

For further information please contact:

Mr. Andre J. Mamuaya, Director of Corporate Affairs and
Corporate Secretary

Mr. Cameron Tough, Head of Investor Relations

Tel: (6221) 521 1265

Fax: (6221) 5794 4685

Email: cameron.tough@ptadaro.com

www.adaro.com



Quarterly Activities Report

For the Three Months Ending March 31st, 2010

PT Adaro Energy Tbk (IDX: ADRO)

INTRODUCTION

The report will focus on the activities of the company and its subsidiaries during the preceding quarter. The report will not address the first quarter 2010 financial results, which have been released separately.

Please email cameron.tough@ptadaro.com and let us know should you require any additional information.

Highlights

- Adaro Energy's production volume increased 26% compared to the same quarter last year to 11.36 million tonnes.
- Adaro Energy's sales volume increased 31% compared to the same quarter last year to 11.46 million tonnes.
- One of key focus for 2010 is on organic growth as evidenced by SIS' excellent performance and increased contribution to total coal production of Adaro Indonesia to 30%.
- IBT, together with Shell, successfully completed the first storage tank loading process.
- PT Alam Tri Abadi, a wholly-owned subsidiary of Adaro Energy agreed to acquire a 25% interest in the Indonesian Coal Project (ICP) with BHP Billiton. Completion of the transaction is subject to approvals from the Indonesian Government.

2010 Guidance

In terms of 2010, we are expecting to deliver another year of growth to around 45-46 million tonnes, to keep cash cost inflation to mid-single digits therefore retaining our position in the bottom quartile of producers, and to deliver similar pricing as in 2009.

As the company moves into 2010, the focus will be on growing production and marketing the new coal product Envirocoal-Wara and exploring different initiatives to get to 80 million tonnes by 2014, executing the current development projects to further improve the efficiency of the coal supply chain and seeking acquisition and investment opportunities in world class deposits of Indonesian coal. By staying focused and on track, Adaro Energy will continue to deliver long-run value creation through organic production growth, better operation integration and lower operation costs.

OPERATIONS

Adaro Energy started the year strongly by staying on track and focussed on increasing production. In the first quarter of 2010, Adaro produced close to four million tonnes per month, amounting to a 26% increase in quarterly production to 11.36 million tonnes, including 0.21 million tonnes of Adaro Energy's new coal, Envirocoal-Wara.

PT Adaro Energy Tbk

	Units	1Q09	1Q10	% Change
Production	Mt	9.03	11.36*)	26%
Sales **)	Mt	8.73	11.46	31%

*) Include coal production from new mine Envirocoal-Wara of 0.21 Mt

***) Include the third party coal sales sold by Coaltrade of 0.16 Mt in 1Q10

PT Adaro Indonesia

	Units	1Q09	1Q10	% Change
Overburden	Mbcm	41.5	48.86	18%
Coal Transported	Mt	9.03	11.36	26%
Coal Sold	Mt	8.64	11.3	31%
Coal Inventory	Mt	0.73	0.4*)	-45%
Strip Ratio	Bcm/t	4.75	5**)	5%

*) The coal inventory for Envirocoal-Wara is 0.21 Mt

***) Only for Tutupan. The strip ratio for Envirocoal-Wara is 2.67 Bcm/t

Mining and Hauling

PT Pamapersada Nusantara ("PAMA"), owned by PT United Tractors Tbk, was responsible for 39% of Adaro Indonesia's coal production volumes. PT Bukit Makmur Mandiri Utama ("BUMA") and PT Rahman Abdijaya ("RAJ") were responsible for 18% and 12% respectively. Adaro Energy's subsidiary PT Saptaindra Sejati ("SIS") was responsible for 30% of the total coal production. PT Rante Mutiara Insani ("RMI") was responsible for the development of Wara's production and contributed 1% of Adaro Indonesia's coal production volume.

Overburden Removal

The overburden removal was 84% of plan largely impacted by higher than average rainfall in March. The average overburden removal per day was 538 kbcm, 643 kbcm and 527 kbcm in January, February and March. SIS achieved 85% of plan in overburden. Adaro is currently reviewing means of catching up the overburden deficit at the end of first quarter.

Coal Mining

All our contractors continued their impressive performance from preceding quarter to achieve 104% of plan. SIS' performance was impressive with 127% of plan. As a result, SIS' contribution to Adaro Energy's total production volume was up 44% compared to the same quarter last year.

Logistics, Hauling, Barging and Ship Loading

The acquisition of OML has contributed tremendously to strengthening Adaro's coal supply chain and improves cost efficiency. The performance of all barging contractors continued to improve as evidenced by cycle time reduction and improved tonnage. The average demurrage rate per vessel was also kept at minimum and Adaro is confident with this positive trend going forward.

	Units	1Q09	1Q10	% Change
Floating Cranes	Mt	4.65	7.2	55%
Self Geared	Mt	1.44	1.34	-7%
IBT	Mt	0.36	0.57	58%
Barges	Mt	2.18	2.19	0%
Total	Mt	8.64	11.3	31%

PT Saptaindra Sejati

SIS' total overburden was 28.8 Mt and coal getting was 4.81 Mt. Overburden removal experienced 20% decreased compared to the same quarter last year and similar to the preceding quarter. Coal getting experienced 41% increased compared to the same quarter last year and similar to the preceding quarter.

	Units	1Q09	1Q10	% Change
Overburden Removal	Mbcm	24.07	28.83	20%
Adaro	Mbcm	12.71	14.80	16%
Others	Mbcm	11.36	14.03	24%
Coal Getting	Mt	3.41	4.81	41%
Adaro	Mt	2.32	3.35	44%
Others	Mt	1.09	1.47	34%

Orchard Maritime Logistics Ltd, MBP and HBI

Barging and shiploading companies combined transported 2.96 Mt and loaded 3.85 Mt of coal during the quarter. Total coal transported experienced 35% increased compared to the same quarter last year, but 13% decreased compared to the preceding quarter. Total coal loaded experienced 67% increased compared to the same quarter last year and 6% increased compared to the preceding quarter.

	Units	1Q09	1Q10	% Change
Total Coal Transported	Mt	2.2	2.96	35%
Adaro	Mt	1.8	2.67	48%
Others	Mt	0.4	0.29	-28%
Total Coal Loaded	Mt	2.3	3.85	67%
Adaro	Mt	2.3	3.85	67%
Others	Mt	0	0	

PT Indonesia Bulk Terminal

IBT shipped 1.75 Mt of coal and loaded 28 vessels through its port during the quarter. Total coal shipped experienced 122% increased compared to the same quarter last year and 4% increased compared to the preceding quarter. IBT is focused on third party coal handling and

fuel services as Adaro moves more of its transshipment activities to the open anchorage at Taboneo.

	Units	1Q09	1Q10	% Change
Total Coal Shipped	Mt	0.79	1.75	122%
Adaro/Coaltrade	Mt	0.48	1.06	121%
Third party	Mt	0.31	0.7	126%
No of vessels loaded		14	28	100%

Coaltrade Services International Pte Ltd

Total third party coal sales sold by Coaltrade was 0.16 Mt, which reflected 78% increased compared to the same quarter last year and 33% increased compared to the preceding quarter.

	Units	1Q09	1Q10	% Change
Total coal sales	Mt	0.25	1.51	504%
Coal purchased from Adaro	Mt	0.16	1.34	738%
Others	Mt	0.09	0.16	78%

PROJECT DEVELOPMENT

IBT-Shell Fuel Facilities Agreement

On September 1, 2009, Adaro Energy through its subsidiary, IBT, signed a fuel facilities agreement with PT Shell Indonesia. This agreement includes the construction of the fuel storage terminal at IBT's facility.

The IBT Fuel Terminal Project is aimed at ensuring a guaranteed and lower cost fuel supply for Adaro's operations, while at the same time developing liquid bulk-based traffic for IBT from fuel storage and delivery.

During the first quarter of 2010, Adaro Energy's contractors completed construction on the fuel jetty and electrical work, while the work on the fuel tank storage facilities was completed at the end of 2009.

The first Shell tanker arrived Friday, April 16th 2010 at IBT terminal to start the loading of the first storage tank. With good teamwork amongst Shell, IBT and the contractors, the first storage tank loading process completed smoothly on Saturday, April 17th 2010. The loading on the second storage tank is in progress and it is expected both the Marine Loading Arm and jetty pipeline will not incur any major problems.



The first tanker berthing at IBT on April 16th, 2010.

Boosting Capacity at Kelanis River Terminal

To boost capacity by up to 1,500 tph, the additional hoppers and crushers were planned to be installed. The work on new hopper is expected to commence during third quarter this year.

The new South Kelanis loadout is also in progress to support Adaro's plan to increase annual production. This new loadout is expected to provide an additional 6,000 tph of barge loading capacity to boost planned production increase in 2011. The work on new loadout is expected to commence during third quarter this year.

Conveying System and Mine-mouth Power Plant

To reduce dependency on oil, so as to better control and lower costs, and to improve operational efficiency, Adaro Energy has been exploring different ways to use conveyors to transport the coal around the mining area and from the mine to the Kelanis river terminal.

Some detail design adjustments are directed to ease of use as well as improve maintenance and construction.

With regard to overburden removal, Adaro is planning to install, over time, a number of overburden crushing and conveying systems, which crush overburden and then convey it to the overburden dumps where it is spread by mobile stackers.

To power the conveying system, as well as the overall goal of lowering Adaro's dependency on oil, Adaro Energy is constructing, through its subsidiary MSW, a 2x30 megawatt (MW) mine mouth power plant.

Total investment to date for conveying system and mine-mouth power plant are approximately US\$55 million, mainly for equipment supplies and steam turbine generators.

BUSINESS DEVELOPMENT

Indonesian Coal Project with BHP Billiton

As part of third strategic objective, to acquire world class deposits of Indonesian coal, in the fourth quarter of 2009, Adaro Energy expressed its interest to participate in a world class metallurgical coal project located to the north of existing operations in Kalimantan.

On March 31, 2010, BHP Billiton announced it had entered into binding agreements to create a new joint venture for its Indonesian Coal Project (ICP) with PT Alam Tri Abadi, a wholly owned subsidiary of Adaro Energy. Adaro agreed to acquire a 25 percent interest in the ICP joint venture. BHP Billiton holds the remaining 75 percent. The ICP covers seven Coal Contracts of Work (CCoWs) located in East and Central Kalimantan in Indonesia. Undeveloped metallurgical and thermal Coal Resources are estimated at 774 million tonnes. Completion of the transaction is subject to approvals from the Indonesian Government.

Appointment of New Commissioners

During its last AGMS and EGMS on April 23rd, 2010, Adaro Energy reported the appointment of new Commissioners as part of meeting agenda. Dr. Ir. Raden Pardede, current Senior Advisor to Minister of Finance, Independent Commissioner of PT Bank Central Asia, and former President Commissioner of Asset Management Company (PT PPA), was appointed as the new Independent Commissioner for Adaro Energy. He replaced Djoko Suyanto who resigned as of October 2009 due to his assignment as the Coordinating Minister of Politics, Law and Security of the Republic Indonesia. Dr. Ir. Kusmayanto Kadiman, former Minister of Research and Technology (2004-2008), was appointed as the Commissioner of PT Jasapower Indonesia, a wholly-owned subsidiary of Adaro Energy. Also, Erry Firmansyah, former President Director of Indonesian Stock Exchange (IDX) (2002-2009), was appointed as the Commissioner of PT Makmur Sejahtera Wisesa.

SAFETY AND ENVIRONMENT

Safety

There were 2 fatalities and 3 LTI (Loss Time Injury) on the site during the quarter. The fatalities resulted from two separate incidents, where the operators of light vehicles became distracted while using mobile telephones whilst driving on the Kelanis haulroad, and veered into the path of coal hauling units. Adaro's LTIFR of 0.6 was slightly higher than the same quarter last year and the plan. All contractors have been asked to send representative directors to site on a quarterly basis to help push safety performance to higher levels.

	1Q09	1Q10	
	Actual	Actual	Plan
LTI	6	5	2.25
LTIFR	0.55	0.6	0.5

Land Disturbed and Land Rehabilitated

Adaro rehabilitated 71 hectares during the quarter with total rehabilitation to date of 1,798 hectares. Adaro has established some key environmental initiatives, including:

- Review available technology for an early warning system for safety dams, settlement ponds and discharge points, that reports water level, pH, turbidity, TSS, conductivity and other water quality parameters in real time.
- Review systems for the thickening of mud slurries to aid disposal.
- Improved our planning systems to better prioritize equipment used for the construction of water management infrastructure.

	1Q10	Project to Date
Rehabilitation (ha)	71	1,798
Land Disturbed - Mine (ha)	107	1,982
Land Disturbed - Other (ha)	251	3,637
Net Land Disturbed (ha)	287	3,821

Brief Description

Adaro Energy is currently Indonesia's second largest thermal coal producer, operates the largest single coal mine in Indonesia, and is a significant supplier to the global seaborne thermal coal market with a present capacity of approximately 48Mt per year. The Company has approximately 3.5 billion tonnes of coal reserves and resources and is fully integrated from exploration through to marketing. The Company's subsidiary, PT Adaro Indonesia commenced mining in 1992 from a coal resource area in the Tanjung district of Indonesia's South Kalimantan Province. Adaro operates under a first generation Coal Cooperation Agreement, or "CCA", with the Government of Indonesia, which is valid until 2022 with rights to extend by mutual consent.

Board of Commissioners:

- 1 Edwin Soeryadjaya – President Commissioner
- 2 Theodore Permadi Rachmat – Vice President Commissioner
- 3 Ir. Subianto – Commissioner
- 4 Lim Soon Huat - Commissioner
- 5 Palgunadi Tatit Setyawan – Independent Commissioner
- 6 Dr. Ir. Raden Pardede – Independent Commissioner

Audit Committee:

- 1 Ir. Palgunadi Tatit Setyawan (Chairman)
- 2 Dr. Ir. Irwandy Arif, MSc (Member)
- 3 Mamat Ma'mun, SE (Member)

Board of Directors:

- 1 Garibaldi Thohir – President Director
- 2 Christian Ariano Rachmat – Vice President Director
- 3 Sandiaga S. Uno – Director
- 4 Andre J. Mamuya – Director of Corporate Affairs and Corporate Secretary
- 5 David Tendian – Director of Finance
- 6 Chia Ah Hoo – Director of Operations
- 7 Alastair Grant – Director of Marketing

Key Adaro Energy Subsidiaries (100% owned by Adaro Energy, unless otherwise indicated):

- 1 PT Adaro Indonesia ("AI"): coal mining
- 2 PT Saptaindra Sejati ("SIS"): mining contractor
- 3 PT Makmur Sejahtera Wisesa ("MSW"): mine mouth power plant
- 4 Orchard Maritime Logistics Pte Ltd ("OML"): barging and shiploading serving customers outside Indonesia (95%)
PT Maritime Barito Perkasa ("MBP"): serving Adaro Indonesia
PT Harapan Bahtera Internusa ("HBI"): serving non Adaro-domestic
- 5 PT Sarana Daya Mandiri ("SDM"): dredging of Barito river mouth (51.2%)
- 6 PT Indonesia Bulk Terminal ("IBT"): coal terminal operation, port facilities
- 7 Coaltrade Services International Pte Ltd ("Coaltrade"): trading and marketing

Summary of Adaro Energy

Production/Sales	48 Mt capacity 40.6 Mt production in 2009 (38.5 Mt in 2008) 10 Years CAGR of 11.6%
Envirocoal	Sub bituminous, moderate CV, ultra-low sulfur, ash and NoX emissions
Customers	Substantially all blue-chip power utilities
Pricing	Substantially annual price negotiation and index-linked
Cost	Low to middle production costs compared to peers
Resources – JORC Compliant	3.5 billion tonnes
Location	Tabalong and Balangan district, South Kalimantan
License of Adaro Indonesia	First Generation CCA valid until 2022
Operations	The largest single site coal mine in the southern hemisphere, vertically integrated from pit to port
Pit to Port Subsidiaries (contracting, barging, shiploading, dredging, port services, marketing)	Each subsidiary is or will become an independent profit center and contribute value beyond the efficient high quality services they provide Adaro
Growth Strategy	Increase resources, organic annual growth, marketing focus on Asia and further integrate and improve operations