

"Unofficial Translation"

10 October 2008

No. CS-177/LSIP/X/08

To  
Bapak Edy Sugito  
Direktur PT Bursa Efek Indonesia  
Indonesia Stock Exchange Building, Tower 1  
Jl. Jend. Sudirman Kav. 52-53  
Jakarta 12190

Dear Sirs,

**Share Buyback of PT. PP. London Sumatra Indonesia Tbk.**

In accordance with the Decision Letter of the Chairman of Bapepam and LK No. KEP-401/BL/2008 dated 9 October 2008 regarding Share Buyback Issued by Issuer or Public Company in a Critical Market Condition, then PT PP London Sumatra Indonesia Tbk ("Company") would like to conduct share buyback.

In accordance with Regulation No. XI.B.3 Point 7, the Company hereby informs as follows:

1. The estimated buyback schedule will start as of 13 October 2008 until the deadline which has been determined under the above regulation, i.e. 3 months, and the share buyback cost will taken from the Company's balance.
2. The performance of this share buyback is in accordance with the regulation as attached in the Decision Letter of the Chairman of Bapepam and LK No. KEP-401/BL/2008 dated 9 October 2008, i.e. a maximum or up to 20% of the total paid-up capital after considering the current market conditions.
3. By conducting the share buyback, we estimate that there will be reduction in the Company's income (Note: See Revision Letter No. CS-178.) of a maximum aggregate amount of Rp 491.3 billion. Detailed calculation attached.
4. The share buyback is expected to:
  - a. Give a positive impact to the domestic investment conditions
  - b. Increase the value of the Company in the investors' point of view
  - c. Give support to the shareholders in the current global crisis.

Best regards,

Emanuel Loe Soe Kim  
Director

Attachment I: Detail calculations estimate income decrease of PT. PP LONDON SUMATRA INDONESIA Tbk, in relation to the share buy back

- Issued and paid capital	
Amount 1.364.572.793 share @ Rp. 500 per share	= Rp. 682,3 Billion
- Price share buyback (Regulation no. XI.B3 point 4)	
20% from 1.364.572.793 share @Rp.2.300 per share (assumption)	= Rp. 627,7 Billion
- Price nominal share buyback	
20 % from 1.364.572.793 share @ Rp. 500 per share	= <u>Rp. 136,4 Billion</u>
- Decrease income/Disagio	=Rp. 491,3 Billion
- Balance Agio Share per 31 August 2008	= <u>Rp. 886,5 Billion</u>
- Estimate balance share premium after share buy back	=Rp. 395,2 Billion