

**DISCLOSURE OF INFORMATION TO SHAREHOLDERS
IN CONNECTION WITH THE COMPANY'S PLAN TO CONDUCT BUYBACK OF ITS SHARES IN
SIGNIFICANTLY FLUCTUATING MARKET CONDITIONS ACCORDING TO OJK REGULATION
NO. 2/POJK.04/2013 AND OJK CIRCULAR LETTER NO. 3/SEOJK.04/2020**



Member of Indika Energy Group

**PT PETROSEA Tbk.
(the "Company")**

Domiciled in South Tangerang, Indonesia

BUSINESS ACTIVITY

Construction, mining and quarrying, transportation and warehousing, as well as manpower

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**INFORMATION TO SHAREHOLDERS REGARDING PLAN ON BUYBACK OF SHARES
IN SIGNIFICANTLY FLUCTUATING MARKET CONDITIONS**

The Company is planning to buyback its shares which have been issued and listed on the Indonesia Stock Exchange with reference to OJK Regulation No. 2/POJK.04/2013 on Buyback of Shares in Significantly Fluctuating Market Conditions ("POJK No. 2/POJK.04/2013") and OJK Circular Letter No. 3/SEOJK.04/2020 on Other Conditions Constituting Significantly Fluctuating Market Conditions Allowing for Buyback of Shares ("SEOJK No. 3/SEOJK.04/2020"). The Company's share buyback will amount up to US\$2,000,000 or equivalent to Rp30,000,000,000 (Thirty Billion Rupiah) assuming the United States Dollar to Indonesia Rupiah exchange rate of Rp15,000 (Fifteen Thousand Rupiah). Pursuant to SEOJK No. 3/SEOJK.04/2020, the Company is allowed to buyback its shares for a maximum by 20% (Twenty Percent) of the paid-up capital provided that at least 7.5% (Seven point Five Percent) of its issue and paid-up capital continues to be held by the public. The share buyback will be conducted gradually within three months, effective from 11 June 2020 until 8 September 2020. The execution of the Company's share buyback transaction will be carried out based on the consideration of the Company's Board of Directors through the Indonesia Stock Exchange, with regards to POJK No. 2/POJK.04/2013 and SEOJK No.3/SEOJK.04/2020 as well as Law Number 40 of 2007 concerning Limited Liability Companies ("Company Law") Article 37 paragraph 1 letter a concerning provisions on share buyback.

This Disclosure was published in South Tangerang on 10 June 2020

INTRODUCTION

Stock market conditions on the Indonesia Stock Exchange (IDX) since the beginning of 2020 until the enactment of SEOJK No. 3 / SEOJK.04 / 2020 dated 9 March 2020 concerning Other Conditions as Significantly Fluctuating Market Conditions in the Implementation of Shares Buyback Issued by Issuers or Public Companies, experienced significant pressures as indicated by the decline of the Composite Stock Price Index (IHSG) by 18.46% as well as the downturn in economic conditions and pressure both globally and nationally, partly due to the COVID-19 outbreak.

In order to reduce the market impact that has been fluctuating significantly due to these trading conditions, the Financial Services Authority (OJK) issued SEOJK No. 3 / SEOJK.04 / 2020. This opens opportunities for the Company to buyback a portion of its shares by taking into account the Company's capability, cash preservation and applicable regulations.

Based on Company data, the Company's share price decrease from 2 January 2020 to 9 June 2020 amounting 18.75% (Eighteen point Seventy Five Percent) from Rp1,600 (One Thousand and Six Hundred Rupiah) to Rp1,300 (One Thousand and Three Hundred Rupiah) per share. The significant decline in the Company's shares price did not reflect the Company's positive performance, therefore the Company intends to show its commitment in order to increase shareholder value by returning excess free cash flow to its shareholders through the buyback of the Company's shares.

BACKGROUND AND PURPOSE

In carrying out its business activities, the Company strives to continuously increase value for shareholders, including by increasing the Company's Return on Equity ("ROE"). In addition to Share Buyback can be considered as one of the ways to increase the Company's ROE, Share Buyback Implementation will provide greater flexibility for the Company in managing capital and maximizing returns to Shareholders. By considering the growth and expansion of the Company's business, Share Buyback will also facilitate the return of excess cash (cash preservation) and funds for shareholders in an effective and efficient manner.

In accordance with the applicable rules and regulations in Indonesia, the Company can save shares resulting from the repurchase of the Company's shares to be controlled as treasury stock for a period of not more than 3 (three) years without closing the possibility that the Company may at any time make a transfer of the shares of proceeds buy back shares of the Company, with regards to the Company Law (UUPT) and the prevailing laws and regulations, particularly POJK 02/2013 by the following methods:

1. Sold either on the Stock Exchange or outside the Stock Exchange;
2. Withdrawn back by reducing capital;
3. Implementation of share ownership programs by employees and / or Directors and Board of Commissioners;
4. Implementation of Equity Securities conversion; and / or
5. Other ways with the approval of the Financial Services Authority.

SHARE BUYBACK SCHEDULE

No	Description	Date
1.	Disclosure submission to OJK and Indonesia Stock Exchange	10 June 2020
2.	The announcement of Disclosure on Share Buyback Plan through the Indonesia Stock Exchange website and Company website www.petrosea.com	10 June 2020
3.	Share Buyback Period	11 June 2020 until 8 September 2020

The share buyback will be conducted within a 3 (three) month period effectively commencing from the date of this Disclosure of Information, which is the period of 11 June 2020 until 8 September 2020. If the fund allocation for share buyback has been fully allocated and/or total of share buyback has been fulfilled, the Company will announce the termination of the share buyback.

SHARE BUYBACK EXPENSES ESTIMATION AND VALUE OF PURCHASED SHARES ESTIMATION

The allocated funds for the proposed share buyback amounts up to US\$2,000,000 or equivalent to Rp30,000,000,000 (Thirty Billion Rupiah), assuming the United States Dollar to Indonesia Rupiah exchange rate of Rp15,000 (Fifteen Thousand Rupiah), which is funded from the Company's internal cash, excluding the share buyback transaction fee, broker fee and other fees related to the share buyback.

In accordance with SEOJK No. 3/SEOJK.04/2020, the number of shares to be repurchased must not exceed 20% (Twenty Percent) of paid-up capital provided that at least 7.5% (Seven point Five Percent) of its issue and paid-up capital continues to be held by the public.

ESTIMATION OF DECLINING INCOME OF THE COMPANY AS A RESULT OF SHARES BUYBACK AND IMPACT TO COMPANY'S FINANCIAL EXPENSES

Should the Company use its internal cash for the share buyback of up to US\$2,000,000 or equivalent to Rp30,000,000,000 (Thirty Billion Rupiah), the Company's Assets and Equity may decrease up to US\$2,000,000 or equivalent to Rp30,000,000,000 (Thirty Billion Rupiah), assuming the United States Dollar to Indonesia Rupiah exchange rate of Rp15,000 (Fifteen Thousand Rupiah), plus the share buyback transaction fee.

In regards to the transaction, the impact on the Company's operational expenses will not be material. In addition, the potential cost from the transfer of assets in the form of cash to treasury stock is not expected to significantly affect the Company's revenue. Therefore, the Company believes that the share buyback transaction will not have any material adverse effect on the Company's business activities, as the Company has sufficient capital and cash flow to carry out financing transactions in conjunction with the Company's business activities.

PRO FORMA OF COMPANY EARNINGS PER SHARE AFTER THE SHARE BUYBACK IS EXECUTED

The following is the pro forma of Company's Total Assets, Equity and EPS, as highlighted in the Consolidated Financial Statements as of 31 December 2019 and calculating the share buyback of up to US\$2,000,000 or equivalent to Rp30,000,000,000 (Thirty Billion Rupiah), assuming the United States Dollar to Indonesia Rupiah exchange rate of Rp15,000 (Fifteen Thousand Rupiah) and transaction fees (broker fee and other fees) related to the share buyback transaction.

AUDITED FINANCIAL STATEMENTS			
For the year ended 31 December 2019			
(in thousand US\$)	Before Share Buyback	Impact	After Share Buyback
Total Assets	551,044	-2,000	549,044
Total Equity	212,563	-2,000	210,563
Net Profit for the Year	31,324		31,324
Profit Attributable to Owners of the Company	31,175		31,175
Earnings per Share	0.0309	0.0008	0.0317

Note:

Assuming the total number of share buyback is maximum 2.47% from the total outstanding shares.

The above analysis shows that the share buyback transaction will not results in significant changes to the Company's financial indicator.

LIMITATION OF SHARE PRICE FOR BUYBACK

The Company's share buyback transaction will be conducted at a fair and reasonable price in accordance with applicable regulations.

METHODS THAT WILL BE USED FOR SHARE BUYBACK

1. The Company has appointed PT Mandiri Sekuritas to buyback the Company's shares.
2. The share buyback will be executed through IDX.
3. The share buyback will be executed using a lower or same price as the closing price from previous trading day.
4. All parties:
 - a. Commissioners, directors, employees and Major Shareholders of the Company;
 - b. An individual who due to his position or profession or because of his business relationship with the Company allows that person to obtain inside information; or
 - c. A party who within the last 6 (six) months is no longer a party as referred to the items a and b; are prohibited to purchase and/or sell the Company's shares during the share buyback period or on the same day with the transfer of buyback shares by the Company through IDX.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE IMPACT OF SHARE BUYBACK TO THE COMPANY'S BUSINESS ACTIVITIES AND GROWTH

1. The Company's revenue is not expected to decrease due to the share buyback transaction.
2. The share buyback is estimated to have a minimal impact on the Company's financial costs.
3. The share buyback will reduce the Company's assets and equity by the number of shares bought back. If the Company uses all the reserved funds to buyback shares of the maximum amount, then Assets and Equity will reduce up to a maximum of US\$2,000,000 or equivalent to Rp30,000,000,000 (Thirty Billion Rupiah) assuming the United States Dollar to Indonesia Rupiah exchange rate of Rp15,000 (Fifteen Thousand Rupiah).
4. The Company believes that the share buyback implementation will not have a material negative impact on the Company's business activities and growth, because the Company currently has sufficient capital and cash flow to conduct and finance all business activities, business development activities, operational activities and the share buyback transaction itself.

ADDITIONAL INFORMATION

For shareholders who require additional information, please contact the Company during business hours at the following contact information:

PT Petrosea Tbk.

Corporate Secretary

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This Disclosure of Information is submitted for public knowledge.

South Tangerang, 10 June 2020

The Board of Directors of the Company