

PT Borneo Lumbang Energi & Metal Tbk (“BORN” or the “Company”) enters into agreement to separate with the Bakrie Group

Plans to consolidate Bumi PLC and reduce debt

- BORN entered into agreement with the Bakrie Group to separate its joint holding in Bumi PLC to pave way for the exit of the Bakrie Group from Bumi PLC
- BORN's affiliate, Ravenwood Pte Ltd (“**Ravenwood**”), signed an agreement today to purchase Bakrie's 23.8% stake in Bumi PLC for US\$223 million
- BORN will raise its stake in Bumi PLC to 47.6% through purchase of Ravenwood's stake
- Transaction provides BORN with opportunity to average down the acquisition cost of its Bumi PLC investment to £6.75 per share
- Transaction should allow BORN to consolidate Bumi PLC
- AKT stake sale discussion is proceeding
- BORN continues to reduce debt through various initiatives

Jakarta, July 11, 2013 - PT Borneo Lumbang Energi & Metal Tbk is pleased to announce that on Thursday, July 11, 2013, it has entered into an agreement with, among others, Long Haul Holdings Limited and PT Bakrie & Brothers Tbk (together, the “**Bakrie Group**”) to undertake a cashless restructuring to separate their joint ownership of approximately 47.6% of Bumi PLC (the “**Restructuring**”).

The Restructuring

Currently, BORN and the Bakrie Group each indirectly own an effective 23.8% stake in Bumi PLC. The shares are owned through two jointly-owned companies: (i) Borneo Bumi Energi & Metal Pte. Ltd.; and (ii) Bumi Borneo Resources Pte. Ltd..

Borneo Bumi Energi & Metal Pte. Ltd. currently holds 54,154,285 voting shares in Bumi PLC.

Bumi Borneo Resources Pte. Ltd. currently holds 60,442,782 suspended voting shares in Bumi PLC.

The Restructuring will entail: (i) BORN transferring its interest in Bumi Borneo Resources Pte. Ltd. to the Bakrie Group; (ii) the Bakrie Group transferring its interest in Borneo Bumi Energi & Metal Pte. Ltd. to BORN; and (iii) Bumi Borneo Resources Pte. Ltd. transferring approximately 3 million suspended voting shares in Bumi PLC to Borneo Bumi Energi & Metal Pte. Ltd (the suspended voting shares will convert into voting shares upon such transfer becoming effective).

The Restructuring is conditional upon, among other things, the approval by the independent shareholders of Bumi PLC of: (i) the sale to the Bakrie Group of Bumi PLC's 29.2% stake in PT Bumi Resources Tbk; and (ii) a waiver of the requirement under Rule 9 of the City Code on Takeovers and Mergers of the UK for BORN or any of its affiliates to make a general offer for the shares in Bumi PLC which they do not own.

If implemented, the Restructuring will result in BORN owning 100% of Borneo Bumi Energi & Metal Pte. Ltd., which in turn will own approximately 23.8% of Bumi PLC. There will be no material change in the economic interest of BORN in Bumi PLC as a result of the Restructuring.

The BORN Acquisition

BORN notes the announcement by Ravenwood that it has entered into a conditional agreement with the Bakrie Group to acquire all of the suspended voting shares that will be held by Bumi Borneo Resources Pte. Ltd. for US\$223 million following the Restructuring (the “**Ravenwood Acquisition**”).

BORN welcomes the offer from Ravenwood, if the Ravenwood Acquisition is implemented, for BORN to acquire, at cost, the shares in Bumi PLC indirectly owned by Ravenwood. BORN confirms that it intends to carry out such acquisition (the “**BORN Acquisition**”) subject to the approval by BORN’s independent shareholders.

After acquiring Ravenwood’s stake, BORN will become the single largest shareholder of Bumi PLC with a 47.6% shareholding.

Prospective Consolidation of Bumi PLC

The Company believes that the BORN Acquisition will be beneficial to BORN’s shareholders for the following reasons:

1. The understanding, based on all currently known facts, is that BORN, following the Restructuring and the BORN Acquisition, will be able to consolidate a prospectively cash-rich Bumi PLC, which in turn controls approximately 85% of PT Berau Coal Energy Tbk; and
2. It will allow BORN to average down its acquisition cost of Bumi PLC shares from approximately £10.90 per share to approximately £6.75 per share with a cash balance of greater than US\$1 billion in the consolidated Bumi PLC balance sheet.

Debt Reduction

BORN has embarked on an accelerated debt reduction plan that includes the following:

1. On June 24, 2013, BORN made a voluntary prepayment of US\$50 million in relation to its US\$1 billion loan facility, in addition to its scheduled debt repayments;
2. Any dividend distributions by Bumi PLC will be applied to debt reduction; and
3. It is continuing discussions to sell to a strategic investor up to 20% of its ownership in its operating subsidiary, PT Asmin Koalindo Tuhup (“**AKT**”). A significant portion of the proceeds from the sale are expected to be applied to debt repayment. BORN will update the market in accordance with Indonesian capital market regulations in respect of disclosure requirements.

Subject to market conditions, BORN may conduct a bond issuance to refinance the balance of its existing debt, once the Restructuring and the BORN Acquisition described above are completed.

BORN hopes to see, and will endeavor to restore, stability in Bumi PLC so as to allow its management to refocus on activities that create value for all stakeholders. BORN believes the implementation of the Restructuring and the BORN Acquisition are in the best interest of all stakeholders in order to achieve these objectives.

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