

# NEWS RELEASE

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6 November 2017

### Successful Pricing of Indika Energy's USD575 Million Bond Due 2024

Jakarta - On 2 November 2017 – PT Indika Energy Tbk (“Indika Energy”) successfully priced a landmark USD575 million 7NC4-year Senior Notes offering (“New Notes”) with a coupon of 5.875% and a reoffer yield of 6.125% to fund the proposed purchase of PT Kideco Jaya Agung (“Kideco”). This transaction represents Indika Energy’s second bond offering this year, having priced a USD265 million 6.875% 5NC3-year offering in April this year.

The latest bond pricing is notable in several aspects as it achieved the lowest coupon and yield across all of Indika Energy’s previous bond issues since 2007 – with the New Notes having a remarkable 1% reduction in coupon from its April bond this year; and set the lowest ever coupon for a mining company in Indonesia and for a 7-year high yield mining bond in Asia. In addition, the issue size of USD575 million will be larger than any bond Indika Energy has ever issued.

As part of the overall transaction, Indika Energy had also sought an earlier consent on its existing Notes to enable the proposed Kideco share purchase; conform the covenants of the existing Notes to the covenants in the New Notes; remove certain provisions applicable to Kideco upon Kideco becoming a Restricted Subsidiary; and a waiver of the default arising under the indenture from certain investments in its subsidiary.

Use of proceeds from the transaction will be to fund the escrow account in relation to the proposed Kideco share purchase.

The New Notes are expected to be rated B2 (review for potential upgrade to Ba3) by Moody’s and B+ by Fitch.

The offering was met with global demand from a wide array of investors. The final orderbook at pricing was in excess of USD3.5 billion from about 250 accounts, and was allocated 50% into Asia, 29% into the U.S. and 21% into EMEA. By investor type, fund managers took 92%, banks/private banks took 7% and pension/insurance accounts took 1%.

M. Arsjad Rasjid P. M., Indika Energy’s President Director and Group CEO remarked, *“The tremendous reception and support from the investor community on Indika Energy’s transformational acquisition plans to acquire an additional 45% stake in Kideco, increasing our ownership to 91%, is further evidence of the confidence they have in Indika Energy’s business strategy and prudent capital management. This transaction will put the company in good stead to further execute its vision of being Indonesia’s leading integrated energy company.”*

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The Bonds are being offered and sold in a private offering to persons who are (a) both qualified institutional buyers ("QIBs") as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act") and a qualified purchaser ("QP") within the meaning of Section 2(a)(51) of the U.S. Investment Company Act of 1940, and (b) outside the United States under Regulation S under the Securities Act. The Bonds are not offered or sold in the manner that constitutes public offering under Indonesian Law No.8 of 1995 on Capital Markets. The offering is expected to close on 9 November 2017, subject to customary closing conditions.

Indika Energy intends to list the Bonds on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Admission of the Bonds to the official list of the SGX-ST is not to be taken as an indication of the merits of the offering, Indika Energy or the Bonds.

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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 Mitrabahera 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, PT Prasarana Energi Cirebon).

[www.indikaenergy.co.id](http://www.indikaenergy.co.id)

### FURTHER INFORMATION

Retina Rosabai – Head of Investor Relations & Corporate Finance  
Nicky Kurniawan – Senior Manager of Investor Relations & Corporate Finance

[E\\_investor.relations@indikaenergy.co.id](mailto:E_investor.relations@indikaenergy.co.id)

T +62 21 2557 9888

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