy (48%) and EMR (52%). We are looking forward to continue to operate Kestrel safely and efficiently while welcoming the opportunity to work closely with Mitsui Coal Australia as partner.

President Director and CEO of Adaro Energy, Mr. Garibaldi Thohir, remarked “The acquisition of Kestrel is a significant milestone in our strategic expansion of metallurgical coal portfolio which started with Adaro MetCoal. Having these two world-class metallurgical coal assets under our Adaro Mining pillar is going to strengthen our foothold in the metallurgical coal market and sustain Adaro Energy’s growth over the longer term. Adaro MetCoal has among the largest undeveloped metallurgical coal resources and the synergy between the two assets provides us with exciting development potential and maximises value creation. We are pleased to have completed the transaction and look forward to working closely with EMR to make this initiative a successful venture.”

Kestrel is a world-class, high-quality metallurgical coal asset with a long-life resource base, solid infrastructure and highly skilled workforce. It is located 40km north of Emerald in the Bowen Basin coal fields in central Queensland. In the year to December 2017, Kestrel produced 4.25 Mt of high-quality metallurgical coal and had marketable reserves of 146 Mt and resources of 241 Mt.

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