

Translation of Letter from Governor of Bangka Belitung

No.:540/75/DPE/2008

Urgency: Important

Attachment: 1 enclosure

Re: Acceleration of Power Plant Development

Pangkalpinang, 03 March 2008

To The Honorable:

President Director of PT PLN (Persero)

Jakarta

In view of the high-degree of severity of electricity crisis in Bangka Belitung province, while at the same time the increasingly urgent needs of electricity, we would like to send the following message:

(a) In accordance with Ministerial Decree issued by the Minister of Energy and Mineral Resources no. 482-12/40/600.2/2006 for designation of (region) with critical supply of electricity, the Archipelagic Province of Bangka Belitung has been classified as critical region. Nevertheless, the Independent Power Plant Program (Partnership) is still experiencing barrier (attachment enclosed)

(b) Based on Presidential Decree no 71 Year 2006 concerning the government mandate to PT PLN (Persero) to accelerate the development of coal-fired power plant, the Archipelagic Province of Bangka Belitung has been allocated with 2x25MW in Bangka and 2x15MW in Belitung. However, until today there is no certainty on the realization of the development of those power plants.

(c) The electricity condition in the Archipelagic Province of Bangka Belitung today is peaked at 65,7MW and currently experience frequent black-out, as the real needs for 2008 is estimated to be 170.8MW. Thus, there is a short of 105MW (enclosed)

(d) The plan for development of 2x12MW power plant by Humpuss Kaltindo Energy which supposedly starting on March 2005 has been cancelled.

(e) No less than 30 investors has attempted to invest in electricity sector in the Archipelagic Province of Bangka Belitung, but the progress is uncertain.

Based on the above, we hope that you (ed. PLN) can accelerate the development of electricity power plants in Bangka Belitung, and we wish to discuss it directly to you. Hereby we relay our message, and thank you for your attention and cooperation.

Governor of Archipelago of Bangka Belitung