PT. BAYAN RESOURCES Tbk.

First Quarter 2020 Update Presentation

Overview

1Q20

- **2020 started with another challenging quarter as although water levels improved compared to 4Q19 levels, they remained below expectations. This resulted in no inventory reduction over the first quarter.**

- **Tabang suspend their mining operation from 25 March 2020 until 14 May 2020 due safety concerns over COVID-19 which will allow for a reduction of inventory over the 2Q20 prior to the expected dry season in the 3Q20.**

- **Since the end of the 1Q20, the COVID-19 outbreak has caused a significant drop in benchmark prices to below previously Budgeted levels which are expected to continue to year end.**

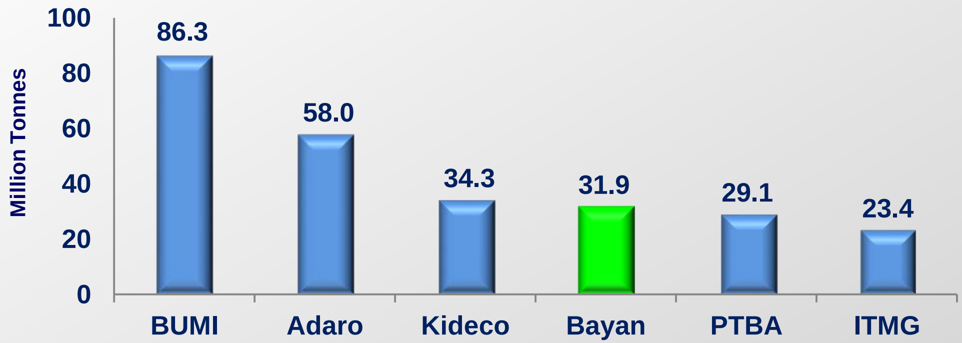
- **However, despite these challenges and lower than Budgeted performance the Group continues to still generate healthy margins in the 1Q20.**

Bayan’s Financial and Operational Performance

	2018	2019	1Q19	1Q20
Financial Performance (In Million USD)				
Revenue	1,676.7	1,391.6	365.4	326.3
Gross Profit	846.9	489.4	153.5	90.3
EBITDA	736.4	374.4	127.0	66.9
Net Profit After Tax	524.3	234.2	86.9	40.2
Financial Ratios				
Gross Profit Margin (%)	50.5%	35.2%	42.0%	27.7%
EBITDA Margin (%)	43.9%	26.9%	34.8%	20.5%
Net Profit Margin (%)	31.3%	16.8%	23.8%	12.3%
Net Debt to EBITDA (x)	Net Cash	0.3	Net Cash	0.5
Operational Statistics				
Overburden Removal (MBCM)	137.5	161.5	38.1	35.2
Strip Ratio (x) - based on production volume	4.8	5.1	5.0	4.8
Coal Production (MT)	28.9	31.9	7.5	7.3
Sales Volume (MT)	28.3	29.2	7.3	7.3
Average Selling Price (US$/MT)	59.3	47.6	50.1	44.6

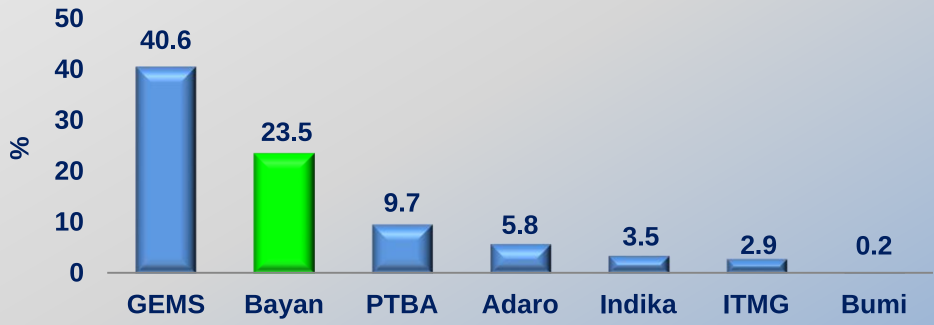
One of the Quickest Growing Coal Producers

2019 Production



Source: Company Filings, Company Data

2017 - 2019 CAGR (Production)

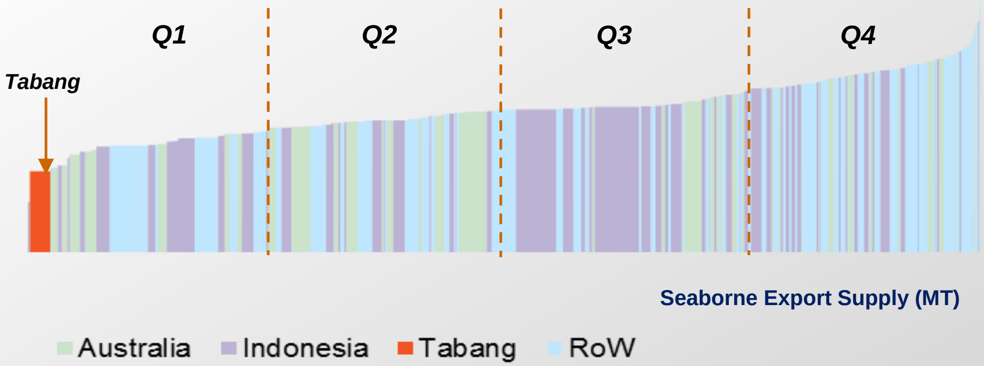


Source: Company Fillings. Company Data

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

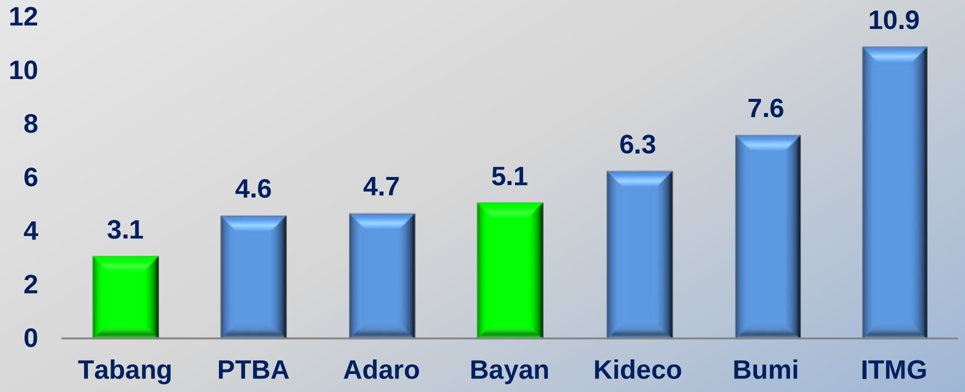
One of the Lowest Cost Producers in Indonesia

Global Cost Competitive Positioning



Source: Wood Mackenzie, Company Data

2019 Strip Ratio

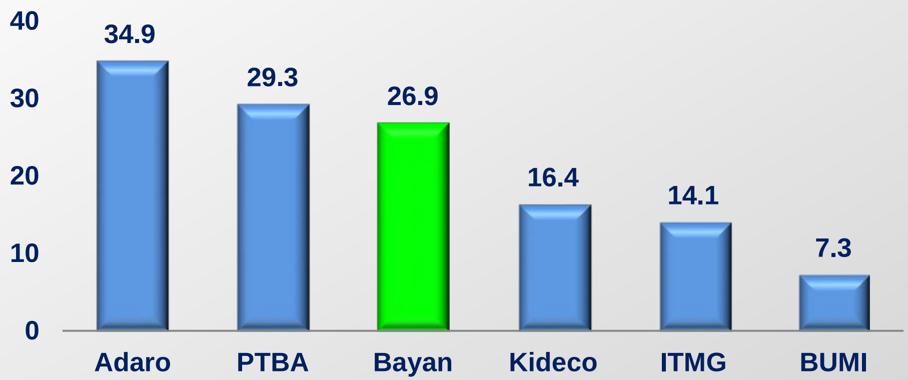


Source: Company Filings, Company Data

- **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 by year end 2020.**
- **One of the lowest average stripping ratio's in Indonesia.**

And One of the Highest Margin Producers in Indonesia

2019 EBITDA Margin (%)



Source: Company Filings, EBITDA estimated using Company Data

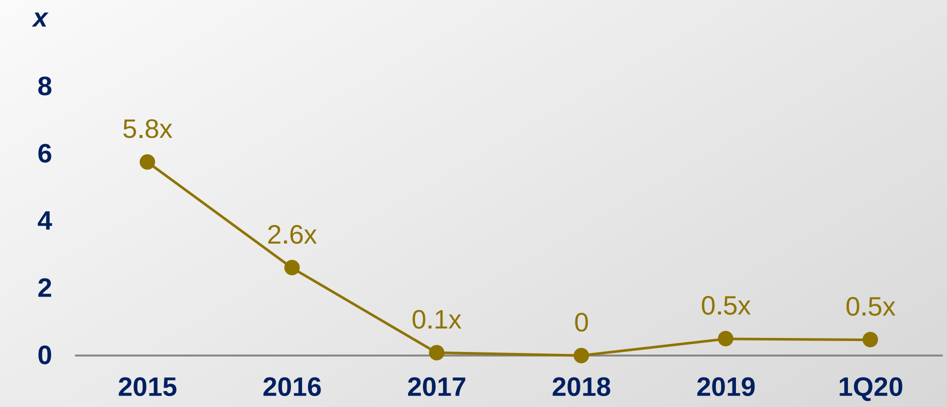
2019 Gross and Net Profit Margin (%)

Source: Company Filings, Company Data

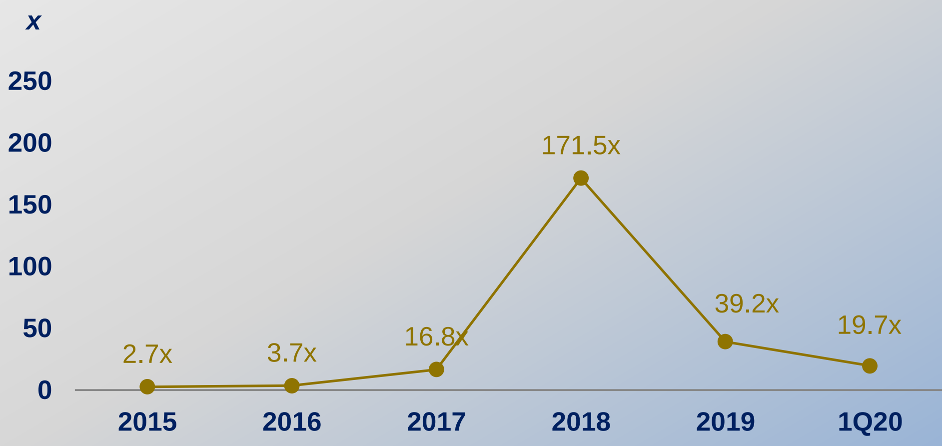
- **Over the last few years Bayan has transformed itself into one of the highest margin producers in Indonesia.**
- **This is due to the ramp up of its world class Tabang coal complex, which is anticipated to continue to grow and produce industry leading margins.**
- **Net profit margins are anticipated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



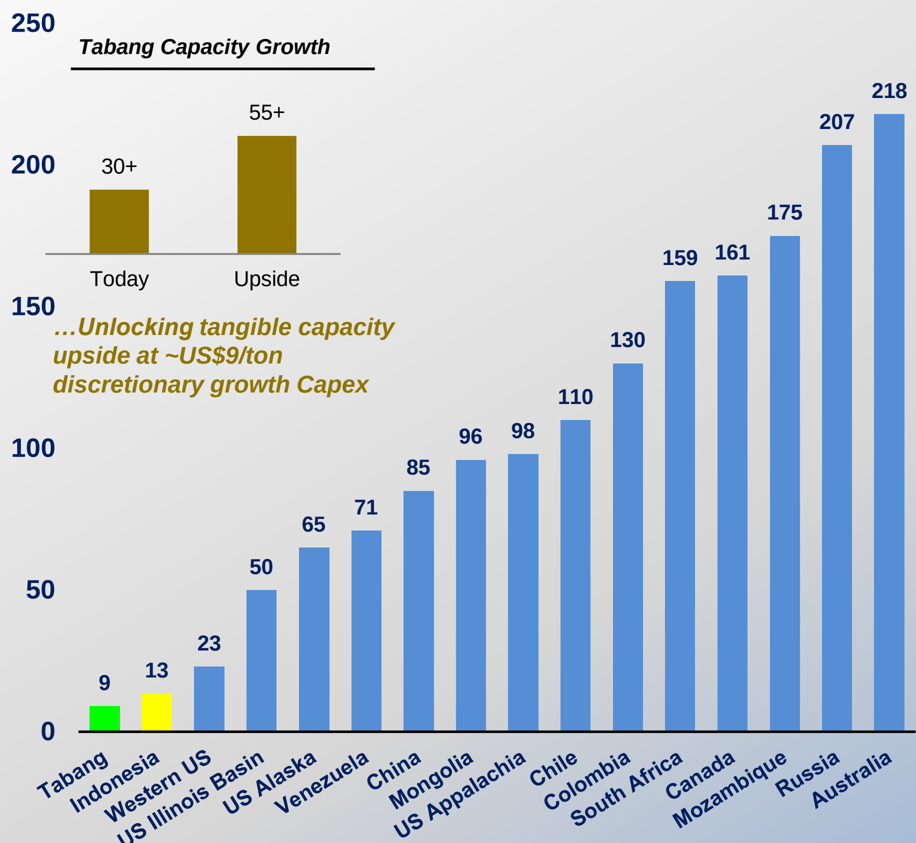
EBITDA / Interest Expense



- **In January 2020, The Company issued a 3 Non-Call Life Bond of USD 400 million to ensure adequate 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

- **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 2023 which will 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 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 due to COVID-19.**

1Q 2020

Overburden Removal

Coal Production

Weighted Average Strip Ratio

Average Cash Costs

Coal Sales

Average Selling Price

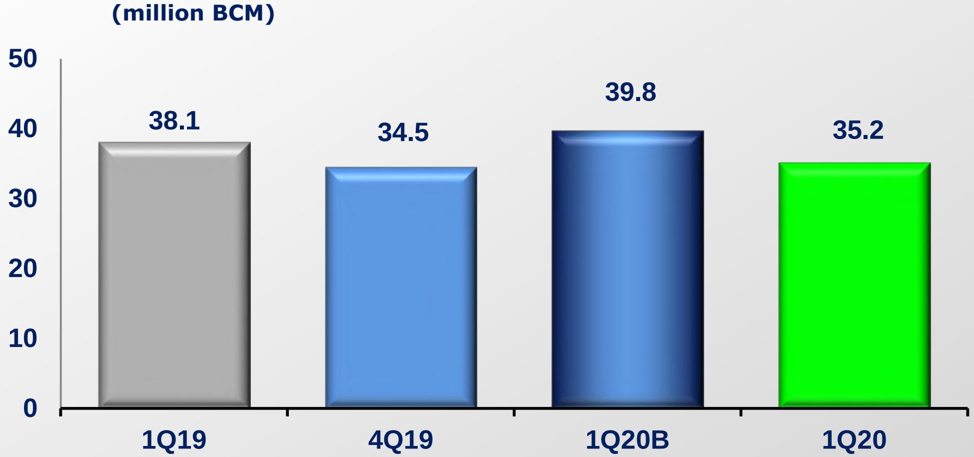
Committed & Contracted Sales

EBITDA

Debt and Cash Position

Capital Expenditure

Overburden Removal (OB)



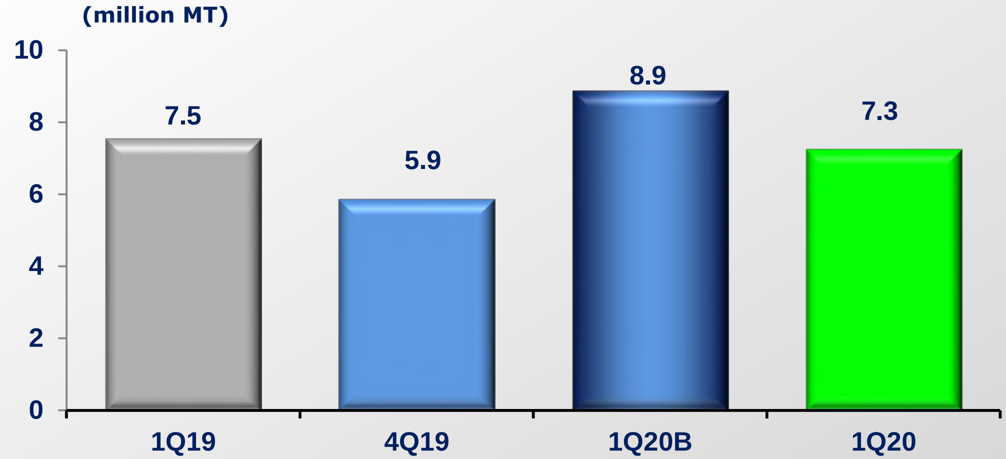
Note : B stands for Budget Figure

(in million BCM)	1Q20B	1Q20
Teguh Sinarabadi / Firman Ketaun Perkasa	9.6	9.2
Perkasa Inakakerta	2.3	1.9
Wahana Baratama Mining	7.2	6.3
Tabang Concessions	20.6	17.8
Gunungbayan Pratamacoal	-	-
Total	**39.8**	**35.2**

- **1Q20 OB was 35.2 million BCM which was lower than the Budget but consistent with 4Q19 levels due to:**
  - **All overburden contractors at Tabang going on standby for 11 days in March 2020.**
  - **Higher rainfall in the 1Q20 counteracted the shorter standby period in the 1Q20.**

Tabang on standby for 11 days in 1Q20

Coal Production



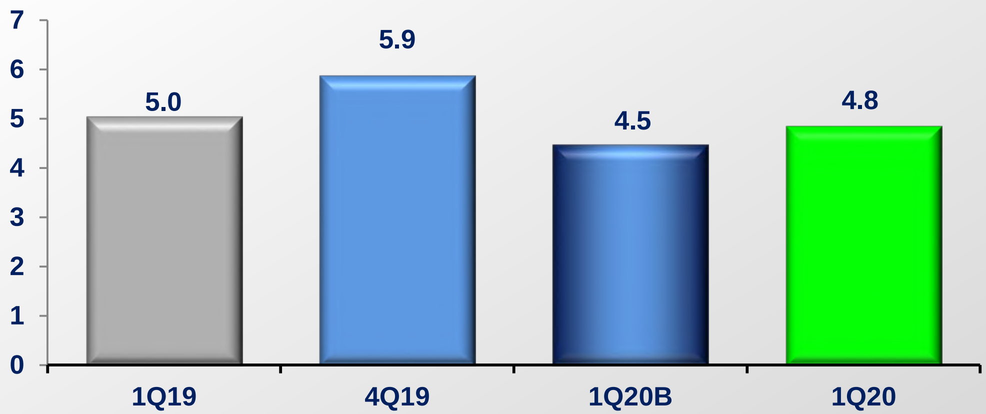
Note : B stands for Budget Figure

(in million MT)	1Q20B	1Q20
Teguh Sinarabadi/ Firman Ketaun Perkasa	0.9	0.7
Perkasa Inakakerta	0.3	0.2
Wahana Baratama Mining	0.5	0.4
Tabang Conssesions	7.3	5.9
Gunungbayan Pratamacoal	-	-
Total	**8.9**	**7.3**

- **1Q20 coal production of 7.3 million MT was lower than the Budget but higher than 4Q19 due to:**
  - **Tabang on standby for 11 days in March 2020.**
  - **Lower in TSA/FKP due to heavy rain which restricted coal extraction.**
- **Inventory of 7.9 million MT as at the end of March 2020.**

Coal volumes slightly below Budget

Weighted Average Stripping Ratio (SR)



Note : B stands for Budget Figure

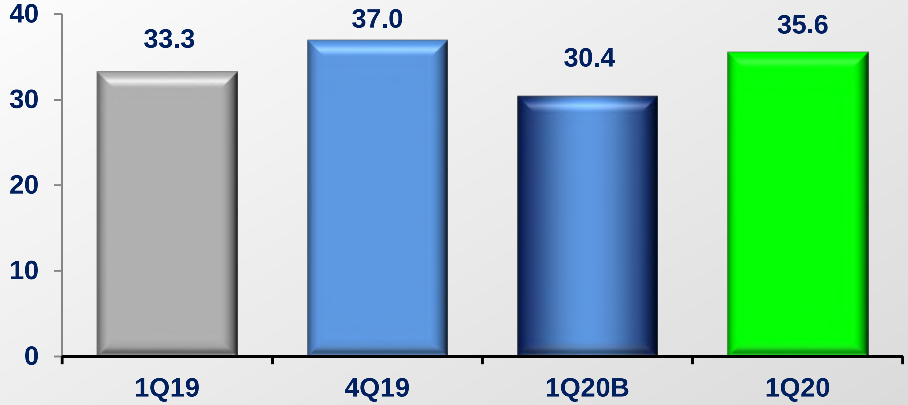
Weighted Average SR (:1)	1Q20B	1Q20
Teguh Sinarabadi / Firman Ketaun Perkasa	11.2	12.9
Perkasa Inakakerta	8.2	8.0
Wahana Baratama Mining	15.8	14.2
Tabang Concessions	2.8	3.0
Gunungbayan Pratamacoal	-	-
Total	**4.5**	**4.8**

- **1Q20 weighted average stripping ratio was higher than the Budget mainly due to:**
  - **Tabang on standby for 11 days in March 2020.**

  Partially offset by:
  - **Lower SR at WBM due to late arrival of OB equipment.**
- **Decrease in 1Q20 SR compared to 4Q19 due to:**
  - **Tabang being on standby for a lower number of days in the 1Q than in the 4Q.**

1Q20 SR lower than 1Q19 and 4Q19

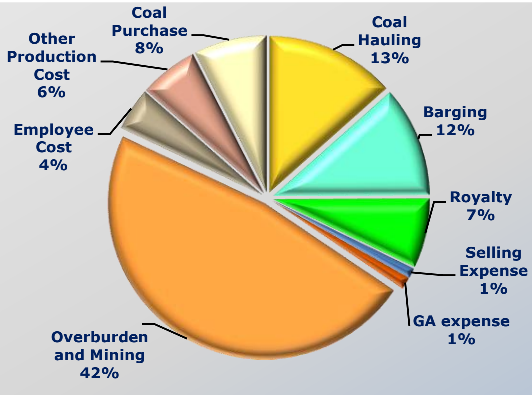
Average Cash Costs



Average Cash Costs include Royalty, Barging and SGA

Note : B stands for Budget Figure

Cash Cost per Expense - 1Q20



- **1Q20 Cash Costs were US$ 35.6/MT and higher than the Budget due to:**
  - **Higher overburden removal costs due to:**
    - **Lower sales volume.**
    - **Higher weighted average SR than Budgeted.**
  - **Lower sales volumes which increased the unit cost of a variety of expenses including coal purchases, mining and overheads.**

1Q20 cash costs were higher than Budget principally due to lower sales volume

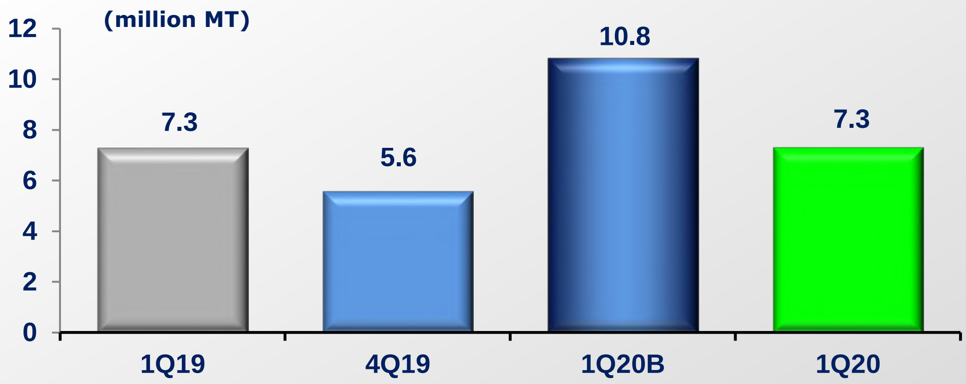
Average Cash Costs (Continued)

- 1Q20 Cash Costs of US$ 35.6/MT were lower than 4Q19 of US$ 37.0 due to:
  - Lower overburden costs due to
    - Higher sales volume.
    - Lower weighted average SR than 4Q19.
    - Lower standby cost in the 1Q20 as the standby period was shorter than 4Q19.
  - Lower unit cost of various expenses due to higher actual sales volume.

  Partially offset by:
  - The reversal of DMO costs in the 4Q19 to leave only actual DMO quota purchased.

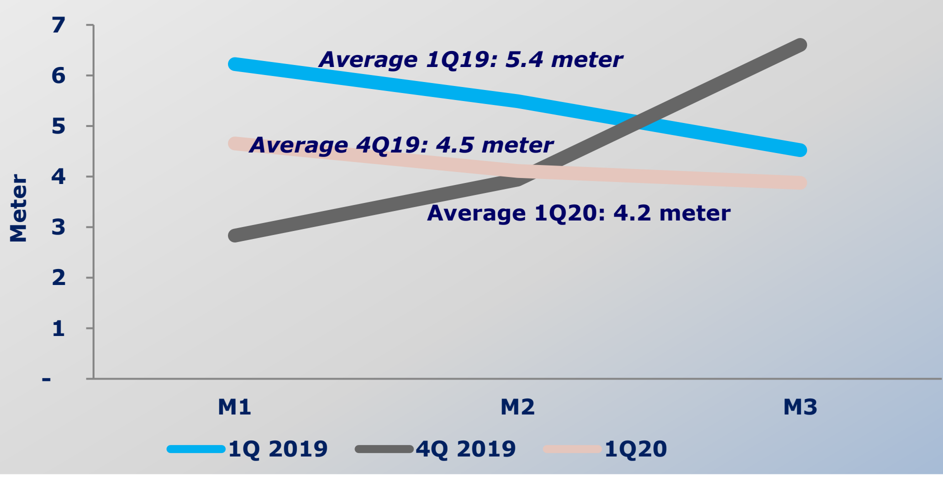
1Q20 cash costs were lower than 4Q19

Coal Sales (by volume)



Note : B stands for Budget Figure

Average Senyiur Water Levels



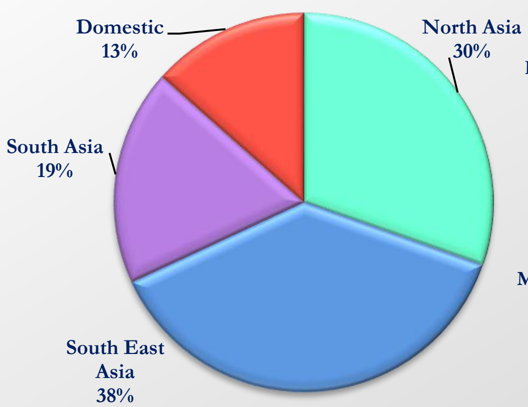
- **Average water levels improved to allow better barging in the 1Q20 than 4Q19.**
- **However 1Q20 coal sales volumes of 7.3 million MT were lower than Budgeted due to lower water levels than anticipated which restricted barging at Senyiur.**
- **Quarterly barging at Tabang - Senyiur:**
  - **4Q19: 4.0 million MT**
  - **1Q20: 4.9 million MT.**

1Q20 sales volume of 7.3m MT was are improvement over 4Q19

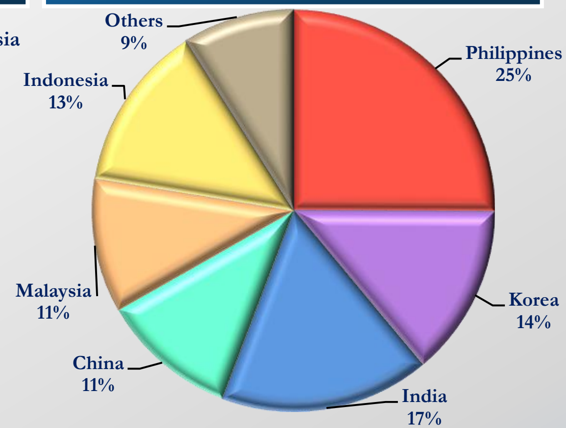
Coal Sales (by volume) (continued)

Geographic Distribution (YTD 1Q20) – by Volume

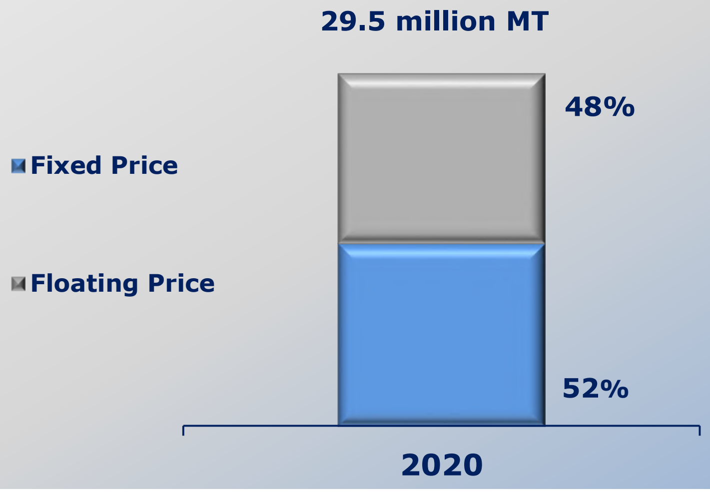
Per Region



Per Country

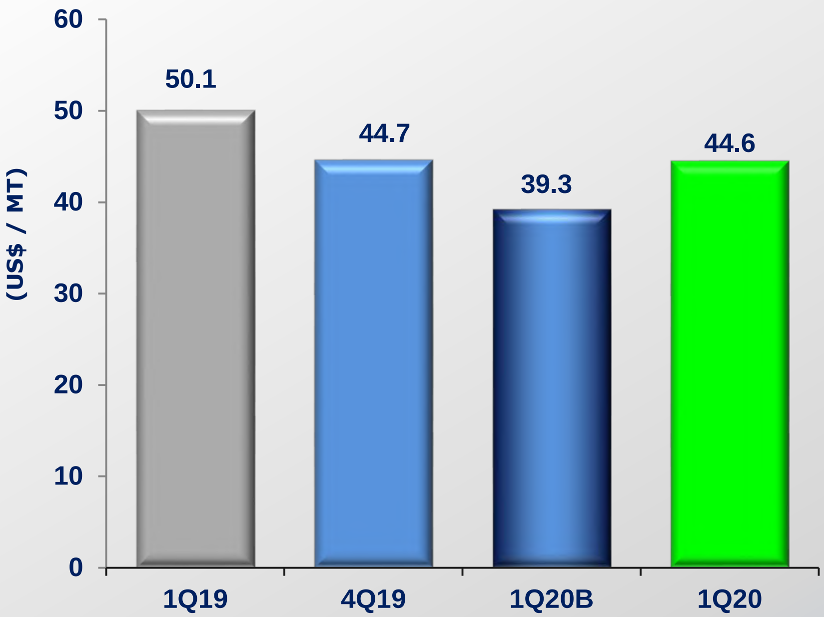


Committed and Contracted Sales for 2020



- 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 April 2020, the Group had committed and contracted sales volumes of approximately 29.5 million MT for 2020 with an average CV of 4,625 GAR kcal/kg.
- 2020 Fixed Price element at US$ 41.8/ MT with an average CV of 4,613 GAR kcal/kg.
- Currently no material cancellation of contracted tonnage due to COVID-19.
- Current oversupply in market makes adding additional spot tonnage very challenging.

Average Selling Price (ASP)

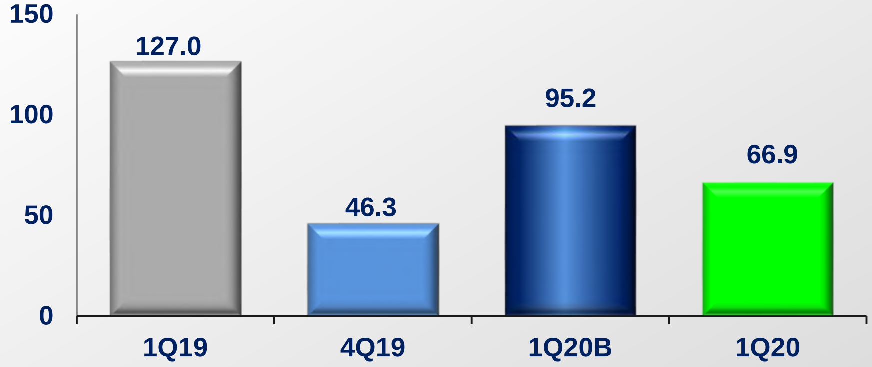


* *ASP includes coal and non-coal sales*
Note : B stands for Budget Figure

- **1Q20 ASP of US$ 44.6/MT was higher the Budget due to Budgeted CV combined with a higher proportion of fixed price sales than Budgeted.**
- **Benchmark prices in the 1Q20 were in-line with Budget and reasonably consistent with 4Q19 levels.**
- **In 2Q20 market prices have dropped significantly due to continuing concerns of COVID-19 and current oversupply in market.**

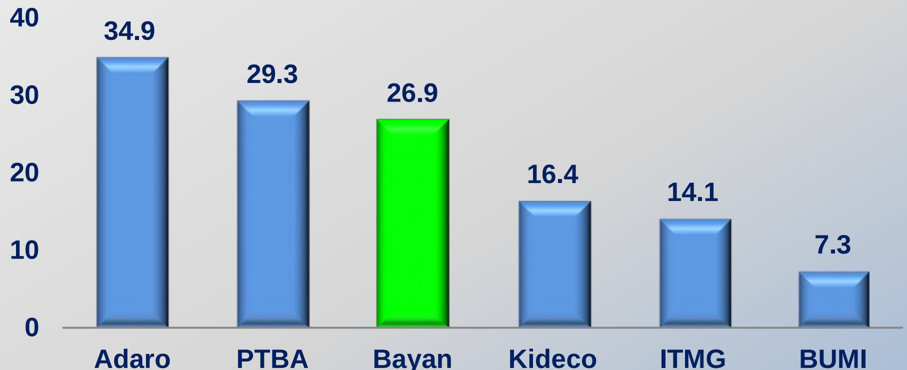
1Q20 ASP is higher than Budget and in line with 4Q19

EBITDA



Note : B stands for Budget Figure

2019 EBITDA Margin (%)
Competitors Table

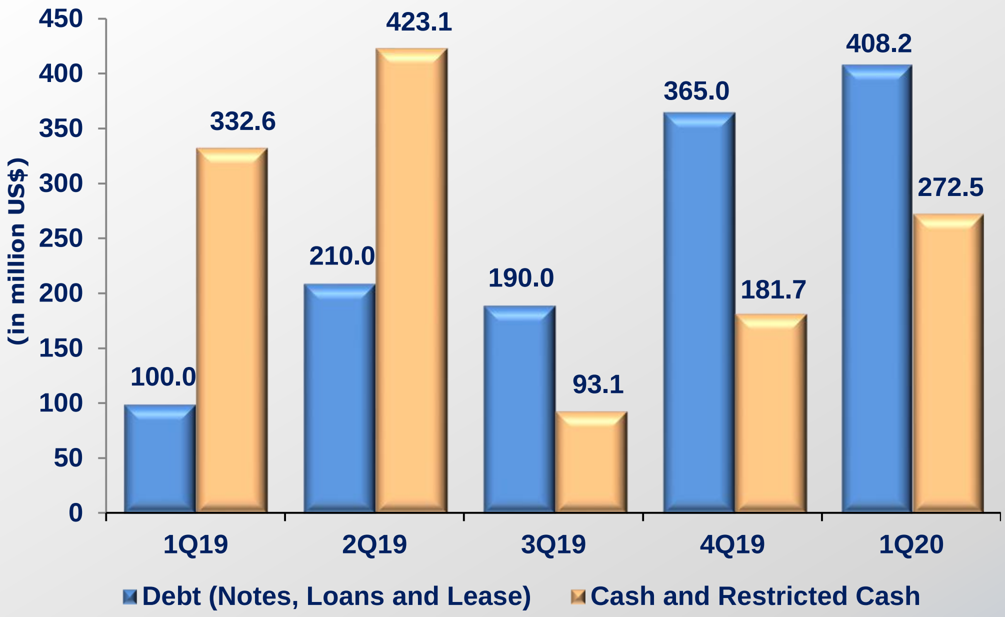


Source: Company Filings, EBITDA estimated using Company Data

- **1Q20 EBITDA increased compared to 4Q19 on the back of higher sales volumes and lower cash costs.**
- **However, 1Q20 EBITDA was significantly lower than Budgeted due to lower sales volumes and higher cash costs, which was partially offset by higher ASP.**
- **Full year 2019 EBITDA of USD 374.4 million remains one of the highest in Indonesia.**
- **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

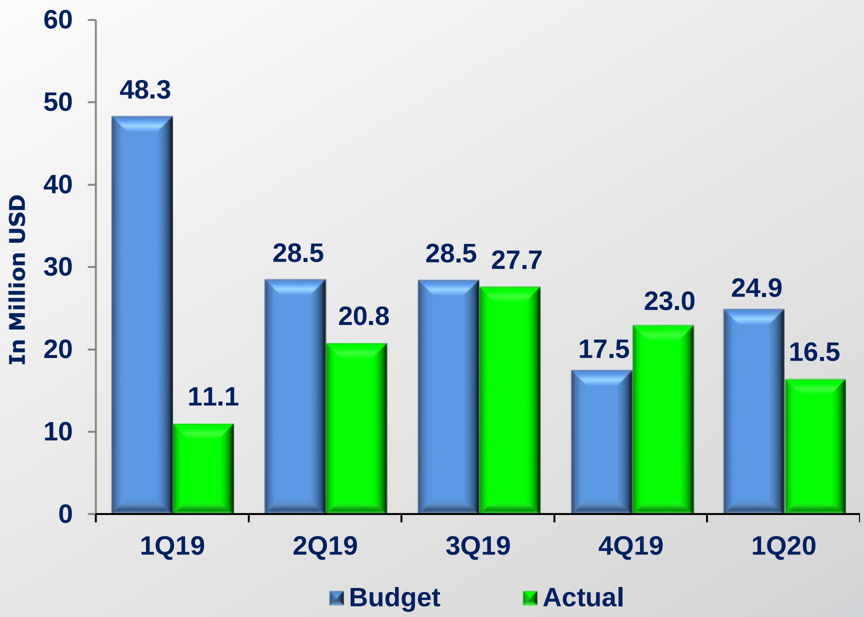
Debt and Cash Position



- **Issued US$ 400 million 3NCL Bonds at 6.125% coupon on 24 Jan 2020.**
- **Bond proceeds used to fully repay existing working capital facilities of USD 365 million in January and February 2020.**
- **Additional US$ 8.2 million of lease debt due to implementation of PSAK 73.**
- **Working capital facilities of approximately US$ 310 million remain available.**
- **Cash position improved primarily due to good cash generated from operations.**

Low Leverage and sufficient liquidity

Capital Expenditure



- YTD Capex was USD 16.5 million, which was below the Budget (USD 24.9 million)
- Major ongoing projects are:
  - Expansion at Tabang including:
    - Gunungsari jetty expansion.
    - Senyiur jetty expansion.
    - Partial asphalting of current coal haul road.
  - Build new coal haul road and jetty facility
  - Expansion at BCT.

Capex is 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		
PT Bara Sejati	BS	South Pakar	
PT Apira Utama	AU		
PT Cahaya Alam	CA		
PT Mamahak Coal Mining	MCM		
PT Bara Karsa Lestari	BKL		
PT Mahakam Energi Lestari	MEL	Mamahak	
PT Mahakam Bara Energi	MBE		

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