

# 2020 COMPANY RESULTS & Q1-2021

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PT Medco Energi Internasional Tbk  
(IDX Ticker: MEDC)  
Jakarta, 04 June 2021



# CONTENTS

## Performance Summary

COVID-19 Response	3
2020 Executive Summary	4
Q1- 2021 Update	5
2020 Operational Summary	6
Financial Highlights	7
Maintain ESG Progress	9

## Business Guidance

2021 Guidance	10
What to Expect in 2021	12

## Appendix

Targeted Portfolio Management	13
Asset Portfolio	14
Business Statistics	15
Financial Statistics	18
ESG Activities	22



# COVID-19 MEDCOENERGI RESPONSE

## Prioritizing Health and Safety of Workforce and Communities

### WORK FORCE SAFETY

- No operational disruption from COVID-19, US\$7mn spending in 2020 to maintain business continuity
- Progressing vaccine program for employees and office based contractors
- Pre-entry quarantine and screening to worksites, extended site rotation, revised medivac protocol, and work from home support
- Educational and well being campaigns with regular communication using multiple channels to reach workforce and their families
- Employee health monitoring program and medical hotline for employees and families
- Enhanced Return to Work protocols and facilities



### COMMUNITY SUPPORT

- Donations to hospitals, community health centers and clinics with COVID-19 testing equipment and personal PPE
- Community donations of sterilization & sanitation equipment, vitamins, supplements and food staples
- Educational campaigns on personal hygiene, face masks and social distancing
- Redirecting community capacity building, e.g. teaching production of cloth facemasks in Medco supported women tailor cooperatives
- Support distant learning during COVID-19 pandemic through donation of 1,200 mobile devices





## 2020 EXECUTIVE SUMMARY

Oil & Gas: Production 100mboepd; Power Sales: 2,639GWh, 31% Renewables

Oil & Gas prices down 36% and 23% Y-o-Y; Gas demand below TOPQ

Consolidated EBITDA US\$502mn, down 20% Y-o-Y; EBITDA margin 46%

Q4-2020 Impairment and write-downs US\$93mn

Successful exploration in Natuna and Ijen Geothermal

AMNT profitable due to Phase 7 pit ore and improved copper prices

Riau IPP reached mechanical completion

Rights Issue US\$120mn; Cash and Cash Equivalents US\$446mn

Debt US\$2.7bn down 15% Y-o-Y



# Q1-2021

Oil & Gas Production: 101mboepd; Power Sales: 666GWh, 32% Renewables

Oil price recovering. Hedged 12% of 2021 Production

Forecast gas demand remains weak in key markets

Cash and Cash Equivalents US\$691mn; Debt US\$2.7bn

Ratings Affirmed: B+ Fitch, B+ S&P revised to Stable

Completed Medco Power and Kansai Electric Strategic Alliance

AMNT phase 8 development in progress

Enrolled in Carbon Disclosure Project (CDP) to report TCFD<sup>1</sup> for 2020 forward

1) Task Force on Climate related Financial Disclosure

# 2020 OPERATIONAL SUMMARY



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- Oil and gas production 100 mboepd, higher oil production but gas demand is below pre-pandemic levels
- Meliwis gas development in Madura Offshore Gas PSC, East Java delivered first gas in July
- The Natuna PSC received improved economic terms from the Indonesian Government for several future oil and gas fields developments
- Four commercial Natuna gas discoveries (Bronang-2, Kaci-2, West Belut-1 & Terubuk-5 wells)



- Medco Power generated sales of 2,639 GWh, 31% from renewables
- Signed Strategic Alliance with Kansai Electric to operate and develop new gas-fired IPP
- Riau IPP is 97% complete, ongoing pre-commissioning and on track for commercial operation in Q4-2021
- Successful steam exploration wells in Ijen Geothermal, work is progressing to prove commerciality
- Construction progressing on the 26MWp PV facility in Sumbawa, target commercial operation by Q1-2022
- Signed an HoA with Pertamina Geothermal (PG) to jointly develop Geothermal fields in Indonesia

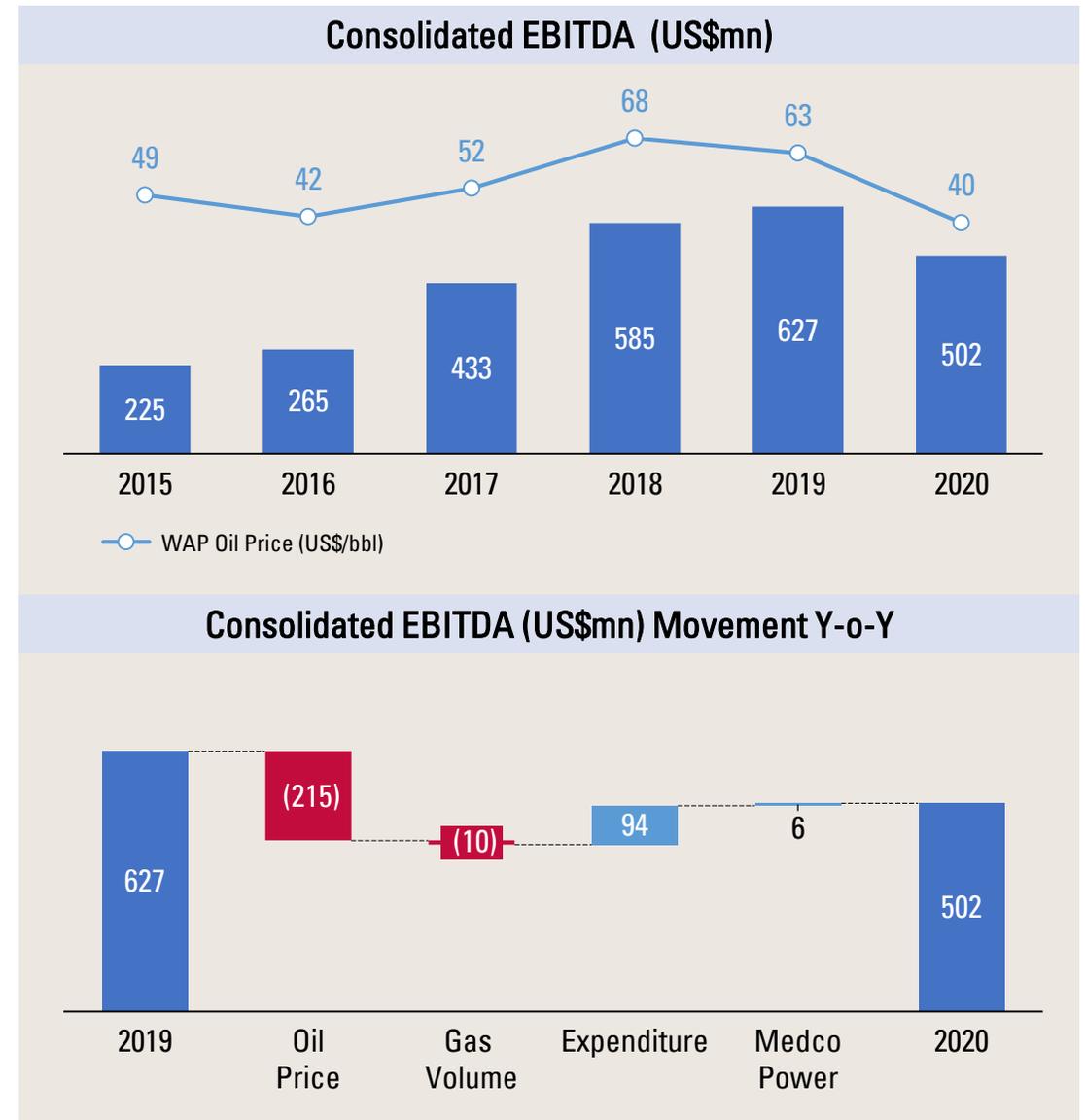


- AMNT accessing pit ore from Phase 7, development activity will continue through 2021
- Phase 8 development in progress
- Produced 294 Mlbs copper and 132 Koz of gold from pit ore and stockpile processing
- Obtained one year extension on export license for 579,444 Wet Metric Ton (WMT)
- Obtained extension on smelter project completion by 2023



# FINANCIAL HIGHLIGHTS

- COVID-19 related low prices and low energy demand reduced 2020 EBITDA by ~US\$225mn
- 2020 EBITDA margin 46%, US\$94mn discretionary expenditure reductions, without compromising core values
- Q4-2020 Net Income was positive, before impairments and write-downs
- Q1-2021 Oil prices recovering but Gas demand subdued in Singapore, Aceh and East Java

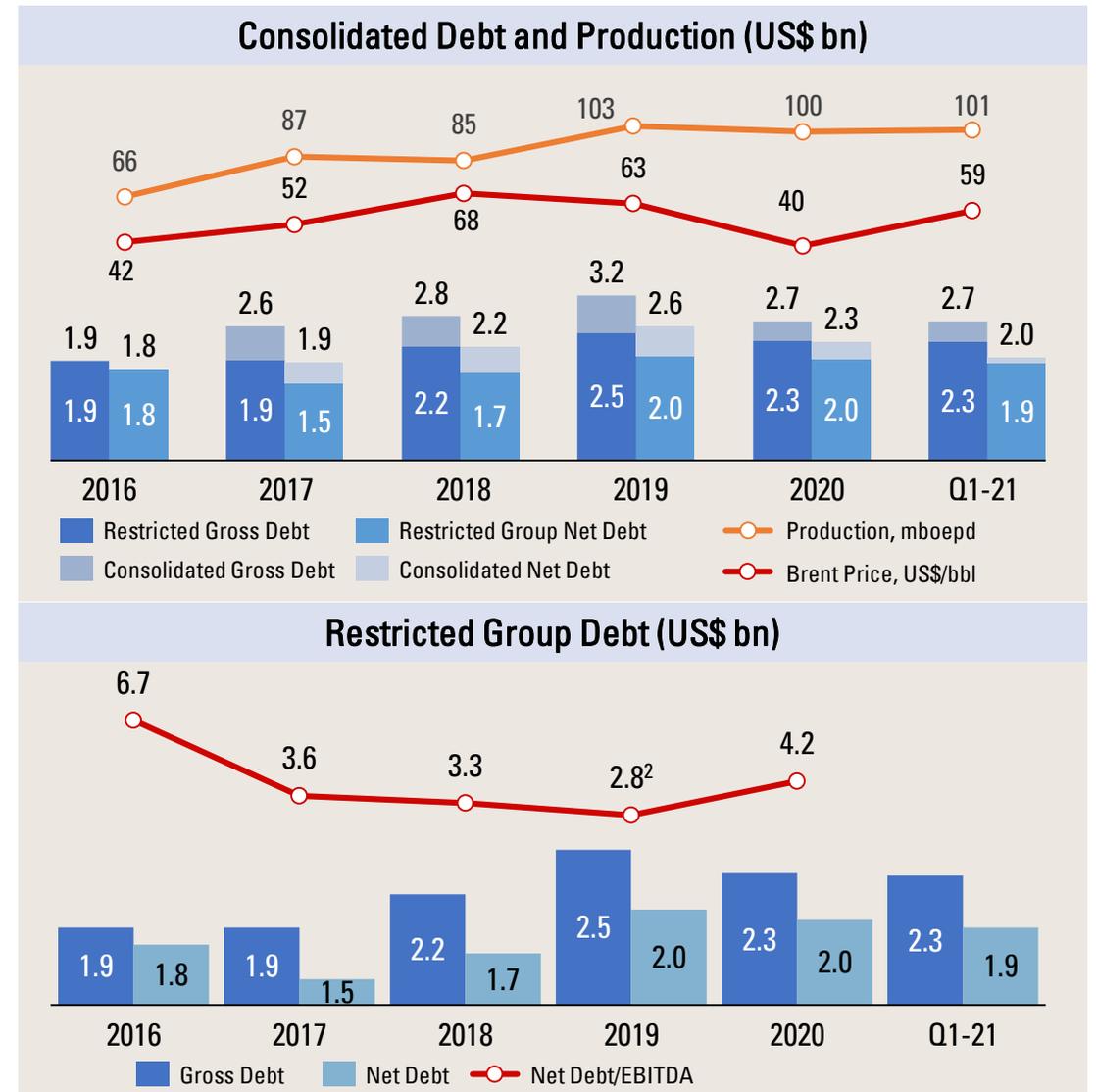


Note: Weighted Average (WAP) Price for Oil FY20 US\$40.3/bbl, FY19 US\$62.5/bbl and Gas FY20 US\$5.2/MMBTU



# DELEVERAGING

- Supportive shareholders and proactive Liability Management
- Issued Q1-2020 US\$650mn Note to retire 2022 Note and IDR bonds
- Debt US\$2.7bn, down 15%. Restricted Group Debt down 6%, repaid US\$223mn IDR bonds, US\$134mn secured debt, US\$234mn bank loan and purchased US\$16mn Notes
- Maintain 3.0x<sup>1</sup> leverage target and continue to repay debt Q-o-Q, despite price volatility. US\$85mn Debt repaid as at May 2021.
- Q1-2021 Cash US\$691mn. 2021 IDR bond maturities in escrow. 2021–23 debt maturities US\$348mn



Note: Debt numbers includes unamortized cost and excludes derivatives

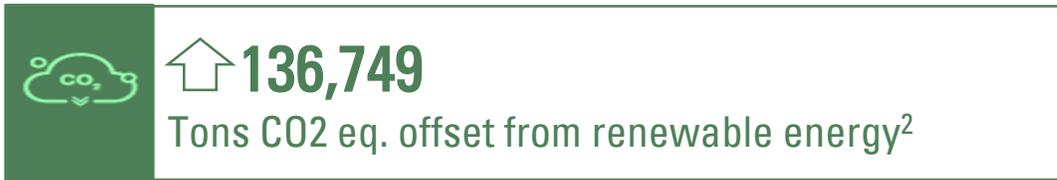
1) Restricted Group: excluding Medco Power  
 2) Pro forma result assume Ophir consolidated as of 1 January 2019



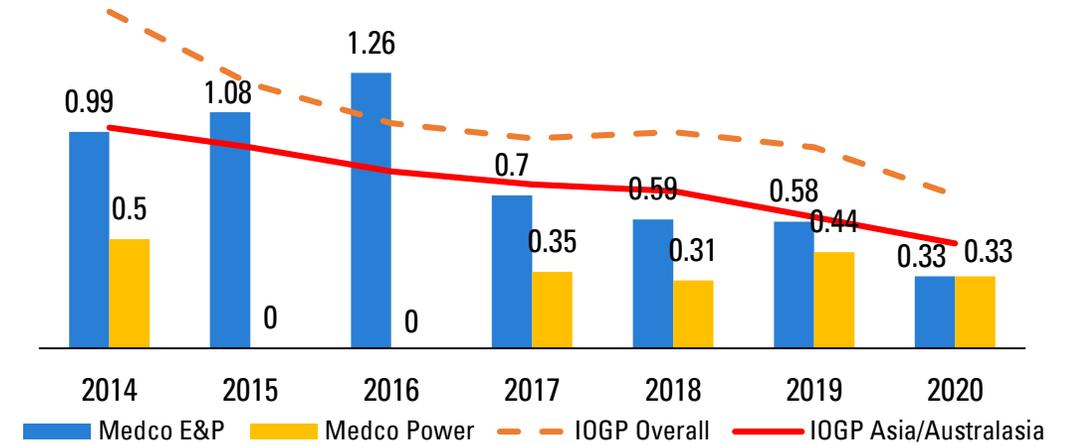
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# MAINTAIN ESG PROGRESS

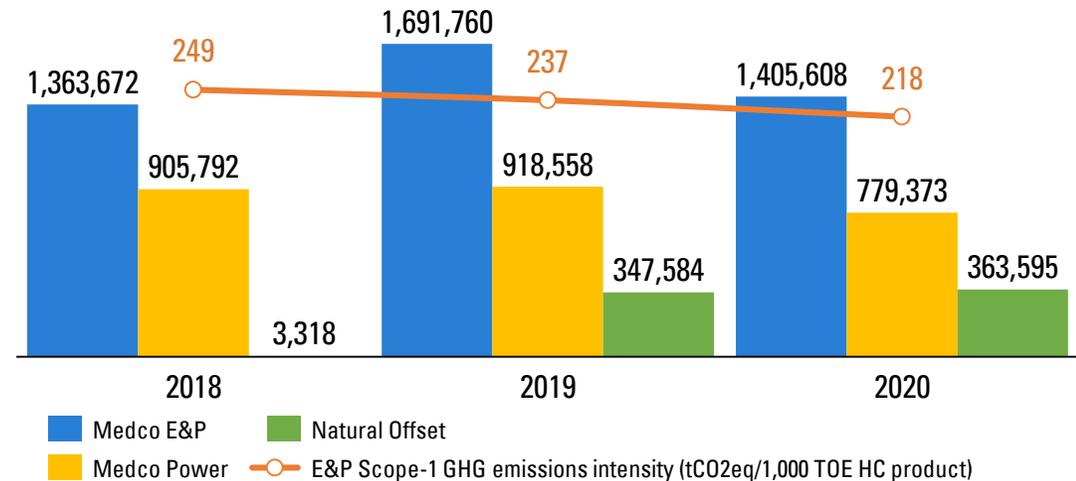
- Joined CDP and will report TCFD factors for 2020+
- TRIR improved for four consecutive years, ahead of industry trend
- Higher Hydrocarbon and Power sales but digitization & fugitive emissions analysis has reduced Scope-1 intensity
- 2020 Scope-2 emissions 11,269 tCO2eq baseline
- Multi-year vegetation program<sup>1</sup> and growing renewables offset ~23% of 2020 GHG emissions
- Renew ESG & Energy Transition targets



### E&P and MPI: Total Recordable Injury Rate (TRIR) 2017 - 2020



### E&P and MPI Scope-1 GHG Emission (tCO2eq)



1) Vegetation program exceeds permit compliance requirements. Total 423,000 2020 impact incl compliance requirements  
 2) Based on ESDM (Ministry of Energy and Mineral Resources) 2016 emission factor in Java, Madura, and Bali (Jamali)



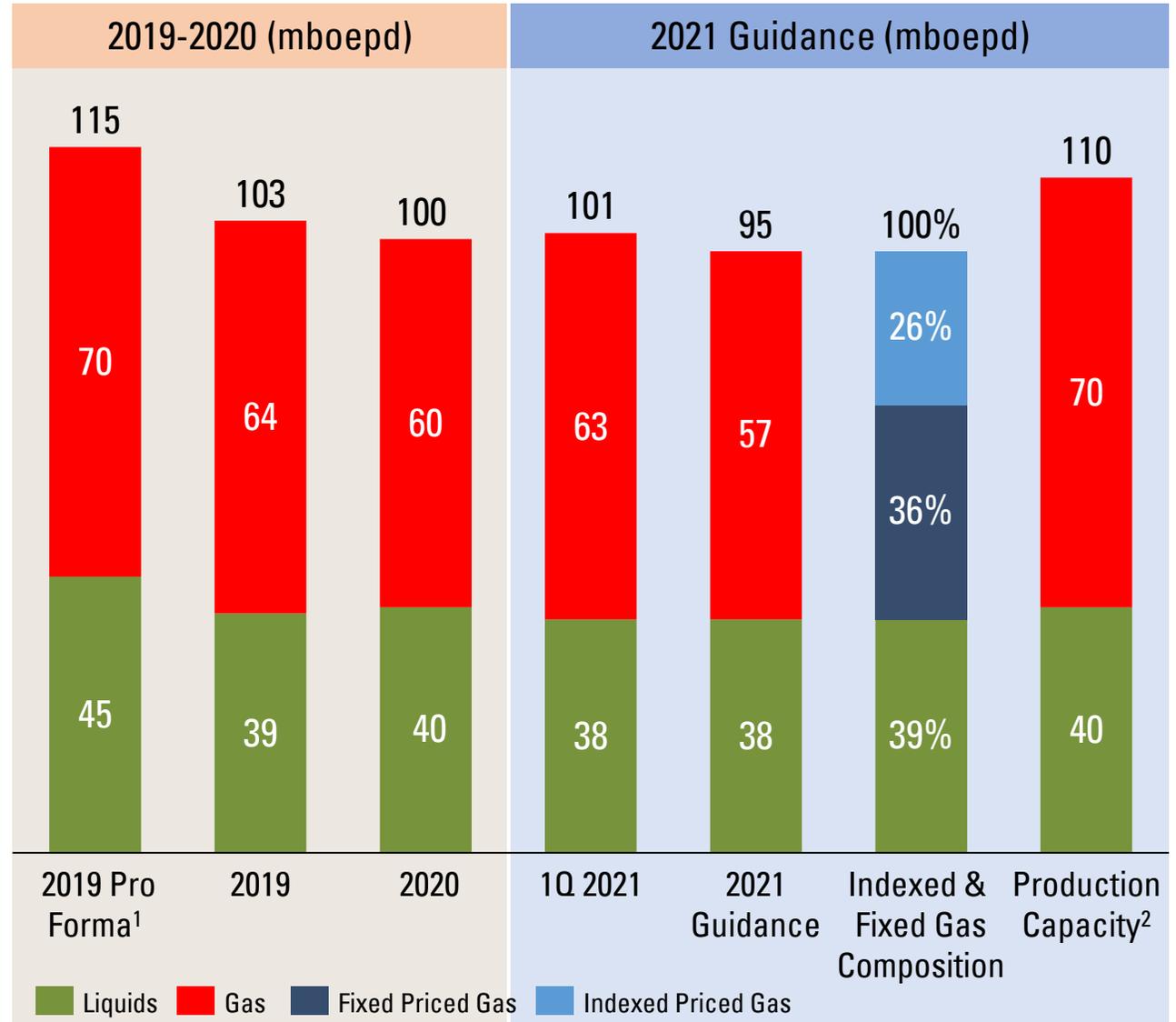
# 2020 & 2021 GUIDANCE: PRODUCTION

## 2020 Actual

- Production 100 mboepd within revised guidance
- Gas demand below TOPQ, below normal pre-COVID-19 levels

## 2021 Guidance

- Q1-2021 Production 101 mboepd
- Revised 2021 guidance 95 mboepd
  - Q2-2021 unplanned shut-downs in Aceh and Vietnam, 2 – 3 mboepd
  - Weak Gas demand in East Java, Aceh and Singapore (LNG competition)
- Hedge puts of ~12% 2021 production, 1H-2021 US\$45/bbl, 2H-2021 ~US\$50/bbl
- Fixed price Gas contracts are a natural hedge



1) Pro forma result assume Ophir consolidation from 1 January 2019  
 2) Production capacity for gas is Maximum Daily Contracted Quantity



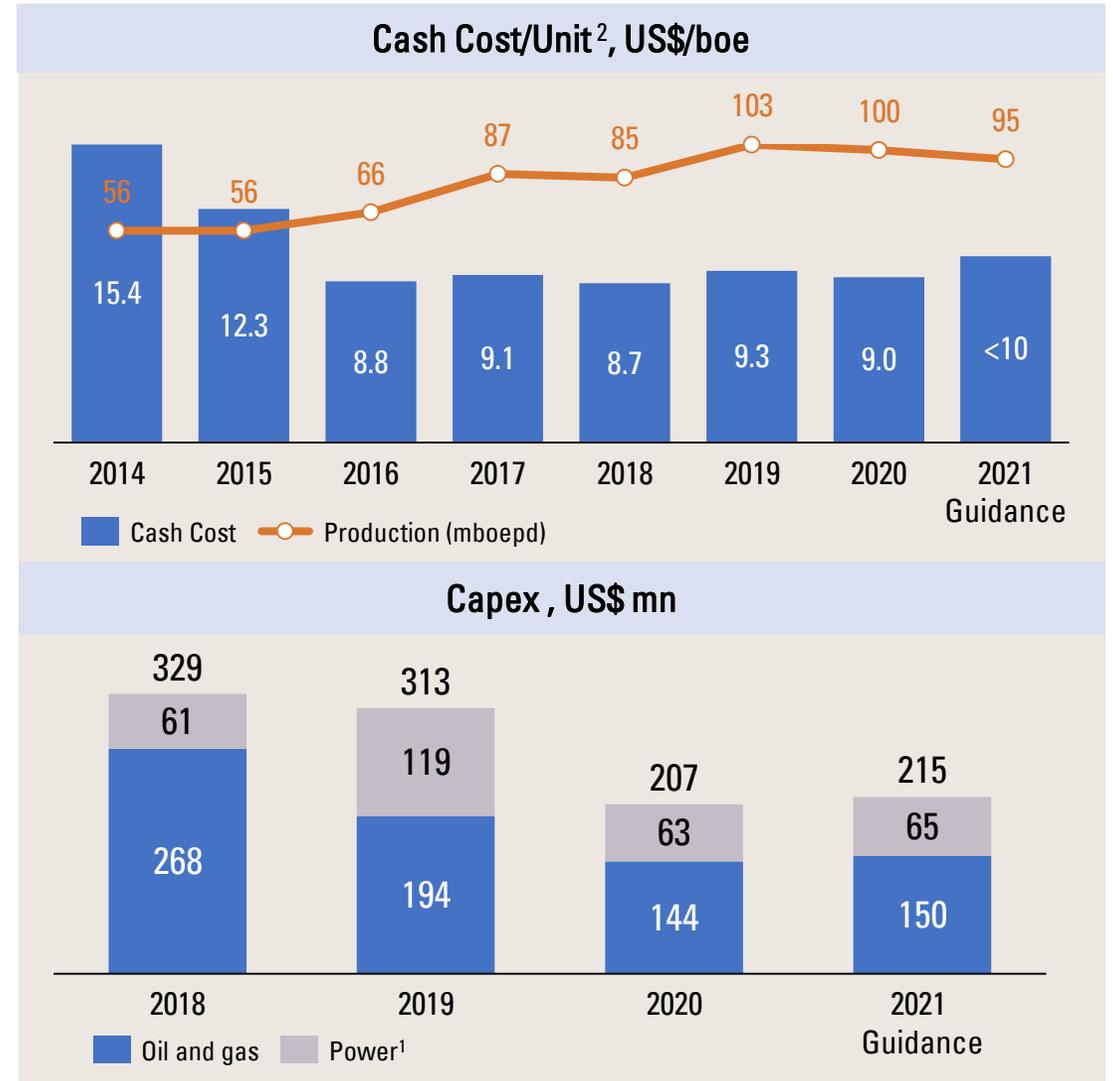
# 2020 & 2021 GUIDANCE: EXPENDITURE

## FY 2020

- Oil & Gas Capex US\$144mn, Power<sup>1</sup> US\$63mn, below revised guidance
- Initial Capex guidance US\$340mn, reduced to mitigate COVID-19 and low energy demand
- London, Bangkok IHQ, Jakarta Ophir offices closed, contributing to significant cost reduction efforts
- Oil and Gas cash costs US\$9.0/boe

## 2021 Guidance

- Oil & Gas Capex US\$150mn, Power<sup>1</sup> US\$65mn
- Disciplined expenditure but retain flexibility if demand recovers
- Oil and Gas cash costs <US\$10/boe



1) Power capex is working interest Riau (51%) and Ijen (51%)  
 2) Unit cash cost excludes production and expenditure on Oman KSF service contract



# WHAT TO EXPECT IN 2021

## Covid-19: Maintain and adapt Strict Protocols

- ✓ Disciplined capital investment and portfolio management
- ✓ Prudent liquidity and liability management
- ✓ Maintain cost focus with Oil and Gas cash costs < US\$10/boe
- ✓ Place into service Riau IPP and Natuna Hiu development
- ✓ Progress Natuna discoveries and appraise Ijen Geothermal
- ✓ To renew 2022-2027 ESG and Energy Transition targets
- ✓ Progress Kansai Electric alliance and AMNT IPO
- ✓ Consistently repay debt quarter-on-quarter

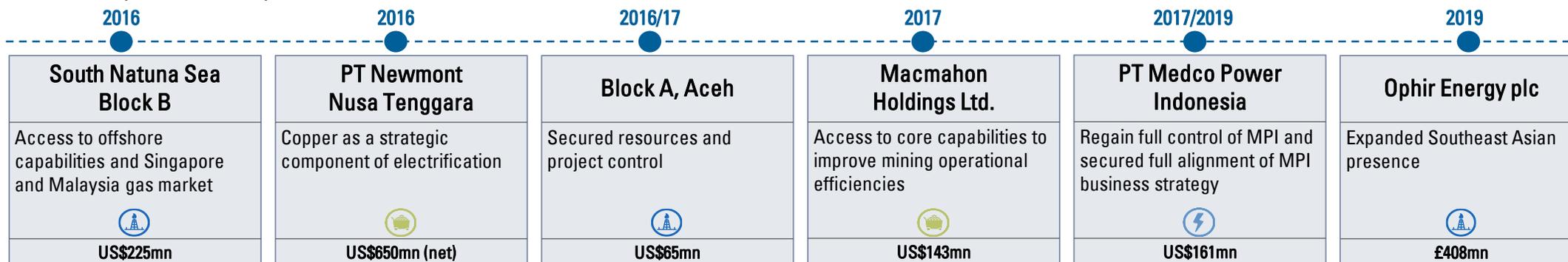


# TARGETED PORTFOLIO MANAGEMENT

## Closed and Integrated Value Adding Acquisitions

Acquisitions have added value through enhanced scale, control and organizational competence. 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



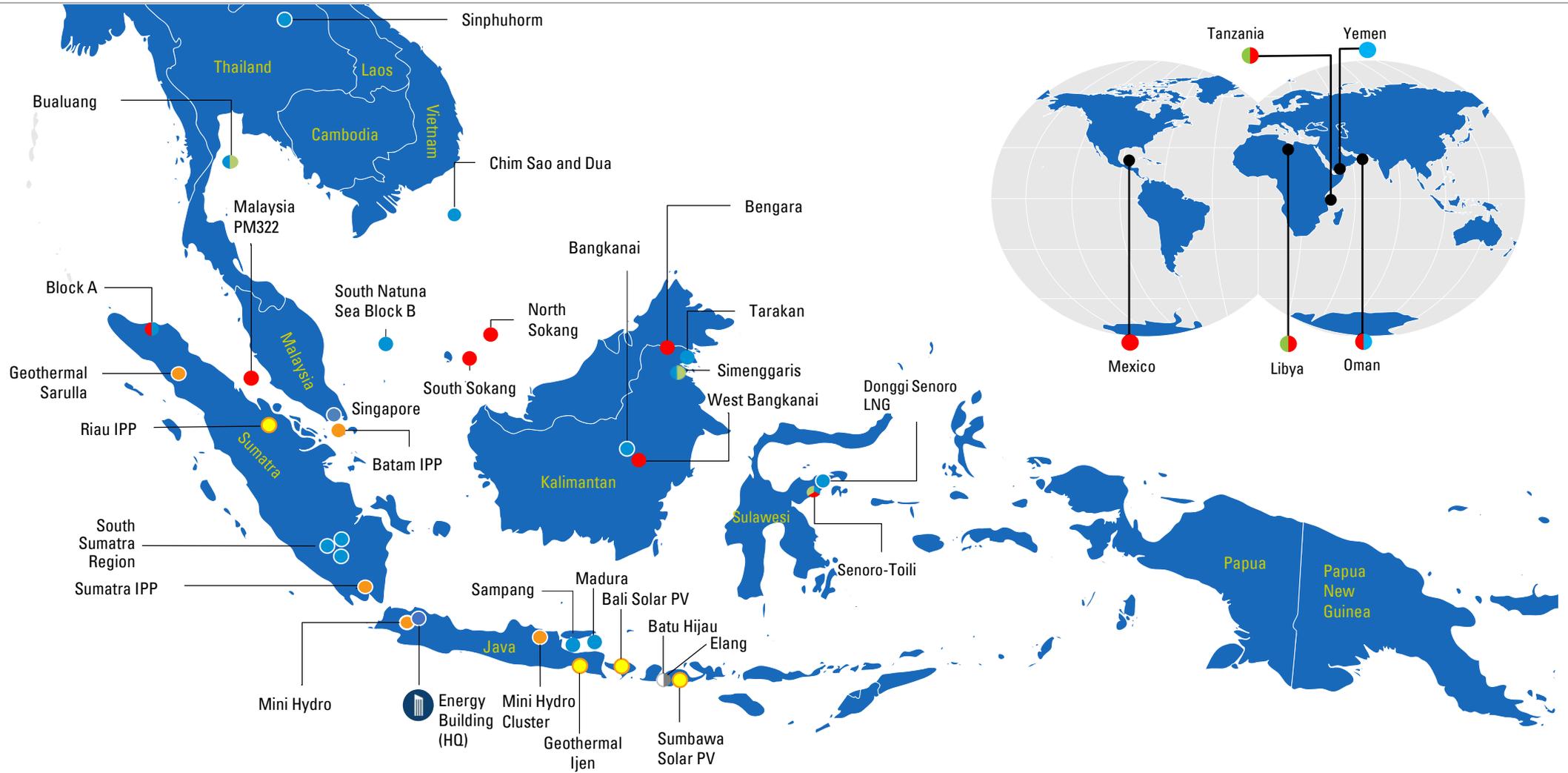
## Portfolio Rationalization

- Non-core assets sales to focus business on oil & gas, power, and copper mining
- Further portfolio upgrading through selective asset divestments





# ASSET PORTFOLIO



- Production
- Development
- Exploration



- Power Installed
- Power Development



- Mining Production
- Mining Development
- Mining Exploration



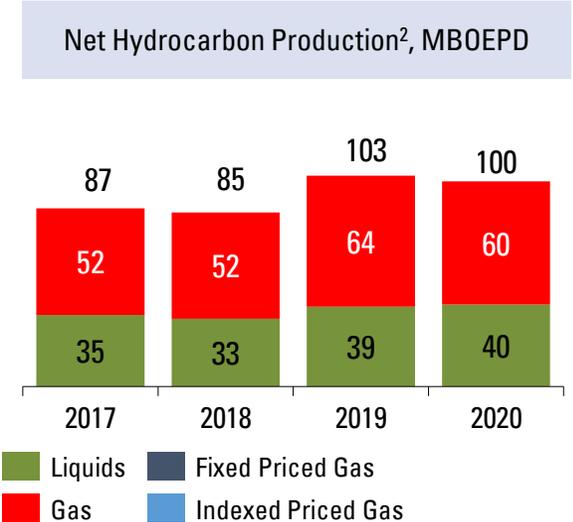
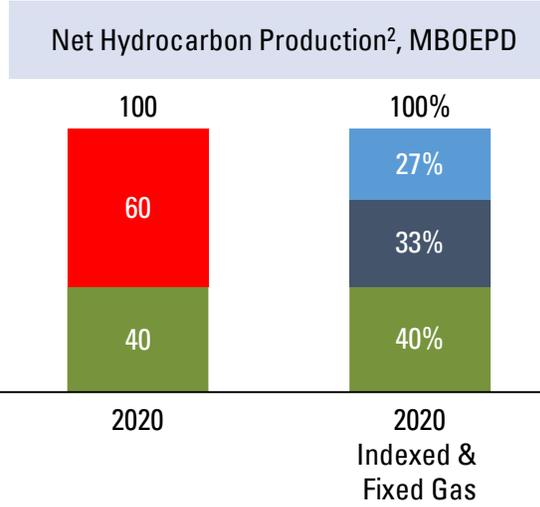
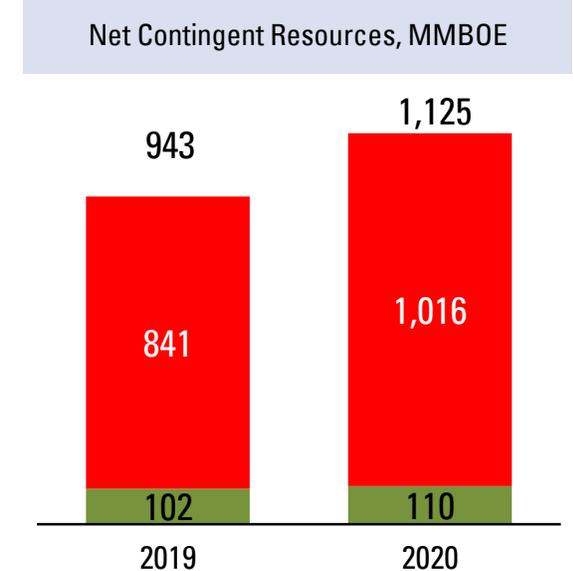
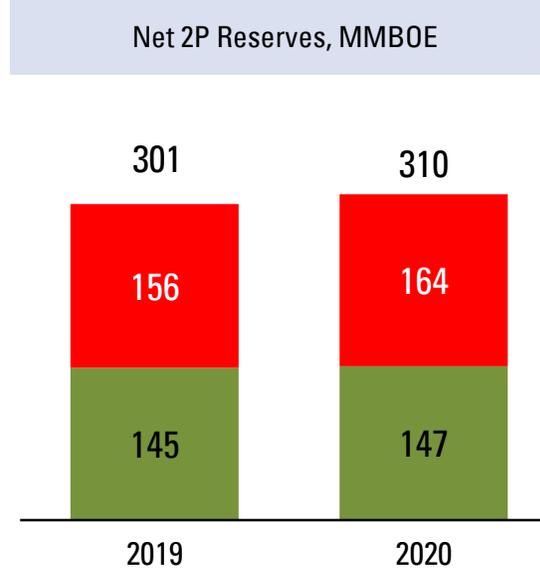
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# OIL AND GAS STATISTICS

Metrics	2019	2020	YoY Δ%
<b>Production<sup>2</sup></b>			
Oil, MBOPD	39.3	40.4	2.8
Gas, MMSCFD	341.9	322.3	(5.7)
<b>Lifting/Sales</b>			
Oil Lifting <sup>2</sup> , MBOPD	38.7	39.3	1.5
Gas Sales, BBTUPD	323.7	302.2	(6.7)
Oman Service Contract, MBOPD	7.3	7.4	1.5
<b>Average Realized Price</b>			
Oil, USD/barrel	62.5	40.3	(35.6)
Gas, USD/MMBTU	6.7	5.2	(22.9)
<b>ESG Indicators</b>			
Scope-1 Intensity (tCO2 eq/1,000 TOE Production)	237	218	(8.0)
Energy Consumption <sup>3</sup> (in million GJ)	20.2	18.0	(10.9)
E&P Recordable Incident Rate (TRIR)	0.58	0.33	(43.1)

- 5-year average 2P Reserves Replacement Ratio<sup>1</sup> 1.2x, 2P Reserves Life Index<sup>1</sup> 9.9 Years
- Proved Developed Reserves are 86% of proved reserves
- 5-year 2P F&D<sup>1</sup> cost US\$10.2/boe
- Average realized gas price US\$5.2/MMBTU; blend of fixed US\$6.0/MMBTU and indexed US\$4.2/MMBTU contracted gas sales
- Gas contracts underpinned by Take-or-Pay



1) 5-year average 2P Reserves Replacement Ratio, Reserves Life Index and F&D cost/boe as of 31 Dec 2020  
 2) Includes Oman Service Contract  
 3) Energy consumption numbers are not audited

# MEDCO POWER STATISTICS



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Metrics <sup>o</sup>	2019	2020	YoY Δ%
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## IPP Sold and O&M Capacity

IPP Sold, GWh	2,600	2,639	1.5
Renewables, GWh	802	817	2.0
Non Renewables, GWh	1,798	1,822	1.3
O&M Capacity, MW	2,150	2,150	0.0

## Average Realized Price\*

IPP, Cent/kwh	3.95	3.94	(0.3)
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## ESG Indicators

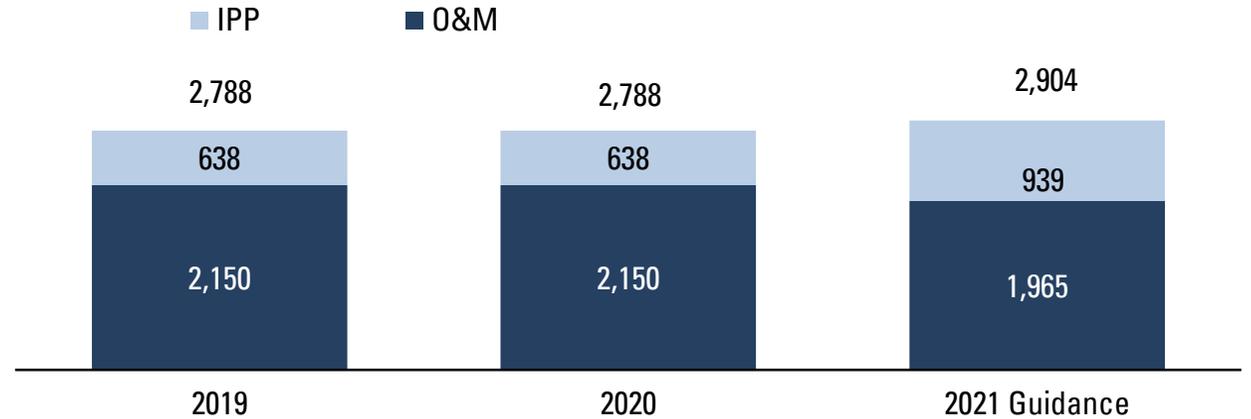
Scope-1 GHG Intensity (tCO2 eq/MWh)	0.56	0.53	(5.4)
Power Recordable Incident Rate (TRIR)	0.44	0.33	(25.0)

<sup>o</sup>Gross 100% interest and includes geothermal production

\*Excludes Fuel Component

- Riau IPP construction 97% complete and on track for place in service Q4-2021
- Ijen Geothermal 3 steam exploration wells (currently being tested). Target COD by 2023
- Construction has begun on the 26MWp PV facility in Sumbawa

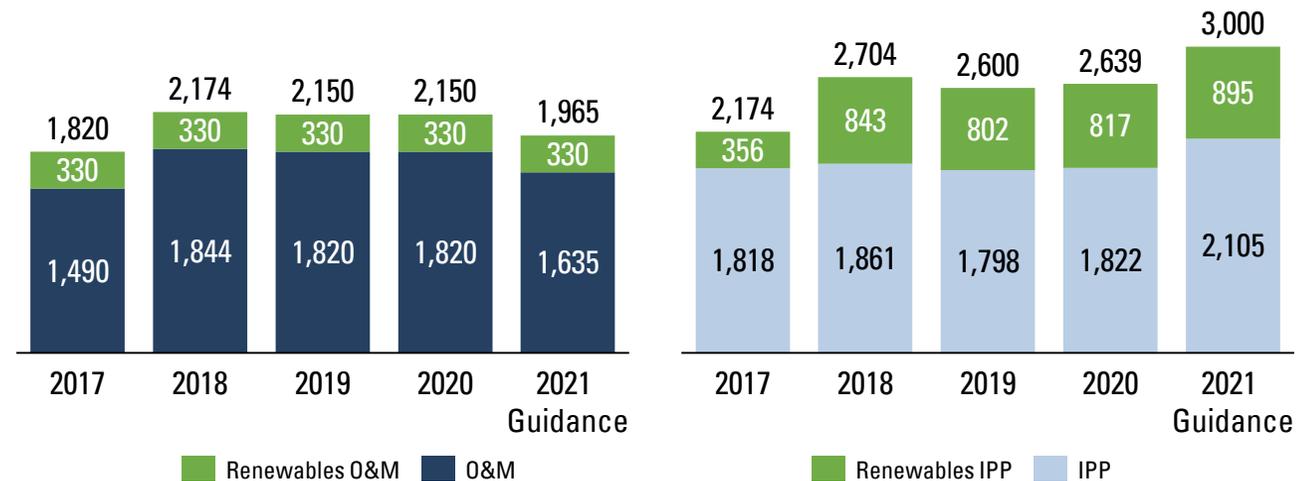
## Gross Installed Capacity, MW



Note: Decrease in O&M installed capacity due to contract expiry of Mobile Power Plant in 2021.

## O&M Power Capacity Gross 100%, MW

## IPP Power Sold Gross 100%, GWh



# AMMAN MINERAL STATISTICS

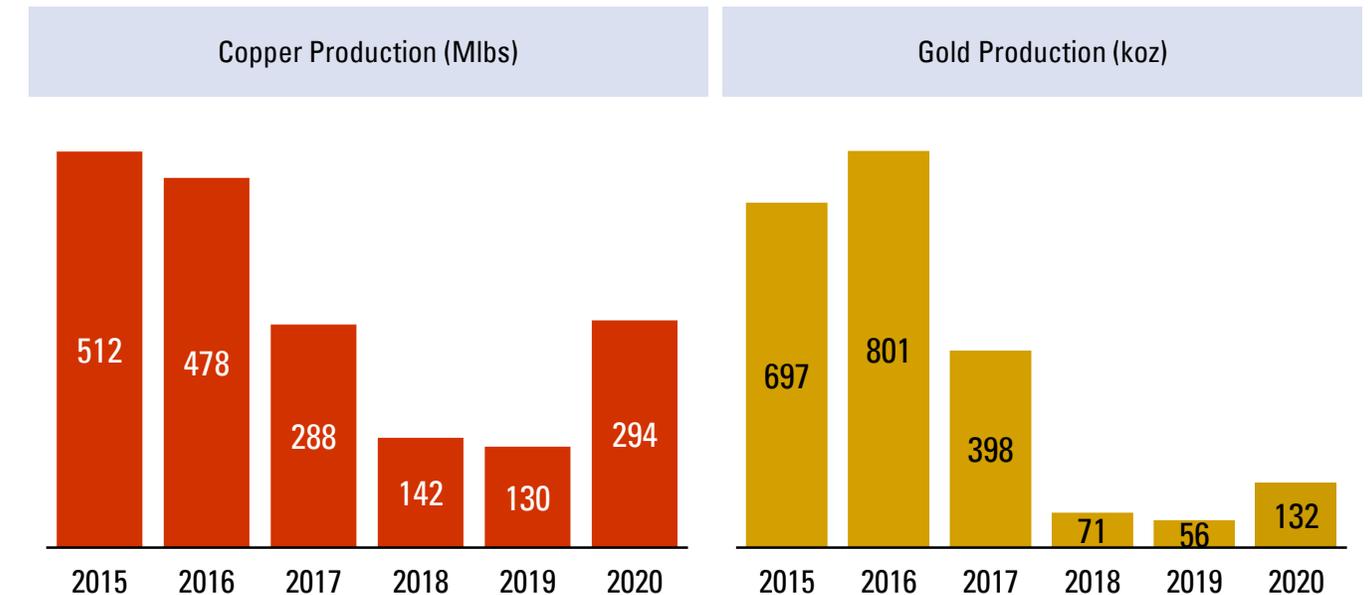
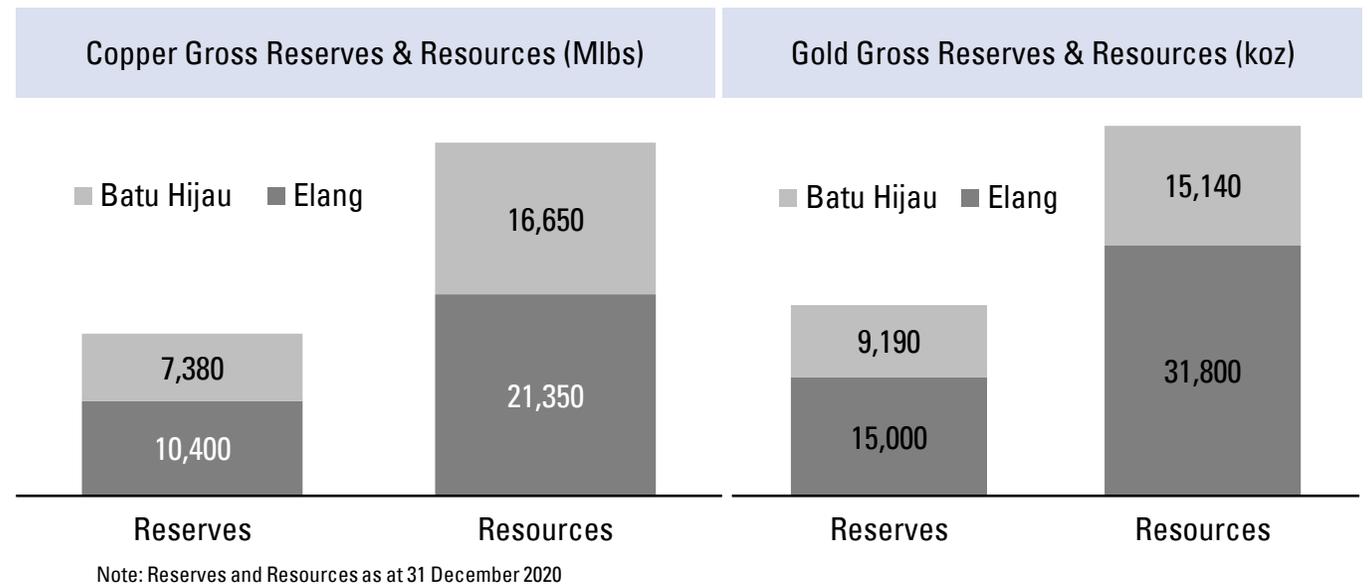


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Metrics	2019	2020	YoY Δ%
<b>Production</b>			
Copper, MIbs	130.3	293.9	125.5
Gold, koz	55.5	132.1	138.0
<b>Sales</b>			
Copper, MIbs	125.9	271.2	115.4
Gold, koz	53.8	117.7	118.9
<b>Average Realized Price</b>			
Copper, USD/lbs	2.50	2.87	14.8
Gold, USD/oz	1,342	1,832	36.5

- Phase 7 producing pit ore, development will continue through 2021
- Phase 8 development waste removal in progress
- Export permit renewed for 579,444 Wet Metric Ton (WMT)
- Smelter EPC on track for award in Q4-2021





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# FINANCIAL STATISTICS (2019 vs 2020)

Average Realized Price			Revenue			Gross Profit			EBITDA		
Oil Price	US\$40.3 /bbl	36%	Incl. MPI	US\$1,093 million	21%	Incl. MPI	US\$322 million	41%	Incl. MPI	US\$502 million	20%
Gas Price	US\$5.2 /MMBTU	23%	Excl. MPI	US\$957 million	18%	Excl. MPI	US\$265 million	46%	Excl. MPI	US\$463 million	22%

Cash & Cash Equivalent <sup>1</sup>			Total Debt			Net Debt to EBITDA			Debt to Equity		
Incl. MPI	US\$446 million	25%	Incl. MPI	US\$2,728 million	15%	Incl. MPI	4.5 times	10%	Incl. MPI	2.5 times	6%
Excl. MPI	US\$357 million	17%	Excl. MPI	US\$2,320 million	6%	Excl. MPI	4.2 times	24%	Excl. MPI	2.4 times	6%

1) Cash & Cash Equivalent includes restricted cash in banks



# 2020 FINANCIAL SUMMARY

- Full year EBITDA US\$502mn, down 20% Y-o-Y, due to liquids price and reduced gas demand caused by the pandemic
- Net Income loss US\$189mn, one-time impairments and write downs US\$93mn
- AMNT Phase-7 production benefited from higher copper and gold prices, Net Income US\$25mn AMI now owns 100% of AMNT. Medco AMI ownership diluted to 23.1%
- Oil & Gas Capex US\$144mn for completion of Meliwis in East Java, exploration drilling in Natuna, Power Capex US\$63mn for the Riau IPP and Ijen Geothermal exploration drilling
- Debt US\$2.7bn, down 15%, Sarulla offset by Riau IPP drawdown. Restricted Group Debt<sup>2</sup> US\$2.3bn and Net Debt<sup>2</sup> US\$2.0bn, down 6% and 4% Y-o-Y respectively
- Net Debt to EBITDA<sup>2</sup> 4.2x, maintain 3.0x leverage target and continue to reduce debt Q-o-Q upon commodity prices recovery
- Strong liquidity, cash & cash equivalents US\$446mn. 2021 IDR Bonds maturities secured in escrow
- Continued progress on ESG and Energy Transition targets

1) Prices for Oil FY20 US\$40.3/bbl, FY19 US\$62.5/bbl) and Gas FY20 US\$5.2/MMBTU, FY19 US\$6.7/MMBTU

2) Restricted Group: excluding Medco Power



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# MULTI YEAR PROGRAM FOR CARBON OFFSET

## Biodiversity programs

Rimau, South Sumatra	Bukit Jambul, Lematang, South Sumatra	Tarakan, North Kalimantan	Matak, Riau Islands	Sumbawa, West Nusa Tenggara	Batam, Riau
Preservation of targeted 33 native species plants covering 73 ha.	Planted 32,167 hardwood trees in Lematang to maintain biodiversity and watersheds.	Preservation of the Bornean ironwood tree, rare and native to Southeast Asia, by nurturing 69 ironwood trees and 56 Gaharu trees.	Conducted environmental awareness program to support our local community in conserving local biodiversity.	Planted of a million trees including 42 endemic species to conserve Sumbawa's biodiversity.	Tree plantation program since 2019 in collaboration with Bakau Merah NGO in Tanjung Piayu, Batam. Total number of mangrove seedlings planted was ± 17,000 trees.
Protection of 7 ha of tropical forest and 27 types of native plant species.	<b>Muara Enim, South Sumatra</b>	In partnership with the city government and local community, developing revegetation programs to conserve Tarakan's local habitat.	<b>Senoro, Central Sulawesi</b>	Installed artificial reef balls near natural coral reefs on the Monyet Beach in the area of Benete Bay, with 94 reef balls placed in sandy locations that have no coral reefs. A total of 1,959 reef balls deployed in this area.	<b>Jambi, South Sumatera</b>
Planted bamboo trees at the Rimau PSC to improve watershed quality.	Rehabilitated 124 hectares of land in the Sungai Bukit Jambul watershed area and engaged local government, academics and local communities in the preservation activities.	Revitalized mangrove forests by planting 4,100 mangrove seedlings to help the conservation of the long-nosed monkeys.	Supported conservation of the endangered Maleo, a bird species endemic to Sulawesi, including establishment of an ex-situ conservation area and breeding program.		Donated US\$99,450 in each year 2020-2025 through the Community-led Conservation in Rio Kemunyang Village Forest, Jambi. Monies are used for vegetation and community climate change projects
Replanted Shorea trees across 670 ha to help conserve the Padamaran River watershed.					

# BEST IN CLASS CORPORATE GOVERNANCE

## Certification and Business Ethics Compliance

- ISO37001:2016 ABMS Certification

### PHASE 5

Medco Bualuang



### PHASE 3

Medco Power Indonesia  
23 Jul 20

MPI is the 1<sup>st</sup> Power Company awarded ISO37001:2016 ABMS in Indonesia

### PHASE 4

JOB Tomori

### PHASE 2

E&P Procure-to-pay (P2P) Process  
20 Apr 20

MedcoEnergi obtain ISO37001:2016 ABMS Certification for 6 (six) PSC's: Malaka, Rimau, Lematang, South Sumatra, Tarakan and South Natuna

### PHASE 1

MEPN  
18 Jun 19

MEPN is the 1<sup>st</sup> PSC awarded ISO37001:2016 ABMS in Indonesia

- Anti-Corruption & Business Ethics Compliance Program

- Statement of Adherence
- Conflict of Interest Declaration
- Ethics Liaison Officer Program
- Fraud Risk Assessments
- Communication & education for internal and external employees
- Adopting international standard on Anti-Corruption program



ISO37001:2016 Anti-Bribery Management System (ABMS) certification for Medco E&P Natuna Ltd. was the first awarded to a Production Sharing Contract (PSC) Contractor in the Upstream Oil and Gas sector in Indonesia.



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