



Adaro Energy

Morgan Stanley 8th Annual Asia Pacific Summit
18-20 November, 2009
Singapore

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■ Quick Update

- Company Overview
- Key Investment Highlights

Quick Update

- ✓ 3Q09/9M09 results were good and we are on track to achieve consensus
 - ✓ We expect to produce around 41mt in 2009
- ✓ US\$800M bonds issued in October 2009 with semi-annual coupon of 7.625%
 - ✓ First ever 10-year corporate bond from Indonesia after the Asian Financial Crisis
 - ✓ Largest 10-year US\$ private sector corporate bond out of Indonesia
 - ✓ To increase financial strength and provide funds to grow
- ✓ US\$500 million 5 year committed amortizing revolving credit facility in first week of October
 - ✓ To provide the standby liquidity for the company
- ✓ Making progress on our existing projects (OLC, power plant, fuel terminal)
- ✓ Received PROPER award, Green Level, for high environmental standards
- ✓ We believe our plans and operations will not be adversely affected by the new mining law and the recent Ministerial Decree on mining contractors

Consolidated Production Volume and Sales

	Units	9M08	9M09	% change
Production	MT	28.75	28.47	-1%
Sales	MT	30.94	28.98	-6%

	Units	FY07	FY08	% change
Production	MT	36.08	38.52	7%
Sales	MT	37.55	41.1	9%

Soft demand in 1H09 kept 9M09 results flat, however 3q09 production increased 17% compared to 2q09 as demand returned.

Adaro Energy's Financial Performance

Quick Update

	FY08	FY07	% Change	9M09	9M08	% Change
Net Revenue (Rp bn)	18,093	11,593	56%	20,014	12,386	62%
Cost of Revenue (Rp bn)	13,149	9,089	45%	11,598	9,237	26%
Operating Income (Rp bn)	4,212	2,253	87%	7,576	2,719	179%
Net Income (Rp bn)	887	89	897%	3,515	686	412%
EBITDA (Rp bn)	4,455	2,423	84%	8,495	2,767	207%
Return on Invested Capital	6.30%	0.70%	6%	26.40%	7.10%	19%
Total Assets (Rp bn)	33,720	14,689	130%	36,713	31,569	16%
Cash and Cash Equivalents (Rp bn)	2,416	832	190%	4,966	2,537	96%
Interest Expense and Finance Charges (Rp bn)	616	1,726	-64%	553	452	22%
Total Interest Bearing Debt (Rp bn)	11,039	7,426	49%	9,593	10,415	-8%
Cost of USD Bank Loans	2.3% - 6.9%	6.4% - 17%		1.8% - 6.7%	3.9% - 5.7%	
Stockholders' Equity (Rp bn)	14,009	2,151	551%	17,102	14,072	22%
Net Debt to Equity (x)	0.54	2.26	-76%	0.32	0.42	-24%

While 9M09 volumes were flat, we did not lower prices to get a sale, such that financially our performance exceeded expectations

- Quick Update

- **Company Overview**

- Key Investment Highlights

- ✓ Adaro Indonesia: Operationally strong and large
 - ✓ Unparalleled track record of annual growth every year since 1992
 - ✓ Second largest Indonesian exporter, large reserves, large mine
 - ✓ Largest supplier to domestic market
 - ✓ Amongst the lowest cost producers
 - ✓ Arguably created the export market for environmental coal

- ✓ Vertically integrated business model and profit-oriented subsidiaries
 - ✓ Build our subsidiaries into stand alone profit centres
 - ✓ Partial to total control of each critical part of the coal supply chain
 - ✓ Supply chain operations provide substantial diversification of EBITDA

- ✓ Simple, focused and effective strategy
 - ✓ Focused on creating value from Indonesian energy coal
 - ✓ Organic growth
 - ✓ Increase vertical integration and efficiency of coal supply chain
 - ✓ Select value-adding acquisitions that match business model

- ✓ Realistic growth plans, 80mt in 5 years
 - ✓ Growth not constrained by infrastructure
 - ✓ Outlook for power/coal demand, especially in emerging markets of Asia is good

- ✓ Better access to capital
 - ✓ US\$800m bond was priced at near-investment grade levels
 - ✓ US\$500m bank financing set new benchmark for medium term international loans by Indonesian corporates
 - ✓ Strong credit profile, moderate gearing

- ✓ Commitment to CSR
 - ✓ Only listed mining company to receive PROPER (green level) twice
 - ✓ Only listed mining company to not have a camp: fully integrated

- ✓ Supportive shareholders and capable management
 - ✓ Unique structure for Indonesia: No major shareholder has control
 - ✓ Professional and collaborative management style

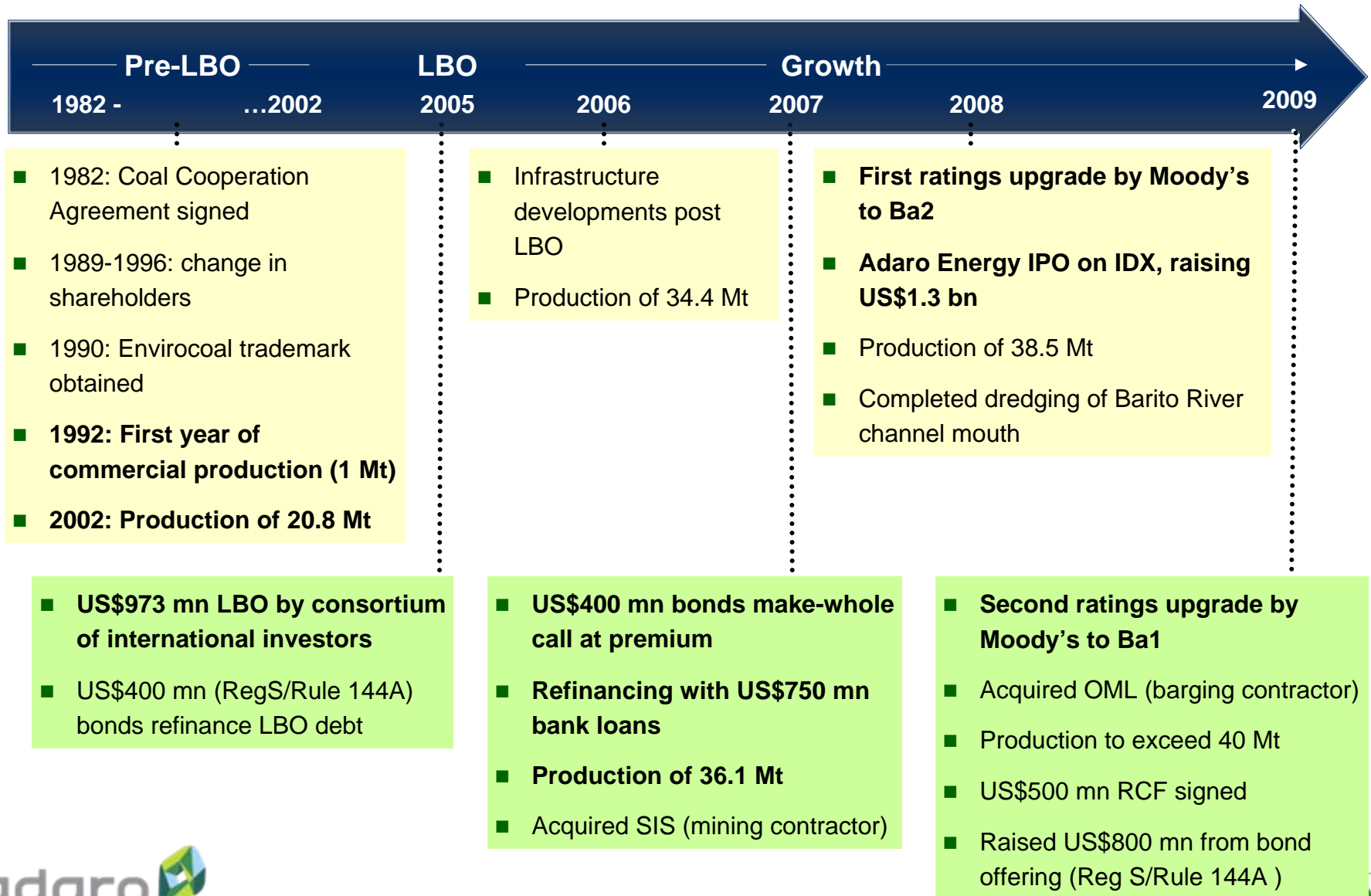
To be the largest and most efficient integrated coal mining and energy company in South East Asia

Adaro Energy at a Glance

Production/Sales	45mt capacity 38.5mt production in 2008 (28.5mt in 9M09) 10 Years CAGR of 13.4%
Envirocoal	Sub bituminous, moderate CV, high moisture coal, ultra-low sulfur, ash and NoX emissions
Customers	More than 40 customers in 17 countries Substantially all blue-chip power utilities
Pricing	Annual price negotiation and some that is index-linked
Cost	Low to middle production costs compared to peers
Resources – JORC Compliant	3.5 billion tonnes
Location	Tanjung district, South Kalimantan
License	First Generation CCA valid until 2022
Operations	The largest single site coal mine in the southern hemisphere, vertically integrated from pit to port
Pit to Port Subsidiaries (contracting, barging, shiploading, dredging, port services, marketing)	Each subsidiary is or will become an independent profit center and contribute value beyond the efficient high quality services they provide Adaro
Growth Strategy	Expand production, increase focus on Asia and to further integrate and improve operations

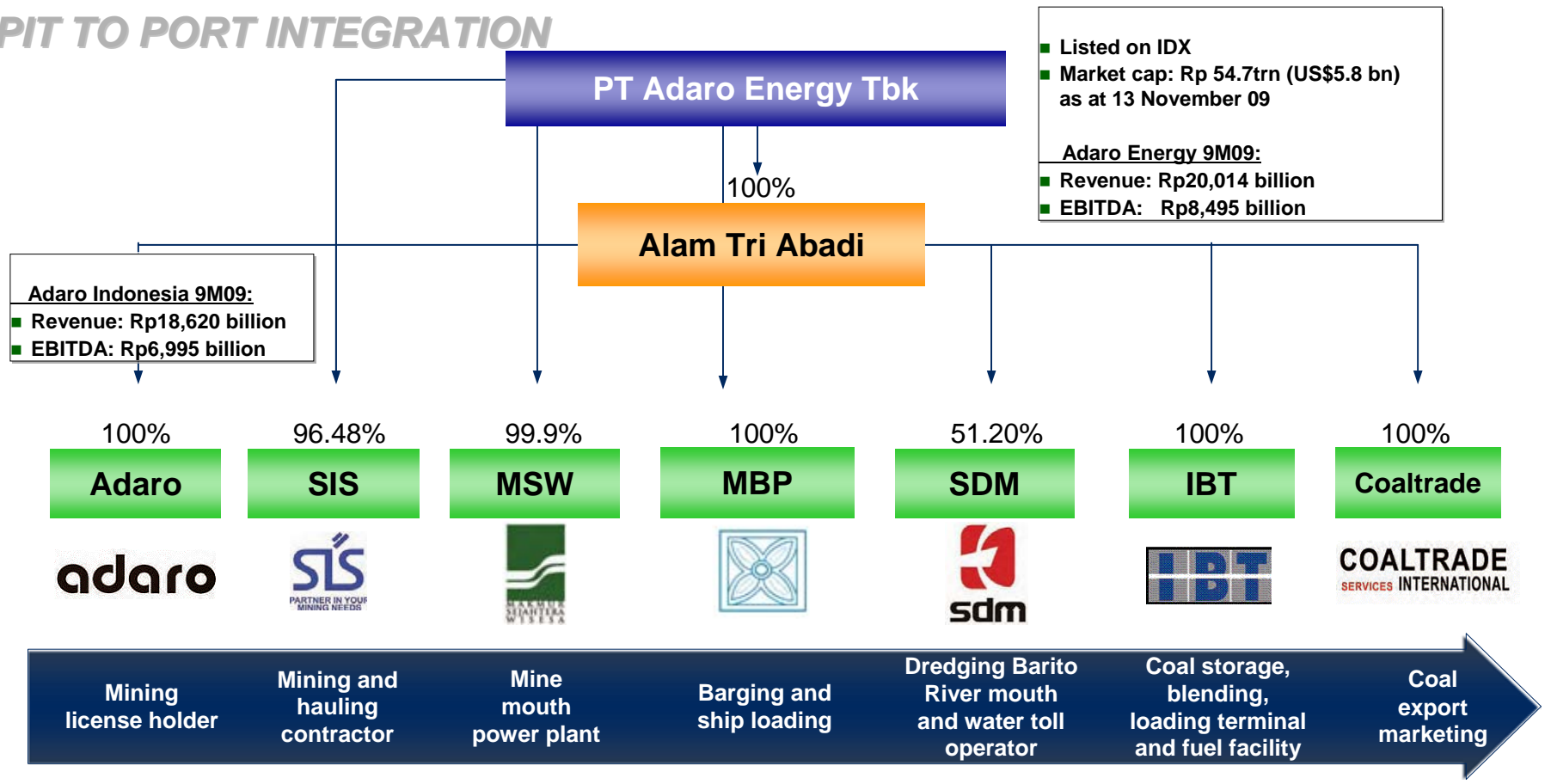
Adaro Energy is approximately 85% Adaro Indonesia, but as the subsidiaries grow and improve, their contribution will increase

Milestones: From pre-LBO, LBO, to Growth



Vertical Integration for Better Efficiency

PIT TO PORT INTEGRATION



Adaro Indonesia 9M09:
 ■ Revenue: Rp18,620 billion
 ■ EBITDA: Rp6,995 billion

Each subsidiary is positioned to be an independent profit centre enabling the Group to have a reliable and competitive coal supply chain

PT Adaro Indonesia (“Adaro”) – Mining



- ✓ Adaro's main coal mining subsidiary
- ✓ Largest single-mine coal producer in the southern hemisphere by production volume
- ✓ One of the top five thermal coal exporters globally based on tonnes shipped
- ✓ One of the lowest cost coal producers

PT Saptaindra Sejati (“SIS”) – Mining Contracting

- ✓ Adaro's mining operations are conducted by four mining contractors including SIS a member of Adaro Energy
- ✓ SIS is subject to a multi-year contract with Adaro Indonesia to undertake overburden removal and transportation, coal extraction and transportation and partial mine reclamation activities
- ✓ For the year ended 31 December 2008 and the six months ended 30 September 2009, SIS mined approximately 7.4 million tonnes and 7.4 million tonnes of Adaro's coal, representing 19% and 26% of Adaro's total coal production, respectively



PT Maritime Barito Perkasa (“MBP”) – Barging/Ship Loading



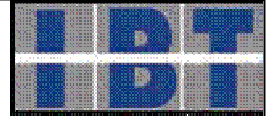
- ✓ MBP, as well as PT Harapan Bahtera Internusa (“HBI”) and Orchard Maritime Logistics Pte. Ltd (“OML”) are all majority owned by Adaro Energy
- ✓ Together operate 24 barges and 25 tugboats that transport coal for Adaro Indonesia and other Indonesian coal suppliers.
- ✓ MBP mainly focuses on providing transport services for Adaro Indonesia
- ✓ HBI mainly handles non Adaro business
- ✓ OML provides barging services for customers outside Indonesia.

PT Sarana Daya Mandiri (“SDM”) – Dredging/Water Tolling



- ✓ SDM is based in Banjarmasin, South Kalimantan
- ✓ 6.3 million m³ of silt was dredged from the river to create a wider and deeper access channel that allows for 24-hour navigation as well as two-way traffic
- ✓ The de-bottlenecking provided by the new channel has significantly improved barging movement along Adaro's coal supply chain

PT Indonesia Bulk Terminal (“IBT”) – Coal Terminal Services



- ✓ Established in 1990 to develop, operate and manage a public port with dry and liquid bulk terminal facilities at Pulau Laut
- ✓ Designed and built to provide premium coal blending and handling terminal services, and now, with Shell, fuel terminal services

Coaltrade Services International Pte Ltd - Marketing



- ✓ Coaltrade was established in 2000 in Singapore to participate in the global trade of thermal coal. Now plays role of marketing agent of Adaro's coal
- ✓ Principal activities are trading of thermal coal, acting as agents for both coal producers and potentially consumers
- ✓ Provides technical and coal combustion consulting services and providing shipping and logistics consulting services in relation to its trading activities

Coaltrade was largely responsible for introducing Indonesian coal to China, which normally purchases coal with a lower volatile matter



Coal Reserves |

Coal Mining |

Coal Hauling |

Coal Crushing |

Coal Barging |

Coal Loading |

Coal Port



Production

2008: 38.5 Mt

Capacity

45 Mt per annum

Coal type:

Envirocoal, sub-bituminous, medium calorific value, ultra-low pollutants

Customers:

More than 40 customers in 17 countries, primarily blue-chip power utilities

Resources

3,484 Mt (JORC Compliant)

Location

Tabalong and Balangan districts, South Kalimantan

Largest single site coal mine in the southern hemisphere



Heavy Equipment Capacity:
45 million tonnes

Operators:

PAMA	42%
SIS	27%
BUMA	19%
RAJ	11%

Coal Reserves

Coal Mining

Coal Hauling

Coal Crushing

Coal Barging

Coal Loading

Coal Port



Production

2008: 11.4 Mt of coal mining
and 85.8 Mbcm of OB removal

Capacity

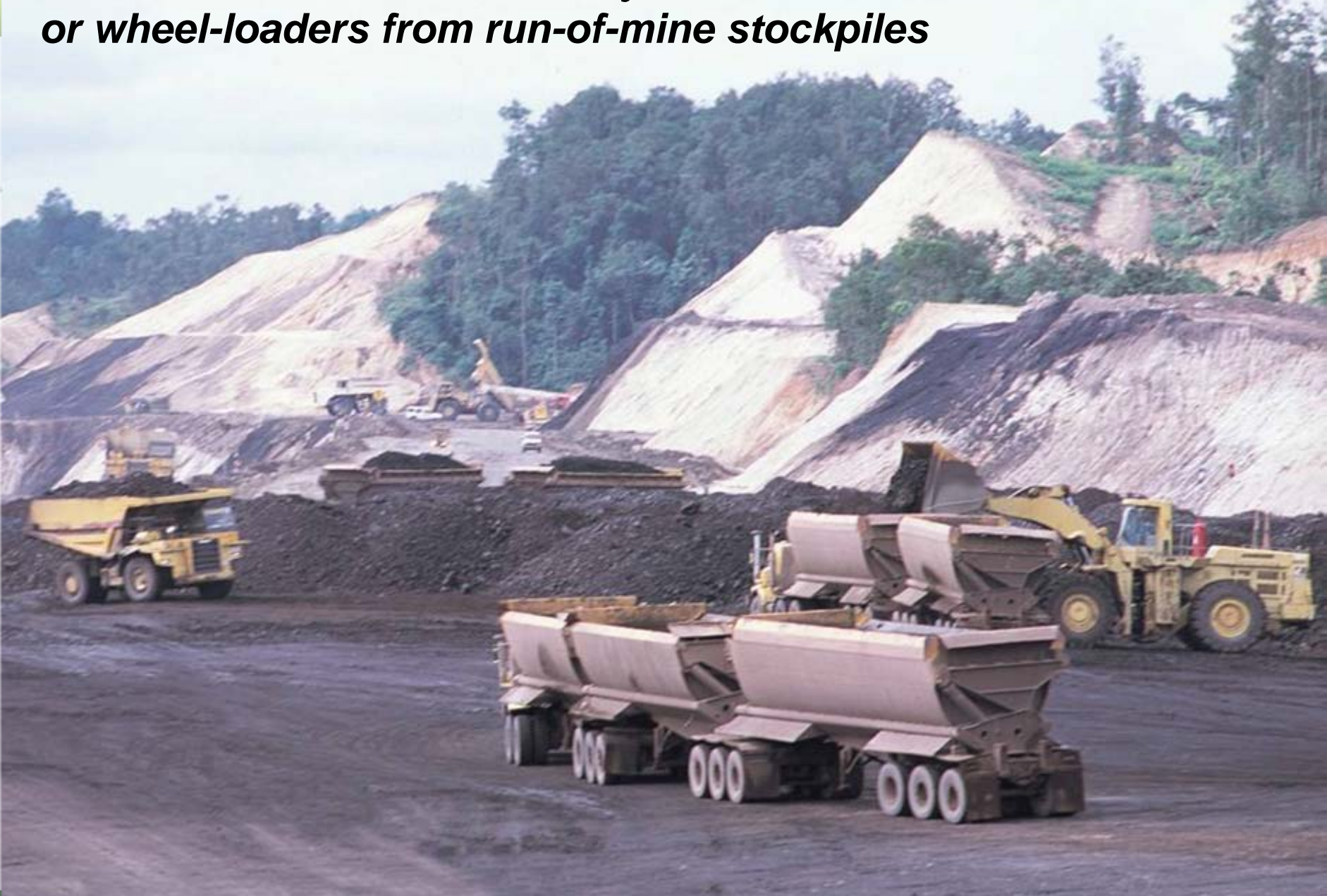
15.5 Mt coal mining and 110.9
Mbcm of OB removal

Customers

6 customers including PT
Adaro Indonesia, operating in
East and South Kalimantan.

As of 30 September 2009, SIS was responsible for around 26% of Adaro’s coal production and 31% of Adaro’s overburden removal.

Coal is loaded on the trailer by backhoes or wheel-loaders from run-of-mine stockpiles



Dedicated Coal Hauling Road

Coal Reserves

Coal Mining

Coal Hauling

Coal Crushing

Coal Barging

Coal Loading

Coal Port



Hauling Equipment Capacity:
45 million tonnes

Hauling Road Capacity:
80 million tonnes

Hauling Road Distance:
80 km

Hauling Road Vehicles:
200 road trains

Operators:

PAMA	42%
SIS	27%
BUMA	19%
RAJ	11%

The hauling road is 100% owned by Adaro Energy

Kelanis: One of World's Largest Inland Bulk Terminals

Company
Overview

Coal Reserves

Coal Mining

Coal Hauling

Coal Crushing

Coal Barging

Coal Loading

Coal Port



Crushing Capacity:

- 6 crushers with total capacity of 7,500 tph
- Recent installation of additional crushing system increased capacity to 55 mt

Stockpiling Capacity:

2 stockpiles with capacity of 250,000t

Barge Loading Capacity:

2 load out conveyor systems each rated at 4,000 tph

Crushing, stockpiling and barge loading facilities at Kelanis can easily be upgraded to 80mt



PT Maritime Barito Perkasa (“MBP”)

Company
Overview

Coal Reserves

Coal Mining

Coal Hauling

Coal Crushing

Coal Barging

Coal Loading

Coal Port



MBP/HPI Fleet:

Together they operate 24 barges and 25 tugboats, as well as 4 floating cranes

In 9M09 MBP and HBI transported 19% of Adaro's coal production down the Barito River

MBP and HBI began operating two self-propelled barges each with a 12,000 t capacity and the ability to travel twice as fast as barges pulled by tugboats

Coal is transported on flat bottom barges of up to 13,000 tonnes capacity on a single tow line.

Coal Reserves

Coal Mining

Coal Hauling

Coal Crushing

Coal Barging

Coal Loading

Coal Port

Channel clogging is caused due to sedimentation build up at the river mouth. Dredging was completed and started commercial operations on January 1, 2009



Adaro's Innovative Solution to River Bottleneck:

- Adaro formed a joint venture, SDM, with central government port authority and South Kalimantan government
- SDM hires Van Oord to dredge the river channel, on time and on budget
- Maintenance of channel is self-funding

Capacity of the Barito River has increased to 200mt per year



Five barges towing Adaro Indonesia's coal passing through new channel



Capacity : 200 Mt per annum (old 60 Mt)
Length : 15,000 m (old channel:14,000 m)
Base width : 60 m (old: 138m)
Min depth : -6 LWS (old: -3 to -4.7 LWS)



Coal Reserves

Coal Mining

Coal Hauling

Coal Crushing

Coal Barging

Coal Loading

Coal Port



MBP Capacity:
60,000 tonnes per day
Floating crane: 4 units

MBP handled 10.6mt and 4.6mt
of coal in 2008 and 1H09
respectively

Vessels with their own gear and grabs at the Taboneo anchorage

Total Taboneo Loading Capacity:

- 100,000 tonnes per day
- Floating crane: 5 units
- FLF: 1 unit

Offshore Loading Operators:

	<u>2005</u>	<u>2009</u>
MBP	100%	55%
IMC	-	26%
MBSS	-	19%



Coal Reserves | Coal Mining | Coal Hauling | Coal Crushing | Coal Barging | Coal Loading | **Coal Port**



Throughput:
2008: 8.1 Mt

Capacity:
12 Mt coal per annum, fuel tank capacity of 78,000 kilolitres

Facilities:

- 2 large berths for 2 barges of up to 15,000 tonnes
- Depth of the harbor allows vessels of up to 85,000 tonnes to berth and load Can load customers ships at rates of 35,000 tonnes of coal per day
- Operates 24 hours a day, 359 days a year, minimizing shipment delays

Stockpile: Up to 800,000 tonnes of coal

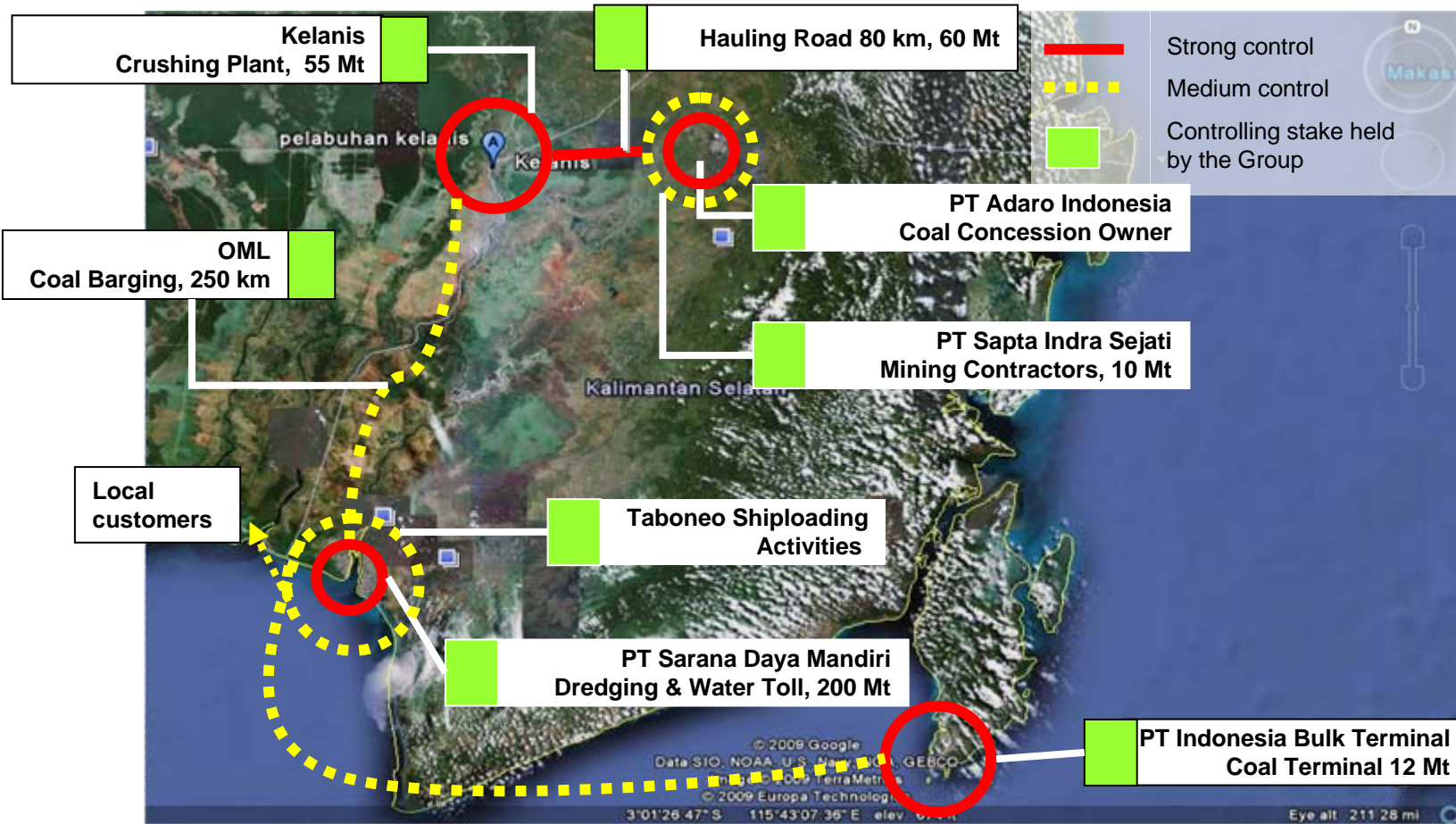
Customers:

Adaro Indonesia and other coal

Recently IBT entered into an agreement with Shell to develop a fuel terminal on its site.

Vertically Integrated from Pit to Port

Strategy is centred on improving control and efficiency of the supply chain



Vertical integration allows for control over each critical piece of the supply chain

- Quick Update

- Company Overview

- **Key Investment Highlights**

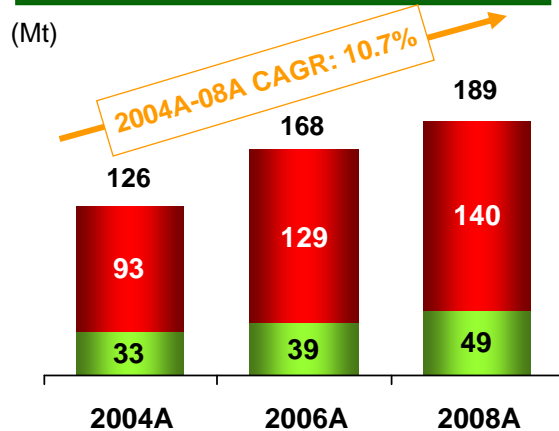
Key Investment Highlights

- 1 **Robust industry prospects**
- 2 **Good track record of growth, large reserves to support continued growth**
- 3 **Among the world's largest and lowest cost, vertically integrated producers**
- 4 **Highly differentiated product – Envirocoal™**
- 5 **Diversified & loyal customer base and high earnings visibility**
- 6 **Consistently improving financial profile since LBO**
- 7 **Committed to corporate social responsibility**
- 8 **Reputable and supportive shareholders and experienced management team**
- 9 **Growth and value creation set to continue**

1 Robust Industry Prospects

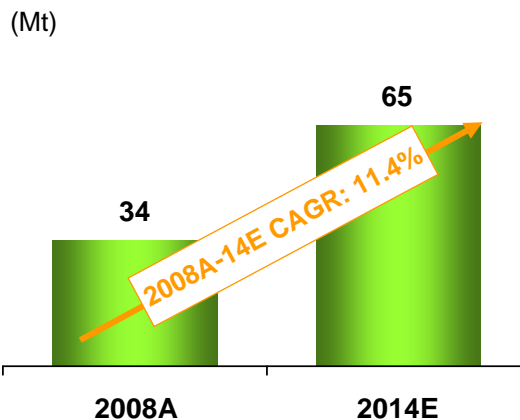
Seaborne thermal coal demand expected to grow by 16% from 2008 to 2014, with over 65% of growth expected to come from China and India

Indonesia: Production growth



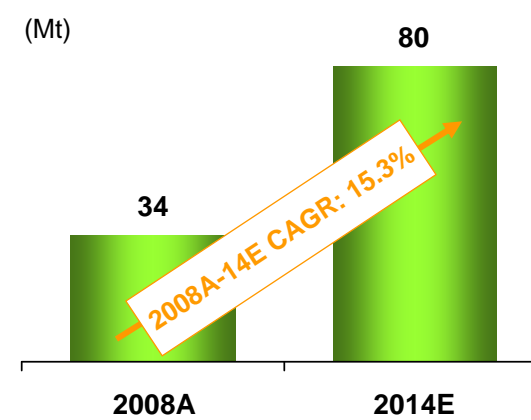
- Domestic sales
- Export sales
- Strong production growth due to proximity to growth markets and infrastructure improvements
- 10 GW of new coal-fired power generation capacity to require an additional over 35 Mt of coal

China: Seaborne thermal coal demand



- Indonesia supplied 74% of China's imports in 2008
- 280 GW of coal-fired power generation capacity to be built by 2020
- China will experience world's fastest growth in installed power capacity until 2030

India: Seaborne thermal coal demand



- Indonesia supplied 72% of India's imports in 2008
- Insufficient domestic supply to meet nation's coal requirements
- Government plans for coal-fired power generation to double (↑ 80 GW) by 2015

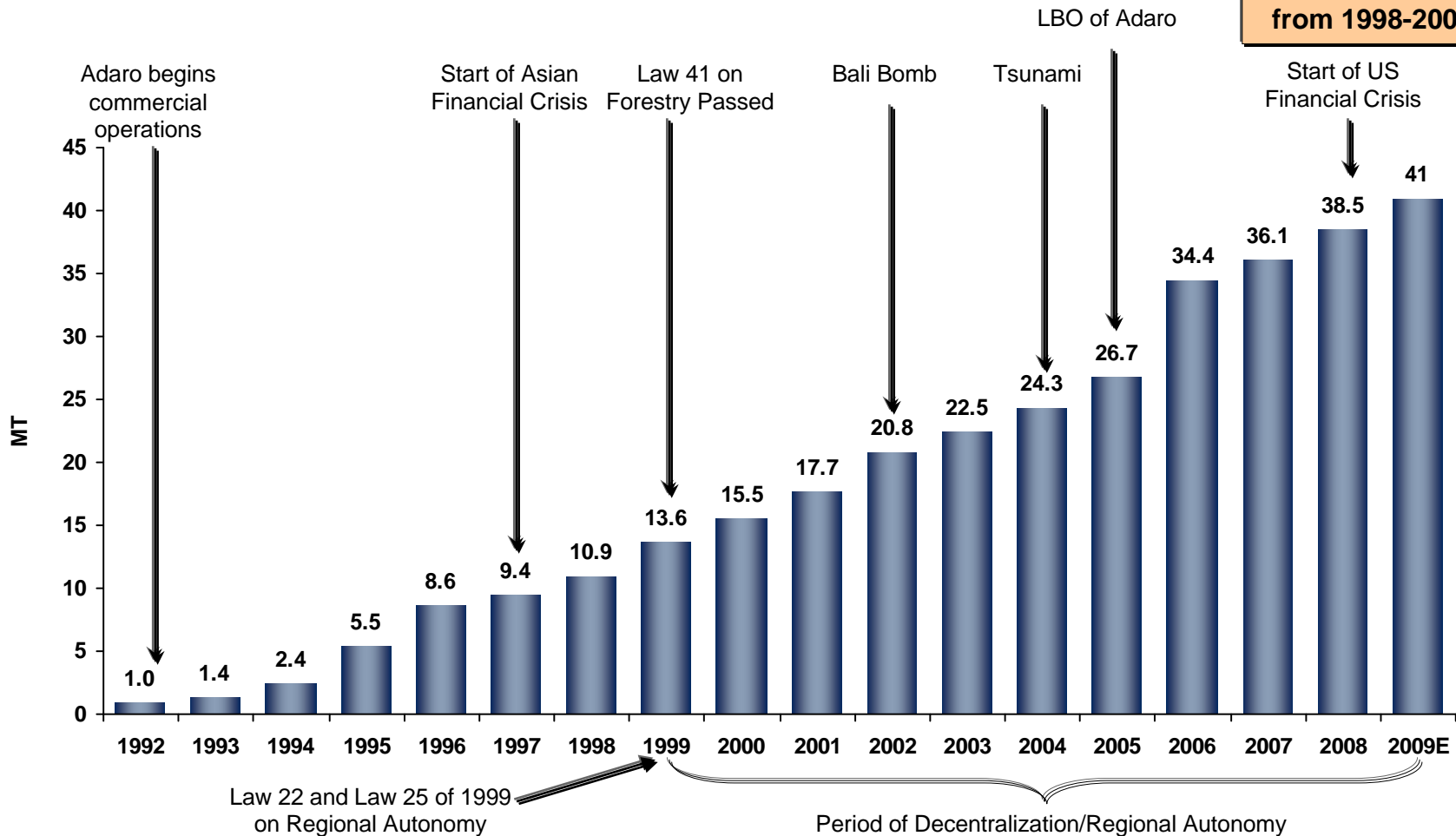
Source: Indonesian Ministry of Energy & Mineral Resources, ABARE, Energy Information Administration (China), McCloskey

Adaro is well positioned to capture a significant opportunity. Demand driven by new coal-fired power plants under construction in Indonesia, China and India

Demonstrated Track Record of Growth

Key Investment Highlights

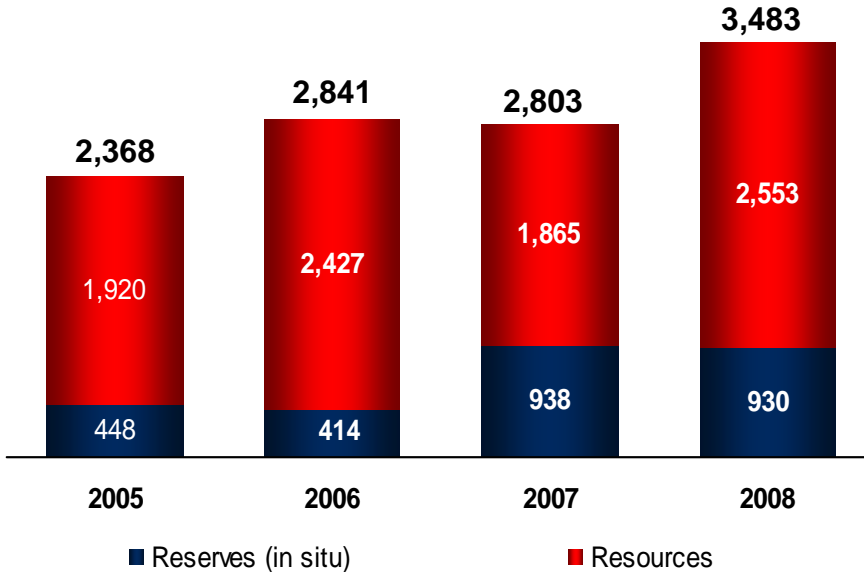
CAGR of 13.4%
from 1998-2008



Outstanding track record of production growth in line with market demand over 17 years

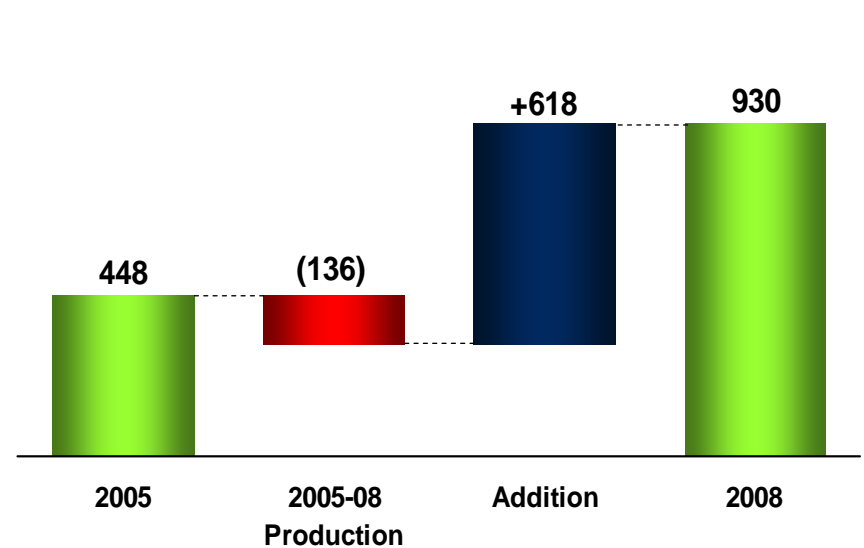
Reserves and resources evolution

(Mt)



Adaro Indonesia's reserves growth

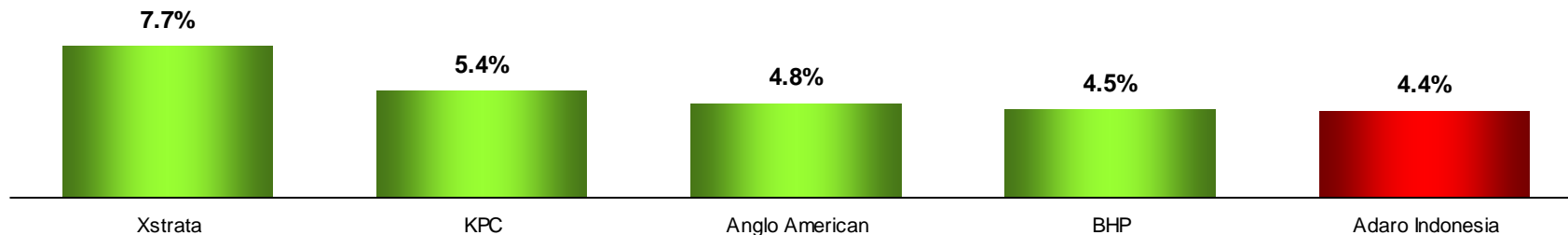
(Mt)



Through ongoing exploration, Adaro expects to be able to grow its reserve base

Global top 5 thermal coal exporters (2008)

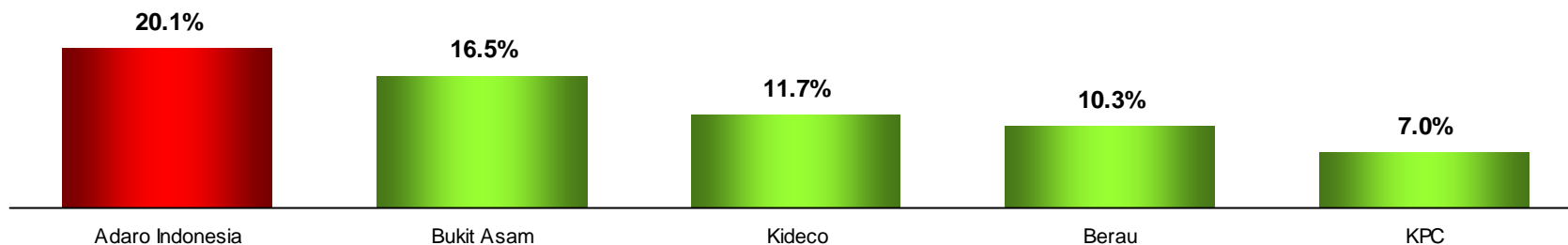
(% market share)



Source: Company filings

Indonesian top 5 domestic suppliers (2008)

(% market share)



Source: Indonesian Department of Mines and Energy, ICP Estimates

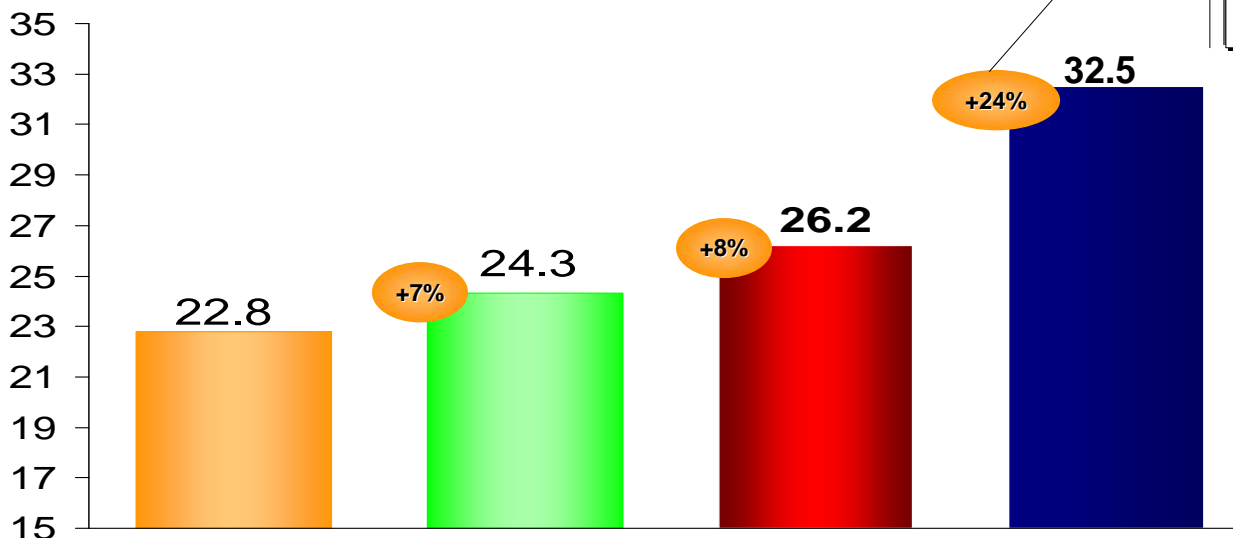
Demand for Envirocoal is expected to continue to increase. Adaro's market position is expected to benefit from continued regulation of SO₂ and NO emissions

Low Cost Producer

- Mine characteristics, operating strategy and location enable Adaro to produce coal at attractive cash cost levels.

	2005	2006	2007	2008
Stripping Ratio	3.3	3.57	4.25	4.25

Adaro Cash Cost (incl. Royalty)
(US\$ /T)



9M09 cash cost increased to \$37.11/t (unaudited) due to a higher planned strip ratio of 5.0 and longer hauling distances

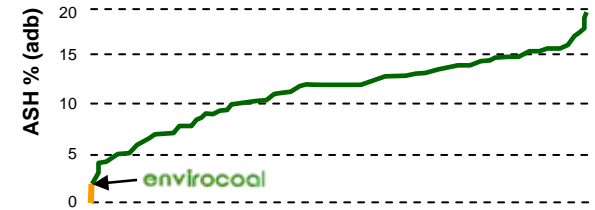
- ✓ Control of a part of each critical part of the coal supply chain
- ✓ Control of barging and ship loading company will help manage shipments better and minimize demurrage costs
- ✓ Centralized fuel procurement and selective fuel price hedging to help control and minimize fuel costs
- ✓ Mine mouth power plant to replace 20MW of diesel-fired electricity consumed by the mine, reducing expense by 50%, and reduce Adaro's dependence on oil
- ✓ Overland conveyor, powered by mine mouth power plant, to reduce hauling costs by US\$1-2/t
- ✓ Installation of GPS and ground radar on trucking fleet to avoid bottlenecks
- ✓ Use of bigger and faster self-propelled barges
- ✓ Dredging the new channel at mouth of the Barito river, which has increased the capacity of the delta and reduced the cost
- ✓ Greater use of the Taboneo anchorage for Adaro's shiploading activities, which decreases barging distances

McCloskey has estimated that Adaro Indonesia's 2008 FOB cash cost per tonne is ranked in the lowest quartile of producers of seaborne thermal coal

Ash Content 1%-2% (adb)

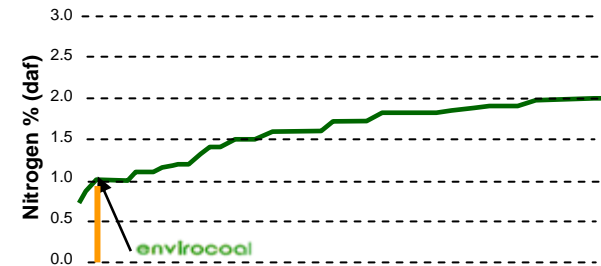
- Lowest ash content among coals produced for global export trade, providing consumers with significant cost savings
- Blending Envirocoal with higher ash coal reduces the on-costs associated with ash disposal
- Reduces deposition rates in boilers improving thermal efficiency and reducing maintenance costs

Coal brands within global export trade



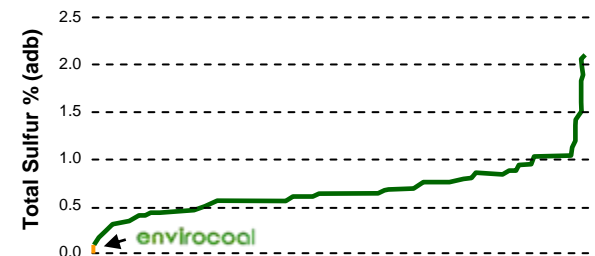
Nitrogen Content 0.9% (daf)

- Envirocoal is amongst the 10 lowest coals by nitrogen content
- Enables consumers to reduce the costs associated with removing nitrous oxides from the flue gases
- Results in more net power for sale and lower electricity production cost, which is particularly important in the US



Sulfur Content 0.1% (adb)

- Regulation of emissions of sulfur oxides has required some consumers to install flue gas desulfurization equipment or to reduce the sulfur content in the blend of coals
- Envirocoal's ultra low sulfur content enables consumers to meet regulated standards and delay capital expenditure, reducing the cost of plant operation



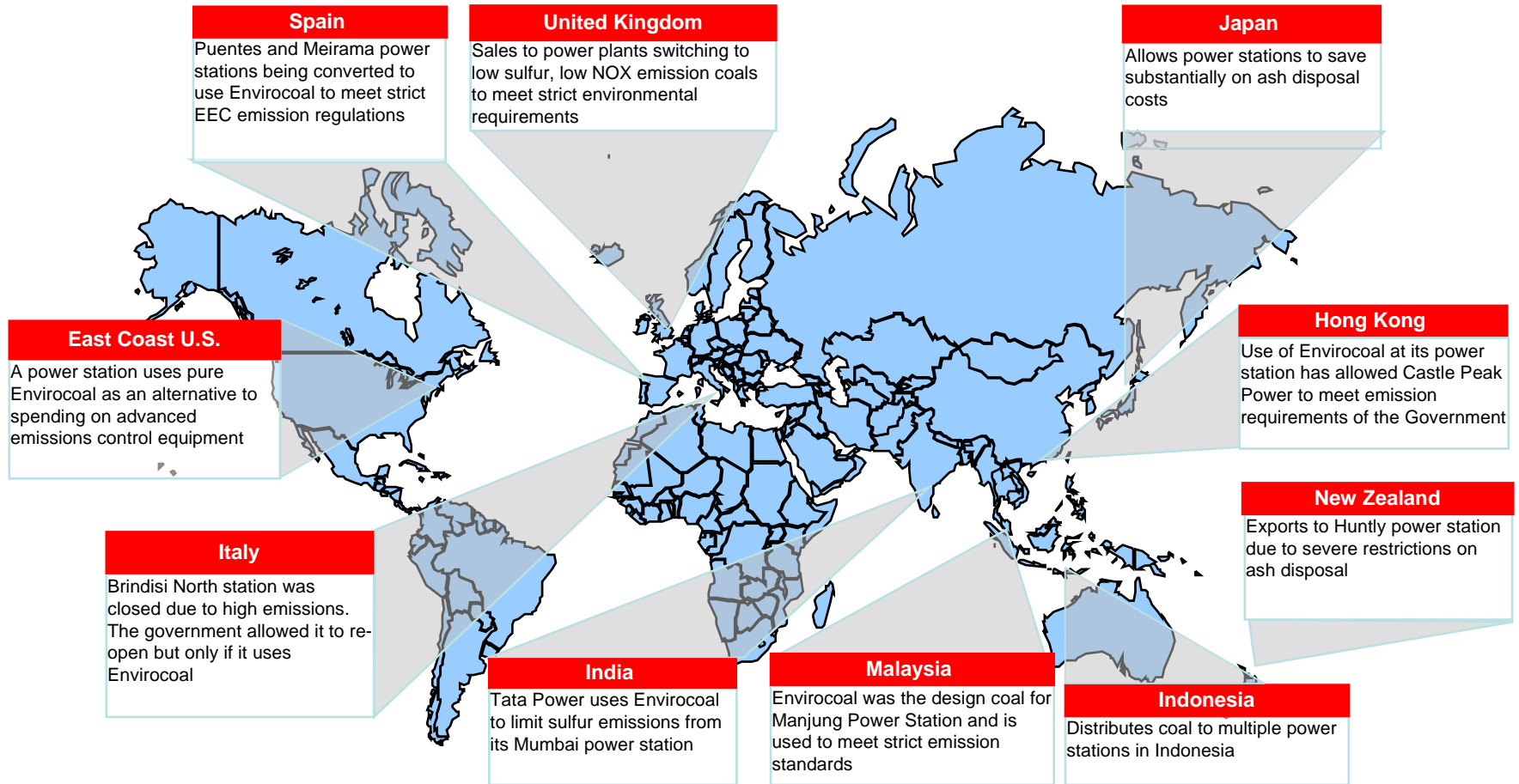
Source: Adaro Energy Annual report

Envirocoal is one of the most environmentally friendly coals with extremely low ash, nitrogen and sulfur content

Global Leader in Growing International Market of 'Environmental Coal'

Key Investment Highlights

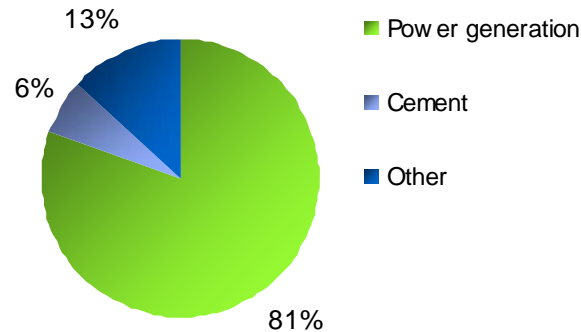
Around 84% of customers by volume in 1H 2009 were power generation companies



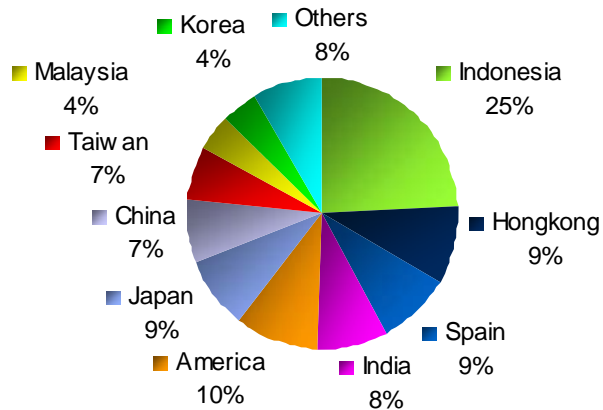
Envirocoal has proven global acceptance

Diversified and Loyal Customer Base and High Earnings Visibility

Customer type by volume (9M09)



Geographical breakdown of customers (9M09)



- Approximately 40 customers in 17 countries
 - Substantially all have relationship of ≥ 5 years
 - ~50% have relationship of ≥ 9 years

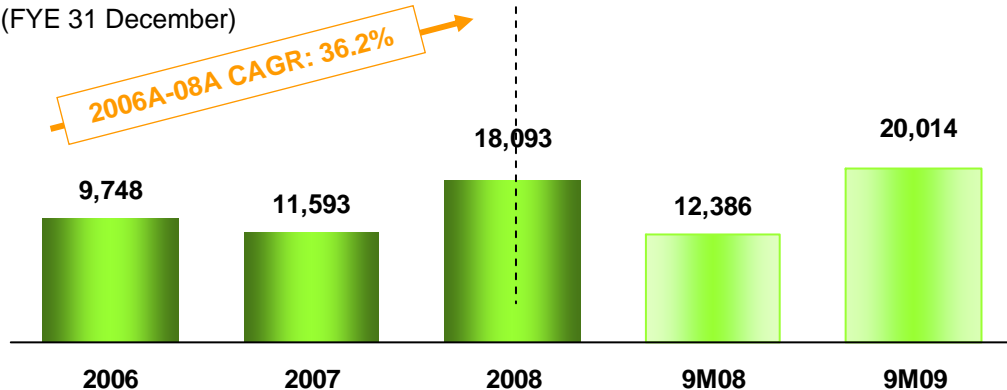
- Average length of coal supply agreements is 5 years

- Substantially all contracts have annual price negotiation
 - ~70% contracts are priced annually
 - ~30% are indexed

During its production track record of 17 years, Adaro has cultivated long-term, diversified and loyal customer base

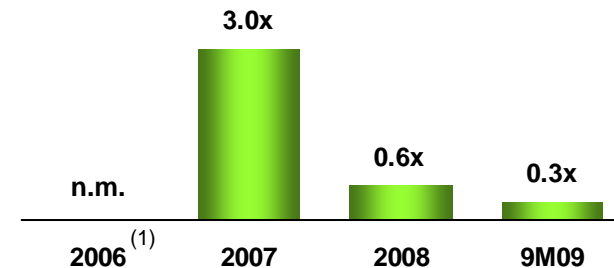
Net Sales (Rp bn)

(FYE 31 December)



Net debt / equity (x)

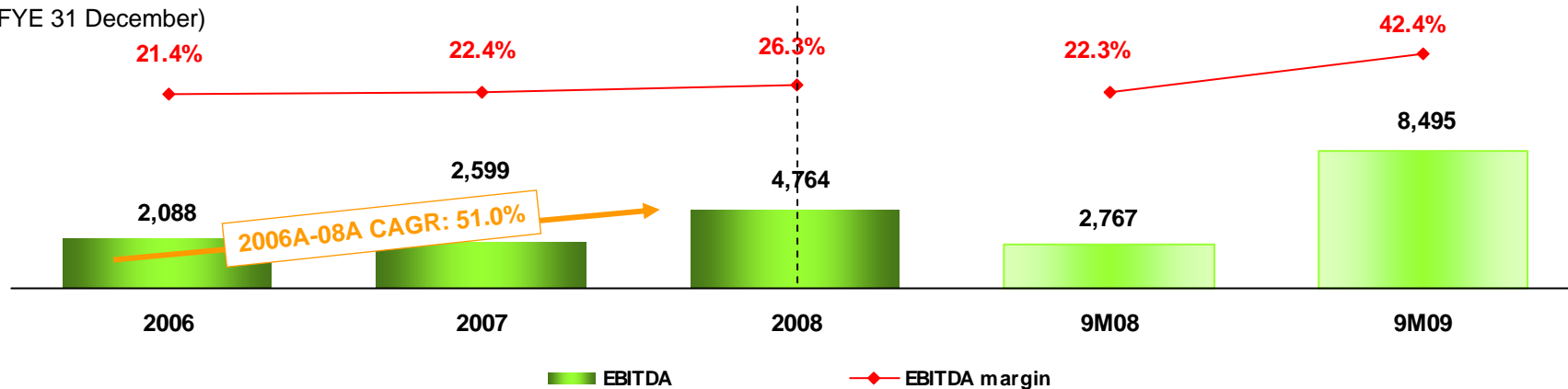
(As at end)



(1) In 2006, Adaro Energy had negative equity

EBITDA (Rp bn) and EBITDA margin (%)

(FYE 31 December)



Track record of strong financial performance and margin improvement since LBO

Consistently Improving Financial Profile since LBO

Adaro Indonesia has a track record of no default, rescheduling of debts nor breaching its financial covenants

	LBO: June 2005	December 2005	23 March 2007	December 2007	December 2008
Bank Debt	<ul style="list-style-type: none"> US\$570 million Interest: LIBOR+450 bps 	<ul style="list-style-type: none"> US\$200 million Interest: LIBOR+325 bps 	<ul style="list-style-type: none"> US\$190 million Interest: LIBOR+200 bps 	<ul style="list-style-type: none"> US\$750 million Interest: LIBOR+120 bps 	<ul style="list-style-type: none"> US\$678 million Interest: LIBOR+120 bps
Bonds	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> US\$400 million Interest: 8.5% 	<ul style="list-style-type: none"> US\$400 million Interest: 8.5% 	<ul style="list-style-type: none"> Fully refinanced Make-whole call at premium 	<ul style="list-style-type: none"> NA
Mezzanine	<ul style="list-style-type: none"> US\$353 million Interest: 17% 	<ul style="list-style-type: none"> US\$300 million Interest: 17% 	<ul style="list-style-type: none"> US\$265 million Interest: 11.25% 	<ul style="list-style-type: none"> Fully refinanced 	<ul style="list-style-type: none"> NA
Key Ratios	<ul style="list-style-type: none"> DSCR 0.79 Net Debt to EBITDA 5.27x 	<ul style="list-style-type: none"> DSCR 0.95 Net Debt to EBITDA 4.45x 	<ul style="list-style-type: none"> DSCR 1.59⁽¹⁾ Net Debt to EBITDA 2.53x 	<ul style="list-style-type: none"> DSCR 1.93⁽¹⁾ Net Debt to EBITDA 2.43x 	<ul style="list-style-type: none"> DSCR 4.97⁽¹⁾ Net Debt to EBITDA 1.1x

(1) For six months ended 31 December and includes Adaro Indonesia, IBT and Coaltrade per debt covenants. Estimate for 2007

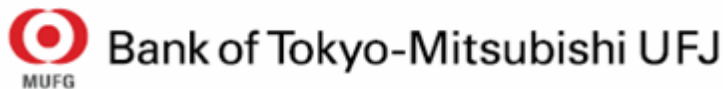
9M09

- DSCR: **4.23x**
- Net debt to EBITDA: **0.21x**

Adaro Indonesia is one of few Indonesian companies to have called bonds and paid a substantial premium – part of prudent financial management to reduce financing costs

- ✓ **US\$800 million 10 year, non call 5, Reg S/144A, Guaranteed Senior Notes**
 - 7.625% coupon, semi-annual (431bp over 10 year Treasury)
 - No restriction on dividends
 - Quasi-investment-grade covenants
 - If one notch rating upgrade to investment grade, incurrence ratios removed (currently rated Ba1 and BB+)
 - Issued to increase financial strength
- ✓ **US\$500 million 5 year, Amortizing Revolving Credit Facility**
 - Libor + 3.25% - 3.45%
 - To be used as a standby facility
 - Issued to ensure financial liquidity

Lenders



Large group of relationship banks and bond holders continue to be very supporting of Adaro

Facility	Security	Outstanding (US\$ Million)	Maturity
PT Adaro Indonesia Facilities			
Guaranteed Senior Notes	Unsecured, Guaranteed by Company	800.0	October 2019
US\$500 Million Amortizing Revolving Credit Facility	Unsecured, Guaranteed by Company	Undrawn	October 2014
US\$750 Million facility- Revolver	Unsecured, Guaranteed by Company (Coaltrade joint borrower)	100.0	November 2010
US\$750 Million facility - Term Loan	Unsecured, Guaranteed by Company (Coaltrade joint borrower)	462.5	November 2012
US\$40 Million multi-currency Revolving Facility	Unsecured, Guaranteed by Company	Undrawn	March 2012
US\$80 million Short Term Credit Facility	Unsecured, Guaranteed by Company	20.0	February 2010
Coaltrade Facilities			
US\$65 Million LC Facility	Unsecured	Undrawn	March 2010
SIS			
US\$300 Million Term Loan	Secured, Guaranteed by Company	221.6	June 2013
Leases	Secured by the leased assets	95.7	Various, until 2014

Adaro Energy's average cost of debt is below 6% and 9M09 net debt to equity was 0.32x

Corporate Social Responsibility commenced with operations in 1992. Currently Adaro Indonesia and its sub-contractors employ over 15,000 personnel, in excess of 70% are of Kalimantan origin



Mobile cataract project which commenced in 2003 is operated in conjunction with the Government's rural health services and to date has undertaken more than 3,500 operations



Indonesian Corporate Social Responsibility Award 2008

First rank for Social and Environment and third rank for Economic
Presented by Minister of Social Affairs

Proper Award for the year 2006-2008

Adaro Indonesia received the green level PROPER award for
environmental rehabilitation excellence

Primaniyarta Award 2007

Best performing exporters, presented by National Export Development Agency

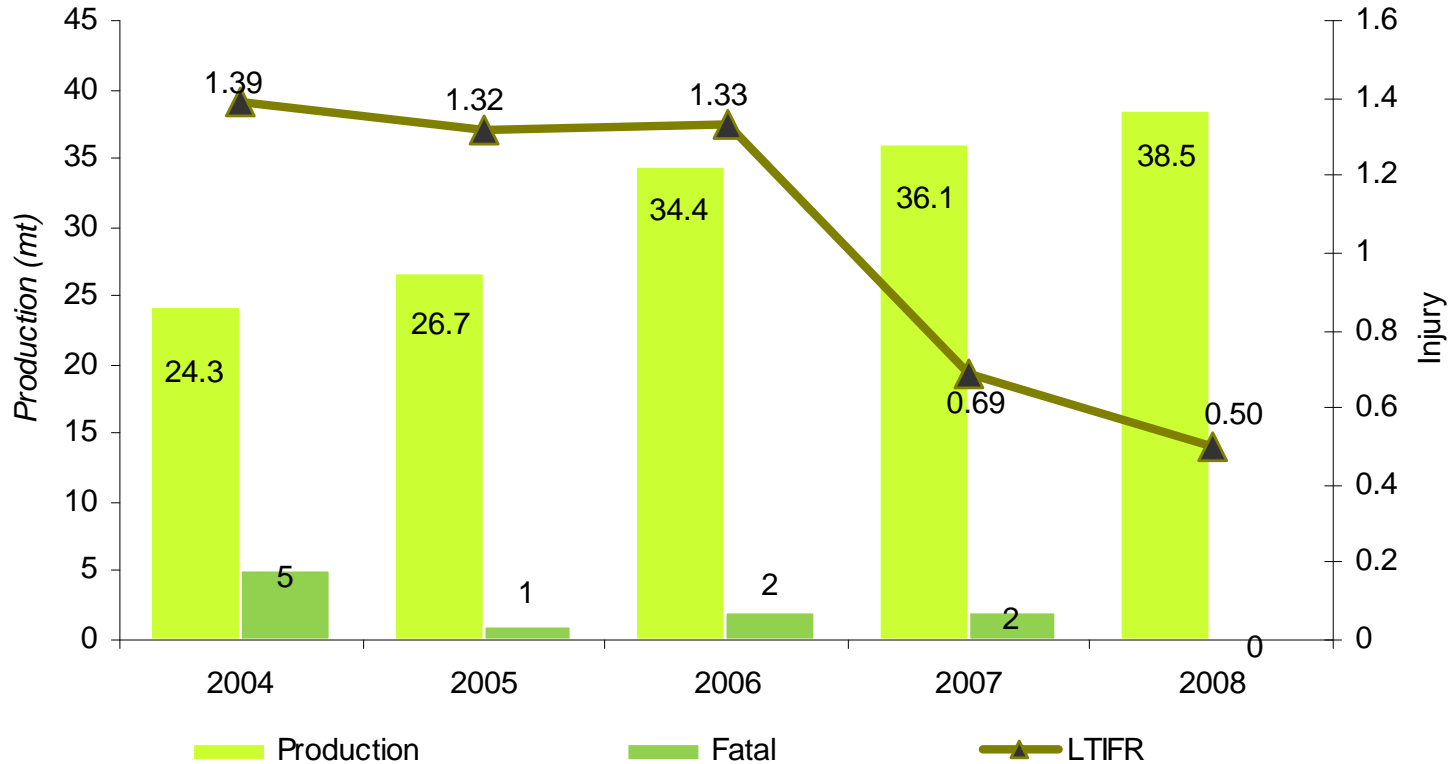
Social Empowerment Award 2007

Presented by Coordinating Minister for People's Welfare of the Republic of
Indonesia

Largest Taxpayer-2008

Presented by Tax Office - PMA Three

7 Better than Average Safety Record



Since 2007, Adaro and its contractors have worked more than 76 million man-hours without a fatality.

Reputable and Supportive Shareholders, Experienced Management Team

Controlling Shareholders

- Edwin Soeryadjaya
 - Teddy Rachmat
 - Boy Garibaldi Thohir
 - Benny Subianto
 - Sandiaga Uno
- } together hold 65%

Strength of senior management team

More than 120 years of combined industry experience

Combined 60 years with the Group

Average 10 years with the Group

Key achievements of management team

- ✓ Grown the Group to become the largest single-site coal producer in the southern hemisphere and top five largest thermal coal exporters in the world
- ✓ Created vertically integrated low cost coal producer
- ✓ Consistent production growth at 13.4% CAGR over the last 10 years
- ✓ Increased reserves by ~600 Mt in the last three years
- ✓ Focused on creating shareholder value

Group's transformation from LBO to a public company with strong capital structure and low leverage is one of the most successful LBO stories

9 Growth to Continue

Key Investment Highlights

Key infrastructure	2005	2009	2014
Mine production capacity	27 Mt	45 Mt	80 Mt
Coal haulage – trucks	30 Mt	60 Mt	60 Mt
Overland conveyor	–	–	40 Mt
Transshipment capacity – Taboneo	15 Mt	30 Mt	55 Mt
Direct barging to domestic customers	8 Mt	13 Mt	25 Mt
Barging to transshipment / IBT	19 Mt	32 Mt	55 Mt
River capacity	60 Mt	200 Mt	200 Mt
Coal loading – IBT	12 Mt	12 Mt	12 Mt

Long term infrastructure development by management from pit to port in progress to ensure Adaro Indonesia can operationally execute production growth plans

9 Not Just talk....Current Project Status

	Background	Current status	Target completion	Project costs
Lower Costs: Power Plants	<ul style="list-style-type: none"> ■ Mine mouth power plants planned to be set up by MSW to support future power requirement for overland conveyor ■ The plants will use Wara Coal 	<ul style="list-style-type: none"> ■ EPC & Equipment supplier has been selected 	2011-2012	US\$160m
Lower Costs: Overland Conveyor	<ul style="list-style-type: none"> ■ To provide an alternative mode of transportation and to reduce operating costs by US\$1-\$2 per tonne compared to trucking from mine to Kelanis 	<ul style="list-style-type: none"> ■ Tender sent ■ EPC to be selected in 4Q09 	2011-2012	US\$240m
Add Capacity: Barging Shiploading	<ul style="list-style-type: none"> ■ Expansion of barging and crane fleet 	<ul style="list-style-type: none"> ■ Ongoing 	2010-2014	US\$200m (\$160m for refinancing)
Add Capacity: Mining Equipment	<ul style="list-style-type: none"> ■ Purchase of mining equipments to compliment the existing fleet of equipment of SIS 	<ul style="list-style-type: none"> ■ Ongoing 	2010-2014	US\$300m (maintenance) and US\$430 (additional)
IBT Fuel Terminal	<ul style="list-style-type: none"> ■ IBT and Shell to build/operate a fuel facility at IBT's port ■ To support traffic growth at IBT's port and increase the income stream coming from liquid bulk jetty operations 	<ul style="list-style-type: none"> ■ Under construction 	2010	US\$40m (funded largely by Shell)

These infrastructure developments are key to reaching 80 Mt and to improve the efficiency and integration of the coal supply chain

Key Investment Highlights

- 1 **Robust industry prospects**
- 2 **Good track record of growth, large reserves to support continued growth**
- 3 **Among the world's largest and lowest cost, vertically integrated producers**
- 4 **Highly differentiated product – Envirocoal™**
- 5 **Diversified & loyal customer base and high earnings visibility**
- 6 **Consistently improving financial profile since LBO**
- 7 **Committed to corporate social responsibility**
- 8 **Reputable and supportive shareholders and experienced management team**
- 9 **Growth and value creation set to continue**

Building a Trusting Relationship

We hope you will contact our IR department after this meeting to begin an ongoing dialogue towards building an understanding of how we will achieve our vision of becoming the largest and most efficient integrated mining and energy company in Southeast Asia

**For more information please contact our Head of IR,
Cameron Tough at:**

cameron.tough@ptadaro.com

Thank you

Appendices

Board of Directors: Complimentary, Experienced, Competent

Boy Garibaldi Thohir <i>President Director</i>	<ul style="list-style-type: none">• President Director of PT Adaro Energy Tbk, and related companies.• Owner and operator of coal mines in Sumatra since 1992
Ario Rachmat <i>Vice President Director</i>	<ul style="list-style-type: none">• Held past positions as a business analyst at A.T. Kearney (1995-1996)• Operations researcher and supply chain manager for multinational corporations including: Toyota Motors (1996-1998)
Andre Mamuaya <i>Director of Corporate Affairs and Corporate Secretary</i>	<ul style="list-style-type: none">• Director of related companies: ATA, JPI, SIS, SMP and MSW• Director of PT Anugrahtimur Sejatiperdana (1997- 2000)
Sandiago Uno <i>General Director</i>	<ul style="list-style-type: none">• Chief Financial Officer at NTI Resources Ltd• Director of Saratoga Investments• Former Chairman of the Indonesian Young Entrepreneurs Association
David Tendian <i>Director of Finance</i>	<ul style="list-style-type: none">• Worked with 4 of the 5 largest coal mining companies in Indonesia• Held senior banking positions in USA and Indonesia (1991-1999)• Vice President Project Finance with PwC, Canada (1999 – 2001)
Chia Ah Hoo <i>Director of Operations</i>	<ul style="list-style-type: none">• Operations Manager of all Kalimantan operations starting in 1991• GM of Adaro since 1998• Past Director of the World Coal Institute & Indonesian Mining Association
Alastair Grant <i>Director of Marketing</i>	<ul style="list-style-type: none">• GM of Adaro from 1990 to 1998• Worked for PT Arutmin Indonesia (BHP heritage)• Established the export market for subbituminous coal

Experienced management team: professional and collaborative

14-Oct-09

Adaro Indonesia: Pricing likely tomorrow; guidance around 8%, +/- 25bps, with book 6x oversubscribed during Wednesday Asia session

Bookbuilding for Adaro Indonesia's 10-year non-call five, unsecured bond offering is expected to close Thursday [15 October] during the Hong Kong session, with pricing expected the same day during the London/New York session, investor sources said.

The bond was six-times oversubscribed as of early this afternoon during the Asian session, said the sources, citing an email sent out by the leads. This translates into an order book of USD 3bn, based on the initial benchmark issue size of USD 500m, the investor sources said.

With roadshows continuing today in the UK and in the US, the momentum in the bookbuild is expected to continue, said investors. "I wouldn't be surprised if the book is 10-times oversubscribed by the time it closes" said one Hong Kong-based investor.

Price guidance for the offering is 8%, plus-or-minus 25 bps, the investors sources said. But given the strong demand for the offering, the deal could price at the low end of guidance or at 7.75% said the Hong Kong investor and two other emerging market investors.

This would be an impressive result given the bond's 10-year tenor, said investors. The only Indonesian corporate to have issued such a long tenor is believed to be the 100% state-owned electricity provider, Perusahaan Listrik Negara [PLN], which via the SPV, Majapahit Holding, issued 10-year and 30-year bond in June 2007, said one bond analyst.

The strong demand for the Adaro bond stems primarily from a dearth of primary bond issues this year from Asian emerging market credits amid an across-the-board fall in bond yields, the investors said.

14-Oct-09

Adaro Indonesia: Pricing likely tomorrow; guidance around 8%, +/- 25bps, with book 6x oversubscribed during Wednesday Asia session (continued)

While many investors are keen to pick up emerging market credits they are loath to buy into bonds from companies whose controlling shareholders have had a history of strategically defaulting and/or using nefarious tactics in negotiating debt restructurings, three investors said. Because of this, creditors are also wary of buying issues from companies where the shareholding structure is opaque, they added.

However, Adaro, the largest single-site coal producer in the southern hemisphere by production volume, represents a rare chance for investors to pick up an Asian emerging market credit that has both strong business fundamentals and good corporate governance, several of the investors said.

Adaro's majority shareholders include the well-respected Indonesian tycoons Edwin Soeryadjaya, Theodore (Teddy) P. Rachmat and Garibaldi Thohir. Large international shareholders include Singapore's Noonday Capital and the Singapore government-controlled GIC.

Adaro is known for its good corporate governance and transparency which is something you rarely see in Indonesia. If it weren't for the sovereign's credit rating, Adaro would probably be an investment grade credit said the Hong Kong based investor.

Moody's has assigned a Ba1 rating to the notes while Fitch rates the issue BB.

Investors also noted that buyers of Adaro Finance's Reg S/144A USD 400m five-year bonds issued in December 2005 profited handsomely when the company decided to redeem the bonds before maturity. The redemption occurred through a make-whole clause and at a hefty premium, the investors noted. The make-whole left bondholders with a lot of extra cash and everyone walked away with a warm, fuzzy feeling about Adaro said another Hong Kong-based investor.

Credit Suisse is the global coordinator for Adaro's 10-year offering. DBS Bank and UBS are joint bookrunners while Oversea-Chinese Banking Corp (OCBC) is a joint lead manager.

Strong international demand for Adaro's \$800 million high-yield bond

By Rupert Walker | 19 October 2009

PT Adaro, Indonesia's second biggest coal miner, raises \$800 million through the sale of 10-year notes and pays just 7.75% thanks to strong support from global high-yield funds.

PT Adaro, Indonesia's second biggest coal miner, raised \$800 million in a blowout 10-year high-yield bond issue at the end of last week. The company priced the deal with a 7.75% yield in the early hours of Friday morning Hong Kong time, having launched the marketing process on October 5.

The transaction was more than seven times subscribed, with orders from 262 accounts amounting to \$5.75 billion, according to sources familiar with the transaction. However, as always, it's unclear how many orders and for what size were at the final price. Initial marketing guidance had been set at a yield of 8%.

Nevertheless, the launch clearly came at a propitious time, with international investors pouring cash into high-yield funds. Compared with recent issues by mining companies in the US (Peabody), Australia (Fremont) and Latin America (CSN), Adaro's bonds looked attractive. Investors have also become less fearful of Indonesia's corporate and investment environment. The success of a transaction by a commodity exporter might suggest, too, that money managers are more confident that a global economic recovery is, if not imminent, at least more likely than catastrophe.

Last month, Chinese property developer Country Garden emphatically re-opened the Asian high-yield market with a \$300 million (later increased by a further \$75 million) five-year bond that pays an 11.75% coupon, yet is rated just one notch lower than Adaro at Ba2/BB.

Credit spreads on non-investment grade (below BBB- and Baa3) bonds have narrowed more than 1,000 basis points so far this year. And despite a widening last week by US and European high-yield indices in the wake of poor results from Bank of America Merrill Lynch, the momentum is still strong. Asia-based analysts are also increasingly arguing that lower default rates and the region's stronger economic recovery means that the liquidity premium normally paid by Asian high-yield companies should be eliminated.

Strong international demand for Adaro's \$800 million high-yield bond

By Rupert Walker | 19 October 2009

[CONTINUED]

One Hong Kong-based credit analyst said Adaro's deal was "not especially cheap by rating", but that, "the market seems to be pricing for perfection and the search for yield continues, which tends to defy gravity. Momentum for the entire Asian credit universe has recently been very strong, mostly driven by Western accounts".

Asian accounts were only allocated 26% of the paper, while eager US and European investors bought 38% and 35% respectively. Funds, mostly real money portfolio managers, but including a smattering of hedge funds, took 68% of the deal, private banks were given 14% to distribute to their rich yield-hungry clients, commercial banks bought 10% and insurance companies the remaining 8%.

The issue, which is non-callable for the first five years, pays a semi-annual coupon of 7.625%, and was re-offered at 99.141 to yield 7.75% to a maturity date of October 22, 2019. That translated into a spread of 430.7bp over the yield of the 10-year US Treasury benchmark. Adaro's bonds traded as high as 101 in the late afternoon on Friday.

The issuing vehicle is PT Adaro Indonesia, wholly owned by PT Adaro Energy which is acting as guarantor for the senior notes. Adaro Energy is rated Ba1 by Moody's and the equivalent BB+ by Fitch Ratings. The net proceeds will be used for capital expenditure and general corporate purposes.

Credit Suisse, DBS Bank and UBS were the joint bookrunners, while Oversea-Chinese Banking Corporation (OCBC) acted as a lead manager for the Rule 144A, Reg-S issue, which has approval in principle to be listed on the Singapore Exchange. The deal can claim several bragging rights: it is the first ever 10-year US dollar private sector corporate bond out of Indonesia, as well as the country's largest 10-year dollar corporate, including state-backed deals. It is also the biggest Asian high-yield corporate bond launch since India's Vedanta Resources raised \$1.25 billion in June 2008.

Strong international demand for Adaro's \$800 million high-yield bond

By Rupert Walker | 19 October 2009

[CONTINUED]

The Hong Kong analyst conceded the price was fair on the basis of a near 250bp yield premium over the Indonesia 2019 sovereign issue, which compares with spread pick-up of just 150bp paid by state-owned electricity company PLN in August. His point was that "PLN is a much weaker standalone credit versus Adaro, and only benefits because of its quasi-sovereign status". Adaro is one of the biggest single-site coal producers in the southern hemisphere and one of the world's largest sub-bituminous coal companies. The company is a low-cost producer with a long concession life and its customers are mainly large utilities with excellent payment records. It exports around 77% of its product.

Separately on Friday, Indonesia's energy and mining ministry said it expects coal output to rise about 9% to 250 million tonnes in 2010 and that there should be sufficient supply for exports to remain above a planned cap of 150 million tonnes a year. Moody's wrote in a note on October 2, that "Adaro's operating and financial profile has shown consistent improvement in the last few years" helped by improved efficiencies and cost reductions. Adaro's financial metrics are also "strong for the rating level".