

## Indonesian Coal Producer Indika Energy Secures \$110m for Expansion

By **webadmin** on 10:02 am Jul 24, 2012

Category **Archive**

ID/Efi Nurfiyasari

ID/Efi Nurfiyasari

Coal producer Indika Energy has secured a \$110 million loan from state-owned Bank Mandiri to help finance its expansion plans this year.

Azis Armand, Indika's finance director, said the loan, which was signed last Wednesday, would be used as working capital for the company.

Indika's president director, Arsjad Risjad, said last month that the company planned to spend \$442 million this year to help finance the expansion of two of its subsidiaries — mining and construction contractor Petrosea and coal transportation and logistics services company Mitrabahtera Segara Sejati.

Indika had \$700 million in cash reserves as of March this year, Arsjad said.

The company will spend \$256 million to finance the expansion of Petrosea and Mitrabahtera. Indika will spend another \$130 million to finance the expansion of coal miner Multi Tambangjaya Utama over the next five years and another \$55.8 million for oil and gas exploration firm Mitra Energi.

Indika completed the acquisition of Multi Tambangjaya Utama for \$136 million on May 31. As part of the deal, Indika assumed MTU's \$69 million in debt, Indika said in a statement.

With the acquisition, Indika indirectly owns 85 percent of MTU, a bituminous thermal coal and coking coal mining company based in Central Kalimantan.

Indika previously secured a \$200 million loan from three overseas lenders: Citibank, UBS and Standard Chartered, Investor Daily reported, without citing the dateline for the loan deal.

Indika has forecast its coal production at 36.6 million tons this year.

Shares of Indika dropped 5.4 percent to Rp 1,770 on the Indonesia Stock Exchange on Monday.

Source: <http://www.thejakartaglobe.com/archive/indonesian-coal-producer-indika-energy-secures-110m-for-expansion/>