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INDIKA ENERGY FIRST QUARTER 2010

1 MAY 2010, JAKARTA - PT Indika Energy Tbk ("Indika Energy"), Indonesia's leading integrated energy company, reported its financial statement for the period ended 31 March 2010 ("1Q10") with good underlying performance.

- **Net Revenue up 56.1% from Rp 479.5 billion to Rp 748.4 billion, due mainly to inclusion of Petrosea, which was acquired in 2H09.**
- **Operating Profit jumped from Rp 5.6 billion to Rp 45.9 billion.**
- **Net Profit down 35.4% from Rp 451.4 billion to Rp 291.7 billion in 1Q10, due to foreign exchange losses resulted from strengthening Indonesia Rupiah (Rp 29.7 billion) and higher interest expenses (Rp 120.9 billion) resulted from US$ 230.0 million Senior Notes issued in November 2009.**
- **Kideco reported Net Revenue up 13.6% from US$ 336.5 million to US$ 382.2 million due to higher sales volume.**
- **Indika Energy Total Asset at 31 March 2010 were Rp 11.9 trillion, an increase of Rp 2.5 trillion, or 26.3% year-on-year;**

Indika Energy registered a total revenue of Rp 748.4 billion, an increase of 51.6% or Rp 268.9 billion year-on-year (y-o-y), despite 1). the decline of 16.7% or Rp 60.9 billion y-o-y in Tripatra's recorded revenue of Rp 304.3 billion; 2) the decline of 60.6% or Rp 68.6 billion y-o-y in coal-trading recorded revenue of Rp 44.6 billion.

The increase in overall Indika Energy revenue is owing mainly to the inclusion (or recognition) of Petrosea's revenue of Rp 390.5 billion.

On the other hand, the decline in Tripatra's recorded revenue due to 1) strengthening Indonesian Rupiah in 1Q10 (Rp 9,115) versus 1Q09 (11,575); 2) the mobilization of new projects awarded in 1Q10 to replace old projects completed has not started yet. Most of the new projects will start commencing works in 2H10.

The drop in coal-trading business revenue in 1Q10 was due to Indonesia Rupiah strengthening and the delayed in coal delivery because of price negotiation, hence has passed the March cut off time.

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Gross Profit jumped Rp 124.4 billion to Rp 173.3 billion from Rp 48.9 billion - a 254.3% jumped y-o-y, driven by gross margin expansion . The overall 1Q10 gross margin expanded to 23.1% from 10.2% reported in 1Q09 due to the margin improvement registered at Tripatra 16.4% (12.0% in 1Q09) and contribution from Petrosea which commands a higher margin, 30.0%.

Operating Profit jumped from Rp 5.6 billion recorded in 1Q09 to Rp 45.9 billion in 1Q10. With the increased at the Gross Profit level (+254.3%) outperformed the increased in Operating Expenses (+194.4%), this has resulted in overall improvement at Indika Energy's Operating Profit level, up from Rp 5.6 billion (1Q09) to Rp 45.9 billion (1Q10).

1Q10 Operating Expenses jumped from Rp 43.3 billion to Rp 127.3 billion. This significant increase was due in particular to : 1) inclusion of Petrosea; 2) Indika Energy's expansion of human capital across all business units and space expansion.

Pre-tax Profit down 30.7% to Rp 318.4 billion from Rp 459.7 billion due to the following : 1) Income from Associate companies, mainly from Kideco, decline by 10.6% or **Rp 49.7 billion caused by foreign exchange translation loss**; 2) **non-cash foreign exchange loss of Rp 29.7 billion** resulted from the strengthening of Indonesia Rupiah against US Dollar; and 3). Increased in interest & financial charges of **Rp 55.3 billion** to Rp 120.9 billion, of which **US$ 5.6 million resulted from the issuance of US$ 230 million Notes in November 2009.**

With almost all of Indika Energy's business are in US$ but financial reporting is in Indonesian Rupiah, Indika Energy experienced slower or negative growth rate and non cash foreign exchange losses in 1Q10 as a result of Indonesian Rupiah strengthening ± 21.3% YoY (Rp 11,575 vs Rp 9,115) against US Dollar.

Core Net Profit could have been Rp 422.4 billion in 1Q10 after excluding the non-cash foreign exchange loss, translation loss on Income from Associates and additional Interest Expense on the US$ 230 million Notes.

Kideco's First Quarter 2010

Kideco's revenue increased 13.6% y-o-y from US$ 336.5 million to US$ 382.2 million, on the back of higher sales volume but lower average selling price. Sales volume recorded was 7.3 million tonnes, a 25.5% increased from 5.8 million tonnes in 2009.

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Average Selling Price ("ASP") was down from US$ 57.8/ton (1Q09) to US$ 52.4/ton (1Q10), but is in line with 2009 ASP of US$52.7/ton.

On the positive note, with only 40% of Kideco's contracted volume were priced by 1Q10, Kideco will be benefitted from coal price improvement which has reached US$ 108.9/ton (Newcastle) in late April.

Production was reported at 6.9 million tonnes, an increase of 29.6% from 5.3 million tonnes produced in 1Q09. Capitalizing on favorable weather conditions, the stripping ratio increased to 6.5:1 in 1Q10 from 5.8:1 in 1Q09, thus cash cost is anticipated to be higher.

Kideco's reported Net Profit of US$ 84.3 million, a 4.1% decline from US$ 87.8 million reported in 1Q09. Again, taking into account with only 40.0% price are fixed, Kideco is poised to benefit from continues improvement seen in global coal price. Kideco's 1Q10 performance is in line with our 2010 production target of 29.0 million tonnes.

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Indika's Financial Highlights

Description (in Rp. Billion)	3M10 *unaudited*	3M09 *unaudited*	Changes (%)
Revenue	748.4	479.5	56.1%
Gross Profit	173.3	48.9	254.3%
Operating Profit	45.9	5.6	712.9%
EBITDA	113.4	11.1	924.0%
Income from Associate Companies	418.9	468.6	-10.6%
Net Profit	291.7	451.4	-35.4%
EPS (Rp/share)	56.0	86.7	-35.4%
Current Assets	4,687.1	4,265.0	9.9%
Total Assets	11,875.3	9,405.0	26.3%
Current Liabilities	1,499.8	717.3	109.1%
Total Debt	4,852.1	2,863.3	69.5%
Shareholders' Equity	5,565.9	5,791.1	-3.9%

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Indika's Financial Ratio

Ratio	3M10	3M09
Gross Margin	23.1%	10.2%
Operating Margin	6.1%	1.2%
Net Margin	39.0%	94.1%
EBITDA Margin	15.2%	2.3%
EBITDA to Interest Expense (X)	0.9	0.2
ROA	2.5%	4.8%
ROE	5.2%	7.8%
Current Ratio (X)	3.1	5.9
Debt to Equity (X)	0.9	0.5
Net Debt to Equity (X)	0.1	(0.3)
Debt to Market Capitalization (X) *	0.4	0.4

** share price as of March 31, 2010 = Rp 2,325/share*

** share price as of March 31, 2009 = Rp 1,560/share*

Kideco's Financial and Operating Highlights

Description (in US$ mn)	3M10 *unaudited*	3M09 *unaudited*	Changes (%)
Revenue	382.2	336.5	13.6%
Gross Profit	151.7	165.2	-8.2%
Operating Profit	148.6	161.8	-8.2%
Net Profit	84.3	87.8	-4.1%
EBITDA	155.2	166.1	-6.5%
Shareholders' Equity	462.8	258.5	79.1%
Coal Production (mn ton)	6.9	5.3	29.6%
Coal Sales Volume (mn ton)	7.3	5.8	25.5%
Stripping ratio (X)	6.5	5.8	11.5%
Gross Margin	39.7%	49.1%	
Operating Margin	38.9%	48.1%	
Net Margin	22.0%	26.1%	
EBITDA Margin	40.6%	49.3%	
ROA	9.4%	15.3%	
ROE	18.2%	34.0%	
Current Ratio (X)	1.7	1.5	

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About PT Indika Energy Tbk. (www.indikaenergy.co.id)

PT Indika Energy Tbk ("Indika Energy") is Indonesia's leading integrated energy company, providing its customers with integrated energy solutions through its diversified investments in the areas of energy resources, energy services and energy infrastructure through its strategic investments in the areas of coal production (PT Kideco Jaya Agung); engineering, procurement and construction services (Tripatra); engineering, mining and construction contractor & services (PT Petrosea Tbk); and a power generation project (PT Cirebon Electric Power).

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