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Indika Energy has Entered Share Subscription Agreement to Increase Its Stake in Awak Mas Gold Project

Jakarta - PT Indika Energy Tbk. (IDX: INDY) or through its subsidiary PT Indika Mineral Investindo (“IMI”) has entered into a Share Subscription Agreement with Nusantara Resources Limited (“Nusantara”), and PT Masmindo Dwi Area (“Masmindo”) in relation to the Awak Mas Gold Project (“Term Sheet”). This development is a confirmation of the term sheet that had been agreed in December 2019.

With this Share Subscription Agreement, Indika Energy will invest up to USD 40 million into Nusantara’s wholly-owned subsidiary PT Masmindo Dwi Area (“Project Company”) in two tranches subject to satisfactory conditions. In Tranche 1, Indika Energy will subscribe 25% shares in Masmindo for the amount of US\$15 million which shall be subject to conditions, among others, (a) approval by the Nusantara’s shareholders meeting which is scheduled to be done in April 2020 and (b) the Ministry of Energy and Mineral Resources. Subject to satisfactory of conditions, in Tranche 2, Indika Energy will subscribe up to 15% shares in Masmindo for the amount of up to US\$25 million. Upon closing, Indika Energy will own direct and indirect up to 52.6% interest in the Project Company.

In addition to Share Subscription Agreement, Indika Energy and PT Petrosea Tbk. (“Petrosea”) also signed Options Agreements, respectively, with Nusantara for the following:

1. Granting 10 million share options by Nusantara to Indika Energy that are exercisable until 1 December 2022 at a price of AUD0.61 per share
2. Granting of 10 million share options by Nusantara to Petrosea which will be granted in two tranches, being (i) 3 million share options that are exercisable until July 2022 at a price of AUD0.45 per share and (ii) 7 million share options that are exercisable until July 2024 at a price of AUD0.45 per share.

Beside this Option Agreement, Indika Energy still maintain the initial option on a 1 to 2 pro rate basis to the share subscription that can be exercisable on or before 30 November 2020 at a price of AUD0.35 per share.

Managing Director & CEO Indika Energy, Azis Armand said “This development is further affirming our strategic investment in Nusantara, as one of our diversification

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investment into non-coal sector. The involvement of our subsidiary Petrosea in this investment will further strengthening the synergy within Indika Energy group.”

About Nusantara's Awak Mas Gold Project

Nusantara's Awak Mas Gold Project is development ready. The Definitive Feasibility Study (DFS)1 completed in late 2018 confirms a robust, long-life and low cost gold project. The DFS supports an initial 11-year project producing ~100,000 oz per year. Key attributes are:

- The Awak Mas Gold Project (“the Project”) is located 45km by road from Belopa on the east coast of South Sulawesi Province, Indonesia.
- The Project is held under a 7th Generation Contract of Work (CoW) until June 2050 and is owned 100% by PT Masmindo Dwi Area, a wholly owned subsidiary of Nusantara.
- Ore Reserve of 1.1 Moz gold within a 2.0 Moz gold Mineral Resource

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ABOUT INDIKA ENERGY

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 Multi Tambangjaya Utama); coal trading (Indika Capital Investment Pte. Ltd.); **Energy Services** – EPC - oil & gas (PT Tripatra Engineers & Constructors, PT Tripatra Engineering); EPC – contract mining (PT Petrosea Tbk. (IDX: PTRO).); **Energy Infrastructure** – marine transportation, ports & logistics for bulk goods and natural resources (PT Mitrahatera Segara Sejati Tbk. (IDX: MBSS), PT Sea Bridge Shipping, PT Cotrans Asia, PT Indika Logistic & Support Services, PT Kuala Pelabuhan Indonesia); fuel storage (PT Kariangau Gapura Terminal Energi); coal-fired power plant (PT Cirebon Electric Power and PT Prasarana Energi Cirebon); **Other Portfolios** – gold mining (Nusantara Resources Limited), IT enterprise (PT Xapiens Teknologi Indonesia), digital technology services (PT Zebra Cross Teknologi)

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FURTHER INFORMATION

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