

Minejesa Capital BV

US\$1,200,000,000 4.625% Guaranteed Secured Senior Notes Due 2030
US\$900,000,000 5.625% Guaranteed Secured Senior Notes Due 2037

Proposed Amendments on Fiscal Unity Legislation in the Netherlands

On 6 June 2018, the Dutch government published draft legislation to amend the Dutch fiscal unity regime. This follows the Dutch government's earlier announcement on 25 October 2017 of its intention to cancel various benefits applicable to the Dutch fiscal unity regime with retroactive effect from 11.00 am on 25 October 2017. We refer to page S-15 and page S-16 in our supplemental offering memorandum dated 4 December 2017, a copy of which we delivered to the relevant legal advisors to the bondholders and the lenders around that date.

If the proposed legislative changes are assented to by the Dutch government, certain tax rules could be applied as if no fiscal unity existed between Minejesa Capital B.V. and Minejesa Power B.V. as described in the supplemental offering memorandum. This could result in certain of our interest expenses being disallowed as tax deductible expenses under various Dutch interest limitation rules. In the case that interest expenses would be disallowed, interest income received by Minejesa Power B.V. under its intercompany loans to PT. Paiton Energy would not be offset by the interest expense of Minejesa Capital B.V. under our bond and loan financing facilities for Dutch tax purposes, unless a relevant exception is introduced or applies.

We are closely monitoring these proposed changes to Dutch tax laws. We are also evaluating options to mitigate any additional costs that might arise. Based on information presently available to us, we do not currently foresee that the proposed changes will impair our ability to perform our debt service obligations under our bonds or our loans.

We expect to have greater clarity on the proposed tax changes in the coming months, including after the Dutch government publishes its 2019 tax plan which is due to be released in September 2018. The purpose of this update is to keep you informed of the proposed tax changes.

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