



PGN Company Overview

January 2009





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.

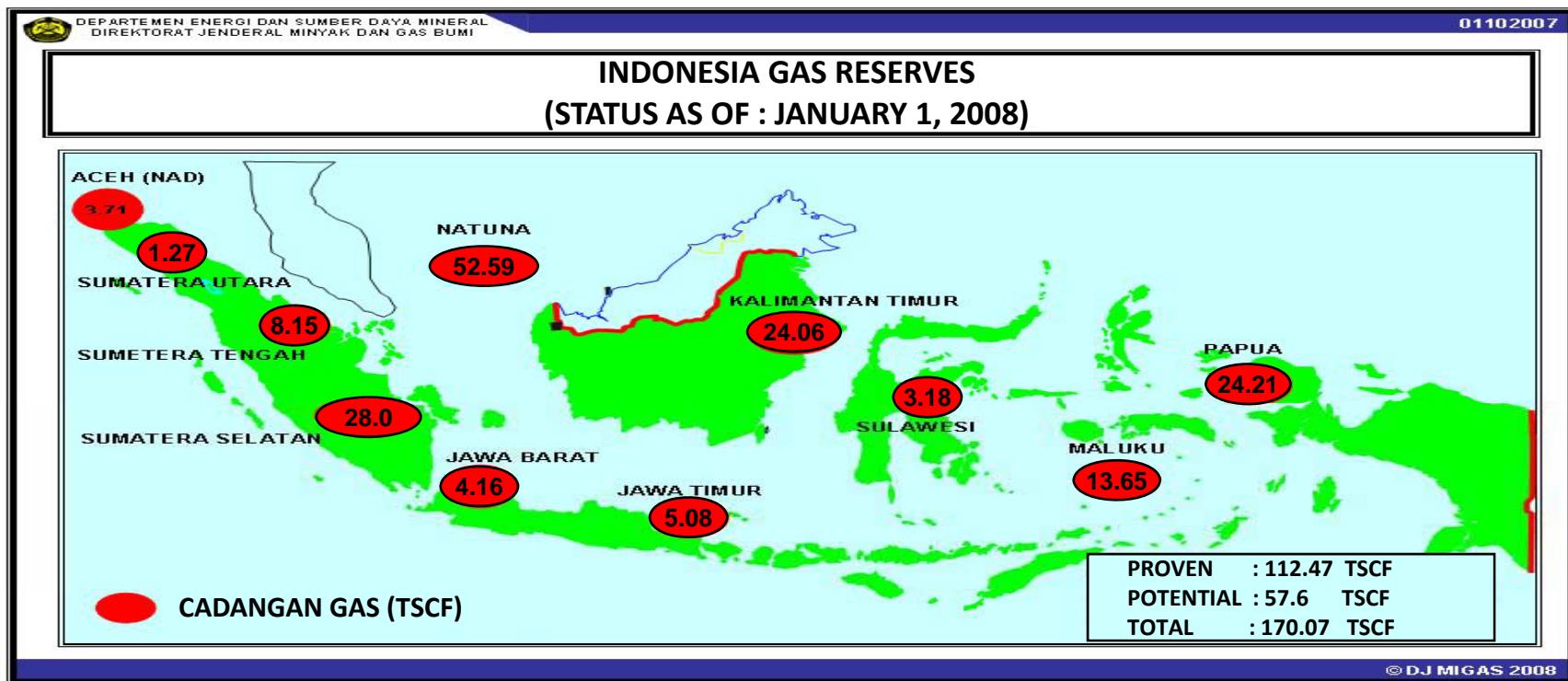


Background & Overview

INDONESIAN GAS MARKET OVERVIEW

Indonesia has proven gas reserves 112.47 TCF

Underserved Domestic Gas Demand (Geographical Constraints)

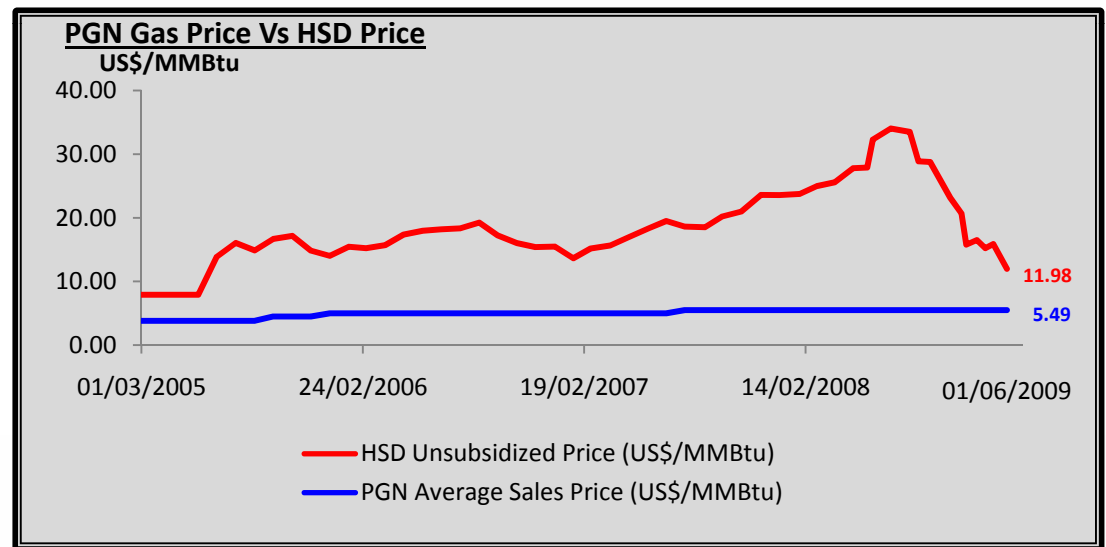
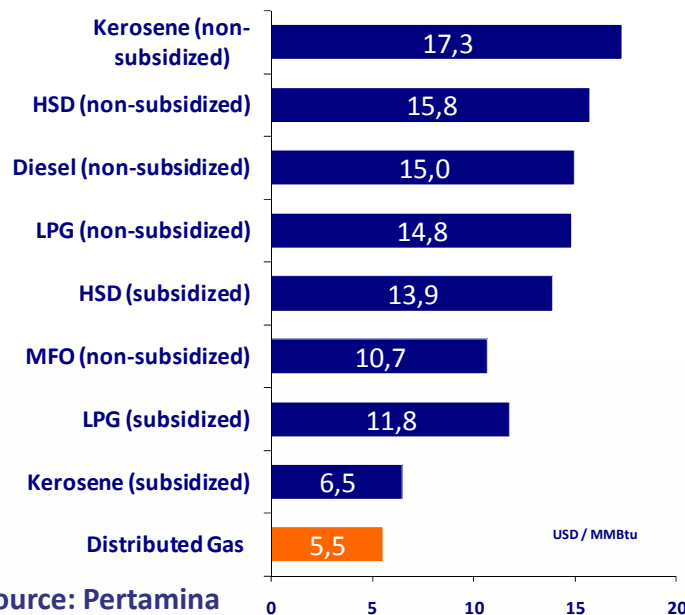


POTENTIAL SHIFT FROM OIL TO GAS

Competitive gas price relative to other sources of energy

Demand for gas exceeds supply

Relative Energy Price (as of November 1, 2008)



OVERVIEW

Established as L.I. Einthoven n Co Gravehange in 1859

Incorporated as PT Perusahaan Gas Negara in 1996

Went IPO in 2003

Stock-split 5:1 in August 2008

Stock price IDR 2,125 Mkt. Cap. IDR 48.81 Trillion (01/09/09)

CORPORATE STRUCTURE

PT Perusahaan Gas Negara (Persero) Tbk

Distribution

Transmission

SBU I
(Western Part of Java and South Sumatera)

SBU II
(Eastern Part of Java)

SBU III
(Northern Part of Sumatera)

SBU Transmission
SSWJ

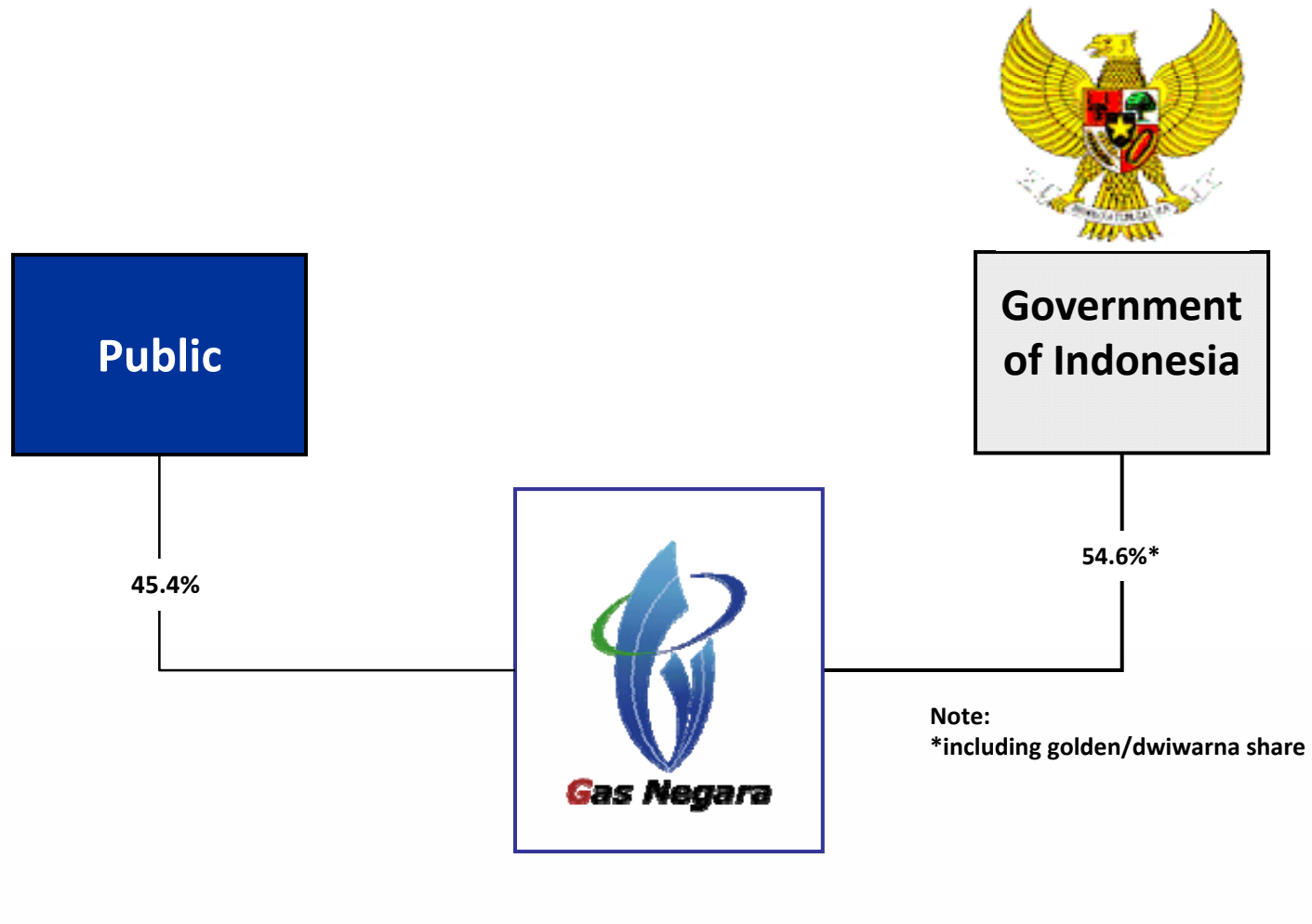
PT Transgasindo*
Grissik-Duri and Grissik-Singapore

*Shareholders composition:

- PGN 60%
- Transasia 40% (Petronas, ConocoPhillips, SPC & Talisman)



SHAREHOLDER COMPOSITION



BENEFIT OF NATURAL GAS

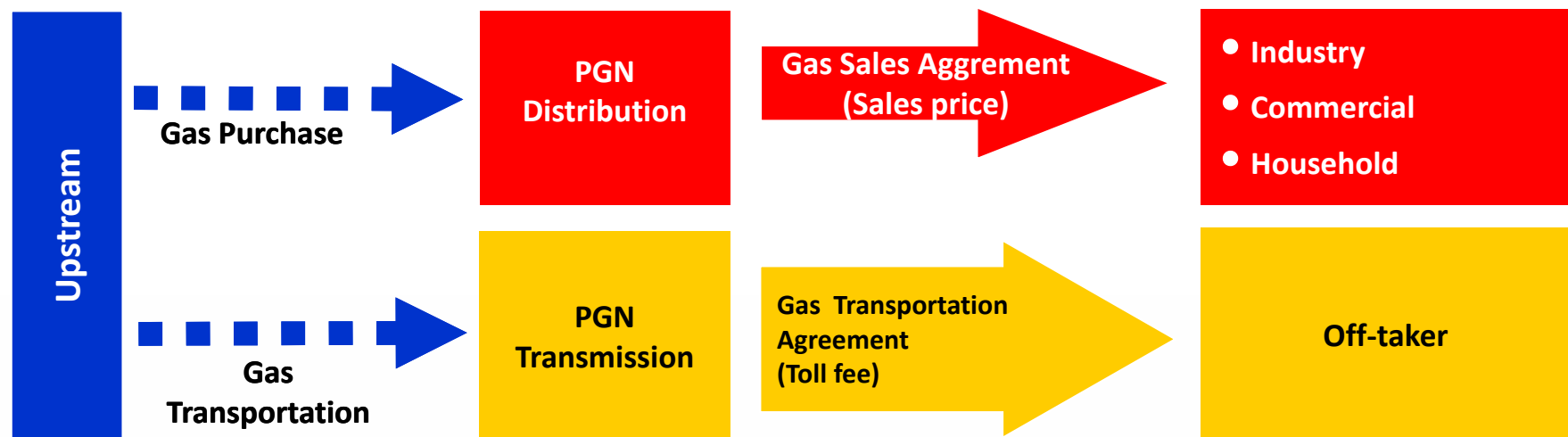




Operational Review & Performance

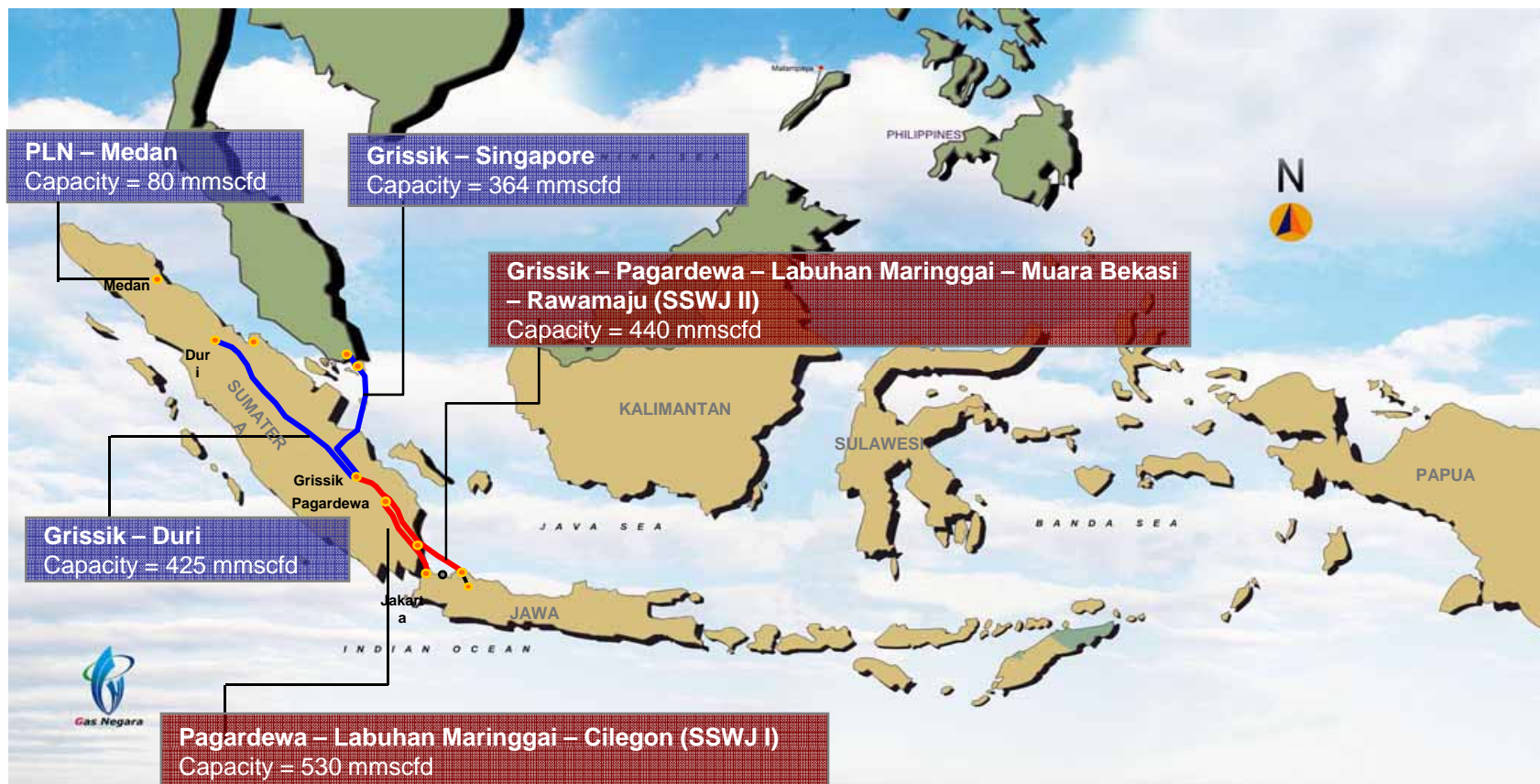
BUSINESS MODEL

Strong market position in natural gas distribution and transmission



OUR TRANSMISSION NETWORK

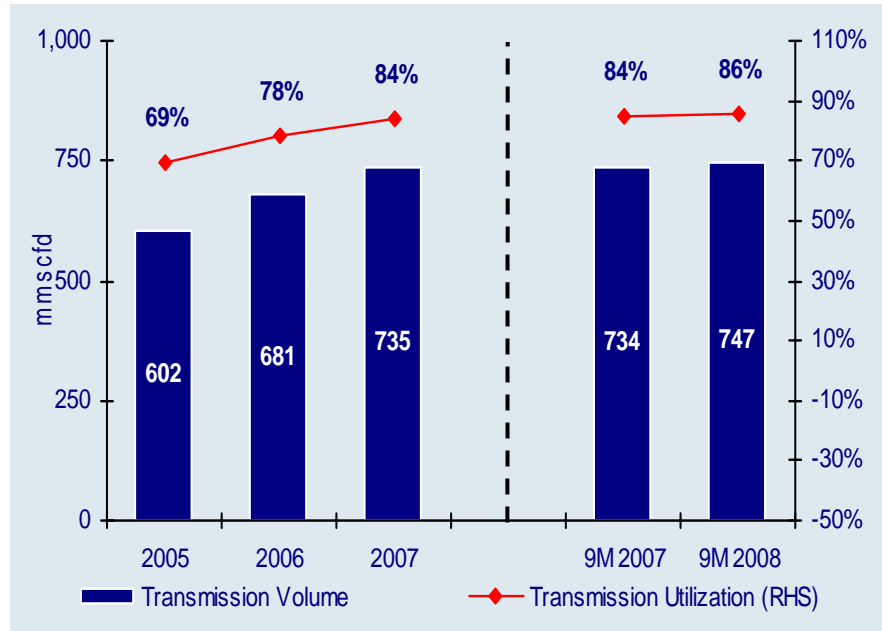
Completion of the SSWJ Gas Transmission Pipeline enables PGN to operate transmission pipelines with a total length of 2,109 km



OUR TRANSMISSION BUSINESS

Gas Transportation Agreement (GTA)

- Long-term contract (USD)
- Minimum ship-or-pay volumes
- Tarif regulated based on 12% IRR and 80% utilization rate
- Grissik-Duri US\$ 0.62/ MMBtu
- Grissik-Singapore US\$ 0.69/ MMBtu
- Market share of around 87% in this business

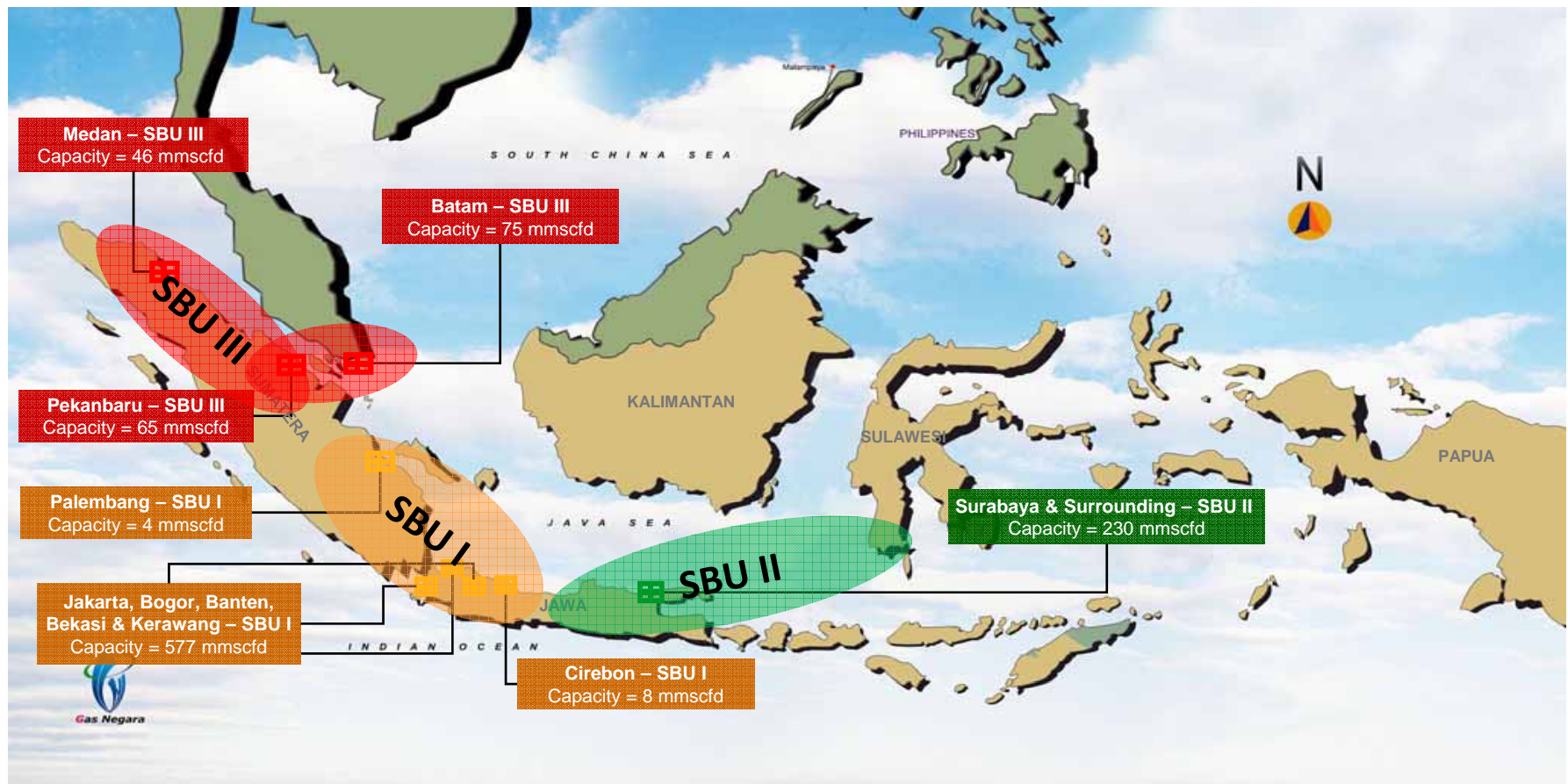


Transmission Business represented 12% of cons. revenues in 9M 2008



OUR DISTRIBUTION NETWORK

- Extensive distribution network covering 13 cities in Indonesia with capacity of 1005 MMScfd (56% utilization rate)
- The network and facilities are managed by three SBUs – West Java (SBU I), East Java (SBU II) and Sumatra (SBU III)



OUR DISTRIBUTION BUSINESS

Distribution – Sale of Gas to End User

• Gas Sales Agreements (GSA)

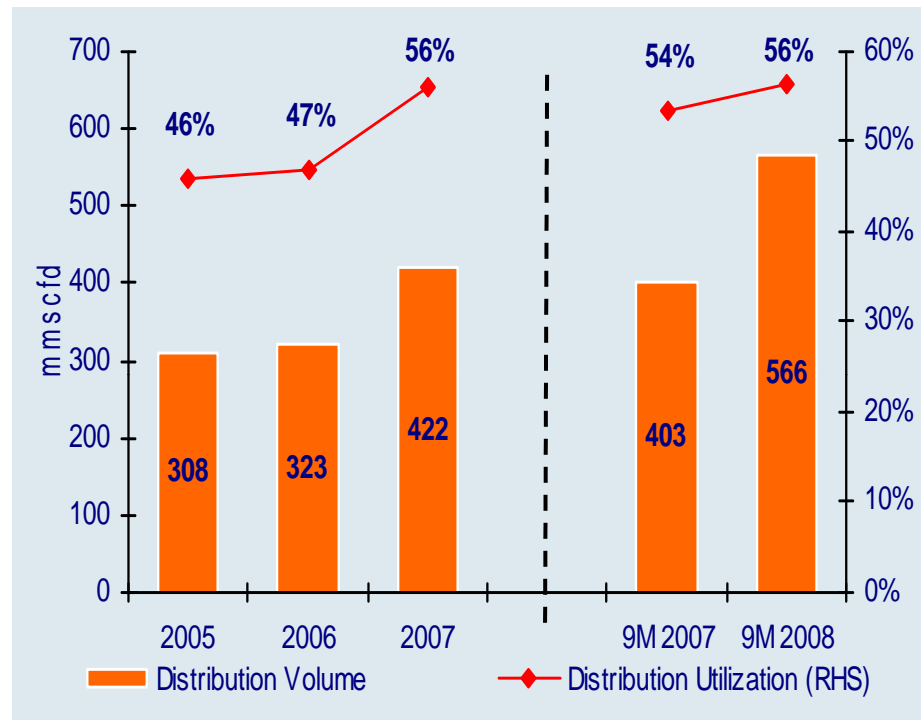
- Minimum pay volumes
- Price in US\$ & IDR
- Market share of around 93% in this business

Selling Price (per MMBtu)

- Industry / Commercial US\$ 5.49
- Household US\$ 6.62

Distribution Volume Breakdown

- Industry 98.7%
- Commercial 0.94%
- Household 0.35%

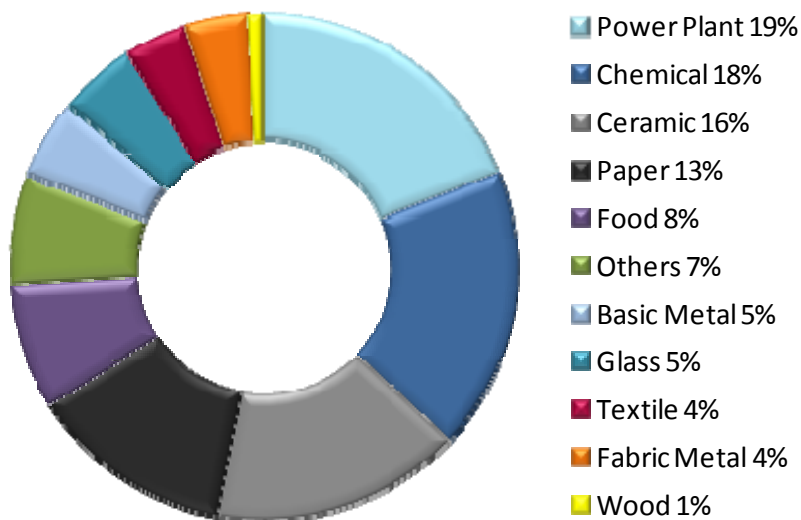


Distribution Business represented 88% of cons. revenues in 9M 2008

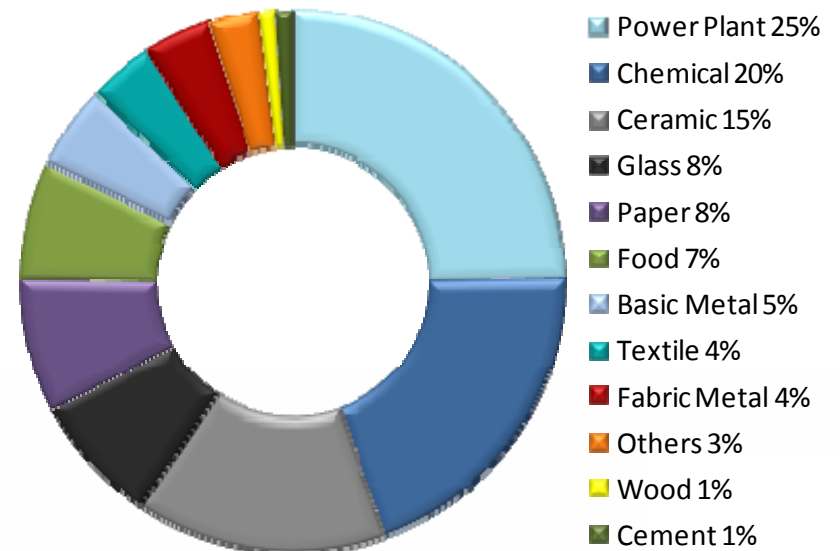
STRONG DISTRIBUTION CUSTOMER BASE

- Industrial customers continue to dominate PGN's customer base and drive PGN's distribution business growth. As of September 30, 2008, sales volume of industrial customers was 558 MMScfd or equal to 98.7% of PGN's sales.

9M07 Industrial Customer Consumption



9M08 Industrial Customer Consumption



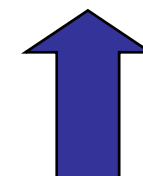


Financial Review & Performance

9M-2008 RESULTS (YOY COMPARISON)

Consolidated Revenues

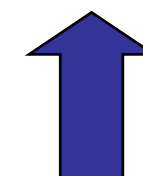
Rp9.02 T



47.2%

Consolidated EBITDA

Rp4.61 T



63.8%

Consolidated Net Profit

Rp2.04 T



56.8%

Transmission Flow (MMScfd)

747



1.8%

Distribution Flow (MMScfd)

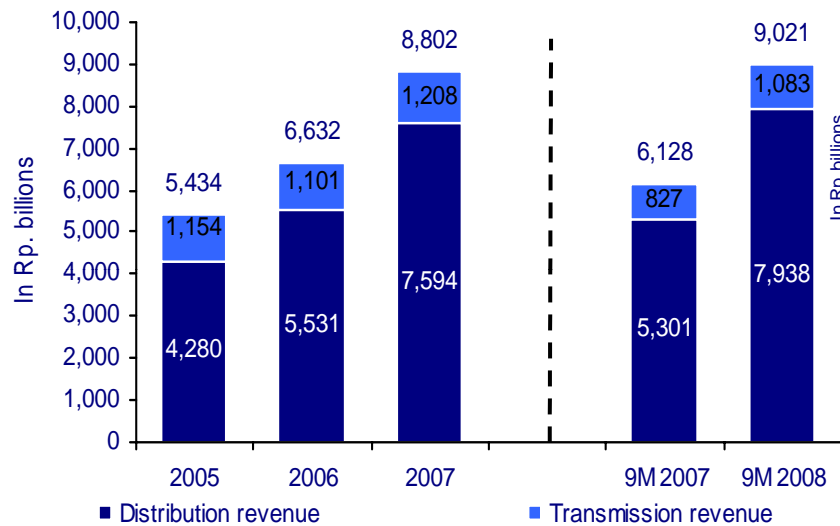
566



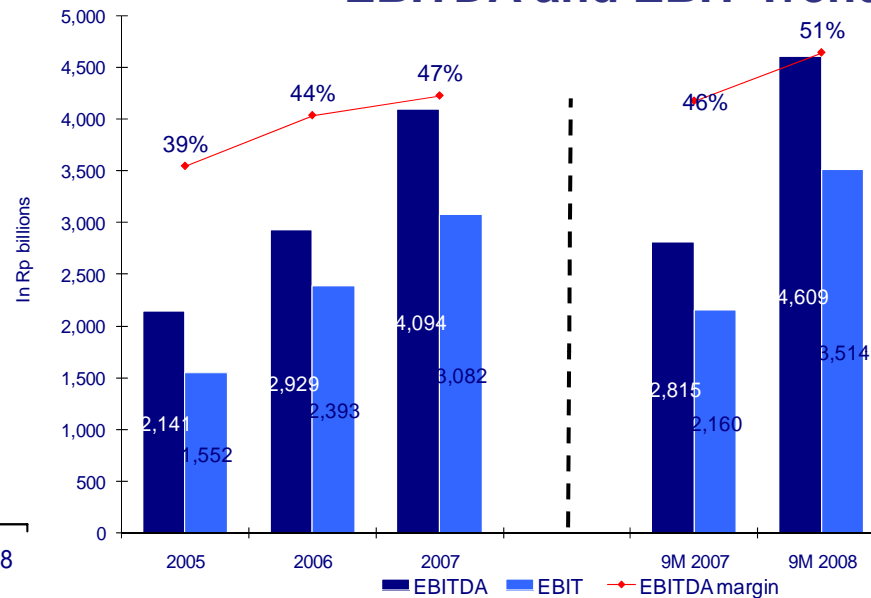
40.4%

FINANCIAL HIGHLIGHTS

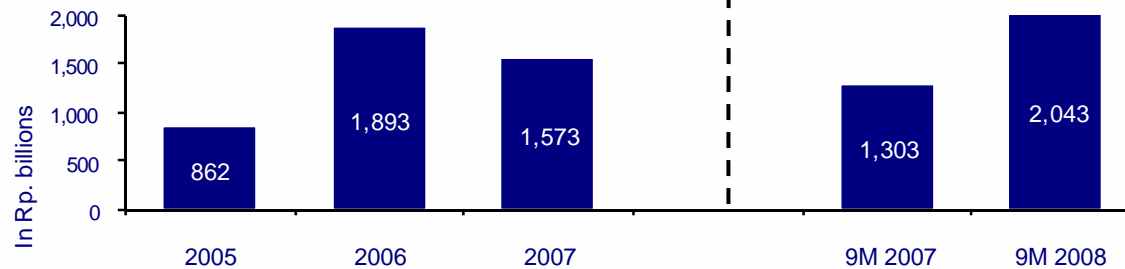
Revenue Trend



EBITDA and EBIT Trend

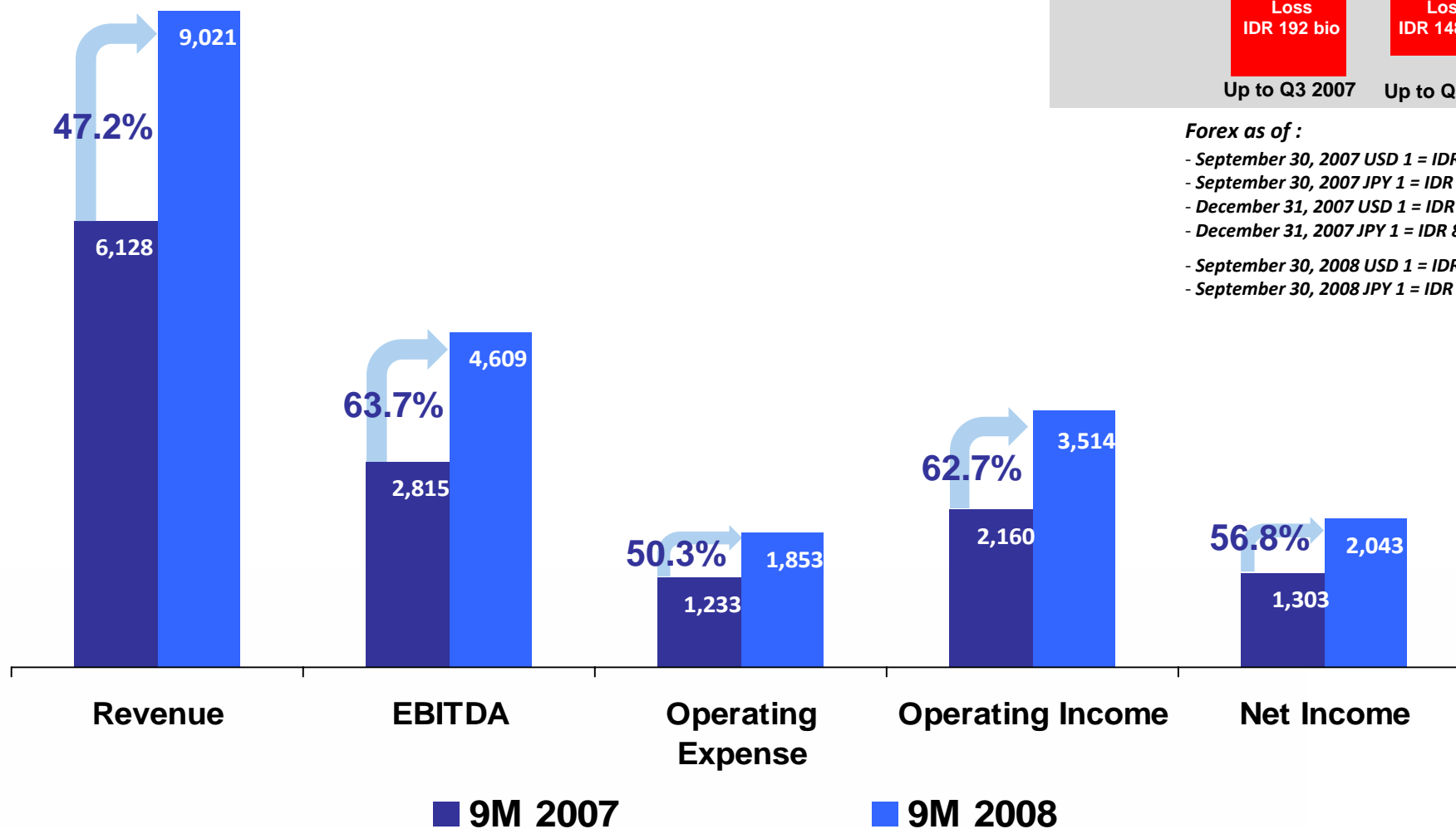


Net Income

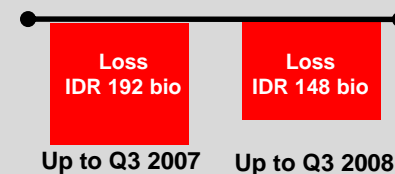


INCOME STATEMENT

(billion rupiah)



FX Gain/Loss



Forex as of :

- September 30, 2007 USD 1 = IDR 9,137
- September 30, 2007 JPY 1 = IDR 79.35
- December 31, 2007 USD 1 = IDR 9,419
- December 31, 2007 JPY 1 = IDR 83.06
- September 30, 2008 USD 1 = IDR 9,378
- September 30, 2008 JPY 1 = IDR 88.53

CONSOLIDATED BALANCE SHEET

(billion rupiah)

	Dec 31, 2007	Sept 30, 2007	Sept 30, 2008	% (30 Sept 2007 vs 30 Sept 2008)
Current Assets	3,715	3,907	4,935	26
Non Current Assets	16,633	16,359	16,994	4
Total Assets	20,348	20,266	21,929	8
Current Liabilities	3,169	3,924	2,338	(40)
Non Current Liabilities	10,015	9,622	10,507	9
Minority Interest In Net Assets of a Subsidiary	729	631	837	33
Government Project Funds	127	127	127	0
Total Equity	6,308	5,962	8,120	36
Total Liabilities And Shareholders Equity	20,348	20,266	21,929	8

Forex as of:

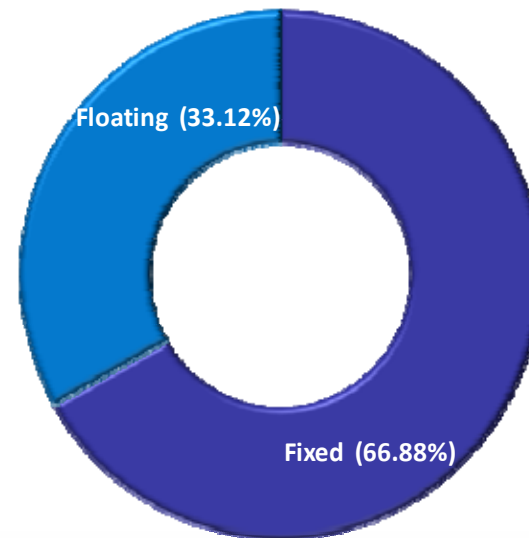
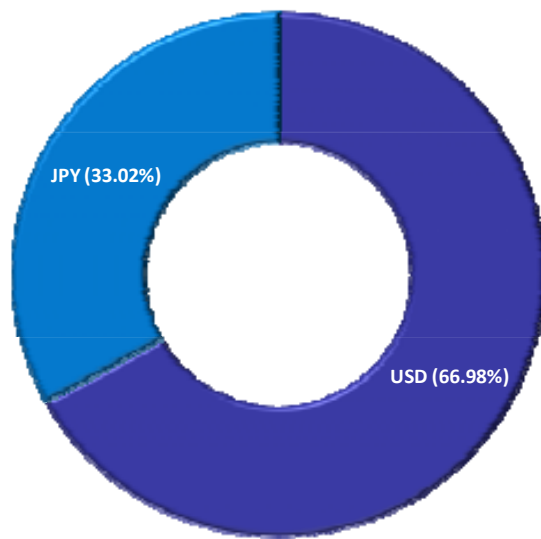
- September 30, 2007 USD 1 = IDR 9,137
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Financial ratios as Sept 30, 2008:

- EBITDA/Interest = 11.77x
- Net Debt/Equity = 1.0x
- Gross Debt/Equity = 1.3x

DEBT COMPOSITION AS OF Sep 30, 2008

**Long-term debt amounting to USD 1.056 billion
Mostly long dated/maturity loans from Developmental Banks**



Effective Cost of Debt of Around 5.25%



Outlook and Recent Update

RECENT UPDATE

Major LNG supply MOA with Total E&P (July 2008)

Completion of SSWJ Pipelines (August 2008)

Gas-in to PLN Muara Tawar (September 2008)

Plan to improve Kuala Tungkal – Panaran Pipelines

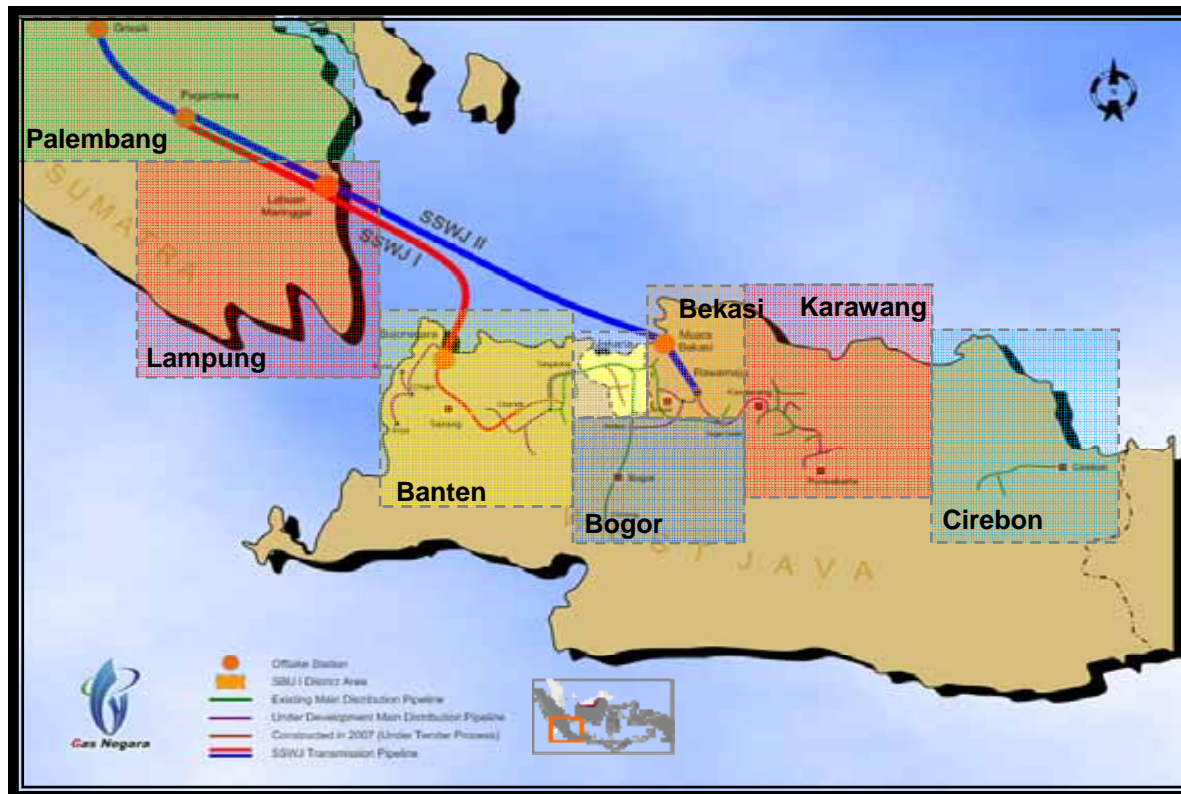
SSWJ IN OPERATION AUGUST 2008

The 1,035 km of gas transmission pipeline has been in operations since August 2008 with capacity of 970 MMScfd



WEST JAVA DISTRIBUTION EXPANSION

The West Java Distribution Expansion Project with 463km main pipelines commenced in 2005. The project aims to distribute the gas from SSWJ and is expected to reach significant milestone by 2010



PGN is expanding its distribution network in Jakarta, Bekasi, Cikampek, Bogor, Banten and the surrounding areas

The expansion started in 2005 and is scheduled to reach completion in 2010. The Project will expand the distribution network in West Java by 463 km in line with increasing gas volume transported from South Sumatra.

After completion PGN total distribution capacity will reach $\pm 1,500$ MMScfd.

The project is funded by World Bank via IBRD (USD 80 million) and PGN's internal cash flow



Guidance for 2009

Gas Flow

Transmission : Flat

Distribution : 700-800 mmscfd
(subject to demand and implementation progress)

Capex

Commitment in 2009 : \$150-200 million

Unpaid Settlement/Carry Over from 2008 : \$100-150 million
(subject to closing of 2008)

FUTURE PROJECTS

PILOT PROJECT CNG PONDOK UNGU


LNG RECEIVING TERMINAL

DURI – MEDAN TRANSMISSION PIPELINE

Integrated CBM Development with Pipeline Transmission



Thank You

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