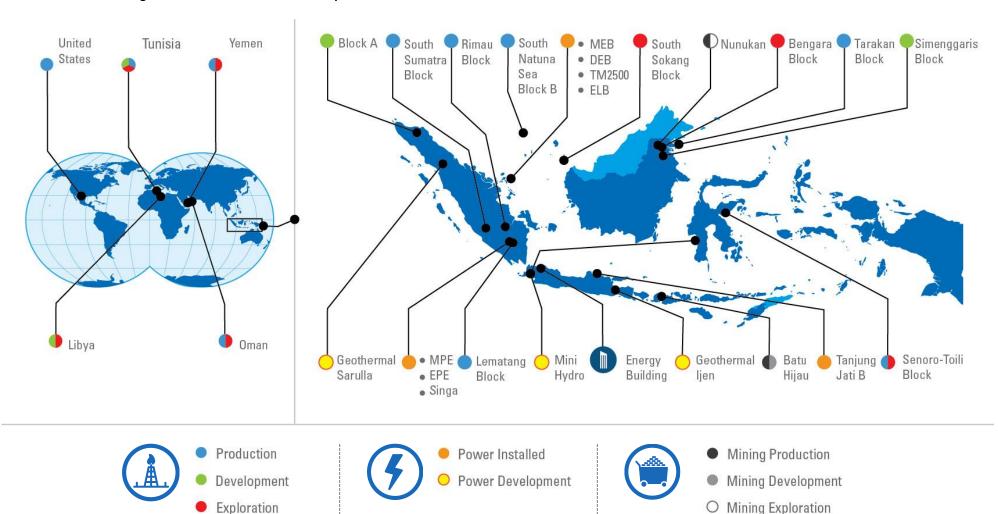


### Contents

Introduction	3
Board of MedcoEnergi	4
Company Milestones	5
1H17 Results	
2017 Highlights	6
Operational Performance	7
Financial Performance	10
2017 Guidance	11
A National Company Leading in three Key Business Segments	12
Oil & Gas: Overview of Production Assets	13
MedcoPower: Overview of Power Assets	18
Mining: Amman Mineral Nusa Tenggara	21
Summary	22

#### Introduction: Operations in three Key Business Segments, concentrated in Indonesia

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



### Board of MedcoEnergi





Director Chief Executive Officer Roberto Lorato



Director Chief Financial Officer Anthony Mathias



Director
Chief Human Capital &
Business Support
Amri Siahaan



Director
Chief Operating Officer
Ronald Gunawan

2016 was a transformational year for MedcoEnergi in which we seized opportunities to acquire strategic producing assets. During 1H17 we focused on extracting maximum value from our new and existing asset portfolio.

Our strategy is building a leading company across three key business segments, competitive in a low price environment, with a solid platform of producing assets and excellent growth prospects. Our new, more diversified asset portfolio, together with the progress we have made on cost efficiency and capital discipline, positions MedcoEnergi as a very attractive and dependable investment proposition for the long term.

We aim to deliver long-term value and optimize returns to our investors, lenders and other stakeholders through continuous improvements in operational and financial performance.

### **Company Milestones**

1980

Established as **Meta Epsi Pribumi** Drilling Company 1994

**Initial Public Offering** in
Indonesia

1995

Acquired 100% shares of Stanvac Indonesia from Exxon/Mobil 1996

Discovered major onshore oil reserves in Kaji-Semoga 2005

Awarded EPSA IV PSC Contract for **Area 47 Libva**  2006

Awarded
Oman Service
Contract.
Increased
production by
100% within
5-years

2007

Discovered
352 MMBOE
hydrocarbon
resources in
Area 47 Libya;
90% exploration
success ratio

2009

LNG Sales Agreement signed with Japanese & Korean buyers, gas to be supplied from Senoro-Toili Block 2010

Awarded 20 year extension for 3 Indonesian PSCs (South Sumatra, Block A and Bawean) 2011

Obtained
Commerciality
approval on
Area 47, Libya

Final Investment Decision for Senoro-Toili Gas and LNG projects 2013

Secured
Project
Financing for
Senoro-Toili

2014

Secured
Project
Financing for
DSLNG and
Sarulla

2015

**Senoro-Toili** and **DSNLG** begin production

**25 year of extension** for Karim, Oman

Signed **GSA** for Block A Aceh

2016

Acquired a 41.1% indirect interest in **AMNT** 

Acquired a 40% Operatorship in the **South Natuna Sea Block B PSC** 

Awarded 10 year extension on Lematang PSC and increased holding to 100%

### 2017 Highlights



- 1H17 oil and gas production of 89.8 mboepd compared to 64 mboepd in 1H16.
- South Natuna Sea Block B, acquired at the end of 2016, contributed 24.3 mboepd in 1H17.
- The Block A Aceh Gas Development reached 58% completion as of September 2017. Signed a project finance facility agreement with three international banks.
- Won a US\$ 24.8 million arbitration award for claims against Singapore Petroleum Ltd. and Cue Energy Pty Ltd.



- The Indonesian Government granted the temporary conversion of AMNT's Contract of Work (CoW) into a Special Mining Permit (IUPK) in February 2017 and also extended its export license permit for one year.
- Acquired 44.3% shares in the Australian mining contractor company Macmahon through a shares to assets transaction.
- Macmahon has been awarded the life of mine contract by AMNT.
- AMNT officially reverted to IUPK on August 2017



- Medco Power Indonesia awarded the Operating and Maintenance contract for the the Sarulla Unit I Geothermal Power plant, which began commercial production in 1017.
- Sarulla Unit II commercial operation in early October, one month ahead of schedule.
- Medco Power Indonesia won the tender to construct a 275MW IPP in Riau, PPA was signed in April 2017.
- MedcoEnergi acquired Saratoga's interest in Medco Power Indonesia.



- 1H17 Net Profit US\$80.7 million, compared to US\$11.3 million in 1H16.
- Gross and Net margins improved year-on-year, with unit cash cost < U\$\$10 at U\$\$ 8.2/B0E</li>
- Revenue and EBITDA were up by 54.3% and 61.7% respectively on higher oil and gas prices.
- Debt reduced by 8.2% from year end 2016
- Raised Rp 2.23 trillion through phase IV, V and VI of the shelf-registered IDR bond program
- Raised US\$400 million in USD Global Issuance
- Finalized 1:4 stock split on September 2017

# 1H17 Operational Performance

Oil and Gas E&P	1H16	1H17	YoY∆%
Production			
Oil, MBOPD	30.2	35.5	17.6
Gas, MMSCFD	197.8	290.6	46.9
Total Oil and Gas, MB0EPD*	64.0	89.8	40.4

Lifting/Sales				
Oil Lifting, MBOPD		20.6	26.4	28.6
Gas Sales, BBTUPD		206.4	286.3	38.7
Oman Service Contract , M	IBOPD	8.3	8.1	(2.8)
Average Realized Price				
Average Oil Price, US\$/bar	rel	38.3	49.3	28.8
Average Gas Price, US\$/M	MBTU	4.2	5.6	32.8

\*Including Oman Service Contract

<b>9</b> Power	1H16	1H17	ΥοΥΔ%
Production°			
IPP, GWh	712	901	26.5
Operation & Maintenance, GWh	4,522	4,171	(7.8)
Average Realized Price			
IPP, Cent/kwh	2.93	2.70	(7.8)

Mining	1H16	1H17	YoY∆%
Sales°			
Copper Sold, Mlbs	235	161	(31.3)
Gold Sold, Koz	384	192	(49.9)
Average Realized Price			
Copper, USD/Ibs	1.98	2.48	25.3
Gold, USD/oz	1,234	1,188	(3.8)
°Gross 100% interest			

### **Certified Reserve Base**



# Organic Growth Base



# **1H17 Financial Performance**

Profit & Loss (US\$ mn)	1H16*	FY16*	1H17
Revenue	261.5	583.0	403.5
Production & Lifting Costs	82.0	205.1	98.3
DDA	54.6	111.4	70.7
Gross Profit	114.3	246.8	198.2
S, G & A	45.1	94.7	68.6
Operating Income	69.2	152.1	129.6
EBITDA	123.9	263.5	200.3
Profit (Loss) before Tax	38.6	292.8	147.6
Net Income	11.3	184.8	80.7

<sup>\*</sup>Restated 1H16 and FY16 financial results

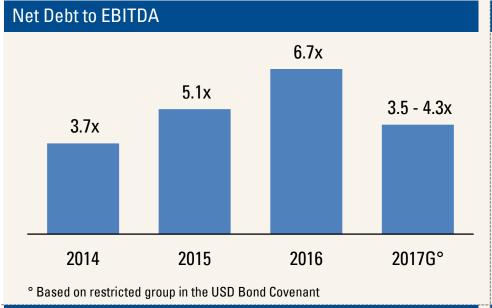
Balance Sheet (US\$ mn)	1H16	FY16	1H17
Cash and cash equivalents	371.3	164.6	217.6
Investments	678.3	1,280.4	1,581.8
Fixed Assests	1,492.4	1,364.4	1,089.2
Total Assets	2,929.0	3,597.1	3,674.8
Total Liabilities	2,202.0	2,706.6	2,710.9
Bank Loans	1,100.6	1,254.0	1,069.5
Capital Market Debts	509.0	679.3	704.9
• Other Liabilities	592.4	773.3	936.5
Equity	727.1	890.5	963.9

Profitability Ratios (%)	1H16	FY16	1H17
Gross Margin	43.7%	42.3%	49.1%
Operating Margin	26.5%	26.1%	32.1%
EBITDA Margin	47.4%	45.2%	49.6%
Net Income Margin	4.3%	31.7%	20.0%

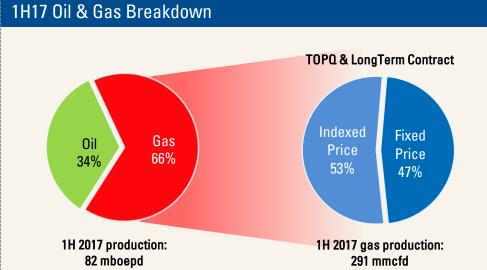
Financial Ratios (x)	1H16	FY16	1H17
Current Ratio	1.34	1.32	1.33
Debt to Equity	2.21	2.17	1.84
EBITDA to Interest	2.44	2.65	3.34
Net Debt to EBITDA°	5.00	6.71	3.89

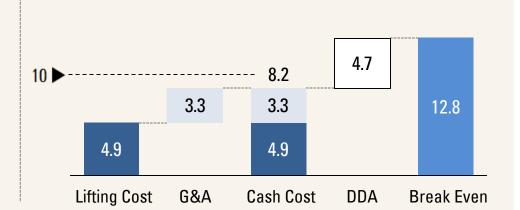
<sup>°</sup>Annualized

### 2017 Guidance



#### Oil&Gas Cash Cost/Unit\* (US\$/B0E) 15.4 12.3 G&A 4.1 ≤ 10 4.3 8.8 2-3 2.7 Lifting Cost 11.3 8.0 6-7 6.1 2014 2015 2016 2017G

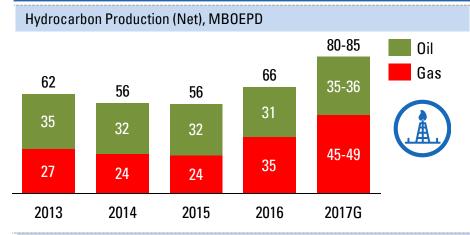




1H17 Oil & Gas Total Cost\* (US\$/BOE)

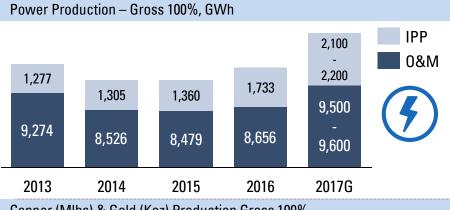
<sup>\*</sup> Cash cost without Oman Service Contract

### A National Company Leading in Three Key Business Segments



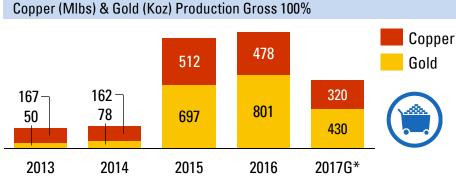
#### Oil & Gas

- Complete Aceh development on schedule, on budget
- Monetise existing domestic discoveries
- Near field Exploration and cost recovery funded drilling and subsea developments
- Unit costs below \$10/boe through 2020
- Further Portfolio rationalization



#### **Power: Medco Power Indonesia**

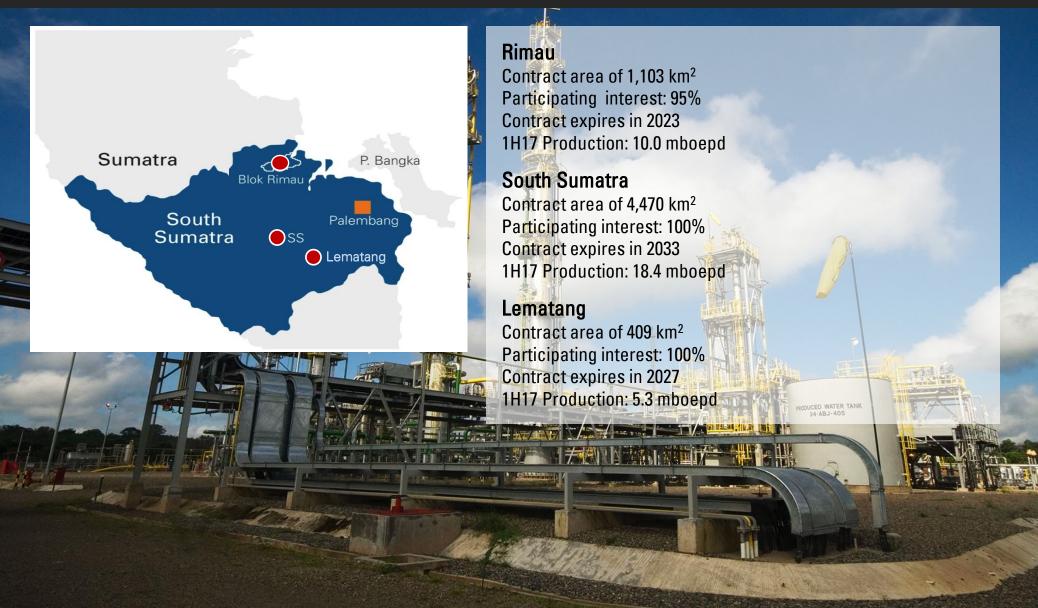
- Break ground on Riau EPC and complete Sarulla Geothermal
- Greater integration of Upstream gas and onsite Gas IPPs
- New IPPs will focus upon Western Indonesia, medium sized gas and geothermal plants
- Expand profitable 0&M services
- Portfolio rationalization



#### Mining: PT Amman Mineral Nusa Tenggara

- Enhancing operational efficiencies and implementing organizational optimization
- Aim to complete smelter feasibility study by end 2017. Funding through assets injection, project financing & strategic partner.
- Intensive drilling in Nangka and Elang to expedite ore recovery

#### Extensive experience in managing decline and controlling costs on maturing assets





### South Natuna Sea Block B

#### Enhancing capabilities through the integration of world-class offshore operations



Offshore PSC in the South Natuna Sea, world class facilities, large hydrocarbon base (gross resources > 569 mmboe)

Acquisition completed November 2016, contract expires in October 2028

MedcoEnergi operates the PSC and the West Natuna Transportation System (WNTS)

1H17 gross production 60.8 mboepd.

Strong net cash flow linked to attractively priced gas sales agreements into premium markets

Future near field exploration, subsea developments and production optimization will extend field life and optimize asset decline.



# South Natuna Sea Block B - Offshore Facilities

### Integrated Offshore Production Systems Operated to the Highest Standard

























## Block A Aceh: Phased Gas Developments

Phase I will monetize 237 TBTU of gas and 5.17 MMBO of condensate for the domestic market



MedcoEnergi operated PSC. First gas 2018, PSC expiry 2031. Consolidated interest to 85%

Engineering, procurement, and construction over 58% completed as of September 2017

Secured a project finance facility agreement with three international banks in July 2017.

GSA with Pertamina over 58 BBTUD for 13 years

Proactive CSR engagement with local community

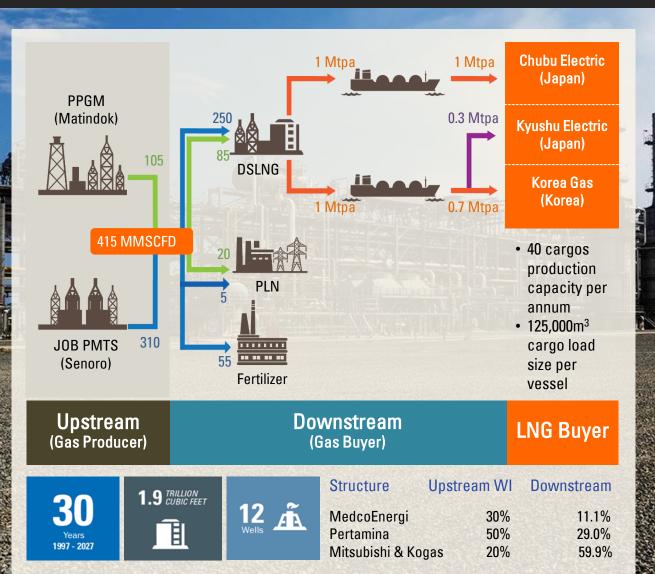
Phase II and III development of gas discoveries with resources of > 5TCF, enough to generate 1.5GW to support Sumatra electricity demand growth

- Medco E&P Malaka 85% (Op)
- KrisEnergy (Aceh B.V.) 15%



### Senoro: Phased Gas Developments

#### Senoro Upstream/Downstream Value Chain



Senoro Phase I production, 3Q15

Contract expires in December 2027

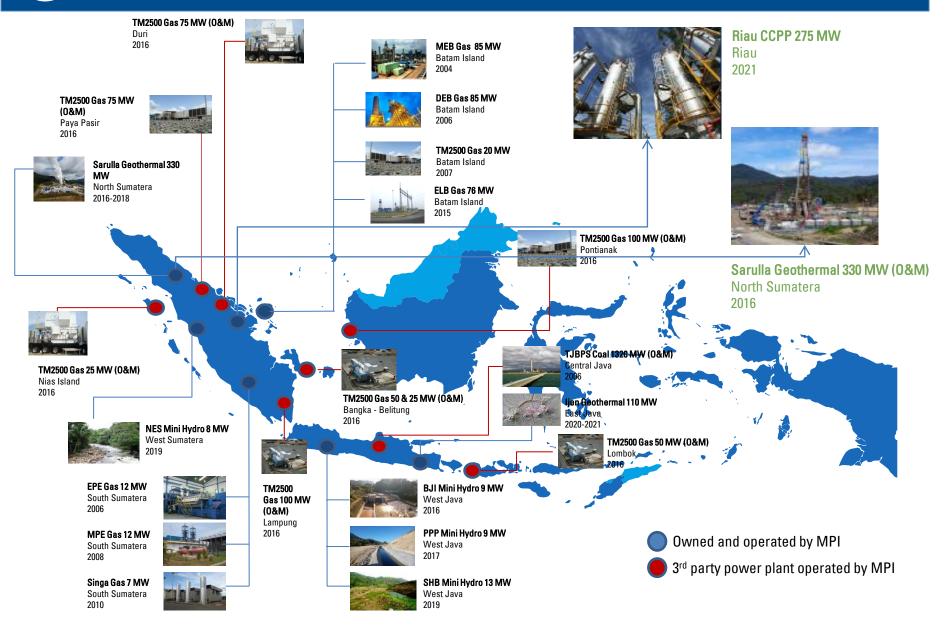
1H17 gross production > 307 mmscfd

Gross proved reserve 1.4 TCF with additional 880 bcf third party certification

Senoro Phase 2 will increase production above 400 mmscfd

# (3)

## Medco Power Indonesia: Asset Portfolio





### Sarulla: Phased Geothermal Power Developments

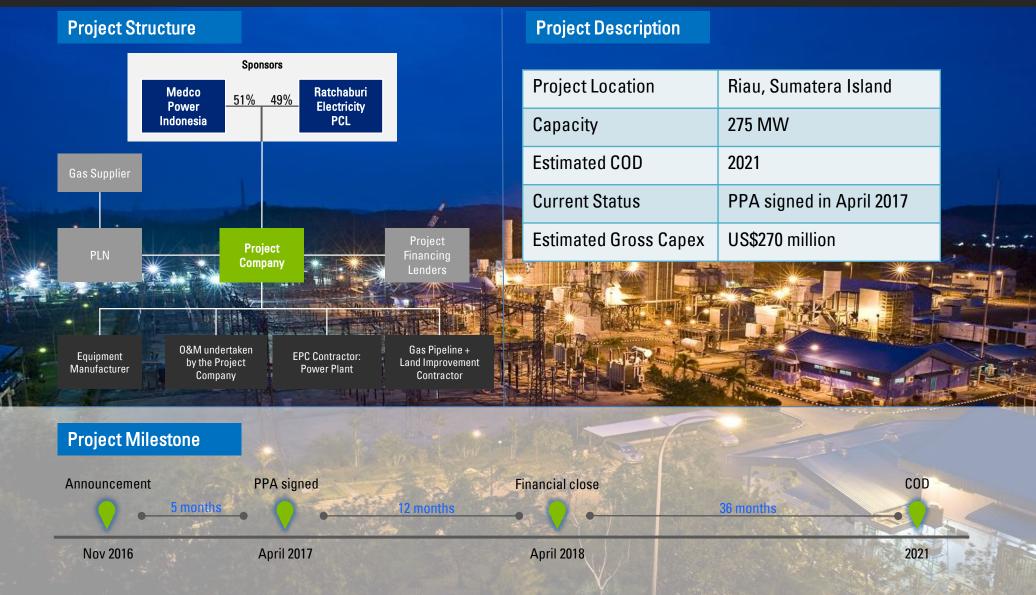
The largest single-contract geothermal power project in the world





# Riau Combined Cycle Power Project

#### Recently Awarded 20 years PPA Powering Areas Close to E&P Operations



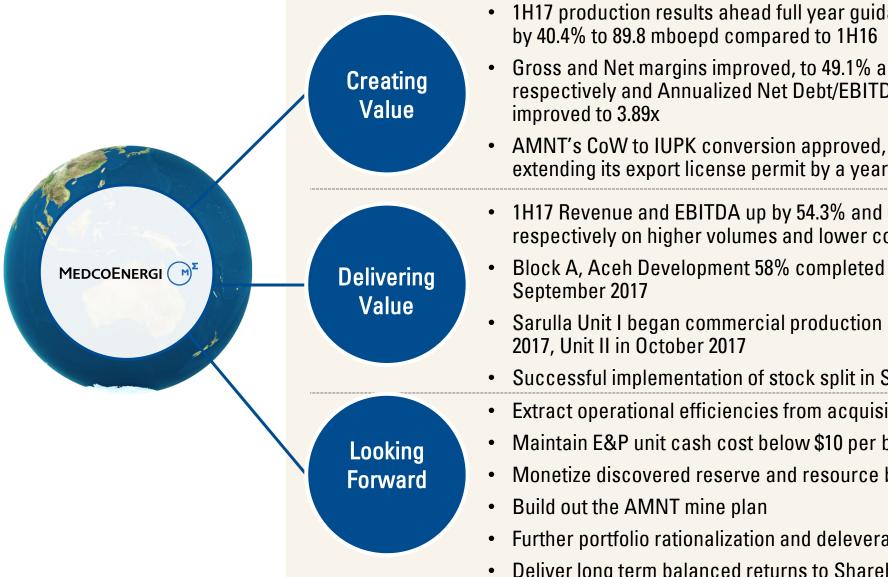


## Amman Mineral Nusa Tenggara: Phased Mining Developments

### Access to world-class Mining operations with long term upside



### Summary



- 1H17 production results ahead full year guidance, up by 40.4% to 89.8 mboepd compared to 1H16
- Gross and Net margins improved, to 49.1% and 20.0% respectively and Annualized Net Debt/EBITDA
- extending its export license permit by a year
- 1H17 Revenue and EBITDA up by 54.3% and 61.7% respectively on higher volumes and lower costs
- Block A, Aceh Development 58% completed as of
- Sarulla Unit I began commercial production in March
- Successful implementation of stock split in September
- Extract operational efficiencies from acquisitions
- Maintain E&P unit cash cost below \$10 per boe
- Monetize discovered reserve and resource base
- Further portfolio rationalization and deleveraging
- Deliver long term balanced returns to Shareholders and Lenders



#### Company Address:

PT Medco Energi Internasional Tbk. The Energy Building 53<sup>rd</sup> Floor SCBD Lot 11A Jl. Jend. Sudirman, Jakarta 12190 Indonesia P. +62-21 2995 3000 F. +62-21 2995 3001

#### **Investor Relations:**

Geroad Jusuf Head of Investor Relations Email. geroad.jusuf@medcoenergi.com

Andhika Suryadharma Investor Relations Capital Market Email. andhika.suryadharma@medcoenergi.com

A. Nugraha Adi Investor Relations Analyst Email. nugraha.adi@medcoenergi.com

Website: www.medcoenergi.com