



MANHATTAN RESOURCES LIMITED

Registration No: 199006289K

FOR IMMEDIATE RELEASE

Manhattan to acquire Indonesian power plant; reports 1Q2016 results

Financial Highlights (S\$ million)	3 Months Ended 31 March		
	1Q2016	1Q 2015	Change +/(-)%
Revenue	1.2	4.3	(72)
Attributable Loss After Tax	(3.3)	(1.4)	131
	As at 31 Mar 2016	As at 31 Dec 2015	Change +/(-)%
NAV Per Share (cents)	18.79	19.89	(6)

SINGAPORE – 9 May 2016 – SGX Mainboard-listed **Manhattan Resources Limited** (“MRL” or together with its subsidiaries, the “Group”) proposes to acquire a majority stake in an Indonesia power plant business.

In line with its diversification efforts, the Group had recently entered into a conditional sale and purchase agreement with Energy Resource Investment Pte. Ltd. (“ERI”) on 28 April 2016 to acquire a 92.18% stake in PT Kariangau Power (“PT KP”) (“Proposed Acquisition”). The principal business activities of PT KP relate to the operations of a coal-fired steam power plant in the Kariangau industry area, Balikpapan, East Kalimantan, Indonesia.

The purchase consideration shall be a sum of up to US\$37 million subject to downward adjustments upon the occurrence of certain specified events, which is to be fully satisfied in cash and payable in two (2) tranches.

Demand for electricity in Indonesia is rising rapidly, especially in East Indonesia where demand is forecasted to grow at 11.2% per annum¹. PT Perusahaan Listrik Negara (PLN) is targeting to increase Indonesia’s electrification ratio from 83.0% in 2014 to 99.4% by 2024 which implies an additional

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

new generating capacity of 70GW or about 7GW per year on average². In East Kalimantan, Indonesia alone, projected production is expected to more than double to 6,702 GWh from 2014 to 2022³.

The Proposed Acquisition is expected to allow the Group to tap on the opportunities of a rising demand for electricity in Indonesia and diversify its revenue stream. It is expected that the Proposed Acquisition will offer a steady income stream underpinned by the current agreements that PT KP has in place and would augment MRL's assets in Indonesia.

For the financial results of 1Q 2016, the Group reported a net attributable loss of S\$3.3 million on the back of a 72% decline in revenue to S\$1.2 million, due mainly to lower coal carrying activities during the period. Accordingly, vessel related expenses for 1Q 2016 decreased by more than half to S\$1.4 million, as compared to S\$3.3 million in the same period last year.

During the quarter, the Group saw lower depreciation and lower staff cost, which was partially offset by foreign exchange losses due to the movement of USD against SGD, RMB and IDR.

The Group's balance sheet remains healthy and well-funded with zero debt and a cash balance of S\$83.3 million as at 31 March 2016.

As uncertainties continue to persist in the coal industry and global economic conditions, the Group will diversify its revenue stream to broaden its revenue base while continuing to focus on optimising its operational efficiency and cost effectiveness.

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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 in Yinzhou District, Ningbo, Zhejiang Province.

Manhattan Resources is listed on the Mainboard of the Singapore Exchange.

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² Source*: Power in Indonesia, October 2015, PWC

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

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