

COMPANY UPDATE

6M 2020 | 25 September 2020

PT Petrosea Tbk.
www.petrosea.com

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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CONTENTS



1

Highlights

2

**Petrosea
Overview**

3

**Coal Sector
Updates**

4

**Operational &
Financial
Summary**

HIGHLIGHTS

- The Company recorded a profit attributable to owners of the company of US\$ 9.06 million during the first semester of 2020, a 17.51% increase from US\$7.71 million recorded in the previous year. The increase to the Company's profit was a result of extraordinary actions implemented in facing extraordinary situations during the COVID-19 pandemic. During this period, the Company implemented various initiatives, such as cost effectiveness and cash preservation programs.
- Total revenue decreased by 26.12% to US\$175.90 million due to a 21.54% and 17.31% yoy decrease of overburden volume and coal production on the back of a weaker coal market and global economy uncertainties during the COVID-19 pandemic.
- The Company's strategic initiative to implement digitalization and technology to enhance our operations since mid-2018 has helped us tremendously in delivering sustainable operations. By leveraging innovation and technology, we have been able to adapt with the demands of the current situation to further optimize our operations as well as improve the Company's profitability margins compared to the previous years.
- Petrosea was listed as one of the top 50 Indonesian companies by Forbes Indonesia in its "50 Best of the Best 2020 Companies" issue that was published in August 2020. The list is based on the long-term fundamental performance of the 50 Indonesian companies. It reflects the hard work and commitment of the companies, as well as the people who managed them, to deliver continuous growth and new business achievements despite the economic challenges, both domestic and global. Petrosea was selected as a top 50 company out of more than 700 public companies listed on the Indonesia Stock Exchange.

CONTENTS



1

Highlights

2

**Petrosea
Overview**

3

**Coal Sector
Updates**

4

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Financial
Summary**

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.



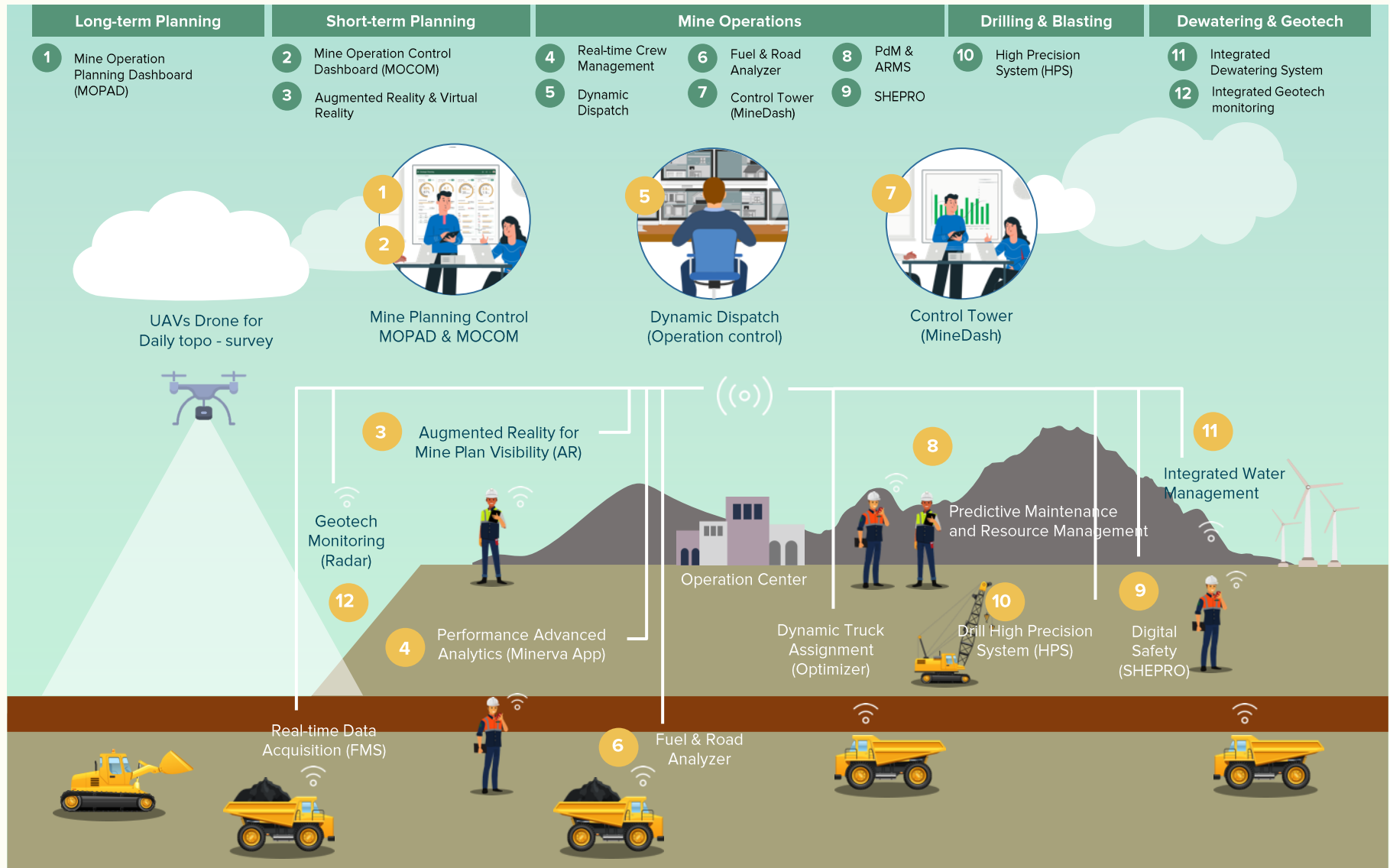
CONTRACT MINING

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



END-TO-END MINE OPERATION CAPABILITY



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



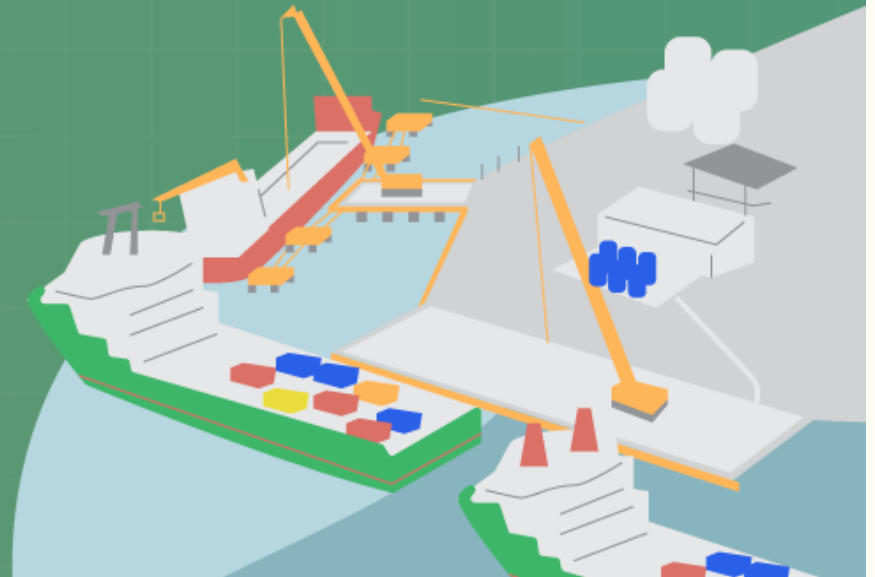
LOGISTICS AND SUPPORT FOR OIL & GAS SERVICES

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



MILESTONES



Member of Indika Energy Group

Incorporated in Jakarta Indonesia as PT Petrosea International Indonesia



1972

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



1984

1990

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



2009

2012

2015

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



2016

2017

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



2018

2019

Selected by Forbes Indonesia as a top 50 Indonesian company out of more than 700 public companies listed on the Indonesia Stock Exchange



2020



Acquired by Clough Limited, Australia



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



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



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



Petrosea became the only mining company and the only Indonesian owned company to be selected by the World Economic Forum into the Global Lighthouse Network

OWNERSHIP STRUCTURE

PTRO.JK

1972 Established

1990 Listed on IDX

2009 Acquired by INDY

Market Capitalization Rp 1.53 trillion (Rp 1,520 / share)*

Number of shares: 1,008,605,000

** As of 24 September 2020*

Ownership Structure**

69.80%

PT Indika Energy Tbk.

30.20%

Public



Member of Indika Energy Group

*** As of 30 June 2020*

MANAGEMENT

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



Romi Novan Indrawan
Director



Meinar Kusumastuti
Director

OPERATIONAL MAP & MAJOR CLIENTS



Current Clients

CONTRACT MINING

- | | | |
|---|--------------------|------|
| 1 | Kideco Jaya Agung | 2023 |
| 2 | Indonesia Pratama* | 2021 |

* Subsidiary of PT Bayan Resources Tbk.

ENGINEERING & CONSTRUCTION

- | | | |
|---|--------------------|------|
| 3 | Freeport Indonesia | 2022 |
| 4 | Masmino Dwi Area | 2021 |

LOGISTICS AND SUPPORT FOR OIL & GAS SERVICES

- | | | |
|---|---|----------|
| 5 | 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. | On Going |
|---|---|----------|

SUSTAINABLE INVESTING



Digitalization

Petrosea carried out various strategic steps and initiatives to ensure the Company's sustainable superior performance in the years to come, including the strategic step to transform its operations by leveraging digital technologies in order to create added value for all of our clients.



Governance

Petrosea's continuously strives to ensure that the principles of GCG become part of the Company's culture and are implemented within all elements of the Company.



ESG

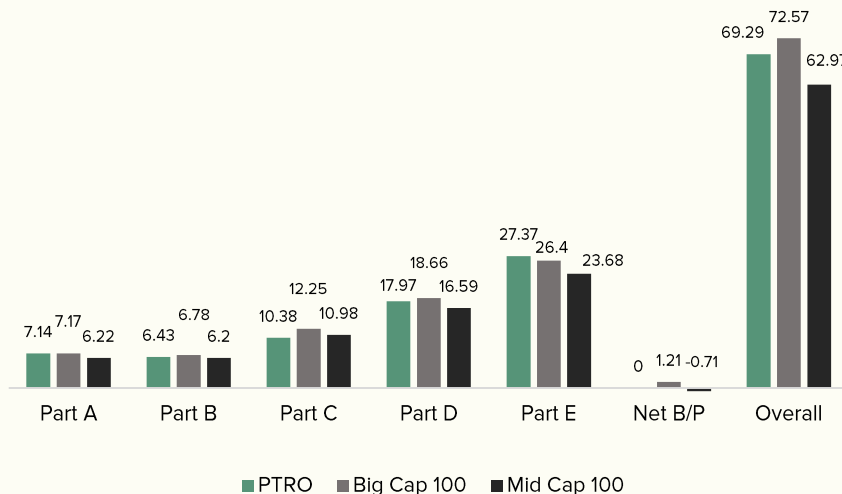
In conducting its operational activities, Petrosea prioritizes the Environmental, Social & Governance (ESG) concept in preserving the environment, creating self-sustained communities, as well as implementing good corporate governance in order to ensure its business sustainability.

GOOD CORPORATE GOVERNANCE (1)

Petrosea is committed to adhering to the sound principles of Good Corporate Governance (GCG) and has adopted corporate governance practices to ensure the effective functioning of our Management and all supporting elements as a public listed company. By applying the principles of GCG, we ensure that Petrosea is an accountable, independent and transparent company for all of our stakeholders.



IICD Assessment 2019



- IICD Assessment 2019 on **Practice Corporate Governance** (competing with 660 listed Companies)
 - Audit, Risk & Compliance Committee, Nomination & Remuneration Committee and Project & Investment Committee
 - Compliance Policies: Board Manual, Committees Charter & GCG Manual
 - Compliance Process: Implementation of Board Resolutions & Endorsements and Capital Market Regulations
- ISO 37001:2016 Anti-Bribery Management System (Whistleblowing System)
- Digital transformation in Internal Audit, Quality Assurance and Enterprise Risk functions
- Business ethics & integrity

GOOD CORPORATE GOVERNANCE (2)



TRANSPARENCY



Corporate Website



Annual Report



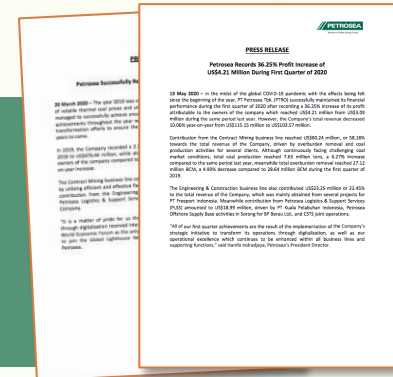
Sustainability Report



Company Update



News Release



Press Release

GOOD CORPORATE GOVERNANCE (3)



ACCOUNTABILITY

Financial Statements
audited by:

Deloitte.



RESPONSIBILITY

Comply to:



INDEPENDENCY

General Meeting of Shareholders
& Public Expose



FAIRNESS & EQUALITY

Independent External
Assessment conducted by:



GLOBAL LIGHTHOUSE NETWORK



Petrosea became the only mining company and the only Indonesian owned company to be selected by the World Economic Forum into the 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.

Forbes Indonesia Best of the Best Companies 2020

PETROSEA LISTED AS ONE OF THE TOP 50 INDONESIAN COMPANIES



The list is based on the long-term fundamental performance of the 50 Indonesian companies. It reflects the hard work and commitment of the companies, and the people who manage them, to deliver continuous growth and new business achievements despite the economic challenges, both domestic and global.

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CONTENTS



1

Highlights

2

**Petrosea
Overview**

3

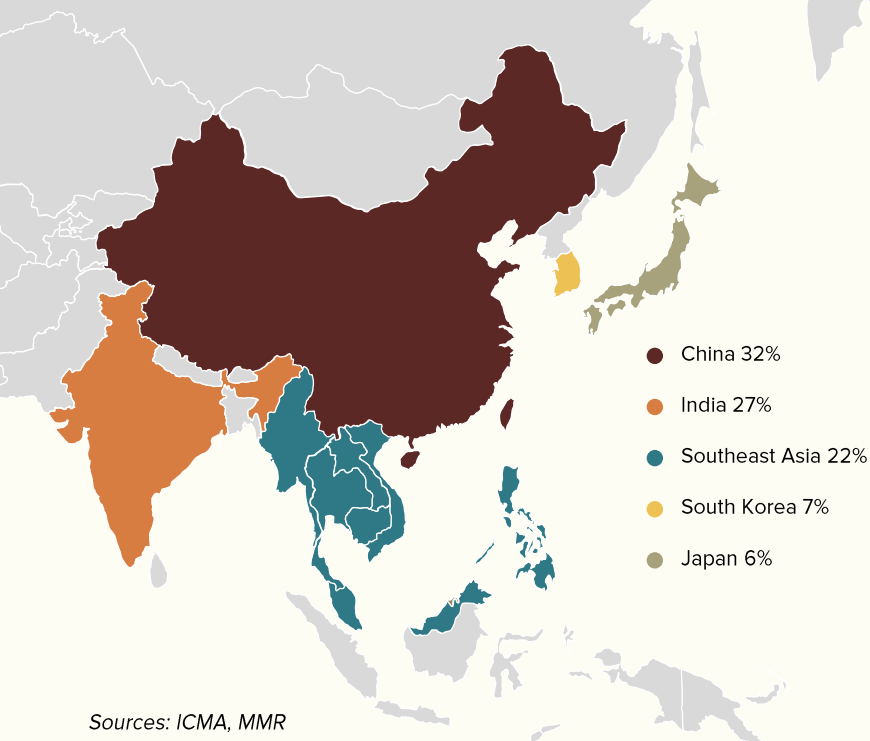
**Coal Sector
Updates**

4

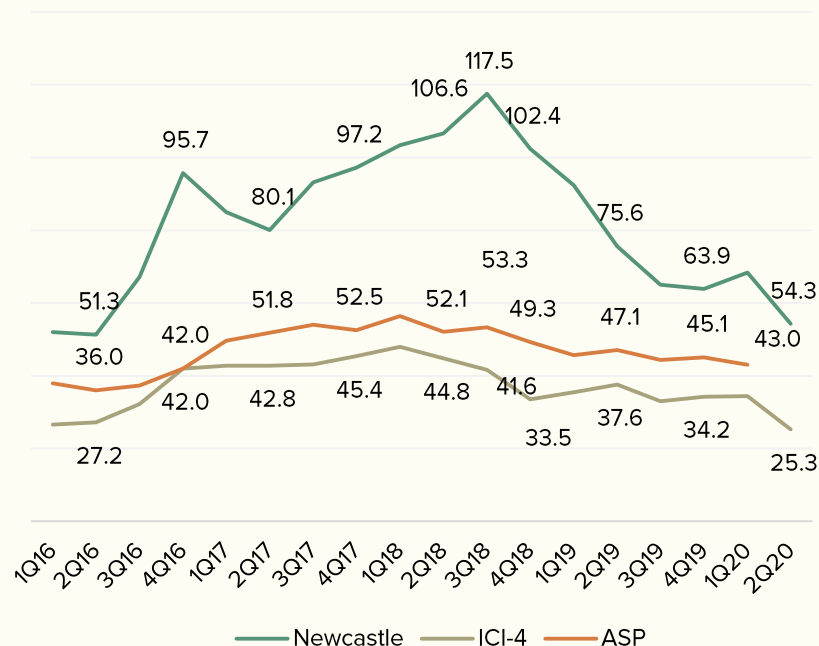
**Operational &
Financial
Summary**

COAL MARKET OUTLOOK 2020

Indonesia Coal Export Market Share



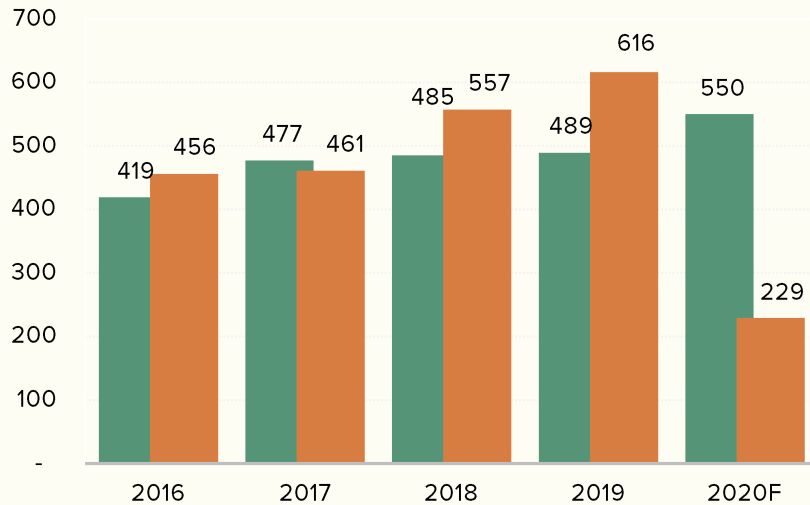
Newcastle, ICI-4 & ASP



- Demand for thermal coal remains driven by China, India and Southeast Asia
- Indonesia government plans to cut supply from 610 million tons in 2019 to 550 million tons in 2020
- COVID-19 pandemic has severely impacted the coal sector
- China's policy on coal remains a key factor for price movement. China's restrictions on coal imports, with tighter custom declarations at certain ports exacerbate pressure on the coal price

COAL OUTLOOK 2020 – INDONESIA TO LIMIT PRODUCTION

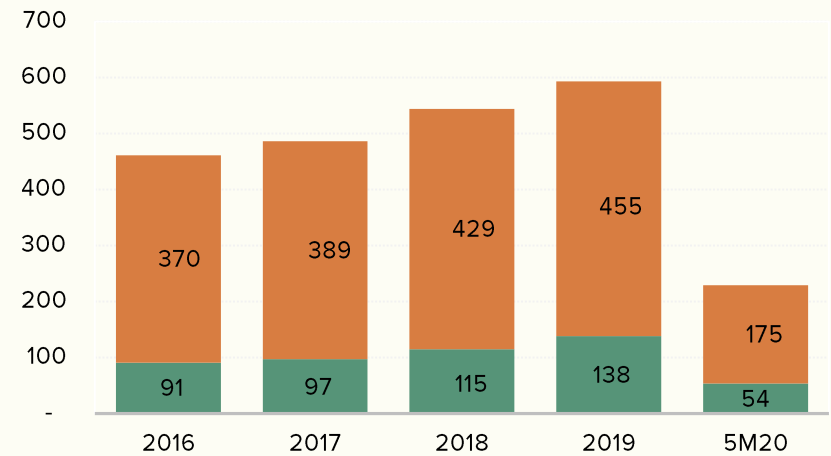
Indonesia Coal Production



Sources: ICMA, MMR

■ Target ■ Realization

Indonesia Coal Export vs DMO



Sources: ICMA, MMR

■ DMO ■ Export

DMO

(Domestic Market Obligation)

25%

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

- The Indonesian government plans to cut production by 10% to 550 million tons in 2020, from 610 million tons in 2019, as a move to support price
- ICMA urges domestic coal miners to cut production further to 480 million tons, effectively cutting production by 15-20% from initial plan

CONTENTS



1

Highlights

2

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Overview**

3

**Coal Sector
Updates**

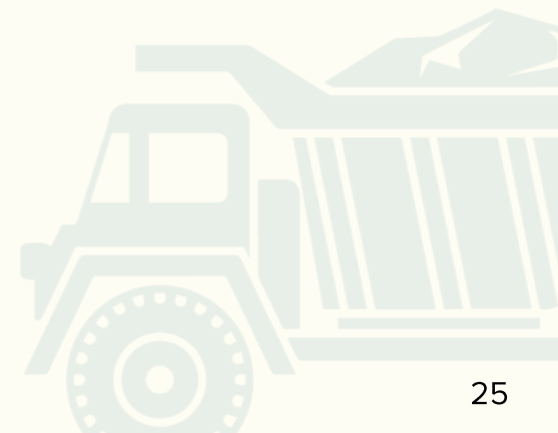
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**Operational &
Financial
Summary**

RECENT DEVELOPMENTS IN 6M2020 (1/4)

Contract Mining

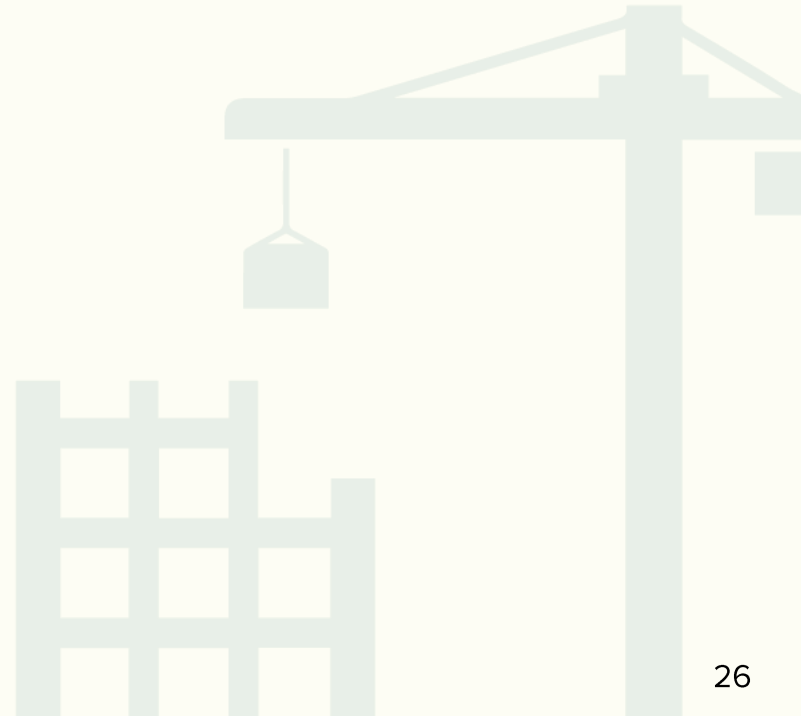
- On April 26, 2020, Petrosea and PT Binuang Mitra Bersama Blok Dua agreed that the overburden removal and mining equipment rental works as stipulated in the agreement has been completed.
- On June 1, 2020, Petrosea and PT Kideco Jaya Agung entered into an Amendment of the Contract Agreement for Waste Removal & Coal Production to expand in the Roto Middle Area with an overburden contract volume 13.95 million BCM in 2020 with work scheduled to commence in June, 2020.
- On June 27, 2020, Petrosea received a letter from Indonesia Pratama, which confirmed the scheduled quantities for the period of June to December 2020 will remain at 24.05 million BCM of overburden removal and 9.94 million tons of coal production.



RECENT DEVELOPMENTS IN 6M2020 (2/4)

Engineering & Construction

- On May 17, 2020, Petrosea completed work for the Supply and Placement of Fill Material project at the JIPE site owned by PT Freeport Indonesia earlier from the expected contract date of December 13, 2020.
-
- On July 27, 2020, Petrosea and PT Freeport Indonesia agreed to extend the contract duration of the Master Services Agreement for Grasberg Wanagon Mining Services until August 31, 2021.



RECENT DEVELOPMENTS IN 6M2020 (3/4)

Logistics And Support For Oil & Gas Services

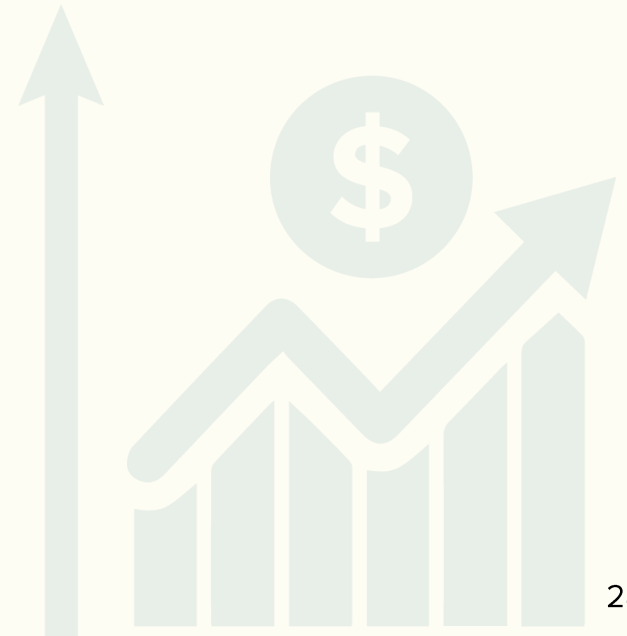
- On June 10, 2020, Petrosea in consortium with PT Mitra Intertrans Forwarding and PT DHL Global Forwarding Indonesia executed an amendment for integrated freight forwarding services with BP Berau Ltd. for a period of 36 months and contract value of Rp143 billion.
- On June 29, 2020, Petrosea sold all of its ownership interest in PT Pusat Sarana Baruna & PT POSB Reksabumi Indonesia to PT Interport Mandiri Utama and PT Indika Multi Niaga. The acquisition constituted business combination among entities under common control.
- On July 14, 2020, Petrosea and PT Saipem Indonesia entered into an Amendment Agreement for the Provision Logistic Base Tangguh Expansion Project at Sorong which extended the contract completion date to November 30, 2020.



RECENT DEVELOPMENTS IN 6M2020 (4/4)

Financing

- On June 10, 2020, Petrosea and PT Bank Mandiri (Persero) Tbk signed an investment facility amounting US\$ 50 million.



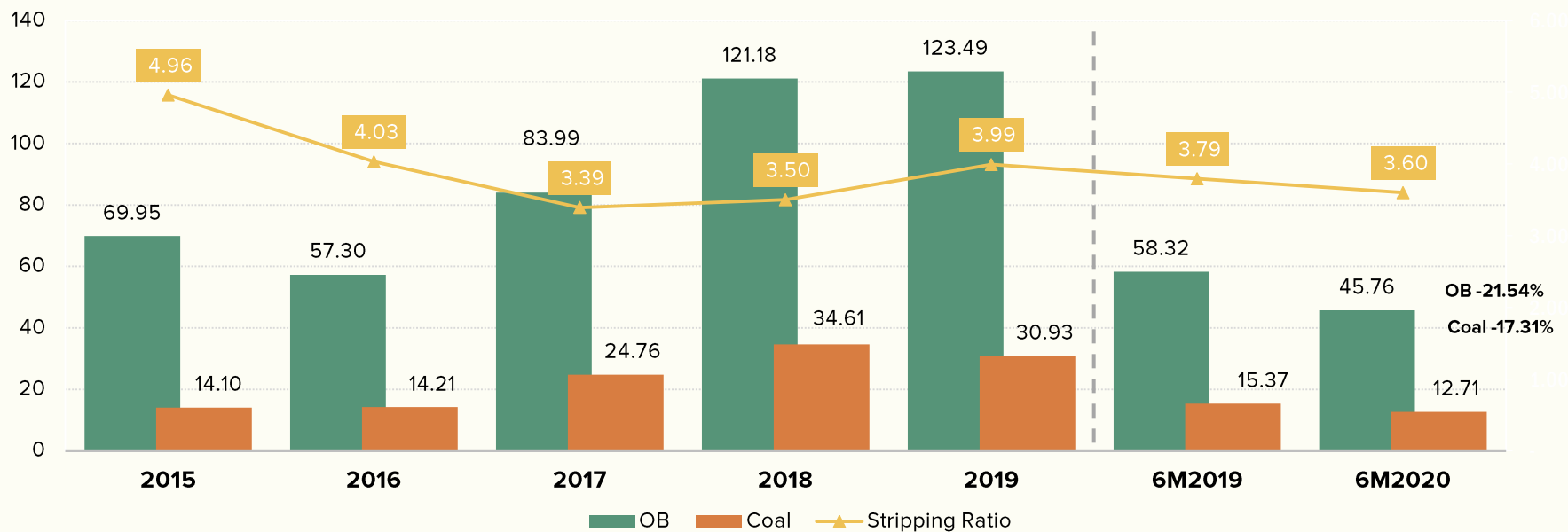
CONTRACT MINING OPERATIONAL VOLUME (1/2)

6M2020

OB 45.76 MBCM

Coal 12.71 Mton

The Company recorded a 21.54% yoy overburden volume decrease from 58.32 million BCM to 45.76 million BCM. Coal production decreased by 17.31% yoy from 15.37 million tons to 12.71 million tons due to the client stopping production in late March (2 months) and the BMB contract completion in April 2020.



OPTIMIZING THROUGH DIGITALIZATION

Implementation of advanced analytics to optimize asset utilization and drive productivity



MAXIMIZING ASSET UTILIZATION

Deploy excess capacity to support the projects



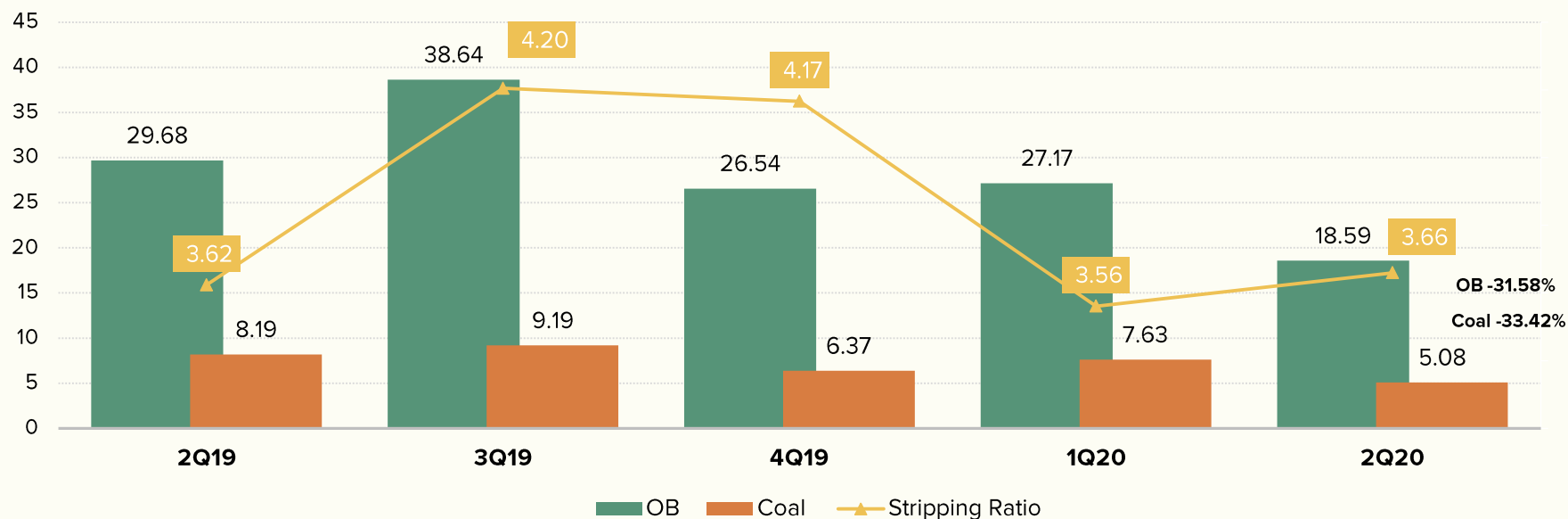
CONTRACT MINING OPERATIONAL VOLUME (2/2)

2Q2020

OB 18.59 MBCM

Coal 5.08 Mton

The Company recorded a 31.58% overburden volume decrease from 27.17 million BCM to 18.59 million BCM. Coal production decreased by 33.42% from 7.63 million tons to 5.08 million tons *qoq*.



MINERVA DASHBOARD



Centralized database with automated reporting and action driven visual reporting via the Minerva App

PREDICTIVE MAINTENANCE



Integration of advanced analytics using condition monitoring data into the equipment maintenance strategy

REAL TIME FUEL OPTIMIZATION



Identification of interventions to reduce fuel consumption

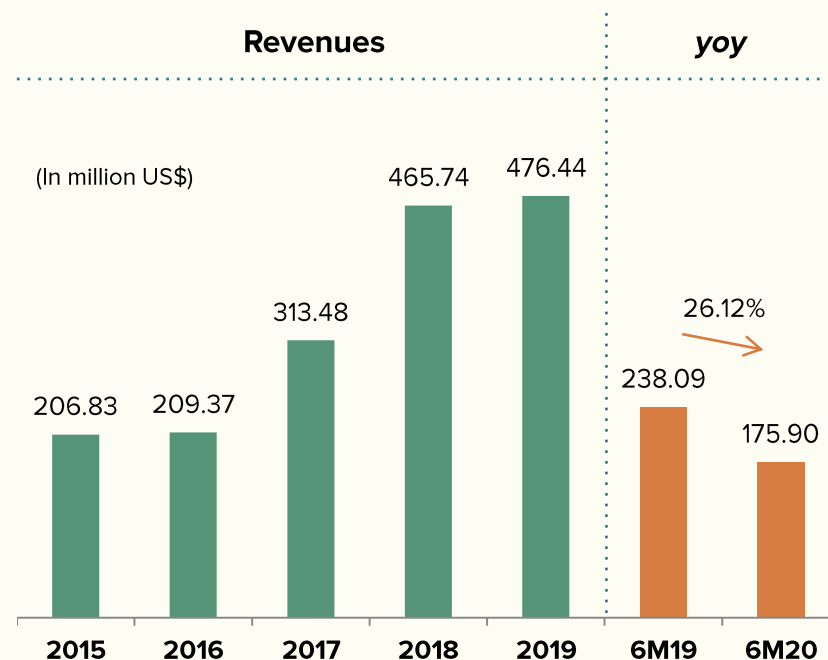
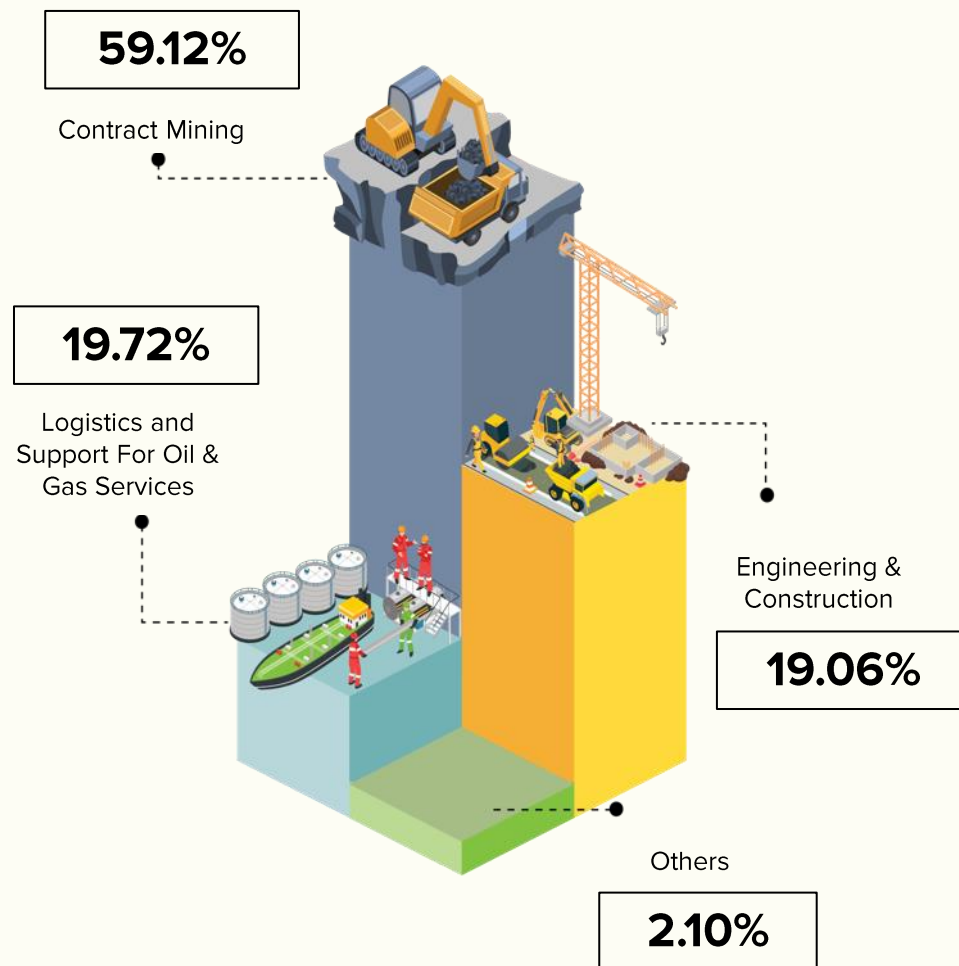
ADVANCED ANALYTICS



Multi-variable planning optimization with short interval management

FINANCIAL HIGHLIGHTS (1/4)

REVENUE CONTRIBUTION 6M2020



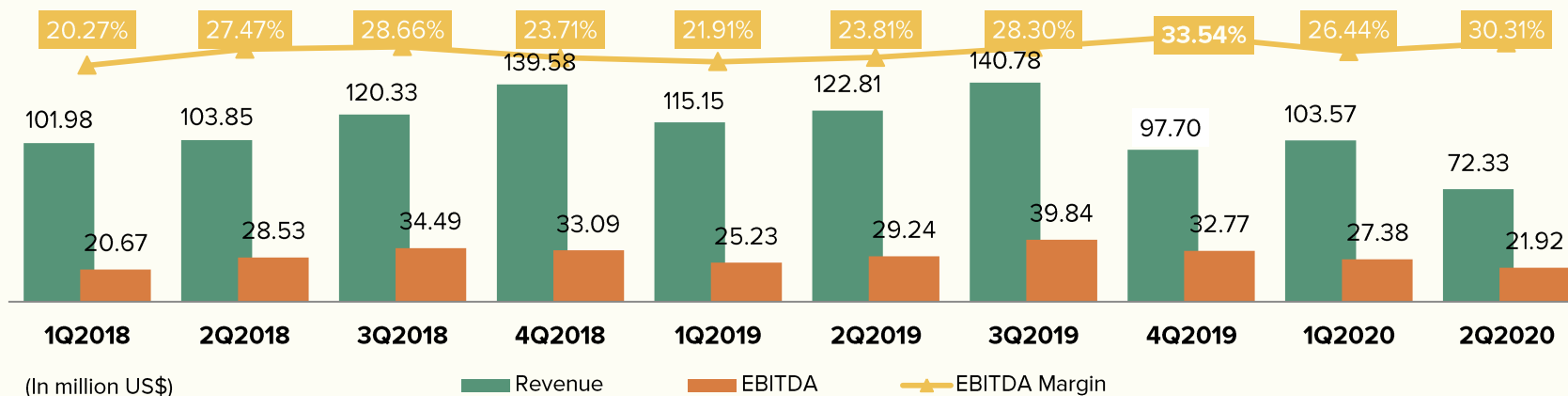
Revenue Per Business Line

Description (In million US\$)	6M19	6M20	%
Contract Mining	132.51	104.00	(21.52%)
Engineering & Construction	51.23	33.52	(34.57%)
Logistics and Support For Oil & Gas Services	52.90	34.69	(34.42%)
Others	1.45	3.70	155.17%

FINANCIAL HIGHLIGHTS (2/4)

CONSOLIDATED STATEMENTS OF PROFIT & LOSS 6M2020

Revenue & EBITDA



Description (US\$ Million)	Jun 19	Jun 20	YoY
Revenues	238.09	175.90	(26.12%)
Direct Costs	(208.37)	(144.02)	(30.88%)
Gross Profit	29.71	31.88	7.30%
Operating Profit	18.22	17.78	(2.41%)
Net Profit for the Year	7.81	9.16	17.29%
Profit Attributable – to Owners of Company	7.71	9.06	17.51%
Profit Attributable – to Non-controlling Interest	0.10	0.09	(10.00%)
Earning per Share	0.0076	0.0090	18.42%

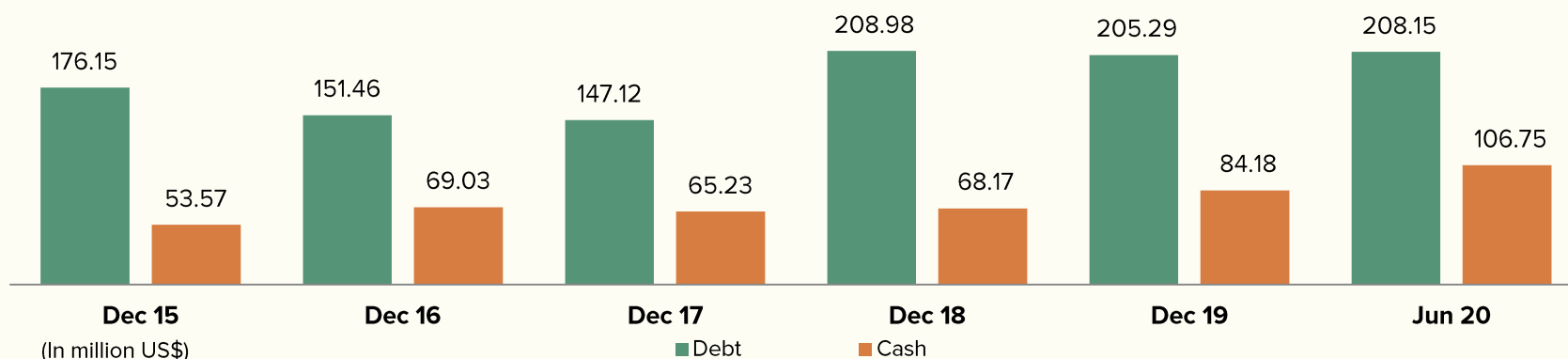
Description	3M19	6M19	9M19	12M19	3M20**	6M20**
EBITDA (US\$ Million)	25.23	54.47	94.17	127.02	27.38	41.32
EBITDA Margin	21.91%	22.89%	24.86%	26.67%	26.44%	28.03%
Gross Profit Margin	11.51%	12.04%	15.09%	17.03%	18.60%	18.12%
Op. Profit Margin	6.78%	7.21%	10.42%	11.99%	11.12%	10.11%
Net Profit Margin	2.72%	3.40%	5.44%	6.57%	4.21%	5.15%
Return on Asset	4.33%	4.29%	4.47%	5.68%	5.89%	6.17%
Return on Equity	12.47%	12.45%	12.74%	14.74%	15.45%	15.40%

**Annualized and including PSAK 73 implementation

FINANCIAL HIGHLIGHTS (3/4)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION 6M2020

Debt & Cash



*Including additional debt from PSAK 73

Financial Position

Description (US\$ Million)	Dec 19	Jun 20
Cash & Cash Equivalents	84.18	106.75
Total Current Assets	222.06	207.83
Total Noncurrent Assets	328.98	322.11
Total Assets	551.04	529.94
Total Current Liabilities	146.34	133.70
Total Noncurrent Liabilities	192.14	184.10
Total Liabilities	338.48	317.80
Total Equity	212.56	212.14
Total Liabilities & Equity	551.04	529.94

Financial Ratio

Description	Dec 19	Jun 20**
Current Ratio (X)	1.52	1.55
Debt to Equity Ratio (X)	0.97	0.98
Fixed Assets Turnover Ratio(X)	1.52	1.36
Total Assets Turnover Ratio (X)	0.86	0.78
Net Gearing Ratio (X)	0.57	0.48

**Annualized and including PSAK 73 implementation

FINANCIAL HIGHLIGHTS (4/4)

CONSOLIDATED STATEMENTS OF CASH FLOWS 6M2020

Operating Activities

Description (US\$ Million)	Jun 19	Jun 20
Cash received from customers	235.48	193.66
Cash paid to suppliers	(131.64)	(70.84)
Cash paid to employees	(60.90)	(62.13)
Cash generated from operations	42.94	60.68
Receipt of tax refunds	9.22	-
Interest received	0.59	0.81
Payment of other tax & penalties	-	-
Payment of income taxes	(15.34)	(4.11)
Payment of interest and finance charges	(9.71)	(8.87)
Net Cash Provided by Operating Activities	27.70	48.52

Investment Activities

Description (US\$ Million)	Jun 19	Jun 20
Withdrawal of other financial assets	10.00	-
Proceeds from sale on an investment in jointly	1.56	0.69
Dividend received	-	-
Acquisition of intangible assets	(5.55)	(1.24)
Acquisition of subsidiary	-	-
Acquisition of property, plant, and equipment	(41.03)	(12.68)
Proceeds from sale of property, plant, and equipment	-	-
Proceeds from sale investment of subsidiaries	-	5.51
Net Cash Provided by Investing Activities	(35.03)	(7.72)

Financing Activities

Description (US\$ Million)	Jun 19	Jun 20
Proceeds from bank loans	10.00	-
Proceeds from sales and leaseback transaction	12.51	13.05
Proceeds from long term loan (third parties)	88.52	8.17
Payment long term loan (related parties)	(75.00)	-
Payment long term loan (third parties)	(19.48)	(22.39)
Payment of finance lease liabilities	(3.79)	-
Payment of lease liabilities	-	(9.93)
Payment of dividends by the company	(8.64)	(6.95)
Payment of dividends by the subsidiaries	-	(0.13)
Repurchases Shares	-	(0.06)
Payment of bank loans	(10.00)	-
Payment of transaction cost	-	-
Net Cash Provided by Financing Activities	(5.89)	(18.24)
Net Increase (Decrease) in Cash & Cash Equivalents	(13.22)	22.57
Cash & Cash Equivalents at Beginning of Period	68.17	84.18
Cash & Cash Equivalents at End of Period	54.95	106.75

ACQUISITIONS OF PROPERTY, PLANT & EQUIPMENT

REALIZED 6M2020

15.8%

from US\$ 80.3 million 2020 budget



Additional

59% CAPEX utilized for additional fleets to support capacity expansion



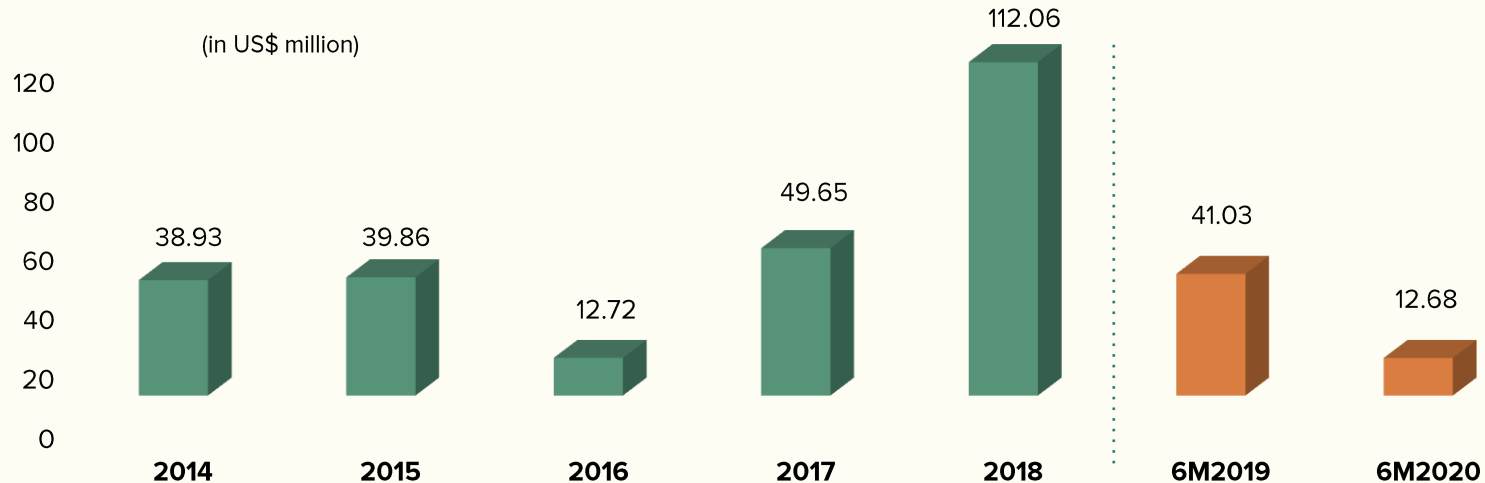
Replacement

1% CAPEX utilized to replace existing fleets



Component

40% CAPEX utilized to purchase components to maintain unit condition & productivity



EFFECTIVE CAPEX MANAGEMENT



Capital goods investment to support expansion and maintain fleet condition

DELIVERING SUSTAINABLE OPERATIONS

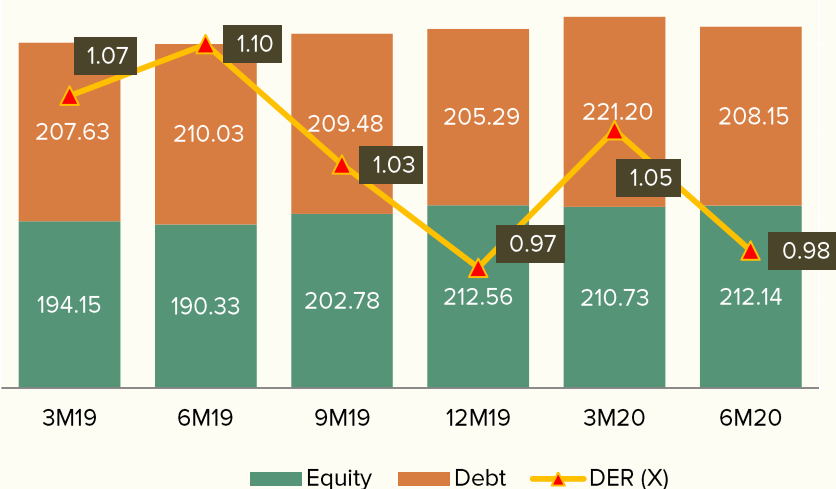


Achieving sustainability goals by leveraging technology

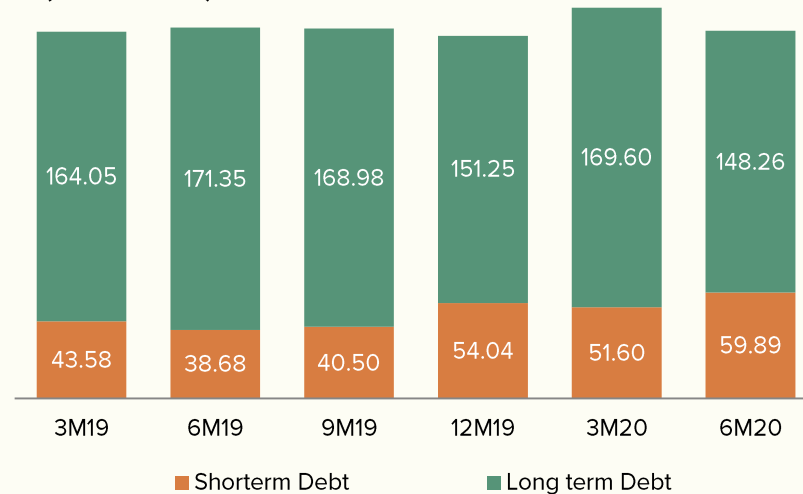
CAPITAL STRUCTURE

6M2020

(In million US\$)



(In million US\$)



Prudent Capital Structure

01 Financial Management

Ongoing process of formulating, implementing and monitoring the strategies to achieve financial objectives

02 Healthy Balance Sheet

Low debt to equity ratio of 0.98x



**OVERBURDEN
REMOVAL**

118
Million BCM



**COAL
PRODUCTION**

31
Million Tons



**CAPITAL
EXPENDITURE**

US\$ 80.3
Million



21 May 1990 – 21 May 2020

In 1990, Petrosea reached a historical milestone by becoming the first engineering & construction company in Indonesia to be listed on the Indonesian Stock Exchange (IDX:PTRO).

This year, Petrosea celebrates its 30th anniversary as a public listed company, in which we continue our commitment to apply the principles good corporate governance in order to ensure that Petrosea remains an accountable, independent and transparent company for all our stakeholders.

Thank You



Member of Indika Energy Group

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