



MEDCOENERGI

Press Release PT Medco Energi Internasional Tbk	<ul style="list-style-type: none">• President Director : Hilmi Panigoro• Director & CEO : Roberto Lorato• Director & CFO : Anthony R. Mathias• Director & COO : Ronald Gunawan• Director & CHCO : Amri Siahaan
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MedcoEnergi 2016 Annual Results

April 3rd, 2017

Jakarta – MedcoEnergi Internasional Tbk., (“MedcoEnergi” or the “Company”) today reported full year net profit of USD 185 Million compared with a 2015¹ net loss of USD 188 Million. 2016 oil and gas production was 66 MBOEPD (2015 56 MBOEPD) and unit costs \$8.8/BOE (2015 \$12.3/BOE), full year EBITDA was USD 274 Million (2015¹ USD 220 Million) with Amman Mineral Nusa Tenggara (AMNT) results equity consolidated.

Hilmi Panigoro, President Director said that “2016 was a transformational year for the Company. Despite continued business uncertainty we pursued a clear strategy to acquire quality producing assets at advantaged prices. I am confident that our improved operating margins will continue to deliver value and returns to our investors, lenders and other stakeholders. We are proud to be a competitive, financially robust national champion.”

Roberto Lorato, CEO said “In 2016 we exceeded our guidance in all areas. We acquired two large strategic producing assets, pushed forward with execution of the Aceh gas development, achieved a year end production run rate of over 80 MBOEPD, all while adjusting our organization and cost structure and delivering excellent HSE performance. In 2017 we will build upon this and remain disciplined in pursuing our operational and financial goals”.

Operational highlights

2016 operational results are summarized below:

- Oil and gas production of 66 MBOEPD compared to 56 MBOEPD in 2015.
- Aceh gas development on budget and on track with work now over 35% complete.
- Replaced 232% of hydrocarbon production, technically certified a further 880 BCF (gross) of gas on Senoro and awarded a 10 year extension for the Lematang PSC.
- AMNT full year production was 477 million lbs of copper and 798 thousand oz gold.
- Medco Power produced 1.7GW compared to 1.3GW in 2015 and won the tender to construct a 275MW IPP in Riau.
- Awarded a Gold PROPER Environmental Award for Rimau PSC.

Financial Highlights

2016 financial results are summarized below:

- Completed the acquisition of a 41.1% indirect interest in AMNT.
- Completed the acquisition of a 40% Operating interest in the South Natuna Sea Block B.

¹ 2015 as restated



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- Consolidated our Block A Aceh interest to 85% by acquiring 16.67% from Japex and 26.67% from KrisEnergy².
- Completed the acquisition of Lundin's 25.8% interest in Lematang.

Other financial results are summarized below:

- Bargain purchase gains of USD 551 million, partially offset by impairments of USD 311 million mainly due to deferral of developments in geopolitically challenged North Africa.
- Reduced hydrocarbon cash costs to USD 8.8/BOE compared to USD 12.3/BOE in 2015.
- Raised IDR 2.8 Trillion through an IDR bond program and USD 55 million through Medium Term Notes.

2017 Guidance

- Oil and gas production in the range of 75 – 80 MBOED.
- Unit cash costs will remain below \$10/BOE in 2018, and through 2020
- Drilling on the South Natuna Sea Block to access untapped hydrocarbon reserves
- The Aceh gas development will continue with drilling in the second quarter.
- Power generation will be in the range of 2.1 – 2.2GWh.
- AMNT production will be 300-310 million lbs copper, 400-420 thousand oz gold,
- AMNT will complete its smelter feasibility study and sanction a new mine plan.

MedcoEnergi is a publicly listed, integrated energy and natural resources company with significant interests in Mining, Power Generation alongside its core Oil & Gas Exploration & Production activities in Indonesia, the Middle East, North Africa and the US.

This document has been prepared by MedcoEnergi and contains certain projections, plans, business strategies, policies of the Company and data of the industries or markets in which the Company operates or participates in, which could be treated as forward-looking statements within the meaning of applicable law. Such forward-looking statements, by their nature, involve certain risks and uncertainties that could prove to be incorrect and cause actual results to differ materially from those expressed or implied in these statements as a result of various factors and assumptions. The Company does not guarantee that any action, which may have been taken in reliance on this document will bring specific results as expected. The Company disclaims any obligation to revise forward-looking statements to reflect future events or circumstances.

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² Subject to government approval