Jakarta, 1 July 2022 – One of the coal mines owned by a subsidiary of PT MNC Energy Investments Tbk (IATA) has discovered new reserves. According to The Indonesian Joint Committee for Mineral Reserves (KCMI), PT Arthaco Prima Energy (APE), one of the Mining Business Permits (IUPs) recently acquired by IATA, discovered an additional 52.1 million MT reserves with GAR of 2,500 - 3,250 kg/kcal in APE’s Phase 1, 2, and 3 drilling program in an area of 1,720 Ha. Thus, increasing the total reserves of IATA to 253.42 million MT from the previous 201.32 million MT.

APE is expected to generate a Net Present Value (NPV) of USD 452.3 million, with an Internal Rate of Return (IRR) of 60.3%, a Break-Even Point (BEP) of 6.92 million MT, and a Payback Period of 1.98 years, based on the average HBA coal price from 2021 to June 2022.

Even with the new coal reserves and resources, APE has not reached 11.5% of its total mineable area. APE’s Phase 4 drilling is scheduled to be completed at the end of this quarter.

APE operates an IUP that is targeted to start production this year and span 15,000 Ha of land in Musi Banyuasin, South Sumatra. APE’s mining site is only 12.5 km from the river and about 108 km to the transhipment area at Tanjung Buyut anchorage.

Drilling activities are still being carried out in stages and proven reserves will continue to grow if exploration results show new coal findings. IATA estimates coal reserves for all IUPs to be at least 600 million MT.
**Indonesian Coal**

**Price of Indonesian Coal**

- **GDP (in trillion IDR) from Coal Mining in Indonesia**
  - 2017: 140.73
  - 2018: 253.03
  - 2019: 270.52
  - 2020: 282.19
  - 2021: 259.77
  - 2022: 229.97
  - 2023: 231.70
  - 2024: 322.96
  - 2025: 603.14

**3.56%**

**Indonesia’s GDP**

The GDP contribution from coal mining more than doubled from the previous year (2020) Rp283.19 trillion to Rp603.14 trillion (2021).

- Source: Central Bureau of Statistics of Indonesia

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**143,731 Million MT**

**Total Coal Resources in Indonesia**

- Data per 2020
- Source: Ministry of Energy and Mineral Resources of Indonesia

**4 Provinces Account for (89.1%) of Total Coal Resources and (86.9%) of Total Reserves**

- Others: 5,101
- Central Kalimantan: 11,251
- South Kalimantan: 13,220
- South Sumatra: 43,853
- East Kalimantan: 16,075
**Indonesian Coal Market Outlook**

The prolonged effects arising from the continuing Russia-Ukraine conflict, resulting in an increasingly depressive state of the economy, most countries are forced to pay the high prices of natural energy resources as there are no other efficient alternatives and accessibility for the consumers are considered a top priority.

Prices for energy resources such as coal, oil, and gas remained strong due to the continuing sanctions on Russian resources, limited production capacities in natural resource-rich countries, and renewable energy transition plans which have also caused some production facilities to be downsized or dismantled and does not have the same power generation efficiency as natural resources.

Indonesian coal has also seen a robust demand from India and several European countries such as Germany, Spain, Italy and Netherlands, as coal is considerably cheaper in comparison to oil and gas.

Coal prices are split according to its calorific value, with high-calorie being associated with higher prices and vice versa. The expensive price for high-calorie coal makes lower calorie coal a significantly more attractive option for countries looking to maximize value to power generation efficiency, of which IATA is one of the producers.

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