

## NEWS RELEASE

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### **ADARO ENERGY AND SHENHUA SIGNED MOU TO DEVELOP INITIALLY A 2x300 MW MINE MOUTH COAL FIRED POWER PLANT IN EAST KALIMANTAN Adaro Energy on Track to Move Into Power**

**Jakarta, November 24, 2014** – PT Adaro Energy Tbk (IDX: ADRO) (“the Company”) is pleased to announce that on November 21, 2014, the President Director, Mr. Mohammad Effendi, and Director, Mr. Kee Cheng Chye, of PT Adaro Power (“AP”), a wholly owned subsidiary of the Company, the Chairman of China Shenhua Overseas Development and Investment Co., Ltd. (“Shenhua Overseas”), and the President Director, Mr. Jeffrey Mulyono, and Director, Mr. Crescento Hermawan, of PT Bhakti Energi Persada (“BEP”), a subsidiary controlled by the Company (“The Parties”), have in Jakarta signed a Further Memorandum of Understanding Regarding the Coal and Power Joint Project Development (“MoU”).

This comes after high level representatives of the Company and Shenhua Overseas, met on November 9, 2014, in Beijing to indicate and ensure the commitment of the sponsor companies, represented by the President Director of the Company and President Commissioner of AP, Mr. Garibaldi Thohir, and Mr. Tang Xiutian, the Executive Director of Shenhua Overseas. The meeting took place during the Indonesia – China Trade, Investment, and Economic Forum (“The Event”) organized by Kadin Indonesia (the Indonesian Chamber of Commerce) and the China Council for the Promotion of International Trade. The Event was hosted simultaneously to a series of meetings held by the Asia-Pacific Economic Cooperation (“APEC”) from November 7-11, 2014, in Beijing, China. The Company’s President Commissioner, Mr. Edwin Soeryadjaya was also in Beijing to participate in the meeting.

The Parties agreed to develop a joint project on coal and power plants in East Kalimantan, Indonesia. The Parties intend to establish a joint venture in Indonesia to develop mine mouth coal fired power plants (“MM-CFPP”), which will likely be owned 51% by Shenhua Overseas and 49% by AP. As per the Company’s standard strategy when investing in power, the intention is to finance the Power Project using project financing, whereby a significant amount of the total project investments will be funded with non-recourse project debt financing.

In the first stage, Shenhua Overseas and AP agree to mine sufficient coal for, and to develop, a 2x300 megawatts (MW) MM-CFPP, and power transmission facilities. The long term power capacity is expected to be expanded in line with growth of power demand. The electricity shall be provided by integrated transmission to the Kaltim-Kalsel-Kalteng grid.

This cooperation between Shenhua Overseas and the Company to develop MM-CFPP in Indonesia is a manifestation of the strategic intention of the Government of the Republic of Indonesia to build 35 gigawatts (GW) of power plants in the next five years, most of which will be coal-fired power plants. The MM-CFPP will use low heat value coal, which is in line with the Government's policy of obtaining value from low heat value coal.

The Company's President Director, Garibaldi Thohir, said "Adaro Energy will contribute to the generation of high quality and affordable electricity for Kalimantan. Together with Shenhua we will create maximum value from Indonesian coal, including boosting the economic development in Kalimantan and so contribute to national development. With this MoU, we remain on track to further develop Adaro Energy's power division."

Shenhua Overseas intends to initially acquire a minority equity interest in a BEP subsidiary for the development of a coal mine and for the purpose of supplying the fuel to the Power Project ("Coal Project"), subject to a satisfactory outcome of their due diligence and evaluation.

Pre-feasibility and feasibility studies and other preparatory work are expected to begin soon on the Power Project and the Coal Project, which will be conducted simultaneously.

The power plants will use the latest, most efficient and environmentally friendly technology.

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From left to right: Mr. Zhang Zhilong, deputy manager of Overseas Project Department of Shenhua Overseas, and also the Chief interpreter of Shenhua Overseas, Mr. Edwin Soeryadjaya, President Commissioner of Adaro Energy, Mr. Tang Xiutian, the Executive Director of Shenhua Overseas, and Mr. Garibaldi Thohir, President Director of Adaro Energy and President Commissioner of Adaro Power at the Indonesia – China Trade, Investment, and Economic Forum in Beijing, November 9, 2014.