BUSINESS UPDATE AND PROSPECT
As of November 2018
DISCLAIMER

The information contained in our presentation is intended solely for your personal reference. In addition, such information contains projections and forward-looking statements that reflect the Company’s current views with respect to future events and financial performance. These views are based on assumptions subject to various risk. No assurance can be given that further events will occur, that projections will be achieved, or that the Company’s assumptions are correct. Actual results may differ materially from those projected.

ABOUT PGAS

PT Perusahaan Gas Negara Tbk (IDX:PGAS) is an Indonesia-based, public-listed company engaging in the transmission and distribution of natural gas primarily in Indonesia.

Previously established as a State-Owned Company (SOE), PGAS has been officially merged with PT Pertamina (Persero) to become its subsidiary since 11 April 2018 as part of Government of Indonesia’s holding initiatives.

HEADQUARTER

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Phone: +62 21 8064 1111
V I S I O N

Becoming the International Standardized Solution for the Utilization of Gas and the Sustaining Energy Fulfilment

M I S S I O N

We are committed to:
- Provide and develop gas utilization for public and public interest
- Implementing responsible and sustainable corporate governance principles
- Carry out other business to support the use of gas and sustainable business management.

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**Company Introduction**

**Type**
Public

**Index**
IDX:PGAS

**Founded**
13 May 1965

**Headquarter**
Jakarta

**CEO**
Gigih Prakoso

**Industry**
Gas Transmission and Distribution

**Subsidiaries**
8

**Total Assets**
USD 6.3 Billion (2017)

**No. Employees**
1,339 (2017)

Notes: 395 Subsecees

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**Group Structure**

**PT Saka Energi Indonesia** 99.99%

**PT Gagas Energi Indonesia** 99.88%

**PT Pertamina Gas** (in-process) 51%

**PT PGN LNG Indonesia** 99.99%

**PT Transportasi Gas Indonesia** 59.87%

**PT PGAS Telekomunikasi Nusantara** 99.93%

**PT PGAS Solution** 99.91%

**PT Permata Graha Nusantara** 99.98%

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Notes:
- * CSPA Amendment on 30 Nov 2018 with target completion on 31 December 2018

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PT PGN LNG

PT Transportasi Gas Indonesia

PT PGAS Telekomunikasi Nusantara

PT Nusantara Regas

PT Permata Graha Nusantara

PT PGN LNG

PT Transportasi Gas Indonesia

PT PGAS Telekomunikasi Nusantara

PT Nusantara Regas

PT Permata Graha Nusantara
Business Coverage & Infrastructures

Pipeline Network
Distribution 5,233 km
Transmission 2,284 km

Non-Pipe Gas Infrastructure
- 2 FSRU (Lampung dan Jawa Barat)
- 4 MRU (DKI, Gresik, Bandung)
- 1 Cluster CNG (Jateng)
- 12 Gas Fueling Station (DKI, Bogor, Sukabumi, Purwakarta, Surabaya, Batam, Lampung)

Distribution Business
Buying and selling gas to customers through pipeline infrastructure in three main areas in West Java, East Java and North Sumatera.

Transporting gas of customers; suppliers or off-takers through pipeline. The pipeline can also be function as the backbone to distribution pipeline.

Transmission Business
Operating in 3 Major Coverage Area, 39 cities and regencies (12 provinces) in Indonesia
Transporting and Distributing Gas ±1,566 MMSCFD

Gas Infrastructure
Developing ±7,517 km length pipeline network, 2 unit FSRU, 12 Gas Fueling Station, 4 MRU

Upstream Business
Taking business opportunities along the natural gas value chain; LNG, CNG, related gas business services, fiber optic and asset management

Downstream Business
Investing participating interest in PSC and operating oil and gas blocks to support Indonesia production and lifting

Transmission Pipeline
1. Grissik – Duri
2. Grissik – Batam – Singapore
3. South Sumatra – West Java (SSWJ)
4. Kalimantan – Java (Kalija)

Distribution Area
- West Java, DKI Jakarta, Lampung, South Sumatra and Banten
- East Java and Central Java, North Kalimantan and Papua
- North Sumatra, Riau and Kepulauan Riau

Other Supporting Business
Taking business opportunities along the natural gas value chain; LNG, CNG, related gas business services, fiber optic and asset management
Upstream Assets

**Bangkanai PSC**
- Location: onshore Kutei basin
- Participating Interest: 30%
- Operator & Partner: OPHIR (70%)
- Expiry: Dec 2033

**West Bangkanai PSC**
- Location: onshore Kutei basin
- Participating Interest: 30%
- Operator & Partner: OPHIR (70%)
- Expiry: May 2043

**Southwest Sumatra (SES) PSC**
- Location: offshore south east Sumatra
  - Participating Interest: 8.91%
  - Operator: CNOOC (66%)
  - Partners: Pertamina (20%), KUFPEC (5%)
- Expiry: September 2018

**Muara Bakau PSC**
- Location: offshore Kutei basin
- Participating Interest: 11.666%
- Operator: Eni (55%)
- Partners: Engie (33.334%)
- Expiry: May 2048

**Pekawai PSC**
- Location: Kutei basin
- Participating Interest: 100%
- Operator: PGN Saka
- Expiry: May 2048

**Java Sea Hub**

**Java Sea Hub**

**West Yamdena PSC**
- Location: offshore Maluku
- Participating Interest: 100%
- Operator: PGN Saka
- Expiry: May 2048

**Southeast Sumatra (SES) PSC**
- Location: offshore Kutei basin
  - Participating Interest: 8.91%
  - Operator: CNOOC (66%)
  - Partners: Pertamina (20%), KUFPEC (5%)
- Expiry: September 2018

**Muriah PSC**
- Location: offshore Java sea
- Participating Interest: 20%
- Operator & Partner: Petronas (80%)
- Expiry: May 2026

**Pangkah PSC**
- Location: offshore East Java
- Participating Interest: 100%
- Operator: PGN Saka
- Expiry: May 2026

**Ketapang PSC**
- Location: offshore East Java
- Participating Interest: 20%
- Operator & Partner: Petronas (80%)
- Expiry: June 2028

**West Yamdena PSC**
- Location: offshore Maluku
- Participating Interest: 100%
- Operator: PGN Saka
- Expiry: May 2048

**Wokam II PSC**
- Location: offshore Papua
- Participating Interest: 100%
- Operator: PGN Saka
- Expiry: Dec 2040

**Fasken International Asset**
- Location: Webb County, Texas
- Participating Interest: 36%
- Operator & Partner: Swift Energy (64%)
- Expiry: 2050

**International Asset**

**Production**

**Exploration**

**Development/Discovery**
**9M-2018 Highlights**

- **Stronger Distribution Volume by 11% (YoY)**
- **Increasing Revenue, EBITDA & Net Income**
- **Stable Margin (within Guideline)**

**Consolidated Statement of Comprehensive Income**

<table>
<thead>
<tr>
<th>Million USD</th>
<th>9M-2017</th>
<th>9M-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>2.165</td>
<td>2.445</td>
</tr>
<tr>
<td>Cost of Revenues</td>
<td>1.605</td>
<td>1.760</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>560</td>
<td>684</td>
</tr>
<tr>
<td>Operating Income</td>
<td>268</td>
<td>390</td>
</tr>
<tr>
<td>Net Income</td>
<td>98</td>
<td>218</td>
</tr>
<tr>
<td>EBITDA</td>
<td>632</td>
<td>701</td>
</tr>
</tbody>
</table>

**Consolidated Statements of Financial Position**

<table>
<thead>
<tr>
<th>Million USD</th>
<th>12M 2017</th>
<th>9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td>1.808</td>
<td>2.494</td>
</tr>
<tr>
<td>Non Current Assets</td>
<td>4.485</td>
<td>4.167</td>
</tr>
<tr>
<td>Total Assets</td>
<td>6.293</td>
<td>6.661</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>467</td>
<td>582</td>
</tr>
<tr>
<td>Non Current Liabilities</td>
<td>2.640</td>
<td>2.763</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>3.106</td>
<td>3.345</td>
</tr>
<tr>
<td>Total Equity</td>
<td>3.187</td>
<td>3.316</td>
</tr>
</tbody>
</table>

**Distribution Volume**

- **849 MMSCFD (YoY up 11%)**
- **Transmission Volume**
  - **718 MMSCFD (YoY down 3%)**
  - (Incl. TGI & KJG)

**Sales Price**

- **~USD 8.36/MMBTU (YoY down 2%)**
- **~USD 6.09/MMBTU (YoY up 1%)**
  (incl. LNG)

**Pipeline Network**

- **±7,517 km**
  (+64km of pipeline)

**IMPACT OF MACROECONOMY**

- Weakening Rupiah against US Dollar
- Stronger power demand and sustainable industry recovery
- Tightening Government’s Policy
- Higher oil price
Financial Performance

**Financial Ratios**

<table>
<thead>
<tr>
<th></th>
<th>30 September 2018</th>
<th>30 September 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA Margin (%)</td>
<td>28.7</td>
<td>29.2</td>
</tr>
<tr>
<td>EBITDA / Interest Expense (x)</td>
<td>7.33</td>
<td>5.91</td>
</tr>
<tr>
<td>Debt (Interest Bearing Debt)/Equity (%)</td>
<td>74.5</td>
<td>76.1</td>
</tr>
</tbody>
</table>

**Cash Flow (In Million USD)**

<table>
<thead>
<tr>
<th></th>
<th>30 September 2018</th>
<th>30 September 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>1.026</td>
<td>1.304</td>
</tr>
<tr>
<td>Cash flow from operating</td>
<td>620</td>
<td>546</td>
</tr>
<tr>
<td>Cash flow from investment</td>
<td>26</td>
<td>(232)</td>
</tr>
<tr>
<td>Cash flow from financing</td>
<td>18</td>
<td>(662)</td>
</tr>
<tr>
<td>Foreign Exchange Impact</td>
<td>(39)</td>
<td>0</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>1.651</td>
<td>956</td>
</tr>
</tbody>
</table>

**Total Loan USD 2.48 Billion**

**Weighted Average Interest Rate 4.36%**

(Excl. Tax)

**Credit Rating**

<table>
<thead>
<tr>
<th>Rating</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s</td>
<td>Baa2</td>
</tr>
<tr>
<td>Standard &amp; Poor’s</td>
<td>BBB-</td>
</tr>
<tr>
<td>Fitch Ratings</td>
<td>BBB-</td>
</tr>
<tr>
<td>Pefindo</td>
<td>idAAA</td>
</tr>
</tbody>
</table>

As of 30 September 2018
Growth In Gas Sales

- High power consumption by 21%
- Sustainable industry recovery by 4%
- Natural gas more competitive against all oil products

Number of Customers
As of 30 September 2018

Commercials, Industries and Power
99.5% of total sales volume
2,277 Customers (+35 customers)

Households and Small Businesses
0.5% of total sales volume
201,647 Customers (+7,668 customers)

Industrial Consumption of Total Sales Volume

<table>
<thead>
<tr>
<th>Segment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood</td>
<td>0.04%</td>
</tr>
<tr>
<td>Lifting Oil</td>
<td>0.24%</td>
</tr>
<tr>
<td>Cement</td>
<td>0.35%</td>
</tr>
<tr>
<td>CNG</td>
<td>1%</td>
</tr>
<tr>
<td>Textile</td>
<td>2%</td>
</tr>
<tr>
<td>Basic Metal</td>
<td>3%</td>
</tr>
<tr>
<td>Others</td>
<td>3%</td>
</tr>
<tr>
<td>Paper</td>
<td>5%</td>
</tr>
<tr>
<td>Glass</td>
<td>5%</td>
</tr>
<tr>
<td>Fabricated Metal</td>
<td>6%</td>
</tr>
<tr>
<td>Food</td>
<td>9%</td>
</tr>
<tr>
<td>Ceramic</td>
<td>10%</td>
</tr>
<tr>
<td>Chemical</td>
<td>14%</td>
</tr>
<tr>
<td>Power Plant</td>
<td>41%</td>
</tr>
</tbody>
</table>

Five Biggest Segments

Exchange Rate IDR/USD : 14,929 (as of 30 Sept 2018) USD/MMBTU

Natural Gas Price vs Other Alternative Fuels

- Natural Gas - avg PGN: 8.36 USD/MMBTU
- LPG - 3 kg (Subsidized): 9.16 USD/MMBTU (+9%)
- MFO 180: 20.62 USD/MMBTU (+146%)
- LPG - 50 kg: 19.98 USD/MMBTU (+138%)
- Kerosene: 20.11 USD/MMBTU (+140%)
- IDO/MDF/MDO: 26.60 USD/MMBTU (+218%)
- Gasoline 88: 25.16 USD/MMBTU (+200%)
- LPG - 12 kg: 26.73 USD/MMBTU (+219%)
- HSD: 29.47 USD/MMBTU (+252%)

• High power consumption by 21%
• Sustainable industry recovery by 4%
• Natural gas more competitive against all oil products
Contribution – Downstream Transmission

**Operated by PGN**
- Total Length: ± 1,077 km (incl. SSWJ)
- Off-taker: CPI, Gas Supply Pvt. Ltd., PGN, PLN
- Volume: 25 MMScfd

**Operated by TGI**
- Total Length: ± 1,000 km
- Off-taker: CPI, Gas Supply Pvt. Ltd., PGN, PLN
- Total Volume: 642 MMScfd
- Gas transported by TGI to off-taker in Singapore and Batam decreased 11 MMScfd from 653 to 642 MMScfd.

**Operated by KJG**
- Total Length: ± 200 km (Kepodang-Tambak Lorok)
- Off-taker: PLN
- Volume: 51 MMScfd
- Gas transported from Kepodang field operated by Petronas through Kalimantan – Java pipeline decreased 25 MMScfd from 76 to 51 MMScfd due to declining reserve from supplier.

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**Lower Transmission Volume by 3%**

Decreasing TGI & KJG Volume Increasing PGN Volume
Contribution - Upstream

Substantial LNG increase from Muara Bakau
Continuous lower Pangkah production due to facility repair
Expiry of Sanga-Sanga PSC in August 2018 & SES PSC in September 2018

Oil and Gas Lifting

40,169 boepd

40,602 boepd

Crude Oil & Condensate (MMBBL)

<table>
<thead>
<tr>
<th>9M 2017</th>
<th>9M 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pangkah</td>
<td>4.526</td>
</tr>
<tr>
<td></td>
<td>10.163</td>
</tr>
<tr>
<td>SES</td>
<td>24.476</td>
</tr>
<tr>
<td></td>
<td>21.138</td>
</tr>
<tr>
<td>Ketapang</td>
<td>1.829</td>
</tr>
<tr>
<td></td>
<td>1.069</td>
</tr>
<tr>
<td>Sanga-Sanga</td>
<td>9.338</td>
</tr>
<tr>
<td></td>
<td>8.232</td>
</tr>
</tbody>
</table>

Total Crude Oil Lifting: 2.55 2.25

Gas (BBTU)

<table>
<thead>
<tr>
<th>2017-9M</th>
<th>2018-9M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pangkah</td>
<td>0.89</td>
</tr>
<tr>
<td></td>
<td>0.76</td>
</tr>
<tr>
<td>SES</td>
<td>0.46</td>
</tr>
<tr>
<td></td>
<td>0.76</td>
</tr>
<tr>
<td>Ketapang</td>
<td>0.37</td>
</tr>
<tr>
<td></td>
<td>0.70</td>
</tr>
<tr>
<td>Sanga-Sanga</td>
<td>0.44</td>
</tr>
<tr>
<td></td>
<td>0.42</td>
</tr>
</tbody>
</table>

Total Gas Lifting: 38.756 33.470

LNG (BBTU)

<table>
<thead>
<tr>
<th>2017-9M</th>
<th>2018-9M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pangkah</td>
<td>13.198</td>
</tr>
<tr>
<td></td>
<td>9.367</td>
</tr>
<tr>
<td>SES</td>
<td>1.065</td>
</tr>
<tr>
<td></td>
<td>1.097</td>
</tr>
<tr>
<td>Ketapang</td>
<td>14.530</td>
</tr>
<tr>
<td></td>
<td>14.716</td>
</tr>
<tr>
<td>Sanga-Sanga</td>
<td>3.331</td>
</tr>
<tr>
<td></td>
<td>2.383</td>
</tr>
</tbody>
</table>

Total LNG Lifting: 7.167 16.093

LPG (MT)

<table>
<thead>
<tr>
<th>2017-9M</th>
<th>2018-9M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pangkah</td>
<td>41.131</td>
</tr>
<tr>
<td></td>
<td>23.260</td>
</tr>
<tr>
<td>SES</td>
<td>1.903</td>
</tr>
<tr>
<td></td>
<td>1.909</td>
</tr>
<tr>
<td>Ketapang</td>
<td>14.716</td>
</tr>
<tr>
<td></td>
<td>14.530</td>
</tr>
<tr>
<td>Sanga-Sanga</td>
<td>3.331</td>
</tr>
<tr>
<td></td>
<td>2.383</td>
</tr>
</tbody>
</table>

Total LPG Lifting: 43.034 25.169
Maintaining positive revenue contribution from subsidiaries

**Finance Lease** represents KJG’s interest in relation to finance lease under the gas transportation agreement between KJG, PLN and PC Muriah Ltd.

**Fibre optic** represents PGASCOM’s revenues of network services to the customers.

**Pipeline construction and maintenance** represents PGASSOL’s revenues of services to its customers.
- Market development by construction of distribution backbone
- Delivering gas to RD by developing pipeline or modifying system in station
- Customer attachment to build access until last mile
**2018 Targets – Guidelines for Investors**

*Organic PGAS only & Subject to Change*

**Distribution Volume**
775 MMSCFD

**Transmission Volume**
665 MMSCFD

**Total CAPEX**
USD 400 Million

**Realized Oil Price**
USD 67/barrel (PGN's 1st Semester 2018)

**Upstream Lifting**
35,435 BOEPD
*Lower due to expiry of Sanga-Sanga & SES in 2018*

**Duri – Dumai Distribution**
56 km length of pipeline

**Duri – Dumai Transmission**
67 km length of pipeline
*JV with Pertagas*
Downstream Gas Business

Transmission
- Transporter should acquire business permit including owning pipeline and facility
- Special right of new transmission segment will be awarded in tender mechanism or minister appointment

Distribution and Trading Area
- The holder of distribution network special right will be given distribution and trading area including gas allocation from tender proposal
- The special right exclusively for 30 years for new area and 15 years for existing infrastructure owner
- Area tender mechanism will consider existing infrastructure and consumer
- Special right holder can cooperate with other to directly selling gas to end user in sub trading area

Non Pipeline Trading
- Trader using CNG and LNG mode should acquire business permit and owning or controlling the asset
- Asset categorized as LNG receiving terminal, regasification unit, compression and decompression facility, gas filling station or else

Non Pipeline Transportation and Storage
- Permit for transportation and storage including CNG or LNG transportation, CNG or LNG storage
- Business licencee have to own or control the facility

Masterplan of Natural Gas Transmission and Distribution Network

Facilities and Supporting Infrastructure for Gas Utilization
- Minister allow consumer to build and operate an own pipeline gas and facility with consideration of gas source, availability infrastructure and unavailable demand for 5 years
- The consumer will not be given gas transportation special right

Downstream Gas Business

Infrastructure Management Cost
- Toll fee stipulated by regulatory body
- Gas distribution setup by: IRR 11%, 60% utilization/gas allocation & project economics
- Liquefaction
- Compression
- Regasification
- LNG/CNG storage & transportation

Infrastructure Management Formula
- Cost of Service / Volume
  - Cost of Service are:
    - Asset value
    - O&M
    - G&A
    - Gas Losses
    - Insurance
    - Fee
    - Tax and levy

Trading Cost
- Maximum 7% of cost of gas
- The maximum percentage should be shared B2B in extended gas supply chain

Implementation
- Industry and Electricity provider gas price stipulated by Minister of EMR
- Prevail for 5 years and open to be evaluated per annum
- 18 months grace period from date of signatory (27 December 2017)

Government Regulations

Weighted Average of End User = Cost of Gas + Infrastructure Management Cost + Trading Cost

Households & Small Customers (stipulated by Regulatory Body)

Industry and Electricity Provider

Gas for Transportation (stipulated by Minister/stipulated

EMR Ministerial Regulation (PERMEN ESDM) No. 58/2017

EMR Ministerial Regulation (PERMEN ESDM) No. 4/2018
Recent Event - Oil & Gas Holding

PGN’s Strategic Focus on Gas

- In line with the Government’s Oil and Gas Holding strategy, PGN’s as Pertamina’s subsidiary will act as the gas subholdco managing integrated gas businesses (midstream and downstream).
- Through the acquisition of Pertagas (PTG) and Pertagas Niaga (PTGN), PGN’s will strengthen their transmission, distribution, retail and trading business lines by consolidating PTG and PTGN’s operations.

Legend
- PGN’s business line
- PTG & PTGN’s business line

Sourcing Strategy

Sourcing Execution
Transmission
Distribution
Retail and Trading
Storage & Processing
Gas Utilities
Support
Others
Post Integration: Existing Facilities and Coverage Areas

- Total gas pipeline network of 9,677 km covering 14 provinces and 55 regencies
- 2 FSRUs + 1 Land-based Receiving Terminal
- 12 Gas Fueling Stations
- 4 MRUs
- Total transmission and distribution volumes of ± 3 Bcfd
- The consolidated entity covers 96% share of total gas infrastructure

Legend:
- PGAS' pipelines
- PTG's pipelines
- Future pipelines
- PGAS' FSRUs
- PGAS' Distribution area

Major transmission pipelines
1. Grissik – Duri
2. Grissik – Batam – Singapore
3. South Sumatra – West Java
4. Kalija Phase 1
A. Transmission NAD Area
B. Transmission North Sumatera Area
C. Transmission South Sumatera Area
D. Transmission West Java Area
E. Transmission East Java Area
F. Transmission East Kalimantan Area
How PGAS as SubHolding Gas will grow in the next 4-5 years

- Optimization of the existing infrastructures
- Alignment of business, pricing, marketing
- Operational savings (consultant, IT, Building, O&M, etc)
- Secure new gas supplies from Pertamina
- Secure business deals for PGAS Subsidiaries
- Cost Savings as member of Pertamina
- Segmentation in the existing areas
- Penetration of new markets (domestic & International)
- Increase of gas product sales (LNG, CNG, Citigas)

Business inside Pertamina Group:
- **Upstream:** Crude Oil, Trading/Export/Domestic Refineries, LNG Plant, Production Facilities
- **Midstream:** Refineries (total capacity 1.1 Mio bbl/d, Petrochemical Plants, LPG Plants, LNG Shipping
- **Downstream:** Distribution through fuel depots and stations; kerosene, gasoline, diesel, HSD, LPG, LNG (~5 MTPA)

Pertagas Values:
- About 2,000 km transmission pipeline (2017)
- About 1,375 mmscfd transmission volume (2017) and 128 mmscfd of distribution volume (2017)
- Est. LT annual vol growth 2%
- FY17 Earnings of USD141 Mio
- Five Subsidiaries

PGAS Stand Alone:
- Distribution 800-850 mmscfd with est. vol annual growth 2%
- Transmission volume of ~ 700 mmscfd
- Market Cap of ~ IDR 51 trillion
- Total asset size of US$6 billion
- Eight Subsidiaries
Strategic Plans: Synergy Initiatives to be executed until 2022

Operating Income (in USD Mio)

By Year 2022

Add. Ops. Income of ~$133M

- Business Alignment & Optimization with Pertagas (ST/MT)
  - Mainly from Pipeline Optimization for Tanjung Priok and Balongan
  - Others from Optimization of overlapped customers, Competitive-based pricing alignment, Joint Marketing in Dumai, Takeover of Pertagas’ gas allocation from 3rd parties, and Cost Savings (i.e. consulting, legal, IT, land rental, O&M, Trainings etc)
  - $52.9 M (40%)

- Captive Markets from O&G Holding (MT/LT)
  - Mainly from Revamping of Oil pipeline with BOT scheme
  - Others from O&M contract in PHE Mahakam, PEP new Supply, Cost Savings
  - $20.1 M (15%)

- Business Expansion in Sub Holding Gas (MT/LT)
  - Mainly from Develop household gas pipeline with PPP scheme
  - Others from Streamlining CNG processing and transportation, LNG retail
  - $59.5 M (45%)

TOTAL GENERATED SYNERGY VALUES

- Synergy Value until 2022: $330.48 M
- Cost-Savings: $12.70 M (4%)
- Revenue-Added: $317.78 M (96%)

Synergy between PGAS & Pertagas is expected to generate additional Ops. Income of ~USD 133 Mio p.a.

In long run, the growth of the newly established Sub Holing Gas is depending on:
- Capturing potential deals inside of Pertamina Groups (at least USD 20 Mio)
- Business Expansion with full support from Pertamina as O&G Holding (at least USD 60 Mio)

Both segments contributes 60% for added value

Short-term plan is to align Pertagas Infrastructure & Business into PGAS to optimize the outcomes of up to USD 53 Mio p.a. or 40% of the total Synergy
MidTerm Outlook: Promising Future of Gas Business

(Highlights, Preliminary Stage, subject to change)

- PGAS Operating Income to approach ~ USD 800 Mio level in 4 years
- This indicates avg. Operating income growth (y.o.y) of around 15% per year until 2022

Growth Rates:
- 33% Growth
- 10% Growth
- 10% Growth
- 9% Growth


PGAS Operating Income (in USD Mio)

- 2018: 33% Growth
- 2019: 10% Growth
- 2020: 10% Growth
- 2021: 9% Growth
- 2022: 44% Growth

@51%
Subsidiaries & Affiliates

Notes:
*Pending Completion of the conditional requirement CSPA signed on 29 June 2018
### Subsidiary – Saka Energi Indonesia

**Type** Private  
**Founded** 27 June 2011  
**Headquarter** Jakarta  
**CEO** Tumbur Parlindungan  
**Industry** Oil & Gas Upstream  
**Subsidiaries** 25  
**Total Assets** USD 2.6 Billion (2017)  
**No. Employees** 302 (2017)  
**Website** www.sakaenergi.com

### Business Updates

1. Pangkah PSC has additional upside for near term production and reserve growth potentials through development and exploration.

3. Sanga-sanga PSC and SES PSC expired in Q3 2018  
4. Force Majeure status of Kepodang Field in Muriah PSC due to unexpected declining amount of reserve and lifetime of production is still under reviewed by SKK Migas. SEI has 20% of PI  
5. This year, Saka has appointed to manage two new oil and gas blocks, namely Pekawai Block and West Yamdena Block

---

### Exploration

- **Sanga Sanga PSC**
- **Pekawai PSC**
- **West Yamdena PSC**
- **Muara Bakau PSC**
- **South Susulu PSC**

### Development

- **Wokam II PSC**
- **West Bangkanai PSC**
- **Ketapang PSC**
- **Bangkanai PSC**

### Production

- **Muriah PSC**
- **Fasken**

*Notes:*

3. Sanga-sanga PSC and SES PSC expired in Q3 2018  
4. Force Majeure status of Kepodang Field in Muriah PSC due to unexpected declining amount of reserve and lifetime of production is still under reviewed by SKK Migas. SEI has 20% of PI  
5. This year, Saka has appointed to manage two new oil and gas blocks, namely Pekawai Block and West Yamdena Block
Subsidiary

PGN LNG Indonesia

Type: Private
Founded: 26 June 2012
Headquarter: Jakarta
CEO: Mugiono
Industry: LNG Regasification
Subsidiaries: -
Total Assets: USD 415 Million (2017)
Website: www.pgnlng.co.id

LNG Volume 9M-2018
3 BBTud

FSRU Dimension

294 m LOA

26 m Depth Moulded

PGN FSRU Lampung:
- Owned by PT Hoegh LNG Lampung
- Leased for 20 years based on the Amendment and Restatement Agreement of the Original Lease, Operation and Maintenance Agreement dated 17 October 2012 as novated to PT PGN LNG Indonesia
- Pipeline Specification 24" API 5L, X-65, PSL-2
- Capacity: 1.5 to 2 MTPA
- Send out rate: 240 MMSCFD

Supported by:
- Onshore Receiving Facility (ORF) Labuhan Maringgai that is connected to the PGN FSRU Lampung through a 21 km offshore pipeline
- Off Take Station (OTS) Labuhan Maringgai
- Supporting fleets in order to support ship to ship activity and daily operation of PGN FSRU Lampung

Tower Yoke Mooring System (TYMS):
- Owned by PT PGN LNG Indonesia
- Built by SOPEC, China
- Siabod: 23 m
- Height: 48.5 m (from seabed to topdeck of TYMS)
- TYMS contains two axis joint that allow the vessel to roll and pitch relative to the tower and liquid ballast to provide restoring forces to mooring the vessel

FSRU is located approximately close to gas receiving and discharging station Labuhan Maringgai or exactly at the coordinates 5°26'30" S and 150°56'30" E. It is integrated with SSW pipeline facility connecting gas sources in Sumatra with the largest potential customers in West Java, Indonesia.
BUSINESS UPDATES

9M-2018 VOLUME
6 MMSCFD

Regional I: 10 SPBG & 3 MRU
Regional II: 1 SPBG & 1 MRU
Regional III: 1 SPBG & 1 Gas Distribution Network

BUSINESS PROFILE

- GEI provides natural gas for electricity, industry, commercial, household, and transportation sector through gas pipeline, CNG and mini LNG, Gas Refueling Stations (SPBG) and Mobile Refueling Unit (MRU)
- In 2015, GEI establish PT Widar Mandripa Nusantara (Widar) to engage in the services related to the power plant and trading

<table>
<thead>
<tr>
<th>Type</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Founded</td>
<td>27 June 2011</td>
</tr>
<tr>
<td>Headquarter</td>
<td>Jakarta</td>
</tr>
<tr>
<td>CEO</td>
<td>Sabaruddin</td>
</tr>
<tr>
<td>Industry</td>
<td>Gas Downstream</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>1 (PT Widar Mandripa Nusantara/WIDAR)</td>
</tr>
<tr>
<td>Total Assets</td>
<td>USD 83 Million (2017)</td>
</tr>
<tr>
<td>No. Employees</td>
<td>76 (2017)</td>
</tr>
<tr>
<td>Website</td>
<td><a href="http://www.gagas.co.id">www.gagas.co.id</a></td>
</tr>
</tbody>
</table>
Subsidiary – PT Pertamina Gas*

* CSPA Amendment on 30 Nov 2018 with target completion on 31 December 2018

<table>
<thead>
<tr>
<th>Type</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Founded</td>
<td>23 February 2007</td>
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<tr>
<td>Headquarter</td>
<td>Jakarta</td>
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<tr>
<td>CEO</td>
<td>Wiko Migantoro</td>
</tr>
<tr>
<td>Industry</td>
<td>Gas Midstream &amp; Downstream</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>PT Pertamina Gas Niaga, PT Perta-Samtan Gas Niaga, PT Perta Kalimantan Gas, PT Perta Daya Gas, PT Perta Arun Gas</td>
</tr>
<tr>
<td>Total Assets</td>
<td>USD 1.9 Billion (2017)</td>
</tr>
<tr>
<td>No. Employees</td>
<td>379 (2017)</td>
</tr>
<tr>
<td>Website</td>
<td><a href="http://www.pertagas.pertamina.com">www.pertagas.pertamina.com</a></td>
</tr>
</tbody>
</table>

REVENUE CONTRIBUTION – 2017

- Gas Transportation: 40%
- Gas Trading: 37%
- Gas Processing: 19%
- Oil Transportation: 3%
- Marketing: 1%

Operational Highlights - 2017

- Gas Transportation: 502,043 MMSCF
- Gas Trading: 46,680 BBTU
- Oil Transportation: 3,377.386 Barrel
- Gas Processing: 206,409 Ton
- LNG Regasification: 42,160 BBTU
- Gas Compression: 2,755 BBTU

Source: Company’s Annual Report 2017 & Website
Subsidiary – Transportasi Gas Indonesia (TGI)

<table>
<thead>
<tr>
<th>Type</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Founded</td>
<td>1 February 2002</td>
</tr>
<tr>
<td>Headquarter</td>
<td>Jakarta</td>
</tr>
<tr>
<td>CEO</td>
<td>Zuryati Simbolon</td>
</tr>
<tr>
<td>Industry</td>
<td>Gas Transportation</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>-</td>
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<tr>
<td>Total Assets</td>
<td>USD 550 Million (2017)</td>
</tr>
<tr>
<td>No. Employees</td>
<td>285 (2017)</td>
</tr>
<tr>
<td>Website</td>
<td><a href="http://www.tgi.co.id">www.tgi.co.id</a></td>
</tr>
</tbody>
</table>

**Grissik – Duri Pipeline**
- Pipeline Length: ± 536 km

**Grissik – Singapore Pipeline**
- Pipeline Length: ± 470 km

**BUSINESS UPDATES**
- Transportation volume in 9M-2018: 642 MMscfd
- Level of infrastructure reliability: 99.96%
Joint Venture – Nusantara Regas

**Type**: Private

**Founded**: 14 April 2010

**Headquarter**: Jakarta

**CEO**: M. Taufik Afianto

**Industry**: LNG Regassification Through FSRU

**Subsidiaries**: -

**Total Assets**: USD 277 Million (2017)

**No. Employees**: 73 (2017)

**Website**: www.nusantararegas.com

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**LNG Volume 9M-2018**: 234 BBtud

Operating FSRU Nusantara Regas Satu located in Jakarta Bay as the first LNG Receiving Terminal in Indonesia

- Regasification capacity: 500 MMscfd.
- LNG Suppliers: Mahakam PSC and Tangguh PSC
- Offtaker: PLN Muara Karang
Subsidiary – PGAS Solution

Type  Private
Founded  6 August 2009
Headquarter  Jakarta
CEO  Chaedar
Industry  Engineering
Subsidiaries  1 (PT Solusi Energi Nusantara/SENA)
Total Assets  USD 113 Million (2017)
No. Employees  325 (2017)
Website  www.pgn-solution.co.id

Line of Business

Engineering
Establish SENA in 2015 to provide engineering services in the O&G industry, including pipeline, mechanical, electrical, geodetic, civil, process & telemetry sectors.

Trading
A Reliable Partner of Armatury Group, world biggest valve producer.

EPC
Building city gas pipeline, onshore - offshore Kalija gas pipeline, SPBG/Gas Refueling Station gas station upgrading.

O&M
More than 5,200 km in length of gas pipeline in its operation & maintenance (O&M)
Subsidiary – PGAS Telecommunication

**Type** | Private
---|---
**Founded** | 10 January 2007
**Headquarter** | Jakarta
**CEO** | Dwika Agustianto
**Industry** | Information & Communication Technology

**Subsidiaries**
- PGAS International Pte, Ltd (PTI)
- PT Telemedia Dinamika Sarana (TDS)

**Total Assets** | USD 35 Million (2017)
**No. Employees** | 106 (2017)
**Website** | www.pgasoncom.co.id

**BUSINESS UPDATES**

Throughout the year of 2017, PGASCOM successfully booked sales capacity of 2,424,905 Mbps and delivered telecommunication services reliability of 99.87%.

PTI provides and develop the network fiber optic for international market and based in Singapore.

TDS with the product brand GASNet provides the internet services for corporate customers to fulfill the business needs.
Subsidiary – Permata Graha Nusantara

- **Type**: Private
- **Founded**: 24 April 2014
- **Headquarter**: Jakarta
- **CEO**: Baskara Agung Wibawa
- **Industry**: Property & Facility Management
- **Subsidiaries**: 2
  - PT Kalimantan Jawa Gas (KJG)
  - PT Permata Karya Jasa (Perkasa)
- **Total Assets**: USD 293 Million (2017)
- **No. Employees**: 80 (2017)
- **Website**: www.pgnmas.co.id

**Facility Management**
- Office & gas station support, warehouse & building maintenance

**Asset Management**
- Creating added value on PGN’s property assets

**Real Estate**
- Developing gas based industrial & commercial estates and residential housing

**PERMATA IN NUMBERS**
- Building Management Services: ±335,558 M²
- Gas Station Supports: ±44 (locations)
- Building Maintenance Services: ±68,200 M²
- Office Supports: ±110 (users)
- Temporary Facilities Services: ±25 (locations)
- Office Stationery Services: ±115 (clients)
- Managing ±25 PGN’s non-productive assets

- Developed Residential Area for PGN Group
- Managing ±25 PGN’s non-productive assets
- Developed Residential Area for PGN Group
- Managing ±25 PGN’s non-productive assets
- Developed Residential Area for PGN Group
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Email: investor.relations@pgn.co.id
Phone: +62 21 8064 1111