



PT. PETROSEA Tbk. (“Company”)

ANNOUNCEMENT

TO ALL THE SHAREHOLDERS

By this occasion the Director of PT. Petrosea Tbk. (the “Company”) announce to all the shareholders concerning the Extraordinary General Meeting of Shareholders (“Meeting”) which will be executed on Wednesday, January 25th, 2006.

In accordance with Article 21 Paragraph 2 of Article of Association (“AOA”), the Invitation of Meeting shall be made to the shareholders in an advertisement in at least two (2) Indonesian language daily newspapers dated on January 11th, 2006, one (1) of them shall have a wide circulation in the territory of the Republic of Indonesia and another one (1) published at the place where the Company is domiciled, as determined by the Board of Directors.

All the shareholders who deserve a right to attend or to be represented are all the shareholders listed in the List of Company Shareholders on the date of January 9th, 2006 until 16.00 WIB or registered in Collective Custody in the Indonesia Central Securities Depository (“KSEI”) at the closing of shares trading dated January 9th, 2006.

Every Proposal of the shareholders shall be included in the agenda of the Meeting if it required the provisions as stipulated in Article 21 Paragraph 5 AOA and such proposals shall be submitted in writing to the Board of Directors before Monday, January 2nd, 2006.

Jakarta, 28 December 2005
PT. Petrosea Tbk.
The Board of Directors

THE INFORMATION OF SHARE BUY BACK PLAN

PT. PETROSEA Tbk.
("Company")



Located In Jakarta

Office:

Jln. Taman Kemang No. 32B
Jakarta 12730
Telephone: (021) 718 3255
Facsimile: (021) 718 3266

Business Activities:

Mining, Oil and Gas construction and Infrastructure

**THIS INFORMATION IS IMPORTANT TO THE SHAREHOLDERS OF PT.
PETROSEA Tbk.**

If you find any difficulties in understanding the information as stated in this announcement or feel hesitant in taking any decision, we suggest you consult first with a broker-dealer, an investment manager, legal counselor, public accountant or other professional counselors.

Introduction

This information is intended to provide the highlights to all shareholders regarding the plan of the Company to buy back its shares up to a maximum of 10% (ten percent) of the subscribed capital and paid-up capital ("**Share Buy Back**") which is listed on the Jakarta Stock Exchange ("**JSX**"). The approval of all shareholders shall be obtained at the Extraordinary General Meeting of Shareholders which shall be held on the 24 of January 2006 ("**EGM**").

In the event that the Shareholders at the EGM do not approve the Share Buy Back plan, all corporate actions in relation to the Share Buy Back proposed by the Company shall be considered as if they have not been executed.

This information has also been prepared to comply with the Regulation of XI.B.2 regarding the Repurchases of Shares That Have Been Issued by An Issuer Public Company as enclosed in The Decision of The Chairman of Indonesian Capital Market Supervisory Agency (Bapepam) No. Kep-45/PM/1998 and in regard to the Law No.1/1995 regarding to Limited Liability Company.

BACKGROUND

PT Petrosea Tbk is a multidisciplinary engineering, construction and mining company with a track record of achievement in Indonesia since 1972 and today is recognized as one of Indonesia's leading engineering and construction contractors.

PT Petrosea Tbk continues to perform strongly and has generated a net profit for the nine months ended September 31st 2005 of Rp 98 billion, an increase on the same period last year of 68%. The Company has a strong balance sheet, growing its total assets over the last three years from Rp 670 billion to Rp 1,090 billion.

Having analyzed the alternative investments available to the Company and reviewed the Company's financial structure, the Company's management believes that an investment in the Company's shares is a sound option to deliver additional value to all shareholders.

Based on the above considerations, the Company intends to execute the Share Buy Back program.

The Schedule for Share Buy Back Plan

The Share Buy Back shall be scheduled immediately within the period of a maximum of 18 months after the date of EGM and the Company obtaining the approval from the Shareholders at such EGM.

The Schedule of the Share Buy Back program is as follows:

No.	Stages	Date
1.	Announcement of EGM in 2 daily newspapers	28 December 2005
2.	Shareholders last recording date for EGM	9 January 2006
3.	Invitation on EGM in 2 daily newspapers	11 January 2006
4.	EGM in Jakarta	25 January 2006
5.	Announcing EGM resolution in 2 daily newspapers and JSX	27 January 2006

The Fund for Share Buy Back Plan

The Share Buy Back can only be undertaken if there are sufficient retained earnings in the Company's balance sheet. The amount of retained earnings to be used for the Share Buy Back program is a maximum of Rp 80 billion. This amount of Rp 80 billion includes the buy back of shares, transaction costs, brokerage commission, and any other costs related to the Share Buy Back.

The Estimation of the Decrease of Company Income and the Impact of Financing Cost to the Company as a Result of the Share Buy Back

The Share Buy Back will cause a decrease in the Company's cash account of up to the maximum of Rp 80 billion. Such a decrease may cause a potential loss of net interest income received on the assumption that these funds are excess funds held in time deposit.

At this moment, the Company has adequate working capital to finance its business activities, and the Share Buy Back shall not materially affect the business activities of the Company. Should the Company need to utilise its borrowing facilities the Company will incur interest costs.

The Company shall return the fund into the profit balance, if, as follows:

1. The Share Buy Back is not approved at the EGM; or
2. After the end of Share Buy Back period, there is an excess amount from the fund.

The Performance of Earnings per Share and the Return on Equities (ROE) After the Share Buy Back

The interim performance of earnings per share shall be calculated based on the consolidated balance sheet and income statement for 9 months period ended September

30th, 2005 and its adjustment after the Share Buy Back as if such Share Buy Back is carried out on the date of September 30th, 2005 with the assumption that the Share Buy Back has been fully executed at the cost of Rp 80 billion.

Below is the calculation of the proforma net profit and net profit per share and the return on equity (ROE) on September 30th, 2005 which gives the comparison before and after the Share Buy Back.

In million Rupiah(*)

	September 30 th , 2005	
	Before Share Buy Back	After Share Buy Back
Net Profit	98,315	98,315
Shareholders' Equity (1&2)	687,760	607,760
No of shares	102,600,000	92,340,000
Net Profit per Share (in Rupiah)	958	970
ROE (%)	14.29	15.74

Assumptions

The assumptions used in the preparation of the pro forma are:

1. Transaction costs are recognised directly in equity; and
2. Treasury shares are deducted from equity to calculate ROE as they have no rights to dividends or other distributions.

From the above table and assumptions we can conclude that the proforma net profit per share and ROE after the Share Buy Back are greater than the comparative net profit per share and ROE before the Share Buy Back.

The Price of Share Buy Back

The price of the Share Buy Back shall be lower or equal to the price of the previous day's transactions.

The Period of Share Buy Back

The Company plans to execute the Share Buy Back for the maximum period of 18 months after the date of EGM. If Shareholders approve the Share Buy Back at the EGM, the Directors shall be given authority to execute the Share Buy Back within the period of 18 months.

The Methods of Share Buy Back

In accordance with the prevailing laws and regulations, the methods of the Share Buy Back are, as follows:

1. The purchase transactions shall be executed through PT Sekuritas Indo Pasifik Investasi;
2. The purchase transactions may not be made at the opening or at the closing of trading or within 30 (thirty) minutes after the opening or 30 (thirty) minutes before the closing;
3. The offers to repurchase shares must be no higher than the price of the previous trade;
4. The maximum share repurchases on any day are 25% (twenty five percent) of that day's trading volume, except if that limitation would result in breaking up a trading unit, then the purchase may be 1 (one) trading unit;
5. Insiders of the Issuer or Public Company are prohibited from making transactions in the shares of the mentioned Issuer or Public Company on the same day that the company is repurchasing shares through a Securities Exchange. According to the Explanation of Article 95 Law No.8 of 1995 concerning the Capital Market, the Insiders means:
 - a. A Commissioner, Director or Employee of an Issuer or Public Company;
 - b. A Substantial shareholder of an Issuer or Public Company;
 - c. An Individual, who because of his position or profession, or because of a business relationship with an Issuer or Public Company, has access to inside information; and
 - d. An Individual who within the last 6 (six) months was a Person defined in letters a, b, or c, above.

The Discussion and Management Analysis Concerning the Influence of Share Buy Back Into the Business Activity and the Increase of the Company in Future

PT Petrosea Tbk is a multidisciplinary engineering, construction and mining company with a track record of achievement in Indonesia since 1972 and today is recognized as one of Indonesia's leading engineering and construction contractors

The main business activity of the Company is mining, oil and gas construction, infrastructure and investment through either PT. Petrosea Tbk or its subsidiaries.

PT Petrosea Tbk continues to perform strongly and has generated a net profit for the nine months ended September 30th, 2005 of Rp 98 billion, an increase on the same period last year of 68%. The Company has a strong balance sheet, growing its total assets over the last three years from Rp 670 billion to Rp 1,090 billion.

The Share Buy Back shall not greatly affect the growth of the Company in the future, and the funding for the Share Buy Back has been reviewed in light of the Company's investment's needs and financial structure required to generate the long term growth of the Company.

The Company's Plan for Its Share Which Shall Be Bought

Having regard to the Company's operating and financial performance as well as prevailing law and regulations it is the Company's present intention to hold the shares bought back under the buy back program (treasury stock) for resale.

The Important Financial Statement Summary

The Important Financial Statement Summary for the 9 months period ended on September 30th 2003, 2004 and 2005, shall be as follows:

(in million Rupiah)

	9 months ended 30/09/05	9 months ended 30/09/04	9 months ended 30/09/03
Operating Revenue	1,008,678	622,095	512,064
Direct Costs	<u>(870,940)</u>	<u>(552,931)</u>	<u>(457,647)</u>
Gross Profit	137,738	69,164	54,417
Selling and General Administration expenses	<u>(48,502)</u>	<u>(38,723)</u>	<u>(43,131)</u>
Operating Income	89,236	30,441	11,286
Net Profit	98,315	58,428	(7,200)
	At 30/09/05	At 30/09/04	At 30/09/03
Current Assets	765,491	662,983	465,952
Fixed Assets	325,064	169,035	203,755
Total Assets	1,090,555	832,018	669,707
Current Liabilities	318,757	218,073	107,462
Non-Current Liabilities	84,038	13,515	9,975
Equity	687,760	600,430	552,270
Operating Income Per Share (full amount)	870	215	298
Basic Earning Per Share (full amount)	958	562	240
(ratio in %)			
Selling Growth	62%	21%	-11%
Net Profit Growth	68%	912%	-301%
Gross Profit/Net Selling	35%	56%	79%
Operating Income/Net Selling	54%	127%	382%
Net Profit/Net Selling	49%	66%	-599%
Net Profit/Equity	14%	10%	-1%
Net Profit/Total Assets	9%	7%	-1%
Equity/Total Assets	63%	72%	82%
Current Assets/Current Liabilities	2.4	3.0	4.3
Payables/Equity	0.37	0.27	0.13

Additional Information

In the event whereby shareholders need additional information regarding the matters in this announcement, please contact:

PT. Petrosea Tbk
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 Jakarta 12730
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Investor Relation/Corporate Secretary

PT PETROSEA Tbk
The Board of Directors