

Perusahaan Gas Negara

Investor Presentation

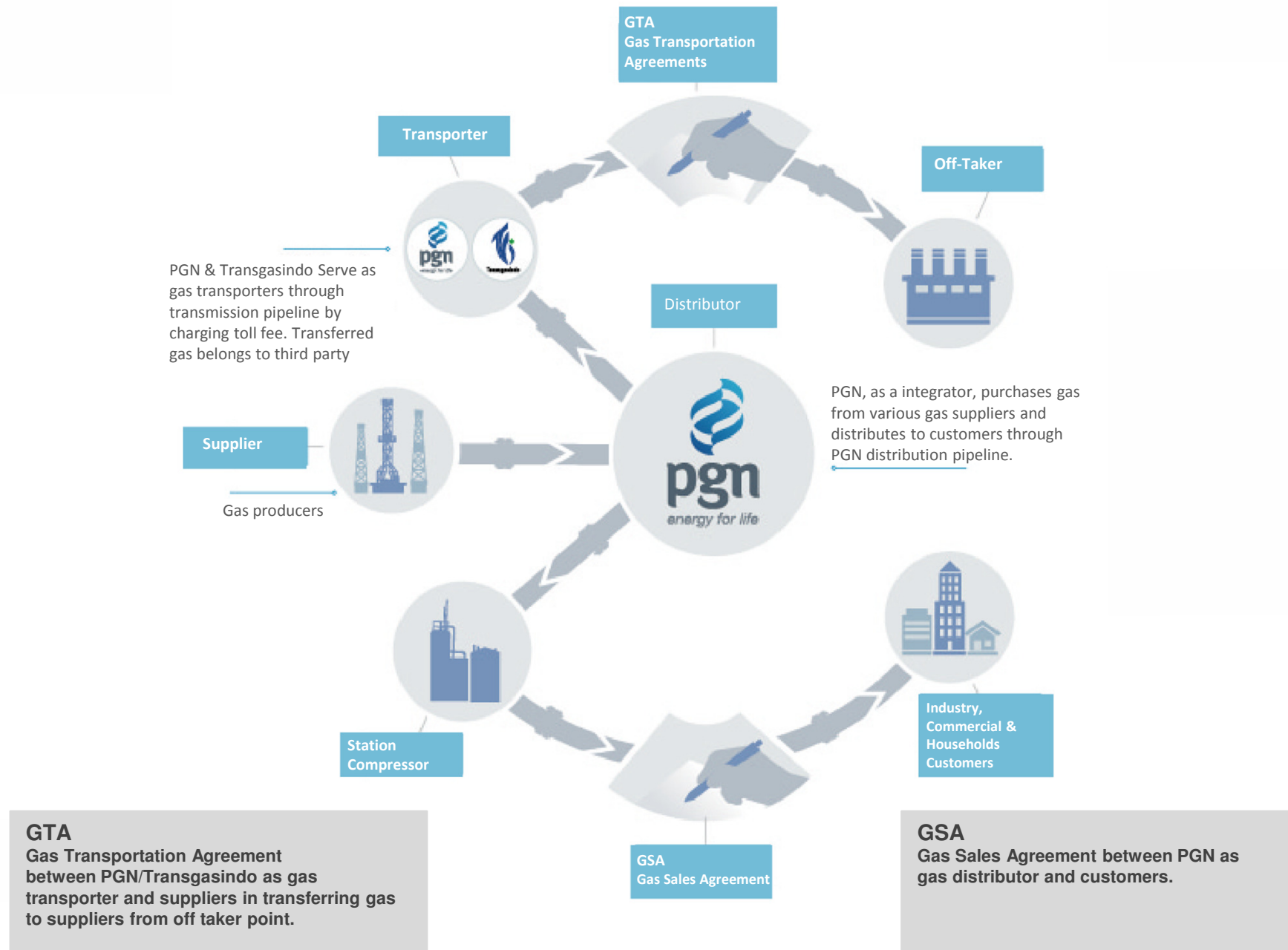
9M 2013 Update

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

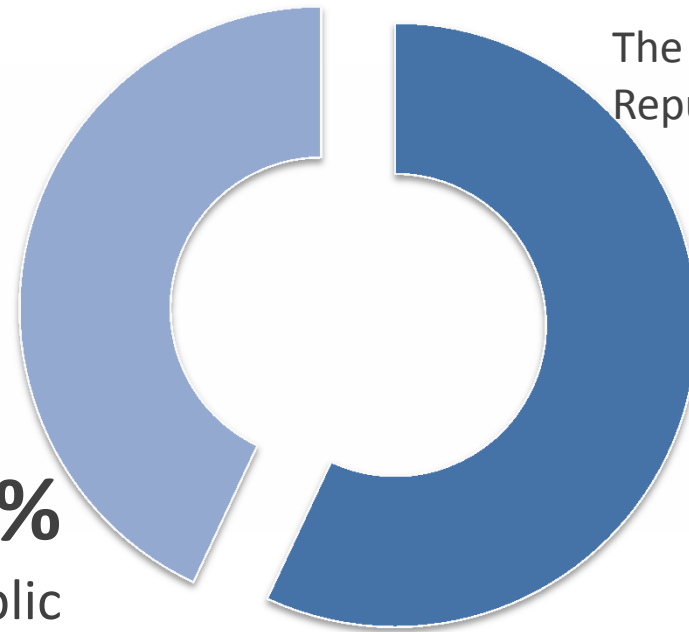
Dominant player in domestic natural gas transmission and distribution



Shareholding Structure



43.03%
Public



56.97%

The Government of the
Republic of Indonesia

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

SBU, Subsidiaries and Affiliates

- Strategic Business Units
- Subsidiaries & Affiliates
- % of Shares



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



40% PGN

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

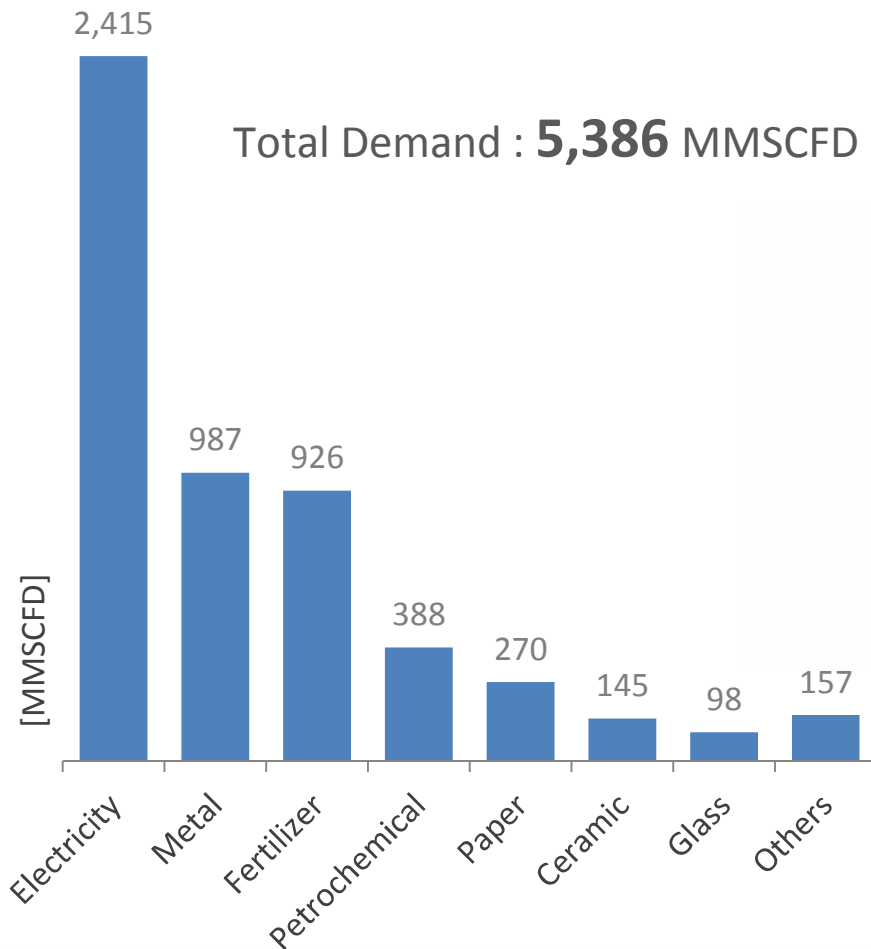
- Set the structure of natural gas trading, transmission and distribution business and licensing.
- Provides special rights and licensing for dedicated downstream.
- Set pricing mechanism for piped natural gas:
 - Residential regulated by BPH Migas.
 - Special users determined by Minister of Energy and 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 2013



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 &
Natural Gas Industrial Customers Forum (FIPGB)

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

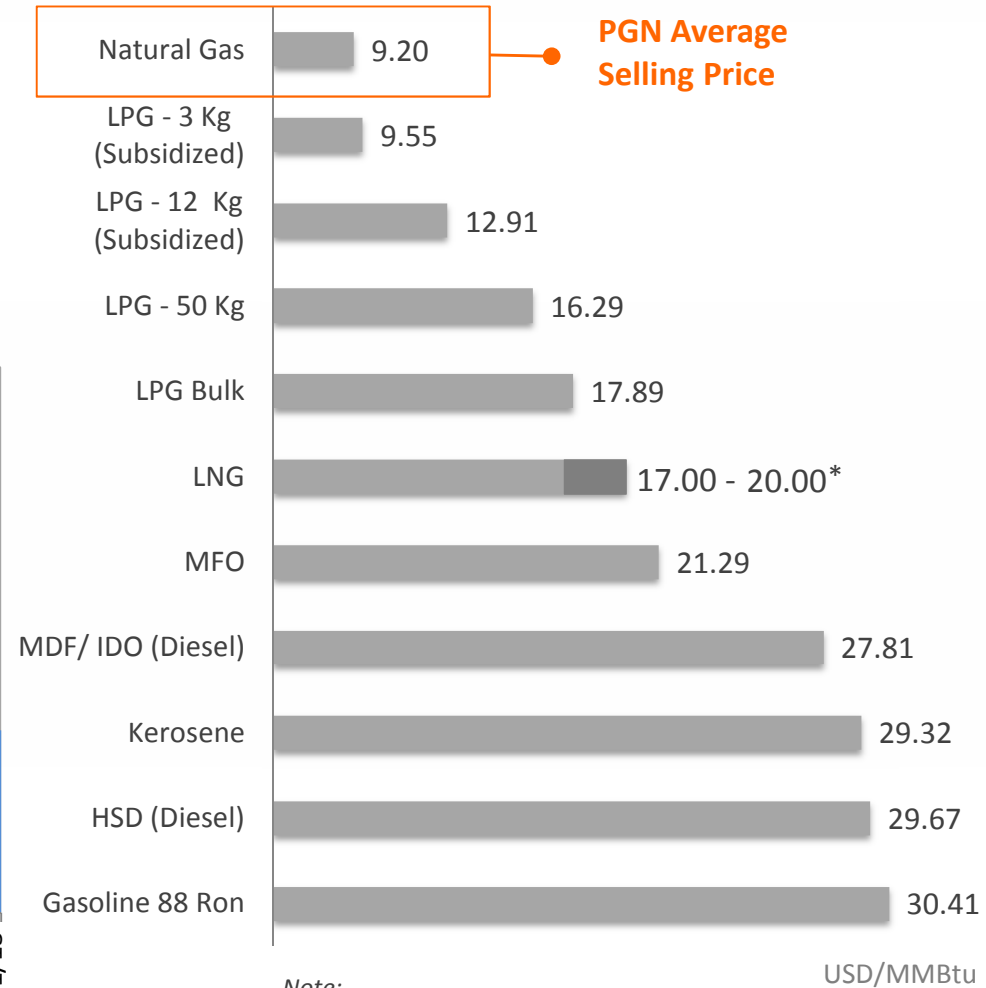
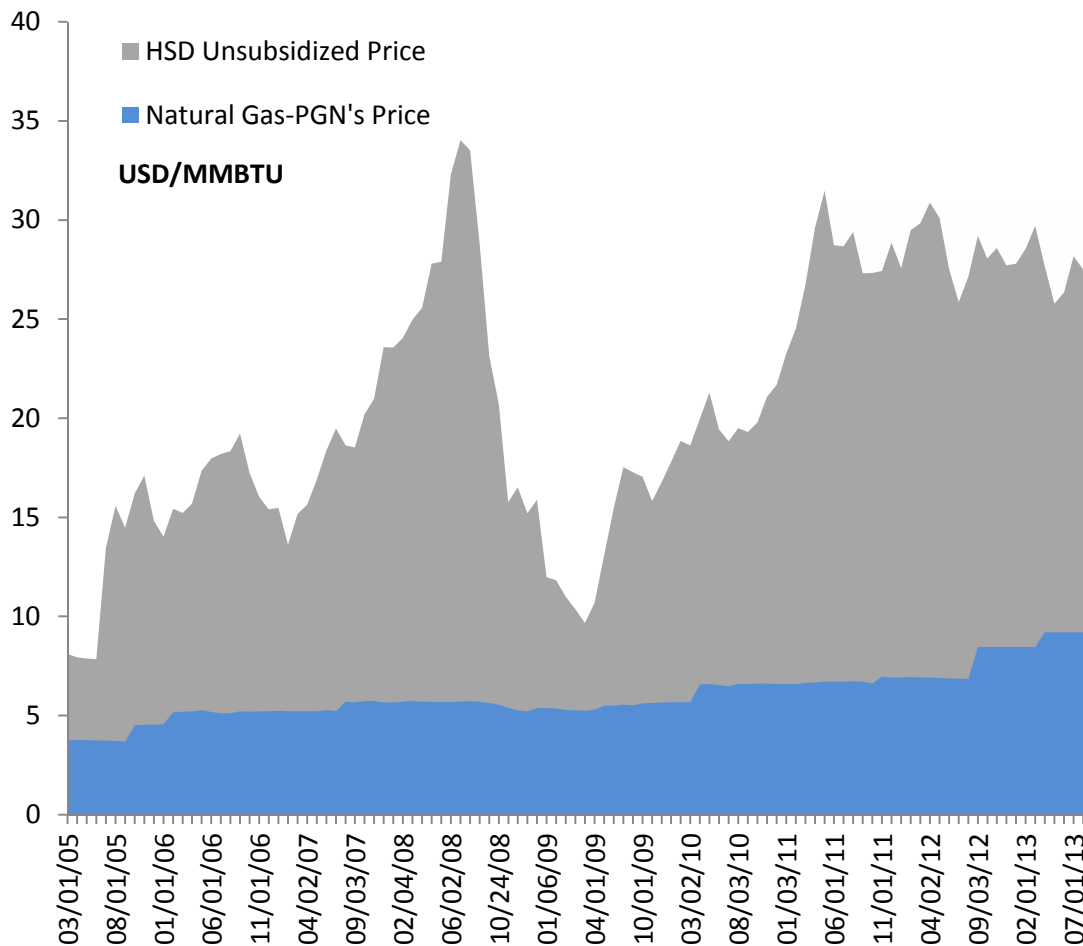
- Expand existing distribution and transmission capacity.
- Plan for inter-mode gas transportation such as CNG and LNG.

Aim for non-conventional sources

- Plan and anticipate the non-conventional sources.

Opportunity in Price Advantage

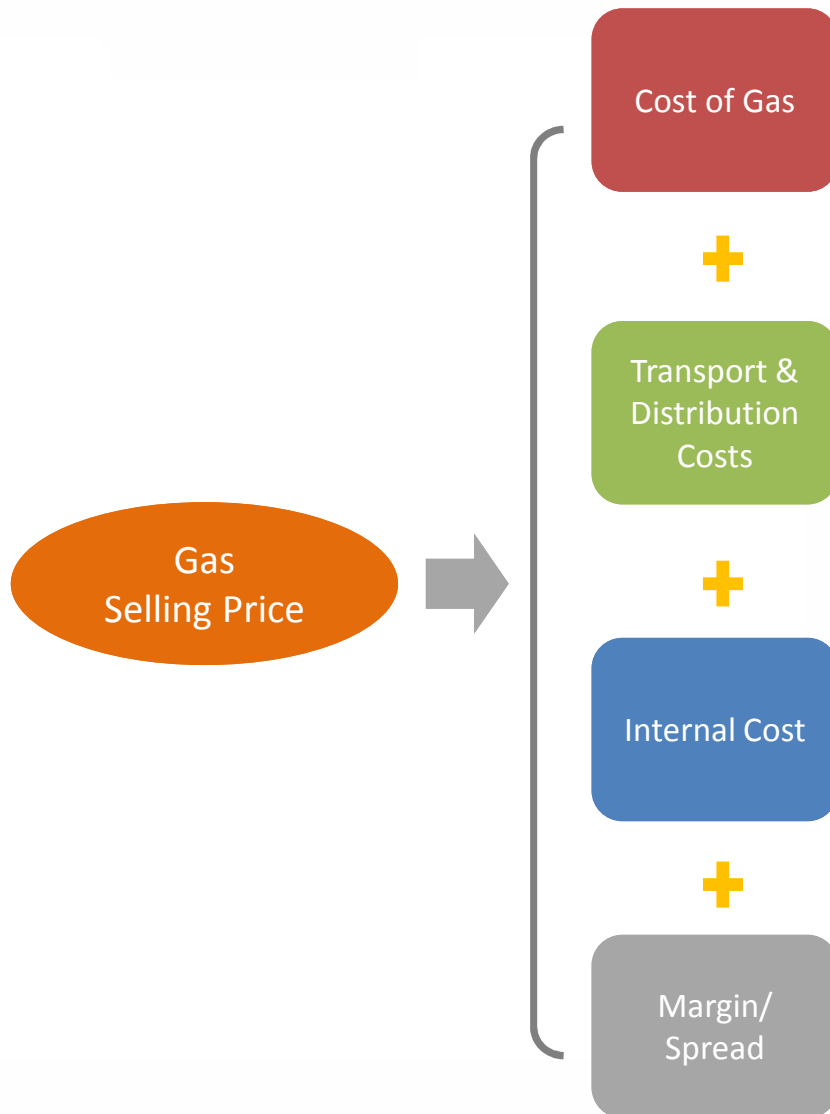
Comparison Between HSD vs Natural Gas



Note:
 Fuel price Pertamina as of August 15, 2013
 Exchange rate USD 1 = IDR 10.000,-
 * Subject to ICP

PGN ASP prior to April 2013: USD 8.54/MMBTU

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

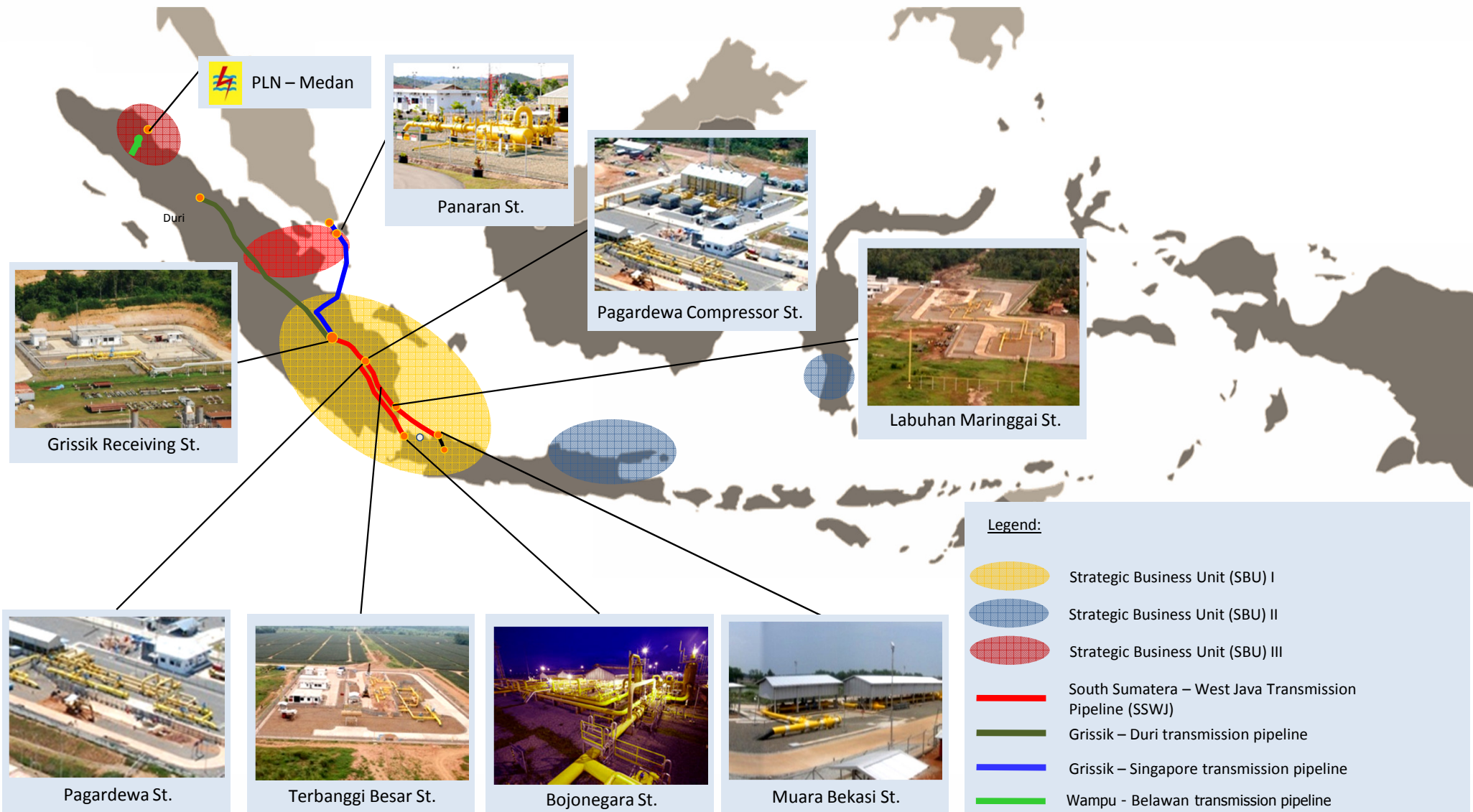
- Demand and Supply Dynamics
- Affordability
- Reasonable Margin

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

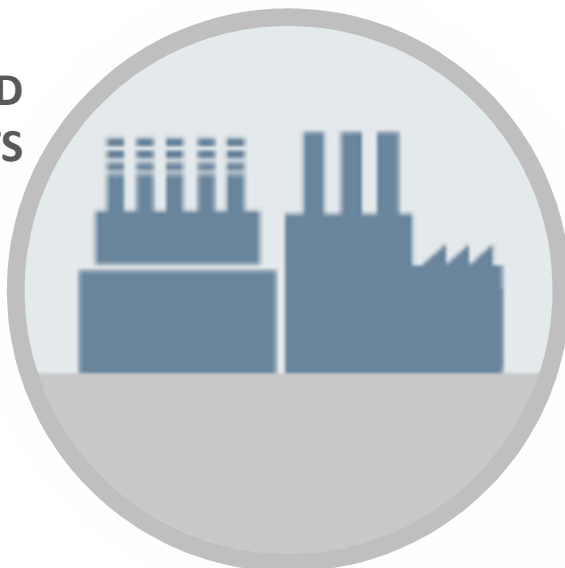
INDUSTRIES AND POWER PLANTS

96.8%

of total volumes

1,247

Customers



COMMERCIALS & SME

2.7%

of total volumes

1,709

Customers



HOUSEHOLDS

< 1%

of total volumes

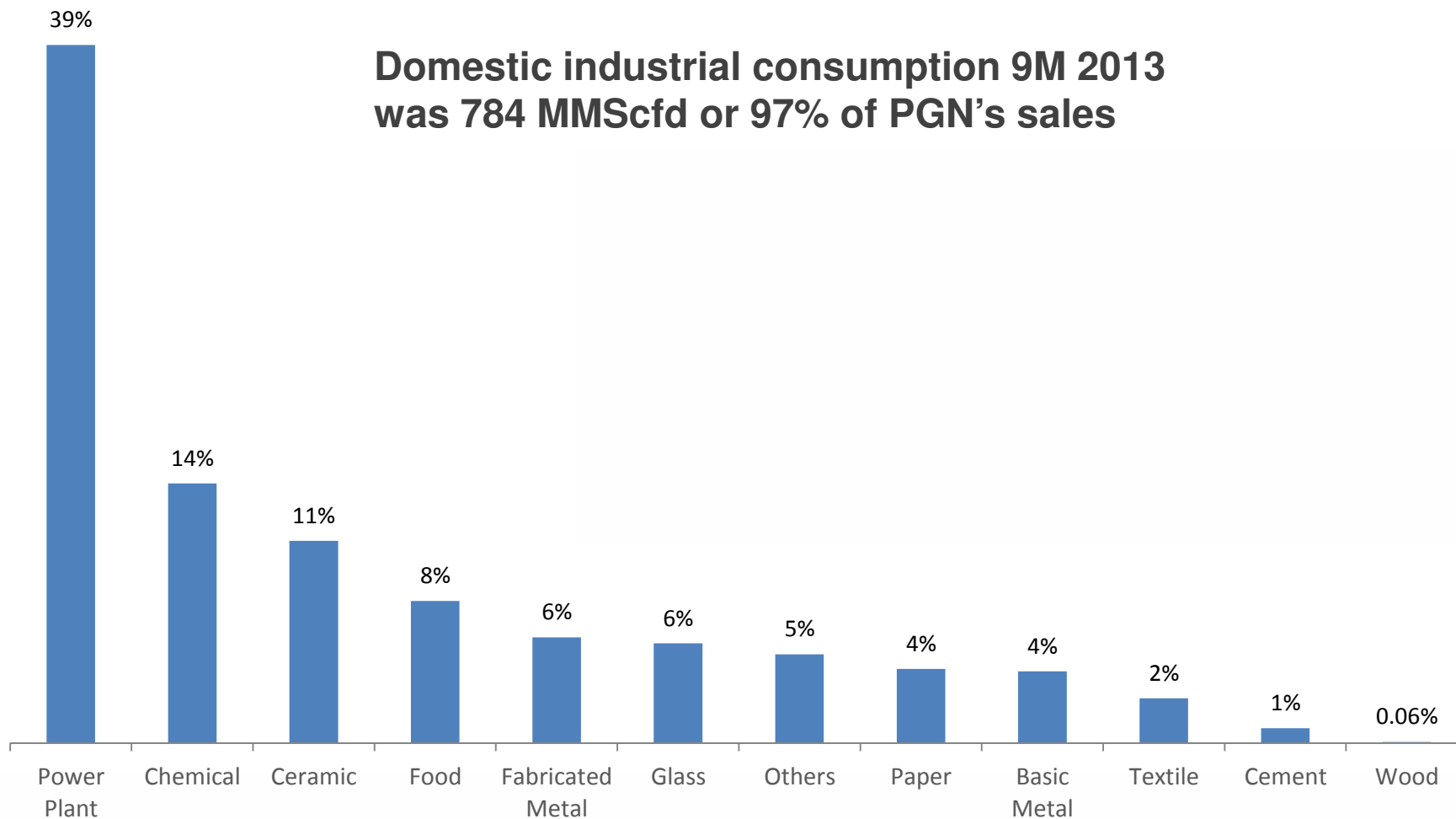
88,153

Customers

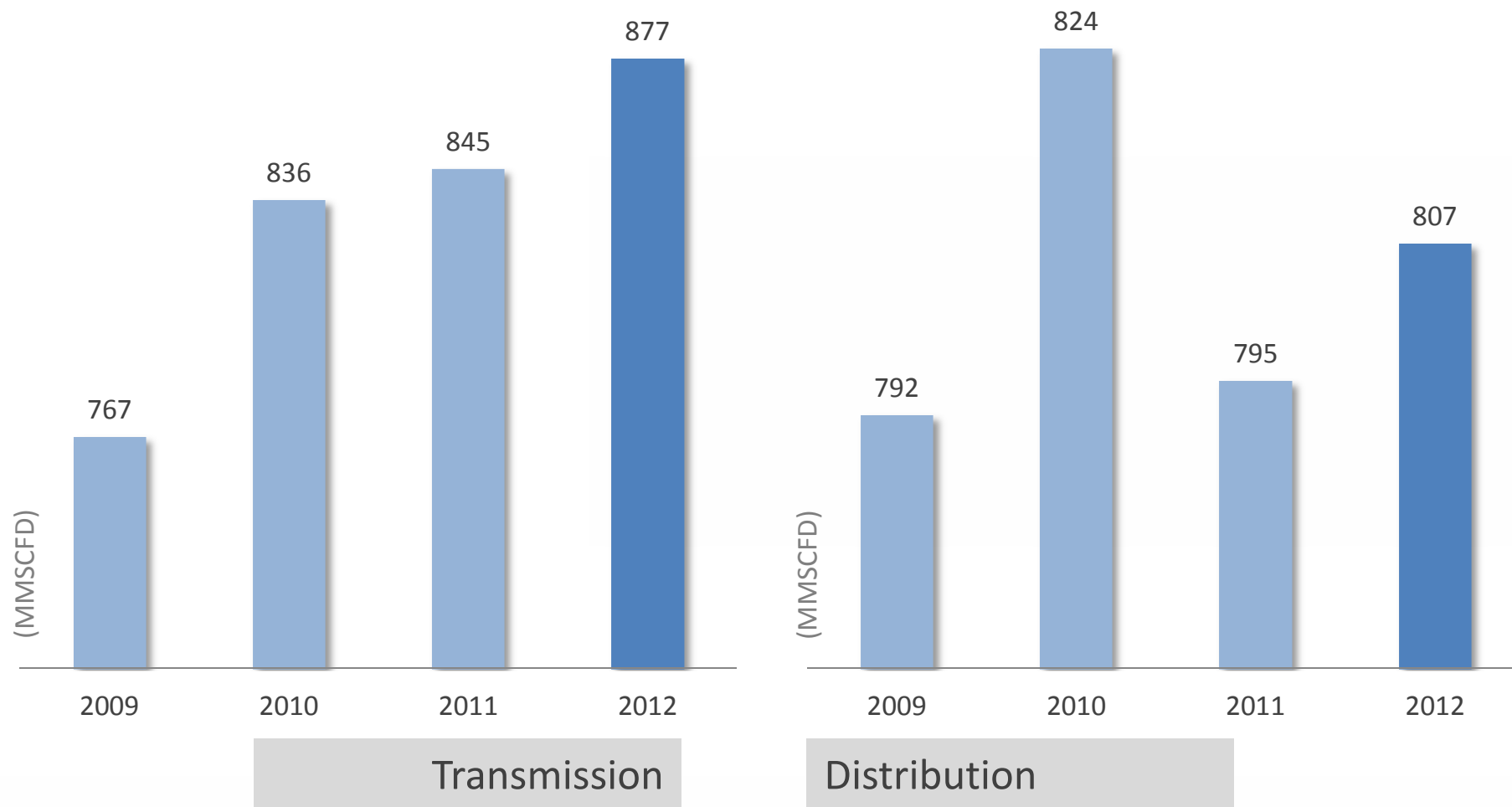


**)as of 9M 2013*

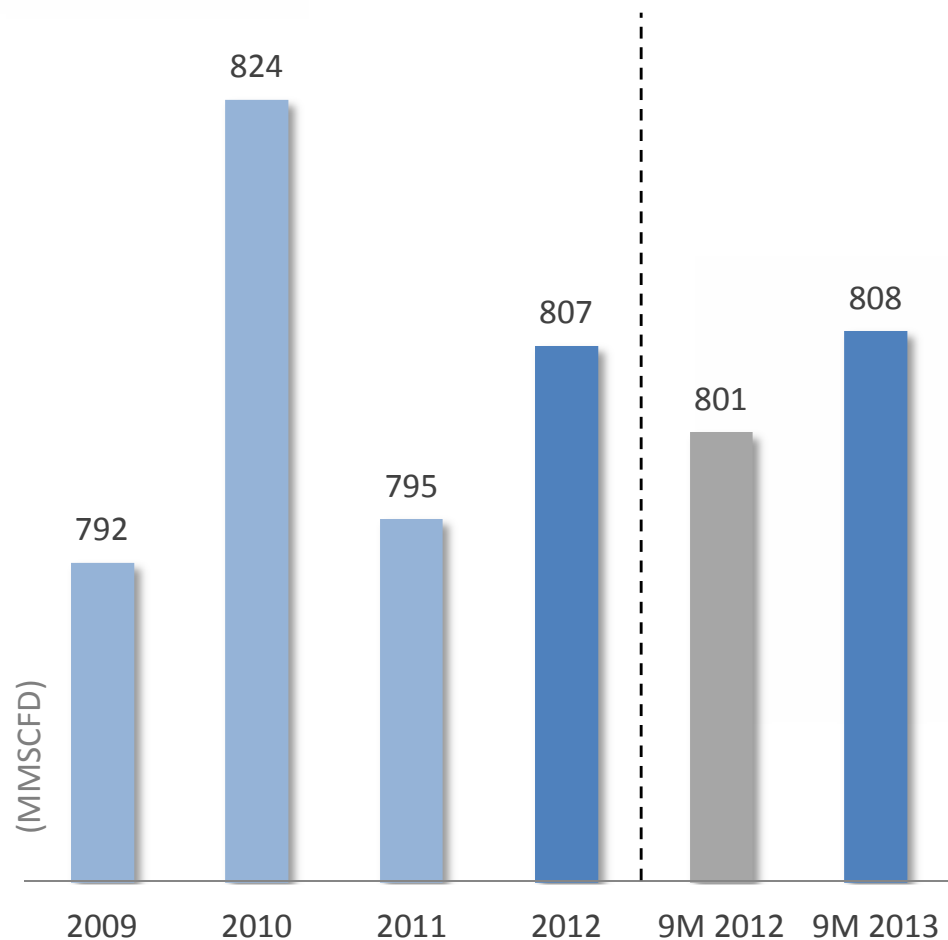
Diversified Industrial Customer



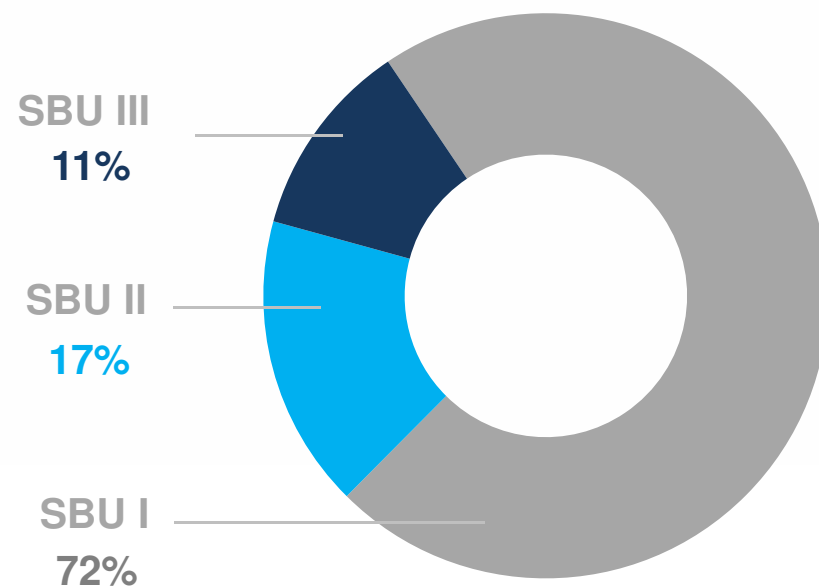
Annual Growing Operational Performance



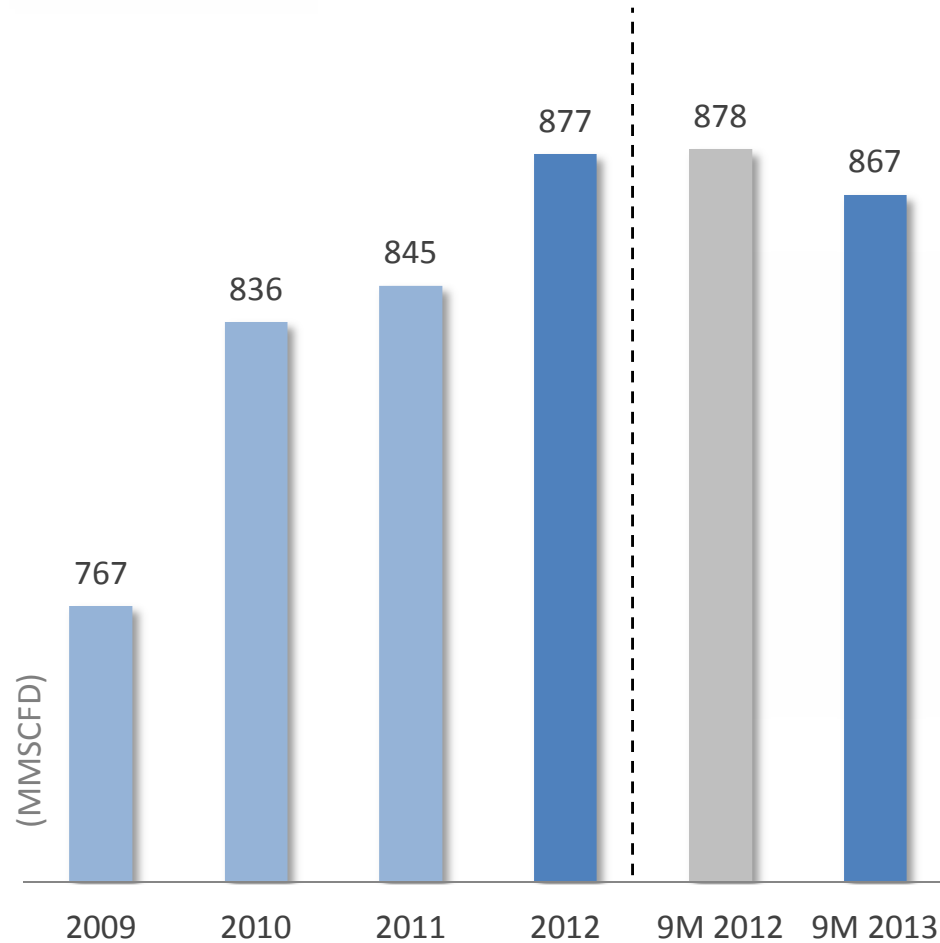
Distribution Performance



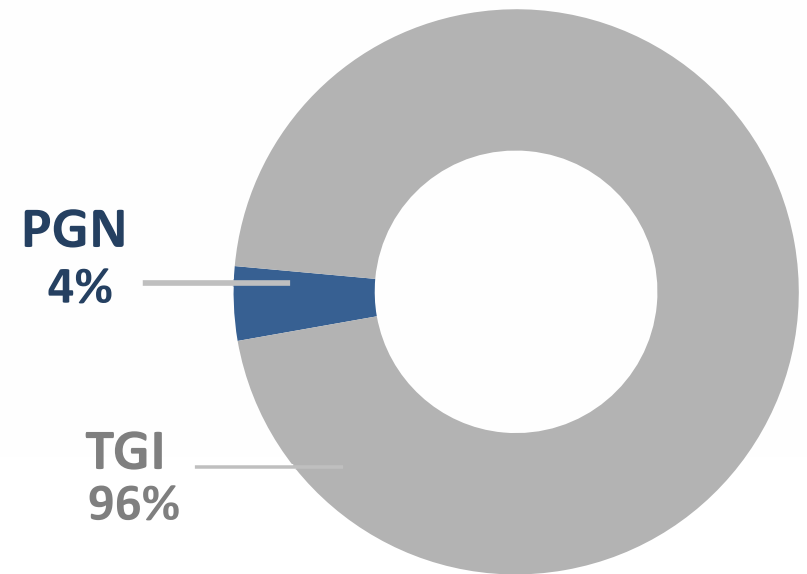
Distribution



Transmission Performance



Transmission



Interim Consolidated Statements of Comprehensive Income 9M 2013

| In USD Mio | 9M 2013 | 9M 2012 | % | |
|------------------|---------|---------|-------|---|
| Revenues | 2,201.0 | 1,830.8 | 20.2 | ↑ |
| Cost of Revenues | 1,157.2 | 749.9 | 54.3 | ↑ |
| Gross Profit | 1,043.8 | 1,080.8 | -3.4 | ↓ |
| Operating Income | 697.6 | 785.6 | -11.2 | ↓ |
| EBITDA | 836.0 | 921.0 | -9.2 | ↓ |
| Net Income | 641.6 | 621.3 | 3.2 | ↑ |

Interim Consolidated Statements of Financial Position

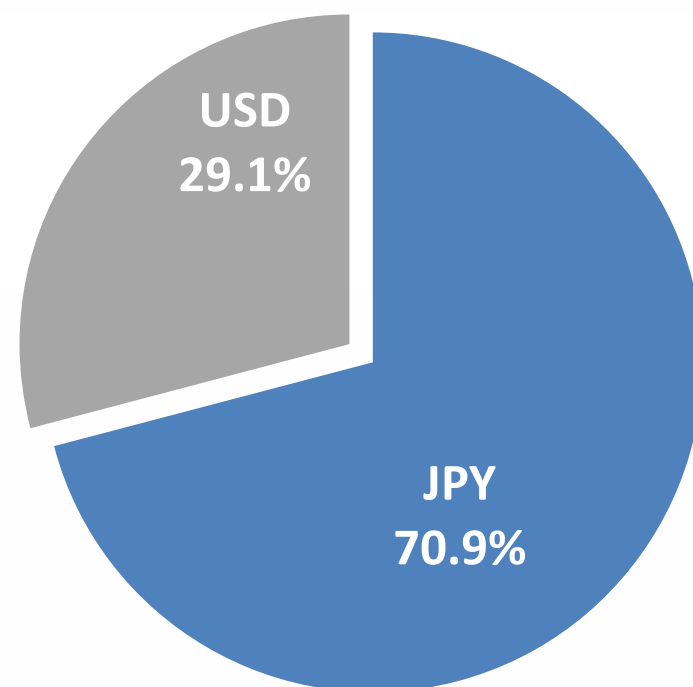
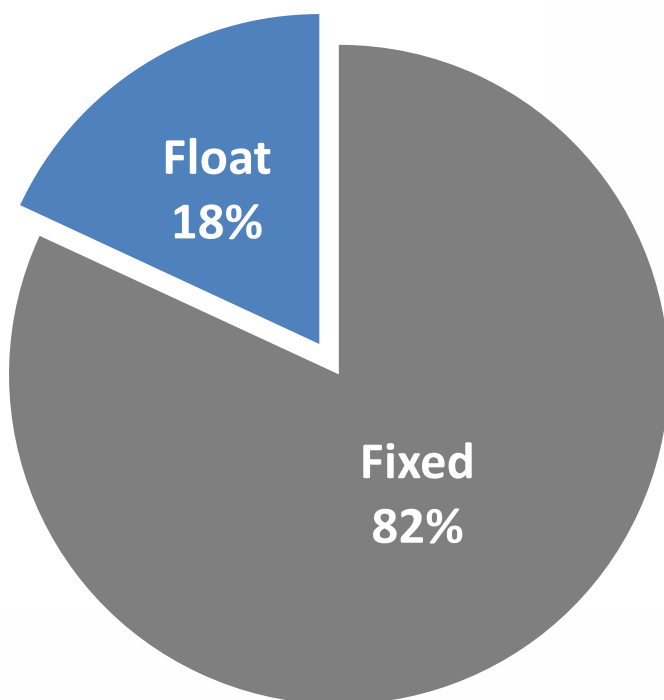
| In USD Mio | Sep 30, 2013 | Dec 31, 2012 |
|--|--------------|--------------|
| Current Assets | 1,395 | 1,984 |
| Non Current Assets | 2,371 | 1,924 |
| Total Assets | 3,766 | 3,908 |
| Current Liabilities | 421 | 473 |
| Non Current Liabilities | 843 | 1,081 |
| Total Equity | 2,501 | 2,354 |
| Total Liabilities And Shareholders Equity | 3,766 | 3,908 |

| Key Ratios | FY 2012 |
|-----------------------------|---------|
| Debt to Equity Ratio (x) | 0.4 |
| EBITDA/Interest expense (x) | 55.1 |
| Return on Investment (%) | 30.4 |

Debt Composition

as of 9M 2013

Long-term debt amounting to
USD 676.59 million
Mostly long dated/maturity loans
from Developmental Banks



Effective Cost of
Debt of Around **2.04%**

Recent Updates

| Event | Detail of Event |
|--|--|
| 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. |
| 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 30, 2013 Pipe leak repair works finished | The repair works was finished within 9 days since the incident occur with the repair clam installed to stop the leak on the SSWJ offshore, 32 inch, transmission pipeline on the KP 138-139 between Labuhan Maringgai and Muara Bekasi, about 23 meters below sea surface. |
| 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 |
| May 13, 2013 LNG domestic market allocation | SKK Migas has allocated a total of 644 cargoes of LNG for the domestic market over the period of 2013-2021 with FSRU Lampung will receive 18 cargoes starting 2016. The supply will be coming form BP Tangguh, Chevron IDD and Eni Muara Bakau. The allocation set only the amount of the cargoes. Commercial aspects between suppliers and customers shall be arranged on B to B basis. |

| Event | Detail of Event |
|---|--|
| April 17, 2013 Resolution of Annual General Meeting of Shareholders on the composition of BOD and BOC | <p>The meeting approved reappointment of Mr. Riza Pahlevi Tabrani as the Director of Finance</p> <p>The meeting honorably discharged Mr. Bambang Dwijanto as the member of the Board of Commissioners and replaced him with Mr. Firmanzah</p> |
| April 17, 2013 Resolution of Annual General Meeting of Shareholders on Dividend | <p>Rp 4,915,075,492,403 from the profit attributable to the parent of entity of year 2012 or Rp 202.77 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 May 10, 2013. Cash market JMay 15, 2013. Payment date of cash dividend May 29, 2013 |
| April 1, 2013 Implementation of the second phase of Price Increase | <p>Application of second term price increase from average USD 8.8/mmbtu to USD 9.8/mmbtu to customers in West Java starting April 1st, 2013. This is in line with the increase buying price from ConocoPhillips and Pertamina to USD 5.44/mmbtu and USD 5.33/mmbtu, respectively.</p> |
| March, 2013 Signing upstream agreement with Ketapang PSC | <p>PGN through its subsidiary SEI acquired 20% participating interest in Ketapang PSC from Sierra Oil Services Limited with transaction value of USD 71 Million</p> |

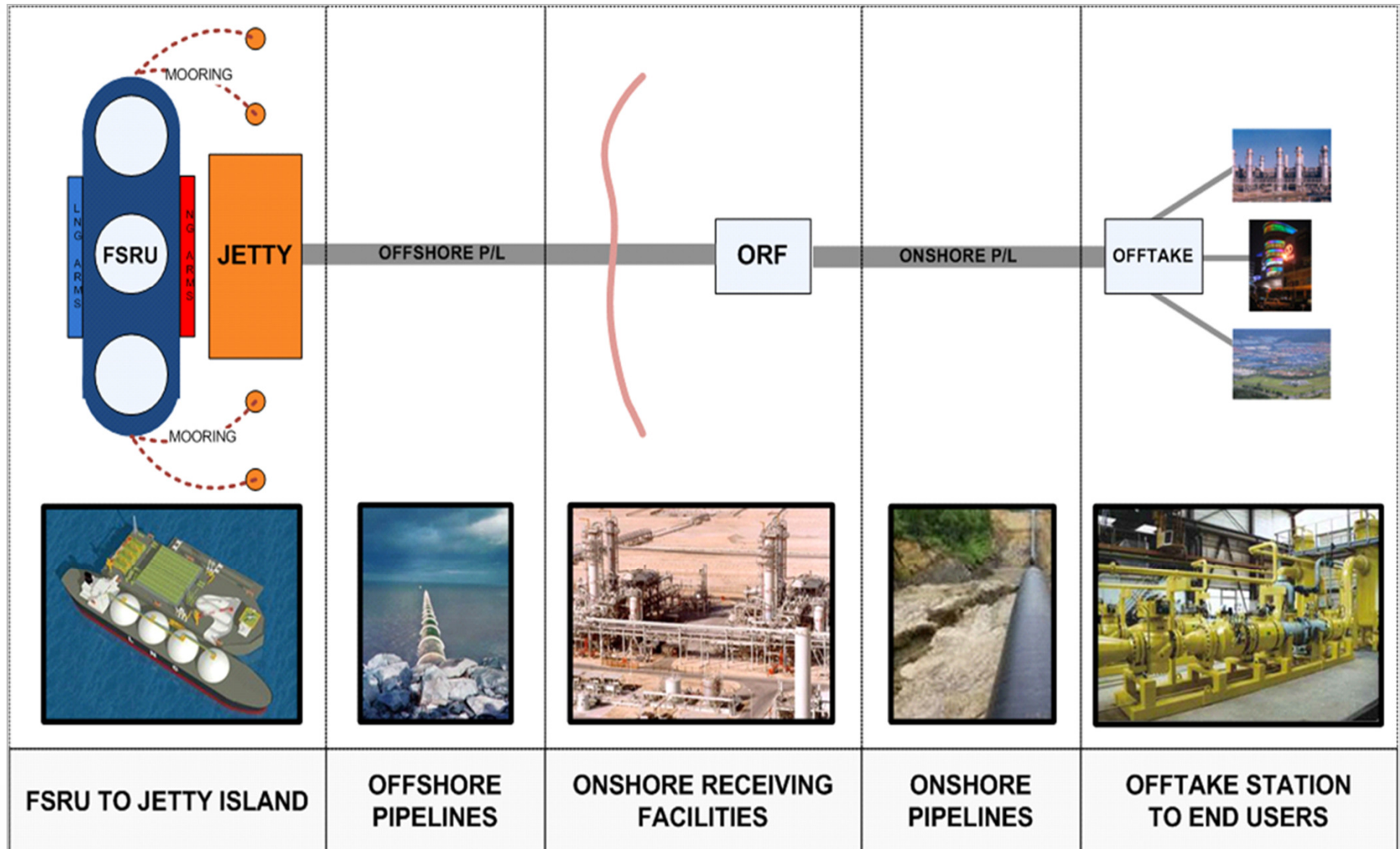
Recent Updates

| Event | Detail of Event |
|--|---|
| February 28, 2013 FSRU Lampung project development | The FSRU constructions is in keel laying stage at Hyundai Heavy Industries shipyard, Ulsan, Korea. |
| February 7, 2013 Government set domestic LNG allocation | The government set allocation of domestic LNG for FSRU terminals across Indonesia. PGN's FSRU in Lampung FSRU received 10 cargo allocation for the next 10 years starting 2015. |
| January 21, 2013 Contract amendment with Medco E&P | PGN and Medco E&P agree to extend the contract for the next 2 years with renewed price to USD 7,11/MMBTU, 3% escalation and total volume of 41,900 BBTU. |
| August 30, 2012 Price increase of gas supply from major suppliers | <p>Application of two phases price increase for upstream supply</p> <p><u>Starting September 1, 2012 :</u></p> <p>ConocoPhillips increased its selling price from \$ 1.85/mmbtu to \$ 4.36/mmbtu</p> <p>Pertamina increased its selling price from \$ 2.2/mmtu to \$ 4.42/mmbtu</p> <p><u>Starting April 1, 2013 :</u></p> <p>ConocoPhillip's selling price will go up from \$ 4.36/mmtu to \$ 5.44/mmbtu</p> <p>Pertamina's selling price will go up from \$ 4.42/mmbtu to \$ 5.33/mmbtu</p> |
| June 28, 2012 Price adjustment of PGN's gas selling price to customers | <ul style="list-style-type: none"> • PGN will increase its selling price by 50% to customers in West Java • The increase will be implemented in stages: 35% starting September 2012 and 15% starting April 2013 |

Plan for New LNG Infrastructure



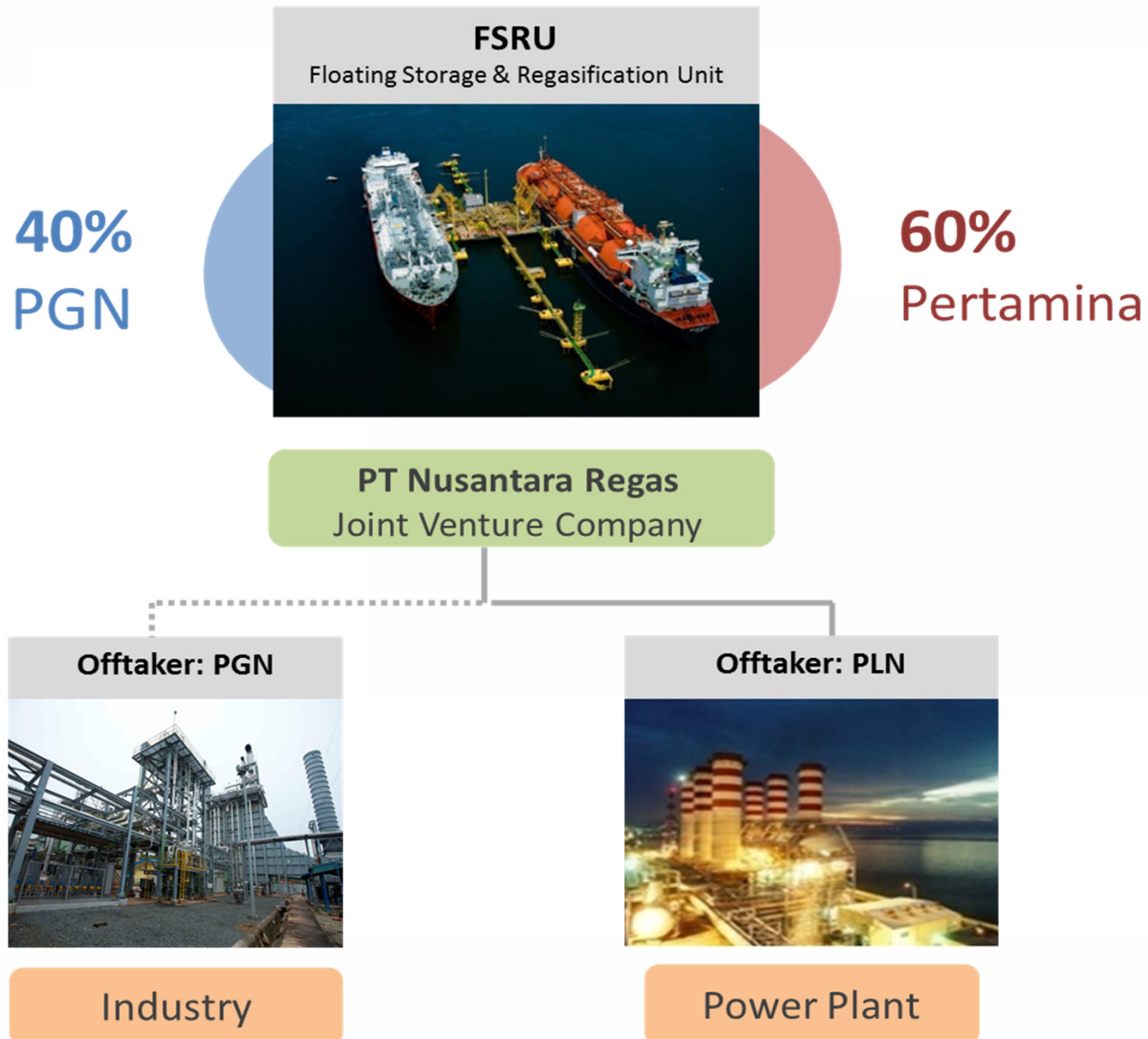
Floating LNG Terminal Overview



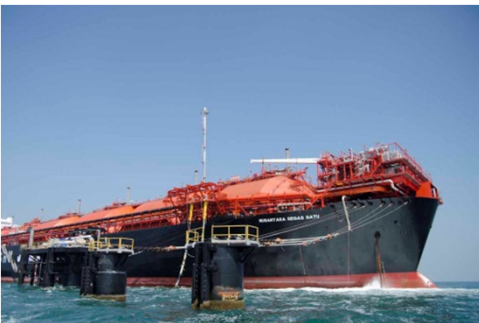
LNG Receiving Terminals

| | 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 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.



Thank You

Contact:

Investor Relations

PT Perusahaan Gas Negara (Persero) Tbk

Jl. K H Zainul Arifin No. 20, Jakarta-11140,

Indonesia

Ph: +62 21 6334838 Fax: +62 21 6331632

<http://www.pgn.co.id>