



PETROSEA RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2017

PT Petrosea Tbk., a multi-disciplinary mining, infrastructure and oil & gas services company, reported its unaudited consolidated financial statements for the period ended 30 September 2017.

OPERATIONAL HIGHLIGHTS

We continued to deliver results through operational excellence and cost effectiveness at our three main business lines, with an eye towards a more balanced portfolio and diversified revenue stream.

- **Contract Mining.** Total volume for the period was at 59.5 million BCM of overburden removal (+52.6% YoY) and 17.9 million tons of coal (+86.6% YoY).
- **Engineering & Construction (E&C).** The Levee Stockpile project for PT Freeport Indonesia and the Lampungut Road, Bridge & Earthworks Construction project for PT Maruwai Coal continues to deliver a revenue stream to our total revenue. By end of this quarter, the contract backlog from these two projects amounted to US\$ 148.5 million.
- **Petrosea Logistics & Support Services (PLSS).** PLSS officially opened its second offshore base located in Sorong, West Papua in August 2017. The inauguration was conducted by the Bupati of Kabupaten Sorong and the ceremony was also attended by local and central government authorities, clients and business partners. The new base is now in fully operational primarily to support oil & gas exploration and operation activities in the region. The base has characteristics and standards which similar to Petrosea Offshore Supply Base (POSB) Tanjung Batu, Balikpapan, including the services that are provided. To complement its services, it has recently obtained a PLB license within the property of over 1ha. As per July, PLSS has signed a long-term agreement with BP Berau as the first client of the Sorong facility. As for our existing facility at POSB Tanjung Batu, Balikpapan, PLSS continues to support oil & gas operations and drilling within the region. With its PLB (Pusat Logistik Berikat / Bonded Logistics Center) operator status, PLSS has continued to add a number of new clients (e.g. GE Vetco Gray, Weatherford, etc.) at the Marunda facility which are predominantly also within the oil & gas sector.

FINANCIAL HIGHLIGHTS

- The Company's consolidated revenues increased by 21.56% YoY from US\$ 148.80 million to US\$ 180.87 million reported in 9M17. The Contract Mining business contributed 67.17%, followed by 25.45% from E&C, 6.56% from PLSS, and 0.82% from others.
 - Revenue from the Contract Mining business increased by 58.01% YoY from US\$ 76.89 million to US\$ 121.48 million in 9M17, primarily on the back of higher operational volumes.
 - Revenue from the E&C business decreased by 12.09% from US\$ 52.37 million to US\$ 46.04 million in 9M17, however the Levee Stockpile project for PT Freeport Indonesia still contributes 22.82% to the consolidated revenues.
 - Revenue from the PLSS business declined by 33.69% from US\$ 17.89 million to US\$ 11.86 million in 9M17, primarily as the result of lower activities in oil & gas sector at the strait of Makassar, however PLSS has officially opened its second offshore base located in Sorong, West Papua in August, 2017.
- Total direct costs increased by 18.01% YoY from US\$ 127.36 million to US\$ 150.29 million. This is in line with the increase in operational volumes.
- Gross profit increased 42.61% YoY to US\$ 30.58 million from US\$ 21.44 million reported in the previous year.
- The Company continues its effectiveness in administration expenses. The administration expenses for 9M17 was maintained at around US\$ 14 million.
- Interest expenses & finance charges decreased by 6.34% YoY from US\$ 7.42 million to US\$ 6.95 million in 9M17, due to a lower debt balance (from US\$ 151.46 million to US\$ 144.27 million in 9M17).
- The Company registered a US\$ 4.98 million profit attributable to owners of the Company versus a US\$ 4.62 million loss reported in the corresponding period last year.
- Cash & cash equivalents were at US\$ 77.87 million as per 30 September 2017. The Company remained focused on working capital management to support the execution of ramping up its operational volumes and business development.
- Capital expenditure or capital goods investment spent amounted to US\$ 34.79 million in 9M17. Capital expenditures spent were mainly used to revitalize equipment used for Contract Mining and on the development of POSB Sorong.

RECENT DEVELOPMENTS IN 2017

- On 1 October 2017, the Company and Ophir Energy Indonesia entered into agreement for the Petrosea Offshore Supply Base (POSB) facilities in Sorong, West Papua and Tanjung Batu, East Kalimantan. The contract value is Rp 51 billion with contract duration of 4 years until October 2021.
- On 23 June 2017, the Company and BP Berau Ltd. entered into an agreement for Petrosea Offshore Supply Base (POSB) in Sorong, Papua. The contract value is Rp 734 billion with contract duration of 8 years until August 2025.
- On 16 June 2017, the Company and PT Maruwai Coal entered into an agreement for the Road, Bridge and Earthworks Construction project in East Kalimantan. The contract value is Rp 1.27 trillion with contract duration of 2 years.
- On 9 June 2017, the Company and PT Freeport Indonesia entered into an agreement for the Garsberg Wannagon Mining Services project in Sorong, West Papua. The contract duration is 25 months.
- On 16 May 2017, the Company received a letter from PT Kideco Jaya Agung to increase the production volume target for the year 2017.
- On 2 May 2017, the Company and PT Indonesia Pratama entered into a first amendment of open pit overburden mining services, equipment rental agreement and coal transportation agreement at the Tabang mine site, Kutai Kartanegara – East Kutai, East Kalimantan. This amendment includes changes of production targets and price adjustments for the duration until September 2021.
- On 21 March 2017, the Company and PT Indoasia Cemerlang entered into a mining equipment rental agreement. This agreement includes minimum production targets, tariff and price adjustments for a duration until 31 December 2017 with an extension option minimum six months before the agreement period expires.
- On 7 February 2017, the Company and PT Biniang Mitra Bersama Blok Dua entered into an additional mining services agreement. This agreement is about additional mining territory areas and additional overburden volume production for a duration of 17 months with an extension option for a minimum of 2 years.

CONSOLIDATED FINANCIAL STATEMENTS HIGHLIGHTS

Consolidated Statements of Profit or Loss (US\$ Million)	30 Sep 16	30 Sep 17	% Change
Revenues	148.80	180.87	21.56
Direct Costs	(127.36)	(150.29)	18.01
Gross Profit	21.44	30.58	42.61
Operating Profit	7.30	16.22	122.23
Share in Jointly Controlled Entities' Net (Loss)	(0.47)	(0.35)	(25.79)
Profit (Loss) for The Period	(4.55)	5.06	211.17
Profit (Loss) Attributable to Owners of The Company	(4.62)	4.98	207.74
Profit (Loss) Attributable to Non-controlling Interest	0.08	0.07	(5.19)

Consolidated Statements of Financial Position (US\$ Million)	31 Dec 16	30 Sep 17	% Change
Cash & Cash Equivalents	66.43	77.87	17.23
Total Current Assets	147.74	162.60	10.06
Total Noncurrent Assets	245.69	254.04	3.40
Total Assets	393.43	416.64	5.90
Bank Loans	16.25	16.64	2.39
Total Current Liabilities	68.44	81.82	19.55
Total Noncurrent Liabilities	154.53	158.56	2.60
Total Liabilities	222.98	240.38	7.81
Total Equity	170.45	176.26	3.41
Total Liabilities & Equity	393.42	416.64	5.90

Financial Ratio	31 Dec 16	30 Sep 17
Current Ratio	2.16	1.99
Debt to Equity Ratio	0.89	0.82

Share Price Data (as of 24 Nov 2017)	
Ticker	PTRO
Last Price (IDR)	1,880
Outstanding Shares (Billion)	1.01
Market Capitalization (Trillion IDR)	1.90

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PETROSEA OVERVIEW

PT Petrosea Tbk. is multi-disciplinary mining, infrastructure and oil & gas services company with track record of achievement in Indonesia since 1972. Drawing on rich and varied years of experience throughout the Indonesian archipelago, Petrosea is now recognized as one of Indonesia's leading contractors. We offer a competitive advantage through our ability to provide complete pit-to-port mining solutions, supported by integrated engineering & construction capabilities and logistic support, whilst demonstrating absolute commitment to health, safety & environment, quality management, and business integrity. We also provide services for the oil and gas industry in Indonesia through our Petrosea Offshore Supply Base (POSB) deep-water supply bases located in Tanjung Batu, East Kalimantan and Sorong, West Papua that consistently deliver international standard and cost-effective services to all of our clients. Petrosea has been listed on the Indonesia Stock Exchange (IDX: PTRO) since 1990 and was the first publicly listed Indonesian engineering & construction company in Indonesia.

The company's vision is to be a leading service provider in mining, oil & gas and infrastructure in South East Asia. The company's mission is to deliver innovative solutions for mining, oil & gas and infrastructure to the satisfaction of all clients and stakeholders.

Together with its holding company, PT Indika Energy Tbk., Petrosea is able to provide complete solutions in the energy supply chain. Understanding the demands of the industry and having the full range of expertise in engineering and project management, high quality construction capabilities, ability to complete complex projects on schedule, local knowledge and focus on human capital management and development, enables us to provide consistent results and position ourselves to meet and exceed the expectations of our customers.

FURTHER INFORMATION

Corporate Secretary & Investor Relations

Attention : Anto Broto - Head of Corporate Secretary & Investor Relations

Email : Investor.relation@petrosea.com
Corporate.secretary@petrosea.com

Telephone : +6221 29770999

Our website : www.petrosea.com