Delivering Energy

Investor Update – 1H16 Performance





October 2016 | w

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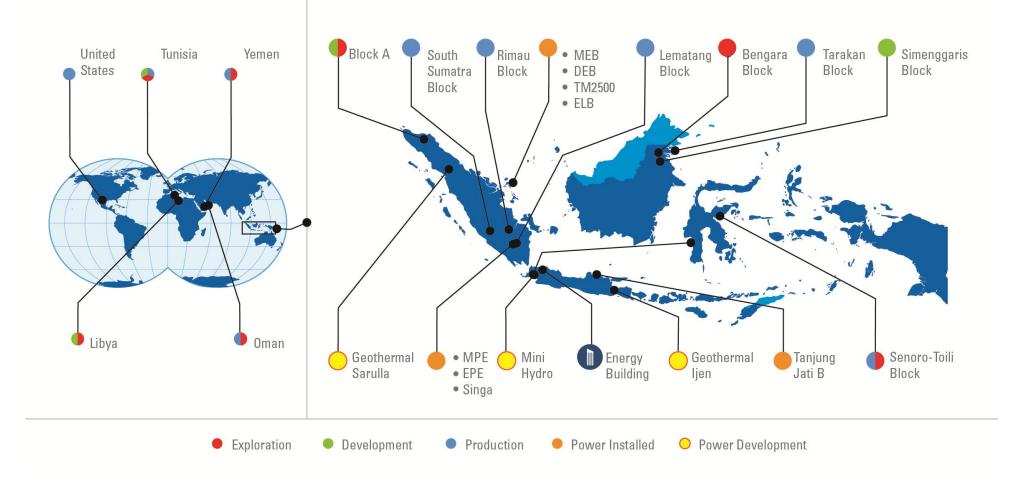
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The following presentation has been prepared by PT Medco Energi Internasional Tbk. (the "Company") and contains certain projections, plans, business strategies, policies of the Company and industry data in which the Company operates in, which could be treated as forward-looking statements within the meaning of applicable law. Such forward-looking statements, by their nature, involve risks and uncertainties that could prove to be incorrect and cause actual results to differ materially from those expressed or implied in these statements. The Company does not guarantee that any action, which may have been taken in reliance on this document will bring specific results as expected. The Company disclaims any obligation to revise forward-looking statements to reflect future events or circumstances.

Main Business Activities

MedcoEnergi is a publicly listed, integrated energy company with significant interests in Power Generation and support services alongside its core Oil & Gas Exploration & Production activities in Indonesia, the Middle East, North Africa and the US.



2016 Milestones







Obtained shareholders approval to acquire an effective 41.1% interest in PT Newmont Nusa Tenggara. The transaction is expected to close in October 2016.



Signed SPA with ConocoPhillips to acquire a 40% interest in the South Natuna Sea Block B PSC, along with the West Natuna Transportation System gas transportation and Onshore Receiving Facilities.



Divested 100% participating interest in Bawean PSC. Closing is expected in Q4.



Awarded a 10 year extension of the Lematang PSC and concluded the acquisition of Lundin's Lematang equity which will potentially increase reserves by 41 bcf.



Acquired Japex's 16.67% interest in the Block A Aceh PSC. Completion is expected in Q4, subsequently Medco will own 58.33% operating interest in the block.



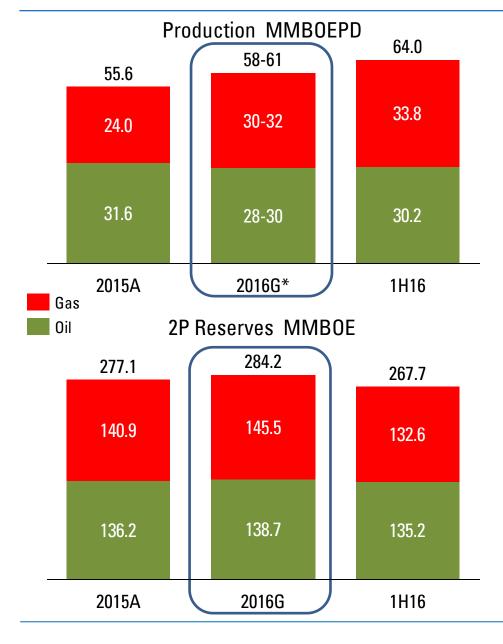
1H16 gas sales doubled, operational cash cost per unit reduced by 32% to \$7.6/BOE. Continued focus upon efficiency and effectiveness.



Raised Rp 2.5 Trillion from a Rp 5 Trillion Shelf-Registered IDR bond program in two phases. Recent issuance was heavily oversubscribed.

1H16 Operational Performance





Oil and Gas E&P	1H15	1H16	Δ %
Production (including service cont	ract)		
Oil, MBOPD	30.9	30.2	(2.3)
Gas, MMSCFD	110.7	197.8	78.7
Total Oil and Gas, MBOEPD°	49.8	64.0	28.5
Lifting/Sales			
Oil Lifting, MBOPD	21.8	20.6	(5.6)
Gas Sales, BBTUPD	98.5	206.4	109.6
Oman Service Contract , MBOPD	8.6	8.3	(3.9)
Average Realized Price			
Average Oil Price, US\$/barrel	56.6	38.3	(32.3)
Average Gas Price, US\$/mmbtu	5.7	4.2	(26.8)

* 2016 Production guidance was upgraded in Q3

° Including Oman Service Contract, excluding own used fuel

1H16 Financial Performance

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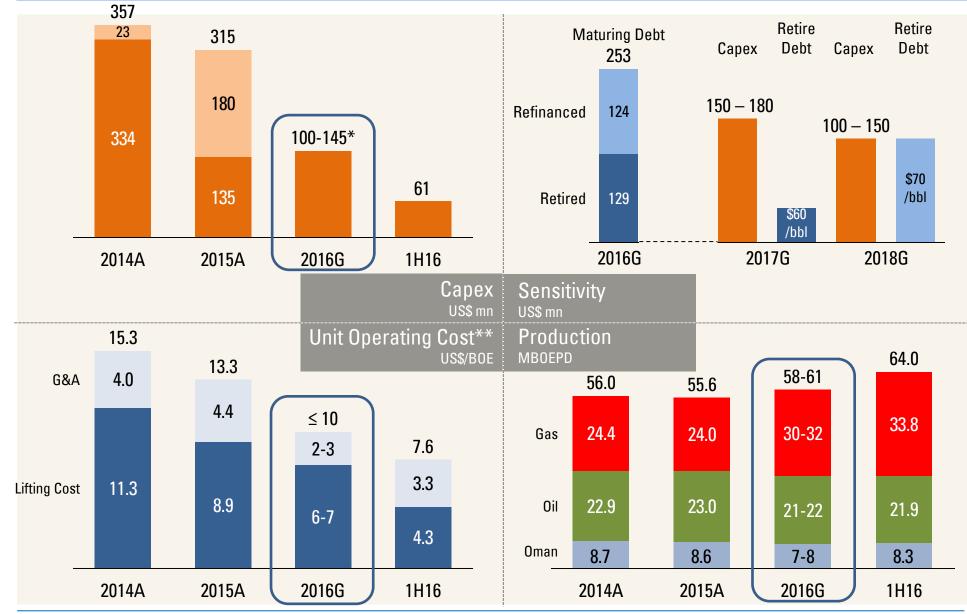
Profit & Loss (US\$ mn)	1H15	FY15	1H16	HoH∆%
Revenue	273.8	628.5	281.0	2.6
• Oil and Gas	248.8	574.4	257.5	3.5
• Non Oil and Gas	24.9	54.1	23.5	(5.7)
Production & Lifting Costs	84.3	215.3	82.0	(2.6)
Gross Profit	101.3	208.3	107.5	6.2
S, G & A	48.9	118.7	49.3	0.7
Operating Income	52.4	89.5	58.3	11.3
EBITDA	106.4	216.8	121.0	13.7
Net Income	(37.2)	(188.1)	11.3	n.m.

Financial Ratios (x)	1H15	FY15	1H16
Gross Margin	37.0%	33.6%	38.3%
Operating Margin	19.1%	14.2%	20.7%
EBITDA Margin	38.9%	34.5%	43.1%
Net Margin	-13.6%	-29.9%	4.0%

1H15	FY15	1H16	HoH∆%
218.4	463.2	371.3	70.0
632.9	532.3	640.0	1.1
1,355.7	1,510.7	1,492.24	10.1
2,608.4	2,909.8	2,927.6	12.2
1,708.3	2,208.2	2,202.0	28.9
588.4	1,087.7	1,100.6	87.1
506.5	492.5	509.0	0.5
613.4	628.0	592.4	(3.4)
838.8	696.5	722.6	(13.9)
	218.4 632.9 1,355.7 2,608.4 1,708.3 588.4 506.5 613.4	218.4 463.2 632.9 532.3 1,355.7 1,510.7 2,608.4 2,909.8 1,708.3 2,208.2 588.4 1,087.7 506.5 492.5 613.4 628.0	218.4 463.2 371.3 632.9 532.3 640.0 1,355.7 1,510.7 1,492.24 2,608.4 2,909.8 2,927.6 1,708.3 2,208.2 2,202.0 588.4 1,087.7 1,100.6 506.5 492.5 509.0 613.4 628.0 592.4

Financial Ratios (x)	1H15	FY15	1H16
	IIIIJ	IIIJ	11110
Current Ratio	1.75	1.98	1.34
Debt to Equity	1.31	2.27	2.23
EBITDA to Interest	2.73	2.80	2.23
Net Debt to EBITDA	4.12	5.15	5.12

2016 Guidance

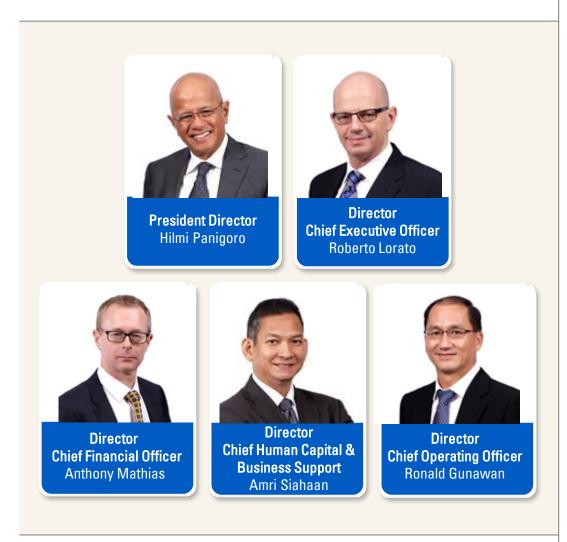


* Excluding acquisition Capex

**Cash cost without Oman Service Contract

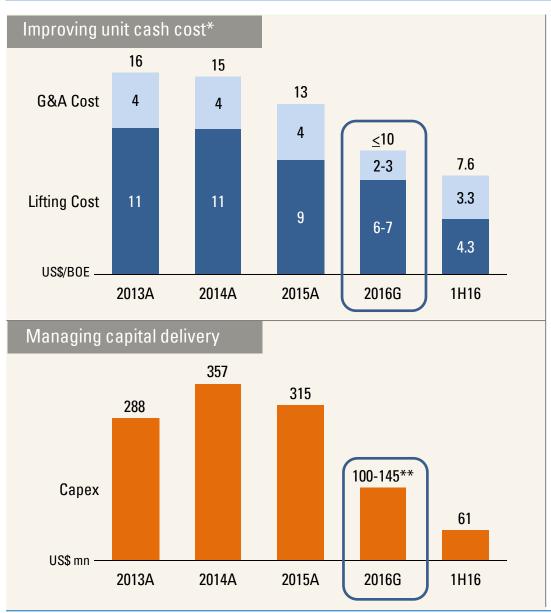
Board Priorities





- Cost and capital efficiency, operational effectiveness
- Optimum project cycle time with renewed focus upon value and delivery
- Portfolio rationalization to meet return and profitability benchmarks
- Leveraging MedcoEnergi's strong domestic position through focused acquisitions and contract extensions
- No compromise on safety

Cost and capital efficiency, operational effectiveness

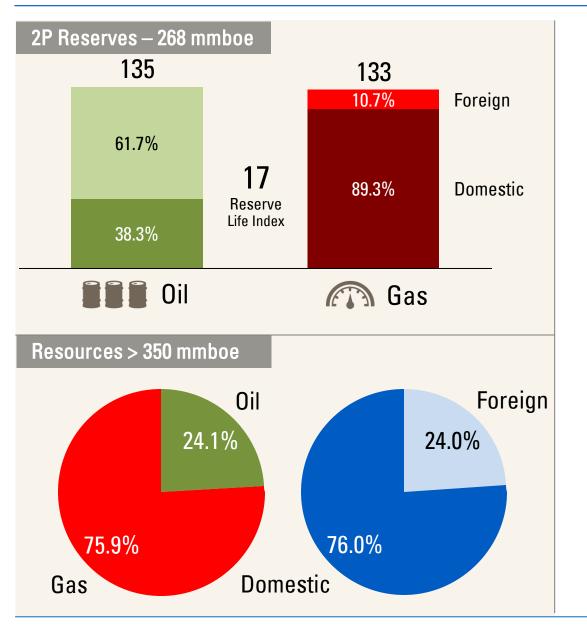


- Sustainable reductions in our cash cost structure
- Manage base production decline and reduce downtime

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- Deferral and renegotiation of exploration commitments
- Selectively capture the benefits of further supplier market deflation

Well balanced 2P reserves



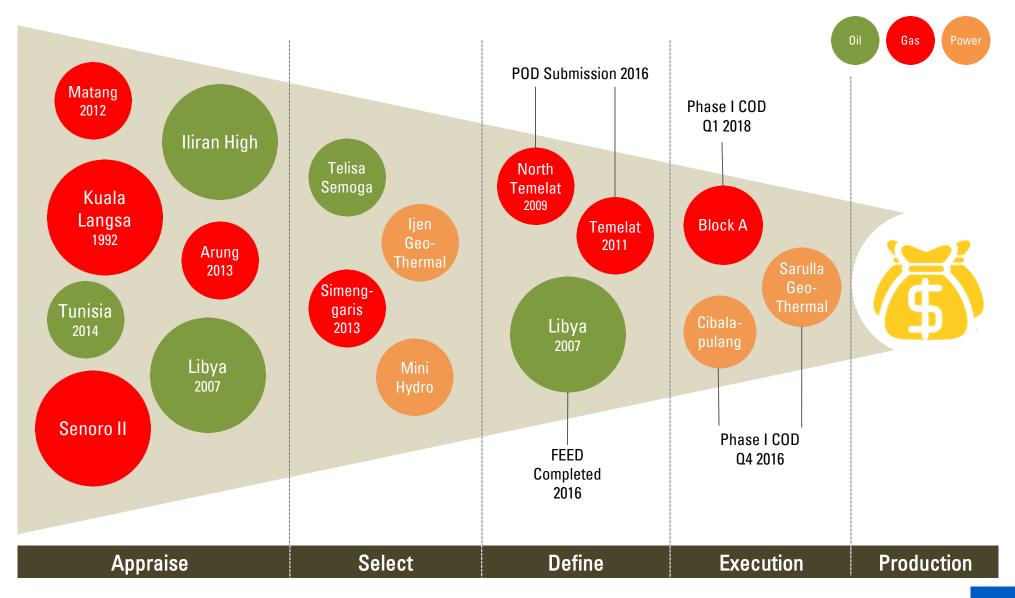
 Large well balanced 2P reserves backed by a strong resource base

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- Monetize our resources through capital discipline and project execution
- Prioritize domestic projects for early cash generation
- Focus on lower risk, cost effective near field resources and exploration

Reserves and resources in mmboe, Reserve life index in years

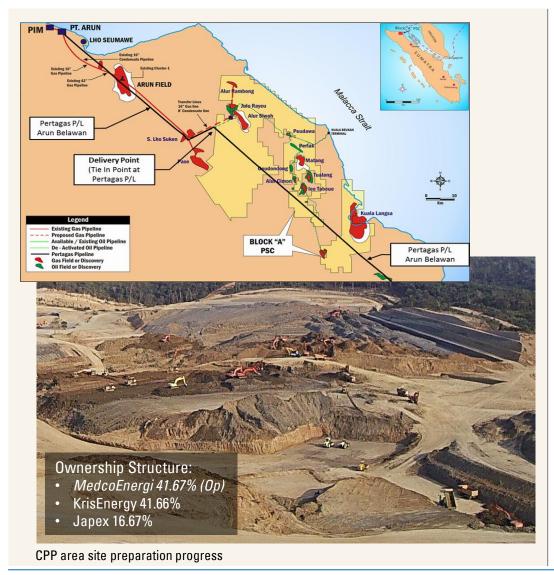
Healthy project pipeline



Block A Aceh Phase I – Gas Development



Monetizing 237 TBTU of gas and 5.17 MMBO of condensate for domestic market



- EPC-1 contract of US\$240 million awarded to JEC, a consortium of PT JGC Indonesia and PT Encona Inti Industri. EPC-2 contract of IDR 279.5 trillion awarded to PT Kelsri.
- Engineering, procurement, and construction work is progressing well. Critical land acquisition completed.
- Total project investment until first gas is US\$540 million. First gas Q1 2018.
- GSA with Pertamina, for delivery of 198 TBTU over 13 years (58 BBTUPD).
- Proactive engagement with local community (hospital handed over).
- Additional gross potential resources of up to 1.6 TCF from Kuala Langsa and Matang.
- Completion of Japex's 16.67% interest acquisition is expected in October. Thereafter Medco will hold 58.34% operating interest.

Sarulla Phase I – Geothermal Power Development



The largest single-contract geothermal power project in the world

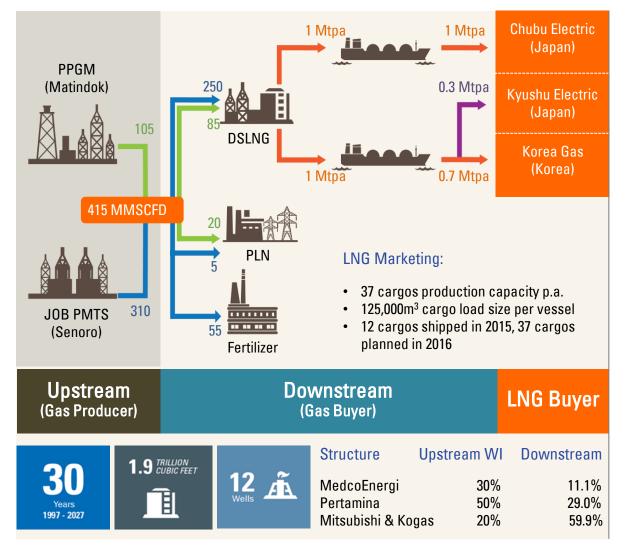


- Located in Tapanuli Utara district, North Sumatra with contracted capacity of 3X110MW.
- 30 years Energy Sales Contract with PT PLN with Take or Pay 90% capacity factor. Joint Operating Contract with PT PGE.
- Ownership:
 - _ MPI (18.9975%),
 - INPEX (18.2525%),
 - . ORMAT (12.75%),
 - _ ITOCHU (25%),
 - KYUSHU (25%)
- Total project investment cost of US\$1.6 billion.
- Secured project financing of US\$1.17 billion for 20 years with JBIC, ADB, and 6 commercial banks.
- As of August 2016 Phase I and Phase II power plant construction progress have reached 95.01% and 46.57% respectively.

Senoro Phase II – Gas Development

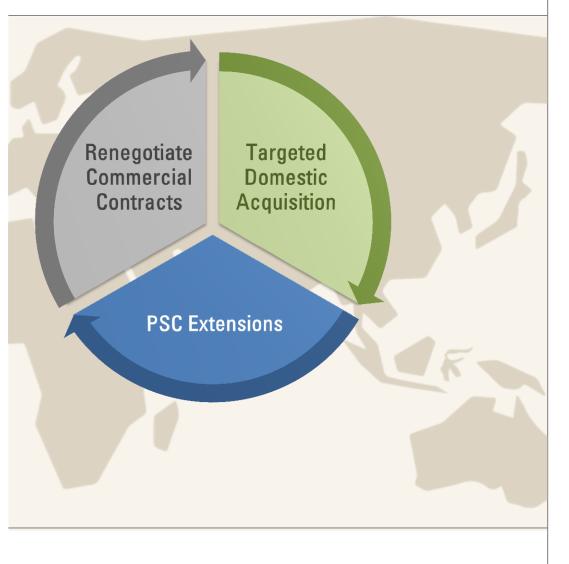


Enhancing the Senoro Upstream/Downstream LNG Value Chain



- Senoro Phase I existing proven reserve 1.4 TCF, COD in June 2015.
- Producing 324 mmscfd as of 1H16.
- Potential upside from North and South Senoro 500 BCF – 1 TCF.
- Senoro Phase 2 projected to increase production to above 400 mmscfd.

Leveraging MedcoEnergi's strong domestic position ...



 Strong track record in obtaining PSC extensions (2001 – Rimau, 2010 – South Sumatra, Block A, Bawean, 2016 – Lematang).

MEDCOENERGI

- With commodity prices projected to remain low, there will be opportunities to acquire domestic resources.
- Medco will create value by evaluating each opportunity against our return and profitability benchmarks.
- The acquisition of PT Newmont Nusa Tenggara and South Natuna Sea Block B are excellent examples of how targeted domestic resource acquisitions can create value for the Company's stakeholders.

Overview: PT Newmont Nusa Tenggara



Leveraging MedcoEnergi's strategic position for value creation





- Transaction closing expected in October 2016
- 87,000 ha Copper & Gold mine located SW Sumbawa Island, W. Nusa Tenggara Province, 550 m above sea level. 81 km from Mataram town
- 4th generation CoW signed 1986, for 30 years operation from start of production in 2000
- Producing Mine

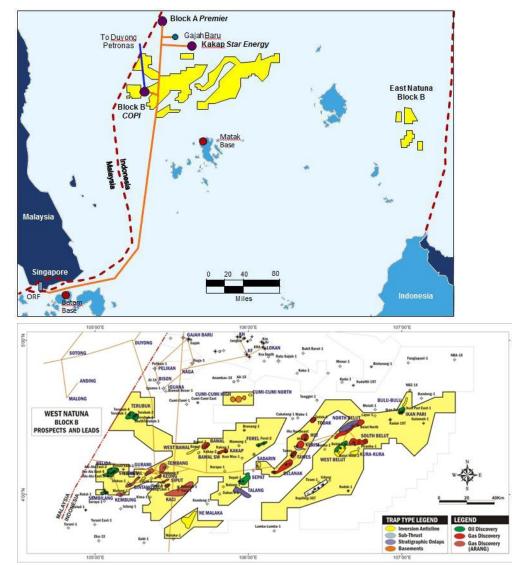
Batu Hijau Mine	Copper	Gold
Proved Reserves	2.6 bil lbs	2.7 mil oz
Resources	10.3 bil lbs	13.9 mil oz
2015 Production	239.6 mil Ibs	0.3 mil oz
Facilities	120 000 tod processing facility, grinding	

Facilities 120,000 tpd processing facility, grinding facility, pipe assembly facilities for tailings management, warehousing, 158 mw coal-fired powerplant, port with ferry terminal, air services and town site for housing and school

 Potential Development: Elang with est. resources 12,945 mil lbs copper, 19.7 mil oz gold with potential to produce 300-430 mil lbs copper and 0.35-0.60 mil oz gold annually

Overview: South Natuna Sea Block B (SNSB)

Leveraging MedcoEnergi's strategic position for value creation



- An offshore PSC located in the South Natuna Sea with world class operating scale and large hydrocarbon base (gross 3P resources > 569 mmboe)
- Current Ownership Structure:
 - ConocoPhillips : 40% (Operator)
 - INPEX : 35%
 - Chevron : 25%
- Current gross production: 266 mmcfd gas, 5 kboepd LPG, 19 mboepd oil/condensate (28 mboepd net)
- SNSB is Operator of the PSC and the West Natuna Transportation System (WNTS), a 650 km natural gas pipelines, which services gas sales from 3 producing PSCs in the South Natuna Sea to the Onshore Receiving Facility in Singapore
- Strong net cash flow linked to attractively priced gas sales agreements into premium markets
- In place gas-liquids processing, storage and export infrastructure with additional capacity for future expansion
- Best in class Health, Safety, and Environmental Records
- Highly experienced and proven operating team of 800 employees and 320 contractors

Source: ConocoPhilips Oct 2015

Conclusion



- Increased production in 1H16 by 29% to 64 mboepd
- 1H16 Revenue and EBITDA increased despite lower average realized price of oil and gas
- Reduced oil and gas cash cost per BOE by 32%
- Full year outlook on track with 2016 Guidance
- US\$373 million cash as of end of 1H16
- US\$10/bbl oil price increase generates additional \$45 million cash available for debt service
- Raised Rp 2.5 Trillion from a Rp 5 Trillion Shelf-Registered IDR Bond program
- Added value from targeted domestic acquisitions and portfolio renewal; management focused now on integration
- Healthy project pipeline to monetize resource base and organic reserve replacement
- Sustainable reductions in our cash cost structure



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