

COMPANY UPDATE

FY 2019 | 20 March 2020

PT Petrosea Tbk.
www.petrosea.com



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Disclaimer

Investors and security holders are cautioned that this communication contains forward-looking statements and that forward-looking statements are subject to various risks and uncertainties, many of which are difficult to predict and are generally beyond the control of PT Petrosea Tbk.

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Petrosea Overview



PTRO

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 safety, health & environment, quality management and business integrity.



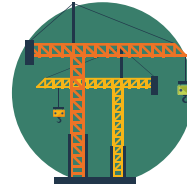
Our Business



CONTRACT MINING

Petrosea offers a wide range of project services from pit-to-port, including:

- Open pit contract mining services
- Civil and infrastructure construction, including roads, tailing dams, and site facilities
- Mining project management services, including equipment and operators from mine owners as well as subcontractors
- Technical and feasibility study consulting services
- Mine planning and optimization services
- Minerva digital platform solution that can be applied in mining operations



ENGINEERING & CONSTRUCTION

Petrosea provides the full range of engineering, procurement, construction and operations services, including:

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



LOGISTICS AND SUPPORT FOR OIL & GAS SERVICES

Logistics & Support Services

- Logistics base management
- Bonded Logistics Center (PLB)
- Logistics & freight forwarding services

Supply Base Management

- Quayside operations
- Transportation and port management
- Other services such as critical spare part handling, shipping agency, waste management, bulk material management, goods tracking & other logistics-related services

Ownership Structure & Milestones



Member of Indika Energy Group

PTRO.JK

1972 Established

1990 Listed in IDX

2009 Acquired by INDY

Market Capitalization Rp 0.88 trillion* (Rp875/share)

Number of shares: 1,008,605,000

* As of 19 March 2020

Ownership Structure (above 5%)

69.80%

PT Indika Energy Tbk.

30.20%

Public**



Member of Indika Energy Group

**As of 31 December 2019 Lo Kheng Hong owned 14.74% PTRO Shares

Milestones

1972

Incorporated in Jakarta Indonesia as PT Petrosea International Indonesia

1984

Acquired by Clough Limited, Australia

1990

Listed on the Jakarta and Surabaya Stock Exchanges (now Indonesia Stock Exchange) as PTRO, with the Company name changed to PT Petrosea Tbk.

2009

Acquired by PT Indika Energy Tbk., owning 98.55% of the Company's shares by year end

2012

PT Indika Energy Tbk. refloated 28.75% shares to the public and at the year's end holds 69.80% share ownership in the Company

2015

Petrosea through one of its subsidiaries PT POSB Infrastructure Indonesia acquired 51.25% stake in PT Mahaka Industri Perdana

2016

Officially inaugurated as a Bonded Logistics Center (PLB) located in Tanjung Batu, Balikpapan, East Kalimantan

2017

Officially inaugurated Petrosea Offshore Supply Base (POSB) Sorong to provide support and services for the oil & gas sector in the eastern Indonesian region.

2018

Company acquired PT Kuala Pelabuhan Indonesia
Company released its shares in PT Santan Batubara

2019

The Company's received international recognition by the WEF as Global Lighthouse Network

Board of Commissioners



Richard Bruce Ness
PRESIDENT COMMISSIONER



Purbaja Pantja
COMMISSIONER



Kamen Kamenov Palatov
COMMISSIONER



Osman Sitorus
INDEPENDENT COMMISSIONER



Hasnul Suhaimi
INDEPENDENT COMMISSIONER

Board of Directors



Hanifa Indradjaya
PRESIDENT DIRECTOR



Johanes Ispurnawan
DIRECTOR*



Romi Novan Indrawan
DIRECTOR

*) Johanes Ispurnawan tendered his resignation as Director effective on March 24, 2020

Operational Map & Current Major Projects



Top 5 Clients



PT. BAYAN RESOURCES, Tbk



Current Clients

CONTRACT MINING

1	Kideco Jaya Agung	2023
2	Indonesia Pratama*	2021
3	Binuang Mitra Bersama	2020

ENGINEERING & CONSTRUCTION

4	Freeport Indonesia	2021
5	Maruwai Coal	2019

LOGISTICS AND SUPPORT FOR OIL & GAS SERVICES

6	Provision of Supply Base Support Services & Bonded Logistic Center Services	On Going
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Pertamina Hulu Mahakam, Pertamina Trans Kontinental, PT Mitra Inter Trans Forwarding, PT DHL Global Forwarding, Ophir Energy Indonesia, CSTS Joint Operation, Saipem Indonesia, BP Berau Ltd.

* Subsidiary of PT Bayan Resources Tbk.

Recent **Developments**





Global Lighthouse Network

Petrosea has become the only Indonesian mining company to be welcomed by the World Economic Forum to its Global Lighthouse Network during the Annual Meeting of the New Champions, held on 3 July 2019 in Dalian, China.

Petrosea was selected due to its success in applying Industry 4.0 revolution technologies to drive financial and operational impact at Tabang, which is a remote project site located in East Kalimantan.



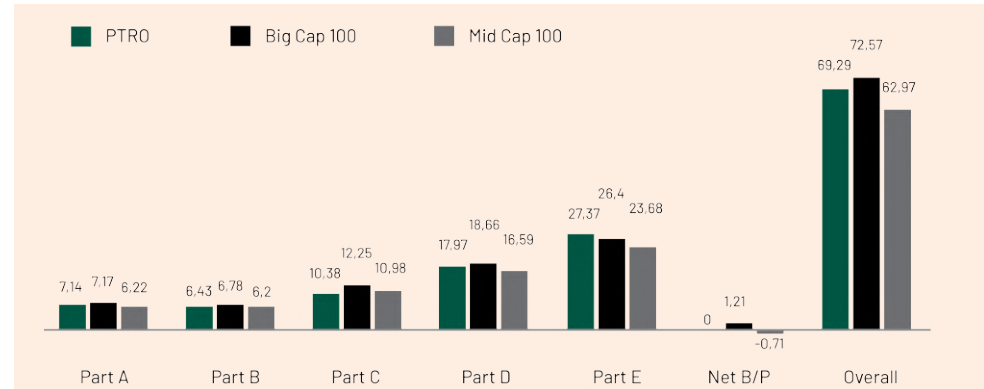
Recent Developments in 2019

ESG Highlights



We are committed through the concepts of **Environmental, Social, and Governance (ESG)** to preserve the environment, create an independent community, and good corporate governance in order to improve the company's sustainability performance. Our sustainability program and partnership efforts focus on education, health, community empowerment, and the environment which includes the Safety, Health, and Environment program.

IICD Assessment Result 2019 on Corporate Governance Practices



In accordance with Law Number 40 of 2007 on limited liability companies, the structure of corporate governance is represented in the Company's organs that include the GMS, BOC and BOD. In carrying out their duties PTRO's form the following committees and functions:

- Audit, Risk & Compliance Committee
- Human Capital Committee (Nomination and Remuneration)
- Project & Investment Committee
- Corporate Secretary & Investor Relations
- Internal Audit & Quality Assurance
- Corporate Health, Safety & Environment

As a mining and construction services company, Petrosea does not escape the company's operational activities that intersect with the environment and social in our work area. Through operational activities, we strive to increase benefits for wider stakeholders, including surrounding communities, to contribute to sustainable development.

Contract Mining

- In November 2019. Received letter from Kideco Jaya Agung regarding 2020 production target volume of **61.95** million BCM and **12.83** million tons coal production.
- In October 2019. Received letter from Indonesia Pratama regarding 2020 production target of **40.5** million BCM and **16.3** million tons coal production.
- In September 2019. Received letter from Indonesia Pratama to limit coal production at 16.3 million tons for year 2019.
- In March 15, 2019. Contract Mining - Petrosea and Indonesia Pratama entered into a third amendment of the Agreement for the Provision of Open Pit Overburden Mining Services, regarding haul distance calculation.

Engineering & Construction

- In July 2019. Completed project with **Maruwai Coal related Civil Concrete Utilities & Infrastructure Works.**
- In June 2019. Signed Letter of Award for **Supply and Placement of Fill Material at JIPE site Freeport** with estimate contract value Rp1 Trillion. The final contract value currently still in re-pricing process.
- In June 2019. Received Notice to Proceed from **Kideco** for executing the Contract of **Civil Work for relocation of MCCP B Line** to SMCP area with the contract value of Rp 33 billion (20 months).
- In March, 2019. Received Final **Completion Certificate** from Adaro for the **Lampunut Village Installation** project.

Logistics & Support For Oil & Gas Services

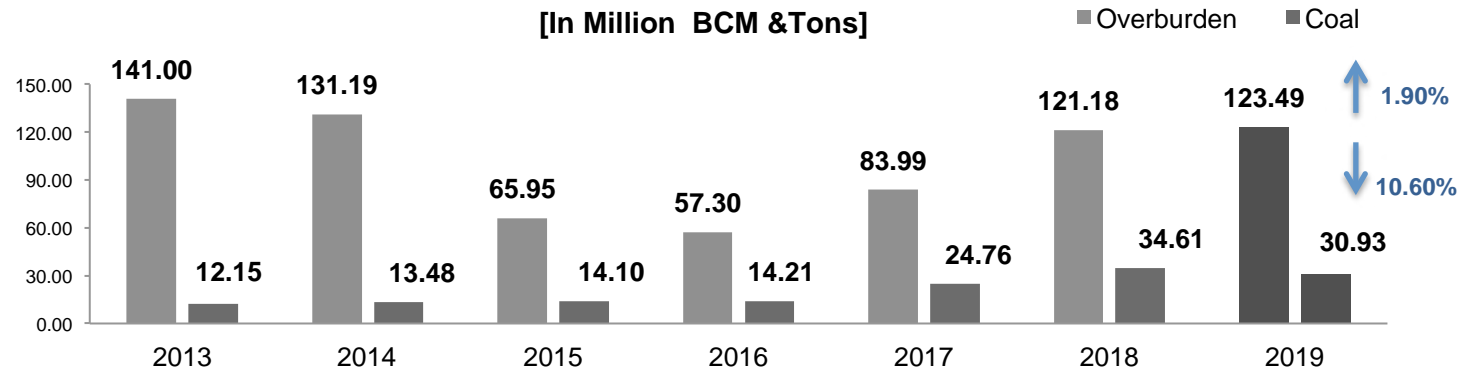
- In December 2019. PTRO and Tripatra Engineers & Constructors entered into an Agreement for **Rental Equipment and Support Services** at Kariangau, with contract value Rp 7 billion with commencement date from April 1, 2019 to March 31, 2020.
- In August 2019. PTRO and Pertamina Hulu Mahakam entered into an Agreement for **Provision of Cargo Carrying Unit (CCU) Services** with contract value Rp 8 billion with commencement date from April 19, 2019 to April 18, 2021.
- In April 2019. PTRO in consortium with PT Mitra Inter Trans Forwarding and PT DHL Global Forwarding Indonesia executed a Contract for **Integrated Freight Forwarding Services** with BP Berau Ltd for a 36 months period valued Rp 99 billion.
- In March 2019. PTRO and PT Saipem Indonesia entered into Amendment No.1 to Agreement for **Provision Logistic Base Tangguh Expansion Project at Sorong** effective date March 4, 2019 to August 30, 2020. The total contract value of Rp28 billion.

Operational Highlights

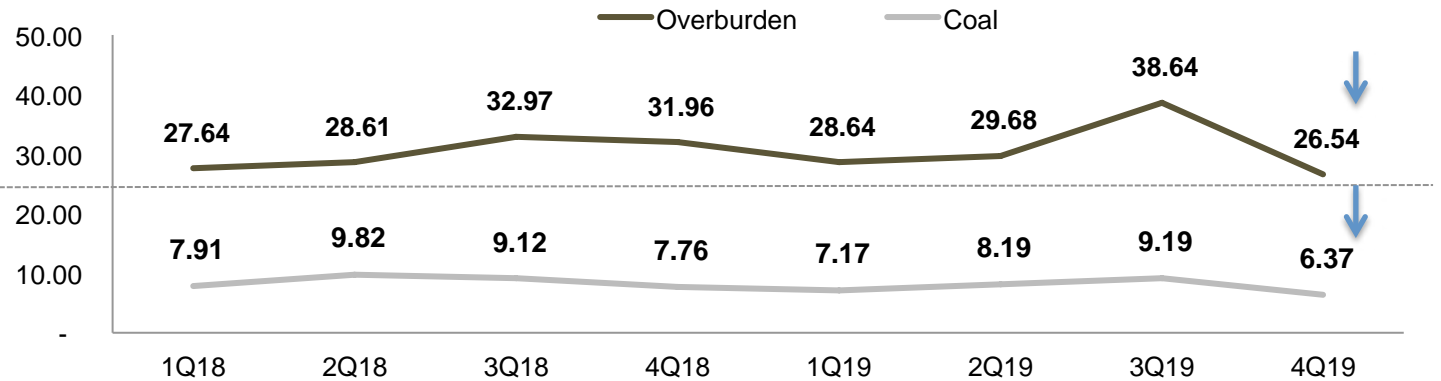


Contract Mining Operational Volume

Yearly



Quarterly



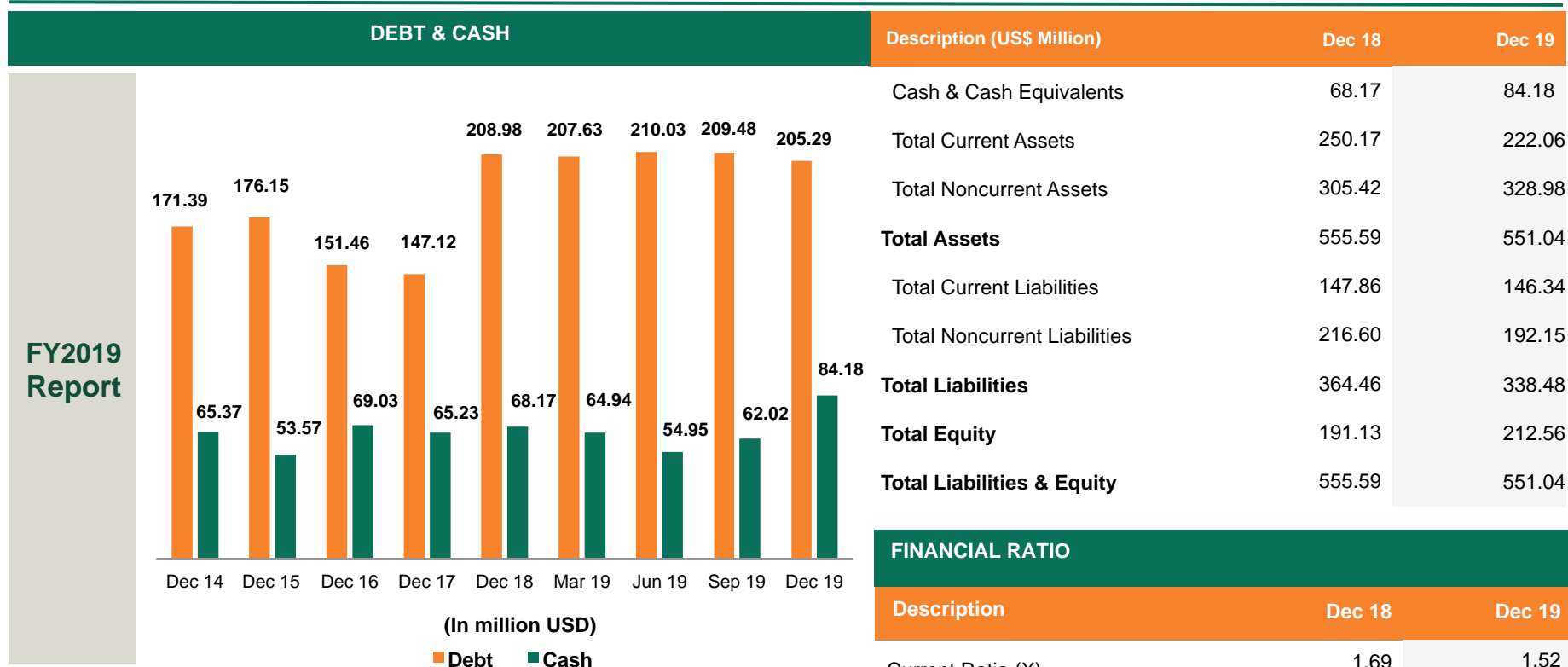
Financial Highlights



Financial Highlights (1/4)

Consolidated Statements of Financial Position

31 Dec 2019



FY2019 Report

Maintaining Healthy Balance Sheets

GOOD CORPORATE GOVERNANCE

PRUDENT LIABILITIES MANAGEMENT STRATEGY

EFFECTIVE WORKING CAPITAL MANAGEMENT

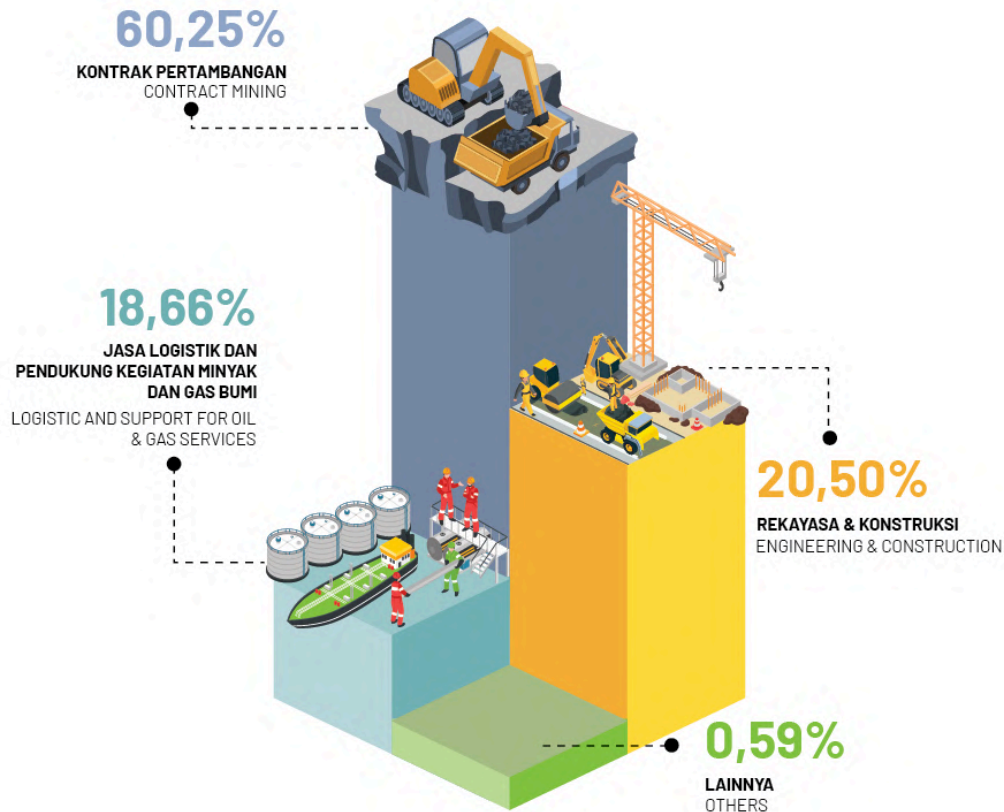
FINANCIAL RATIO

Description	Dec 18	Dec 19
Current Ratio (X)	1.69	1.52
Debt to Equity Ratio (X)	1.09	0.97
Fixed Assets Turnover Ratio(X)	1.56	1.52
Total Assets Turnover Ratio (X)	0.84	0.86
Total Debt (US\$ Million)	208.98	205.29
Net Gearing Ratio (X)	0.74	0.57



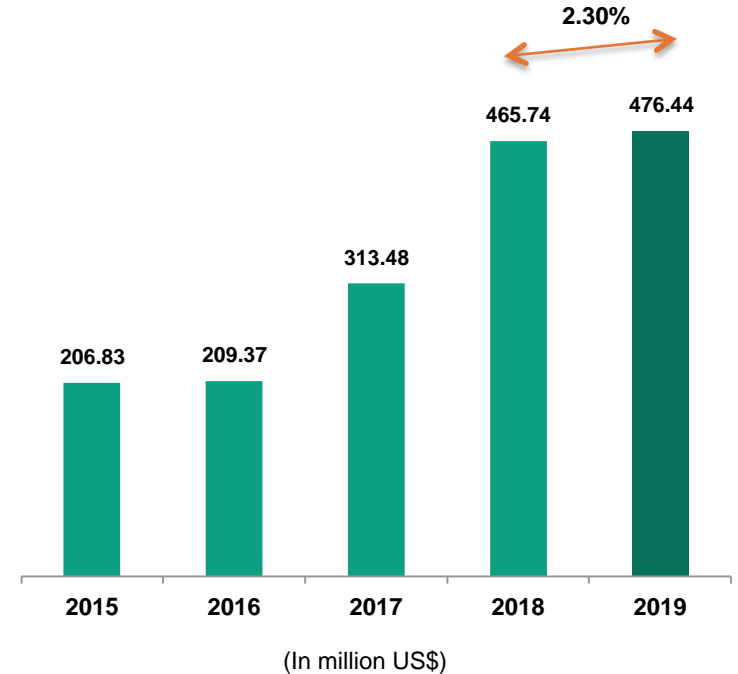
Financial Highlights (2/4)

REVENUE CONTRIBUTION



TOTAL REVENUE

5-Year's Revenue



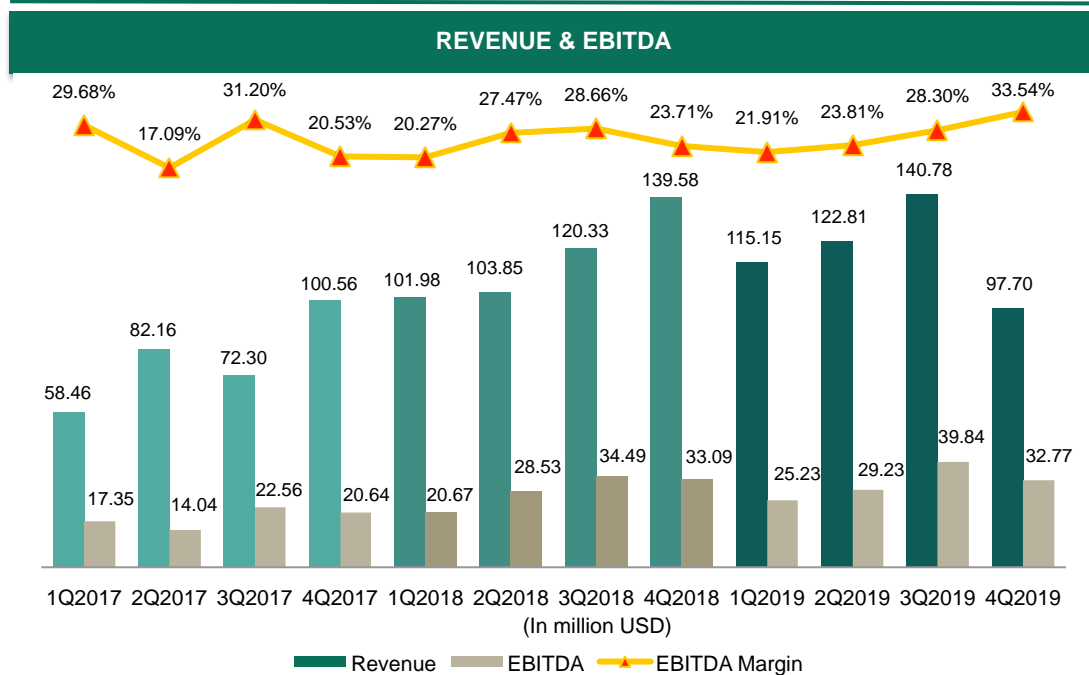
REVENUE PER BUSINESS LINE

Description (In million US\$)	2018	2019	%
Contract Mining	264.52	287.04	8.51
Engineering & Construction	130.28	97.66	(25.04)
PLSS	68.29	88.92	30.21
Others	2.65	2.82	6.42

Financial Highlights (3/4)

Consolidated Statements of Profit & Loss

31 Dec 2019



Description	3M18	6M18	9M18	12M18	3M19	6M19	9M19	12M19
EBITDA (US\$ Million)	20.67	49.44	83.66	116.78	25.23	54.47	94.17	127.02
EBITDA Margin	20.27%	24.02%	25.65%	25.07%	21.91%	22.89%	24.86%	26.67%
Gross Profit Margin	11.23%	14.13%	16.05%	15.70%	11.51%	12.04%	15.09%	17.03%
Op. Profit Margin	5.44%	8.97%	11.12%	11.21%	6.78%	7.21%	10.42%	11.99%
Net Profit Margin	1.72%	3.62%	5.50%	4.97%	2.72%	3.40%	5.44%	6.57%
Return on Asset	0.33%	2.68%	4.24%	4.17%	4.33%	4.29%	4.47%	5.68%
Return on Equity	0.36%	7.54%	11.75%	12.12%	12.47%	12.45%	12.74%	14.73%

Description (US\$ Million)	Dec18	Dec 19	YoY
Revenues	465.74	476.44	2.30%
Direct Costs	(392.62)	(395.31)	0.69%
Gross Profit	73.12	81.13	10.95%
Operating Profit	52.22	57.13	9.40%
Share in jointly controlled entity's Net Loss	(0.50)	0.00	(100.00%)
Net Profit for the Year	23.17	31.32	35.17%
Profit Attributable - to Owners of Company	22.96	31.18	35.80%
Profit Attributable - to Non-controlling Interest	0.21	0.15	(28.57%)
Earning per Share	0.0228	0.0309	35.53%



OPERATIONAL EXCELLENCE



OPTIMIZING ASSET UTILIZATION



CONTINUOUS IMPROVEMENT

Financial Highlights (4/4)

OPERATION	Description (US\$ Million)	Dec 18	Dec 19
	Cash received from customers	504.25	408.34
	Cash paid to suppliers	(250.40)	(204.96)
	Cash paid to employees	(147.64)	(115.60)
	Cash generated from operations	87.77	106.21
	Receipt of the refunds	2.21	9.22
	Interest received	0.50	1.18
	Payment of interest and finance charges	(11.73)	(11.66)
	Payment other tax and penalties	(3.25)	(12.94)
	Net cash provided by operating activities	75.50	92.00

CAPITAL EXPENDITURES							
Description	2013	2014	2015	2016	2017	2018	2019
Realization (US\$ Million)	38.83	42.92	40.85	17.78	78.19	104.16	96.72

CAPEX BREAKDOWN FY2019			
Additional		US\$43.54 million	51 %
Replacement	US\$13.72 million		16 %
Component	US\$28.18 million		33 %

INVESTMENT	Description (US\$ Million)	Dec 18	Dec 19
	Withdrawal of other financial assets	-	2.79
	Proceeds sale of property, plant & EQ	-	1.56
	Dividend received	1.33	-
	Acquisition of intangible assets	(1.52)	(12.34)
	Acquisition of subsidiary	(8.56)	-
	Acquisition of property, plant & EQ	(112.06)	(58.34)
	Proceeds from sale on an investment	5.97	-
	Net Cash Used in Investing Activities	(114.84)	(66.33)
FINANCING	Proceeds from bank loan	74.61	20.00
	Proceeds from sales and leaseback transaction	-	30.90
	Proceeds from long term loan (third parties)	77.79	93.12
	Payment of long term loan (related parties)	-	(75.00)
	Payment of long term loan (third parties)	(2.11)	(41.91)
	Payment of finance lease LB	(9.80)	(9.19)
	Payment dividend	(12.53)	(8.68)
	Payment of bank loan	(85.21)	(20.00)
	Net Cash Provided by (Used in) Financing Activities	42.29	(10.85)

Guidance 2020





OVERBURDEN REMOVAL

118 Million BCM

COAL PRODUCTION

31 Million Tons

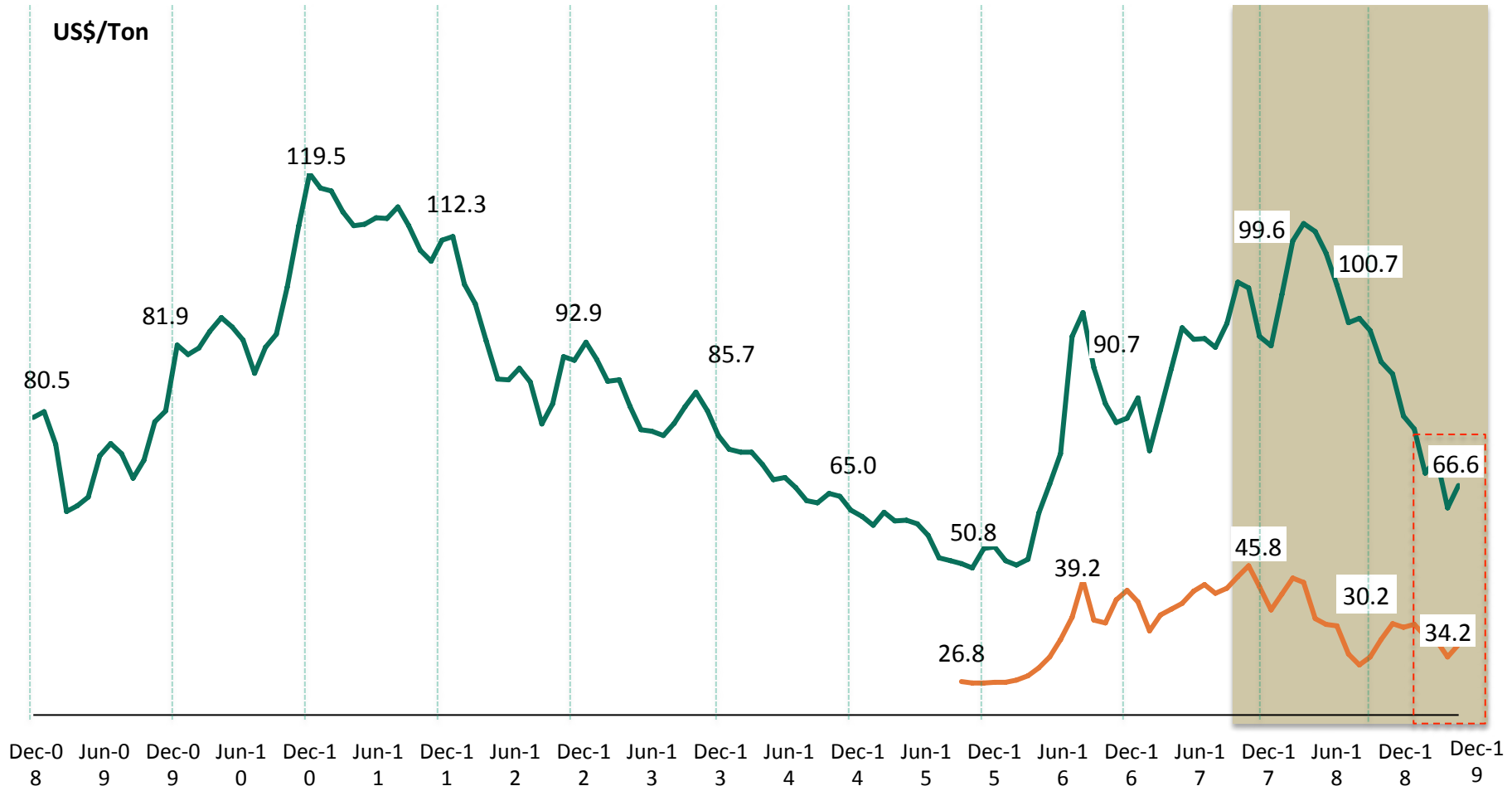
CAPITAL EXPENDITURES

US\$80.3 Million

Market Overview



Coal Price



From Dec 18 to Dec 19

4200 GAR increase **13.3%** from **\$30.2** to **\$34.2**
 6300 GAR decrease **-33.9%** from **\$100.7** to **\$66.6**

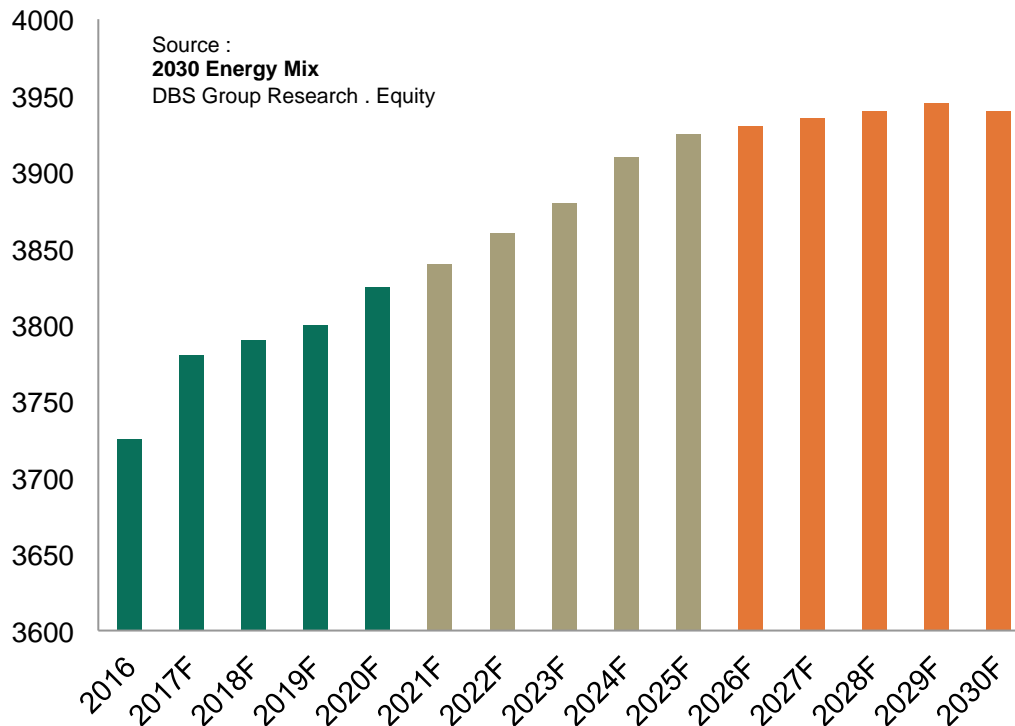
2017 avg.
4200 GAR
US\$42.9/ton

2018 avg.
4200 GAR
US\$42.0/ton

2019 avg.
4200 GAR
US\$35.0/ton

— NC 6300 GAR
(7-45 day)
— ICI 4 (4200 GAR)

Global Coal Demand Forecast

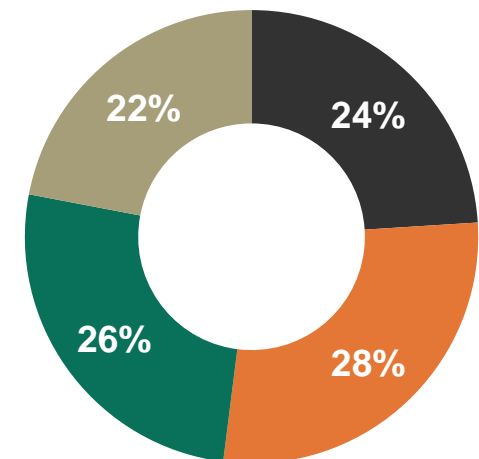


Coal: New coal-fired power plant projects can be reduced, but scrapping existing operating capacity and capacity under construction is highly unlikely.

Estimation global coal demand will still exhibit slight growth over FY17-30, with declines in Europe and flattish growth in China offset by India and also supported by ASEAN countries, mainly Thailand and Indonesia

Change in Global Energy Mix 2030

Source :
2030 Energy Mix
DBS Group Research . Equity



■ Coal
■ Crude Oil
■ Natural Gas
■ Renewable Energy

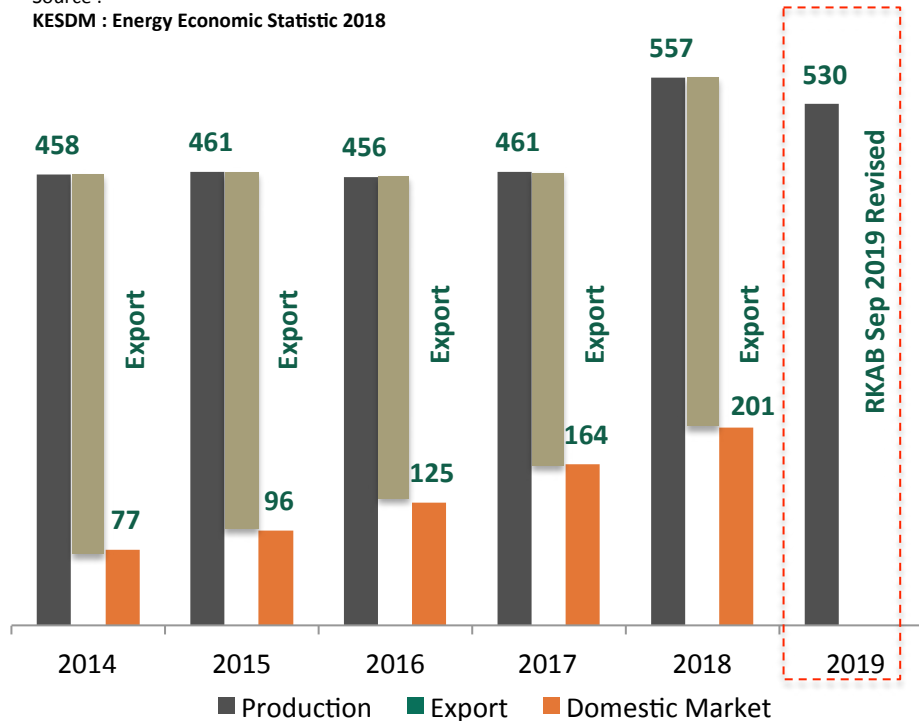
Clear trend towards renewables, but fossil fuel demand to continue growing nonetheless.

We expect global energy demand to increase at 1.5% CAGR from 2017-2030, premised on the back of c.3.25% CAGR in global GDP, offset by improvements in energy efficiency (i.e. declines in energy intensity).

Coal Outlook

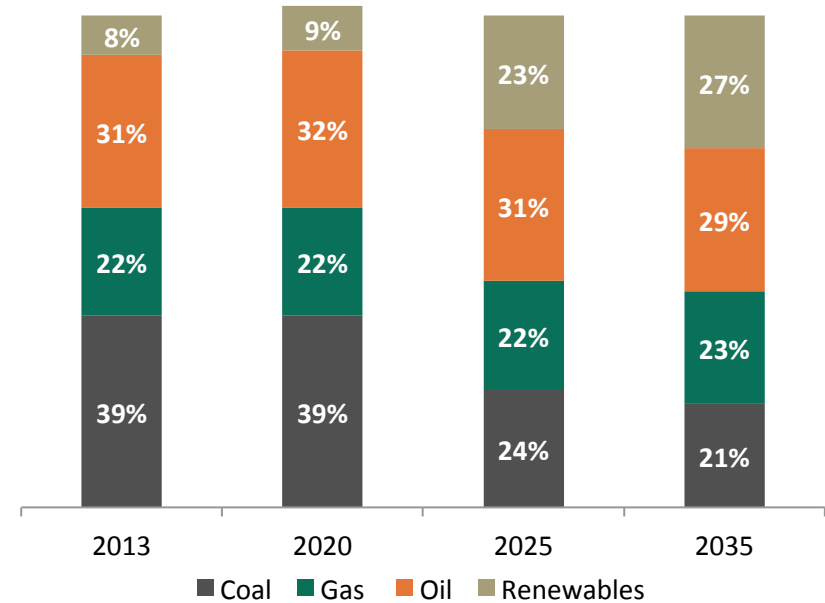
Indonesia Coal Production

Source :
KESDM : Energy Economic Statistic 2018



Indonesia's Energy Mix Blue Print

Source :
2030 Energy Mix
DBS Group Research . Equity



DMO

(Domestic Market Obligations)

25%

Source :
Keputusan Menteri ESDM – No 78 K/30/MEM/2019

Over in Indonesia, despite the plan to add more renewable energy to its 2025 energy mix target, Indonesia still relies on coal to a large extent. Its upcoming power plant projects are dominated by coal-fired capacity, followed by gas and diesel

Thank You



Member of Indika Energy Group

PT. Petrosea Tbk.

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