PT. BAYAN RESOURCES Tbk.

Fourth Quarter 2019 Update Presentation

Overview

<u>4Q19</u>

- **The 4Q19 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.**

<u>Overall</u>

- **YTD ASP is in line with the Budget even though ASP dropped in the 4Q19 which was reflective of the overall drop in market prices.**

- **YTD 4Q19 and 4Q19 Cash costs were higher than the Budget.**

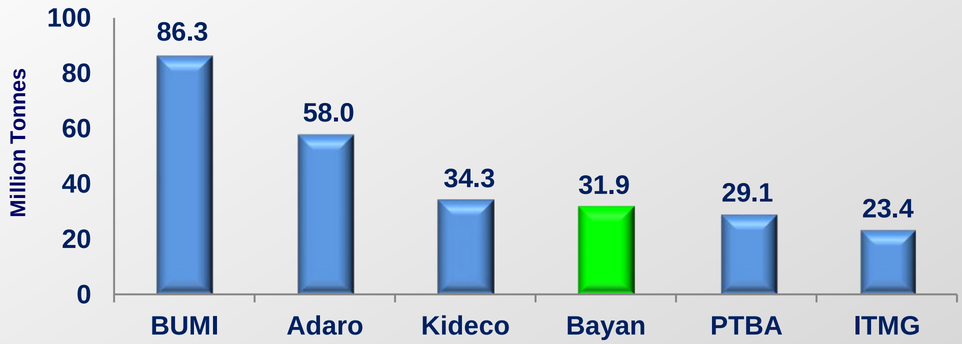
- **Despite all the challenges we faced in 2019, the margins remain healthy and one of the strongest in the Indonesian coal sector.**

Bayan's Financial and Operational Performance

	2018	4Q18	4Q19	YTD 2019
Financial Performance (In Million USD)				
Revenue	1,676.7	434.3	249.6	1,391.6
Gross Profit	846.9	191.8	53.0	489.4
EBITDA	736.4	163.2	46.3	374.4
Net Profit After Tax	524.3	115.9	15.0	234.2
Financial Ratios				
Gross Profit Margin (%)	50.5%	44.2%	21.2%	35.2%
EBITDA Margin (%)	43.9%	37.6%	18.6%	26.9%
Net Profit Margin (%)	31.3%	26.7%	6.0%	16.8%
Net Debt to EBITDA (x)	Net Cash	Net Cash	0.5	0.5
Operational Statistics				
Overburden Removal (MBCM)	137.5	38.6	34.5	161.5
Strip Ratio (x) - based on production volume	4.8	6.4	5.9	5.1
Coal Production (MT)	28.9	6.1	5.9	31.9
Sales Volume (MT)	28.3	7.5	5.6	29.2
Average Selling Price (US$/MT)	59.3	58.2	44.7	47.6

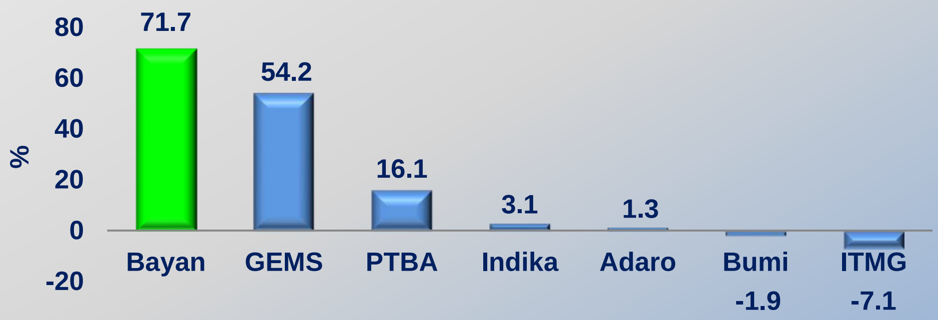
One of the Quickest Growing Coal Producers

YTD 4Q19 Production



Source: Company Filings, Company Data

2016 - 2018 CAGR (Production)

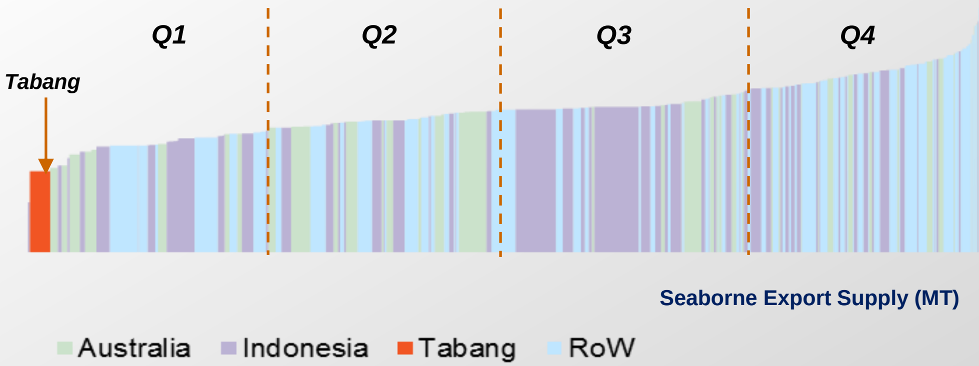


Source: Company Fillings. Company Data

- **Bayan is one of the top five coal producers by volume in Indonesia.**
- **2019 saw the completion of the Senyiur jetty expansion with the completion of side dump 5 to allow Bayan to continue to be one of the fastest growing producers in Indonesia.**
- **Bayan's sales volume will remain at similar levels until the new road haul to the Mahakam River is completed in 2022.**

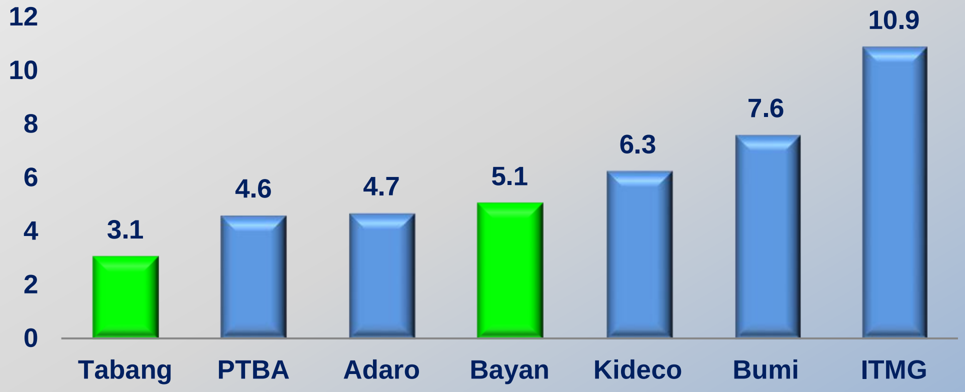
One of the Lowest Cost Producers in Indonesia

Global Cost Competitive Positioning



Source: Wood Mackenzie, Company Data

YTD 4Q19 Strip Ratio

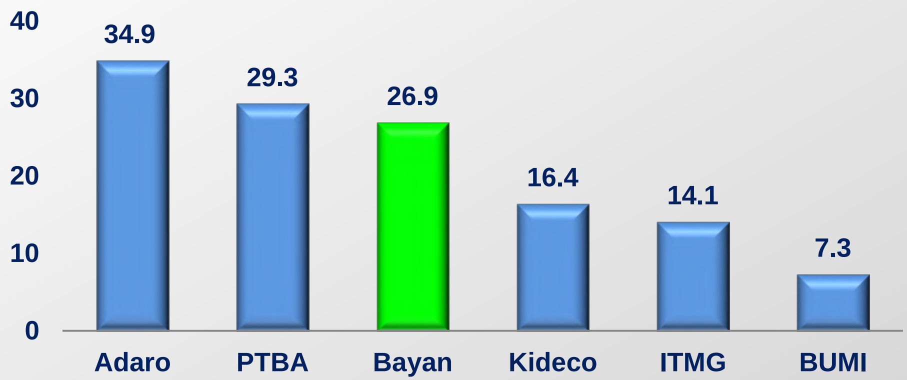


Source: Company Filings, Company Data

- **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 due to be issued by year end 2020.**
- **Combined with the other mining concessions the average stripping ratio of the Group is not anticipated to exceed 5:1.**

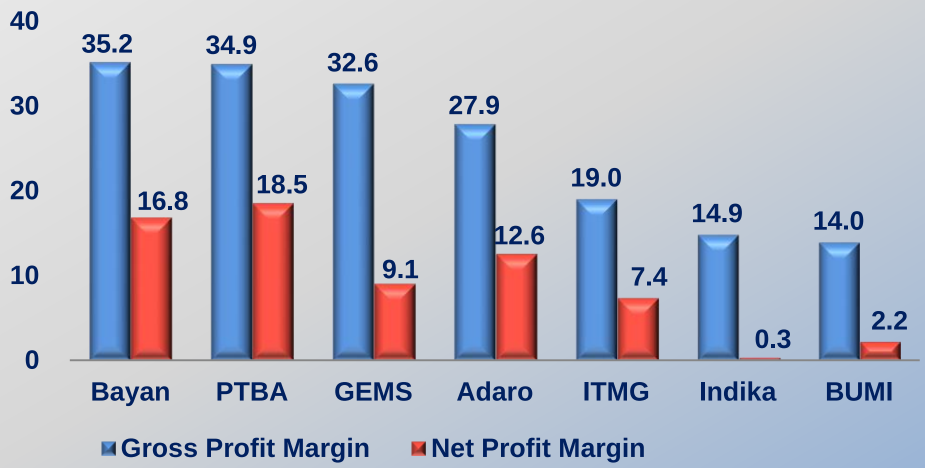
And One of the Highest Margin Producers in Indonesia

2019 EBITDA Margin (%)



Source: Company Filings, EBITDA estimated using Company Data

2019 Gross and Net Profit Margin (%)

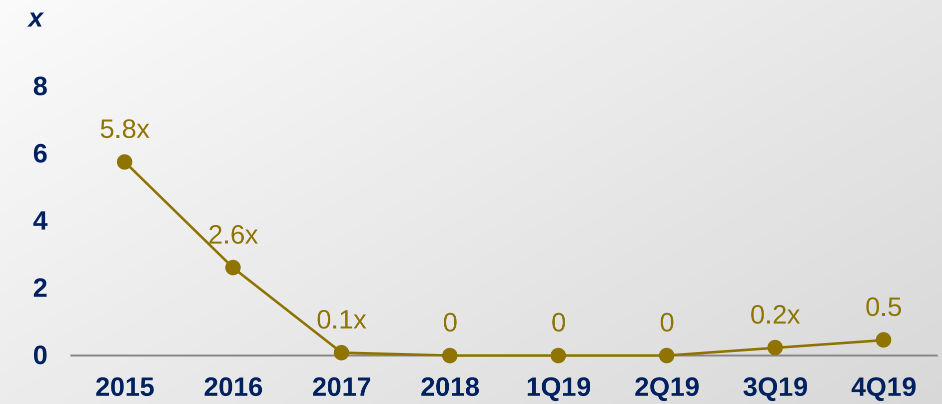


Source: Company Filings, Company Data

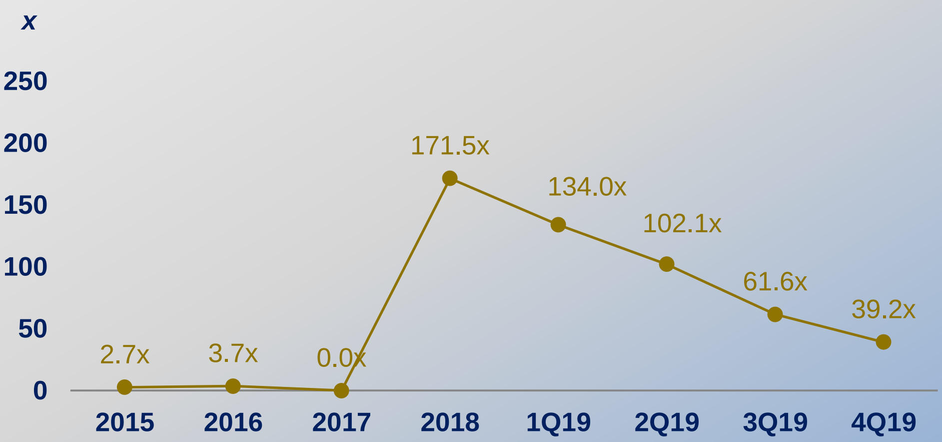
- **Over the last few years Bayan has transformed itself into one of the top three highest margin producers in Indonesia.**
- **This is due to the ramp up of its world class Tabang coal complex, which is anticipated to continue to grow and produce industry leading margins.**
- **Net profit margins are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



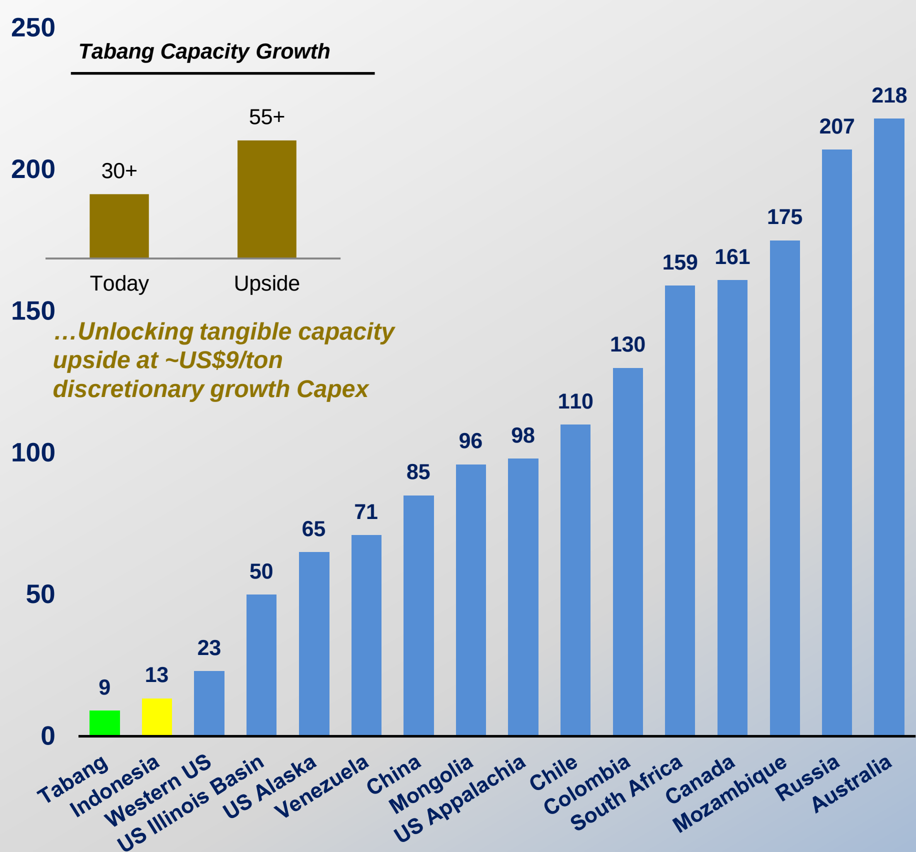
EBITDA / Net Interest Expense



- **The Group moved from a net debt to net cash position by the end of 1Q18.**
- **In January 2020, The Company issued a 3 Non-Call Life Bond of USD 400 million to ensure liquidity going forward.**
- **Existing Working Capital Facilities 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

- **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 by 2023 which will add additional capacity of 25-30 million MT.**
- **Construction of the new haul road commenced in December 2019 and progressing on schedule.**
- **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.**
- **No plans to delay expansionary capex.**

4Q 2019

Overburden Removal

Coal Production

Weighted Average Strip Ratio

Average Cash Costs

Coal Sales

Average Selling Price

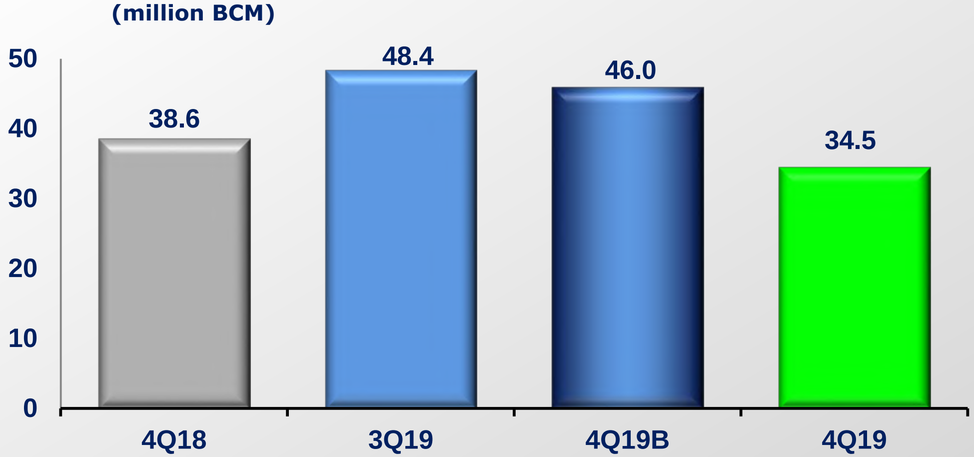
Committed & Contracted Sales

EBITDA

Debt and Cash Position

Capital Expenditure

Overburden Removal (OB)



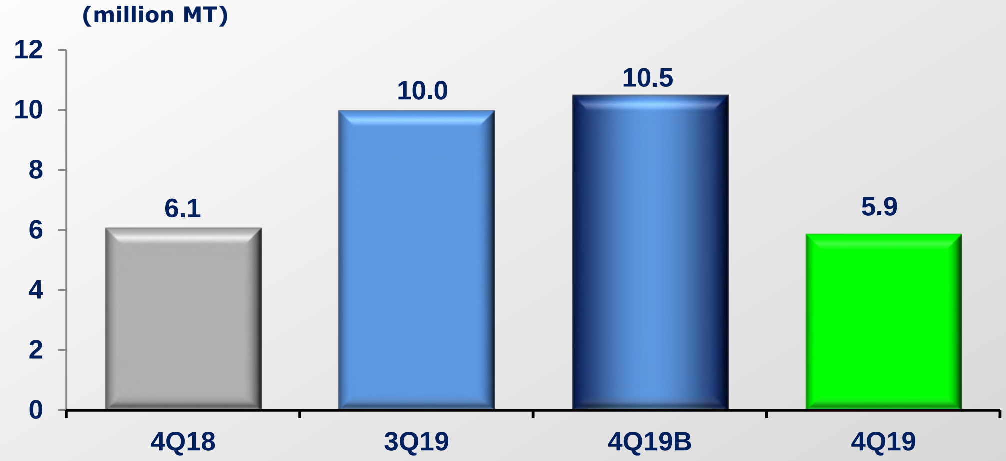
Note : B stands for Budget Figure

(in million BCM)	4Q19B	4Q19
Teguh Sinarabadi / Firman Ketaun Perkasa	11.3	12.8
Perkasa Inakakerta	2.3	2.7
Wahana Baratama Mining	6.0	6.7
Tabang Concessions	25.0	11.3
Gunungbayan Pratamacoal	1.5	1.0
Total	**46.0**	**34.5**

- **4Q19 OB was 34.5 million BCM which was significantly lower than the Budget and 3Q19 due to all overburden contractors at Tabang going on standby at the beginning of December 2019 because site has excess inventory at Tabang and, in certain cases, the contractor had reached their annual volumes.**
- **Decrease in 4Q19 compared to 4Q18 due to Tabang going on standby at the beginning of December 2019.**

YTD overburden was lower than Budget by 7.3% due to Tabang on standby in December 2019

Coal Production



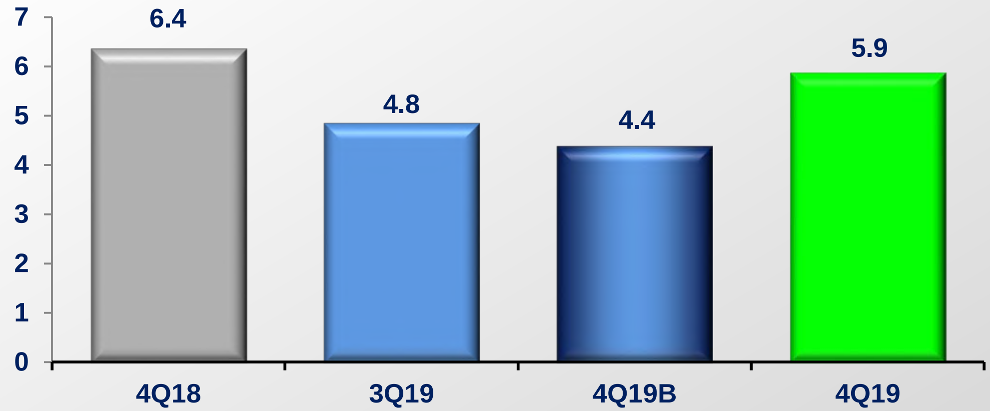
Note : B stands for Budget Figure

(in million MT)	4Q19B	4Q19
Teguh Sinarabadi/ Firman Ketaun Perkasa	0.8	0.9
Perkasa Inakakerta	0.3	0.3
Wahana Baratama Mining	0.5	0.4
Tabang Conssesions	8.8	4.3
Gunungbayan Pratamacoal	0.1	0.1
Total	**10.5**	**5.9**

- **4Q19 coal production of 5.9 million MT was significantly lower than the Budget and 3Q19 due to:**
  - **Tabang on full standby in December 2019 because site has excess inventory as an impact from low water levels in 4Q19.**
  - **In October and November reduced production to the extent allowed under the contract.**
  - **KAI stopped working late October as annual volumes reached.**
- **Inventory of 7.6 million MT in December 2019**

YTD coal production was lower than Budget by 11.5% due to Tabang on standby in December 2019

Weighted Average Stripping Ratio (SR)



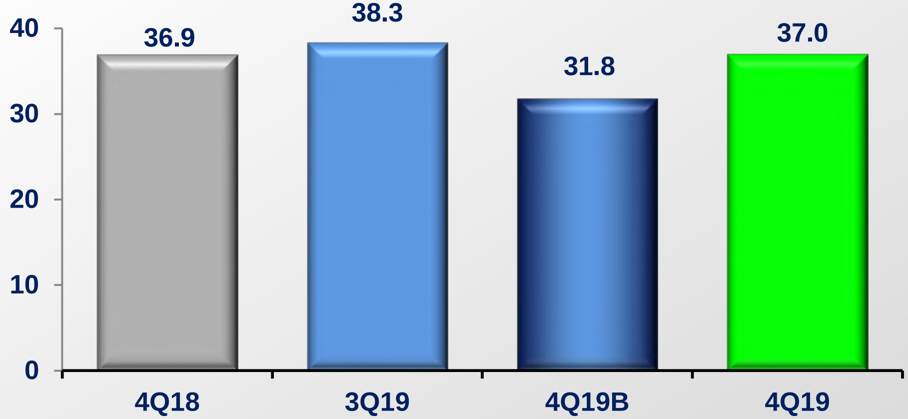
Note : B stands for Budget Figure

Weighted Average SR (:1)	4Q19B	4Q19
Teguh Sinarabadi / Firman Ketaun Perkasa	13.5	14.9
Perkasa Inakakerta	7.6	8.3
Wahana Baratama Mining	13.0	18.4
Tabang Concessions	2.9	2.7
Gunungbayan Pratamacoal	11.1	13.8
Total	**4.4**	**5.9**

- **4Q19 weighted average stripping ratio was higher than the Budget and 3Q19 mainly due to:**
  - **Tabang on standby in December 2019.**
  - **Higher SR at TSA/FKP due to mining in an area with thin coal seams in 4Q19.**
  - **Higher SR at WBM in 4Q19 to achieve annual budgeted SR.**
- **YTD SR actual of 5.1 was higher than Budget of 4.8 due to Tabang on standby in December 2019 and GBP has stopped their production.**

2019 SR higher than the Budget

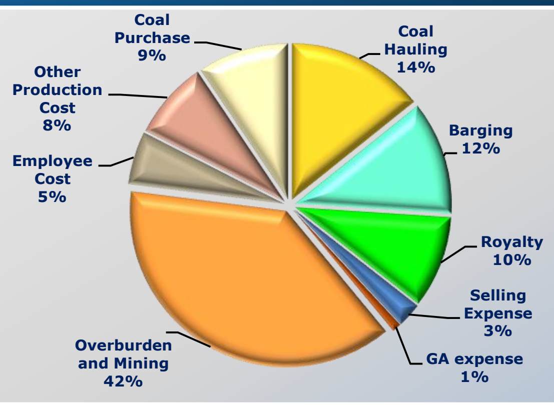
Average Cash Costs



Average Cash Costs include Royalty, Barging and SGA

Note : B stands for Budget Figure

Cash Cost per Expense - 4Q19



- **4Q19 Cash Costs were US$ 37.0/MT and higher than the Budget due to:**
  - **Higher overburden removal costs due to:**
    - **Lower sales volume.**
    - **Higher weighted average SR than Budgeted.**
    - **Accrual of standby cost for various contractors in Tabang (total USD 6.6 million).**
  - **Higher unit cost of various expenses due to lower actual sales volume.**

4Q19 cash costs were higher than Budget due to lower sales volume

Average Cash Costs (Continued)

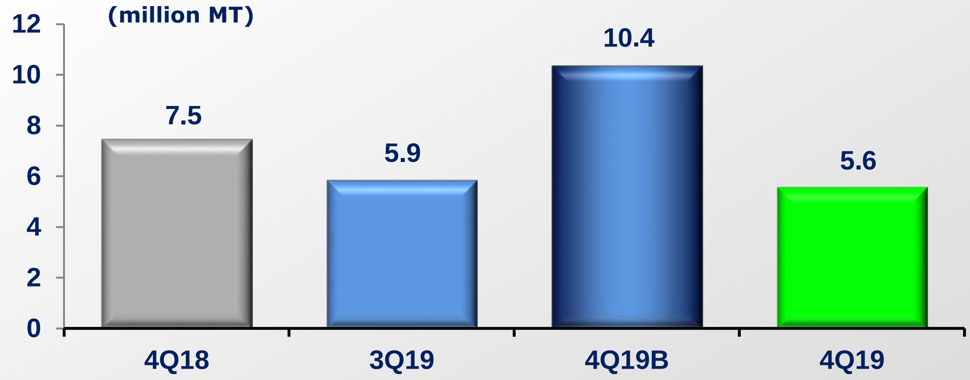
- **4Q19 Cash Costs were US$ 37.0/MT and lower than 3Q19 due to:**
  - **Lower overburden and coal mining and hauling costs due to Tabang on standby in Dec 2019.**
  - **Lower DMO costs due to reversal of accrued costs to leave only DMO quota purchased which reduced unit costs.**

  Partially offset by:
  - **Lower purchased coal costs due to lower purchase price per MT.**

- **YTD cash costs of USD 35.0/MT were above the Budget due to a combination of:**
  - **Lower sales volumes which increased certain unit costs.**
  - **Higher than Budgeted SR.**
  - **Higher than Budgeted DMO expenses.**

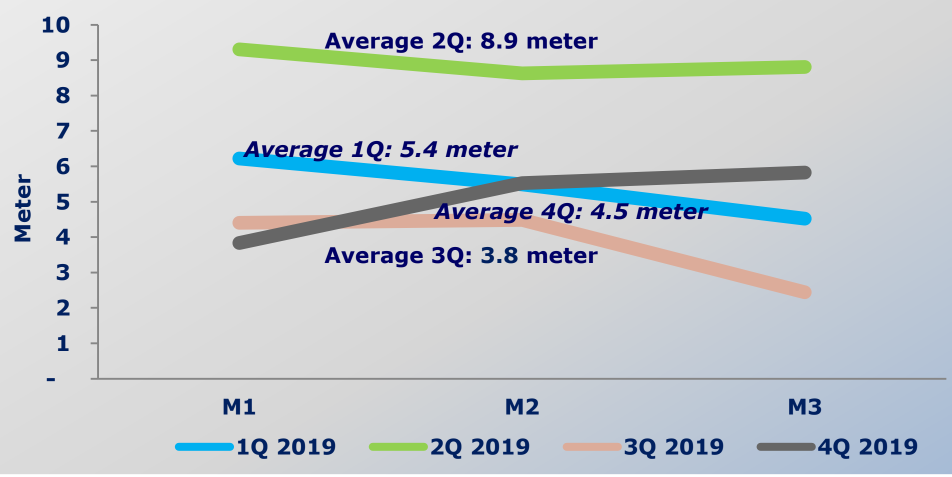
2019 cash costs were higher than Budget

Coal Sales (by volume)



Note : B stands for Budget Figure

Average Senyiur Water Levels



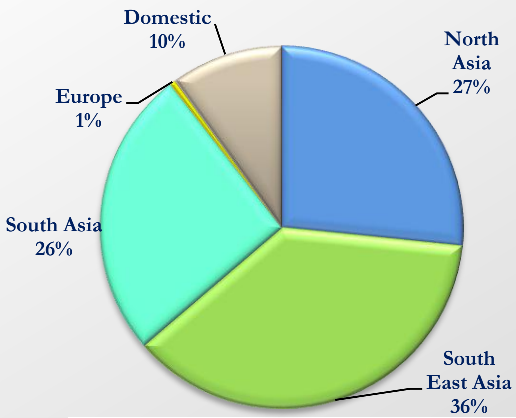
- **Lower 4Q19 coal sales volumes of 5.6 million MT were due to lower water levels which restricted barging at Senyiur.**
- **Monthly barging at Tabang:**
  - **1Q19: 5.6 million MT.**
  - **2Q19: 8.0 million MT.**
  - **3Q19: 3.5 million MT.**
  - **4Q19: 4.0 million MT.**
- **Tabang increased inventory over the 3Q19 along with 4Q19 due to lower water levels which restricted barging in 3Q19 and 4Q19. Water levels allowed full barging only from the second week of December 2019.**

2019 sales volume of 29.2m MT represents a 3% increase

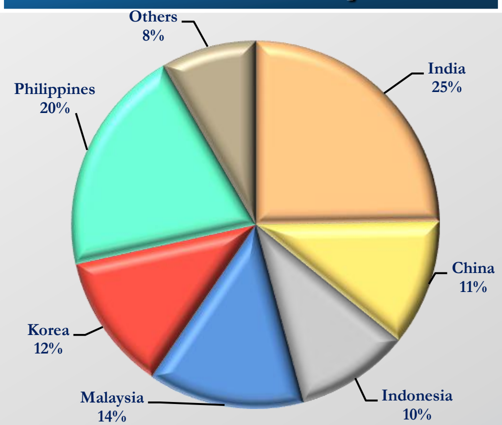
Coal Sales (by volume) (continued)

Geographic Distribution (YTD 4Q19) – by Volume

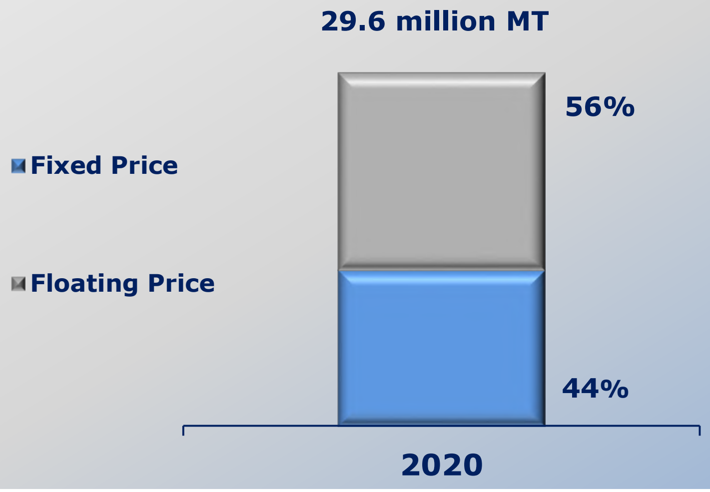
Per Region



Per Country

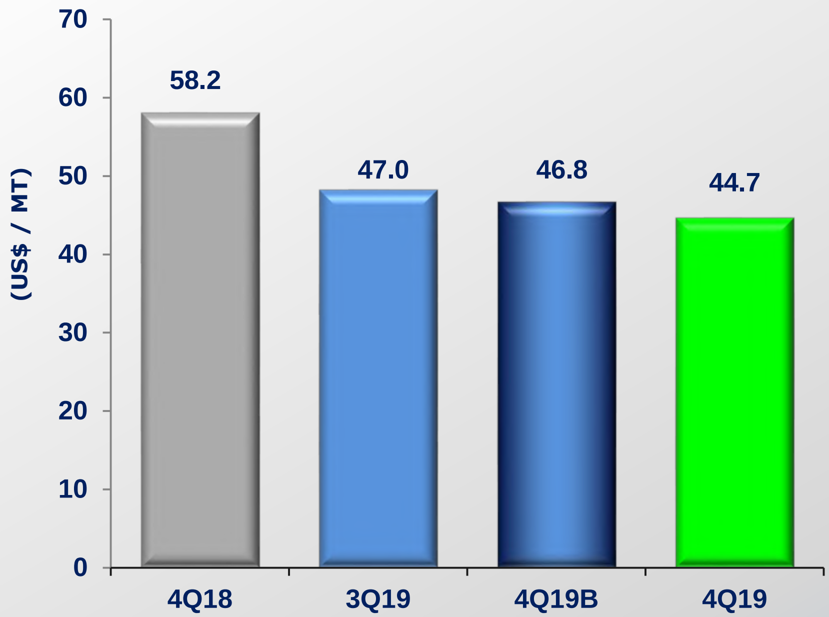


Committed and Contracted Sales for 2020



- **PLN continues to be fully-supplied and currently has a zoning policy therefore our domestic sales have decreased and also 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 end of March 2020 the Group had committed and contracted sales volumes of approximately 29.6 million MT for 2020 with an average CV of 4,629 GAR kcal/kg.**
- **2020 Fixed Price element at US$ 40.3/ MT with an average CV of 4,543 GAR kcal/kg.**

Average Selling Price (ASP)

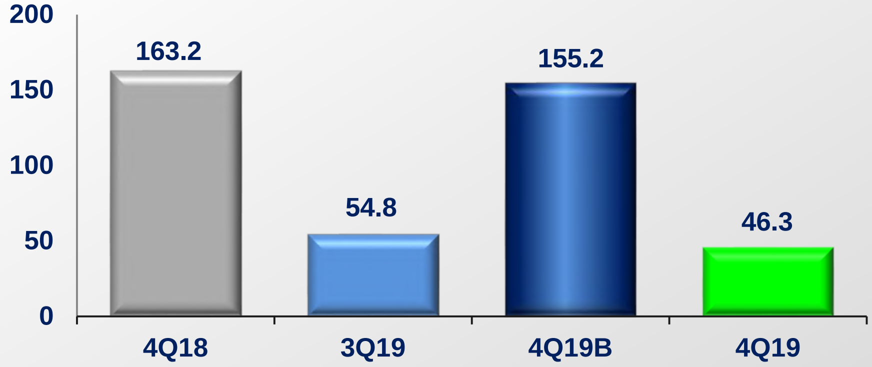


* *ASP includes coal and non-coal sales*
Note : B stands for Budget Figure

- **4Q19 ASP of US$ 44.7/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.**
- **Lower than 3Q19 ASP is principally due to lower weighted average CV of 4,771 in 4Q19 vs 4,825 in 3Q19 and continued drop in market prices.**
- **YTD ASP actual of US$ 47.6/MT was in line with the Budget of US$47.5/MT.**

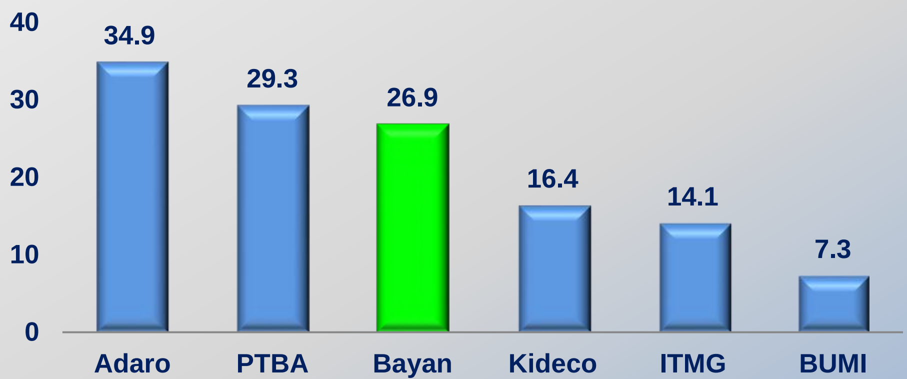
Despite significant drop in Newcastle benchmark index during 2019, YTD ASP is in line with the Budget

EBITDA



Note : B stands for Budget Figure

2019 EBITDA Margin (%) Competitors Table

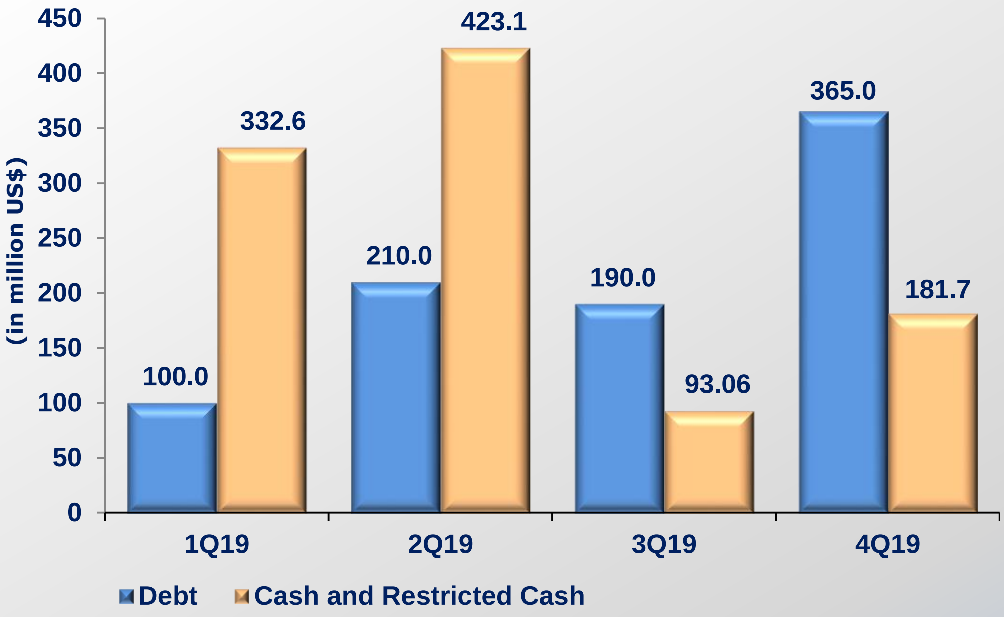


Source: Company Filings, EBITDA estimated using Company Data

- **4Q19 EBITDA was significantly lower than Budgeted due to significantly lower sales volume, higher cash cost and slightly lower ASP.**
- **4Q19 EBITDA was lower than 3Q19 due to the lower ASP, lower sales volume partly offset by lower cash costs.**
- **2019 EBITDA of USD 374.4 million is lower compared to 2018 of USD 736.4 million.**
- **EBITDA margin of 26.9% represents one of the best margins in the Indonesian coal sector.**

One of the best EBITDA margin's in Indonesia

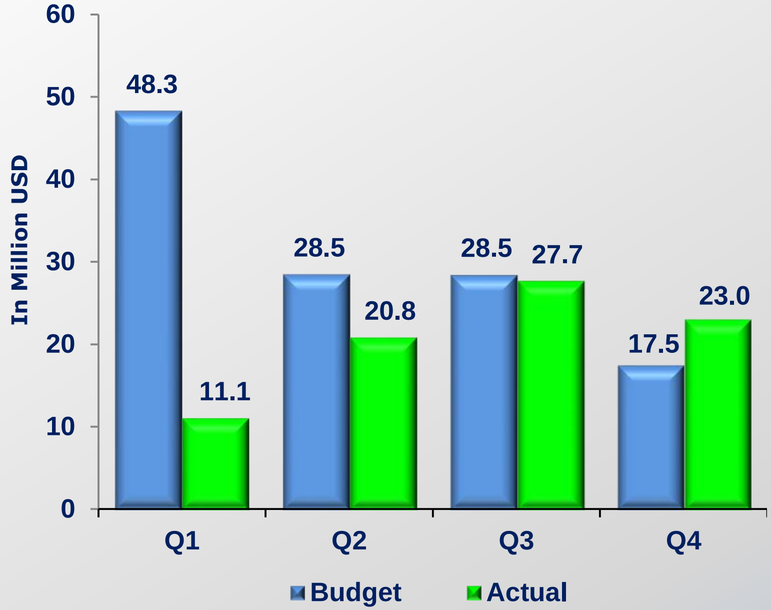
Debt and Cash Position



- During 4Q19 the Group repaid loans totaling USD 30 million.
- Drawdown total of USD 135 million in December 2019.
- Issued US$ 400 million Bond at 6.125% coupon, 3 years tenor issued on 24 Jan 2020.
- Bond proceeds used to fully repay existing working capital facilities of USD 365 million in January and February 2020.

Low Leverage and sufficient liquidity

Capital Expenditure



- **YTD Capex was USD 82.6 million, which was significantly below the Budget (USD 122.8 million) 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**
    - **Additional support equipment & facilities.**
  - **Underpass at Melak.**
  - **Expansion at BCT.**

Capital expenditure for this year is lower than the Budget

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