

PT Borneo Lumbang Energi & Metal Tbk
("BORN" or the "Company")

21 January 2013

This announcement is issued to clarify the potentially misleading report which appears in at least one online media today in relation to an arbitration case being held in Singapore wherein BORN has been named as a Respondent.

- BORN is not aware whether the Arbitration case in the Singapore International Arbitration Centre ("SIAC") No. ARB001/12/FL has been concluded or decided;
- The case refers to a claim by TransAsia Minerals Limited and Bondline Ltd (collectively referred to herein as "Claimant") against BORN for payment of an amount of US\$10,000,000;
- BORN, as a Respondent, has always taken the position that the SIAC is not the forum via which any claim by the Claimant against BORN should be pursued, as the applicable law governing the transaction to which the case, if any, refers is Indonesian Law. In addition BORN is not a named party to the agreement pursuant to which the Claimant has been pursuing its claim. To this end, BORN has elected not to respond and address the substance of the claim being heard by the SIAC.

An article which appears in at least one online media today, January 21, 2013, reports that the SIAC has issued an interim judgment rejecting evidence presented by BORN, and has ruled that BORN has not paid the remaining payment consideration in the amount of US\$10,000,000 for the acquisition of 99.99% share ownership in PT Asmin Koalindo Tuhup ("AKT"). The media article also suggests that this may potentially lead to the SIAC nullifying the original acquisition transaction.

In respect of the media article referred to above, BORN is issuing this announcement to clarify the potentially misleading information reported therein, as follows:

We understand from relevant documents sent to us by the SIAC and the Claimant that a pre-hearing was due to be held by the SIAC on January 14 to 16, 2013, at Maxwell Chambers, 3 Temasek Ave #16-01 Centennial Tower Singapore 039190. To the best of our knowledge, the case has not been decided and the Respondent has not received any formal notice from either the SIAC or the Claimant to this effect.

It is worth noting that, to date, BORN has elected not to respond to the allegation surrounding the substance of the claim, as BORN and its legal counsels have taken the position that the SIAC is not the forum via which any claim should be pursued, as the law governing the relevant transaction is Indonesian Law and the forum with which any claim should be lodged, is the Indonesian courts. In addition, BORN and its legal counsels have taken the position that BORN is not a party under the agreement pursuant to which the claim has been lodged. These positions have been formally notified to the SIAC by the legal counsels on behalf of BORN since the outset of the claim attempt by the Claimant.

As of December 2009, BORN has fully paid the total amount for the purchase consideration of US\$175,000,000 in cash to the Claimant for the acquisition of 99.99% of share ownership in AKT. As a result, the sale and purchase has been duly completed, and is legal and final; and BORN has since become the lawful and bonafide owner of the 99.99% share ownership in AKT.

It is also important to note that the SIAC Arbitration case refers to an additional payment obligation by BORN in the amount of USD 10,000,000, which is considered immaterial in the context of BORN's accounts. However, because of the media report referred to above, BORN shall immediately notify the SIAC again of its positions on the claim.

We hope to have adequately informed and clarified this news article.

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