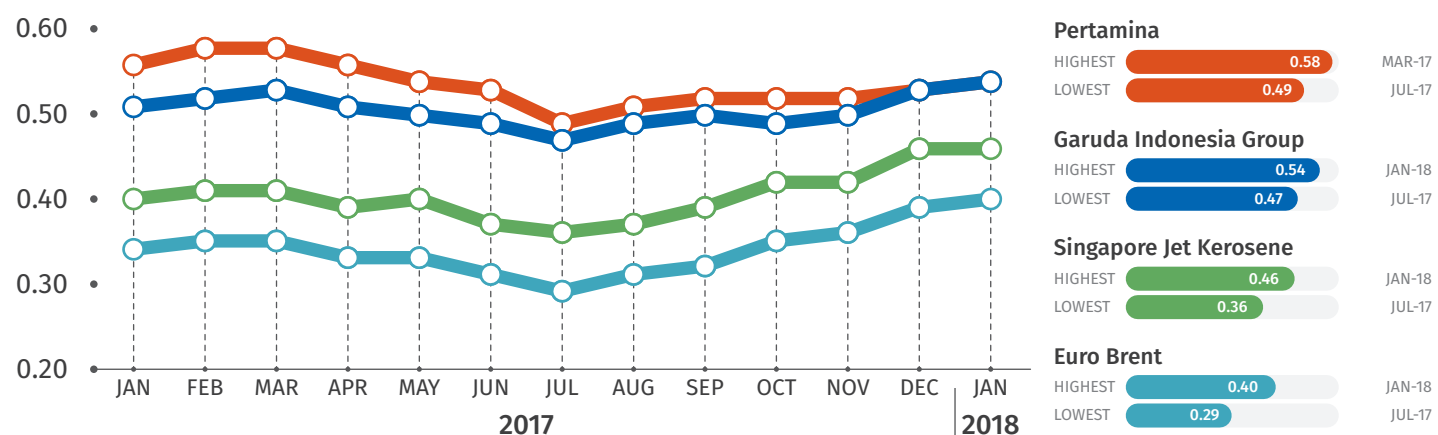


Hedging Disclosure

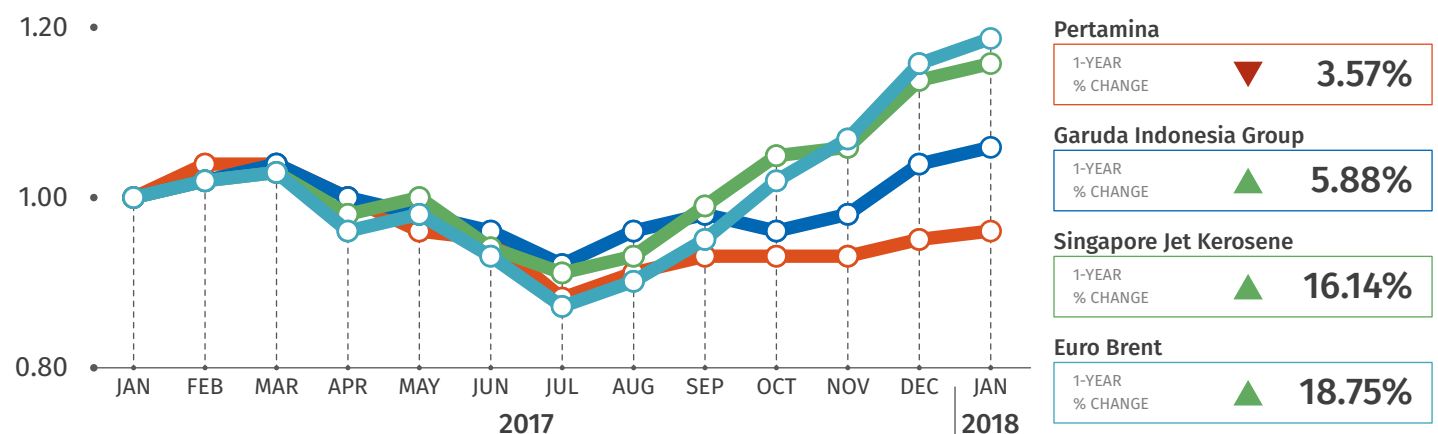
January 2018

PRICE COMPARISON

Source: Bloomberg, January 2018



| INDEX | UNITS | 2017 | | | | | | | | | | | | 2018 |
|------------------------|--------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| | | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | JAN |
| Euro Brent | US\$/L | 0.34 | 0.35 | 0.35 | 0.33 | 0.33 | 0.31 | 0.29 | 0.31 | 0.32 | 0.35 | 0.36 | 0.39 | 0.40 |
| Singapore Jet Kerosene | US\$/L | 0.40 | 0.41 | 0.41 | 0.39 | 0.40 | 0.37 | 0.36 | 0.37 | 0.39 | 0.42 | 0.42 | 0.46 | 0.46 |
| Garuda Indonesia Group | US\$/L | 0.51 | 0.52 | 0.53 | 0.51 | 0.50 | 0.49 | 0.47 | 0.49 | 0.50 | 0.49 | 0.50 | 0.53 | 0.54 |
| Pertamina | US\$/L | 0.56 | 0.58 | 0.58 | 0.56 | 0.54 | 0.53 | 0.49 | 0.51 | 0.52 | 0.52 | 0.52 | 0.53 | 0.54 |



| PERIODE | PERTAMINA | | VS. EURO BRENT | | VS. SINGAPORE JET KEROSENE | | |
|--------------------------|-----------|--------|----------------|-------|----------------------------|---------|-------|
| | US\$/L | US\$/L | Δ (US¢) | Δ (%) | US\$/L | Δ (US¢) | Δ (%) |
| January 2018 | 0.54 | 0.40 | 13.61 | 33.71 | 0.46 | 7.78 | 16.84 |
| Average YTD January 2018 | 0.54 | 0.40 | 13.61 | 33.71 | 0.46 | 7.78 | 16.84 |
| Average 2017 | 0.54 | 0.34 | 19.50 | 57.06 | 0.41 | 13.10 | 32.30 |

Notes:

"Pertamina" is the average value of domestic in to plane fuel prices paid to Pertamina, meanwhile "Garuda Indonesia Group" is the average value of domestic and international in to plane fuel prices paid to suppliers. And due to Pertamina's one-month late price adjustments, Euro Brent and Sin Jet Kerosene prices used are adjusted one-month behind.



| INDEX | UNITS | JAN-18 | | Δ 1-MONTHS | | Δ 3-MONTHS | | Δ 6-MONTHS | | Δ 12-MONTHS | |
|------------------------|-----------|---------|--------|------------|--------|------------|--------|------------|--------|-------------|--------|
| | | Average | % Chg. | Average | % Chg. | Average | % Chg. | Average | % Chg. | Average | % Chg. |
| Singapore Jet Kerosene | US\$/BBL. | 73.48 | 1.49 | 72.40 | 10.12 | 66.73 | 28.26 | 57.29 | 63.27 | 16.14 | |
| Euro Brent | US\$/BBL. | 64.21 | 2.60 | 62.58 | 16.41 | 55.16 | 36.94 | 46.89 | 54.07 | 18.75 | |

FUEL HEDGING

Garuda Indonesia has hedged 3.8 million bbl. or equivalent 24.36% of the estimated total fuel consumption along 2018. Therefore the average hedge price per January 2018 is 45.06 US\$/liter or 71.65 USD/bbl.

As per January 2018, it can be concluded that the existence of OPEC production cut become the major factor in reducing oil supply especially due to high compliance of OPEC member in achieving the target cut. This condition successfully makes the price in the market tends to be bullish.

However, there is also a growing concern of increasing US Shale oil due to the recent high price. Based on the last report, US oil production can increase to set a new record. Therefore Garuda Indonesia set prudently the strategy towards 2018, especially to execute more within the 1st semester of 2018 given the uncertainty in the market and possibility of having OPEC to loosen up the production cut strategy.

FX HEDGING

Along with January 2018, the global currency has appreciated towards USD. Asian currencies also positively impacted due to the depreciation of USD including IDR that appreciated by 0.5 by the end of January 2018. Nevertheless, volatility persisted along January 2018 due to speculation of the existence of The Fed interest rate that will be implemented earlier.

Given the market condition and tendency of IDR appreciation within January 2018, it is preferable for Garuda Indonesia to execute value today as an instrument to meet the need of USD by keeping monitoring the movement of USD/IDR in the market.

As for the non-USD items on Garuda's balance sheet, particularly IDR loans, it is not preferable for Garuda Indonesia to convert it to USD since the nominal value in USD will be relatively higher up until the loans are matured.