



MANHATTAN RESOURCES LIMITED

Registration No: 199006289K

FOR IMMEDIATE RELEASE

Manhattan Resources receives shareholders' approval to acquire 92.18% stake in Indonesian power plant

- *Strategic acquisition to tap on rising demand for electricity in Indonesia and broaden earnings base*

SINGAPORE – 29 June 2016 – SGX Mainboard-listed **Manhattan Resources Limited** (“MRL” or together with its subsidiaries, the “**Group**”) has received shareholders’ approval at an Extraordinary Meeting held today to approve its proposed acquisition of a majority stake in PT Kariangau Power (“PT KP”).

“This proposed acquisition of a 92.18% stake in PT KP is in line with the Group’s strategy to add new revenue streams to broaden our earnings base, and will allow MRL to tap into the growing demand for electricity in Indonesia. In addition, the energy-related business is also an extension of our existing coal barging business,” said **Mr David Low, CEO & Managing Director of MRL**.

Pursuant to the provisions in the Sale and Purchase Agreement, SLM Holding Pte Ltd, a wholly-owned subsidiary of the Company, had on 29 June 2016 completed the Proposed Acquisition. The final purchase consideration after adjustment is approximately US\$35.7 million.

Based on an independent valuation by BDO Advisory, the market value of the equity interests as at 31 December 2015, is worth between US\$15.5 million and US\$53.3 million. The purchase consideration will be funded by internal resources, cash generated from operations and bank borrowings.

PT KP has been given the right by the Indonesian government to supply electricity exclusively within the Kawasan Industri Kariangau (“KIK”) zone for a period of 15 years from 1 April 2013. Currently, it owns and operates a 2 x 15W coal-fired steam power plant in the KIK zone in Balikpapan, East

Kalimantan, Indonesia. Sited on a total area of about 40 hectares, the average utilisation rate of the power plant is about 80%.

PT KP has entered into an agreement with an Indonesian state-owned company that distributes electricity in Indonesia, which has committed to purchase all the excess power that has not been sold to other customers. In addition PT KP's power purchase agreement with a coal terminal operator in Indonesia, PT Dermaga Perkasapratama ("DPP"), also provides for minimum monthly guaranteed sales.

Demand for electricity in Indonesia is rising rapidly, especially in East Indonesia where demand is forecasted to grow at 11.2% per annum¹. PLN is targeting to increase Indonesia's electrification ratio from 83.0% in 2014 to 99.4% by 2024, implying additional new generating capacity of 70GW or about 7GW per year on average². In East Kalimantan in East Indonesia alone, projected production is expected to more than double to 6,702 GWh from 2014 to 2022³. Kalimantan has been identified by the Indonesian government as a key economic corridor, with the KIK zone designated as an integrated industrial zone in Balikpapan for heavy industry, medium industry and warehouses, and may accommodate industries such as coal, oil and gas, commodities, aquaculture and other business sectors.

"Moving into the energy-related business in Indonesia is a natural extension of our coal barging business, which will also allow us to leverage the power generation experiences of some of our Board members," added Mr Low.

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About Manhattan Resources Limited

Manhattan Resources, which is based in Singapore, is currently engaged in barging activities as well as the provision of logistics, marine transportation and support services to the coal mining and resources industries in Indonesia. Since 2011, it ventured into property development in the PRC with its first project, the Ningbo Yinzhou Manhattan Tower – an office and commercial tower comprising of prime retail, SOHO and high-end offices, in Yinzhou District, Ningbo, Zhejiang Province. In 2014, it announced plans to venture into the mineral mining business in the PRC. Manhattan Resources is listed on the Mainboard of the Singapore Exchange.

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¹ Electricity Supply Business Plan PT PLN (Persero) 2013 - 2022

² Power in Indonesia, October 2015, PWC

³ Opportunities and challenges of the Indonesian electrification drive, March 2015, Ernst and Young