



MEDCOENERGI

Press Release PT Medco Energi Internasional Tbk	• President Director	:	Hilmi Panigoro
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	• Director & CFO	:	Anthony R. Mathias
	• Director & COO	:	Ronald Gunawan
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MedcoEnergi Announces its 9M16 Financial Results

SUMMARY OF 9M16 PERFORMANCE

Operational

- Average production of 63.9 MBOEPD
 - Oil Production – 29.8 MBOPD
 - Gas Production – 199.2 MMSCFD
- Increased production volume by 21.1% above 9M15
- Obtained shareholders' approval for the acquisition of 50% shares in PT Amman Mineral Investama, which will indirectly control 82.2% interest in PT Newmont Nusa Tenggara
- Signed a Share Sale and Purchase Agreement to acquire a 40% Operating interest in the South Natuna Sea Block B PSC

Financial

- Revenue US\$416.9 million, Gross Profit US\$159.5 million and Operating profit US\$86.5 million
- EBITDA US\$181.5 million, EBITDA margin increased to 43.5% from 39.5% in 9M15
- Oil and Gas operating cash costs reduced by 28% compared to 9M15
- Net profit of US\$22.3 million

Jakarta, 24 October 2016 – Today, PT Medco Energi Internasional Tbk announced its un-audited consolidated financial statements for the period ending 30 September 2016 ("9M16").

Roberto Lorato, the CEO of MedcoEnergi stated that "Our production continues to be strong and we are on track to meet our increased targets for the year. We have focused upon our cost efficiency efforts and will continue to do so. The Company's acquisitions are also on schedule and our target remains to complete both before the end of the year."

9M16 Operational Key Points

- Production volume was 21.1% higher than in 9M15 at 63.9 mboepd. The increase in production volume was mainly attributed to the additional contribution of Senoro-Toili Gas field.
- MedcoEnergi's average realized oil price for the period was US\$ 39.5/bbl or 26.1% lower compared to 9M15, whilst average realized gas price was US\$ 4.2/mmbtu or 23.4% lower from 9M15.
- The Company lowered unit production cash costs by 28% to US\$ 7.9/boe, well within the Company's 2016 full year target of below US\$ 10/boe.
- Awarded Block A Aceh EPC contract to JEC to construct the gas plant facilities. Construction is on track and under budget with first gas still expected in Q1 2018.

9M16 Financial Key Points

- Total revenue was booked at US\$ 416.9 million, gross profit recorded at US\$ 159.5 million and operating income increased 6.4% to US\$ 86.5 million.
- MedcoEnergi's EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) increased by 10% to US\$ 181.5 million, with an improved EBITDA margin up from 39.5% to 43.5% year on year.



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- MedcoEnergi's profit attributable to owners of the parent company increased significantly from net loss of US\$ 51.1 million in 9M15 to net profit of US\$ 22.3 million in 9M16.
- Obtained shareholder approval for the acquisition of a 50% stake in PT Amman Mineral Investama which will indirectly control 82.2% interest in PT Newmont Nusa Tenggara. Closing is expected in October 2016.
- Signed a Sale and Purchase Agreement to acquire Japex's 16.67% interest in the Block A Aceh PSC. Closing is expected in October 2016.
- Signed a Share Sale and Purchase Agreement with ConocoPhillips to acquire a 40% participating interest (and Operatorship) in the South Natuna Sea Block B PSC, along with West Natuna Transportation System gas transportation system. Closing is expected in November 2016.
- Signed a Share Sale and Purchase Agreement to divest a 100% participating interest in Bawean PSC. Closing is expected in Q4 2016.
- Obtained shareholder approval for a rights issue with a target to raise an initial US\$150 million.
- Raised a total of IDR 2.5 trillion through its Shelf Registered IDR bond program. The recent issuance was heavily oversubscribed and the Company will issue another phase of this program in November 2016.

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.

This document may contain projections, plans, strategies, policies and objectives of PT Medco Energi Internasional Tbk. ("the Company"), which should be treated as forward looking statements within the meaning of applicable law. Forward looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these statements. The Company does not guarantee that any action taken in reliance on this document will bring specific results.

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