



## JOINT MEDIA RELEASE

### Binding Agreement to Acquire Rio Tinto's interest in the Kestrel coking coal mine

MELBOURNE, 28 March 2018: **EMR Capital** ("EMR"), a specialist mining private equity manager, and **PT Adaro Energy Tbk** ("**Adaro**"), one of the world's largest coal producers, are pleased to announce that they have entered into a binding agreement to acquire Rio Tinto's 80% interest in the Kestrel coking coal mine ("Kestrel") for total cash consideration of US\$2.25 billion.

The Kestrel mine is located in the Bowen Basin, the world's premier metallurgical coal region. Kestrel produced 4.25 Mt of hard coking coal (on a 100% basis) in 2017 and had marketable reserves of 146 Mt and resources of 241 Mt as at 31 December 2017.

EMR and Adaro will jointly manage and operate Kestrel, leveraging EMR's experience in acquiring and operating mining operations as well as Adaro's wealth of sector expertise as an experienced coal producer.

Jason Chang, Chief Executive Officer of EMR, said, "We are pleased to announce this milestone transaction which represents a once in a generation opportunity and I am excited about the expertise which both EMR and Adaro can bring to these operations. Coking coal is one of our four core commodities and it offers excellent demand and supply fundamentals for decades into the future."

Garibaldi Thohir, Chief Executive Officer of Adaro, said, "The acquisition of the Kestrel mine is a significant milestone in Adaro's strategic expansion of its portfolio of metallurgical coal as well as one of its largest investments outside of Indonesia. We are thrilled at the growth which this transaction will bring, and look forward to working closely with EMR in making this venture a resounding success."

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EMR and Adaro were advised by Macquarie Capital, Emindobiz, Clayton Utz, Allen & Overy and KPMG.

#### About EMR Capital

EMR Capital is a specialist mining private equity manager founded by Jason Chang and Owen Hegarty with a proven track record in successful resources project development, operation and investment across the entire mining life cycle in a variety of commodities and with deep linkages to Asian markets. For more information on EMR Capital, please visit: [www.emrcapital.com](http://www.emrcapital.com).

#### About PT Adaro Energy

PT Adaro Energy Tbk (Adaro), an IDX listed public company, is a vertically integrated energy producer in Indonesia with investments and subsidiaries involved in the coal, energy and infrastructure industry. Adaro is one of Indonesia's largest coal producer with production of more than 50 million tonnes per annum, and is a significant supplier to the global seaborne thermal coal market. For more information on PT Adaro Energy, please visit: [www.adaro.com](http://www.adaro.com).