



Perusahaan Gas Negara

Investor Presentation

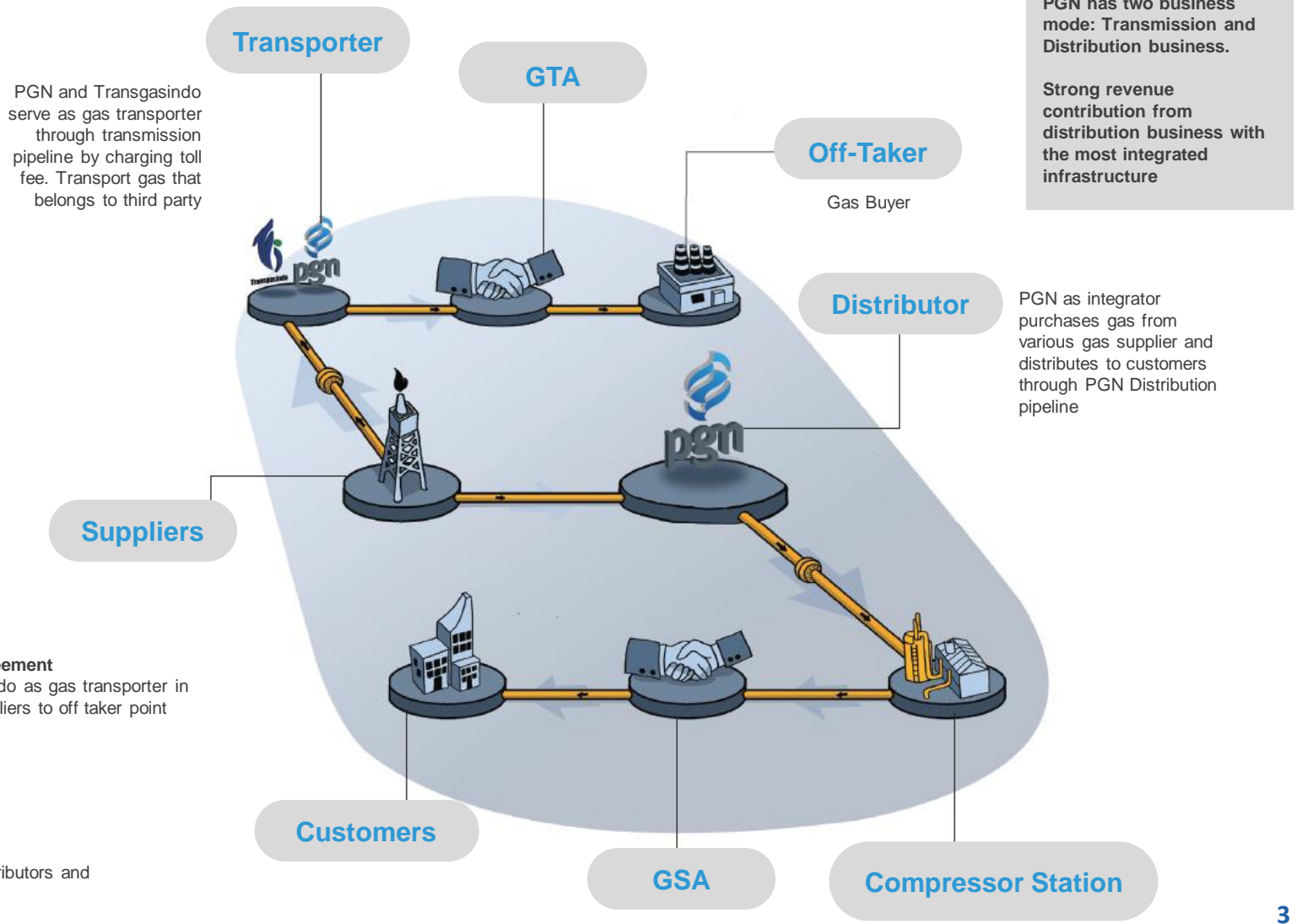
3M 2015 Update

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.

Business Model

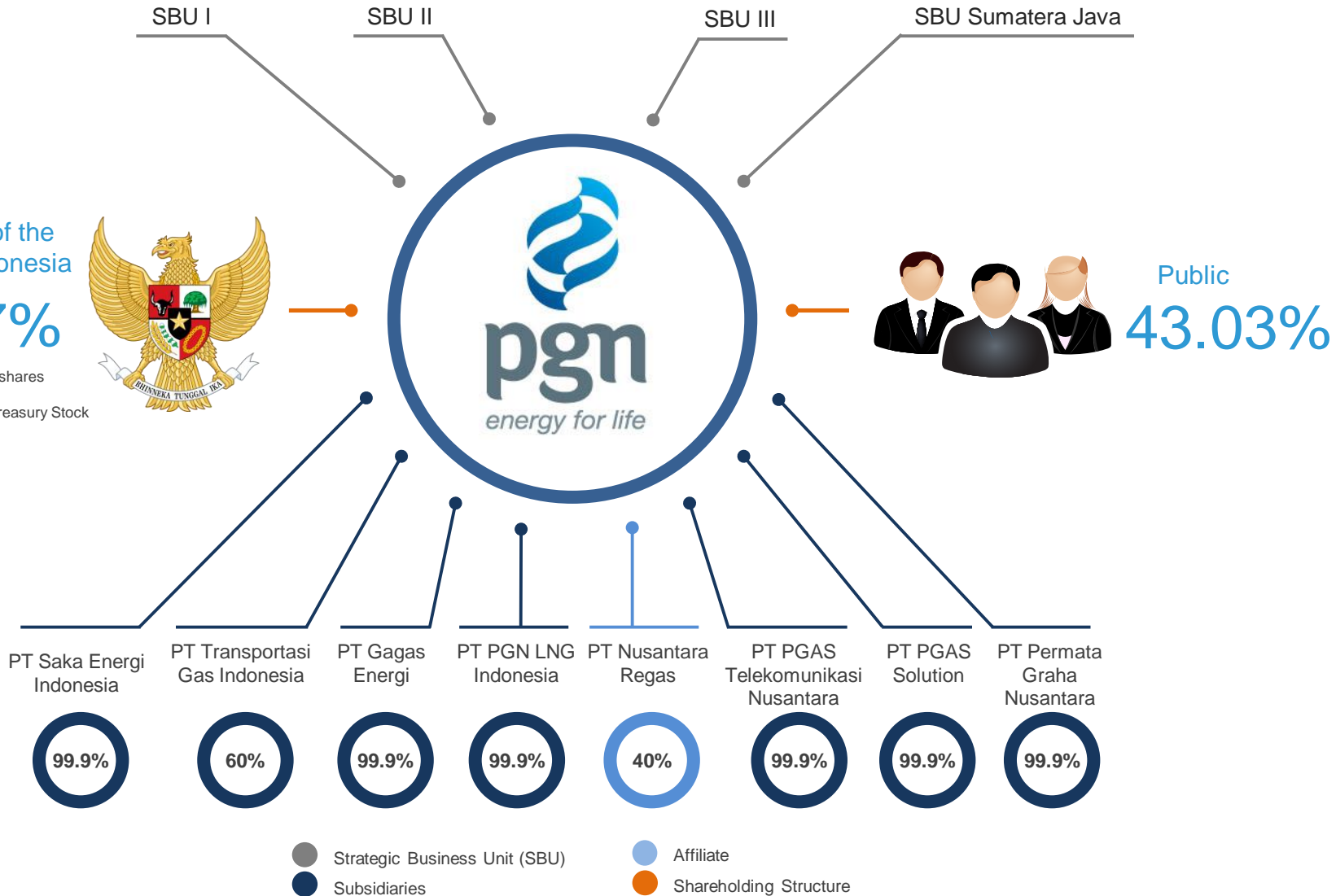
Dominant player in domestic natural gas transmission and distribution



GTA
Gas Transportation Agreement
Between PGN/Transgasindo as gas transporter in transferring gas from suppliers to off taker point

GSA
Gas Sales Agreement
Between PGN as gas distributors and customers

PGN Group Structure



Government of the Republic of Indonesia

56.97%

*) Total : 24,241,508,196 shares
Public Share includes
1,850,000 shares of Treasury Stock

Public

43.03%

Key Stakeholders and Related Regulations



Ministry of
State Own Enterprise



Ministry of Energy and
Mineral Resources



Special Task Force for Oil and
Gas Business Activities



Downstream
Oil and Gas Regulator

Minister of Energy and Mineral Resources Decree No. 19/2009

- Set the structure of natural gas trading, transmission and distribution business and licensing.
- Provides special rights and licensing for dedicated downstream.
- Set pricing mechanism for piped natural gas:
 - Residential regulated by BPH Migas.
 - Special users determined by Minister of Energy and Mineral Resources.
 - General users determined by the companies.

Minister of Energy and Mineral Resources Decree No. 3/2010

- Upstream has a mandate to serve domestic demand by 25% of natural gas production.
- Domestic gas utilization priorities for national oil and gas production, fertilizer, electricity and industrial uses.
- Exemption for existing Gas Sales & Purchase Agreements, Heads of Agreement, Memorandum of Understanding or negotiations in progress.

Pipelines, Facilities and Distribution Areas



Grissik Receiving Station



Panaran Station, Batam



FSRU Lampung



Pagardewa Station



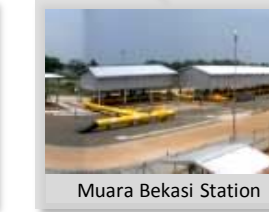
Terbanggi Besar St.



Labuhan Maringgai St.



Bojonegara Station

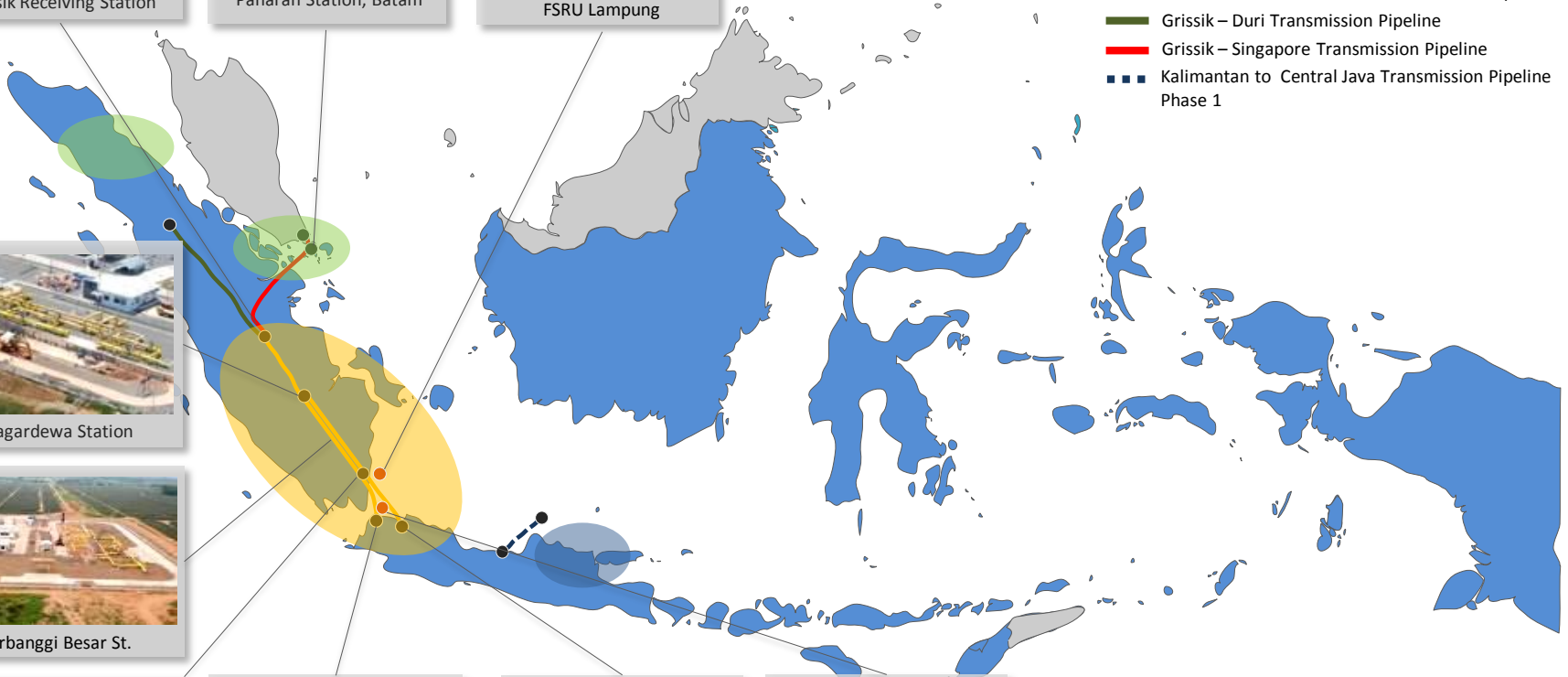


Muara Bekasi Station



Nusantara Regas

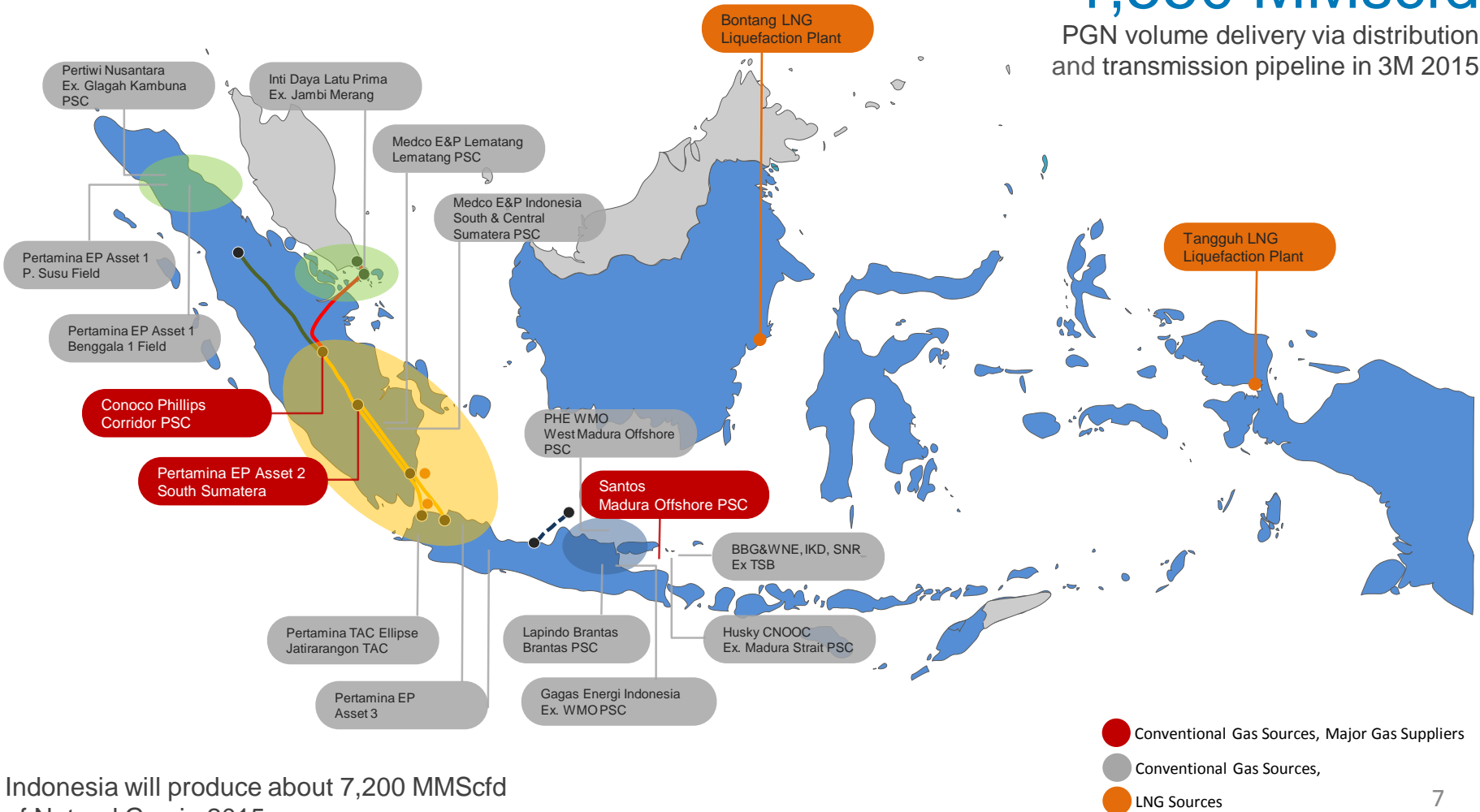
- Strategic Business Unit (SBU) I
- Strategic Business Unit (SBU) II
- Strategic Business Unit (SBU) III
- FSRU Facilities
- South Sumatra – West Java Transmission Pipeline
- Grissik – Duri Transmission Pipeline
- Grissik – Singapore Transmission Pipeline
- ■ ■ Kalimantan to Central Java Transmission Pipeline Phase 1



Sources of Gas

1,550 MMscfd

PGN volume delivery via distribution and transmission pipeline in 3M 2015



Indonesia will produce about 7,200 MMscfd of Natural Gas in 2015 Source: SKK Migas

We Serve All Segments

INDUSTRIES AND POWER PLANTS

97.11%

of total volumes

1,480

Customers



COMMERCIAL & SME

2.64%

of total volumes

1,771

Customers



HOUSEHOLDS

0.25%

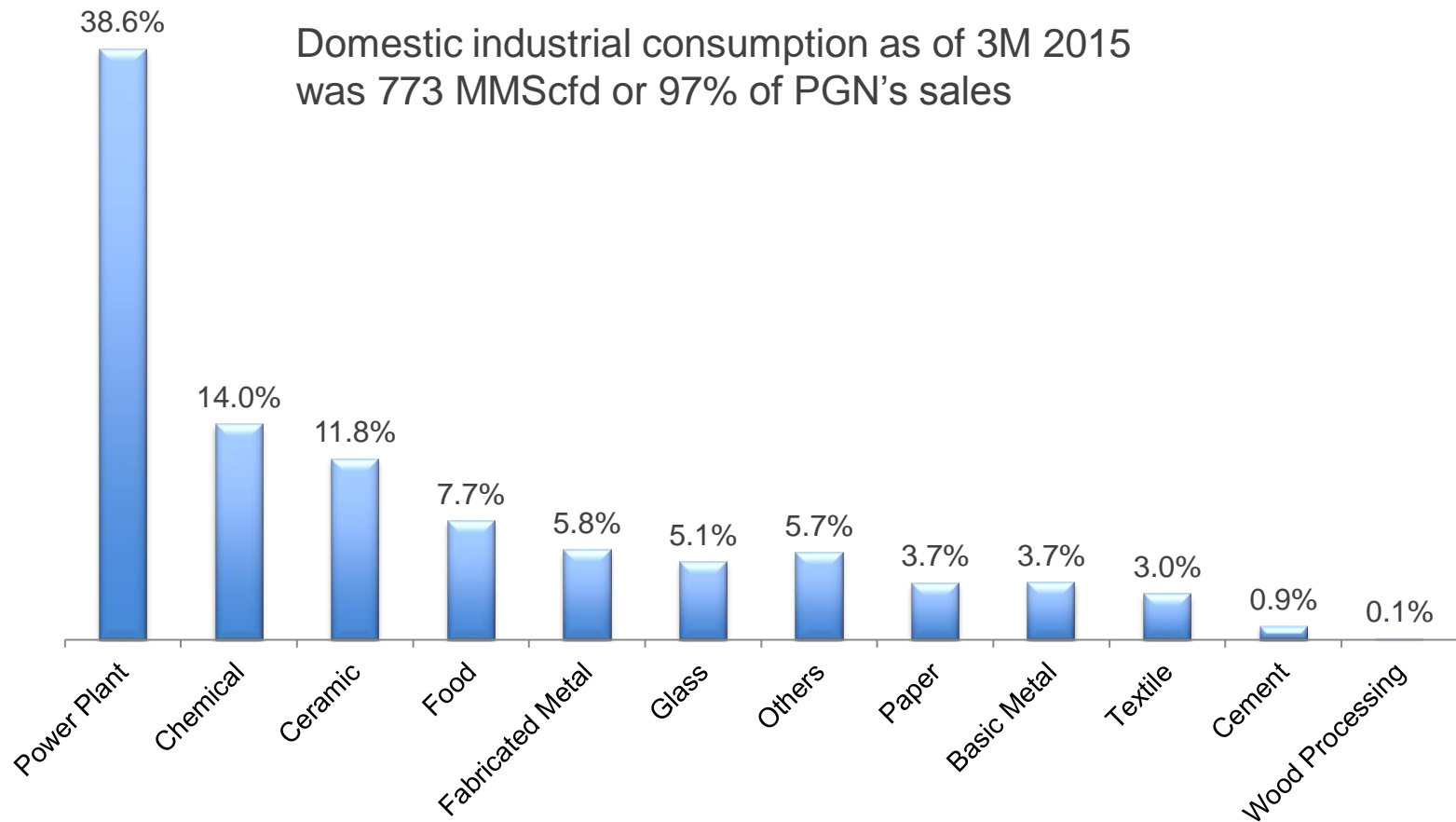
of total Volumes

94,934

Customers

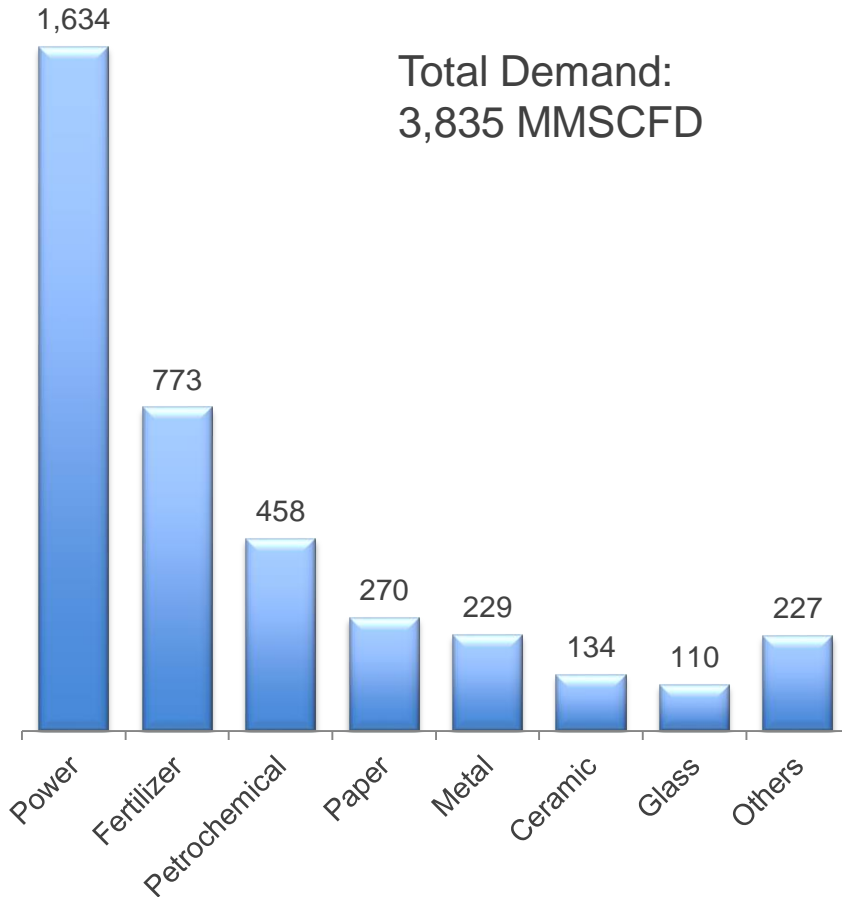
**) Number of customers as of March 2015*

Diversified Industrial Customer



Demand for Natural Gas

Indonesia Potential Demand



No Subsidy of Fuel for the Industries

Subsidies for industries revoked in 2005.

Pricing and Efficiencies

Significant price and efficiencies benefits by converting to natural gas, as well as environmental concerns.

Conversion of Power Plants

Pent-up demand from the conversion of existing dual fired power plants pending availability of gas.

Demand from the industries

Require natural gas to compete in the era of Free Trade Agreement

Source: Ministry of Industry Republic of Indonesia and PLN

Strategy to Meet Demand

Obtain access to new gas supplies

- Actively seeking new gas supplies, starting from the ones located in the proximity of existing infrastructure.
- Seek to obtain more allocation from the imposed domestic market obligations to new production and contracts, but will require new infrastructure to be built.

Develop existing and build new infrastructure

- Expand existing distribution and transmission capacity.
- Plan for inter-mode gas transportation such as CNG and LNG.

Aim for non-conventional sources

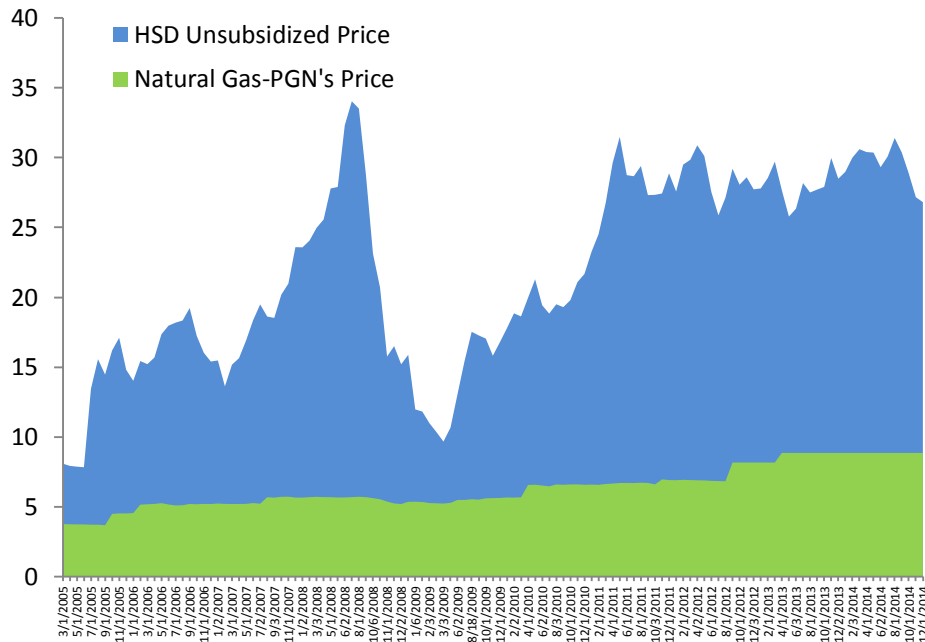
- Plan and anticipate the non-conventional sources.



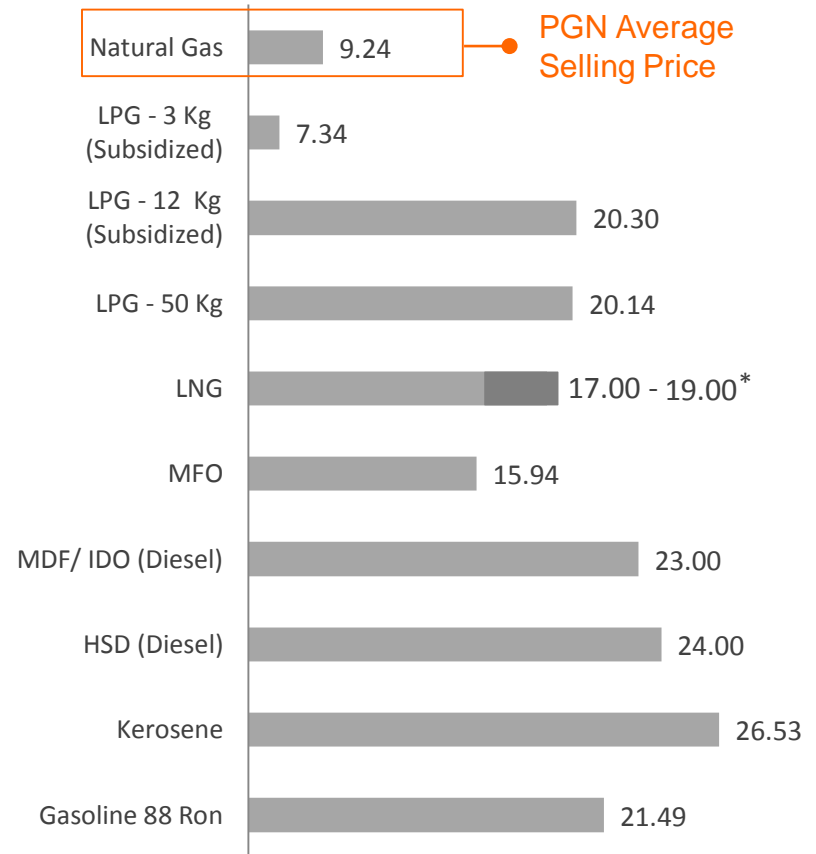
Opportunity in Price Advantage

Comparison between HSD vs Natural Gas

USD/MMBTU

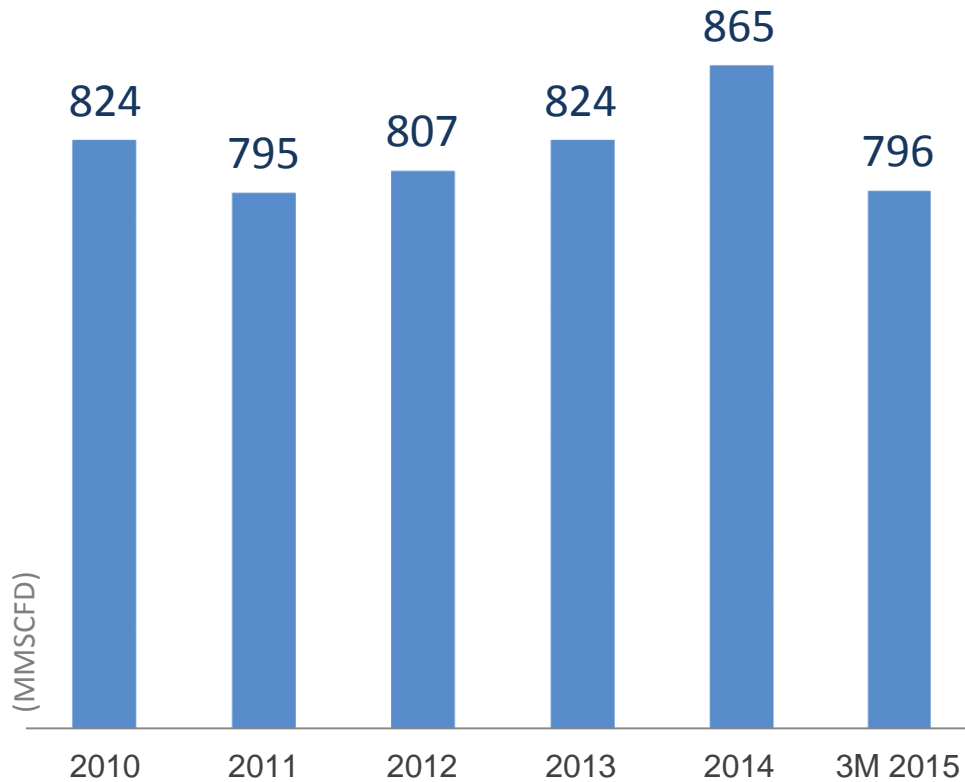


Note:
IDR-USD: BI mid spot rate

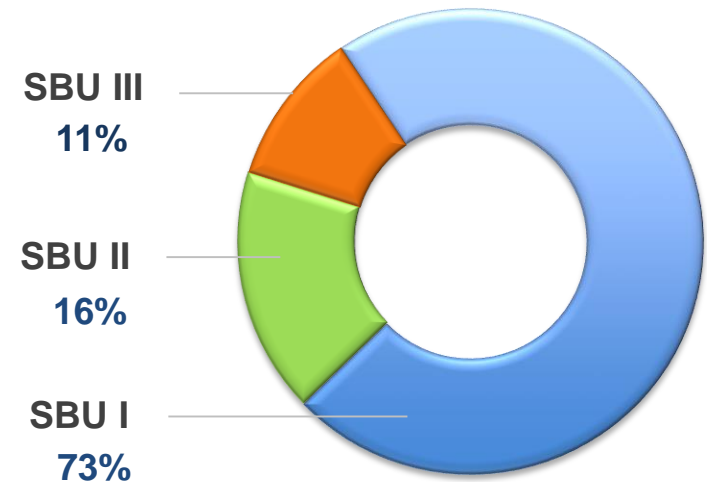


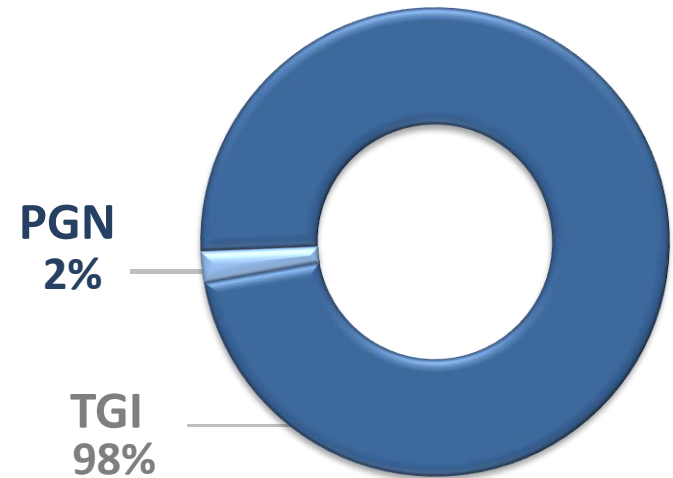
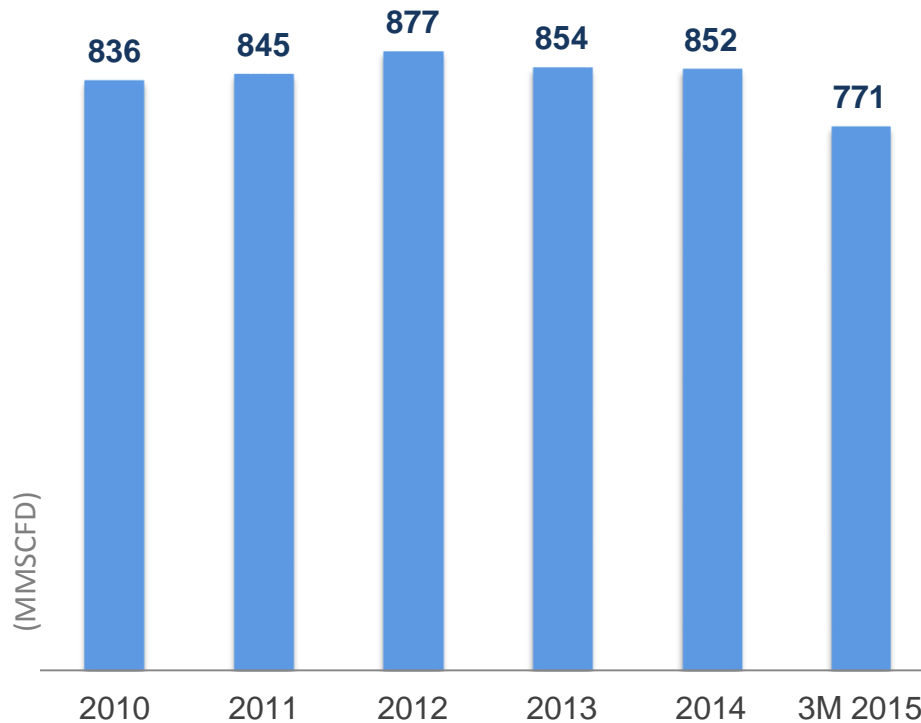
Note: USD/MMBTU
Fuel price Pertamina as of March 2015
Exchange rate USD 1 = IDR 13.000
* Subject to ICP

Distribution Performance



Distribution





Transmission

Note:

*) Effective January 1, 2015, PGN adopted PSAK 65 (the revised Indonesian Statements of Financial Accounting Standards) regarding consolidated financial statements whereby it reassessed its control over its entities and requires PGN to unconsolidate PT Transportasi Gas Indonesia (TGI)

Consolidated Statements of Comprehensive Income 3M 2015

In USD Million	3M 2014	3M 2015
Revenues	804.4	696.4
Cost of Revenues	507.4	472.9
Gross Profit	296.9	223.4
Operating Income	211.5	152.5
EBITDA	240.5	183.9
Net Income	176.7	109.4

Consolidated Statements of Financial Position

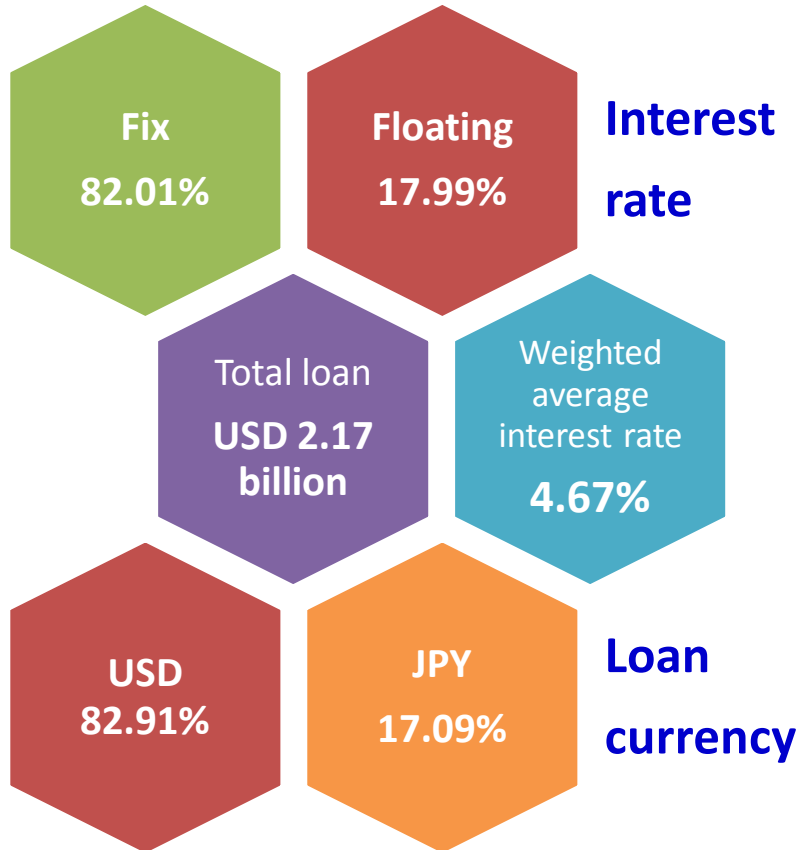
In USD Million	Dec 31, 2014*	March 31, 2015
Current Assets	1,745	2,005
Non Current Assets	4,326	4,143
Total Assets	6,071	6,148
Current Liabilities	1,032	737
Non Current Liabilities	2,145	2,427
Total Equity	2,894	2,984
Total Liabilities And Shareholders Equity	6,071	6,148

Ratios	FY 2014*	3M 2015
Debt to Equity Ratio (x)	0.64	0.72
EBITDA/Interest expense (x)	36.1	8.5

*) Restated

Loan Composition

As of 31 March 2015

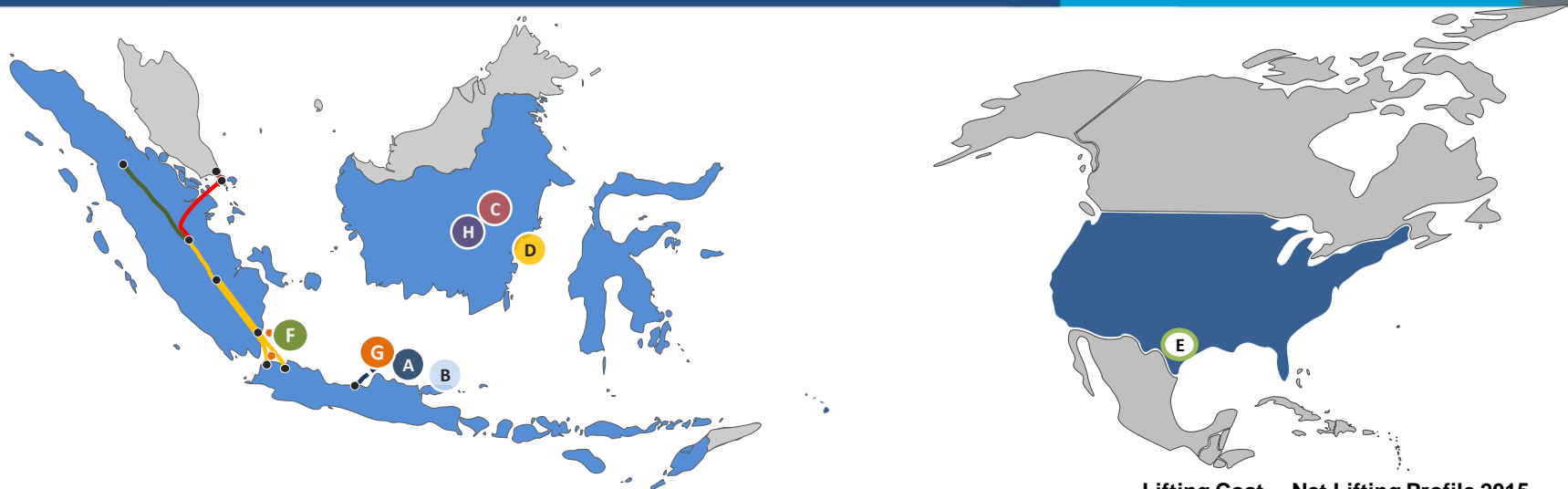


Credit Rating 2014

MOODY'S	Baa3
STANDARD & POOR'S	BB+
FitchRatings	BBB-
Pefindo	idAAA

Long-term loan mainly source from developmental banks and bond proceeds

Upstream Assets



Asset	% WI	Operator	Area (Km2)	Status	Contract Expiry	Certification Reserves	Lifting Cost	Net Lifting Profile 2015	
							USD/bbl	Oil (BOPD)	Gas (MMSCFD)
A Pangkah	100	SEI	784	Production	2026	191.6 MMBOE (2P), D&M 2009	12	5,375	32
B Ketapang	20	Petronas	885	Development	2028	60 MMBOE, Gas 70 BCF (2P), Lemigas Reserves Certification	29	1,665	2
C Bangkanai	30	Salamander	1,385	Development	2033	218 BCF, GCA 2011. 298 BCF (2P), RPS 2011	-	-	-
D South Sesulu	100	SEI	2,970	Exploration	2039	-	-	-	-
E Fasken (Texas)	36	Swift Energy	8,300	Production	2050	Lower Eagle Ford : 556 BCF Upper Eagle Ford : 450 BCF	6.2	-	40
F SES	8.91	CNOOC	6,082	Production	2018	112.5 MMBOE (2P), RPS 2012	30	2,948	5
G Muriah	20	Petronas	2,823	Development	2021	493 BCF (OGIP), LAPI 4 Nov 2002	-	-	-
H West Bangkanai	30	Salamander	5,463	Development	2043	-	-	-	-

Source : Saka Energi Indonesia. (SEI)

Strategic Benefits

- Increased security of gas supply in Indonesia's supply-constrained gas market
- Future gas volume contribution from projects coming online will drive gas distribution volume and revenue growth
- Natural hedge against future gas price hikes and Stronger pricing power with gas suppliers

Oil and Gas Assets



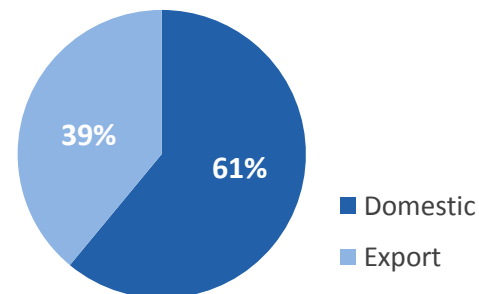
Pangkajene Block



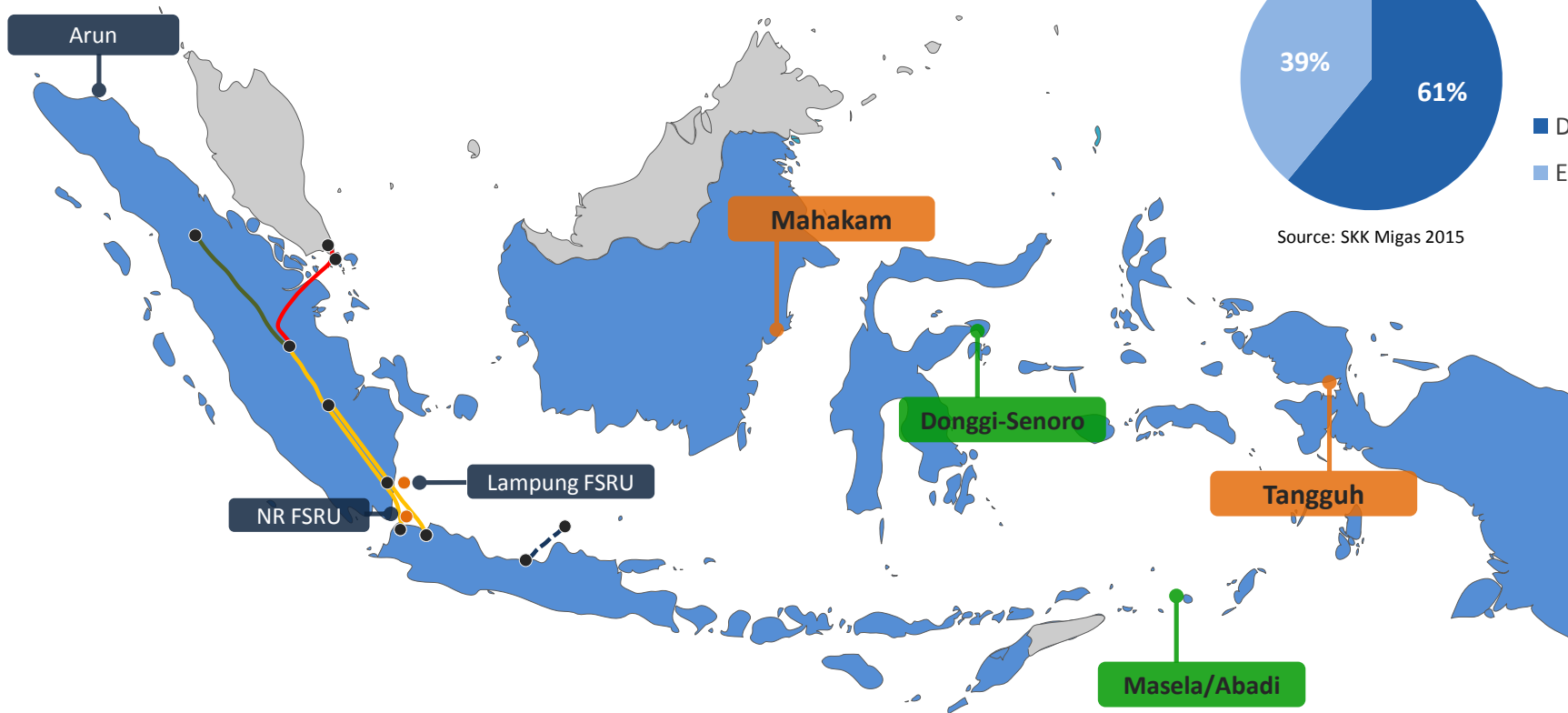
Offshore platform Pangkah Block, East Java



National LNG Infrastructure



Indonesia Natural Gas Allocation

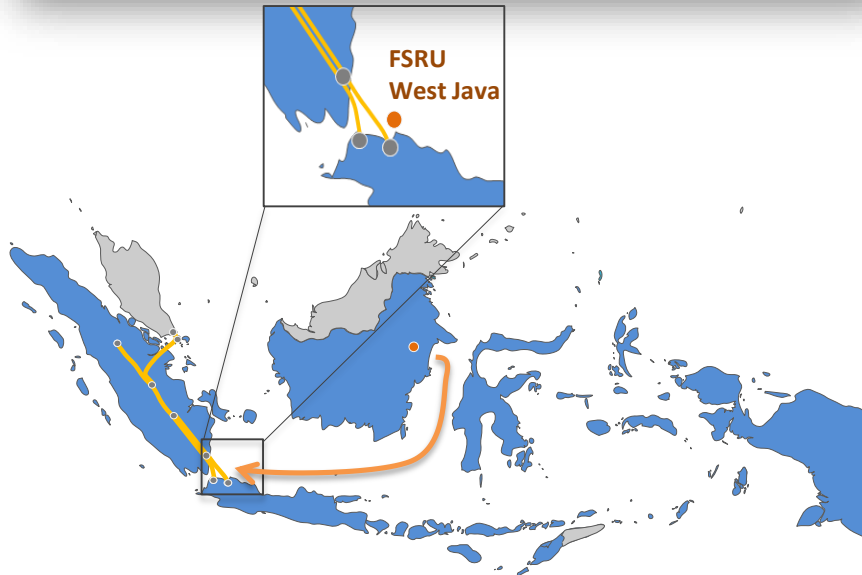


Source: SKK Migas 2015



 Existing LNG Liquefaction Plant
 Existing transmission pipelines (PGN involvement)

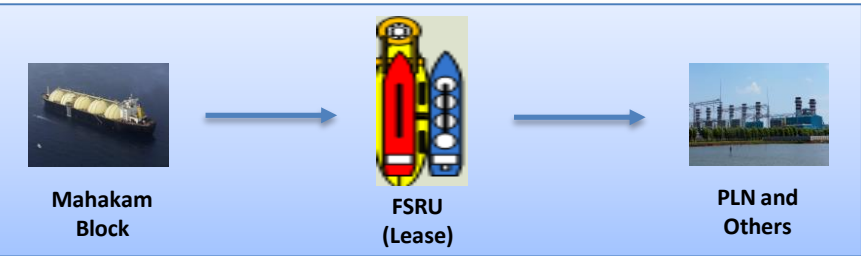
 Planned / Development LNG Liquefaction Plant
 Existing LNG Receiving Terminal



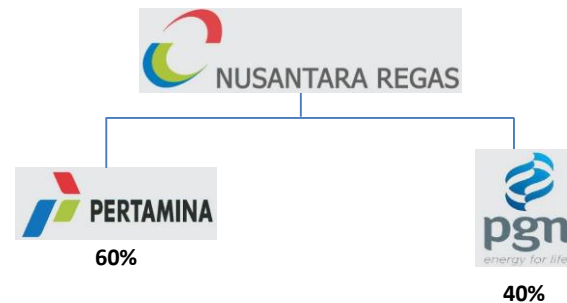
Description

Capacity	3 MTPA
Offshore Pipeline	±15 km
Diameter	24"
LNG Supply Contract	11.75 MT

Business Process

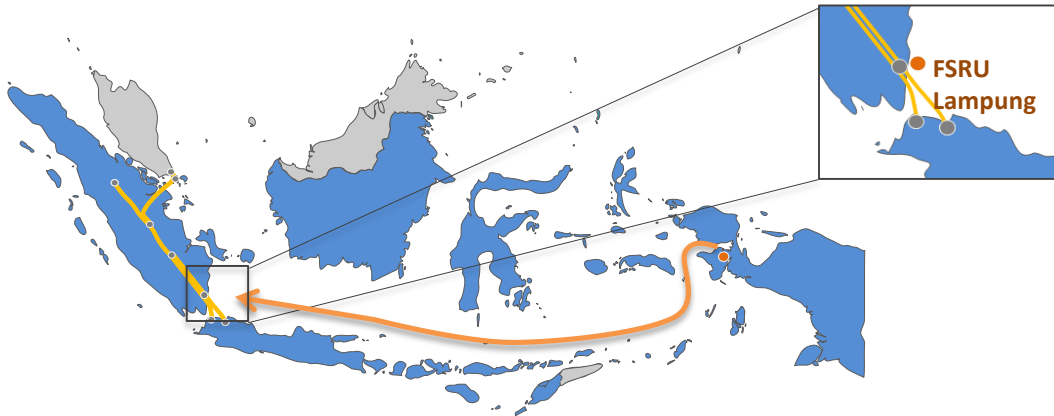


Shareholder

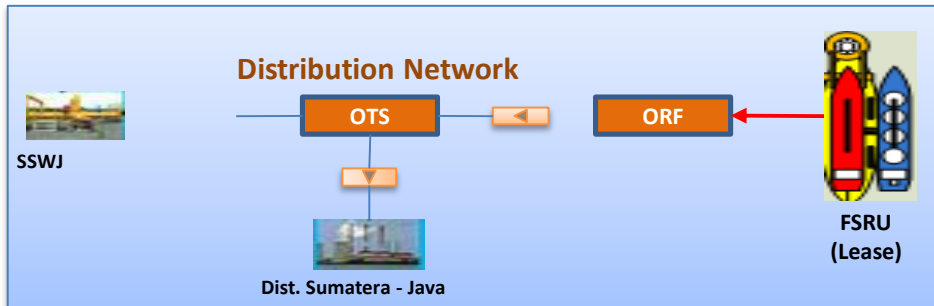


FSRU Lampung

Integrated with the largest downstream transmission pipeline South Sumatera – West Java to serve Sumatera and Java market



Business Process



Specification

DWT	81,900 tonnes
Storage Capacity	170,000 m ³
Regas Capacity	240 MMSCFD
Offshore Pipeline Diameter	±21 km
	24"

Event	Detail of Event
<p>April 28, 2014 Saka discovery in South Sesulu, offshore East Kalimantan</p>	<p>Saka Energi Indonesia (SEI) has discovered gas reserve of 500 BCF (2P) and expect to submit the Plan of Development for the block in 2017-2018</p>
<p>April 15, 2014 Acquiring the remaining 75% of Pangkah PSC from Hess</p>	<p>PGN through its subsidiary Saka Energi Indonesia (SEI) acquired 11.666% participating interest in Muara Bakau PSC and unitization of 0.038520% participating interest in Indonesia Deepwater Development Project which intersect with Muara Bakau PSC.</p>
<p>April 6, 2015 Resolution of Annual General Meeting of Shareholders on the composition of management</p>	<p>The meeting honorably discharged Mr. Bayu Krisnamurthi, Mr. A Edy Hermantoro, Mr. Firmanzah, Mr. Pudja Sunasa, Mr. Widya Purnama as the member of the Board of Commissioners and replaced with Mr. Iman Sugema, Mr. Tirta Hidayat, Mr. M Ikhsan, Mr. Paiman Rahardjo, Mr. IGN Wiratmaja Puja as the new member of the Board of Commissioners.</p>
<p>April 6, 2015 Resolution of Annual General Meeting of Shareholders on Dividend</p>	<p>Rp 3,510,872,093,109,- from the profit attributable to the parent of entity of year 2014 or Rp 144.84 per share were distributed as cash dividend to shareholders:</p> <ul style="list-style-type: none"> • Cum dividend: <ul style="list-style-type: none"> - Regular and negotiable market April 13, 2015. - Cash market April 16, 2015. • Payment date of cash dividend May 8, 2015
<p>April 1, 2015 PGN sign HOA with power sectors</p>	<p>Under the agreement, PGN will supply Millenium Power plant with gas starting 1Q 2017 to 2024 with gas demand at its peak of 200 BBTUD.</p>
<p>March 10, 2015 PGN operates gas fueling station in Surabaya</p>	<p>It's the fifth gas fueling station that PGN has built with a capacity of 0.5-1 mmscf/d equivalent to 15,000-30,000 liter of gasoline equivalent (lge). This year PGN plan to develop more gas fueling station in Jakarta and surrounding area along with Batam, Lampung, Surabaya and Riau</p>

Event	Detail of Event
<p>Feb 6, 2015 PGN and Pertamina signed a MoU regarding a plan of cooperation to facilitate gas distribution to natural gas filling stations in Indonesia.</p>	<p>The synergy between PGN that owns and operates pipelines to supply gas and Pertamina that has network in the retail business will enable the acceleration of natural gas infrastructure development for the transport sector and to support the conversion to CNG fuel.</p>
<p>Jan 11, 2015 PGN start delivering natural gas to Lampung</p>	<p>PGN is currently delivering natural gas to three industries in Lampung including Coca Cola, Nestle, Phillips Seafood following the signing of GSPA with 14 industries in Lampung in mid 2014.</p>
<p>December 2014 Completion of several distribution pipeline projects</p>	<p>PGN completed distribution pipeline networks in Lampung (Labuhan Maringgai – Tanjung Karang), 90 km long with a capacity of 80 MMScfd, in West Java (Cikande – Bitung), 35 km long with a capacity of 150 MMScfd and in Batam (Panaran – Tanjung Uncang), 18 km long with a capacity of 80 MMScfd. PGN will also operate city gas network which is designed to deliver gas to 5,200 houses in Jakarta, 4,000 houses in Cirebon, 4,320 houses in Bogor and 382 houses in Tangerang.</p>
<p>Oct 1, 2014 Gas in to household customer in Semarang region</p>	<p>In the form of CNG, PGN deliver natural gas to a cluster of industry and household in Tambak Aji, Semarang</p>
<p>Augt 28, 2014 Signing a syndicated loan of USD 650 million</p>	<p>The lender are Australia & New Zealand Banking Group Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Citigroup Global Markets Singapore Pte. Ltd., The Hong Kong and Shanghai Banking Corporation Limited, Sumitomo Mitsui Banking Corporation and others with five - year tenor.</p>
<p>May 16, 2014 USD 1.35 billion Global Senior Bonds Issuance</p>	<p>PGN issued USD 1.35 billion of Global Senior Bonds with a ten-year tenor and 5.125% coupon. The bond will be used for capital expenditure, working capital requirements and general corporate purposes</p>

NOTE

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NOTE

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Thank You

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