



## PRESS RELEASE

### **BNI SIGNS NEW HEADS OF AGREEMENT FOR AMENDMENT OF THE RIAU COMPLEX (RGM GROUP) CREDIT FACILITIES**

Jakarta, 19 October 2006: Today the Heads of Agreement for the Amendment and Restatement of Credit Agreement relating to the credit facilities of Riau Complex (RGM Group) ("Heads of Agreement") was signed between Riau Complex (RGM Group) and certain members of the Syndicated Creditors, which includes PT Bank Negara Indonesia (Persero) Tbk.

The background of the signing is as follows:

1. The Syndicated Creditors, composed of 15 creditors comprising of state owned banks, national private banks and foreign banks, on the one part, with Riau Complex (RGM Group), on the other part, were parties to a Restructuring Agreement which was amended several times, lastly by an Addendum dated 30 September 2002.
2. Such restructuring was done based on the total amount of Riau Complex's credit obligations since the loan was first given, plus such additional amounts incurred in subsequent periods. Further, all the payment obligations have remained due and payable in accordance with the prevailing Credit Agreements, without any principal deduction.
3. Since the last restructuring in 2002 up to now, Riau Complex (RGM Group) has fulfilled its payment obligations as stipulated in the Restructuring Agreement. However, given the change in the loan classification of Riau Complex (RGM Group) due to, among others, new regulations issued for the banking sector, on the one hand, as well as the improving conditions of the pulp & paper industry and Riau Complex, as a business enterprise, on the other – the Parties considered it necessary and appropriate to amend the terms and conditions of the Restructuring Agreement.
4. In connection with the above, the parties abovementioned have in good faith agreed to amend the Restructuring Agreement by signing the Heads of Agreement, to be further stipulated in details and in full through the Deed of Amendment and Restatement of Credit Agreement.

# BANK MANDIRI

The Deed of Amendment and Restatement of Credit Agreement and all related documents, are scheduled to be completed and executed by 8 November 2006. By such time, the other syndicated lenders are expected to have adhered to the Heads of Agreement and be parties to the Amendment and Restatement of Credit Agreement.

For further informations:

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