



MEDCOENERGI 

# 1H 2019 Company Performance

PT Medco Energi Internasional Tbk. (IDX Ticker: MEDC)

SUSTAINABLE GROWTH



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Completed purchase and delisting of Ophir Energy plc, integration on-track

Consolidated EBITDA US\$343million, pro forma Ophir \$450 million

Maintain commitment to deleverage  
US\$355 million and US\$105 million debt repaid

Oil & Gas: Production 96 mboepd, pro forma Ophir 120 mboepd

MPI: Generated power sales 1,253 GWh

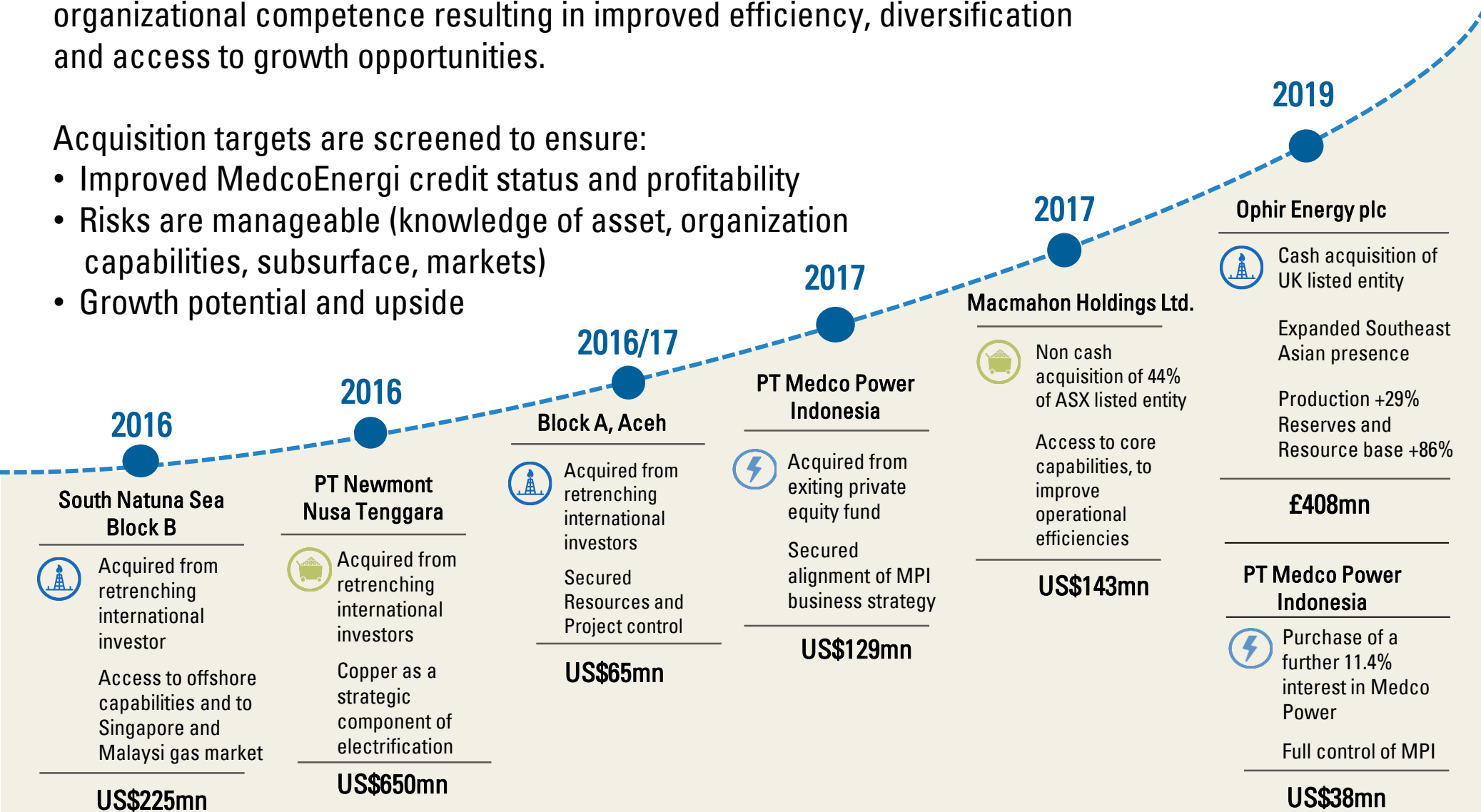
Rating upgrade to B+ Fitch, B (Positive outlook)  
S&P, Moody's affirmed B2 (Positive outlook)



Acquisitions have added value through enhanced scale, control and organizational competence resulting in improved efficiency, diversification and access to growth opportunities.

Acquisition targets are screened to ensure:

- Improved MedcoEnergi credit status and profitability
- Risks are manageable (knowledge of asset, organization capabilities, subsurface, markets)
- Growth potential and upside



Cash acquisition of UK listed entity

Expanded Southeast Asian presence

Production +29%  
Reserves and Resource base +86%

**£408mn**

**PT Medco Power Indonesia**



Purchase of a further 11.4% interest in Medco Power

Full control of MPI

**US\$38mn**



Non cash acquisition of 44% of ASX listed entity

Access to core capabilities, to improve operational efficiencies

**US\$143mn**



Acquired from exiting private equity fund

Secured alignment of MPI business strategy

**US\$129mn**



Acquired from retrenching international investors

Secured Resources and Project control

**US\$65mn**



Acquired from retrenching international investor

Access to offshore capabilities and to Singapore and Malaysi gas market

**US\$225mn**



Acquired from retrenching international investors

Copper as a strategic component of electrification

**US\$650mn**

## Medco Power

- Purchased further 11.4% interest in Medco Power
- Finalizing strategic entrant to support gas to power expansion

## Ijen Geothermal

- Farmed down 49% of Medco Power interest in Ijen geothermal Project to Ormat Technologies, Inc.
- Appraisal drilling in Q4 2019

## Disposed of 51% Api Metra Graha and diluted AMNT position

- AMG: Cash received and transaction closed Q2
- AMNT: US\$164 million received to date

LNG – GAS to POWER, INDONESIA



IJEN GEOTHERMAL, EAST JAVA, INDONESIA



## Rimau and South Sumatra

- Disposed 35% working interest
- Accelerated cash from mature assets
- July 2019 Rimau FSO end of economic life, decommissioned

## Ophir Assets Rationalization

- Exiting 100% of Block 24 Equatorial Guinea, 100% Aru and West Papua, Mexico Block 5
- Withdrew from Bangladesh and Vietnam blocks 123 and 124

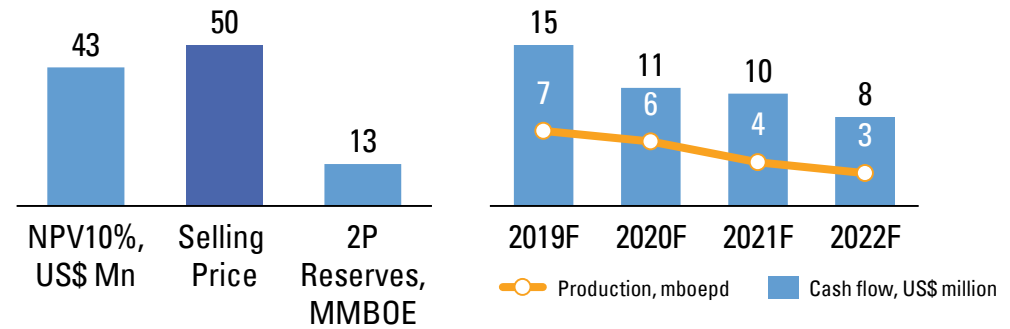
## Oman KSF

- Purchase 7% interest in Oman KSF

## Expanded East Natuna acreage

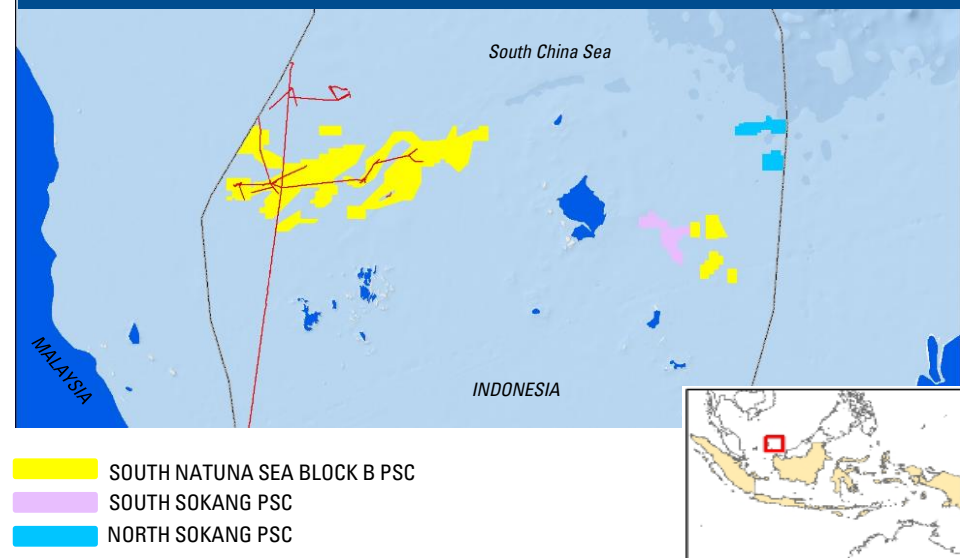
- Purchase 100% North Sokang PSC
- Active exploration program 2019/2020

## RIMAU and SOUTH SUMATRA



Source: Wood Mackenzie Asset Report. NPV 10% calculated until current PSC expiry.

## EAST NATUNA AREA





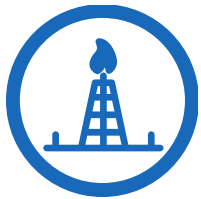
- Completed purchase and delisting
- Repaid \$355 million priority debt
- Converted Ophir Energy plc & Salamander plc to Ltd status
- Progressing realization of ~US\$30 million synergies p.a.
  - London HQ office sublet
  - System, organization and process Integration ongoing
  - Medco systems will be adopted 1 January 2020 for Finance, Supply Chain Management, Human Resource and Maintenance.
  - Exit of Vietnam and Bangladesh, Block 24 Equatorial Guinea, Block 5, Mexico, Aru and West Papua in progress
- Executing development projects:
  - Bualuang Phase 4B, first oil Q4 2019
  - Meliwis, first gas Q2 2020

Infill Campaign for Phase 4A, Bualuang Thailand



Charlie Topside for Phase 4B, Bualuang, Thailand





- Oil and gas production 96 mboepd, pro forma Ophir 120 mboepd. Unit cash costs US\$9.0 per boe
- Block A, Aceh production and nominations on this recent gas development are stable at 52 – 53 BBtud.
- Bualuang, Thailand oil topside installation complete, drilling on track for first oil Q4 2019.
- Meliwis, East Java gas development, 38% progress, first gas on track for Q2 2020.
- Development in progress Buntal-5 in South Natuna Sea Block B



- Medco Power generated power sales of 1,253 GWh
- Raised IDR850 billion Sharia bond for refinance and growth
- Riau IPP construction progress 34%, expected in-service date of Q4 2021



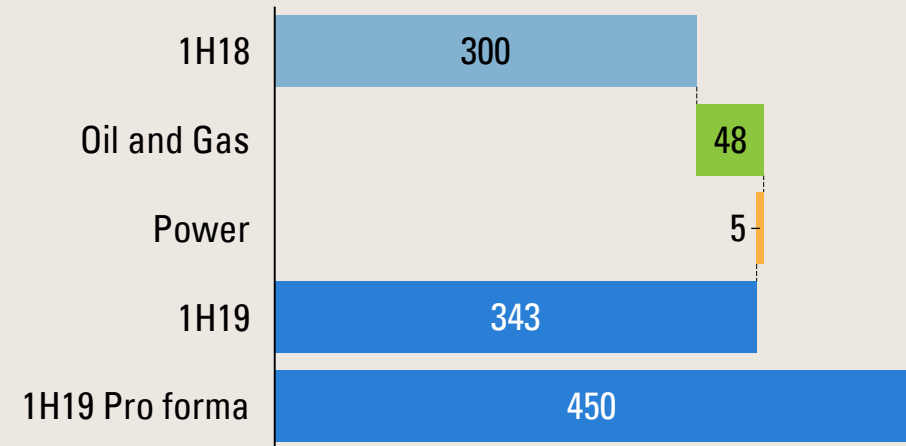
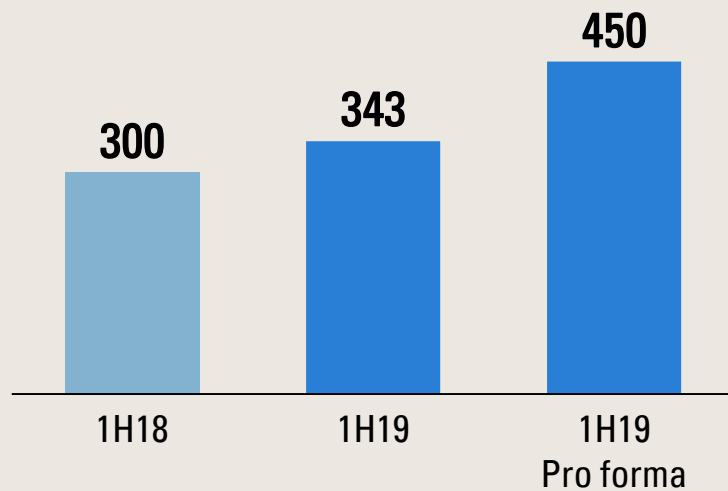
- AMNT production from stockpile was 63.4 Mlbs copper and 28.4 Koz gold
- Progressing Phase 7 development and Smelter FEED.
- Smelter Front-End Engineering Design by Outotec Oyj 70% completed.



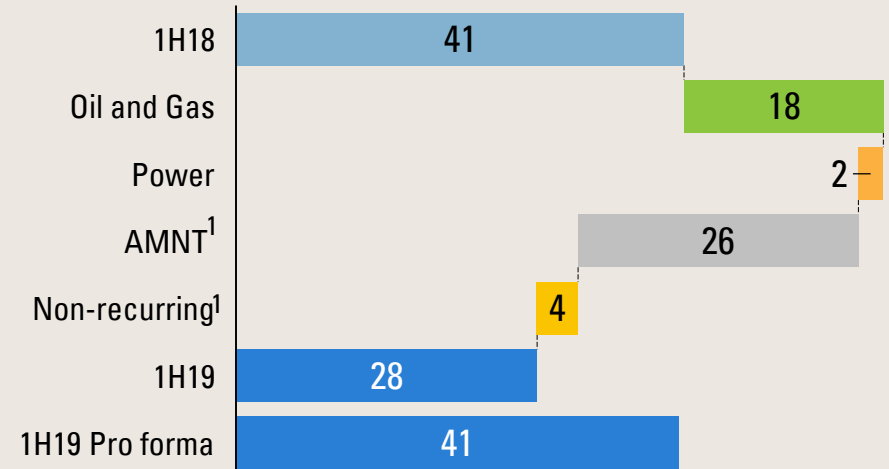
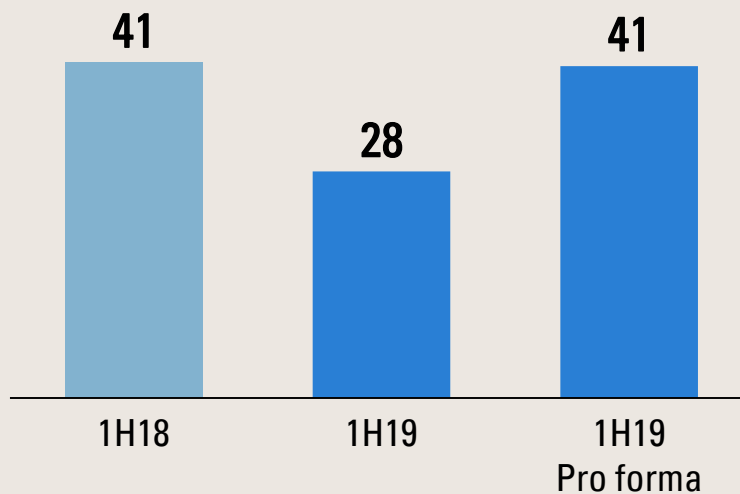


- Consolidated EBITDA US\$343 million, pro forma Ophir EBITDA US\$450 million.
- Oil, Gas and Power segments generated Net Income of US\$136 million, Consolidated Net Income of US\$28 million, pro forma Ophir of US\$41 million.
- Maintaining commitment to deleverage, Ophir debt of US\$355 million repaid in June, further US\$105 million debt repaid in July.
- Net Debt to EBITDA 3.9x (3.6x excl. Medco Power), pro forma Ophir net debt to EBITDA 3.0x (2.7x excl. Medco Power).
- All 2019 and 2020 bullet maturities secured in escrow.
- Rating upgrade to B+ Fitch, B (Positive outlook) S&P, Moody's B2 (Positive outlook).
- Capex US\$63 million with Cash from Operations US\$265 million, pro forma Ophir Capex US\$101 Million and Cash from Operations US\$308 million.

## Underlying EBITDA (US\$ mn) Categorized by Segments



## Underlying Net Income (US\$ mn) Categorized by Segments



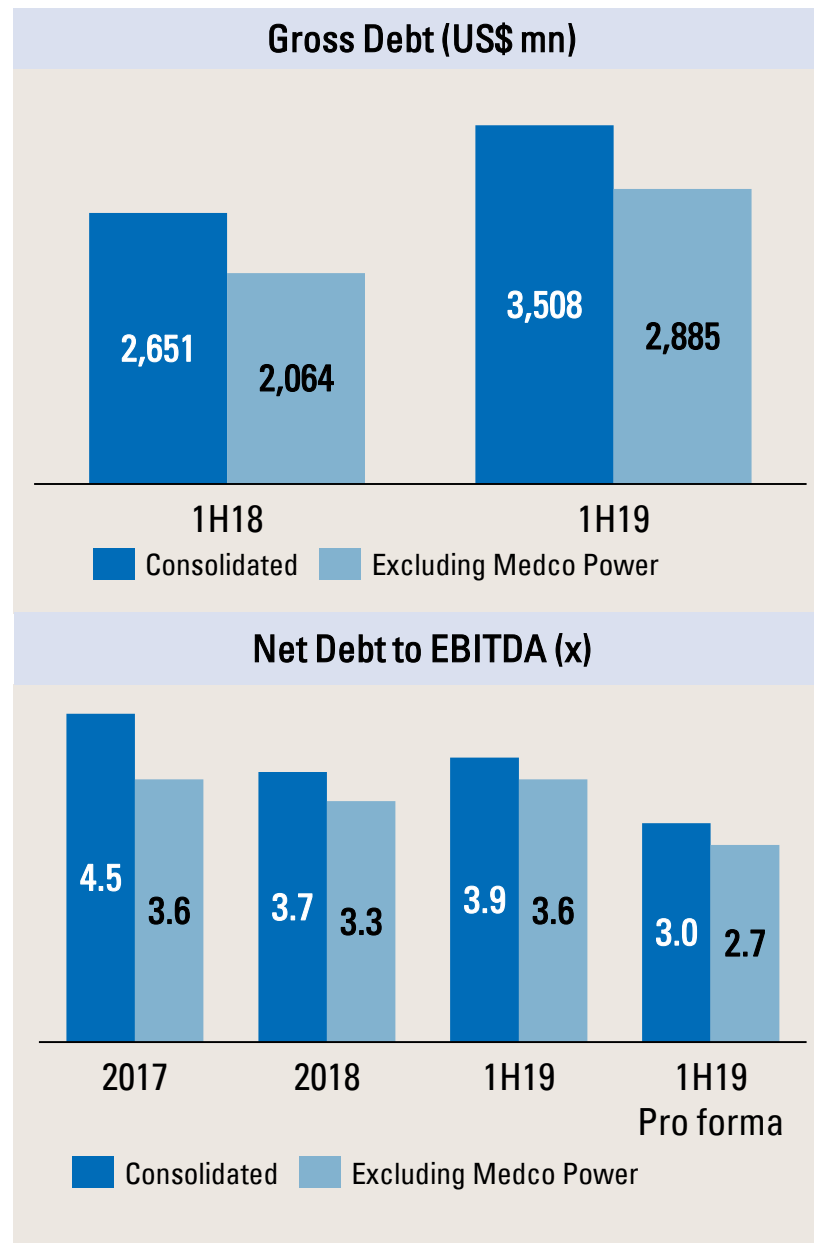
Ophir results are consolidated from 1 June 2019. Pro forma results assume combined results from 1 January 2019.

<sup>1</sup> Non-cash items

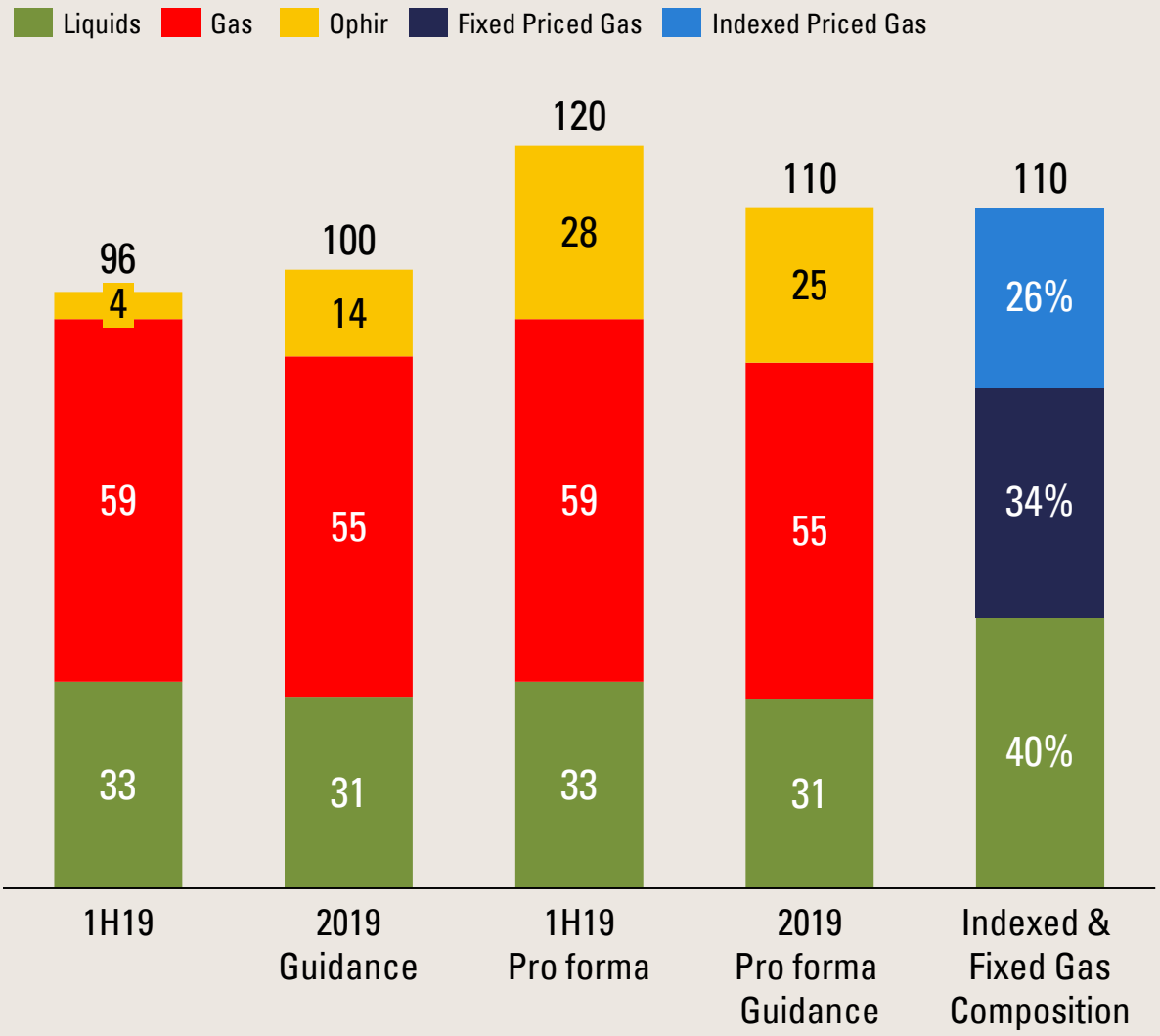


# Debt position

- Maintaining commitment to deleverage with US\$355 million of Ophir priority debt repaid in June
- A further US\$105 million of unsecured debt repaid in early July.
- 2019 and 2020 bullet maturities secured in escrow
- Net Debt to EBITDA<sup>1</sup> 3.6x, Consolidated Net Debt to EBITDA 3.9x.
- Pro forma Net Debt to EBITDA<sup>1</sup> 2.7x, Pro forma Consolidated Net Debt to EBITDA 3.0x.
- Net Debt to EBITDA target at 3.0x or below at mid-cycle price



<sup>1)</sup> Annualized and excluding Medco Power



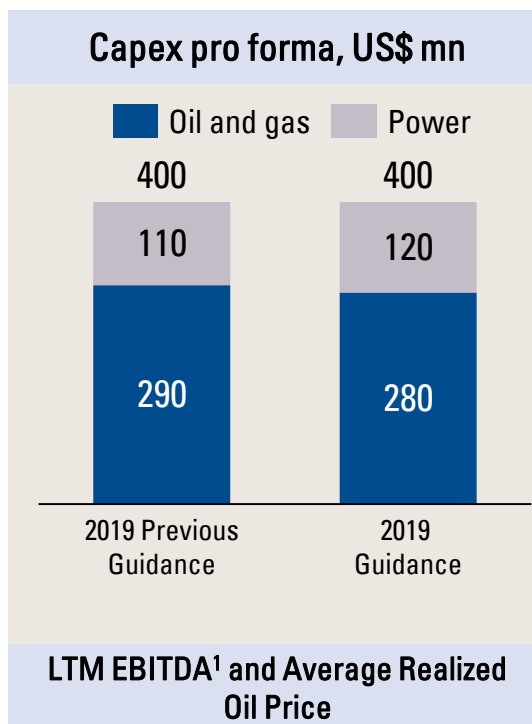
Production in mboepd and includes Oman service contract

- 1H 2019 oil and gas production 96 mboepd, 120 mboepd pro forma Ophir, ~60:40 gas to oil
- 2019 Production Guidance 100 mboepd, 110 mboepd pro forma Ophir
- Gas market demand will determine annual production.
- Continue to hedge up to 25% of liquids production and up to 50% of index price gas

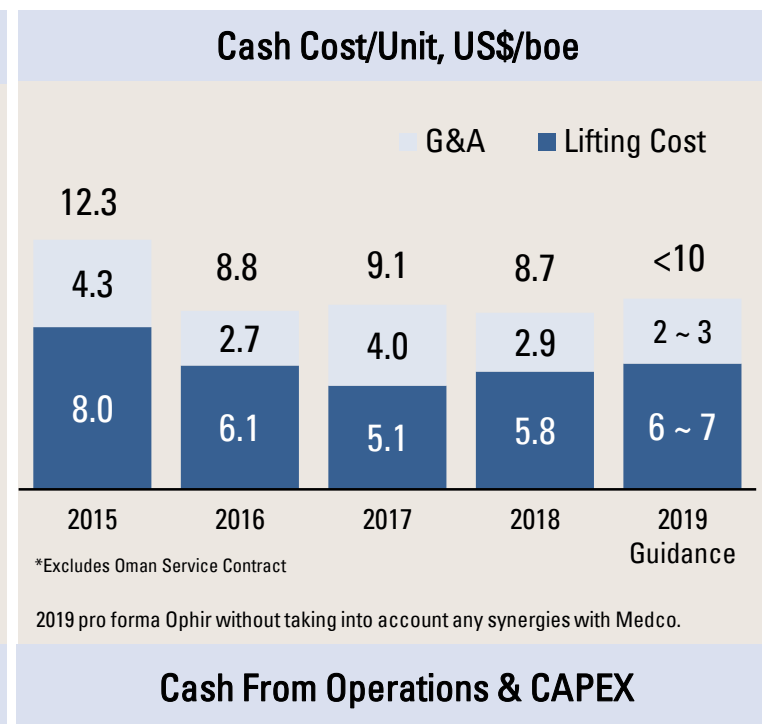


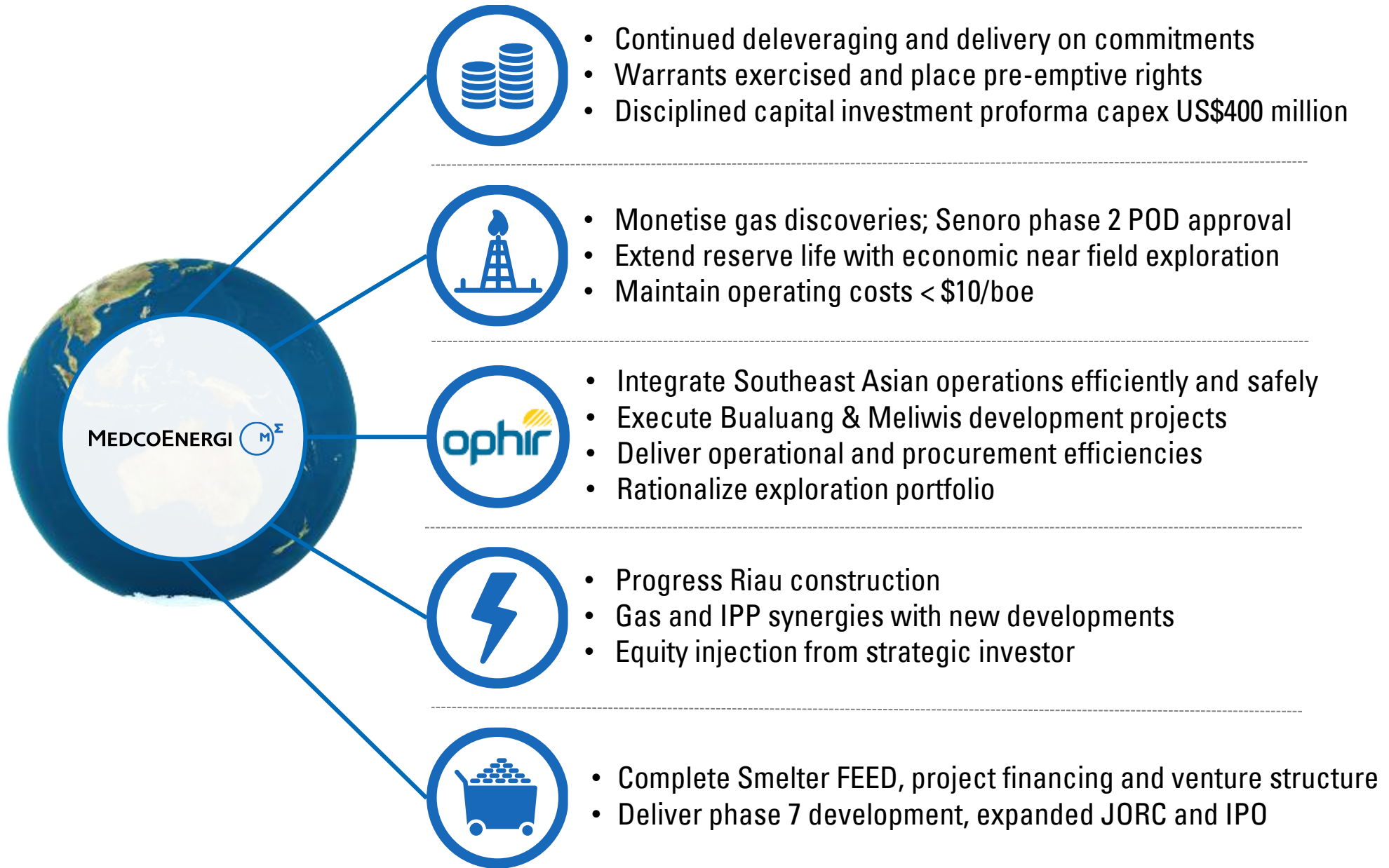


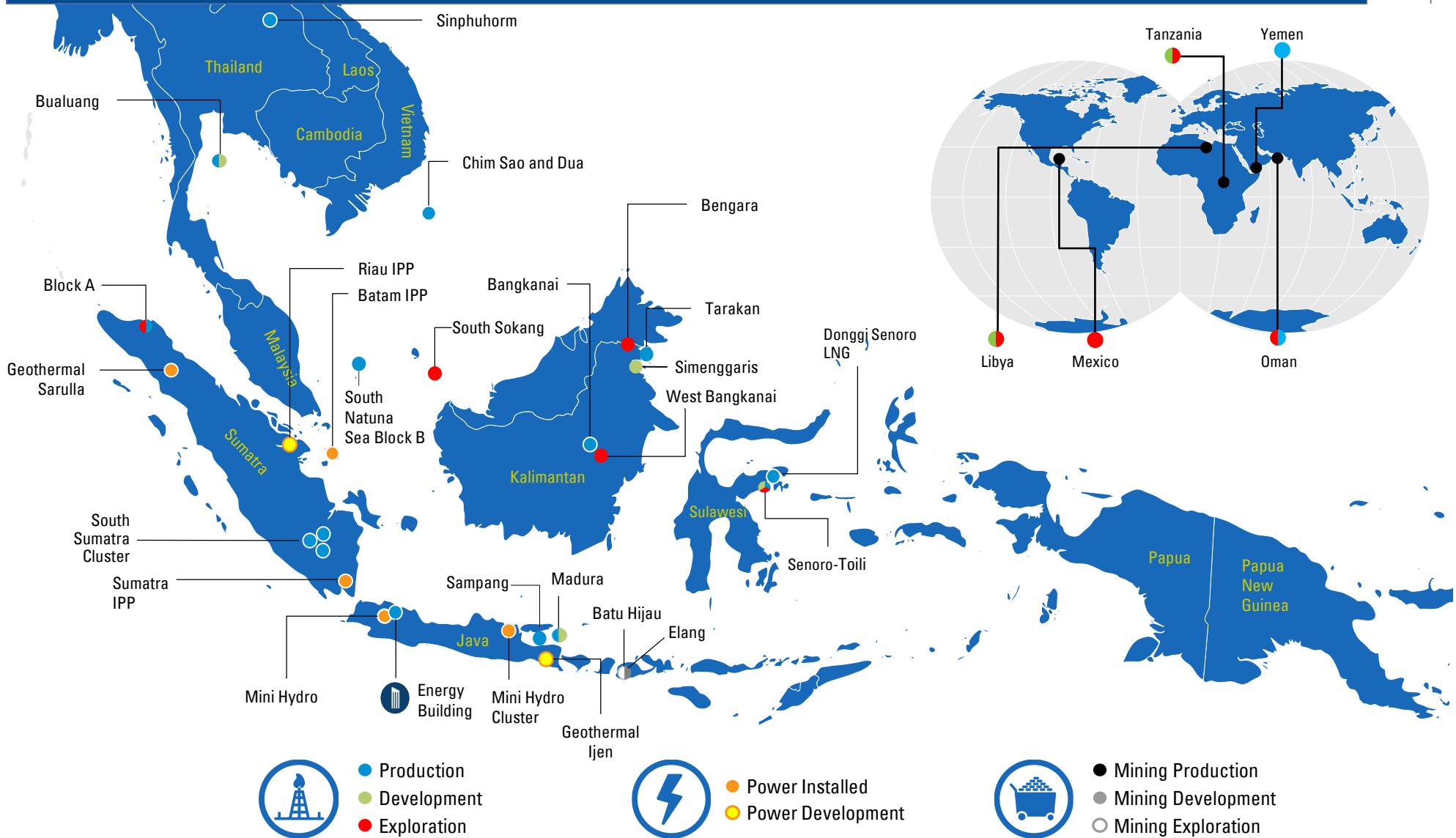
- 1H 2019 capex US\$63 million, US\$101 million pro forma Ophir.
- 2019 capex guidance US\$350 million, US\$400 million pro forma Ophir.
- 1H 2019 oil and gas unit cash costs US\$9.0/boe. Oil and gas unit cash costs, will be maintained below US\$10/boe.
- Production and margin growth driving increased EBITDA despite volatility in commodity prices.
- An annualized US\$10/BBL increase in Brent Price will increase EBITDA by ~US\$110 million.



<sup>1</sup> excl. Medco Power





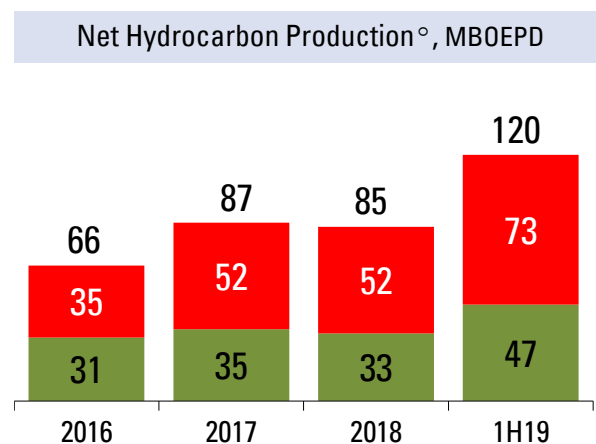
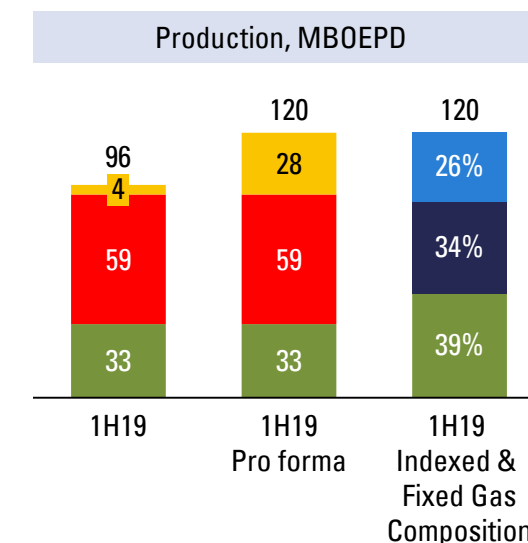
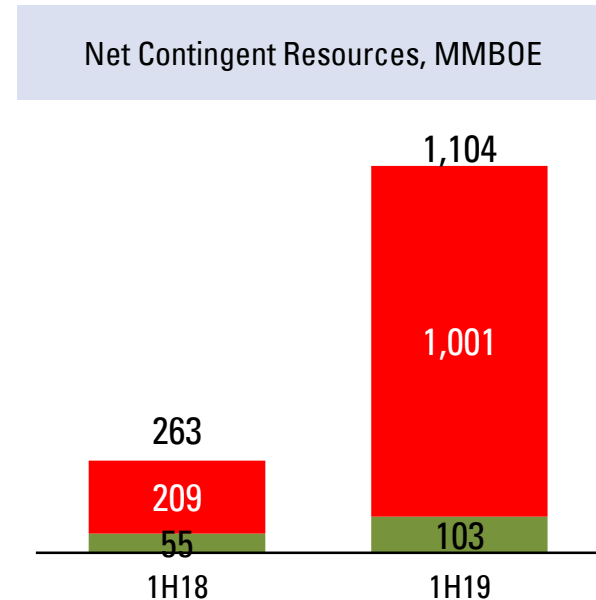
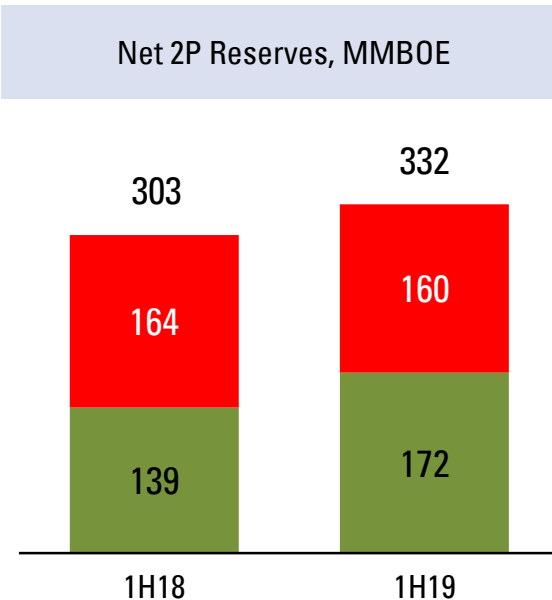




Metrics	1H18	1H19	YoY Δ%
<b>Production<sup>o</sup></b>			
Oil, MBOPD	33.1	35.6	7.6
Gas, MMSCFD	263.7	336.4	27.6
<b>Lifting/Sales</b>			
Oil Lifting, MBOPD	24.9	28.2	13.3
Gas Sales, BBTUPD	256.5	309.9	20.8
Oman Service Contract, MBOPD	7.5	6.7	(10.7)
<b>Average Realized Price</b>			
Oil, USD/barrel	66.8	63.6	(4.8)
Gas, USD/MMBTU	6.0	6.9	15.0

<sup>o</sup>Includes Oman Service Contract

- 2018 five-year average 2P Reserves Replacement Ratio 1.1x, with Reserves Life Index of 9 Years
- 2018 5-year 2P F&D cost US\$11/boe
- Average realized gas price US\$6.9/MMBTU; blend of fixed \$6.7/MMBTU and indexed \$7.0/MMBTU contracted gas sales
- Long term gas contracts underpinned by take-or-pay. Split ~57:43 fixed price and commodity indexed pricing



<sup>o</sup>Includes Oman Service Contract and pro forma Ophir

■ Liquids 
 ■ Gas 
 ■ Ophir 
 ■ Fixed Priced Gas 
 ■ Indexed Priced Gas



Revenue			Gross Profit			EBITDA			Operating Cash flow		
Incl. MPI	US\$626 million	9%	Incl. MPI	US\$347 million	9%	Incl. MPI	US\$343 million	14%	Incl. MPI	US\$265 million	86%
Excl. MPI	US\$532 million	17%	Excl. MPI	US\$297 million	12%	Excl. MPI	US\$303 million	19%	Excl. MPI	US\$188 million	80%
Pro forma Ophir	US\$795 million	39%	Pro forma Ophir	US\$400 million	25%	Pro forma Ophir	US\$450 million	50%	Pro forma Ophir	US\$308 million	116%
Cash & Cash Equivalent			Total Debt			Net Debt to EBITDA			Debt to Equity		
Incl. MPI	US\$838 million	54%	Incl. MPI	US\$3,508 million	32%	Incl. MPI	3.9 times	11%	Incl. MPI	2.5 times	34%
Excl. MPI	US\$701 million	51%	Excl. MPI	US\$2,885 million	40%	Excl. MPI	3.6 times	15%	Excl. MPI	2.3 times	31%
Pro forma Ophir	US\$838 million	54%	Pro forma Ophir	US\$3,508 million	32%	Pro forma Ophir	3.0 times	15%	Pro forma Ophir	2.5 times	34%

The percentage figures compares 1H18 to 1H19 Financial Results



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:**

Email. [investor.relations@medcoenergi.com](mailto:investor.relations@medcoenergi.com)

Website : [www.medcoenergi.com](http://www.medcoenergi.com)