



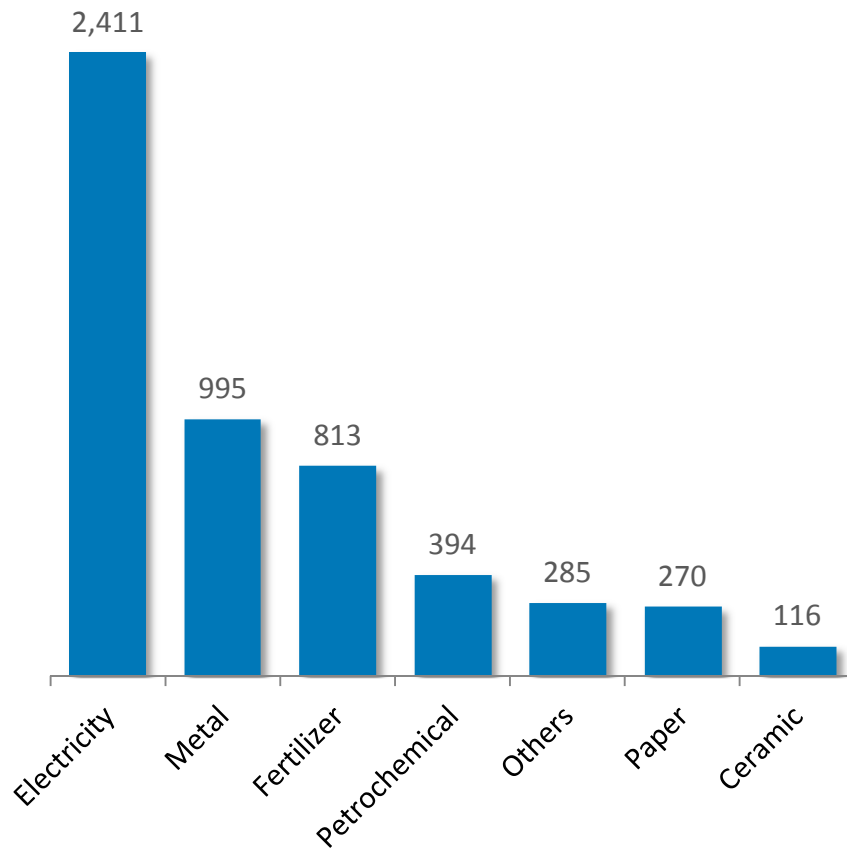
# PT Perusahaan Gas Negara (Persero) Tbk

April 2012

***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.*

## Demand for Natural Gas 2012



Source: Ministry of Industry Republic of Indonesia & 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.

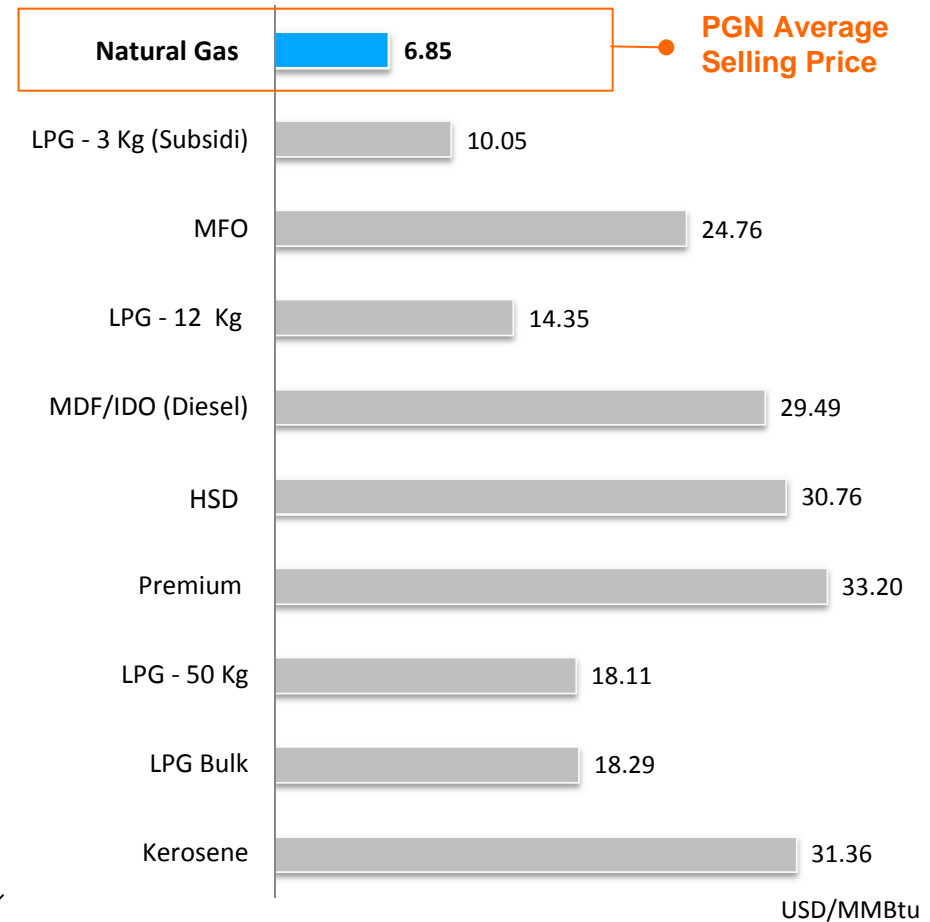
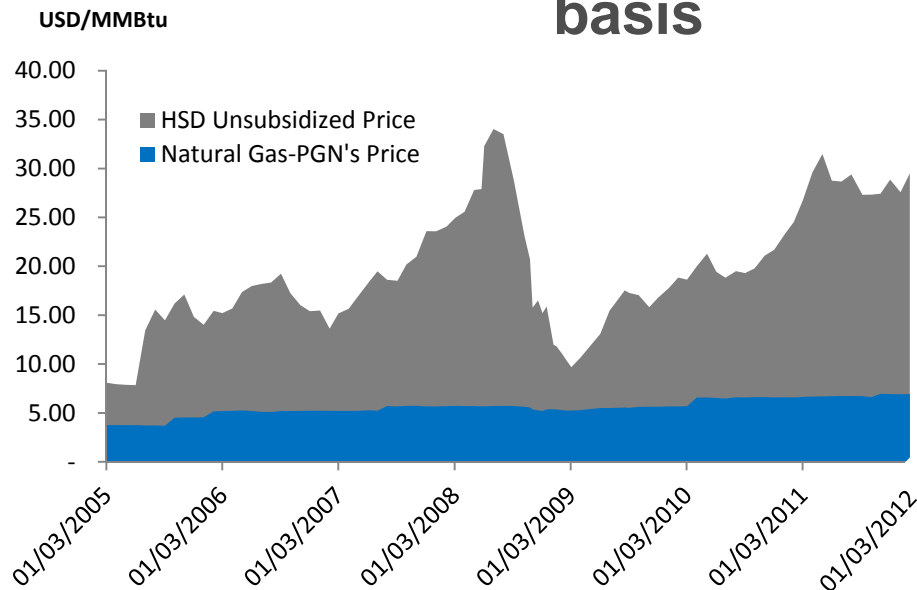
### Demand from the industries

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

## Opportunity: Price Advantage

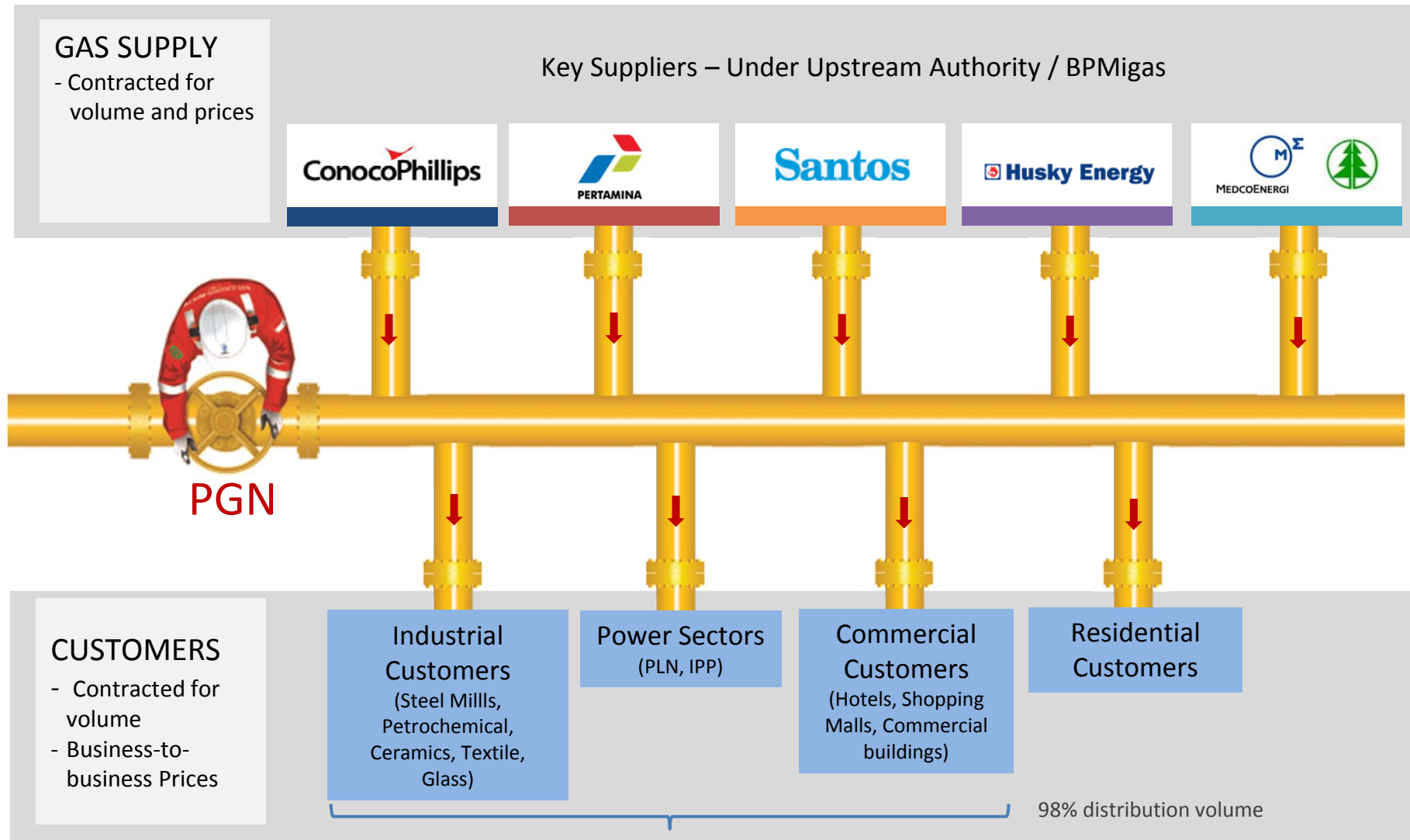
**Lower gas price  
compares to  
other fuels**

**Industrial Prices  
are set on B-to-B  
basis**

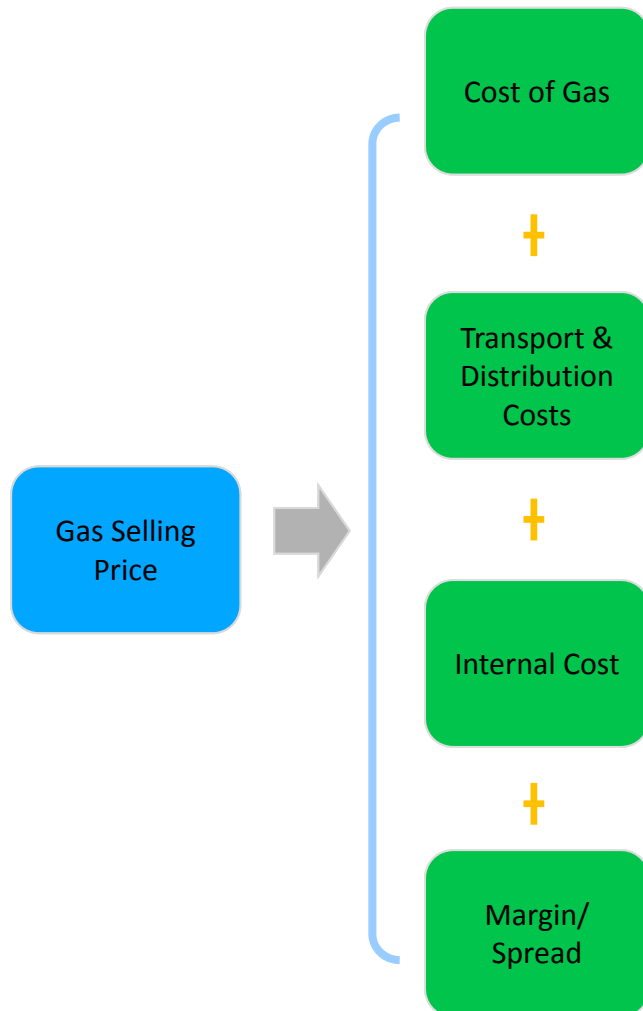


Note:  
Fuel price Pertamina as of 15 March 2012  
Exchange rate USD 1 = IDR 9,000

## Our Business Model



## 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.



## Key Stakeholders



Kementerian Negara  
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.



### Upstream Oil and Gas Executive Agency

To supervise upstream activities by ensuring the utilization of oil and gas resources to maximize state income for development of national economy wealth.



### 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.
  - General users determined by the companies.

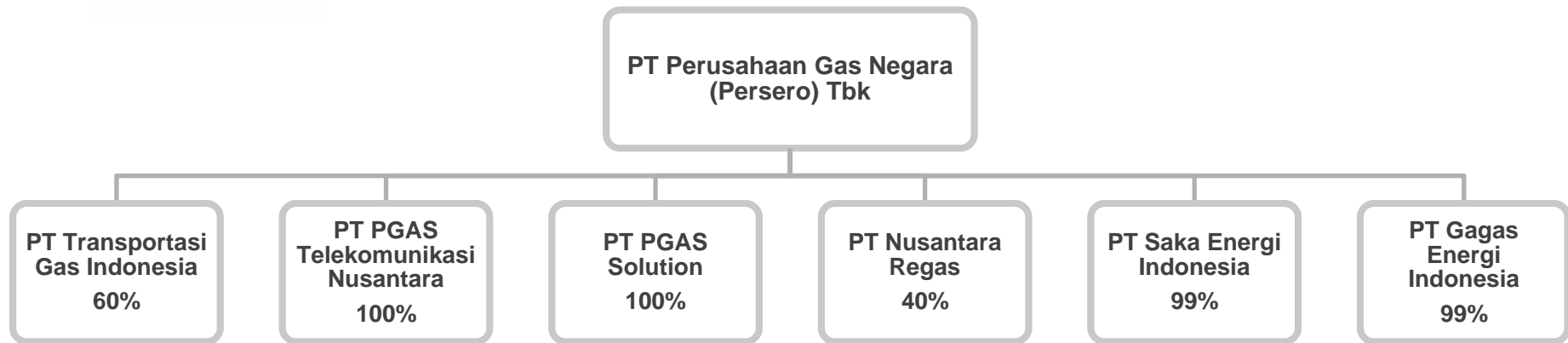
### Minister of Energy and Mineral Resources Decree No. 3/2010

- 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.

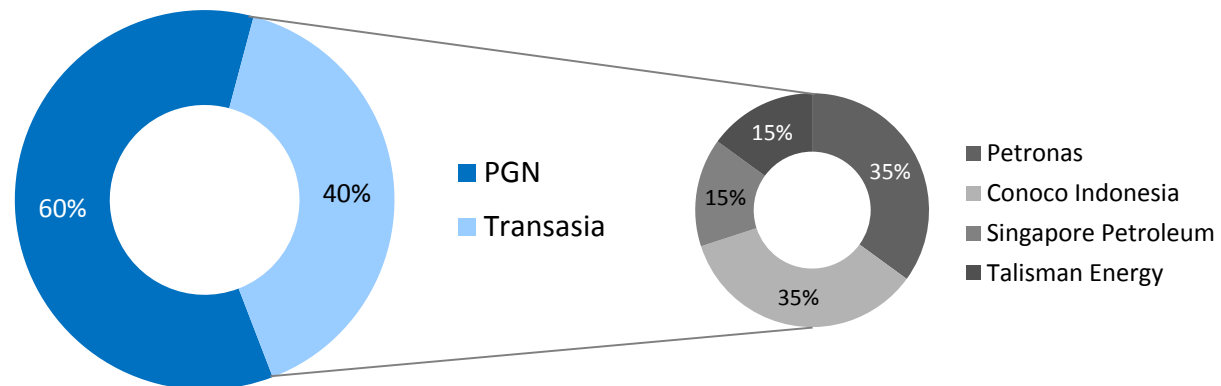




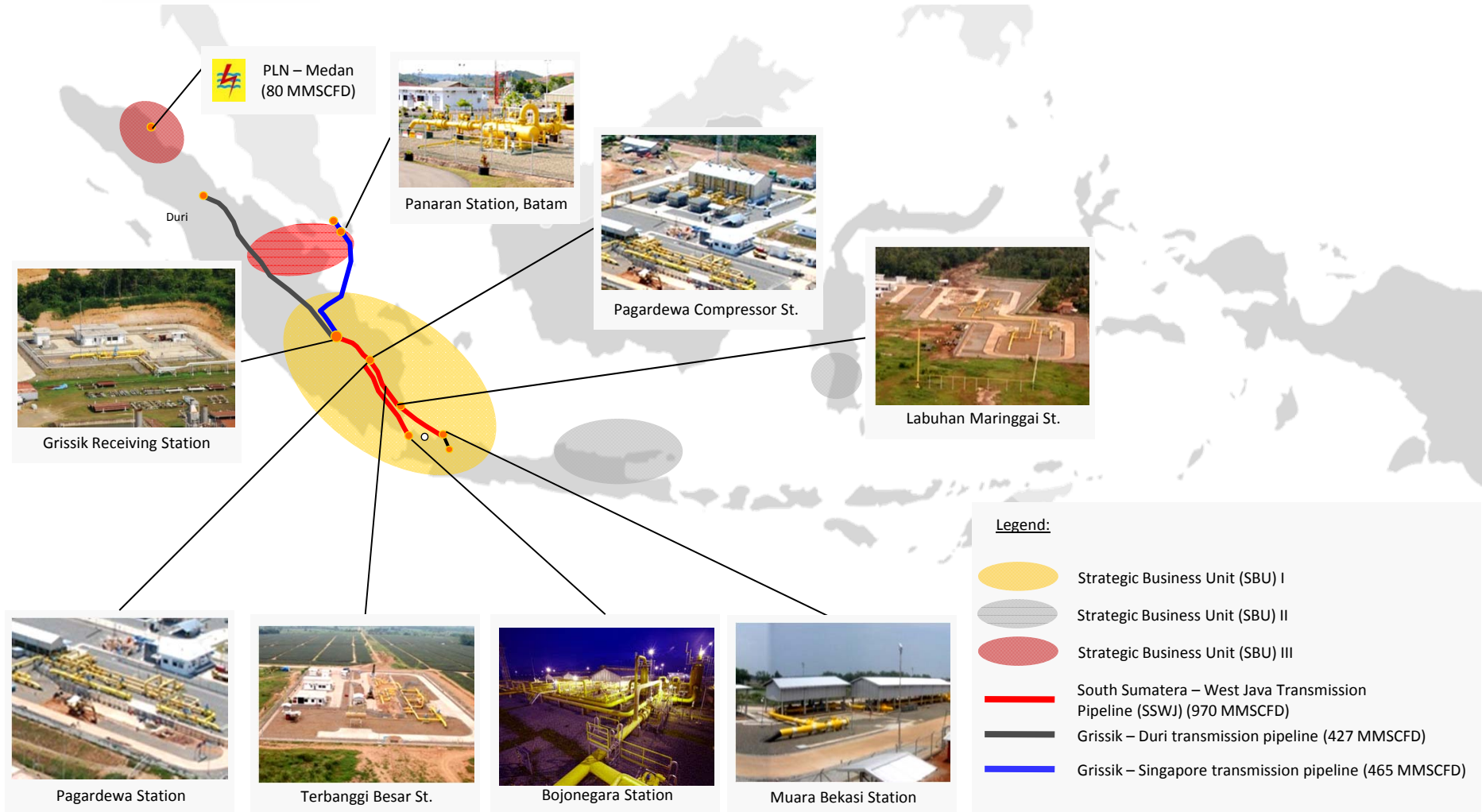
## Subsidiaries and Affiliates



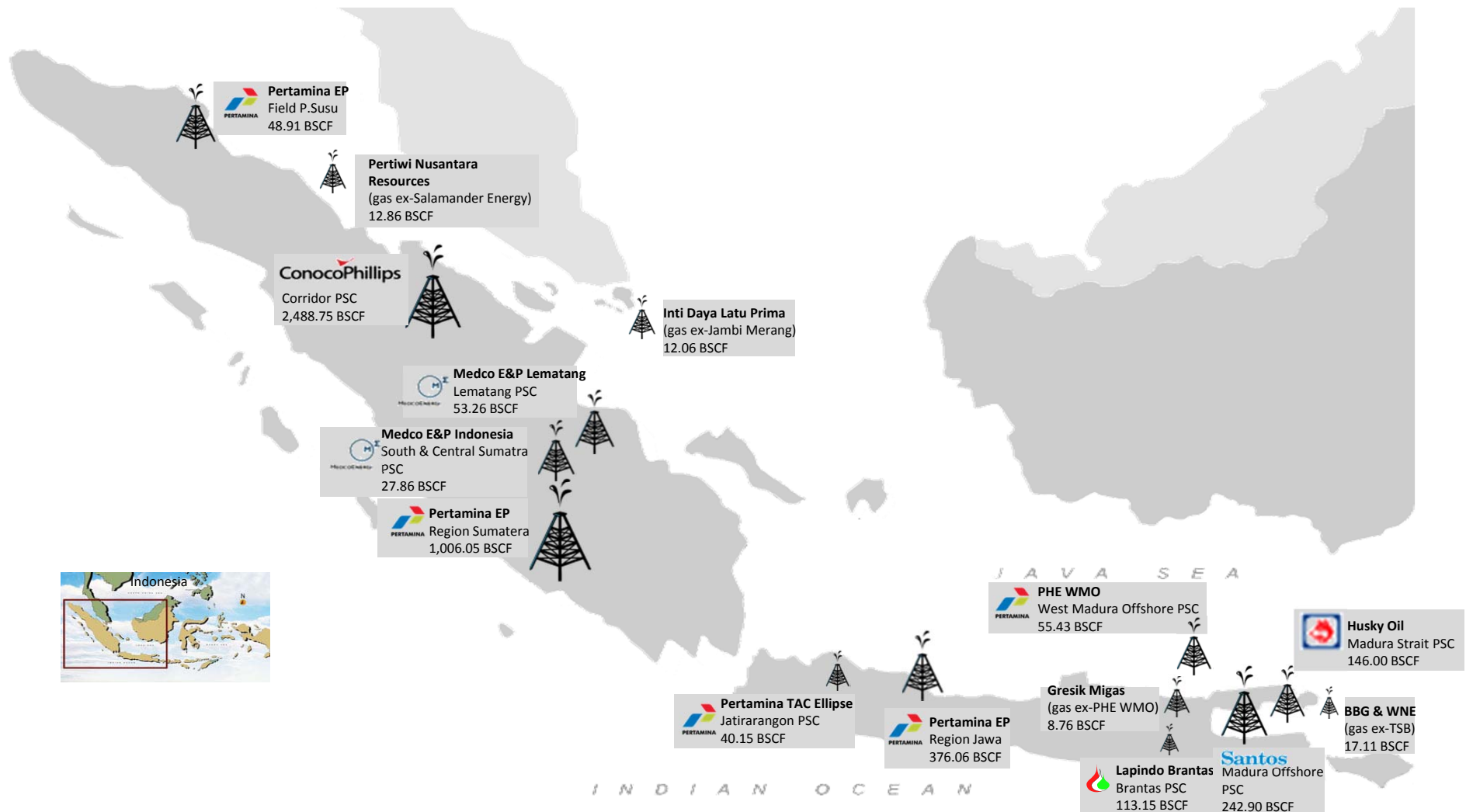
\*)PT Transportasi Gas Indonesia Shareholder Composition



## Our Network & Facilities



## Our Sources of Gas



## 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 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**

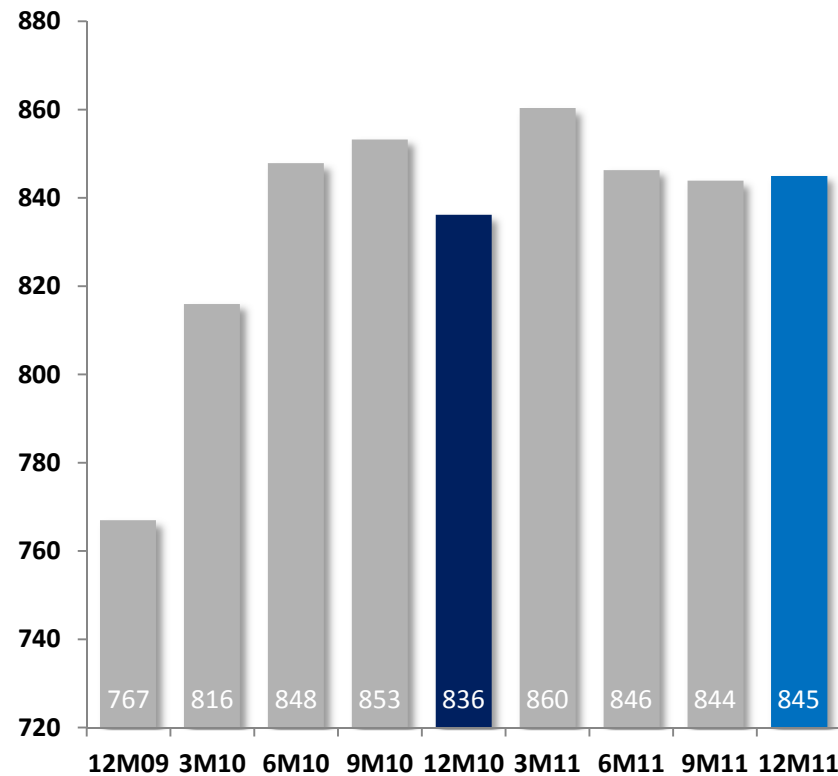
- Plan and anticipate the non-conventional sources such as Coal-Bed Methane.



## Strong Operational Performance

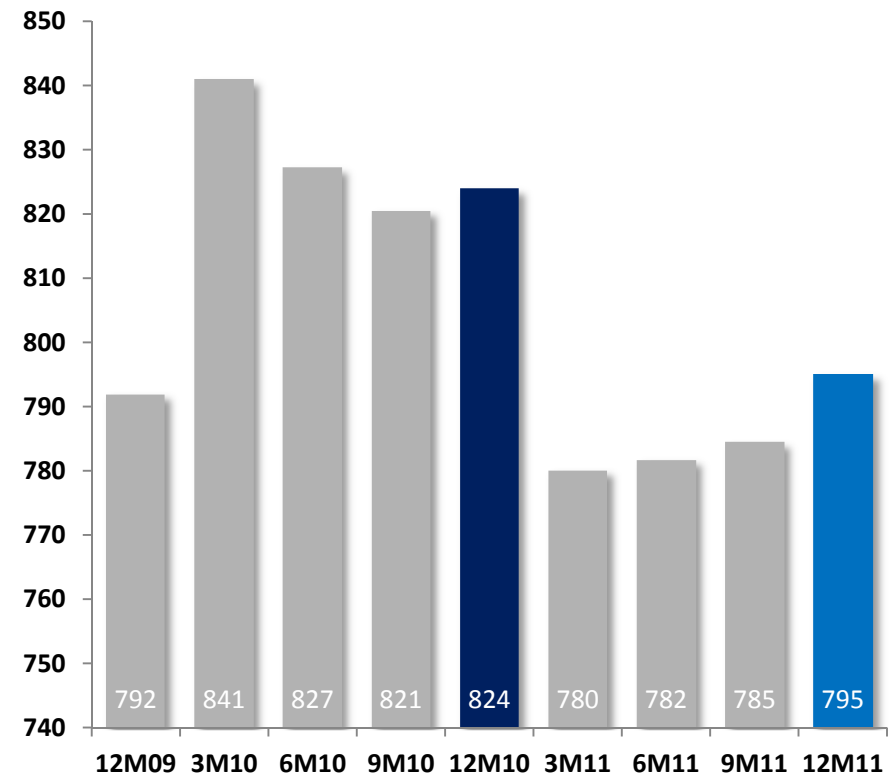
### Transmission Volume

[MMScfd]

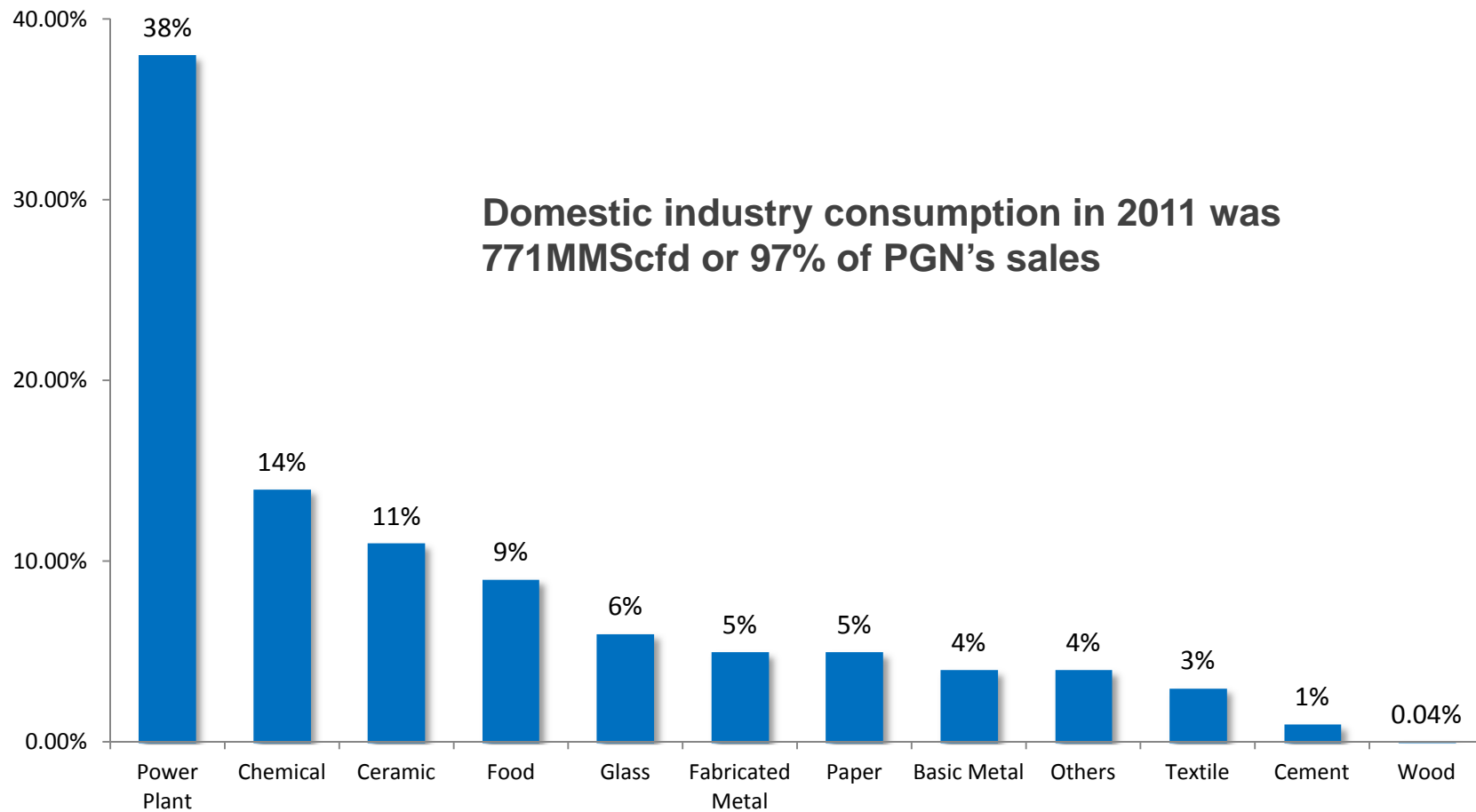


### Distribution Volume

[MMScfd]

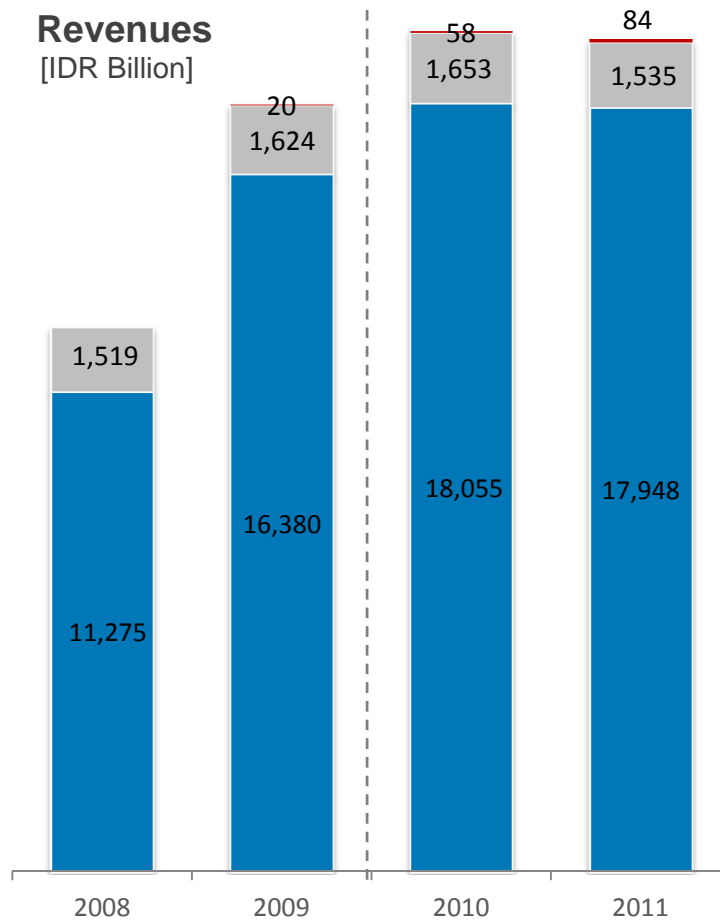


## Diversified Industrial Customer



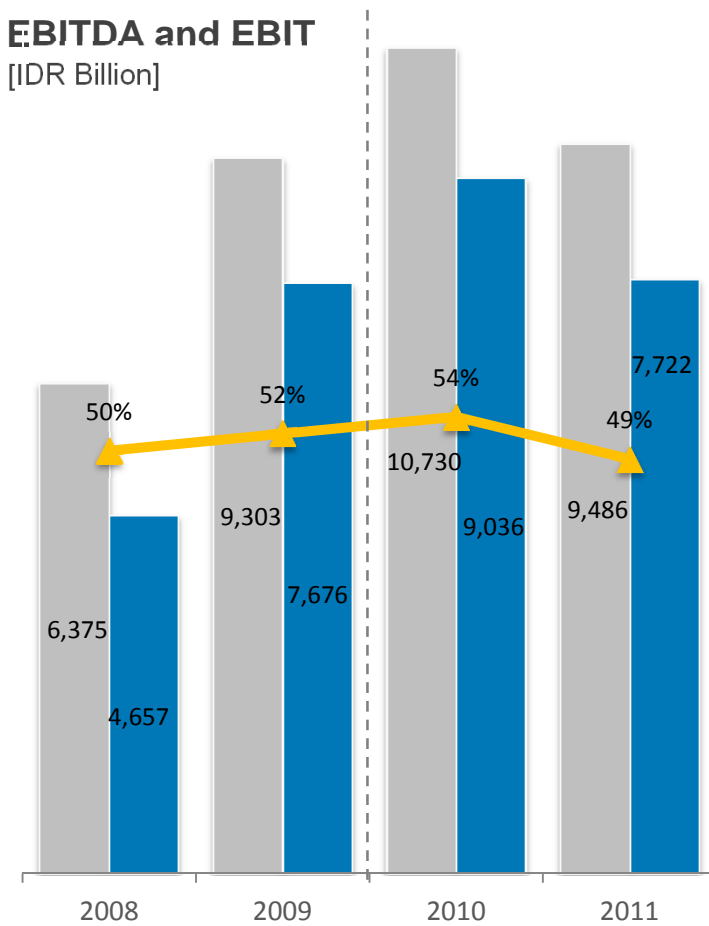
## Revenues, EBITDA and EBIT

**Revenues**  
[IDR Billion]



■ Distribution ■ Transmission ■ Fiber Optic & Repairs, Trading & Construction

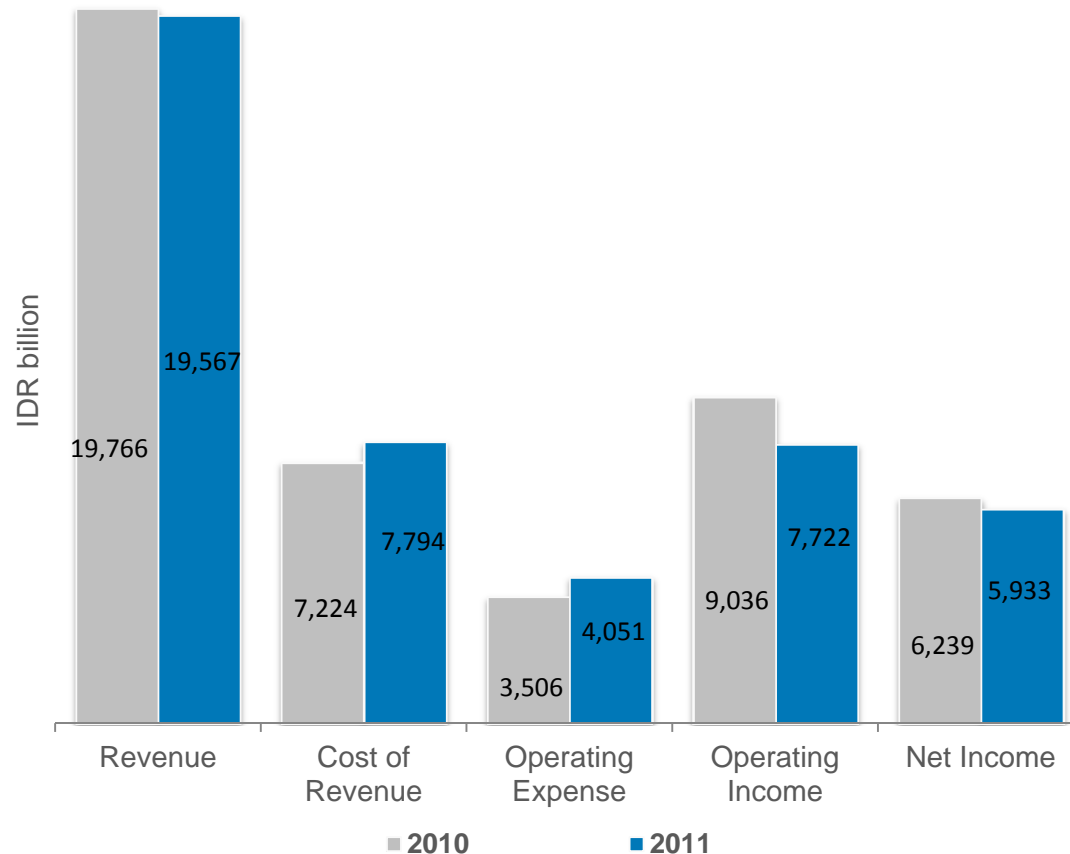
**EBITDA and EBIT**  
[IDR Billion]



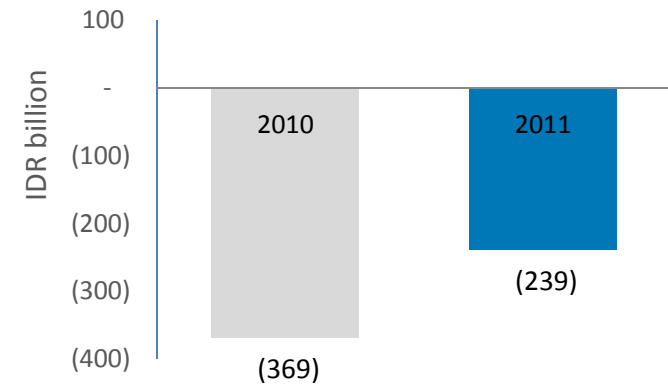
■ EBITDA ■ EBIT — EBITDA Margin



## Interim Consolidated Statements of Comprehensive Income



### FX Gain/Loss Translation



### Exchange Rate

- 31 Des 2010  
USD1 = IDR8,991 & JPY1 = IDR110.29
- 31 Des 2011  
USD1 = IDR9,068 & JPY1 = IDR116.81



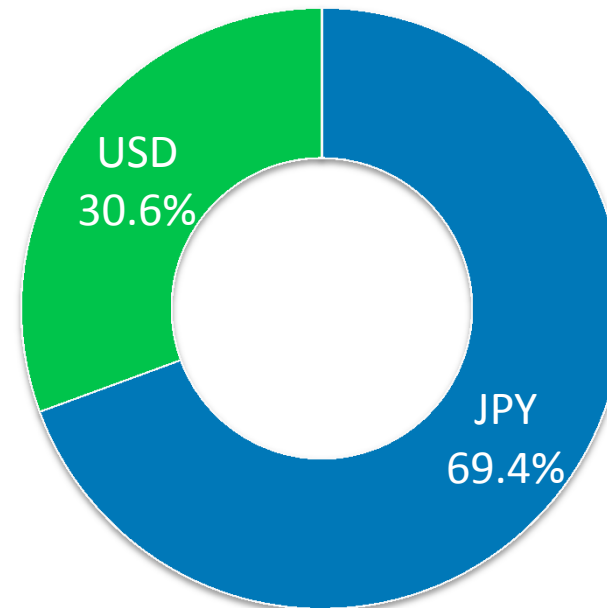
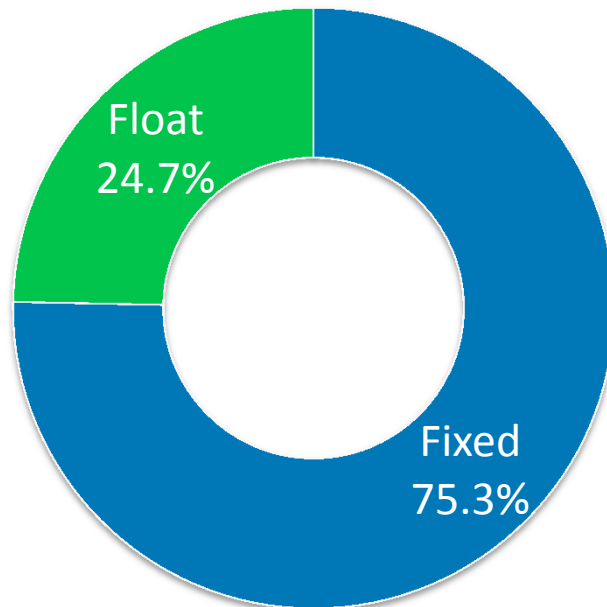
## Interim Consolidated Statements of Financial Position

(IDR billion)	1 Jan 2010/ 31 Dec 2009	Dec 31, 2010	Dec 31, 2011
Current Assets	9,211	13,858	13,656
Non Current Assets	19,408	18,229	17,320
<b>Total Assets</b>	<b>28,619</b>	<b>32,087</b>	<b>30,976</b>
Current Liabilities	3,729	4,036	2,483
Non Current Liabilities	12,163	12,950	11,308
Total Equity	12,727	15,101	17,185
<b>Total Liabilities And Shareholders Equity</b>	<b>28,619</b>	<b>32,087</b>	<b>30,976</b>

Key Ratios	2010	2011
Debt to Equity Ratio (x)	0.9	0.6
Net debt/Equity (x)	0.1	-
EBITDA/Interest expense (x)	28.9	38.9
Return on Investment (%)	33.4	30.6

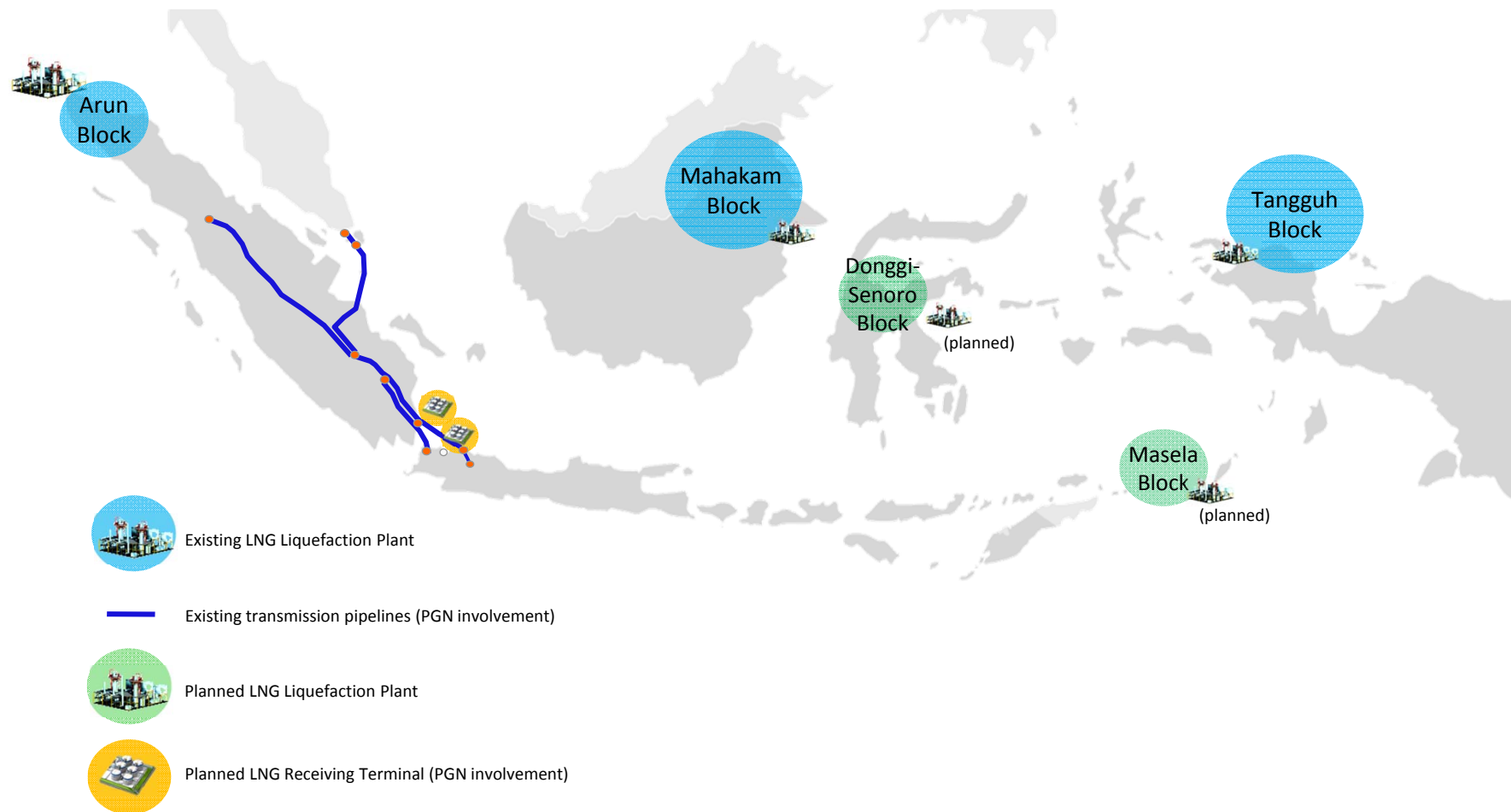
## Debt composition (as of Dec 31, 2011)

Long-term debt amounting to  
USD 897 million  
Mostly long dated/maturity  
loans from Developmental  
Banks



**Effective Cost  
of Debt of  
Around 1.9%**

## Plan for New LNG Infrastructure

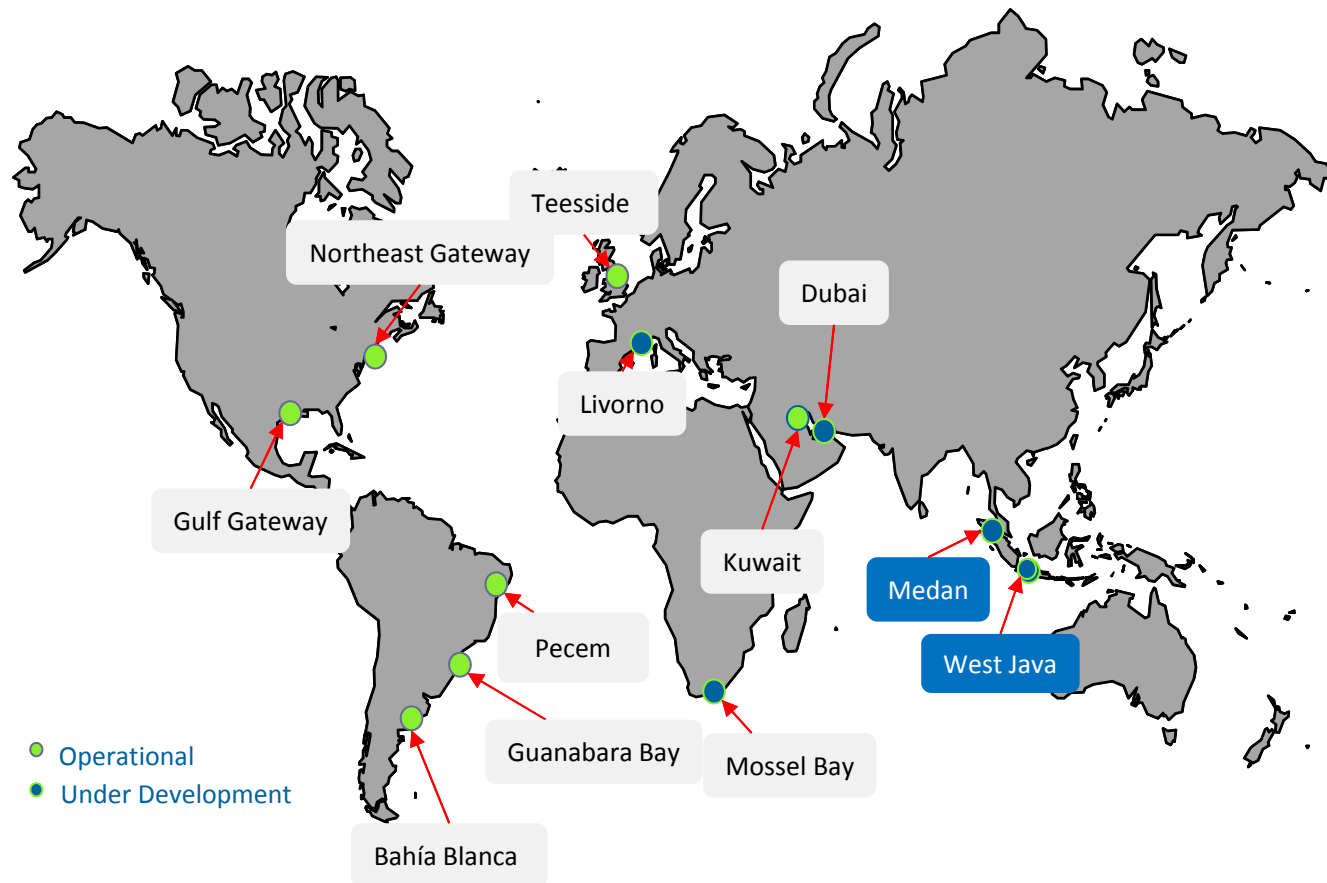


## World Floating LNG Terminals

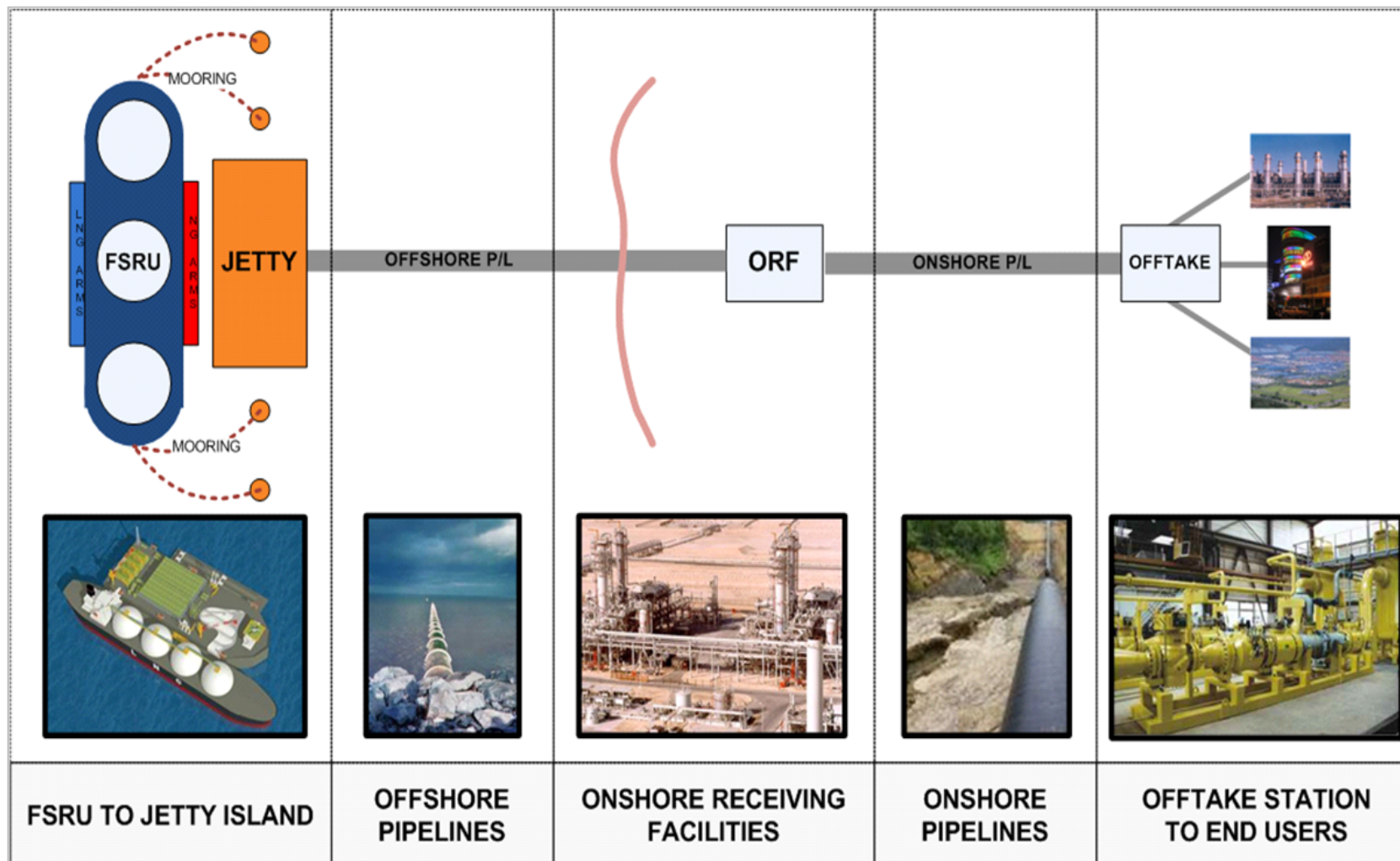


LNG Ship "Golar Spirit"  
converted into LNG Regas  
Terminal

Source: *LNGpedia*



## Floating LNG Terminal Overview





## LNG Receiving Terminals

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



## FSRU Projects – Recent Developments

### West Java:

- HoA has been signed with Mahakam PSC for the provision of 11.75 MT of LNG supply over 11 years and back-to-back HoA with PLN as the offtaker.
- Nusantara Regas (a JV between Pertamina and PGN) signed Time Charter Party with Golar LNG for the hire of FSRU for 11 years.
- Golar LNG has positioned the LNG Carrier “Khan-Nur” in the Jurong Shipyard in Singapore for the conversion to FSRU.
- Nusantara Regas has appointed REKIN as the EPC for the undersea pipelines and the ORF.
- Plan for commissioning of FSRU in 2012.

### Lampung:

- Preliminary survey completed in June 2011.
- Preparation stage in basic design.





## Recent Updates

Event	Detail of Event
<p>1 September 2011</p> <p><b>Gas Sales Price Adjustment for Customers in Medan</b></p>	<p>The increasing gas sales price from the upstream producers in Medan (North Sumatera region) has impelled PGN to adjust its selling price to customers in that area. Effective 1 September 2011, PGN adjusted the selling price to an average of USD 8.9/MMBTU. (Exchange rate USD 1 = IDR 9,400)</p>
<p>1 November 2011</p> <p><b>Gas Sales Price Adjustment for Customers in East Java</b></p>	<p>The increasing gas sales price from the upstream producers (Santos) has impelled PGN to adjust its selling price to customers in that area. Effective 1 November 2011, PGN adjusted the selling price to an average of USD 8.6/MMBTU.</p>
<p>11 November 2011</p> <p><b>Dividen Interim 2011</b></p>	<p>Interim dividend will be distributed with amount . Rp263,485,084,590 equivalent to Rp10.87 per share.</p> <ul style="list-style-type: none"> <li>• Cum dividend: <ul style="list-style-type: none"> <li>- Regular and negotiable market 30 November 2011</li> <li>- Cash market 5 Desember 2011.</li> </ul> </li> <li>• Payment date of cash dividend 16 Desember 2011.</li> </ul>
<p>25 January 2012</p> <p><b>EPCIC Contract Signing with Hoegh LNG – PT Rekayasa Industri Consortium</b></p>	<p>The consortium lease a newbuild vessel with capacity 170,000 m<sup>3</sup> and develop mooring system, pipeline and gas station includes Onshore Receiving Facilities and Off-take Station based on a 20 year charter party and associated project agreement.</p>



## Recent Updates

Event	Detail of Event
January 2012 <b>Gas Supply Signing for 17.11 BSCF</b>	New production from Terang Sirasun Batur Field, operated by Kangean Energy Indonesia. The contract duration will supply East Java market until 2013.
February 2012 <b>Additional 12.06 BSCF Gas Supply for Sumatera</b>	New supply from Jambi Merang Block, operated by Join Operating Body Pertamina-Talisman. The contract duration will feed demand in Batam Island until 2019.
17 February 2012 <b>Gas Supply Signing with Indogas Kriya Dwiguna</b>	Additional volume 20 BBTud from Terang Sirasun Batur Field in East Java with contract duration for 2 years.
7 March 2012 <b>Resolution of Extra Ordinary General Meeting of Shareholders</b>	Discharge of Mr. Michael Baskoro Palwo Nugroho in position as Director of Operation. Responsibilities on his position will be further determined by the Board of Directors and reported to Board of Comissioners.
20 Maret 2012 <b>Relocation FSRU Medan in North Sumatera to Lampung in Southern Sumatera.</b>	<p>PGN will relocate FSRU Medan to Lampung to fulfill demand requirement in West Java and South Sumatera.</p> <p>Pertamina will revitalize LNG Arun facility to fulfill existing demand in Aceh and North Sumatera and construct extended network from Arun to Sumatera Utara.</p>

## Board of Commisioners



**Tengku Nathan Machmud**

President Commissioner and Independent Commissioner



**Kiagus Ahmad Badaruddin**

Commissioner  
(Acting Secretary General  
Ministry of Finance)



**Widya Purnama**

Independent Commissioner  
(Former President Director  
of Pertamina)



**Pudja Sunasa**

Commissioner  
(Inspector General of the  
Ministry of Energy and Mineral  
Resources)



**Megananda Daryono**

Commissioner  
(Deputy Minister of  
State Own Enterprise)

## Board of Directors



**Hendi Prio Santoso**  
President Director



**M Riza Pahlevi**  
Director of Finance



**M Wahid Sutopo**  
Director of Investment Planning  
and Risk Management



**Eko Soesanto Tjiptadi**  
Director of Human Resources  
and General Affairs



**Jobi Triananda Hasjim**  
Director of Technology  
and Development



# Thank you

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