PT. BAYAN RESOURCES Tbk.

Third Quarter 2020 Update Presentation

Overview

<u>3Q20</u>

- **3Q20 was overall a better quarter as Tabang's water levels were higher than expected in what has typically been our dry season which allowed sales volumes to increase. The water levels dropped slightly at the end of 3Q20 which resulted in sales volumes being slightly lower compared to 2Q20.**

- **One of our mining contractors had to temporarily suspend operations at the end of 3Q20 due to an outbreak of COVID-19 cases. This did not have a material impact on production or hauling for the quarter.**

<u>Overall</u>

- **Overall EBITDA generation improved as a result of the increased sales volumes and a slight increase in EBITDA margin. This margin increase resulted from a larger reduction in cash costs than the reduction in ASP.**

- **Despite these challenging times, the Group continued to generate healthy margins 3Q20 and increased its cash balances.**

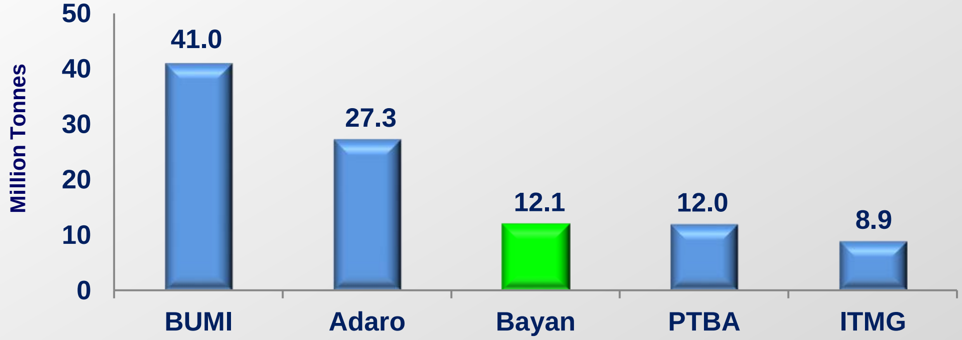
- **The Company paid a dividend of US$66.7 million in September 2020 which was sourced from internal cashflows.**

Bayan's Financial and Operational Performance

	2019	3Q19	3Q20	YTD 3Q19	YTD 3Q20
Financial Performance (In Million USD)					
Revenue	1,391.6	283.4	307.5	1,141.9	1,003.2
Gross Profit	489.4	88.4	113.3	436.3	304.0
EBITDA	374.4	59.3	81.2	332.5	219.5
Net Profit After Tax	234.2	32.5	42.4	219.2	118.2
Financial Ratios					
Gross Profit Margin (%)	35.2%	31.2%	36.9%	38.2%	30.3%
EBITDA Margin (%)	26.9%	20.9%	26.4%	29.1%	21.9%
Net Profit Margin (%)	16.8%	11.5%	13.8%	19.2%	11.8%
Net Debt to EBITDA (x)	0.3	0.2	0.2	0.2	0.2
Operational Statistics					
Overburden Removal (MBCM)	161.5	48.4	33.8	127.0	92.5
Strip Ratio (x) - based on production volume	5.1	4.8	3.6	4.9	4.3
Coal Production (MT)	31.9	10.0	9.4	26.0	21.5
Sales Volume (MT)	29.2	5.9	8.9	23.6	26.0
Average Selling Price (US$/MT)	47.6	48.3	34.6	48.3	38.6
Average Cash Costs (US$/MT)	35.0	38.3	25.6	34.5	30.3

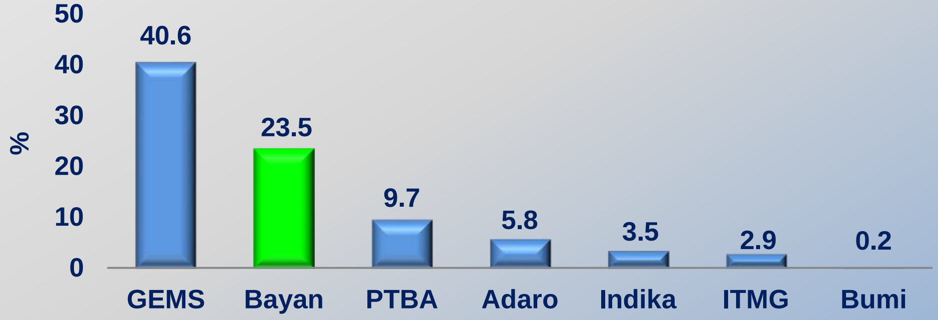
One of the Quickest Growing Coal Producers

1H20 Production



Source: Company Filings, Company Data

2017 - 2019 CAGR (Production)

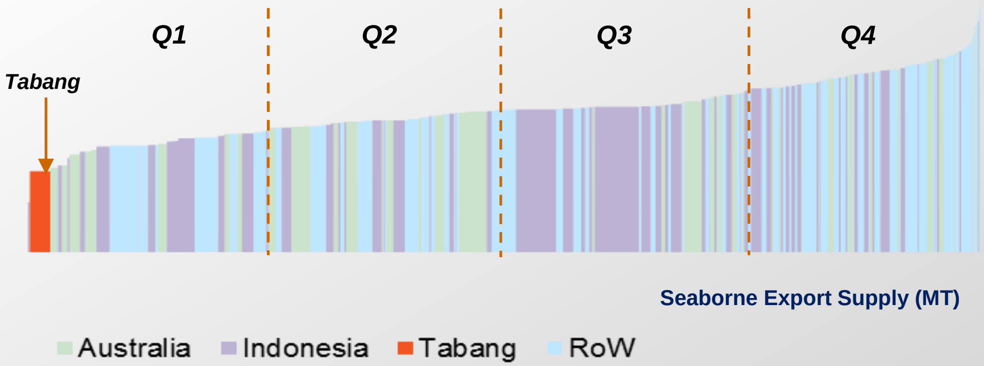


Source: Company Fillings. Company Data

- **Bayan is one of the top five coal producers by volume in Indonesia.**
- **In 2020, Bayan commenced the expansion of the Balikpapan Coal Terminal stockpiling capacity to approximately 1.5 million tonnes that it is expected to be completed in 2021.**
- **Bayan continued the construction of the new 100km coal haul road and preliminary work on the associated new barge loading facilities**
- **Bayan's sales volume will remain at similar levels until the new coal haul road to the Mahakam River and barge loading facilities is completed in 2022.**
- **This will unleash Bayan's next level of expansion to more than 50 mtpa.**

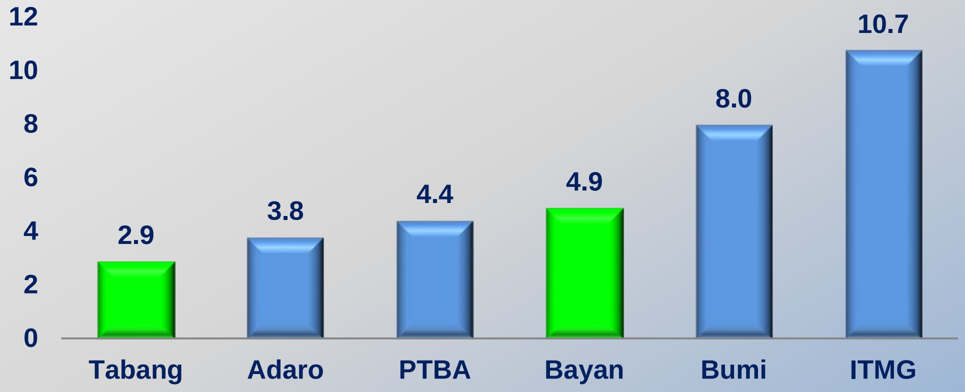
One of the Lowest Cost Producers in Indonesia

Global Cost Competitive Positioning



Source: Wood Mackenzie, Company Data

1H20 Strip Ratio

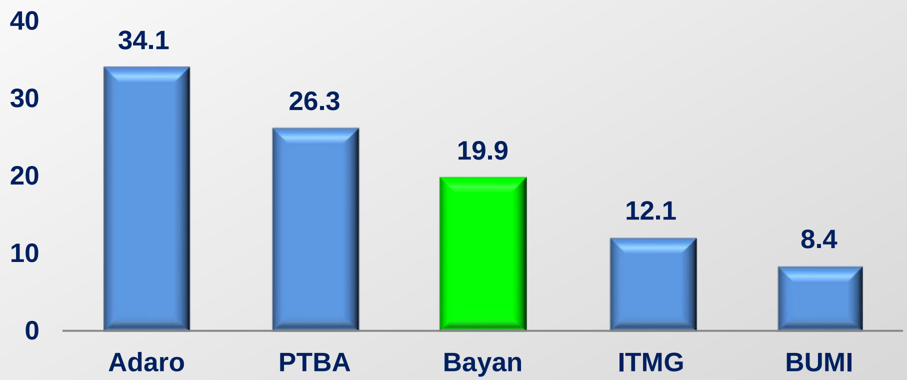


Source: Company Filings, Company Data

- **Tabang is independently rated as one of the worlds lowest cost energy-adjusted producers.**
- **Tabang has large reserves and a very low Life of Mine (LOM) stripping ratio and last year increased its reserves by 62% to 911 million MT.**
- **A new JORC reserves statement is due to be issued in 2021.**
- **One of the lowest average stripping ratio's in Indonesia.**

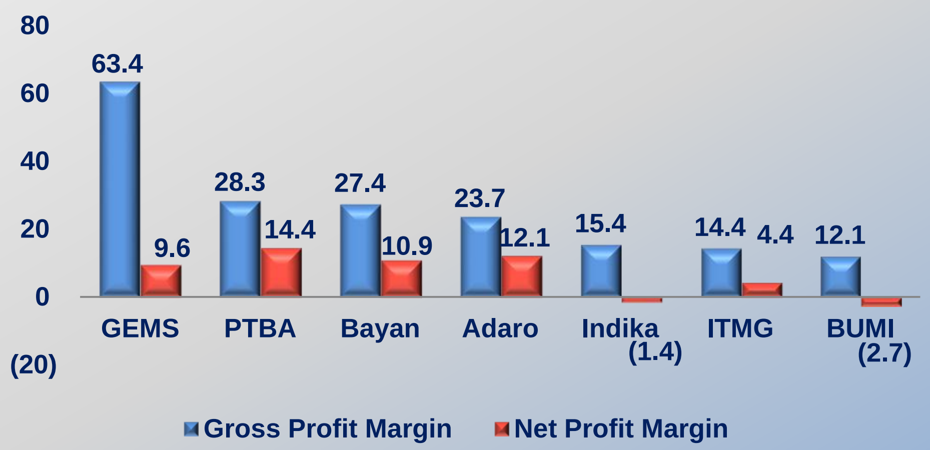
And One of the Highest Margin Producers in Indonesia

1H20 EBITDA Margin (%)



Source: Company Filings, EBITDA estimated using Company Data

1H20 Gross and Net Profit Margin (%)

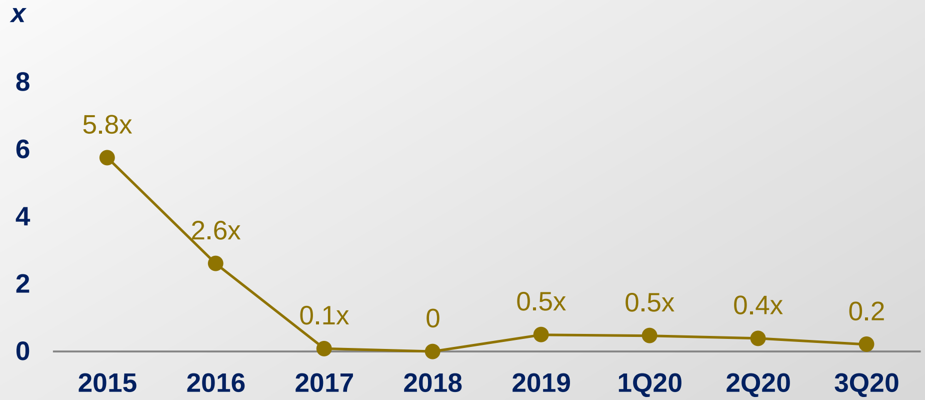


Source: Company Filings, Company Data

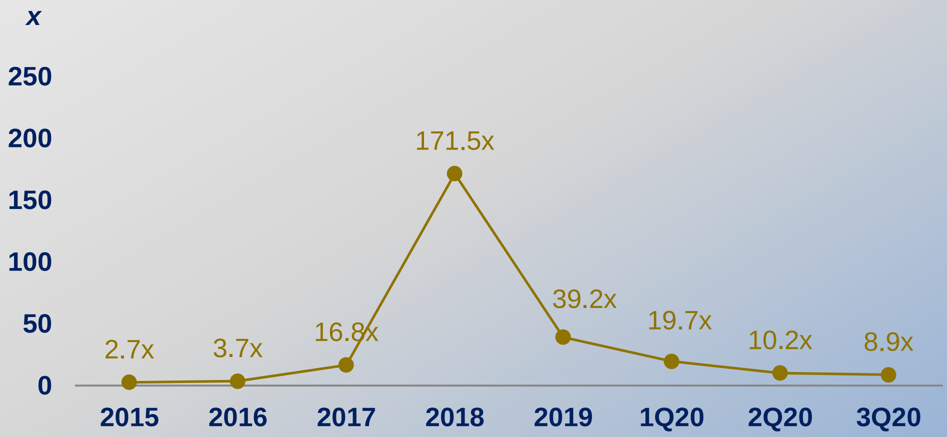
- **Over the last few years Bayan has transformed itself into one of the highest margin producers in Indonesia.**
- **This is due to the ramp up of its world class Tabang coal complex, which is anticipated to continue to grow and produce industry leading margins.**
- **Net profit margins are anticipated to continue to outperform the industry norms due to the low cost base, low royalty rates and lower corporate tax than first Gen CCOW's.**

Deleveraged the Group

Net Debt / EBITDA



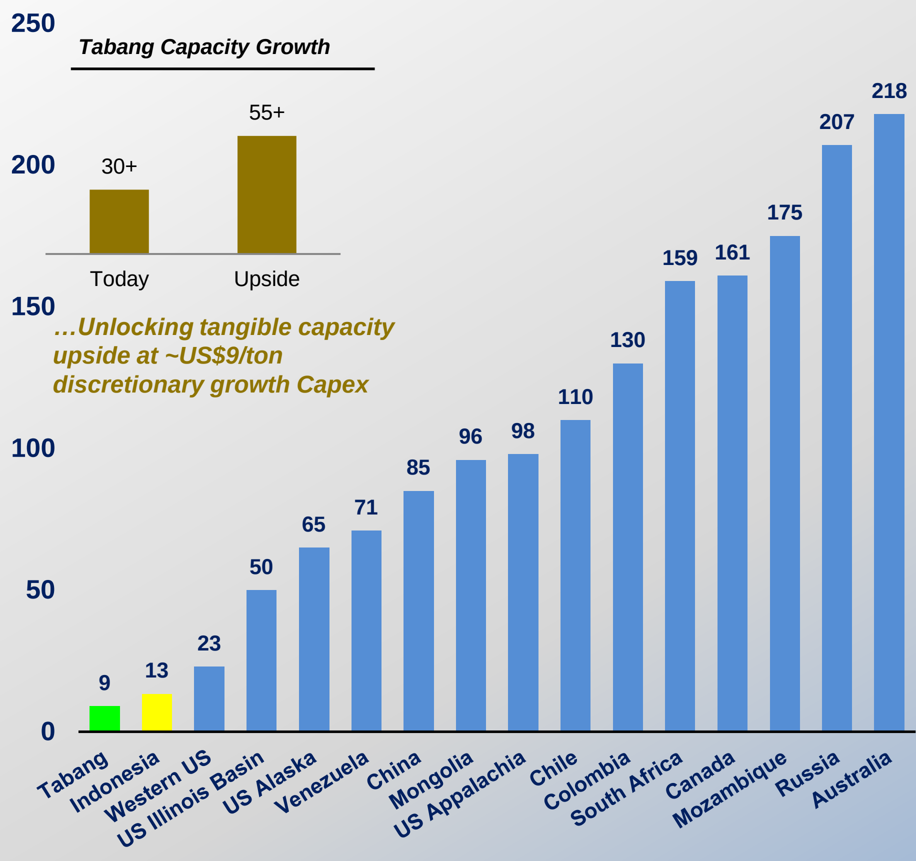
EBITDA / Interest Expense



- **In January 2020, the Company issued a 3 year Non-Call Life "NCL" bond of US$ 400 million to ensure adequate liquidity going forward.**
- **Existing Working Capital Facilities of approximately US$ 325 million are still available.**
- **The Group now has the financial strength to continue with the next phase of expansion of Tabang.**
- **Targeted net leverage of less than 2.5x EBITDA throughout the commodity cycle.**
- **Bayan has been re-assigned independent credit ratings of BB-, and Ba3 by Fitch and Moody's, respectively in January 2020.**

Low Cost Incremental Growth

Capex Intensity by Country [1]



Source: Wood Mackenzie

Notes
(1) Based on 2012 real dollars
(2) US$238m Capex divided by an incremental 25+ Mtpa production / sales capacity

- **Overall sales volumes to be maintained whilst infrastructure for the next phase is ongoing.**
- **New coal haul road and barge loading facility targeted to be constructed and brought into operations by 2022, despite COVID-19, which will initially add additional capacity of 25-30 million MT.**
- **Construction of the new haul road commenced in December 2019 and is progressing on schedule.**
- **Total Budgeted capex in the region of USD 330 million (2020-2023) for the Group, of which USD 238 million is expansionary capex tied to the Tabang Project.**

3Q 2020

Overburden Removal

Coal Production

Weighted Average Strip Ratio

Average Cash Costs

Coal Sales

Average Selling Price

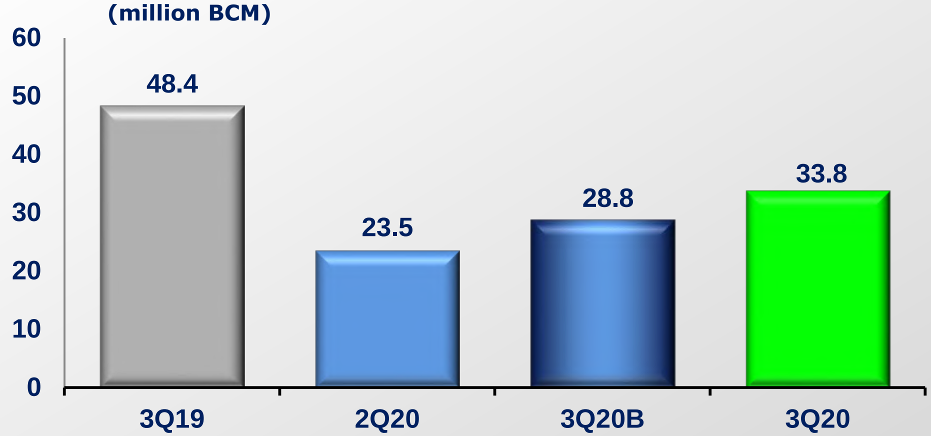
Committed & Contracted Sales

EBITDA

Debt and Cash Position

Capital Expenditure

Overburden Removal (OB)



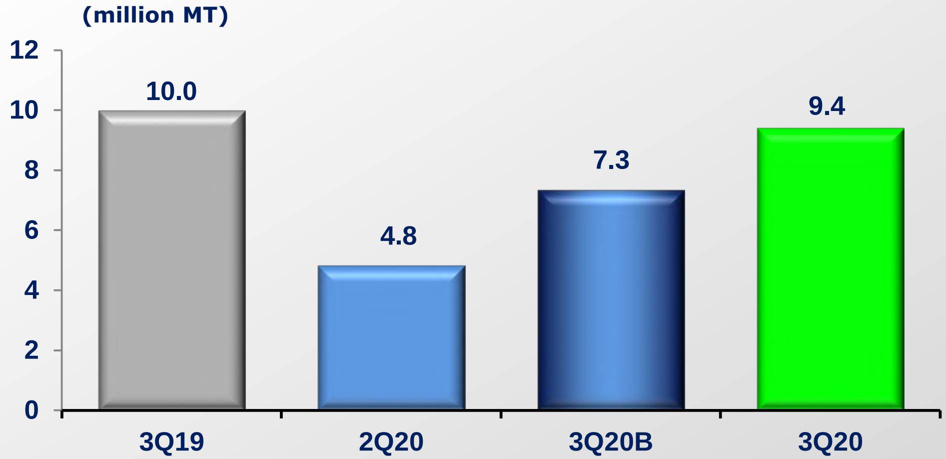
Note : B stands for Revised Budget Figure

(in million BCM)	3Q20B	3Q20
Teguh Sinarabadi / Firman Ketaun Perkasa	10.2	10.7
Perkasa Inakakerta	1.9	2.0
Wahana Baratama Mining	3.0	2.5
Tabang Concessions	13.7	18.6
Gunungbayan Pratamacoal	-	-
Total	**28.8**	**33.8**

- **3Q20 OB was 33.8 million BCM which was higher than the Revised Budget due to higher overburden at Tabang as no additional standby required which had been Budgeted for, despite the temporary suspension of one contractor due to COVID-19 issues.**
- **3Q20 OB was 33.8 million BCM which was significantly higher than 2Q20 mainly due to no standby in the 3Q20 while all overburden contractors at Tabang being on standby since end of March until 14 May 2020.**

No standby at Tabang in 3Q20 resulting in out performance of Revised Budget

Coal Production



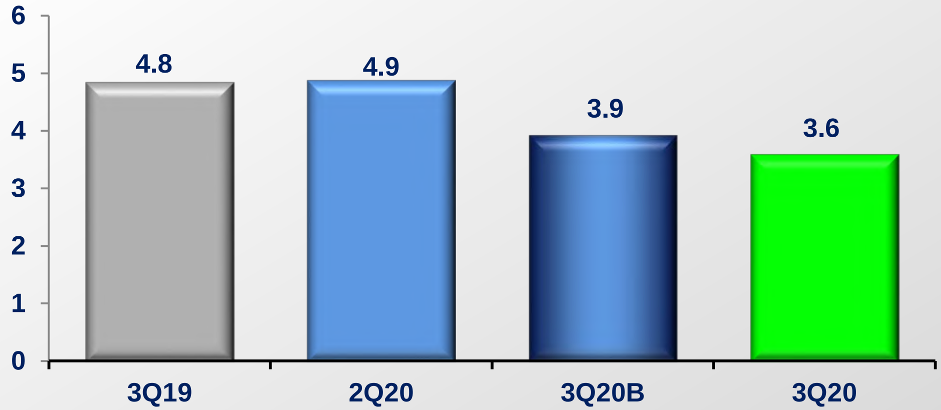
Note : B stands for Revised Budget Figure

(in million MT)	3Q20B	3Q20
Teguh Sinarabadi/ Firman Ketaun Perkasa	0.8	1.0
Perkasa Inakakerta	0.3	0.3
Wahana Baratama Mining	0.3	0.2
Tabang Conssesions	5.9	7.8
Gunungbayan Pratamacoal	-	-
Total	**7.3**	**9.4**

- **3Q20 coal production of 9.4 million MT was higher than the Revised Budget as no standby and higher water levels which allow site to increase production.**
- **3Q20 coal production was significantly higher than the 2Q20 due to no standby in 3Q20 while in 2Q20 Tabang was on standby from 25th March until 14th May 2020.**
- **Group inventory levels increased from 3.5 million as at the end of June 2020 to 4.2 million MT as at the end of September 2020.**

Production increased 96% and 28% from 2Q20 and the Revised Budget respectively

Weighted Average Stripping Ratio (SR)



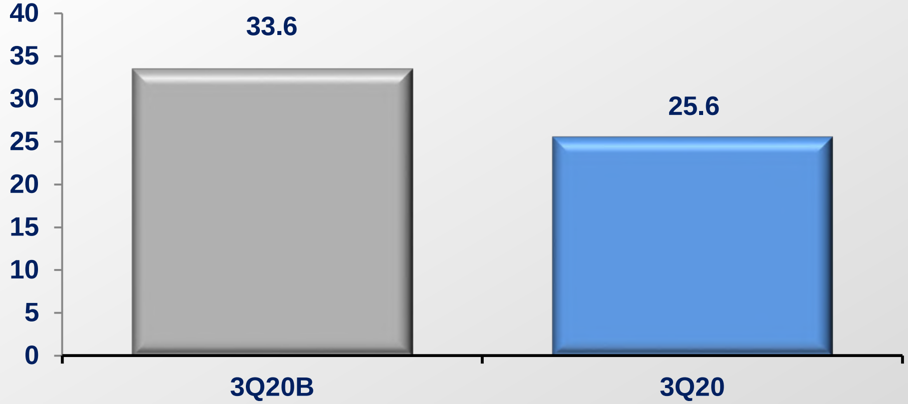
Note : B stands for Revised Budget Figure

Weighted Average SR (:1)	3Q20B	3Q20
Teguh Sinarabadi / Firman Ketaun Perkasa	12.3	10.4
Perkasa Inakakerta	6.8	6.0
Wahana Baratama Mining	10.0	12.3
Tabang Concessions	2.3	2.4
Gunungbayan Pratamacoal	-	-
Total	**3.9**	**3.6**

- **3Q20 weighted average stripping ratio was lower than the Revised Budget mainly due to:**
  - **Lower SR at TSA/FKP and PIK due to revisions to mine plans.**
  - **Partially offset by higher SR at WBM due to wet weather.**
- **3Q20 SR was significantly lower than 2Q20 due to:**
  - **Lower SR at TSA/FKP due to mining in a low strip area.**
  - **Lower SR at PIK due to mine optimization.**
  - **Partially offset by higher SR at WBM due to wet weather.**

3Q20 SR 26% lower than 2Q20

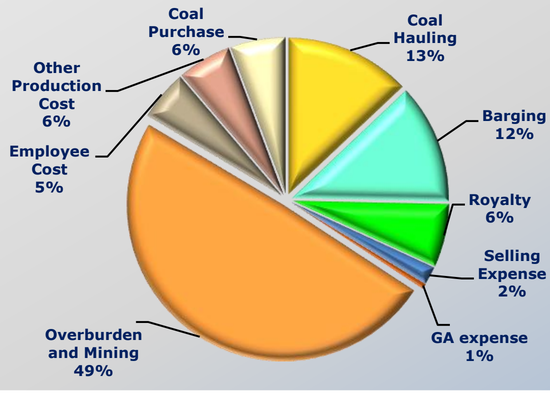
Average Cash Costs (Revised Budget vs Actual)



Average Cash Costs include Royalty, Barging and SGA

Note : B stands for Revised Budget Figure

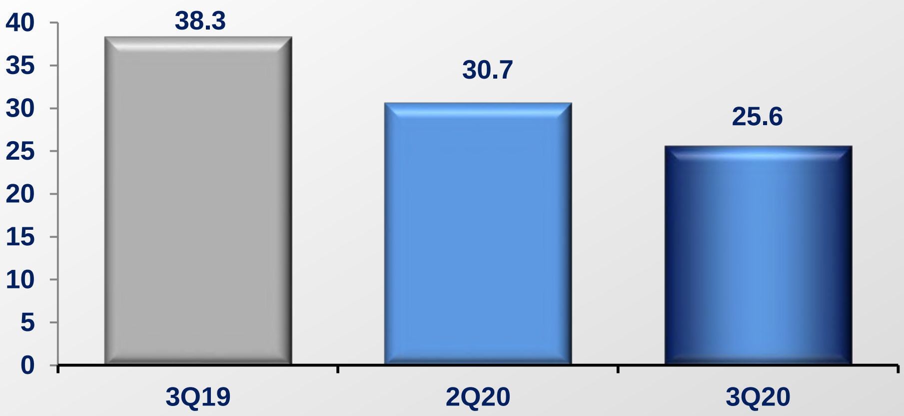
Cash Cost per Expense – YTD 3Q20



- **3Q20 Cash Costs were US$ 25.6/MT which was significantly lower than the Revised Budget due to:**
  - **Higher sales volume which reduced most fixed costs on a unit cost basis.**
  - **Lower fuel settlement costs as the market price was higher than the Revised Budget.**
  - **Lower overburden costs due to lower average SR than the Revised Budget.**
  - **Lower barging costs due to higher than expected water levels which allowed us to use 300ft barges more efficiently.**

3Q20 cash costs were significantly lower than the Revised Budget

Average Cash Costs (2Q20 vs 3Q20)



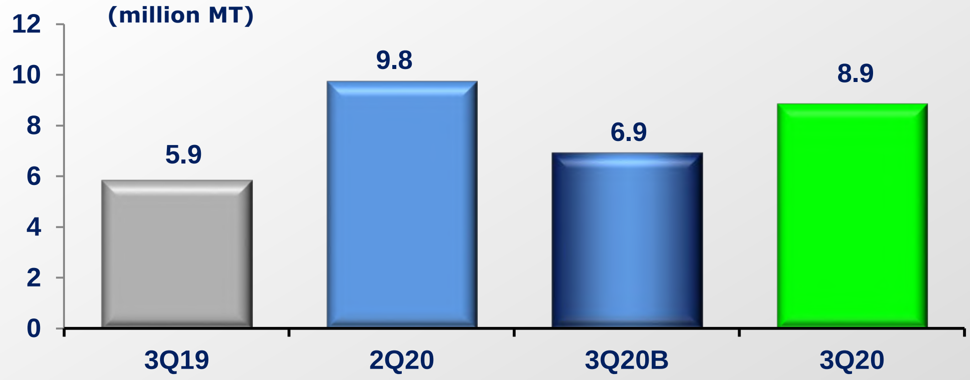
Average Cash Costs include Royalty, Barging and SGA

- **3Q20 Cash Costs of US$ 25.6/MT were significantly lower than 2Q20 of US$ 30.7/MT due to:**
  - **Lower average SR in 3Q20.**
  - **Lower overburden unit costs due to no standby claims and shorter average overhaul distance.**
  - **Lower fuel costs due to lower hedging settlement in 3Q20 compared to 2Q20.**
  - **Lower royalty due to lower ASP.**

  Partially offset by:
  - **Higher agency fees due to signing new agreement covering 1H 2020 shipments.**
  - **Higher professional fees due to the 3rd tranche of the White Energy case being heard in September 2020.**

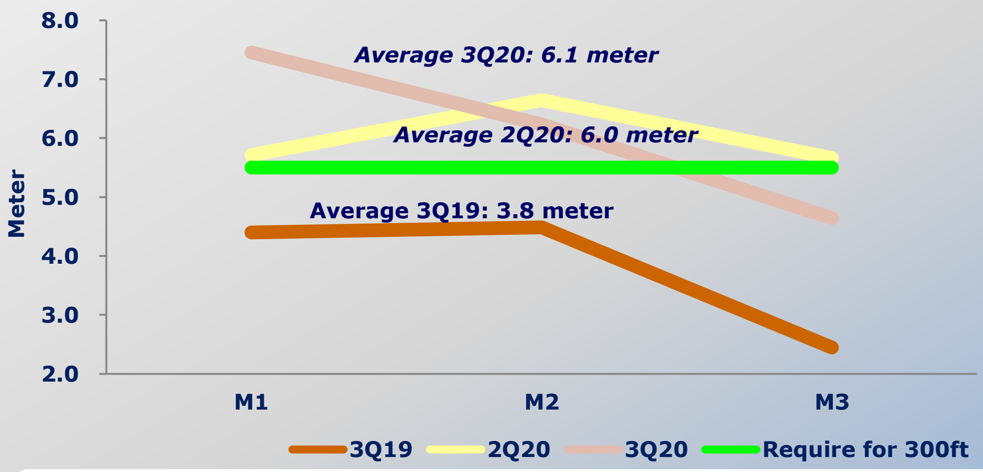
3Q20 cash costs were significantly lower than 2Q20

Coal Sales (by volume)



Note : B stands for Revised Budget Figure

Average Senyiur Water Levels



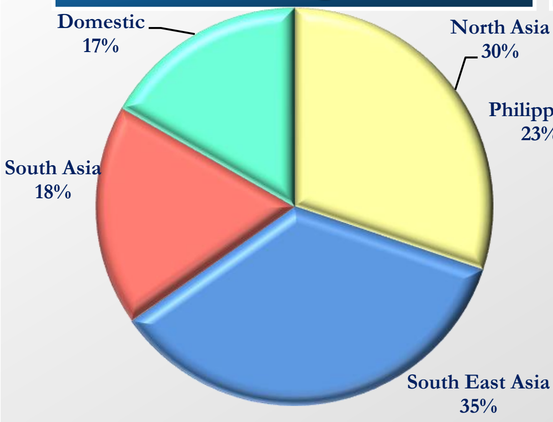
- **Average water levels higher than anticipated in what is typically the dry season allowing better barging in 3Q20.**
- **3Q20 coal sales volumes of 8.9 million MT were higher than the Revised Budget.**
- **Quarterly barging at Tabang - Senyiur:**
  - **3Q19: 3.5 million MT.**
  - **2Q20: 8.0 million MT.**
  - **3Q20: 6.7 million MT.**

3Q20 sales volume of 8.9m MT exceeded the Revised Budget by 28%

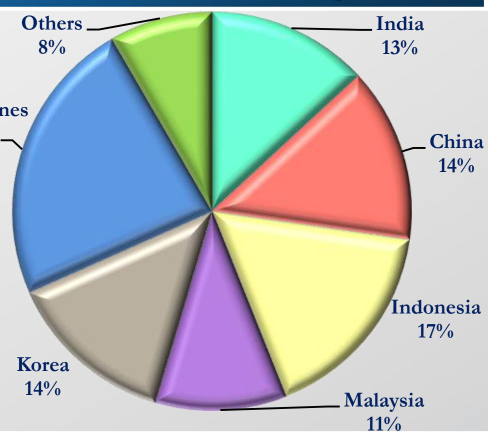
Coal Sales (by volume) (continued)

Geographic Distribution (YTD 3Q20) – by Volume

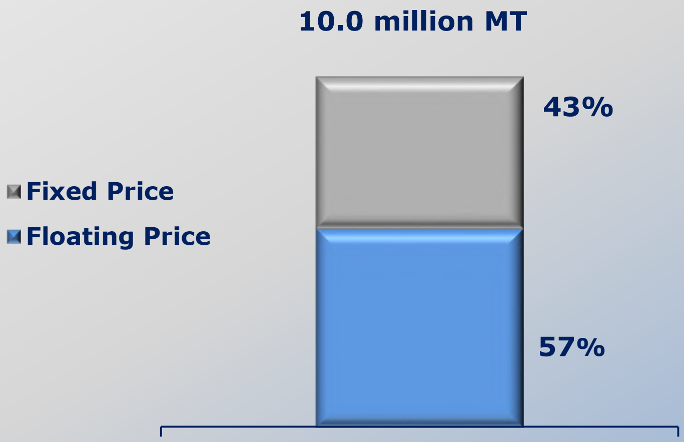
Per Region



Per Country

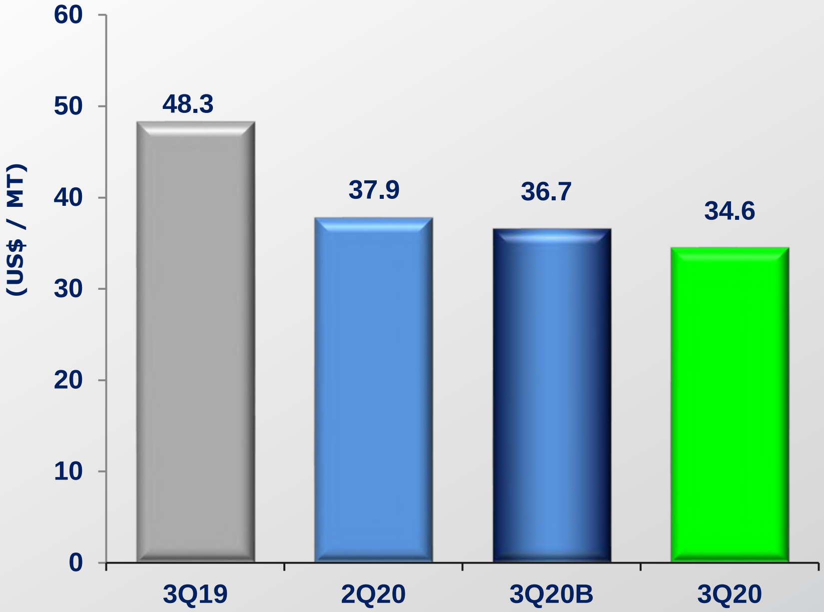


Committed and Contracted Sales for 4Q20



- The Company is focusing on continuing to build its long term contracts to Indonesian and other South East Asian IPP's.
- As at end of September 2020, the Group had committed and contracted sales volumes of approximately 10.0 million MT for 4Q20 with an average CV of 4,577 GAR kcal/kg.
- 4Q20 Fixed Price element at US$ 32.1/ MT with an average CV of 4,450 GAR kcal/kg.
- Currently no material cancellation of contracted tonnage due to COVID-19.

Average Selling Price (ASP)



* *ASP includes coal and non-coal sales*
Note : B stands for Revised Budget Figure

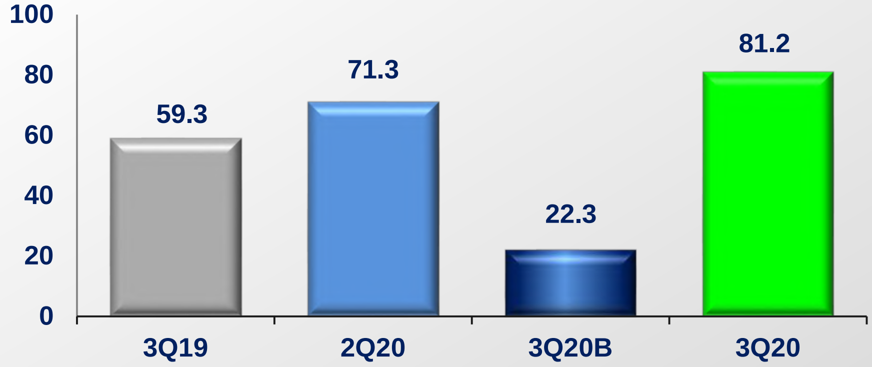
- **3Q20 ASP of US$ 34.6/MT was lower than the Revised Budget due to larger than anticipated drop in Newcastle and ICI4 benchmark index's.**

- **Since the COVID-19 outbreak, the Newcastle benchmark has dropped significantly but started to bounce back at the end of 3Q20.**

- **ICI4 continues to be lower than anticipated under the Revised Budget.**

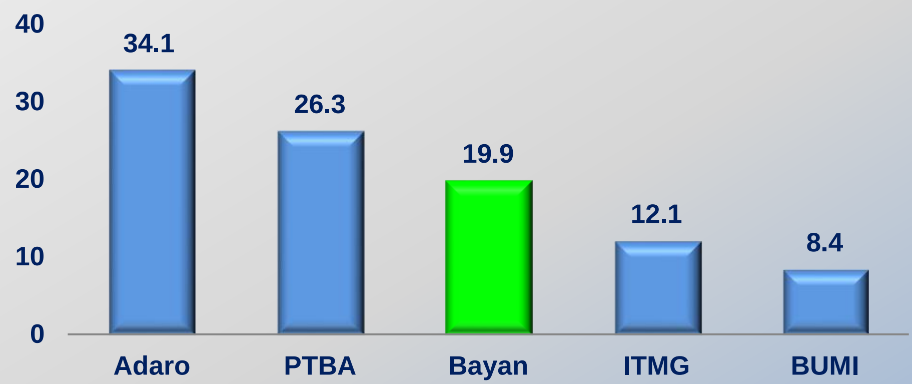
3Q20 ASP is 9% and 6% lower than the 2Q20 and Revised Budget respectively

EBITDA



Note : B stands for Revised Budget Figure

1H20 EBITDA Margin (%) Competitors Table

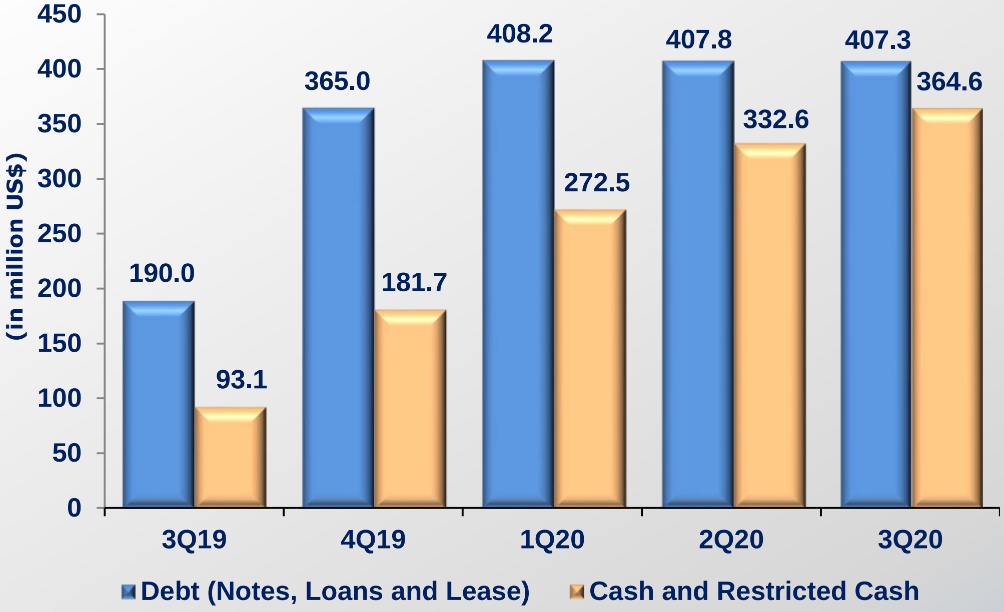


Source: Company Filings, EBITDA estimated using Company Data

- **3Q20 EBITDA increased compared to the Revised Budget and 2Q20 on the back of lower cash costs and higher sales volumes partially offset by lower ASP.**
- **YTD 3Q20 EBITDA of USD 219.5 million.**
- **Our 3Q20 EBITDA has already exceeded our full year Revised Guidance of between USD 150m to USD 180m.**
- **EBITDA margin in YTD 3Q20 of 21.9% has increased from 1H20 levels and still represents one of the best margins in the Indonesian coal sector.**

One of the best EBITDA margin's in Indonesia

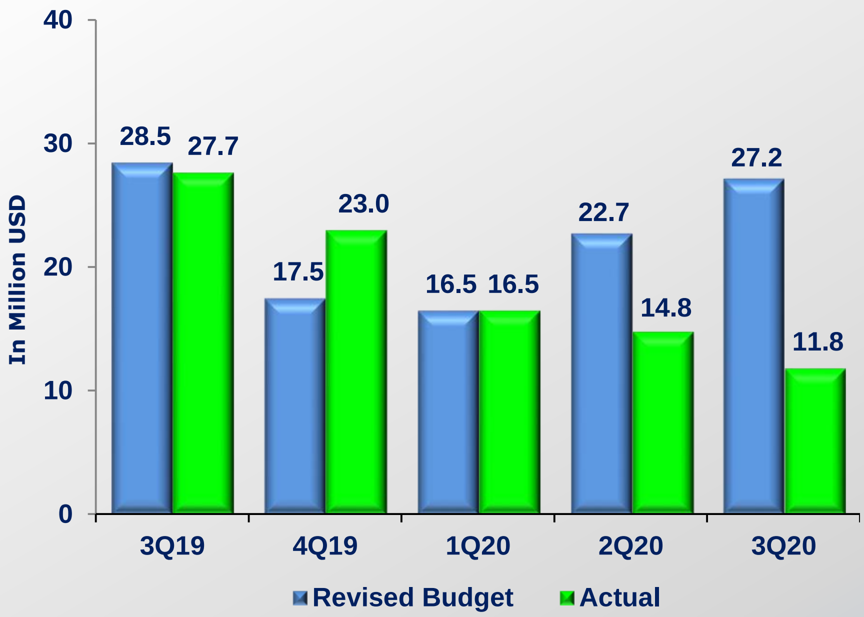
Debt and Cash Position



- **Issued US$ 400 million 3NCL Bonds at 6.125% coupon on 24 Jan 2020.**
- **The first payment of interest under the Senior Notes of US$ 12.25 million was paid on 24 July 2020.**
- **Additional US$ 7.3 million of lease debt recorded due to the implementation of PSAK 73.**
- **Working capital facilities of approximately US$ 325 million remain available.**
- **Cash position improved primarily due to continued cash generation from operations including a reduction in inventory.**

Bayan continues to maintain low leverage and sufficient liquidity

Capital Expenditure



- **YTD Capex was USD 43.1 million, which was below the Revised Budget (USD 66.4 million) due the pinjam pakai permits being delayed.**
- **We still expect the haul road and barge loading facilities will be completed on schedule in 2022.**
- **Major ongoing projects are:**
  - **Expansion at Tabang including partial asphalting of current coal haul road.**
  - **Construction of new coal haul road and jetty facility.**
  - **Expansion of stockpiling capacity at BCT.**

YTD Capex is less than the Revised Budget and will remain so for the full year

Appendix

PT Perkasa Inakakerta	PIK
PT Teguh Sinarabadi	TSA
PT Firman Ketaun Perkasa	FKP
PT Wahana Baratama Mining	WBM
PT Brian Anjat Sentosa	BAS
PT Bara Tabang	BT
PT Fajar Sakti Prima	FSP
PT Dermaga Energi	DE
PT Tanur Jaya	TJ
PT Tiwa Abadi	TA
PT Silau Kencana	SK
PT Orkida Makmur	OM
PT Sumber Api	SA
PT Bara Sejati	BS
PT Apira Utama	AU
PT Cahaya Alam	CA
PT Mamahak Coal Mining	MCM
PT Bara Karsa Lestari	BKL
PT Mahakam Energi Lestari	MEL
PT Mahakam Bara Energi	MBE

Tabang

Pakar

South Pakar

Mamahak

Appendix

Kangaroo Resources Pty Ltd	KRL
PT Dermaga Perkasapratama	DPP
PT Indonesia Pratama	IP
PT Muji Lines	Muji
PT Bayan Energy	BE
PT Metalindo Prosestama	MP
PT Sumber Aset Utama	SAU
PT Karsa Optima Jaya	KOJ
PT Gunungbayan Pratamacoal	GBP

Disclaimer

This presentation contains forward-looking statements based on assumptions and forecasts made by PT. Bayan Resources Tbk management. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and speak only as of the date they are made. We undertake no obligation to update any of them in light of new information or future events.

These forward-looking statements involve inherent risks and are subject to a number of uncertainties, including trends in demand and prices for coal generally and for our products in particular, the success of our mining activities, both alone and with our partners, the changes in coal industry regulation, the availability of funds for planned expansion efforts, as well as other factors. We caution you that these and a number of other known and unknown risks, uncertainties and other factors could cause actual future results or outcomes to differ materially from those expressed in any forward-looking statement.

Thank You