

NEWS RELEASE FROM ADARO ENERGY

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MINISTER OF ENVIRONMENT INAUGURATES WATER TREATMENT PLANT and OBSERVES ADARO'S ENVIRONMENTAL MANAGEMENT ACTIVITIES

Tanjung, 2 July 2013 – The Minister of Environment Prof. Dr. Balthasar Kambuaya, MBA has inaugurated the Water Treatment Plant T-300 (WTP T-300) of PT Adaro Indonesia, a coal mining subsidiary of PT Adaro Energy Tbk (IDX: ADRO), located in Tanjung, Tabalong regency of the South Kalimantan province.

WTP T-300 is an extensive water treatment facility where Adaro processes its mine wastewater into clean potable water, which exceeds the government standards on wastewater management. This innovative measure not only enhances Adaro's environmental management and provides clean potable water for its own consumption, but also benefits a number of local villages surrounding its operational areas that receives the clean water produced by WTP T-300.

The shortage of clean water had always been a common problem in the low-lying traditional villages near Adaro's operations. With the clean potable water distributed by Adaro using a 10-kilometer pipeline and water trucks, the villagers enjoy better living conditions, including better health standards. Adaro invested a total of Rp6.5 billion (approximately US\$655,000) to build both the water treatment plant and the pipeline.

During the ceremony, the minister remarked, "We truly appreciate Adaro's efforts to manage mine waste water and process it into clean potable water, which is not only consumed by its personnel and business partners on site, but also distributed to the people of the surrounding villages. We can see that this activity has been greatly successful. Now 99% of the households in the targeted villages have the access to clean water, compared to the government's Millennium Development Goals' target that 68.7% of Indonesian population should have had the access to clean water by 2015. We hope Adaro will maintain this clean water distribution program and more companies in the area will be inspired to treat their surrounding and environment with a great sense of responsibility."

President Director of PT Adaro Indonesia, Mr Chia Ah Hoo said, "It has been a difficult time in the coal industry recently. However, we remain focused on operational excellence and on achieving our long-term objectives. We remain on track to achieve our production targets and our goal of creating maximum sustainable value from Indonesian coal. The



establishment of this water treatment facility is another way to improve the well-being of the people living in the villages surrounding our operational area.”

The inauguration ceremony was also attended by the Governor of South Kalimantan, Regent of Tabalong, Regent of Balangan, Adaro’s executives, representatives of the Police Department, members of local communities, and national and regional press.

In addition to inaugurating the WTP T-300, the Minister of Environment also visited the company’s mine site where Adaro implements other environmental activities, such as land reclamation and energy efficiency projects.

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