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INDIKA ENERGY RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2013

October 31, 2013 - Jakarta - PT Indika Energy Tbk. ("Indika Energy") Indonesia's leading integrated energy company, reported its unaudited consolidated financial statements for the nine-month period ended September 30, 2013.

Revenues of US$ 634.2 million increased 16.9% from US$ 542.7 million reported in 9M12 due mainly to higher revenue contribution from Tripatra's EPC Project, Mobil Cepu Ltd.

Gross Profit of US$ 140.9 million decreased 1.3% from US$ 142.7 million reported in 9M12 due to 23.3% increased in cost of goods sold associated to materials, rentals, repair & maintenance and construction.

Equity in profit of associates and jointly controlled entities declined 41.1% to US$ 94.7 million from US$ 160.8 million reported in 9M12 due to lower contribution from Kideco and Santan as a result of the global decline in coal prices.

Profit (Loss) attributable to owners of the company declined from US$ 80.0 million in 9M12 to a US$ 15.6 million loss reported in 9M13 due to lower contribution from Kideco, higher finance costs associated to additional debt acquire to prefund 2016 Bond callable in November 2013, amortization of intangible assets, impairment of goodwill and intangible assets.

Cash and other financial assets were US$ 654.7 million as of September 30, 2013.

Capex realization for the period ended 9M13 was US$ 57.3 million.

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PT. Indika Energy Tbk.

Description (in US$ million)	3Q13	2Q13	1Q13	9M13	9M12 Audited	Changes (%)
Revenues	221.0	227.9	185.4	634.2	542.7	16.9%
Petrosea	89.9	91.1	91.0	272.0	288.1	-5.6%
MBSS	37.1	38.1	36.8	112.1	103.3	8.5%
Tripatra	78.0	84.7	55.5	218.2	141.1	54.6%
Others	15.9	14.0	2.1	32.0	10.2	213.5%
Gross Profit	51.6	47.3	42.0	140.9	142.7	-1.3%
Equity in profit of associates and jointly controlled entities	22.4	32.3	40.0	94.7	160.8	-41.1%
General and administrative expenses	(35.2)	(44.0)	(32.7)	(111.8)	(113.4)	-1.4%
Investment income	2.9	2.0	1.8	6.7	7.0	-3.4%
Finance cost	(23.5)	(24.8)	(25.5)	(73.9)	(53.7)	37.6%
Amortization of intangible assets	(9.6)	(9.6)	(10.9)	(30.1)	(23.0)	30.7%
Impairment on goodwill and intangible assets	-	(14.6)	-	(14.6)	-	100.0%
Others- net	(9.2)	(4.4)	0.4	(13.2)	(13.5)	-2.5%
Income (Loss) before tax	(0.7)	(15.8)	15.3	(1.3)	109.5	-101.2%
Profit (Loss) for the period :	(4.8)	(15.3)	12.7	(7.4)	99.9	-107.4%
Profit (Loss) attributable to owners of the company	(7.6)	(17.1)	9.2	(15.6)	80.0	-119.5%
Profit (Loss) attributable to non-controlling Interest	2.8	1.8	3.5	8.2	19.8	-58.8%
LTM - Adjusted EBITDA *	-	-	-	260.1	342.7	-24.1%
EPS (US$/share)	(0.00146)	(0.00328)	0.00176	(0.00299)	0.01540	-119.4%
Gross Margin	23.3%	20.8%	22.7%	22.2%	26.3%	
Net Margin	-3.5%	-7.5%	4.9%	-2.5%	14.7%	
LTM - Adjusted EBITDA Margin*	-	-	-	41.0%	63.1%	
ROA	-0.4%	-1.3%	1.4%	-0.8%	4.5%	
ROE	-1.0%	-3.4%	3.5%	-2.1%	10.2%	

**Including dividends from associates & Last twelve months period ended September 30, 2013 (FCCR)*

Description (in US$ million)	9M13	12M12 Audited	Changes (%)
Total Current Assets	1,008.5	690.7	46.0%
Total Assets	2,571.1	2,347.3	9.5%
Total Current Liabilities	538.3	527.6	2.0%
Total Debt	1,285.6	1,072.9	19.8%
Total Equity	996.0	1,024.7	-2.8%
Cash Balance*	654.7	421.1	55.5%
Current Ratio (X)	1.9	1.3	
Debt to Equity (X)	1.2	1.0	
Net Debt to Equity (X)	0.6	0.6	

**Including restricted cash*

The company's revenues increased 16.9% to US$ 634.2 million from US$ 542.7 million reported in the corresponding period last year due mainly to:

a) **Tripatra's revenues up 55.2% YoY to US$ 218.2 million in 9M13** primarily as a result of : **1).** EPC Project – Mobil, Cepu US$ 143.2 million in 9M13 Vs.

US$45.1 million in 9M12 and **2)**. Pertamina-Medco E&P Tomori Sulawesi US$ 46.2 million, a new project started in September 2012.

b) **MBSS' revenues up 8.5% YoY to US$ 112.1 million in 9M13** due to higher coal volume transported by both barging (+36.5% YoY from 20.7 million tonnes to 28.3 million tonnes) and transhipment businesses (+26.7% YoY to 15.8 million tonnes).

c) **Petrosea's revenues down 5.6% YoY to US$ 272.0 million in 9M13** primarily on the back of lower contributions from contract mining (-10.7% from US$ 266.6 million in 9M12 to US$ 238.0 million in 9M13), with overburden removal volume down 8.8% YoY from 116 million BCM in 9M12 to 106 million BCM. E&C and POSB businesses reported revenue of US$ 9.0 million (+395.5% YoY) and US$ 25.1 million (+26.8% YoY), respectively, in 9M13.

The cost of contracts and goods sold increased 23.3% to US$ 493.3 million from US$ 400.0 million in 9M12 due to increases in: **1).** Materials (+177.0%); **2).** Rental, repairs and maintenance (+72.1%); **3).** Construction (+67.0%); **4).** Depreciation (+22.4%); **5).** Direct salaries, wages & employee benefits (+7.4%). Tripatra's EPC Projects – Mobil Cepu Ltd. & Pertamina-Medco E&P Tomori Sulawesi, accounted for the majority of the increase.

General and administrative expenses decreased by US$ 1.6 million (-1.4% YoY) to US$ 111.8 million in 9M13 largely due to: **1).** Repair and maintenance (-9.1%); **2).** Rental heavy equipment (-26.3%); **3).** Travel and transportation (-24.8%); **4).** Rental vehicle, building and equipment (-10.9%). Salaries, wages and employee benefits increased by slightly 2.5% YoY (US$ 1.5 million) to US$ 63.3 million in 9M13 mostly due to the full 9 months inclusion of salaries, wages and employee benefits from the development of newly acquired coal assets, MTU.

Equity in profit of associates & jointly controlled entities declined 41.1% from US$ 160.8 million in 9M12 to US$ 94.7 million in 9M13 mainly due to lower earnings derived from Kideco which accounts for approximately 92.8% of the total.

Kideco reported net profit of US$ 202.4 million on revenue of US$ 1,643.3 million in 9M13. Reported net profit was down 40.8% YoY from US$ 341.8 million in 9M12 due to lower realised ASP (US$ 58.78/ton in 9M13 Vs. US$ 70.71/ton in 9M12).

Santan reported net loss of US$ 7.2 million on revenue of US$ 102.8 million in 9M13, a decline from $ 6.6 million net profit reported in 9M12.

Santan operated at a loss because realised ASP of US$ 74.9/ton was lower than cash cost (including royalty) of US$ 79.3 per ton and sales volume also declined 20.9% YoY to 1.37 million tonnes in 9M13.

Sea Bridge Shipping reported net profit of US$ 4.6 million (-57.5% YoY) on revenue of US$ 20.1 million.

Cotrans reported net profit of US$ 7.8 million (112.5+% YoY) on revenue of US$ 57.8 million.

Finance costs increased by US$ 20.2 million from US$ 53.7 million in 9M12 to US$ 73.9 million (+37.6% YoY) due largely to the increase in the Company's average debt balance as a result of liability management exercise where US$ 500.0 million 10-year 6.375% senior noted due 2023 was raised in January 2013, to prefund 2016 - US$ 230 million Bond callable in November 2013.

Amortization of Intangible Assets increased 30.7% to US$ 30.1 million from US$ 23.0 million in 9M12 due to a full period amortization of intangible assets resulting from the acquisition of MTU (May 2012) and MEA (March 2012). Intangible assets are amortized on a straight-line basis, based on their estimated "useful lives" - 27 years for MTU and 7 years for MEA.

Impairment of goodwill and intangible assets stood at US$ 14.6 million.

The company registered loss attributable to the owners of the company in the amount of US$ 15.6 million for the period ended September 30, 2013.

PT. Kideco Jaya Agung

Description (in US$ million)	3Q13	2Q13	1Q13	9M13	9M12 Audited	Changes (%)
Sales	519.2	575.0	549.2	1,643.3	1,824.4	-9.9%
Gross Profit	97.9	138.6	170.1	406.6	649.0	-37.3%
Operating Profit	91.4	128.6	164.5	384.4	620.2	-38.0%
Net Income	43.7	67.9	90.8	202.4	341.8	-40.8%
EBITDA	98.5	135.6	171.5	405.7	639.0	-36.5%
Gross Margin	18.9%	24.1%	31.0%	24.7%	35.6%	
Operating Margin	17.6%	22.4%	30.0%	23.4%	34.0%	
Net Margin	8.4%	11.8%	16.5%	12.3%	18.7%	
EBITDA Margin	19.0%	23.6%	31.2%	24.7%	35.0%	

*annualized

Description (in US$ million)	9M13	12M12 Audited	Changes (%)
Current Assets	593.9	523.7	13.4%
Total Assets	802.2	745.1	7.7%
Current Liabilities	357.2	312.1	14.4%
Debt	-	-	-
Total Equity	433.4	386.0	12.3%
Cash Balance	205.6	172.0	19.5%
Current Ratio (X)	1.7	1.7	

Description (in million tons)	9M13	9M12	Changes (%)
Coal Production	27.9	25.5	9.3%
Coal Sales Volume	28.0	25.8	8.3%
Stripping ratio (X)	6.5	6.7	-3.5%
Average selling price (US$/ton)	58.8	70.7	-16.9%

Kideco's revenues declined 9.9% from US$ 1,824.4 million in 9M12 to US$ 1,643.3 million in 9M13 as results of a decline in ASP to US$ 58.8/ton in 9M13 compared to US$ 70.7/ton reported in the corresponding period last year. However, coal sales volume increased 8.3% YoY from 25.8 million tonnes to 28.0 million tonnes in 9M13.

With lower stripping ratio reported at 6.5X Vs. 6.7X in 9M12, the cash cost per ton including royalty decreased 3.9% from US$ 45.3/ton in 9M12 to US$ 43.5/ton in 9M13.

As a result net profit for Kideco of US$ 202.4 million declined 40.8% YoY from US$ 341.8 million reported in 9M12.

Latest development

1. **October**, Indika Energy signed a principal agreement with China Railway Group Limited ("CREC") to jointly develop mining and transportation infrastructure projects in Papua and Central Kalimantan provinces in Indonesia.
2. **October**, PT. Mitra Energi Agung (MEA) signed cooperation agreement with PT. Ganda Alam Makmur ("GAM") where GAM will develop the infrastructure of the hauling road and the development activities including construction and maintenance.

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About PT Indika Energy Tbk. (www.indikaenergy.co.id)

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 Santan Batubara, PT Multi Tambangjaya Utama, PT Mitra Energi Agung); **Energy Services** – EPC oil and gas (Tripatra); – EPC contract mining (PT Petrosea Tbk.); **Energy Infrastructure** – coal transport & logistic (PT Mitrabahtera Segara Sejati Tbk., PT Sea Bridge Shipping, PT Cotrans Asia, PT Indika Logistic & Support Services); – power generation (PT Cirebon Electric Power).

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