



the Story of PGN

Floating Storage
Regasification Unit (FSRU)
operated by PGN LNG (subsidiary)
on offshore Lampung,
Southern Part of Sumatera,
securing gas supply to Java and
Sumatera Islands

the story
of PGN
is the story of
Indonesia



PGN, the principal supplier and transporter of natural gas for Indonesia, is an integral part of the government's plans for economic growth, energy independence, and national development.

Today, natural gas from PGN is touching our lives in myriad ways. Indonesians are cooking with it; filling up their cars and buses with it; generating the electricity to power their homes, hospitals, schools and shopping malls with it.

Clean natural gas from PGN.

We're building Indonesia's future with it.

PGN is woven into the fabric of Indonesia.

CONTENTS

2-21 The Story of PGN

1. Highlights of 2014 Performance

- 24 Financial Highlights
- 24 Operating Highlights
- 24 Stock Highlights

2. Report to the Shareholders

- 29 Report from the Board of Commissioners
- 33 Report from the Board of Directors
- 41 Statement Letter of the Members of the Board of Commissioners and the Board of Director on Annual Report 2014

3. Company Profile

- 45 PGN's Group Structure
- 46 Brief History
- 48 Business Activity
- 49 Business Structure
- 50 PGN's Gas Source, Pipeline Network and Facility
- 52 Natural Gas for Nation
- 54 Organization Structure
- 56 Vision and Mission of the Company
- 58 Board of Commissioners Profile
- 60 Board of Directors Profile
- 62 Human Resources
- 68 Composition of Shareholders
- 70 Information of Subsidiary and Associated Companies
- 72 Subsidiary and Associated Companies
- 78 Stock Listing Chronology
- 79 Securities Listing and Credit Rating Chronology
- 80 Name and Address of Agencies and or Capital Market Supporting Professional
- 82 Awards and Certification
- 86 Address of Business Units, Subsidiaries and Associated Companies
- 88 Significant Events in 2014

4. Management's Discussion and Analysis

- 93 Management's Discussion and Analysis

5. Good Corporate Governance

- 139 Good Corporate Governance
- 143 General Meetings of Shareholders
- 146 The Board of Commissioners
- 151 Independent Commissioners
- 152 The Board of Directors
- 160 Assessment of the Members of the Board of Commissioners and/or Directors
- 162 Affiliated Relationships
- 162 Committees
- 177 Corporate Secretary
- 180 Internal Audit Unit
- 183 Internal Control System
- 183 Public Accountants
- 183 Risk Management
- 187 Corporate Ethics
- 196 Whistle-blowing System
- 200 Court Cases Involving PGN
- 203 Access to Information

6. Corporate Social and Environmental Responsibility

- 207 Corporate Social and Environmental Responsibility
- 210 Environmental Responsibility
- 216 Labor Practices
- 224 Occupational Safety and Health Practices
- 232 Social and Community Development
- 238 Product and Consumer Responsibility

7. Consolidated Financial Statements

- 245 Consolidated Financial Statements

8. Cross Reference BAPEPAM

- 479 Cross Reference Bapepam-LK Regulation No X.K.6
- 490 Glossary



4

6



8

10



16

14



18

20



The Story of a Country that is Moving Ahead for Progress.

Jakarta, DKI Jakarta | Thanks to the effort made by the Government of Indonesia to improve its public transportation facilities, people now have the benefit of easy, inexpensive and efficient transportation to their work place. This is thanks to the Transjakarta system's gas-powered bus fleet. Currently, 80% of Transjakarta buses are fueled by gas that is supported by PGN's infrastructure.





Bajaj driver: Mr. Syamsudin MS



Minibus driver : Mr. Syarif

Gas-powered public transportation, such as Transjakarta buses and Bajaj BGG, normally source their gas supplies from PT Gagas Energi Indonesia (GEI), a Subsidiary. In 2014, GEI supplied 987,000 LSP (Premium Gasoline Liters Equivalent).





The Story of 24 Million Consumers

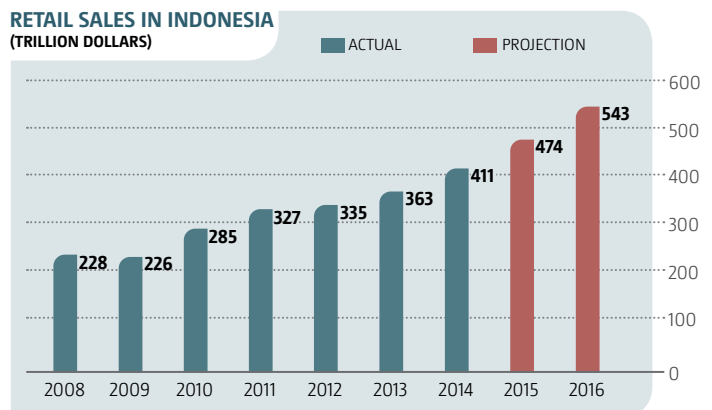
Indonesian Shopping Malls.

Grand City Mall, Surabaya |

According to the Nielsen Survey Institute, 52% of the total Asian population in 2020 will be in the middle-class segment. With the growing numbers in this group, an increase in consumer spending is expected. This can be observed from one of the biggest shopping malls in Indonesia, Grand Indonesia. Approximately 2 million people* visit Grand Indonesia every month, either to shop or to engage in the new, modern Indonesian lifestyle.



RETAIL SALES IN INDONESIA
(TRILLION DOLLARS)



SOURCE: STATISTICA

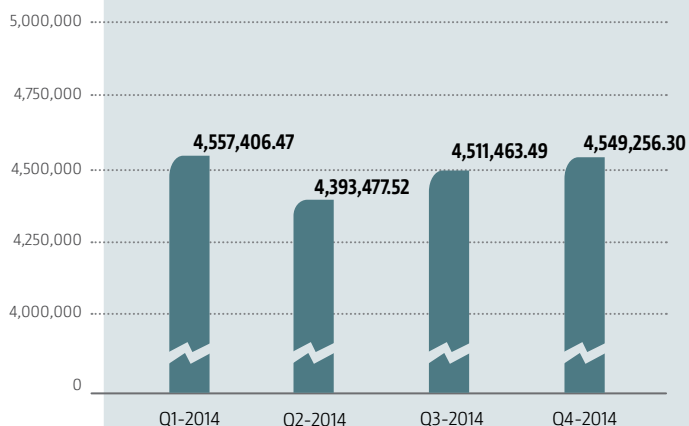
*Source: Bisnis.com

The Story of 92 Thousand Residential Customers.

There use of natural gas in households in Indonesia is increasing, and PGN is expanding its gas distribution networks to meet household energy needs. Currently, more than 92,000 households in Indonesia use natural gas from PGN. In 2014, PGN launched the Sayang Ibu program, which is targeting an increase of 1 million customers.

Every month, millions of cubic meters of natural gas are distributed to residential customers. In future, PGN will increase its investment in the distribution of gas to residential networks, which will contribute to the country's economy.

**HOUSEHOLD NATURAL GAS
CONSUMPTION
(IN METER CUBIC)**



SOURCE: PGN





The expansion of the distribution network to households is an important element of PGN's downstream strategy, given the underpenetration of gas in this market and the strong potential for growth.

Natural gas will enhance Indonesians' love of cuisine and their appreciation for a safe and convenient way to cook, particularly among families newly entering the middle class, which will double in size over the next five years.*



*Sumber: Boston Consulting Group

It's the story of a Promising Future.

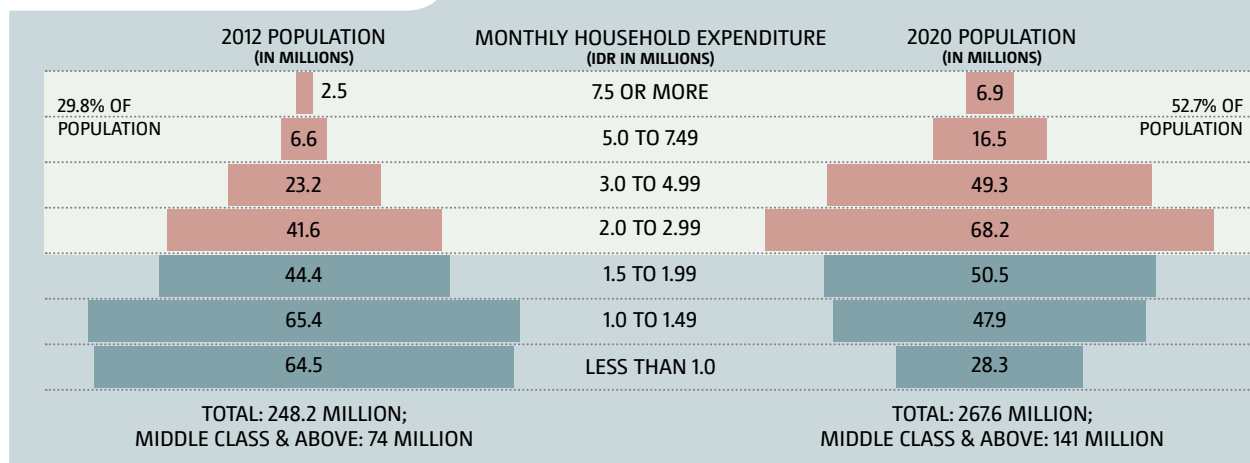


In line with the new outlook of the Indonesian Government, there is renewed optimism about the Indonesian economy. According to the Boston Consulting Group, Indonesian people have the greatest optimism, globally, with regard to their financial condition. With the promising economic growth trends, it is estimated that approximately 8-9 million people will be joining the middle class group each year until the year 2020. This will drive an increase in demand for energy.



Kebarosan Elementary School
Banten lama street, Cilia Village, Teluk Ternate Hamlet Keramatwatu Subdistrict, Serang District

INDONESIA'S POPULATION GROWTH IN NUMBERS AND LEVELS OF PROSPERITY



SOURCES: BOSTON CONSULTING GROUP AND CENTRAL STATISTICS AGENCY



11^{OF} 34
PROVINCES
IN INDONESIA

TOTAL SHALE GAS
RESERVES IN FASKEN FIELD, USA
700^{*} BCF
*PROVEN DEVELOPED AND UNDEVELOPED RESERVES

SERVICE AREA
AS % OF TOTAL
32.3%

6,161
KM PIPELINE

54^{MILLION+}
HOURS
TOTAL ACCIDENT
FREE HOURS

1,509 | MEDIAN AGE
EMPLOYEES | 37.5

EXPERIENCED
WORKFORCE
13.6
AVERAGE YRS.
EMPLOYMENT

987,422
LSP DELIVERED
POWERING
9.8 MILLION
KILOMETERS^{*}
*(ASSUME 1 LSP/10 KM)

USD 11.7 MILLION
FUND DISTRIBUTED
TO CSR AND COMMUNITY
DEVELOPMENT

USD 12.55 MILLION
FUND DISTRIBUTED
TO PARTNERSHIP
PROGRAM IN 2014

INDONESIA

ELECTRIFICATION RATIO
COVER
80.51%

SOURCE: HANDBOOK OF ENERGY & ECONOMIC
STATISTICS OF INDONESIA 2014, KEMENTERIAN ESDM

3,815
COLLEGES AND
UNIVERSITIES

SOURCE: BADAN PUSAT STATISTIK

CHANGE IN GDP (PPP) PER CAPITA
2009-2019
80%

SOURCE: IMF
FORECAST

6.1%
2014 RATE OF
UNEMPLOYMENT

SOURCE: IMF FORECAST

FORECAST
FOR 2015:
5.8%

INDONESIA'S 2014 GDP

856 BILLION

FORECAST TO EXCEED \$1 TRILLION BY 2017
SOURCE: INTERNATIONAL MONETARY FUND

36% INCREASE IN
POPULATION
COMPLETING
HIGH SCHOOL
2004-2013

USD
3,404
GDP PER CAPITA
IN
2014

SOURCE: IMF FORECAST

USD
4,559
GDP PER CAPITA
BY
2019

6,366
CNG POWERED
VEHICLES IN SERVICE (2014)
SOURCE: ASIA-PACIFIC NATURAL GAS VEHICLE ASSOCIATION
GOAL TO GROW BY 2020 TO:
1,500,000

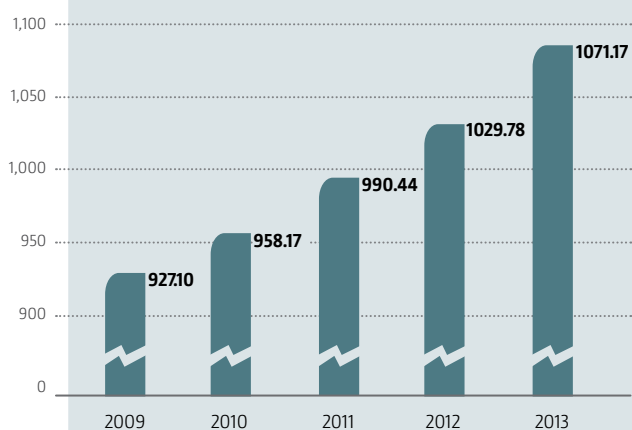
PROVED
RESERVED NATURAL GAS
103.3
TRILLION
CUBIC FEET

SOURCE: BP STATISTICAL REVIEW OF WORLD ENERGY, JUNE 2014

Most Indonesian shop at small shops or markets. However, with the growing economy and evolving lifestyles, this will soon change.

HOUSEHOLD EXPENSES PER CAPITA

US DOLLARS



SOURCE: WORLD BANK



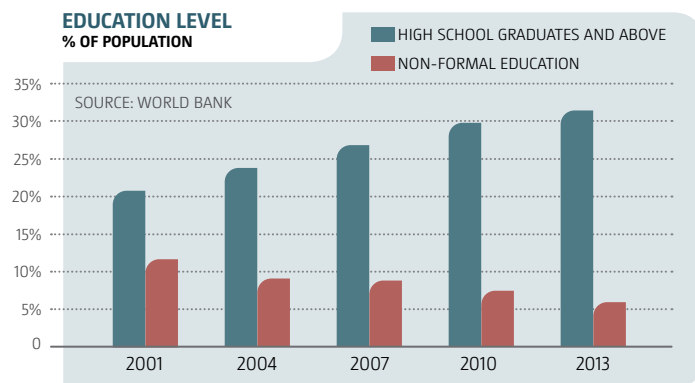


PGN designs its business plan by observing trends in people's choice of places to work, to shop and to live. Energy needs in the household and commercial sectors are expected to grow by an average 8% every year, meaning they will double over the next 10 years.

The Story of Growing Consumer Base.

Karawaci, Banten | Household consumption is one of the key drivers of Indonesia's economy. More than 60% of the supply of natural gas is used by power plants to supply electricity to homes, supermarkets, hypermarkets, shopping malls, small shops, restaurants, hotels, automotive showrooms, bakeries, cafes, furniture stores and anywhere people shop.





The Story of Educational Progress.

Bojonegara, West Java | The future of Indonesia is shaped by this kind of classroom. PGN has taken initiative to contribute to improving the quality of education in Indonesia. Measures have been taken to develop educational facilities and infrastructure in areas where PGN operates.

PGN's activities include building schools, conducting summer camps for exceptional students, supporting local art and cultural activities, and providing trainings and scholarships for teachers. For PGN, these programs are something we do to ensure that the story of Indonesia will never end.





Indonesia's education policy gives priority to increasing access to education for all groups of people.

Teacher: Ms. Mefi Supanti S.Pd, Kebarosan Elementary School teacher, Serang



PGN believes that there is an urgent need to increase the number of educated employees in order to be able to deliver excellent service to customers. For this reason, PGN provides scholarships, both domestic and overseas, for its employees to continuously improve their capabilities.





Mr Djoko Agus, PT Kedaung Group, Glass Industry



Glass factories consume a lot of energy. PGN's expert staff work together with our factory customers to provide optimum solutions for energy consumption.



The Story of Ever-Growing Local Industries.

Surabaya, East Java | Indonesia's manufacturing sector is growing.

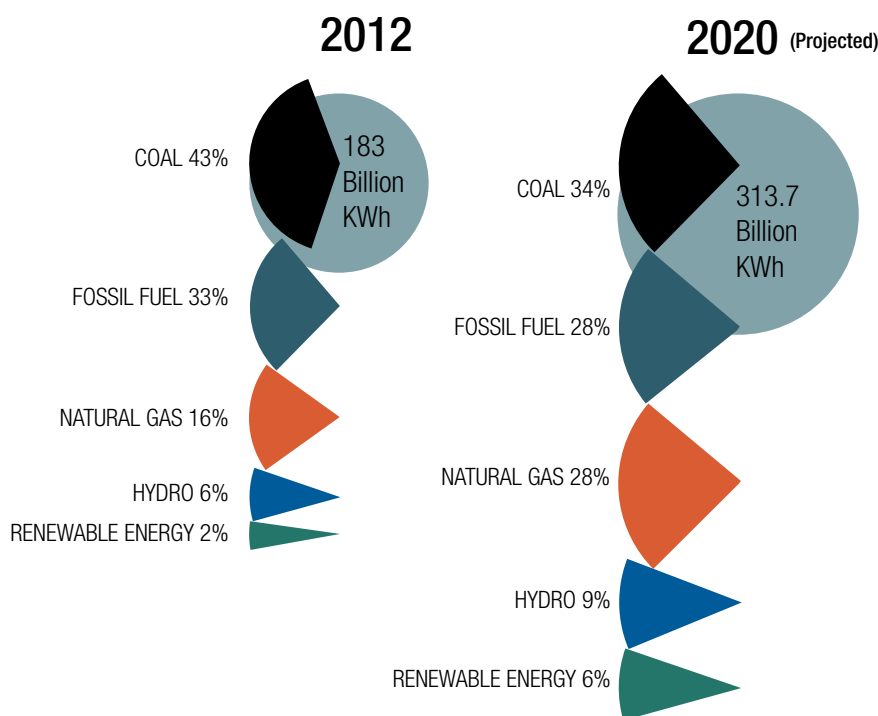
Over the years, this sector has made a significant contribution to Indonesia's economic growth, amounting to 4.3% and 4.1% in the last two years. One of the factors driving this growth is natural gas. Natural gas is a critical energy source for numerous manufacturing industries, such as glass factories in Surabaya.

Rising incomes for the majority of Indonesians are driving increasing demand and generating more PGN customers from the industrial sector.



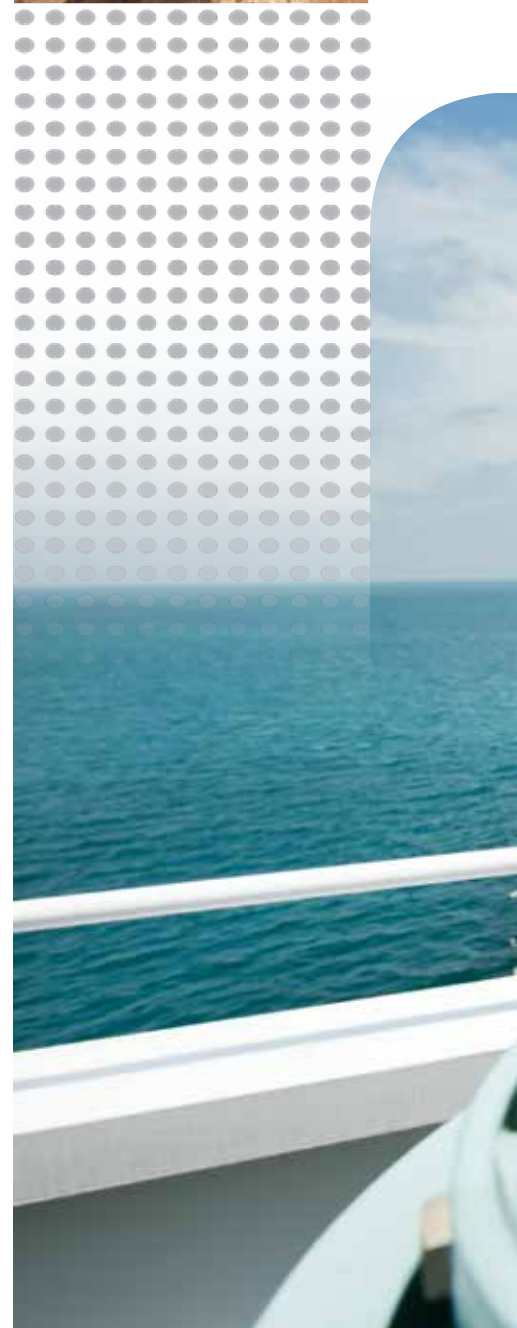
The Role of PGN in Indonesia's Advancement.

This is the story of Indonesia, where PGN's infrastructure extends across the country, from the decks of our FSRU ship in the waters of Lampung, to the installation of more than 6,000 kilometers of pipelines to distribute high quality natural gas to our customers. A new Indonesia is developing with the support of natural gas. Currently, natural gas is the energy supply of choice for residential customers, commercial customers and industrial customers. Today, PGN remains the best gas distributor company in Indonesia.



SOURCE: MINISTRY OF ENERGY MINERAL RESOURCES

Power plants in Indonesia use various fuel sources. The policy on fuel diversification gives priority to the use of natural gas as an environmentally friendly and economical fuel source, projected multiplied in the next 5 years.

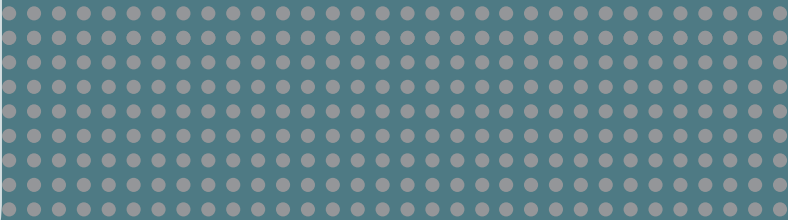






FUEL GAS FILLING INFRASTRUCTURE

As part of PGN's support for Government programs, it is operating Mobile Refueling Units (MRU) to accelerate the oil to gas conversion in the transportation sector. In 2014, MRUs supplied over 600,000 LSP (RON88 gasoline liters equivalent) to various types of vehicles.

A horizontal dotted line in a light gray color, extending from the right edge of the white box containing the number 01 across the entire width of the slide.

01

Highlights of 2014 Performance

FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2014 USD (Audited)	2013* USD (Audited)	2012 USD (Audited)	2011* USD (Audited)	2010** USD
Net Revenues	3,408,590,061	3,001,516,630	2,580,234,140	2,230,397,076	2,178,490,419
Cost Of Revenues	(1,943,781,551)	(1,583,854,969)	(1,107,842,836)	(888,467,843)	(795,914,325)
Gross Profit	1,464,808,510	1,417,661,661	1,472,391,304	1,341,929,233	1,382,576,094
Other income	50,100,078	27,023,658	21,415,500	20,878,662	10,950,634
Distribution and transmission expense	(301,040,403)	(292,558,975)	(269,894,769)	(280,226,926)	(246,495,197)
General and administrative expense	(223,926,062)	(216,617,353)	(204,389,934)	(178,257,491)	(136,982,346)
Other expenses	(7,883,185)	(2,156,558)	(1,038,741)	(6,166,815)	(1,835,320)
Operating Profit	982,058,938	933,352,433	1,018,483,360	898,156,663	1,008,213,865
Other income (expenses)	(3,293,510)	132,387,542	129,824,667	(26,182,646)	(135,188,632)
Profit Before Tax Benefit (Expense)	978,765,428	1,065,739,975	1,148,308,027	871,974,017	873,025,233
Tax Expense - Net	(231,093,948)	(227,938,102)	(233,051,777)	(170,073,498)	(177,185,009)
Profit For The Year	747,671,480	837,801,873	915,256,250	701,900,519	695,840,224
Other Comprehensive Income (Loss)					
Changes in fair value of available-for-sale financial assets	7,258,618	(15,767,821)	7,794,787	1,119,417	-
Actuarial gains (losses)	(7,275,663)	29,827,072	(8,734,002)	-	-
Difference in foreign currency translation of the financial statements of Subsidiaries, net	(1,118,323)	(14,010,436)	(1,724,744)	(562,756)	490,571
Sub-total	(1,135,368)	48,815	(2,663,959)	(556,661)	490,571
Income tax effect	1,747,970	(5,717,966)	1,906,393	-	-
Other Comprehensive Loss After Tax	612,602	(5,669,151)	(757,566)	(556,661)	490,571
Total Comprehensive Income For The Year	748,284,082	832,132,722	914,498,684	702,457,180	696,330,795
Profit For The Year Attributable To:					
Owners of the parent entity	722,754,065	804,450,586	890,885,456	680,804,733	671,188,743
Non-controlling interests	24,917,415	33,351,287	24,370,794	21,095,786	24,651,481
Total	747,671,480	837,801,873	915,256,250	701,900,519	695,840,224
Total Comprehensive Income For The Year Attributable To:					
Owners of the parent entity	723,824,337	798,164,240	889,696,452	681,357,195	671,678,944
Non-controlling interests	24,459,745	33,968,482	24,802,232	21,099,985	24,651,850
Total	748,284,082	832,132,722	914,498,684	702,457,180	696,330,795
EBITDA	1,160,903,166	1,120,408,710	1,209,088,023	1,078,295,431	1,183,188,921

*Restated ** Restated: conversion in 2010 Financial Statement (audited) from Rupiah to USD

FINANCIAL RATIOS

CURRENT RATIO (%)



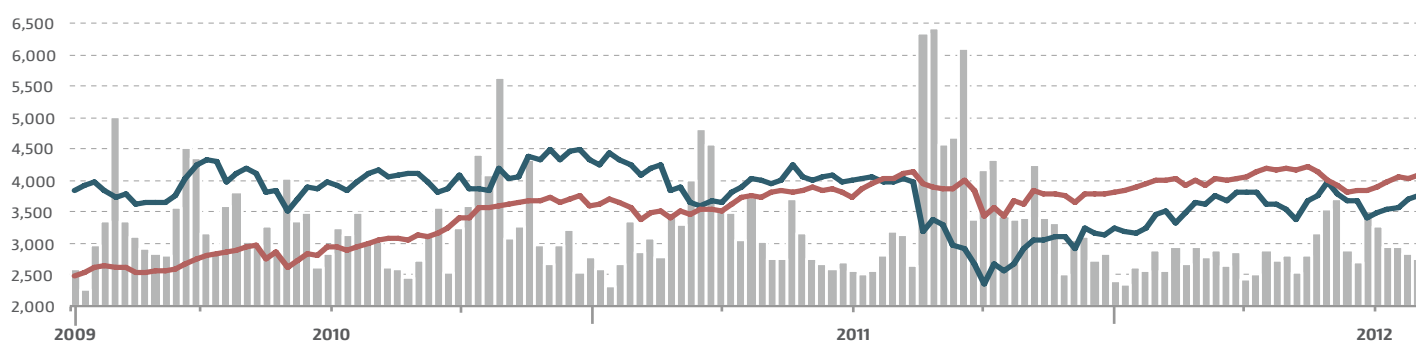
RETURN ON EQUITY (%)



RETURN ON INVESTMENT (%)



PGAS SHARE PRICE MOVEMENT 2010 - 2014



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	2014 USD (Audited)	2013* USD (Audited)	2012 USD (Audited)	2011* USD (Audited)	2010** USD
Total Assets	6,215,496,359	4,318,010,538	3,908,162,319	3,400,177,005	3,540,157,399
Total Liabilities	3,252,426,584	1,646,866,662	1,553,370,341	1,520,819,736	1,889,141,971
Total Equity	2,963,069,775	2,671,143,876	2,354,791,978	1,879,357,269	1,651,015,428
Capital Expenditure	2,675,964,259	880,741,897	139,599,881	102,483,665	167,035,191
Net Working Capital	770,198,565	894,396,119	1,511,068,613	1,232,909,912	1,093,416,524
Investment in shares of stock	110,101,412	95,331,310	65,952,471	45,000,454	21,490,854

Explanations of Capital Expenditure and Investment in Associate Entities may be found in the Management Discussion and Analysis

FINANCIAL RATIOS

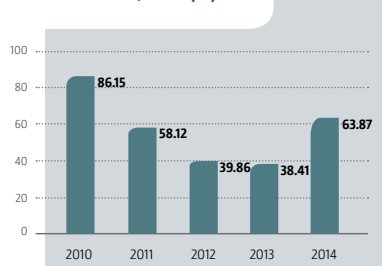
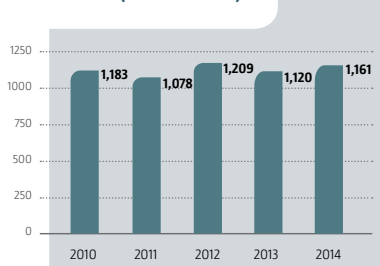
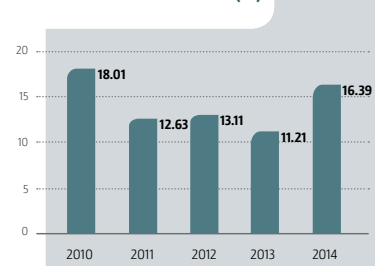
	2014 (Audited)	2013* (Audited)	2012 (Audited)	2011* (Audited)	2010**
Gross Profit Ratio (%)	42.97	47.23	57.06	60.17	63.46
Net Profit Margin (%)	21.20	26.80	34.53	30.52	30.81
Margin EBITDA (%)	34.06	37.33	46.86	48.35	54.31
Net Debt/EBITDA (X)	0.50	0	0	0	0.16
EBITDA/Interest Expense(X)	15.36	51.25	56.04	38.91	28.72
EBITDA/(Interest Expense + Principal) (X)	6.47	8.42	11.75	2.43	9.60
Current Ratio (%)	170.62	200.93	419.63	550.22	343.59
Debt to Equity Ratio (%)	63.87	38.41	39.86	58.12	86.15
Debt to Total Asset Ratio (%)	30.45	23.76	24.02	32.12	40.18
Return on Investment (%)	18.68	25.95	30.94	31.71	33.42
Return on Equity (%)	32.26	43.09	60.86	56.80	68.50
ROCE (%)	20.23	25.25	30.92	30.02	32.51
Price Earning Ratio (X)	16.39	11.21	13.11	12.63	18.01
Price to Book Value (X)	4.28	3.62	5.32	4.96	7.98

STOCK DATA

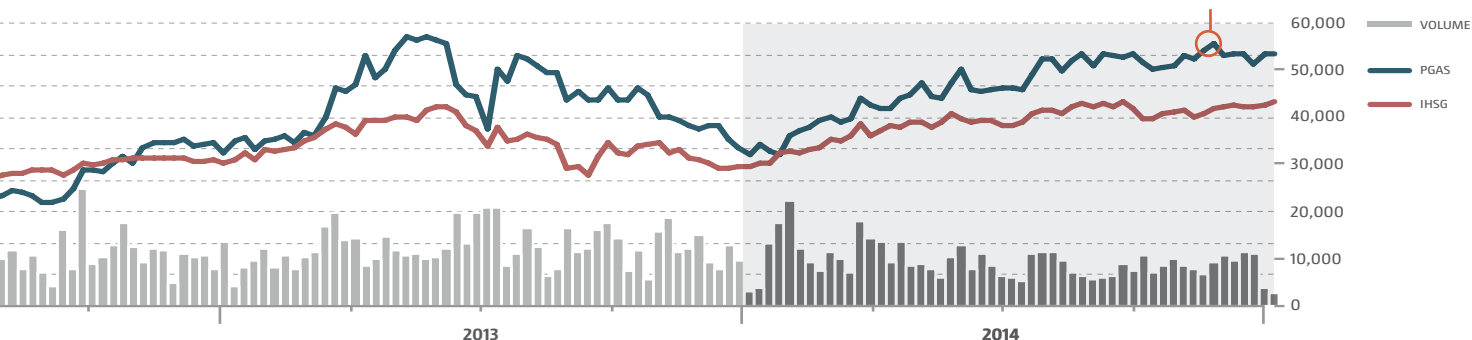
	2014 (Audited)	2013* (Audited)	2012 (Audited)	2011* (Audited)	2010**
Weighted Average	24,241,508,196	24,241,508,196	24,241,508,196	24,241,508,196	24,239,658,196
Common Shares Outstanding (share)	24,241,508,196	24,241,508,196	24,241,508,196	24,241,508,196	24,241,508,196
Net Income (loss) per share	0.03	0.03	0.04	0.03	0.03

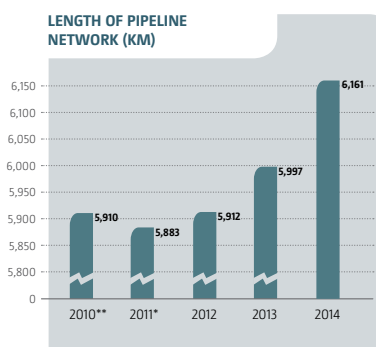
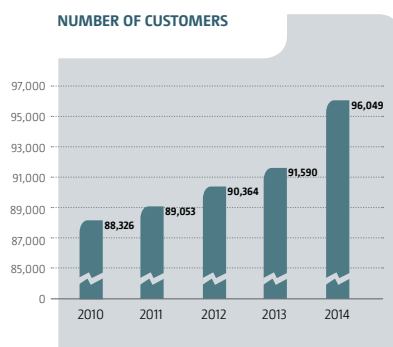
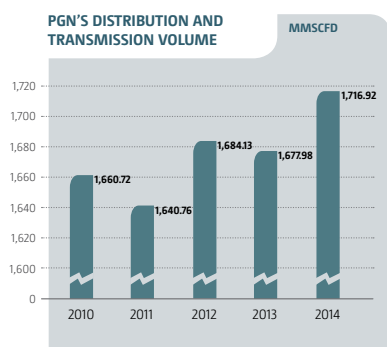
* Restated

** Restated: conversion in 2010 Financial Statement (audited) from Rupiah to USD

DEBT TO EQUITY (%)**EBITDA (MILLION USD)****PRICE EARNING RATIO (%)**

Highest Share Closing Price
Rp6,175 on 19-20 November 2014





* Based on Individual Equipment Worthiness Certification (SKPP) issued by the Director General of Oil and Gas in 2012, the length of the Sumatera-Java Transmission Pipeline was 1,004 km.

** 32.2 km of transmission pipeline was categorized as distribution pipeline.

PGAS SHARE PRICE 2014

	2014			
	Q4	Q3	Q2	Q1
Total Outstanding Shares (Share)	24,241,508,196	24,241,508,196	24,241,508,196	24,241,508,196
Market Capitalization (Rp)	145,449,049,176,000	145,449,049,176,000	135,146,408,192,700	124,237,729,504,500
Highest Price (Rp)	6,175	6,100	5,750	5,300
Lowest Price (Rp)	5,675	5,425	5,125	4,250
Closing Price(Rp)	6,000	6,000	5,575	5,125
Trading Volume Averages (Lot)	180,411	165,146	200,198	256,276

PGAS share price movement in 2014 opened at Rp4,600 and closed at end of year at Rp6,000. PGAS's price was at its peak on 21 November 2014, when it was traded at Rp6,225 and made the highest closing price of Rp6,175 in 19-20 November 2014. As of 31 December 2014, PGAS was one of the Top 8 largest companies with market capitalizations among publicly listed companies in the Indonesia stock exchange and was one of the Top 4 state owned enterprises largest of companies with market capitalizations of Rp145.44 trillion.

PGAS SHARE PRICE 2013

	2013			
	Q4	Q3	Q2	Q1
Total Outstanding Shares (Share)	24,241,508,196	24,241,508,196	24,241,508,196	24,241,508,196
Market Capitalization (Rp)	108,480,749,177,100	126,055,842,619,200	139,388,672,127,000	144,236,973,766,200
Highest Price (Rp)	5,450	5,950	6,350	5,950
Lowest Price (Rp)	4,400	5,050	4,650	4,475
Closing Price(Rp)	4,475	5,200	5,750	5,950
Trading Volume Averages (Lot)*	229,817	251,071	292,799	251,706

* Adjustment with new trading and fraction unit

02

02

Report to the Shareholders

REPORT TO THE SHAREHOLDERS

Report from the Board of Commissioners



Bayu Krisnamurthi
President Commissioner

Dear Shareholders,

PGN took several steps further towards becoming a world-class gas company in 2014. The Company continued to pursue its long-term strategy of progressive investment in various fields in order to build a balanced energy business with a strong presence upstream, downstream and midstream, while leading the development of the infrastructure and technology that will enable Indonesia to benefit from the vast potential of gas in future.



Bayu Krisnamurthi



M. Zamkhani



Firmanzah

We will continue to support the utilization of natural gas as one of Indonesia's energy pillars.

ASSESSMENT OF THE BOARD OF DIRECTORS' PERFORMANCE

The Board of Directors successfully steered the Company through some tough challenges during in 2014, meeting the targets set for the year and delivering a 5% increase in sales volume and a 13.6% increase in revenue growth. This year saw a very significant increase in the contribution of the upstream business to the Company's revenues, which serves as a strong endorsement of our strategy of investing in balancing the business.

To continue creating value over the long term, it is critical that the Company becomes more independent with regard to sources of gas supply. The Company has progressed this strategy on two fronts.

Firstly, through strategic investment upstream. In 2014 the Company made its first investment in an overseas asset with the acquisition of a 36% ownership stake in the Fasken shale gas field in the USA through our upstream subsidiary, PT Saka Energi Indonesia (SEI). This was part of a carefully managed expansion that also saw SEI acquire assets in the Pangkah and South East Sumatera blocks as well as Fasken in 2014. SEI is now the operator of one producing and one exploration

block and has participating interests in five other blocks, a remarkable achievement in only its third year of operation.

Secondly, the Company has moved decisively into the LNG business. With potentially abundant global supplies available—including from Fasken—LNG will play an increasingly important role in supplementing the Indonesia's domestic natural gas sources. With the commissioning of the second FSRU facility in Lampung in 2014, PGN has established a major presence in the LNG business in Indonesia, and the Company is now refining innovative technologies that will bring the benefits of LNG to an increasing number of off-pipeline locations across the archipelago. We believe that gas, by powering electricity generation and industry, household and transportation, has a key role to play in boosting regional economic growth.

Also high on our strategic agenda is the development of gas infrastructure to enable conversion to gas to take place on a much broader scale than has hitherto been possible. This is closely aligned with the Government's energy policy, which envisages greater domestic utilization of natural gas as an alternative to oil, not least to wean the country off the costly fuel subsidies that have contributed to the current account deficit. We were gratified that the Government has recognized PGN's leadership in this regard, and has entrusted the Company with the construction of the highly strategic Kepodang- Tambaklorok pipeline, the first phase of the Kalija pipeline that will eventually link Kalimantan and Java.



A. Edy Hermantoro



Pudja Sunasa



Widya Purnama

We appreciate the efforts of the Board of Directors to expand the use of natural gas by the public despite the constraints on doing so. This is evidenced by a series of breakthroughs to overcome the restrictions imposed by the limited availability of natural gas pipeline infrastructure, such as the deployment of Mobile Refueling Units (MRU), and the development and construction of CNG filling stations. PGN has also continued to develop a network of natural gas pipelines to serve households that have not yet been able to enjoy the benefits of natural gas, including through the implementation of the 'Sayang Ibu' program.

PGN, through its downstream subsidiary PT Gas Energi Indonesia (GEI), is taking the lead in connecting households to natural gas, a much cleaner, cheaper and safer solution than LPG. PGN is also promoting the use of CNG to power transportation and is trying to make it easier for CNG users to access CNG through the deployment of MRU in strategic locations such as Monas and by installing CNG dispensers at Pertamina's filling stations. This, again, is aligned with the Government's intention to strengthen Indonesia's energy security and balance of payments by reducing reliance on imported oil.

In 2014 the Company decided to broaden its options for financing its innovation and expansion agenda. We expect the highly successful issue of PGN's bond, as well as the arrangement of a syndicated loan on favourable terms, to strengthen the Company's financial condition.

COMMITTEE PERFORMANCE AND CORPORATE GOVERNANCE

Both the Audit Committee and the Risk Management and Business Expansion Monitoring Committee played an important role during the year in strengthening the integrity and effectiveness of the Company's governance systems and procedures, particularly those related to financial reporting, internal controls and risk management.

The underlying improvements we are making across PGN's governance framework continue to pay off. Our annual independent corporate governance assessment score increased to 92.06% ('Very Good') from 91.61% in 2013. Improvements were noted on almost all indicators, but particularly in the level of commitment to the sustainable implementation of GCG in the Company. We believe that this continued strengthening of PGN's corporate governance, as measured by objective indicators, sends a strong signal to our investors and customers that we are committed to being a responsible and accountable organization.

THE COMPANY'S PROSPECT: THE BOARD'S PERSPECTIVE

We are confident that the long-term outlook for PGN is bright. As an energy and gas company, operating in a country that is projected to have the fastest growing energy demand in the ASEAN region over the next 5-10 years, demand for the Company's products is guaranteed. Moreover, our investments are beginning to show significant returns. PGN's LNG facility in Lampung is demonstrating that gas is a feasible solution for power plants, and has already enabled PLN to generate more power

PGN has several years of experience in the energy business in this country. In many ways, the progress of this Company reflects the development of Indonesia.

for southern Sumatera and western Java. Our investments in Indonesia and the USA have already strengthened our sources of supply. We are also investing behind a long-term infrastructure and technology development plan that will make gas a sustainable solution for Indonesia, both on and off pipeline.

Gas has an unbeatable value proposition. It is cheap, clean, efficient and abundant, and—particularly in the form of LNG—easy to transport. As worldwide demand for energy increases, the role of gas in the global energy mix is growing in importance, and countries are increasingly turning to gas to fulfil their energy needs. We believe that Indonesia, with significant reserves of gas and a large untapped energy demand, should do the same.

This will entail substantial, long-term investment in developing the appropriate infrastructure. We believe that, given its demonstrated commitment to developing Indonesia's gas infrastructure over several decades, its strong comparative advantage in distribution, the expertise it has developed throughout the gas value chain, as well as its status as a national entity, PGN is optimally placed to be entrusted to take the lead in delivering the country's natural gas needs in future.

CHANGES IN THE COMPOSITION OF THE BOARD OF COMMISSIONERS

The Annual General Meeting of Shareholders on March 27, 2014 approved a change in the the composition of the Board of Commissioners. Mr. Kiagus Ahmad Badaruddin resigned from the Board and Mr. A. Edy Hermantoro was appointed as the new Commissioner. We would like to thank Mr. Kiagus Ahmad Badaruddin for his role in the supervision of the Company for the period of May 31, 2007 until March 27, 2014 and we are pleased to welcome Mr. A. Edy Hermantoro as the Commissioner of the Company.

CLOSING

On behalf of the Board, I would like to express my appreciation to the Board of Directors and our employees for their ongoing commitment to achieving PGN's vision and mission and to our customers, shareholders and partners for their cooperation and trust.

PGN has a track record of several decades in the energy business in Indonesia. In many ways, PGN's progress reflects the growth of Indonesia itself, Both Company and country have, in the past, adopted a prudent, steady approach to development. Both have tremendous potential, as well as the capacity to unlock it. Both are now facing unprecedented opportunities for growth. We look forward to realizing these opportunities, with your continued support, in the future.



Bayu Krisnamurthi
President Commissioner

REPORT TO THE SHAREHOLDERS

Report from the Board of Directors



Hendi Prio Santoso
President Director

Dear Shareholders,

PGN delivered a strong performance in 2014, passing a number of important milestones in the development of a well-diversified business portfolio. In addition, PGN made significant strategic investments during the year that have strengthened the Company's credentials as a sustainable, integrated gas business operating from upstream to downstream.



Hendi Prio Santoso

Mochtar Riza
Pahlevi Tabrani

Djoko Saputro

As the largest integrated gas Company in Indonesia, PGN is well-positioned to lead the country towards a brighter and more sustainable energy future.

The operating environment in 2014 was dominated by uncertainty. Indonesia continued to grapple with macroeconomic challenges, including the prolonged current account deficit and fluctuations in the exchange rate. This had an impact on the Company as many of our operations and the majority of our investments are denominated in US dollars. Although the presidential election was largely conducted peacefully, there was inevitably some uncertainty over the policy direction that would be taken by the new government. As the year closed, we, along with other players in the energy business, were working to assess the impact of drop in the oil price. While this could potentially impair the value of our upstream assets, in the downstream sector we have not yet seen any influence on customer appetite for gas. Overall, however, we believe that the recent volatility in the oil price only serves to highlight the advantages of the much greater price predictability of gas.

OUR PERFORMANCE IN 2014

The Company's revenue grew by 13.6%, driven by a 5% increase in sales volume as well as a significant growth in revenue from the upstream business, which exceeded targets by increasing from USD35 million to USD298 million in 2014.

Gross profit and operating profit increased by 3.3% and 5.2%, respectively. Profit For The Year Attributable To Owners of the parent entity was down 10.16%; however, this was largely due to non-cash items booked in 2013 and is not reflective of overall performance during the year.

The Company's assets grew by 43.94% due to major upstream investments, while equity grew by 10.93%. The Company has maintained healthy financial ratios, reflecting strong financial discipline and the capacity for further growth.

During the year, PGN made strong progress towards its strategic objectives of strengthening our core business while continuing to diversify and consolidate our position in new businesses, both upstream and downstream. We continued to invest behind the Country's gas infrastructure, beginning construction of the first phase of the Kalija transmission pipeline to connect the Petronas-Kepodang gas field in the Java Sea to PLN's Tambak Lorok power plant in Central Java, and expanding our distribution networks to meet growing demand in western Java while building new distribution pipelines to develop our markets in Lampung and Semarang, Central Java.



Muhammad Wahid Sutopo



Jobi Triananda Hasjim



Hendi Kusnandi

The strategic growth of our new business portfolio is closely aligned with PGN's vision of establishing itself as a world class player in gas utilization. As we came to the end of the first long-term planning phase towards attaining this goal in 2014, we are pleased to report that achievements are ahead of the plan.

In 2011 we embarked on a strategy to aggressively address the upstream business in order to ensure growth while strengthening the Company's participation across the gas value chain. In just three years we have already established a significant position in the upstream sector, with six assets in Indonesia (two of which are producing) and an interest in a producing shale gas block in the US, acquired in July 2014. Our participation in US shale gas is an important development in our long-term strategy to gain exposure to this growing sector. SEI, PGN's upstream subsidiary, is rapidly establishing itself as an operator as well as an investor, with operatorships in one producing and one exploration block.

In the infrastructure sector, the commissioning of our second Floating Storage Regasification Unit (FSRU) in Lampung marked a major strategic milestone for the Company as LNG is set to play an increasingly important role not only in the growth of our business but in Indonesia's overall energy landscape. The supply volume from LNG from Lampung and our first FSRU in Jakarta Bay

is currently being absorbed by the power sector, but we will begin to address other markets in the coming year.

PGN's downstream subsidiaries all generated profits in 2014 and have continued to deliver on the Company's commitment to promote the utilization of natural gas in order to reduce the nation's reliance on oil.

We faced a number of challenges during the year. Given the prevailing conditions in the Country, with rising electricity and fuel prices alongside impending elections, we felt it prudent to defer any price increases. This had an impact on our overall performance; on the upside, however, it served to strengthen our rapport with customers. This is characteristic of the Company's long-term perspective, preferring sustainable value creation over short-term gains.

The allocation of gas supply remains a challenge for PGN. Under the new administration, however, we have seen some improvement with regard to the management of gas allocation at the regional level. We also believe that the new administration is more receptive of our position—which is that the allocation of limited resources should be made on more fair and transparent grounds, for example by using allocation as a tool to incentivise infrastructure development.

We also need greater commitment from the Government regarding conversion of vehicles to LNG. As detailed later in this report, we have made great strides towards making LNG a viable fuel, particularly for public transport, but our greatest challenge is the lack of any real incentive to convert. Synchronized policies on supply, price, infrastructure and incentives will be required to generate the momentum for large-scale conversion.

BUSINESS PROSPECTS

Growing Natural Gas Consumption

One of the new President's first actions upon taking office was to mandate the greater use of gas as support of the strategy to strengthen energy security, reduce dependence on oil and ease the burden on the National Budget caused by fuel imports. PGN is fully support this energy conversion program, having already made substantial investments in recent years to bring the benefits of natural gas to a broader base of customers, from the power generation sector, industry, household and transportation.

Urban households in Indonesia are still largely reliant for their cooking and water heating needs on LPG. LPG prices, being linked to the price of oil, are volatile, and almost half of national consumption needs are imported. Our target is to connect 1 million households to natural gas, which offers a cheaper, safer and cleaner energy solution. This is an ambitious goal, given that we currently have less than 100,000 household customers, but one that we believe is achievable.

The principal hurdle is the high cost of investment, particularly the challenging 'last mile' connection. PGN is therefore exploring innovative and cost-effective ways to connect industry and households to natural gas. For example, we are linking this initiative with the development of pipeline infrastructure

in industrial areas by installing branch line connections, the cost of which is shared by the developer of the industrial area. New residential developments, particularly vertical housing developments, are also targets for pipelines. In addition, we have taken over the operation of some 8,000 new household gas connections developed by the Government in various areas including Jakarta, Bogor and Cirebon.

We are also looking into the use of nonpipeline modes such as Compressed Natural Gas (CNG) and Adsorbed Natural Gas (ANG), to accelerate penetration. CNG is already being supplied to several hundred customers in residential clusters in Semarang, while we are currently refining the technology to make ANG commercially viable. We are targeting an 18% growth in our household customer base in 2015 to almost 110,000 customers.

Over the last two years PGN has been leading the way in promoting gas as a cheaper, cleaner and more sustainable alternative to petroleum-based fuels, particularly in the public transportation sector. Thanks to the Company's substantial investments in research, development and infrastructure, gas is now a viable solution. PGN has now opened several gas filling stations in the Greater Jakarta area, including mobile refuelling units, and converted all its operational vehicles to gas. We are also working with Pertamina to install natural gas dispensers in gasoline filling stations that are close to our pipelines. The Government has now matched the Company's commitment by allocating a portion of the country's natural gas production for use in vehicles, which encourages us to step up our efforts to promote conversion. Large-scale conversion, however, calls for synchronized policies and a clear plan, assurances on both supply and demand, and incentives for conversion. PGN will continue to work alongside the Government to make this happen.

PGN also stands ready to support the Government's infrastructure acceleration program by contributing to the expansion of the country's electricity generation capacity, not only by supplying gas to the power sector but also, where feasible, to participate in the power generating sector ourselves, through our downstream entity, GEI. This will benefit not only PGN but PLN, the Government and other stakeholders.

Developing Gas Infrastructure

PGN remains Indonesia's largest single contributor to the development of the infrastructure that will enable natural gas to play a more central role in Indonesia's energy future, by initiating, building and operating the Country's most extensive transmission and distribution pipeline networks that supply a range of customers, including power plants, manufacturers, commercial enterprises, hospitals and households. We are also building gas filling stations to support gas-powered vehicles. Most of this investment has come from the Company's own financial resources.

In 2014 PGN continued to make substantial investments that will enable the Government to pursue its energy conversion program, including the Lampung FSRU project and the Kepodang-Tambak Lorok pipeline, which is scheduled for commissioning in August 2015. Currently, however, our pipeline networks are largely concentrated around the sources of supply. The next step—and part of our masterplan—is to facilitate a more rational use of gas resources by integrating these discrete networks to make one contiguous pipeline system that will span the island of Java from east to west and connect up with the Trans-Sumatera pipeline. A key challenge, however, is the absence of privilege regarding gas supplies for domestic consumption, and as a result,

additional investments will need to be made in developing land-based LNG facilities to ensure a secure supply. We are working with GDF Suez, one of the world's leading players in LNG, to develop options for this scenario.

By making natural gas economically transportable over long distances, LNG significantly opens up the geographical and economic opportunities for the utilization of natural gas. For Indonesia and for PGN in particular, it makes it commercially viable to secure supplies from remote locations, including, in the future, from our shale gas interests in the USA and we have invested in developing LNG storage and regasification facilities in areas of heavy demand to make this possibility a reality. This is a major investment, however and we are working on more viable solutions, such as mini LNG, to bring gas to areas where there is a lower concentration of demand or where pipelines connections are not feasible. At the initial phase, we are exploring options for building terminals at strategic points along the route from our key sources of LNG supply in the Tangguh field in West Papua to our FSRU in Lampung. By meeting the as yet untapped demand from the power generation, industry and commercial sectors, mini LNG has the potential to be a major facilitator of economic growth in Eastern Indonesia.

To cover capital expenditure in 2014 and 2015, the Company issued a USD 1.35 billion bond, which was heavily oversubscribed, and signed a syndicated USD 650 million loan agreement with five banks. PGN secured the loan on very favourable terms, reflecting lenders' confidence in the Company and enabling us to deliver infrastructure at a lower cost.

Reorganization

The transition and rapid expansion of our business has placed new and unprecedented demands on the organisation. To accommodate some of these demands, we have integrated all our infrastructure development projects under one roof, the Project Management Office (PMO). This has already strengthened project coordination and significantly accelerated execution: by the end of 2014, investment absorption had reached almost 80% compared to just 40-50% in previous years and we are targeting 90% by the end of this year. With projects now consolidated into fewer but higher value packages, they are attracting better quality contractors, and we are already seeing the benefits in terms of a more professional approach to safety, quality and timeliness. Further reorganization is planned as PGN focuses more on the strategic side of the business and increasingly devolves the operational aspects to subsidiaries, enabling us to plan and monitor progress and support more effectively. This transition is expected to be complete within two to three years.

Human Capital Development

In 2012, in support of PGN's vision of becoming a World Class Energy Company, we launched a long-term strategy to upgrade managerial and technical competencies across the board and ensure a strong succession pipeline. This initiative also grew from the recognition that the advent of the integrated ASEAN economic community in 2015 would demand more of the knowledge, competencies and responsiveness of our workforce. Giving our employees' exposure to best the practices of world-class companies through short-term training, visits and placements is therefore an important component of our training and development portfolio.

During the year we launched the STAR program, which will be the core of our succession planning strategy. Aimed at identifying the Company's best talent and developing their managerial competencies through an accelerated program, it is focused initially on meeting succession needs at VP and AVP level.

The Company has undergone a rapid and fundamental transition over the last three years to become an integrated energy solution provider with a vastly expanded scope of business. Throughout the transition, we have made great efforts to ensure that our employees remain engaged with the process by providing various channels for regular dialog, such as quarterly 'Town Hall Meetings' between the Board of Directors and staff. Members of the Board of Commissioners and the labour union also frequently take part, and interactive video conferencing is used to ensure wide geographical representation. All employees are encouraged to provide feedback and input to management at any time; this is actively reviewed and acted upon.

Corporate Governance

We remain committed to embedding the principles of good governance in the Company as we believe that transparent, responsible and accountable business practices and ethics are critical to the Company's long-term future and our ability to create value for our customers, shareholders and other stakeholders. During the year we worked with the Anti-Corruption Commission (KPK) to develop guidelines on gratuities. Best practice demands that we also have board manuals, a code of ethics and a whistleblowing system to support governance

implementation; all of these were in place by 2014. The effectiveness of corporate governance at PGN is assessed yearly through an independent audit. Our 2014 score of 92.061 (very good) continued the upward trend of improvement over the last three years.

Social Responsibility, Safety and Environment

In the interests of sustaining the Company's performance over the long term and being a responsible corporate citizen, PGN has a strong commitment to building goodwill and trust by minimising any adverse impacts of our operations on the environment and by engaging proactively with our stakeholders, including the communities close to our areas of operation.

PGN's corporate responsibility is built around empowering people and communities, particularly through economic empowerment and education. PGN has a strong track record of supporting micro enterprises, many of which have grown to become important drivers of their respective economies. By continuing to focus on traditional artisan enterprises such as hand-woven sulam cloth, batik and bronze jewellery, we are not only empowering local communities but contributing to the preservation of Indonesia's cultural heritage at the same time.

Thousands of students are benefiting from our education program. More than 1000 scholarships were awarded to college students at 15 universities in 2014, while many more children were able to learn in more conducive conditions thanks to our school building renovation program.

In line with our motto, 'Energy for Life', investing in increasing safety, reliability and environmental sustainability across our operations is a core priority and a key element of our responsibility to the communities in which we operate as well as to our customers, employees, business partners and shareholders. We are working to embed a safety culture through raising hazard awareness and training on safety across the business and have continued to see improvements in our safety performance.

Several initiatives have been introduced to reduce energy consumption and costs, including energy audits and a company-wide transition to green energy, beginning with the use of solar cells for outside lighting and repeater towers and the conversion of our fleet of operational vehicles to gas.

OUTLOOK

We will continue to monitor movements in the oil price and the implications for our business. However, we believe that it should not unduly influence our long-term infrastructure development program and capital expenditure will therefore proceed as planned. We will also closely monitor potential upstream opportunities.

Our business is closely aligned with the Government's energy objectives: conversion to natural gas has been identified as one of the key measures to reduce the current account deficit by reducing dependence on oil imports. The President's recent inauguration of several PGN projects also sends a strong signal of

support for the Company's infrastructure development strategy. We are also seeing signs of a more transparent and equitable approach to gas allocation. All these factors give us confidence for the Company's prospects over the coming year.

CLOSING

In 2014 PGN reinforced the foundations for the next phase of long-term, sustainable growth. This would not have been possible without the full commitment of all our employees. I'd like to thank them, as well as the Government, our customers and business partners, for their continued support.

Like Indonesia, PGN has vast potential for growth. The natural gas business in Indonesia is still largely under-penetrated. Over the last year PGN has demonstrated its capabilities at every stage of the gas value chain, and, as the nation's largest integrated gas Company, it is exceptionally well positioned to lead the Country towards a brighter, more sustainable energy future.



Hendi Prio Santoso
President Director

STATEMENT LETTER MEMBERS OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS REGARDING RESPONSIBILITY FOR THE CONTENT OF THE ANNUAL REPORT 2014 PT PERUSAHAAN GAS NEGARA (Persero) Tbk

02

We the undersigned declare that all the information included in the Annual Report 2014 of PT Perusahaan Gas Negara (Persero) Tbk has been fully disclosed and we are responsible for the truthfulness of the content of the Company's Annual Report.

This is our declaration, which has been made truthfully.

Jakarta, 13 March 2015

President Director



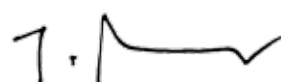
HENDI PRIO SANTOSO

Director of Finance



MOCHTAR RIZA PAHLEVI TABRANI

President Commissioner



BAYU KRISNAMURTHI

Commissioner



A. EDY HERMANTORO

Director of Technology
and Development



DJOKO SAPUTRO

Director of General Affairs and
Human Resources



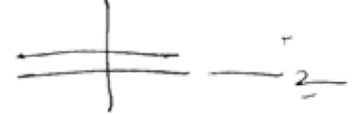
HENDI KUSNADI

Commissioner



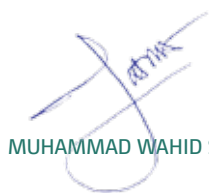
M. ZAMKHANI

Commissioner



FIRMANZAH

Director of Investment
Planning and Risk
Management



MUHAMMAD WAHID SUTOPO

Director of Commerce
and Operations



JOBI TRIANANDA HASJIM

Independent
Commissioner



PUDJA SUNASA

Independent
Commissioner



WIDYA PURNAMA



The Floating Storage and Regasification Unit (FSRU) Lampung was commissioned by PGN LNG in 2014 in the waters of Lampung Timur District, Lampung Province, with a capacity of 240 MMSCFD. FSRU Lampung will help ensure the supply of gas in Java and Sumatera.

Pursuant to Government Regulation No. 19/1965 ("PP No. 19/1965"), Perusahaan Gas Negara (PGN) is a legal entity that has the right to execute its business independently with the scope of business covers the gas supply for power and industry, primarily to improve the quality of life of society.

03

03

Company Profile

NAME

PT Perusahaan Gas Negara (Persero) Tbk

LINE OF BUSINESS

Transmission and distribution of natural gas

OWNERSHIP

Government of Indonesia 56,96%
Public 43,04%

DATE OF ESTABLISHMENT

13 May 1965

LEGAL BASIS

PP No.19/1965

AUTHORIZED CAPITAL

Rp7,000,000,000,000

ISSUED AND FULLY PAID CAPITAL

Rp2,424,150,819,600

STOCK EXCHANGE REGISTRATION

The Company's shares has been registered at Jakarta Stock Exchange and Surabaya Stock Exchange on 15 December 2003 with its Share Code: PGAS

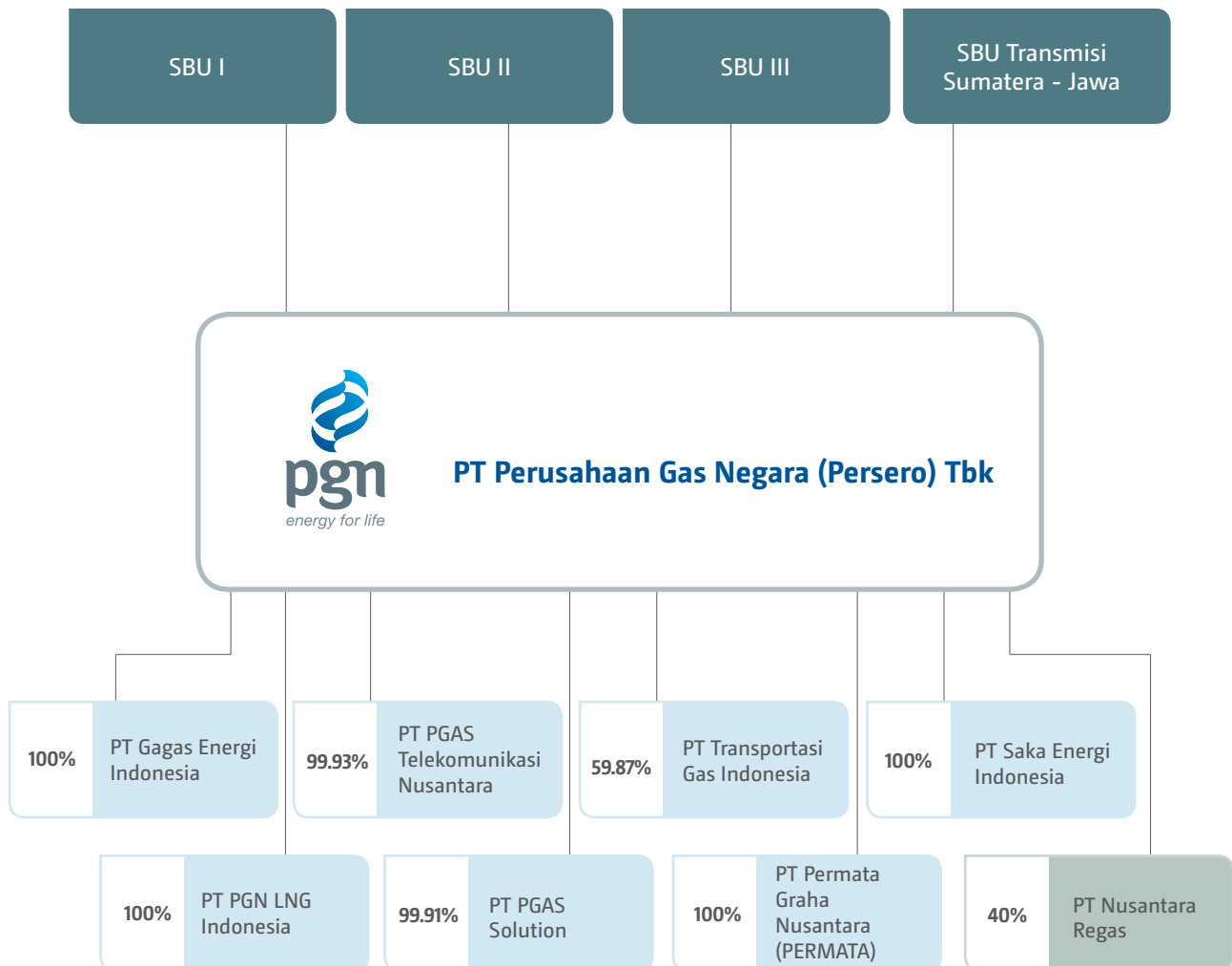
CONTACT CENTER

1500 645

HEAD OFFICE

PT Perusahaan Gas Negara (Persero) Tbk
Jl. K.H. Zainul Arifin No. 20, Jakarta 11140, Indonesia
T. (62-21) 633 4838, 633 4848, 633 4861
F. (62-21) 633 3080,
PO BOX 1119 JKT
www.pgn.co.id

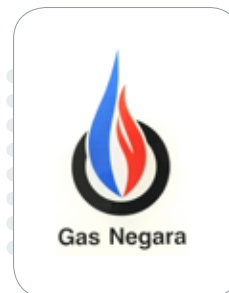
PGN'S GROUP STRUCTURE



PGN has three distribution sales areas (SBU I, II, III) and one transmission service area (SBU Sumatera-Jawa Transmission) as well as eight subsidiaries which engage in various lines of businesses.

- Strategic Business Unit (SBU)
- Subsidiaries
- Associated Entities

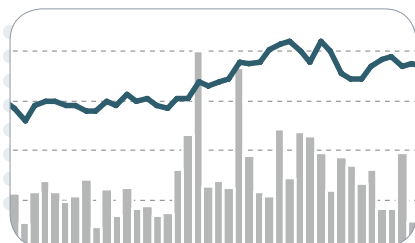
COMPANY HISTORY IN BRIEF



1859 PT Perusahaan Gas Negara (Persero) Tbk., widely known as PGN with ticker code PGAS on the Indonesian Stock Exchange, is a pioneering state-owned company dating back to 1859, when it was named L.J.N. Eindhoven & CO Gravenhage.

1965 On 13 May 1965, pursuant to Government Regulation No. 19/1965, the Company was designated as a State-Owned Company and known as Perusahaan Gas Negara (PGN), and became the official date of inception.

1994 The Company's change in status was accompanied by an expansion in the scope of its business, from natural gas distribution to encompass transmission as well, in which PGN functioned as transporter.



pgn SOLUTION
action for excellence

pgn SAKA
power to discover

pgn GAGAS
brings energy to you

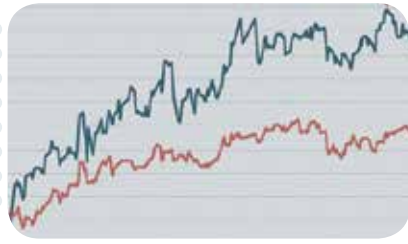
2008 In accordance with Law No. 40 year 2007 regarding Limited Liability Companies and related to a stock split, the Company's Articles of Association was amended by Deed No. 50 dated 13 Juni 2008 jo. Deed No. 8 dated 2 July 2008.

2009 To optimize the strengths and competencies that have been developed over time by leveraging opportunities for future business expansion, in 2009 the Company set up a subsidiary company named PT PGAS Solution which engages in the provision of services related to engineering, operations and maintenance, EPC contractors, and trade.

2011 PGN established two subsidiaries, respectively engaged in upstream and downstream natural gas business. The upstream subsidiary is PT Saka Energi Indonesia (SEI) while the downstream subsidiary is PT Gagas Energi Indonesia (GEI). PGN ownership stands at 99% of both subsidiaries with 1% owned by PT PGAS Solution.



1998 PGN successfully completed the Grissik – Duri Transmission Pipeline and subsequently established a subsidiary in the business of Transmission, namely PT Transportasi Gas Indonesia (TGI).



2003 The Company's shares were listed on Jakarta Stock Exchange and Surabaya Stock Exchange on 15 December 2003 under the stock trading code PGAS.



2007 On 11 March 2007, the Company successfully conducted Gas-In (first gas channeling) which was followed by the gas commercialization from Pertamina's Pagardewa gas field through the South Sumatera-West Java pipeline to a Company customer in Cilegon (PT Krakatau Daya Listrik). On 25 October 2007, Minister of SOE inaugurated SSWJ pipeline phase II for Grissik - Pagardewa segment.



2012 PGN established a subsidiary company, PT PGN LNG Indonesia (PGN LNG). The scope of PGN LNG business among others are procuring LNG and natural gas supply, deviation activity including regasification to the buyer, as well as other business activities.

pgn **MAS**
commitment to service

2014 PGN established subsidiary company PT Permata Graha Nusantara (Permata). The scope of Permata's business among others covers property management, manpower outsourcing services, management facilities, and profitization of company's resources and assets.

BUSINESS ACTIVITIES

LINES OF BUSINESS

In accordance with the Articles of Association of PT Perusahaan Gas Negara (Persero) Tbk as most recently amended by Deed No. 11 dated 6 April 2011, PGN's lines of businesses are:

1. Planning, construction and development of natural gas downstream business which covers processing, transportation, storage and commercial activities.
2. Planning, construction and development of production, supply, channeling and distribution of manufactured gas (hydrocarbon gas).
3. In addition to the core business, the Company may engage in other ancillary businesses that are directly related to and/or support its core business, in accordance with prevailing laws and regulations.

PRODUCTS OR SERVICES PRODUCED

As a State-Owned Company that engages in natural gas transmission and distribution, with reference to the Oil and Natural Gas Law No. 22 year 2001 which requires the separation of upstream and downstream entities, PGN focuses on the downstream business, namely connecting Natural Gas Producers with Natural Gas Users.

In the interests of the management, PGN has divided its operational activity into 4 (four) main business segments, namely:

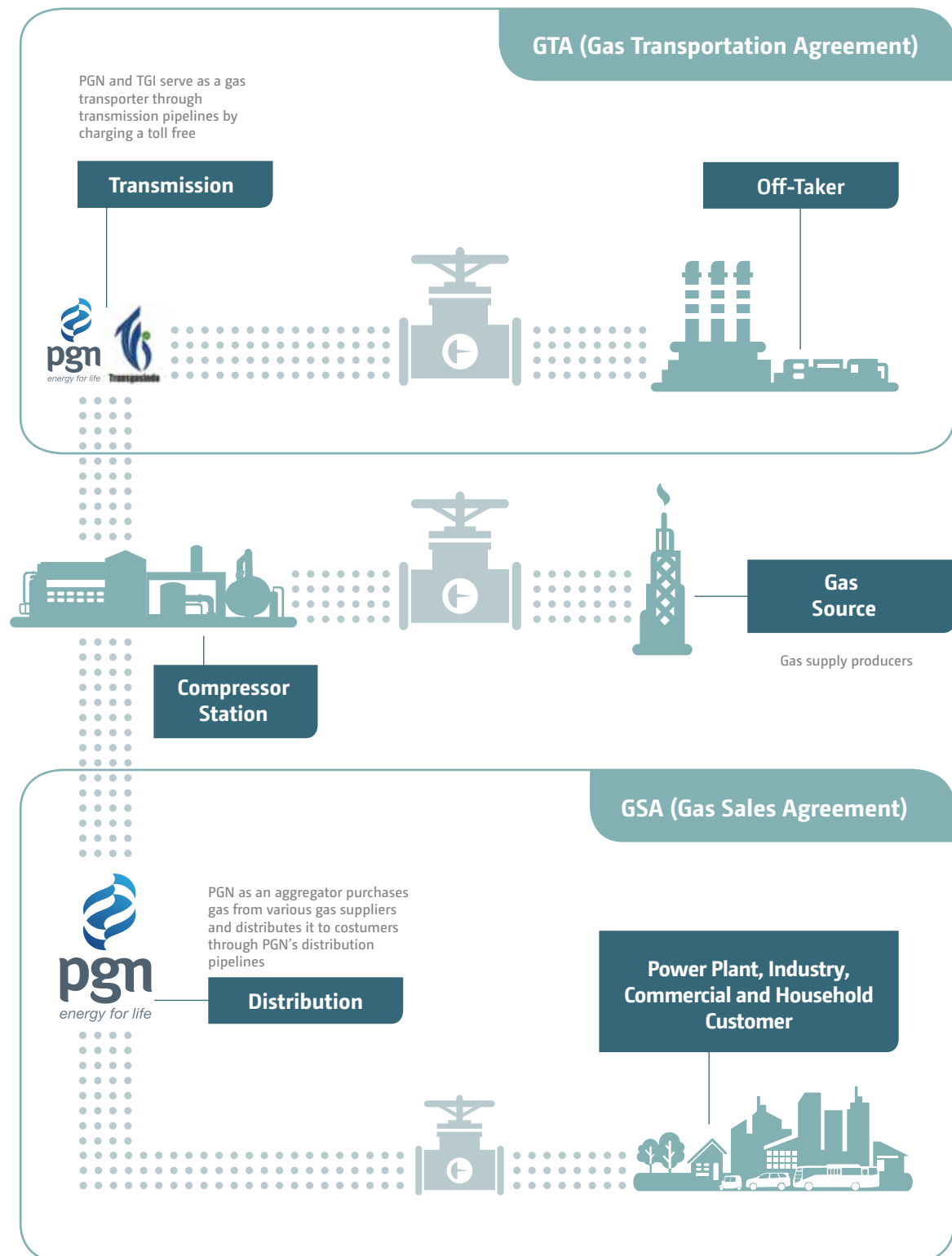
1. Transmission/Transportation Business,
2. Distribution/Commercial Business,
3. Oil and Gas Upstream,
4. Other Business Segments (Construction and Maintenance Services, LNG, Fiber Optic Capacity and Property Rental).

Based on PSAK No. 5 (as revised in 2009) regarding operational segment, for the purpose of management assessment and reporting, starting in 2013 the Company also reported oil and gas activities as a business segment of the Company. This is inline with the upstream business strategy which has been conducted since 2011.



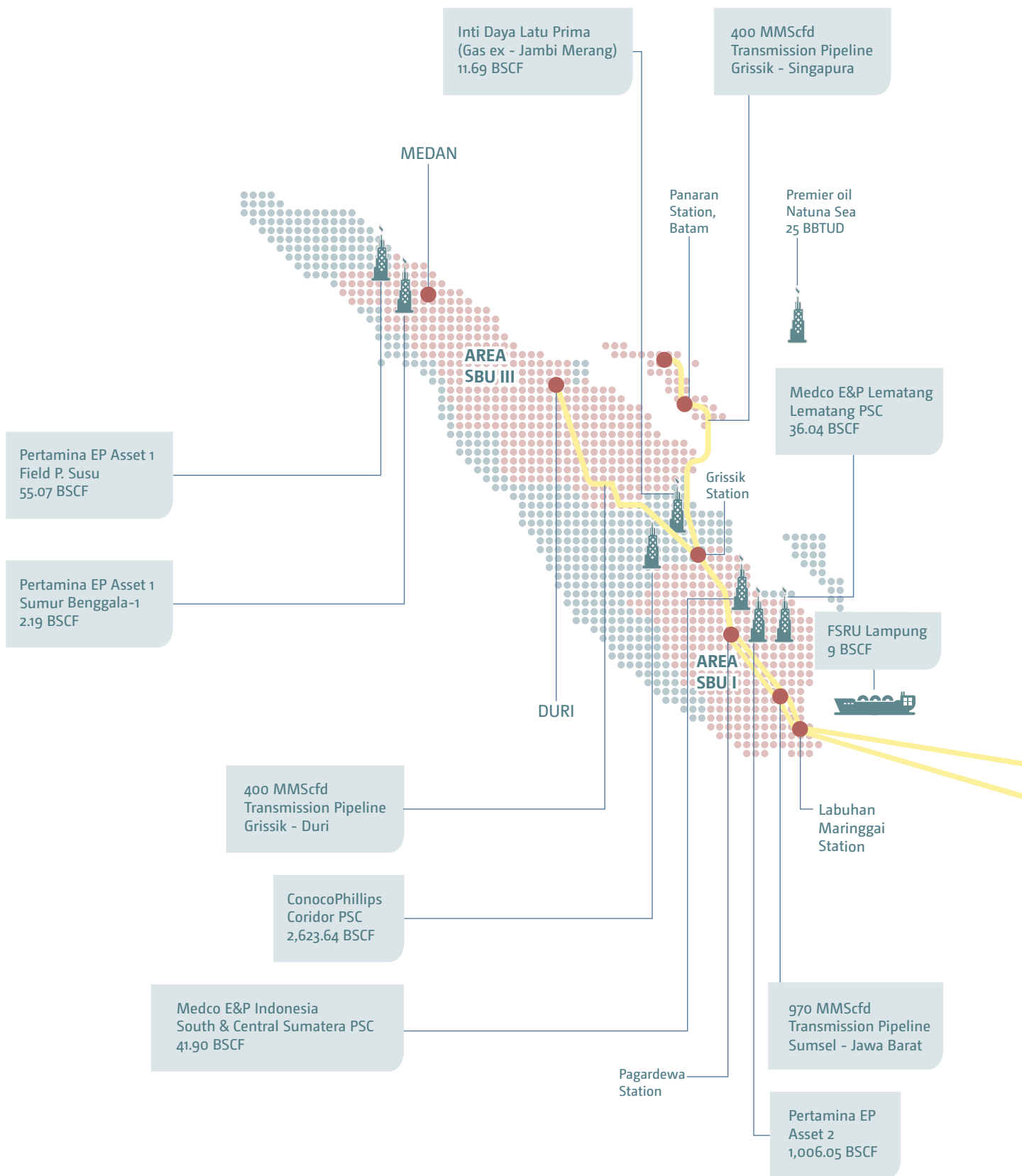
Innovation for Indonesia
The Tower Yoke used by FSRU Lampung utilizes the most advanced technology. This technology enables the Tower to spin in accordance with the direction of the ocean current, ensuring the reliability of gas distribution.

BUSINESS STRUCTURE

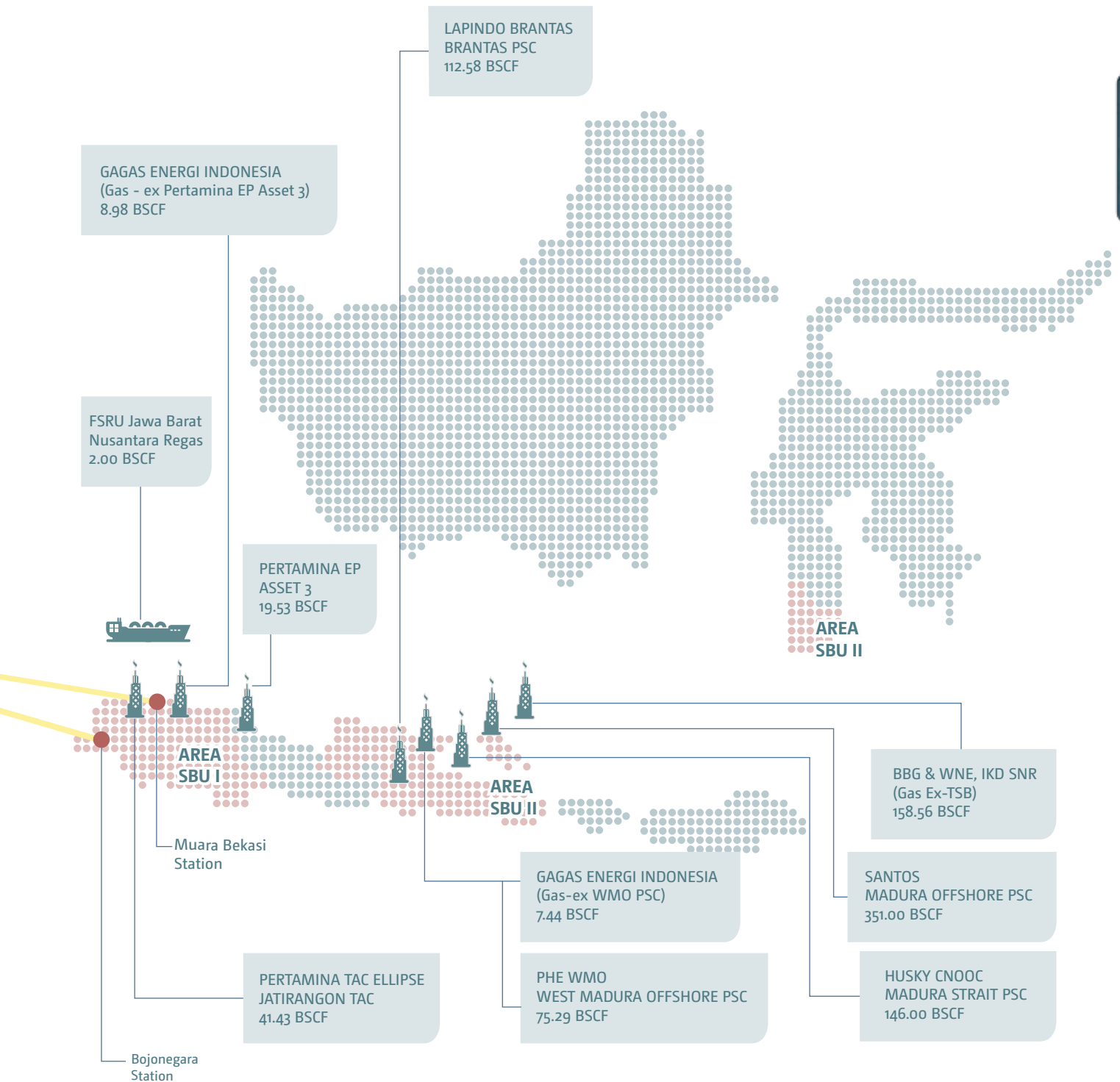


PGN has four business segments. 85.35% of PGN's revenue comes from its distribution business, 8.74% from oil and gas, 5.47% from the transmission business and 0.44% from other business segments.

PGN'S GAS SOURCES, PIPELINE NETWORK AND FACILITIES

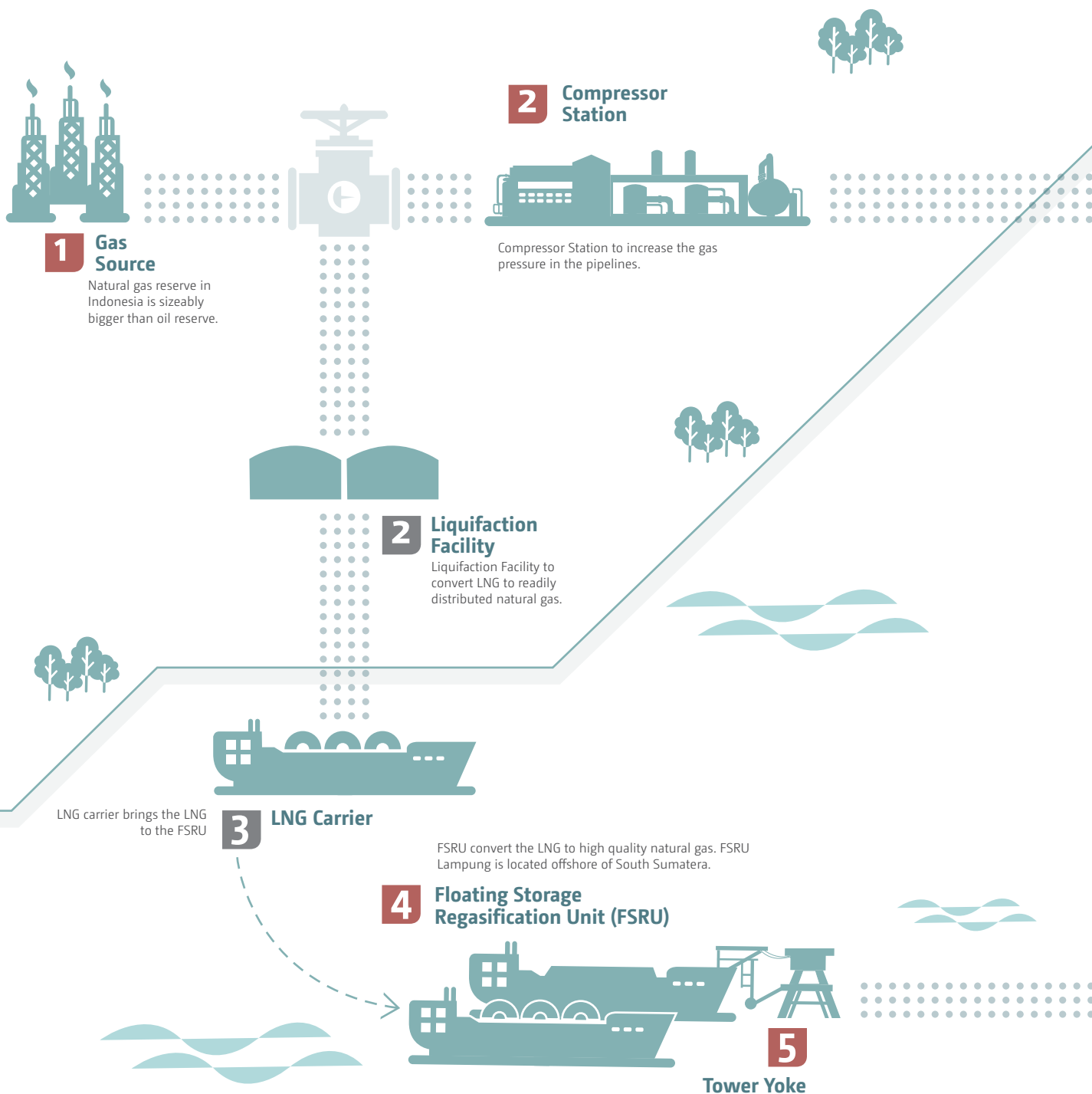


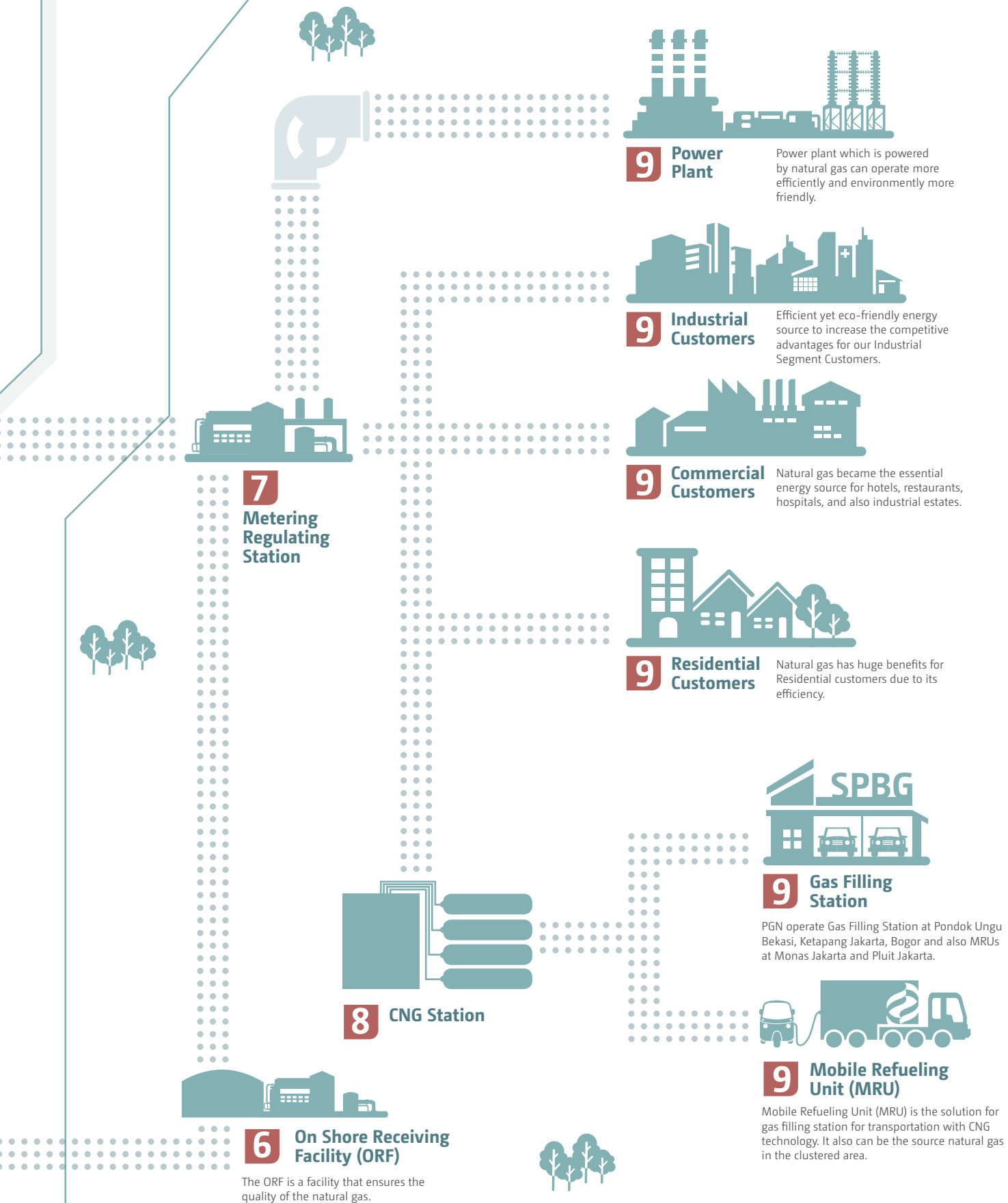
-  PGN's high pressure pipelines and infrastructure
-  Natural Gas Source
1 MMScf = 1,000 MMBTU
@ GHV=1,000 BTU/SCF
-  Station
-  Strategic Business Unit (SBU) area



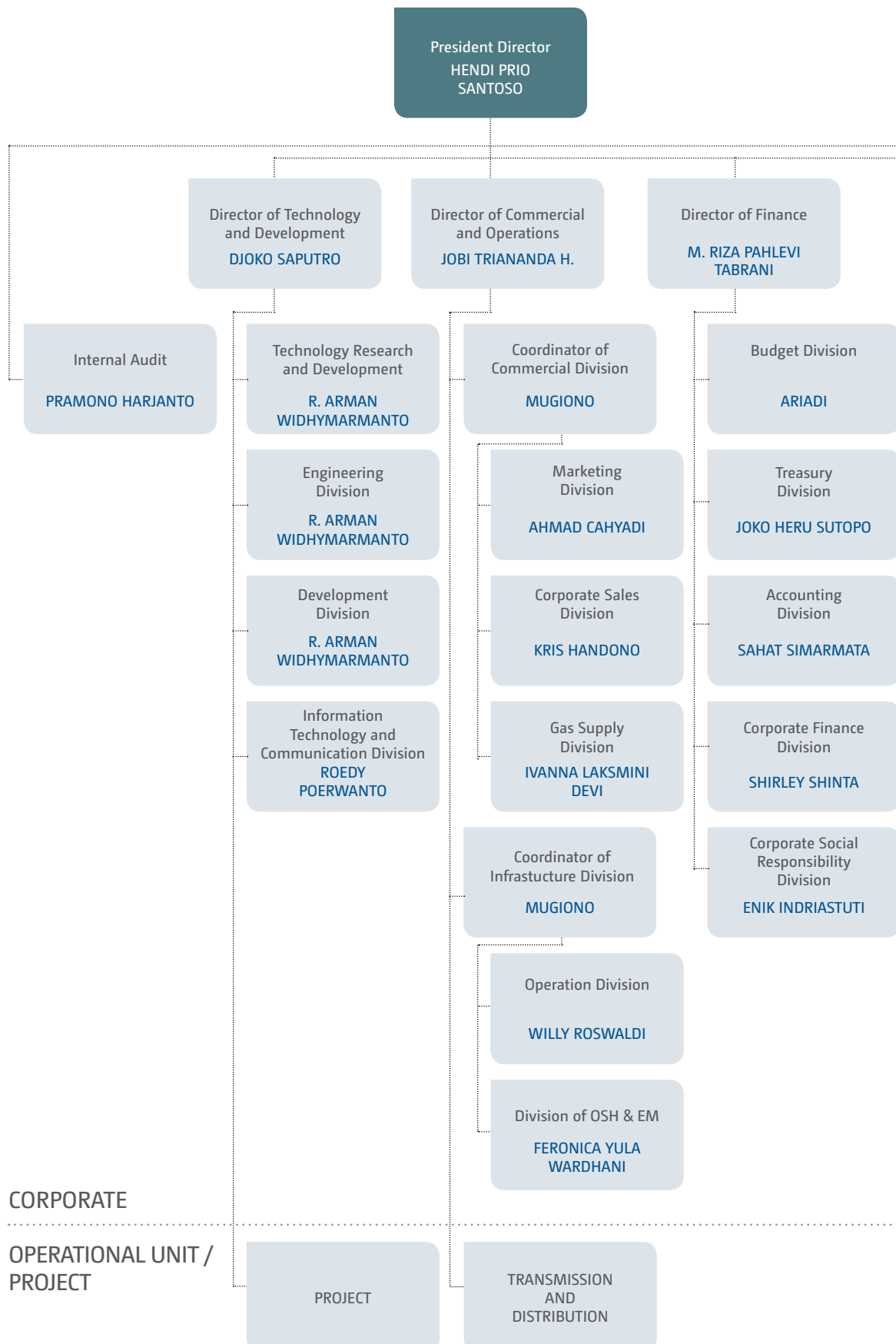
NATURAL GAS FOR THE NATION

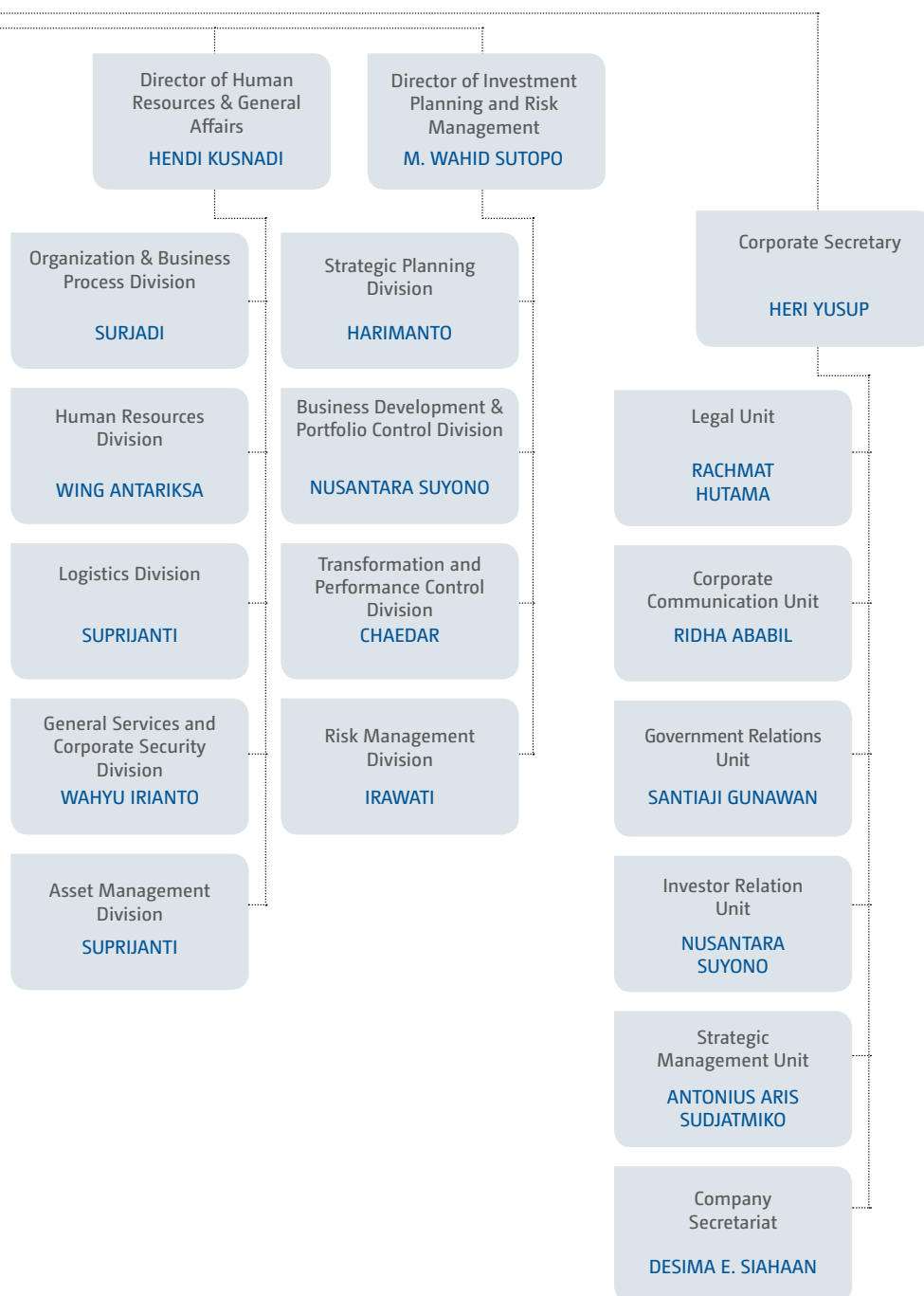
PT Perusahaan Gas Negara (Persero) Tbk. supplies domestic natural gas to all segments. Using natural gas sources from Indonesia, PGN together with its Subsidiaries conducts the complete energy chain from oil and gas exploration, transmission and distribution all the way to PGN customers. The natural gas that PGN distributes constitutes as an environmentally friendly and economical source of energy by power plants and public transportation to household needs such as cooking.





ORGANIZATION STRUCTURE PT. PERUSAHAAN GAS NEGARA (Persero) Tbk.





As of 31 December 2014

VISION AND MISSION

VISION

To be a world class energy company in the gas sector by 2020.





03

MISSION

To enhance the added value of the Company for stakeholders through:

- Customers: Solutions to fulfill energy needs that are safe, deliver additional value, economical, and increase competitiveness.
- Society: Improving social welfare and sustainable economic growth through energy self sufficiency and environmental conservation efforts;
- Shareholders/Investors: Creating optimal and sustainable value for the Company through internal and external synergies

The Company's Vision and Mission have been approved by the Board of Directors, as established in the Decree of the Board of Directors of PT Perusahaan Gas Negara (Persero) Tbk No: 000303.K/HM.03/UT/2015 dated 8 January 2015.

PROFILES OF THE BOARD OF COMMISSIONERS



BAYU KRISNAMURTHI
President Commissioner

Indonesian citizen, born in Manado on 18 October 1964 (50 years old). He joined the Company for the first time as President Commissioner on 22 May 2012. He holds a Bachelor Degree in Agribusiness from IPB, a Master of Agricultural Economics Science from IPB, and a Doctorate in Agricultural Economics from IPB. He was last employed as the Deputy Minister of Trade for the period 2011 – 2014.

The legal basis for his initial appointment as President Commissioner of PGN was a Resolution of the 2012 Annual General Meeting of Shareholders (AGMS) dated 22 May 2012.

He has no affiliation with any members of the Board of Directors or other members of the Board of Commissioners, or the major and/or controlling shareholder



M. ZAMKHANI
Commissioner

Indonesian citizen, born in Magelang on 13 November 1966 (48 years old). He joined the Company for the first time as a Commissioner on 22 May 2012. He holds a Bachelor Degree in Accounting from UGM Yogyakarta and an MBA in Finance from Rutgers University, USA. He was most recently employed as a Deputy for Primary Industry at the Ministry of State-Owned Enterprise, until present.

The legal basis of his appointment as a Commissioner of PGN is the 2012 AGMS Resolution dated 22 May 2012.

He has no affiliation with any members of the Board of Directors or other members of the Board of Commissioners, or the major and/or controlling shareholder.



FIRMANZAH
Commissioner

Indonesian citizen, born in Surabaya on 7 Juli 1976 (38 years old). He joined the Company as a Commissioner for the first time on 17 April 2013. He holds a Bachelor Degree in Management from Faculty of Economics of the University of Indonesia, a Master Degree from University of Lille, a Master Degree in Management from the Faculty of Economics from University of Indonesia, and a Doctorate Degree from University of Paris (France). His last working experience was as Special Advisor to the President of the Republic of Indonesia in Economic Affairs until 2014.

The legal basis of his appointment as a Commissioner of PGN was a 2013 AGMS Resolution dated 17 April 2013.

He has no affiliation with any members of the Board of Directors or other members of the Board of Commissioners, or the major and/or controlling shareholder.



A. EDY HERMANTORO
Commissioner

Indonesian citizen, born on 7 October 1956 (58 years old). He first joined the Company as Commissioner on 27 March 2014. He holds a Bachelor Degree in Geological Engineering from UPN Veteran Yogyakarta and a Master Degree in Business Policy from University of Indonesia. His last working experience was as General Director of Oil and Natural Gas at the Ministry of Energy and Mineral Resources until 2014.

The legal basis of his appointment as a Commissioner of PGN was a 2014 AGMS Resolution dated 27 March 2014.

He has no affiliation with any members of the Board of Directors or other members of the Board of Commissioners, or the major and/or controlling shareholder.



PUDJA SUNASA
Independent Commissioner

Indonesian citizen, born in Cirebon on 11 February 1952 (62 years old). He was reappointed as Commissioner of the Company on 6 April 2011, where he previously served as a Commissioner of the Company from 2002-2008. He also served as the Chairman of Remuneration Committee from 5 July 2007 to 13 June 2008, Head of the Remuneration and Nomination Committee and member of the Insurance Committee as well as GCG Committee from 19 April 2011 to 29 May 2012. He earned a bachelor degree in Petroleum Engineering from Bandung Institute of Technology in 1980.

He served as Head of General Bureau in Ministry of Energy and Mineral Resources (2001-2004) and Inspector I also at Ministry of Energy and Mineral Resources (2004-2007), and as Inspector General in Ministry of Energy and Mineral Resources from 2007 to 2012.

The legal basis of his appointment as an Independent Commissioner of PGN was a 2011 Annual AGMS Resolution dated 6 April 2011.

He has no affiliation with any members of the Board of Directors or other members of the Board of Commissioners, or the major and/or controlling shareholder.



WIDYA PURNAMA
Independent Commissioner

Indonesian citizen, born in Pare-Pare on 26 July 1954 (60 years old). He joined the Company as Independent Commissioner since 6 April 2011 and as member of GCG Committee, Insurance and Business Risk Committee since 19 April 2011. He graduated and holds a Bachelor Degree in Electrical Engineering from Sepuluh November Institute of Technology, Surabaya and earned a Master Degree in Management from Bandung Institute of Technology. Previously he served as President Director of PT Indosat, Tbk (2002-2004) and President Director of PT Pertamina (Persero) (2004-2006).

The legal basis of his first appointment as an Independent Commissioner of PGN was a 2011 AGMS Resolution dated 6 April 2011.

He has no affiliation with any members of the Board of Directors or other members of the Board of Commissioners, or the major and/or controlling shareholder.

PROFILE OF THE BOARD OF DIRECTORS



HENDI PRIO SANTOSO
President Director

Indonesian citizen, born in Jakarta on 5 February 1967 (47 years old). He graduated and holds degrees in Finance and Economics from the University of Houston, Texas and Economics from the University of Texas Austin, USA.

He was appointed to his second term as the President Director of the Company on 22 May 2012. Previously he served as the President Director starting 13 June 2008. Previous to that, he was appointed as Finance Director on 31 May 2007. Prior joining the Company, he served as an Investment Banking Director at PT JP Morgan Securities Indonesia (2004-2007). He started his career at Bank Niaga (1990-1991) and then Citibank NA, Indonesia (1991-1996).

In 1996, he was appointed as Vice President of PT Perdana Multi Finance, then as the Development Director of PT Perdana Inti Investama (1996-1998). In 1998-2001 he held position as Associate Director at PT Bahana Securities followed by Director of PT Anugra Cipta Investa (2001-2004).

The legal basis of his first appointment as President Director as PGN was a 2007 AGMS Resolution dated 31 May 2007, then as the President Director based on Resolutions of the 2008 AGMS and Extraordinary General Meeting of Shareholders (EGMS) dated 13 June 2008. He was reappointed to be the President Director by the 2012 AGMS dated 22 May 2012. He has been assigned as a Commissioner of PT Saka Energi Indonesia since 1 March 2014 until the present.

He has no affiliation with any other members of the Board of Directors or any members of the Board of Commissioners, or the major and/or controlling shareholder.



**MOCHTAR RIZA
PAHLEVI TABRANI**
Finance Director

Indonesian citizen, born in Jakarta on 25 July 1968 (46 years old). He graduated and holds a bachelor degree in Geological Engineering from the University of Trisakti, Jakarta in 1994 and earned an MBA Finance degree from Cleveland State University, USA in 1997. He has served as the Finance Director of the Company since 20 June 2008. Previously, he served as the Acting Head of Corporate Finance Division and Investor Relations Coordinator since February 2008, as well as Special Advisor to the President Director with expertise in Corporate Finance and Investor Relations since May 2007.

He started his career in 1997-1999 as a Senior Staff at PT Bhakti Investama Tbk, followed by Senior Manager at PT Bahana Securities in 1999-2001, Vice President at PT Anugra Capital as, 2001- April 2007, and Vice President at PT Alpha Energy from 2006-April 2007. The legal basis of his first appointment to be PGN's Finance Director was the Resolutions of the 2008 AGMS and EGMS dated 13 June 2008. He was reappointed to be the Finance Director by the 2013 AGMS dated 17 April 2013. He has been assigned as President Commissioner of PT Gagah Energi Indonesia since 1 January 2014 until the present.

He has no affiliation with any other members of the Board of Directors or any members of the Board of Commissioners, or the major and/or controlling shareholder.



DJOKO SAPUTRO
Technology and
Development Director

Indonesian citizen, born in Jakarta on 18 September 1962 (52 years old). He earn his Bachelor Degree in Electrical Engineering from STTN, Jakarta in 1991 and a master degree from University of Manchester, England in 1995.

He has served as the Technology and Development Director of the Company since 22 May 2012. He previously served as the Technical and Operations Director of PGN subsidiary PT PGAS Solution in 2009 and as Senior Executive Officer of Subsidiary Management in 2010.

The legal basis of his first appointment to be Technology and Development Director of PGN was a 2012 AGMS Resolution dated 22 May 2012. He has been assigned as President Commissioner of PT PGN LNG Indonesia since 1 January 2014 until the present.

He has no affiliation with any other members of the Board of Directors or any members of the Board of Commissioners, or the major and/or controlling shareholder.



M. WAHID SUTOPO
Director of Investment
Planning and Risk
Management

Indonesian citizen, born in Jakarta on 17 June 1969 (45 years old). He finished his Bachelor Degree in Electrical Engineering from Bandung Institute of Technology in 1993 and earned a Master Degree in Management (Executive Program) for Internal Business from Institute of Indonesia Management Development (IPMI Business School), Jakarta in 2002.

He has served as the Investment Planning and Risk Management Director of the Company since 6 April 2011. Previously, he was the Company's Corporate Secretary since January 2009, Group Head of Corporate Planning and Control since October 2010, and Division Head of Investor Relations since November 2008.

From 2006 until October 2008, he held positions as Senior Vice President & Group Head – Revenue Assurance at PT Indosat Tbk. Between 2001 and 2006 he served as Vice President & Division Head – Investor Relations of PT Indosat Tbk.

The legal basis of his first appointment to be PGN's Investment Planning and Risk Management Director was a Resolution of the 2011 EGMS dated 6 April 2011. He has been assigned as President Commissioner of PT PGAS Telekomunikasi Nusantara since 2010 until the present.

He has no affiliation with any other members of the Board of Directors or any members of the Board of Commissioners, or the major and/or controlling shareholder



JOB TRIANANDA HASJIM
Commerce and Operations
Director

Indonesian citizen, born in Bandung on 6 April 1964 (50 years old). He earned a Bachelor Degree in Mechanical Engineering from University of Trisakti, Jakarta in 1988 and a Master of Science Degree in Mechanics of Material from University of Strathclyde, Glasgow in 1995. He has served as the Commerce and Operations Director of the Company since 22 May 2012. Previously, he held a position as Technology and Development Director since 6 April 2011.

From 2008 until 2010 he was General Manager of SBU Distribution Area I Western part of Java and became Head of SBU Distribution Area I in 2010. He was most recently the Project Coordinator of Development of Natural Gas Pipeline Network (PPJPGN). The legal basis of his appointment to be PGN's Commerce and Operations Director is a Resolution of the 2011 EGMS dated 6 April 2011. He has been assigned as President Commissioner of PT Transportasi Gas Indonesia since 1 January 2014 until the present.

He has no affiliation with any other members of the Board of Directors or any members of the Board of Commissioners, or the major and/or controlling shareholder.



HENDI KUSNADI
HR and General Affairs
Director

Indonesian citizen, born in Bandung on 26 February 1962 (52 years old). He graduated and holds bachelor degree in Civil Engineering from Bandung Institute of Technology in 1987.

He serves as the HR and General Affairs Director of the Company since 2012. He was the Head of Marketing in 2009 and became Acting Head of Operations Division in 2010 and as General Manager of SBU Distribution Area I Western part of Java, also in 2010.

The legal basis of his first appointment to be PGN's HR and General Affairs Director is the 2012 EGMS Resolutions dated 22 May 2012. He is currently assigned as President Commissioner of PT PGAS Solution since 1 January 2014.

He has no affiliation with any of the members of the Director, members of Commissioners, major or controlling Shareholders.

HUMAN RESOURCES

PROFILE OF PGN EMPLOYEES

PGN employed a total of 1,509 employees in 2014, a decrease of 2.0% from a total of 1,540 employees in 2013. However, employee numbers decreased in line with the Company's plans for development, which focus on increasing productivity. In the future, PGN will recruit more employees and raised the basic skill requirements to support its business expansion to be a world-class energy company in the gas sector.

PGN's efforts to create a conducive work environment has yielded tangible results, as shown by the low rate of employee turnover. A low turnover rate will result in increasingly efficient costs for building employee competencies and recruitment, ultimately impacting the company's performance in a positive manner.

Throughout the 2014 reporting year, 49 (forty nine) employees stopped working at PGN. Most stopped due to natural attrition, such as retirement. Only a few resigned on their own request due to personal reasons.

Staying in step with changes in the external environment, business development targets and strategies continued to develop dynamically. As a result, Human Resources Development constantly makes adjustments to PGN's framework and strategic position in realizing its long term objectives, which are periodically reviewed.

In accordance with the phases of development set out in the the Company's Long Term Plan (RJPP), HR management has now entered its second phase, namely "Capacity Development toward New Business Segments", which was marked by the realization of downstream and upstream business investments. In line with this phase, HR management orientation has transformed from "Strengthening of HR Management Principles" to "Competency Building toward New Business Segments."



COMPETENCE

Competency building for PGN employees includes numerous trainings, both in-house and external. In 2014, PGN carried out 25,115 mandays of training.

NUMBER OF EMPLOYEES BASED ON EDUCATION

Education Level	2014	2013
Doctorate	1	1
Master's	110	115
Bachelor	621	626
Diploma	498	497
High School or equivalent	279	301
Total	1,509	1,540

NUMBER OF EMPLOYEES BY ORGANIZATIONAL LEVEL

Organizational Level	2014	2013
Senior management	75	69
Middle Management	157	159
Junior Management	586	563
Staff	691	749
Total	1,509	1,540

NUMBER OF PGN AND SUBSIDIARY EMPLOYEES BY EDUCATION IN 2014

No	Work Unit	Education Level					Total
		Doctorate	Master's	Bachelor	Diploma	High School (or equivalent)	
1	Head Office	1	55	217	54	31	358
2	SBU area I West Java		9	74	145	133	361
3	SBU Area II East Java		1	49	74	38	162
4	SBU Area III North Sumatera		1	34	45	33	113
5	PMO Infrastructure		23	130	64	32	249
6	SBU Sumatera Java Transmission		3	55	97	11	166
7	PT TRANSGASINDO		1	2	-	-	3
8	PT PGASCOM		1	8	1	-	10
9	PT PGAS SOLUTION		4	17	8	-	29
10	PT SAKA ENERGI INDONESIA		2	5	0	-	7
11	PT GAGAS ENERGI INDONESIA		2	10	4	-	16
12	PT PGN LNG INDONESIA		6	6	3	-	15
13	PT NUSANTARA REGAS		2	7	-	-	9
14	PT. PERMATA GRAHA NUSANTARA		-	7	3	1	11
	TOTAL	1	110	621	498	279	1,509

NUMBER OF EMPLOYEES BASED ON EMPLOYMENT STATUS

Employment Status	2014	2013
Permanent	1,509	1,540
Contract	0	0
Total	1,509	1,540

COMPETENCY DEVELOPMENT

PGN has a planned competency development program, systematic and focused on the Company's business development. One of the main program that has been consistently held is Education and Training Program that maintains and improves the quality of all Company's employees.

Every PGN's human resources is demanded to have good competency as needed for his/her position during 2014. PGN allocates approximately 6 mandays of training for every employee in order to support the development and fulfillment of human resources' competencies gap.

A. Education and Training

No.	Category
1.	Education among others:
a.	Diploma at PTK AKAMIGAS STAEM-Cepu, 7 programs attended by 59 employees (for the 2013-2014 and 2014-2015 periods)
b.	Overseas S2/Postgraduate Program, attended by 6 employees (on-going) and 9 employees in their preparation phase
c.	Domestic S1/Undergraduate Program, attended by 4 employees
d.	Domestic S2/Postgraduate Program, attended by 6 employees
2.	Inhouse Training
a.	6 Mandatory Competency programs attended by 146 employees. Among others: ProCISE Training for Change Agent, GCG Implementation and Gratification Control Workshop, ToT for Gratification Control Program, Entrepreneurship, Achievement, Motivation and Assessment, Simulation Training, Basic for Sales Training for CEPAT Program participants.
b.	44 Managerial Competency programs attended by 953 participants. Among others: Manager as HR Manager, Modern Mini MBA, Effective Communication Skill, Conflict Management, Leadership for First Line Management, Leadership for Middle Management, Business Etiquette & Personality Development, Writing and Communication Skills for Trainers, Winning Spirit Training, Improving Personal, Effectiveness (Supervisory Management), Business Communication & Negotiation Skills, Problem Solving and Decision Making, Human Resources Workshop, EDP Session I: Setting the Strategic Mindset, EDP Session II: Maximizing Commercial Leadership Potential, Presentation and Communication Skills, Business Acumen to Manage Change, Effective Supervisory Training, Self Empowerment Training, Creative Thinking, Charming Personality.
c.	87 field competency programs attended by 1,847 participants. Among others : Technical and Operational Field Web GIS, Coating Inspector Level 1, Piping & Pipeline Design Fabrication, Inspection, and Maintenance, Marketing Intelligence, Understanding of AMDAL and UKL UPL Documents, Customer Relation Management, Level D Fire Officers, Certified First Aid Officers from Manpower and Transmigration Ministry, Authorized Gas Tester, Gas Utilization, K3 Structure Supervision, Total Service Quality, Contact Center, Contact Center Continued, EPC Project Risk, Office Safety, Cathodic Protection Level 1, Food Sanitation, Project Team Leader Academy, Updating and Improving Competency Training for Regulator Operator Field, Metering and Marketing, Field Joint Coating Job using Material Heat Shrink Sleeve, Objection & Handling Customer Complaint, TOT for Safety, Pipeline Integrity Management System, Control Valve, Hearing Conservation, Energy Management System (SME), Valve, Mercury Management, Contractor Safety Management, Contractor Safety Management (Projek/ PMO), Process Hazard Analysis (PHA), Construction Standard, Metering System: Design, Specification, Installation & Maintenance, Certification of Operator of Calibration Meter Orifice, Turbin, Rotary and Diaphragma, Project Planning & Control, PE Pipe Operator, First Aid, Fire Fighting, Basic Sea Survival, Defensive Motorcycle Driving Training, Condition of Contract for EPC/Turnkey Projects Web GIS, Coating Inspector Level 1, Piping & Pipeline Design Fabrication, Inspection, and Maintenance, Marketing Intelligence, Understanding of AMDAL and UKL UPL Documents, Customer Relation Management, Level D Fire Officers, Certified First Aid Officers from Manpower and Transmigration Ministry, Authorized Gas Tester, Gas Utilization, K3 Structure Supervision, Total Service Quality, Contact Center, Contact Center Continued, EPC Project Risk, Office Safety, Cathodic Protection Level 1, Food Sanitation, Project Team Leader Academy, Updating and Improving Competency Training for Regulator Operator Field, Metering and Marketing, Field Joint Coating Job using Material Heat Shrink Sleeve, Objection & Handling Customer Complaint, TOT for Safety, Pipeline Integrity Management System, Control Valve, Hearing Conservation, Energy Management System (SME), Valve, Mercury Management, Contractor Safety Management, Contractor Safety Management (Projek/ PMO), Process Hazard Analysis (PHA), Construction Standard, Metering System: Design, Specification, Installation & Maintenance, Certification of Operator of Calibration Meter Orifice, Turbin, Rotary and Diaphragma, Project Planning & Control, PE Pipe Operator, First Aid, Fire Fighting, Basic Sea Survival, Defensive Motorcycle Driving Training, Condition of Contract for EPC/Turnkey Projects Financial International Trade Finance, Balance Score Card, Financial Statement, PSAK 1 rev 3012, 4 rev 2013, 65, 23, 24, 25, Finance for Non Finance, Treasury Management, PSAK Update 46, 48, 50, 55, 60, & ISAK 26 General and Administrative Implementation Workshop on BPJS for Health and Employment in PGN, Application Workshop for LMS Oracle Taleo, Procedures for Tender Evaluation and Negotiation Skills, Retired Planning Program, Fraud Risk Assessment, Creative Writing, Basic Spatial Mapping for PGN Assets, Tranformation & Breakthrough Seminar, A Half Day Seminar: End of Year Life Reflection.

No. Category

3. 256 Public Training Programs attended by 796 employees

• In Indonesia

Engineering economics, Taxation aspects of merger, acquisition, and holding. Communication and Psychology Audit, Internal Audit Advanced Level I, Fraud Auditing, Land-opening in BUMN, T-BOSIET & T-EBS, Practical Guide for Current PSAK, IFRS-Based and OCI-Related, Psychology at work, Workshop on Health Benefit System for BUMN in National Health Security (JKN) Era. Mubes IV FSP BUMN, Workshop on Reducing Outsourcing in BUMN, Effective Management for Training Center, T-BOSIET & T-EBS, Fitness for Service and Engineering, Critical Assessment of Pipelines, CHRP, National Seminar on Internal Audit, CPSAK Review, Optimizing Company Assets, and Types of Cooperation in BUMN, Workshop on the 2th World Clean Coal Week, Strategy for Legal Contract and Working Papers, National HR Competitiveness Building, 6th Indonesia Training & Development Summit, Syndicated Loans Training, HR From the Outside In, Audit Basic Training, Operational Audit Training, Preparation Training for Certification Test, Technical Training on Gas Metering Systems, Talent Management Conference, API 570 Piping Inspector Course, Designing Competency Based Recruitment and Selection, Indonesia Supply Chain Management Summit, CS Club Sharing: Towards Call Center with World Class Services, Workshop Clean Coal, Petty Cash Management, ASME VIII Division 1 & 2, Basic Motoric, ISO Sharing Club: Increasing Productivity and Competitiveness toward AEC through Professional Certification, Facility Security Design, Formatting dan Reviewing Master Plan, Structuring Owner Estimate Methods & Techniques, Legal English Training, Indopipe 2014, Conduct Training Needs Analysis & Design Training, IFRS on the Impact of the New Accounting Implementation (PSAK) on Taxation and Collection. Workshop on Legal English, The 5th Real CSR (Innovation of CSR Program), Seminar on Comprehensive Corporate Culture Measurement, Job Analysis & Job Evaluation Program, Fire and Gas System, National Seminar on Accounting, CRMP Certification and Tests, Advanced Internal Audit, Training on Write-Off and Transfer Procedures for BUMN's Fixed Assets, A Guide for Non-Tender Direct Appointment and Procurement in Service/Good Procurement based on Permen BUMN No.15 Year 2012 and Perpres No. 70 Year 2012 in BUMN/D Circle, Concrete and Steel Structure Design Construction and Maintenance, Preparation Training for CFE Certification test, Company Legal Drafting & Writing, Indonesia iKompas PMP Preparation Program, ASME B31.3 – Process Piping Code Design Requirements, Training on Write-Off and Transfer Procedures for BUMN's Fixed Assets, FKSIIP National Seminar, NACE International East Asia Pacific Rim Area Conference 2014, API 510, Chartered Financial Analysts (CFA) Level 1, The 6th Indonesia HR Summit, Public Workshop on Mark Plus, 4th Seminar on Procurement Management, Business Process Management, CPSAK Review of Class 8, Contract and Legal Drafting for EPC Project, Technical Training on Competency Qualification and Certification for Transmission Pipe Instructor Expert Staffs, SSPC PCI Level, Workshop on Legal English, CSR ISO 26000:2010, Public Online Financial Modelling and Decision, Finance Accounting, Fiscal Metering Equipment, Safety Instrumented System Design, Analysis & Justification, 2014 ACIIA Conference, Capital Budgeting, Cost Benefit Analysis, Indonesia National Productivity Conference, Transforming Corporate Culture, Integrated Building Supervision and Quality Control of Civil Work, Syndicated Loan Training, Construction Legal Contract Training, Seminar and Congres on Accounting, QA and QC Inspection Training, Case Study on Goods and Service Procurement, "Indonesia Tax Summit 2014" Seminar, IT Service Management With ISO, Entrepreneurship, Bankruptcy and Receivables Management Training, Instalation, Calibration and Maintenance of Electronic Instrument, Effective Time Management, HR Expo, Cathodic Protection Training & Certification Program Level 1, INDOCOR Corrosion Inspector, Technical Training on Pipe Instructor Expert Staff Qualification, Advanced Internal Audit II, Workshop on Strategy toward Green and Gold PROPER, Tehniques for Chromatography Gas Analysis, Social Mapping dan Initiation of CSR Program, First Aid Batch 1, First Aid Batch 2, Brevet A & B, Technical Training on Gas Metering System, Workshop on Risk Based Inspection (RBI) Based on API 580 and API 581, In Situ Field Balancing, Basic Sea Survival (BSS), Basic Vibration Analysis, T-Bosiet, Understanding Coating and Corrosion Control on Underground and Ambience Exposed, Fire Fighting Level D, Fire Fighting Level C, Electrical Machines Transformers and power System : Case Study and Troubleshooting, Workshop on Offshore Pipeline Lifecycle Management, Effective Purchasing, Store And Warehouse, Training and Education on Security Force Management, Ultrasonic Gas Flow Meter Batch 1, K3 Kimia, Innovation of CSR Program, Ultrasonic Gas Flow Meter Batch 2, CCNA Full Package + Exam, Basic Sea Survival (BSS), The 41th ARTDO International Leadership and HRD Conference & Exhibition and The 6th Indonesia HR Summit, The 4th Procurement Management Congress, GESOM (Gas Engine Electric Set Operation & Maintenance), Training on Write-Off and Transfer Procedures for BUMN's Fixed Assets, Powerful Personal Communication Batch 1, Powerful Personal Communication Batch 2, IT Risk Management, Intensive Protection System against Lightning and Grounding, Corporate Social Responsibility ISO 26000:2010, Basic Sea Survival (BSS), CSWIP Visual Welding Inspector - Level 1, Training and Certification of Welding Inspector, Training and Certification for General K3 Experts, Training and Certification of Fire Fighter Level D (Elementary I), Training and Certification of Air Pollution Control Competence PPPU, Training and Certification of Auditor of Health and Work Safety Management System, Training on Land Procurement, Seminar on Psychology at Work, Training on Company's Asset Management, Training on Outsourcing Management, PROPER Training, Training on Social Mapping and Formulation of CSR Program, Seminar on Innovation of CSR Program, Law on Waste Management and Methods of Domestic Waste Management, Technical Training on Pelatihan NLP-based Fraud Investigation. Negotiation Skill & Simulation Workshop, Introduction to ISO/DIS 9001:2015, Competency-Based Human Resources Management Conference, Corporate Communication Summit 2014, The 41st ARTDO International Leadership and HRD Conference & Exhibition and The 6th Indonesian HR Summit, The How of WOW: Creating The Culture of Service Excellence Conference, Training on Write-Off and Transfer Procedures for BUMN's Fixed Assets, Training on Social Mapping and Formulation of CSR Program, Workshop for Provider Initiated HIV Testing and Counselling (PITC), Expanded-DISC Certification Workshop, Technical Guide on Waste Management B3 toward PROPER organization, Technical Guide on First Aid and Technical Guide on the Prevention and Control of Fire, Seminar on Great Teamwork: How to Work Together to Achieve a Winning Team, Bentley Plant Workshop, Android Application Development, The Bentley Systems Seminar, MTCNA Training, Taxation Seminar, Fixed Asset Management, Brevet A & B, Master Finance Controller Conference, Entrepreneurship and Business for Retirement Training, Two-day Workshop on National K#LH System Management, General K3 Experts, Pipeline Risk & Integrity Management, Creating Customer Advocates Through Service, Seminar The Art Of Influence For Sales, Seminar dan Workshop on National Corrosion 2013, Best Practices For Planning & Budgeting Seminar, Corporate Financial Modelling, Integrated Material Handling, Warehousing & Distribution Management, Training on "Young Coating Inspector Level 1", K3 Electricity Experts, Gas Metering System, First-Aid (P3K) at Work, A Practical Cost Effective Approach to Mitigation of AC Corrosion on Pipelines, Training on "Cathodic Protection Level 1", Control Valve Operation and Maintenance, DC Stray Current Interference Corrosion and Measure to Cope With it, Training on Fire Fighter Level D batch 2, Seminar on Selling Strategy, Understanding Coatings/Corrosion Control On Underground And Ambient Exposed Piping, Basic Accounting Training, CompTIA Network+, Logistic & Supply Chain Management: Concept, Strategy & Implementation, Seminar on "Partnership with the Government,

No.	Category

	BUMN and Private Sector to Prevent and Combat Corruption."Basic Microtics, Training for Fire-Fighting Unit Coordinator level B, Pipe Stress Analysis, Training on Welding Inspector, Technical Training on Measuring and Calibrating, Workshop on GAP Analysis for Current PSAK and Effective in 2015, Training on Financial Aspects and Budgeting of Indonesian, National Symposium on Accounting (SNA) XVII, National Seminar on "Optimizing the Role of Internal Supervisor to Prevent Corruption in BUMN/BUMD and Banking", Workshop on Negotiation Skills and Simulation, Training on HR Humas "Winning Media's Heart Through Creative Writing," the 6th Indonesia HR Summit 2014, Training on Write-Off and Transfer Procedures for BUMN's Fixed Assets, HRD Management, Seminar on "Care Is The New Service," Training on Guide and Certification for K3 Construction Young Expert, Business Leader Forum "Fewer Bigger Bolder : From Mindless Expansion to Focused Growth," Training on "Control Valve: Operation, Maintenance & Troubleshooting," Training on "Control Valve: Operation, Maintenance & Troubleshooting," Workshop on "The New Strategic Marketing Management: Productivity-Driven WOW MARKETING," Training on "Advanced Process Control Instrumentation," Welding Inspector, Non Destructive Test (Film Interpretation), Certification Test for Certified Professional Management Accountant (CPMA), One-Day Training on "Filling-out and Calculating Annual and Monthly Income Tax Article 21/26, Potput Income Tax using Microsoft Excel Format," Indonesia Tax Summit 2014, Tax Management, Training on Corporate Social Responsibility ISO 26000:2010, Fotografi Basic Photography and Photo Editing Training, Case Study on Goods and Service Procurement, IT Service Management with ISO, QMS56 ISO 9001:2008 Series A Continual Management System Improvement Cycle, IMS102 Understanding, Developing, Implementing and Maintaining an Integrated QHSE Management, Basic Training of 2 Properties Assessment, National Seminar on Customs, Radiography Test Level 2, Legal Auditor Education, General K3 (AK3) Expert (Certified by Kemenakertrans), Fraud Auditing: Prevention, Detection & Investigation, Welding Engineer (Sertifikasi), Workshop on National K3LH System Management, PCI Level 1, Training MR/S (Batch I), MR/S Training (Batch II), Strategy on Handling Legal Receivables, Basic Microtics, CompTIA Network+, Technical Guide on Gas Metering System, Reprogramming Leadership With Mind Power, Negotiation Skill, Certification for General K3 Expert, Strategic Vendor Management, Innovation of CSR Program, Reborn Batch I, Managing Conflict and Dealing with Difficult People, Reprogramming Leadership With Mind Power Batch II, Seminar Public Relation & Corporate Communication (Strategy to Build Company Image through Excellent Role of Public Relation & Corporate Communication, Reborn Batch II, Price Self-Estimation on Goods and Service Procurement, Reprogramming Leadership With Mind Power Batch III, Bankruptcy, IT Risk Management

	• Overseas, 10 programs attended by 22 participants

	Among others:

	Scada Summit, Training ASME VIII Division 1 & 2, SOPAC Conference and On-Site Learning 2014, Conference Gastech 2014, CERM - Certified Enterprise Risk Management, APAC Small And Midscale LNG 2014, Knowledge Management, Flow Worldwide User Group Meeting 2014, IFRS OIL AND GAS EXECUTIVES

B. Scholarship in Cooperation with Taruna Nusantara High School and PTK AKAMIGAS STEM - Cepu:

In order to obtain the qualified candidates as employees, PGN starts early in candidates lives by providing Scholarship Program on Candidates Pre-Selection (PBSPSCP) in cooperation with Taruna Nusantara High School, Magelang and PTK AKAMIGAS STEM - Cepu to educate and prepare the candidates which have capability in Natural Gas industry. In 2014, PGN carried out scholarships program for Diploma I, II & III of Gas Technology at AKAMIGAS STEM - Cepu for 59 participants.

C. Internship and Master Degree Program in Indonesia and Overseas

- Employees' Quality and Competency Enhancement Program

In order to enhance the quality and competency of employees as well as additional global insights on gas business and Company's progress, and also to support PGN's vision to be a world class energy company in the gas sector, PGN engaged GDF SUEZ to conduct 3 programs of Exchange and Experience Learning with total of 28 participants.

- Master Scholarship Program in Indonesia and Overseas

In order to enhance the quality and competency of employees as well as additional global insights on gas business and Company's progress, PGN dispatch 6 employees and another 9 employees (in preparation) to join Master scholarship in overseas to well-known universities in United States of America. This program is focused on field studies that are relevant to PGN's business.

D. PGN STAR Program (Executive Development Program)

One of the right action done by the Company in facing the changes is to create excellent leaders in the future. This action has been structurally and integrated implemented in a PGN Star Program since 2013, which consists of Executive Development Program (EDP) and Management Development Program (MDP). Currently, the STAR program that has been conducted is EDP program which is specially designed for PGN's talent on executive level. This program has 120 participants and is conducted for period of 2 years by focusing on the development of Competence, Exposure and Mindset talent in terms of Strategic Commercial dan Strategic Leadership.

E. Learning Management System

To improve services for the employees with regard to Education and Training program, PGN developed a web basis online application. The purpose of the implementation of this facility is to accelerate the education and training process, both in terms of administration and also facilitate the employees as users to access the education and training's content and information, such as the Corporate Annual Education and Training Program Plan, Education and Training Syllabus and Module and also Employees Learning Schedule.

F. English Program

To enhance the employees' ability to communicate in English, the Company provides English language training facility for all employees on a self-help basis. Employees can choose their own provider (list of provider provided by the Company) and schedule the training to suit their own timetable. The Company reimburses the training costs to the employees upon the completion of each level of the course.

The Company requires employees at the Assistant Vice President and Vice President to take an English Proficiency Test (EPT) as one of requirements in the talent program.

G. SOE's Ambassador

SOE's Ambassador is a forum for employees of SOE which aims to to establish a strong sense of unity among SOEs as they strive to achieve their vision of becoming The World Class SOE. It was established by SOE's PR Forum (FHBUMN) and receives direct support from the Ministry of State-Owned Enterprises.

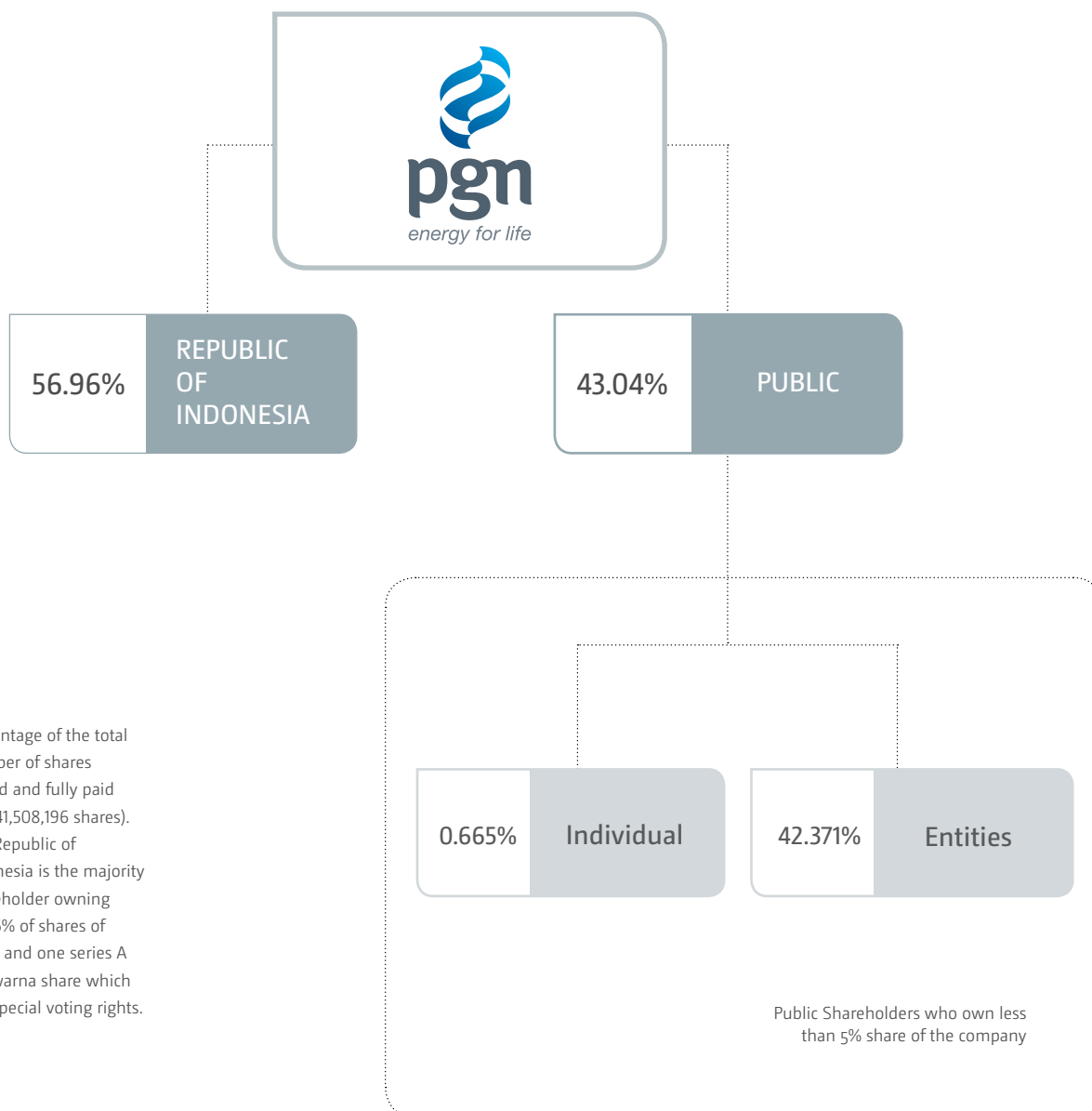
In 2014, PGN sent delegations as the participant of SOE's Ambassador. Two representatives of PGN followed the selection and quarantine process. The duty of SOE's Ambassador is to be the ambassador and representatives of young professionals working in SOE in every Ministry of State-Owned Enterprises' activity.

EXPENDITURES

During 2014, PGN has organized 25,115 mandays for the employees training program with a total cost of Rp 41,698,373,086. With such mandays and total cost of expenditures contribute in the enhancement of employees' competency for 18.7% of total education and training expenditures in the prior year (2013), Rp. 35,888,349,940.

COMPOSITION OF SHAREHOLDERS

Based on Shareholder list organized
by the Company Registrar as of 31 December 2014



Percentage of the total number of shares issued and fully paid (24,241,508,196 shares). The Republic of Indonesia is the majority shareholder owning 56,96% of shares of PGAS and one series A Dwiwarna share which has special voting rights.

5% OR MORE SHARES OWNERSHIP AS PER 31 DECEMBER 2014

Name	Owner Status	Total Shares	Percentage
Indonesia	Indonesia	13,809,038,756	56.96%

INFORMATION OF MAJORITY SHAREHOLDER

The Republic of Indonesia owns one series A Dwiwarna share, which has special voting right. Dwiwarna share has the same rights and limitations with Original Share, except that it cannot be transferred. It has special rights for capital changes, appointment and termination of Board of Directors and Board of Commissioners, Articles of Association, merger, amalgamation and takeover as well as dissolution and liquidation of the Company. As per 31 December 2014, Republic of Indonesia has 13,809,038,756 Ordinary Shares and one Dwiwarna Shares that has special rights.

SHARES OWNERSHIP BY THE MEMBERS OF BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS AS PER 31 DECEMBER 2014

Name	Title	Total Shares	Shares Percentage
Bayu Krisnamurthi	President Commissioner	0	0%
M. Zamkhani	Commissioner	0	0%
A. Edy Hermantoro	Commissioner	0	0%
Firmanzah	Commissioner	0	0%
Pudja Sunasa	Independent Commissioner	0	0%
Widya Purnama	Independent Commissioner	0	0%
Hendi Prio Santoso	President Director	0	0%
Jobi Triananda Hasjim	Commerce & Operations Director	0	0%
Hendi Kusnadi	HR & General Affairs Director	140,500	0.0005796%
Djoko Saputro	Technology & Development Director	30,000	0.0001238%
Muhammad Wahid Sutopo	Investment Plan and Risk Management Director	0%	0%
Mochtar Riza Pahlevi Tabrani	Finance Director	0	0%

INFORMATION OF SUBSIDIARY AND ASSOCIATED COMPANIES

Name of the Company	Subsidiary and Associated	Shares Ownership	Line of Business	Company's Description	Status
PT Saka Energi Indonesia (SEI)	Subsidiary	- Company – 99.997% - PT PGAS Solution – 0.003%	Upstream Business	SEI was established on 27 June 2011 and operates business and investment in the upstream sector, which covers exploration, exploitation, business expansion in oil and natural gas, geothermal and shale gas. Now, SEI has Participating Interest at several oil and gas blocks, in Indonesia or overseas.	Operate
PT Transportasi Gas Indonesia (TGI)	Subsidiary	- Company – 59.87% - Transasia Pipeline Company Pvt. Ltd. – 40% - Yayasan Kesejahteraan Pegawai Perusahaan Umum Gas Negara – 0.13%	Gas Transportation	TGI was established on 1 February 2002. Now, TGI owns and operates more than 1,000 km pipeline network that connected Grissik to Duri and Grissik to Singapore Transmission with distribution capacity of 835 MMSCFD	Operate
PT PGN LNG Indonesia (PGN LNG)	Subsidiary	- Company – 99.999% - PT Gagah Energi Indonesia – 0.001%	Liquified Natural Gas	PGN LNG was established on 26 June 2012 and operates Liquified Natural Gas business, including but not limited to processing, transportation, storage and trading. Now, FSRU Lampung with regasification capacity of 240 MMSCFD has entered commercialization stage.	Operate
PT Gagah Energi Indonesia (GEI)	Subsidiary	- Company – 99% - PT PGAS Solution – 1%	Downstream business	GEI was established on 27 June 2011 and operates in processing, transportation, storage and trading of oil and natural gas. Now, GEI operates 3 (three) Mobile Refueling Unit (MRU) at IRTI Monas and Pluit areas in Jakarta, also Aero Trans in Tangerang. Besides that, GEI also operates 3 (three) SPBG that are SPBG Hybrid Pd Ungu, SPBG PGN Head Office, SPBG PGN Bogor.	Operate
PT PGAS Solution (PGAS Solution)	Subsidiary	- Company – 99.91% - Yayasan Kesejahteraan Pegawai perusahaan Umum Gas Negara – 0.09%	Engineering	PGAS Solution was established on 6 August 2009 and provides services in engineering, operations and maintenance, workshop, trading and development.	Operate
PT Permata Graha Nusantara (Permata)	Subsidiary	- Company – 99.95% - PGAS Solution – 0.05%	Property management, provider of human resources & facility management, profitization of Company's resources and assets	Permata was established on 24 April 2014 and provides services in facility management, assets management and entrepreneurial real estate.	Operate

Name of the Company	Subsidiary and Associated	Shares Ownership	Line of Business	Company's Description	Status
PT PGAS Telekomunikasi Nusantara (PGASCOM)	Subsidiary	• Company – 99.93% • Yayasan Kesejahteraan Pegawai Perusahaan Umum Gas Negara – 0.07%	Telecommunication	PGASCOM was established on 10 January 2007. Now, PGASCOM has exclusive rights from the Company operate manage the Company's fibre optic, starts from the boundary of Indonesia-Singapura (96 cores), Batam-Jambi-Grissik (24 cores), Grissik – Pagardewa – Terbanggi -Labuhan Maringgai (24 cores). Since 5 March 2009, PGASCOM has received license from Department of Communication and Informatics as the Operator of Closed Fixed Network and currently PGASCOM has provide services to several telecommunication operators. In 2010, PGASCOM has entered international telecommunication market in Singapore, by establishing subsidiary company, PGAS Telecommunications International Ltd. In 2012, PGASCOM expand the market by entering the Network Access Provider (NAP)/ ISP market.	Beroperasi
PT Gas Energi Jambi (GEJ)	Joint Venture	• Company – 40% • PT Wahana Catur Mas – 40% • PT Jambi Indoguna Internasional – 10% • PT Bukaka Corporindo – 10%	Trading, construction and services	GEJ operates its business in trading, construction and services through distribution of gasoline fuel, chartering in the gas mining sector and in the field of supporting facility for mining company, gas construction and other supporting equipments.	Has not operate yet
PT Banten Gas Synergi (BaGS)	Joint Venture	• PT Andiracitra Grahawira (68.43%) • PT Banten Global Synergi (14.14%) • PT Banten Global Development (8.57%) • Izma Agyano Bursman (8.71%) • Perseroan Company (0.14%)	Transportation, trading and mining	BaGS operates its business in services sector, transportation, trading and mining.	Operate
PT Nusantara Regas (NR)	Joint Venture	• PT Pertamina (Persero) – 60% • Company – 40%	Floating Storage and Regasification Terminal Facility ("FSRT")	NR was established on 14 April 2010 as a joint venture company between PT Pertamina (Persero) and the Company. NR operates the processing and development of FSRT facility, including the procurement of Liquefied Natural Gas ("LNG") and marketing on the management of the FSRT facility and also other relevant business activity. Now, NR has operated the first FSRT in Indonesia with regasification capacity of 500 MMSCFD.	Operate

SUBSIDIARY AND ASSOCIATED COMPANIES

PT SAKA ENERGI INDONESIA

PT Saka Energi Indonesia (SEI) is PGN's subsidiary that engaged in the oil and natural gas upstream sector. The shareholders of SEI are PGN and PT PGAS Solution (PGN's subsidiary) with shares ownership of 99.997% and 0.003% respectively. As a company in the oil and natural gas upstream sector, SEI supports the expansion and production of oil and gas in Indonesia through exploration, exploitation and development of conventional and non conventional oil and gas as well as other energy.

Until 2014, SEI acquired the oil and gas upstream assets as follows:

Blocks Name	Participating Interest		Operator	Status	Acquisition Date
	2014	2013			
Ketapang PSC	20%	20%	Petronas	Development	February 2013
South Sesulu PSC	100%	100%	PT Saka Indonesia Sesulu	Exploration	December 2013
Bangkanai	30%	30%	Salamander Energy	Development	January 2014
West Bangkanai PSC	30%	0%	Salamander Energy	Development	May 2014
Pangkah PSC	100%	25%	Saka Indonesia Pangkah Ltd.	Production	January 2014
Muriah PSC	20%	0%	Petronas Carigali Muriah Ltd.	Development	January 2014
Fasken	36%	0%	Swift Energy Operating LLC.	Production	July 2014
South East Sumatra	8,91%	0%	KNOC Sumatra Ltd	Production	December 2014



At the end of 2014, the composition of SEI's Board of Commissioners and Board of Directors were as follows:

BOARD OF COMMISSIONERS

Susilo Siswoutomo	President Commissioner
Hendi Prio Santoso	Commissioner
Nusantara Suyono	Commissioner

BOARD OF DIRECTORS

Firman Ardini Yaman	President Director
Tumbur Parlindungan	Director of Commerce
Noor Diana Prasetyawati	Director of Finance & Administration

PT GAGAS ENERGI INDONESIA

PT Gas Energi Indonesia (GEI) is PGN's subsidiary that engaged its business in processing, transportation, storage and trading of oil and natural gas as well as other energy. GEI supplies natural gas for power plant, industry, commercial, household and transportation, with small and medium enterprises, commercial and transportation customers as its targeted segments. Gas distribution will be developed through several stages, by calculating the gas supply, the size of the existing market and ease of implementation. The development strategy that has been prepared by GEI among others are micro LNG plant development, CO₂ removal, power plant and development of non-pipe transportation mode (CNG).

GEI obtained gas supply from several gas suppliers at PGN's operational areas. In 2014, GEI sold 22.44 million MMBTU of gas, up 1.47 million MMBTU from year 2013's sales. Some of GEI's supply volume and sales were consolidated with PGN's sales volume. In 2014, GEI had 290 customers, a 8.2% growth compared to year 2013. From all those customers, 94% used natural gas through pipeline network, while the remaining 6% used CNG.

GEI's strategic target is to fulfill the increase of natural gas demand. To broaden the gas distribution and utilization for transportation sector, GEI established SPBG and Mobile Refueling Unit (MRU).

In order to ensure the gas supply, strengthen the core business, enhance the capability of relevant business diversification such as power plant and to create significant gas value chain through LPG Plant, Micro LNG and CO₂ removal, GEI continuously seeks potential gas sources and established many potential projects. GEI also explore potential power plant business to give added value from its natural gas development activities. In 2014, GEI developed natural gas project, CNG station (SPBG) project, micro LNG plant project, LPG plant & CO₂ removal and also electrical projects.

At the end of 2014, the composition of Board of Commissioners and Board of Directors were as follows:

BOARD OF COMMISSIONERS

Mochtar Riza Pahlevi Tabrani	President Commissioner
Surat Indrijarso	Commissioner
Iman Rochendi Ahmad	Commissioner

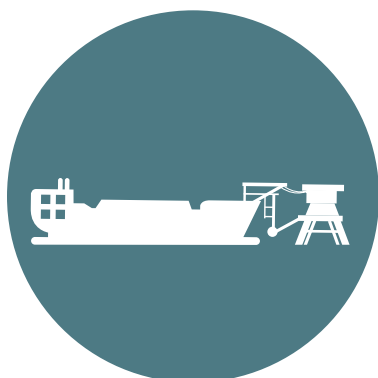
DIREKSI

Danny Praditya	President Director
Achmad Rifai	Director of Commerce
Wibisono	Director of Finance & Administration



PT PGN LNG INDONESIA

PT PGN LNG Indonesia (PGN LNG) is PGN's subsidiary that engaged in natural gas midstream business. The shareholders of PGN LNG are PGN and PT Gas Energi Indonesia (PGN's subsidiary) with percentage of shares ownership of 99.999% and 0.001% respectively. As a company in midstream sector, PGN LNG operates its business in LNG supply procurement including LNG regasification into natural gas, transportation, storage, trading and other relevant business.



At the end of 2014, the composition of PGN LNG's Board of Commissioners and Board of Directors are as follows:

BOARD OF COMMISSIONERS

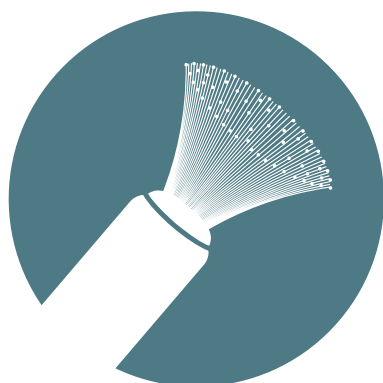
Djoko Saputro	President Commissioner
Hendra Fadly	Commissioner
Doddy Adianto	Commissioner

BOARD OF DIRECTORS

Nisi Setyobudi	President Director & Director of Commercial
Manangap Napitupulu	Director of Technical & Operations
Eri Surya Kelana	Director of Finance & Administration

PT PGAS TELEKOMUNIKASI NUSANTARA

PT PGAS Telekomunikasi Nusantara (PGASCOM) is PGN's subsidiary that engaged in telecommunication network business. PGASCOM has exclusive rights from PGN to manage and operate PGN's 1,300 km fibre optic from Jakarta to Singapore's boundary, with capacity up to 160GBps and use the optic cable 24 to 96 cores. As an excellent backbone supplier, PGASCOM is capable in fulfilling the requirement of large or small scale network capacity as needed by the customers. PGASCOM holds license from Ministry of Communication and Informatics as operator of Closed Fixed Network and currently also has Network Access Provider (NAP)'s license.



At the end of 2014, the composition of PGASCOM's Board of Commissioners and Board of Directors were as follows:

BOARD OF COMMISSIONERS

M. Wahid Sutopo	President Commissioner
Roedy Poerwanto	Commissioner
Harry Zacharias Soeratin	Commissioner

BOARD OF DIRECTORS

Sri Budi Mayaningsih	President Director & Director of Commercial
Bambang Ismartono	Director of Technical & Operation
Hermin Indayati	Director of Finance & Administration

PT TRANSPORTASI GAS INDONESIA

PT Transportasi Gas Indonesia (TGI) is the owner and also a leading operator of natural gas pipeline in Indonesias. The shareholders of TGI are PGN, Transasia Pipeline Company Pvt. Ltd. and Yayasan Kesejahteraan Pegawai Perusahaan Umum Gas Negara with shares ownership of 59.87%, 40% and 0.13% respectively.

TGI is the first Indonesian company that focuses its business in natural gas transportation, both for domestic market in Sumatera and Batam and international market to Singapore. With over 10 years of experience in natural gas transportation business and zero-down time commitment as well as environmentally sound operational, TGI is one of the most reliable transporter in the industry with more than 1,000 km of offshore and onshore pipeline network.

TGI operates 468 km long of Grissik – Singapura pipeline and 536 km long of Grissik – Duri, Riau. TGI also operates several compressor stations at Sakernan, Belilas and Jabung (Sumatera), as well as meter station at Duri – Riau, Panaran, Batam and Pemping, Riau Archipelago. All pipeline networks and stations are monitored for 24 hours, 7 days a week by special facility.



At the end of 2014, the composition of TGI's Board of Commissioners and Board of Directors were as follows:

BOARD OF COMMISSIONERS

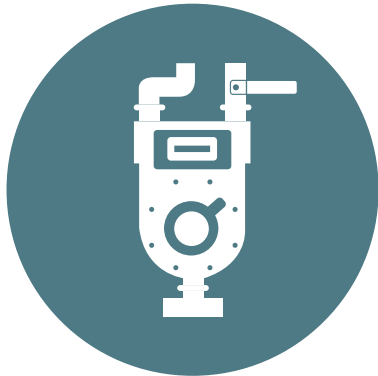
Jobi Triananda Hasjim	President Commissioner
M. Iskandar B. Ismail	Vice President Commissioner
Heri Yusup	Commissioner
Aries Yusuf Hassan	Commissioner
Naryanto Wagimin	Commissioner

BOARD OF DIRECTORS

Mangatas Panjaitan	President Director
Gamal Imam Santoso	Director of Technical
Erning Laksmi Widyastuti	Director of Finance & Administration
A. Rashid Mukri	Director of Operations
Arief Transaindra Kushermawan	Director of Business Development

PT PGAS SOLUTION

PT PGAS Solution (PGAS Solution) is PGN's subsidiary that engaged in engineering services, operation and maintenance, EPC contractor and trading. The shareholders of PGAS Solution are PGN and Yayasan Kesejahteraan Pegawai dan Pensiunan Gas Negara with share ownerships of 99.91% and 0.09% respectively.



The composition of PGAS Solution's Board of Commissioners and Board of Directors at the end of 2014 were as follows:

BOARD OF COMMISSIONERS

Hendi Kusnadi	President Commissioner
Edi Purnomo	Commissioner
Gumilang Hardjakoesoema	Commissioner

BOARD OF DIRECTORS

Dilo Seno Widagdo	President Director & Director of Commercial
Sulistyo Elly Hariyanto	Director of Technical & Operations
Supriyadi	Director of Finance & Administration
Dominica Diniati	Director of Human Resources

PT PERMATA GRAHA NUSANTARA

PT Permata Graha Nusantara (Permata) is PGN's subsidiary that engaged in property and services including but not limited to property's provision and management, labor and facility management supply, company's resources and assets profitization, and other relevant business that support the Company's operational and in terms of Company's business development by taking into account the precautionary principle. The shareholders of Permata are PGN and PGN Solution with shares ownership of 99.95% and 0.05% respectively.



The compositions of Permata's Board of Commissioners and Board of Directors at the end of 2014 were as follows:

BOARD OF COMMISSIONER

Heri Yusup	Commissioner

BOARD OF DIRECTORS

Adrian Prihutomo	President Director
Dedi Suryadinata	Director of Finance & Administration



PGN use Polyethylene (PE) pipe to expand the distribution pipeline for household segment. In 2014, there were 92,858 Household Customer registered in Sumatera Island and Java Island. PGN's subsidiary, PGAS Solution, handling the maintenance and operation.

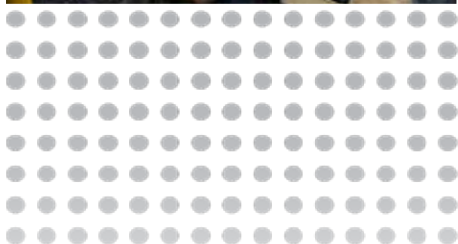


Photo by :
Maulana M Fahmi, Suara Merdeka

STOCK LISTING CHRONOLOGY

STOCK LISTING CHRONOLOGY

No	Remarks	Republic of Indonesia (share)	Public (share)	Total (Share)	Percentage of Republic of Indonesia's Ownership
1	Prior to IPO	3,500,000,000		3,500,000,000	100%
2	IPO (15 December 2003) Listed at BEJ* and BES*				
	Divestment	(864,198,000)	864,198,000		
	New Shares Issue without Rights Issue	-	820,987,000		
		2,635,802,000	1,685,185,000	4,320,987,000	61.00%
3	DPP 1 Conversion (2004)	56,943,305	-		
	MSOP 1 (2005–2006)	-	108,024,675		
	MSOP 2 (2006–2007)	-	53,930,825		
		2,692,745,305	1,847,140,500	4,539,885,805	59.31%
4	Divestment at December 2006	(185,802,000)	185,802,000		
		2,506,943,305	2,032,942,500	4,539,885,805	55.22%
5	MSOP 3 (2007–2008)	-	53,551,388		
		2,506,943,305	2,086,493,888	4,593,437,193	54.58%
6	Stock Split (5:1) (August 2008)	12,534,716,525	10,432,469,440	22,967,185,965	54.58%
7	DPP 2 Conversion batch 1 (April 2009)	992,724,172	-		
		13,527,440,697	10,432,469,440	23,959,910,137	56.46%
8	DPP 2 Conversion batch 2 (October 2009)	281,598,059	-		
		13,809,038,756	10,432,469,440	24,241,508,196	56.96%
9	Per 31 December 2014	13,809,038,756	10,432,469,440	24,241,508,196	56.96%

*merged and become Indonesian Stock Exchange
All shares and their changes are listed in the Indonesian Stock Exchange

SECURITIES LISTING AND CREDIT RATING CHRONOLOGY

BONDS HIGHLIGHTS

Types of Securities	Amount	Rate	Maturity	Rating	
Senior unsecured fixed rate notes	USD 1,350,000,000	5.125%	16 Mei 2024	Standard & Poor	BB+
				Moody's	Baa3
				Fitch	BBB-

CREDIT RATING

Institution	Rating	Outlook
Standard & Poor*	BB+	Stable
Moody's*	Baa3	Stable
Fitch*	BBB-	Stable
Pefindo**	idAAA	Stable

*Credit ratings up to May 2015

** Credit ratings up to September 2015

NAME AND ADDRESS OF AGENCIES AND OR CAPITAL MARKET SUPPORTING PROFESSIONAL

SHARE REGISTRA

PT Datindo Entrycom
Puri Datindo-Wisma
Sudirman
Jl. Jend. Sudirman Kav. 34-35
Central Jakarta 10220
T. (62-21) 5709009
F. (62-21) 5709020

PUBLIC ACCOUNTANT

Purwantono, Suherman & Surja
(Member firm of Ernst & Young Global Limited)
Indonesian Stock Exchange Building Tower 2,
7th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190, Indonesia
T. (62-21) 52895000
F. (62-21) 52894100

PT PEMERINGKAT EFEK INDONESIA (PEFINDO)

Panin Tower Senayan City Lt.17
Jl. Asia Afrika Kav. 19
Jakarta 10270, Indonesia
T. (62-21) 7278 2380
F. (62-21) 7278 7370

STANDARD & POOR'S RATING SERVICES

12 Marina Boulevard
#23-01 MBFC Tower 3
Singapore 018982
T. (65) 6530 6521
F. (65) 6438 2320

MOODY'S INVESTORS SERVICES SINGAPORE PTE. LTD.

50 Raffles Place #23-06
Singapore Land Tower
Singapore 048623
T. (65) 6398 8300

FITCH RATINGS LTD.

30 North Colonnade
London, E14 5GN
T. (44-20) 3530 1000
F. (44-20) 3530 1500

INDONESIA STOCK EXCHANGE

Indonesian Stock Exchange
Building Tower 1,
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190, Indonesia
T. (62-21) 5150515
F. (62-21) 5150330

PT KUSTODIAN SENTRAL EFEK INDONESIA (KSEI)

Indonesian Stock Exchange
Building Tower 1,
5th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
Indonesia
T. (62-21) 515 2855
F. (62-21) 5299 1199

SHARE REGISTRAR

Agreement on the Shares Administration Management with regard to PGN's Initial Public Offering (IPO) PGN with contract No. 030.KK/92/UT/2003 made and signed on 10 October 2003.

Currently, PT Datindo Entrycom as Share Registrar provides administration services in secondary market which PT Datindo Entrycom responsible for maintaining list of shareholders and record all changes on the list of shareholders on behalf of the public company. The Company pays annual fee for the administration service in the secondary market in the amount of Rp44,000,000 (including Tax).

PUBLIC ACCOUNTANT

The Company has appointed external auditor as per PT Perusahaan Gas Negara (Persero) Tbk's Annual General Meeting of Shareholders Resolutions dated 27 March 2014 that approved Purwantono, Suherman & Surja Public Accountant, a member of Ernst & Young Global Limited firm, to audit Financial Statement fiscal year 2014 based on Board of Commissioners' recommendation. Purwantono, Suherman & Surja is registered with Bapepam. The total fee for the Audit of Consolidated Financial Report year 2014 Audit is Rp1.959.815.000 (including OPE and Tax).

Purwantono, Suherman & Surja Public Accountant, a member of Ernst & Young Global Limited firm, has become the Company's auditor since fiscal year 2010. They have finished their task independently in accordance with the professional standards for public accountant, the work contract and the agreed audit scope. Purwantono, Suherman & Surja Public Accountant does not provide other consultation services to PGN. The accountant who has signed the Independent Auditor's Report for fiscal year 2014 is Agung Purwanto.

INDONESIA STOCK EXCHANGE

Indonesia Stock Exchange is an institution which holds and provides system and or facility to unite the securities selling offer buying demand other parties with purpose of securities trading. Therefore, PGN as a public listed company shall submit reports, incidents, information or material facts that are relevant with the Company to the Indonesian Stock Exchange. PGN was listed in the Indonesian Stock Exchange on 15 December 2003. The company pays annual fee in the amount of Rp187,500,000 (including Tax).

INDONESIAN CENTRAL SECURITIES CUSTODIAN (KSEI)

Public companies whose shares/securities are registered in KSEI use KSEI's services to administer their issued shares/securities, among others to obtain data of securities holder as part of distribution process in corporate actions. The Company pays annual fee for membership in the amount of Rp11,000,000 (including Tax).

AWARDS AND CERTIFICATION



ZERO ACCIDENT AWARD

In May 2014, the Company received an award from Ministry of Manpower and Transmigration of Republic of Indonesia in implementing the HSE program so as to achieve 5,049,163 work hours of people with any work accident, as of 1 January 2009 – 31 December 2013.



GOLD AWARD FOR MAGAZINE CATEGORY WITH BEST COVER SUB CATEGORY

An award for PGN Inside's magazine in the event of "SOE Internal Media Awards 2014".



THE BEST BACK OFFICE – GOLD

The Best Contact Center 2014 from Thailand Benchmarking Contact Center.



SILVER AWARD FOR MAGAZINE CATEGORY

Best Substance, Language and Systematics Sub Category in the event of "SOE Internal Media Awards 2014".



THE BEST LISTED COMPANY TRANSPORTATION, COMMUNICATION, ELECTRIC AND GAS SERVICE SECTOR

An award in the event of "MNC Business Awards 2014".



3RD WINNER ANNUAL REPORT AWARD

For Listed SOE/ROE Non Finance category



SWA 100 BEST PUBLIC COMPANIES 2014

An award for PGN from SWA.



THE LARGEST PUBLIC COMPANIES 2014

An award from The Global 2000 Forbes.



4TH WINNER OF PUBLIC INFORMATION DISCLOSURE AN AWARD

from Central Information Commission of the Republic of Indonesia for SOE 2014 category



BEST SUSTAINABILITY REPORT 2013

An award from NCSR in the event of "Sustainability Report Award 2014" for Energy, Oil & Gas category.



BEST OVERALL SUSTAINABILITY REPORT 2013

An award from NCSR in the event of "Sustainability Report Award 2014".



INVESTOR MAGAZINE AWARDS 2014

Nominee for Executive of Listed Company 2014 category.



INVESTOR MAGAZINE AWARDS 2014

Best SOE 2014 Non Finance Mining and Oil & Gas Sector



8TH PLACE OUT OF THE TOP 50 INDONESIAN COMPANIES

Best of The Best 2014 Awards from Forbes Indonesia.

**PLATINUM AWARDS**

An award for 2013 Annual Report given by League of American Communications Professionals (LACP) in 2014.

**PLATINUM AWARDS**

The Company's 2013 Annual Report received a platinum award from LACP for "Best Annual Report Cover Worldwide" category.

**ARC 100 - THE WORLD'S TOP ANNUAL REPORTS FOR 2014**

The PGN 2013 Annual Report awarded as ARC 100 Best Annual Report in the world.

**2ND PLACE OUT OF TOP 80 ANNUAL REPORT IN THE ASIA-PACIFIC REGION**

The Company's 2013 Annual Report received another award given by League of American Communications Professionals (LACP) in 2014.

**TOP 10 INDONESIAN ANNUAL REPORTS OF 2013**

The Company's 2013 Annual Report in the LACP top 10 Indonesian Annual Report of 2013.

**THE BEST COMPANIES 2014 SRI-KEHATI INDEX**

From Yayasan Keanekaragaman Hayati Indonesia (KEHATI) - Biodiversity Conservation Trust Fund.

**NON TRADITIONAL ANNUAL REPORT – BRONZE**

Asia in the "ARC Awards International XXVIII".

**PLATINUM AWARDS**

The Company's 2013 Annual Report received a platinum award from LACP for "Best Annual Report Cover Worldwide" category.

**RANK 4TH**

Top 100 Annual Report worldwide according to Annual Report Competition 2013 held by League of American Communications Professional (LACP) in 2014

**COVER DESIGN – GOLD**

The Company's 2013 Annual Report received a Gold award for "Cover Photo/Design" category by ARC Awards International 2014 - World's Best Annual Reports

**PRODUCTION PRINTING – GOLD**
Asia in the "ARC Awards International XXVIII"**BEST ANNUAL REPORT – PRINT**

Gold Award from *The International Business Awards*.

**A CONSTITUENT OF SUSTAINABLE RESPONSIBLE INVESTMENT (SRI) - KEHATI INDEX**

During May 2014 - October 2014 and November 2014 - April 2015 by Yayasan Kenekaragaman Hayati Indonesia (KEHATI) - Biodiversity Conservation Trurt Fund.

**SILVER STEVIE AWARD**

The 2014 *International Business Awards* as *Investor Relation Communications / Program of the Year*

**GOLD WINNER**

For category the *Annual Report Overall Presentation: Energy* pada the 25th Anniversary *International Competition Galaxy Awards 2014*.

ADDRESS OF BUSINESS UNITS, SUBSIDIARIES AND ASSOCIATED COMPANIES

SBU DISTRIBUTION AREA I

Wisma Nusantara, 3rd Floor
Jl. M.H. Thamrin No. 59
Jakarta 10350, Indonesia
T. (62-21) 3902 755
(62-21) 3916 818
F. (62-21) 3162 430

Sales and Service Jakarta Area

Jl. Anyer No. 11 Menteng
Jakarta 10310, Indonesia
T. (62-21) 392 4910
F. (62-21) 315 0361

Sales and Service Bogor Area

Jl. MA Salmun No 41
Bogor 16114, Indonesia
T. (62-251) 8314 506
(62-251) 8316 600
F. (62-251) 8320 168

Sales and Service Tangerang Area

Jl. Pahlawan Seribu
Kavling Komersil Blok AH No. 2
Sektor IIB BSD
Tangerang, Indonesia
T. (62-21) 538 4414
F. (62-21) 538 0035
(61-21) 537 9271

Sales and Service Cilegon Area

Jl. Raya Merak Km. 115
Kel. Rawa Arum Kec. Grogol,
Cilegon
Banten 42436, Indonesia
T. (62-254) 574 964
(62-254) 574 968
F. (62-254) 574 988

Sales and Service Karawang Area

Jl. Ahmad Yani No.54
Karang Pawitan
Karawang 41315, Indonesia
T. (62-267) 8454 081
(62-267) 8454 084
F. (62-267) 8454 085

Sales and Service Bekasi Area

Jl. Boulevard Selatan
Ruko Sinpansa Blok SA 11 – SA 12
Sumarecon Bekasi 17142, Indonesia
T. (65-21) 2957 2216
F. (62-21) 2927 5515

Sales and Service Lampung Area

Sucofindo Building, 3rd Floor
Jl. Gatot Subroto No. 161
Pecoh Raya
Tahoman Bandar Lampung,
Indonesia
T. (62-721) 8018 356
F. (62-721) 8018 042

Sales and Service Cirebon Area

Jl. Veteran No.2
Cirebon 45124, Indonesia
T. (62-231) 203 323
(62-231) 204 486
F. (62-231) 205 046

Sales and Service Palembang Area

Jl. Rimba Kemuning Lorong Ogan
No. 26 – 28
RT 09 RW 05
Kel. Ario Kemuning, Kec.
Kemuning
Palembang 30128, Indonesia
Palembang 30135, Indonesia
T. (62-711) 5611 645
F. (62-711) 5611 162

SBU DISTRIBUTION AREA II

Jl. Pemuda No. 56-58
Surabaya 60271, Indonesia
T. (62-31) 5490 555
F. (62-31) 5490 333

Sales and Service Surabaya Area

Jl. Raya Ngagel 129-131
Surabaya 60271, Indonesia
T. (62-31) 5028 565
F. (62-31) 5018 127

Sales and Service Sidoarjo – Mojokerto Area

Jl. Jaksa Agung Suprpto No. 17
Sidoarjo 61218, Indonesia
T. (62-343) 8050 999
F. (62-343) 8956 782

Sales and Service Pasuruan – Probolinggo Area

Jl. Raya Rembang Industri Raya No. 3
Kompleks PIER Rembang
Pasuruan 67152, Indonesia
T. (62-343) 744 440
F. (62-343) 728 293

Sales and Service Semarang Area

Jl. Diponegoro No. 35
Semarang 50133, Indonesia
T. (62-24) 8644 9100
F. (62-24) 8644 9099

SBU DISTRIBUTION AREA III

Jl. Imam Bonjol No. 15 D
Medan 20112, Indonesia
T. (62-61) 453 8655
F. (62-61) 415 2396

Sales and Service**Medan Area**

Jl. K.L.Yos Sudarso Lorong XII
No. 18, Glugur Medan Kota
Medan 20112, Indonesia

T. (62-61) 661 3495
F. (62-61) 661 6649

Sales and Service**Batam Area**

Batam Centre Building
Jl. Engku Putri Batam Centre
Batam 29641, Indonesia

T. (62-778) 467 299
F. (62-778) 467 399

Sales and Service**Pekanbaru Area**

Sudirman City Square Complex
Block C No. 12
Jl. Jend. Sudirman
Pekanbaru 28282, Indonesia

T. (62-761) 839 822
(62-761) 789 1533
(62-761) 789 1812
F. (62-761) 839 811

SBU TRANSMISSION SUMATERA**JAVA**

Graha PGAS Building, 10-11th Floor
Jl. K.H. Zainul Arifin No. 20
Jakarta 11140, Indonesia

T. (62-21) 6386 6667
(62-21) 6386 6669
F. (62-21) 6386 6770
(62-21) 6386 6760

PT TRANSPORTASI GAS INDONESIA (TGI)

Jl. Kebon Sirih Raya No. 1
Jakarta 10340, Indonesia

T. (62-21) 315 8929
(62-21) 315 8939
F. (62-21) 310 3757
(62-21) 310 3545

PT PGAS TELEKOMUNIKASI NUSANTARA (PGASCOM)

Wisma 77, 19th Floor
Jl. Letjend. S. Parman Kav. 77, Slipi
Jakarta Barat 11410, Indonesia

T. (62-21) 5366 0444
(62-21) 5366 0445
F. (62-21) 5367 0080

PT PGAS SOLUTION (PGAS SOLUTION)

C Building, 4th Floor
Jl. K.H. Zainul Arifin No. 20
Jakarta 11140, Indonesia

T. (62-21) 6385 4557
(62-21) 6385 4572
(62-21) 6385 4506
F. (62-21) 6385 4534

PT SAKA ENERGI INDONESIA (SEI)

The Energy
11-12th Floor, SCBD, Lot 11a
Jl. Jend. Sudirman Kav. 52-53,
Jakarta 12190, Indonesia

T. (62 21) 2995 1000
F. (62 21) 2995 1001

PT GAGAS ENERGI INDONESIA (GEI)

PGN Building Complex
Tower B, 9-10th floor
Jl. KH. Zainul Arifin No. 20
Jakarta 11140, Indonesia

T. (62-21) 29071415
F. (62-21) 29071138 / 1140

PT Nusantara Regas (NR)

Wisma Nusantara, 19th floor
Jl. M.H. Thamrin No. 59
Jakarta 10350, Indonesia

T. (62-21) 315 9543
(62-21) 315 9544
F. (62-21) 315 9525

PT PGN LNG INDONESIA (PGN LNG) PGN BUILDING COMPLEX GRAHA PGAS, 2ND FLOOR

Jl. KH. Zainul Arifin No. 20
Jakarta 11140, Indonesia

T. (62-21) 2907 3266 / 2907 3267
F. (62-21) 2907 1133 / 2907 1132

PT PERMATA GRAHA NUSANTARA (PERMATA)

PGN Building Complex
Tower B, 8th Floor

Jl. KH. Zainul Arifin No. 20
Jakarta 11140, Indonesia

T. (62-21) 634 0030
F. (62-21) 634 0031

PT Gas Energi Jambi (GEJ)

Jl. Jend. A. Yani No. 17
Telanaipura, Jambi

T. (62-741) 670 207
F. (62-741) 670 207

PT Banten Gas Synergi (BaGS)

Kantor Taman E3.3 Unit D6
Kawasan Mega Kuningan Lot 8.6-8.7
Setiabudi, Jakarta 12950

T. (62-21) 5794 8870
(62-21) 5794 8871
F. (62-21) 5794 8870
(62-21) 5794 8871

SIGNIFICANT EVENTS IN 2014



JANUARY 2014

Donation to Indonesian Red Cross
PGN handed 7 vehicle used for blood donation and 7 clean water tank.



FEBRUARY 2014

Inaugurate Gas Network for Household Project in Batam and Tangerang, to support government program on energy conversion to natural gas.



MARCH 2014

Together with Minister of SOE, at the launch "PGN Sayang Ibu" program. The purpose of this program to accelerate the distribution of natural gas to households with 1 million connection as its target.



MARCH 2014

The signing cooperation agreement with 17 customers in Banten area with distribution volume from PGN of 550.000 m3/month.



MARCH 2014

The Infrastructure Development of Integrated Natural Gas in Central Java. This development covers 207 km transmission pipeline long of Kalija I that connects Kepodang Gas Field with Tambak Lorok PLTGU and 1,200 km pipeline long of Kalija II that connect the gas sources in East Kalimantan to Java.



MARCH 2014

Held General Meeting of Shareholders on 27 March 2014



APRIL 2014

Naming ceremony for the Floating Storage Regasification Unit (FSRU) in South Korea and named it as "FSRU Lampung". Started the CNG clustering project at Tambak Aji, Central Java, for distribution to industrial and household customers, as the innovation of acceleration in energy conversion to natural gas.



APRIL 2014

Started the CNG clustering project at Tambak Aji, Central Java, for distribution to industrial and household customers, as the innovation of acceleration in energy conversion to natural gas.



MAY 2014

PGN's Anniversary Celebration 49th anniversary was celebrated with theme: Maintain Momentum full of Trust Year



MAY 2014

Integrate FSRU with Transmission and Distribution Gas Pipeline networks.



MAY 2014

Issued US\$ 1,350,000,000 Senior Unsecured Fixed Rate Notes with 10-year tenor and 5.125% coupon.

**JUNE 2014**

PGN signed a Gas Sale Purchase Agreement (PJBG) with 14 Industrial Customers in Lampung as potential marketing of FSRU Lampung.

**JULY 2014**

Build Tahfidz House by donated Rp. 1,668 billion to Yayasan Daarul Qur'an Nusantara.

**JULY 2014**

Homecoming Together with PGN's Good Energy dispatched 2,520 people in the event of 2014 Eid Al-Fitr.

**AUGUST 2014**

The Republic of Indonesia's Independence Day was also celebrated with the inauguration of PGN's Mobile Refueling Unit (MRU) at Pluit, Jakarta.

**AUGUST 2014**

PGN signed a USD 650 Million Syndication Loan Facility Agreement with a tenor of 5 years to funds the infrastructure development of natural gas in Indonesia.

**SEPTEMBER 2014**

Synergy with Ministry of Energy and Mineral Resources and Provincial Government of DKI Jakarta, PGN enhanced the natural gas network for household sector for Marunda's housing flats.

**OCTOBER 2014**

Synergy with Ministry of Energy and Mineral Resources and Regional Government of Cirebon, PGN inaugurated the gas utilization for 4,000 Households in Cirebon.

**OCTOBER 2014**

The signing of MoU with PT Pembangkit Jawa Bali (PT PJB) to support the conversion of fuel usage to natural gas by establishing and developing infrastructure and supporting facility to distribute gas to PT PJB's power plant.

**NOVEMBER 2014**

Work together with PLN Batam in accelerating the conversion of fossil fuel usage to natural gas for PLN Batam's power plant.

**NOVEMBER 2014**

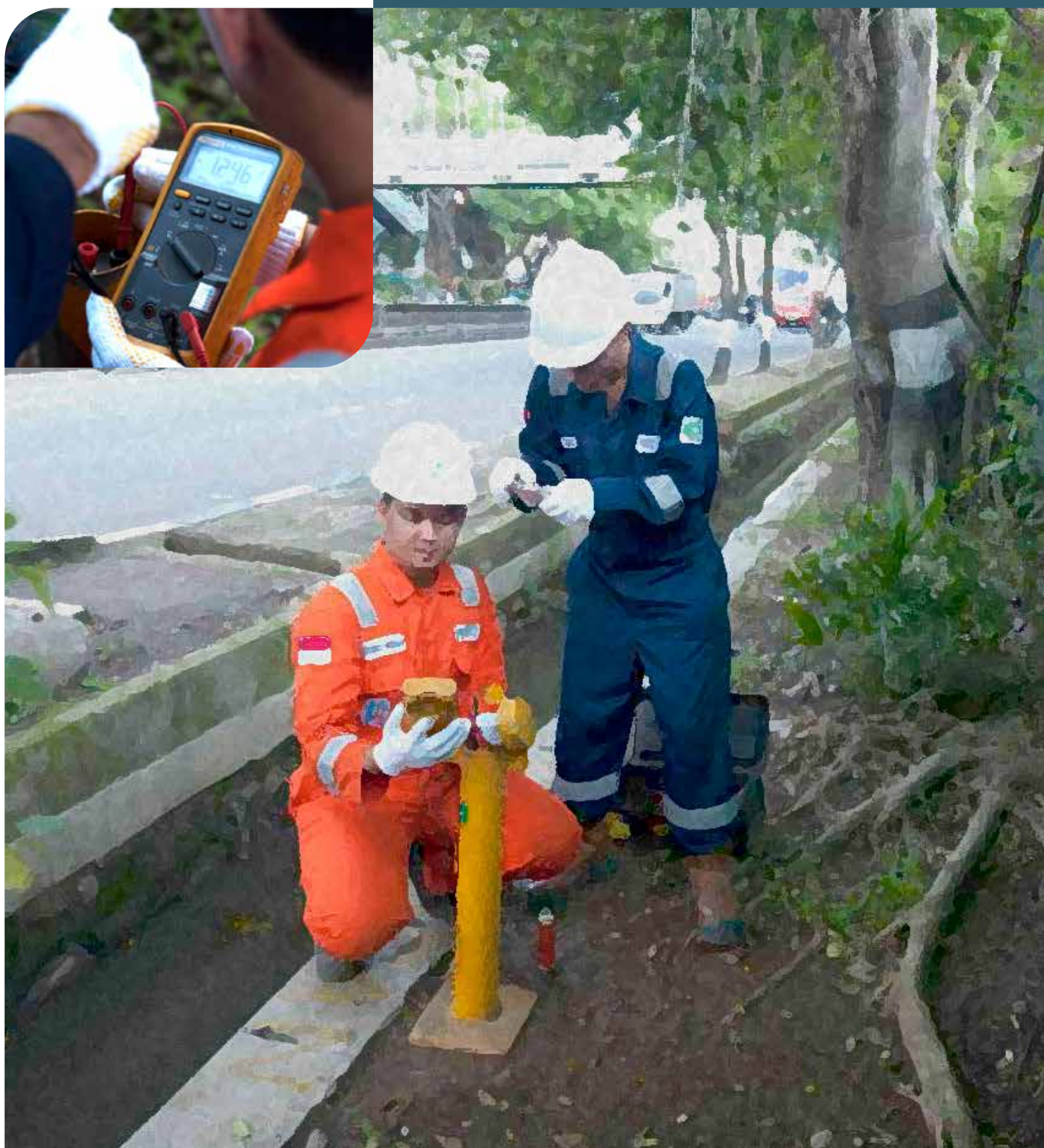
FRSU FRSU Lampung received third LNG cargo from Tangguh after previously in July and October 2014 received the first and second cargos.

**DECEMBER 2014**

Signed a MoU with PT Jakarta Propertindo regarding the natural gas utilization in DKI Jakarta area for transportation and power plant purposes. PGN can utilize lands owned by PT Jakarta Propertindo.

**DECEMBER 2014**

PGN organized a Journalist Competition Award Night with theme: "Transformation of Fuel Energy to Natural Gas". It was the culmination of a series competition that was held since February 2014.

*OPERATION EXCELLENT*

Most of the PGN distribution network is located around public facilities, hence PGN conducts periodic inspection to ensure that the network is always in a safe and good condition.

04

Management's Discussion and Analysis

95	Overview of Business	123	Business Prospects
99	Operational Results by Business Segment	124	Future Strategy
107	Consolidated Financial Performance	124	Business Development
120	Debt Service	128	Marketing Strategy
120	Collectibility	129	Marketing Aspects and Market Share
120	Capital Structure	130	Dividend Policy
121	Material Commitments Related to Capital Investment	130	Employee Stock Ownership Program And/Or Management Stocks Ownership Program (ESOP / MSOP)
121	Realization of Capital Investment	131	Use of Public Offering Proceeds
121	Target Achievement in 2014	131	Investment, Expansion, Divestment, Acquisition or Debt/Capital Restructuring
121	Targets for the Year Ahead	132	Information on Material Transactions with a Conflict of Interest and Transactions with Affiliates
122	Material Increase in Sales/Net Revenue	133	Changes in Legislation
122	Price Adjustments in 2014	134	Changes in Accounting Policies
122	Material Information After the Reporting Date		

MANAGEMENT'S DISCUSSION AND ANALYSIS



HENDI PRIO SANTOSO
President Director



DJOKO SAPUTRO
Director of Technology and
Development



**MOCHTAR RIZA
PAHLEVI TABRANI**
Director of Finance



HENDI KUSNADI
Director of HR and General Affair



MUHAMMAD WAHID SUTOPO
Director of Investment Planning
and Risk Management



JOB TRIANANDA HASJIM
Director of Commerce and
Operations

To be a World Class Energy Company
in the Gas Sector by 2020

PGN has taken strategic action to achieve its vision by developing its business to encompass the entire potential Indonesian natural gas market as well as controlling the gas value chain from upstream to downstream.

This Annual Report contains statements that are characterized as “forward-looking statements” concerning the future events within the meaning set out in foreign investment law. Future event information typically contains statements using sentences began with or containing meanings of “anticipate,” “believe,” “expect,” “plan,” “intend,” “estimate,” “propose,” or equivalent words suggesting future outcomes or statements regarding an outlook. Every statement, other than statements of historical facts contained within this annual report, including but not limited to matters regarding future financial position and results of operations and strategy, plan and objective, goal and target, with respect to matters related to development or expansion, dividend payment, as well statements preceded by, followed by, or that contain words “believe,” “expect,” “aim,” “intend,” “will,” “may,” “project,” “estimate,” “target,” “anticipate,” “predict,” “seek,” “shall” or equivalent words with statements related to future events.

Future events using forward-looking statements include known and unknown risks, uncertainties and other factors that are beyond the control of the Company, which may bring upon the actual result, performance or achievement, where they are materially different from the Company's future plan, performance, or achievement as expressed by these forward-looking statements within this annual report.

Forward-looking statements contained within this annual report are stated based on various assumptions in regards to the present and future business strategy and also the environment where the Company will be operating in the future. Readers of this annual report are reminded that forward-looking statements are not and shall never be the kind of statements that provide guarantee of the Company's work performance in the future for the actual result of the Company's work performance and condition in the future may differ materially from what are stated, projected or assumed within those forward-looking statements.

Important factors that may cause actual conditions, performance or achievement of the Company to differ materially from those stated in the prospective statement include but are not limited to the following:

- Changes in regulations in Indonesia, both those that directly as well as indirectly affect the operations of the Company.
- Changes in government policies in the area of oil and gas areas.
- The economic, national, regional or global conditions that affect the economic activities or disturbance of the market due to global factors.
- Changes due to inflation, due to interest rate differential, or due to difference in currency convertability.
- Others (if there are other matters related to PGN's businesses that may influence forward-looking statements within this annual report).

The following Management's Analysis and Discussion is intended as an explanation of the Company's performance and refers to PGN's Consolidated Financial Statements dated 31 December 2014 and 2013 which were audited by Public Accountants Purwantono, Suherman & Surja, a member firm of Ernst & Young Global Limited, which are attached to and form an integral part of this Annual Report.

OVERVIEW OF THE BUSINESS

PGN, a state-owned enterprise (BUMN), specializes in natural gas distribution and transmission of natural gas, pursuant to Oil and Gas Law No. 22 of 2001, which separates the oil and gas industry into upstream and downstream businesses. PGN's main focus has been on its downstream businesses that link natural gas producers (supplier) to natural gas consumers.

As a gas provider, PGN transports natural gas from receipt points to delivery points. The transmission network typically consists of one or more pipeline segments, which are usually connected to each other to create a network that transports gas from a gathering system, a gas processing plant outlet or a storage system to a distribution system, premium customers or other storage systems. The distribution network system commonly has one or more pipeline network segments that transport gas from the delivery points of the transmission pipeline networks, storage systems or provider outlet plants to its customers, including power plants, industries, commercial enterprises or households.

Currently PGN operates three Strategic Business Units (SBU) in the distribution businesses (SBU Distribution Areas I, II, III) and SBU Transmission Sumatera-Java in transmission unit.

Based on the Articles of Association as set forth in Deed No. 11 as of April 6, 2011, the operational activities of PGN are divided into three business segments: gas distribution, gas transmission and other businesses.

Pursuant to PSAK No. 5 (2009 revision) regarding operational segments, for the purposes of management's assessment and reporting, starting in 2013 the Company also reported its activities in the upstream oil and natural gas business as a business segments. This is consistent with the business strategy in the upstream sector which has been pursued since 2011.

1. Gas Distribution and Trading

Planning, construction and development of production, supply, transmission and distribution of manufactured gas (hydrocarbon gas).

PGN's distribution business activities cover the islands of Java, Sumatera and Batam. To improve the effectiveness and efficiency of natural gas distribution, PGN divided the distribution areas into 3 (three) Strategic Business Units (SBU) in 2002. Through these three SBUs, PGN has improved its service to the customers and, at the same time, accelerated market penetration and expansion.

Currently, PGN three distribution SBUs are:

1. SBU Distribution Area I
Covering Jakarta, West Java, Banten, South Sumatera and Lampung.
2. SBU Distribution Area II
Covering East and Central Java.
3. SBU Distribution Area III
Covering North Sumatera, Riau and the Riau Archipelago.

2. Gas Transmission

Planning, construction and development of downstream natural gas businesses that includes processing, transportation, storage and trading.

PGN's transmission business encompasses areas in South Sumatera, Jambi, Riau, the Riau Archipelago, Lampung, Banten and West Java.

Currently, the Company's transmission business activities are carried out by:

1. PT Transportasi Gas Indonesia (TGI), a subsidiary that manages gas transmission through the Grissik-Duri and Grissik-Singapore pipelines.

2. SBU Transmission Sumatera Java (SBU TSJ). PGN has also formed a Strategic Business Unit that operates gas transmission through the South Sumatera-Java pipeline.

3. Oil and Gas

PT Saka Energi Indonesia was established on 27, June 2011. It carries out business and investment in the upstream sector including exploration, exploitation and business development in the areas of oil and natural gas. Currently, SEI has acquired participating interests in several oil and gas blocks in Indonesia and abroad.

Blocks which have been acquired:

No	Block	Participating Interest	Status
1	Pangkajene PSC	100%	Production
2	South Sesulu PSC	100%	Exploration
3	Ketapang PSC	20%	Development
4	Bangkalanai PSC	30%	Development
5	Fasken	36%	Production
6	West Bangkanai PSC	30%	Exploration
7	South East Sumatera PSC	8,91%	Production
8	Muriah PSC	20%	Development

4. Other Business Segments

Other than its main business activities, the Company also engages in other supporting business activities that are directly related to or support the core business, pursuant to the applicable regulations, including LNG regasification, fiber optic capacity rental, construction and maintenance services as well as asset management and services.

In the LNG business, PGN carries out gas supplies, procurement, LNG regasification into natural gas, transportation, storage, trading and other relevant business activities through a subsidiary company, PGN LNG. In November 2014, PGN LNG completed the commissioning of FSRU Lampung and started the commercial operation of LNG.

Overview

Although the decline of world oil prices affected the Indonesian economy at the end of 2014, as a whole in 2014, the Indonesia economy was growing. This is evident from economic indicators such as the Gross Domestic Product (GDP), which increased by 5%. Further, inflation was 8.36% and the Rupiah fell against the US Dollar from Rp12,189 to Rp12,440 (BI middle rate) while the Yen also weakened against the US Dollar from ¥ 104.92 to ¥ 119.33.

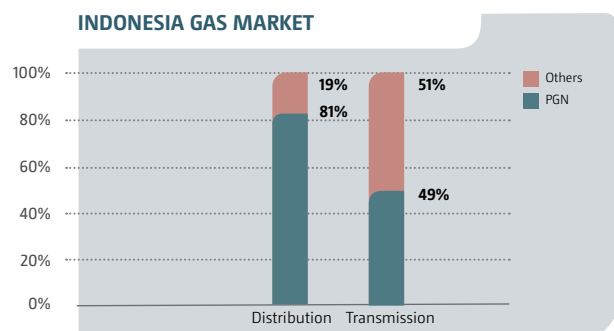
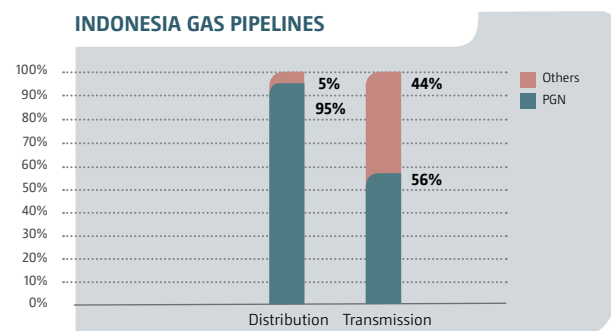
The growth of the economy resulted in increased demand and use of energy, including natural gas. Increase in natural gas allocation for the industrial sector by 3.25% (Indonesia energy outlook 2014) indirectly effected to the increasing PGN's natural gas supply.

Demand for natural gas as an affordable and environmentally friendly energy source was high. In 2014, the Company increased volume of distribution by of 5% from 823.83 MMSCFD in 2013 to 865.27 MMSCFD.

The growth is in line with PGN's efforts to accelerate the development of natural gas infrastructure including pipeline and LNG FSRU. In 2014, PGN made a milestone by completing the FSRU development and started the commercialization in November 2014.

As of 2014, PGN owned 95% and 56% of Indonesia's distribution pipelines and transmission pipelines, respectively. This enabled PGN to have a market share of natural gas distribution business of 81% and transmission business of 49%.

Natural Gas Pipelines and Natural Gas Market Share in Indonesia (compiled from various sources).





INTERVIEW WITH JOBI TRIANANDA HASJIM COMMERCE AND OPERATIONS DIRECTOR

Q

How was the sales operational performance for 2014?

A

In 2014, PGN increased natural gas sales volumes by 5% from 824 MMSCFD in 2013 to 865 MMSCFD. This was driven by increased gas consumption by customers and additional gas from regasified LNG in FSRU Lampung, which was commissioned in 2014.

Q

What is the demand forecast for natural gas in 2015?

A

In 2015, the demand for natural gas is expected to increase. This is supported by government policy, which mandates increased use of gas to support its strategy of strengthening the country's energy security, reducing dependence on oil, and easing the burden on the state budget from fuel subsidies and imports. PGN fully supports this energy conversion program. In fact, in recent years, PGN has invested heavily to bring the benefits of natural gas to a broader customer base, ranging from power plants to industrial and commercial as well as household consumers, to the transport sector.

Q

What about the household sector policy, particularly the program 'PGN Sayang Ibu'?

A

Most urban households in Indonesia still use LPG to cook and heat water. Given that the price of LPG is related to oil prices, its price is volatile, and nearly half of the national consumption needs are met from imports. Our target is to connect 1 million households to natural gas as a safer, cleaner, and more affordable energy solution. At present, our household customers number less than 100,000. Yet, we believe this goal can be achieved.

Q

How was the natural gas transmission business in 2014 and future prospects?

A

The transmission business is a long term business. Currently PGN operates the South Sumatera West Java (SSWJ) pipeline and the Grissik-Duri, Grissik – Singapore pipelines through its subsidiary, TGI. In the future, PGN is committed to building natural gas infrastructure. At present, PGN has started the construction of the first phase of the Kalimantan-Java transmission pipeline which will connect the Kepodang field owned by Petronas in the Java Sea with a PLN powerplant in Tambaklorok, Central Java.

REVIEW OF OPERATIONS BY BUSINESS SEGMENT

Pursuant to PSAK No. 5, for the purpose of assessment and management reporting, PGN operates four business segments: distribution and trading, transmission, oil and gas, and other business segments including LNG regasification and fiber optic capacity rental, construction and maintenance services, asset management and services. The Company monitors the results of operations of these business units separately to make decisions on resource allocation and evaluation or assessment of performance.

RESULT BY SEGMENTS

Remarks (million USD)	Distribution and Trading		Transmission		Oil and Gas		Other Operations		Consolidation	
	2014	2013*	2014	2013*	2014	2013*	2014	2013*	2014	2013*
Net revenues	3,124.87	2,972.97	207.84	200.27	297.80	34.84	150.48	66.25	3,780.99	3,274.33
Revenues elimination	(215.71)	(203.23)	(21.36)	(20.03)	-	-	(135.32)	(49.56)	(372.39)	(272.82)
Total net revenues	2,909.16	2,769.73	186.48	180.24	297.80	34.84	15.16	16.69	3,408.60	3,001.52
Segment expenses										
Cost of revenues	2,002.85	1,788.38	-	-	173.72	18.73	61.82	-	2,238.39	1,807.11
Cost of revenues elimination	(294.61)	(223.26)	-	-	-	-	-	-	(294.61)	(223.26)
Salaries and employees' benefit	35.98	38.09	19.48	19.21	4.18	2.81	11.32	7.85	70.96	67.97
Depreciation	47.65	46.06	117.29	129.45	0.01	0.03	6.66	5.25	171.61	180.78
Repairs and maintenance	37.51	34.02	11.69	10.36	0.03	0.00	0.67	0.79	49.90	45.17
Repairs and maintenance expenses elimination	(20.35)	(19.65)	(2.48)	(1.00)	-	-	-	-	(22.83)	(20.64)
Other expenses	60.36	51.62	46.10	40.01	5.21	3.83	66.75	40.00	178.42	135.46
Other expenses elimination	(11.85)	(13.34)	(10.75)	(1.85)	-	-	-	-	(22.60)	(15.19)
Total Segment expenses	1,857.54	1,701.93	181.33	196.19	183.15	25.40	147.22	53.89	2,369.24	1,977.40
Segment profit	1,051.62	1,067.81	515	(15.94)	114.65	9.44	(132.06)	(37.20)	1,039.36	1,024.11

*restated

The above table presents the results of the transmission business on a consolidated basis of the Subsidiaries (TGI) and PGN including the South Sumatera – West Java (SSWJ) pipeline. Up to now, the toll fee from SSWJ pipeline has been recorded in bundle with the revenues from the distribution business of SBU Distribution Area I Western Java.

Gas Distribution and Trading Segment

Revenue from the gas distribution and trading segment is generated from distribution and sales of the Company's gas to customers in its respective distribution areas, which contributes more than 85% of the Company's consolidated revenue. The primary factors affecting the revenue from distribution and gas trading segment is the gas volume from producers or suppliers, the gas purchase price from producers or suppliers, and the gas selling price that the Company is able to apply to its customers.

The Company purchased gas from several producers or gas suppliers with a variety of contract periods. The main long term contracts are with ConocoPhillips, Pertamina and Santos. These three suppliers and other gas suppliers supply PGN customers in Western Java, Eastern Java and Northern Sumatera.

The Company sells and distributes gas to customers under Gas Sales and Purchase Agreements (GSPA). Premium customers with the largest volume include among others the power plant industry and chemical and ceramic manufacturers. Gas sales and purchase

agreements between PGN and its customers are business agreements in which the gas price is determined by a number of factors, including gas purchase price, the customer's purchasing power, the price of alternative fuels, and several other factors. When suppliers increase gas prices, PGN will adjust its sales price to customers. Specifically for residential customers, the gas sales price is determined referring to regulations of the Ministry of Energy and Mineral Resources (ESDM) and those stipulated by BPH Migas.

In order to optimize sales and better address the market needs, PGN divides its operational areas into the following:

SBU Distribution Area I

Covering Jakarta, West Java, Banten, South Sumatera and Lampung with administrative activities in Jakarta, Banten, Bogor, Cilegon, Tangerang, Bekasi, Karawang, Cirebon, Palembang and Lampung.

SBU Distribution Area II

Covering East and Central Java with administrative activities in Surabaya, Sidoarjo, Pasuruan and Semarang.

SBU Distribution Area III

Covering North Sumatera, Riau, and the Riau Archipelago with administrative activities in Medan, Batam, Pekanbaru and Dumai.

Distribution or Trading Customer Category

PGN serves several customers sectors which are divided by type into 3 segments, namely:

1. Household Customers
Including houses, flats, condominiums, and apartments.
2. Commercial Customers
Including Small-Medium Enterprises (SME), health centers, hospitals, universities, government offices, business districts, shopping malls, hotels, Gas Fueling Stations and other commercial enterprises.
3. Industrial Customers
Including the power generation and manufacturing industry, which is divided into

the chemistry, ceramic, basic metal, fabricated metal, pulp and paper, glass, wood, cement, food, textile, power plant and other manufacturing industries. Contracts for industrial customers are valid for five years and extensions are automatically valid for the next five years.

In addition, PT Gagas Energi Indonesia (GEI), which established in 2013, continues to make efforts to develop its gas processing business as part of its downstream business expansion.

GEI serves CNG customers sectors, especially in Central Java. In 2014 GEI also operated 3 MRU (mobile gas refilling units) to serve the transportation sector in Jakarta which is not yet connected to the existing pipeline network. GEI also operated 3 SPGB in Jakarta.

Gas Trading and Distribution Segment – Period ending 31 December 2014 compared with the period ending 31 December 2013.

Gas Trading and Distribution Segment – Period ending 31 December 2014 compared with the period ending 31 December 2013.

The consolidated revenues and expenses that arose in relation to the sale of natural gas to customers increased, respectively, by 5.03% and 9.14%. The revenue increase was influenced by an increase in the distribution volume and price adjustments to customers. The 15% price adjustment went into effect on 1 April 2013 in line with the increase in the purchase price of gas from gas producers and suppliers. The increase affected customers in SBU Distribution Area I Western Java including Jakarta, Banten, Bogor, Bekasi, Karawang, Cilegon, Tangerang and parts of Palembang, which receive gas via the SSWJ pipeline from gas fields in Grissik and Pagaradewa.

As a result of the gas price adjustment in SBU Distribution Area I Western Java, PGN's average gas selling price in 2014 was USD 8.95/MMBtu (assuming an exchange rate of USD 1= Rp12,440). Even at this price, gas was more competitively priced than petroleum-based fuel, particularly diesel (High Speed Diesel/HSD). In 2014, PGN's average gas selling price was approximately 32% of the price of HSD. Moreover, the price of natural gas is typically stable, whereas the HSD price changes every 2 weeks.

PGN's revenue in 2014 was influenced by the sales volume and the rupiah exchange rate against the USD. The increase in sales volume was influenced by an increase in the supply of gas from the Corridor Block and Pagardewa gas field. In November and December 2014, PGN delivered 49.68 MMSCFD of gas from regasified LNG at FSRU Lampung, which is operated by PGN's subsidiary PGN LNG. The gas from the regasified LNG is distributed to PLN's Muara Tawar power plant. As PGN recorded revenues in USD, the weakening of Rupiah against USD from 1 USD = Rp12,189 in 2013 to 1 USD = Rp12,440 in 2014 resulted in a decrease in the IDR portion of revenue.

The economic situation in Indonesia also impacted PGN's performance. While 2014 inflation of 8.36% did not deter customers from buying gas, the 2% depreciation of the Rupiah impacted IDR receipts derived from gas sales as PGN recorded its revenue in USD.

Revenue Distribution by Customer Category

Gas distribution revenues are derived from the distribution of natural gas to industry and the power sector, and commercial and household customers. Revenues from distribution to each of these customer categories in 2014 were as follows: industry and power plant revenues increased 5.98% to USD2.85 billion, commercial revenues decreased 25.51% to USD55.94 million, SPBG revenues fell 72.02% to USD 0.47 million and household revenues declined 18.27% to USD4.43 million. Net revenues from customers that exceeded 10.00% of the total consolidated net revenue were revenues from PT PLN (Persero) and Government-related entities, at USD623.56 million or 18.35% and USD575.21 million or 19.16% of the total consolidated net revenue for the years ending 31 December 2014 and 2013, respectively.

REVENUE PER CUSTOMER SEGMENT

Revenues from Customer	2014		2013*		Δ (%)
	million USD	contribution %	million USD	contribution %	
Industry and Power plant	2,848.33	97.91	2,687.54	97.03	5.98
Commercial	55.94	1.92	75.10	2.71	(25.51)
Gas Filling Station (SPBG)	0.47	0.02	1.68	0.06	(72.02)
Households	4.43	0.15	5.42	0.20	(18.27)
Total	2,909.17	100.00	2,769.74	100.00	5.03

*restated

Gas Transmission Segment

Revenues from the transmission business segment are generated from transporting gas belonging to customers, and contributed 5.47% of the Company's consolidated revenues. Most of the transmission volume is transported by TGI, which delivers gas belonging to shippers to the offtakers along the PGN's transmission pipelines, depending on the available pipeline capacity. The Gas Transportation Agreement (GTA) is generally valid for 10-20 years. PGN's transmission business activities cover South Sumatera, Jambi, Riau, Riau Archipelago, North Sumatera, Lampung, Banten and West Java.

The Company generates income from this business by charging a toll fee to its customers, who use the transmission pipeline network to transport natural gas. This toll fee is established by the Downstream Oil and Gas Regulatory Agency (BPH Migas). The primary factors affecting the revenues from transmission business segment are the gas volume and the toll fee.

The following table shows the transmission pipeline segments owned and operated by PGN and its subsidiaries, including its customers, both shippers and offtakers:

TRANSMISSION SEGMENT					
No.	Transmission Pipeline	Length (Km)	Shipper	Offtaker	Operator
1	Wampu - Balawan	37	PT PLN	PT PLN	PGN (SBU Distribusi Wilayah III Sumatera Bagian Utara)
2	Grissik - Duri	536	ConocoPhillips (Grissik) Ltd.	PT Chevron Pacific Indonesia	PT Transgasindo Indonesia
			PT Energasindo Heksa Karya	PT PLN (Persero) - Payo Selincih	
			PT Perusahaan Gas Negara (Persero) Tbk	RAPP, IKPP, Pertamina Lirik, Pertamina Ukui	
			PT Pertamina Hulu Jambi Merang Talisman (Jambi Merang) Limited Pacific Oil & Gas (Jambi Merang) Ltd.	PT Chevron Pacific Indonesia	
			PT PLN (Persero)	PT PLN (Persero) - Payo Selincih	
			PT Gagas Energi Indonesia	IKPP	
3	Grissik - Batam	470	ConocoPhillips (Grissik) Ltd	Gas Supply Pvt Ltd.	PT Transgasindo Indonesia
			ConocoPhillips (South Jambi) Ltd	Gas Supply Pvt Ltd.	
			PetroChina International Jabung Ltd.	Gas Supply Pvt Ltd.	
			PT Perusahaan Gas Negara (Persero) Tbk	Batam Distribution Network PLN Batam	
			Perusahaan Daerah Pertambangan dan Sumatera Selatan (PDPDE South Sumatera)	PT Lontar Papyrus Pulp & Paper Industry (LPPPI)	
			PT Inti Daya Latu Prima	Dalle Energy Batam PLN Batam	
4	SSWJ	1,004	PGN (SBU Distribusi Wilayah I Jawa Bagian Barat) PLN Muara Tawar	PGN (SBU Distribusi Wilayah Jawa Bagian Barat) PLN Muara Tawar	PGN (SBU Transmisi Sumatera Jawa)
Total		2,047			

Gas Transmission Segment—Period ended December 31, 2014, compared to period ended December 31, 2013

Revenue from the transmission segment in 2014 amounted to USD186.47 million, an increase of USD6.23 million from 2013. The increase was due to a toll fee increase from USD 0.69/MScf to USD0.74/MScf for gas transportation through the Grissik-Singapore pipeline, based on BPH Migas Decree No. 781/07/Ka BPH, dated June 11, 2013. Nevertheless, a 3-tier tariff was applied for transportation along the Grissik-Duri pipeline under GTAs. According to the gas transportation agreements (GTA) between TGI and shippers, in 2014 the GTA 2 toll fee for gas transportation through the Grissik-Duri pipeline was USD 0.44/MScf and for GTA 3 was USD0.47/MScf.

PGN and TGI distributed 851.65 MMScf in transmission volume in 2014, decreasing 2.50 MMScf from 2013 as several customers (offtakers) trimmed their volume requirements. However, in 2014 PGN also transported gas owned by the State Electricity Company (PLN) to Muara Tawar Power Station from the Medco E&P Lematang gas source in January 2014 and from the Medco E&P Indonesia source in August 2014. In July 2014, PGN also transported gas owned by PLN to Muara Tawar Power Station from the Corridor Block Field in Grissik through the Grissik-Muara Bekasi pipeline. This gas transportation was a gas swap between Premier Oil Natuna Sea B.V and ConocoPhillips gas from the Corridor Block in Grissik.

Starting January 30, 2014, SBU Transmission Sumatera-Java applied a toll fee of USD 1.47/MScf for the Grissik-Muara Bekasi and Grissik-Bojonegor pipelines, and USD 1.55/MScf for the Pagardewa-Bojonegoro and Pagardewa-Muara Bekasi pipelines. SBU Distribution Area III Northern Sumatera applied a USD 0.40/MScf toll fee tariff for gas transportation from Wampu to Belawan.

The following shows PGN and TGI's transmission volume performance and toll fees:

TRANSMISSION SEGMENT - PERIOD ENDED 31 DECEMBER 2014

	2014	2013	Changes (%)
Transmission Volume (MMScfd)	851.65	854.15	(0.29)
• PGN Transmission	55.38	35.26	57.06
• TGI Transmission	796.27	818.89	(2.76)
Weighted Average Price (USD/MScf)			
PGN	1.42	1.38	
TGI	0.61	0.68	

Oil and Gas Upstream Segment

One of the Company's strategic initiatives in 2014 was to develop capabilities in the oil and gas upstream sector in order to diversify the business and maintain a reliable long term gas supply. This strategic initiative has been carried out through investments in upstream oil and gas assets sector since 2013. In 2014, PGN through SEI made investments in the upstream sector as follows:

- In January 2014, SEI acquired Hess (Indonesia Pangkah) Limited and Hess Pangkah LLC with share ownership of 65% and 10% respectively, thus giving SEI 100% ownership of the shares in this block.
- In February 2014, SEI acquired 100% ownership of the South Sesulu exploration block from Hess (Indonesia-South Sesulu) Limited.
- In July 2014, SEI acquired 36% ownership of the Fasken shale gas block in Texas, USA, from Swift Energy.

- In December 2014, SEI acquired 100% of Sunny Ridge Offshore Limited's shares as the owner of a 20% participating interest in Muriah PSC.
- In December 2014, SEI acquired an 8.91% ownership stake in the South East Sumatera ("SES") block from KNOC Sumatera Ltd.
- In December 2014, SEI acquired 30% of the West Bangkanai exploration block from Salamander Energy (West Bangkanai) Limited.

Oil and Gas Upstream Segment – Period ended December 31, 2014 compared to period ended December 31, 2013.

In 2014, SEI contributed USD 297.80 million to PGN's consolidated revenue from the sale of oil, gas and LPG from producing fields. Revenue increased 754.6% compared to 2013, derived from the 25% ownership stake in the Pangkah Block.

PRODUCTION AND REVENUE OF SEI IN 2014

Block	Oil (Barel)	Gas (MSCF)	LPG (Metric Ton)	Revenue (million USD)
Pangkah*	2,094,118	14,636,029	35,148	269.05
SES	135,350	201,026	-	11.05
Fasken	-	11,197,241	-	17.70
Total	2,229,468	26,034,296	35,148	297.80

PRODUCTION AND REVENUE OF SEI IN 2013

Block	Oil (Barel)	Gas (MSCF)	LPG (Metric Ton)	Revenue (million USD)
Pangkah*	256,039	1,422,981	3,144	34.84
Total	256,039	1,422,981	3,144	34.84

* SEI stoke in Pangkah for 2013 was 25% and 100% as of January 2014.

Other Business Segments

PGN also engages in other business activities, which directly relate to and/or support the core business, pursuant to applicable laws and regulations. PGN owns four subsidiaries that operate such businesses, including:

PT PGAS Telekomunikasi Nusantara ("PGASCOM") which began operations in March 2008, leasing its unused fiber optic capacity to other users in Indonesia and the region.

PT PGAS Solution ("PGASSOL"), which provides engineering, construction and maintenance services. In order to strengthen its expertise in construction and maintenance services, PT PGAS Solution has formed a joint venture with PT Promatcon Tepatguna to handle the upgrading project of Muara Bekasi Station, in which PGASSOL holds a 70% ownership stake, and with Manhattan Kalimantan Investment to handle EPC work, in which PGASSOL holds a 40% stake.

PT PGN LNG Indonesia ("PGN LNG") has begun commercially operation of the LNG floating storage and regasification unit (FSRU) in Lampung since November 2014. In 2014, all regasification products were sold to PGN and were then allocated for use by PLN.

PT Permata Graha Nusantara Manajemen Aset dan Servis ("Permata") operates in the property and services sectors, including but not limited to providing and managing property, providing labor and management facilities, monetizing the Company's resources and assets, as well as other relevant business activities that support the operations that support the Company's operations and business development. Commercially, Permata has been operational since 2014.

Other Business Segments – Period Ended December 31, 2014 Compared to Period Ended December 31, 2013.

For the year ended December 31, 2014, the revenue the Company generated from leasing fiber optic capacity through its subsidiary, PGASCOM, amounted to USD7.54 million, down from USD 10.34 million in 2013. The decrease was attributable to the declining use of fiber optic by the existing customers and the decreasing number of customers. Revenues were primarily generated by leasing fiber optic capacity to PT XL Axiata Tbk, Digisat, Maduroo, Lintasarta, Multi Data Rencana, and PT Indosat (Persero) Tbk. In addition, there were revenues from the PGN Group, but these were eliminated during the consolidation process because the transaction took place between a subsidiary and the parent entity.

For the period ending December 31, 2014, the Company generated revenues from engineering, construction and maintenance services carried out by PGN's subsidiary, PGASSOL, amounting to USD 7.62 million, up from USD 6.36 million in 2013. The increase was attributable to the increase in the construction and maintenance services provided for the customers (excluding PGN). Revenues from services to PGN in 2013 amounting to USD 75.14 million were eliminated during the consolidation process because the transaction was between the parent entity and its subsidiaries.

PGN LNG started commercial operations in November 2014. For the year ended December 31, 2014, PGN LNG's revenues, generated from the sales of regasified gas to PGN, were eliminated during consolidation process because the transaction was between the parent entity and its subsidiaries.

For year ended December 31, 2014, Permata started commercial operations in October 2014. All revenues generated from services for PGN amounting to USD 0.31 million were eliminated during the consolidation process because their transaction was between the parent entity and its subsidiaries.

Profitability Per Business Segment

Profitability per segment was mainly dominated by the gas distribution business through gas pipelines, Gas Filling Stations, Mobile Refuelling Units and Compressed Natural Gas. Until today, the transmission revenues from the toll fees for transporting PGN's by SBU Transmission Sumatera Java through the SSWJ pipeline were recognized as part of the distribution revenues of SBU Distribution Area I, Western Java.

Profitability in the transmission segment was generated from the toll fee income from the transportation of PLN's gas through SBU Transmission Sumatera Java over the SSWJ pipeline, SBU Distribution Area III through the Wampu-Belawan pipeline and from the transmission revenues of TGI through the Grissik-Duri and Grissik-Singapore pipelines.

Oil and gas segment profits were generated from the sales of oil, gas and LPG from producing fields, among others Pangkah Block, South East Sumatera Block and Fasken Block.

Profitability in other business segments consisted of revenues from PGASSOL, PGASCOM, Permata and PGN LNG, most of which involved transactions with the parent entity, thus resulting in negative profitability for other business segments.

PROFITABILITY PER SEGMENT

Description	2014	2013*	Δ (%)
	million USD	million USD	
Revenues			
Gas distribution and trading	2,909.16	2,769.73	5.03
Gas transmission	186.47	180.24	3.46
Oil and Gas	297.80	34.84	754.76
Other Business	15.16	16.70	(9.22)
Segment Profit			
Gas distribution and trading	1,051.61	1,067.81	(1.52)
Gas transmission	5.14	(15.94)	132.24
Oil and Gas	114.65	9.45	1,113.23
Other Business	(132.06)	(37.20)	255.00

*Restated



INTERVIEW WITH MOCHTAR RIZA PAHLEVI TABRANI, DIRECTOR OF FINANCE

Q

How was the Company's financial performance in 2014?

A

In 2014, PGN's revenue grew by 13.6%. Gross profit increased by 3.3%, Operating Profit grew 5.2% and EBITDA increased by 3.6%. Meanwhile, Profit for the Year Attributable to the Owners of the Parent Entity amounting to USD722.75 million.

Q

What were the key factors influencing the growth in revenue and operating profit and what factors influenced net profit in 2014?

A

The 13.6% revenue growth was driven by an increase in distribution sales volume of 5% and a significant growth in revenue from the upstream business, surpassing the target, from USD35 million to USD 298 million in 2014. The growth in gross profit and operating profit of 3.3% and 5.2%, respectively, was influenced by the revenue growth. Profit for the Year Attributable to the Owners of the Parent Entity amounting to USD722.75 million primarily due to non-cash transactions booked in 2014 such as exchange rate differences, impairment and derivatives, so it does not reflect the entirety of profit performance during the year.

Q

What impact did the global economic slowdown and the economic situation in Indonesia, such as the weakening of the Rupiah against the US Dollar, have on PGN's financial performance?

A

Operationally, the sluggish global economy had no impact, but there were certain issues that did influence PGN's performance in 2014, namely those related to the impairment of the oil and gas assets of our subsidiary, Saka Energi Indonesia, amounting to USD 34.66 million this year related to the significant drop of global oil prices. Meanwhile, with regard to exchange rates, the weakening Yen, which continued to depreciate against the US Dollar, affected the exchange rate, which was lower than in the previous year. The calculation of impairment and the exchange rate difference were non-cash issues but nevertheless impacted the Company's profit.

Q

In brief, how did PGN's partnership and community development program perform in 2014?

A

The implementation of the partnership and community development program in 2014 was fairly stable, with partnership funds being absorbed at a rate of 92.88% for a score of 3 (the highest). Meanwhile the loan collection rate reached 86.20%, giving a score of 3 (the highest). We have managed to maintain this level of achievement every year in order to ensure optimal benefits for communities.

In 2014, PGN disbursed Rp296.01 billion in partnership and community development assistance. Rp156.09 billion of this was absorbed by the Partnership Program and used to channel assistance to 6,755 PGN Development Partners. These funds were derived from the balance of the Partnership Program funds in 2013. Meanwhile Rp139.92 billion in assistance funds was disbursed for Community Development. These funds went to natural disaster relief, health services, nature conservation, education and training, public facilities and infrastructure, places of worship and poverty alleviation.

CONSOLIDATED FINANCIAL PERFORMANCE

In accordance with the provisions of PSAK No.22 (Revised 2010), PGN retrospectively adjusted the provisional amounts of net asset arising from the acquisition of SIP on June 26, 2013, as previously reported in the Group's consolidated financial statements as of December 31, 2013 and for the year then ended to reflect the final fair value of such identifiable net assets. Further, in relation to the change in the fair value of identifiable net assets, the Group also reassessed goodwill impairment test performed as of December 31, 2013 and made necessary adjustments. Accordingly, the Group restated its consolidated financial statements for the year ended December 31, 2013.

The restatement of financial report is reflected in the impairment losses in the value of oil and gas properties and impairment losses on goodwill in the Statement of Comprehensive Income, and also impacted the deferred tax expense and Deferred Tax Liability which are comprehensively set forth in Note 4 of the 2014 Consolidated Financial Report.

Revenues

During 2014, PGN recorded Revenues of USD3.41 billion, an increase of 13.56% compared to 2013. These revenues are derived from four business segments namely the distribution segment gas, gas transmission segment, segment of the oil and gas, and other business segments including LNG regasification, leasing capacity optical fiber, construction and maintenance services as well as management of assets and services. Contribution of each segment to total revenue in 2014 was as follows: 85.35% gas distribution, gas transmission 5.47%, oil and gas sales - net 8.74%, and 0.44% of other other business segments.

REVENUES PER SEGMENT

Business Segment	2014		2013*		Δ (%)
	million USD	Contribution %	million USD	Contribution %	
Gas Distribution	2,909.16	85.35	2,769.73	92.28	5.03
Gas Transmission	186.48	5.47	180.24	6.00	3.46
Oil and Gas	297.80	8.74	34.84	1.16	754.65
Others	15.16	0.44	16.70	0.56	(9.21)
Total	3,408.60	100.00	3,001.51	100.00	13.56

*Restated

Of total consolidated net income, 20.14% was the result of sales to Government-related entities for the year ended December 31, 2014 and 26.09% for the year ended December 31, 2013.

Cost of Revenues

The Company's cost of revenues in 2014 represents purchases of gas from suppliers, oil and gas operating expenses, the LNG purchase price and the operation of the FSRU, which amounted to a total of USD1.94 billion. Cost of revenues increased by 22.73 % or USD359.93 million from USD1.58 billion in 2013. The increase was primarily due to higher gas pricing from ConocoPhillips, from USD4.36/MMBtu to USD5.44/MMBtu, and from Pertamina EP Pagardewa, from USD4.42/MMBtu to USD5.33/MMBtu on April 2013, and due to the increase in oil and gas operating expenses and the purchase and regasification of LNG.

COST OF GAS DISTRIBUTION

Producers	2014		2013*		Δ (%)
	million USD	Contribution %	million USD	Contribution %	
Conoco Philips	874.26	51.18	722.02	46.13	21.09
Pertamina (Persero)	393.01	23.01	413.25	26.40	(4.90)
Others	440.98	25.81	429.85	27.47	2.59
Total	1,708.25	100.00	1,565.12	100.00	9.14

*Restated

Gas purchases from Pertamina as shown in the above table consisted of gas purchases from Pertamina EP, Pertamina Hulu Energi and Nusantara Regas.

OIL AND GAS OPERATING EXPENSES

Activities	2014		2013*		Δ (%)
	million USD	Contribution %	million USD	Contribution %	
Production and Lifting cost	78.23	45.03	11.03	58.89	609.25
Depreciation, depletion	95.49	54.97	7.70	41.11	1,140.13
Total	173.72	100.00	18.73	100.00	827.50

*Restated

Cost of oil and gas revenues amounting to USD 173.72 million were generated from a producing block operated by subsidiary SEI. This increase in the cost of revenues was consistent with the increase in oil and gas production in 2014 over 2013.

COST OF LNG

Activities	2014		2013*		Δ (%)
	million USD	Contribution %	million USD	Contribution %	
LNG	61.82	100.00	-	-	100.00
Total	61.82	100.00	-	-	100.00

*Restated

November 2014, PGN LNG recorded cost of revenues in the amount of USD 61.82 million from the purchase and regasification of LNG.

In 2014, net purchases from suppliers that exceeded 10% of consolidated net revenue were purchases from Pertamina, which is a Government-related entity, and ConocoPhillips, amounting to USD393,006,340 or 11.57% and USD874,256,578 or 25.73%, respectively, of the total consolidated net revenue for 2014. In 2013, purchases from Pertamina and ConocoPhillips were USD413,252,606 or 13.77% and USD722,017,816 or 24.06%, respectively, of the total consolidated net revenue.

Gross Profit

In 2014, PGN's gross profit increased by 3.33% to USD1.46 billion from USD1.42 billion in 2013. This increase was due largely to the increase in the results of oil and gas operations. Gross profit was also influenced by the increase in the buying price of gas, increases in oil and gas operating costs, the costs of the operation of the FSRU and the depreciation of the Rupiah.

EXPENSES

DISTRIBUTION & TRANSMISSION AND GENERAL & ADMINISTRATIVE EXPENSES

Activities	2014		2013*		Δ (%)
	million USD	Contribution %	million USD	Contribution %	
Distribution and Transmission Expense	301.04	57.34	292.56	57.46	2.90
General and Administration Expense	223.93	42.66	216.62	42.54	3.37
Total	524.97	100.00	509.18	100.00	3.10

Distribution and Transmission Expenses

In 2014, Distribution and Transmission expenses increased by 2.90% to USD301.04 million from USD292.56 million in 2013. The increase was primarily due to an increase in rental costs of 458.96% or USD11.84 million and an increase in the cost of tools and spare parts of 230.33% or USD10.98 million. The increase in rent, tools and spare parts were primarily attributable to PGASSOL's operational activities. Proportionally, depreciation remained the biggest component of distribution and transmission expenses, totalling 52.76% of the total Distribution and Transmission Expenses in 2014.

General and Administrative Expenses

In 2014, General and Administrative Expenses increased by 3.37% to USD223.93 million from USD216.62 in 2013. This was primarily due to an increase in allowance for impairment losses on trade receivables of 813.05% or USD6.37 million, an increase in social responsibility and community development costs of 145.14% or USD11.64 million, and an increase in professional fees of 145.37% or USD16.63 million. The increase in impairment losses on trade receivables was primarily due to an increase in the allowance for impairment losses on trade receivables. The increase in social responsibility and community development (SR&CD) costs was primarily due to an increase in SR&CD costs in 2014 related to SR&CD cost recovery in accordance with the results of the AGMS dated 17 April 2013.

The increase in professional fees was attributable to a rise in consultant fees.

Other Income

In 2014, other income increased by 85.39% to USD50.10 million from USD27.02 million in 2013. The increase was primarily due to the reversal of impairment of oil and gas assets at SEI of USD21.59 million and income from penalties amounting to USD12.46 million in 2014, as well as revenues from the sale of non-productive fixed assets amounting to USD383.24 thousand.

Other Expenses

In 2014, other expenses increased by USD7.88 million from USD2.16 million in 2013, an increase of 265.54%. The increase was primarily due to a cost of revenue correction in 2013 of USD2.60 million.

Operating Profit

In 2014, the Company recorded Operating Profit of USD982.06 million, an increase of 5.22% compared to 2013. This increase was primarily attributable to an increase in the results of oil and gas operations. Other factors influencing gross profit were the increases in the gas purchase price, oil and gas operating cost and FSRU operational costs, and the Rupiah depreciation.

Finance income

In 2014, finance income decreased to USD26.23 million from USD26.91 million in 2013. This was primarily attributable to the decrease in the Company's cash and cash equivalents. The interest rate for time deposits in 2014 was 5.25% - 11.05% for Rupiah time deposits and 0.35% - 2.06% for US Dollar time deposits.

Finance Costs

Finance costs in 2014 increased to USD75.58 million from USD21.86 million in 2013 or an increase of 245.67% due to interest payments on the bond amounting to USD51.26 million.

On May 12, 2014 the Company issued a Bond valued at USD1,350,000,000 which will mature on May 16, 2024, at an interest rate of 5.125% per year which will be paid every May 16 and November 16, starting on November 16, 2014.

Impairment Losses on Goodwill

In 2014 there was a goodwill Impairment of USD5.23 million. This was related to the decline in the global oil price at the end of 2014.

Goodwill is the difference between the investment cost and the fair value of the Company's share of the net assets of the entity acquired on the acquisition date. After initial recognition, goodwill is measured at cost minus any accumulated impairment losses.

Goodwill is tested for impairment annually and whenever there are indications of impairment. Goodwill impairment is determined by assessing the recoverable amount of each Cash Generating Unit (CGU) or group of CGUs to which the goodwill relates. If the recoverable amount of a CGU is less than the carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in the following period/year.

Impairment Losses on Oil and Gas Properties

In 2014 there was an impairment of oil and gas assets of USD34.66 million. This was related to the decline in the global oil price at the end of 2014.

Oil and gas assets consist of Exploration and Evaluation Assets, as well as Oil and Gas Properties. At the end of every reporting period/year, the

Company will assess whether the assets are impaired. When such indications are found during the assessment or recognized during impairment testing, the Company will make a formal estimate of the asset's recoverable amount.

An individual asset's recoverable amount is the higher amount between the fair value of the asset or CGU less the cost to sell and its value in use, unless the assets do not generate cash inflows that largely independent of those from other assets or other groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and recorded to its recoverable amount.

In assessing the value in use, the estimated net future cashflows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset. In determining fair value less costs to sell, recent market transactions are used, when applicable. If no such transaction is identified, the Company will use an appropriate valuation model to determine the fair value of assets. These calculations are then validated by valuation multiples or other available fair value indicators.

Assessment is made at each reporting date as to whether impairment losses found in former period/year may no longer exist or may have decreased. If indication is found, the entity will estimate asset's or CGU's recoverable amount. Former recognized impairment loss of an asset other than goodwill will be reserved if there has been change in assumptions used to determine the assets' recoverable amount since the last impairment loss was recognized. In this case, the carrying amount of the assets is increased to its recoverable amount. The reversal is limited so that the carrying amount of the assets does not exceed its recoverable amount, nor exceed the carrying amount, net of depreciation, supposing that there had been no impairment loss being recognized for the assets in prior years.

Reversal of impairment loss is recognized as profit or loss. After the reversal, asset depreciation is adjusted in future period to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Gains on a Bargain Purchase

In 2014 gains were derived from a purchase discount of USD5.60 million related to the acquisition of a 100% ownership stake in Sunny Ridge Offshore Limited as the owner of a 20% participating interest in Muriah PSC. This arose because the seller wished to immediately monetize the asset and there were no other offers in relation to this acquisition.

Gain on Foreign Exchange-net

In 2014, net gain on foreign exchange decreased USD 47.45 million or 44.04% from USD 83.90 million in 2013. The net gain on foreign exchange was due to the strengthening of the US Dollar against foreign currencies, especially Japanese Yen. However, the strengthening was lower than in the previous year. The US Dollar position against the Japanese Yen on December 31, 2013 was JPY104.92/USD, strengthening to JPY119.33/USD on December 31, 2014. The US Dollar position against the Rupiah on December 31, 2013 was Rp12,189.00/USD, and strengthened to Rp12,440.00/USD on December 31, 2014.

Gain on Change in Fair Value of Derivatives- Net

In 2014, the Net Gain on the Change in Fair Value of Derivatives was USD2.18 million, a decrease from USD70.18 million in 2013. Using this derivative financial instrument, PGN hedges against changes in the fair value of its liabilities due to risk of USD/JPY exchange rate fluctuations in relation to the long-term loans denominated in JPY from JBIC.

Profit Before Tax Benefit (Expense)

In 2014, Profit Before Tax Benefit (Expense) amounted to USD978.77 million, decreasing 8.17% from USD1.07 billion in 2013. The decrease was attributable to a number of factors, namely an increase in finance costs, decrease in net gain on foreign exchange, decrease in impairment loss on oil and gas assets, goodwill impairment and a decrease in the change in fair value of derivatives - net.

Tax Expense-Net

In 2014, tax expense-net amounted to USD231.09 million, increasing 1.38% from USD277.94 million in 2013. This was due to an increase in deferred tax expenses at the Company's subsidiary, SEI, with regard to difference between the commercial and fiscal methods applied to the oil and gas assets. Tax expense was also influenced by the decrease in profit before tax in 2014 compared to 2013.

Pursuant to Law No. 36 of 2008 on the single corporate income tax rate, which came into effect on January 1, 2009, PGN is subject a corporate income rate of 25%. According to the Minister of Finance Regulation No. 238/PMK.03/2008 dated December 30, 2008, the Company will obtain a reduction in the income tax rate of 5% as an incentive for public companies of which more than 40% of the shares are owned by the public, and which are owned by 300 parties, each of whom owns less than 5% of the total paid up shares. Based on this provision, PGN paid corporate income tax at 20% in 2014.

Other Comprehensive Income

The presentation of Other Comprehensive Income After Tax following the adoption of PSAK No. 1 (2009 Revision) on the Presentation of Financial Statements became effective on January 1, 2011. Other Comprehensive Income After Tax consists of:

1. Changes in Fair Value of Available for Sale
In 2014, Other Comprehensive Income After Tax on Assets Available for Sale increased by USD7.26 million from a loss of USD15.77 million in 2013. This was unrealized gain on the increase in fair value of available-for-sale assets.
2. Difference in Foreign Currency Translation of the Financial Statement
In 2014, the Difference in Foreign Currency Translation of the Financial Statements of the Subsidiaries declined by USD1.12 million from USD14.01 million in 2013. This was due to the strengthening of the US Dollar exchange rate against the Rupiah.

3. Actuarial Gains (Losses)

In 2014, the actuarial loss-net was USD7.28 million. Other Comprehensive Income After Tax on actuarial loss resulted from the actuarial calculation of employee benefits. Effective on January 1, 2012, PGN adopted PSAK No. 24 (2010 Revision) on "Employee Benefits." This revised PSAK permits an entity to apply any systematic method that may bring faster recognition of actuarial gains/losses, which among others are immediate recognition of actuarial gains/losses in the year in which they occur within other comprehensive income (OCI). On its initial adoption, pursuant to a transitional provision of PSAK No. 24 (2010 Revision), the balance of unrecognized actuarial gains/losses dated January 1, 2012 was recognized in other comprehensive income within the consolidated statement of the financial position as of January 1, 2012.

Profit for the Year Attributable to the Owner of the Parent Entity

In 2014, PGN booked Profit for the Year Attributable to the Owner of the Parent Entity of USD722.75 million, decreasing by 10.16% from USD804.45 million in 2013. The decrease was due to a number of factors including an increase in finance costs, a decrease in gain on foreign exchange-net, impairment loss on oil and gas properties, goodwill impairment, decrease in the change in fair value of derivatives-net and an increase in deferred tax expense in Company's subsidiary, SEI. PGN's net income margin was 21.20% in 2014 compared to 26.80% in 2013.

Profit for the Year Attributable to Non-Controlling Interests

Profit for the Year Attributable to Non-Controlling Interests decreased by 25.29% from USD33.35 million in 2013 to USD 24.92 million in 2014. The decrease was due to the declining financial performance of the Company's subsidiaries.

Total Comprehensive Income for the Year Attributable to the Owner of the Parent Entity

In 2014, PGN booked Total Comprehensive Income for the Year Attributable to the Owner of the Parent Entity of USD723.82 million, decreasing by 9.31% from USD798.16 million in 2013. The decrease was due to a number of factors including an increase in finance costs, decrease in gain on foreign exchange-net, decrease in impairment loss on oil and gas properties, goodwill impairment, decrease in the change in fair value of derivative-net and an increase in deferred tax expense in the Company's subsidiary, SEI.

Total Comprehensive Income for the Year Attributable to Non-Controlling Interests

Total Comprehensive Income for the Year Attributable to Non-Controlling Interests in 2014 amounted to USD24.46 million, decreasing by 28.00% from USD33.97 million in 2013. The decrease was due to the declining financial performance of the subsidiaries.

PROFITABILITY RATIO

Remarks	2014	2013*
Net profit margin	21.20	26.80
Return on Assets	18.68	25.95
Return on Equity	32.26	43.09

*Restated

Assets

In 2014, PGN's total assets were valued at USD6.22 billion, consisting of 29.94% Current Assets and 70.06% Non-Current Assets. This total asset value increased by 43.94% from USD4.32 billion in 2013. The asset growth was mainly due to oil and gas properties related to acquisitions and participating interests in the upstream sector by SEI, and a bond issuance in May 2014 amounting to USD1.35 billion.

COMPOSITION OF CURRENT ASSETS

Remarks	2014		2013*		Δ (%)
	million USD	Contribution %	million USD	Contribution %	
Cash and cash equivalents	1,216.03	65.35	1,319.17	74.09	(7.82)
Restricted cash	0.10	0.01	1.16	0.07	(91.38)
Short-term investments	92.59	4.98	85.38	4.80	8.44
Trade receivables - Net	324.97	17.46	279.96	15.72	16.08
Other receivables - Net	8718	4.69	35.86	2.01	143.11
Inventories - Net	65.37	3.51	14.62	0.82	347.13
Current maturities of advances	56.33	3.03	42.69	2.40	31.95
Prepaid expenses	18.25	0.97	1.68	0.09	986.31
Total	1,860.82	100	1,780.52	100.00	4.51

*Restated

Current Assets

PGN's current assets increased by 4.51% from USD1.78 billion in 2013 to USD1.86 billion in 2014. This was due to an increase in trade receivables of USD45.01 million, an increase in other receivables of USD15.23 million from the Special Task Force for Upstream Oil and Gas Businesses (SKKMIGAS), and the inventories of USD28.06 million of LNG.

COMPOSITION OF CASH AND CASH EQUIVALENTS

Remarks	2014		2013*		Δ (%)
	million USD	Contribution %	million USD	Contribution %	
Cash on Hand	0.23	0.02	0.22	0.02	4.55
Cash in Bank					
Rupiah	73.47	11.46	30.33	4.51	142.24
US Dollar	560.25	87.45	640.39	95.22	(12.51)
Yen	6.90	1.08	1.64	0.24	320.73
SGD	0.09	0.01	0.18	0.03	(50.00)
Total Bank	640.71	52.69	672.54	50.98	(4.73)
Cash and Bank	640.94		672.76		(4.73)
Time Deposits					
Rupiah	16776	29.17	221.03	34.19	(24.10)
US Dollar	407.34	70.83	425.40	65.81	(4.25)
Total Time Deposits	575.10	47.29	646.43	49.00	(11.03)
Total Cash and Cash Equivalent	1,216.04	100.00	1,319.19	100.00	(7.82)

*Restated

CURRENCY IN CASH AND CASH EQUIVALENTS

Remarks	2014		2013*		Δ (%)
	million USD	Contribution %	million USD	Contribution %	
Rupiah	241.46	19.86	251.58	19.07	(4.02)
Dolar	967.59	79.56	1,065.79	80.79	(9.21)
Yen	6.90	0.57	1.64	0.12	320.73
SGD	0.09	0.01	0.18	0.01	(50.00)
Total	1,216.04	100.00	1,319.19	100.00	(7.82)

*Restated

In 2014, cash and cash equivalents totalled USD decreased by 7.82% to USD1.22 billion from USD1.32 billion in 2013. This was primarily due to dividend payments of USD445.88 million, upstream equity investments which amounted to USD1.06 billion, purchases of LNG and FSRU's operational costs and increases in other operational payments. In addition, in May 2014 a USD1.35 billion bond was issued.

This composition of Cash and Cash Equivalents consists of Cash and Bank amounting to USD640.71 million and USD575.10 million of Cash Equivalents in the form of unrestricted Time Deposits, comprised of 19.86% in IDR, 79.56% in USD, 0.57% in Yen and 0.01% in SGD. Cash Equivalents in the form of time deposits were placed in several foreign and domestic banks, of which 70.83% was denominated in USD and 29.17% was denominated in Rupiah. The average interest rate on USD time deposits was 0.35% – 2.06% and on IDR time deposits was 5.25% - 11.05%.

Short-Term Investments

In 2014, short-term investments amounted to USD92.59 million, an increase of 8.44% from USD85.38 million in 2013 that was due to the increase in fair value of the investments.

The fair value of short-term investments as of December 31, 2014 was as follows:

SHORT-TERM INVESTMENTS

Remarks	Original Transaction		2014	2013*
	Million Rupiah	million USD	Million USD	Million USD
Pertamina	-	65.49	65.49	65.49
Antam	25,000	-	2.01	2.05
Perum Pegadaian	20,000	-	1.61	1.65
SBSN	-	4.00	4.00	4.00
INDON	-	14.81	14.81	14.81
Lembaga Pembiayaan Ekspor Indonesia	50,000	-	4.02	4.10
Sub Total			91.94	92.10
Changes in fair value and Discount			0.64	(6.72)
Total			92.58	85.38

*Restated

Trade Receivables-Net

In 2014, trade receivables-net amounted to USD 324.97 million from USD279.96 million in 2013 or an increase of 16.08%. The increase was due to a rise in gas distribution sales that totalled USD28.39 million and due to the rise in oil and gas receivables related to oil and gas operations by SEI that amounted to USD22.08 million.

The Composition of Trade Receivables-Net this year consists of 79.45% from gas distribution activities, 10.24% from gas transmission, 9.30% from oil and gas, and 1.00% from the leasing of fiber optics and etc. Whereas, the amount of Trade Receivables-Net

in USD currency for distribution activities, transmission, oil and gas and leasing of fiber optic amounted to USD 230.21 million; USD33.28 million; USD30.22 million and USD0.85 million, respectively.

This year, PGN set aside USD18.29 million as an allowance for impairment losses. The allowance is used to cover any loss from uncollectible trade receivables. The allowance for impairment losses increased 50.44% from USD12.16 million in 2013 due to the increase in uncollected trade receivables.

Other Receivables

Other receivables increased by 143.09% from USD35.86 million in 2013 to USD87.18 million in 2014. This increase was due to increases in reimbursable VAT amounting to USD 26.94 million from the Special Task Force for Upstream Oil and Gas Businesses (SKK MIGAS) and due to receivables from PT Hoegh LNG Lampung representing payments of value added tax on machinery and equipment imports by PGN LNG on behalf of PT Hoegh LNG Lampung amounting to USD24.41 million.

Advances – Currently Maturing

Advances Currently Maturing within One Year increased 31.95% from USD42.69 million in 2013 to USD56.33 million in 2014. This was mainly caused by the reclassification of USD44.76 million of take or pay advances as short term. Other contributing factors were the make up gas from ConocoPhillips at USD26.5 million in November 2014 and from Santos at USD2.19 million in December 2014.

Non-Current Assets

COMPOSITION OF NON CURRENT ASSETS

Remarks	2014		2013*		Δ (%)
	million USD	Contribution %	million USD	Contribution %	
Advances - net of current maturities	118.90	2.73	84.89	3.35	40.06
Deferred tax assets - net	37.90	0.87	28.87	1.14	31.28
Other long-term receivables	40.54	0.93	40.27	1.59	0.67
Investment in shares of stock	110.10	2.53	95.33	3.76	15.49
Fix Assets - net	2,485.09	57.07	1,837.23	72.40	35.26
Exploration and evaluation assets	12.74	0.29	0.05	0.00	25,380.00
Oil and gas properties - net	1,416.59	32.53	409.14	16.12	246.24
Estimated claims for tax refund	74.03	1.70	33.56	1.32	120.61
Goodwill and other intangible assets - net	50.94	1.17	4.02	0.16	1,167.16
Others	7.85	0.18	4.13	0.16	90.07
Total	4,354.68	100.00	2,537.49	100.00	71.61

*Restated

Non-current assets increased by 71.61% from USD2.53 billion in 2013 to USD4.35 billion in 2014. This was a result of the expansion of oil and gas property assets related to upstream investments through SEI at USD1.06 billion in oil and gas blocks, as well as pipeline assets at USD344.39 million and FSRU facilities' assets at USD304.28 million.

Advances – Net of Current Maturities

At the end of 2014, there was a total of USD118.89 million in Advances - Net of Current Maturities, a 40.06% increase from USD84.89 million in 2013, due to take or pay from some suppliers.

Other Long-term Receivables

In 2014, other long-term receivables transpired in relation to SEI operations in Pangkah PSC, consisting of carry receivables for development costs at USD 35.6 million and KUFPEC Indonesia (Pangkah) B.V. (KIP) receivables at USD 7.77 million, which was a tax expense to KIP, now called SAKA Indonesia (Pangkah) B.V. (SIP). The tax expense was borne by KIP as stated in the KUFPEC Indonesia Pangkah B.V. sales and purchase agreement between SEI and KIP.

Investment in Shares of Stock

Investment in shares of stock is the investment and recognition of profit from an affiliate, namely PT Nusantara Regas, where the entire investment by the Company was reflected in the ownership percentage of 40%. The investment value in the affiliate increased 15.49% from USD95.33 million to USD 110.10 million as a result of periodic net profit recognition.

Fixed Assets-Net

Fixed Assets-Net in 2014 increased 35.26% increase from USD1.84 billion in 2013 to were USD 2.49 billion in 2014 due to an increase in pipeline assets and additional FSRU supporting facilities in Lampung.

Exploration and Evaluation Assets

Exploration and Evaluation Assets grew USD12.69 million from USD53.06 thousand in 2013 to USD 12.74 million in 2014, which came from investments in South Sesulu and West Bangkanai.

Oil and Gas Properties-Net

Oil and Gas Properties-Net increased by 246.24% from USD409.14 million in 2013 to USD1.42 billion in 2014, which was a contribution from the acquisition of 100% of the Pangkah block, as well as investments in Fasken, and the Muriah, South Sesulu and South East Sumatera blocks. In 2013 and 2014 there were value impairments of USD23.48 million and USD34.66 million, respectively.

OIL AND GAS PROPERTIES

Remarks	2014 Juta USD
At cost	
Beginning balances	554.61
Additions during the year	152.16
Additions due to acquisition	963.83
Ending Balances	1,670.6
Accumulated depreciation, depletion, and amortization	(217.48)
Allowance for impairment losses	(36.54)
Total	1,416.58

Increases took place due to an acquisition of USD963.83 million including accumulated depreciation, depletion, and amortization prior to the acquisition of USD372.74 million. On the other hand, accumulated depreciation, depletion, and amortization of USD217.8 million and reserves impairment losses amounting USD36.54 million are the figures for the current year, so that in total accumulation depreciation, depletion, and amortization and reserves for impairment losses amounted to USD626.76 million consisting of USD217.48 million, USD36.54 million and USD372.74 million.

Estimated Claim for Tax Refund

The estimation of Company's tax refund increased 120.61% from USD33.56 million to USD74.03 million due to payment of Article 4 (2) Income Tax on SAKA's acquisition of Pangkah.

Goodwill and Other Intangible Assets

Goodwill and Intangible Assets in 2014 stood at USD50.94 million, increasing 1,167.16% from USD 4.02 million in 2013. This increase was due to the acquisition of a number of oil and gas blocks.

SEI's acquisition of Pangkah PSC from KUPFEC's ownership increased goodwill by USD35.53 million, which was impaired entirely in the 2013. In 2014, SEI's acquisition of Pangkah PSC ownership from Hess Indonesia generated goodwill amounting to USD13.13 million which was impaired by USD5.23 million in 2014. SEI's acquisition in 2014 of Pangkah Hess Indonesia Pangkah Limited generated goodwill of USD39.34 million, which was not impaired. The goodwill impairment in 2014 was caused by the decline in global oil prices.

Liabilities

At the end of 2014 PGN booked Total Liabilities of USD3.25 billion, consisting of 33.52% Current Liabilities and 66.48% Non-Current Liabilities. The value of Total Liabilities increased by USD 1.61 billion or 97.58% from USD1.65 billion at the end of 2013, mainly due to the issuance of the USD1.35 billion bond in May 2014.

Current Liabilities

COMPOSITION OF CURRENT LIABILITIES

Remarks	2014		2013*		Δ (%)
	million USD	Contribution %	million USD	Contribution %	
Trade payables	137.66	12.63	158.32	17.87	(13.05)
Short-term bank loan	-	-	300.00	33.86	(100.00)
Accrued liabilities	668.66	61.31	180.46	20.36	270.53
Short-term employee's benefits liabilities	41.27	3.78	35.62	4.02	15.86
Other payables	114.85	10.53	57.61	6.50	99.36
Taxes payables	41.05	3.76	40.14	4.53	2.27
Current maturities of long-term loans	87.13	7.98	113.98	12.86	(23.56)
Total	1,090.62	100.00	886.13	100.00	23.08

*Restated

Current Liabilities increased by 23.08% from USD886.13 million in 2013 to USD1.09 billion in 2014. This was mainly due to by increased contractor liabilities related to the progress of work on pipelines. On the other hand, there were short-term loan repayments of USD300 million in 2014. The composition of Current Liabilities was comprised 12.63% of Trade Payables, 61.31% of Accrued Liabilities; 3.78%; of Short-Term Employee Benefits, 10.53% of Other Payables%; 3.76% Tax Payables and 7.99% of Currently Maturing Long Term Loans.

Trade Payables

Trade payables decreased by 13.05% from USD158.32 million in 2013 to USD137.66 million in 2014 primarily due to debt repayment to Pertamina on differences in the purchase price

of gas. The price difference arose due to gas purchase price increases which took place in September 2012 and April 2013, but were only billed in 2014.

Accrued Liabilities

Accrued liabilities increased 270.53% from USD180.46 million in 2013 to USD668.66 million in 2014. This was mainly due to an increase in liabilities to contractors and suppliers of USD336.68 million and liabilities related to oil and gas activities of USD129.15 million.

Other Debt

Other debt increased by 99.36% from USD57.61 million in 2013 to USD114.85 million in 2014. This was mainly due to by a rise in liabilities to contractors in the amount of USD56.56 million.

Non-Current Liabilities

COMPOSITION OF NON CURRENT LIABILITIES

Remarks	2014		2013*		Δ (%)
	million USD	Contribution %	million USD	Contribution %	
Deferred tax liability - net	132.63	6.13	23.91	3.14	454.71
Derivative payables	11.01	0.51	11.93	1.57	(7.71)
Long-term loan - net of current maturities	473.04	21.88	611.98	80.45	(22.70)
Bonds Payables	1,332.26	61.63	-	-	100.00
Asset abandonment and restoration obligations and other provisions	73.55	3.40	8.36	1.10	779.78
Long-term liabilities for employee's benefits	123.84	5.73	101.36	13.32	22.18
Other payables	12.46	0.58	-	-	100.00
Unearned income	3.04	0.14	3.19	0.42	(4.70)
Total	2,161.83	100.00	760.73	100.00	184.18

*Restated

Non-Current Liabilities increased by USD 1.40 billion or 184.18% from USD760.73 million in 2013 to USD2.16 billion in 2014, mainly due to the USD1.35 billion bond issuance in May 2014.

The composition of Non-Current Liabilities of USD 21.6 billion consisted 61.63% of Bond Payables; 21.88% of long-term loans - net of current maturities; 6.13% of Deferred Tax Liabilities; 0.51% of Derivative Payables; 5.73% of Long-term Employee Benefits Liabilities; 0.58% of Other Payables and 3.40% of Liabilities for Asset Demolition and Area Restoration and Other Provisions.

Deferred Tax Liabilities

Deferred tax liabilities increased by 454.63% from USD23.91 million in 2013 to USD132.63 million in 2014. This was primarily due to transactions related to acquisitions by SEI. Deferred tax arose from the differences in treatment between the commercial approach and tax on investment and oil property assets in SEI.

Bond Payables

On 12 May 2014, PGN issued Senior Unsecured Fixed Rate Notes worth USD1.35 billion, which will mature on 16 May 2024 with an issue price of 99.037%. This bond was listed on the Singapore Stock Exchange, is irrevocable and is unconditionally guaranteed by the Company. The net proceeds from the bond issuance was USD1.33 billion and has been utilized for capital expenditure, the addition of working capital and other general corporate purposes.

Asset Abandonment and Restoration Obligations and Other Provision

In 2014, Asset Abandonment and Restoration Obligations increased by 779.57% from USD8.36 million in 2013 to USD73.55 million. This was related to the operational activities conducted by SEI and PGN LNG.

These liabilities represent the current estimation of the cost of asset demolition and restoration of the area that has been left.

Other Payables

Other payables of USD12.46 million are ship or pay liabilities related to the payments received by TGI for shortages in gas distribution in line with the provisions on minimum quantities based on the gas transportation agreements (GTA).

Equity

EQUITY

Remarks	2014		2013*		Δ (%)
	million USD	Contribution %	million USD	Contribution %	
Share capital	344.02	11.61	344.02	12.88	-
Treasury stock	(0.25)	(0.01)	(0.25)	(0.01)	-
Other paid-in capital	157.25	5.31	157.25	5.89	-
Retained earnings	2,317.40	78.21	2,040.53	76.39	13.57
Other components of equity	(51.16)	(1.73)	(52.23)	(1.96)	(2.05)
Non-controlling interest	195.81	6.61	181.82	6.81	7.69
Total	2,963.07	100.00	2,671.14	100.00	10.93

*Restated

Equity increased by 10.93% from USD2.67 billion in 2013 to USD2.96 billion in 2014. This increase was primarily due to the accumulation of retained earnings as a result of Profits that are attributable to Owners of the Parent Entity in the current year. Other equity components consists of actuarial gains and losses and foreign exchange differences from translation of financial statements of subsidiaries and the fair value of financial assets available for sale.

Cash Flow

CASH FLOW (MILLION USD)

Remarks	2014	2013*	Δ (%)
Cash flow from Operating Activities	896.66	828.88	8.18
Cash flow from Investing Activities	(1,351.12)	(666.54)	102.71
Cash flow from Financing Activities	469.73	(330.69)	(242.05)
Net Effects foreign exchange differences from cash and cash equivalents	(118.41)	(79.94)	48.12
Net decrease in cash and cash equivalents	(103.14)	(248.29)	(58.46)
Cash cash equivalents at the beginning of year	1,319.17	1,567.46	(15.84)
Cash cash equivalents at the end of year	1,216.03	1,319.17	(7.82)

*Restated

The cash and cash equivalents position declined by 7.82% from USD1.32 billion in 2013 to USD1.22 billion in 2014, primarily due to a dividend payment of USD454.45 million, investments in the upstream sector of USD1.06 billion, purchases of LNG, FSRU operating costs, and an increase in other operating expenses. On the other hand, a USD1.35 billion bond was issued in May 2014.

Cash Flow from Operating Activities

Cash flow from operating activities increased by 8.18% from USD828.88 million in 2013 to USD896.66 million in 2014. The influencing factors to this were receipts from customers but on the

other hand there were increased payments for natural gas purchases from Pertamina EP Pagardewa and ConocoPhillips SSWJ, as well as the payment of bond interest expense.

Cash Flow from Investing Activities

Cash flow from investing activities escalated by 102.71% from USD666.54 million in 2013 to USD1.35 billion in 2014. This was primarily caused by increased investment in the upstream sector through SEI in oil and gas blocks amounting to USD1.06 billion, the increase in pipeline construction and the expansion and investment in Lampung FSRU facilities.

Cash Flow from Financing Activities

Cash flow from financing activities reached USD469.73 million. This was primarily from the issuance of a bond amounting to USD1.33 billion. Meanwhile there was a short-term loan settlement (net off) of USD300 million, payment of short-term loans of USD114.07 million and a dividend payment of USD454.45 million.

DEBT SERVICE

As of 31 December 2014, the debt to equity ratio increased from 0.38 in 2013 to 0.64 in 2014, and the debt service coverage ratio decreased from 8.42 in 2013 to 6.47 in 2014. This downtrend could be traced back to the corporate action of bond issuance in May 2014. Nevertheless, PGN's overall ability to repay debts remained relatively stable.

RATIO	2014	2013*
Debt to Equity Ratio (x)	0.64	0.38
Net Payable/EBITDA (x)	0.50	-
EBITDA/Interest Expense (x)	15.36	51.25
EBITDA/Interest Expense + Principal Loan (x)	6.47	8.42

*Restated

COLLECTIBILITY

At the end of 2014, the Company's collection period was relatively sound at 35 days. This figure was obtained by dividing the account receivables' balance at 31 December 2014 by the net income for 2014, and then multiplying by number of days in a year (365 days). This indicated that the Company's customer billing was still effective. In order to mitigate the risk of uncollectible receivables, the Company applies a subscription guarantee for all customers. The collateral is accepted in the form of Bank Guarantees, SBLC, cash and other forms as stated in terms of gas subscription. With this guarantee, if customers fail to repay their debts, the Company may redeem the collateral to settle the debts.

CAPITAL STRUCTURE

The capital structure of PGN at the end of 2014 was as follows:

	2014		2013*		Δ (%)
	million USD	Contribution %	million USD	Contribution %	
Short-term bank loan	-	-	300.00	8.11	(100.00)
Total Long-term loan	560.17	11.54	725.96	19.64	(22.84)
Current maturities of long term	87.13	15.55	113.98	15.70	(23.56)
Long-term	473.04	84.45	611.98	84.30	(22.70)
Obligation payable	1,332.26	27.44	-	-	100.00
Equity	2,963.07	61.02	2,671.14	72.25	11.00
Total Capital Structure	4,855.50	100.00	3,697.10	100.00	31.33

On 12 May 2014 the Company issued a bond worth USD 1.35 billion, which will mature on 16 May 2024, at an issue price of 99.037%. The trustee for the bond is the Bank of New York Mellon. The bond has a coupon rate of 5.125% per annum, payable semi annually on 16 May and 16 November, starting on 16 November 2014. According to Moody's Investors Service, Standard & Poor's (S & P), and Fitch Ratings, the ratings for the bond were respectively Baa3, BB + and BBB-.

On 28 August 2014, the Company entered into a syndicated loan facility of USD650 million with several banks, namely the Australian and New Zealand Banking Group Limited (ANZ), The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), Citigroup Global Markets Singapore Pte (Citi), The Hongkong and Shanghai Banking Corporation Limited (HSBC), and Sumitomo Mitsui Banking Corporation (SMBC). The loan will mature on 28 October 2019. The loan consists of an Onshore portion of USD 590 million with annual interest of Libor + 1.85% and an Offshore portion of USD60 million with annual interest of Libor + 1.60%. As of 31 December 2014, the Company had not drawn down any of the syndicated loan facility.

The bond issuance and loan facilities are intended to fund capital expenditure and working capital and other general corporate purposes.

MANAGEMENT POLICY ON CAPITAL STRUCTURE

The Company's capital structure policy is to maintain the debt ratio in line with (not exceeding) the financial covenants in PGN's loan agreement to the European Investment Bank (EIB), namely a debt to equity ratio of 66%: 33%.

MATERIAL COMMITMENTS RELATED TO CAPITAL INVESTMENT

As per the end of 2014, there were no material commitments related to capital investment at PGN.

REALIZATION OF CAPITAL INVESTMENT

1. Type of Capital Investment

In 2014 PGN completed the construction of the supporting facilities for the Lampung FSRU. These facilities consisted of mooring systems, offshore receiving facilities, offshore pipeline and onshore terminal facilities.

2. Investment Purpose

The purpose of the Lampung FSRU supporting facilities is to regasify LNG and carry the regasified gas to PGN's pipeline network. This was part of the business expansion and could be considered as a commitment to strengthen long-term gas supply resilience through the LNG regasification process without relying on gas wells, as well as to improve service to customers. The FSRU will increase PGN's gas supply in the long term to address customers' needs and to contribute to growing the Company's revenues.

3. Investment Value

The development of facilities for the Lampung FSRU had an investment value of USD353 million.

TARGET ACHIEVEMENT IN 2014

In 2014, PGN managed to capture significant business opportunities. However, PGN also dealt with challenges and conditions that constrained the company's ability to fully achieve the targets set in the prior year.

The summary of achievements against the 2014 performance targets is as follows:

- Revenue at 85.95% of the target. This was primarily due to the fact that target RKAP 2014 gas selling prices were not yet achieved. Gas selling price were not yet adjusted to customers due to socio economic considerations during the election period. This, in turn, restricted the Company's ability to reach the revenue target. In addition, the sales volume also missed its target because the volume of gas supply was lower than expected, while some customers reduced their gas consumption. This was thought to be influenced by the increase in production costs associated with increases in regional minimum wages and electricity tariffs, as well as the weakening of the Rupiah.

- Cost of revenues at 79.21% of the target.
This was due to the lower than expected gas supply volume.
- Operating profit at 104.82% of the target, in line with realized revenue and cost of revenue.

TARGETS FOR THE COMING YEAR

In 2015, PGN will optimize the operations at Lampung FSRU and PGN's LNG receiving terminal project, which is operated by subsidiary PGN LNG. The revenue from PGN LNG's regasification process is expected to increase this year, followed by increases in sales volume and PGN's overall revenue. It is expected that the gas produced from LNG regasification can increase PGN's gas sales volume and thus growth of 5% is targeted for sales volume growth in 2015. In line with these improvements, the Company projects a 5-10% increase in total consolidated revenues over total consolidated 2014 revenues.

PGN's core business in 2015 will be supported by new businesses and contributions from its subsidiaries.

MATERIAL INCREASE IN NET SALES / REVENUE

In 2014, the Company recorded a revenue growth of 13.56% compared to 2013. The increase was mainly due to increase from oil and gas sales by subsidiaries amounting to USD262.96 million. Another significant factor was the additional sales volume from LNG regasification at 49.68 MMSCFD in November and December, for which the selling price referred to the Indonesian Crude Price (ICP) index. An adjustment to the selling price of piped gas on 1 April 2013 also contributed to the revenue increase.

PRICE ADJUSTMENTS IN 2014

During 2014, PGN did not make any adjustments to the gas selling price in any of its existing operational areas. However, it set the gas sale price in new/ development areas, namely Lampung and Semarang.

Effective on 1 January 2014, the gas selling price in the Lampung Area was equal to the existing price in SBU Distribution Region I West Java (covering Jakarta, Bogor, Bekasi, Karawang, Cilegon and Tangerang).

Meanwhile, the gas selling price in the Semarang Area was effective from 1 March 2014. Owing to the fact that the gas was supplied through Compressed Natural Gas (CNG), the price was influenced by the operating costs in Semarang and the economics of CNG.

In addition, in 2014 PGN sold gas from LNG regasification to PLN Muara Tawar on a business to business basis where the commodity price referred to the Indonesian Crude Price (ICP) oil price, which is higher than pipeline gas price.

MATERIAL INFORMATION AFTER THE REPORTING DATE

There are several items of material information relating to events that took place after the report date, including the following:

1. PGN received letter from Corporate and Business Registration Department of Mauritius dated 13 January 2015 which informed effective on that date, PGN Euro Finance 2003 Limited has been removed from the register under Section 308 of the Company Act.
2. On 29 January 2015, PGN and PT Pertagas enter into an amendment and restatement of gas transportation agreement through pipeline, where by both parties agreed to extend the term until 13 July 2019.

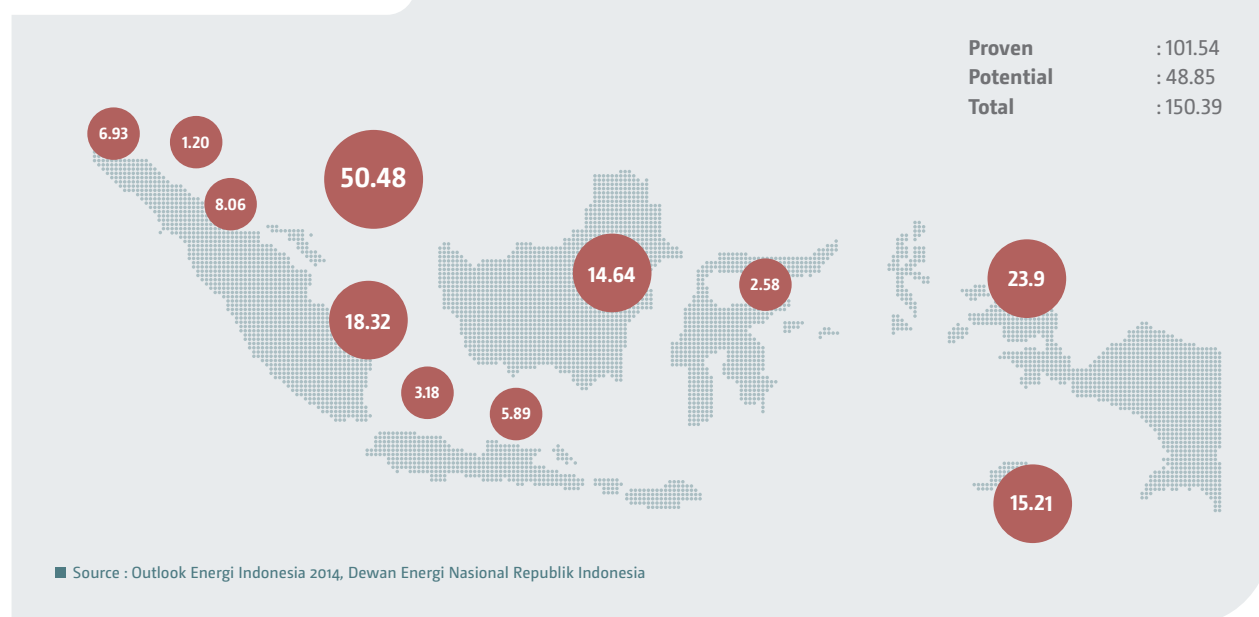
3. On 30 January 2015, PGN and PT Bank Negara Indonesia (Persero) Tbk signed the second amendment of non-cash loan facility agreement, whereby both parties agreed to extend the term of the agreement until 18 December 2015.
4. On 16 February 2015, PGN received a Confirmation of Taxpayer Compliance with Specified Criteria from the Directorate General of Taxation through Decision of the Director General of Taxation No. KEP-245/WJP.19/2015. This indicates that PGN has applied GCG principles with regard to the administration and payment of tax in compliance with the prevailing regulations.
5. On February 18, 2015, PGN has withdrawal a portion of its syndicated loan.

BUSINESS PROSPECTS

The Indonesian economy continues to strengthen at a promising growth rate. Based on Bank Indonesia projections, Gross Domestic Product reached 5% in 2014. Over the next five years, the outlook for Indonesia's economic growth remains positive, which will drive growth in energy consumption. Indonesia's strategies on the energy mix are designed to meet this soaring need. According to the National Energy Board (Dewan Energi Nasional), the contribution of natural gas to the energy mix is projected to remain steady at 22%, but in terms of volume the need by 2020 is expected to increase two-fold.

Petroleum-based fuel continues to dominate energy consumption. The Government is pushing for a conversion to other energy sources by encouraging the increased use of natural gas. This policy is backed up by the fact that Indonesia possesses sizeable reserves of natural gas.

Natural Gas Reserves (TSCF)



The demand for natural gas is expected to rise constantly every year. This increase will be driven by economic growth as well as Indonesia's demography, which will be dominated by people of productive age within the next five years (Indonesia Long Term Economic Outlook

Q2 Woodmackenzie, Vaishali Rastogi, Eddy Tamboto, Dean Tong and Tunnee Sinburimsit, 5 March 2013).

These conditions open up significant business opportunities for PGN.

PGN, as a state-owned company that has been consistent in the business of natural gas utilization, is trying to capture these opportunities through the development of infrastructure in Indonesia to improve consumer access to natural gas.

In addition to the domestic opportunities, business developments in the Southeast Asia region are also promising, especially with the forthcoming ASEAN Economic Community (AEC) which will commence at the end of 2015. The AEC concept resembles that of the European Union, which is aimed at improving the economic development of its member countries. One of the programs of AEC is the ASEAN Energy Market Integration (AEMI) which integrates energy infrastructure such as electricity and natural gas in all ASEAN countries. The application of AEC will open up a free market which could potentially create competition among the domestic industries. PGN has the opportunity to support the growth of domestic industries by providing cheap energy, which will make domestic products more competitive.

FUTURE STRATEGY

PGN has set out several Strategic Business Priorities in the 2015-2019 Corporate Long-Term Plan that are designed to overcome the challenges ahead, to increase revenue and operating profit, and to accelerate the realization of the Company's vision and mission. These strategic plans include:

- Providing solutions for energy availability along the entire gas value chain, including commodity types, sources of supply, transportation modes and gas consumers. Commodity types consist of natural gas, LPG, synthetic gas, and biogas. Supply sources may be conventional or non-conventional. Modes of transport includes pipelines, CNG, LNG and Adsorbed Natural Gas. Gas consumers comprise household customers, industry, the electricity/power sector, transportation and petrochemicals.
- Building a competent, synergic and efficient business. This will be achieved by developing competent and competitive human resources, as well as making the business processes, organization and culture synergistic and efficient.
- Technology and IT focused on the future, which will be achieved by developing natural gas and energy technologies and systems that enhance efficiency and utilization, as well as deploying IT that increases synergy and efficiency of the process.

BUSINESS DEVELOPMENT

In order to achieve the Company's vision of to be a World Class energy company in the gas sector on 2020, PGN has developed a Long-term Plan for 2010-2020 and Company Business Plan for 2015-2019. These plans will support the company's growth and increase the value for shareholders and other stakeholders. Included in these plans are strategic steps and targets for business development in some areas.



INTERVIEW WITH DJOKO SAPUTRO DIRECTOR OF TECHNOLOGY AND DEVELOPMENT

Q How was the performance of the natural gas pipeline development in 2014?

A PGN continued to expand its natural gas pipeline network. In 2014, the construction of a 164-km long pipeline added the pipeline length from 5,997 kilometers in 2013 to 6,161 km in 2014. The development took place in PGN's existing areas as well as in new areas such as Lampung. This shows that PGN continues to be the leading developer of natural gas pipeline infrastructure.

Q How is the development of gas transportation modes apart from pipelines such as LNG FSRU, MRU and others?

A Until now, PGN has managed to build infrastructure gas transportation modes other than pipelines. The development of a floating storage and regasification unit (FSRU) in Lampung was a strategic milestone. LNG will play an increasingly important role, not only for PGN's business growth, but also related to the overall structure of the Indonesian energy industry.

In addition, as of 2014, PGN through its subsidiary PT PGN has successfully operated 3 Mobile Refueling Units (MRU) that are located in the areas of Monas, the Pluit Reservoir and Cengkareng.

Besides MRU, we have also built gas filling stations (SPBGs). Currently 3 SPBGs are already in operation, namely in Pondok Ungu, Jakarta and Bogor. This demonstrates PGN's support to the government energy conversion program.

Q What is the plan for natural gas infrastructure development in 2015 and the following year?

A In 2015 and the following year, we remain committed to build our natural gas pipeline infrastructure. Presently we have developed distribution market in Semarang and planned to start the business operation in the region in 2015.

In addition, the first phase of the Kalimantan – Java transmission pipeline development is now underway. The pipeline will connect Kepodang field owned by Petronas with a PLN power plant in Tambaklorok, Central Java.

To accelerate market penetration, we are also exploring the use of alternative transportation modes to pipelines, such as compressed natural gas (CNG) and unadsorbed natural gas (ANG) which do not require pipe connectivity until the last mile. Currently, we supply CNG to several hundred customers in a residential cluster in Semarang.

PGN has taken strategic measures to achieve its vision by developing its business to encompass all potential markets for Indonesia's natural gas and to dominate the natural gas business chain from upstream to downstream. Its strength in the upstream business is evidenced by the Company's interests in several gas fields in Indonesia, which are spread throughout Sumatera, Java and Kalimantan, as well as in Fasken, Texas in the United States. In the midstream business, PGN continues to develop its pipeline system by improving network reliability in existing areas and expanding network coverage by building infrastructure in new areas. Moreover, to expand its service area, PGN has explored alternative gas transportation modes such as CNG and LNG. In order to strengthen the reliability of gas supply, PGN plans to build a Land Based LNG Terminal in Java. PGN will also exploit the potential in the power generation and integrated industrial park businesses to deliver added value with the utilization of natural gas. These planned investments in business development are expected to yield positive results in line with the sound financial condition of the Company.

Lampung LNG Receiving Terminal

In 2014 PGN completed the construction and redesign of the Floating Storage and Regasification Terminal (FSRU) in Lampung, utilizing the design of the FSRU in Medan.

The Lampung FSRU was commissioned in November 2014 and distributes regasified gas to PLN. The operation of Lampung FSRU is expected to overcome the challenge of addressing the natural gas energy deficit in Indonesia, particularly in Java.

Land-Based LNG Receiving Terminal

PGN intends to build a Land-Based LNG Receiving Terminal to capture the business opportunities offered by natural gas exploitation in Indonesia. The increasing growth of potential natural gas markets in Java has convinced the Company to develop this business. In the Beyond Pipeline era, Land-Based LNG Receiving Terminals offer an effective means of delivering natural gas from suppliers in different locations and sources to the customers.

Minority Participation in the Upstream Sector

To expand access to gas supplies, PGN will seek minority ownership participation in companies engaged in the upstream natural gas business. In addition, PGN will also invest in producing natural gas fields, as well as fields that have Plan of Development (POD) approval from SKK Migas, and fields with small to medium scale remaining reserves.

At the beginning of 2014, PGN bought the remaining 75% ownership stake in Pangkah PSC from Hess Indonesia Pangkah Ltd and Hess Pangkah LLC. This policy was in accordance with the long-term plan of the subsidiary, SEI, to be an E&P operator and to have a balanced portfolio of exploration and production assets. In addition, PGN, through its subsidiary SEI, acquired 36% of the stock of Swift Energy Co. ownership of Fasken Area in the United States of America.

Gas Trading

PGN is developing its gas trading business along the natural gas value chain through cooperation with regional government-owned enterprises (BUMD) as well as other gas trading business entities to support the supply and transportation of gas.

Through its subsidiary, GEI, the Company has developed the distribution and utilization of gas for the transportation, power generation, industrial, commercial and small business sectors as well as household customers. In 2014, GEI started to distribute natural gas to IKPP, a pulp and paper company in Pekanbaru.

Mini LNG

PGN, through its subsidiary, PGN LNG, is building small-scale LNG terminals in areas that are not reached by PGN's pipeline network in order to address the demand for gas in those regions. PGN LNG has conducted a feasibility study for Mini LNG in Gresik and obtained the shareholder's approval for establishing a joint venture for this project. PGN LNG has also drafted a non-binding Heads of Agreement with LNG producers in the United States as an alternative supply of LNG.

Compressed Natural Gas (CNG)

PGN is developing CNG and supplying equipment for the transportation sector to meet the demand for gas for industry and gas-based fuel (BBG). In 2014, GEI built 5 Gas Fuel Filling Stations (SPBGs) and 6 new MRUs in Jakarta, Bogor, Tangerang, Cilegon and Surabaya. In the near future, GEI intends to build 16 SPBGs in Jakarta, Bogor, Sukabumi, Surabaya and Perawang (Riau) and penetrate into new areas such as Dumai and Semarang.

City Gas Distribution

PGN plans to expand the city gas distribution network in the existing regions, namely Purwakarta-Subang and Bogor-Ciawi-Sukabumi, as well as in new areas such as Dumai and Semarang, to address the gas needs of power plants, small industries, commerce, transportation and households. The relatively high demand for gas in these potential regions gives PGN the confidence to expand the distribution network in both existing and new territories.

Power Plants

In order to improve the utilization of natural gas, PGN, through GEI, plans to move into the electricity supply business, starting by developing a small-scale power plant (microturbine).

This planned business expansion is aligned with the Government's plan to build a number of power plants to increase Indonesia's total electricity capacity by 35,000 megawatts within five years. This opportunity will be exploited by GEI in cooperation with various partners.

Integrated Industrial Estate

The industrial sector is PGN's second largest customer after power plants. The high consumption volume in this sector offers an opportunity for business development in integrated industrial zones. The plan is to integrate such industrial zones with PGN's existing facilities and networks. The establishment of the subsidiary PT Permata Graha Nusantara (PGN MAS) in 2014 was the Company's first step towards developing the asset management and services business.

MARKETING STRATEGY

In 2014, PGN pursued a number of marketing/sales strategies to increase sales and defend the existing markets. These strategies were either executed solely by PGN or in collaboration with the subsidiaries.

a. Free Surcharge Incentives.

To maintain the balance of supply and sales, PGN applies a surcharge on gas usage above the maximum specified in the contract, in order to encourage customers to keep their gas use within the agreed limits. This action was taken in order to maintain a stable gas pressure in the pipelines and to ensure that the contracted volumes of gas are available for customers whose factories are located at the end of the distribution pipeline or far from the off-take station. In 2014, PGN provided free surcharge incentives to SBUs/ areas where the gas supply is greater than the contracted customer demand. The free surcharge is also applied during the low season, namely during public holidays such as Eid al Fitr and New Year.

b. The development of CNG, gas filling stations (SPBG) and MRU

For the transportation sector.

To accelerate the development of the CNG and SPBGs business for the transportation sector, PGN is working in synergy with its subsidiary, GEI, to accelerate the construction, operation and maintenance of the stations. As of December 2014, the PGN group had built and operated 5 new SPBGs for the transport sector and 6 new MRUs to serve consumers in Jakarta, Tangerang, Cilegon, Surabaya and surrounding areas. The operation of SPBGs for the transportation sector and MRUs can help the Government to speed up the conversion from petroleum-based fuel (Bahan Bakar Minyak or BBM) to gas based fuel (Bahan Bakar Gas or BBG) and reduce fuel subsidies. All investment, operation and maintenance is financed by the PGN group and therefore does not burden the state budget.

c. "PGN Cares for Mothers" (PGN Sayang Ibu) Program

On March 25, 2014, PGN launched the "PGN Sayang Ibu" program to accelerate gas utilization in the household sector and support the Government's efforts to reduce LPG subsidies. The PGN Sayang Ibu program is an ongoing project with a target of installing gas in 1 million households.

At the same time, the Government of Indonesia through the Ministry of Energy and Mineral Resources (ESDM), is seeking to increase the utilization of gas for domestic needs by developing the City Gas Network (Jaringan Gas Kota / Jargas) for the household sector. In 2014 some 13,000 potential customers were identified in Jakarta, Tangerang, Bogor and Cirebon. In 2014, 2,292 of these City Gas customers were managed by PGN = in Jakarta, Tangerang, Bogor and Cirebon.

PGN is presently processing the take over the City Gas network management in several other cities through the ESDM Ministry. In the coming years, PGN will continue to provide the best service and a speedy installation process for new City Gas customers.

d. Expansion of Market Services

In 2014, in line with PGN's plan to develop new markets, PGN's promotional activities included the installation of billboards in the city of Lampung, Semarang, Dumai and along the Jakarta-Cikampek toll road. This promotion was positively received by local businesses, and generated new subscription requests and Gas Sales Agreements (GSA) with PGN.

MARKETING ASPECTS AND MARKET SHARE

PGN has proactively taken the necessary steps to maintain and increase its market share and sales volume. These steps include the formulation and implementation of marketing strategies.

In addition to market development in the existing operational areas, PGN seeks to expand the sales area through the development of new markets. In 2014 PGN initiated the development of new markets in Lampung, Semarang and Dumai.

The new market in Lampung was developed following the operation of the Lampung FSRU to address the potential demand from the household, transportation, commercial, industrial and power plant sectors. The new Lampung Area market will optimize the absorption of gas from the Corridor Block field. In June 2014, PGN held a GSA signing ceremony with 14 industrial customers. As of the end of 2014, 90 km of distribution pipeline in Lampung had been commissioned.

PGN is also committed to developing the Semarang Area. In March 2014, President Susilo Bambang Yudhoyono inaugurated the Integrated Natural Gas Infrastructure Development Project in Central Java. This project covers the construction of a 207 Km transmission pipeline from Kepodang to Tambaklorok (Kalija I), linking the Kepodang Gas Field with the Tambak Lorok Power Plant and the 1,200 Km Kalija II pipeline, which will connect gas sources in East Kalimantan to Java. Distribution pipelines will be constructed along three corridors: Kendal - Semarang (48 km), Ungaran area (34 km) and Pekalongan - Solo -Pati (235 km). For the distribution project, in 2014 PGN completed the development of a gas market in Tambak Aji, Semarang, using the cluster model. The gas was supplied from the Surabaya Area using CNG and channeled to the Tambak Aji cluster using a Pressure Regulating System (PRS). Since November 2014, PGN has been distributing gas to industry and household customers in the Tambak Aji cluster, Semarang.

Building strong relationships and understanding the customers are keys to defending market share and the business itself over the long run. As a result, customer satisfaction is critical. The Management of PGN is committed to ensuring customer satisfaction by improving the Company's customer service. This includes regular site visits to collect customer feedback and to share the latest news on natural gas business activities. PGN also holds regular customer gatherings in all SBUs and Areas.

The strong demand for natural gas has ignited the competition in the natural gas transmission and distribution business. However, the availability of gas supply and infrastructure is still limited. Through various sales strategies and customer service programs in 2014, PGN was able to control approximately 81% of the distribution market and 49% of the transmission market in Indonesia (including the gas transmission pipelines operated by the subsidiaries).

DIVIDEND POLICY

As stated in the IPO prospectus, PGN's dividend policy is to distribute a maximum of 50% of net income. However, in the last 2 years, the dividend payout ratio to shareholders has averaged above 50%. On March 27, 2014, the 2013 Annual General Meeting of Shareholders decided to distribute a total cash dividend for fiscal year 2013 of 5,100,024,084,438 (equivalent to USD445,884,253), or 51.81% of net income, giving a dividend of Rp210.40 per share.

Remarks	2014	2013
Cash Dividend (In million Rp)	5,100,024	4,915,075
Dividend Per Share (Rp)	210.40	202.77

*Restated

EMPLOYEE STOCK OWNERSHIP PROGRAM AND/OR MANAGEMENT STOCK OWNERSHIP PROGRAM (ESOP / MSOP)

According to the Extraordinary General Meeting of Shareholders on 3 November 2003, and as stated in the Deed No. 5 from Fathiah Helmi, SH, the shareholders approved the Employee Stock Ownership Program (ESA) and the Management Stock Ownership Program (MSOP), which terms

and conditions were determined by the Board of Commissioners. The company then established three programs for ESA participants, as follows:

1. To provide ESA participants free shares, as a token of appreciation for their contribution to the Company, amounting to an average of 2 times the monthly income. The shares from this program shall not be sold within 1 year after the listing date on the Stock Exchange, and shall not be taken in cash by ESA participants.
2. ESA participants can also buy shares using their 2003 annual bonus at an 18% discount from the offering price, up to a maximum value of 3 times their monthly earnings. The shares bought through this program shall not be sold within 1 year of the listing date on the Stock Exchange, and shall not be taken in cash by ESA participants.
3. If ESA participants are willing to use their rights in program #1 and #2, they are also given the opportunity to buy more shares in cash by using their own funds, at an 18% discount from the offering price. The shares bought through this program shall not be sold within 1 year of the listing date on the Stock Exchange, and shall not be taken in cash by ESA participants.

Based on the decision of the Board of Commissioners meeting on 17 November 2003, those eligible for the MSOP program were the Board of Directors, Board of Commissioners, and senior management at a certain level. In this program, the number of new shares issued shall not exceed 5% of the subscribed and paid up capital, with a maximum issue period of 3 years, which will be implemented in 3 phases over a total implementation period of 5 years with the following details:

1. First Phase

The maximum number of shares to be issued was 50% x 5% x fully subscribed and paid up capital, at an exercise price of 110% of the initial public offering price, or Rp1,650. The entitlement was conducted on 15 December 2003 with compensation rights for 1 year, commencing on 15 December 2004.

2. Second Phase

The maximum number of shares to be issued was 25% x 5% x amount of fully subscribed and paid up capital at an exercise price that will be determined by the Board of Commissioners, with the provision that the minimum price should equal the average exercise price during 25 trading days prior to the shareholders' meeting. The entitlement was conducted on 15 February 2005 with compensation rights for 1 year, commencing on 15 February 2006.

3. Third Phase

The maximum number of shares to be issued was of 25% x 5% x amount of fully subscribed and paid up capital at an exercise price that will be determined by the Board of Commissioners, with the provision that the minimum price should equal the average exercise price during 25 trading days prior to the shareholders' meeting. The entitlement was conducted on 15 February 2006 with compensation rights for 1 year, commencing on 15 February 2007.

The first phase of the MSOP program, comprising 108,024,675 shares, was completed in 2005, while the second phase, with 53,930,825 shares issued, was completed in 2007 and the third phase, with 53,551,388 shares issued, was completed in 2008.

In 2014, no stock ownership programs (ESOP/MSOP) were rolled out in PGN.

USE OF PUBLIC OFFERING PROCEEDS

The Company listed its shares on the Indonesia Stock Exchange on 15 December 2003. The net revenue from the IPO of Rp1,163.3 billion was used entirely to finance the development of the natural gas transmission pipeline project, specifically the South Sumatera-West Java corridor, which was completed in August 2008.

**INVESTMENT, EXPANSION, DIVESTMENT
ACQUISITION OR DEBT/CAPITAL RESTRUCTURING**

In 2014, the Company undertook several strategic activities related to investments and acquisitions.

1. Objective

To benefit from the opportunities along the natural gas value chain through acquisition in the upstream and midstream sectors.

In the upstream sector, the Company acquired a number of upstream assets in the development and production stages, including:

- Pangkah PSC
The Company made the acquisition of a 75% ownership stake in the oil and gas block in Pangkah PSC following the Company's acquisition of a 25% ownership stake in the block in 2013. Thus, the Company currently has 100% ownership of the Pangkah block, which produces oil, gas, and liquid petroleum gas (LPG).
- Fasken
The company acquired a 36% ownership stake in a shale gas block in the Fasken area of the Eagle Ford shale property in Texas, USA. The block is a non-conventional natural gas block, which is currently at the production stage.
- Muriah PSC
The Company also acquired a 20% share of the natural gas block in Muriah PSC. The block is in the development stage.
- South East Sumatera (SES) PSC.
The Company acquired an 8.91% interest in a producing oil and gas block in SES PSC.

- South Sesulu Block. SEI acquired 100% of the ownership of the South Sesulu exploration block from Hess (Indonesia-South Sesulu) Limited.
- West Bangkanai PSC. SEI acquired a 30% interest in the West Bangkanai exploration block from Salamander Energy (West Bangkanai) Limited.

In the midstream segment, the Company upgraded the Muara Bekasi Station and changed the PLN Muara Tawar meter from a turbine meter to an Ultra Sonic Meter (USM) to improve the reliability of the gas flow measurement system.

In the downstream segment, the Company carried out replacements and additions to the length of the distribution pipeline and facilities in support of reliable PGN gas distribution to customers.

Other operational segments comprise Assets Underconstruction at the Project Management Office that are related to the distribution network, assets and facilities related to FSRU Lampung and Assets Underconstruction related to the Kalija Project.

2. Investment Value

The total value of investments and acquisitions was USD2.68 billion, consisting of USD1.50 billion for the upstream segment; USD23.14 million for the midstream segment; USD53.41 million for the downstream segment and USD1.09 billion for other operations.

3. Sources of Funds

The funds used to finance the investments and acquisitions above came from the Company's internal and external resources through the issuance of bonds and commercial loans.

INFORMATION ON MATERIAL TRANSACTIONS WITH A CONFLICT OF INTEREST AND TRANSACTIONS WITH AFFILIATES

To support the operations of the Company and to improve performance and effectiveness with regard to reaching the Company's short-term and long-term goals, the Company has forged synergies with its subsidiaries, which are related to loans and investments to finance the subsidiaries.

Loan to the Subsidiaries

1. Parties to the Transaction

In 2014, the Company granted loans in the form of Shareholder Loans (SHL) to these subsidiaries: PGASCOM, GEI, SEI, and PGASOL. A loan was also extended to KJG, a second level subsidiary of the Company.

2. Justification of the fairness of the transactions

All transactions were carried out at fair market value with loan interest rates that referred to the market interest rates. They also upheld sound corporate governance principles and were in accordance with accepted business practices.

3. Reason for transactions

The SHLs were granted to ensure that the subsidiaries had sufficient funding to invest and develop their business, which in turn will support the business synergy within the PGN Group.

4. Realization of the transactions

The realization of the SHL transactions in 2014 was as follows:

- Loan to PGASCOM of Rp142 billion
- Loan to GEI of USD20 million
- Loan to SEI of USD448.35 million
- Loan to PGASOL of USD34 million
- Loan to KJG of USD65 million

5. Company policy on the transaction review mechanism
The Company has a task force to review and evaluate the performance of the subsidiaries. Performance reviews were conducted periodically to ensure that transactions were consistent with the intended purpose of the loan.
6. Compliance with relevant regulations and provisions
All the transactions above were carried out in compliance with the relevant rules and regulations and by upholding GCG principles. The approval of the provision of SHLs complied with the Company's Articles of Association and other corporate rules.

Investments in the Subsidiaries

1. Parties to the Transaction
In 2014, the Company made investments in these subsidiaries: SEI and PGN LNG.
2. Justification of the fairness of the transactions
All the investments above were executed at fair market value and upheld the principles of sound corporate governance and accepted business practices.
3. Reason for transactions
The investments were made to ensure that the subsidiaries had sufficient funding to invest and develop their business so that it can support the synergy within the PGN Group.
4. Realization of transactions
The investments realized in 2014 were as follows:
 - Investment in SEI of USD 529.54 million
 - Investment in PGN LNG of USD 255.97 million
 - Investment in Permata of USD 7.63 million

5. Company policy on the transaction review mechanism
The Company has a task force to review and evaluate the performance of the subsidiaries. Performance reviews were conducted periodically to ensure that the transactions carried out by the subsidiaries were in accordance with the purpose of the investments.
6. Compliance with relevant regulations and provisions
All the transactions above were carried out in compliance with the relevant rules and regulations and by upholding GCG principles. The approval of investments complied with the Company's Articles of Association.

CHANGES IN LEGISLATION

Changes in regulations related to PGN's business activities included the following:

Decree of the Head of the Downstream Oil and Gas Regulator (BPH Migas) No. 01/TARIF/BPHMIGAS/KOM/2014 on the Application of Transportation Rates for Natural Gas through Transmission Pipeline in Gresik (South Sumatera) to Muara Bekasi (West Java) and Pertamina's Pagar Dewa Receiving Point (South Sumatera) to Bojonegara (Banten) for PT Perusahaan Gas Negara (Persero) Tbk.

With this BPH Migas decree, PGN is required to implement a new tariff scheme on the transportation of natural gas through the SSWJ pipeline operated by the Company, changing from a postage stamp tariff to an entry-exit tariff. The tariff changes are illustrated in the following table:

Receipt Point	Delivery Point	Before 30 January 2014 (Postage Stamp Tariff)	After 30 Januari 2014 (Entry Exit Tariff)
Pagardewa	Bojonegara	1.55	1.55
Pagardewa	Muara Bekasi	1.55 + 1.47	1.55
Grissik	Muara Bekasi	1.47	1.47
Grissik	Bojonegara	1.47 + 1.55	1.47

This regulatory change did not significantly affect PGN's earnings in the transmission segment. PGN has complied with the regulation by applying the new rate.

CHANGES IN ACCOUNTING POLICIES

The accounting policies applied in the preparation of the consolidated financial statements in 2014 were consistent with the accounting policies applied in the preparation of consolidated financial statements in 2013.

However, there are accounting standards that became effective as of 1 January 2015 which impact PGN's financial reporting, namely the Statement of Financial Accounting Standards (PSAK) No. 65: Consolidated Financial Statements.

This replaces the section of PSAK 4 (2009) regarding the setting of accounting for the consolidated financial statements, and establishes the principle of the preparation and presentation of consolidated financial statements when an entity controls one or more other entities.

The impact of the application of PSAK No. 65 is that PT TGI's financial statement, which was previously consolidated with PGN's financial statement, should not be consolidated and will be recognized under the equity method. The consolidated net profit before and after the application of this PSAK will yield the same value, but TGI's income, expenses, assets and liabilities will not be reflected in PGN's consolidated financial statements.

For more detailed information regarding accounting policies, see note #2 in the consolidated financial statements, which is bundled together with this annual report.



INTERVIEW WITH MUHAMMAD WAHID SUTOPO, DIRECTOR OF INVESTMENT PLANNING AND RISK MANAGEMENT

Q

How did the Company's subsidiaries perform in 2014?

A

In general the performance of the Company's subsidiaries improved in 2014 compared with 2013 performance. As an example, a subsidiary in the upstream sector carried out a number of activities enabling it to become an operator of oil and gas fields as well as acquire a participating interest in a shale gas field in the United States. Whereas in the downstream sector, subsidiaries developed Mobile Refueling Units (MRU) and Gas Fueling Units (SPBG) to promote the utilization of natural gas and decrease dependence on oil.

Q

Has the investment in upstream acquisitions made contributions to PGN?

A

In 2014, the upstream subsidiary contributed significant growth in revenue from the upstream business in the amount of USD298 million in 2014 compared with USD35 million in 2013. This is the result of investments in, or acquisitions of, oil and gas blocks.

Q

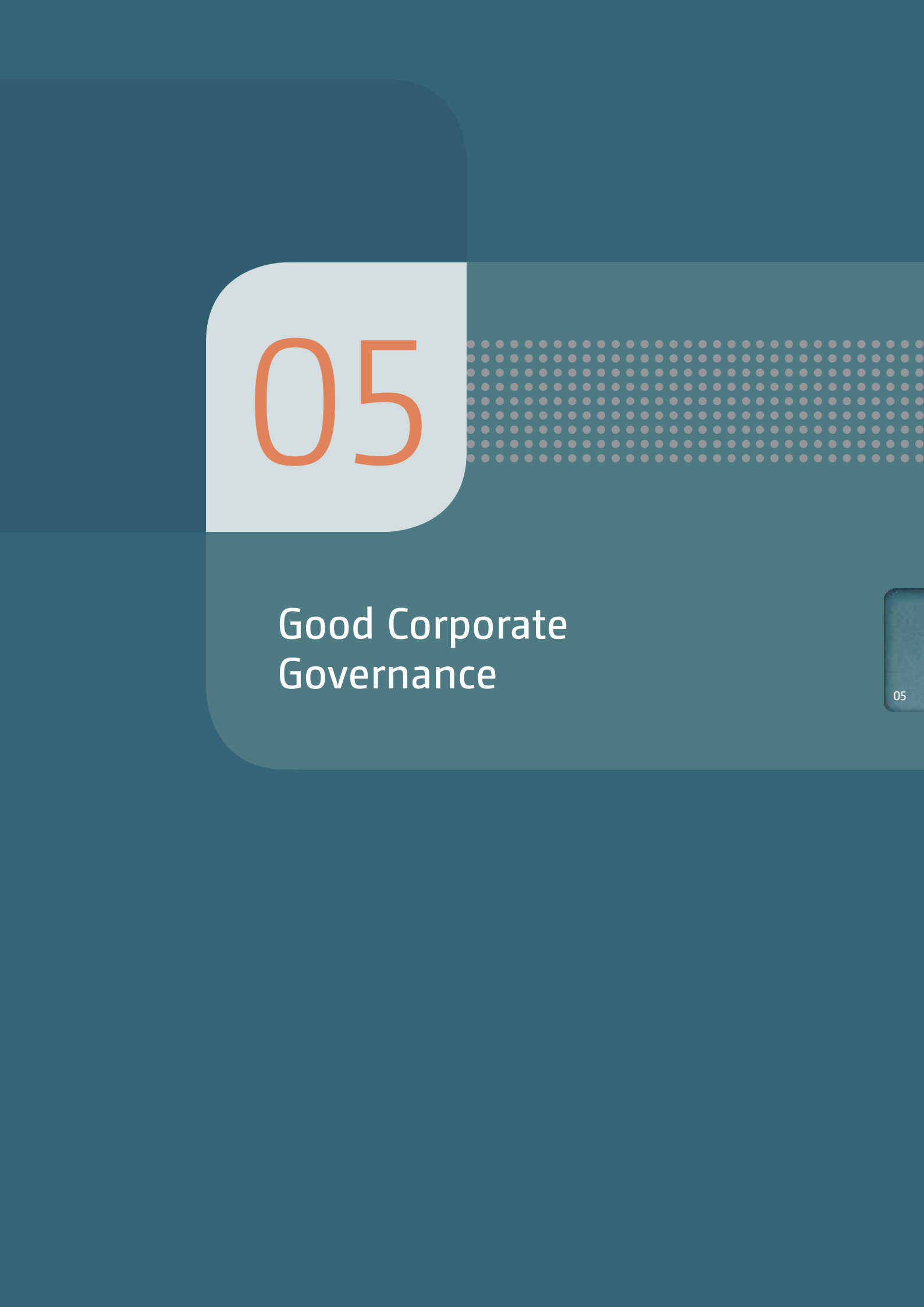
What is the progress of the LNG business and what are your expectations for the coming year?

A

At the beginning of 2014 we finished the construction of our second floating LNG terminal or FSRU in Lampung and it began commercial operations. Initially, gas from this terminal will be absorbed by the power plant sector, but we expect to also approach other sectors in the future, depending on market demand and purchasing power.



PGN is able to manage and control the pipeline channels long distance through the *Supervisory Control and Data Acquisition (SCADA) System*.



05

Good Corporate Governance

GOOD CORPORATE GOVERNANCE



State Officials Wealth Report

is mandatory for all management levels, from supervisors upwards.

PGN's Good Corporate Governance was assessed as VERY GOOD in 2014 with a score of 92.061

IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

PT Perusahaan Gas Negara (Persero) Tbk, ("PGN"), has established GCG and the principles of Transparency, Accountability, Responsibility, Independence and Fairness as the basis for improving the Company's performance by continuously updating the Guidelines, Operational Procedures and Manuals in response to prevailing legislation changes, transformation programs and Company developments. These updates are reinforced by socialization and application. Socialization is conducted as part of the Company's commitment to constantly remind all stakeholders of the importance of GCG in all work activities.

The implementation of GCG is a reflection of PGN's compliance with the Minister of SOEs Regulation No. PER-9/MBU/2012, dated 6 July 2012, regarding the amendment to the Minister of SOEs Regulation No. PER-01/MBU/2011, dated 1 August 2011, regarding the Implementation of Good Corporate Governance in State-Owned Enterprises (SOEs).

The implementation of GCG in PGN is intended to:

1. Optimize PGN's value to ensure that it is highly competitive at both national and international levels, such that it is capable in maintaining its existence and sustainability in order to achieve the Company's intents and purposes;
2. Promote the professional, efficient and effective management of PGN, and empower and strengthen the independence of the Corporate Organs;
3. Encourage the Corporate Organs to ensure that their decision making and actions are founded on strong moral values and compliance with the legislations, and promote an awareness of PGN's social responsibility to its Stakeholders and its environment;
4. Increase PGN's contribution to the national economy;

5. Promote a conducive climate for the development of national investment; and
6. Promote an improved corporate image.

GCG ASSESSMENT

The Company's GCG Assessment in 2014 began with a GCG Assessment Kick-Off Meeting on 1 September 2014. The 2014 GCG Assessment was conducted from 1 September 2014 to 31 October 2014.

Six aspects were examined in the GCG Assessment:

1. Commitment to the Continuous Application of GCG
2. Shareholders and GMS
3. Board of Commissioners
4. Board of Directors
5. Information Disclosure and Transparency
6. Other Aspects

The performance assessment of the Board of Commissioners and Board of Directors was conducted by an independent assessor from PT Sinergi Daya Prima. The GCG Assessment began with a GCG Assessment questionnaire, which was filled in by every member of the Board of Directors and Board of the Commissioners. It continued with a review of the documents held by the Corporate Secretary and the Secretary of the Board of Commissioners based on the parameters required by SK-16/S.MBU/2012, dated 6 June 2012. The assessment concluded with interviews by the independent assessor of the members of the Board of Commissioners and the Board of Directors of PGN.

The continuous implementation of GCG is actualized by the Company by taking into account and following up the recommendations and suggestions from the 2013 assessment by an independent party. In 2014 we achieved a total score of 92.061 out of a maximum 100, giving a rating of VERY GOOD, which was an improvement on the 2013 score of 91.616. The score was broken down as follows:

GCG ASSESSMENT RESULTS IN 2014

No.	GCG Assessment Examination Aspects (New Parameters)	Weighting	Year 2014		Year 2013	
			Score Attained	Fulfillment Level	Score Attained	Fulfillment Level
1.	Commitment to the Continuous Application of GCG	7	6,826	97.52%	5,566	79.51%
2.	Shareholders and GMS	9	8,561	95.12%	8,518	94.64%
3.	Board of Commissioners	35	30,187	86.25%	31,364	89.61%
4.	Board of Directors	35	32,906	94.02%	32,628	93.22%
5.	Information Disclosure and Transparency	9	8,581	95.35%	8,540	94.89%
6.	Other Aspects	5	5,000	100%	5,000	100%
	Total	100	92,061	92.06%	91,616	91.62%

ACHIEVEMENT AND RATING

Level	Achievement	Rating
1	$85 < x \leq 100$	Very Good
2	$75 < x \leq 85$	Good
3	$60 < x \leq 75$	Adequate
4	$50 < x \leq 60$	Poor
5	$x \leq 50$	Very Poor

The table above shows that the GCG assessment score increased from 91.616 ("Very Good") in 2013, to 92.061 (also "Very Good") in 2014.

The aspects that improved in 2014 were:

- The Commitment to the continuous application of GCG score increased to 97.52% from 79.51% in 2013;
- The Shareholders and GMS score increased to 95.12% from 94.64% in 2013;
- The Board of Directors score increased to 94.02% from 93.22% in 2013; and
- The Information Disclosure and Transparency score increased to 95.35% from 94.89% in 2013.

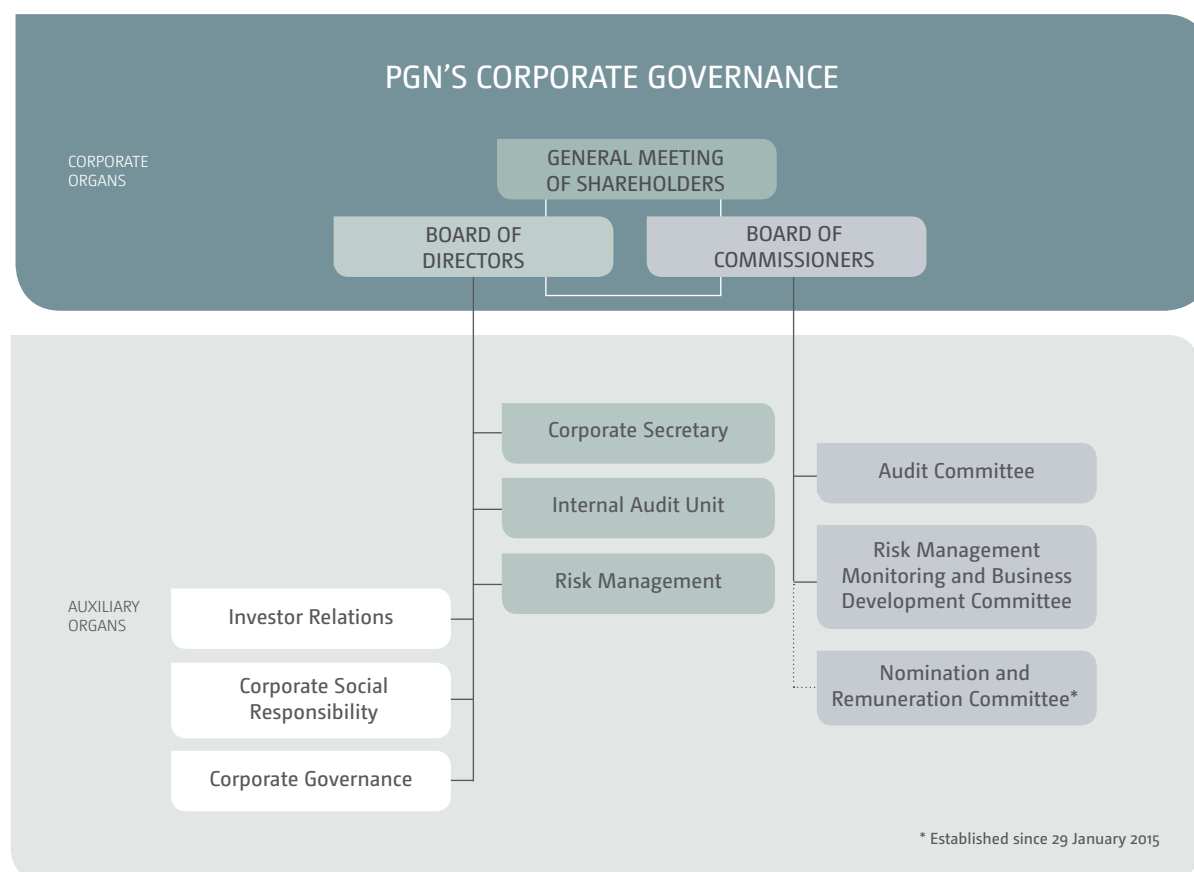
The improvement in the Company's GCG score is evidence of our commitment to applying GCG in all of our corporate activities. PGN has implemented various operational improvements to support the management of the Company in accordance with GCG, by putting into effect new Guidelines that refer to the prevailing legislation, among which are a human resource policy that includes education and training as well as HR development, an employee assessment system, a career system, employee remuneration and welfare, the application of reward and punishment, and an intensification of occupational safety, health, and environmental management.

GOOD PRACTICE BASED ON THE 2014 GCG ASSESSMENT RESULTS

Examination Aspect	Maximum Score	Score Attained	% Attained	Good Practices implemented by PT PGN (Persero) Tbk
Commitment to the Continuous Application of GCG	7	6.826	97.52%	- The GCG Guide, the Employee Code of Conducts, and the Whistle-Blowing System Guide have been published on our website http://pgn.co.id. The Company portal http://portal.pgn.co.id is also accessible to all employees. - Management and reporting of the State Officials Assets Report (LHKPN) was carried out by all applicable officials. - The Company has performed a check and balance to ensure the Company has not deviated from the applicable provisions, though this is not yet optimized.
Shareholders and GMS	9	8.561	95.12%	Shareholders/GMS have completed appraisals of the Board of Commissioners candidates through Board candidate suggestions, and completing the appraisals based on their competence.
Board of Commissioners	35	30.187	86.25%	- The Board of Commissioners has completed a training program and practiced in sharing knowledge. - The Board of Commissioners has provided related guidance to internal control, risk management, provision of goods and services, IT systems, accounting and quality policies, and career development and services. - The Board of Commissioners has ensured that the Internal and External Audits were completed effectively. - The Secretary of the Board of Commissioners has performed administration and document storage for the Board. - The committees under the Board of Commissioners possess the Committee Charter and work program, as well as report the activities and assignment results they receive to the Board of Commissioners in the form of Quarterly Reports and individual reports from each committee.
Board of Directors	35	32.906	94.02%	- The Board of Directors has completed a capability improvement program to improve board member competency in accordance with the Board Manual provisions. - The Board of Directors has composed and submitted a performance incentives proposal to the GMS. - The Board of Directors has implemented a product and services quality improvement system through quality dissemination and certification. - The Company has carried out corporate social responsibility to support the corporate operation sustainability in accordance with Company policies. - The Board of Directors has signed a conflict of interest statement, as well as listed personal and family shares ownership
Information Disclosure and Transparency	9	8.581	95.35%	- The Company has established the Company information control procedures and systems to secure important Company information. - The Company website provides public information in a cost-effective, straightforward, and timely manner. The Company also has other channels that provide important Company policy information, which include the Company portal http://portal.pgn.co.id, and PGN's internal magazine, Inside. - Important Company information and policies are available on our website for easy access.
Other Aspects	5	5.000	100%	- The Company has now become a benchmark of comparison for other companies. - The Company received several awards at the 2013 Annual Report Awards held by the League of American Communications Professionals, which included: 1. The Vision Award at the 2013 LACP Platinum Awards 2. 4th Place at the Annual Report Worldwide Top 100 3. 2nd Place at the Annual Reports in the Asia-Pacific Region Top 80 4. Top 10 Indonesian Annual Report of 2013 - Our contact center received the 2014 Best Agent Inbound Regular and Best Office Contact Center. - The Safe Work Hours Award from the Governor of East Java for SBU Distribution Area II for 7,977,373 work hours up to 31 October 2014. - The Zero Workplace Accidents Award for SBU Distribution Area II from the Ministry of Labor and Transmigration, for 7,977,373 work hours up to 31 October 2014. - The K3 Orderly Award for SBU Distribution Area I from the Jakarta Labor and Transmigration Service on 19 March 2014.
Total Score	100	92.061	92.06%	
GCG Implementation Quality Rank				Very Good

CORPORATE GOVERNANCE STRUCTURE

Pursuant to Law No. 40 of Year 2007 regarding Limited Liability Companies, the organs of the Company are the General Meeting of Shareholders (GMS), the Board of Commissioners, and the Board of Directors. These Corporate organs play a pivotal role in the successful implementation of Good Corporate Governance. The corporate organs carry out their functions in accordance with the prevailing legislations, the Company's Articles of Association, and other provisions on the fundamental principle that each organ is independent in the fulfillment of its duties, functions, and responsibilities for the interests of the Company.



GENERAL MEETING OF SHAREHOLDERS

The GMS holds authority that is not given to either the Board of Directors or the Board of Commissioners, within certain limits that are determined by legislations or in the Articles of Association. It has the authority to request accountability from the Board of Commissioners and Board of Directors in relation to the management of the Company, amend the Articles of Association, appoint and terminate the Directors

and members of the Board of Commissioners, decide the division of management tasks and authority between the Directors, and so on. The Company ensures that all information related to the Company is disclosed to the GMS, provided that it does not conflict with the interests of the Company or any laws and regulations.

In 2014, PGN held its Annual GMS on 27 March 2014. This GMS was held pursuant to Law No. 40 of 2007 regarding Limited Liability Companies, and BAPEPAM Regulation No. IX.I.1 regarding the plan and implementation of the General Meeting of Shareholders.

Annual GMS on 27 March 2014

- Notices of the plan to hold the Annual GMS were published in three national newspapers on 25 February 2014.
- The invitation to the Annual GMS was published in three national newspapers on 12 March 2014.
- The results of the Annual GMS were announced in three national newspapers on 1 April 2014.

The agenda of the Annual GMS on 27 March 2014 was as follows:

1. Approve the Company's 2013 Financial Year Annual Report, the 2013 Financial Year Partnership and Community Development Program Report, and the Board of Commissioners' 2013 Financial Year Oversight Duties Report;
2. Ratify the Company's 2013 Financial Year Annual Financial Statements, including the 2013 Financial Year Partnership and Community Development Program Financial Statement, and the release and discharge of members of the Board of Directors and the Board of Commissioners from their responsibilities for the 2013 Financial Year;
3. Determine the utilization of the Company's profits for the 2013 Financial Year, and determine the dividends;
4. Determine the Public Accountants that will audit the 2014 Financial Year Financial Statements, and the 2014 Financial Year Partnership and Community Development Program Financial Statements;
5. Determine the remuneration of the members of the Board of Commissioners and Board of Directors;
6. Approve the implementation of any regulations made by the Minister for State-Owned Enterprises; and
7. Decide any changes in the Company's management.

Annual GMS Results 2014

The results of the Annual GMS on 17 April 2013 were as follows:

1. Approved the Annual Report regarding the condition and operation of the Company, including the 2013 Financial Year Board of Commissioners' Oversight Duties Report, and the 2013 Financial Year Partnership and Community Development Program Annual Report;
2. a. Approved the ratification of:
 - 1) The Company's 2013 Financial Year Consolidated Financial Statements, which were audited by Public Accountants Purwantono, Suherman & Surja (Ernst & Young), pursuant to their report No. RPC-4876/PSS/2014, dated 25 February 2014, with fair reasoning in all material respects;
 - 2) The 2013 Financial Year Partnership and Community Development Program Financial Statements, which were audited by Public Accountants Purwantono, Suherman & Surja (Ernst & Young), pursuant to their report No. RPC-4940/PSS/2014, dated 25 February 2014, with fair reasoning in all material respects;
- b. Released and discharged in full (volledig acquit et decharge) the members of the Board of Directors from their management duties of the Company, and to the members of the Board of Commissioners for the oversight of the Company and the Partnership and Community Development Program that was carried out in the 2013 financial year, provided that such actions are not in conflict with any prevailing regulations or laws, and are recorded in the Company's 2013 Financial Year Annual Report and Financial Statements, and the 2013 Financial Year Partnership and Community Development Program Financial Statements;
3. a. Approved the utilization of Current Earnings That Can Be Attributed to the Owners of the Holding for the 2013 financial year, which amounted to a total of US\$860,533,234 and detailed as follows:

- 1) As dividends from current earnings, Rp5,100,024,084,438 or Rp210.40 per share will be paid out in cash to the shareholders;
- 2) The remainder of the Current Earnings That Can Be Attributed to the Owners of the Holding after the payment of the Dividends in Point 3.a.1) above will be recorded as Appropriated Reserves;
- b. Granted authority to the Board of Directors to make further arrangements for the payment of the dividends, and to announce it with due attention to the prevailing legislations;
4. Appointed Public Accountants Purwantono, Suherman & Surja (Ernst & Young) to undertake the 2014 Financial Year Audit, whose scope covers the 2014 Financial Year Consolidated Financial Statements Audit, the Legislation Compliance and Internal Control Audit, as well as the 2014 Financial Year Partnership and Community Development Program Financial Statements Audit;
5. Approved the authorization of the Company's Board of Commissioners to determine salaries, facilities, and other allowances for members of the Board of Directors and Board of Commissioners for the 2014 financial year, as well as performance bonuses and incentives for the 2013 financial year, after first receiving approval from the Dwiwarna A Series Shareholders;
6. Approved the validation of the following regulations from the Minister of State-Owned Enterprises:
 - a. Minister of SOEs Regulation No. PER-03/MBU/2012 regarding Guidelines for Appointing Members of the Board of Directors and Board of Commissioners for State-Owned Enterprise Subsidiaries;
 - b. Minister of SOEs Regulation No. Per-12/MBU/2012 regarding Auxiliary Organs of the Board of Commissioners/Board of Trustees of State-Owned Enterprises;
 - c. Minister of SOEs Regulation No. PER-15/MBU/2012 regarding Amendments to the Minister of SOEs Regulation No. PER-05/MBU/2008 on General Guidelines for the State-Owned Enterprises Procurement of Goods and Services;

- d. Minister of SOEs Regulation No. PER-04/MBU/2014 regarding Guidelines for Income Stipulation for the Board of Directors, Board of Commissioners, and Board of Trustees of State-Owned Enterprises;

7. Approved:

- a. To honorably discharge Kiagus Ahmad Badaruddin as Company Commissioner, from the closing of this meeting, with gratitude of his service while in this role;
- b. Appoint A. Edy Hermantoro as Company Commissioner, from the closing of this GMS till the closing of the fifth Annual GMS, while retaining the right of the General Meeting of Shareholders to terminate the appointment before the end of that term; and
- c. After the closing of this meeting, the member structure of the Company's Board of Commissioners will be as follows:

BOARD OF COMMISSIONERS

Position	Name
President Commissioner	Bayu Krisnamurthi
Independent Commissioner	Pudja Sunasa
Independent Commissioner	Widya Purnama
Commissioner	Muhammad Zamkhani
Commissioner	Firmanzah
Commissioner	A. Edy Hermantoro

Authority is granted to the Company's Board of Directors with substituted rights to declare that of which is decided in this agenda as a Deed in the presence of a Notary or authorized official.

Realization of Annual GMS Results 2014

Implementation of the Resolutions of the 2014 Annual GMS on 27 March 2014:

1. Distribution of net profits for the 2013 financial year was carried out according to the GMS mandates as follows:
 - a) Distribution of cash dividends to the amount of Rp5,100,024,084,438 was paid on 19 May 2014;
 - b) The Remainder of the Current Earnings That Can Be Attributed to the Owners of the Holding

after the payment of the dividends in Point 1.a) above will be recorded as Appropriated Reserves;

2. Appointed Public Accountants Purwantono, Suherman & Surja, a member firm of Ernst & Young Global Limited, to perform the 2014 Financial Year General Financial Statements Audit, the Legislation and Internal Control Compliance Audit, as well as the Partnership and Community Development Program Financial Statements for the Financial Year Ending 31 December 2014 Audit;
3. Salaries, Honorariums, and Allowances for the Board of Directors and Board of Commissioners were paid according to the GMS mandate;
4. Performance Bonuses for the Board of Directors and Board of Commissioners were paid on 17 April 2014; and
5. The duties of the Company's new management were implemented effectively, starting at the close of the GMS.

THE BOARD OF COMMISSIONERS

RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

Every member of the Board of Commissioners must, in good faith and with full responsibility, exercise supervision and provide advice to the Board of Directors for the interests and objectives of the Company. Each member of the Board of Commissioners is individually and collectively liable for any loss to the Company if the individuals concerned are found to be guilty or negligent in the performance of their duties.

The Board of Commissioners is fully responsible for the supervision of the SOEs in line with the Company's interests and objectives.

The Board of Commissioners also has full responsibility for monitoring the effectiveness of GCG practices, and providing suggestions for the improvement of GCG systems and implementation.

Discharge of Duties of the Board of Commissioners

During 2014, the Board of Commissioners carried out the following duties and activities:

1. Approved and ratified:
 - a. The appointment of PT Towers Watson as a remuneration consultant related to the 2013 Financial Year Annual GMS;
 - b. The appointment of Public Accountants Purwantono, Suherman & Surja (Ernst & Young) to carry out the 2014 Financial Year PGN Consolidated Financial Statements General Audit, the Legislation and Internal Control Compliance Audit, as well as the Partnership and Environmental Community Development Program Financial Statement Audit for the financial year ending 31 December 2014;
 - c. The establishment of Subsidiary engaged in field of services and property;
 - d. The issuance of a bond valued up to US\$1,350,000,000 in 2014;
 - e. Loan to and investment in PT Kalimantan Jawa Gas (KJG) for the development, operation, and funding of Stage 1 of the Kalimantan-Java segment of the Transmission Pipeline Project (Kepodang-Tambaklorok);
 - f. The provision of additional capital investment to PT PGN LNG Indonesia ("PGN LNG") in the amount of US\$ 372,000,000;
 - g. A syndicated loan to the Company of US\$650,000,000 in the third quarter of 2014 with a tenure of five years;
 - h. Extended the write-off period and/or Material transfer and/or (HBB) of the 2013 Corporate Year;
 - i. Funded Investment in subsidiary PT Saka Energi Indonesia in the amount of US\$ 803,578,816, with details as follows:
 - US\$668,700,000 to investment of funds for investment in WK Pangkah; and
 - US\$134,878,816 of funds for investment in the Fasken Block;
 - j. Additional capital investment in PT Permata Graha Nusantara of up to Rp 95 billion through:
 - Conversion of receivables of US\$5 million plus loan interest, based on the Loan Agreement from the Shareholders; and
 - Additional working capital of Rp6 billion;
 - k. The Revised Business Plan and Company Budget (RKAP) for 2014;

- l. The Business Plan and Company Budget (RKAP) for 2015; and
 - m. The Long-Term Company Plan (RJPP) for 2015-2019;
2. Discussed, advised, and requested clarification on matters including:
 - a. Strategic issues that affect the Company's operations;
 - b. Progress of the 2014 RKAP and issues;
 - c. KPI for the Board of Commissioners and Board of Directors, the 2014 Board of Commissioners and Board of Directors Joint Work Program, as well as the allocation of tasks among the Board of Commissioners;
 - d. Following up on Internal and External Audit results;
 - e. Investment in the Upstream Sector through several Subsidiaries (PT Saka Energi Indonesia, PT Permata Graha Nusantara, PT PGN LNG Indonesia and PT Kalimantan Jawa Gas;
 - f. Implementation of GCG practices in the Company environment;
 - g. Investment portfolio policies for business development;
 - h. HR management and outsourcing policies;
 - i. Goods and services procurement policies;
 - j. IT systems development policies;
 - k. Internal control system-strengthening policies;
 - l. Risk management policies;
 - m. Company Transformation (in the organization and HR) as part of facing future business challenges, and PGN's major plans to become the National Gas Company;
 - n. The establishment of a Subsidiary in the field of goods and services;
 - o. Preparations for the inauguration of the FSRU (Floating Storage Regasification Unit) in Lampung;
 - p. Public Relations and Corporate Social Responsibility policies in order to improve the Company's image and to widen networking;
 - q. Follow-up on BPK RI inspection result recommendations;
 - r. Supervise and monitor PGAS share price movements; and
 - s. Revisions of RKAP 2014, RKAP 2015, and RJPP 2015-2019;
 3. Responding to periodic reports from the Board of Directors, as well as the Company's 2014 Quarterly Financial Statements to the Dwiwarna Shareholder;
 4. Carried out the Board of Commissioners' duties in relation to the GMS, including:
 - a. Discussing the 2013 Financial Year Annual GMS agenda, which was held on 27 March 2014;
 - b. Discussing and proposing a Public Accountant to audit the 2014 Financial Year Statements, the Legislation and Internal Control Compliance Audit, as well as the Partnership and Environmental Community Development Program Financial Statement Audit for the financial year ending 31 December 2014;
 - c. Discussing and proposing remuneration for the Board of Directors and Board of Commissioners; and
 - d. Following up on resolutions from the 2013 Financial Year Annual GMS.

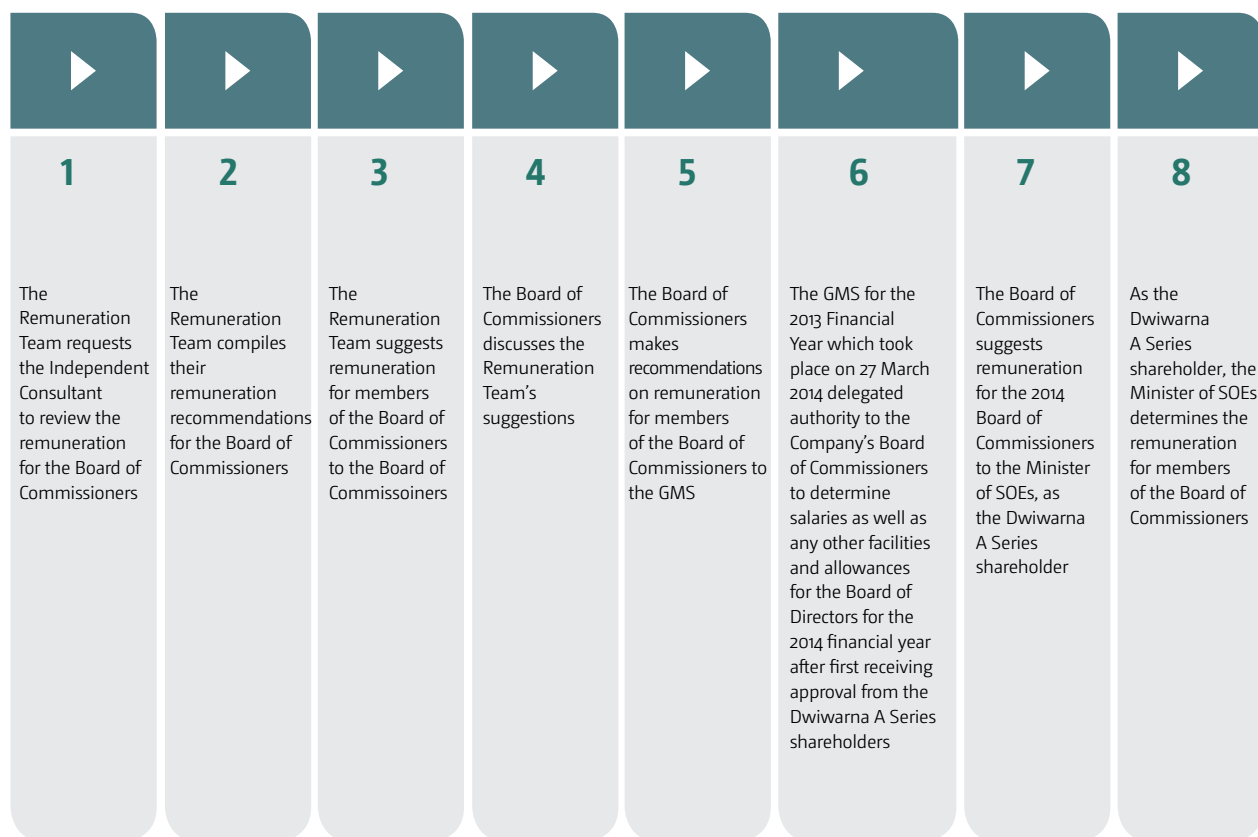
GUIDELINES AND WORKING ARRANGEMENT OF THE BOARD OF COMMISSIONERS (BOARD CHARTER)

In the course of executing its duty to oversee and advise the Board of Directors, the Board of Commissioners refers to the Board Charter. The Board Charter contains work guidelines for the Board of Commissioners and Board of Directors, and explains the activities step-by-step in a way that is structured, systematic, easily understood, can be consistently put into practice, and can provide a reference for the Board of Commissioners and Board of Directors in carrying out their respective duties to achieve the Company's Vision and Mission.

The guidelines and working arrangements of the Board of Commissioners are specifically articulated in Chapter III of the PT PGN (Persero) Tbk Board Charter, and cover:

- Duties and Responsibilities of the Board of Commissioners
- Rights and Authority of the Board of Commissioners
- Work Ethics
- Committees under the Board of Commissioners
- Secretary of the Board of Commissioners

POLICY AND PROCEDURE FOR THE DETERMINATION OF REMUNERATION FOR MEMBERS OF THE BOARD OF COMMISSIONERS



REMUNERATION FOR EACH MEMBER OF THE BOARD OF COMMISSIONERS

Determining Remuneration

The remuneration for the Board of Commissioners is determined with in reference to the Minister of State-Owned Enterprises Regulation No. PER-04/MBU/2014 regarding the Guidelines for the Determination of the Income of Members of the Board of Directors, the Board of Commissioners, and the Board of Trustees of State-Owned Enterprises.

Based on this SOE Minister Regulation, the principle of income of the Board of Commissioners is determined by the General Meeting of Shareholders (GMS), in which the income components are comprised of:

- a. Honorarium;
- b. Allowances;
- c. Facilities; and
- d. Performance Bonuses/Incentives.

Remuneration Structure of the Board of Commissioners

Based on the above Ministerial regulation, the income of the Board of Commissioners is determined by the General Meeting of Shareholders (GMS), and is comprised of:

1. Honorarium
The Board of Commissioners' honorarium are determined by the following considerations:
 - The President Commissioner receives 45% of the President Director's salary; and
 - Members of the Board of Commissioners receive 90% of the President Commissioner's honorarium.
2. Board of Commissioners Allowances
 - a. Religious Holiday Allowance
The Company shall provide a Religious Holiday Allowance that amounts to one month's honorarium;

- b. Transport Allowance
The Company shall provide a Transport Allowance that amounts to 20% of each member's honorarium;
- c. Post-Service Insurance
- The Company shall provide Post-Service Insurance for the duration of the member's term (from appointment until termination);
 - The maximum premium to be borne by the Company is 25% of the annual salary;
3. Facilities
- a. Health Facilities
- The Company shall provide Health Facilities in the form of health insurance or medical expenses reimbursement;
 - The Company shall provide Health Facilities to each member of the Board of Commissioners along with their spouse and a maximum of 3 (three) children under the age of 25, in accordance with applicable regulations;
 - The facilities provided are outpatient care and medication, hospitalization and medication, and medical check-ups;
- b. Legal Assistance Facilities
The Company shall provide Legal Assistance Facilities in the event of actions/measures for, and on behalf of the member's position in relation to the Company's business intents and purposes;
4. Performance Bonuses/Performance Incentives
- a. The Company shall award Performance Bonuses/Incentives to the Board of

Commissioners based on GMS/Minister provisions in the Annual Report ratification if:

- The soundness realization score is a minimum of 70; or
 - The score is less than 70, but the soundness targets in the RKAP were attained;
- b. Performance Bonuses/Incentives are part of the Financial Year costs, and so they must be specifically budgeted in that year's RKAP, to ensure the payment of Performance Bonuses/Incentives do not exceed the budgeted amount specified in the RKAP;
- c. Performance Bonuses/Incentives are determined by the following considerations:
- The President Commissioner receives 45% of the President Director's bonuses/incentives; and
 - Members of the Board of Commissioners receive 90% of the President Commissioner's bonuses/incentives;
- d. An additional performance bonus may be awarded in the form of a Long Term Incentive (LTI).

The remuneration awarded to each member of the Board of Commissioners refers to the Annual GMS Ruling, dated 27 March 2014, and the President Commissioner's Letter to the President Director of PT PGN (Persero) Tbk No. 20/D-KOM/2014, dated 15 April 2014, which refers to the Minister of SOEs Letter No. SR-155/MBU/d2/2014, dated 7 April 2014, regarding the Determination of Performance Bonuses and Remuneration for the Board of Commissioners and Board of Directors.

The amount of remuneration of the Board of Commissioners in 2014 is as follows:

REMUNERATION FOR THE BOARD OF COMMISSIONERS IN 2014

Position	Remuneration	Total (in Rp)	Total (in US\$)
Board of Commissioners	Honorariums	3,796,237,500,-	305,163.79
	Allowances	1,994,100,000,-	160,297.43
	Incentives	17,600,000,000,-	1,414,791.00
Total		23,390,337,500,-	1,880,252.21

* For comparison purposes, using the BI middle rate at end of 2014, US\$ 1 = Rp12,440

COMPANY POLICY ON MEETING FREQUENCY OF THE BOARD OF COMMISSIONERS

In accordance with the Minister of State-Owned Enterprises Regulation No. PER-01/M-MBU/2011, dated 1 August 2011, regarding the Implementation of Good Corporate Governance in State-Owned Enterprises, specifically Article 14, and the Provisions in Article 16 of the Company's Articles of Association, Board of Commissioners' meetings must be held at least once every month, and the Board of Commissioners may invite the Board of Directors to those meetings.

Frequency of Meetings

During 2014, the Board of Commissioners held 24 meetings, as specified below:

- 1 January – 27 March 2014 : 7 meetings.
- 28 March – 31 December 2014 : 17 meetings.

ATTENDANCE OF THE BOARD OF COMMISSIONERS PERIOD 1 JANUARY – 27 MARCH 2014

	Meetings Attended*	% Attendance
Bayu Krisnamurthi	6 times	85.71%
Kiagus Ahmad Badaruddin	4 times	57.14%
M. Zamkhani	5 times	71.43%
Firmanzah	3 times	42.86%
Pudja Sunasa	7 times	100%
Widya Purnama	7 times	100%

* Absence in meetings were due to official business trips and/or the concerned members were taking leaves

ATTENDANCE OF THE BOARD OF COMMISSIONERS PERIOD 28 MARCH – 31 DECEMBER 2014

	Meetings Attended*	% Attendance
Bayu Krisnamurthi	17 times	100%
M. Zamkhani	8 times	47.06%
Firmanzah	16 times	94.12%
A. Edy Hermantoro	14 times	82.35%
Pudja Sunasa	15 times	88.24%
Widya Purnama	9 times	52.94%

* Absence in meetings were due to official business trips and/or the concerned members were taking leaves

TRAINING PROGRAMS TO IMPROVE THE BOARD OF COMMISSIONER'S COMPETENCE

Throughout 2014, the commissioner of PT PGN (Persero) Tbk has participated in trainings, workshop, conference and seminar to improve capability in performing duties.

PRESIDENT COMMISSIONER/BAYU KRISNAMURTHI

No.	Date	Program	Venue
1	20 – 22 August 2014	Future Energy Trends	Singapore
2	18 – 19 November 2014	Gasex Conference and Exhibition 2014	Hong kong

INDEPENDENT COMMISSIONER/PUDJA SUNASA

No.	Date	Program	Venue
1	4 November 2014	Board of Commissioners Effective Oversight Mechanism and the Role of the Audit Committee in Detecting Fraud in Financial Statements: Reviewed from Accounting, Auditing, GCG, and Legal Aspects	Jakarta
2	10 – 11 December 2014	Fundamental Competences of audit Committe Professionals	Bandung

COMMISSIONER/FIRMANSYAH

No.	Date	Program	Venue
1	5 – 13 December 2014	Oil and Gas Management	London

INDEPENDENT COMMISSIONERS

INDEPENDENT COMMISSIONERS APPOINTMENT CRITERIA

The appointment of Independent Commissioners at PT PGN (Persero) Tbk is determined in line with the criteria as set forth in Regulation OJK No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Listed Companies, namely that they come from outside the company, and fulfill the requirements for an Independent Commissioner, such as:

- Has not been employed, authorized, or responsible for planning, leading, managing, or supervising the Company's affairs in the last six months;
- Does not have shares in the Company;
- Does not have any affiliations with the Company, members of the Board of Commissioners, members of the Board of Directors, or any major shareholders of the Company; and
- Does not have any business relationships related to the Company's business affairs.

The number of Independent Commissioners at PT Perusahaan Gas Negara (Persero) Tbk have fulfilled the requirements of Regulation OJK No. 33/POJK.04/2014, whereby Independent Commissioners must make up at least 30% of the total members of every listed company's Board of Commissioners.

INDEPENDENCE OF THE BOARD OF COMMISSIONERS

Every Independent Commissioner at PT Perusahaan Gas Negara (Persero) Tbk has fulfilled the requirements for independence to be an Independent Commissioner as per Regulation OJK No. 33/POJK.04/2014.

THE BOARD OF DIRECTORS

SCOPE OF WORK AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors must undertake its duties in good faith and with full responsibility. Each member of the Board of Directors is individually and collectively liable for any loss to the Company if the individuals concerned are found to be guilty or negligent in the performance of their duties according to the provisions of the law.

One member of the Board of Directors is appointed by a Meeting of the Board of Directors to be responsible for the application and monitoring of GCG in the Company.

The Board of Directors is the Company Organ with the authority and full responsibility for managing the Company in its best interests, in line with the Company's intents and purposes, and for representing the Company both in and out of a court of law, in accordance with the Articles of Association. Members of the Board of Directors are appointed and terminated by the GMS.

The Board of Directors performs duties and is accountable collegially. Each Director may act and make decisions in accordance with his or her tasks and authority. However, the implementation of each Director's duties remains a joint responsibility. The status of each member of the Board of Directors, including the President Director, has equal status with the other Directors. The task of the President Director, as *primus inter pares*, is to coordinate the activities of the Board of Directors.

Scope of Work

1. To lead and take actions in relation to the management of the Company in its best interests and in accordance with its intents and purposes, which include:
 - a. To maintain and manage the Company's assets; and
 - b. To always seek to improve the efficiency and effectiveness of the Company;
2. To represent the Company, both in and out of a court of law, as regulated in the relevant legislation, the Articles of Association, and/or Decisions of the GMS.

The scope of work and responsibilities of each Director are as follows:

PRESIDENT DIRECTOR

Scope of Work

- a. The President Director coordinates all the development and operational activities of the Company, in the implementation of which he or she is assisted by, and cooperates with, the other Directors; and
- b. In addition to the functions above, the President Director also establishes, manages, and controls supervision over the management of the Company.

Responsibilities

- a. To plan, manage, and control the Company Business Plan and Budget, and evaluate its achievements;
- b. To plan, manage, and control supervision over the management of the Company;
- c. To plan, manage, and control compliance with the laws and legislations;
- d. To plan, manage, and control policies relating to corporate communications, institutional relations, and investor relations;
- e. To control the corporate development of technology, engineering, construction, and IT;
- f. To control gas supply, operational, marketing, and corporate sales activities, as well as occupational safety and health and environmental management;
- g. To control the management of the budget, treasury, accounting, company finances, as well as social and environmental responsibility;
- h. To control the management of human resources, general services and corporate security, logistics, business organization and processes, as well as asset management; and
- i. To control strategic planning for the development of the business, business transformation, and risk management.

DIRECTOR OF TECHNOLOGY AND DEVELOPMENT

Scope of Work

The Director of Technology and Development establishes, manages, and controls Company policy on the preparation and evaluation of analyses of technological developments, the planning, engineering, and construction of natural gas transmission and distribution pipelines, other modes of transportation and its ancillary facilities, as well as other measures to support the utilization of natural gas and the development of information technology.

Responsibilities

- To plan, manage, and control the Business Plans and Budgets of the work units of the Directorate of Technology and Development, and evaluate its achievements;
- To plan, manage, and control policies and activities related to technological development in the field of natural gas transmission and distribution pipelines, other modes of transportation and ancillary facilities, as well as other measures that support natural gas utilization;
- To plan, manage, and control policies and activities related to the planning and engineering of the natural gas transmission and distribution pipeline network, other transportation modes and ancillary facilities, as well as other measures that support the utilization of natural gas; and
- To plan, manage, and control policies and activities related to IT.

DIRECTOR OF COMMERCE

Scope of Work

The Director of Commerce establishes, manages, and controls the Company's policies on the operation and maintenance of the natural gas transmission and distribution pipeline network, ancillary facilities and other transportation modes, as well as the planning, demand, and control of gas supply availability, the management of natural gas distribution, customer service, and OS&H and environmental management.

Responsibilities

- To plan, manage, and control the Business Plans and Budgets of Work Units in the Directorate of Commerce, and evaluate their achievements;
- To plan, manage, control, and develop policies related to the operation and maintenance of the gas transmission and distribution pipeline network and its ancillary facilities, as well as the operation and maintenance of other transportation modes;
- To plan, manage, control, and develop policies related to natural gas supply;
- To plan, manage, control, and develop policies related to marketing, sales, and customer service; and
- To plan, manage, and control policies related to occupational safety and health and environmental management.

DIRECTOR OF FINANCE

Scope of Work

The Director of Finance establishes, manages, and controls the Company's policies related to the Business Plan of the Directorate of Finance and the Company's budget, the treasury, organization of accounting activities, preparation of financial statements, taxation, financial management, and the management of the social and environmental responsibility program.

Responsibilities

- To coordinate the formulation of the Company Business Plan and Budget, and evaluate its achievements;
- To plan, manage, and control the Business Plan and Budget of the Directorate of Finance, and evaluate its achievements;
- To plan, manage, and control policies and activities related to the Company treasury;

- d. To plan, manage, and control policies and activities related to the Company's accounting, financial statement preparations, and taxation;
- e. To plan, manage, and control policies related to the Company's long-term finances; and
- f. To plan, manage, and control policies related to the implementation of the Company's social and environmental responsibility.

DIRECTOR OF HUMAN RESOURCES AND GENERAL AFFAIRS

Scope of Work

The Director of HR and General Affairs plans and controls Company policies on human resources management, education and training, organization, business processes, as well as GCG and the Corporate Culture, logistics, general services and Company security, and asset management.

Responsibilities

- a. To plan, manage, and control the Business Plans and Budgets of work units in the Directorate of HR and General Affairs, and evaluate their achievements;
- b. To plan, manage, and control policies and activities related to workforce planning, and human resource development and empowerment;
- c. To plan, manage, and control policies and activities related to remuneration and industrial relations;
- d. To plan, manage, and control policies and activities related to education and training;
- e. To plan, manage, and control policies related to the development of Management Systems, Good Corporate Governance and the Corporate Culture, as well as the implementation of organizational development;
- f. To plan, manage, and control policies and activities related to logistics, including the procedures for goods and services procurement;
- g. To plan, manage, and control policies and activities related to services, the supply and maintenance of office buildings, and company security;
- h. To plan, manage, and control policies on asset management; and
- i. To preserve and develop knowledge management-based core corporate competencies.

DIRECTOR OF INVESTMENT PLANNING AND RISK MANAGEMENT

Scope of Work

The Director of Investment Planning and Risk Management establishes, manages, and controls the Company's policies on the formulation and evaluation of strategic plans, business development, business transformation, corporate performance management, and risk management.

Responsibilities

- a. To plan, manage, and control the Business Plans and Budgets of work units in the Directorate of Investment Planning and Risk Management, and evaluate their achievements;
- b. To plan, manage, and control policies and activities related to the formulation, evaluation, and control of the Company's strategic plans;
- c. To plan, manage, and control policies and activities related to business development, investment planning, and the establishment and control of Subsidiaries;
- d. To plan, manage, and control policies and activities related to the Company and its work units' business transformation and performance control; and
- e. To plan, manage, and control policies and activities related to the Company's risk management.

GUIDELINES AND WORKING ARRANGEMENT OF THE BOARD OF DIRECTORS (BOARD CHARTER)

In carrying out their Company management role and functions, and managing their relationship with the Board of Commissioners, the Board of Directors refers to the Board Charter. The Board Charter contains guidance on the management of the work of the Board of Commissioners and Board of Directors, and explains the activities step-by-step in a way that is structured, systematic, easily understood and can be put into practice consistently, and can provide a reference for the Board of Commissioners and Board of Directors in carrying out their respective tasks to achieve the Company Vision and Mission.

The guidelines and working arrangements of the Board of Directors are specifically articulated in Chapter II of the PT Perusahaan Gas Negara Board Charter, and cover:

- Board of Directors' Duties and Obligations
- Board of Directors' Responsibilities
- Board of Directors' Rights and Authority
- Board of Directors' Delegation of Authority
- Board of Directors' Independence
- Work Ethics
- Determination of Company Administration Policies
- Board of Directors' Division of Tasks
- Corporate Secretary
- Board of Directors' Meetings
- Relationships with Subsidiaries

POLICIES ON SUCCESSION OF THE BOARD OF DIRECTORS

In accordance with the Company's Articles of Association (Deed No. 11, dated 6 April 2011), members of the Company's Board of Directors are appointed and terminated by the General Meeting of Shareholders (GMS), which must be attended by, and its decision approved by, the Dwiwarna A Series Shareholder. The appointments by the GMS of members of the Company's Board of Directors are sourced from candidates put forward by the Dwiwarna A Series Shareholder.

Based on SOE Ministry Ruling No. PER-03/MBU/02/2015 regarding Requirements, Appointment Guidelines, and Terminations of Members of the Board of Directors of State-owned Enterprises, prospective candidates for Directors are sourced from:

1. The Board of Directors of SOEs;
2. The Board of Commissioners / Board of Trustees of SOEs;
3. SOE Talents who are proposed by the Board of Commissioners, which comprises:
 - a. officials one level below the Board of Directors or officers who have exhibited outstanding achievements;
 - b. Directors of SOE subsidiaries/ SOE joint ventures;

4. Talents from the SOE Ministry;
5. Other sources, which comprises:
 - a. officials from another SOE; and
 - b. other sources.

Prospective candidates who will be confirmed as a future member of the Board of Directors must fulfill the formal requirements and other requirements determined in Ruling No. PER-03/MBU/02/2015 above, and pass the fit and proper test performed by professional institutes. Prospective candidates that will be put forward in the GMS will be evaluated by a team formed by the Minister of SOEs with the involvement of the President Commissioner or the Chair of the Nomination Committee of the Board of Commissioners.

The GMS can terminate members of the Board of Directors who no longer fulfill requirements, including among others if a member acts in a way that is detrimental to the Company, or any other reason deemed appropriate by the GMS. That decision of termination will be taken after the member in question is given the chance to defend himself/herself, unless said member does not contest the termination.

A member of the Board of Directors has the right to resign from his or her position by notifying the Company, the Board of Commissioners, and the other members of the Board of Directors in writing. This will be followed by holding a GMS within 60 days of receiving the resignation letter. If the Company does not hold a GMS, the resignation will be valid without requiring the agreement of the GMS after the designated time has passed. The member of the Board of Directors who resigned will still be required to provide accountability for his or her term of appointment until the resignation is accepted.

PROCEDURE FOR THE DETERMINATION OF THE REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS



REMUNERATION FOR EACH MEMBER OF THE BOARD OF DIRECTORS

Basis for Determining Remuneration

The remuneration for the Board of Directors is determined on the basis of the Minister of State-Owned Enterprises Regulation No. PER-04/MBU/2014, regarding the Guidelines for the Determination of the Income of the Board of Directors, the Board of Commissioners, and the Board of Trustees of State-owned Enterprises.

Based on that regulation, the Board of Directors' income determination is set by the GMS, which is comprised of:

- Salary;
- Allowances;
- Facilities; and
- Performance Bonuses/Incentives.

Board of Directors' Remuneration Structure

Pursuant to the Ministerial Regulation above, the basis of determining the Board of Directors' income is established by the General Meeting of Shareholders (GMS).

The component of the Board of Directors' remuneration consists of:

- Salary
 - The President Director's income is determined by using the internal guidelines set by the Minister;
 - The income of the other members of the Board of Directors is set at 90% of the President Director's salary.
- Allowances
 - Religious Holiday Allowance
The Company shall provide a Religious Holiday Allowance which amounts to one month's salary.

b. Housing Allowance

The Company shall provide a Housing Allowance, which includes a monthly utility bill payment of 40% of the Salary.

c. Post-Service Insurance

- The Company shall provide Post-Service Insurance for the duration of the term (from appointment to termination).
- Premiums borne by the Company will be a maximum of 25% of one year's Salary.

3. Facilities

a. Company Car Facilities

- The company shall provide one company car; and
- Company Car Facilities include a maintenance and operational allowance, taking into consideration the Company's financial situation.

b. Health Facilities

- The Company shall provide Health Facilities in the form of health insurance or medical expenses reimbursements;
- The Company shall provide Health Facilities to the Board of Directors Member along with their spouse and three children under the age of 25, in accordance with applicable regulations; and
- The Facilities provided include outpatient care and medication, hospitalization, and medical check-ups.

c. Legal Assistance Facilities

The Company shall provide Legal Assistance Facilities in the event of actions/measures for, and on behalf of, his/her position relating to the Company's business activities, intents, and purposes.

4. Performance Bonuses/Incentives

a. The Company may award Performance Bonuses/ Incentives to the Board of Directors' members based on the GMS/Minister's rulings in the Annual Report ratification if:

- The soundness realization score is a minimum of 70; or
- The score is less than 70, but the soundness targets in the RKAP were attained.

b. Performance Bonuses/Incentives are part of the Financial Year's costs, and so must be specifically budgeted in that year's RKAP to ensure that the disbursement of Performance Bonuses/ Incentives does not exceed the RKAP's budget.

c. Performance Bonuses/Incentives are determined as follows:

- The President Director receives 100%; and
- Members of the Board of Directors' receive 90% of the President Director.

d. In Performance Bonuses, additional Long-Term Incentives may be given.

The payment of remuneration for each member of the Board of Directors is stipulated in the Annual GMS Ruling on 27 March 2014, and the President Commissioner's Letter to the President Director of PT PGN (Persero) Tbk No. 20/D-KOM/2014, dated 15 April 2014, with reference to the Minister of SOEs Letter No. SR-155/MBU/d2/2014, dated 7 April 2014, regarding Determination of Performance Bonuses and Remuneration for the Board of Directors and Board of Commissioners.

REMUNERATION OF THE BOARD OF DIRECTORS IN 2014

Position	Remuneration	Total (in Rupiah)	Total (in US\$)
Board of Directors	Salaries	8,670,750,000,-	697,005.63
	Allowances	4,616,025,000,-	371,063.10
	Incentives	44,000,000,000,-	3,536,977.49
Total		57,286,775,000,-	4,605,046.22

* Incentives were given proportional to service term

** For comparison purposes the BI middle rate was used as of the end of 2014, with US\$ 1 = Rp 12,440

COMPANY POLICY ON FREQUENCY OF MEETINGS OF THE BOARD OF DIRECTORS

In accordance with the Minister of State-Owned Enterprises Regulation No. PER-01/MBU/2011, dated 1 August 2011, on the Implementation of Good Corporate Governance in State-Owned Enterprises, and the Minister of SOEs Letter No. S-357/MBU.WK/2011, dated 5 December 2011, regarding the Policy of the Minister of SOEs in Management and Supervision of SOEs, the Company stipulated that Directorial Meetings are to be held at least once every month, and joint meetings with the Board of Commissioners/Board of Trustees are also to be held at least once every month.

Frequency of Meetings

In 2014, the Board of Directors conducted 61 meetings.

ATTENDANCE LEVELS OF THE BOARD OF DIRECTORS 1 JANUARY - 31 DECEMBER 2014

Name	Meetings Attended*	% Attendance
Hendi Prio Santoso	61 times	100%
Djoko Saputro	60 times	98.36%
Jobi Triananda Hasjim	59 times	96.72%
M. Riza Pahlevi Tabrani	61 times	100%
M. Wahid Sutopo	61 times	100%
Hendi Kusnadi	61 times	100%

* * Absence in meetings were due to official business trips and/or the concerned members were taking leaves

JOINT MEETINGS OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

Frequency of Meetings

In 2014, the Board of Commissioners and Board of Directors conducted 23 Joint Meetings.

ATTENDANCE LEVELS OF THE BOARD OF DIRECTORS IN JOINT MEETINGS PERIOD 1 JANUARY - 31 DECEMBER 2014

Name	Meetings Attended*	% Attendance
Hendi Prio Santoso	21 times	91.30%
Djoko Saputro	23 times	100%
Jobi Triananda Hasjim	21 times	91.30%
M. Riza Pahlevi Tabrani	22 times	95.65%
M. Wahid Sutopo	23 times	100%
Hendi Kusnadi	20 times	86.96%

* * Absence in meetings were due to official business trips and/or the concerned members were taking leaves

TRAINING PROGRAMS FOR THE BOARD OF DIRECTORS

Training Programs to Increase Board of Directors' Competency

To increase the competency and support the performance of duties, the Board of Directors of PT PGN (Persero) Tbk attended the following training programs, workshops, conferences, and seminars in 2014:

PRESIDENT DIRECTOR

No.	Date	Program	Venue
1	16 – 17 April 2014	Gas Balance Workshop	Bandung
2	28 April – 9 May 2014	Indonesia Policy Dialogue and Deal Roadshow – Project Energy	Washington DC, USA
3	19 – 21 May 2014	4th LNG Supply, Transport & Storage: Practical Infrastructure and Transportation Implementation for a Sustainable Natural Gas Market in Indonesia	Bali
4	26 August – 8 September 2014	JP Morgan Asia Pacific Equity Conference	Boston, USA
5	26 August – 8 September 2014	Barclays & Mandiri Securities Indonesia Corporate Day	New York, USA
6	16 – 22 November 2014	GASEX 2014 Hong Kong Conference and Exhibition	Hong Kong

DIRECTOR OF COMMERCE

No.	Date	Program	Venue
1	2 April 2014	Gas Balance Workshop	Bandung
2	17 - 18 June 2014	The 5th International Indonesia Gas Infrastructure Conference & Exhibition 2014	Yogyakarta
3	8 – 11 December 2014	Oil and Gas Contract Management	London
4	15 - 16 December 2014	PGN - <i>GDF Suez</i> (Infrastructure and energy international) workshop onshore Terminal & Strategic Planning	Paris

DIRECTOR OF TECHNOLOGY AND DEVELOPMENT

No.	Date	Program	Venue
1	23 May 2014	The 38th Indonesian Petroleum Association (IPA) & Exhibition by IPA, as a speaker	Jakarta
2	23 September - 07 October 2014	The 5th Samsung Construction and Trade (C&T) Partner's Day 2014 by Samsung C&T, as a participant	Boston, USA
3	30 October 2014	Shells's Invitation Opening House (IOH) during the Singapore International Energy Week by Shell, as a speaker	Singapore
4	6 – 16 November 2014	Petroskills LNG Facilities for Operations and Maintenance by Petroskills, as a participant	Jakarta

DIRECTOR OF FINANCE

No.	Date	Program	Venue
1	3 August 2014	National Seminar on "The Role of Business and Industry Actors for Regional Advancement" as a speaker	Sumbawa
2	16 September 2014	The 43 rd IAGI Annual Convention and Exhibition as a speaker	Jakarta
3	6 - 8 November 2014	Training Payment Guarantee & Customer Risk Analysis	Bali

DIRECTOR OF HUMAN RESOURCES AND GENERAL AFFAIRS

No.	Date	Program	Venue
1	5 January 2014	FSRU Ship Introduction Training	Seoul, South Korea
2	30 January 2014	Transformational Leadership & SOEs - BOD Remuneration System Workshop	Yogyakarta
3	7 May 2014	Gratification Control Training	Bandung
4	19 June 2014	STAR Program Employee Assistance Seminar	Jakarta
5	23 June 2014	Performance Management & Executive Development System for Enhancing SOEs Great Leader and Great People Workshop	Jakarta
6	20 September 2014	Procurement Workshop	Prague, Czech Republic
7	8 October 2014	Ethics and Leadership Workshop with KPK Vice President Erry Riyana Hardjapamengkas	Jakarta
8	9 – 12 December 2014	2014 World Anti-Corruption Day Towards Indonesia with Integrity Workshop with President Joko Widodo	Yogyakarta
9	10 – 11 December 2014	To Develop World-Class Human Resources in Facing the 2015 ASEAN Economy Community Human Resources Conference and Exhibition	Jakarta
10	22 December 2014	Developing SOEs Great and Global Leaders through Executive Development System Workshop	Jakarta

DIRECTOR OF INVESTMENT PLANNING AND RISK MANAGEMENT

No.	Date	Program	Venue
1	28 April – 9 May 2014	Indonesia Policy Dialogue and Deal Roadshow - Project Energy	Washington DC, USA
2	20 – 22 August 2014	Euromoney Seminar On Energy Future Trends	Singapore
3	14 – 17 September 2014	21st CLSA Investors Forum 2014	Hong Kong
4	13 – 17 October 2014	IGU Executive Committee Meeting and Council Meeting	Berlin Jerman
5	12 – 13 November 2014	13th Annual Asia Pasific Summit	Singapore
6	17 – 20 November 2014	GASEX 2014 Hong Kong Conference and Exhibition	Hong kong
7	8 – 12 December 2014	PGN - GDF Suez (Infrastructure and Energy International) Workshop Onshore Terminal & Strategic Planning	Paris

ASSESSMENT OF THE MEMBERS OF THE BOARD OF COMMISSIONERS AND/OR DIRECTORS

ASSESSMENT PROCESS

The assessment of the performance of the Board of Commissioners is conducted through the General Meeting of Shareholders. The meeting is held by the Directors to satisfy certain requirements or written requests from one or more members of the Board of Commissioners, or written requests from one or more stakeholders whose accumulated shares are 1/10 of the entire shares with voting rights.

PERFORMANCE CRITERIA/INDICATORS

The criteria for assessing the performance of the Board of Commissioners is in how it conducts its duties, namely: supervising the Company's policy and direction, advising the Directors in the interest and aims of the Company, and satisfying additional tasks in accordance with the Articles of Association of the company and/or decisions of the General Meeting of Shareholders according to prevailing legislations.

Performance indicators for Directors consists of:

1. The execution of the duties and responsibilities of each member of the Board of Directors in accordance with the Company's Articles of Association;
2. Implementing the decisions of the 2014 Annual GMS;
3. Realization of the Board of Directors' Key Performance Indicators (KPI) in 2014 based on the Excellent Performance Assessment Criteria (KPKU), which cover five perspectives:

- Financial and Market Perspective
- Customer Focus Perspective
- Product and Process Effectiveness Perspective
- Employee Focus Perspective
- Leadership, Governance, and Social Responsibility Perspectives.

REALIZATION OF THE BOARD OF DIRECTORS' KPI IN 2014 BASED ON THE EXCELLENT PERFORMANCE EVALUATION CRITERIA (KPKU)

Perspective		Target 2014 Weighting	Result Score	% Realization
Product & Process Effectiveness (7.1)		20	19.88	
I-1	Natural Gas Volume Management (Distribution + Transportation of PGN + TGI)	5	4.88	97.5%
I-2	Transmission Network Reliability	4	4	102.1%
I-3	Innovation Level	7	7	100.0%
I-4	Total Sickness Absence Frequency	4	4	100.0%
Customer Focus (7.2)		22	22	
II-1	Customer Satisfaction	7	7	105.8%
II-2	Customer Acquisition	8	8	143.6%
II-3	Customer Retention	7	7	102.1%
Employee Focus (7.3)		17	16.47	
III-1	Employee Competency Enhancement	6	6	128.8%
III-2	Employee Productivity	5	4.47	89.4%
III-3	Employee Satisfaction	6	6	101.8%
Governance and CSR (7.4)		17	17	
IV-1	SOEs Portal	3	3	100.0%
IV-2	KPKU Score	4	4	124.3%
IV-3	GCG Score	4	4	100.3%
IV-4	Environmental Community Development Program Distribution	3	3	102.1%
IV-5	Proper Blue Environmental Management for SBU 3	3	3	100.0%
Financial and Marketing (7.5)		24	22.85	
V-1	EBITDA	7	7	103.5%
V-2	ROE	6	6	102.4%
V-3	Infrastructure Development	5	4.60	92.1%
V-4	Revenues from New Business Developments	6	5.25	87.6%
Total Score		100	98.2	

ASSESSORS

The performance of the Board of Commissioners is assessed by the GMS, while the performance of the Board of Directors is assessed by the Board of Commissioners and the GMS. In conducting the performance assessment of the Board of Directors, the Board of Commissioners refers to the KPI of the Board of Directors as detailed above. The Board of Commissioners and the Board of Directors will account for their performance in 2014, including the implementation of their tasks and responsibilities, at the GMS to be held in 2015.

GCG Assessment of the Board of Commissioners and Board of Directors

In 2014, an assessment was made of GCG implementation by the Board of Directors and Board of Commissioners. The process was consistent with the GCG assessment framework developed by the Ministry of SOEs.

The score achieved by the Board of Commissioners in the GCG assessment was 86.25%, indicating that in general the application of GCG in the domain of the Board of Commissioners was running well.

Meanwhile, the Board of Directors achieved a score of 94.02%, indicating that the application of GCG in the domain of the Board of Directors was also running well.

GCG Assessor

The assessment of GCG application by the Board of Commissioners and Board of Directors was conducted by an independent institution, PT Sinergi Daya Prima, using assessment parameters that refer to SK-16/S.MBU/2012 dated 6 June 2012, regarding the Indicators for the Assessment and Evaluation of GCG Implementation in State-Owned Enterprises.

AFFILIATED RELATIONSHIPS

BOARD OF DIRECTORS' AFFILIATED RELATIONSHIPS

Between members of the Board of Directors, between members of the Board of Directors and Board of Commissioners, and between members of the Board of Directors and Major Shareholders and/or Managers, there shall be no familial blood relationships up to the third degree, either vertically or horizontally, or by marriage (in-laws).

BOARD OF COMMISSIONERS AFFILIATED RELATIONSHIPS

Between members of the Board of Commissioners, and between members of the Board of Commissioners and Board of Directors, there shall be no familial blood relationships up to the third degree, either vertically or horizontally, or by marriage (in-laws).

COMMITTEES

Pursuant to Regulation PER-12/MBU/2012 regarding the Auxiliary Organs of the Board of Commissioners/ Board of Trustees in State-Owned Enterprises, the Company had two committees in 2014:

1. The Audit Committee;
2. The Risk Management and Business Development Monitoring Committee.

On 29 January 2015, the PT PGN (Persero) Tbk Nomination and Remuneration Committee was formed to carry out provisions in Article 2 of Financial Services Authority Regulation No. 34/POJK.04/2014 regarding Nomination and Remuneration Committees of Issuers or Listed Companies.

AUDIT COMMITTEE

The Audit Committee was established pursuant to Law No. 40 of 2007 on Limited Liability Companies, whose implementation is set forth in more detail in Bapepam Regulation LK IX.I.5 regarding the Establishment and Work Guidelines of the Audit

Committee, which refers to the Bapepam Ruling LK Kep. 643/BL/2012, the Minister of State-Owned Enterprises Regulation No. PER-01/MBU/2011 regarding the Good Corporate Governance of State-Owned Enterprises, and No. PER-12/MBU/2012 regarding the Auxiliary Organs of the Boards of Commissioners/Boards of Trustees of State-Owned Enterprises.

The establishment of the Audit Committee was intended to assist the Board of Commissioners in performing supervisory duties of the Company to:

- Increase the Financial Statement quality in accordance to applicable accounting standards, and obeying the legislations; - Improve the activities report quality and the Company's business ventures corresponding to GCG principles; and
 - Improve the internal auditing functions in reaching effective and efficient Company resources development to obtain optimized results.
- a. Tasks and Responsibilities
- The Audit Committee is tasked with providing advice to the Board of Commissioners on reports or matters brought to the Board of Commissioners by the Board of Directors, identifying issues that require the Board of Commissioners' attention, and performing other duties which may include:
- Scrutinizing financial information that is released by the Company, such as Financial Statements, projections, the Long-Term Company Plan (RJPP), the Business Plan and Company Budget (RKAP), management reports, and other information;
 - Scrutinizing the Company's compliance with the legislations related to the Capital Market and other rules and regulations related to the Company's activities;
 - Providing an independent opinion in the event of a difference of opinion between the management and the accountant regarding services provided;
 - Scrutinizing the Company's internal control system implemented by the Internal Audit Unit, including ensuring the effectiveness of the internal control system and its implementation, and assessing the implementation of activities and the results of audits performed;
 - Reviewing, selecting, and nominating Public Accountants, including its independence, and providing appointment recommendations of the Public Accountants to the Board of Commissioners;
 - Scrutinizing the implementation of the audit by the external auditor, including:
 - (i) ensuring the effectiveness of the internal control system and its implementation;
 - (ii) assessing the implementation of the activities and results of the audit in accordance with the applicable standards;
 - Reporting to the Board of Commissioners the various risks facing the Company, and the application of Risk Management by the Board of Directors;
 - Scrutinizing and reporting to the Board of Commissioners any complaints related to the Company;
 - Safeguarding the confidentiality of Company documents, data, and information;
 - Providing recommendations on the updating of the management control system and its implementation to the Board of Commissioners;
 - Ensuring a satisfactory review procedure for all information disclosed by the Company; and
 - Scrutinizing and giving advice to the Board of Commissioners in relation to potential conflicts of interest in the Company.

b. Authority

- To have full, free, and unlimited access to records, employees, funds, assets, and other Company resources that are related to its tasks;
- To communicate directly with employees, including the Board of Directors and the parties who carry out the functions of the Internal Audit, Risk Management, and accounting in relation to the duties and responsibilities of the Audit Committee;
- Involving independent parties from outside the Audit Committee to assist in the implementation of their duties (if required);
- To exercise any other authorities delegated by the Board of Commissioners;
- To work with the Internal Audit Unit (IAU), on the following, among other matters:
 - Coordinating the preparation of the annual audit business plan and the implementation of the audit;
 - Holding meetings with the IAU when required, to discuss issues that are considered significant and within the bounds of the tasks and functions of the Board of Commissioners, according to the prevailing legislation;
 - If deemed necessary, with the approval of the Board of Commissioners and assisted by the IAU, organizing reviews and discussions in Work Units with regard to the need to make in-depth examinations of certain findings when required;
 - The Committee may obtain evidence that provides adequate confirmation of the character, scope, magnitude, and impact of any weaknesses or significant differences in internal control and their influence on Financial Statements; and
 - With the approval of the Board of Commissioners, the Committee may seek perspectives from external parties to provide technical or other related guidance at the Company's expense.

c. Composition

The membership of the Audit Committee for 2014 was as follows:

Chairman	: Pudja Sunasa - Independent Commissioner
Member	: M. Slamet Wibowo
Member	: Imbuh Sulistyarini
Member	: Gunawan Indradi
Member	: Kanyatama P. Mulyono

d. Committee Independence

The Audit Committee is chaired by an Independent Commissioner and 4 (four) members who are professionals from outside the Company. This complies with the provision in the Chair of Bapepam Ruling No. Kep-29/PM/2004 regarding the Establishment and Work Guidelines of the Audit Committee, as amended to Attachment to the Chair of Bapepam LK Regulation No. 643/BL/2012. The Audit Committee undertakes its tasks and responsibilities professionally and independently.

e. Discharge of the Committee's Duties

The Audit Committee's activities in 2014 included the following:

- Reviewing and assessing the adequacy of the audit performed by the External Auditor, as well as providing feedback on the audit of the Company's Financial Statements for the 2014 Fiscal Year;
- To review and provide feedback on Company's 2014 Quarterly Financial Statements;
- Evaluating the performance, competence, independence, and objectivity of the

public accountants who conducted the previous year's audit, as well as making recommendations for the Board of Commissioners to consider and propose to the GMS regarding auditing of the Consolidated 2014 Financial Year Statements;

- Discussing the audit methodology and monitoring the implementation progress of the Financial Year 2014 Consolidated Financial Statements Audit that was undertaken by the External Auditor;
- Reviewing the Audit Results Report of the Internal Audit Unit (IAU) for 2014, performing work visits to further understand the IAU's reports, and alerting the Board of Commissioners to matters requiring their attention;
- Reviewing the Company's observance of the legislations in the Capital Market and other regulations, and alerting the Board of Commissioners to matters requiring their attention;
- Implementing other tasks assigned by the Board of Commissioners; and
- Developing a business plan and making periodic reports on the implementation of the tasks of the Audit Committee.

The analysis results, assessment, advice and recommendations of the Audit Committee relating to execution of its tasks, authority and responsibilities have been communicated and submitted to the Board of Commissioners for its attention.

f. Frequency of Meetings

Based on Bapepam LK Regulation No.: IX.I.5, Attachment to the Chair of Bapepam Ruling: Kep-29/PM/2004 dated 24 September 2004 regarding the Establishment of and Guidelines for the Audit Committee which are referred to in the Audit Committee Charter, it was stated that the Audit Committee must hold a meeting at least once a month.

In 2014, the Audit Committee held 44 (forty-four) meetings with attendance as follows:

ATTENDANCE FREQUENCY OF THE COMMITTEE MEMBERS

Name	Meetings Attendance	% Attendance
Pudja Sunasa	41 times	93%
Imbuh Sulistyarini	40 times	91%
Slamet Wibowo	32 times	73%
Gunawan Indradi	35 times	80%
Kanyatama P Mulyono	42 times	95%

*) In accordance with the number of meetings held during each member's term of service

AUDIT COMMITTEE PROFILES



PUDJA SUNASA
Head of Audit Committee

Audit Committee Chair from 22 May 2012 to the present.

An Indonesian citizen, Sunasa was born in Cirebon on 11 February 1952. He graduated with a degree in Oil Engineering from the Bandung Institute of Technology in 1980, rejoined the Company as a Commissioner on 6 April 2011, where as he had previously served on the Board of Commissioners from 2002 to 2008. He was Chair of the Remuneration Committee from 5 July 2007 to 13 June 2008, Chair of the Remuneration and Nomination Committee, and a member of the Insurance Committee and the GCG Committee since 19 April 2011.

His career includes terms as Head of the Statistics Sub-Department at the Directorate General of Oil and Gas (1988-1993), Head of the General Planning Department – Bureau of Planning at the Department of Mining and Energi (1993-2001), Head of the General Affairs Bureau of the Ministry of Energy and Mineral Resources (2001-2004), and Inspector I of the Ministry of Energy and Mineral Resources (2004-2007). He also held the post of Inspector General of the Ministry of Energy and Mineral Resources from 2007 to 2012.



M. SLAMET WIBOWO
Member of Audit Committee

An Indonesian citizen, Wibowo was born in Jakarta on 28 October 1964. He has been a member of the Audit Committee since 1 April 2007. He holds a Diplôme Européen de 3ème Cycle MATIS from La Conférence Universitaire de Suisse Occidentale and La Conférence Universitaire Rhône-Alpes, as well as a Diplôme d'Etudes Approfondies (DEA) from the Université Pierre Mendès-France in Grenoble in Management Information Systems, and an MBA from the University of Missouri, in Kansas City, USA.

He previously worked as a accountant/consultant at Public Accountant Hanadi Sudjendro KPMG, The Flagler Management Group, and G. Fraley CPA. He became an assistant lecturer at the Faculty of Economics at the University of Indonesia in 1987.



IMBUH SULISTYARINI
Member of Audit Committee

An Indonesian citizen, Sulistyarini was born in Kebumen on 12 March 1971. She has been a member of the Audit Committee since 1 April 2007. She holds a Master's degree in Accountancy from the University of Indonesia. She has been a consultant at the FEUI Institute of Management since 1997, and is a lecturer at FEUI's Department of Management, at the University of Indonesia. Sulistyarini was also Deputy Head of the UKM Center at the University of Indonesia, and a Member of the Audit Committee at PT Adhi Realty, as well as an Examiner for the Malcolm Baldrige Criteria at the Indonesia Quality Award Foundation.



GUNAWAN INDRADI
Member of Audit Committee

An Indonesian citizen, Indradi was born in Kebumen on 28 November 1972. He has been a member of the Audit Committee since 1 March 2013. He holds a degree in Accountancy from Gadjah Mada University. He was formerly an accountant at Public Accountants Maksum, Hirdjan & Syafii. Since 2006, Indradi has worked at the Finance Bureau of the Secretariat General of the Ministry of Energy and Mineral Resources, starting in the Accounting Department, and is currently Head of the Sub-Department of Financial Reporting in the Finance Bureau of the Secretariat General of the Ministry of Energy and Mineral Resources.



KANYATAMA P. MULYONO
Member of Audit Committee

An Indonesian citizen, Mulyono was born in Jakarta on 3 August 1972. She has been a member of the Audit Committee since 1 November 2013. She has a bachelor degree in Accountancy from the Faculty of Economics at the University of Indonesia, and a Master degree in Industrial and Organizational Psychology, also from the University of Indonesia.

Mulyono was an internal auditor at Haga Bank, and later became an accountant at Public Accountants KPMG Hanadi Soedjendro and Partners. She was a Member of the Nomination and Remuneration Committee at PT Bank Rakyat Indonesia (Persero) Tbk from November 2009 to October 2013.

RISK MANAGEMENT AND BUSINESS DEVELOPMENT MONITORING COMMITTEE

The Risk Management and Business Development Monitoring Committee was established based on the Minister of State-Owned Enterprises Regulation No. PER-01/MBU/2011 regarding the Implementation of Good Corporate Governance in State-Owned Enterprises, and No. PER-12/MBU/2012 regarding the Auxiliary Organs of the Boards of Commissioners/Boards of Trustees in State-Owned Enterprises.

The Risk Management and Business Development Monitoring Committee was established to assist the Board of Commissioners in regular monitoring and providing recommendations on policies and the implementation of Risk Management as well as business plans and expansion.

a. Duties and Responsibilities

- Assessing and recording the Board of Directors' commitment to the Board of Commissioners with regard to the Business Risks and Developments set forth or referred to in the RJPP, RKAP, Board of Commissioners Recommendations, and minutes of other meetings;
- Evaluating, monitoring, and providing input to the Board of Commissioners in the implementation of the Board of Directors' commitment with regard to Business Risks and Developments; and
- Designing and agreeing on the format and criteria for the evaluation of the Risk Management and Business Development Monitoring Committee, which shall be reported to the Board of Commissioners.

b. Authority

- To access Company records, notes, or information, with the approval of the Board of Commissioners, in relation to the performance of its duties; and
- In exercising its authority, the Committee may cooperate with relevant work units and is required to maintain the confidentiality of any Company documents, data, and information collected from internal or external parties, which shall be used only for the purposes of implementing their duties.

c. Committee Member Composition

The members of the Risk Management and Business Development Monitoring Committee as of 1 January 2014 were as follows:

Chairman	: Widya Purnama/Independent Commissioner
Member	: M. Arsyad Rangkuti
Member	: Wahyu Wijayadi
Member	: Hari Kustoro

d. Committee Independence

The Risk Management and Business Development Monitoring Committee is chaired by an Independent Commissioner and three members that fulfill the professional requirements and are from outside the Company. The Risk Management and Business Development Monitoring Committee carries out its duties and responsibilities professionally and independently.

e. Discharge of Duties

In 2014, the Risk Management and Business Development Monitoring Committee conducted the following activities:

- Drafting the Committee's End of 2013 Financial Year Statements;
- Drafting the 2014 Committee Business Plan;
- Discussing the Board of Director's recommendations for the Takeover of Petronas shares in Transasia;
- Discussing the approval request for the Establishment of Property and Services Subsidiaries put forth by the Board of Directors;
- Discussing SBU II and SBU III Operational Matters;
- Discussing the request for Investment in the Upstream Sector through several Subsidiaries (PT Saka Energi Indonesia, PT Permata Graha Nusantara, PT PGN LNG Indonesia, and PT Kalimantan Jawa Gas) put forth by the Board of Directors;
- Discussing Risk Appetite with the Risk Management Division;
- Discussing Approval Requests for Syndicated Loans put forth by the Board of Directors;
- Discussing the High-Risk Profiles of SBU Distribution Areas I, II, and III;
- Discussing and evaluating the Company's Risk Management implementation effectiveness;
- Discussing plans to update the Risk Management and Business Development Monitoring Committee Charter;
- Discussing and following up on the GCG Assessment results recommendations done by PT Sinergi Daya Prima;

- Organizing a Work Trip to SBU Distribution Area II in Surabaya for performance monitoring;
- Organizing a Work Trip to the Lampung FSRU Project in Maringgai Harbor in Lampung for performance monitoring;
- Organizing a Work Trip to PT Saka Energi Indonesia in Jakarta for performance monitoring;
- Organizing a Work Trip to SBU Distribution Area I in Jakarta for performance monitoring;
- Organizing a Work Trip to SBU Distribution Area III in Batam for operational performance monitoring; and
- Undertaking routine evaluation of the progress of the Risk Management and Business Development Monitoring Committee.

f. Frequency of Meetings

During 2014, the Risk Management and Business Development Monitoring Committee held 23 (twenty-three) meetings with attendance as follows:

ATTENDANCE LEVELS OF THE COMMITTEE MEMBERS

Name	Attendance Total	Attendance %
Widya Purnama	14 Times	60.87%
M. Arsyad Rangkuti	22 Times	95.65%
Wahyu Wijayadi	22 Times	95.65%
Hari Kustoro	23 Times	100%

In addition to holding meetings, the Risk Management and Business Development Monitoring Committee also undertook five work trips to the Company's operational areas.

RISK MANAGEMENT AND BUSINESS DEVELOPMENT MONITORING COMMITTEE PROFILES



WIDYA PURNAMA

Head of Risk
Management and
Business Development
Monitoring Committee

An Indonesian citizen, Purnama was born in Pare-Pare on 26 July 1954. He joined the Company as an Independent Commissioner on 6 April 2011, and became a member of the GCG Committee and the Insurance and Business Risks Committee on 19 April 2011. Purnama has a degree in Electrical Engineering from the Sepuluh Nopember Technology Institute in Surabaya and a Master's in Management from the Bandung Institute of Technology. Previously he was also President Director of PT Indosat, Tbk from (2002 to 2004) and President Director of PT Pertamina (Persero) from (2004 to 2006).

The legal basis for his first appointment as PGN Commissioner is 2014 Annual GMS Ruling, dated 27 March 2014.



ARSYAD RANGKUTI

Member of Risk
Management and
Business Development
Monitoring Committee

An Indonesian citizen, Rangkuti was born in South Tapanuli on 7 November 1955. He became a member of the Risk Management and Business Development Monitoring Committee on 14 June 2012. He graduated with a degree in Mechanical Engineering from North Sumatera University in Medan in 1983, and earned an MSc from the University of Salford, UK in 1994. Rangkuti currently serves as President Director of PT Transportasi Gas Indonesia, and was Head of the Operational Division at PT Perusahaan Gas Negara from 2008 to 2010.



WAHYU WIJAYADI

Member of Risk
Management and
Business Development
Monitoring Committee

An Indonesian citizen, Wijayadi was born in Tulung Agung on 27 April 1957. He became a member of the Risk Management and Business Development Monitoring Committee on 14 June 2012. He graduated with a degree in Electrical Engineering from the Bandung Institute of Technology in 1982, and earned his MBA from the Management Development Institute of Indonesia (IPMI) in 1989. Wijayadi has served as Director of PT Elang Mahkota Teknologi since 2009, and as Corporate Service Director at PT Indosat in 2007, and as Director of Commerce at PT Indosat in 2006.



HARI KUSTORO

Member of Risk
Management and
Business Development
Monitoring Committee

An Indonesian citizen, Kustoro was born in Pontianak on 5 September 1953. He became a member of the Risk Management and Business Development Monitoring Committee in 2013. He graduated with a degree in Petroleum Engineering from the Bandung Institute of Technology in 1978, and also has a degree in Economics from the University of Indonesia. Kustoro was the Director for Upstream at PT Pertamina (Persero) from 2004 to 2006, and a Commissioner and President Commissioner at PT ELNUSA Tbk from 2004 to 2010, as well as a Commissioner at PT Pertamina EP.

NOMINATION AND REMUNERATION COMMITTEE

In 2014, the Remuneration Team was established pursuant to the Board of Commissioners Ruling No. Kep-01/D-KOM/2014, dated 10 February 2014. This Remuneration Team was established adhoc, as the Board of Commissioners may only form a maximum of two Committees, as outlined in the Minister for State-Owned Enterprises Regulation No. PER-12/MBU/2012 regarding Auxiliary Organs to the Board of Commissioners/Board of Trustees of State-Owned Enterprises. This team was established to assist the Board of Commissioners in determining remuneration that is suggested to the GMS.

Following the issuance of Financial Services Authority Regulation No. 34/POJK.04/2014 regarding Nomination and Remuneration Committees for Issuers or Listed Companies, pursuant to PT Perusahaan Gas Negara Board of Commissioners' Ruling No. Kep-01/DKOM/2015, dated 29 January 2015, the Nomination and Remuneration Committee was formed. Aside from assisting the Board of Commissioners in determining the remuneration that will be suggested to the GMS, this Committee also assists the Board in formulating nomination policies, and recommending Board of Directors candidates to be put forward to the GMS.

Remuneration Team

a. Team Member Composition Member Composition of the Remuneration Team:

Chairman and Member:

M. Zamkhani, Commissioner
PT Perusahaan Gas Negara (Persero) Tbk;

Secretary:

1. Suhartono, PT Perusahaan Gas Negara (Persero) Tbk Secretary of the Board of Commissioners;
2. Heri Yusup, PT Perusahaan Gas Negara (Persero) Tbk Corporate Secretary;

Members:

1. Kiagus Ahmad Baharuddin, PT Perusahaan Gas Negara (Persero) Tbk Commissioner;
2. Firmanzah, PT Perusahaan Gas Negara (Persero) Tbk Commissioner;
3. Pudja Sunasa, PT Perusahaan Gas Negara (Persero) Tbk Independent Commissioner;

4. Widya Purnama, PT Perusahaan Gas Negara (Persero) Tbk Independent Commissioner; and
5. Hendi Kusnadi, PT Perusahaan Gas Negara (Persero) Tbk Director of Human Resources and General Affairs.

b. Team Independence

The Remuneration Team performs its duties and responsibilities professionally and independently, in accordance with the applicable legislations.

c. Duties and Responsibility

1. To prepare the materials required to draft remuneration policies for the PT Perusahaan Gas Negara (Persero) Tbk Board of Directors and Board of Commissioners;
2. To suggest remuneration for the PT Perusahaan Gas Negara (Persero) Tbk Board of Directors and Board of Commissioners, that include salaries, facilities, allowances, and performance bonuses; and
3. Ensure compensation remuneration for the PT Perusahaan Gas Negara (Persero) Tbk Board of Directors and Board of Commissioners is in accordance with applicable resolutions.

d. Authority

The Remuneration Team may access Company notes or information related to the implementation of its duties with approval from the Board of Commissioners, and may use competent and independent experts in carrying out those duties.

e. Discharge of Duties

The Remuneration Team has performed their duties in accordance to the Board of Commissioners Ruling No. Kep-01/D-KOM/2014, dated 10 February 2014, as follows:

- Appointing Independent Consultants that will review remunerations for members of the Board of Directors and Board of Commissioners;
- Discussing the results of the review by Independent Consultant PT Towers Watson Indonesia in regards to remuneration for members of the Board of Directors and Board of Commissioners;
- Submitting remuneration suggestions for members of the Board of Directors and Board of Commissioners; and

- With the Board of Commissioners, discussing remuneration for members of the Board of Directors and Board of Commissioners to be suggested to the GMS.

f. Frequency of Meetings

In 2014, the Remuneration Team met twice – on 17 February 2014, and 25 February 2014.

REMUNERATION TEAM LEVELS OF ATTENDANCE PERIOD 1 JANUARY – 31 DECEMBER 2014

Name	Attendance Total*	% Attendance
M. Zamkhani	2 times	100%
Suhartono	2 times	100%
Heri Yusup	2 times	100%
Kiagus Ahmad Badaruddin	2 times	100%
Firmanzah	2 times	100%
Pudja Sunasa	2 times	100%
Widya Purnama	2 times	100%
Hendi Kusnadi	2 times	100%

*Absence due to sick leave

Nomination and Remuneration Committee

a. Team Member Composition Member Composition of the Remuneration Team:

Chairman and Member:

Pudja Sunasa, Independent Commissioner;
PT Perusahaan Gas Negara (Persero) Tbk.

Secretary: Suhartono,

Secretary of the Board of Commissioners
PT Perusahaan Gas Negara (Persero) Tbk;

Members:

1. Muhamad Zamkhani, PT Perusahaan Gas Negara (Persero) Tbk Commissioner;
2. Firmanzah, PT Perusahaan Gas Negara (Persero) Tbk Commissioner;
3. A. Edy Hermantoro, PT Perusahaan Gas Negara (Persero) Tbk Independent Commissioner;
4. Widya Purnama, PT Perusahaan Gas Negara (Persero) Tbk Independent Commissioner; and
5. PT Perusahaan Gas Negara (Persero) Tbk Head of Human Resources Division.

b. Team Independence

The Nomination and Remuneration Committee performs its duties and responsibilities professionally and independently, in accordance with the applicable legislations.

c. Duties and Responsibilities

1. Nomination Functions

- To formulate the composition and nomination process for Board of Directors and Board of Commissioners members;
- To compile policies and criteria that are required in the Board of Directors and/or Board of Commissioners member nominations processes;
- To assist in the evaluation of Board of Directors and/or Board of Commissioners members' performances;
- To draft capacity development programs for members of the Board of Directors and/or Board of Commissioners; and
- To review and suggest candidates that fulfill the requirements for members of the Board of Directors and/or Board of Commissioners, to be delivered to the GMS.

2. Remuneration Functions

- Compile the Remuneration structure for members of the Board of Directors and/or Board of Commissioners;
- Draft remuneration policies for members of the Board of Directors and/or Board of Commissioners;
- Configure Remuneration amounts for members of the Board of Directors and/or Board of Commissioners; and
- Suggest Remuneration amounts for members of the Board of Directors and/or Board of Commissioners to the Board of Commissioners to deliver at the GMS.

d. Authority

The Nomination and Remuneration Committee may access Company notes or information related to the implementation of its duties with approval from the Board of Commissioners, and may use competent and independent experts in carrying out those duties.

REMUNERATION TEAM PROFILES



M. ZAMKHANI

Chairman of Remuneration Team

An Indonesian citizen, Zamkhani was born in Magelang on 13 November 1966. He first joined the Company as a Commissioner on 22 May 2012. He holds a degree in Accountancy from Gadjah Mada University, Yogyakarta, and an MBA in Finance from Rutgers University, USA. Zamkhani is currently the Deputy of Primary Industries Business Sectors at the Ministry of SOEs.



SUHARTONO

Remuneration Team Secretary

An Indonesian citizen, Suhartono was born in Semarang on 7 September 1956. He earned his law degree at Gadjah Mada University in 1982. He joined the Board of Commissioners as Secretary on 1 December 2012 which was based on Board of Commissioners Ruling No. Kep-101/DKOM/2012, dated 30 November 2012. He started his career at the Company in 1983, and served in several structural positions including Head of PGN Surabaya (1992), Head of Legal Service (1993), Human Resources Division Head (1996), Legal and PR Division Head (1999), and Head of IAU (2003 until entering retirement in 2012). Before his retirement he was also active in the IAU Communication Forum (FKSPI), acting as Head of FKSPI ESDM Commissioner (2004-2007, and 4th Head of Cooperation at the Central FKSPI from 2010 to 2012. He received the Satya Lencana Wirakarya Award from the President of Indonesia in 2002, and graduated from the Suspim Susgab Lemhannas in 2000, and the Advanced Leadership Program in 2007.



HERI YUSUP

Secretary of Remuneration Team

An Indonesian citizen, Yusup was born in Bandung on 8 February 1963. He earned a law degree from Padjajaran University in Bandung in 1987, and completed his postgraduate studies at Widener University School of Law, in the USA in 1999, and the Advanced Management Program at the Wharton School of the University of Pennsylvania, USA in 2006. Yusup has held the position of Corporate Secretary since December 2011. He started his career at the Company in 1991 as Second Assistant for Legislations and Control Administration. He continued as Legal Coordinator in 2005, Corporate Secretary and Legal Coordinator in 2008, and Head of the Corporate Law Bureau in 2009. Yusup is also currently a Commissioner at PT Transportasi Gas Indonesia since November 2012, and President Commissioner at PT Permata Graha Nusantara since December 2014.



KIAGUS AHMAD BADARUDDIN

Member of
Remuneration Team

An Indonesian citizen, Badaruddin was born in Palembang on 29 March 1957. He earned his Master of Science in Economics from the University of Illinois, USA in 1991, and his degree in Economics from Sriwijaya State University, Palembang in 1986. He has been a Commissioner at the Company from 31 March 2007 to 27 March 2014, Nomination Committee Chairman from 5 July 2007 to 19 June 2008, Nomination and Remuneration Committee Chairman from 20 June 2008 to 18 April 2011, and GCG Committee Chairman from 19 April 2011 to 29 May 2012.

Badaruddin has been at the Department of Finance since 1977, holding a variety of positions, including Bureau Chief of Planning and Finance at the Corruption Eradication Committee (KPK) in 2004, Treasury System Director from 2006 to June 2008, Director of Budget Execution from June 2008 to June 2009, Secretary of the Directorate General Treasury from June 2009, Expert Staff in State Expenditure to the Minister of Finance from January 2011 to January 2012, and Finance Ministry General Secretary from January 2012 until now.



FIRMANZAH

Member of
Remuneration Team

An Indonesian citizen, Firmanzah was born in Surabaya on 7 July 1976. He first joined the Company as Commissioner on 17 April 2013. He has a degree in Management from FEUI, completed his postgraduate studies at the University of Lille, France, and his Master's in Management at FEUI and the University of Lille, and his doctorate at the University of Paris (France). Firmanzah was a special member of the President's Economics Staff until 2014.



PUDJA SUNASA

Member of
Remuneration Team

An Indonesian citizen, Sunasa was born in Cirebon on 11 February 1952. He graduated with a degree in Oil Engineering from the Bandung Institute of Technology in 1980. He rejoined the Company as a Commissioner on 6 April 2011, having previously served on the Board of Commissioners from 2002 to 2008. He was Chair of the Remuneration Committee from 5 July 2007 to 13 June 2008, Chair of the Remuneration and Nomination Committee and a member of the Insurance Committee and the GCG Committee since 19 April 2011.

Sunasa His career includes terms as Head of the Statistics Sub-Department at the Directorate General of Oil and Gas (1988-1993), Head of the General Planning Department, Bureau of Planning at the Department of Mining and Energi (1993-2001), Head of the General Affairs Bureau of the Ministry of Energy and Mineral Resources (2001-2004), and Inspector I of the Ministry of Energy and Mineral Resources (2004-2007). He also held the post of Inspector General of the Ministry of Energy and Mineral Resources from 2007 to 2012.



WIDYA PURNAMA
Member of
Remuneration Team

An Indonesian citizen, Purnama was born in Pare-Pare on 26 July 1954. He joined the Company as an Independent Commissioner on 6 April 2011, and became a member of the GCG Committee and the Insurance and Business Risks Committee on 19 April 2011. Purnama has a bachelor degree in Electrical Engineering from the Sepuluh Nopember Technology Institute in Surabaya, and a Master's in Management from the Bandung Institute of Technology. Previously he was also President Director of PT Indosat, Tbk from 2002 to 2004, and President Director of PT Pertamina (Persero) from 2004 to 2006.



HENDI KUSNADI
Member of
Remuneration Team

An Indonesian citizen, Kusnadi was born in Bandung on 26 February 1962. He earned his degree in Civil Engineering at the Bandung Institute of Technology in 1987.

He has held the position of Director of HR and General Affairs since 22 May 2012. Kusnadi started his managerial career at the Company as Division Head of Marketing in 2009. He went on to become Acting Head the Operations Division in 2010, General Manager of SBU Distribution Area I West Java in 2010, and is currently the President Commissioner of PT PGAS Solution from 1 January 2014.

CORPORATE SECRETARY

FUNCTIONS AND DUTIES OF THE CORPORATE SECRETARY

The Corporate Secretary's functions and responsibilities cover the preparation of policies, planning and control related to legal affairs, corporate communications, institutional relations, investor relations, strategic management, and the corporate secretariat.

LEGAL BASIS FOR THE APPOINTMENT AND TERM OF OFFICE OF THE CORPORATE SECRETARY

Pursuant to Bapepam Regulation IX.I.4 regarding the Establishment of the Corporate Secretary and the Minister of State-Owned Enterprises Regulation No. PER-01/MBU/2011 regarding the Application of Good Corporate Governance in State-Owned Enterprises, which was updated in the Minister of SOEs Regulation No. PER-09/MBU/2010 and in accordance with the Board of Directors of PT Perusahaan Gas Negara (Persero) Tbk Ruling No. 062900.K/OT.00/UT/2013, dated 29 November 2013, the Corporate Secretary has the following tasks:

- Control the management of communications strategies in order to build the corporate image;
- Act as the Company's representative in communicating the Company's activities accurately and promptly to all its stakeholders;
- Control the management of corporate activities related to legal aspects and legislations, and advise and assist the Board of Directors in accordance with their duties and responsibilities to ensure legislative and regulatory compliance;
- Control the delivery of information on the Company's performance and corporate actions to the capital market authority, the stock exchange authority, investors, the Board of Commissioners, and the related Ministries;
- Control the management of the mechanisms for information disclosure, both internally and externally, in accordance with the interests of the Company, shareholders, and other parties with relationships to the Company;
- Submit the Company's Annual Report, Financial Statements, and Sustainability Reports to stakeholders;

- Coordinate the organization of meetings of the Board of Directors, the Board of Directors with the Board of Commissioners, the company performance meetings, the General Meeting of Shareholders, as well as to administer and store corporate documents; and
- Control the implementation of assessments and the provision of recommendations to the Board of Directors with regard to various corporate strategic issues, the provision of information and reports to the Board of Directors, and the management of the activities of the Board of Directors secretariat.

In addition to the above, the Corporate Secretary is responsible for:

- Legal Unit
- Corporate Communications Unit
- Institutional Relations Unit
- Investor Relations Unit
- Strategic Management Unit
- Corporate Secretariat

Since 1 December 2011, the Corporate Secretary position has been held by Heri Yusup.

DUTIES PERFORMED BY THE CORPORATE SECRETARY IN 2014

Among the stakeholder engagement activities implemented by the Corporate Secretary in 2014 were the following:

1. Organizing the Annual GMS;
2. Organizing/taking part in public exposés, media site visits, analyst meetings, conferences, and exhibitions;
3. Organizing press conferences and teleconferences;
4. Maintaining communication with the Ministry of SOEs, Ministry of Energy and Mineral Resources, the State Secretariat, BPH Migas, OJK, Self-Regulatory Organizations (BEI, KSEI, KPEI), BAE, and other related institutions;
5. Organizing hearings and official visits with Parliament (DPR-RI); and
6. Attending all meetings of the Board of Commissioners and Board of Directors, and taking minutes for said meetings.



HERI YUSUP
Corporate Secretary

CORPORATE SECRETARY PROFILE

An Indonesian citizen, Yusup was born in Bandung on 8 February 1963. He earned his law degree at Padjajaran University, Bandung in 1987, and completed his postgraduate studies at Widener University's School of Law, USA in 1999, and the Advanced Management Program at the Wharton School of the University of Pennsylvania, USA in 2006. Yusup has held the position of Corporate Secretary since December 2011. He started his career at the Company in 1991 as Second Assistant for Legislations and Control Administration. Subsequently he was continued as Legal Coordinator in 2005, Corporate Secretary and Legal Coordinator in 2008, and Head of the Corporate Law Bureau in 2009. Yusup is also currently a Commissioner at PT Transportasi Gas Indonesia since November 2012, and President Commissioner at PT Permata Graha Nusantara since December 2014.

TRAINING PROGRAM TO IMPROVE CORPORATE SECRETARY'S COMPETENCE

CORPORATE SECRETARY TRAINING PROGRAM

No.	Date	Event	Venue
1	3 – 11 May 2014	Project Energy	USA

INFORMATION DISCLOSURE

To comply with the regulations on the disclosure of information to the public, the Corporate Secretary together with the Investor Relations Unit consistently submits reports to the Financial Services Authority and the Indonesia Stock Exchange as the capital market authority.

INVESTOR RELATIONS

The Investor Relations Unit is a part of the Corporate Secretary work unit that interacts with the Board of Directors and related Work Units to support the Company's information transparency. Every quarter, the Investor Relations Unit routinely updates data and information in PDF form, which is available on the Company's website <http://ir.pgn.co.id>, and financial statement clarifications for analysts and Shareholders through our mailing list.

In addition, the Investor Relations Unit also serves as a bridge between the Company, Shareholders, and analysts in disclosing information on PGN.

Investor Relations Activities in 2014

The Investor Relations Unit is a bridge between the Company, shareholders, and analysts in the information disclosure of PGN. The Investor Relations Unit introduced PGN to the capital market community through a range of communications with the Shareholders, the Capital Market Analysts, the Agencies Effects Institute, and the Bondholders to apply principles of openness and transparency to every Company activity, material activities especially. The Investor Relations Unit delivers prompt and balanced information through a range of means, including email, the Company website, forums and meetings with analysts and investors, Conference Calls, site visits, conferences, participation in Non-deal Roadshows and Deal Roadshows, Public Exposure, and Investor Summits.

The Investor Relations Unit's interaction and communication is applied through face-to-face meetings with shareholders and analysts. In addition to this, the Investor Relations Unit also communicates and responds to information needs through phone and email correspondence, with both local and international sell-side analysts and buy-side analysts. The Investor Relations Unit also participates in conferences held by many securities, and holds site visits to several Company operational facilities.

The following Investor Relations activities were held in 2014 to present and explain the Company's continuously improving condition and achievements to Shareholders.

Description	Frequency
Meetings with analysts and investors	249x
Conference Calls:	35 x
- Global Conference Calls	
- In-house Conference Calls	
Non-Deal Roadshow, Deal Roadshow, and Conference	16 x
Site Visits	1x
Public Expos	1x
Investor Summits	1x

During 2014, the Investor Relations Unit along with the Board of Directors and the Management participated several times in Non-Deal Roadshow (NDR), Deal Roadshow and Conferences organized by various international securities company, such as CLSA, CIMB, Danareksa, Daiwa-Bahana, Deutsche Bank, JP Morgan, Morgan Stanley, Macquarie, and UBS. The Company also participated in Investor Summit and Capital Market Expo activities held at the Jakarta Stock Exchange.



NUSANTARA SUYONO
Head of Investor
Relations Unit

In 2014, the Investor Relations Unit achieved the Silver Stevie Award from the 2014 International Business Awards for the Investor Relations Communication/ Program of the Year. This award was followed by 3,500 nominees from 60 countries, and judged by a panel of 250 executives from around the world.



Site Visit to the Ujung Pangkah ORF Facility, Surabaya

INTERNAL AUDIT UNIT

The Internal Audit function at PT PGN (Persero) Tbk is performed by the Internal Audit Unit (IAU). The IAU is led by the Head of IAU, who reports directly to the President Director. The Audit results are submitted through the Audit Results Report (LHA), which is submitted to the President Director and the Board of Commissioners.

Duties and Responsibilities in Accordance to the Internal Audit Charter

In carrying out their duties and responsibilities, the Internal Audit Unit refers to the Internal Audit Charter, as decided in Board of Directors Ruling No. 023105.K/PW.00/UT/2009, dated 11 December 2009. This regulation contains the Vision, Mission, Intents and Purposes, Scope, Organization Structure, Authority, Duties and Responsibilities of the IAU, the Auditor's Requirements and Professionalism, Audit Guidelines, and Code of Conducts.

On the operational level, the Audit is guided by the most recent Internal Audit Operating Procedures that were set through Board of Directors Instruction No. 021200.I/HK.00.01/UT/2013, dated 12 April 2013.

The Internal Audit Unit's duties cover the following:

1. Draft and implement the Annual Audit Business Plan (PKAT);
2. Examine and evaluate the internal control implementation and risk management system, according to Company policy;
3. Inspect and appraise the efficiency and effectivity of finance, accounting, operational, human resources, marketing, IT, and other matters;
4. Provide advice and objective information on all assessed activities for all levels of Management;
5. Create an Audit Results Report (LHA), and submit this report to the President Director and Board of Commissioners;

6. Monitor, analyze, and report the implementation and continuation of the suggested improvements;
7. Cooperate with the Audit Committee; and
8. Draft a program to evaluate the quality of the Internal Audit that was completed, and perform any special inspections if necessary.

The Internal Audit Unit's Responsibilities

The responsibilities of the Internal Unit are as follows:

1. The Internal Audit Unit is responsible for the Audit process in accordance with the applicable Audit standards and code of conducts, allocating Audit resources effectively and efficiently, developing auditor professionalism, and performing quality assurance in carrying out the Internal Audit Unit's duties and management;
2. The Internal Audit Unit is responsible for safeguarding data, documents, and information in relation to the implementation of Audit duties and results reporting, in accordance with the Company information confidentiality policy determined by the Board of Directors and Auditor's Code of Conducts;
3. The Internal Audit Unit must receive approval from the President Director for Audit work programs and development plans that are compiled;
4. The Internal Audit Unit must report any ongoing Audit-related information to the President Director; and
5. Internal Audit Unit Auditors are forbidden from any duplication of duties, including carrying out operational activities of the Company or its Subsidiaries.

HEAD OF THE INTERNAL AUDIT UNIT

The position of Head of the Internal Audit Unit is currently held by Pramono Harjanto, who was appointed on 7 February 2013 pursuant to Board of Directors of PT Perusahaan Gas Negara (Persero) Tbk Ruling No. 001600.K/HK.00.01/UT/2013, dated 23 January 2013.

Career History and Legal Basis for Appointment

Harjanto graduated with a degree in Accounting Economics from Gadjah Mada University, Yogyakarta in 1996, and is a State Registered Accountant D-17464. He began his career in the Oversight Division as an external Auditor at Public Accountants Hans Tuanakota & Mustofa (HTM)/Deloitte Touche Tohmatsu International as a Senior Auditor from 1997 to 2001, and then Internal Audit Supervisor at Petrochina International Companies from 2001 to 2005. He was also Senior Manager of the Internal Audit at PT Transportasi Gas Indonesia from 2005 to 2013.

In addition to his structural positions, Harjanto has also been active in the Internal Audit Unit Communication Forum (FKSPI) as Chairman IV of the Organizational Division since 2013.

The legal basis for the appointment is Board of Directors of PT Perusahaan Gas Negara (Persero) Tbk Decision No. 001600.K/HK.00.01/UT/2013, dated 23 January 2013.

NUMBERS OF PERSONNEL AT THE INTERNAL AUDIT UNIT

In carrying out its Oversight functions, the Head of IAU is assisted by Chief Auditors, Auditors, and Secretariats as follows:

Internal Audit Unit	Number of Personnel
Head of IAU	1
Chief Auditors	2
Auditors	14
Secretariats	2
Total	19

CERTIFICATION AND TRAINING FOR INTERNAL AUDIT PROFESSIONALS

The Internal Audit Unit is supported by professional, certified Auditors who hold the following qualifications, among others:

- Four Auditors with PIA (Professional Internal Auditor) certifications, issued by the Center for the Development of Accountancy and Finance (PPA&K);



PRAMONO HARJANTO
Head of Internal
Audit Unit

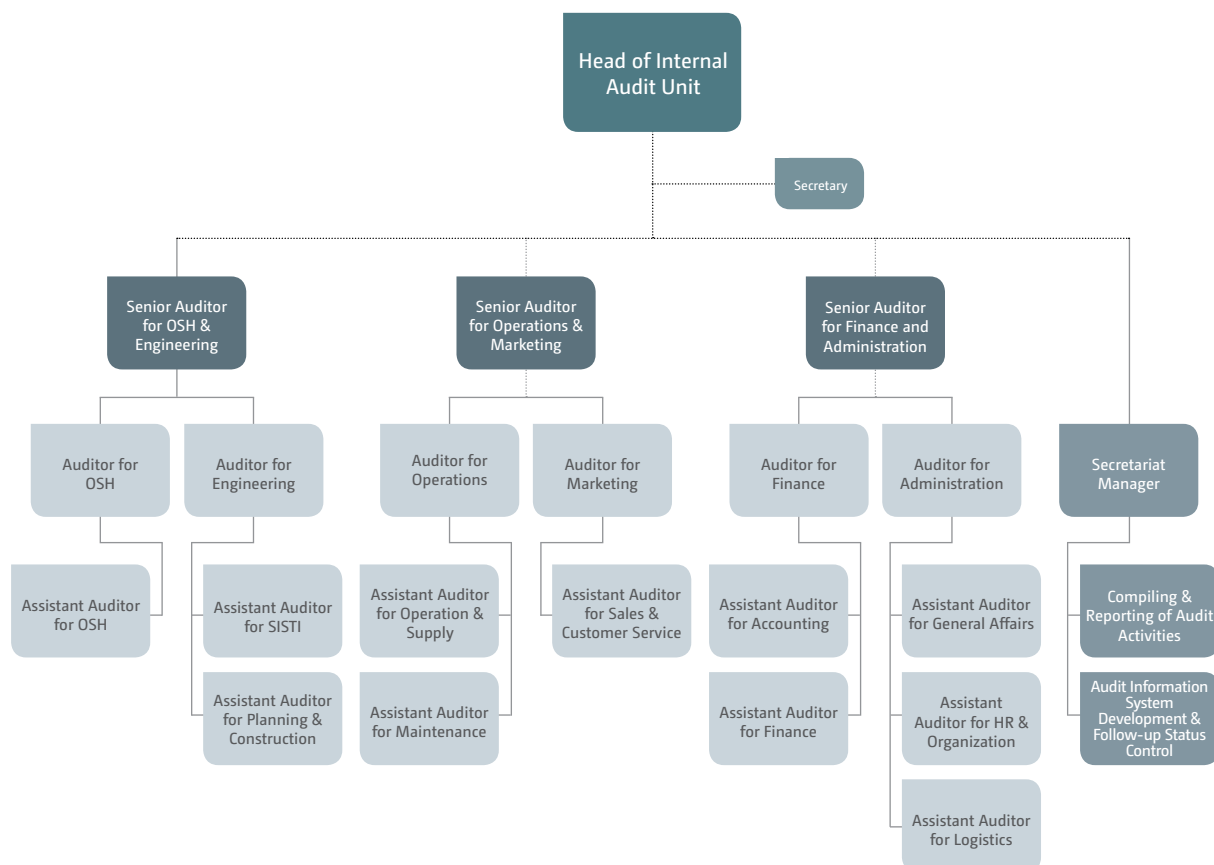
- Three Auditors with QIA (Qualified Internal Auditor) certifications, issued by the Internal Audit Education Foundation (YPIA);
- Two auditors who, in addition to being QIA qualified, are also CIA (Certified Internal Auditor) certified by the Institute of Internal Auditors, and CRMP (Certified Risk Management Professional) certified by the LSPMR (Risk Management Professionals Certification Institute); and
- Several other auditors who possess sufficient experience and are working towards certification.

To improve the competencies and professionalism of the IAU personnel in 2014, several Audit staff were enrolled in professional training leading to Auditor Certification, either at the Center for the Development of Accounting and Finance (PPA&K), or the Internal Audit Education Foundation (YPIA). In addition to this, the IAU was also an active participant at national and international forums such as the National Internal Auditor Seminar (SNIA) organized by FKSPI (IAU Communication Forum). IAU representatives also regularly took part in international workshops and conferences, such as the South Pacific and Asia Conference (SOPAC), and the Asian Confederation of the Institute of Internal Auditors Conference (ACIIA) held by the Institute of Internal Auditors.

INTERNAL AUDIT UNIT'S POSITION IN THE COMPANY STRUCTURE

The Internal Audit Unit's position is directly under the President Director. The Head of the Internal Audit Unit is directly accountable to the President Director.

INTERNAL AUDIT UNIT ORGANIZATIONAL STRUCTURE AND POSITIONS



INTERNAL AUDIT UNIT ACTIVITIES IN 2014

Routine Audits

In accordance with the 2014 Internal Audit Unit Annual Work Program Audit which was established by President Director Ruling No. 001402.K/PW.00/UT/2014, dated 7 February 2014, the following have been audited:

Auditee	Audit Period
SBU Distribution III	24 February - 11 April 2014
SBU Distribution II	12 May - 20 June 2014
Gas Supply Division	11 August - 19 September 2014
Marketing Division	11 August - 19 September 2014

Special Audits

Aside from the above, IAU also completed some special audits to ensure the running of the governance and ethics process.

External Auditor Assistance

In addition to auditing, IAU also provides assistance during Audits by the External Auditor, as well as subsequent follow on actions, such as Audit PSA 62 performed by Public Accountants Ernst & Young, and by BPK-RI. To ensure convergence during the Audit activities, a consolidation and evaluation is executed at the end of each year against the Audit results for that year, and discussion of Audit program suggestions for the coming year. This took place during the IAU personnel workshop in Cirebon on 3 to 5 December 2014.

APPOINTING AND TERMINATING THE HEAD OF THE INTERNAL AUDIT UNIT

The Head of IAU is appointed and terminated by the President Director with approval from the Board of Commissioners.

INTERNAL CONTROL SYSTEM

The Company's Internal Control System covers:

- 1) An Internal Control Environment in the Company that is disciplined and structured in the areas of finance, operations, human resources, and compliance with legislations;
- 2) Assessment and development of business risks;
- 3) Control activities;
- 4) Information and Communication systems; and
- 5) Monitoring.

In the financial and operational implementation, this is translated further into policies in the form of Guidelines, Financial and Operational Instructions, and Work Instructions.

Compliance of the Internal Control System with COSO

As stated in article 26 of Minister of State-Owned Enterprises Regulation No. PER-01/2011, as replacement for Minister of State-Owned Enterprises Ruling No. KEP-11/M-MBU/2002 on the Practical Application of Good Corporate Governance in SOEs, PGN continues to develop the Internal Control System through the Committee of Sponsoring Organizations of the Treadway Commissions (COSO) to secure Company investments and assets.

Evaluation of the Effectiveness of the Internal Control System

To evaluate the effectiveness of the internal control system, the Company has established the Internal Audit Unit. The results of their evaluations form the basis for the Management's evaluation of the effectiveness of the internal control system to determine any improvements or system updates, or if any policies are required to enable Management to run the Company's operations more effectively.

PUBLIC ACCOUNTANTS

Based on the Annual General Meeting of Shareholders on 27 March 2014, the Company once again appointed Public Accountants Purwantono, Suherman & Surja, a member firm of Ernst & Young Global Limited (KAP EY), to complete the 2014 Financial Year Financial Statements Audit. This appointment is the fifth period that Public Accountants Ernst & Young has carried out PGN's Annual Financial Statements Audit, and Agung Purwanto's first appointment as a public accountant to audit PGN's Annual Financial Statement.

The total cost expended for the 2014 Consolidated Financial Statements Audit was Rp 1,959,815,000 (including OPE and VAT).

The Public Accountants have completed their tasks independently and in accordance with public accountant professional standards, work agreements, and determined audit scope. Public Accountants Purwantono, Suherman & Surja did not perform any other services for PGN.

RISK MANAGEMENT

Risk Management is one of the pillars of GCG that must be implemented throughout the Company. In fulfilling the Company's aims and targets, the Company realizes the importance of risk management starting from strategic to operational aspects. To manage risk correctly, since 2008 PGN has implemented a structured Risk Management Framework in the purpose of increasing risk management and Company performance.

The framework also includes the Good Governance Principles of accountability, responsibility, independence, fairness, and equality. These factors help to ensure that the framework used for risk management is reliable, adaptable, and contributes to the Company in attaining both short and long-term goals.

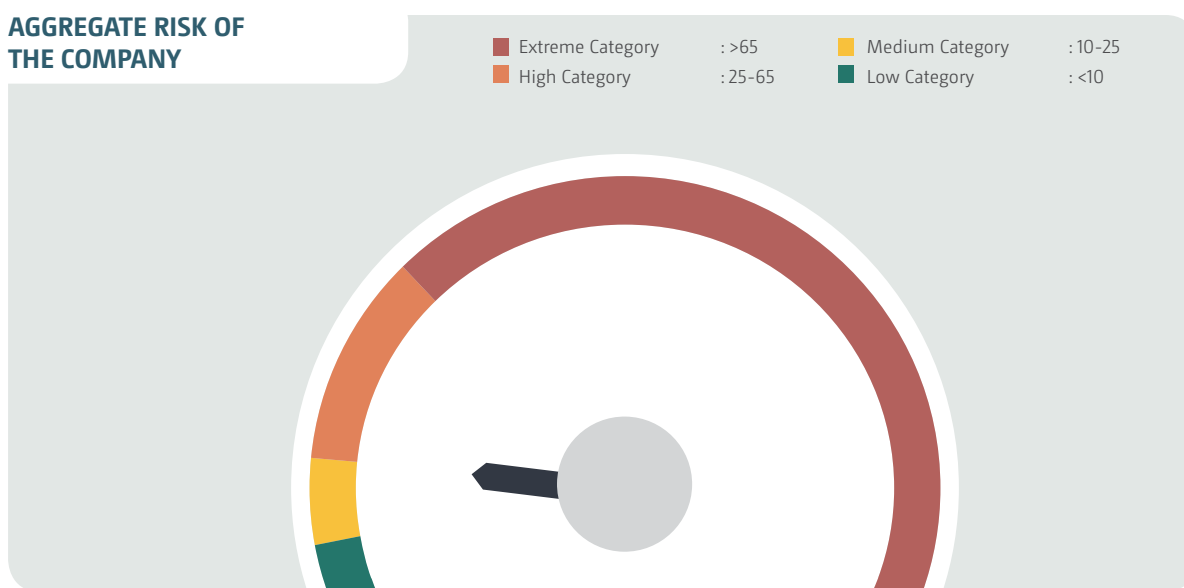
PGN realizes that the Risk Management Framework application is not a short-term activity. Some framework elements can be implemented short term, but other elements require a longer timeframe to achieve full implementation. As a result, Management is fully committed to ensuring that PGN will succeed in completing its duties in performing and applying Risk Management to all business aspects at PGN.

RISK MANAGEMENT OVERVIEW AND SYSTEM

The Risk Management Division, under the Division of Investment Planning and Risk Management, was formed to completely oversee the Risk Management Framework implementation, and monitor Company risks. The function of Risk Management has been delegated to Work Units that have a Risk Officer (RO) and/or a Risk Management Champions Team (RCT), where each Work Unit is assigned to facilitate the Risk Management Framework, and with the process owners, proactively appraise and report risk. In 2014, the role and competency of RO and RCT was strengthened to increase Risk Management and Risk Culture.

The Company's Risk Profile is periodically compiled and submitted to the Board of Directors and KPMRPU to obtain inputs and decisions in its management. In line with the applicable Procedures, this Company Risk Profile is drafted each year.

AGGREGATE RISK OF THE COMPANY



The Company has four risk categories which are Extreme, High, Average, and Low. At the end of 2014, the Company's risk level was at Average, as the Company has managed to keep risk at an acceptable risk level.

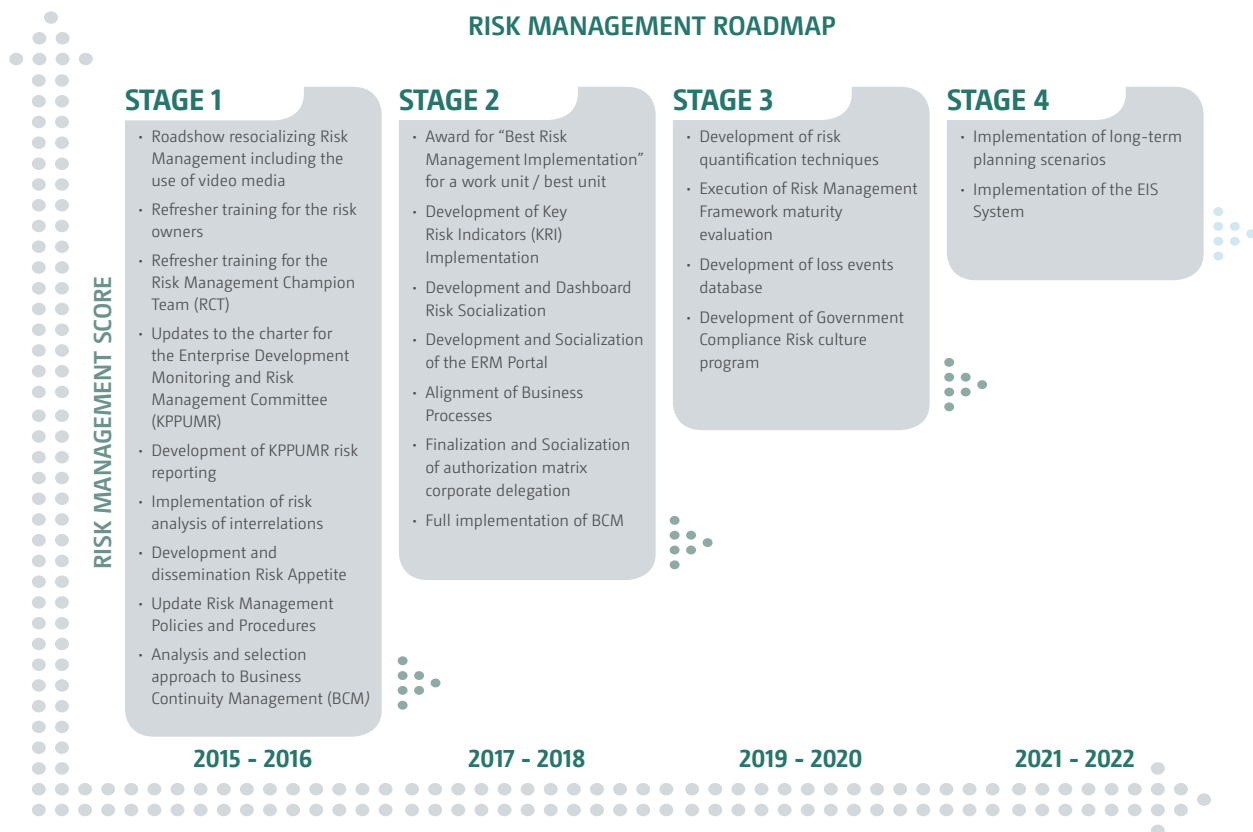
■ Number of Extreme risks	:6
■ Number of High risks	:88
■ Number of Medium risks	:323
■ Number of Low risks	:493

RISK MANAGEMENT SYSTEM EFFECTIVENESS EVALUATION

In 2014, the Risk Management Division reviewed the maturity of the Company's Risk Management. Results from the evaluation show that there are still aspects that require both short and long-term improvements, and which require the attention of the Management.

Senior Management has confirmed its commitment to increasing organizational harmony in risk management. One of the initiatives to be performed is the formalization of the Company's Risk Appetite, in an effort to conform decision-making on all levels of the organization with related risks. Looking at the required improvements, the Risk Management Division and KPMRPU proactively initiated the Charter development process to sharpen focus in ensuring Risk Management is ingrained in all business aspects, and PGN's Vision for Risk Management is achieved.

Encouraged by the results from the Risk Management maturity assessment, PGN has developed the "Risk Management Roadmap" to provide a clear focus on using initiatives in certain timeframes, to achieve the PGN Vision for risk management.



RISKS FACED BY THE COMPANY AND MANAGING THEM

The following are identified risks that significantly affect the Company, and their mitigation plans.

No.	Risk Type	Risk Definition	Risk Mitigation
1	Market Risks	The main risk in marketing is the appearance of a competitor in the commercial gas business that approaches PGN customers in certain areas. In addition to this, competitor products like coal are also a potential threat to the Company's sales volume.	To mitigate these risks, the Company has devised several plans for action, including: - Marketing Intelligence - Approaching existing and new customers - Increasing service excellence - Expansion and market development
2	Currency Risks	PGN is exposed to currency risk as the Rupiah exchange rate fluctuation towards the Japanese Yen and US Dollar. This can potentially cause losses, as a portion of the Company's revenue is in Rupiah, a portion of the Company's debt is in Yen, and the Company's records are in US Dollar.	To mitigate these risks, the Company carries out hedging transactions to decrease the potential of loss from the fluctuation of the exchange rate of the Yen towards the US Dollar. At the same time, PGN does not perform this action for the Rupiah, which is naturally protected by being the currency used for Company operational expenses.
3	Regulation Risks	2014 was a very political year with the Presidential elections taking place. This had a fair impact on the potential for governmental changes and related regulations in the energy sector. This could potentially have an effect on the Company's business.	To handle these risks, PGN carried out an intensive approach to the new government through institutional relations to safeguard good relations and communication. The Company also provided inputs to the new government for Indonesia's interests, in relation to the development of the energy sector, specifically the natural gas sector.
4	Operational Risks	In operational aspects, the Company was exposed to risks in the pipeline network and its auxiliary facilities. These risks included: - Third parties - Causes of Nature	Mitigation for these risks included: - Strengthening the pipeline network - Increasing pipeline network patrols - The use of marine radar surveillance
5	Supply Risks	On the supply side, PGN is exposed to the decrease of gas supply which could cause financial losses to the Company. This is instigated by the natural decrease in existing gas supplies, and the end of several Gas Sales Agreements with suppliers.	Mitigation for supply risks included: - Intensive coordination and approaching existing gas suppliers and the government, including SKK Migas and the Ministry of ESDM, to extend gas supply contracts. - Utilizing LNG modes of transport through FSRU - Searching for new suppliers
6	Legal Risks	The Company was exposed to legal risks related to several cases that involved PGN and its Subsidiaries. This could potentially affect the Company's financial aspects and reputation.	Mitigation for legal risks included: - Coordinating with law enforcement and complying with the court proceedings, pursuant to the applicable laws - Provide solid evidence - Make use of legal counsel in facing the court proceedings
7	Macro-Economics Risks	The decrease in global oil prices reduced Subsidiary incomes that operate in the upstream oil and gas sectors. Overall, this could impact the Company's financial condition.	Monitor the global oil price movements to arrange oil and gas production portfolios from Subsidiaries that work in the upstream sector.

CORPORATE ETHICS

The Company has a Code of Conducts that was ratified by Board of Directors Ruling No. 002600.K/HK.00.01/UT/2013, dated 25 January 2013, regarding the Code of Conducts.

In developing GCG, PGN has formulated several policies concerning corporate ethics. PGN seeks to apply the highest ethical standards throughout all its business activities, in line with the vision, mission, and culture of the Company, through the implementation of the Code of Conducts. The Code of Conducts is the attitudes and behaviors that are demanded of, and apply to, every member of the Company. The Company recognizes that good relations between stakeholders and increasing Shareholders' value over the long term can only be achieved by conducting all business activities with integrity, as set out in our Code of Conducts.

CONTENT OF THE CODE OF CONDUCTS

The Code of Conducts is the collection of norms, values, and actions that are considered by everyone in the Company to be the ideal standards of behavior for the Company. These behaviors must be developed on the basis of strong moral values that are acknowledged and accepted throughout the Company as the Corporate Culture.

1. Business Ethics

PGN has developed guidelines on business ethics that represent the desired standards of behavior in business, and should guide the Company as an entity in its interactions and relationships with stakeholders. The application of business ethics is expected to support improvements in the Company's performance by giving due attention to the interests of stakeholders in a manner that is ethical and based on the rule of law. Broadly speaking, these business ethics provide guidelines for standards of behavior that must be adhered to in PGN's dealings with stakeholders, such as the disclosure of information, equitable treatment and fulfillment of the rights of

stakeholders, antitrust, human rights protection, gratuities, the protection of intellectual property rights, and so on. Some of the Business Ethics that apply to PGN employees are:

a. Corporate Ethics with Employees

PGN protects the interests of its employees in line with the prevailing legislations. PGN believes that its employees are a valuable asset in supporting the achievement of PGN's vision and mission. Expected ethical behavior in dealing with employees includes:

- Providing equitable remuneration, promotions, and rewards to employees in accordance with their performance, competence, and loyalty;
- Protecting the rights of workers to elect to become members of a Trade Union;
- Creating a work environment that is safe, healthy, conducive, and free from all forms of pressure and intimidation; and
- Implementing Collective Labor Agreements (CLA) consistently.

b. Corporate Ethics with Customers

The Company prioritizes excellent service, a proactive attitude, and a quick response in dealing with customers. Expected ethical behavior in dealing with customers includes:

- A polite and professional attitude toward the customer (with excellent service);
- Delivering complete and accurate product information, particularly with regard to the specifications and safety of services and products; and
- Being proactive and responsive in understanding and meeting the needs and expectations of customers.

c. Corporate Ethics with Goods and Services Providers

The Company's procurement of goods and services is based on the principles of being competitive, transparent, fair, reasonable, and accountable. Expected ethical behavior in dealings with suppliers of goods and services, includes:

- The selection of goods and services providers must be based on the quality of the product, after-sales service, warranties, performance, and track record in prioritizing the interests of the Company;
- Respecting mutual rights and obligations under the agreement and statutory provisions;
- Maintaining open communication during the procurement process with regard to the fulfillment of the rights and obligations of the parties; and
- Evaluating the suppliers of goods and services and sanctioning those who behave unethically.

d. Corporate Ethics with Creditors

The Company receives loans for the interests of the business and to increase the Company's value. Expected ethical behavior in dealing with creditors includes:

- The selection of creditors based on the interests of the Company, taking into consideration the benefits, costs, and risks; and
- Respecting the rights of creditors, including the right to obtain information on the use of funds in accordance with agreement and statutory provisions.

e. Corporate Ethics with the Government

With regard to interactions with central and local governments, the Company maintains a harmonious, constructive, and respectful relationship. Expected ethical behavior in dealing with regulators includes:

- Fostering relationships and good communications with the regulators to develop a business climate that is healthy, competitive, and strengthens the competitiveness of the national economy; and
- Fulfilling all business and licensing requirements professionally in compliance with the prevailing laws.

f. Corporate Ethics with the Public

The Company implements social and community programs to empower the surrounding communities and improve their quality of life, and to work in synergy with government programs. Expected ethical behavior in dealing with the public includes:

- Providing information and optimizing the distribution of the Company's assistance programs to the community;
- Providing opportunities for people who want to know about the activities of the Company, within certain limits, and promoting local products at Company events; and
- Avoiding actions that lead to discrimination based on ethnicity, religion, race, or class.

g. Corporate Ethics with Shareholders

PGN is committed to improving value for shareholders in accordance with the statutory provisions. Expected ethical behavior in dealing with shareholders includes:

- Treating shareholders and investors fairly and in accordance with the number and type of shares held, so that they can exercise their rights in accordance with the Company's Articles of Association and the prevailing legislations;
- Providing public information to shareholders in full, accurately, promptly, and accessible in accordance with the statutory provisions in the one-door policy.

h. Corporate Ethics with Natural Gas Suppliers

PGN realizes that the business of natural gas transmission and distribution is closely linked to the availability of natural gas from its suppliers. The Company continues to make efforts to establish harmonious and mutually-beneficial relations with natural gas suppliers. Expected ethical behavior in dealing with gas suppliers includes:

- Good, harmonious, and mutually-beneficial cooperation in accordance with the provisions of the gas purchase agreements and statutory provisions; and
- Giving priority to negotiations for deliberation and consensus in resolving disputes with natural gas suppliers. Legal channels are the final resort in the settlement of disputes.

2. Work Ethics

Based on the values of the Corporate Culture and the principles of Good Corporate Governance, PGN has compiled the Work Ethics as a guide for every PGN Employee in the implementation of their duties and responsibilities. The Work Ethics that apply to PGN's Employees include:

a. Individual Commitment

Every PGN Employee must work to their best abilities in the achievement of PGN's goals.

This commitment is shown through:

- Continual improvement in self-competence in correspondence to work demands;
- Consistent completion of tasks, and responsibility for actions taken;
- Identification and development of improvement opportunities to make work processes more effective and efficient;
- Initiative to implement changes that add value;
- Priority given to the interests of the Company and avoidance of possible conflicts of interest;

- Compliance with policies, systems, procedures, and other applicable provisions;
- Maintenance of all company resources in order to maintain continuity of the Company's operations, and occupational safety and health;
- Active participation in, and contribution to, the improvement of the natural and social environment in the vicinity of the operational areas;
- Providing the best service to internal and external customers;
- Identifying customer needs and maintaining good relationships with customers;
- Working professionally and with an awareness of costs to deliver optimal performance; and
- All officers in the Company, including those entering retirement, must complete and submit the State Officials' Wealth Report (LHKPN) to the Corruption Eradication Commission (KPK).

b. Cooperation Amongst PGN Employees

- Be honest, courteous, and respectful towards fellow PGN Employees, and appreciate the differences in gender, ethnicity, race, and class;
- Encourage mutual support among workers and between units of work to improve the Company's performance; and
- Communicate any new ideas and share knowledge and skills.

c. Legal and Regulatory Compliance

PGN Employees are required to comply with the laws and legislations as well as the Company's internal regulations. Compliance with laws and legislations is realized through:

- Compliance with the standards, norms, laws, and regulations that are applicable and relevant to the Company's activities;
- Respect and obedience for the laws and legislations related to human rights; and
- Compliance with regulations, systems, and procedures throughout the Company.

d. Conflict of Interest

PGN Employees should avoid any situation that could cause a conflict of interest between their private interests and the interests of the Company. Conflicts of interest are avoided by:

- Not having any stake/ownership in business entities as partners or competitors of the Company in an amount that could affect decision-making. This also applies Employees' spouses and children;
- Not having any business that is directly related to the Company's activities. This also applies Employees' spouses and children;
- Not giving or receiving any loans from providers of goods/services or from customers; and
- Not abusing or misusing authority or assets, facilities, or means of the Company for the personal gain of the worker or for any other party.

e. Receiving Gifts

PGN Employees may not accept gifts/souvenirs/gratuities of any kind related to their job positions except:

- Receiving entertainment in the form of a meal; and
- Receiving promotional items that include the logo/company name of the giver's Company.

f. Giving Gifts

PGN Employees can give gifts/souvenirs and entertainment to other parties on the condition that:

- They are supporting the interests of the Company;
- The gift is not intended as a bribe;
- The gift has been budgeted by the Company.

g. Protection of PGN's Assets

PGN Employees are responsible for managing the Company's assets in accordance with the Company's objectives. This is realized through:

- Being responsible for maintaining and securing the Company's assets from loss or damage;

- Finding savings/efficiencies in the utilization of the Company's assets; and
- Being responsible for managing the Company's assets and preventing their use beyond the interests of the Company.

h. Data and Reporting

PGN employees are required to manage data, reports, and information to the best of their abilities, as an important input in the decision-making process. This is realized through:

- Preparing reports based on information sources that are trustworthy and accountable;
- Presenting reports promptly, correctly, accurately, and communicatively; and
- Not hiding any data or reports that should be submitted.

i. Maintaining the Confidentiality of Company Data and Information

PGN Employees utilize the Company's data and information to increase the Company's value and to make decisions by:

- Using a reliable data security system;
- Avoiding dissemination of data and information to those of whom it does not concern, either while working for the Company or after;
- Handing over all data relating to the Company when the term of employment ends; and
- Maintaining consumer information confidentiality.

j. Occupational Safety and Health and Environmental Management

Occupational Safety and Health and Environmental Management (OSH&EM) is part of the ProCISE culture. PGN Employee behavior with regard to the implementation of OSH&EM is realized through:

- Compulsory understanding of situations and conditions of security, workplace safety and health, and compliance with occupational health, safety, and environmental management regulations;

- Responsive to incidents and emergencies caused by security problems, accidents, pollution, natural disasters, and others; and
- Participation in creating a work environment that is safe and healthy.

k. Political Activity

The Company provides opportunities to every employee to channel their political aspirations. However, if workers decide to participate in practical politics they must comply with current regulations. Ethical behavior related to political activities includes:

- Not being a political party official, and not using the facilities of the Company for the benefit of a political party; and
- Not contributing in any way to a political party outside of the statutory provisions in force.

THE CODE OF CONDUCTS APPLIES TO ALL LEVELS OF THE ORGANIZATION

In 2014, PGN continued to strengthen its commitment to implementing GCG, for example through regular GCG training, GCG dispersion, and circulation of the Code of Conducts. The Company's Organization and Business Process Division also distributed a pocket book on the Code of Conducts to all Employees at Head Office, SBU I, II, and III, SBU Transmission, and the Projects.

SOCIALIZATION OF THE CODE OF CONDUCTS

The Good Corporate Governance Manual and the Code of Conducts have also been published on the Company's website <http://pgn.co.id>, and the Company's portal <http://portal.pgn.co.id>, and can be easily accessed by all PGN Employees.

Work ethics and business ethics must be implemented consistently by the Board of Commissioners, Board of Directors, and employees as part of the work culture in the day-to-day operations of the Company. To support the application of business ethics and work ethics, PGN has set out procedures for circulating and publishing these codes, as well as procedures for their application, reporting, monitoring, and evaluation.

APPLICATION AND ENFORCEMENT OF THE CODE OF CONDUCTS

To further support the application and enforcement of the code of conducts, PGN has formulated several policies which are set out in guidelines and manuals that have been circulated to employees, including the following:

Corporate Governance Manual

The Corporate Governance Manual constitutes PGN's basic guidelines for doing business. This manual also provides guidance for all PGN Employees on applying the principles of Good Corporate Governance in their work activities.

Board Manual

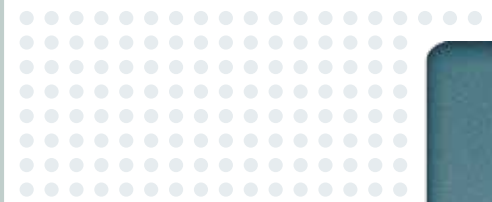
The Board Manual provides guidance for the Board of Directors and Board of Commissioners on performing their duties. Broadly speaking, the Board Manual outlines the working relations of the Board of Directors and Board of Commissioners, including their duties, responsibilities, ethics, authority, and rights. The Board Manual is based on the principles of the two-tier system applied under Indonesia's corporate law, and refers to the prevailing laws and legislations, PGN's Articles of Association, rulings of the GMS, and the best practices in the implementation of Good Corporate Governance.

CORPORATE CULTURE

Good Corporate Governance will be implemented successfully if it is supported by a strong Corporate Culture. The Company therefore has developed a Corporate Culture founded on a series of principles collectively known as ProCISE, or Professionalism, Continuous Improvement, Integrity, Safety, and Excellent Service. The ProCISE culture has been disseminated throughout PGN's Employees and management, and change agents have been assigned to support the internalization of the ProCISE values in each individual's



Good Corporate Governance
will be implemented
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by a strong Corporate Culture



05

working activities. Every PGN Employee has signed the PGN Employees' Culture Book as a mark of their commitment to the application of the ProCISE values.

The Corporate Culture represents the values and philosophies that everyone in the Company has agreed to accept as the foundation and reference for PGN to achieve its goals. PGN has defined its Corporate Culture in terms of five values, which are abbreviated as 'ProCISE', and translated into Ten Major Corporate Behaviors.

The Corporate Culture Manual of PT Perusahaan Gas Negara (Persero) Tbk was ratified by Board of Directors Ruling No. 010705.K/SM.02.02/UT/2009, dated 12 May 2009, regarding the Corporate Culture Manual.

ProCISE is the Corporate Culture that guides the behaviour of all PGN Employees.



PGN's Main Behavior Guidelines

Based on the Corporate Culture values as well as the principles of Good Corporate Governance, PGN has compiled the PGN Employee Code of Conduct.

Broadly speaking, the Code of Conduct contains guidelines for PGN Employee behavior in their day-to-day work activities, and guidelines on stakeholder relations. This guide is also intended to provide practical instructions on the matters of conflict of interest, corruption, bribes, gratuities, information management, and others. The Code of Conduct is published, and must be abided by all PGN employees.



PROFESSIONALISM

Always giving the best results by improving relevant competencies, and being responsible for all actions and decisions taken.

PROFESSIONALISM

1

Competent

2

Responsible



CONTINUOUS IMPROVEMENT

Committed to continuously seeking improvement.

CONTINUOUS IMPROVEMENT

3

Creative and Innovative

4

Adaptive to Change

PGN'S FIVE CORPORATE VALUES - PROCISE



III

INTEGRITY

Honest with oneself and with others. Consistent in mind, word, and behavior by having a strong ethical core.



IV

SAFETY

Always prioritizing work safety and health at for oneself and their surroundings.



V

EXCELLENT SERVICE

Prioritizing satisfaction for both internal and external customers by giving excellent service.

INTEGRITY

5

Honest, Open, and Positive Thinking

6

Disciplined and Consistent

SAFETY

7

Prioritize Workplace Safety and Health

8

Concern for Social and Natural Environments

EXCELLENT SERVICE

9

Prioritize Internal and External Customer Satisfaction

10

Proactive and Quick Response

PGN'S TEN MAJOR BEHAVIORS

WHISTLE-BLOWING SYSTEM

The Company has issued a Whistle-blowing System Manual, which was ratified by Board of Directors of PT Perusahaan Gas Negara (Persero) Tbk Ruling No. 066303.K/PW.01/UT/2013, dated 24 December 2013, regarding the Whistle-blowing System Manual.

In line with our commitment to practicing GCG, PT Perusahaan Gas Negara (Persero) Tbk gives due and consistent attention to the interests of all stakeholders in the interests of fairness and equality. Upholding this principle can be challenging, and requires a sustained and tangible effort.

However, reports of misconduct are often received from stakeholders as a result of their rights being given insufficient attention or even overlooked by the Company. If not resolved properly, stakeholders' reports of misconduct, or whistle-blowing, can potentially be detrimental to the stakeholders and/or the Company itself. A standard mechanism for dealing with whistle-blowing is required in order to avoid prolonged conflict or dispute between the stakeholders and the Company. This is to insure that such issues do not turn into bigger problems that could harm the Company's reputation or affect the public's confidence in the Company.

The resolution of whistle-blowing disclosures is one means of increasing protection for stakeholders with regard to guaranteeing their rights in relation to the Company, and ensuring that disclosures are dealt with in a way that satisfies the terms and conditions stipulated by the Company, the Government, and the competent authorities. This requires the formulation of an aligned management policy, system, and procedure in a Whistle-blowing Policy.

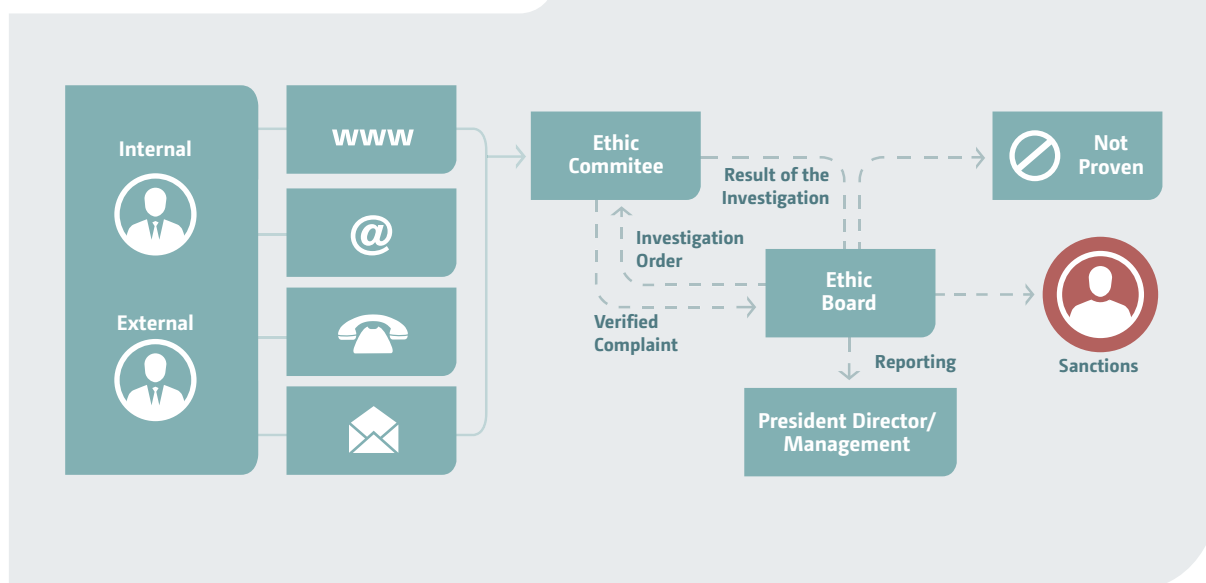
The Whistle-blowing Policy is a system that provides a channel for witnesses to report information on indications of misconduct in a Company.

Disclosures received through this whistle-blowing mechanism require due attention and follow-up, including the appropriate enforcement of the law, so that they can serve as a deterrent for the perpetrators of misconduct, or those who are considering taking such actions.

The Company's Whistle-blowing System is intended as:

1. A basis or implementation guideline for dealing with stakeholder whistle-blowing disclosures;
2. A channel for reporting matters that cannot be resolved through the organization's regular procedures;
3. A guarantee that there is a mechanism for resolving whistle-blower disclosures effectively within a reasonable timeframe;
4. A means of avoiding negative publicity for the Company;
5. A means of supporting the principle of fairness in relations between the Company and the stakeholders as agents and partners of the Company; and
6. As part of the efforts to uncover other problems in the Company that are not consistent with the ethical standards that apply.

PROSES WHISTLEBLOWING SYSTEM



MAKING A WHISTLE-BLOWER DISCLOSURE

Referring to the Whistle-blowing System Manual that was endorsed by the President Director pursuant to Board of Directors Ruling No. 066303.K/PW.01/UT/2013, dated 24 December 2013, the provisions on Dealing with Whistle-blower Disclosures are as follows:

1. The Company's obligation to accept and resolve Whistle-blower Disclosures. In this case, the Company:
 - a. Must accept Whistle-blower Disclosures from internal or external parties;
 - b. Must accept and resolve Whistle-blower Disclosures from both whistle-blowers who disclose their identity and those who remain anonymous;
 - c. Provides a channel for dealing with whistle-blower disclosures, namely through the Ethics Committee; and
 - d. The Ethics Committee will forward the whistle-blower disclosure in line with the context of the reported party.

2. Receiving Whistle-blower Disclosures

The Company has put in place a mechanism for the Receipt of Whistle-blower Disclosures, which include the following:

- a. Whistle-blower disclosures are delivered to the Ethics Committee, whether they relate to the Board of Commissioners, the Board of Directors, or Company Employees;
- b. Whistle-blower disclosures can be made during or outside of working hours;
- c. Whistle-blower disclosures are to be submitted through the Company's official channels;

- d. The Company will accept all whistleblower disclosures from stakeholders and/or their Representatives, orally or in writing;
- e. The Company provides an explanation of the policies and procedures for resolving whistle-blower disclosures when stakeholders and/or their representatives make a whistle-blower disclosure;
- f. Whistle-blower disclosures may be delivered in writing or orally through the following mechanisms:
 - Through the Company's website www.pgn.co.id, under the "Whistle-blower Disclosures" page;
 - By emailing etik@pgn.co.id;
 - By telephone, on the extension "Etik". For every whistle-blower disclosure, a phone log must be made, with information about the whistle-blower and the substance of the report;
 - Through our PO BOX, which will be opened periodically, witnessed by at least two personnel from the IAU and GCG, and recorded in a formal report;
 - By formal letter, addressed to the Company c.q. PGN Ethics Committee, and delivered personally or by mail to the Company at this address:
PT PGN (Persero) Tbk Ethics Committee
Graha PGAS 5th Floor

- g. Whistle-blower disclosures in writing should be accompanied by supporting evidence such as documents related to evidence of the initial indications of a violation;
- h. If a whistle-blower disclosure is submitted in writing and identified, the Company provides a receipt, and if the whistle-blower disclosure is not identified it will be recorded in the list of whistle-blower disclosures;
- i. If a whistle-blower disclosure is submitted by a stakeholder representative, the following documents should be submitted in addition to the documents above:
 - Photocopy of proof of identity of the stakeholder and their representative;
 - A letter of Power of Attorney from the stakeholder to their representative, stating that the stakeholder authorizes the representative to act for and on their behalf. If the representative is an institution or a legal entity, a document must be attached stating that the party submitting the whistle-blower disclosure is authorized to represent the institution or legal entity concerned; and
- j. The Company must provide a receipt for the whistle-blower disclosure to the stakeholder and /or their representative who submits the report.

PROTECTION FOR WHISTLE-BLOWERS

The arrangements for the Protection of Whistle-blowers are set forth in Chapter IV of the Whistle-blowing System Manual and include the following:

1. The Company is required to protect whistle-blowers;
2. Whistle-blower protection is intended to encourage whistle-blowers to come forward;
3. Whistle-blower protection covers:
 - a. Guarantees that the identity of the whistle-blower and the content of their disclosures will be kept confidential;
 - b. Guarantees of the safety of the whistle-blower and their family;
4. A whistle-blower will receive the Company's protection against detrimental treatment, such as:
 - a. Unfair dismissal;
 - b. Demotion of position or rank;
 - c. Harassment or discrimination in any form; and
 - d. Damaging notes on their personal file record.

DEALING WITH ALLEGATIONS

The Company's measures for dealing with whistle-blowing disclosures are set forth in Chapter III of the Whistle-blowing System Manual, and include the following:

1. The Ethics Committee verifies the reports received in order to make recommendations on the need for an investigation of the whistle-blower disclosure within ten working days;
2. Based on the results of the initial verification, the Ethics Committee forwards its recommendations to the Ethics Council for them to decide, within ten working days, whether or not an investigation of the whistle-blower disclosure is required;
3. If the results of the verification indicate that the whistle-blower disclosure is unfounded and there is no evidence of misconduct, the process will go no further. Minutes will be made and signed by the Ethics Council;
4. If the results of the verification indicate that misconduct has occurred and there is sufficient supporting evidence, the Ethics Council will rule that the whistle-blower disclosure can proceed to the investigation stage;
5. Whistle-blower disclosures that involve PGN personnel who need to be investigated must be followed up by an inquiry by the Ethics Committee, and if necessary, with the assistance of other related functions or external parties;
6. The Ethics Committee reports the results of the investigation to the Ethics Council;
7. The Ethics Council will decide on the follow up to the investigation and determine the status of the whistle-blower disclosure (whether the investigation should be closed due to a lack of evidence or sanctions should be imposed), and report to the President Director or the Board of Directors;
8. If the investigation is able to prove the involvement of PGN Personnel, the follow up will be dealt with by the Ethics Council without the involvement of the parties concerned;
9. If the results of the investigation prove the involvement of a member of the Board of Directors, a member of the Board of Commissioners, a member of any of the Auxiliary Organs of the Board of Commissioners, or a member of the Ethics Council, the follow up will be dealt with by the Board of Directors without involving the parties concerned; and

10. Those proven guilty of misconduct by the investigation will be processed in accordance with the prevailing regulations.

REPORT MANAGERS

The Company has established a Whistle-blowing System Organ in accordance with the Whistleblowing System Manual, which was endorsed by the President Director pursuant to Board of Directors Ruling No. 066303.K/PW.01/UT/2013, dated 24 December 2013, which assigns the task of management to the Ethics Committee, who is accountable to the Ethics Committee.

The Ethics Council is a function or unit that is independent from the day-to-day operations of the Company, and has access to the most senior leaders in the Company. Such independent units include the Internal Audit Unit, which may be assisted by legal, GCG, or Human Resources if necessary.

The Ethics Committee has divided the Committee's tasks into two divisions, which are as follows:

1. Report Receiving Division

This division receives whistle-blower disclosures and selects the disclosures that will undergo further processing by the Investigation Division, without disclosing the identity of the whistle-blower.

The Disclosure Receipt Division is also responsible for implementing the whistle-blower protection program, particularly with regard to confidentiality and guaranteeing the whistle-blower's safety. For these purposes, the officers in this division have access to legal, financial, and operational assistance if required.

2. Investigation Division

This division is charged with conducting further investigations of the substance of the allegations reported. The objective is to find and compile the evidence needed to verify that misconduct has occurred. If there is sufficient evidence, recommendations on sanctions for the party committing the misconduct are made to the Ethics Council to decide. If the evidence is insufficient, the investigation will cease and the disclosure will go no further. For the purposes

of their work, the officers in this division receive operational access and assistance, and information from all the units investigated.

The Ethics Committee is accountable to the Ethics Council. The Ethics Council is the organ directly accountable to the President Director, and is tasked with deciding whether to terminate an investigation or order its continuance, making recommendations on the status of a whistle-blower disclosure, the imposition of sanctions, and monitoring the follow-up on the report. The Chairman and members of the Ethics Council consist of members of the Board of Directors who are assigned by, and accountable to, the President Director. If the results of an investigation prove the involvement of a member of the Ethics Council, the member concerned may be replaced by another member of the Board of Directors who is appointed by the President Director.

Results of the Handling of an Allegation

The results of all investigations by the Ethics Committee are reported to the Ethics Council. The Ethics Council will decide how the investigation should be followed up, and determine the status of the whistle-blower disclosure (whether the investigation should be closed due to a lack of evidence or sanctions should be imposed), and report to the President Director or the Board of Directors. If the investigation proves the involvement of PGN Personnel, the follow-up will be dealt with by the Ethics Council without the involvement of the parties concerned. If the results of the investigation prove the involvement of a member of the Board of Directors, a member of the Board of Commissioners, a member of any of the Auxiliary Organs of the Board of Commissioners, or a member of the Ethics Council, the follow-up will be dealt with by the Board of Directors without involving the parties concerned. Those proven of misconduct by the investigation will be processed in accordance with the prevailing regulations.

WHISTLEBLOWING REPORTS IN 2014

In 2014 no allegations were made directly through the Whistleblowing System.

COURT CASES INVOLVING PGN

From 1 January 2014 to 8 January 2014, there were eight cases or legal suits against PT Perusahaan Gas Negara (Persero) Tbk (“PGN”). These cases were ongoing or unresolved and/or had legal force in the previous year. The cases are as follows:

CLAIM BY RESIDENTS OF TANJUNG JABUNG

Case No.	1856-K/PDT/2003
Agency	Supreme Court
Parties	The residents of Tanjung Jabung (Plaintiff) versus PGN (Defendant)
Claim Value	Rp102,943,000
Resumé	Land located along 536 km of the gas transmission pipeline route from Grissik to Duri is still in the process of being certified. During this process, a problem arose when some residents of the area around Tanjung Jabung, whose land was used for the Grissik – Duri pipeline route, demanded additional compensation.
Update	Pursuant to District Court verdict dated 22 April 2002, the Plaintiffs’ claim was rejected and the Plaintiff filed an appeal with the Jambi High Court. Pursuant to verdict No. 31/PDT/2002/PT.JBI, dated 14 August 2002, the Jambi High Court upheld the verdict of the Kuala Tungkal District Court, and the Appellant then filed a claim with the Supreme Court. As of the date of the Financial Statement, the Supreme Court is still conducting an investigation.
Impact on the Company	This case had no effect on the Company.

APPEAL OF CRW ARBITRATION

Case No.	18272/CYK
Agency	International Chamber of Commerce, International Court of Arbitration
Parties	CRW Joint Operation (Claimant) versus PGN (Respondent)
Claim Value	US\$17,298,834.57
Resumé	This case began with a verdict of the Dispute Adjudication Board #3 (DAB#3) on November 25 2008, which ruled that CRW Joint Operation was entitled to receive a payment of US\$17,298,834.57 in relation to the installation of a gas pipeline located in Grissik – Pagardewa, pursuant to contract No. 002500.PK/243/UT/2006, as amended by No. 002000.AMD/HK.02/UT/2008, dated October 24 2008. PGN filed a Notice of Dissatisfaction against the DAB Verdict.
Update	On November 3 2011, PGN received a letter from the ICC Secretariat dated 1 November 2011, giving notice of a Request for Arbitration from CRW Joint Operation to PGN through CRW Joint Operation’s attorney Drew & Napier, in accordance with the letter dated October 28 2011 to settle the issue. On October 12 2012, CRW filed a Claimant’s Application for an Interim/Partial Award. In response to the Application filed by CRW, on November 26 2012 PGN submitted a Submission of the Respondent Against the Application for an Interim Award. On 22 May 2013, the Tribunal issued an Interim/Partial Award requesting the Company to pay in advance the claim submitted by CRW of US\$17,298,835 before it would be re-analyzed and eventually decided in the Final Award. The Company filed a request for the cancellation of the Interim /Partial Award with the Singapore High Court. On 10 October 2013, the Singapore High Court Judge issued a verdict that essentially did not agree with the arguments presented by the Company, and upheld the Interim/Partial Award. On 11 November 2013, the Company filed an Appeal with the Singapore Court of Appeals against the Singapore High Court’s verdict. Given that the filing of the Appeal above has not terminated the Arbitration process, the Tribunal is continuing the investigation of this case. As of the Financial Statement date, this case is still being investigated by the ICC International Court of Arbitration and the Singapore Court of Appeals.
Impact on the Company	This case had no effect on the Company.

APPEAL OF PT INDOSAT

Case No.	549/Pdt/2013/PT.DKI
Agency	DKI Jakarta High Court
Parties	PT Nindya Karya (Appellee I) PT Citra Panji Manunggal (Appellee II) PT Promatcon Tepat Guna (Appellee III) versus PT Indosat (Defendant I) PGN (Defendant II)
Claim Value	Rp4,065,814,002.38
Resumé	This case is an appeal against the verdict of the West Jakarta District Court No. 665/Pdt.G/2010/PN.Jkt.Bar which acquitted PGN of responsibility for damage of fiber optics belonging to Defendant I. The lawsuit filed by Defendant I (formerly the Plaintiff) was related to the alleged damage to the fiber optic cable along the Bandar Lampung-Merak-Jakarta (BALAMAJA) route belonging to Defendant I in the Province of Banten, which was caused by work on the development of PGN's West Java Distribution Pipeline Network by Appellees I-III.
Update	On 18 November 2013, the Jakarta High Court delivered Letter No. W10-U/5307/HK.02/XI/2013 regarding the Receipt and Registration of the Appeal Case File, which stated that the appeal file had been received by the Jakarta High Court. As of the Financial Statement date, this case is still being investigated by the Jakarta High Court.
Impact on the Company	This case had no effect on the Company.

APPEAL OF KPPU

Case No.	2K/Pdt.Sus/2013
Agency	Supreme Court
Parties	PGN (Plaintiff) PT Kelsri (Co-Plaintiff) versus Commission for the Supervision of Business Competition/KPPU (Appeal Respondent)
Claim Value	Rp6,000,000,000
Resumé	This case is an appeal against the verdict of West Jakarta District Court No. 001/Pdt.P/KPPU/2011/PN.JKT.BAR that upheld the decision of the Commission for the Supervision of Business Competition ("KPPU") which stated that PGN and PT Kelsri had violated Article 22 of Law No. 5 year 1999 regarding the Prohibition on Monopolistic Practices and Unhealthy Competition. In that verdict, PT. Kelsri was required to pay a Rp4,000,000,000 fine, and PGN was required to pay Rp6,000,000,000.
Update	On 19 June 2012, PGN and PT Kelsri filed a claim against the verdict of the West Jakarta District Court. On 13 November 2012, KPPU filed a Counter Claim against the claim filed by PGN and PT Kelsri. On 31 May 2013, the Supreme Court issued a verdict rejecting the Claim filed by the Company and PT Kelsri, and upheld the verdict of the West Jakarta District Court No. 001/Pdt.P/KPPU/2011/PN.JKT.BAR, and verdict KPPU No. 38/KPPU-L/2010. However, As of the Financial Statement date, the Company has not received an official copy of this verdict.
Impact on the Company	This case had no effect on the Company.

CLAIM ON PIPELINE PROTECTION DESIGN

Case No.	453 K/Pdt.Sus-HKI/2013
Agency	Commercial Court at the Central Jakarta District Court
Parties	Rimba Aritonang (Plaintiff) versus PGN (Defendant)
Claim Value	Rp132,394,438,000
Resumé	This lawsuit was submitted by a retired employee of PGN related to the claimed ownership of the industrial design of a pipeline protection connection. The Plaintiff claimed ownership of the pipeline protection connection design that he designed when he was working at PGN. In addition, the Plaintiff also claimed that PGN has used the pipeline protection design without his permission as the holder of the Certificate of the Right to an Industrial Design.
Update	On 14 November 2012, the Plaintiff registered his suit with the Clerk of the Commercial Court at the Central Jakarta District Court. On 3 May 2013, the Panel of Judges at the West Jakarta District Court issued the following verdict: a. Partially upheld the Plaintiff's claim b. Stated that the Defendant has acted unlawfully in using the industrial design of the Plaintiff between 2005 and 2007 without the Plaintiff's permission c. Ruled that the Defendant should pay compensation to the Plaintiff of Rp180,000,000 On 23 May 2013, the Plaintiff filed a Claim with the Supreme Court through the Chair of the Commercial Court at the Central Jakarta District Court. On 8 June 2013 the Company filed a Counter Claim against the Claim filed by the Plaintiff above. As of the Financial Statement date, this case is still being investigated by the Supreme Court.
Impact on the Company	This case had no effect on the Company.

CLAIM OF LAND OWNERSHIP AT JL YOS SUDARSO, MEDAN

Case No.	559/Pdt.G/2013/PN.Mdn
Agency	Medan District Court
Para Pihak	PT PLN (Persero) Development Unit I (Plaintiff) versus T.M Chaloon (Defendant I) Ananda Kumar (Defendant II) PGN (Defendant III)
Claim Value	-
Resumé	In its Claim, the Plaintiff stated that the land concerned was an asset of the Plaintiff which was obtained from the Company pursuant to a division of assets by the Director of Gas and Electricity, and handed over to the Plaintiff.
Update	The Company became involved in this case because the Plaintiff considered that the Company had acted unlawfully by signing a reconciliation agreement that did not mention that the land belonged to the Plaintiff. On 10 December 2013 a session was held to read the Plaintiff's claim. Regarding the Claim, the Panel of Judges asked the Defendant to deliver a response at the session scheduled for 22 December 2013. As of the Financial Statement date, this case was still under investigation by the Medan District Court.
Impact on the Company	This case had no effect on the Company.

CLAIM BY MAATS PIPELINE EQUIPMENT

Case No.	545/Pdt.G/2013/PN.Jkt.Pst
Agency	Central Jakarta District Court
Parties	PT Maats Pipeline Equipment (Plaintiff) versus PT Remaja Bangun Kencana (Defendant I) PT Winatek Widita (Defendant II) PT Citra Panji Manunggal (Co-Defendant I) PT PGN (Co-Defendant II)
Claim Value	€ 595,827.98
Resume	The Company received a claim filed by Maats Pipeline Equipment to the Central Jakarta District Court in relation to the outstanding obligations of PT Remaja Bangun Kencana (Defendant I) and PT Winatek Widita (Defendant II) regarding payment for the lease of heavy equipment used by the Defendants and PT Citra Panji Manunggal (Co-Defendant I) for work on the Grissik – Pagardewa pipeline development project (“the Job”), of € 595,827.98
Update	The Company is involved in this issue as the Job Owner, for which the Defendants and Co-Defendant I are contractors who are working on the Job of developing the pipeline for the Grissik – Pagardewa route.
	As of the Financial Statement date, the Central Jakarta District Court is still investigating the case.
Impact on the Company	This case had no effect on the Company

INFORMATION REGARDING ADMINISTRATIVE SANCTIONS

In 2014, no administrative sanctions were imposed by the Capital Market Authority or any other authority on PGN, members of Board of Commissioners, or members of the Board of Directors.

ACCESS TO INFORMATION

To facilitate stakeholders’ access to information, PGN is continually updating its information delivery facilities and infrastructure. Additionally, PGN consistently strives to strengthen its IT platforms to safeguard and improve reliability and ensure the integrated, prompt, and accurate provision of information through its website www.pgn.co.id, and the Ministry of SOEs portal.

In compliance with information disclosure requirements, PGN also consistently reports material information and facts to the capital market authorities, both in writing to Bapepam-LK, and via electronic reporting to the Indonesia

Stock Exchange. PGN is also proactively gives notice of all Corporate actions through press releases in Indonesian and English, which can also be downloaded from the PGN website.

Customers and prospective customers can obtain further information about PGN by sending an email to contact.center@pgn.co.id, or by contacting the Contact Center on 0800 1500 645. Investors, analysts, and shareholders can contact Investor Relations directly by sending an email to investor.relations@pgn.co.id, or by calling (6221) 6334838.

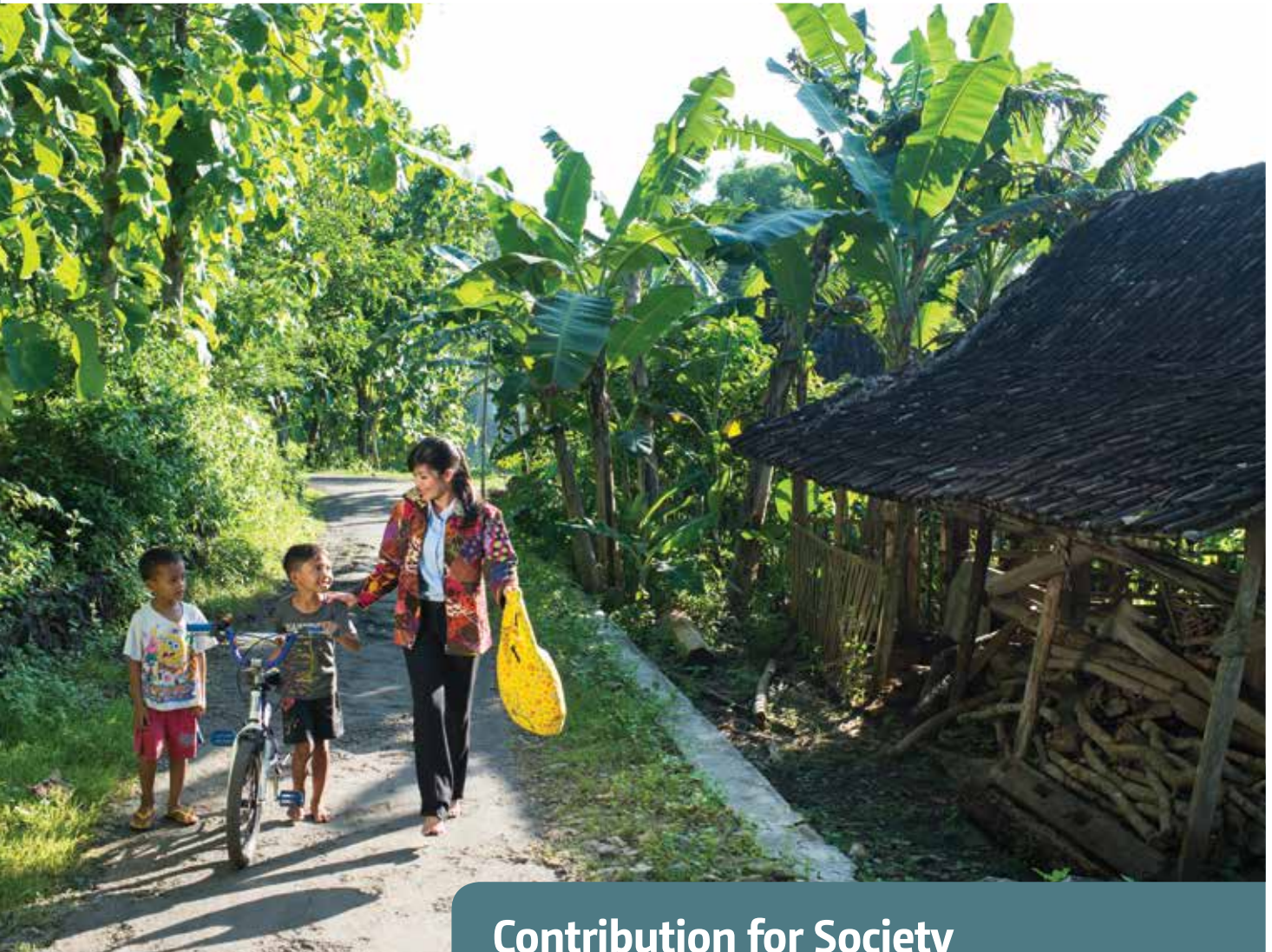


In 2014, PGN donate 1 (one) unit of mobile library for Gresik Regency Government. This is part of PGN contribution for education in Indonesia.

06

Corporate Social and Environmental Responsibility

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY



Contribution for Society

PGN concerns to the economic development of local communities and environment is realized through various sustainable program

Implementation of proper and responsible Social and Environmental Responsibilities leads to well acceptance of PGN's existence by society and other stakeholders

PGN has adopted the understanding of social and environmental responsibility clearly defined in Law No. 40/2007 on Limited Liability Companies article 1 paragraph 3 article 74. In 2012, social responsibility was reaffirmed in Government Regulation No. 47/2012, as mandated by Law No. 40/2007.

Generally, and by the international community, Social and Environmental Responsibility (SER) is better known as Corporate Social Responsibility (CSR). Therefore, as a listed company, SER to PGN is synonymous with CSR. As defined by international understanding, which is also adopted by PGN, CSR is not just a matter of charitable donations, but also encompasses broader concerns, such as sustainable care for the environment, respect for human rights, the obligation to provide a comfortable place of work and good labor relations for its employees, prioritizing occupational health and safety and participating in developing the economy and local communities.

SER is PGN's commitment to building a sustainable economy to improve quality of life and benefit the environment for the Company, the local community, society and for future generations. PGN believes that its presence will be well received by society and other stakeholders if it implements SER appropriately and responsibly. Through its role as an agent of development, PGN conducts business on environment principles and participates in the

government's efforts to create prosperous people by implementing various environmental, social and community programs.

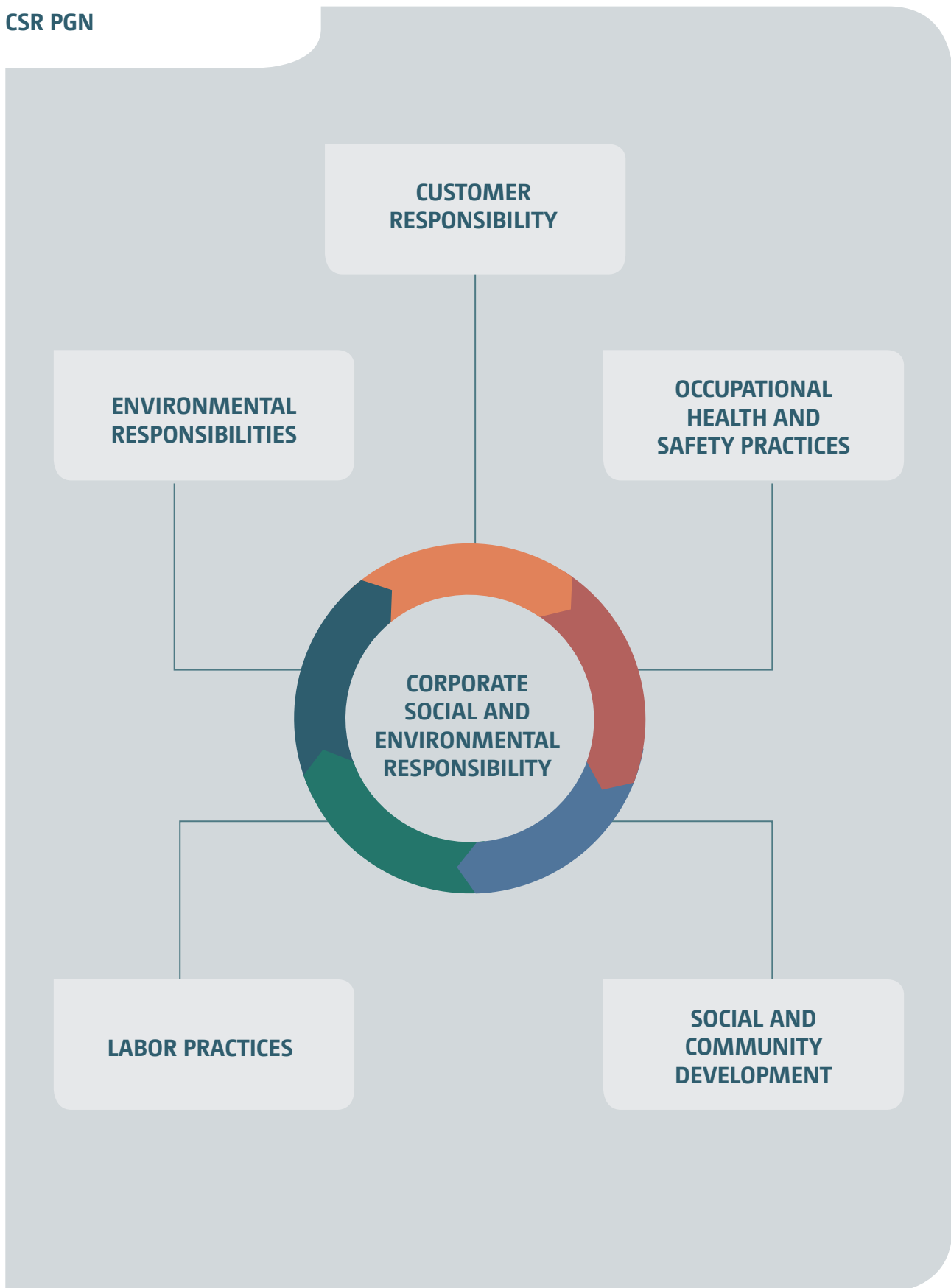
CSR in PGN is implemented on the basic CSR concept of "PGN Share", namely:

- Contributing to the improvement of public WELFARE;
- Creating a HARMONIOUS relationship with stakeholders;
- Implementing sustainable partnership programs and Community Development Program to establish TRUST;
- Being RESPONSIVE to society's social problems;
- Showing EMPATHY for society's social problems.

CSR in PGN covers 5 sections, including:

1. Environmental responsibilities;
2. Labor practices;
3. Occupational health and safety practices;
4. Social and community development;
5. Customer responsibility.

CSR PGN



ENVIRONMENTAL RESPONSIBILITY



Environmental Transformation within the Company is aimed at making PGN an eco-friendly company.

POLICY

PGN strives to create sustainability not only through its commitment to safety, health and the environment, but also by actively optimizing energy use as an integral part of its existence. Environment and energy policies have been integrated into PGN's current Occupational Health and Safety and Environmental Management Policy (K3PL), which was then renamed the Occupational Health and Safety and Environmental and Energy Management Policy Management System (SMK3PL-E). Based on the commitments set forth in this policy, PGN has focused on energy management and environmental management system in 2014. A variety of programs related to energy management, as well as the environmental

management system, started to be implemented. Although PGN has not planned to obtain ISO 14001 certification, its environmental management already refers to that environmental management system.

In its implementation, PGN set a target of zero fatalities, disease and environmental pollution caused by management of the company's business. To achieve these targets, the following was determined:

1. Implementing the Occupational Health and Safety, Environment and Energy Management Policy Management System (SMK3PL-E) and complying with applicable legal and other requirements;
2. Taking proactive and preventive actions to achieve a work environment that is safe, hygienic, without environmental pollution and with efficient energy consumption;



PGN has established eco-friendly policies and encourage business partners and society to implement environmental preservation program

3. Conserving energy to achieve efficient and optimized energy use;
4. Educating all workers through the provision of ongoing education and training and cultivating implementation of Safety, Health and Environment rewards and sanctions;
5. Investigating every incident, workplace accident and occupational disease, as well as environmental pollution, and ensuring precautionary follow-up on findings; and
6. Evaluating Health, Safety and Environment performances regularly for continuous improvement of environmentally friendly energy use.

With regard to climate change, PGN has established policies that are environmentally friendly and encourage business partners and communities to implement environmental programs. For operational activities such as operating the compressor turbine, we utilize natural gas as a more environmentally friendly source of energy. The Company also utilizes natural gas as a fuel chiller to replace the use of non-environmentally friendly diesel.

ACTIVITIES UNDERTAKEN

PGN's operational activities to distribute natural gas do not have a significant negative impact on the environment; however, PGN's operational activities still fulfill environmentally principles. All PGN activities are always accompanied by an AMDAL and UKL-UPL and have environmental permits from the relevant authorities. This not only maintains PGN's operating reliability, but also maintains environmental quality through compliance with environmental standards set by the Government. The Company's commitment to environmental management includes:

a. Material Use

PGN's distribution and transmission network is constructed with pipes made of steel or PE (polyethylene) plastic of a carefully calculated thickness. The pipe is covered with a protective layer of PE and other protective factors making it rustproof, durable and capable of being buried in the soil for long periods of time (about 30 years). The objective is to minimize the impact on the environment.

b. Waste Management

PGN's operational activities related to natural gas distribution do not have a significant negative impact on the environment; however, for all its operational activities, PGN maintains environmentally principles. PGN not only maintains operational reliability, but also maintains the quality of the environment by complying with environmental standards set by the Government. Used materials that absorb impurities, or filters, that have been placed inside the pipe are handled according to applicable regulations so as not to pollute the environment. PGN has a policy regarding the use of paper in operational activities requiring used paper to be treated as a recyclable material and recycled for further paper management. PGN also works with other parties to manage used paper as a recycled material. To preserve the environment, PGN conserves the use of natural resources, energy resources and implements other programs.

c. Biodiversity Profile Study in Bedegung Waterfall Tourism Area

In line with the Occupational Health and Safety and Environmental and Energy Management Policy (K3PL-E) and the principle of sustainable, environmentally responsible business ethics, one manifestation of corporate responsibility related to the above is the company's alignment and involvement in environmental protection efforts, including the protection and conservation of biodiversity both in-situ and ex-situ. For the first step, in 2014, PGN SBU TSJ conducted a biodiversity profile study at Bedegung Waterfall in Bedegung village, Tanjung Agung district, Muara Enim regency.

The purpose of this activity is to develop a biodiversity baseline profile and display it in the form of spatial information. Furthermore, the required biodiversity management, utilization and/or protection is implemented.

The biodiversity management strategy includes:

- Increased efforts to strengthen biodiversity by maintaining germ plasm;
- Promoting the preservation of germ plasm;
- Strengthening social, economic and community institutional support to improve the effectiveness of arboretum management.

Program implementation is derived from PGN's biodiversity management strategy, namely:

- Preservation of species and germ plasm through development of an arboretum;
- Community socio-economic development and strengthening to support biodiversity management, with improved community capacity to manage ecosystems;

These activities were conducted in collaboration with local environment agencies, universities and the community.

d. Use of Environmentally Friendly Energy

PGN also encourages the use of natural gas as an environmentally friendly energy in the community by:

- Providing Mobile Refueling Units (MRU) for motor vehicles as a pilot project for the Campaign for the Use of Gas as a clean and environmentally friendly energy source. Inaugurated on May 19, 2013;
- The establishment of GASKU Gas Filling Stations (SPBGs), the inauguration of this Gas Filling Station was a tangible form of PGN's consistency in expanding the use of natural gas in the country and supporting the Government's program for conversion to CNG for transportation;
- Use of solar cells for outdoor lighting and repeater towers along the Grissik-Labuan Maringgai transmission pipeline;
- The use of CNG for the entire PGN operational fleet.

Furthermore, PGN will remain committed to innovations and creations achieving efficient, environmentally sound operations.

e. PROPER

PGN's compliance with the regulations is reflected in its participation in the Company Performance Ratings for Environmental Management (PROPER). In 2014, all PGN's Work Units that ranked blue were:

1. SBU Distribution I Western Java Cimanggis Depok Offtake Station;
2. SBU Distribution II Eastern Java;
3. SBU Distribution III Northern Sumatera Panaran Batam Offtake Station;
4. SBU Transmission Sumatera-Java, Pagardewa South Sumatera Compressor Station.

f. Carbon Accounting

A range of internet-based Carbon Accounting (carbon calculator) applications have been developed by many organizations. However, these carbon calculators spread through cyberspace tend to be based on lifestyles, technologies and practices in developed countries, especially Europe and North America. The emission factors used are also more relevant to technological development in these countries. Therefore, many of the features or activities are not relevant or appropriate to daily conditions in developing countries.

The carbon calculator developed by PGN is part of the environmental transformation being implemented by the company. The coverage scope of the carbon calculator developed for PGN only encompasses emissions derived from the use of electricity provided by PLN or our own generator, and emissions from the use of operational vehicles.

In principle, the carbon calculator we made can be easily used by PGN. The carbon calculator operator inputs data on the amount of KWh consumed from the electricity meter, or vehicle fuel consumed, or the m3 volume of gas consumed in certain locations and for certain years, which can then be seen as total carbon emissions in the form of tables or graphs. Data sheets prepared using Spreadsheet Application are also displayed in the web-based version. Here are PGN's carbon emissions per Work Unit for 2014:

PGN CARBON EMISSIONS PER WORK UNIT 2014 (IN TONS OF CO ₂ EQ)											
Work Unit	Scope 1									Scope 2	
	Venting	Instrumen- tation	Blowdown	Gas Leaks	Gas Fuel	Generator Fuel	Vehicle Fuel	Vehicle CNG	Gas for Chillers	Electricity	Flights
Head quarters	-	-	-	-	-	16.85	164.14	211.92	997.09	4,824.56	45.56
SBU Distribution I	-	-	-	-	733.19	0	662.86	194.46	0	1,463.83	0
SBU Distribution II	-	-	610.75	-	-	0.21	231.77	5712	105.51	558.3	0
SBU Distribution III	-	-	-	-	-	68.9	291.95		1.58	3,530.67	128.31
SBU TSJ	10,442.45	6,476.28	-	-	37,839.59	1,152.71	508.86	29.20	-	1152.71	143.64
PMO	-	-	-	-	-	-	431.03		-	-	37.35
Total	10,442.45	6,476.28	610.75	0	38,572.78	1,238.67	2,290.61	492.71	1,104.18	11,530.07	354.86

g. AMDAL or UKL-UPL Implementation

PGN's main activity is to transmit and distribute natural gas from suppliers to customers. Prior to delivery, the natural gas is processed to attain the appropriate, specified quality.

Given that PGN's business activities are based on the utilization of natural resources, PGN is committed to managing the environment wisely and responsibly. Therefore, PGN is strongly committed to complying with all applicable legislations, including Law No. 32/2009 on the Protection and Management of the Environment.

Every operational activity undertaken by PGN requires attention be paid to provisions contained in the Environmental Impact Analysis (AMDAL) document and Environmental Management - Environmental Monitoring Plan (UKL-UPL) documents. Thus, PGN can always anticipate the impacts that will arise, as well as assess and seek the best alternative solutions to alleviate these impacts.

The objective of PGN's environmental management practices can be seen from the implementation of its AMDAL (RKL-RPL / UKL-UPL), as evidenced in the RKL-RPL and UKL-UPL implementation report. Additionally, PGN's compliance with Government regulations can be seen from the environmental permits it has processed. In 2014, the environmental permits it obtained included:

1. UKL-UPL Environmental Permit for the Upgrading of Sunyaragi Station, Cirebon District, West Java province;
2. UKL-UPL Environmental Permit for the Development of a Central Java Distribution Pipeline in Central Java province;

3. UKL-UPL Environmental Permit for the Installation And Operation Project for the Gresik - Lamongan - Tuban Distribution Network Pipeline;
4. UKL-UPL Environmental Permit for Development of Batam Gas Station in Panaran, Tembesi district, Sagulung city, Batam;
5. UKL - UPL Environmental Permit for Installation of Muara Karang - Muara Bekasi Distribution Pipeline.

h. Training

To support the successful implementation of environmental transformation, training of the appropriate and relevant PGN staff is required. The training required includes:

- Training in the preparation of AMDAL and UKL-UPL documents and obtaining environmental permits;
- Training in mercury management;
- Training to introduce the Energy Management System.

ENVIRONMENTAL PERFORMANCE AND AWARDS

During 2014, PGN achieved environmental performance and awards, including:

a. Performance

1. PROPER Blue rank for all SBU, including:
 - SBU I Cimanggis Station;
 - SBU II for all stations and pipeline network;
 - SBU III for Panaran Station;
 - SBU TSJ for Pagardewa Compressor Station.
2. PROPER Green rank candidate (SBU II and SBU TSJ Pagardewa Station).

b. Awards

1. Winner of The Best Sustainability Report 2014, 10th ISRA Awards held by NSCR;
2. Best Indonesian Green Company 2014, awarded by SWA Magazine

ENVIRONMENTAL CERTIFICATION

In an effort toward becoming a world-class energy company in the utilization of natural gas, PGN's concerns focus on aspects of environmental control and occupational health and safety in operational activities.

One of Occupational Health and Safety Management System that globally applied is OHSAS 18001. OHSAS 18001 (Occupational Health and Safety Management System: 18001) was issued by BSI (British Standards Institution) in 1999 and became into effect on 15 April 1999. This standard was created and formulated by 13 standardization and certification boards from several countries. In addition, it is also in accordance with Government Regulation No. 50/2012 on the Application of OHS Management Systems in Companies. In 2013, PGN undertook OHSAS 18001: 2007 certification and OHS Management Systems across all its Operational Units and Head Office as the embodiment of OHS Management System implementation within the company, as well as compliance with government policy. As a result of implementing this certification, very satisfactory results have been obtained with all Operational Units, Head Office and the Project obtaining OHSAS 18001: 2007 certification, while for OHS Management System implementation based on Government Regulation No. 50/2012, a satisfactory result was the attainment of Advanced level. On May 14, 2014, PGN also attained OHS Audit Certification based on Manpower and Transmigration Ministry Decree No. 168/2014, which states that all Operational Units, Head Office and the Project have implemented OHS Management Systems.

ACTIVITY COST

Costs paid out for environmental management activities during 2014 amounted to Rp8,865,636,800.

LABOR PRACTICES



PGN is committed to creating a work environment that provides sustainable added value to its employees. In 2014 PGN carried out an average 6 training days for each employee.

POLICY

Employees are PGN's main capital, thus PGN is committed to creating a safe and enlightening work environment that supports workers achieve their best potential and creates welfare for employees.

A Safe and Enlightening Work Environment

PGN strives to create work environment that provides a sense of safety, both physically and spiritually. The work environment is expected to inspire employees in activities, creation and innovation.

Best Employee Potential

PGN is committed to stimulating the best potential in its employees through the creation and utilization of best competencies. Assignments and placement are based on each employee's personal competence.

Employee Welfare

Employee welfare is guaranteed to attract and obtain the best human resources, to motivate employees to do their best work and to retain the best employees.

Collaboration between PGN employee encouraged by a safe work environment and inspires workers to practice innovation



ACTIVITY PROGRAM

Safe and Enlightened Work Environment

a. Good Communication with Employees

To maintain good communications between employees, and between the management and employees, PGN has developed a corporate portal that can be utilized and optimized by all employees to support communication in day-to-day work, which has the following features:

- Corporate e-mail application as a communication media;
- An e-sms application to manage letter filing;
- An e-absen application to monitor employee attendance;

- A Knowledge Management Online (KMON) application to share knowledge and best practices in day-to-day work.
- The PGN Online Paperless Payment (POPAY) application to process payments to third parties;
- The INFOKU application for self-service personnel data.

PGN also has other communications media, such as the quarterly Berita Gas magazine and the monthly PGN Inside tabloid. These magazines contain information on the Company and business in related industries, as well as being a means for the company to announce PGN's best employees.

The management also routinely communicates directly between the management and Labor Union through Town Hall Meetings and Workshops. In 2014, there was one Town Hall Meetings and two workshops.

b. Freedom of Association

As a publicly listed company, PGN guarantees its employees freedom of association by creating a labor union. This guarantee is provided because the management adheres to the paradigm that employees and companies need each other. The guarantee to freely create a labor union is recorded in Law No. 21/2000 on Labor Unions.

Employees and labor unions serve an important function in industrial relations, namely working in accordance with their obligations, maintaining continuity of production, channeling democratic aspirations, developing skills and expertise and helping to advance the company and the welfare of its members and their families.

Currently, the labor union at PGN is the PT Perusahaan Gas Negara (Persero) Tbk (PGN) Labor Union (Serikat Pekerja – SP), abbreviated as SP-PGN. The union is independent and unaffiliated. SP-PGN has been registered with the employment authorities under Proof of Registration No. 387/II/P/IX/2009 dated 19 September 2009 by the Manpower and Transmigration Agency – West Jakarta Administration. The union leadership is spread through each of PGN's organizational units and centralized under the central committee at PGN Head Office. Union membership is not obligatory. PGN believes that its relationship with SP-PGN is harmonious and all problems can be settled through consensus.

PGN has also formed a Bipartite Cooperative Institution, which includes employee and company representatives in adherence with

Law No. 13/2003 on Labor Relations, as well as Manpower and Transmigration Ministerial Decree No. Kep.225/Men/2003 on Procedure to Form, and Membership of, a Bipartite Cooperative Institution.

The Bipartite Cooperative Institution is vital to prevent and minimize misunderstandings between the two sides, to accommodate the company's and the employees' desires and aspirations, and to provide a bridge between the company and the employees for the voicing of desires and aspirations and for discussion of various matters pertaining to the Company. Routine Bipartite Cooperative Institution meetings are conducted quarterly to foster harmonious industrial relations.

c. Collective Labor Agreement

The Collective Labor Agreement was agreed on 4 July 2013 and approved by the Manpower and Transmigration Ministry through decision letter No. 106/PHIJSK PKKAD/PKB/VII/2013 dated 9 July 2013. SP-PGN represented the employees in discussions with the management to compile the CLA.

The CLA accommodates the rights and responsibilities of the company and the employees equally. The CLA is intended to:

- Provide assurance on the rights and obligations of the company and its employees, including: industrial relations, working conditions, and the Company Code of Conduct;
- Strengthen and enhance cooperation between the company and its employees;
- Regulate the fair resolution of disagreements so that they do not lead to disputes. Any differences are to be resolved through discussion and consensus.

d. Regulating Work Hours, Rest and Permission to Leave Work

To avoid excessive labor exploitation, the Company has set limits on working hours. Working hours are determined by the area of work and the nature of the job. In PGN, this applies to regular working hours, shift work and special working hours for the completion of jobs in specific areas. If an employee works beyond the time specified, overtime will be paid in accordance with prevailing legislation.

For operational work that must be carried out reliably 24 hours a day, PGN utilizes a shift system. Shift requirements are adapted to the conditions encountered in the field, but usually there are 2-3 shifts a day. If employees have to work beyond the shift deadline, they will be paid based on pre-determined and agreed calculations. This system is intended to prevent actions that can be categorized as forced labor.

While working, every employee is given the chance to rest at certain times. Employees are also given the opportunity to take annual leave, as well as long service leave every 3 years. PGN also provides compensation to workers including: paid leave at the basic salary for certain purposes, permission to participate in the haj pilgrimage and other religious pilgrimages, as well as maternity leave and menstruation leave for female workers.

e. Human Rights

PGN respects human rights by applying the practice of non-discrimination based on gender, ethnicity, religion or political affiliation. This is reflected in the daily work environment, as well as during recruitment of new employees.

Equal opportunity is provided to all people, both men and women, regardless of ethnicity, religion, race, class, gender, or physical condition, to participate in PGN's recruitment program. Candidates are appointed based on the results of the selection, assessment during probation and employee orientation.

Equal opportunity is also provided for all employees to participate in training and education programs, from supervisory level to top management. Throughout 2014, six mandatory competency programs were run with 146 participants, 44 managerial competency programs were attended by 953 participants, 87 competency programs were attended by 1,847 participants, as well as 265 public training programs attended by 796 participants and also 10 public foreign trainings attended by 22 participants.

PGN complies with policies prohibition the employment of children and, at the time of this report, the youngest PGN employee was aged 22. The minimum age requirement implemented by PGN is 18 years of age. This complies with the government's decision to ratify the ILO Convention.



INTERVIEW WITH HENDI KUSNADI DIRECTOR OF HUMAN RESOURCES AND GENERAL AFFAIR

Q

What programs or initiatives were taken to improve human resource competencies?

A

Every year we conduct assessment to our employee's technical and managerial competence, which results will be the basis for the next implementation of educational programs, training and competence improvement.

The training program is not only carried out within Indonesia, but carried out in other countries. In 2014, we cooperated with GDF Suez and organized several training activities in the form of an Exchange and Experience Learning with a total of 28 participants. Besides, we also provide the opportunity for the best workers to continue their education to Undergraduate, Graduate, and Post Graduate Programs. In 2014 total employees who received a scholarship to overseas Post Graduate Programs were increased. In addition, we also have PGN STAR program and learning activities conducted through a web-based online system.

Q

Please comment on any issues regarding industrial relations, remuneration, and incentive programs.

A

Industrial relations in PGN is conducted within the framework of partnership. The Company seeks to build a harmonious labor relation with the Union. Every quarter Company's management representative and representatives of Unions held a coordination meeting through Bipartite Cooperative Institution (Lembaga Kerjasama Bipartit) to discuss matters that require together attentions. All rights and obligations of employees and companies are equally stated in the Collective Labor Agreement.

Remuneration system currently running has been implemented since December 2010. Our main references in designing the remuneration system are internal equity and external competitiveness. Remuneration system implemented by the Company is expected to be a fair remuneration system. To be an internal equity, we evaluate all positions using the Hay methodology system. And to maintain external competitiveness, we routinely follow a salary survey to see the position compensation package of PGN against similar companies in the market.

For benefit programs, besides an attractive remuneration package, we also offer various attractive benefit programs for employees and their families, such as health care, medical insurance, accident insurance, assistance for performing the haj or other religious pilgrimages, and educational scholarships. In 2014, we launched new benefit programs, inter alia Employee Assistance Program (EAP) and Post-Retirement Health Program. The EAP program is an additional facility for employees and their families in the form of counseling services. While Post-Retirement Health Program is intended to address the needs to cover health care costs when employee retired.

Facilities to Develop Best Potential in Employees

a. Competency Management

The basis for training and human resource development in PGN is both basic competence and competence in the field. Coaching and development are carried out through education, training, special assignment and transfer and promotion programs. Periodically employees are given an overview of the competencies they master from the results of the assessment process.

PGN has proven its commitment with the development of an HR organization based on the scope of strategic work, and the establishment of a competence development service within the HR organizational structure, with the following duties and roles:

1. The creation of a comprehensive and integrated competency-based HR system.
2. The availability of thorough employee competency profiles.
3. Identification of competency gaps for each employee.
4. The creation of talent management.
5. Talent development in accordance with the Company's needs.
6. Retaining workers with the potential and motivation for the best performance.

Implementation of competency data management is through a competency-based human resource development model (CBHRM), as well as competence development planning through Talent Management. This demonstrates PGN's seriousness in managing the professionalism of its employees.

b. Employee Education and Training

PGN continually runs employee training and development to ensure the competencies and skills that it requires are in place. Education and training programs are consistently implemented by PGN to maintain and create the best worker competencies. The competence development programs are arranged in a planned, systematic and focused way based on company development.

PGN has developed outlines, syllabuses, modules and facilitator guidelines for training and education programs for Engineering, Operations

and Commerce, which relate directly to revenue growth, natural gas distribution expertise and customer satisfaction.

c. Performance Management

Performance Management is the principal tool for the management to monitor the progress of each employee, as well as provide feedback to employees on necessary improvements. With the Individual Performance Management System (SMKI) that has been implemented since 2012, every target for each employee must refer to the Company's Strategic Business Priority (SBP) and their supervisor's targets. The Company targets are directly supported by and distributed among the Directors, and then cascaded down to staff level. With the implementation of SMKI, all employees are encouraged to give their best because they understand the work they do contributes directly to PGN's corporate achievements.

The SMKI is supported by a web-based application which is used by all employees to submit information regarding performance management. Simply by connecting to the internet, at the beginning of the year, all employees set SMART (Specific, Measurable, Achievable, Reasonable and Time-bound) targets, linked to the targets set by their supervisors and aligned with the SBP. At the end of the first semester, every supervisor is required to give feedback on the progress made by their staff. At the end of the period, assessments are conducted on individual achievements and one of the following ratings is given: Outstanding, Very Good, Good Plus, Good, Reasonable and Unsatisfactory. These ratings form the basis of decisions on the employee's remuneration and career path.

d. Employee Turnover Level

A good working environment tends to be reflected in low employee turnover. In 2014, PGN had 1,509 employees, a reduction from 1,540 in 2013. This was for the most part due to natural causes, i.e. retirement or death. This has had a positive financial impact by optimizing employee development and training costs.

Employee Benefits

a. Remuneration

PGN's current remuneration system has been applied since December 2010 in response to PGN's 3 key requirements:

- To attract the best talent;
- To motivate employees to give their best so the company's vision and mission can be achieved, and
- To retain the best talent to stay in PGN.

In designing such a remuneration system, internal equity and external competitiveness are always the main points of reference. The objective is to produce a remuneration system that is fair. To create internal equity, all positions were evaluated using the Hay System methodology to generate a job grade. Meanwhile, to maintain external competitiveness, PGN routinely undertakes salary surveys to compare its compensation package with those of similar companies in the marketplace.

b. Benefit Program

In addition to an attractive remuneration package, PGN also offers various attractive benefit programs for employees and their families, such as health care, medical insurance, accident insurance, assistance for performing the haj or other religious pilgrimages, educational scholarships and so on.

In 2014, several new benefit programs were launched by the management, including:

- Employee Assistance Program
From mid-2013, PGN began providing additional health facilities for employees in the form of the Employee Assistance Program (EAP). The EAP is an additional facility for employees and their families that offers counseling services. Any employee can meet with a counselor face-to-face or by telephone for a consultation on personal problems, family issues or problems connected to their performance at work. The EAP data is confidential and is not filed with the employee's medical records or personal data, but is known only to the EAP Counselor and the employee concerned. EAP offers employees the chance to solve their problems, and it is hoped that by overcoming them, they will be able to focus better on their work.

EAP not only offers curative counseling services; it also does preventive work through seminars in remote areas and producing articles on mental health issues. As of the end of 2014, a total of 217 employees throughout PGN had taken advantage of EAP.

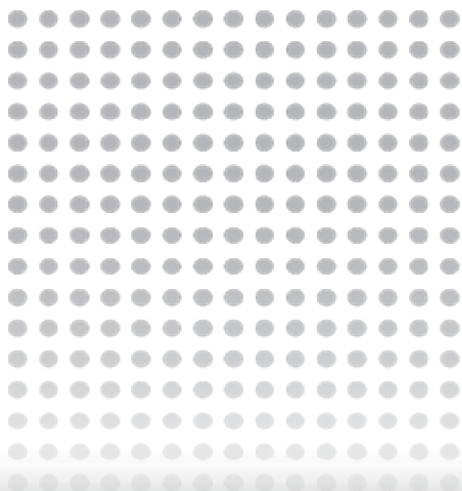
- Post-Retirement Health Program

As a leading SOE, one of PGN's key concerns is maintaining the health of its employees and retirees. The Post-Retirement Health Program is the result of the hard work of PGN's Management, who have partnered with PGN's labor union to develop this program.

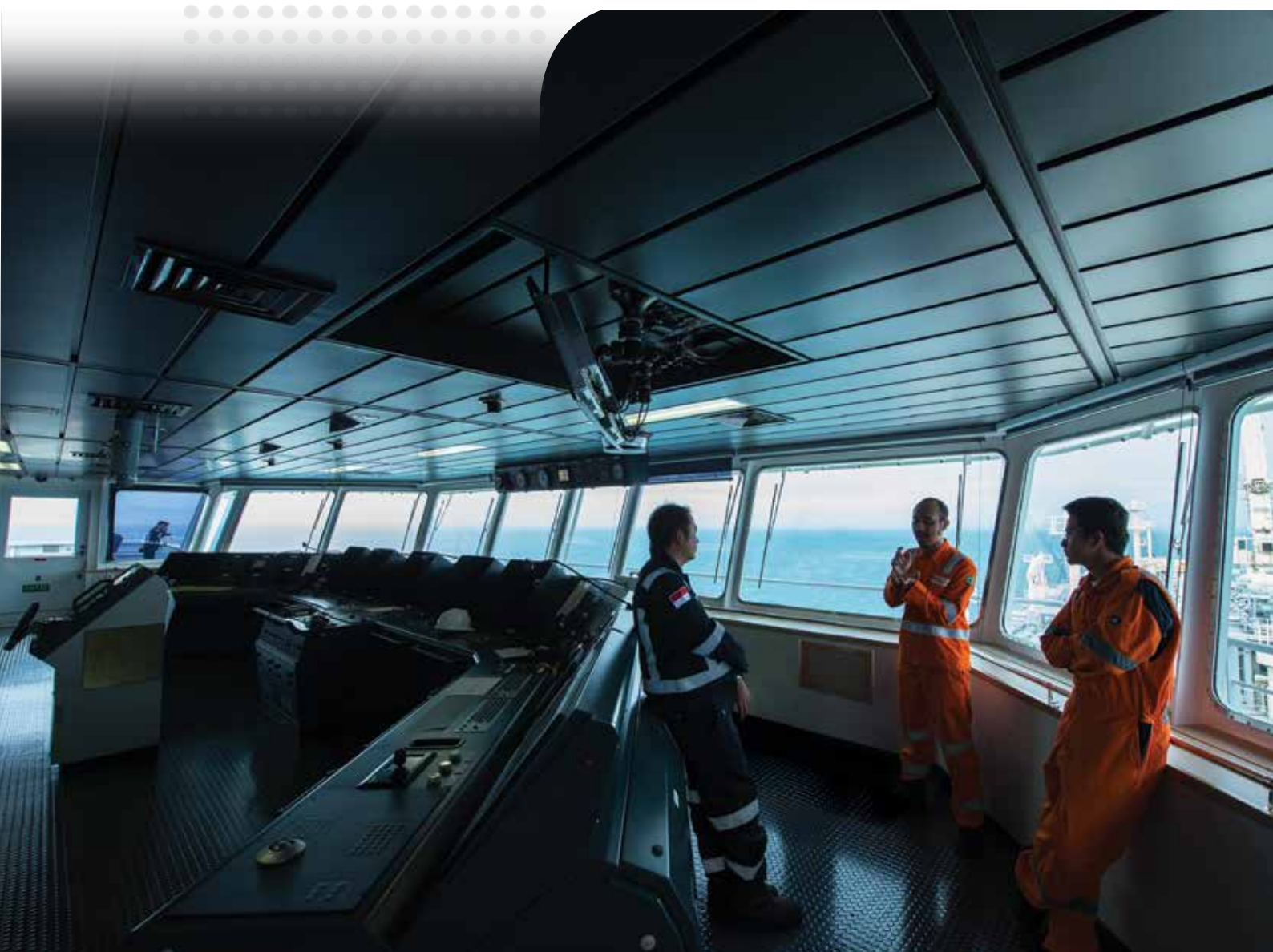
FINANCIAL IMPACT OF LABOR PRACTICES

During 2014, PGN realized 25,115 man days for employee training programs at a total cost of Rp41,698,373,086, a rise of approximately 18.7% on education and training in the previous year (2013) of Rp35,888,349,940.

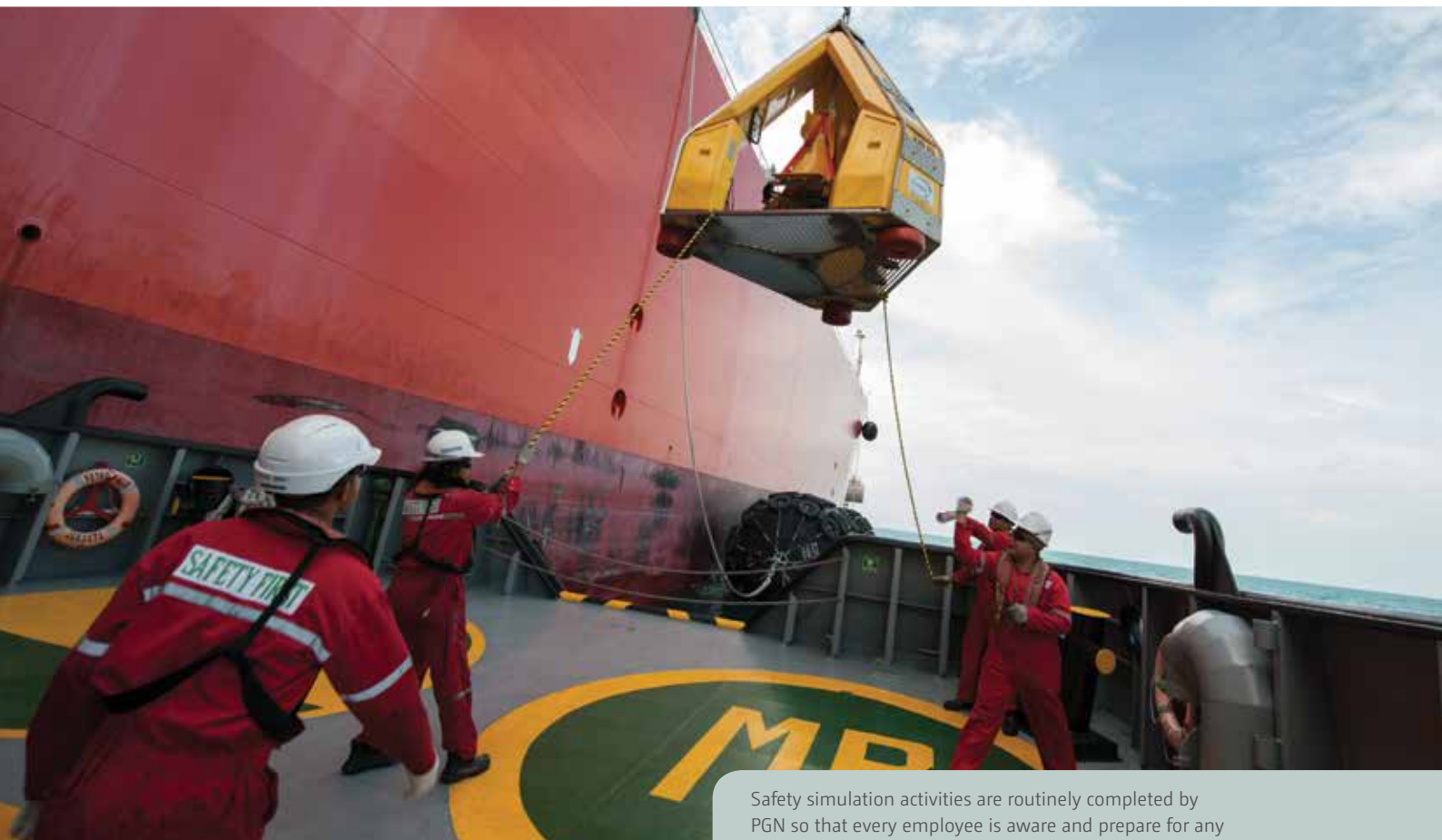
This increase was because in 2014 the company sent employees to the US to participate in post-graduate programs, as well as running internship programs in world-class oil and gas companies in Europe and Asia.



Effort to improve employee competency is carried out through various education program and training. 408 educational program and trainings carried out in 2014



OCCUPATIONAL SAFETY AND HEALTH PRACTICES



Safety simulation activities are routinely completed by PGN so that every employee is aware and prepare for any possible emergency.

POLICY

Occupational Health and Safety Management in the Company is a substantial matter due to the high-risk nature of the Company's business operations in the field of natural gas Distribution and Transmission. Through strong OHS management, we can minimize or eliminate any factors that could cause an occupational accident or impair occupational health. With our vision of becoming a world-class energy company in the gas sector, OHS management needs to be aligned with this. This is demonstrated in our OHS, Environment and Energy Management Policy and SHE Goals that have been determined.

In this policy, the OHS management system and all OHS activities in the Company are prioritized by strengthening implementation of the principles of Plan, Do, Check and Action. In addition, attention is paid to energy conservation as a form of the Company's participation in global energy use goals. The emphasis on health in the SHE Goals reflects the Company's concern for the health of its employees, recognizing that they are the Company's main asset.

Inspections of safety and security aspect is one of the regular priorities of every PGN's employee

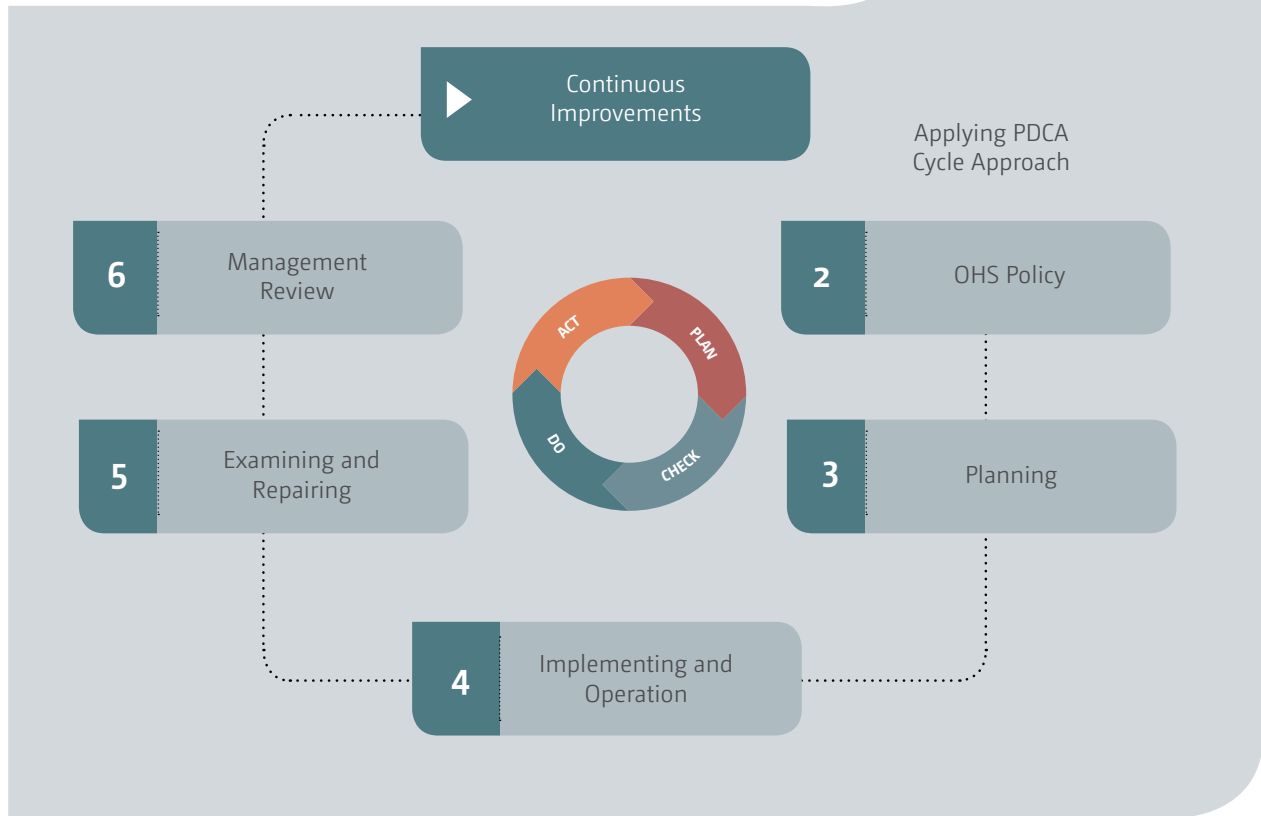


Objective of Occupational Health and Safety in PGN's Vision



Policy of Occupational Health and Safety - Environmental and Energy Protection

OHS MANAGEMENT SYSTEM MODEL BASED ON OHSAS 18001:2007



OHS Management System

Efforts to protect employees from work-related hazards, the achievement of a high standard of safety and health and a favorable work environment will ultimately have a positive influence on improving productivity. To be deemed safe, conducive and healthy, a work environment must meet various requirements from the safety management system, particularly in the production process. This covers the extent to which the Company takes account of health and safety issues in the course of producing a good product.

For the Company, proper handling of occupational health and safety issues means:

- Improving the welfare of employees and their families, thus reducing the cost of accident compensation
- Reduced repair costs
- Prevention costs are lower than handling industrial accidents
- Maintaining the company's good image overall

A workplace accident or impaired health suffered by an employee is not only a problem for the employee; it also impacts on family members and causes losses for the Company. Accidents in the workplace can usually be prevented without significant investment. To implement the principles of occupational health and safety properly, the Company and the employees must use good "business sense" and follow the applicable rules and standards.

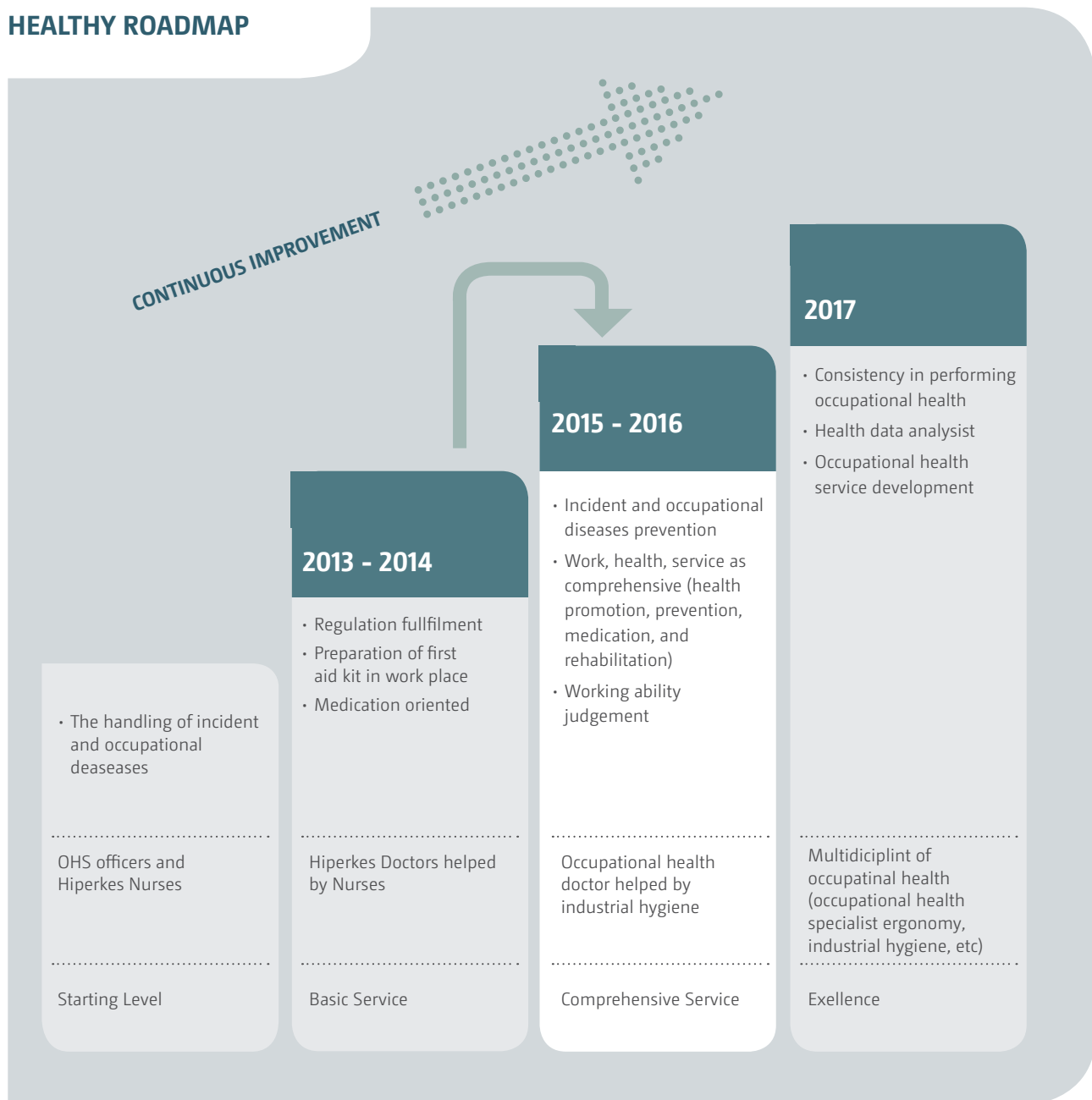
OHS Targets

Continuous improvements are being made in the application of the OHS Management System. This is reflected in the increase in the targets that relate to improvements in the Company's OHS performance.

TARGET K3PL-E

		Item	Target 2014
Lagging Indicator	Incident	Fatality	0
		Major Incident	0
		Moderate Incident	0
		LTIF	0
		Minor Incident	≤ 3
		Serious Vehicular Incident (Vehicular Incident with a value > Rp50,000,000.-)	≤ 2
		Nearmiss dan First Aid	-
	Health	TSAF	≤ 0.45
		Work-related Illness	0
Leading Indicator	Risk Containment Audit	% Participants	100%
		% Severity 75	-
		% Severity Improvement 4/5	100%
		% Severity Improvement 3	85%
		% RCA Training and Refreshers, outsourced	100%
		Average Of Severity	< 2.8
	Observasi	% Partisipasi	100%
		Safe Index	-
		Unsafe Act/Hour	-
		% Observation and Refresher Training	100%
	Audit	% Follow Up on Audit Results (for Head Office: Monitoring Results)	100%
		Certification/Surveillance OHSAS 18001 : 2007	Maintained
	Health	% Periodic Health Check Up (MCU)	100%
		Work Environment Measurement	1x/Year
		Health Talk	1x/3 Month
		Drilling Simulation	1x/3 Month

HEALTHY ROADMAP



OHS Reporting

PGN routinely submits reports to the regulator. These reports are submitted quarterly to the Manpower and Transmigration Ministry and monthly to the Oil and Gas Directorate General.

OHS Achievements

The top management's strong commitment and tangible efforts made by all PGN employees to create a culture that is OHS-risk aware has seen several OHS reference parameters improve. In 2013, there were no accidents that resulted in loss of work hours. In 2014, there was 1 (one) fatality that resulted in a loss of safe working hours in the PMO infrastructure environment.

Safety Metrics

Safety Metrics are the performance indicators for each SBU and the Head Office for the implementation and management of OHS. Through these metrics, PGN monitors, evaluates and determines measures to improve OHS performance every month.

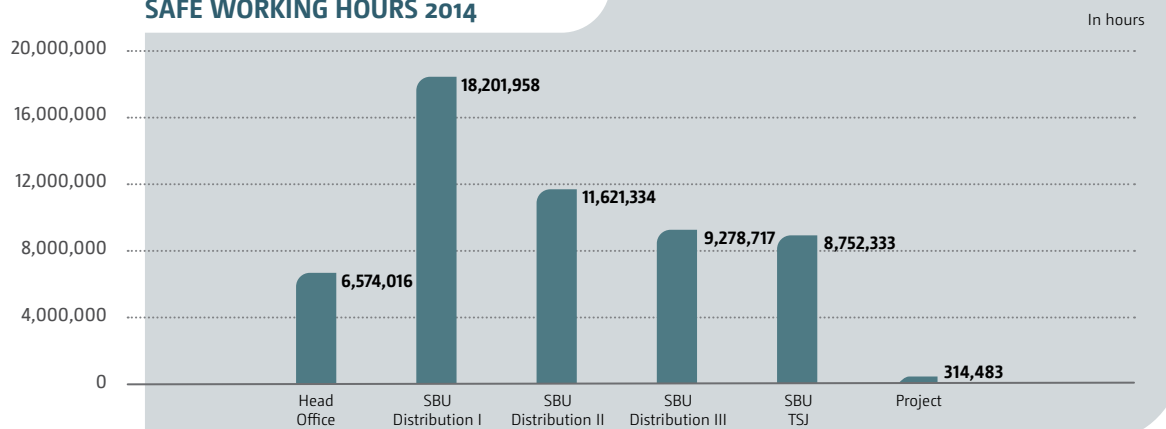
SAFETY METRICS 2014

	Item	Head Office	SBU DW I	SBU DW II	SBU DW III	SBU TSJ	PMO Infrastructure	Target
Lagging Indicator	Fatality	0	0	0	0	0	1	0
	Major Incident	0	0	0	0	0	0	0
	Moderate incident	0	0	0	0	0	0	0
	LTIF	0	0	0	0	0	0.23	0
	Minor incident	0	3	0	0	0	2	3
	Major vehicular incident (≥50 million)	0	0	0	0	0	0	0
	Minor vehicular incident	23	1	0	2	5	3	
	First Aid	0	2	3	16	14	9	
	Near missed	3	12	4	10	7	9	
Leading Indicator	Health							
	TSAF	0.75	0.23	0.26	0.32	0.19	0.06	0.45
	Diseases due to work	0	0	0	0	0	0	0
	RCA							
	% Participation	56.08%	100%	100%	95%	100%	97.55%	100%
	% Severity 75	80%	100%	100%	100%	100%	100%	100%
	% Severity 4/5 improvement	65%	96%	100%	80.50%	86%	100%	≥ 85%
	Observasi							
	% Participation	23.17%	100%	100%	90%	100%	98.55%	100%
	Health							
Audit	% Periodic Medical Checkup	74.64%	99%	100%	100%	100%	74.67%	100%
	Working environmental measurement	100%	100%	100%	100%	100%	100%	1x/year
	Surveillance OHSAS 18001:2007	Maintained	Maintained	Maintained	Maintained	Maintained	Maintained	Maintained
	Safe working hours	6,574,016	18,201,958	11,621,334	9,278,717	8,752,333	314,483	

Safe Working Hours

The safe working hours achievement for all Units and Head Office show there were no lost time injuries (LTI) up to the end of 2014 reporting period. However, in the PMO Infrastructure work environment, there was 1 (one) fatality involving a third-party construction worker. This incident was categorized in lost time injury, resulting in a loss of safe working hours in the PMO Infrastructure.

SAFE WORKING HOURS 2014

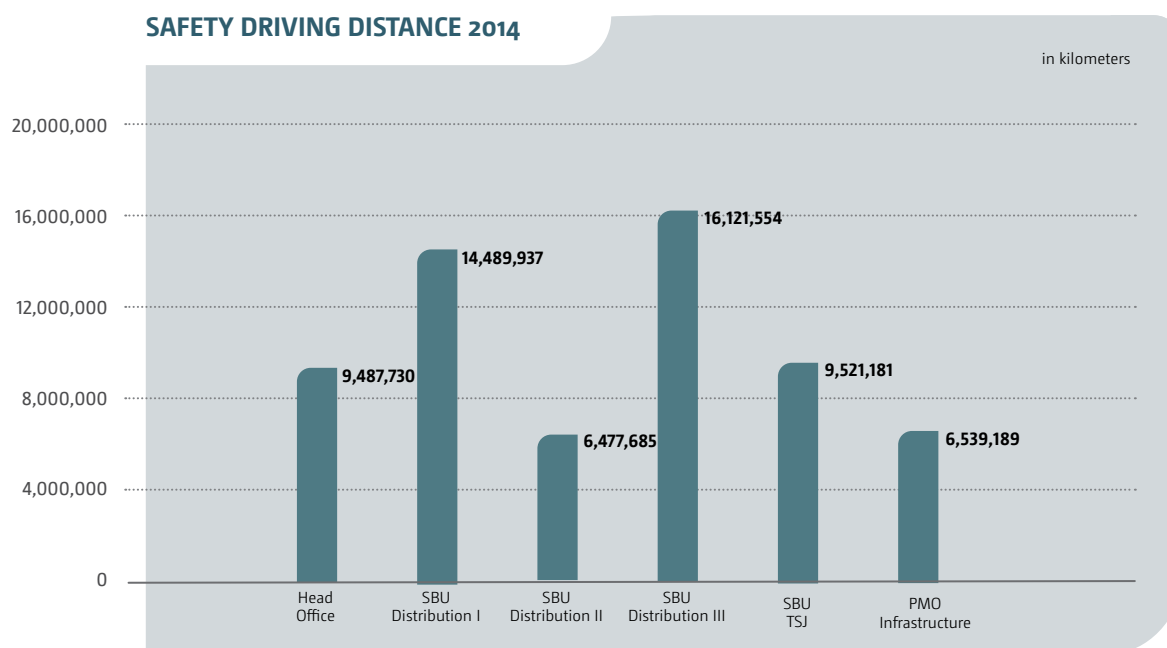


LTI Frequency

PGN's performance parameters for LTI Frequency show that in 2014, all Units and Head Office were compliant with the predetermined target of Zero, however, PMO Infrastructure did not achieve this target (LTI > 0) because of one incident categorized as lost time injury.

Safe Driving Distance

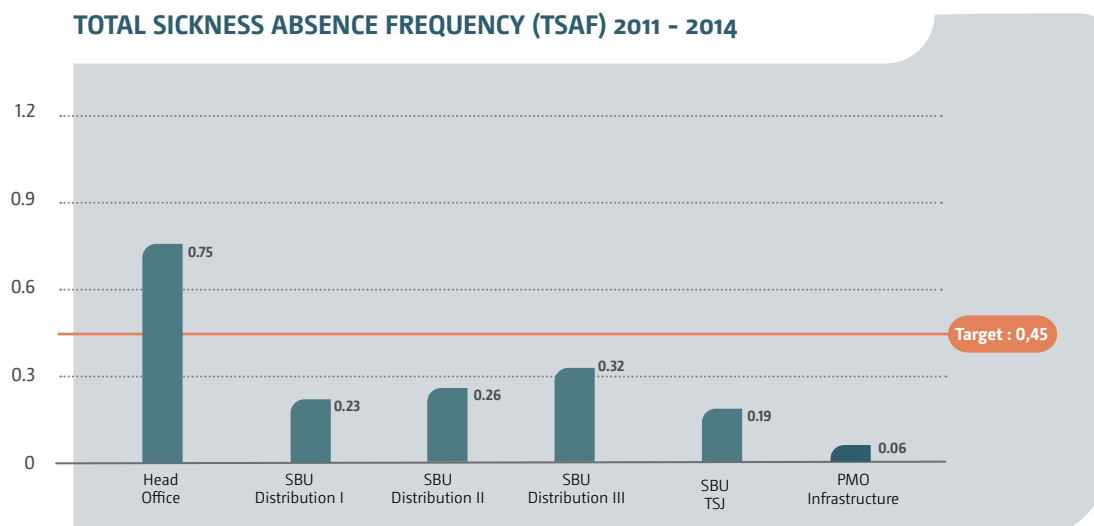
In 2014, there were no serious vehicular accidents across all Units, at Head Office and at PMO Infrastructure.



Total Sickness Absence Frequency (TSAF)

This parameter measures the level of workplace health based on the number of employees with time lost due to illness. It is in PGN's interests to improve workplace health in order to reduce working hours lost, thus employee productivity overall increases.

Compiled TSAF data results are as follows:



Employee Health Program

PGN has designed and realized a number of programs to improve workplace health. This reflects PGN's commitment to safeguarding workplace health and the health of its employees. Maintaining workplace health results in employee productivity rising and the amount of work hours lost to illness are consequently suppressed.

The health program includes medical checkups for all employees in accordance with the level of risk from their work; health education, such as health seminars and road shows; management of employee health data through development of the E-Medical Record application; the industrial hygiene program, including assessing the work environment and an annual health risk assessment; and compilation of Work Reference Documents to ensure Health management procedures have a legal umbrella.

In 2014, PGN also made efforts to prevent and manage HIV/AIDS in the workplace. This is because Indonesia has one of the most rapidly developing HIV epidemics in Asia, and 80% of those infected with HIV are of work age (25-49 years old), thus the workplace is where they spend the most of their time.

Efforts taken by PGN to implement this HIV/AIDS prevention and management program include:

- Signing of a commitment by all PGN Directors;
- A Road Show to all Head Office work units and the Project for a total of 206 participants;
- Commemoration of World HIV/AIDS Day with 269 participants;
- A survey related to perceptions of HIV/AIDS with 143 participants;
- Counseling and HIV examination for 93 participants;
- Education for high school and equivalent level teachers in schools around PGN Head Office with 380 participants.

JOINT COMMITMENT



2014 OHS AWARDS

PGN received recognition and awards from several independent observers. These awards recognize PGN's commitment to, and achievement in, preventing work accidents in the course of its operations, and for its attention to and application of its workplace safety programs. The awards included:

- OHSAS 18001:2007 certificate for Head Office and projects
- OHSAS 18001:2007 certification for SBU I
- OHSAS 18001:2007 certification for SBU II
- OHSAS 18001:2007 certification for SBU III
- OHSAS 18001:2007 certification for SBU Transmission Sumatera-Java
- OHS Certification from the Manpower and Transmigration Ministry for Head Office and projects
- OHS Certification from the Manpower and Transmigration Ministry for SBU I
- OHS Certification from the Manpower and Transmigration Ministry for SBU II
- OHS Certification from the Manpower and Transmigration Ministry for SBU III
- OHS Certification from the Manpower and Transmigration Ministry for SBU Transmission Sumatera-Java
- Silver award in the HIV/AIDS Prevention and Handling Program.

FINANCIAL IMPACT OF OHS PRACTICES

The cost of activities related to occupational health and safety during 2014 amounted to Rp6,624,288,640.

SOCIAL AND COMMUNITY DEVELOPMENT



PGN active role in social and community development is a proof of PGN participation in developing this nation.

POLICY

As a leading SOE, PGN consistently strives to improve its best performance to be able to deliver the greatest benefits to stakeholders. This strong commitment to caring and sharing is expressed through our corporate Social and Environmental Responsibility (SER) programs, which are implemented consistently to support communities in improving their welfare and quality of life.

PGN's SER program is implemented based on State-Owned Enterprises Ministerial Decree No. PER-05/MBU/2007 dated 27 April 2007. Between the end of 2012 and September 2013, this program underwent several policy changes, with the most recent change being State-Owned Enterprises Ministerial Decree No. PER-08/MBU/2013 dated 10 September 2013.

Labor Intensive MSME
can spread an increased
multiplier effect accross
various parts of the
community



Based on this new policy, funding for the Partnership and Community Development Program has changed; as well as being appropriated from after-tax profits in 2012, it also comes from the company's budget and is calculated as a cost. Further, since 2013, PGN has made a policy whereby it only funds the Community Development Program from the company's budget, while the Partnership Program only manages available funds.

The Partnership and Community Development Program is implemented through a variety of programs managed under the Corporate Social and Environmental Responsibility Division, which comes under the Finance Directorate. Overall, its scope encompasses the Partnership and Community Development Program and the CSR Program.

ACTIVITIES UNDERTAKEN

Partnership Program

PGN is fully committed to efforts to improve the quality of life in communities in the vicinity of the operational area. This commitment is manifested through the implementation of various social welfare programs within Corporate Social and Environmental Responsibility (SER), which is more widely known by the term Corporate Social Responsibility (CSR) and consists of Community Stewardship (BL) and Social and Environmental Responsibility (SER).

The 2013 GMS decided that PGN would not set aside profit for the Partnership Program, therefore, the Partnership Program in 2014 would be implemented with the balance remaining from previous years and with funds repaid by PGN development partners.

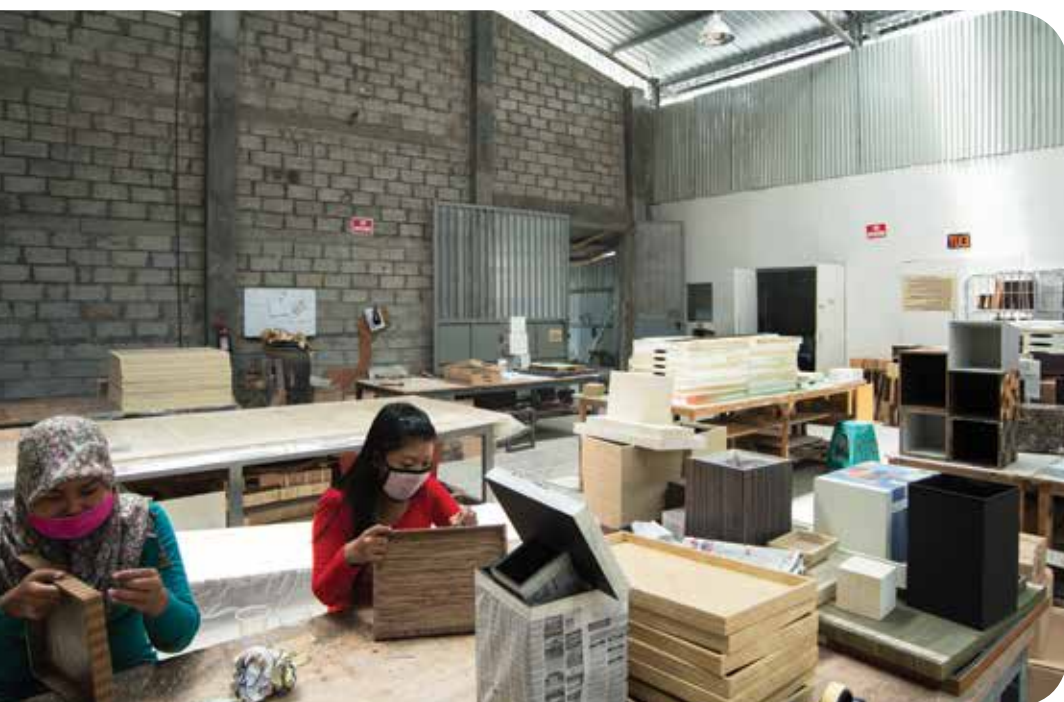
The Partnership Program in 2014 conducted two types of activity, disbursing capital loans and providing guidance. Capital loans were disbursed in two ways, the first was provided directly to PGN's Small and Medium Enterprise (SME) development partners. Capital loans were prioritized for SMEs in cluster

systems, or groups, with the objective of supporting accelerated growth for SMEs due to the support of fellow SMEs, facilitating guidance, and greater reach, thus ensuring improved welfare was experienced by a larger portion of the community. The second method was to provide loans through cooperation or synergy with other SOEs, whereby the SOE can function as the loan guarantor for the development partner.

PGN's development partner SMEs that obtained capital loans during 2014 were:

- SME Cluster Kulon Progo, Yogyakarta
- SME Cluster Sleman and Bantul, Yogyakarta
- SME Cluster Gunung Kidul, Yogyakarta
- PGN Farmer Development Partners in synergy with PTPN IX, in Central Java
- PGN Farmer Development Partners in synergy with PTPN X, in East Java
- PGN Farmer Development Partners in synergy with PTPN XI, in East Java.

In addition to disbursing capital loans, PGN also provided guidance to its development partners in two ways: improving skills and knowledge for development partners through a range of training activities, as well as increasing marketing of development partner products through participation in various exhibitions.



Partnership Program has become part of PGN's Corporate Social and Environment as Company's form of concerns to the community beyond PGN's operational area.

Guidance provided during 2014 for development partners included:

- Simple Financial Management Training and Motivation for SME Cluster Kulon Progo, Sleman and Gunung Kidul, Yogyakarta.
- Participation in INACRAFT 2014 exhibition
- Participation in Adiwastra 2014 exhibition
- Participation in Indonesia Fashion Week 2014
- Participation in CRAFTINA 2014 exhibition
- Participation in INACRAFT Malaysia 2014 exhibition
- Publishing Development Partners in the INACRAFT 2014 Directory.

The Partnership Program became part of PGN's SER, reflecting PGN's concern for society as a whole not just for communities in the vicinity of PGN's operations but also beyond those areas. We hope that the range of partnership programs actively implemented by PGN is able to stimulate national economic growth through community-based economic pillars of strength, namely PGN's development partner SMEs and farmers.

Natural Disaster Relief

During 2014, several natural disasters occurred in Indonesia. To show our concern and empathy for the victims of these disasters, PGN provided the following aid:

- Charity for flood victims in Serang and Tangerang – Banten;
- Health services, staple goods and kitchen facilities for flood victims in West Jakarta and Bekasi (Muara Bekasi – Babelan and Hurip Jaya);

- State Food Aid in the form of corned beef and sausage for areas affected by disaster;
- Rubber boats and relevant equipment for flooding in Jakarta;
- Kitchen facilities for victims of landslides in Banjarnegara – Central Java;
- Staple goods, towels and blankets for flood victims in Pati and Semarang – Central Java;
- Staple goods for flood victims in Bojonegoro, Batu and Malang – East Java;
- Health services and kitchen facilities for victims of the Mt Kelud eruption in Kediri – East Java;
- Seeds and organic fertilizer to restore the economy of victims of the Mt. Kelud eruption in Kediri – East Java.

Education and Training Assistance

PGN pays great attention to education; educational assistance provided by PGN included:

- Sending young teachers on the 31 SD support program in South Sumatera, Lampung, Banten and East Java, in cooperation with Teaching Indonesia Foundation;
- Building and renovating schools in the vicinity of operational areas in Medan, Deli Serdang, Batam, Pulau Pemping, Palembang, Lampung, Jakarta, Semarang and Pasuruan, in synergy with PT WIKI and PT PP;
- Providing scholarships to 1,125 students from 15 state universities in Indonesia;
- Providing character-based training for kindergarten/early learning teachers in the vicinity of PGN's operational area;
- Building a School Reading Park in Batam, Pulau Pemping, Jakarta and East Java, in cooperation with PT Balai Pustaka.



Not only providing capital loan, PGN also provide trainings to improve Development Partners' knowledge and ability.

Health Facilities Improvement

In the field of health, PGN implemented the following activities:

- Community health services through 10 PGN Mobile Health Vehicles presenting pre-natal checkups, provide supplements for pregnant women, contraceptive services, general health services and basic dental care, check toddler growth and provide food supplements for babies and toddlers in the vicinity of PGN's operational area;
- Three ambulances for YKPP PGN, Central Red Cross and Pusdikajen Lemban;
- Walking frames, hearing aids and cataract operations for poor people living in the vicinity of the company's operations;
- Operations to repair crooked legs
- Seven water tankers and seven blood donor vehicles for the Red Cross in the vicinity of the company's operations;
- Temporary Health Posts during the travel to and from home villages for Lebaran providing healthcare, vitamins and entertainment in Lampung, Brebes, Semarang and Surabaya;
- Medical equipment for community health centers;
- Disseminating information on HIV/AIDS in several schools in Surabaya and West Jakarta.

Facility and Infrastructure Development Assistance

During 2014, activities undertaken in the field of public facilities and infrastructure included:

- Constructing a bridge in Tangerang;
- Constructing a bridge in Pagardewa village – Muara Enim;
- Providing two generators in Pulau Pemping;
- Providing one water tanker for the Surabaya City Government.

Worship Facility Improvement

In 2014, PGN provided religions facilities, including:

- Construction of five Tahfidz in Medan, Batam, Palembang, Lampung and Serang;
- Assisted with building and renovating religious facilities and supporting infrastructure, and religious activities such as donations to orphans, donations to the poor, a mass wedding and religious activities related to the celebration of religious holy days.

Environmental Conservation Assistance

In the field of environmental conservation, aid was provided through:

- Planting Coral Seedlings at Pulau Bidadari – Thousand Islands
- Providing seedlings in Malang
- Tree Planting in Sentul Eco Edu Area – Bogor

Poverty Alleviation

PGN participated in combating poverty through the following activities:

- Joint Lebaran Travel Program for the public;
- Providing geo-membrane facilities for salt farmers in Madura;
- Assistance to overcome the electricity crisis in Pulau Karimu, Java;
- Building an SME Gallery in Yogyakarta

ACTIVITY COSTS

Total fund from Partnership Program, both capital loan or partnership which disbursed by PGN in 2014 is Rp156,087,209,383.00 or equivalent with USD12,547,203.33.

Fund disbursement of Corporate Social and Environmental Responsibility Program including Environmental Development are from previous year profit income allocation amounted to Rp139,924,028,404.01 or equivalent with US\$11,700,452.12.

FUND DISBURSEMENT FOR THE CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY PROGRAM IN 2014

Description	TJSL (Rp)	TJSL (USD) *	PKBL (Rp)	PKBL (USD) **	Amount (Rp)	Amount (USD)
A. ENVIRONMENTAL PROGRAM						
SOE Partners						
Disaster Relief	4,120,731,525.00	345,809.30	-	-	4,120,731,525.00	345,809.30
Education and Training	52,911,578,125.00	4,416,139.82	2,680,529,357.00	215,476.64	55,592,107,482.00	4,631,616.46
Facility and Infrastructure development	28,697,011,571.01	2,436,987.13	179,781,300.00	14,451.87	28,876,792,871.00	2,451,439.00
Worship Facility	8,472,278,676.00	695,590.86	1,073,990,936.00	86,333.68.00	9,546,269,612.00	781,924.54
Nature Conservation	28,739,820,116.00	2,408,863.81	312,552,907.00	25,124.83	29,052,373,023.00	2,433,988.65
Poverty Alleviation	4,157,346,530.00	342,779.06	803,775,000.00	64,612.14	4,961,121,530.00	407,391.20
Total Disbursement SOE Partner	7,774,632,361.00	648,282.97	-	-	7,774,632,361.00	648,282.97
Total Disbursement SOE Partner	134,873,398,904.00	11,294,452.96	5,050,629,500.00	405,999.16	139,924,028,404.00	11,700,452.11
Total Realization of Environmental Management Program	134,873,398,904.00	11,294,452.96	5,050,629,500.00	405,999.16	139,924,028,404.00	11,700,452.11
B. PARTNERSHIP PROGRAM						
Soft Loan						
Industry Sectors (DI. Yogyakarta)			905,000,000.00	72,749.20	905,000,000.00	72,749.20
Trading Sectors (DI. Yogyakarta)			15,000,000.00	1,205.79	15,000,000.00	1,205.79
Plantation Sectors (Jawa Timur)			150,000,000,000.00	12,057,877.81	150,000,000,000.00	12,057,877.81
Service Sectors (DI. Yogyakarta)			20,000,000.00	1,607.72	20,000,000.00	1,607.72
Total Soft Loan (3)	-	-	150,940,000,000.00	12,133,440.51	150,940,000,000.00	12,133,440.51
Training						
Marketing and promotion			640,318,263.00	51,472.53	640,318,263.00	51,472.53
Education and training partnership			4,506,891,120.00	362,290.28	4,506,891,120.00	362,290.28
Development Partnership			-	-	-	-
Total Partnership	-	-	5,147,209,383.00	413,762.81	5,147,209,383.00	413,762.81
Total Realization of Environment Partnership	-	-	156,087,209,383.00	12,547,203.33	156,087,209,383.00	12,547,203.33
C. OPERATING EXPENSES						
Operating expense partnership			1,127,795,494.00	90,658.80	1,127,795,494.00	90,658.80
Operating expense environment development program			3,839,176,835.00	308,615.50	3,839,176,835.00	308,615.50
Total Operating Expense	-	-	4,966,972,329.00	399,274	4,966,972,329.00	399,274.00
Total	134,873,398,904.00	11,294,452.96	166,104,811,212.00	13,352,476.79	300,978,210,116.00	24,646,929.00

* Using transaction rate

** for comparison purpose, this is converted using the BI middle rate at the end of 2014 of USD 1 = IDR 12,440

CUSTOMER RESPONSIBILITY



Meter gas found in one of Flat in Jakarta.

The Government has planned a City Gas Program to maximize Indonesia natural gas utilization by the community.

POLICY

PGN is committed to fulfilling its responsibilities to customers. For PGN, customers are our partners in developing our business for the future, and customer satisfaction is therefore a fundamental and important part of our service. PGN is committed to implementing customer satisfaction programs by campaigning for the importance of Excellence Service in ProCISE, our Corporate Culture.

PGN takes into account the unique and dynamic characteristics of its customers so that it can continue to fulfill their needs. PGN carries out various activities to ensure that we meet customer expectations with regard to both technical and service excellence.



Excellence Service by all PGN's employee has been highly appreciated by customers. In 2014, PGN achieved customer satisfaction index 5.29 from scale of 6.00



ACTIVITIES UNDERTAKEN

In 2014, PGN implemented the following premium service programs to its customers:

1. Contact Center

PGN operates a Contact Center that can be reached by phone on 1500645 or by email at contact.center@pgn.co.id. Customers and prospective customers can contact this number to obtain information, make complaints or make inquiries about PGN's products and services.

The PGN Contact Center operates 24 hours a day, 7 days a week. All general inquiries about PGN are handled directly by a Contact Center

Agent, while every complaint is forwarded to the relevant department for follow up. All inquiries and complaints are recorded in the Contact Center database. The Contact Center is headquartered at Head Office and integrated into the Company's three regional Strategic Business Units in Jakarta, Surabaya and Medan.

One of the elements of our Corporate Culture, ProCISE, is Service Excellence, which requires a maximum response time for complaints of 24 hours from the time of receipt. During 2014, there were 4,998 complaints, all of which were handled and settled in under 24 hours.

2. Measuring Customer Satisfaction

PGN, which controls 80.87% of the natural gas market in Indonesia, consistently strives to improve its service to customers by measuring customer satisfaction and updating the Service Excellence Standards. In 2014, the Company measured customer satisfaction through a survey conducted by an independent party. The outputs of this measurement are the Customer Satisfaction Index (CSI), Customer Dissatisfaction Index (CDI), Customer Loyalty Index (CLI), Customer Referral Index (CRI) and the Net Promoter Score (NPS). In 2014, the process uncovered various expectations and issues that the company will take into account to be able to continue to give the best service and improve its service performance. In 2014, the measurement of customer satisfaction focused on all service encounters and customer expectations and hopes for the future in the midst of a very competitive natural gas trading market. The customer satisfaction survey covered all customer segments, namely household, commercial and industrial customers. The survey results in 2014 produced a CSI score of 5.29, up from last year's 5.22 (maximum scale of 6.00).

3. Customer Gatherings

To strengthen effective communication, share the latest information, educate the market and foster closer relationships, PGN holds Customer Gatherings. These events also provide an opportunity for us to gain a better understanding of our customers and to narrow the gap between their needs and our ability to provide services.

As well as Customer Gatherings, through our Account Executives and Technical Services, PGN actively visits existing and prospective customers to foster harmonization and synergy across the natural gas distribution business. During these visits, the Account Executives and Technical Services actively advise existing and prospective customers on making their equipment more efficient, and try to gain an understanding of the business situation of each existing/prospective customer. This is very valuable input for the management when formulating policies on gas customers.

SBU I CUSTOMER GATHERING

No.	Area	Place	Date
1	Jakarta	Hotel Ciputra	23 January 2014
		Multipurpose Building (MB) Marunda Flat North Jakarta	11 March 2014
		Perumnas Klender Sport Center East Jakarta	25 March 2014
		Hotel Sahid Jaya	10 April 2014
		MB Benhil Area	27 April 2014
		Hotel Alila Pecenongan	16 July 2014
		MB West Ancol Residency	25 July 2014
		MB Klender Flat	28 August 2014
		Multipurpose Court Tebet Barat	30 August 2014
		MB Rusunawa Tipar Cakung	28 October 2014
		MB Rusunawa Sukapura	30 October 2014
		MB Rusunami Berlian Tebet	13 December 2014
		MB Rusunami Harum Tebet	9 December 2014
		Bunga Rampai Restaurant Central Jakarta	16 December 2014
		Hotel Grand Mercure Harmoni Central Jakarta	18 December 2014
2	Tangerang	Summarecon Mall Serpong, Hotel Atria	28 January 2014
		Perumnas II Central Karawaci	27 February 2014
		Sport Center Cihuni Serpong	28 March 2014
		Millenium Industrial Area	20 May 2014
		Hotel Aryaduta	20 May 2014
		Palem Manis, Perumnas Karawaci, Perum Cimone, and its surroundings	10 June 2014
		Cikande Modern Industrial Area	12 June 2014
		Manis Jaya Flat	31 August 2014
3	Bekasi	Manis Jaya Flat	31 December 2014
		Blok B RW.20, Perum Margahayu Sport Center	26 May 2014
		Community Center Building, Perumnas 1, Bekasi	28 May 2014
		Meeting Room Hotel Amaris	24 June 2014
		Hotel Horison Bekasi	14 July 2014
		Futsal Court PT. PJB UP Muara Tawar	2-3 October 2014
		Hotel Grand Amaroosa	21-22 October 2014
4	Karawang	Hotel Citra Grand	26 March 2014
		Grha KIIC	8 April 2014
		Sindang Reret Restaurant	7 July 2014
		Hotel Delonix	15 October 2014
		Hotel Batika	16 October 2014
		Hotel Batika	20 October 2014
		Hotel Delonix	22 October 2014
		Hotel Batika	27 October 2014
		Hotel Batika	28 October 2014
		Hotel Batika	29 October 2014
		BIC	30 October 2014
		Hotel Batika	10 November 2014
		Hotel Batika	11 November 2014
		Hotel Batika	12 November 2014

SBU I CUSTOMER GATHERING

No.	Area	Place	Date
5	Bogor	Hotel Batiqa	13 November 2014
		Hotel Batiqa	20 November 2014
		Hotel Citra Grand	5 December 2014
		Samina Meeting Depok	8 May 2014
		PT. PGN (Persero) Tbk Office Hall Area Bogor	17 July 2014
		Baiturrahman Mosque, Bogor	10 October 2014
		Cipta Graha Permai Residence, Cibinong Bogor	20 October 2014
		Batu Tulis I Room, Hotel Salak	11 November 2014
		Meeting Room C, 2 nd Floor ICC, Botani Square	12 November 2014
		Ballroom 1 Hotel Royal	13 November 2014
		Batu Tulis I Room, Hotel Salak	18 November 2014
		Krakatau Room Hotel Novotel	19 November 2014
		Botani Room Hotel Royal	20 November 2014
		Pajajaran 2 Room Hotel Salak	25 November 2014
		Rusunawa Menteng Asri, Bogor	29 November 2014
		PT PGN (Persero) Office Hall Area Bogor	10 December 2014
		Griya Puspa Asri Residence, Cibinong Bogor	18 December 2014
6	Cirebon	Customer Office	3-6 March 2014
		Customer Office	9-12 March 2014
		Islamic Center	13-24 April 2014
		Hotel Aston	28 May 2014
		Hotel Swiss Bel	9 July 2014
		Hotel Grage	10 September 2014
		Hotel Santika	23 September 2014
		Various area in Cirebon	1 October – 30 November 2014
		Hotel Bentani	13 October 2014
		Sakapura Tennis Court	21-22 November 2014
7	Palembang	General Facility Jl. Tanah Merah RT 39	20 March 2014
		General Facility Jl. Tanah Merah RT 39	24 March 2014
		General Facility Alfa Indah Residence	27 March 2014
		Meeting Room Palembang	3 April 2014
		Hotel Arista Palembang	29 December 2014
8	Lampung	Hotel Novotel	5-7 March 2014
		Hotel Novotel	15-17 July 2014
9	Cilegon	Kota Bumi, Cilegon	5 April 2014
		Kota Bumi, Panggung Rawi	29 April 2014
		The Royal Krakatau	24 July 2014
		Serang, Anyer	15 December 2014

SBU II CUSTOMER GATHERING

No.	Area	Place	Date
1	SBU DW II	Empire Palace Ballroom, Surabaya	19 November 2014
2	Surabaya	Manukan, Tandes Surabaya	26 March 2014
3	Sidoarjo	Magersari, Sidoarjo	17 December 2014
		Sidoarjo	15 January 2014
4	Pasuruan	Finna Golf & Resort, Pandaan Pasuruan	25 February 2014
		Finna Golf & Resort, Pandaan Pasuruan	28 August 2014
		Delta Sari Indah, Sidoarjo	23 October 2014
5	Semarang	Wahyu Utomo Residence, Semarang	8 May 2014
		Tambak Aji Residence, Semarang	17 July 2014

SBU III CUSTOMER GATHERING

No.	Area	Place	Date
1	Pekanbaru	Bukit Gelanggang Kota Dumai Area	21-25 May 2014
		Bandar Serain Ali Haji Purna MTQ	21-27 September 2014
2	Medan	Rumah Kawan Kopi Medan	14 July 2014
3	Medan, Batam, Pekanbaru	Bintan Lagoon Resort	12-13 September 2014

4. PGN *Sayang Ibu* Program

In 2014, PGN launched its program PGN *Sayang Ibu*, with the objective of supporting the government program to convert the current dependency on imported fuel to gas. The target of this program is 1 million customers from the Household segment. In addition, PGN synergized with the Energy and Mineral Resources Ministry to operate a gas network that was built several years ago.

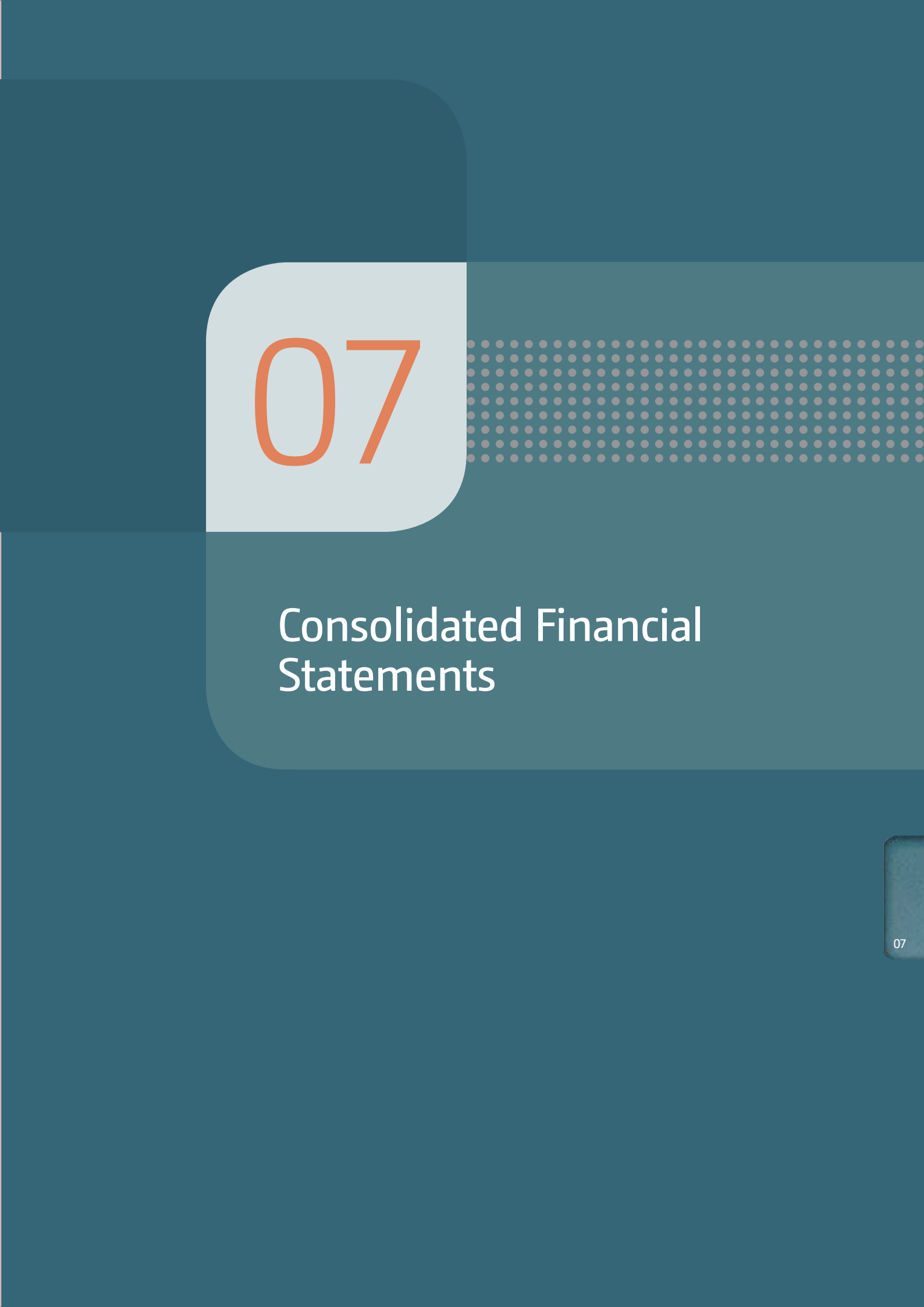
5. Promotion Program

In 2014, to familiarize the public with natural gas products and with PGN itself, particularly outside PGN's existing areas and in areas where new development is planned, PGN implemented the following promotional programs:

- Exhibition at an Industrial Areas Association event;
- Exhibition at Keramika event;
- Exhibition at Gasex (Gas Exhibition) in Hong Kong;
- Exhibition at a Southeast Asia Conference held by the Shopping Center Association;
- Exhibition at Markplus Conference in Pacific Mall Place, Jakarta;
- Installation of billboards on Sedyatmo toll road in Tangerang, in Lampung, Sadang, West Java and at Semarang airport;
- Installing promotional stickers on Transjakarta public buses;
- Managing and conducting joint activities with the Gas Bajaj Community (Kobagas).

FINANCIAL IMPACT OF CUSTOMER SERVICE EXCELLENCE ACTIVITIES

PGN continued to update its Service Excellence standards to enable the Company to meet customer expectations and deliver excellent service. This demonstrates the strong commitment of the Company and all its employees to delivering customer satisfaction and preparing the Company to meet the business and competitive challenges of the future. In 2014, PGN's expenditure to driving improvements to the quality of customer service and customer satisfaction amounted to Rp8,324,043,132.



07

Consolidated Financial Statements

PT Perusahaan Gas Negara (Persero) Tbk dan entitas anaknya/and its subsidiaries

Laporan keuangan konsolidasian
tanggal 31 Desember 2014 dan untuk tahun yang berakhir pada tanggal
tersebut beserta laporan auditor independen/

Consolidated financial statements

***as of December 31, 2014 and for the year then ended with independent
auditors' report***



Surat pernyataan direksi tentang tanggung jawab atas laporan keuangan konsolidasian tanggal 31 Desember 2014 dan 2013 PT Perusahaan Gas Negara (Persero) Tbk dan Entitas Anak

Directors statement letter relating to the responsibility on the consolidated financial statements as of December 31, 2014 and 2013 PT Perusahaan Gas Negara (Persero) Tbk and Subsidiaries

Kami yang bertanda tangan dibawah ini:

We the undersigned:

1. Nama	: Hendi Prio Santoso	:	Name 1.
Alamat Kantor	: Jl. K.H. Zainul Arifin No.20, Jakarta	:	Address
Alamat Domisili/sesuai KTP atau kartu identitas lain	: Jl. Cipete No. 15A RT 001/004, Kel. Cipete Selatan Cilandak, Jakarta Selatan	:	Residential Address (as in identity card or other qualifier)
Nomor Telepon	: +6221 633 9524	:	Telephone
Jabatan	: Direktur Utama / President Director	:	Title
2. Nama	: Riza Pahlevi Tabrani	:	Name 2.
Alamat Kantor	: Jl. K.H. Zainul Arifin No.20, Jakarta	:	Address
Alamat Domisili/sesuai KTP atau kartu identitas lain	: Jl. Tebet Barat IV/23 RT 008/003, Tebet Barat Tebet, Jakarta Selatan	:	Residential Address (as in identity card or other qualifier)
Nomor Telepon	: +6221 633 4838	:	Telephone
Jabatan	: Direktur Keuangan / Finance Director	:	Title

Menyatakan bahwa:

Declare that:

1. Bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian;	1. <i>We are responsible for the preparation and the presentation of the consolidated financial statements;</i>
2. Laporan keuangan konsolidasian telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia; dan	2. <i>The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards; and</i>
a. Semua informasi dalam laporan keuangan konsolidasian Perusahaan telah dimuat secara lengkap dan benar;	a. <i>All information has been fully and correctly disclosed in the Company's consolidated financial statements;</i>
b. Laporan keuangan konsolidasian Perusahaan tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material.	b. <i>The Company's consolidated financial statements do not contain false material information or facts, nor do they omit material information or facts.</i>
3. Bertanggung jawab atas sistem pengendalian intern Perusahaan dan Entitas Anak.	3. <i>We are responsible for the Company's and Subsidiaries' internal control system.</i>

Demikian pernyataan ini dibuat dengan sebenarnya.

This is our declaration, which has been made truthfully.

Jakarta, 27 Februari 2015

Direktur Utama/President Director

Direktur Keuangan/Finance Director



Hendi Prio Santoso

Riza Pahlevi Tabrani

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
LAPORAN KEUANGAN KONSOLIDASIAN
PADA TANGGAL 31 DESEMBER 2014 DAN
TAHUN YANG BERAKHIR PADA TANGGAL
TERSEBUT BESERTA LAPORAN AUDITOR
INDEPENDEN**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2014 AND
YEAR THEN ENDED
WITH
INDEPENDENT AUDITORS REPORT**

Daftar Isi

Table of Contents

	Halaman/ Page	
Laporan Auditor Independen		<i>Independent Auditors' Report</i>
Laporan Posisi Keuangan Konsolidasian	1-2	<i>Consolidated Statement of Financial Position</i>
Laporan Laba Rugi Komprehensif Konsolidasian.....	3-4	<i>Consolidated Statement of Comprehensive Income</i>
Laporan Perubahan Ekuitas Konsolidasian.....	5	<i>Consolidated Statement of Changes in Equity</i>
Laporan Arus Kas Konsolidasian.....	6	<i>Consolidated Statement of Cash Flows</i>
Catatan atas Laporan Keuangan Konsolidasian.....	7-217	<i>Notes to the Consolidated Financial Statements</i>

The original report included herein is in the Indonesian language.

Laporan Auditor Independen

Laporan No. RPC-6765/PSS/2015

**Pemegang Saham, Dewan Komisaris dan Direksi
PT Perusahaan Gas Negara (Persero) Tbk**

Kami telah mengaudit laporan keuangan konsolidasian PT Perusahaan Gas Negara (Persero) Tbk dan entitas anaknya terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2014, serta laporan laba-rugi komprehensif, laporan perubahan ekuitas, dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan konsolidasian tersebut bebas dari kesalahan penyajian material.

Independent Auditors' Report

Report No. RPC-6765/PSS/2015

**The Shareholders, Boards of Commissioners and
Directors
PT Perusahaan Gas Negara (Persero) Tbk**

We have audited the accompanying consolidated financial statements of PT Perusahaan Gas Negara (Persero) Tbk and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2014, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

Laporan Auditor Independen (lanjutan)

Laporan No. RPC-6765/PSS/2015 (lanjutan)

Tanggung jawab auditor (lanjutan)

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT Perusahaan Gas Negara (Persero) Tbk dan entitas anaknya tanggal 31 Desember 2014, serta kinerja keuangan dan arus kas konsolidasiannya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Independent Auditors' Report (continued)

Laporan No. RPC-6765/PSS/2015 (continued)

Auditors' responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Perusahaan Gas Negara (Persero) Tbk and its subsidiaries as of December 31, 2014, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Laporan Auditor Independen (lanjutan)

Independent Auditors' Report (continued)

Laporan No. RPC-6765/PSS/2015 (lanjutan)

Report No. RPC-6765/PSS/2015 (continued)

Hal lain

Other matter

Audit kami atas laporan keuangan konsolidasian PT Perusahaan Gas Negara (Persero) Tbk dan entitas anaknya tanggal 31 Desember 2014, dan untuk tahun yang berakhir pada tanggal tersebut terlampir, dilaksanakan dengan tujuan untuk merumuskan suatu opini atas laporan keuangan konsolidasian tersebut secara keseluruhan. Informasi keuangan PT Perusahaan Gas Negara (Persero) Tbk (entitas induk) terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2014, serta laporan laba rugi komprehensif, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan Informasi penjelasan lainnya (secara kolektif disebut sebagai "Informasi Keuangan Entitas Induk"), yang disajikan sebagai informasi tambahan terhadap laporan keuangan konsolidasian terlampir, disajikan untuk tujuan analisis tambahan dan bukan merupakan bagian dari laporan keuangan konsolidasian terlampir yang diharuskan menurut Standar Akuntansi Keuangan di Indonesia. Informasi Keuangan Entitas Induk merupakan tanggung jawab manajemen serta dihasilkan dari dan berkaitan secara langsung dengan catatan akuntansi dan catatan lainnya yang mendasarinya yang digunakan untuk menyusun laporan keuangan konsolidasian terlampir. Informasi Keuangan Entitas Induk telah menjadi objek prosedur audit yang diterapkan dalam audit atas laporan keuangan konsolidasian terlampir berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Menurut opini kami, Informasi Keuangan Entitas Induk disajikan secara wajar, dalam semua hal yang material, berkaitan dengan laporan keuangan konsolidasian terlampir secara keseluruhan.

Our audit of the accompanying consolidated financial statements of PT Perusahaan Gas Negara (Persero) Tbk and its subsidiaries as of December 31, 2014, and for the year then ended, was performed for the purpose of forming an opinion on such consolidated financial statements taken as a whole. The accompanying financial information of PT Perusahaan Gas Negara (Persero) Tbk (parent entity), which comprises the statement of financial position as of December 31, 2014 and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "Parent Entity Financial Information"), which is presented as a supplementary information to the accompanying consolidated financial statements, is presented for the purposes of additional analysis and is not a required part of the accompanying consolidated financial statements under Indonesian Financial Accounting Standards. The Parent Entity Financial Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the accompanying consolidated financial statements. The Parent Entity Financial Information has been subjected to the auditing procedures applied in the audit of the accompanying consolidated financial statements in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. In our opinion, the Parent Entity Financial Information is fairly stated, in all material respects, in relation to the accompanying consolidated financial statements taken as a whole.

Purwanto, Suherman & Surja

Agung Purwanto

Registrasi Akuntan Publik No. AP.0687 / Public Accountant Registration No. AP.0687

27 Februari 2015 / February 27, 2015

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN
31 Desember 2014
(Disajikan Dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL
POSITION
December 31, 2014
(Expressed in US Dollar, Unless Otherwise Stated)**

	Catatan/ Notes	31 Des. 2014/ Dec. 31, 2014	31 Des. 2013/ Dec. 31, 2013 (Disajikan Kembali - Catatan 4/ As Restated - Note 4)	1 Jan. 2013 31 Des. 2012/ Jan. 1, 2013/ Dec. 31, 2012)	
ASET					ASSETS
ASET LANCAR					CURRENT ASSETS
Kas dan setara kas	2d,2e,2f,2u,3,5, 36,43,44,45	1.216.028.736	1.319.168.247	1.567.458.346	Cash and cash equivalents
Kas yang dibatasi penggunaannya	2d,2e,2f,2u,3,6, 22,37,39,40,43,44,45	101.757	1.163.447	8.478.599	Restricted cash
Investasi jangka pendek	2d,2f,2u,3,7, 37,43,44,45	92.588.146	85.384.831	108.286.034	Short-term investments
Piutang usaha - setelah dikurangi cadangan kerugian penurunan nilai sebesar US\$18.297.303 pada tanggal 31 Desember 2014, US\$12.162.454 pada tanggal 31 Desember 2013 dan US\$13.682.461 pada tanggal 1 Januari 2013/ 31 Desember 2012	2d,2f,2u,3,8, 30,37,43,44,45 2d,2u,3,9,	324.971.319	279.956.482	258.652.097	Trade receivables - net of allowance for impairment losses of US\$18,297,303 as of December 31, 2014, US\$12,162,454 as of December 31, 2013 and US\$13,682,461 as of January 1, 2013/ December 31, 2012
Piutang lain-lain - neto	40,43,44,45	87.178.046	35.862.770	5.068.328	Other receivables - net
Persediaan - neto	2g,10	65.367.426	14.615.268	2.445.065	Inventories - net
Uang muka jatuh tempo dalam waktu satu tahun	2f,2u,11, 37,40,41,45	56.330.065	42.691.928	27.977.862	Current maturities of advances
Beban dibayar di muka	12	18.249.826	1.684.875	5.451.706	Prepaid expenses
Total Aset Lancar		1.860.815.321	1.780.527.848	1.983.818.037	Total Current Assets
ASET TIDAK LANCAR					NON-CURRENT ASSETS
Uang muka - setelah dikurangi bagian jatuh tempo dalam waktu satu tahun	2f,2u,11, 37,40,45	118.899.606	84.887.358	110.922.142	Advances - net of current maturities
Piutang lain-lain jangka panjang	2d,13,33,43,44	40.536.515	40.265.562	-	Other long-term receivables
Aset pajak tangguhan - neto	2v,3,24e	37.897.272	28.867.269	38.264.346	Deferred tax assets - net
Penyertaan saham	2f,2h,2i,14,37,40	110.101.412	95.331.310	65.952.471	Investment in shares of stock
Aset tetap - setelah dikurangi akumulasi penyusutan sebesar US\$1.622.405.588 pada tanggal 31 Desember 2014, US\$1.453.559.351 pada tanggal 31 Desember 2013 dan US\$1.285.416.180 pada tanggal 1 Januari 2013/31 Desember 2012	2i,2o,2w,3,15 29,30,40,47	2.485.091.623	1.837.231.368	1.693.706.757	Fixed assets - net of accumulated depreciation of US\$1,622,405,588 as of December 31, 2014, US\$1,453,559,351 as of December 31, 2013 and US\$1,285,416,180 as of January 1, 2013/ December 31, 2012
Aset eksplorasi dan evaluasi	2j,2l,3,16a,40	12.744.097	53.057	53.057	Exploration and evaluation assets
Properti minyak dan gas - setelah dikurangi akumulasi penyusutan, deplesi, amortisasi dan cadangan kerugian penurunan nilai sebesar US\$626.766.587 pada tanggal 31 Desember 2014 dan US\$145.470.410 pada tanggal 31 Desember 2013	2k,3,16b,40 2v,3,24	1.416.588.326	409.142.221	-	Oil and gas properties - net of accumulated depreciation, depletion, amortization and allowance for impairment losses of US\$626,766,587 as of December 31, 2014 and US\$145,470,410 as of December 31, 2013
Estimasi tagihan pajak		74.031.226	33.557.745	10.342.095	Estimated claims for tax refund
Goodwill dan aset tak berwujud		50.944.217	4.021.317	2.887.788	Goodwill and other intangible assets - net
lainnya - neto	2i,2u,17	7.846.744	4.125.483	2.215.626	Others
Total Aset Tidak Lancar		4.354.681.038	2.537.482.690	1.924.344.282	Total Non-Current Assets
TOTAL ASET		6.215.496.359	4.318.010.538	3.908.162.319	TOTAL ASSETS

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN (lanjutan)
31 Desember 2014
(Disajikan Dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL
POSITION (continued)
December 31, 2014
(Expressed in US Dollar, Unless Otherwise Stated)**

	Catatan/ Notes	31 Des. 2014/ Dec. 31, 2014	31 Des. 2013/ Dec. 31, 2013 (Disajikan Kembali - Catatan 4/ As Restated - Note 4)	1 Jan. 2013 31 Des. 2012/ Jan. 1, 2013/ Dec. 31, 2012)	
LIABILITAS DAN EKUITAS					LIABILITIES AND EQUITY
LIABILITAS JANGKA PENDEK					CURRENT LIABILITIES
Pinjaman bank jangka pendek	2d,2f,2u,19, 37,40,43,44	-	300.000.000	-	Short-term bank loans
Utang usaha	2d,2f,2u,18, 37,40,43,44	137.655.427	158.320.476	189.130.962	Trade payables
Utang lain-lain	2d,2r,2u,20, 41,43,44,45	114.848.136	57.609.234	24.800.904	Other payables
Liabilitas yang masih harus dibayar	2d,2r,2u,21, 43,44,45	668.658.891	180.458.414	42.257.980	Accrued liabilities
Liabilitas imbalan kerja jangka pendek	2d,2r,2u,35, 43,44,45	41.273.406	35.622.036	37.302.957	Short-term employee's benefits liabilities
Utang pajak	2u,2v,3,24,45	41.052.974	40.140.967	80.629.393	Taxes payable
Pinjaman jangka panjang jatuh tempo dalam waktu satu tahun	2d,2f,2n,2u,22, 27,37,39,43,44,45	87.127.922	113.980.602	98.627.228	Current maturities of long-term loans
Total Liabilitas Jangka Pendek		1.090.616.756	886.131.729	472.749.424	Total Current Liabilities
LIABILITAS JANGKA PANJANG					NON-CURRENT LIABILITIES
Liabilitas pajak tangguhan - neto	2u,2v,24e	132.626.476	23.912.704	650.855	Deferred tax liability - net
Utang lain-lain	20,40,43,44, 2d,2u,2z,3, 33,43,44	12.457.390	-	-	Other payables
Utang derivatif		11.005.055	11.927.017	87.115.630	Derivative payable
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	2t,38	73.554.156	8.362.468	-	Asset abandonment and restoration obligations and other provisions
Pinjaman jangka panjang - setelah dikurangi bagian jatuh tempo dalam waktu satu tahun	2d,2f,2n,2u,22,27, 37,40,43,44,45	473.038.896	611.976.149	840.006.527	Long-term loans - net of current maturities
Utang obligasi	1b,23,31,43,44	1.332.255.514	-	-	Bonds payables
Liabilitas jangka panjang imbalan kerja	2s,2u,3,35	123.836.463	101.362.939	149.495.805	Long-term liabilities for employees' benefits
Pendapatan diterima di muka	2u,40	3.035.878	3.193.656	3.352.100	Unearned income
Total Liabilitas Jangka Panjang		2.161.809.828	760.734.933	1.080.620.917	Total Non-Current Liabilities
TOTAL LIABILITAS		3.252.426.584	1.646.866.662	1.553.370.341	TOTAL LIABILITIES
EKUITAS					EQUITY
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk					Equity attributable to owners of the parent entity
Modal saham - nilai nominal Rp100 per saham					Share capital
Modal dasar - 70.000.000.000 saham yang terdiri dari 1 saham Seri A Dwiwarna dan 69.999.999.999 Saham seri B					Par value Rp100 per share Authorized - 70,000,000,000 shares which consist of 1 Series A Dwiwarna share and 69,999,999,999 Series B share
Modal ditempatkan dan disetor penuh - 24.241.508.196 saham yang terdiri dari 1 saham Seri A Dwiwarna dan 24.241.508.195 saham Seri B					Issued and fully paid - 24,241,508,196 shares which consist of 1 Series A Dwiwarna share and 24,241,508,195 Series B shares
Modal saham diperoleh kembali	2u,25	344.018.831 (251.054)	344.018.831 (251.054)	344.018.831 (251.054)	Treasury stock
Modal disetor lainnya	2p,2u,24,25	157.254.312	157.254.312	157.254.312	Other paid-in capital
Saldo laba	2u,26,39				Retained earnings
Dicadangkan		1.892.288.752	1.477.639.771	1.092.941.286	Appropriated
Tidak dicadangkan		425.113.463	562.892.631	649.327.501	Unappropriated
Komponen ekuitas lainnya	2b, 2u, 2v,7,24,35	(51.162.594)	(52.232.866)	(45.946.520)	Other components of equity
Total Ekuitas yang Dapat Diatribusikan Kepada Pemilik Entitas Induk		2.767.261.710	2.489.321.625	2.197.344.356	Total Equity Attributable to Owners of the Parent Entity
Kepentingan nonpengendali	2b,2u,36	195.808.065	181.822.251	157.447.622	Non-controlling interests
TOTAL EKUITAS		2.963.069.775	2.671.143.876	2.354.791.978	TOTAL EQUITY
TOTAL LIABILITAS DAN EKUITAS		6.215.496.359	4.318.010.538	3.908.162.319	TOTAL LIABILITIES AND EQUITY

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
Year Ended December 31, 2014
(Expressed in US Dollar, Unless Otherwise Stated)**

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
LAPORAN LABA RUGI KOMPREHENSIF
KONSOLIDASIAN (lanjutan)
Tahun Yang Berakhir Pada Tanggal
31 Desember 2014
(Disajikan Dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME (continued)
Year Ended December 31, 2014
(Expressed in US Dollar, Unless Otherwise Stated)**

Tahun yang berakhir pada tanggal 31 Desember/ Years ended December 31,				
	2014	Catatan/ Notes	2013 (Disajikan kembali - Catatan 4/ As restated - Note 4)	
LABA TAHUN BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:				PROFIT FOR THE YEAR ATTRIBUTABLE TO:
Pemilik entitas induk	722.754.065		804.450.586	Owners of the parent entity
Kepentingan nonpengendali	24.917.415	2b	33.351.287	Non-controlling interests
TOTAL	747.671.480		837.801.873	TOTAL
TOTAL LABA KOMPREHENSIF TAHUN BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:				TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:
Pemilik entitas induk	723.824.337		798.164.240	Owners of the parent entity
Kepentingan nonpengendali	24.459.745	2b	33.968.482	Non-controlling interests
TOTAL	748.284.082		832.132.722	TOTAL
LABA PER SAHAM DASAR YANG DAPAT DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK	0,03	2y,42	0,03	BASIC EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN
Tahun Yang Berakhir Pada Tanggal 31 Desember 2014
(Disajikan Dalam Dolar AS, Kecuali Dinyatakan Lain)**

Ekuitas yang Dapat Diatribusikan Kepada Pemilik Entitas Induk/Equity Attributable to Owners of the Parent Entity												
Catatan/ Notes	Modal Saham Ditempatkan dan Disetor Penuh/ Issued and Fully Paid Capital	Modal Saham Diperoleh Kembali/ Treasury Stock	Modal Disetor Lainnya/ Other Paid in Capital	Komponen Ekuitas Lainnya/Other Components of Equity							Total Ekuitas/ Total Equity	
				Saldo Laba/Retained Earnings	Tidak Dicadangkan/ Unappropriated	Selisih Kurs karena Penjabaran Laporan Keuangan yang Tersedia untuk Dijual/ Difference in Foreign Currency Translation of the Financial Statements of Subsidiaries	Keuntungan Aktuarial/ Actual/ (Losses)	Perubahan Nilai Wajar Aset Keuangan yang Tersedia untuk Dijual/ Changes in Fair Value of for-sale Financial Assets	Total Komponen Ekuitas Lainnya/ Total Other Components of Equity	Kepentingan Nonpengendali/ Non-controlling Interests		
Saldo pada tanggal 1 Januari 2013	344.018.831	(251.054)	157.254.312	1.092.941.286	649.327.501	(1.039.391)	(53.821.333)	8.914.204	(45.946.520)	157.447.622	2.354.791.978	Balance as of January 1, 2013
	-	-	-	-	804.450.586	-	-	-	-	33.351.287	837.801.873	Profit for the year 2013 (as restated)
	-	-	-	-	-	(14.010.436)	-	23.491.911	(15.767.821)	617.195	(5.669.151)	Other comprehensive income (loss)
	-	-	-	-	804.450.586	(14.010.436)	23.491.911	(15.767.821)	(6.286.346)	33.968.482	832.132.722	Total comprehensive income (loss) for the year 2013
	26	-	-	-	-	(506.186.971)	-	-	-	-	-	(506.186.971)
Saldo pada tanggal 31 Desember 2013	344.018.831	(251.054)	157.254.312	1.477.639.771	562.892.631	(15.049.827)	(30.329.422)	(6.853.617)	(52.232.866)	181.822.251	2.671.143.876	Balance as of December 31, 2013 (As Restated)
	-	-	-	-	722.754.065	(1.118.323)	(5.070.023)	7.258.618	-	24.917.415	747.671.480	Profit for the year 2014
	-	-	-	-	-	-	-	-	-	(9.593.853)	(9.593.853)	Other comprehensive income (loss)
	-	-	-	-	-	-	-	-	-	-	-	Payment of dividends by a Subsidiary
	26	-	-	-	-	-	-	-	-	-	-	-
Saldo pada tanggal 31 Desember 2014	344.018.831	(251.054)	157.254.312	1.892.288.752	425.113.463	(16.168.150)	(35.399.445)	405.001	(51.162.594)	195.808.065	2.963.069.775	Balance as of December 31, 2014
	-	-	-	-	722.754.065	(1.118.323)	(5.070.023)	7.258.618	1.070.272	24.469.746	748.284.082	Total comprehensive income for the year 2014
	-	-	-	-	(445.884.252)	-	-	-	-	-	(445.884.252)	Payment of dividends
	-	-	-	-	(414.648.981)	-	-	-	-	-	-	Appropriation for specific reserve
	26	-	-	-	-	-	-	-	-	(10.473.931)	(10.473.931)	Payment of dividends by a Subsidiary

Profit for the year 2013 (as restated)
Other comprehensive income (loss)
for the year 2013
Payment of dividends
Appropriation for specific reserve
Payment of dividends by a Subsidiary
Balance as of December 31, 2013
(As Restated)
Profit for the year 2014
Other comprehensive income (loss)
Total comprehensive income for the year 2014
Payment of dividends
Appropriation for specific reserve
Payment of dividends by a Subsidiary
Balance as of December 31, 2014

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
LAPORAN ARUS KAS KONSOLIDASIAN
Tahun Yang Berakhir Pada Tanggal
31 Desember 2014
(Disajikan Dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF
CASH FLOWS
Year Ended December 31, 2014
(Expressed in US Dollar, Unless Otherwise Stated)**

Tahun yang berakhir pada tanggal 31 Desember/ Years ended December 31,			
2014	Catatan/ Notes	2013	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan dari pelanggan	3.392.711.746	2.954.338.709	Receipts from customers
Penerimaan dari penghasilan bunga	27.104.609	26.123.918	Receipts from interest income
Pembayaran kepada pemasok	(1.729.849.094)	(1.537.213.811)	Payments to suppliers
Pembayaran untuk beban operasi dan aktivitas operasi lainnya	(386.978.130)	(211.762.229)	Payments for operating expenses and other operating activities
Pembayaran pajak penghasilan setelah dikurangi penerimaan dari tagihan pajak	(271.931.473)	(330.351.685)	Payments for income taxes net of receipts from claims for tax refund
Pembayaran beban keuangan	(70.938.305)	(17.599.905)	Payments for finance cost
Pembayaran kepada karyawan	(63.455.408)	(54.659.968)	Payments to employees
Kas netto yang diperoleh dari aktivitas operasi	896.663.945	828.875.029	Net cash provided by operating activities
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITIES
Penerimaan dividen dari dari Entitas Asosiasi	16.136.097	2.498.684	Dividends received from associated entity
Penambahan kas yang dibatasi penggunaannya	1.061.689	7.315.152	Additions to restricted cash,
Akuisisi entitas anak tidak langsung, Setelah dikurangi kas yang diperoleh	(673.354.245)	(259.851.818)	Acquisition of indirect subsidiaries, net of cash acquired
Penambahan aset minyak dan gas	(195.320.605)	(110.553.335)	Additions to oil and gas assets
Penambahan aset tetap	(310.917.533)	(206.784.857)	Additions to fixed assets
Penambahan aset eksplorasi dan evaluasi	(3.948.434)	-	Additions to exploration and evaluation assets
Penambahan kerjasama operasi minyak dan gas bumi atau kontrak jasa/ perjanjian partisipasi	(184.780.264)	(103.344.086)	Additional interest in oil and gas operation or service contract/ participation sharing agreement
Penambahan investasi jangka pendek	-	4.182.001	Additions to short-term investments
Kas netto yang digunakan untuk aktivitas investasi	(1.351.123.295)	(666.538.259)	Net cash used in investing activities
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan hasil obligasi	1.336.999.500	-	Receipts from the issuance of bonds
Penerimaan pinjaman bank jangka pendek	500.000.000	300.000.000	Receipts from short-term bank loans borrowings
Penerimaan (pembayaran) atas derivatif	1.259.212	(5.010.263)	Receipts (payments) of derivative
Pembayaran pinjaman bank jangka pendek	(800.000.000)	-	Payments of short-term bank loans borrowings
Pembayaran dividen	(454.456.178)	(510.620.916)	Payments of dividends
Pembayaran pinjaman jangka panjang	(114.074.014)	(115.059.958)	Payments of long-term loans
Penerimaan atas penyertaan saham oleh kepentingan nonpengendali Entitas Anak	-	5.172	Receipts from the issuance of shares to non-controlling interest of the Subsidiary
Kas netto yang diperoleh dari (digunakan untuk) aktivitas pendanaan	469.728.520	(330.685.965)	Net cash provided by (used in) financing activities
Pengaruh perubahan kurs neto dari kas dan setara kas	(118.408.681)	(79.940.904)	Net effects of foreign exchange differences on cash and cash equivalents
PENURUNAN NETO KAS DAN SETARA KAS	(103.139.511)	(248.290.099)	NET DECREASE IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS AWAL TAHUN	1.319.168.247	1.567.458.346	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR
KAS DAN SETARA KAS AKHIR TAHUN	1.216.028.736	1.319.168.247	CASH AND CASH EQUIVALENTS AT END OF YEAR

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

1. UMUM

a. Pendirian Perusahaan

PT Perusahaan Gas Negara (Persero) Tbk ("Perusahaan") pada awalnya bernama Firma L. J. N. Eindhoven & Co. Gravenhage yang didirikan pada tahun 1859. Kemudian, pada tahun 1950, pada saat diambil alih oleh Pemerintah Belanda, Perusahaan diberi nama NV. Netherland Indische Gaz Maatschapij (NV. NIGM). Pada tahun 1958, saat diambil alih oleh Pemerintah Republik Indonesia, nama Perusahaan diganti menjadi Badan Pengambil Alih Perusahaan-Perusahaan Listrik dan Gas (BP3LG) yang kemudian beralih status menjadi BPU-PLN pada tahun 1961. Pada tanggal 13 Mei 1965, berdasarkan Peraturan Pemerintah No. 19/1965, Perusahaan ditetapkan sebagai perusahaan negara dan dikenal sebagai Perusahaan Negara Gas (PN. Gas). Berdasarkan Peraturan Pemerintah No. 27 tahun 1984, PN. Gas diubah menjadi Perusahaan Umum ("Perum") dengan nama Perusahaan Umum Gas Negara. Setelah itu, status Perusahaan diubah dari Perum menjadi perusahaan perseroan terbatas yang dimiliki oleh negara ("Persero") dan namanya berubah menjadi PT Perusahaan Gas Negara (Persero) berdasarkan Peraturan Pemerintah No. 37 tahun 1994 dan Akta Pendirian Perusahaan No. 486 tanggal 30 Mei 1996 yang diaktakan oleh Notaris Adam Kasdarmaji, S.H. Akta Pendirian telah disahkan oleh Menteri Kehakiman Republik Indonesia dalam Surat Keputusan No. C2-7729HT.01.01.Th.96. tanggal 31 Mei 1996 dan diumumkan dalam Lembaran Berita Negara Republik Indonesia No. 8508 Tambahan Berita Negara No. 80 tanggal 4 Oktober 1996.

Anggaran Dasar Perusahaan telah mengalami beberapa kali perubahan, yang terakhir dengan Akta Notaris No. 56 dari Notaris Fathiah Helmi, S.H., tanggal 27 Maret 2014 (yang diganti dengan Akta No. 32 tanggal 23 Juli 2014), yang mengatur, antara lain, perubahan susunan Dewan Komisaris dan Direksi. Perubahan ini telah dilaporkan dan diterima oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Penerimaan No. AHU-21997.40.22.2014 tanggal 24 Juli 2014.

1. GENERAL

a. The Company's Establishment

PT Perusahaan Gas Negara (Persero) Tbk (the "Company") originally named Firma L. J. N. Eindhoven & Co. Gravenhage, was established in 1859. Subsequently, the entity was named NV. Netherland Indische Gaz Maatschapij (NV. NIGM), when the Dutch Government took control in 1950. In 1958, when the Government of the Republic of Indonesia took over the entity, the Company's name was changed to Badan Pengambil Alih Perusahaan-Perusahaan Listrik dan Gas (BP3LG) and then later became BPU-PLN in 1961. On May 13, 1965, based on Government Regulation No. 19/1965, the entity was declared as a state-owned company ("Perusahaan Negara") and became known as Perusahaan Negara Gas (PN. Gas). Based on Government Regulation No. 27 year 1984, PN. Gas was converted into a public Service Enterprise ("Perum") under the name Perusahaan Umum Gas Negara. Afterwards, the status of the Company was changed from Perum to a state-owned limited liability company ("Persero") and the name was changed to PT Perusahaan Gas Negara (Persero) based on Government Regulation No. 37 year 1994 and the Deed of Establishment No. 486 dated May 30, 1996 as notarized by Adam Kasdarmaji, S.H. The Deed of Establishment was approved by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C2-7729HT.01.01.Th.96. dated May 31, 1996 and was published in the State Gazette of the Republic of Indonesia No. 8508 dated October 4, 1996, Supplement No. 80.

The Company's Articles of Association have been amended several times, most recently by Notarial Deed No. 56 of Notary Fathiah Helmi, S.H., dated March 27, 2014 (amended with Notarial Deed No. 32 dated July 23, 2014), concerning, among others, the change in the composition of the Boards of Commissioners and Directors of the Company. The amendments were reported to and accepted by the Ministry of Laws and Human Rights of the Republic of Indonesia in its acknowledgement Letter No. AHU-21997.40.22.2014 dated July 24, 2014.

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**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

1. UMUM (lanjutan)

a. Pendirian Perusahaan (lanjutan)

Sesuai dengan Pasal 3 Anggaran Dasar Perusahaan dan Peraturan Pemerintah No. 37 tahun 1994, Perusahaan bertujuan untuk melaksanakan dan menunjang kebijaksanaan dan program Pemerintah di bidang ekonomi dan pembangunan nasional, khususnya di bidang pengembangan pemanfaatan gas bumi untuk kepentingan umum serta penyediaan gas dalam jumlah dan mutu yang memadai untuk melayani kebutuhan masyarakat.

Untuk mencapai tujuan tersebut, Perusahaan dapat melaksanakan perencanaan, pembangunan, pengelolaan dan usaha hilir bidang gas bumi yang meliputi kegiatan pengolahan, pengangkutan, penyimpanan dan niaga, perencanaan, pembangunan, pengembangan produksi, penyediaan, penyaluran dan distribusi gas buatan; atau usaha lain yang menunjang usaha di atas sesuai dengan peraturan perundang-undangan yang berlaku. Pada saat ini, usaha utama Perusahaan adalah distribusi dan transmisi gas bumi ke pelanggan industri, komersial dan rumah tangga.

Kantor Pusat Perusahaan berkedudukan di Jl. K.H. Zainul Arifin No. 20, Jakarta. Untuk mencapai sasaran penjualan yang lebih responsif, Perusahaan membagi wilayah usaha menjadi empat *Strategic Business Unit* (SBU), terbagi dalam:

1. SBU Distribusi Wilayah I, mencakup Wilayah Jawa Bagian Barat sampai dengan Sumatera Selatan, yang terdiri dari Penjualan dan Layanan Area Banten, Jakarta, Bogor, Bekasi, Lampung, Cilegon, Kerawang, Cirebon dan Palembang.
2. SBU Distribusi Wilayah II, mencakup Wilayah Jawa Bagian Timur, yang terdiri dari Penjualan dan Layanan Area Surabaya, Sidoarjo-Mojokerto dan Pasuruan-Probolinggo.
3. SBU Distribusi Wilayah III, mencakup Wilayah Sumatera Utara dan Kepulauan Riau, yang terdiri dari Penjualan dan Layanan Area Medan, Batam dan Pekanbaru.

1. GENERAL (continued)

a. The Company's Establishment (continued)

As stated in Article 3 of the Company's Articles of Association and in the Government Regulation No. 37 year 1994, the Company's purpose is to implement and support the Government's economic and national development programs, particularly in developing uses of natural gas for the benefit of the public, as well as in the supply of a sufficient volume and quality of gas for public consumption.

To achieve these objectives, the Company is to carry out planning, construction, operating and development of natural gas downstream business which includes processing, transporting, storing and trading, planning, construction, production development, supplying and distribution of processed gas; or other businesses which support the foregoing activities in accordance with prevailing laws and regulations. Currently, the Company's principal business is the distribution and transmission of natural gas to industrial, commercial and household users.

The Company's Head Office is located at Jl. K.H. Zainul Arifin No. 20, Jakarta. To achieve its responsive sales target, the Company has divided its business areas into four Strategic Business Units (SBU), as follows:

1. *SBU Distribution I, covers Western Java Region until South Sumatera, which consists of Sales and Service Area Banten, Jakarta, Bogor, Bekasi, Lampung, Cilegon, Kerawang, Cirebon and Palembang.*
2. *SBU Distribution II, covers Eastern Java Region, which consists of Sales and Service Area Surabaya, Sidoarjo-Mojokerto and Pasuruan-Probolinggo.*
3. *SBU Distribution III, covers North Sumatera Region and the Riau Islands, which consists of Sales and Service Area Medan, Batam and Pekanbaru.*

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**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

1. UMUM (lanjutan)

a. Pendirian Perusahaan (lanjutan)

4. SBU Transmisi Sumatera - Jawa, dibentuk berdasarkan Surat Keputusan Direksi No. 024200.K/12/UT/2006 pada tanggal 18 Oktober 2006 sebagai unit bisnis operasi transmisi gas bumi Perusahaan yang berkedudukan di Jakarta serta meliputi wilayah Sumatera - Jawa.

Perusahaan dimiliki oleh Pemerintah Republik Indonesia selaku pemegang saham mayoritas.

b. Penawaran Umum Efek Perusahaan

Pada tanggal 5 Desember 2003, Perusahaan memperoleh pernyataan efektif dari Badan Pengawas Pasar Modal untuk melakukan penawaran umum saham kepada masyarakat sebanyak 1.296.296.000 saham, yang terdiri dari 475.309.000 saham dari divestasi saham Pemerintah Republik Indonesia, pemegang saham Perusahaan dan 820.987.000 saham baru. Saham Perusahaan dicatatkan di Bursa Efek Indonesia pada tanggal 15 Desember 2003.

Berdasarkan Risalah Rapat Umum Pemegang Saham Luar Biasa yang diadakan pada tanggal 13 Juni 2008 dan diaktakan dengan Akta Notaris No. 49 dari Notaris Fathiah Helmi, S.H., tanggal 13 Juni 2008, para pemegang saham menyetujui pemecahan nilai nominal saham Seri A Dwiwarna dan saham Seri B dari Rp500 per saham menjadi Rp100 per saham, sehingga jumlah saham Perusahaan meningkat dari 14 miliar saham menjadi 70 miliar saham dan jumlah saham ditempatkan dan disetor penuh yang semula sebesar 4.593.437.193 saham akan meningkat menjadi 22.967.185.965 saham.

1. GENERAL (continued)

a. The Company's Establishment (continued)

4. SBU Sumatera - Java Transmission, established based on Decision Letter of Director No. 024200.K/12/UT/2006 dated October 18, 2006, as a Company's business unit for operation of natural gas transmission domiciled in Jakarta and covers Sumatera - Java region.

The Company is majority owned by the Government of the Republic of Indonesia.

b. The Company's Public Offering

On December 5, 2003, the Company obtained the effective statement from Capital Market Supervisory Agency to conduct the public offering of its 1,296,296,000 shares which comprised of 475,309,000 shares from divestment of the Government of the Republic of Indonesia's shares, the Company's shareholders and 820,987,000 new shares. The Company's shares were listed at the Indonesia Stock Exchange on December 15, 2003.

Based on the Minutes of the Extraordinary General Shareholders' Meeting held on June 13, 2008 which were notarized in Notarial Deed No. 49 of Notary Fathiah Helmi, S.H., dated June 13, 2008, the shareholders ratified the stock split of the nominal value of Series A Dwiwarna share and Series B shares from Rp500 per share to Rp100 per share resulting in the increase of the number of the Company's shares from 14 billion shares to become 70 billion shares and increase in the issued and paid-up capital from 4,593,437,193 shares to become 22,967,185,965 shares.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

1. UMUM (lanjutan)

b. Penawaran Umum Efek Perusahaan (lanjutan)

Berdasarkan Risalah Rapat Umum Pemegang Saham Luar Biasa yang diadakan pada tanggal 22 Desember 2008 dan diaktakan oleh Notaris Fathiah Helmi, S.H., dengan Akta No. 29, pemegang saham menyetujui untuk dilakukannya pembelian kembali saham Perusahaan (*buy back shares*) dengan alokasi dana untuk *buy back* maksimal sebesar Rp450.000.000.000 yang diambil dari cadangan lain Perusahaan.

Pada tanggal 24 Oktober 2008, Perusahaan melakukan pembelian kembali atas saham yang telah beredar sebesar 1.850.000 lembar saham dengan harga pembelian senilai Rp1.350 per saham dengan nilai sebesar Rp2.501.246.250 (setara US\$251.054) termasuk biaya transaksi.

Perusahaan menyajikan nilai saham yang diperoleh kembali tersebut diatas sebesar US\$251.054 pada akun "Modal Saham Diperoleh Kembali" sebagai bagian dari ekuitas di dalam laporan posisi keuangan konsolidasian.

Pada tanggal 12 Mei 2014, Perusahaan menerbitkan dan mencatatkan US\$1.350.000.000 *Unsecured Fixed Rate Notes* yang jatuh tempo pada tahun 2024 pada Bursa Efek di Singapura (Catatan 23).

c. Penyelesaian Laporan Keuangan Konsolidasian

Laporan keuangan konsolidasian ini telah diselesaikan dan disetujui untuk diterbitkan oleh Direksi Perusahaan pada tanggal 27 Februari 2015.

d. Entitas Anak dan Entitas Asosiasi

Pada tanggal 31 Desember 2014 dan 2013, persentase kepemilikan Perusahaan, baik secara langsung maupun tidak langsung dan total aset Entitas Anak adalah sebagai berikut:

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

1. GENERAL (continued)

b. The Company's Public Offering (continued)

Based on the Minutes of the Extraordinary General Shareholders' Meeting held on December 22, 2008 which were notarized by Fathiah Helmi, S.H., with Notarial Deed No. 29, the shareholders approved the Company's buy-back shares with maximum fund allocated amounting to Rp450,000,000,000, which was taken from other reserve of the Company's funds.

On October 24, 2008, the Company repurchased the issued shares amounting to 1,850,000 shares with purchase price Rp1,350 per share with total amount of Rp2,501,246,250 (equivalent to US\$251,054) inclusive of transaction cost.

The Company presented the buy-back shares amounting to US\$251,054 as discussed above as "Treasury Stock" account as part of equity in the consolidated statements of financial position.

On May 12, 2014, the Company issued and listed US\$1,350,000,000 *Unsecured Fixed Rate Notes* due 2024 at the Singapore Exchange Securities Trading Limited (Note 23).

c. Completion of the Consolidated Financial Statements

The accompanying consolidated financial statements were completed and authorized for issue by the Company's Directors on February 27, 2015.

d. Subsidiaries and Associated Entities

As of December 31, 2014 and 2013, the percentage of ownership of the Company, either directly or indirectly and total assets of the Subsidiaries are as follows:

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

1. UMUM (lanjutan)

**d. Entitas Anak dan Entitas Asosiasi
(lanjutan)**

Entitas Anak, Kegiatan Usaha, Kedudukan, dan Tanggal Pendirian/ <i>Subsidiaries, Business Activities, Domiciles and Date of Establishment</i>	Tahun Usaha Komersial Dimulai/ <i>Year of Commercial Operations Started</i>	Persentase Kepemilikan/ <i>Percentage of Ownership</i>		Total Aset dalam Juta Dolar AS Sebelum Eliminasi/ <i>Total Assets in Millions US Dollar Before Elimination</i>	
		2014	2013	2014	2013
<u>Dimiliki langsung oleh Perusahaan/ Held directly by the Company</u>					
PT Transportasi Gas Indonesia (Transgasindo) Transmisi gas/Gas transmission Indonesia, 1 Februari 2002/February 1, 2002	2002	59,87%	59,87%	496	540
PGN Euro Finance 2003 Limited (PGNEF) Bidang keuangan/Financing company Mauritius, 24 Juli 2003/July 24, 2003	2003 ²¹	100,00%	100,00%	-	-
PT PGAS Telekomunikasi Nusantara (PGASKOM) Jasa telekomunikasi/Telecommunication services Indonesia, 10 Januari 2007/January 10, 2007	2009	99,93%	99,93%	24	17
PT PGAS Solution (PGASSOL) Konstruksi /Construction Indonesia, 6 Agustus 2009/August 6, 2009	2010	99,91%	99,91%	113	29
PT Saka Energi Indonesia (SEI) Eksplorasi minyak dan gas/ Exploration of oil and gas Indonesia, 27 Juni 2011/June 27, 2011	2013	100,00%	100,00%	1.894	554
PT Gagas Energi Indonesia (GEI) Distribusi gas bumi/ Distribution of natural gas Indonesia, 27 Juni 2011/June 27, 2011	2012	100,00%	100,00%	73	43
PT PGN LNG Indonesia (PLI) Pengolahan gas alam cair/ Processing of liquefied natural gas Indonesia, 26 Juni 2012/June 26, 2012	2014	100,00%	100,00%	435	30
PT Permata Graha Nusantara (Permata) Pengelolaan dan penyewaan gedung dan peralatan/ Management and leasing of buildings and equipment Indonesia, 17 Juni 2014/June 17, 2014	2014	100,00%	-	94	-
Total/Total				3.129	1.213

1. GENERAL (continued)

**d. Subsidiaries and Associated Entities
(continued)**

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

1. UMUM (lanjutan)

**d. Entitas Anak dan Entitas Asosiasi
(lanjutan)**

1. GENERAL (continued)

**d. Subsidiaries and Associated Entities
(continued)**

Entitas Anak, Kegiatan Usaha, Kedudukan, dan Tanggal Pendirian/ <i>Subsidiaries, Business Activities, Domiciles and Date of Establishment</i>	Tahun Usaha Komersial Dimulai/ <i>Year of Commercial Operations Started</i>	Persentase Kepemilikan/ <i>Percentage of Ownership</i>		Total Aset dalam Juta Dolar AS Sebelum Eliminasi/ <i>Total Assets in Millions US Dollar Before Elimination</i>	
		2014	2013	2014	2013
<u>Dimiliki melalui PT Saka Energi Indonesia (SEI)/</u> <u><i>Held through PT Saka Energi Indonesia (SEI)</i></u>					
PT Saka Energi Sumatera (SES) (formerly PT Saka Lematang) Eksplorasi minyak dan gas/ <i>Exploration of oil and gas</i> Indonesia, 24 September 2012/ <i>September 24, 2012</i>	2014	100,00%	100,00%	76	- ^{4]}
PT Saka Ketapang Perdana (SKP) Eksplorasi minyak dan gas/ <i>Exploration of oil and gas</i> Indonesia, 17 Oktober 2012/ <i>October 17, 2012</i>	- ^{1]}	100,00%	100,00%	218	102
PT Saka Bangkanai Klemantan (SBK) Eksplorasi dan produksi minyak dan gas/ <i>Exploration and production of oil and gas</i> Indonesia, 11 Maret 2013/ <i>March 11, 2013</i>	- ^{1]}	100,00%	100,00%	122	102
PT Saka Energi Internasional (SI) Eksplorasi minyak dan gas/ <i>Exploration of oil and gas</i> Indonesia, 20 Februari 2014/ <i>February 20, 2014</i>	2014	100,00%	-	203	- ^{4]}
PT Saka Indonesia Sesulu (SIS) Eksplorasi minyak dan gas/ <i>Exploration of oil and gas</i> Indonesia, 7 Maret 2013/ <i>March 7, 2013</i>	- ^{1]}	100,00%	100,00%	30	- ^{4]}
Saka Indonesia Pangkah B.V. (SIP) ^{3]} Eksplorasi dan produksi minyak dan gas/ <i>Exploration and production of oil and gas</i> Belanda/Netherlands, 3 Agustus 2007/ <i>August 3, 2007</i>	2007	100,00%	100,00%	1.146	270
Saka Energi Exploration Production, B.V. (SEEPBV) Eksplorasi dan produksi minyak dan gas/ <i>Exploration and production of oil and gas</i> Belanda/Netherlands, 24 Desember 2013/ <i>December 24, 2013</i>	- ^{1]}	100,00%	100,00%	102	-
PT Saka Energi Bangkanai Barat (SEBB) Eksplorasi dan produksi minyak dan gas/ <i>Exploration and production of oil and gas</i> Indonesia, 12 Mei 2014/ <i>May 12, 2014</i>	- ^{1]}	100,00%	-	- ^{4]}	- ^{4]}
PT Saka Energi Investasi Eksplorasi minyak dan gas/ <i>Exploration of oil and gas</i> Indonesia, 18 Juli 2014/ <i>July 18, 2014</i>	- ^{1]}	100,00%	-	- ^{4]}	- ^{4]}
Total/Total				1.897	474

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

1. UMUM (lanjutan)

**d. Entitas Anak dan Entitas Asosiasi
(lanjutan)**

1. GENERAL (continued)

**d. Subsidiaries and Associated Entities
(continued)**

Entitas Anak, Kegiatan Usaha, Kedudukan, dan Tanggal Pendirian/ <i>Subsidiaries, Business Activities, Domiciles and Date of Establishment</i>	Tahun Usaha Komersial Dimulai/ <i>Year of Commercial Operations Started</i>	Persentase Kepemilikan/ <i>Percentage of Ownership</i>		Total Aset dalam Juta Dolar AS Sebelum Eliminasi/ <i>Total Assets in Millions US Dollar Before Elimination</i>	
		2014	2013	2014	2013
<u>Dimiliki melalui Saka Indonesia Pangkah B.V. (SIP)/</u> <u><i>Held through Saka Indonesia Pangkah B.V. (SIP)</i></u>					
Saka Indonesia Pangkah Limited (SIPL) ^{5]} Eksplorasi minyak dan gas/ <i>Exploration of oil and gas</i> Indonesia, 5 Juli 1995/ <i>July 5, 1995</i>	2007	100,00%	-	787	-
Saka Pangkah LLC (SP) ^{6]} Eksplorasi minyak dan gas/ <i>Exploration of oil and gas</i> Indonesia, 12 Juli 1995/ <i>July 12, 1995</i>	2007	100,00%	-	124	-
Total/Total				911	-
<u>Dimiliki melalui Saka Energi Exploration Production, B.V. (SEEPBV)/</u> <u><i>Held through Saka Energi Exploration Production, B.V. (SEEPBV)</i></u>					
Sunny Ridge Offshore Limited (SROL) Eksplorasi minyak dan gas/ <i>Exploration of oil and gas</i> British Virgin Islands, 15 Juli 2009/ <i>July 15, 2009</i>	^{-1]}	100,00%	-	99	-
<u>Dimiliki melalui Saka Energi Internasional (SI)/</u> <u><i>Held through Saka Energi Internasional (SI)</i></u>					
Saka Energi Fasken LLC (Fasken) Eksplorasi minyak dan gas/ <i>Exploration of oil and gas</i> Texas, 25 April 2014/ <i>April 25, 2014</i>	2014	100,00%	-	203	^{-4]}
<u>Dimiliki melalui PT PGAS Telekomunikasi Nusantara (PGASKOM)/</u> <u><i>Held through PT PGAS Telekomunikasi Nusantara (PGASKOM)</i></u>					
PGAS Telecommunications International Pte. Ltd. (PTI) Jasa Telekomunikasi/ <i>Telecommunications Services</i> Singapura/ <i>Singapore</i> , 24 November 2009/ <i>November 24, 2009</i>	2010	100,00%	100,00%	5	5
PT Telemedia Dinamika Sarana (TDS) Jasa Telekomunikasi/ <i>Telecommunications Services</i> Indonesia, 2 Oktober 2002/ <i>October 2, 2002</i>	2013	100,00%	90,00%	^{-4]}	^{-4]}
Total/Total				5	5
<u>Dimiliki melalui PT Permata Graha Nusantara/</u> <u><i>Held through PT Permata Graha Nusantara</i></u>					
PT Kalimantan Jawa Gas (KJG) Transmisi gas/ <i>Gas transmission</i> Indonesia, 23 Juli 2013/ <i>July 23, 2013</i>	^{-1]}	80,00%	-	91	-

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

1. UMUM (lanjutan)

**d. Entitas Anak dan Entitas Asosiasi
(lanjutan)**

- 1] Belum beroperasi komersial/Not yet started commercial operation
2] Dalam proses likuidasi/In the liquidation process
3] Dahulu Kufpec Indonesia (Pangkah) B.V./Formerly Kufpec Indonesia (Pangkah) B.V.
4] Total aset di bawah 1 juta US Dollar/The total assets is below one million US Dollar
5] Dahulu Hess (Indonesia Pangkah) Limited/Formerly Hess (Indonesia Pangkah) Limited
6] Dahulu Hess Pangkah LLC/Formerly Hess Pangkah LLC

Perusahaan dan Entitas Anak (Kelompok Usaha) mempunyai kerjasama operasi minyak dan gas atau kontrak jasa/perjanjian partisipasi dan pembagian ekonomi pada tanggal 31 Desember 2014 dan 2013 sebagai berikut:

Kerjasama Operasi/ Joint Ventures
Blok Bangkanai
Blok Ujung Pangkah
Blok Ketapang
Blok Lematang-Petar ^{1]}
Blok South East Sumatera
Blok South Sesulu
Blok Fasken
Blok Muriah
Blok Bangkanai Barat

1] Dalam proses pelepasan/In the process of disposal

Kelompok Usaha melakukan sejumlah akuisisi aset pada tahun 2014 dan 2015 (Catatan 16).

Informasi mengenai Entitas Asosiasi yang dimiliki oleh Kelompok Usaha pada tanggal-tanggal 31 Desember 2014 dan 2013 adalah sebagai berikut:

Entitas Asosiasi/ Associates	Kedudukan dan Tahun Usaha Komersial Dimulai/ Domicile and Year of Commercial Operations Started	Kegiatan Usaha/ Business Activities
PT Nusantara Regas (NR)	Jakarta, 2012	Pengelolaan dan pengembangan fasilitas FSRT termasuk pembelian LNG dan pemasaran atas hasil pengelolaan fasilitas FSRT/ The management and development of FSRT facilities including purchase of LNG and marketing of products arising from the operations of FSRT facilities
PT Gas Energi Jambi (GEJ)	Jambi, 2005	Transportasi dan distribusi gas bumi/ Transportation and distribution of natural gas

Kombinasi Bisnis

- (i) Akuisisi TDS
Pada tanggal 28 Juni 2013, PGASKOM melakukan akuisisi atas 90% saham pada TDS dari pemilik saham sebelumnya dengan imbalan pembelian yang dialihkan dengan total sebesar Rp675.000.000. Atas transaksi ini, PGASKOM mengakui goodwill sebesar US\$59.190.

1. GENERAL (continued)

**d. Subsidiaries and Associated Entities
(continued)**

The Company and its subsidiaries (the "Group") has interests in the following oil and gas joint venture operations or Service Contracts/Participation and Economic Sharing Agreements as of December 31, 2014 and 2013:

Negara/ Country	Hak kepemilikan (%) / Interest (%)	
	2014	2013
Indonesia	30%	30%
Indonesia	100%	25%
Indonesia	20%	20%
Indonesia	5%	5%
Indonesia	8,91%	-
Indonesia	100%	100%
Texas	36%	-
Indonesia	20%	-
Indonesia	30%	-

The Group acquired several assets during 2014 and 2013 (Note 16).

Information about Associated entities owned by the Group as of December 31, 2014 and 2013 are as follows:

Kegiatan Usaha/ Business Activities	Persentase Kepemilikan/ Percentage of Ownership	
	2014	2013
Pengelolaan dan pengembangan fasilitas FSRT termasuk pembelian LNG dan pemasaran atas hasil pengelolaan fasilitas FSRT/ The management and development of FSRT facilities including purchase of LNG and marketing of products arising from the operations of FSRT facilities	40,00%	40,00%
Transportasi dan distribusi gas bumi/ Transportation and distribution of natural gas	40,00%	40,00%

Business Combinations

- (i) Acquisition of TDS
On June 28, 2013, PGASKOM acquired 90% equity interests in TDS from the previous owners with purchase consideration transferred of Rp675,000,000. Under this transaction, PGASKOM recognized a goodwill amounting to US\$59,190.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

1. UMUM (lanjutan)

**d. Entitas Anak dan Entitas Asosiasi
(lanjutan)**

Kombinasi Bisnis (lanjutan)

(ii) Akuisisi SIP

Pada tanggal 26 Juni 2013, SEI melakukan akuisisi atas 100% kepemilikan saham pada Kufpec Indonesia (Pangkah) B.V. (SIP) dari pemilik saham lama, yaitu Kuwait Foreign Petroleum Exploration Company K.S.C. (Closed), dengan imbalan pembelian yang dialihkan sebesar US\$259.851.818, yang terdiri dari pengalihan saham sebesar US\$74.276.826 dan pengalihan piutang oleh SEI sebesar US\$185.574.992. Pada tanggal 17 Juli 2013, SIP telah berganti nama menjadi Saka Indonesia Pangkah B.V. (SIP).

(iii) Akuisisi SIPL dan SPLLC

Pada tanggal 4 Januari 2014, SIP telah melakukan akuisisi atas 100% kepemilikan saham pada Hess (Indonesia Pangkah) Limited dan Hess Pangkah LLC dari pemilik saham lama, yaitu Hess Oil and Gas Holding Inc. dan Hess NWE Holdings, dengan imbalan pembelian yang dialihkan masing-masing sebesar US\$564.763.242 dan US\$89.501.000, yang terdiri dari akuisisi saham masing-masing sebesar US\$27.429.910 dan US\$29.424.981 serta pengalihan piutang oleh SEI masing-masing sebesar US\$537.333.333 dan US\$60.076.021. Selanjutnya pada tanggal 16 Januari 2014, HIPL dan HPLLC berganti nama menjadi Saka Indonesia Pangkah Limited (SIPL) dan Saka Pangkah LLC (SP).

(iv) Akuisisi Sunny Ridge Offshore Limited

Pada tanggal 23 Oktober 2014, SEI, melalui Saka Energi Exploration Production, B.V. ("SEEPBV") menandatangani Perjanjian Jual Beli 100% saham Sunny Ridge Offshore Limited ("SROL") dengan Sunny Ridge Offshore M Limited, dengan imbalan pembelian yang dialihkan sebesar US\$40.403.000. SROL memiliki 20% hak kepemilikan di blok Muriah. Perjanjian ini efektif pada tanggal 16 Desember 2014 dengan diterimanya pemberitahuan tertulis dari PC Muriah Ltd (JOA Co-Venturer) bahwa yang bersangkutan tidak akan menggunakan hak *preferential*-nya.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

1. GENERAL (continued)

d. Subsidiaries and Associates (continued)

Business Combinations (continued)

(ii) Acquisition of SIP

On June 26, 2013, SEI acquired 100% equity interests in Kufpec Indonesia (Pangkah) B.V. (SIP) from the previous owner Kuwait Foreign Petroleum Exploration Company K.S.C. (Closed), with purchase consideration transferred of US\$259,851,818, which consists of shares transfer value amounting to US\$74,276,826 and assignment of receivable by SEI amounting to US\$185,574,992. On July 17, 2013, SIP changed its name to Saka Indonesia Pangkah B.V. (SIP).

(iii) Acquisition of SIPL and SPLLC

On January 4, 2014, SIP acquired 100% equity interests in Hess (Indonesia Pangkah) Limited and Hess Pangkah LLC from the previous owner Hess Oil and Gas Holding Inc. and Hess NWE Holdings, with the purchase consideration transferred of US\$564,763,242 and US\$89,501,000, respectively, which consist of acquisition of shares amounting to US\$27,429,910 and US\$29,424,981 and assignment of receivable by SEI amounting to US\$537,333,333 and US\$60,076,021, respectively. Subsequently on January 16, 2014, HIPL and HPLLC have changed their names to Saka Indonesia Pangkah Limited (SIPL) and Saka Pangkah LLC (SP), respectively.

(iv) Acquisition of Sunny Ridge Offshore Limited

On October 23, 2014, SEI, through Saka Energi Exploration Production, B.V. ("SEEPBV") signed a Sale and Purchase Agreement of 100% equity interests in Sunny Ridge Offshore Limited ("SROL") with Sunny Ridge Offshore M Limited with purchase consideration transferred of US\$40,403,000. SROL owns 20% participating interest in Muriah block. This agreement effective on December 16, 2014 upon the receipt of written waiver of PC Muriah Ltd (JOA Co-Venturer)'s preferential right.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

1. UMUM (lanjutan)

**d. Entitas Anak dan Entitas Asosiasi
(lanjutan)**

Kombinasi Bisnis (lanjutan)

Lihat Catatan 17 untuk pengungkapan akuntansi Kombinasi Bisnis dari transaksi tersebut.

e. Dewan Komisaris, Direksi dan Karyawan

Susunan Dewan Komisaris dan Direksi Perusahaan pada tanggal 31 Desember 2014 berdasarkan keputusan Rapat Umum Pemegang Saham Tahunan yang dilaksanakan pada tanggal 27 Maret 2014 adalah sebagai berikut:

Dewan Komisaris

Komisaris Utama
Komisaris
Komisaris
Komisaris
Komisaris Independen
Komisaris Independen

Bayu Krisnamurthi
M. Zamkhani
Firmanzah
A. Edy Hermantoro
Widya Purnama
Pudja Sunasa

Dewan Direksi

Direktur Utama
Direktur Keuangan
Direktur Pengusahaan
Direktur Teknologi dan Pengembangan
Direktur Perencanaan Investasi dan
Manajemen Risiko
Direktur Sumber Daya Manusia
dan Umum

Hendi Prio Santoso
M. Riza Pahlevi Tabrani
Jobi Triananda Hasjim
Djoko Saputro
Muhammad Wahid Sutopo
Hendi Kusnadi

Susunan Dewan Komisaris dan Direksi Perusahaan pada tanggal 31 Desember 2013 berdasarkan keputusan Rapat Umum Pemegang Saham Tahunan yang dilaksanakan pada tanggal 17 April 2013 adalah sebagai berikut:

Dewan Komisaris

Komisaris Utama
Komisaris
Komisaris
Komisaris
Komisaris Independen
Komisaris Independen

Bayu Krisnamurthi
M. Zamkhani
Firmanzah
Kiaagus Ahmad Badaruddin
Widya Purnama
Pudja Sunasa

Dewan Direksi

Direktur Utama
Direktur Keuangan
Direktur Pengusahaan
Direktur Teknologi dan Pengembangan
Direktur Perencanaan Investasi dan
Manajemen Risiko
Direktur Sumber Daya Manusia
dan Umum

Hendi Prio Santoso
M. Riza Pahlevi Tabrani
Jobi Triananda Hasjim
Djoko Saputro
Muhammad Wahid Sutopo
Hendi Kusnadi

1. GENERAL (continued)

**d. Subsidiaries and Associated Entities
(continued)**

Business Combinations (continued)

See Note 17 for disclosures of the Business Combination accounting of the above transactions.

e. Boards of Commissioners, Directors and Employees

The members of the Company's Boards of Commissioners and Directors as of December 31, 2014 based on the resolution of Annual General Meeting of Shareholders on March 27, 2014 are as follows:

Board of Commissioners

Chairman of the Board of Commissioners
Commissioner
Commissioner
Commissioner
Independent Commissioner
Independent Commissioner

Board of Directors

President Director
Director of Finance
Director of Operations
Director of Technology and Development
Director of Investment Planning and
Risk Management
Director of Human Resources
and General Affairs

The members of the Company's Boards of Commissioners and Directors as of December 31, 2013 based on the resolution of Annual General Meeting of Shareholders on April 17, 2013 are as follows:

Board of Commissioners

Chairman of the Board of Commissioners
Commissioner
Commissioner
Commissioner
Independent Commissioner
Independent Commissioner

Board of Directors

President Director
Director of Finance
Director of Operations
Director of Technology and Development
Director of Investment Planning and
Risk Management
Director of Human Resources
and General Affairs

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

1. UMUM (lanjutan)

e. Dewan Komisaris, Direksi dan Karyawan (lanjutan)

Pada tanggal 31 Desember 2014 dan 2013, susunan Komite Audit Perusahaan adalah sebagai berikut:

Ketua
Anggota
Anggota
Anggota
Anggota

Pudja Sunasa
Mohamad Slamet Wibowo
Imbuh Sulistyarini
Kanyatama P. Mulyono
Gunawan Indradi

Chairman
Member
Member
Member
Member

Pada tanggal 31 Desember 2014 dan 2013, jumlah karyawan tetap Perusahaan dan Entitas Anaknya masing-masing adalah 2.253 orang (tidak diaudit) dan 1.938 orang (tidak diaudit).

1. GENERAL (continued)

e. Boards of Commissioners, Directors and Employees (continued)

As of December 31, 2014 and 2013, the members of the Company's Audit Committee are as follows:

As of December 31, 2014 and 2013, the Company and its Subsidiaries have a total of 2,253 employees (unaudited) and 1,938 employees (unaudited), respectively.

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN

a. Dasar Penyajian Laporan Keuangan Konsolidasian

Laporan keuangan konsolidasian telah disusun sesuai dengan Standar Akuntansi Keuangan di Indonesia ("SAK"), yang mencakup Pernyataan dan Interpretasi yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia ("DSAK") dan Peraturan Nomor VIII.G.7 tentang Pedoman Penyajian dan Pengungkapan Laporan Keuangan yang diterbitkan oleh OJK.

Laporan keuangan konsolidasian disusun berdasarkan konsep akrual dengan menggunakan konsep biaya historis, kecuali untuk beberapa akun tertentu yang diukur berdasarkan pengukuran sebagaimana diuraikan dalam kebijakan akuntansi masing-masing akun tersebut.

Laporan arus kas konsolidasian yang disusun dengan menggunakan metode langsung, menyajikan penerimaan dan pengeluaran kas yang diklasifikasikan dalam aktivitas operasi, investasi dan pendanaan.

Mata uang penyajian yang digunakan dalam laporan keuangan konsolidasian adalah Dolar Amerika Serikat yang merupakan mata uang fungsional Perusahaan (Catatan 2.u). Setiap entitas di dalam Kelompok Usaha menetapkan mata uang fungsional sendiri dan unsur di dalam laporan keuangan dari setiap entitas diukur berdasarkan mata uang fungsional tersebut.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statements and Interpretations issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants ("DSAK") and the Regulation Number VIII.G.7 on the Guidelines on Financial Statement Presentation and Disclosures issued by OJK.

The consolidated financial statements have been prepared on the accrual basis using the historical cost concept of accounting, except for certain accounts which are measured on the bases described in the related accounting policies of each account.

The consolidated statements of cash flows, which have been prepared using the direct method, present cash receipts and payments classified into operating, investing and financing activities.

The presentation currency used in the preparation of the consolidated financial statements is the US Dollar which is the functional currency of the Company (Note 2.u). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

b. Prinsip-prinsip Konsolidasian

b. Principles of Consolidation

Mata uang fungsional entitas anak dan Regas adalah Dolar Amerika Serikat, kecuali mata uang fungsional PGASKOM, PGASSOL dan Permata yang mata uang fungsionalnya Rupiah. Efektif 1 Juni 2014, mata uang fungsional PLI menjadi Dolar Amerika Serikat.

The functional currency of the subsidiaries and Regas is the US Dollar, except for PGASKOM, PGASSOL and Permata for which their functional currency is the Rupiah. Effective June 1, 2014, the functional currency of PLI became US Dollar.

Laporan keuangan konsolidasian meliputi akun-akun Kelompok Usaha seperti disebutkan pada Catatan 1.d (secara langsung maupun tidak langsung) dengan kepemilikan saham lebih dari 50%.

The consolidated financial statements include the accounts of the Group as described in Note 1.d, in which the Company maintains (directly or indirectly) equity ownership of more than 50%.

Laporan keuangan konsolidasian disusun dengan menggunakan kebijakan akuntansi yang sama untuk transaksi dan peristiwa lain dalam keadaan yang serupa. Jika anggota Kelompok Usaha menggunakan kebijakan akuntansi yang berbeda untuk transaksi dan peristiwa dalam keadaan yang serupa, maka penyesuaian dilakukan atas laporan keuangannya dalam penyusunan laporan keuangan konsolidasian.

The consolidated financial statements have been prepared using uniform accounting policies for transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

Seluruh saldo akun dan transaksi yang signifikan antara Perusahaan dengan Entitas Anak telah dieliminasi.

All significant intercompany accounts and transactions between the Company and Subsidiaries have been eliminated.

Entitas-entitas Anak dikonsolidasi secara penuh sejak tanggal akuisisi, yaitu tanggal Perusahaan memperoleh pengendalian, sampai dengan tanggal entitas induk kehilangan pengendalian. Pengendalian dianggap ada ketika Perusahaan memiliki secara langsung atau tidak langsung melalui Entitas-entitas Anak, lebih dari setengah kekuasaan suara entitas.

Subsidiaries are fully consolidated from the date of acquisitions, being the date on which the Company obtained control, and continue to be consolidated until the date such control ceases. Control is presumed to exist if the Company owns, directly or indirectly through Subsidiaries, more than a half of the voting power of an entity.

Pengendalian juga ada ketika entitas induk memiliki setengah atau kurang kekuasaan suara suatu entitas jika terdapat:

Control also exists when the parent owns half or less of the voting power of an entity when there is:

- (a) kekuasaan yang melebihi setengah hak suara sesuai perjanjian dengan investor lain;
- (b) kekuasaan yang mengatur kebijakan keuangan dan operasional entitas berdasarkan anggaran dasar atau perjanjian;

- (a) power over more than half of the voting rights by virtue of an agreement with other investors;
- (b) power to govern the financial and operating policies of the entity under a statute or an agreement;

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

b. Prinsip-prinsip Konsolidasian (lanjutan)

(c) kekuasaan untuk menunjuk atau mengganti sebagian besar direksi atau organ pengatur setara dan mengendalikan entitas melalui direksi atau organ tersebut; atau

(d) kekuasaan untuk memberikan suara mayoritas pada rapat dewan direksi atau organ pengatur setara dan mengendalikan entitas melalui direksi atau organ tersebut.

Rugi entitas anak yang tidak dimiliki secara penuh diatribusikan pada KNP bahkan jika hal ini mengakibatkan KNP mempunyai saldo defisit.

Jika kehilangan pengendalian atas suatu entitas anak, maka Kelompok Usaha:

- menghentikan pengakuan aset (termasuk setiap *goodwill*) dan liabilitas entitas anak;
- menghentikan pengakuan jumlah tercatat setiap KNP;
- menghentikan pengakuan akumulasi selisih penjabaran, yang dicatat di ekuitas, bila ada;
- mengakui nilai wajar pembayaran yang diterima;
- mengakui setiap sisa investasi pada nilai wajarnya;
- mengakui setiap perbedaan yang dihasilkan sebagai keuntungan atau kerugian dalam laba rugi; dan
- mereklasifikasi bagian induk atas komponen yang sebelumnya diakui sebagai pendapatan komprehensif ke laporan laba rugi, atau mengalihkan secara langsung ke saldo laba.

KNP mencerminkan bagian atas laba atau rugi dan aset neto dari Entitas Anak yang tidak dapat diatribusikan secara langsung maupun tidak langsung kepada entitas induk, yang masing-masing disajikan dalam laporan laba rugi komprehensif konsolidasian dan dalam ekuitas pada laporan posisi keuangan konsolidasian, terpisah dari bagian yang dapat diatribusikan kepada pemilik entitas induk.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

b. Principles of Consolidation (continued)

(c) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity by that board or body; or

(d) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity by that board or body.

Losses of a non-wholly owned subsidiary are attributed to the NCI even if that NCI results in a deficit balance.

In case of loss of control over a subsidiary, the Group:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- derecognizes the carrying amount of any NCI;
- derecognizes the cumulative translation differences, recorded in equity, if any;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained;
- recognizes any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

NCI represents the portion of the profit or loss and net assets of the Subsidiaries not attributable, directly or indirectly, to the parent company, which are presented in the consolidated statements of comprehensive income and under the equity section of the consolidated statements of financial position, respectively, separately from the corresponding portion attributable to the owners of the parent entity.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

b. Prinsip-prinsip Konsolidasian (lanjutan)

Bagian kepemilikan pemegang saham minoritas atas aset neto Entitas Anak disajikan sebagai "Kepentingan Nonpengendali" pada Laporan Posisi Keuangan Konsolidasian. Hak minoritas atas laba (rugi) neto Entitas Anak pada Laporan Laba Rugi Komprehensif Konsolidasian disajikan sebagai "Laba/Rugi tahun Berjalan yang Dapat Diatribusikan kepada Kepentingan Nonpengendali".

Untuk tujuan konsolidasi, laporan keuangan entitas anak yang mata uang fungsionalnya adalah selain Dolar Amerika Serikat dijabarkan ke dalam Dolar Amerika Serikat dengan menggunakan:

Akun/Accounts

Aset dan liabilitas/
Assets and liabilities

Pendapatan dan beban/
Revenues and expenses

Kurs/Exchange Rates

Kurs rata-rata pembelian dan penjualan Bank Indonesia pada akhir tahun pelaporan/
Average buying and selling exchange rate of Bank Indonesia at end of reporting year

Rata-rata tertimbang dari kurs tengah Bank Indonesia selama setahun dalam laporan laba rugi komprehensif/
Weighted-average middle rate of Bank Indonesia during the year of statements of comprehensive income

Selisih yang timbul dari penjabaran laporan keuangan entitas anak tersebut ke dalam Dolar Amerika Serikat disajikan dalam akun "Pendapatan komprehensif lainnya - Selisih Kurs karena Penjabaran Laporan Keuangan Entitas Anak" sebagai bagian dari Komponen Ekuitas Lainnya pada ekuitas dalam laporan posisi keuangan konsolidasian.

c. Kombinasi Bisnis dan Goodwill

Kombinasi bisnis dicatat dengan menggunakan metode akuisisi. Biaya perolehan dari sebuah akuisisi diukur pada nilai agregat imbalan yang dialihkan, diukur pada nilai wajar pada tanggal akuisisi dan jumlah setiap KNP pada pihak yang diakuisisi. Untuk setiap kombinasi bisnis, Kelompok Usaha memilih apakah mengukur KNP pada entitas yang diakuisisi baik pada nilai wajar ataupun pada proporsi kepemilikan KNP atas aset neto yang teridentifikasi dari entitas yang diakuisisi. Biaya-biaya akuisisi yang timbul dibebankan langsung dan disertakan dalam "Beban Umum dan Administrasi".

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

b. Principles of Consolidation (continued)

Minority interest in net assets of Subsidiaries are presented as "Non-controlling Interests" in the Consolidated Statements of Financial Position. Minority interest in net earnings (loss) of Subsidiaries are presented in the Consolidated Statements of Comprehensive Income as "Profit/Loss for the year Attributable to Non-Controlling Interests".

For consolidation purposes, the financial statements of subsidiaries with functional currencies other than US Dollar are translated into US Dollar using the following:

The difference arising from the translation of those subsidiaries' financial statements into US Dollar is presented as "Other Comprehensive Income - Difference in Foreign Currency Translation of the Financial Statements of Subsidiaries" account as part of Other Components of Equity in the equity section of the consolidated statements of financial position.

c. Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any NCI in the acquiree. For each business combination, the Group selects whether it measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are directly expensed and included in "General and Administrative Expenses".

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

c. Kombinasi Bisnis dan Goodwill (lanjutan)

Ketika melakukan akuisisi atas sebuah bisnis, Kelompok Usaha mengklasifikasikan dan menentukan aset keuangan yang diperoleh dan liabilitas keuangan yang diambil alih berdasarkan pada persyaratan kontraktual, kondisi ekonomi dan kondisi terkait lain yang ada pada tanggal akuisisi.

Dalam suatu kombinasi bisnis yang dilakukan secara bertahap, Kelompok Usaha mengukur kembali kepentingan ekuitas yang dimiliki sebelumnya pada pihak yang diakuisisi pada nilai wajar tanggal akuisisi dan mengakui keuntungan atau kerugian dalam laba rugi.

Imbalan kontinjensi yang akan dibayarkan oleh pihak pengakuisisi diakui pada nilai wajar pada tanggal akuisisi. Perubahan nilai wajar atas imbalan kontinjensi setelah tanggal akuisisi yang diklasifikasikan sebagai aset atau liabilitas, akan diakui pada laporan laba rugi berjalan atau sebagai pendapatan komprehensif lain sesuai dengan PSAK No. 55 (Revisi 2011). Jika diklasifikasikan sebagai ekuitas, imbalan kontinjensinya tidak diukur kembali sampai penyelesaian terakhir dalam ekuitas.

Pada tanggal akuisisi, *goodwill* awalnya diukur pada harga perolehan yang merupakan selisih lebih nilai agregat dari imbalan yang dialihkan dan jumlah setiap KNP atas selisih jumlah dari aset teridentifikasi yang diperoleh dan liabilitas yang diambil alih.

Jika imbalan tersebut kurang dari nilai wajar aset neto entitas anak yang diakuisisi, selisih tersebut diakui sebagai laba atau rugi sebagai keuntungan dari pembelian dengan diskon setelah sebelumnya manajemen melakukan penilaian atas identifikasi dan nilai wajar dari aset yang diperoleh dan liabilitas yang diambil alih dan dicatat dalam laporan laba rugi komprehensif konsolidasian.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**c. Business Combinations and Goodwill
(continued)**

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PSAK No. 55 (Revised 2011) either in profit or loss as other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

At acquisition date, goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI over the net identifiable assets acquired and liabilities assumed.

If such consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as gain on bargain purchase after previously assessing the identification and fair value measurement of the acquired assets and the assumed liabilities and recorded in the consolidated statements of comprehensive income.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

c. Kombinasi Bisnis dan Goodwill (lanjutan)

Setelah pengakuan awal, *goodwill* diukur pada jumlah tercatat dikurangi akumulasi kerugian penurunan nilai. Untuk tujuan pengujian penurunan nilai, *goodwill* yang diperoleh dari suatu kombinasi bisnis, sejak tanggal akuisisi dialokasikan kepada setiap Unit Penghasil Kas ("UPK") dari Kelompok Usaha yang diharapkan akan bermanfaat dari sinergi kombinasi tersebut, terlepas dari apakah aset atau liabilitas lain dari pihak yang diakuisisi ditetapkan atas UPK tersebut.

Jika *goodwill* telah dialokasikan pada suatu UPK, dan operasi tertentu atas UPK tersebut dihentikan, maka *goodwill* yang diasosiasikan dengan operasi yang dihentikan tersebut termasuk dalam jumlah tercatat operasi tersebut ketika menentukan keuntungan atau kerugian dari pelepasan. *Goodwill* yang dilepaskan tersebut diukur berdasarkan nilai relatif operasi yang dihentikan dan porsi UPK yang ditahan.

Sesuai dengan ketentuan dalam PSAK No. 22 (Revisi 2010), apabila proses akuntansi awal untuk kombinasi bisnis belum selesai pada akhir periode pelaporan pada saat kombinasi terjadi, Kelompok Usaha melaporkan jumlah sementara untuk pos-pos yang proses akuntansinya belum selesai dalam laporan keuangan konsolidasian. Selama periode pengukuran, Kelompok Usaha menyesuaikan secara retrospektif jumlah sementara yang diakui pada tanggal akuisisi untuk mencerminkan informasi baru yang diperoleh tentang fakta dan keadaan yang ada pada tanggal akuisisi dan, jika diketahui telah berdampak pada pengukuran jumlah yang diakui pada tanggal tersebut.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**c. Business Combinations and Goodwill
(continued)**

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's Cash-generating Units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those CGUs.

Where goodwill forms part of a CGU and part of the operations within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

In accordance with the provision of PSAK No. 22 (Revised 2010), if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group shall report in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

d. Aset dan Liabilitas Keuangan

(i) Aset Keuangan

Pengakuan awal

Aset keuangan dalam ruang lingkup PSAK No. 55 (Revisi 2011) diklasifikasikan sebagai aset keuangan yang dinilai pada nilai wajar melalui laba rugi, pinjaman yang diberikan dan piutang, investasi yang dimiliki hingga tanggal jatuh tempo dan aset keuangan tersedia untuk dijual. Aset keuangan pada awalnya diukur pada nilai wajar, dan dalam hal aset keuangan yang tidak diukur pada nilai wajar melalui laporan laba rugi, ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung.

Pembelian atau penjualan aset keuangan yang mensyaratkan penyerahan aset dalam kurun waktu yang ditetapkan oleh peraturan atau kebiasaan yang berlaku di pasar (pembelian yang lazim/regular) diakui pada tanggal perdagangan, yaitu tanggal Kelompok Usaha berkomitmen untuk membeli atau menjual aset tersebut.

Kelompok Usaha mengklasifikasikan aset keuangannya menjadi pinjaman yang diberikan dan piutang dan aset keuangan tersedia untuk dijual. Klasifikasi ini tergantung dari tujuan perolehan aset keuangan tersebut. Manajemen menentukan klasifikasi aset keuangan tersebut pada saat awal pengakuannya dan jika diperbolehkan dan sesuai, akan dievaluasi kembali setiap akhir tahun keuangan.

Pengukuran setelah pengakuan awal

Pengukuran aset keuangan setelah pengakuan awal tergantung pada klasifikasinya sebagai berikut:

- Pinjaman yang diberikan dan piutang

Pinjaman yang diberikan dan piutang adalah aset keuangan non derivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuota di pasar aktif.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Financial Assets and Liabilities

(i) Financial Assets

Initial recognition

Financial assets within the scope of the PSAK No. 55 (Revised 2011) are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are recognized initially at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the assets.

The Group classifies its financial assets as loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financials assets were acquired. Management determines the classification of its financial assets at initial recognition and where allowed and appropriate, re-evaluates this designation at each financial year end.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Aset dan Liabilitas Keuangan (lanjutan)

d. Financial Assets and Liabilities (continued)

(i) Aset Keuangan (lanjutan) (lanjutan)

(i) Financial Assets (continued)

Pengukuran setelah pengakuan awal
(lanjutan)

Subsequent measurement (continued)

- Pinjaman yang diberikan dan piutang (lanjutan)

- Loans and receivables (continued)

Pada saat pengakuan awal, aset keuangan ini diakui pada nilai wajarnya ditambah biaya transaksi dan selanjutnya dinyatakan sebesar biaya perolehan yang diamortisasi dengan menggunakan metode suku bunga efektif, dan keuntungan dan kerugian terkait diakui dalam laba rugi pada saat pinjaman yang diberikan dan piutang dihentikan pengakuannya atau mengalami penurunan nilai, demikian juga melalui proses amortisasi.

These financial assets are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method and gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Dalam hal terjadi penurunan nilai, kerugian penurunan nilai dilaporkan sebagai pengurang dari nilai tercatat dari aset keuangan dalam kelompok pinjaman yang diberikan dan piutang dan diakui di dalam laporan laba rugi komprehensif konsolidasian.

In case of impairment, the impairment loss is reported as a deduction from the carrying value of the financial assets classified as loan and receivables and recognized in the consolidated statements of comprehensive income.

- Aset keuangan yang tersedia untuk dijual

- Available-for-sale (AFS) financial assets

Aset keuangan tersedia untuk dijual adalah aset keuangan non derivatif yang ditetapkan sebagai tersedia untuk dijual atau yang tidak diklasifikasikan ke dalam tiga kategori sebelumnya. Setelah pengukuran awal, aset keuangan tersedia untuk dijual diukur pada nilai wajar dengan laba atau rugi yang belum direalisasi diakui dalam ekuitas sampai investasi tersebut dihentikan pengakuannya. Pada saat itu, laba atau rugi kumulatif yang sebelumnya diakui dalam ekuitas harus direklasifikasi ke dalam laba rugi sebagai penyesuaian reklasifikasi.

AFS financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of three preceding categories. After initial measurement, AFS financial assets are measured at fair value with unrealized gains or losses recognized in the equity until the investment is derecognized. At that time, the cumulative gain or loss previously recognized in the equity shall be reclassified to profit or loss as a reclassification adjustment.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Aset dan Liabilitas Keuangan (lanjutan)

d. Financial Assets and Liabilities (continued)

**(ii) Penurunan Nilai dari Aset Keuangan
(continued)**

**(ii) Impairment of Financial Assets
(continued)**

Pengukuran setelah pengakuan awal
(lanjutan)

Subsequent measurement (continued)

- Aset keuangan yang tersedia untuk dijual (lanjutan)

- Available-for-sale (AFS) financial assets (continued)

Investasi yang diklasifikasi sebagai aset keuangan tersedia untuk dijual adalah sebagai berikut:

The investments classified as AFS are as follows:

- Investasi pada saham yang tidak tersedia nilai wajarnya dengan kepemilikan kurang dari 20% dan investasi jangka panjang lainnya dicatat pada biaya perolehannya.
- Investasi pada instrumen utang yang tidak ditujukan untuk dimiliki sampai jatuh tempo diklasifikasikan sebagai aset keuangan tersedia untuk dijual, dan dicatat pada nilai wajar.

- Investments in shares of stock that do not have readily determinable fair value in which the equity interest is less than 20% and other long-term investments are carried at cost.
- Investments in debt instruments which are not intended to be held to maturity that have readily determinable are classified as AFS and recorded at fair value.

Kelompok Usaha melakukan penilaian pada setiap tanggal laporan posisi keuangan apakah terdapat bukti obyektif bahwa aset keuangan mengalami penurunan nilai.

The Group assesses at each statement of financial position date whether there is any objective evidence that a financial asset is impaired.

- Aset keuangan dicatat pada biaya perolehan diamortisasi

- Financial assets carried at amortized cost

Jika Kelompok Usaha menentukan tidak terdapat bukti obyektif mengenai penurunan nilai atas aset keuangan yang dinilai secara individual, terlepas aset keuangan tersebut signifikan atau tidak, maka Kelompok Usaha memasukkan aset tersebut ke dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang serupa dan menilai penurunan nilai kelompok tersebut secara kolektif. Aset yang penurunan nilainya dinilai secara individual dan untuk itu kerugian penurunan nilai diakui atau terus diakui, tidak termasuk dalam penilaian penurunan nilai secara kolektif.

If the Group determines that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Aset dan Liabilitas Keuangan (lanjutan)

d. Financial Assets and Liabilities (continued)

**(ii) Penurunan Nilai dari Aset Keuangan
(lanjutan)**

**(ii) Impairment of Financial Assets
(continued)**

- Aset keuangan dicatat pada biaya perolehan diamortisasi (lanjutan)

- *Financial assets carried at amortized cost (continued)*

Jumlah kerugian penurunan nilai diukur berdasarkan selisih antara nilai tercatat aset keuangan dengan nilai kini dari estimasi arus kas masa datang (tidak termasuk kerugian kredit di masa depan yang belum terjadi) yang didiskontokan menggunakan tingkat suku bunga efektif awal dari aset keuangan tersebut.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

Nilai tercatat aset tersebut dikurangi melalui akun cadangan penurunan nilai dan jumlah kerugian diakui pada laporan laba rugi komprehensif konsolidasian. Jika pinjaman yang diberikan memiliki suku bunga variabel, maka tingkat diskonto yang digunakan adalah suku bunga efektif yang berlaku yang ditetapkan dalam kontrak.

The carrying amount of the asset is reduced through the use of an allowance for impairment and the amount of the loss is recognized in the consolidated statements of comprehensive income. If a receivable has a variable interest rate, the discount rate used is the current effective interest rate determined under the contract.

Perhitungan nilai kini dari estimasi arus kas masa datang atas aset keuangan dengan agunan (*collateralized financial asset*) mencerminkan arus kas yang dapat dihasilkan dari utilisasi dari jaminan deposit yang diberikan oleh pelanggan kepada Kelompok Usaha.

The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from the utilization of deposit placed by customer to the Group.

Estimasi tahun antara terjadinya peristiwa dan teridentifikasinya kerugian ditentukan oleh manajemen untuk setiap portofolio yang diidentifikasi. Untuk tujuan evaluasi penurunan nilai secara kolektif, aset keuangan dikelompokkan berdasarkan kesamaan karakteristik risiko kredit yaitu berdasarkan jenis pelanggan.

The estimated year between a loss occurring and its identification is determined by the management for each identified portfolio. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics by customer type.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

d. Aset dan Liabilitas Keuangan (lanjutan)

**(ii) Penurunan Nilai dari Aset Keuangan
(lanjutan)**

- Aset keuangan dicatat pada biaya perolehan diamortisasi (lanjutan)

Arus kas masa datang dari aset keuangan Kelompok Usaha yang penurunan nilainya dievaluasi secara kolektif, diestimasi berdasarkan arus kas kontraktual atas aset-aset di dalam kelompok tersebut dan kerugian historis yang pernah dialami atas aset-aset yang memiliki karakteristik risiko kredit yang serupa dengan karakteristik risiko kredit kelompok tersebut. Kerugian historis yang pernah dialami kemudian disesuaikan berdasarkan data terkini yang dapat diobservasi untuk mencerminkan kondisi saat ini yang tidak berpengaruh pada tahun terjadinya kerugian historis tersebut, dan untuk menghilangkan pengaruh kondisi yang ada pada tahun historis namun sudah tidak ada lagi saat ini.

Beban penurunan nilai yang terkait dengan piutang diklasifikasikan ke dalam "Cadangan Kerugian Penurunan Nilai". Ketika piutang tidak tertagih, piutang tersebut dihapusbukukan dengan menjurnal balik cadangan kerugian penurunan nilai. Piutang tersebut dapat dihapus buku setelah semua prosedur yang diperlukan telah dilakukan dan jumlah kerugian telah ditentukan.

Jika, pada tahun berikutnya, jumlah kerugian penurunan nilai berkurang dan pengurangan tersebut dapat dikaitkan secara obyektif pada peristiwa yang terjadi setelah penurunan nilai diakui maka kerugian penurunan nilai yang sebelumnya diakui dipulihkan, dengan menyesuaikan cadangan kerugian penurunan nilai. Jumlah pemulihan aset keuangan diakui pada laporan laba rugi komprehensif konsolidasian.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Financial Assets and Liabilities (continued)

**(ii) Impairment of Financial Assets
(continued)**

- Financial assets carried at amortized cost (continued)

Future cash flows of the Group's financial assets that are collectively evaluated for impairment, are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the current conditions which did not affect the year on which the historical loss experience is based and to remove the effects of conditions in the historical year that do not currently exist.

Impairment charges relating to receivable, is classified in "Allowance for Impairment Losses". When a receivable is uncollectible, it is written off against the related allowance for impairment losses. Such receivable are written-off after all the necessary procedures have been completed and the amount of the loss has been determined.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized the previously recognized impairment loss is reversed by adjusting the allowance for impairment losses. The amount of the reversal is recognized in the consolidated statements of comprehensive income.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Aset dan Liabilitas Keuangan (lanjutan)

d. Financial Assets and Liabilities (continued)

**(ii) Penurunan Nilai dari Aset Keuangan
(lanjutan)**

**(ii) Impairment of Financial Assets
(continued)**

Penerimaan kemudian atas piutang yang telah dihapusbukukan sebelumnya, jika pada tahun berjalan, dikreditkan pada cadangan kerugian penurunan nilai, sedangkan jika setelah tanggal laporan posisi keuangan konsolidasian, dikreditkan sebagai pendapatan operasional lainnya.

Subsequent recoveries of previously written-off receivables, if in the current year, are credited to the allowance for impairment losses, but if after the consolidated statement of financial position date, are credited to other operating income.

- Aset keuangan yang tersedia untuk dijual

- Available-for-sale (AFS) financial assets

Aset keuangan diturunkan nilainya dan kerugian penurunan nilai telah terjadi, jika dan hanya jika, terdapat bukti yang obyektif mengenai penurunan nilai tersebut sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut (peristiwa yang merugikan) dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan atas aset keuangan yang dapat diestimasi secara handal.

A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

Untuk menentukan adanya bukti obyektif bahwa rugi penurunan nilai telah terjadi atas aset keuangan, Kelompok Usaha mempertimbangkan faktor-faktor seperti kemungkinan adanya insolvabilitas atau kesulitan keuangan signifikan yang dialami debitur dan kelalaian atau penundaan signifikan pembayaran.

To determine whether there is objective evidence that an impairment loss on financial assets have been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Kelompok Usaha pertama kali menentukan apakah terdapat bukti obyektif penurunan nilai secara individual atas aset keuangan yang secara individual signifikan atau secara kolektif untuk aset keuangan yang jumlahnya tidak signifikan secara individual.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

d. Aset dan Liabilitas Keuangan (lanjutan)

(iii) Liabilitas Keuangan

Pengakuan awal

Liabilitas keuangan dalam ruang lingkup PSAK No. 55 (Revisi 2011) diklasifikasikan sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi, utang dan pinjaman. Pada tanggal laporan posisi keuangan konsolidasian, Kelompok Usaha memiliki kedua jenis liabilitas keuangan. Kelompok Usaha menetapkan klasifikasi atas liabilitas keuangan pada saat pengakuan awal.

Liabilitas keuangan pada awalnya diukur pada nilai wajar dan, dalam hal pinjaman dan utang, ditambah biaya transaksi yang dapat diatribusikan secara langsung.

Kelompok Usaha mengklasifikasikan liabilitas keuangan dalam kategori (a) liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi dan (b) liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi. Liabilitas keuangan dihentikan pengakuannya ketika kewajiban yang telah ditetapkan dalam kontrak dihentikan atau dibatalkan atau kadaluwarsa.

a. Liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi

Kategori ini terdiri dari liabilitas keuangan diklasifikasikan sebagai diperdagangkan.

Liabilitas keuangan diklasifikasikan sebagai diperdagangkan jika diperoleh terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat. Derivatif diklasifikasikan sebagai kewajiban diperdagangkan kecuali ditetapkan dan efektif sebagai instrumen lindung nilai.

Keuntungan dan kerugian yang timbul dari perubahan nilai wajar liabilitas keuangan yang diklasifikasikan sebagai diperdagangkan disajikan dalam laporan laba rugi komprehensif konsolidasian sebagai akun "Laba (Rugi) Perubahan Nilai Wajar Derivatif - Neto".

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Financial Assets and Liabilities (continued)

(iii) Financial Liabilities

Initial recognition

Financial liabilities within the scope of PSAK No. 55 (Revised 2011) are classified as financial liabilities at fair value through profit or loss, loans and borrowings. As at the consolidated statement of financial position date, the Group has both types of financial liabilities. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs.

The Group classifies its financial liabilities in the category of (a) financial liabilities at fair value through profit or loss and (b) financial liabilities measured at amortized cost. Financial liabilities are derecognized when the obligations under the contract is discharged or cancelled or expired.

a. Financial liabilities at fair value through profit or loss

This category comprises of financial liabilities classified as held for trading.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments.

Gains and losses arising from changes in fair value of financial liabilities classified held for trading are included in the consolidated statements of comprehensive income and are presented as "Gain (Loss) on Change in Fair Value of Derivative - Net" account.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

d. Aset dan Liabilitas Keuangan (lanjutan)

(iii) Liabilitas Keuangan (lanjutan)

Pengakuan awal (lanjutan)

- b. Liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi

Liabilitas keuangan yang tidak diklasifikasikan sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi dikategorikan dan diukur dengan biaya perolehan diamortisasi.

Setelah pengakuan awal, Kelompok Usaha mengukur seluruh liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

(iv) Penentuan Nilai Wajar

Nilai wajar untuk instrumen keuangan yang diperdagangkan di pasar aktif ditentukan berdasarkan nilai pasar yang berlaku pada tanggal laporan posisi keuangan. Termasuk di dalamnya adalah nilai pasar dari IDMA (*Interdealer Market Association*) atau harga yang diberikan oleh broker (*quoted price*) dari Bloomberg dan Reuters pada tanggal laporan posisi keuangan.

Instrumen keuangan dianggap memiliki kuotasi di pasar aktif, jika harga kuotasi tersedia sewaktu-waktu dan dapat diperoleh secara rutin dari bursa, pedagang efek (*dealer*), perantara efek (*broker*), kelompok industri, badan pengawas (*pricing service or regulatory agency*) dan harga tersebut mencerminkan transaksi pasar yang aktual dan rutin dalam suatu transaksi yang wajar. Jika kriteria di atas tidak terpenuhi, maka pasar aktif dinyatakan tidak tersedia. Indikasi-indikasi dari pasar tidak aktif adalah terdapat selisih yang besar antara harga penawaran dan permintaan atau kenaikan signifikan dalam selisih harga penawaran dan permintaan dan hanya terdapat beberapa transaksi terkini.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Financial Assets and Liabilities (continued)

(iii) Financial Liabilities (continued)

Initial recognition (continued)

- b. Financial liabilities at amortized cost

Financial liabilities that are not classified at fair value through profit and loss fall into this category and are measured at amortized cost.

After initial recognition, the Group measures all financial liabilities at amortized cost using effective interest rate method.

(iv) Determination of Fair Value

The fair value of financial instruments traded in active markets is determined based on quoted market prices at the statement of financial position date. The fair value includes IDMA's (*Interdealer Market Association*) quoted market prices or broker's quoted price from Bloomberg and Reuters at statement of financial position date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

d. Aset dan Liabilitas Keuangan (lanjutan)

(iv) Penentuan Nilai Wajar (lanjutan)

Nilai wajar untuk semua instrumen keuangan lainnya yang tidak memiliki kuotasi di pasar aktif ditentukan dengan menggunakan teknik penilaian. Dengan teknik ini, nilai wajar merupakan suatu estimasi yang dihasilkan dari data yang dapat diobservasi dari instrumen keuangan yang sejenis, menggunakan model-model untuk mendapatkan estimasi nilai kini dari arus kas masa depan yang diharapkan atau teknik penilaian lainnya, menggunakan input (sebagai contoh LIBOR *yield curve*, nilai tukar mata uang asing, volatilitas dan *counterparty spreads*) yang tersedia pada tanggal laporan posisi keuangan konsolidasian.

Kelompok Usaha menggunakan beberapa teknik penilaian yang digunakan secara umum untuk menentukan nilai wajar dari instrumen keuangan, seperti opsi suku bunga dan *swap* mata uang asing. Input yang digunakan dalam teknik penilaian untuk instrumen keuangan di atas adalah data pasar yang dapat diobservasi.

Untuk instrumen yang lebih kompleks, Kelompok Usaha menggunakan model penilaian internal, yang pada umumnya berdasarkan teknik dan metode penilaian yang umumnya diakui sebagai standar industri.

Beberapa input dari model ini tidak berasal dari data yang dapat diobservasi di pasar dan demikian merupakan hasil estimasi berdasarkan asumsi tertentu.

Derivatif ditentukan menggunakan *Monte Carlo Simulation*.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Financial Assets and Liabilities (continued)

**(iv) Determination of Fair Value
(continued)**

For all other financial instruments which not provided quoted in an active market, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, LIBOR yield curve, foreign currency rates, volatilities and counterparty spreads) existing at the dates of the consolidated statements of financial position.

The Group uses widely recognized valuation models for determining fair values of financial instruments, such as options of interest rate and foreign currency swaps. For these financial instruments, inputs into models are generally market-observable.

For more complex instruments, the Group uses internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

Derivative are measured using appropriate Monte Carlo Simulation.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Aset dan Liabilitas Keuangan (lanjutan)

d. Financial Assets and Liabilities (continued)

(v) Penghentian Pengakuan

(v) Derecognition

Penghentian pengakuan aset keuangan dilakukan ketika hak kontraktual untuk menerima arus kas yang berasal dari aset keuangan tersebut berakhir, atau ketika aset keuangan tersebut telah dialihkan dan secara substansial seluruh risiko dan manfaat atas kepemilikan aset telah ditransfer (jika, secara substansial seluruh risiko dan manfaat tidak ditransfer, maka Kelompok Usaha melakukan evaluasi untuk memastikan keterlibatan berkelanjutan atas kontrol yang masih dimiliki tidak mencegah penghentian pengakuan). Liabilitas keuangan dihentikan pengakuannya ketika liabilitas yang telah ditetapkan dalam kontrak dihentikan atau dibatalkan atau kadaluwarsa.

Financial assets are derecognized when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Group tests control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognized when the obligations under the contract is discharged or cancelled or expired.

(vi) Penyesuaian Risiko Kredit

(vi) Credit Risk Adjustments

Kelompok Usaha menyesuaikan harga di pasar yang lebih menguntungkan untuk mencerminkan adanya perbedaan risiko kredit pihak lawan antara instrumen yang diperdagangkan di pasar tersebut dengan instrumen yang dinilai untuk posisi aset keuangan. Dalam menentukan nilai wajar posisi liabilitas keuangan, risiko kredit Kelompok Usaha terkait dengan instrumen harus diperhitungkan.

The Group adjusts the price in the more advantageous market to reflect any differences in counterparty credit risk between instruments traded in that market and the ones being valued for financial asset positions. In determining the fair value of financial liability positions, the Group's own credit risk associated with the instrument is taken into account.

(vii) Reklasifikasi Instrumen Keuangan

(vii) Reclassification of Financial Instruments

Kelompok Usaha tidak mereklasifikasi instrumen keuangan dari atau ke kategori instrumen keuangan yang diukur pada nilai wajar melalui laba rugi selama instrumen keuangan tersebut dimiliki atau diterbitkan.

The Group does not reclassify any financial instruments out of or into the fair value through profit or loss category while it is held or issued.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

d. Aset dan Liabilitas Keuangan (lanjutan)

**(vii) Reklasifikasi Instrumen Keuangan
(lanjutan)**

Kelompok Usaha tidak mengklasifikasikan aset keuangan sebagai investasi dimiliki hingga jatuh tempo, jika dalam tahun berjalan atau dalam kurun waktu dua tahun sebelumnya, telah menjual atau mereklasifikasi investasi dimiliki hingga jatuh tempo melebihi jumlah yang tidak signifikan sebelum jatuh tempo (lebih dari jumlah yang tidak signifikan dibandingkan dengan jumlah nilai investasi dimiliki hingga jatuh tempo), kecuali penjualan atau reklasifikasi tersebut:

- dilakukan ketika aset keuangan sudah mendekati jatuh tempo atau tanggal pembelian kembali di mana perubahan suku bunga pasar tidak akan berpengaruh secara signifikan terhadap nilai wajar aset keuangan tersebut;
- terjadi setelah Kelompok Usaha telah memperoleh secara substansial seluruh jumlah pokok awal aset keuangan tersebut sesuai jadwal pembayaran atau pelunasan dipercepat; atau
- terkait dengan kejadian tertentu yang berada di luar kendali Kelompok Usaha, tidak berulang dan tidak dapat diantisipasi secara wajar oleh Kelompok Usaha.

Reklasifikasi aset keuangan dari kelompok dimiliki hingga jatuh tempo ke kelompok tersedia untuk dijual dicatat sebesar nilai wajarnya. Keuntungan atau kerugian yang belum direalisasi tetap diakui dalam komponen ekuitas sampai aset keuangan tersebut dihentikan pengakuannya, dimana pada saat itu keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam ekuitas harus diakui pada laporan laba rugi komprehensif konsolidasian.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Financial Assets and Liabilities (continued)

**(vii) Reclassification of Financial
Instruments (continued)**

The Group does not classify any financial assets as held-to-maturity if the entity has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of held-to-maturity investments before maturity (more than insignificant in relation to the total amount of held-to-maturity investments) other than sales or reclassifications that:

- *are so close to maturity or the financial asset's call date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;*
- *occur after the Group has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or*
- *are attributable to an isolated event that is beyond the Group's control, is non-recurring and could not have been reasonably anticipated by the Group.*

Reclassification of financial assets from held to maturity classification to available for sale are recorded at fair value. Unrealized gains or losses are recognized in the equity section until the financial assets are derecognized, at which time the cumulative gain or loss previously recognized in equity is recognized in the consolidated statements of comprehensive income.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Aset dan Liabilitas Keuangan (lanjutan)

d. Financial Assets and Liabilities (continued)

(viii) Klasifikasi atas Instrumen Keuangan

(viii) Classes of Financial Instruments

Kelompok Usaha mengklasifikasikan instrumen keuangan ke dalam klasifikasi tertentu yang mencerminkan sifat dari informasi dan mempertimbangkan karakteristik dari instrumen keuangan tersebut. Klasifikasi ini dapat dilihat pada tabel di bawah ini.

The Group classifies the financial instruments into classes that reflects the nature of information and take into account the characteristic of those financial instruments. The classification can be seen in the table below.

Instrumen Keuangan/ Financial Instruments	Kategori yang didefinisikan oleh PSAK No. 55 (Revisi 2011)/ Category as defined by PSAK No. 55 (Revised 2011)	Golongan/ Class	Subgolongan/ Subclass
Aset keuangan/ Financial assets	Pinjaman yang diberikan dan piutang/ Loans and receivables	Kas dan setara kas/Cash and cash equivalents	
		Kas yang dibatasi penggunaannya/Restricted cash	
		Piutang usaha/Trade receivables	
		Piutang lain-lain/ Other receivables	Piutang dari aktivitas minyak dan gas/ Receivables from oil and gas activities
			Piutang denda/Penalty receivable
			Piutang dari/Receivable from PT Hoesgh LNG Lampung
			Piutang dari Kuwait Foreign Petroleum Exploration Company K.S.C. (Closed) (KUFPEC)/Receivables from Kuwait Foreign Petroleum Exploration Company K.S.C. (Closed) (KUFPEC)
			Piutang underlifting/Underlifting receivable
			Piutang bunga/Interest receivables
			Piutang dari Pemerintah Republik Indonesia/ Receivables from the Government of the Republic of Indonesia
			Piutang lain-lain - lainnya/Other receivables - others
		Piutang lain-lain jangka panjang/Other long-term receivables	
	Aset keuangan tersedia dijual/ Available-for-sale financial assets	Investasi jangka pendek/Short-term investments	
Liabilitas keuangan/ Financial liabilities	Liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi/ Financial liabilities at amortized cost	Utang usaha/Trade payables	
		Pinjaman bank jangka pendek/Short-term bank loans	
		Utang lain-lain/ Other payables	Liabilitas kepada kontraktor dan pemasok/Liabilities to contractors and suppliers.
			Cash Call
			Jaminan gas/Gas guarantee deposits
			Liabilitas atas aktivitas minyak dan gas/Liabilities for gas and oil activities
			Utang kepada PT Riau Andalan Pulp and Paper/ Payable to PT Riau Andalan Pulp and Paper
			Pembelian barang dan jasa/Purchase of goods and services
			Jaminan masa konstruksi proyek/Project performance bonds
			Utang kepada ConocoPhillips (Grissik) Ltd./ Payables to ConocoPhillips (Grissik) Ltd.
			Utang lain-lain - lainnya/Other payables - others
			Liabilitas kepada kontraktor dan pemasok/ Liabilities to contractors and suppliers
		Liabilitas yang masih harus dibayar/ Accrued liabilities	Pembelian aset tetap/Purchase of fixed assets
			Bunga yang masih harus dibayar/Accrued interest
			Jasa konsultan/Consultant fees
			Beban pemeliharaan/Maintenance expenses
			Iuran ke BPH Migas/BPH Migas levy
			Liabilitas yang masih harus dibayar lainnya/ Other accrued liabilities
		Pinjaman jangka panjang jatuh tempo dalam waktu satu tahun/ Current maturities of long-term loans	
		Pinjaman jangka panjang - setelah dikurangi bagian jatuh tempo dalam waktu satu tahun/ Long-term loans - net of current maturities	
		Utang Obligasi/ Bonds Payable	
	Liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi/ Financial liabilities at fair value through profit or loss	Utang derivatif/Derivative payable	

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Aset dan Liabilitas Keuangan (lanjutan)

d. Financial Assets and Liabilities (continued)

(ix) Saling Hapus Instrumen Keuangan

(ix) Offsetting financial instrument

Aset keuangan dan liabilitas keuangan saling hapus buku dan nilai netonya disajikan dalam laporan posisi keuangan konsolidasian jika memiliki hak yang berkekuatan hukum untuk melakukan saling hapus buku atas jumlah yang telah diakui tersebut dan berniat untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

Financial assets and liabilities are offset and the net amount presented in the consolidated statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

e. Setara Kas dan Kas yang Dibatasi Penggunaannya

e. Cash Equivalents and Restricted Cash

Deposito berjangka dengan jangka waktu tiga bulan atau kurang sejak tanggal penempatan yang tidak dibatasi penggunaannya dan tidak dijadikan jaminan diklasifikasikan sebagai "Setara Kas".

Time deposits with maturity periods of three months or less from the date of placement, not restricted for use and not used as collateral are considered as "Cash Equivalents".

Rekening bank yang dibatasi penggunaannya sehubungan dengan persyaratan perjanjian pinjaman disajikan sebagai "Kas yang Dibatasi Penggunaannya" (Catatan 6).

Cash in banks which are restricted for use as stipulated under the terms of the loan agreement is presented as "Restricted Cash" (Note 6).

f. Transaksi Dengan Pihak Berelasi

f. Transactions with Related Parties

Kelompok Usaha mempunyai transaksi dengan pihak berelasi sebagaimana didefinisikan pada PSAK No. 7 (Revisi 2010).

The Group has transactions with related parties as defined in PSAK No. 7 (Revised 2010).

Saldo dan transaksi yang material antara Kelompok Usaha dengan Pemerintah Negara Republik Indonesia dan entitas berelasi dengan Pemerintah diungkapkan dalam catatan atas laporan keuangan konsolidasian yang relevan. Kelompok Usaha memilih untuk mengungkapkan transaksi dengan entitas berelasi dengan Pemerintah dengan menggunakan pengecualian dari persyaratan pengungkapan pihak berelasi.

Significant transactions and balances of the Group with the Government of the Republic of Indonesia and Government-related entities are disclosed in the relevant notes to the consolidated financial statements. The Group elected to disclose the transactions with Government-related entities, using the exemption from general related party disclosure requirements.

Transaksi dengan pihak berelasi dilakukan berdasarkan persyaratan yang disetujui oleh kedua belah pihak, yang mungkin tidak sama dengan transaksi lain yang dilakukan dengan pihak-pihak yang tidak berelasi.

Transactions with related parties are made based on terms agreed by the parties, which may not be the same as those of the transaction between unrelated parties.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

g. Persediaan

Persediaan dinyatakan sebesar nilai yang lebih rendah antara biaya perolehan dan nilai realisasi neto. Biaya perolehan ditentukan dengan metode rata-rata bergerak (*moving-average method*). Penyisihan persediaan usang dilakukan atas dasar hasil penelaahan secara periodik terhadap kondisi persediaan.

h. Penyertaan Saham

Investasi Kelompok Usaha pada entitas asosiasi diukur dengan menggunakan metode ekuitas. Entitas asosiasi adalah suatu entitas di mana Kelompok Usaha mempunyai pengaruh signifikan. Sesuai dengan metode ekuitas, investasi pada entitas asosiasi diakui sebesar biaya perolehan pada laporan posisi keuangan konsolidasian dan yang selanjutnya disesuaikan dengan perubahan pasca perolehan dalam bagian Kelompok Usaha atas aset neto dari entitas asosiasi tersebut.

Laporan laba rugi komprehensif konsolidasian mencerminkan bagian Kelompok Usaha atas hasil operasi dari entitas asosiasi. Bila terdapat perubahan yang diakui langsung pada ekuitas dari entitas asosiasi, Kelompok Usaha mengakui bagiannya atas perubahan tersebut dan mengungkapkan hal ini, jika dapat dipakai, dalam laporan perubahan ekuitas konsolidasian. Laba atau rugi yang belum direalisasi sebagai hasil dari transaksi-transaksi antara Kelompok Usaha dengan entitas asosiasi dieliminasi pada jumlah sesuai dengan kepentingan Kelompok Usaha dalam entitas asosiasi.

Bila bagian Kelompok Usaha atas kerugian entitas asosiasi sama besar atau melebihi bagian atas ekuitas entitas asosiasi, maka pengakuan atas bagian dari rugi tersebut dihentikan. Setelah kepentingan Kelompok Usaha dikurangkan menjadi nihil, tambahan kerugian dicadangkan dan liabilitas diakui atas kerugian lebih lanjut dari entitas asosiasi hanya bila Kelompok Usaha memiliki kewajiban konstruktif atau legal atau melakukan pembayaran atas nama entitas asosiasi. Bila entitas asosiasi kemudian melaporkan laba, Kelompok Usaha melanjutkan pengakuan atas bagian atas laba tersebut setelah bagian atas laba tersebut sama dengan bagian atas rugi yang tidak diakui sebelumnya.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

g. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the moving average method. Allowance for inventories obsolescence is provided based on the periodic review of the condition of the inventories.

h. Investment in Shares of Stock

The Group's investment in its associated entity is accounted for using the equity method. An associated is an entity in which the Group has significant influence. Under the equity method, the investment in the associate is carried in the consolidated statements of financial position at cost and adjusted thereafter for the post acquisition changes in the Group's share of net assets of the associate.

The consolidated statements of comprehensive income reflect the Group's share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any such changes and discloses this, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

If the Group's share of losses in an associate equals or exceeds its interest in the associate, it discontinues recognizing its share of further losses. After the Groups' interest is reduced to nil, additional losses are provided for and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

h. Penyertaan Saham (lanjutan)

Laporan keuangan entitas asosiasi disusun untuk tahun laporan yang sama dengan Kelompok Usaha.

Setelah penerapan metode ekuitas, Kelompok Usaha menentukan apakah diperlukan untuk mengakui tambahan rugi penurunan nilai atas investasi Kelompok Usaha dalam entitas asosiasi. Kelompok Usaha menentukan pada setiap tanggal pelaporan apakah terdapat bukti yang obyektif yang mengindikasikan bahwa investasi dalam entitas asosiasi mengalami penurunan nilai. Dalam hal ini, Kelompok Usaha menghitung jumlah penurunan nilai berdasarkan selisih antara jumlah terpulihkan atas investasi dalam entitas asosiasi dan nilai tercatatnya dan mengakuinya dalam laporan laba rugi komprehensif konsolidasian.

i. Aset Tetap

Aset tetap, kecuali tanah, dinyatakan sebesar biaya perolehan dikurangi akumulasi penyusutan dan rugi penurunan nilai. Biaya perolehan termasuk biaya penggantian bagian aset tetap saat biaya tersebut terjadi, jika memenuhi kriteria pengakuan. Selanjutnya, pada saat inspeksi yang signifikan dilakukan, biaya inspeksi itu diakui ke dalam jumlah nilai tercatat ("carrying amount") aset tetap sebagai suatu penggantian jika memenuhi kriteria pengakuan. Semua biaya pemeliharaan dan perbaikan yang tidak memenuhi kriteria pengakuan diakui dalam laporan laba rugi komprehensif konsolidasian pada saat terjadinya.

Aset tetap, kecuali tanah, disusutkan dengan menggunakan metode garis lurus untuk bangunan dan prasarana dan metode saldo menurun ganda untuk seluruh aset tetap lainnya selama umur manfaat aset tetap yang diestimasi sebagai berikut:

	Tahun/Years	Tarif/Rates
Bangunan dan prasarana	20	5,00%
Mesin dan peralatan	4 - 16	12,50% - 50,00%
Kendaraan bermotor	4 - 8	25,00% - 50,00%
Peralatan kantor	4	50,00%
Peralatan dan perabot	4 - 8	25,00% - 50,00%
Aset belum terpasang	16	12,50%

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

h. Investment in Shares of Stock (continued)

The financial statements of the associate are prepared for the same reporting year of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in associate and its carrying value, and recognizes the amount in the consolidated statements of comprehensive income.

i. Fixed Assets

Fixed assets, except land, are stated at cost less accumulated depreciation and impairment losses. If the recognition criteria are met, the acquisition cost will include the cost of replacing part of the fixed assets when that cost is incurred. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in the consolidated statements of comprehensive income as incurred.

Depreciation of fixed assets, except for land, is computed using the straight-line method for buildings and improvements, and the double-declining balance method for other fixed assets over the estimated useful lives of the assets, as follows:

Buildings and improvements
Machineries and equipment
Vehicles
Office equipment
Furnitures and fixtures
Uninstalled assets

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

i. Aset Tetap (lanjutan)

Tanah dinyatakan sebesar harga perolehan dan tidak diamortisasi karena manajemen berpendapat bahwa besar kemungkinan hak atas tanah tersebut dapat diperbaharui/diperpanjang pada saat jatuh tempo.

Biaya pengurusan legal hak atas tanah dalam bentuk Hak Guna Bangunan ("HGB") yang dikeluarkan ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan tanah pada akun "Aset Tetap" dan tidak diamortisasi. Sementara biaya pengurusan perpanjangan atau pembaruan legal hak atas tanah diakui sebagai aset tak berwujud dan diamortisasi sepanjang umur hukum hak atau umur ekonomis tanah, mana yang lebih pendek.

Jumlah tercatat aset tetap dihentikan pengakuannya pada saat dilepaskan atau saat tidak ada manfaat ekonomis masa depan yang diharapkan dari penggunaan atau pelepasannya. Laba atau rugi yang timbul dari penghentian pengakuan aset (dihitung sebagai perbedaan antara jumlah neto hasil pelepasan dan jumlah tercatat dari aset) dimasukkan dalam laporan laba rugi komprehensif konsolidasian pada tahun aset tersebut dihentikan pengakuannya.

Pada setiap akhir tahun buku, nilai residu, umur manfaat dan metode penyusutan ditelaah, dan jika sesuai dengan keadaan, disesuaikan secara prospektif.

Aset dalam penyelesaian disajikan dalam "Aset Tetap" dan dinyatakan sebesar biaya perolehan. Akumulasi biaya perolehan untuk aset dalam penyelesaian akan dipindahkan ke masing-masing aset tetap yang bersangkutan pada saat aset tersebut selesai dikerjakan dan siap digunakan sesuai dengan tujuannya (Catatan 2.o).

Aset kerjasama operasi adalah tanah Perusahaan yang digunakan untuk menyelenggarakan kegiatan kerjasama operasi. Bangunan kantor yang diperoleh sebagai kompensasi dalam kerjasama operasi dan pendapatan diterima di muka terkait diakui pada saat aset tersebut selesai dibangun dan siap digunakan sesuai dengan tujuannya. Pendapatan diterima di muka diakui secara garis lurus selama periode kerjasama operasi.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

i. Fixed Assets (continued)

Land are stated at cost and not amortized as the management is of the opinion that it is probable the titles of land rights can be renewed/extended upon expiration.

The legal cost of land rights in the form of Building Usage Rights ("HGB") incurred when the land was acquired initially are recognized as part of the cost of the land under "Fixed Assets" account and not amortized. Meanwhile the extension or the legal renewal costs of land rights are recognized as intangible assets and amortized over the shorter of the rights' legal life or land's economic life.

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of comprehensive income in the year the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation are reviewed and adjusted prospectively if appropriate, at each financial year end.

Construction in progress is presented as part of "Fixed Assets" and is stated at cost. The accumulated cost of the asset constructed is transferred to the appropriate fixed assets account when the construction is completed and the asset is ready for its intended use (Note 2.o).

Joint venture assets are the Company's land titles used to carry out the joint venture activities. Office building obtained as compensation in the joint operation and the respective unearned income are recognized when the construction is completed and the asset is ready for its intended use. Unearned income is recognized using straight line method over the period of the joint operation.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

i. Aset Tetap (lanjutan)

Aset kerjasama operasi dinyatakan pada estimasi nilai yang dapat diperoleh kembali pada saat kejadian-kejadian atau perubahan-perubahan keadaan mengindikasikan bahwa nilai tercatatnya mungkin tidak dapat diperoleh kembali. Penurunan nilai aset, jika ada, diakui sebagai rugi pada laporan laba rugi komprehensif konsolidasian.

j. Aset Eksplorasi dan Evaluasi

Kelompok Usaha menerapkan PSAK No. 64, "Aktivitas Eksplorasi dan Evaluasi pada Pertambangan Sumber Daya Mineral", yang menetapkan bahwa beban eksplorasi dan evaluasi termasuk biaya geologi dan geofisika, biaya pengeboran sumur eksplorasi termasuk biaya pengeboran sumur tes stratigrafi tahap eksplorasi dan biaya lainnya yang terkait untuk mengevaluasi kelayakan teknis dan komersialitas dari minyak dan gas yang diekstraksi dikapitalisasi dan disajikan terpisah sebagai akun "Aset Eksplorasi dan Evaluasi" di laporan posisi keuangan konsolidasian.

Biaya eksplorasi dan evaluasi pada suatu *area of interest* dibebankan pada tahun berjalan, kecuali biaya tersebut dapat ditangguhkan pembebanannya apabila izin untuk melakukan eksplorasi dan kegiatan pertambangan di *area of interest* tersebut masih berlaku dan memenuhi salah satu ketentuan berikut ini:

- Kegiatan eksplorasi dan evaluasi pada tanggal laporan keuangan belum mencapai tahap yang dapat menentukan apakah kegiatan tersebut akan dapat dibuktikan dan dapat diperoleh kembali (*recoverable*), serta kegiatan yang aktif dan signifikan dalam *area of interest* terkait masih berlangsung; atau
- Biaya-biaya tersebut diharapkan dapat diperoleh kembali melalui keberhasilan pengembangan dan eksploitasi *area of interest* atau melalui penjualan *area of interest*.

Biaya eksplorasi dan pengembangan yang ditangguhkan mencakup akumulasi biaya yang terkait dengan penyelidikan umum, administrasi dan perizinan, geologi dan geofisika dan biaya-biaya yang terjadi untuk mengembangkan area tambang sebelum dimulainya produksi komersial.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

i. Fixed Assets (continued)

Joint venture assets are stated at the estimated recoverable amount whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Impairment in asset values, if any, is recognized as a loss in the consolidated statements of comprehensive income.

j. Exploration and Evaluation Assets

The Group adopted PSAK No.64, "Activity of Exploration and Evaluation of Mineral Resources", prescribes that the exploration and evaluation expenses, including geological and geophysical costs, costs of drilling exploratory wells, including stratigraphic test well drilling costs of exploration stage and other costs related to evaluating the technical feasibility and commerciality of oil and gas are extracted separately capitalized and presented as part of "Exploration and Evaluation Assets" in the consolidated statements of financial position.

Costs of exploration and evaluation in an area of interest are charged in the current year, unless these costs can be deferred if the permission to carry out exploration and mining activities in the area of interest are current and meet one of the following conditions:

- Exploration and evaluation activities on the financial statements date has not reached a stage which can determine whether they will be proven and recoverable, also active and significant in the related area of interest is ongoing; or
- These costs are expected to be recouped through successful development and exploitation of the area of interest or through a sales area of interest.

Exploration and development costs include accumulated deferred costs associated with the general investigation, administration and licensing, and geological and geophysical costs incurred to develop a mine prior to the commencement of commercial production.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

j. Aset Eksplorasi dan Evaluasi (lanjutan)

Aset eksplorasi dan evaluasi dinilai untuk penurunannya pada saat terdapat bukti dan keadaan yang menunjukkan bahwa nilai tercatat aset tersebut mungkin melebihi jumlah yang dapat dipulihkan (Catatan 2.I). Aset eksplorasi dan evaluasi direklasifikasi ke properti minyak dan gas bumi pada saat kelayakan teknis dan komersialitas dari minyak dan gas yang diekstraksi tersebut dapat dibuktikan.

k. Properti Minyak dan Gas Bumi

Biaya pengeboran sumur pengembangan dan sumur tes stratigrafi tahap pengembangan, platform, perlengkapan sumur dan fasilitas produksi terkait, dikapitalisasi sebagai aset sumur, perlengkapan dan fasilitas dalam pengerjaan. Biaya tersebut dipindahkan ke aset sumur, perlengkapan dan fasilitas terkait pada saat pengeboran atau konstruksi selesai.

Penyusutan, deplesi dan amortisasi atas aset minyak dan gas bumi, kecuali untuk aset sumur, perlengkapan dan fasilitas dalam pengerjaan, dihitung dengan menggunakan metode satuan unit produksi, dengan menggunakan produksi kotor yang dibagi dengan cadangan kotor yang terbukti dan telah dikembangkan.

l. Penurunan Nilai Aset Non-keuangan

Pada setiap akhir tahun pelaporan, Kelompok Usaha menilai apakah terdapat indikasi suatu aset mengalami penurunan nilai. Jika terdapat indikasi tersebut atau pada saat pengujian penurunan nilai aset (yaitu aset takberwujud dengan umur manfaat tidak terbatas, aset tak berwujud yang belum dapat digunakan, atau *goodwill* yang diperoleh dalam suatu kombinasi bisnis) diperlukan, maka Kelompok Usaha membuat estimasi formal jumlah terpulihkan aset tersebut.

Jumlah terpulihkan yang ditentukan untuk aset individual adalah jumlah yang lebih tinggi antara nilai wajar aset atau UPK dikurangi biaya untuk menjual dengan nilai pakainya, kecuali aset tersebut tidak menghasilkan arus kas masuk yang sebagian besar independen dari aset atau kelompok aset lain. Jika nilai tercatat aset atau UPK lebih besar daripada jumlah terpulihkannya, maka aset tersebut dipertimbangkan mengalami penurunan nilai dan nilai tercatat aset diturunkan menjadi sebesar jumlah terpulihkannya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**j. Exploration and Evaluation Assets
(continued)**

Exploration and evaluation assets are assessed to decline when there is evidence and circumstances indicate that the carrying amount of the asset may exceed its recoverable amount (Note 2.I). Exploration and evaluation assets are reclassified to oil and gas properties at the time of the technical feasibility and commerciality of oil and gas are extracted can be determined.

k. Oil and Gas Properties

Costs of drilling development wells and development-type stratigraphic test wells, platforms, well equipment and attendant production facilities, are capitalized as uncompleted wells, equipment and facilities. Such costs are transferred to wells and related equipment and facilities upon completion.

Depreciation, depletion and amortization of oil and gas properties, except uncompleted wells, equipment and facilities under construction, is calculated using the unit of production method, using gross production divided by gross proved developed reserves.

l. Impairment of Non-financial Assets

The Group assesses at the end of each reporting year whether there is an indication that an asset may be impaired. If any such indication exists or when annual impairment testing for an asset (i.e. an intangible asset with an indefinite useful life, an intangible asset not yet available for use, or goodwill acquired in a business combination) is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**1. Penurunan Nilai Aset Non-keuangan
(lanjutan)**

Kelompok Usaha mendasarkan perhitungan penurunan nilai pada rincian perhitungan anggaran atau prakiraan yang disusun secara terpisah untuk masing-masing UPK Kelompok Usaha atas aset individual yang dialokasikan. Perhitungan anggaran dan prakiraan ini secara umum mencakup periode selama sepuluh tahun. Untuk periode yang lebih panjang, tingkat pertumbuhan jangka panjang dihitung dan diterapkan pada proyeksi arus kas setelah tahun kesepuluh.

Dalam menghitung nilai pakai, estimasi arus kas masa depan neto didiskontokan ke nilai kini dengan menggunakan tingkat diskonto sebelum pajak yang menggambarkan penilaian pasar kini dari nilai waktu uang dan risiko spesifik atas aset. Dalam menentukan nilai wajar dikurangi biaya untuk menjual, digunakan harga penawaran pasar terakhir, jika tersedia. Jika tidak terdapat transaksi tersebut, Kelompok Usaha menggunakan model penilaian yang sesuai untuk menentukan nilai wajar aset. Perhitungan-perhitungan ini dikuatkan oleh penilaian berganda atau indikator nilai wajar yang tersedia.

Kerugian penurunan nilai dari operasi yang berkelanjutan, jika ada, diakui sebagai laba atau rugi sesuai dengan kategori biaya yang konsisten dengan fungsi dari aset yang diturunkan nilainya.

Untuk aset selain *goodwill*, penilaian dilakukan setiap tanggal pelaporan apakah terdapat indikasi bahwa rugi penurunan nilai yang telah diakui dalam tahun sebelumnya mungkin tidak ada lagi atau mungkin telah menurun. Jika indikasi dimaksud ditemukan, maka entitas mengestimasi jumlah terpulihkan aset atau UPK tersebut. Kerugian penurunan nilai yang telah diakui dalam tahun sebelumnya untuk aset selain *goodwill* dibalik hanya jika terdapat perubahan asumsi-asumsi yang digunakan untuk menentukan jumlah terpulihkan aset tersebut sejak rugi penurunan nilai terakhir diakui. Dalam hal ini, jumlah tercatat aset dinaikkan ke jumlah terpulihkannya. Pembalikan tersebut dibatasi sehingga jumlah tercatat aset tidak melebihi jumlah terpulihkannya maupun jumlah tercatat, neto setelah penyusutan, seandainya tidak ada rugi penurunan nilai yang telah diakui untuk aset tersebut pada tahun sebelumnya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**1. Impairment of Non-financial Assets
(continued)**

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of ten years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the tenth year.

In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the assets. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations, if any, are recognized in the profit or loss in those expense categories consistent with the functions of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the asset's or CGU's recoverable amount is estimated. A previously recognized impairment loss for an asset other than goodwill is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The reversal is limited so that the carrying amount of the assets does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**l. Penurunan Nilai Aset Non-keuangan
(lanjutan)**

Pembalikan rugi penurunan nilai diakui sebagai laba atau rugi. Setelah pembalikan tersebut, penyusutan aset tersebut disesuaikan di periode mendatang untuk mengalokasikan jumlah tercatat aset yang direvisi, dikurangi nilai sisanya, dengan dasar yang sistematis selama sisa umur manfaatnya.

Goodwill diuji untuk penurunan nilai setiap tahun dan ketika terdapat indikasi bahwa nilai tercatatnya mungkin mengalami penurunan nilai. Penurunan nilai bagi *goodwill* ditetapkan dengan menentukan jumlah tercatat tiap UPK (atau kelompok UPK) terkait dari *goodwill* tersebut. Jika jumlah terpulihkan UPK kurang dari jumlah tercatatnya, rugi penurunan nilai diakui. Rugi penurunan nilai terkait *goodwill* tidak dapat dibalik pada tahun berikutnya.

m. Sewa

Kelompok Usaha menerapkan PSAK No. 30 (Revisi 2011), "Sewa".

Penentuan apakah suatu perjanjian merupakan perjanjian sewa atau perjanjian yang mengandung sewa didasarkan atas substansi perjanjian pada tanggal awal sewa. Perjanjian tersebut ditelaah apakah pemenuhan perjanjian tergantung pada penggunaan suatu aset atau aset-aset tertentu atau perjanjian tersebut memberikan suatu hak untuk menggunakan aset tersebut, bahkan jika hak tersebut tidak dijabarkan secara eksplisit dalam perjanjian.

Kelompok Usaha sebagai *lessee*

Sewa pembiayaan yang mengalihkan kepada Kelompok Usaha secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset, dikapitalisasi pada awal masa sewa sebesar nilai wajar dari aset sewa pembiayaan atau, jika lebih rendah, sebesar nilai kini dari pembayaran sewa minimum. Pembayaran sewa dipisahkan antara beban keuangan dan pengurangan liabilitas sewa, sedemikian rupa sehingga menghasilkan suatu suku bunga periodik yang konstan atas saldo liabilitas yang tersisa. Beban keuangan dibebankan langsung pada laba rugi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**l. Impairment of Non-financial Assets
(continued)**

Reversal of an impairment loss is recognized in the profit or loss. After such a reversal, the depreciation charge on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU is less than their carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future years.

m. Leases

The Group adopted PSAK No. 30 (Revised 2011), "Leases".

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a *lessee*

A finance lease that transfers to the Group substantially all the risks and benefits incidental to ownership of the leased item, is capitalized at the commencement of the lease at the fair value of the finance lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

m. Sewa (lanjutan)

Suatu aset sewa pembiayaan disusutkan selama masa manfaat dari aset tersebut. Tetapi, jika tidak terdapat kepastian memadai bahwa Kelompok Usaha akan memperoleh kepemilikan di akhir masa sewa, maka aset disusutkan selama masa yang lebih pendek antara taksiran masa manfaat aset dan masa sewa.

Pembayaran sewa operasi diakui sebagai beban usaha dalam laba rugi secara garis lurus selama masa sewa.

n. Pinjaman yang Diperoleh Pemerintah dari Pemberi Pinjaman (Penerusan Pinjaman)

Pengakuan penerusan pinjaman dilakukan berdasarkan otorisasi penarikan atau dokumen lainnya yang sejenis, yang diterbitkan oleh pemberi pinjaman. Pinjaman terutang dalam mata uang pinjaman yang diberikan atau nilai setara Rupiah apabila dana ditarik dalam mata uang Rupiah.

o. Kapitalisasi Biaya Pinjaman

Biaya pinjaman yang dapat diatribusikan langsung dengan perolehan, pembangunan atau pembuatan aset kualifikasian dikapitalisasi sebagai bagian biaya perolehan aset tersebut. Biaya pinjaman lainnya diakui sebagai beban pada saat terjadi. Biaya pinjaman terdiri dari biaya bunga dan biaya lain yang ditanggung oleh Kelompok Usaha sehubungan dengan peminjaman dana.

Kapitalisasi biaya pinjaman dimulai pada saat aktivitas yang diperlukan untuk mempersiapkan aset agar dapat digunakan sesuai dengan maksudnya, dan pengeluaran untuk aset kualifikasian dan biaya pinjamannya telah terjadi. Kapitalisasi biaya pinjaman dihentikan pada saat selesainya secara substansi seluruh aktivitas yang diperlukan untuk mempersiapkan aset kualifikasian agar dapat digunakan sesuai dengan maksudnya (Catatan 2.i).

p. Biaya Penerbitan Emisi Efek Ekuitas

Biaya emisi efek ekuitas disajikan sebagai pengurang "Modal Disetor Lainnya" sebagai bagian dari ekuitas pada laporan posisi keuangan konsolidasian.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

m. Leases (continued)

An finance lease asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an operating expense in profit or loss on a straight-line basis over the lease term.

n. Loans Obtained by the Government from Lenders (Two-step Loans)

The recognition of two-step loans is based on the withdrawal authorization or other similar documents issued by the lenders. The loans are payable in their original currencies or Rupiah equivalent if drawn in Rupiah.

o. Capitalization of Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction and production of a qualifying asset are capitalized as part of the cost of the related assets. Otherwise, borrowing costs are recognized as expenses when incurred. Borrowing costs consist of interests and other financing charges that the Group incurs in connection with the borrowing of funds.

Capitalization of borrowing costs commences when the activities to prepare the qualifying asset for its intended use are in progress and the expenditures for the qualifying asset and the borrowing costs have been incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets are completed for their intended use (Note 2.i).

p. Stock Issuance Costs

Stock issuance costs are presented as deduction from "Other Paid-in Capital" in the equity section in the consolidated statements of financial position.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

q. Pengakuan Pendapatan dan Beban

Pendapatan dari distribusi gas bumi dan jasa transmisi gas bumi diakui pada saat gas telah didistribusikan atau dikirim kepada pelanggan berdasarkan pencatatan pada alat meter gas. Pendapatan jasa transmisi gas bumi diterima di muka disajikan sebagai bagian dari "Utang Lain-lain" di dalam laporan posisi keuangan konsolidasian dan diakui sebagai pendapatan pada saat gas telah dikirim kepada pelanggan.

Pendapatan penjualan minyak mentah dan gas bumi diakui berdasarkan kepemilikan entitas secara konsolidasi pada lapangan produksi (metode "entitlement"), ketika barang secara fisik dan risiko dan manfaat terkait telah berpindah kepada pembeli, yang secara umum adalah pada saat barang memasuki saluran pipa.

Pendapatan yang diperoleh dari Kontrak Bagi Hasil ("PSC") diakui atas dasar hak neto sesuai dengan persyaratan PSC. Selisih antara *lifting* aktual minyak mentah dan gas bumi menimbulkan piutang jika hak Grup melebihi *lifting* minyak mentah dan gas tersebut (posisi *under lifting*) dan menimbulkan utang jika *lifting* minyak mentah dan gas bumi melebihi hak Grup (posisi *over lifting*). Volume *under lifting* dan *over lifting* dinilai berdasarkan harga jual rata-rata setahun untuk minyak mentah (yaitu *Indonesia Crude Price*, "ICP") dan gas (yaitu harga dalam kontrak).

Pendapatan dari jasa lainnya diakui pada saat jasa diserahkan atau secara signifikan diberikan dan manfaat jasa tersebut telah dinikmati oleh pelanggan.

Pendapatan/Beban Keuangan

Untuk semua instrumen keuangan yang diukur pada biaya perolehan diamortisasi dan aset keuangan kategori tersedia dijual yang memperoleh bunga, pendapatan atau biaya bunga dicatat dengan menggunakan metode Suku Bunga Efektif ("SBE"), yaitu suku bunga yang secara tepat mendiskontokan estimasi pembayaran atau penerimaan kas di masa yang akan datang selama perkiraan umur dari instrumen keuangan, atau jika lebih tepat, selama tahun yang lebih singkat, untuk nilai tercatat neto dari aset keuangan atau liabilitas keuangan.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

q. Revenue and Expense Recognition

Revenues from gas distribution and toll fees from gas transmission are recognized when the gas is distributed or transmitted to the customers based on the gas meter readings. Toll fees from gas transmission received in advance are presented as part of "Other Payables" in the consolidated statements of financial position and recognized as revenue when the gas is transmitted to the customers.

Crude oil and natural gas sales revenue is recognized on the basis of the consolidated entity's interest in a producing field ("entitlements" method), when the physical product and associates risks and rewards of ownership pass to the purchaser, which is generally at the time on the product entering the pipeline.

Revenue earned under a Production Sharing Contract ("PSC") is recognized on a net of entitlements basis according to the terms of the ("PSC"). Differences between the Group's actual liftings of crude oil and gas result in a receivable when entitlements exceed lifting of crude oil and gas (under lifting position) and in payable when lifting of crude oil and gas exceed entitlements (over lifting position). Under lifting and over lifting volumes are valued based on the annual weighted average sales price for crude oil (i.e. Indonesian Crude Price, "ICP") and gas (i.e. contract prices).

Revenues from other services are recognized when the services are rendered or significantly provided and the benefits have been received by the customers.

Finance Income/Cost

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available-for-sale, interest income or expense is recorded using the Effective Interest Rate ("EIR"), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the net carrying amount of the financial asset or liability.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**q. Pengakuan Pendapatan dan Beban
(lanjutan)**

Pengakuan Beban

Beban diakui pada saat terjadinya dengan menggunakan metode akrual.

r. Provisi

Provisi diakui jika Kelompok Usaha memiliki kewajiban kini (baik bersifat hukum maupun bersifat konstruktif) yang akibat peristiwa masa lalu, besar kemungkinannya penyelesaian kewajiban tersebut mengakibatkan arus keluar sumber daya yang mengandung manfaat ekonomi dan estimasi yang andal mengenai jumlah kewajiban tersebut dapat dibuat.

Provisi ditelaah pada setiap tanggal pelaporan dan disesuaikan untuk mencerminkan estimasi terbaik yang paling kini. Jika arus keluar sumber daya untuk menyelesaikan kewajiban kemungkinan besar tidak terjadi, maka provisi dibatalkan.

s. Imbalan Kerja

Berdasarkan PSAK No. 24 (Revisi 2010), beban imbalan kerja manfaat pasti ditentukan dengan metode penilaian aktuaris *Projected Unit Credit* dan keuntungan dan kerugian aktuarial diakui pada tahun dimana keuntungan dan kerugian terjadi dalam pendapatan komprehensif lain.

Biaya jasa lalu atas pengenalan program manfaat pasti atau perubahan utang imbalan dari program yang ada diamortisasi sepanjang tahun sampai imbalan tersebut menjadi hak atau *vested*.

Keuntungan atau kerugian atas kurtailmen atau penyelesaian suatu program imbalan pasti diakui ketika kurtailmen atau penyelesaian terjadi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**q. Revenue and Expense Recognition
(continued)**

Expense Recognition

Expenses are recognized as incurred on an accrual basis.

r. Provisions

Provisions are recognized when the Group has a present obligation (legal and constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

s. Employee Benefits

Under PSAK No. 24 (Revised 2010), the cost of providing defined employee benefits is determined using the Projected Unit Credit actuarial valuation method and the actuarial gains and losses is recognized in the year in which they occur in other comprehensive income.

Past service costs arising from the introduction of a defined benefit plan or changes in the benefits payable of an existing plan are required to be amortized over the year until the benefits concerned become rights or vested.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized when the curtailment or settlement occurs.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

s. Imbalan Kerja (lanjutan)

Kurtailmen terjadi apabila salah satu dari kondisi berikut terpenuhi:

- i. Menunjukkan komitmennya untuk mengurangi secara signifikan jumlah pekerja yang ditanggung oleh program; atau
- ii. Mengubah ketentuan dalam program imbalan pasti yang menyebabkan bagian yang material dari jasa masa depan pekerja tidak lagi memberikan imbalan atau memberikan imbalan yang lebih rendah.

Penyelesaian program terjadi ketika entitas melakukan transaksi yang menghapuskan semua kewajiban hukum atau konstruktif atas sebagian atau seluruh imbalan dalam program imbalan pasti.

Beban imbalan jangka panjang lainnya ditentukan dengan metode penilaian aktuaris *Projected Unit Credit* di mana keuntungan dan kerugian aktuarial dan biaya jasa lalu langsung diakui dalam tahun berjalan.

Untuk program iuran pasti, kontribusi yang terutang diakui sebagai beban pada tahun berjalan.

Perusahaan

Perusahaan memberikan imbalan manfaat pasti sesuai dengan Perjanjian Kerja Bersama, yang jumlahnya lebih besar dibanding dengan imbalan berdasarkan dan Undang-Undang Ketenagakerjaan No. 13/2003 (UU No. 13/2003). Perusahaan juga memberikan imbalan jangka panjang lainnya.

Perusahaan mempunyai program asuransi pensiun untuk seluruh karyawan tetap yang memenuhi syarat, dengan PT Asuransi Jiwasraya (Persero) (AJ). Pembayaran premi awal sekaligus dan premi periodik ditentukan berdasarkan perhitungan secara periodik yang disetujui oleh Perusahaan dan AJ. Iuran dari karyawan adalah sebesar 2% dari gaji pokoknya ditambah sejumlah tunjangan tertentu. Selisih antara premi pertanggungan dengan kontribusi karyawan ditanggung oleh Perusahaan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

s. Employee Benefits (continued)

A curtailment occurs when an entity either:

- i. Is demonstrably committed to make a significant reduction in the number of employees covered by a plan; or*
- ii. Amends the terms of a defined benefit plan so that a significant element of future service by current employees will no longer qualify for benefits, or will qualify only for reduced benefits.*

A settlement occurs when an entity enters into a transaction that eliminates all further legal or constructive obligation for part or all of the benefits provided under a defined benefit plan.

The cost of providing other long-term employee benefits is determined using the Projected Unit Credit actuarial valuation method wherein actuarial gains and losses and past service costs are recognized immediately in the current year.

For defined contribution pension plan, contribution payables are charged to current year operations.

The Company

The Company provides defined benefits in accordance with the Collective Labor Agreement, which benefits are higher compared with benefits under Labor Law No. 13/2003 (Law No. 13/2003). The Company also provides other long-term employees' benefits.

The Company has a retirement insurance plan covering all of its qualified permanent employees, with PT Asuransi Jiwasraya (Persero) (AJ). One-time initial retirement premium and periodic premium payments are based on periodic calculations agreed between the Company and AJ. The employees contribute 2% of their basic salaries plus certain allowances. The remaining balance of the premium is borne by the Company.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

s. Imbalan Kerja (lanjutan)

Entitas Anak

Perusahaan juga menyediakan tambahan tunjangan kesehatan bagi para pensiunan karyawan berdasarkan perhitungan tertentu yang disetujui oleh Perusahaan dan Yayasan Kesejahteraan Pegawai dan Pensiunan Gas Negara sebagai pengelola dana.

Perusahaan juga menyelenggarakan program iuran pasti untuk semua karyawan tetap yang memenuhi syarat.

Transgasindo

Transgasindo memberikan imbalan pasca kerja sesuai dengan Perjanjian Kerja Bersama yang dibandingkan dengan imbalan berdasarkan Undang-Undang Ketenagakerjaan No. 13 Tahun 2003 (UU No. 13/2003), mana yang lebih tinggi. Transgasindo juga memberikan imbalan jangka panjang lainnya.

Transgasindo menyelenggarakan program pensiun iuran pasti untuk semua karyawan tetap yang memenuhi syarat, yang didanai melalui iuran tetap bulanan kepada Dana Pensiun Lembaga Keuangan (DPLK) Bank Rakyat Indonesia dan Bank Negara Indonesia, yang didirikan berdasarkan persetujuan dari Menteri Keuangan Republik Indonesia masing-masing dalam Surat Keputusannya No. KEP.197/KM.6/2004 dan No. KEP.1100/KM.17/1998.

Sumber dana program pensiun berasal dari kontribusi karyawan dan Transgasindo masing-masing sebesar 2% dan 6% dari gaji bulanan karyawan.

PGASKOM, PGASSOL, SEI, GEI DAN PLI

PGASKOM, PGASSOL, SEI, GEI dan PLI memberikan imbalan pasca kerja yang tidak didanai kepada karyawannya sesuai dengan Undang-undang Ketenagakerjaan No. 13 Tahun 2003 tanggal 25 Maret 2003 (UU No. 13/2003).

PGASSOL, SEI, GEI, dan PLI juga memberikan imbalan jangka panjang lainnya.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

s. Employee Benefits (continued)

Subsidiaries

The Company provides additional post-retirement health care benefits to its retired employees based on certain computations agreed between the Company and Yayasan Kesejahteraan Pegawai dan Pensiunan Gas Negara as the fund manager.

The Company also has a defined contribution plan for all of its eligible permanent employees.

Transgasindo

Transgasindo provides post-retirement benefits under Collective Labor Agreement Regulation which was compared with benefits under Labor Law No. 13 Year 2003 (Law No. 13/2003), whichever is higher. Transgasindo also provides other long-term employees' benefits.

Transgasindo has defined contribution pension plan for all of its eligible permanent employees, which is funded through monthly fixed contributions to Dana Pensiun Lembaga Keuangan (DPLK) Bank Rakyat Indonesia and Bank Negara Indonesia, the establishment of which were approved by the Ministry of Finance of the Republic of Indonesia in its Decision Letter No. KEP.197/KM.6/2004 and No. KEP.1100/KM.17/1998, respectively.

This fund is contributed by both employees and Transgasindo with contribution of 2% and 6% of the employees' monthly salaries, respectively.

PGASKOM, PGASSOL, SEI, GEI AND PLI

PGASKOM, PGASSOL, SEI, GEI and PLI provide an unfunded employee benefits to its employees in accordance with Labor Law No. 13 Year 2003 dated March 25, 2003 (LL No. 13/2003).

PGASSOL, SEI, GEI and PLI also provides other long-term employees benefits.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**t. Liabilitas Pembongkaran Aset dan
Restorasi Area**

Kelompok Usaha mengakui liabilitas pembongkaran dan pemindahan aset dan restorasi area atas fasilitas produksi minyak dan gas bumi, sumur, pipa dan aset-aset yang terkait sesuai dengan persyaratan dalam kontrak bagi hasil atau sesuai dengan peraturan yang berlaku.

Estimasi awal biaya pembongkaran dan pemindahan aset minyak dan gas bumi dan restorasi area aset diakui sebagai komponen biaya perolehan, yang disusutkan/didepresiasi dengan menggunakan metode satuan unit produksi yang sejalan dengan tarif deplesi aset yang dipilih.

Dalam banyak kasus, aktivitas pembongkaran dan pemindahan aset dan restorasi area fasilitas produksi minyak dan gas, sumur, pipa saluran dan aset terkait terjadi pada beberapa tahun di masa yang akan datang. Provisi atas liabilitas pembongkaran dan pemindahan aset, dan restorasi area di masa yang akan datang adalah berupa estimasi terbaik pada tanggal pelaporan keuangan atas nilai kini dari pengeluaran di masa yang akan datang untuk melaksanakan liabilitas pembongkaran dan pemindahan aset dan restorasi area tersebut, sesuai dengan ketentuan hukum yang berlaku pada tanggal pelaporan.

Perkiraan liabilitas pembongkaran dan pemindahan aset dan restorasi area di masa yang akan datang tersebut melibatkan estimasi manajemen mengenai saat aktivitas tersebut akan dilakukan, sejauh mana aktivitas tersebut harus dilakukan, dan juga teknologi yang akan digunakan di masa depan.

Estimasi tersebut direviu pada setiap akhir tahun pelaporan dan disesuaikan bila diperlukan. Penyesuaian dicerminkan dalam nilai kini atas provisi liabilitas pembongkaran dan pemindahan aset dan restorasi area pada tanggal laporan posisi keuangan konsolidasian, dimana juga dilakukan penyesuaian dengan jumlah yang sama atas nilai buku aset yang bersangkutan.

Pembalikan dari efek diskonto dalam penghitungan provisi diakui sebagai beban keuangan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**t. Asset Abandonment and Site Restoration
Obligation**

The Group recognizes its obligations for future dismantlement and transfer of assets and site restoration of oil and gas production facilities, wells, pipelines and related assets in accordance with the provisions in the production sharing contracts or in line with applicable regulations.

The initial estimated costs for dismantlement and site restoration of oil and gas properties are recognized as part of the acquisition costs of the assets and are subsequently depreciated/depleted using the unit-of-production method in line with the selected assets depletion rate.

In most instances, the dismantlement and transfer of assets and site restoration activities of oil and gas production facilities, wells, pipelines and related assets will occur many years in the future. The provision for future dismantlement and transfer of assets and asset restoration obligation is the best estimate of the present value of the future expenditures required to undertake the dismantlement and transfer of assets and site restoration obligation at the reporting date, based on current legal requirements.

The estimate future dismantlement and transfer of assets and site restoration obligation, therefore, requires management to make judgements regarding the timing of removal and transfer, the extent of restoration activities required and future removal and restoration technologies.

Such estimates are reviewed at the end of reporting year and adjusted as required. Adjustments are reflected in the present value of the dismantlement and transfer of assets and site restoration obligation provision at the consolidated statement of financial position date with a corresponding change in the book value of the associated asset.

The unwinding of the effect of discounting on the provision is recognized as a finance cost.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

u. Transaksi dan Saldo dalam Mata Uang Asing

Masing-masing Entitas dalam Kelompok Usaha mempertimbangkan indikator utama dan indikator lainnya dalam menentukan mata uang fungsionalnya. Perusahaan menentukan mata uang fungsionalnya adalah Dolar AS dan memutuskan mata uang penyajian laporan keuangan konsolidasian menggunakan Dolar AS.

Transaksi dalam mata uang asing dicatat dalam mata uang fungsional berdasarkan nilai tukar yang berlaku pada saat transaksi dilakukan. Pada tanggal pelaporan aset dan liabilitas moneter dalam mata uang asing dijabarkan sesuai dengan rata-rata kurs jual dan beli yang diterbitkan oleh Bank Indonesia pada tanggal transaksi perbankan terakhir untuk tahun yang bersangkutan dan laba atau rugi kurs yang timbul dikreditkan atau dibebankan pada operasi tahun yang bersangkutan, kecuali untuk selisih kurs yang dapat diatribusikan ke aset tertentu dikapitalisasi ke aset dalam pembangunan dan pemasangan.

Nilai tukar yang digunakan adalah sebagai berikut:

	31 Des. 2014/ Dec. 31, 2014
1 Dolar Amerika (US\$)/Rupiah	12.440,00
1 Dolar Amerika (US\$)/SG\$	1,32
1 Dolar Amerika (US\$)/JPY	119,33

v. Pajak Penghasilan

Pajak kini

Aset dan liabilitas pajak kini untuk tahun berjalan dan lalu diukur sebesar jumlah yang diharapkan dapat direstitusi dari atau dibayarkan kepada otoritas perpajakan. Tarif pajak dan peraturan pajak yang digunakan untuk menghitung jumlah tersebut adalah yang telah berlaku atau secara substantif telah berlaku pada tanggal pelaporan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

u. Foreign Currency Transactions and Balances

Each entity in the Group considers the primary indicators and other indicators in determining its functional currency. The Company determined that its functional currency is the US Dollar and decided that the presentation currency for the consolidated financial statements is the US Dollar.

Transactions involving foreign currencies are recorded in the functional currency at the rates of exchange prevailing at the time the transactions are made. At the reporting date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the average of the selling and buying rates of exchange prevailing of the last banking transaction date of the year, as published by Bank Indonesia and any resulting gains or losses are credited or charged to current year operations, except for foreign exchange differentials that can be attributed to qualifying assets which are capitalized to properties under construction and installation.

The rates of exchange used were as follows:

	31 Des. 2013/ Dec. 31, 2013	
12.189,00		US Dollar 1 (US\$)/Rupiah
1,27		US Dollar 1 (US\$)/SG\$
104,92		US Dollar 1 (US\$)/JPY

v. Income Tax

Current tax

Current income tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as the reporting dates.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

v. Pajak Penghasilan (lanjutan)

v. Income Tax (continued)

Pajak kini (lanjutan)

Current tax (continued)

Penghasilan kena pajak berbeda dengan laba yang dilaporkan dalam laba rugi karena penghasilan kena pajak tidak termasuk bagian dari pendapatan atau beban yang dikenakan pajak atau dikurangkan di tahun-tahun yang berbeda, dan juga tidak termasuk bagian-bagian yang tidak dikenakan pajak atau tidak dapat dikurangkan.

Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Koreksi terhadap liabilitas perpajakan dicatat saat surat ketetapan pajak diterima atau apabila dilakukan banding, ketika hasil banding sudah diputuskan.

Amendments to taxation obligations are recorded when an assessment is received or if appealed against, when the results of the appeal are determined.

Kekurangan/kelebihan pembayaran pajak penghasilan disajikan sebagai bagian dari "Beban Pajak Kini" dalam laporan laba rugi komprehensif konsolidasian. Kelompok Usaha juga menyajikan bunga/denda, jika ada, sebagai bagian dari "Beban Pajak Kini".

The underpayment/overpayment of income tax is presented as part of "Tax Expense - Current" in the consolidated statement of comprehensive income. The Group also presented interest/penalty, if any, as part of "Tax Expenses - Current".

Entitas Anak yang terlibat dalam kegiatan eksplorasi dan produksi minyak dan gas bumi di Indonesia dan di luar Indonesia dikenai tarif pajak penghasilan badan masing-masing sebesar 44% dan 28% sampai 35%.

The Subsidiary involved in oil and gas exploration and production in Indonesia and out side Indonesia are subject to income tax at rate of 44% and 28% to 35%, respectively.

Pajak tangguhan

Deferred tax

Pajak tangguhan diakui dengan menggunakan metode liabilitas atas perbedaan temporer pada tanggal pelaporan antara dasar pengenaan pajak aset dan liabilitas dan jumlah tercatatnya untuk tujuan pelaporan keuangan pada tanggal pelaporan.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Liabilitas pajak tangguhan diakui untuk semua perbedaan temporer yang kena pajak dan aset pajak tangguhan diakui untuk perbedaan temporer yang boleh dikurangkan dan rugi fiskal yang belum terpakai, sepanjang besar kemungkinan besar laba kena pajak akan tersedia sehingga perbedaan temporer yang boleh dikurangkan dan rugi fiskal yang belum terpakai tersebut dapat dimanfaatkan.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable income will be available in future years against which the deductible temporary differences and unused tax losses can be utilized.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

v. Pajak Penghasilan (lanjutan)

Pajak tangguhan (lanjutan)

Aset pajak tangguhan diakui untuk seluruh perbedaan temporer yang boleh dikurangkan dan akumulasi rugi pajak yang belum dikompensasikan, bila kemungkinan besar laba kena pajak akan tersedia sehingga perbedaan temporer dapat dikurangkan tersebut dan rugi pajak belum dikompensasikan tersebut dapat dimanfaatkan.

Liabilitas pajak tangguhan dan aset pajak tangguhan (jika memenuhi kriteria) diakui atas perbedaan temporer kena pajak terkait dengan investasi pada entitas anak dan asosiasi, kecuali yang waktu pembalikannya dapat dikendalikan dan kemungkinan besar perbedaan temporer tersebut tidak akan dibalik di masa depan yang dapat diperkirakan.

Jumlah tercatat aset pajak tangguhan ditelaah pada setiap tanggal pelaporan dan nilai tercatat aset pajak tangguhan tersebut diturunkan apabila laba kena pajak mungkin tidak memadai untuk mengkompensasi sebagian atau semua manfaat aset pajak tangguhan. Aset pajak tangguhan yang belum diakui sebelumnya ditelaah pada setiap tanggal pelaporan dan diakui sepanjang laba kena pajak yang akan datang kemungkinan besar akan tersedia untuk dipulihkan.

Aset dan liabilitas pajak tangguhan diukur berdasarkan tarif pajak yang diharapkan akan dipakai pada tahun saat aset direalisasikan atau liabilitas diselesaikan berdasarkan tarif pajak dan peraturan perpajakan yang berlaku atau yang telah secara substantif berlaku pada tanggal pelaporan.

Perubahan nilai tercatat aset dan liabilitas pajak tangguhan yang disebabkan perubahan tarif pajak dibebankan pada tahun berjalan, kecuali untuk transaksi-transaksi yang sebelumnya telah langsung dibebankan atau dikreditkan ke ekuitas.

Pajak tangguhan sehubungan dengan bagian yang diakui di luar laba atau rugi diakui di luar laba atau rugi. Pajak tangguhan tersebut diakui berkaitan dengan transaksi baik yang ada di pendapatan komprehensif lainnya atau langsung dibebankan ke ekuitas.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

v. Income Tax (continued)

Deferred tax (continued)

Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and carry forward of unused tax losses can be utilized.

Deferred tax liabilities and assets (provided fulfilling recognition criteria) are recognized in respect of taxable temporary differences associated with investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the benefit of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged to current year operations, except to the extent that they relate to items previously charged or credited to equity.

Deferred tax relating to items recognized outside of profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

v. Pajak Penghasilan (lanjutan)

Pajak tangguhan (lanjutan)

Aset pajak tangguhan dan liabilitas pajak tangguhan disaling-hapuskan jika terdapat hak secara hukum untuk melakukan saling hapus atas aset pajak kini terhadap liabilitas pajak kini atau aset dan liabilitas pajak tangguhan pada entitas yang sama, atau kelompok usaha yang bermaksud untuk menyelesaikan aset dan liabilitas lancar berdasarkan jumlah neto.

w. Ventura Bersama

Kelompok Usaha memiliki kepemilikan dalam ventura bersama yaitu entitas yang dikendalikan secara bersama-sama, dimana pihak-pihak dalam ventura memiliki perjanjian kontraktual (*contractual arrangement*) yang membentuk pengendalian bersama atas aktivitas ekonomi entitas tersebut. Perjanjian tersebut membutuhkan suatu kesepakatan diantara venturer mengenai keputusan keuangan dan operasional.

Kelompok Usaha mengakui bagian kepemilikan dalam ventura bersama menggunakan metode konsolidasi proporsional (*proportionate consolidation*). Kelompok Usaha menggabungkan bagiannya atas setiap aset, liabilitas, pendapatan dan beban dari ventura bersama dengan unsur yang sama, satu demi satu dalam laporan keuangan konsolidasinya. Laporan keuangan ventura bersama disiapkan dalam periode pelaporan yang sama dengan Kelompok Usaha. Penyesuaian dilakukan ketika diperlukan untuk membuat kebijakan akuntansi sejalan dengan kebijakan akuntansi Kelompok Usaha.

Penyesuaian dilakukan dalam laporan keuangan konsolidasian Kelompok Usaha untuk mengeliminasi bagian saldo transaksi antar Kelompok Usaha, transaksi dan keuntungan dan kerugian yang belum direalisasi dari transaksi antar Kelompok Usaha dan ventura bersama tersebut. Kerugian dari transaksi akan segera dicatat jika kerugian tersebut memberikan bukti pengurangan dari nilai realisasi neto dari aset lancar atau kerugian penurunan nilai. Ventura bersama dikonsolidasi proporsional sampai tanggal dimana Kelompok Usaha berhenti memiliki pengendalian atas ventura bersama.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

v. Income Tax (continued)

Deferred tax (continued)

Deferred tax assets and deferred tax liabilities are offset when a legally enforceable right exists to offset current tax assets against current tax liabilities, or the deferred tax assets and deferred tax liabilities relate to the same taxable entity, or the group intends to settle its current assets and liabilities on a net basis.

w. Joint Venture

The Group has an interest in a joint venture, which is a jointly controlled entity, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. The agreement requires unanimous agreement for financial and operating decisions among the venturers.

The Group recognizes its interest in the joint venture using the proportionate consolidation method. The Group combines its proportionate share of each the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting period as the Group. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share in intra group balances transactions and unrealized gains and losses on such transactions between the Group and its joint venture. Losses on transactions are recognized immediately if the loss provides evidence of a reduction in the net realizable value of current assets or an impairment loss. The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

w. Ventura Bersama (lanjutan)

Ketika Kelompok Usaha kehilangan pengendalian bersama, Kelompok Usaha mengakui dan mencatat investasi yang tersisa pada nilai wajar. Perbedaan antara nilai tercatat dari entitas pengendalian bersama dahulu saat kehilangan pengendalian bersama dan nilai wajar investasi yang tersisa dan pendapatan dari pelepasan dicatat dalam laba atau rugi. Ketika investasi tersisa menunjukkan pengaruh yang signifikan, maka investasi akan dicatat sebagai investasi pada asosiasi.

x. Informasi Segmen

Untuk tujuan manajemen, Kelompok Usaha dibagi menjadi empat segmen operasi berdasarkan produk dan jasa yang dikelola secara independen oleh masing-masing pengelola segmen yang bertanggung jawab atas kinerja dari masing-masing segmen. Para pengelola segmen melaporkan secara langsung kepada manajemen yang secara teratur mengkaji hasil operasi sebagai dasar untuk mengalokasikan sumber daya ke masing-masing segmen dan untuk menilai kinerja segmen. Pengungkapan tambahan pada masing-masing segmen terdapat dalam Catatan 46, termasuk faktor yang digunakan untuk mengidentifikasi segmen yang dilaporkan dan dasar pengukuran informasi segmen.

y. Laba per Saham Dasar

Laba per saham dasar dihitung dengan membagi laba tahun berjalan yang dapat diatribusikan kepada pemilik entitas induk dengan jumlah rata-rata tertimbang saham biasa yang beredar pada tahun yang bersangkutan.

z. Instrumen Keuangan Derivatif

Perusahaan melakukan transaksi derivatif untuk tujuan mengelola risiko perubahan nilai tukar mata uang asing yang berasal dari pinjaman jangka panjang Perusahaan dalam mata uang asing.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

w. Joint Venture (continued)

Upon loss of joint control, the Group measures and recognizes its remaining investment at its fair value. Any difference between the carrying amount of the former joint controlled entity upon loss of joint control and the fair value of the remaining investment and proceeds from disposal are recognized in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in associates.

x. Segment Information

For management purposes, the Group is organized into four operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 46, including the factors used to identify the reportable segments and the measurement basis of segment information.

y. Basic Earnings per Share

Basic earnings per share amounts are computed by dividing profit for the year attributable to owners of the parent entity by the weighted average number of ordinary shares outstanding during the year.

z. Derivative Financial Instruments

The Company enters into and engages in derivative for the purpose of managing its foreign exchange exposures emanating from the Company's long-term loans in foreign currencies.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSISIGNIFIKAN
(lanjutan)**

z. Instrumen Keuangan Derivatif (lanjutan)

Perusahaan menerapkan PSAK No. 55 (Revisi 2011), "Instrumen Keuangan: Pengakuan dan Pengukuran" yang mengatur standar akuntansi dan pelaporan untuk transaksi derivatif dan aktivitas lindung nilai, yang mengharuskan setiap instrumen derivatif (termasuk instrumen derivatif melekat) diakui sebagai aset atau liabilitas berdasarkan nilai wajar setiap kontrak. Nilai wajar merupakan perhitungan nilai kini (*present value*) dengan menggunakan data dan asumsi yang berlaku umum.

Berdasarkan kriteria khusus untuk akuntansi lindung nilai pada PSAK No. 55 (Revisi 2011), semua instrumen derivatif yang ada pada Perusahaan tidak memenuhi persyaratan tersebut dan oleh karena itu tidak dikategorikan sebagai lindung nilai yang efektif untuk tujuan akuntansi. Perubahan atas nilai wajar instrumen derivatif dibebankan atau dikreditkan pada usaha tahun berjalan.

Perubahan neto nilai wajar instrumen derivatif dan laba (rugi) dari penyelesaian kontrak derivatif dibebankan atau dikreditkan pada akun "Laba (Rugi) Perubahan Nilai Wajar Derivatif - Neto", dalam laporan laba rugi komprehensif konsolidasian.

aa. Standar Akuntansi yang Telah Diterbitkan Namun Belum Berlaku Efektif

Berikut ini adalah beberapa standar akuntansi yang telah diterbitkan oleh Dewan Standar Akuntansi Keuangan (DSAK) yang dipandang relevan terhadap pelaporan keuangan Kelompok Usaha namun belum berlaku efektif untuk laporan keuangan tahun 2014:

- PSAK No. 1 (2013): Penyajian Laporan Keuangan, yang diadopsi dari IAS 1, berlaku efektif 1 Januari 2015.

PSAK ini mengubah penyajian kelompok pos-pos dalam Penghasilan Komprehensif Lain. Pos-pos yang akan direklasifikasi ke laba rugi disajikan terpisah dari pos-pos yang tidak akan direklasifikasi ke laba rugi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

z. Derivative Financial Instruments (continued)

The Company applied PSAK No. 55 (Revised 2011), "Financial Instruments: Recognition and Measurement" sets forth the accounting and reporting standards for derivative transactions and hedging activities, which require that every derivative instrument (including embedded derivatives) be recognized as either asset or liability based on the fair value of each contract. Fair value is a computation of present value by using data and assumption which are commonly used.

Based on the specific requirements for hedge accounting under PSAK No. 55 (Revised 2011), the Company's derivative instrument does not qualify and are not designated as hedge activity for accounting purposes. The changes in fair value of such derivative instrument is charged or credited to current year operations.

The net changes in fair value of derivative instrument and gain (loss) from the settlement of derivative contract is charged or credited to "Gain (Loss) on Change in Fair Value of Derivative - Net" account in the consolidated statements of comprehensive income.

aa. Accounting Standards that Have Been Published But Not Yet Effective

The following are several published accounting standards by the Indonesian Financial Accounting Standards Board (DSAK) that are considered relevant to the financial reporting of the Group but not yet effective for 2014 financial statements:

- PSAK No. 1 (2013): Presentation of Financial Statements, adopted from IAS 1, effective January 1, 2015.

This PSAK changes the grouping of items presented in Other Comprehensive Income. Items that could be reclassified to profit or loss would be presented separately from items that will never be reclassified.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**aa. Standar Akuntansi yang Telah Diterbitkan
Namun Belum Berlaku Efektif (lanjutan)**

- PSAK No. 4 (2013): Laporan Keuangan Tersendiri, yang diadopsi dari IAS 27, berlaku efektif 1 Januari 2015.

PSAK ini hanya mengatur persyaratan akuntansi ketika entitas induk menyajikan laporan keuangan tersendiri sebagai informasi tambahan. Pengaturan akuntansi untuk laporan keuangan konsolidasian diatur dalam PSAK No. 65.

- PSAK No. 15 (2013): Investasi pada Entitas Asosiasi dan Ventura Bersama, yang diadopsi dari IAS 28, berlaku efektif 1 Januari 2015.

PSAK ini mengatur penerapan metode ekuitas pada investasi ventura bersama dan juga entitas asosiasi.

- PSAK No. 24 (2013): Imbalan Kerja, yang diadopsi dari IAS 19, berlaku efektif 1 Januari 2015.

PSAK ini, antara lain, menghapus mekanisme koridor dan pengungkapan atas informasi liabilitas kontinjensi untuk menyederhanakan klarifikasi dan pengungkapan.

- PSAK No. 46 (2013): Pajak Penghasilan, berlaku efektif 1 Januari 2015.

PSAK revisi ini mengatur perlakuan akuntansi untuk pajak penghasilan. Isu utama dalam perlakuan akuntansi untuk pajak penghasilan adalah bagaimana menghitung konsekuensi pajak kini dan masa depan untuk: (a) pemulihan (penyelesaian) masa depan jumlah tercatat aset (liabilitas) yang diakui dalam laporan posisi keuangan entitas; dan (b) transaksi dan peristiwa lain pada periode berjalan yang diakui dalam laporan keuangan entitas. PSAK ini juga mengatur pengakuan aset pajak tangguhan yang timbul dari rugi pajak belum dikompensasi atau kredit pajak belum dimanfaatkan, penyajian pajak penghasilan dalam laporan keuangan, dan pengungkapan informasi yang terkait dengan pajak penghasilan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**aa. Accounting Standards that Have Been
Published But Not Yet Effective (continued)**

- PSAK No. 4 (2013): Separate Financial Statements, adopted from IAS 27, effective January 1, 2015.

This PSAK prescribes only the accounting requirements when a parent entity prepares separate financial statements as additional information. Accounting for consolidated financial statements is determined in PSAK No. 65.

- PSAK No. 15 (2013): Investments in Associates and Joint Ventures, adopted from IAS 28, effective January 1, 2015.

This PSAK describes the application of the equity method to investments in joint ventures in addition to associates.

- PSAK No. 24 (2013): Employee Benefits, adopted from IAS 19, effective January 1, 2015.

This PSAK, among other, removes the corridor mechanism and contingent liability disclosures to simple clarifications and disclosures.

- PSAK No. 46 (2013): Income Taxes, effective January 1, 2015.

The revised PSAK prescribes the accounting treatment for income taxes. The principal issues in accounting treatment for income taxes are how to account for the current and future tax consequences of: (a) the future recovery (settlement) of the carrying amount of assets (liabilities) recognized in an entity's statement of financial position; and (b) transactions and another events in the current period which recognized in an entity's financial statement. This PSAK also deals with the recognition of deferred tax assets arise from unused tax loss or unused tax credits, the presentation of income taxes in the financial statements and the disclosure of information relating to income taxes.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI
SIGNIFIKAN (lanjutan)**

**aa. Standar Akuntansi yang Telah Diterbitkan
Namun Belum Berlaku Efektif (lanjutan)**

- PSAK No. 65: Laporan Keuangan Konsolidasi, yang diadopsi dari IFRS 10, berlaku efektif 1 Januari 2015.

PSAK ini menggantikan porsi PSAK No. 4 (2009) yang mengenai pengaturan akuntansi untuk laporan keuangan konsolidasian, menetapkan prinsip penyusunan dan penyajian laporan keuangan konsolidasian ketika entitas mengendalikan satu atau lebih entitas lain.

- PSAK No. 66: Pengaturan bersama, yang diadopsi dari IFRS 11, berlaku efektif 1 Januari 2015.

PSAK ini menggantikan PSAK No. 12 (2009) dan ISAK 12. PSAK ini menghapus opsi metode konsolidasi proporsional untuk mencatat bagian ventura bersama.

- PSAK No. 67: Pengungkapan Kepentingan dalam Entitas Lain, yang diadopsi dari IFRS 12, berlaku efektif 1 Januari 2015.

PSAK ini mencakup semua pengungkapan yang diatur sebelumnya dalam PSAK No. 4 (2009), PSAK No. 12 (2009) dan PSAK No. 15 (2009). Pengungkapan ini terkait dengan kepentingan entitas dalam entitas-entitas lain.

- PSAK No. 68: Pengukuran Nilai Wajar, yang diadopsi dari IFRS 13, berlaku efektif 1 Januari 2015.

PSAK ini memberikan panduan tentang bagaimana pengukuran nilai wajar ketika nilai wajar disyaratkan atau diizinkan.

Kelompok Usaha sedang mengevaluasi dampak dari standar akuntansi tersebut dan belum menentukan dampaknya terhadap laporan keuangan konsolidasiannya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**aa. Accounting Standards that Have Been
Published But Not Yet Effective (continued)**

- PSAK No. 65: Consolidated Financial Statements, adopted from IFRS 10, effective January 1, 2015.

This PSAK replaces the portion of PSAK No. 4 (2009) that addresses the accounting for consolidated financial statements, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

- PSAK No. 66: Joint Arrangements, adopted from IFRS 11, effective January 1, 2015.

This PSAK replaces PSAK No. 12 (2009) and ISAK 12. This PSAK removes the option to account for jointly controlled entities using proportionate consolidation.

- PSAK No. 67: Disclosure of Interest in Other Entities, adopted from IFRS 12, effective January 1, 2015.

This PSAK includes all of the disclosures that were previously in PSAK No. 4 (2009), PSAK No. 12 (2009) and PSAK No. 15 (2009). This disclosures relate to an entity's interests in other entities.

- PSAK No. 68: Fair Value Measurement, adopted from IFRS 13, effective January 1, 2015.

This PSAK provides guidance on how to measure fair value when fair value is required or permitted.

The Group is presently evaluating and has not yet determined the effects of these accounting standards on its consolidated financial statements.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN**

Penyusunan laporan keuangan konsolidasian Kelompok Usaha mengharuskan manajemen untuk membuat pertimbangan, estimasi dan asumsi yang mempengaruhi jumlah yang dilaporkan dari pendapatan, beban, aset dan liabilitas, dan pengungkapan atas liabilitas kontijensi, pada akhir tahun pelaporan. Ketidakpastian mengenai asumsi dan estimasi tersebut dapat mengakibatkan penyesuaian material terhadap nilai tercatat pada aset dan liabilitas dalam tahun pelaporan berikutnya.

Pertimbangan

Pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Kelompok Usaha yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan konsolidasian:

Alokasi Biaya Perolehan dan Penurunan Nilai Goodwill

Akuntansi akuisisi mengharuskan penggunaan estimasi akuntansi secara ekstensif dalam mengalokasikan biaya perolehan kepada nilai pasar wajar yang dapat diandalkan atas aset dan liabilitas yang diakuisisi, termasuk aset tak berwujud. Sesuai PSAK No. 22 (Revisi 2010), "Kombinasi Bisnis", goodwill tidak diamortisasi dan dilakukan pengujian penurunan nilai setiap tahunnya. Nilai tercatat goodwill Kelompok Usaha pada tanggal 31 Desember 2014 adalah sebesar US\$47.291.203 (2013 - Disajikan kembali: US\$55.378). Penjelasan lebih rinci diungkapkan dalam Catatan 17.

Pembuatan estimasi arus kas masa depan dalam menentukan nilai wajar properti minyak dan gas pada tanggal akuisisi melibatkan estimasi yang signifikan. Walaupun manajemen berkeyakinan bahwa asumsi yang digunakan adalah tepat dan masuk akal, perubahan signifikan pada asumsi tersebut dapat mempengaruhi secara material evaluasi atas nilai terpulihkan dan dapat menimbulkan penurunan nilai sesuai PSAK No. 48, "Penurunan Nilai Aset."

Goodwill diuji untuk penurunan nilai setiap tahunnya dan jika terdapat indikasi penurunan nilai. Manajemen menggunakan pertimbangan dalam mengestimasi jumlah terpulihkan dan menentukan adanya indikasi penurunan nilai. Estimasi atau nilai terpulihkan diuraikan pada bagian "Estimasi dan Asumsi" pada catatan ini.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS,
ESTIMATES AND ASSUMPTIONS**

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting year. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future years.

Judgments

The following judgments are made by management in the process of applying the Group's accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements:

Purchase Price Allocation and Goodwill Impairment

Acquisition accounting requires extensive use of accounting estimates to allocate the purchase price to the reliable fair market values of the assets and liabilities purchased, including intangible assets. Under PSAK No. 22 (Revised 2010), "Business Combinations", goodwill is not amortized and is subject to an annual impairment testing. The carrying amount of the Group's goodwill as of December 31, 2014 was US\$47,291,203 (2013 - As restated: US\$55,378). Further details are disclosed in Note 17.

The preparation of estimated future cash flows in determining the fair values of oil and gas properties at the date of acquisition involves significant estimations. While the management believes that its assumptions are appropriate and reasonable, significant changes in its assumptions may materially affect its assessment of recoverable values and may lead to future impairment charges under PSAK No. 48, "Impairment of Assets."

Goodwill is subject to annual impairment test and whenever there is an indication that such asset may be impaired. Management uses its judgment in estimating the recoverable value and determining if there is any indication of impairment. Estimates on the recoverable amount are further described in "Estimates and Assumptions" section in this note.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)**

Pertimbangan (lanjutan)

Penentuan Mata Uang Fungsional

Mata uang fungsional adalah mata uang dari lingkungan ekonomi primer dimana entitas beroperasi. Manajemen mempertimbangkan mata uang yang paling mempengaruhi pendapatan dan beban dari jasa yang diberikan serta mempertimbangkan indikator lainnya dalam menentukan mata uang yang paling tepat menggambarkan pengaruh ekonomi dari transaksi, kejadian dan kondisi yang mendasari.

Klasifikasi Aset dan Liabilitas Keuangan

Kelompok Usaha menetapkan klasifikasi atas aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan bila definisi yang ditetapkan PSAK No. 55 (Revisi 2011) dipenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Kelompok Usaha seperti diungkapkan pada Catatan 2.d.

Sewa

Kelompok usaha mengadakan perjanjian sewa di mana Kelompok Usaha bertindak sebagai *lessee*. Kelompok usaha mengevaluasi apakah secara substantial risiko dan manfaat yang terkait dengan kepemilikan aset beralih kepada Kelompok Usaha berdasarkan PSAK No. 30 (Revisi 2011), "Sewa", yang mensyaratkan Kelompok Usaha membuat pertimbangan dan estimasi dari pengalihan risiko dan manfaat terkait dengan aset yang disewa.

Estimasi dan Asumsi

Asumsi utama masa depan dan sumber utama estimasi ketidakpastian lain pada tanggal pelaporan yang memiliki risiko signifikan bagi penyesuaian yang material terhadap nilai tercatat aset dan liabilitas untuk tahun berikutnya diungkapkan di bawah ini. Kelompok Usaha mendasarkan asumsi dan estimasi pada parameter yang tersedia pada saat laporan keuangan konsolidasian disusun. Asumsi dan situasi mengenai perkembangan masa depan mungkin berubah akibat perubahan pasar atau situasi di luar kendali Kelompok Usaha. Perubahan tersebut dicerminkan dalam asumsi terkait pada saat terjadinya.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**3. SIGNIFICANT ACCOUNTING JUDGMENTS,
ESTIMATES AND ASSUMPTIONS (continued)**

Judgments (continued)

Determination of Functional Currency

The functional currency is the currency of the primary economic environment in which the entity operates. The management considered the currency that mainly influences the revenue and cost of rendering services and other indicators in determining the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Classification of Financial Assets and Liabilities

The Group determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (Revised 2011). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Group's accounting policies disclosed in Note 2.d.

Lease

The Group has entered into lease arrangement in which the Group is a lessee. The Group evaluates whether all of the risks and rewards incidental to ownership are substantially transferred to the Group based on PSAK No. 30 (Revised 2011), "Leases" which requires the Group to make judgments and estimates of transfer of risks and rewards of the leased assets.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the controls of the Group. Such changes are reflected in the assumptions when they occur.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)**

Estimasi dan Asumsi (lanjutan)

Estimasi Masa Manfaat Aset Tetap

Kelompok Usaha mengestimasi masa manfaat ekonomis aset tetap berdasarkan utilisasi dari aset yang diharapkan dan didukung dengan rencana dan strategi usaha dan perilaku pasar. Estimasi dari masa manfaat aset tetap adalah berdasarkan penelaahan Kelompok Usaha terhadap praktek industri, evaluasi teknis internal dan pengalaman untuk aset yang setara. Estimasi masa manfaat ditelaah minimal setiap akhir tahun pelaporan dan diperbarui jika ekspektasi berbeda dari estimasi sebelumnya dikarenakan pemakaian dan kerusakan fisik, keusangan secara teknis atau komersial dan hukum atau pembatasan lain atas penggunaan dari aset. Tetapi, adalah mungkin, hasil di masa depan dari operasi dapat dipengaruhi secara material oleh perubahan-perubahan dalam estimasi yang diakibatkan oleh perubahan faktor-faktor yang disebutkan di atas.

Kelompok Usaha mengestimasi masa manfaat ekonomis aset tetap antara 4 sampai dengan 20 tahun. Ini adalah umur yang secara umum diharapkan dalam industri dimana Kelompok Usaha menjalankan bisnisnya. Perubahan tingkat pemakaian dan perkembangan teknologi dapat mempengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin direvisi. Nilai tercatat neto atas aset tetap Kelompok Usaha pada tanggal 31 Desember 2014 adalah sebesar US\$2.485.091.623 (2013 - Disajikan kembali: US\$1.837.231.368). Penjelasan lebih rinci diungkapkan dalam Catatan 15.

Biaya eksplorasi dan evaluasi

Kebijakan akuntansi Grup untuk biaya eksplorasi dan evaluasi mengakibatkan biaya tertentu dikapitalisasi untuk sebuah wilayah kerja yang dianggap dapat dipulihkan oleh eksploitasi di masa depan atau penjualan atau dimana kegiatan tersebut belum mencapai tahap tertentu yang memungkinkan dilakukan penilaian yang wajar atas keberadaan cadangan. Kebijakan ini mengharuskan manajemen untuk membuat estimasi dan asumsi tertentu atas peristiwa dan keadaan di masa depan, khususnya apakah operasi eksploitasi dapat dilaksanakan secara ekonomis.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**3. SIGNIFICANT ACCOUNTING JUDGMENTS,
ESTIMATES AND ASSUMPTIONS (continued)**

Estimates and Assumptions (continued)

Estimating Useful Lives of Fixed Assets

The Group estimates the useful lives of its fixed assets based on expected asset utilization as anchored on business plans and strategies that also consider expected market behavior. The estimation of the useful lives of fixed assets is based on the Group's assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives are reviewed at least each financial year-end and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above.

The Group estimates the useful lives of these fixed assets to be within 4 to 20 years. These are common life expectancies applied in the industries where the Group conducts its businesses. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. The net carrying amount of the Group's fixed assets as of December 31, 2014 was US\$2,485,091,623 (2013 - As restated: US\$1,837,231,368). Further details are disclosed in Note 15.

Exploration and evaluation expenditures

The Group's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalized for an area of interest where it is considered likely to be a recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)**

Estimasi dan Asumsi (lanjutan)

Biaya eksplorasi dan evaluasi (lanjutan)

Setiap perkiraan dan asumsi tersebut dapat berubah seiring tersedianya informasi baru. Jika, setelah dilakukan kapitalisasi atas biaya berdasarkan kebijakan ini, suatu pertimbangan dibuat bahwa pemulihan biaya dianggap tidak dimungkinkan, biaya yang telah dikapitalisasi tersebut akan dibebankan ke dalam laporan laba rugi komprehensif konsolidasian.

Kegiatan pengembangan dimulai setelah dilakukan pengesahan proyek oleh tingkat manajemen yang berwenang. Pertimbangan diterapkan oleh manajemen dalam menentukan kelayakan suatu proyek secara ekonomis. Dalam melakukan pertimbangan ini, manajemen perlu membuat estimasi dan asumsi tertentu yang serupa dengan kapitalisasi biaya eksplorasi dan evaluasi yang dijelaskan di atas.

Imbalan manfaat Pasti dan Imbalan Jangka Panjang Lainnya

Biaya program pensiun manfaat pasti dan imbalan jangka panjang lainnya serta nilai kini kewajiban imbalan kerja ditentukan dengan menggunakan penilaian aktuarial. Penilaian aktuarial melibatkan penentuan berbagai asumsi, termasuk penentuan tingkat diskonto, tingkat kenaikan gaji masa depan, tingkat mortalitas, tingkat pengunduran diri karyawan, tingkat kecacatan dan tingkat hasil yang diharapkan dari aset program. Karena kerumitan penilaian, asumsi yang mendasari dan sifat jangka panjangnya, kewajiban manfaat pasti sangat sensitif terhadap perubahan asumsi-asumsi tersebut. Seluruh asumsi ditelaah setiap akhir tahun pelaporan.

Dalam menentukan tingkat diskonto yang sesuai, manajemen memperhitungkan tingkat bunga (pada akhir tahun pelaporan) dari obligasi Pemerintah dalam Rupiah. Kelompok Usaha menggunakan tingkat diskonto tunggal untuk masing-masing entitas dalam Kelompok Usaha yang mencerminkan rata-rata perkiraan jadwal pembayaran imbalan dan mata uang yang digunakan dalam membayar imbalan. Tingkat mortalitas adalah berdasarkan tabel mortalitas yang tersedia pada publikasi. Tingkat kenaikan gaji masa depan didasarkan pada rencana kerja jangka panjang Kelompok Usaha yang juga dipengaruhi oleh tingkat inflasi masa depan yang diharapkan dalam suatu negara.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**3. SIGNIFICANT ACCOUNTING JUDGMENTS,
ESTIMATES AND ASSUMPTIONS (continued)**

Estimates and Assumptions (continued)

Exploration and evaluation expenditures (continued)

Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalized amount will be written off to the consolidated statement of comprehensive income.

Development activities commence after a project is sanctioned by the appropriate level of management. Judgement is applied by management in determining when a project is economically viable. In exercising this judgement, management is required to make certain estimates and assumptions similar to those described above for capitalized exploration and evaluation expenditure.

Defined Benefit and Other Employees' Benefits

The cost of defined benefit pension plans and other long-term employees' benefits and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions, which includes the determination of the discount rate, future salary increases, mortality rates, employee turn-over rate, disability rate, and the expected rate of return on plan assets. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at financial year-end.

In determining the appropriate discount rate, management considers the market yields (at year end) on Indonesian Rupiah Government bonds. The Group uses a single discount rate for each entity within the Group that reflects the estimated average timing of benefit payments and the currency in which the benefits are to be paid. The mortality rate is based on publicly available mortality tables. Future salary increases is based on the Group long-term business plan which is also influenced by expected future inflation rates for the country.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)**

Estimasi dan Asumsi (lanjutan)

Imbalan manfaat Pasti dan Imbalan Jangka Panjang Lainnya (lanjutan)

Walaupun Kelompok Usaha berkeyakinan bahwa asumsi tersebut adalah wajar dan sesuai, perbedaan signifikan pada hasil aktual atau perubahan signifikan dalam asumsi yang ditetapkan Kelompok Usaha dapat mempengaruhi secara material liabilitas diestimasi atas pensiun dan imbalan kerja dan beban imbalan kerja neto. Nilai tercatat atas liabilitas diestimasi atas imbalan kerja Kelompok Usaha pada tanggal 31 Desember 2014 adalah sebesar US\$123.836.463 (2013 - Disajikan kembali: US\$101.362.939). Penjelasan lebih rinci mengenai asumsi-asumsi yang digunakan diungkapkan pada Catatan 35.e.

Instrumen Keuangan

Ketika nilai wajar dari aset keuangan dan liabilitas keuangan dicatat dalam laporan posisi keuangan konsolidasian tidak dapat diambil dari pasar yang aktif, maka nilai wajarnya ditentukan dengan menggunakan teknik penilaian termasuk *option pricing model*. Masukan untuk model tersebut dapat diambil dari pasar yang dapat diobservasi, tetapi apabila hal ini tidak dimungkinkan, sebuah tingkat pertimbangan disyaratkan dalam menetapkan nilai wajar. Pertimbangan tersebut mencakup penggunaan masukan seperti risiko likuiditas, risiko kredit dan volatilitas. Perubahan dalam asumsi mengenai faktor-faktor tersebut dapat mempengaruhi nilai wajar dari instrumen keuangan yang dilaporkan.

Nilai tercatat dari aset keuangan yang diukur pada nilai wajar dalam laporan posisi keuangan konsolidasian pada tanggal 31 Desember 2014 adalah sebesar US\$92.588.146 (2013 - Disajikan kembali: US\$85.384.831), sedangkan nilai tercatat liabilitas keuangan yang diukur pada nilai wajar dalam laporan posisi keuangan konsolidasian pada tanggal 31 Desember 2014 adalah sebesar US\$11.005.055 (2013 - Disajikan kembali: US\$11.927.017) (Catatan 7 dan 33).

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**3. SIGNIFICANT ACCOUNTING JUDGMENT,
ESTIMATES AND ASSUMPTION (continued)**

Estimates and Assumptions (continued)

Defined Benefit and Other Employees' Benefits (continued)

While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual experiences or significant changes in the Group's assumptions may materially affect its estimated liabilities for pension and employees' benefits and net employees' benefits expense. The carrying amount of the Group's estimated liabilities for employees' benefits as of December 31, 2014 was US\$123,836,463 (2013 - As restated: US\$101,362,939). Further details about the assumptions used are disclosed in Note 35.e.

Financial Instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the option pricing model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The carrying amount of financial asset carried at fair value in the consolidated statements of financial position as of December 31, 2014 was US\$92,588,146 (2013 - As restated: US\$85,384,831), while the carrying amount of financial liability carried at fair value in the consolidated statements of financial position as of December 31, 2014 was US\$11,005,055 (2013 - As restated: US\$11,927,017) (Notes 7 and 33).

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)**

Estimasi dan Asumsi (lanjutan)

Cadangan Kerugian Penurunan Nilai atas Piutang Usaha

Kelompok Usaha mengevaluasi akun tertentu jika terdapat informasi bahwa pelanggan yang bersangkutan tidak dapat memenuhi kewajiban keuangannya. Dalam hal tersebut, Kelompok Usaha mempertimbangkan, berdasarkan fakta dan situasi yang tersedia, termasuk namun tidak terbatas pada, jangka waktu hubungan dengan pelanggan dan status kredit dari pelanggan, untuk mencatat provisi yang spesifik atas jumlah piutang pelanggan guna mengurangi jumlah piutang yang diharapkan dapat diterima oleh Kelompok Usaha.

Provisi yang spesifik ini dievaluasi kembali dan disesuaikan jika tambahan informasi yang diterima mempengaruhi jumlah cadangan kerugian penurunan nilai atas piutang usaha. Nilai tercatat dari piutang usaha Kelompok Usaha sebelum penyisihan kerugian penurunan nilai pada tanggal 31 Desember 2014 adalah sebesar US\$343.268.622 (2013 - Disajikan kembali: US\$292.118.936). Penjelasan lebih lanjut diungkapkan dalam Catatan 8.

Ketidakpastian Kewajiban Perpajakan

Pertimbangan signifikan dilakukan dalam menentukan provisi atas pajak penghasilan badan maupun pajak lainnya atas transaksi tertentu. Ketidakpastian timbul terkait dengan interpretasi dari peraturan perpajakan yang kompleks dan jumlah dan waktu dari penghasilan kena pajak di masa depan. Dalam menentukan jumlah yang harus diakui terkait dengan liabilitas pajak yang tidak pasti, Kelompok Usaha menerapkan pertimbangan yang sama yang akan mereka gunakan dalam menentukan jumlah cadangan yang harus diakui sesuai dengan PSAK No. 57, "Provisi, Liabilitas Kontinjensi dan Aset Kontinjensi". Kelompok Usaha membuat analisa untuk semua posisi pajak terkait dengan pajak penghasilan untuk menentukan jika liabilitas pajak untuk manfaat pajak yang belum diakui harus diakui.

Kelompok Usaha mengakui liabilitas atas pajak penghasilan badan berdasarkan estimasi apakah akan terdapat tambahan pajak penghasilan badan. Nilai tercatat neto utang pajak penghasilan badan pada tanggal 31 Desember 2014 adalah sebesar US\$16.503.194 (2013 - Disajikan kembali: US\$14.421.465). Penjelasan lebih rinci diungkapkan dalam Catatan 24.

**3. SIGNIFICANT ACCOUNTING JUDGMENT,
ESTIMATES AND ASSUMPTION (continued)**

Estimates and Assumptions (continued)

Allowance for Impairment Losses on Trade Receivables

The Group evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Group uses judgment, based on the best available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current credit status, to record specific provisions for customers against amounts due to reduce its receivable amounts that the Group expects to collect.

These specific provisions are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment losses on trade receivables. The carrying amount of the Group's trade receivables before allowance for impairment losses as of December 31, 2014 was US\$343,268,622 (2013 - As restated: US\$292,118,936). Further details are disclosed in Note 8.

Uncertain Tax Exposure

Significant judgment is involved in determining the provision for corporate income tax and other taxes on certain transactions. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. In determining the amount to be recognized in respect of an uncertain tax liability, the Group applies similar considerations as it would use in determining the amount of a provision to be recognized in accordance with PSAK No. 57, "Provisions, Contingent Liabilities and Contingent Asset". The Group makes an analysis of all tax positions related to income taxes to determine if a tax liability for unrecognized tax benefit should be recognized.

The Group recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due. The net carrying amount of corporate income tax payable as of Desember 31, 2014 was US\$16,503,194 (2013 - As restated: US\$14,421,465). Further details are disclosed in Note 24.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)**

Estimasi dan Asumsi (lanjutan)

Realisasi dari Aset Pajak Tangguhan

Aset pajak tangguhan diakui atas seluruh rugi fiskal yang belum digunakan sepanjang besar kemungkinannya bahwa laba kena pajak akan tersedia sehingga rugi fiskal tersebut dapat digunakan. Estimasi signifikan oleh manajemen disyaratkan dalam menentukan jumlah aset pajak tangguhan yang dapat diakui, berdasarkan saat penggunaan dan tingkat laba kena pajak dan strategi perencanaan pajak masa depan.

Pada tanggal 31 Desember 2014, Kelompok Usaha memiliki rugi fiskal yang dapat dikompensasi sebesar US\$20.657.223 (2013 - Disajikan kembali: US\$3.233.089). Rugi fiskal tersebut terkait kepada Entitas Anak yang masih mengalami kerugian, belum daluwarsa dan tidak dapat digunakan untuk disalinghapuskan dengan laba kena pajak entitas lain dalam Kelompok Usaha.

Liabilitas Pembongkaran Aset dan Restorasi Area

Kelompok Usaha mengakui provisi untuk liabilitas pembongkaran aset dan restorasi area terkait dengan sumur minyak dan gas, fasilitas dan infrastruktur. Dalam menentukan nilai provisi, asumsi dan estimasi yang diperlukan adalah tingkat diskonto dan biaya yang diharapkan untuk membongkar dan memindahkan semua peralatan dari daerah pengeboran dan restorasi area. Nilai tercatat dari provisi tersebut pada tanggal 31 Desember 2014 dan 2013 masing-masing adalah sebesar US\$73.554.157 dan US\$8.362.468. Penjelasan lebih rinci diungkapkan dalam Catatan 38.

Estimasi Cadangan

Nilai tercatat untuk deplesi, penyusutan dan untuk amortisasi beserta pemulihan nilai tercatat aset minyak dan gas, yang digunakan untuk memproduksi minyak dan gas tergantung pada estimasi cadangan minyak dan gas. Faktor utama yang mempengaruhi estimasi tersebut adalah penilaian teknis atas kuantitas produksi cadangan minyak dan gas yang ada dan kendala ekonomis seperti ketersediaan pasar komersial atas produksi minyak dan gas bumi maupun asumsi yang terkait dengan antisipasi harga komoditas dan biaya pengembangan dan produksi cadangan tersebut.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**3. SIGNIFICANT ACCOUNTING JUDGMENT,
ESTIMATES AND ASSUMPTION (continued)**

Estimates and Assumptions (continued)

Realizability of Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable income will be available against which the losses can be utilized. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

As of December 31, 2014, the Group has tax loss carried forwards amounting to US\$20,657,223 (2013 - As restated: US\$3,233,089). These tax losses relate to Subsidiaries which still incurred losses, have not yet expired and may not be used to offset taxable income elsewhere in the Group.

Asset Abandonment and Site Restoration Obligations

The Group has recognized provision for asset abandonment and site restoration obligations associated with its oil and gas wells, facilities and infrastructures. In determining the amount of provision, assumptions and estimates are required in relation to discount rates and the expected cost to dismantle and remove all the structures from the site and restore the site. The carrying amounts of the provision as of December 31, 2014 and 2013 are US\$73,554,157 and US\$8,362,468, respectively. Further details are disclosed in Note 38.

Reserve Estimates

The amounts recorded for depletion, depreciation and amortization as well as the recovery of the carrying value of oil and gas properties involving production of oil and gas reserves depends on estimated reserves of oil and gas. The primary factors affecting these estimates are technical engineering assessments of producible quantities of oil and gas reserves in place and economic constraints such as the availability of commercial markets for oil and gas production as well as assumptions related to anticipated commodity prices and the costs of development and production of the reserves.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)**

Estimasi dan Asumsi (lanjutan)

Estimasi Cadangan (lanjutan)

Asumsi ekonomi yang digunakan untuk memperkirakan cadangan berubah dari waktu ke waktu dan data geologi bertambah selama masa operasi, oleh karena itu perkiraan cadangan dapat berubah dari waktu ke waktu. Perubahan cadangan yang dilaporkan dapat mempengaruhi hasil dan posisi keuangan Kelompok Usaha dalam berbagai cara diantaranya:

- Nilai tercatat aset dapat terpengaruh akibat perubahan estimasi arus kas masa depan.
- Penyusutan dan amortisasi yang dibebankan ke dalam laporan laba rugi komprehensif konsolidasian dapat berubah apabila beban-beban tersebut ditentukan berdasarkan unit produksi, atau jika masa manfaat ekonomi umur aset berubah.
- Penyisihan untuk aktivitas purna-operasi, restorasi lokasi aset, dan hal-hal yang berkaitan dengan lingkungan dapat berubah apabila terjadi perubahan dalam perkiraan cadangan yang mempengaruhi ekspektasi tentang waktu atau biaya kegiatan ini.
- Nilai tercatat aset/liabilitas pajak tangguhan dapat berubah karena perubahan estimasi pemulihan manfaat pajak.

Penurunan Nilai Aset Non-Keuangan

Sesuai dengan kebijakan akuntansi Kelompok Usaha, setiap aset atau unit penghasil kas dievaluasi pada setiap periode pelaporan untuk menentukan ada tidaknya indikasi penurunan nilai aset. Jika terdapat indikasi tersebut, akan dilakukan perkiraan atas nilai aset yang dapat kembali dan kerugian akibat penurunan nilai akan diakui sebesar selisih antara nilai tercatat aset dengan nilai yang dapat dipulihkan kembali dari aset tersebut. Jumlah nilai yang dapat dipulihkan kembali dari sebuah aset atau kelompok aset penghasil kas diukur berdasarkan nilai yang lebih tinggi antara nilai wajar dikurangi biaya untuk menjual dan nilai pakai aset.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**3. SIGNIFICANT ACCOUNTING JUDGMENT,
ESTIMATES AND ASSUMPTION (continued)**

Estimates and Assumptions (continued)

Reserve Estimates (continued)

The economic assumptions used to estimate reserves change from period to period, and additional geological data is generated during the course of operations, therefore estimates of reserves may change from period to period. Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including:

- *Asset carrying values may be affected due to changes in estimated future cash flows.*
- *Depreciation and amortization charged in the consolidated statements of comprehensive income may change where such charges are determined on a units of production basis, or where the useful economic lives of assets change.*
- *Decommissioning, site restoration and environmental provision may change where changes in estimated reserves affect expectations about the timing or cost of these activities.*
- *The carrying value of deferred tax assets/liabilities may change due to changes in estimates of the likely recovery of the tax benefits.*

Impairment of Non-Financial Assets

In accordance with the Group's accounting policy, each asset or cash generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indications exists, a formal estimate of the recoverable amount is performed and an impairment loss recognized to the extent that the carrying amount of an asset or cash generating unit of a group of assets is measured at the higher of fair value less costs to sell and value in use.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI
AKUNTANSI SIGNIFIKAN (lanjutan)**

Estimasi dan Asumsi (lanjutan)

Penurunan Nilai Aset Non-Keuangan

Aset yang memiliki masa manfaat yang terbatas, seperti *goodwill* atau aset tak berwujud yang belum siap untuk digunakan, tidak diamortisasi dan diuji setiap tahun untuk penurunan nilai. Jumlah nilai yang dapat diperoleh kembali dari unit penghasil kas ditentukan berdasarkan perhitungan nilai pakai.

Aset minyak dan gas bumi yang telah menemukan cadangan terbukti, ditelaah untuk penurunan nilai ketika kejadian dan perubahan keadaan mengindikasikan bahwa nilai tercatat aset tidak dapat dipulihkan. Jika terdapat indikasi tersebut, nilai terpulihkan aset akan diestimasi. Nilai terpulihkan aset ditentukan berdasarkan nilai yang lebih besar antara nilai wajar aset dikurangi biaya untuk menjual dan nilai pakainya.

Penentuan nilai wajar dan nilai pakai membutuhkan manajemen untuk membuat estimasi dan asumsi atas produksi yang diharapkan dan volume penjualan, harga komoditas (mempertimbangkan harga saat ini dan masa lalu, tren harga dan faktor-faktor terkait), cadangan (lihat "Estimasi Cadangan" di atas), biaya operasi, biaya pembongkaran dan restorasi serta belanja modal di masa depan. Estimasi dan asumsi ini terpapar risiko dan ketidakpastian; sehingga ada kemungkinan perubahan situasi dapat mengubah proyeksi ini, yang dapat mempengaruhi nilai aset yang dapat dipulihkan kembali. Dalam keadaan seperti itu, sebagian atau seluruh nilai tercatat aset mungkin akan mengalami penurunan nilai lebih lanjut atau terjadi pengurangan rugi penurunan nilai yang dampaknya akan dicatat dalam laporan laba-rugi.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**3. SIGNIFICANT ACCOUNTING JUDGMENT,
ESTIMATES AND ASSUMPTION (continued)**

Estimates and Assumptions (continued)

Impairment of Non-Financial Assets

Assets that have an indefinite useful-life for example, goodwill or intangible assets not ready to use - are not subject to amortization and are tested annually for impairment. The recoverable amounts of cash generating units have been determined based on value-in-use calculations.

Proven oil and gas properties are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is determined as the greater of an asset's fair value less cost to sell and value in use.

The determination of fair value and value in use requires management to make estimates and assumptions about expected production and sales volumes, commodity prices (considering current and historical prices, price trends and related factors), reserves (see "Reserve Estimates" above), operating costs, decommissioning and site restoration cost, and future capital expenditure. These estimates and assumptions are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired, or the impairment charge reduced, with the impact recorded in the profit or loss.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**4. PENYAJIAN KEMBALI LAPORAN KEUANGAN
KONSOLIDASIAN TAHUN SEBELUMNYA**

Sesuai dengan ketentuan PSAK No. 22 (Revisi 2010), manajemen Kelompok Usaha melakukan penyesuaian retrospektif atas jumlah aset neto sementara yang diakui atas akuisisi SIP pada tanggal 26 Juni 2013, sebagaimana yang sebelumnya dilaporkan dalam laporan keuangan konsolidasian tanggal 31 Desember 2013 dan untuk tahun yang berakhir pada tanggal tersebut untuk mencerminkan hasil perhitungan nilai wajar aset neto teridentifikasi final sebagaimana dijelaskan pada Catatan 17. Lebih lanjut, dengan perubahan nilai wajar aset neto teridentifikasi tersebut, Kelompok Usaha juga melakukan penilaian ulang atas penurunan nilai *goodwill* pada tanggal 31 Desember 2013 dan melakukan penyesuaian yang diperlukan. Dengan demikian, Kelompok Usaha menyajikan kembali laporan keuangan konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2013 tersebut.

Akun-akun yang terpengaruh dalam laporan posisi keuangan konsolidasian tanggal 31 Desember 2013 sebelum dan setelah penyesuaian adalah sebagai berikut:

**4. RESTATEMENT OF PRIOR YEARS'
CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the provisions of PSAK No. 22 (Revised 2010), the management of the Group retrospectively adjusted the provisional amounts of net asset arising from the acquisition of SIP on June 26, 2013, as previously reported in the Group's consolidated financial statements as of December 31, 2013 and for the year then ended to reflect the final fair value of such identifiable net assets as disclosed in Note 17. Further, in relation to the change in the fair value of identifiable net assets, the Group also reassessed goodwill impairment test performed as of December 31, 2013 and made necessary adjustments. Accordingly, the Group restated its consolidated financial statements for the year ended December 31, 2013.

The accounts affected in the consolidated statement of financial position as of December 31, 2013 before and after the restatement are shown below:

	31 Des. 2013/Dec. 31, 2013		
	Dilaporkan Sebelumnya/ As previously Reported	Disajikan Kembali/ As Restated	
ASET			ASSETS
Properti minyak dan gas - setelah dikurangi akumulasi penyusutan, deplesi, amortisasi dan cadangan penurunan nilai	432.617.966	409.142.221	Oil and gas properties - net of accumulated depreciation, depletion, amortization and allowance for impairment
<i>Goodwill</i> dan aset tak berwujud lainnya, neto	25.710.029	4.021.317	Goodwill and other intangible assets, net
Total Aset Tidak Lancar	2.582.647.147	2.537.482.690	Total Non-Current Assets
Total Aset	4.363.174.995	4.318.010.538	Total Assets
LIABILITAS			LIABILITIES
Liabilitas yang masih harus dibayar	180.125.591	180.458.414	Accrued liabilities
Total Liabilitas Jangka Pendek	885.798.906	886.131.729	Total Current Liabilities
Liabilitas pajak tangguhan, neto	571.231	23.912.704	Deferred tax liability, net
Liabilitas jangka panjang imbalan kerja	100.124.151	101.362.939	Long-term liabilities for employee's benefits
Total Liabilitas Jangka Panjang	750.149.566	760.734.933	Total Non-Current Liabilities
Total Liabilitas	1.635.948.472	1.646.866.662	Total Liabilities
EKUITAS			EQUITY
Saldo laba	2.096.615.050	2.040.532.402	Retained earnings
Total Ekuitas yang Dapat Diatribusikan Kepada Pemilik Entitas Induk	2.545.402.272	2.489.321.625	Total Equity Attributable to Owners of the Parent Entity
Total Ekuitas	2.727.226.523	2.671.143.876	Total Equity
Total Liabilitas dan Ekuitas	4.363.174.995	4.318.010.538	Total Liabilities and Equity

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**4. PENYAJIAN KEMBALI LAPORAN KEUANGAN
KONSOLIDASIAN TAHUN SEBELUMNYA
(lanjutan)**

Akun-akun yang terpengaruh dalam laporan laba rugi komprehensif konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2013 sebelum dan setelah penyesuaian adalah sebagai berikut:

**4. RESTATEMENT OF PRIOR YEARS'
CONSOLIDATED FINANCIAL STATEMENTS
(continued)**

The accounts affected in the consolidated statement of comprehensive income for the year ended December 31, 2013 before and after the restatement are shown below:

	31 Des. 2013/Dec. 31, 2013		
	Dilaporkan Sebelumnya/ As previously Reported	Disajikan Kembali/ As Restated	
Beban Pokok Pendapatan	(1.583.522.145)	(1.583.854.969)	Cost of Revenues
Kerugian penurunan nilai atas <i>goodwill</i>	-	(35.533.126)	Impairment losses on goodwill
Kerugian penurunan nilai properti minyak dan gas	-	(23.475.745)	Impairment losses on oil and gas properties
Beban pajak tangguhan	(4.554.593)	(1.295.546)	Deferred tax expense
Total laba komprehensif tahun berjalan	888.215.369	832.132.722	Total comprehensive income for the year
Laba tahun berjalan yang dapat diatribusikan kepada:			Profit for the year attributable to:
Pemilik entitas induk	860.533.234	804.450.586	Owners of the parent entity
Total laba komprehensif tahun berjalan yang dapat diatribusikan kepada:			Total comprehensive income for the year attributable to:
Pemilik entitas induk	854.246.887	798.164.240	Owners of the parent entity
Laba per saham dasar yang dapat diatribusikan kepada pemilik entitas induk	0,04	0,03	Basic earnings per share attributable to equity holders of the parent entity

Kelompok Usaha menyajikan laporan posisi keuangan konsolidasian pada awal periode komparatif tanggal 1 Januari 2013/31 Desember 2012 sesuai ketentuan PSAK No. 1 (Revisi 2009) namun mengingat penyesuaian yang dilakukan adalah sehubungan dengan akuisisi yang terjadi pada tahun 2013, tidak terdapat perubahan pada saldo-saldo akun yang disajikan pada laporan posisi keuangan konsolidasian tanggal 1 Januari 2013/31 Desember 2012.

The Group presented the consolidated statement of financial position as at the beginning of the earliest comparative period as of January 1, 2013/December 31, 2012 in accordance with provision of PSAK No. 1 (Revised 2009) however as the adjustments made is in relation to the acquisition that occur in 2013, there is no change to the accounts balances presented in the consolidated statement of financial position as of January 1, 2013/December 31, 2012.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

5. KAS DAN SETARA KAS

Akun ini terdiri dari:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Kas		
(Rp2.837.625.664 pada tahun 2014 dan Rp2.627.271.900 pada tahun 2013)	228.105	215.544
Bank		
Rekening Dolar Amerika Serikat (US\$) <u>Entitas berelasi dengan Pemerintah</u> (Catatan 37)		
PT Bank Mandiri (Persero) Tbk	251.668.815	400.646.286
PT Bank Negara Indonesia (Persero) Tbk	101.566.355	94.350.229
PT Bank Rakyat Indonesia (Persero) Tbk	98.247.392	60.256.272
<u>Pihak ketiga</u>		
Bank of America, N.A., Singapura	83.961.793	84.949.869
Citibank N.A., Jakarta	2.803.182	112.560
JP Morgan Chase, Texas	21.950.996	-
The Royal Bank of Scotland N.V., Jakarta	49.143	71.357
PT Bank Mizuho	890	-
PT Bank Sumitomo Mitsui Indonesia	543	-
Rekening Rupiah		
<u>Entitas berelasi dengan Pemerintah</u> (Catatan 37)		
PT Bank Mandiri (Persero) Tbk (Rp408.882.656.910 pada tahun 2014 dan Rp176.676.321.956 pada tahun 2013)	32.868.381	14.494.735
PT Bank Negara Indonesia (Persero) Tbk (Rp380.817.072.521 pada tahun 2014 dan Rp88.146.660.556 pada tahun 2013)	30.612.305	7.231.656
PT Bank Rakyat Indonesia (Persero) Tbk (Rp105.234.638.232 pada tahun 2014 dan Rp97.840.476.086 pada tahun 2013)	8.459.376	8.026.949
PT Bank Tabungan Negara (Persero) Tbk (Rp3.708.131.761 pada tahun 2014 dan Rp1.536.675.290 pada tahun 2013)	298.081	126.071
PT Bank Mandiri Syariah (Rp616.465.250 pada tahun 2014 dan Rp544.152.860 pada tahun 2013)	49.555	44.643
<u>Pihak ketiga</u>		
Bank of America N.A., Jakarta (Rp9.801.895.629 pada tahun 2014 dan Rp2.461.148.493 pada tahun 2013)	787.934	201.916
PT Bank Central Asia Tbk (Rp4.133.426.259 pada tahun 2014 dan Rp1.683.651.225 pada tahun 2013)	332.269	138.129
PT Bank CIMB Niaga Tbk (Rp779.619.685 pada tahun 2014 dan Rp771.442.288 pada tahun 2013)	62.670	63.290

5. CASH AND CASH EQUIVALENTS

This account consists of:

Cash on hand (Rp2,837,625,664 in 2014 and Rp2,627,271,900 in 2013)
Cash in banks
<u>United States Dollar (US\$) accounts</u>
<u>Government-related entities (Note 37)</u>
PT Bank Mandiri (Persero) Tbk
PT Bank Negara Indonesia (Persero) Tbk
PT Bank Rakyat Indonesia (Persero) Tbk
<u>Third parties</u>
Bank of America N.A., Singapura
Citibank N.A., Jakarta
JP Morgan Chase, Texas
The Royal Bank of Scotland N.V., Jakarta
PT Bank Mizuho
PT Bank Sumitomo Mitsui Indonesia
Rupiah accounts
<u>Government-related entities (Note 37)</u>
PT Bank Mandiri (Persero) Tbk (Rp408,882,656,910 in 2014 and Rp176,676,321,956 in 2013)
PT Bank Negara Indonesia (Persero) Tbk (Rp380,817,072,521 in 2014 and Rp88,146,660,556 in 2013)
PT Bank Rakyat Indonesia (Persero) Tbk (Rp105,234,638,232 in 2014 and Rp97,840,476,086 in 2013)
PT Bank Tabungan Negara (Persero) Tbk (Rp3,708,131,761 in 2014 and Rp1,536,675,290 in 2013)
PT Bank Mandiri Syariah (Rp616,465,250 in 2014 and Rp544,152,860 in 2013)
<u>Third parties</u>
Bank of America N.A., Jakarta (Rp9,801,895,629 in 2014 and Rp2,461,148,493 in 2013)
PT Bank Central Asia Tbk (Rp4,133,426,259 in 2014 and Rp1,683,651,225 in 2013)
PT Bank CIMB Niaga Tbk (Rp779,619,685 in 2014 and Rp771,442,288 in 2013)

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

5. KAS DAN SETARA KAS (lanjutan)

5. CASH AND CASH EQUIVALENTS (continued)

	31 Desember/December 31,		
	2014	2013 Disajikan kembali/ As restated	
Bank			Cash in banks
Rekening Yen Jepang (JPY)			Japanese Yen (JPY) accounts
<u>Entitas berelasi dengan Pemerintah</u>			<u>Government-related entity (Note 37)</u>
(Catatan 37)			
PT Bank Mandiri (Persero) Tbk			PT Bank Mandiri (Persero) Tbk
(JPY497.129.424 pada tahun			(JPY497,129,424 in 2014 and
2014 dan JPY47.137.416 pada	4.166.055	449.253	JPY47,137,416 in 2013)
tahun 2013)			
<u>Pihak ketiga</u>			<u>Third party</u>
The Royal Bank of Scotland N.V.,			The Royal Bank of Scotland N.V.,
Jakarta			Jakarta
(JPY326.174.393 pada tahun	2.733.415	1.186.235	(JPY326,174,393 in 2014 and
2014 dan JPY124.464.255 pada tahun			JPY124,464,255 in 2013)
2013)			
Rekening Dolar Singapura (SG\$)			Singapore Dollar (SG\$) accounts
<u>Pihak ketiga</u>			<u>Third party</u>
Citibank N.A., Jakarta			Citibank N.A., Jakarta
(SG\$115.612 pada tahun 2014	87.564	175.893	(SG\$115,612 in 2014 and
dan SG\$222.680 pada tahun 2013)			SG\$222,680 in 2013)
Sub-total	640.706.714	672.525.343	Sub-total
Setara kas - Deposito berjangka yang tidak			Cash equivalents - Unrestricted
dibatasi penggunaannya			time deposits
Rekening Dolar Amerika Serikat (US\$)			United States Dollar (US\$) accounts
<u>Entitas berelasi dengan Pemerintah</u>			<u>Government-related entities (Note 37)</u>
(Catatan 37)			
PT Bank Rakyat Indonesia (Persero) Tbk	180.000.000	300.000.000	PT Bank Rakyat Indonesia
			(Persero) Tbk
PT Bank Negara Indonesia (Persero) Tbk	167.268.757	105.400.000	PT Bank Negara Indonesia
PT Bank Mandiri (Persero) Tbk	60.067.726	20.000.000	(Persero) Tbk
			PT Bank Mandiri (Persero) Tbk
Rekening Rupiah			Rupiah accounts
<u>Entitas berelasi dengan Pemerintah</u>			<u>Government-related entities</u>
PT Bank Rakyat Indonesia			PT Bank Rakyat Indonesia
(Persero) Tbk			(Persero) Tbk
(Rp1.175.000.000.000 pada tahun	94.453.375	50.127.164	(Rp1,175,000,000,000 in 2014 and
2014 dan Rp611.000.000.000			Rp611,000,000,000 in 2013)
pada tahun 2013)			
PT Bank Mandiri (Persero) Tbk			PT Bank Mandiri (Persero) Tbk
(Rp351.902.480.000 pada tahun	28.287.975	52.637.822	(Rp351,902,480,000 in 2014 and
2014 dan Rp641.602.480.616			Rp641,602,480,616 in 2013)
pada tahun 2013)			
PT Bank Tabungan Negara			PT Bank Tabungan Negara
(Persero) Tbk			(Persero) Tbk
(Rp300.000.000.000 pada tahun 2014	24.115.756	84.092.221	(Rp300,000,000,000 in 2014 and
dan Rp1.025.000.000.000 pada			Rp1,025,000,000,000 in 2013)
tahun 2013)			
PT Bank Negara Indonesia			PT Bank Negara Indonesia
(Persero) Tbk			(Persero) Tbk
(Rp260.000.000.000 pada tahun	20.900.328	33.841.989	(Rp260,000,000,000 in 2014 and
2014 dan Rp412.500.000.000			Rp412,500,000,000 in 2013)
pada tahun 2013)			
PT Bank Mandiri Syariah			PT Bank Mandiri Syariah
(Nihil pada tahun 2014	-	164.082	(Nil in 2014
dan Rp2.000.000.000			and Rp2,000,000,000 in 2013)
pada tahun 2013)			

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

5. KAS DAN SETARA KAS (lanjutan)

5. CASH AND CASH EQUIVALENTS (continued)

	31 Desember/December 31,		
	2014	2013 Disajikan kembali/ As restated	
Setara kas - Deposito berjangka yang tidak dibatasi penggunaannya <u>Pihak ketiga</u> PT Bank Tabungan Pensiunan Nasional Tbk (Nihil pada tahun 2014 (Rp2.000.000.000 pada tahun 2013)	-	164.082	Cash equivalents - Unrestricted time deposits <u>Third party</u> PT Bank Tabungan Pensiunan Nasional Tbk (Nil in 2014 and (Rp2,000,000,000 in 2013)
Sub-total	575.093.917	646.427.360	Sub-total
Total	1.216.028.736	1.319.168.247	Total

Tingkat bunga tahunan deposito berjangka pada tanggal berikut adalah sebagai berikut:

The annual interest rates of time deposits on the following dates are as follows:

	31 Desember/December 31,		
	2014	2013	
Rekening Rupiah	5,25% - 11,05%	4,00% - 10,00%	Rupiah account
Rekening Dolar AS	0,35% - 2,06%	0,25% - 2,25%	US Dollar account

6. KAS YANG DIBATASI PENGGUNAANNYA

6. RESTRICTED CASH

Akun ini terdiri dari:

This account consists of:

	31 Desember/December 31,		
	2014	2013 Disajikan kembali/ As restated	
Rekening Dolar Amerika Serikat (US\$) <u>Pihak ketiga</u> Bank of America N.A., Singapura The Hongkong and Shanghai Banking Corporation Ltd., Jakarta <u>Entitas berelasi dengan Pemerintah (Catatan 37)</u> PT Bank Mandiri (Persero) Tbk	101.242 515 -	305.505 978 594.150	US Dollar (US\$) accounts <u>Third parties</u> Bank of America N.A., Singapore The Hongkong and Shanghai Banking Corporation Ltd., Jakarta <u>Government-related entity (Note 37)</u> PT Bank Mandiri (Persero) Tbk
Rekening Rupiah <u>Entitas berelasi dengan Pemerintah (Catatan 37)</u> PT Bank Mandiri (Persero) Tbk (Nihil pada tahun 2014 dan Rp3.203.432.934 pada tahun 2013)	-	262.814	Rupiah accounts <u>Government-related entity (Note 37)</u> PT Bank Mandiri (Persero) Tbk (Nil in 2014 and Rp3,203,432,934 in 2013)
Total	101.757	1.163.447	Total

Kas yang dibatasi penggunaannya di Bank of America, N.A. sebesar US\$101.242 dan US\$305.505 masing-masing pada tanggal 31 Desember 2014 dan 2013, ditujukan untuk pembayaran wesel bayar Transgasindo.

The restricted cash in Bank of America, N.A. amounting to US\$101,242 and US\$305,505 as of December 31, 2014 and 2013, respectively, were established for the repayment of Transgasindo's promissory notes.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**6. KAS YANG DIBATASI PENGGUNAANNYA
(lanjutan)**

Kas yang dibatasi penggunaannya di The Hongkong and Shanghai Banking Corporation Ltd. (HSBC) sebesar US\$515 dan US\$978 masing-masing pada tanggal-tanggal 31 Desember 2014 dan 2013, ditujukan untuk pembayaran pinjaman jangka panjang Transgasindo yang diperoleh dari HSBC pada tanggal 30 Agustus 2010 (Catatan 22).

Saldo kas yang dibatasi penggunaannya di PT Bank Mandiri (Persero) Tbk, pihak berelasi, pada tanggal 31 Desember 2013, termasuk rekening penampungan sebesar US\$594.150 sehubungan dengan Perjanjian Domestic Swap antara Perusahaan, PT Banten Global Development dan Gas Supply Pte. Ltd. sehubungan dengan pembelian gas (Catatan 11). Selain itu, terdapat juga rekening penampungan (escrow account) sebesar Rp3.203.432.934 (setara dengan US\$262.814) (Catatan 40.8) sehubungan dengan perjanjian ganti rugi tanah dengan PT Perkebunan Nusantara VII (Persero) terkait dengan proyek transmisi Sumatera Selatan - Jawa Barat (SSWJ). Pada tahun 2014, saldo kas yang dibatasi tersebut telah dicairkan.

7. INVESTASI JANGKA PENDEK

Investasi jangka pendek merupakan investasi pada instrumen utang, yang dikategorikan sebagai aset keuangan tersedia untuk dijual dan nilai wajarnya ditentukan berdasarkan harga kuotasian yang dipublikasikan dalam pasar aktif, yang diterbitkan oleh pihak-pihak berikut:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
<u>Entitas berelasi dengan</u>		
Pemerintah (Catatan 37)		
PT Pertamina (Persero)	65.493.310	65.493.310
Obligasi Pemerintah - Indon 22	14.814.679	14.814.679
Lembaga Pembiayaan Ekspor Indonesia (LPEI)		
(Rp50.000.000.000 pada tahun 2014 dan Rp100.000.000.000 pada tahun 2013)	4.019.293	4.102.059
Surat Berharga Syariah Negara (SBSN)	4.000.000	4.000.000
PT Aneka Tambang (Persero) Tbk (ANTAM)		
(Rp25.000.000.000 pada tahun 2014 dan 2013)	2.009.646	2.051.030
Perum Pegadaian		
(Rp20.000.000.000 pada tahun 2014 dan 2013)	1.607.718	1.640.824
Ditambah (dikurang):		
Laba (rugi) belum direalisasi atas perubahan neto nilai wajar asset keuangan tersedia untuk dijual	405.000	(6.853.617)
Premium	238.500	136.546
Total	92.588.146	85.384.831

6. RESTRICTED CASH (continued)

The restricted cash in The Hongkong and Shanghai Banking Corporation Ltd. (HSBC) amounting to US\$515 and US\$978 as of December 31, 2014 and 2013, respectively, were established for the repayment of Transgasindo's long-term loan obtained from HSBC on August 30, 2010 (Note 22).

The balance of restricted cash in PT Bank Mandiri (Persero) Tbk, a related party, as of December 31, 2013, includes escrow account amounting to US\$594,150 in relation to the Domestic Swap Agreement between the Company, PT Banten Global Development and Gas Supply Pte. Ltd. pertaining to the purchasing of gas (Note 11). Aside from that, there is escrow account amounting to nil and Rp3,203,432,934 (equivalent to US\$262,814) in December 31, 2014 and 2013, respectively (Note 40.8) in accordance with the land compensation agreement with PT Perkebunan Nusantara VII (Persero) in relation to transmission network project of South Sumatera - West Java (SSWJ). In 2014, the balance of restricted cash has been withdrawn.

7. SHORT-TERM INVESTMENTS

Short-term investments represent investment in debt instrument which is categorized as available-for sale financial assets and which fair value is determined by reference to published price quotations in an active market, issued by the following parties:

<u>Government-related entities</u>
(Note 37)
PT Pertamina (Persero)
The Government Bond - Indon 22
Indonesia Eximbank
(Rp50,000,000,000 in 2014 and and Rp100,000,000,000 in 2013)
Surat Berharga Syariah Negara (SBSN)
PT Aneka Tambang (Persero) Tbk
(ANTAM)
(Rp25,000,000,000 in 2014 and 2013)
Perum Pegadaian
(Rp20,000,000,000 in 2014 and 2013)
Add (deduct):
Unrealized gain (loss) on net changes in fair value of available-for-sale financial assets
Premium

Total

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

7. INVESTASI JANGKA PENDEK (lanjutan)

7. SHORT-TERM INVESTMENTS (continued)

31 Desember 2014 dan 2013/December 31, 2014 and 2013

Penerbit obligasi/Bonds issuer : PT Pertamina (Persero)

No./ No.	Bulan pembelian/ Month of Acquisition	Per Lembar/Bonds				Total/Total		Tingkat bunga/ Interest rate
		Nilai Nominal/ Nominal amount	Harga perolehan/ Acquisition cost	Harga pasar/ Market Value		Lembar/ Bonds	Harga perolehan/ Acquisition cost	
				2014	2013			
1.	Jun 2011	100	100	103,607	96,467	10.000	1.000.000	5,250%
2.	Jun 2011	100	99	103,607	96,467	50.000	4.993.750	5,250%
3.	Okt/Oct 2011	100	97	103,607	96,467	100.000	9.686.500	5,250%
4.	Apr 2012	100	99,414-99,675	100,562	91,715	500.000	49.813.060	4,875%
							65.493.310	

Berdasarkan Moody's Investors Services, peringkat dari obligasi tersebut adalah Baa3.

Based on Moody's Investors Services, the bonds are rated at Baa3.

Penerbit obligasi/Bonds issuer : Obligasi Pemerintah Indonesia - INDON 22

No./ No.	Bulan pembelian/ Month of Acquisition	Per Lembar/Bonds				Total/Total		Tingkat bunga/ Interest rate
		Nilai Nominal/ Nominal amount	Harga perolehan/ Acquisition cost	Harga pasar/ Market Value		Lembar/ Bonds	Harga perolehan/ Acquisition cost	
				2014	2013			
1.	Apr 2011	100	98,50-99,00	98,981	90,238	130.000	14.814.679	3,750%
							14.814.679	

Berdasarkan Moody's Investors Services, peringkat dari obligasi tersebut adalah Baa3.

Based on Moody's Investors Services, the bonds are rated at Baa3.

Penerbit obligasi/Bonds issuer: Lembaga Pembiayaan Ekspor Indonesia (LPEI) Seri C

No./ No.	Bulan pembelian/ Month of Acquisition	Per Lembar/Bonds				Total/Total		Tingkat bunga/ Interest rate
		Nilai Nominal/ Nominal amount	Harga perolehan/ Acquisition cost	Harga pasar/ Market Value		Lembar/ Bonds	Harga perolehan/ Acquisition cost	
				2014	2013			
1.	Des/Dec 2011	Rp100	Rp100	Rp95,122	Rp99,925	500.000.000	Rp50.000.000.000	8,500%
							Rp50.000.000.000	

Berdasarkan PT Pefindo, peringkat dari obligasi tersebut adalah idAAA.

Based on PT Pefindo, the bonds are rated at idAAA.

Penerbit obligasi/Bonds issuer: Surat Berharga Syariah Negara (SBSN)

No./ No.	Bulan pembelian/ Month of Acquisition	Per Lembar/Bonds				Total/Total		Tingkat bunga/ Interest rate
		Nilai Nominal/ Nominal amount	Harga perolehan/ Acquisition cost	Harga pasar/ Market Value		Lembar/ Bonds	Harga perolehan/ Acquisition cost	
				2014	2013			
1.	Nop/Nov 2011	100	100	94,664	82,679	40.000	4.000.000	3,3%
							4.000.000	

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

7. INVESTASI JANGKA PENDEK (lanjutan)

Berdasarkan Moody's Investors Service, peringkat dari obligasi tersebut adalah Baa3.

7. SHORT-TERM INVESTMENTS (continued)

Based on Moody's Investors Services, the bonds are rated at Baa3.

Penerbit obligasi/Bonds issuer: PT Aneka Tambang (Persero) Tbk (ANTAM) Seri B

No./ No.	Bulan pembelian/ Month of Acquisition	Per Lembar/Bonds				Total/Total		Tingkat bunga/ Interest rate
		Nilai Nominal/ Nominal amount	Harga perolehan/ Acquisition cost	Harga pasar/ Market Value		Lembar/ Bonds	Harga perolehan/ Acquisition cost	
				2014	2013			
1.	Des/Dec 2011	Rp100	Rp100	Rp89,231	Rp92,441	250.000.000	Rp25.000.000.000	9,05%
							Rp25.000.000.000	

Berdasarkan PT Pefindo, peringkat dari obligasi tersebut adalah idA.

Based on PT Pefindo, the bonds are rated at idA.

No./ No.	Bulan pembelian/ Month of Acquisition	Per Lembar/Bonds				Total/Total		Tingkat bunga/ Interest rate
		Nilai Nominal/ Nominal amount	Harga perolehan/ Acquisition cost	Harga pasar/ Market Value		Lembar/ Bonds	Harga perolehan/ Acquisition cost	
				2014	2013			
1.	Oct/Oct 2011	Rp100	Rp100	Rp92,913	Rp90,674	200.000.000	Rp20.000.000.000	9,00%
							Rp20.000.000.000	

Berdasarkan PT Pefindo, peringkat dari obligasi tersebut adalah idAA+.

Based on PT Pefindo, the bonds are rated at idAA+.

8. PIUTANG USAHA

Akun ini terdiri dari piutang dari:

8. TRADE RECEIVABLES

This account consists of receivables from:

31 Desember/December 31,					
		2014	2013 Disajikan kembali/ As restated		
<u>Entitas berelasi dengan Pemerintah</u> (Catatan 37)				<u>Government-related entities</u> (Note 37)	
Distribusi gas		70.781.375	76.287.787	Gas distribution	
Transmisi gas		5.266.553	2.137.538	Gas transmission	
Sub-total		76.047.928	78.425.325	Sub-total	
<u>Pihak ketiga</u>				<u>Third parties</u>	
Distribusi gas		205.721.493	171.822.728	Gas distribution	
Transmisi gas		28.012.357	31.029.560	Gas transmission	
Minyak dan gas		30.222.124	8.141.743	Oil and gas	
Sewa fiber optik		3.264.720	2.699.580	Fiber optic rental	
Sub-total		267.220.694	213.693.611	Sub-total	
Total		343.268.622	292.118.936	Total	
Cadangan kerugian penurunan nilai				Allowance for impairment losses	
Penurunan individual		(17.471.460)	(11.386.439)	Individual impairment	
Penurunan kolektif		(825.843)	(776.015)	Collective impairment	
Sub-total		(18.297.303)	(12.162.454)	Sub-total	
Neto		324.971.319	279.956.482	Net	

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**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

8. PIUTANG USAHA (lanjutan)

Piutang usaha dari entitas berelasi dengan Pemerintah sebagian besar berasal dari piutang PT Perusahaan Listrik Negara (Persero) (PLN) dan PT PLN Batam masing-masing sebesar US\$43.991.227 dan US\$1.831.541 pada tanggal 31 Desember 2014 dan US\$50.127.813 dan US\$1.582.221 pada tanggal 31 Desember 2013.

Rincian piutang usaha berdasarkan mata uang adalah sebagai berikut:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Dollar Amerika Serikat	294.566.565	245.204.957
Rupiah (Rp605.853.601.520 pada tahun 2014 dan Rp571.834.489.483 pada tahun 2013)	48.702.058	46.913.979
Total	343.268.623	292.118.936

United States Dollar
Rupiah
(Rp605,853,601,520 in 2014
and Rp571,834,489,483 in 2013)

Total

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Saldo awal	12.162.454	13.682.461
Kerugian penurunan nilai selama tahun berjalan (Catatan 30)	6.372.461	3.369.788
Pembalikan cadangan kerugian penurunan nilai	-	(2.586.013)
Perubahan kurs	(237.611)	(2.303.782)
Saldo akhir	18.297.304	12.162.454

Beginning balance
Impairment losses during the year (Note 30)
Reversal of the allowance for impairment losses
Foreign exchange rate changes

Ending balance

Manajemen Kelompok Usaha berpendapat bahwa cadangan kerugian penurunan nilai adalah cukup untuk menutupi kemungkinan atas tidak tertagihnya piutang usaha.

Analisa umur piutang usaha dihitung sejak tanggal faktur adalah sebagai berikut:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Lancar dan tidak mengalami penurunan nilai	306.668.213	261.319.336
Telah jatuh tempo		
> 1 bulan - 3 bulan	14.983.990	14.233.337
> 3 bulan - 6 bulan	3.600.384	861.745
> 6 bulan - 1 tahun	1.154.996	676.774
> 1 tahun	16.861.040	15.027.744
Total	343.268.623	292.118.936

Neither past due nor impaired
Past due
> 1 month - 3 months
> 3 months - 6 months
> 6 months - 1 year
> 1 year

Total

8. TRADE RECEIVABLES (continued)

A substantial portion of the receivables from Government related entities represents receivables from PT Perusahaan Listrik Negara (Persero) (PLN) and PT PLN Batam amounting to US\$43,991,227 and US\$1,831,541 as of December 31, 2014 and US\$50,127,813 and US\$1,582,221 as of December 31, 2013, respectively.

The details of trade receivables based on currencies are as follows:

The changes in the allowance for impairment losses are as follows:

The management of the Group believes that the allowance for impairment losses is adequate to cover any loss from uncollectible of trade receivables.

The aging analysis of trade receivables based on invoice dates are as follows:

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

8. PIUTANG USAHA (lanjutan)

Piutang usaha tidak dijamin, tidak dikenakan bunga dan umumnya dikenakan syarat pembayaran selambat-lambatnya tanggal 20 bulan penagihan.

Transgasindo, Entitas Anak

Pada tanggal 11 Juni 2013, BPH Migas menerbitkan surat No. 781/07/Ka BPH/2013 ("Surat BPH Migas") kepada Direktur Utama Transgasindo terkait penerapan tarif baru *toll fee* pada ruas pipa Grissik - Singapura sebagaimana disebutkan dalam surat keputusan BPH Migas Nomor 217/Tarif/BPH Migas/Kom/VIII/2010 tertanggal 11 Agustus 2010 ("Surat Pengumuman Tarif Baru").

Penerbitan Surat BPH Migas tersebut sehubungan dengan surat keputusan Mahkamah Agung Republik Indonesia No. 205/K/TUN/2012 yang menolak kasasi yang diajukan oleh ConocoPhillips (Grissik) Ltd terkait perselisihannya dengan BPH Migas, tentang tarif baru *toll fee* yang akan diterapkan pada awal Agustus 2010, sebagaimana disebutkan dalam Surat Pengumuman Tarif Baru.

Terkait dengan perselisihan tentang tarif baru, Transgasindo telah mencadangkan rugi penurunan nilai sebesar US\$2.586.013, yang mencerminkan piutang yang diperselisihkan untuk periode Agustus 2010 hingga Desember 2010. Transgasindo tidak mencadangkan rugi penurunan nilai untuk periode 1 Januari 2011 hingga 30 Juni 2013, dikarenakan penagihan pada para *shipper* selama periode tersebut menggunakan tarif lama.

Berdasarkan, Surat BPH Migas tersebut, pada tahun 2013 Transgasindo juga mengakui tambahan pendapatan dan piutang untuk transportasi gas sejak 1 Januari 2011 hingga 30 Juni 2013 yang dihitung dari selisih antara tarif lama dengan tarif baru sebagaimana yang diatur dalam Surat BPH Migas tersebut, dan membalik cadangan kerugian penurunan nilai sebesar US\$2.586.013.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

8. TRADE RECEIVABLES (continued)

Trade receivables are unsecured, non-interest bearing and are generally subject to the terms of payment at no later than the 20th of the billing month.

Transgasindo, a Subsidiary

On 11 June 2013, BPH Migas issued letter No. 781/07/Ka BPH/2013 (the "BPH Migas' Letter") to the President Director of Transgasindo regarding the application of a new tariff for toll fees in the Grissik - Singapore pipeline as stipulated in BPH Migas decision letter No. 217/Tarif/BPH Migas/Kom/VIII/2010 dated 11 August 2010 ("New Tariff Announcement Letter").

The issuance of the BPH Migas' Letter was in relation with the decision letter of Supreme Court of Republic of Indonesia No. 205/K/TUN/2012 rejecting the cassation proposed by ConocoPhillips (Grissik) Ltd about its dispute with BPH Migas, which was due to a new tariff for toll fees to be applied at the beginning of August 2010, as mentioned in the New Tariff Announcement Letter.

Due to the dispute over the new tariff, Transgasindo provided allowance for impairment losses amounting to US\$2,586,013, which represents disputed receivables for the period August 2010 to December 2010. Transgasindo did not provide any additional allowance for impairment losses for the period January 1, 2011 to June 30, 2013, as it had billed the shippers with the old tariff.

By the issuance of the BPH Migas' Letter, in 2013 Transgasindo also recognize the additional revenue and receivables for gas transportation commencing January 1, 2011 through June 30, 2013 which was determined as the difference between the old tariff and the new tariff as stipulated in the BPH Migas' Letter, and reversed the allowance for impairment amounting to US\$2,586,013.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

9. PIUTANG LAIN-LAIN

Akun ini terdiri dari:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Pajak Pertambahan Nilai yang dapat ditagihkan	26.941.189	11.710.173
Piutang dari PT Hoegh LNG Lampung (Rp303.715.969.480 pada tahun 2014)	24.414.467	-
Piutang dari aktivitas minyak dan gas	16.178.532	11.116.613
Piutang denda	7.704.000	-
Bunga deposito dan obligasi (US\$1.794.610 dan Rp3.758.456.753 pada tahun 2014 dan US\$1.617.271 dan Rp7.209.898.630 pada tahun 2013)	2.096.738	2.208.780
Uang muka proyek (Rp21.826.571.157 pada tahun 2014 dan Rp30.240.591.030 pada tahun 2013)	1.754.548	2.480.974
Panjar dinas (Rp19.935.721.644 pada tahun 2014 dan Rp17.963.417.463 pada tahun 2013)	1.602.550	1.473.740
Pemerintah Republik Indonesia	1.301.663	1.301.663
Piutang dari Kuwait Foreign Petroleum Exploration Company K.S.C. (Closed) (KUFPEC)	-	2.687.500
Piutang <i>underlifting</i>	3.025.124	2.934.610
Lain-lain (US\$330.197; SG\$5.527, dan Rp38.908.058.776 pada tahun 2014 dan US\$2.086; SG\$5.527, dan Rp15.176.461.543 pada tahun 2013)	3.462.039	1.251.545
Total	88.480.850	37.165.598
Cadangan kerugian penurunan nilai (Rp14.197.772 dan US\$1.301.663 pada tahun 2014 dan 2013)	(1.302.804)	(1.302.828)
Neto	87.178.046	35.862.770

Perubahan cadangan kerugian penurunan nilai adalah sebagai berikut:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Saldo awal	1.302.828	1.303.131
Kerugian penurunan nilai selama tahun berjalan	-	-
Perubahan kurs	(24)	(303)
Saldo akhir	1.302.804	1.302.828

Piutang Pajak Pertambahan Nilai (PPN) yang dapat ditagihkan merupakan PPN yang dibayarkan oleh entitas anak yang bergerak di bidang eksplorasi dan produksi minyak dan gas bumi di Indonesia, yang dapat ditagih kembali dari Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi (SKK MIGAS).

9. OTHER RECEIVABLES

This account consists of:

Reimbursable Value-Added Tax Receivable from PT Hoegh LNG Lampung (Rp303,715,969,480 in 2014)
Receivables from oil and gas activities
Penalty receivable
Interests on time deposits and bonds (US\$1,794,610 and Rp3,758,456,753 in 2014 and US\$1,617,271 and Rp7,209,898,630 in 2013)
Advances for project (Rp21,826,571,157 in 2014 and Rp30,240,591,030 in 2013)
Advances to employees (Rp19,935,721,644 in 2014 and Rp17,963,417,463 in 2013)
The Government of the Republic of Indonesia
Receivables from Kuwait Foreign Petroleum Exploration Company K.S.C. (Closed) (KUFPEC)
Underlifting receivable
Others (US\$330,197; SG\$5,527 and Rp38,908,058,776 in 2014 and US\$2,086; SG\$5,527 and Rp15,176,461,543 in 2013)
Total
Allowance for impairment losses (Rp14,197,772 and US\$1,301,663 in 2014 and 2013)
Net

The changes in the allowance for impairment losses are as follows:

Beginning balance
Impairment losses during the year
Foreign exchange rate changes
Ending balance

Reimbursable Value Added Tax (VAT) represents VAT paid by the subsidiaries involved in oil and gas exploration and production in Indonesia which is reimbursable from Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi (SKK MIGAS).

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

9. PIUTANG LAIN-LAIN (lanjutan)

Piutang dari PT Hoegh LNG Lampung (Hoegh Lampung) merupakan piutang sehubungan dengan pembayaran pajak pertambahan nilai atas importasi mesin/peralatan yang dilakukan PLI atas nama Hoegh Lampung.

Piutang dari aktivitas minyak dan gas merupakan piutang yang berkaitan dengan aktivitas eksplorasi dan produksi minyak dan gas termasuk pembayaran *cash call* yang berkaitan dengan kontrak kerjasama pada blok Ketapang dan Bangkanai.

Piutang denda merupakan piutang sehubungan dengan denda yang dikenakan kepada Hoegh Lampung karena keterlambatan atas pengeluaran *acceptance certificate* sehubungan dengan penyewaan kapal antara PLI dengan Hoegh Lampung.

Uang muka proyek merupakan pembayaran uang muka atas pembayaran kepada kontraktor atas pekerjaan pemeliharaan.

Piutang *underlifting* dari SKK MIGAS berasal dari blok Ujung Pangkah.

Piutang lain-lain dari Pemerintah Republik Indonesia merupakan piutang sehubungan dengan penerusan pinjaman yang dananya telah tersedia di Bank Indonesia pada tahun 2003 untuk ditarik oleh Perusahaan menunggu kelengkapan administratif.

Berdasarkan Surat Menteri Keuangan No. S/219/PB.3/2009, tanggal 6 Maret 2009 bahwa saldo pada rekening khusus telah ditransfer ke rekening Kas Negara dalam mata uang Dolar Amerika Serikat pada tanggal 12 Februari 2009 dan rekening tersebut telah ditutup pada tanggal 13 Februari 2009 sebagaimana dinyatakan dalam Surat Kepala Bagian Jasa Perbankan Bank Indonesia tanggal 19 Februari 2009 No. 11/49/DASP/LIP, mengenai pemindahan saldo rekening khusus dan penutupan rekening khusus yang tidak aktif, maka manajemen memutuskan untuk membentuk penyisihan atas seluruh piutang dari Pemerintah Republik Indonesia.

Piutang dari Kuwait Foreign Petroleum Exploration Company K.S.C (Closed) (KUFPEC) merupakan piutang sehubungan dengan pembangunan *jetty* di Gresik yang ditanggung oleh KUFPEC sesuai dengan Perjanjian Jual Beli Kufpec Indonesia (Pangkah) B.V. antara SEI dengan KUFPEC.

Manajemen Kelompok Usaha berpendapat bahwa cadangan kerugian penurunan nilai adalah cukup untuk menutupi kemungkinan kerugian atas tidak tertagihnya piutang lain-lain.

9. OTHER RECEIVABLES (continued)

Receivable from PT Hoegh LNG Lampung (Hoegh Lampung) represent amounts due from in relation to the value added tax payments by PLI on imported machineries/equipment on behalf of Hoegh Lampung.

Receivables from oil and gas activities represent receivables relating to oil and gas exploration and production activities including cash call payment relating to the Ketapang and Bangkanai PSCs.

Penalty receivable represents amount due from in relation to penalty charged to Hoegh Lampung due to delay in issuance of acceptance certificate relating to vessel rental between PLI and Hoegh Lampung.

Advances for project represent payments to contractor relating to maintenance activities.

The underlifting receivable from SKK MIGAS relates to Ujung Pangkah block.

Other receivables from the Government of the Republic of Indonesia represent receivables in relation to the two-step loans which funds are available for the Company in Bank Indonesia in 2003 to withdraw pending the completion of certain administrative matters.

Based on the Ministry of Finance Letter No. S/219/PB.3/2009, dated March 6, 2009 which stated that the amount in the special account had been transferred to State Office Funds account in US Dollar currency on February 12, 2009 and such account had been closed on February 13, 2009, as stated in Letter of Head of Banking Services of Bank Indonesia dated February 19, 2009 No. 11/49/DASP/LIP, regarding the transfer of special account amount and closing of inactive special account, the management decided to provide full allowance for these receivables from the Government of the Republic of Indonesia.

Receivables from Kuwait Foreign Petroleum Exploration Company K.S.C (Closed) (KUFPEC) represent construction of jetty in Gresik which will be borne by KUFPEC based on Sales Purchase Agreement of Kufpec Indonesia (Pangkah) B.V. between SEI with KUFPEC.

The management of the Group believes that the allowance for impairment losses is adequate to cover any loss from uncollectible other receivables.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

10. PERSEDIAAN

Akun ini terdiri dari:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Suku cadang minyak dan gas, perlengkapan sumur dan lainnya	33.368.022	8.616.671
Gas alam cair	28.060.877	-
Suku cadang	4.531.058	7.855.836
Penyisihan persediaan usang	(592.531)	(1.857.239)
Total	65.367.426	14.615.268

Oil and gas sparepart,
well supplies and others
Liquified natural gas
Spare parts
Allowance for inventory obsolescence

Total

Perubahan penyisihan persediaan usang adalah sebagai berikut:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Saldo awal	1.857.239	1.303.679
Persediaan dari akuisisi entitas anak	394.570	553.646
Pemulihan/penghapusan penyisihan persediaan	(1.659.278)	(86)
Saldo akhir	592.531	1.857.239

Beginning balance
Inventories from the acquisition of subsidiaries
Provisions during the year

Ending balance

Berdasarkan hasil penelaahan pada tanggal pelaporan, manajemen berkeyakinan bahwa penyisihan tersebut di atas cukup untuk menutupi kemungkinan kerugian dari penurunan nilai pasar persediaan.

Based on a review at the reporting dates, management believes that the above allowance is adequate to cover possible losses from decline in market values of inventories.

Persediaan tidak dijadikan jaminan dan diasuransikan terhadap risiko kebakaran dan risiko lainnya berdasarkan suatu paket polis tertentu dengan jumlah pertanggungan sebesar Rp215.986.878.188 dan US\$24.084.418.

Inventories are not pledged and are insured against losses from fire and other risks under blanket policies for Rp215,986,878,188 and US\$24,084,418.

Manajemen Kelompok usaha berpendapat bahwa nilai pertanggungan cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungkan.

The management of the Group believes that the sum insured is adequate to cover possible losses on the assets insured.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

11. UANG MUKA

Akun ini terdiri dari uang muka untuk:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Pembelian gas bumi ("Take-or-Pay") <u>Entitas berelasi dengan Pemerintah</u> (Catatan 37)		
PT Pertamina EP	76.696.271	76.696.271
<u>Pihak ketiga</u>		
PT Walinusa Energi	28.831.247	4.260.944
PT Sadikun Niagamas Raya	28.591.270	6.667.198
PT Bayu Buana Gemilang	9.133.740	-
PT Indogas Kriya Dwiguna	7.507.103	-
Santos (Madura Offshore) Pty., Ltd.	7.506.003	-
Premier Oil	1.245.844	-
PT Nugas Trans Energy	744.742	864.655
Upfront fee GSPL	494.995	-
PT Gresik Migas	15.231	32.698
PT Niaga Gema Teknologi	-	2.190.177
ConocoPhillips (Grissik) Ltd.	-	26.535.158
Uang muka ship or pay <u>Entitas berelasi dengan Pemerintah</u> (Catatan 37)		
PT Pertamina Gas	2.574.968	1.461.057
Pembelian barang dan jasa	9.999.021	6.426.488
Uang muka pembelian <i>participating interest</i> ke KNOOC	-	2.300.000
Dikurangi bagian jangka panjang:		
Pembelian gas bumi ("Take-or-Pay")	(115.513.977)	(79.783.801)
Pembelian barang dan jasa	(3.385.629)	(5.103.557)
Sub-total	(118.899.606)	(84.887.358)
Bagian jangka pendek:		
Pembelian gas bumi ("Take-or-Pay")	45.252.469	37.463.300
Pembelian barang dan jasa (Rp82.270.596.361 pada tahun 2014 dan Rp16.125.202.083 pada tahun 2013)	6.613.392	1.322.931
Uang muka ship or pay	2.574.968	1.461.057
Uang muka KNOOC	-	2.300.000
Lain-lain (Rp23.502.084.202 pada tahun 2014 dan Rp1.763.011.963 pada tahun 2013)	1.889.236	144.640
Total	56.330.065	42.691.928

Uang muka pembelian gas bumi merupakan pembayaran yang dilakukan sesuai dengan kesepakatan "Make-Up Gas" untuk selisih jumlah gas yang dialirkan dengan jumlah kuantitas pembelian gas minimum seperti yang tertera dalam Perjanjian Jual Beli Gas (Catatan 40). Uang muka tersebut akan dikreditkan dengan kelebihan kuantitas gas yang dialirkan dengan jumlah kuantitas pembelian gas bumi minimum yang terjadi setelahnya.

Uang muka pembelian barang merupakan pembayaran atas pengadaan Metering Regulating System (MRS), pipa baja, pilot dan ball valve kepada pihak ketiga.

11. ADVANCES

This account consists of advances for:

Purchase of natural gas ("Take-or-Pay") <u>Government-related entity</u> (Note 37)	
PT Pertamina EP	
<u>Third parties</u>	
PT Walinusa Energi	
PT Sadikun Niagamas Raya	
PT Bayu Buana Gemilang	
PT Indogas Kriya Dwiguna	
Santos (Madura Offshore) Pty., Ltd.	
Premier Oil	
PT Nugas Trans Energy	
Upfront fee GSPL	
PT Gresik Migas	
PT Niaga Gema Teknologi	
ConocoPhillips (Grissik) Ltd.	
Ship or pay advance <u>Government-related entity</u> (Note 37)	
PT Pertamina Gas	
Purchase of goods and service	
Advance for acquisition of participating interest to KNOOC	
Less non-current portion:	
Purchase of natural gas ("Take-or-Pay")	
Purchase of goods and services	
Sub-total	
Current maturities of:	
Purchase of natural gas ("Take-or-Pay")	
Purchase of goods and services (Rp82,270,596,361 in 2014 and Rp16,125,202,083 in 2013)	
Ship or pay advance	
Advance to KNOOC	
Others (Rp23,502,084,202 in 2014 and Rp1,763,011,963 in 2013)	
Total	

The advances for purchase of natural gas represents payments made under the Make-Up Gas arrangements for the difference between the delivered quantity and the minimum purchase quantity of natural gas as stated in the Gas Sale and Purchase Agreements (Note 40). Such advances will be applied against future deliveries of quantities over the minimum specified purchase quantities of natural gas.

Advance for purchase of goods represents payment for Metering Regulating System (MRS) procurement, steel pipe, pilot and ball valve to the third parties.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

11. UANG MUKA (lanjutan)

Uang muka *ship or pay* merupakan pembayaran untuk selisih jumlah gas yang dialirkan dengan jumlah kuantitas gas bumi minimum yang dialirkan melalui pipa seperti yang tertera dalam Perjanjian Penyaluran Gas melalui EJGP (Catatan 40.2). Uang muka tersebut akan dikreditkan dengan kelebihan kuantitas gas yang dialirkan dengan jumlah kuantitas gas minimum yang disalurkan melalui pipa yang terjadi setelahnya.

Uang muka KNOC sebesar US\$2.300.000 pada tanggal 31 Desember 2013 merupakan uang muka sehubungan dengan perjanjian jual beli hak kepemilikan sebesar 8,91% di blok South East Sumatra (Catatan 40.22).

Manajemen Kelompok Usaha berpendapat bahwa seluruh uang muka tersebut dapat dipulihkan.

11. ADVANCES (continued)

The *ship or pay advance* represents payments for the difference between the delivered quantity and the minimum delivery quantity of natural gas as stated in Transportation Gas Agreement through EJGP (Note 40.2). Such advance will be applied against future deliveries of quantities over the minimum specified delivery quantities of natural gas.

Advance to KNOC amounting to US\$2,300,000 as of December 31, 2013 represents advances in accordance with sales and purchase agreement of 8.91% participating interest in the block South East Sumatra (Note 40.22).

The management of the Group believes that all of such advances can be recovered.

12. BEBAN DIBAYAR DI MUKA

Akun ini terdiri dari:

12. PREPAID EXPENSES

This account consists of:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Arrangement Fee	9.100.000	-
Sewa	4.245.862	433.018
Joint interest billing dari aktivitas minyak dan gas	4.239.091	-
Asuransi	554.216	1.095.832
Lain-lain	110.657	156.025
Total	18.249.826	1.684.875

Arrangement Fee
Rent
Joint interest billing from
Oil and gas activities
Insurance
Others
Total

Berdasarkan perjanjian pinjaman sindikasi tertanggal 28 Agustus 2014 sebesar US\$650.000.000 (Catatan 41.5), Perusahaan diharuskan membayar *arrangement fee* sebesar 1,4% flat dari jumlah fasilitas (Catatan 47.4).

Based on syndication loan agreement dated August 28, 2014 amounting to US\$650,000,000 (Note 41.5), the Company is required to pay *arrangement fee* of 1.4% flat from the total facility amount (Note 47.4).

13. PIUTANG LAIN-LAIN JANGKA PANJANG

Akun ini terdiri dari:

13. OTHER LONG-TERM RECEIVABLES

This account consists of:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Piutang <i>carry</i>	35.600.000	35.600.000
Penyesuaian nilai wajar	(2.376.384)	(3.106.226)
Nilai tercatat	33.223.616	32.493.774
Piutang dari KUFPEC	7.771.788	7.771.788
Penyesuaian nilai wajar	(458.889)	-
Nilai tercatat	7.312.899	7.771.788
Saldo akhir	40.536.515	40.265.562

Carry receivables
Fair value adjustment

Carrying value

Receivable from KUFPEC
Fair value adjustment

Carrying value

Ending balance

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**13. PIUTANG LAIN-LAIN JANGKA PANJANG
(lanjutan)**

Berdasarkan perjanjian *Farm Out* Bangkanai PSC tanggal 11 Maret 2013, SBK akan melakukan pembayaran *carry* kepada Salamander Energy (Bangkanai) Limited atas biaya pengembangan sebesar US\$30.000.000, biaya pengeboran di sumur West Kerendan-1 sebesar US\$5.600.000, dan biaya pengeboran sumur eksplorasi berikutnya sebesar US\$1.500.000 di blok tersebut. Sampai tanggal 31 Desember 2014, jumlah yang telah dibayarkan oleh SBK sebesar US\$35.600.000. SBK dapat memulihkan biaya pengembangan dan pengeboran tersebut pada saat aktivitas produksi, dengan nilai maksimum sebesar jumlah tersebut di atas.

Pada tahun 2013, SBK mencatat penyesuaian nilai wajar atas piutang dari Salamander Energy (Bangkanai) Limited terkait dengan pembayaran *carry* tanpa bunga dengan mengestimasi nilai kini atas penerimaan arus kas masuk masa depan yang didiskonto dengan menggunakan tingkat suku bunga pinjaman SBK (Catatan 31).

Piutang dari Kuwait Foreign Petroleum Exploration Company K.S.C. (Closed) (KUFPEC) merupakan piutang sehubungan dengan beban pajak yang terutang di SIP yang ditanggung oleh KUFPEC sesuai dengan Perjanjian Jual Beli Kufpec Indonesia Pangkah B.V. antara SEI dengan KUFPEC tanggal 24 April 2013.

Pada tahun 2014, SEI mencatat penyesuaian nilai wajar atas piutang dari KUFPEC tanpa bunga dengan mengestimasi nilai kini atas penerimaan arus kas masuk masa depan yang didiskonto dengan menggunakan tingkat suku bunga pinjaman SEI (Catatan 31).

Setelah pengakuan awal, Kelompok Usaha akan mencatat pendapatan bunga *unwinding* atas piutang tersebut yang disajikan dalam akun "Pendapatan Keuangan" di dalam laporan laba rugi komprehensif konsolidasian sampai dengan periode estimasi pembayaran terakhir dengan menyesuaikan jumlah tercatat piutang menjadi nilai nominal.

Manajemen Kelompok Usaha berpendapat bahwa saldo seluruh piutang tersebut dapat ditagih sehingga tidak diperlukan cadangan kerugian penurunan nilai.

**13. OTHER LONG-TERM RECEIVABLES
(continued)**

Based on *Farm Out Agreement* of Bangkanai PSC dated March 11 2013, SBK will pay *carry* to Salamander Energy (Bangkanai) Limited amounting to US\$30,000,000 for development costs, US\$5,600,000 for drilling cost in West Kerendan-1 Well and US\$1,500,000 for the following exploration drilling cost in such block. Until December 31, 2014, the amount paid by SBK was US\$35,600,000. SBK can recover the development and drilling cost during the production activities, to a maximum of the above amounts.

In 2013, SBK recorded fair value adjustment to the receivables from Salamander Energy (Bangkanai) Limited that carries no interest by estimating present value of all future cash receipts discounted using the borrowing rate of SBK (Note 31).

Receivables from Kuwait Foreign Petroleum Exploration Company K.S.C. (Closed) (KUFPEC) represent tax expense incurred in SIP which will be borne by KUFPEC based on Sales Purchase Agreement of Kufpec Indonesia Pangkah B.V. between SEI with KUFPEC dated April 24, 2013.

In 2014, SEI recorded fair value adjustment to the receivables from KUFPEC that carries no interest by estimating present value of all future cash receipts discounted using the borrowing rate of SEI (Note 31).

Subsequent to recognition, the Group will record the *unwinding* interest income for such receivables which is presented under "Finance Income" in the consolidated statements of comprehensive income over the period up to the estimated final payment to adjust the carrying amount of the receivables to its face value.

The management of the Group believes that all of the receivables are collectible. Hence, no allowance for impairment losses is required.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

14. PENYERTAAN SAHAM

Akun ini terdiri dari:

14. INVESTMENT IN SHARES OF STOCK

This account consists of:

31 Desember/December 31, 2014					
Perusahaan/The Company	Persentase kepemilikan/ Percentage of ownership	Nilai tercatat 1 Jan. 2014/ Carrying amount Jan. 1, 2014	Penambahan/ Additions (Pengurangan)/ (Deductions)	Bagian laba (rugi)/ Share of profit (loss)	Nilai tercatat 31 Desember 2014/ Carrying amount December 31, 2014
<u>Metode ekuitas/Equity method</u>					
PT Nusantara Regas (Catatan 37/Note 37)	40,00%	95.328.592	(16.136.096)	30.906.198	110.098.694
PT Gas Energi Jambi (Catatan 37/Note 37)	40,00%	-	-	-	-
<u>Metode biaya perolehan/Cost method</u>					
PT Banten Gas Synergy	0,14%	2.718	-	-	2.718
Sub-total/Sub-total		95.331.310	(16.136.096)	30.906.198	110.101.412
31 Desember/December 31, 2013					
Perusahaan/The Company	Persentase kepemilikan/ Percentage of ownership	Nilai tercatat 1 Jan. 2013/ Carrying amount Jan. 1, 2013	Penambahan/ Additions (Pengurangan)/ (Deductions)	Bagian laba (rugi)/ Share of profit (loss)	Nilai tercatat 31 Des. 2013/ Carrying amount Dec. 31, 2013
<u>Metode ekuitas/Equity method</u>					
PT Nusantara Regas (Catatan 37/Note 37)	40,00%	65.555.082	(2.498.684)	32.272.194	95.328.592
PT Gas Energi Jambi (Catatan 37/Note 37)	40,00%	-	-	-	-
<u>Metode biaya perolehan/Cost method</u>					
PT Banten Gas Synergy	0,14%	2.718	-	-	2.718
Sub-total/Sub-total		65.557.800	(2.498.684)	32.272.194	95.331.310
Entitas Anak-PGASSOL/The Subsidiary-PGASSOL					
<u>Metode ekuitas/Equity method</u>					
PT Promatcon Tepatguna - KSO Muara Bekasi	40,00%	394.671	(394.671)	-	-
Total/Total		65.952.471	(2.893.355)	32.272.194	95.331.310

Tabel berikut menyajikan informasi keuangan atas investasi Kelompok Usaha pada entitas asosiasi:

The following table illustrates summarized financial information of the Group's investments in associates:

31 Desember/December 31, 2014						
Laporan posisi keuangan Entitas Asosiasi/ The Associates' statement of financial position					Pendapatan neto dan laba (rugi) Entitas Asosiasi/ The Associates' net revenues and profit (loss)	
Aset lancar/ Current assets	Aset tidak lancar/ Non-current assets	Liabilitas jangka pendek/ Current liabilities	Liabilitas jangka panjang/ Non-current liabilities	Ekuitas/ Equity	Pendapatan neto/ Net revenues	Laba (rugi)/ Profit (loss)
PT Nusantara Regas	221.839.573	73.352.519	9.331.645	8.852.326	277.008.121	988.121.440
PT Gas Energi Jambi	2.228	37.564	570.214	-	(530.423)	-
Total/Total	221.841.801	73.390.083	9.901.859	8.852.326	276.477.698	988.121.440
31 Desember/December 31, 2013						
Laporan posisi keuangan Entitas Asosiasi/ The Associates' statement of financial position					Pendapatan neto dan laba (rugi) Entitas Asosiasi/ The Associates' net revenues and profit (loss)	
Aset lancar/ Current assets	Aset tidak lancar/ Non-current assets	Liabilitas jangka pendek/ Current liabilities	Liabilitas jangka panjang/ Non-current liabilities	Ekuitas/ Equity	Pendapatan neto/ Net revenues	Laba (rugi)/ Profit (loss)
PT Nusantara Regas	207.218.056	95.528.335	54.617.360	8.046.162	240.082.869	1.086.702.592
PT Gas Energi Jambi	2.275	38.338	653.135	-	(612.522)	-
Total/Total	207.220.331	95.566.673	55.270.495	8.046.162	239.470.347	1.086.702.592

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

14. PENYERTAAN SAHAM (lanjutan)

Pada tanggal 14 April 2010, Perusahaan dan PT Pertamina (Persero) menandatangani Akta Pendirian PT Nusantara Regas, suatu *Joint Venture Company*, yang bergerak dalam bidang pengelolaan dan pengembangan fasilitas *Floating Storage and Regasification Terminal* ("FSRT") di Jawa Barat, termasuk pembelian gas alam cair ("LNG") untuk diolah melalui FSRT dan pemasaran atas hasil olahan FSRT. Sampai tanggal 31 Desember 2014, Perusahaan melakukan penyeteroran investasi sebesar US\$58.158.140 (setara dengan Rp553.076.000.000) yang mencerminkan persentase kepemilikan sebesar 40%.

Pada tanggal 28 Mei 2014 dan 30 Mei 2013, Perusahaan menerima pendapatan dividen dari PT Nusantara Regas masing-masing untuk laba bersih tahun 2013 sebesar US\$16.136.097 dan tahun 2012 sebesar US\$2.498.684.

Pada tahun 2004, Perusahaan melakukan penyertaan saham pada PT Gas Energi Jambi yang bergerak dalam bidang transportasi dan distribusi gas bumi, dengan investasi sebesar Rp1.000.000.000 (setara dengan US\$111.452) yang merupakan persentase kepemilikan sebesar 40%. Pada tanggal 31 Desember 2014 dan 2013, nilai tercatat dari investasi adalah nihil sejalan dengan defisiensi modal yang dialami PT Gas Energi Jambi.

Perusahaan melakukan penyertaan saham pada PT Banten Gas Synergi yang bergerak dalam bidang transportasi dan distribusi gas bumi, dengan harga perolehan sebesar Rp25.000.000 (setara dengan US\$2.718) yang merupakan persentase kepemilikan sebesar 1%. Pada tanggal 14 November 2012, kepemilikan Perusahaan berubah menjadi 0,14% dikarenakan adanya penambahan setoran modal di PT Banten Gas Synergi.

**14. INVESTMENT IN SHARES OF STOCK
(continued)**

On April 14, 2010, the Company and PT Pertamina (Persero) signed the Deed of Establishment of PT Nusantara Regas, a Joint Venture Company, which engages in the management and development of Floating Storage and Regasification Terminal facilities ("FSRT") in West Java, including purchase of Liquefied Natural Gas ("LNG") and marketing of products arising from the operations of FSRT. Until December 31, 2014, the Company paid the total investment amounting to US\$58,158,140 (equivalent to Rp553,076,000,000) which reflect the ownership interest of 40%.

On May 28, 2014 and May 30, 2013, the Company has received dividend income from PT Nusantara Regas for 2013 net income amounting to US\$16,136,097 and 2012 net income amounting to US\$2,498,684, respectively.

In 2004, the Company has invested in shares of stock of PT Gas Energi Jambi, which is engaged in transportation and distribution of natural gas, with investment amounting to Rp1,000,000,000 (equivalent to US\$111,452) which represents 40% ownership interest. As of December 31, 2014 and 2013, the carrying value of the investment is nil in line with capital deficiency incurred in PT Gas Energi Jambi.

The Company has invested in shares of stock of PT Banten Gas Synergi, which is engaged in transportation and distribution of natural gas, with acquisition cost amounting to Rp25,000,000 (equivalent to US\$2,718) which represents 1% ownership interest. On November 14, 2012, the Company's ownership interest was changed to 0.14% due to there was an additional of shares issuance in PT Banten Gas Synergi.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

15. ASET TETAP

Akun ini terdiri dari:

15. FIXED ASSETS

This account consists of:

31 Desember/December 31, 2014				
	Saldo Awal/ Beginning Balances	Penambahan/ Reklasifikasi/ Additions/ Reclassifications	Penyesuaian/ Pengurangan/ Reklasifikasi/ Adjustments/ Deductions/ Reclassifications	Saldo Akhir/ Ending Balances
Harga perolehan				
<u>Kepemilikan langsung</u>				
Tanah	66.695.919	434.091	1.963.671	69.093.681
Bangunan dan prasarana	127.260.715	23.275.224	1.990.674	152.526.613
Mesin dan peralatan	2.598.447.733	360.684.725	59.434.680	3.018.567.138
Kendaraan bermotor	3.694.624	91.605	(1.558.382)	2.227.847
Peralatan kantor	12.825.290	3.866.366	(225.134)	16.466.522
Peralatan dan perabot	13.496.346	1.590.610	(218.468)	14.868.488
<u>Aset dalam penyelesaian</u>	447.319.968	784.588.312	(429.400.209)	802.508.071
<u>Aset belum terpasang</u>	19.304.488	43.945.377	(33.756.650)	29.493.215
<u>Aset kerjasama operasi</u>				
Tanah	1.745.636	-	-	1.745.636
Total	3.290.790.719	1.218.476.310	(401.769.818)	4.107.497.211
Akumulasi penyusutan				
<u>Kepemilikan langsung</u>				
Bangunan dan prasarana	43.563.074	8.003.641	(9.454)	51.557.261
Mesin dan peralatan	1.383.597.430	172.519.725	(13.895.684)	1.542.221.471
Kendaraan bermotor	2.975.776	(1.586.225)	(82.546)	1.307.005
Peralatan kantor	10.073.172	2.630.431	(893.856)	11.809.747
Peralatan dan perabot	8.692.651	3.971.030	(1.590.149)	11.073.532
<u>Aset belum terpasang</u>	4.657.248	(8.562.894)	8.342.218	4.436.572
Total akumulasi penyusutan	1.453.559.351	176.975.708	(8.129.471)	1.622.405.588
Total nilai tercatat	1.837.231.368			2.485.091.623
31 Desember/December 31, 2013				
	Saldo Awal/ Beginning Balances	Penambahan/ Reklasifikasi/ Additions/ Reclassifications	Penyesuaian/ Pengurangan/ Reklasifikasi/ Adjustments/ Deductions/ Reclassifications	Saldo Akhir/ Ending Balances
Harga perolehan				
<u>Kepemilikan langsung</u>				
Tanah	58.609.544	1.308.314	6.778.061	66.695.919
Bangunan dan prasarana	122.921.794	4.451.907	(112.986)	127.260.715
Mesin dan peralatan	2.512.772.051	15.140.705	70.534.977	2.598.447.733
Kendaraan bermotor	3.624.353	85.959	(15.688)	3.694.624
Peralatan kantor	10.549.090	2.051.268	224.932	12.825.290
Peralatan dan perabot	10.618.980	2.943.058	(65.692)	13.496.346
<u>Aset dalam penyelesaian</u>	235.329.249	300.183.236	(88.192.517)	447.319.968
<u>Aset belum terpasang</u>	22.952.240	18.706.543	(22.354.295)	19.304.488
<u>Aset kerjasama operasi</u>				
Tanah	1.745.636	-	-	1,745.636
Total	2.979.122.937	344.870.990	(33.203.208)	3.290.790.719
Akumulasi penyusutan				
<u>Kepemilikan langsung</u>				
Bangunan dan prasarana	37.083.206	6.949.799	(469.931)	43.563.074
Mesin dan peralatan	1.226.501.438	168.599.931	(11.503.939)	1.383.597.430
Kendaraan bermotor	2.744.660	246.804	(15.688)	2.975.776
Peralatan kantor	8.644.660	1.430.010	(1.498)	10.073.172
Peralatan dan perabot	5.904.842	2.858.681	(70.872)	8.692.651
<u>Aset belum terpasang</u>	4.537.374	5.551.096	(5.431.222)	4.657.248
Total akumulasi penyusutan	1.285.416.180	185.636.321	(17.493.150)	1.453.559.351
Total nilai tercatat	1.693.706.757			1.837.231.368

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

15. ASET TETAP (lanjutan)

Penambahan aset dalam penyelesaian termasuk kapitalisasi biaya pinjaman untuk tahun yang berakhir pada tanggal 31 Desember 2014 sebesar nihil (2013 sebesar US\$35.181).

Penyusutan yang dibebankan pada usaha masing-masing sebesar US\$176.975.708 dan US\$185.636.321 untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013 (Catatan 29 dan 30).

Pada tanggal 31 Desember 2014, aset tetap Perusahaan diasuransikan terhadap kerugian akibat kebakaran dan risiko lain berdasarkan suatu paket polis tertentu dengan total nilai pertanggungan untuk pipa *onshore* sebesar US\$50.000.000 untuk setiap kejadian kerugian atas nilai pertanggungan sebesar US\$887.288.450 dan pipa *offshore* sebesar US\$340.040.079 untuk setiap kejadian kerugian dan US\$35.169.518 dan Rp15.048.774.516.777 untuk aset lainnya.

Aset tetap Entitas Anak diasuransikan terhadap kerugian akibat kebakaran dan risiko lain berdasarkan suatu paket polis tertentu dengan total nilai pertanggungan untuk pipa *onshore* sebesar US\$348.251.088 dan pipa *offshore* sebesar US\$702.878.121 untuk setiap kejadian kerugian, sebesar US\$11.163.897 dan Rp6.959.323.867 untuk aset lainnya.

Manajemen Kelompok Usaha berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungkan.

Pada tanggal-tanggal 31 Desember 2014 dan 2013, jumlah harga perolehan aset tetap Kelompok Usaha yang telah disusutkan penuh dan masih digunakan dalam kegiatan operasional adalah masing-masing sebesar US\$110.467.795 dan US\$91.879.491.

Pada tanggal-tanggal 31 Desember 2014 dan 2013, nilai wajar aset tetap Perusahaan masing-masing adalah sekitar sebesar US\$3.956.367.305 dan US\$7.005.143.594.

Berdasarkan penilaian manajemen Kelompok Usaha, tidak ada kejadian-kejadian atau perubahan-perubahan keadaan yang mengindikasikan penurunan nilai aset tetap pada tanggal-tanggal 31 Desember 2014 dan 2013.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

15. FIXED ASSETS (continued)

The additions to construction in progress include capitalized borrowing costs for the year ended December 31, 2014 amounting to nil (2013: US\$35,181).

Depreciation charged to operations amounted to US\$176,975,708 and US\$185,636,321 for the years ended December 31, 2014 and 2013, respectively (Notes 29 and 30).

As of December 31, 2014, fixed assets are covered by insurance against losses from fire and other risks under certain blanket policies for with sum insured for onshore pipeline of US\$50,000,000 for any one accident or occurrence of sum insured totaling US\$887,288,450 and offshore pipeline of US\$340,040,079 for anyone accident or occurrence and US\$35,169,518 and Rp15,048,774,516,777 for other assets.

The Subsidiaries' fixed assets are covered by insurance against losses from fire and other risks under certain blanket policies for with sum insured for onshore pipeline of US\$348,251,088 and offshore pipeline of US\$702,878,121 for any one accident or occurrence, US\$11,163,897 and Rp6,959,323,867 for other assets.

The management of the Group believes that the sum insured are adequate to cover possible losses from such risks.

As of December 31, 2014 and 2013, the cost of the Group's fixed assets which have been fully depreciated and still used in the operational activities amounted to US\$110,467,795 and US\$91,879,491, respectively.

As of December 31, 2014 and 2013, the fair values of the Company's fixed assets approximately amounted to US\$3,956,367,305 and US\$7,005,143,594, respectively.

Based on the assessment of the management of the Group, there are no events or changes in circumstances which may indicate impairment in value of fixed assets as of December 31, 2014 and 2013.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

15. ASET TETAP (lanjutan)

Aset kerjasama operasi merupakan tanah milik Perusahaan di Surabaya yang digunakan oleh PT Citraagung Tirta Jatim untuk pembangunan pusat perbelanjaan dan tanah milik Kantor Pusat di Jakarta yang akan digunakan oleh PT Winatek Sinergi Mitra Bersama untuk pembangunan pusat perbelanjaan, fasilitas parkir dan fasilitas pendukung lainnya (Catatan 40.7).

Jangka waktu hak atas tanah (Hak Guna Bangunan) yang dimiliki oleh Kelompok Usaha akan berakhir pada berbagai tanggal mulai dari Mei 2022 sampai April 2039 dan dapat diperpanjang.

Pada tanggal 31 Desember 2014 dan 2013, rincian dari aset dalam penyelesaian terdiri dari:

	31 Desember/December 31,		
	2014	2013 Disajikan kembali/ As restated	
Bangunan Kantor	331.437	411.796	Office Building
Pipa Baja			Steel Pipe
Project Management Office ("PMO") 1	172.457.556	99.625.303	Project Management Office ("PMO") 1
PMO 2	250.016.232	51.839.736	PMO 2
PMO 3	286.324.300	235.821.606	PMO 3
PMO 4	22.404.174	-	PMO 4
Mesin dan Peralatan			Machinery and equipment
PMO 3	11.377.334	-	PMO 3
Lain-lain	1.209.316	54.549.381	Others
Sub-total	744.120.349	442.247.822	Sub-total
Entitas Anak	58.387.722	5.072.146	Subsidiaries
Total	802.508.071	447.319.968	Total

PMO 1

Aset dalam penyelesaian dari PMO 1 terdiri dari:

- Jalur pipa Cikande – Bitung (CP3B): 78,54% (tidak diaudit);
- Jalur pipa baja Muara Bekasi – Muara Karang (CP 9): 19,20% (tidak diaudit);
- Paket Penyediaan Penyaluran Gas Muara Karang – Muara Bekasi (PPGMM): 6,86% (tidak diaudit);
- Upgrading Garawangi & Sunyaragi Offtake Station (CP 12): 19,03% (tidak diaudit).

Pada tanggal 31 Desember 2014, manajemen Perusahaan memperkirakan persentase penyelesaian proyek dalam aspek keuangan adalah sebesar 48% (tidak diaudit) (Catatan 47).

15. FIXED ASSETS (continued)

Joint venture assets represent the Company's land in Surabaya which is used by PT Citraagung Tirta Jatim for shopping centre development and Head Office's land in Jakarta which is used by PT Winatek Sinergi Mitra Bersama for development of shopping center, parking facility and other supporting facilities (Note 40.7).

The terms of the landrights ("Hak Guna Bangunan") owned by the Group will be expired in various dates from May 2022 to April 2039 and can be extended.

As of December 31, 2014 and 2013, the details of construction in progress consist of:

	31 Desember/December 31,		
	2014	2013 Disajikan kembali/ As restated	
Bangunan Kantor	331.437	411.796	Office Building
Pipa Baja			Steel Pipe
Project Management Office ("PMO") 1	172.457.556	99.625.303	Project Management Office ("PMO") 1
PMO 2	250.016.232	51.839.736	PMO 2
PMO 3	286.324.300	235.821.606	PMO 3
PMO 4	22.404.174	-	PMO 4
Mesin dan Peralatan			Machinery and equipment
PMO 3	11.377.334	-	PMO 3
Lain-lain	1.209.316	54.549.381	Others
Sub-total	744.120.349	442.247.822	Sub-total
Entitas Anak	58.387.722	5.072.146	Subsidiaries
Total	802.508.071	447.319.968	Total

PMO 1

Construction in progress from PMO 1 consist of:

- Cikande – Bitung pipeline (CP3B) construction: 78.54% (unaudited);
- Muara Bekasi - Muara Karang (CP 9): 19.20% (unaudited);
- Gas supply distribution Muara Karang – Muara Bekasi (PPGMM): 6.86% (unaudited);
- Upgrading Garawangi & Sunyaragi Offtake Station (CP 12): 19.03% (unaudit).

As of December 31, 2014, the Company's management estimated the percentage of completion of the project in financial terms is 48% (unaudited) (Note 47).

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

15. ASET TETAP (lanjutan)

PMO 2

Aset dalam penyelesaian dari PMO 2 terdiri dari:

- Proyek Konsultan Manajemen (PMC) untuk *relocation project* SBU 2 dengan penyelesaian fisik sebesar 30,64% (tidak diaudit);
- Pengadaan pipa region Jawa dengan penyelesaian fisik sebesar 7,54% (tidak diaudit);
- Pemasangan Pipa CP 19 terkait dengan pekerjaan konstruksi jalur pipa Otsuka – Purwosari dengan penyelesaian fisik sebesar 53,84% (tidak diaudit).

Pada tanggal 31 Desember 2014 manajemen Perusahaan memperkirakan persentase penyelesaian Wilayah 2 dalam aspek keuangan adalah sebesar 27% (tidak diaudit) (Catatan 47).

PMO 3

Aset dalam penyelesaian dari PMO 3 terdiri dari:

- Proyek LNG *Floating Storage And Regasification Facilities (FSRF)*

Proyek ini mencakup:

- Pembangunan pipa *offshore* sepanjang kurang lebih 21 km dari fasilitas penambat (*mooring system*) ke *landfall* dan pipa *onshore* dengan panjang kurang lebih 1 km dari *landfall* ke Fasilitas Penerima *Onshore* (ORF) di Labuhan Maringgai;
- Pembangunan Fasilitas Penerima *Onshore* (ORF) di Labuhan Maringgai dengan kapasitas 240 mmfcd;
- Pembangunan *Off-Take Station* (OTS) di Labuhan Maringgai dengan kapasitas 80 mmscd.

LNG FSRF ini merupakan fasilitas untuk menunjang *Floating Storage and Regasification Unit* (FSRU). FSRU adalah sebuah *vessel* dengan kapasitas penyimpanan 170.000 m³. FSRU tersebut memiliki kapasitas *send out rate* LNG sampai dengan 240 mmscd dengan *send out pressure* sebesar 1140 Psig. Proses transfer LNG dari LNG *carrier* ke FSRU menggunakan metode *ship to ship transfer* dengan kapasitas tingkat muatan 5.000 m³ per jam. Pembangunan FSRU ini dilengkapi dengan *mooring system*.

15. FIXED ASSETS (continued)

PMO 2

Construction in progress of PMO 2 consists of:

- Project Management Consultancy (PMC) for *relocation project* of SBU 2 with physical settlement of 30.64% (unaudited);
- Procurement of pipes Java region with physical settlement of 7.54% (unaudited);
- Installation of CP 19 pipe in relation to construction of Otsuka – Purwosari pipeline with physical completion of 53.84% (unaudited).

As of December 31, 2014 the Company's management estimated the percentage of completion in financial terms of Area 2 is 27% (unaudited) (Note 47).

PMO 3

Construction in progress of PMO 3 consists of:

- LNG Floating Storage And Regasification Facilities (FSRF)

The project is consists of:

- Construction of offshore pipeline in which the approximate length is 21 km from mooring system to landfall area and offshore pipeline with approximate length is 1 km landfall area to Onshore receiving Facilities (ORF) in Labuhan Maringgai;
- Construction of Onshore receiving Facilities (ORF) in Labuhan Maringgai with capacity of 240 mmfcd;
- Construction of Off-Take Station (OTS) in Labuhan Maringgai with a capacity of 80 mmscd.

LNG FSRF is a facility to support Floating Storage and Regasification Unit (FSRU). FSRU is a vessel with storage capacity 170,000 m³. The FSRU will have send out rate LNG up to 240 mmscd with send out pressure up to 1140 Psig. LNG transfer system from LNG carrier to FSRU by ship to ship transfer method with capacity of loading rate 5,000 m³ per hour. The construction of FSRU is supported with mooring system facility.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

15. ASET TETAP (lanjutan)

PMO 3 (lanjutan)

- Proyek Distribusi Lampung
Proyek ini terdiri dari:
 - Jalur Labuhan Maringgai - Tanjung Karang sepanjang ±88 km;
 - Proyek Konsultan Manajemen (PMC) terkait pemasangan pipa baja.

Pada tanggal 31 Desember 2014, manajemen Kelompok usaha memperkirakan persentase penyelesaian proyek di Wilayah 3 dalam aspek keuangan adalah 31,23% (tidak diaudit) (Catatan 47).

15. FIXED ASSETS (continued)

PMO 3 (continued)

- Lampung Distribution Project
This project consist of:
 - Labuhan Maringgai - Tanjung Karang project ±88 km;
 - Project Management Consultancy (PMC).

As of December 31, 2014, the Group's management estimated the percentage of completion in financial terms of project in Area 3 is 31.23% (unaudited) (Note 47).

16. ASET EKSPLORASI DAN EVALUASI DAN PROPERTI MINYAK DAN GAS

a. Aset Eksplorasi dan Evaluasi

	Jumlah/ Amount
Saldo 31 Desember 2012	53.057
Penambahan tahun berjalan	-
Saldo 31 Desember 2013	53.057
Penambahan tahun berjalan	12.210.940
Penambahan karena akuisisi	480.100
Saldo 31 Desember 2014	12.744.097

Saldo aset eksplorasi dan evaluasi pada tanggal 31 Desember 2014 merupakan aset untuk blok CBM Lematang, blok South Sesulu, dan blok Bangkanai Barat dengan nilai masing-masing US\$53.057, US\$12.010.865 dan US\$680.175.

Penambahan aset eksplorasi dan evaluasi karena akuisisi selama tahun 2014 merupakan akuisisi 100% dan 30% hak kepemilikan di blok South Sesulu, dan blok Bangkanai Barat (Catatan 40).

b. Properti Minyak dan Gas – Neto

	31 Desember/December 31,	2013 Disajikan kembali/ As restated
	2014	
Sumur dan perlengkapan terkait dan fasilitasnya		
Harga perolehan		
Saldo awal	554.612.632	-
Penambahan tahun berjalan	152.165.734	213.356.410
Penambahan karena akuisisi	963.834.069	341.256.222
Saldo akhir	1.670.612.435	554.612.632
Akumulasi penyusutan, deplesi, dan amortisasi	(217.481.466)	(121.994.666)
Cadangan kerugian penurunan nilai	(36.542.643)	(23.475.745)
Total	1.416.588.326	409.142.221

16. EXPLORATION AND EVALUATION ASSETS AND OIL AND GAS PROPERTIES

a. Exploration and Evaluation Assets

Balance December 31, 2012	53.057
Additions during the year	-
Balance December 31, 2013	53.057
Additions during the year	12.210.940
Additions due to acquisition	480.100
Balance December 31, 2014	12.744.097

The balance of exploration and evaluation assets as of December 31, 2014, consists of assets at CBM Lematang, South Sesulu, and West Bangkanai blocks amounting to US\$53,057, US\$12,010,865, and US\$680,175, respectively.

Additions to exploration and evaluation assets in 2014 due to acquisition represents acquisition of 100% and 30% participating interests in South Sesulu and West Bangkanai blocks (Note 40).

b. Oil and Gas Properties - Net

Wells and related equipment and facilities	
At cost	
Beginning balances	554.612.632
Additions during the year	213.356.410
Additions due to acquisition	341.256.222
Ending balances	1.109.225.264
Accumulated depreciation, depletion, and amortization	(217.481.466)
Allowance for impairment losses	(36.542.643)
Total	855.191.155

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**16. ASET EKSPLOKASI DAN EVALUASI DAN
PROPERTI MINYAK DAN GAS (lanjutan)**

b. Properti Minyak dan Gas – Neto (lanjutan)

Pergerakan properti minyak dan gas adalah sebagai berikut:

**16. EXPLORATION AND EVALUATION ASSETS
AND OIL AND GAS PROPERTIES (continued)**

b. Oil and Gas Properties – Net (continued)

The movements in oil and gas properties are as follows:

Tahun yang berakhir pada tanggal 31 Desember 2014/Year ended December 31, 2014

Blok/ Blocks	Lokasi/ Location	Saldo awal/ Beginning balance	Penambahan/ Addition	Akuisisi/ Acquisition	Pengurangan/ Deduction	Saldo akhir/ Ending balance
Ketapang	Jawa Timur/East Java	127.561.898	76.619.124	-	(12.681.022)	191.500.000
Bangkalanai	Kalimantan Tengah/ Central Kalimantan	55.579.315	23.005.037	-	-	78.584.352
Pangkajene	Jawa Timur/East Java	226.001.008	6.541.547	678.002.805	(70.092.389)	840.452.971
Fasken	Texas	-	42.858.661	134.878.816	(14.237.477)	163.500.000
Muriah	Jawa Tengah/East Java	-	-	101.051.000	-	101.051.000
South East Sumatera	Sumatera	-	3.141.368	49.901.448	(11.542.813)	41.500.003
		409.142.221	152.165.737	963.834.069	(108.553.701)	1.416.588.326

Tahun yang berakhir pada tanggal 31 Desember 2013 – Disajikan kembali/
Year ended December 31, 2013 – As restated

Blok/ Blocks	Lokasi/ Location	Saldo awal/ Beginning balance	Penambahan/ Addition	Akuisisi/ Acquisition	Pengurangan/ Deduction	Saldo akhir/ Ending balance
Ketapang	Jawa Timur/East Java	-	56.561.898	71.000.000	-	127.561.898
Bangkalanai	Kalimantan Tengah/ Central Kalimantan	-	28.579.315	27.000.000	-	55.579.315
Pangkajene	Jawa Timur/East Java	-	128.215.197	243.256.222	(145.470.411)	226.001.008
		-	213.356.410	341.256.222	(145.470.411)	409.142.221

Informasi mengenai akuisisi hak kepemilikan:

Information pertaining the acquisition of participating interest:

Tahun akuisisi/ Acquisition year	Blok/ Block	Hak Kepemilikan/ Participating Interest	Pemilik lama/ Former owner	Nilai Pembelian/ Purchase Price
Maret 2013	Ketapang	20%	Sierra Oil Service Limited	US\$71.000.000
Mei 2013	Bangkalanai	30%	Salamander Energy (Bangkalanai) Limited	US\$27.000.000
Mei 2014	Fasken	36%	Swift Energy Operating LLC	US\$134.878.816
Agustus 2014	South East Sumatra	8,91%	KNOC Sumatera Limited	US\$49.901.448

Pada tanggal 31 Desember 2014, seluruh sumur, perlengkapan dan fasilitas terkait diasuransikan dengan nilai pertanggungan sebesar US\$100.000.000.

As of December 31, 2014, all wells and related equipment and facilities were insured amounting to US\$100,000,000.

Uji penurunan nilai atas properti minyak dan gas

Impairment test on oil and gas properties

Pengujian penurunan nilai atas properti minyak dan gas dilakukan ketika terdapat suatu indikasi bahwa nilai tercatat properti minyak dan gas tersebut mengalami penurunan. Dalam hal ini, manajemen Kelompok usaha menentukan hak kepemilikan pada masing-masing blok sebagai satu UPK.

Impairment test on oil and gas properties is performed when circumstances indicate the CGU's carrying value may be impaired. In this matter, the management of the Group determined the participating interests in the respective blocks as a CGU.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**16. ASET EKSPLORASI DAN EVALUASI DAN
PROPERTI MINYAK DAN GAS (lanjutan)**

b. Properti Minyak dan Gas - Neto (lanjutan)

Menimbang kondisi harga spot minyak dan gas saat ini, manajemen Kelompok Usaha melakukan pengujian penurunan nilai atas UPK yang terdampak, yaitu UPK yang hasil produksinya dijual dengan harga spot.

Berdasarkan hasil pengujian ulang penurunan nilai pada tanggal 31 Desember 2013, Kelompok Usaha mengakui rugi penurunan untuk Blok Pangkah sebesar US\$23.475.745.

Berdasarkan hasil pengujian penurunan nilai pada tanggal 31 Desember 2014, Kelompok Usaha mengakui rugi penurunan nilai properti minyak dan gas untuk Blok Fasken, Ketapang, dan South East Sumatera masing-masing sebesar US\$11.068.096, US\$12.681.022, dan US\$10.912.425. Kelompok Usaha memulihkan kerugian penurunan nilai properti minyak dan gas blok Pangkah yang diakui pada tanggal 31 Desember 2013 sebesar US\$21.594.645 sebagai hasil dari perubahan positif pada estimasi yang digunakan untuk menentukan nilai yang dapat dipulihkan sejak penurunan nilai pertama kali diakui.

Mutasi cadangan penurunan nilai properti minyak dan gas adalah sebagai berikut:

	31 Desember/December 31,		
	2014	2013 Disajikan kembali/ As restated	
Saldo awal	23.475.745	-	Beginning balances
Penambahan tahun berjalan	34.661.543	23.475.745	Additions during the year
Pembalikan tahun berjalan	(21.594.645)	-	Reversal during the year
Saldo akhir	36.542.643	23.475.745	Ending balances

Dalam menguji apakah penurunan nilai dibutuhkan, nilai tercatat setiap UPK dibandingkan dengan jumlah terpulihkan masing-masing UPK tersebut. Jumlah terpulihkan ditentukan berdasarkan nilai pakai yang dihitung berdasarkan proyeksi arus kas yang didasarkan pada anggaran/prakiraan keuangan yang disetujui oleh manajemen senior mencakup periode 5 tahun dan tidak diasumsikan adanya pertumbuhan atas arus kas melebihi periode 5 tahun.

**16. EXPLORATION AND EVALUATION ASSETS
AND OIL AND GAS PROPERTIES (continued)**

b. Oil and Gas Properties - Net (continued)

Considering the current situation of the spot price of oil and gas, the management of the Group performed impairment testing on the affected CGUs, which the products are sold under spot price.

Based on the reassessment of impairment test as of December 31, 2013, the Group recognized impairment losses on Pangkah block amounting to US\$23,475,745.

Based on the result of the impairment test as of December 31, 2014, the Group recognized impairment losses on oil and gas properties of Fasken, Ketapang and South East Sumatera blocks amounting to US\$11,068,096, US\$12,681,022 and US\$10,912,425, respectively. In addition, the Group reversed the previously recognized impairment loss on oil and gas properties of Pangkah block as of December 31, 2013 amounting to US\$21,594,645 resulted from a positive change in the estimates used to determine the assets' recoverable amounts since the impairment losses were initially recognized.

Movements in allowances for impairment losses are as follows:

In assessing whether impairment is required the carrying value of the respective CGUs are compared with their respective recoverable amounts. The recoverable amount has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period and no growth rate is assumed for cash flows beyond five year period.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**16. ASET EKSPLORASI DAN EVALUASI DAN
PROPERTI MINYAK DAN GAS (lanjutan)**

b. Properti Minyak dan Gas – Neto (lanjutan)

Asumsi yang digunakan

Perhitungan nilai pakai untuk properti minyak dan gas sangat sensitif terhadap asumsi-asumsi di bawah ini:

- Lifting
- Harga
- Tingkat diskonto
- Beban operasi dan modal

Lifting: Lifting tahunan yang diproyeksikan ini berdasarkan rencana bisnis manajemen dengan mempertimbangkan kondisi saat ini dan ekspektasi masa depan.

Harga: Harga perkiraan minyak, gas dan LPG didasarkan pada estimasi manajemen dan data pasar yang tersedia.

Tingkat diskonto: Tingkat diskonto berasal dari Biaya Modal Rata-rata Tertimbang setelah pajak (*post-tax Weighted Average Cost of Capital* atau WACC), dengan penyesuaian yang dilakukan untuk mencerminkan risiko khusus untuk properti minyak dan gas, dan untuk menentukan tingkat sebelum pajak. WACC memperhitungkan, baik utang maupun ekuitas, dengan bobot masing-masing 20% dan 80%. Biaya ekuitas sama dengan imbal hasil dari sekuritas yang bebas risiko ditambah dengan premi risiko ekuitas yang disesuaikan untuk risiko sistematis Kelompok Usaha. Biaya utang didasarkan pada perkiraan menyeluruh atas biaya rata-rata tertimbang pembiayaan Kelompok Usaha seolah-olah pembiayaannya menggunakan utang pada tanggal penilaian. Risiko khusus aset diperhitungkan melalui dimasukkannya faktor beta individual. Tingkat diskonto sebelum pajak adalah sebagai berikut:

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**16. EXPLORATION AND EVALUATION ASSETS
AND OIL AND GAS PROPERTIES (continued)**

b. Oil and Gas Properties – Net (continued)

Key assumptions used

The calculation of value in use for Pangkah CGU is most sensitive to the following assumptions:

- Lifting
- Prices
- Discount rates
- Operating and capital expenses

Lifting: The projected annual lifting is based on management business plan considering the current conditions and future expectations.

Prices: Forecasted oil, gas and LPG prices are based on management's estimates and available market data.

Discount rates: Discount rates are derived from the post-tax Weighted Average Cost of Capital (WACC), with appropriate adjustments made to reflect the risks specific to the oil and gas properties and to determine the pre-tax rate. The WACC takes into account both debt and equity, weighted 20% and 80%, respectively. The cost of equity is equal to the return on risk-free securities plus the equity risk premium adjusted for the Group systematic risk. The cost of debt is based on the overall estimate of the weighted average cost of debt finance for the Group as if it were refinancing all of its debt at the valuation date. Asset-specific risk is incorporated by applying individual beta factors. The pre-tax WACC are as follows:

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**16. ASET EKSPLORASI DAN EVALUASI DAN
PROPERTI MINYAK DAN GAS (lanjutan)**

**16. EXPLORATION AND EVALUATION ASSETS
AND OIL AND GAS PROPERTIES (continued)**

b. Properti Minyak dan Gas - Neto (lanjutan)

b. Oil and Gas Properties - Net (continued)

UPK/CGU

Blok South East Sumatera
Blok Fasken
Blok Ketapang

**Diskonto sebelum pajak/
Pre-tax discount rates**

2014

44%
12%
16%

Beban operasi dan modal: Asumsi ini didasarkan pada perencanaan beban operasi dan modal Kelompok Usaha. Manajemen memiliki kontrol penuh atas biaya, dan percaya bahwa asumsi akan tercapai.

Operating and capital expenses: These assumptions are based on the Groups operating and capital expenses plan. The management has full control over the costs, and believes that assumptions will be achievable.

Perubahan terhadap asumsi yang digunakan oleh manajemen dalam menentukan jumlah terpulihkan, khususnya tingkat diskonto dan tingkat pertumbuhan, dapat berdampak signifikan pada hasil pengujian. Manajemen Kelompok Usaha berkeyakinan bahwa tidak terdapat kemungkinan yang beralasan bahwa asumsi utama tersebut di atas dapat berubah sehingga nilai tercatat *goodwill* masing-masing UPK menjadi lebih tinggi dari nilai yang terpulihkan secara material.

Changes to the assumptions used by the management to determine the recoverable amount, in particular the discount rate, can have significant impact on the result of the impairment assessment. Management is of the opinion that there was no reasonably possible change in any of the key assumptions stated above that would cause the carrying amount of the goodwill allocated to the CGU to materially exceed its recoverable amount.

Berdasarkan penelaahan atas aset minyak dan gas secara individu, manajemen berkeyakinan bahwa tidak diperlukan cadangan penurunan nilai lebih lanjut atas aset minyak dan gas pada tanggal 31 Desember 2014 dan 2013.

Based on the review of the individual oil and gas properties, the management believes that no further impairment in value of oil and gas properties is necessary as of December 31, 2014 and 2013.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

17. GOODWILL DAN ASET TAK BERWUJUD LAINNYA

Akun ini terdiri dari:

17. GOODWILL AND OTHER INTANGIBLE ASSETS

This account consist of:

	Goodwill/ Goodwill	Piranti lunak komputer/ Computer software	Biaya perpanjangan hak atas tanah/ Land rights	Total/ Total	
Biaya Perolehan					Cost
Saldo 1 Januari 2013/31 Desember 2012	-	1.592.007	1.612.407	3.204.414	Balance January 1, 2013/ December 31, 2012
Penambahan	-	1.104.327	360.147	1.464.474	Additions
Akuisisi entitas anak - SIP (disajikan kembali - Catatan 4)	35.533.126	-	-	35.533.125	Acquisition of subsidiary - SIP (as restated - Note 4)
Akuisisi entitas anak - TDS	55.378	-	-	55.378	Acquisition of subsidiary - TDS
Saldo 31 Desember 2013 (disajikan kembali - Catatan 4)	35.588.504	2.696.334	1.972.554	40.257.391	Balance December 31, 2013 (as restated - Note 4)
Penambahan	-	198.962	-	198.962	Additions
Akuisisi entitas anak - SIPL	39.341.881	-	-	39.341.881	Acquisition of subsidiary - SIPL
Akuisisi entitas anak - SP	13.128.019	-	-	13.128.019	Acquisition of subsidiary - SP
Pengurangan	-	-	(139.207)	(139.207)	Deductions
Saldo 31 Desember 2014	88.058.404	2.895.296	1.833.347	92.787.046	Balance December 31, 2014
Amortisasi dan penurunan nilai					Amortization and impairment
Saldo 1 Januari 2013/31 Desember 2012	-	(66.333)	(250.293)	(316.626)	Balance January 1, 2013/ December 31, 2012
Amortisasi	-	(326.160)	(60.163)	(386.323)	Amortization
Penurunan nilai (disajikan kembali - Catatan 4)	(35.533.126)	-	-	(35.533.125)	Impairment (as restated - Note 4)
Saldo 31 Desember 2013 (disajikan kembali - Catatan 4)	(35.533.126)	(392.493)	(310.456)	(36.236.074)	Balance December 31, 2013 (as restated - Note 4)
Penurunan nilai	(5.234.075)	-	-	(5.234.075)	Impairment
Amortisasi	-	(311.693)	(60.987)	(372.680)	Amortization
Saldo 31 Desember 2014	(40.767.201)	(704.186)	(371.443)	(41.842.829)	Balance December 31, 2014
Nilai buku neto					Net book value
Saldo 1 Januari 2013/31 Desember 2012	-	1.525.674	1.362.114	2.887.788	Balance January 1, 2013/ December 31, 2012
Saldo 31 Desember 2013 (disajikan kembali - Catatan 4)	55.378	2.303.841	1.662.098	4.021.317	Balance December 31, 2013 (as restated - Note 4)
Saldo 31 Desember 2014	47.291.203	2.191.110	1.461.904	50.944.217	Balance December 31, 2014

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**17. GOODWILL DAN ASET TAK BERWUJUD
LAINNYA (lanjutan)**

Pada bulan Juni 2013, SEI melakukan akuisisi atas 100% kepemilikan saham pada SIP, entitas non-publik yang didirikan di Belanda dan memiliki 25% hak kepemilikan atas Blok Ujung Pangkah.

Pada bulan Januari 2014, SIP melakukan akuisisi atas 100% kepemilikan saham pada HIPL dan HPLLC. HIPL dan HPLLC adalah entitas non-publik yang memiliki masing-masing sebesar 65% dan 10% hak kepemilikan atas Ujung Pangkah PSC. Dengan demikian pada tanggal 31 Desember 2014, Kelompok Usaha memiliki 100% hak kepemilikan atas Blok Ujung Pangkah.

Saldo *goodwill* yang timbul dari akuisisi diatas timbul terutama dari faktor-faktor berikut:

- 1) Nilai kesinambungan usaha yang terkandung dalam kemampuan untuk mempertahankan dan mengembangkan usaha Kelompok Usaha dengan meningkatkan cadangan dan sumber melalui penemuan baru.
- 2) *Entry* strategis untuk memperoleh tambahan *participating interest* pada blok Ujung Pangkah.
- 3) Persyaratan pengakuan aset dan liabilitas pajak tangguhan atas perbedaan nilai wajar yang dialokasikan dengan dasar pengenaan pajak dari aset teridentifikasi yang diperoleh dan liabilitas yang diambil alih dalam kombinasi bisnis yang tidak mencerminkan nilai wajar.

Goodwill tersebut tidak diharapkan dapat dikurangkan untuk tujuan pelaporan pajak.

i. Akuisisi SIP (dahulu Kufpec Indonesia Pangkah (Pangkah) B.V)

Nilai wajar final dari aset dan liabilitas teridentifikasi SIP pada tanggal akuisisi (26 Juni 2013) adalah:

Aset	Nilai Wajar (Catatan 4)/ Fair Value (Note 4)
Kas dan setara kas	23.587
Piutang lain-lain	25.318.546
Persediaan	7.577.980
Beban dibayar dimuka	4.810.491
Pajak dibayar dimuka	11.921.146
Properti minyak dan gas	243.256.222
Sub-total	292.907.972

**17. GOODWILL AND OTHER INTANGIBLE ASSETS
(continued)**

In June 2013, SEI acquired 100% equity interests in SIP, a private company incorporated in Netherlands and has ownership of 25% of participating interest in Ujung Pangkah Block.

In January 2014, SIP acquired 100% equity interests in HIPL and HPLLC. HIPL and HPLLC are private companies having 65% and 10% participating interest in Ujung Pangkah PSC, respectively. Thus, as of December 31, 2014, the Group has 100% participating interest in Ujung Pangkah Block.

Goodwill arises from the above acquisitions principally because of the following factors:

- 1) *The going concern value implicit in the Group's ability to sustain and/or grow the business by increasing reserves and resources through new discoveries.*
- 2) *The strategic entry point to obtain additional participating interest in Ujung Pangkah block.*
- 3) *The requirement to recognize deferred tax assets and liabilities for the difference between the assigned fair values and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value.*

Goodwill is not expected to be deductible for tax purposes.

i. Acquisition of SIP (formerly Kufpec Indonesia Pangkah (Pangkah) B.V)

The final fair values of the identifiable assets and liabilities of SIP as at the date of acquisition (June 26, 2013) were:

Assets
Cash and cash equivalents
Other receivables
Inventories
Prepaid expenses
Prepaid taxes
Oil and gas properties
Sub-total

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**17. GOODWILL DAN ASET TAK BERWUJUD
LAINNYA (lanjutan)**

**i. Akuisisi SIP (dahulu Kufpec Indonesia
Pangkah (Pangkah) B.V) (lanjutan)**

	Nilai Wajar (Catatan 4)/ Fair Value (Note 4)
Liabilitas	
Utang lain-lain	29.034.950
Liabilitas jangka panjang imbalan kerja	1.238.787
Utang kepada pihak berelasi	8.459.834
Liabilitas pajak tangguhan, neto	12.605.626
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	17.250.083
Sub-total	68.589.280
Nilai wajar aset neto teridentifikasi	224.318.692
Goodwill atas akuisisi	35.533.126
Imbalan pembelian yang dialihkan	259.851.818
Dikurangi kas yang diperoleh dari Entitas Anak yang diakuisisi	23.587
Akuisisi Entitas Anak, setelah dikurangi kas yang diperoleh	259.828.231

Imbalan pembelian SIP senilai US\$259.851.818 terdiri dari akuisisi saham sebesar US\$74.276.826 dan pengalihan piutang sebesar US\$185.574.992.

Sebagaimana dijelaskan pada Catatan 4, Kelompok Usaha melakukan evaluasi ulang atas nilai wajar aset teridentifikasi dan liabilitas yang diambil alih berdasarkan tambahan informasi yang diterima sampai tanggal 23 Juni 2014, dan melakukan penyesuaian retrospektif atas nilai wajar aset teridentifikasi dan liabilitas hasil evaluasi sementara tersebut.

Nilai wajar sementara aset neto teridentifikasi dan goodwill yang sebelumnya dilaporkan masing-masing sebesar US\$238.163.106 dan US\$21.688.712 telah disesuaikan secara retrospektif menjadi masing-masing sebesar US\$224.318.693 dan US\$35.533.126.

**17. GOODWILL AND OTHER INTANGIBLE ASSETS
(continued)**

**i. Acquisition of SIP (formerly Kufpec Indonesia
Pangkah (Pangkah) B.V) (continued)**

	Liabilities
	Other payables
	Long term liability for employees' benefits
	Loan to related party
	Deferred tax liability, net
	Asset abandonment and restoration obligations and other provisions
	Sub-total
Total identifiable net assets at fair values	224,318,692
Goodwill arising on acquisition	35,533,126
Purchase consideration transferred	259,851,818
Net cash of the acquired Subsidiary	23,587
Acquisition of a Subsidiary, net of cash acquired	259,828,231

The purchase consideration transferred amounting to US\$259,851,818 consist of acquisition on share in equity amounting to US\$74,276,826 and transfer of receivables amounting to US\$185,574,992.

As disclosed in Note 4, the Group made a reassessment on the fair value of identifiable assets and liabilities assumed based on additional information obtained subsequently through June 23, 2014, and retrospectively adjusted the provisional amounts of such identifiable assets and liabilities.

The previously reported fair value of the identifiable net assets and goodwill amounting to US\$238,163,106 and US\$21,688,712, respectively, were adjusted to US\$224,318,693 and US\$35,533,126, respectively.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**17. GOODWILL DAN ASET TAK BERWUJUD
LAINNYA (lanjutan)**

i. Akuisisi SIP (dahulu Kufpec Indonesia Pangkah (Pangkah) B.V) (lanjutan)

Sehubungan dengan penyesuaian yang dilakukan atas nilai wajar aset neto teridentifikasi yang mempengaruhi jumlah *goodwill* dari akuisisi tersebut, Kelompok Usaha mengevaluasi ulang atas pengujian penurunan nilai yang dilakukan pada tanggal 31 Desember 2013. *Goodwill* sebesar US\$35.533.126 dialokasikan sepenuhnya kepada properti minyak dan gas dari SIP. UPK SIP merupakan bagian dari segmen minyak dan gas yang dilaporkan. Dari hasil analisa tersebut, pada tanggal 31 Desember 2013, manajemen menentukan bahwa *goodwill* yang timbul dari akuisisi SIP tidak terpulihkan seluruhnya dan properti minyak dan gas mengalami penurunan nilai sebesar US\$23.475.745 (Catatan 16).

ii. Akuisisi SIPL (dahulu Hess (Indonesia Pangkah) Limited)

Nilai wajar dari aset dan liabilitas teridentifikasi Hess (Indonesia Pangkah) Limited pada tanggal akuisisi (10 Januari 2014) adalah:

	Nilai Wajar/ Fair Value
Aset	
Kas dan setara kas	19.416.567
Piutang	49.081.311
Persediaan	16.759.843
Properti minyak dan gas	587.602.431
Aset lain-lain	20.766.211
Sub-total	693.626.363
Liabilitas	
Utang usaha	11.025.387
Liabilitas yang masih harus dibayar	54.937.250
Utang lain-lain	5.597.872
Utang pajak	38.666.939
Liabilitas jangka panjang imbalan kerja	6.286.448
Liabilitas pajak tangguhan, neto	20.433.594
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	31.257.512
Sub-total	168.205.002
Nilai wajar aset neto teridentifikasi	525.421.361
<i>Goodwill</i> atas akuisisi	39.341.881
Imbalan pembelian yang dialihkan	564.763.242
Dikurangi kas yang diperoleh dari Entitas Anak yang diakuisisi	(19.416.567)
Akuisisi Entitas Anak, setelah dikurangi kas yang diperoleh	545.346.675

**17. GOODWILL AND OTHER INTANGIBLE ASSETS
(continued)**

i. Acquisition of SIP (formerly Kufpec Indonesia Pangkah (Pangkah) B.V) (continued)

In connection with adjustment made on the fair value of the identifiable net assets which impact the balance of goodwill from the acquisition, the Group reassessed the goodwill impairment test performed as of December 31, 2013. Goodwill amounting to US\$35,533,126 is allocated entirely to oil and gas properties of SIP. SIP CGU forms part of the oil and gas reportable segment. As a result of this analysis as of December 31, 2013, management determined that goodwill from acquisition of SIP was fully impaired and impairment recognized on oil and gas properties amounted to US\$23,475,745 (Note 16).

ii Acquisition of SIPL (formerly Hess (Indonesia Pangkah) Limited)

The fair values of the identifiable assets and liabilities of Hess (Indonesia Pangkah) Limited as at the date of acquisition (January 10, 2014) were:

Assets	
Cash and cash equivalents	
Receivables	
Inventories	
Oil and gas properties	
Other assets	
Sub-total	
Liabilities	
Trade payables	
Accrued expenses	
Other payables	
Taxes payables	
Long term liability for employee benefits	
Deferred tax liability, net	
Asset abandonment and restoration obligations and other provisions	
Sub-total	
Total identifiable net assets at fair values	
<i>Goodwill</i> arising on acquisition	
Purchase consideration transferred	
<i>Net cash of the acquired Subsidiary</i>	
Acquisition of a Subsidiary, net of cash acquired	

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**17. GOODWILL DAN ASET TAK BERWUJUD
LAINNYA (lanjutan)**

ii. Akuisisi SIPL (dahulu Hess (Indonesia Pangkah) Limited) (lanjutan)

Imbalan pembelian yang dialihkan sebesar US\$564.763.242 terdiri dari akuisisi saham sebesar US\$27.429.910 dan pengalihan piutang sebesar US\$537.333.333.

iii. Akuisisi SP (dahulu Hess Pangkah LLC)

Nilai wajar dari aset dan liabilitas teridentifikasi Hess Pangkah LLC pada tanggal akuisisi (10 Januari 2014) adalah:

	Nilai Wajar/ Fair Value
Aset	
Kas dan setara kas	950.648
Piutang	4.390.062
Persediaan	2.652.939
Beban dibayar dimuka	122.180
Properti minyak dan gas	90.400.374
Sub-total	98.516.203
Liabilitas	
Utang usaha	1.306.286
Liabilitas yang masih harus dibayar	8.495.588
Liabilitas jangka panjang imbalan kerja	628.645
Utang pajak	5.880.879
Liabilitas pajak tangguhan, neto	1.022.976
Liabilitas pembongkaran aset dan restorasi area dan provisi lain lain	4.808.848
Sub-total	22.143.222
Nilai wajar aset neto teridentifikasi	76.372.981
Goodwill atas akuisisi	13.128.019
Imbalan pembelian yang dialihkan	89.501.000
Dikurangi kas yang diperoleh dari Entitas Anak yang diakuisisi	(950.648)
Akuisisi Entitas Anak, setelah dikurangi kas yang diperoleh	88.550.352

Imbalan pembelian yang dialihkan senilai US\$89.501.000 terdiri dari akuisisi saham sebesar US\$29.424.981 dan pengalihan piutang sebesar US\$60.076.021.

**17. GOODWILL AND OTHER INTANGIBLE ASSETS
(continued)**

ii Acquisition of SIPL (formerly Hess (Indonesia Pangkah) Limited) (continued)

The purchase consideration transferred amounting to US\$564,763,242 consist of acquisition on share in equity amounting to US\$27,429,910 and transfer of receivables amounting to US\$537,333,333.

iii Acquisition of SP (formerly Hess Pangkah LLC)

The fair values of the identifiable assets and liabilities of Hess Pangkah LLC as at the date of acquisition (January 10, 2014) were:

	Assets
Cash and cash equivalents	
Receivables	
Inventories	
Prepaid expenses	
Oil and gas properties	
Sub-total	
Liabilities	
Trade payables	
Accrued expenses	
Long term liability for employee benefits	
Tax payables	
Deferred tax liability, net	
Asset abandonment and restoration obligation and other provision	
Sub-total	
Total identifiable net assets at fair values	
Goodwill arising on acquisition	
Purchase consideration transferred	
Net cash of the acquired Subsidiary	
Acquisition of a Subsidiary, net of cash acquired	

The purchase consideration transferred amounting to US\$89,501,000 consist of acquisition on share in equity amounting to US\$29,424,981 and transfer of receivables amounting to US\$60,076,021.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**17. GOODWILL DAN ASET TAK BERWUJUD
LAINNYA (lanjutan)**

iv. Akuisisi

Nilai wajar dari aset dan liabilitas teridentifikasi SROL pada tanggal akuisisi (16 Desember 2014) adalah:

Aset	Nilai Wajar Sementara/ Provisional Fair Value
Piutang dan aset lain-lain	316.378
Persediaan	235.624
Pajak dibayar di muka	6.729.357
Properti minyak dan gas	101.051.000
Sub-total	108.332.359
Liabilitas	
Utang usaha dan utang lain-lain	55.763.801
Liabilitas pajak tangguhan	1.184.830
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	5.376.413
Sub-total	62.325.044
Nilai wajar aset neto teridentifikasi	46.007.315
Keuntungan dari pembelian dengan diskon	(5.604.315)
Imbalan pembelian yang dialihkan	40.403.000

Keuntungan dari pembelian dengan diskon disajikan pada akun "Keuntungan dari Pembelian dengan Diskon" pada laporan laba rugi komprehensif. Manajemen Kelompok Usaha berpendapat bahwa Akuisisi SROL dengan harga pembelian yang lebih rendah dari nilai wajarnya dikarenakan penjual ingin segera memonetisasi asetnya, tidak ada penawar lain dalam akuisisi ini dan proses negosiasi yang berlangsung ketat.

Uji penurunan nilai terhadap Goodwill

Nilai tercatat goodwill pada tanggal 31 Desember 2014 dan 2013 adalah sebagai berikut:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Berasal dari akuisisi bisnis minyak dan gas:		
CGU - Saka Indonesia Pangkah Ltd.	39.341.881	-
CGU - Saka Indonesia Pangkah LLC.	7.893.944	-
Berasal dari akuisisi bisnis lainnya	55.378	55.378
Total	47.291.203	55.378

Pengujian penurunan nilai atas goodwill dilakukan secara tahunan bersamaan dengan pengujian atas UPK dimana goodwill tersebut dialokasikan, dan ketika terdapat suatu indikasi bahwa nilai tercatat UPK tersebut mengalami penurunan.

**17. GOODWILL AND OTHER INTANGIBLE ASSETS
(continued)**

iv. Acquisition

The fair values of the identifiable assets and liabilities of SROL as at the date of acquisition (December 16, 2014) were:

Assets	Assets
Receivable and other Assets	
Inventories	
Prepaid taxes	
Oil and gas properties	
Sub-total	
Liabilities	
Trade and other payables	
Deferred tax liabilities	
Asset abandonment and restoration obligations and other provisions	
Sub-total	
Total identifiable net assets at fair values	Total identifiable net assets at fair values
Gain on bargain purchase	Gain on bargain purchase
Purchase consideration transferred	Purchase consideration transferred

The gain on bargain purchase is presented under "Gain on Bargain Purchase" in the statement of comprehensive income. Management of The Group believes that it was able to acquire SROL with purchase consideration less than the fair value of its assets because of seller's urgency to monetize the assets, no comparative bid from other party and tight-fisted negotiation process.

Impairment test on Goodwill

Carrying amount of goodwill as at December 31, 2014 and 2013 are as follows:

Arising from acquisition of oil and gas business:
CGU - Saka Indonesia Pangkah Ltd.
CGU - Saka Indonesia Pangkah LLC
Arising from acquisition of other business

Goodwill is tested for impairment annually together with the CGU to which such goodwill was allocated, and when circumstances indicate that the CGU's carrying value may be impaired.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**17. GOODWILL DAN ASET TAK BERWUJUD
LAINNYA (lanjutan)**

Uji penurunan nilai terhadap Goodwill (lanjutan)

Berdasarkan hasil pengujian pada tanggal 31 Desember 2014 dan 2013, Kelompok Usaha mengakui rugi penurunan nilai goodwill yang dialokasikan ke Blok Pangkah masing-masing sebesar US\$5.234.075 dan US\$35.533.126.

Dalam menguji apakah penurunan nilai goodwill diperlukan, nilai tercatat goodwill dialokasikan ke aset atau UPK yang relevan untuk mendapatkan nilai tercatat kombinasi. Nilai tercatat kombinasi tersebut dibandingkan dengan nilai terpulihkan UPK. Nilai terpulihkan adalah jumlah yang lebih besar antara nilai wajar UPK dikurangi biaya untuk menjual dan nilai pakai (Catatan 16).

Jumlah terpulihkan goodwill ditentukan berdasarkan perhitungan nilai pakai yang dihitung berdasarkan proyeksi arus kas dari rencana usaha yang telah disetujui oleh manajemen senior mencakup periode 12 tahun (jumlah tahun sejak 2015 sampai dengan berakhirnya PSC Pangkah). Arus kas yang diproyeksikan diperbaharui untuk mencerminkan penurunan yang signifikan atas harga minyak. Tingkat diskonto sebelum pajak yang digunakan dalam proyeksi arus kas pada tahun 2014 adalah 19% (Catatan 16).

Asumsi yang digunakan

Perhitungan nilai pakai untuk properti minyak dan gas sangat sensitif terhadap asumsi-asumsi di bawah ini:

- Lifting
- Tingkat diskonto
- Harga
- Beban operasi dan modal

Lifting: Lifting tahunan yang diproyeksikan ini berdasarkan rencana bisnis manajemen dengan mempertimbangkan kondisi saat ini dan ekspektasi masa depan.

Tingkat diskonto: tingkat diskonto sebelum pajak yang digunakan masing-masing pada tanggal 31 Desember 2014 dan 2013 adalah sebesar 19% dan 17% merupakan Biaya Modal Rata-rata Tertimbang setelah pajak (WACC).

Harga: Harga perkiraan minyak, gas dan LPG didasarkan pada estimasi manajemen dan data pasar yang tersedia.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**17. GOODWILL AND OTHER INTANGIBLE ASSETS
(continued)**

Impairment testing on Goodwill (continued)

Based on the result of the impairment test as of December 31, 2014 and 2013, the Group recognized impairment losses on goodwill allocated to Pangkah Block amounting to US\$5,234,075 and US\$35,533,126, respectively.

In assessing whether impairment on goodwill is required, the carrying value of goodwill is allocated to the relevant assets or CGU to obtain combined carrying value. The combined carrying value is compared with CGU's recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs to sell and value in use (Note 16).

The recoverable amount of goodwill has been determined based on a value in use calculation using cash flow projections from the business plan approved by senior management covering 12-years period (number of years from 2015 up to termination of Pangkah PSC). The projected cash flows have been updated to reflect the significant decline in oil price. The pre-tax discount rate applied to the cash flow projections is at 19% in 2014 (Note 16).

Key assumptions used

The calculation of value in use for Pangkah CGU is most sensitive to the following assumptions:

- Lifting
- Discount rates
- Prices
- Operating and capital expenses

Lifting: The projected annual lifting is based on management business plan considering the current conditions and future expectations.

Discount rates: The pre-tax discount rates used as of December 31, 2014 and 2013 amounted to 19% and 17%, respectively which derived from the post-tax weighted average cost of capital (WACC).

Prices: Forecasted oil, gas and LPG prices are based on management's estimates and available market data.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**17. GOODWILL DAN ASET TAK BERWUJUD
LAINNYA (lanjutan)**

Uji penurunan nilai terhadap Goodwill (lanjutan)

Beban operasi dan modal: Asumsi ini didasarkan pada perencanaan beban operasi dan modal Kelompok Usaha. Manajemen memiliki kontrol penuh atas biaya, dan percaya bahwa asumsi akan tercapai.

Perubahan terhadap asumsi yang digunakan oleh manajemen dalam menentukan jumlah terpulihkan, khususnya tingkat diskonto dan tingkat pertumbuhan, dapat berdampak signifikan pada hasil pengujian. Manajemen Kelompok Usaha berkeyakinan bahwa tidak terdapat kemungkinan yang beralasan bahwa asumsi utama tersebut di atas dapat berubah sehingga nilai tercatat goodwill masing-masing UPK menjadi lebih tinggi dari nilai yang terpulihkan secara material.

**17. GOODWILL AND OTHER INTANGIBLE ASSETS
(continued)**

Impairment testing on Goodwill (continued)

Operating and capital expenses: These assumptions are based on the Group's operating and capital expenses plan. The management has full control over the costs, and believes that assumptions will be achievable.

Changes to the assumptions used by the management to determine the recoverable amount, in particular the discount rate, can have significant impact on the result of the impairment assessment. Management is of the opinion that there was no reasonably possible change in any of the key assumptions stated above that would cause the carrying amount of the goodwill allocated to the CGU to materially exceed its recoverable amount.

18. UTANG USAHA

Akun ini terdiri dari:

18. TRADE PAYABLES

This account consists of:

	31 Desember/December 31,		
	2014	2013 Disajikan kembali/ As restated	
<u>Entitas berelasi dengan Pemerintah</u> (Catatan 37)			<u>Government-related entities</u> (Note 37)
PT Pertamina EP	28.258.571	72.661.777	PT Pertamina EP
PT Pertamina Hulu Energi	3.563.731	4.141.879	PT Pertamina Hulu Energi
PT Pertamina Gas	1.088.908	1.649.524	PT Pertamina Gas
PT Nusantara Regas	-	15.690.534	PT Nusantara Regas
<u>Pihak ketiga</u>			<u>Third parties</u>
ConocoPhillips (Grissik) Ltd.	72.682.379	15.841.538	ConocoPhillips (Grissik) Ltd.
Santos (Madura Offshore) Pty. Ltd.	6.868.692	11.744.484	Santos (Madura Offshore) Pty. Ltd.
PT Sadikun Niagamas Raya	4.064.215	1.969.420	PT Sadikun Niagamas Raya
PT Walinusa Energi	3.513.001	1.895.866	PT Walinusa Energi
PT Indogas Kriya Dwiguna	3.351.472	2.606.582	PT Indogas Kriya Dwiguna
Premier Oil Natuna Sea B.V	2.686.176	-	Premier Oil Natuna Sea B.V
PT Bayu Buana Gemilang	2.310.230	1.284.623	PT Bayu Buana Gemilang
Kangean Energy Indonesia Ltd.	1.760.695	1.760.695	Kangean Energy Indonesia Ltd.
PT Taruko Energy	1.438.500	1.731.660	PT Taruko Energy
PT Sarana Indo Energi	1.237.577	2.210.446	PT Sarana Indo Energi
PT Nugas Trans Energy	1.229.483	1.024.811	PT Nugas Trans Energy
PT Niaga Gema Teknologi	1.162.795	1.013.524	PT Niaga Gema Teknologi
PT Inti Daya Latu Prima	976.303	237.305	PT Inti Daya Latu Prima
Sembcorp Gas Pte. Ltd	603.224	-	Sembcorp Gas Pte. Ltd
Gas Supply PTE. Ltd	406.016	-	Gas Supply PTE. Ltd
PT Gresik Migas	195.434	162.990	PT Gresik Migas
Lapindo Brantas, Inc.	177.936	499.360	Lapindo Brantas, Inc.
PT Granary Global Energy (US\$72.822 dan Rp69.489.728 pada tahun 2014 dan US\$126.903 dan Rp258.804.330 pada tahun 2013)	78.408	148.135	PT Granary Global Energy (US\$72,822 and Rp69,489,728 in 2014 and US\$126,903 and Rp 258,804,330 in 2013)
PT T Energy (US\$894 dan Rp4.888.935)	1.287	-	PT T Energy (US\$894 dan Rp4,888,935)
PT Petross Gas (US\$394 pada tahun 2014 dan US\$9.091 dan Rp50.871.099 pada tahun 2013)	394	13.264	PT Petross Gas (US\$394 in 2014 and US\$9,091 and Rp 50,871,099 in 2013)
PT Medco E&P Indonesia	-	20.032.059	PT Medco E&P Indonesia
Total	137.655.427	158.320.476	Total

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

18. UTANG USAHA (lanjutan)

Analisa umur utang usaha dihitung sejak tanggal faktur adalah sebagai berikut:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Sampai dengan 1 bulan	135.761.479	94.288.907
> 1 bulan - 3 bulan	130.257	9.910.994
> 3 bulan - 6 bulan	-	-
> 6 bulan - 1 tahun	-	26.010.919
> 1 tahun	1.763.691	28.109.656
Total	137.655.427	158.320.476

Utang usaha tidak dikenakan bunga dan umumnya dibayar antara 10 sampai 30 hari sejak tanggal faktur diterima.

Utang usaha atas pembelian gas bumi ke Pertamina telah diperhitungkan piutang usaha atas penjualan gas ke Stasiun Pengisian Bahan Bakar (SPBG) milik Pertamina di Jakarta dan piutang atas transportasi gas ke pelanggan tertentu Pertamina sejumlah US\$24.839 dan US\$15.439 masing-masing pada tanggal 31 Desember 2014 dan 2013 (Catatan 40.1.).

19. PINJAMAN JANGKA PENDEK

Akun ini terdiri dari:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Bank of Tokyo Mitsubishi - UFJ, Cabang Jakarta	-	200.000.000
PT Bank Sumitomo Mitsui Indonesia	-	100.000.000
Total	-	300.000.000

Bank of Tokyo Mitsubishi - UFJ (BTMU)

Berdasarkan perjanjian No. 13-0931LN tanggal 27 Desember 2013, BTMU menyetujui untuk memberikan pinjaman jangka pendek kepada Perusahaan senilai US\$200.000.000 untuk mendukung modal kerja. Jangka waktu fasilitas kredit adalah 12 bulan sejak tanggal 27 Desember 2013 dan dikenakan tingkat suku bunga BBA LIBOR tiga bulan ditambah margin sebesar 1,25% per tahun dan biaya *upfront fee* 0,20%. Pada bulan Juni 2014, Perusahaan telah melunasi pinjaman ini.

18. TRADE PAYABLES (continued)

The aging analysis of trade payables based on invoice dates are as follows:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Up to 1 month	135.761.479	94.288.907
> 1 month - 3 months	130.257	9.910.994
> 3 months - 6 months	-	-
> 6 months - 1 year	-	26.010.919
> 1 year	1.763.691	28.109.656
Total	137.655.427	158.320.476

Trade payables are non-interest bearing and are normally settled within 10 to 30 days since invoice were received.

The outstanding payable to Pertamina for the gas purchases has been calculated by the trade receivables totaling US\$24,839 and US\$15,439 as of December 31, 2014 and 2013, respectively, relating to the sale of gas to Pertamina's fuel gas filling stations (SPBG) in Jakarta and gas transmission to certain Pertamina's customers (Note 40.1.).

19. SHORT-TERM LOANS

This account consists of:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Bank of Tokyo Mitsubishi - UFJ, Jakarta branch	-	200.000.000
PT Bank Sumitomo Mitsui Indonesia	-	100.000.000
Total	-	300.000.000

Bank of Tokyo Mitsubishi - UFJ (BTMU)

Based on the Loan Agreement No. 13-0931LN dated December 27, 2013, BTMU agreed to provide short-term loan to the Company amounting to US\$200,000,000 to support general corporate purposes. The term of the credit facility is valid for 12 months since December 27, 2013 and subject to three months BBA LIBOR interest rate plus margin of 1.25% per annum and upfront fee of 0.20%. In June 2014, the Company has fully repaid this loan.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

19. PINJAMAN JANGKA PENDEK (lanjutan)

PT Bank Sumitomo Mitsui Indonesia (BSMI)

Berdasarkan perjanjian No. BSMI/NS/0298 tanggal 24 Desember 2013, BSMI menyetujui untuk memberikan pinjaman jangka pendek kepada Perusahaan senilai US\$100.000.000 untuk mendukung modal kerja. Jangka waktu fasilitas kredit adalah 12 bulan sejak tanggal 24 Desember 2013 dan dikenakan tingkat suku bunga BBA LIBOR tiga bulan ditambah margin sebesar 1,25% per tahun dan biaya *upfront fee* dan komitmen sebesar 0,20%. Pada bulan Juni 2014, Perusahaan telah melunasi pinjaman ini.

19. SHORT-TERM LOANS (continued)

PT Bank Sumitomo Mitsui Indonesia (BSMI)

Based on the Loan Agreement No. BSMI/NS/0298 dated December 24, 2013, BSMI agreed to provide short-term loan to the Company amounting to US\$100,000,000 to support general corporate purposes. The term of the credit facility is valid for 12 months since December 24, 2013 and subject to three months BBA LIBOR interest rate plus margin of 1.25% per annum and upfront fee and commitment fee of 0.20%. In June 2014, the Company has fully repaid this loan.

20. UTANG LAIN-LAIN

Akun ini terdiri dari:

20. OTHER PAYABLES

This account consists of:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
<u>Bagian utang yang jatuh tempo dalam waktu satu tahun:</u>		
Liabilitas kepada kontraktor dan pemasok (US\$1.567.957 dan Rp978.644.635.485 pada tahun 2014 dan US\$10.237.448 dan Rp163.833.383.639 pada tahun 2013)	80.237.139	23.678.534
Cash call	13.799.126	16.077.556
Jaminan gas (US\$10.891.388 dan Rp49.443.825.647 pada tahun 2014 dan US\$8.873.261 dan Rp41.305.241.917 pada tahun 2013)	14.865.972	12.261.992
PT Riau Andalan Pulp and Paper	1.919.640	1.902.108
Pembelian barang dan jasa (US\$36.279 dan Rp13.416.581.343 pada tahun 2014 dan US\$227.290 dan Rp14.087.711.604 pada tahun 2013)	1.114.783	1.383.063
ConocoPhillips (Grissik) Ltd.	910.451	159.662
Jaminan masa konstruksi proyek	546.079	591.852
Lain-lain (Rp18.099.533.394 pada tahun 2014 dan Rp18.947.412.384 pada tahun 2013)	1.454.946	1.554.467
Sub-total	114.848.136	57.609.234
<u>Bagian jangka panjang:</u>		
Liabilitas ship or pay	12.457.390	-
Sub-total	12.457.390	-
Total	127.305.526	57.609.234

Liabilitas kepada kontraktor dan pemasok merupakan liabilitas sehubungan dengan pembangunan gedung PMO 2 dan PMO 3 (Catatan 15 dan 21).

Current maturities of payables:
Liabilities to contractors and suppliers (US\$1,567,957 and Rp978,644,635,485 in 2014 and US\$10,237,448 and Rp163,833,383,639 in 2013)
Cash call
Gas guarantee deposits (US\$10,891,388 and Rp49,443,825,647 in 2014 and US\$8,873,261 and Rp41,305,241,917 in 2013)
PT Riau Andalan Pulp and Paper
Purchase of goods and services (US\$36,279 and Rp13,416,581,343 in 2014 and US\$227,290 and Rp14,087,711,604 in 2013)
ConocoPhillips (Grissik) Ltd.
Project performance bonds
Others (Rp18,099,533,394 in 2014 and Rp18,947,412,384 in 2013)

Long-term portion:
Ship or pay liabilities

Sub-total

Total

Liabilities to contractors and suppliers represents mainly liabilities related to the construction of building for PMO 2 and PMO 3 (Note 15 and 21).

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

20. UTANG LAIN-LAIN (lanjutan)

Utang *cash call* merupakan utang kepada operator yang berkaitan dengan kegiatan operasional di blok Ujung Pangkah, Fasken, Bangkanai Barat, Muriah, dan Ketapang.

Utang jaminan gas merupakan uang jaminan gas yang diterima oleh Perusahaan dari pelanggan dalam rangka transaksi penjualan gas.

Utang lancar lainnya kepada PT Riau Andalan Pulp and Paper (RAPP) terkait dengan Perjanjian Jual Beli Gas (PJBG). Berdasarkan perjanjian ini, RAPP bersedia menyediakan fasilitas-fasilitas seperti jaringan pipa gas, *metering station* dan fasilitas lainnya yang kemudian akan dikompensasi dengan pemakaian gas oleh RAPP.

Utang lain-lain pembelian barang dan jasa terkait utang kepada pemasok terkait dengan pembelian barang dan jasa.

Liabilitas kepada ConocoPhillips (Grissik) Ltd. merupakan utang atas pemakaian gas untuk pengoperasian kompresor milik Transgasindo.

Liabilitas *ship-or-pay* merupakan pembayaran yang diterima Transgasindo atas kekurangan penyaluran gas sesuai dengan ketentuan kuantitas minimum berdasarkan Perjanjian Pengangkutan Gas ("Gas Transportation Agreement") (Catatan 40.17).

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

20. OTHER PAYABLES (continued)

Cash call payables represent payables to operator related with operational activities in Ujung Pangkah, Fasken, Bangkanai Barat, Muriah, and Ketapang blocks.

Gas guarantee deposits payable represents gas deposits received by the Company from the customers in relation to the gas sales transactions.

Other payables to PT Riau Andalan Pulp and Paper (RAPP) is related to Gas Sales and Purchase Agreement (GSPA). Based on this agreement, RAPP agreed to build facilities such as gas pipelines, metering station and other facilities and those will be compensated by usage of gas by RAPP.

Other payables purchase of goods and services related to payables to suppliers for purchase of goods and services.

Liability to ConocoPhillips (Grissik) Ltd. represents liability for the usage of gas in order to operate the Transgasindo's compressors.

Ship-or-pay liabilities represents payment received by Transgasindo for the under-delivery of gas based on the committed quantity under Gas Transportation Agreement (Note 40.17).

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

21. LIABILITAS YANG MASIH HARUS DIBAYAR

Akun ini terdiri dari:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Liabilitas kepada kontraktor dan pemasok (US\$377.053.251 dan Rp1.181.324.266.212 pada tahun 2014 dan US\$133.060.024, SGD86.000 dan Rp282.040.616.393 pada tahun 2013)	472.015.008	156.266.986
Liabilitas atas aktivitas minyak dan gas Bunga (US\$10.026.593 dan JPY182.065.960 pada tahun 2014 dan US\$1.521.017 dan JPY191.071.659 pada tahun 2013)	154.008.472	3.925.480
Pembelian aset tetap Iuran ke BPH Migas (Rp20.447.690.615 pada tahun 2014 dan Rp9.896.559.209 pada tahun 2013)	11.552.347	3.342.068
Jasa konsultan (Rp33.759.110.726 pada tahun 2014 dan Rp17.344.851.824 pada tahun 2013)	22.838.152	9.712.549
Beban pemeliharaan Lain-lain (Rp33.221.957.529 pada tahun 2014 Rp43.585.852.785 pada tahun 2013)	1.643.705	811.925
	2.713.755	1.422.992
	1.216.877	1.400.581
	2.670.575	3.575.833
Total	668.658.891	180.458.414

a. Liabilitas atas aktivitas minyak dan gas

Liabilitas atas aktivitas minyak dan gas merupakan liabilitas yang berkaitan dengan aktivitas eksplorasi dan produksi minyak dan gas.

b. Bunga

Biaya bunga yang masih harus dibayar pada tanggal 31 Desember 2014 terdiri dari akrual biaya bunga pinjaman sebesar US\$2.711.722 (2013: US\$3.342.068) (Catatan 22) dan bunga utang obligasi sebesar US\$8.440.625 (Catatan 23).

c. Beban pemeliharaan

Liabilitas beban pemeliharaan merupakan kewajiban yang muncul terkait dengan adanya kegiatan pemeliharaan aset tetap Perusahaan.

21. ACCRUED LIABILITIES

This account consists of:

Liabilities to contractors and suppliers (US\$377,053,251 and Rp1,181,324,266,212 in 2014 and US\$133,060,024 and SGD86,000 and Rp282,040,616,393 in 2013)	
Liabilities for oil and gas activities	
Interests	
(US\$10,026,593 and JPY182,065,960 in 2014 and US\$1,521,017 and JPY191,071,659 in 2013)	
Purchase of fixed assets	
BPH Migas levy	
(Rp20,447,690,615 in 2014 and Rp9,896,559,209 in 2013)	
Consultant fees	
(Rp33,759,110,726 in 2014 and Rp17,344,851,824 in 2013)	
Maintenance expense	
Others	
(Rp33,221,957,529 in 2014 and Rp43,585,852,785 in 2013)	

Total

a. Liabilities for oil and gas activities

Liabilities for oil and gas activities represent liabilities relating to oil and gas exploration and production activities.

b. Interests

Accrued interest as of December 31, 2014 consists of interest on loans amounting to US\$2,711,722 (2013: US\$3,342,068) (Note 22) and interest on bonds payable amounting to US\$8,440,625 (Note 23).

c. Maintenance expense

Liabilities for maintenance expense represent liabilities incurred from the Company's maintenance of fixed assets activities.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**21. LIABILITAS YANG MASIH HARUS DIBAYAR
(lanjutan)**

d. Iuran ke BPH Migas

Pada tanggal 30 Januari 2006, Pemerintah menetapkan Peraturan Pemerintah No. 1/2006 di mana perusahaan yang bergerak dalam bidang distribusi dan pengangkutan gas bumi wajib membayar iuran kepada Badan Pengatur (BPH Migas) sebesar 0,3% dari volume penjualan distribusi gas bumi dikali tarif distribusi dan 3% dari volume pengangkutan gas bumi dikali tarif pengangkutan.

Pada tanggal 31 Desember 2013 dan 24 Mei 2013, BPH Migas menetapkan perkiraan besaran iuran Perusahaan untuk tahun 2014 dan 2013 masing-masing sebesar Rp90 miliar (setara dengan US\$7,4 juta) dan Rp82 miliar (setara dengan US\$8,4 juta).

Pada tanggal 31 Desember 2013 dan 8 Januari 2013, BPH Migas menetapkan perkiraan besaran iuran Transgasindo tahun 2014 dan 2013 masing-masing sebesar Rp48.309.430.800 (setara dengan US\$3.963.363) dan Rp40.025.435.480 miliar (setara dengan US\$4.030.000).

Pada tanggal 31 Desember 2013, BPH Migas menetapkan perkiraan besaran iuran Gagas tahun 2014 sebesar Rp2 miliar (setara dengan US\$166 ribu).

Saldo iuran ke BPH Migas merupakan liabilitas Perusahaan dan Transgasindo masing-masing sebesar US\$870.017 dan US\$773.688 pada tanggal 31 Desember 2014 dan nihil, US\$811.925 dan nihil pada tanggal 31 Desember 2013.

22. PINJAMAN JANGKA PANJANG

Akun ini terdiri dari:

Entitas berelasi dengan Pemerintah
(Catatan 37)

Perusahaan

Pinjaman yang diperoleh Pemerintah dari pemberi pinjaman (Penerusan Pinjaman)

PT Bank Negara Indonesia (Persero) Tbk

31 Desember/December 31,

2014	2013 Disajikan kembali/ As restated

464.534.323	559.304.881
56.250.000	75.000.000

21. ACCRUED LIABILITIES (continued)

d. BPH Migas levy

On January 30, 2006, the Government issued Government Regulation No. 1/2006 which requires companies engaged in gas distribution and transportation to pay contribution charges to Regulatory Body (BPH Migas) at the amount of 0.3% from volume of natural gas sales distributed times distribution tariff and 3% from volume of gas transported times transportation tariff.

On December 31, 2013 and May 24, 2013, BPH Migas issued the decree which stated that the Company's levy estimation for years 2014, and 2013 amounted to Rp90 billion (equivalent to US\$7.4 million) and Rp82 billion (equivalent to US\$8.4 million).

On December 31, 2013 and January 8, 2013, BPH Migas issued the decree which stated that the Transgasindo's levy estimation for years 2014, and 2013 amounted to Rp48,309,430,800 (equivalent to US\$3,963,363) and Rp40,025,435,480 (equivalent to US\$4,030,000).

On December 31, 2013, BPH Migas issued the decree which stated that the Gagasan's levy estimation for year 2014 amounted to Rp2 billion (equivalent to US\$166 thousand).

The balance of BPH Migas levy consists of the Company's and Transgasindo's liability amounting to US\$870,017 and US\$773,688 as of December 31, 2014, respectively and nil, US\$811,925 and nil as of December 31, 2013, respectively.

22. LONG-TERM LOANS

This account consists of:

Government-related entities (Note 37)
The Company

Loans obtained by the Government from the lenders (Two-step Loans)
PT Bank Negara Indonesia (Persero) Tbk

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

22. PINJAMAN JANGKA PANJANG (lanjutan)

22. LONG-TERM LOANS (continued)

	31 Desember/December 31,		
	2014	2013 Disajikan kembali/ As restated	
<u>Pihak ketiga</u> <u>Entitas Anak</u> The Hongkong and Shanghai Banking Corporation Ltd., Jakarta	39.382.495	91.651.870	<u>Third Party</u> <u>Subsidiary</u> The Hongkong and Shanghai Banking Corporation Ltd., Jakarta
Total	560.166.818	725.956.751	Total
Dikurangi pinjaman jangka panjang yang jatuh tempo dalam waktu satu tahun:			Less current maturities of long-term loans:
<u>Entitas berelasi dengan Pemerintah (Catatan 37)</u> <u>Perusahaan</u> Pinjaman yang diperoleh Pemerintah dari pemberi pinjaman (Penerusan Pinjaman) PT Bank Negara Indonesia (Persero) Tbk	28.995.427 18.750.000	42.599.023 18.750.000	<u>Government-related entities (Note 37)</u> <u>The Company</u> Loans obtained by the Government from the lenders (Two-step Loans) PT Bank Negara Indonesia (Persero) Tbk
<u>Pihak ketiga</u> <u>Entitas Anak</u> The Hongkong and Shanghai Banking Corporation Ltd., Jakarta	39.382.495	52.631.579	<u>Third Party</u> <u>Subsidiary</u> The Hongkong and Shanghai Banking Corporation Ltd., Jakarta
Total	87.127.922	113.980.602	Total
Bagian jangka panjang, Neto	473.038.896	611.976.149	Long-term portion, Net

Penerusan Pinjaman

Penerusan Pinjaman merupakan pinjaman jangka panjang yang diperoleh dari Pemerintah Republik Indonesia yang dibiayai oleh:

Two-step loans

Two-step Loans represent long-term loans from the Government of the Republic of Indonesia, which are funded by:

	31 Desember/December 31,		
	2014	2013 Disajikan kembali/ As restated	
Japan Bank for International Cooperation (SLA-1156/DP3/2003) (JPY45.346.863.000 pada tahun 2014 dan JPY46.937.981.000 pada tahun 2013)	380.016.920	447.352.962	Japan Bank for International Cooperation (SLA-1156/DP3/2003) (JPY45,346,863,000 in 2014 and JPY46,937,981,000 in 2013)
Japan Bank for International Cooperation (SLA-879/DP3/1996)	3.807.172	11.421.517	Japan Bank for International Cooperation (SLA-879/DP3/1996)
Sub total	383.824.092	458.774.479	Sub total
International Bank for Reconstruction and Development (SLA-1201/DP3/2006)	50.987.426	54.348.966	International Bank for Reconstruction and Development (SLA-1201/DP3/2006)
International Bank for Reconstruction and Development (SLA-1166/DP3/2004)	58.270	448.986	International Bank for Reconstruction and Development (SLA-1166/DP3/2004)
Sub total	51.045.696	54.797.952	Sub total
European Investment Bank (SLA-877/DP3/1996 dan SLA-1139/DP3/2000)	26.128.705	35.124.962	European Investment Bank (SLA-877/DP3/1996 and SLA-1139/DP3/2000)
Asian Development Bank (SLA-832/DP3/1995)	3.535.830	10.607.488	Asian Development Bank (SLA-832/DP3/1995)
Total	464.534.323	559.304.881	Total

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

22. PINJAMAN JANGKA PANJANG (lanjutan)

Japan Bank for International Cooperation (JBIC)
(SLA-1156/DP3/2003)

Pada tanggal 27 Maret 2003, JBIC menyetujui untuk memberikan pinjaman kepada Pemerintah Republik Indonesia (Pemerintah) berdasarkan Perjanjian Pinjaman No. IP-511 dengan jumlah keseluruhan setara dengan JPY49.088.000.000 untuk membantu Pemerintah dalam membiayai pembangunan jaringan pipa transmisi gas dari Sumatera Selatan sampai Jawa Barat dan jaringan pipa distribusi di Jawa Barat.

Pada tanggal 28 Mei 2003, Perusahaan dan Pemerintah mengadakan Perjanjian Penerusan Pinjaman No. SLA-1156/DP3/2003, di mana Pemerintah meneruskan pinjaman dari JBIC tersebut dengan jumlah tidak melebihi JPY49.088.000.000 kepada Perusahaan.

Pinjaman ini dikenakan tingkat bunga atas pinjaman JBIC kepada Pemerintah ditambah 0,50% untuk jasa bunga bagian Pemerintah (termasuk beban bank sebesar 0,15%) per tahun, yang harus dibayar pada tanggal 20 April dan 20 Oktober sebelum seluruh pinjaman ditarik dan pada tanggal 20 Maret dan 20 September setelahnya. Tingkat bunga tahunan pinjaman JBIC masing-masing adalah berkisar antara 0,75% sampai dengan 0,95% per tahun untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013.

Pokok pinjaman tersebut harus dibayar dalam 61 kali angsuran tengah tahunan pada tanggal 20 Maret dan 20 September setiap tahun, dengan angsuran pertama yang jatuh tempo pada tanggal 20 Maret 2013 dan pembayaran terakhir akan jatuh tempo pada tanggal 20 Maret 2043.

Pada tanggal 9 Juli 2013, Pemerintah melalui Direktorat Jenderal Manajemen Pinjaman menerima *Notice of Completion of Disbursement* dari *Japan International Cooperation Agency* mengenai jumlah kumulatif penarikan dan sisa fasilitas pinjaman yang tidak dipergunakan sampai dengan batas waktu penarikan pinjaman tanggal 4 Juli 2013 masing-masing sebesar JPY48.538.362.136 dan JPY 549.637.864 dari total keseluruhan fasilitas pinjaman dari JBIC sebesar JPY49.088.000.000.

Selama tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013, Perusahaan telah membayar angsuran masing-masing sebesar JPY1.591.118.000 (setara dengan US\$15.257.919) dan JPY1.600.381.136 (setara dengan US\$16.432.730).

22. LONG-TERM LOANS (continued)

Japan Bank for International Cooperation (JBIC)
(SLA-1156/DP3/2003)

On March 27, 2003, JBIC agreed to provide a loan to the Government of the Republic of Indonesia (the Government) based on Loan Agreement No. IP-511 for a total aggregate amount equivalent to JPY49,088,000,000 to assist the Government in financing the development of a gas transmission pipeline from South Sumatera to West Java and a distribution pipeline in West Java.

On May 28, 2003, the Company and the Government entered into a *Subsidiary Loan Agreement* No. SLA-1156/DP3/2003, which provides for the Government's relending of the JBIC loan proceeds not exceeding JPY49,088,000,000 to the Company.

This loan is subject to the interest rate of the JBIC loan to the Government plus a Government fee of 0.50% (including a 0.15% banking fee) per annum, payable on April 20 and October 20 prior to the withdrawal of all facilities amount and on March 20 and September 20 afterwards. The JBIC's annual interest rate of the loan is ranging from 0.75% to 0.95% per annum for the years ended December 31, 2014 and 2013, respectively.

The principal amount of the loan is repayable in 61 equal semi-annual installments every March 20 and September 20 of each year, with the first installment due on March 20, 2013 and the last payment due on March 20, 2043.

On July 9, 2013, the Government through the Directorate General of Debt Management received a *Notice of Completion of Disbursement* from the Japan International Cooperation Agency related to the cumulative amount of the withdrawal and the rest of the loan facility which was not used until the date of completion of disbursement as of July 4, 2013 amounted to JPY48,538,362,136 and JPY549,637,864, respectively of the total loan from JBIC amounting to JPY49,088,000,000.

During the years ended December 31, 2014 and 2013 the Company has already paid installments amounting to JPY1,591,118,000 (equivalent to US\$15,257,919) and JPY1,600,381,136 (equivalent to US\$16,432,730), respectively.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

22. PINJAMAN JANGKA PANJANG (lanjutan)

Japan Bank for International Cooperation (JBIC)
(SLA-879/DP3/1996)

Berdasarkan Perjanjian Pinjaman tanggal 23 Oktober 1995, JBIC menyetujui untuk memberikan pinjaman kepada Pemerintah dengan jumlah keseluruhan setara dengan US\$195.000.000 untuk membantu Pemerintah dalam membiayai Proyek Transmisi dan Distribusi Gas ("Proyek") di Sumatera Tengah dan Pulau Batam (Catatan 40.6).

Pada tanggal 12 Maret 1996, Perusahaan dan Pemerintah mengadakan Perjanjian Penerusan Pinjaman No. SLA-879/DP3/1996, di mana Pemerintah meneruskan hasil pinjaman dari JBIC sebesar US\$195.000.000 kepada Perusahaan yang akan melaksanakan Proyek.

Pinjaman ini dikenakan tingkat bunga atas pinjaman JBIC kepada Pemerintah ditambah 0,50% untuk jasa bunga bagian Pemerintah (termasuk beban bank sebesar 0,15%) per tahun, yang harus dibayar pada tanggal 15 Mei dan 15 November setiap tahun. Tingkat bunga tahunan pinjaman JBIC masing-masing adalah sebesar 0,67% per tahun untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013. Pokok pinjaman harus dibayar dalam 32 kali angsuran tengah tahunan pada tanggal 15 Mei dan 15 November setiap tahun, dengan angsuran pertama yang jatuh tempo pada tanggal 15 November 1999 dan pembayaran terakhir akan jatuh tempo pada tanggal 15 Mei 2015.

Selama tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013, Perusahaan telah membayar angsuran masing-masing sebesar US\$7.614.345.

International Bank for Reconstruction and Development (IBRD) (SLA-1201/DP3/2006)

Berdasarkan Perjanjian Pinjaman No. 7755-ID (Ex 4810-IND) tanggal 7 Februari 2006, IBRD menyetujui memberikan fasilitas pinjaman kepada Pemerintah dengan jumlah keseluruhan setara dengan US\$80.000.000 untuk membantu Pemerintah dalam membiayai Proyek Pengembangan Pasar Gas Domestik ("Proyek") (Catatan 40.6.c).

Pada tanggal 3 April 2006, Perusahaan dan Pemerintah mengadakan Perjanjian Penerusan Pinjaman No. SLA-1201/DP3/2006, dimana Pemerintah meneruskan hasil pinjaman dari IBRD sebesar US\$80.000.000 kepada Perusahaan yang akan melaksanakan Proyek. Pinjaman ini semula dikenakan tingkat bunga atas pinjaman IBRD kepada Pemerintah ditambah 1% untuk jasa bunga bagian Pemerintah (termasuk beban bank sebesar 0,15%) per tahun, yang harus dibayar pada tanggal 15 Februari dan 15 Agustus setiap tahun.

22. LONG-TERM LOANS (continued)

Japan Bank for International Cooperation (JBIC)
(SLA-879/DP3/1996)

Based on the Loan Agreement dated October 23, 1995, JBIC agreed to lend to the Government an aggregate amount equivalent to US\$195,000,000 to assist the Government in financing the Gas Transmission and Distribution Project ("the Project") in Central Sumatera and Batam Island (Note 40.6).

On March 12, 1996, the Company and the Government entered into the related Subsidiary Loan Agreement No. SLA-879/DP3/1996, which provides for the Government's relending of the JBIC loan proceeds of US\$195,000,000 to the Company, which shall undertake the Project.

The loan is subject to the interest rate of the JBIC loan to the Government plus a Government fee of 0.50% (including a 0.15% banking fee) per annum, payable on May 15 and November 15 of each year. The JBIC's annual interest rate of the loan is 0.67% per annum for the years ended on December 31, 2014 and 2013, respectively. The principal amount of the loan is repayable in 32 equal semi-annual installments on May 15 and November 15 of each year, with the first installment due on November 15, 1999 and the last payment due on May 15, 2015.

During the years ended December 31, 2014 and 2013, the Company has already paid installments amounting to US\$7,614,345, respectively.

International Bank for Reconstruction and Development (IBRD) (SLA-1201/DP3/2006)

Based on the Loan Agreement No. 7755-ID (Ex 4810-IND) dated February 7, 2006, IBRD agreed to provide lending facility to the Government an aggregate amount equivalent to US\$80,000,000 to assist the Government in financing the Domestic Gas Market Development Project ("the Project") (Note 40.6.c).

On April 3, 2006, the Company and the Government entered into the related Subsidiary Loan Agreement No. SLA-1201/DP3/2006, which provides for the Government's relending of the IBRD loan proceeds of US\$80,000,000 to the Company, which shall undertake the Project. The loan was initially subject to the interest rate of the IBRD loan to the Government plus a Government fee of 1% (including 0.15% banking fee) per annum, payable on February 15 and August 15 of each year.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

22. PINJAMAN JANGKA PANJANG (lanjutan)

International Bank for Reconstruction and Development (IBRD) (SLA-1201/DP3/2006) (lanjutan)

Pada tanggal 30 Desember 2011, Perusahaan mendapatkan surat dari Kementerian Keuangan Republik Indonesia No. S-12051/MK.5/2011, mengenai perubahan terhadap Perjanjian Penerusan Pinjaman No. SLA-1201/DP3/2006, tanggal 3 April 2006, antara Pemerintah dengan Perusahaan, yang mengatur perubahan sebagai berikut:

- Fasilitas pokok pinjaman tersedia, yang semula sebesar US\$80.000.000 menjadi US\$69.381.312 terhitung mulai tanggal 21 Desember 2011;
- Tingkat bunga, yang semula *LIBOR Base Rate + LIBOR Total Spread + 1%* menjadi tingkat bunga IBRD + 1%;
- Tanggal terakhir penarikan pinjaman (*closing date*) yang semula pada tanggal 31 Maret 2011 menjadi 31 Maret 2014.

Perusahaan wajib membayar kepada Pemerintah biaya komitmen sebesar 0,75% per tahun dari jumlah pinjaman yang belum ditarik oleh Perusahaan. Jumlah pokok pinjaman akan dibayar dalam 30 kali angsuran tengah tahunan pada tanggal 15 Februari dan 15 Agustus setiap tahun, dengan angsuran pertama yang jatuh tempo pada tanggal 15 Agustus 2011 dan pembayaran terakhir akan jatuh tempo pada tanggal 15 Februari 2026.

Pada tanggal 14 November 2013, Perusahaan mendapatkan Surat No. 5-786/PU/2013 dari Direktorat Jenderal Pengelolaan Utang, Kementerian Keuangan Republik Indonesia, mengenai persetujuan pembatalan fasilitas pinjaman yang tersedia IBRD SLA 1201 sebesar US\$7.616.230 terhitung mulai pada tanggal 1 Februari 2013.

Tingkat bunga tahunan pinjaman IBRD masing-masing adalah berkisar antara 1,76% sampai dengan 5,48% per tahun dan 1,88% sampai dengan 5,48% per tahun untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013.

Selama tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013, Perusahaan telah membayar angsuran masing-masing sebesar US\$3.361.540 dan US\$3.177.830.

22. LONG-TERM LOANS (continued)

International Bank for Reconstruction and Development (IBRD) (SLA-1201/DP3/2006) (continued)

On December 30, 2011, the Company obtained a letter from Ministry of Finance of the Republic of Indonesia No. S-12051/MK.5/2011, regarding the changes of a Subsidiary Loan Agreement No. SLA-1201/DP3/2006, dated April 3, 2006, between the Government with the Company, with the changes as follows:

- *The available principal amount facility, from US\$80,000,000 to become US\$69,381,312, starting on December 21, 2011;*
- *The interest rate, from LIBOR Base Rate + LIBOR Total Spread + 1% to become IBRD interest rate + 1%;*
- *The date of the last drawdown (closing date), from March 31, 2011 to March 31, 2014.*

The Company has to pay commitment fee of 0.75% per annum from the total subsidiary loan which not yet drawdown by the Company to the Government. The principal amount of the loan is repayable in 30 equal semi-annual installments every February 15 and August 15 of each year, with the first installment due on August 15, 2011 and the last payment due on February 15, 2026.

On November 14, 2013, the Company obtained Letter No.5-786/PU/2013 from Directorate General of Debt Management, Ministry of Finance of the Republic of Indonesia, regarding the approval for the cancellation of the available of IBRD SLA 1201 loan facility amounting to US\$7,616,230 starting on February 1, 2013.

The IBRD annual interest rate is ranging from 1.76% to 5.48% per annum and 1.88% to 5.48% per annum for the years ended December 31, 2014 and 2013, respectively.

During the years ended December 31, 2014 and 2013, the Company has already paid installments amounting to US\$3,361,540 and US\$3,177,830, respectively.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

22. PINJAMAN JANGKA PANJANG (lanjutan)

International Bank for Reconstruction and Development (IBRD) (SLA-1166/DP3/2004)

Berdasarkan Perjanjian Pinjaman No. 7758-ID (Ex 4712-IND) tanggal 1 Oktober 2003, IBRD setuju untuk memberikan pinjaman kepada Pemerintah sebesar US\$141.000.000 untuk pembiayaan proyek yang akan dilaksanakan oleh Perusahaan dan PT Perusahaan Listrik Negara (Persero) (PLN).

Pemerintah akan meneruskan pinjaman tersebut kepada Perusahaan dan PLN melalui perjanjian penerusan pinjaman. Proyek yang akan dilaksanakan oleh Perusahaan berhubungan dengan persiapan kebijakan rasionalisasi harga gas, restrukturisasi Perusahaan, persiapan penawaran umum perdana atas aktivitas distribusi dan persiapan mitra strategis pada aktivitas transmisi gas Perusahaan.

Pada tanggal 13 Mei 2004, Perusahaan dan Pemerintah mengadakan Perjanjian Penerusan Pinjaman No. SLA-1166/DP3/2004, di mana Pemerintah meneruskan sebagian hasil pinjaman dari IBRD sebesar US\$6.060.060 kepada Perusahaan, yang akan melaksanakan proyek.

Pinjaman ini dikenakan tingkat bunga atas pinjaman IBRD kepada Pemerintah ditambah 0,50% untuk jasa bunga bagian Pemerintah (termasuk beban bank sebesar 0,15%) per tahun, yang harus dibayar pada tanggal 15 Juni dan 15 Desember setiap tahun.

Pada tanggal 20 Juli 2010, Perusahaan mendapatkan Surat dari Bank Dunia No. JA-356/JAVA-BALI/VII/2010, yang menyatakan bahwa saldo sebesar US\$3.572.934 tidak dapat ditarik lagi oleh Perusahaan, sehingga total fasilitas yang diperoleh Perusahaan sebesar US\$2.487.672.

Pada tanggal 30 September 2011, Perusahaan mendapatkan surat dari Kementerian Keuangan Republik Indonesia No. S-1607/PB-4/2011 terkait dengan penyampaian Perjanjian Perubahan (Amandemen) No. AMA-428/SLA-1166/DSMI/2011 tanggal 29 September 2011 yang mengatur perubahan jatuh tempo pembayaran terakhir menjadi pada tanggal 15 Juni 2015.

Tingkat bunga tahunan adalah sebesar 5,04% per tahun untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013.

Selama tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013, Perusahaan telah membayar angsuran masing-masing sebesar US\$390.716 dan US\$385.558.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

22. LONG-TERM LOANS (continued)

International Bank for Reconstruction and Development (IBRD) (SLA-1166/DP3/2004)

Based on the Loan Agreement No. 7758-ID (Ex 4712-IND) dated October 1, 2003, the IBRD agreed to lend to the Government the amount of US\$141,000,000 to finance a project to be carried out by the Company and PT Perusahaan Listrik Negara (Persero) (PLN).

The Government will relend the loan proceeds to the Company and PLN through two-step loan. The project to be carried out by the Company relates to preparation of a rationalized gas pricing policy, corporate restructuring of the Company, preparation for an initial public offering for the Company's distribution activities and preparation for the involvement of a strategic partner in the Company's gas transmission operations.

On May 13, 2004, the Company and the Government entered into the related Subsidiary Loan Agreement No. SLA-1166/DP3/2004, which provides for the Government's relending of a portion of the IBRD loan proceeds of US\$6,060,060 to the Company, which shall undertake the project.

The loan is subject to the interest rate of the IBRD loan to the Government plus a Government fee of 0.50% (including a 0.15% banking fee) per annum, payable on June 15 and December 15 of each year.

On July 20, 2010, the Company obtained a letter from World Bank No. JA-356/JAVA-BALI/VII/2010, stating that the amount of US\$3,572,934 could not be drawdown anymore by the Company, therefore, the total loan facility obtained by the Company amounting to US\$2,487,672.

On September 30, 2011, the Company obtained a letter from the Ministry of Finance of the Republic of Indonesia No. S-1607/PB-4/2011 related to amendment of loan agreement No. AMA-428/SLA-1166/DSMI/2011, dated September 29, 2011, regarding the changes of last payment due on June 15, 2015.

Annual interest rates are 5.04% per annum for the years ended December 31, 2014 and 2013.

During the years ended December 31, 2014 and 2013, the Company has already paid installments amounting to US\$390,716 and US\$385,558, respectively.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

22. PINJAMAN JANGKA PANJANG (lanjutan)

European Investment Bank (EIB)
(SLA-877/DP3/1996)

Berdasarkan Perjanjian Pinjaman No. FINO.1.8070 tanggal 20 Juli 1995, antara EIB, Pemerintah dan Perusahaan, EIB menyetujui untuk memberikan pinjaman kepada Pemerintah dengan jumlah keseluruhan setara dengan ECUS46.000.000 untuk membantu Pemerintah dalam membiayai Proyek Transmisi dan Distribusi Gas ("Proyek") di Sumatera Tengah dan Pulau Batam (Catatan 40.6).

Pada tanggal 1 Maret 1996, Perusahaan dan Pemerintah mengadakan Perjanjian Penerusan Pinjaman No. SLA-877/DP3/1996, di mana Pemerintah meneruskan hasil pinjaman dari EIB sebesar ECUS46.000.000 kepada Perusahaan yang akan melaksanakan Proyek. Pinjaman ini dikenakan tingkat bunga sebesar pinjaman EIB kepada Pemerintah ditambah 0,50% untuk jasa bunga bagian Pemerintah (termasuk beban bank sebesar 0,15%) per tahun, yang harus dibayar pada tanggal 15 Januari dan 15 Juli setiap tahun.

Tingkat bunga tahunan pinjaman EIB masing-masing adalah berkisar antara 4,35% sampai dengan 7,41% per tahun untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013. Jumlah pokok pinjaman harus dibayar dalam 32 kali angsuran tengah tahunan pada tanggal 15 Januari dan 15 Juli setiap tahun, dengan angsuran pertama yang jatuh tempo pada tanggal 15 Januari 1999 dan pembayaran terakhir akan jatuh tempo pada tanggal 15 Juli 2014.

Selama tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013, Perusahaan telah membayar angsuran masing-masing sebesar US\$4.245.583.

Di dalam Perjanjian Pinjaman, Perusahaan diharuskan memelihara batasan keuangan tertentu setiap akhir tahun pelaporan, dimulai pada tahun 1999 seperti rasio kemampuan membayar utang (*debt service ratio*) sebesar 1,3:1 atau lebih dan rasio utang terhadap ekuitas (*debt to equity ratio*) sebesar maksimum 70:30.

Bilamana ada pembayaran angsuran, bunga dan beban komitmen yang terlambat, maka pembayaran tersebut akan dikenakan denda sebesar 2% di atas tingkat suku bunga setiap tahun.

Pada bulan Juli 2014, Perusahaan telah melunasi pinjaman ini.

22. LONG-TERM LOANS (continued)

European Investment Bank (EIB)
(SLA-877/DP3/1996)

Based on the Loan Agreement No. FINO.1.8070 dated July 20, 1995 among EIB, the Government and the Company, EIB agreed to lend to the Government an aggregate amount equivalent to ECUS46,000,000 to assist the Government in financing the Gas Transmission and Distribution Project ("The Project") in Central Sumatera and Batam Island (Note 40.6).

On March 1, 1996, the Company and the Government entered into the related Subsidiary Loan Agreement No. SLA-877/DP3/1996, which provides for the Government's relending of the EIB loan proceeds of ECUS46,000,000 or its equivalent to the Company, which will undertake the Project. The loan is subject to the interest rate of the EIB loan to the Government plus a Government fee of 0.50% (including 0.15% banking fee) per annum, payable on January 15 and July 15 of each year.

The EIB's annual interest rates of the loan is ranging from 4.35% to 7.41% per annum for the years ended December 31, 2014 and 2013, respectively. The principal amount of the loan is repayable in 32 equal semi-annual installments on January 15 and July 15 of each year, with the first installment due on January 15, 1999 and the last payment due on July 15, 2014.

During the years ended December 31, 2014 and 2013, the Company has already paid installments amounting to US\$4,245,583, respectively.

Under the Loan Agreement, the Company undertakes, among other things, that it shall maintain certain financial covenants for each reporting year-end commencing in 1999 such as a debt service ratio of 1.3:1 or more and a debt to equity ratio of maximum 70:30.

Any overdue repayments of installments, interest and commitment charges will bear a penalty at the rate of 2% above the interest rate per annum.

In July 2014, the Company has fully repaid this loan.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

22. PINJAMAN JANGKA PANJANG (lanjutan)

European Investment Bank (EIB)
(SLA-1139/DP3/2000)

Pada tanggal 15 September 2000, Perusahaan dan Pemerintah mengadakan Perjanjian Penerusan Pinjaman No. SLA-1139/DP3/2000, di mana Pemerintah meneruskan pinjaman dari EIB dengan jumlah tidak melebihi EUROS70.000.000 kepada Perusahaan sebagai bagian dari pembiayaan Proyek Transmisi dan Distribusi Gas Tahap II.

Pada tanggal 15 September 2000, Perusahaan dan Pemerintah mengadakan Perjanjian Penerusan Pinjaman No. SLA-1139/DP3/2000, di mana Pemerintah meneruskan pinjaman dari EIB dengan jumlah tidak melebihi EUROS70.000.000 kepada Perusahaan sebagai bagian dari pembiayaan Proyek Transmisi dan Distribusi Gas Tahap II. Pinjaman ini dikenakan tingkat bunga sebesar pinjaman EIB kepada Pemerintah ditambah 0,50% untuk jasa bunga bagian Pemerintah (termasuk beban bank sebesar 0,15%) per tahun, yang harus dibayar pada tanggal 15 Juni dan 15 Desember setiap tahun. Tingkat bunga pinjaman EIB adalah berkisar antara 4,95% sampai dengan 5,30% per tahun untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013.

Jumlah pokok pinjaman harus dibayar dalam 32 kali angsuran tengah tahunan pada tanggal 15 Juni dan 15 Desember setiap tahun, dengan angsuran pertama yang jatuh tempo pada tanggal 15 Desember 2004 dan pembayaran terakhir akan jatuh tempo pada tanggal 15 Juni 2020.

Selama tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013, Perusahaan telah membayar angsuran masing-masing sebesar US\$4.750.674.

Di dalam Perjanjian Pinjaman, Perusahaan diharuskan memelihara batasan keuangan setiap akhir tahun pelaporan, yaitu rasio utang terhadap ekuitas (*debt to equity ratio*) sebesar maksimum 2:1.

Asian Development Bank (ADB)
(SLA-832/DP3/1995)

Berdasarkan Perjanjian Pinjaman No. 1357-IND tanggal 26 Juni 1995, ADB menyetujui untuk memberikan pinjaman kepada Pemerintah dengan jumlah keseluruhan setara dengan US\$218.000.000 untuk membantu Pemerintah dalam membiayai Proyek Transmisi dan Distribusi Gas ("Proyek") di Sumatera Tengah dan Pulau Batam (Catatan 40.6).

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

22. LONG-TERM LOANS (continued)

European Investment Bank (EIB)
(SLA-1139/DP3/2000)

On September 15, 2000, the Company and the Government entered into a Subsidiary Loan Agreement No. SLA-1139/DP3/2000, which provides for the Government's relending of the EIB loan proceeds not exceeding EUROS70,000,000 to the Company as part of the financing of the Gas Transmission and Distribution Project Phase II.

On September 15, 2000, the Company and the Government entered into a Subsidiary Loan Agreement No. SLA-1139/DP3/2000, which provides for the Government's relending of the EIB loan proceeds not exceeding EUROS70,000,000 to the Company as part of the financing of the Gas Transmission and Distribution Project Phase II. The loan is subject to the interest rate of the EIB loan to the Government plus a Government fee of 0.50% (including 0.15% banking fee) per annum, payable on June 15 and December 15 of each year. The EIB's annual interest rates of the loan is ranging from 4.95% to 5.30% per annum for the years ended December 31, 2014 and 2013, respectively.

The principal amount of the loan is repayable in 32 equal semi-annual installments on June 15 and December 15 of each year, with the first installment due on December 15, 2004 and the last payment due on June 15, 2020.

During the years ended December 31, 2014 and 2013, the Company has already paid installments amounting to US\$4,750,674, respectively.

Under the Loan Agreement, the Company undertakes among other things, that it shall maintain certain financial covenants for each reporting year-end such as debt to equity ratio of maximum 2:1.

Asian Development Bank (ADB)
(SLA-832/DP3/1995)

Based on the Loan Agreement No. 1357-IND dated June 26, 1995, ADB agreed to lend the Government an aggregate amount equivalent to US\$218,000,000 to assist the Government in financing the Gas Transmission and Distribution Project ("the Project") in Central Sumatera and Batam Island (Note 40.6).

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

22. PINJAMAN JANGKA PANJANG (lanjutan)

Asian Development Bank (ADB)
(SLA-832/DP3/1995) (lanjutan)

Pada tanggal 31 Oktober 1995, Perusahaan dan Pemerintah mengadakan Perjanjian Penerusan Pinjaman No. SLA-832/DP3/1995, di mana Pemerintah meneruskan hasil pinjaman dari ADB kepada Perusahaan sebesar US\$218.000.000. Perusahaan akan melaksanakan Proyek ini sesuai dengan Perjanjian Proyek dengan ADB tanggal 26 Juni 1995.

Pinjaman ini dikenakan tingkat bunga pinjaman ADB ke Pemerintah ditambah 0,50% untuk jasa bunga bagian Pemerintah (termasuk beban bank sebesar 0,15%) per tahun dan jasa komitmen sebesar 0,75% per tahun dihitung atas jumlah pinjaman yang belum dipergunakan, yang harus dibayar pada tanggal 15 Mei dan 15 November setiap tahun. Tingkat bunga tahunan pinjaman ADB masing-masing adalah berkisar antara 0,96% sampai dengan 1,03% per tahun dan 1,03% per tahun untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013.

Jumlah pokok pinjaman harus dibayar dalam 32 kali angsuran tengah tahunan pada tanggal 15 Mei dan 15 November setiap tahun, dengan angsuran pertama yang jatuh tempo pada tanggal 15 November 1999 dan pembayaran terakhir akan jatuh tempo pada tanggal 15 Mei 2015.

Di dalam Perjanjian Proyek tanggal 26 Juni 1995 antara Perusahaan dan ADB, Perusahaan diharuskan meminta izin terlebih dahulu dari ADB dalam hal pinjaman yang diperoleh setelah tanggal perjanjian, selain yang dipergunakan untuk membiayai proyek, yang akan mengakibatkan perkiraan kemampuan membayar utang kurang dari 1,3:1 dan rasio utang terhadap ekuitas (*debt to equity ratio*) lebih dari 70:30.

Selama tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013, Perusahaan telah membayar angsuran masing-masing sebesar US\$7.071.658.

PT Bank Negara Indonesia (Persero) Tbk (BNI)

Berdasarkan Perjanjian Pinjaman No. 058/KPI/PK/2007 tanggal 17 September 2007, BNI menyetujui untuk memberikan pinjaman kepada Perusahaan dengan jumlah keseluruhan US\$150.000.000 untuk keperluan pembiayaan penyelesaian Proyek Jaringan Pipa Transmisi Gas Bumi Sumatera Selatan-Jawa Barat (Proyek SSWJ) dan Jaringan Pipa Distribusi Gas Jawa Barat.

22. LONG-TERM LOANS (continued)

Asian Development Bank (ADB)
(SLA-832/DP3/1995) (continued)

On October 31, 1995, the Company and the Government entered into the related Subsidiary Loan Agreement No. SLA-832/DP3/1995, which provides for the Government's relending of the ADB loan proceeds of US\$218,000,000 to the Company. The Company will undertake the Project in accordance with the Project Agreement with ADB dated June 26, 1995.

The loan is subject to the interest rate of the ADB loan to the Government plus a Government fee of 0.50% (including a 0.15% banking fee) per annum and a commitment fee at the rate of 0.75% per annum calculated on the amount of loan not yet drawn, payable on May 15 and November 15 of each year. The ADB's annual interest rate of the loan is ranging from 0.96% to 1.03% per annum and 1.03% per annum for the years ended December 31, 2014 and 2013, respectively.

The principal amount of the loan is repayable in 32 equal semi-annual installments on May 15 and November 15 of each year, with the first installment due on November 15, 1999 and the last payment due on May 15, 2015.

As stipulated under the Project Agreement dated June 26, 1995 between the Company and ADB, the Company must obtain prior consent from ADB for any loans obtained after the date of the agreement, except for loans obtained to finance the project, which will cause the Company's debt service ratio to be 1.3:1 or less or the debt to equity ratio to exceed 70:30.

During the years ended December 31, 2014 and 2013, the Company has already paid installments amounting to US\$7,071,658, respectively.

PT Bank Negara Indonesia (Persero) Tbk (BNI)

Based on the Loan Agreement No. 058/KPI/PK/2007 dated September 17, 2007, BNI agreed to provide loan to the Company at an aggregate amount of US\$150,000,000 to finance the South Sumatera-West Java Pipeline Gas Transmission Project (SSWJ Project) and West Java Pipeline Gas Distribution.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

22. PINJAMAN JANGKA PANJANG (lanjutan)

PT Bank Negara Indonesia (Persero) Tbk (BNI)
(lanjutan)

Berdasarkan perjanjian pinjaman ini, jangka waktu fasilitas kredit adalah selama sepuluh tahun sejak tanggal 17 September 2007 sampai tanggal 16 September 2017, termasuk tenggang waktu dua tahun. Pinjaman ini akan dibayar dalam 16 kali angsuran tengah tahunan dimulai dari 16 Maret 2010. Pinjaman ini dikenakan tingkat bunga sebesar SIBOR tiga bulan ditambah 1,75% per tahun, yang harus dibayar paling lambat pada tanggal 25 setiap bulannya.

Selama tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013, Perusahaan telah membayar angsuran masing-masing sebesar US\$18.750.000.

Perjanjian pinjaman ini mencakup pembatasan-pembatasan antara lain tidak diperkenankan menjaminkan aset Perusahaan kepada kreditur lain, mengadakan merger, mengubah status hukum, memberikan pinjaman kepada pihak lain, melakukan investasi dengan jumlah lebih besar daripada 15% dari ekuitas neto, menerima pinjaman dan mengambil *lease* tanpa persetujuan tertulis dari BNI.

The Hongkong and Shanghai Banking Corporation Ltd., Jakarta

Pada tanggal 30 Agustus 2010, Transgasindo menandatangani *term loan facility agreement* dengan sindikasi dari The Hongkong dan Shanghai Banking Corporation Limited, Jakarta (HSBC) US\$250.000.000. Fasilitas ini digunakan oleh Transgasindo untuk membayar kembali pinjaman pemegang saham dan untuk keperluan umum. Fasilitas ini memiliki jangka waktu 5 tahun dengan 19 kali cicilan triwulanan dimulai 6 bulan setelah tanggal penarikan pertama (*grace year*). Pinjaman ini dikenakan bunga pada tingkat bunga tiga bulan BBA LIBOR + *margin* sebesar 1,99% per tahun.

Pada tanggal 3 September 2010, fasilitas tersebut telah ditarik seluruhnya dan dikenakan tingkat bunga per tahun berkisar antara 2,24% sampai dengan 2,52%.

Selama tahun yang berakhir pada tanggal 31 Desember 2014, Perusahaan telah membayar angsuran sebanyak 4 kali setiap triwulan dengan total sebesar US\$52.631.579.

Tingkat bunga tahunan rata-rata pinjaman ini masing-masing adalah sebesar 2,22% dan 2,26% untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013.

22. LONG-TERM LOANS (continued)

PT Bank Negara Indonesia (Persero) Tbk (BNI)
(continued)

Based on this loan agreement, the term of the credit facility is valid for ten years since September 17, 2007 until September 16, 2017, including two years grace year. The loan is payable in 16 semi-annual installments starting from March 16, 2010. This loan is subject to the three months SIBOR interest rate plus 1.75% per annum, payable not more than the 25th every month.

During the years ended December 31, 2014 and 2013, the Company has already paid installments amounting to US\$18,750,000, respectively.

The loan agreement includes negative covenants, relating to, among others, create any liens on any property to other debtors, conducting merger, change the legal status, provide the loan to other parties, conducting the investment more than 15% from net shareholder equity, obtain the loan and lease without obtaining the BNI's written approval.

The Hongkong and Shanghai Banking Corporation Ltd., Jakarta

On August 30, 2010, Transgasindo signed a term loan facility agreement with syndication of The Hongkong and Shanghai Banking Corporation Limited, Jakarta (HSBC) for US\$250,000,000. This facility was utilized by Transgasindo to refinance existing shareholder loans and for general corporate purposes. This facility is valid for 5 years with 19 equal quarterly installments commencing 6 months after the first drawdown date (grace year). The loan bears interest at the rate of three months BBA LIBOR + margin of 1.99% per annum.

On September 3, 2010, the facility had been fully drawn down and bears interest rate ranged from 2.24% up to 2.52% per annum.

During the year ended December 31, 2014, Transgasindo has already paid four times in quarterly installments amounting US\$52,631,579.

The average annual interest rate for this loan is 2.22% and 2.26% for the years ended December 31, 2014 and 2013.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

22. PINJAMAN JANGKA PANJANG (lanjutan)

The Hongkong and Shanghai Banking Corporation Ltd., Jakarta (lanjutan)

Perjanjian pinjaman mencakup pembatasan-pembatasan umum antara lain, Transgasindo tidak diperkenankan untuk menjaminkan aset atau pendapatan Transgasindo kepada pihak ketiga dalam jumlah yang melebihi US\$10.000.000, merevisi atau mengubah kegiatan usahanya, memindahkan sebagian atau seluruh GTA ke pihak ketiga, melakukan *merger*, investasi dan akuisisi, mengubah Anggaran Dasar, mengubah susunan Dewan Komisaris dan Direksi dan pemegang saham tanpa pemberitahuan tertulis kepada HSBC, dan menjual, menyewakan, mengalihkan atau menghapuskan asetnya kecuali untuk kegiatan usaha sehari-hari.

Selama pinjaman masih terutang, Transgasindo diwajibkan mematuhi semua batasan, termasuk sejumlah rasio keuangan sebagai berikut:

- (i) jumlah ekuitas tidak lebih kecil dari US\$250.000.000;
- (ii) rasio utang neto terhadap ekuitas tidak lebih besar dari 2,33x;
- (iii) rasio utang neto terhadap EBITDA tidak lebih besar dari 3,5x.

Pada tanggal 31 Desember 2014 dan 2013, Kelompok Usaha telah memenuhi semua rasio keuangan yang dipersyaratkan dalam perjanjian pinjaman.

23. UTANG OBLIGASI

22. LONG-TERM LOANS (continued)

The Hongkong and Shanghai Banking Corporation Ltd., Jakarta (continued)

The loan agreement includes general covenants, relating to among others, Transgasindo shall not pledge any of Transgasindo's assets or revenues to third parties in an amount at any time exceeding US\$10,000,000, revise or change the nature of business, assign any or all GTA to third party, conduct merger, investment and acquisition, amend the Articles of Association, change the composition of the Boards of Commissioners and Directors and the shareholders, without giving the written notification to HSBC and sell, lease, transfer or dispose its existing pipelines unless for normal business transactions.

During the year of the outstanding loan, Transgasindo is required to comply with all covenants or restrictions including certain financial ratios as follows:

- (i) total shareholders' equity to be not less than US\$250,000,000;
- (ii) the net debt to shareholders' equity ratio to be not greater than 2.33x;
- (iii) the net debt to EBITDA ratio to be not greater than 3.5x.

As of December 31, 2014 and 2013, the Group has complied with all financial ratios required to be maintained under the loan agreements.

23. BONDS PAYABLE

	31 Desember/December 31,		
	2014	2013 Disajikan kembali/ As restated	
<i>Senior Unsecured Fixed Rate Notes</i>			<i>Senior Unsecured Fixed Rate Notes</i>
Penerbitan tahun 2014	1.350.000.000	-	Issued in 2014
Diskonto	(13.000.500)	-	Discount
Biaya penerbitan	(5.647.211)	-	Issuance cost
Subtotal	1.331.352.289	-	Sub-total
Amortisasi diskonto dan biaya penerbitan	903.225	-	Amortization of discount and issuance cost
Utang Obligasi - neto	1.332.255.514	-	Bonds Payable - net
Bagian yang jatuh tempo dalam satu tahun	-	-	Current portion
Bagian jangka panjang utang obligasi	1.332.255.514	-	Long-term portion of bonds payable

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

23. UTANG OBLIGASI (lanjutan)

Pada tanggal 12 Mei 2014, Perusahaan menerbitkan US\$1.350.000.000 *Senior Unsecured Fixed Rate Notes*, yang akan jatuh tempo pada tanggal 16 Mei 2024, dengan harga penerbitan sebesar 99,037%. Wali amanat atas obligasi ini adalah The Bank of New York Mellon. Obligasi ini dikenakan bunga sebesar 5,125% per tahun yang terhutang setengah tahunan *in arrear* setiap tanggal 16 Mei dan 16 November, dimulai pada tanggal 16 November 2014. Obligasi ini dicatatkan pada Bursa Efek Singapura, tidak dapat dibatalkan dan dijamin tanpa syarat oleh Perusahaan. Dana bersih yang diperoleh sebesar US\$1.335.334.469, diterima pada tanggal 16 Mei 2014 dan dipergunakan untuk penambahan modal kerja dan keperluan umum lainnya. Berdasarkan *Moody's Investors Services*, *Standard & Poor (S&P)* dan *Fitch Rating*, peringkat dari obligasi tersebut masing-masing adalah Baa3, BB+ dan BBB-.

Sehubungan dengan obligasi ini, Perusahaan dibatasi dalam melakukan konsolidasi, penggabungan usaha, mengalihkan, menyewakan, atau menjual semua atau sebagian besar asetnya.

Perusahaan tidak diharuskan melakukan pembentukan dana (*sinking fund*) untuk pelunasan utang obligasi ini.

23. BONDS PAYABLE (continued)

On May 12, 2014, the Company issued US\$1,350,000,000 *Senior Unsecured Fixed Rate Notes*, which will be due on May 16, 2024, with issue price of 99.037%. The trustee of these bonds is The Bank of New York Mellon. These bonds bear interest rate of 5.125% per annum payable semi annually in arrears on May 16 and November 16, starting November 16, 2014. These bonds, which were listed at the Singapore Exchange Securities Trading Limited, are irrevocably and unconditionally guaranteed by the Company. The net proceeds, which amounted to US\$1,335,334,469 were received by the Company on May 16, 2014 and were used for additional working capital and other general corporate purposes. Based on *Moody's Investors Services*, *Standard & Poor (S&P)* and *Fitch Rating*, the bonds are rated at Baa3, BB+ and BBB-, respectively.

In relation to these bonds, the Company is restricted in conducting consolidation, merger, transfer, lease or disposal of all or substantially all of its assets.

The Company is not required to make sinking fund payment with respect to these bonds.

24. PERPAJAKAN

a. Estimasi Tagihan Pajak

24. TAXATION

a. Estimated Claims for Tax Refund

	31 Desember/December 31,		
	2014	2013 Disajikan kembali/ As restated	
Pajak Penghasilan:			Income Taxes:
Pasal 21	-	228	Article 21
Pasal 22	1.709.375	-	Article 22
Pasal 23	4.543	1.057	Article 23
Pasal 4 (2)	66.806.760	-	Article 4 (2)
Pasal 29	-	-	Article 29
- Tahun 2014	129.621	-	Year 2014 -
- Tahun 2013	-	30.713.108	Year 2013 -
- Tahun 2012	-	59.504	Year 2012 -
Pajak Pertambahan Nilai	5.380.927	2.783.848	Value-Added Tax
Total	74.031.226	33.557.745	Total

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

24. PERPAJAKAN (lanjutan)

24. TAXATION (continued)

b. Utang Pajak

b. Taxes Payable

	31 Desember/December 31,		
	2014	2013 Disajikan kembali/ As restated	
Pajak Penghasilan:			Income Taxes:
Pasal 21			Article 21
(Rp6.622.059.492 pada tahun 2014 dan Rp6.236.318.524 pada tahun 2013)	532.320	511.635	(Rp6,622,059,492 in 2014 and Rp6,236,318,524 in 2013)
Pasal 22			Article 22
(Rp13.529.643.490 pada tahun 2014 dan Rp9.656.222.945 pada tahun 2013)	1.087.592	792.196	(Rp13,529,643,490 in 2014 and Rp9,656,222,945 in 2013)
Pasal 23			Article 23
(Rp106.339.993.640 pada tahun 2014 dan Rp21.363.099.606 pada tahun 2013)	8.548.231	1.752.654	(Rp106,339,993,640 in 2014 and Rp21,363,099,606 in 2013)
Pasal 25	9.363.085	18.382.882	Article 25
Pasal 29			Article 29
(US\$16.061.563 dan Rp5.493.889.138 pada tahun 2014 dan US\$8.153.404 dan Rp76.401.395.529 pada tahun 2013)	16.503.194	14.421.465	(US\$16,061,563 and Rp5,493,889,138 in 2014 and US\$8,153,404 and Rp76,401,395,529 in 2013)
Pajak Pertambahan Nilai, neto			Value-Added Taxes, net
(Rp62.430.814.644 pada tahun 2014 dan Rp52.170.565.515 pada tahun 2013)	5.018.552	4.280.135	(Rp62,430,814,644 in 2014 and Rp52,170,565,515 in 2013)
Total	41.052.974	40.140.967	Total

c. Beban Pajak

c. Tax Expense

Beban (manfaat) pajak Perusahaan dan Entitas Anak terdiri dari:

Tax expense (benefit) of the Company and Subsidiaries are as follows:

	31 Desember/December 31,		
	2014	2013 Disajikan kembali/ As restated	
Kini			Current
Perusahaan			The Company
Tahun berjalan	158.591.466	188.047.888	Current year
Tahun 2011			Year 2011
Denda pajak	-	969.556	Tax penalty
Sub total	158.591.466	189.017.444	Sub total
Entitas Anak	36.778.300	37.625.112	Subsidiaries
Sub-total	195.369.766	226.642.556	Sub-total
Tangguhan			Deferred
Perusahaan	(1.315.300)	4.579.849	The Company
Entitas Anak	37.039.482	(3.284.303)	Subsidiaries
Sub-total	35.724.182	1.295.546	Sub-total
Beban pajak - neto	231.093.948	227.938.102	Tax expense - net

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

24. PERPAJAKAN (lanjutan)

d. Pajak Kini

Rekonsiliasi antara laba sebelum beban pajak, seperti yang tercantum dalam laporan laba rugi komprehensif konsolidasian dan estimasi laba kena pajak adalah sebagai berikut:

24. TAXATION (continued)

d. Current Tax

The reconciliation between profit before tax expense, as shown in the consolidated statements of comprehensive income and estimated taxable income is as follows:

Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,			
	2014	2013 Disajikan kembali/ As restated	
Laba sebelum beban pajak menurut laporan laba rugi komprehensif konsolidasian	978.765.428	1.065.739.975	Profit before tax expense per consolidated statements of comprehensive income
Laba sebelum beban pajak Entitas Anak	(185.555.646)	(85.307.825)	Profit before tax expense of the Subsidiaries
Penyesuaian konsolidasian	12.590.258	(10.595.655)	Consolidation adjustments
Laba sebelum pajak - Perusahaan	805.800.040	969.836.495	Profit before tax expense of the Company
Beda temporer			Temporary differences
Kesejahteraan karyawan - neto	6.337.757	(17.333.389)	Employees' benefits - net
Pembalikan kerugian penurunan nilai piutang	6.103.657	1.048.880	Reversal of receivables impairment losses
Gaji dan bonus	(1.076.446)	(986.117)	Salaries and bonuses
Pemulihan penyisihan persediaan usang persediaan	(711.062)	-	Recovery of allowance for inventory obsolescence
Beda temporer - neto	10.653.906	(17.270.626)	Temporary differences - net
Beda tetap			Permanent differences
Gaji dan kesejahteraan karyawan	20.259.892	13.235.567	Salaries and other employees' benefits
Representasi dan jamuan	3.795.184	3.743.209	Representation and entertainment
Beban lain-lain yang tidak dapat dikurangkan	2.422.052	6.737.733	Other non-deductible expenses
Pajak dan perizinan - neto	3.190	39.413	Taxes and licenses - net
Pendapatan dividen yang tidak dikenakan pajak	(31.762.167)	(16.811.767)	Non-taxable dividend income
Penghasilan bunga yang telah dikenakan pajak penghasilan final	(18.086.702)	(19.251.849)	Interest income already subject to final income tax
Penghasilan sewa yang telah dikenakan pajak penghasilan final	(128.066)	(18.736)	Rental income already subject to final income tax
Beda tetap - neto	(23.496.617)	(12.326.430)	Permanent differences - net
Estimasi laba kena pajak	792.957.329	940.239.439	Estimated taxable income
Beban pajak kini - Perusahaan	158.591.466	188.047.888	Current tax expense - the Company
Pembayaran pajak penghasilan di muka			Prepayments of income taxes
Pajak Penghasilan Pasal 23	2.100.915	579.874	Income Tax Article 23
Pajak Penghasilan Pasal 25	148.931.986	218.181.122	Income Tax Article 25
Sub-total	151.032.901	218.760.996	Sub-total
Estimasi Utang Pajak Penghasilan Badan			Estimated Corporate Income Tax Payables
Perusahaan	7.558.565	-	The Company
Entitas Anak	8.944.629	14.421.465	Subsidiaries
Total	16.503.194	14.421.465	Total
Estimasi Tagihan Pajak			Estimated Claims for Tax Refund
Perusahaan	-	30.713.108	The Company
Entitas Anak	129.621	-	Subsidiaries
Total	129.621	30.713.108	Total

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

24. PERPAJAKAN (lanjutan)

d. Pajak Kini (lanjutan)

	Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,	
	2014	2013 Disajikan kembali/ As restated
Estimasi Tagihan Pajak Penghasilan Pasal 29		
Tahun berjalan	-	(30.713.108)
Perusahaan	-	-
Entitas Anak	(129.621)	-
Tahun sebelumnya	-	-
Perusahaan	-	-
Entitas Anak	-	(59.504)
Total	(129.621)	(30.772.612)

Estimated Claims for Income Tax Refund Article 29	
Current year	
The Company	
Subsidiary	
Prior year	
The Company	
Subsidiary	
Total	

Berdasarkan Peraturan Pemerintah No. 81 tahun 2007 ("PP 81/2007"), tanggal 28 Desember 2007, tentang Penurunan Tarif Pajak Penghasilan bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka yang berlaku efektif tanggal 1 Januari 2008 dan Peraturan Menteri Keuangan No. 238/PMK.03/2008 tanggal 30 Desember 2008 tentang Tata Cara Pelaksanaan dan Pengawasan Pemberian Penurunan Tarif Bagi Wajib Pajak Badan Dalam Negeri yang berbentuk Perseroan Terbuka, perseroan terbuka dalam negeri di Indonesia dapat memperoleh penurunan tarif pajak penghasilan sebesar 5% lebih rendah dari tarif tertinggi pajak penghasilan sebagaimana diatur dalam Pasal 17 ayat 1b Undang-undang Pajak Penghasilan, dengan memenuhi kriteria-kriteria yang ditentukan, yaitu perseroan yang saham atau efek bersifat ekuitas lainnya tercatat di Bursa Efek Indonesia yang jumlah kepemilikan saham publiknya 40% atau lebih dari keseluruhan saham yang disetor dan saham tersebut dimiliki paling sedikit oleh 300 pihak, masing-masing pihak hanya boleh memiliki saham kurang dari 5% dari keseluruhan saham yang disetor.

Ketentuan sebagaimana dimaksud harus dipenuhi oleh perseroan terbuka dalam waktu paling singkat 6 bulan dalam jangka waktu 1 tahun pajak. Wajib Pajak harus melampirkan Surat Keterangan dari Biro Administrasi Efek pada Surat Pemberitahuan Tahunan PPh Wajib Pajak Badan dengan melampirkan formulir X.H.1-2 sebagaimana diatur dalam Peraturan Badan Pengawas Pasar Modal dan Lembaga Keuangan (Bapepam-LK) No. X.H.1 untuk setiap tahun pajak terkait.

24. TAXATION (continued)

d. Current Tax (continued)

Based on Government Regulation No. 81/2007 ("Gov. Reg. 81/2007"), dated December 28, 2007, regarding Reduction of the Rate of Income Tax on Resident Corporate Tax Payers in the Form of Publicly-listed Companies which became effective on January 1, 2008 and Ministry of Finance Rule No. 238/PMK.03/2008 dated December 30, 2008 regarding the Guidelines on the Implementation and Supervision on the Tariff Reduction for Domestic Tax Payers in the Form of Publicly-listed Companies, that resident publicly-listed companies in Indonesia can obtain the reduced income tax rate of 5% lower than the highest income tax rate under Article 17 paragraph 1b of the Income Tax Law, provided if they meet the prescribed criterias, which are companies whose shares or other equity instruments are listed in the Indonesia Stock Exchange, whose shares owned by the public is 40% or more of the total paid shares and such shares are owned by at least 300 parties, each party owning less than 5% of the total paid up shares.

These requirements should be fulfilled by the public companies for a year of 6 months in 1 tax year. The Tax Payer should attach the Notification Letter from the Securities Administration Agency (Biro Administrasi Efek) on the Annual Income Tax Return of the Tax Payer with the form X.H.1-2 as provided in Bapepam-LK Regulation No. X.H.1 for each concerned fiscal year.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

24. PERPAJAKAN (lanjutan)

d. Pajak Kini (lanjutan)

Pada tanggal 6 Januari 2015 dan 6 Januari 2014, Perusahaan telah mendapatkan surat keterangan dari Biro Administrasi Efek atas pemenuhan kriteria-kriteria di atas untuk tahun 2014 dan 2013. Dampak dari penurunan tarif pajak tersebut masing-masing sebesar US\$39.647.839 dan US\$47.927.993 untuk tahun 2014 dan 2013.

Pada tanggal 31 Desember 2014 dan 2013, akumulasi "Selisih Transaksi Restrukturisasi Entitas Sepengendali", yang disajikan sebagai bagian dari "Modal Disetor Lainnya" pada laporan posisi keuangan konsolidasian sebesar Rp314.889.945.926 (setara dengan US\$35.301.648), terdiri dari pajak atas laba penjualan aset tetap tahun 2004 sebesar Rp325.519.727.021 (setara dengan US\$36.493.243) dan pajak atas rugi penjualan aset tetap tahun 2006 sebesar Rp10.629.781.095 (setara dengan US\$1.191.679).

e. Pajak Tangguhan

Pengaruh pajak atas beda temporer yang signifikan antara pelaporan komersial dan pajak adalah sebagai berikut:

	Saldo Awal per 31 Des. 2013/ Beginning Balance Dec. 31. 2013	Penambahan dari akuisisi/ Additions from acquisition	Dibebankan ke Laporan Laba Rugi Komprehensif Charged to Statements of Comprehensive Income	Selisih Kurs karena Penjabaran (Catatan 2b)/ Difference in Foreign Currency Translation (Note 2b)	Saldo Akhir per 31 Des. 2014/ Ending Balance Dec. 31. 2014
Perusahaan					
Aset pajak tangguhan					
Kesejahteraan karyawan	19.484.422	-	2.982.869	-	22.467.291
Gaji dan bonus	7.845.275	-	(269.111)	-	7.576.164
Cadangan kerugian penurunan nilai	3.362.115	-	1.525.914	-	4.888.029
Penyisihan persediaan usang	325.920	-	(177.766)	-	148.154
Penyisihan aset pajak tangguhan	(3.688.035)	-	(1.348.148)	-	(5.036.183)
Aset pajak tangguhan - neto	27.329.697	-	2.713.758	-	30.043.455
Entitas Anak					
PGASKOM					
Aset pajak tangguhan					
Gaji dan bonus	55.020	-	(5.986)	(834)	48.200
Kesejahteraan karyawan	22.883	-	22.797	(1.510)	44.170
Cadangan kerugian penurunan nilai	4.205	-	9.546	(524)	13.227
Aset tetap	-	-	(6.910)	(3.584)	(10.494)
Aset pajak tangguhan - neto	82.108	-	19.447	(6.452)	95.103

24. TAXATION (continued)

d. Current Tax (continued)

As of January 6, 2015 and January 6, 2014, the Company has obtained the notification letter from Securities Administration Agency (Biro Administrasi Efek) regarding the fulfillment of such criterias for the year 2014 and 2013. The impact of the changes in such tax rate reduction amounted to US\$39,647,839 and US\$47,927,993, respectively.

As of December 31, 2014 and 2013, the accumulated "Difference Arising from Restructuring Transactions among Entities under Common Control" which is presented as part of "Other Paid-in Capital" account in the consolidated statements of financial position amounted to Rp314,889,945,926 (equivalent to US\$35,301,648) and consists of tax on the gain on sale of fixed assets in 2004 amounting to Rp325,519,727,021 (equivalent to US\$36,493,243) and tax on the loss on sale of fixed assets in 2006 amounting to Rp10,629,781,095 (equivalent to US\$1,191,679).

e. Deferred Tax

The tax effects of significant temporary differences between commercial and tax reporting are as follows:

The Company
Deferred tax assets
Employees' benefits
Salaries and bonus
Allowance
for impairment losses
Allowance for inventory
obsolescence
Allowance
for deferred tax assets
Deferred tax assets - net
The Subsidiaries
PGASKOM
Deferred tax assets
Salaries and bonus
Employees' benefits
Allowance
for impairment losses
Fixed assets
Deferred tax assets - net

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

24. PERPAJAKAN (lanjutan)

24. TAXATION (continued)

	Saldo Awal per 31 Des. 2013/ Beginning Balance Dec. 31. 2013	Penambahan dari akuisisi/ Additions from acquisition	Dibebankan ke Laporan Laba Rugi Komprehensif Charged to Statements of Comprehensive Income	Selisih Kurs karena Penjabaran (Catatan 2b)/ Difference in Foreign Currency Translation (Note 2b)	Saldo Akhir per 31 Des. 2014/ Ending Balance Dec. 31. 2014	
PGASSOL						PGASSOL
Aset pajak tangguhan						Deferred tax assets
Aset tetap	304.997	-	15.209	(6.854)	313.352	Fixed assets
Gaji dan bonus	82.413	-	73.327	(5.035)	150.705	Salaries and bonus
Kesejahteraan karyawan	30.149	-	39.491	(2.424)	67.216	Employees' benefits
Aset pajak tangguhan - neto	417.559	-	128.027	(14.313)	531.273	Deferred tax assets - net
GAGAS						GAGAS
Aset pajak tangguhan						Deferred tax assets
Bonus	152.451	-	80.621	-	233.072	Bonus
Kesejahteraan karyawan	2.013	-	14.012	-	16.025	Employees' benefits
Cadangan kerugian penurunan nilai	-	-	8.538	-	8.538	Allowance for impairment losses
Aset pajak tangguhan - neto	154.464	-	103.171	-	257.635	Deferred tax assets - net
PLI						PLI
Aset pajak tangguhan						Deferred tax asset
Rugi fiskal	808.273	-	4.316.147	39.887	5.164.307	Fiscal loss
Biaya akresi	-	-	29.952	(1.377)	28.575	Accretion cost
Kesejahteraan karyawan	-	-	7.771	(358)	7.413	Employees' benefits
Aset pajak tangguhan - neto	808.273	-	4.353.870	38.152	5.200.295	Deferred tax assets - net
SAKA dan entitas anaknya						SAKA and its subsidiaries
Aset pajak tangguhan						Deferred tax assets
Bonus	75.168	-	(75.168)	-	-	Bonus
Liabilitas pajak tangguhan						Deferred tax liabilities
Kesejahteraan karyawan	691.510	2.074.528	(433.135)	-	2.332.903	Employees' benefit
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	3.640.586	15.869.198	1.594.413	-	21.104.197	Asset abandonment and restoration obligations and other provisions
Unrecover cost	35.841.561	106.763.853	(57.960.540)	-	84.644.874	Unrecover cost
Penyisihan persediaan usang	243.604	213.093	-	-	456.697	Allowance for inventory obsolescence
Aset tetap	(63.758.734)	(190.299.488)	12.893.072	-	(241.165.150)	Fixed assets
Aset pajak tangguhan - neto	75.168	-	(75.168)	-	-	Deferred tax assets - net
Liabilitas pajak tangguhan - neto	(23.341.473)	(65.378.816)	(43.906.190)	-	(132.626.479)	Deferred tax liabilities - net
Transgasindo						Transgasindo
Aset pajak tangguhan						Deferred tax assets
Kesejahteraan karyawan	867.550	-	494.891	-	1.362.441	Employees' benefits
Bonus	334.238	-	76.094	-	410.332	Bonus
Liabilitas pajak tangguhan						Deferred tax liability
Aset tetap	(1.773.019)	-	1.769.757	-	(3.262)	Fixed assets
Aset pajak tangguhan - neto	-	-	2.340.742	-	1.769.511	Deferred tax assets - net
Liabilitas pajak tangguhan - neto	(571.231)	-	-	-	-	Deferred tax liabilities - net
Aset pajak tangguhan konsolidasian - neto	28.867.269				37.897.272	Consolidated deferred tax assets - net
Liabilitas pajak tangguhan konsolidasian - neto	(23.912.704)				(132.626.476)	Consolidated deferred tax liabilities - net

** Unrecover cost sebagaimana dilaporkan untuk tujuan PSC, neto setelah FTP sebesar US\$67.195.558/Unrecover cost as reported for PSC purposes, net of FTP amounting to US\$67,195,558

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

24. PERPAJAKAN (lanjutan)

e. Pajak Tangguhan (lanjutan)

24. TAXATION (continued)

e. Deferred Tax (continued)

	Saldo Awal per 31 Des. 2012/ Beginning Balance Dec. 31. 2012	Penambahan dari akuisisi/ Additions from acquisition	Dibebankan ke Laporan Laba Rugi Komprehensif Charged to Statements of Comprehensive Income	Selisih Kurs karena Penjabaran (Catatan 2b)/ Difference in Foreign Currency Translation (Note 2b)	Saldo Akhir per 31 Des 2013/ Ending Balance Dec 31. 2013	
Perusahaan						The Company
Aset pajak tangguhan						Deferred tax assets
Kesejahteraan karyawan	29.008.779	-	(9.524.357)	-	19.484.422	Employees' benefits
Gaji dan bonus	8.091.804	-	(246.529)	-	7.845.275	Salaries and bonus
Cadangan kerugian penurunan nilai	3.099.895	-	262.220	-	3.362.115	Allowance for impairment losses
Penyisihan persediaan usang	325.920	-	-	-	325.920	Allowance for inventory obsolescence
Penyisihan aset pajak tangguhan	(3.425.815)	-	(262.220)	-	(3.688.035)	Allowance for deferred tax assets
Aset pajak tangguhan - neto	37.100.583	-	(9.770.886)	-	27.329.697	Deferred tax assets - net
Entitas Anak						The Subsidiaries
PGASKOM						PGASKOM
Aset pajak tangguhan						Deferred tax assets
Aset tetap	314.430	-	(290.794)	(23.636)	-	Fixed assets
Rugi fiskal	157.370	-	(145.540)	(11.830)	-	Fiscal loss
Gaji dan bonus	-	-	64.139	(9.119)	55.020	Salaries and bonus
Kesejahteraan karyawan	-	-	20.420	2.463	22.883	Employees' benefits
Cadangan kerugian penurunan nilai	-	-	4.902	(697)	4.205	Allowance for impairment losses
Aset pajak tangguhan - neto	471.800	-	(346.873)	(42.819)	82.108	Deferred tax assets - net
PGASSOL						PGASSOL
Aset pajak tangguhan						Deferred tax assets
Rugi fiskal	232.191	-	(214.737)	(17.454)	-	Fiscal loss
Aset tetap	231.808	-	143.747	(70.558)	304.997	Fixed assets
Gaji dan bonus	-	-	96.072	(13.659)	82.413	Salaries and bonus
Kesejahteraan karyawan	-	-	24.553	5.596	30.149	Employees' benefits
Aset pajak tangguhan - neto	463.999	-	49.635	(96.075)	417.559	Deferred tax assets - net
GAGAS						GAGAS
Aset pajak tangguhan						Deferred tax assets
Kesejahteraan karyawan	225	-	1.788	-	2.013	Bonus
Bonus	91.890	-	60.561	-	152.451	Employees' benefits
Aset pajak tangguhan - neto	92.115	-	62.349	-	154.464	Deferred tax assets - net
PLI						PLI
Aset pajak tangguhan						Deferred tax assets
Rugi fiskal	135.849	-	816.601	(144.177)	808.273	Fiscal loss
Aset pajak tangguhan - neto	135.849	-	816.601	(144.177)	808.273	Deferred tax assets - net
SAKA dan entitas anaknya						SAKA and its subsidiaries
Aset pajak tangguhan						Deferred tax assets
Bonus	-	-	87.609	(12.441)	75.168	Bonus
Liabilitas pajak tangguhan						Deferred tax liabilities
Kesejahteraan karyawan	-	545.067	146.443	-	691.510	Employees' benefit
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	-	5.582.586	(1.942.000)	-	3.640.586	Asset abandonment and restoration obligations and other provisions
Penyisihan persediaan usang	-	243.604	-	-	243.604	Allowance for inventory obsolescence
Unrecover cost **	-	35.860.874	(19.313)	-	35.841.561	Unrecover cost **
Aset tetap	-	(67.582.036)	3.823.302	-	(63.758.734)	Fixed assets
Aset pajak tangguhan - neto	-	-	87.609	(12.441)	75.168	Deferred tax assets - net
Liabilitas pajak tangguhan - neto	-	(25.349.905)	2.008.432	-	(23.341.473)	Liabilities deferred tax assets - net

** Unrecover cost sebagaimana dilaporkan untuk tujuan PSC, neto setelah FTP sebesar US\$13.994.890/Unrecover cost as reported for PSC purposes, net of FTP amounting to US\$13,994,890.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

24. PERPAJAKAN (lanjutan)

e. Pajak Tangguhan (lanjutan)

	Saldo Awal per 31 Des. 2012/ Beginning Balance Dec. 31. 2012	Penambahan dari akuisisi perusahaan/ Additions from the Company's acquisition	Dibebankan ke Laporan Laba Rugi Komprehensif Charged to Statements of Comprehensive Income	Selisih Kurs karena Penjabaran (Catatan 2b)/ Difference in Foreign Currency Translation (Note 2b)	Saldo Akhir per 31 Des. 2013/ Ending Balance Dec 31. 2013
<u>Transgasindo</u>					
Aset pajak tangguhan					
Kesejahteraan karyawan	1.429.880	-	(562.330)	-	867.550
Cadangan kerugian penurunan nilai	1.001.368	-	(1.001.368)	-	-
Bonus	528.040	-	(193.802)	-	334.238
Liabilitas pajak tangguhan					
Aset tetap	(3.610.143)	-	1.837.124	-	(1.773.019)
Liabilitas pajak tangguhan - neto	(650.855)	-	79.624	-	(571.231)
Aset pajak tangguhan konsolidasian - neto	38.264.346				28.867.269
Liabilitas pajak tangguhan konsolidasian - neto	(650.855)				(23.912.704)

Transgasindo
Deferred tax assets
Employees' benefits
Allowance
for impairment losses
Bonus
Deferred tax liability
Fixed assets

Deferred tax liability - net

Consolidated deferred
tax asset - net

Consolidated deferred
tax liability - net

Rincian manfaat (beban) pajak tangguhan
adalah sebagai berikut:

The details of deferred tax benefit (expense)
are as follows:

	Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,		
	2014	2013 Disajikan kembali/ As restated	
Pengaruh pajak atas beda temporer pada tarif pajak maksimum:			The effects of temporary differences at maximum tax rate:
<u>Perusahaan</u>			<u>The Company</u>
Penyisihan aset pajak tangguhan	(1.348.148)	(262.220)	Valuation allowance
Kesejahteraan karyawan	1.184.697	(4.333.320)	Employees' benefits
Penyisihan persediaan usang	(177.766)		Provision for inventory obsolescence
Cadangan kerugian penurunan nilai	1.525.914	262.220	Provision for impairment losses
Gaji dan bonus	(269.112)	(246.529)	Salaries and bonus
<u>Entitas Anak</u>			<u>Subsidiaries</u>
Rugi fiskal	4.316.147	456.324	Tax loss
Aset tetap	14.671.127	5.513.376	Fixed assets
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	1.594.413	(1.942.000)	Asset abandonment and restoration obligations
Kesejahteraan karyawan	542.161	157.803	Employees' benefits
Gaji dan bonus	148.889	114.579	Salaries and bonus
Cadangan kerugian penurunan nilai	18.084	(996.466)	Provision for impairment losses
Unrecover cost	(57.960.540)	(19.313)	Unrecover cost
Biaya akresi	29.952	-	Accretion cost
Beban pajak tangguhan, neto	(35.724.182)	(1.295.546)	Deferred tax expense, net

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

24. PERPAJAKAN (lanjutan)

e. Pajak Tangguhan (lanjutan)

Rincian manfaat pajak tangguhan atas kesejahteraan karyawan yang disajikan dalam Pendapatan Komprehensif Lainnya sebagai berikut:

	Tahun yang berakhir pada tanggal 31 Desember/ Years ended December 31,	
	2014	2013 Disajikan kembali/ As restated
<u>Perusahaan</u>		
Manfaat (beban) pajak tangguhan atas kesejahteraan karyawan:		
Kerugian (keuntungan) aktuarial		
Awal tahun	8.778.164	13.969.201
Tahun berjalan	1.798.172	(5.191.037)
<u>Entitas Anak</u>		
Manfaat (beban) pajak tangguhan atas kesejahteraan karyawan:		
Kerugian (keuntungan) aktuarial		
Awal tahun	(357.305)	169.624
Tahun berjalan	55.202	(526.929)
Manfaat pajak tangguhan. neto	10.274.233	8.420.859

Aset dan liabilitas pajak tangguhan, selain akumulasi rugi fiskal, berasal dari perbedaan metode atau dasar yang digunakan untuk tujuan pencatatan menurut pelaporan akuntansi dan pajak, terutama terdiri dari penyusutan aset tetap, cadangan kerugian penurunan nilai, penyisihan persediaan usang, provisi untuk gaji dan bonus karyawan dan provisi untuk kesejahteraan karyawan. Perbedaan dasar pencatatan aset tetap adalah karena perbedaan estimasi masa manfaat aset untuk tujuan pelaporan akuntansi dan pajak. Perbedaan dasar cadangan kerugian penurunan nilai, penyisihan persediaan usang, provisi untuk gaji dan bonus karyawan dan penyisihan manfaat karyawan karena perbedaan waktu pengakuan beban untuk tujuan pelaporan akuntansi dan pajak.

Manajemen berpendapat bahwa penyisihan aset pajak tangguhan adalah cukup untuk menutup manfaat yang mungkin tidak dapat direalisasi.

Tidak terdapat konsekuensi pajak penghasilan atas pembayaran dividen oleh Entitas-entitas Anak domestik dan Entitas Asosiasi kepada Perusahaan dan Perusahaan bermaksud memegang investasi tersebut dalam jangka panjang.

24. TAXATION (continued)

e. Deferred Tax (continued)

The details of deferred tax benefit for employees' benefits presented in the Other Comprehensive Income are as follows:

<u>The Company</u>
Deferred tax benefit (expense) for employees' benefits:
Actuarial loss (gain)
Beginning of year
Current year
<u>Subsidiaries</u>
Deferred tax benefit (expense) for employees' benefits:
Actuarial loss (gain)
Beginning of year
Current year
Deferred tax benefit. net

Deferred tax assets and liabilities, other than accumulated tax losses, arose from the difference in the methods or basis used for accounting and tax reporting purposes, mainly comprising depreciation on fixed assets, allowance for impairment losses, allowance for inventory obsolescence, provision for employees' salaries and bonus and provision for employees' benefits. The difference in the basis of recording of fixed assets is due to the differences in the estimated useful lives of the assets for accounting and tax reporting purposes. The differences in the basis of allowance for impairment losses, allowance for inventory obsolescence, provision for employees' salaries and bonus and allowance for employees' benefits are due to the difference in timing of recognition of expenses for accounting and tax reporting purposes.

The management believes that the valuation allowance for deferred tax assets is adequate to cover the possible that such tax benefits will not be realized.

There are no income tax consequences attached to the payment of dividends by the local Subsidiaries and Associates to the Company and the Company intends to hold the investment for long-term.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

24. PERPAJAKAN (lanjutan)

e. Pajak Tangguhan (lanjutan)

Rekonsiliasi antara estimasi pajak penghasilan yang dihitung dengan menggunakan tarif pajak yang berlaku pada tahun 2014 dan 2013 dari laba akuntansi sebelum manfaat (beban) pajak penghasilan seperti yang tercantum dalam laporan laba rugi komprehensif konsolidasian untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013 adalah sebagai berikut:

	Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,	
	2014	2013 Disajikan kembali/ As restated
Laba sebelum beban pajak konsolidasian	978.765.428	1.065.739.975
Eliminasi laba rugi	12.590.258	(10.595.653)
Laba sebelum beban pajak konsolidasian sebelum eliminasi	991.355.686	1.055.144.322
Beban pajak dengan tarif pajak 25%	247.838.921	263.786.080
Pengaruh pajak atas beda tetap	(7.186.463)	(6.705.510)
Pengaruh penurunan tarif pajak penghasilan dalam perhitungan pajak kini Perusahaan	(39.647.839)	(47.927.993)
Pengaruh perbedaan penggunaan tarif dalam perhitungan pajak tangguhan	29.824.482	18.874.187
Pengaruh perbedaan tarif pajak final Koreksi hasil pemeriksaan pajak penghasilan tahun sebelumnya	-	969.556
Estimasi beban pajak - neto menurut laporan laba rugi komprehensif konsolidasian	231.093.948	227.938.102

Consolidated profit before tax expense
Elimination of revenues and expenses

Consolidated profit before tax expense before elimination

Tax expense computed using tax rate of 25%
Tax effect of the permanent differences
Effect of income tax rate reduction used in current tax computation in the Company
Effect from different rate used in deferred tax calculation
Effect from different final tax rate
Correction for prior year income tax assessment

Estimated tax expense - net per consolidated statements of comprehensive income

f. Surat Ketetapan Pajak

Perusahaan

Pada tanggal 26 April 2013, Perusahaan menerima Surat Ketetapan Pajak Lebih Bayar (SKPLB) untuk Pajak Penghasilan Badan tahun 2011 sebesar Rp77.208.977.387, Surat Ketetapan Pajak Kurang Bayar (SKPKB) untuk Pajak Pertambahan Nilai Barang dan Jasa atas Pemanfaatan Jasa Kena Pajak dari Luar Daerah Pabean untuk masa pajak Januari sampai Desember 2011 sebesar Rp348.663.206, dan menerima Surat Tagihan Pajak (STP) atas Pajak Pertambahan Nilai diatas untuk masa pajak Januari sampai Desember 2011 sebesar Rp52.827.758. Pada tanggal 2 Juli 2013, Perusahaan telah menerima kelebihan pembayaran pajak tersebut sebesar Rp76.807.486.423 setelah dikurangi dengan kekurangan bayar pajak dan tagihan pajak.

24. TAXATION (continued)

e. Deferred Tax (continued)

The reconciliation between tax expense computed using the prevailing tax rate in 2014 and 2013 on the accounting income before tax benefit (expense) reported in the consolidated statements of comprehensive income for the years ended as of December 31, 2014 and 2013 is as follows:

f. Tax Assessment Letters

The Company

On April 26, 2013, the Company has received Tax Assessment Letter for Overpayment (SKPLB) of Corporate Income Tax for the year 2011 amounting to Rp77,208,977,387, Tax Assessment Letter for Underpayment (SKPKB) of Value-Added Tax for the utilization of taxable services from the Outside of the Pabean Area for the periods of January until December 2011 amounting to Rp348,663,206 and the Company also received Tax Claim Letter (STP) for the above Value-Added Tax for the periods of January until December 2011 amounting to Rp52,827,758. On July 2, 2013, the Company received the refund of such tax overpayment amounting to Rp76,807,486,423, net of the tax underpayments and tax claim.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

24. PERPAJAKAN (lanjutan)

f. Surat Ketetapan Pajak (lanjutan)

Perusahaan (lanjutan)

Selisih antara jumlah yang ditagih oleh Perusahaan dengan jumlah yang dikembalikan oleh Kantor Pajak disajikan sebagai akun "Beban Pajak Kini" untuk pajak penghasilan dan "Beban Lain-Lain" untuk pajak lainnya dalam laporan laba rugi komprehensif konsolidasian tahun yang berakhir pada tanggal 31 Desember 2013.

Pada tanggal 9 Juni 2014, Perusahaan menerima Surat Pengembalian Pendahuluan Kelebihan Pajak (SPPKP) untuk Pajak Penghasilan Badan tahun 2013 sebesar US\$30.714.134. Pada tanggal 15 Juli 2014, Perusahaan telah menerima kelebihan pembayaran pajak tersebut.

Transgasindo - Entitas Anak

Sehubungan dengan proses restitusi Pajak Pertambahan Nilai (PPN):

Selama tahun yang berakhir pada tanggal 31 Desember 2014 dan 2013, Transgasindo menerima beberapa SKPLB PPN dengan jumlah keseluruhan masing-masing sebesar Rp9,6 milyar dan Rp19,6 milyar, Transgasindo telah menyetujui seluruh ketetapan pajak tersebut kecuali untuk Surat Ketetapan Pajak masa Desember 2012 sampai dengan Februari 2013 dan Mei sampai dengan Agustus 2013, dengan jumlah keberatan pajak sebesar Rp504 juta yang mencerminkan selisih antara jumlah yang ditetapkan Kantor Pajak dengan yang ditagih oleh Transgasindo. Keberatan pajak tersebut telah diajukan oleh Transgasindo pada bulan April sampai dengan Juni 2014.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, Transgasindo masih menunggu keputusan dari Kantor Pajak atas keberatan diatas.

Selama tahun yang berakhir pada tanggal 31 Desember 2014 dan 2013, Transgasindo menerima hasil restitusi PPN masing-masing sejumlah Rp13 miliar (setara dengan US\$1 juta) dan Rp20 miliar (setara dengan US\$2 juta). Untuk setiap SKPLB yang telah disetujui Transgasindo, selisih antara jumlah yang ditagihkan Perusahaan dengan jumlah yang ditentukan oleh Kantor Pajak disajikan pada akun "Beban Lain-lain" pada laporan laba rugi komprehensif konsolidasian.

24. TAXATION (continued)

f. Tax Assessment Letters (continued)

The Company (continued)

The difference between the amount claimed by the Company and the amount refunded by the Tax Office is presented in the "Current Tax Expense" account for income tax and "Other Expense" account for other tax in the consolidated statement of comprehensive income for the year ended December 31, 2013.

On June 9, 2014, the Company has received Preliminary Tax Refund Letter for Overpayment (SPPKP) of Corporate Income Tax for the year 2013 amounting to US\$30,714,134. On July 15, 2014, the Company has received the refund of such tax overpayment.

Transgasindo -the Subsidiary

In relation to Value-added Tax (VAT) refund process:

During years ended December 31, 2014 and 2013, Transgasindo received several SKPLB with tax refund totaling to Rp9.6 billion and Rp19.6 billion, respectively. Transgasindo has agreed to the above tax assessments, except for Tax Assessment Letters for the months of December 2012 up to February 2013 and May up to August 2013, with tax objection amounting to Rp504 million, which represents the difference between the amount determined by the Tax Office with the amount claimed by Transgasindo. The tax objection has been submitted by Transgasindo in April to June 2014.

Up to completion date of the consolidated financial statements, Transgasindo is still waiting for the decision from the Tax Office regarding the above tax objection.

During the years ended December 31, 2014 and 2013, Transgasindo received VAT refund totaling Rp13 billion (equivalent to US\$1 million) and Rp20 billion (equivalent to US\$2 million), respectively. For each SKPLB which has been agreed by Transgasindo, the difference between the amount claimed by the Company with the amount determined by the Tax Office were presented under "Other Expenses" account in the consolidated statements of comprehensive income.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

24. PERPAJAKAN (lanjutan)

f. Surat Ketetapan Pajak (lanjutan)

SEI - Entitas Anak

Selama tahun 2014, SEI melalui entitas anaknya menerima beberapa SKPKB dari Kementerian Keuangan Republik Indonesia - Direktorat Jenderal Pajak sebagai berikut:

- SIP (Entitas Anak SEI) menerima SKPKB tertanggal 27 Agustus 2014 untuk Pajak Penghasilan Final Pasal 4 (2) masa pajak Juni 2013 sebesar Rp203.143.933.553. Atas SKPKB tersebut, telah dilakukan pembayaran pada tanggal 25 September 2014.

Sehubungan dengan SKPKB tersebut, SIP telah mengajukan keberatan melalui surat kepada Direktur Jenderal Pajak tertanggal 18 November 2014.

- SIPL dan SP (Entitas Anak SIP), menerima SKPKB tertanggal 3 Desember 2014 untuk Pajak Penghasilan Final Pasal 4 (2) masa pajak Januari 2014 masing-masing sebesar Rp556.896.568.577 dan Rp62.652.743.146. Atas SKPKB tersebut, telah dilakukan pembayaran pada bulan Desember 2014.

Sehubungan dengan SKPKB tersebut, SIPL dan SP akan mengajukan keberatan kepada Direktur Jenderal Pajak.

SEI juga telah melakukan pengajuan banding atas Keputusan Direktur Jenderal Pajak No. KEP-1904/WPJ.07/2013 tertanggal 18 September 2013 terkait dengan keberatan SEI atas SKPKB Pajak Penghasilan Pasal 26 masa Januari sampai dengan Desember tahun 2009 dengan nilai SKPKB yang diajukan banding sebesar Rp16.756.453.245. Nilai kurang bayar beserta sanksi administratif disajikan pada akun "Liabilitas Yang Masih Harus Dibayar" pada laporan posisi keuangan konsolidasian.

PGASSOL - Entitas Anak

Selama tahun yang berakhir pada tanggal 31 Desember 2014 dan 2013, PGASSOL menerima beberapa SKPLB PPN dengan jumlah keseluruhan masing-masing sebesar Rp24.606.755.543 dan nihil. PGASSOL telah menyetujui seluruh ketetapan pajak tersebut. Untuk SKPLB yang telah disetujui PGASSOL, selisih antara jumlah yang ditagihkan PGASSOL dengan jumlah yang ditentukan oleh Kantor Pajak sebesar Rp577.184.936 dibebankan pada usaha tahun berjalan.

24. TAXATION (continued)

f. Tax Assessment Letters (continued)

SEI - the Subsidiary

During 2014, SEI through the subsidiary has received several SKPKB from Ministry of Finance of the Republic of Indonesia - Directorate General of Taxation, as follows:

- *SIP (Subsidiary of SEI) received SKPKB dated August 27, 2014 of Final Income Tax Article 4 (2) for the period June 2013 amounting to Rp203,143,933,553. Such SKPKB payment has been made on September 25, 2014.*

In connection with the above SKPKB, SIP has filed an objection letter to the Director General of Taxes dated November 18, 2014.

- *SIPL and SP (Subsidiary of SIP), received SKPKB of Final Income Tax Article 4 (2) dated on December 3, 2014 for the period January 2014 amounting to Rp556,896,568,577 and Rp62,652,743,146, respectively. Such SKPKB payment has been made in December 2014.*

In connection with the above SKPKB, SIPL and SP will file objection letters to the Director General of Taxes.

SEI filed an appeal on the Decision of the Director General of Taxation No. KEP-1904/WPJ.07/2013 dated September 18, 2013 related to SEI's objection to SKPKB of Income Tax Article 26, for the period January to December 2009 with the amount of SKPKB amounting to Rp16,756,453,245. The amount of underpayments with the administrative penalty were presented under "Accrued Liabilities" on the consolidated statement of financial position.

PGASSOL - the Subsidiary

During the years ended December 31, 2014 and 2013, PGASSOL received several SKPLB with tax refund totaling to Rp24,606,755,543 and nil, respectively. PGASSOL has agreed to the above tax assessments. For SKPLB which has been agreed by PGASSOL, the difference between the amount claimed by PGASSOL with the amount determined by the Tax Office with amount Rp577,184,936 was charged to current year operations.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

24. PERPAJAKAN (lanjutan)

f. Surat Ketetapan Pajak (lanjutan)

PGASSOL - Entitas Anak (lanjutan)

Selama tahun yang berakhir pada tanggal 31 Desember 2014 dan 2013, PGASSOL menerima beberapa SKPKB PPN dengan jumlah keseluruhan masing-masing sebesar Rp1.260.669.948 dan nihil. PGASSOL telah menyetujui seluruh ketetapan pajak tersebut. SKPKB yang telah disetujui PGASSOL dibebankan pada usaha tahun berjalan.

PGASKOM - Entitas Anak

Selama tahun yang berakhir pada tanggal 31 Desember 2014 dan 2013, PGASKOM menerima SKPKB Pajak Penghasilan Badan dengan jumlah keseluruhan sebesar Rp595 juta dan nihil. PGASKOM telah menyetujui seluruh ketetapan pajak tersebut. SKPKB yang telah disetujui PGASKOM, dibebankan pada usaha tahun berjalan.

g. Lain-lain

Perusahaan telah mendapatkan persetujuan untuk menyelenggarakan pembukuan dengan menggunakan mata uang Dolar AS mulai tahun fiskal 2013 dari Kementerian Keuangan Republik Indonesia - Direktorat Jenderal Pajak dalam Surat Keputusan No. KEP-278/WPJ.19/2012 tanggal 20 Maret 2012. Transgasindo, Gagas dan Saka juga memperoleh persetujuan yang sama dari Kementerian Keuangan Republik Indonesia - Direktorat Jenderal Pajak untuk masing-masing berdasarkan Surat Keputusan No. KEP-401/PJ.42/2002 tanggal 16 September 2002, Surat Keputusan No. KEP-914/WPJ.19/2013 tanggal 16 Juli 2013 dan Surat Keputusan No. KEP-1951/WPJ.07/2013 tanggal 24 September 2013.

24. TAXATION (continued)

f. Tax Assessment Letters (continued)

PGASSOL - the Subsidiary (continued)

During the years ended December 31, 2014 and 2013, PGASSOL received several SKPKB with amount totaling Rp1,260,669,948 and nil, respectively. PGASSOL has agreed to the above tax assessments. The SKPKB agreed by PGASSOL, were charged to current year operations.

PGASKOM - the Subsidiary

During the years ended December 31, 2014 and 2013, PGASKOM received several SKPKB with amount totaling Rp595 million and nil, respectively. PGASKOM has agreed to the above tax assessments. The SKPKB agreed by PGASKOM, was charged to current year operations.

g. Other

The Company has obtained approval to maintain bookkeeping in US Dollar starting 2013 fiscal year from the Ministry of Finance of the Republic of Indonesia - Directorate General of Taxation in its Decision Letter No. KEP-278/WPJ.19/2012 dated March 20, 2012. Transgasindo, Gagas and Saka also obtained approval the same approval from the Ministry of Finance of the Republic of Indonesia - Directorate General of Taxation based on Decision Letter No. KEP-401/PJ.42/ 2002 dated September 16, 2002, Decision Letter No. KEP-914/WPJ.19/2013 dated July 16, 2013 and Decision Letter No. KEP-1951/WPJ.07/2013 dated September 24, 2013, respectively.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

25. MODAL SAHAM

Susunan pemilikan saham Perusahaan pada tanggal-tanggal 31 Desember 2014 dan 2013 berdasarkan catatan yang dibuat oleh PT Datindo Entrycom (Biro Administrasi Efek) adalah sebagai berikut:

	Lembar Saham/ Number of Shares	US\$	%	
Saham Seri A Dwiwarna	1	-	0.00	Series A Dwiwarna Share
1. Pemerintah Republik Indonesia				1. The Government of the Republic of Indonesia
Saham Seri B	13.809.038.755	195.968.391	56.97	Series B Shares
1. Pemerintah Republik Indonesia				1. The Government of the Republic of Indonesia
2. Masyarakat umum dan karyawan (masing-masing dibawah 5%)	10.430.448.940	148.021.765	43.03	2. Public and employees (each below 5%)
3. Manajemen				3. Management
- Djoko Saputro (Direksi)	30.000	426	0.00	Djoko Saputro (Director) -
- Hendi Kusnadi (Direksi)	140.500	1.994	0.00	Hendi Kusnadi (Director) -
Ditempatkan dan disetor penuh	24.239.658.196	343.992.576	100.00	Issued and fully paid
Modal saham diperoleh kembali*)	1.850.000	26.255		Treasury stock*)
Saham beredar	24.241.508.196	344.018.831		Outstanding shares

*) Nilai harga perolehan pembelian kembali saham adalah sebesar US\$251.054 (Catatan 1.b).

*) The acquisition cost of the treasury stock amounted to US\$251,054 (Note 1.b).

Saham Seri A Dwiwarna merupakan saham yang memberikan kepada pemegangnya hak-hak untuk mencalonkan Direksi dan Komisaris, menghadiri dan menyetujui pengangkatan dan pemberhentian Komisaris dan Direksi, perubahan Anggaran Dasar termasuk perubahan modal, pembubaran dan likuidasi, penggabungan, peleburan dan pengambilalihan Perusahaan.

Series A Dwiwarna share represents share which provides the holder rights to propose Directors and Commissioners, attend and approve the appointment and dismissal of Commissioners and Directors, change in Articles of Association including changes in capital, closure and liquidation, merger and acquisition of the Company.

Pada tanggal 31 Desember 2014, Perusahaan telah mencatatkan seluruh sahamnya yang beredar pada Bursa Efek Indonesia sebanyak 24.241.508.196 lembar saham.

As of December 31, 2014, the Company has listed all its outstanding shares on the Indonesia Stock Exchange totaling to 24,241,508,196 shares.

26. PENCADANGAN SALDO LABA DAN PEMBAGIAN LABA

Berdasarkan Risalah Rapat Umum Pemegang Saham Tahunan yang diadakan pada tanggal 27 Maret 2014 yang diaktakan dengan Akta Notaris No. 56 dari Notaris Fathiah Helmi, S.H., tanggal 27 Maret 2014, para pemegang saham menyetujui keputusan-keputusan, sebagai berikut:

26. APPROPRIATIONS OF RETAINED EARNINGS AND DISTRIBUTIONS OF INCOME

Based on the Minutes of the Company's Annual General Shareholders' Meeting held on March 27, 2014 which were notarized with Notarial Deed No. 56 of Notary Fathiah Helmi, S.H., dated March 27, 2014, the shareholders ratified the following decisions:

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**26. PENCADANGAN SALDO LABA DAN
PEMBAGIAN LABA (lanjutan)**

1. Menetapkan penggunaan laba tahun berjalan yang dapat diatribusikan kepada pemilik Entitas Induk Perusahaan untuk tahun buku 2013 berjumlah sebesar US\$860.533.234 diperuntukkan sebagai berikut:
 - a. Pembagian dividen tunai sebesar Rp5.100.024.084.438 atau Rp210,40 per saham kepada pemegang saham;
 - b. Sisanya akan dicatat sebagai cadangan.
2. Kepada Direksi diberikan wewenang untuk mengatur lebih lanjut tata cara pembagian dividen tersebut dan mengumumkannya dengan memperhatikan peraturan dan perundangan yang berlaku.

Berdasarkan Rapat Umum Pemegang Saham Tahunan yang diadakan pada tanggal 17 April 2013, yang diaktakan dengan Akta Notaris No. 56 dari Notaris Fathiah Helmi, S.H., tanggal 17 April 2013, para pemegang saham menyetujui keputusan-keputusan, sebagai berikut:

1. Menetapkan penggunaan laba tahun berjalan yang dapat diatribusikan kepada pemilik Entitas Induk Perusahaan untuk tahun buku 2012 berjumlah sebesar US\$890.885.456 diperuntukkan sebagai berikut:
 - a. Pembagian dividen tunai sebesar Rp4.915.075.492.403 atau Rp202,77 per saham kepada pemegang saham;
 - b. Sisanya akan dicatat sebagai saldo laba untuk mendukung kegiatan operasional dan pengembangan Perusahaan.
2. Menetapkan untuk tidak mengalokasikan laba tahun berjalan yang dapat diatribusikan kepada pemilik Entitas Induk untuk tahun buku 2012 untuk sumber dana Program Kemitraan dan Bina Lingkungan. Perusahaan akan membiayai kegiatan Tanggung Jawab Sosial dan Lingkungan tahun buku 2013 sesuai dengan kebutuhan dan kemampuan Perusahaan.

**26. APPROPRIATIONS OF RETAINED EARNINGS
AND DISTRIBUTIONS OF INCOME (continued)**

1. *Approved the use of profit for the year that is attributable to Owner of the Parent Entity for the financial year of 2013 in the amount of US\$860,533,234 to be utilized as follows:*
 - a. *Distribution of cash dividends of Rp5,100,024,084,438 or Rp210.40 per share to shareholders;*
 - b. *The remaining amount will be appropriated as reserve.*
2. *To give authority to the Board of Directors to further prepare for the cash dividends distribution procedures and publish it taking into consideration the prevailing laws and regulations.*

Based on minutes the Company's Annual General Shareholders' Meeting held on April 17, 2013 which were notarized with Notarial Deed No. 56 of Notary Fathiah Helmi, S.H., dated April 17, 2013, the shareholders ratified the following decisions:

1. *Approved the use of profit for the year that are attributable to Owner of the Parent Entity for the financial year of 2012 in the amount of US\$890,885,456 to be utilized as follows:*
 - a. *Distribution of cash dividends of Rp4,915,075,492,403 or Rp202.77 per share to shareholders;*
 - b. *The remaining amount will be appropriated as retained earnings to support the operational activities and the Company's expansion.*
2. *Stipulated not to allocate the profit for the year that is attributable to owner of the Parent Entity for the financial year of 2012 to fund the Partnership and Community Development Program. The Company will expense the activity of Social and Environment Responsibility (CSR) for the financial year of 2013 according to the needs and ability of the Company.*

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**26. PENCADANGAN SALDO LABA DAN
PEMBAGIAN LABA (lanjutan)**

3. Kepada Direksi diberikan wewenang untuk mengatur lebih lanjut tata cara pembagian dividen tersebut dan mengumumkannya dengan memperhatikan peraturan dan perundangan yang berlaku.

**26. APPROPRIATIONS OF RETAINED EARNINGS
AND DISTRIBUTIONS OF INCOME (continued)**

3. To give authority to the Board of Directors to further prepare for the cash dividends distribution procedures and publish it taking into consideration the prevailing laws and regulations.

27. PENDAPATAN NETO

Akun ini terdiri dari:

27. NET REVENUES

This account consists of:

Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,			
	2014	2013 Disajikan kembali/ As restated	
Distribusi gas - setelah penyesuaian pendapatan	2.909.158.959	2.769.733.302	Gas distribution - net of sales adjustments
Penjualan minyak dan gas neto	297.797.565	34.844.573	Net oil and gas sales
Transmisi gas	186.473.109	180.240.606	Gas transmission
Sewa fiber optik	7.537.030	10.341.994	Fiber optic rental
Lain-lain	7.623.398	6.356.155	Others
Total, Neto	3.408.590.061	3.001.516.630	Total, Net

Penyesuaian pendapatan merupakan koreksi faktur pelanggan melalui rekonsiliasi atas penggunaan gas antara Kelompok Usaha dan pelanggan.

The sales adjustments pertain to corrections made to customers' invoices upon reconciliation of the gas consumption between the Group and the customers.

Penjualan minyak dan gas merupakan pendapatan atas penjualan minyak dan gas Kelompok Usaha dari aktivitas eksplorasi dan produksi yang berkaitan dengan kontrak kerjasama dimana Kelompok Usaha bukan merupakan operator.

Net oil and gas sales represents Group's sales of oil and gas from exploration and production activities related to certain non-group operated joint venture.

Sewa fiber optik merupakan pendapatan PGASKOM atas penyediaan jaringan kepada para pelanggan.

Fiber optic rental represents PGASKOM's revenues of network services to the customers.

Pendapatan lain-lain merupakan pendapatan PGASSOL atas penyediaan jasa konstruksi dan pemeliharaan jaringan pipa kepada pelanggannya.

Other revenues represents PGASSOL's revenues of pipeline construction and maintenance services to the customers.

Pendapatan gas bumi terdiri dari distribusi gas kepada:

Natural gas revenues consist of gas distribution to:

Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,			
	2014	2013 Disajikan kembali/ As restated	
Industri	2.848.325.953	2.687.535.352	Industrial
Komersial	55.938.605	75.103.555	Commercial
Rumah tangga	4.426.266	5.419.102	Households
Stasiun Pengisian Bahan Bakar Gas (SPBG)	468.135	1.675.293	Fuel Gas Filling Stations (SPBG)
Total	2.909.158.959	2.769.733.302	Total

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

27. PENDAPATAN NETO (lanjutan)

Pendapatan neto dari pelanggan yang melebihi 10% dari total pendapatan neto konsolidasian adalah pendapatan dari PLN, entitas berelasi dengan Pemerintah, masing-masing sebesar US\$623.564.625 atau 18,35% dan US\$575.213.360 atau 19,16% dari total pendapatan neto konsolidasian untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013.

Kelompok Usaha melakukan transaksi penjualan dengan entitas berelasi dengan Pemerintah, dengan total masing-masing sebesar 25,02% dan 26,52% dari total pendapatan neto konsolidasian di atas untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013.

27. NET REVENUES (continued)

Net revenues from customer in excess of 10% of the total consolidated net revenues are revenue from PLN, a Government-related entity, which amounted to US\$623,564,625 or 18.35% and US\$575,213,360 or 19.16% of the total consolidated net revenues for the years ended December 31, 2014 and 2013.

The Group enters into sales transactions with the Government-related entities, totaling 25.02% and 26.52% of its consolidated net revenues above for the years ended December 31, 2014 and 2013, respectively.

28. BEBAN POKOK PENDAPATAN

Akun ini terdiri dari:

28. COST OF REVENUES

This account consists of:

Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,			
	2014	2013 Disajikan kembali/ As restated	
Distribusi Gas			Gas Distribution
Pihak ketiga	1.315.239.994	1.151.868.992	Third parties
Entitas berelasi dengan Pemerintah (Catatan 37)	393.006.340	413.252.606	Government-related entities (Note 37)
Sub-total	1.708.246.334	1.565.121.598	Sub-total
Beban operasi minyak dan gas bumi			Oil and gas operating expenses
Beban penyusutan, deplesi dan amortisasi	95.486.727	7.366.373	Depreciation, depletion and amortization
Beban produksi dan lifting	78.233.160	11.366.998	Production and lifting cost
Sub-total	173.719.887	18.733.371	Sub-total
Gas alam cair (LNG)	61.815.330	-	Liquid Natural Gas (LNG)
Total	1.943.781.551	1.583.854.969	Total

Pembelian neto dari pemasok yang melebihi 10% dari jumlah pendapatan neto konsolidasian adalah pembelian dari entitas berelasi dengan Pemerintah (Catatan 37) dan ConocoPhillips masing-masing sebesar US\$393.006.340 atau 11,57% dan US\$874.256.578 atau 25,73% dari total pendapatan neto konsolidasian untuk tahun yang berakhir 31 Desember 2014 dan pembelian dari entitas berelasi dengan Pemerintah dan ConocoPhillips masing-masing sebesar US\$413.252.606 atau 13,77% dan US\$722.017.816 atau 24,06% dari jumlah pendapatan neto konsolidasian untuk tahun yang berakhir 31 Desember 2013.

Net purchases from suppliers involving purchases in excess of 10% of the total consolidated net revenues are for purchases from Government related entities (Note 37) a Government-related entity, and ConocoPhillips amounting to US\$393,006,340 or 11.57% and US\$874,256,578 or 25.73% of total consolidated net revenues for the year ended December 31, 2014, respectively, and purchases from Pertamina and ConocoPhillips amounting to US\$413,252,606 or 13.77% and US\$722,017,816 or 24.06% of total consolidated net revenues for the year ended December 31, 2013, respectively.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

28. BEBAN POKOK PENDAPATAN (lanjutan)

Kelompok Usaha melakukan transaksi pembelian gas dengan entitas berelasi dengan Pemerintah. dengan total masing-masing sebesar 20,14% dan 26,09% dari total beban pokok pendapatan konsolidasian di atas untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013.

28. COST OF REVENUES (continued)

The Group enters sales transactions with the Government-related entities, totalling to 20.14% and 26.09% of its consolidated cost of revenues above for the years ended December 31, 2014 and 2013, respectively.

29. BEBAN DISTRIBUSI DAN TRANSMISI

Akun ini terdiri dari:

29. DISTRIBUTION AND TRANSMISSION EXPENSES

This account consists of:

Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,				
	2014	2013 Disajikan kembali/ As restated		
Penyusutan (Catatan 15)	158.823.033	169.401.257	Depreciation (Note 15)	
Gaji dan kesejahteraan karyawan	37.162.605	38.391.494	Salaries and employees' benefits	
Perbaikan dan pemeliharaan	24.233.695	20.502.621	Repairs and maintenance	
Jasa umum	19.209.966	18.811.195	General services	
Iuran BPH Migas	12.278.555	12.964.088	BPH Migas levy	
Sewa	11.845.220	2.580.863	Rental	
Peralatan dan suku cadang	10.976.953	4.765.739	Tools and spare parts	
Bahan bakar dan bahan kimia	8.642.935	6.865.643	Fuel and chemicals	
Asuransi	4.192.555	3.443.735	Insurance	
Representasi dan jamuan	2.597.451	1.739.484	Representation and entertainment	
Perjalanan dinas dan transportasi	2.586.010	2.851.809	Traveling and transportation	
Peralatan kantor	1.276.746	1.130.293	Office supplies	
Listrik dan air	1.011.294	575.417	Electricity and water	
Honorarium profesional	1.088.332	4.210.115	Professional fees	
Material umum	570.906	363.254	General materials	
Komunikasi	483.716	416.215	Communications	
Perayaan	387.260	357.592	Celebration	
Amortisasi	381.963	405.939	Amortization	
Pajak dan perizinan	359.703	141.622	Taxes and licenses	
Pendidikan dan pelatihan	316.197	366.832	Education and training	
Lain-lain	2.615.308	2.273.768	Others	
Total	301.040.403	292.558.975	Total	

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

30. BEBAN UMUM DAN ADMINISTRASI

Akun ini terdiri dari:

30. GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of:

	Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,		
	2014	2013 Disajikan kembali/ As restated	
Gaji dan kesejahteraan karyawan	87.161.223	83.715.450	Salaries and employees' benefits
Penyusutan (Catatan 15)	18.152.675	16.235.065	Depreciation (Note 15)
Honorarium profesional	16.628.708	11.439.039	Professional fees
Promosi	13.671.712	12.348.490	Promotion
Sewa	12.611.922	15.968.675	Rental
Jasa umum	11.990.560	19.557.837	Traveling and transportation
Tanggung jawab sosial dan bina lingkungan (Catatan 39)	11.644.571	8.023.231	Corporate Social Responsibility and Community Development (CSR) (Note 39)
Perjalanan dinas dan transportasi	6.840.281	7.126.137	Traveling and transportation
Penyisihan kerugian penurunan nilai (Catatan 8 dan 9)	6.372.461	783.775	Provision for impairment losses (Notes 8 and 9)
Perbaikan dan pemeliharaan	6.319.698	6.812.800	Repairs and maintenance
Pendidikan dan pelatihan	6.296.984	5.488.539	Education and training
Representasi dan jamuan	4.823.102	4.597.591	Representation and entertainment
Biaya bank	2.635.733	2.310.654	Bank charges
Pajak dan perizinan	2.530.537	3.477.143	Taxes and licenses
Asuransi	2.467.032	2.103.238	Insurance
Komunikasi	2.091.836	2.168.376	Communications
Peralatan kantor	1.658.365	2.101.205	Office supplies
Amortisasi	1.486.557	1.014.016	Amortization
Perayaan	1.481.611	1.461.656	Celebration
Listrik dan air	1.378.008	1.473.190	Electricity and water
Bahan bakar dan bahan kimia	1.230.064	1.624.232	Fuels and chemicals
Peralatan dan suku cadang	925.239	3.782.452	Tools and spare parts
Material umum	315.002	414.491	General materials
Pakaian dinas	203.458	211.122	Employees' uniform
Lain-lain	3.008.723	2.378.949	Others
Total	223.926.062	216.617.353	Total

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

31. BEBAN KEUANGAN

Akun ini terdiri dari:

	Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,	
	2014	2013 Disajikan kembali/ As restated
Obligasi	51.256.349	-
Penerusan pinjaman dari Pemerintah Republik Indonesia yang didanai oleh:		
- Japan Bank for International Cooperation	6.334.322	7.247.187
- International Bank for Reconstruction and Development	2.805.686	3.105.653
- European Investment Bank	1.704.897	2.207.075
- Asian Development Bank	125.446	275.041
Pembalikan dari efek diskonto atas provisi pembongkaran aset dan restorasi area	3.684.206	551.522
The Hongkong and Shanghai Banking Corporation Ltd.	3.306.809	3.431.861
Bank of Tokyo Mitsubishi Indonesia	1.883.273	-
PT Bank ANZ Indonesia	1.399.932	-
PT Bank Negara Indonesia (Persero) Tbk	1.305.712	1.722.399
PT Bank Sumitomo Mitsui Indonesia	736.676	216.621
PT Bank Mizuho Indonesia	573.188	-
Penyesuaian nilai wajar piutang lain-lain jangka panjang	458.889	3.106.226
Total	75.575.385	21.863.585

*Bonds
Two-step loans from the Government of the Republic of Indonesia funded by:
Japan Bank for International Cooperation -
International Bank for Reconstruction and Development
European Investment Bank -
Asian Development Bank -
The unwinding of the effect of discounting the provision of assets abandonment and area restoration
The Hongkong and Shanghai Banking Corporation Ltd.
Bank of Tokyo Mitsubishi Indonesia
PT Bank ANZ Indonesia
PT Bank Negara Indonesia (Persero) Tbk
PT Bank Sumitomo Mitsui Indonesia
PT Bank Mizuho Indonesia
Fair value adjustments on other long-term receivable*

Total

32. PENDAPATAN KEUANGAN

Akun ini terdiri dari:

	Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,	
	2014	2013 Disajikan kembali/ As restated
Bunga deposito	18.412.533	17.373.339
Bunga investasi obligasi	4.662.296	5.027.413
Bunga jasa giro	2.228.231	4.509.487
Bunga piutang carry	729.842	-
Total	26.032.902	26.910.239

*Interest of time deposits
Interest from investment in bond
Interest of current accounts
Interest from carry receivables*

Total

33. INSTRUMEN KEUANGAN DERIVATIF

Akun ini terdiri dari:

	Nilai Wajar dalam Dolar AS/ Fair Value in US Dollar		
	Jumlah/ Notional Amount	2014 Utang/ Payables	2013 Utang/ Payables
The Royal Bank of Scotland N.V.. cross currency swap	JPY19.420.211.744	11.005.055	11.927.017

*The Royal Bank of Scotland N.V..
cross currency swap*

31. FINANCE COSTS

This account consists of:

*Tahun yang berakhir pada tanggal
31 Desember/Years ended December 31,*

*2013
Disajikan kembali/
As restated*

*Bonds
Two-step loans from the Government of the Republic of Indonesia funded by:
Japan Bank for International Cooperation -
International Bank for Reconstruction and Development
European Investment Bank -
Asian Development Bank -
The unwinding of the effect of discounting the provision of assets abandonment and area restoration
The Hongkong and Shanghai Banking Corporation Ltd.
Bank of Tokyo Mitsubishi Indonesia
PT Bank ANZ Indonesia
PT Bank Negara Indonesia (Persero) Tbk
PT Bank Sumitomo Mitsui Indonesia
PT Bank Mizuho Indonesia
Fair value adjustments on other long-term receivable*

32. FINANCE INCOME

This account consists of:

*Tahun yang berakhir pada tanggal
31 Desember/Years ended December 31,*

*2013
Disajikan kembali/
As restated*

*Interest of time deposits
Interest from investment in bond
Interest of current accounts
Interest from carry receivables*

33. DERIVATIVE FINANCIAL INSTRUMENT

This account consists of:

*Nilai Wajar dalam Dolar AS/
Fair Value in US Dollar*

*Jumlah/
Notional
Amount
2014
Utang/
Payables
2013
Utang/
Payables*

*The Royal Bank of Scotland N.V..
cross currency swap*

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

33. INSTRUMEN KEUANGAN DERIVATIF (lanjutan)

Pada tanggal 16 Februari 2007, Perusahaan mengadakan kontrak *cross currency swap* dengan ABN AMRO Bank N.V. (ABN), sekarang menjadi The Royal Bank of Scotland N.V. (RBS), Cabang London, dimana Perusahaan menyetujui untuk menerima bunga Yen Jepang (JPY) dikalikan 35% dan menyetujui untuk membayar bunga pada tingkat 0% untuk tahun tanggal 15 Oktober 2006 sampai 15 Oktober 2008 dan untuk tahun selanjutnya sampai berakhir kontrak tersebut yaitu pada 15 Maret 2019, membayar bunga sebesar selisih tingkat tertentu (*strike*) sebagaimana diatur dalam perjanjian dengan rata-rata nilai tukar Dolar AS dengan Yen Jepang (US\$/JPY) dibagi seratus atau 0%, mana yang lebih tinggi.

Pada tanggal 19 Agustus 2008, Perusahaan mengadakan perubahan atas kontrak *cross currency swap* dengan RBS, dimana Perusahaan menyetujui untuk menerima bunga sebesar bunga Yen Jepang (JPY) dikalikan 42% dan menyetujui untuk membayar bunga pada tingkat 0% untuk tahun tanggal 15 Oktober 2006 sampai 15 Oktober 2008 dan untuk tahun selanjutnya sampai berakhir kontrak tersebut yaitu pada 15 Maret 2019, membayar bunga sebesar selisih tingkat tertentu (*strike*) sebagaimana diatur dalam perjanjian dengan rata-rata nilai tukar Dolar AS dengan Yen Jepang (US\$/JPY) dibagi seratus atau pada tingkat 0%, mana yang lebih tinggi, dan tambahan bunga 5% dikalikan jumlah hari apabila tingkat CMS 10 tahun sama atau diluar kisaran tingkat tertentu dibagi dengan jumlah hari pada tahun tersebut.

Sebagai tambahan, Perusahaan juga menyetujui untuk menerima Yen Jepang dalam jumlah sebagaimana diatur dalam perjanjian selama nilai tukar US\$/JPY berada pada atau di bawah 121,50 pada setiap akhir tahun yang disepakati dan menyetujui untuk membayar sejumlah Dolar AS dengan nilai tukar US\$/JPY sebesar 121,50. Apabila nilai tukar US\$/JPY berada di atas 121,50, tidak ada transaksi *cross currency swap* yang akan dilakukan.

Kontrak ini berlaku efektif sejak tanggal 15 Oktober 2006 dan akan berakhir pada tanggal 15 Maret 2019, Perusahaan melakukan lindung nilai atas perubahan nilai wajar kewajiban dari risiko fluktuasi nilai tukar US\$/JPY, sehubungan dengan pinjaman jangka panjang yang diperoleh dari JBIC.

**33. DERIVATIVE FINANCIAL INSTRUMENT
(continued)**

On February 16, 2007, the Company entered into a cross currency swap contract with ABN AMRO Bank N.V. (ABN), currently The Royal Bank of Scotland N.V. (RBS), London Branch, whereby the Company agreed to receive Japanese Yen (JPY) interest multiplied by 35% and agreed to pay interest at 0% for the year from October 15, 2006 to October 15, 2008, and for the year thereafter through to the maturity date. March 15, 2019, to pay interest at the difference between a certain rate (strike) as stipulated in the agreement with the US Dollar average exchange rate with the Japanese Yen (US\$/JPY) divided by one hundred or 0%, whichever is higher.

On August 19, 2008, the Company entered into an amendment of the cross currency swap contract with RBS London Branch, whereby the Company agreed to receive Japanese Yen (JPY) interest multiplied by 42% and to pay interest at the rate of 0% for the year from October 15, 2006 to October 15, 2008, and for the year thereafter to the maturity date. March 15, 2019, to pay interest at the difference between the strike rate as stipulated in the agreement with the US Dollar average exchange rate with the Japanese Yen (US\$/JPY) divided by one hundred or at 0%, whichever is higher plus additional interest of 5% multiplied by number of days if the CMS 10 years rate is at or outside a certain range divided by the total number of days for such year.

In addition, the Company also agreed to receive Japanese Yen in the amount stipulated in the agreement, as long as the US\$/JPY exchange rate is at or below 121.50 at the end of the agreed year and to pay US Dollar amount with exchange rate of US\$/JPY of 121.50. If US\$/JPY is at or above 121.50, there will be no exchange of cross currency swap.

This contract became effective starting October 15, 2006 and will expire on March 15, 2019, The Company hedges the changes in the fair value of its liabilities due to risk of the foreign exchange rate fluctuation of US\$/JPY, in relation to the long-term loan obtained from JBIC.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

33. INSTRUMEN KEUANGAN DERIVATIF (lanjutan)

Perusahaan menggunakan teknik penilaian penentuan harga opsi dan disesuaikan dengan risiko kredit sebesar US\$544.749 dan US\$1.233.359 masing-masing pada tanggal-tanggal 31 Desember 2014 dan 2013.

Perubahan neto nilai wajar atas instrumen-instrumen derivatif di atas disajikan pada akun "Laba (Rugi) Perubahan Nilai Wajar Derivatif - Neto" pada laporan laba rugi komprehensif konsolidasian.

34. LABA KURS - NETO

Laba (rugi) selisih kurs terutama berasal dari penyesuaian aset dan liabilitas dalam mata uang asing dan perbedaan nilai tukar transaksi dari kegiatan usaha dalam mata uang asing.

Selama tahun 2014 dan 2013, Kelompok Usaha mengalami laba (rugi) selisih kurs - neto yang disebabkan oleh menguatnya (melemahnya) nilai tukar Dolar AS terhadap mata uang asing, khususnya Yen Jepang yang mengakibatkan penurunan posisi liabilitas neto dalam mata uang asing Kelompok Usaha.

35. IMBALAN KERJA

Kelompok Usaha menyediakan imbalan kerja jangka pendek, pensiun dan kesejahteraan karyawan lainnya untuk seluruh karyawan tetap yang masih aktif dan yang sudah pensiun sebagai berikut:

a. Liabilitas Imbalan Kerja Jangka Pendek

Akun ini terdiri dari:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Perusahaan		
Akrual bonus (Rp422.531.802.760 tahun 2014 dan Rp397.081.414.161 tahun 2013)	33.965.579	32.577.029
Akrual gaji (Rp3.294.476.882 tahun 2014)	264.829	-
Entitas anak		
Akrual bonus (Rp80.333.974.600 tahun 2014 dan Rp33.325.743.977 tahun 2013)	6.457.715	2.734.084
Akrual gaji (Rp7.280.925.421 tahun 2014 dan Rp3.789.841.819 tahun 2013)	585.283	310.923
	41.273.006	35.622.036

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**33. DERIVATIVE FINANCIAL INSTRUMENT
(continued)**

The Company used option pricing valuation technique adjusted with credit risk of US\$544,749 and US\$1,233,359 as of December 31, 2014 and 2013, respectively.

The net changes in the fair values of the above derivative instruments were presented in account "Gain (Loss) on Change in Fair Value of Derivative - Net" in the consolidated statements of comprehensive income.

34. GAIN ON FOREIGN EXCHANGE - NET

Gain (loss) on foreign exchange mainly results from restatements of assets and liabilities in foreign currencies and differences in exchange rates on the operational transactions denominated in foreign currencies.

During 2014 and 2013, the Group incurred gain (loss) on foreign exchange - net due to strengthening (weakening) of US Dollar against foreign currency, especially Japanese Yen which decreased the net foreign currency denominated liabilities of the Group.

35. EMPLOYEE BENEFITS

The Group provides short-term employee benefits, retirement and other employees' benefits to its active and retired employees. as follows:

a. Short-term employees' benefits liabilities

This account consists of:

The Company
Accrued bonus (Rp422,531,802,760 in 2014 and Rp397,081,414,161 in 2013)
Accrued salaries (Rp3,294,476,882 in 2014)
The Subsidiaries
Accrued bonus (Rp80,333,974,600 in 2014 and Rp33,325,743,977 in 2013)
Accrued salaries (Rp7,280,925,421 in 2014 and Rp3,789,841,819 in 2013)

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

35. IMBALAN KERJA (lanjutan)

b. Program asuransi kesejahteraan hari tua

Sejak tahun 1991, Perusahaan mempunyai program asuransi kesejahteraan hari tua untuk seluruh karyawan tetap yang memenuhi persyaratan, yang ditetapkan dalam suatu perjanjian bersama dengan PT Asuransi Jiwasraya (Persero), Perusahaan telah membayar seluruh kewajibannya pada tahun 2008.

c. Tunjangan kesehatan hari tua

Pada tanggal 30 November 2012, Perusahaan juga menyediakan tambahan tunjangan kesehatan hari tua bagi seluruh karyawan tetap, para pensiunan dan mantan direksi yang ditetapkan oleh perjanjian bersama dengan Yayasan Kesejahteraan Pegawai dan Pensiunan Gas Negara (YKPP Gas Negara). Sumber dana program pensiun berasal dari kontribusi karyawan/anggota direksi dan Perusahaan masing-masing sebesar 3% dan 5% dari penghasilan dasar. Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013, total pembayaran kepada YKPP Gas Negara sebesar US\$832.813 dan US\$1.006.309 yang disajikan dalam akun "Beban Umum dan Administrasi" dalam laporan laba rugi komprehensif konsolidasian.

Perusahaan tidak mempunyai kewajiban untuk memberikan bantuan pendanaan tambahan selain besaran kontribusi iuran apabila YKPP Gas Negara mengalami ketidakcukupan dana dalam pelaksanaan tunjangan kesehatan hari tua.

d. Imbalan Pensiun Iuran Pasti

Sejak Februari 2009, Perusahaan menyelenggarakan program pensiun iuran pasti untuk seluruh karyawan tetapnya yang memenuhi syarat yang dananya dikelola oleh Dana Pensiun Lembaga Keuangan BNI, Manulife Indonesia dan Bringin Jiwa Sejahtera yang didirikan berdasarkan Surat Keputusan Direksi No. 002000.K/KP.05/UM/2009 tanggal 6 Februari 2009.

Dana pensiun ini didirikan berdasarkan persetujuan dari Menteri Keuangan masing-masing dalam Surat Keputusannya No. KEP.1100/KM.17/1998. No. KEP.231/KM.17/1994 dan No. KEP.184/KM.17/1995.

35. EMPLOYEE BENEFITS (continued)

b. Old welfare program age insurance plan

Since 1991, the Company has an old age welfare insurance for all its qualified permanent employees, which is covered in a cooperative agreement with PT Asuransi Jiwasraya (Persero). The Company has paid all of its liabilities in 2008.

c. Post-retirement health care benefits

On November 30, 2012, the Company also provides additional post-retirement health care benefits for its eligible permanent employees, retired employees and ex member of directors, as covered in a cooperative agreement with Yayasan Kesejahteraan Pegawai dan Pensiunan Umum Gas Negara (YKPP Gas Negara). The fund is contributed by both employees/member of directors and the Company with contribution of 3% and 5% from the basic income. For the years ended December 31, 2014 and 2013, the total contributions to YKPP Gas Negara amounted to US\$832,813 and US\$1,006,309 and presented as "General and Administrative Expense" in the consolidated statements of comprehensive income.

The company has no obligation to provide additional funds except for the contribution above when YKPP Gas Negara experiencing insufficient funds in the implementation of post retirement health care benefits.

d. Defined Contribution Pension Plan

Since February 2009, the Company established a defined contribution plan for all of its eligible permanent employees which is managed by Dana Pensiun Lembaga Keuangan BNI, Manulife Indonesia and Bringin Jiwa Sejahtera. the establishment of which was approved based on Director's Decision Letter No. 002000.K/KP.05/UM/2009. dated February 6, 2009.

Both The Pension Plan was established based on the approval from the Ministry of Finance in its Decision Letter No. KEP.1100/KM.17/1998. No. KEP.231/KM.17/1994 and No. KEP.184/ KM.17/1995, respectively.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

35. IMBALAN KERJA (lanjutan)

d. Imbalan Pensiun Iuran Pasti (lanjutan)

Sumber dana program pensiun berasal dari kontribusi karyawan dan Perusahaan masing-masing sebesar 5% dan 15% dari penghasilan dasar pensiun. Beban pensiun yang dibebankan pada operasi masing-masing adalah sebesar US\$2.546.839 dan US\$2.775.305 untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013.

Pada tahun 2009, Transgasindo menyelenggarakan program pensiun iuran pasti untuk semua karyawan tetap yang memenuhi syarat, yang didanai melalui iuran tetap bulanan kepada Dana Pensiun Lembaga Keuangan (DPLK) Bank Rakyat Indonesia dan Bank Negara Indonesia, yang didirikan berdasarkan persetujuan dari Menteri Keuangan Republik Indonesia masing-masing dalam Surat Keputusannya No. KEP.197/KM.6/2004 dan No. KEP.1100/KM.17/1998. Sumber dana program pensiun berasal dari kontribusi karyawan dan Transgasindo masing-masing sebesar 2% dan 6% dari gaji bulanan karyawan. Kontribusi yang dibayarkan Transgasindo untuk tahun yang berakhir tanggal-tanggal 31 Desember 2014 dan 2013 masing-masing sebesar US\$232.084 dan US\$245.480.

e. Imbalan Kerja Jangka Panjang

Liabilitas imbalan kerja jangka panjang pada tanggal-tanggal 31 Desember 2014 dan 2013 adalah sebagai berikut:

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
<u>Imbalan <i>pasca</i> kerja</u>		
Perusahaan	107.810.086	92.830.320
Entitas Anak	11.040.079	4.561.383
Sub-total	118.850.165	97.391.703
<u>Imbalan kerja jangka panjang lainnya</u>		
Perusahaan	4.504.475	3.597.099
Entitas Anak	481.821	374.137
Sub-total	4.986.298	3.971.236
Total	123.836.463	101.362.939

35. EMPLOYEE BENEFITS (continued)

d. Defined Contribution Pension Plan (continued)

The fund is contributed by both employees and the Company with contribution of 5% and 15%, respectively, of the basic pension income. Pension expense charged to operations amounted to US\$2,546,839 and US\$2,775,305 for the years ended December 31, 2014 and 2013, respectively.

In 2009, Transgasindo has defined contribution pension plan for all of its eligible permanent employees, which is funded through monthly fixed contributions to Dana Pensiun Lembaga Keuangan (DPLK) Bank Rakyat Indonesia and Bank Negara Indonesia, the establishment of which were approved by Ministry of Finance of the Republic of Indonesia in its Decision Letter No. KEP.197/KM.6/2004 and No. KEP.1100/KM.17/1998, respectively. This fund is contributed by both employees and Transgasindo with contribution of 2% and 6% of the employees' monthly salaries, respectively. The contribution paid by the Transgasindo for the years ended December 31, 2014 and 2013 amounted to US\$232,084 and US\$245,480, respectively.

e. Long-term Employees' Benefits

Long-term employees' benefits liabilities as of December 31, 2014 and 2013 are as follows:

<u>Post retirement benefits</u>
The Company
Subsidiaries
Sub-total
<u>Other long-term benefits</u>
The Company
Subsidiaries
Sub-total
Total

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

35. IMBALAN KERJA (lanjutan)

e. Imbalan Kerja Jangka Panjang (lanjutan)

Kelompok Usaha memberikan imbalan kerja jangka panjang kepada karyawan sesuai dengan Perjanjian Kerja Bersama yang dibandingkan dengan imbalan berdasarkan Undang-undang Ketenagakerjaan No. 13/2003 (UU No. 13/2003), mana yang lebih tinggi. Imbalan tersebut tidak didanai. Tabel berikut menyajikan komponen dari beban imbalan neto yang diakui dalam laporan laba rugi komprehensif konsolidasian dan jumlah yang diakui dalam laporan posisi keuangan konsolidasian untuk imbalan kerja yang dihitung oleh PT Sienco Aktuarindo Utama dan PT Dayamandiri Dharma Konsilindo, aktuaris independen, untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013, berdasarkan laporannya masing-masing tanggal 7 Januari 2015 dan 6 Januari 2014. Perhitungan aktuaris menggunakan metode "Projected Unit Credit" dengan asumsi-asumsi sebagai berikut:

	2014	2013	
Tingkat Bunga Aktuaria	8.30% - 8.50% per Tahun/ per Annum	9.00% - 9.10% per Tahun/ per Annum	Actuarial Discount Rate
Tingkat Kematian	TMI 2011	TMI 2011	Mortality Rate
Kenaikan Gaji dan Upah	8.00% - 10.00% per Tahun/ per Annum	8.00% - 10.00% per Tahun/ per Annum	Wages and Salaries Increase
Umur Pensiun	56 - 58 Tahun/Years	56 - 58 Tahun/Years	Retirement Age
Tingkat Cacat	10% dari Tingkat Kematian/from Mortality Rate	10% dari Tingkat Kematian/from Mortality Rate	Disability Rate

Tabel berikut ini menyajikan komponen beban dan liabilitas imbalan kerja karyawan konsolidasian.

a. Beban kesejahteraan karyawan

Imbalan pasca kerja

	Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,	
	2014	2013 Disajikan kembali/ As restated
Biaya jasa kini	9.962.834	8.826.529
Biaya bunga	9.808.334	8.586.016
Amortisasi biaya jasa lalu - <i>unvested</i>	656.262	1.085.466
Kurtailmen dan penyelesaian	(2.041.876)	49.301
Total	18.385.554	18.547.312

35. EMPLOYEE BENEFITS (continued)

e. Long-term Employees' Benefits (continued)

The Group provides long-term employees' benefits to its employee in accordance with the Collective Labor Agreement as compared with benefits under Labor Law No. 13/2003 (Law No. 13/2003), and provide whichever is higher. The benefits are unfunded. The following tables summarize the components of net benefits expense recognized in the consolidated statements of comprehensive income and the amounts recognized in the consolidated statements of financial position for the estimated liabilities for employees' benefits as calculated by an independent actuary, PT Sienco Aktuarindo Utama and PT Dayamandiri Dharma Konsilindo for the year ended December 31, 2014 and 2013, in its reports dated January 7, 2015 and January 6, 2014. The actuarial calculation used the "Projected Unit Credit" method which utilized the following assumptions:

The following tables summarize the consolidated components of employees' benefits expense and liabilities.

a. Employees' benefits expense

Post retirement benefits

Current service cost
Interest cost
Amortization of past service
cost - *unvested*
Curtailement and settlement

Total

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

35. IMBALAN KERJA (lanjutan)

e. Imbalan Kerja Jangka Panjang (lanjutan)

a. Beban kesejahteraan karyawan (lanjutan)

Imbalan kerja jangka panjang lainnya

	Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,	
	2014	2013 Disajikan kembali/ As restated
Biaya jasa kini	1.880.672	1.777.614
Biaya bunga	308.269	232.050
Biaya jasa lalu seluruhnya segera diakui	(77.861)	(5.125)
Total	2.111.080	2.004.539

Current service cost
Interest cost
Past service cost which shall all be
recognized immediately

Total

b. Liabilitas kesejahteraan karyawan

Imbalan pasca kerja

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Nilai kini kewajiban imbalan pasti	127.160.982	106.507.895
Biaya jasa lalu yang belum diakui - <i>unvested</i>	(8.310.817)	(9.116.192)
Total	118.850.165	97.391.703

Present value of employee
benefits obligation
Unrecognized past service
cost - *unvested*

Total

Imbalan kerja jangka panjang lainnya

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Nilai kini kewajiban imbalan pasti	4.986.298	3.971.236

Present value of employee benefits
obligation

35. EMPLOYEE BENEFITS (continued)

e. Long-term Employees' Benefits (continued)

a. Employees' benefits expense (continued)

Other long-term benefits

b. Employees' benefits liability

Post retirement benefits

Other long-term benefits

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

35. IMBALAN KERJA (lanjutan)

e. Imbalan Kerja Jangka Panjang (lanjutan)

- c. Mutasi liabilitas diestimasi atas imbalan kerja karyawan

Perubahan dalam liabilitas kesejahteraan karyawan untuk pada tanggal 31 Desember 2014 dan 2013, sebagai berikut:

Imbalan pasca kerja

Tahun yang berakhir pada tanggal
31 Desember/Years ended December 31,

	2014	2013 Disajikan kembali/ As restated
Saldo awal	97.391.703	143.746.097
Kerugian (keuntungan) aktuarial yang diakui pada pendapatan komprehensif lain	6.925.403	(29.980.451)
Beban kesejahteraan tahun berjalan	18.385.554	18.547.312
Transfer liabilitas dari akuisisi entitas anak	5.037.913	-
Pembayaran tahun berjalan	(6.304.247)	(3.270.470)
Laba selisih kurs	(2.586.161)	(31.650.785)
Saldo akhir	118.850.165	97.391.703

Imbalan kerja jangka panjang lainnya

	2014	2013
Saldo awal	3.971.236	5.679.708
Kerugian aktuarial pada pendapatan komprehensif lain	350.260	155.120
Beban kesejahteraan tahun berjalan	2.111.080	2.004.539
Pembayaran tahun berjalan	(1.330.756)	(2.808.684)
Laba selisih kurs	(115.523)	(1.059.447)
Saldo akhir	4.986.297	3.971.236

Analisa sensitivitas untuk risiko tingkat diskonto

Pada tanggal 31 Desember 2014, jika tingkat diskonto meningkat sebesar satu poin dengan semua variabel konstan, maka liabilitas kesejahteraan karyawan lebih rendah sebesar US\$11.562.603, sedangkan jika tingkat diskonto menurun satu poin, maka liabilitas lebih tinggi sebesar US\$12.541.537.

35. EMPLOYEE BENEFITS (continued)

e. Long-term Employees' Benefits (continued)

- c. The movements in the estimated liabilities for employees' benefits

The movements in the employee benefits liability as of December 31, 2014 and 2013, are as follows:

Post retirement benefits

Beginning balance
Actuarial loss (gain) recognized in other comprehensive income
Current year benefits expense
Transfer of liabilities from acquisition of Subsidiaries
Payments during the year
Foreign exchange gain
Ending balance

Other long-term benefits

Beginning balance
Actuarial loss in other comprehensive income
Current year benefits expense
Payments during the year
Foreign exchange gain
Ending balance

Sensitivity analysis for discount rate risk

As of December 31, 2014, if the discount rate is higher one point with all other variables held constant, the employee benefits liability would have been US\$11,562,603 lower, while, if the discount rate is lower one point, the liability would have been higher by US\$12,541,537.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

35. IMBALAN KERJA (lanjutan)

e. Imbalan Kerja Jangka Panjang (lanjutan)

Jumlah periode tahunan saat ini dan period empat tahun sebelumnya adalah sebagai berikut:

	Imbalan pasca kerja/Post retirement benefits				
	2014	2013	2012	2011	2010
Kewajiban imbalan pasti/ Defined benefit obligation	127.160.982	106.507.895	156.110.291	139.504.207	105.026.634
Perbedaan antara asumsi aktuaria dengan kenyataan/ The difference between the actuarial assumptions with the actual	(100.710)	53.612	(531.851)	15.786.352	(34.348.647)

Permata dan KJG tidak membentuk cadangan imbalan pasca kerja, karena jumlahnya tidak material.

Seluruh beban imbalan kerja karyawan jangka panjang Kelompok Usaha disajikan sebagai akun "Beban Operasi - Gaji dan Kesejahteraan Karyawan" di dalam laporan laba rugi komprehensif konsolidasian.

Manajemen Kelompok Usaha berpendapat bahwa program jaminan hari tua cukup untuk menutupi semua imbalan yang diatur dalam UU No. 13/2003.

35. EMPLOYEE BENEFITS (continued)

e. Long-term Employees' Benefits (continued)

Amounts for the current and previous four periods are as follows:

Permata and KJG did not provide for employee benefit liability, since the amount is immaterial.

All the employees' benefits expenses of the Group are presented as "Operating Expenses - Salaries and Employees' Benefits" account in the consolidated statements of comprehensive income.

The management of the Group believes that the retirements benefits program adequately cover the benefits to be provided based on Law No. 13/2003.

36. KEPENTINGAN NONPENGENDALI

36. NON-CONTROLLING INTERESTS

31 Desember 2014 dan tahun yang berakhir pada tanggal tersebut/
December 31, 2014 and year then ended

	Saldo/Balance 1 Jan. 2014/ Jan. 1. 2014	Bagian atas laba (rugi) neto/ Share in net profit (loss)	Perubahan ekuitas lainnya/ Other equity movement	Saldo/Balance 31 Des. 2014/ Dec. 31. 2014	
Transgasindo	181.804.233	24.906.324	(10.932.069)	195.778.488	Transgasindo
PGASKOM	325	178	(387)	116	PGASKOM
PGASSOL	17.693	10.913	855	29.461	PGASSOL
Total	181.822.251	24.917.415	(10.931.601)	195.808.065	Total

31 Desember 2013 dan tahun yang berakhir pada tanggal tersebut/
December 31, 2013 and year then ended

	Saldo/Balance 1 Jan. 2013/ Jan. 1. 2013	Bagian atas laba (rugi) neto/ Share in net profit (loss)	Perubahan ekuitas lainnya/ Other equity movement	Saldo/Balance 31 Des. 2013/ Dec. 31. 2013	
Transgasindo	157.450.375	33.338.663	(8.984.805)	181.804.233	Transgasindo
PGASKOM	(5.205)	965	4.565	325	PGASKOM
PGASSOL	2.452	11.658	3.583	17.693	PGASSOL
Total	157.447.622	33.351.286	(8.976.657)	181.822.251	Total

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**37. SALDO DAN TRANSAKSI SIGNIFIKAN
DENGAN PIHAK-PIHAK BERELASI**

Dalam kegiatan usaha normal, Kelompok Usaha melakukan transaksi usaha dan bukan usaha dengan pihak-pihak berelasi, yang terafiliasi dengan Kelompok Usaha melalui kepemilikan langsung dan tak langsung, dan/atau di bawah kendali pihak yang sama. Harga jual atau beli antara pihak-pihak berelasi ditentukan berdasarkan persyaratan yang disetujui oleh kedua belah pihak, yang mungkin tidak sama dengan transaksi lain yang dilakukan dengan pihak-pihak yang tidak berelasi.

Rincian sifat hubungan dan jenis transaksi yang signifikan dengan pihak-pihak berelasi adalah sebagai berikut:

Pihak-pihak berelasi/ Related parties	Sifat hubungan/ Nature of relationship
PT Bank Mandiri (Persero) Tbk	Dikendalikan oleh Pemerintah Pusat Republik Indonesia/ <i>Controlled by the Central Government of the Republic of Indonesia</i>
PT Bank Negara Indonesia (Persero) Tbk	Dikendalikan oleh Pemerintah Pusat Republik Indonesia/ <i>Controlled by the Central Government of the Republic of Indonesia</i>
PT Bank Rakyat Indonesia (Persero) Tbk	Dikendalikan oleh Pemerintah Pusat Republik Indonesia/ <i>Controlled by the Central Government of the Republic of Indonesia</i>
PT Bank Tabungan Negara (Persero) Tbk	Dikendalikan oleh Pemerintah Pusat Republik Indonesia/ <i>Controlled by the Central Government of the Republic of Indonesia</i>
PT Bank Mandiri Syariah	Dikendalikan oleh Pemerintah Pusat Republik Indonesia/ <i>Controlled by the Central Government of the Republic of Indonesia</i>
PT Pertamina Hulu Energi West Java Madura Offshore (WJMO), PT Pertamina EP, PT Pertamina Gas (Pertagas)	Dikendalikan oleh PT Pertamina (Persero)/ <i>Controlled by PT Pertamina (Persero)</i>

**37. SIGNIFICANT BALANCES AND TRANSACTIONS
WITH RELATED PARTIES**

In the normal course of business, the Group entered into trade and other transactions with related parties, which are affiliated with the Group through equity ownership, either direct or indirect, and/or under common control. Sales or purchase price among related parties is made based on terms agreed by the parties, which may not be the same as those of the transactions between unrelated parties.

The details of nature of relationship and types of significant transactions with related parties are as follows:

Jenis transaksi/ Nature of transactions
Penempatan giro, deposito berjangka yang tidak dibatasi penggunaannya, kas yang dibatasi penggunaannya, fasilitas Non Cash Loan, fasilitas Bill Purchasing Line, fasilitas Kredit Modal Kerja dan fasilitas Treasury Line/ <i>Placement of current accounts, placement of unrestricted time deposits, placement of restricted cash, Non Cash Loan facility, Bill Purchasing Line facility, Working Capital facility and Treasury Line facility</i>
Penempatan giro, deposito berjangka yang tidak dibatasi penggunaannya dan fasilitas kredit investasi/ <i>Placement of current accounts, placement of unrestricted time deposits and investment credit facility</i>
Penempatan giro, deposito berjangka yang tidak dibatasi penggunaannya, fasilitas Standby Letter of Credit, fasilitas bank garansi dan fasilitas penangguhan jaminan impor/ <i>Placement of current accounts, placement of unrestricted time deposits, Standby Letter of Credit Facility, bank guarantee facility and guarantee of suspension of import facility</i>
Penempatan giro dan deposito berjangka yang tidak dibatasi penggunaannya/ <i>Placement of current accounts and unrestricted time deposits</i>
Deposito berjangka yang tidak dibatasi penggunaannya/ <i>Placement of unrestricted time deposits</i>
Uang muka pembelian gas bumi, pemasok gas, pelanggan. uang muka ship or pay pemasok gas/ <i>Advance of take or pay, gas supplier, customer, advance of ship or pay gas supplier</i>

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**37. SALDO DAN TRANSAKSI SIGNIFIKAN
DENGAN PIHAK-PIHAK BERELASI (lanjutan)**

**37. SIGNIFICANT BALANCES AND TRANSACTIONS
WITH RELATED PARTIES (continued)**

Pihak-pihak berelasi/ Related parties	Sifat hubungan/ Nature of relationship	Jenis transaksi/ Nature of transactions
PT Indonesia Power, PT PLN Batam PT PLN Salamander	Dikendalikan oleh PT Perusahaan Listrik Negara (Persero)/Controlled by PT Perusahaan Listrik Negara (Persero)	Pelanggan, transmisi gas/Customer, gas transmission
PT Perusahaan Listrik Negara (Persero) (PLN), PT Barata Indonesia (Persero) PT Iglas (Persero), PT Kertas Leces (Persero), PT Wijaya Karya Intrade, PT Wijaya Karya Beton, PT Krakatau Daya Listrik, PT Indofarma (Persero) Tbk	Dikendalikan oleh Pemerintah Pusat Republik Indonesia/ Controlled by the Central Government of the Republic of Indonesia	Pelanggan/Customer
Lembaga Pembiayaan Ekspor Indonesia (LPEI), PT Aneka Tambang (Persero) Tbk, Perum Pegadaian, PT Pertamina (Persero)	Dikendalikan oleh Pemerintah Pusat Republik Indonesia/ Controlled by the Central Government of the Republic of Indonesia	Debitur obligasi/Bond debtor
Pemerintah Republik Indonesia	Pemegang saham mayoritas/ Majority Shareholder	Investasi jangka pendek/ Short-term investment
PT Nusantara Regas	Perusahaan Asosiasi Pemerintah/ Associate and Government- related entity	Pemasok gas, penyertaan saham/Gas supplier, investment in shares of stock
PT Gas Energi Jambi	Entitas asosiasi/ Associate	Penyertaan saham/Investment in shares of stock

Transaksi-transaksi signifikan dengan pihak-pihak berelasi adalah sebagai berikut:

Significant transactions with related parties are as follows:

Tahun yang berakhir pada tanggal
31 Desember/Years ended December 31,

	2014	2013 Disajikan kembali/ As restated
Pendapatan neto (Catatan 27)		
<u>Entitas berelasi dengan pemerintah</u>		
PT Perusahaan Listrik Negara (Persero)	623.564.625	575.213.360
PT Indonesia Power	129.197.503	105.826.937
PT Krakatau Daya Listrik	70.891.998	87.827.217
PT PLN Batam	15.515.781	13.626.744
PT Pertamina EP	8.126.517	9.243.352
PT Iglas (Persero)	2.933.824	3.164.826
PT Wijaya Karya Intrade	450.781	433.354
PT Barata Indonesia (Persero)	387.401	264.409
PT Indofarma (Persero) Tbk	204.455	268.368
PT Wijaya Karya Beton	146.899	166.187
Total	851.419.784	796.034.754
Persentase dari total pendapatan neto konsolidasian	25,00%	26,52%
Pembelian (Catatan 28)		
<u>Entitas berelasi dengan pemerintah</u>		
PT Pertamina EP	301.131.601	274.771.449
PT Pertamina Hulu Energi (WJMO)	45.563.761	43.320.322
PT Nusantara Regas	31.844.377	74.081.425
PT Pertamina Gas	14.466.602	21.079.409
Total	393.006.341	413.252.605
Persentase dari total beban pokok pendapatan konsolidasian	20,21%	26,09%

Net revenues (Note 27)
<u>Government-related entities</u>
PT Perusahaan Listrik Negara (Persero)
PT Indonesia Power
PT Krakatau Daya Listrik
PT PLN Batam
PT Pertamina EP
PT Iglas (Persero)
PT Wijaya Karya Intrade
PT Barata Indonesia (Persero)
PT Indofarma (Persero) Tbk
PT Wijaya Karya Beton

Percentage from total consolidated
net revenues

Purchases (Note 28)
<u>Government-related entities</u>
PT Pertamina EP
PT Pertamina Hulu Energi (WJMO)
PT Nusantara Regas
PT Pertamina Gas

Percentage from total consolidated
cost of revenues

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**37. SALDO DAN TRANSAKSI SIGNIFIKAN
DENGAN PIHAK-PIHAK BERELASI (lanjutan)**

Saldo-saldo signifikan dengan pihak-pihak berelasi adalah sebagai berikut:

Kas dan setara kas dan kas yang dibatasi penggunaannya (Catatan 5 dan 6)

Pada tanggal 31 Desember 2014 dan 2013, saldo kas dan setara kas dan kas yang dibatasi penggunaannya yang ditempatkan pada entitas yang berelasi dengan Pemerintah masing-masing sebesar 18,22% dan 28,55% dari total aset konsolidasian.

Investasi jangka pendek (Catatan 7)

Pada tanggal 31 Desember 2014 dan 2013, saldo investasi jangka pendek yang ditempatkan pada entitas yang berelasi dengan Pemerintah masing-masing sebesar 1,50% dan 1,98% dari total aset konsolidasian.

Saldo-saldo signifikan dengan pihak-pihak berelasi adalah sebagai berikut (lanjutan):

Piutang usaha (Catatan 8)

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
<u>Entitas berelasi dengan pemerintah</u>		
PT Perusahaan Listrik Negara (Persero)	43.991.227	50.127.813
PT Indonesia Power	10.646.647	7.312.041
PT Iglas (Persero)	8.822.479	6.946.063
PT Krakatau Daya Listrik	5.761.559	5.799.649
PT Kertas Lece (Persero)	4.194.335	4.215.055
PT PLN Batam	1.831.541	1.582.221
PT Pertamina EP	676.862	2.361.644
Lain-lain (masing-masing di bawah Rp1.000.000.000)	123.279	80.838
Total	76.047.929	78.425.324
Persentase terhadap total aset konsolidasian	1,22%	1,82%

Dari total piutang usaha tersebut di atas. Kelompok Usaha mencadangkan kerugian penurunan nilai atas piutang disebabkan adanya indikasi penurunan nilai.

Uang muka (Catatan 11)

Pada tanggal 31 Desember 2014 dan 2013, saldo uang muka yang ditempatkan pada entitas yang berelasi dengan Pemerintah masing-masing sebesar 1,22% dan 1,82% dari total aset konsolidasian.

**37. SIGNIFICANT BALANCES AND TRANSACTIONS
WITH RELATED PARTIES (continued)**

Significant balances with related parties are as follows:

**Cash and cash equivalents and restricted cash
(Notes 5 and 6)**

As of December 31, 2014 and 2013, the balances of cash and cash equivalents and restricted cash placed in government-related entities amounted to 18.22% and 28.55%, respectively, from the total consolidated assets.

Short-term investments (Note 7)

As of December 31, 2014 and 2013, the balances of short-term investments placed in government-related entities amounted to 1.50% and 1.98%, respectively, from the total consolidated assets.

Significant balances with related parties are as follows (continued):

Trade receivables (Note 8)

<u>Government-related entities</u>
PT Perusahaan Listrik Negara (Persero)
PT Indonesia Power
PT Iglas (Persero)
PT Krakatau Daya Listrik
PT Kertas Lece (Persero)
PT PLN Batam
PT Pertamina EP
Others (each below Rp1,000,000,000)

Total
**Percentage to total consolidated
assets**

From the above total trade receivables, the Group provides allowance for impairment losses on receivables due to indications of impairment.

Advances (Note 11)

As of December 31, 2014 and 2013, the balances of advances placed in government-related entities amounted to 1.22% and 1.82%, respectively, from the total consolidated assets.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**37. SALDO DAN TRANSAKSI SIGNIFIKAN
DENGAN PIHAK-PIHAK BERELASI (lanjutan)**

Saldo-saldo signifikan dengan pihak-pihak berelasi adalah sebagai berikut (lanjutan):

Penyertaan saham (Catatan 14)

Pada tanggal 31 Desember 2014 dan 2013, saldo penyertaan saham yang ditempatkan pada entitas yang berelasi dengan Pemerintah masing-masing sebesar 1,78% dan 2,21% dari total aset konsolidasian.

Utang usaha (Catatan 18)

	31 Desember/December 31,	
	2014	2013 Disajikan kembali/ As restated
Entitas berelasi dengan pemerintah		
PT Pertamina EP	28.258.571	72.661.777
PT Pertamina Hulu Energi West Java Madura Offshore	3.563.731	4.141.879
PT Pertamina Gas	1.088.908	1.649.524
PT Nusantara Regas	-	15.690.534
Total	32.911.210	94.143.714
Persentase terhadap total liabilitas konsolidasian	1,02%	5,68%

Pinjaman jangka panjang (Catatan 22)

Pada tanggal 31 Desember 2014 dan 2013, saldo pinjaman jangka panjang yang ditempatkan pada entitas yang berelasi dengan Pemerintah masing-masing sebesar 16,21% dan 38,28% dari total liabilitas konsolidasian.

**37. SIGNIFICANT BALANCES AND TRANSACTIONS
WITH RELATED PARTIES (continued)**

Significant balances with related parties are as follows (continued):

Investment in shares of stock (Note 14)

As of December 31, 2014 and 2013, the balances of investment in shares of stock placed in government-related entities amounted to 1.78% and 2.21%, respectively, from the total consolidated assets.

Trade payables (Note 18)

*Government-related entities
PT Pertamina EP
PT Pertamina Hulu Energi
West Java Madura Offshore
PT Pertamina Gas
PT Nusantara Regas*

Total

**Percentage to total consolidated
liabilities**

Long-term loans (Note 22)

As of December 31, 2014 and 2013, the balances of long-term loans placed in government-related entities amounted to 16.21% and 38.28%, respectively, from the total consolidated liabilities.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**37. SALDO DAN TRANSAKSI SIGNIFIKAN
DENGAN PIHAK-PIHAK BERELASI (lanjutan)**

**37. SIGNIFICANT BALANCES AND TRANSACTIONS
WITH RELATED PARTIES (continued)**

Kompensasi dan imbalan lain

Compensation and other benefits

Kelompok Usaha memberikan kompensasi dan imbalan lain kepada komisaris dan direksi untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013, yang terdiri dari:

The Group provides the compensation and other benefits for the commissioners and directors for the year ended December 31, 2014 and 2013, which consist of:

	Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,		
	2014	2013 Disajikan kembali/ As restated	
Komisaris			Commissioners
Imbalan jangka pendek	2.860.433	3.020.936	Short-term benefits
Imbalan pasca kerja	172.020	190.465	Post retirement benefits
Imbalan jangka panjang lainnya	17.273	18.316	Other long-term benefits
Sub-total	3.049.726	3.229.717	Sub-total
Direksi			Directors
Imbalan jangka pendek	8.206.940	8.380.979	Short-term employee benefits
Imbalan pasca kerja	920.445	610.935	Post retirement benefits
Imbalan jangka panjang lainnya	97.892	44.655	Other long-term benefits
Sub-total	9.225.277	9.036.569	Sub-total
Total	12.275.003	12.266.286	Total

**38. LIABILITAS PEMBONGKARAN ASET DAN
RESTORASI AREA DAN PROVISI LAIN-LAIN**

**38. ASSET ABANDONMENT AND SITE
RESTORATION OBLIGATIONS AND OTHER
PROVISIONS**

Mutasi liabilitas restorasi dan pembongkaran aset adalah sebagai berikut:

The movement in site restoration and abandonment obligations are presented below:

	31 Desember/December 31,		
	2014	2013 Disajikan kembali/ As restated	
Saldo awal	13.970.210	-	Beginning balance
Mutasi selama tahun berjalan:			Movements during the year:
Penambahan tahun berjalan	20.099.357	-	Addition during the year
Akuisisi entitas anak	57.689.686	17.250.083	Acquisitions of subsidiaries
Dampak penyesuaian diskonto	8.897.511	(3.831.395)	Adjustment in discount rates
Pembalikan dari efek diskonto	3.684.206	551.522	The unwinding effect of discounting
Sub total	104.340.970	13.970.210	Sub total
Rekening yang dicadangkan	(30.786.814)	(5.607.742)	Escrow accounts
Saldo akhir, neto	73.554.156	8.362.468	Ending balance, net

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

38. LIABILITAS PEMBONGKARAN ASET DAN RESTORASI AREA DAN PROVISI LAIN-LAIN (lanjutan)

Estimasi terkini untuk biaya pembongkaran aset dan restorasi area yang ditinggalkan tidak dihitung oleh konsultan independen, tetapi dilakukan oleh pihak manajemen. Manajemen berkeyakinan bahwa akumulasi penyisihan pada tanggal laporan posisi keuangan konsolidasian telah cukup untuk menutup semua liabilitas yang timbul dari kegiatan restorasi area dan pembongkaran aset.

Tingkat suku bunga diskonto yang dipergunakan dalam perhitungan pada tanggal 31 Desember 2014 dan 2013 masing-masing sebesar 4,62% dan 5,2%.

Rekening yang dicadangkan di atas ditempatkan di PT Bank Mandiri (Persero) Tbk untuk mendanai liabilitas pembongkaran aset dan restorasi area sehubungan dengan operasi minyak dan gas.

39. PROGRAM KEMITRAAN DAN BINA LINGKUNGAN

Pada tahun 2013, Kementerian BUMN menerbitkan Peraturan Menteri BUMN No. PER-08/MBU/2013 tentang Perubahan keempat atas Peraturan Menteri BUMN Nomor PER-05/MBU/2007 tentang Program Kemitraan BUMN dengan Usaha Kecil dan Program Bina Lingkungan ("PERMEN"). PERMEN ini diterbitkan antara lain mengacu kepada Peraturan Pemerintah No. 47 Tahun 2012 bertanggal 4 April 2012 yang mengatur antara lain bahwa Perseroan yang menjalankan usahanya di bidang dan/atau berkaitan dengan sumber daya alam berkewajiban melaksanakan tanggung jawab sosial dan lingkungan. PERMEN tersebut antara lain mengatur anggaran bagi persero terbuka untuk Dana Program Kemitraan ("PK") dan Dana Program Bina Lingkungan ("BL") mulai tahun 2013 bersumber dari anggaran perusahaan yang besarnya masing-masing maksimal 2% dari laba bersih tahun sebelumnya, yang ditetapkan oleh Dewan Komisaris, yang dananya disetorkan ke rekening terpisah selambat-lambatnya 45 hari setelah penetapan oleh Dewan Komisaris. Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013, jumlah yang ditetapkan dalam anggaran Perusahaan adalah US\$15,728,800 dan Nihil.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

38. ASSET ABANDONMENT AND SITE RESTORATION OBLIGATIONS AND OTHER PROVISIONS (continued)

The current estimates for the asset abandonment and site restoration obligations were determined by management, not by an independent consultant. Management believes that the accumulated provisions as of the dates of the consolidated statements of financial position are sufficient to meet the environmental obligations resulting from future site restoration and asset abandonment.

The discount rate of 4.62% and 5.2% was used in the calculation of the position as of December 31, 2014 and 2013, respectively.

The above escrow accounts are placed in PT Bank Mandiri (Persero) Tbk for the funding of abandonment and site restoration obligations relating to oil and gas operations.

39. PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM

In 2013, the Ministry of State Owned Entities issued State Owned Entities Ministry's Regulation No. PER-08/MBU/2013 on Fourth Amendment to Ministry's Regulation No. PER-05/MBU/2007 on Partnership and Community Development Program ("PERMEN"). This PERMEN was issued among others by referencing to the Government of the Republic of Indonesia No. 47 Tahun 2012 dated April 4, 2012, which regulates, among other, that Entity engages in business and/or relates to natural resources has obligation to conduct social and environment responsibility. Such PERMEN among others, regulate that the listed entities' budget to conducting partnership ("PK") and community development ("BL") for 2013 onwards are taken from the entity's budget which is determined maximum 2% of prior year's net income, respectively, such budget is approved by the Board of Commissioners, which funds shall be transferred to a designated bank accounts at least 45 days after the Board of Commissioners' approval. For the year ended December 31, 2014 and 2013, the budget as established in the Company's budget amounting to US\$15,728,800 and Nil, respectively.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

39. PROGRAM KEMITRAAN DAN BINA LINGKUNGAN (lanjutan)

Untuk tahun yang berakhir pada tanggal 31 Desember 2014 dan 2013 Perusahaan telah mencatat beban atas Tanggung Jawab Sosial dan Lingkungan pada operasi berjalan yang disajikan pada akun "Beban Umum dan Administrasi - Tanggung Jawab Sosial dan Bina Lingkungan" pada laporan laba rugi komprehensif konsolidasian masing-masing sebesar US\$11.299.213 dan Nihil (Catatan 30).

Untuk memenuhi ketentuan dalam PERMEN, dana yang berasal dari anggaran yang penetapannya disetujui oleh Dewan Komisaris tersebut ditempatkan dalam rekening bank terpisah. Saldo dana dalam rekening bank tersebut pada tanggal-tanggal 31 Desember 2014 dan 2013 adalah sebesar US\$4.024.797 dan Nihil, yang dilaporkan sebagai bagian kas dan setara kas pada laporan posisi keuangan konsolidasian (Catatan 5).

40. PERJANJIAN-PERJANJIAN PENTING

Kelompok Usaha mengadakan perjanjian-perjanjian penting sebagai berikut:

Perusahaan

1. Perjanjian Jual Beli Gas (PJBG)

Perusahaan harus membeli dan membayar jumlah pembelian minimum per tahun/kwartal/bulan untuk setiap PJBG di bawah ini. Perbedaan antara jumlah kuantitas pembelian nyata dan kuantitas pembelian minimum dicatat sebagai "Make-Up Gas", yang dapat direalisasikan setiap saat jika kuantitas minimum atau bagian dari Jumlah Kontrak Tahunan/Kwartalan/Bulanan (mana yang berlaku sesuai dengan ketentuan dalam masing-masing PJBG) telah diambil pada tahun/kwartal/bulan tertentu selama jangka waktu perjanjian. Saldo "Make-Up Gas" disajikan sebagai bagian dari "Uang Muka" pada laporan posisi keuangan konsolidasian (Catatan 11).

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

39. PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM (continued)

For the year ended December 31, 2014 and 2013, the Company has recorded the Corporate Social and Environmental Responsibility expense in current operations which is presented as part of "General and Administrative Expenses - Corporate Social and Environmental Responsibility (CSR)" account in the consolidated statements of comprehensive income (Note 30) amounting to US\$11,299,213 and Nil, respectively.

In order to comply with the PERMEN, the fund arising from the budget, which is approved by the Board of Commissioners, are deposited into designated bank accounts. The balance of such fund as of December 31, 2014 and 2013 amounting to US\$4,024,797 and Nil, respectively, which are reported as part of cash and cash equivalent in the statements of consolidated financial position (Note 5).

40. SIGNIFICANT AGREEMENTS

The Group has the following significant agreements:

The Company

1. Gas Sale and Purchase Agreements (GSPA)

The Company is required to buy and pay for the minimum purchase quantity per year/quarter/month for each of the GSPA below. The difference between the purchased quantity and the minimum purchase quantity is recorded as "Make-Up Gas", which can be realized anytime if the minimum quantity or part of Annual/Quarterly/Monthly Contract Quantity (which applicable in accordance of respective GSPA) has been taken or at a specified year/quarter/month during the period of the agreement. The outstanding balance of the "Make-Up Gas" is presented as part of "Advances" in the consolidated statements of financial position (Note 11).

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

Perusahaan (lanjutan)

1. Perjanjian Jual Beli Gas (PJBG) (lanjutan)

40. SIGNIFICANT AGREEMENTS (continued)

The Company (continued)

**1. Gas Sale and Purchase Agreements (GSPA)
(continued)**

<u>Pemasok/ Suppliers</u>	<u>Perjanjian/ Agreements</u>	<u>Lapangan Gas/ Gas Field</u>	<u>Volume/ Volume</u>	<u>Jangka waktu/Terms</u>	
				<u>Awal/Start</u>	<u>Akhir/End</u>
PT Pertamina EP	PJBG Palembang	DOH Sumatera Selatan	2,343 BSCF	17 Dec. 1999	7 Oct. 2012 ¹²⁾
PT Pertamina EP	PJBG Medan	- Lapangan minyak dan gas bumi PT Pertamina EP area kerja Asset 1 - Lapangan Arbei, Blok Gebang	7 MMSCFD (2013 & 2014) 6 MMSCFD (2015) 2 MMSCFD (2013) 1,5 MMSCFD (2014) 1 MMSCFD (2015)	4 Apr. 2002	31 Mar. 2015 ⁶⁾
PT Pertamina EP	PJBG Cirebon	Lapangan minyak dan gas bumi PT Pertamina EP Region Jawa, Jawa Bagian Barat	Titik serah Randegan: 2,5 MMSCFD Titik Serah Sunyaragi: 1,5 MMSCFD (2013) 2 MMSCFD (2014 dan 2015)	4 Apr. 2002	31 Mar. 2015 ⁶⁾
PT Pertamina EP	PJBG Sumatera Selatan - Jawa Barat	DOH Sumatera Selatan	1.006 TSCF	26 Jun. 2003	31 Dec. 2025 ¹⁾
PT Pertamina EP	PJBG EEJW	Jatirarongan	2,5 BBTUD (19 Oct – 31 Dec 2014) 3.5 BBTUD (1 Jan - 18 Oct 2015)	26 Jul. 2004	18 Oct. 2015 ⁶⁾
ConocoPhillips (Grissik) Ltd.	PJBG Batam I	Corridor Block	225 TBTU	9 Jul. 2004	12 Oct. 2019 ¹⁾
ConocoPhillips (Grissik) Ltd.	PJBG Corridor Block - Jawa barat	Corridor Block	2.310 TBTU	9 Aug. 2004	30 Sep. 2023
ConocoPhillips (Grissik) Ltd.	PJBG Batam II	Corridor Block	65.8 TBTU	12 Dec. 2004	11 Dec. 2019 ¹⁾

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

Perusahaan (lanjutan)

1. Perjanjian Jual Beli Gas (PJBG) (lanjutan)

<u>Pemasok/ Suppliers</u>	<u>Perjanjian/ Agreements</u>	<u>Lapangan Gas/ Gas Field</u>	<u>Volume/ Volume</u>	<u>Jangka waktu/Terms</u> <u>Awal/Start</u> <u>Akhir/End</u>	
ConocoPhillips (Grissik) Ltd.	Amendment and Restatement to Replace IGSPA to GSPA	Corridor Block	12.5 BBTUD	31 May 2010	31 May 2015
Lapindo Brantas Inc.	Amendment and Restatement of PJBG Lapindo	Lapangan Wunut	112.580 BSCF (until Dec 31. 2011) As it is (since Jan 1. 2012 ^{5j})	29 Dec. 2003	31 Dec. 2015
PT Pertamina Hulu Energy West Madura Offshore, Kodeco Energy Co. Ltd. dan PT Mandiri Madura Barat	PJBG PHE WMO	West Offshore	Madura 18 BBTUD (2014) 11 BBTUD (2015)	19 Dec. 2006	31 Dec. 2015 ^{6j}
Santos (Madura Offshore) Pty. Ltd. PC Madura Ltd, dan PT Petrogas Pantai Madura	GSA Santos Maleo	Maleo field	351 BCF ^{4j}	14 Jul. 2007	13 Jul. 2019
Husky CNOOC Madura Ltd	GSA Husky	Madura BD field	20 MMSCFD	30 Oct. 2007	20 tahun dari tanggal dimulai/20 years from start date
PT Bayu Buana Gemilang (BBG)	PJBG BBG	Lapangan Sirasun Batur	Terang 22.735 TBTU	30 Nov. 2011	31 Dec. 2020
PT Walinusa Energi (WNE)	PJBG WNE	Lapangan Sirasun Batur	Terang 32.429 TBTU	12 Jan. 2012	31 Dec. 2020
PT Inti Daya Latu Prima (IDL P)	PJBG IDLP	Blok Jambi Merang	5 BBTUD ^{3j}	7 Feb. 2012	9 Feb. 2019
PT Indogas Kriya Dwiguna (IKD)	PJBG IKD	Lapangan Sirasun Batur	Terang 20 BBTUD	17 Feb. 2012	31 Dec. 2020
PT Sadikun Niagamas Raya (SNR)	PJBG SNR	Lapangan Sirasun Batur	Terang 40,6 TBTU	11 Apr. 2012	31 Dec. 2020

40. SIGNIFICANT AGREEMENTS (continued)

The Company (continued)

1. Gas Sale and Purchase Agreements (GSPA) (continued)

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

Perusahaan (lanjutan)

1. Perjanjian Jual Beli Gas (PJBG) (lanjutan)

<u>Pemasok/ Suppliers</u>	<u>Perjanjian/ Agreements</u>	<u>Lapangan Gas/ Gas Field</u>	<u>Volume/ Volume</u>	<u>Jangka waktu/Terms</u>	
				<u>Awal/Start</u>	<u>Akhir/End</u>
PT PDPDE Gas	PJBG PDPDE	Blok Jambi Merang	10.700 BBTU	1 Jan. 2013	9 Feb. 2019 ^{1]}
PT Pertamina EP	Kesepakatan Bersama Sumur Benggala-1	Sumur Benggala-1 Sumatera Utara	2 MMSCFD	23 Oct. 2013	22 Oct. 2016 ^{6]}
Premier Oil Natuna Sea B.V., Natuna 1 B.V., Natuna 2 B.V., Kufpec Indonesia (Natuna) B.V.	PJBG Premier	Blok Natuna	25 BBTUD	1 Jul. 2014	31 Dec. 2015 ^{9]}

- 1] Atau berlaku sampai dengan kuantitas yang diperjanjikan telah tercapai, mana yang terjadi lebih dahulu/Or it is valid until the contracted quantity is delivered, whichever comes first
- 2] Sampai dengan tanggal ini, perjanjian masih dalam proses untuk dijadikan satu dengan PJBG PEP Sumatera Selatan - Jawa Barat/Up to the date of this report, the agreement is in the process for combining to PJBG PEP South Sumatera - West Java
- 3] Jumlah penyerahan harian untuk tanggal 1 Januari 2014-9 Februari 2019/Daily contract quantity since January 1, 2014 until February 9, 2019.
- 4] Jumlah cadangan Maleo Field (2P)/the amount of Maleo Field (2P) reserves.
- 5] As it is berarti kondisi dimana seluruh volume gas apa adanya yang keluar atau dihasilkan dari Lapangan Wunut, untuk diserahkan dan dijual oleh pemasok kepada Perusahaan/Condition which the entire gas volume as it is produced out of the Wunut Field to be submitted and sold by supplier to the Company
- 6] Sampai dengan tanggal laporan ini, masih dalam proses pembahasan amandemen PJBG/Up to the date of this report, the amendment of GSA is in process
- 7] Penyaluran gas belum dimulai karena prasyarat keberlakuan PJBG terkait perizinan belum diperoleh PT PDPDE Gas/Gas not delivered yet due to PT PDPDE Gas did not meet GSA's terms & conditions permit process
- 8] Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, masih dalam proses penandatanganan amandemen KB secara sirkulir dan dalam persetujuan penandatanganan PJBG / Up to the completion date of the consolidated financial statements, the circular signing of amendment of Agreement is in process and currently GSA signing is in process.
- 9] Berlaku sampai dengan 18 bulan sejak tanggal dimulai / Valid until 18 months from Start Date

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, perjanjian-perjanjian tersebut belum jatuh tempo dan belum mencapai jumlah yang diperjanjikan.

2. Perjanjian Penyaluran Gas melalui East Java Gas Pipeline System (EJGP)

Pada tanggal 10 Juni 2005, Perusahaan dan PT Pertamina (Persero) (Pertamina) menandatangani Perjanjian Penyaluran Gas melalui East Java Gas Pipeline System (EJGP), dimana Pertamina setuju memberikan jasa transportasi gas dari titik hubung antara pipa percabangan Maleo (tie-in Maleo Spur) sampai titik penyerahan. Perjanjian ini akan berakhir delapan tahun sejak tanggal mulai yang disepakati atau berakhirnya Perjanjian Penjualan Gas antara Perusahaan dan Madura Offshore PSC Contractors mana yang lebih dahulu.

Up to the completion date of the consolidated financial statements those agreements have not been expired and the contracted quantity is not fully delivered yet.

2. Transportation Gas Agreement through East Java Gas Pipeline System (EJGP)

On June 10, 2005, the Company and PT Pertamina (Persero) (Pertamina) entered into a Gas Distribution Agreement through East Java Gas Pipeline System (EJGP) whereby Pertamina agreed to provide gas transportation from the linking point between Maleo fork (tie-in Maleo Spur) pipe to the delivery point. This agreement will be terminated in eight years after the agreed starting date or until the termination of the Gas Sales Agreement between the Company and Madura Offshore PSC Contractors whichever comes first.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

2. Perjanjian Penyaluran Gas melalui East Java Gas Pipeline System (EJGP) (lanjutan)

Pada tanggal 11 Januari 2010, Pertamina, PT Pertamina Gas (Pertagas) dan Perusahaan menandatangani Perjanjian Novasi atas Perjanjian EJGP dimana hak dan kewajiban Pertamina beralih ke Pertagas.

Perjanjian ini telah mengalami beberapa kali perubahan, yang terakhir dengan perubahan tanggal 26 September 2014, Perusahaan dan Pertagas menandatangani Kesepakatan Bersama Pengangkutan Gas Bumi Melalui East Java Gas Pipeline System, dimana kedua belah pihak setuju untuk memperpanjang jangka waktu Perjanjian sampai dengan 31 Desember 2014.

3. Perjanjian Pemanfaatan Pipa Transmisi Pertagas Area Jawa Bagian Barat

Pada tanggal 22 Desember 2009, Perusahaan dan Pertagas telah menandatangani Kesepakatan Bersama Pemanfaatan Jaringan Pipa Transmisi Area Jawa Bagian Barat Ruas Tegal Gede-Nagrak-Bitung (WJGP), di mana Pertagas setuju memberikan jasa transportasi gas dari stasiun kompresor di Tegal Gede sampai dengan di Serpong. Kapasitas yang disediakan untuk pengangkutan gas tersebut sebesar 40 mmscfd. Perjanjian semula berlaku untuk 12 bulan sejak tanggal 1 Januari 2010 atau tanggal lain yang disepakati oleh para pihak.

Pada tanggal 21 Mei 2010, Perusahaan dan Pertagas menandatangani Amandemen Kesepakatan Bersama yang menambahkan ruas Citarik-Tegal Gede dan pada tanggal 11 Maret 2011 terkait penambahan titik serah pada ruas Nagrak-Bitung dan Bitung - Cilegon.

Perjanjian ini telah mengalami beberapa kali perubahan, yang terakhir dengan perjanjian tanggal 16 Mei 2014 dan 16 Oktober 2014 terkait dengan kapasitas yang disediakan untuk pengangkutan gas sebesar 3,3 MMSCFD dan perpanjangan waktu perjanjian sampai dengan 18 Oktober 2015 atau telah terpenuhinya *Reserve Capacity*, mana yang lebih dahulu terjadi.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. SIGNIFICANT AGREEMENTS (continued)

2. Transportation Gas Agreement through East Java Gas Pipeline System (EJGP) (continued)

On January 11, 2010, Pertamina, PT Pertamina Gas (Pertagas) and the Company entered into a Novation Agreement of EJGP Agreement whereby the rights and obligations of Pertamina will be transferred to Pertagas.

This agreement has been amended several times, most recently by amendment dated September 26, 2014, the Company and Pertagas entered into a Gas Transportation Agreement through East Java Gas Pipeline System (EJGP), whereby both parties agreed to extend the term of Agreement until December 31, 2014.

3. Pertagas West Java Gas Transportation Pipeline Agreement

On December 22, 2009, the Company and Pertagas entered into a Gas Distribution Agreement through West Java Tegal Gede-Nagrak-Bitung Gas Pipeline System (WJGP) whereby Pertagas agreed to provide gas transportation from compressor station in Tegal Gede to Gas Measurement Station in Serpong. The capacity provided for gas transportation amounting to 40 mmscfd. This agreement is initially valid for 12 months since January 1, 2010 or such other date as agreed by the parties of the agreements.

On May 21, 2010, the Company and Pertagas signed an amendment agreement which added Citarik-Tegal Gede sections and on March 11, 2011, related to addition of transfer point of Nagrak - Bitung and Bitung - Cilegon.

This agreement has been amended several times, most recently by the agreement dated May 16, 2014 and October 16, 2014 related to the capacity provided for gas transportation amounting to 3.3 MMSCFD and extension term of the agreement until October 18, 2015 or until Reserve Capacity has been fulfilled, whichever comes first.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

4. Perjanjian Pengangkutan Gas

a. Perjanjian Pengangkutan Gas melalui Jaringan Pipa Transmisi Sumatera Selatan - Jawa Bagian Barat

Pada tanggal 15 Agustus 2011, Perusahaan dan PLN telah menandatangani amandemen dan pernyataan kembali Perjanjian Pengangkutan Gas melalui Jaringan Pipa Transmisi Sumatera Selatan - Jawa Bagian Barat untuk pusat listrik Muara Tawar (sumber gas dari Jambi Merang) dari Grissik ke Muara Bekasi dimana Perusahaan setuju memberikan jasa transportasi gas dari lapangan Pulau Gading dan Lapangan Sungai Kenawang di Grissik sampai dengan Muara Bekasi. Kapasitas *interruptible* yang disediakan untuk pengangkutan gas tersebut sebesar:

Tahun	Periode	Kapasitas
2011	Jul-Des	81
2012	Jan-Des	40
2013	Jan-Des	40
2014-2019	Jan-Des	21

Perjanjian berlaku untuk 9 tahun sejak tanggal dimulainya pengangkutan gas.

b. Perjanjian Pengangkutan Gas Melalui Sistem Jaringan Pipa Transmisi Gas Sumatera Utara

Pada tanggal 4 Februari 2014, Perusahaan dan PLN telah menandatangani Perjanjian Pengangkutan Gas Melalui Sistem Jaringan Pipa Transmisi Gas Sumatera Utara, dimana Perusahaan setuju memberikan jasa transportasi gas dari Titik Terima sampai dengan Titik Serah. Perjanjian berlaku sejak Tanggal Dimulai sampai dengan 5 tahun atau sampai dengan berakhirnya PJBG antara PLN dengan PT Pertamina EP untuk gas dari sumur Benggala-1.

40. SIGNIFICANT AGREEMENTS (continued)

4. Transportation Gas Agreement

a. Transportation Gas Agreement through South Sumatera - West Java Gas Transportation Pipeline

On August 15, 2011, the Company and PLN entered into the amendment and restatement of Transportation Gas Agreement through Gas Transmission Pipeline South Sumatera - West Java for power center in Muara Tawar (source of gas from Jambi Merang) from Grissik to Muara Bekasi whereby the Company agreed to provide gas transportation service from Pulau Gading field and Sungai Kenawang field in Grissik to Muara Bekasi. The interruptible capacity provided for gas transportation amounting to:

Year	Period	Capacity
2011	Jul-Dec	81
2012	Jan-Dec	40
2013	Jan-Dec	40
2014-2019	Jan-Dec	21

This agreement is valid for 9 years, starting from the date of the gas delivery.

b. Transportation Gas Agreement through North Sumatera Transportation Pipeline System

On February 4, 2014, the Company and PLN has signed Transportation Gas Agreement through North Sumatera Transportation Pipeline System (Agreement) whereby the Company agreed to provide transportation services from Receiving Point into Delivery Point. The agreement is valid from the start date up to 5 years or until the Gas Sales Agreement (GSA) between PLN and PT Pertamina EP (Persero) for gas from Benggala-1 wells ended.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

40. SIGNIFICANT AGREEMENTS (continued)

5. Perjanjian Swap Gas Premier Oil

5. Premier Oil Swap Gas Agreement

Pada tanggal 7 November 2013, Premier Oil Natuna Sea B.V. (Premier), Sembcorp Gas Pte. Ltd. (SembGas), Gas Supply Pte Ltd. (GSPL), ConocoPhillips (Grissik) Ltd. (CPGL) sebagai representatif Pertamina, Perusahaan (bertindak untuk dirinya sendiri dan atas nama PLN dan PT Banten Global Development) dan ConocoPhillips Indonesia Inc. Ltd. (COPI) menandatangani Perjanjian Swap Dalam Negeri Blok A Laut Natuna. Dimana dalam perjanjian tersebut Perusahaan setuju untuk menerima *swap* gas di Titik Penyerahan *Corridor Block* dan mengalirkan *swap* gas tersebut sesuai kapasitas pengaliran sesuai dengan pasokan masing-masing pihak di Jawa Barat.

On November 7, 2013, Premier Oil Natuna Sea B.V. (Premier), Sembcorp Gas Pte. Ltd. (SembGas), Gas Supply Pte Ltd. (GSPL), ConocoPhillips (Grissik) Ltd. (CPGL) as the representative of Pertamina, the Company (act for itself and on behalf of PLN and PT Banten Global Development) and ConocoPhillips Indonesia Inc. Ltd. (COPI) entered into a Natuna Sea Block A Domestic Swap Agreement. In this agreement, the Company agreed to receive swap gas at Corridor Block Delivery Point and deliver the swap gas with capacity to be delivered based on the gas availability from each parties in West Java.

Perjanjian ini akan berlaku sampai dengan tanggal yang lebih awal dari:

This agreement is valid until the earliest date of:

- Tanggal yang jatuh tempo dari delapan belas (18) bulan setelah tanggal dimulai;
- Tanggal ketika keseluruhan kuantitas *Swap Premier* yang diserahkan di Titik Penyerahan GSA2 sama dengan Kuantitas *Swap* Maksimum;
- Pengiriman pertama Gas berdasarkan salah satu GSA Batam;
- Berakhirnya perjanjian - perjanjian lain yang terkait dengan gas *swap* tersebut.

- The maturity date from eighteen (18) months after the start date;*
- The date the aggregate of Premier Delivered Swap quantities delivered at the GSA2 Delivery Point equals with the Maximum Swap Quantity;*
- First delivery of gas under one of Batam GSAs;*
- The termination of the other agreements related to swap gas.*

6. Perjanjian Proyek

6. Project Agreements

- Perusahaan memiliki Perjanjian Proyek dengan ADB pada tanggal 31 Oktober 1995 sehubungan dengan Proyek Transmisi dan Distribusi Gas yang dibiayai oleh ADB, JBIC dan EIB melalui Perjanjian Pinjaman dengan Pemerintah (Catatan 22). Perjanjian Proyek menetapkan kewajiban Perusahaan sebagai agen pelaksana Proyek yang meliputi penyediaan dan konstruksi jalur pipa transmisi antara Grissik dan Duri, jalur pipa ("*spur pipeline*") dari Sakernan ke Batam; penyediaan dan konstruksi tambahan serta peralatan dan fasilitas yang terletak di lokasi lain; jasa konsultasi, manajemen dan keuangan serta penguatan institusi Perusahaan dan pengembangan sumber daya manusia. Perjanjian Proyek ini berlaku sejalan dengan perjanjian pinjaman dengan ADB.

- The Company entered into a Project Agreement with ADB dated October 31, 1995 in connection with the Gas Transmission and Distribution Project, which is funded in part by the ADB, JBIC and EIB through Loan Agreements with the Government (Note 22). The Project Agreement sets out the Company's obligations as the executing agent of the Project, which covers the supply and construction of the transmission pipeline between Grissik and Duri, and a spur pipeline from Sakernan to Batam; supply and construction of ancillary and offsite equipment and facilities; consulting management and financial services as well as institutional strengthening of the Company and human resources development. The Project Agreement's terms are in line with the loan agreement with the ADB.*

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

40. SIGNIFICANT AGREEMENTS (continued)

6. Perjanjian Proyek (lanjutan)

6. Project Agreements (continued)

- b. Pada tanggal 1 Oktober 2003, Perusahaan mengadakan Perjanjian Proyek dengan IBRD sehubungan dengan komitmen untuk menjalankan Proyek Restrukturisasi dan Penguatan Sektor Energi Jawa-Bali.
- c. Pada tanggal 3 April 2006, Perusahaan dan Pemerintah mengadakan Perjanjian Penerusan Pinjaman No. SLA-1201/DP3/2006, dimana Pemerintah meneruskan hasil pinjaman dari IBRD kepada Perusahaan untuk membiayai Proyek Pengembangan Pasar Gas Domestik.

- b. On October 1, 2003, the Company entered into a Project Agreement with IBRD in connection with the commitment to execute the Java-Bali Power Sector Restructuring and Strengthening Project.
- c. On April 3, 2006, the Company and the Government entered into the related Subsidiary Loan Agreement No. SLA-1201/DP3/2006, where the Government relend the IBRD loan to the Company, which shall be use to finance the Domestic Gas Market Development Project.

7. Perjanjian Kerja Sama Operasi

7. Joint Operation Agreements

- a. Pada tanggal 2 April 2004, Perusahaan dan PT Citraagung Tirta Jatim (CTJ) mengadakan perjanjian kerja sama operasi yang diaktakan dengan Akta Notaris No. 1 dari Notaris T. Trisnawati, S.H. Dalam Akta Notaris tersebut dinyatakan bahwa Perusahaan akan menyediakan tanah seluas sekitar 39.020 meter persegi yang terletak di Surabaya untuk dibangun pusat perbelanjaan oleh CTJ dengan nilai sekitar Rp336.245.000.000. CTJ berkewajiban untuk memberikan kompensasi kepada Perusahaan berupa pendirian bangunan dengan nilai Rp20.750.000.000, yang terdiri dari gedung kantor dan rumah dinas Perusahaan serta pembayaran royalti sebesar Rp200.000.000 termasuk pajak penghasilan setiap tahunnya dari tanggal 20 Maret 2010 sampai dengan 20 Maret 2031.

- a. On April 2, 2004, the Company entered into a joint operation agreement with PT Citraagung Tirta Jatim (CTJ) which was notarized by Notarial Deed No. 1 of T. Trisnawati, S.H. Based on the Notarial Deed, the Company will provide its land covering 39,020 square meters located at Surabaya for CTJ to build a shopping centre with total value of approximately Rp336,245,000,000. CTJ is obliged to give compensation to the Company in the form of building compensation with total value of Rp20,750,000,000, consisting of the Company's office building and the employee's house and annual royalty payment for Rp200,000,000 including income tax from March 20, 2010 until March 20, 2031.

CTJ akan diberi hak pengelolaan atas bangunan pusat perbelanjaan tersebut sejak selesainya pembangunan bangunan kompensasi atau pada tanggal 2 April 2007, mana yang tercapai lebih dulu, sampai dengan berakhirnya tahap pengelolaan atau pada tanggal berakhirnya perjanjian kerja sama operasi. Pada akhir masa pengelolaan, bangunan pusat perbelanjaan akan menjadi milik Perusahaan. Perjanjian ini berlaku selama 28 tahun dan akan berakhir pada tanggal 2 April 2032.

CTJ will have the rights to operate the shopping centre from the completion date of the construction of the building compensation or on April 2, 2007, whichever is earlier, up to the end of the operational year or the end of the joint operation agreement. At the end of the operational phase, the shopping centre will be transferred to the Company. This agreement is valid for 28 years and will expire on April 2, 2032.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

40. SIGNIFICANT AGREEMENTS (continued)

7. Perjanjian Kerja Sama Operasi (lanjutan)

7. Joint Operation Agreements (continued)

Berdasarkan Akta Notaris No. 2 tanggal 2 April 2004 dari Notaris T. Trisnawati, S.H. mengenai perjanjian pengelolaan antara Perusahaan dengan CTJ. CTJ memperoleh hak pengelolaan, yang meliputi hak menguasai, memanfaatkan, menggunakan, mengelola bangunan pusat perbelanjaan, memiliki dan menikmati seluruh hasilnya serta membuat atau melakukan semua perjanjian sewa menyewa. Apabila tahap pengelolaan telah berakhir, yaitu pada tanggal 2 April 2032. Perusahaan akan memberikan hak prioritas kepada CTJ untuk memperoleh hak pengelolaan tahap kedua dengan jangka waktu 25 tahun.

Based on the Notarial Deed No. 2 dated April 2, 2004 of T. Trisnawati, S.H. regarding operational agreement between the Company and CTJ. CTJ will have the rights to utilize, operate, manage, and earn the benefit from the shopping centre, and to enter into rental agreements. The Company will give priority to CTJ to obtain the right to operate and manage the second operational phase for 25 years at the end of the first operational phase which is April 2, 2032.

- b. Pada tanggal 10 Maret 2005, Perusahaan dan PT Winatek Sinergi Mitra Bersama (WSMB) mengadakan perjanjian kerja sama operasi dimana Perusahaan akan menyediakan lahan yang terletak di Jl. Kyai Haji Zainul Arifin No. 20, Jakarta kepada WSMB untuk dibangun pusat perbelanjaan dan perkantoran termasuk fasilitas parkir dan fasilitas pendukungnya, senilai sekitar Rp80.000.000.000 atau sepadan bangunan minimal 20.000 meter persegi. WSMB berkewajiban untuk memberikan kompensasi awal sebesar Rp18.935.005.000 kepada Perusahaan, berupa bangunan kompensasi seluas 12.250 meter persegi. Perusahaan akan memberikan hak pengelolaan atas bangunan kompensasi akhir berikut dengan fasilitas pendukungnya kepada WSMB.

- b. On March 10, 2005, the Company entered into a joint operation agreement with PT Winatek Sinergi Mitra Bersama (WSMB), whereby the Company will provide its land located at Jl. Kyai Haji Zainul Arifin No. 20, Jakarta for WSMB to build a shopping centre and office building including parking area and other facilities with approximately value of Rp80,000,000,000 or equal to the value at a minimum of a 20,000 square meters building. WSMB is obliged to give initial compensation amounting to Rp18,935,005,000 to the Company, in the form of building compensation with an area of 12,250 square meters. The Company will give rights to WSMB to operate the final building compensation including the supporting facilities.

Bangunan kompensasi akhir akan diserahkan kepada Perusahaan setelah berakhirnya tanggal efektif perjanjian kerja sama operasi. Perjanjian ini berlaku selama 28 tahun dan 6 bulan sejak tanggal efektif perjanjian kerja sama operasi ini. Perjanjian ini akan berlaku efektif jika beberapa ketentuan dalam perjanjian telah terpenuhi atau paling lambat tanggal 1 Juli 2005, mana yang terlebih dahulu.

The final building compensation will be transferred to the Company at the end of the effective date of the joint operation agreement. This agreement is valid for 28 years and 6 months from the effective date of the joint operation agreement. This agreement will be effective after certain conditions are satisfied or at the latest until July 1, 2005, whichever is earlier.

Perusahaan akan memberikan hak prioritas kepada WSMB untuk memperoleh hak pengelolaan tahap kedua dengan jangka waktu 25 tahun. Perjanjian ini telah diubah pada tanggal 28 Juli 2005 (amandemen 1).

The Company will give priority to WSMB to obtain the right to operate and manage the second operational phase for 25 years. This agreement has been amended on July 28, 2005 (amendment 1).

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

7. Perjanjian Kerja Sama Operasi (lanjutan)

Pada tanggal 29 November 2005, Perusahaan dan WSMB melakukan perubahan atas perjanjian kerja sama operasi (amandemen 2) diantaranya tentang luas minimal bangunan keseluruhan yang akan dibangun dari 20.000 meter persegi senilai minimal Rp80.000.000.000 menjadi 21.000 meter persegi senilai minimal Rp80.000.000.000 dan masa berlakunya perjanjian dari 28 tahun dan 6 bulan menjadi 29 tahun.

8. Pada tanggal 22 November 2006, Perusahaan dan PT Perkebunan Nusantara VII (Persero) (PT PN VII) dengan PT Bank Mandiri (Persero) Tbk (Bank Mandiri) menandatangani Perjanjian Pengelolaan Rekening Penampungan terkait dengan perjanjian ganti rugi tanah PT PN VII yang terkena jalur pipa transmisi gas bumi Perusahaan dalam rangka proyek pipa transmisi SSWJ. Dalam perjanjian ini, Perusahaan dan PT PN VII setuju untuk membuka rekening penampungan di Bank Mandiri, dimana Perusahaan harus melakukan penyetoran dengan jumlah minimal Rp4.111.399.590 pada rekening tersebut dan memberi kuasa kepada Bank Mandiri untuk melaksanakan pengelolaan dana rekening tersebut. Dana tersebut akan dipindahbukukan oleh Bank Mandiri kepada PT PN VII dalam dua tahap, yaitu:
 - a. Tahap pertama sebesar Rp1.152.123.022;
 - b. Tahap kedua sebesar Rp2.959.276.568.

Pada tanggal 14 April 2014, Perusahaan dan PT PN VII bersepakat untuk mengakhiri Perjanjian Pengelolaan Rekening Penampungan dan menutup rekening penampungan terkait dengan perjanjian tersebut di atas (Catatan 6).

9. Pada tanggal 6 Desember 2011, Hoegh LNG Limited dan PT Rekayasa Industri dalam hal ini selanjutnya disebut "Konsorsium" dan Perusahaan menandatangani *Heads of Agreement (HoA)* terkait dengan Proyek fasilitas Penyimpanan dan Regasifikasi Terapung LNG Medan.

Perjanjian ini berlaku sampai dengan mana yang terjadi terlebih dahulu antara;

- a) Tanggal perjanjian
- b) Tanggal eksekusi atas perjanjian; atau
- c) Tanggal dimana para pihak memberikan persetujuan secara tertulis untuk mengakhiri HoA.

40. SIGNIFICANT AGREEMENTS (continued)

7. Joint Operation Agreements (continued)

On November 29, 2005, the Company and WSMB amended the joint operation agreement (amendment 2), relating to, among others, the minimum building area from 20,000 square meters with minimum total value of Rp80,000,000,000 to 21,000 square meters with minimum total value of Rp80,000,000,000 and the validity year of the agreement from 28 years and 6 months to 29 years.

8. *On November 22, 2006, the Company and PT Perkebunan Nusantara VII (Persero) (PT PN VII) with PT Bank Mandiri (Persero) Tbk (Bank Mandiri) entered into Reserve Account Management Agreement related to compensation agreement of PT PN VII's land passed through by the Company's natural gas transmission pipeline in relation with SSWJ transmission pipeline project. Under this agreement, the Company and PT PN VII agreed to open reserve accounts in Bank Mandiri, which the Company has to transfer with minimum amount of Rp4,111,399,590 to such account and gave an authority to Bank Mandiri to maintain the funds in such account. The funds will be transferred by Bank Mandiri to PT PN VII in two phases as follows:*

- a. First phase amounting to Rp1,152,123,022;*
- b. Second phase amounting to Rp2,959,276,568.*

On April 14, 2014, the Company and PT PN VII agreed to terminate Reserve Account Management Agreement and closed the reserve accounts related to the above agreement (Note 6).

9. *On December 6, 2011, Hoegh LNG Limited and PT Rekayasa Industri together herein as the "Consortium" and the Company entered into Heads of Agreement related to Medan LNG Floating Storage and Regasification Facilities Project.*

This agreement is valid until on which the earlier of the following occurs:

- a) The agreement date;*
- b) The date of execution of the agreement; or*
- c) The date of the parties mutually agreed in writing to terminate these HoA.*

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

10. Pada tanggal 25 Januari 2012, Perusahaan, PT Rekayasa Industri (Rekind) dan Hoegh LNG Limited (Hoegh) menandatangani Umbrella Agreement terkait dengan Proyek Fasilitas Penyimpanan dan Regasifikasi Terapung (FSRT) LNG Medan. Perjanjian ini berlaku sampai dengan 1 September 2013.

Pada 19 Maret 2012, Perusahaan menerima surat dari Menteri Badan Usaha Milik Negara (BUMN) No: S-141/MBU/2012 tentang Relokasi Proyek FSRT Belawan dan Proyek Revitalisasi LNG Arun yang pada intinya meminta kepada agar Perusahaan merelokasi proyek FSRT LNG dari Medan ke Lampung. Berdasarkan surat tersebut maka pada tanggal 17 Oktober 2012, Perusahaan, Rekind dan Hoegh menandatangani *Amendment and Restatement Umbrella Agreement* terkait relokasi FSRT Medan ke Lampung.

11. Pada tanggal 25 Januari 2012, Perusahaan dan Rekind menandatangani Perjanjian Rekayasa, Pengadaan, Konstruksi, Instalasi dan Komisioning (EPCIC) atas Sistem Pipa untuk Proyek Fasilitas Penyimpanan dan Regasifikasi Terapung LNG Medan. Dalam perjanjian ini, Rekind setuju untuk melaksanakan pembangunan *mooring system*, sistem pipa dan stasiun gas terkait dengan proyek FSRT LNG Medan. Perjanjian ini berlaku sampai dengan 10 Maret 2014. Berdasarkan surat dari Menteri Badan Usaha Milik Negara (BUMN) No: S-141/MBU/2012 di atas, pada tanggal 17 Oktober 2012, Perusahaan dan Rekind menandatangani amandemen perjanjian ini sehubungan dengan relokasi FSRT Medan ke Lampung.

12. Pada tanggal 25 Januari 2012, Perusahaan, dan Hoegh menandatangani perjanjian sewa, operasi dan pemeliharaan atas proyek FSRT LNG Medan. Dalam perjanjian ini, Hoegh bersedia untuk menyediakan kapal FSRT untuk jangka waktu selama 20 tahun. Berdasarkan surat dari Menteri Badan Usaha Milik Negara (BUMN) No: S-141/MBU/2012 di atas, pada tanggal 17 Oktober 2012, Perusahaan dan Hoegh menandatangani amandemen perjanjian ini sehubungan dengan relokasi FSRT Medan ke Lampung.

40. SIGNIFICANT AGREEMENTS (continued)

10. On January 25, 2012, the Company, PT Rekayasa Industri (Rekind) and Hoegh LNG Limited (Hoegh) entered into Umbrella Agreement related to Medan LNG Floating Storage and Regasification Facilities (FSRT) Project. This agreement is valid until September 1, 2013.

On March 19, 2012, the Company received a letter from the Minister of State-Owned Enterprises No: S-141/MBU/2012 regarding Projects Relocation of FSRT Belawan and Project Revitalization of LNG Arun which in essence asking the Company to relocate the LNG project from Medan to Lampung. Based on the letter, on October 17, 2012, the Company, Rekind and Hoegh entered into an Amendment and Restatement Umbrella Agreement related to relocation of the FSRT Medan to Lampung.

11. On January 25, 2012, the Company and Rekind entered into Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) of the Pipeline System for Medan LNG Floating Storage and Regasification Facilities Project Agreement. In this agreement, Rekind agreed to build mooring system, pipeline system and gas station related to Medan LNG FSRT. This agreement is valid until March 10, 2014. Based on letter from the Minister of State-Owned Enterprises No: S-141/MBU/2012 above on October 17, 2012, the Company and Rekind entered into an amendment of this agreement related to relocation the FSRT Medan to Lampung.

12. On January 25, 2012, the Company and Hoegh entered into lease, operation and maintenance agreement for Medan LNG FSRT project. In this agreement, Hoegh agreed to provide FSRT vessel for 20 years. Based on letter from the Minister of State-Owned Enterprises No: S-141/MBU/2012 above, on October 17, 2012, the Company and Rekind entered into an amendment of this agreement related to relocation of the FSRT Medan to Lampung.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

13. Pada tanggal 18 September 2013, Perusahaan, Hoegh dan PT Hoegh LNG Lampung (Hoegh Lampung) menandatangani Perjanjian Novasi atas *Amendment and Restatement Agreement of the Original Lease, Operation and Maintenance* dimana hak dan kewajiban Hoegh beralih ke Hoegh Lampung.
14. Pada tanggal 21 Februari 2014, Perusahaan, Rekind, Hoegh, Hoegh Lampung dan PLI menandatangani Perjanjian Novasi atas *Amended and Restated Umbrella Agreement* dimana hak dan kewajiban Perusahaan terkait dengan perjanjian tersebut di atas beralih ke PLI dan hak dan kewajiban Hoegh beralih ke Hoegh Lampung.
15. Pada tanggal 21 Februari 2014, Perusahaan, PLI dan Rekind menandatangani Perjanjian Novasi atas *The Amended and Restated Contract Agreement Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) of The Pipeline System for Lampung LNG Floating Storage and Regasification Facilities Project* dimana hak dan kewajiban Perusahaan terkait dengan perjanjian tersebut di atas beralih ke PLI.
16. Pada tanggal 21 Februari 2014, Perusahaan, PLI dan Hoegh Lampung menandatangani Perjanjian Novasi atas *Amended and Restated Lease, Operation and Maintenance Agreement* dimana hak dan kewajiban Perusahaan terkait dengan perjanjian tersebut di atas beralih ke PLI.

Transgasindo, Entitas Anak

17. Perjanjian Transportasi Gas

Dalam hubungan dengan kegiatan usahanya, Transgasindo mengadakan perjanjian transportasi gas baik yang bersifat tetap/*firm* maupun tidak tetap/*interruptible* dengan pihak pengirim/*shipper*. Pada tanggal 31 Desember 2014, ringkasan perjanjian transportasi gas yang masih berlaku adalah sebagai berikut:

40. SIGNIFICANT AGREEMENTS (continued)

13. On September 18, 2013, the Company, Hoegh and PT Hoegh LNG Lampung (Hoegh Lampung) entered into *Novation Agreement of Amendment and Restatement Agreement of the Original Lease, Operation and Maintenance* whereby the rights and obligations of Hoegh were transferred to Hoegh Lampung.
14. On February 21, 2014, the Company, Rekind, Hoegh, Hoegh Lampung and PLI entered into the *Novation Agreement for Amended and Restated Umbrella Agreement*, where the rights and obligations related to the above agreement of the Company were transferred to PLI and the rights and obligations of Hoegh were transferred to Hoegh Lampung.
15. On February 21, 2014, the Company, PLI and Rekind entered into the *Novation Agreement for The Amended and Restated Contract Agreement Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) of The Pipeline System for Lampung LNG Floating Storage and Regasification Facilities Project*, where the rights and obligations related to the above agreement of the Company were transferred to PLI.
16. On February 21, 2014, the Company, PLI and Hoegh Lampung entered into the *Novation Agreement for Amended and Restated Lease, Operation and Maintenance Agreement*, where the rights and obligations related to the above agreement of the Company were transferred to PLI.

Transgasindo, the Subsidiary

17. Gas Transportation Agreements

In relation to its course of business, the Transgasindo entered into firm or interruptible gas transportation agreements with shippers. As of December 31, 2014, the summary of outstanding gas transportation agreements are as follows:

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

40. SIGNIFICANT AGREEMENTS (continued)

Transgasindo, Entitas Anak (lanjutan)

Transgasindo, the Subsidiary (continued)

17. Perjanjian Transportasi Gas (lanjutan)

**17. Gas Transportation Agreements
(continued)**

Perjanjian/ Agreements	Pengirim/ Shippers	Pengguna/ End-users	Tanggal reserve - tanggal akhir/ Reserve date - termination date	Jenis jasa/ Type of services	Kapasitas dicadangkan (MSCF/hari)/ Reserved capacity (MSCF/day)	
					Awal/Start	Akhir/End
Jaringan Pipa Grissik-Duri/Grissik-Duri Pipeline						
GTA II Caltex	ConocoPhillips (Grissik). Ltd.	CPI	1 Jan. 2003 - 10 Agst. 2021	Tetap/Firm	122.000	78.000
GTA CPI-3	ConocoPhillips (Grissik). Ltd.	CPI	28 Mei 2013 - 10 Agst. 2021	Tetap/Firm	10.286	133.333
GTA Energas	PT Energasindo Heksa Karya	PLN	8 Jan. 2009 - 31 Dec. 2018	Tetap/Firm	20.000	20.000
GTA Jambi Merang - Duri	PT Pertamina Hulu Energi Jambi Merang; Talisman (Jambi Merang) Limited; Pacific Oil & Gas (Jambi Merang) Ltd	CPI	1 Apr. 2011 - 9 Feb. 2019	Tetap/Firm	22.000	10.000
GTA Payo Selincih	PLN	PLN	24 Feb. 2012 - 9 Feb. 2019	Tetap/Firm	25.000	25.000
GTA Rengat	PLN	PLN	18 Apr. 2012 - 9 Feb. 2019	Tetap/Firm	3.200	4.000
Jaringan Pipa Grissik-Singapura/Grissik-Singapore Pipeline						
GTA Singapore	ConocoPhillips (South Jambi). Ltd.; ConocoPhillips (Grissik). Ltd.; PetroChina Jabung. Ltd.	Gas Supply Pvt. Ltd. (GSPL)	12 Sept. 2003 - 12 Sept. 2023	Tetap/Firm	195.000	402.500
GTA PDPDE	Perusahaan Daerah Pertambangan dan Energi Sumatera Selatan (PDPDE)	PT Lontar Papyrus Pulp & Paper Industry	1 Oct. 2011 - 9 Feb. 2019	Tetap/Firm	8.000	12.000
IGTA IDL	PT Inti Daya Latu Prima	PLN, Dalle Energy and Industrial	31 Jan. 2012 - 9 Feb. 2019	Tidak tetap/ Interruptible	20.000	20.000

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

Transgasindo, Entitas Anak (lanjutan)

**18. Perjanjian yang Berkaitan dengan Jaringan
Pipa Grissik - Duri - Transgasindo**

- a. Perjanjian Pengalihan Aset (*Asset Transfer Agreement*), yang disahkan dengan Akta Notaris Fathiah Helmi, S.H., No. 11 pada tanggal 9 Maret 2002. Berdasarkan perjanjian ini, Perusahaan menjual aset netonya di Unit Transmisi Sumatera Tengah kepada Transgasindo. Transgasindo membayar aset neto tersebut dengan menerbitkan beberapa wesel bayar pada tingkat harga yang telah disepakati sebesar US\$227.179.230.
- b. Perjanjian Pinjam Pakai Tanah (*Borrow and Use of Land Agreement*) tanggal 9 Maret 2002, di mana Perusahaan memberikan izin kepada Transgasindo untuk menggunakan tanah yang terletak di jalur Jaringan Pipa Transmisi Grissik - Duri dan bidang tanah lainnya yang digunakan sebagai fasilitas penunjang Jaringan Pipa Transmisi Grissik - Duri demi kelangsungan kegiatan usaha penyaluran gas, tanpa pembayaran apapun.

Tanah yang dipinjam dan digunakan, kecuali Tanah Negara, masih berstatus tanah yang dikuasai dan/atau dimiliki oleh Perusahaan sampai pada saat kepemilikan dan/atau hak atas tanah tersebut diserahkan kepada Transgasindo, atau dalam hal Tanah Negara, sampai perjanjian peminjaman dan penggunaan tanah tersebut dialihkan kepada Transgasindo. Perjanjian ini berlaku selama tiga tahun atau sampai pada saat pelaksanaan penyerahan hak milik atau perjanjian pengalihan, mana yang lebih dulu, yang dapat diperpanjang sampai saat penyampaian permohonan yang tidak melebihi waktu satu bulan sebelum tanggal berakhirnya perjanjian ini.

40. SIGNIFICANT AGREEMENTS (continued)

Transgasindo, the Subsidiary (continued)

**18. Agreements Related to Grissik - Duri
Pipeline - Transgasindo**

- a. *Asset Transfer Agreement, which is covered by Notarial Deed No. 11 of Fathiah Helmi, S.H., dated March 9, 2002. Based on this agreement, the Company sold its net assets in the Central Sumatera Transmission Unit to the Transgasindo. Transgasindo paid the price of the net assets by issuing several promissory notes at the agreed price which is amounting to US\$227,179,230.*
- b. *Borrow and Use of Land Agreement dated March 9, 2002, whereby the Company granted permission to Transgasindo for the use of the plots of land located at the Grissik - Duri Transmission Pipeline route and other land used as supporting facility of the Grissik - Duri Transmission Pipeline for the purpose of continued gas transmission business activities without any compensation.*

The borrowed and used land, except the State Land, will still have the status of land acquired and/or owned by the Company until such time as the land title and/or rights is transferred to Transgasindo, or in respect of the State Land, until the borrow and use agreements are novated to Transgasindo. This agreement is valid for a term of three years or the execution of the deed of transfer of title and the novation agreement whichever is earlier, which can be extended by submission of the application not later than one month prior to the expiration of this agreement.

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**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

Transgasindo, Entitas Anak (lanjutan)

**18. Perjanjian yang Berkaitan dengan Jaringan
Pipa Grissik - Duri - Transgasindo (lanjutan)**

Pada tanggal 13 September 2002, Perusahaan membuat Perubahan Perjanjian terhadap Perjanjian Pinjam Pakai Tanah (*Amendment of the Borrow and Use of Land Agreement*) dengan Transgasindo untuk memasukkan tanah, yang sertifikat tanahnya akan atau sedang diajukan oleh Perusahaan dan Tanah Negara dengan luas sekitar 135 hektar. Setelah penyerahan semua hak atas tanah dan/atau sertifikat hak milik atas tanah (kecuali Tanah Negara), Transgasindo harus membayar harga tanah tersebut sebesar US\$5.200.000 kepada Perusahaan.

Jumlah ini akan menjadi piutang dalam bentuk dan dengan penyerahan wesel bayar kepada Perusahaan sesuai dengan Perjanjian Wesel Bayar Tanah Grissik - Duri (*Grissik - Duri Land Promissory Note Agreement*). Perjanjian ini akan berakhir pada saat pelaksanaan penyerahan hak atas tanah dan perjanjian novasi. Pada tanggal 31 Desember 2006, Transgasindo telah membukukan tanah yang sertifikat tanahnya sudah atas nama Transgasindo sejumlah US\$3.485.040.

Pada tanggal 2 Juni 2004, Perusahaan membuat Perubahan Perjanjian terhadap Perjanjian Pinjam Pakai Tanah (*Amendment to Agreement on Borrow and Use of Land*) dengan Transgasindo di antaranya perubahan terhadap konsideran dengan menambah konsideran C, perubahan definisi Tanah Negara, perubahan pasal 8 mengenai jangka waktu perjanjian dan perubahan pasal 9 mengenai pengakhiran perjanjian dan perubahan Lampiran A mengenai deskripsi tanah.

40. SIGNIFICANT AGREEMENTS (continued)

Transgasindo, the Subsidiary (continued)

**18. Agreements Related to Grissik - Duri
Pipeline – Transgasindo (continued)**

On September 13, 2002, the Company entered into the Amendment of the Borrow and Use of Land Agreement with Transgasindo to include the land, where land certificates will be or is being applied by the Company, and State Land, with a scale approximately 135 hectares. Upon transfer of all titles and/or title certificates of the land (except for the State Land), Transgasindo shall pay the Company the price of the land amounting to US\$5,200,000.

This will be receivable in the form of and by delivering to the Company promissory notes pursuant to the Grissik - Duri Land Promissory Note Agreement. This agreement is valid up to the execution of the deed of transfer of title and the novation agreement. As of December 31, 2006, the Transgasindo has recorded the land wherein the certificates are under the Transgasindo's name totaling to US\$3,485,040.

On June 2, 2004, the Company entered into the Amendment to Agreement on Borrow and Use of Land with Transgasindo covering among others, amendment of the recital by inserting recital C, amendment of State Land definitions, amendment of article 8 regarding term of agreement and amendment of article 9 regarding termination of the agreement and amendment of Attachment A regarding description of lot of lands.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

Transgasindo, Entitas Anak (lanjutan)

**18. Perjanjian yang Berkaitan dengan Jaringan
Pipa Grissik - Duri - Transgasindo (lanjutan)**

- c. Pada tanggal 12 November 2002, Perusahaan, Transgasindo and Transasia, mengadakan Perjanjian Pengalihan Aset (*Asset Transfer Agreement*) di mana Perusahaan akan membangun, menjual, dan menyerahkan tambahan Fasilitas Kompresor Duri untuk Jaringan Pipa Transmisi Grissik - Duri dan Jaringan Pipa Transmisi Grissik - Singapura (secara bersama-sama disebut sebagai "Aset") dengan harga pembelian sebesar US\$470.000.000 pada tanggal penyerahan sesuai dengan syarat dan kondisi dan perjanjian lain antara Perusahaan dan pihak ketiga yang terkait dengan, dan yang diperlukan untuk, kepemilikan, operasi, pemeliharaan dan perbaikan aset.
- d. Pada tanggal 1 Desember 2011, PT Pertamina Hulu Energi Jambi Merang (PHE), Talisman (Jambi Merang) Limited (Talisman) dan Pasific Oil & Gas (Jambi Merang) Ltd. (PO&G), yang selanjutnya bersama-sama disebut sebagai JOB PTJM, Perusahaan, Transgasindo, ConocoPhillips (Grissik) Ltd. (CPGL) dan PLN menandatangani Perjanjian Swap Gas. Dalam perjanjian ini, Perusahaan dan Transgasindo setuju untuk menyalurkan gas sehubungan dengan Perjanjian Jual Beli Gas (PJBG) antara JOB PTJM dengan PLN dan CPGL dengan PT Chevron Pasific Indonesia (CPI) dari JOB PTJM ke CPI dan dari CPGL ke PLN dengan kapasitas pengaliran sesuai dengan pasokan masing-masing pihak yang terkait.

40. SIGNIFICANT AGREEMENTS (continued)

Transgasindo, the Subsidiary (continued)

**18. Agreements Related to Grissik - Duri
Pipeline – Transgasindo (continued)**

- c. On November 12, 2002, the Company, Transgasindo and Transasia entered into an Asset Transfer Agreement wherein the Company wishes to construct, sell, and deliver additional Duri Compression Facilities for the Grissik - Duri Pipeline and the Grissik - Singapore Pipeline (collectively referred to "Assets") at the purchase price amounting to US\$470,000,000 at the transfer date, subject to the terms and conditions and any arrangements entered into by and between the Company and third parties that relate to, and are necessary for, the ownership, operation, maintenance and repair of the assets.
- d. On December 1, 2011, PT Pertamina Hulu Energi Jambi Merang (PHE), Talisman (Jambi Merang) Limited (Talisman) and Pasific Oil & Gas (Jambi Merang) Ltd. (PO&G), herein after collectively referred to as JOB PTJM, the Company, Transgasindo, ConocoPhillips (Grissik) Ltd. (CPGL) and PLN entered into a Gas Swap Agreement. In this agreement, the Company and Transgasindo agreed to transport gas related to Gas Sales Agreement (GSA) between JOB PTJM with PLN and CPGL with PT Chevron Pasific Indonesia (CPI) from JOB PTJM to CPI and from CPGL to PLN with capacity to be delivered based on the gas availability from related parties.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

Transgasindo, Entitas Anak (lanjutan)

**18. Perjanjian yang Berkaitan dengan Jaringan
Pipa Grissik - Duri - Transgasindo (lanjutan)**

Perjanjian ini akan berlaku sampai dengan tanggal yang lebih awal dari:

- a) Pembangunan dan komisioning jalur pipa lateral JOB PTJM dari fasilitas JOB PTJM di fasilitas Sungai Kenawang ke jalur pipa PGN Sumatera Selatan sampai Jawa Barat di Grissik;
- b) Pengakhiran CPGL-CPI ARGSEA serta CPGL-Transgasindo Gas Transportation Agreements (GTA) tertanggal 21 Desember 2000 dan 31 Mei 2010;
- c) Pengakhiran JOB PTJM-PLN Gas Sales Agreements (GSA) dan PGN-PLN ARG GTA; atau
- d) Pelaksanaan hak pengakhiran kontrak oleh suatu Pihak berdasarkan ketentuan yang disepakati dalam perjanjian ini.

**19. Perjanjian yang Berkaitan dengan Jaringan
Pipa Grissik - Singapura - Transgasindo**

- a. Pada tanggal 2 Juni 2004, Perusahaan mengadakan Tambahan Perjanjian terhadap Perjanjian Pengalihan Aset, pada tanggal 12 November 2002 dengan Transgasindo dan Transasia yang mengatur di antaranya pengalihan fasilitas kompresor di Duri dan pipa Grissik - Singapura pada tanggal penutupan yang sudah disepakati dan pola pembagian pendapatan antara Perusahaan dan Transgasindo sebelum tahun pengalihan aset di mana semua pihak menyetujui untuk mengubah beberapa kondisi yang terdapat dalam Perjanjian Pengalihan Aset. Kepemilikan dan semua hak atas aset telah diserahkan dari Perusahaan ke Transgasindo pada tanggal 2 Juni 2004.

40. SIGNIFICANT AGREEMENTS (continued)

Transgasindo, the Subsidiary (continued)

**18. Agreements Related to Grissik - Duri
Pipeline - Transgasindo (continued)**

This agreement is valid until the earliest date of:

- a) *The construction and commissioning of the JOB PTJM lateral pipeline from the JOB PTJM facilities at Sungai Kenawang to the PGN South Sumatera to West Java pipeline at Grissik;*
- b) *The termination of the CPGL-CPI ARGSEA and the CPGL-Transgasindo Gas Transportation Agreements (GTA) dated on December 21, 2000 and May 31, 2010;*
- c) *The termination of the JOB PTJM-PLN Gas Sales Agreements (GSA) and the PGN-PLN ARG GTA; or*
- d) *A Party's exercise of its termination rights under the term agreed by the parties in the agreement.*

**19. Agreements Related to Grissik - Singapore
Pipeline - Transgasindo**

- a. *On June 2, 2004, the Company entered into Supplemental Agreement to the Asset Transfer Agreement dated November 12, 2002 with Transgasindo and Transasia covering the transfer of the Duri compression facilities and Grissik - Singapore pipeline at the closing date and the terms of revenue sharing between the Company and Transgasindo prior to asset transfer date. All parties agreed to amend certain specific conditions in the Asset Transfer Agreement. The title and all rights to the assets were transferred from the Company to Transgasindo on June 2, 2004.*

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

Transgasindo, Entitas Anak (lanjutan)

**19. Perjanjian yang Berkaitan dengan Jaringan
Pipa Grissik - Singapura - Transgasindo
(lanjutan)**

Harga pembelian dibayar dalam dua tahapan. Tahap pertama sebesar US\$189.000.000 telah dibayar secara bertahap melalui *Milestone Payment*. Tahap kedua sebesar US\$281.000.000 dibayar oleh Transgasindo dengan mengeluarkan dan menyerahkan wesel bayar (Wesel Bayar Grissik - Singapura) kepada Perusahaan.

- b. Pada tanggal 12 November 2002, Perusahaan mengadakan Perjanjian Kemitraan Strategis (*Strategic Partnership Agreement* atau SPA) dengan Transgasindo, Transasia, Petronas International Corporation Ltd., Conoco Indonesia Holding Ltd., SPC Indo-Pipeline Co. Ltd., dan Talisman Transgasindo Ltd., untuk menetapkan syarat dan kondisi yang mengatur operasional dan manajemen Transgasindo dan hubungan antara pemegang saham.

Masing-masing pemegang saham setuju untuk mengambil dan membayar saham, dan memberikan pinjaman pemegang saham secara proporsional (sesuai dengan komposisi pemegang saham pada saat itu) sampai jumlah maksimum sebesar US\$144.000.000 sebagai *committed funding* untuk Jaringan Pipa Transmisi Grissik - Singapura dan menyediakan *contingent funding* dengan jumlah maksimum US\$15.000.000, jika dipandang perlu. *Committed funding* akan tersedia setelah diterimanya pemberitahuan pendanaan dari Transgasindo. Pemberitahuan tersebut harus menyatakan apakah pendanaan berupa tambahan modal atau pinjaman pemegang saham.

40. SIGNIFICANT AGREEMENTS (continued)

Transgasindo, the Subsidiary (continued)

**19. Agreements Related to Grissik - Singapore
Pipeline - Transgasindo (continued)**

The purchase price is paid in two phases. The first phase amounting to US\$189,000,000 is paid in installments by *Milestone Payment*. The second phase amounting to US\$281,000,000 is paid by Transgasindo by executing and delivering to the Company a promissory note (Grissik - Singapore Promissory Note).

- b. On November 12, 2002, the Company entered into a *Strategic Partnership Agreement (SPA)* with Transgasindo, Transasia, Petronas International Corporation Ltd., Conoco Indonesia Holding Ltd., SPC Indo-Pipeline Co. Ltd., and Talisman Transgasindo Ltd. to set forth the terms and conditions which will govern the operation and management of Transgasindo and the relationship of the shareholders.

Each shareholder agreed to take up and pay for the shares, and provide shareholder loans on pro rata portion (based on their current shareholding) of up to a maximum aggregate amount of US\$144,000,000 as committed funding in respect of the Grissik - Singapore Pipeline and to provide up to a maximum aggregate amount of US\$15,000,000 of contingent funding, if determined necessary. The committed funding will be made available upon receipt of the funding notice from Transgasindo. The notice shall specify whether such funding shall comprise an equity contribution or a shareholder loan.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

Transgasindo, Entitas Anak (lanjutan)

**19. Perjanjian yang Berkaitan dengan Jaringan
Pipa Grissik - Singapura - Transgasindo
(lanjutan)**

Selama SPA berlaku, semua penerimaan kas Transgasindo harus dimasukkan ke dalam suatu akun arus kas umum dan akan digunakan sesuai urutan prioritas seperti telah diatur dalam SPA. Apabila Transgasindo tidak mampu memenuhi kewajiban pembayarannya seperti dinyatakan dalam SPA, setiap pemegang saham akan menyediakan dana secara proporsional (sesuai komposisi pemegang saham pada saat itu) maksimum tidak melebihi US\$100.000.000 atau jumlah pokok terutang menurut Wesel Bayar Grissik - Duri dan Wesel Bayar Grissik - Singapura.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, wesel bayar tersebut belum diterbitkan.

- c. Pada tanggal 4 Desember 2002 dan 28 Januari 2003, Transgasindo mengadakan Perjanjian Pinjaman Pemegang Saham (*Shareholder Loan Agreement*) dengan Transasia.

Pada tanggal 2 Juni 2004, Perusahaan telah menyerahtherimakan Aset (jaringan pipa Grissik - Singapura dan fasilitas kompresor Duri). Sehubungan dengan itu, telah dibuat beberapa perjanjian penting sebagai berikut:

Perjanjian Pinjam Pakai Tanah (*Borrow and Use of Land Agreement*) dengan Transgasindo yang meliputi bidang tanah yang berlokasi di jalur Jaringan Pipa Transmisi Grissik-Singapura dan bidang tanah lain yang digunakan sebagai fasilitas penunjang Jaringan Pipa Transmisi Grissik-Singapura. Sampai dengan tanggal 31 Desember 2014, Transgasindo telah membukukan tanah yang sertifikat tanahnya sudah atas nama Transgasindo sejumlah US\$1.621.527.

40. SIGNIFICANT AGREEMENTS (continued)

Transgasindo, the Subsidiary (continued)

**19. Agreements Related to Grissik - Singapore
Pipeline - Transgasindo (continued)**

During the course of the SPA, all cash receipts of Transgasindo shall be paid into a general cash flow account and shall be applied in the order of priority as set out in the SPA. In the event that Transgasindo is unable to fulfill any of its payment obligations as set out in the SPA, each shareholder shall provide its pro rata portion (based on its then current shareholding) of up to a maximum aggregate amount of the lesser of US\$100,000,000 or the total principal amount for the time being outstanding under the Grissik - Duri Promissory Notes and the Grissik - Singapore Promissory Notes.

Up to the completion date of this consolidated financial statements, such promissory notes have not yet been issued.

- c. On December 4, 2002 and January 28, 2003, Transgasindo entered into the Shareholder Loan Agreement with Transasia.

On June 2, 2004, the Company transferred Assets (Grissik - Singapore pipeline and Duri compression facilities). In relation with the transfer, Transgasindo has entered into several other significant agreements as follows:

Borrow and Use of Land Agreement with Transgasindo covering the plots of land located at the Grissik-Singapore Transmission Pipeline route and other land used as supporting facility of the Grissik-Singapore Transmission Pipeline. Up to December 31, 2014, Transgasindo has recorded the land wherein the certificates are under Transgasindo's name totaling to US\$1,621,527.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

SEI, Entitas Anak

20. Pada tanggal 19 Juli 2011, berdasarkan surat No. 20649/13/DJM.E/2011, Direktorat Jenderal Minyak dan Gas Bumi Kementerian Energi dan Sumber Daya Alam menyatakan Konsorsium PT Medco CBM Lematang - PT Methanindo Energi Resources (MER) - Perusahaan sebagai Badan Usaha Tetap dalam perusahaan Wilayah Kerja Gas Metana Batubara (GMB) Blok GMB Lematang.

Kemudian konsorsium menyampaikan surat kesanggupan melaksanakan komitmen Blok GMB Lematang dan menyampaikan bank garansi dalam menyediakan dana untuk:

- *Signature Bonus* sebesar US\$1.000.000
- Jaminan Pelaksanaan (*Performance Bond*) senilai US\$1.500.000 untuk membiayai komitmen pasti masa eksplorasi sebesar US\$4.600.000 yang terdiri dari: G&G Study, 2 (dua) *Core Hole* dan 2 (dua) Sumur eksplorasi+*Production Test*, pada 3 tahun pertama masa eksplorasi yang berlaku sampai dengan 3 tahun setelah kontrak ditandatangani.

Kontrak ini mengatur antara lain:

- Komitmen pasti berupa G&G Study, 2 (dua) *Core Hole*, dan 2 (dua) Sumur Eksplorasi+*Production Test*, pada 3 tahun pertama masa eksplorasi,
- Menyetujui bagi hasil produksi antara Pemerintah dengan kontraktor sebesar 55%:45% (setelah pajak),
- Membayar *signature bonus* kepada Pemerintah Republik Indonesia sebesar US\$1.000.000,
- Tidak mengalihkan, menjual dan memindahkan bagian *interest* atau *group interest* (konsorsium) di Blok GMB Lematang kepada pihak lain secara mayoritas (lebih besar dari 50%) selama 3 tahun pertama masa eksplorasi,
- Dan ketentuan lain yang tercantum dalam Kontrak Kerja Sama dan Peraturan Perundang-undangan yang berlaku.

40. SIGNIFICANT AGREEMENTS (continued)

SEI, the Subsidiary

20. On July 19, 2011, based on letter No. 20649/13/DJM.E/2011, the Directorate General of Oil and Gas, Ministry of Energy and Natural Resources stated that the Consortium of PT Medco CBM Lematang - PT Methanindo Energi Resources (MER) - are Permanent Establishment Companies in developing of Methane Coal Gas (GMB) fieldwork in the Coal Bed Methane (CBM) Lematang Block.

Subsequently, the consortium has provided a letter of intent for the operation of CBM Lematang Block and submitted the bank guarantee in providing funds for:

- *Signature Bonus* amounting to US\$1,000,000
- *Performance Bond* amounting to US\$1,500,000 to finance fixed commitments for exploration phase amounting to US\$4,600,000, which consists of: G&G Study, 2 (two) *Core Hole* and 2 (two) exploration wells+*Production Test* in the first 3 years of exploration phase, which is valid until 3 years after the contract has been signed.

The contract prescribes:

- Fixed Commitments in the form of G&G Study, 2 (two) *Core Hole*, and 2 (two) Exploration Wells+*Production Test*, in first 3 years of exploration phase,
- Approve the production sharing results between Government and contractors at 55%:45% (after tax),
- Pay the signature bonus to Government of the Republic of Indonesia amounting to US\$1,000,000,
- Shall not transfer, sell and replace part or group of interest (consortium) in CBM Lematang Block to other party at major portion (more than 50%) for the first 3 years of exploration phase,
- And other terms stated in Joint Agreement Contract and Applicable Laws and Regulations.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

SEI, Entitas Anak (lanjutan)

21. Pada tanggal 22 Juli 2011, telah ditandatangani Nota Kesepakatan antara PT Medco E&P Indonesia (MEPI), PT Sugico Pendragon Energi (SUGICO) dan SEI mengenai kerjasama pengembangan Gas Metana Batubara (GMB). SEI sepakat untuk menjadi mitra MEPI dan SUGICO pada pengembangan GMB di Blok Lematang - Petar dengan kepemilikan *participating interest* sebesar MEPI: 55%, SUGICO: 40%, dan SEI: 5%.

Kerjasama tersebut dituangkan dalam suatu perjanjian tersendiri yang mengatur seluruh hak dan kewajiban para pihak.

Biaya-biaya yang terkait dengan pelaksanaan PSC GMB termasuk tetapi tidak terbatas pada *signature bonus*, bank garansi atas *signature bonus* dan *performance bond* merupakan beban dan tanggung jawab setiap pihak berdasarkan bagian *participating interest* masing-masing pihak.

Sehubungan dengan penandatanganan *Production Sharing Contract* (PSC) untuk perusahaan Gas Metana Batubara (GMB) Area Lematang - Petar Sumatera Selatan, Perusahaan pada tanggal 22 Juli 2011 dengan surat No. 021200.S/HK.02/UT/2011 telah menunjuk SEI untuk menandatangani PSC dengan Pemerintah dan untuk selanjutnya mewakili Perusahaan dalam hal kerjasama pengembangan GMB di Blok Lematang - Petar. Pada tanggal 1 Agustus 2011, SKKMIGAS, PT Medco CBM Lematang, PT Methanindo Energi Resources (MER) dan SEI telah menandatangani PSC.

Pada tanggal 1 Januari 2013, SEI dan MER menandatangani *Deed of Assignment* untuk pengalihan *participating interest* SEI sebesar 5% kepada MER, yang akan berlaku efektif apabila mendapat persetujuan tertulis dari Pemerintah Republik Indonesia dan SKKMIGAS.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, proses mendapatkan persetujuan masih dalam proses.

40. SIGNIFICANT AGREEMENTS (continued)

SEI, the Subsidiary (continued)

21. On July 22, 2011, PT Medco E&P Indonesia (MEPI), PT Sugico Pendragon Energi (SUGICO) and SEI entered into Minutes of Understanding regarding Coal Bed Methane (CBM) development. SEI agreed to become a partner of Mitra MEPI & SUGICO to develop CBM on Lematang - Petar Block with ownership participating interest of MEPI: 55%, SUGICO: 40%, and SEI: 5%.

The cooperation will be prepared in a separate agreement which regulates the rights and obligations of the parties.

The costs related to PSC CBM implementation include but not limited to signature bonus, bank guarantee for signature bonus and performance bond representing the responsibility of each parties based on their participating interest.

In relation with Production Sharing Contract (PSC) signing for Coal Bed Methane (CBM) production, Lematang - Petar Area, South Sumatera, the Company delegated SEI on July 22, 2011 with letter No. 021200.S/HK.02/UT/2011 to sign PSC with Government and act on be half of Company for CBM development cooperation in Lematang - Petar Block. On August 1, 2011, SKKMIGAS, PT Medco CBM Lematang, PT Methanindo Energi Resources (MER) and SEI have signed the PSC.

On January 1, 2013, SEI and MER entered into Deed of Assignment for transferring of 5% participating interest to MER, and will be effective after obtaining the written approval from the Government of the Republic of Indonesia and SKKMIGAS.

Up to the completion date of the consolidated financial statements, the approval process is still in progress.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

SEI, Entitas Anak (lanjutan)

22. Pada tanggal 30 November 2012, PT Saka Ketapang Perdana (SKP), Entitas Anak SEI, menandatangani Perjanjian Jual dan Beli kepemilikan *participating interest* sebesar 20% di Blok Ketapang dengan Sierra Oil Services Limited senilai US\$71.000.000. Perjanjian ini berlaku mulai tanggal 1 Januari 2012 dan akan efektif apabila perjanjian ini telah mendapatkan persetujuan dari Direktorat Jenderal Minyak dan Gas Republik Indonesia, serta Sierra Oil Services Limited telah menyerahkan Pengalihan JOA (*Joint Operating Agreement*) dan *Gas Sales Agreement* kepada SKP.

Pada tanggal 18 Februari 2013, SKP, Entitas Anak dari SEI, menerima surat persetujuan dari Direktorat Jendral Minyak dan Gas Republik Indonesia mengenai pengalihan *participating interest* sebesar 20% di Blok Ketapang dari Sierra Oil Services Limited kepada SKP.

Pada tanggal 4 Maret 2013, Sierra Oil Services Limited menyerahkan *completion notice* kepada SKP dan SKP melakukan pembayaran transaksi pada tanggal 7 Maret 2013.

23. Pada tanggal 11 Maret 2013, PT Saka Bangkanai Klemantan (SBK), Entitas Anak dari SEI, menandatangani perjanjian pengalihan kepemilikan *participating interest* sebesar 30% di Blok Bangkanai dengan Salamander Energy (Bangkanai) Limited senilai US\$27.000.000. Perjanjian ini berlaku mulai tanggal 1 Januari 2013 dan akan berlaku efektif apabila telah mendapatkan persetujuan dari Menteri Energi dan Sumber Daya Mineral (ESDM) Republik Indonesia serta Salamander Energy (Bangkanai) Limited telah menyerahkan Pengalihan JOA kepada SBK.

Pada tanggal 31 Mei 2013, Menteri ESDM Republik Indonesia, melalui suratnya No. 6081/13/DJM.E/2013, menyetujui pengalihan *participating interest* sebesar 30% di Blok Bangkanai dari Salamander Energy (Bangkanai) Limited kepada SBK. Pada tanggal 24 Juni 2013, Salamander Energy (Bangkanai) Limited juga telah menyerahkan *completion notice* dan Perusahaan juga telah melakukan pembayaran transaksi pengalihan ini pada tanggal 26 Juni 2013.

40. SIGNIFICANT AGREEMENTS (continued)

SEI, the Subsidiary (continued)

22. On November 30, 2012, PT Saka Ketapang Perdana (SKP), a Subsidiary of SEI, signed Sales and Purchase Agreement of ownership *participating interest* of 20% on Ketapang Block with Sierra Oil Services Limited amounted to US\$71,000,000. This agreement started on January 1, 2012 and will be effective after obtaining the approval form by Directorate General of Oil and Gas of the Republic of Indonesia, and also Sierra Oil Services Limited has submitted the JOA (*Joint Operating Agreement*) and *Gas Sales Agreement* Novation to SKP.

On February 18, 2013, SKP, a Subsidiary of SEI, received approval from the Directorate General of Oil and Gas of the Republic of Indonesia for the transfer of 20% *participating interest* on Ketapang Block from Sierra Oil Services Limited to SKP.

On March 4, 2013, Sierra Oil Services Limited submitted the *completion notice* to SKP and SKP paid all the transactions on March 7, 2013.

23. On March 11, 2013, PT Saka Bangkanai Klemantan (SBK), a Subsidiary of SEI, entered into the transfer agreement of *participating interest* ownership of 30% in Bangkanai Block with Salamander Energy (Bangkanai) Limited amounting to US\$27,000,000. This agreement started on January 1, 2013 and will be effective after obtaining the approval from the Ministry of Energy and Mineral Resources of the Republic of Indonesia (ESDM) and Salamander Energy (Bangkanai) Limited has submitted the JOA Novation to SBK.

On May 31, 2013, the Ministry of ESDM of the Republic of Indonesia, through its letter No. 6081/13/DJM.E/2013, approved the transfer of the 30% *participating interest* in Bangkanai Block from Salamander Energy (Bangkanai) Limited to SBK. On June 24, 2013, Salamander Energy (Bangkanai) Limited has also submitted the *completion notice* to SBK and the Company has paid this amount on June 26, 2013.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)
SEI, Entitas Anak (lanjutan)**

24. Pada tanggal 12 September 2013, PT Saka Indonesia Sesulu (SIS), Entitas Anak dari SEI, menandatangani Perjanjian Jual dan Beli kepemilikan pengalihan kepemilikan dengan *participating interest* sebesar 100% di Blok South Sesulu, Kalimantan Timur dengan Hess (Indonesia-South Sesulu) Limited senilai US\$100, dimana nilai tersebut, termasuk dengan penyesuaian-penyesuaian yang terjadi pada saat tanggal penyelesaian. Perjanjian ini berlaku mulai tanggal 1 Juli 2013 dan akan efektif apabila perjanjian ini telah mendapatkan persetujuan dari Menteri Energi dan Sumber Daya Mineral (ESDM) dan SKKMIGAS.

Pada tanggal 20 Desember 2013, Menteri ESDM Republik Indonesia, melalui suratnya No. 13909/13/DJM.E/2013, menyetujui pengalihan *participating interest* sebesar 100% di Blok South Sesulu dari Hess (Indonesia-South Sesulu) Limited kepada SIS. Pada tanggal 6 Februari 2014, SKKMIGAS telah menyetujui pengalihan ini.

25. Pada tanggal 16 Januari 2014, PT Saka Energi Sumatera (SES) (dahulu PT Saka Lematang), Entitas Anak dari SEI, menandatangani Perjanjian Jual Beli *participating interest* di Sumatera bagian tenggara dengan KNOC Sumatra Ltd. (KNOC) dimana KNOC sebagai penjual dan SES sebagai pembeli dengan nilai pembelian US\$49.901.448.

Pada tanggal 8 Juli 2014, SES menerima surat persetujuan dari Direktorat Jendral Minyak dan Gas Republik Indonesia atas pengalihan tersebut.

Pengalihan ini memperoleh persetujuan dari SKK Migas pada tanggal 8 Agustus 2014.

Pada tanggal 28 November 2014, KNOC menyerahkan *completion notice* kepada SES dan SES melakukan pembayaran transaksi pada tanggal 12 Desember 2014.

**40. SIGNIFICANT AGREEMENTS (continued)
SEI, the Subsidiary (continued)**

24. On September 12, 2013, PT Saka Indonesia Sesulu (SIS), a Subsidiary of SEI, signed Sales and Purchase Agreement of ownership 100% on South Sesulu Block, East Kalimantan with Hess (Indonesia-South Sesulu) Limited amounted to US\$100, which amount, subject to the adjustments on the completion date. This agreement started on July 1, 2013 and will be effective after obtaining the approvals from the Ministry of Energy and Mineral Resources (ESDM) and SKKMIGAS.

On December 20, 2013, the Ministry of ESDM of the Republic of Indonesia, through its letter No. 13909/13/DJM.E/2013, approved the transfer of the 100% participating interest in South Sesulu Block from Hess (Indonesia-South Sesulu) Limited to SIS. On February 6, 2014, SKKMIGAS has approved the transfer.

25. On January 16, 2014, PT Saka Energi Sumatera (SES) (formerly PT Saka Lematang), a Subsidiary of SEI, signed Sales and Purchase Agreement of participating interest in South East Sumatra with KNOC Sumatra Ltd. (KNOC) which KNOC as the seller and SES as the buyer with purchase price amounting to US\$49,901,448.

On July 8, 2014, SES received approval from the Directorate General of Oil and Gas of the Republic of Indonesia for the transfer of this transfer.

This transfer was approved by SKK Migas on August 8, 2014.

On November 28, 2014, KNOC submitted the completion notice to SES and SES paid all the transactions on December 12, 2014.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

SEI, Entitas Anak (lanjutan)

26. Pada tanggal 5 Mei 2014, SEI, melalui Saka Energi Fasken LLC ("Fasken"), melakukan perjanjian akuisisi participating interest sebesar 36% dari Swift Energy Operating LLC (Swift Energy) di *Fasken Shale properti* yang berlokasi di Texas, Amerika Serikat. Lapangan Fasken terdiri dari sejumlah sumur-sumur yang telah dikembangkan oleh Swift Energy yang telah menghasilkan gas alam. Jumlah imbalan atas transaksi ini sebesar US\$134.878.816 (nilai yang dibayarkan tersebut belum termasuk *carried cost obligation* senilai US\$37.698.949). Berdasarkan perjanjian ini, Swift Energy tetap bertindak sebagai operator dalam mengelola properti ini dengan rencana pengembangan yang telah disepakati bersama antara Fasken dengan Swift Energy. Penutupan transaksi dilakukan pada tanggal 15 Juli 2014 dengan penandatanganan *Joint Operating Agreement* (JOA).
27. Pada tanggal 14 Mei 2014, SEI, melalui PT Saka Energi Bangkanai Barat ("SEBB") menandatangani perjanjian pengalihan 30% kepemilikan *participating interest* di West Bangkanai PSC dari Salamander Energy (West Bangkanai) Limited ("Salamander") (senilai US\$480.000).

Pengalihan *participating interest* ini mendapat persetujuan dari SKK Migas pada tanggal 16 Desember 2014.

SEBB membayarkan harga pembelian pada tanggal 2 Januari 2015.

28. Pada tanggal 12 Februari 2014, SEI, melalui entitas anaknya, PT Saka Energi Muara Bakau ("SEMB"), melakukan perjanjian jual beli 11,6% *participating interest* di Muara Bakau PSC dengan GDF SUEZ Exploration Indonesia B.V. Transaksi ini berlaku efektif jika persetujuan dari Pemerintah Indonesia dan SKKMIGAS telah diperoleh.

40. SIGNIFICANT AGREEMENTS (continued)

SEI, the Subsidiary (continued)

26. On May 5, 2014, SEI, through Saka Energi Fasken LLC ("Fasken"), has entered into an acquisition agreement to acquire a 36% participating interest from Swift Energy Operating LLC (Swift Energy) in *Fasken shale properties* located in Texas, United States. The Fasken field includes a number of operating wells developed by Swift Energy, which are already producing natural gas. Total consideration amount for this transaction is US\$134,878,816 (this amount does not include *carried obligation* amounting to US\$37,698,949). Under this agreement, Swift Energy will still continue to serve as operator of these properties, with development plans to be mutually agreed upon by Fasken and Swift Energy. This acquisition was completed on July 15, 2014 with the signing of *Joint Operating Agreement* (JOA).
27. On May 14, 2014, SEI, through PT Saka Energi Bangkanai Barat ("SEBB"), signed farmout agreement of 30% participating interest in West Bangkanai PSC from Salamander Energy (West Bangkanai) Limited ("Salamander") amounting to US\$480,000.

This transfer was approved by SKK Migas on December 16, 2014.

SEBB paid the purchase price on January 2, 2015.

28. On February 12, 2014, SEI, through its subsidiary, PT Saka Energi Muara Bakau ("SEMB"), signed a sale and purchase agreement of 11.6% participating interest in Muara Bakau PSC with GDF SUEZ Exploration Indonesia B.V. This transaction will be effective upon approval from Government of Indonesia and SKKMIGAS are obtained.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

GEI, Entitas Anak

29. GEI harus membeli dan membayar jumlah pembelian minimum per tahun/kwartal untuk setiap PJBG di bawah ini. Perbedaan antara jumlah kuantitas pembelian dan kuantitas pembelian minimum dicatat sebagai "Make-Up Gas", yang dapat direalisasikan setiap saat jika kuantitas minimum telah diambil pada tahun/kwartal tertentu selama jangka waktu perjanjian. Saldo "Make-Up Gas" disajikan sebagai bagian dari "Uang Muka" pada laporan posisi keuangan konsolidasian.

<u>Pemasok/ Suppliers</u>	<u>Perjanjian/ Agreements</u>	<u>Lapangan Gas/ Gas Field</u>	<u>Volume/tahun Volume/year</u>	<u>Jangka waktu/Terms</u>	
				<u>Awal/Start</u>	<u>Akhir/End</u>
PT Nugas Trans Energy (Nugas)	PJBG	Wilayah kontrak West Madura Offshore	4,245 TBTU	1 Apr. 2012	31 Dec. 2015
PT Gresik Migas (GM)	PJBG	Wilayah kontrak West Madura Offshore	639,5 TBTU	2 Jul. 2012	31 Dec. 2015
PT Taruko Energi (TE)	PJBG	Wilayah KKS Blok Jambi Merang	16,415 BBTU	10 Nov. 2012	9 Feb. 2019
PT Kemitraan Energi Industri (KEI)	PJBG	Lapangan Tambun. Bekasi	1,095,000 MMBTU	25 Mar. 2013	31 Jan. 2016
PT Sarana Indo Energi (SIE)	PJBG	Lapangan Gas Pondok Tengah. Pondok Makmur. Pondok Berkah dan Jatinegara	3,650,000 MMBTU	1 Aug. 2013	30 Jun. 2018

30. Pada tanggal 28 Mei 2012, GEI dan PT Granary Global Energy (GGE) menandatangani Perjanjian Kerjasama Penjualan *Compressed Natural Gas* (CNG) (PKS) dengan mekanisme pemanfaatan gas bumi. GGE bertindak sebagai penyedia jasa kompresi gas bumi dan jasa transportasi CNG tersebut ke lokasi pelanggan GEI. Perjanjian ini berlaku sampai dengan 29 Mei 2017.
31. Pada tanggal 4 Oktober 2013, GEI dan PT Petross Gas (PG) menandatangani Perjanjian Kerjasama Pemanfaatan Fasilitas Kompresi Gas Bumi dimana PG setuju untuk melakukan kompresi gas bumi dan menyerahkannya kepada GEI berupa *Compressed Natural Gas* (CNG) di titik penyerahan.

40. SIGNIFICANT AGREEMENTS (continued)

GEI, the Subsidiary

29. GEI is required to buy and pay for the minimum purchase quantity per year/quarter for each of the GSPA below. The difference between the purchased quantity and the minimum purchase quantity is recorded as "Make-Up Gas", which can be realized anytime if the minimum quantity has been taken or at a specified year/quarter during the period of the agreement. The outstanding balance of the "Make-Up Gas" is presented as part of "Advances" in the consolidated statements of financial position.

30. On May 28, 2012, GEI and PT Granary Global Energy (GGE) have signed an Agreement for the Sale of *Compressed Natural Gas* (CNG) using mechanism of natural gas utilization. GGE acting as provider of natural gas compression service and CNG transportation service to the GEI's customer location. The agreement is valid until May 29, 2017.
31. On October 4, 2013, GEI and PT Petross Gas (PG) signed a Gas Compression Facility Agreement whereby PG agreed to compress the gas and deliver it to GEI in the form of *Compressed Natural Gas* (CNG) at delivery point.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

GEI, Entitas Anak (lanjutan)

32. Pada tanggal 5 Maret 2014, GEI dan PT Jakarta Energi Utama (JEU) menandatangani Perjanjian Kerjasama Operasi tentang Pemanfaatan Gas Bumi melalui Stasiun Pengisian Bahan Bakar Gas. Berdasarkan perjanjian ini, GEI dan JEU setuju untuk melakukan pembangunan dan komersialisasi SPBG di lokasi Halte TransJakarta Ancol. Pemanfaatan gas bumi tersebut di atas bidang tanah milik PT Pembangunan Jaya Ancol Tbk (PJA), yang disewa oleh GEI dan JEU selama 15 tahun dengan harga sewa lahan sesuai Perjanjian Sewa Lahan antara JEU dan PJA. Jangka waktu kerjasama operasi ini adalah 15 tahun sejak tanggal kerjasama ini dan dapat diperpanjang sesuai dengan kesepakatan bersama.

PGASSOL, Entitas Anak

33. Pada tanggal 11 Juni 2012, PGASSOL melakukan perjanjian pada Kerja Sama Operasi (KSO) dengan PT Promatcon Tepatguna (PT) untuk pekerjaan *Engineering, Procurement and Construction* (EPC) Upgrading Stasiun Muara Bekasi, pembayaran penyeteroran pertama dengan persentase partisipasi sebesar 40%.

Pada tanggal 19 September 2012, PGASSOL melakukan perjanjian KSO PT untuk pekerjaan *Engineering, Procurement, Construction and Installation* (EPCI) untuk fasilitas produksi gas Bayan "A" di *Onshore* Tarakan dengan persentase partisipasi yang sebesar 30%.

Pada tanggal 8 Juli 2013, PGASSOL dan PT melakukan amandemen perjanjian KSO untuk pekerjaan EPCI untuk fasilitas produksi gas Bayan "A", diantaranya tentang persentase partisipasi PGASSOL dari 30% menjadi 70%.

40. SIGNIFICANT AGREEMENTS (continued)

GEI, the Subsidiary (continued)

32. On March 5, 2014, GEI and PT Jakarta Key Energy (JEU) signed a Joint Operation Agreement on Natural Gas Utilization through Fuel Gas Filling Station. Based on this agreement, GEI and JEU agreed to construct and commercialize SPBGs in Ancol TransJakarta bus stop location. The natural gas utilization on plots owned by PT Pembangunan Jaya Ancol Tbk (PJA), hired by the GEI and JEU for 15 years with land rental price according Land Rent Agreement between JEU and PJA. This joint operation period of 15 years from the date of this agreement and can be extended in accordance with the collective agreement.

PGASSOL, the Subsidiary

33. On June 11, 2012, PGASSOL has entered into Joint Operation (JO) Agreement with PT Promatcon Tepatguna (PT) for the assignment of Engineering, Procurement and Construction (EPC) Upgrading Muara Bekasi Station, with participating interest of 40%.

On September 19, 2012, PGASSOL has entered into JO Agreement with PT, for the assignment of Engineering, Procurement, Construction and Installation (EPCI) for Bayan "A" gas production facilities at Onshore Tarakan with participating interest of 30%.

On July 8, 2013, PGASSOL and PT amended the Joint Operation Agreement for the assignment of EPCI for Bayan "A" gas production facilities relating to among others, the changes of PGASSOL's participating interest from 30% to become 70%.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

40. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

PLI, Entitas Anak

34. Pada tanggal 30 Desember 2013, PLI dan PT Multi Gas Nusantara (MGN) telah menandatangani Perjanjian Pemegang Saham *Joint Venture LNG Liquefaction Plant* di Gresik, Jawa Timur. *Joint venture* ini didirikan dengan tujuan untuk melaksanakan pembangunan dan pengoperasian *LNG Liquefaction Plant* termasuk pembelian gas dan pemasarannya dengan nilai kapasitas gas sebesar 20 MMSCFD. Sampai dengan tanggal laporan ini, PLI belum melakukan penyetoran investasi.

41. IKATAN DAN KONTINJENSI

Pada tanggal 31 Desember 2014, Perusahaan dan Transgasindo memiliki kontinjensi sebagai berikut:

Perusahaan

1. Tanah yang terletak sepanjang 536 km jalur pipa transmisi gas dari Grissik ke Duri masih dalam proses sertifikasi. Selama proses sertifikasi tanah, terdapat suatu masalah dengan beberapa warga sekitar Tanjung Jabung, yang tanahnya dilalui jaringan pipa Grissik - Duri, di mana mereka menuntut kompensasi tambahan.

Perusahaan juga merupakan salah satu Tergugat pada Perkara No. 06/PDT.G/2001/PN.KTL yang diajukan warga sekitar Tanjung Jabung (Penggugat) pada tanggal 15 November 2001 ke Pengadilan Negeri Kuala Tungkal. Berdasarkan Putusan Pengadilan Negeri tanggal 22 April 2002, gugatan para Penggugat ditolak dan selanjutnya Penggugat mengajukan banding ke Pengadilan Tinggi Jambi. Berdasarkan Putusan Pengadilan Tinggi Jambi No. 31/PDT/2002/PT.JBI, tanggal 14 Agustus 2002, Pengadilan Tinggi Jambi menguatkan putusan Pengadilan Negeri Kuala Tungkal. Atas Putusan tersebut para Pembanding kemudian mengajukan kasasi ke Mahkamah Agung.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, perkara tersebut masih dalam pemeriksaan oleh Mahkamah Agung.

40. SIGNIFICANT AGREEMENTS (continued)

PLI, the Subsidiary

34. On December 30, 2013, PLI and PT Multi Gas Nusantara (MGN) signed the Shareholders Agreement Establishment for a Joint Venture of LNG Liquefaction Plant in Gresik, East Java. This joint venture is engaged in development and operational of LNG Liquefaction Plant including the gas purchase and sales with gas capacity amounting to 20 MMSCFD. Up to the date of this report, PLI has not yet made any investments.

41. COMMITMENTS AND CONTINGENCIES

As of December 31, 2014, the Company and Transgasindo had contingencies as follows:

The Company

1. The land covering the area along the 536 km natural gas transmission pipeline from Grissik to Duri is still in the certification process. During the land certification process, there have been dispute with several inhabitants of the land in Tanjung Jabung used for the Grissik - Duri pipeline, where the inhabitants are claiming additional compensation.

The Company is named as one of the Defendants in Case No. 06/PDT.G/2001/PN.KTL which was filed by some inhabitants in Tanjung Jabung (Plaintiff) on November 15, 2001 at the Kuala Tungkal District Court. Based on the decision of the Kuala Tungkal District Court dated April 22, 2002, the Plaintiff's claim was rejected, and the Plaintiff appealed to the Jambi High Court. Based on Decision No. 31/PDT/2002/PT.JBI, dated August 14, 2002, the Jambi High Court affirmed the Kuala Tungkal District Court's decision, and the Plaintiff appealed to the Supreme Court.

Up to the completion date of the consolidated financial statements, the case is still being examined by the Supreme Court.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

41. IKATAN DAN KONTINJENSI (lanjutan)

Perusahaan (lanjutan)

2. Perusahaan mengalami perselisihan dengan salah satu kontraktornya, CRW *Joint Operation*, sebuah kerja sama operasi yang terdiri dari PT Citra Panji Manunggal, PT Remaja Bangun Kencana Kontraktor dan PT Winatek Widita berkenaan dengan adanya keputusan *Dispute Adjudication Board* (DAB) tanggal 25 November 2008, yang memutuskan bahwa CRW *Joint Operation* berhak menerima pembayaran dari Perusahaan sejumlah US\$17.298.835 yang terkait dengan pekerjaan pemasangan pipa gas yang berlokasi di Grissik - Pagardewa, berdasarkan kontrak No. 002500.PK/243/UT/2006, tanggal 28 Februari 2006 sebagaimana terakhir diubah dengan amandemen No. 002000.AMD/HK.02/UT/2008, tanggal 24 Oktober 2008. Atas Putusan DAB tersebut, Perusahaan telah mengajukan *Notice of Dissatisfaction* sehingga CRW *Joint Operation* mengajukan permohonan penyelesaian melalui *International Court of Arbitration - International Chamber of Commerce* (ICC), Singapura.

Pada tanggal 24 November 2009, ICC telah memberikan putusan atas perkara ini dengan putusan sebagai berikut:

- meminta Perusahaan untuk membayar sebesar US\$17.298.835;
- meminta Perusahaan untuk membayar biaya jasa hukum dan biaya lain-lain CRW selama proses arbitrase sebesar US\$428.009.

Pada tanggal 23 Februari 2010, Perusahaan mengajukan permohonan untuk membatalkan putusan ICC dan Perintah Pelaksanaan ICC, tertanggal 7 Januari 2010 kepada Pengadilan Tinggi Republik Singapura. Atas permohonan tersebut, pada tanggal 8 April 2010, Pengadilan Tinggi telah mengeluarkan putusan yang membatalkan Putusan Arbitrase ICC.

Terhadap putusan Pengadilan Tinggi tersebut, pada tanggal 15 April 2010, CRW *Joint Operation* mengajukan banding kepada *Court of Appeal* Republik Singapura.

**41. COMMITMENTS AND CONTINGENCIES
(continued)**

The Company (continued)

2. *The Company is in dispute with one of its contractors, CRW Joint Operation, which consists of PT Citra Panji Manunggal, PT Remaja Bangun Kencana Kontraktor and PT Winatek Widita, relating to Dispute Adjudication Board (DAB)'s decision. dated November 25, 2008, which decided that CRW Joint Operation has a right to receive payment from the Company amounting to US\$17,298,835. in relation with gas pipeline transmission project in Grissik - Pagardewa, based on the agreement No. 002500.PK/243/UT/2006, dated February 28, 2006, which was amended with No. 002000.AMD/HK.02/UT/2008, dated October 24, 2008. Based on the DAB's decision, the Company has issued the Notice of Dissatisfaction, therefore, CRW Joint Operation has filed this case to the International Court of Arbitration - International Chamber of Commerce (ICC), Singapore.*

On November 24, 2009, ICC has rendered Arbitration Verdict as follows:

- *Required the Company to pay the amount of US\$17,298,835;*
- *Required the Company to pay CRW's law service fees and other expenses during arbitration process amounting to US\$428,009.*

On February 23, 2010, the Company has filed submissions to the High Court of Singapore to set aside the ICC Award and Order of Court to enforce ICC Award, dated January 7, 2010, to the High Court of the Republic of Singapore ("High Court"). On April 8, 2010, the High Court has rendered decision, to set aside the ICC Arbitration Award.

Based on High Court's Decision, on April 15, 2010, CRW Joint Operation appealed to the Court of Appeal of the Republic of Singapore.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

41. IKATAN DAN KONTINJENSI (lanjutan)

Perusahaan (lanjutan)

Pada tanggal 1 Desember 2010, telah dilaksanakan *hearing* terkait perkara banding tersebut di *Court of Appeal* Republik Singapura dan pada tanggal 13 Juli 2011, *Court of Appeal* Republik Singapura telah mengeluarkan putusan yaitu permohonan banding ditolak dengan pembebanan biaya. Semua biaya dan pengeluaran yang terjadi sehubungan dengan arbitrase ditanggung CRW.

Selanjutnya, pada tanggal 3 November 2011, Perusahaan menerima surat dari Sekretariat ICC *International Court of Arbitration - Asia Office* tertanggal 1 November 2011 yang menginformasikan adanya pengajuan kembali *Request for Arbitration* dari CRW kepada Perusahaan melalui kuasa hukum Drew & Napier LLC melalui surat tanggal 28 Oktober 2011.

Pada tanggal 30 Desember 2011, Perusahaan melalui kuasa hukumnya telah mengajukan jawaban dan tuntutan balik (*counterclaim*) melalui ICC terhadap permohonan arbitrase yang diajukan oleh CRW. Adapun dalam tuntutan balik tersebut, Perusahaan menuntut agar Majelis Arbitrase ICC melakukan evaluasi dan merevisi kewajiban yang harus dibayar oleh Perusahaan dalam perkara Arbitrase ICC tersebut. Pada tanggal 8 Juni 2012, Perusahaan mengajukan *Statement of Defence* kepada Arbitrase ICC.

Pada tanggal 12 Oktober 2012, CRW telah mengajukan *Claimant's Application for Interim/Partial Award* kepada ICC. Atas *Claimant's Application for Interim/Partial Award* yang diajukan oleh CRW tersebut, Perusahaan telah menyampaikan *Submissions of the Respondent Against Application for Interim Award* kepada Arbitrase ICC pada tanggal 26 November 2012.

**41. COMMITMENTS AND CONTINGENCIES
(continued)**

The Company (continued)

On December 1, 2010, an appeal hearing related to the case was held in court of appeal of the Republic of Singapore and on July 13, 2011, the Court of Appeal of the Republic of Singapore has rendered decision that the appeal is dismissed with cost. All cost and disbursement incurred in the arbitration are to be borne by CRW.

Furthermore, on November 3, 2011, the Company received letter from Secretariat of ICC International Court of Arbitration - Asia Office dated November 1, 2011, which inform the resubmission of Request for Arbitration from CRW against the Company through legal counsel Drew & Napier LLC by a letter dated October 28, 2011.

On December 30, 2011, the Company through its legal counsel filed answer and a counterclaim on Request for Arbitration from CRW to ICC. On the counter - claim, the Company requested the ICC's Arbitral Tribunal to evaluate and revise the liability that should be paid by the Company. On June 8, 2012, the Company submitted the Statement of Defence to ICC Arbitration.

On October 12, 2012, CRW submitted the Claimant's Application for Interim/Partial Award to ICC Arbitration. Upon Claimant's Application for Interim/Partial Award which submitted by CRW, the Company submitted Submissions of the Respondent Against Application for Interim Award to ICC arbitration on November 26, 2012.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

41. IKATAN DAN KONTINJENSI (lanjutan)

Perusahaan (lanjutan)

Pada tanggal 22 Mei 2013, *Tribunal Arbitrase ICC* telah memutuskan *Interim/Partial Award* (Putusan Sela) yang mewajibkan Perusahaan untuk membayar terlebih dahulu klaim yang diajukan oleh CRW sebesar US\$17.298.835 sebelum nantinya dianalisa ulang (dibuka kembali) dan akhirnya diputuskan di dalam *Final Award* (Putusan Final).

Atas dikeluarkannya *Interim Award* tersebut, pihak Perusahaan telah mengajukan permohonan pembatalan terhadap *Interim Award* di Pengadilan Tinggi Singapura. Pada tanggal 10 Oktober 2013, Pengadilan Tinggi Singapura telah menerbitkan putusan yang pada intinya menolak permohonan pembatalan putusan *Interim/Partial Award* yang diajukan oleh Perusahaan.

Pada tanggal 11 November 2013, Perusahaan telah mengajukan banding pada *Court of Appeal*, Singapura.

Pada tanggal 25 September 2014, *Tribunal Arbitrase ICC* menerbitkan putusan *Interim/Partial Award* yang menyatakan bahwa beberapa poin dari nilai klaim yang diajukan oleh CRW akan diperiksa kembali sesuai dengan pemeriksaan kuantum dari klaim tersebut dan akhirnya akan diputuskan di dalam putusan Akhir/*Final Award*.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, kasus ini masih dalam pemeriksaan di *Court of Appeal* Singapura dengan *hearing* akan dilakukan tanggal 23 sampai 25 Maret 2015.

**41. COMMITMENTS AND CONTINGENCIES
(continued)**

The Company (continued)

On May 22, 2013, the ICC Arbitration Tribunal has decided an *Interim/Partial Award*, which requires the Company to pay first the claim filed by CRW amounting to US\$17,298,835 before being re-analyzed (re-opened) and finally decided on the *Final Award*. Upon the issuance of the *Interim Award*, the Company is already applied for set aside of the *Interim Award* in the Singapore High Court.

Upon the issuance of the *Interim Award*, the Company is already applied for set aside of the *Interim Award* in the Singapore High Court. On October 10, 2013, High Court Singapore has issued decision that essentially rejected set a side of *Interim/Partial Award* which submitted by the Company.

On November 11, 2013, the Company already submitted an appeal to the Court of Appeal, Singapore.

On September 25, 2014, the ICC Arbitration Tribunal issued an *Interim/Partial Award* which stated that some of the points from the value of claims filed by CRW will be examined in accordance with the quantum examination of the claim and ultimately will be decided on the *Final Award*.

Up to the completion date of the consolidated financial statements, the case is still being examined by Court of Appeal Singapore with hearing will be held on March 23 to 25, 2015.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

41. IKATAN DAN KONTINJENSI (lanjutan)

Perusahaan (lanjutan)

3. Perusahaan dilibatkan sebagai Tergugat I dalam Perkara No. 665/PDt.G/2010/PN.Jkt.Bar tanggal 6 Oktober 2010 yang diajukan oleh PT Indosat Tbk (Penggugat) ke Pengadilan Negeri Jakarta Barat terkait dengan kerusakan fiber optik di Ruas Balamaja yang dilakukan oleh kontraktornya PT Nindya Karya (Tergugat II), PT Citra Panji Manunggal (Tergugat III) dan PT Promatcon Tepatguna (Tergugat IV), Penggugat menuntut Perusahaan dan kontraktornya untuk membayar ganti rugi sebesar Rp4.065.814.002.

Pada tanggal 26 Juli 2011, Pengadilan Negeri Jakarta Barat telah memberikan putusan atas perkara ini dengan putusan sebagai berikut: Dalam eksepsi, menyatakan Eksepsi yang diajukan oleh Tergugat I, II, III, dan IV tidak dapat diterima. Dalam pokok perkara:

- Menerima gugatan Penggugat untuk sebagian;
- Menolak gugatan Penggugat untuk Tergugat I;
- Menyatakan Tergugat II, III, dan IV telah melakukan perbuatan melawan hukum;
- Meminta Tergugat II, III, dan IV membayar ganti rugi kepada Penggugat sebesar Rp2.020.144.161;
- Meminta Tergugat II, III, dan IV untuk membayar jasa hukum sebesar Rp581.000.

Pada tanggal 11 Januari 2012, PT Indosat Tbk mengajukan Memori Banding kepada Pengadilan Tinggi Jakarta atas Putusan Pengadilan Negeri Jakarta Barat No. 655/PDT.G/2010/PN.JKT.BAR.

Pada tanggal 26 April 2012, Perusahaan mengajukan Kontra Memori Banding No. 418/IV/Deplit-Law/GDP/HP-AW/12 terhadap Memori Banding tersebut.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, kasus ini masih dalam proses pemeriksaan di Pengadilan Tinggi Jakarta.

**41. COMMITMENTS AND CONTINGENCIES
(continued)**

The Company (continued)

3. The Company is named as one of the Defendant I in Case No. 665/PDt.G/2010/PN.Jkt.Bar. dated October 6, 2010 filed by PT Indosat Tbk (Plaintiff) to the West Jakarta District Court regarding the damage of fiber optic in Ruas Balamaja which created by its contractors PT Nindya Karya (Defendant II), PT Citra Panji Manunggal (Defendant III) and PT Promatcon Tepatguna (Defendant IV). The Plaintiff claimed the Company and its contractors to fulfill the payment of material losses in the amount of Rp4,065,814,002.

On July 26, 2011, West Jakarta District Court has rendered its verdict as follows:

In the exception, it was stated that the proposed exception by Defendants I, II, III, and IV is not acceptable. In the principal case:

- *Accept part of the Plaintiff's claim;*
- *Reject the Plaintiff's claim to Defendant I;*
- *State that the Defendants II, III, and IV have violated the law;*
- *Require the Defendants II, III, and IV to pay the compensation to Plaintiff amounting to Rp2,020,144,161;*
- *Require the Defendants II, III, and IV to pay the law service fee amounting to Rp581,000.*

On January 11, 2012, PT Indosat Tbk submitted the Memory of Appeals to Jakarta High Court on West Jakarta District Courts' Decision No. 655/PDT.G/2010/PN.JKT.BAR.

On April 26, 2012, the Company has already submitted Contra Memory of Appeals No. 418/IV/Deplit-Law/GDP/HP-AW/12.

Up to the completion date of the consolidated financial statements, this case is still being examined by the Jakarta High Court.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

41. IKATAN DAN KONTINJENSI (lanjutan)

Perusahaan (lanjutan)

4. Pada tanggal 8 Oktober 2010, Perusahaan menerima surat dari Komisi Pengawas Persaingan Usaha RI (KPPU) No. 1167/AK/KTP-PL/X/2010 perihal Pemberitahuan Perkara No. 38/KPPU-L/2010. Berdasarkan surat tersebut Perusahaan ditetapkan sebagai Terlapor II karena adanya dugaan persekongkolan vertikal antara Perusahaan dengan PT Kelsri sebagai Terlapor I pada lelang *Contract Package* No. 3A Bojonegara - Cikande *Distribution Pipeline*.

Pada tanggal 7 Maret 2011, KPPU telah memberikan putusan atas perkara ini dengan putusan sebagai berikut:

- Menyatakan bahwa Terlapor I dan II terbukti secara sah melanggar Pasal 22 Undang-Undang No. 5 Tahun 1999 tentang Larangan Praktek Monopoli dan Persaingan Usaha Tidak Sehat;
- Meminta Terlapor I untuk membayar denda sebesar Rp4.000.000.000;
- Meminta Terlapor II untuk membayar denda sebesar Rp6.000.000.000.

Pada tanggal 18 April 2011, Perusahaan mengajukan upaya hukum keberatan atas putusan KPPU ke Pengadilan Negeri Jakarta Barat. Pada tanggal 26 Maret 2012, Pengadilan Negeri Jakarta Barat telah memberikan putusan menolak permohonan keberatan dari para pemohon keberatan untuk seluruhnya.

Pada tanggal 19 Juni 2012, Perusahaan telah mengajukan memori kasasi terhadap putusan Pengadilan Negeri Jakarta Barat ke Mahkamah Agung. Atas memori kasasi yang diajukan oleh Perusahaan dan PT Kelsri tersebut, KPPU telah mengajukan Kontra Memori Kasasi pada tanggal 13 November 2012.

Pada tanggal 31 Mei 2013, Mahkamah Agung telah mengeluarkan putusan yang menolak permohonan kasasi yang diajukan oleh Perusahaan dan PT Kelsri.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, Perusahaan belum menerima salinan Putusan tersebut dan belum ada perkembangan lebih lanjut atas kasus ini.

**41. COMMITMENTS AND CONTINGENCIES
(continued)**

The Company (continued)

4. On October 8, 2010, the Company received a letter from Commission for Supervision of Business Competition (KPPU) No. 1167/AK/KTP-PL/X/2010 on Case Announcement No. 38/KPPU-L/2010. Based on such letter, the Company is stipulated as Indicted II for the presumption of vertical collusion between the Company with PT Kelsri as Indicted I for the Contract Package No. 3A Bojonegara - Cikande *Distribution Pipeline* tender.

On March 7, 2011, KPPU has rendered a verdict as follows:

- Stated that Indicted I and II have violated legitimately Article 22 of Law No. 5 Year 1999 concerning on Prohibition against Monopolistic Practices and Unfair Business Competition;
- Required Indicted I to pay penalty amounting to Rp4,000,000,000;
- Required Indicted II to pay penalty amounting to Rp6,000,000,000.

On April 18, 2011, the Company has filed an appeal to the District Court of West Jakarta on KPPU decision. On March 26, 2012, West Jakarta District Court has rendered its verdict to reject the whole objection from the objection applicant.

On June 19, 2012, the Company has filed a statement of appeal against the West Jakarta State Court's decision to the Supreme Court. Upon the submission of statement of appeal against the West Jakarta State Court's decision from the Company and PT Kelsri, KPPU has submitted Counter Memory of Appeal on November 13, 2012.

On May 31, 2013, the Supreme Court has issued a decision that rejected the appeal submitted by the Company and PT Kelsri.

Up to the completion date of the consolidated financial statements, the Company has not received a copy of the Supreme Court's decision and there is no further development on this case.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

41. IKATAN DAN KONTINJENSI (lanjutan)

Perusahaan (lanjutan)

5. Pada tanggal 7 Juni 2012, Perusahaan menerima Surat Himbauan No. 015/SRP-SI/VI/12 dari firma hukum yang ditunjuk oleh M. Rimba Aritonang mengenai tuntutan atas pemakaian Hak Kekayaan Intelektual atas desain industri berupa sambungan pelindung pipa sebesar Rp100.000.000.000.

Pada tanggal 14 November 2012, Penggugat telah mendaftarkan gugatannya kepada Panitera Pengadilan Niaga Pengadilan Negeri Jakarta Pusat dengan total nilai perkara Rp132.394.438.000.

Pada tanggal 3 April 2013, Pengadilan Niaga pada Pengadilan Negeri Jakarta Pusat telah memberikan putusan dengan No. 73/D.I/2012/PN.Niaga.Jkt.Pst atas perkara ini dengan putusan sebagai berikut:

- Mengabulkan gugatan Penggugat untuk sebagian;
- Menyatakan Tergugat telah melakukan perbuatan melawan hukum yaitu menggunakan Desain Industri Penggugat dalam kurun waktu Agustus tahun 2005 hingga tahun 2007 tanpa ijin Penggugat;
- Menghukum Tergugat untuk membayar ganti rugi pada Penggugat dengan uang sejumlah Rp180.000.000 secara tunai dan sekaligus;
- Menolak tuntutan lain dan selebihnya.

Pada bulan April dan Mei 2013, Perusahaan (Pemohon I) dan M. Rimba Aritonang (Pemohon II) mengajukan Memori Kasasi kepada Mahkamah Agung atas Putusan Pengadilan Niaga Pengadilan Negeri Jakarta Pusat. Perusahaan mengajukan kasasi untuk menolak permohonan kasasi M. Rimba Aritonang dan meminta pembatalan Putusan Pengadilan Niaga pada Pengadilan Negeri Jakarta Pusat tersebut diatas. M. Rimba Aritonang mengajukan kasasi untuk tidak menerima putusan besarnya ganti rugi yang harus dibayarkan oleh Perusahaan kepada M. Rimba Aritonang berdasarkan hasil Putusan Pengadilan Niaga pada Pengadilan Negeri Jakarta Pusat.

**41. COMMITMENTS AND CONTINGENCIES
(continued)**

The Company (continued)

5. On June 7, 2012, the Company received Warning Letter No. 015/SRP-SI/VI/12 from a law firm hired by M. Rimba Aritonang regarding the claim of Intellectual Property Rights of industrial design protection pipe connections used amounted to Rp100,000,000,000.

On November 14, 2012, the Plaintiff already registered the claim to Panitera Pengadilan Niaga Central Jakarta District Court with total claim amounting to Rp132,394,438,000.

On April 3, 2013, the Commercial Court of Central Jakarta District Court has given the verdict No. 73/D.I/2012/PN.Niaga.Jkt.Pst of this case with the following decisions:

- To grant the Plaintiff's claim in part;
- Declare that the Defendant has committed an unlawful act that is using the Plaintiff's Industrial Design during the period August 2005 to the year 2007 without a permit from the Plaintiff;
- Punish the Defendant to pay the Plaintiff damages in the amount of money in cash and at the same time amounting to Rp180,000,000;
- Rejected other claims and the rest.

In April and May 2013, the Company (Applicant I) and M. Rimba Aritonang (Applicant II) submitted Memory of Cassation to the Supreme Court for the Commercial Court of Central Jakarta District Court. The Company has filed an appeal to reject the appeal filled by M. Rimba Aritonang and requested for the cancellation of the Commercial Court of Central Jakarta District Court's verdict above. M. Rimba Aritonang filed an appeal rejecting the verdict on the compensation amount to be paid by the Company to M. Rimba Aritonang based on the verdict from the Commercial Court of Central Jakarta District Court.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

41. IKATAN DAN KONTINJENSI (lanjutan)

Perusahaan (lanjutan)

Pada tanggal 30 Desember 2013, Mahkamah Agung telah memberikan keputusan menolak permohonan kasasi dari Pemohon Kasasi I dan Pemohon Kasasi II tersebut diatas.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, belum ada perkembangan lebih lanjut dari kasus ini.

6. Perusahaan dilibatkan sebagai Tergugat III dalam perkara No. 599/Pdt-6/2013/PN.Mdn. tanggal 18 Oktober 2013 di Pengadilan Negeri Medan, mengenai kepemilikan tanah seluas 6.045m² yang terletak di Jl. Yos Sudarso, Glugur Kota, Kecamatan Medan Barat, Medan. Gugatan ini diajukan oleh PT Perusahaan Listrik Negara (Persero) (PLN) Unit Induk Pembangunan I Medan selaku penggugat kepada T.M Chaloon Alrasyid selaku Tergugat I, Ananda Kumar selaku Tergugat II dan Perusahaan selaku Tergugat III.

Pada tanggal 21 Agustus 2014, Pengadilan Negeri Medan telah menerbitkan putusan sebagai berikut:

Dalam Eksepsi:

- Menolak eksepsi para Tergugat;

Dalam Pokok Perkara:

- Mengabulkan gugatan Penggugat untuk seluruhnya;
- Menyatakan para Tergugat telah melakukan perbuatan melawan hukum;
- Menghukum Tergugat III untuk mematuhi putusan ini

**41. COMMITMENTS AND CONTINGENCIES
(continued)**

The Company (continued)

On December 30, 2013, the Supreme Court has given the verdict rejected the appeal of Cassation from Applicant I and Cassation Applicant II above.

Up to the completion date of the consolidated financial statements, there is no further development of this case.

6. *The Company is named as one of Defendant III in case No. 599/Pdt-6/2013/PN.Mdn. dated October 18, 2013, filed to the Medan District Court regarding dispute of 6,045m² land's ownership located in Jl. Yos Sudarso, Glugur Kota, Kecamatan Medan Barat, Medan. This claim was filed by PT Perusahaan Listrik Negara (Persero) (PLN) Unit Induk Pembangunan I Medan as the Plaintiff for T.M Chaloon Alrasyid as Defendant I, Ananda Kumar as Defendant II and the Company as Defendant III.*

On August 21, 2014, Medan District Court has issued the following verdicts:

In Exception:

- *Rejected the exception of the Defendant;*

In the Case:

- *To grant the Plaintiff's claim in its entirety;*
- *Declare that all Defendants have committed an unlawful act;*
- *Punish the Defendant III to obey with this decision*

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

41. IKATAN DAN KONTINJENSI (lanjutan)

Perusahaan (lanjutan)

Pada tanggal 28 Oktober 2014, Tergugat I dan Tergugat II mengajukan memori banding kepada Pengadilan Tinggi Medan. Sampai dengan tanggal penyelesaian laporan ini, Perusahaan masih sedang menyusun tanggapan atas memori banding termaksud.

7. Perusahaan dilibatkan sebagai Turut Tergugat II dalam perkara No. 545/Pdt-6.B/2013/PN.JKT.PS. tanggal 3 Desember 2013 di Pengadilan Negeri Jakarta Pusat mengenai masih adanya kewajiban pembayaran sewa alat berat dalam pelaksanaan proyek pembangunan pipa perusahaan jalur Grissik-Pagardewa dengan nilai gugatan sebesar €595.828. Gugatan ini diajukan oleh Maats Pipeline Equipment selaku Penggugat kepada PT Remaja Bangun Kencana (Rabana) selaku Tergugat I, PT Winatek Widita selaku Tergugat II, PT Citra Panji Manunggal (CPM) selaku Turut Tergugat I dan Perusahaan sebagai Turut Tergugat II.

Berdasarkan surat Penggugat tanggal 23 Januari 2014 perihal pencabutan gugatan oleh Penggugat, pada tanggal 20 Februari 2014, Majelis Hakim Pengadilan Negeri Jakarta Pusat menetapkan perkara ini dinyatakan selesai.

Pada tanggal 19 Maret 2014, MPE mengajukan kembali gugatan pada Pengadilan Negeri Jakarta Barat dalam perkara No. 127/Pdt.G/2014/PN.Jkt.Bar dengan PT Remaja Bangun Kencana sebagai Tergugat I, PT Winatek Widita sebagai Tergugat II, PT Citra Panji Manunggal sebagai Turut Tergugat I dan Perusahaan sebagai Turut Tergugat II. Adapun nilai gugatan yang diklaim oleh Penggugat untuk dibayar Perusahaan adalah Rp281.509.773 per bulan terhitung sejak gugatan didaftarkan sampai dengan putusan perkara ini.

Atas gugatan yang diajukan tersebut, pada tanggal 20 Agustus 2014, Perusahaan telah menyampaikan jawaban kepada Majelis Hakim Pengadilan Jakarta Barat.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, perkara ini masih dalam pemeriksaan oleh Pengadilan Negeri Jakarta Barat.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**41. COMMITMENTS AND CONTINGENCIES
(continued)**

The Company (continued)

On October 28, 2014, the Defendant I and the Defendant II filed Memory of Appeals to the High Court of Medan. Up to the completion date of the consolidated financial statements, the Company is currently preparing a response to that Memory of Appeals.

7. *The Company is named as one of the Co-defendant II in case No. 545/Pdt-6.B/2013/PN.JKT.PS. dated December 3, 2013 in Central Jakarta District Court regarding the persistence of heavy equipment lease payment obligations in the implementation of development project of the Company's pipeline Grissik-Pagardewa line, with claim amount of €595,828. This claim was filed by Maats Pipeline Equipment as the Plaintiff for PT Remaja Bangun Kencana (Rabana) as Defendant I, PT Winatek Widita as Defendant II, PT Citra Panji Manunggal (CPM) as Co-Defendant I and the Company as Co-Defendant II.*

Based on the Plaintiff letter, dated January 23, 2014, regarding revocation of Plaintiff's claim, on February 20, 2014, the Judges of Central Jakarta District Court decided to close the case.

On March 19, 2014, MPE refiled a claim in the West Jakarta District Court with case No. 127/Pdt.G/2014/PN.Jkt.Bar. against PT Remaja Bangun Kencana as Defendant I, PT Winatek Widita as Defendant II, PT Citra Panji Manunggal as Co-defendant I and the Company as Co-defendant II. The amount claimed by the Plaintiff to the Company amounted to Rp281,509,773 per month starting from the registration until the decision of this case.

On August 20, 2014, the Company has submitted a response to West Jakarta District Court related to the above claim.

Up to the completion date of the consolidated financial statements, the case is still being examined by the West Jakarta District Court.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

41. IKATAN DAN KONTINJENSI (lanjutan)

Perusahaan (lanjutan)

8. Perusahaan dilibatkan sebagai Penggugat Intervensi II terkait dengan gugatan yang diajukan oleh Kamar Dagang dan Industri (Kadin) Kota Batam ("Penggugat") pada tanggal 27 Juni 2013 di Pengadilan Tata Usaha Negara Tanjung Pinang sehubungan dengan penerbitan Surat Keputusan Menteri Kehutanan Republik Indonesia No. 463/Menhut-II/2013 tanggal 27 Juni 2013 ("Surat Keputusan") tentang perubahan peruntukan lahan yang semula dari kawasan non hutan menjadi kawasan hutan dan perubahan antara kawasan non hutan menjadi kawasan hutan yang dikeluarkan oleh Kementerian Kehutanan RI ("Tergugat"). Adapun dampak dari diterbitkannya Surat Keputusan tersebut adalah adanya perubahan peruntukan lahan yang menyebabkan ketidakjelasan dan tumpang tindihnya status lahan di beberapa lokasi di Provinsi Batam termasuk lahan yang dilalui oleh pipa Perusahaan.

Pada tanggal 30 April 2014, Pengadilan Tata Usaha Negara Tanjung Pinang telah memberikan putusan dengan No. 16/G/2013/PTUN-TPL atas perkara ini dengan putusan sebagai berikut:

- Mengabulkan permohonan Perusahaan sebagai Penggugat Intervensi II untuk seluruhnya;
- Menyatakan batal Keputusan Menteri Kehutanan Republik Indonesia No. 463/Menhut-II/2013;
- Memerintahkan kepada Menteri Kehutanan untuk mencabut Keputusan Menteri Kehutanan Republik Indonesia No. 463/Menhut-II/2013;
- Menghukum Kantor Pertanahan Kota Batam ("Tergugat I") dan Kementerian Kehutanan ("Tergugat II") untuk membayar biaya perkara secara tanggung renteng.

Sesuai Surat Pemberitahuan PTUN Tanjung Pinang tanggal 8 Mei 2014, dan tanggal 13 Mei 2014, Kementerian Kehutanan RI dan Kantor Pertanahan Kota Batam telah menyatakan banding pada Pengadilan Tinggi Medan. Atas pernyataan Banding tersebut, pada tanggal 26 Juni dan 21 Juli 2014, Perusahaan telah menyampaikan Kontra Memori Banding.

**41. COMMITMENTS AND CONTINGENCIES
(continued)**

The Company (continued)

8. The Company is involved as Plaintiff Intervention II related to the lawsuit filed by the Chamber of Commerce and Industry (Kadin) District Batam ("Plaintiff") to the Administrative Court of Tanjung Pinang of the issuance of Minister of Forestry of the Republic of Indonesia Decree No. 463/Menhut-II/2013 by the Ministry of Forestry of the Republic of Indonesia dated June 27, 2013 ("The Decree") regarding the change of land use from the area of non-forest to forest areas, and non-forest areas into forest area. The issuance of the decree make the status of the land in several district in Batam is not clear and overlapping including the land used by the Company's pipeline.

On April 30, 2014, the Tanjung Pinang Administrative Court has given the verdict No. 16/G/2013/PTUN-TPL of this case with the following decisions:

- Granted the Company's claim as Plaintiff Intervention II as a whole;
- Cancelled the Decree of the Minister of Forestry of the Republic of Indonesia No. 463/Menhut-II/2013;
- Ordered the Minister of Forestry to cancel the the Decree of the Minister of Forestry of the Republic of Indonesia No. 463/Menhut-II/2013;
- Sentenced Batam Land Office ("Defendant I") and the Ministry of Forestry ("Defendant" II) to pay the court costs jointly and severally.

Notice Pursuant Tanjung Pinang Administrative Court dated May 8, 2014, and May 13, 2014, the Ministry of Forestry and Batam Land Officer has filed an appeal to the Administrative High Court in Medan. Based on the appeal, on June 26 and July 21, 2014. The Company submitted a Contra Appeal.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

41. IKATAN DAN KONTINJENSI (lanjutan)

Perusahaan (lanjutan)

Pada tanggal 8 September 2014, berdasarkan surat pemberitahuan dari Pengadilan Tinggi Tata Usaha Negara Sumatera Utara, Pengadilan Tinggi Tata Usaha Negara Sumatera Utara telah mengeluarkan putusan yang pada intinya menolak permohonan Banding Kantor Pertanahan Kota Batam dan Kementerian Kehutanan RI.

Atas putusan Pengadilan Tinggi Tata Usaha Negara Sumatera Utara tersebut, pada tanggal 23 Oktober 2014, Kementerian Kehutanan RI mengajukan upaya hukum kasasi ke Mahkamah Agung dan Perusahaan telah menyampaikan Kontra Memori Kasasi pada tanggal 24 November 2014.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, perkara tersebut masih dalam pemeriksaan Mahkamah Agung.

9. Perusahaan dilibatkan sebagai Tergugat I dan II dalam perkara No. 74/Pdt-G/2014/ PN.BKS, tanggal 17 Februari 2014 di Pengadilan Negeri Bekasi mengenai cedera janji terkait transaksi jual beli tanah untuk kantor Perusahaan di daerah Bekasi dengan nilai gugatan sebesar Rp2.063.250.000. Gugatan ini diajukan oleh Servatius Sadipun. S.H., M.Hum. Pit Conterius. Nimas Tjeper dan Roring Mokoagouw (Servatius dkk) selaku Penggugat kepada Perusahaan selaku Tergugat I dan II, Drs. Musthopa Kamal selaku Tergugat III dan Ikhsan selaku Tergugat IV.

Pada tanggal 15 Oktober 2014, Pengadilan Negeri Bekasi telah mengeluarkan keputusan sebagai berikut:

Dalam Eksepsi:

- Menerima eksepsi dari Tergugat I, Tergugat II dan Tergugat III seluruhnya;

Dalam Pokok Perkara:

- Menyatakan gugatan Penggugat tidak dapat diterima;
- Menghukum Penggugat untuk membayar biaya yang timbul dalam perkara ini sebesar Rp781.000 (tujuh ratus delapan puluh satu ribu).

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, tidak ada perkembangan lebih lanjut atas kasus ini.

**41. COMMITMENTS AND CONTINGENCIES
(continued)**

The Company (continued)

On September 8, 2014, based on notification letter from the State Administrative High Court of North Sumatera, the State Administrative High Court of North Sumatera has issued a decision that rejected the appeals from Batam Land Office and the Ministry of Forestry of the Republic of Indonesia.

Related to the decision of State Administrative High Court of North Sumatera, on October 23, 2014 the Ministry of Forestry of the Republic of Indonesia has filed an appeal to the Supreme Court and the Company has submitted Counter Memory of Appeal on November 24, 2014.

Up to the completion date of the consolidated financial statements, the case is still being examined by Supreme Court.

9. *The Company is named as Defendant I and II in case No. 74/Pdt-G/2014/ PN.BKS. dated February 17, 2014 in Bekasi District Court regarding the wan prestatie related to sales and purchase of land for the Company's office in Bekasi, with claim amount of Rp2,063,250,000. This claim was filed by Servatius Sadipun. S.H., M.Hum. Pit Conterius. Nimas Tjeper and Roring Mokoagouw (Servatius dkk) as the Plaintiff for the Company as Defendant I and II, Drs. Musthopa Kamal as Defendant III and Ikhsan as Defendant IV.*

On October 15, 2014, Bekasi District Court has issued the following verdicts:

In Exception:

- *Received the exception of Defendant I, Defendant II and Defendant III entirely;*

In the Case:

- *The Plaintiff's appeal can not be accepted;*
- *Punish the Plaintiff's to pay court cost from this case amounting to Rp781,000.*

Up to the completion date of the consolidated financial statements, there is no further development on this case.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

41. IKATAN DAN KONTINJENSI (lanjutan)

Transgasindo, Entitas Anak

10. Pada tanggal 19 Mei 2014, Transgasindo menerima "Notice of Arbitration" dari ConocoPhillips (Grissik) Ltd dan Petrochina International Jabung Ltd. (Penggugat) di mana pihak penggugat mengajukan tuntutan terkait dengan tarif transportasi gas ke Singapura dan pemberlakuan Access Arrangement untuk segmen Pipa Grissik-Singapura dengan nilai total tuntutan sekitar US\$108 juta atas ketidaksepahaman yang timbul dari dan sehubungan dengan Perjanjian Transportasi Gas (Catatan 40).

Pada tanggal 8 Desember 2014, Penggugat telah memasukan "Statement of Claim" dengan nilai tuntutan sebesar US\$165,7 juta.

Transgasindo akan memasukkan "Statement of Defense" pada tanggal 20 April 2015 dan hearing dijadwalkan pada tanggal 19 sampai 23 Oktober 2015.

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, proses arbitrase ini masih sedang berlangsung.

KJG, Entitas Anak Permata

11. KJG dilibatkan sebagai Tergugat, PT Berkah Mirza Insani sebagai Turut Tergugat I dan PBJV Group Sdn BHD sebagai Turut Tergugat II dalam perkara Nomor 583/Pdt.G/2014/PN.Jkt.Pst tanggal 10 Desember 2014 di Pengadilan Negeri Jakarta Pusat mengenai kasus pelanggaran kontrak yang dilakukan oleh KJG, yang mana KJG tidak menyediakan dokumen yang diminta oleh PT Dwisatu Mustika Bumi (Penggugat) untuk memenuhi performance bonds yang dipersyaratkan oleh Tergugat sehingga mengakibatkan Penggugat tidak dapat melanjutkan Proyek EPC Pembangunan dan Pengoperasian Ruas Transmisi Kalija I (Kepodang-Tambak Lorok). Nilai gugatan yang diajukan berupa kerugian secara materil sebesar US\$2.890.000 dan immaterial sebesar US\$85.873.500.

Pada tanggal 14 Januari 2015, KJG menerima panggilan dari Pengadilan Negeri Jakarta Barat untuk menghadiri persidangan yang akan dilaksanakan pada tanggal 24 Maret 2015. Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, perkara ini masih dalam pemeriksaan.

**41. COMMITMENTS AND CONTINGENCIES
(continued)**

Transgasindo, Subsidiary

10. On May 19, 2014, Transgasindo received a Notice of Arbitration from ConocoPhillips (Grissik) Ltd and Petrochina International Jabung Ltd. (the "Claimants") wherein the Claimant submit a claim in relation with gas transportation tariff to Singapore and the Access Arrangement implementation for the Grissik-Singapore Gas Pipeline with the total amount of the claim approximately amounted to US\$108 million for dispute arising out of and in connection with the Gas Transportation Agreement (Note 40).

On December 8, 2014, the Claimants has submitted the Statement of Claim with the total amount of claim amounting to US\$165.7 million.

Transgasindo will submit "Statement of Defense" on April 20, 2015 and the hearing is scheduled on October 19 to 23, 2015.

Up to the completion date of the consolidated financial statements, the arbitration is still in the process.

KJG, Subsidiary of Permata

11. KJG is named as one of Defendant, PT Berkah Mirza Insani as Co-Defendant I and PBJV Group Sdn BHD as Co-Defendant I in case No. 583/Pdt-G/2014/PN.Jkt.Pst dated December 10, 2014, filed to the Central Jakarta District Court regarding allegation of breach of contract conducted by KJG, whereby KJG did not provide the document requested by PT Dwisatu Mustika Bumi (Plaintiff) to fulfill performance bonds required by KJG which resulted to the Plaintiff not able to continue the EPC of Proyek Pembangunan dan Pengoperasian Ruas Transmisi Kalija I (Kepodang-Tambak Lorok). The amount of the lawsuit in the form of material losses amounting to US\$2,890,000 and an immaterial amount amounting US\$85,873,500.

On January 14, 2015, KJG received invitation from West Jakarta District Court to attend the trial that will be held on March 24, 2015. Up to the completion date of the consolidated financial statements, the case is still being examined.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

41. IKATAN DAN KONTINJENSI (lanjutan)

Manajemen dan konsultan hukum Kelompok Usaha berkeyakinan bahwa kasus-kasus tersebut di atas secara sendiri-sendiri atau bersama-sama tidak akan mempunyai pengaruh yang material terhadap kondisi keuangan dan hasil operasinya. Manajemen berkeyakinan bahwa Kelompok Usaha dapat memenangkan perkara-perkara tersebut.

Pada tanggal 31 Desember 2014, Perusahaan dan SEI memiliki ikatan sebagai berikut:

1. Pada tanggal 29 September 2014, Perusahaan memperpanjang perjanjian fasilitas *Non Cash Loan* yang terdiri dari *Standby Letter of Credit* (SBLC), Bank Garansi, SKBDN dan L/C Impor yang diperoleh dari PT Bank Mandiri (Persero) Tbk dengan maksimum nilai plafon sebesar US\$300.000.000. Fasilitas ini akan jatuh tempo pada tanggal 26 Agustus 2015. Di samping itu, Perusahaan juga wajib memelihara rasio kemampuan membayar utang minimum 130% dan rasio utang terhadap modal maksimum sebesar 300%. Pada tanggal 31 Desember 2014, fasilitas yang belum digunakan sebesar US\$160.448.155.
2. Pada tanggal 13 Januari 2014, Perusahaan mengubah *Corporate Facility Agreement* dengan PT Bank ANZ Indonesia (Bank ANZ). Bank ANZ akan menyediakan fasilitas korporasi dengan maksimum nilai plafon baru sebesar US\$300.000.000 dari nilai plafon lama sebesar US\$100.000.000. Fasilitas ini akan jatuh tempo pada tanggal 28 Februari 2015. Fasilitas ini diberikan dengan ketentuan penggunaan keseluruhan dari semua jenis bank garansi (jaminan pembayaran, jaminan pembayaran uang muka, jaminan penawaran, jaminan pelaksanaan dan jaminan pemeliharaan) setiap saat tidak akan melebihi US\$100.000.000 dan penggunaan keseluruhan fasilitas pembiayaan modal kerja jangka pendek setiap saat tidak melebihi US\$200.000.000. Pada tanggal 31 Desember 2014, fasilitas bank garansi yang belum digunakan sebesar US\$48.148.779.

**41. COMMITMENTS AND CONTINGENCIES
(continued)**

The management of the Group and their legal counsels believe that the above mentioned cases individually or in the aggregate will not have any material adverse effects on the financial condition or results of operations. The management believes that the Group can win these cases.

As of December 31, 2014, the Company and SEI had commitments as follows:

1. *On September 29, 2014, the Company extended the Non Cash Loan facility agreement which consist of Standby Letter of Credit (SBLC), Guarantee Bank, SKBDN and L/C Import, obtained from PT Bank Mandiri (Persero) Tbk with a maximum limit of US\$300,000,000. The facility will mature on August 26, 2015. Furthermore, the Company shall also maintain debt service ratio at minimum of 130% and debt to equity ratio at maximum of 300%. As of December 31, 2014, the facility which has not been used amounted to US\$160,448,155.*
2. *On January 13, 2014, the Company amended Corporate Facility Agreement with PT Bank ANZ Indonesia (Bank ANZ). Bank ANZ will provide Corporate Facility with a new maximum limit of US\$300,000,000 from the previous maximum limit of US\$100,000,000. The facility will expire on February 28, 2015. This facility is given with total utilization of all type of bank guarantee (payment guarantee, advance payment bond, bid bond, performance bond and retention bond) at any time shall not exceed US\$100,000,000 and total utilization of uncommitted a short-term working capital facility at any time shall not exceed US\$200,000,000. As of December 31, 2014, a payment guarantee facility that has not been used amounted to US\$48,148,779.*

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

41. IKATAN DAN KONTINJENSI (lanjutan)

3. Pada tanggal 27 Januari 2014, Perusahaan memperpanjang fasilitas *Non Cash Loan* (NCL) yang diperoleh dari PT Bank Negara Indonesia (Persero) Tbk yang terdiri dari *Standby Letter of Credit* (SBLC), *Bank Guarantee*, *Letter of Credit* (L/C) dan SKBDN, dengan maksimum nilai plafon sebesar US\$140.000.000. Fasilitas ini semula akan jatuh tempo pada 18 Desember 2014 (Catatan 47). Di samping itu Perusahaan juga wajib memelihara *current ratio* tidak kurang dari 1 kali, *debt to equity ratio* maksimal 3 kali dan EBITDA terhadap *interest* tidak kurang dari 200%. Pada tanggal 31 Desember 2014, fasilitas yang belum digunakan sebesar US\$106.848.196.
4. Pada tanggal 11 Juni 2012, Perusahaan dengan PT Bank Rakyat Indonesia (Persero) Tbk (BRI) menandatangani amandemen perjanjian kredit tanggal 29 Maret 2011 dengan perubahan penambahan nilai plafon atas fasilitas *Standby Letter of Credit* (SBLC)/Fasilitas Bank Garansi (merupakan *sub limit* fasilitas SBLC)/ Penangguhan Jaminan Impor (PJI) menjadi US\$210.000.000. Pada tanggal 4 Juni 2014, Perusahaan dengan BRI menandatangani adendum perjanjian kredit dengan perubahan penambahan nilai plafon atas fasilitas *Standby Letter of Credit* (SBLC)/Fasilitas Bank Garansi (merupakan *sub limit* fasilitas SBLC)/ Penangguhan Jaminan Impor (PJI) menjadi US\$350.000.000. Fasilitas ini akan jatuh tempo pada tanggal 5 April 2015. Pada tanggal 31 Desember 2014, fasilitas yang belum digunakan sebesar US\$122.698.269.
5. Pada tanggal 28 Agustus 2014, Perusahaan memperoleh fasilitas pinjaman sindikasi sebesar US\$650.000.000 dengan jumlah porsi *Onshore* dan *Offshore* masing-masing sebesar US\$590.000.000 dan US\$60.000.000 dengan bank yang bertindak sebagai *Mandated Lead Arrangers and Bookrunners* adalah:
 - Australia and New-Zealand Banking Group Limited
 - The Bank of Tokyo-Mitsubishi UFJ, Ltd. (bertindak juga sebagai agen)
 - Citigroup Global Markets Singapore PTE. Ltd.
 - The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch dan;
 - Sumitomo Mitsui Banking Corporation

**41. COMMITMENTS AND CONTINGENCIES
(continued)**

3. On January 27, 2014, the Company has extended the *Non Cash Loan* (NCL) facility from PT Bank Negara Indonesia (Persero) Tbk which consists of *Standby Letter of Credit* (SBLC), *Bank Guarantee*, *Letter of Credit* (L/C) and SKBDN with a maximum limit of US\$140,000,000. The facility initially mature on December 18, 2014 (Note 47). Furthermore, the Company shall also maintain *current ratio* not less than 1 time, *debt to equity ratio* at a maximum 3 times and EBITDA to *interest* not less than 200%. As of December 31, 2014, the facility that has not been used amounted to US\$106,848,196.
4. On June 11, 2012, the Company and PT Bank Rakyat Indonesia (Persero) Tbk (BRI) signed amendment of credit agreement on March 29, 2011, with changes in additional amount of maximum limit of *Standby Letter of Credit* (SBLC)/*Bank Guarantee Facility* (a sub limit of SBLC Facility)/the guarantees of the suspension of import (PJI) to become US\$210,000,000. On June 4, 2014, the Company and BRI signed amendment of credit agreement with changes in additional amount of maximum limit of *Standby Letter of Credit* (SBLC)/*Bank Guarantee Facility* (a sub limit of SBLC Facility)/the guarantees of the suspension of import (PJI) to become US\$350,000,000. This facility will mature on April 5, 2015. As of December 31, 2014, the unused facility amounted to US\$122,698,269.
5. On August 28, 2014, the Company obtained a syndicated loan facility amounting to US\$650,000,000 with *Onshore* and *Offshore* portion amounting to US\$590,000,000 and US\$60,000,000, respectively, with banks acting as *Mandated Lead Arrangers and Bookrunners* are:
 - Australia and New-Zealand Banking Group Limited
 - The Bank of Tokyo-Mitsubishi UFJ, Ltd. (also acting as Agent)
 - Citigroup Global Markets Singapore PTE. Ltd.
 - The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch and;
 - Sumitomo Mitsui Banking Corporation

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

41. IKATAN DAN KONTINJENSI (lanjutan)

Sampai dengan tanggal 31 Desember 2014, Perusahaan belum melakukan penarikan terhadap fasilitas pinjaman ini. Pinjaman ini memiliki jangka waktu 5 tahun dengan masa tenggang selama 1 tahun. Pinjaman ini dikenakan tingkat bunga sebesar LIBOR plus 2,25% (*all in cost*) untuk porsi *Onshore* dan LIBOR plus 2% (*all in cost*) untuk porsi *Offshore*.

6. Pada tanggal 20 Desember 2013, SEI menandatangani perjanjian *escrow account* dengan Korea Exchange Bank, Pyeongchon Branch, Korea dan KNOC Sumatera Ltd. dalam rangka pembelian 8,91% *participating interest* di South East Sumatera PSC (Catatan 11).

PLI, Entitas Anak

7. PLI, melalui perjanjian novasi, mengadakan perjanjian *Amended and Restated Lease, Operation and Maintenance Agreement* dengan PT Hoegh LNG Lampung (HLL) sebagaimana diungkapkan pada Catatan 40 di mana HLL akan menyediakan FSRT Lampung dan melakukan proses regasifikasi selama 20 tahun dengan opsi perpanjangan untuk dua periode masing-masing 5 tahun.

Total pembayaran sewa minimum masa depan dalam sewa operasi yang tidak dapat dibatalkan pada tanggal 31 Desember 2014 adalah sebagai berikut:

	31 Desember 2014/ December 31, 2014
Sampai dengan satu tahun	40.040.000
Lebih dari satu tahun sampai 5 tahun	160.600.000
Lebih dari 5 tahun	595.760.000
Total	796.400.000

Pembayaran sewa minimum masa depan adalah total pembayaran yang harus dibayar oleh PLI di mana termasuk komponen pembayaran atas jasa regasifikasi.

**41. COMMITMENTS AND CONTINGENCIES
(continued)**

As of December 31, 2014, the Company has not yet used this credit facility. This loan has a term of 5 years with a grace period of 1 year. The loan bears interest at LIBOR plus 2.25% (*all in cost*) for the *Onshore* portion and LIBOR plus 2% (*all in cost*) for the *Offshore* portion.

6. On December 20, 2013, SEI entered into *escrow account agreement* with Korea Exchange Bank, Pyeongchon Branch, Korea and KNOC Sumatera Ltd. for purchasing 8.91% *participating interest* in South Sumatera PSC (Note 11).

PLI, Subsidiary

7. PLI, through novation agreement, entered into an *Amended and Restated Lease, Operation and Maintenance Agreement* with PT Hoegh LNG Lampung (HLL) as disclosed in Note 40 whereby HLL will provide FSRT Lampung and perform regasification process for 20 years with 2 extension period of 5 years each.

Future minimum rentals payable under non-cancelable operating lease as of December 31, 2014 are as follows:

	Within one year
	After one year but not more than five years
	More than five years
Total	Total

Future minimum rentals payable represents total payment that should be paid by PLI which include payment for regasification service.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

42. LABA PER SAHAM

Berikut ini adalah rekonsiliasi faktor-faktor penentu perhitungan laba per saham:

42. EARNINGS PER SHARE

The following presents the reconciliation of the numerators and denominators used in the computation of earnings per share:

2014			
	Total Laba Tahun Berjalan Yang Dapat Diatribusikan Kepada Pemilik Entitas Induk/ <i>Total Profit for the Year Attributable to Owners of the Parent Entity</i>	Rata-rata Tertimbang Saham Biasa yang beredar/ <i>Weighted-Average Number of Ordinary Shares Outstanding</i>	Jumlah Laba per Saham/ <i>Earnings per Share Amount</i>
Dasar	722.754.065	24.239.658.196	0,03
			Basic
2013			
	Total Laba Tahun Berjalan Yang Dapat Diatribusikan Kepada Pemilik Entitas Induk/ <i>Total Profit for the Year Attributable to Owners of the Parent Entity</i>	Rata-rata Tertimbang Saham Biasa yang beredar/ <i>Weighted-Average Number of Ordinary Shares Outstanding</i>	Jumlah Laba per Saham/ <i>Earnings per Share Amount</i>
Dasar	804.450.586	24.239.658.196	0,03
			Basic

Perusahaan tidak mempunyai efek berpotensi saham biasa yang bersifat dilutif pada tanggal-tanggal 31 Desember 2014 dan 2013, dan oleh karenanya, laba per saham dilusian tidak dihitung dan disajikan pada laporan laba rugi komprehensif konsolidasian.

The Company has no outstanding dilutive potential ordinary shares as of December 31, 2014 and 2013, and accordingly, no diluted earnings per share is calculated and presented in the consolidated statements of comprehensive income.

43. KEBIJAKAN DAN TUJUAN MANAJEMEN RISIKO KEUANGAN

MANAJEMEN RISIKO

Liabilitas keuangan utama Kelompok Usaha meliputi utang usaha dan lain-lain, liabilitas yang masih harus dibayar dan pinjaman jangka panjang. Tujuan utama dari liabilitas keuangan ini adalah untuk mengumpulkan dana untuk operasi Kelompok Usaha. Kelompok Usaha juga mempunyai berbagai aset keuangan seperti kas dan setara kas dan piutang usaha, yang dihasilkan langsung dari kegiatan usahanya.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

RISK MANAGEMENT

The principal financial liabilities of the Group consist of trade and other payables, accrued liabilities and long-term loans. The main purpose of these financial liabilities is to raise funds for the operations of the Group. The Group also has various financial assets such as cash and cash equivalents and trade receivables, which arised directly from their operations.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**43. KEBIJAKAN DAN TUJUAN MANAJEMEN RISIKO
KEUANGAN (lanjutan)**

MANAJEMEN RISIKO (lanjutan)

Bisnis Kelompok Usaha mencakup aktivitas pengambilan risiko dengan sasaran tertentu dengan pengelolaan yang profesional. Fungsi utama dari manajemen risiko Kelompok Usaha adalah untuk mengidentifikasi seluruh risiko kunci, mengukur risiko-risiko ini dan mengelola posisi risiko. Kelompok Usaha secara rutin menelaah kebijakan dan sistem manajemen risiko untuk menyesuaikan dengan perubahan di pasar, produk dan praktek pasar terbaik.

Tujuan Kelompok Usaha dalam mengelola risiko keuangan adalah untuk mencapai keseimbangan yang sesuai antara risiko dan tingkat pengembalian dan meminimalisasi potensi efek memburuknya kinerja keuangan Kelompok Usaha.

Kelompok Usaha mendefinisikan risiko keuangan sebagai kemungkinan kerugian atau laba yang hilang, yang disebabkan oleh faktor internal dan eksternal yang berpotensi negatif terhadap pencapaian tujuan Kelompok Usaha.

Direksi menyediakan kebijakan tertulis manajemen risiko secara keseluruhan, termasuk kebijakan tertulis untuk area khusus, seperti risiko nilai tukar mata uang, risiko tingkat bunga, risiko harga, risiko kredit, risiko likuiditas penggunaan instrumen keuangan derivatif dan non-derivatif. Kelompok Usaha mengidentifikasi, mengevaluasi dan melakukan aktivitas lindung nilai secara ekonomis atas risiko keuangan. Masing-masing unit bisnis melaksanakan manajemen risiko berdasarkan kebijakan-kebijakan yang disetujui oleh Direksi. Komite Manajemen Risiko memonitor pelaksanaan manajemen risiko yang dilaksanakan oleh Kelompok Usaha.

Manajemen risiko dilaksanakan oleh Komite Manajemen Risiko dengan kebijakan-kebijakan yang disetujui oleh Dewan Direksi. Kelompok Usaha mengidentifikasi, mengevaluasi dan melakukan aktivitas lindung nilai secara ekonomis atas risiko keuangan. Dewan Direksi menyediakan kebijakan tertulis manajemen risiko secara keseluruhan, termasuk kebijakan tertulis untuk area khusus, seperti risiko nilai tukar mata uang, risiko suku bunga, risiko kredit, risiko likuiditas, penggunaan instrumen keuangan derivatif dan non-derivatif.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES
AND POLICIES (continued)**

RISK MANAGEMENT (continued)

The Group's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Group's risk management are to identify all key risks for the Group, measure these risks and manage the risk positions. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Group's aim in managing the financial risks is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Group's financial performance.

The Group defines financial risk as the possibility of losses or profits foregone, which may be caused by internal or external factors which might have negative potential impact to the achievement of the Group's objectives.

The Directors provide written policies for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, price risk, credit risk, liquidity risk use of derivative financial instruments and non-derivative financial instruments. The Group identifies, evaluates and economically hedges its financial risks. Each business unit carries out the risk management based on the written policies approved by the Directors. Risk Management Committee monitors the risk management carried out by the Group.

Risk management is carried out by Risk Management Committee under policies approved by the Board of Directors. The Group identifies, evaluates and economically hedges financial risks. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**43. KEBIJAKAN DAN TUJUAN MANAJEMEN RISIKO
KEUANGAN (lanjutan)**

MANAJEMEN RISIKO (lanjutan)

Risiko yang berasal dari instrumen keuangan Kelompok Usaha adalah risiko keuangan, termasuk diantaranya adalah risiko kredit, risiko pasar dan risiko likuiditas.

a. Risiko Kredit

Risiko kredit adalah risiko kerugian keuangan yang timbul jika pelanggan Kelompok Usaha gagal memenuhi kewajiban kontraktualnya kepada Kelompok Usaha. Risiko kredit terutama berasal dari piutang usaha yang diberikan kepada pelanggan dari penjualan gas.

(i) Pengukuran risiko kredit

Estimasi terhadap eksposur kredit adalah proses yang kompleks dan memerlukan penggunaan model, dimana nilai dari suatu produk bervariasi tergantung dengan perubahan pada variabel-variabel pasar, arus kas masa depan dan rentang waktu.

Kelompok Usaha telah mengembangkan model untuk mendukung kuantifikasi dari risiko kredit. Dalam mengukur risiko kredit untuk piutang yang diberikan, Kelompok Usaha mempertimbangkan "Probability of Default" (PD) pelanggan atas kewajiban dan kemungkinan rasio pemulihan atas kewajiban yang telah wanprestasi (Loss Given Default) (LGD). Model ini ditelaah secara rutin untuk membandingkan dengan hasil aktualnya.

LGD merupakan ekspektasi Kelompok Usaha atas besarnya kerugian dari suatu piutang pada saat wanprestasi terjadi. Hal ini dinyatakan dalam persentase kerugian per unit dari suatu eksposur. LGD biasanya bervariasi sesuai dengan tipe pelanggan.

(ii) Pengendalian batas risiko dan kebijakan mitigasi

Jaminan

Kelompok Usaha menerapkan berbagai kebijakan dan praktik untuk memitigasi risiko kredit. Praktik yang umum dilakukan adalah dengan meminta jaminan dalam bentuk (kas atau *standby* L/C senilai dua bulan pemakaian gas).

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES
AND POLICIES (continued)**

RISK MANAGEMENT (continued)

The risks arising from financial instruments to which the Group is exposed are financial risks, which include credit risk, market risk and liquidity risk.

a. Credit Risk

Credit risk is the risk of suffering financial loss, when the Group's customers fail to fulfill their contractual obligations to the Group. Credit risk arises mainly from trade receivables from the sale of gas to customers.

(i) Credit risk measurement

The estimation of credit exposure is complex and requires the use of models, as the value of a product varies with changes in market variables, expected cash flows and the passage of time.

The Group has developed models to support the quantification of the credit risk. In measuring credit risk of receivables, the Group considers the "Probability of Default" (PD) by the customers on its obligations and the likely recovery ratio on the defaulted obligations (Loss Given Default) (LGD). The models are reviewed regularly to compare to actual results.

LGD represents the Group's expectation of the extent of loss on a receivable should default occur. It is expressed as percentage loss per unit of exposure. LGD typically varies by the type of customers.

(ii) Risk limit control and mitigation policies

Deposits

*The Group implements a range of policies and practices to mitigate credit risk. The most common practice of these is the taking of deposits in form of (cash or *standby* L/C equivalent to two months gas usage).*

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**43. KEBIJAKAN DAN TUJUAN MANAJEMEN RISIKO
KEUANGAN**

MANAJEMEN RISIKO (lanjutan)

a. Risiko Kredit (lanjutan)

(iii) Penurunan nilai dan kebijakan pencadangan

Cadangan penurunan nilai yang diakui pada pelaporan keuangan hanyalah kerugian yang telah terjadi pada tanggal laporan keuangan konsolidasian (berdasarkan bukti obyektif atas penurunan nilai).

(iv) Eksposur maksimum risiko kredit tanpa memperhitungkan jaminan

Eksposur risiko kredit terhadap aset pada laporan posisi keuangan konsolidasian adalah sebagai berikut:

	Eksposur maksimum/ Maximum exposure
	2014
Piutang usaha - neto	324.971.319
Piutang lain-lain - neto	32.465.293
Piutang lain-lain jangka panjang	40.536.515
Total	397.973.127

	Eksposur maksimum/ Maximum exposure
	2013
Piutang usaha - neto	279.956.482
Piutang lain-lain - neto	20.197.882
Piutang lain-lain jangka panjang	40.265.562
Total	340.419.926

Sehubungan dengan risiko kredit yang timbul dari aset keuangan lainnya yang mencakup kas dan setara kas dan kas yang dibatasi penggunaannya, risiko kredit yang dihadapi Kelompok Usaha timbul karena wanprestasi dari *counterparty*. Kelompok Usaha memiliki kebijakan untuk tidak menempatkan investasi pada instrumen yang memiliki risiko kredit tinggi dan hanya menempatkan investasinya pada bank-bank dengan peringkat kredit yang tinggi. Nilai maksimal eksposur adalah sebesar nilai tercatat sebagaimana diungkapkan pada Catatan 8, 9 dan 13.

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES
AND POLICIES**

RISK MANAGEMENT (continued)

a. Credit Risk (continued)

(iii) Impairment and provisioning policies

Impairment allowances are recognized for financial reporting purposes only for losses that have been incurred at the date of the consolidated financial statements (based on objective evidence of impairment).

(iv) Maximum exposure to credit risk before deposit held

Credit risk exposure relating to assets in the consolidated statement of financial position is as follows:

Trade receivables - net
Other receivables - net
Other long-term receivables

Total

Trade receivables - net
Other receivables - net
Other long-term receivables

Total

With respect to credit risk arising from the other financial assets, which comprise cash and cash equivalents and restricted cash, the Group's exposure to credit risk arises from default of the counterparty. The Group has a policy not to place investments in instruments that have a high credit risk and only put the investments in banks with a high credit ratings. The maximum exposure equal to the carrying amounts as disclosed in Notes 8, 9 and 13.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**43. KEBIJAKAN DAN TUJUAN MANAJEMEN RISIKO
KEUANGAN (lanjutan)**

MANAJEMEN RISIKO (lanjutan)

a. Risiko Kredit (lanjutan)

- (iv) Eksposur maksimum risiko kredit tanpa memperhitungkan jaminan (lanjutan)

Konsentrasi risiko aset keuangan dengan eksposur risiko kredit:

(a) Sektor geografis

Tabel berikut menggambarkan rincian eksposur kredit Kelompok Usaha pada nilai tercatat yang dikategorikan berdasarkan area geografis pada tanggal 31 Desember 2014, untuk tabel ini, Kelompok Usaha telah mengalokasikan eksposur area berdasarkan wilayah geografis tempat mereka beroperasi.

	2014	
	Jawa	Sumatera
Piutang usaha - neto	278.176.614	46.794.705
Piutang lain-lain - neto	24.337.172	8.128.122
Piutang lain-lain jangka panjang	40.536.515	-
Total	343.050.301	54.922.827

Trade receivables - net
Other receivables - net
Other long-term receivables

Total

(b) Jenis pelanggan

Tabel berikut ini menggambarkan rincian eksposur kredit Kelompok Usaha pada nilai tercatat (tanpa memperhitungkan agunan atau pendukung kredit lainnya), yang dikategorikan berdasarkan operasi utama.

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES
AND POLICIES (continued)**

RISK MANAGEMENT (continued)

a. Credit Risk (continued)

- (iv) Maximum exposure to credit risk before deposit held (continued)

Concentration of risks of financial assets with credit risk exposure:

(a) Geographical sectors

The following table breaks down the Group's credit exposure at their carrying amounts, as categorized by geographical region as of December 31, 2014, for this table, the Group has allocated exposures to regions based on the geographical area which activities are undertaken.

	2013	
	Jawa	Sumatera
Piutang usaha - neto	230.266.487	49.689.995
Piutang lain-lain - neto	19.877.432	320.450
Piutang jangka panjang	40.265.562	-
Total	290.409.481	50.010.445

Trade receivables - net
Other receivables - net
Long-term receivables

Total

(b) Customer types

The following table breaks down the Group's credit exposure at carrying amounts (without taking into account any collateral held or other credit support), as categorized by the main operations.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**43. KEBIJAKAN DAN TUJUAN MANAJEMEN RISIKO
KEUANGAN (lanjutan)**

MANAJEMEN RISIKO (lanjutan)

a. Risiko Kredit (lanjutan)

(iv) Eksposur maksimum risiko kredit tanpa memperhitungkan jaminan (lanjutan)

(b) Jenis pelanggan (lanjutan)

	2014		
	Tidak mengalami penurunan nilai/ Non impaired	Mengalami penurunan nilai/ Impaired	Total/ Total
Distribusi	244.522.735	31.980.133	276.502.868
Transmisi	19.787.977	13.490.932	33.278.909
Minyak dan gas	30.222.124	-	30.222.124
Operasi lainnya	3.250.882	13.840	3.264.722
Total	297.783.718	45.484.905	343.268.623
Dikurangi: Cadangan kerugian penurunan nilai	-	(18.297.304)	(18.297.304)
Neto	297.783.718	27.187.601	324.971.319

Distribution
Transmission
Oil and gas
Other operations

Less:
Allowance for impairment
losses

	2013		
	Tidak mengalami penurunan nilai/ Non impaired	Mengalami penurunan nilai/ Impaired	Total/ Total
Distribusi	190.746.186	57.364.326	248.110.512
Transmisi	20.845.219	12.321.880	33.167.099
Minyak dan gas	8.141.743	-	8.141.743
Operasi lainnya	2.682.759	16.823	2.699.582
Total	222.415.907	69.703.029	292.118.936
Dikurangi: Cadangan kerugian penurunan nilai	-	(12.162.454)	(12.162.454)
Neto	222.415.907	57.540.575	279.956.482

Distribution
Transmission
Oil and gas
Other operations

Less:
Allowance for impairment
losses

Net

Entitas Anak mempunyai konsentrasi risiko kredit atas seluruh penjualan minyak dan gas bumi kepada pembeli tunggal. Penjualan minyak pada umumnya dijual berdasarkan kontrak jangka pendek dan tidak membutuhkan jaminan dari pembeli yang mencerminkan kurang lebih sebesar 57% dari jumlah piutang minyak dan gas bumi. Gas alam dijual berdasarkan perjanjian penjualan gas antara PSC Pangkah kepada pembeli tunggal, dimana mencerminkan kurang lebih 23% dari jumlah piutang minyak dan gas. LPG dijual berdasarkan perjanjian jual beli LPG antara Pangkah PSC kepada pembeli tunggal, yang mencerminkan kurang lebih sebesar 22% dari piutang minyak dan gas.

The Subsidiary is subject to concentration of credit risk as all of their crude oil and gas sales are to single counter party. Crude oil sales are generally sold under short-term contracts and generally do not require collateral from the counter party, which represents approximately 57% of total oil and gas trade receivables. Natural gas sales are sold under Gas Sales Agreement between Pangkah PSC to a single counter party, which represent approximately 23% of oil and gas trade receivable. LPG sales are sold under LPG sales and purchase agreement between Pangkah PSC to a single counter party, which represent approximately 22% of oil and gas trade receivable.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**43. KEBIJAKAN DAN TUJUAN MANAJEMEN RISIKO
KEUANGAN (lanjutan)**

MANAJEMEN RISIKO (lanjutan)

b. Risiko Pasar

Kelompok Usaha memiliki eksposur terhadap risiko pasar, yaitu risiko tingkat bunga dan risiko mata uang asing.

Risiko tingkat bunga arus kas adalah risiko dimana arus kas masa depan dari suatu instrumen keuangan berfluktuasi karena perubahan suku bunga pasar.

Kelompok Usaha memiliki pinjaman jangka pendek dan jangka panjang dengan bunga variabel. Kelompok Usaha akan memonitor secara ketat pergerakan suku bunga di pasar dan apabila suku bunga mengalami kenaikan yang signifikan maka Perusahaan akan menegosiasikan kembali suku bunga tersebut dengan para *lender*.

Kelompok Usaha juga melakukan transaksi *swap* suku bunga untuk menyesuaikan risiko suku bunga yang terasosiasi dengan efek pinjaman bank jangka pendek dan pinjaman jangka panjang dengan tingkat bunga variabel, akan tetapi tidak memberlakukan akuntansi lindung nilai.

(i) Risiko tingkat bunga

Kelompok Usaha memiliki eksposur terhadap dampak fluktuasi tingkat suku bunga pasar yang berlaku baik atas risiko nilai wajar maupun arus kas.

Tabel di bawah ini mengikhtisarkan eksposur nilai wajar instrumen keuangan Kelompok Usaha terhadap risiko tingkat bunga:

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES
AND POLICIES (continued)**

RISK MANAGEMENT (continued)

b. Market Risk

The Group is exposed to market risk, in particular interest rate risk and foreign currency risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's short-term and long-term loans are charged with variable interest rates. The Group will strictly monitor the market interest rates fluctuation and if the interest rates significantly increased, they will renegotiate the interest rate to the lenders.

The Group also enters into interest rates swap to match the interest rate risk associated with the variable rates short-term bank loans and long-term loans, however no hedge accounting is applied.

(i) Interest rate risk

The Group takes an exposure to the effects of fluctuations in the prevailing levels of market interest rates, both its fair value and cash flow risks.

The table below summarizes the Group's fair value exposures to interest rate risks:

2014

	Bunga mengambang/Floating rate				Total/ Total	
	Bunga tetap/ Fixed rate	Lebih dari 1 bulan sampai dengan 3 bulan/ Over 1 month up to 3 months	Lebih dari 3 bulan sampai dengan 1 tahun/ Over 3 months up to 1 year	Lebih dari 1 tahun/ Over 1 year		
Pinjaman jangka panjang jatuh tempo dalam waktu 1 tahun	7.239.220	72.545.700	7.343.002	-	87.172.922	Current maturities of long-term loans
Pinjaman jangka panjang - setelah dikurangi bagian jatuh tempo dalam waktu 1 tahun	418.205.163	54.833.733	-	-	473.038.896	Long-term loans - net of current maturities
Utang obligasi	1.332.255.513	-	-	-	1.332.255.513	Bonds payable
Total	1.757.699.896	127.379.433	7.343.002	-	1.892.422.331	Total

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**43. KEBIJAKAN DAN TUJUAN MANAJEMEN RISIKO
KEUANGAN (lanjutan)**

MANAJEMEN RISIKO (lanjutan)

b. Risiko Pasar (lanjutan)

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES
AND POLICIES (continued)**

RISK MANAGEMENT (continued)

b. Market Risk (continued)

2013

	Bunga mengambang/Floating rate				Total/ Total	
	Bunga tetap/ Fixed rate	Lebih dari 1 bulan sampai dengan 3 bulan/ Over 1 month up to 3 months	Lebih dari 3 bulan sampai dengan 1 tahun/ Over 3 months up to 1 year	Lebih dari 1 tahun/ Over 1 year		
Pinjaman bank jangka pendek	-	-	300.000.000	-	300.000.000	Short-term bank loans
Pinjaman jangka panjang jatuh tempo dalam waktu 1 tahun	26.833.743	72.460.855	14.686.004	-	113.980.602	Current maturities of long-term loans
Pinjaman jangka panjang - setelah dikurangi bagian jatuh tempo dalam waktu 1 tahun	476.864.616	127.768.533	7.343.000	-	611.976.149	Long-term loans - net of current maturities
Total	503.698.359	200.229.388	322.029.004	-	1.025.956.751	Total

Analisa sensitivitas untuk risiko suku bunga

Pada tanggal 31 Desember 2014, jika tingkat suku bunga pinjaman meningkat/menurun sebesar 50 basis poin dengan semua variabel konstan, laba sebelum beban pajak untuk tahun yang berakhir pada tanggal tersebut lebih rendah/tinggi sebesar US\$3.824.067, terutama sebagai akibat kenaikan/penurunan biaya bunga atas pinjaman dengan tingkat bunga mengambang.

(ii) Risiko mata uang asing

Risiko mata uang asing adalah risiko atas perubahan nilai tukar Dolar Amerika Serikat sebagai mata uang penyajian terhadap mata uang asing, khususnya Rupiah dan Yen Jepang. Risiko ini muncul disebabkan aset, liabilitas dan transaksi operasional tertentu Kelompok Usaha didenominasi oleh mata uang asing sehingga pelemahan Dolar Amerika Serikat terhadap mata uang asing tersebut dapat mempengaruhi kinerja Kelompok Usaha.

Risiko mata uang asing adalah risiko dimana nilai wajar dari arus kas masa depan dari instrumen keuangan akan berfluktuasi yang disebabkan perubahan nilai tukar mata uang asing. Dampak fluktuasi tingkat mata uang asing Kelompok Usaha terutama berasal dari Yen Jepang yang didenominasi dari pinjaman jangka panjang.

Sensitivity analysis for interest rate risk

As of December 31, 2014, had the interest rate of the loans been 50 basis points higher/lower with all other variables held constant, income before tax expense for the year then ended would have been US\$3,824,067, lower/higher mainly as a result of higher/lower interest expense on loans with floating interest rates.

(ii) Foreign exchange risk

Foreign exchange risk is the risk that arise from the changes of exchange rate of US Dollar as presentation currency against foreign currencies, especially Rupiah and Japanese Yen. Assets, liabilities and operational transactions of the Group are denominated in foreign currencies. therefore, the weakening of US Dollar will influence the financial performance of the Group.

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to exchange rate fluctuations results primarily from Japanese Yen which denominated from long-term loans.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**43. KEBIJAKAN DAN TUJUAN MANAJEMEN RISIKO
KEUANGAN (lanjutan)**

MANAJEMEN RISIKO (lanjutan)

b. Risiko Pasar (lanjutan)

Untuk mengatur risiko mata uang asing, Perusahaan melakukan kontrak *cross currency swap*. Kontrak ini akan dicatat sebagai transaksi bukan lindung nilai, dimana perubahan atas nilai wajar akan masuk dalam laporan laba rugi komprehensif konsolidasian tahun berjalan.

Sebagian besar pembelian gas dalam mata uang Dolar Amerika Serikat juga dijual dalam Dolar Amerika Serikat, sehingga lindung nilai atas risiko nilai tukar mata uang asing terjadi secara alami. Saat ini, liabilitas yang timbul dari pembiayaan dalam mata uang asing tidak dilindungi nilai.

Kelompok Usaha mempunyai aset dan liabilitas moneter dalam mata uang asing pada tanggal 31 Desember 2014 yang disajikan pada Catatan 44.

Analisa sensitivitas untuk risiko mata uang asing

Pada tanggal 31 Desember 2014, jika nilai tukar Dolar Amerika Serikat terhadap mata uang asing meningkat sebanyak 10% dengan semua variabel konstan, laba sebelum beban pajak untuk tahun yang berakhir pada tanggal tersebut lebih rendah sebesar US\$25.556.994, terutama sebagai akibat kerugian/keuntungan translasi kas dan setara kas dan pinjaman dalam mata uang asing, sedangkan jika nilai tukar Dolar Amerika Serikat terhadap mata uang asing menurun sebanyak 10%, maka laba sebelum beban pajak untuk tahun yang berakhir pada tanggal tersebut lebih tinggi sebesar US\$34.839.352.

(ii) Risiko harga

Kelompok Usaha mempunyai investasi dalam obligasi yang nilai wajarnya sangat terpengaruh dengan risiko harga pasar. Kelompok Usaha mengelola risiko ini dengan mendiversifikasikan ke beberapa investasi. Dewan Direksi melakukan audit dan menyetujui setiap keputusan investasi jangka pendek.

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES
AND POLICIES (continued)**

RISK MANAGEMENT (continued)

b. Market Risk (continued)

To manage foreign exchange rate risks, the Company entered into cross currency swap contract. This contract is accounted as transaction not designated as hedge, wherein the changes in the fair value are charged or credited directly to the consolidated statement of comprehensive income for the current year.

Most purchases of gas in US Dollar are also sold in US Dollar, thus naturally hedging the related foreign currency exposures. Currently, liabilities denominated in foreign currency arising from financing activities are not hedged.

The Group had monetary assets and liabilities denominated in foreign currencies as of December 31, 2014 which are presented in Note 44.

Sensitivity analysis for foreign exchange risk

As of December 31, 2014, if the exchange rates of the US Dollar against foreign currencies appreciated by 10% with all other variables held constant, profit before tax expense for the year then ended would have been US\$25,556,994 lower, mainly as result of foreign exchange losses/gains on the translation of cash and cash equivalents and loans denominated in foreign currencies, while, if the exchange rates of the US Dollar against foreign currencies depreciated by 10%, profit before tax expense for the year then ended would have been US\$34,839,352 higher.

(iii) Price risk

The Group has investment in bonds which the fair value of these investments are affected by the market price risk. The Group manages this risk through diversification the investments. Board of Directors reviews and approves all short-term investments decision.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**43. KEBIJAKAN DAN TUJUAN MANAJEMEN RISIKO
KEUANGAN (lanjutan)**

MANAJEMEN RISIKO (lanjutan)

b. Risiko Pasar (lanjutan)

Analisa sensitivitas untuk risiko harga

Pada tanggal 31 Desember 2014, jika tingkat harga pasar investasi meningkat/menurun sebesar 10% dengan semua variabel konstan, investasi jangka pendek Kelompok Usaha untuk tahun yang berakhir pada tanggal tersebut lebih rendah/tinggi sebesar US\$9.258.815.

c. Risiko Likuiditas

Risiko likuiditas adalah risiko dimana Kelompok Usaha tidak bisa memenuhi liabilitas pada saat jatuh tempo. Kelompok Usaha melakukan evaluasi dan pengawasan yang ketat atas arus kas masuk (*cash-in*) dan kas keluar (*cash-out*) untuk memastikan tersedianya dana untuk memenuhi kebutuhan pembayaran liabilitas yang jatuh tempo. Secara umum, kebutuhan dana untuk pelunasan liabilitas jangka pendek maupun jangka panjang yang jatuh tempo diperoleh dari pelunasan piutang usaha dari pelanggan yang memiliki jangka waktu kredit satu bulan.

Tabel dibawah merupakan profil liabilitas keuangan Kelompok Usaha berdasarkan arus kas kontraktual yang tidak terdiskonto:

	Total/Total	Sewaktu-waktu dan Dalam Waktu 1 Tahun/ On Demand and Within 1 Year	Dalam Waktu 1 sampai dengan 5 Tahun/Within 1 to 5 Years	Lebih dari 5 Tahun/More Than 5 Years	As of December 31, 2014
Pada tanggal 31 Desember 2014					
Utang usaha	137.655.427	137.655.427	-	-	Trade payables
Utang lain-lain	114.848.136	114.848.136	-	-	Other payables
Liabilitas yang masih harus dibayar	668.658.891	668.658.891	-	-	Accrued liabilities
Pinjaman jangka panjang yang jatuh tempo dalam waktu satu tahun					Current maturities of long-term loans
Pokok pinjaman	87.127.922	87.127.922	-	-	Principal
Beban bunga masa depan	11.077.916	11.077.916	-	-	Future imputed interest charges

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES
AND POLICIES (continued)**

RISK MANAGEMENT (continued)

b. Market Risk (continued)

Sensitivity analysis for price risk

As of December 31, 2014, if the price rates of the investment have been 10% higher/lower with all other variables held constant, the short-term investments for the year then ended would have been US\$9,258,815 lower/higher.

c. Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due. The Group evaluates and monitors cash-in flow and cash-out flow to ensure the availability of funds to settle the due obligation. In general, funds needed to settle the current and long-term liabilities are obtained from settlement of trade receivables from the customers with one month credit term.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**43. KEBIJAKAN DAN TUJUAN MANAJEMEN RISIKO
KEUANGAN (lanjutan)**

MANAJEMEN RISIKO (lanjutan)

c. Risiko Likuiditas (lanjutan)

	Total/Total	Sewaktu-waktu dan Dalam Waktu 1 Tahun/ On Demand and Within 1 Year	Dalam Waktu 1 sampai dengan 5 Tahun/Within 1 to 5 Years	Lebih dari 5 Tahun/More Than 5 Years	As of December 31, 2014
Pada tanggal 31 Desember 2014					
Pinjaman jangka panjang, setelah dikurangi bagian yang jatuh tempo dalam waktu satu tahun					Long-term loans, net of current maturities
Pokok pinjaman	473.038.896	-	145.517.980	327.520.916	Principal
Beban bunga masa depan	92.860.712	-	38.714.512	54.146.200	Future imputed interest charges
Utang derivatif	11.005.055	-	-	11.005.055	Derivative payable
Utang Obligasi	1.332.255.514	-	-	1.332.255.514	Bonds payables
Beban bunga masa depan	657.665.625	-	-	657.665.625	Future imputed interest charges
	Total/Total	Sewaktu-waktu dan Dalam Waktu 1 Tahun/ On Demand and Within 1 Year	Dalam Waktu 1 sampai dengan 5 Tahun/Within 1 to 5 Years	Lebih dari 5 Tahun/More Than 5 Years	As of December 31, 2013
Pada tanggal 31 Desember 2013					
Pinjaman bank jangka pendek					Short-term bank loans
Pokok pinjaman	300.000.000	300.000.000	-	-	Principal
Beban bunga masa depan	4.489.050	4.489.050	-	-	Future imputed interest charges
Utang usaha	158.320.476	158.320.476	-	-	Trade payables
Utang lain-lain	57.609.234	57.609.234	-	-	Other payables
Liabilitas yang masih harus dibayar	180.458.414	180.458.414	-	-	Accrued liabilities
Pinjaman jangka panjang yang jatuh tempo dalam waktu satu tahun					Current maturities of long-term loans
Pokok pinjaman	113.980.602	113.980.602	-	-	Principal
Beban bunga masa depan	14.476.833	14.476.833	-	-	Future imputed interest charges
Pinjaman jangka panjang, setelah dikurangi bagian yang jatuh tempo dalam waktu satu tahun					Long-term loans, net of current maturities
Pokok pinjaman	611.976.149	-	221.388.757	390.587.392	Principal
Beban bunga masa depan	114.883.295	-	47.145.018	67.738.277	Future imputed interest charges
Utang derivatif	11.927.017	-	-	11.927.017	Derivative payable

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**43. KEBIJAKAN DAN TUJUAN MANAJEMEN RISIKO
KEUANGAN (lanjutan)**

MANAJEMEN MODAL

Kelompok Usaha bertujuan mencapai struktur modal yang optimal untuk memenuhi tujuan usaha, diantaranya dengan mempertahankan rasio modal yang sehat dan memaksimalkan nilai pemegang saham.

Beberapa instrumen utang Kelompok Usaha memiliki rasio keuangan yang mensyaratkan rasio *leverage* maksimum. Kelompok Usaha telah memenuhi semua persyaratan modal yang ditetapkan oleh pihak luar.

Manajemen memantau modal dengan menggunakan beberapa ukuran *leverage* keuangan seperti rasio utang terhadap ekuitas dan *debt service ratio*. Tujuan Kelompok Usaha adalah mempertahankan rasio utang terhadap ekuitas sebesar maksimum 2,33 pada tanggal 31 Desember 2014.

Pada tanggal 31 Desember 2014, akun-akun Kelompok Usaha yang membentuk rasio utang terhadap ekuitas dan *debt service ratio* adalah sebagai berikut:

	31 Des. 2014/ Dec. 31, 2014
Pinjaman jangka panjang jatuh tempo dalam satu tahun	87.127.922
Pinjaman jangka panjang setelah dikurangi bagian jatuh tempo dalam waktu satu tahun	473.038.896
Utang obligasi	1.332.255.514
Total	1.892.422.332
Total ekuitas	2.963.069.775
Rasio utang terhadap ekuitas	0,64

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES
AND POLICIES (continued)**

CAPITAL MANAGEMENT

The Group aims to achieve an optimal capital structure in pursuit of their business objectives, which include maintaining healthy capital ratios and maximizing shareholder value.

Some of the Group's debt instruments contain covenants that impose maximum leverage ratios. The Group has complied with all externally imposed capital requirements.

Management monitors capital using several financial leverage measurements such as debt to equity ratio and debt service ratio. The Group's objectives are to maintain their debt to equity ratio at a maximum of 2.33 as of December 31, 2014.

As of December 31, 2014, the Group's debt to equity ratio and debt service ratio accounts are as follows:

Current portion of long term loans
Long term loans - net of current maturities
Bond payables
Total
Total equity
Debt to equity ratio

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

44. INSTRUMEN KEUANGAN

Aset keuangan Kelompok Usaha meliputi kas dan setara kas dan setara kas, kas yang dibatasi penggunaannya, investasi jangka pendek, piutang usaha - neto dan piutang lain-lain - neto yang timbul dari kegiatan usahanya. Liabilitas keuangan Perusahaan dan entitas anak meliputi utang usaha, liabilitas yang masih harus dibayar, utang lain-lain, utang derivatif, pinjaman jangka panjang jatuh tempo dalam waktu satu tahun, pinjaman jangka panjang setelah dikurangi bagian jatuh tempo dalam waktu satu tahun dan utang obligasi yang tujuan utamanya untuk pembiayaan kegiatan usaha.

Tabel di bawah ini mengikhtisarkan nilai tercatat dan estimasi nilai wajar instrumen keuangan Kelompok Usaha yang dinyatakan dalam laporan posisi keuangan konsolidasian pada tanggal 31 Desember 2014 dan 2013:

44. FINANCIAL INSTRUMENTS

The Group's financial assets include cash and cash equivalents, restricted cash, short-term investments, trade receivables - net and other receivables - net which arise from their business operations. Their financial liabilities include trade payables, accrued liabilities, other payables, derivative payable, current maturities of long-term loans, long-term loans - net of current maturities and bonds payables which main purpose is to finance the business operations.

The following table sets forth the carrying values and their estimated fair values of the Group's financial instruments that are carried in the consolidated statements of financial position as of December 31, 2014 and 2013:

	2014		
	Nilai tercatat/ Carrying amount	Nilai wajar/ Fair value	
Aset keuangan			Financial assets
Kas dan setara kas	1.216.028.736	1.216.028.736	Cash and cash equivalents
Kas yang dibatasi penggunaannya	101.757	101.757	Restricted cash
Investasi jangka pendek	92.588.146	92.588.146	Short-term investments
Piutang usaha - neto	324.971.319	324.971.319	Trade receivables - net
Piutang lain-lain - neto	56.879.760	87.178.046	Other receivables - net
Piutang lain-lain jangka panjang	40.536.515	40.536.515	Other long-term receivables
Total	1.731.106.233	1.761.404.519	Total
Liabilitas keuangan			Financial liabilities
Utang usaha	137.655.427	137.655.427	Trade payables
Liabilitas yang masih harus dibayar	668.658.891	668.658.891	Accrued liabilities
Utang lain-lain	114.848.136	114.848.136	Other payables
Utang derivatif	11.005.055	11.005.055	Derivative payable
Pinjaman jangka panjang jatuh tempo dalam waktu satu tahun	87.127.922	87.127.922	Current maturities of long-term loans
Pinjaman jangka panjang - setelah dikurangi bagian jatuh tempo dalam waktu satu tahun	473.038.896	473.038.896	Long-term loans - net of current maturities
Utang obligasi	1.332.255.514	1.332.255.514	Bonds payable
Total	2.824.589.841	2.824.589.841	Total

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

44. INSTRUMEN KEUANGAN (lanjutan)

44. FINANCIAL INSTRUMENTS (continued)

	2013		
	Nilai tercatat/ Carrying amount	Nilai wajar/ Fair value	
Aset keuangan			Financial assets
Kas dan setara kas	1.319.168.247	1.319.168.247	Cash and cash equivalents
Kas yang dibatasi penggunaannya	1.163.447	1.163.447	Restricted cash
Investasi jangka pendek	85.384.831	85.384.831	Short-term investments
Piutang usaha - neto	279.956.482	279.956.482	Trade receivables - net
Piutang lain-lain - neto	20.197.882	20.197.882	Other receivables - net
Piutang lain-lain jangka panjang	40.265.562	40.265.562	Other long-term receivables
Total	1.746.136.451	1.746.136.451	Total
Liabilitas keuangan			Financial liabilities
Pinjaman bank jangka pendek	300.000.000	300.000.000	Short-term bank loans
Utang usaha	158.320.476	158.320.476	Trade payables
Liabilitas yang masih harus dibayar	180.458.414	180.458.414	Accrued liabilities
Utang lain-lain	57.609.234	57.609.234	Other payables
Utang derivatif	11.927.017	11.927.017	Derivative payable
Pinjaman jangka panjang jatuh tempo dalam waktu satu tahun	113.980.602	113.980.602	Current maturities of long-term loans
Pinjaman jangka panjang - setelah dikurangi bagian jatuh tempo dalam waktu satu tahun	611.976.149	611.976.149	Long-term loans - net of current maturities
Total	1.434.271.892	1.434.271.892	Total

Nilai wajar aset dan liabilitas keuangan disajikan dalam jumlah di mana instrumen tersebut dapat dipertukarkan dalam transaksi ini antara pihak-pihak yang berkeinginan (*willing parties*), bukan dalam penjualan akibat kesulitan keuangan atau likuidasi yang dipaksakan.

The fair values of the financial assets and liabilities are presented at the amounts which instrument could be exchanged in a current transaction between willing parties, not in a forced sale or liquidation.

Metode dan asumsi berikut ini digunakan untuk mengestimasi nilai wajar untuk setiap kelompok instrumen keuangan yang praktis untuk memperkirakan nilai tersebut:

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

1. Kas dan setara kas, kas yang dibatasi penggunaannya, piutang usaha - neto dan piutang lain-lain - neto.

1. Cash and cash equivalents, restricted cash, trade receivables - net and other receivables - net.

Seluruh aset keuangan di atas merupakan aset keuangan jangka pendek yang akan jatuh tempo dalam waktu 12 bulan sehingga nilai tercatat aset keuangan tersebut telah mencerminkan nilai wajar dari aset keuangan tersebut.

All of the above financial assets are due within 12 months, thus the carrying value of the financial assets approximate their fair values of the financial assets.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

44. INSTRUMEN KEUANGAN (lanjutan)

2. Investasi jangka pendek

Aset keuangan di atas diukur pada harga kuotasian yang dipublikasikan dalam pasar aktif.

3. Utang usaha, utang lain-lain dan liabilitas yang masih harus dibayar.

Seluruh liabilitas keuangan di atas merupakan liabilitas jangka pendek yang akan jatuh tempo dalam waktu 12 bulan sehingga nilai tercatat liabilitas keuangan tersebut telah mencerminkan nilai wajar.

4. Piutang lain-lain jangka panjang, pinjaman bank jangka pendek, pinjaman jangka panjang dan utang obligasi.

Seluruh aset dan liabilitas keuangan di atas merupakan pinjaman yang memiliki suku bunga variabel dan tetap yang disesuaikan dengan pergerakan suku bunga pasar sehingga nilai tercatat aset dan liabilitas keuangan tersebut telah mendekati nilai wajar.

5. Utang derivatif

Nilai wajar dari kewajiban keuangan ini diestimasi dengan menggunakan teknik penilaian yang wajar dengan nilai input pasar yang dapat diobservasi.

Hirarki Nilai Wajar

Aset dan liabilitas keuangan diklasifikasikan secara keseluruhan berdasarkan tingkat terendah dari masukan (*input*) yang signifikan terhadap pengukuran nilai wajar. Penilaian dampak signifikan dari suatu *input* tertentu terhadap pengukuran nilai wajar membutuhkan pertimbangan dan dapat mempengaruhi penilaian dari aset dan liabilitas yang diukur dan penempatannya dalam hirarki nilai wajar.

Bukti terbaik dari nilai wajar adalah harga yang dikuotaskan (*quoted prices*) dalam sebuah pasar yang aktif. Jika pasar untuk sebuah instrumen keuangan tidak aktif, entitas menetapkan nilai wajar dengan menggunakan metode penilaian. Tujuan dari penggunaan metode penilaian adalah untuk menetapkan harga transaksi yang terbentuk pada tanggal pengukuran dalam sebuah transaksi pertukaran yang wajar dengan pertimbangan bisnis normal.

44. FINANCIAL INSTRUMENTS (continued)

2. Short-term investments.

The above financial assets are measured at published quoted market price in active market.

3. Trade payables, other payables and accrued liabilities.

All of the above financial liabilities are due within 12 months, thus the carrying value of the financial liabilities approximate their fair value.

4. Other long-term receivables, short-term bank loans, long-term loans and bonds payable.

All of the above financial assets and liabilities are assets and liabilities with floating and fixed interest rates which are adjusted in the movements of market interest rates, thus the carrying values of the financial assets and liabilities approximate their fair values.

5. Derivative payable

Fair value of this financial liability is estimated using appropriate valuation techniques with market observable inputs.

Fair Value Hierarchy

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The assessment of the significance of a particular input to the fair value measurements requires judgement, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, an entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

44. INSTRUMEN KEUANGAN (lanjutan)

Hirarki Nilai Wajar (lanjutan)

Metode penilaian termasuk penggunaan harga dalam transaksi pasar yang wajar (*arm's length*) terakhir antara pihak-pihak yang memahami dan berkeinginan, jika tersedia, referensi kepada nilai wajar terkini dari instrumen lain yang secara substansial sama, analisa arus kas yang didiskontokan dan model harga opsi (*option pricing models*).

Jika terdapat metode penilaian yang biasa digunakan oleh para peserta pasar untuk menentukan harga dari instrumen dan metode tersebut telah didemonstrasikan untuk menyediakan estimasi yang andal atas harga yang diperoleh dari transaksi pasar yang aktual, entitas harus menggunakan metode tersebut. Metode penilaian yang dipilih membuat penggunaan maksimum dari *input* pasar dan bergantung sedikit mungkin atas *input* yang spesifik untuk entitas (*entity-specific input*). Metode tersebut memperhitungkan semua faktor yang akan dipertimbangkan oleh peserta pasar dalam menentukan sebuah harga dan selaras dengan metode ekonomis untuk penilaian sebuah instrumen keuangan. Secara berkala, Perusahaan menelaah metode penilaian dan mengujinya untuk validitas dengan menggunakan harga dari transaksi pasar terkini yang dapat diobservasi untuk instrumen yang sama (yaitu tanpa modifikasi dan pengemasan kembali) atau berdasarkan data pasar yang tersedia dan dapat diobservasi.

44. FINANCIAL INSTRUMENTS (continued)

Fair Value Hierarchy (continued)

Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the Company calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on any available observable market data.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

44. INSTRUMEN KEUANGAN (lanjutan)

Hirarki Nilai Wajar (lanjutan)

Hirarki nilai wajar Perusahaan pada tanggal 31 Desember 2014 dan 2013 adalah sebagai berikut:

44. FINANCIAL INSTRUMENTS (continued)

Fair Value Hierarchy (continued)

The Company's fair values hierarchy as of December 31, 2014 and 2013 is as follows:

2014					
	Total/ Total	Harga pasar yang dikuotasi untuk aset dan liabilitas yang sama (Level 1)/ Quoted prices in active markets for identical assets or liabilities (Level 1)	Input yang signifikan dan dapat diobservasi secara langsung maupun tidak langsung (Level 2)/ Significant and observable inputs, direct or indirectly (Level 2)	Input yang signifikan tetapi tidak dapat diobservasi (Level 3)/ Significant unobservable inputs (Level 3)	
Aset keuangan lancar					Current financial asset
Investasi jangka pendek	92.588.146	92.588.146	-	-	Short-term investments
Liabilitas keuangan jangka panjang					Non-current financial liability
Utang derivatif	11.005.055	-	11.005.055	-	Derivative payable
2013					
	Total/ Total	Harga pasar yang dikuotasi untuk aset dan liabilitas yang sama (Level 1)/ Quoted prices in active markets for identical assets or liabilities (Level 1)	Input yang signifikan dan dapat diobservasi secara langsung maupun tidak langsung (Level 2)/ Significant and observable inputs, direct or indirectly (Level 2)	Input yang signifikan tetapi tidak dapat diobservasi (Level 3)/ Significant unobservable inputs (Level 3)	
Aset keuangan lancar					Current financial asset
Investasi jangka pendek	85.384.831	85.384.831	-	-	Short-term investments
Liabilitas keuangan jangka panjang					Non-current financial liability
Utang derivatif	11.927.017	-	11.927.017	-	Derivative payable

Untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013, tidak terdapat pengalihan antara pengukuran nilai wajar Level 1 dan Level 2.

For the period/year ended December 31, 2014 and 2013, there were no transfers between Level 1 and Level 2 fair value measurements.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

45. ASET DAN LIABILITAS DALAM MATA UANG ASING

Pada tanggal 31 Desember 2014 dan 2013, aset dan liabilitas moneter Kelompok Usaha dalam mata uang asing adalah sebagai berikut:

45. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

As of December 31, 2014 and 2013, the Group's monetary assets and liabilities denominated in foreign currencies are as follows:

		2014	2013	
Aset				Assets
Dalam Rupiah				In Rupiah
Kas dan setara kas	Rp	3.003.714.011.912	3.066.390.281.270	Cash and cash equivalents
Kas yang dibatasi penggunaannya	Rp	-	3.203.432.934	Restricted cash
Investasi jangka pendek	Rp	95.000.000.000	95.000.000.000	Short-term investments
Piutang usaha	Rp	605.853.601.520	571.834.489.483	Trade receivables
Piutang lain-lain - neto	Rp	388.158.975.582	70.576.170.866	Other receivables - net
Uang muka	Rp	105.772.680.682	17.888.214.046	Advances
Sub-total	Rp	4.198.499.269.696	3.824.892.588.599	Sub-total
Dalam Yen Jepang				In Japanese Yen
Kas dan setara kas	JPY	823.303.817	171.601.671	Cash and cash equivalents
Sub-total	JPY	823.303.817	171.601.671	Sub-total
Dalam Dolar Singapura				In Singapore Dollar
Kas dan setara kas	SG\$	115.612	222.680	Cash and cash equivalents
Piutang lain-lain - neto	SG\$	5.527	5.527	Other receivables - net
Sub-total	SG\$	121.139	228.207	Sub-total
Total Aset	Rp	4.198.499.269.696	3.824.892.588.599	Total Assets
	JPY	823.303.817	171.601.671	
	SG\$	121.139	228.207	
Ekuivalen Dolar Amerika Serikat		344.559.352	315.613.958	US Dollar equivalents
Liabilitas				Liabilities
Dalam Rupiah				In Rupiah
Utang usaha	Rp	74.378.663	309.675.429	Trade payables
Utang lain-lain	Rp	1.059.604.575.869	238.173.749.544	Other payables
Liabilitas yang masih harus dibayar	Rp	1.268.753.025.082	348.811.088.475	Accrued liabilities
Liabilitas imbalan kerja jangka pendek	Rp	513.441.179.663	434.196.996.804	Short-term employee's benefits liabilities
Utang pajak	Rp	194.416.400.404	165.827.602.119	Taxes payable
Sub-total	Rp	3.036.289.559.681	1.187.319.112.371	Sub-total
Dalam Yen Jepang				In Japanese Yen
Liabilitas yang masih harus dibayar	JPY	182.065.960	191.071.659	Accrued liabilities
Pinjaman jangka panjang - setelah dikurangi bagian jatuh tempo dalam waktu satu tahun	JPY	45.346.863.000	46.937.981.000	Long-term loans - net of current maturities
Sub-total	JPY	45.528.928.960	47.129.052.659	Sub-total

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

45. ASET DAN LIABILITAS DALAM MATA UANG ASING (lanjutan)

		2014	2013
Liabilitas (lanjutan)			
Dalam Dolar Singapura			
Liabilitas yang masih harus dibayar	SG\$	-	86.000
Sub-total	SG\$	-	86.000
Total Liabilitas	Rp	3.036.289.559.681	1.187.319.112.371
	JPY	45.528.928.960	47.129.052.659
	SG\$	-	86.000
Ekuivalen Dolar Amerika Serikat		625.617.396	546.667.144
Total Liabilitas - Neto		281.058.044	231.053.186

Sebagian besar pembelian gas dalam mata uang Dolar Amerika Serikat juga dijual dalam Dolar Amerika Serikat, sehingga lindung nilai atas risiko nilai tukar mata uang asing terjadi secara alami. Saat ini, liabilitas yang timbul dari pembiayaan dalam mata uang asing tidak dilindung nilai.

Pada tanggal penyelesaian laporan keuangan konsolidasian, kurs tengah yang dikeluarkan oleh Bank Indonesia adalah Rp12.863 untuk US\$1, SG\$1,36 untuk US\$1 dan JPY119,28 untuk US\$1. Apabila kurs tersebut digunakan pada tanggal 31 Desember 2014, maka liabilitas konsolidasi neto akan meningkat sebesar US\$3.242.787.

46. INFORMASI SEGMENT USAHA

Untuk kepentingan manajemen, Kelompok Usaha digolongkan menjadi unit usaha berdasarkan produk dan jasa dan memiliki empat segmen operasi yang dilaporkan sebagai berikut:

- ## 1. Segmen distribusi gas

Segmen distribusi gas melakukan kegiatan usaha utama Perusahaan dalam mendistribusikan gas yang dibeli dari *supplier* gas dan menyalurkannya kepada pelanggan industri, komersial dan rumah tangga.

- ## 2. Segmen transmisi gas

Segmen transmisi gas melakukan kegiatan usaha dalam menyalurkan gas untuk pelanggan industri.

- ### 3. Segmen eksplorasi minyak dan gas

Segmen eksplorasi minyak gas melakukan kegiatan usaha dalam eksplorasi, eksploitasi dan pengembangan usaha di bidang minyak dan gas bumi.

45. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES (continued)

2013	
	<i>Liabilities (continued)</i>
	<i>In Singapore Dollar</i>
86.000	<i>Accrued Liabilities</i>
86.000	<i>Sub-total</i>
1.187.319.112.371	<i>Total Liabilities</i>
47.129.052.659	
86.000	
546.667.144	<i>US Dollar equivalents</i>
231.053.186	<i>Total Liabilities - Net</i>

Most purchases of gas in US Dollar are also sold in US Dollar, thus naturally hedging the related foreign currency exposures. Currently, liabilities denominated in foreign currency arising from financing activities are not hedged.

As of the completion date of these consolidated financial statements, the rates of exchange published by Bank Indonesia were Rp12,863 to US\$1, SG\$1.36 to US\$1 and JPY119.28 to US\$1. If such exchange rates had been used as of December 31, 2014, the net consolidated liabilities will increase by US\$3,242,787.

46. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has four reportable operating segments as follows:

- ### 1. Gas distribution segment

Gas distribution segment is mainly involved in gas distribution purchased from gas suppliers and then supplies to the industrial, commercial and household customers.

- ## 2. Gas transmission segment

Gas transmission segment mainly involved in gas transmission for customers.

- ### 3. Exploration of oil and gas

Exploration of oil and gas segment mainly involved in exploration, exploitation and businesss development in oil and gas.

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

46. INFORMASI SEGMENT USAHA (lanjutan)

4. Segmen operasi lainnya

Segmen operasional lainnya terkait dengan jasa sewa fiber optik untuk penyediaan jaringan dan jasa konstruksi dan perbaikan kepada pelanggan.

Manajemen memantau hasil operasi dari unit usahanya secara terpisah guna keperluan pengambilan keputusan mengenai alokasi sumber daya dan penilaian kinerja. Kinerja segmen dievaluasi berdasarkan laba segmen dan diukur secara konsisten dengan laba atau rugi operasi pada laporan keuangan konsolidasian.

Tabel berikut menyajikan informasi pendapatan dan laba dan aset dan liabilitas tertentu sehubungan dengan segmen operasi Kelompok Usaha:

46. SEGMENT INFORMATION (continued)

4. Other operations segment

Other operations segment provides fiber optic rental for network services and constructions and maintenance services to the customers.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment income and is measured consistently with operating profit or loss in the consolidated financial statements.

The following table represents revenue and profit, and certain asset and liability information regarding the Group's operating segments:

2014						
	Distribusi/ Distribution	Transmisi/ Transmission	Eksplorasi Minyak dan Gas/ Exploration of Oil and Gas	Operasi Lainnya/ Other Operations	Konsolidasian/ Consolidation	
PENDAPATAN NETO						NET REVENUES
Pendapatan	3.124.869.888	207.835.470	297.797.565	150.484.633	3.780.987.556	Revenues
Eliminasi Pendapatan	(215.710.929)	(21.362.361)	-	(135.324.205)	(372.397.495)	Revenues elimination
Total Pendapatan Neto	2.909.158.959	186.473.109	297.797.565	15.160.428	3.408.590.061	Total Net Revenues
Beban segmen						Segment expenses
Beban pokok pendapatan	2.002.853.788	-	173.719.887	61.815.331	2.238.389.006	Cost of revenues
Eliminasi beban pokok	(294.607.455)	-	-	-	(294.607.455)	Cost of revenues elimination
Gaji dan kesejahteraan karyawan	35.978.680	19.481.622	4.178.009	11.324.756	70.963.067	Salaries and employees' benefits
Penyusutan	47.650.159	117.294.899	12.183	6.657.129	171.614.370	Depreciation
Perbaikan dan pemeliharaan	37.512.131	11.690.941	29.478	673.540	49.906.090	Repairs and maintenance
Eliminasi biaya perbaikan dan pemeliharaan	(20.352.927)	(2.484.245)	-	-	(22.837.172)	Repairs and maintenance expenses elimination
Beban lain-lain	60.361.276	46.100.372	5.209.332	66.753.024	178.424.004	Other expenses
Eliminasi beban lain-lain	(11.845.389)	(10.749.616)	-	-	(22.595.005)	Other expenses elimination
Total Beban Segmen	1.857.550.263	181.333.973	183.148.889	147.223.780	2.369.256.905	Total Segment Expenses
HASIL						RESULTS
Laba segmen	1.051.608.696	5.139.136	114.648.676	(132.063.352)	1.039.333.156	Segmen profit
Beban Perusahaan dan Entitas Anak yang tidak dapat dialokasikan					(104.837.724)	Unallocated expenses of the Company and Subsidiaries
Eliminasi biaya					5.346.613	Expenses elimination
Pendapatan lain-lain					50.100.078	Other income
Beban lain-lain					(7.883.185)	Other expenses
Laba Operasi					982.058.938	Operating Profit
Laba kurs - neto					47.452.904	Gain on foreign exchange - net
Laba perubahan nilai wajar derivatif - neto					2.181.174	Gain on change in fair value of derivative - net
Bagian laba dari entitas asosiasi					30.906.198	Share in profit of the associates
Pendapatan keuangan					26.032.902	Finance income
Keuntungan dari pembelian dengan diskon					5.604.315	Gain on bargain purchase
Beban keuangan					(75.575.385)	Finance cost
Penurunan nilai wajar goodwill					(5.234.075)	Impairment of goodwill
Kerugian penurunan nilai properti minyak dan gas					(34.661.543)	Impairment losses on oil and gas properties
Laba Sebelum Manfaat (Beban) Pajak					978.765.428	Profit Before Tax Benefit (Expense)

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

46. INFORMASI SEGMENT USAHA (lanjutan)

46. SEGMENT INFORMATION (continued)

2014					
	Distribusi/ Distribution	Transmisi/ Transmission	Eksplorasi Minyak dan Gas/ Exploration of Oil and Gas	Operasi Lainnya/ Other Operations	Konsolidasian/ Consolidation
Manfaat (Beban) Pajak Kini Tangguhan					(195.369.766) (35.724.182)
Beban Pajak - Neto					(231.093.948)
LABA TAHUN BERJALAN					747.671.480
PENDAPATAN KOMPREHENSIF LAIN					
Kerugian aktuarial Aset keuangan tersedia untuk dijual					(7.275.663) 7.258.618
Selisih kurs karena penjabaran laporan keuangan dalam Entitas Anak. neto					(1.118.323)
Sub-total					(1.135.368)
Pajak penghasilan terkait					1.747.970
LABA KOMPREHENSIF LAIN SETELAH PAJAK					612.602
TOTAL LABA KOMPREHENSIF TAHUN BERJALAN					748.284.082
LABA TAHUN BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:					
Pemilik entitas induk					722.754.065
Kepentingan nonpengendali					24.917.415
Total					747.671.480
TOTAL LABA KOMPREHENSIF TAHUN BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:					
Pemilik entitas induk					723.824.337
Kepentingan nonpengendali					24.459.745
Total					748.284.082
ASET SEGMENT					
Aset segmen	669.644.239	1.070.212.528	1.850.884.863	590.903.378	4.181.645.008
Aset Perusahaan dan Entitas Anak yang tidak dapat Dialokasikan					2.033.851.351
Total Aset yang Dikonsolidasikan					6.215.496.359
LIABILITAS SEGMENT					
Liabilitas segmen	57.415.734	39.100.994	328.133.669	100.028.233	524.678.630
Liabilitas Perusahaan dan Entitas Anak yang tidak dapat Dialokasikan					2.727.747.954
Total Liabilitas yang Dikonsolidasikan					3.252.426.584
INFORMASI LAINNYA					
Pengeluaran Modal	53.405.834	23.144.643	1.501.443.792	1.097.969.990	2.675.964.259
Penyusutan	47.650.159	117.294.899	12.183	6.657.129	171.614.370
Penyusutan Perusahaan dan Entitas Anak yang tidak dapat dialokasikan					5.361.338
Total Penyusutan yang Dikonsolidasikan					176.975.708

Tax benefit (expense)
Current
Deferred

Tax Expense - Net

PROFIT FOR THE YEAR

**OTHER
COMPREHENSIVE INCOME**

Actuarial losses
Available-for-sale
financial assets
Difference in foreign currency
translation of the
financial statements of
Subsidiaries. net

Sub-total

Income tax effect

**TOTAL
OTHER COMPREHENSIVE
INCOME AFTER TAX**

**TOTAL COMPREHENSIVE
INCOME FOR THE YEAR**

**PROFIT
FOR THE YEAR
ATTRIBUTABLE TO:**
Owners of the parent entity
Non-controlling interests

Total

**TOTAL COMPREHENSIVE
INCOME FOR THE YEAR
ATTRIBUTABLE TO:**
Owners of the parent entity
non-controlling interests

Total

SEGMENT ASSETS
Segment assets

Unallocated
assets of the Company
and Subsidiaries

Total Consolidated Assets

SEGMENT LIABILITIES
Segment liabilities
Unallocated
liabilities of the Company
and Subsidiaries

Total Consolidated Liabilities

OTHER INFORMATION

Capital Expenditures

Depreciation
Unallocated depreciation of
the Company
and Subsidiaries

**Total
Consolidated Depreciation**

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

46. INFORMASI SEGMENT USAHA (lanjutan)

46. SEGMENT INFORMATION (continued)

2013						
	Distribusi/ Distribution	Transmisi/ Transmission	Eksplorasi Minyak dan Gas/ Exploration of Oil and Gas	Operasi Lainnya/ Other Operations	Konsolidasian/ Consolidation	
PENDAPATAN NETO						NET REVENUES
Pendapatan	2.972.966.319	200.267.632	34.844.573	66.253.632	3.274.332.156	Revenues
Eliminasi Pendapatan	(203.233.016)	(20.027.026)	-	(49.555.484)	(272.815.526)	Revenues elimination
Total Pendapatan Neto	2.769.733.303	180.240.606	34.844.573	16.698.148	3.001.516.630	Total Net Revenues
Beban segmen						Segment expenses
Beban pokok	1.788.381.640	-	18.733.371	-	1.807.115.011	Cost of revenues
Eliminasi beban pokok	(223.260.042)	-	-	-	(223.260.042)	Cost of revenues elimination
Gaji dan kesejahteraan karyawan	38.088.998	19.210.019	2.814.480	7.852.289	67.965.786	Salaries and employees' benefits
Penyusutan	46.056.114	129.445.648	25.652	5.252.976	180.780.390	Depreciation
Perbaikan dan pemeliharaan	34.020.958	10.361.403	15	785.570	45.167.946	Repairs and maintenance
Eliminasi biaya perbaikan dan pemeliharaan	(19.645.012)	(995.816)	-	-	(20.640.828)	Repairs and maintenance expenses elimination
Beban lain-lain	51.623.487	40.013.625	3.825.053	40.002.665	135.464.830	Other expenses
Eliminasi beban lain-lain	(13.340.573)	(1.849.435)	-	-	(15.190.008)	Other expenses elimination
Total Beban Segmen	1.701.925.570	196.185.444	25.398.571	53.893.500	1.977.403.085	Total Segment Expenses
HASIL						RESULTS
Laba segmen	1.067.807.733	(15.944.838)	9.446.002	(37.195.352)	1.024.113.545	Segmen profit
Beban Perusahaan dan Entitas Anak yang tidak dapat dialokasikan					(119.329.904)	Unallocated expenses of the Company and Subsidiaries
Eliminasi biaya					3.701.692	Expenses elimination
Pendapatan lain-lain					27.023.658	Other income
Beban lain-lain					(2.156.558)	Other expenses
Laba Operasi					933.352.433	Operating Profit
Laba kurs - neto					83.899.215	Gain on foreign exchange - net
Laba perubahan nilai wajar derivatif - neto					70.178.350	Gain on change in fair value of derivative - net
Bagian laba dari entitas asosiasi					32.272.194	Share in profit of the associates
Pendapatan keuangan					26.910.239	Finance income
Kerugian penurunan nilai wajar goodwill					(35.533.126)	Impairment losses on goodwill
Kerugian penurunan nilai properti minyak dan gas					(23.475.745)	Impairment losses on oil and gas properties
Beban keuangan					(21.863.585)	Finance cost
Laba Sebelum Beban Pajak					1.065.739.975	Profit Before Tax Expense
Beban Pajak						Tax expense
Kini					(226.642.556)	Current
Tangguhan					(1.295.546)	Deferred
Beban Pajak - Neto					(227.938.102)	Tax Expense - Net
LABA TAHUN BERJALAN					837.801.873	PROFIT FOR THE YEAR
PENDAPATAN KOMPREHENSIF LAIN						OTHER COMPREHENSIVE INCOME
Keuntungan aktuarial					29.827.072	Actuarial gains
Aset keuangan tersedia untuk dijual					(15.767.821)	Available-for-sale financial assets
Selisih kurs karena penjabaran laporan keuangan dalam Entitas Anak - neto					(14.010.436)	Difference in foreign currency translation of the financial statements of Subsidiaries - net
Sub-total					48.815	Sub-total
Pajak penghasilan terkait					(5.717.966)	Income tax effect
TOTAL PENDAPATAN KOMPREHENSIF LAIN SETELAH PAJAK					(5.669.151)	OTHER COMPREHENSIVE INCOME AFTER TAX
TOTAL PENDAPATAN KOMPREHENSIF TAHUN BERJALAN					832.132.722	TOTAL COMPREHENSIVE INCOME FOR THE YEAR

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

46. INFORMASI SEGMENT USAHA (lanjutan)

46. SEGMENT INFORMATION (continued)

2013							
	Distribusi/ Distribution	Transmisi/ Transmission	Eksplorasi Minyak dan Gas/ Exploration of Oil and Gas	Operasi Lainnya/ Other Operations	Konsolidasian/ Consolidation		
LABA PERIODE BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:						PROFIT FOR THE PERIOD ATTRIBUTABLE TO:	
Pemilik entitas induk					804.450.586	Owners of the parent entity	
Kepentingan nonpengendali					33.351.287	non-controlling interests	
Total					837.801.873	Total	
TOTAL PENDAPATAN KOMPREHENSIF PERIODE BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:						TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:	
Pemilik entitas induk					798.164.240	Owners of the parent entity	
Kepentingan nonpengendali					33.968.482	non-controlling interests	
Total					832.132.722	Total	
ASET SEGMENT						SEGMENT ASSETS	
Aset Segmen	556.913.870	1.164.054.687	529.114.072	69.879.816	2.319.962.445	Segment assets	
Aset Perusahaan dan Entitas Anak yang tidak dapat dialokasikan					1.998.048.093	Unallocated assets of the Company and Subsidiaries	
Total Aset yang Dikonsolidasikan					4.318.010.538	Total Consolidated Assets	
LIABILITAS SEGMENT						SEGMENT LIABILITIES	
Liabilitas Segmen	42.700.083	29.604.050	92.957.177	9.136.934	174.398.244	Segment liabilities	
Liabilitas Perusahaan dan Entitas Anak yang tidak dapat dialokasikan					1.472.468.418	Unallocated liabilities of the Company and Subsidiaries	
Total Liabilitas yang Dikonsolidasikan					1.646.866.662	Total Consolidated Liabilities	
INFORMASI LAINNYA						OTHER INFORMATION	
Pengeluaran Modal	44.483.621	20.822.679	554.627.926	260.807.671	880.741.897	Capital Expenditures	
Penyusutan	46.056.114	129.445.648	25.652	5.252.976	180.780.390	Depreciation	
Penyusutan Perusahaan dan Entitas Anak yang tidak dapat dialokasikan					4.855.931	Unallocated depreciation of the Company and Subsidiaries	
Total Penyusutan yang Dikonsolidasikan					185.636.321	Total Consolidated Depreciation	

Informasi konsolidasi menurut segmen usaha adalah sebagai berikut:

Consolidated information based on business segment is as follows:

2014						
Uraian	Pendapatan Neto/ Net Revenues	Nilai Tercatat Aset Segmen/ Carrying Value of Segment Assets	Penambahan Aset Tetap dan Properti Minyak dan Gas/ Additions to Fixed Assets and Oil and Gas Properties			Descriptions
Kantor pusat	-	-	720.724.414			Head office
SBU Distribusi Wilayah I. Jawa Bagian Barat	2.285.181.653	471.370.972	10.743.858			SBU Distribution I. West Java
SBU Distribusi Wilayah II. Jawa Bagian Timur	404.005.444	78.952.504	9.907.742			SBU Distribution II. East Java
SBU Distribusi Wilayah III. Sumatera Bagian Utara	206.702.211	51.714.382	20.367.231			SBU Distribution III. North Sumatera
SBU Transmisi Sumatera Jawa	29.844.336	611.023.442	14.560.241			SBU Transmission Sumatera Jawa
Transgasindo	156.325.684	454.762.526	8.584.402			Transgasindo
PGASKOM	7.537.030	22.876.067	7.125.279			PGASKOM
PGASSOL	7.623.400	107.667.455	3.556.676			PGASSOL

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**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

46. INFORMASI SEGMENT USAHA (lanjutan)

46. SEGMENT INFORMATION (continued)

2014				
Uraian	Pendapatan Neto/ Net Revenues	Nilai Tercatat Aset Segmen/ Carrying Value of Segment Assets	Penambahan Aset Tetap dan Properti Minyak dan Gas/ Additions to Fixed Assets and Oil and Gas Properties	Descriptions
SEI	297.797.565	1.850.884.865	1.477.968.042	SEI
GEI	13.572.738	72.032.941	12.387.003	GEI
PLI	-	429.755.671	306.484.089	PLI
Permata	-	30.604.179	60.079.532	Permata
Total	3.408.590.061	4.181.645.004	2.652.488.509	Total
2013				
Uraian	Pendapatan Neto/ Net Revenues	Nilai Tercatat Aset Segmen/ Carrying Value of Segment Assets	Penambahan Aset Tetap dan Properti Minyak dan Gas/ Additions to Fixed Assets and Oil and Gas Properties	Descriptions
Kantor pusat	-	-	258.801.156	Head office
SBU Distribusi Wilayah I. Jawa Bagian Barat	2.130.363.240	412.442.032	18.683.265	SBU Distribution I. West Java
SBU Distribusi Wilayah II. Jawa Bagian Timur	414.659.230	64.676.681	12.354.109	SBU Distribution II. East Java
SBU Distribusi Wilayah III. Sumatera Bagian Utara	210.780.630	41.055.580	10.556.329	SBU Distribution III. North Sumatera
SBU Transmisi Sumatera Jawa	15.691.794	668.109.407	12.339.516	SBU Transmission Sumatera Jawa
Transgasindo	164.048.040	493.277.481	8.483.163	Transgasindo
PGASKOM	10.341.994	14.683.937	277.292	PGASKOM
PGASSOL	6.356.156	25.834.588	1.712.540	PGASSOL
SEI	34.844.573	529.114.072	554.627.926	SEI
GEI	14.430.973	41.407.376	2.889.918	GEI
PLI	-	29.361.291	16.683	PLI
Total	3.001.516.630	2.319.962.445	880.741.897	Total

47. PERISTIWA SETELAH TAHUN PELAPORAN

47. EVENTS AFTER THE REPORTING YEAR

Perusahaan

The Company

- Kelompok Usaha menerima surat dari Corporate and Business registration Departement Negara Mauritius bertanggal 13 Januari 2015 yang menginformasikan bahwa PGN Euro Finance 2003 Limited sudah di hapus dalam daftar yang di atur di bawah undang-undang company Act 2001 seksi 308 dari Negara Mauritius sejak tanggal 13 Januari 2015.
- Pada tanggal 29 Januari 2015, Perusahaan dan PT Pertagas menandatangani perubahan dan pernyataan kembali atas perjanjian pengangkutan gas bumi melalui pipa, dimana kedua belah pihak setuju untuk memperpanjang waktu catatan perjanjian sampai dengan 13 Juli 2019 (Catatan 40.2).

- The Group received letter form Corporate and Business Registration Department of Mauritius dated January 13, 2015, which informed effective on that date, PGN Euro Finance 2003 Limited has been removed from the regular under sector 308 of the Company Act 2001.
- On January 29, 2015, the Company and PT Pertagas entered into an Amendment and Restatement of Gas Transportation Agreement through pipeline whereby both parties agreed to extend the term of agreement until July 13, 2019 (Note 40.2).

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**47. PERISTIWA SETELAH TAHUN PELAPORAN
(lanjutan)**

Perusahaan (lanjutan)

3. Pada tanggal 30 Januari 2015, Perusahaan dan PT Bank Negara Indonesia (Persero) Tbk menandatangani Amandemen kedua perjanjian pemberian fasilitas kredit *Non Cash Loan* dimana kedua belah pihak setuju untuk memperpanjang waktu perjanjian sampai dengan 18 Desember 2015 (Catatan 41.14).
4. Pada tanggal 18 Februari 2015, Perusahaan melakukan penarikan sebagian pinjaman yang berasal dari fasilitas pinjaman sindikasi sebagaimana dijelaskan dalam Catatan 41.5.
5. Tahap penyelesaian wilayah 1, 2 dan 3 adalah sebagai berikut:

a. Wilayah 1

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, persentase penyelesaian wilayah 1 dengan aspek penyelesaian fisik adalah sebagai berikut:

- Jalur pipa Cikande – Bitung (CP3B): 78,54% (tidak diaudit);
- Jalur pipa baja Muara Bekasi – Muara Karang (CP 9): 19,56% (tidak diaudit);
- Paket Penyediaan Penyaluran Gas Muara Karang – Muara Bekasi (PPGMM): 8,80% (tidak diaudit);
- *Upgrading* Garawangi & Sunyaragi Offtake Station (CP 12): 20,88% (tidak diaudit).

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, jumlah estimasi biaya Wilayah 1 sebesar US\$116.352.726 (tidak diaudit).

Sampai dengan 31 Januari 2015, jumlah realisasi biaya Wilayah 1 adalah US\$56.399.585 (tidak diaudit). Dengan demikian, persentase penyelesaian Wilayah 1 dibandingkan dengan jumlah estimasi biaya proyek adalah sebesar 48% (tidak diaudit).

**47. EVENTS AFTER THE REPORTING YEAR
(continued)**

The Company (continued)

3. On January 30, 2015 the Company and PT Bank Negara Indonesia (Persero) Tbk entered into second Amendment of Non Cash Loan Facility Agreement, whereby both parties agreed to extend the term of the agreement until December 18, 2015 (Note 41.14).
4. On February 18, 2015, the Company has withdrawal a portion of the loan facility as disclosed in Note 41.5.
5. The percentage of completion of area 1, 2 and 3 are as follows:

a. Area 1

Up to the completion date of these consolidated financial statements, the percentage of physical completion of Area 1 is as follows:

- *Cikande – Bitung pipeline (CP3B) construction: 78.54% (unaudited);*
- *Muara Bekasi - Muara Karang (CP 9): 19.56% (unaudited);*
- *Gas supply distribution Muara Karang – Muara Bekasi (PPGMM): 8.80% (unaudited);*
- *Upgrading Garawangi & Sunyaragi Offtake Station (CP 12): 20.88% (unaudit).*

Up to the completion date of the consolidated financial statements, total estimated cost of Area 1 amounted to US\$116,352,726 (unaudited).

Up to January 31, 2015, the realization of project costs for Area 1 is US\$56,399,585 (unaudited). Therefore, the percentage of project completion for area 1 compared to total estimated project costs is 48% (unaudited).

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**47. PERISTIWA SETELAH TAHUN PELAPORAN
(lanjutan)**

Perusahaan (lanjutan)

b. Wilayah 2

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, persentase penyelesaian wilayah 2 dengan aspek penyelesaian fisik, adalah sebagai berikut:

- Proyek Konsultan Manajemen (PMC) for Project Management Consultant SBU 2 Relocation Project dengan penyelesaian fisik sebesar 33,58% (tidak diaudit);
- Pengadaan Pipes Java Region dengan penyelesaian fisik sebesar 7,54% (tidak diaudit);
- Pemasangan Pipa CP 19 terkait dengan pekerjaan konstruksi jalur pipa Otsuka – Purwosari dengan penyelesaian fisik sebesar 60% (tidak diaudit).

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian ini, jumlah estimasi biaya Wilayah 2 adalah sebesar US\$34.449.329 (tidak diaudit).

Sampai dengan 31 Januari 2015, jumlah realisasi biaya Wilayah 2 adalah US\$9.291.985 (tidak diaudit). Dengan demikian, persentase penyelesaian Wilayah 2 dibandingkan dengan jumlah estimasi biaya proyek adalah sebesar 26,97% (tidak diaudit).

c. Wilayah 3

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian interim ini, persentase penyelesaian Wilayah 3 dengan aspek penyelesaian fisik adalah sebagai berikut:

- Pembangunan EPCIC pipeline yang terdiri dari pipa offshore, stasiun Penerimaan Onshore (ORF) dan Off-take Station (OTS) di Labuhan Maringgai: 100% (tidak diaudit);
- Proyek Distribusi Lampung: 96,39% (tidak diaudit).

**47. EVENTS AFTER THE REPORTING YEAR
(continued)**

The Company (continued)

b. Area 2

Up to the completion date of these consolidated financial statements, the percentage of completion of Area 2 with physical completion aspect, are as follows:

- *Project Management Consultancy (PMC) for relocation project of SBU 2 with physical settlement of 33.58% (unaudited);*
- *Procurement of pipes Java region with physical settlement of 7.54% (unaudited);*
- *Installation of CP 19 pipe in relation to construction of Otsuka – Purwosari pipeline with physical completion of 60% (unaudited).*

Up to the completion date of these consolidated financial statements, total estimated cost of Area 2 amounted to US\$34,449,329 (unaudited).

Up to January 31, 2015, the realization of project costs for area 2 is US\$9,291,985 (unaudited). Therefore, the percentage of project completion for Area 2 compared to total estimated project costs is 26.97% (unaudited).

c. Area 3

Up to the completion date of these consolidated financial statements, the percentage of the physical completion of Area 3 is as follow:

- *Construction of EPCIC pipeline which consists of offshore pipeline, Onshore Receiving Facilities (ORF) and Off-take Station (OTS) in Labuhan Maringgai: 100% (unaudited);*
- *Lampung Distribution Project: 96,39% (unaudited).*

The original consolidated financial statements included herein are in the Indonesian language.

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
DAN ENTITAS ANAKNYA
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan dalam Dolar AS, Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar, Unless Otherwise Stated)**

**47. PERISTIWA SETELAH TAHUN PELAPORAN
(lanjutan)**

**47. EVENTS AFTER THE REPORTING YEAR
(continued)**

Perusahaan (lanjutan)

The Company (continued)

c. Wilayah 3 (lanjutan)

c. Area 3 (continued)

Persentase penyelesaian fisik*) dari pihak pembangun vessel adalah:

*Physical completion aspect *) from the contractor of vessel are:*

- Pembangunan *Floating Storage and Regasification Unit* (FSRU): 100% (tidak diaudit);
- Pembangunan Fasilitas Penambat FSRU (*mooring system*): 100% (tidak diaudit).

- *Construction of Floating Storage and Regasification Unit (FSRU): 100% (unaudited);*
- *Construction of mooring system facility: 100% (unaudited).*

Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, jumlah estimasi biaya Wilayah 3 untuk Proyek LNG dan Distribusi Lampung sebesar US\$308.949.288 (tidak diaudit).

Up to the completion date of these consolidated financial statements, the total estimated cost of Area 3 for LNG Lampung and Distribution Lampung amounted to US\$ 308,949,288 (unaudited).

Sampai dengan 31 Januari 2015, jumlah realisasi biaya wilayah 3 adalah US\$113.080.153 (tidak diaudit). Dengan demikian, persentase penyelesaian Wilayah 3 untuk LNG Lampung dan Distribusi Lampung dibandingkan dengan jumlah estimasi biaya proyek adalah sebesar 37% (tidak diaudit).

Up to January 31, 2015, the realization of project cost for Area 3 is US\$113,080,153 (unaudited). Therefore, the percentage of project completion for Area 3 for LNG Lampung and Distribusi Lampung compared to total estimated project costs is 37% (unaudited).

The original supplementary information included herein are in the Indonesian language

Informasi berikut adalah laporan keuangan tersendiri PT Perusahaan Gas Negara (Persero) Tbk, Entitas Induk, yang merupakan informasi tambahan dalam laporan keuangan konsolidasian PT Perusahaan Gas Negara (Persero) Tbk dan Entitas Anaknya tanggal 31 Desember 2014 dan tahun yang berakhir pada tanggal tersebut.

The following information is the separate financial statements of PT Perusahaan Gas Negara (Persero) Tbk, a Parent Entity, which is presented as supplementary information to the consolidated financial statements of PT Perusahaan Gas Negara (Persero) Tbk and its Subsidiaries as of December 31, 2014 and the year then ended.

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
LAPORAN POSISI KEUANGAN
TERSENDIRI
31 Desember 2014
(Disajikan dalam Dolar Amerika,
Kecuali Dinyatakan Lain)

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
SEPARATE STATEMENT OF
FINANCIAL POSITION
December 31, 2014
(Expressed in US Dollar,
Unless Otherwise Stated)

	31 Desember/December 31,		
	2014	2013	
ASET			ASSETS
ASET LANCAR			CURRENT ASSETS
Kas dan setara kas	734.206.013	1.110.773.500	Cash and cash equivalents
Kas yang dibatasi penggunaannya	-	856.963	Restricted cash
Investasi jangka pendek	92.588.146	85.384.831	Short-term investments
Piutang usaha - setelah dikurangi cadangan kerugian penurunan nilai sebesar US\$18.249.312 pada tanggal 31 Desember 2014 dan US\$12.145.632 pada tanggal 31 Desember 2013	243.123.253	221.678.127	Trade receivables - net of allowance for impairment losses of US\$18,249,312 as of December 31, 2014 and US\$12,145,632 as of December 31, 2013
Piutang lain-lain, neto	5.262.421	4.626.123	Other receivables, net
Piutang dari entitas anak	27.867.004	17.525.441	Receivable from subsidiaries
Persediaan, neto	3.938.528	4.563.272	Inventories, net
Uang muka jatuh tempo dalam waktu satu tahun	53.547.453	40.112.278	Current maturities of advances
Beban dibayar di muka	10.081.682	444.937	Prepaid expenses
Total Aset Lancar	1.170.614.500	1.485.965.472	Total Current Assets
ASET TIDAK LANCAR			NON-CURRENT ASSETS
Uang muka - setelah dikurangi bagian jatuh tempo dalam waktu satu tahun	121.189.787	82.881.889	Advances - net of current maturities
Aset pajak tangguhan, neto	30.043.455	27.329.697	Deferred tax assets, net
Penyertaan saham	1.525.543.753	732.398.016	Investment in shares of stock
Piutang promissory notes	13.714.628	41.329.897	Promissory notes receivables
Piutang dari entitas anak dan entitas asosiasi	513.764.791	4.512.265	Receivables from subsidiaries and associates
Piutang dari entitas anak tidak langsung	65.000.000	-	Receivable from indirect subsidiary
Piutang sewa guna usaha	99.317.252	-	Leasing receivables
Aset tetap - setelah dikurangi akumulasi penyusutan sebesar US\$1.043.454.158 pada tanggal 31 Desember 2014 dan US\$931.265.374 pada tanggal 31 Desember 2013	1.823.717.606	1.458.939.527	Fixed assets - net of accumulated depreciation of US\$1,043,454,158 as of December 31, 2014 and US\$931,265,374 as of December 31, 2013
Taksiran tagihan pajak	30.387	30.714.393	Estimated claims for tax refund
Aset tak berwujud, neto	3.240.773	3.639.254	Intangible assets, net
Lain-lain	5.363.823	3.882.264	Others
Total Aset Tidak Lancar	4.200.926.255	2.385.627.202	Total Non-Current Assets
TOTAL ASET	5.371.540.755	3.871.592.674	TOTAL ASSETS

The original supplementary information included herein are in the Indonesian language

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
LAPORAN POSISI KEUANGAN
TERSENDIRI (lanjutan)
31 Desember 2014
(Disajikan dalam Dolar Amerika,
Kecuali Dinyatakan Lain)

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
SEPARATE STATEMENT OF
FINANCIAL POSITION (continued)
December 31, 2014
(Expressed in US Dollar,
Unless Otherwise Stated)

31 Desember/December 31,

LIABILITAS DAN EKUITAS

LIABILITAS JANGKA PENDEK

Pinjaman bank jangka pendek	-	300.000.000
Utang usaha	132.311.547	152.015.645
Liabilitas yang masih harus dibayar	493.651.253	143.716.811
Liabilitas imbalan kerja jangka pendek	34.230.408	32.577.030
Utang lain-lain	18.305.870	17.458.779
Utang pajak	18.706.187	20.204.875
Pinjaman jangka panjang jatuh tempo dalam waktu satu tahun	47.745.425	61.349.023
Utang kepada entitas anak	45.266.763	13.882.076
Total Liabilitas Jangka Pendek	790.217.453	741.204.239

LIABILITAS JANGKA PANJANG

Utang derivatif	11.005.055	11.927.017
Pinjaman jangka panjang - setelah dikurangi bagian jatuh tempo dalam waktu satu tahun	473.038.896	572.955.858
Liabilitas jangka panjang imbalan kerja	112.314.561	96.427.419
Pendapatan diterima di muka	3.035.209	3.193.654
Utang obligasi	1.332.255.514	-
Total Liabilitas Jangka Panjang	1.931.649.235	684.503.948

TOTAL LIABILITAS

2.721.866.688 **1.425.708.187**

EKUITAS

Modal saham - nilai nominal US\$0,014 per saham		
Modal dasar - 70.000.000.000 saham yang terdiri dari 1 saham Seri A Dwiwarna dan 69.999.999.999 Saham seri B		
Modal ditempatkan dan disetor penuh - 24.241.508.196 saham yang terdiri dari 1 saham Seri A Dwiwarna dan 24.241.508.195 saham Seri B	344.018.831	344.018.831
Modal saham diperoleh kembali	(251.054)	(251.054)
Modal disetor lainnya	284.334.247	284.334.247
Saldo laba		
Dicadangkan	1.892.288.752	1.477.639.771
Tidak dicadangkan	165.975.302	377.984.662
Komponen ekuitas lainnya	(36.692.011)	(37.841.970)
TOTAL EKUITAS	2.649.674.067	2.445.884.487

TOTAL LIABILITAS DAN EKUITAS

5.371.540.755 **3.871.592.674**

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Short-term bank loans	
Trade payables	
Accrued liabilities	
Short-term employees' benefits liabilities	
Other payables	
Taxes payable	
Current maturities of long-term loans	
Payable to subsidiaries	
Total Current Liabilities	

NON-CURRENT LIABILITIES

Derivative payable

Long-term loans - net of current maturities
Long-term liabilities for employees' benefits
Unearned income
Unearned income

Total Non-Current Liabilities

TOTAL LIABILITIES

EQUITY

Share capital	
Par value US\$0.014 per share	
Authorized - 70,000,000,000 shares	
share which consist of 1 Series A Dwiwarna share and 69,999,999,999 Series B share	
Issued and fully paid - 24,241,508,196 shares which consist of 1 Series A Dwiwarna share and 24,241,508,195 Series B shares	
Treasury stock	
Other paid-in capital	
Retained earnings	
Appropriated	
Unappropriated	
Other components of equity	

TOTAL EQUITY

TOTAL LIABILITIES AND EQUITY

The original supplementary information included herein are in the Indonesian language

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
LAPORAN LABA RUGI
KOMPREHENSIF TERSENDIRI
Tahun yang Berakhir pada Tanggal
31 Desember 2014
(Disajikan dalam Dolar Amerika,
Kecuali Dinyatakan Lain)

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
SEPARATE STATEMENT OF
COMPREHENSIVE INCOME
Year Ended
December 31, 2014
(Expressed in US Dollar,
Unless Otherwise Stated)

Tahun yang berakhir pada tanggal
31 Desember/Years ended December 31,

	2014	2013	
PENDAPATAN NETO	2.925.733.643	2.771.494.893	NET REVENUES
BEBAN POKOK PENDAPATAN	(1.796.148.955)	(1.591.784.014)	COST OF REVENUES
LABA BRUTO	1.129.584.688	1.179.710.879	GROSS PROFIT
Pendapatan lain-lain	16.102.789	8.607.523	Other income
Beban distribusi dan transmisi	(221.880.857)	(225.259.269)	Distribution and transmission expense
Beban umum dan administrasi	(173.719.300)	(167.225.139)	General and administrative expense
Beban lain-lain	(4.968.305)	(9.673.577)	Other expenses
LABA OPERASI	745.119.015	786.160.417	OPERATING PROFIT
Laba kurs, neto	51.890.974	83.933.347	Gain on foreign exchange, net
Laba perubahan nilai wajar derivatif, neto	2.181.174	70.178.350	Gain on change in fair value of derivative, net
Pendapatan keuangan	44.355.272	27.526.590	Finance income
Pendapatan dividen	31.762.167	16.811.767	Dividend income
Beban keuangan	(69.508.562)	(14.773.976)	Finance cost
LABA SEBELUM MANFAAT (BEBAN) PAJAK	805.800.040	969.836.495	PROFIT BEFORE TAX BENEFIT (EXPENSE)
MANFAAT (BEBAN) PAJAK			TAX BENEFIT (EXPENSE)
Kini	(158.591.466)	(189.017.444)	Current
Tangguhan	1.315.300	(4.579.849)	Deferred
Beban Pajak, Neto	(157.276.166)	(193.597.293)	Tax Expense, Net
LABA TAHUN BERJALAN	648.523.874	776.239.202	PROFIT FOR THE YEAR
PENDAPATAN KOMPREHENSIF LAIN TAHUN BERJALAN			OTHER COMPREHENSIVE INCOME FOR THE YEAR
Perubahan nilai wajar aset keuangan yang tersedia untuk dijual	7.258.618	(15.767.821)	Changes in fair value of available-for-sale financial assets
Keuntungan (kerugian) aktuarial	(7.906.831)	27.719.354	Actuarial gains (losses)
Sub-total	(648.213)	11.951.533	Sub-total
Pajak penghasilan terkait	1.798.172	(5.191.037)	Income tax effect
TOTAL PENDAPATAN KOMPREHENSIF LAIN SETELAH PAJAK	1.149.959	6.760.496	TOTAL OTHER COMPREHENSIVE INCOME AFTER TAX
TOTAL LABA KOMPREHENSIF TAHUN BERJALAN	649.673.833	782.999.698	TOTAL COMPREHENSIVE INCOME FOR THE YEAR

The original supplementary information included herein are in the Indonesian language.

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
LAPORAN PERUBAHAN EKUITAS TERSENDIRI
Tahun yang Berakhir pada Tanggal 31 Desember 2014
(Disajikan dalam Dolar Amerika, Kecuali Dinyatakan Lain)

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
SEPARATE STATEMENT OF CHANGES IN EQUITY
Year Ended December 31, 2014
(Expressed in US Dollar, Unless Otherwise Stated)

	Komponen Ekuitas Lainnya/Other Components of Equity							Total Ekuitas/ Total Equity	
	Modal Saham Ditempatkan dan Ditetapkan Penuh/ Issued and Fully Paid Capital/ Stock	Modal Saham Diperoleh Kembali/ Treasury Stock	Modal Disetor Lainnya/ Other Paid in Capital	Saldo Laba/Retained Earnings/ Tidak Diacadangkan/ Unappropriated	Keuntungan (kerugian) Aktual/ Actual/ gain (loss)	Keuangan yang tersedia untuk dijual/Changes in fair value of Available-for-sale financial assets	Total Komponen Ekuitas Lainnya/ Total Other Components of Equity		
Saldo 1 Januari 2013	344.018.831	(251.054)	284.334.247	1.092.941.286	(53.516.670)	8.914.204	(44.602.466)	2.169.071.760	Balance as of January 1, 2013
Laba tahun berjalan 2013	-	-	-	-	-	-	-	776.239.202	<i>Profit for the year 2013</i>
Pendapatan komprehensif lain	-	-	-	-	22.528.317	(15.767.821)	6.760.496	6.760.496	<i>Other comprehensive income</i>
Total laba komprehensif tahun berjalan 2013	-	-	-	-	22.528.317	(15.767.821)	6.760.496	782.999.698	<i>Total comprehensive income for the year 2013</i>
Pembayaran dividen	-	-	-	-	-	-	-	(506.186.971)	<i>Payment of dividends</i>
Pencadangan saldo laba untuk cadangan tujuan	-	-	-	384.698.485	-	-	-	-	<i>Appropriation for specific reserve</i>
Saldo 31 Desember 2013	344.018.831	(251.054)	284.334.247	1.477.639.771	(30.988.353)	(6.853.617)	(37.841.970)	2.445.884.487	Balance as of December 31, 2013
Laba tahun berjalan 2014	-	-	-	-	-	-	-	648.523.874	<i>Profit for the year 2014</i>
Pendapatan komprehensif lain	-	-	-	-	(6.108.659)	7.258.618	1.149.959	1.149.959	<i>Other comprehensive income</i>
Total laba komprehensif tahun berjalan 2014	-	-	-	-	(6.108.659)	7.258.618	1.149.959	649.673.833	<i>Total comprehensive income for the year 2014</i>
Pembayaran dividen	-	-	-	-	-	-	-	(445.884.253)	<i>Payment of dividends</i>
Pencadangan saldo laba untuk cadangan tujuan	-	-	-	414.648.981	-	-	-	(445.884.253)	<i>Appropriation for specific reserve</i>
Saldo 31 Desember 2014	344.018.831	(251.054)	284.334.247	1.892.288.752	(37.097.012)	405.001	(36.692.011)	2.649.674.067	Balance as of December 31, 2014

The original supplementary information included herein are in the Indonesian language

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
LAPORAN ARUS KAS TERSENDIRI
Tahun yang Berakhir pada Tanggal
31 Desember 2014
(Disajikan dalam Dolar Amerika,
Kecuali Dinyatakan Lain)

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
SEPARATE STATEMENT OF CASH FLOWS
Year Ended
December 31, 2014
(Expressed in US Dollar,
Unless Otherwise Stated)

	Tahun yang berakhir pada tanggal 31 Desember/Years ended December 31,		
	2014	2013	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan dari pelanggan	2.904.998.065	2.769.133.210	Receipts from customers
Penerimaan dari penghasilan bunga	22.644.274	23.071.535	Receipts from interest income
Pembayaran ke Entitas Anak	(93.354.160)	(90.710.233)	Payment to Subsidiaries
Pembayaran kepada pemasok	(1.696.304.317)	(1.541.264.393)	Payments to suppliers
Pembayaran untuk beban operasi dan aktivitas operasi lainnya	(290.659.102)	(147.899.209)	Payments for operating expenses and other operating activities
Pembayaran kepada karyawan	(45.198.102)	(39.228.520)	Payments to employees
Pembayaran pajak penghasilan setelah dikurangi penerimaan dari tagihan pajak	(177.707.382)	(302.959.699)	Payments for income taxes net of receipts from claims for tax refund
Pembayaran bunga	(69.360.495)	(14.285.140)	Payments for interest
Kas neto yang diperoleh dari aktivitas operasi	555.058.781	655.857.551	Net cash provided by operating activities
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITIES
Penerimaan dividen dari entitas anak asosiasi	31.762.167	16.811.767	Receipt of dividends from subsidiary and associated entity
Penambahan aset tetap	(128.513.579)	(199.909.620)	Additions to fixed assets
Penambahan (pengurangan) investasi jangka pendek	-	4.182.001	Additions (deductions) of short-term investments
Penerimaan <i>Promissory Notes</i> dan <i>Shareholder Loan</i>	(565.427.074)	33.883.468	Receipts of <i>Promissory Notes</i> and <i>Shareholder Loan</i>
Penambahan penyertaan saham	(793.145.737)	(529.065.379)	Increase in investment in shares of stock
Penambahan (pengurangan) kas yang dibatasi penggunaannya	856.963	(525.458)	Additions (deductions) to restricted cash
Kas neto yang digunakan untuk aktivitas investasi	(1.454.467.260)	(674.623.221)	Net cash used in investing activities
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan pinjaman bank jangka pendek	500.000.000	300.000.000	Receipts from short-term bank loans borrowings
Penerimaan hasil obligasi	1.336.999.500	-	Receipts from the issuance of bonds
Pembayaran pinjaman bank jangka pendek	(800.000.000)	-	Payments of short-term bank loans
Pembayaran dividen	(443.982.248)	(501.027.063)	Payments of dividends
Pembayaran pinjaman	(61.442.435)	(62.428.379)	Payments of loans
Pembayaran dari derivatif	1.259.212	(5.010.263)	Payments of derivative
Kas neto yang diperoleh dari (digunakan untuk) aktivitas pendanaan	532.834.029	(268.465.705)	Net cash provided by (used in) financing activities
Pengaruh perubahan kurs neto dari kas dan setara kas	(9.993.037)	(52.562.216)	Net effects foreign exchange differences from cash and cash equivalents
PENURUNAN NETO KAS DAN SETARA KAS	(376.567.487)	(339.793.591)	NET DECREASE IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS AWAL TAHUN	1.110.773.500	1.450.567.091	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR
KAS DAN SETARA KAS AKHIR TAHUN	734.206.013	1.110.773.500	CASH AND CASH EQUIVALENTS AT END OF YEAR

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**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
CATATAN ATAS LAPORAN KEUANGAN
TERSENDIRI
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan Dalam Dolar AS,
Kecuali Dinyatakan Lain)**

**PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
NOTES TO SEPARATE FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar,
Unless Otherwise Stated)**

1. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING

Dasar Penyusunan Laporan Keuangan Tersendiri Entitas Induk

Laporan keuangan tersendiri Entitas Induk disusun sesuai dengan Pernyataan Standar Akuntansi Keuangan ("PSAK") No. 4 (Revisi 2009), "Laporan Keuangan Konsolidasian dan Laporan Keuangan Tersendiri".

PSAK No. 4 (Revisi 2009) mengatur dalam hal entitas memilih untuk menyajikan laporan keuangan tersendiri maka laporan tersebut hanya dapat disajikan sebagai informasi tambahan dalam laporan keuangan konsolidasian. Laporan keuangan tersendiri adalah laporan keuangan yang disajikan oleh Entitas Induk yang mencatat investasi pada entitas anak, entitas asosiasi, dan pengendalian bersama entitas berdasarkan kepemilikan ekuitas langsung bukan berdasarkan pelaporan hasil dan aset neto *investee*.

Kebijakan akuntansi yang diterapkan dalam penyusunan laporan keuangan tersendiri entitas induk adalah sama dengan kebijakan akuntansi yang diterapkan dalam penyusunan laporan keuangan konsolidasian sebagaimana diungkapkan dalam Catatan 2 atas laporan keuangan konsolidasian, kecuali untuk penyertaan pada entitas anak dan entitas asosiasi.

Sesuai dengan PSAK No. 4 (Revisi 2009), Entitas Induk mencatat penyertaan pada entitas anak dan entitas asosiasi dengan menggunakan metode biaya. Entitas Induk juga mengakui dividen dari entitas anak dan entitas asosiasi pada laporan laba rugi dalam laporan keuangan tersendiri ketika hak menerima dividen ditetapkan.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of the Separate Financial Statements of the Parent Entity

The separate financial statements of the Parent Entity are prepared in accordance with the Statement of Financial Accounting Standards ("PSAK") No. 4 (Revised 2009), "Consolidated and Separate Financial Statements".

PSAK No. 4 (Revised 2009) regulates that when an entity elected to present the separate financial statements, such financial statements should be presented as supplementary information to the consolidated financial statements. Separate financial statements are those presented by a Parent Entity, in which the investments are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees.

Accounting policies adopted in the preparation of the parent entity separate financial statements are the same as the accounting policies adopted in the preparation of the consolidated financial statements as disclosed in Note 2 to the consolidated financial statements, except for investments in subsidiaries and associates.

In accordance with PSAK No. 4 (Revised 2009), the Parent Entity recorded the investments in subsidiaries and associates using cost method. The Parent Entity also recognizes dividends from subsidiaries and associate in profit or loss in its separate financial statements when its right to receive the dividends is established.

The original supplementary information included herein are in the Indonesian language

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
CATATAN ATAS LAPORAN KEUANGAN
TERSENDIRI
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan Dalam Dolar AS,
Kecuali Dinyatakan Lain)

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
NOTES TO SEPARATE FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar,
Unless Otherwise Stated)

2. PENYERTAAN SAHAM PADA ENTITAS ANAK DAN ENTITAS ASOSIASI

Informasi mengenai entitas asosiasi yang dimiliki Kelompok Usaha diungkapkan dalam Catatan 1.d atas Laporan Keuangan Konsolidasian.

Pada tanggal 31 Desember 2014 dan 2013, Entitas Induk memiliki penyertaan saham pada entitas anak dan entitas asosiasi berikut:

2. INVESTMENTS IN SHARES OF STOCK OF SUBSIDIARIES AND ASSOCIATES

Information pertaining to associates owned by the Group is disclosed in Note 1.d to the Consolidated Financial Statements.

As of December 31, 2014 and 2013, the Parent Entity has the following investments in shares of stock of subsidiaries and associates:

2014					
Nama Entitas/ Entity Name	Persentase kepemilikan/ Percentage of ownership	Biaya perolehan 1 Jan. 2014/ Acquisition cost Jan. 1, 2014	Penambahan/ Additions	Pengurangan/ Deduction	Nilai Tercatat 31 Des. 2014/ Carrying value Dec. 31, 2014
Entitas Anak/Subsidiaries					
PT Transportasi Gas Indonesia (Transgasindo)	59,87%	81.755.336	-	-	81.755.336
PT PGN Euro Finance 2003 (PGNEF)	100,00%	1	-	-	1
PT PGAS Telekomunikasi Nusantara (PGASKOM)	99,93%	6.872.161	-	-	6.872.161
PT PGAS Solution (PGASSOL)	99,91%	9.028.138	-	-	9.028.138
PT Saka Energi Indonesia (SEI)	99,00%	533.430.154	529.542.353	-	1.062.972.507
PT Gagas Energi Indonesia (GEI)	99,00%	3.790.464	-	-	3.790.464
PT PGN LNG Indonesia (PLI)	99,98%	39.249.450	255.972.090	-	295.221.540
PT Permata Graha Nusantara (PERMATA)	99,95%	-	7.631.294	-	7.631.294
Entitas Asosiasi/Associates					
PT Nusantara Regas	40,00%	58.158.141	-	-	58.158.141
PT Gas Energi Jambi	40,00%	111.453	-	-	111.453
PT Banten Gas Sinegy	0,14%	2.718	-	-	2.718
Total/Total		732.398.016	793.145.737	-	1.525.543.753

2013					
Nama Entitas/ Entity Name	Persentase kepemilikan/ Percentage of ownership	Biaya perolehan 1 Jan. 2013/ Acquisition cost Jan. 1, 2013	Penambahan/ Additions	Pengurangan/ Deduction	Nilai Tercatat 31 Des. 2013/ Carrying value Dec. 31, 2013
Entitas Anak/Subsidiaries					
PT Transportasi Gas Indonesia (Transgasindo)	59,87%	81.755.336	-	-	81.755.336
PT PGN Euro Finance 2003 (PGNEF)	100,00%	1	-	-	1
PT PGAS Telekomunikasi Nusantara (PGASKOM)	99,93%	6.872.161	-	-	6.872.161
PT PGAS Solution (PGASSOL)	99,91%	9.028.138	-	-	9.028.138
PT Saka Energi Indonesia (SEI)	99,00%	4.364.775	529.065.379	-	533.430.154
PT Gagas Energi Indonesia (GEI)	99,00%	3.790.464	-	-	3.790.464
PT PGN LNG Indonesia (PLI)	99,98%	39.249.450	-	-	39.249.450
Entitas Asosiasi/Associates					
PT Nusantara Regas	40,00%	58.158.141	-	-	58.158.141
PT Gas Energi Jambi	40,00%	111.453	-	-	111.453
PT Banten Gas Sinegy	0,14%	2.718	-	-	2.718
Total/Total		203.332.637	529.065.379	-	732.398.016

The original supplementary information included herein are in the Indonesian language

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
CATATAN ATAS LAPORAN KEUANGAN
TERSENDIRI
31 Desember 2014 dan Tahun
Yang Berakhir Pada Tanggal Tersebut
(Disajikan Dalam Dolar AS,
Kecuali Dinyatakan Lain)

PT PERUSAHAAN GAS NEGARA (PERSERO) TBK
NOTES TO SEPARATE FINANCIAL
STATEMENTS
December 31, 2014 and The Year
Then Ended
(Expressed in US Dollar,
Unless Otherwise Stated)

3. SALDO DAN TRANSAKSI SIGNIFIKAN DENGAN ENTITAS ANAK DAN ENTITAS ASOSIASI

Perusahaan mempunyai transaksi dan saldo yang signifikan dengan pihak entitas anak dan entitas asosiasi berikut:

3. SIGNIFICANT BALANCES AND TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES

The Company has the following significant transactions and balances with its subsidiaries and associates:

Pihak Berelasi/ Related Parties	Tahun/Year	Piutang/ Receivables	Aset Tetap/ Fixed Assets	Piutang Promissory Notes/ Promissory Notes Receivable	Piutang Shareholder Loan/ Shareholderloan Receivable	Utang/ Payables
PT Tranportasi Gas Indonesia (Entitas Anak/Subsidiary)	2014	3.943.467	-	13.714.627	-	4.387.312
	2013	1.526.681	-	41.329.897	-	3.474.478
PT PGAS Telekomunikasi Nusantara (Entitas Anak/Subsidiary)	2014	846.535	-	-	11.414.791	204.384
	2013	703.461	-	-	4.512.265	822.018
PT PGAS Solution (Entitas Anak/ Subsidiary)	2014	10.469	-	-	-	12.131.958
	2013	16.340	8.789.401	-	-	5.089.712
PT Gagah Energi Indonesia (Entitas Anak/ Subsidiary)	2014	8.461.431	-	-	20.000.000	3.894.474
	2013	13.577.761	-	-	-	4.417.117
PT Saka Energi Indonesia (Entitas Anak/ Subsidiary)	2014	4.462.193	-	-	448.350.000	8.371
	2013	194.065	-	-	-	8.544
PT PGN Euro Finance 2003 Limited (Entitas Anak/Subsidiary)	2014	-	-	-	-	-
	2013	1.471.010	-	-	-	-
PT Permata Graha Nusantara (Entitas Anak/Subsidiary)	2014	-	-	-	-	-
	2013	-	-	-	-	-
PT PGN LNG (Entitas Anak/ Subsidiary)	2014	3.422.152	-	-	-	20.430.029
	2013	-	-	-	-	-
PT Kalimantan Jawa Gas (Entitas Anak/ Subsidiary)	2014	-	-	-	65.000.000	-
	2013	-	-	-	-	-
PT Nusantara Regas (Entitas Asosiasi/ Associate)	2014	-	-	-	-	-
	2013	214.166	-	-	-	-

08

BAPEPAM
Cross Reference

BAPEPAM-LK NO. X.K.6 CROSS REFERENCE

Pursuant to the Attachment to Bapepam-LK
Regulation No. Kep-431/BL/2012 dated 1 August 2012

Criteria	Explanation	Page
I. General		
1. Written in good and correct Bahasa Indonesia, it is recommended to present the report as well as in English.		
2. Printed with good quality using readable type and size of font		
3. The Annual Report is posted in the Company's website.		
4. The Annual Report shall be made in such a way that is easy to read. pictures, graphs, tables and charts by mentioning the title and / or description clearly.		
5. The Annual Report shall be made in such a way that is easy to read. Pictures, graphs, tables and charts are presented with the title and / or description clearly stated.		
6. Annual Report Theme	PGN's Journey as Part of Indonesia's Journey	
7. Bapepam-LK No. X. K.6 Reference		
II. Financial Highlights		
1. Financial information in comparative form over a period of 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years	The information includes: 1. Revenues; 2. Gross Profit; 3. Income (Loss); 4. Total income (loss) attributable to owners of the parent entity and non controlling interest; 5. Total comprehensive income (loss); 6. Total comprehensive income (loss) attributable to owners of the parent entity and non controlling interest; 7. Income (loss) per share	24
2. Balance sheet information in comparative form over a period of 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years	The information includes: 1. Net working capital 2. Investment in associated entities/joint ventures 3. Total assets; 4. Total liability; 5. Total equity.	25
3. Financial ratios in comparative form over a period of 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years	1. Income (loss) ratio to the total asset; 2. Income (loss) ratio to the equity; 3. Income (loss) ratio to the revenues; 4. Current ratio; 5. Liability ratio to the equity; 6. Liability ratio to the total asset; and 7. Other information and financial ratios relevant to the company and its industry .	25
4. The annual report must include information regarding the shares issued for each quarter in the period of 2 (two) financial years (if any)	Information includes: 1. Number of outstanding share 2. Market Capitalization 3. Highest, lowest, and closing share price; and 4. Trading volume	25-26
5. Information regarding obligations sukuk or convertible bonds still in circulation during the last 2 (two) fiscal years.	Information includes among others: 1. The amount of outstanding bonds / sukuk / convertible bonds in circulation 2. The interest / return rate 3. Maturity date 4. Obligation/sukuk rating	79 118-121

Criteria	Explanation	Page
III. Report to The Shareholders		
1. Report from the Board of Commissioners	Includes the following items: 1. Assessment on the performance of the Board of Directors in managing the company; 2. View on the prospects of the company's business as established by the Board of Directors; 3. Change in the composition of members of the Board of Commissioner and the reason of its change (if any); and 4. Committees under the supervisions of the Board of Commissioners.	29-32
2. Report from the Board of Directors	Includes the following items: 1. The company's performance, encompassing among others strategic policies, comparison between achievement of results and targets and challenges faced by the company; 2. Business prospects; 3. Implementation of Good Corporate Governance by the company; 4. Changes in the composition of the Board of Directors (if any).	33-40
3. Signatures of Members of the Board of Directors and Board of Commissioners	Containing the following: 1. Signed by all members of the Board of Commissioners and the Board of Directors by mentioning their names and positions on a separate sheet of paper 2. Statement that the Board of Directors and Board of Commissioners are fully responsible for the truthfulness of the content of the Annual Report 3. Written explanation in a separate letter from the concerned member in the event of not signing the Annual Report, or; written explanation in separate letter from another member in the event the concerned member did not provide a written explanation	41
IV. Company Profile		
1. Company Profile	Information includes the following items: Name, address, telephone, facsimile, email and website and/or branch office or representative office, where the public can obtain information about the company;	43 86-87 back cover
2. Brief history of the company	Includes among others: date/year of establishment, name and change in the company name, if any.	46-47
3. Line of Business	Description includes: 1. The line of business as stated in the last Articles of Association; and 2. Type of products and/or services produced	43 48-49
4. Organization Structure	In the form of a chart, at least until one level below the Board of Directors, along with names and titles;	54-55
5. Vision and Mission;	Description includes: 1. Company's vision and mission 2. Statement that vision and mission has been approved by the Board of Directors / Board of Commissioners	56-57

Criteria	Explanation	Page
6. Profile of the Board of Commissioners	Description includes: 1. Name; 2. Position history, work experience, and legal basis for the first appointment in publicly listed companies, as set out in the minutes of GMS decisions; 3. Age 4. Education history 5. A brief description of the type of trainings attended in order to improve the competency of the Board of Commissioners during the year (if any); and 6. Disclosure of affiliated relations with other members of the Board of Director and Board of Commissioners, as well as shareholder (if any)	58-59 151
7. Profile of the Board of Directors	Description includes: 1. Name and brief description regarding the duty and function performed; 2. Position history, work experience, and legal basis for the first appointment in the Company as set out in the minutes of GMS decisions; 3. Age; 4. Education history 5. A brief description of the type of training in order to improve the competence of the Board of Directors that they participated in during the financial year (if any); and 6. Disclosure of affiliated relations with other members of the Board of Director and shareholder (if any);	60-61 159-160
8. Change in the composition of the Board of Commissioners and/or Board of Directors after the end of financial year until the time limit of submission of annual report as referred in item number 1 letter a, the composition has set in annual report is the composition of the last and before of the Board of Commissioner and/or Board of Director		145
9. Number of employee and description of competency development for the year including implementation of employee education and training programs	Information includes: 1. Number of employee for each organization level 2. Number of employee for each education level 3. Competency development that has been done by reflecting the equality of opportunity to all employees 4. Funds incurred	64-67 220-222
10. Composition of shareholders	Description includes following items: 1. Shareholder who own 5% (five) or more of issuer shares or Public Company; 2. Commissioner and Director who own issuer shares or Public Company; and 3. The category of public shareholders who each own less than 5% of the shares and percentage of their ownership	68-69
11. Information regarding major shareholder and issuer or public company, both directly or indirectly, which presented in form of scheme or chart;		68-69
12. List of subsidiaries and associated entities	1. Name of the subsidiaries/associations 2. Percentage of share ownership 3. Information of the line of business of subsidiaries/associated entities 4. Information of subsidiaries and associations operational status (has operated or has not operated yet) 5. Information regarding the address of subsidiaries	70-76 87

Criteria	Explanation	Page
13. Group Structure of the company	Company group structure including subsidiaries, associated entities, joint ventures and special purpose vehicles (SPV) or statement that there is no group	45
14. Listing chronology of the other securities and securities rating (if any)	Includes the following items: 1. Listing chronology of other securities 2. Corporate actions affecting total number of other securities 3. Changes in the total number of other securities from initial listing to the end of the fiscal year 4. Name of exchange(s) where the other securities are listed 5. Securities rating	78
15. Name and address of the Rating Agency (if any)	Information Includes the following items: 1. Name and address of PT Pemeringkat Efek Indonesia (Pefindo) 2. Name and address of Standard & Poor's 3. Name and address of Moody's Asia Pacific Limited 4. Name and address of Fitch Ratings	79
16. Names and addresses of capital market agencies and professionals	Information Includes the following items: 1. Name and address of BAE 2. Name and address of Public Accountant Firm 3. Name and address of Indonesia Stock Exchange 4. Name and address of KSEI	80-81
17. Awards and/or certification received by the company at both national and international levels during the year (if any)	Information includes the following items: 1. Names of awards and/or certificates 2. Year awarded 3. Awarding or certifying authority or institution 4. validity (for certificates)	82-85
18. Names and addresses of subsidiaries and/or branch offices and/or representative offices (if any)		87
V. Management's Discussion and Analysis		
1. Review of operations per business segments in accordance with the type of industry or Public Company, includes:	Description includes the following items: 1. Production, including process, capacity, and its development; 2. Revenues; and 3. Profitability;	99
2. Comprehensive analysis of financial performance	1. current asset, non current asset, and total asset; 2. Short term liabilities, long term liabilities, and total liabilities; 3. Equity; 4. Revenues, expense, income (loss), other comprehensive revenues, and total comprehensive income (loss); and 5. Cash flow;	113-119
3. Ability to pay debts by presenting relevant calculation ratio and receivables collectibility level by presenting the relevant calculation ratio;	Explanation of: 1. Ability to pay debts, both short-term and long-term 2. Collectibility receivables level	120
4. Discussion of capital structure and capital structure policy	Explanation of: 1. Capital structure 2. Capital structure policy	120-121
5. Discussion of material commitments for capital expenditure	Explanation of: 1. The purpose of the commitments 2. Expected sources of funds to honor the commitment 3. Currency 4. Planned actions to hedge against foreign currency risks Note: if the company has no commitments for capital expenditure, this should be stated	120-121

Criteria	Explanation	Page
6. If financial statements disclosed significant increase in sales/revenues, describe how the increase is associated with the sales amount /volume	Description includes: 1. The amount of increase in sales or revenues 2. Factors attributable to the significant increase in sales or revenues associated with the sales amount/volume	121-122
7. Comparison between targets or projections at the beginning of financial year with the realization regarding the revenues, profit, capital structure or others which or considered important for the Company	Description includes: 1. Comparison between targets or projections at the beginning of financial year with the realization 2. Targets or projection set by the Company for next year	121-122
8. Material information and facts subsequent to the date of the accountant's report	Description of significant events after the date of the accountant's report, including the effects on the company's future performance and business risk Note: if there were no significant events subsequent to the date of the accountant's report, this should be stated	122-123
9. Business prospects of the company;	Description of the company's prospects in relation to the industry and the economy in general, with supporting quantitative data from reliable sources	123
10. Targets/projections set by the Company at least for the next one year, in terms of revenues, income (loss), capital structure, dividend policy, or others are considered important for the company;		121-122 124
11. Explanation of marketing aspects;	Information includes: 1. Marketing strategy and 2. Market share;	128-129
12. Dividend policy and the dates and total dividend per share (cash and/ or non cash) and total dividend per year declared and paid for the last 2 (two) years	Includes the description of: 1. Total dividend 2. Total dividend per share 3. Payout ratio For each year Note: if no dividend was paid, state the reason	130
13. Use of the proceeds from the public offering	Information includes: 1. In case for financial year, Issuers has an obligation to report the realization of the use of funds, it must be disclosed realization of the use of funds and proceeds from cumulative public offering until the end of financial year; and 2. In the event of changes in the use of funds as stipulated in Regulation Number X.K.4, then the Issuer must state the changes	131
14. Material information on investments, expansion, divestments, acquisitions or debt/ capital restructuring	Description includes: 1. Purpose of transaction; 2. Value of transaction or total or restructuring; 3. Source of funds. Note: If no such transactions took place, this should be noted	131-132

Criteria	Explanation	Page
15. Information on material transactions that have a conflict of interest and/or transactions with affiliated parties	Description includes: - Names of parties to transaction and nature of affiliation; - Explanation of the fairness of the transaction; - Purpose of transaction; - Realisation of transaction in the current period; - Company policy on the mechanism for review of the transaction; - Compliance with related statutory provisions Note: if no such transaction took place, this should be stated	132
16. Changes in the regulations that significantly affect the company and its impact on the financial report (if any);	Description includes: changes in the regulations and their impact on the company Note: if there are no changes that have a significant impact, this should be stated	133
17. Changes in accounting policy, reasons and its impact on the financial report (if any)	Description includes: changes in accounting policy, reasons and its impact on the financial report	134
VI. (Corporate Governance)		
1. Description of the Board of Commissioners	Description includes: - Description of the duty of the Board of Commissioners - Procedure disclosure, basis for determining remuneration, - The structure and the amount of remuneration of members of the Board of Commissioners; and - Meeting frequency and the attendance rate of the members of the Board of Commissioners - Disclosure of Board Charter - Training program to improve Board of Commissioner's competence	146-151
2. Description of the Board of Directors	Description includes: - Scope of work and responsibilities of each member of the Board of Directors; - Frequency of meeting - Attendance rate of members of the Board of Directors in meetings - Training program to improve Board of Director's competence	152-160
3. Assessment of the members of the Board of Commissioners and/or Board of Directors	Explanation of: - Process of assessment of the members of the BoC and/or BoD - Criteria used in the assessment of members of the BoC and/or BoD - Assessor	160-162
4. Explanation of Directors' remuneration policy	Includes: - Explanation of the procedure for determining remuneration - Remuneration structure, showing type and amount of short-term, long-term /post-service compensation for each Director - Performance indicators used to measure Directors' performance	156
5. Information on Major and Controlling Shareholders, both direct and indirect, up to individual shareholders	In the form of a chart or diagram	68-69

Criteria	Explanation	Page
6. Disclosure of affiliation or relationship between the members of Directors, Board of Commissioners and Major or Controlling Shareholders	Description includes: 1. Affiliation or relationship between the members of the Board of Directors 2. Affiliation or relationship between the members of the Board of Directors and the members of the Board of Commissioners 3. Affiliation or relationship between the members of the Board of Directors and Major or Controlling Shareholders 4. Affiliation or relationship between the members of the Board of Commissioners 5. Affiliation or relationship between the members of the Board of Commissioners and Major of Controlling Shareholders Note: if no such affiliation or relationship exist, this should be stated	58-61 162
7. Description of Audit Committee	Description includes: 1. Names; 2. Positions, qualifications and work experience of the committee members; 3. Education; 4. Period of office of the members of Audit Committee; 5. Disclosure of Audit Committee's Independence; 6. Disclosure of company's policy and its implementation, regarding frequency of audit committee meetings and attendance rate; 7. Brief report on activities of the audit committee in financial year specified accordance in the Audit Committee charter;	162-167
8. Risk Management and Business Expansion Monitoring Committee	Information includes: 1. Name, position and CV of each member of the Risk Management and Business Expansion Monitoring Committee 2. Independence of members of the Risk Management and Business Expansion Monitoring Committee 3. Explanation of tasks and responsibilities. 4. Explanation of activities of the Risk Management and Business Expansion Monitoring Committee 5. Frequency of meetings and rate of attendance of members of the Risk Management and Business Expansion Monitoring Committee	168-171
9. Other Committees of the Board of Commissioners	Information includes: 1. Name, position and CV of each member of any other committees 2. Independence of members of any other committees 3. Explanation of tasks and responsibilities. 4. Explanation of activities of any other committees 5. Frequency of meetings and rate of attendance of members of any other committees	172-176
10. Description of duties and function of Corporate Secretary	Description includes: 1. Name; 2. Brief CV, work experience, and legal basis for appointment; 3. Educational Background; 4. Office period of the Corporate Secretary 5. Brief of the implementation of the duties of the Corporate Secretary in financial year;	178
11. Description of the Internal Audit Unit	Description includes: 1. Name; 2. Brief CV, work experience, and legal basis for appointed; 3. Professional internal audit qualifications/certification (if any); 4. Structure or status of the Internal Audit Unit 5. Duties and responsibilities of Internal Audit Unit accordance listed in the charter of Internal Audit Unit; and 6. Brief of the implementation of the duties of the Internal Audit Unit during the year;	180-189

Criteria	Explanation	Page
12. Corporate Accountant	Information includes: 1. Number of periods for which the accountant has audited the Company's financial statements 2. Number of periods for which the Public Accountancy firm has audited the Company's financial statements 3. Amount of fee for the audit and other services (if the accountant renders other attestation services together with the audit) 4. Services rendered by the accountant other than financial auditing services	183
13. Explanation of the company's risk management	Information includes: 1. Explanation of the risk management system 2. Explanation of the evaluation of the effectiveness of the risk management system 3. Explanation of the risks faced by the company 4. Efforts to manage such risks	183-186
14. Explanation of the internal control system	Information includes: 1. Brief explanation of the internal control system, including financial and operational controls 2. Explanation of the internal control system's alignment with internationally recognized frameworks/COSO (control environment, risk assessment, control activities, information and communication, and monitoring activities) 3. Explanation of the evaluation of the effectiveness of the internal control system	183
15. Major litigation involving the company, its subsidiaries, members of its Board of Directors and/or Board of Commissioners who were serving in their positions during the annual report period	Explanation includes: 1. Resume of the case/claim; 2. Status of the case/claim; and 3. Impact on the condition of the company.	200-203
16. Access to corporate information and data	Explanation of the availability of and access to corporate information and data by the public, such as via a website, mass media, mailing list, bulletins, analysts' meetings, and so on	203
17. Information regarding Corporate's Code of Conduct and Culture (if any)	Description includes: 1. Code of conduct; 2. Main point of the Code of Conduct; 3. Content of the Code of conduct 4. Code of Conduct Applies to All Level of the Organization 5. Dissemination of the code of conduct and efforts to enforce the code; 6. Disclosure that the code of conduct is applicable to the Board of Commissioners, Board of Directors and corporate's employee;	187-192
18. Description regarding share ownership program by employee and/or management implemented by Issuer or Public Companies, such as total, period, requirements of eligible employees/management, exercise price as well (if any)		130-131
19. Description regarding Whistleblowing System implemented in the Company to handle reports of misconduct or violation that could harm the Company or stakeholders (if any)	Description includes: 1. Method of reporting; 2. Protection of the whistleblower; 3. Handling of reports; 4. Party that handles the reports; 5. Outcome of the reports	196-199

Criteria	Explanation	Page
VII. Corporate Social Responsibility		
1. Explanation of corporate social responsibility related to the environment	Information includes: 1. Policy, 2. Activities, and 3. Financial impact of activities related to the environment program, such as the use of environment-friendly and recyclable materials and energy, the company's waste management system, and so on 4. Certificates held in relation to environmental management	210-215
2. Explanation of corporate social responsibility related to human resources and occupational health & safety	Information includes: 1. Policy, 2. Activities; and 3. Financial impact of activities related to HR and OHS practices, such as gender equality and equal work opportunities, occupational safety facilities, employee turnover rate, work accident rate, training, and so on	216-231
3. Explanation of corporate social responsibility related to social and community development	Information includes: 1. Policy, 2. Activities; and 3. Financial impact of activities related to social and community development, such as the use of local workforce, empowerment of communities in the vicinity of the company, improvement of social facilities and infrastructure, other donations, and so on	232-237
4. Explanation of corporate social responsibility related to consumer responsibility	Information includes: 1. Policy, 2. Activities; and 3. Financial impact of activities related to product responsibility, such as consumer health and safety, product information, facilities, number and handling of consumer complaints, and so on	238-244
VIII. Audited Financial Report		
1. Annual Financial statements included in the Annual Report must be prepared in accordance with the accounting standards in Indonesia that have been audited by an Accountant. Financial statements must include a statement regarding the responsibility for the Financial Statements as stipulated in the Regulation No. VIII.G.11 or Regulation No. X.E.1.		245
2. Statement Letter from the Board of Directors regarding the Board of Directors' responsibility to the Financial Statements	Compliance with Bapepam regulation-LK No.VIII.G.11 regarding the Board of Director's Responsibility of the Financial Statements.	247
3. Opinion of Independent Auditor of Financial Statements		249-251
4. Description of Independent Auditor's opinion	Description includes: 1. Name & signature 2. Audit report date 3. License number of the Public Accountant Firm and license number of the Public Accountant	251

Criteria	Explanation	Page
5. Full Financial Statements	Includes all elements of the Financial Statements: 1. Balance sheet 2. Comprehensive income statement 3. Report on changes in equity 4. Cash flow statement 5. Notes to the financial statement 6. Financial position at the beginning of the comparative periods presented if the company implemented an accounting policy retrospectively or restated an account in the financial statement, or if the company reclassified financial statement accounts (if relevant)	252-253 254-255 256 257 258-476 N/A
6. Disclosure in notes to the Financial Statement when the company applies an accounting policy retrospectively or restates an account in the financial statement or reclassifies an account in the financial statement	State whether or not there is disclosure according to SFAS	N/A
7. Comparison of profitability ratio	Comparison of profit (loss) in the current and previous years	254-255
8. Cash flow report	Should fulfill the following provisions: 1. Classification of activities into three categories: operating, investing and financing 2. Use of the direct method to report cash flow from operating activities 3. Separate presentation of cash income and/or expenditure in the current year from operating, investing and financing activities 4. Disclosure of non-cash activities in the notes to the financial statement	257 257 257 387-388
9. Summary of accounting policy	Includes at least the following: 1. Statement of compliance with SFAS 2. Basis of measurement and presentation of the financial statement 3. Recognition of income and expense 4. Fixed assets 5. Financial instruments	268 268-317 295-296 288-290 274-286
10. Disclosure of related party transactions	Items that must be disclosed: 1. Name(s) of related parties, and nature of relationship with related parties 2. Value of transactions and percentage of total related income and expense 3. Balance and percentage of total assets or liabilities 4. Terms and conditions of related party transactions	396-397 397-398 398 396-400
11. Disclosures related to Taxation	Items that must be disclosed: 1. Explanation of the relationship between tax expense (income) and accounting profit 2. Reconciliation between fiscal and current tax assessment 3. Statement that the reconciled taxable profit is the basis for the annual corporate income tax return 4. Breakdown of deferred tax assets and liabilities recognized in the balance sheet for each period presented, and total deferred tax expense (income) recognized in the income statement if such amount is not shown in the total deferred tax assets or liabilities recognized in the financial statement 5. Disclosure of whether or not there are any tax disputes	368-380
12. Disclosure of Fixed Assets	Items that must be disclosed: 1. Depreciation method used 2. Explanation of whether fair value model or cost model have been adopted as accounting policy 3. Method and significant assumptions used in estimating the fair value of fixed assets (revaluation model) or disclosing the fair value of fixed assets (cost model) 4. Reconciliation of recorded gross amount and cumulative depreciation of fixed assets at the beginning and end of the period by showing addition, reduction and reclassification	288-290 336-340

Criteria	Explanation	Page
13. Recent Developments in Financial Accounting Standards and Other Regulations	Description of FAS/regulations that have been issued but are not yet effective, which have not been applied by the company, stating: 1. Type and effective date of the new FAS/ regulations 2. Nature of the change that is not yet effective or the change in accounting policy; and 3. Effect of initial application of the new AS and regulations on the Financial Statements	306-308
14. Disclosure related to the Financial Instrument	Items that must be disclosed: 1. Requirements, conditions and policies for each group of financial instruments 2. Classification of financial instruments 3. Fair value of each group of financial instruments 4. Explanation of the risks related to the financial instruments: market risk, credit risk and liquidity risk 5. Purpose and policy on financial risk management	274-286 442-458
15. Publication of the Financial Statements	Items to be disclosed include: 1. Date of authorization for the publication of the Financial Statements; and 2. Party responsible for authorizing the Financial Statements	247 261

GLOSSARY

AMDAL	Abbreviation of “Analisis Mengenai Dampak Lingkungan” analysis of environment impact, environment management plan and environment monitoring plan
Bapepam - LK	Abbreviation of “Badan Pengawas Pasar Modal – Lembaga Keuangan” the Indonesian Capital Market Supervisory Agency as denoted in Law No. 8 year 1995
BBL	Barrel, unit of volume usually used to measure oil. 1 barrel = 159 liters
BBM	Abbreviation of “Bahan Bakar Minyak” or petroleum-based fuel
BCF	Billion Cubic Feet, a unit of volume used to measure natural gas
BEI	Abbreviation of “Bursa Efek Indonesia”, the Indonesia Stock Exchange
BEJ	Abbreviation of “Bursa Efek Jakarta”, the Jakarta Stock Exchange
BES	Abbreviation of “Bursa Efek Surabaya”, the Surabaya Stock Exchange
BOE	Barrels of Oil Equivalent, is a unit which is used to convert natural gas unit to it's equivalent oil unit. (1 BOE = 6 MCF)
BP Migas	Abbreviation of “Badan Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi”, the Upstream Oil and Gas Business regulator, a government agency that was established pursuant to the Oil and Gas Law juncto Government Regulation No 42 year 2002 to control upstream activities in the oil and gas business
BPH Migas	Abbreviation of “Badan Pengatur Hilir Minyak dan Gas Bumi”, the regulator for Downstream Oil and Gas Business Activities. A government body that was established based on Oil and Gas Law juncto Government Regulation No 67 year 2002 juncto Presidential Decree No 86 year 2002, to control and supervise supply and distribution of natural gas and it's transportation through pipelines in downstream business activity.
BSCF	Billion Standard Cubic Feet
BTU	British Thermal Unit, a caloric unit used to measure gas energy
BUMN	Abbreviation of “Badan Usaha Milik Negara” or State-Owned Enterprise as denoted in Law No 19 year 2003.
CAGR	Compound Annual Growth Rate
CBM	Coal Bed Methane
CCGS	Company Corporate Governance Scorecard
CII	Customer Importance Index
CF	Cubic Feet, a volume unit used to measure natural gas 1CF = 0,028 m ³
COSO	Committee of the Sponsoring Organizations of the Treadway Commission
CNG	Compressed Natural Gas
CRMP	Certified Risk Management Professional
CSC	Central Safety Committee
CSI	Customer Satisfaction Index
DAB#3	Dispute Adjudication Board #3
Distribution	Activity of natural gas distribution through pipelines
DMO	Domestic Market Obligations
DOH	Abbreviation of “Daerah Operasi Hulu” the upstream operation region
ECSC	Executive Central Safety Committee
EIB	European Investment Bank
ESA	Employee Stock Allocation, a program aimed to provide an opportunity to all employees to own the Company's shares
FSRT	Floating Storage & Regasification Terminal
FSRU	Floating Storage & Regasification Unit
GMS	General Meeting of Shareholders
GRC	Governance, Risk Management and Compliance
GSA	Gas Sales Agreement

GTA	Gas Transportation Agreement
GSPA	Gas Sales and Purchase Agreement
Hilir Downstream	Business activities that are cored or based on production, transportation, storage and/or commercial activities.
Hulu Upstream	Business activities that are cored or based on exploration and exploitation activities.
IBRD	International Bank for Reconstruction and Development
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
IPO	Initial Public Offering, a share offering to the public as stipulated in Law No 8 year 1994.
ISO	International Organization for Standardization
JBIC	Japan Bank for International Cooperation (Previously Export-Import Bank of Japan).
JCI	Jakarta Composite Index. An index of all stocks that are traded on the Indonesia Stock Exchange
KSEI	PT Kustodian Sentra Efek Indonesia, the Indonesian Central Securities Depository.
LC	Letter of Credit, a payment method for export/import transactions
LHKPN	State Officials' Wealth Report
LNG	Liquefied Natural Gas
LPEI	Indonesia Export Financing Institution
LPG	Liquefied Petroleum Gas, which consists of propane and butane gas.
LTIF	Lost Time Injury Frequency
MCF	Million Cubic Feet
MMBBL	Million Barrels
MMBOE	Million Barrels of Oil Equivalent
MMBTU	Million British Thermal Units
MMBTUD	Million British Thermal Units per Day
MMSCF	Million Standard Cubic Feet, a standard unit for measuring gas volume which is adjusted to a certain temperature and pressure which is equal to 1,000 MMBTU.
MMSCFD	Million Standard Cubic Feet Per Day
MRC	Multi Reporting Currency
MSCF	Thousand Standard Cubic Feet.
MSPA	Master Sale and Purchase Agreement
NAP	Network Access Provider
OHSAS	Occupational Health and Safety Management System
Oil and Gas Law No 22 year 2001	Law No 22 year 2001 of the Republic of Indonesia regarding Oil and Natural Gas
OJK	Indonesia Financial Service Authority
OSH & EM	Occupational Safety and Health & Environmental Management
Producer	Gas producer which has objective to produce oil and gas in certain area, which has activities to find oil and gas reserves, drilling, refinery and other supporting activities.
PGNEF	PGN Euro Finance
PIA	Professional Internal Auditor
PMC	Project Management Consultant
POD	Plan Of Development
PPOB	Payment Point Online Bank
PSC	Production Sharing Contract in the exploration and exploitation of oil and gas
PSI	Pounds per Square Inch, a unit for measuring gas pressure. 1 bar = 14.5 PSI

QIA	Qualified Internal Auditor
RCA	Risk Containment Audit
RJPP	Rencana Jangka Panjang Perusahaan, or Corporate Long-Term Plan
RKAP	Rencana Kerja dan Anggaran Perusahaan, or Corporate Work Plan and Budget
ROE's	Regionally Owned Enterprises
ROV	Remotely Operated Underwater Vehicle
RUPS	Abbreviation of "Rapat Umum Pemegang Saham" General Meeting of Shareholders
RUPSLB	Abbreviation of "Rapat Umum Pemegang Saham Luar Biasa" or Extraordinary General Meeting of Shareholders.
SBU	Strategic Business Unit
SER	Social and Environmental Responsibility
SME	Small or Medium Enterprise
SOE	State Owned Enterprise
TCF	Trillion Cubic Feet
TGI	PT Transportasi Gas Indonesia (Transgasindo), a subsidiary of the Company that is involved in the gas transportation business. 59.75% of its share are owned by PGN.
Transmission	The transmission of gas from its source or storage place through a transmission pipeline.
TSAF	Total Sickness Absence Frequency

Annual Report 2014



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