PT. BAYAN RESOURCES Tbk.

Third Quarter 2019 Update Presentation

Overview

3Q19

- **The 3Q19 was overall another challenging quarter due to low water levels which impacted the barging of Tabang coal, resulting in the build-up of inventory during the period.**

Overall

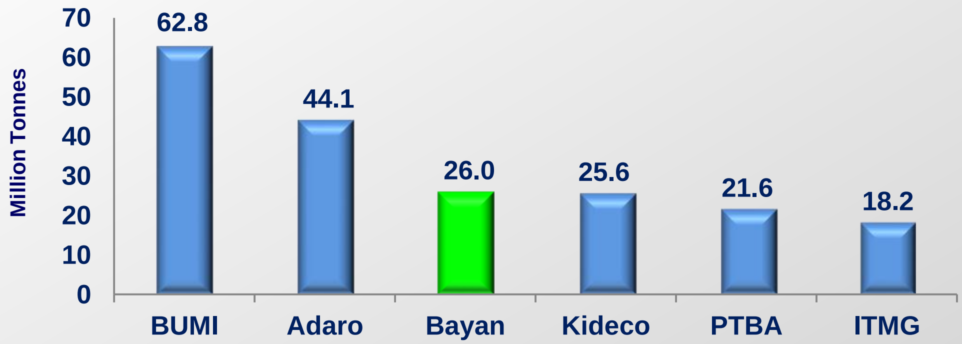
- **ASP dropped in the 3Q19 which was reflective of the overall drop in market prices. With cash costs remaining flat our profit margins dropped although margins remain healthy and one of the strongest in the Indonesian coal sector.**

Bayan's Financial and Operational Performance

	2018	3Q18	3Q19	YTD 3Q18	YTD 3Q19
Financial Performance (In Million USD)					
Revenue	1,676.7	405.3	283.4	1,242.4	1,141.9
Gross Profit	846.9	199.0	88.4	657.5	436.3
EBITDA	733.1	167.5	57.9	570.7	328.1
Net Profit After Tax	524.3	120.7	32.5	408.4	219.2
Financial Ratios					
Gross Profit Margin (%)	50.5%	49.1%	31.2%	52.9%	38.2%
EBITDA Margin (%)	43.7%	41.3%	20.4%	45.9%	28.7%
Net Profit Margin (%)	31.3%	29.8%	11.5%	32.9%	19.2%
Net Debt to EBITDA (x)	Net Cash	Net Cash	2.0	Net Cash	0.3
Operational Statistics					
Overburden Removal (MBCM)	137.5	37.9	48.4	98.9	127.0
Strip Ratio (x) - based on production volume	4.8	4.7	4.8	4.3	4.9
Coal Production (MT)	28.9	8.1	10.0	22.9	26.0
Sales Volume (MT)	28.3	6.6	5.9	20.8	23.6

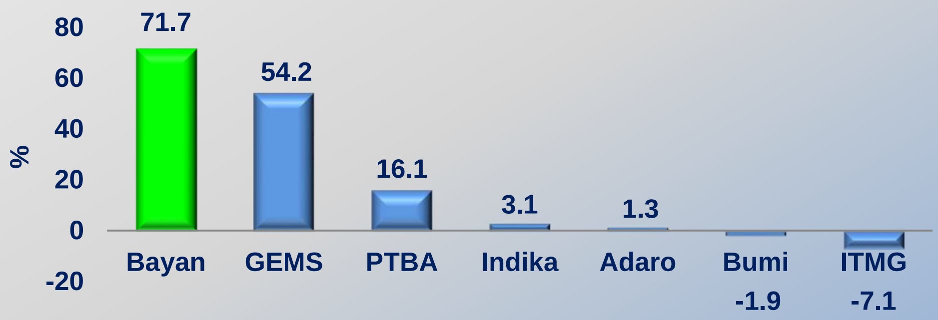
One of the Quickest Growing Coal Producers

YTD 3Q19 Production



Source: Company Filings, Company Data

2016 - 2018 CAGR (Production)

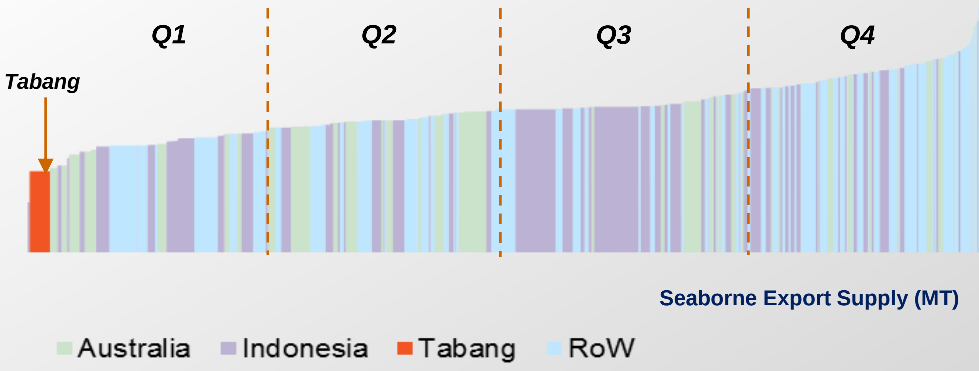


Source: Company Fillings. Company Data

- **Bayan is one of the top five coal producers by volume in Indonesia with a view to moving into the top 3 within the next few years.**
- **2018 completed the initial phase of infrastructure to allow Bayan to continue to be one of the fastest growing producers in Indonesia.**
- **2019 results show the continued growth.**

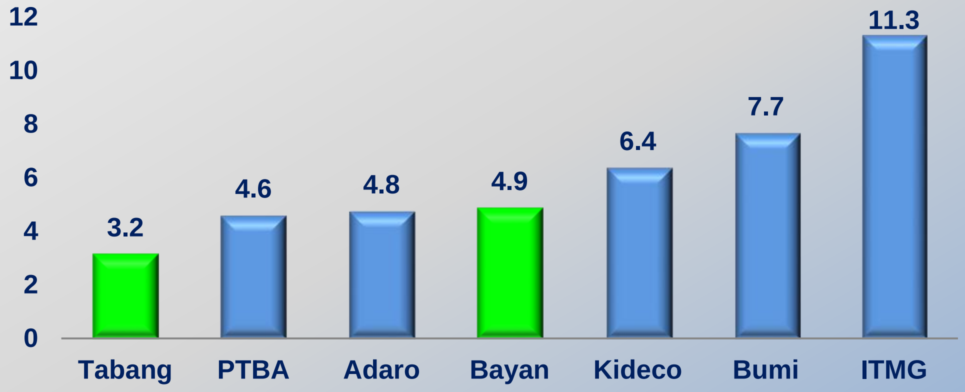
One of the Lowest Cost Producers in Indonesia

Global Cost Competitive Positioning



Source: Wood Mackenzie, Company Data

YTD 3Q19 Strip Ratio

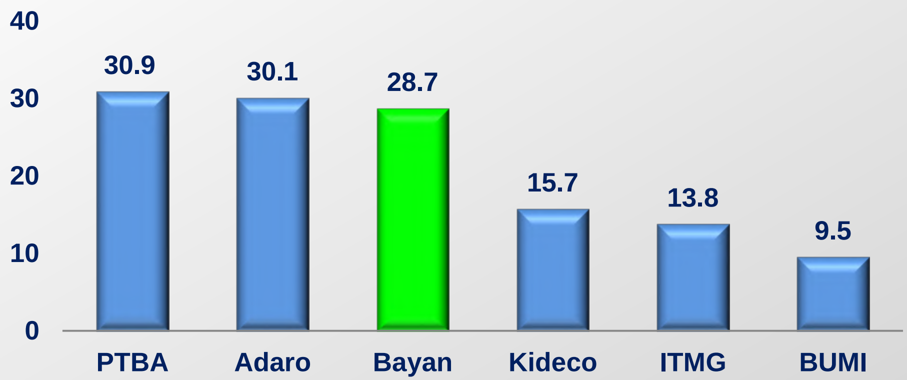


Source: Company Filings, Company Data

- **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 has recently increased its reserves by 62% to 911 million MT.**
- **Combined with the other mining concessions the average stripping ratio of the Group is not anticipated to exceed 5:1.**

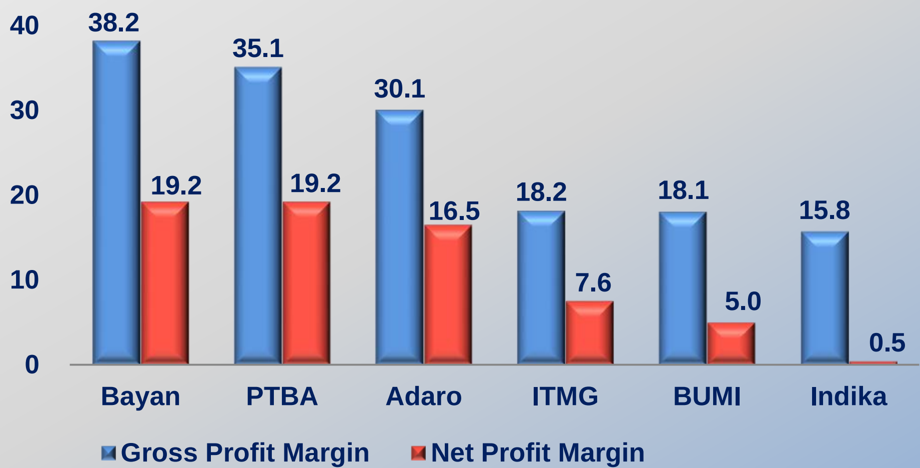
And One of the Highest Margin Producers in Indonesia

YTD 3Q19 EBITDA Margin (%)



Source: Company Filings, EBITDA estimated using Company Data

YTD 3Q19 Gross and Net Profit Margin (%)

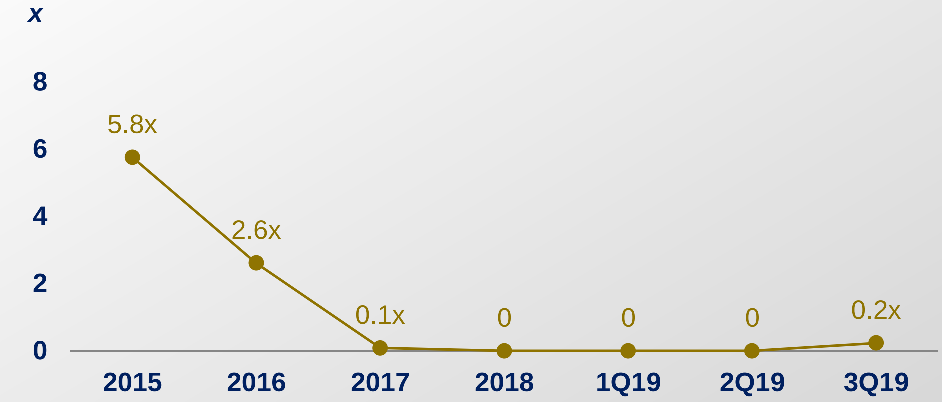


Source: Company Filings, Company Data

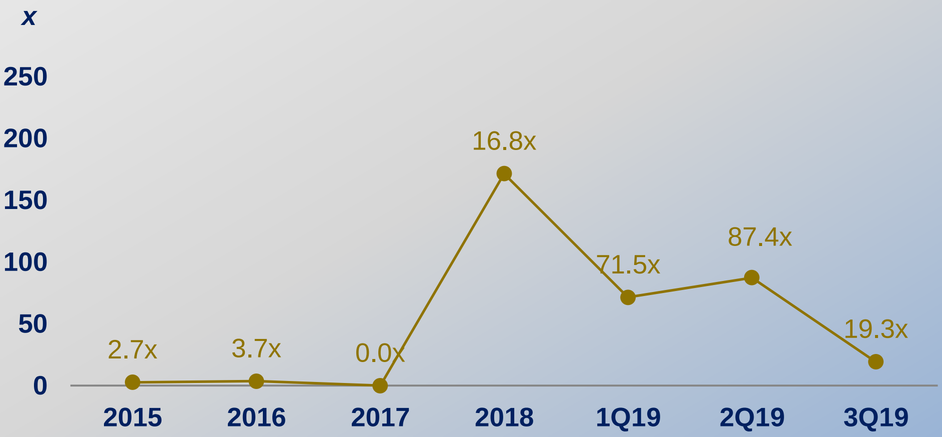
- **Over the last couple of years Bayan has transformed itself into one of top three highest margin producers in Indonesia.**
- **This is due to the ramp up of its world class Tabang coal complex, which is anticipated to continue to grow and produce industry leading margins.**
- **Net profit margins 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



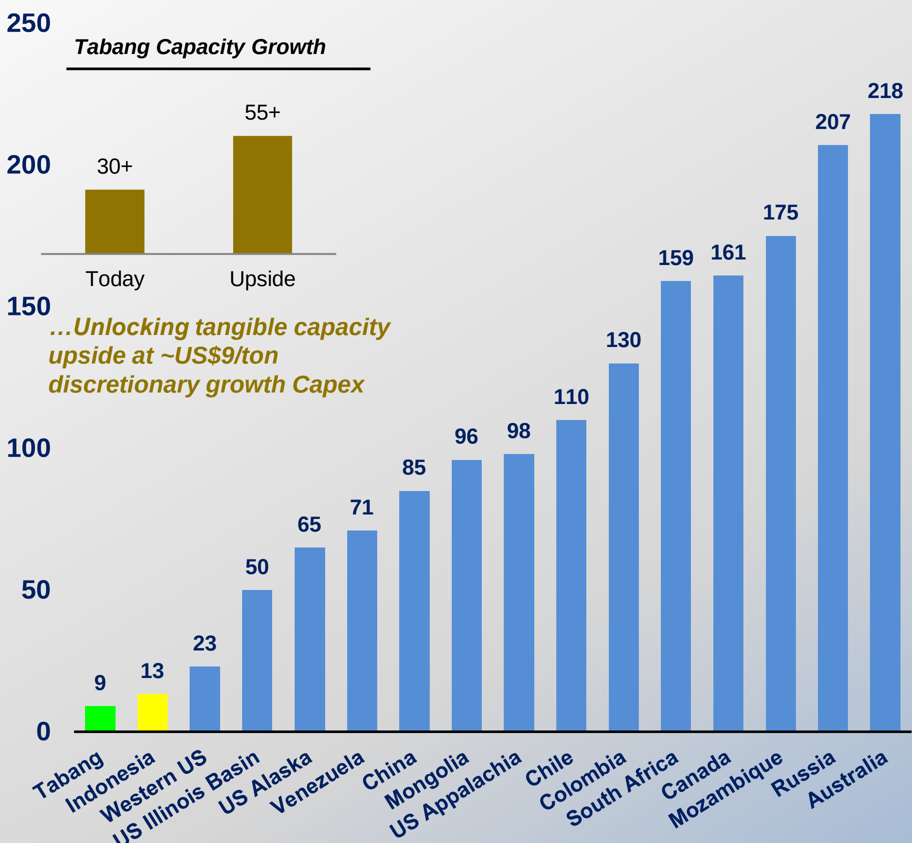
EBITDA / Net Interest Expense



- **The Group moved from a net debt to net cash position by the end of 1Q18.**
- **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

- **Able to continue expansion using existing infrastructure at Senyiur whilst infrastructure for the next phase is ongoing.**
- **New coal haul road and barge loading facility targeted to be constructed and brought into operations in 2023 which will add additional capacity of 25-30 million MT.**
- **Total Budgeted capex in the region of USD 330 million for the Group, of which USD 238 million is expansionary capex tied to the Tabang Project in the next four years.**

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

3Q 2019

Overburden Removal

Coal Production

Weighted Average Strip Ratio

Average Cash Costs

Coal Sales

Average Selling Price

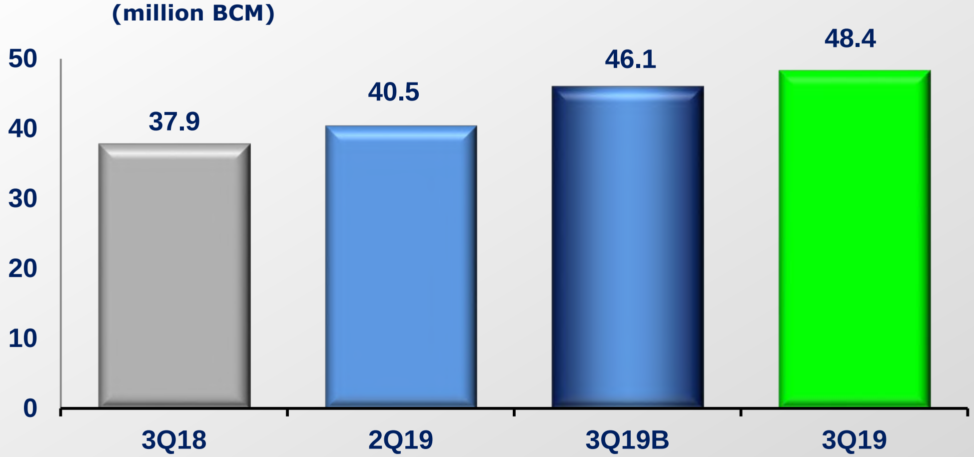
Committed & Contracted Sales

EBITDA

Debt and Cash Position

Capital Expenditure

Overburden Removal (OB)



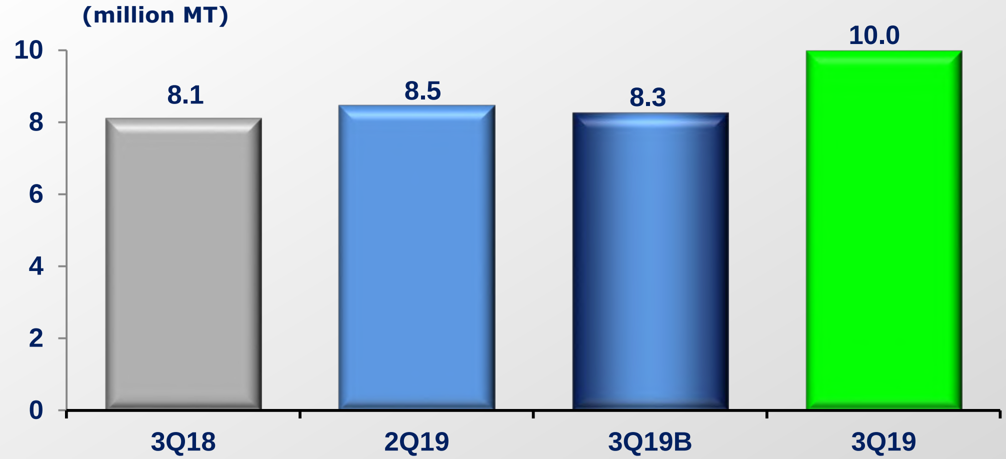
Note : B stands for Budget Figure

(in million BCM)	3Q19B	3Q19
Teguh Sinarabadi / Firman Ketaun Perkasa	12.2	11.8
Perkasa Inakakerta	2.3	2.8
Wahana Baratama Mining	6.4	7.0
Tabang Concessions	23.3	25.2
Gunungbayan Pratamacoal	1.8	1.7
Total	**46.1**	**48.4**

- **Higher than Budgeted overburden in 3Q19 due to higher efficiency caused by the dry weather despite site (Tabang) suspending operations to the extent possible under the contract.**
- **Higher overburden than 2Q19 due to increase in Tabang overburden removal due to dryer weather and additional one (1) fleet of overburden equipment.**
- **Increase in 3Q19 compared to 3Q18 due to continued expansion of operations at Tabang.**

3Q19 overburden removal increased by 27.7% over same period last year due to the significant growth of Tabang

Coal Production



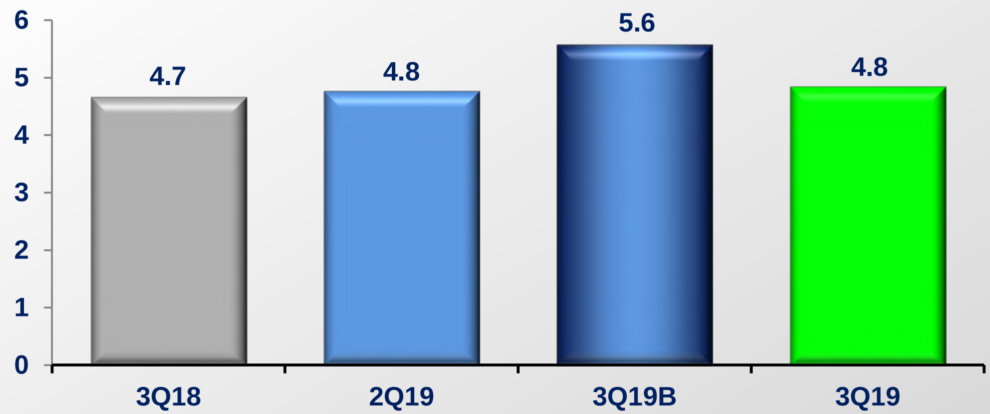
Note : B stands for Budget Figure

(in million MT)	3Q19B	3Q19
Teguh Sinarabadi/ Firman Ketaun Perkasa	0.9	1.0
Perkasa Inakakerta	0.3	0.4
Wahana Baratama Mining	0.4	0.5
Tabang Conssesions	6.6	8.0
Gunungbayan Pratamacoal	0.1	0.1
Total	**8.3**	**10.0**

- **3Q19 coal production was higher than Budgeted and 2Q19 due to dryer weather in 3Q19 which improved efficiency of coal extraction at Tabang, WBM and TSA/FKP.**

Coal production exceed Budgeted levels by 5%

Weighted Average Stripping Ratio (SR)



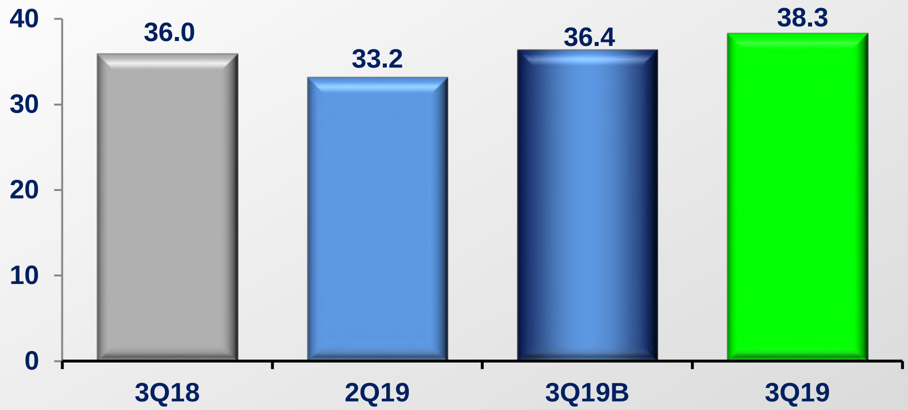
Note : B stands for Budget Figure

Weighted Average SR (:1)	3Q19B	3Q19
Teguh Sinarabadi / Firman Ketaun Perkasa	13.5	11.8
Perkasa Inakakerta	7.8	7.3
Wahana Baratama Mining	16.9	14.4
Tabang Concessions	3.5	3.1
Gunungbayan Pratamacoal	16.1	15.4
Total	**5.6**	**4.8**

- **3Q19 weighted average stripping ratio was in line with the 2Q19.**
- **3Q19 weighted average stripping ratio was lower than the Budget mainly due to:**
  - **Lower SR at Tabang due to change in mining sequence.**
  - **Lower SR at TSA/FKP as we continued to mine in the combined SR area whilst the Budget anticipated mining at the high SR area in September.**
  - **Lower SR at WBM due to changes in the mining sequence.**

Lower stripping ratio comparing to the Budget.

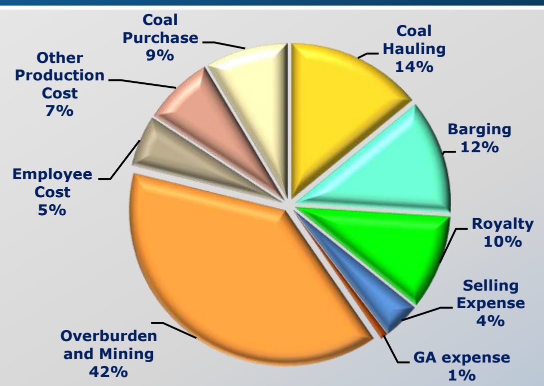
Average Cash Costs



Average Cash Costs include Royalty, Barging and SGA

Note : B stands for Budget Figure

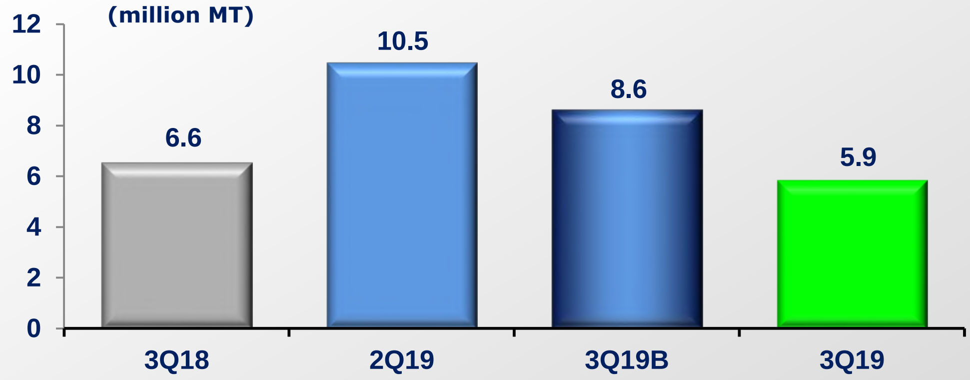
Cash Cost per Expense - 3Q19



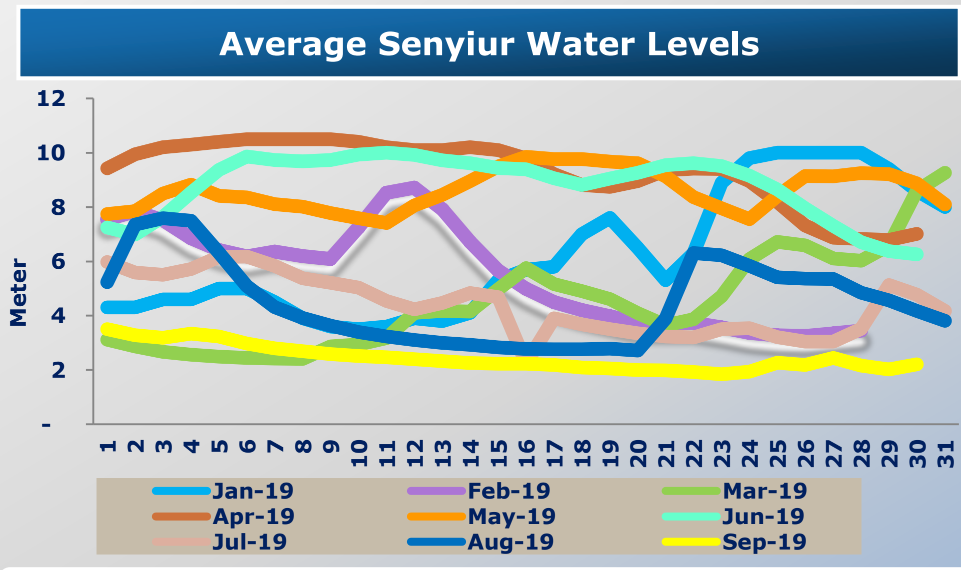
- **3Q19 Cash Costs were US$ 38.3/MT and higher than the Budget due to:**
  - **Lower sales volume in 3Q19.**
  - **Higher volume of DMO quota purchased than the Budget.**
  - **Higher other expenses in COGS due to under accrual of land and building tax with the invoice being received in 3Q.**
- **3Q19 cash costs higher than the 2Q19 mainly due to:**
  - **Lower sales volume in 3Q19.**
  - **Under accrual of land and building tax with the invoice received in 3Q.**

3Q19 cash costs were higher due to lower sales volume

Coal Sales (by volume)



Note : B stands for Budget Figure



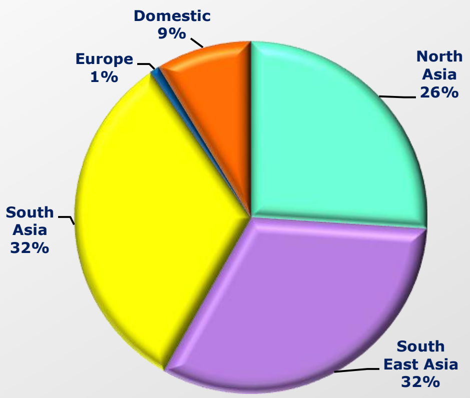
- **Lower 3Q19 coal sales volumes of 5.9 million MT were due to lower water levels which restricted barging at Senyiur.**
- **Monthly barging at Tabang:**
  - **1Q19: 5.6 million MT.**
  - **2Q19: 8.0 million MT.**
  - **3Q19: 3.5 million MT.**
- **Tabang increased inventory over the 3Q19 due to lower water levels which restricted barging in 3Q19.**

3Q19 sales volume decreased 11.9% compared to same period last year due to lower water level

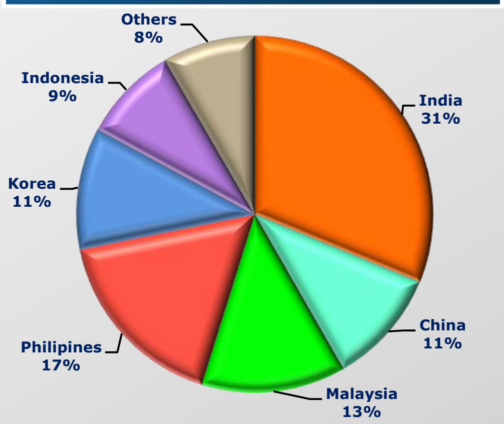
Coal Sales (by volume) (continued)

Geographic Distribution (YTD 2Q19) – by Volume

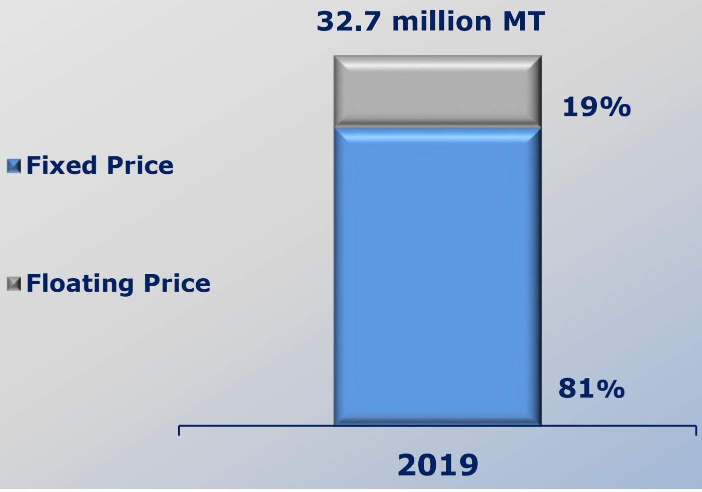
Per Region



Per Country



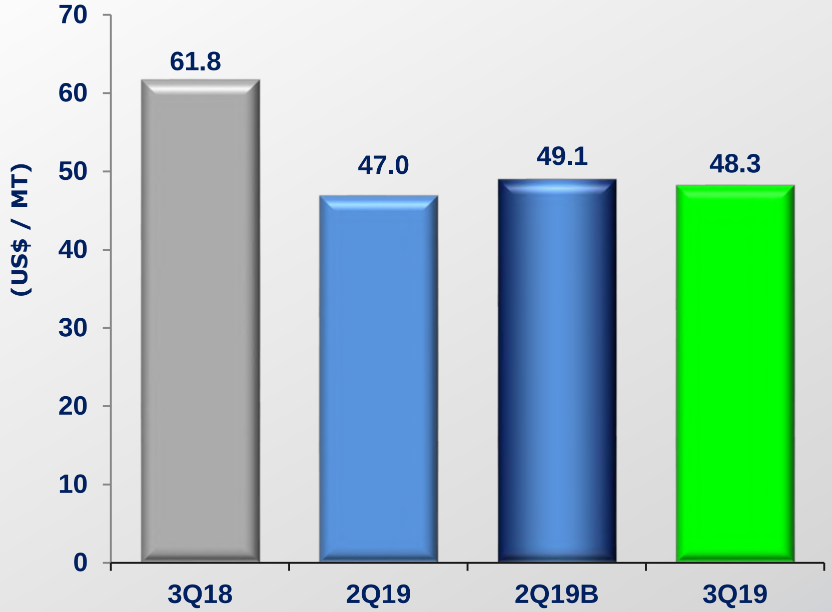
Committed and Contracted Sales for 2019



- PLN continues to be fully-supplied and currently has a zoning policy therefore our domestic sales have decreased also decreased due to barging issues at Tabang.
- The Company is focusing on continuing to build its long term contracts to Indonesian and other South East Asian IPP's

- As at 30 September 2019 the Group had committed and contracted sales volumes of approximately 31.0 million MT for 2019 with an average CV of 4,655 GAR kcal/kg.
- 2019 Fixed Price element at US$ 45.8/ MT with an average CV of 4,627 GAR kcal/kg.

Average Selling Price (ASP)

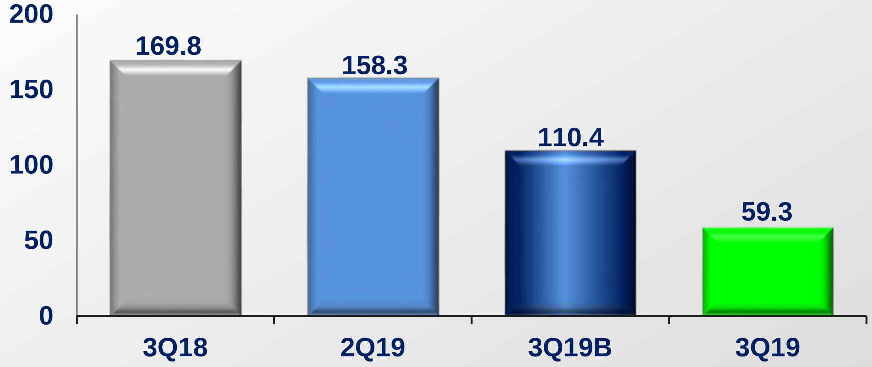


* *ASP includes coal and non-coal sales*
Note : B stands for Budget Figure

- **3Q19 ASP of US$ 48.3/MT was below the Budget due to the main coal indexes being lower than Budgeted.**
- **Significant drop in Newcastle benchmark index which reduced our ASP for our WBM and TSA/FKP coal as well as our index linked Tabang sales.**
- **Higher than 2Q19 ASP is principally due to higher weighted average CV of 4,825 in 3Q19 vs 4,594 in 2Q19. As we had less Tabang coal available to sell (due to barging restriction).**

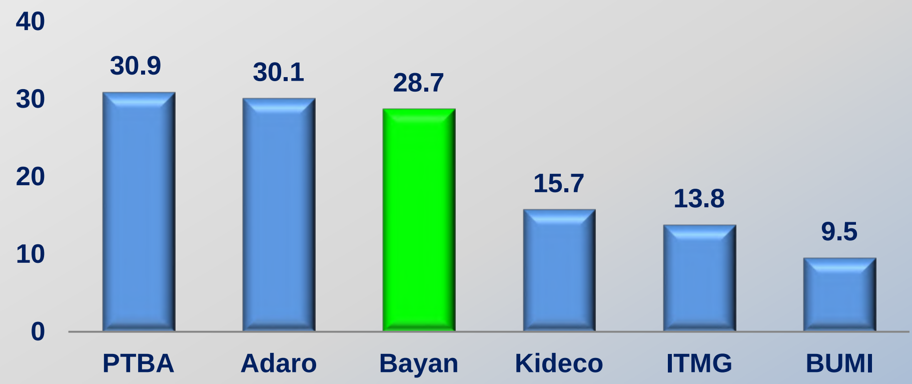
3Q19 ASP of US$ 48.3/MT was higher than 2Q19 despite lower sales volume

EBITDA



Note : B stands for Budget Figure

YTD 3Q19 EBITDA Margin (%) Competitors Table

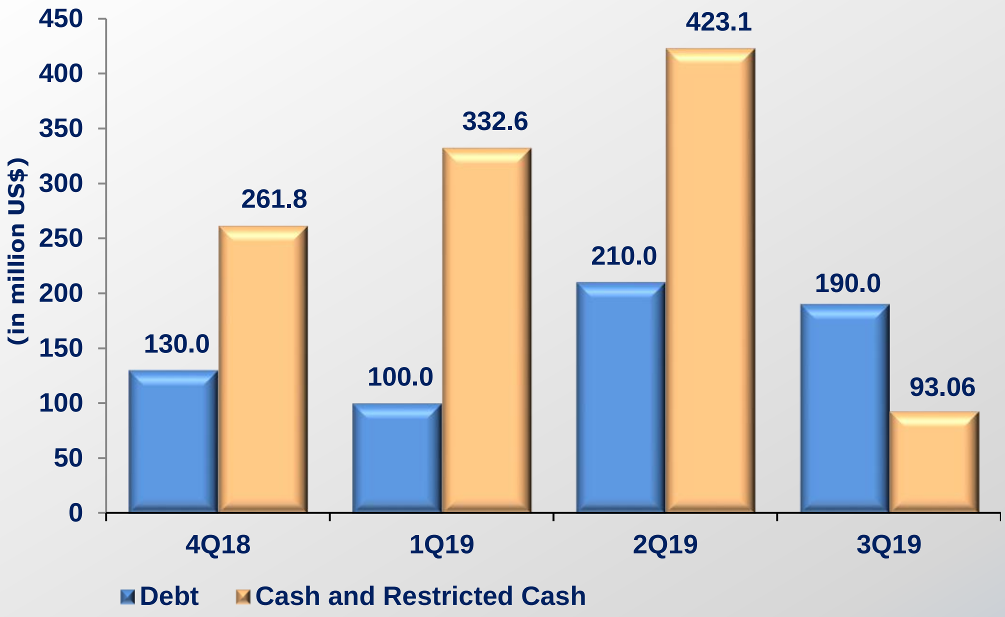


Source: Company Filings, EBITDA estimated using Company Data

- **3Q19 EBITDA was lower than Budgeted and 2Q19 due to the lower sales volumes, higher cash cost and lower ASP.**
- **The 3Q19 EBITDA margin of 28.7% is inline with the Budget of 28.6%.**
- **EBITDA margin of 28.7% represents one of the best margins in the Indonesian coal sector.**

One of the best EBITDA margin's in Indonesia

Debt and Cash Position

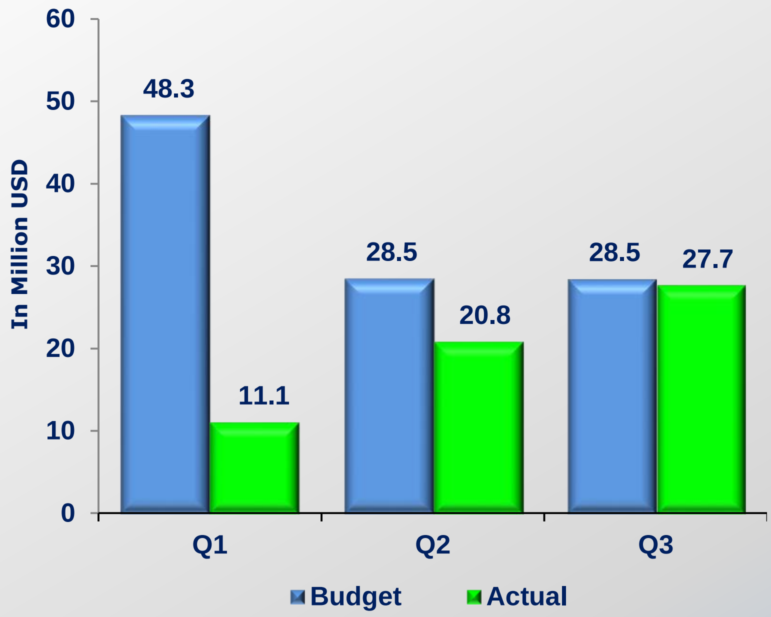


- **The Group moved from a net cash to a net debt position by the end of 3Q19.**

- **During 3Q19 the Group repaid loans totaling USD 20 million.**
- **Entered into Mandiri USD 75 million Working Capital facility for additional liquidity in October 2019.**
- **Expanded the Permata facility to USD 190 million for additional liquidity in December 2019.**
- **Expanded the SMBC facility to USD 100 million for additional liquidity in December 2019.**
- **Entered into QNB USD 50 million Working Capital facility for additional liquidity in December 2019.**

Low Leverage

Capital Expenditure



- YTD Capex was USD 59.6 million, which was significantly below the Budget as the spend on the new coal haul road has not yet fully commenced as permits are still in process.

- Major ongoing projects are:
  - Expansion at Tabang including:
    - Senyiur jetty expansion.
    - Partial asphalting of current coal haul road.
    - Construction of Coal Pad – 3
    - KM32-36 transshipment facility
    - Additional support equipment & facilities.
  - Underpass at Melak.
  - Expansion at BCT.

Capital expenditure is slightly under Budget for this quarter and anticipated to 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	Tabang	
PT Tanur Jaya	TJ		
PT Tiwa Abadi	TA		
PT Silau Kencana	SK		
PT Orkida Makmur	OM		Pakar
PT Sumber Api	SA	South Pakar	
PT Bara Sejati	BS		
PT Apira Utama	AU		
PT Cahaya Alam	CA		
PT Mamahak Coal Mining	MCM		
PT Bara Karsa Lestari	BKL	Mamahak	
PT Mahakam Energi Lestari	MEL		
PT Mahakam Bara Energi	MBE		

Appendix

Kangaroo Resources Limited	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