



## MEDCOENERGI

<b>Press Release</b> <b>PT Medco Energi Internasional Tbk</b>	<ul style="list-style-type: none"><li>• <b>President Director</b> : <b>Hilmi Panigoro</b></li><li>• <b>Director &amp; CEO</b> : <b>Roberto Lorato</b></li><li>• <b>Director &amp; CFO</b> : <b>Anthony R. Mathias</b></li><li>• <b>Director &amp; COO</b> : <b>Ronald Gunawan</b></li><li>• <b>Director &amp; CHCO</b> : <b>Amri Siahaan</b></li></ul>
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### MedcoEnergi Announces its Audited 1Q 2017 Results

#### SUMMARY OF 1Q 2017 KEY PERFORMANCE

##### Operational

- Production volume increased by 41.7%
- Average production 91.4 MBOEPD (compared to 64.5 MBOEPD in 1Q 2016)
  - Oil Production – 36.7 MBOPD (30.7 MBOPD in 1Q 2016)
  - Gas Production – 292.0 MMSCFD (197.6 MMSCFD in 1Q 2016)
  - Unit costs of \$8.07/boe well below the long term commitment to remain under \$10/boe

##### Financial

- EBITDA of US\$108.2 million (Q1 2016 US\$66.2 million)
- Net profit of US\$43.1 million (Q1 2016 US\$10.2 million)
- Debt reduced by 6% from year end 2016
- Solid liquidity with cash, investments and cash equivalents of over US\$ 180 million and \$190 million of trade receivables.

Jakarta, 14<sup>th</sup> July 2017 – PT Medco Energi Internasional Tbk (“MedcoEnergi” or “Company”) announced its audited consolidated financial statements for the period ending 31 March 2017 (“1Q 2017”).

#### Operational Highlights in 1Q 2017

- Production volume of 91.4 MBOEPD 41.7% higher compared to 1Q 2016. The increased production volume was due to continued high gas sales on the Senoro field and a full quarter contribution from the 40% Operatorship in the South Natuna Sea Block B Field which was acquired in Q4 2016.
- The Company is also pleased to announce the signing of a project finance facility agreement with three international banks to secure full funding for the Block A Aceh development. The project is on track and on budget, and now 48.9% complete with first gas on schedule for Q1 2018.
- On PT. Amman Mineral Nusa Tenggara (“AMNT”), the Company is pleased to report that the shareholders of MacMahon Holdings Limited (“MAH”), based in Australia and listed on the Australian Stock Exchange, voted to approve the proposed 44.3% acquisition of MAH by AMNT, by far the single largest stake in MAH. In return, MAH will acquire the mobile equipment of AMNT and provide contract mining services for AMNT’s Batu Hijau mine. MAH is a leading provider of diverse and comprehensive package of mining services to blue chip clients in Australia, Indonesia and other parts of the world. It has extensive experience in both surface and underground mining.

#### Financial Highlights in 1Q 2017

- 1Q 2017 revenue was US\$210.3 million, 60.7% higher compared to 1Q 2016 with average realized prices of US\$51.6/bbls (+68.6%) for oil and US\$5.5/MMBTU (+33.3%) for gas.
- The Company recorded a 1Q 2017 gross profit of US\$105.1 million with an improved gross margin of 50.0%.
- The Company’s EBITDA (Earnings before Income, Taxes, Depreciation and Amortization) increased by 63.4% to US\$108.2 million year on year, with an improved EBITDA margin of 51.5%.



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- In 1Q 2017 the Company booked net profit from operations of US\$43.1 million, compared to US\$10.2 million in 1Q 2016 with net income margin of 20.5% up from 7.8% in 1Q 2016.
- Cash costs continue to be a focus area with 1Q 2017 unit cash costs of US\$8.07/BOE compared to US\$8.8/BOE during 2016 and below the Company's commitment to remain below US\$10/BOE until 2020.

Roberto Lorato, CEO of Medco Energi, said that “we are now seeing the full impact of last year acquisitions and of our management efforts to boost production whilst containing the operating costs. Our focus remains to continuously optimize our operations and to deliver the complex Block A Aceh gas development on schedule and within budget.

Hilmi Panigoro, President Director MedcoEnergi, said “I am pleased with this strong start of 2017 performance with production, profits and operating margins well above last year. It is also good to see progress on our major projects with the financing for Block A now closed and MacMahon shareholders approval of AMNT proposal. MacMahon specific expertise in mining planning, design and technology will support AMNT's strategy to improve cost competitiveness of its field investments and operations”.

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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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