



MEDCOENERGI

MedcoEnergi Announces First Half 2019 Results

Summary Results

Financial

- Consolidated Gross Profit US\$347 million, pro forma Ophir US\$400 million.
- Consolidated EBITDA US\$343 million, pro forma Ophir US\$450 million.
- Annualized Net Debt to EBITDA¹ 3.6x, pro forma Ophir 2.7x.
- Strong liquidity with cash and cash equivalents above US\$800 million.

Operational

- Oil and gas production 96 mboepd, pro forma Ophir 120 mboepd.
- Medco Power Indonesia generated power sales of 1,253 GWh.
- Oil and gas cash production cost US\$9.0 per boe.

Jakarta, 02 August 2019, PT Medco Energi Internasional Tbk² announces its financial results for the six months ending 30 June 2019.

Roberto Lorato, CEO said "I am pleased to report our six month results with higher production and strong EBITDA. These results include the first month of Ophir operations under MedcoEnergi control. Work to integrate the Ophir assets and organization is well advanced and we are making good progress continuing to upgrade the combined Medco and Ophir portfolio."

Financial Highlights

- Completed the purchase and delisting of Ophir Energy plc. Ophir results are consolidated from 1 June 2019. Pro forma results assume combined results from 1 January 2019.
- Ophir integration is on track with the focus now on system, organization and process alignment in order to realize the expected synergies.
- Gross Profit US\$347 million. EBITDA US\$343 million with a 55% margin. Pro forma Ophir EBITDA US\$450 million up 50% year-on year.
- Oil, Gas and Power segments generated Net Income of US\$136 million with Consolidated Net Income US\$28 million, pro forma Ophir US\$41 million.
- Liquidity remains strong with cash and cash equivalents of US\$838 million. Cash from Operations was US\$265 million and capital expenditures were US\$63 million. Pro forma Ophir Cash from Operations and capital expenditures were US\$308 million and US\$101 million respectively.
- Received a rating upgrade from B (Positive) to B+ from Fitch, a B (Positive) from Standard & Poor and Moodys affirmed a B2 (Positive outlook) rating.
- Ophir debt of US\$355 million was repaid in June and a further US\$105 million debt repaid in July. End June Net debt to EBITDA 3.9x (3.6x excl. Medco Power), pro forma net debt to EBITDA 3.0x (2.7x excl. Medco Power). All 2019 and 2020 bullet maturities are secured by funds in escrow.
- Significant progress made to upgrade the portfolio this year with several strategic asset sales and purchases. Cash funded purchase of a further 11.4% interest in Medco Power to achieve 100% control, a further 7% in Oman KSF and expanded East Natuna acreage by purchasing 100% North Sokang PSC.
- Disposed of 51% Api Metra Graha, diluted AMNT position, farmed down 49% of Ijen geothermal, sold 35% Rimau and 35% South Sumatra, 100% of Equatorial Guinea block 24, 100% Aru and West Papua IV and withdrew from Ophir's deep-water Bangladesh block SS-11 and Vietnam blocks 123 and 124.
- Offers from new potential strategic partners for Medco Power are being assessed and the sales of Block 5, Mexico and Tunisia are progressing.

¹ Excluding PT Medco Power Indonesia ("MPI" or "Medco Power").

² PT Medco Energi Internasional Tbk ("MedcoEnergi" or "Company")



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Operational Highlights

- Oil and gas production 96 mboepd, 120 mboepd pro forma Ophir with unit cash costs of US\$9.0 per boe.
- Block A, Aceh production and nominations on this recent gas development are stable at 52 – 53 BBtud.
- On Bualuang, the Thailand oil development work is progressing with topside installation complete and drilling on track for first oil Q4 2019. For Meliwis, the East Java gas development, progress has reached 38% with first gas on track for Q2 2020.
- Medco Power generated power sales of 1,253 GWh and raised IDR850 billion sharia bonds for refinance and growth.
- Riau power plant construction progress has reached 34%, with an expected in-service date of Q4 2021.
- AMNT production from stockpile was 63.4 Mlbs of copper and 28.4 Koz of gold and continues to progress the Phase 7 development and Smelter FEED.

2019 Full Year Guidance

The company's operational guidance for 2019 is as follows:

- Production 100 mboepd, Ophir pro forma 110 mboepd
- Oil and gas unit cash costs will be maintained below US\$10 per boe.
- MPI will generate power sales of 2,710 GWh.
- Capex US\$350 million, Ophir pro forma US\$400 million.
- Net Debt to EBITDA target of 3.0x or below.

Hilmi Panigoro, President Director, said "I am pleased to see strong operational and financial results. The integration of Ophir operations will continue and secure our position as a leading Southeast Asia energy and natural resources company."

PT Medco Energi Internasional Tbk. ("MedcoEnergi") is a leading Southeast Asian integrated energy and natural resources company listed on the Indonesia Stock Exchange (MEDC-IDX). MedcoEnergi has three key business segments, Oil & Gas, Power and Mining. MedcoEnergi explores for and produces oil and gas primarily in Indonesia and is expanding its presence in the Southeast Asia. The Group operates gas, geothermal and hydro power plants in Indonesia through Medco Power Indonesia and a non-consolidated interest in Amman Mineral Nusa Tenggara which operates a large Indonesian copper and gold mine.

This document may contain projections, plans, strategies, policies and objectives of MedcoEnergi 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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