



18 March 2010

Companies Announcements Office
Australian Stock Exchange Limited
Exchange House
Level 4, 20 Bridge Street
Sydney, NSW 2000

**PROPOSED ACQUISITION OF COAL FIRED POWER PLANT AND
CONVERSION OF CONVERTIBLE BOND**

The Company is pleased to announce that it has entered into a Memorandum of Understanding (“MoU”) with the vendors of PT Pusaka Jaya Palu Power (“Palu Power”) to acquire 95% of its equity for US\$ 54 million.

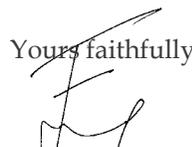
Palu Power is operating a 2 x 15 MW coal fired power plant in Palu, North Sulawesi Indonesia. It has signed with Perusahaan Listrik Negara (“PLN”) the Indonesian state electricity firm, a 25 year Power Purchase Agreement to supply electricity to Palu District, North Sulawesi.

Under the terms of the MoU, the Company will source the necessary financing for the proposed acquisition and Palu Power will negotiate for an increase in tariff with PLN. A formal Sale and Purchase Agreement will be entered into in the next sixty (60) days.

As announced on 22 October 2008, the Company presently has \$ 26,623,000 convertible bond issued to Ratna Handini, who is also the major shareholder of the Company.

Following the terms set out in the convertible bond certificate, the Company wishes to announce the conversion of the first tranche of the convertible bond of \$13,311,500 to ordinary shares of the Company. This amounts to 26,623,000 new ordinary shares at the conversion price of \$0.50 per share. The terms and conditions of the convertible bond were approved by shareholders in the Company’s Annual General Meeting dated 29 July 2008.

Yours faithfully


Faris Azmi Abdul Rahman
Company Secretary

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