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INDIKA ENERGY RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2016

Jakarta - PT Indika Energy Tbk. (IDX: INDY) Indonesia's leading integrated energy company, reported its unaudited consolidated financial statements for the nine-month period ended September 30, 2016.

- **Revenues of US$567.7 million decreased 32.8% YoY** from US$845.3 million reported in 9M15 due mainly to lower revenues contribution from Tripatra, MBSS and coal trading business.

- **Gross profit declined 29.0% YoY to US$56.6 million** from US$79.7 million reported in 9M15.

- **The company reported US$13.6 million operating loss** as compared to a US$1.1 million operating profit in 9M15.

- **Equity in profit of associates and jointly controlled entities declined 21.2%** YoY to US$48.1 million from US$61.0 million due mainly to declining earnings contribution from PT Kideco Jaya Agung ("Kideco"). Kideco reported unaudited net profit of US$62.0 million (-46.0% yoy) as a result of decreased in the average selling prices and sales volume.

- **The company registered a US$16.3 million loss attributable to the owners of the company** vs. a US$25.4 million loss in 9M15.

- **Adjusted EBITDA (LTM) was US$190.2 million for the period ending September 30, 2016.**

- **Cash and other financial assets were US$314.0 million as of September 30, 2016.**

- **Capex realization for the period ended 9M16 was US$10.6 million**.

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PT Indika Energy Tbk.

Descriptions (in USD mn)	9M15 unaudited	9M16 *unaudited*	Changes YoY
Total revenues	**845.3**	**567.7**	**-32.8%**
Tripatra	356.7	172.9	-51.5%
Petrosea	164.6	148.4	-9.9%
MBSS	71.5	49.9	-30.3%
Coal trading	205.4	147.9	-28.0%
Others	47.2	48.7	3.2%
Gross profit	**79.7**	**56.6**	**-29.0%**
General and administrative expenses	78.6	70.2	-10.7%
Operating profit	**1.1**	**(13.6)**	
Equity in net profit of associates & jointly-controlled entities	61.0	48.1	-21.2%
Investment income	7.9	3.9	-50.8%
Finance cost	53.7	45.9	-14.5%
Amortization of intangible assets	26.3	19.3	-26.6%
Impairment of assets	0.0	0.9	
Others - net	(15.2)	5.1	-133.3%
Final tax	(11.0)	(8.3)	-24.2%
Loss Income before tax	**(36.2)**	**(30.9)**	**-14.5%**
Loss for the year/period :	(34.6)	(27.5)	-20.3%
Loss attributable to owners of the company	**(25.4)**	**(16.3)**	**-35.9%**
Loss attributable to non-controlling Interest	(9.1)	(11.2)	23.0%
Adjusted EBITDA	124.1	122.3	-1.4%
LTM - Adjusted EBITDA*	198.0	190.2	-3.9%
Gross margin	9.4%	10.0%	
Operating margin	0.1%	-2.4%	
Net margin	-3.0%	-2.9%	
Adjusted EBITDA Margin	14.7%	21.5%	
LTM - Adjusted EBITDA margin	16.9%	23.2%	

* Includes dividends from associates (last twelve months period ended 30 Sept. 2016)

The company's 9M16 Revenues decreased 32.8% YoY to US$567.7 million as a result of:

a) **Tripatra's revenues declined 51.5% to $172.9 million from $356.7 million** in 9M15 driven by the following EPC projects which most of the works in the completion stage: **1)** Exxon Mobil-Cepu US$53.4 million in 9M16 vs. US$153.6 million in 9M15; **2)** ENI-Muara Bakau B.V., US$82.9 million in 9M16 vs. US$79.8 million in 9M15; **3)** Pertamina-Medco E&P Tomori Sulawesi US$14.2 million in 9M16 vs. US$77.6 million in 9M15; and **4)** JO STC US$13.5 million in 9M16 vs. US$23.2 million in 9M15.

b) **Petrosea's revenues slightly declined 9.9% to US$148.4 million in 9M16 from $164.6 million in 9M15. 1)** Revenue from contract mining reported at US$76.9 million, a 34.9% declined YoY resulting from 58.0% declined in overburden removal volume (52.0mm BCM to 21.8mm BCM) caused by early termination of ABN mining contract project in June 2015 while a new mining contract with BMB started generating revenue; **2)** Revenue from POSB also decreased 28.9% YoY from US$25.2 million to US$17.9 million reported in as the result of lower activities in oil & gas sector; and **3)** Revenues from ENC business more than double to 150.5% YoY from US$20.9 million to US$52.4 million.

c) **MBSS' revenues decreased 30.3% to US$49.9 million** in 9M16 from US$71.5 million in 9M15. The lower revenue is mainly due to lower coal volume transported for barging and transhipment. Coal volumes transported by barging declined 2.1% to 16.9 Mt and transhipment volumes declined 36.9% to 9.6 Mt.

d) **Revenues from coal trading declined 28.0% to US$147.9 million** from US$205.4 million in 9M15 is driven by lower traded coal volume and lower ASP. Traded coal volumes dropped to 5.5 Mt in 9M16 versus 6.1 Mt in 9M15.

Gross profit declined 29.0% to US$56.6 million from US$79.7 million reported in 9M15 driven by lower gross profit contribution from MBSS and the coal trading business. On the other hand, the improved gross profit margin reported at Petrosea and Tripatra has led the overall gross margin improved from 9.4% in 9M15 to 10.0% in 9M16.

Selling, General and Administrative expenses declined 10.7% YoY from US$78.6 million in 9M15 to US$70.2 million in 9M16 (down US$8.4 million) resulting from on-going cost saving initiatives across the companies.

Equity in profit of associates & jointly controlled entities declined 21.2% from US$61.0 million in 9M15 to US$48.1 million in 9M16 mainly due to lower earnings derived from Kideco.

- **Kideco** reported **net profit of US$62.0 million** on revenue of US$930.4 million in 9M16. Reported net profit declined 46.0% YoY from US$114.8 million in 9M15. ASP declined 14.8% from US$44.0 per ton in 9M15 to US$37.5 per ton in 9M16 and sales volumes declined 14.9% from 29.2 mm tons to 24.8 mm tons.

- **Sea Bridge Shipping reported net profit of US$7.4 million** on revenue of US$19.4 million (-8.6% YoY) in 9M16. Total coal volume in 9M16 decreased to 9.6 Mt versus 10.1Mt in 9M15. **Cotrans** reported **net profit of US$8.3 million** (-40.8% YoY) on revenue of US$45.2 million (-26.7% YoY). Total transported coal volume decreased to 21.3 Mt in 9M16 versus 24.8Mt.

- **Cirebon Electric Power reported net profit US$99.2 million**, a significant increased 253.7% from US$28.0 in 9M15 due to asset revaluation

Finance Costs decreased to US$45.9 million compared to US$53.7 million due mainly to lower in the Company's average debt balance as the result of partial settlement of FY2018 senior notes in December 2015.

The company reported other income US$5.1 million in 9M16 mainly due to lower tax provision, and foreign exchange difference.

The company reported a US$16.3 million loss attributable to the owners of the company compared to US$25.4 million loss in 9M15.

Descriptions (in USD mn)	9M15 unaudited	9M16 *unaudited*	Changes YoY
Cash balance*	391.6	314.0	-19.8%
Current assets	910.8	746.6	-18.0%
Total assets	2,311.2	1,976.5	-14.5%
Current liabilities	489.9	387.3	-21.0%
Total net interest bearing debt**	1,080.1	886.7	-17.9%
Shareholder equity	870.6	831.5	-4.5%
Current ratio (X)	1.9	1.9	
Debt to equity (X)	1.2	1.1	
Net debt to equity (X)***	0.8	0.7	

* includes restricted cash

** includes unamortized bond issuance costs

*** total cash balance deducted from total debt devided by shareholder equity

PT Kideco Jaya Agung

Descriptions (USD mn)	9M15 *unaudited*	9M16 *unaudited*	Changes YoY
Sales	1,283.7	930.4	*-27.5%*
Gross profit	230.7	126.5	*-45.2%*
Operating profit	210.3	108.9	*-48.2%*
Net income	**114.8**	**62.0**	***-46.0%***
EBITDA	231.8	127.2	*-45.1%*
Gross margin	18.0%	13.6%	
Operating margin	16.4%	11.7%	
Net margin	8.9%	6.7%	
EBITDA margin	18.1%	13.7%	
Current assets	450.3	320.5	*-28.8%*
Total assets	614.6	465.7	*-24.2%*
Current liabilities	259.8	195.4	*-24.8%*
Debt	0.0	0.0	*0.0%*
Total equity	341.5	254.0	*-25.6%*
Cash balance	151.2	96.7	*-36.0%*

Kideco's Revenues declined 27.5% from US$1,283.7 million in 9M15 to US$930.4 million in 9M16 due to lower ASP and coal sales volume. ASP declined 14.8% from US$44.0 million per ton in 9M15 to US$37.5 million per ton in 9M16 and sales volumes declined 14.9% from 29.2 mm tons to 24.8 mm tons.

Reported net profit declined 46.0% from **US$114.8 million in 9M15 to US$62.0 million in 9M16.**

Cash cost including royalty improved from US$35.4/Mt to US$32.5/Mt, for 9M15 and 9M16, correspondingly, mainly as a result of lower stripping ratio at 6.0x in 9M16 compared 6.3x in 9M16 due to improved contract mining rate.

Descriptions (USD mn)	9M15 *unaudited*	9M16 *unaudited*	Changes YoY
Overburden (mn bcm)	183.1	144.5	*-21.1%*
Production volume (Mt)	29.2	24.2	*-17.1%*
Sales volume (Mt)	29.2	24.8	*-14.9%*
Stripping ratio (X)	6.3	6.0	*-4.8%*
Average selling price (US$/ton)	44.0	37.5	*-14.8%*

Latest Development

- A consortium led by Indika Energy's subsidiary PT Tripatra Engineers and Contractors and PT Tripatra Engineering together with PT Chiyoda Internasional Indonesia, PT Saipem Indonesia, and PT Suluh Ardhi Engineering, has signed Engineering Procurement Construction contract with BP Berau Ltd for the EPC work of Tangguh Expansion Project (Tangguh LNG Train 3) in August 2016. Tripatra has 30% participation interest in the consortium. The project has started in the third quarter of 2016 with estimated project period of 48 months.
- In August 2016, Petrosea signed a contract with PT Indonesia Bulk Terminal for engineering and constructions works approximately US$4 million
- In September 2016, MUTU has successfully delivered 1st coal shipment to its customer
- In September 2016, ILSS signed contract with PT Cikarang Listrindo for coal handling operation and maintenance and a new contract with PT Adhi Karya (Persero) Tbk for materials handling logistic in Light Rapid Transportation project.

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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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