

LEASE AGREEMENT

THIS AGREEMENT is made the 1st day of January 2007 BETWEEN:

- (I) **PT. BATAMINDO INVESTMENT CAKRAWALA**, a company duly established under the laws of the Republic of Indonesia and having its domicile at Wisma Batamindo, Jln. Rasamala No. 1, Mukakuning, Batamindo Industrial Park, Batam 29433, Indonesia (hereinafter referred to as "BIC");
- (II) **PT. BATAM BINTAN TELEKOMUNIKASI**, a company duly established under the laws of the Republic of Indonesia and having its legal domicile at Jln Markisa, Mukakuning, Batamindo Industrial Park, Batam 29433, Indonesia (hereinafter referred as the "Lessee")

WHEREAS

- A. BIC is the developer of an industrial estate located at Mukakuning, Batam Island, Republic of Indonesia, namely Batamindo Industrial Park (hereinafter called "BIP");
- B. The Tenant desires to lease office premises and operate a business thereon in BIP.

NOW THEREFORE, the parties hereto agree as follows :

ARTICLE 1 THE LEASED AREA

BIC hereby agrees to lease to the Lessee and the Lessee here agrees to take a lease from BIC of office premises at Jln Markisa in Batamindo Industrial Park with a lettable area of **880.50** square metres, as marked red in the plan attached hereto as Schedule 1A (hereinafter referred to as the "Lease Premises")

ARTICLE 2
THE UTILIZATION OF THE LEASE PREMISES

- 2.1 The Lessee shall utilize the Lease Premises to operate Telecommunication in conformity with the licenses and permits obtained from all relevant Indonesian authorities. Any alteration and/or expansion of the business to be carried out by the Lessee shall require the prior written approval from BIC and all relevant Indonesian authorities, such approval from BIC shall not be unreasonably withheld.

ARTICLE 3
THE LEASE TERM

- 3.1 The Lease Term shall be for a fixed term of three (3) years commencing from 1 January 2007 (hereinafter referred to as the "Lease Commencement Date").
- 3.2 If the Lessee intends to renew this Lease for further terms, as set out in Clause 3.3, the Lessee shall notify BIC in writing not less than six (6) months prior to the termination of the Lease Term or the extension thereof.
- 3.3 Subject to the approval of BIC and there being no existing material breach or non-observance of any of the covenants on the part of the Lessee, BIC may extend a lease for a further term of three (3) years or such other mutually agreed period. BIC and Lessee shall negotiate to determine the terms and conditions for each extension. Such terms and conditions may include BIC's adjustment as to rental and other terms and conditions as agreed to by the Parties if any Provided That such increase in the rental for such renewal shall not be more than 21%, for a three (3) year term.

ARTICLE 4
RENTAL

- 4.1 The rental of the Lease Premises is Singapore Dollars Three Dollar (S\$ 3.00) per square metres per month (hereinafter referred to as "Rental").
- 4.2 The Rental does not include the expenses for the consumption of electricity, water and telephone or others charges and assessments to be levied imposed or assessed by the Indonesian Government or authority, all of which shall be paid by Lessee to BIC and/or the appropriate beneficiaries.
- 4.3 The Rental shall be paid in advance by the Lessee on a quarterly basis commencing on the Lease Commencement Date. The first quarterly payment shall be made upon the signing of this Agreement and the remaining quarterly payments shall be made seven (7) days prior to the expiration of the preceding quarter.

ARTICLE 5
LATE PAYMENT

- 5.1 For each day of delay in the payment of quarterly Rental, the Lessee is obliged to pay a penalty of 10% per annum each calendar day of overdue payment or prorata proportion of the outstanding amount of such payment.
- 5.2 Without prejudice to the above mentioned provisions if the payment for Rental remains outstanding for thirty (30) days, then under Article 9.2, BIC is entitled to terminate this Agreement without the necessity to comply with Article 1266 Indonesian Civil Code which the parties hereto expressly waived.

ARTICLE 6
SERVICE CHARGE

- 6.1 In addition to the Rental mentioned in Article 4 hereof, the Lessee is obliged to pay Service Charge of Singapore Dollar One Dollar and One Cent (S\$ 1.10) per square metre per year on total area of Six Thousand and Two Hundred (6200) square metres for the maintenance of common areas.
- 6.2 The Service Charge shall be paid in advance by the Lessee on a quarterly basis commencing on the Lease Commencement date. The first quarterly payment shall be made upon the signing of this Agreement and the remaining quarterly payments shall be made seven (7) days prior to the expiration of each quarter.
- 6.3 The provisions in Article 5 hereof are applicable mutatis mutandis for the payment of Service Charge.
- 6.4 The Service Charge shall not include the cost of electrical power, water supply, telephone, telex and facsimile consumed or servicing the Lease Premises solely and shall be reviewed annually by BIC and revised accordingly based on tariffs stipulated by BIDA from time to time.

ARTICLE 7
DEPOSIT

- 7.1 To guarantee the full, punctual and proper performance by the Lessee concerning the obligations and liabilities pursuant to this Lease Agreement, the Lessee has to pay a cash deposit equivalent to three (3) months Rental to BIC which has been previously paid prior to the signing of this Agreement. *no pay deposit yet 09/10/07.*
- 7.2 BIC is not obliged to pay interest on such deposit, but BIC is obliged to refund the deposit to the Lessee within fourteen (14) days from the termination of the Lease Term or the extension thereof, provided that the Lessee has surrendered all the Lease Premises in proper and good condition, fair wear and tear excepted, and the Lessee has performed its obligations pursuant to this Agreement.

- 7.3 The Lessee is not allowed to transfer or assign its rights and interest over the deposit or any part thereof to any third party whomsoever.
- 7.4 If the Lessee fails to pay the Rental or Service Charge or fails to perform other obligations to BIC, whether it is an indemnification or other liabilities on the due date, BIC is entitled and empowered to use such whole or part of the deposit as is sufficient for the settlement of such unpaid payments without prior notification to the Lessee, but the Lessee is nevertheless not allowed to request the deposit to be used for Rental payment, Service Charge or any other obligations which have been due and payable and outstanding against BIC.
- 7.5 In case the deposit or any part thereof is used by BIC in accordance with Article 7.4 above, the Lessee shall immediately pay to BIC in cash in the sufficient amount to compensate the deposit which have been used in accordance with Article 7.4 by BIC.
- 7.6 Such compensate has to be paid on the due date stipulated in BIC's written demand and the provision in Article 5 hereof are applicable mutatis mutandis for the payment of such compensation.

ARTICLE 8 INSURANCE

- 8.1 BIC shall insure the LEASE PREMISES including its annexes against loss risk or damage caused by fire or other causes on BIC's account during the Term.
- 8.2. The Lessee is obliged to insure its property located within the LEASE PREMISES against loss risk or damage caused by fire or other causes.
- 8.3. The Lessee shall not do or permit to be done on the LEASE PREMISES anything whereby any insurance on the Lease Premises or any of the adjoining or adjacent lease premises or part thereof respectively may be rendered void or voidable or whereby the rate or premium thereon may be increased. The Tenant shall reimburse BIC for any sums paid way of increased premium and all expenses incurred by BIC in or for the renewal of such policy or policies shall be added to the Rental herein before reserved and shall be recoverable as Rental.

ARTICLE 9 TERMINATION

- 9.1 The Lessee has the right to terminate the Lease Agreement prior to the expiry of the Lease Term by giving at least six (6) months prior written notice of its intention to BIC. The Lessee has no right for the refund, reimbursement or claim for any Rental and Service Charge or any other payments already made to BIC including the deposit furnished by the Lessee pursuant to Article 7.

- 9.2 BIC is entitled to terminate the Lease pursuant to this Agreement immediately without prior notice in case:
- (a) The Lessee fails to pay the Rental, Service Charge and other payments due pursuant to this Lease Agreement on the due date and the Lessee fails to remedy within thirty (30) days of notice after the due date of such payment.
 - (b) The Lessee fails to fulfill the terms and conditions of this Lease Agreement and/or the prevailing laws and regulations and the Lessee fails to rectify it within thirty (30) days after written notice by BIC.
 - (c) The business activities of the Lessee are suspended by the authorities or its licenses are revoked.
 - (d) The Lessee by itself request for bankruptcy pursuant to the Indonesian laws or is claimed by third party for insolvency or bankruptcy.
- 9.3 In the event of termination under this Article, Lessee has no right to claim the prepaid Rental and Service Charge, or any other payments already made to BIC including the deposit. The termination does not prevent BIC's right for the unpaid payment and any legal actions that can be filed pursuant to the prevailing laws and regulations for any failure or non compliance by Lessee of the terms and conditions of this Agreement.

ARTICLE 10
MAINTENANCE AND REPAIR OF LEASE PREMISES

- 10.1 The Lessee shall maintain interior of the Lease Premises and keep his own environmental security at its own cost and responsibility.
- 10.2 BIC is entitled to access and inspect the Lease Premises at reasonable times and for reasonable period whether the Lessee has utilized and maintained the Lease Premises in accordance with this Agreement.

ARTICLE 11
SURRENDER OF LEASE PREMISES

- 11.1 At the maturity of the Lease Term or termination of this Lease Agreement, Lessee is obliged to surrender the Lease Premises to BIC in vacant condition and in accordance with the condition as on the agreed lay-out except for normal wear and tear and to remove such alterations or additions or reinstate the Lease Premises unless BIC otherwise requests, and as the Lessee agrees thereto.
- 11.2 Failure of such surrender on the termination of this Lease Agreement, the provisions in Article 5 hereof are applicable mutatis mutandis for this surrender.

ARTICLE 12
LESSEE'S COVENANTS

The Lessee undertakes and binds itself:

- (a) to use the Lease Premises in compliance with the utilization of BIP as decided by the authorities;
- (b) to obtain all necessary licenses to operate the business in BIP;
- (c) to pay all taxes (except property and building taxes) and other charges related to its operation and the possession of the Lease Premises;
- (d) not to use any inflammable building materials for internal partitioning;
- (e) not to modify any existing electrical wirings or modify or replace existing fire alarm fixtures and fittings or affix or install any further or additional electrical and fire alarm wiring extensions in or about the Lease Premises without the written consent of BIC which consent shall not be unreasonably withheld having been first obtained and Provided Further That all such work shall be carried out by a licensed electrical contractor or competent person as reasonably approved by BIC to be employed and paid by the Lessee who shall ensure as part of the work that the existing circuits and equipment are not overloaded or unbalanced. Prior to any electrical and fire alarm installation or modification work, Lessee will be required to submit the necessary plans as hereinbefore specified under Article 2.2;
- (f) to permit BIC or its agents with or without workmen or others at all reasonable times and by prior appointment to enter the Lease Premises to take inventories of BIC's fixtures and fittings therein to view the condition thereof and examine the state of repair of the Lease Premises and thereupon BIC may give the Lessee notice in writing specifying any work or repairs necessary to be done which are the responsibility of the Lessee under the terms of this Lease Agreement and require the Lessee forthwith to execute the same and the Lessee shall pay BIC's reasonable costs of survey attending the preparations of the notice and if the Lessee shall not within fourteen (14) days after the service of such notice proceed diligently and in workmanlike manner with the execution of such work or repairs then to permit BIC (who shall not be under any obligations so to do) to enter upon the Lease Premises and execute such work or repairs and the cost thereof shall be a debt due from Lessee to BIC and be forthwith recoverable provided always that BIC shall not be liable to Lessee for any loss damage or inconvenience caused by such work or repairs, unless caused by any neglect, default or omission of BIC, its servant or agents;
- (g) to make good and sufficient provision for the safe and efficient disposal of all waste generated at the Lease Premises including but not limited to pollutants to the reasonable requirements and satisfaction of BIC and/or relevant government authorities Provided That in the event of any default by the Lessee under this covenant BIC may carry out such remedial measures as BIC thinks necessary and all costs and expenses incurred thereby shall forthwith be recoverable from the Lessee as a debt;

- (h) not to do suffer to be done on or in the Lease Premises anything whereby the insurances of the same or of the BIP or any part thereof may be rendered void or voidable or whereby the premium thereon may be increased and to repay to BIC on demand all sums paid by BIC by way of increased premium and all expenses incurred by BIC in connection with insurance rendered necessary by a breach or non-observance of this covenant without prejudice to any other rights and the remedies available to BIC;
- (i) not to do or permit or suffer to be done anything in or upon the Lease Premises or any part of the BIP which in the opinion of BIC is a nuisance or cause annoyance to or in any way interfere with the business or the quiet or comfort of the other occupants of the BIP Provided That BIC shall not be responsible to the Lessee for any loss, damage or inconvenience as result of nuisance, annoyance or any interference whatsoever caused by the other occupants of the BIP;
- (j) not to use the Lease Premises for any illegal or immoral purpose;
- (k) not to install any machinery or fixtures in the Lease Premises without having sought the advice of its professional advisors and to submit a layout plan of the Lessee's machinery for the approval of BIC which approval shall not be unreasonably withheld and/or relevant authorities prior to the actual fixing of the machinery Provided That the Lessee shall not be fully responsible for any installation of machinery or fixtures and shall indemnify BIC from any losses arising therefrom;
- (l) not without the consent of BIC, which consent shall not be unreasonable withheld, to assign sublet or part with or share the possession of the Lease Premises or any part thereof;
- (m) at the termination of the Lease Term to yield up the Lease Premises and all BIC's fixtures, fittings, fastenings and other things thereto anywhere belonging or appertaining in such good and substantial repair, fair wear and tear excepted as shall be in accordance with the covenants of the Lessee hereinbefore contained and with all locks and keys complete;
- (n) not to install and/or use any electrical installations machines or apparatus that may cause or causes heavy power surge, high frequency voltage and current, air borne noise, vibration or any electrical or mechanical interference or disturbance whatsoever which may prevent in any way the service or use of any communication system or affects the operation of other equipment, installations, machinery, apparatus or plants of other lessees and in connection therewith, to allow BIC or any authorised persons to inspect at all reasonable times, such installation, machine or apparatus in the Lease Premises to determine the source of the interference or disturbance and thereupon, to take suitable measures, at the Lessee's own expense, to eliminate or reduce such interference or disturbance to BIC's satisfaction, if it is found by BIC or such authorised person that Lessee's electrical installation, machine or apparatus is causing or contributing to the said interference or disturbance;

- (o) to indemnify BIC against any claim, proceedings action, losses, penalties, damages, expenses, costs, demands which may arise in connection with Article (n) above;
- (p) not to hold BIC responsible for any costs, loss of profits or any consequential losses arising from any failure in the supply of power from the Central Power Station of the BIP, such failure not being due to any act, default or omission of BIC, its servants, agents or employees or being beyond of BIC, its servants, agents or employees or being beyond the control of BIC, its servants, agents or employees; and
- (q) to comply with any prevailing laws and regulations in Indonesia.

All consequences arising from the non compliance of the above mentioned shall be fully borne by the Lessee and the Lessee hereby indemnifies and holds BIC harmless.

ARTICLE 13 MISCELLANEOUS

- 13.1 This Agreement shall remain binding on the heirs and/or successors in title and/or assignees of the parties hereto.
- 13.2 Any notice or request or permitted to be given or made under this Agreement shall be in writing and such request or notice shall be deemed to have been duly given or made when it is delivered by hand, mail, courier, telex or facsimile to the party to which it is required or permitted to be given or made at such party's address as specified below or at such address as such party shall have been designated by notice to the other party giving such notice or making such request.

BIC : WISMA BATAMINDO,
Jalan Rasamala No. 1, Mukakuning,
Batamindo Industrial Park,
Batam 29433, Indonesia

Telephone : 0770-611222
Facsimile : 0770-611432

Lessee : PT. BATAM BINTAN TELEKOMUNIKASI
Jalan Markisa, Mukakuning
Batamindo Industrial Park
Indonesia

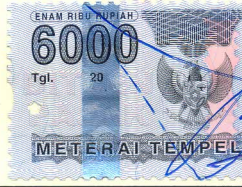
Telephone : 0770-612300
Facsimile : 0770-612200

ARTICLE 14
GOVERNING LAW AND DISPUTE SETTLEMENT

- 14.1 This Agreement shall be governed by the laws of the Republic of Indonesia.
- 14.2 Any dispute arising from this Agreement shall be settled amicably. Failing such amicable settlement, the parties shall refer the case to the District Court of Central Jakarta in Jakarta.
- 14.3 For the purpose of 14.2 above, both parties elect the fixed legal domicile at the Registrar office of the District Court of Central Jakarta in Jakarta (Panitera Pengadilan Negeri Jakarta Pusat).

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their respective representatives the date and year first above written.

Signed for and on behalf of)
PT. BATAMINDO INVESTMENT)
CAKRAWALA)



Name : J. Sulistiawan
Designation : General Manager Corporate

AND

Name : Mook Sooi Wah
Designation : Asst. General Manager, Finance

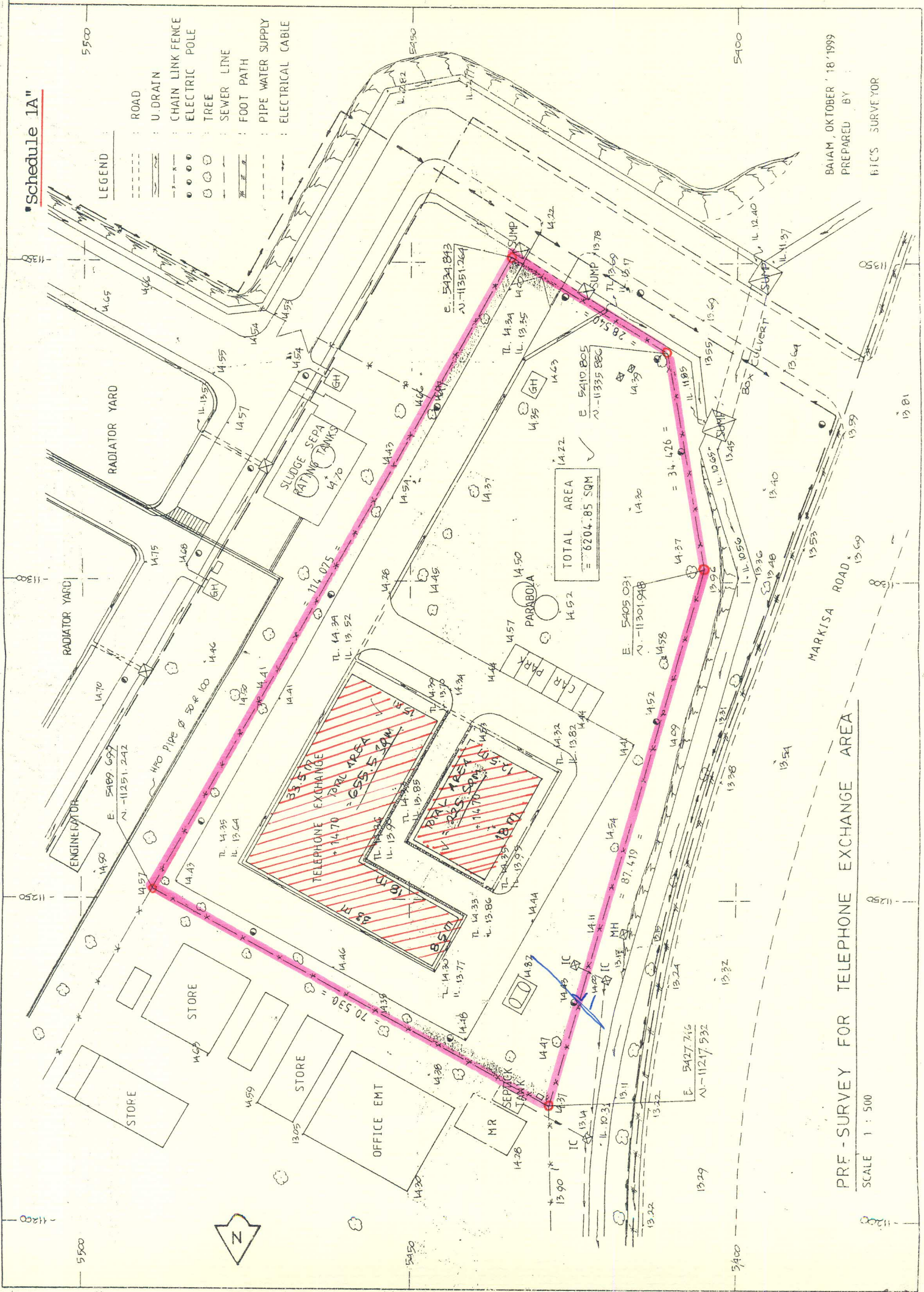
Signed for and on behalf of)
PT. BATAM BINTAN)
TELEKOMUNIKASI)
in the presence of:)

Name : Agus Yekti Edhy
Designation : Wakil Direktur

Name :
Designation :

Schedule 1A"

- LEGEND**
- ROAD
 - U. DRAIN
 - CHAIN LINK FENCE
 - ELECTRIC POLE
 - TREE
 - SEWER LINE
 - FOOT PATH
 - PIPE WATER SUPPLY
 - ELECTRICAL CABLE



BAIAM, OKTOBER '18 1999
 PREPARED BY
 BICS SURVEYOR

PRF - SURVEY FOR TELEPHONE EXCHANGE AREA

SCALE 1 : 500