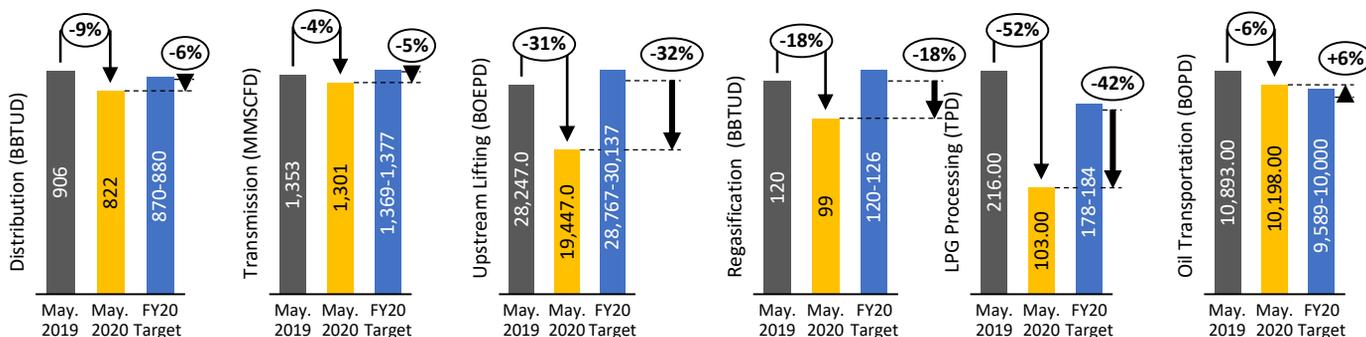


Refocusing Core Business

July 21, 2020

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

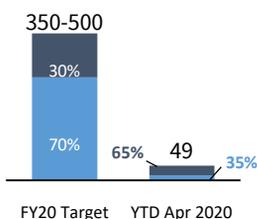
YTD Performance



MoM Performance

Volumes	Apr. 2020	May 2020	Δ MoM (%)	Remarks
Distribution (BBTUD)	804	664	-17.41	<ol style="list-style-type: none"> Distribution volume breakdown on a MoM basis <ul style="list-style-type: none"> PGN = 720 BBTUD (Apr.) vs. 575 BBTUD (May); Gagas = 4 BBTUD (Apr.) vs. 4 BBTUD (May); Pertagas = 84 BBTUD (Apr.) vs. 89 BBTUD (May) Lower distribution volumes of PGN on a MoM basis was primarily due to Covid-19 on industry and Eid-Fitar holiday. Gas consumption by industrial customers on PGN standalone declined from Apr. 411 BBTUD to 285 BBTUD in May 2020. Gas sales to electricity sector (PGN standalone) was 304 BBTUD in Apr. vs. 285 BBTUD in May 2020 (or declined by 6.25%).
Transmission (MMSCFD)	1,299	1,184	-8.88	Breakdown of transmission volume on a MoM basis is as follow: <ul style="list-style-type: none"> PGN = 2 MMSCFD (Apr.) vs. 1 MMSCFD (May.); Pertagas = 1,297 MMSCFD (Apr.) vs. 1,183 MMSCFD (May.)
Upstream Lifting (BOEPD)	19,514	15,433	-20.91	Breakdown of lifting volumes per block is as follow: <ul style="list-style-type: none"> Pangkah = 4,639 BOEPD (Apr.) vs. 1,954 BOEPD (May); Fasken = 5,454 BOEPD (Apr.) vs. 5,229 BOEPD (May); Ketapang = 884 BOEPD (Apr.) vs. 764 BOEPD (May); Bangkanai = 1,005 BOEPD (Apr.) vs. 985 BOEPD (May); Muara Bakau = 7,533 BOEPD (Apr.) vs. 6,501 BOEPD (May)
Regasification (BBTUD)	79	82	3.23	Higher regasification volume MoM was primarily due to stronger consumption from PLN.
LPG Processing (TPD)	4	8	110.74	The volume breakdown per LPG plant on a MoM basis is as follow: <ul style="list-style-type: none"> LPG Pondok Tengah = 4 TPD (Apr.) vs. 0 TPD (May) LPG MKS = 0 TPD (Apr.) vs. 8 TPD (May)
Oil Transportation (BOPD)	10,703	10,294	-3.82	Oil delivery grew primarily contributed by lower oil transportation volume from Pertamina EP field in Central Ramba, South Sumatra to Plaju refinery unit in South Sumatra.

CAPEX (US\$ Million)



- Upstream
- Downstream, Midstream & Supporting

** YTD-May 2020 Capex to be determined

YTD-Apr. 2020 ** Capex reached US\$49 million with the following details:

Business Segments	CAPEX (US\$ Mio)
Upstream	32
Downstream	16
Midstream	-
Supporting	1

Business Updates

- PGN recently signed Letter of Agreements (LOA) with a number of gas suppliers mainly PT Pertamina Hulu Energy and PT Pertamina EP to bring down the cost of gas to between US\$4.00 and US\$4.50/MMBTU (refer to Table 1) as mandated by both Ministry of Energy and Mineral Resources (“MEMR”) decrees number 89K/10/MEM/2020 dated April 13, 2020, and 91K/12/MEM/2020 dated April 22, 2020. The other LOAs with the remaining suppliers, such as ConocoPhillips, Santos, Husky-CNOOC Madura Ltd. (“HCML”) and Medco Energy, are expected to be signed in the near future.

Table 1- List of Signed LOA

No	GAS SOURCES (WORKING AREAS)	GAS BUYERS	GAS SELLERS	RELEVANT REGULATIONS	VOLUMES	OLD GAS PRICE (US\$/MMBTU)	NEW GAS PRICE (US\$/MMBTU)	CUSTOMER TYPES
1	Ogan Komering Block (South Sumatra)	1. PT Pertagas Niaga 2. PGN	1. PHE Ogan Komering 2. PT Pertamina EP	1. MEMR Regulation No. 08 Year 2020 dated April 6, 2020 2. MEMR Decree No. 89K/10/MEM/2020 dated April 13, 2020	1.43 - 1.44 MMSCFD	8.27	4.62	Industries in South Sumatra and West Java markets.
2	Jambi Merang Block (South Sumatra)	1. PT Pertamina Gas 2. PT Pertagas Niaga 3. PGN	PHE Jambi Merang	1. MEMR Regulation No. 10 Year 2020 dated April 6, 2020. 2. MEMR Decree No. 91K/12/MEM/2020 dated April 22, 2020	40 BBTUD	6.84	4.00 (2020-2021); 4.50 (2022-2024)	Electricity in West Java and Batam markets.
3	North Sumatra Offshore	1. PGN 2. PT Pertagas Niaga	PHE NSO	1. MEMR Regulation No. 08 Year 2020 dated April 6, 2020 2. MEMR Decree No. 89K/10/MEM/2020 dated April 13, 2020	8.5 BBTUD	6.25	4.00 - 4.50	Industries and electricity in Aceh and North Sumatra markets.
4	West Madura Offshore (East Java)	PGN	1. PHE West Madura Offshore 2. Kodeco Energy CO., LTD. 3. PT Mandiri Madura Barat	1. MEMR Regulation No. 08 Year 2020 dated April 6, 2020 2. MEMR Decree No. 89K/10/MEM/2020 dated April 13, 2020	19 BBTUD	N/A	5.33 (up to Dec. 2021) 4.50 (up to Dec. 31, 2022)	Industries in East Java market.
5	1. Pondok Tengah Block (West Java) 2. Tambun Block (West Java) 3. Pondok Makmur (West Java)	PT Pertamina Gas	PT Pertamina EP	1. MEMR Regulation No. 08 Year 2020 dated April 6, 2020 2. MEMR Decree No. 89K/10/MEM/2020 dated April 13, 2020	0.9 BBTUD	7.17	4.5	Industries in West Java market.
6	Pagar Dewa Block (South Sumatra)	PGN	PT Pertamina EP	1. MEMR Regulation No. 08 Year 2020 dated April 6, 2020 2. MEMR Decree No. 89K/10/MEM/2020 dated April 13, 2020	90 BBTUD	5.33	4.00	Industries in South Sumatra and West Java markets.
7	Medan (North Sumatra)	PGN	PT Pertamina EP	1. MEMR Regulation No. 08 Year 2020 dated April 6, 2020 2. MEMR Decree No. 89K/10/MEM/2020 dated April 13, 2020	7 BBTUD	N/A	7	Industries in North Sumatra market.

Business Updates (cont'd)

2. Moreover, PGN on June 5, 2020, signed Memorandum of Understanding (“MoU”) with all customers, which consist of about 187 customers, from the six industrial sectors with total consolidated gas volumes of 320 BBTUD, as part of the implementation of MEMR decree number 89K/10/MEM/2020 (please refer to Table 2). It is worth noting that PGN will not lower the price of the natural gas to these selected downstream customers not until all gas supplies from upstream companies have been lowered in accordance with the MEMR decree mentioned above.

Table 2 – Industrial Sectors (MEMR Decree No. 89K/10/MEM/2020)

INDUSTRIAL SECTORS (CONSOLIDATED)	ALLOCATED VOLUMES		NUMBER OF CUSTOMERS
	BBTUD	% OF TOTAL	
Petrochem	79	25	39
Oleochem	33	10	12
Steel	55	17	56
Ceramic	99	31	57
Glass	52	16	17
Rubber Glove	1	0	6
Total	320	100	187

3. Details of gas sources as mandated by both Ministry of Energy and Mineral Resources (“MEMR”) decrees number 89K/10/MEM/2020 dated April 13, 2020, and 91K/12/MEM/2020 dated April 22, 2020, are as follow:

NO.	GAS SOURCES	VOLUMES (BBTUD)
1.	Cophi Group	412.3
2.	Pertamina Group	144.1
3.	Others	116.9
	TOTAL	673.3

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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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