

Company Update

9M 2018 Results



PT Petrosea Tbk. is a multi-disciplinary mining, infrastructure and oil & gas services Company with a track record of achievement in Indonesia since 1972. We offer a competitive advantage through our ability to provide complete pit-to-port mining solutions, integrated engineering and construction capabilities as well as logistic support, whilst demonstrating absolute commitment to health, safety & environment, quality management and business integrity.

Contract Mining

Contract mining and the provision of mine services for the mining industry has been part of Petrosea's core business since 1975, providing integrated pit-to-port mining solutions and services across all production stages to the Indonesian mining industry. Through its open pit contract mining services capabilities, Petrosea delivers enhanced margins and return on assets for its clients

- Feasibility study & conceptual design
- Pit optimization
- Mine planning, mine scheduling, haul distance & dump optimization
- Heavy equipment selection
- Plant hire
- Mining contract services
- Mine project management services
- Stockpile maintenance
- Site rehabilitation & environmental management

Engineering & Construction

Petrosea provides engineering & construction services for the Indonesian energy, infrastructure and mining industries, with extensive experience throughout Indonesia and strong relationships with key stakeholders such as the government and communities to assist our clients in meeting their business goals.

For the infrastructure and minerals industry, Petrosea provides the full range of engineering, construction and operations services including:

- Construction
- Plant & equipment hire
- Commissioning
- Project management
- Operation & maintenance
- Procurement & logistics
- Front end engineering design
- Detail engineering design
- Technical due diligence
- Conceptual to full bankable feasibility studies

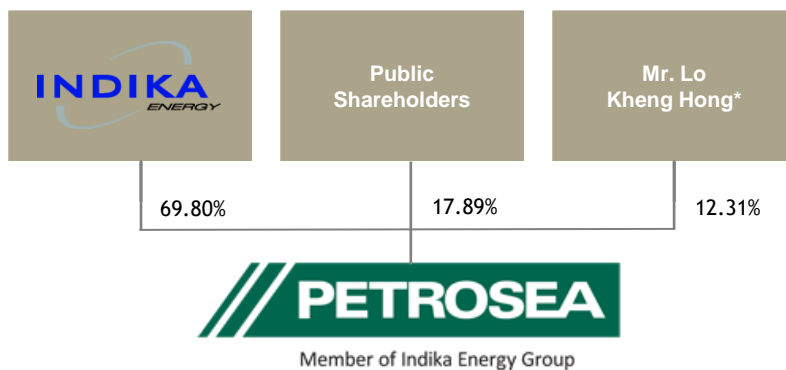
Petrosea Logistics & Support Services

Petrosea provides services to the Indonesian oil & gas industry through its strategically positioned Petrosea Offshore Supply Base (POSB) and Bonded Logistics Center (PLB), delivering a wide range of cost effective services executed to international standards. Our Supply Base Management capability along with our strong focus on HSE ensures that we are able to provide our services safely and efficiently, supporting offshore oil & gas production, development and exploration throughout Indonesia.

- POSB Sorong
- Bonded Logistics Center

Ownership Structure & Milestone

Ownership Structure (above 5%)



Year

Established

1972

Listed in
IDX

1990

Acquired by INDY

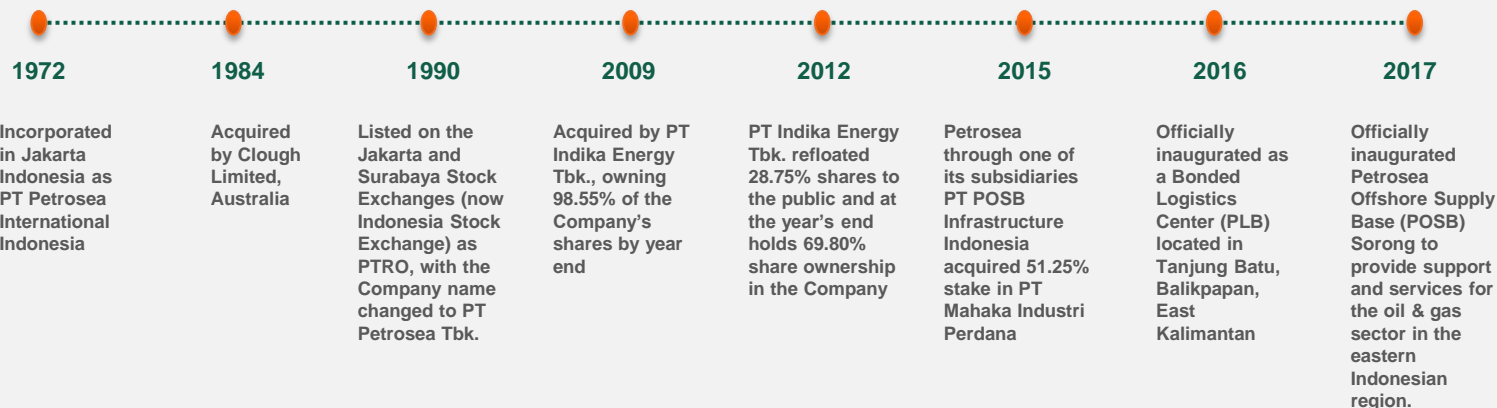
2009

Market Capitalization Rp 1.89 trillion* (Rp1,880/share)

Number of shares: 1,008,605,000

* As of 30 October 2018

Milestone



Board of Commissioners



Richard Bruce Ness
President Commissioner



Eddy Junaedy Danu
Commissioner



Purbaja Pantja
Commissioner



Osman Sitorus
Independent Commissioner



Abdurrachman Kunwibowo
Independent Commissioner

Board of Directors



Hanifa Indradjaya
President Director

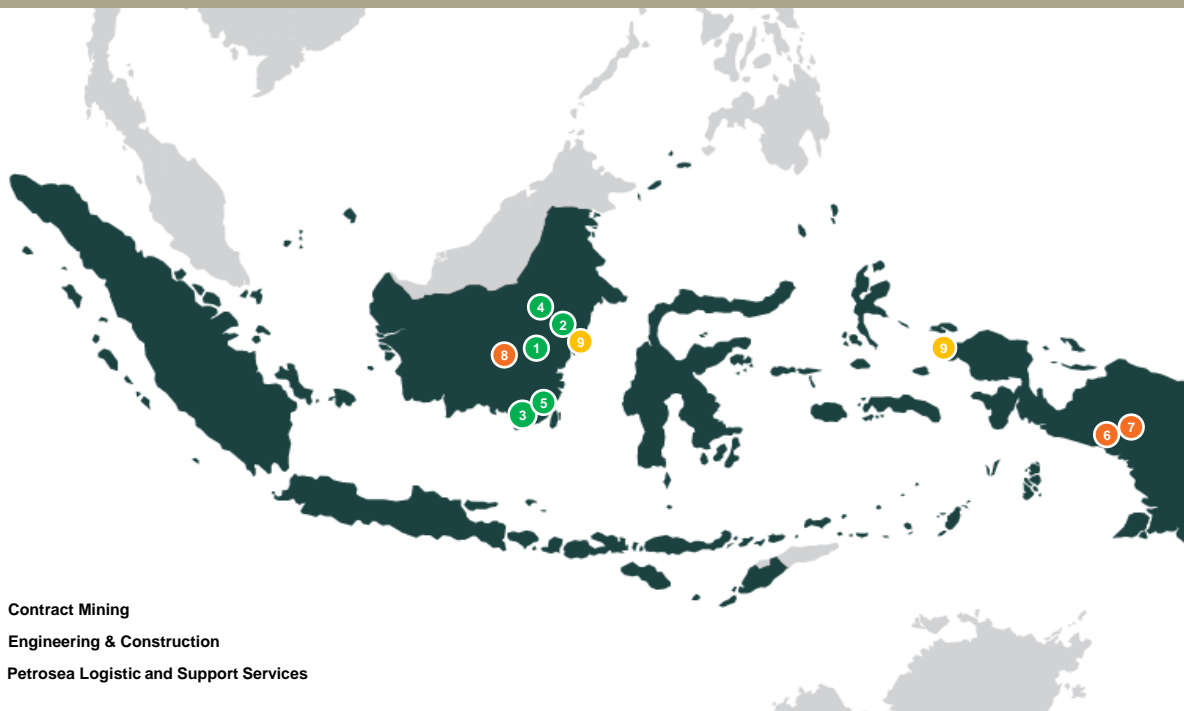


Johanes Ispurnawan
Director



Romi Novan Indrawan
Independent Director

Existing Contracts

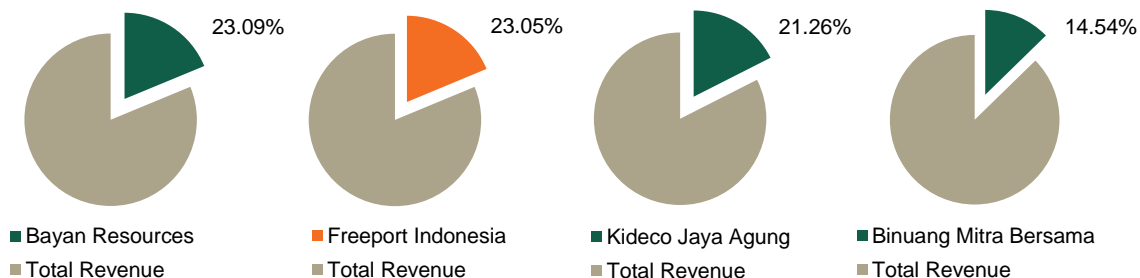


NO	Client	Contract
1	Kideco Jaya Agung	2018 - 2023
2	Bayan Resources	2014 - 2021
3	Binuang Mitra Bersama	2015 - 2020
4	Indonesia Pratama	2014 - 2021
5	Anzawara Satria	2015 - 2018
6	Freeport Indonesia	2015 - 2019
7	Freeport Indonesia	2017 - 2019
8	Maruwai Coal	2017 - 2019
9	ENI Indonesia	2009 – ongoing
	Chevron Indonesia	2009 – ongoing
	Mubadala Petroleum	2009 – ongoing
	Weatherford	2009 – ongoing
	Baker Hughes	2009 – ongoing
	Halliburton	2009 – ongoing
	BP Berau Ltd.	2017 - 2025
	ENI Indonesia	2009 – ongoing

Top 4 Clients



Revenue Contribution



1	1 st Quarter	Contract Mining	<ul style="list-style-type: none"> In March, Petrosea & Kideco Jaya Agung has signed amendment for mining services, contract value US\$356.8 million or equivalent to Rp4.8 Trillion. Duration 5 years. In January, the agreement between Petrosea and PT Indonesia Pratama was amended The Provision of Open Pit Overburden Mining Services, Coal Transportation and Equipment Rental Agreement includes changes to the total overburden volume target of 223.85 million BCM and price adjustment for the period up to December 31, 2021.
		E&C	<ul style="list-style-type: none"> In January, Petrosea & PT Freeport Indonesia entered into a construction sediment management agreement with an estimated contract value of US\$22 million and duration of 36 months.
		PLSS	<ul style="list-style-type: none"> In January. Petrosea & Saipem entered into an agreement for the provision of logistics at POSB Sorong, with an estimated contract value of US\$0.75 million.
2	2 nd Quarter	Contract Mining	<ul style="list-style-type: none"> In May, Petrosea & Kideco Jaya Agung entered into an agreement for the construction of the Samarangau River Bridge in Batu Kajang, Paser, East Kalimantan, with the contract value of Rp49.5 billion and duration of 7 -months.
		PLSS	<ul style="list-style-type: none"> In May, PLSS - Petrosea & CSTS entered into an agreement for the provision of loading & unloading and storage at POSB Sorong with an estimated contract value of US\$1.03 million.
3	3 rd Quarter	E&C	<ul style="list-style-type: none"> In September, Petrosea & Vale Engineering signed the expiration contract of engineering services.
		PLSS	<ul style="list-style-type: none"> In July – September 2018, Petrosea entered into new agreement and amendment of agreement for POSB Sorong in Papua, Bonded Logistics Center (PLB) and Petrosea Supply Base in Tanjung Batu, East Kalimantan . The total Contract value is Rp12 billion.



PT Kuala Pelabuhan Indonesia

Kuala Pelabuhan Indonesia has operated its marine fleets & port facilities as subsidiary of Petrosea. Kuala Pelabuhan Indonesia provides integrated ship dock operations, as well as logistics and maintenance services for PT Freeport Indonesia.

On June 28, 2018, the Company acquired 380,000 shares (95% share of ownership) in PT Kuala Pelabuhan Indonesia.



PT Santan Batubara

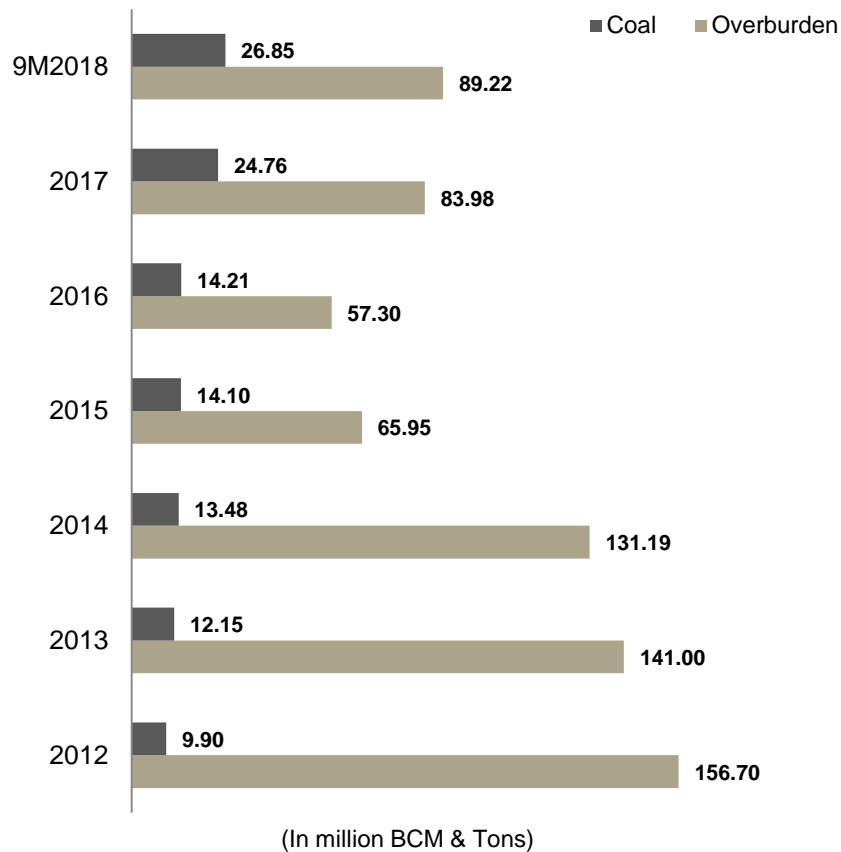
On August 21, 2018, the Company released its ownership in PT Santan Batubara to PT Harum Energi Tbk.

Operational Highlights

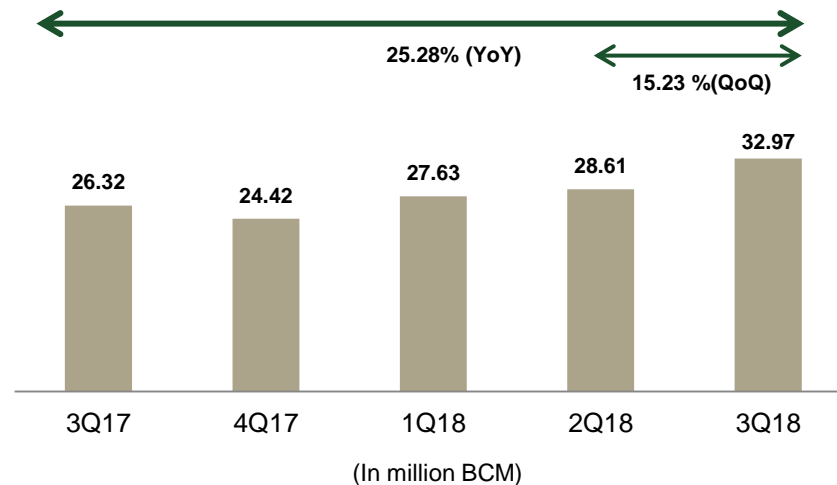
OPERATIONAL HIGHLIGHTS

Description (MBCM / MT)	9M17	9M18	YoY
Overburden (MBCM)	59.56	89.22	49.80%
Coal (MT)	17.86	26.85	50.31%

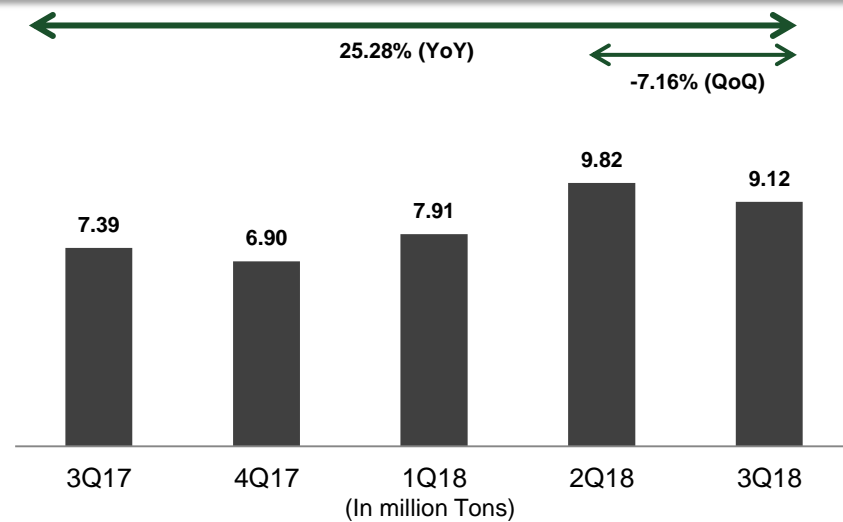
OVERBURDEN AND COAL YEARLY



OVERBURDEN QUATERLY



COAL QUATERLY



Financial Highlights

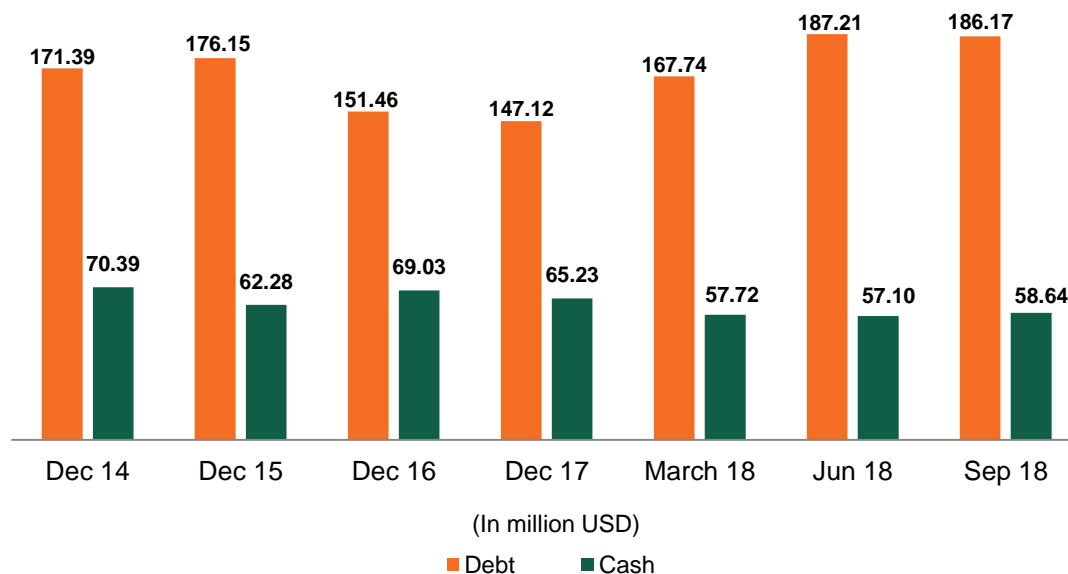
Financial Highlights – Balance Sheets

Description (US\$ Million)	12M17	9M18
Cash & Cash Equivalents	65.23	58.64
Total Current Assets	177.65	217.18
Total Noncurrent Assets	276.55	298.23
Total Assets	454.20	515.41
Bank Loans	10.60	20.01
Total Current Liabilities	103.67	141.15
Total Noncurrent Liabilities	161.71	188.58
Total Liabilities	265.37	329.73
Total Equity	188.83	185.68
Total Liabilities & Equity	454.20	515.41

Financial Highlights

Description (US\$ Million)	12M17	9M18
Return on Assets	2.62%	4.24%
Return on Equity	6.30%	11.75%
Current Ratio	1.71	1.54
Debt to Equity Ratio	0.76	1.00
Fixed Assets Turnover Ratio	0.84	1.45
Total Assets Turnover Ratio	0.69	0.81
Gross Profit Margin	13.66%	16.05%
Operating Profit Margin	6.50%	11.12%
Net Profit Margin	3.28%	5.50%

DEBT AND CASH



Maintaining Healthy Balance Sheets



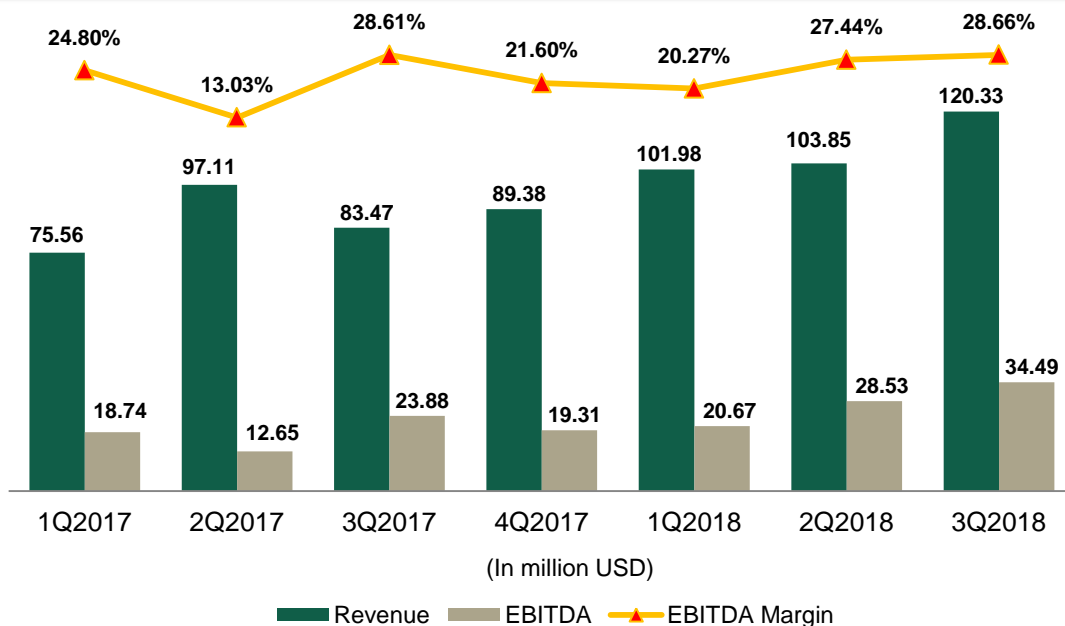
• Effective working capital management

• Prudent liabilities management strategy

• Good Corporate Governance

Financial Highlights

PROFITABILITY



Financial Highlights – Profit or Loss

Description (US\$ Million)	9M17	9M18
Revenues	224.09	326.16
Direct Costs	(189.54)	(273.84)
Gross Profit	34.55	52.32
Operating Profit	20.19	36.26
Share in jointly controlled entity's Net Loss	(0.35)	(0.50)
Net Profit for the Period	8.01	17.93
Profit Attributable - to Owners of Company	7.79	17.77
Profit Attributable - to Non-controlling interest	0.22	0.16
Earning per Share	0.0077	0.0176

Financial Highlights

Description	3M18	6M18	9M18
EBITDA (US\$ Million)	20.67	49.20	83.69
EBITDA Margin	20.27%	23.90%	25.66%
CAPEX (US\$ Million)	32.75	60.12	78.63
Total Debt (US\$ Million)	167.74	187.21	186.18
Debt to Equity Ratio (X)	0.93	1.07	1.00
Net Gearing Ratio (X)	0.63	0.74	0.69

Cost Effectiveness

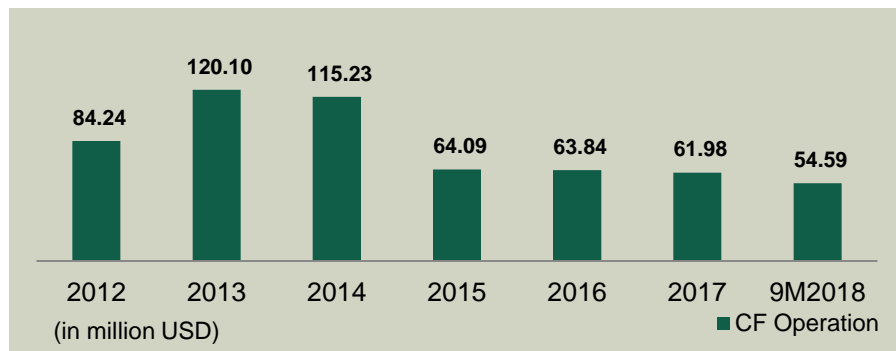
Maximize Assets Productivity

Maximize Operational Performances

Profit
Maximization

Financial Highlights

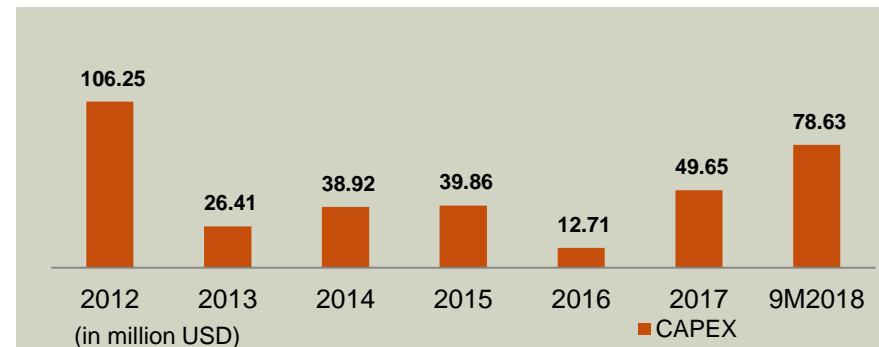
CASHFLOW OPERATIONS



Cash Flow From Operating Activities

Description (US\$ Million)	9M17	9M18
Cash received from customers	223.13	294.27
Cash paid to suppliers	(94.11)	(153.09)
Cash paid to employees	(73.60)	(86.59)
Cash generated from operations	55.42	54.59
Receipt of the refunds	8.87	2.23
Interest received	0.70	0.33
Payment other tax and penalties	(1.85)	(0.07)
Payment of incomes taxes	(3.31)	(1.96)
Payment of interest and finance charges	(8.82)	(10.47)
Net cash provided by operating activities	51.01	44.72

CAPITAL EXPENDITURE



Cash Flow From Investing and Financing Activities

Description (US\$ Million)	12M17	9M18
Proceeds from sale on an investment	0	5.97
Dividend received	0	1.33
Acquisition of subsidiary	0	(8.56)
Acquisition of property, plant & EQ	(34.79)	(78.63)
Proceeds sale of property, plant & EQ	0.01	0
Net cash provided by investment AC	(34.78)	(78.89)
Proceeds from bank loan	50.38	60.61
Proceeds from sale and leaseback	0	44.05
Payment of finance lease LB	(5.39)	(12.35)
Payment dividend	0	(12.53)
Payment of bank loan	(49.99)	(57.19)
Net cash provided by financing AC	(5.00)	28.58

APPENDICES

Appendix 1 : Milestones

PTRO-KJA entered into rental agreement of heavy equipments at SM-Popor Area, Tambang Pasir, East Kalimantan

PTRO-KJA amended the waste removal & coal production agreement which include among others, the extension of expiration date of the contract from 31 December 2015 to 31 December 2018

PTRO-IAC have entered into overburden removal agreement. The contract value is Rp 313 billion for a period of one year

PTRO-BMB entered into agreement for mining services and rental of heavy equipment and personnel in BMB with OB volume of 28 MBCM and 6.5 million tonnes of coal per annum. This agreement is effective on 6 June 2016 for a period of 2 years

10 May
2013

31 Dec
2014

16 Oct
2015

13 May
2016

22 Oct
2010

27 Jun
2014

16 Sep
2015

11 Jan
2016

11 Nov
2016

PTRO-KJA entered into a waste removal & coal production agreement amounting to US\$ 216 million at SM-Popor, Suara Area, East Kalimantan. This agreement is effective for five years commencing on 1 January 2011

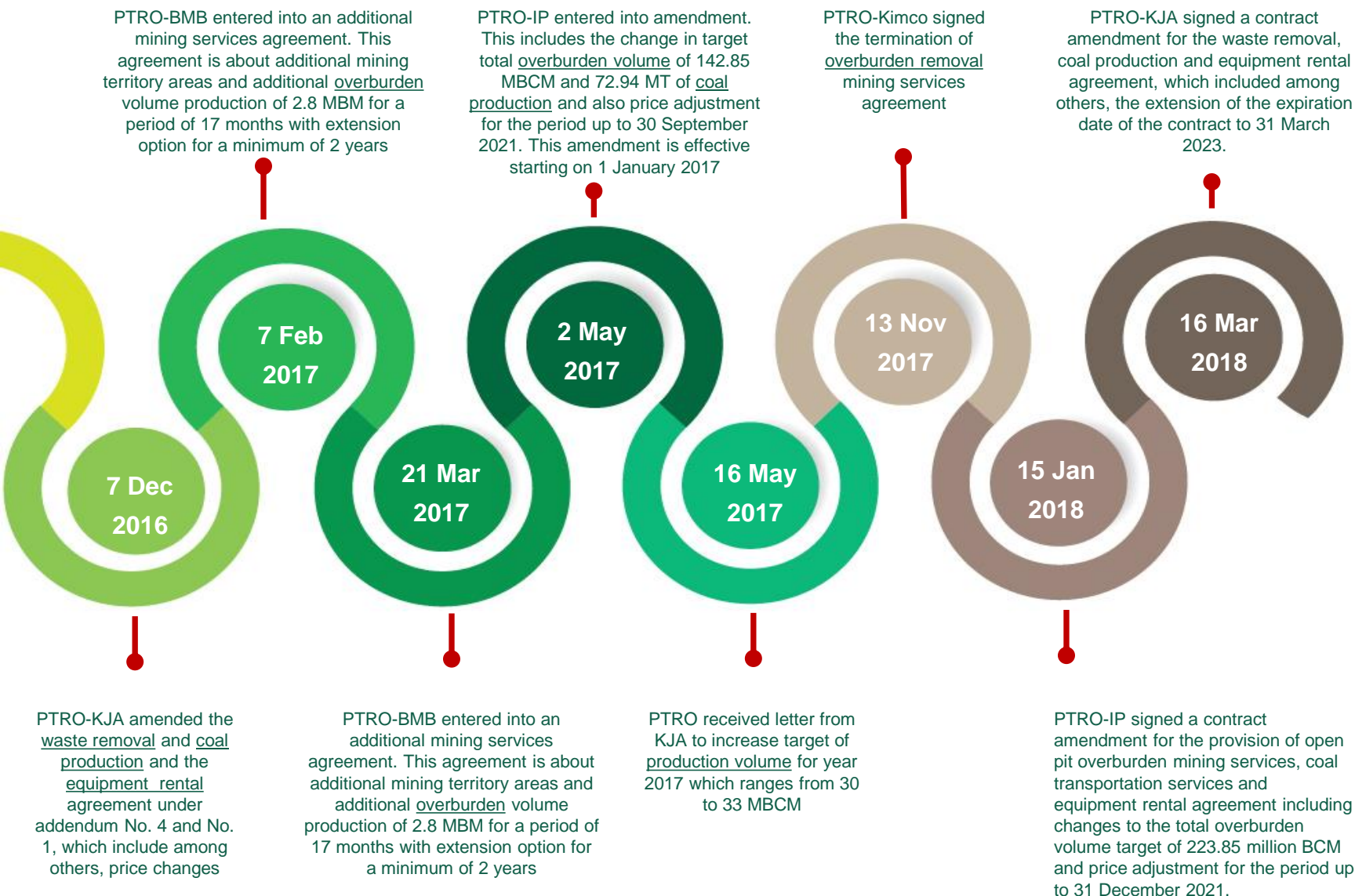
PTRO-IP entered into an open pit overburden mining services, equipment rental agreement, and coal transportation agreement at Tabang site, Kutai Kartanegara – East Kutai, East Kalimantan. This agreement is effective for seven years starting on 1 October 2014 with total overburden volume of 71.8 MBCM and 65.5 MT of coal.

PTRO-IAC entered into 1st amendment of overburden removal agreement which include among others, the extension time of contract and revision in the rise & fall index value

PTRO-ANZ entered into overburden removal agreement amounting to Rp 622 billion for a period of three years. The scope encompasses overburden removal, hire of mobile plant and personnel and coal hauling at Tanah Bumbu, South Kalimantan

PTRO-Kimco entered into overburden removal mining services agreement amounting to Rp 1.6 billion with a duration of 3 years

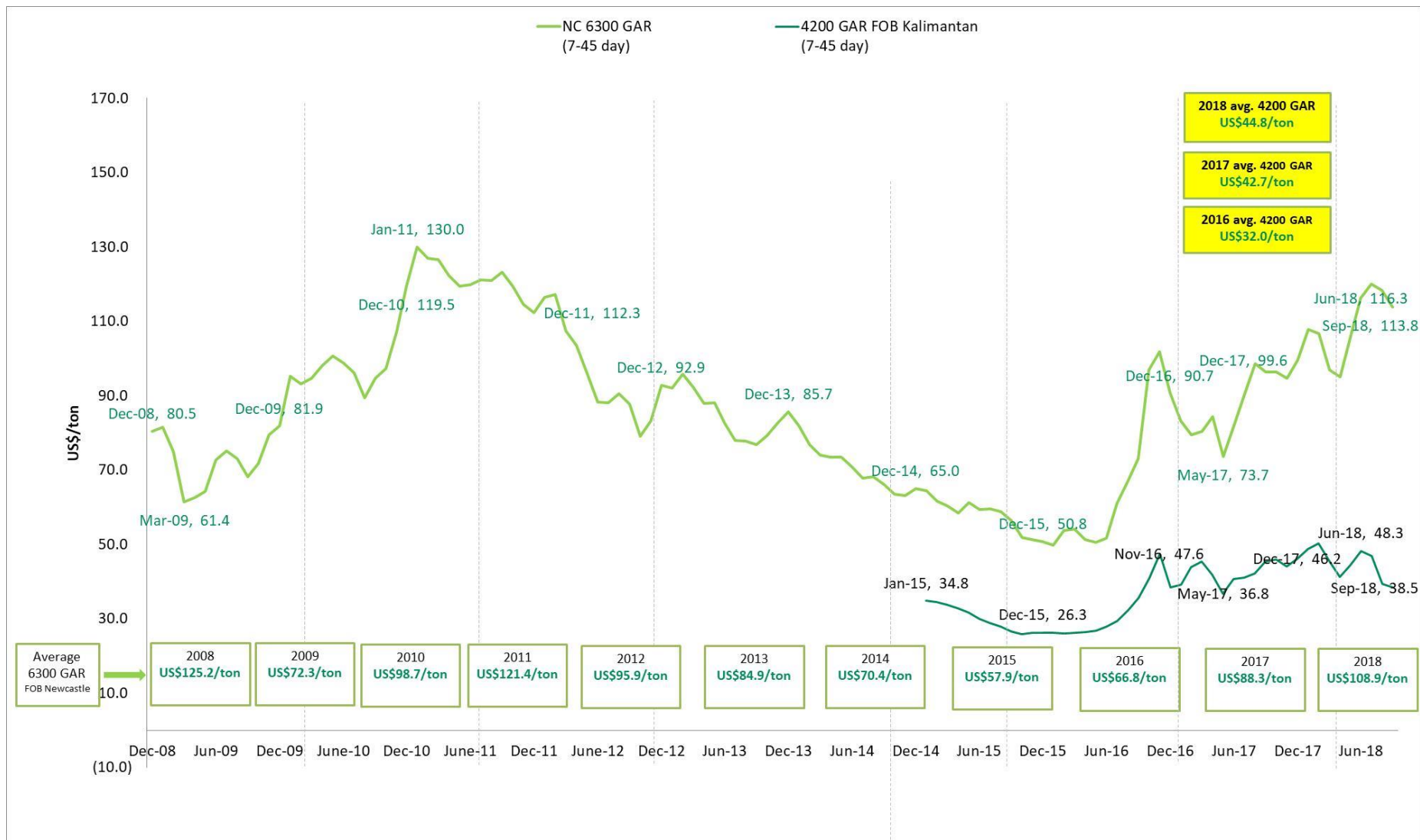
Appendix 1 : Milestones (Continued)



Appendix 2 : Budget

Description	2018B
Volume	133.9 million BCM
CAPEX	112.6 million USD

Appendix 3 : Coal Price



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