

Investor Presentation

PGAS Business Updates

Mandiri Investment Forum 2020

February 6, 2020



Table of Contents



About PGAS

1

Operation Highlight & Projection 2020

Dec 19 Operation Highlight | Operation Projection | Capex Projection

2

Company Overview

The Milestones | The Sub-Holding Co | Leadership |
Business Portfolio | Business Structure | Gas Infrastructure
6M – 2019 Highlights

3

9M2019

Operational Performance

Distribution | Transmission | Other Downstream |
Upstream Lifting

4

9M2019

Financial Performance

Income Statement | Balance Sheet |
Cashflow | Financial Ratios | Debt Maturity Profile



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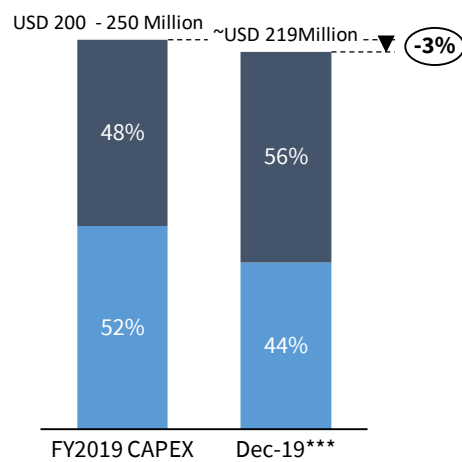
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December 2019 Operational Updates

Volumes	Jan – Nov 2019	Jan – Dec 2019	Δ YoY %	FY 2019 Targets
Distribution* (BBTUD)	987	988	2.84	970 – 990
Transmission (MMSCFD)	2,044	2,046	-2.64	2,070 – 2,100
Upstream Lifting (MMBOE)	9.35	10.41**	-27.33	10.50 – 11.00
Regasification (BBTUD)	121	120	-3.81	125 – 130
LPG Processing (TPD)	722	716	-9.05	740-770
Oil Transportation (Barrel)	3,401,539	3,746,265	0.89	4,361,069



*** Based on Estimation

■ Upstream
■ Downstream, Midstream & Supporting

* Incl. Processed Gas Volume of 39 BBTUD
** Lifting Vol. based on estimation

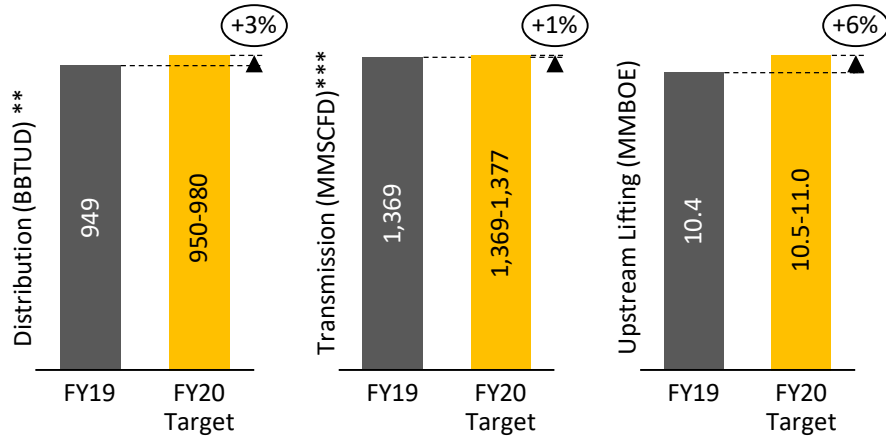
- YTD capex spending as of December 2019 reached US\$218 million, US\$121 million of which was spent on upstream activities and the remaining was spent on downstream midstream and supporting businesses.

- PGN and Pertamina recorded distribution volume of 837 BBTUD and 143 BBTUD, respectively, in Dec. vs. 911 and 160 BBTUD, respectively, in the prior month (or declined by 8.12% for PGN and 10.62% for Pertamina, respectively, MoM). These declines were mainly contributed from lower gas consumption from power and industrial customers as a result of pipeline maintenance works that delivered gas to Tanjung Priok power plant in Dec. as well as Christmas and New Year's holidays.
- Lower transportation volumes declined MoM by 0.26% to 2,059 MMSCFD in Dec. mainly due to lower Pertamina volumes MoM from 1,299 MMSCFD in Nov. to 1,293 MMSCFD in Dec.
- O&G lifting in Dec. stood at 1.05 MMBOE or higher by 50.29% compared to the prior month mainly driven by higher oil lifting volume in Dec. by 189.86% MoM to 8,255 bbl per day mainly driven from Ketapang and Muara Bakau blocks.
- Other segments reflect Pertamina business contributions:
 - Regasification volumes MoM increased by 24.25% to 116 BBTUD in Dec. due to higher gas consumption by PLN.
 - LPG processing dropped by 3.38% from 673 TPD in Nov. to 651 TPD in Dec. due to lowering production both in Perta Samtan Gas and and MKS LPG plant.
 - Oil transportation from Pertamina EP oil field in Central Ramba, South Sumatra, to Plaju refinery unit in South Sumatra recorded higher oil volumes 12.79% MoM to 344,726 BOEPD.

Business Projections 2020*

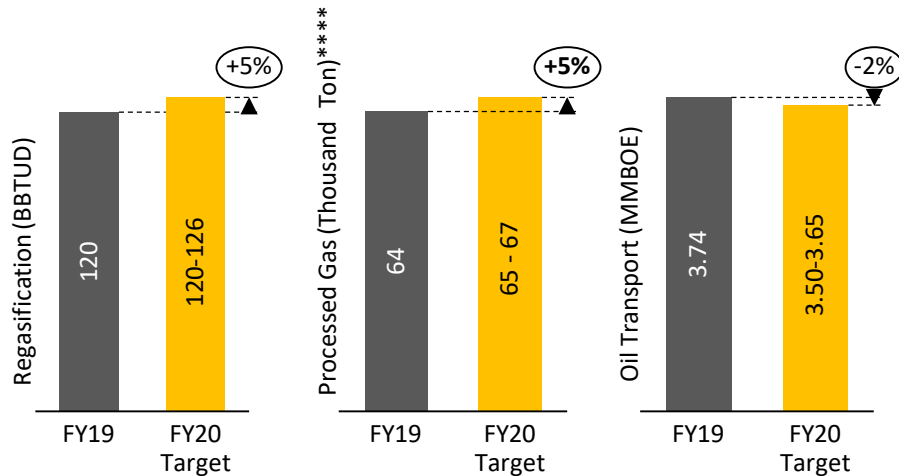
Refocusing Core Business

Operating Metrics



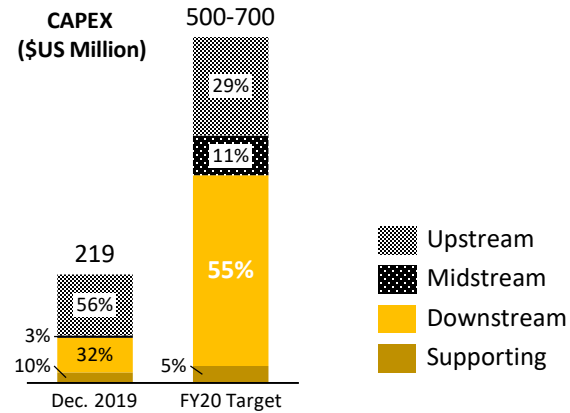
** Excl. Processed Gas

*** Excl. TGI & KJG



**** Excl. Perta Samtan

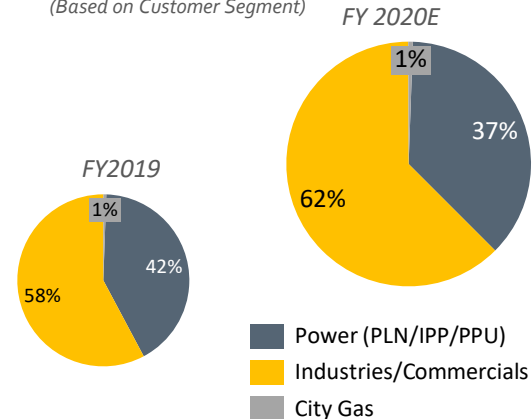
Financial Indicator



Actual Dec. '19 capex yet to be determined

Sales Volume Target

(Based on Customer Segment)



CAPEX PLAN (\$US Million)		Projects/Programs	Years
Upstream	~200	Developing Pangkah, Muara Bakau and Ketapang	2020-2021
Midstream	~80	LNG Infrastructures • LNG Carrier/Vessel • LNG Trucking • Revitalised Arun Tank	2020-2021
Downstream	~360	• Java & Sumatra Distribution • Customer Attachment • Gressik – Semarang Transmission • Rokan Oil Pipeline	2020-2021
Supporting	~35		2020

Macro Impacts

- Weakening US Dollar against Rupiah
- Lower electricity & industries consumption
- Tightening Government Policy

Key Assumptions

- Exchange Rate USD/IDR : 14,400
- Inflation : 3.1%
- Oil Price (ICP): USD 63/barrel
- Industries Growth 2% - 3%
- Stable Power Consumption

Business Focus

Development of Infrastructures:

- Distribution Pipeline in Java and Sumatra
- Completion of Gas Transmission pipeline
- Oil Transportation pipeline

Distribution expansion in key markets:

- Greater Medan Area
- Dumai-Riau
- Java (Centra Java, East Java, & West Java)

Notes:

* May be reviewed in anticipation of implementing new industrial gas pricing

About PGAS

PT Perusahaan Gas Negara Tbk (PGAS:IJ) the leading natural gas distribution and transportation player in Indonesia. PGAS continues to strengthen its position in the market by gradually transforming into an integrated energy solution company, encouraging the use of natural gas.

PGAS is engaged in upstream oil and gas, midstream and downstream fields across the Indonesian peninsula. PGAS owns and operates natural gas pipelines in excess of more than 10,000km in total length, covering c. 96% of the national natural gas pipeline network. PGAS' upstream portfolio consist of 11 oil and gas blocks across the country, and 1 shale gas in Houston, US. PGAS has 2 FSRU's (Lampung & West Java) and land based regasification facility in Arun. PGAS, through its downstream entities, serves more than 2,000 industrial and commercial customers.

PGAS become subsidiary of PT Pertamina (Persero) since 11 March 2018 as part of Government of Indonesia's Oil & Gas Holding initiatives. With the acquisition of 51% stake in PT Pertamina Gas (and its subsidiaries) on 28 December 2018, PGAS has officially been the Gas Sub-holding Company.

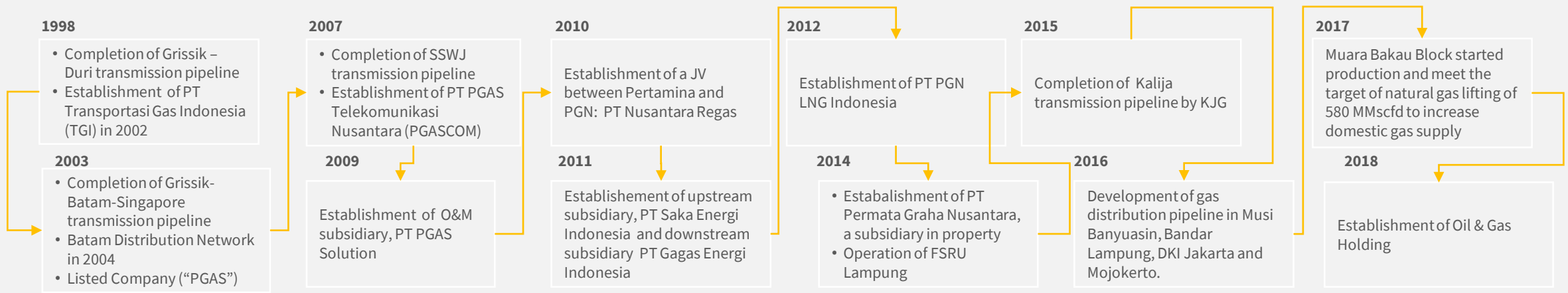


Company Overview

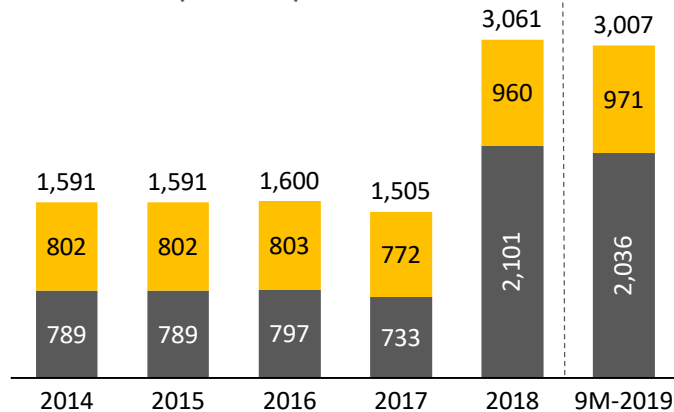
The Milestones | The Sub-Holding Co |
Leadership | Business Portfolio |
Business Structure | Gas Infrastructure |
6M – 2019 Highlights



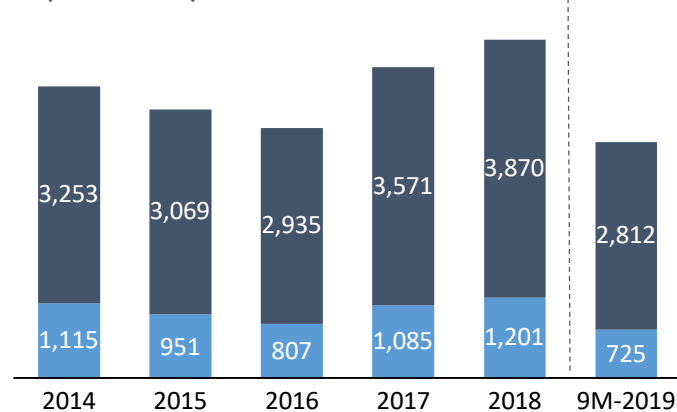
The Milestones



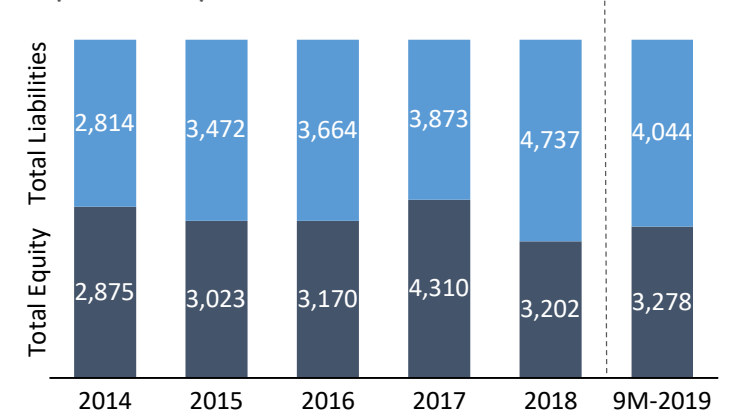
Distribution (BBTUD) Transmission (MMSCFD)



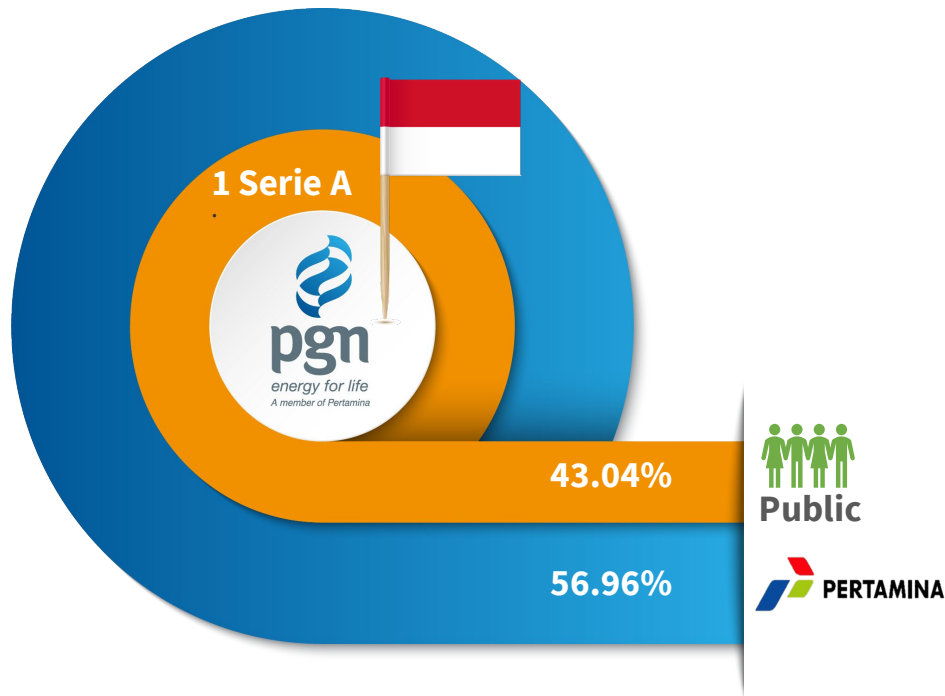
Revenue & EBITDA (USD Million)



Capitalization (USD Million)



The Sub-Holding Co.



Credit Rating	Moody's	S&P	Fitch
Indonesia	Baa2 (Stable)	BBB (Stable)	BBB (Stable)
Pertamina	Baa2 (Stable)	BBB (Stable)	BBB (Stable)
PGN	Baa2 (Stable)	BBB- (Stable)	BBB- (Stable)

Vision

To be World Leading National Gas Company for a Sustainable Future and National Energy Sovereignty.

Mission

Conducting gas business in Midstream, Downstream, and Other supporting businesses that committed to increasing value for all stakeholders through:

1. Providing gas and developing infrastructure to utilize gas as energy and raw materials to create optimum value for the benefit of customers and society;
2. Creating added value for shareholders and employees, environmentally sound, has the advantage and prioritize safety;
3. Carry out the principles of professional, responsible and sustainable management of the Company;
4. Organizing other businesses to support gas utilization and sustainable business management.

Leadership

Board of Directors



**President Director
Gigih Prakoso**

- Previously served as Director of Investment Planning and Risk Management of PT Pertamina (Persero)
- A PhD from the University of Kentucky, Lexington, USA



**Director of Finance
Arie Nobelta Kaban**

- Holds a Bachelor and Master degree from University of Gajah Mada.
- Previously served as Team Leader Investigation in Corruption Eradication Commission (KPK)



**Director of Commerce
Dilo Seno Widagdo**

- Holds a Master degree in International Management from University of Prasetya Mulya.
- Serves as a Director of Commerce since 30 August, 2019. Previously served as Director of Infrastructure & Technology PT PGN Tbk



**Director of Human Capital & General Services
Desima Equalita Siahaan**

- Holds a Bachelor of Management from University of Padjajaran Bandung and Master of Marketing at Oklahoma City University, USA.
- Served as HR and General Director since May 4, 2017.



**Director Infrastructure & Technology
Redy Ferryanto**

- Holds a Master degree in International Management from University of Pelita Harapan/UPH (Harvard University Class).
- Serves as a Director since August 30, 2019. Previously served as the Director of Operational & Development PT Energi Management Indonesia



**Director of Strategy & Business Development
Syahril Mukhtar**

- A Bachelor of Industrial Engineering ITB, Magister of Management University of Gajah Mada and Doctor of Management Strategic University of Indonesia
- Previously served as Corporate Secretary PT. Pertamina (Persero)

Board of Commissioners



**President Commissioner
Arcandra Tahar**

- Master and Ph.D. of Ocean Engineering – Texas A&M University
- Serves as President Commissioner since 21 January 2020. Previously served as Vice Minister Energy and Mineral Resources of Republic of Indonesia (2016 –2019)



**Independent Commissioner
Kiswodarmawan**

- A Bachelor of Civil Engineering from ITS, Surabaya. Previously served as Managing Director of Adhi Karya (Persero) Tbk
- Having no affiliation with other members of the Board of Directors and the Board of Commissioners, as well as majority and/or controlling shareholders



**Independent Commissioner
Paiman Raharjo**

- A Master of Economic Administration from the University of Prof. Dr. Moestopo and Doctor of Administrative Sciences from Padjajaran University
- Having no affiliation with members of the Board of Directors and other members of the Board of Commissioners, as well as major shareholders and/or controllers.



**Independent Commissioner
Christian H. Siboro**

- A Master of Business Administration & Management from PPM Graduate School of Management and Paris School of Business.
- Having no affiliation with members of the Board of Directors and other members of the Board of Commissioners, as well as major shareholders and/or controllers.



**Commissioner
Mas'ud Khamid**

- A Bachelor in Physics from ITS Surabaya
- Having an affiliation with PT Pertamina (Persero) as the controlling shareholder, in his position as Director of Retail PT Pertamina (Persero).
- Previously served as Director of Consumer Service PT Telkom (Persero) Tbk



**Commissioner
Luky Alfirman**

- A MA and PhD in Economic, University of Colorado
- Having an affiliation with the Republic of Indonesia as the controlling shareholder, in his position as General Director of Funding & Risk in Ministry of Finance

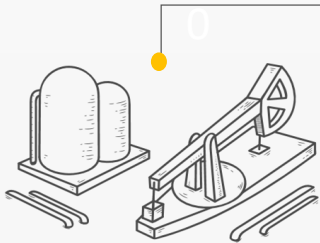
Business Portfolio

Sub Holding Gas

UPSTREAM

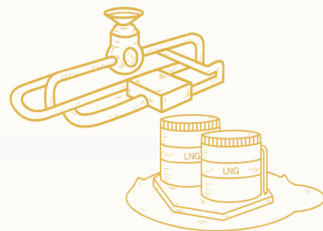
Oil and Gas Production

Natural gas reserves in Indonesia are larger than oil. Saka Energi Indonesia is subsidiary of PGN that has business activities in the upstream business

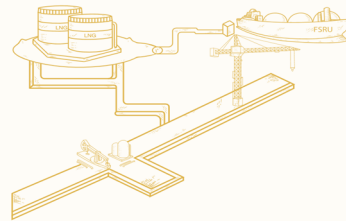


MIDSTREAM

Through TGI, KJG and Pertagas, PGN maintain a very high reliability and operational infrastructure security. FSRU converts LNG into high-quality natural gas. PGN has 2 (two) FSRUs namely FSRU Lampung and FSRU West Java and also land base regasification facility in Arun through Pertagas

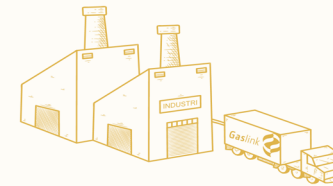


DOWNSTREAM



Gas Transport Module (Gas Link)

Gas Link is a solution for channelling natural gas to location that are not connected to a gas pipeline



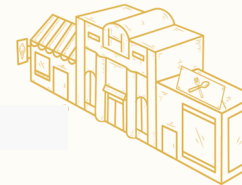
Commercial Customers

MRU is the solution for natural gas filling station for transportation using CNG technology



Power Plants

Power plant made from gas fuel is more environment friendly compared to oil fuel or coal



Commercial Customer

Efficiency and reliability are important factor in distributing energy to commercial customers. PGN in this case can fulfil these needs



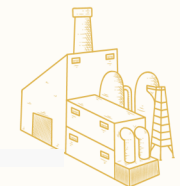
Household Customer

PGN has distributed gas to more than 300,000 household customers in 52 cities/regencies all over Indonesia



Gas Filling Station (SPBG) and Mobile Refueling Unit (MRU)

Subsidiary, Gagas Energi Indonesia operates 16 SPBG at 11 cities in Java and Sumatra



Industrial Sector

Indonesia's growth is driven by the growth of its industrial sector. PGN continues trying to encourage fuel usage efficiency by distributing natural gas to various industrial area in Indonesia

Business Structure

PGN Group

PT Saka Energi Indonesia

Oil and Gas Upstream

PT Transportasi Gas Indonesia

Natural Gas Transportation

PT PGN LNG Indonesia

LNG Processing, Transportation, Storage and Trading

PT Nusantara Regas

Natural Gas Trading Through LNG Regasification facility

PT Gagas Energi Indonesia

Processing, Transporting, Storage and Oil & Natural gas trading And other energy

PT PGAS Solution

Operation and maintenance, engineering, trading &EPC of oil and natural gas

PT PGAS Telekomunikasi Nusantara

Technology, Communication & information technology

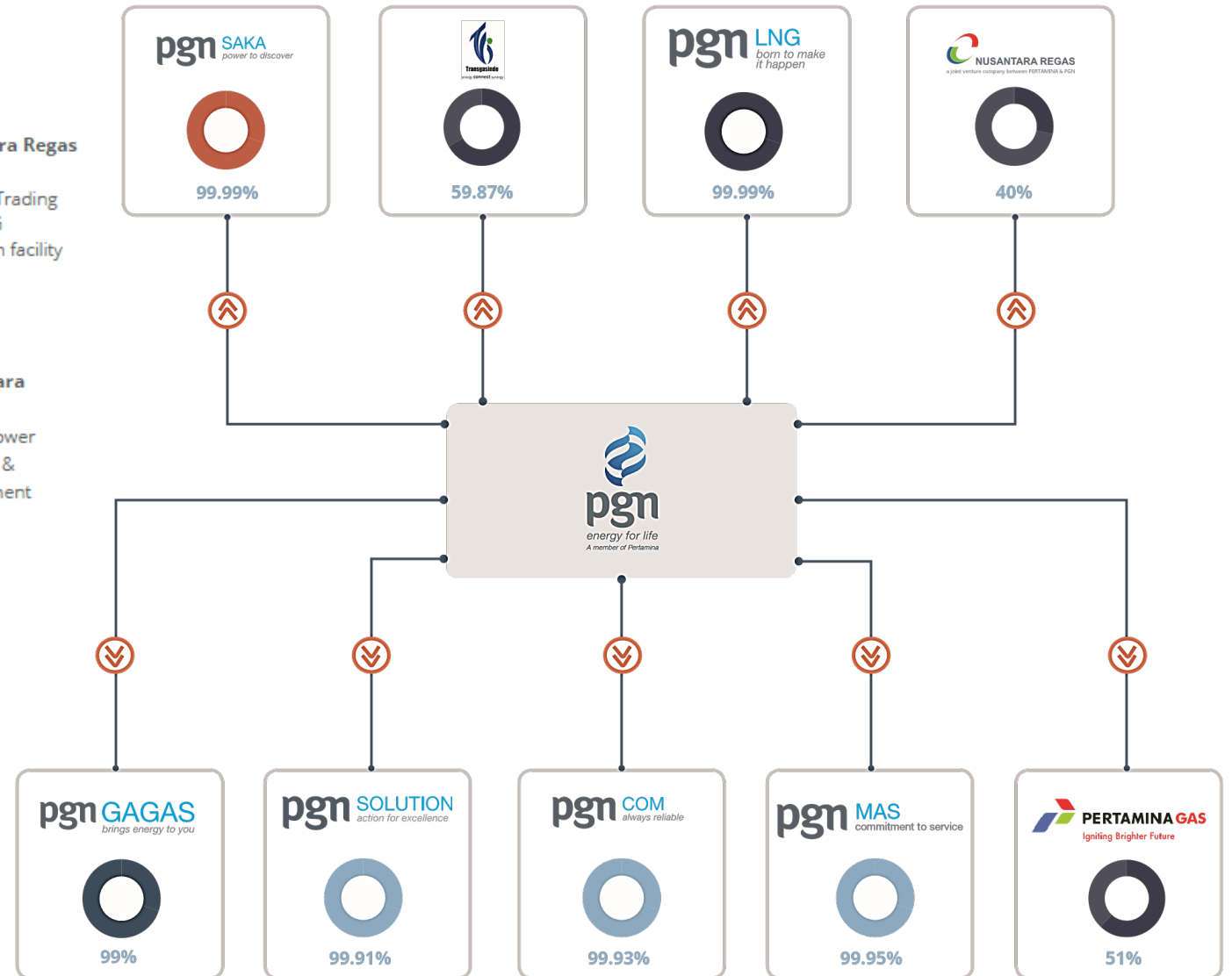
PT Permata Graha Nusantara (PERMATA)

Property, manpower Provider service & facility management

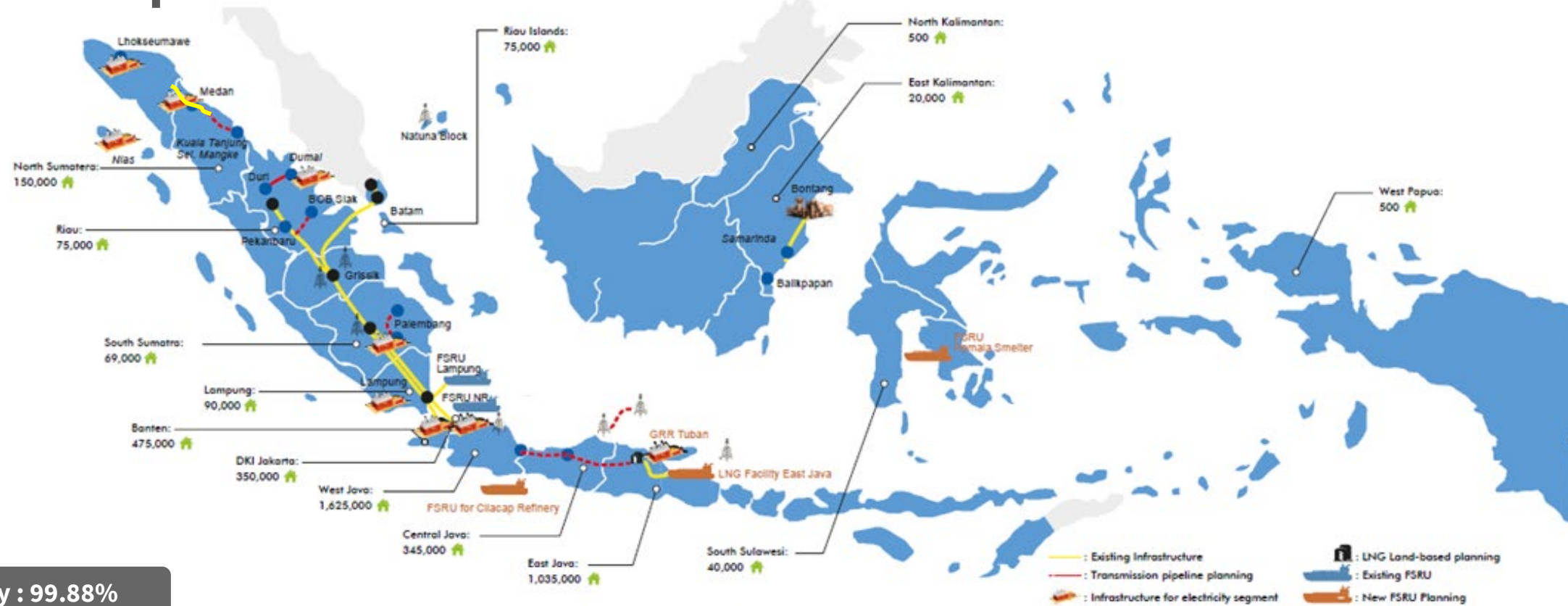
PT Pertamina Gas

Natural gas trading And its derivatives transportation/ transmission, processing, storage of natural Gas and other business

○ Upstream
 ○ Midstream
 ○ Downstream
 ○ Others



Gas Infrastructure Market Development



Reliability : 99.88%

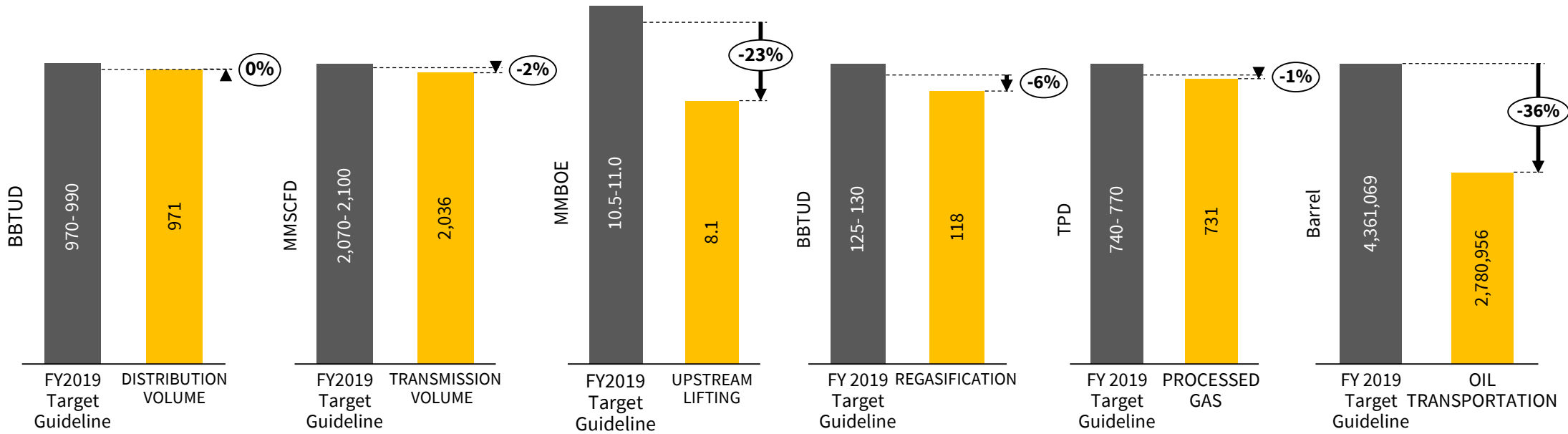
- Distribution Pipeline ±5,376 km
- Transmission Pipeline ±4,818 km
- LNG Infrastructure 2 FSRUs, 1 Land-based Regas Facility
- CNG Infrastructure 12 SPBG, 4 MRUs
- LPG Infrastructure 3 Processing Plants



9M-2019

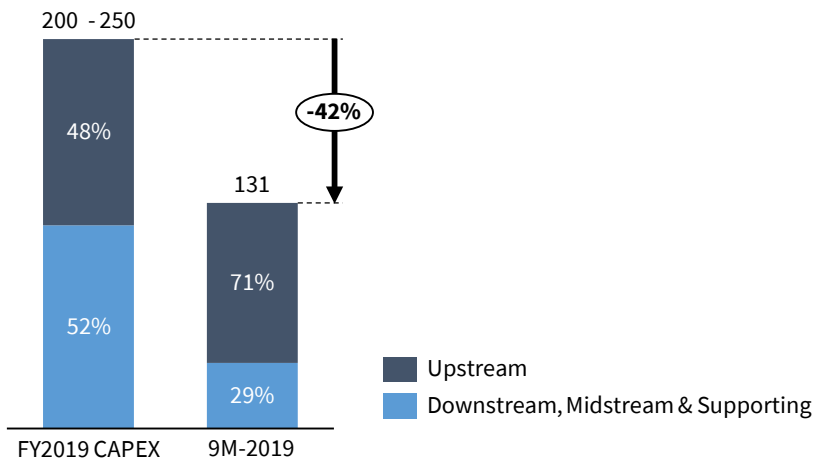
Highlights

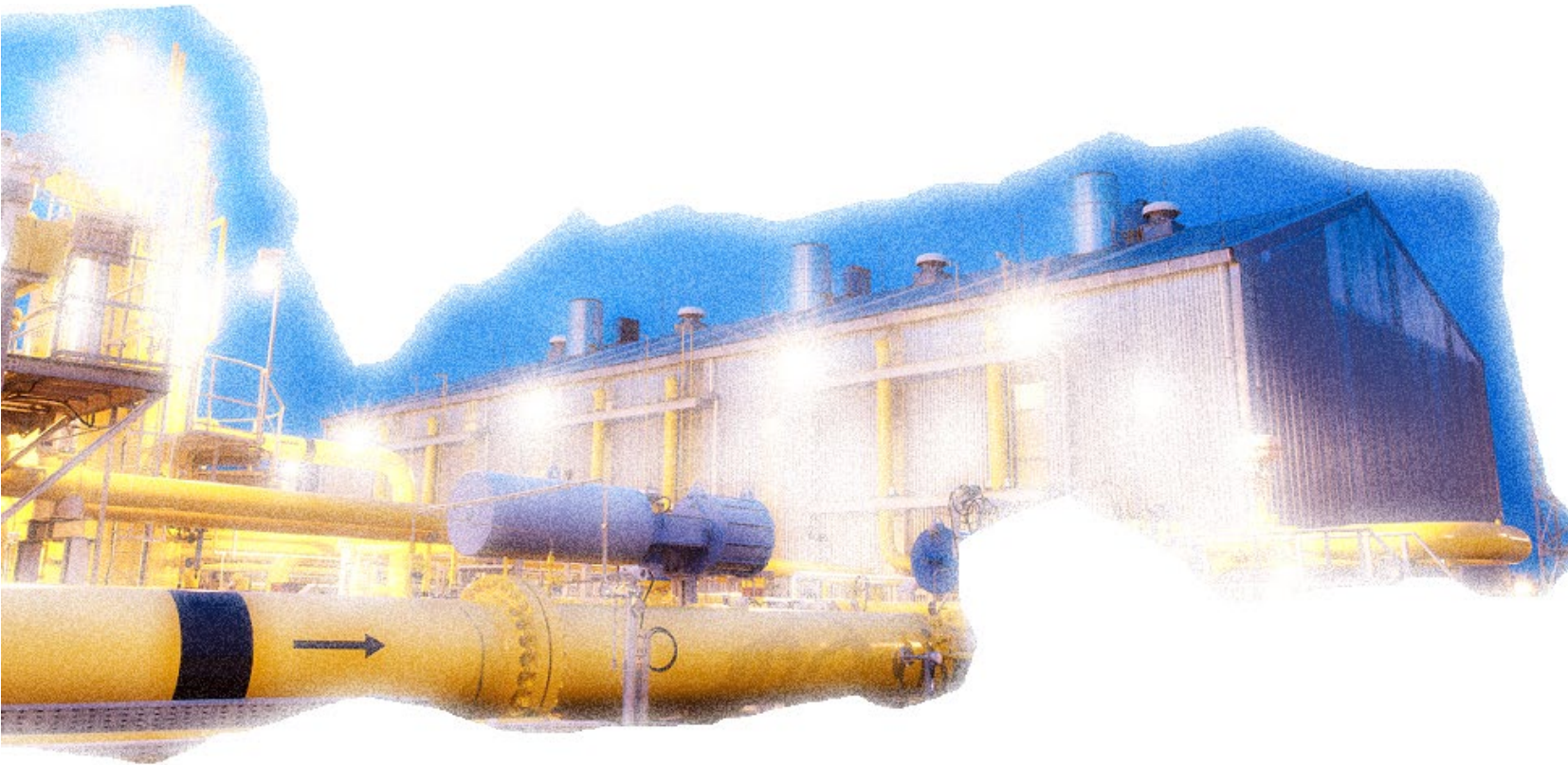
OPERATING METRICS



FINANCIAL INDICATORS (USD Million)

Revenue	2,812
EBITDA	725
Total Asset	7,322
Equity	3,278





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Operational Performance

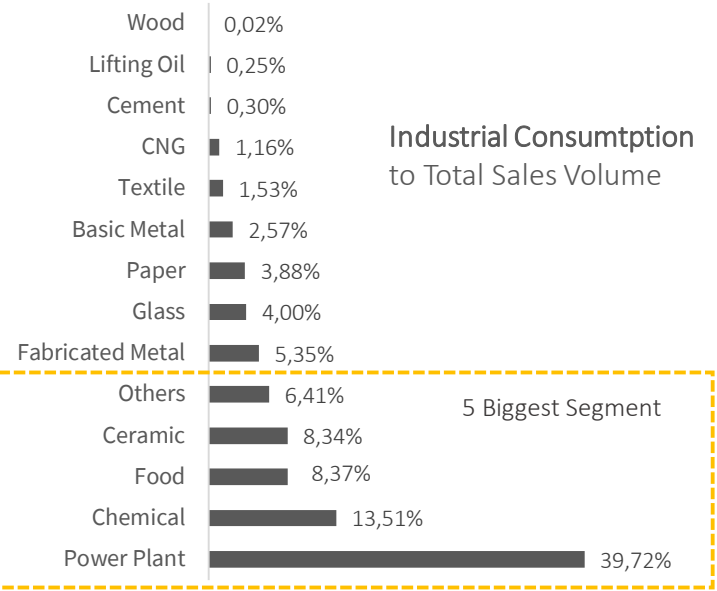
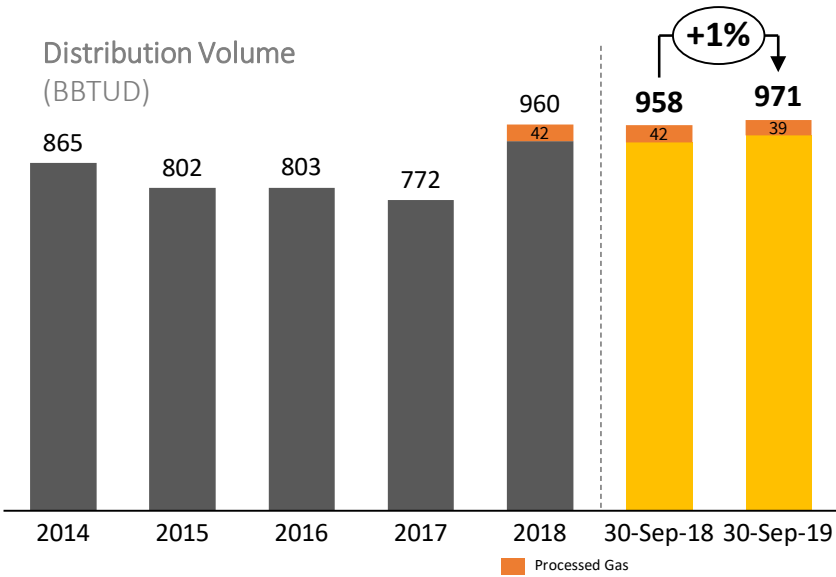
Distribution | Transmission |
Other Downstream | Upstream Lifting



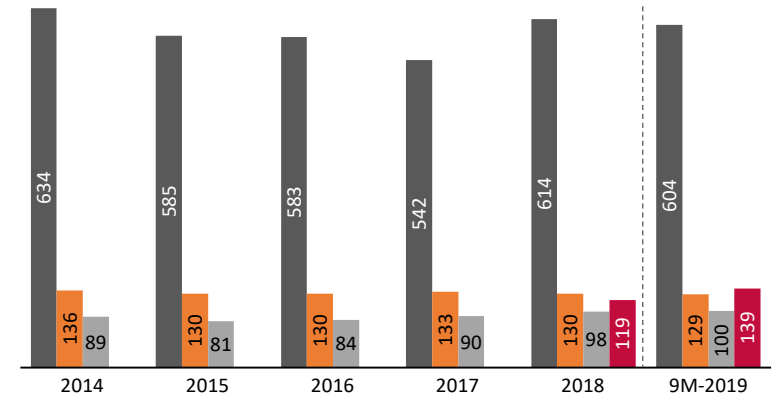
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Operational Highlights: Distribution

Distribution Volume (BBTUD)



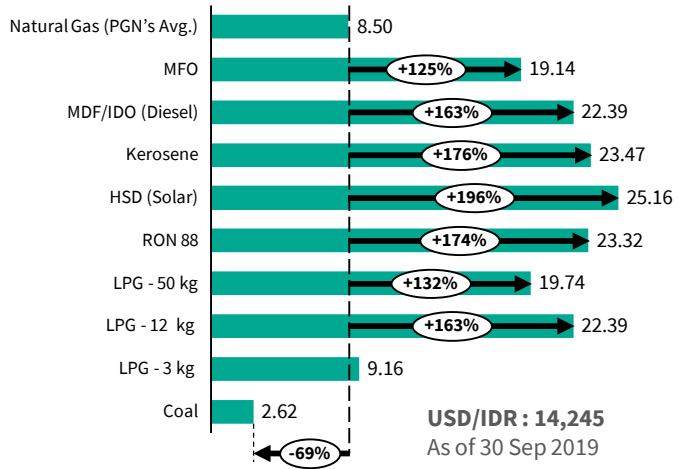
Distribution Volume (BBTUD)



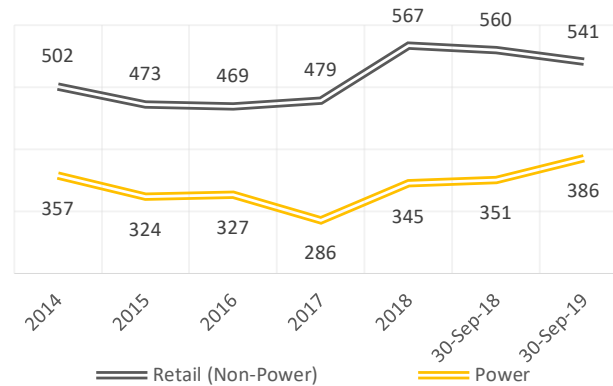
Regional Distribution

- RD 1 : Jakarta, Bogor, Bekasi, Karawang, Tangerang, Cilegon, Lampung, Palembang, and Cirebon
- RD 2 : Surabaya, Sidoarjo, Pasuruan, Semarang, Tarakan, and Sorong
- RD 3 : Medan, Batam, Pekanbaru, and Dumai.
- Pertagas

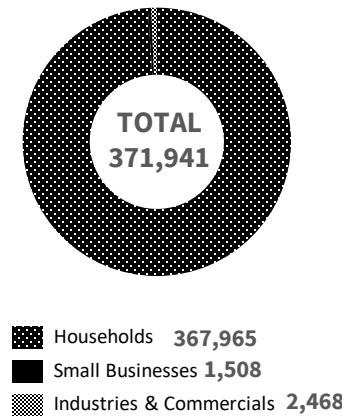
PGN's ASP vs Other Energy



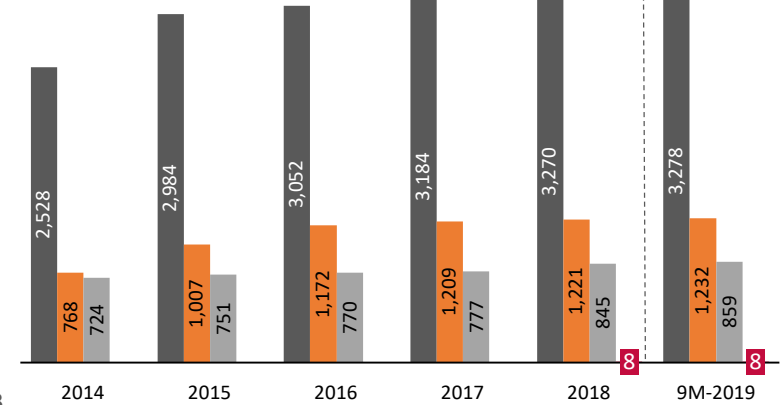
Trend of Industrial Consumption (BBTUD)



Number of Customers



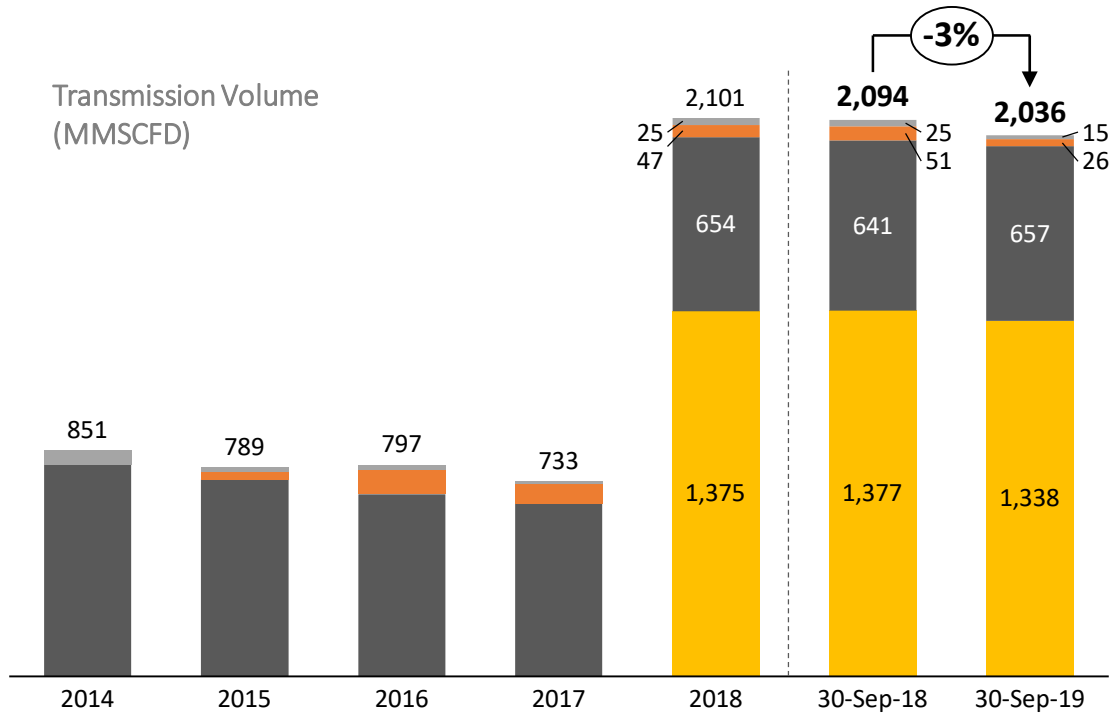
Length of Distribution Pipeline (KM)



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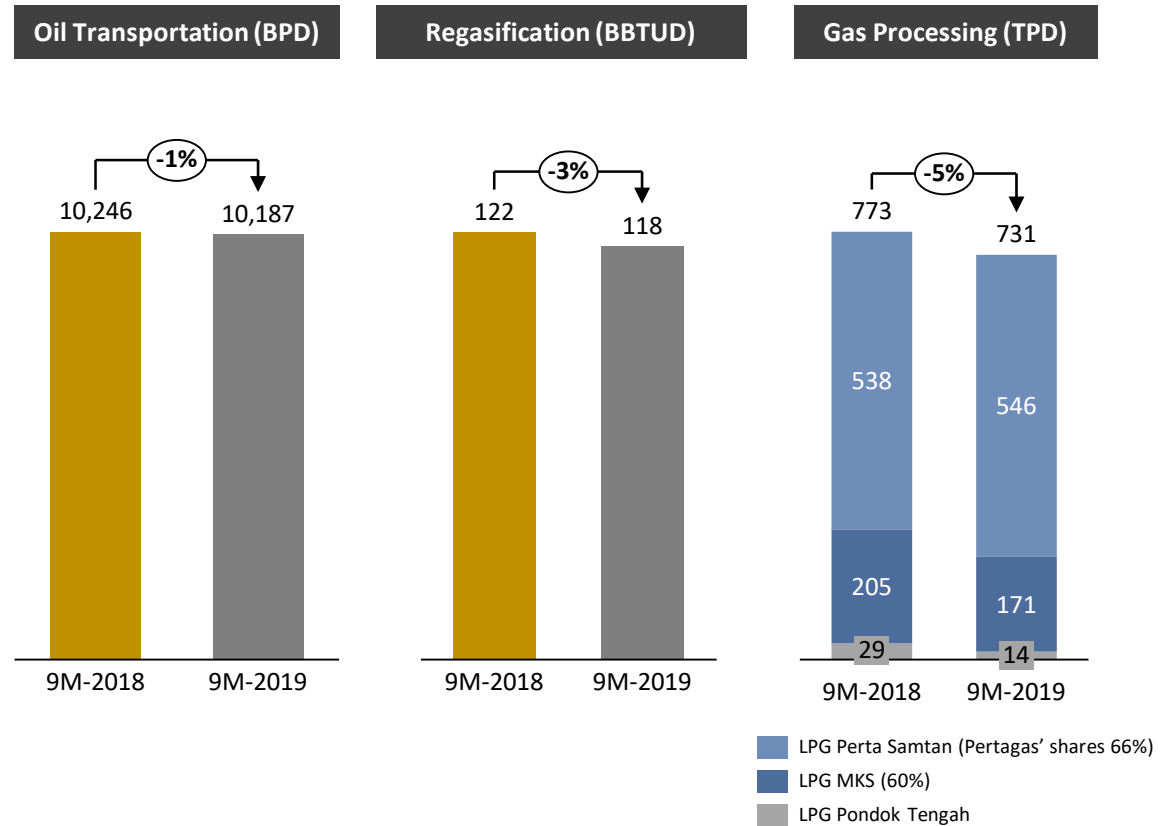
Operational Highlights: Transmission

Transmission Volume (MMSCFD)



- | | |
|---|---|
| <p>TGI</p> <ul style="list-style-type: none"> Total Length: ±1,000 km Off-taker: CPI, Gas Supply Pvt. Ltd., PGN, PLN Profit from JV | <p>Pertagas</p> <ul style="list-style-type: none"> Total Length: ± 2,466 km Transmission Revenue |
| <p>PGN</p> <ul style="list-style-type: none"> Total Length: ±1,145 km (incl. SSWJ) Off-taker: PLN, BBG Transmission Revenue | <p>KJG</p> <ul style="list-style-type: none"> Total Length: ± 200 km Off-taker: PLN Finance Lease Revenue |

Other Downstream



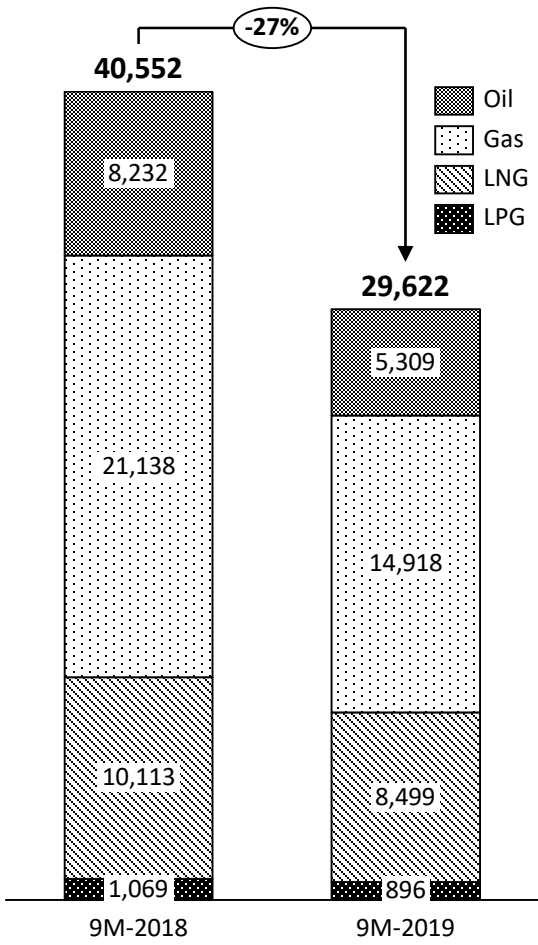
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Operational Highlights:

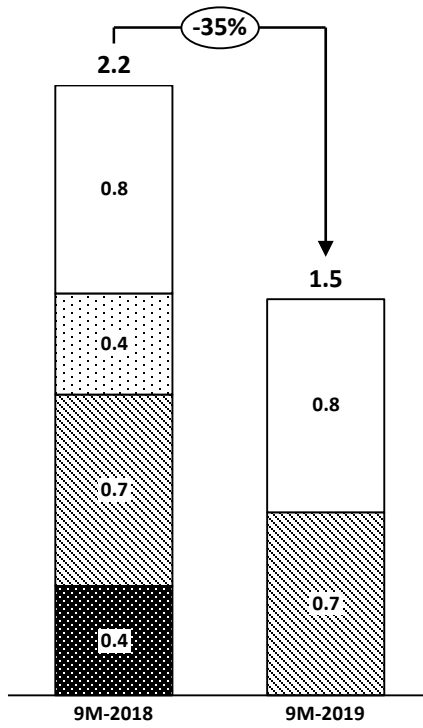
Upstream Lifting

- Pangkah
- ▨ Ketapang
- ▩ Sanga-Sanga
- ▤ SES
- ▧ Muriah
- Muara Bakau
- ▩ Fasken
- Bangkanai

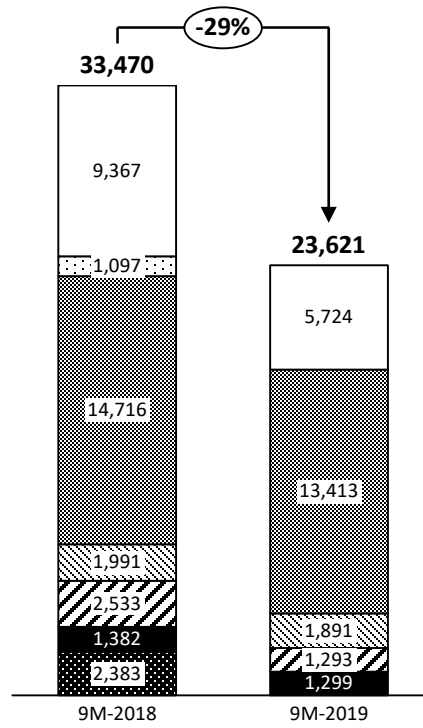
Oil Gas Lifting (BOEPD)



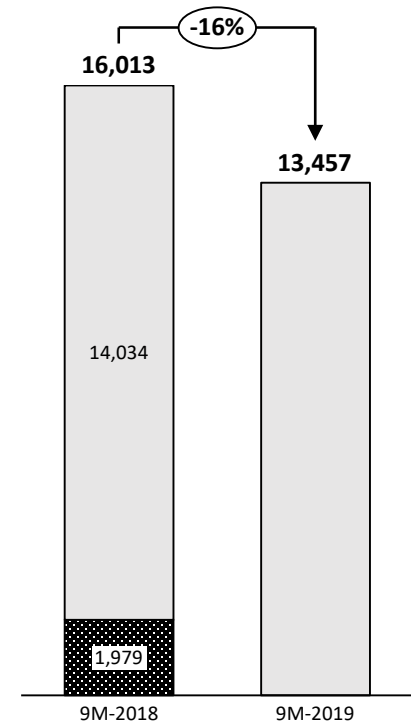
Crude Oil (MMBBL)



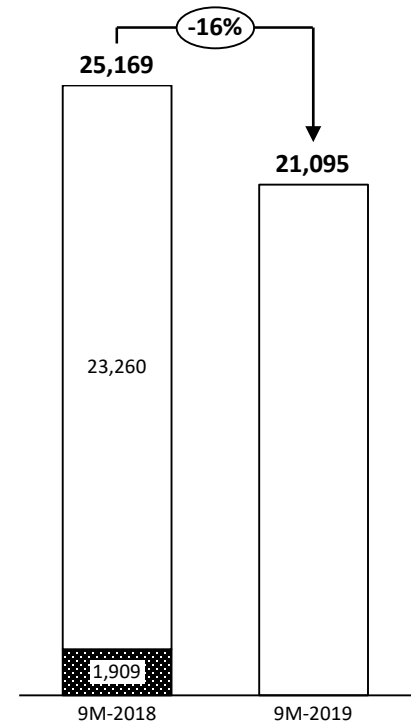
Gas (BBTU)

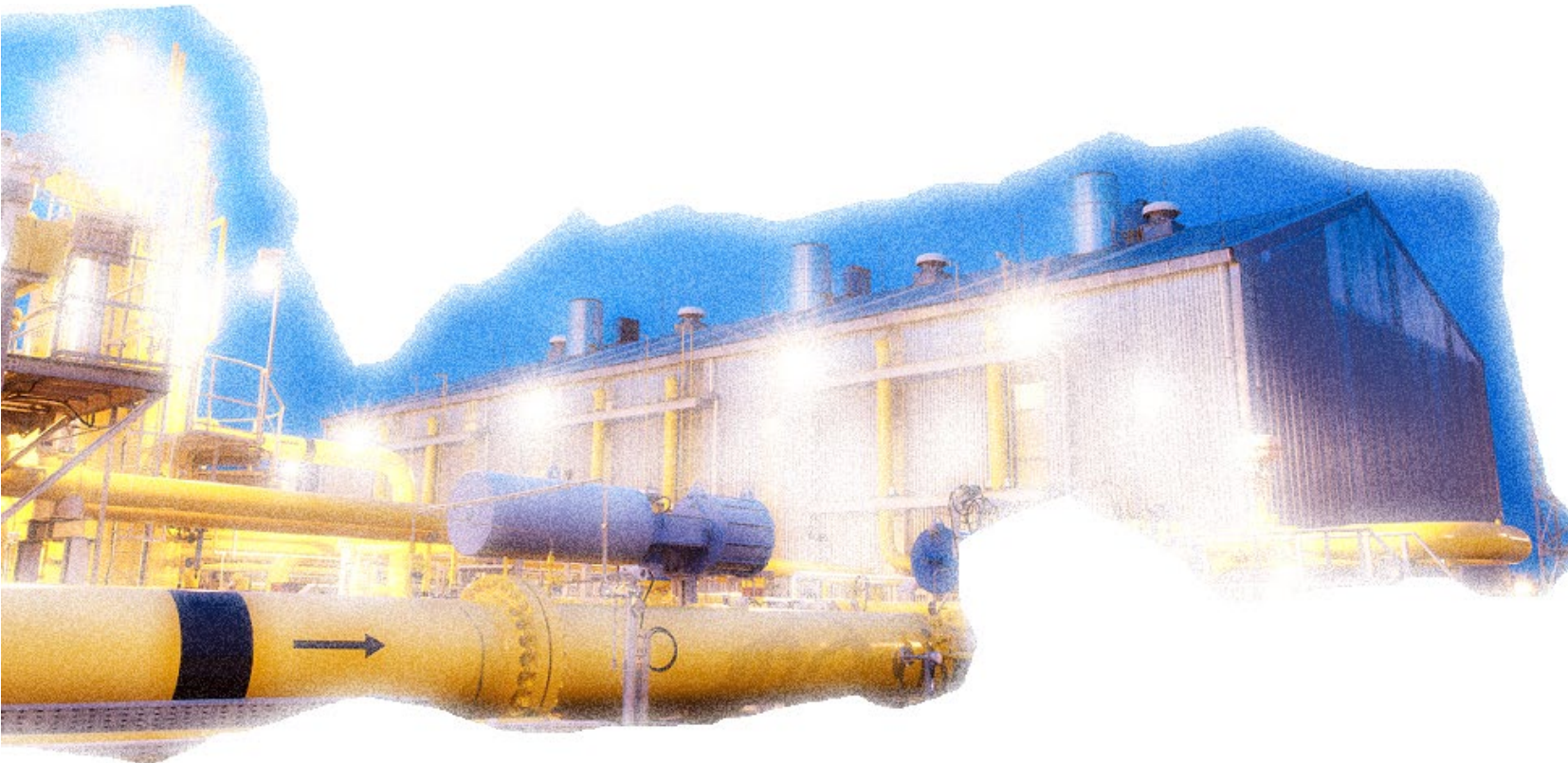


LNG (BBTU)



LPG (MT)





9M2019 Financial Performance

Income Statement | Balance Sheet |
Cashflow | Financial Ratios



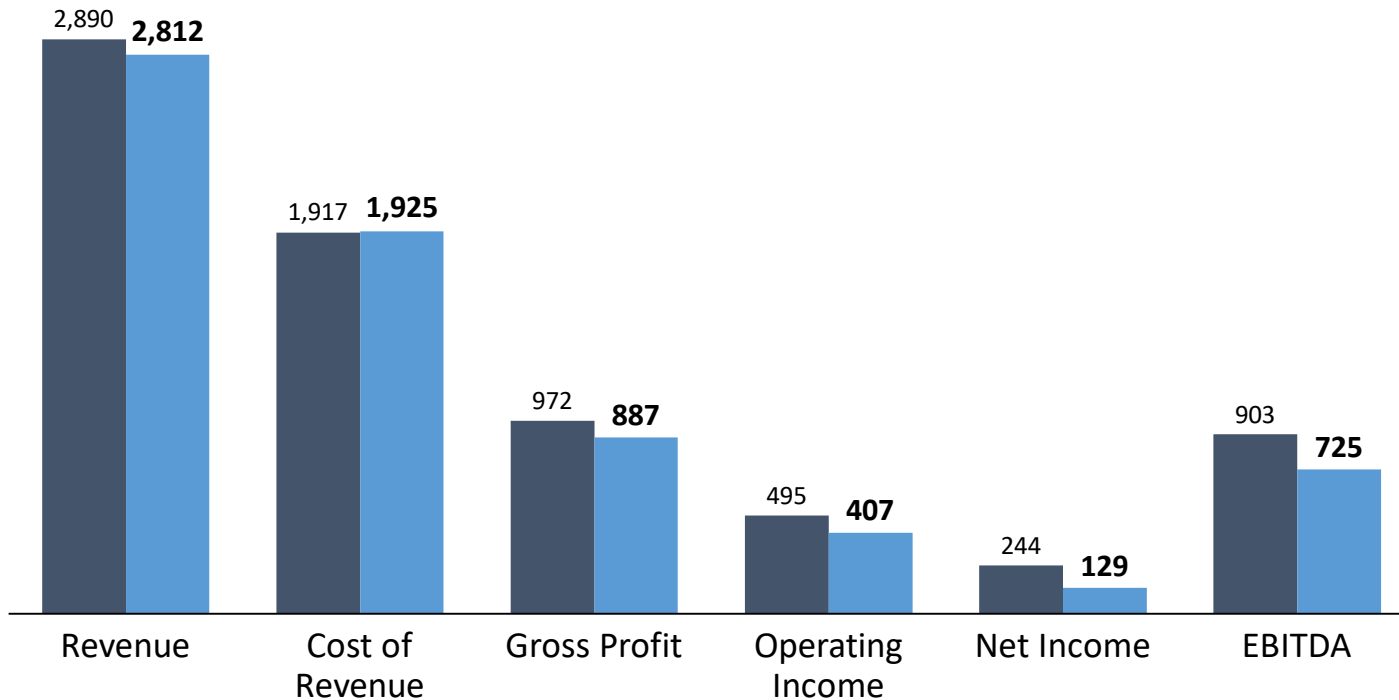
9M-2019

Financial Highlights:

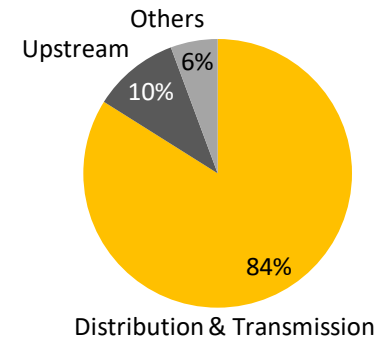
Consolidated Income Statement

■ 30 Sep 2018 (As restated)
 ■ 30 Sep 2019 (Unaudited)

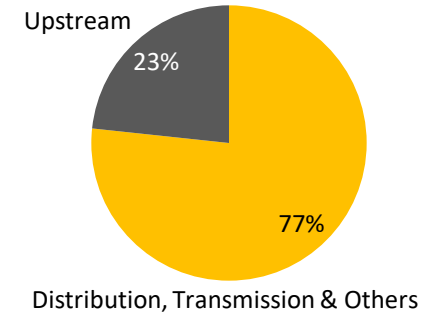
(USD Million)



Revenue Contribution



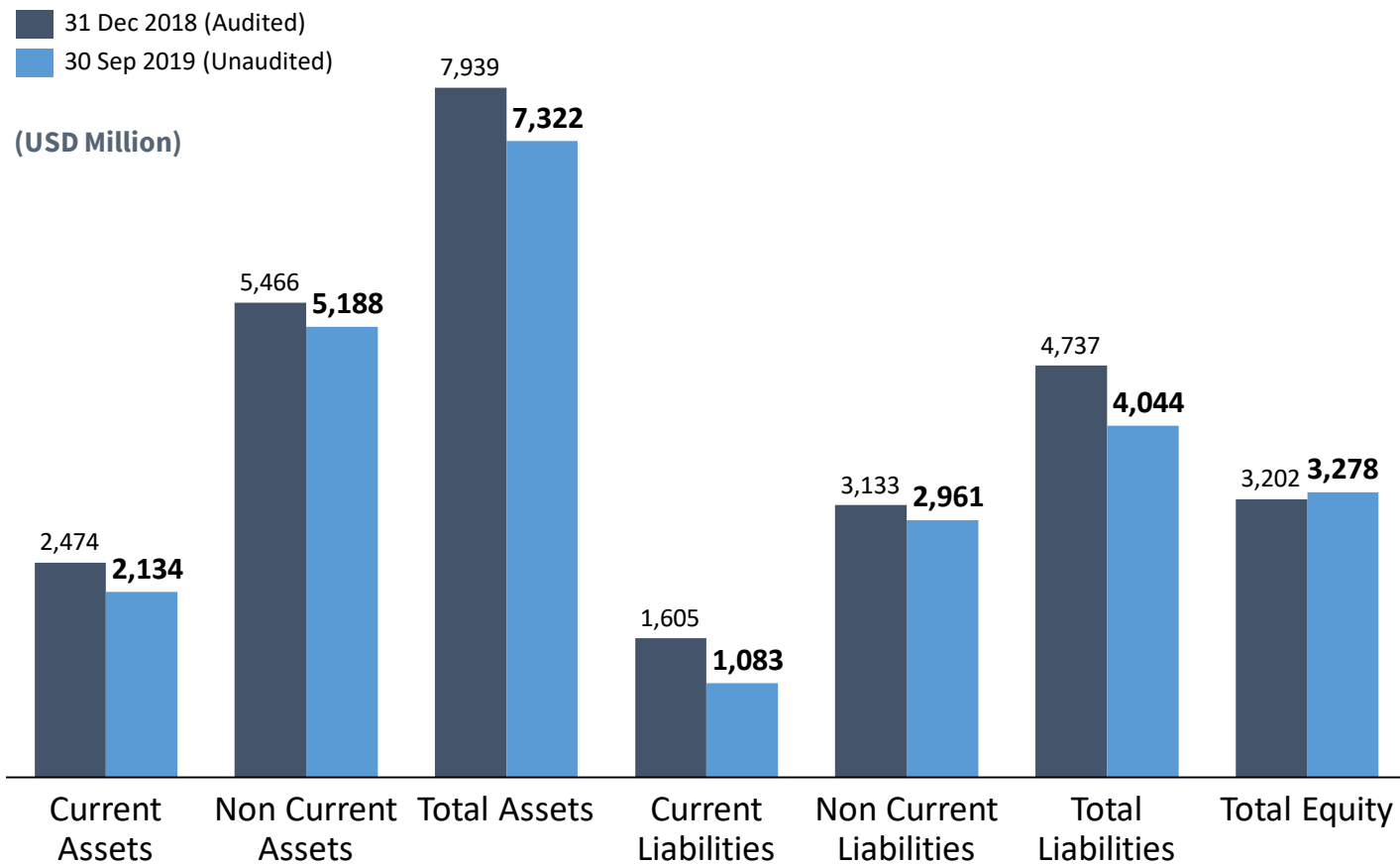
EBITDA Contribution



Revenue (USD Million)	30 September 2018	30 September 2019
Gas Distribution	2,103	2,182
Gas Transmission	167	181
Oil Transportation	20	15
E & P	442	292
Fiber Optic	10	12
Finance Lease	31	16
Gas Processing	98	81
Others	19	32
Total	2,890	2,812

9M-2019

Financial Highlights: Consolidated Balance Sheet



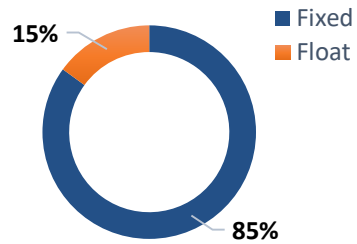
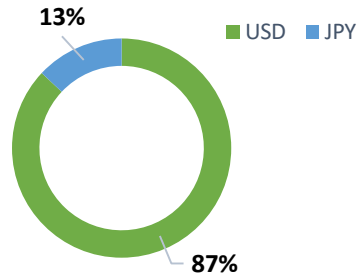
Consolidated Cashflow

Cash Flow (USD Million)	30 Sep 2018 (As restated)	30 Sep 2019 (Unaudited)
Beginning Balance	1,140	1,315
Cash flow from operating	727	867
Cash flow from investment	(81)	(879)
Cash flow from financing	32	(345)
Foreign Exchange Impact	(42)	5
Ending Balance	1,776	964

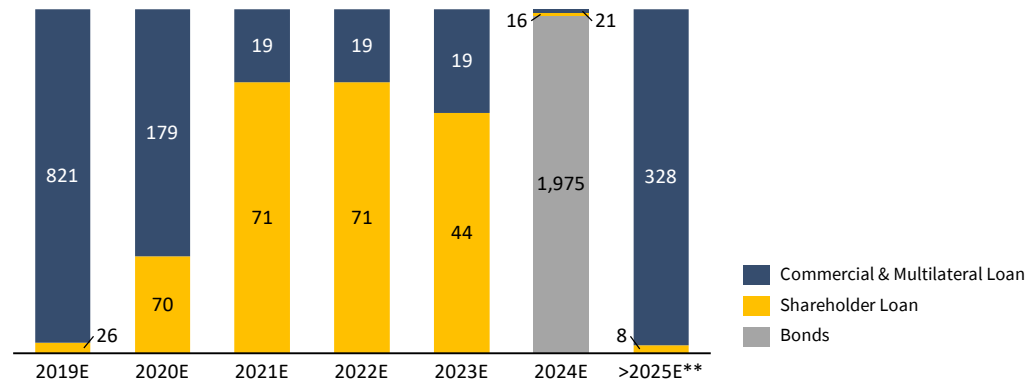
Financial Ratios	31 Dec 2018	30 Sep 2019
EBITDA Margin	26%	26%
EBITDA/Interest Expense (x)	6.7	5.7
Debt-to-Equity (x)	1.1	0.8
Net Debt/EBITDA (x)	2.1	2.5
Gross Debt/EBITDA (x)	3.4	3.8

9M-2019 Debt Profile

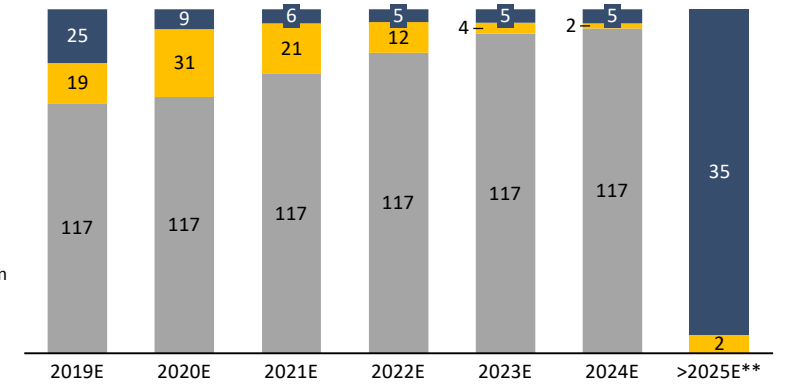
**Total Loan
USD 2.76 Billion**
Weighted Average Interest Rate 4.36%
(Excl. Tax)



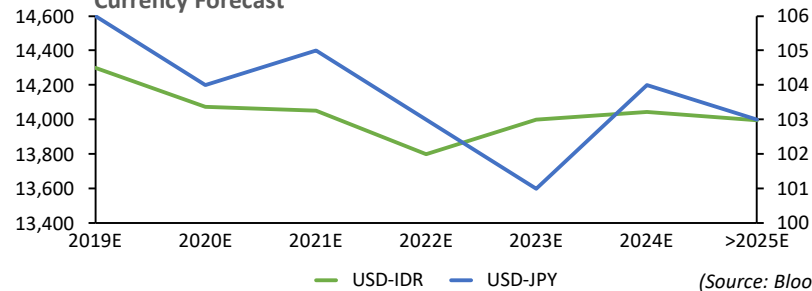
Debt Maturity Profile*
(USD Million)



Interest Payment*
(USD Million)

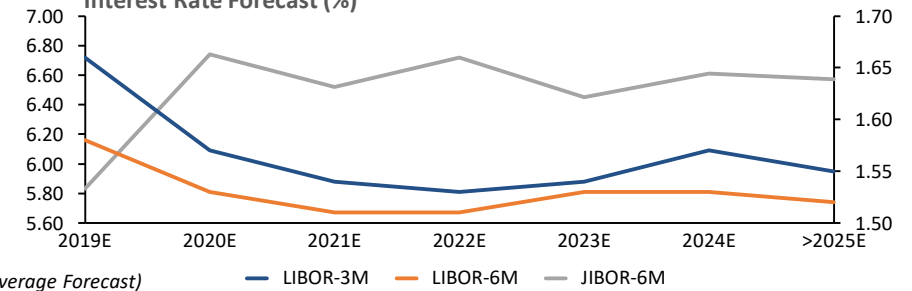


Currency Forecast



(Source: Bloomberg & Moving Average Forecast)

Interest Rate Forecast (%)



Entities	PGN					SAKA	Pertagas***	PGAS Solution
Lender	EIB	JBIC	IBRD	Bank Mandiri	Bond	Bond	SHL	Bank Mandiri
Loan Amount (USD)	70,000,000	JPY 49,088,000,000	69,381,312	350,000,000	1,350,000,000	625,000,000	549,106,589	7,055,171 (IDR 100,000,000,000)
Outstanding (USD)	4,750,674	346,520,470	31,848,896	150,000,000			246,207,747	7,055,171
Maturity	2020	2043	2026	2020	2024	2024	2028	2020

* The amount stated above may differ due to loan prepayment and/or withdrawal, currency and rate volatility

** PGN's Long Term Loan (JBIC, Maturity 2043), Pertamina Shareholder Loan (Maturity 2028)

*** Pertamina Shareholder Loan is lent by PT Pertamina (Persero)



HEADQUARTER

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