

PRESS RELEASE

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29 March 2019

US\$ 168.4 MILLION AS INDIKA ENERGY'S CORE PROFIT IN 2018

Agility to Optimize Operations and Business Diversification

JAKARTA, 29 March 2019 – PT Indika Energy Tbk's, an integrated energy company (Company) released a consolidated Financial Report for the year ended 31 December 2018. The Company reported Core Profit of US\$ 168.4 million throughout 2018. Indika Energy's focus on optimizing Kideco's operations and creating synergy of each business unit to improve efficiency and productivity successfully improved the Company's performance. Indika Energy is also agile in seeing business opportunities through diversifying its portfolio.

In 2018, Indika Energy posted US\$ 2,962.9 million in revenue, an increase of 169.7% compared to US\$ 1,098.8 million in the previous year. The strong year on year figures are attributed mainly to Kideco revenues of US\$ 1,802.2 million. Additionally, Petrosea revenues also increased by 69.9% as a result of better performance in the mining contract sector.

Gross Profit increased 421.7% year on year to US\$ 641.2 million from US\$ 122.9 million reported in 2017. Operating Income jumped significantly 1,388.9% year on year to US\$ 508.1 million from US\$ 34.1 million in 2017.

Finance Costs increased by 30.0% year on year to US\$ 100.0 million in 2018 from US\$ 76.9 million in 2017 primarily due to the additional interest expense on the Senior Notes of US\$ 575m due in 2024 issued in October 2017 to finance the acquisition of an additional 45% stake in Kideco.

Equity in Net Profit of Associates and Jointly Venture Entities decreased by 84.8% to US\$ 20.6 million. As Kideco was consolidated, it did not contribute to the associates and jointly controlled entities line item any longer whereas now the largest contributors are Cotrans, SBS, CEP and CEPR contributing US\$ 5.3 million, US\$ 4.9 million, US\$ 6.1 million and US\$4.8 million respectively. Profit attributable to owners of the company is US\$ 80.1 million from US\$ 335.4 million in 2017.

The Company reported Core Profit which increased 78.2% to US\$168.4 million from US\$94.5 million reported in the full year 2017. Core Profit is defined as Net Profit for the year Attributable to Owners of the Company excluding 1) increase in contingent liability related to Kideco Acquisition; 2) net amortisation of intangible assets related to the acquisition of MUTU and Kideco Acquisition; 3) impairment of assets, net of deferred tax (where relevant); and 4) one off extraordinary gain on revaluation of existing 46% shares in Kideco recognized in 2017. In our view, core profit is a more accurate reflection of the business performance.

At the end of 2018, Cash, Cash Equivalent, Other Financial Assets, and Restricted Cash at year end 2018 stood at US\$763.1 million. Capex realization spending during 2018 was US\$150.4 million. Capex was primarily realized at Petrosea which accounted for US\$112.0 million in Capex realization with the majority toward new equipment purchases.

"Throughout 2018, we continued to emphasize efficiency and productivity. We strove to continue the momentum of positive performance by focusing on optimizing Kideco's operations and building synergies with other subsidiaries. In the future, Indika Energy will continue to grow coal-related businesses, explore new business sectors and diversify by utilizing our capabilities to be able to contribute more to national development,"Arsjad Rasjid, Director of Indika Energy said.

ABOUT INDIKA ENERGY

PT Indika Energy Tbk. ("Indika Energy") is Indonesia's leading integrated energy company through its strategic investments in the areas of Energy Resources – coal production (PT Kideco Jaya Agung, PT Multi Tambangjaya Utama, PT Mitra Energi Agung); coal trading (Indika Capital Investment Pte. Ltd.), Energy Services – EPC - oil & gas (PT Tripatra Engineers & Constructors, PT Tripatra Engineering); EPC–contract mining (PT Petrosea Tbk. (IDX: PTRO).); and Energy Infrastructure – marine transportation, ports & logistics for bulk goods and natural resources (PT Mitrahaatera Segara Sejati Tbk. (IDX: MBSS), PT Sea Bridge Shipping, PT Cotrans Asia, PT Indika Logistic & Support Services, PT Kuala Pelabuhan Indonesia); fuel storage (PT Kariangau Gapura Terminal Energi); coalfired power plant (PT Cirebon Electric Power and PT Prasarana Energi Cirebon). Indika Energy's portfolio companies including mineral mining investment company (Nusantara Resources Limited) and digital service provider company (PT Indika Digital Teknologi).

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