



**INFORMATION DISCLOSURE TO THE SHAREHOLDERS OF
PT CENTRAL OMEGA RESOURCES TBK (“COMPANY”)
REGARDING PLAN TO INCREASE CAPITAL BY ISSUING PRE-EMPTIVE RIGHTS
(RIGHT ISSUE)**

The Directors of the Company hereby, delivers the following information to the shareholders of the Company regarding plan to increase Capital by Issuing Pre-Emptive Rights (Rights Issue) in accordance with Article 15 of Financial Services Authority Regulation number 32/POJK.04/2015 dated 16 December 2015 concerning Capital Increase of Public Companies with Pre-Emptive Rights (“POJK No. 32/POJK.04/2015”):

A. Maximum Numbers of Shares to be Issued through Rights Issue

The Company intends to increase capital through Rights Issue with Pre-emptive rights with the maximum number of shares to be issued 9,304,925,988 (nine billion three hundred four million nine hundred twenty five thousand and nine hundred eighty eight) shares with nominal price of Rp100,- (one hundred Rupiah) per share.

B. Estimated Period for executing Capital Increase

The Company intends to obtain approval from the Company’s shareholders regarding the plan to increase capital through Rights Issue in Extraordinary General Meeting of Shareholders (“EGMS”) which will be held on February 28, 2019. The Company will propose a Statement of Registration to Financial Services Authority (Otoritas Jasa Keuangan) immediately upon obtaining approval by the Company’s shareholders in EGMS, in provision that the period between the date of EGMS approval until the effective date of Statement of Registration is not longer than 12 (twelve) months, in accordance with Article 8 paragraph (3) POJK No. 32/POJK.04/2015.

C. Analysis on the Impact of Capital Increase to Financial Condition and Shareholders.

The Company predicts that the Capital Increase through Rights will have a positive impact. Through increased capital, there will be additional funding so that the Company will soon be able to start plans for the construction of a phase II smelter in North Morowali District, Central Sulawesi.

The capital increase plan through Rights Issue with Pre-emptive rights will affect the shareholder. Whereby those who choose not to exercise their rights will have a decrease in ownership percentage (dilution).

D. Use of Funds Estimation

Fund proceeds from Rights Issue with Pre-emptive rights (after deducting all transaction fees) will be used to the construction of Phase II Ferronickel smelters in North Morowali Regency, Central Sulawesi, the Company's Working Capital and Subsidiaries Perusahaan.

Jakarta, 22 Januari 2019

The Board of Directors