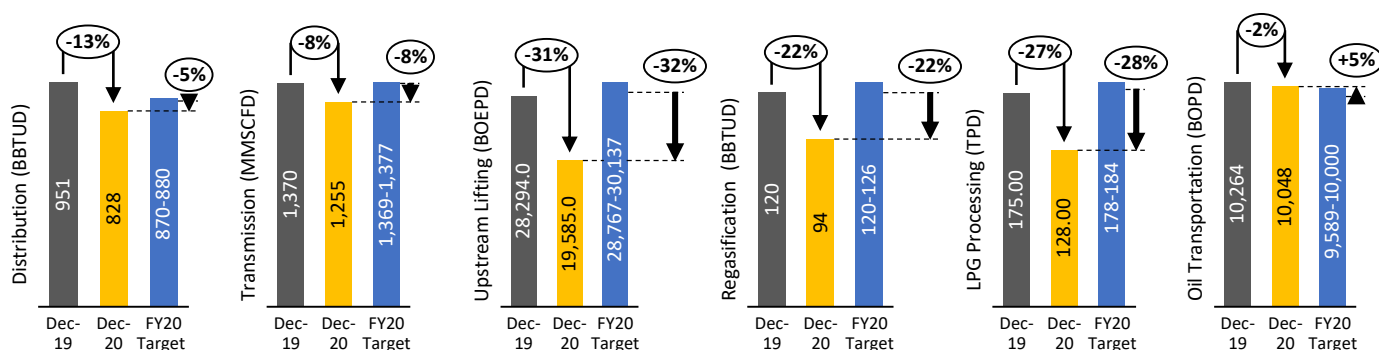


Refocusing Core Business

January 17, 2021

PT Perusahaan Gas Negara Tbk. (IDX: PGAS) today announces key operating performance updates ended December 31, 2020, as follows:

YTD Performance



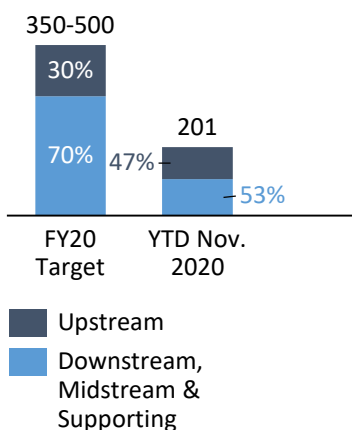
MoM Performance

Volumes	Nov. 2020	Dec. 2020	Δ MoM (%)	Remarks
Distribution (BBTUD)	899	879	-2.22	1. Distribution volume breakdown on a MoM basis <ul style="list-style-type: none"> • PGN = 790 MMSCFD (Nov.) vs. 800 MMSCFD (Dec.); • Gagas = 6 MMSCFD (Nov.) vs. 6 MMSCFD (Dec.); • Pertagas = 103 MMSCFD (Nov.) vs. 73 MMSCFD (Dec.)
Transmission (MMSCFD)	1,131	1,218	7.69	Breakdown of transmission volume on a MoM basis is as follow: <ul style="list-style-type: none"> • PGN = 2 MMSCFD (Nov.) vs. 2 MMSCFD (Dec.); • Pertagas = 1,129 MMSCFD (Nov.) vs. 1,215 MMSCFD (Dec.)
Upstream Lifting (BOEPD)	22,746	21,747	-4.39	Breakdown of lifting volumes per block in Dec. '20 are as follow: <ul style="list-style-type: none"> • Pangkah = 5,927 BOEPD (Nov.) vs. 7,775 BOEPD (Dec.); • Fasken = 3,557 BOEPD (Nov.) vs. 5,293 BOEPD (Dec.); • Ketapang = 1,168 BOEPD (Nov.) vs. 907 BOEPD (Dec.); • Bangkanai = 1,064 BOEPD (Nov.) vs. 1,011 BOEPD (Dec.); • Muara Bakau = 11,029 BOEPD (Nov.) vs. 6,760 BOEPD (Dec.)
Regasification (BBTUD)	96	88	-8.33	Lower regasification volume MoM was primarily due to weaker gas demand from PLN.
LPG Processing (TPD)	147	131	-10.88	The volume breakdown per LPG plant on a MoM basis is as follow: <ul style="list-style-type: none"> • LPG Pondok Tengah = 0 TPD (Nov.) vs. TPD (Dec.); • LPG MKS = 147 TPD (Nov.) vs. 131 TPD (Dec.)
Oil Transportation (BOPD)	9,544	10,208	6.95	Higher oil delivery on a MoM basis from Pertamina EP field in Central Ramba, South Sumatra to Plaju refinery unit in South Sumatra.

CAPEX (US\$ Million)

During YTD-Nov. 2020*, capex reached US\$201 million with the following details:

BUSINESS SEGMENTS	CAPEX (US\$ Mio)	NOTES
Upstream	94	Development of existing oil & gas blocks (including West Pangkah and Sidayu fields developments)
Downstream	103	<ul style="list-style-type: none"> - Rokan oil pipeline development - Gresik-to-Semarang gas transmission pipeline development - Distribution pipeline development - Kuala Tanjung distribution pipeline development
Midstream	0	-
Supporting	4	Fiber optic development



* YTD-Dec. '20 capex yet to be determined

Business Updates

1. PGN's upstream unit, PT Saka Energi Indonesia, on January 6, 2020, repaid US\$77.2 (using its internal cash) of the US\$155.2 million shareholders loan it owed to PGN. Meanwhile, the maturity of the remaining balance (US\$77.6 million) has been extended by one year to January 6, 2022.

2. Moody's Investors Service on January 7, 2022, had downgraded the corporate family rating (CFR) and the senior unsecured rating of Saka Energi Indonesia (P.T.) to B2 from B1. This rating downgrade was predominantly due to the heightened liquidity risk at Saka after its partial repayment of its shareholder loan to PGN when there is a potential risk of Saka having to pay the full tax penalty of the US\$127 million to the Indonesian tax authorities over the next 12 months (note: Saka already paid US\$127.7 million to the Indonesian tax authority in April 2020, but the company is liable to pay US\$127.7 million for the penalty). It is important to note that Saka's tax penalty is related to acquisition of 65% stake in Pangkah block from Hess in 2014.

3. SAKA currently has three Brach Profit Tax disputes with the Indonesian Tax Authority in relation to the transfer of participating interest of Pangkah block at the time of acquisition from the previous owner with the following details: i. Saka Indonesia Pangkah Ltd ("SIPL") dispute amounted to US\$127.7 million in which it was declared defeated by the Supreme Court during the judicial review stage; ii. Saka Indonesia Pangkah BV ("SIPBV") dispute amounted to USD35.2 million in which the Supreme Court declared Saka won the Judicial review case (formal verdict letter had been received); and iii. Saka Pangkah LLC ("SPLLC") dispute amounted to USD 19.9 million in which Saka won the case during the judicial review stage the Supreme Court level (formal verdict letter yet to be received by Saka from the Supreme Court). Moreover, Saka already paid to the Indonesian tax authority the above tax including the penalty (total combined amount US\$39.8 million). Thus, as a result of this verdict by the Supreme Court, the tax authority is going to refund US\$39.8 million to Saka (refer to PGN's disclosure to Indonesia Stock Exchange (in Bahasa Indonesia): https://www.idx.co.id/StaticData/NewsAndAnnouncement/ANNOUNCEMENTSTOCK/From_EREP/202101/a691b1921f_debb5deca5.pdf).

4. Based on recent the verdict won by SPLLC and SIPBV mentioned under point 3 above, SIPL is going to seek judicial review to Supreme Court on the tax dispute it lost in the amount of US\$127.7 million against the Indonesian tax authority (refer to point 3 above) as the case particularly lost by SIPL was similar in substance with the case won by SIPL and SIPBV.

5. According Supreme Court's website (formal verdict letter on the Value Added Tax dispute between Indonesian tax authority and PGN is yet to be received by PGN), the Supreme Court decided to hold PGN liable to pay to the Indonesian tax authority in respect to the 24 under payment tax assessment cases for tax years 2012 and 2013 with total combined value of Rp.4.15 trillion (refer to PGN's disclosure to Indonesia Stock Exchange (in Bahasa Indonesia):

https://www.idx.co.id/StaticData/NewsAndAnnouncement/ANNOUNCEMENTSTOCK/From_EREP/202012/1aa4d7548c_b29a912214.pdf). This was the dispute where the Indonesia tax authority argued that PGN should have paid to the tax authority for the VAT when PGN sold natural gas via pipelines to its customers during those two years stated above. However, it is important to note that PGN never collected VAT from its customers when it sold its gas to those customers.

When we have actually received the formal verdict letter from the Supreme Court, PGN's BoD is considering to seek judicial reviews through the Indonesian tax court for those tax cases based on the precedence where PGN had actually won similar tax disputes against the Indonesian tax authority for tax periods of 2014-2017.

6. Beside of the 24 underpayment tax assessment cases pointed under point 6, there are about 25 other underpayment tax assessment cases being disputed with the Indonesian tax authority worth Rp. 2.2 billion.

7. PGN's total combined under payment tax assessment cases related to VAT which are being disputed under points 6 and 7 reached 49 cases are for tax years 2012-2013. However, according to Supreme Court's website thus far only about 30 under payment tax cases worth Rp. 3.06 trillion PGN has been declared liable to the Indonesian tax authority (refer to PGN's disclosure to Indonesia Stock Exchange (in Bahasa Indonesia): https://www.idx.co.id/StaticData/NewsAndAnnouncement/ANNOUNCEMENTSTOCK/From_EREP/202012/1aa4d7548c_b29a912214.pdf). As already mentioned under point 6, the company is planning to submit a judicial review once we receive the formal verdict letter from the Supreme Court.

8. Details of gas sales to PLN power plants by PGN on a MoM basis (April through December 2020) in accordance with MEMR Decree Number 91 Year 2020:

PLN POWER PLANTS	TOTAL GAS ALLOCATION UNDER MEMR DECREE (BBTUD)	VOLUMES (BBTUD)									
		APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.	AVG.
PLN UJPJ Priok	315	24	80	78	78	74	80	74	84	88	77
PLN UP Muara Karang		11	35	36	36	34	38	34	41	48	37
PLN Muara Tawar		14	41	44	43	42	45	41	45	53	43
PLN PLTG Talang Duku		1.4	4.1	4.4	5.4	5.3	5.1	4.7	-	0	3.6
PLN PLTMG 24 MW New Tarahan		0.8	2.6	3.2	3.7	3.2	3.2	3.3	-	0	2.3
PLN PLTMG 30 MW Sutami		0.9	2.9	4.2	4	3.7	3.6	3.6	1.5	1.5	3.1
PLN PLTMG MPP 100 MW New Tarahan		4	13	18	21	18	18	13	10	10	15
IP UJP PLTGU Cilegon		8	26	27	27	26	27	26	28	29	26
PLN Batam Muldes		11	35	37	39	38	39	38	38	38	37
ELB		-	-	-	-	-	2	3	3	3	1.3
Total		315	76	240	251	257	244	261	240	251	271

9. Details of gas sales to seven selected industrial customers on a MoM basis (Apr. through Dec. '20) pursuant to MEMR Decree Number 89 Year 2020 are as follow:

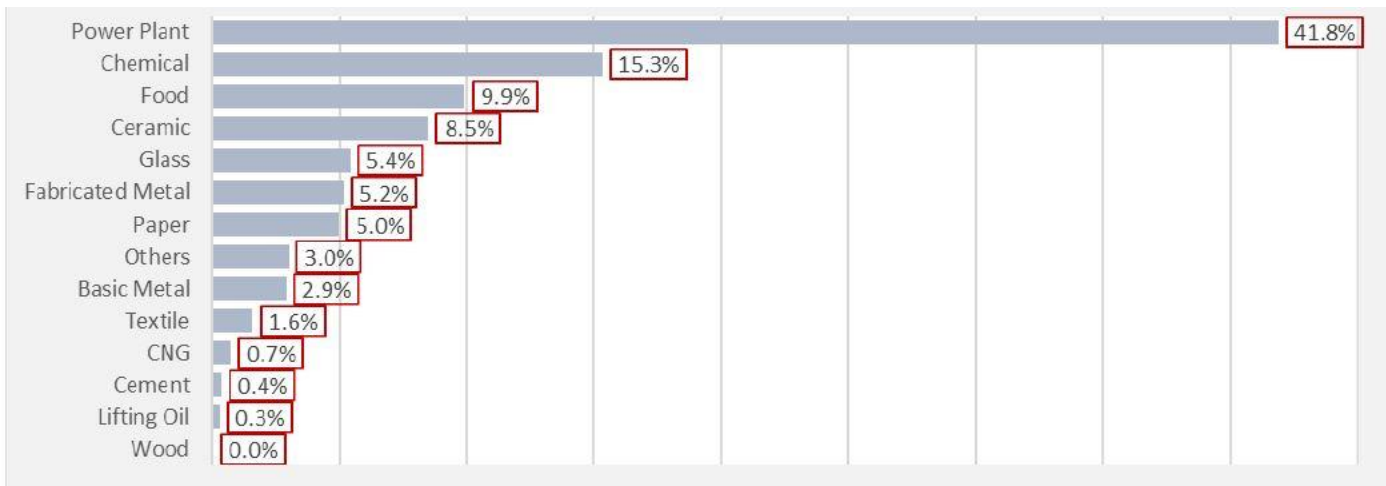
PGN

INDUSTRIAL CUSTOMER TYPES	TOTAL GAS ALLOCATION UNDER MEMR DECREE (BBTUD)	VOLUMES (BBTUD)									
		APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.	AVG.
Steel	53	12	10	21	18	24	23	24	28	26	21
Glass	16	8	9	10	11	12	11	12	12	12	11
Sheet Glass	35	16	21	25	28	30	31	31	31	32	28
Ceramics	96	26	16	36	54	64	69	72	72	70	56
Oleochemical	31	15	22	22	26	24	27	26	28	27	25
Petrochemical	76	35	46	50	53	56	60	59	62	62	55
Rubber Glove	1.2	0.8	1.2	1.3	2	1.5	1.4	1.5	1.5	1.5	1.4
TOTAL	309	113	124	165	192	211	224	224	234	231	197

Pertagas

INDUSTRIAL CUSTOMER TYPES	TOTAL GAS ALLOCATION UNDER MEMR DECREE (BBTUD)	VOLUMES (BBTUD)									
		APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.	AVG.
Steel	2.00	0.20	0.10	1.00	1.00	1.60	1.50	1.50	0.20	1.40	1.20
Petrochemical	3.30	0.10	0.40	0.70	0.30	0.70	0.80	0.80	1.40	0.50	0.60
Ceramics	2.40	0.00	0.00	2.10	2.90	3.00	2.80	2.50	1.90	2.70	2.30
Oleochemical	2.50	0.00	0.00	2.40	2.40	2.40	2.40	2.50	2.50	2.10	2.00
Fertilizer	43.00	0.00	0.00	51.00	49.00	25.00	6.00	43.00	35.00	26.00	30.80
Total	53.00	0.30	0.50	57.00	55.00	32.00	13.00	50.00	41.00	32.00	37.00

10. Breakdown of gas sales per industrial sector from Jan. through Dec. 2020 (PGN stand-alone):



11. Saka is currently drilling West Pangkah field within the Pangkah block and it is expected to come on-stream next month. The above particular field is expected to produce 1,600 barrels of oil equivalent per day.



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About PT PGN Tbk

PGN is the leading IDX listed natural gas distribution and transportation player in Indonesia. PGN continues to strengthen its position in the market by gradually transforming into an integrated energy solution company, encouraging the use of natural gas.

PGN is engaged in upstream oil and gas, midstream and downstream fields across the Indonesian peninsula. PGN owns and operates natural gas pipelines in excess of 9,000km in total length, covering c. 95% of the national natural gas pipeline network. Additionally, PGN is present in 11 working fields across Indonesia with active FSRU's in most regions. PGN, through its downstream entities, serves more than 2,000 industrial and commercial customers.

PGN's operations are supported by a variety of sophisticated and reliable information technology to ensure quality of service.

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