

PT COALINDO ENERGY DEVELOPS SPECIALIST PRICING SERVICES FOR THE INDONESIAN COAL MARKETS.

The idea for the company's establishment was initiated by executives of the Indonesian Coal Mining Association (ICMA), when in 2003, Indonesia experienced a growth of coal exports at 85.31 million tons.

Recognizing the importance and projected expansion of this trend, it was decided that the time was opportune for Indonesia to produce a coal price assessment to more accurately and effectively price Indonesian coal.

This company would maintain a shared ownership with international energy publishers, Argus Media Limited, to facilitate and reiterate its independent position in the energy pricing business.

Consequently, with support from the experienced management of ICMA, particularly from Jeffrey Mulyono, Soedjoko Tirtosoekotjo and Kazuya Tanaka, PT Coalindo Energy, was officially formed in 2006 and headquartered in Jakarta, Indonesia.

Vision

TO BE A WORLD-CLASS COMPANY THAT WILL DETERMINE INDONESIAN COAL INDEX (ICI) THAT REFLECTS FAIR VALUE FOR ALL STAKEHOLDERS.

Mission

- TO CREATE ACCURATE, RELIABLE AND TRANSPARENT ICI
- TO BUILD AND MAINTAIN A REPRESENTATIVE PRICING PANEL TO DETERMINE THE ICI.
- TO OPERATE FOR THE BENEFIT OF PRODUCERS, CONSUMERS AND ALL STAKEHOLDERS.

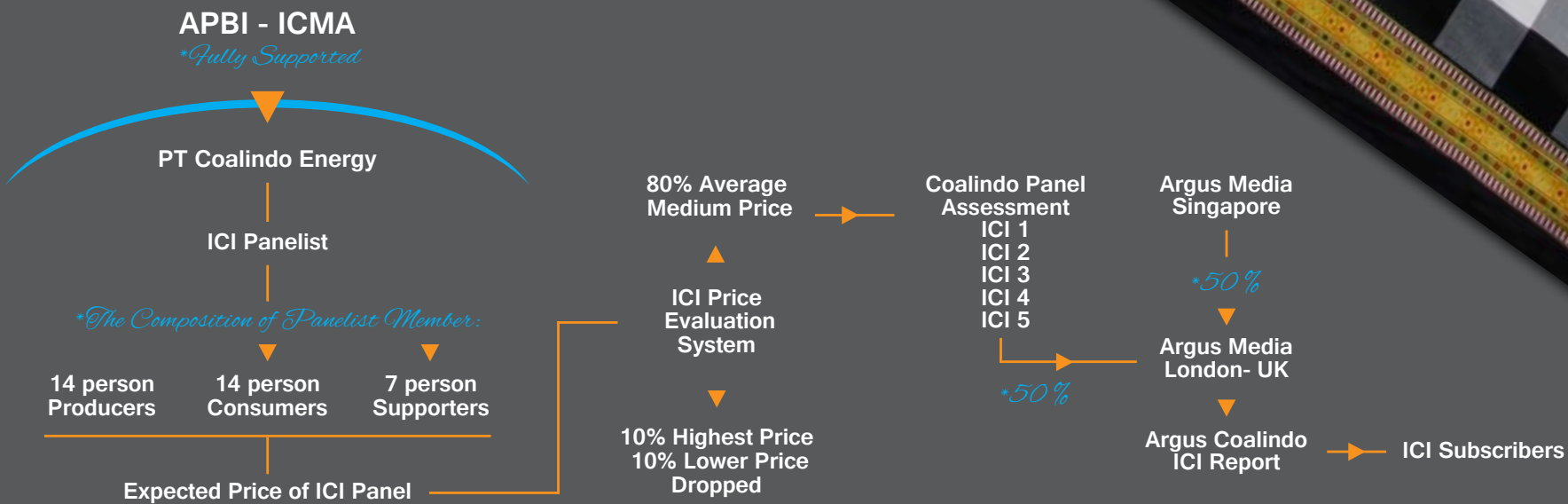
INDONESIAN COAL INDEX (ICI) - SPECIFICATION FOB Kalimantan, per tonne

Grade (Kcal)	Timing	Sulphur	Ash	TM	Size
6500 GAR (6200 NAR)	In 90 days	Up to 1 %	Up to 12 %	Up to 12 %	Panamax
5800 GAR (5500 NAR)	In 90 days	Up to 0.8 %	Up to 10 %	Up to 18 %	Panamax
5000 GAR (4600 NAR)	In 90 days	Up to 0.6 %	Up to 8 %	Up to 30 %	Panamax
4200 GAR (3800 NAR)	In 90 days	Up to 0.4 %	Up to 6 %	Up to 40 %	Mother Vessel
3400 GAR (3000 NAR)	In 90 days	Up to 0.2 %	Up to 4 %	Up to 50 %	Mother Vessel

KEY FEATURES

- Five weekly indices for Indonesian coal grades – 6.500, 5.800, 5.000, 4.200 and 3.400 Kcal/kg GAR
- Monthly Average
- Graphs on competitive trends (argus fob Richards bay and fob Newcastle)
- Price assessment based on internationally traded spot markets
- Independent survey and panel methodology
- Used as reference in international and domestic contracts, royalty calculations, productions planning and corporate finance
- Time-series data available from year 2006

ICI FORMULATION MECHANISM



ICI Methodology

ARGUS ASSESSMENTS

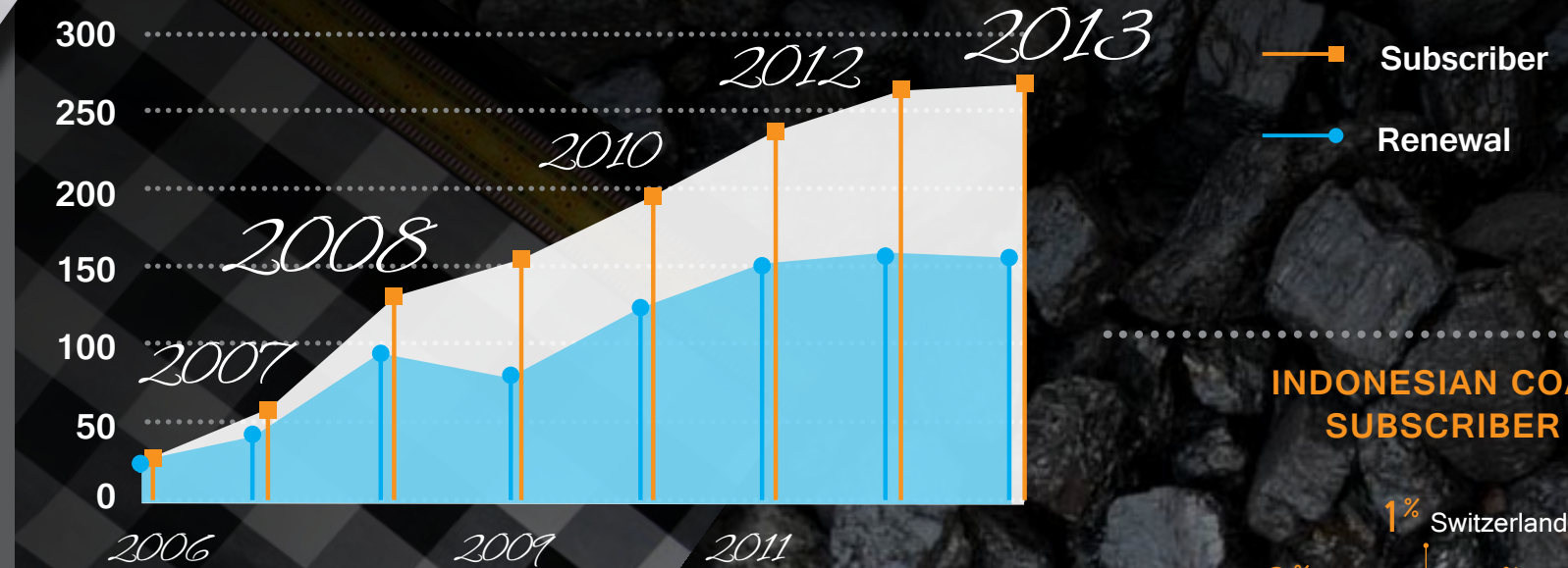
- Based on daily market surveys
- Balance between buyers and sellers
- Transactional data
- Bids & Offers
- Weighted average
- Independent Assessments

PT COALINDO ENERGY ASSESSMENTS

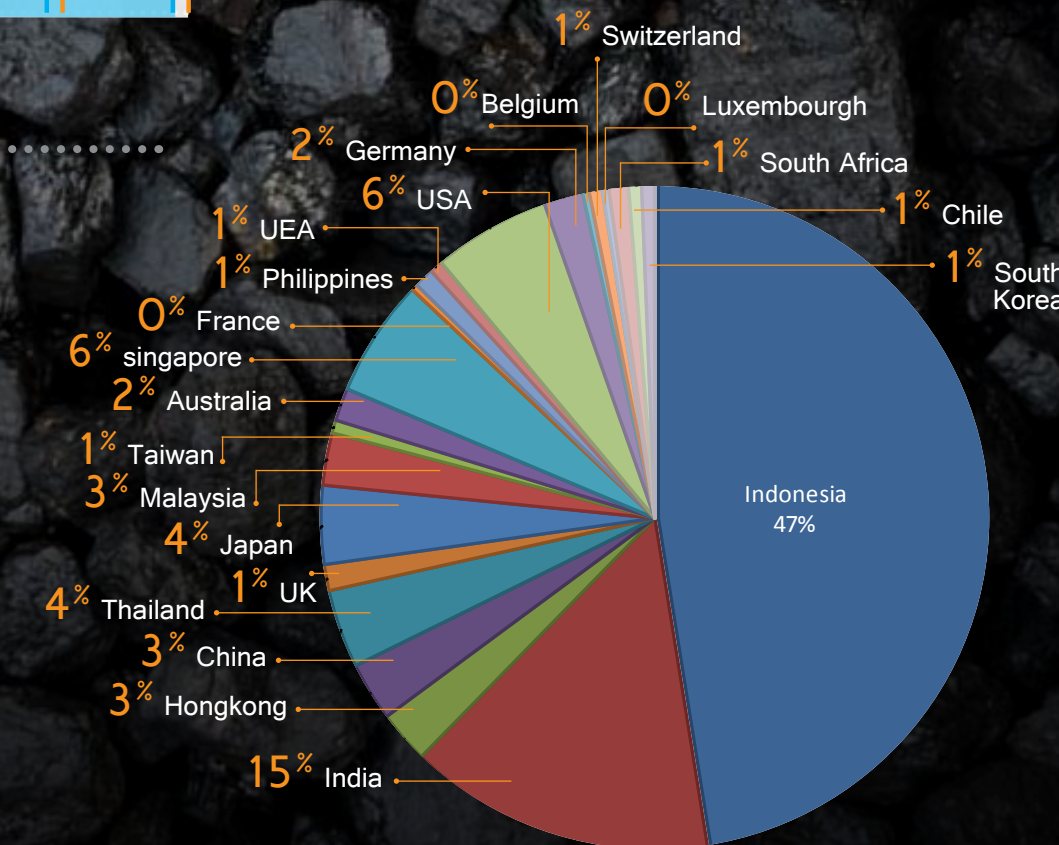
- Panel Methodology
- Buyers, sellers and intermediaries represented on the panel
- Top and bottom 10% of prices eliminated to ensure accuracy
- Independent assessments

ICI = 50 - 50 AVERAGE ARGUS - COALINDO

INDONESIAN COAL INDEX (ICI) - SUBSCRIBER GROWTH



INDONESIAN COAL INDEX (ICI) - SUBSCRIBER BY COUNTRIES



ICI PANELIST PERFORMANCE EVALUATION

Based on Statistic Analysis we have 3 (three) tools that will act as the indicators:

- Grubb Test (G)**: the indicator of how to find ICI outlier numbers.
 - If $G >$ bottom line, that find ICI outlier numbers.
 - If $G <$ bottom line, there is no ICI outlier numbers.
- Mean Percentage Average Deviation (MAPD)**: the indicator of how big the percentage deviation between Coalindo assessment compared with Argus Assessment.
 - If $MAPD < 5\%$, the deviation is good.
 - If $MAPD$ between $5\% - 12\%$, the deviation is moderate.
 - If $MAPD > 12\%$, the deviation is poor.
- Coefficient Correlation (r)**: the indicator of how far/close Coalindo Assessment in following the market or otherwise.
 - If $r > 0.5$, the coefficient correlation is good.
 - If $r < 0.5$, the coefficient correlation is bad.

BE A PART SOLUTION FOR COAL PLAYERS OF INDONESIAN COAL

WITH TRANSPARENT AND CONSISTENT METHODOLOGY FOR CALCULATING THE ICI AND WIDE PARTICIPATION FROM BUYERS, SELLERS AND INTERMEDIARIES SUCH AS BROKERS, THE ICI WILL GIVE ALL PARTIES VOICE IN SETTING INDONESIAN FAIRLY AND ACCURATELY.

BUYERS AND SELLERS OF INDONESIAN COAL IN THE ASIA PACIFIC REGION AND BEYOND WILL ABLE TO USE THE INDONESIAN COAL INDEX AS A BENCHMARK THAT WILL ALLOW ALL PARTIES TO HAVE A CONFIDENCE THAT INDONESIAN COAL IS VALUED FAIRLY AND ACCURATELY.

SHAREHOLDERS

- ▶ PT Berau Coal
- ▶ PT Interex Sacra Raya
- ▶ PT Andalan Tiga Berjaya
- ▶ Multico Terra Resources Pte., Ltd.
- ▶ PT United Tractors Tbk
- ▶ Hengki Wibowo
- ▶ PT Pamapersada Nusantara
- ▶ Oentoro Surya
- ▶ PT Bukit Makmur Mandiri Utama
- ▶ Kazuya Tanaka
- ▶ Soedjoko Tirtosoekotjo
- ▶ Argus Media Limited
- ▶ PT Bumi Resources Tbk
- ▶ PT Kaltim Prima Coal
- ▶ PT Arutmin Indonesia
- ▶ Electric Power Development Co., Ltd. (JPower)
- ▶ Daniel Suharya
- ▶ PT Mandiri Inti Perkasa
- ▶ PT Simpson Spence and Young
- ▶ Ir. Suyartono Swandi, MSc.
- ▶ Edy Sugianto
- ▶ PT Adani Global
- ▶ PT Arya Citra International
- ▶ PT Darma Putera Wahana Pratama
- ▶ PT Mandiri Herindo Adiperkasa
- ▶ PT Lamindo Inter Multikon
- ▶ PT Mitra Niaga Mulia
- ▶ PT Mandala Karya Prima
- ▶ PT Kideco Jaya Agung



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PT COALINDO ENERGY

INDONESIA COAL INDEX (ICI)

“Be apart solution for coal players of Indonesian coal”

