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INDIKA ENERGY AUDITED FY 2009 ACHIEVES SIGNIFICANT IMPROVEMENT IN UNDERLYING PERFORMANCE

Registers core net profit of Rp 1.2 trillion, an increase of Rp 322 billion, or 36.2% year-on-year

31 MARCH 2010, JAKARTA - PT Indika Energy Tbk ("Indika Energy"), Indonesia's leading integrated energy company, reported its audited financial statement for the period ended 31 December 2009 ("FY 2009"), with underlying performance significantly ahead of 2008:

- **Core Net Profit up Rp 322 billion or 36.2% to Rp 1.2 trillion, after excluding the impacts of: 1). foreign exchange loss which resulted from strengthening Indonesia Rupiah; and 2). impairment loss on intangible assets;**
- **Cash Balance stood at Rp 4.7 trillion, owing to the strong cashflow generated from Kideco and fresh funds raised through the issuance of US$ 230 million 7-year Senior Notes in November 2009;**
- **Kideco reported Net Profit of US$ 288 million, an increase of US$ 58 million, or 25.5%, compared with 2008;**
- **Total Assets at 31 December 2009 were Rp 11.7 trillion, an increase of Rp 3 trillion, or 34.1% year-on-year;**
- **Core Earnings Per Share (EPS) up 36.2% to Rp 233.**

Indika Energy registered a total revenue of Rp 2.5 trillion, an increase of 7.4% or Rp 172 billion year-on-year (y-o-y), despite the decline of Rp 733 billion in Tripatra's recorded revenue to Rp 1.3 trillion.

The increase in revenue is owing to: 1). the inclusion (or recognition) of Petrosea's revenue of Rp 854 billion for a 6-month period; 2). a 19.3% increase, or Rp 51 billion, to Rp 316 billion revenue in the coal-trading business.

The global financial crisis triggered a reduction in liquidity; as a result, Tripatra experienced some slowdown and delays in the EPC business especially in early part of 2009. This led to its lower-than-expected percentage of work or project completed and billed, registering lower revenue in

2009. However, Tripatra's multidiscipline capabilities and track records, coupled with its intensive marketing campaign in early 2009, have helped to mitigate unfavorable external influences resulting in the signing of approximately US$ 684 million worth of new projects at the beginning of 2010.

Gross Profit up Rp 333 billion to Rp 620 billion from Rp 287 billion - a 116% increase y-o-y, driven by gross margin expansion. The overall gross margin in 2009 expanded to 24.9% from 12.4% reported in 2008 due to the contribution from Petrosea which commands a higher margin.

Operating Profit up Rp 68 billion, or 55.4%, to Rp 191 billion affected by Indika Energy's overall expansion programs and the inclusion of six months of Petrosea's business which increased Indika Energy's operating expenses by Rp 265 billion to Rp 428 billion, compared to Rp 163 billion in 2008.

Salaries, wages and employee benefits reported at Rp 213 billion, accounting for 49.8% of the overall operating expenses reported in 2009. This significant increase was due in particular to the following: 1). inclusion of Petrosea; 2). Indika Energy's expansion of human capital by 100% across all business units; and 3). annual salary increment, the distribution of performance bonuses and leave allowances.

Professional fees amounting to Rp 67 billion were the second-highest cost item within the operating expenses. These expenses were mainly costs associated with due diligence processes for potential acquisition targets and investments.

Pre-tax Profit down 24.5% to Rp 897 billion despite strong performance from Equity in Net Income from Associates at Rp 1.5 trillion, a 43.9% increase from Rp 1.0 trillion in 2008 – supported by Kideco's improved average selling price and volume.

One-off non-cash losses consist of: 1). foreign exchange loss of Rp 245 billion resulted from the strengthening of Indonesia Rupiah against US Dollar; and 2). impairment loss on intangible assets as a result of the change of Cabotage regulation governing the operation of ships in the Indonesian water.

Underlying, Core Pre-tax Profit up Rp 390 billion, or 39.3%, to Rp 1.4 trillion, after excluding the non-cash foreign exchange loss and impairment loss.

Underlying, Core Net Profit attributable to shareholders up 36.2% to Rp 1.2 trillion. This translates into Core EPS of Rp 233.

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Kideco's FY2009

Kideco's revenue increased 21.3% y-o-y from US$ 1.1 billion to US$ 1.3 billion, on the back of higher sales volume and a stronger average selling price. Sales volume recorded was 24.9 million tonnes, a 14.7% increase from 21.7 million tonnes in 2008. Average Selling Price was also up from US$49.9/ton to US$52.7/ton, despite the challenging global market environment.

Production was reported at 24.7 million tonnes, an increase of more than 12% from 22 million tonnes produced in 2008. Capitalizing on favorable weather conditions, the stripping ratio increased to 6.6:1 in 2009 from 4.9:1 in 2008.

Kideco's reported a strong Net Profit of US$ 288 million, a 25.5% increase from US$ 229 million reported in 2008. This was achieved in an environment where global economy was experiencing a contraction, placing challenges on the industry.

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Indika's Financial Highlights

Description (in Rp. Billion)	2009 *audited*	2008 *audited*	Changes (%)
Revenue	2,487	2,314	7.4%
Gross Profit	620	287	116.1%
Operating Profit	191	123	55.4%
Adjusted EBITDA *	1,534	640	139.7%
Income from Associate Companies	1,475	1,025	43.9%
Net Profit	726	1,085	-33.1%
Core Net Profit **	1,212	890	36.2%
EPS (Rp/share)	139	224	-37.9%
Core EPS (Rp/share) **	233	171	36.2%
Current Assets	4,876	3,922	24.3%
Total Assets	11,684	8,710	34.1%
Current Liabilities	1,382	781	77.1%
Total Debt	5,051	2,704	86.8%
Shareholders' Equity	5,332	5,214	2.3%

**including dividends from Associates*
***Core Net Profit = Net Profit +/- one off non cash items (forex gain/loss and impairment loss)*

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Indika's Financial Ratio

Ratio	2009	2008
Gross Margin	24.9%	12.4%
Operating Margin	7.7%	5.3%
Net Margin	29.2%	46.9%
Core Net Margin ***	48.7%	38.4%
EBITDA Margin*	61.7%	27.6%
EBITDA to Interest Expense (X)*	5.14	2.86
ROA	6.2%	12.5%
ROE	13.6%	20.8%
Current Ratio (X)	3.53	5.02
Debt to Equity (X)	0.95	0.52
Net Debt to Equity (X)	0.06	Net Cash
Debt to Market Capitalization (X) **	0.44	0.48

**including dividends from Associates*
*** share price as of Dec 31, 2009 = Rp 2,225/share*
*** share price as of Dec 31, 2008 = Rp 1,090/share*
****Core Net Profit = Net Profit +/- one off non-cash items (forex gain/loss and impairment loss)*

Kideco's Financial and Operating Highlights

Description (in US$ mn)	2009 *audited*	2008 *audited*	Changes (%)
Revenue	1,312	1,082	21.3%
Gross Profit	506	440	14.9%
Operating Profit	490	425	15.2%
Net Profit	288	229	25.5%
EBITDA	511	439	16.3%
Shareholders' Equity	379	301	25.9%
Coal Production (mn ton)	24.7	22.0	12.3%
Coal Sales Volume (mn ton)	24.9	21.7	15.0%
Stripping ratio (X)	6.60	4.85	36.0%
Gross Margin	38.6%	40.7%	
Operating Margin	37.3%	39.3%	
Net Margin	21.9%	21.2%	
EBITDA Margin	38.9%	40.6%	
ROA	39.4%	38.1%	
ROE	76.1%	76.3%	
Current Ratio (X)	1.8	1.9	

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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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