INVESTOR PRESENTATION

Integration of PT Pertamina Gas

July 2018

www.pgn.co.id

PT Perusahaan Gas Negara Tbk

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 acquired by PT Pertamina (Persero) to become its subsidiary since 11 April 2018 as part of Government of Indonesia's holding initiatives. In line with the Government's Oil and Gas Holding strategy, PGAS has entered into an agreement to acquire Pertamina Gas in June 2018.

HEADQUARTER

Jl. K.H. Zainul Arifin No. 20 Jakarta, Indonesia
Website: www.pgn.co.id

Investor Relations Contact:
PT Perusahaan Gas Negara Tbk
Mid Tower Manhattan 26th Floor
Jl. TB Simatupang Kav. 1-S, Jakarta, Indonesia
Email: investor.relations@pgn.co.id
Phone: +62 21 8064 1111

Board of Directors

Desima Equalita Siahaan

Director of HR & GA

Said Reza Pahlevy

Director of Finance

Jobi Triananda Hasjim

President Director

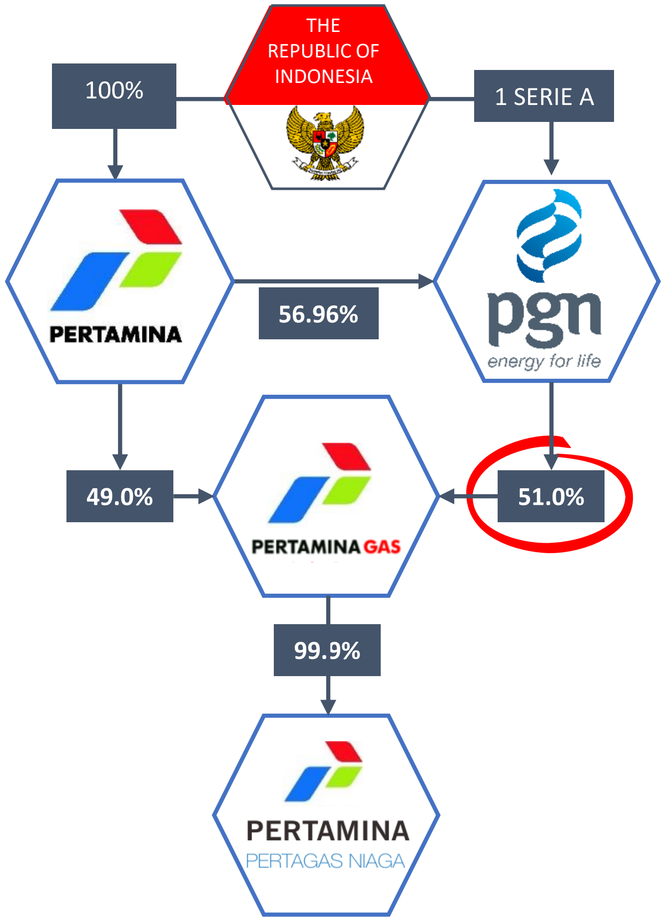
Dilo Seno Widagdo

Director of Infrastructure & Technology

Danny Praditya

Director of Commerce

Transaction Overview



Structure

- PGAS acquires 51% of PT Pertamina Gas ("PTG") from PT Pertamina (Persero) ("Pertamina")
- PTG will retain 99% of subsidiary PT Pertagas Niaga ("PTGN")
- PTG's other subsidiaries (PT Perta Kalimantan Gas, PT Perta Daya Gas, PT Perta-Samtan Gas, and PT Perta Arun Gas) will be carved-out to Pertamina
- Classified as affiliated but non-conflict of interest transaction

Purchase Price

- IDR c. 16.6 T purchase price for c. 51% stake in PTG
- Implied equity value of c. IDR 32.6 T for 100% of PTG
- Negotiations supported by external Tax, Legal, Audit consultants and Independent Valuer
- Payment terms are currently being negotiated
- As of 31 March 2018, PGAS has cash/cash equivalent amounting to USD 1,197 m

Timing

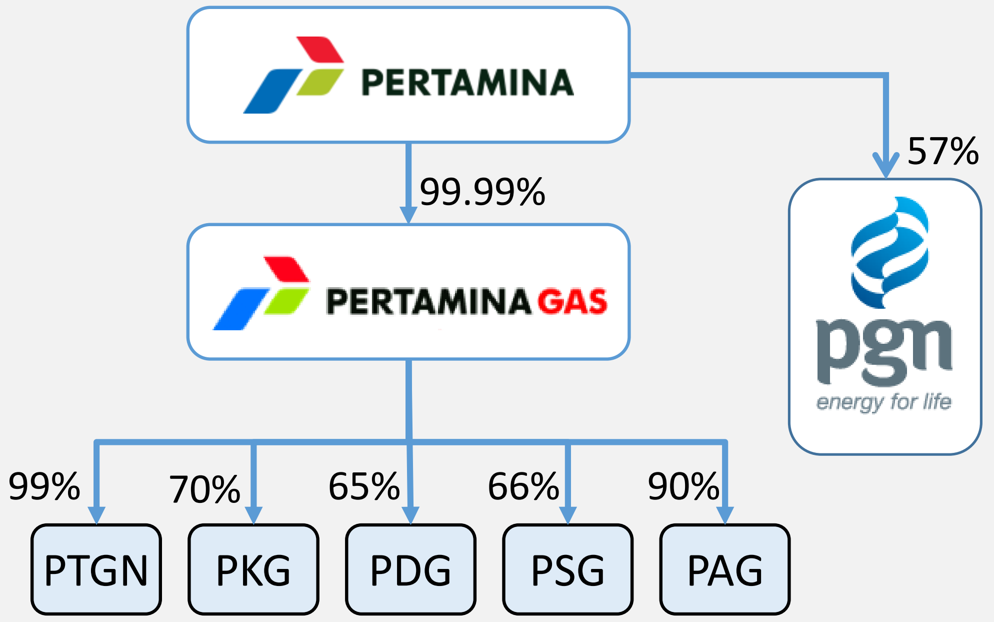
- 29 June 2018 – CSPA signed
- 90 Days from CSPA signing or by end of September 2018 – target completion

Synergies

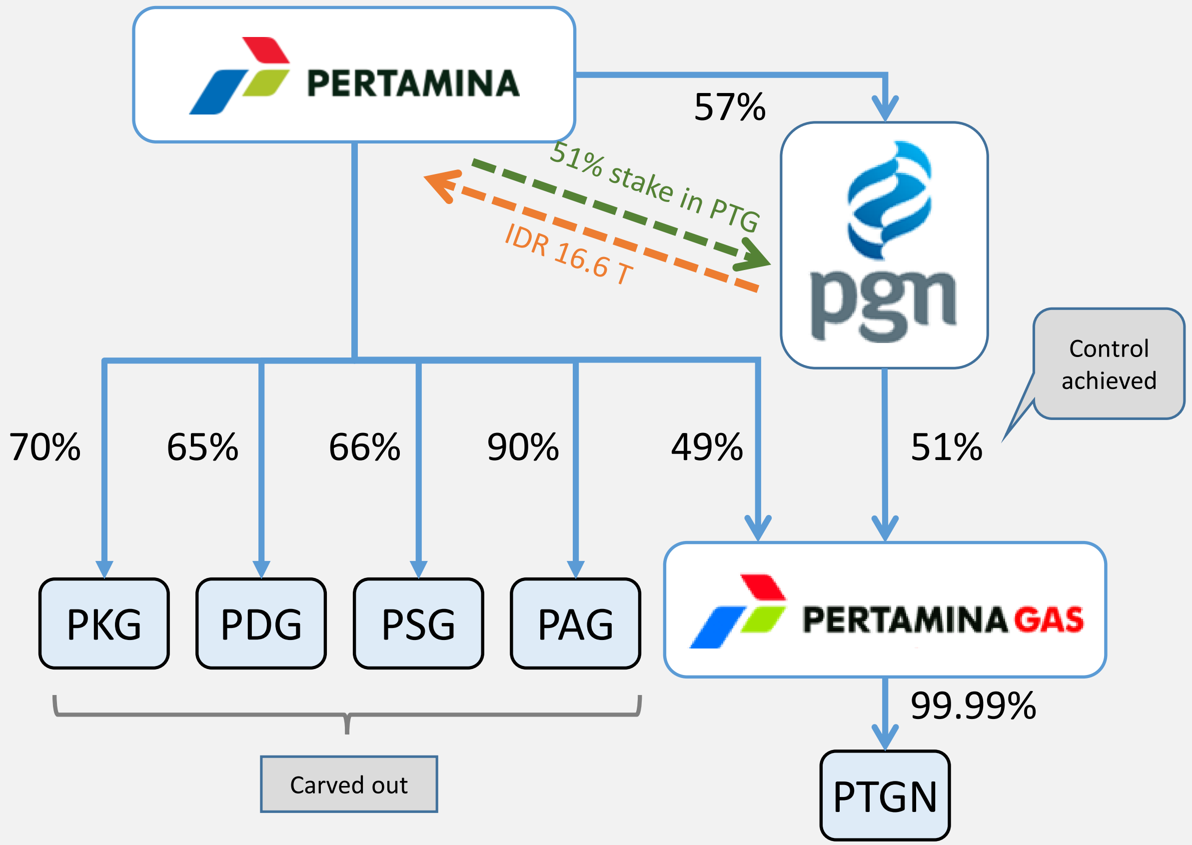
- Aligned growth opportunities on the transmission/distribution businesses (avoids duplications in operations and investments)
- Coordinated procurement and sale of gas for the trading business
- Transfer of knowledge and technical know how
- Potential operating synergies contributing to an additional EBITDA of c. USD 65m (average for the next 5 years) could be enjoyed with appropriate corporate governance in place

Transaction Structure – Immediate Control Achieved

Pre - Transaction



Post Transaction



Transaction Rationale

Strengthen PGN as the market leader in Transmission, Distribution and Gas Trading in Indonesia
- Combined gas pipeline network of 9,677 km transporting 2,627 MMscfd to customers throughout Indonesia
- 96% of the gas transmission and distribution pipeline in Indonesia

Complementary businesses with significant synergy potential
- PTG and PTGN are engaged in gas transportation and trading businesses, similar to PGAS's existing business
- Consolidation would allow for significant synergies , estimated at US$65MM per annum

pgn energy for life + PERTAMINA GAS

Realisation of the Government of Indonesia's Oil & Gas HoldCo strategy
- PGAS will be the Gas HoldCo subsidiary under Pertamina, focusing on midstream and downstream gas sectors

Fair Valuation of the Target
- Valuation is based on extensive due diligence conducted by reputable independent advisors

51%

51% acquired to achieve control while minimizing upfront transaction outlay
- Maintain liquidity to fund capex requirements and maintain growth plans

PTG and PTGN Business Model

Gas Supply	Business	End Customer

Gas Supply

Pertamina Group

- PERTAMINA EP
- PERTAMINA HULU ENERGI

Other Suppliers

- Kangean Energy Indonesia

Business

Gas Transportation

PERTAMINA GAS – Igniting Brighter Future

Gas Trading

PERTAMINA PERTAGAS NIAGA

End Customer

Gas Transportation

Major Shippers:
PEP; Perusahaan Listrik Negara ("PLN"); Kangean Energy Indonesia Ltd. ("KEIL").

PERTAMINA EP · Kangean Energy Indonesia · PLN

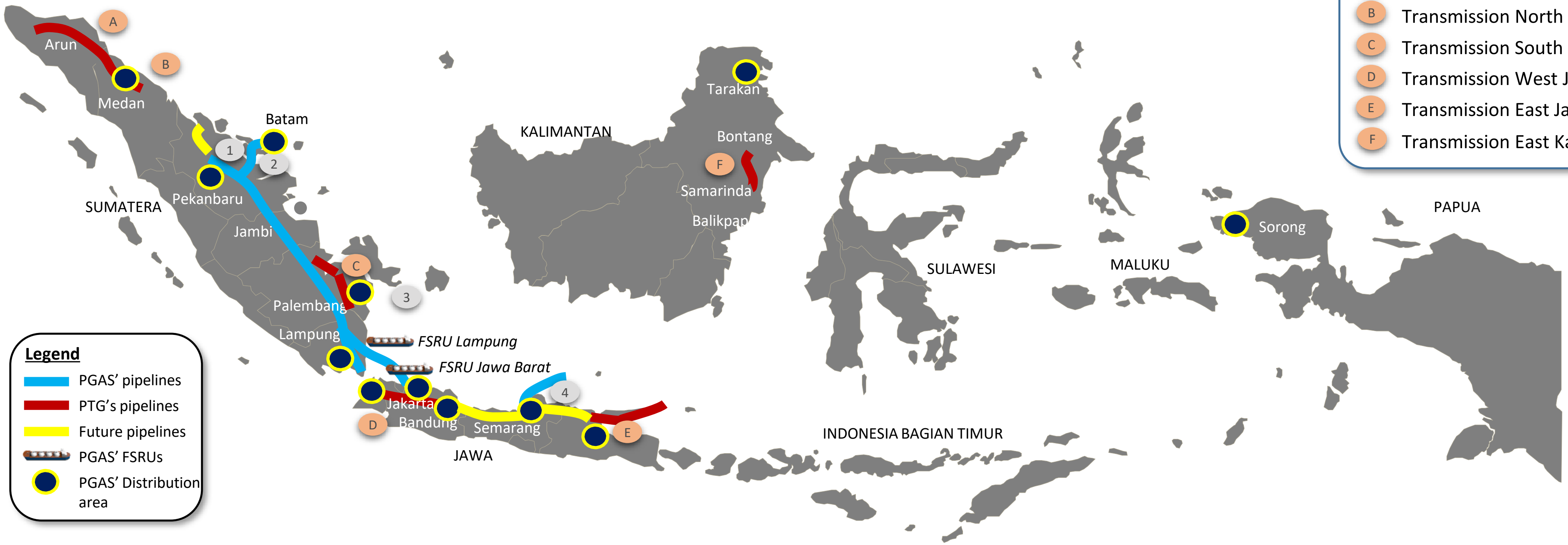
Gas Trading

Major Customers:
PT Unilever Oleochemical; PT Arwana Anugerah Keramik; PT Mulia Keramik; PT Sunpower Ceramics.

Unilever · Arwana Ceramic Tiles · MULIA CERAMICS · SUN POWER CERAMICS

Significantly Larger Consolidated Gas Infrastructure Network

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



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

Pro-forma (31 Dec 2017) Combination Highlights

	PGAS	PTG & PTGN	Transaction effects	Pro-forma consolidated entity
Income Statement				
Revenue FY2017 (USDm)*	2,970	547	-	3,517
EBITDA FY2017 (USDm)*	827	188	-	1,015
EBITDA Margin FY2017 (%)*	27.8%	34.4%	-	28.9%
Net income FY2017 (USDm)*	148	100	-	-
Balance Sheet				
Total assets 31 Dec 2017 (USDm)*	6,293	1,856	(422)	7,727
Total liabilities 31 Dec 2017 (USDm)*	3,106	691	804	4,601
Shareholders equity 31 Dec 2017 (USDm)*	3,187	1,165	(1,226)	3,126

*PTG figures for Revenue, EBITDA, and Net Income are based on pro-forma created by PTG

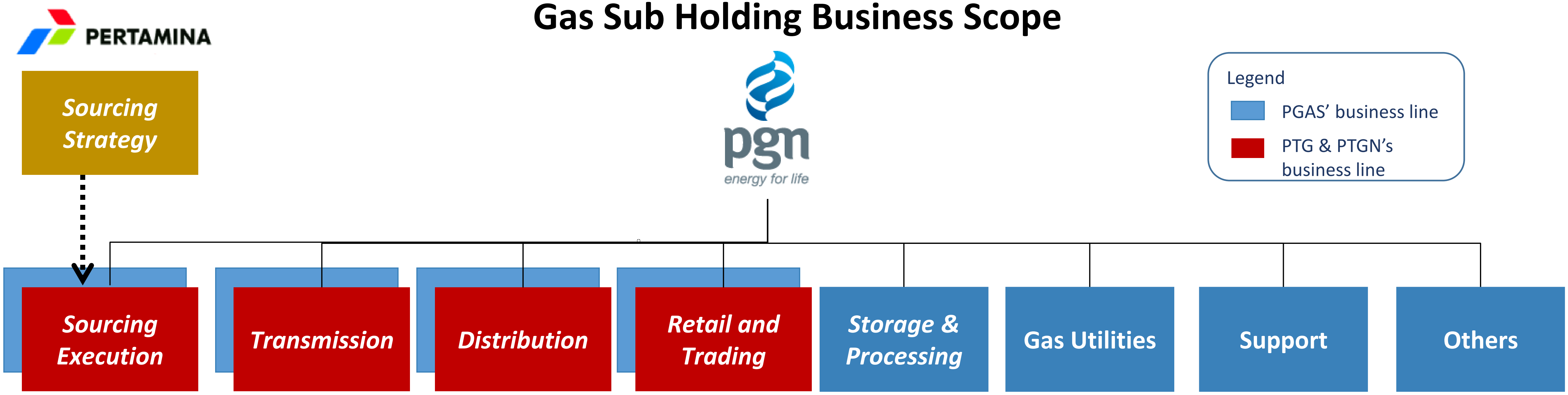
Key Operational Metrics and Growth Plans

	As of 31 Dec 2017			Growth Plan
	PGAS	PTG + PTGN	Combined	Ongoing
Distribution Volume	772 MMScfd	128 MMScfd	900 MMScfd	7% estimated growth per annum
Transmission Volume	1,252 MMScfd*	1,375 MMScfd	2,627* MMScfd	5% estimated growth per annum
Pipeline	7,454 km Trans & Dist	2,223 km trans	9,677 km Trans & Dist	576 km Trans & Dist
FSRU	2 units	-	2 units	-
Gas Fuel Stat. & MRU	12 stations 4 units	-	12 stations 4 units	-
Residential Customers	192,489	-	192,489	c. 40,000 additional residential customers
Comm. & Ind. Cust.	3,732	88	3,820	c. 90 additional C&I customers

Note: all figures are based on 2017 figures | *) gas transmission consists of 725 MMScfd for external and 527 MMScfd for internal | 1 MMScfd = 1 BBTUD

Oil & Gas HoldCo – PGAS's Strategic Focus on Gas

Gas Sub Holding Business Scope



In line with the Government's Oil and Gas Holding strategy, PGAS as Pertamina's subsidiary will act as the gas subholdco managing integrated gas businesses (midstream and downstream)

Through the acquisition of PTG and PTGN, PGAS will strengthen their transmission, distribution, retail and trading business lines by consolidating PTG and PTGN's operations

Independent Valuation

KJPP RSR
partner for corporate actions and financial reporting

Conclusion Statement

RSR as an independent valuer conducted deep analysis considering both quantitative and qualitative analysis on PTG and PTGN's business economics and financials. RSR came into a conclusion that the ***fair valuation of 51% of PTG and PTGN as of 31st December 2017 is Rp16.566.795.740.790 .-***

Valuation

Entities Valued	*Valuation Method*	*Valuation Results*		*Final Valuation*
PERTAMINA GAS – Igniting Brighter Future	DCF: 70%	PERTAMINA GAS	IDR 28.4 T	IDR 32.5 T*
PERTAMINA PERTAGAS NIAGA	Market Comps: 30%	PERTAMINA PERTAGAS NIAGA	+ IDR 4.1 T	

RSR's Credentials

Background

KJPP Ruky, Safrudin & Rekan ("RSR") is a Certified and Registered Public Valuer (Kantor Jasa Penilai Publik - KJPP) in Indonesia. RSR has experiences in business and property valuation, as well as capital market n a variety of industries such as manufacturing, coal, mining, electricity, oil and gas, banking, property, telecom, pharmaceutical, and consumer good.

Past Clients

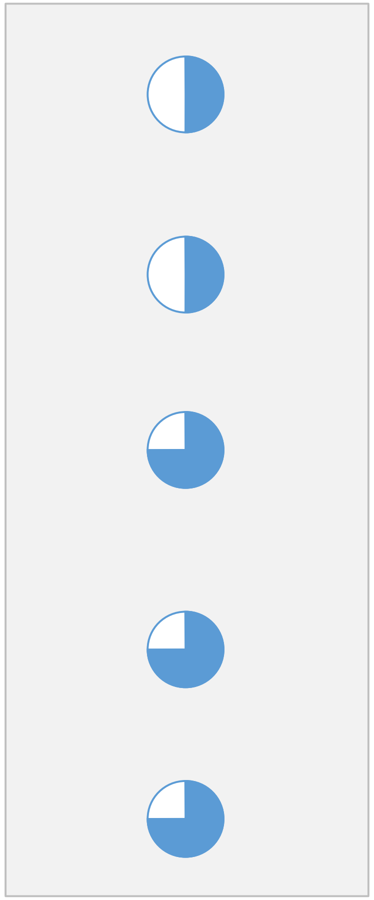
WIKA – PT WIJAYA KARYA (Persero) Tbk., inalum, elnusa, Telkom Indonesia, SEMEN INDONESIA, SAMPOERNA, mandiri, kimia farma

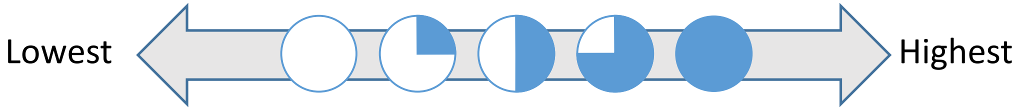
* Fair value = ± 7.5% from KJPP valuation

Potential Synergies

Variable Impacted	Description of the Synergy
Aligned **Sale Price** *from Joint Marketing*	• ***Avoidance of price incentive*** *for PGAS selected clients* • ***Price optimization*** *on new clients / existing contract renewals for key clients*
Incremental **Volumes**	• ***Additional sales for PGAS*** *triggered by use of PTG pipeline*
Savings on **Operating Costs**	• ***Duplication avoidance*** • ***Economies of scale*** • *Savings on* ***O&M costs*** *with synergies along transmission pipes*
Savings on **SG&A** & other costs	• *Savings on* ***sales / administrative*** *costs* • *Savings on* ***general services*** • ***Duplication avoidance*** *(e.g. rentals)*
Operating Synergies from **CAPEX savings**	• ***Savings on investments due to expected overlap of infrastructure and new investments to generate additional sales***

Magnitude





Source: initial assessment by PWC Strategy&

Key Steps to Closing

1	Receive from Pertamina its internal corporate approvals for the proposed Transaction
2	Agreement on certain transaction aspects, such as material adverse effects, taxation, purchase price adjustment mechanism, settlement of PTG Shares Sale Purchase, other Pertamina representations and warranties, liabilities (including cost and tax liabilities in connection with disposal of PT Perta-Samtan Gas, PT Perta Arun Gas, PT Perta Daya Gas and in PT Perta Kalimantan Gas)
3	Divestment of PTG's ownership in PT Perta-Samtan Gas, PT Perta Arun Gas, PT Perta Daya Gas and PT Perta Kalimantan Gas
4	Receive from PTG its approvals as required by prevailing laws and regulations
5	Obtain optimal funding composition: internal cash + commercial loan

Near Term Business Integration Plan

1	Eliminate operational duplications, particularly in East java and West Java areas
2	Market expansions for distribution business • North Sumatera: Medan • Central Sumatera: Dumai (Riau) • Central Java • East Java • West Java
3	Market expansions for transmission business • Central Java: Semarang – Cirebon
4	Market expansion for LNG business • Tapping into East Indonesia markets: Papua & surrounding areas
5	Retailing CNG and LNG: further business expansion to supply to retail customers

Conclusion

Transaction at fair value

Significant synergies:

- Consolidated entity will own 96% of national gas infrastructure
- Transforming competition with PTG into integration
- Creating value for shareholders

51%

Acquisition of 51% to achieve control while limiting potential cash outlay and ensuring sufficient funding for the execution of growth projects

Strengthening PGAS’ core transmission and distribution business segments

In line with Government’s Oil and Gas Holding strategy, this transaction is the beginning of PGAS’ new chapter as a prominent regional player

Thank You

energy for life