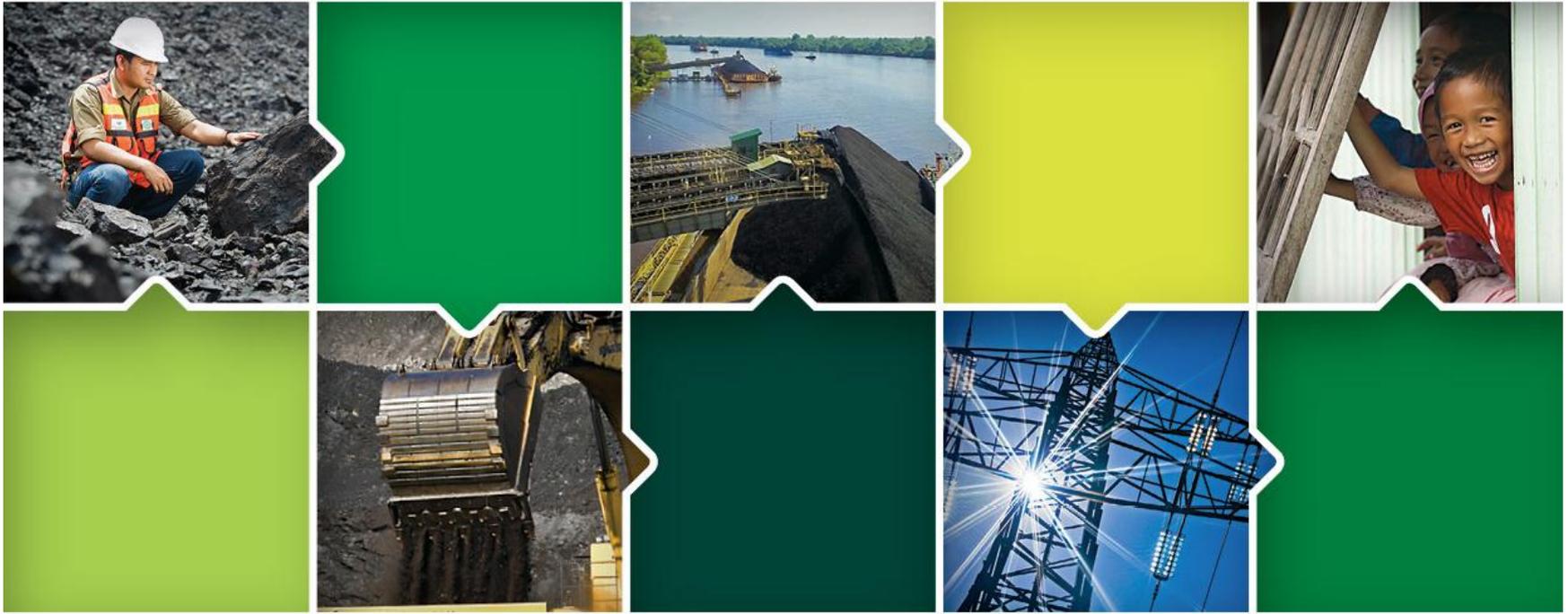




Creating Value, Driving Growth, Building Indonesia



June 2016

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Adaro Energy Snapshot



Adaro Energy Highlights

- Among the largest single-concession coal producers in the southern hemisphere
- Top 5 thermal coal exporter globally
- Major supplier to domestic market
- One of the world's lowest-cost coal producers
- Envirocoal among the most environmentally friendly coal
- Vertically integrated business model
- Strong credit profile
- High visibility of future earnings
- Reputable and experienced management and controlling shareholders

Production	<ul style="list-style-type: none"> ■ 2013A: 52.3 Mt ■ 2014A: 56.2 Mt ■ 2015A: 51.5 Mt
Envirocoal	<ul style="list-style-type: none"> ■ Sub-bituminous, medium calorific value, ultra-low pollutants ■ Trademark registered in many jurisdictions
Customers	<ul style="list-style-type: none"> ■ More than 50 customers in 12 countries ■ Blue-chip power generation utilities
Pricing	<ul style="list-style-type: none"> ■ Fixed price and about 1/3 index-linked ■ Adjustment for heat content
JORC reserves / resources	<ul style="list-style-type: none"> ■ Reserves: 1.1 Bt as of YE2014 ■ Resources: 12.8 Bt (includes option to control 7.9 Bt) as of YE2013
Location	<ul style="list-style-type: none"> ■ South, East and Central Kalimantan, South Sumatra
License	<ul style="list-style-type: none"> ■ First generation Coal Cooperation Agreement valid until 2022 (AI)

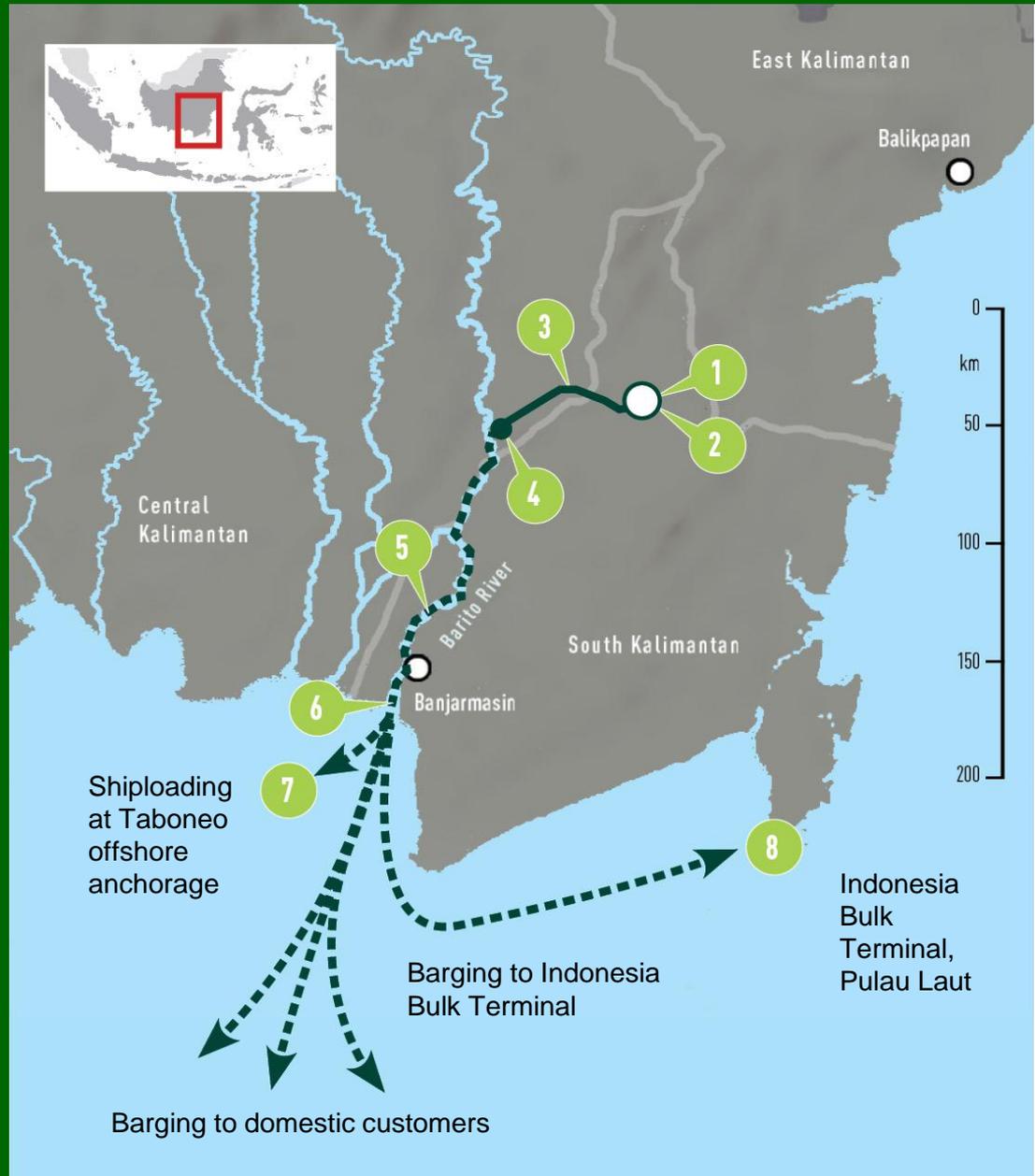
Journey to building our competitive advantage

- We have more than 20 years experience of successful coal mining operations in Indonesia. In June 2005, our majority shareholders acquired Adaro through an LBO which entailed debt funding of US\$923 million and equity of US\$50 million.
- After the LBO we started to integrate our business from pit to port and to power in order to distinguish our business and position it to succeed.
 - 2005: Acquired mining services company PT Saptaindra Sejati (SIS).
 - 2008: Acquired port operator PT Indonesia Bulk Terminal (IBT).
 - 2009: Acquired barging operator PT Maritim Barito Perkasa (MBP).
 - 2010: Established PT Adaro Power (AP).
- The benefits of this integration speak for themselves. We are now reaping the rewards of vertical integration through lower cost, lower risk, improved reliability and improved productivity.
- Our move downstream into power is the right strategy for Adaro to create value, drive growth and participate in building Indonesia.

Our Reliable Coal Supply Chain

Most of Adaro's coal come from the deposits in South Kalimantan mined by AI. The physical mining and transporting of coal to customers is done by contractors appointed by AI. We tightly control this coal supply chain by using a subsidiary company at each stage as one of the dominant contractors.

- 1 AI mining area, with coal extracted from the Tutupan, Wara & Paringin pits
- 2 AI performs mining activities supported by its contractors (SIS, PAMA, BUMA and RA).
- 3 Coal is trucked along haul road owned by AI to a port on the Barito River.
- 4 AI crushes the coal, stores it when necessary and loads it to barges at Kelanis river terminal
- 5 Coal is barged to the sea by our subsidiary MBP and third-party contractors.
- 6 At the river mouth, our subsidiary, SDM, dredges and maintains a shipping channel.
- 7 Shiploading and sea barging by MBP
- 8 Coal terminal and fuel storage by IBT

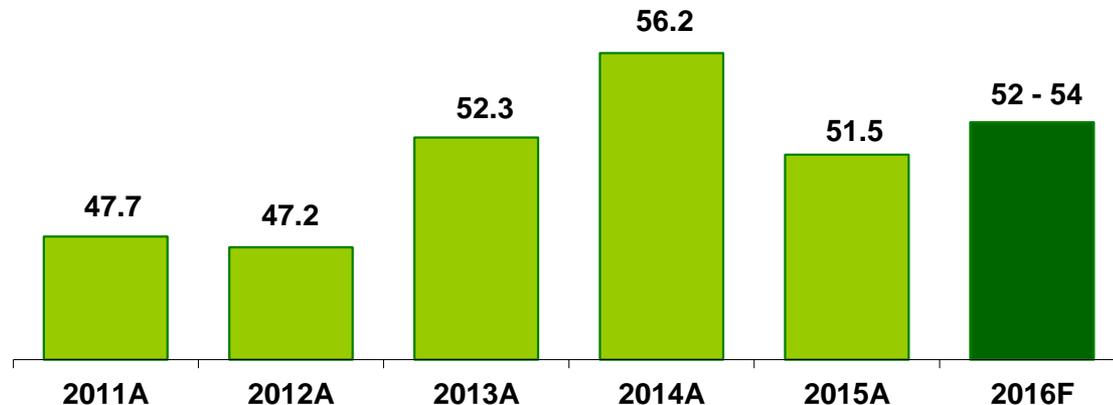


Adaro's operational and financial highlights

OPERATIONAL	1Q 2016	1Q 2015	% Change
Production (Mt)	12.64	13.16	-4%
Sales (Mt)	13.47	13.45	0%
OB removal (Mbcm)	53.58	62.10	-14%
FINANCIAL (US\$ millions, unless indicated)	1Q 2016	1Q 2015	% Change
Net Revenue	588	711	-18%
Core Earnings	81	77	5%
Net Income	61	59	3%
Operational EBITDA	192	200	-4%
Cash	709	742	-4%
Coal Cash Cost (ex royalty) US\$ per tonne	20.94	28.44	-26%
Net Debt to Equity (x)	0.24	0.35	-
Net Debt to LTM EBITDA (x)	1.12	1.46	-
Free Cash Flow	65	49	33%
Cash from Operations to Capex (x)	7.78	3.17	-

Coal production guidance

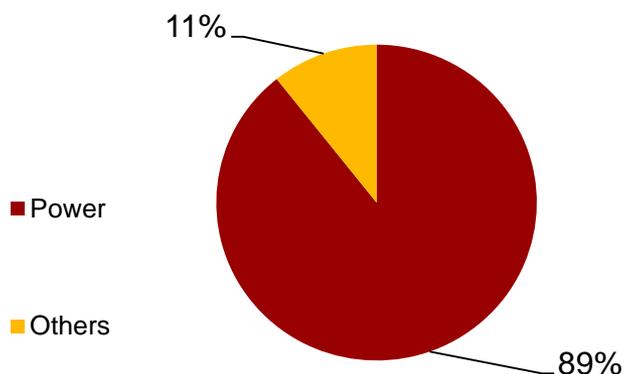
Production Volumes (Mt)



- Production guidance for 2016 is 52Mt to 54Mt, a slight increase over 2015.
- Due to prolonged pressure on coal prices, we lowered our production volume by 4.7Mt in 2015, down 9% from previous year.
- We are taking control of our production and do not want to sell our coal at a steep discount.

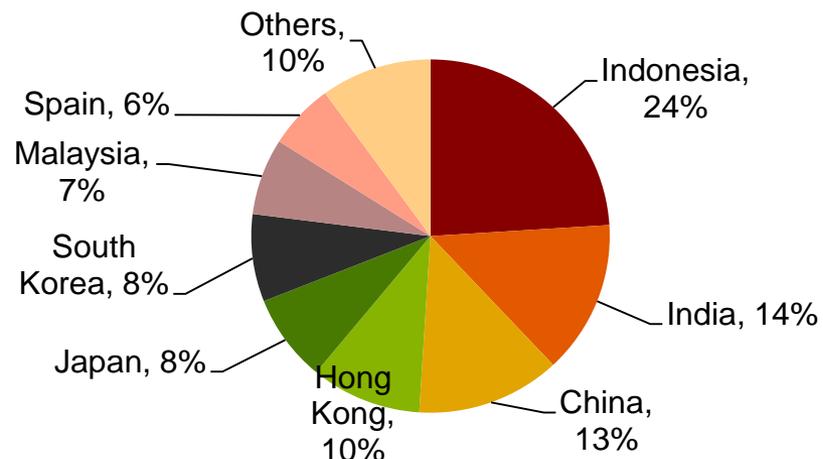
Diversified customer base with long term contracts

Customer type by % volume (1Q16)



* Others include cement, pulp & paper, and industrial

Geographical breakdown of customers (1Q16)



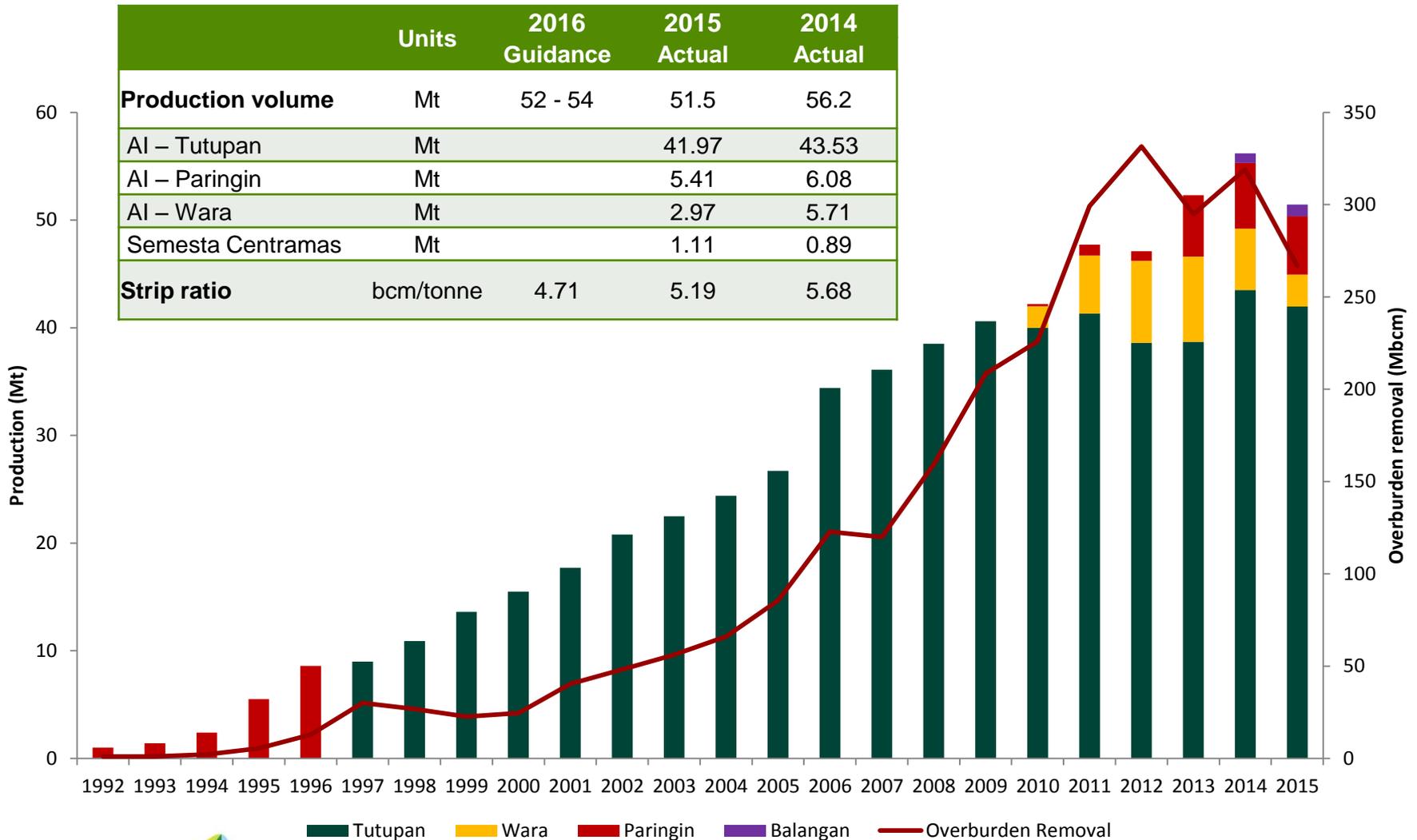
* Others include Thailand, Cambodia and Vietnam.

Mostly sovereign backed power companies, over 50% have relationship more than 10 years

- Average length of coal supply agreement is 5 years.
- Many of our contracts are reset annually, with a combination of negotiated, fixed and index-linked pricing. There is a trend of more short-term pricing in the mix.
- In response to market demand, Adaro entered new markets and started to sell new product.

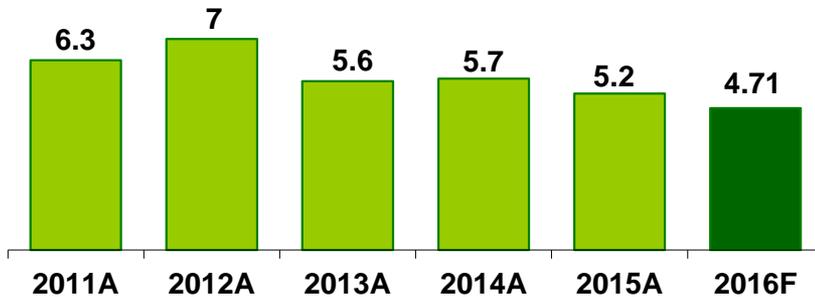
Strong relationship with many blue-chip investment-grade clients mitigates non risk payment

Proven track record of production growth

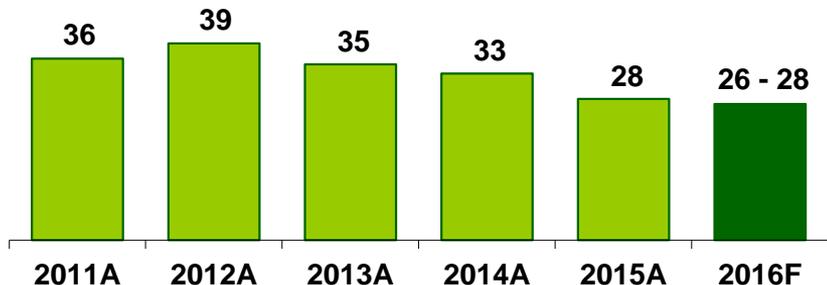


Cost discipline while maintaining long-term plan

Consolidated Planned Strip Ratio (bcm/t)



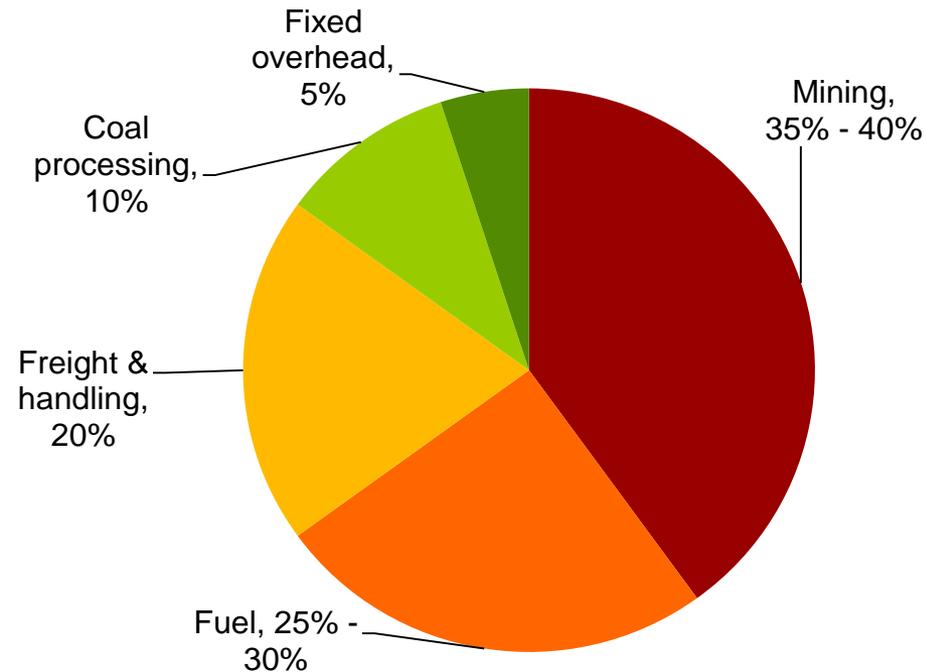
Coal Cash Cost (ex-royalty, US\$/t)



- We own or control each part of our vertically integrated coal supply chain, which enables us to better control cost.
- Our investment in overburden removal made during the good times provide us with flexibility to adjust strip ratio without harming reserves and LT plan.
- Lower diesel price provides us with short term cost relief.
- In 2015, coal cash cost was US\$28 per tonne, beating our guidance of US\$31-US\$33 per tonne.

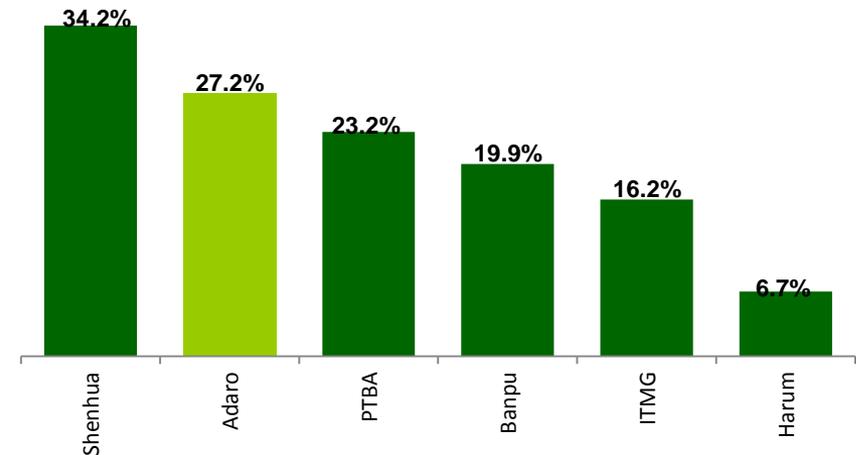
Cost control is key in delivering strong performance

Adaro's Estimated Coal Cash Cost Breakdown (1Q16)



Adaro's coal cash cost ex-royalty for FY15: US\$28/tonne

EBITDA Margin

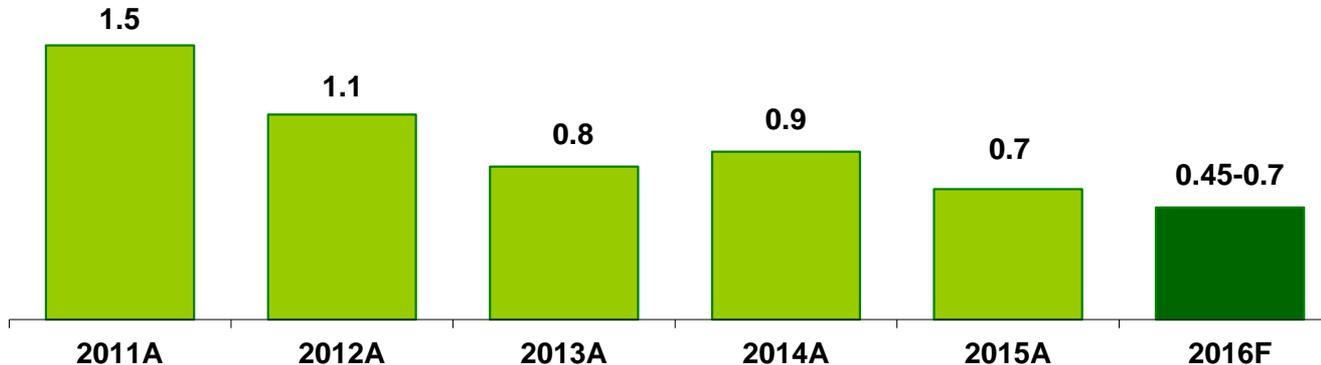


Source: Bloomberg, based on trailing 12M EBITDA

Adaro has one of the highest EBITDA margin in Indonesia thermal coal

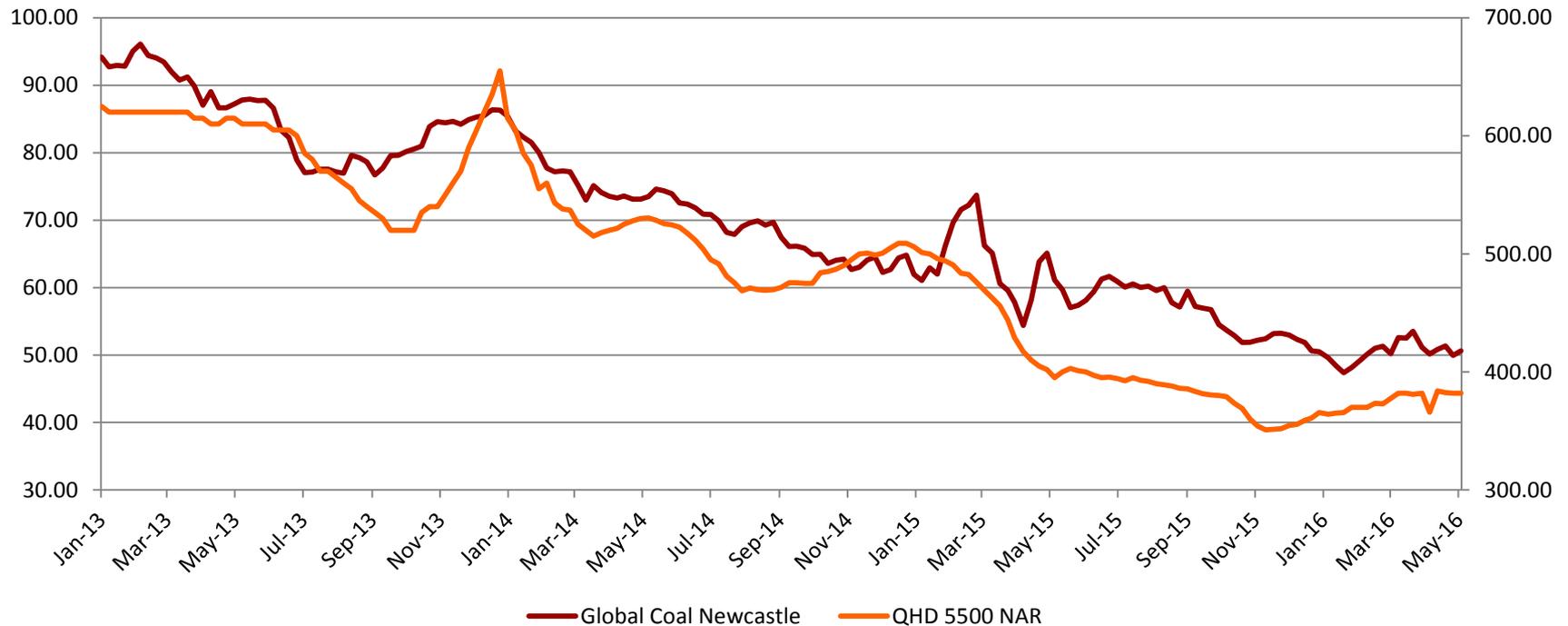
Solid profitability despite market downturn

Operational EBITDA (US\$ billions)



- Our low-cost operations enable us to generate healthy Operational EBITDA and maintain a solid Operational EBITDA margin despite falling coal price.
- We achieved our 2015 Operational EBITDA target and delivered Operational EBITDA of US\$730 million, which demonstrates the resiliency of our core business.
- Our Operational EBITDA margin of 27.2% in 2015 was among the best in Indonesian thermal coal.

Coal prices hit by China market and chronic oversupply



- Seaborne thermal coal prices are now being driven more by Chinese domestic market price than by traditional buyers, such as the Japanese Power Utilities.
- The drop in oil prices and weakening key currencies of major exporting countries against USD have kept global thermal coal prices subdued.
- Thermal coal price rebounded slightly positive in Feb from the low level of Jan 2016. However, price recovery will remain sluggish in view of the slow supply rationalization.

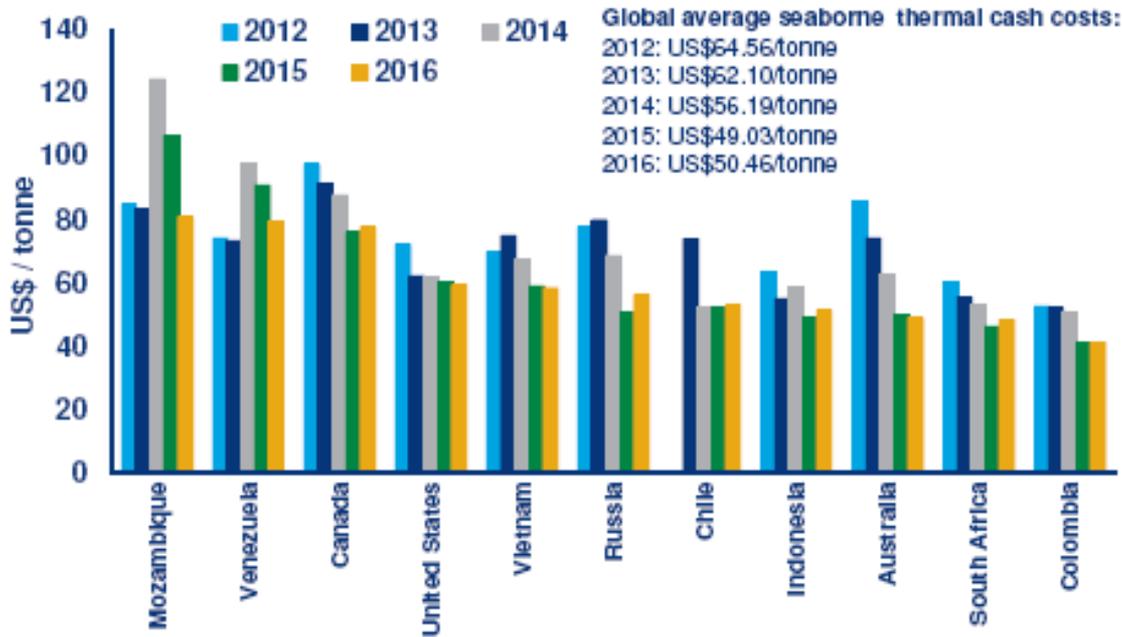
Market Update – Prices in May 2016

	13 May 2016	Week-on-Week	Month-to-Date Average	Month-on-Month	Year-to-Date Average	Year-on-Year	% YoY
Bituminous (US\$/Tonne)							
gCN	50.64	▲ 0.03	50.63	▼ (0.01)	50.45	▼ (13.39)	-21%
API2	48.22	▲ 1.52	47.46	▲ 2.60	45.78	▼ (14.52)	-24%
API3	43.69	▼ (0.13)	43.76	▲ 1.45	41.43	▼ (11.26)	-21%
API4	53.28	▼ (0.10)	53.33	▲ 1.22	52.34	▼ (8.81)	-14%
Aus Off-Spec (Platts)	42.90	▼ (1.25)	43.53	▼ (0.45)	41.73	▼ (9.44)	-18%
Sub-Bituminous Indonesia (US\$/Tonne)							
ICI3 - 5000 GAR	38.26	▼ (0.16)	38.34	▲ 0.44	37.92	▼ (10.18)	-21%
ICI4 - 4200 GAR	26.89	▲ 0.03	26.88	▲ 0.29	26.61	▼ (7.99)	-23%
South China CFR (US\$/Tonne)							
6000 NAR	50.32	▼ (0.22)	50.43	▲ 1.61	47.75	▼ (17.57)	-27%
5500 NAR	47.78	▼ (0.25)	47.91	▲ 1.75	45.43	▼ (11.48)	-20%
4700 NAR	41.99	▼ (0.32)	38.35	▼ (7.81)	42.15		
Qinhuangdao Coal FOB (RMB/Tonne)							
5500 NAR	382.00	▲ 0.00	382.00	▲ 8.11	374.96	▼ (83.93)	-18%
5000 NAR	342.00	▼ (1.00)	342.50	▼ (1.00)	337.08	▼ (57.14)	-14%
4500 NAR	302.00	▲ 0.00	302.00	▲ 0.50	295.15	▼ (74.06)	-20%

- The declining oil prices, depreciation of key currencies against USD kept global thermal coal prices from major exporting countries subdued.
- Sluggish demand from China became another factor that put Pacific thermal coal prices (gCN and Aus Off-Spec) under pressure.
- Chinese domestic coal prices also continue to be under pressure. Shenhua and other big miners decided to cut their prices due to high stocks at port and weak demand from utilities.
- Despite cost improvements, thermal coal margins continue to fall.

2015: Falling coal cash cost supports production

Seaborne thermal coal cash cost (CV adjusted)



2015 Cost change (%)

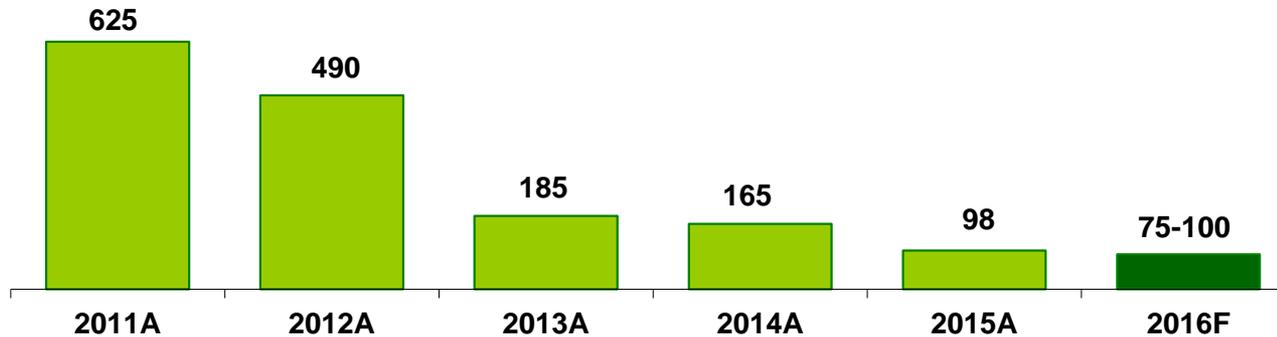


Source: Wood Mackenzie, Dataset: November 2015, "Nominal terms"

**Cost reductions are more apparent for countries with costs in local currencies.
 Thus several coal producers are still able to increase production.**

Investing in the three engines of growth

Capital Expenditure (US\$ million)

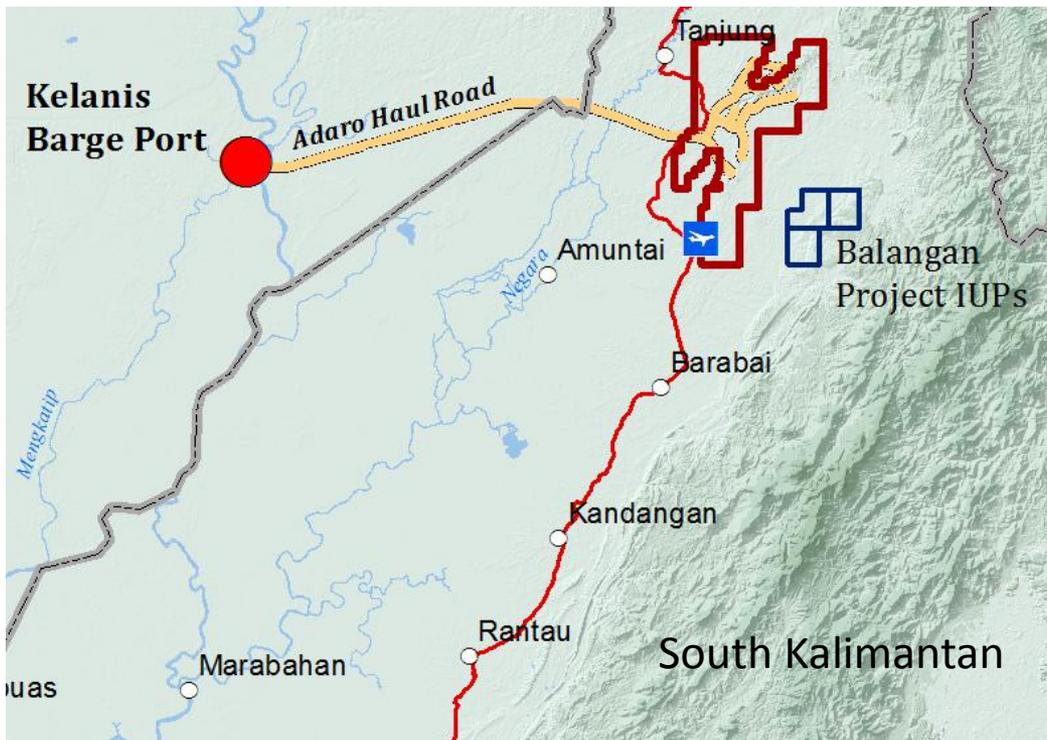


- Reduction in capex is not at the expense of our growth.
- We made the investment in our mining asset, heavy equipment and infrastructure back in 2010-12.
- Heavy equipment capacity at Adaro Indonesia is ~60Mtpa. We are positioned to capitalize on market upturn.
- To finance our power venture, we are looking for non-recourse project financing, from export credit agencies, providing long-term financing at a competitive rate.
- Minimal capex in the industry may over time lead to under-investment, which eventually would reduce supply and ultimately support a rise in prices.

Balangan acquisition

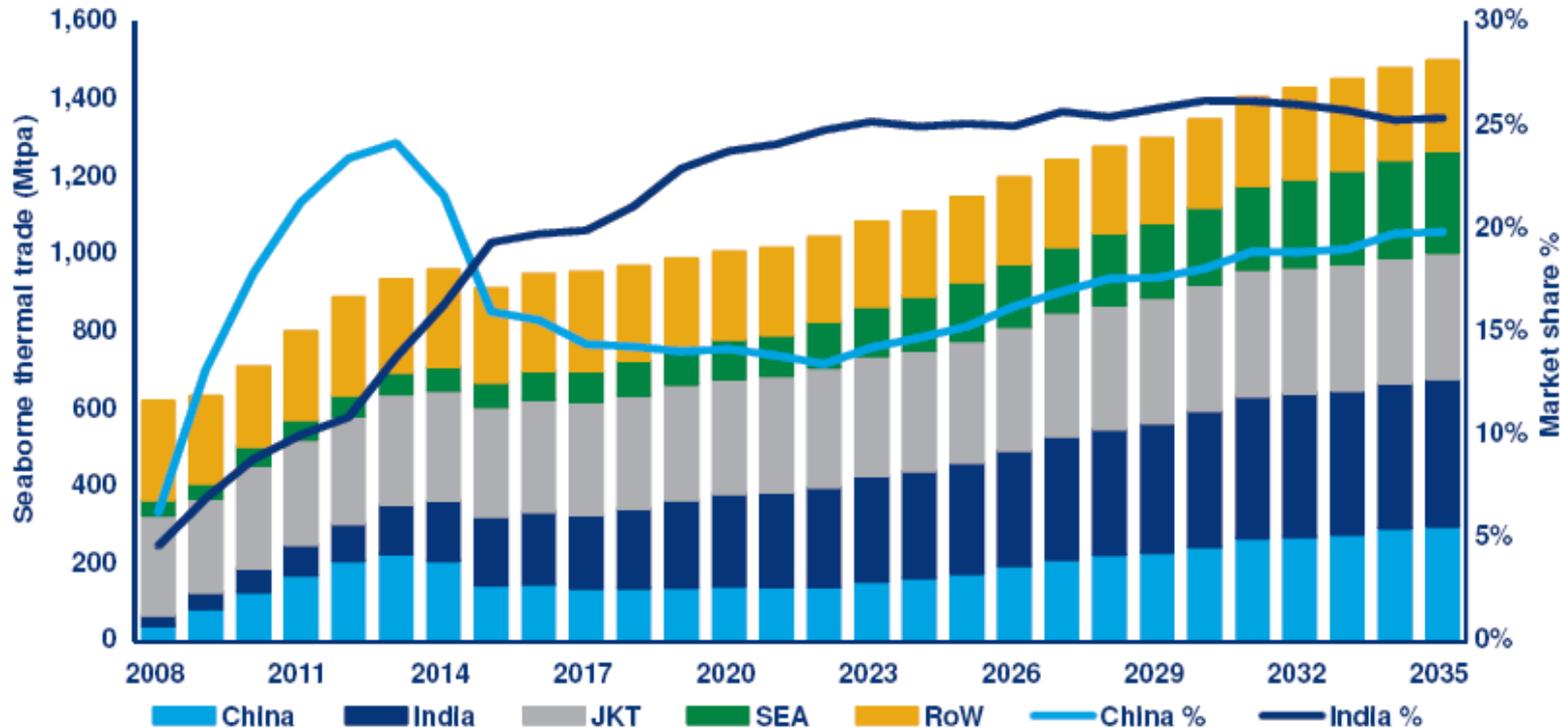
JORC Compliant Coal Resources and Reserves (Millions of ROM Tonnes)

	Total (Mt)	Total Moisture %	Ash % (GAR)	Total Sulfur % (GAR)	Calorific Value (kcal/kg, GAR)
Resources	172.3	31.9	1.9	0.08	4,436



- Purchased 75% for US\$30.4 million enterprise value in 1Q13.
- Strategically located 11km southeast of Adaro's South Kalimantan concession.
- Initial capex plan to get up and running is US\$15 million, using our contractor SIS for mining services.
- We produced 1.11Mt of Balangan coal and sold 1.07Mt in FY15.

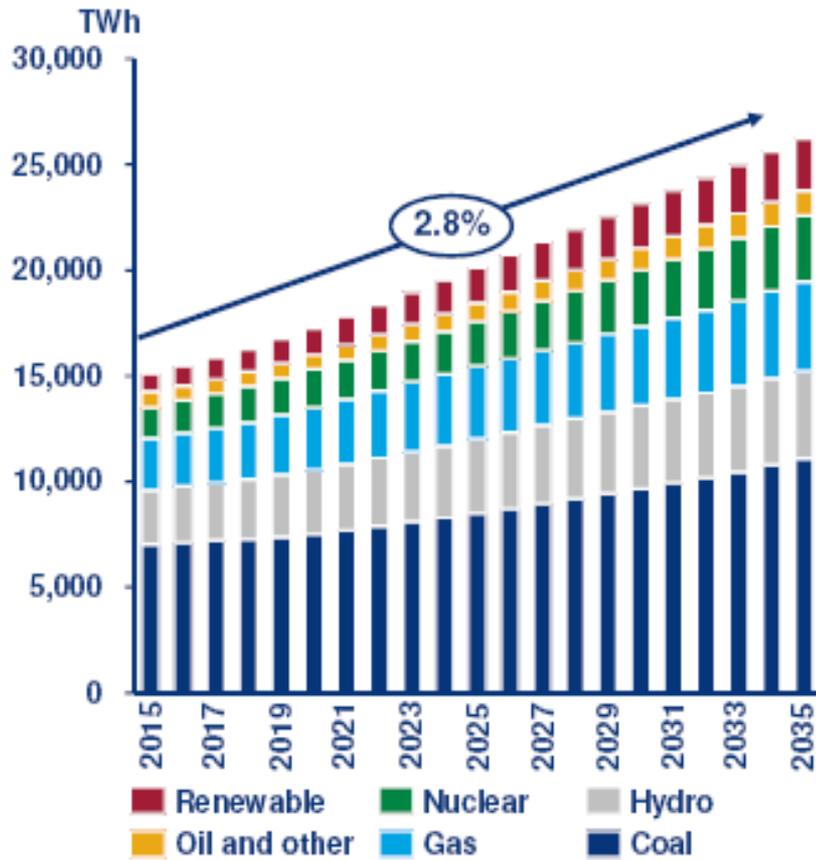
Long-term global thermal coal demand



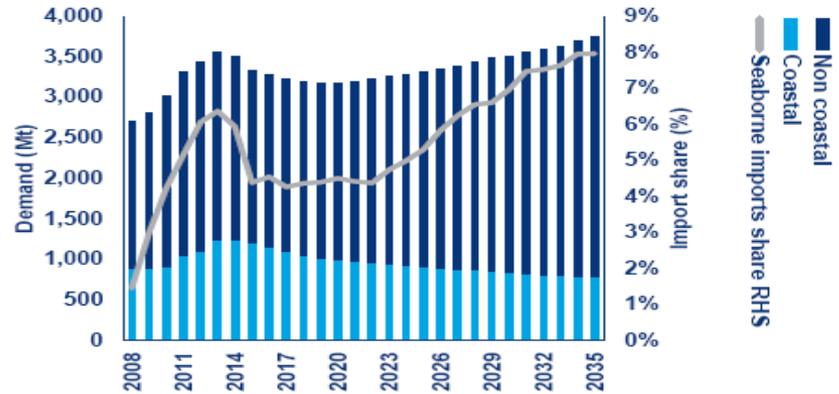
- Global thermal coal markets will continue to be driven by electrification in the developing world, where scalable and economic alternatives are limited. Coal imports remain weak in the near-term but stronger post-2020.
- India overtook China as largest coal importer in 2015.

Coal remains important in global energy mix

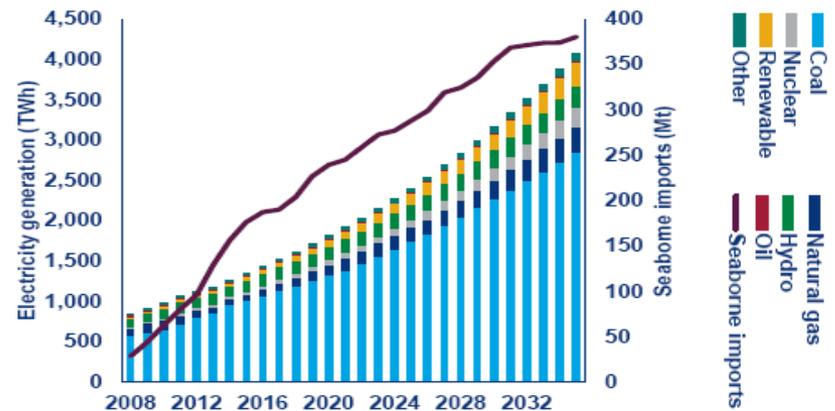
Global electricity production by fuel type



China thermal coal demand

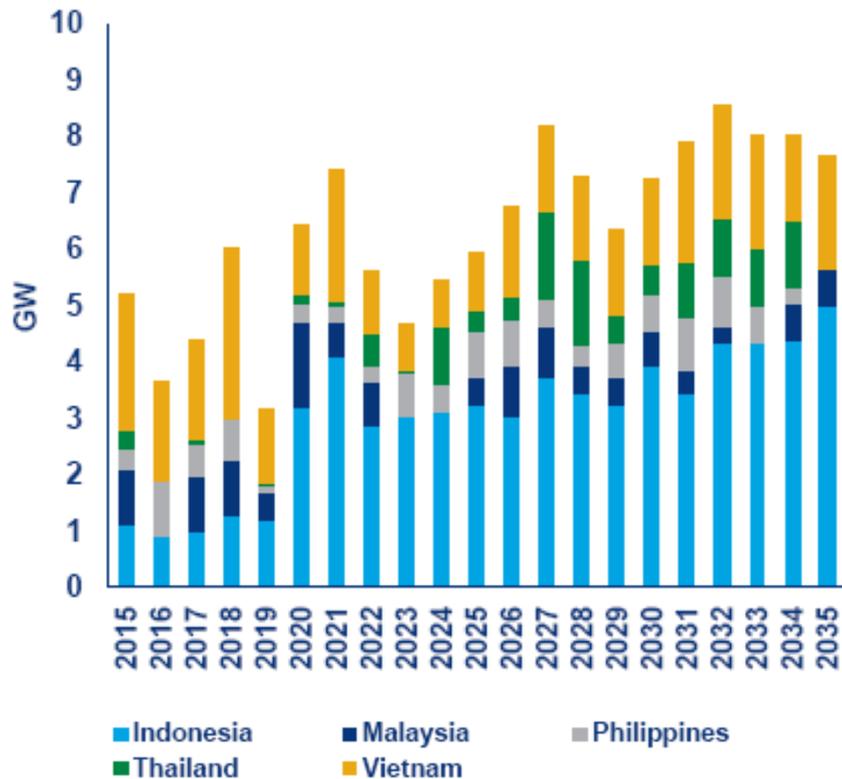


India energy mix and coal import

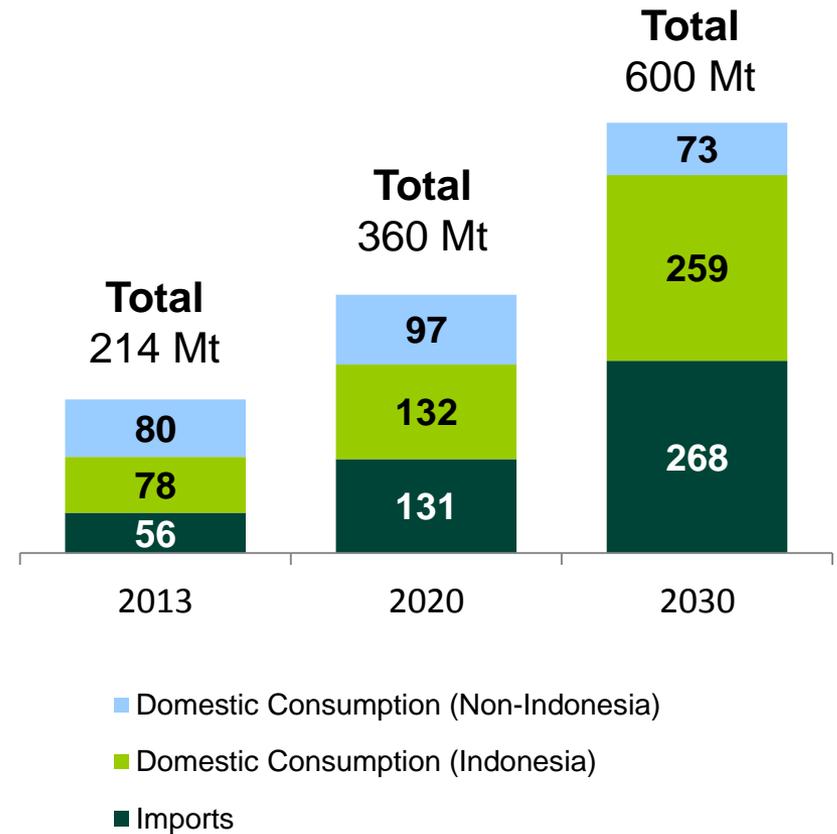


Fueling Southeast Asia's coal requirements

Coal capacity additions in Southeast Asia



Southeast Asia coal demand



Creating sustainable value | Three engines of growth integrating pit-to-power

Adaro Energy (AE)



Adaro Energy Mining Assets

Adaro has 12 billion tonnes (Bt) of coal resources (including option to acquire 7.9 Bt) and 1.1 Bt of coal reserves.

Note: Reserves and Resources numbers above are before taking into account AE's equity ownership

- 1**

Adaro Indonesia: Existing, S Kalimantan sub-bituminous Resources 4.9Bt Reserves 900Mt
- 2**

Balangan: S Kalimantan sub-bituminous Resources 172Mt
- 3**

MIP: 75% stake S Sumatra sub-bituminous Resources 288Mt Reserves 254 Mt
- 4**

BEE: 61.04% stake S Sumatra sub-bituminous Geological study phase
- 5**

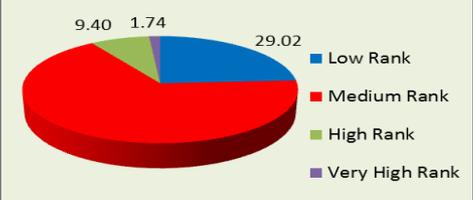
BEP: 10.22% stake with option to acquire 90% E Kalimantan sub-bituminous Resources 7.9Bt
- 6**

IMC: 25% joint venture with BHP C Kalimantan Metallurgical coal Resources 1.27Bt*

Indonesian Coal: Resources 160.65 Bt Reserves 28.02 Bt

Sumatra: Resources 75.03 Bt Reserves 13.22 Bt

Kalimantan: Resources: 85.25 Bt Reserves: 14.80 Bt



** Due to additional drilling and updated model, IMC increased resources to 1.27 Bt from 774 Mt. Source: BHP Billiton Annual Report 2013, page 76-77*

Adaro Logistics and Mining Services

- Key part of our vertical integration.
- Ensures operational excellence, productivity improvement and timely reliable delivery to customers.
- We expect growing contribution from the non coal mining part of our business.
- Non coal mining contributed 42% of Adaro Energy EBITDA in 2015.
- SIS is producing 37% of Adaro's volume.
- MBP is doing the majority of Adaro's coal barging and ship-loading volume.
- We actively pursue third-party revenue growth from these businesses.



Adaro Power



Strategy to build our power division

- Commercially and financially attractive with solid IRR and low-cost long-term project financing.
- Creates a new captive market and helps meet our DMO.
- Helps to lessen volatility in Adaro's business model.
- Contributes to the development of Indonesia's energy needs.
- In the next 10 years, PLN has plans to add 70 GW of electricity generation in Indonesia.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Coal-fired	3,283	1,499	492	4,068	16,497	3,125	2,660	2,035	4,275	4,155	42,089
Others	511	2,714	5,887	5,170	2,822	1,952	1,658	2,582	1,871	3,178	28,345
Total	3,794	4,213	6,379	9,238	19,319	5,077	4,318	4,617	6,146	7,333	70,434

Source: RUPTL 2015-2024, PT PLN (Persero)

Adaro Power's current projects

	Bhimasena Power Indonesia	Tanjung Power Indonesia	East Kalimantan Power Project
Capacity	2x1000 MW	2x100 MW	2x300 MW
Stake Acquired	34%	65%	49%
Partner(s)	J-Power (34%), Itochu (32%)	Korea EWP (35%)	Shenhua Overseas
Location	Central Java	South Kalimantan	East Kalimantan
Development Progress	<ul style="list-style-type: none"> Signed 25 years PPA with PLN Total Capex: US\$4 billion Acquired more than 87% of the power block. Received the approval of AMDAL and has the construction permits. 	Signed PPA with PLN in October 2014	<ul style="list-style-type: none"> Signed MoU between Adaro Power, Shenhua Overseas and BEP. Will use low heat value coal. Pre-feasibility and feasibility studies and other preparatory work expected to begin soon Will use latest, most efficient and environmentally friendly technology
Financing	Non-recourse project debt financing. Combination of ECA and commercial loan	Non-recourse project debt financing. Combination of ECA and commercial loan	Non-recourse project debt financing
Expected Debt vs. Equity	80:20	75:25	N/A

Diversify and Secure Predictable Long-term Demand for Our Coal



Delivering Positive Energy

Thank You

This presentation is also available at www.adaro.com/investing/investor-presentations-and-events-calendar/

Appendix

- Profile of PT Maritim Barito Perkasa
- Profile of PT Sarana Daya Mandiri
- Profile of PT Saptaindra Sejati

PT Maritim Barito Perkasa (MBP)

- 64 sets of tugs and barges used by Adaro with average capacity of 12,431 dwt.
- Offshore coal loading at Taboneo with capacity up to 165,000 tonnes per day via floating cranes (15,000-20,000tpd), FTU (60,000tpd) and self-loading geared vessels.
- FY15 coal transport volume: 29.9Mt.
- FY15 coal loading volume: 35.1Mt.



PT Sarana Daya Mandiri (SDM)

- SDM dredged the Barito river channel in 2008, **increasing capacity to 200Mt** per year. It now manages and maintains the channel.
- Adaro owns 51.2% of SDM, with the local port authority and local government owning the remaining interest.



PT Saptaindra Sejati (SIS)

- One of Indonesia's leading mining contractors.
- FY15 overburden removal volume: 150.7Mbcm.
- FY15 coal production volume: 29.5Mt.

