

INVESTOR PRESENTATION 9M-2018 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.

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

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

Company Introduction

VISION

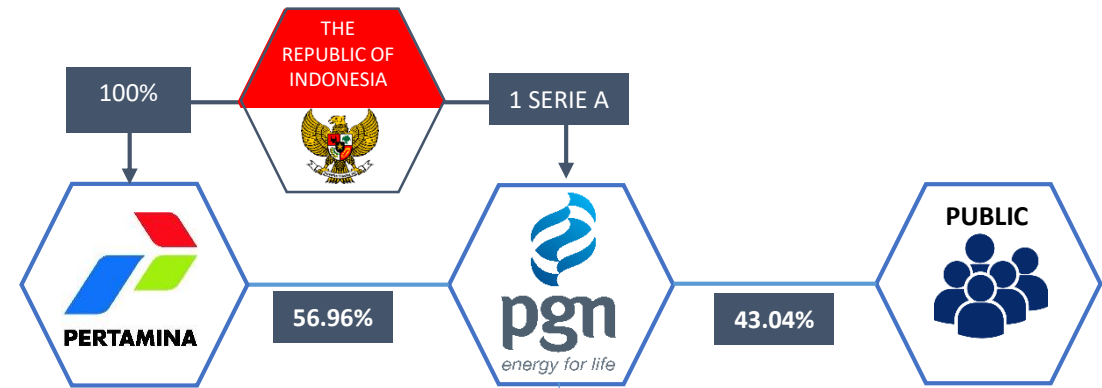
Becoming the International Standardized Solution for the Utilization of Gas and the Sustaining Energy Fulfilment

MISSION

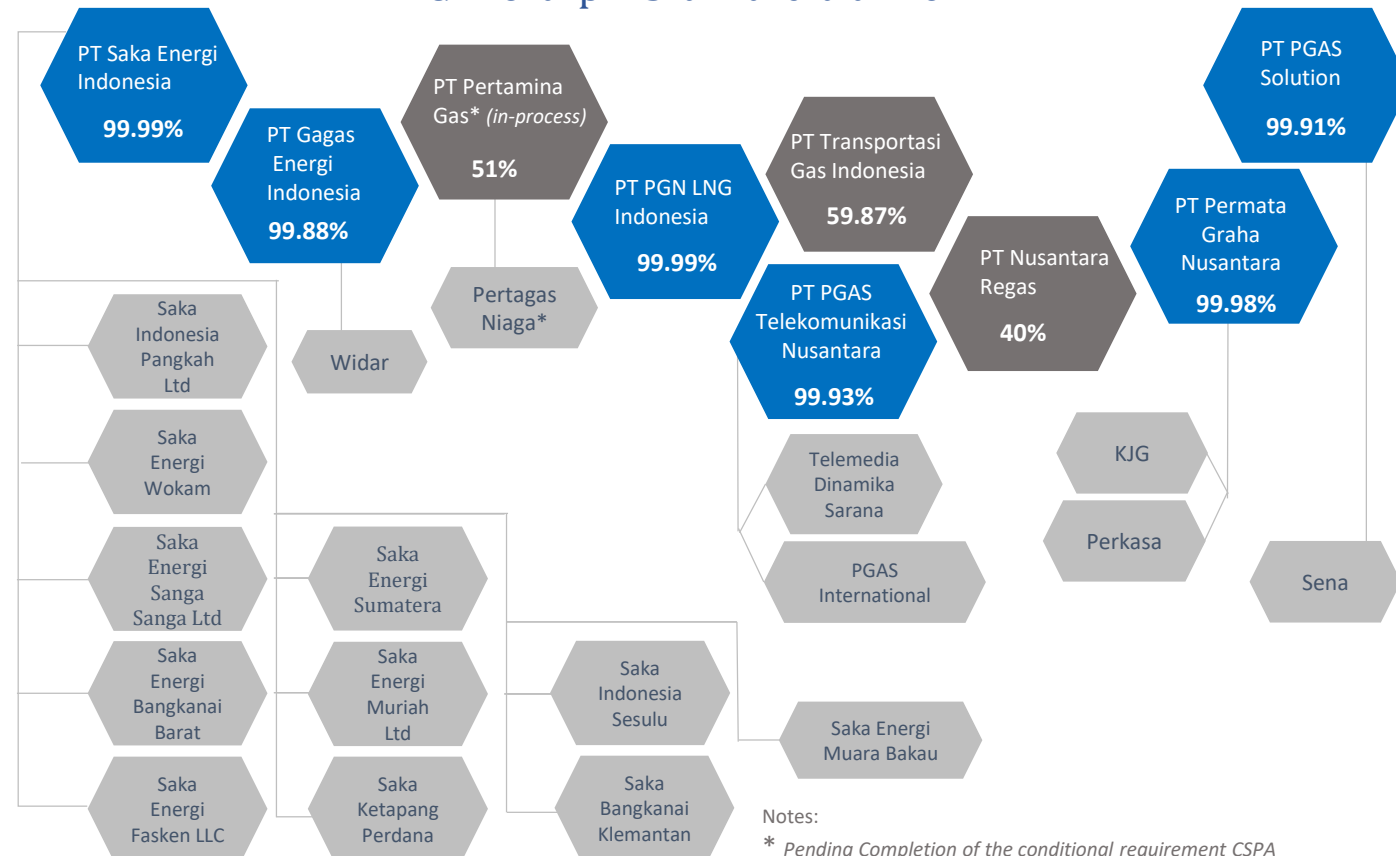
We are committed to:

- 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.

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) <i>Notes: 395 Subs Secondees</i>



Group Structure



Notes:

* Pending Completion of the conditional requirement CSPA signed on 29 June 2018

Business Coverage & Infrastructures



Downstream Business	<ul style="list-style-type: none"> Operating in 3 Major Coverage Area, 39 cities and regencies (12 provinces) in Indonesia Transporting and Distributing Gas ±1,566 MMSCFD
Gas Infrastructure	<ul style="list-style-type: none"> Developing ±7,517 km length pipeline network, 2 unit FSRU, 12 Gas Fueling Station, 4 MRU
Upstream Business	<ul style="list-style-type: none"> Total assets 11 blocks (6 blocks in operation, 5 blocks in exploration) Oil and gas lifting ±40,602 BOEPD

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)



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

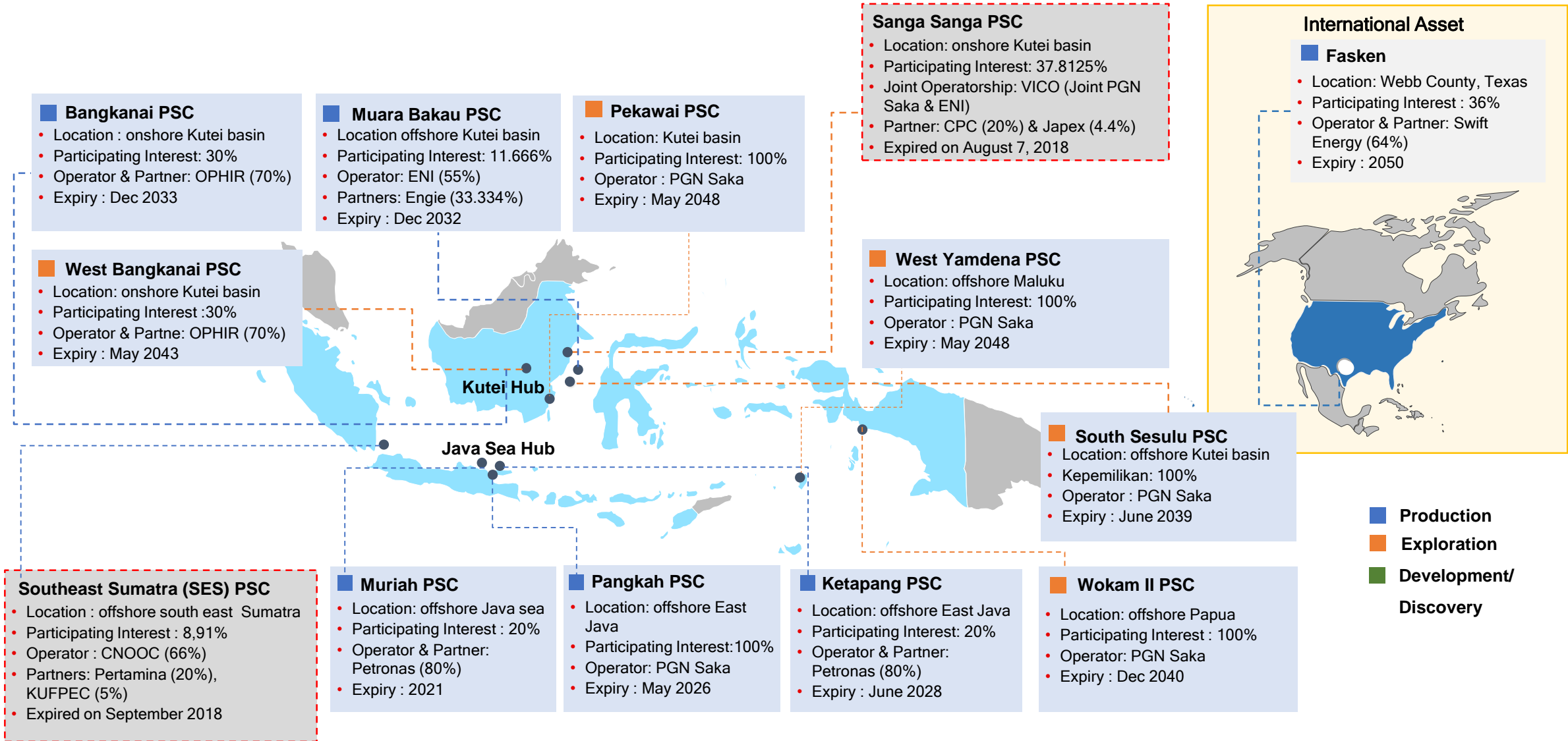
Distribution Business Buying and selling gas to customers through pipeline infrastructure in three main areas in West Java, East Java and North Sumatera.

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

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

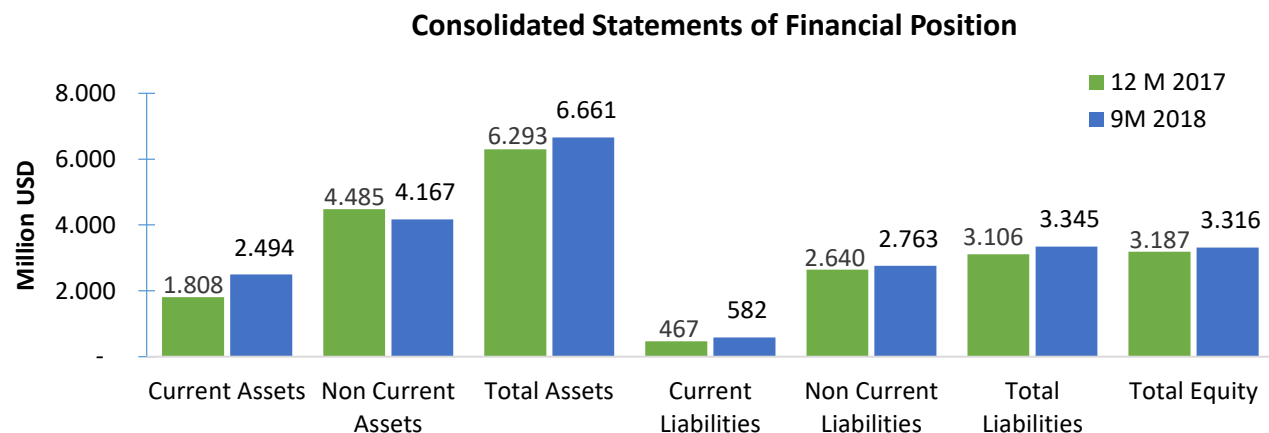
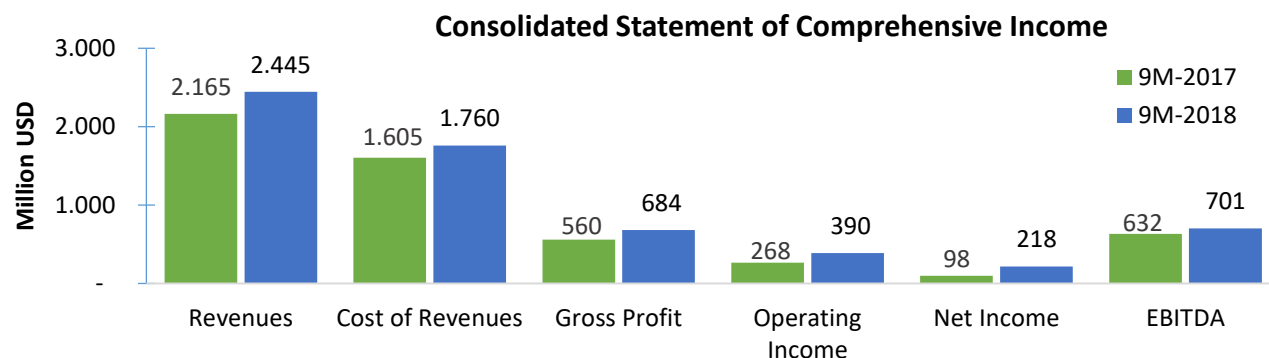
Other Supporting Business Taking business opportunities along the natural gas value chain; LNG, CNG, related gas business services, fiber optic and asset management

Upstream Assets



9M-2018 Highlights

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



DOWNSTREAM

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%)

Cost of Gas
 ~USD 6.09/MMBTU (YoY up 1%)
 (incl. LNG)

UPSTREAM

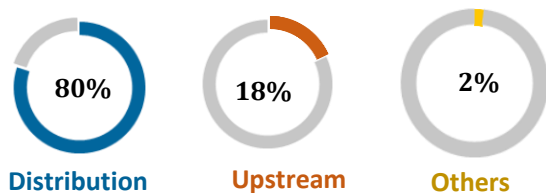
Overall net lifting
±40,602 BOEPD
 (YoY up 1%)

- Oil **8,232** BOEPD
- Gas **123** BBTUD
- LNG **59** BBTUD
- LPG **92** MTPD

INFRASTRUCTURE

Pipeline Network
±7,517 km
 (+64km of pipeline)

Revenue Contribution



EBITDA Contribution



IMPACT OF MACROECONOMY

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

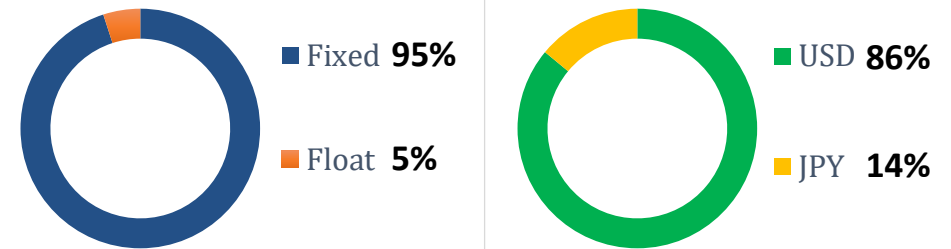
Strong Cash Balance

Positive cash-flow
Maintaining DER stable (less than 1)

Financial Performance

Financial Ratios	30 September 2018	30 September 2017
EBITDA Margin (%)	28.7	29.2
EBITDA / Interest Expense (x)	7.33	5.91
Debt (Interest Bearing Debt)/Equity (%)	74.5	76.1
Cash Flow (In Million USD)	30 September 2018	30 September 2017
Beginning Balance	1.026	1.304
Cash flow from operating	620	546
Cash flow from investment	26	(232)
Cash flow from financing	18	(662)
Foreign Exchange Impact	(39)	0
Ending Balance	1.651	956

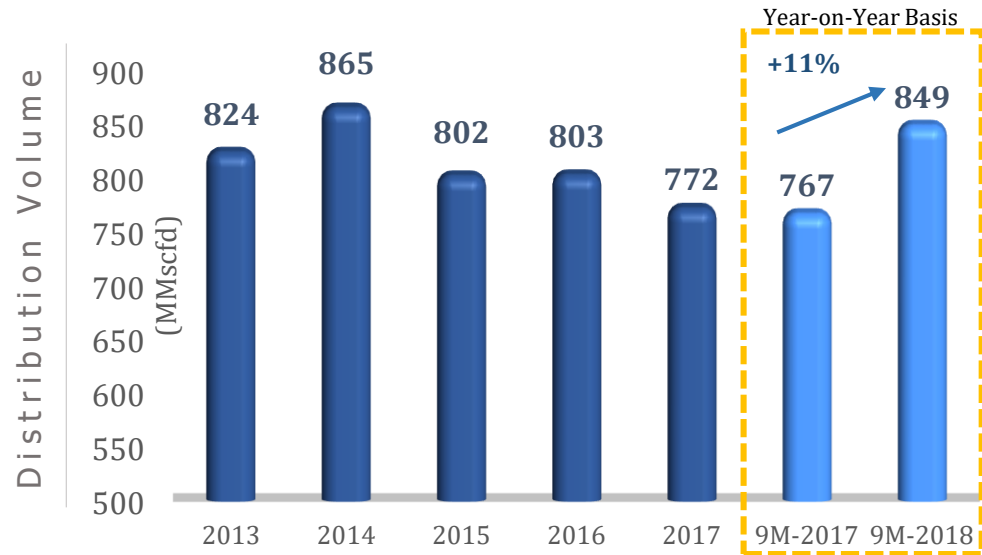
Total Loan **USD 2.48 Billion**
Weighted Average Interest Rate **4.36%**
(Excl. Tax)



As of 30 September 2018

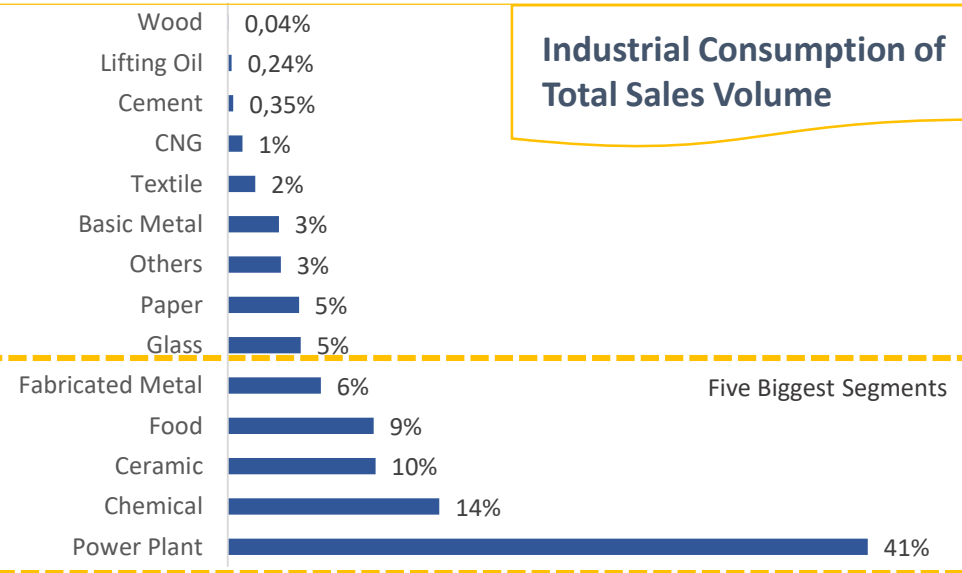
Credit Rating	Rating	Outlook
Moody's	Baa2	Stable
Standar & Poor's	BBB-	Negative
Fitch Ratings	BBB-	Stable
Pefindo	idAAA	Stable

Contribution - Distribution



Growth In Gas Sales

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

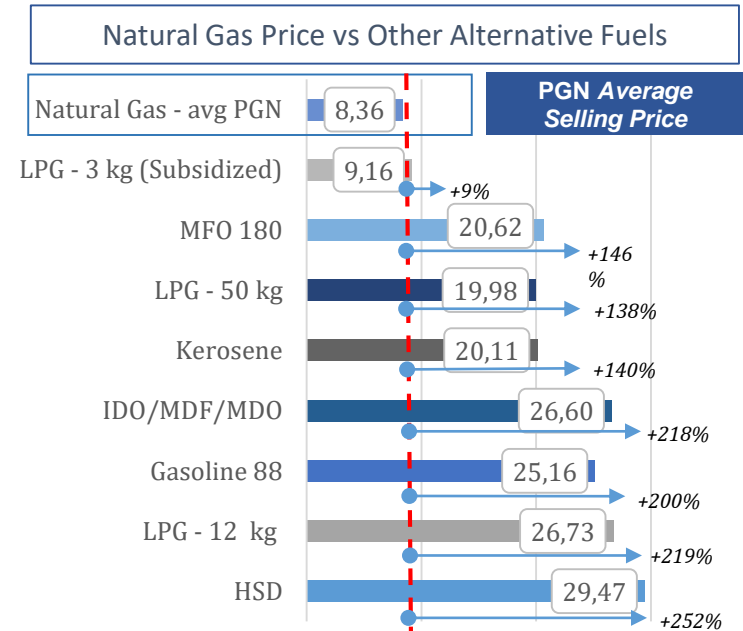


Industrial Consumption of Total Sales Volume

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)



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

Contribution – Downstream Transmission

Operated by PGN

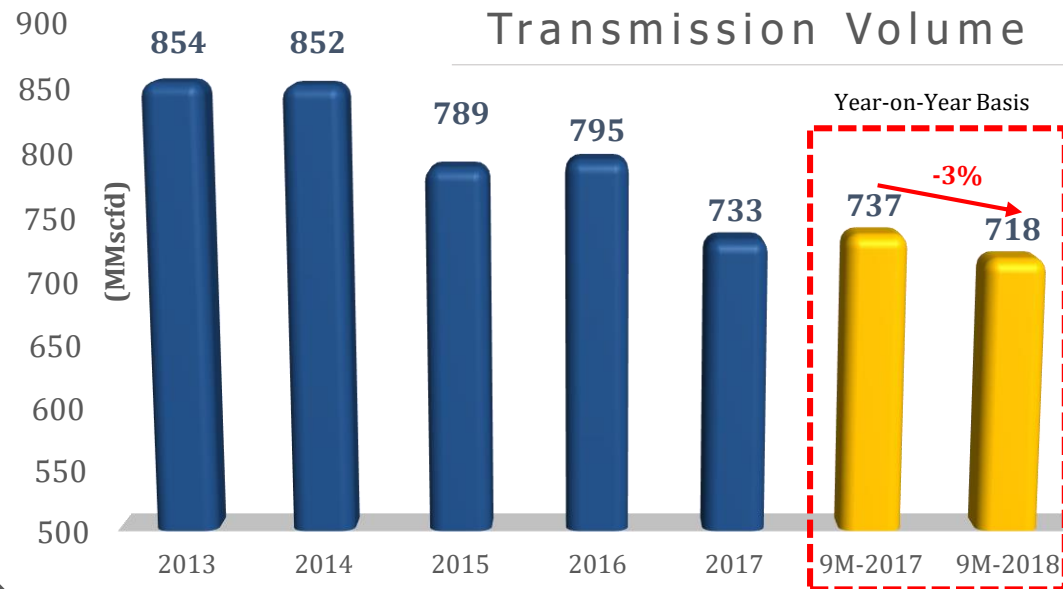
- Total Length: ±1,077km (incl. SSWJ)
- Off-taker: PLN, BBG
- Volume 25 MMScfd

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



**Lower
Transmission**

Volume by 3%

Decreasing TGI & KJG Volume
Increasing PGN Volume

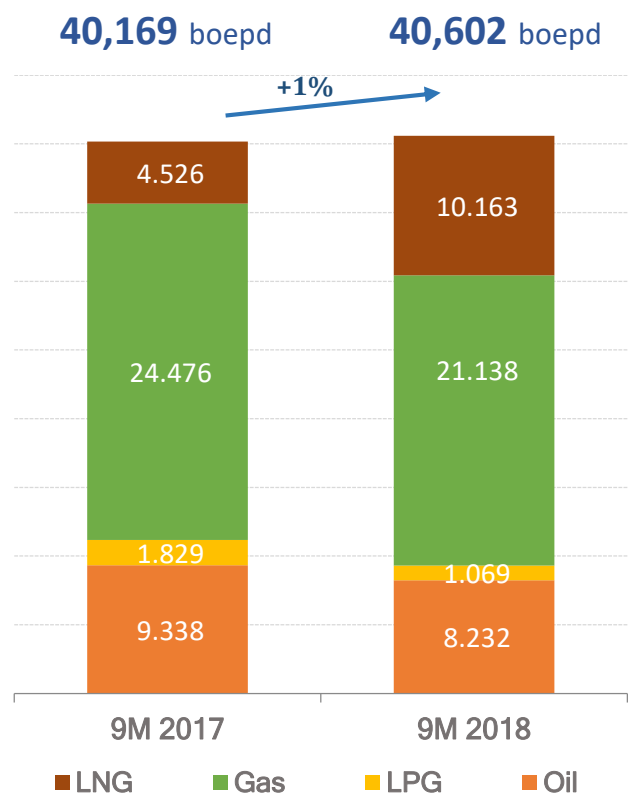
Contribution - Upstream

Higher Lifting Volume

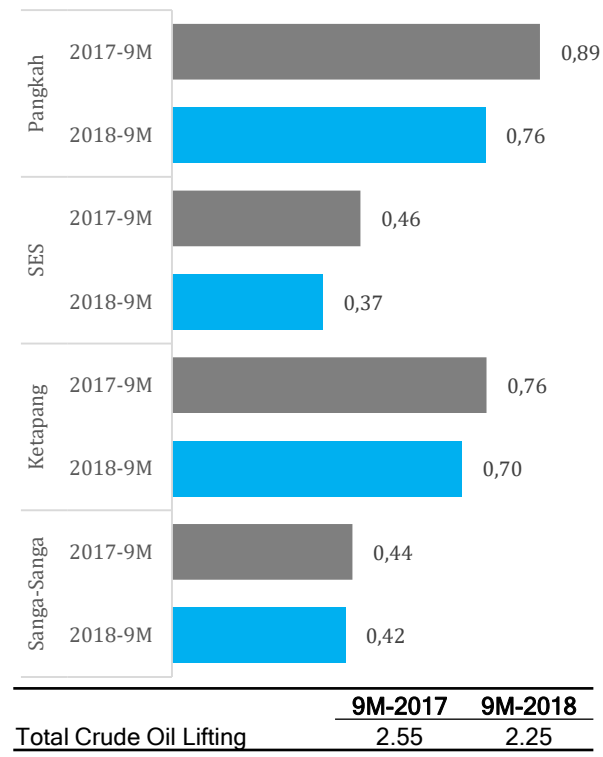


Substantial LNG increase from Muara Bakau
 Continuous lower Pangkah production due to facility repair
 Expiry of Sanga-Sanga PSC in August 2018 & SES PSC in September 2018

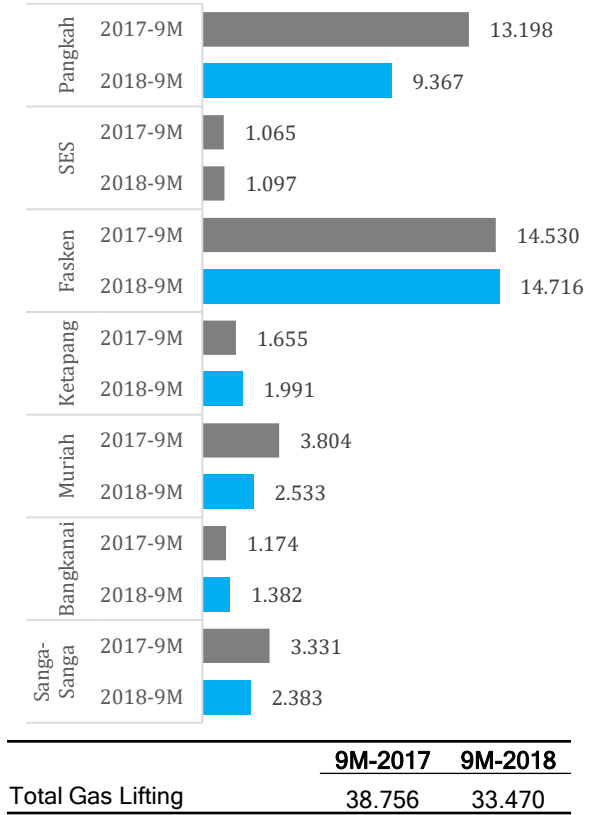
Oil and Gas Lifting



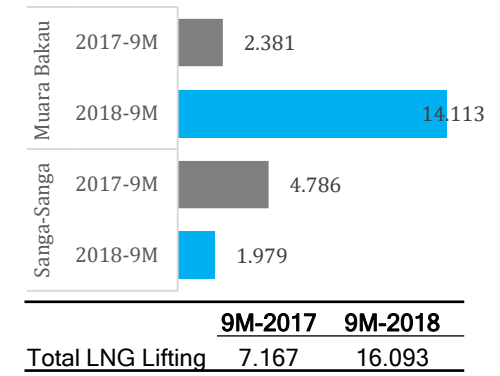
Crude Oil & Condensate (MMBBL)



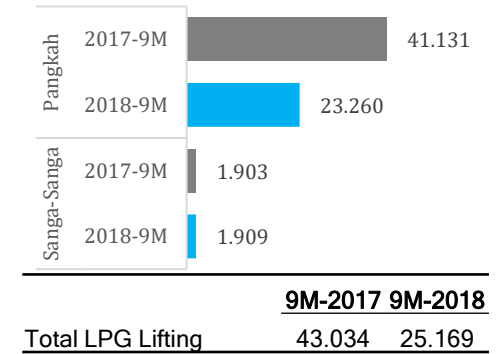
Gas (BBTU)



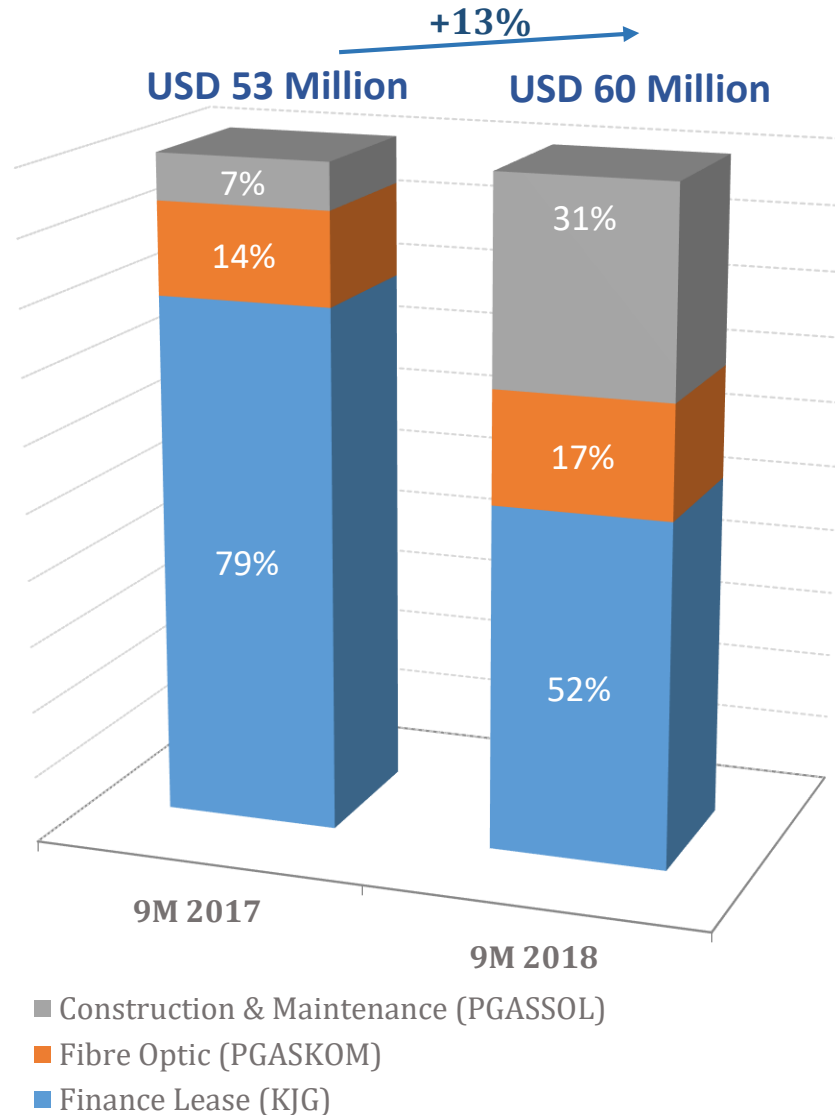
LNG (BBTU)



LPG (MT)



Contribution - Others



Maintaining positive revenue contribution from subsidiaries

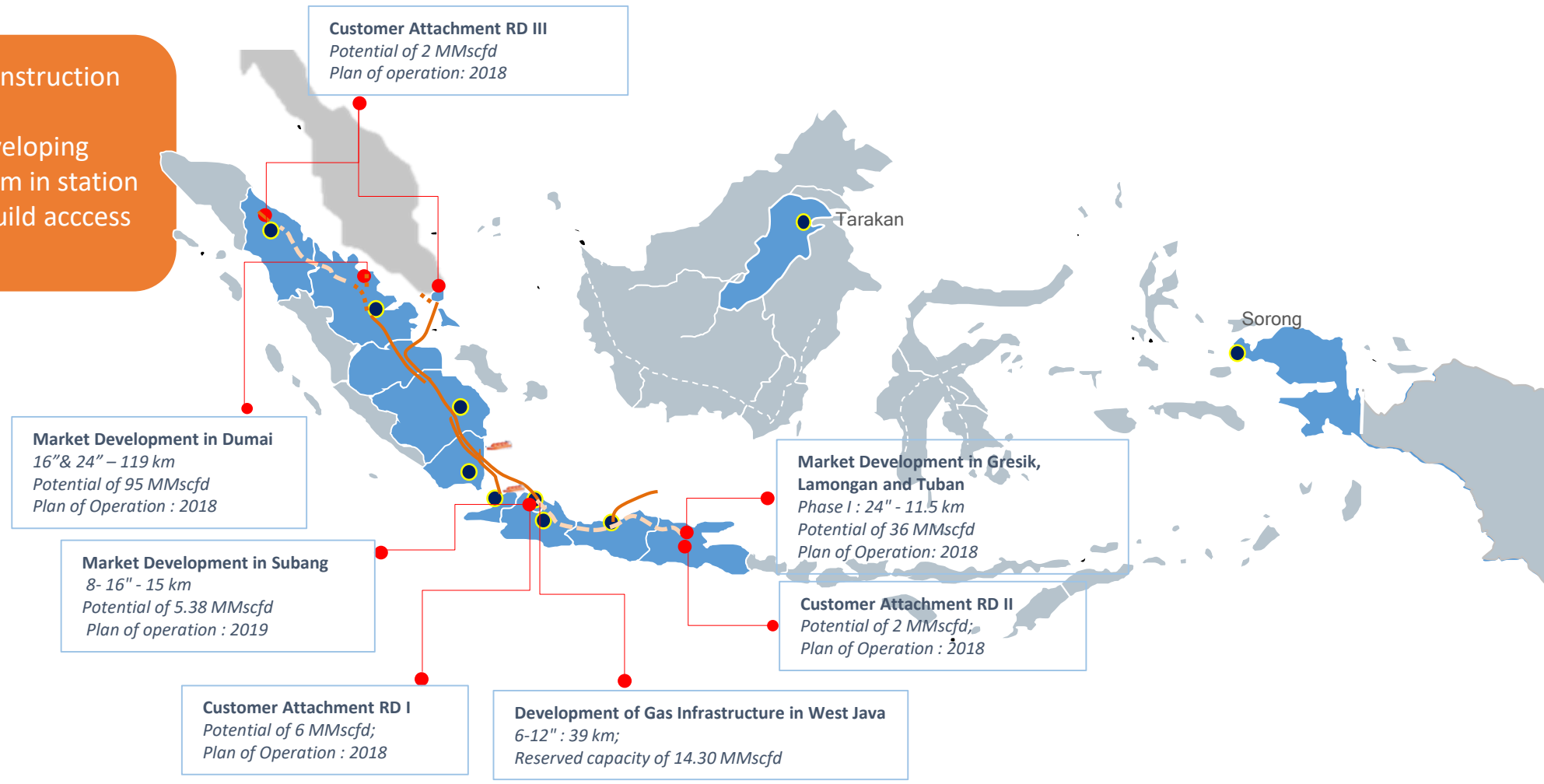
Finance Lease represents KJG's interest in relation to finance lease under the gas transportation agreement between KJG, PLN and PC Muriah Ltd.

Fibre optic represents PGASCOM's revenues of network services to the customers

Pipeline construction and maintenance represents PGASSOL's revenues of services to its the customers.

Infrastructure & Market Development

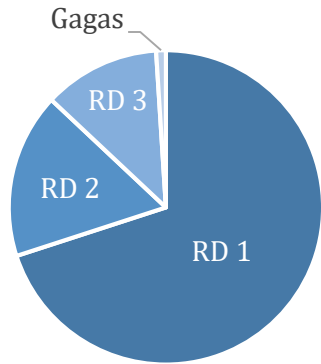
- Market development by construction of distribution backbone
- Delivering gas to RD by developing pipeline or modifying system in station
- Customer attachment to build access until last mile



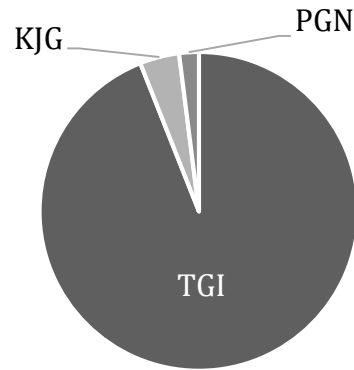
2018 Targets – Guidelines for Investors

Organic PGAS only & Subject to Change

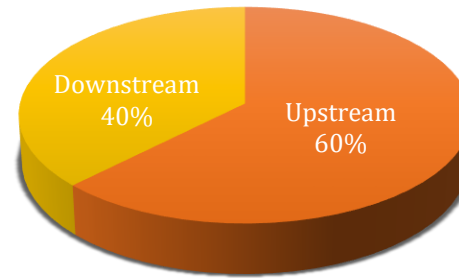
Distribution Volume
775 MMSCFD



Transmission Volume
665 MMSCFD



Total CAPEX
USD 400 Million



Margin / Spread
USD 2.2 – 2.5/MMBTU

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



Government Regulations

DOWNSTREAM PIPELINE GAS PRICE

Households & Small Costumers
(stipulated by Regulatory Body)

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

Industry and Electricity Provider

Gas for Transportation
(stipulated by Minister)stipulated

$$\text{Weighted Average of End User} = \text{Cost of Gas} + \text{Infrastructure Management Cost} + \text{Trading Cost}$$

Infrastructure Management Cost	Infrastructure Management Formula	Trading Cost	Implementation
<ul style="list-style-type: none"> 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 	<p>= <i>Cost of Service / Volume</i></p> <p>Cost of Service are:</p> <ul style="list-style-type: none"> Asset value O&M G&A Gas Losses Insurance Fee Tax and levy 	<ul style="list-style-type: none"> Maximum 7% of cost of gas The maximum percentage should be shared B2B in extended gas supply chain 	<ul style="list-style-type: none"> 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)

EMR Ministerial Regulation (PERMEN ESDM) No. 4/2018

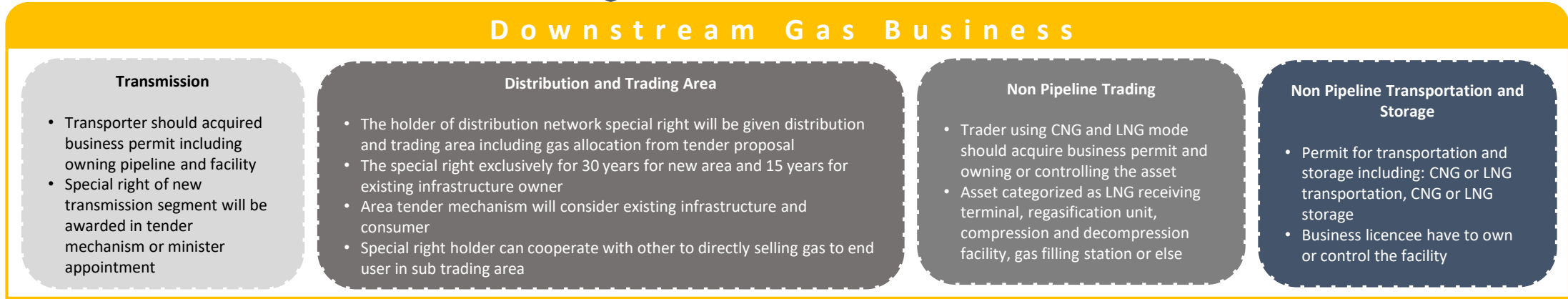
Transmission Segment

- Based on: gas source, market and gas infrastructure condition
- Segment evaluation and appointment stipulated by regulatory body

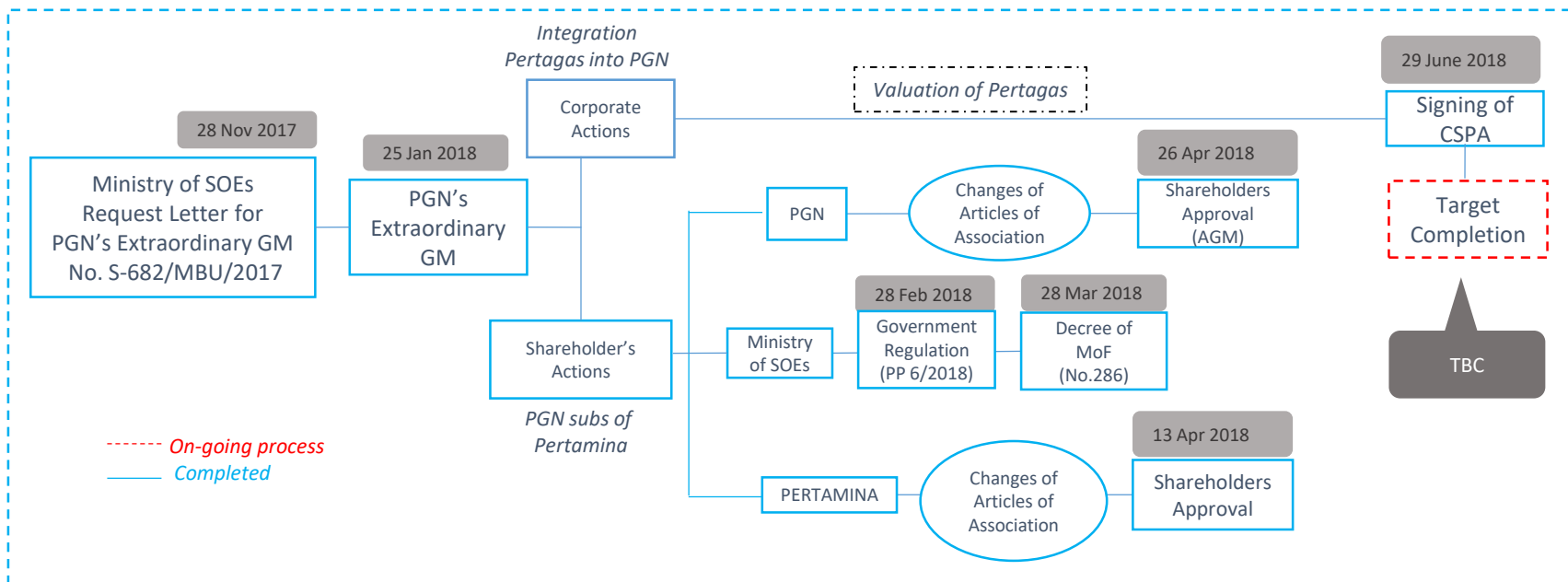
Masterplan of Natural Gas Transmission and Distribution Network

Facilities and Supporting Infrastructure for Gas Utilization

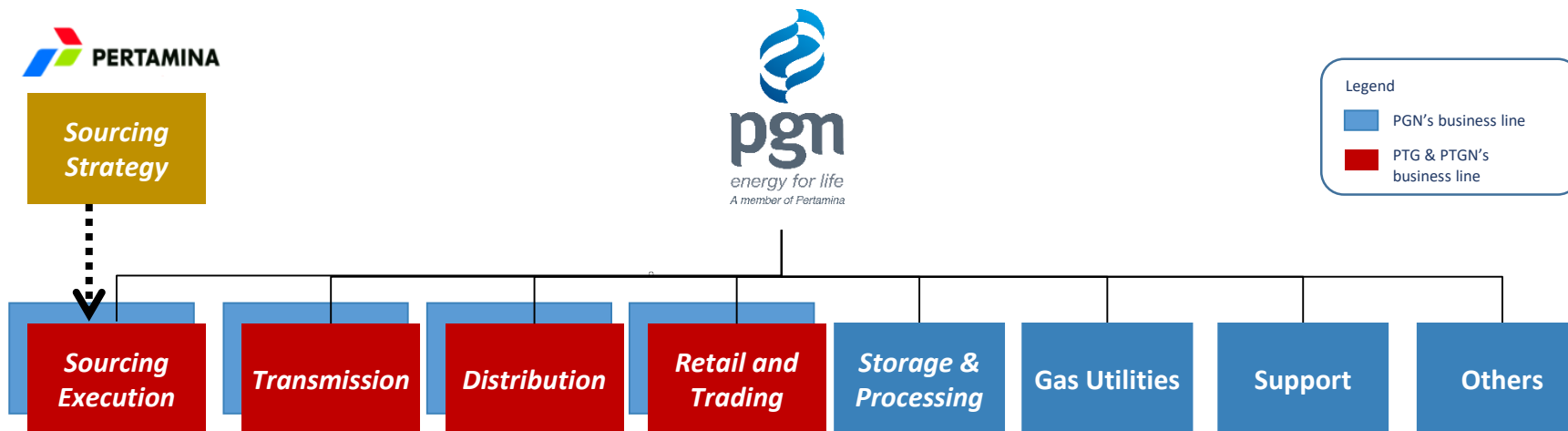
- Minister allow consumer to build and operate an own pipeline gas and facility with consideration of gas source, availability infrastructure and unavailable demand for 5 years
- The consumer will not be given gas transportation special right



Recent Event - Oil & Gas Holding



PGN's Strategic Focus on Gas



Pertamina as O&G Holding Co and Integration of Pertagas into PGN

- 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

Subsidiaries & Affiliates

pgn SAKA
power to discover



pgn SOLUTION
action for excellence

pgn LNG
born to make it happen

pgn MAS
commitment to service

pgn GAGAS
brings energy to you

pgn COM
always reliable



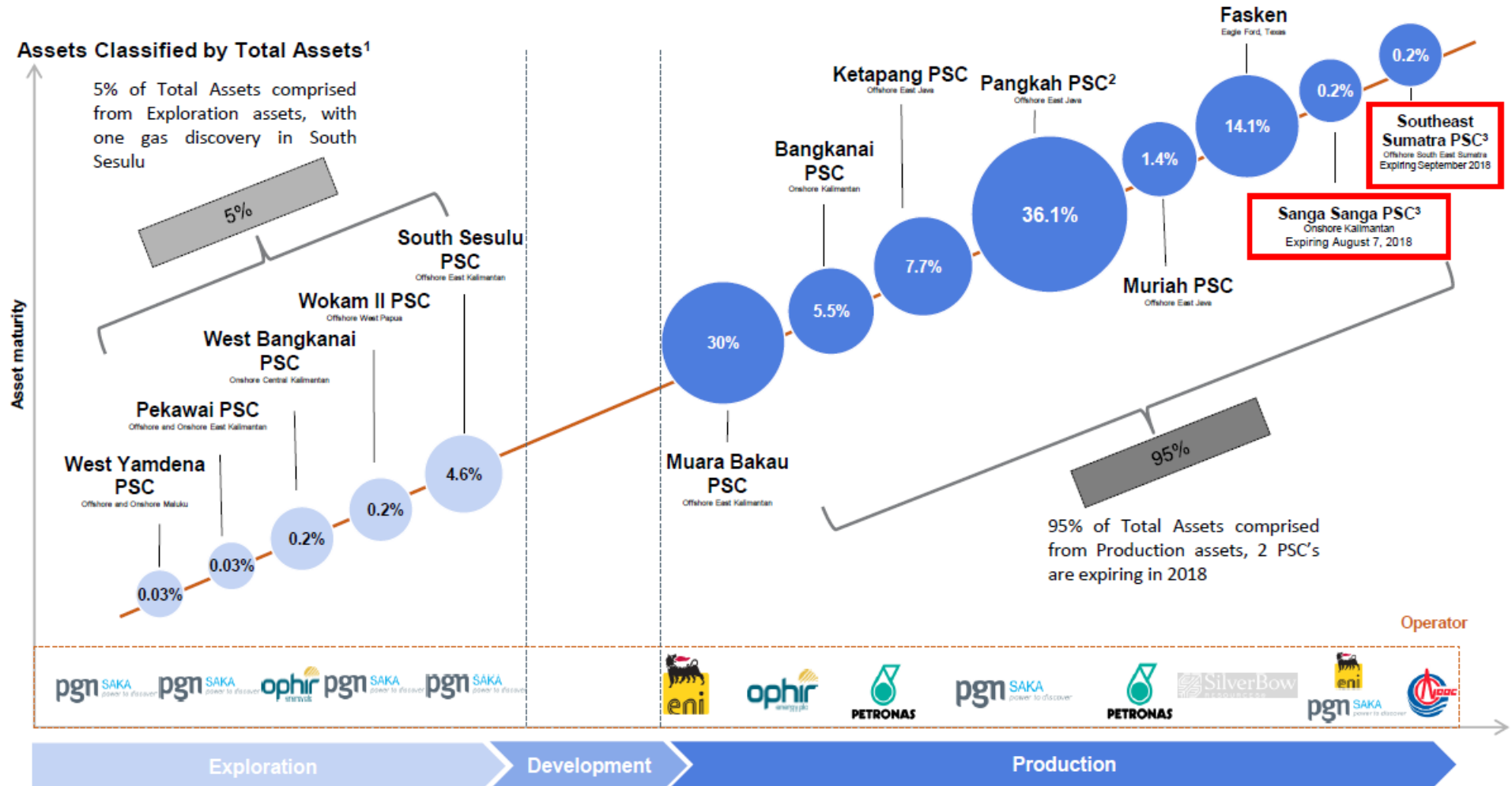
Notes:

*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

- *Notes:**
1. Pangkah PSC has additional upside for near term production and reserve growth potentials through development and exploration.
 2. Muara Bakau block starts producing by first half 2017. Total production in Q3-2018: 667 MMScfd
 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

pgn LNG
*born to make
it happen*

Type	Private
Founded	26 June 2012
Headquarter	Jakarta
CEO	Mugiono
Industry	LNG Regasification
Subsidiaries	-
Total Assets	USD 415 Million (2017)
No. Employees	48 (2017)
Website	www.pgnlng.co.id

LNG Volume 9M-2018
3 BBTud



PGN FSRU LAMPUNG

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 (SAWL) 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
- Build by SOFEC, China
- Seabed : 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 and the vessel

FSRU is located approximately close to gas receiving and dividing station Labuhan Maringgai or exactly at the coordinates 5°26'30" S and 150°56'30" E.

It is integrated with SSWJ pipeline facility connecting gas sources in Sumatera with the largest potential customers in West Java, Indonesia.

Subsidiary – Gagas Energi Indonesia

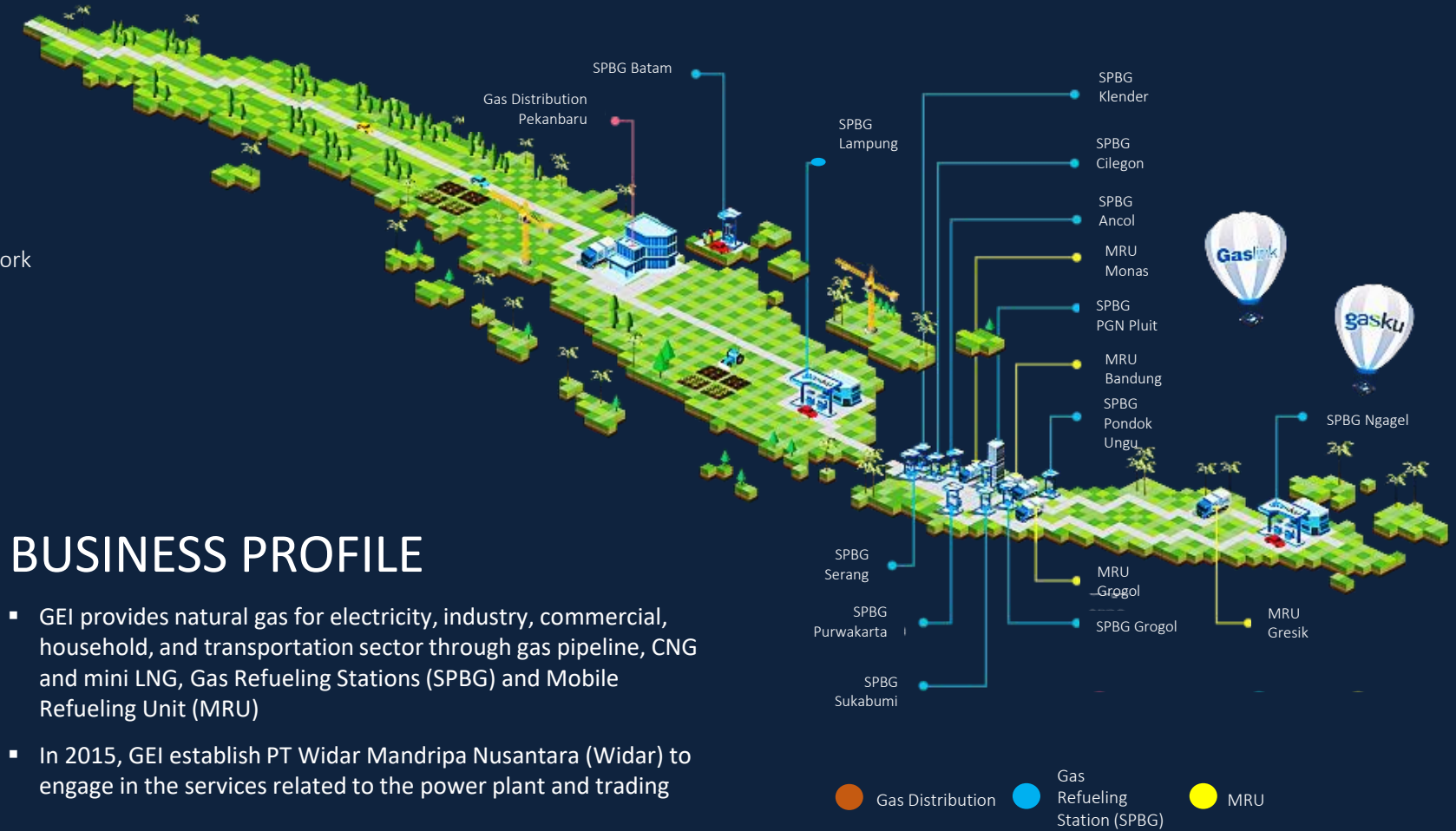
BUSINESS UPDATES

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

	
Type	Private
Founded	27 June 2011
Headquarter	Jakarta
CEO	Sabaruddin
Industry	Gas Downstream
Subsidiaries	1 (PT Widar Mandripa Nusantara/WIDAR)
Total Assets	USD 83 Million (2017)
No. Employees	76 (2017)
Website	www.gagas.co.id




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

● Gas Distribution
 ● Gas Refueling Station (SPBG)
 ● MRU

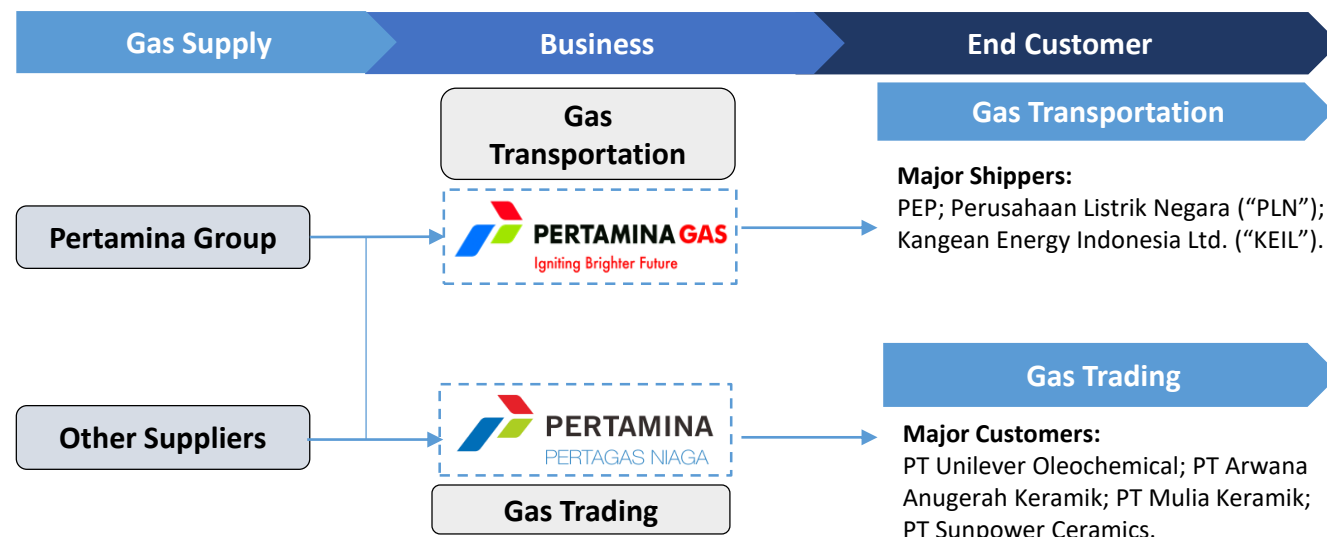
Subsidiary – PT Pertamina Gas*

* Pending Completion of the conditional requirement CSPA signed on 29 June 2018

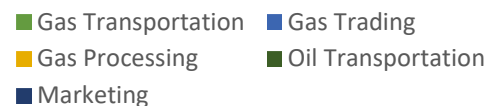
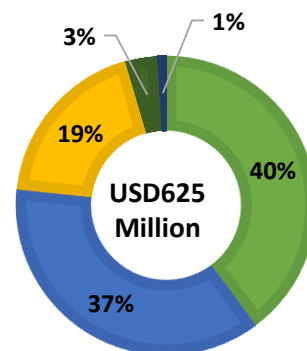
	
Type	Private
Founded	23 February 2007
Headquarter	Jakarta
CEO	Wiko Migantoro
Industry	Gas Midstream & Downstream
Subsidiaries	<ol style="list-style-type: none"> 1. PT Pertamina Gas Niaga 2. PT Perta-Samtan Gas Niaga 3. PT Perta Kalimantan Gas 4. PT Perta Daya Gas 5. PT Perta Arun Gas
Total Assets	USD 1.9 Billion (2017)
No. Employees	379 (2017)
Website	www.pertagas.pertamina.com

Source: Company's Annual Report 2017 & Website

Business Model



REVENUE CONTRIBUTION – 2017



Operational Highlights - 2017

Gas Transportation	Gas Trading	Oil Transportation	Gas Processing	LNG Regasification	Gas Compression
502.043 MMSCF	46.680 BBTU	3.377.386 Barrel	206.409 Ton	42.160 BBTU	2.755 BBTU

Source: Company's Annual Report 2017 & Website

Subsidiary – Transportasi Gas Indonesia (TGI)



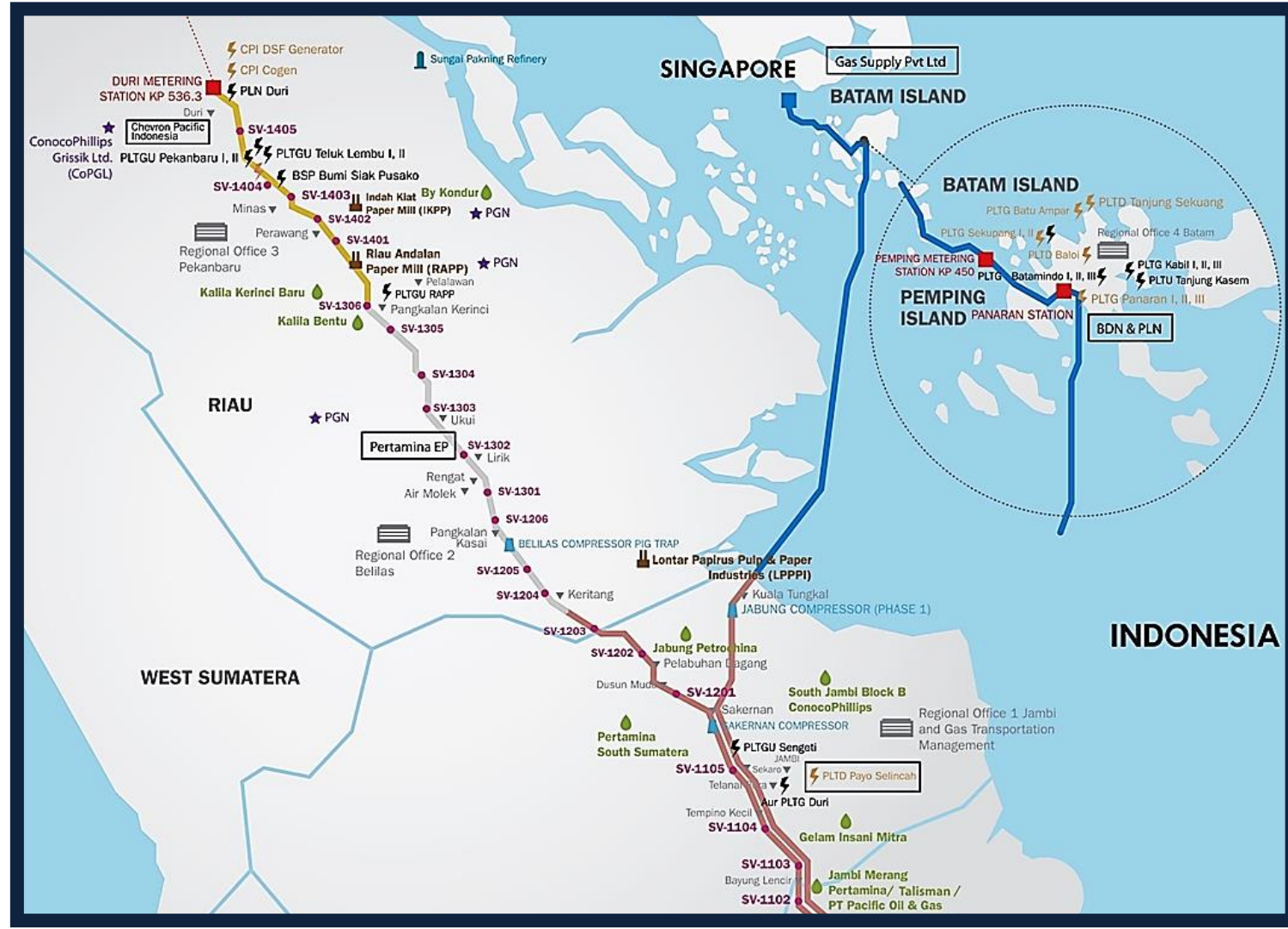
Transgasindo
energy connect synergy

Type	Private
Founded	1 February 2002
Headquarter	Jakarta
CEO	Zuryati Simbolon
Industry	Gas Transportation
Subsidiaries	-
Total Assets	USD 550 Million (2017)
No. Employees	285 (2017)
Website	www.tgi.co.id

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

LNG Volume 9M-2018
234 BBTud

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

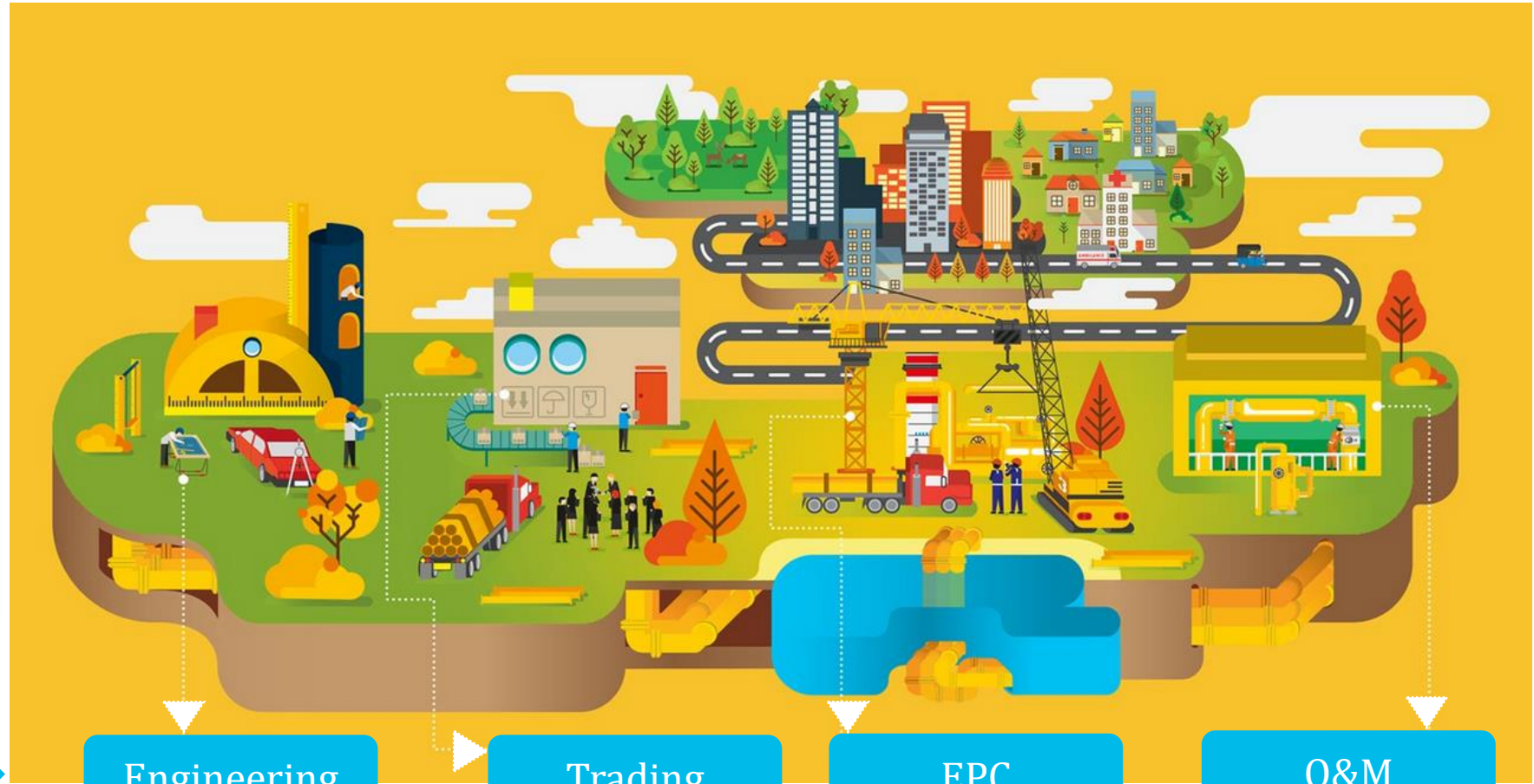
- Regasification capacity : 500 MMscfd.
- LNG Suppliers : Mahakam PSC and Tangguh PSC
- Offtaker : PLN Muara Karang



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)

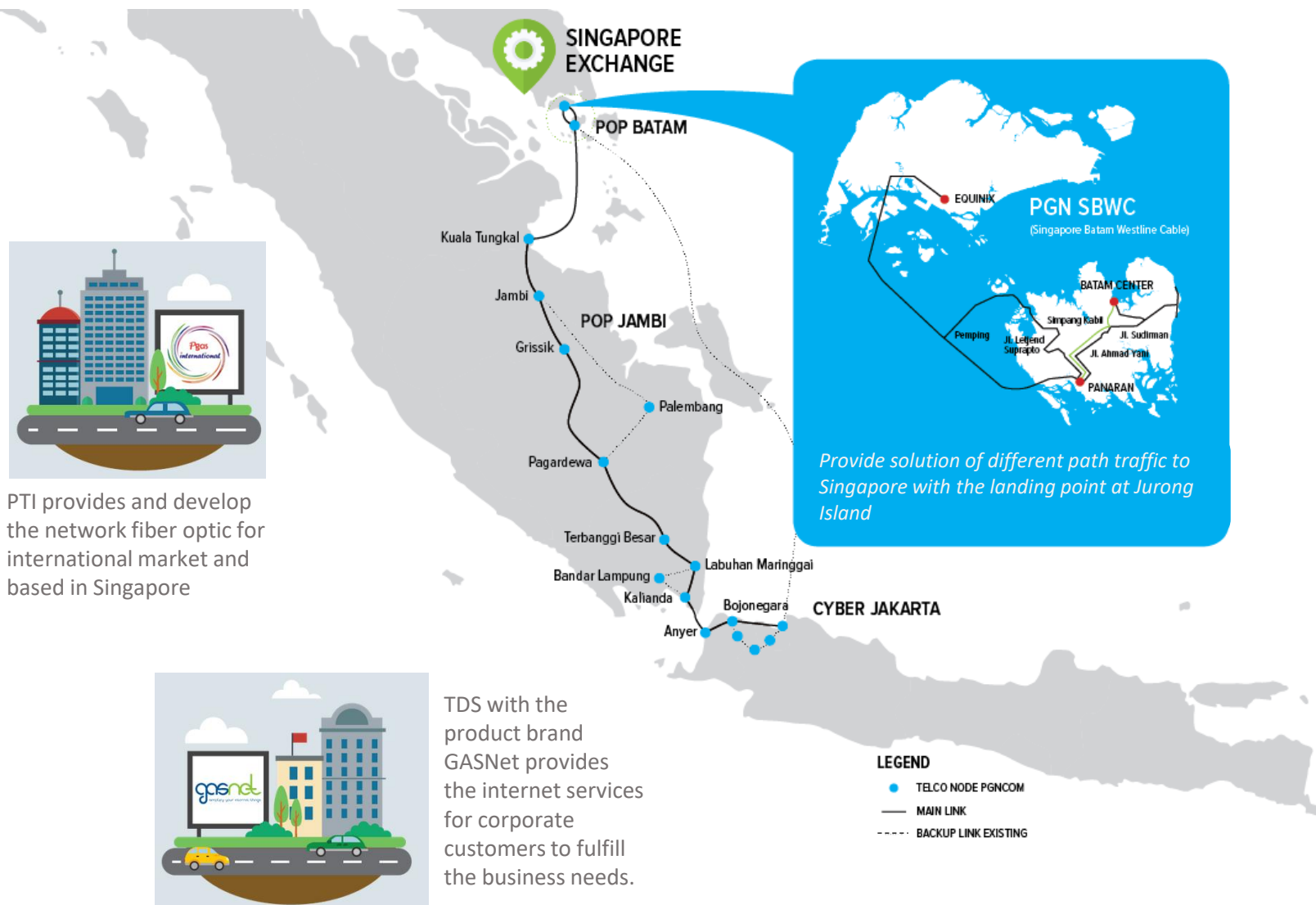
Subsidiary – PGAS Telecommunication

pgn COM
always reliable


Type	Private
Founded	10 January 2007
Headquarter	Jakarta
CEO	Dwika Agustianto
Industry	Information & Communication Technology
Subsidiaries	2 <ul style="list-style-type: none"> PGAS International Pte, Ltd (PTI) PT Telemedia Dinamika Sarana (TDS)
Total Assets	USD 35 Million (2017)
No. Employees	106 (2017)
Website	www.pgasc.com.co.id

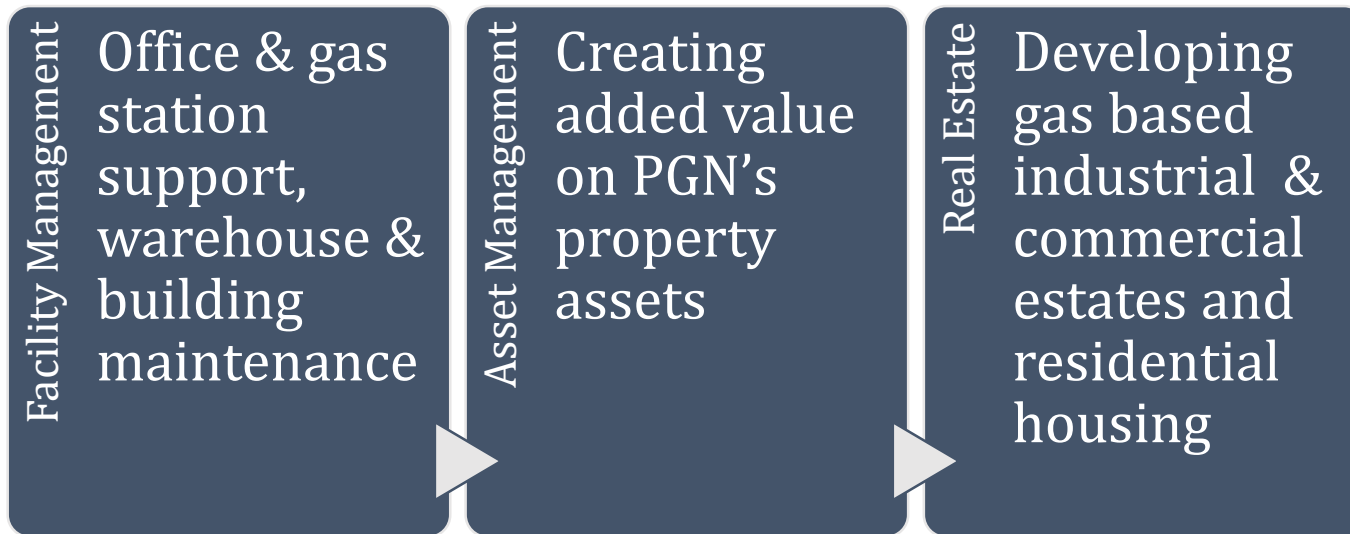
BUSINESS UPDATES

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



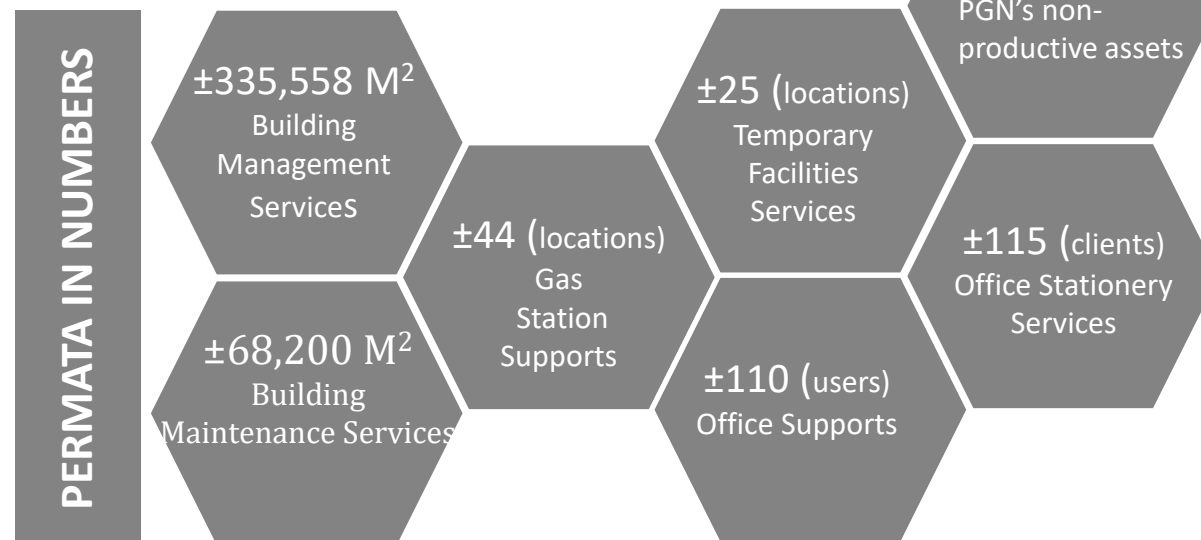
Subsidiary – Permata Graha Nusantara

	
Type	Private
Founded	24 April 2014
Headquarter	Jakarta
CEO	Baskara Agung Wibawa
Industry	Property & Facility Management
Subsidiaries	2 <ul style="list-style-type: none"> • 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



Developed Residential Area for PGN Group

Managing ±25 PGN's non-productive assets





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