

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.



Indonesia: A Major Producer of Natural Gas

The largest proven gas reserves in Asia Pacific Ahead of Australia, China and Malaysia (BP World Energy Report 2010)



Source: Director General of Oil and Gas

Total World	172.28	173 19	176 68	185.28	187 /0	100.0%
Total Asia Pacific	13.48	13.75	14.65	16.00	16.24	8.7%
Malaysia	2.48	2.48	2.38	2.38	2.38	1.3%
China	1.53	1.68	2.26	2.46	2.46	1.3%
Australia	2.35	2.34	2.29	3.08	3.08	1.6%
Indonesia	2.48	2.63	3.00	3.18	3.18	1.7%
Trillion cubic metres	2005	2006	2007	2008	2009	of total
Natural Gas: Proved re	serves (BP W	orld Ener	gy Repor	t 2010)		2009 share

Experience domestic natural gas shortages

Due to fast growing demand and limited natural gas infrastructure



Demand for Natural Gas – Key Drivers



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

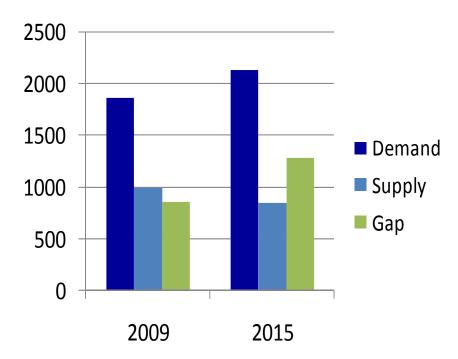
Demand from the industries

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



Unmet Demand for Natural Gas

Power Sector



Source: PLN Primary Energy Unit

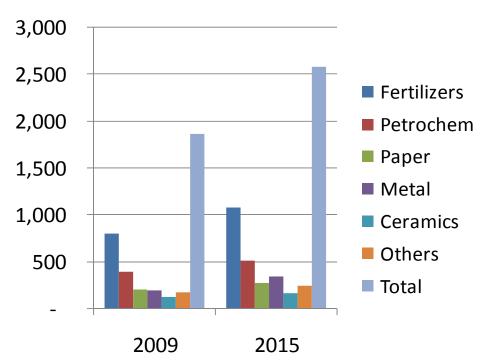
Ministry of Industry cited major gas shortage for industry

Firm unmet demand from industry of 0.4 BSCFD

PLN (state power company) gas demand was 1.8 BSCFD in 2009 for existing dual fired power plants growing to 2.1 BSCFD in 2015. Representing unmet demand of 0.8 BSCFD

Additional demand of 0.1 BSCFD from IPP

Industry – Non Power Sector



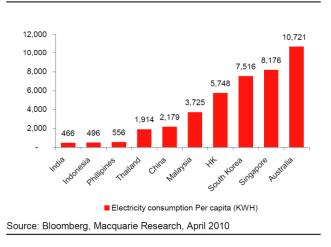
Source: Ministry of Industry and PGN



Current Low Consumption to Drive Demand

Fig 24 Asia Pacific electricity consumption per capita

Fig 25 Income per capita vs electricity per capita



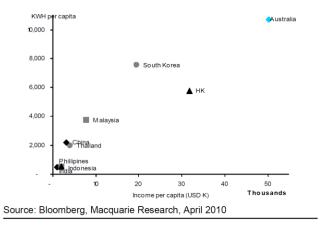
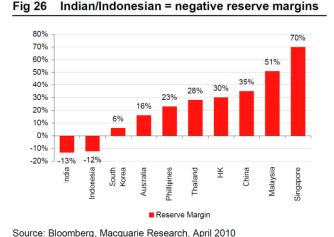
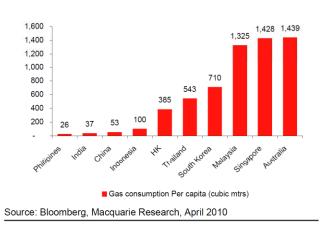


Fig 27 Asia Pacific gas consumption per capita





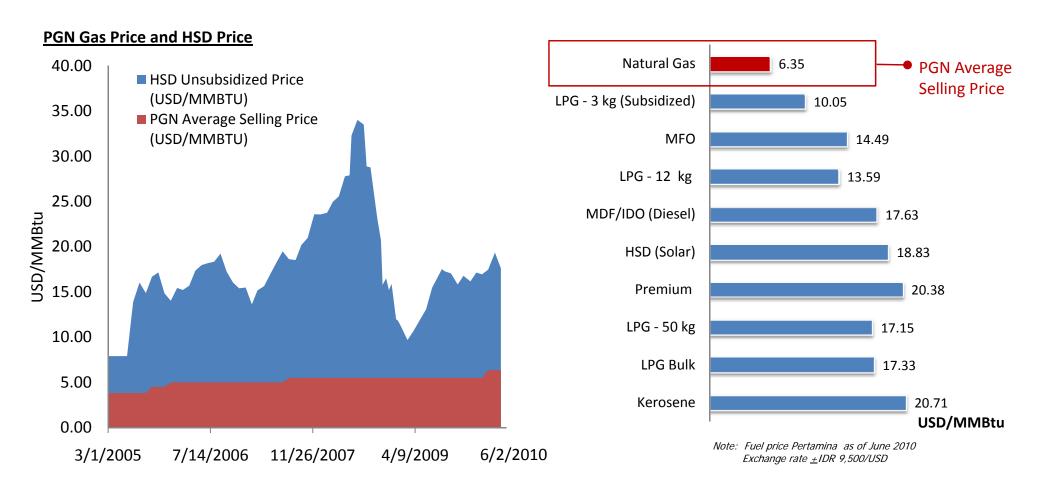
Low level of current consumption of natural gas and electricity Ensure the continuing growth of demand for natural gas



Opportunity: Price Advantages

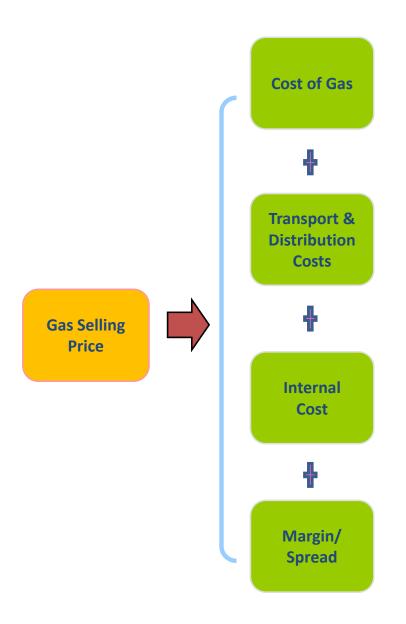
Lower gas price compares to other fuels

Industrial Prices are set on B-to-B basis





New 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

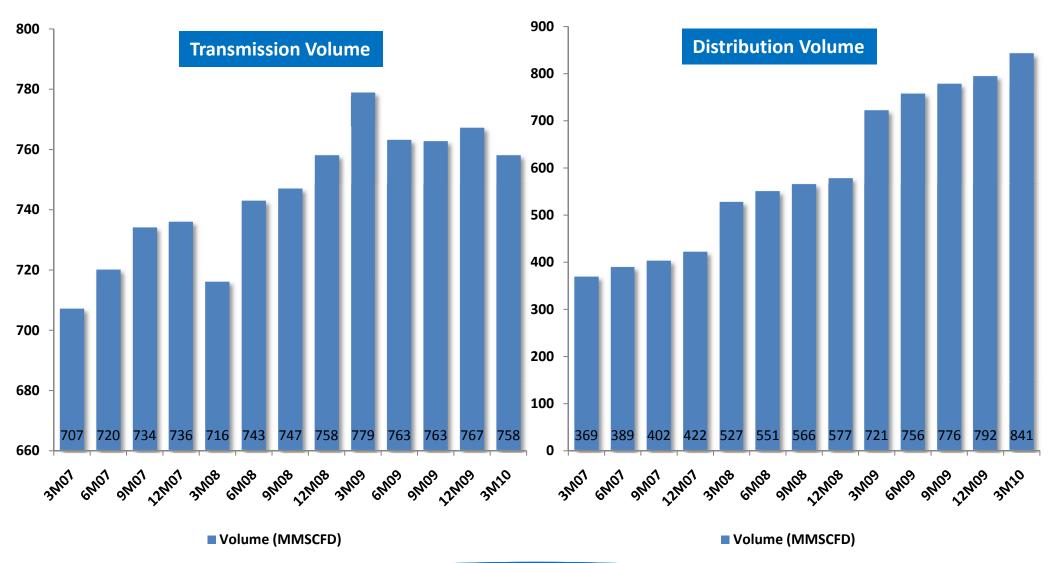
Intended to stimulate more supplies to meet the growing demands

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 starting from 1 April 2010



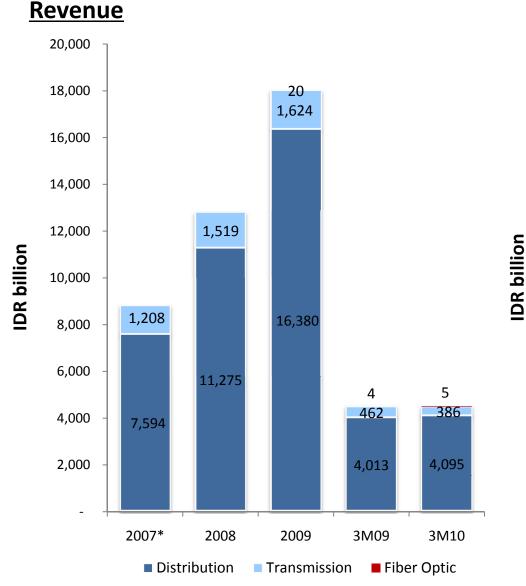
Growing operational performance



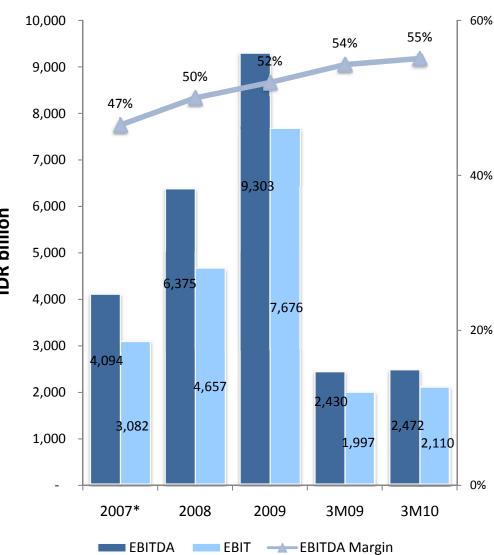
Deliver strong growth following completion of SSWJ



Growing Revenues, Expanding EBITDA



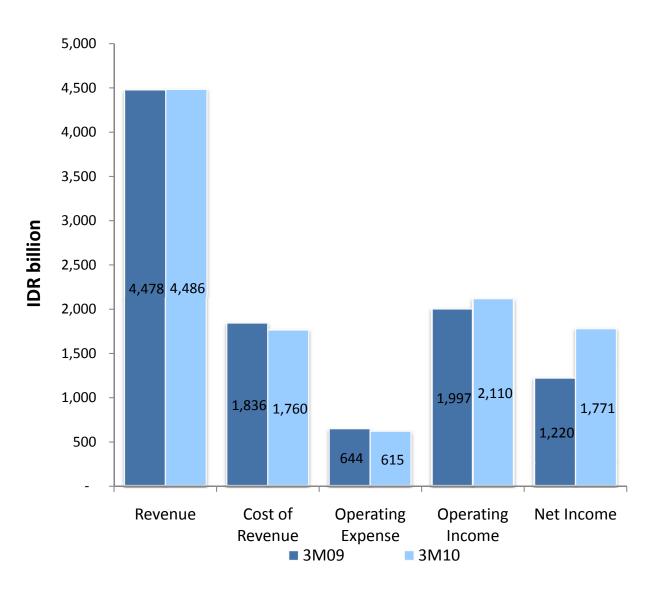
EBITDA and EBIT

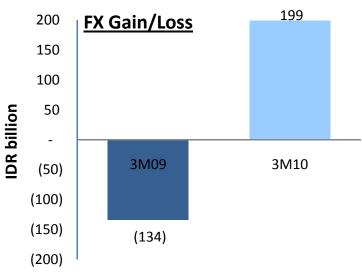


*note: as restated



Financial Statements (3M-2010)





Exchange Rate

- 31 Maret 2009 USD 1 = IDR 11,575 & JPY 1 = IDR 117.94
- 31 Maret 2010 USD 1 = IDR 9,115 & JPY 1 = IDR 97.71



Our Sound Balance Sheet

(IDR billion)	Mar 31, 2009	Mar 31, 2010	%
Current Assets	7,235	10,632	47
Non Current Assets	20,803	19,037	-8
Total Assets	28,038	29,668	6
Current Liabilities	4,071	3,600	-12
Non Current Liabilities	14,342	11,599	-19
Minority Interest In Net Assets of a Subsidiary	1,069	1,077	1
Government Project Funds	28	-	-
Total Equity	8,529	13,393	57
Total Liabilities And Shareholders Equity	28,038	29,668	6

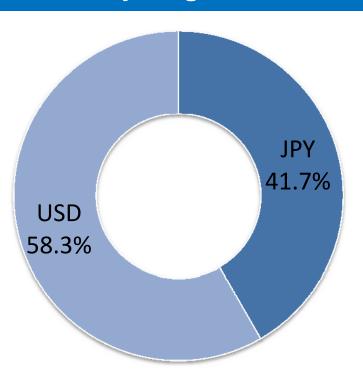
Key Ratios	2008	2009	
Debt to Equity Ratio (x)	1.9	1.0	
Return on Investment (ROI)	25%	32%	
Return on Equity (ROE)	10%	113%	
Net debt/EBITDA (x)	1.6	0.6	
Net debt/Equity (x)	1.4	0.4	
EBITDA/Interest expense (x)	11.7	16.7	

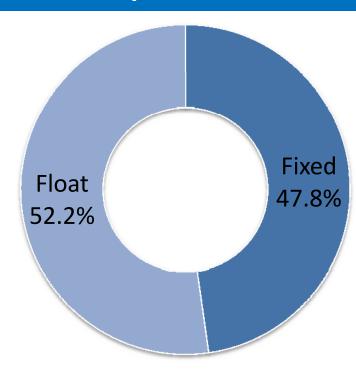


DEBT COMPOSITION

(as of March 31, 2010)

Long-term debt amounting to USD 1.137 billion Mostly long dated/maturity loans from Developmental Banks



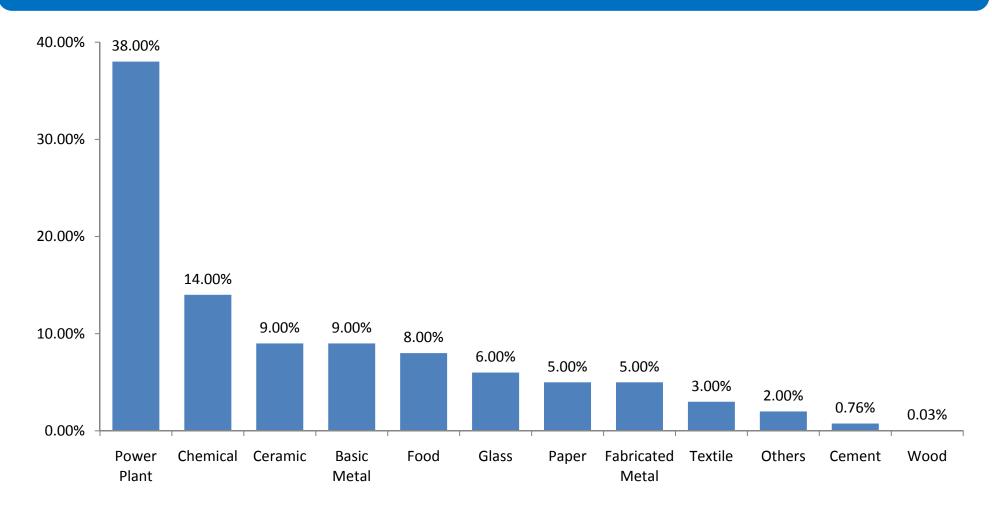


Effective Cost of Debt of Around 2.6%



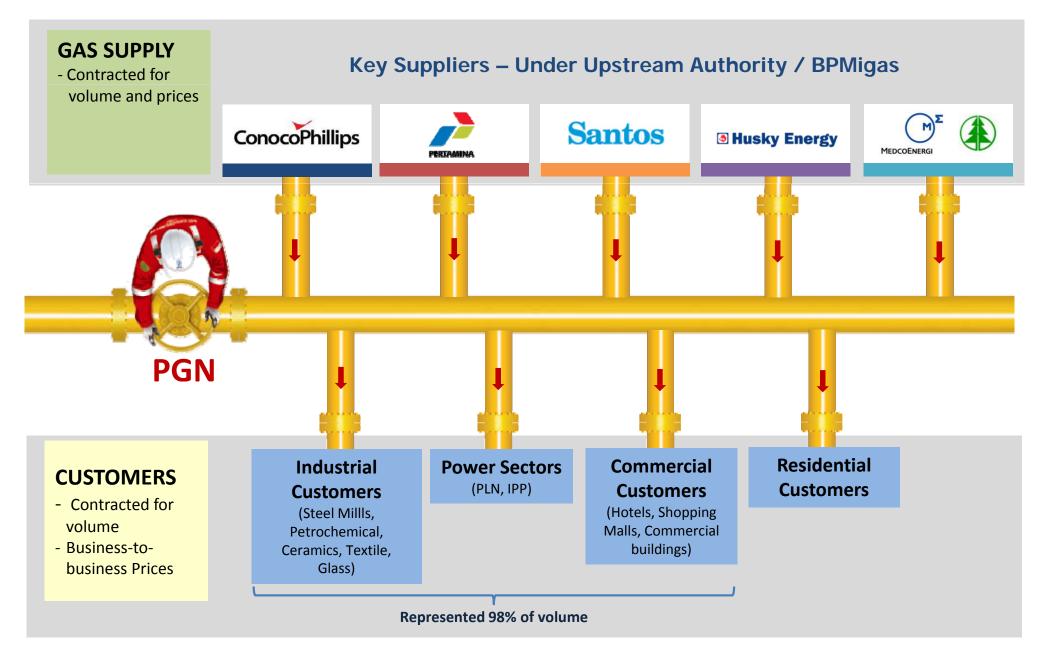
Customers' Profile

As of March 31, 2010, sales volume of industrial customers was 826 MMSCFD or equal to 98% of PGN's sales



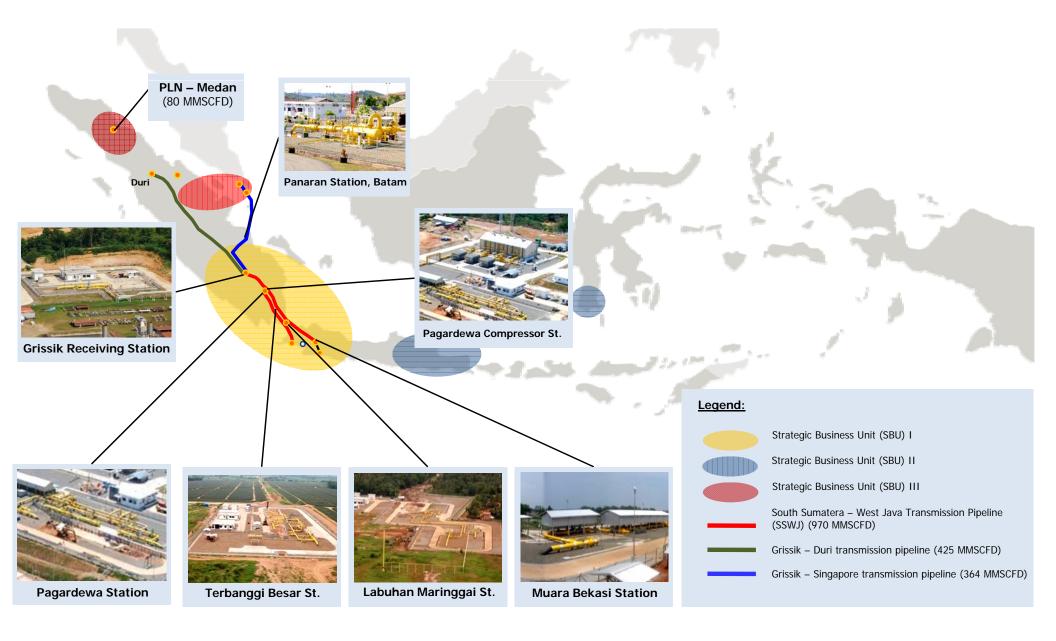


Our Business Model



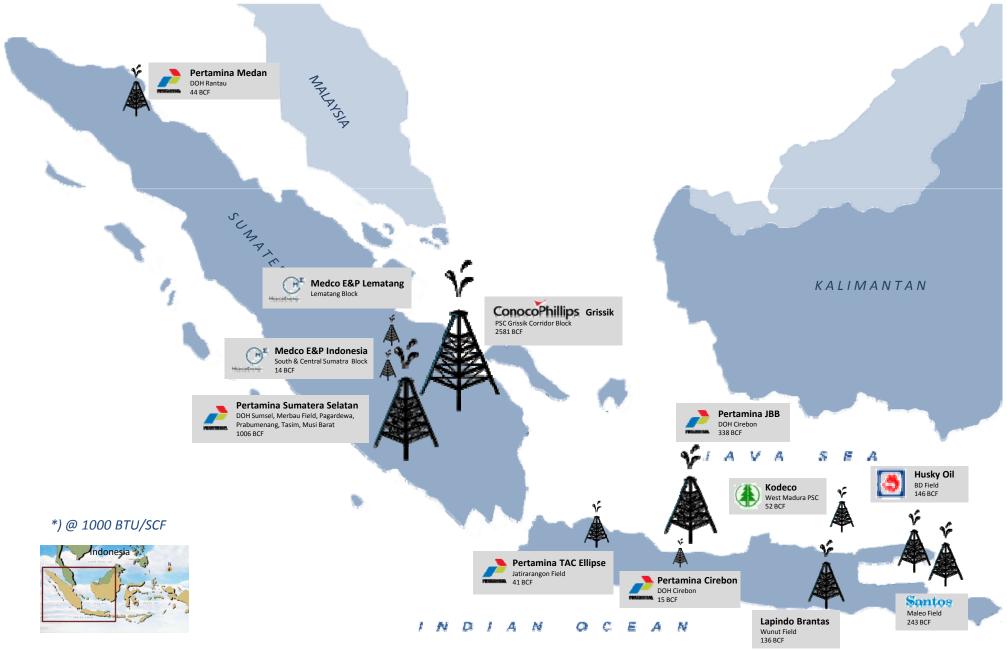


Our Network & Facilities



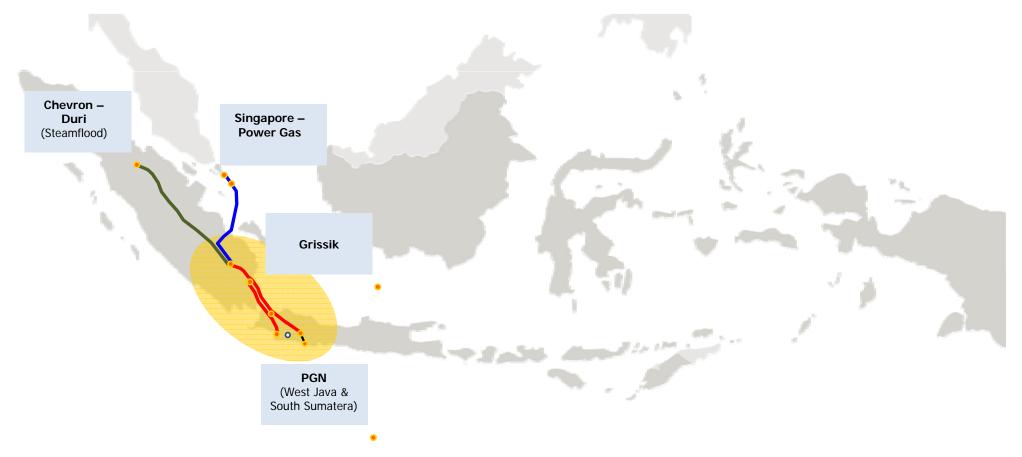


Our Sources of Gas





Update on South Sumatera Supply



Flow from South Sumatera Supply

- No issue with production or technical aspect
- PGN owns and operates all pipelines connecting to the gas field
- Trend of increasing/recovering flow starting from mid Q2



Strategy to Fulfill Demand



- 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 productions 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 such as Coal-Bed Methane



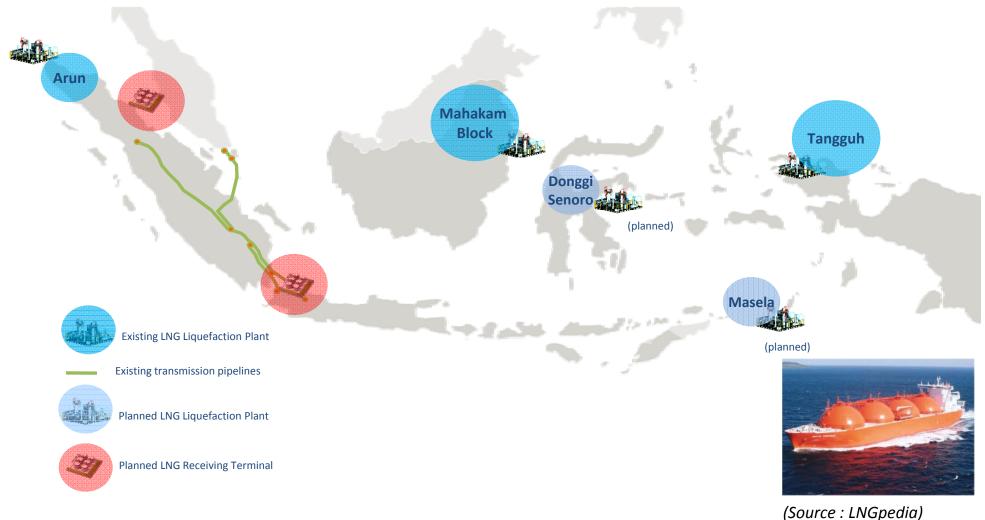
Recent Developments

Event	Detail of Event		
Signing on second amendment of GSPA on gas supply from Pertamina ONWJ	Extending gas delivery of 3.78 TBTU starting from May 2010 up to December 2010		
Signing on amendment and restatement to replace interruptible GSPA on gas supply from ConocoPhillips Grissik	Gas delivery of 12.5 BBTUD for 5 years starting June 2010		
AGM Resolutions for FY2009 performance	 The meeting approved the distribution of cash dividend Rp. 3,737,755,293,823 or 60% of 2009 net income which has been partially distributed in the form of interim dividends Rp. 242,396,581,960 and has been paid on December 23, 2009. The remaining cash dividend amount to be paid to shareholder is Rp. 3,495,358,711,863 or equal to Rp. 144.2 per share The meeting approved to discharge Djoko Pramono as Director and the appointment of replacement will be decided in the next General Meeting of Shareholders 		
Schedule of dividend payment	 Cum dividend for Regular and Negotiable Market July 8, 2010 Cum dividend for Cash Market July 13, 2010 Payment date of cash dividend July 27, 2010 		



Plan for New LNG Infrastructure

To Build the first 2 LNG Receiving Terminals

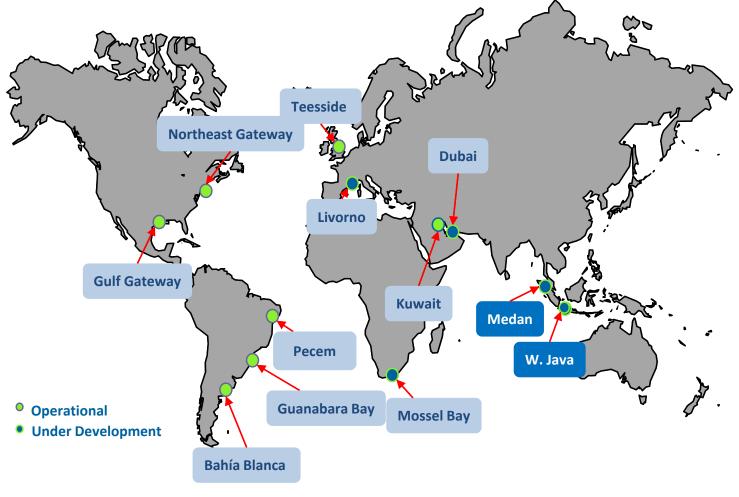




Floating LNG Terminals

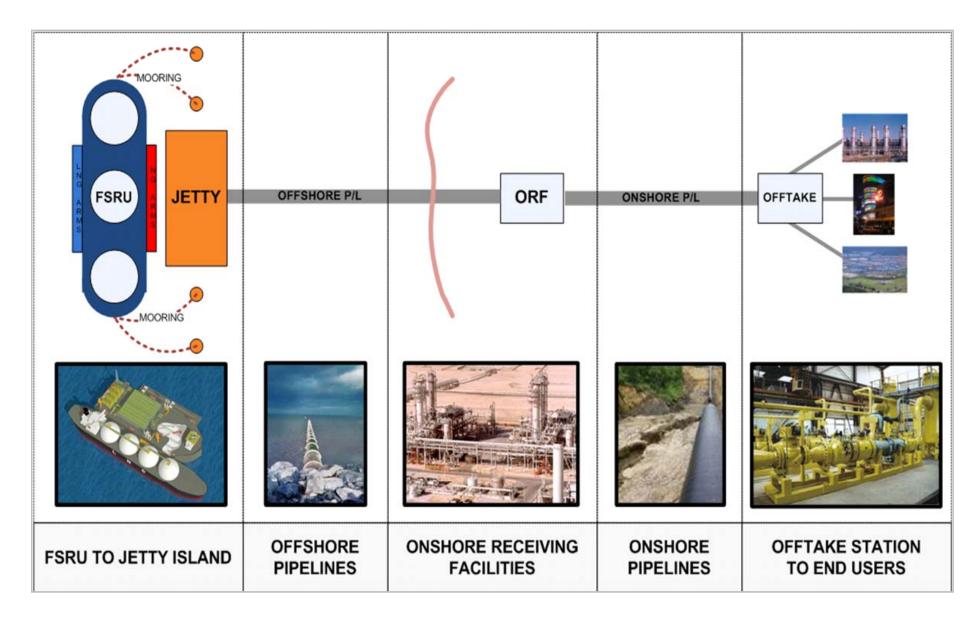


LNG Ship "Golar Spirit" converted into LNG Regas Terminal (Source: LNGpedia)





Floating LNG Terminal Overview



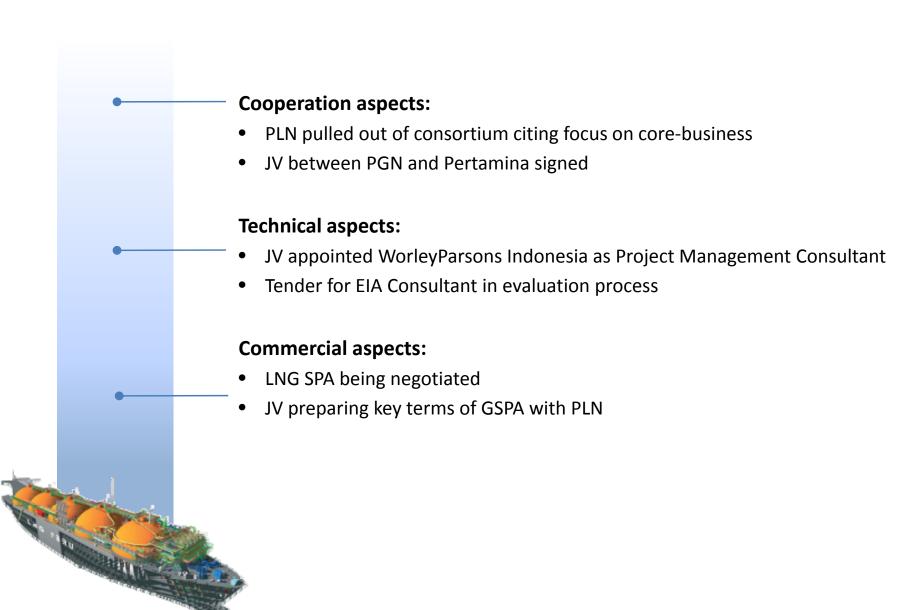


LNG Receiving Terminals

	WEST JAVA	NORTH SUMATRA		
Location	Jakarta Bay	Belawan, Medan		
Capacity (MTPA)	1.5 – 3 MTPA			
Customers	Power plants, industry			
Potential Supply	Bontang and others	Domestic and international sources		
Owner	PGN (40%) Pertamina (60%)	PGN		
Scope	FSRU, jetty, subsea and overland pipelines			

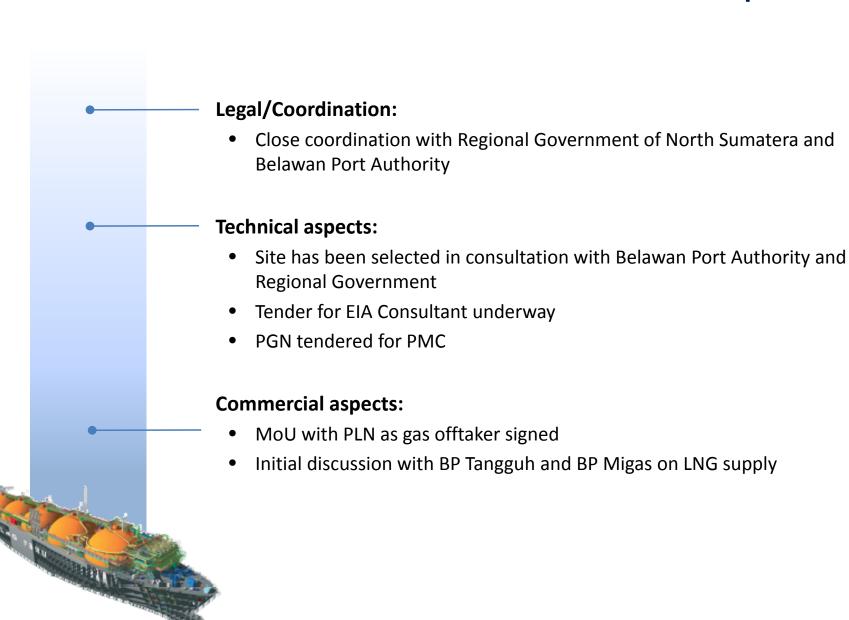


West Java FSRU – Recent Developments





North Sumatera FSRU – Recent Developments

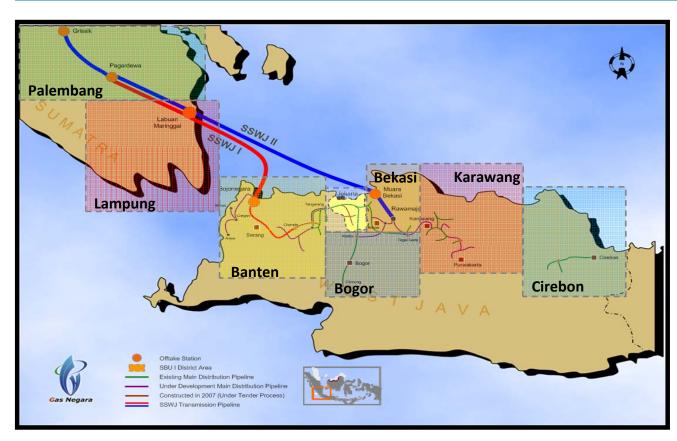




WEST JAVA DISTRIBUTION EXPANSION

460 km West Java Distribution Expansion Project

Distribution of SSWJ gas expected in 2011



460 km expansion of Jakarta, Bekasi, Cikampek, Bogor and Banten distribution system

System capacity increased by

- 85% in West Java
- 50% nationwide

Gas supply from South Sumatra

Scheduled for completion in 2011

Project funded by World Bank and PGN



Recently Issued Regulations



 Upstream has a mandate to meet domestic demand by allocating 25% of natural gas production

Ministerial 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:
 - o Residential regulated by BPH Migas
 - Special users determined by Minister of Energy
 - General users determined by the companies

Ministerial 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





Guidance For 2010

Gas Flow Projections

- Transmission: flat
- Distribution: 800-900 MMSCFD

Capital Expenditure

• Commitment in 2010: USD 200-250 million





THANK YOU

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