

Date : **31 October 2016**
Corporate Secretary : Heri Yusup (08129947034, email : heri.yusup@pgn.co.id)
Corporate Communications : Irwan Andri Atmanto (0811884704, email : irwan.atmanto@pgn.co.id)

This press release may contain forward-looking information based on current information and expectations of the Company that involve a number of risks, uncertainties, and assumptions. Among the factors that could cause the actual results to differ materially are industry conditions, prices of crude oil and natural gas, the Company's ability to obtain and the timing of new projects, and changes in competitive factors. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual outcomes could vary materially from those indicated.

PGN Obtains Net Profit of IDR3.23 Trillion in September 30, 2016

PT Perusahaan Gas Negara (Persero) Tbk, also known as PGN, continues performing well amid global oil prices that are still significantly on the decline, as well as fluctuations in rupiah exchange rate.

The company has obtained net income of \$2.16 billion for the first nine months of 2016, or up \$17.32 million from \$2.14 billion in the same period in 2015.

Income hike of the company—stock-coded PGAS—is mainly attributed from contribution proceeds from the operating of the Kalija I transmission gas pipeline operated by PT Kalimantan Jawa Gas, as well as gas sales contribution from the upstream sector through SEI.

PGN's operating profit for the first nine month of 2016 touches \$394.23 million, while net profit reaches \$241.99 million or IDR3.23 trillion (average rupiah exchange rate of IDR13,328 in nine months of 2016).

Its EBITDA for the first nine months of 2016 stood at \$641.51 million, or an increase of \$27.17 million from \$614.34 million in the same period last year.

"We have conducted various efforts in efficiency, thus being able to generate profit amid the slowing down of economic conditions," said PGN's Corporate Secretary Heri Yusup in Jakarta.

PGN has distributed natural gas of 1,595 million standard cubic feet per day (MMSCFD) in January-September, 2016, or a growth from 1,556 MMSCFD in the same period in 2015.

The company's gas distribution volume for the third quarter of 2016 rose to 793 MMSCFD from 789 MMSCFD in the same period last year. Natural gas transport/transmission volume also went up to 802 MMSCFD from 767 MMSCFD in the same period in 2015.

Heri said PGN is optimistic that its performance will improve, in line with the government's efforts in improving Indonesia's economy. The company continues developing natural gas infrastructure to expand natural gas usage for the public, despite the deceleration of economic conditions.

He continued that the company will become more active in developing national natural gas infrastructure to increase national gas production usage. PGN's gas pipeline infrastructure increased 241 kilometers as of the third

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quarter of 2016. Its gas pipeline network has now surpassed 7,267 kilometers, or equivalent to 78% of the country's downstream natural gas pipeline.

The company supplies natural gas through its gas infrastructure network to more than 119,960 household customers, 1,929 customers in the small business, hotel, hospital, restaurant and café segment, and 1,630 customers in the large-scale industry and power plant segment.

In addition, PGN has completed several projects on time. These projects include the Kalisogo-Waru gas pipeline project of 30 kilometers in East Java, the Jetis-Ploso gas pipeline section of 27 kilometers in Mojokerto-Jombang area, as well as the Kejayan-Purwosari project of 15 kilometers in Pasuruan.

The company has also completed the natural gas infrastructure pipeline project of 18.3 kilometers in Batam, Riau Islands. The gas pipeline project—located in Batam's business area—will distribute natural gas to Nagoya, Lubuk Baja, and Jodoh areas in Batam.

Moreover, PGN is working on the Muara Karang-Muara Bekasi gas distribution pipeline project of 42 kilometers, as well as several other gas infrastructure network developments of 43 kilometers in West Java, and 23 kilometers in Surabaya.

"PGN continues to commit on developing and expanding the country's gas infrastructure despite economic conditions that have not yet improved, as well as the decline of global crude oil prices," Heri added. (*)

Tentang PGN

PGN adalah perusahaan milik negara yang dibentuk oleh Pemerintah RI dengan tujuan untuk membangun ekonomi nasional dengan mengutamakan kebutuhan rakyat menuju masyarakat yang adil dan makmur materiil dan spiritual, sebagaimana dinyatakan dalam dasar hukum dilahirkannya PGN sesuai Pepres No. 19 tahun 1965.

Dalam menjalankan amanat tersebut, PGN merintis pengembangan jaringan pipa gas bumi sejak 1974. Tidaklah mudah merintis konversi energi di saat Indonesia masih mengalami kejayaan produksi minyak bumi. Namun perjuangan PGN memmbuahkan hasilnya saat ini, di mana dengan lebih dari 7.200 kilometer pipa transmisi dan distribusi yang berhasil dibangunnya.

Sejalan dengan meningkatnya permintaan terhadap gas bumi di dalam negeri dengan sumber yang terbatas, PGN terus berusaha mencari solusi strategis untuk menjamin suplai bagi para konsumen dan mencegah kelangkaan gas bumi di beberapa wilayah. Saat ini PGN sedang mencari suplai gas baru, terutama dari lokasi yang dekat dengan infrastruktur yang ada, serta berupaya mendapatkan volume yang lebih besar untuk dialokasikan pada penggunaan di pasar dalam negeri.

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Sebagai upaya peningkatan transparansi dan kemudahan mendapatkan dana untuk pengembangan infrastruktur gas, pada tahun 2003 Pemerintah atas persetujuan DPR mengambil langkah untuk menjadikan PGN sebagai perusahaan terbuka. Saat ini Perseroan merupakan perusahaan milik negara publik yang tercatat di Bursa Efek Indonesia (BEI), di mana kepemilikan saham PGN sebesar 56,97% dimiliki oleh Pemerintah RI dan sekitar 43,03% dikuasai publik.