

**DISCLOSURE OF INFORMATION TO SHAREHOLDERS  
IN CONNECTION WITH THE COMPANY'S PLAN TO CONDUCT BUYBACK  
OF ITS SHARES IN SIGNIFICANTLY FLUCTUATING MARKET CONDITIONS  
ACCORDING TO OJK REGULATION  
NO. 2/POJK.04/2013 AND OJK CIRCULAR LETTER NO. 3/SEOJK.04/2020**



**PT Indika Energy Tbk.  
("The Company")  
Domiciled in Jakarta, Indonesia**

**Business Activity**  
Trading, Construction, Mining, Transportation and Service.

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**INFORMATION TO SHAREHOLDERS  
REGARDING PLAN ON BUYBACK OF SHARES IN SIGNIFICANTLY  
FLUCTUATING MARKET CONDITIONS**

The Company is planning to do share buyback of the shares which have been issued and listed in Indonesia Stock Exchange with reference to OJK Rule No. 2/POJK.04/2013 on Buyback of Shares in Significantly Fluctuating Market Conditions and OJK Circular Letter No. 3/SEOJK.04/2020 on Other Conditions Constituting Significantly Fluctuating Market Conditions Allowing for Buyback of Shares ("SEOJK No. 3/SEOJK.04/2020"). Share buyback will be conducted by the Company amounting up to US\$20,000,000.- or equivalent to Rp300.000.000.000,- (three hundreds billion Rupiah) assuming that United States Dollar to Indonesia Rupiah exchange rate of Rp15,000 (fifteen thousand Rupiah). Pursuant to SEOJK No. 3/SEOJK.04/2020, the Company is allowed to buy back its shares for a maximum by 20% (twenty percent) of the paid-up capital provided that at least 7.5% of its issue and paid-up capital continue to be held by the public. The share buyback will be conducted gradually within three months effective since 9 April 2020 until 8 July 2020. The share buyback transaction will be executed through Indonesia Stock Exchange.

**This Disclosure is published in Jakarta on 8 April 2020**

## BACKGROUND

The current global economic condition is experiencing a pressure and slowdown, including but not limited to the Indonesia's capital markets condition. The trading condition in the IDX has experienced significant pressure as evidenced by the decline in the Composite Stock Price Index (IHSG) by 18.5% (eighteen point five percent) since the beginning of 2020 until the issuance date of SEOJK No.3/SEOJK.04/2020. The economy is also slowing down due to regional and national pressure, including as a result of the COVID-19 outbreak.

In the context of providing economic stimulus to the market and reducing the adverse impact from the current market condition, OJK issued SEOJK No. 3/SEOJK.04/2020. This opens up opportunities for the Company to conduct a buyback of shares without obtaining a prior approval of the shareholders in the general meeting of shareholders by taking into account the Company's capability and applicable regulations.

Based on the Company data, there was a decrease of share price from 1 January 2020 to 7 April 2020 by 36.8% (thirty six point eight percent), from Rp1,195 (one thousand one hundred ninety five Rupiah) down to Rp755 (seven hundred fifty five Rupiah) per share. The significant decline in the Company's shares price does not reflect the Company's positive performance, so that the Company intends to show its commitment in order to increase shareholders' value by returning excess free cash flow to its shareholders through the Share Buyback of the Company.

## SCHEDULE OF SHARE BUYBACK

No	Description	Date
1.	Disclosure submission to OJK and Stock Exchange	8 April 2020
2.	The announcement of Disclosure on Share Buyback Plan through Indonesia Stock Exchange website and company website <a href="http://www.indikaenergy.co.id">www.indikaenergy.co.id</a>	8 April 2020
3.	Share Buyback Period	9 April 2020 until 8 July 2020

Share buyback will be conducted within 3 (three) months period effectively from this Disclosure date, i.e. for the period of 9 April 2020 until 8 July 2020. If the fund allocation for share buyback has been fully allocated and/or total of share buyback has been fulfilled, the Company shall then announce a termination of share buyback.

## SHARE REPURCHASE EXPENSES ESTIMATION AND NOMINAL VALUE OF ALL SHARES THAT WILL BE PURCHASED

Fund for the proposed share buyback is allocated up to US\$20,000,000.- or equivalent to Rp300.000.000.000.- (three hundreds billion Rupiah) assuming that United States Dollar to Indonesia Rupiah exchange rate of Rp15,000 (fifteen thousand Rupiah), which is funded from Company's internal cash, excluding the share buyback transaction fee, brokers fee, and other fee relating to share buyback.

In accordance with SEOJK No. 3/SEOJK.04/2020, the number of shares to be repurchased shall not exceed 20% (twenty percent) of paid-up capital provided that at least 7.5% of its issued and paid-up capital shall continue to be held by the public.

## ESTIMATION OF DECLINING INCOME OF THE COMPANY AS A RESULT OF SHARES REPURCHASE AND IMPACT OF COMPANY'S FINANCING EXPENSE

Should the Company use its internal cash for the share buyback of up to US\$20,000,000.- or equivalent to Rp300.000.000.000,- (three hundreds billion Rupiah), the Company's Assets and Equity may decrease up to US\$20,000,000.- or equivalent to Rp300.000.000.000,- (three hundreds billion Rupiah) assuming that United States Dollar to Indonesia Rupiah exchange rate of Rp15,000 (fifteen thousand Rupiah) added with the share buyback transaction fees.

In relation to the transaction, the impact of operational expense will not be material. In addition, the potential cost from the transfer of assets in the form of cash to treasury stock is not expected to significantly affect the Company's revenue. For these matters, the Company believes that the share buyback transaction will not have any material adverse effect to the Company's business activities, as the Company has sufficient capital and cash flow to carry out financing transactions in conjunction with the Company's business activities.

## PROFORMA OF COMPANY EARNING PER SHARE AFTER THE SHARES REPURCHASED IS EXECUTED

The following is the pro-forma of Company's Total Assets, Equity and EPS, as highlighted in the Consolidated Financial Statement as of 31 December 2019 and calculating the share buyback program up to US\$20,000,000.- or equivalent to Rp300.000.000.000,- (three hundreds billion Rupiah) assuming that United States Dollar to Indonesia Rupiah exchange rate of Rp15,000 (fifteen thousand Rupiah) and transaction fees (broker fee and other fee) related to the share buyback transaction.

<b>AUDITED FINANCIAL STATEMENTS</b>			
<b>For the year ended 31 December 2019</b>			
(in US\$ million)	<b>Before Share Buyback</b>	<b>Impact</b>	<b>After Share Buyback</b>
Total Assets	3,616.2	-20.0	3,596.2
Total Equity	1,045.8	-20.0	1,025.8
Profit for the Year	5.0		5.0
Loss for the Year attributable to the Owners of the Company	-18.2		-18.2
Core Profit	75.5		75.5
Loss per share	-0.0035	-0.0005	-0.0039
Core Profit per share	0.0117	0.0046	0.0164

Notes:

*Assuming the total number of share buyback is maximum of 5.8% of total shares outstanding.*

The above analysis shows that the share buyback will not give significant changes to the Company's financial indicator.

## LIMITATION OF THE SHARE BUYBACK PRICE

Share buyback of the Company will be conducted in accordance with applicable regulations at fair and reasonable price.

## METHODS THAT WILL BE USED FOR SHARE BUYBACK

1. The Company has appointed PT Mandiri Sekuritas to conduct the share buyback.
2. The share buyback will be executed through IDX.
3. The share buyback will be executed on the price of which is lower or as the closing price on previous trading day.
4. Every party whoever:
  - a. Commissioners, Directors, employees and Major Shareholders of the Company;
  - b. An individual who due to his position or profession or because of his business relationship with the Company allows that person to obtain inside information; or
  - c. The party within the last 6 (six) months is no longer a Party as referred to the items a and b, are prohibited to purchase and/or sell the Company's shares during the share buyback period or on the same day with the transfer of repurchased shares by the Company through the IDX.

## MANAGEMENT DISCUSSION AND ANALYSIS OF THE IMPACT OF SHARE BUYBACK TO THE BUSINESS ACTIVITIES AND GROWTH OF THE COMPANY

1. The Company's revenue is not expected to decrease due to the implementation of share buyback.
2. Share buyback is estimated to have a minimal impact on the Company's financing costs.
3. Share buyback will reduce the Company's Assets and Equity by the number of shares bought back. If the company used all the reserved fund to do share buyback in the maximum amount, then Assets and Equity will reduce up to a maximum of US\$20,000,000.- (twenty million United States Dollars) or equivalent to Rp300.000.000.000,- (three hundreds billion Rupiah) assuming that United States Dollar to Indonesia Rupiah exchange rate of Rp15,000 (fifteen thousand Rupiah),
4. The Company believes that the implementation of share buyback will not have a material negative impact on the Company's business activities and growth, because the Company currently has sufficient capital and cash flow to conduct and finance all business activities, business development activities, operational activities and the share buyback itself.

## ADDITIONAL INFORMATION

For the shareholders who need additional information can contact the Company during business hours with the address:

**PT Indika Energy Tbk.**

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