

DISCLOSURE ON MATERIAL INFORMATION

Hereby, we, for and on behalf of the Company submit Report of Material Information or Facts as follows:

Name of the Issuer or the Public Company : **PT BERAU COAL ENERGY Tbk (BRAU)**
 Business fields : Distributors exporters and importers
 Telephone : 021 – 2966 9700
 Facsimile : 021 – 2966 9711
 Address electronic mail (email) : corsec@beraucoalenergy.co.id

1.	Date of event	May 25 th 2016
2.	Type of Material Information or Facts	Information and other Material Facts
3.	Description of Material Information or Facts	<p>a. BERAU CAPITAL RESOURCES PTE LTD (Plaintiff I), PT BERAU COAL ENERGY Tbk (Plaintiff II) and PT BERAU COAL (Plaintiff III) are filing a civil lawsuit against: i) KIRKLAND & ELLIS LLP (Defendant I), ii) DAMIEN COLES (Defendant II) and iii) NEIL McDONALD (Defendant III), all Defendants are domiciled in Hong Kong, hereinafter referred as the Defendants, due to the unlawful act (tort) committed by the Defendants;</p> <p>b. BERAU CAPITAL RESOURCES PTE LTD is the party that issued 12,5% Guaranteed Senior Secured Notes (Notes I) in the principal debt amount of USD 450,000,000 and PT BERAU COAL ENERGY Tbk is the party that issued 7,25% Guaranteed Senior Secured Notes (Notes II) in the principal debt amount of USD 500,000,000, while PT BERAU COAL is the principal subsidiaries entities of PT BERAU COAL ENERGY Tbk which engaged in coal mining business which coal sales revenue of PT BERAU COAL become the source of the completion of the above-mentioned Notes;</p>

		<p>c. Since 2015, BERAU CAPITAL RESOURCES PTE LTD and PT BERAU COAL ENERGY Tbk are in an effort to achieve restructuring on the basis of the agreement of the issued Notes, where in the process of restructuring the Defendants claimed to have been appointed as the lawyer by the Ad Hoc Committee established by the majority holders of the Notes;</p> <p>d. The Defendants never disclose the identity of holders of Notes which the Defendants declared that the interest is represented by the Defendants and did not provide the supporting documents which legally prove the truth and validity of their appointment;</p> <p>e. When the restructuring process is ongoing, The Defendants unlawfully and without legal authority has sent a letter dated April 25th 2016 to the coal Buyer of PT BERAU COAL which basically threatened the coal Buyer of PT BERAU COAL if they make payments to accounts other than those specified in the CAMA (<i>Cash Accounts Management Agreement</i>) the buyer be liable for the actions to be taken by the parties that are represented by the Defendants, and in addition the Buyers are asked to provide information and documents related to the coal purchase from PT BERAU COAL as well as details of all payments including the amount and the destination account carried by the Buyer, whereas it is clear that coal Buyer from PT BERAU COAL or the Defendants and/or holders of Notes are not a party to the CAMA;</p> <p>CAMA is agreement which was made and entered into by and between the Issuer Notes and its guarantors to the Trustee, Bank and Security Agent with respect to the Notes;</p>
--	--	--

		<p>f. The Defendants actions lead to decreasing of trust and hesitancy of the Buyer to the reputation of PT BERAU COAL which impact the process of restructuring and settlement of Notes that is being pursued by BERAU CAPITAL RESOURCES PTE LTD and PT BERAU COAL ENERGY Tbk;</p>
4.	<p>The impact of events, information or material facts to the operational activities, legal, financial condition or going concern of the Issuer or a Public Company</p>	<p>The impact of these events is the material and immaterial losses for BERAU CAPITAL RESOURCES PTE, LTD., PT BERAU COAL ENERGY Tbk , and PT BERAU COAL , due to:</p> <ol style="list-style-type: none"> 1. threatened to destruct the restructuring process and the settlement of Notes that is being pursued by BERAU CAPITAL RESOURCES PTE , LTD and PT BERAU COAL ENERGY Tbk against the holders of Notes through the Ad Hoc Committee ; 2. Defamation and business reputation of PT BERAU COAL in which the sales of coal from PT BERAU COAL became a source of settlement Notes I and II.
5.	<p>Others</p>	<p>Civil Lawsuit on Torts aforementioned registered at the South Jakarta District Court with register number 333/Pdt.G/2016/PN.Jkt-Sel on May 25th, 2016.</p>

Jakarta, May 27th 2016
PT BERAU COAL ENERGY Tbk