

PT Pertamina (Persero) First Quarter 2019 Performance



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Q1 2019 Financial Highlights

USD Billion

	Q1 2018	Q1 2019	%
ICP (USD/BBL)	63	60	-5%
Exchange Rate (IDR/USD)	13,573	14,139	4%
Revenues	13.13	12.67	-4%
Cost of sales & Operating Expenses	11.80	11.42	-3%
Operating Income	1.34	1.25	-6%
Net Income*	0.53	0.52	-3%
EBITDA	2.24	2.05	-9%
EBITDA Margin	17%	16%	-5%

**profit for the period/year before the effect or merging entity's income adjustment attributable to: owner of the parent entity*

Q1 2019 Operational Highlights

		Q1 2018	Q1 2019	%
Pertalite & Pertaseries	Percentage	71.77%	65.37%	-9%
Total Fuel Sales	Million KL	16.45	16.92	3%
Total Productions of Oil & Gas	MBOEPD	923	919	0%
Oil	MBOPD	386	417	8%
Gas	MMSCFD	3,115	2,911	-7%
Cost of Production	USD/BOE	8.93	8.97	0%
Cost of Logistics	USD/KL	8.5	8.08	-5%
Reserve Replacement Ratio	Percentage	761%	83%	-89%

Revenues slightly lower by 3.5% driven by low oil price..

USD Billion

	FY 2018	Q1 2018	Q1 2019	△%
Revenues	57.93	13.13	12.67	-3.5%
COGS	(42.79)	(9.63)	(9.01)	-6%
Upstream Production & Lifting Cost	(4.39)	(1.22)	(1.16)	-5%
Exploration Cost	(0.27)	(0.06)	(0.03)	-60%
Other Operation Activities Cost	(1.27)	(0.30)	(0.38)	26%
Gross Margin	9.22	1.91	2.09	9%
Sales & Marketing Cost	(1.64)	(0.29)	(0.45)	52%
General & Administration Cost	(1.33)	(0.28)	(0.39)	40%
Other Income/(Expenses)	(0.52)	0.08	(0.06)	-172%
Pre Tax Income	5.73	1.42	1.19	-16%
Taxes	(3.01)	(0.73)	(0.62)	-15%
Net Income	2.72	0.69	0.57	-17%
Adjustment merging entity's income & non-controlling interest	(0.19)	(0.15)	(0.05)	65%
Net Income	2.53	0.53	0.52	-3%

Balance sheet remains strong..

USD Billion

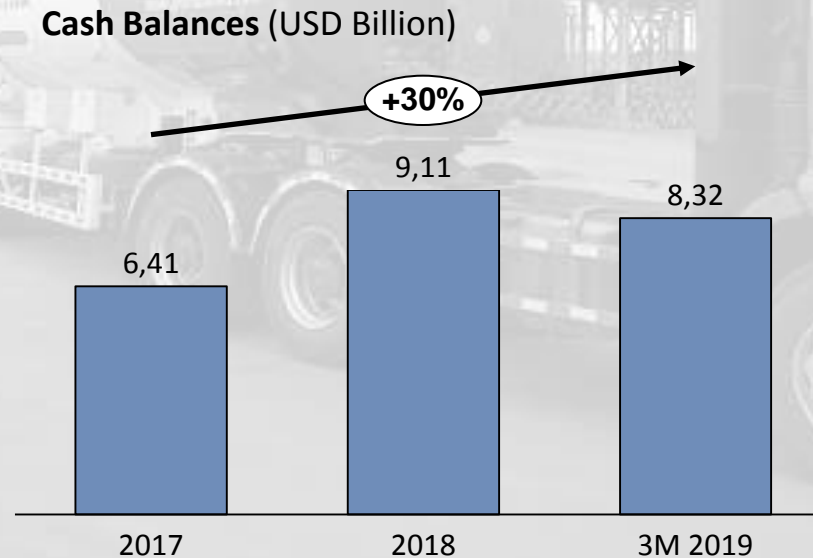
	FY 2017	FY 2018	3M 2019	△%
Cash & Cash Equivalent*	6.78	9.45	8.73	-8%
Account Receivable	2.68	3.23	3.72	15%
Government Receivable	2.16	4.76	5.57	17%
Other Receivable	0.88	0.88	0.95	7%
Inventories	6.04	6.32	6.53	3%
Long Term Investment	2.97	2.82	2.73	-3%
Fixed Assets	12.44	12.86	12.64	-2%
Oil & Gas Assets	18.03	18.61	18.54	0%
Other Assets	5.48	5.78	5.68	-2%
Total Assets	57.44	64.72	65.09	1%

*include Restricted Cash & Short Term Investment

Story of cash flow from operations

USD Billion

	3M 2018	3M 2019	%
Cash Flows from Operating Activities	0.01	0.76	7957%
Cash Flows from Investing Activities	(0.37)	(0.64)	-73%
Cash Flows from Financing Activities	(0.17)	(0.96)	-453%
Net Cash Flows	(0.53)	(0.84)	-57%
Effect of Exchange Rate	(0.04)	0.04	201%
Beginning Balance	6.41	9.11	42%
Cash & Cash Equivalent at Year End	5.83	8.32	43%



An integrated oil & gas company in Indonesia..

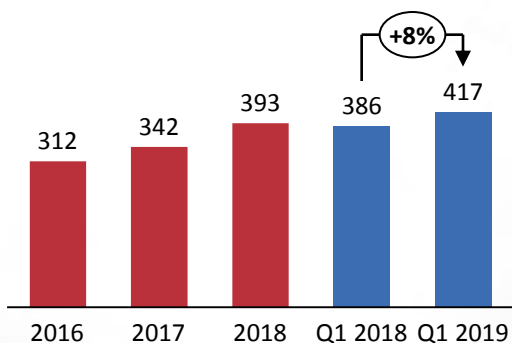
- The only fully integrated Indonesian energy company, 100% owned by the Government of Indonesia
- Rated Baa2 / BBB- / BBB (all stable)



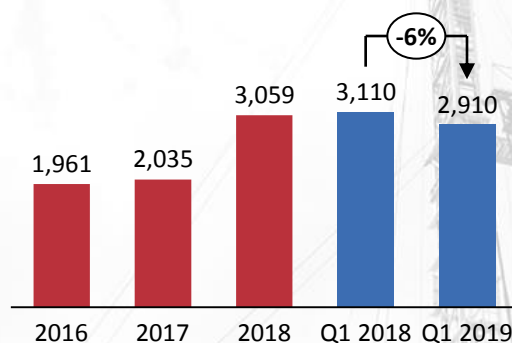
Revenues	USD1.67 Billion	USD10 Billion	USD994 Million
Operating Income	USD1.37 Billion	USD(160) Million	USD165 Million
	<p>The largest number of exploration and production blocks and the most own-operated work area of 184,392 km² in Indonesia⁽¹⁾</p> <p>Oil & Gas Production: 919 MBOEPD</p> <p>Oil & Gas Lifting: 734 MBOEPD</p> <p>Electricity generated from geothermal activity 1,021 GWh</p>	<p>Pertamina is the dominant refining company, operate seven refinery (including TPPI)</p> <p>Total capacity of 1.1 MMBLS/D</p> <p>Total intake is approx. 935 MBLS/D (2018)</p>	<p>Dominant fuel distributors with more than 6,000 retail points</p> <p>Total sales of fuel 188 thousand KL per day</p> <p>Total sales fuel and non fuel: 21 million KL</p> <p>With PGAS integration, Pertamina group will be able to meet domestic gas demand with efficient prices and infrastructure</p>
			<p>Significant downstream infrastructure, including fuel stations, fuel terminals, LPG filling plants, tankers, etc</p> <p>Subsidiaries ranging from logistics, financial services, healthcare, hospitality, and air charter, that support Pertamina operations</p>

Upstream production slightly decrease, due to unplanned shutdown..

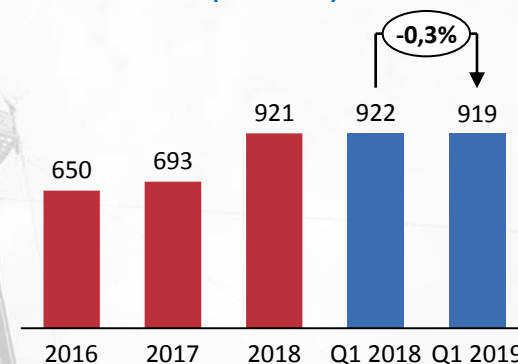
Daily Oil Production (MBOPD)



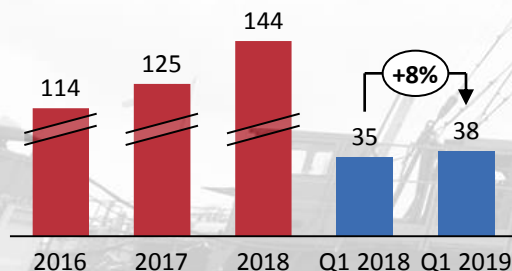
Daily Gas Production (MMSCFD)



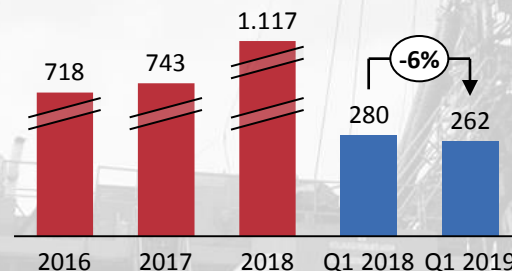
Daily Oil and Gas Production (MBOEPD)



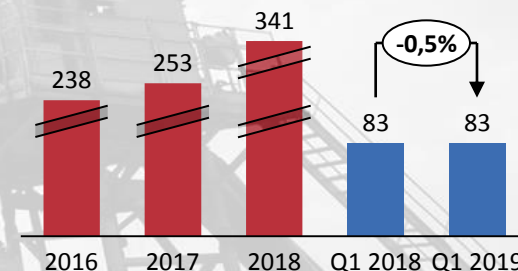
Cumulative Oil Production (MMBO)



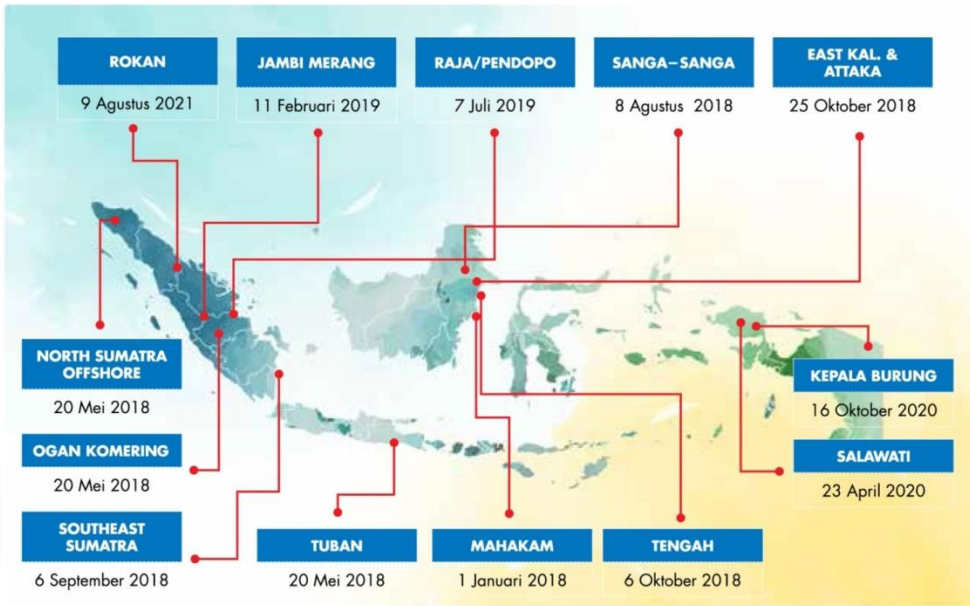
Cumulative Gas Production (BSCF)



Cumulative Oil and Gas Production (MMBOE)



Commit to develop domestic portfolio..



Raja/Pendopo Working Area

- Pertamina Hulu Energi (PHE) officially operate Raja / Pendopo Working Area (WK), which was originally operated by the Joint Operating Body of Pertamina Golden Spike Indonesia Ltd. PHE was awarded 100% stake in a 20-year extension for Raja-Pendopo. The 20-year extension was given under the Gross Split PSC. The current working area of Raja / Pendopo is 531.28 km², has 12 production wells and 3 injection wells.

Corridor Block

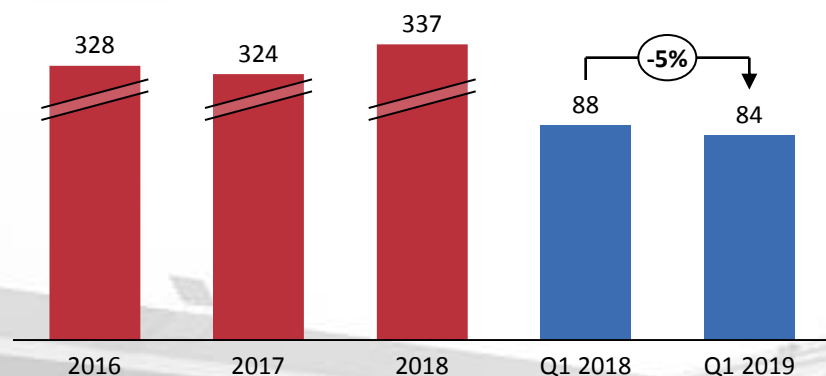
- The government agreed to increase participating interest by 30% to Pertamina on the Corridor Block, from the previous 10%.
- The Corridor Block production sharing contract will be valid for 20 years, effective from December 20, 2023, using a gross split scheme. In the first 3 years, the operator was Conoco Philips and for the next 17 years it was Pertamina's right to manage the Corridor Block.
- The Corridor Block is located in South Sumatra and consists of a number of large producing gas fields. Total gas sales for 2018 was around 850 mmcf. Currently Corridor PSC is operated by ConocoPhilips (54%), together with Repsol Oil & Gas Canada (36%) and Pertamina Hulu Energi (10%).

Jambaran Tiung Biru Project

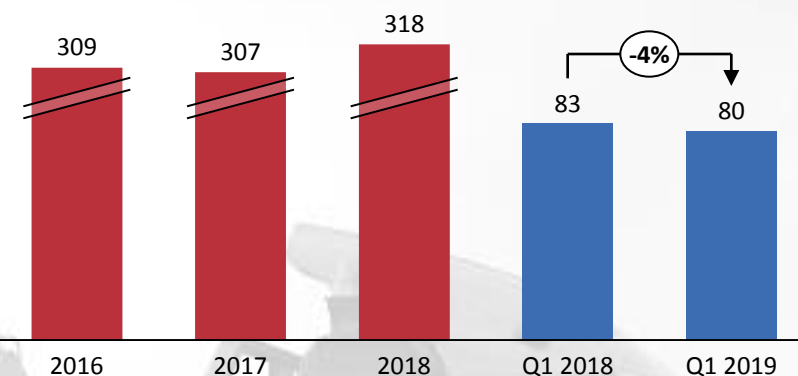
- Pertamina EP Cepu, a subsidiary of Pertamina, received funding worth USD1.85 billion from a consortium of 12 banks to finance the Jambaran-Tiung Biru Project (JTB).
- The agreement has a unique hybrid financing structure, which combines conventional financing and Islamic financing under a trustee borrowing scheme. Each section (tranche), conventional and sharia, provides project financing facilities with two tenors, namely 10 and 15 years.
- The JTB gas development and processing project, consists of developing proven gas reserves as well as the construction and operation of gas processing facilities and pipelines in East Java. The project, with a production capacity of 192 MMSCFD of gas sales and 2.5 trillion cubic feet (TCF) of gas reserves, is targeted to operate in 2021.

Close to 1 million barrel per day of refinery productions

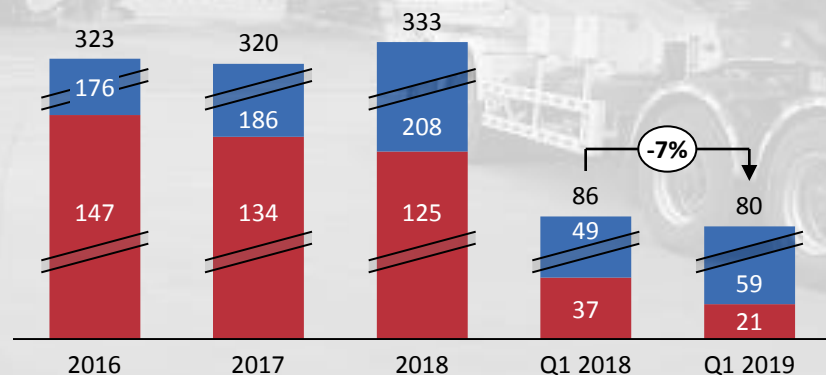
Total Intake (MMBbl)



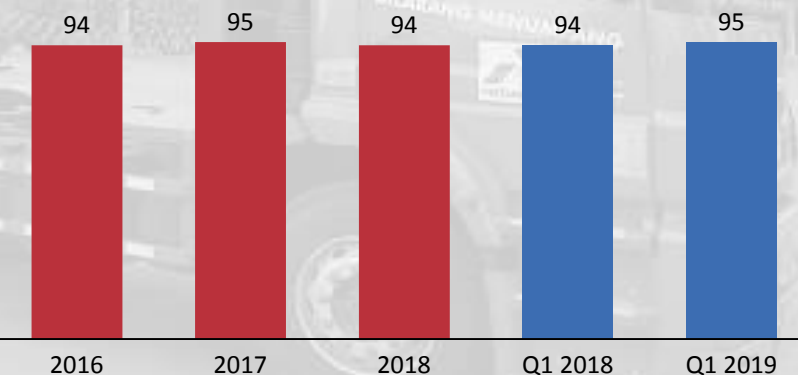
Total Output (MMBbl)



Crude Intake (MMBbl)

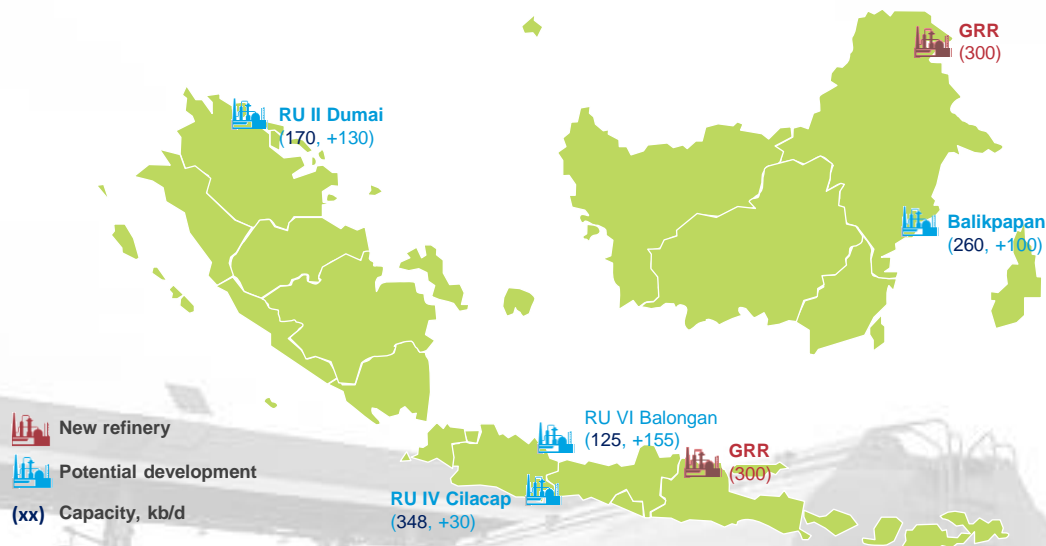


Yield Total Output On Total Intake (%)



■ Domestic ■ Import

...with 4 RDMP and 2 GRR plans



Increase the capacity

2.0 million

from ~1 million barrel per day

Crude flexibility

~2%S

Sulfur handling limit from 0.4% to ~2.0% S

Yield valuable products

~95% vol.

from ~75% vol.

Increase fuel production

1700 kbpd

from 600 kbpd

Refinery development funding

- Pertamina signed a Memorandum of Understanding with Korea Trade Insurance Corporation (K-Sure) and a Framework Agreement (FA) with Korea Eximbank
- The agreement is to support Pertamina's projects, including modernization and construction of refineries known as the Refinery Development Master Plan Program (RDMP) and the New Grass Root Refinery (NGRR).

Balikpapan refinery development

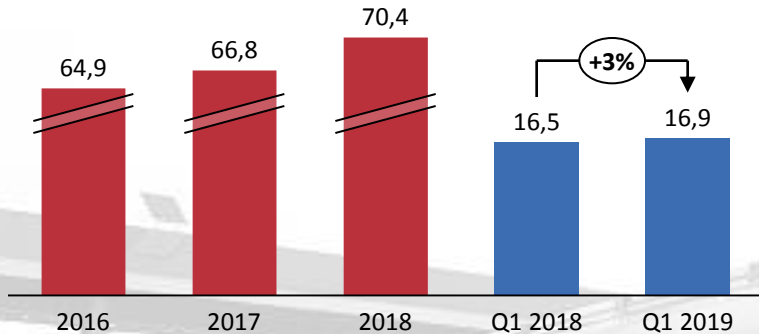
- The company has signed EPC contract with consortium of SK Engineering & Construction Co. Ltd., Hyundai Engineering Co. Ltd., PT Rekayasa Industri, dan PT PP (Persero) Tbk. amounted USD4 billion.
- The project will increase the capacity from 260 MB/D to 360 MB/D. Revitalization of Balikpapan Refinery is divided into two stages. The first phase is targeted to be completed in 2021 and then follows the second phase in 2022.

Cilacap Blue Sky Project (PLBC)

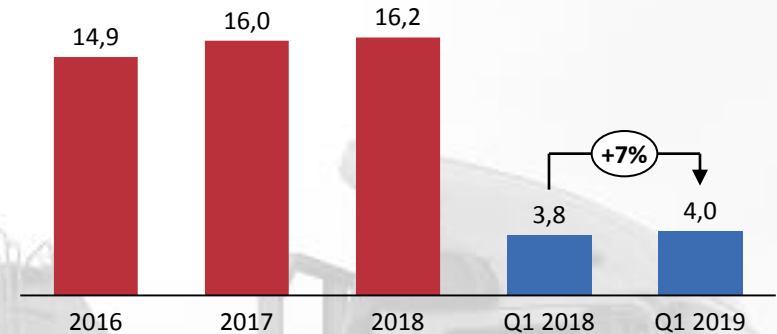
- The Blue Sky Project at the Cilacap refinery has been completed and is fully operational.
- PLBC took an investment of US \$ 392 million with the scope of work including: revamping the Platforming Unit, construction of a new LNHT - Isomerization unit, and the construction of several Utilities units to support the PLBC process unit.
- PLBC increased production capacity in Cilacap Refinery especially for Pertamax products.
- Pertamax's production capacity has now increased by 668 thousand barrels per month to 1.668 million per month.

Total fuel sales increase by 3%

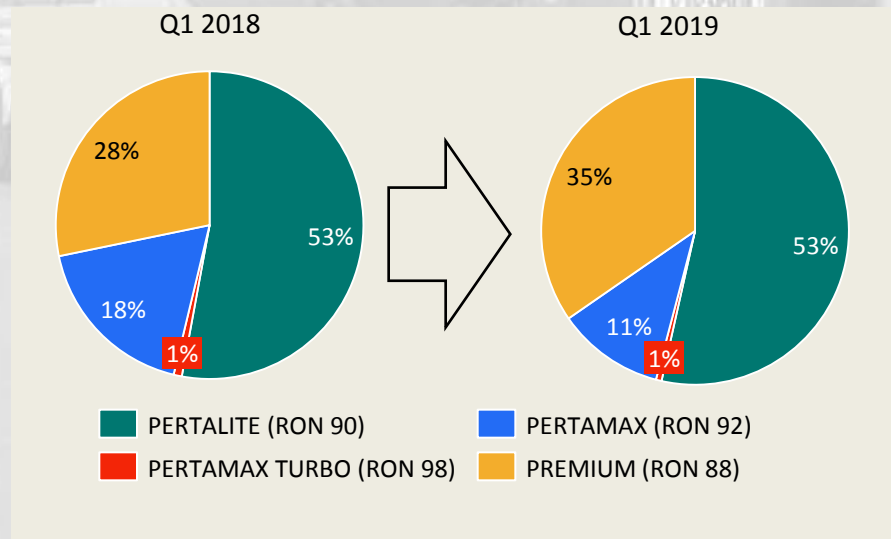
Fuel Sales (Million KL)



Non-Fuel Sales (Domestic Gas, Petrochemical & Lubricant) (Million KL)



Shift in Gasoline Consumption (Total National Sales)



..supported by fair Government policy

Policy in the price difference of certain fuels

- The Government issued President Regulation (Perpres) No. 43 of 2018 which replaces Perpres No.191 of 2014, which allows the Ministry of Energy and Mineral Resources, based on certain conditions, to determine the retail selling price of certain fuel products (subsidize and assignment fuels) different from the calculation of the formula.
- In the event that based on the results of the inspection by the State Audit Board (Badan Pemeriksa Keuangan – BPK) in one budget year there are excesses and/or shortcomings in receiving the assignment business entity as a result of the retail sale price of fuels, the Minister of Finance determines the regulation of excess and/or lack of revenue after coordinate with the Minister of State-Owned Enterprises.
- Management expected that the receivable from recognition of price disparity will be paid by the Government from 2020 to 2023

Receivable from recognition of disparity selling price	USD thousand
2018	
Diesel (Subsidize)	1,735,260
Gasoline RON 88 (Assignment)	921,872
	2,657,132
2017	
Diesel (Subsidize)	1,248,347
Total	3,905,479

Increase of Diesel subsidy

MoEMR Regulation 27/2016

Retail selling price of diesel (Solar) per liter is calculated based on formula prices, with a subsidy of **IDR 500** per liter.



MoEMR Regulation 40/2018

Retail selling price of diesel (Solar) per liter is calculated based on formula prices, with a maximum subsidy of **IDR 2,000** per liter and applied retrospectively starting January 1, 2018.

Receivable from subsidy reimbursement	USD thousand
LPG	1,471,665
Fuels	368,762
Total	1,840,427

Retail initiatives to enhance shifting to high margin products..



- MyPertamina, a loyalty program and cashless payment using mobile application



- Pertashop, increasing the accessibility of fuel and other Pertamina products in remote area



- Berkah Energi Pertamina, marketing program to increase the sales volume of high margin products



- LinkAja, e-payment platform that can be used across SoE merchants and products.



- Green Energy Station, solar powered utilites, EV charging station, EV battery swap, and cashless transaction using MyPertamina loyalty program

Thank You!

Further information and queries, please contact pertamina_ir@pertamina.com