





October, 2014 www.medcoenergi.com Energy Company of Choice



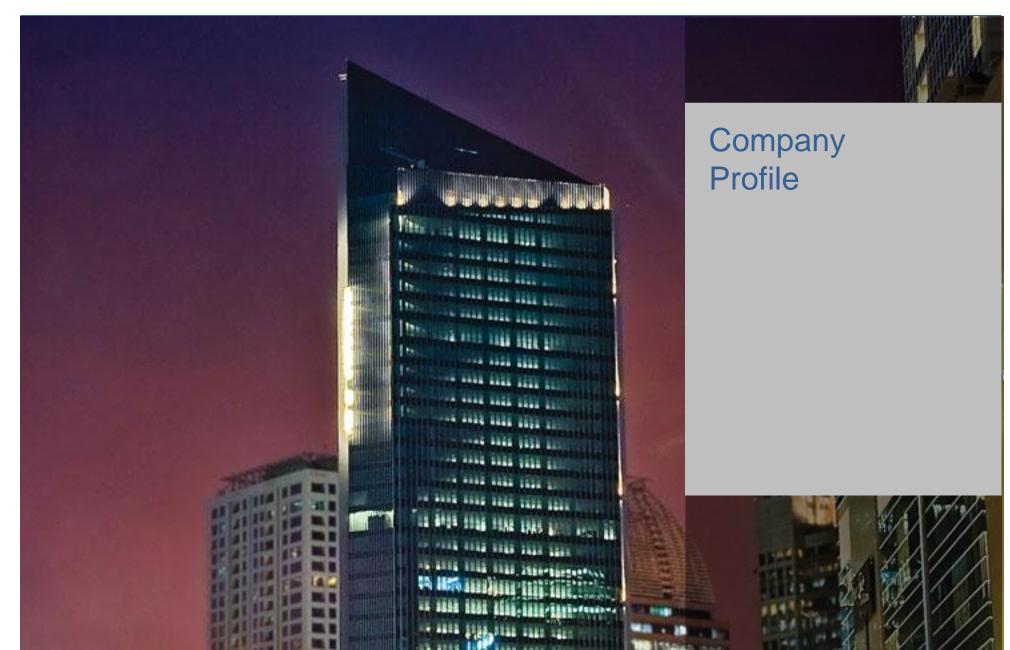
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This document contains certain results of operation, and may also contain certain projections, plans, strategies, policies and objectives of the Company, which could be treated as forward looking statements within the meaning of applicable law. Forwards looking statements, by their nature, involve risks and uncertainties that could cause actual results and development to differ materially from those expressed or implied in these statements. PT MEDCO ENERGI INTERNASIONAL TBK. does not guarantee that any action, which should have been taken in reliance on this document will bring specific results as expected.





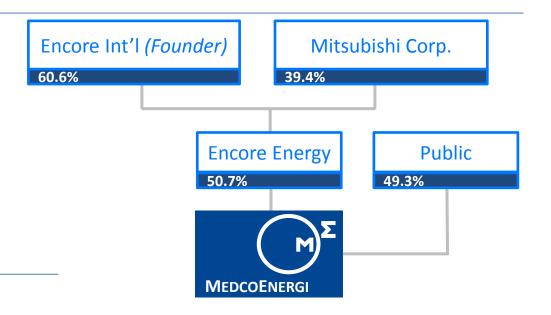


## **Business Strategy**



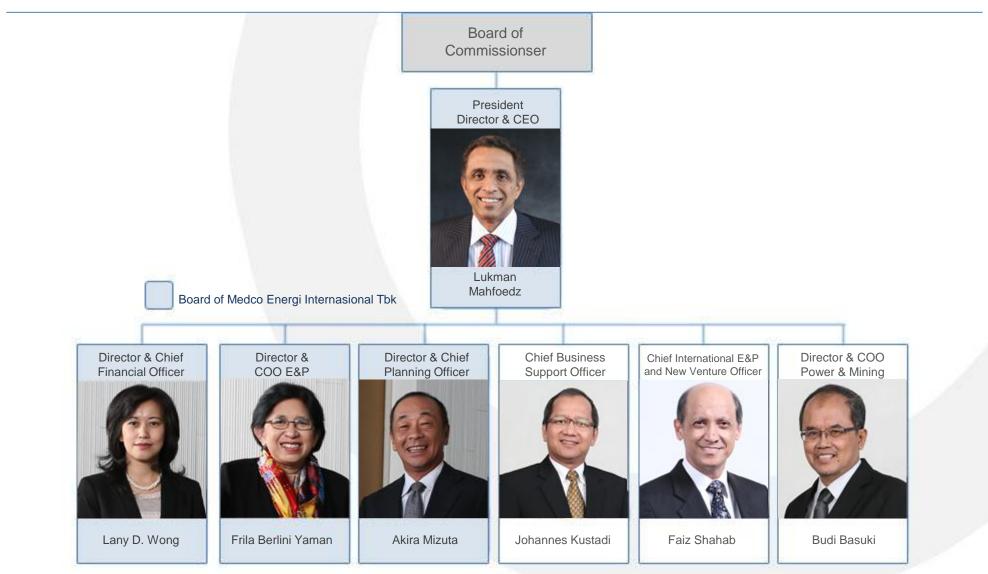
### Shareholdings Structure

PT Medco Energi Internasional Tbk. is a publicly listed integrated energy company with focus in exploration and production of oil and gas business. MedcoEnergi also has other energy related businesses in coal mining and and power generation to Perusahaan Listrik Negara (PLN).



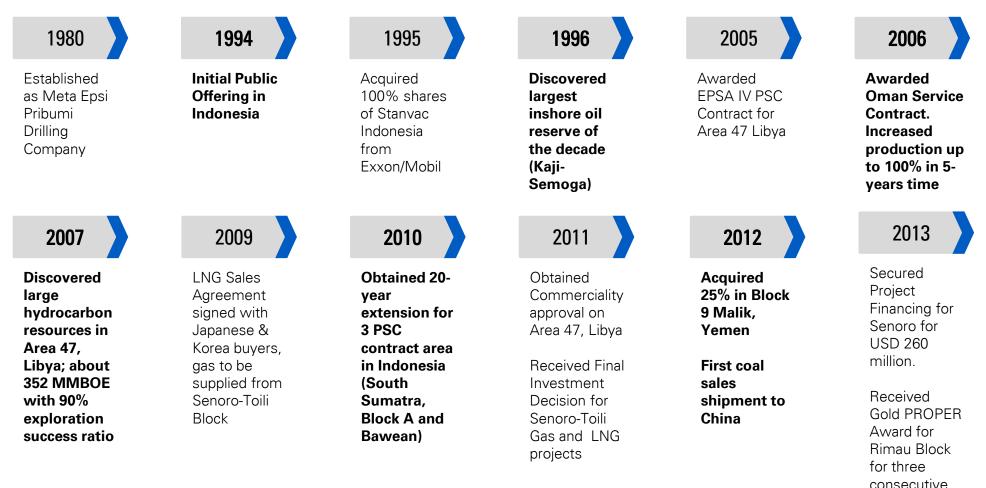


### **Organizational Structure**





### **Success Stories**



years (2011, 2012, 2013)

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### 2014 Corporate Updates

## 10 Feb 2014

MedcoEnergi has acquired 90% shares in Moonbi Energy Ltd. holder of oil and gas exploration license in PPL 470 area located in the Western Province of Papua New Guinea.

13 Mar 2014 MedcoEnergi through its Joint Operating Body in Senoro-Toili signed a Gas Sales Agreement with PT Panca Amara Utama for gas supply of 55mmscfd.

# 20 Mar 2014

MedcoEnergi has sold the remaining stake it has of 35.28% in PT Medco Sarana Kalibaru the fuel distribution and storage unit to Puma Energy

## 23 May 2014

MedcoEnergi, through its subsidiary PT Medco Power Indonesia, has signed a \$1.2 billion project financing agreement with JBIC, ADB and six other syndicated commercial banks to develop the 330MW Sarulla Geothermal Project in North Sumatra.

### 18 Aug 2014

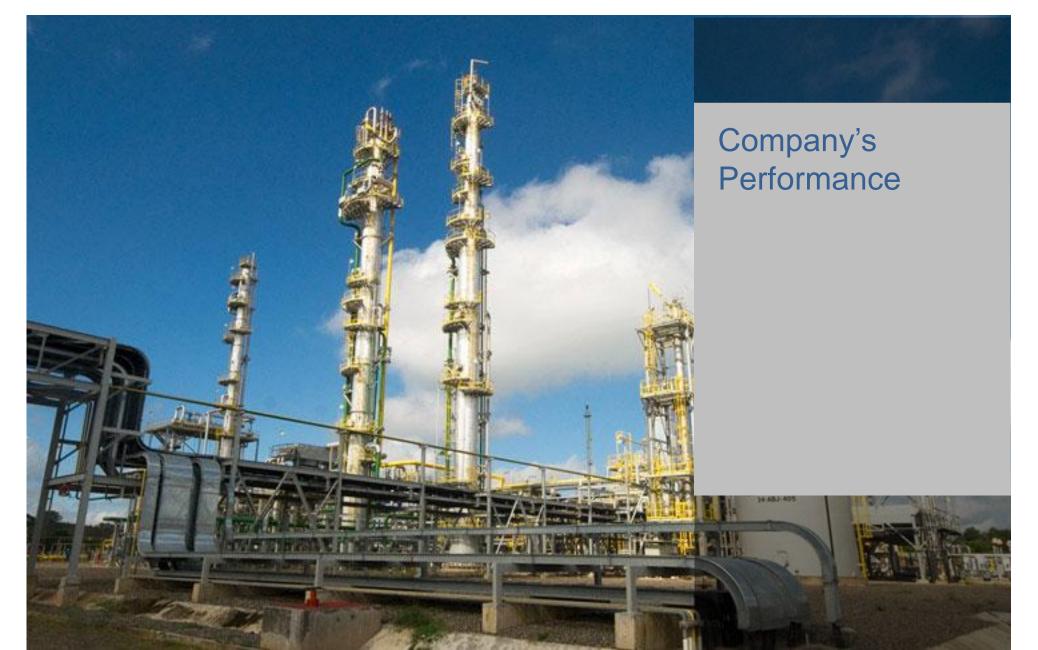
MedcoEnergi has acquired 100% shares of Storm Ventures Int'l, holder of participating interest in eight working areas in Tunisia which comprise of four exploration areas, two development areas and two production areas for US\$114 million with the effective economic date of 1 January 2014.

17 Sep 2014 The Government of Libya declared the commerciality of B, C and J Structures in Area 47, Libya. Combined with the A, D and F Structures, previously declared commercial in 2011, the total estimated oil and gas recoverable reserves to be developed is 250 MMBOE.

### 17 Oct 2014

MedcoEnergi has signed two Gas Sales and Purchase Agreements, first one is with PT PLN Persero North Kalimantan for a gas supply of 805 BBTU with 5 years contract period at an agreed price of US\$5.52/mmbtu. The second one is with PT MEPPOGEN for a gas supply of 6.6 TBTU with 21 months contract period at an agreed price of US\$7.32/mmbtu.

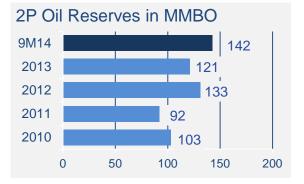




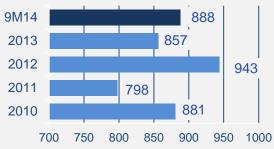
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## **Operational Performance**

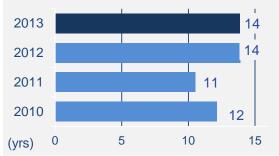
MEDCOENERGI (M<sup>×</sup>



2P Gas Reserves in BCF

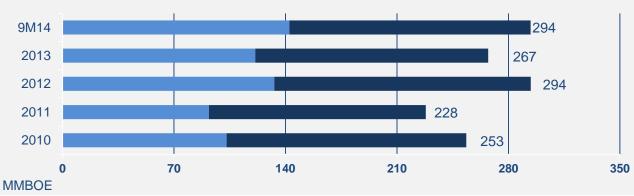


2P Reserves Life Index



Oil and Gas E&P	9M13	9M14	$\Delta$ %
Proved Reserves - 1P (MMBOE)	207.7	220.3	6.0
Proved and Probable Reserves - 2P (MMBOE)	274.6	293.9	7.0
Oil Lifting / MBOPD	25.3	21.7	(14.2)
Oman Service Contract / MBOPD	8.9	8.6	(3.3)
Oil Lifting including Oman Service Contracts	34.3	30.4	(11.4)
Gas Sales / BBTUPD	160.8	150.3	(6.5)
Total Oil and Gas Production (MBOEPD)*	53.7	51.0	(5.1)
Average Oil Price, USD/barrel	108.5	106.3	(2.0)
Average Gas Price, USD/mmbtu	5.04	5.60	11.1
Coal Sales, MT	315,042	330,880	5.0
Average Coal Price, USD/MT	79.4	77.0	(3.0)

\*excluding Oman Service Contracts



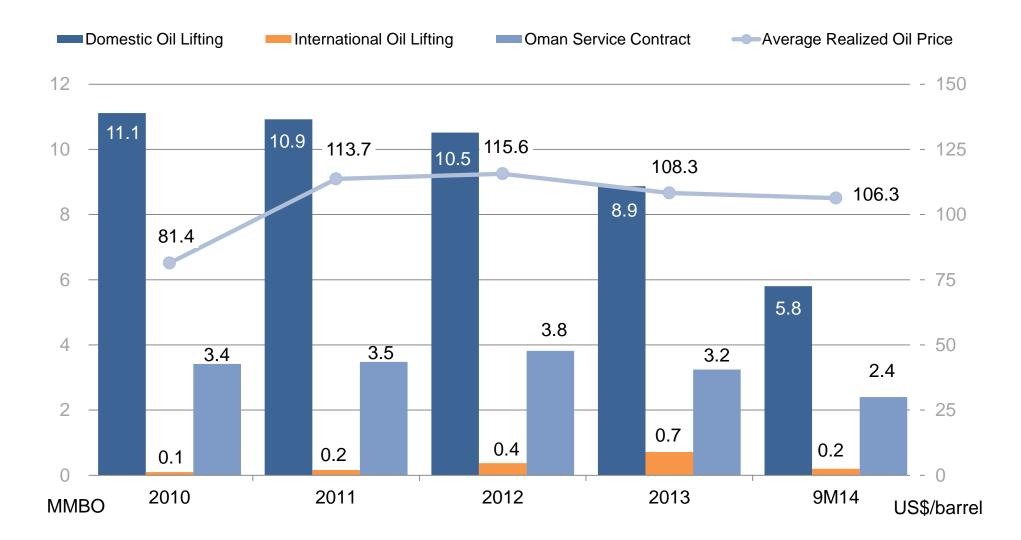
### 2P Oil and Gas Reserves in MMBOE

■Oil ■Gas



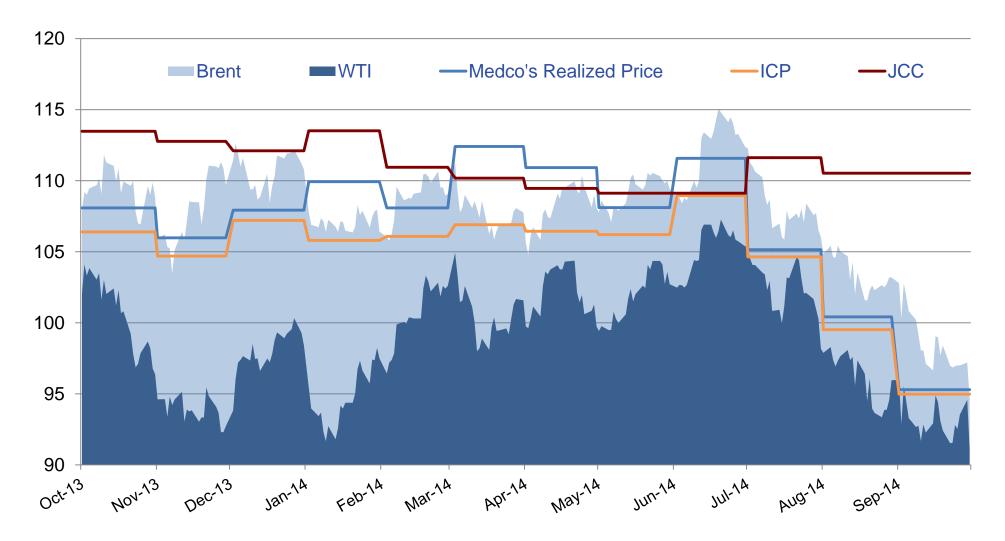
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### **Oil Lifting and Service Contract**



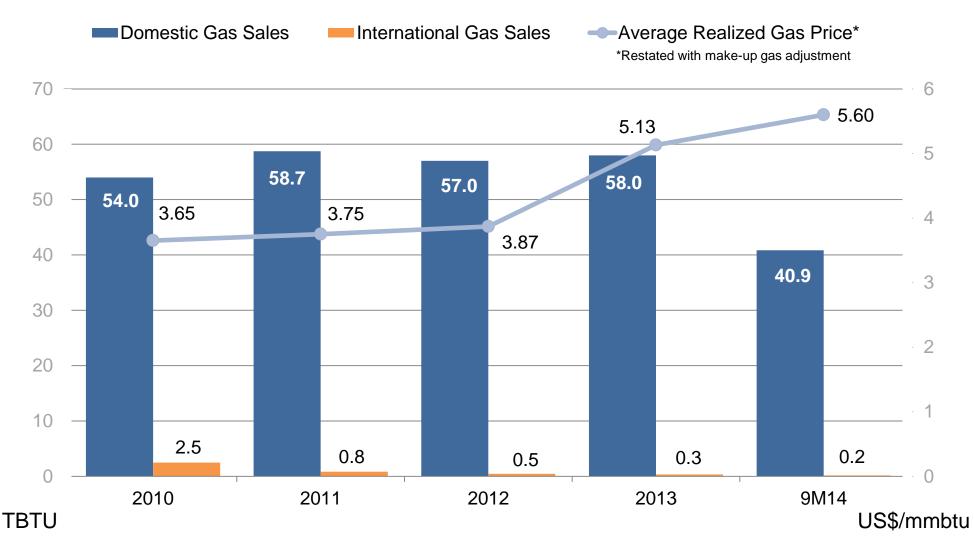


### Oil Price Comparison (US\$/barrel)



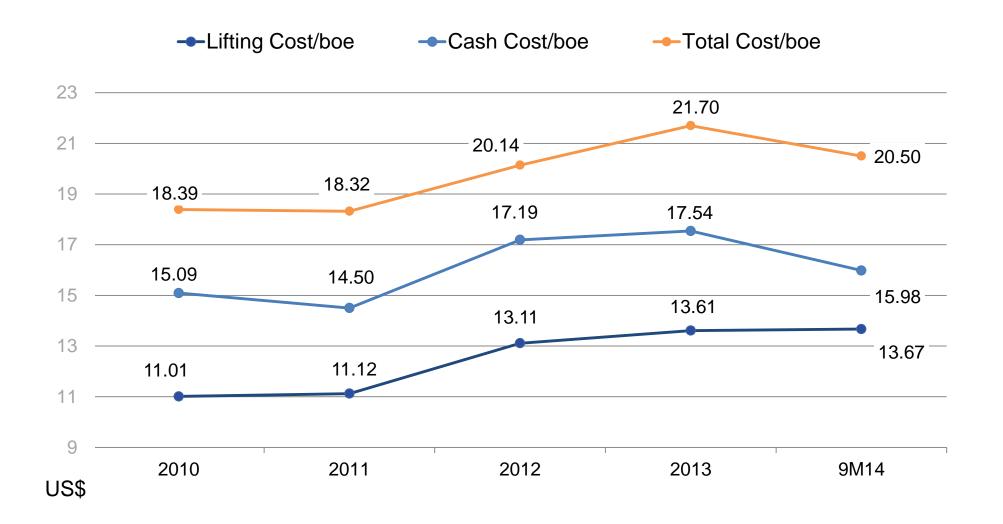


Gas Sales





### Oil and Gas Costs

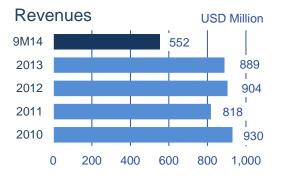


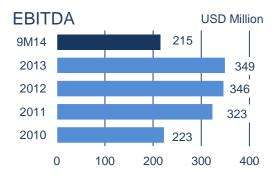
**Company Profile Business Activities** Major Projects Development

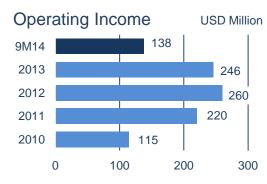
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### **Financial Performance**

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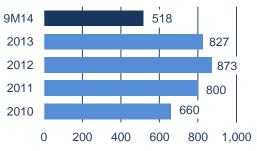


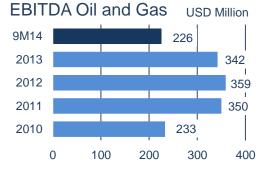




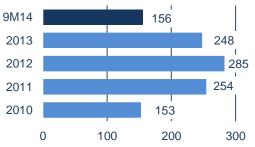
Financial Highlights (USD mm)	9M13	9M14	$\Delta$ %
Revenue	613.1	551.9	(10.0)
Oil and Gas	573.6	517.8	(9.7)
Non Oil and Gas	39.5	34.1	(13.6)
Gross Profit	249.2	198.8	(20.2)
Operating Income	181.5	138.0	(24.0)
EBITDA	251.5	215.0	(14.5)
Earnings Before Tax	153.6	104.7	(31.8)
Net Income	10.0	9.5	(5.0)
Cash and cash equivalents	386.8	220.3	(43.0)
Total Assets	2,578.0	2,711.4	5.2
Total Liabilities	1,680.0	1,791.7	6.6
Equity	886.6	910.2	2.7
Market Capitalization	753.3	974.2	29.3
EPS (USD/share)	0.0030	0.0029	(5.0)
Capex*	180.2	309.2	71.6

#### Revenues Oil and Gas USD Million





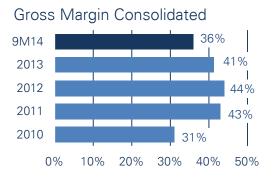
### Operating Income O&G USD Million

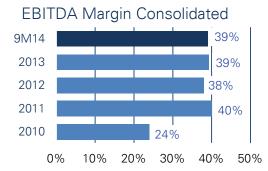


\*including DS-LNG

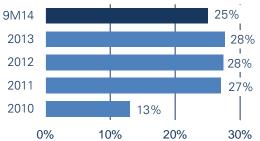


### Financial Performance (cont'd)

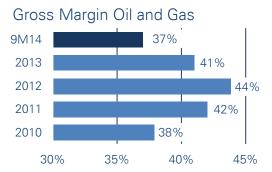


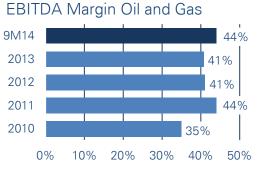


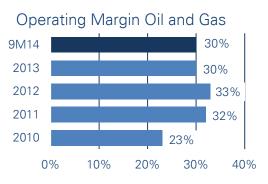
### Operating Margin Consolidated



9M13	9M14	$\Delta$ %
40.7%	36.0%	(11.4)
41.0%	39.0%	(5.0)
29.6%	25.0%	(15.6)
1.6%	1.7%	5.6
1.5%	1.4%	(7.4)
9M13	9M14	$\Delta$ %
0.75	0.55	(26.9)
1.74	2.38	36.6
9M13	9M14	$\Delta$ %
0.89	0.45	(49.6)
1.92	1.47	(23.5)
2.08	1.63	(21.6)
9M13	9M14	Δ%
0.29	0.56	90.6
2.58	4.01	55.7
	40.7% 41.0% 29.6% 1.6% 1.5% 9M13 0.75 1.74 9M13 0.89 1.92 2.08 9M13 0.29	40.7%    36.0%      41.0%    39.0%      29.6%    25.0%      1.6%    1.7%      1.5%    1.4%      9M13    9M14      0.75    0.55      1.74    2.38      9M13    9M14      0.89    0.45      1.92    1.47      2.08    1.63      9M13    9M14      0.29    0.56









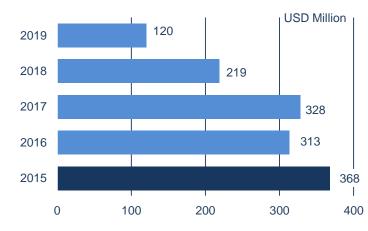
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## Financial Performance (cont'd)

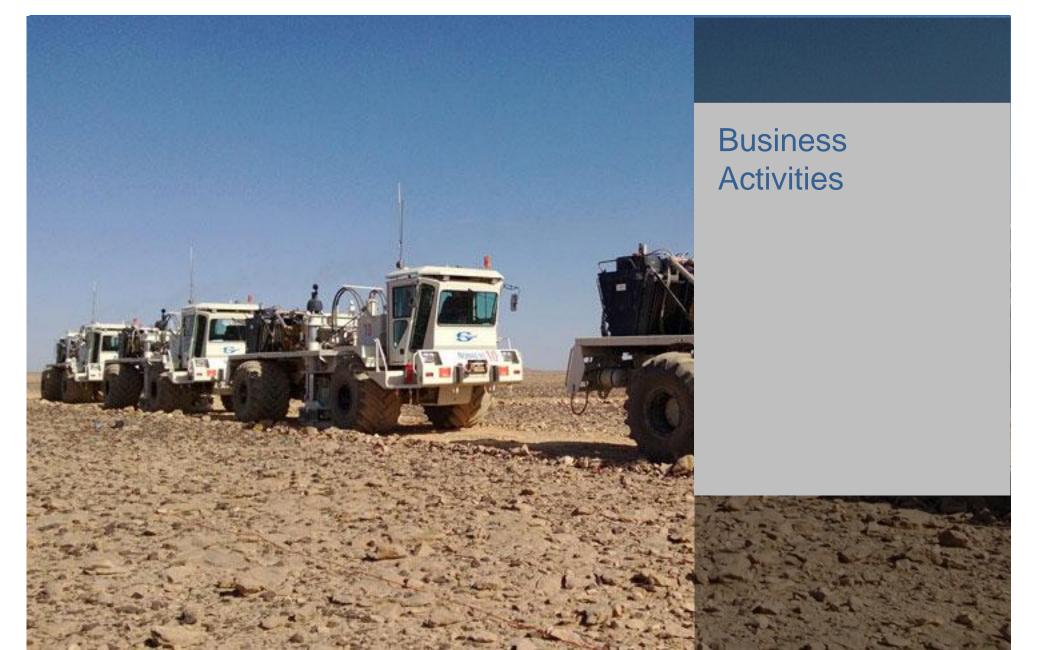
CONSOLIDATE	ED DEBTS (in USD mn)	9M13	9M14	$\Delta$ %
A. Total Bank L	oans	441.7	748.0	69.3
Current		61.1	232.1	279.7
Non Current		380.6	515.8	35.6
B. Other Obliga	itions	642.5	487.2	(24.2)
Current:	MTN	29.9	-	n.m.
	Rupiah Bonds	85.1	-	n.m.
Non Current:	Related Party	128.4	104.4	(18.7)
	Rupiah Bonds	299.6	285.4	(4.7)
	USD Bonds	99.5	97.4	(2.0)
Total		1,084.2	1,235.2	13.9

### **Debt Maturity Profile**



Leverage Ratios (x)	9M13	9M14	$\Delta$ %
Debt to Equity Ratio	1.22	1.36	11.0
Net Debt to Equity Ratio	0.79	1.11	41.7
Total Liabilities / Total Equity	1.89	1.97	3.9
Coverage Ratios (x)	9M13	9M14	$\Delta$ %
Debt to EBITDA - Annualized	3.23	4.31	33.2
Net debt/ EBITDA - Annualized	2.08	3.54	70.2
EBITDA to Interest Coverage Ratio	4.30	4.29	(0.4)
Capital Structure (x)	9M13	9M14	$\Delta$ %
Net debt to (net debt + equity)	0.44	0.53	19.7
Debt to Capital	0.55	0.58	4.7

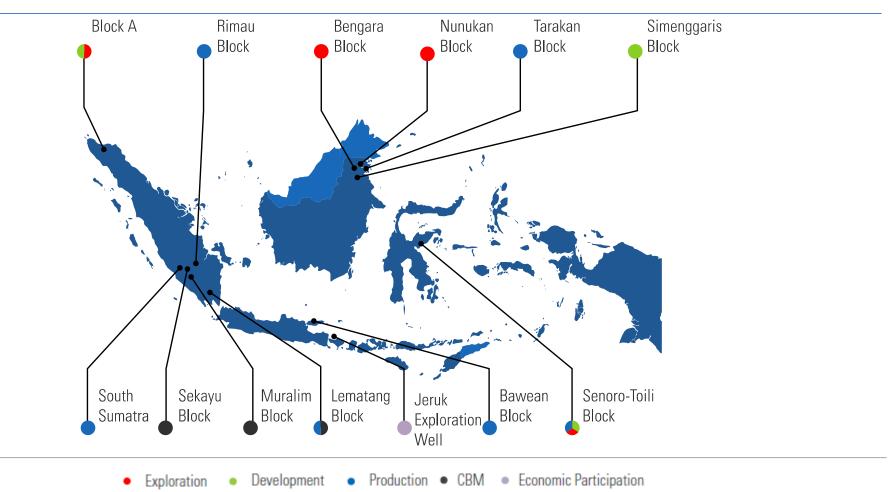






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### Oil and Gas E&P (Indonesia)



In Indonesia, Medco operates 9 blocks, maintains working interests in 1 block operated by strategic partners, and holds economic participating interest in an exploration field. Moreover the Company also holds 3 CBM contracts.

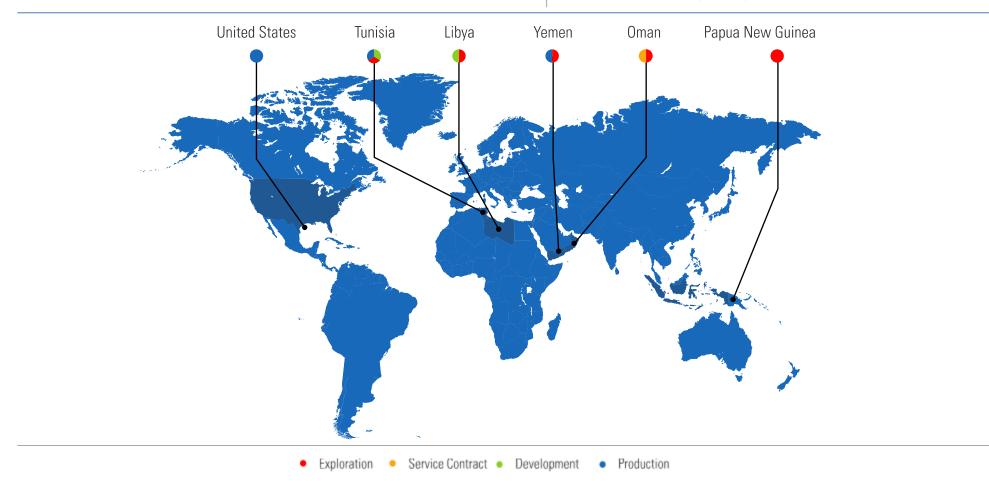


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### Oil and Gas E&P (International)

"Large portfolio, domestic and international, offers diversification of opportunities and risks across broader geological formation."



Medco's international operations spread across 20 assets in the Middle East, North Africa, US and Papua New Guinea.



### Other Energy Related Business



Operated through Medco Power Indonesia, with an ownership structure of Saratoga Power (51%) and MedcoEnergi (49%), the company's businesses include:

- 2 gas-fired power generation plants with a mobile truck mounted power plant in Batam and 3 gas-fired power generation plants in South Sumatra with total capacity of 190 MW
- 1 Operation & Maintenance Contract in Tanjung Jati B Coal Plant, Central Java 1,320 MW
- Engineering, Procurement and Construction contracts

MedcoEnergi believes electricity remains an attractive business and can provide added value to the Company in the future by pursuing new projects such as:

- A Combined Cycle Power Plant or CCPP project in Panaran I through Mitra Energi Batam (30MW)
- Build and operate Simple Cycle GasTurbine Power Plant of 70 MW in Tanjung Uncang, Batam upgradeable to 110 MW (CCPP)
- Two geothermal projects in Sarulla, North Sumatra (3x110MW) and Ijen, East Java (2x55MW)
- Mini hydro projects in West Java and Sumatera with total targeted capacity of 45MW.

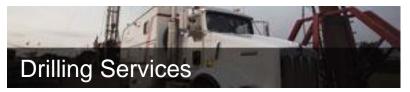
The addition of these new assets will help drive Medco Power Indonesia's installed capacity grow to more than 800 MW within next 5 (five years).



- Operates two Mining Rights at Nunukan, East Kalimantan. Production started in February 2012
- 1 Block already in production, with first coal cargo shipment on October 2012
- · Peak production estimated at 500,000 ton per year



Booster Compressor and 17.5km pipeline at Gunung Megang South Sumatra



PT Exspan Petrogas Intranusa provides well services / workover rigs and Electric Wireline Logging (EWL) for oil & gas operations

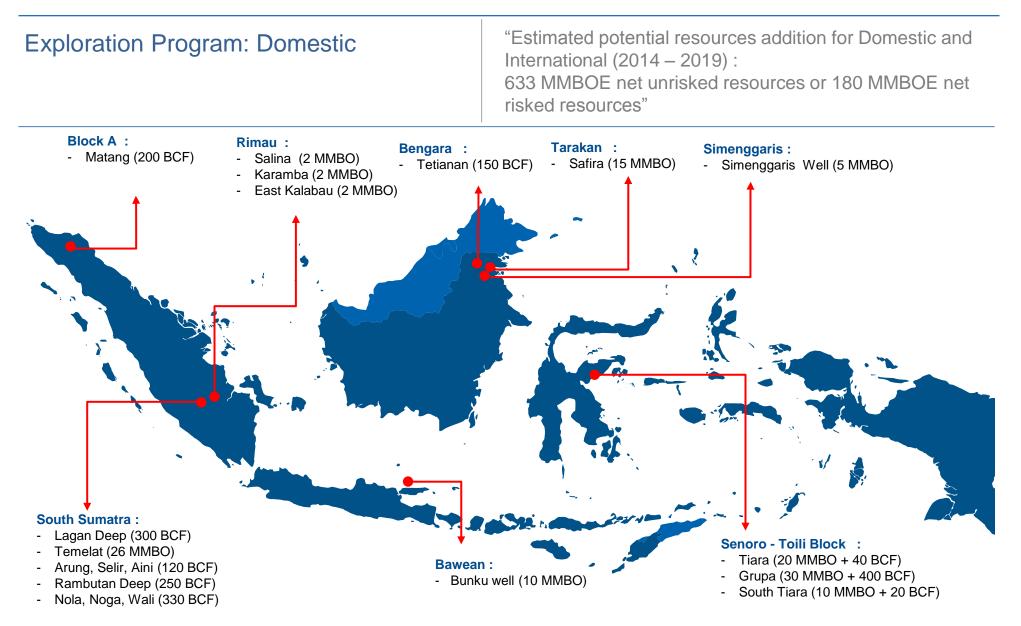


Capex Profile	"During 2014-2016 Medco will spent substantial amount of Capex to start develop its Major Projects following the approval of their Final Investment Decisions and PSC contractors appointment"

E&P CAPEX	2014 F	2015 F	2016 F	3-YR F
	2014 F	2015 F	2010 F	3-1K F
Producing Assets	116.0	165.8	152.7	434.4
Exploration Capex	51.5	82.1	43.8	177.4
Development Capex	64.4	83.7	108.9	257.0
Development Assets	269.3	358.0	195.4	822.7
Senoro Upstream	153.5	52.0	50.6	256.1
Others	115.9	306.0	144.8	566.7
Exploration Assets	18.4	10.7	13.2	42.3
Donggi-Senoro LNG	27.3	12.2	-	39.5
TOTAL E&P CAPEX	431.0	546.6	361.2	1,338.9
Non E&P Capex	10.1	25.7	14.2	50.0
TOTAL CAPEX NET	441.1	572.4	375.4	1,388.9

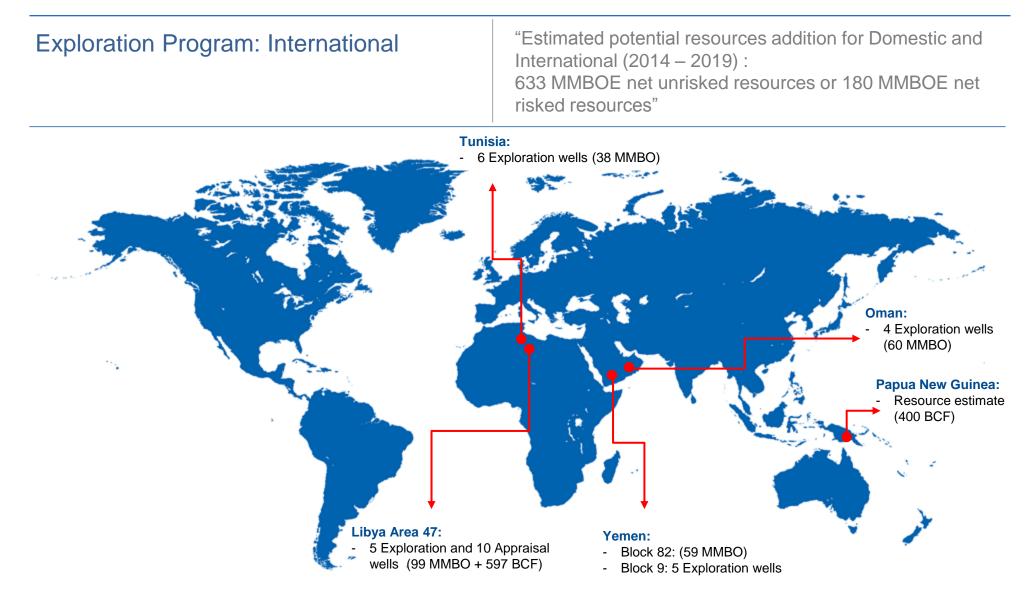
\*Net Working Interest to MedcoEnergi. Forecasted figures, subject to change. Capex for producing assets will be funded internally through cost recovery, while capex for development will be funded proportionately through equity and debt.







Company's Performance **Company Profile Business Activities** Major Projects Development





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Projects	Summary	% Ownership	Partners	Page
Senoro	Gas field development up to 310 MMscfd	30%	Pertamina, Mitsubishi, Kogas	26
DSLNG	LNG plant, single train of 2.0 mtpa capacity	11.1%	Pertamina, Mitsubishi, Kogas	28



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## Senoro Upstream and Downstream LNG Project Milestones

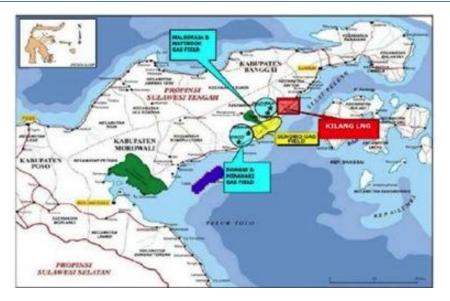


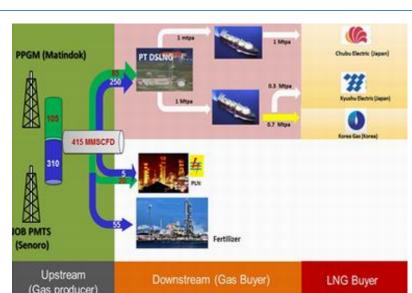
2000	2005	2009	2010	2011	2013	2014
Acquired 50% working interest from ARCO for US\$1mn. Partnering with Pertamina as a Joint Operating Body	Start producing crude oil approx. 1.5mbopd from Tiaka field	Gas Sales Agreement (GSA) with Downstream LNG as well as LNG Sales Agreement with Japanese & Korea buyers, has been signed	Moving 1.9tcf of gas into gross 2P reserves and contingent resources categories	Secured Final Investment Decision and at the same time sold 20% working interest in upstream to Mitsubishi for US\$260mn	Secured Project Financing for Upstream Gas Plant for US\$260mn	As of September 2014, Upstream Gas Plant construction progress has reached 87% completion and 99.4% for Downstream LNG Plant

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### Senoro Upstream Project





### Working Interest Structure:

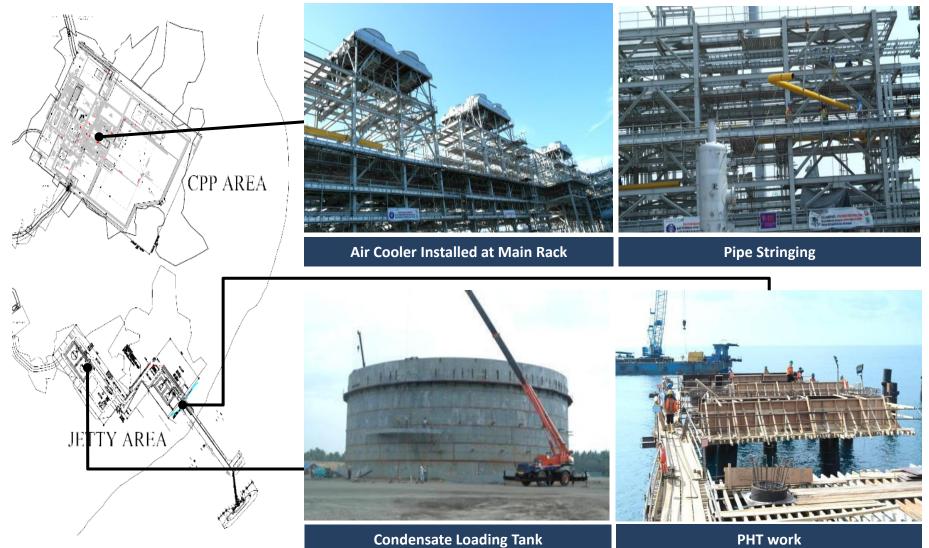
Pertamina 50% MedcoEnergi 30% Mitsubishi & Kogas 20%

- **Upstream Status:**
- 1. Objective: Commercialize 1.96 TCF of gross 2P reserve and contingent gas resources through LNG product
- 2. Scope: Build 310 MMSCFD plant, target Commissioning by end of 2014
- 3. Status:
  - Overall Progress is 87% as of end of September 2014.
  - On 28 September 2014, ESU system (SNO5, Pipeline & USO metering) was completed, accordingly gas sales started on 3 October 2014
  - Complete drilling / Re-entry 10 wells
  - Obtained Project financing for Senoro project from Standard Chartered and Bank Mandiri on July 31, 2013.
  - GSA with Panca Amara Utama has been signed on March 13, 2014



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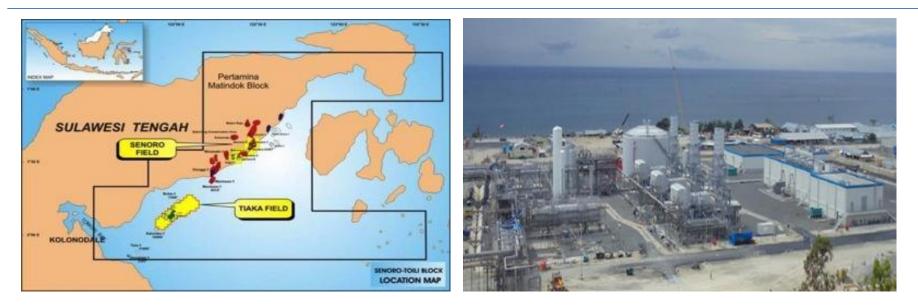
### **Facilities Pictures**





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### **DSLNG** Downstream Project



### **Ownership Structure:**

Mitsubishi & Kogas 59.9% Pertamina 29% MedcoEnergi 11.1%

### **Downstream Status:**

- 1. Objective: Commercialize 1.96 TCF of gross 2P reserve and contingent gas resources through LNG product
- 2. Scope: Build 2.0 MT per annum LNG facilities, target completion of plant facilities by end of 2014.
- 3. Status:
  - As of September 2014, LNG Plant EPC progress has reached 99.4%
  - Commissioning gas to DSLNG Fuel Gas system was done on 3 Oct 2014
  - Project Finance finalization is still ongoing



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### **Facilities Pictures**



- 1. Material Offloading Facility
- 2. Refrigerant Storage
- 3. LNG Tank

- 4. LNG
- 5. Air Fin Coolers
- 6. Flare

- 7. MCHE
- 8. Firewater Tank
- 9. Main Control Room
- Gas Turbine Generators
  Main Substation



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