



NEWS RELEASE FROM ADARO ENERGY

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JPower-Adaro-Itochu Consortium (of which Adaro Energy is a member) Receives Letter of Intent for a New 2,000 MW Coal-Fired IPP in Indonesia

**One of the largest IPP's in Asia, and the first high efficiency ultra supercritical
coal-fired IPP in Indonesia**

Jakarta, June 20th, 2011 --- PT Adaro Energy Tbk (IDX: ADRO) (headquartered in Jakarta, Indonesia; Garibaldi Thohir, President Director) ("ADARO"), Electric Power Development Co., Ltd. (headquartered in Chuo-ku, Tokyo; Masayoshi Kitamura, President) ("J-POWER"), and ITOCHU Corporation (headquartered in Minato-ku, Tokyo; Masahiro Okafuji, President & CEO) ("ITOCHU"), referred to as the JPower-Adaro-Itochu Consortium, received a Letter of Intent ("LoI") on June 17th, 2011, after an international competitive tender process that ended in April 2011, for a new coal-fired Independent Power Producer ("IPP") project in Indonesia.

For this project, the JPower-Adaro-Itochu Consortium will construct a coal-fired power plant with a total capacity of 2,000 megawatts ("MW") in Central Java Province and sell electricity to PT Perusahaan Listrik Negara (Persero) ("PLN") under a power purchase agreement ("PPA") for 25 years from the completion of construction. This will be one of the largest IPP in Asia. As special features, this power plant will utilize Indonesian sub-bituminous coal as fuel and introduce large-scale boilers (2x1,000MW) using the environmentally friendly ultra-supercritical (USC) technology which will be the first introduction in Indonesia. This project is in line with the "Deployment of Integrated Infrastructure Systems Overseas" promoted by the government of Japan.

Additional installed generating capacity is urgently needed in Indonesia in order to meet steadily increasing power demand due to strong economic growth. The proposal of the JPower-Adaro-Itochu Consortium was evaluated as environmentally-friendly, it demonstrated an impressive past track record of operating such highly efficient coal-fired power plants. The companies' cumulative and vast business experience in Indonesia was also considered.

ADARO's President Director, Garibaldi Thohir, stated, "We are pleased that our consortium was selected as the winner of this IPP project. We expect the process will move forward as planned. Our entrance into this project is part of our long term



strategy to achieve our vision to be a leading Indonesian coal mining and energy group.”

The JPower-Adaro-Itochu Consortium will soon enter into a power purchase agreement, then will proceed with other necessary arrangements, such as the execution of the Engineering, Procurement and Construction (“EPC”) contract and the loan agreements with the lenders as well as obtaining all of necessary governmental approvals in Indonesia. The commercial operation of this project is scheduled to start in February 2017.

ADARO is an integrated coal mining & energy company which currently operates the largest single-site coal mine in the Southern hemisphere and is the largest coal supplier to the Indonesian domestic market. In 2010, ADARO produced and sold 42.2 million tones and 43.8 million tones respectively. ADARO has estimated total coal resources of 4.4 billion tones. As the only local company in this consortium, ADARO’s contribution will mainly be in the local market expertise and the coal supplies & logistics with its trademark product Envirocoal, a sub-bituminous, medium heat value and ultra low pollutants coal.

J-POWER owns and operates coal-fired power plants in Japan with total installed capacity is approximately 8,400MW, and is actively expanding its power plant business in overseas. This project will utilize J-POWER’s world-class technology cultivated over many years, and make a contribution to the stable supply of the electricity in Indonesia, in addition to reducing environmental burdens and transfer of know-how of advanced technologies. It is considered to be a model project for the promotion of a high efficiency coal-fired power plant in Asia.

ITOCHU, founded in 1858 and one of the leading sogo shosha, is engaging in trading of various products as well as business investment in Japan and overseas. ITOCHU positioned the IPP business in its medium-term management plan, Brand-new Deal 2012, which generates stable revenues over the long term, as a priority area. ITOCHU will seek more growth opportunities in Asia, with special interest in Indonesia, Europe, the Middle East and the other areas, in addition to North America where the company has steadily accumulated its IPP assets. In addition to this high efficiency coal-fired plant, ITOCHU will promote environmentally-friendly power plant projects, such as wind, biomass, and geothermal power plants.

[ADARO]

Name of Company : PT Adaro Energy Tbk
Location of HQ : Jakarta, Indonesia
Business : Integrated Coal Mining through Subsidiaries

[J-POWER]

Name of Company : Electric Power Development Co., Ltd.
Location of HQ : Tokyo, Japan
Business : Electric Utility



[ITOCHU]

Name of Company : ITOCHU Corporation
Location of HQ : Tokyo, Japan
Business : Domestic and Overseas Trading Business and Investment

Attachments:

1. Data Sheet of the New Coal-Fired IPP Project in Indonesia
2. Location of the Power Plant

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Attachment 1

Data Sheet of the New Coal-Fired IPP Project in Indonesia

Location	Batang, Central Java Province, Indonesia		
Type of Plant	Ultra Supercritical (USC) Coal-Fired Power Plant		
Capacity	2,000MW (2 x 1,000MW)		
Fuel	Indonesian Sub-Bituminous Coal		
Project Scheme	Build Operate Transfer (BOT)		
Sponsors' Participation Interests	ADARO	34%	
	J-POWER	34%	
	ITOCHU	32%	
Off-taker and Term	PLN (Indonesian State-Owned Power Company) 25 years		
Operation & Maintenance	Owner Operate (to be established by project company*)		
Schedule	August	2012	Construction Start
	August	2016	Unit 1 Commercial Operation (construction period 48months)
	February	2017	Unit 2 Commercial Operation (construction period 54months)

* To be established by three sponsors.

Attachment 2

Location of the Power Plant

