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28 April 2016

INDIKA ENERGY RESULTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016

Jakarta -PT Indika Energy Tbk. (IDX: INDY) Indonesia's leading integrated energy company, reported its unaudited financial statements for the 3-months ended March 31, 2016.

- **Revenues of US\$195.1 million decreased 37.9% yoy** from US\$314.3 million reported in 1Q15 due mainly to lower revenue contribution from Tripatra, Petrosea, MBSS, and coal trading.
- **Gross profit declined 36.8% yoy to US\$20.4 million** from US\$32.3 million reported in 1Q15.
- **The company reported a US\$6.4 million operating loss** as compared to a US\$8.4 million operating profit in 1Q15.
- **Equity in Net Profit of Associates and Jointly Controlled Entities declined by 45.7% to US\$16.7 million** mainly as a result of the declining earnings contribution from PT Kideco Jaya Agung ("Kideco"). Kideco's reported unaudited net profit of US\$30.7 million (-49.0% yoy) as a result of decreased in the average selling prices and sales volume.
- **The company registered a US\$4.9 million Loss Attributable to Owners of the Company** vs a US\$11.6 million profit in 1Q15.
- **Adjusted EBITDA (LTM) was US\$210.8 million for the period ending March 31, 2016**
- **Cash and Other Financial Assets reported were US\$396.4 million.**
- **Capex realization spending during 1Q16 decreased 79.9% to US\$3.1 million** from US\$15.5 million reported in 1Q15

PT Indika Energy Tbk.

Descriptions (in USD mn)	3M15 <i>unaudited</i>	3M16 <i>unaudited</i>	Changes YoY
Total revenues	314.3	195.1	-37.9%
Tripatra	125.3	75.7	-39.6%
Petrosea	64.6	42.2	-34.8%
MBSS	26.2	18.3	-30.0%
Coal trading	81.1	42.3	-47.8%
Others	17.1	16.5	-3.5%
Gross profit	32.3	20.4	-36.8%
General and administrative expenses	23.9	26.8	12.1%
Operating profit	8.4	(6.4)	-175.8%
Equity in net profit of associates & jointly-controlled entities	30.8	16.7	-45.7%
Investment income	2.0	1.3	-34.1%
Finance cost	17.8	15.8	-11.4%
Amortization of intangible assets	8.8	6.4	-26.5%
Others- net	(1.5)	2.7	-276.0%
Final tax	3.2	2.9	-10.2%
Profit (Loss) Income before tax	9.9	(10.7)	-208.8%
Profit (Loss) for the year/period :	11.0	(8.1)	-173.4%
Profit (Loss) attributable to owners of the company	11.6	(4.9)	-141.8%
Profit (Loss) attributable to non-controlling Interest	(0.6)	(3.2)	421.2%
Adjusted EBITDA	34.8	53.6	54.0%
LTM - Adjusted EBITDA*	219.3	210.8	-3.9%
Gross margin	10.3%	10.5%	
Operating margin	2.7%	-3.3%	
Net margin	3.7%	-2.5%	

* Includes dividends from associates (last twelve months period ended 31 Mar. 2016)

The company's 1Q15 Revenues decreased 37.9% yoy to US\$195.1 million as a result of:

- a) **Lower Revenues from Tripatra (-39.6%, -US\$49.6 million yoy) to US\$75.7 million**, mostly driven by the following EPC projects: 1) Pertamina-Medco E&P Tomori Sulawesi US\$10.1 million in 1Q16 vs. US\$40.9 million in 1Q15 as Tripatra completed the project in 2015; 2) Eni Muara Bakau US\$25.7 million in 1Q16 vs. US\$28.4 million in 1Q15; 3) Exxon Mobil Cepu US\$34.2 million in 1Q16 vs. US\$48.1 million.

- b) **Revenue from Coal trading business decreased 47.8% yoy to US\$42.3 million in 1Q16 from US\$81.1 million in 1Q15.** The lower revenue contribution from coal trading business mainly due to lower traded coal volume - 1.6 Mt in 1Q16 vs. 2.2 Mt in 1Q15.
- c) **Petrosea's Revenues declined 34.8% yoy to US\$42.2 million in 1Q16** primarily as a result of lower contributions from contract mining (-58.4% yoy from US\$49.0 million to US\$20.4 million). Overburden removal volume declined 49.1% yoy from 21.8 million BCM in 1Q15 to 11.0 million BCM in 1Q16 mainly because of PT Adimitra Baratama Nusantara ("ABN") opted for early termination of the contract in first half of 2015 contributed about 10.9 million BCM in 1Q15. Contribution from new contracts from IAC and ANZ combined mitigated the drop in overburden volume at Kideco contract. Revenue from Petrosea Offshore Supply Base ("POSB") decreased 26.7% yoy to US\$6.7 million in 1Q16. On the other hand, non-contract mining revenues arising from its oil and gas services and E&C businesses increased significantly by 129.0% yoy to US\$15.0 million in 1Q16 due to mainly from Freeport projects.
- d) **MBSS' 1Q16 Revenues declined 30.2% yoy to US\$18.3 million in 1Q16** from US\$26.2 million in 1Q15 mainly due to lower coal volume transported by floating crane (-33.2% yoy from 5.2 Mt in 1Q15 to 3.5 Mt in 1Q16. Barging volumes was stable (-0.6% yoy from 6.14 Mt in 1Q15 to 6.11 Mt in 1Q16).

Gross Profit decreased to US\$20.4 million in 1Q16, down 36.8% yoy from US\$32.3 million reported in the same period last year. The gross margin slightly stable from 10.3% to 10.5%.

General and Administrative expenses increased 12.1% yoy from US\$23.9 million in 1Q15 to US\$26.8 million in 1Q16 due to charges related employee's severance payment resulting rationalization program.

Equity in Net Profit of Associates & Jointly Controlled Entities decreased 45.7% from US\$30.8 million in 1Q15 to US\$16.7 million in 1Q16 mainly due to lower earnings contribution from Kideco. Kideco which accounted for approximately 73.9% of the total equity in net profit of associated reported Net Profit of US\$30.7 million, down 49.0% yoy.

Finance Costs were decreased to US\$15.8 million (-11.4%yoy). The lower finance cost in 1Q16 was contributed by decrease in the Company's average debt balance, mainly on partial settlement of FY2018 Senior notes of US\$128.6 million in December 2015 which contributed saving of interest of US\$2.3 million.

The Company recorded Others-net from loss US\$1.5 million in 1Q15 compare to profit of US\$2.7 million in 1Q16 which mainly contributed from FX gain due to appreciation of Rupiah against US\$

The company registered Loss Attributable to the Owners of the Company in the amount of US\$4.9 million in 1Q16, a 141.8% decrease compared to Profit Attributable to the Owners of the Company in the amount of US\$11.6 million in 1Q15.

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Descriptions (in USD mn)	3M15 <i>unaudited</i>	3M16 <i>unaudited</i>	Changes YoY
Cash balance*	372.2	396.4	6.5%
Current assets	967.5	879.9	-9.1%
Total assets	2,375.3	2,133.5	-10.2%
Current liabilities	480.8	499.6	3.9%
Total net interest bearing debt**	1,105.3	989.9	-10.4%
Shareholder equity	925.1	822.7	-11.1%
Current ratio (X)	2.0	1.8	
Debt to equity (X)	1.2	1.2	
Net debt to equity (X)	0.8	0.7	

* includes restricted cash

** includes unamortized bond issuance costs

PT KIDECO JAYA AGUNG

Descriptions (USD mn)	3M15 <i>unaudited</i>	3M16 <i>unaudited</i>	Changes YoY
Sales	487.3	358.2	-26.5%
Gross profit	114.1	60.0	-47.4%
Operating profit	108.4	55.3	-48.9%
Net income	60.2	30.7	-49.0%
EBITDA	116.1	61.6	-46.9%
Gross margin	23.4%	16.7%	
Operating margin	22.2%	15.4%	
Net margin	12.3%	8.6%	
EBITDA margin	23.8%	17.2%	
Cash balance	224.4	152.9	-31.9%
Current assets	503.1	398.4	-20.8%
Total assets	679.0	554.2	-18.4%
Current liabilities	278.9	315.2	13.0%
Total equity	386.8	222.7	-42.4%
ROA*	35.4%	22.2%	
ROE*	62.2%	55.1%	
Current ratio (X)	1.8	1.3	
Net Debt to Equity (X)	net cash	net cash	

* annualized

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Kideco's Revenues declined 26.5% to US\$358.2 million in 1Q16. Kideco reported coal sales volume of 9.5 Mt at ASP of US\$37.9 per ton down from 10.4 Mt at ASP of US\$47.0 per ton. At the same time, cash cost including royalty improved from US\$37.1/Ton to US\$34.9/Mt primarily as a result of lower stripping ratio and improve contract mining .

Descriptions (USD mn)	3M15 <i>unaudited</i>	3M16 <i>unaudited</i>	Changes YoY
Overburden (mn bcm)	56.9	44.3	-22.2%
Production volume (Mt)	9.8	8.4	-15.1%
Sales volume (Mt)	10.4	9.5	-8.8%
Stripping ratio (X)	5.8	5.3	-8.3%
Average selling price (US\$/ton)	47.0	37.9	-19.4%

Since the modest improvement in cash cost cannot offset the significant drop in ASP in 1Q16, Kideco posted a 49.0% decrease in net profit to US\$30.7 million.

Recent Developments

- In April, Moody's downgraded Indika's rating on both US\$171mn notes due 2018 and US\$500mn notes due 2023 to 'Caa1' from 'B3'. The Outlook on the ratings remains Negative.
- Approved dividends

Company	2015 Net Profit (USD mn)	Dividend Declared (USD mn)	Indika Energy Portion (USD mn)		Proposed Payment Date	Payout Ratio
Kideco	138,1	131,2	60,3	32,2	Mar 2016	95%
				13,8	Jul 2016	
				14,3	Nov 2016	
Cotrans	16,0	16,4	7,6	5,3	Mar 2016	104%
				2,3	Oct 2016	
KPI / ILSS	3,9	4,0	4,0	4,0	Apr 2016	103%
Total			71,9	71,9		

April 28, 2016, the shareholders of PT Indika Energy Tbk has approves the following during the Extraordinary Shareholders' General Meeting and Annual General Meeting

1. Approve the changes of Company's article of association in relation to the compliance of POJK No. 32/POJK.04/2015 regarding the increase of Capital Public Company by giving Pre-emptive Rights
2. Approve Indika Energy financial statement for year ended December 31, 2015
3. The AGM approves changes in the Board of Commissioners and Board of Directors. The new composition of Board of Directors and Board of Commissioners are as follows:

Board of Commissioners

President Commissioners	: Wishnu Wardhana
Vice President Commissioners	: Agus Lasmono
Commissioners	: Richard Bruce Ness
Independent Commissioners	: Muhamad Chatib Basri
Independent Commissioners	: Boyke Wibowo Mukijat

Board of Directors

President Director	: M. Arsjad Rasjid P.M.
Director	: Azis Armand
Independent Director	: Eddy Junaedy Danu

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ABOUT PT INDIKA ENERGY TBK.

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 & gas (PT Tripatra Engineers & Constructors, PT Tripatra Engineering); EPC – contract mining (PT Petrosea Tbk.), and **Energy Infrastructure** – marine transportation, ports & logistics for bulk goods and natural resources (PT Mitrabahtera Segara Sejati Tbk., PT Sea Bridge Shipping, PT Cotrans Asia, PT Indika Logistic & Support Services, PT Kuala Pelabuhan Indonesia); coal-fired power plant (PT Cirebon Electric Power).

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