

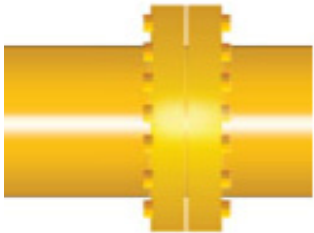


H1 – 2009 UPDATE

PT Perusahaan Gas Negara (Persero) Tbk



Gas Negara

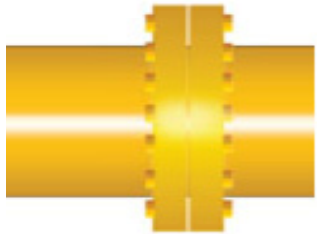


Disclaimer:

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.



Gas Negara



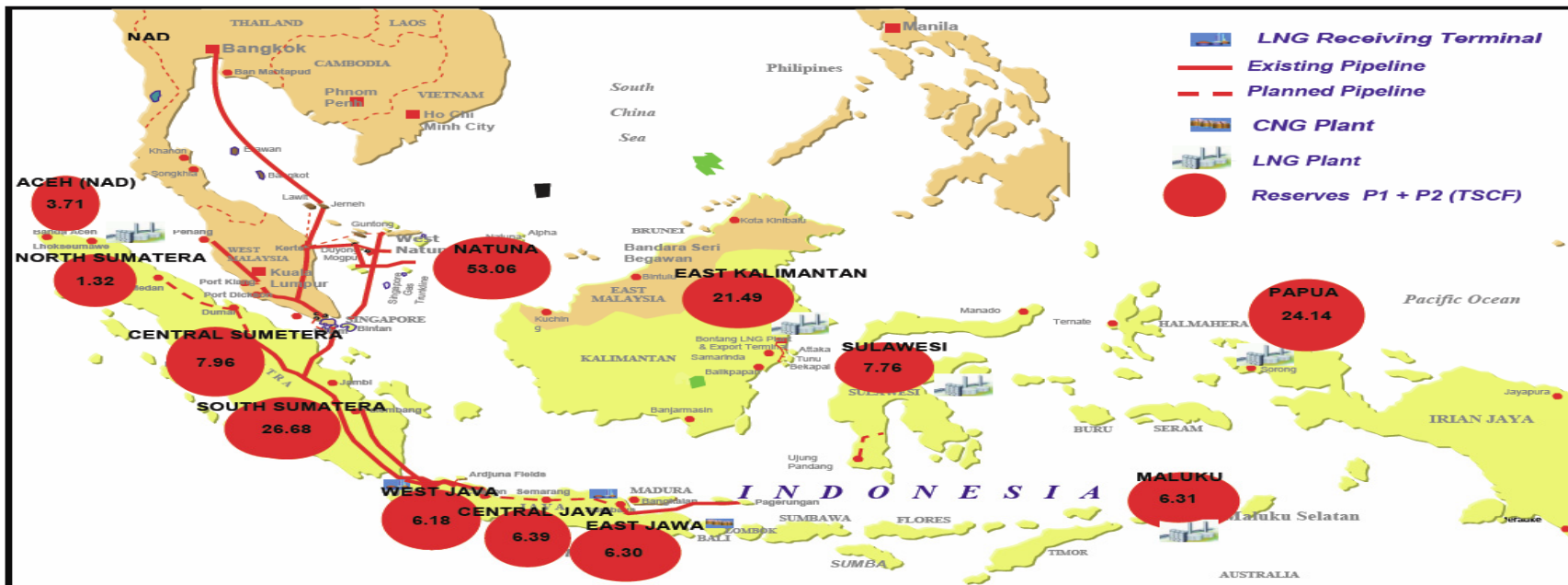
Background & Overview



INDONESIAN GAS MARKET OVERVIEW

Indonesia has proven gas reserves 171.3 TCF (P1+P2)

Underserved Domestic Gas Demand (Geographical Constraints)

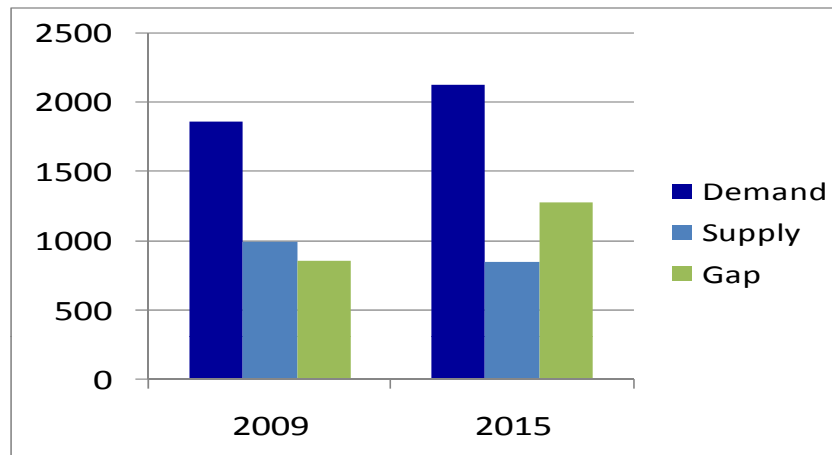


Source: Director General of Oil and Gas (2009)

INDONESIA GAS DEMAND



PLN GAS DEMAND



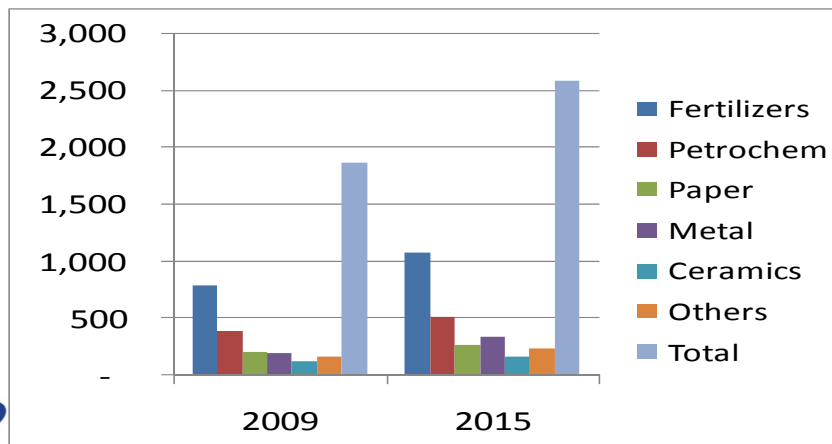
Source : PLN Primary Energy Unit

PLN demand for gas is 1,856 MMScfd in 2009 and 2,126 MMScfd in 2015

PLN can secure contract for 996 MMScfd in 2009. Major suppliers are PGN, Medco, Pertamina and BP West Java

Supply shortages will worsen unless new supplies can be obtained

INDUSTRY (non-power) GAS DEMAND



Source : Ministry of Industry - 20 May 2009

- Ministry of Industry cited a major shortage of gas supply for industries
- Considers natural gas to be a strategic and non-renewable resource that must be optimized to meet domestic demand
- Calls for the construction of an LNG terminal in North Sumatera to resolve the gas shortage



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POTENTIAL SHIFT FROM OIL TO GAS

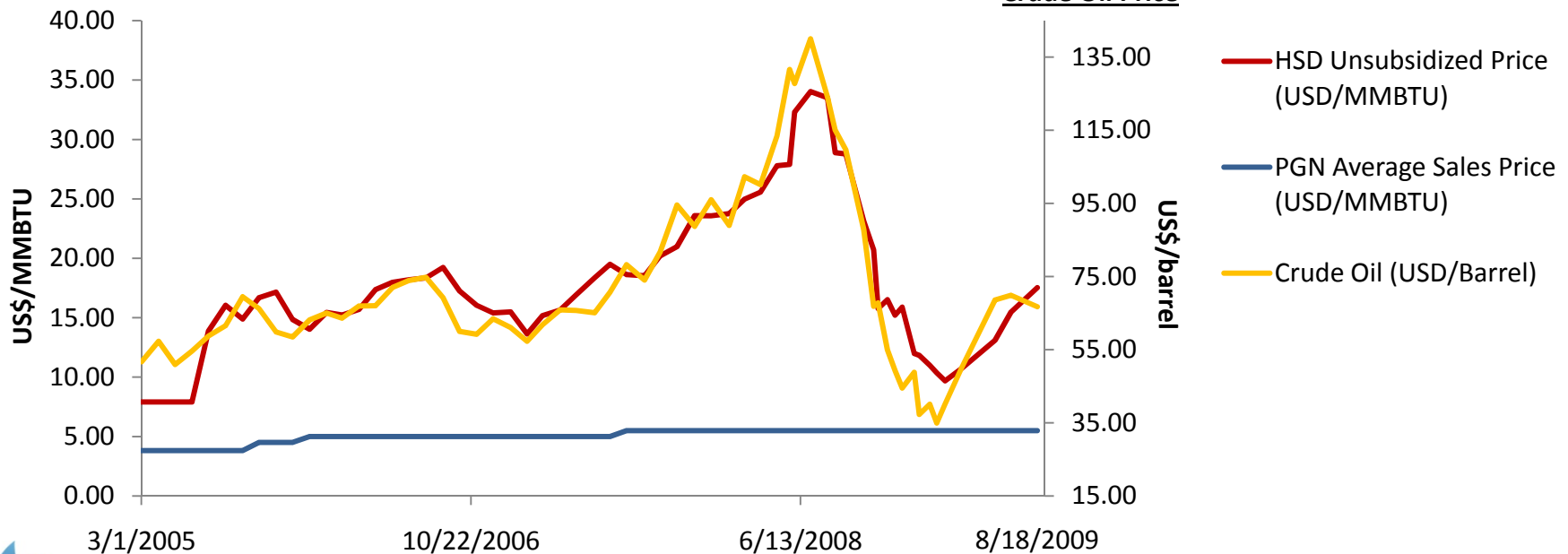


Competitive gas price relative to High Speed Diesel (HSD)

Demand for gas exceeds supply

PGN Gas Price and HSD Price

Crude Oil Price



RECENTLY ISSUED REGULATIONS

Government Decree No 30/2009

- States: “ the prices of fuel and natural gas are to be determined and/or regulated by the Government.”
- Supersedes article 72 of the Government Decree or “Peraturan Pemerintah” number 36 Year 2004 on Downstream Oil and Gas Commercial Activity.

Ministerial Decree No 21/2008

- Determination of the selling price of fuel and natural gas
- Clarification of fuel into two categories:
 - Specific Fuel – widely used fuels which, for reasons related to type and users, require government subsidy.
 - General Fuel – fuels not in the Specific Fuel category and, therefore not subsidized.

PGN AT A GLANCE

A leader in the transmission and distribution of natural gas in Indonesia

- Operates more than 5,600 km transmission and distribution pipelines
- Delivered more than 1,500 MMScf of natural gas per day in 6M-2009
- The only integrated transmission and distribution pipeline operator

Blue chip in Indonesia's capital market

- Market capitalization of more than IDR79.7 trillion (4 Sept '09)
- Top 6 market capitalization in Indonesia's Stock Exchange (4 Sept '09)

SHAREHOLDER COMPOSITION

56.5% owned by the Government of Indonesia, 43.5% owned by public investors
(mostly foreign institutional investors)



Note:

- *including golden/dwiwarna share
- Remaining Government Project Fund of IDR 28.2 billion will be converted to equity pending governmental decree

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

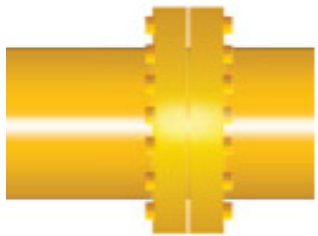
PT Transgasindo*
Grissik-Duri and Grissik-Singapore

*Shareholders composition:

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



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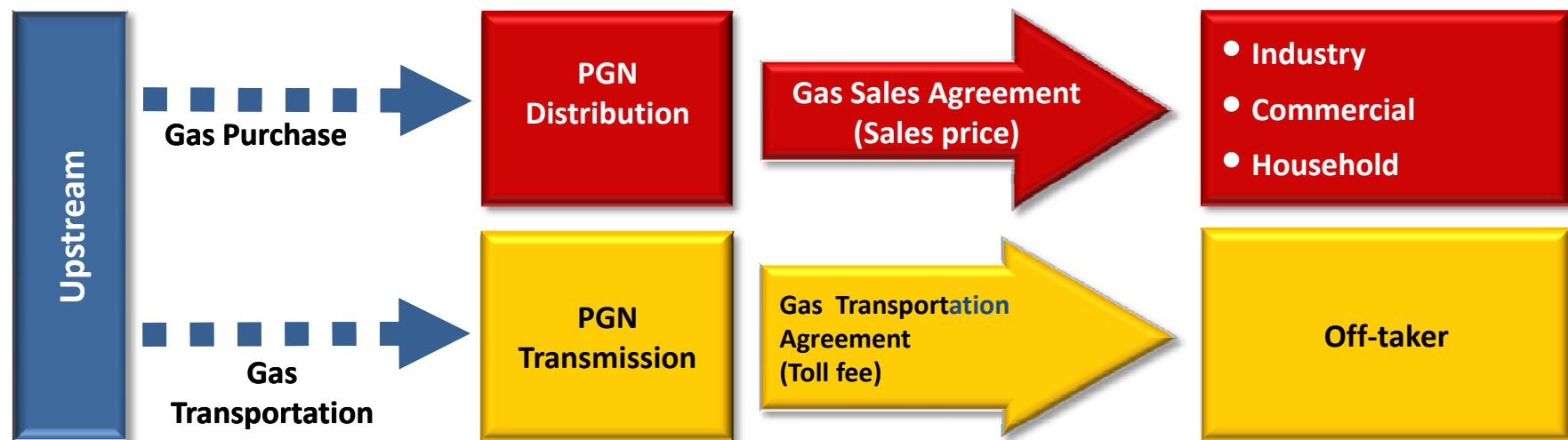


Operational Review & Performance



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 2,157 km

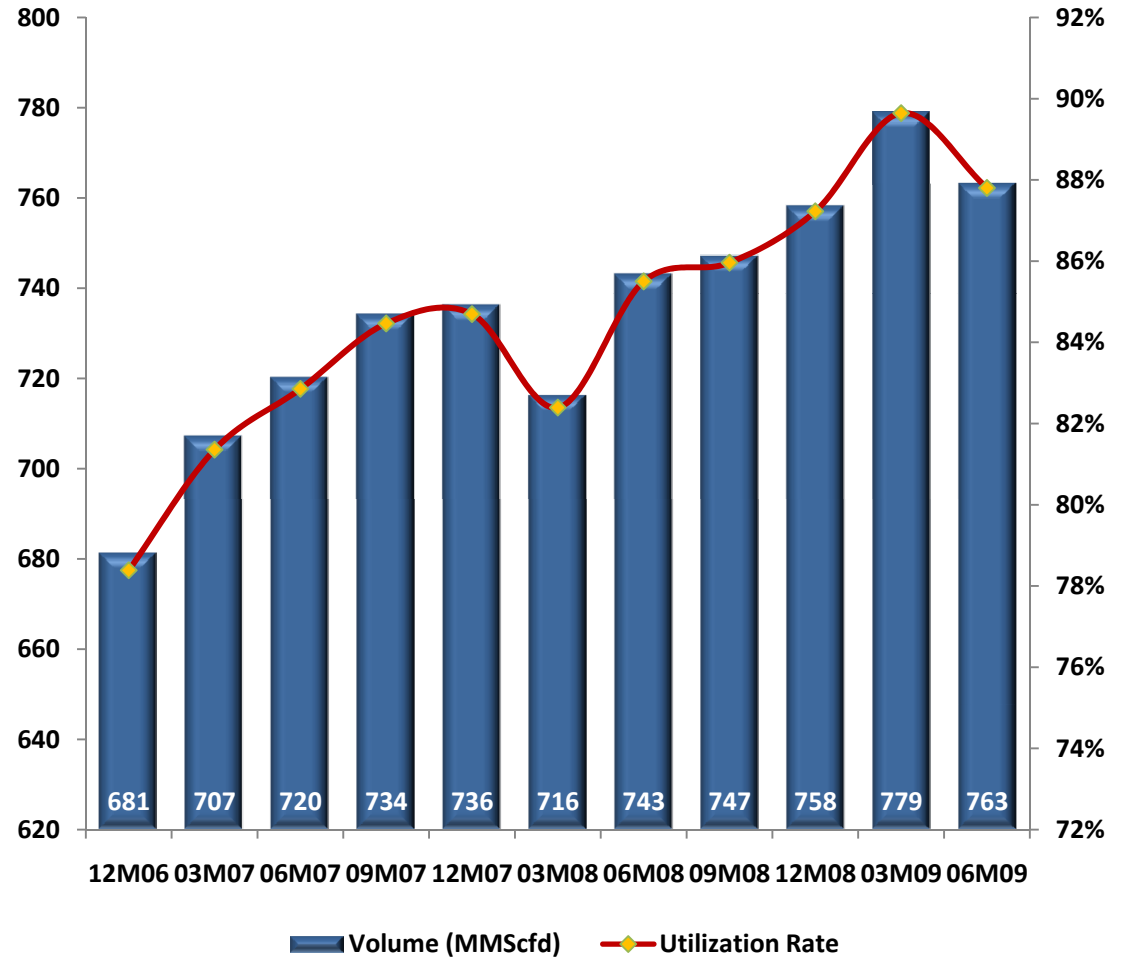


OUR TRANSMISSION BUSINESS



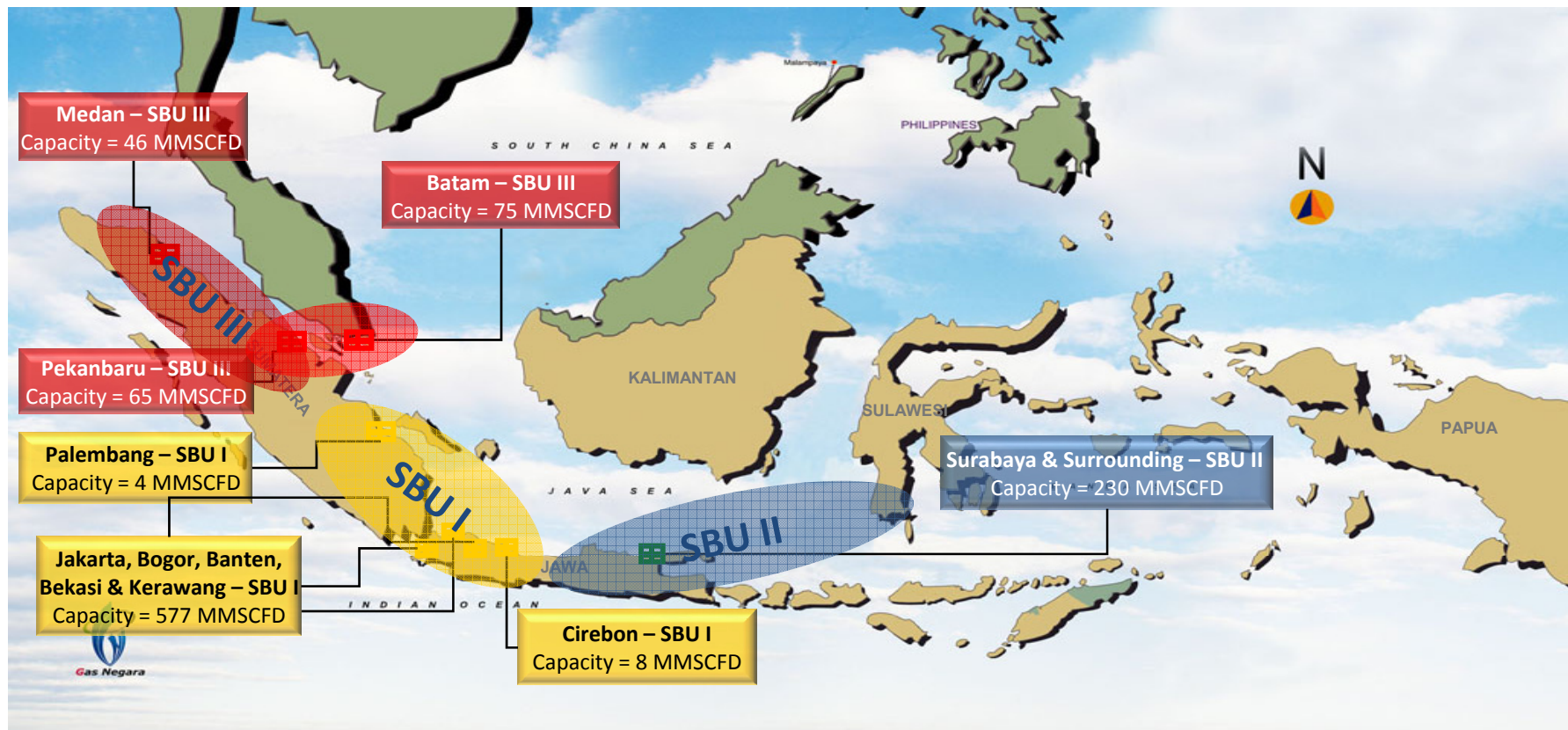
Gas Transportation Agreement (GTA)

- Long-term contract (USD)
- Minimum ship-or-pay volumes
- Tarif regulated based on 12% IRR and 80% utilization rate
- Grissik-Duri USD0.62/ MMBTU
- Grissik-Singapore USD0.69/ MMBTU



OUR DISTRIBUTION NETWORK

- Extensive distribution network covering 13 cities in Indonesia with capacity of 1005 MMSCFD
- 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

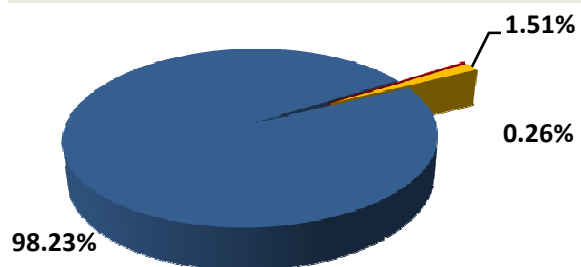
• Gas Sales Agreements (GSA)

- Minimum pay volumes
- Price in US\$ & IDR

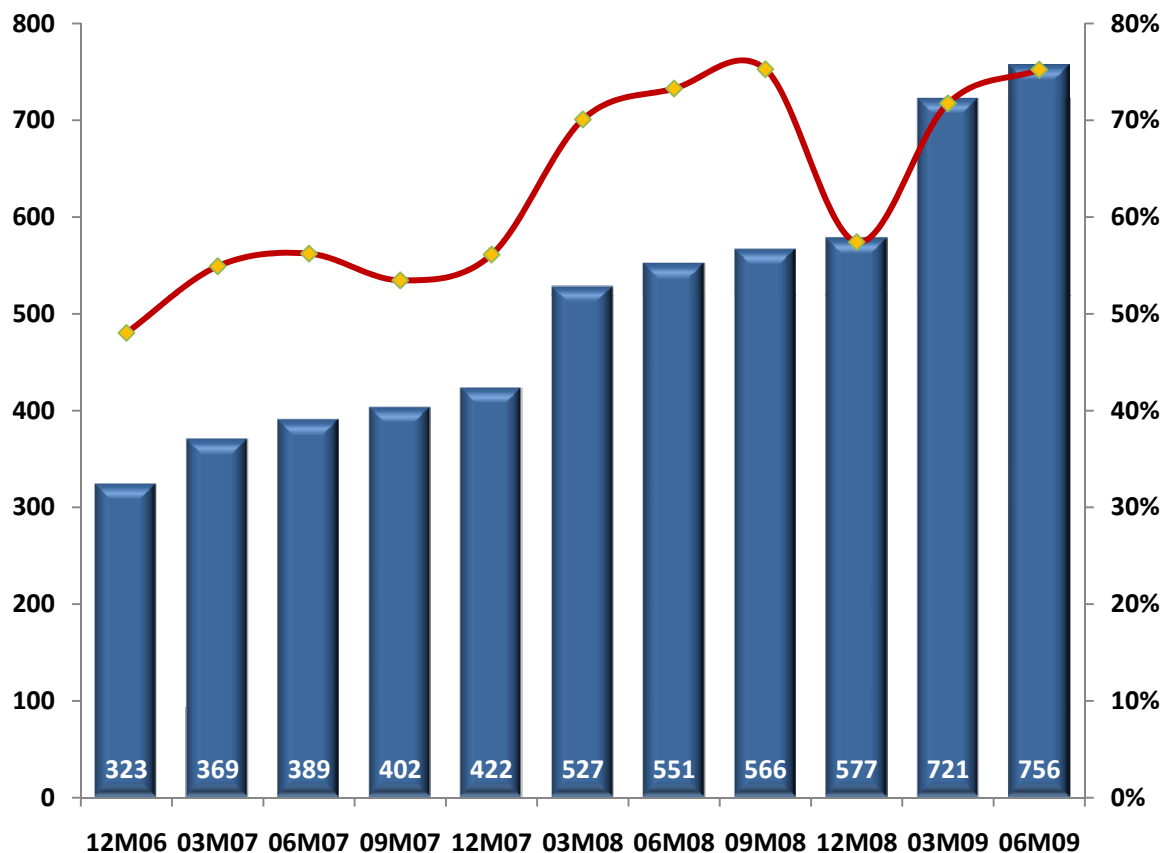
Selling Price (per MMBTU)

- Industry/Commercial USD5.49
- Household USD6.62

6M09 Customer Consumption



■ Household ■ Commercial ■ Industry



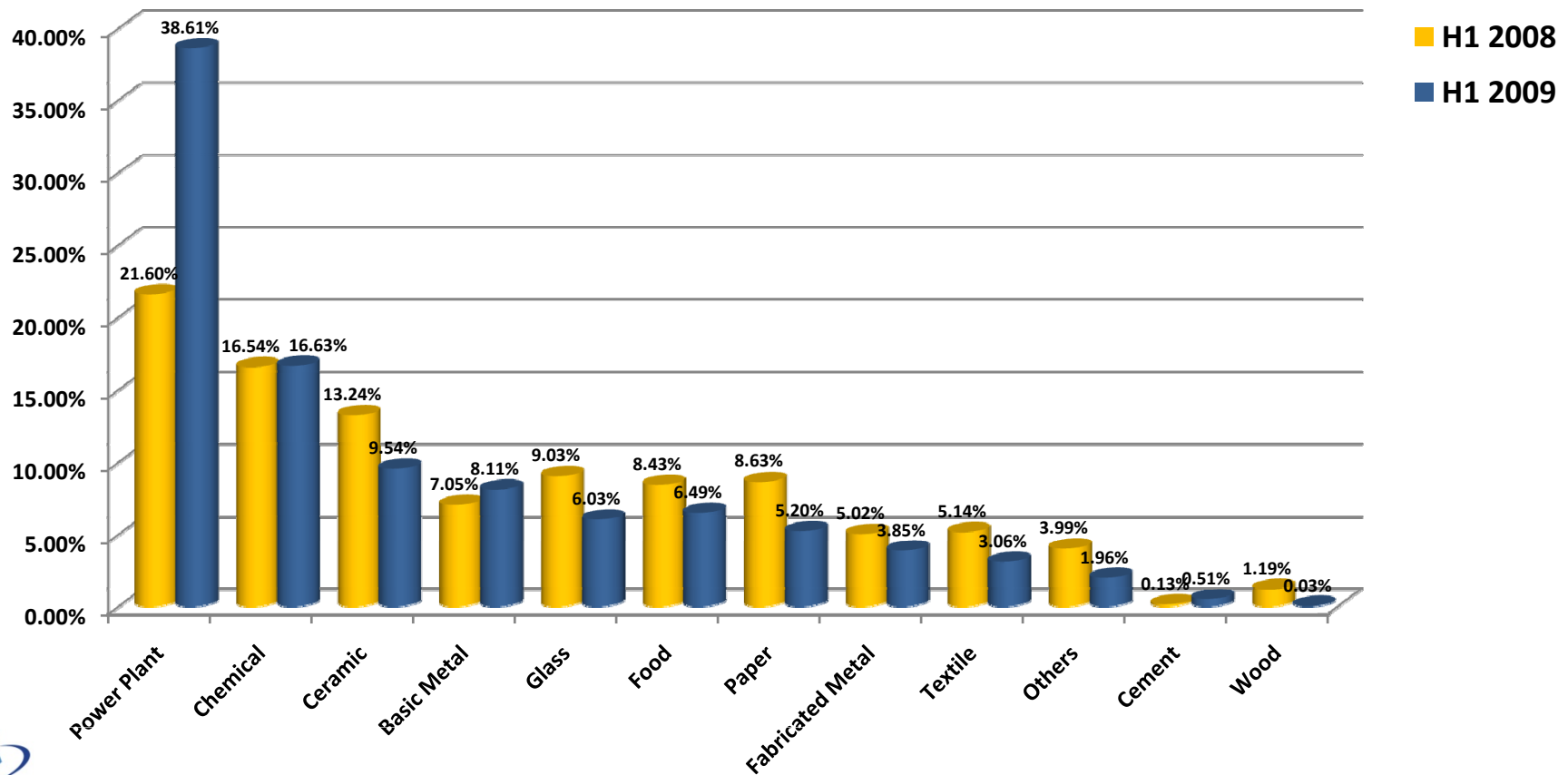
■ Volume (MMScfd) ■ Utilization Rate



STRONG DISTRIBUTION CUSTOMER BASE

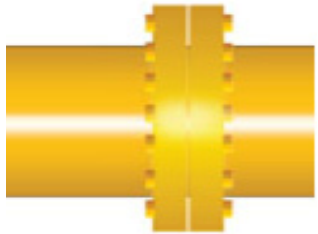


As of June 30, 2009, sales volume of industrial customers was 743 MMScfd or equal to 98% of PGN's sales





Gas Negara



Financial Review & Performance





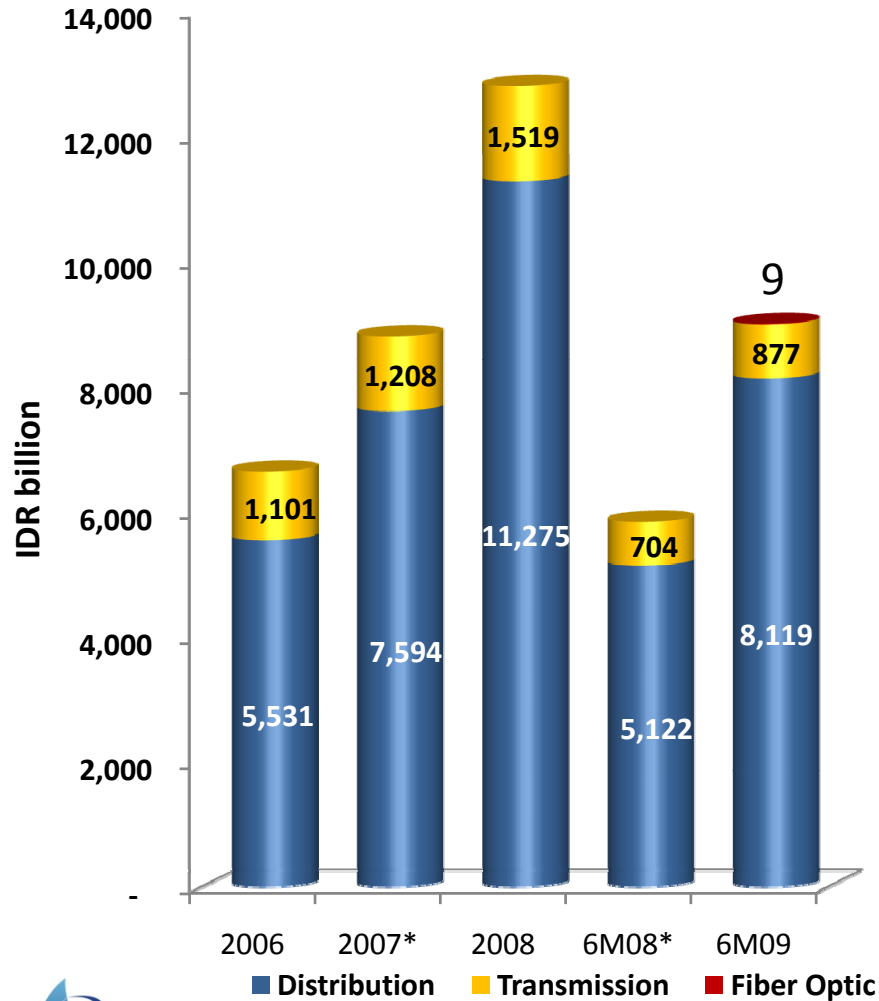
6M09 RESULTS (YOY COMPARISON)

Consolidated Revenues	IDR9.01 T	↑	54.6%
Consolidated EBITDA	IDR4.76 T	↑	59.3%
Consolidated Net Profit	IDR3.19 T	↑	135%
Transmission Flow	763 MMSCFD	↑	2.7%
Distribution Flow	756 MMSCFD	↑	37.2%

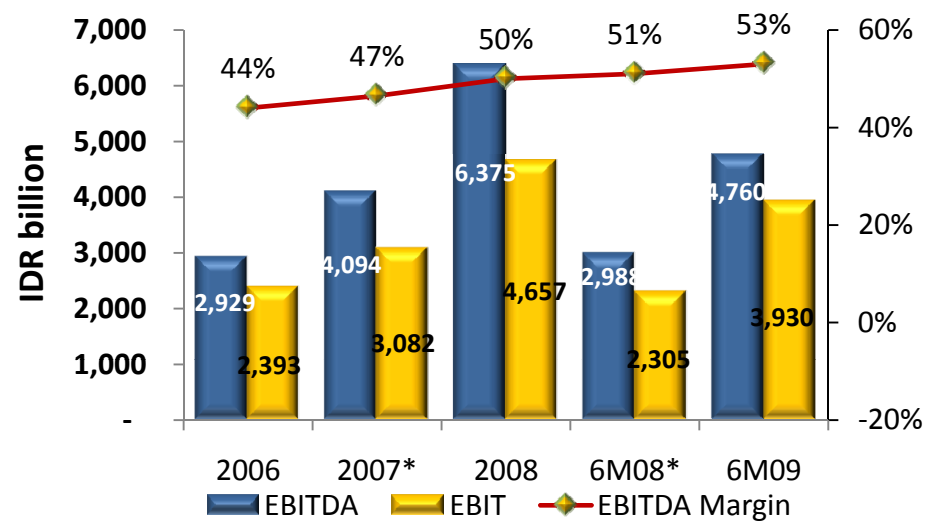
FINANCIAL HIGHLIGHTS



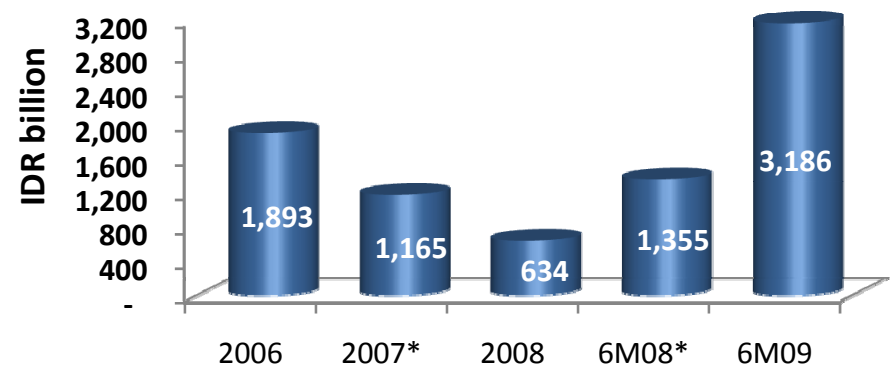
Revenue



EBITDA and EBIT



Net Income

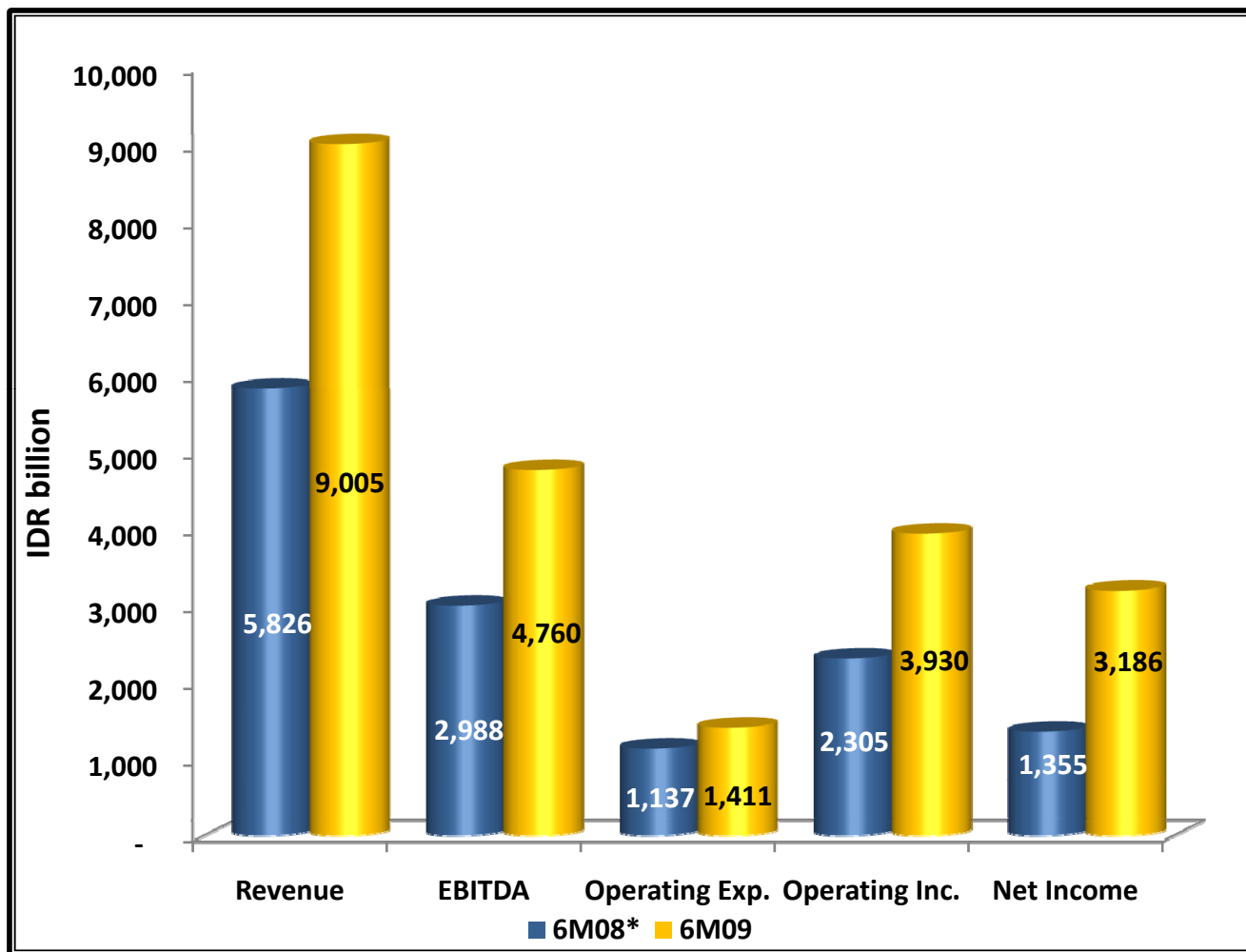


*note: as restated

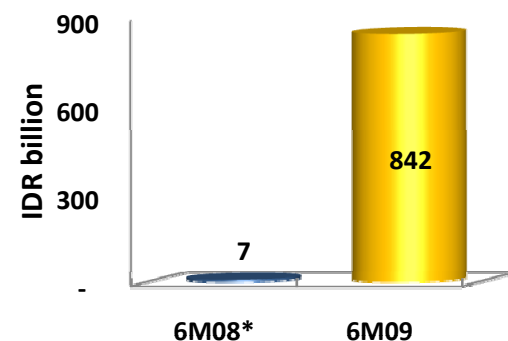


INCOME STATEMENT

(six month ended June 30, 2009)



FX Gain/Loss



Exchange rate:

- 30 June 2008
USD 1 = IDR 9,225 & JPY 1 = IDR 86.72
- 30 June 2009
USD 1 = IDR 10,225 & JPY 1 = IDR 106.59

note: as restated

CONSOLIDATED BALANCE SHEET

(as of June 30, 2009)



(IDR billion)	Jun 30, 2008*	Jun 30, 2009	%
Current Assets	5,209	9,614	85
Non Current Assets	16,984	18,525	9
Total Assets	22,193	28,139	27
Current Liabilities	3,493	4,885	40
Non Current Liabilities	10,821	13,218	22
Minority Interest In Net Assets of a Subsidiary	762	1,028	35
Government Project Funds	127	28	(78)
Total Equity	6,990	8,980	28
Total Liabilities And Shareholders Equity	22,193	28,139	27

note: as restated

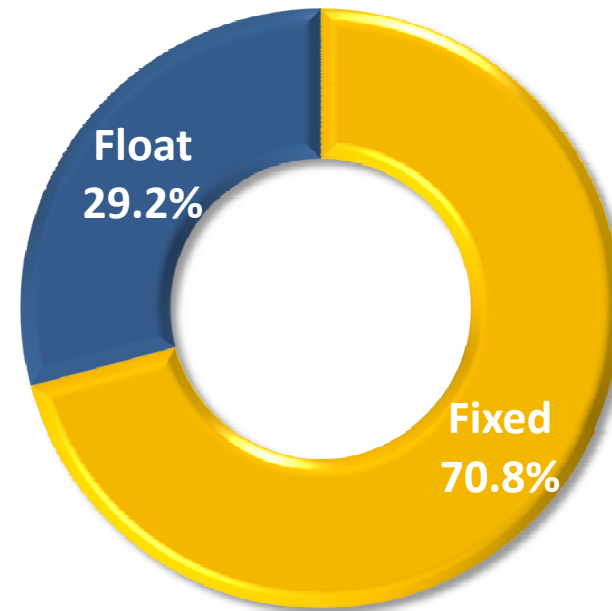
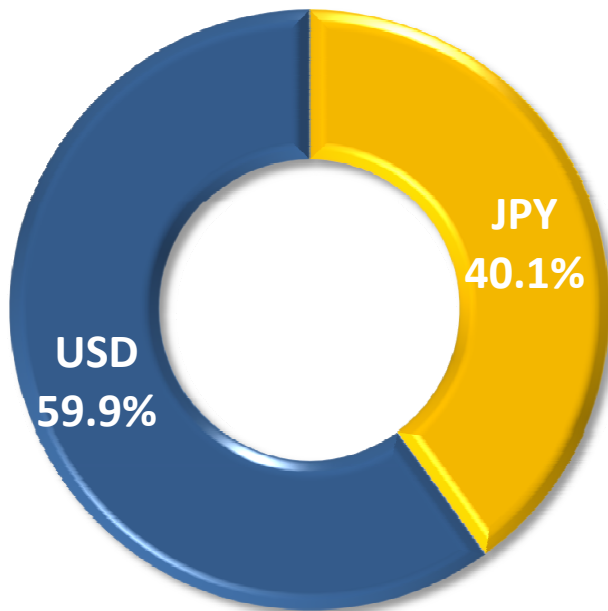
Financial ratios as June 30, 2009:

- EBITDA/Interest expense = 16x
- Net Debt/Equity = 0.8x
- Gross Debt/Equity = 1.4x

DEBT COMPOSITION

(as of June 30, 2009)

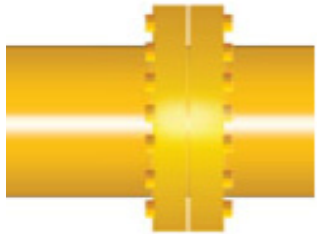
Long-term debt amounting to USD 1.142 billion
Mostly long dated/maturity loans from Developmental Banks



Effective Cost of Debt of Around 4.22%



Gas Negara



Outlook & Recent Update





RECENT UPDATE

Government Project Fund

- Conversion of Rp. 99 billion Government Project Fund into common stock outstanding (May 2009)

Grissik – Singapore Transmission pipeline

- Improvement 23 km pipeline at Kuala Tungkal – Panaran section (June 2009)

Dividend

- Declaration of cash dividend to shareholders of Rp. 1 trillion (June 2009)

PT PGAS Solution

- Establishment of subsidiary in engineering service (August 2009)

GTA PLN Belawan

- Transportation of gas from Kambuna field to PLN Belawan for 8 years (August 2009)

MOU Signing with EEES

- LNG supply from Sengkang with amount of 1.5-5 MTPA for 5 years (September 2009)

PLN CONTRACTS

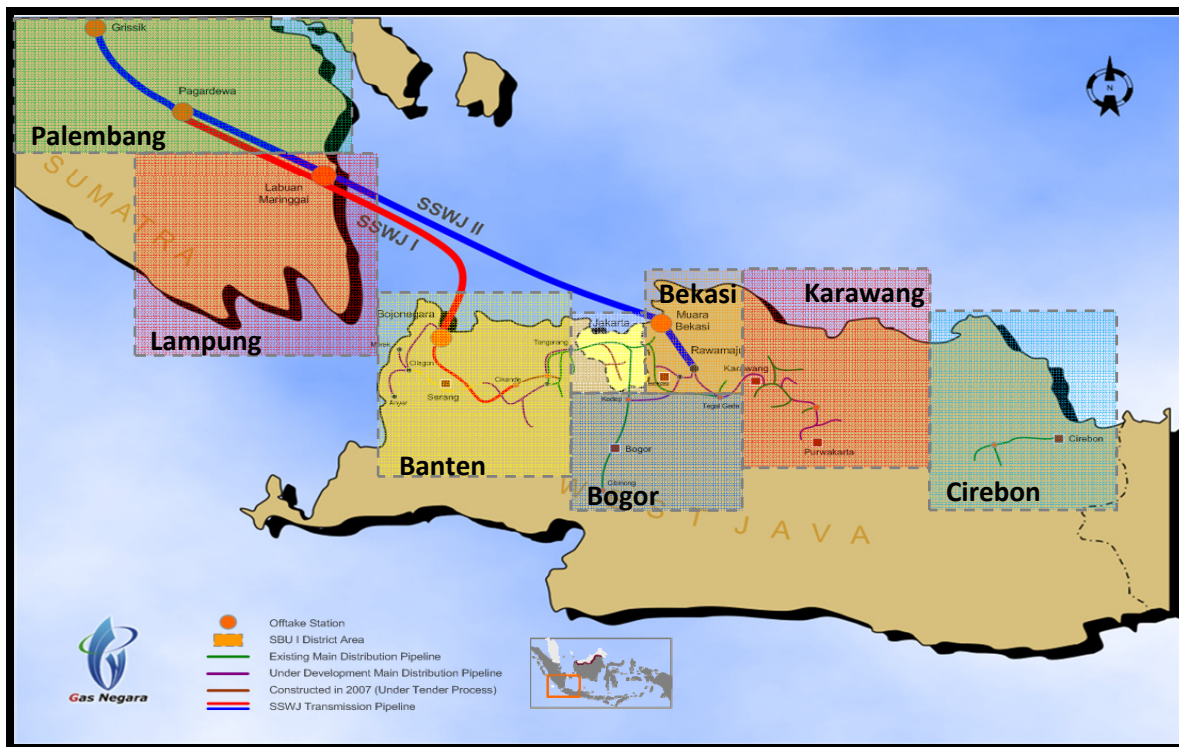


	PLN Muara Tawar	<ul style="list-style-type: none">• Volume 50 MMScfd• Contract signed on July 2007• Contract length of 5 years
	PLN Muara Tawar	<ul style="list-style-type: none">• Volume 150 MMScfd (firm)• Volume 100 MMScfd (interruptible)• Contract signed on April 2008• Contract length of 3 years
	PLN Tanjung Priok	<ul style="list-style-type: none">• Volume 30 MMScfd• Contract signed on September 2008• Contract length of 3 years
	PLN Cilegon	<ul style="list-style-type: none">• Volume 30 MMScfd• Contract signed on September 2008• Contract length of 10 years

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 of West Java Distribution expansion 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 projection

- Transmission: flat
- Distribution: 700-800 MMScfd

Capex

- Commitment in 2009: \$150-200 million
- Unpaid settlement / carry over from 2008: \$100-150 million

FUTURE PROJECTS



LNG Receiving Terminal

Pilot project CNG Pondok Ungu

Integrated CBM development with pipeline network

Other utilization of natural gas



THANK YOU

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