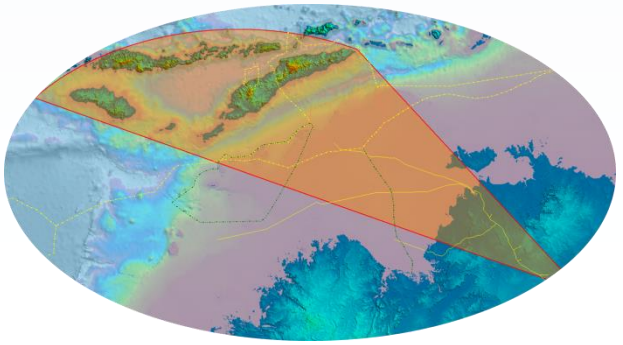
NATURAL GAS TRANSPORTATION – ELECTRICITY GENERATION



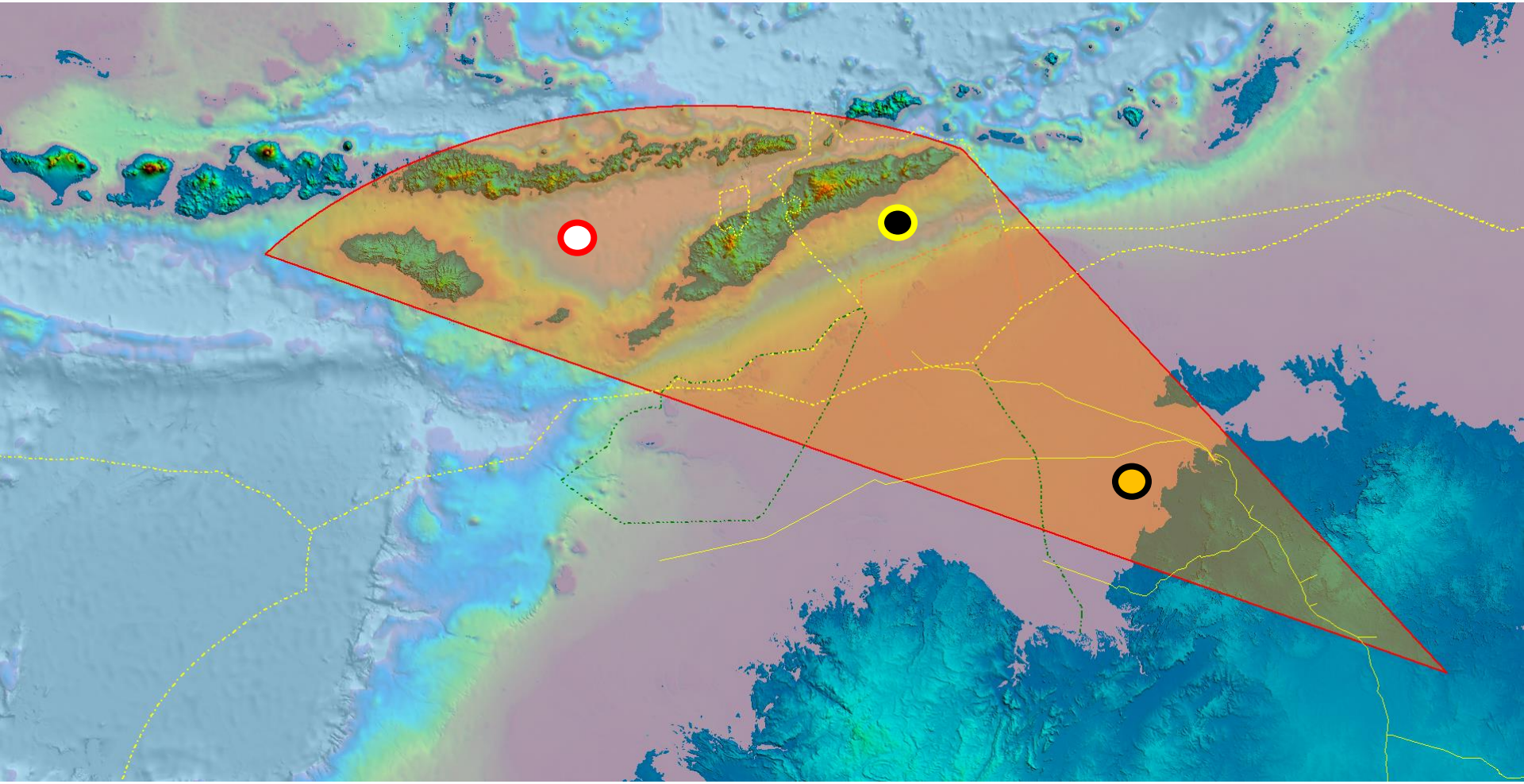
Electrification of the Timor Sea Triangle Partnership

2016-2025

An extended business opportunity

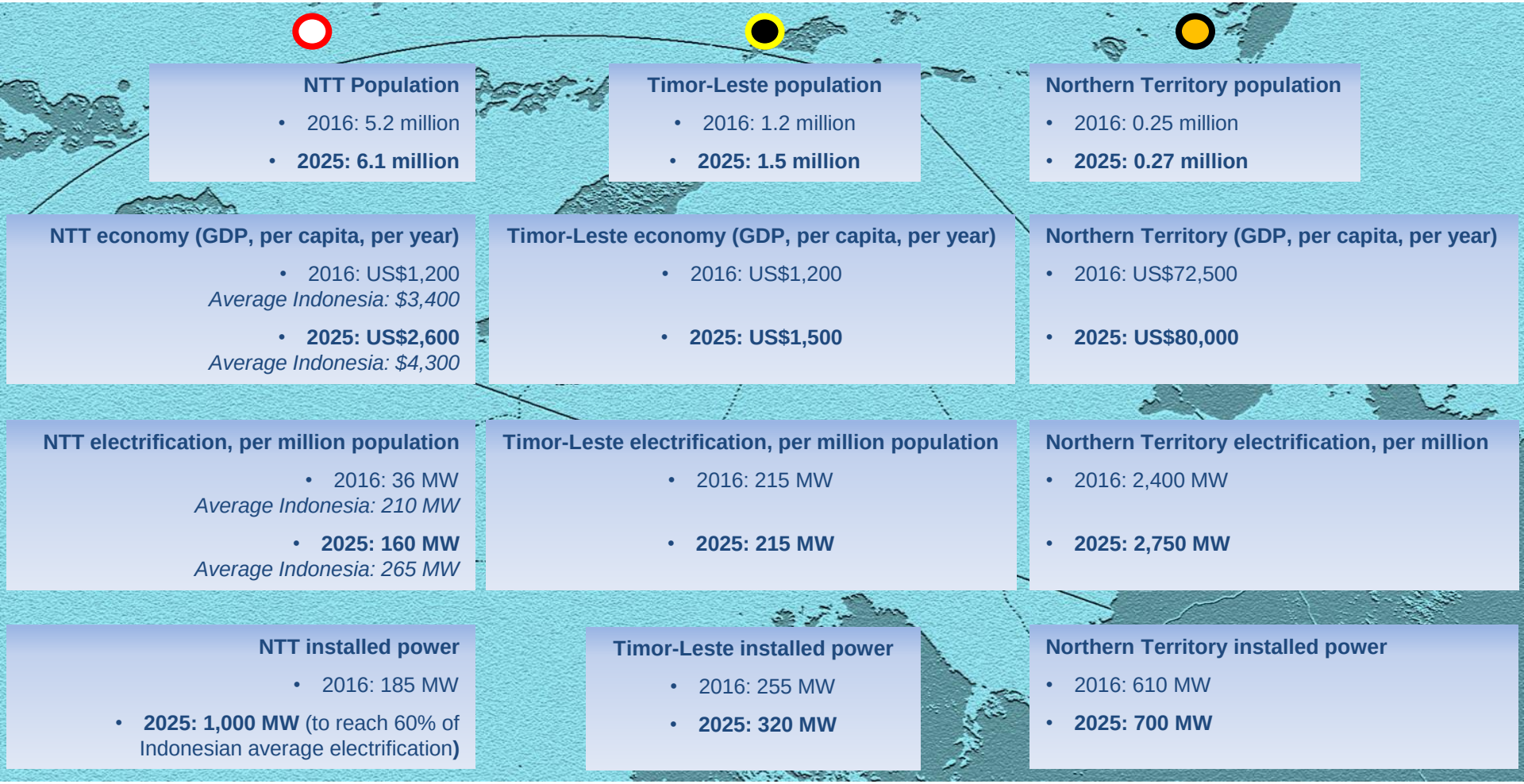
The Timor Sea Triangle Partnership

Nusa Tenggara Timur (NTT) – Northern Territory – Timor-Leste



To accelerate economic and human development, the Timor Sea Triangle Partnership will offer special concessions to business regulations and tax rules, as well as simplified business procedures between the three parties

Economies of the Timor Sea Triangle



NTT Population
- 2016: 5.2 million
- **2025: 6.1 million**

Timor-Leste population
- 2016: 1.2 million
- **2025: 1.5 million**

Northern Territory population
- 2016: 0.25 million
- **2025: 0.27 million**

NTT economy (GDP, per capita, per year)
- 2016: US$1,200
Average Indonesia: $3,400
- **2025: US$2,600**
Average Indonesia: $4,300

Timor-Leste economy (GDP, per capita, per year)
- 2016: US$1,200
- **2025: US$1,500**

Northern Territory (GDP, per capita, per year)
- 2016: US$72,500
- **2025: US$80,000**

NTT electrification, per million population
- 2016: 36 MW
Average Indonesia: 210 MW
- **2025: 160 MW**
Average Indonesia: 265 MW

Timor-Leste electrification, per million population
- 2016: 215 MW
- **2025: 215 MW**

Northern Territory electrification, per million
- 2016: 2,400 MW
- **2025: 2,750 MW**

NTT installed power
- 2016: 185 MW
- **2025: 1,000 MW** (to reach 60% of Indonesian average electrification**)**

Timor-Leste installed power
- 2016: 255 MW
- **2025: 320 MW**

Northern Territory installed power
- 2016: 610 MW
- **2025: 700 MW**

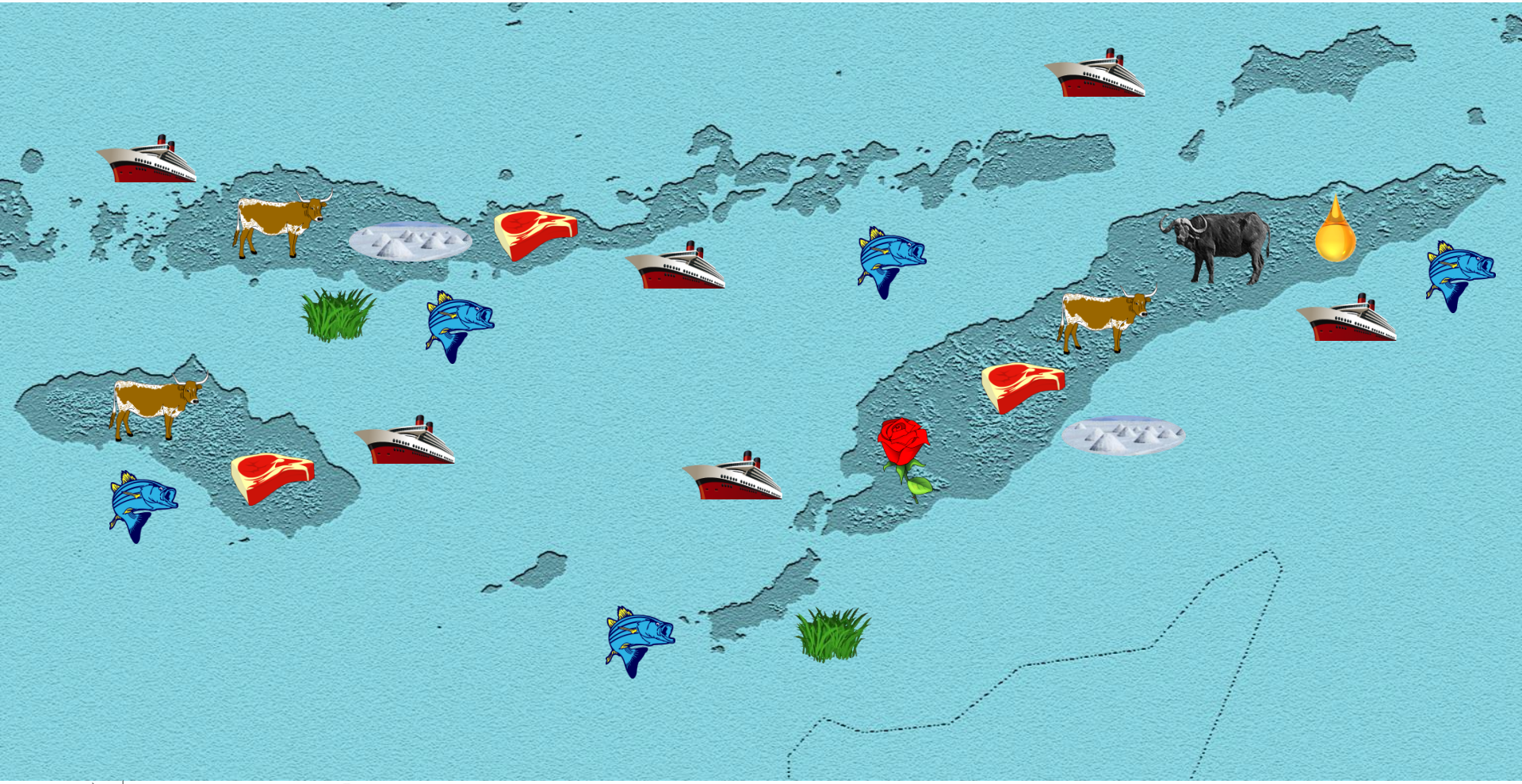
Note 1: NTT has the lowest GDP per capita of all 34 Indonesian Provinces, at about 1/3 of the national average

Note 2: for reference, electrification per million population is 60% higher in NTB than in NTT, and 170% higher in West Papua

Note 3: based on population only, an equitable distribution of the additional 35,000 MW scheduled in the national electrification plan would also raise NTT's power to 1,000 MW

Note 4: the Government's directive reserves 25,000 MW of the 35,000 MW plan to independent power producers, which, based on population only, would amount to more than 500 MW in NTT

Industries being developed in NTT and Timor-Leste by the Timor Sea Triangle Partnership



cattle breeding

cold storage / meat packing

fisheries

horticulture

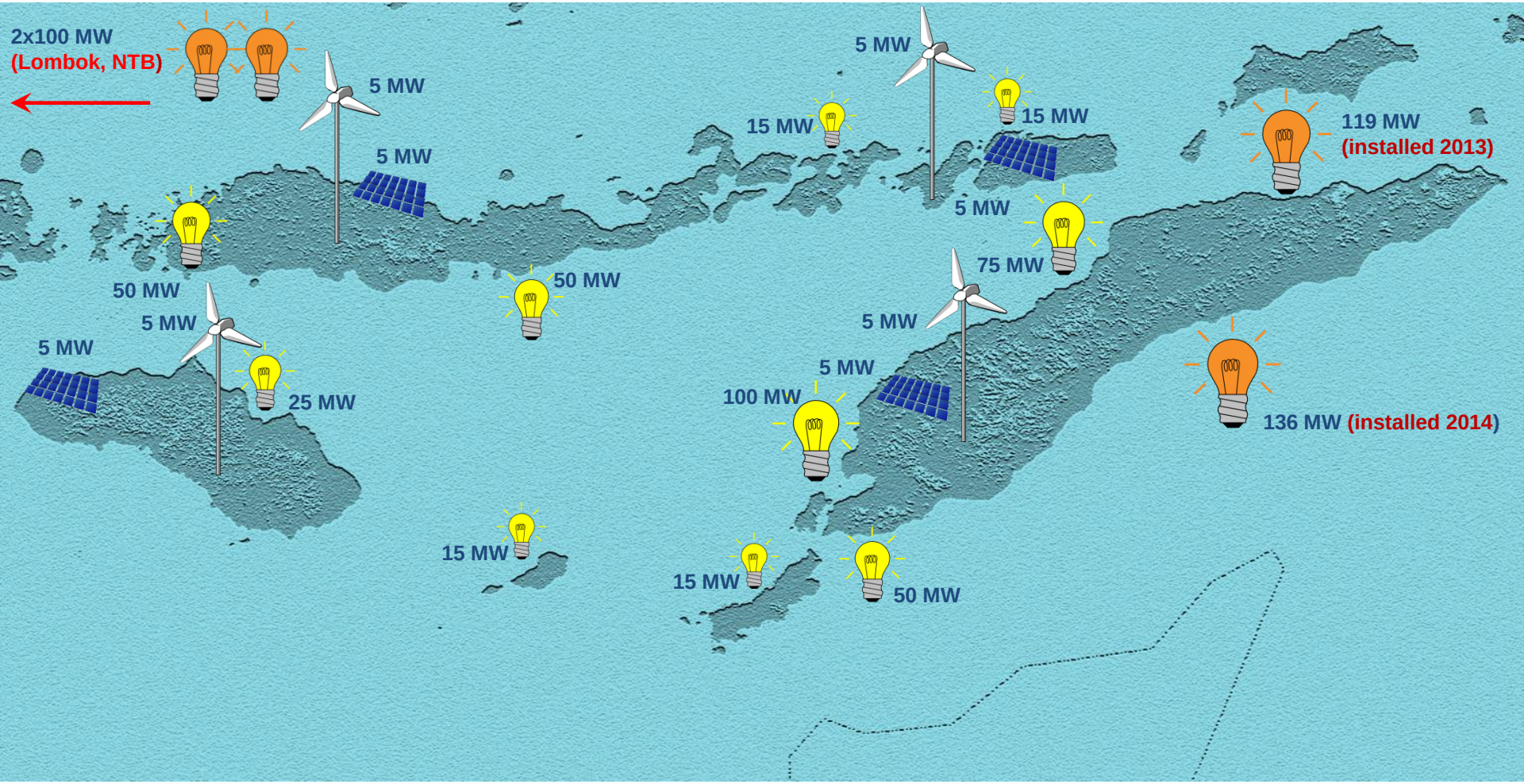
sea salt harvesting and packaging

seaweed farming and packaging

tourism / cruise ships

essential oils

Electrification required in the extended Timor Sea Triangle by 2025



Short of building enough capacity, West Timor will have to import excess energy from Timor-Leste by 2020.

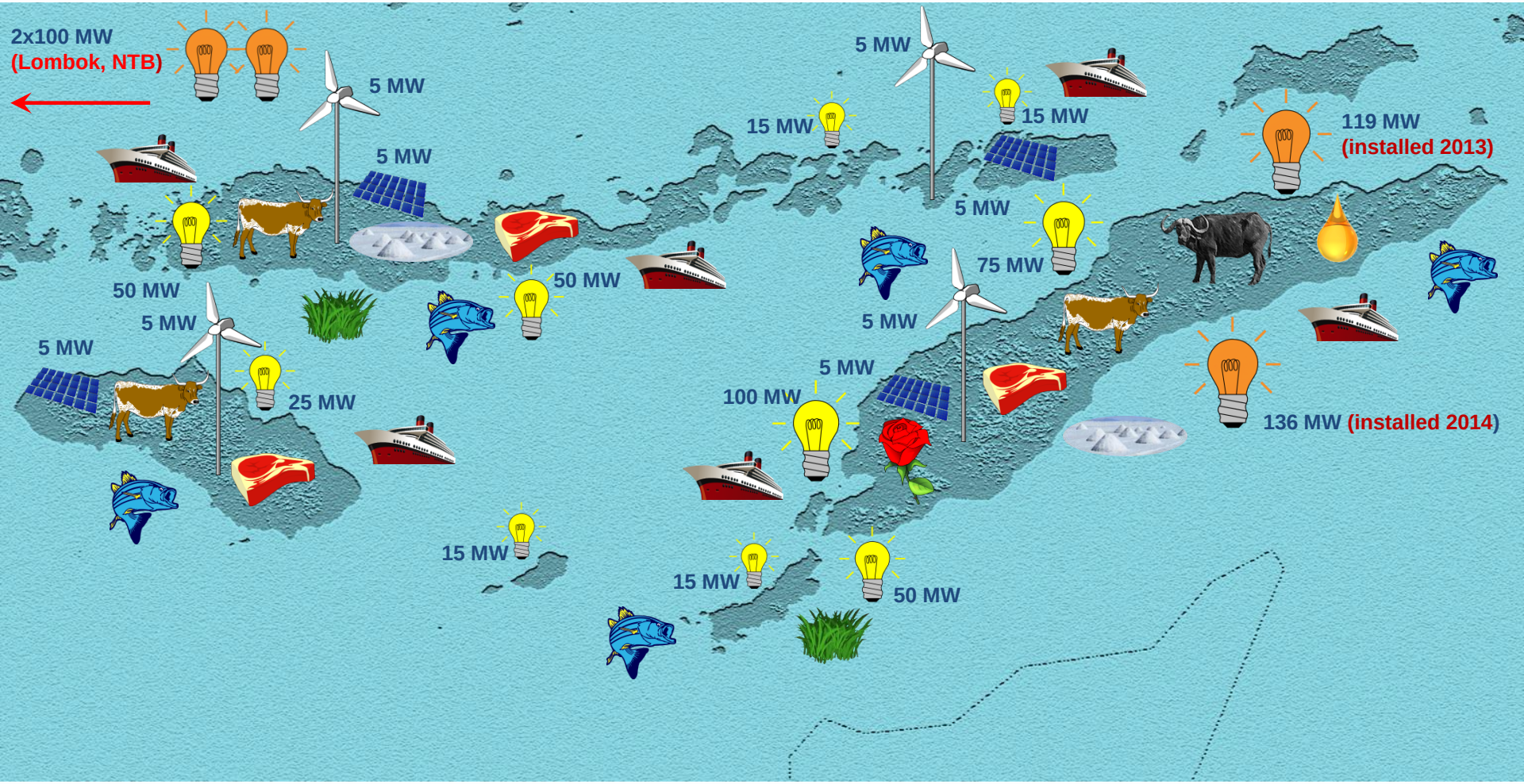
10 natural gas power plants: 410 MW

Solar power plants: 20 MW

4 existing natural gas capable power plants: 455 MW

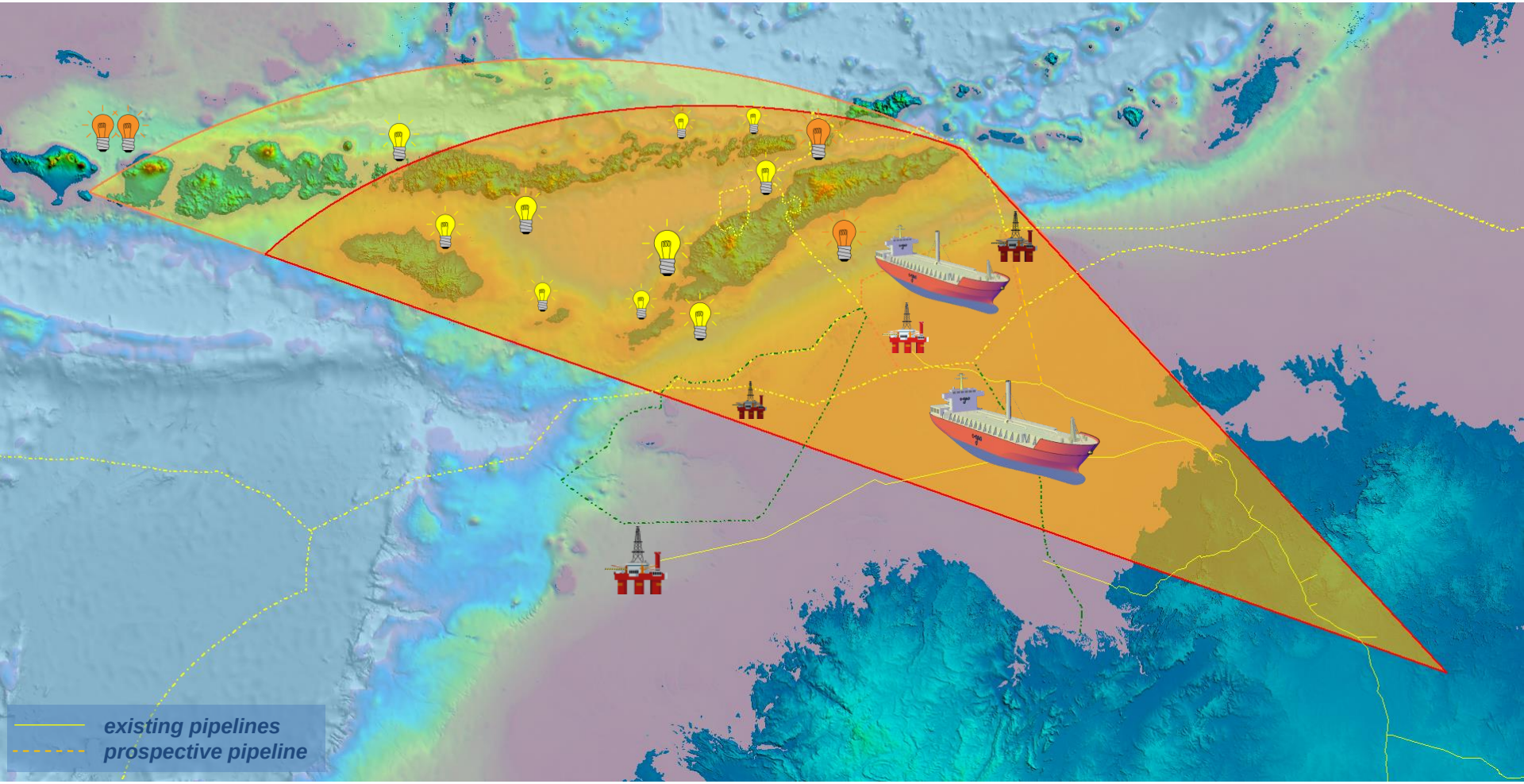
Wind power plants: 20 MW

The Timor Sea Triangle in 2025



To reach just 60% of the average Indonesian electrification rate per capita, NTT will need an additional capacity of 800 MW by 2025, of which the project proposes to install, own, and operate 50%.

Natural gas shipped from the Northern Territory will be the energy source for the power plants



The project will deliver natural gas to all 14 power plants and will install, own, and operate 10 of them

10 power plants: 410 MW

4 existing power plants: 455 MW

Operating natural gas production

Natural gas production in development

Planned natural gas production

The extended business opportunity

Electrical power (10 plants)	410 MW
Existing third party electrical power (4 plants)	455 MW
Number of gas carriers / independent sub-systems	2
Contract duration	20 years
Capital investment (2 independent sub-systems)	2 x $390,000,000
Assumed debt	65%
Natural gas sales price, delivered, stored	$300 per ton diesel equivalent
	($0.075 per kWh)
Electricity generation sales price	$0.115 per kWh
Total annual revenue	2 x $230,000,000
IRR @ 12 / 20 years, per sub-system	30% / 32%
ROI @ 12 / 20 years, per sub-system	4.7 / 9.1
Level of technological and commercial risk	Low
IFO180 diesel Singapore (21-10-16), not including delivery nor storage	*$290 per ton*
MGO diesel Singapore (21-10-16), not including delivery nor storage	*$472 per ton*