



## 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>
--	--

### MedcoEnergi Announces its Audited 9M 2017 Results

#### SUMMARY OF 9M 2017 KEY PERFORMANCE

##### Operational

- Oil and gas production volumes increased 38.3% year-on-year
- Average production was 88.3 MBOEPD (63.9 MBOEPD in 9M 2016)
  - Oil Production – 35.5 MBOPD
  - Gas Production – 283.6 MMSCFD
  - Unit costs of \$8.1/BOE below the commitment to sustain cash costs sub \$10/BOE

##### Financial

- EBITDA of US\$310.9 million (US\$180.1<sup>1</sup> million for 9M 2016)
- Net profit of US\$164.3 million (US\$149.6<sup>1</sup> million loss for 9M 2016)
- Net debt reduced 5% from year end 2016
- Strong liquidity with cash, cash equivalents and restricted cash of US\$450 million with a further US\$180 million of trade receivables.

Jakarta, 5 January 2018 – PT Medco Energi Internasional Tbk (“MedcoEnergi” or the “Company”) announces net profit of US\$164.3 million and a 38.3% increase oil and gas production volumes for the period ending 30 September 2017 (“9M 2017”).

Roberto Lorato, CEO, said “We continue to show strong operating results which, together with our successful cost efficiency efforts, are now allowing us to see the full benefit of the recently improved commodity prices.”

#### Operational Highlights in 2017

- Oil and Gas production was 88.3 MBOEPD or 38.3% higher year-on-year driven by strong performance from the South Natuna Sea Block B after its acquisition in Q4 2016 and continued high gas sales from Senoro.
- The Development in Block A, Aceh is progressing well with overall construction 66.7% complete as of November 2017 with the Central Processing Plant now almost 90% complete.
- The Company recently expanded its effective ownership in its power affiliate Medco Power Indonesia (“MPI”), from 49.0% to 88.6%. MPI is a mid-sized Independent Power Producer (IPP) which currently operates over 526MW of gross installed capacity following the commercial operation of the Sarulla geothermal plant Unit 1 in March 2017 and Unit 2 in October 2017. MPI results will be consolidated from Q4 2017 onwards.
- PT Amman Mineral Nusa Tenggara (“AMNT”), the Company’s mining affiliate, continues to make good progress on the smelter by completing the feasibility studies and is rapidly closing on the completion of its re-financing plans.

<sup>1</sup> Restated figures from unaudited 9M 2016 financial result



**MEDCOENERGI**

### Financial Highlights in 9M 2017

- Total revenue was US\$597.5 million, an increase of 52.6% year-on-year due to both higher production and higher commodity prices. Average realized prices were US\$49.5/BBLs (+25.2% year on year) for oil and US\$5.5/MMBTU (+31.9% year on year) for gas.
- The Company recorded a gross profit of US\$300.2 million with a 50.2% gross margin. The Company continues to focus on cash costs, with 9M 2017 unit cash costs recorded at US\$8.1/BOE, well below the Company's commitment to remain below US\$10/BOE until 2020.
- EBITDA increased by 72.6% year on year to US\$310.9 million, with an improved EBITDA margin of 52.0% compared to 46.0% in 9M 2016.
- The Company booked a net profit of US\$164.3 million, compared to last year's net loss of US\$149.6 million.
- Annualized net debt to EBITDA was 4.1x (not including restricted cash of US\$85mio), well below the 6.3x in 2016 and the lowest level since 2014.

Hilmi Panigoro, President Director, said "I am pleased with our nine-month results as we continue to deliver what we promised to our investors. With the recent successful completion of the rights issue, we have been able to strengthen our capital structure going forward and provide additional value to shareholders."

---

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.

---

*For further information please call:*  
Corporate Secretary | Investor Relations  
Tel: (62-21) 2995 3000, Fax: (62-21) 2995 3001  
Email: [corporate.secretary@medcoenergi.com](mailto:corporate.secretary@medcoenergi.com)  
[investor.relations@medcoenergi.com](mailto:investor.relations@medcoenergi.com)  
Website: [www.medcoenergi.com](http://www.medcoenergi.com)