



MEDCOENERGI

MedcoEnergi Announces Audited Nine Month 2019 Results

Summary Results

Financial

- Consolidated Gross Profit US\$440 million, pro forma Ophir US\$472 million.
- Consolidated EBITDA US\$477 million, pro forma Ophir US\$605 million.
- Annualized Net Debt to EBITDA¹ 3.9x, pro forma¹ Ophir 3.0x.
- Strong liquidity with cash and cash equivalents of US\$575 million.

Operational

- Oil and gas production 102 mboepd, pro forma Ophir 117 mboepd.
- Medco Power generated sales of 1,870 GWh.
- Oil and gas cash production cost US\$9.5 per boe

Jakarta, 6 January 2020, PT Medco Energi Internasional Tbk² announces its Audited results for the nine months ending 30 September 2019.

Roberto Lorato, CEO said, “We continue to deliver strong operational performance whilst upgrading our portfolio through selective acquisitions and divestments. The integration of Ophir operations has gone well. The US\$50 million synergies we have identified, together with the seamless development of Bualuang, Thailand puts us in a great place for 2020.”

Financial Highlights

- Completed the purchase and delisting of Ophir Energy plc. Ophir results consolidated (for the four months) from 1 June 2019. Pro forma numbers assume combined performance from 1 January 2019.
- The Ophir acquisition has been immediately accretive with four months US\$65 million EBITDA since 1 June, and one-time acquisition costs of US\$35 million and we will realize recurring synergies of over US\$50 million per annum from 2020 onwards.
- Gross Profit US\$440 million, EBITDA US\$477 million with a 47% margin after the transaction costs. Pro forma Ophir EBITDA was US\$605 million.
- Completed the sale of oil and gas assets in the USA, Tunisia and Block 5 in Mexico, sold 35% of our interest in the Rimau and South Sumatra Indonesian PSCs and exited deep-water exploration assets in Bangladesh, Vietnam, Equatorial Guinea, Aru and West Papua. In addition sold a 51% interest in AMG (The Energy building) and diluted our interest in Amman Mineral Nusa Tenggara (AMNT) and Ijen geothermal, East Java.
- We also acquired 100% of North Sokang PSC in East Natuna where we will drill in 2020, a further 7% in Oman KSF and 11.4% of Medco Power to gain full control.
- Liquidity remains strong with cash and equivalents US\$575 million and pro forma capex of US\$204 million.
- Net debt to EBITDA¹ 3.9x, pro forma¹ 3.0x after debt repayment¹ of US\$409 million and on track to achieve the target of Net Debt to EBITDA¹ of 3.0x and gross debt¹ below US\$2.6 billion.

Operational Highlights

- Oil and gas production 102 mboepd, 117 mboepd pro forma Ophir with unit cash costs of US\$9.5 per boe.
- Bualuang, Thailand, Phase 4B development produced first oil with initial production rates above expectation, at 12,900 bopd. Upon the completion of the drilling program in mid-2020 production is expected to reach over 14,000 bopd.
- Progress on Meliwis, the East Java gas development has reached 57% per plan, with off-shore installation completed and first gas on track for mid 2020.

¹ Excluding PT Medco Power Indonesia (“MPI” or “Medco Power”).

² PT Medco Energi Internasional Tbk (“MedcoEnergi” or “Company”)



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- Medco Power generated sales of 1,870 GWh, with progress on the Riau Combined Cycle Gas Power Plant at 46%, and on track for an in-service date in Q4 2021.
- AMNT production from stockpile was 96 Mlbs of copper and 42 Koz of gold. Progress on the fully funded Phase 7 development continues with first production expected mid 2020.

2019 Full Year Guidance

The company's operational guidance for 2019 is as follows:

- Production 100 mboepd, Ophir pro forma 110 mboepd.
- Oil and gas unit cash costs will be maintained below US\$10 per boe.
- Capex Ophir pro forma below US\$350 million.
- Net Debt to EBITDA¹ target of 3.0x or below.

Hilmi Panigoro, President Director, said, "I am pleased to see continued strong operational and financial results. The acquisition of Ophir assets has secured our position as a leading Southeast Asia energy and natural resources company, at a time when the commodities price environment looks to be turning in our favor".

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PT Medco Energi Internasional Tbk. ("MedcoEnergi") is a leading Southeast Asian integrated energy and natural resources company listed on the Indonesia Stock Exchange (MEDC-IDX). MedcoEnergi has three key business segments, Oil & Gas, Power and Mining. MedcoEnergi explores for and produces oil and gas primarily in Indonesia and is expanding its presence in the Southeast Asia. The Group operates gas, geothermal and hydro power plants in Indonesia through Medco Power Indonesia and a non-consolidated interest in Amman Mineral Nusa Tenggara which operates a large Indonesian copper and gold mine.

This document may contain projections, plans, strategies, policies and objectives of MedcoEnergi 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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