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30 March 2016

INDIKA ENERGY RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2015

Jakarta - PT Indika Energy Tbk. (IDX: INDY) Indonesia's leading integrated energy company, reported its audited consolidated financial statements for the full year period ended December 31, 2015.

- **Revenues of US\$1,097.3 million decreased 1.1%** from US\$1,109.5 million reported in FY14 due mainly to lower revenue contribution from Petrosea and MBSS.
- **Gross profit** declined 45.1% to **US\$88.3 million** from US\$161.0 million reported in FY14.
- The company reported a **US\$15.4 million operating loss** as compared to a US\$28.8 million operating profit in FY14.
- **Equity in profit of associates and jointly controlled entities** declined 1.2% to **US\$72.6 million** from US\$73.5 million due mainly to lower contribution from Kideco.
- The company registered a **US\$44.6 million loss attributable to the owners of the company** vs. a US\$27.6 million loss in FY14.
- **Adjusted EBITDA was US\$192.0 million for the period ending December 31, 2015.**
- **Cash and other financial assets were US\$339.4 million as of December 31, 2015.**
- **Capex spending was US\$58.7 million in 2015.**

PT Indika Energy Tbk.

Descriptions (in USD mn)	FY14 <i>audited</i>	FY15 <i>audited</i>
Total revenues	1,109.5	1,097.3
Tripatra	417.7	475.1
Petrosea	347.9	206.8
MBSS	134.1	89.8
Coal trading	143.0	263.4
Others	66.8	62.2
Gross profit	161.0	88.3
General and administrative expenses	132.3	103.8
Operating profit	28.8	(15.4)
Equity in net profit of associates & jointly-controlled entities	73.5	72.6
Investment income	10.9	9.8
Finance cost	(69.4)	(71.5)
Amortization of intangible assets	(36.6)	(35.2)
Impairment of asset	0.0	(57.2)
Others- net	(9.5)	24.6
Final tax	(15.8)	(15.6)
Profit (Loss) Income before tax	(18.3)	(87.9)
Profit (Loss) for the year/period :	(30.6)	(76.8)
Profit (Loss) attributable to owners of the company	(27.6)	(44.6)
Profit (Loss) attributable to non-controlling Interest	(3.0)	(32.3)
Adjusted EBITDA	231.9	192.0
EPS (USD/share)	(0.005)	(0.009)
Gross margin	14.5%	8.0%
Operating margin	2.6%	-1.4%
Net margin	-2.5%	-4.1%
Adjusted EBITDA Margin	20.9%	17.5%

The company's revenues decreased 1.1% to US\$1,097.3 million from US\$1,109.5 million for FY14 as higher revenues at Tripatra and coal trading were offset by lower revenue contribution from Petrosea and MBSS:

- a) Tripatra grew revenues 13.7% to \$475.1 million from \$417.7 million in FY14 mostly driven by the following EPC projects: **1)** Exxon Mobil-Cepu US\$211.7 million in FY15 vs. US\$189.8 million in FY14; **2)** ENI-Muara Bakau B.V., US\$137.5 million vs. US\$61.6 million; **3)** Pertamina-Medco E&P Tomori Sulawesi US\$97.1 million vs. US\$147.7 million in FY14, as Tripatra completed the Pertamina-Medco project in 2015.

- b) **Revenues from coal trading grew 84.1% to US\$263.4 million** from US\$143.0 million in FY14. Traded coal volume were 8.2 Mt in FY15 versus 3.6 Mt in FY14, while realized ASP declined from US\$38.0/t to US\$32.2/t.
- c) **Petrosea's revenues declined 40.5% to US\$206.8 million in FY15 from US\$347.9 million in FY14.** Overburden removal volume declined 45.6% YoY (131.2mn BCM to 71.4mn BCM) and contract mining revenue declined 50.8% YoY (US\$294.2 million to US\$144.7 million). Petrosea's contract mining business was negatively affected by declining overburden volumes at PT Adimitra Baratama Nusantara ("ABN"), whose contract was terminated in May 2015, and at PT Gunung Bayan Pratama Coal Tbk. ("GBP"), whose legacy mine was closed in 2014. GBP's Tabang mine, a new project which started ramping in 2015, and a new contract with IAC, contributed to US\$18.8 million incremental revenue for 2015. Petrosea's Engineering and Construction business grew revenues by 56.5% from US\$18.2 million in FY14 to US\$28.4 million in FY15 as the company ramped its work at Freeport and other civil engineering projects. Revenues from Petrosea Offshore Supply Base ("POSB") remained roughly flat at US\$33.8 million.
- d) **MBSS' revenues decreased 33.1% to US\$89.8 million** in FY15 from US\$134.1 million in FY14. Coal volumes transported by barging declined 28.5% to 22.2 mt and transshipment volumes declined 26.8% to 15.8 mt. Pricing for transshipment was stable while pricing for barging remained soft in 2015.

The cost of contracts and goods sold increased 6.4% to US\$1,009.0 million as a result of growth at Tripatra's EPC projects and coal trading, partially offset by lower cost of contracts and good sold at Petrosea and MBSS.

Gross profit declined 45.1% to **US\$88.3 million** from **US\$161.0 million** reported in FY14 driven by lower gross profit contribution from Tripatra, MBSS and Petrosea. Gross profit contribution from Petrosea and MBSS declined from US\$67.2 million and US\$41.4 million, respectively, to US\$29.7 million and US\$15.1 million.

General and administrative expenses decreased 21.6% YoY from US\$132.3 million in FY14 to US\$103.8 million in FY15 (down US\$28.5 million) due to continued drive to reduce costs companywide.

Equity in profit of associates & jointly controlled entities declined 1.2% from US\$73.5 million in FY14 to US\$72.6 million in FY15 due to lower earnings derived from Kideco.

- a) **Kideco reported net profit of US\$138.1 million** on revenue of US\$1,658.2 million in FY15. Reported net profit declined 10.5% from US\$154.4 million in

FY14 to US\$138.1 million in FY15. ASP declined 16.2% from US\$51.3/t in FY14 to US\$42.9/t in FY15 and sales volumes declined 3.9% from 40.2 Mt to 38.6 Mt.

- b) **CEP's** net income contribution to Indika increased from US\$4.5 million in 2014 to US\$7.8 million in 2015 as the availability factor improved in 2015.
- c) **SBS** reported **net profit of US\$5.2 million, down from US\$6.1 million in 2014** on revenue of US\$29.4 million (+5.3% YoY). **Cotrans** reported **net profit of US\$16.0 million** (+19.3% YoY) on revenue of US\$80.0 million (-4.0% YoY).

Finance Costs grew 2.9% to **US\$71.5 million** from US\$69.4 million due to increased financing for the coal trading operations and higher working capital requirements at Tripatra.

In late December, Indika performed a liability management exercise and repurchased US\$128.6 million of principal value of its 2018 notes which would have paid 7% interest going forward.

Other income rose to a **US\$24.6 million gain from a US\$9.5 million loss in 2014**, primarily due to a one-time US\$46.8 million gain on the bond repurchase in December 2015. The gain was offset by a US\$4.7 million loss on foreign exchange, a US\$4.5 million provision for loss from asset disposal at MBSS, a US\$4.2 million impairment loss mainly on accounts receivable at Petrosea, and a US\$3.2 million payment for exploration and development.

The company took a **US\$57.2 million asset impairment charge**, the majority related to its MEA and Baliem coal development projects, which were fully impaired.

The company registered a **US\$44.6 million loss attributable to the owners of the company** vs. a US\$27.6 million loss in FY14.

Descriptions (in USD mn)	FY14 <i>audited</i>	FY15 <i>audited</i>
Cash balance*	411.1	339.4
Current assets	831.4	827.3
Total assets	2,290.3	2,150.4
Current liabilities	396.3	505.6
Total net interest bearing debt**	1,025.7	976.8
Shareholder equity	913.9	831.5
Current ratio (X)	2.1	1.6
Debt to equity (X)	1.1	1.2
Net debt to equity (X)	0.7	0.8

* includes restricted cash

** includes unamortized bond issuance costs

PT Kideco Jaya Agung

Descriptions (USD mn)	FY14 <i>audited</i>	FY15 <i>audited</i>	Changes YoY
Sales	2,059.4	1,658.2	-19.5%
Gross profit	328.3	281.3	-14.3%
Operating profit	295.6	253.6	-14.2%
Net income	154.4	138.1	-10.5%
EBITDA	328.7	281.8	-14.3%
Gross margin	15.9%	17.0%	
Operating margin	14.4%	15.3%	
Net margin	7.5%	8.3%	
EBITDA margin	16.0%	17.0%	
Cash balance	107.3	188.6	75.9%
Current assets	396.0	400.5	1.1%
Total assets	602.4	582.8	-3.3%
Current liabilities	224.3	211.5	-5.7%
Total equity	326.6	323.2	-1.0%
ROA*	25.6%	23.7%	
ROE*	47.3%	42.7%	
Current ratio (X)	1.8	1.9	
Net Debt to Equity (X)	net cash	net cash	

Kideco's Revenues declined 19.5% from **US\$2,059.4 million** in FY14 to **US\$1,658.2 million** in FY15. ASPs declined 16.2% from **US\$51.3/t** in 2014 to **US\$42.9/t** in 2015 and sales volumes declined 3.9% from 40.2 Mt to 38.6 Mt. Cash cost including royalty improved from US\$42.1/t to US\$34.6/t, mainly as a result of lower fuel costs and operational efficiencies.

Descriptions (USD mn)	FY14 <i>audited</i>	FY15 <i>audited</i>	Changes YoY
Overburden (mn bcm)	257.4	244.6	-5.0%
Production volume (Mt)	40.3	39.0	-3.3%
Sales volume (Mt)	40.2	38.6	-3.9%
Stripping ratio (X)	6.4	6.3	-1.7%
Average selling price (US\$/ton)	51.3	42.9	-16.2%

Reported net profit declined 10.4% from **US\$154.4 million** in FY14 to **US\$138.1 million** in FY15.

Latest Developments

On October 23, 2015, CEPR (PT Cirebon Energi Prasarana), in which Indika has a 25% stake through PEC (PT Prasarana Energi Cirebon), signed a 25-year Power Purchase Agreement (PPA) with PT PLN (Persero). CEPR will build and operate a 1x1000 MW coal-fired power plant (CEP-2).

On December 22, 2015, Indika completed a tender offer to repurchase and partially retire its 2018 notes. The company repurchased US\$128.6 million of principal value of the 2018 notes for approximately US\$78.4 million.

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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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FURTHER INFORMATION

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