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Subject: : 18 June, Key Decisions for PT Bumi Resources Tbk

16 June 2014

Dear Madam,

Consenting to the extension of Bumi Resources' convertible bonds, and the associated rights issue, carries significant risks. Both transactions are approaching key decisions for asset holders within days.

Introduction to Greenpeace International and BankTrack

Greenpeace International is a non-profit organisation, and a part of the global Greenpeace network of 28 offices with presence in 40 countries across Europe, the Americas, Asia and Pacific. Greenpeace International acts to protect the environment in the public interest.

BankTrack is the global network of civil society groups tracking the operations and investments of commercial banks and their effect on people and planet. BankTrack unites 39 members and partners in 16 countries on 5 continents.

Inadequate Risk Disclosure regarding the Rights Issue

As one of Bumi Resources' asset holders, you should be aware that the future of Bumi, referred to in the media as "Asia's riskiest borrowers"¹, hinges on the success or failure of their rights issue and bond extension.

¹ See Bloomberg Report, accessed at <<http://www.bloomberg.com/news/2014-06-11/bumi-resources-avoids-default-with-coupon-payment-on-2016-notes.html>>.



Yet, Bumi Resources' disclosure of material information and the risks associated with its rights issue has been inadequate. Greenpeace Indonesia has contacted the relevant financial regulators requesting that they investigate and review the process by which Bumi Resources have conducted itself in accordance with the law (appended to this letter).

Specifically, Greenpeace Indonesia has asked the Indonesian regulatory agencies to review whether:

1. Bumi Resources have disclosed any and all material risk factors that may have adverse impact on investors in accordance to Bapepam-LK, rule IX.D.3, article 1(r);
2. Bumi Resources have omitted material information that could be necessary for the Prospectus to not be misleading in accordance to Law No.8 of 1995 on Capital Market, article 78(1);
3. Bumi Resources have fulfilled all legal requirements for disclosure in good faith under the general duty of the Indonesia Civil Code.

Potential Financial Risk

Greenpeace Indonesia has questioned the lack of clear details on how the funds from the rights issue will be distributed, the identity of key stakeholders (such as the identity of the Managing Underwriter) and why some creditors are prioritised above others². That Bumi Resources have not provided these important particulars is reminiscent of their previous "suspicious transactions"³ which have led to international probes⁴ and boardroom disputes⁵. The Guardian goes as far as stating the chaos surrounding Bumi Resources "shows no signs of ending".

Potential Sustainability Risks

Bumi Resources has been linked to human rights and environmental violations in the province of East Kalimantan, including the displacement of indigenous communities and the pollution of local water

² In the communications to the Indonesian Stock Exchange IDX, Bumi Resources have intimated that the rights issue will be used to pay off loans from the Chinese Investment Corporation, and not other bond holders. Yet the proportions remain unclear. See 23 May 2014 letter, accessed [here](#).

³ See Bloomberg article, accessed at <<http://www.bloomberg.com/news/2013-05-07/nat-rothschild-rues-terrible-mistake-in-deal-gone-sour.html>>.

⁴ See <<http://af.reuters.com/article/energyOilNews/idAFL3E8L91LR20121009?sp=true>>.

⁵ See <<http://www.efinancialnews.com/story/2013-02-21/bumi-debacle-timeline>>.



supplies⁶. One community, the Dayak Basap people of the village of Segading, are currently resisting being forcibly displaced for a fourth time by the Kaltim Prima Coal project in which Bumi Resources holds a controlling stake through its holding companies⁷.

Their lack of good faith in full and frank disclosure of these financial, environmental and social risks associated with their work raises significant questions as to the propriety of the issue. Therefore, until full and complete disclosure is provided, in the interest of the community and its shareholders, Greenpeace Indonesia asked the regulatory agencies to halt the rights issue.

Significant Reputational Risks

Given the riskiness of the upcoming rights issue and Bumi Resources' environmental track record, there is significant reputational cost to being financially supportive of Bumi Resources. Therefore we the undersigned, as a group of civil society organisations across the world, call on you to refuse consent to the extension of convertible bonds to Bumi Resources.

We believe any support for Bumi Resources to not only be highly unethical due to the human rights and environmental issues outlined above, but also a high risk proposition due to the reputational and financial irregularities that have arisen repeatedly over the recent history⁸.

We hope that this information is useful to you. Please get in touch if you have any questions or would like to discuss further the risks associated with financially supporting Bumi Resources.

Sincerely

Yann Louvel, Climate and Energy Campaign Coordinator, BankTrack

Gyorgy Dallos, Senior Advisor, Greenpeace International

⁶ Bumi Resources is 29 per cent owned by the disgraced London-listed company Bumi plc created by Nat Rothschild. Its Kaltim Prima Coal project has resulted in many people losing their land, with one indigenous village, Segading, having been displaced three times according to interviews with locals by World Development Movement, see <<http://www.wdm.org.uk/climate-change/uk-banks-financing-coal-boom-destroying-borneo-rainforests>>.

⁷ See <<http://www.wdm.org.uk/climate-change/uk-banks-financing-coal-boom-destroying-borneo-rainforests>>.

⁸ For example, see Financial Times article on Bumi Resources history with the Bakrie Family, accessed <<http://www.ft.com/intl/cms/s/0/6fe28630-cf30-11e1-bfd9-00144feabdc0.html#axzz34QaF41K8>>.



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