pgn
energy for life

Perusahaan Gas Negara

Investor Presentation

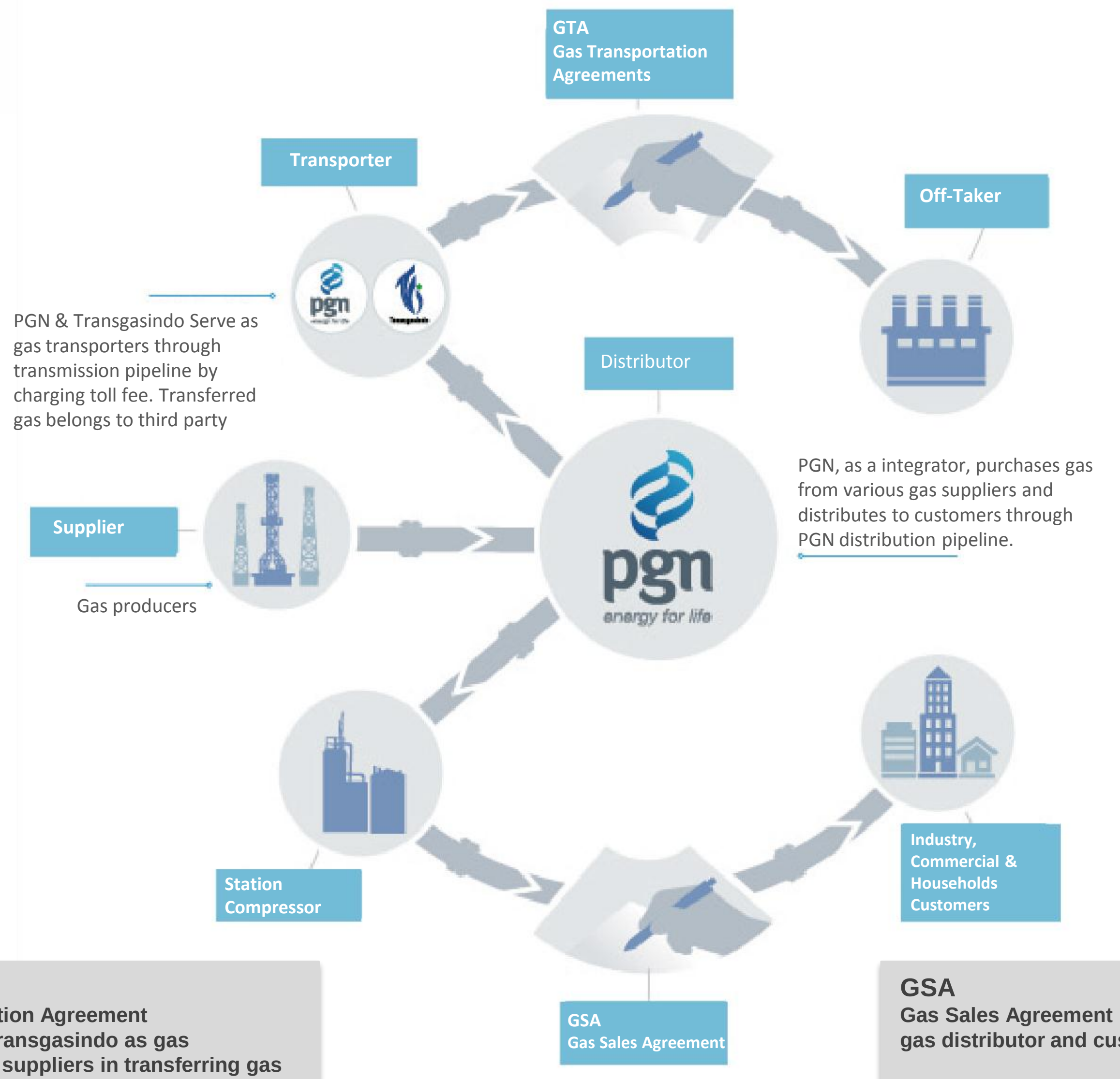
12M 2013 Update

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

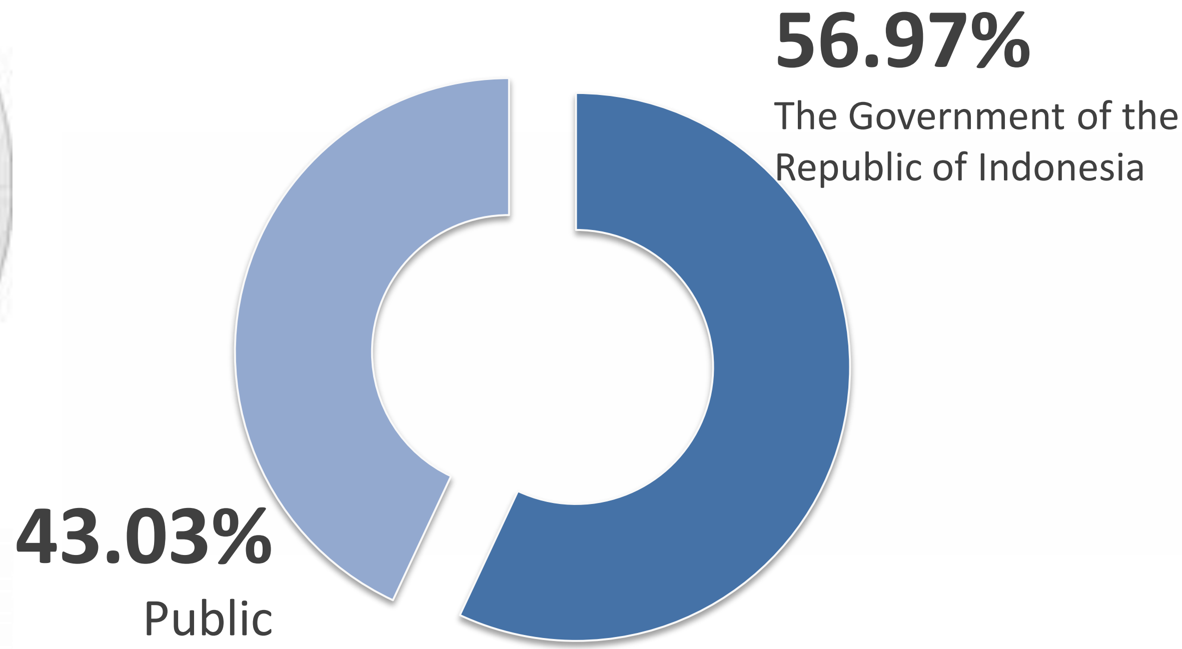
Dominant player in domestic natural gas transmission and distribution



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

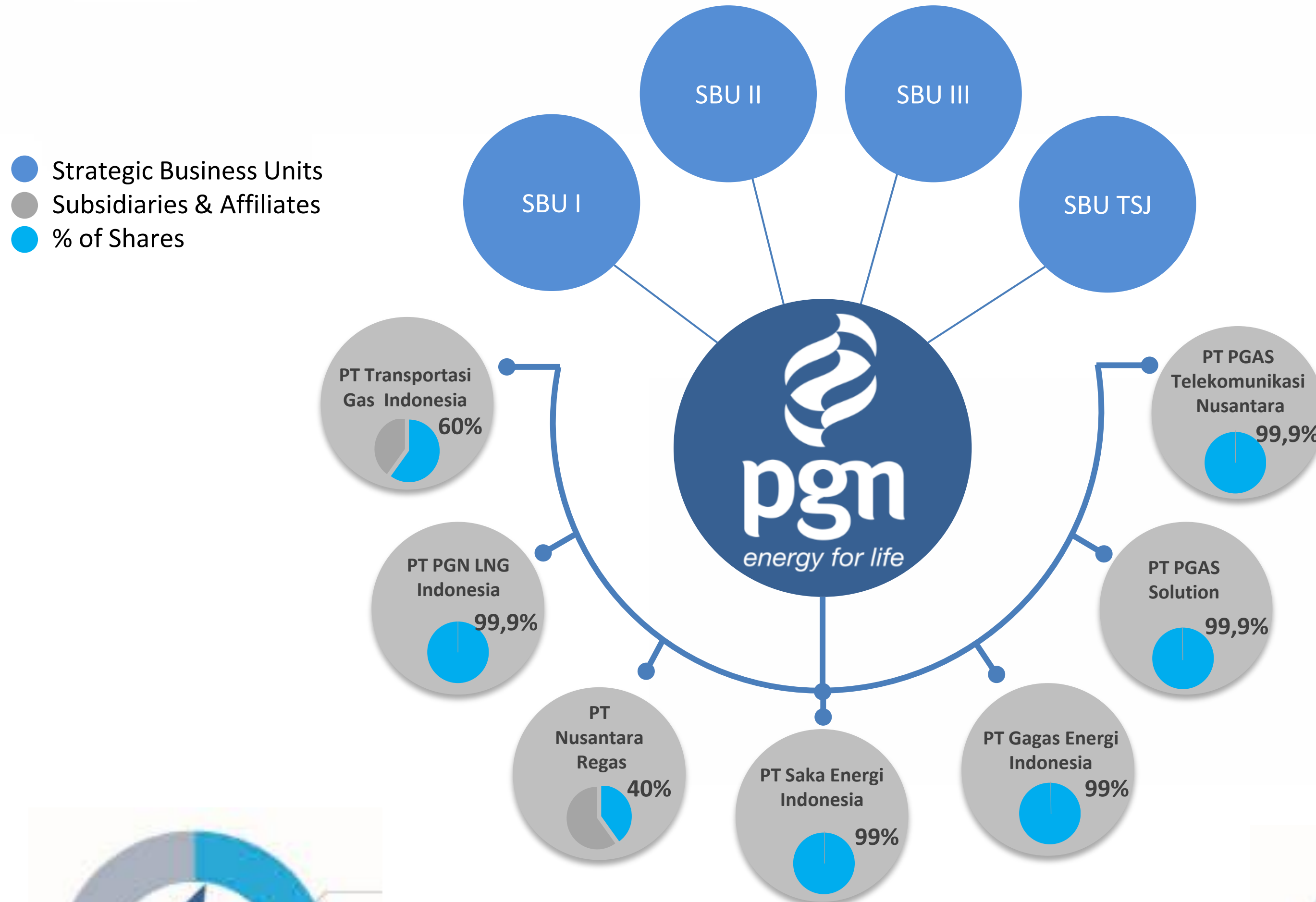
GSA
Gas Sales Agreement between PGN as gas distributor and customers.

Shareholding Structure



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

SBUs, Subsidiaries and Affiliates



40%
Transasia Pipeline Company
- Petronas International Corporation Ltd. (35%)
- Conoco Indonesia Holding Ltd. (35%)
- SPC Indo-Pipeline Co. Ltd (15%)
- Talisman Transgasindo Ltd. (15%)

Key Stakeholders

KEMENTERIAN
BADAN USAHA MILIK NEGARA

Minister of State Own Enterprise

To act as Government of Republic of Indonesia shareholder proxy.

Minister of Energy and Mineral Resources

To formulate national implementation and technical policies in energy and mineral resources sector.

Special Task Force for Oil and Gas Business Activities

To manage the upstream oil and gas business activities under a Cooperation Contract and to maximize the benefits and revenue to the state for the greatest welfare of the people.

Downstream Oil and Gas Regulator

To regulate and to supervise downstream oil and gas activities (processing, transportation, storage and trading).

Related Regulations

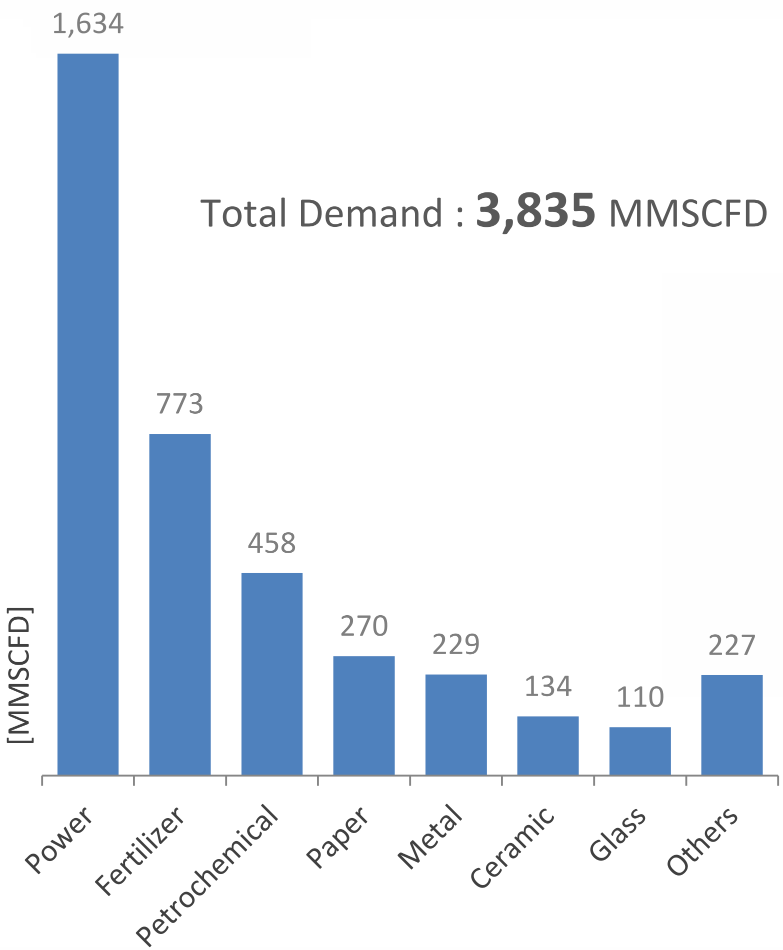
Minister of Energy and Mineral Resources Decree No. 19/2009

- 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, Memoranda of Understanding or negotiations in progress.

Demand for Natural Gas 2014



Source: Ministry of Industry Republic of Indonesia
Power Demand Projection (PLN)

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.

Strategy to Fulfill 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

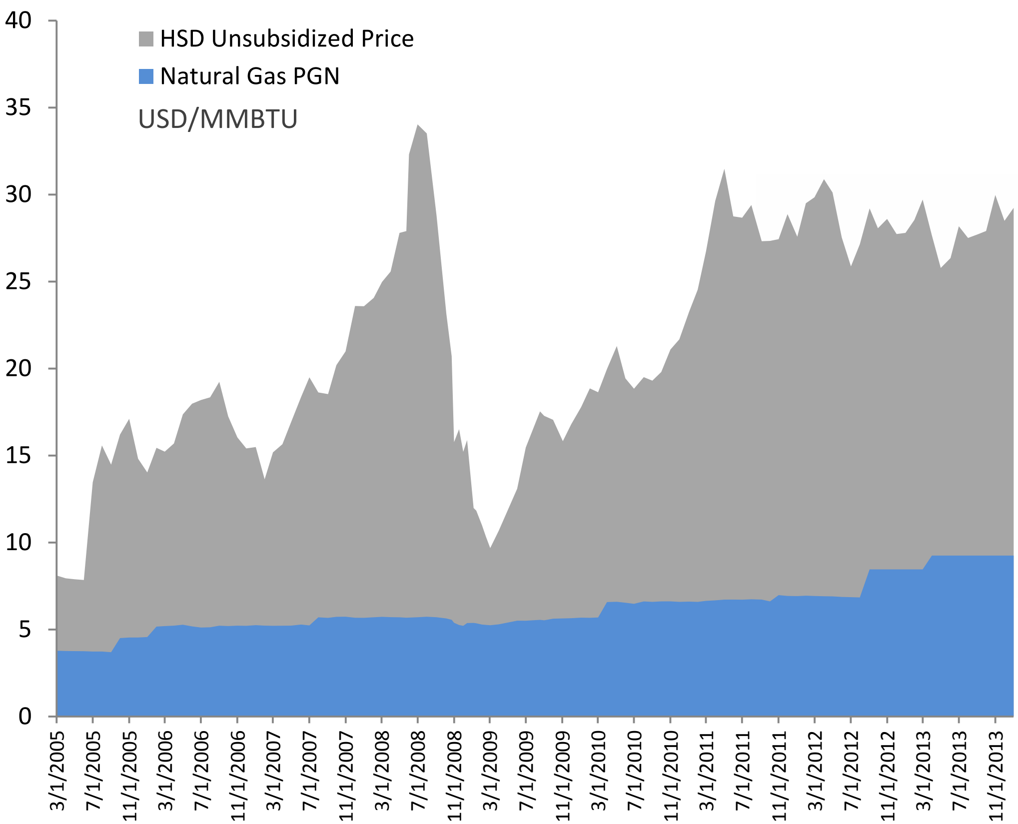
- Expand existing distribution and transmission capacity.
- Plan for inter-mode gas transportation such as CNG and LNG.

Aim for non-conventional sources

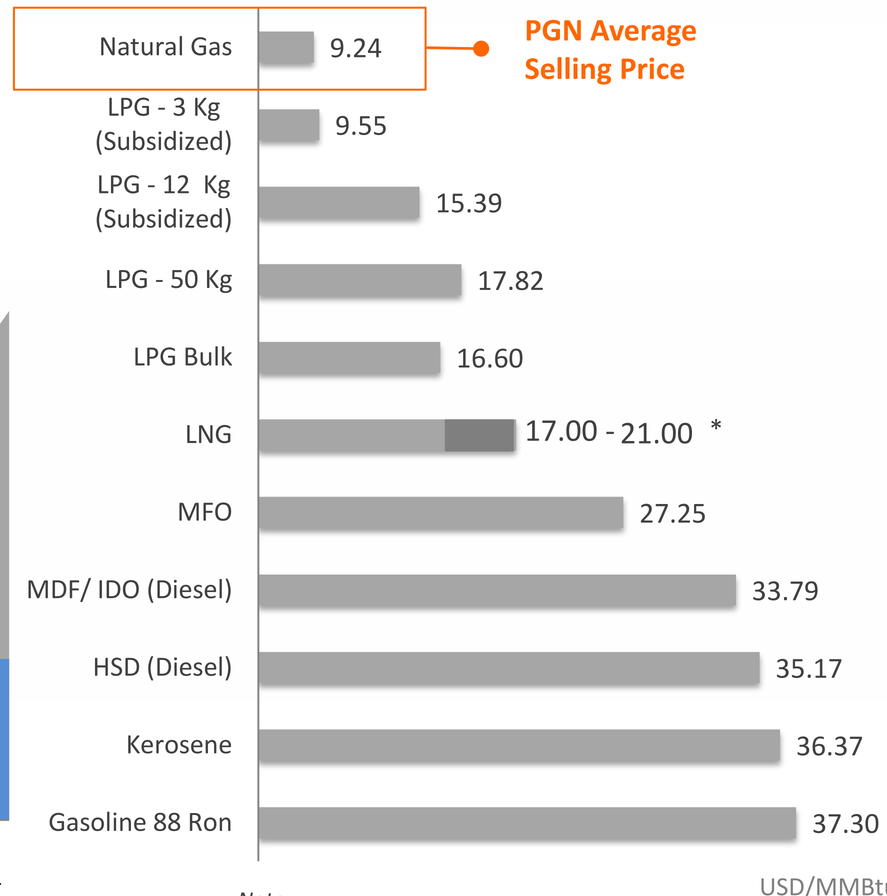
- Plan and anticipate the non-conventional sources.

Opportunity in Price Advantage

Comparison Between HSD vs Natural Gas

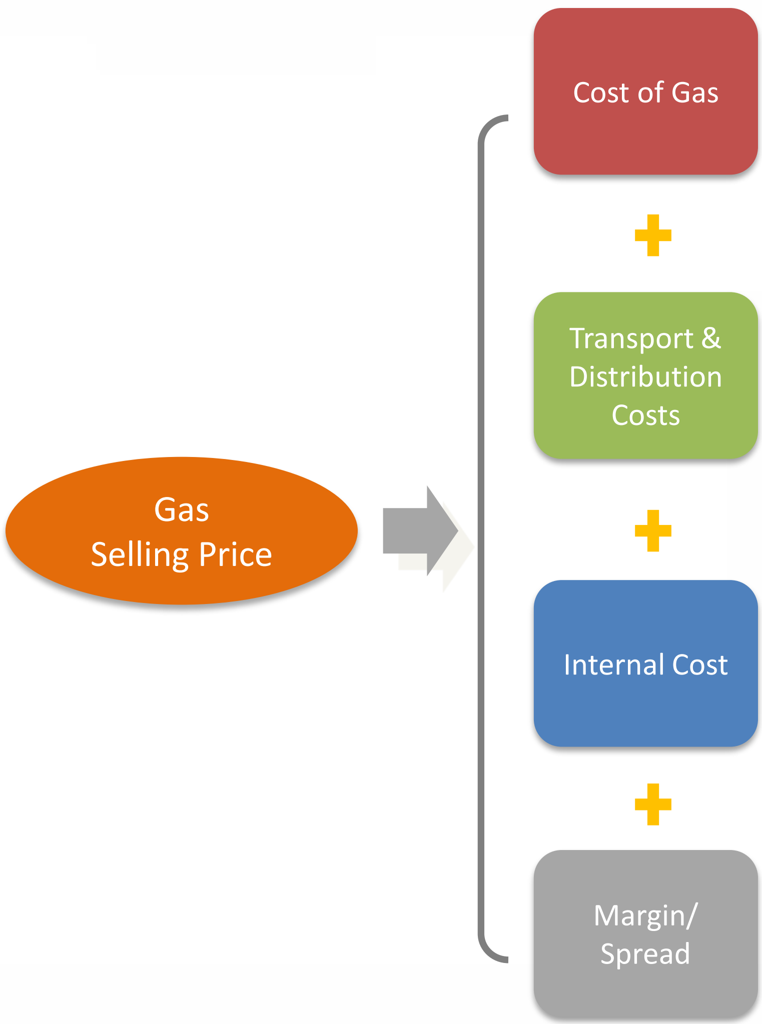


Note:
BI Foreign Exchange Midrate



Note:
Fuel price Pertamina as of February 1st, 2014
Exchange rate USD 1 = IDR 10.000,-
** Subject to ICP*

Distribution Pricing Scheme



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

- Allows pricing for "general users" to be determined by the Companies.
- General users are non-subsidized industries and power plants.

Pricing Considerations

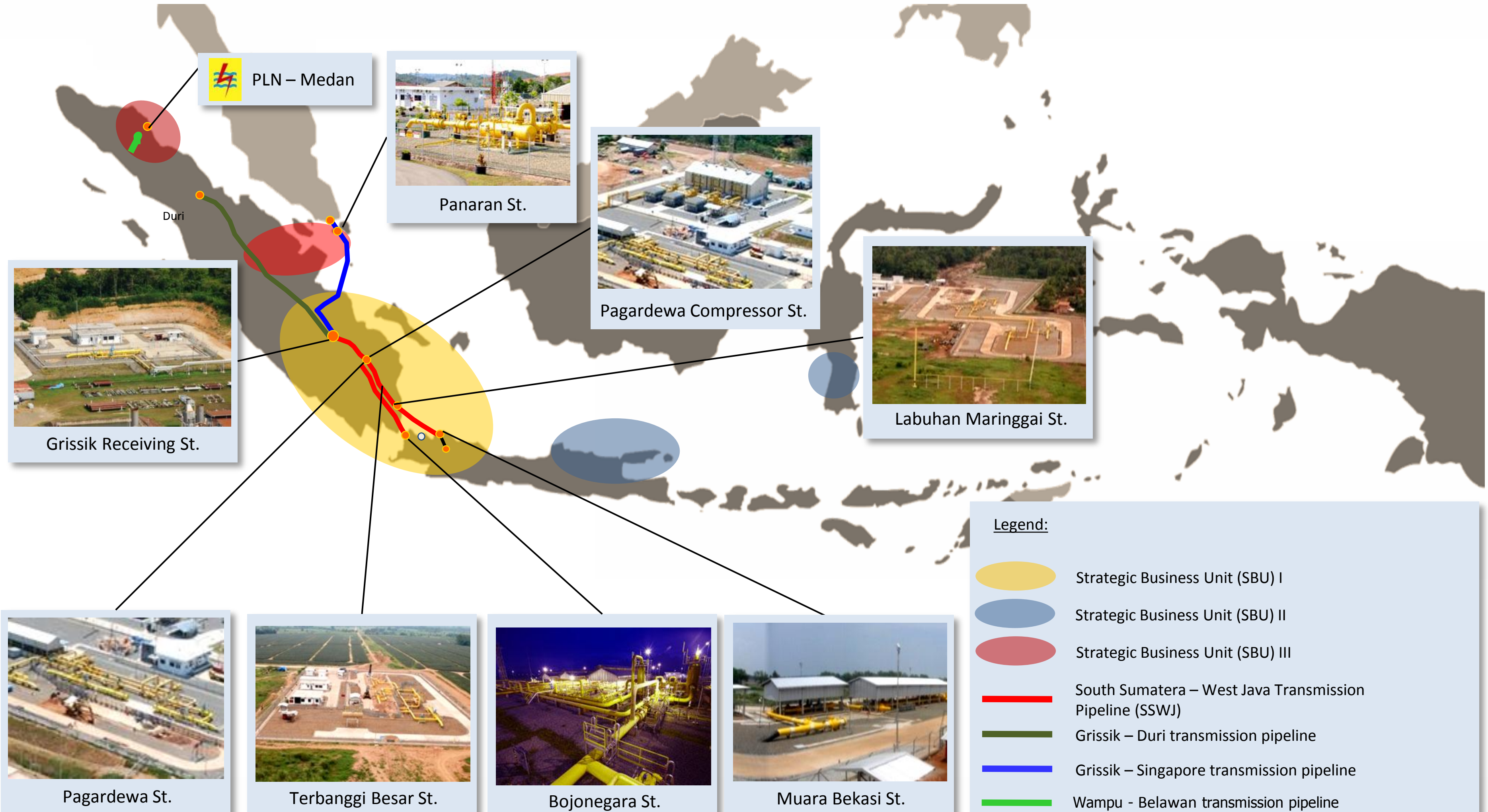
- Demand and Supply Dynamics
- Affordability
- Reasonable Margin

Intended to stimulate more supplies to meet the growing demands

Implementation

- PGN has taken the effort to communicate and educate the end users market on the merit of new pricing flexibility.
- Implement new pricing scheme with "regionalized" and "differentiated pricing" on nationwide basis from 1 April 2010.

Transmission Pipeline Facilities and Distribution Area



Sources of Gas

We Serve All Segments

INDUSTRIES AND POWER PLANTS

97.14%

of total volumes

1,260

Customers

COMMERCIALS & SME

2.63%

of total volumes

1,717

Customers

HOUSEHOLDS

< 1%

of total volumes

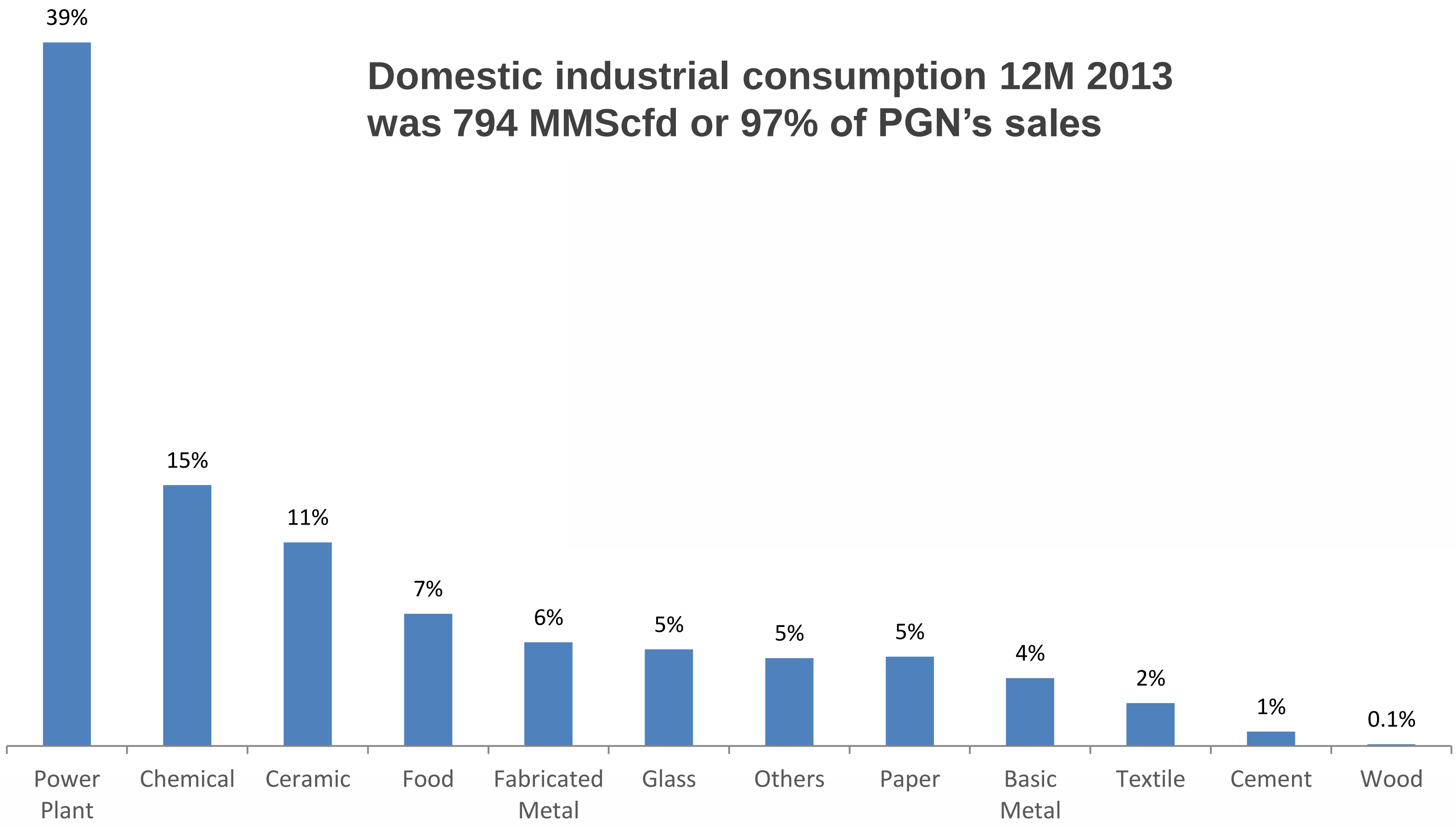
88,613

Customers

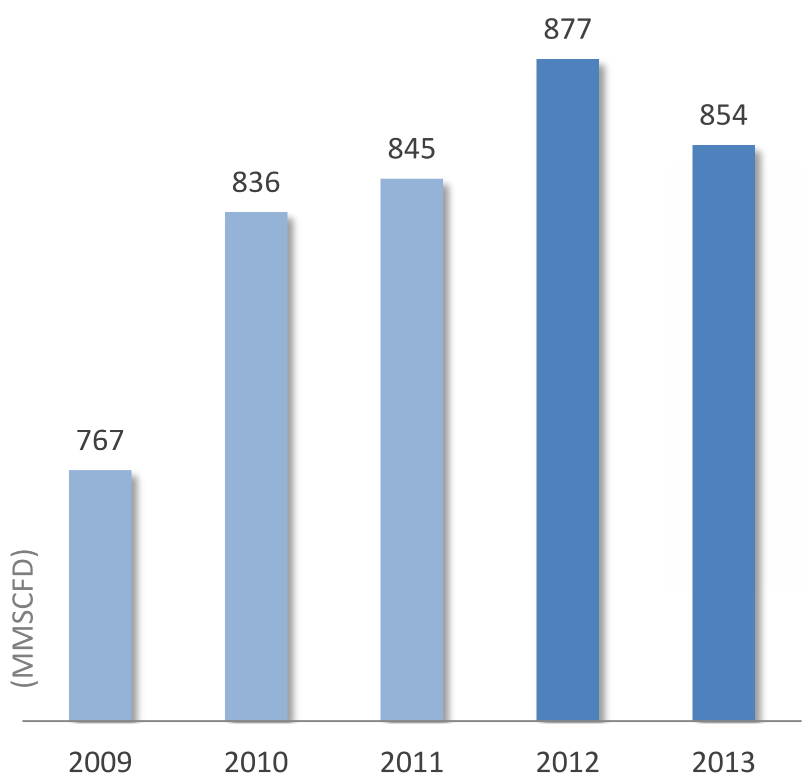
)as of 12M 2013

Diversified Industrial Customer

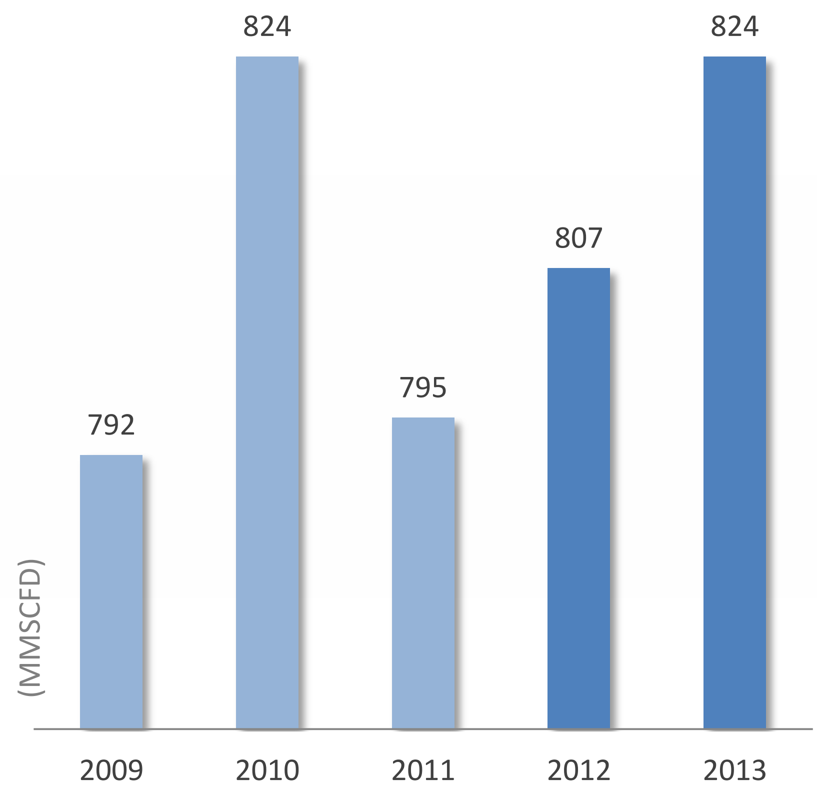
Domestic industrial consumption 12M 2013 was 794 MMScfd or 97% of PGN's sales



Annual Growing Operational Performance

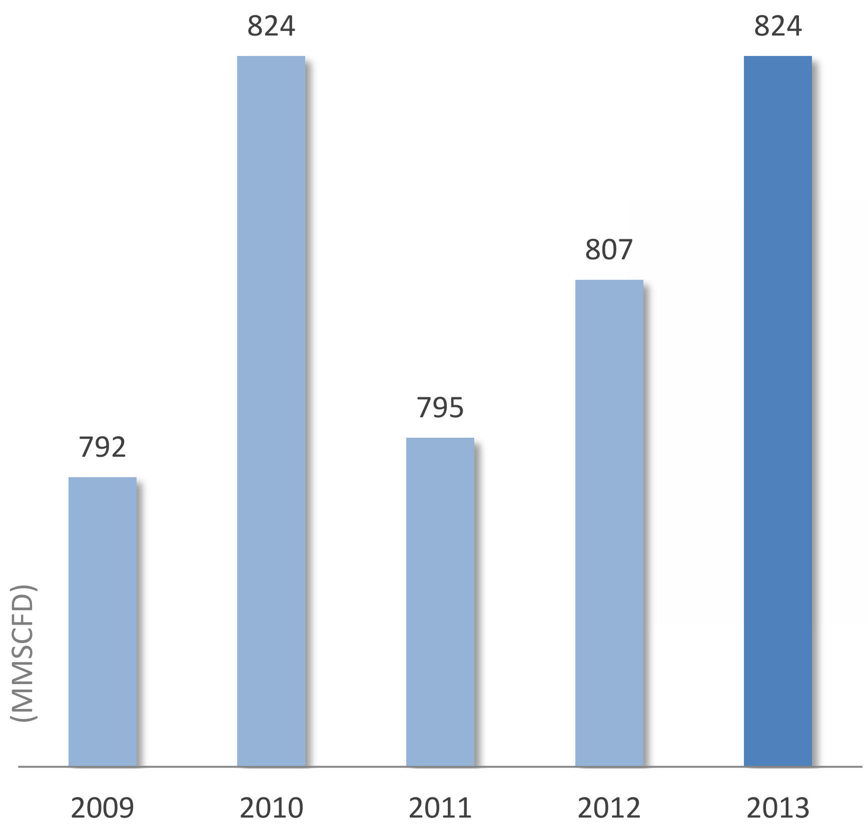


Transmission

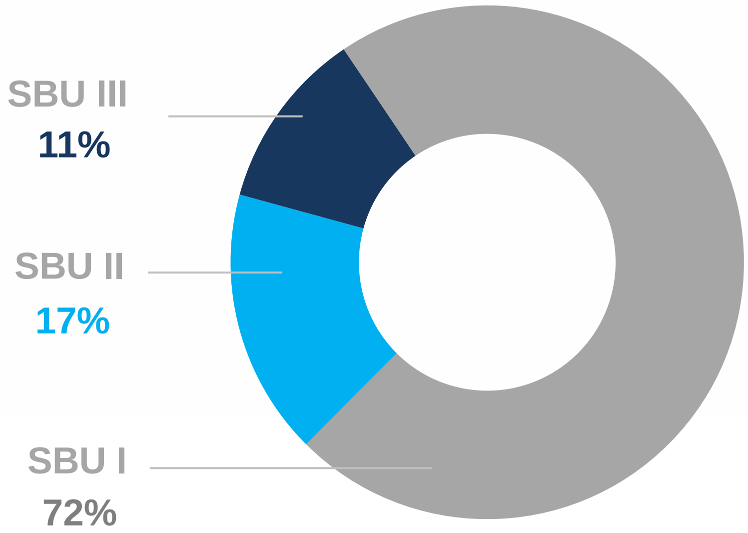


Distribution

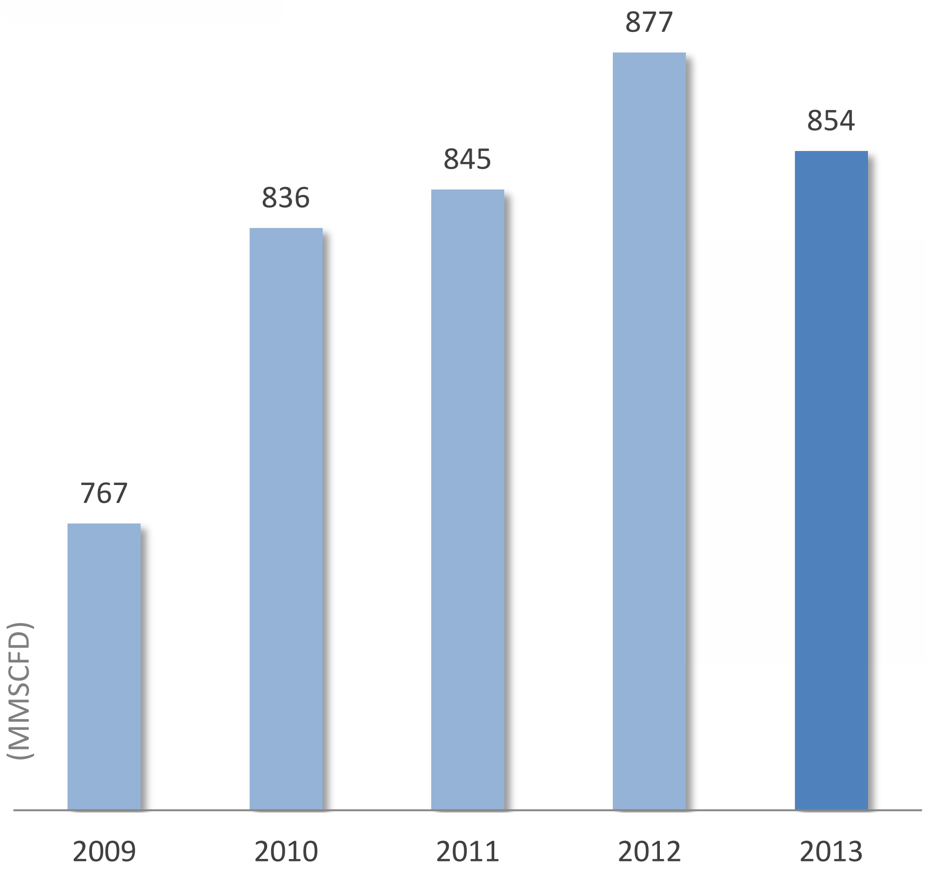
Distribution Performance



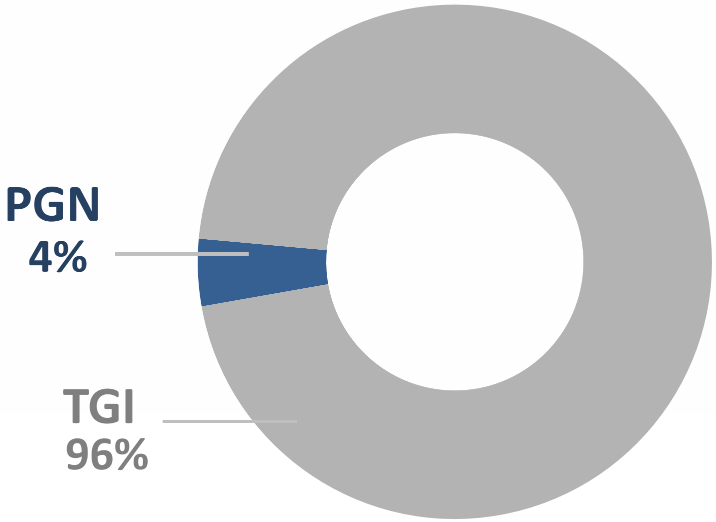
Distribution



Transmission Performance



Transmission



Consolidated Statements of Comprehensive Income 12M 2013

In USD Mio	12M 2013	12M 2012	%
Revenues	3,001	2,580	16
Cost of Revenues	1,583	1,107	43
Gross Profit	1,418	1,472	-4
Operating Income	934	1,018	-8
EBITDA	1,121	1,209	-7
Net Income	861	891	-3

Consolidated Statements of Financial Position

In USD Mio	Dec 31, 2013	Dec 31, 2012
Current Assets	1,780	1,984
Non Current Assets	2,583	1,924
Total Assets	**4,363**	**3,908**
Current Liabilities	886	473
Non Current Liabilities	750	1,081
Total Equity	2,727	2,354
Total Liabilities And Shareholders Equity	**4,363**	**3,908**

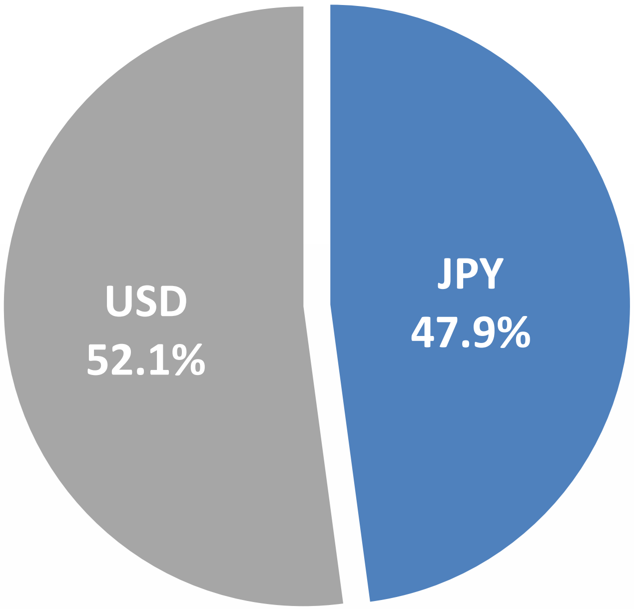
Key Ratios	FY 2013	FY 2012
Debt to Equity Ratio (x)	0.38	0.4
EBITDA/Interest expense (x)	51.26	56.04
Return on Investment (%)	28.81	30.94

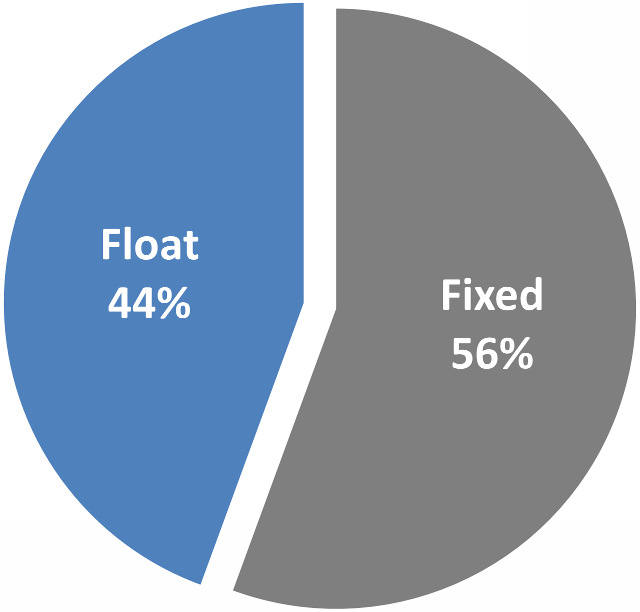
Debt Composition

as of 12M 2013

Long-term debt amounting to USD 934.30million

Mostly long dated/maturity loans from Developmental Banks





Effective Cost of Debt of Around **1.89%**

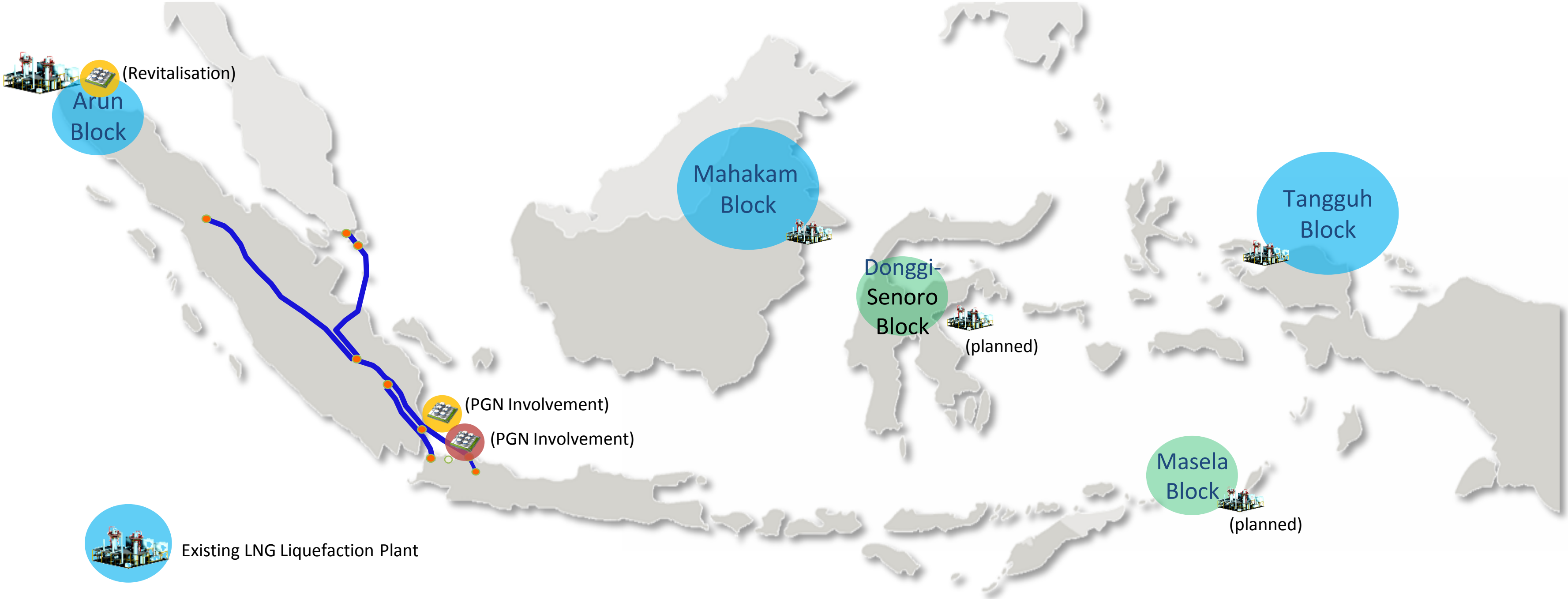
Updates

Event	Detail of Event
Jan 3, 2014 Signing upstream agreement with Kufpec Pangkah PSC	PGN through its subsidiary Saka Energi Indonesia (SEI) acquired the remaining 75% participating interest in Pangkah PSC with transaction value of USD 650 Million. Saka Pangkah purchased the entire issued share capital of Hess (Indo-Pangkah Limited and of Hess Pangkah LLC). With the acquisition, Saka now holds 100% ownership of Ujung Pangkah.
August 28, 2013 Cikande – Bitung pipelines development	The 30Km; 24 inch pipelines development has progressed 90%. This segment is a continuation of the Bojonegara – Cikande segment, which is part of the SSWJ pipelines.
August 18, 2013 Operation of Mobile Refueling Unit	PGN start to operate MRU for transportation sector for public on August 18, 2013
July, 2013 FSRU Lampung project development	Completion of ship hull FSRU Lampung, currently located at Hyundai Heavy Industries shipyard, Ulsan, Korea.

Recent Updates

Event	Detail of Event
June 21, 2013 Signing upstream agreement with Kufpec Pangkah PSC	PGN through its subsidiary Saka Energi Indonesia (SEI) acquired 25% participating interest in Pangkah PSC with transaction value of USD 265 Million through shares takeover of KUFPEC Indonesia B.V from Kuwait Foreign Petroleum Company K.S.C with percentage shares ownership of 100%
May, 2013 Signing upstream agreement with Bangkanai PSC	PGN through its subsidiary Saka Energi Indonesia (SEI) acquired 30% participating interest in Bangkanai PSC from Salamander with transaction value of USD 27 Million
March, 2013 Signing upstream agreement with Ketapang PSC	PGN through its subsidiary SEI acquired 20% participating interest in Ketapang PSC from Sierra Oil Services Limited with transaction value of USD 71 Million

Plan for New LNG Infrastructure



Existing LNG Liquefaction Plant

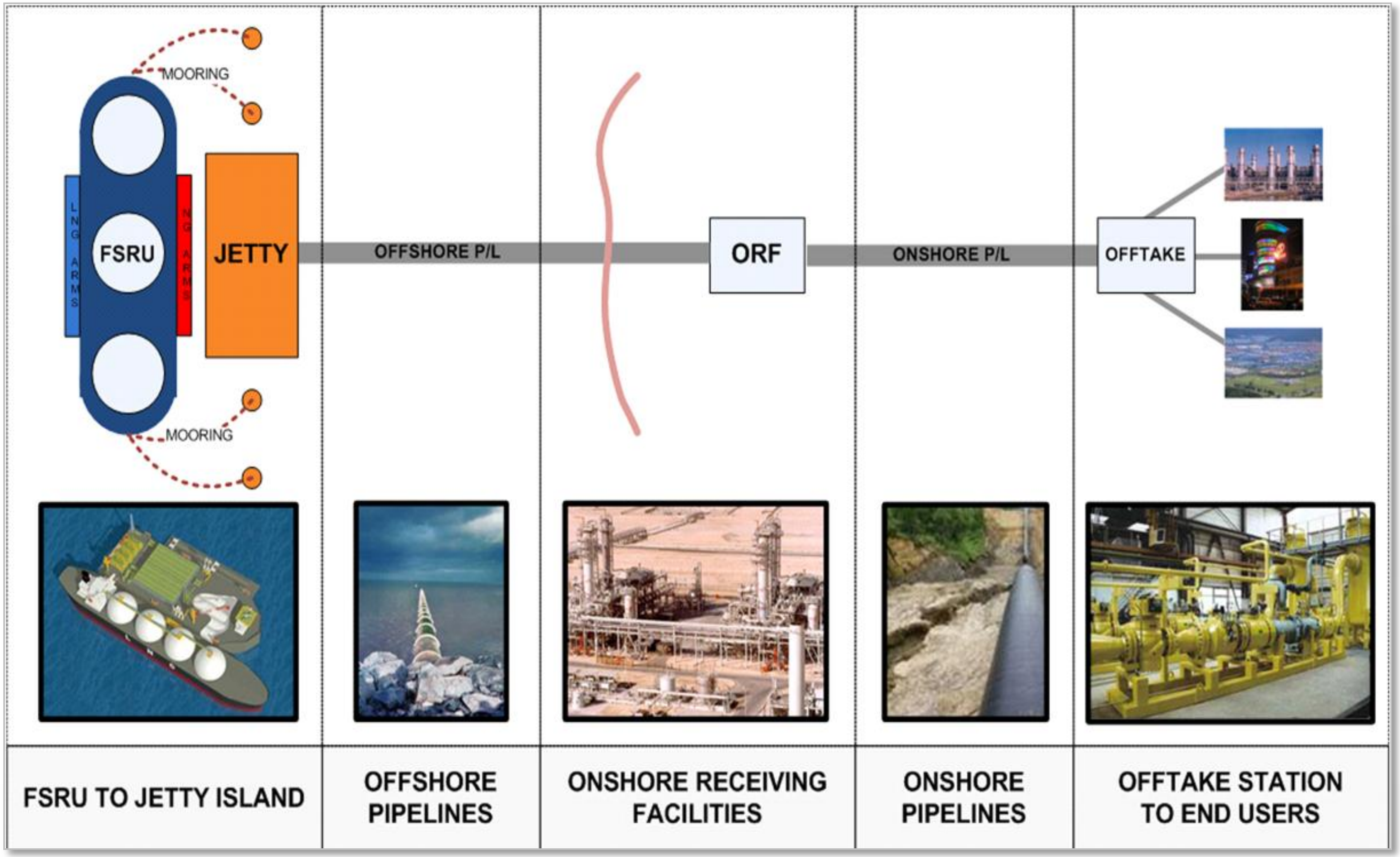
Existing transmission pipelines (PGN involvement)

Planned LNG Liquefaction Plant

Existing LNG Receiving Terminal

Planned LNG Receiving Terminal

Floating LNG Terminal Overview



LNG Receiving Terminals

	West Java	Lampung
Location	Jakarta Bay	Labuhan Maringgai
Capacity (MTPA)	3	1,5-2
Customers	Power plants, industry	
Owner	PGN (40%) Pertamina (60%)	PGN
Scope	FSRU, jetty, subsea and overland pipelines	

FSRU Project – West Java

FSRU
Floating Storage & Regasification Unit

40%
PGN

60%
Pertamina

PT Nusantara Regas
Joint Venture Company

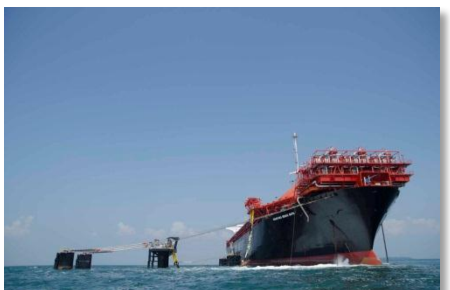
Offtaker: PGN

Industry

Offtaker: PLN

Power Plant

FSRU Projects – Recent Development



West Java:

- Gas has been source with Mahakam PSC to the amount of 11.75 MT of LNG supply over 11 years and back-to-back HoA with PLN as the off-taker.
- FSRU Nusantara Regas-1 has been positioning at Jakarta Bay and operating starting June 2012.
- LNG supplies is coming from Bontang.

Lampung:

- FSRU launching from Dry Dock on July 2013.
- Start fabrication of Mooring System on March 2013.
- Target of project completion in 2014 and commercialization starts in 2015
- Amendment and restatement agreement with Hoegh on October 17, 2012.

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Thank You

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