COMPANY UPDATE 1Q17

Indika Energy

Jakarta, May 2017

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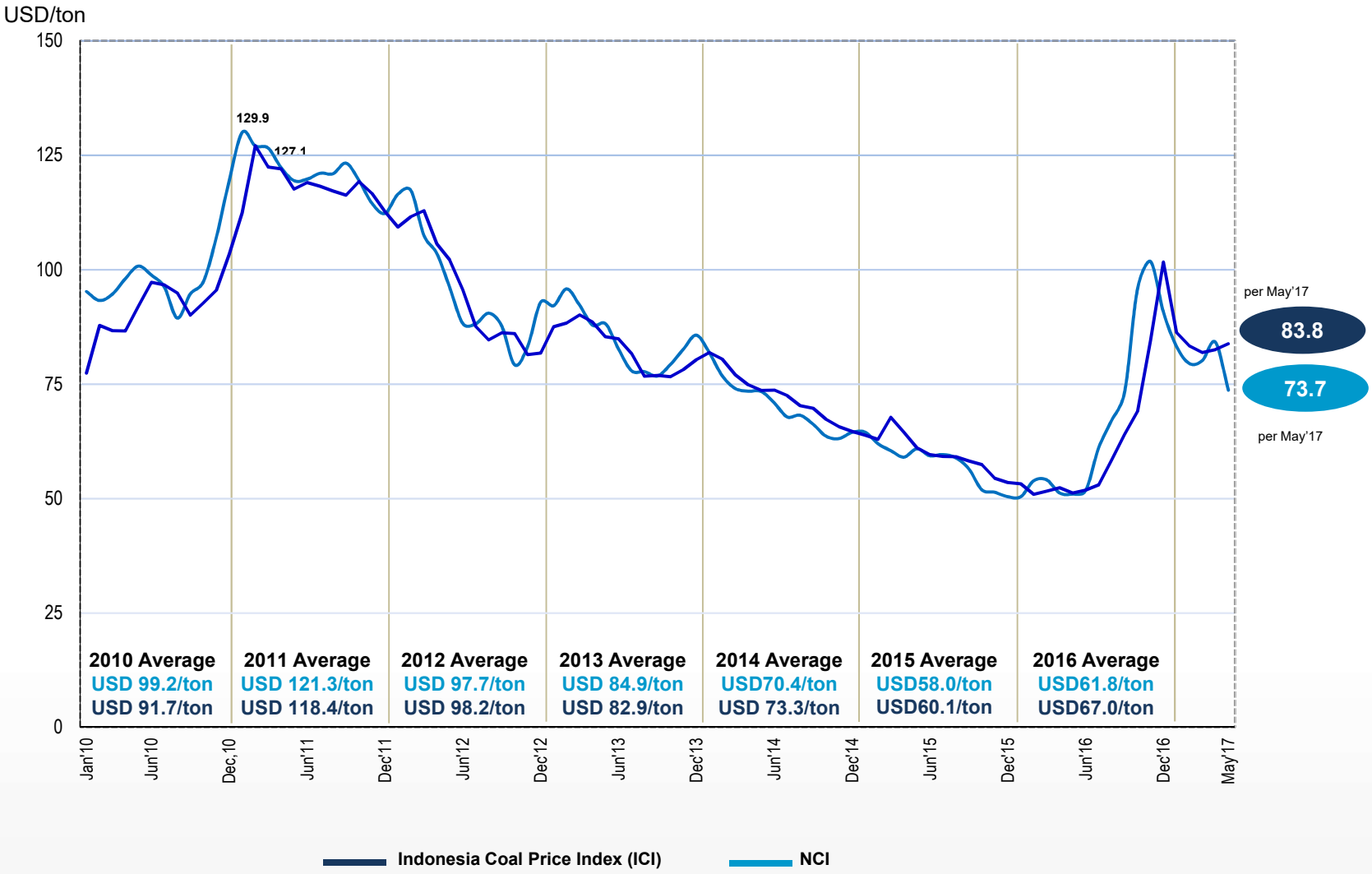
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Today's agenda

Indika Energy Group Turnaround

3M Performance Result

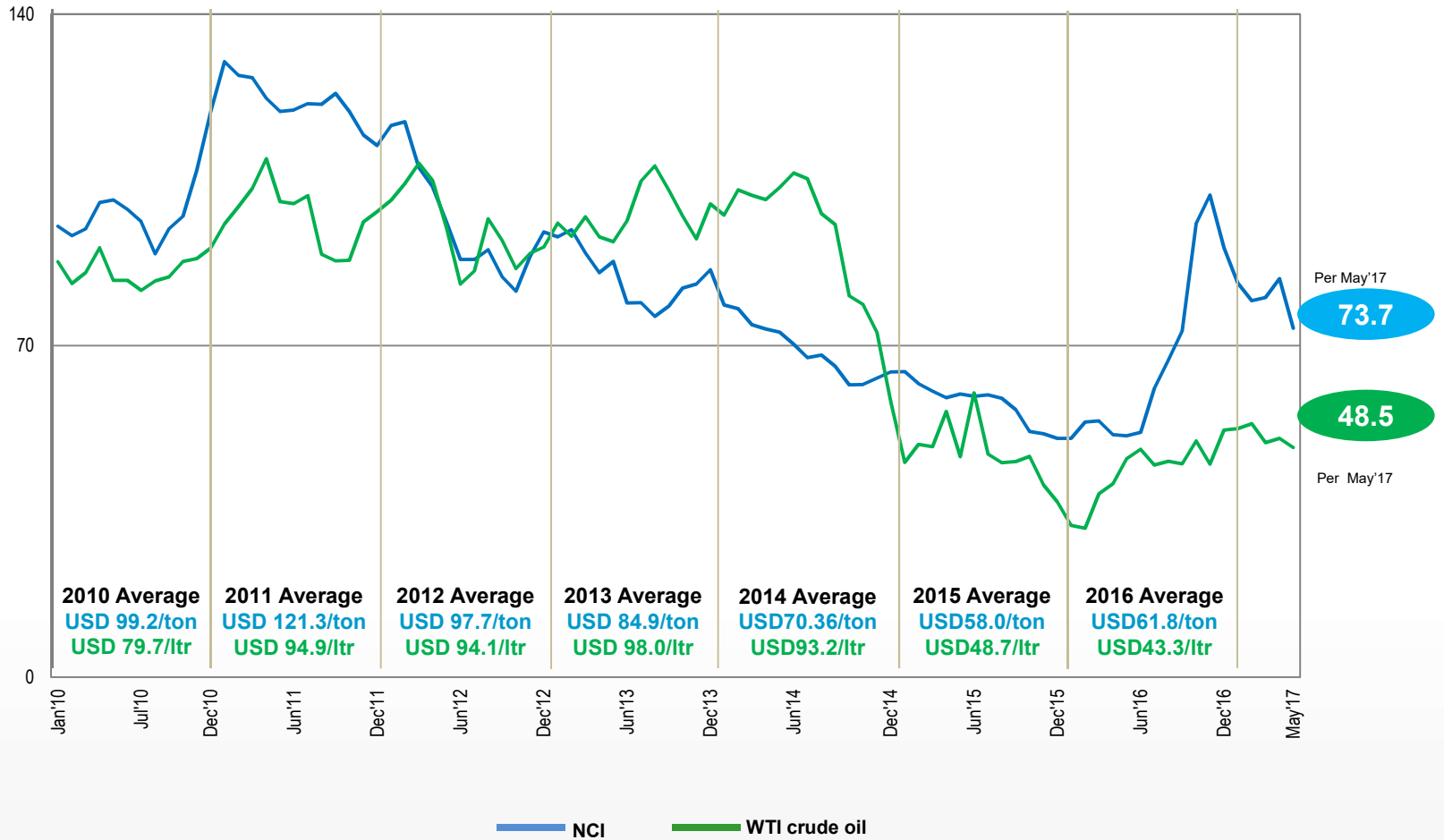
Coal price had been fluctuated for past one year



Source: Platts & ICI ESDM (monthly based index)

Thermal Coal Price vs. Crude Oil Price

USD/ton
USD/barrel

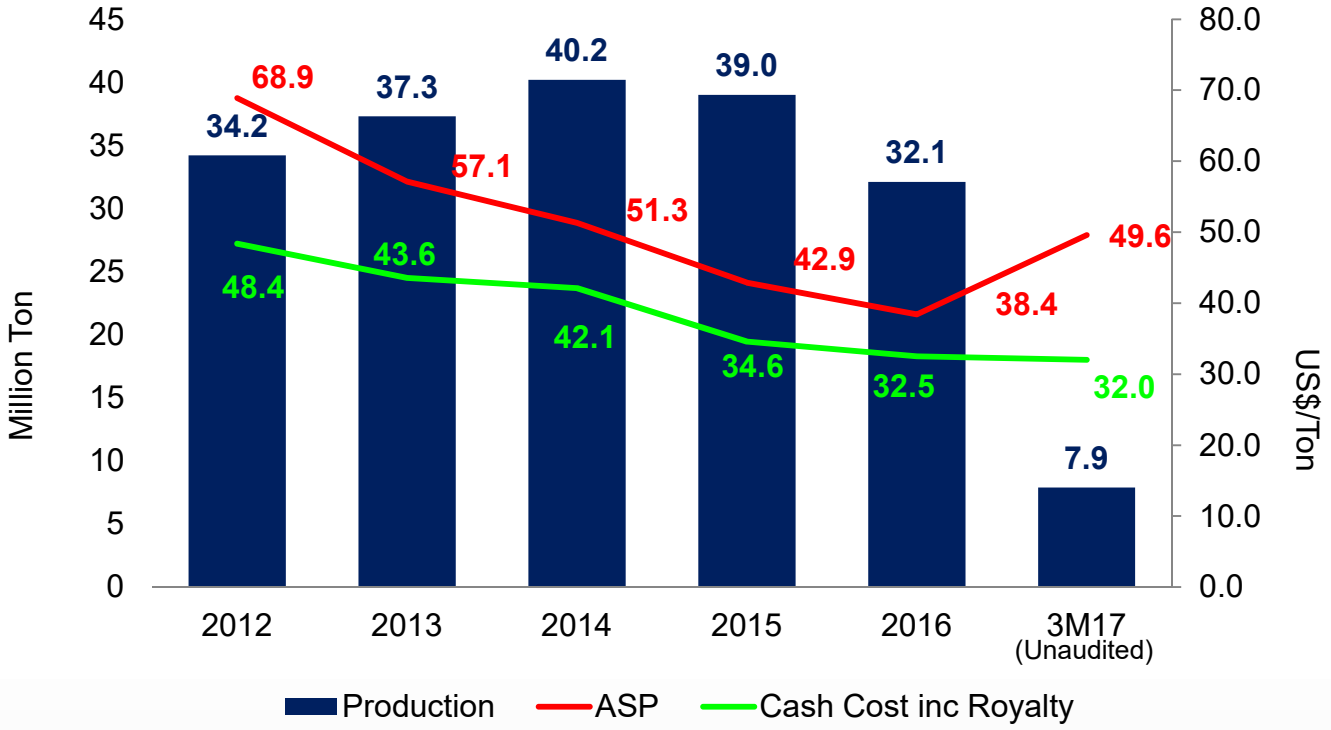


Source: Platts & US Energy Information Administration

Kideco was impacted by reduced coal prices

Production volume, ASP, and cash cost

US$ million



	2012	2013	2014	2015	2016	3M17
IE's portion of NPAT	174.8	97.6	71.0	63.5	40.8	35.1

Continuing the ongoing effort, turnaround initiatives

Group-wide **cost saving**
and **operational improvement** (higher productivity, asset utilization)



Improved **business development** (more contracts and projects)



Operations **stabilization**,
business **consolidation** incl. divestment of non-core assets



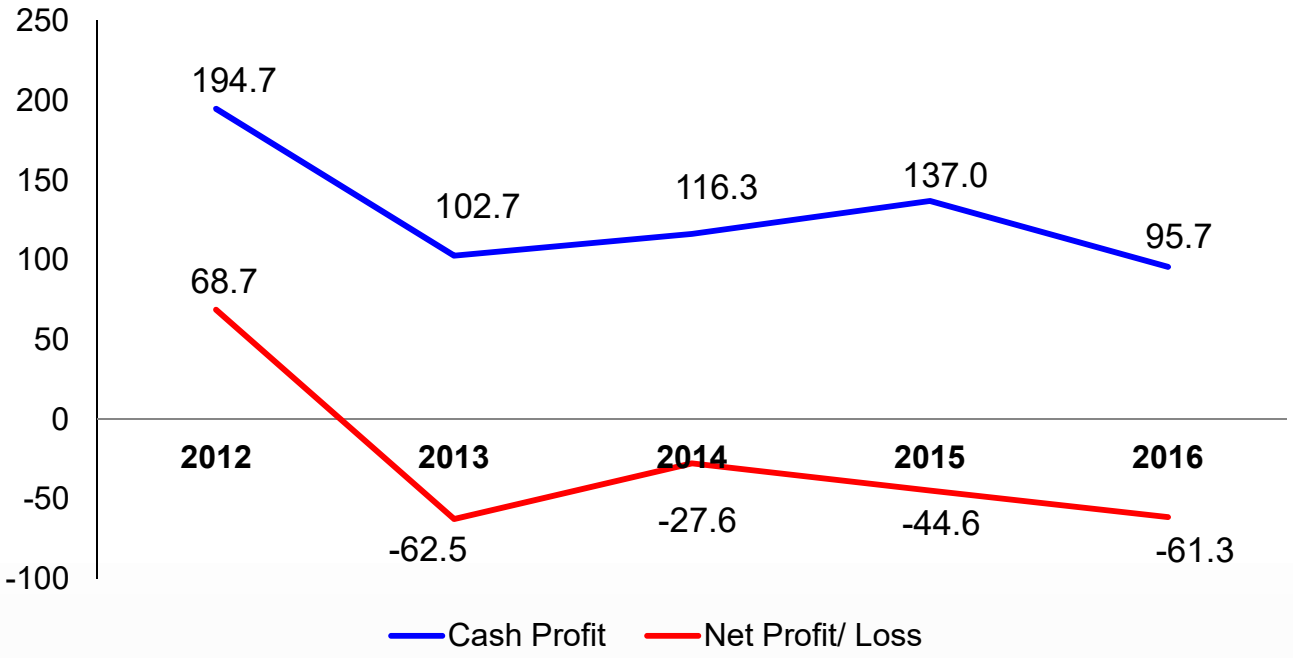
Cash preservation incl. optimization of **capex** and **cash reserves**
in conjunction with **lower debt**

The turnaround initiatives have demonstrated significant progress

- Improved **gross profit margin** from 8.0% in 2015 to 11.4% in 2016, and 12.7% in 1Q 2017
- Reduced **operating expenses** about 38.0% since 2012
- Optimized **capex** spending from US$ 212.5m in 2012 to US$ 22.2m in 2016, and 3.1m in 1Q 2017
- Reduced **debt** level by US$267.7m from 2012 to 2016
- Secured more contracts with total **backlog** of US$1.7bn at the end of 2016

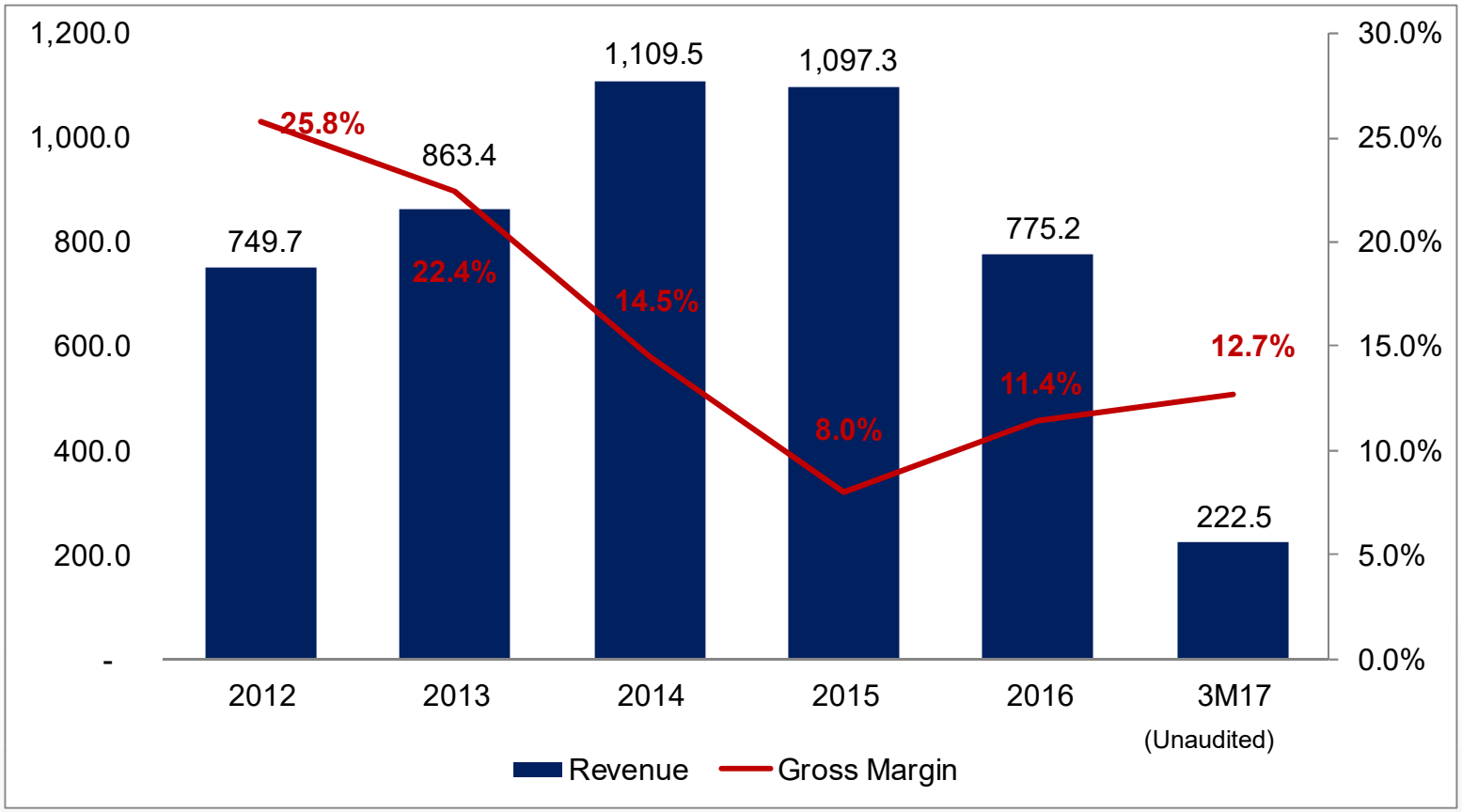
Despite net loss for the past 4 years, the Group has consistently generated cash profit

Cash Profit and Net Profit/Loss
US$ million



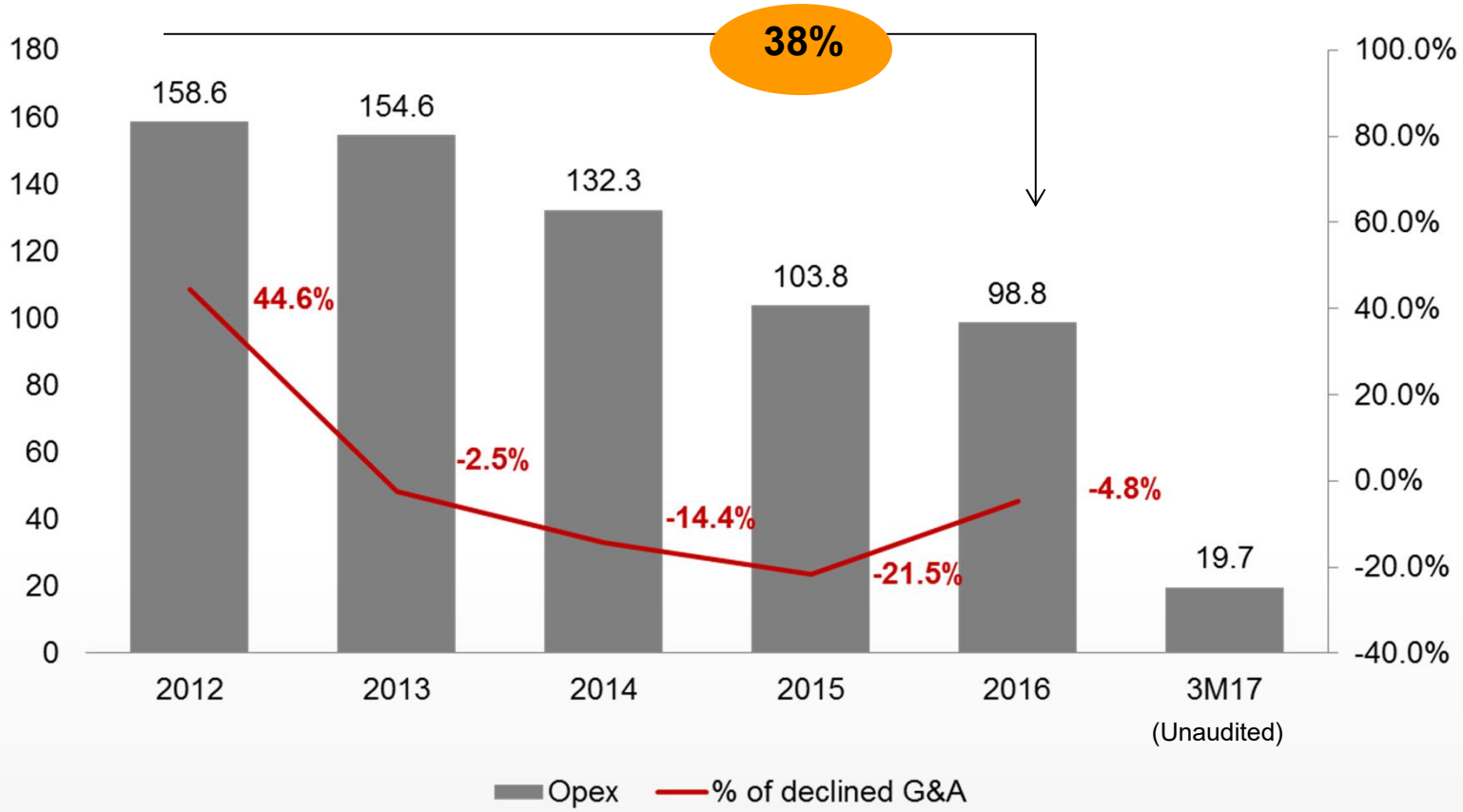
Early sign of turnaround can be seen in the improving gross margin from 2015 to 2016

Revenue and Gross Margin
US$ million



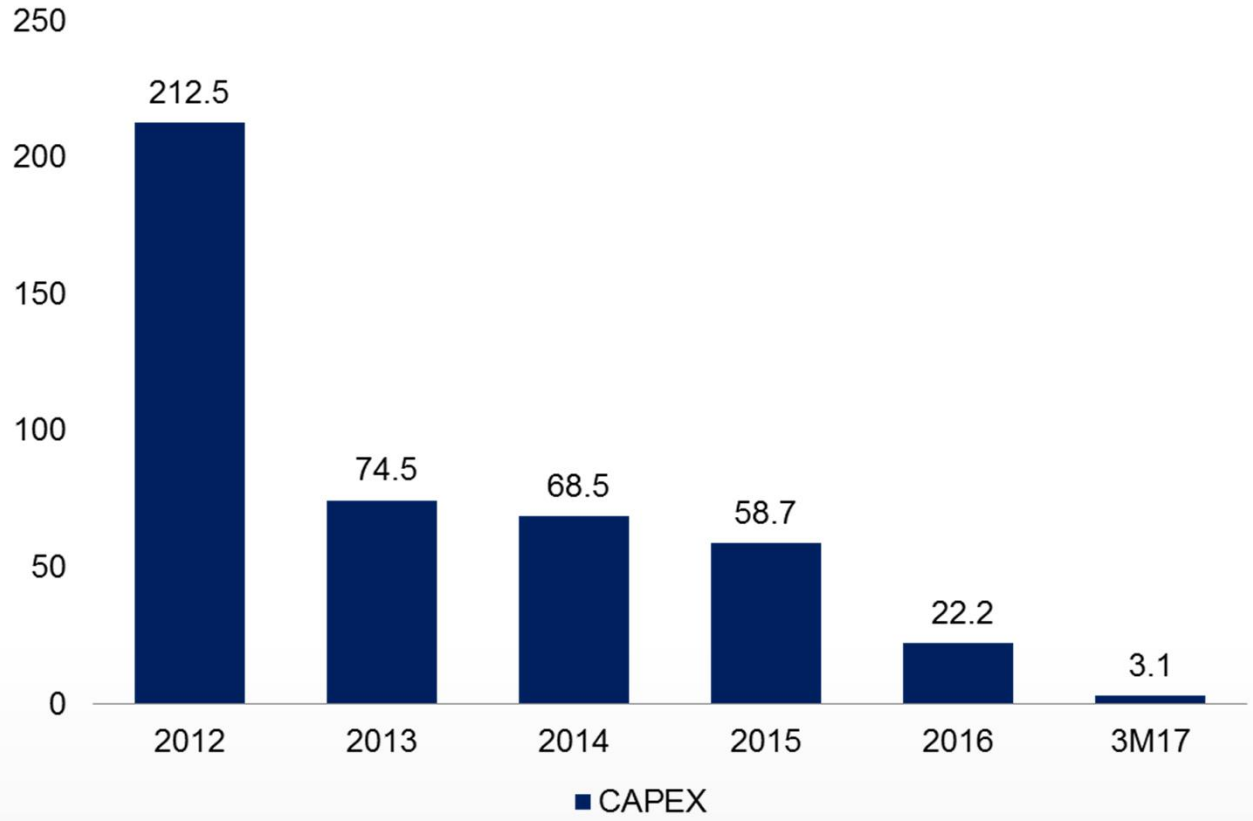
Group-wide cost-saving initiatives have resulted in significant reduction in operating expenses

Operating expenses
US$ million



Capex optimization has been part of cash preservation strategy

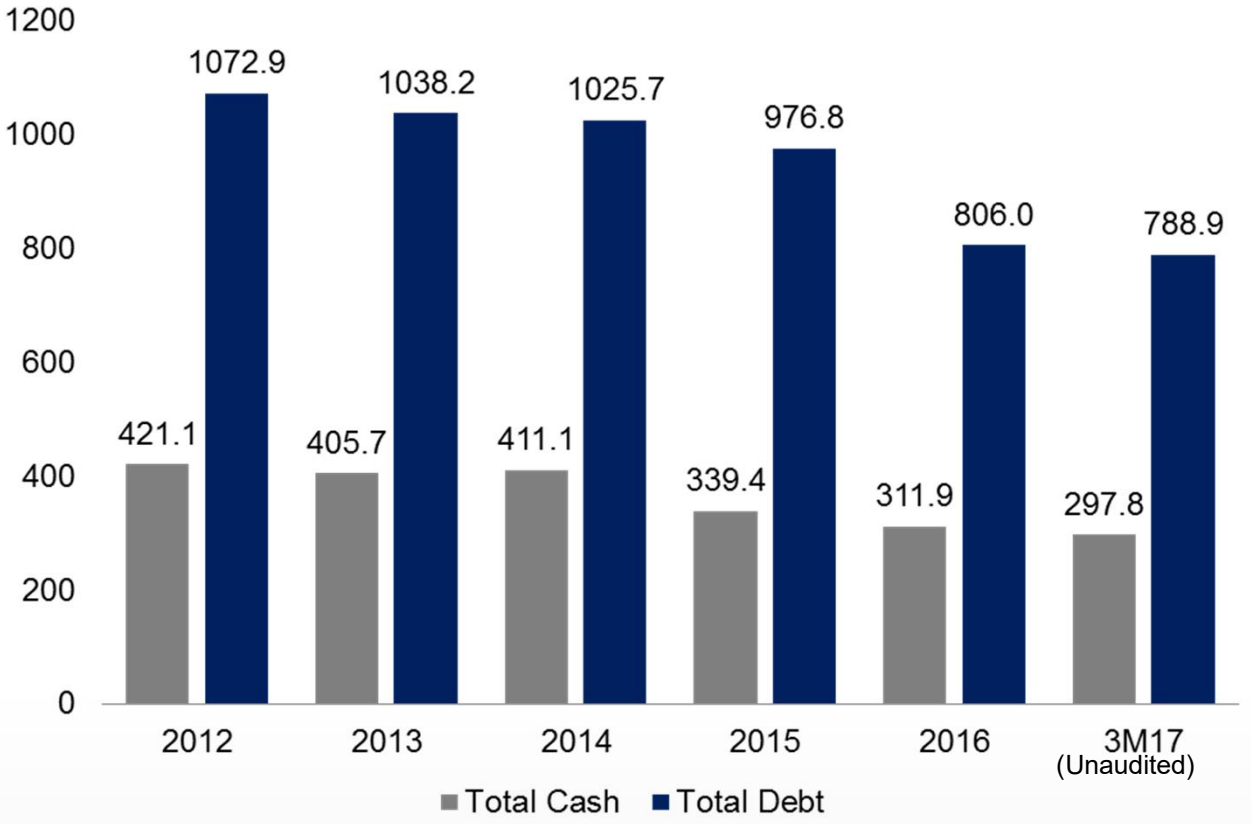
Capital expenditure
US$ million



Cash reserves are prudently managed while lowering debt level

Cash and Total Debt

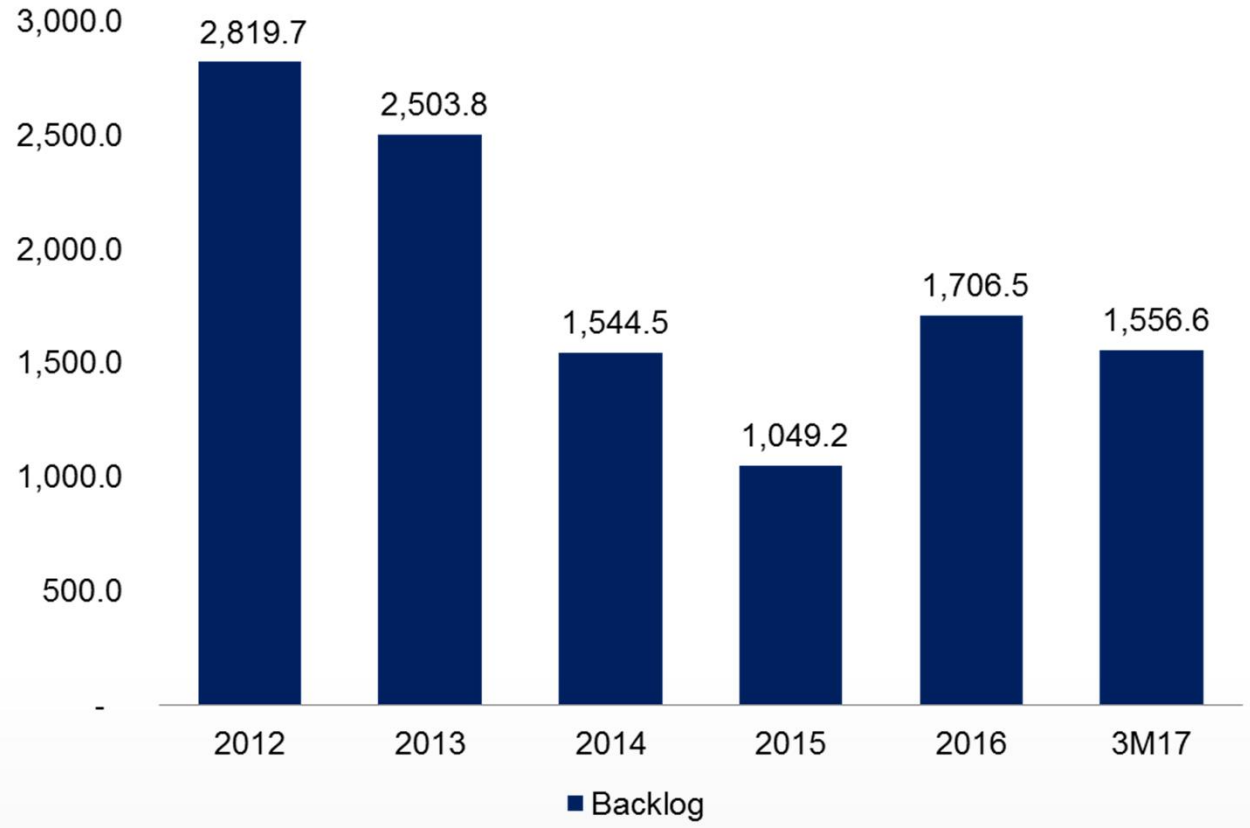
US$ million



- In 2015, IE repurchased US$128.6m of principal value of the 2018 notes
- In 2016, IE repaid its bank loans in total of US$158.7m
- In April 2017, IE issued a new bond US$265.0m matured 2022 to refinance the 2018 notes and existing bank loan

Backlog improved in 2016 with total of US$1.7 billion

Backlog
US$ million



Today's agenda

Indika Energy Group Turnaround

3M Performance Result

Key Assumptions vs Actual

Description	Unit	FY16 A	2017 Budget	3M17 A
Exchange Rate Average	USD/IDR	13,307.4	13,300.0	13,337.0
Thermal Coal Price (NC) Average	USD/ton	67.0	70.0	80.9
KIDECO				
Overburden Volume	BCM	193.9	192.0	43.0
Production Volume	Mt	32.1	32.0	7.9
Strip ratio	x	6.0	6.0	5.4
Capex	USD mn	2.6	2.8	0.0
PTRO				
Overburden Volume	BCM	57.3	110.4	17.3
Backlog end of period	USD mn	819.0	819.0	736.9
Capex	USD mn	11.7	68.3	1.7
MBSS				
Barging Volume	Mt	17.9	17.8	4.9
Floating Crane Volume	Mt	12.9	13.6	2.4
Backlog end of period	USD mn	76.5	76.5	68.1
Capex	USD mn	6.2	11.5	1.4
Tripatra				
Backlog end of period	USD mn	811.0	811.0	751.6
Capex	USD mn	2.3	0.0	0.0
Coal Trading				
Trade Volume	Mt		8.0	1.5
ASP	USD/ton		36.9	39.7

Recent Developments

- In April, Indika Energy successfully launched and priced a landmark 5NC3-year bond issuance of USD265 million in aggregate principal amount with a coupon of 6.875%, and a reoffer yield 6.950%.

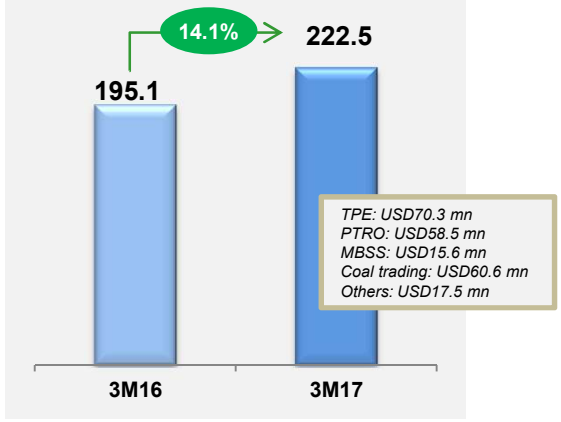
- Indika Energy's credit rating upgraded by Rating Agencies.
  - Moody's upgraded the credit rating to [B2] with stable outlook from [CCC] .
  - Fitch Rating upgraded the credit rating to [B-] with outlook from [Caa1]

- Approved Dividend

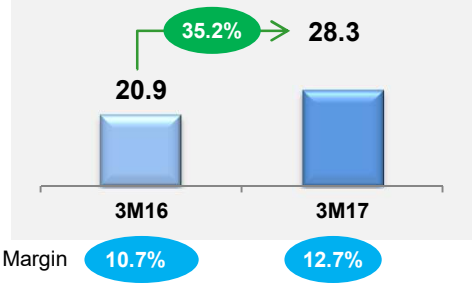
Company	2016 Net Profit	Dividend Declared	Indika Energy Portion
Kideco	88,6	85,0	39,1
Cotrans	11,6	11,3	5,1
Total			**44,2**

Indika Energy's Financial Highlights (1)

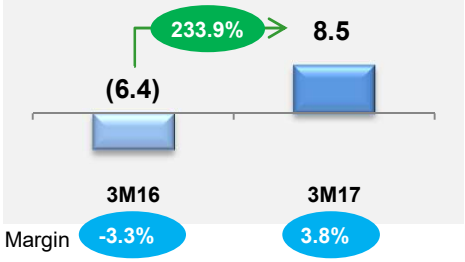
Revenues (USD mn)



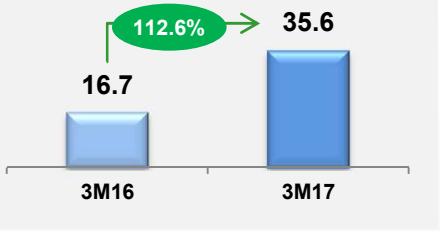
Gross Profit (USD mn)



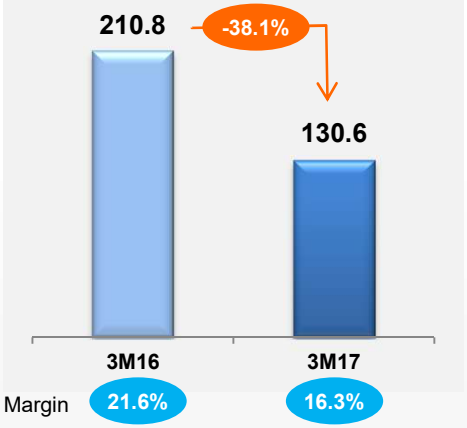
Operating Profit (USD mn)



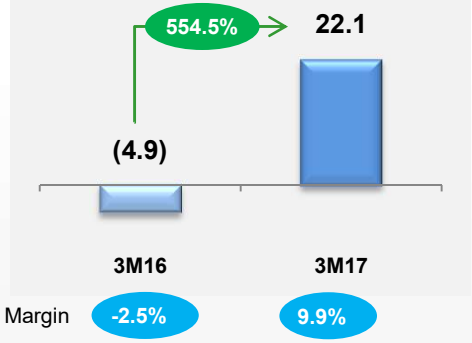
Income from Associates (USD mn)



LTM Adjusted EBITDA* (USD mn)



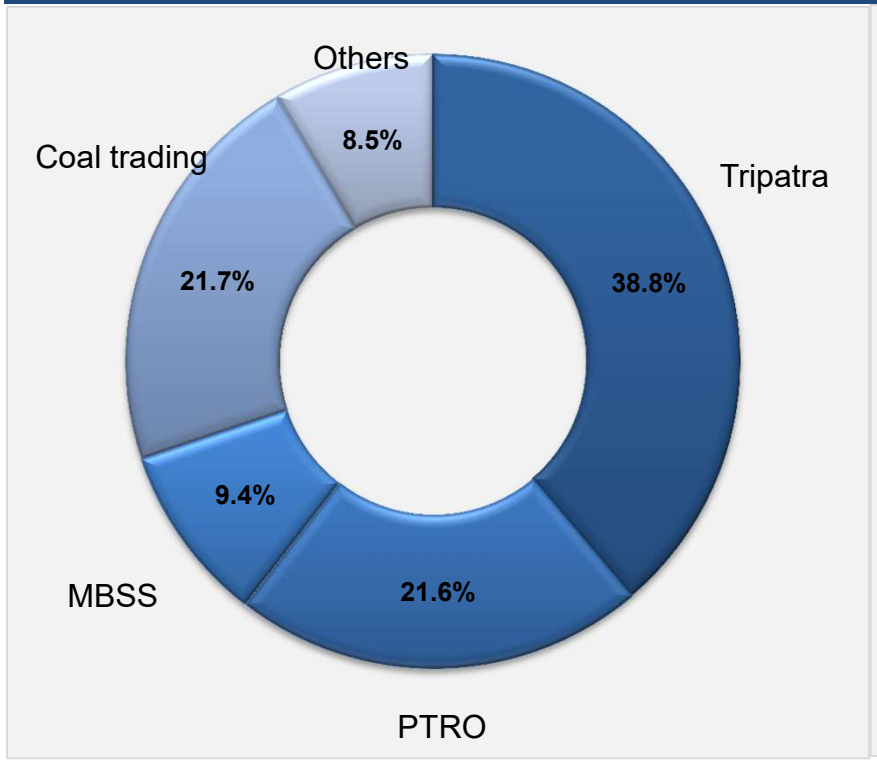
Net Profit/Loss** (USD mn)

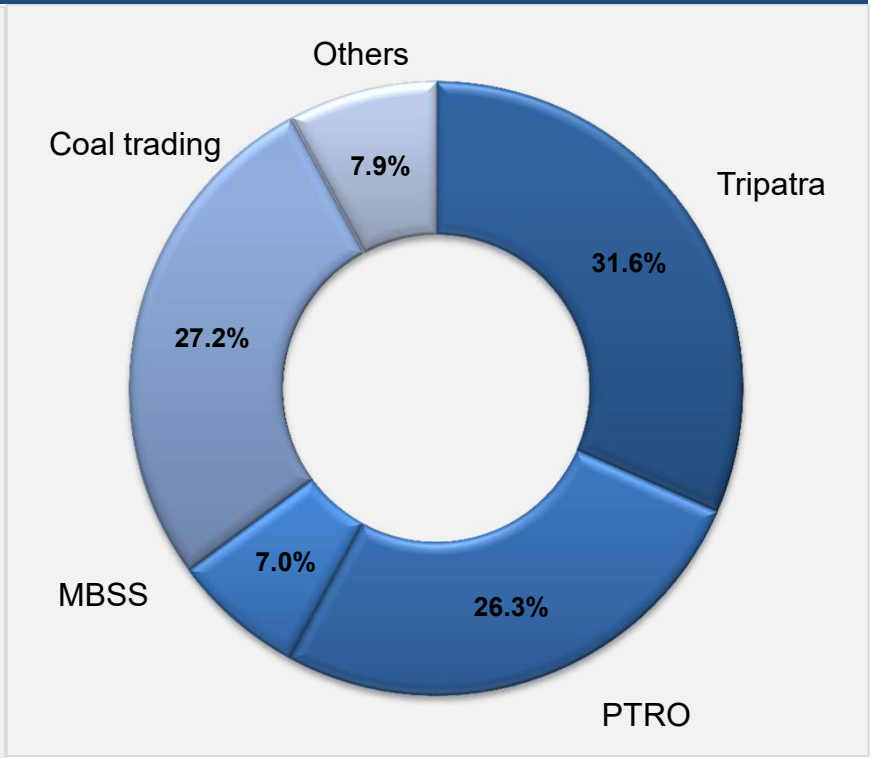


** Last twelve months period ended March 31, 2017. Includes dividends from associates*
*** Profit/loss for the period attributable to owners of the company*

Indika Energy's Financial Highlights (2)

Revenues

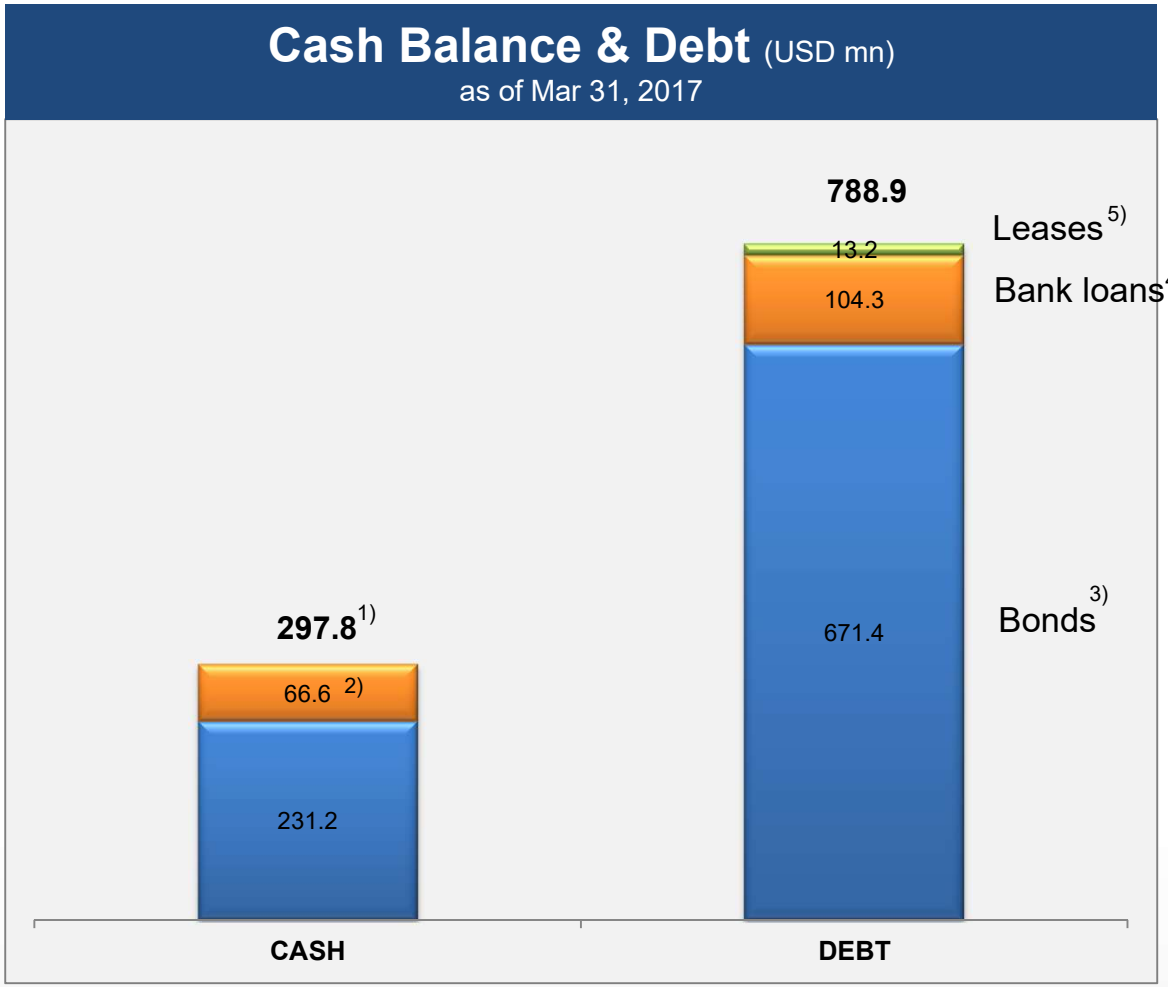




3M16: USD195.1 million

3M17: USD222.5 million

Indika Energy's Financial Highlights (3)



1) *Consists of : Petrosea: USD70.8 mn, MBSS: USD32.3 mn, Tripatra: USD68.2 mn, Indika Holding: USD126.5 mn (including IIC, IIR, ILSS and Others).*

2) *Other financial assets.*

3) *USD171.4 mn due 2018 (Senior notes III), USD500 mn due 2023 (Senior Notes IV).*

4) *Bank Loan: Petrosea: USD20.0 mn, MBSS USD42.4 mn, Tripatra: USD36.3 mn,, Indika Holding: USD5.5 mn (including IIC, IIR, ILSS and Others).*

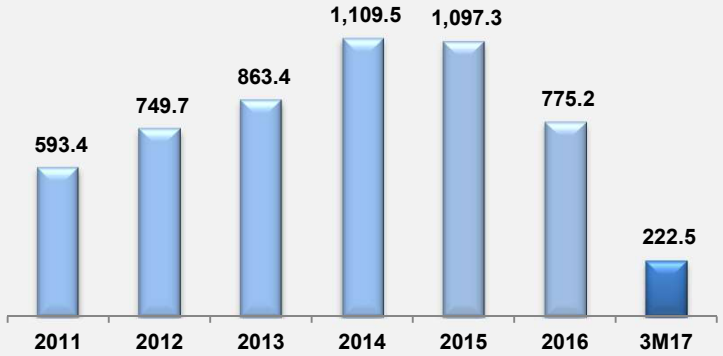
5) *Lease: PTRO USD13.2 mn.*

Indika Energy's Financial Highlights (4)
Capex Spending

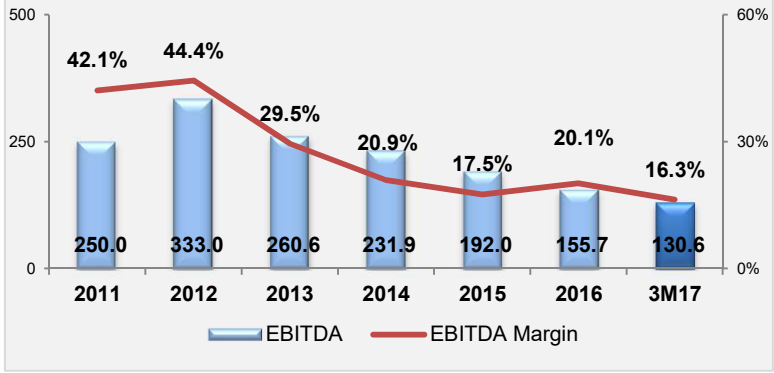
Capex Allocation	2017 B (USD mn)	3M17 Actual	Realization
IE Holding	0.5	0.0	0.0%
PTRO	68.3	1.7	2.5%
MBSS	11.5	1.4	12.2%
Tripatra	0.0	0.0	0.0%
Resources	7.7	0.0	0.0%
Total	**88**	**3.1**	**3.5%**

Indika Energy's Key Business Indicators

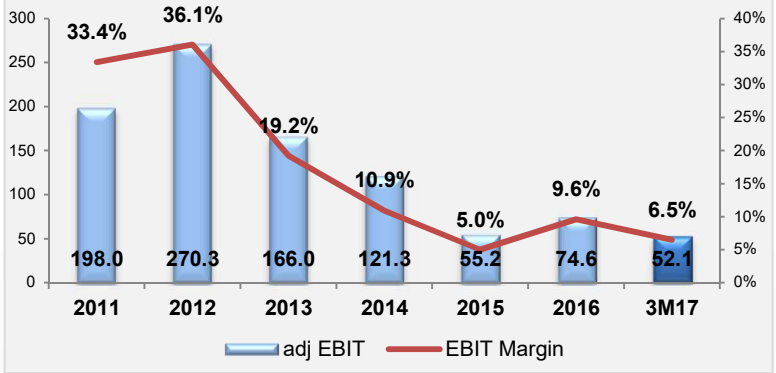
Revenues (USD mn)



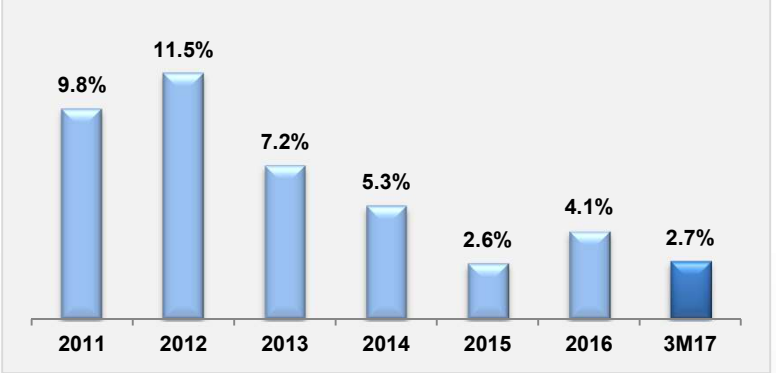
LTM Adj. EBITDA (USD mn) & EBITDA Margin (%)



LTM Adj. EBIT (USD mn) & EBIT Margin* (%)

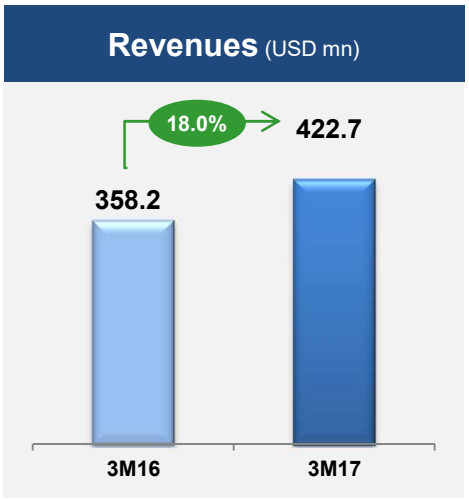


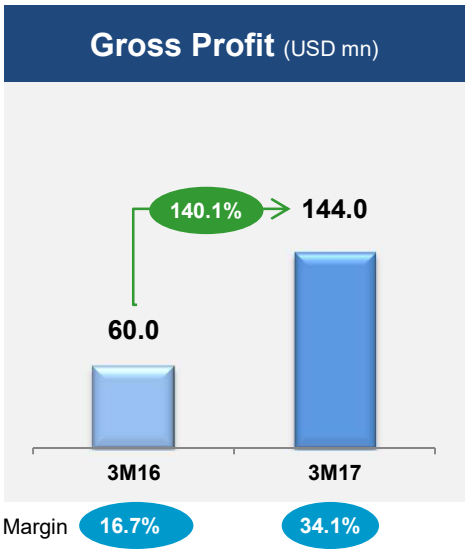
LTM Adj. EBIT to Assets (ROA)

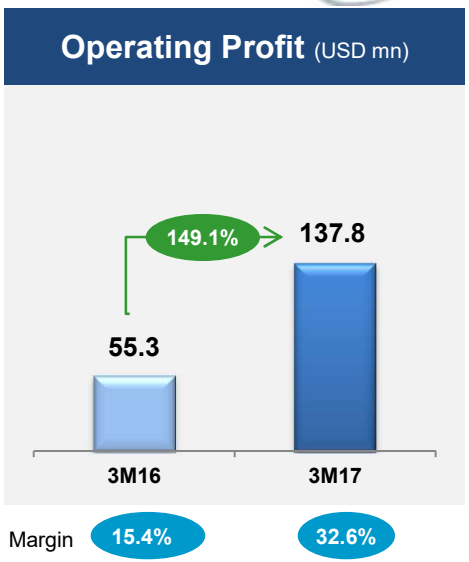


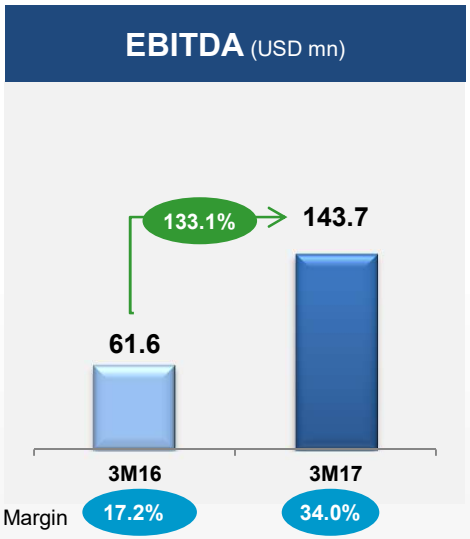
** Adjusted EBITDA / EBIT includes consolidated EBITDA / EBIT plus dividends from Kideco, Cotrans, SBS, Santan Batubara and CEP*

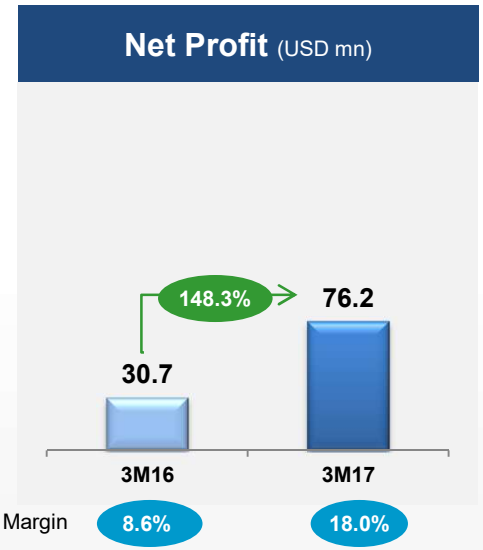
Kideco's Financial Highlights (1)



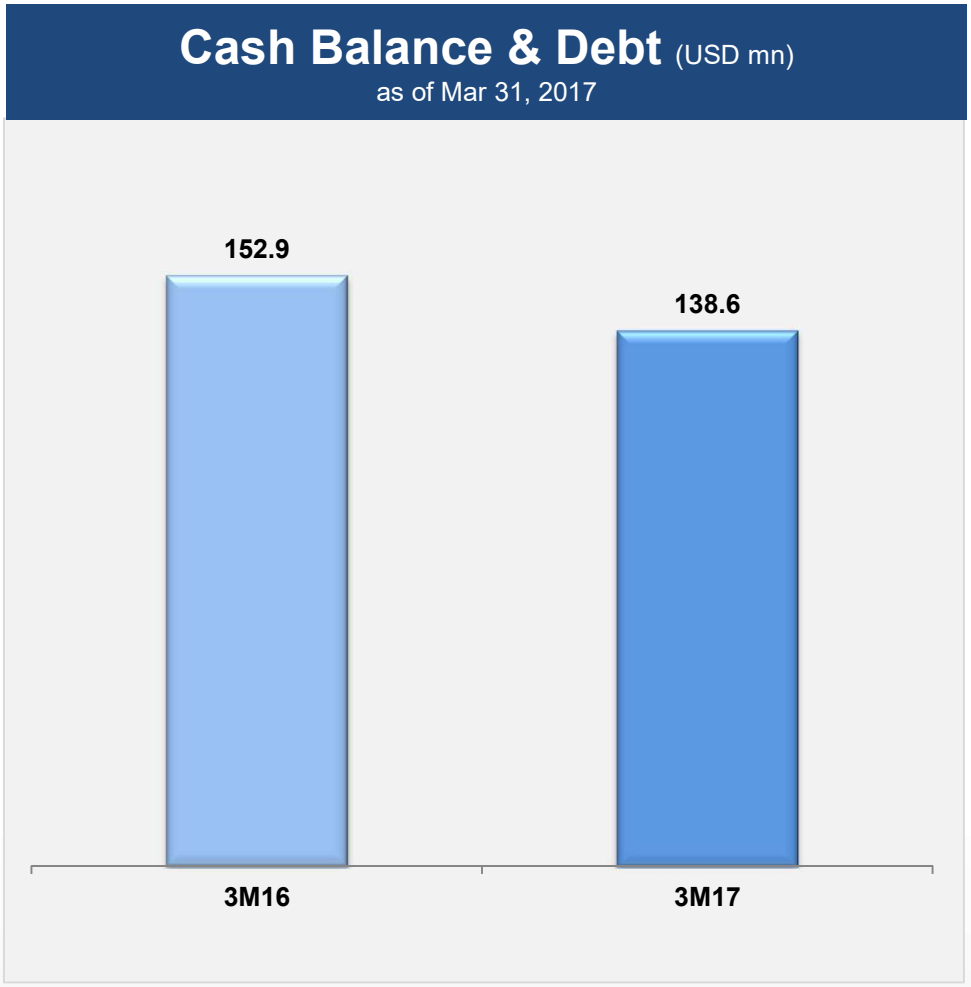








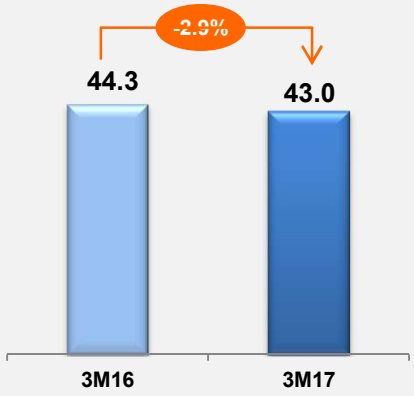
Kideco's Financial Highlights (2)



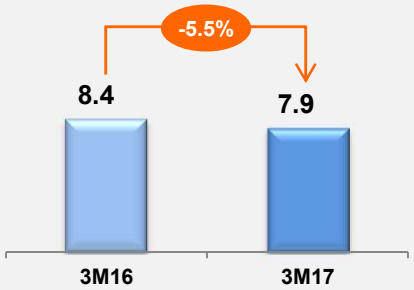
CASH

Kideco's Operating Highlights (2)

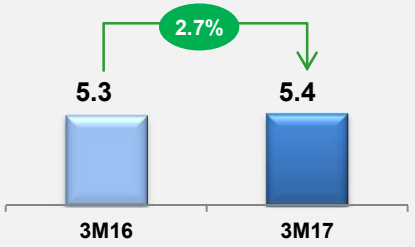
Overburden Removal (mn bcm)



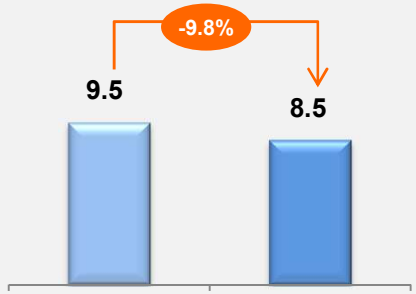
Coal Production (mn ton)



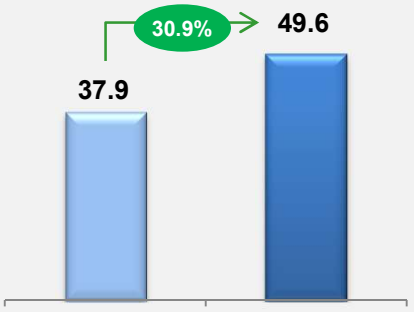
Stripping Ratio (x)



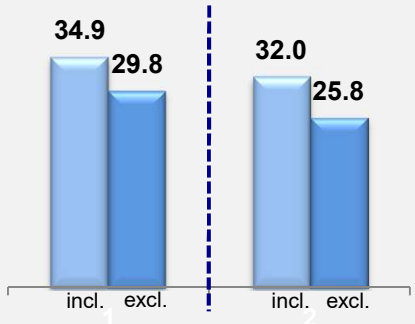
Coal Sales (mn ton)



Average Selling Price (USD/ton)

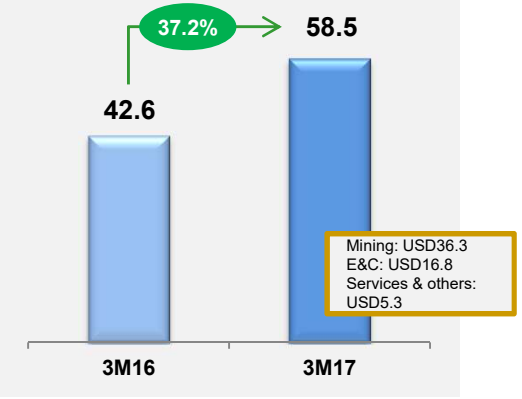


Cash Cost Excl./Incl. Royalty (USD/ton)

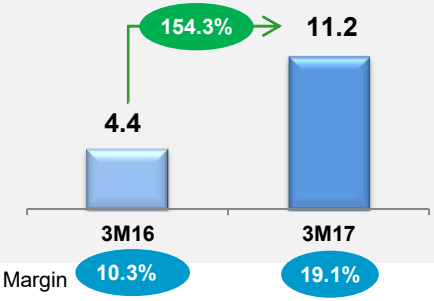


Petrosea's Financial Highlights

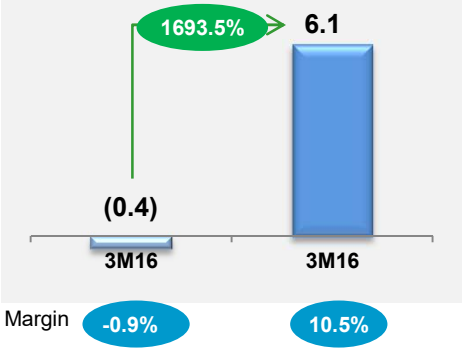
Revenues (USD mn)



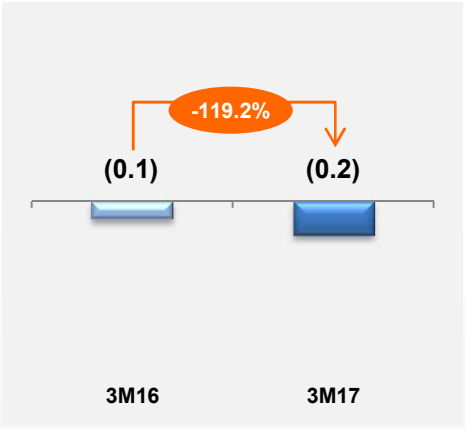
Gross Profit (USD mn)



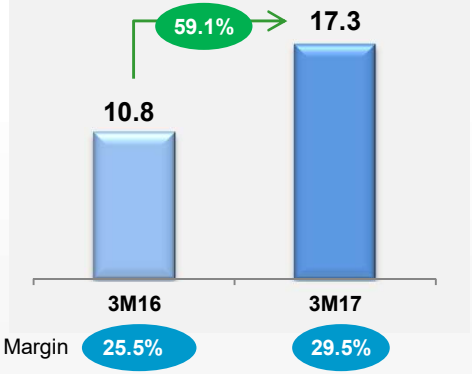
Operating Profit (USD mn)



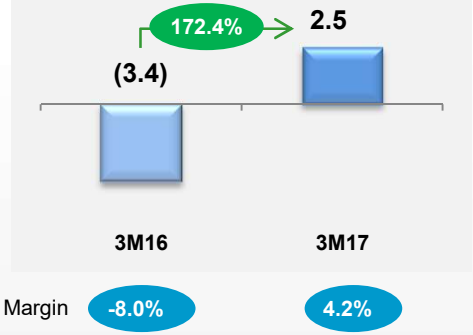
Income from Associates (USD mn)



EBITDA (USD mn)



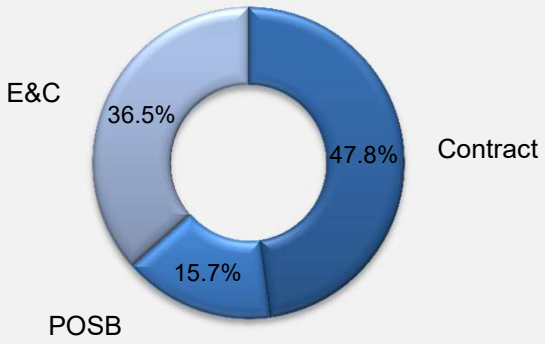
Net Profit/Loss* (USD mn)



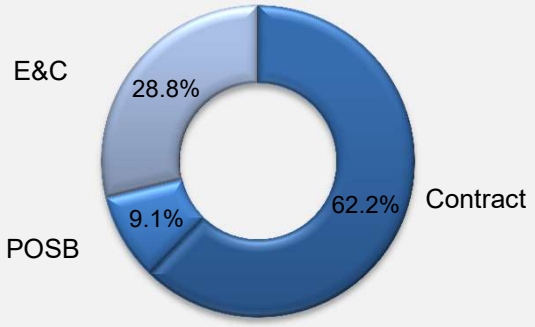
** Profit/loss for the period attributable to owners of the company*

Petrosea's Financial Highlights (2)

Revenues Breakdown by Value

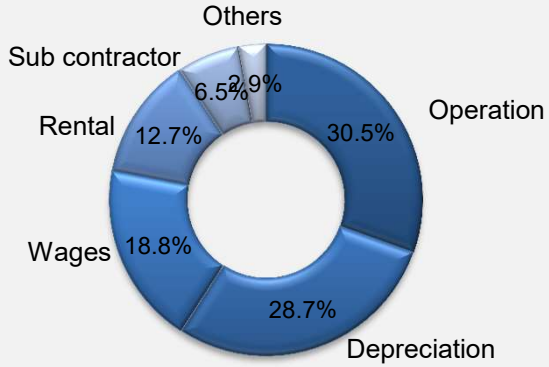


3M16: USD42.6 mn

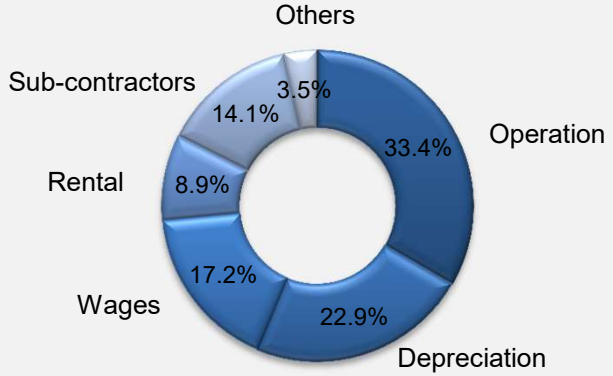


3M17: USD58.5 mn

Cost Structure



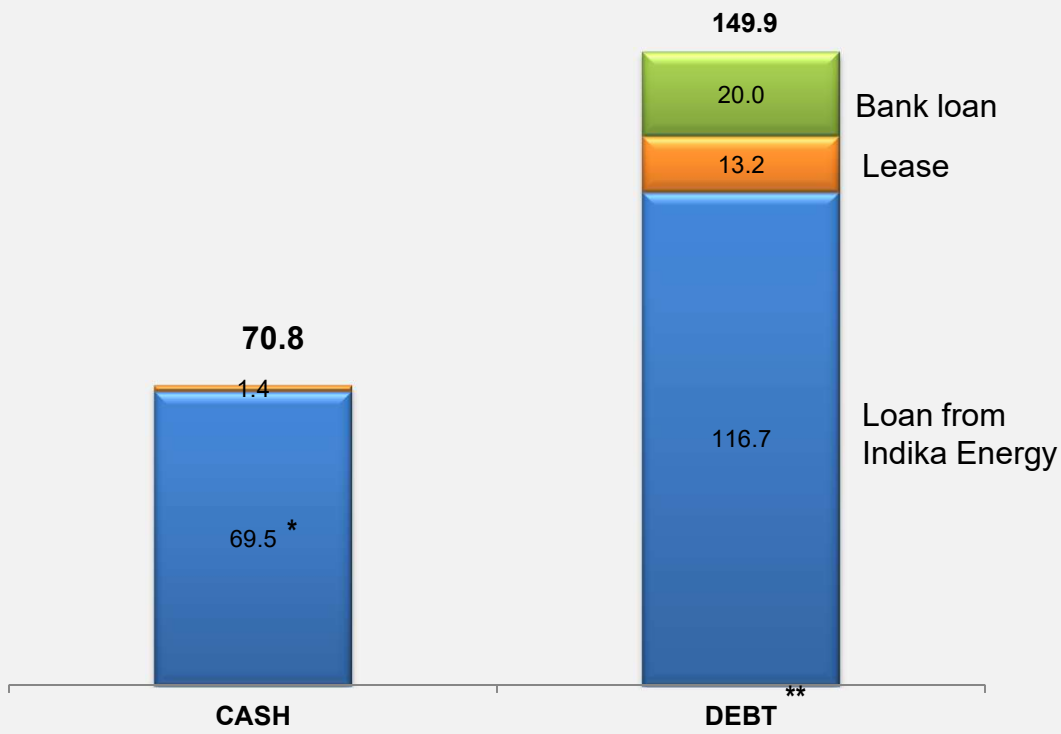
3M16: USD38.2 mn



3M17: USD47.3 mn

Petrosea's Financial Highlights (3)

Cash Balance & Debt (USD mn)
as of Mar 31, 2017



** Other financial assets*
*** includes accrued interest*

Petrosea's Backlog in 1Q2017

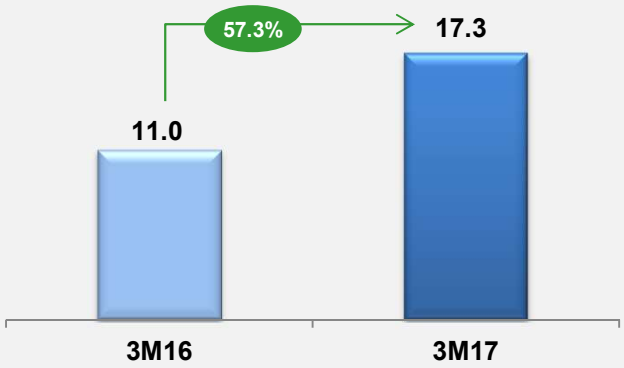
USD mn

Descriptions	Remaining Contract Value	New Contract/ Adjustment Value in 2017	Revenue Recognition	Remaining Contract Value
	Per 31 Dec 2016		Period ended 31 Mar 2017	Per 31 Mar 2017
Contract mining	658.6	(4.9)	36.3	617.4
E&C	100.5	-	16.8	83.7
POSB	59.9	(18.9)	5.3	35.7
Total	**819.0**	**(23.8)**	**58.5**	**736.9**

** Early termination of ABN contract*

Petrosea's Contract Mining Operation

Overburden Removal Volume (Mn BCM)



Client	3M16	3M17
Kideco Jaya Agung	6.8	5.6
Tabang	1.3	4.2
Indoasia Cemerlang	.2.4	3.9
Anzawara Satria	0.4	1.1
Binuang	0.0	2.5
Total Volume (Mn bcm)	**11.0**	**17.3**
Revenue from Contract Mining (USD mn)	**20.4**	**36.3**
Contract Mining Revenue/Bcm	**1.8**	**2.1**

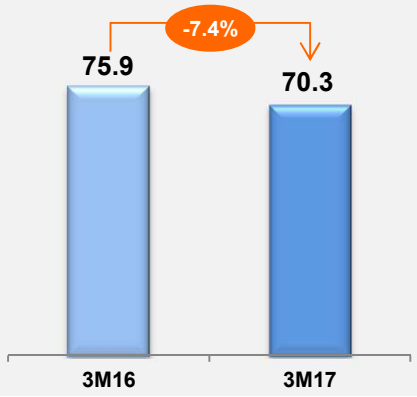
Coal Getting Volume (Mn Tonne)



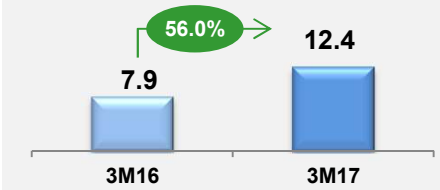
Client	3M16	3M17
Kideco Jaya Agung	1.7	1.3
Tabang	0.3	2.7
Anzawara Satria	0.0	0.1
Binuang	0.0	0.6
Total Volume (Mn ton)	**2.0**	**4.7**

Tripatra's Financial Highlights

Revenues (USD mn)

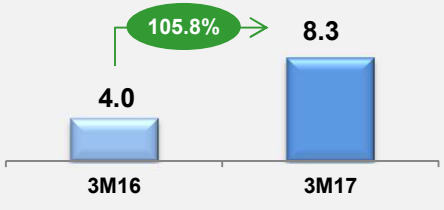


Gross Profit (USD mn)



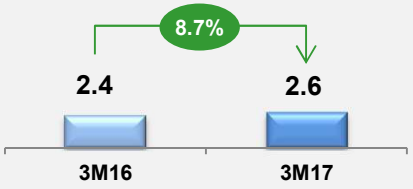
Margin	10.4%	17.6%

Operating Profit (USD mn)

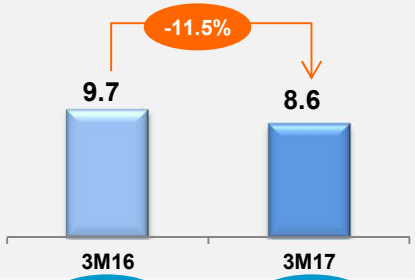


Margin	5.3%	11.8%

Income from Associates* (USD mn)

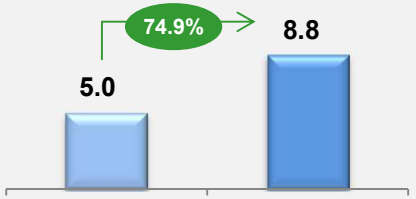


Adj. EBITDA* (USD mn)



Margin	12.7%	12.2%

Net Profit/Loss** (USD mn)

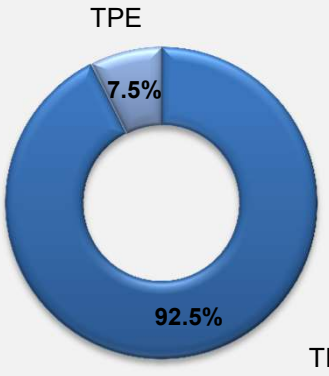


Margin	6.6%	12.5%

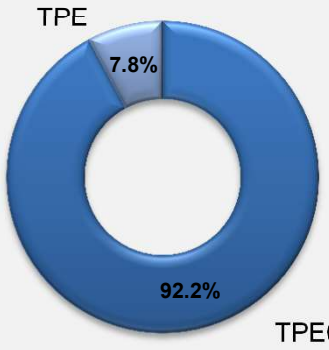
* *Including dividends from associates*
** *Profit/loss for the period attributable to owners of the company*

Tripatra's Financial Highlights (2)

Revenues Breakdown by Value

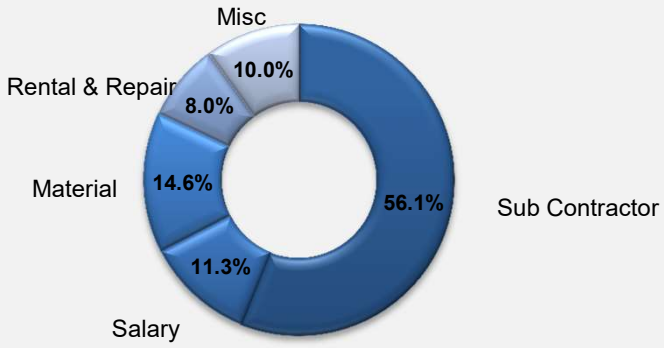


3M16: USD75.9 mn

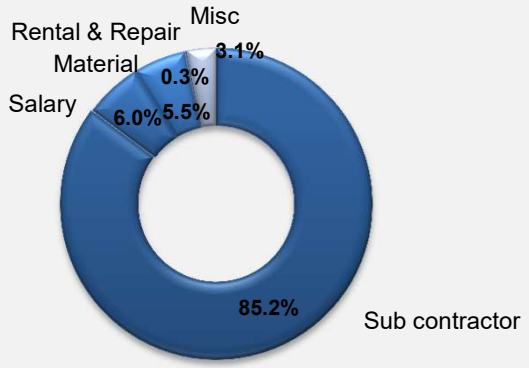


3M17: USD70.3 mn

Cost Structure



3M16: USD67.0 mn



3M17: USD58.0 mn

Tripatra's Backlog in 1Q2017

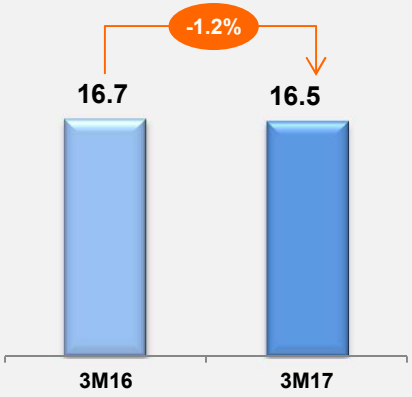
USD mn

Descriptions	Remaining Contract Value	New Contract/ Adjustment Value in 2017	Revenue Recognition	Remaining Contract Value
	Per 31 Dec 2016		Period ended 31 Mar 2017	Per 31 Mar 2017
Tripatra Engineers & Constructors	761.6	8.3	64.8	705.1
Tripatra Engineering	49.4	2.6	5.5	46.5
Total	**811.0**	**10.9**	**70.3**	**751.6**

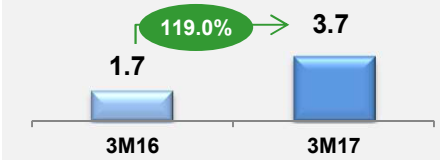
Tripatra's Financial Highlights (1)

Cotrans Asia's Operation

Revenues (USD mn)

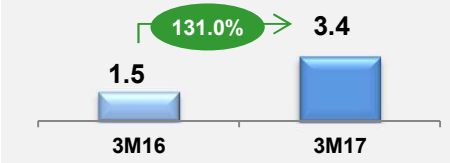


Gross Profit (USD mn)



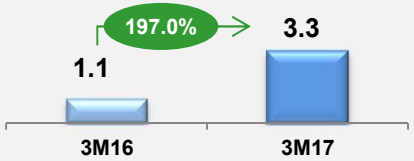
Margin 10.1% 22.3%

Operating Profit (USD mn)



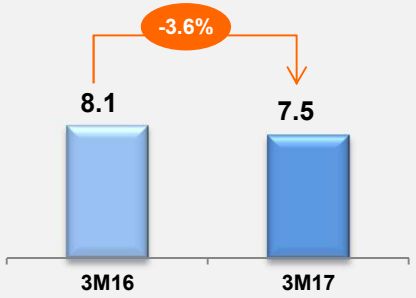
Margin 8.8% 20.7%

Net Profit (USD mn)



Margin 6.6% 19.9%

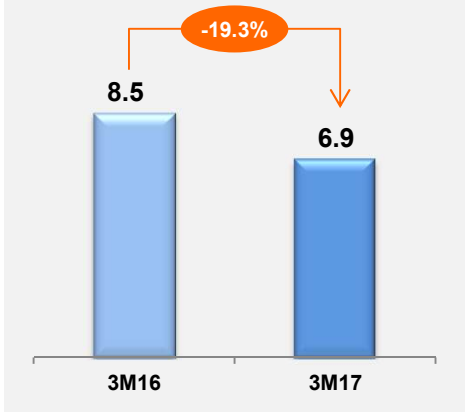
Coal Handling (mn tons)



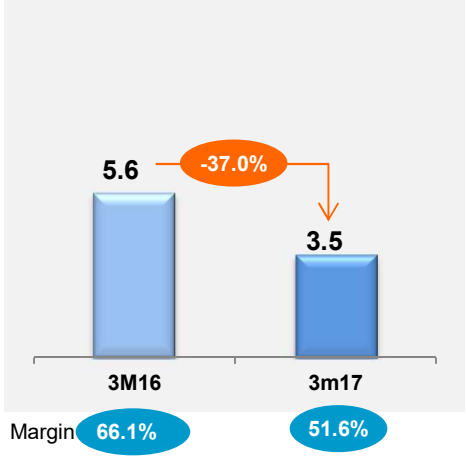
Tripatra's Financial Highlights (2)

Sea Bridge Shipping's Operation

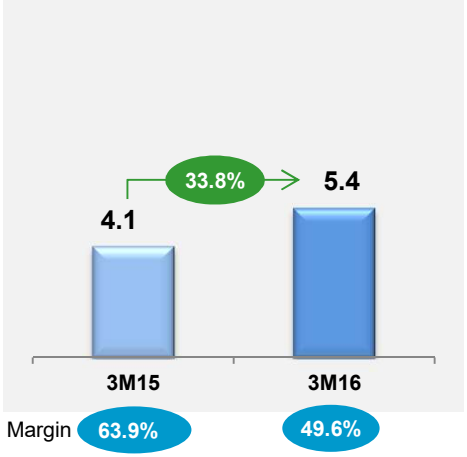
Revenues (USD mn)



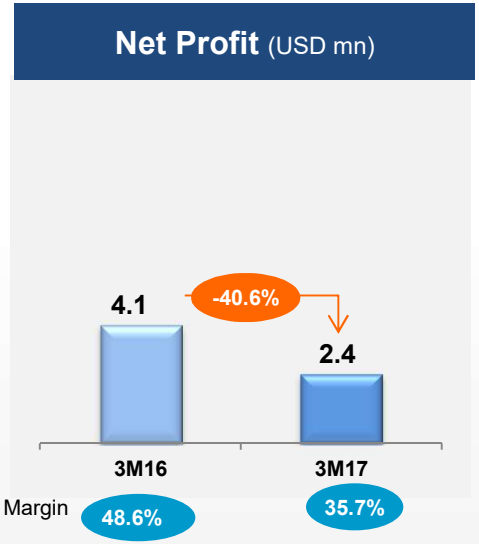
Gross Profit (USD mn)



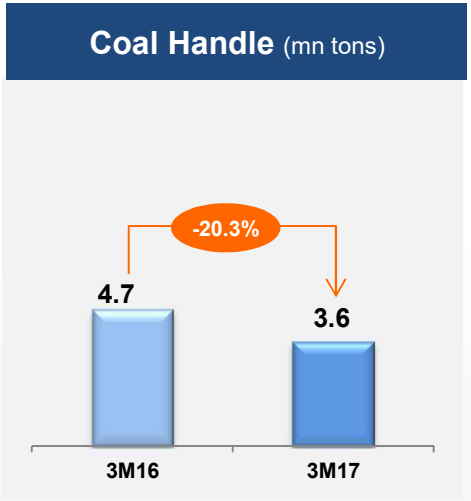
Operating Profit (USD mn)



Net Profit (USD mn)

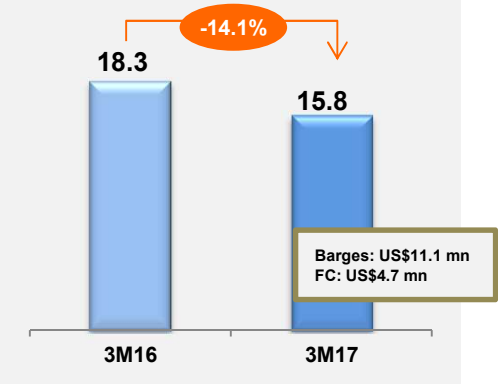


Coal Handle (mn tons)

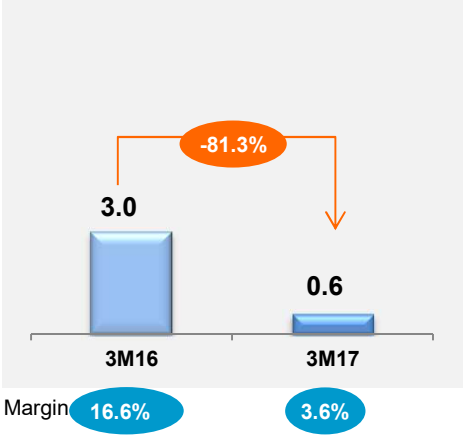


MBSS' Financial Highlights (1)

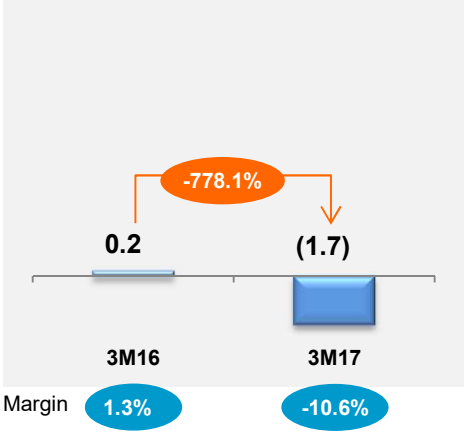
Revenues (USD mn)



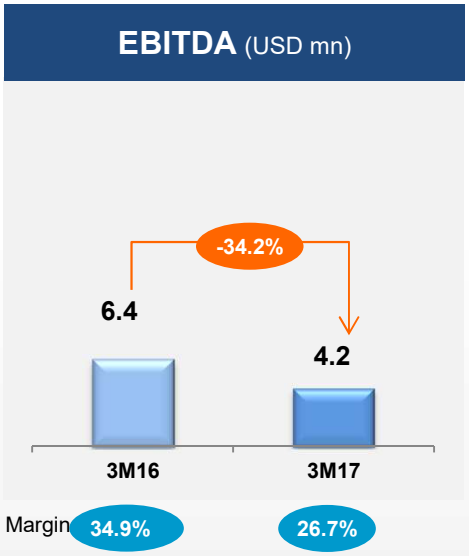
Gross Profit (USD mn)



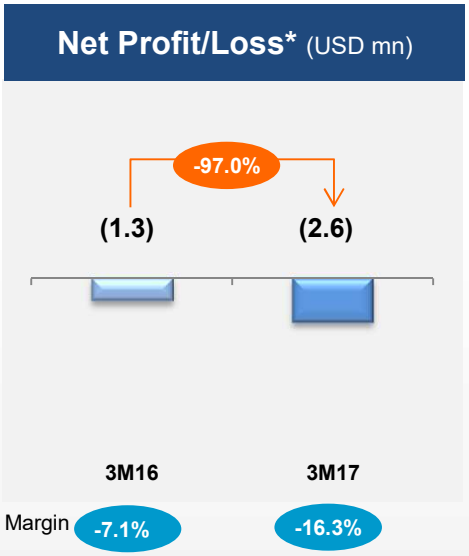
Operating Profit (USD mn)



EBITDA (USD mn)



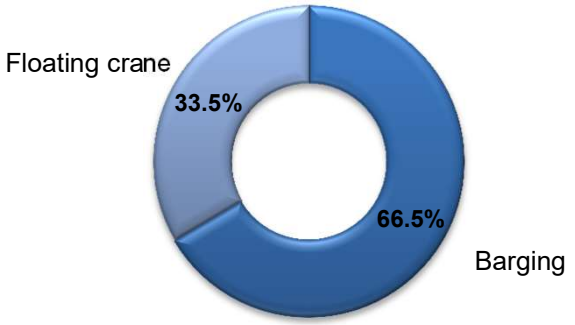
Net Profit/Loss* (USD mn)



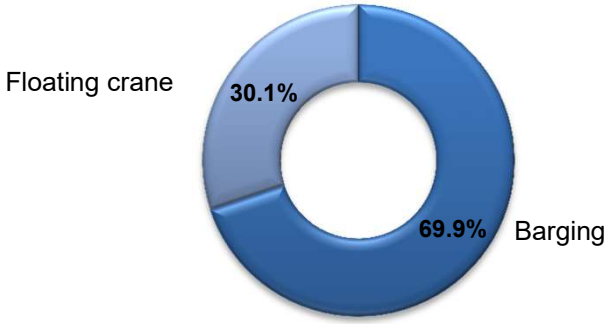
** Net income/Loss attributable to owners of the company*

MBSS' Financial Highlights (2)

Revenues Breakdown

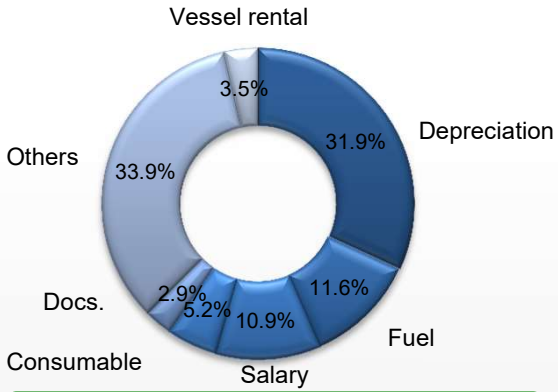


3M16: USD18.3 mn

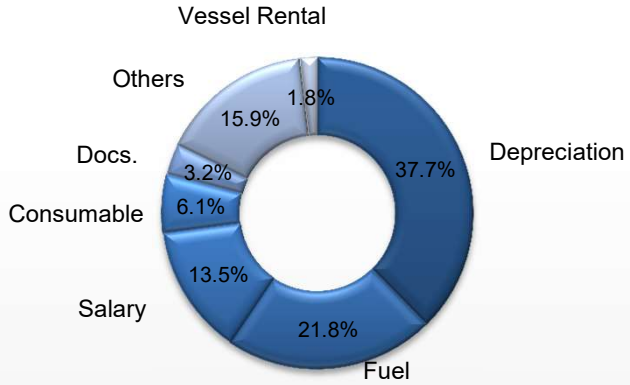


3M17: USD15.8 mn

Cost Structure



3M16: USD15.3 mn



3M17: USD15.2 mn

MBSS' Financial Highlights (3)

Cash Balance & Debt (USD mn)

As of Mar 31, 2017



MBSS' Backlog in 1Q2017

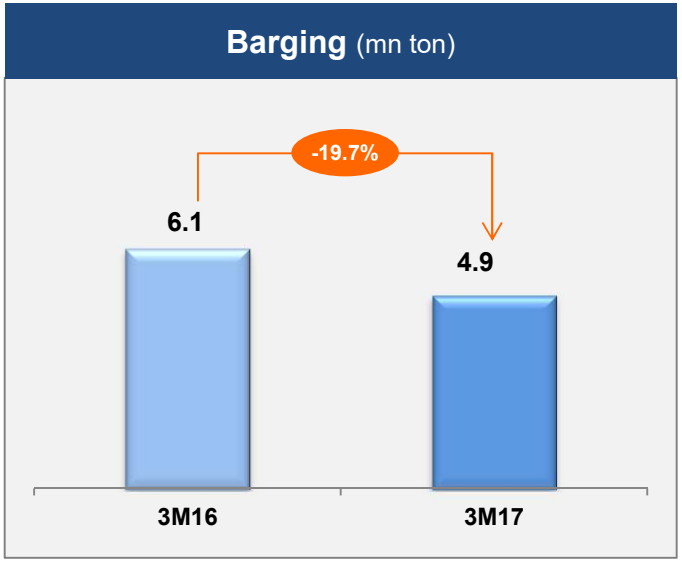
USD mn

Clients	Remaining Contract Value	New Contract/ Adjustment Value in 2017	Revenue Recognition	Remaining Contract Value
	Per 31 Dec 2016		Period ended 31 Mar 2017	Per 31 Mar 2017
Barging	27.1	5.7	11.1	21.7
Floating Crane	49.4	1.7	4.7	46.4
Total	**76.5**	**7.4**	**15.8**	**68.1**

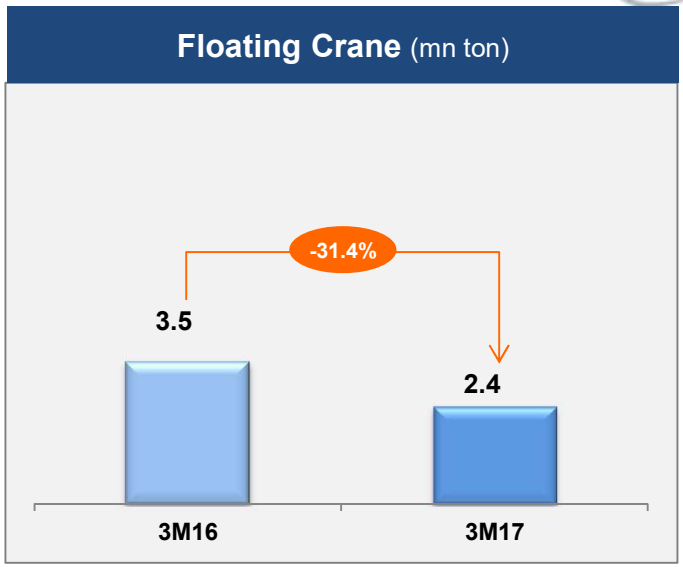
** Excludes revenue from time charter*

MBSS' Operating Highlights

Barging (mn ton)



Floating Crane (mn ton)



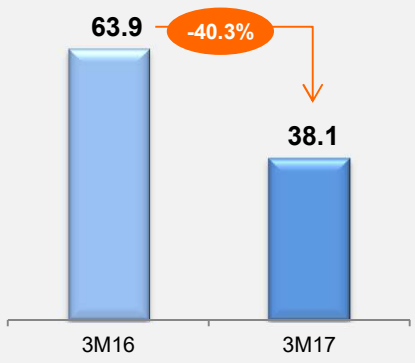
Clients	3M16	3M17
Cotrans	2.9	2.4
KPC	0.0	0.0
ADRO	1.3	0.7
Baramulti	0.1	0.0
BCS	0.6	0.2
MMS	0.3	0.4
Others	0.9	1.2
Total Volume*	**6.1**	**4.9**
Revenue (USD mn)	**12.2**	**11.0**
Revenue/ton	**2.0**	**2.2**

* *Includes time charter*

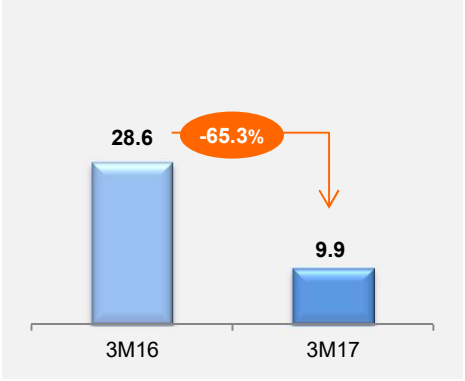
Clients	3M16	3M17
KJA	1.3	1.0
BRAU	1.7	0.5
BCS	0.5	0.4
Others	0.0	0.6
Total Volume	**3.5**	**2.4**
Revenue (USD mn)	**6.1**	**4.7**
Revenue/ton	**1.7**	**2.0**

Cirebon Electric Power's Financial Highlights

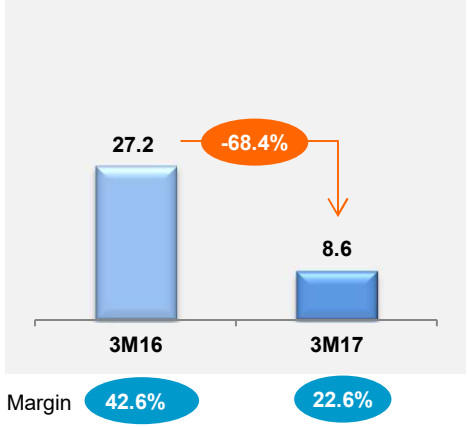
Revenues (USD mn)



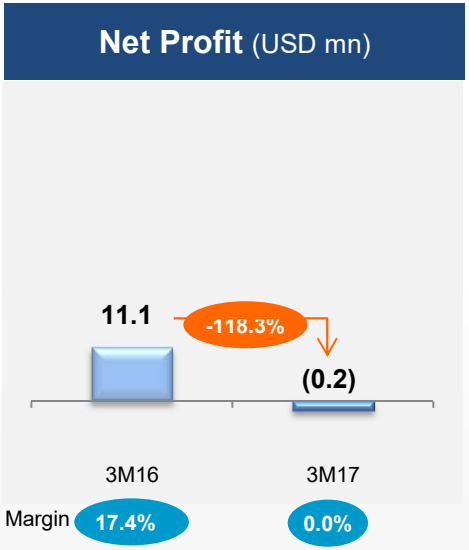
Gross Profit (USD mn)



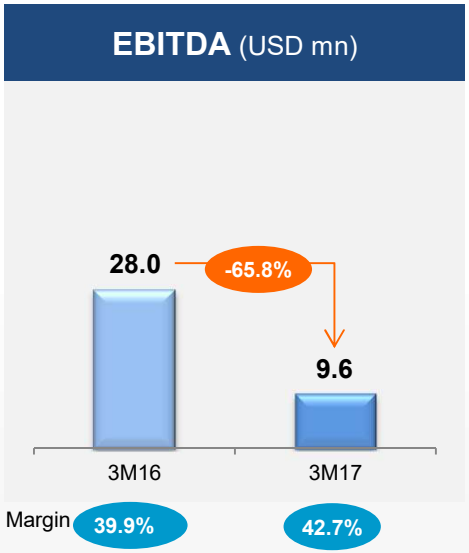
Operating Profit (USD mn)



Net Profit (USD mn)



EBITDA (USD mn)



APPENDIX

Indika Energy, Indonesia's leading fully integrated energy company

PT Indika Energy Tbk.

1 Energy Resources

- KIDECO
  - 3rd largest coal producer
  - Resources 1,375m MT, reserves 442 m MT
  - 46% ownership
- MUTU (MULTI TAMBANGJAYA UTAMA)
  - Bituminous thermal & coking coal
  - Resources 48.2m MT, reserves 30.9m MT
  - 85% ownership
- INDIKA TRADING
  - Coal trading, ~7m MT volume
- SANTAN BATUBARA
  - 35% ownership
  - Bituminous, sub-bituminous and thermal coal reserves
  - Reserves 100.7m MT

2 Energy Services

- TRIPATRA
  - Established since 1973
  - Leading EPC and O&M services in oil & gas
  - 100% ownership
- PETROSEA
  - Established since 1972
  - Coal contract mining and E&C capabilities in mining and oil and gas
  - 69.8% ownership

3 Energy Infrastructure

- mbss
  - Transshipment and water transportation, 75 tugs and barges and 6 floating cranes
  - 51% ownership
- CIREBON ELECTRIC POWER
  - 20% owned 660MW, enviro-friendly supercritical technology
  - 6.25% owned 1000MW expansion , ultra supercritical technology
- PETROSEA
  Offshore Supply Base
  - Pusat Logistik Berikat in Balikpapan
  - Logistic base for offshore operations
- INDIKA LOGISTICS / KPI
  - 100% owned, integrated logistic services
  - Port Business Entity license to operate and provide port and logistic services at all Indonesia major ports

*Companies within Indika Energy Group mentioned on this slide are non-exhaustive

As a Group, Indika Energy creates synergy and offers comprehensive set of multi-sector expertise and competencies

Synergy across the Group

- Operational synergy from intra-Group cross-selling opportunities
  - Petrosea and MBSS provides part of Kideco's overburden removal, coal barging and transshipment services
  - Kideco provides 1.9mt of coal per year to CEP
  - MBSS provides coal barging and transshipment services to MUTU and Kideco
- Cost synergy from integrated operations (work-sharing and knowledge-sharing) among Tripatra, Petrosea and MBSS
- Increasingly stable earnings and cashflow from continued multi-sector diversification

Example: IEG end-to-end competencies in coal value chain



Energy resources

- Identification / acquisition of assets — INDIKA ENERGY, KIDECO, MUTU
- Exploration — INDIKA ENERGY
- Economic and feasibility study — PETROSEA



Energy services

- Engineering and construction — PETROSEA, TRIPATRA
- Production — PETROSEA
- Processing — PETROSEA



Energy infrastructure

- Land transportation — PETROSEA
- Barging — mbss
- Loading / transshipment — mbss



- Power generation — CIREBON ELECTRIC POWER
- Offtake sales — INDIKA ENERGY

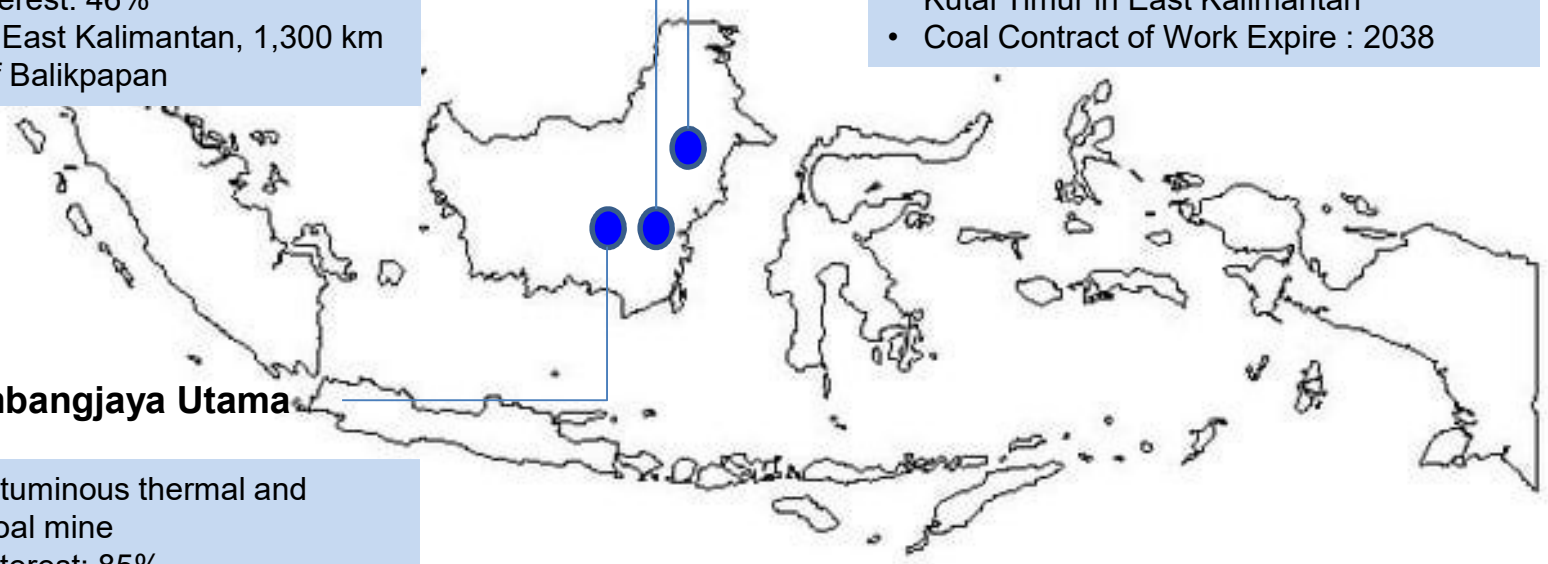
Three coal mines, two of them are fully operational

Kideco Jaya Agung

- Third largest coal mining company by production capacity in Indonesia
- Type : Sub-bituminous coal
- Equity Interest: 46%
- Location: East Kalimantan, 1,300 km to west of Balikpapan

Santan Batubara

- Type : Sub-bituminous coal
- Equity Interest: 35%
- Location: Kutai Kartanegara Regency and Kutai Timur in East Kalimantan
- Coal Contract of Work Expire : 2038



Multi Tambangjaya Utama

- Type : Bituminous thermal and coking coal mine
- Equity Interest: 85%
- Location: Palangkaraya, Central Kalimantan
- Coal Contract of Work Expire : 2039
- Coal Hauling Road Capacity: 3 mt per year
- Barge Port Capacity: 5 mt per year

Notes Outstanding

Moody's — B2
Stable Outlook (as of April 2017)

The Senior Notes are rated:

Fitch Ratings — B - / Stable Outlook
International Ratings (as of April 2017)

Indo Energy Finance II B.V.

USD500.0 mn
6.375% 10-year Senior Notes
Reg S / 144A
due 2023

January 2013

Indo Energy Capital II Pte. Ltd.

USD265.0 mn
6.875% 5-year Senior Notes
Reg S / 144A
due 2022

April 2017

*Settlement incurred in May 9, 2017

Indika Energy's Coal Reserves and Resources

(Mn ton)

Coal Assets	Reserves	Resources	Production					
			2012	2013	2014	2015	2016	3M17
Kideco	422.0	1,375.00	34.2	37.3	40.3	39.0	32.1	7.9
Santan	100.7	754.5	2.6	1.8	0.4	n/a	n/a	n/a
MUTU	30.9	48.2	n/a	n/a	n/a	n/a	0.1	0.1
Total	**553.6**	**2,177.7**	**36.8**	**39.1**	**40.7**	**39.0**	**32.2**	**8.0**

JORC Standard

Reserves: 553.6 mn tons

Resources: 2,177.7 mn tons

THANK YOU

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