

The parent company of Berau Capital Resources Pte. Ltd. (the “**Issuer**”), PT Berau Coal Energy Tbk (the “**Company**”) has mandated Barclays, Citigroup and Standard Chartered Bank as Joint Bookrunners and Joint Lead Managers in relation to a proposed US\$450 million 144A / Regulation S offering of Guaranteed Senior Secured Notes due 2019 (the “**New Notes**”). In addition, the Company has mandated Barclays, Citigroup, and Standard Chartered Bank as Joint Solicitation Agents for the consent solicitations (the “**Consent Solicitations**”) relating to the Indentures governing the Company’s US\$450 million 12.50% Guaranteed Senior Secured Notes due 2015 (the “**2015 Notes**”) issued by the Issuer, and the US\$500 million 7.25% Guaranteed Senior Secured Notes due 2017 issued by the Company (the “**2017 Notes**”).

The Company is rated B1 (Moody’s) / BB- (S&P), and the New Notes are expected to be rated B1 (Moody’s) / BB- (S&P). A series of fixed income investor meetings in Asia, Europe and the U.S. will commence on July 28, 2014. FCA / ICMA stabilization applies.

The following information is a summary of the key terms of the Consent Solicitations, subject to the detailed terms and conditions set forth in the Consent Solicitation Statements dated July 25, 2014, to be distributed to holders of the 2015 Notes and the 2017 Notes by D.F. King & Co., Inc, the Information and Tabulation Agent for the Consent Solicitations.

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The purpose of the Consent Solicitations is as follows:

- (i) Obtain Consents to amend certain provisions in the 2015 Notes Indenture to reduce the notice period (from 30 days to 5 days) in which the Issuer is required to deliver notice to Noteholders with respect to an optional redemption of the Notes, and amend the Intercreditor Agreement; and
- (ii) Obtain Consents to amend certain provisions in the 2017 Notes Indenture to conform the existing covenant package of the 2017 Notes with the one being proposed for the New Notes, and amend the Intercreditor Agreement.

2015 Notes:	US\$450 million 12.50% Guaranteed Senior Secured Notes due 2015
ISIN:	US083518AA82 (Rule 144A), USY1004WAA46 (Regulation S)
CUSIP:	083518AA8 (Rule 144A), Y1004WAA4 (Regulation S)
Consent Fee:	US\$7.00 per US\$1,000 principal amount

2017 Notes:	US\$500 million 7.25% Guaranteed Senior Secured Notes due 2017
ISIN:	US69369LAA17 (Rule 144A), USY711AQAA43 (Regulation S)
CUSIP:	69369LAA1 (Rule 144A), Y711AQAA4 (Regulation S)
Consent Fee:	US\$10.00 per US\$1,000 principal amount

Withdrawal and Revocation:	Instructions in connection with the consent solicitation are irrevocable and binding
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Requisite Consent:	Simple majority pursuant to the Consent Solicitations
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Record Date:	July 24, 2014
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Launch Date: July 25, 2014
Expiration Deadline: 5:00 p.m. NYT, on August 5, 2014
Settlement Date: August 14, 2014

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Eligible holders of the 2015 Notes and the 2017 Notes wishing to participate in the Consent Solicitations may contact the Information and Tabulation Agent, D.F. King & Co., Inc. by phone at +1 212 269 5550 (New York) or +44 207 920 9700 (London), by email (beraucoal@dfking.com) or by visiting www.dfking.com/beraucoal for further information. Questions from eligible holders of the 2015 Notes and the 2017 Notes regarding the Consent Solicitations or requests for additional copies of the Consent Solicitation Statements should be directed to D.F. King & Co., Inc. or to any of the Joint Solicitation Agents at their respective contact details contained in the Consent Solicitation Statements.

This announcement is not an offer to purchase, a solicitation of an offer to purchase, an offer to sell or a solicitation of an offer to sell, securities in the United States or Indonesia whereby such offer to purchase will need to be registered with Otoritas Jasa Keuangan (the Indonesia Financial Services Authority) or elsewhere. No securities of the Company or any of its subsidiaries are being, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States or other jurisdiction and no such securities may be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. Furthermore, the securities referred herein will not and may not be offered to more than 100 Indonesian parties or and sold to more than 50 Indonesian parties wherever they are domiciled or to Indonesian residents in a manner which constitutes a public offer under the Law No. 8 of 1995 regarding Capital Market. Any public offering of securities to be made in the United States will be made by means of a prospectus, which prospectus will contain detailed information about the Company making the offer and its management and financial statements. No public offering of securities is being or will be made in the United States or any other jurisdiction. This announcement is provided to you because you are either a "qualified institutional buyer" under Rule 144A under the Securities Act or a person outside of the United States in accordance with Regulation S. Nothing in this communication shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the rating agency.

This communication is neither an offer to purchase nor a solicitation of an offer to sell securities. This communication is not for release, publication or distribution in or into, or to any person resident and/or located in, any jurisdiction where such release, publication or distribution is unlawful. This communication is not a consent solicitation and must be read in conjunction with the Consent Solicitation Statements. The Consent Solicitation Statements contain important information which should be read carefully before any decision is made with respect to the Proposals. The Company is conducting the Consent Solicitations only by, and pursuant to the terms and conditions of, the relevant Consent Solicitation Statements. The Consent Solicitations

are not being made in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. None of the Company, their respective management, Barclays, Citigroup, or Standard Chartered Bank, makes any recommendation as to whether holders should provide consents to the Proposals in response to the Consent Solicitations.

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