



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 Announces 2018 First Half Results

2018 FIRST HALF RESULTS SUMMARY

Financial

- EBITDA above US\$300 million, up more than 50% year-on-year.
- Gross profit US\$320 million, up more than 60% year-on-year.
- Annualized net debt to EBITDA maintained at 3.5x
- Strong liquidity with cash and cash equivalents above US\$500 million.

Operational

- Oil and gas production 82.4 mboepd; down year-on-year due to phasing of gas customer demand. 2018 production guidance maintained >85 mboepd.
- Aceh gas sales ramp up beginning early August, increasing Medco daily production capacity to 100 mboepd.
- Oil and gas unit cash costs US\$8.5 per boe
- Generated power sales 1.3G Wh, up 28% year-on-year.
- Sarulla phase one, third 110 MW unit placed into service.

Jakarta, August 2nd 2018 – PT Medco Energi Internasional Tbk (“MedcoEnergi” or the “Company”) announces its results for the half year ending 30 June 2018 (“1H 2018”).

Roberto Lorato, CEO of MedcoEnergi, said “Our strong operational performance and cost focus is allowing us to capitalize on the current favorable commodity prices. With Sarulla phase 1 completed and in commercial operation and Aceh in commissioning, we must ensure both projects maintain smooth operations to continue to deliver improved results.”

Financial Highlights

- First half 2018 EBITDA was US\$ 301.3 million, 50.4% higher than the first half of 2017 driven by improved commodity prices and stable volumes, together with the consolidation of Medco Power. Oil and gas prices increased 35% and 9% to US\$66.8/bbl and US\$6.0/mmbtu respectively and average power prices rose by 56% to 4.19¢/kwh, excluding fuel.
- Gross profit was US\$319.8 million, 61.5% higher than the first half of 2017, with a 55% gross margin up from 49% in first half of 2017. Over 95% of the Company’s first half revenue was received in US dollars, and approximately 60% of expenditures were paid in Indonesian rupiah.
- Net income was US\$41.4 million, 35% lower than the first half 2017 with improved oil and gas performance offset by losses in the Company’s mining affiliate PT Amman Mineral Nusa Tenggara (AMNT) as it accelerates the development of phase 7 of the Batu Hijau mine.
- Drilling and project efficiencies and deferrals together with favorable exchange rates have allowed the Company to cut its 2018 capital spending guidance by ~15%.
- Medco Power Indonesia raised IDR1.2 trillion in a standard and a shariah compliant bond in its debut capital market transaction.
- Annualized net debt to EBITDA was 3.5x, or 3.2x excluding Medco Power.



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Operational Highlights

- First half 2018 average oil and gas production was 82.4 mboepd, lower than the first half 2017 due to the phasing of gas market demand. The Company maintains its 2018 full year guidance of 85 mboepd and has the capacity to delivery up to 100 mboepd, subject to gas customer demand.
- Oil and gas unit cash costs were US\$8.5 per boe, in line with Company's target to maintain unit cash costs below US\$10 per boe
- Aceh gas sales ramp up beginning early August, with the project delivered under budget.
- Medco Power Indonesia's gross installed capacity rose 20% year-on-year to 2,795 MW following commercial operation in May of the third and final unit of phase one of the Sarulla Geothermal facility.
- In the first half of 2018 AMNT has ramped up phase 7 development to full capacity and secured its first facility from an international bank. Amman is in the process of appointing the smelter Front End Engineering and Design contractor.

Hilmi Panigoro, President Director of MedcoEnergi, said "Through the first half of 2018 MedcoEnergi was able to strengthen our fundamentals and contribute significantly to the country's economy by providing competitive and affordable energy as well as expanding our capacity and tax contributions. We will continue our plans to deliver value for our stakeholders as well as invest in the future."

MedcoEnergi is a publicly listed, integrated energy and natural resources company with significant interests in Mining and Power Generation 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
investor.relations@medcoenergi.com
Website: www.medcoenergi.com