



NEWS RELEASE FROM ADARO ENERGY

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ADARO ENERGY BUYS 75% OF COAL MINING COMPANY PT MUSTIKA INDAH PERMAI FOR US\$222.5 MILLION

Jakarta, August 23rd, 2011 – PT Adaro Energy Tbk (IDX: ADRO) is pleased to announce that on August 19th, 2011, PT Alam Tri Abadi, a wholly owned subsidiary of PT Adaro Energy Tbk, signed a share purchase agreement to acquire a 75% stake of PT Mustika Indah Permai ("MIP") from Elite Rich Investment Limited for US\$222.5 million.

MIP is a coal mining company developing a greenfield coal project in South Sumatra. MIP holds a mining permit, known in Indonesian as an IUP, which was granted in April 2010 for a period of twenty years. The project covers an area of approximately 2,000 hectares.

Adaro Energy's President Director, Mr. Garibaldi Thohir said, "our investment in MIP is part of our drive to create sustainable value from Indonesian coal and achieve our vision to become a leading Indonesian mining and energy group."

MIP is one of a number of acquisitions opportunities that, together with organic growth, will help Adaro Energy to achieve 80 million tonnes of production in the medium term.

Adaro Energy's advisors and engineers visited the area in November 2010 and subsequently carried out a geological and drilling program. Following these and other detailed studies, Adaro Energy decided to pursue a majority ownership in MIP.

Adaro Energy has evaluated the geological information available for MIP and considers that there is significant open cut coal mining potential.

The coal geology at MIP was sufficiently uniform. The structure, thickness and quality of the coal seams were considered well enough defined by the density of drill holes that AE was confident to proceed with the purchase of this potential coal area, even though some incremental technical work is still required before an official statement of Coal Resources and Reserves can be made.



Marston, an international mining consultant, performed the engineering studies of coal potential on which the valuation was based. Adaro Energy also completed a series of due diligence drill holes to confirm the structure thickness and quality of the potentially mineable coal seams before completing the purchase.

The additional drilling and coal analysis required to completely meet JORC standards is planned over the next two months; after which, a JORC compliant statement of Resources and Reserves will be issued.

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