

NEWS RELEASE



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Announcement on the Declaration of Force Majeure by BPI

Jakarta, July 7th, 2014 – PT Adaro Energy Tbk (“AE”) (IDX: ADRO) today announces it has been notified by PT. Bhimasena Power Indonesia (“BPI”), of which AE holds a 34% stake through its wholly owned subsidiary, PT Adaro Power, that BPI declared force majeure on Friday June 27th, 2014 on the construction of BPI’s 2,000 MW coal-fired power plant in the province of Central Java (“Central Java Power Plant”/“CJPP”) by sending Force Majeure Notice to its EPC contractors and to Indonesia’s state-owned electricity company, PT. PLN (Persero) (“PLN”). The BPI force majeure has no impact to AE’s profitability.

Due to the good efforts of BPI and the consortium, the CJPP has made good progress, including acquiring more than 85% of the power block land as well as receiving approval for its Environmental Impact Assessment (AMDAL) and other necessary permits.

However, due to the instability of the situation at the site, the acquisition of the remaining plots of land are beyond the reasonable ability of a private company, like BPI, to acquire and may be acquired only with government support.

BPI has taken all reasonable precautions, due care and reasonable alternative measures to avoid the effect of such circumstances; however, BPI came to the conclusion that the circumstances and events delaying the land acquisition process are not within BPI’s reasonable control.

BPI and all of the consortium members are committed to developing the Central Java Power Plant, which is a key infrastructure project for Indonesian national development. The force majeure is an indication of BPI’s commitment, and the commitment of its sponsors, to ensure the CJPP continues.

BPI will continue discussions with the remaining land owners to attempt to purchase their land and to build understanding of the overall benefits of the CJPP. BPI will seek further assistance from the Government of Indonesia to resolve the situation as soon as possible.

The CJPP is of great importance to its stakeholders and is of national significance. It is the first Public-Private Partnership (“PPP”) infrastructure project in Indonesia, and is also part of the Master Plan for the Acceleration and Expansion of Indonesia’s

Economic Development (“MP3EI”) in that it will be the locomotive of growth in the Java Economic Corridor. The CJPP will incorporate the more environmentally friendly and efficient Ultra Super Critical technology.

BPI is a joint venture company established by a three-company consortium, between Electric Power Development Co., Ltd. (“J-Power”), PT Adaro Power, which is a wholly owned subsidiary of AE, and Itochu Corporation (“Itochu”).

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