



# COMPANY INTRODUCTION

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

July 2020

# Medco at a Glance



1 Leading Southeast Asian natural resources company with a large reserve base and production

2 Diversified portfolio of oil & gas, power and mining businesses

3 Well placed to benefit from Southeast Asia rapid economic growth and energy demand

4 Cost leader and experienced Operator with strong ESG focus

5 Long term TOP protected gas off-take contracts with blue chip customers

6 Track record of executing complex projects and monetizing resource base

7 Active portfolio management

8 Experienced Board and management team

# Business Strategy

## Building a Leading Southeast Asian Energy and Natural Resources Company

- Focus on Governance & Sustainability
- Extracting Synergies across the group
- Active Portfolio Management
- Financial Discipline



### Oil & Gas

- Production guidance temporarily reduced to 100-105 mboepd (approximately 60% gas) due to Covid-19 driven low energy demand
- Cost Efficient Operator, cash cost US\$10/boe, Oil & Gas contributes ~90% of Medco EBITDA
- Certified 2P reserves 299 mmboe and 2C resources 938 mmboe
- Project Management skills to execute complex projects to monetize our resources
- Low risk exploration in producing licenses



### Clean Power

- 638MW medium sized joint venture gas, geothermal, PV and hydro power generation
- Kansai Electric Alliance will unlock Gas to Power growth potential
- Power generation and LNG capabilities to monetize stranded gas
- Indonesia has vast renewables potential that supports MPI green agenda
- Cost Efficient Operator at ~IDR147/kwh, Power contributes ~10% of Medco EBITDA
- Complementary operation, maintenance, project management and subsurface capabilities
- Expanding third party O&M services



### Copper Mining

- Independently financed, world class integrated copper producer
- Phase 7 development fully funded with production ramping up starting April 2020
- Multiple resources and prospects, including the Elang porphyry copper and gold deposit
- Long term demand for copper driven by energy transition and electrification

Positioned to capitalize on Southeast Asian rapid economic growth and demand for energy

Data as of 31 Mar 2020

# COVID 19 - MedcoEnergi Response

## Prioritizing Health and Safety of Workforce and Communities

### WORK FORCE SAFETY

- No direct impact from Covid 19 and US\$8 mn spending to maintain business continuity
- Pre site access quarantine and screening, reduced occupancy, revised medivac protocol, extended remote site rotation and work from home support
- Educational campaigns focusing on personal hygiene, use of face masks and social distancing
- Telephone line for employees and families with Company doctor follow up monitoring and support
- Phased return to work with enhanced cleaning, enforced social distancing, reduced elevator occupancy and office refits



### COMMUNITY SUPPORT

- Donations to hospitals, community health centers and health clinics of medical & testing equipment and personal PP&E
- Donations to communities of sterilization & sanitation equipment, vitamins & supplements and food staples
- Educational campaigns focusing 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

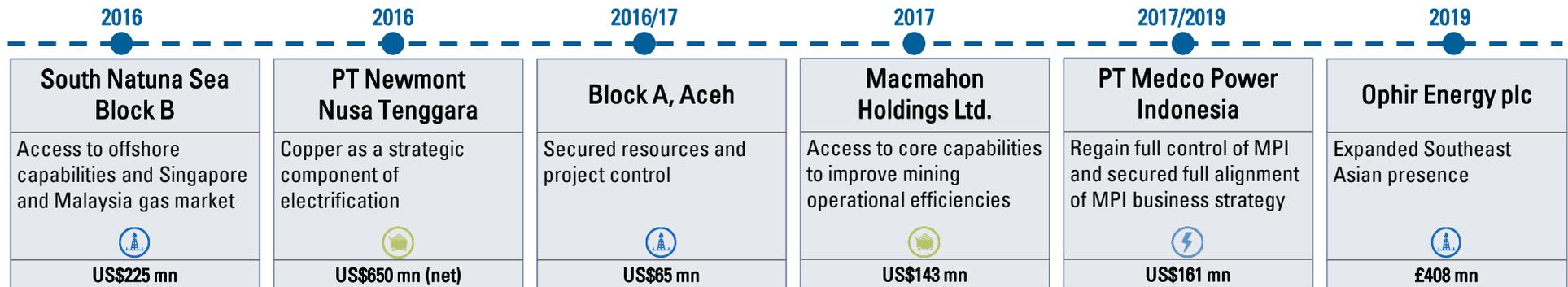


# Active Portfolio Management

## Closed and Integrated Value Adding Acquisitions

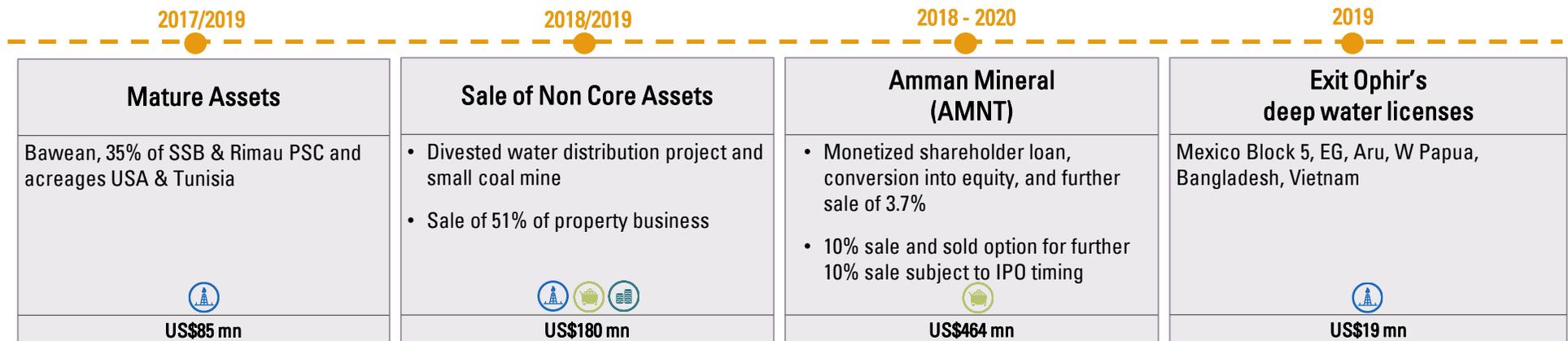
Acquisitions have added value through enhanced scale, control and organizational competence. Acquisition targets are screened to ensure:

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



## Portfolio Rationalization

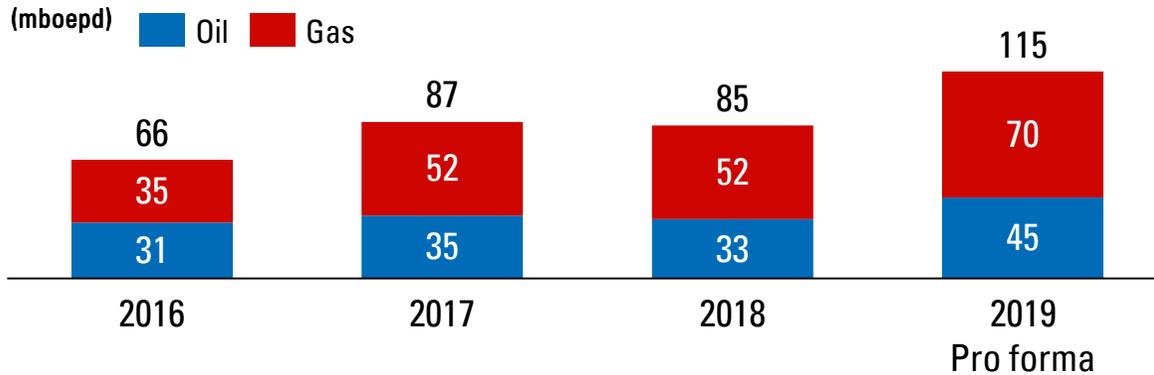
- Non-core assets sales to focus business on oil & gas, power, and copper mining
- Further portfolio upgrading through selective asset divestments



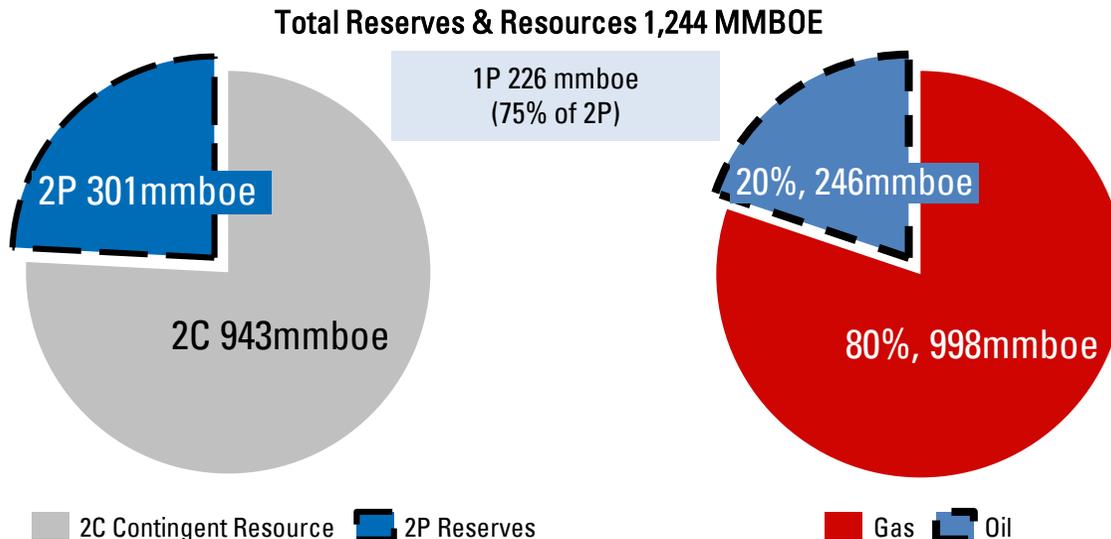
# Production and Reserves Growth

## Cost Effective Reserves Replacement

### Production



### 2019 Reserves & Resources



- Maintaining a stable reserves base
  - 108.6% of 2P Reserves replaced over 5 years
  - 5-year avg. 2P F&D cost US\$12.5/boe
  - 2P Reserves life of 8 years (1P Reserves life of 6 years)
- Focused on:
  - Monetizing discovered resources
  - Extending reserves life through selective low risk exploration and development
  - Economically advantageous PSC extensions

# Track Record of Executing Complex Projects

Project skills to monetize our resource base

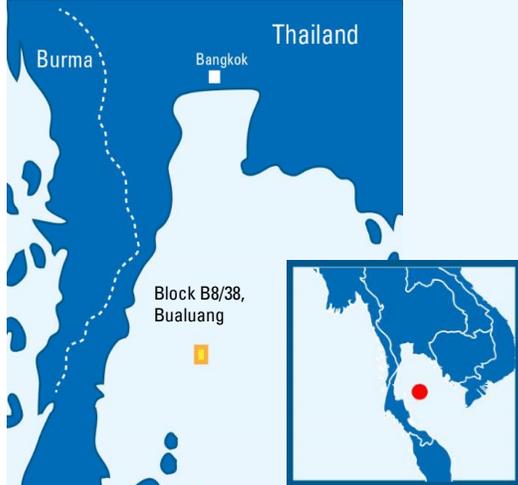
## Block B8/38, Bualuang, Thailand



**Phase 4B First Oil**  
December 2019

**Location:** Gulf of Thailand  
**Concession Expiry:** 2025  
**Working Interest (WI):**  
100% MedcoEnergi

**Oil Sales:**  
COSPA with Glencore



- First oil in 2008, Phase 4 development began mid 2018
- Phase 4 successfully completed three new wells and four workovers and installed Charlie platform with 12 new well
- Phase 4 oil production began in December 2019, increasing total asset production from 8,100 bopd to 10,500 bopd

## Meliwis, East Java, Indonesia



**Phase 1 First Gas**  
July 2020

**Location:** East Java Basin, Madura Strait  
**PSC Contract Expiry:** 2027  
**Working Interest (WI):**  
77.5% MedcoEnergi  
22.5% Petronas

**Gas Sales:**  
GSA with PGN for 20.3 BBTUPD



- Discovered in 2016, first gas in July 2020.
- The Meliwis development will extend the economic field life of the Maleo and Peluang fields
- Total investment of US\$80 mn to develop 25BCF reserves

# Track Record of Executing Complex Projects

Project skills to monetize our resource base

## Block A Aceh, Indonesia



*Phase 1 First Gas*

August 2018

**Location:** Aceh Province

**PSC Contract Expiry:** 2031

**Working Interest (WI):**

85% Medco E&P Malaka

15% Medco Daya Energi Nusantara

**Gas Sales:**

GSA with Pertamina for 198 TBTU



- Complex gas development in a remote location, High Pressure High Temperature drilling and Central Processing Plant ("CPP") with CO<sub>2</sub> and H<sub>2</sub>S removal
- Project Financed by 15 International banks
- Phase 2 and 3 expected to access > 5 TCF Resources for power generation and local industrial use

## Senoro-Toili Block, Indonesia



*Phase 1 First Gas*

June 2015

**Location:** Central Sulawesi Province

**JOB PSC Contract Expiry:** 2027

**Working Interest (WI):**

50% Pertamina

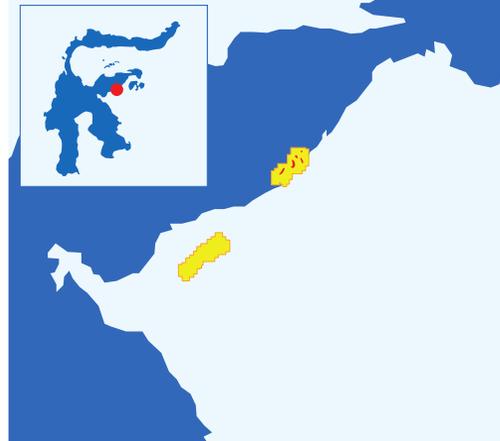
30% MedcoEnergi

20% Mitsubishi & Kogas

**Gas Sales:**

GSA with DSLNG to for 250 MMSCFD

GSA with PT Panca Amara Utama for 55 MMSCFD



- Integrated upstream and LNG development together with Japanese and Korean partners
- Project Financed by 15 International banks
- Developed Phase 1 of 1.5 TCF, additional 2.7 TCF Resources certified
- Phase 2 development for power generation and petrochemicals

# Strong Liquidity with access to Multiple Sources of Funding

## Disciplined Financial Approach

### OPERATING CASH FLOW

- Gas and power sales under long term contracts with TOP support and high quality customers.
- Fixed price gas and power sales provide cash flow certainty
- Indexed gas contracts and oil sales provide access to upside
- Rolling hedges for up to 15% of production



### BANK FINANCING

- Significant undrawn banking facilities
- Long standing relationships with multiple international and national banks.
- Last banking syndication was 1.6x oversubscribed
- Additional liquidity via prepayment optionality and committed bank lines

### CAPITAL MARKETS

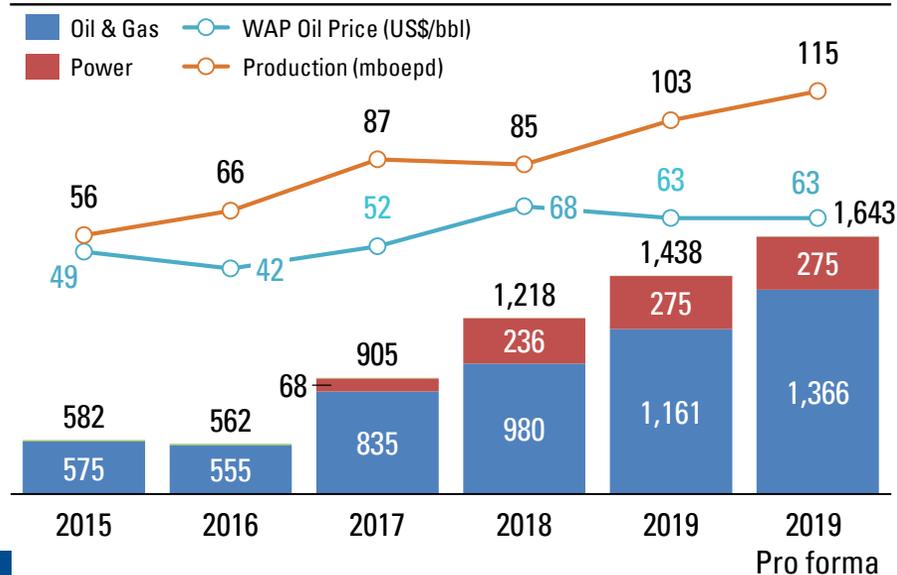
- Listed entity with ~US\$600mn market capitalization
- Rights Issue and Warrants potential to raise >US\$300mn up to end 2020
- Established bond issuer with access to USD and IDR bond markets. Indonesia largest private issuer
- Credit rating reaffirmed mid 2020 B+ Fitch, B+ S&P and B1 from Moody's and A+ from Pefindo

# Financial Performance

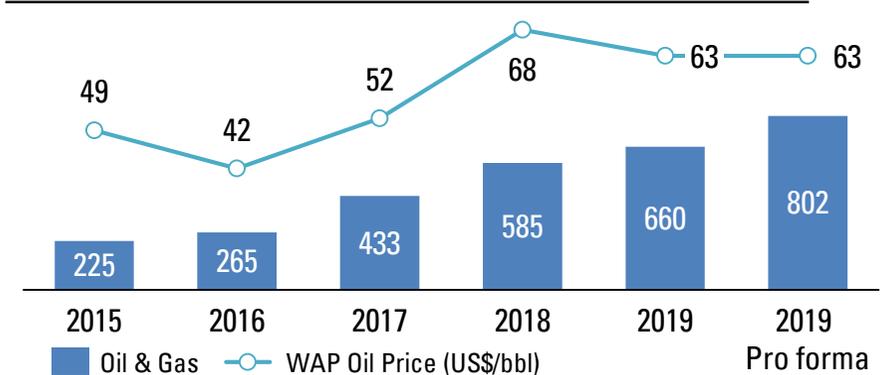
## Financial Discipline

- Consistent revenue, margin and EBITDA growth throughout the commodity price cycle
- Over 5 years:
  - Reduced cash cost from US\$15/boe to below US\$10/boe
  - Deleveraged Net Debt to EBITDA from 6.8x to 2.8x
- Accretive 2019 Ophir acquisition with recurring annual synergies of +US\$50 mn

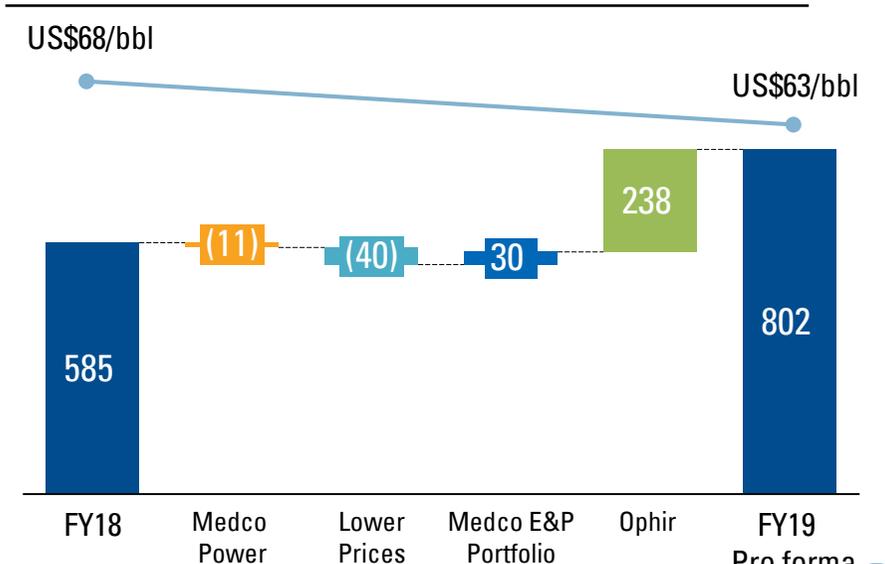
## Revenue Growth (US\$ million)



## Consolidated EBITDA Growth (US\$ million)



## Ophir Acquisition (US\$ million)



# What To Expect 2020-2021

Covid-19 Focus: Prioritizing Health & Safety and minimize business disruption

- ✓ Prudent liquidity management and forward planning
- ✓ Disciplined capital investment
- ✓ Operating & procurement synergies, cash costs < US\$10/boe
- ✓ Complete Meliwis, Riau IPP, Bali & Sumbawa PV and Phase 7 developments
- ✓ Appraise Bronang-2, Kaci-2, Ijen geothermal discoveries
- ✓ Maintain EBITDA ~US\$250 mn from fixed price TOP gas contracts
- ✓ Progress Medco Power strategic alliance and AMNT IPO
- ✓ Execute Rights Issue by Q3 2020

# Our Commitment to Sustainability

## Three ESG Pillars underpin our Sustainability focus



### Leadership of and by Our Employees

- Invested US\$3.5 million in training & education leadership development
- 31% Governance roles held by women
- Commitment to Anti Corruption with various initiatives including ISO 37001 Certification Anti Bribery Management System



### Environment and Social Development

- Year on year 8% reduction in energy consumption, 19% reduction in emission intensity
- Investing in multiple biodiversity programs
- Since 2012 planted over 1 million trees surrounding our operation areas



### Local Community Empowerment

- Invested US\$ 3.9mn in Community Empowerment programs
- Provided access to sanitation & clean water and electricity to communities surrounding our operations in remote areas



# Asset Portfolio



# Experienced Board and Management Team



**Hilmi Panigoro**  
President Director



**Roberto Lorato**  
Director & Chief  
Executive Officer



**Ronald Gunawan**  
Director / Chief  
Operating Officer



**Anthony R. Mathias**  
Director & Chief  
Financial Officer



**Amri Siahaan**  
Director / Chief  
Human Capital &  
Business Support  
Officer



**Craig D. Stewart**  
Senior Vice President  
International E&P



**Eka Satria**  
President Director  
PT Medco Power  
Indonesia



**Rachmat Makkasau**  
President Director  
PT Amman Mineral  
Nusa Tenggara

A team with strong operational, technical, and commercial experience and capabilities

Extensive international experience in managing energy assets and moving discovered resources to production

Strong track record of raising capital and closing large and complex transactions, integrating acquired assets and ultimately creating value for all stakeholders

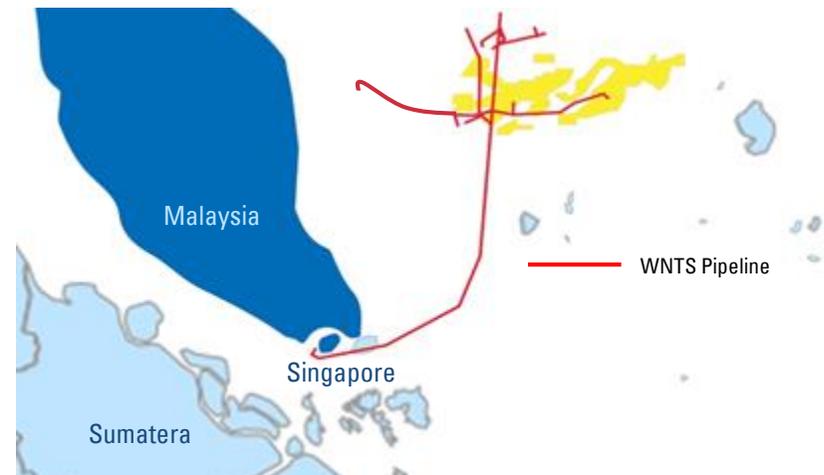
# *Key Assets*

# South Natuna Sea Block B, Indonesia

World-class offshore operational capabilities



- MedcoEnergi operated offshore PSC in the South Natuna Sea, world class facilities, large hydrocarbon base, license expires October 2028
- MedcoEnergi also operates the West Natuna Transportation System (WNTS), a 500 km 28" gas trunk line with access to Singapore and Malaysia
- Commodity linked and fixed escalated priced gas sales into Singapore and Malaysia
- Near field exploration, subsea & platform development, and production optimization will extend field life and decline rate
- Successful exploration drilling on Bronang-2 and Kaci-2



# Bualuang Field, B8/38 Concession, Thailand

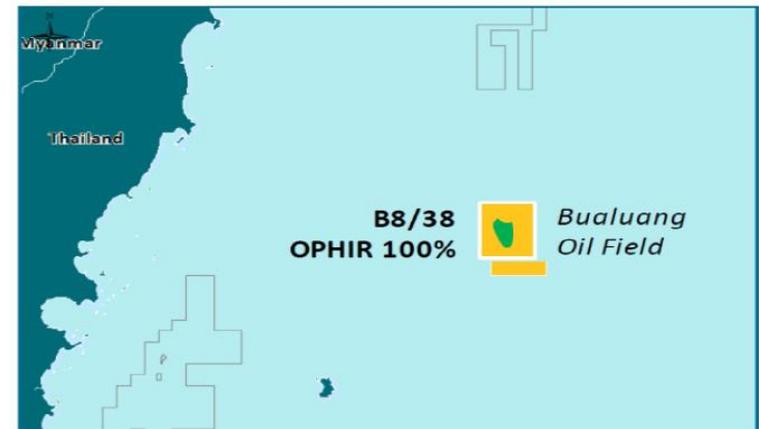
Phase 4B development completed April 2020



- Facilities: 3 bridge-linked wellhead platforms with water processing connected via export pipeline to FSO.
- Current development wells: 38 oil producers and 5 water disposal wells. All production wells with ESPs.
- Phase 4B project completed May 2020 consisting of 3rd wellhead platform, 12 addition wells and increased processing capacity
- Current oil production 10,500 bopd

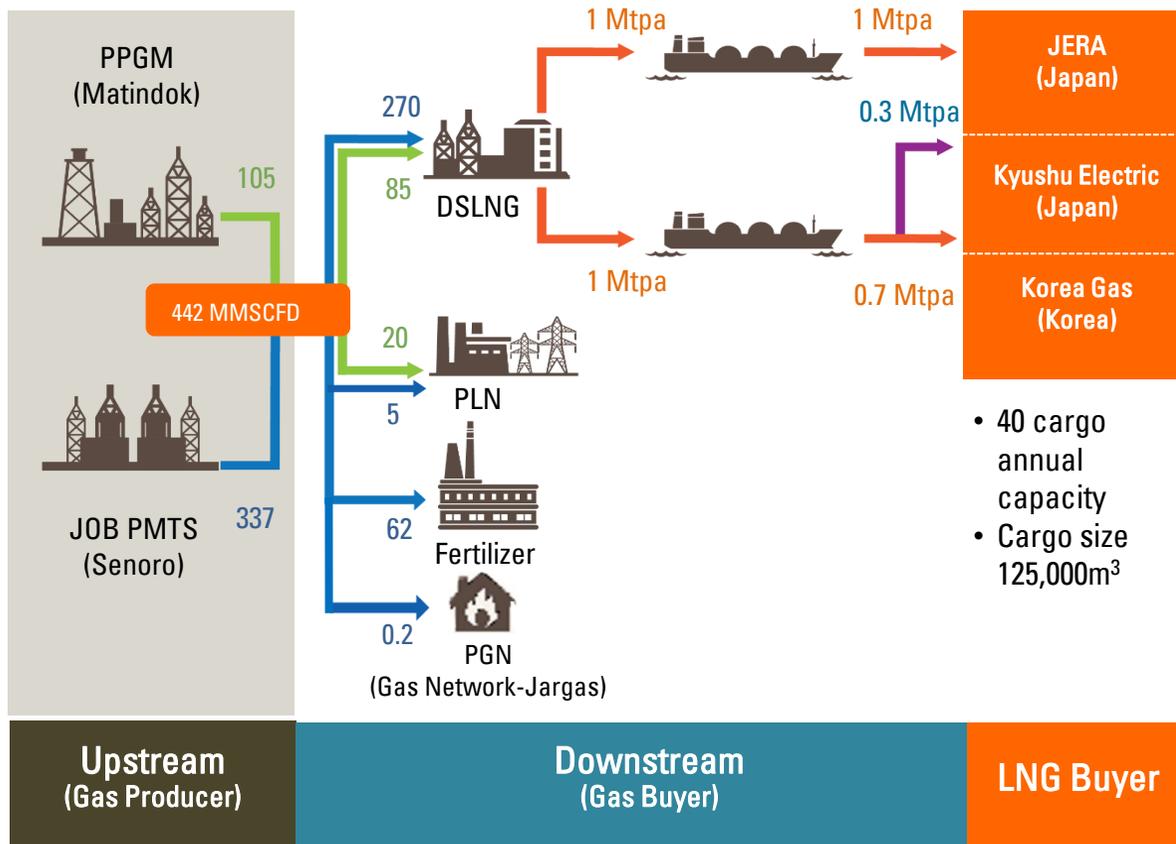


FSO Suksan Salamander



# Senoro-Toili, Indonesia

## Integrated – Midstream phased gas development



- Joint Operated onshore license, first production Q3 2015. Contract expires in 2027
  - Daily maximum production 310 MMSCFD
  - In 2020 additional volume in DSLNG increased to 270 MMSCFD
  - Gross proved reserves of 0.97 TCF with additional 2.7 TCF Gross Contingent Resources
  - Progressing Senoro Phase 2
- 40 cargo annual capacity
  - Cargo size 125,000m<sup>3</sup>



**30**  
Years  
1997 - 2027

**1.9** TRILLION  
CUBIC FEET

**12**  
Wells

Structure	Upstream WI	Downstream
MedcoEnergi	30%	11.1%
Pertamina	50%	29.0%
Mitsubishi & Kogas	20%	59.9%

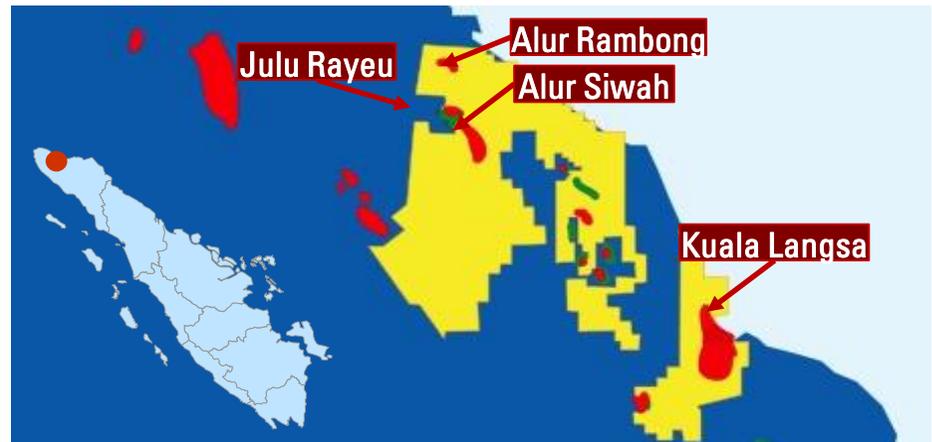
# Block A Aceh, Indonesia

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



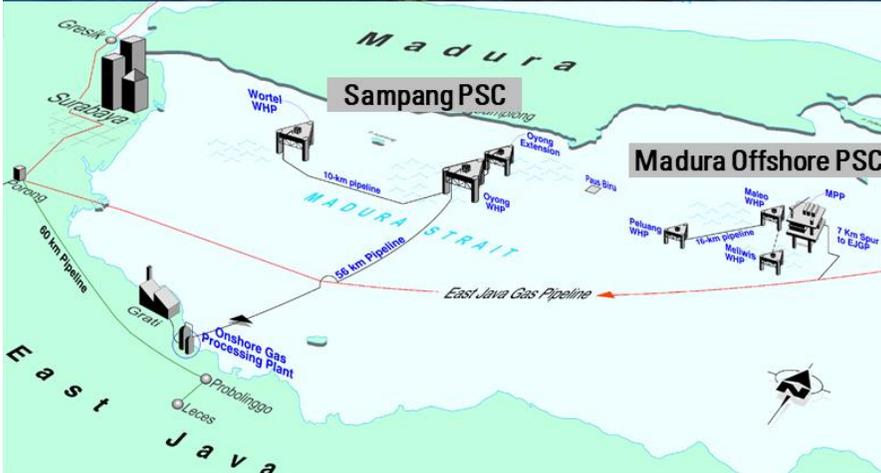
Central Processing Gas Facility, Block A, Aceh

- Operated onshore license, complex HPHT drilling and development
- Over US\$600mn Development, Project Financed by 15 International banks
- First gas August 1, 2018. PSC expires in 2031. GSA with Pertamina, total volume of 198 TBTU over 13 years
- Remote location. Successful CSR engagement with local community and awards from the regional Government of Aceh
- Phase 2 and 3 development of gas discoveries with gross Contingent Resources of > 5 TCF, to generate up to 1 GW to support Sumatra electricity demand growth



# Madura Offshore and Sampang, Indonesia

Stable production with upside in Meliwis and Sampang development



## Madura Offshore

- Gas from Maleo & Peluang fields and Meliwis are processed on Maleo Production Platform (MPP) and sold to PGN and PLN via East Java Gas Pipeline (EJGP)

## Sampang

- Following a successful gas exploration well at Paus Biru-1 (27 km East of Oyong), working towards with reserves certification, POD, GSA and FID
- Gas from Oyong and Wortel fields are delivered via upstream pipeline to Grati Onshore Processing Facility and sold to PT Indonesia Power

## Meliwis

- Gas from Meliwis field is delivered and sold to PGN
- Meliwis wellhead platform and subsea pipeline installation are completed and Meliwis-2ST well was completed and deliver 1<sup>st</sup> gas on 13 July 2020. Target production of ~20 MMSCFD.

# Chim Sao/Dua Fields, 12W PSC, Vietnam

Managing natural decline through well interventions and infill drilling



- Current production oil – 17,000 boepd
- Production through Lewek EMAS FPSO
- Chim Sao wells are tied back from a 20-slot Well Head Platform
- 3 Dua wells are subsea completions with subsea tie-back to the FPSO



# South Sumatra Region Assets, Indonesia

Extensive experience in managing decline and controlling costs on maturing assets

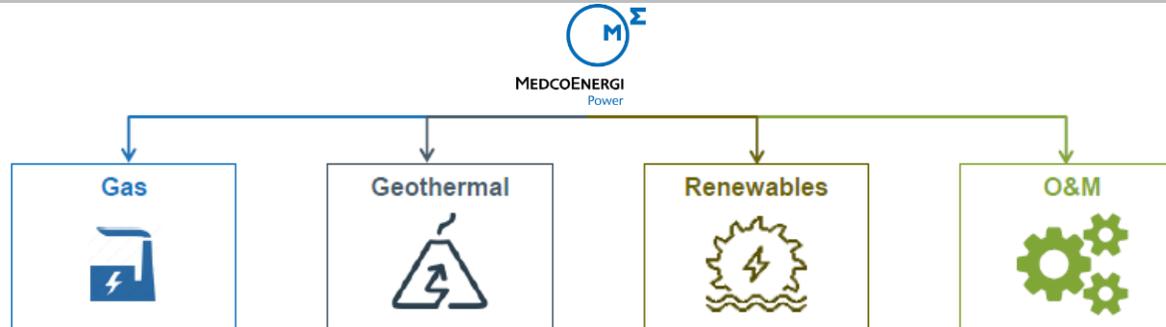


- Rimau produces oil and sold to dedicated pipeline to Pertamina Plaju refinery. The block obtained 20 years extension in PSC Gross Split terms starting 2023.
- South Sumatra is gas producing asset with 11 Gas contracts. Gas is sold under fixed-price TOP GSAs to PGN, PLN and industries within the area.
- Lematang produces High Pressure High Temperature gas from two active gas wells. Gas is sold under fixed-price TOP GSAs to PGN & PLN.



# Medco Power Indonesia: Business Overview

Focusing on clean and renewable power business



**638 MW Gross Operating Asset**  
**2,150 MW Gross O&M business**

## BUSINESS STRATEGY

- Clean energy, primarily gas and geothermal assets
- Focus on Western Indonesia (access to gas and geothermal resource), also selectively looking for opportunities in Central and Eastern Indonesia
- Focus on medium sized power plants (100 - 500MW capacity) and selectively larger power plants
- Expand the O&M services business
- Extract greater synergies within MEI Group

## BUSINESS ENVIRONMENT

- Contracts are Long Term (20-30 years), Take-or-Pay sales to PLN. PLN is the single buyer of electricity from various IPPs. PLN also develops and operates its own power plants
- Indonesia commitments to International targets to grow clean energy electricity capacity
- Capitalize on regulations to encourage turn-key power generation from gas producers
- Regional costs of generation as a benchmark for renewable energy prices

# Sarulla: Geothermal Power Operation

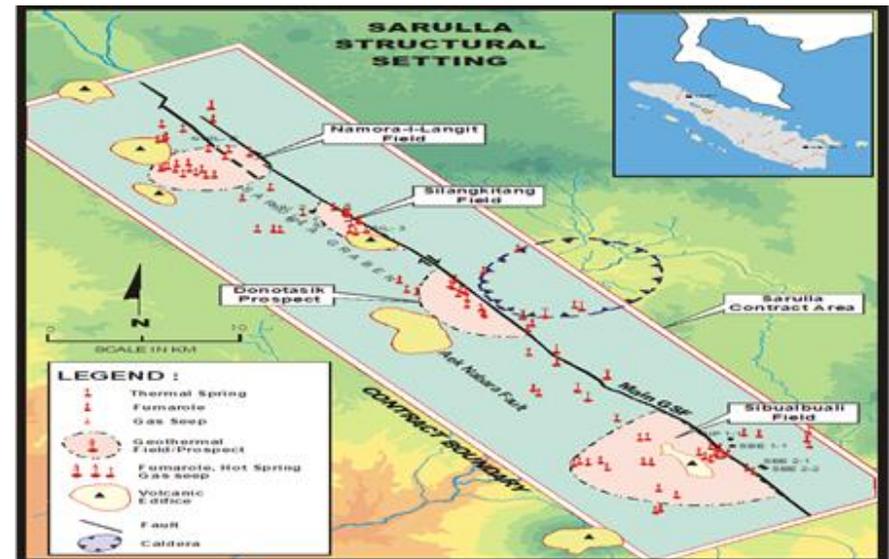
The largest single-contract geothermal power operation in the world



Sponsors	
PT Medco Power Indonesia	19.00%
INPEX	18.25%
Itochu	25.00%
Kyushu Electric Power Co	25.00%
Ormat	12.75%



- Phase 1: 110MW, COD in March 2017, Phase 2 and 3 in October 2017 and May 2018. Total contracted capacity of 330MW
- 30 years Energy Sales Contract with PLN with Take or Pay 90% capacity factor. MPI provides plant O&M
- Investment cost of US\$1.7 billion, project financing with JBIC, ADB, and 6 commercial banks



# Riau IPP Project

Construction started in November 2018, COD expected by 2021



- Located in Pekanbaru, Riau, Central Sumatera
- Combined Cycle Gas Power Plant with a total capacity of 275MW (COD in 2021)
- Project Finance by a consortium of international banks and achieved Financial Close in November 2019
- 20 year PPA with PLN
- Investment cost ~US\$290 million

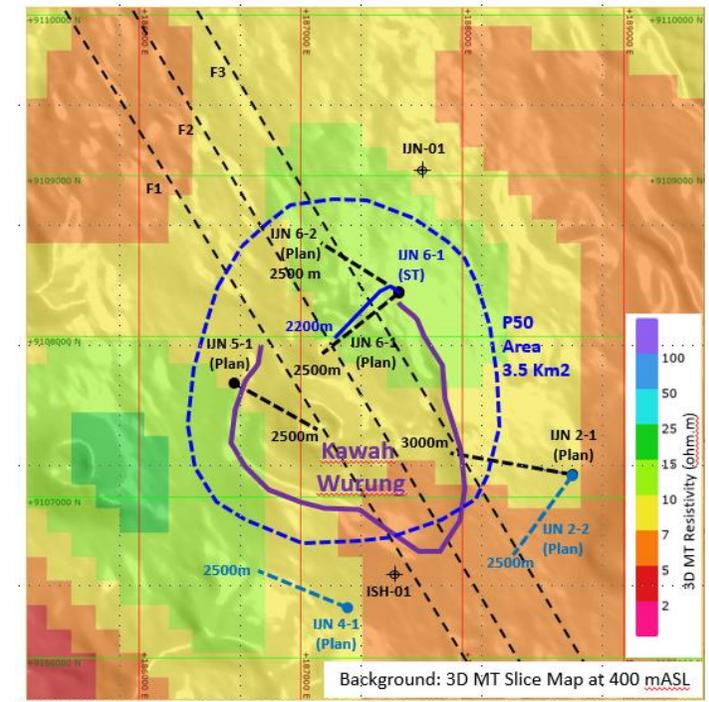


# Ijen: Geothermal Power Project

First drilling in progress, COD expected by 2021



- Located in Ijen, Blawan, East Java
- Geothermal Power Plan with a capacity of 110MW, target COD by 2022
- Electricity Sales and Purchase Agreement (PJBTL) with PT PLN (Persero) for a period of 30 years.
- Progressing with first drilling of total four wells program

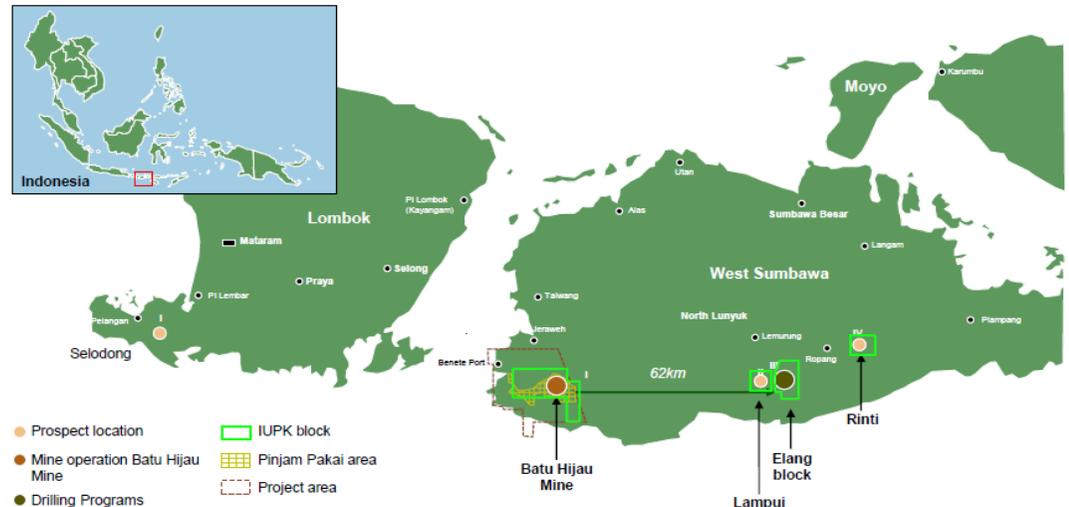


# Amman Mineral Nusa Tenggara: Phased Mining Developments

World-class Copper and Gold Mining operations with long-term upside



- Indonesia's second largest copper concentrate producer with over 20 years of successful mining operation
- Batu Hijau copper and gold mine is located on the island of Sumbawa, West Nusa Tenggara
- Full development of Phase 7 began in 2018
- Developing on-site copper smelter
- Long established relationship with blue chip customers including PT Smelting (Indonesia), LS-Nikko (South Korea), Mitsubishi Materials (Japan), PASAR (Philippines) and Trafigura Beheer (the Netherlands)
- Elang block is located 62km east of Batu Hijau





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