

Re.: **Disclosure regarding the Increase of Shares Participation in PT Bukit Enim Energi (“BEE”) by PT Pamapersada Nusantara (“PAMA”) in compliance with Rule No. IX.E.1**

On 28 September 2017, PT United Tractors Tbk (“**Company**”) disclosed the information to the Financial Services Authority related to Increase of Shares Participation in BEE by PAMA, as the compliance with Rule No. IX.E.1, Attachment to the Chairman of Capital Market and Financial Institution Supervisory Board Decree No. KEP-412/BL/2009 dated 25 November 2009 on Affiliated Party Transaction and Conflict of Interest (“**Bapepam Rule IX.E.1**”).

The following are the information disclosed:

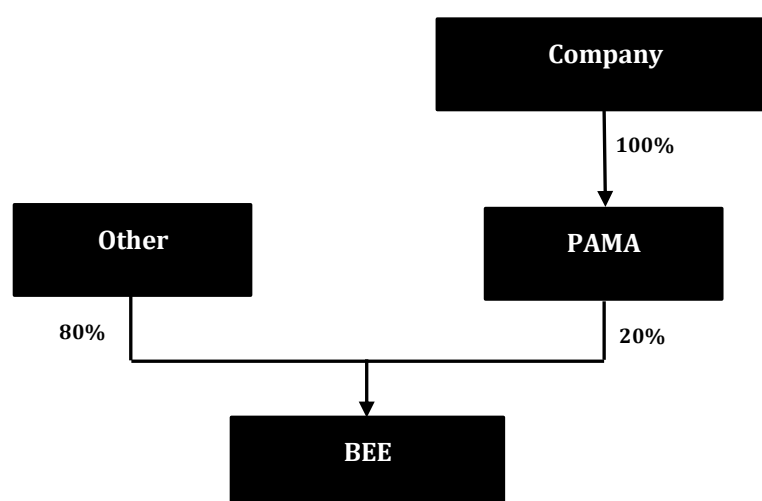
1. **Description on the Transaction**

PAMA has increased its share ownership in BEE in the amount of 40,000 (fourty thousand) shares or equal to Rp400,000,000.00 (four hundred million Rupiah) (herein after reffered to as “**Increase of Shares Participation**”). The Ministry of Law and Human Rights has issued a Letter of Receipt dated 18 September 2017. Accordingly, the Increase of Shares Participation has been effectective since 18 September 2017

After the Increase of Shares Participation in, PAMA has a number of 205,000 (two hundred five thousand) shares or equal to Rp2,050,000,000.00 (two billion fifty million Rupiah) in BEE.

2. **Relationship among the Parties**

Affiliated relationship between PAMA and BEE lie on PAMA’s shares ownership in BEE. The following is a chart that describes the structure of the relationship between the Company, PAMA and BEE:



3. **Explanation, Consideration and Reasons for the Transaction compared to other Similar Transaction with an Unaffiliated Party**

PAMA agreed to Increase of Shares Participation in BEE to support its operational cost of BEE.

4. **Statements of the Board of Directors and Board of Commissioners of the Company**

In relation to this Increase of Share Participation, the Board of Commissioners and Board of Directors state that to the extent of our knowledge, the Company has disclosed all the informations required to be known by public and there is no any material fact which has not been disclosed or omitted, causing the information related to the Transaction as discussed above becomes incorrect and/or misleading.

5. **Additional Information**

- (a) The aforementioned Increase of Share Participation is a transaction mentioned in Rule IX.E.1 number 2 letter b (3) that requires to be reported to the Financial Service Authority, as on the basis that the Increase of Share Participation amount does not exceed 0.5% (zero point five percent) of the issued capitals of the Company and not more than Rp5,000,000,000 (five billion Rupiah).
- (b) This Increase of Share Participation is not a conflict of interest transaction as stipulated in Bapepam Rule IX.E.1, therefore it does not require an approval of independent shareholder.
- (c) This Increase of Share Participation is not a Material Transaction (as defined in Rule No. IX.E.2, Attachment to the Chairman of Capital Market and Financial Institution Supervisory Board Decree No. KEP-614/BL/2011 dated 28 November 2011, on Material Transaction and Change of Main Business Activities ("**Bapepam Rule IX.E.2**") as the amount Increase of Share Participation does not meet the threshold amount as stipulated in Bapepam Rule IX.E.2.

Therefore, this Increase of Share Participation is only an affiliated transaction required to be reported to Financial Services Authority as stipulated in Bapepam Rule IX.E.2 number 2 letter b (3).

[signed by Nataza P. Purba as Group Legal Function Head of the Company]