



Code of Conduct

1. Protection of Employee's Interest
2. Safety, Health and Environment
3. Protection of Financial Integrity and Company Assets
4. Respect for Business Partners
5. Protection of Community and Government Interests



1 Protection of Employee's Interest

1

Human Resources

Basic Concept

The policy of Human Resources (HR) must allow the entire aptitude potential of all members of MedcoEnergi to achieve their best performance. The policy must demonstrate a commitment to provide the same and equal opportunities to personal and career development based on a clear accountability and responsibility within the Company environment and in accordance with the prevailing laws and regulations.

Human Resources at MedcoEnergi refers to all employees and contractors, both direct and indirect, who work for MedcoEnergi. This individual worker is a valuable asset in the quest to achieve MedcoEnergi's vision and mission.

Every employee, director, or commissioner shall mean an individual worker who possesses the capability of providing activity services in accordance with his/her expertise, in the form of thinking, contribution of idea, report, discussion, planning, coordination, business networking, working team, or any other benefit to the Company in accordance with the Corporate Values. Each worker shall receive compensation based on his/her work and contribution.

The Recipient of the work or service shall mean the supervising officer, employee or other individual, either within MedcoEnergi, or outside MedcoEnergi, such as consumers, suppliers, partners, government or public. The recipient of service shall evaluate the work of the individual employee. The Recipient of service within the Company (supervising officer or other employee) shall be the most appropriate party to provide formal evaluation on the quality of service or work of the employee, while an external recipient of service may give positive or negative feedback on the work/service of the employee, which in turn will affect the overall image of MedcoEnergi.

Equal Opportunities for All Employees

MedcoEnergi provides the same and equal work opportunity to all employees based on their employment status, without discrimination as to ethnicity, race, skin color, religion, gender, age, marital status, or nationality. The Company uses a recruitment process that takes several factors into consideration, among others professional competence, training, promotion, assignment, dismissal and other terms and conditions pertaining to the work.

General Policy on Recruitment

Employee recruitment shall follow MedcoEnergi policies and procedures concerning Human Resources. Recruitment is undertaken in accordance with the services that are needed to attain MedcoEnergi's business goals and hinges on an integrated and comprehensive resources planning as well as an understanding of the service and capability that the prospective employee can offer.

Career Advancement Opportunities

MedcoEnergi provides a clear career advancement opportunity for the employee, as stated in the Company's HR policy and procedure on talent management, in line with its business goals. Equality and objectivity based on the employee's potential, competence and performance are stated among the basic requirements for career advancement opportunity.

Rights and Responsibilities of Employees

MedcoEnergi shall, at all times, ensure the rights and responsibilities of its employees in accordance with the prevailing laws and regulations on manpower of the Republic of Indonesia or other countries where MedcoEnergi operates, to guarantee a proper work environment. MedcoEnergi shall publish a separate manual, entitled as the Company Rules and the Collective Labor Agreement, which explain the rights and responsibilities of employee in detail.

Employee Benefits

MedcoEnergi provides competitive benefits for its employee in accordance with his/her performance evaluation and level of responsibility. Employees are expected to always strive to improve their performance to maintain a sustainable growth of the Company's business. A number of HR policy and procedure is published and reviewed periodically to ensure the employees' needs are met throughout their terms of service.

Performance Management

MedcoEnergi enforces a Performance Management System consisting of policy and procedure that apply to all employees and evaluates the performance of employees as well as the Company on a periodical basis.

Training and Development

MedcoEnergi supports a learning and development environment with the aim of fostering the employees' capabilities and knowledge for the advancement of the Company. Policy and procedure to facilitate learning and development program have been developed, including training, general knowledge and leadership/management programs.

Discipline and Complaints

MedcoEnergi encourages its employees to demonstrate professionalism and discipline in their day-to-day work at all time, as stipulated in the Company Regulation and the Collective Labor Agreement. In addition, MedcoEnergi applies guidelines and regulations that conform with prevailing laws and regulations, so that the employee can understand matters relating to terms and conditions of the work, employee relations at all levels and various work-related issues.

Safety, Health and Environment

MedcoEnergi is concerned with the safety, health and environment of its employees. A number of safety, health and environment programs and standards have been initiated and developed systematically with the aim of preventing any potential accidents in the workplace, creating a healthy working environment and preserving the environment and community.

2 Code of Ethics

Basic Concept

MedcoEnergi adapts certain rules and regulations to govern the conduct of the Board of Commissioners, Board of Directors and all employees for the good and safety of all parties as well as to achieve an effective and efficient business operation. To that end, MedcoEnergi has drawn up a standard statement of conduct based on its Corporate Values, namely Professional, Ethical, Open and Innovative. This statement of conduct shall serve as a reference for the Board of Commissioners, Board of Directors and all employees to perform their tasks and duties, at all times, in an honest, responsible and accountable manner ("Code of Ethics").

In addition, this Code of Ethics shall also be communicated to all contractors, vendors and guests of the Company. The Code of Conduct specifies ethical conduct of the Board of Commissioners, Board of Directors and all employees to support the best interest of MedcoEnergi. Any conduct that interferes with operational activity, taints the Company's reputation or attacks employees, the Board of Commissioners, the Board of Directors, vendors or other customers, is not justifiable.

Description of Corporate Values

As mentioned above, the conducts set forth in the Code of Conduct are based on the Corporate Values of MedcoEnergi.

Professional Conduct

The Board of Commissioners, Board of Directors and all employees of MedcoEnergi shall conduct themselves in a professional manner, by:

- Performing their functions effectively and efficiently in accordance with the prevailing laws and regulations and with due regard to safety, health and environment.
- Promoting equal opportunity within the Company.
- Creating and maintaining a positive work environment.
- Developing personal capability to perform assigned task more effectively and efficiently with the highest standard of quality.

- Arriving at the work place on time, in line with the scheduled working hours, at the right work location, and ready for work at the designated time.
- Giving advanced notice in case of inability to come to work or to arrive on time.
- Maintaining the confidentiality of MedcoEnergi information to protect the Company's competitive advantage, reputation and operations in relation to third parties.
- Utilizing and maintaining MedcoEnergi assets cautiously to maximize the Company profit and limiting the use of Company assets for personal gain.
- Applying discretion and/or referring to the policy on Disclosure and Confidential Information when expressing opinion to external party, particularly on issues that may harm the image, reputation or operations of MedcoEnergi.
- Avoiding any involvement in the Company transaction that may cause conflict of interest to ensure the ability to perform his/her duty effectively and optimally.
- Exercising rights as a good citizen to participate in political party and to support party or candidate of choice, without any influence whatsoever from MedcoEnergi, on the provision that no company assets and facilities are used and political engagement is conducted outside the office hours.
- Understanding the reporting hierarchy and refraining from bypassing direct supervisors.
- Conducting effective and efficient meetings by undertaking the following preparations:
 1. Prepare a meeting agenda that sets forth the purpose of the meeting and issues to be discussed.
 2. Prepare meeting materials in the form of data, report, analysis, calculation and other support material deemed necessary.
 3. Set the time of the meeting so that participants can allocate their time in accordance to the designate schedule.
 4. Prepare a follow-up minutes of meeting.

Ethical Conduct

The Board of Commissioners, Board of Directors and all employees of MedcoEnergi shall conduct themselves in an ethical manner as follows:

- Treating all members of the Company, consumers, suppliers, partners and customers courteously and respecting their opinions.

- Preserving personal integrity in accordance with personal beliefs and the Corporate Values.
- Avoiding any action or conduct that is aggressive or undesirable or is potentially in conflict with the best interest of the Company.
- Reporting any unethical or illegal action by co-worker, supplier or other customer to the management.
- Refusing to accept personal gift from vendor or other parties who conduct business with the Company, except within the limits outlined in this GCG and CoC manual.
- Keeping the work place clean and tidy.
- Wearing decent clothes that are appropriate for the type of work to be undertaken.
- Complying with the prohibition on owning any business similar to MedcoEnergi and/or acting as a competitor to MedcoEnergi.
- Using and promoting effective methods on the process of natural resources and energy products.
- Acknowledging the work of colleagues, giving proper credit where due and refraining from claiming the achievement of others.
- Avoiding gossiping among colleagues.
- Refraining from harassment in any form.
- Refraining from participating in any activity for personal gain that involves colleagues and utilizes the company facilities.
- Avoiding any misconduct or action that may damage personal integrity and harm the reputation of MedcoEnergi, such as gambling, pornography etc.
- Refraining from any financial commitment with any party that is engaged in business negotiation with MedcoEnergi or among employees, including borrowing or lending money, soliciting for contributions etc., except for the purpose of charity, donations and public activity.

Open (Transparent) Conduct

The Board of Commissioners, Board of Directors and all employees of MedcoEnergi must promote transparency when performing their respective tasks and duties by taking the following steps:

- Encouraging informal communication among employees at all levels.
- Building an environment of trust among employees and the management.

- Keeping an open mind, respectful attitude and proper work ethics.
- Maintaining and promoting unity among colleagues and supporting one another for the benefit of MedcoEnergi as a whole.
- Encouraging employee to develop careers advancement plan.
- Listening to opinion, constructive criticism and recommendation from all employees to achieve further work improvement.

Innovative Conduct

The Board of Commissioners, Board of Directors and all employees must cultivate the spirit of innovation at MedcoEnergi through the following measures:

- Building a culture of trailblazers.
- Constantly searching for innovative solutions to achieve better, safer and faster result in a more effective and efficient manner.
- Possessing a mature intellectual, emotional and spiritual intelligence.
- Continuously enhancing people's capability, improving business process and increasing technological expertise.
- Participating in corporate social responsibility activity and supporting academic knowledge and understanding on global issues, both within and outside MedcoEnergi.
- Engaging in continuous learning to gain knowledge and experience and sharing knowledge with others.
- Participating in lectures, training in radio and television broadcasts; publishing articles in journals, newspapers, magazines, or other print media and/or publishing reports and/or books.

3

Knowledge Sharing

Basic Concept

Knowledge management is a set of proactive activities with the aim of supporting the organization in developing, integrating, disseminating and implementing its knowledge. Knowledge management is a continuous process to understand the organization's need for knowledge, the location of knowledge, as well as the process for improving knowledge.

The goal of knowledge management is to increase the organization's ability to perform its key processes effectively. Knowledge management requires commitment to advance the organization's effectiveness, in addition to improve opportunities for its members.

Participation in Lecturing, Training, Radio and Television Broadcast

MedcoEnergi encourages its employee to give lectures or participate in training or radio and television broadcasts. However, prior to engaging in such activity, employee must obtain the approval of his/her Line Director if he/she use document and information relating to MedcoEnergi. The employee is permitted to receive remuneration from such activity. If an employee acts as a representative of MedcoEnergi, he/she then must report any received remuneration to his/her direct supervisor for further deliberation.

Publishing of Articles or Books

Every employee is permitted to publish articles in journals, daily newspapers, magazines, or other print media and/or publish reports and/or books without affecting the working time. Any profit from and copyright of publications that is not related to MedcoEnergi shall remain the property of the employee. In the case of writing, where the employee uses documents relating to MedcoEnergi, he/she must obtain the approval of his/her Line Director prior to publishing the article and the copyright of the published article or book shall become the property of MedcoEnergi.

4 Harassment

Basic Concept

Every employee is entitled to a work environment that is free of any verbal, physical or other form of harassment. MedcoEnergi requires cooperation from all supervisors and employees to create a harassment-free work environment.

Harassment is defined as any disturbing, annoying or threatening conduct or action towards a person, or any conduct or action that may cause significant emotional distress to a targeted individual in relation to race, gender, religion or protected minority.

Sexual, Ethnic, Religious and Racial Harassment

MedcoEnergi does not permit sexual, ethnic, religious or racial harassment at the workplace as it interferes with work effectiveness. No employee, whether male or female, shall be subject to any unwanted verbal or physical conduct that is unwanted or indicates hostility towards the employee.

MedcoEnergi prohibits any harassment during work, business travel, or out-of-office meeting. This also applies for all employees during after office hours and/or outside the office environment.

Any MedcoEnergi's employee who is convinced that he/she is the subject of harassment in any form should report the incident to his/her supervisor, the Board of Directors, the Human Resources Division, or MedcoEnergi's Whistleblowing System.

5

Abuse of Narcotics, Illegal Drugs and Alcohol

Basic Concept

MedcoEnergi is committed to providing a safe work environment that is free from narcotics, illegal drugs and alcohol. This shall be fully supported by all employees working for MedcoEnergi in their respective capacities.

Statement

MedcoEnergi is aware that the abuse of narcotics, illegal drugs, alcohol and other addictive chemical substances by an employee shall diminish his/her ability to work and cause harmful effects to the safety, efficiency and productivity of the employee. Therefore, the consumption, possession, distribution and sales of narcotics, illegal drugs and alcohol, including other addictive chemical substances, within MedcoEnergi's work environment is strictly prohibited and may be considered as cause for termination of employment.

MedcoEnergi shall be entitled to search the workplace of an employee without prior notification if there is suspicion that the employee is storing or abusing narcotics, illegal drugs, alcohol or other addictive chemical substances. The Company also has the rights to send an employee to take a urine test.

6 Smoking

Basic Concept

MedcoEnergi aspires to establish a healthy and smoke-free work environment. To that end, MedcoEnergi prohibits smoking in its work location and work environment. This non-smoking policy applies to all company guests that smoke or use tobacco products in the Company's work location and environment.

Statement

MedcoEnergi prohibits all employees from smoking in the Company's work location and work environment. The purpose of this measure is to prevent fire hazards as well as to respect the rights of non-smokers and to maintain a healthy environment for all employees.

Smoking is permitted only in a designated area provided by MedcoEnergi or the building management. All smokers must use the appropriate tray when disposing cigarette butts.

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2 Safety, Health and

Environment

2 Safety, Health and Environment

Basic Concept

Safety and health of employees are paramount to MedcoEnergi. The Company has systematically introduced and developed a number of Safety and Health programs and standards to protect the safety and health of its employees and contractors as well as community in area where the Company operates.

In addition, MedcoEnergi is committed to preserving the environmental and socio-economic circumstances of the community in the area where the Company operates and to protecting this community from products and waste/pollutants that are hazardous to people and the environment.

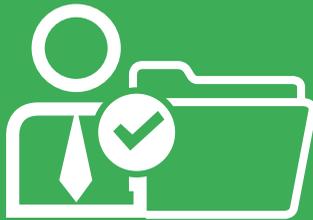
Commitment to Protecting Safety, Health and Environment

MedcoEnergi complies with prevailing regulations, best practices and international standards on safety, health and environment, and integrates a safety, health and environment (SHE) management system into its day-to-day activities. MedcoEnergi provides its employees and contractors with sufficient SHE training to enable them to minimize incidents that may affect the safety and health of employees, contractors and surrounding community.

MedcoEnergi continuously improves its SHE performance by proactively identifying potential work hazards, investigating accidents and incidents, identifying its root cause and implementing alternative solutions.

MedcoEnergi is committed to preventing all work-related illnesses and raising awareness of occupational health issue among its employees. To support its commitment, MedcoEnergi provides the necessary health services for the treatment of ill employee and the quick handling of work accident and emergency. All employees must be in a good mental health and physical condition while working, as not to endanger themselves, MedcoEnergi and others.

In addition, MedcoEnergi always makes sure that waste management and resource utilization follow the ecological standard practice to improve the sustainability of its operation. Therefore MedcoEnergi shall, at all times, abide by the prevailing environmental stipulation in each area of its operation.



3 Protection of Financial
Integrity and Company
Assets

1

Accuracy of Financial and Accounting Report

Basic Concept

To ensure that MedcoEnergi presents accurate, trustworthy and timely accounting and financial report that apply general accounting principle and MedcoEnergi's accounting policies.

Accounting shall mean the measurement, statement or provision of assurance about financial information that is used by the management to make resource allocation decisions at a company. In addition, MedcoEnergi publishes accounting and financial reports to show to its shareholder and creditors all business transactions executed by the management within a certain period.

Accuracy of Transaction Recording

To present a good and trustworthy financial statement, MedcoEnergi shall, at all times, ensure that all business transactions are recorded in an accurate and timely manner. All records of business transactions must be made based on the principle of truthfulness and prudence and uphold the highest integrity. MedcoEnergi prohibits, without exception, the recording of fraudulent or manipulated transaction data. All records of business transaction can be audited without any limitation or exception.

The Board of Commissioners, Board of Directors and all employees of MedcoEnergi must ensure that no fund or asset is left undisclosed or unrecorded. Each transaction record must include all relevant supporting documents and contain sufficient and timely information. Thus, the accounting department will be able to record, compile and evaluate all transactions.

Financial Statement

MedcoEnergi places the utmost importance on the accuracy and integrity of all transaction records. Therefore, each employee is responsible to make sure that the data, fact and information of the said subsidiary of each transaction shall be recorded, compiled, evaluated and maintained. The data may be derived from operational activities such as crude oil production or transactions such as gas sales and others.

MedcoEnergi shall prepare individual and consolidated financial statements on a quarterly basis. Each subsidiary must deliver accurate, complete and trustworthy financial statements to MedcoEnergi as the shareholder of

the said subsidiary. Prior to issuance, all Financial Statements, Quality of Earning Reports and Management Representation Letters must be reviewed and approved by the Board of Directors of each subsidiary.

The Audit Committee must evaluate the completeness of the consolidated Financial Statement. The Board of Directors must approve and sign the consolidated Financial Statement prior to submission to the authority.

Audited Financial Statement

The Annual Financial Statement (or any other periodical financial statement, if deemed necessary) of MedcoEnergi must be audited and obtain the opinion from a public accountant. The public accountant shall be selected and nominated by the Board of Commissioners based on the recommendation of the Audit Committee and approved by the shareholders in the Annual General Meeting of Shareholders.

The appointed public accountant must notify the Audit Committee of any findings relating to violations of the prevailing laws and regulations by the Company.

Internal Control System

MedcoEnergi is committed to implementing an adequate internal control system to facilitate its daily operational activities and support the achievement of the company goals. The Company has set up the internal control system in the form of policy, business process guideline and standard procedure to be followed by all employees.

The internal control system is further implemented through the table of authority used by the Board of Directors to delegate its authority to functional management of MedcoEnergi, which will enable the management perform its duty or business activity within a reasonable limit.

By implementing internal control system, the Company aims to achieve the following objective: (i) adequate business risk management, (ii) protection of asset and company revenues against damage, loss, fraud, and operational hazards, (iii) effective and efficient operation facilities through the appropriate allocation of resources, (iv) support for employee compliance, (v) support for accurate and trustworthy financial statement and (vi) protection of shareholders' investment.

2 Protection of Assets and Revenues

Basic Concept

To ensure that the Board of Commissioners, Board of Directors and employees of MedcoEnergi protect and secure the assets and revenues, intellectual property, proprietary information, patent, property and equipment of the company against any potential harm, including third party liability and/or property under construction.

The Securing of assets and revenues shall refer to the policy and activity to protect and secure assets and revenues, proprietary information, property and equipment of the company in a safe manner, which may include insurance, maintenance and preventive measures.

Assets that need to be protected include buildings, factories, tools, equipment, supplies, communication facilities, funds, accounts, computer programs, information, technology, documents, know-how, data (seismic, consideration, survey, drilling, contract and others), patents, trademarks, copyrights and any other resource or property owned by MedcoEnergi.

Protection of these assets must include protection against fire/lightning, explosion, vandalism, floods, storms, robbery and theft, accidental damage, riot, strikes and terrorism.

Securing of Assets and Revenues

The Board of Commissioners, Board of Directors and employees shall, at all times, be equipped with MedcoEnergi proprietary asset, enabling them to work efficiently and effectively. Each individual shall be responsible for protecting and using MedcoEnergi's asset as needed.

The protection of MedcoEnergi assets against waste, loss, damage, misuse, theft, misappropriation or infringement shall be the responsibility of each individual.

To protect the company's assets and revenues, the Board of Commissioners, Board of Directors and employees of MedcoEnergi must be able to buy or sell asset, property and equipment with terms and conditions that are beneficial to MedcoEnergi. This said asset must be insured, looked after and maintained properly. Potential damage must be reported immediately to the appropriate party at MedcoEnergi.

Maintenance of Records of Assets and Revenues

MedcoEnergi shall record its assets and revenues in an accurate, trustworthy, and timely manner. These records are important for MedcoEnergi to maintain and secure its assets and revenues. Failure to record assets and revenues in an accurate, trustworthy and timely manner, or provision of incorrect fact, may lead to fraud and could give rise to criminal charges or civil claims against MedcoEnergi.

3 Document Retention

Basic Concept

Proper maintenance of documents will help MedcoEnergi to store historical data along with its supporting documents, so that comprehensive information will be readily available whenever needed to address various issues that might occur in the future.

The length of the data and document retention, in both physical and electronic form, must comply with the prevailing laws and regulations in each jurisdiction to fulfill the need for comprehensive information or data.

Documents that must be retained include all recordings containing data, information, and report about transactions relating to MedcoEnergi business or activity, both in the form of physical and electronic files. Access to information contained in a certain document is limited to individuals with a certain status and level of authority.

Documents that need to be retained

MedcoEnergi shall retain documents in the form of physical and electronic records.

Physical records shall mean paper-based records or video recordings and shall be stored in the archives of MedcoEnergi. Electronic records shall mean documents in the form of software and computer programs, electronic mail, hard drives, website pages and other methods of storage. Documents that need to be stored can be classified into the following categories:

Operational Data

This type of data comprises of report on MedcoEnergi's operational activity. The data include oil and gas reserves and maps, oil and gas production of each well, report on the drilling process for each oil and gas well from start to finish, report on blow-outs (if any), analysis of result for oil and gas well and seismic survey result.

Commercial Data

These data consist of records and reports of financial transaction with third party, such as sales of oil and gas and MedcoEnergi's product, tax payment, cash call payment and request to and from business partner, financial transaction in various currencies (foreign currencies), placement of funds, payment of loan interest and others.

In addition, reports on MedcoEnergi's strategic plan and projection must be retained as a reference and learning material for future policy making.

Legal Data

This data includes various types of documents, such as contracts between MedcoEnergi and third party, i.e. business partner, creditor, suppliers, as well as local and foreign government. Also belonging to this category is correspondence with relevant parties in relations to lawsuits.

Documents under the above categories must be stored systematically to allow for easy availability when needed. Duplicate entries should be avoided in the data storage process to ensure efficiency by retaining one set of comprehensive, high-integrity data in providing relevant information.

4 Intellectual Property Rights

Basic Concept

Intellectual property shall mean work, invention or creation of the human mind. Examples include creation of the mind that produce invention as well as symbols, names, drawings, formulas and designs used in business, technical study and commercial transaction.

Intellectual property rights are exclusive rights granted by law to individuals or groups of people on their creations in the form of copyrights, trademarks, patents and other related rights.

MedcoEnergi is committed to honor the owner of intellectual property rights that is protected by the intellectual property law.

Utilization of Intellectual Property Products

Each individual at MedcoEnergi must use products with official intellectual property rights and must comply with their terms of usage.

Ownership of MedcoEnergi Intellectual Property Rights

Employee or group of employees who make inventions or innovations must report to his/her supervisor. If such invention or innovation, either in its entirety or partially, make use of MedcoEnergi facilities or is related to activities planned or undertaken by MedcoEnergi, the intellectual property rights of the said invention shall be fully attributable to MedcoEnergi. Should MedcoEnergi decide not to use the said invention or innovation, then the employee, with the approval of the Board of Directors of MedcoEnergi, may claim his/her invention or innovation as personal intellectual property.

Usage of the MedcoEnergi Brand

Each individual at MedcoEnergi may use the MedcoEnergi's brand in the Company's interest. Employees are not permitted to exploit the MedcoEnergi's brand for his/her personal gain.

5 Insider Trading

Basic Concept

In accordance with the Capital Market law and regulation MedcoEnergi prohibits its Board of Commissioners, Board of Directors, employees as well as its affiliated party from trading shares or securities based on the Company's information that has not been published publicly.

Insider Trading shall mean the usage of information that has not been made public for buying and selling securities issued by MedcoEnergi. Such information includes data or information linked directly or indirectly to MedcoEnergi or other securities that is not yet available to the public and may affect the decision of shareholders or investors to buy or sell securities issued by MedcoEnergi.

Affiliated party shall include any person with family ties or any individual or party with a close relationship with the Board of Commissioners, Board of Directors and or employees respectively and may be influenced to buy or sell securities issued by MedcoEnergi.

Restrictions on Security Trading

The Board of Commissioners, Board of Directors and employees may purchase or sell shares or other securities issued by MedcoEnergi as long as there is no information that might influence shareholders or investors.

MedcoEnergi prohibits its Board of Commissioners, Board of Directors or employees who are responsible for preparing or holding such information from purchasing or selling securities during black out or restriction period that is imposed by MedcoEnergi or when such information is about to be disclosed to the public.

Reports on Ownership of MedcoEnergi Securities

Members of the Board of Commissioners and Board of Directors as well as employees who own MedcoEnergi securities must report their shareholdings at the beginning of each year. Shareholdings pertaining to members of the Board of Commissioners and Board of Directors must be disclosed in the Annual Report of the Company.

Preventive Measures

MedcoEnergi shall limit access to information to persons who has a legitimate need to know or is tasked for announcing blackout or restriction period on purchasing or selling MedcoEnergi's securities. This announcement shall be made not later than 60 (sixty) days before the said information is made available to the public.

6 Critical Situation and Condition

Basic Concept

Every individual in MedcoEnergi must be alert to a critical situation and condition that may potentially disrupt operations of MedcoEnergi, either entirely or partially, and thereby jeopardizing the continuity of the Company's business activity.

A critical condition shall refer to any emergency or force majeure situation that may cause MedcoEnergi to be unable to conduct its business as usual.

Emergency Response Plans (ERP)

Each individual shall be obligated to participate in integrated emergency response management, which includes the ability to implement a crisis management plan at MedcoEnergi. To that end, the necessary plan for managing safety, communication and other important issues have been put in place to maintain the continuity of MedcoEnergi's business activity and to mitigate any fundamental damage caused by the crisis.

MedcoEnergi has established a cross-functional team comprising of management and representatives of each function for implementing the Emergency Response Plan. The Company performs periodical employee training programs, equipment maintenance and review of procedure to ensure a proper and effective implementation of the Emergency Response Plan. If deemed necessary, MedcoEnergi may request the assistance of professional institutions who specializes in emergency situation response training to improve the Company's employee and team readiness to handle such situations.

7

Information Technology and Communications System

Basic Concept

Each individual is encouraged to make use of the integrated information technology and communication system provided by MedcoEnergi. The system must be used properly and in accordance with the Company Policy on Information Technology and Communications to achieve the highest operational performance.

Provision of Information Technology and Communications System

Information Technology and Communication System shall mean the design, development, implementation, support or management of computer-based information systems, especially software application and hardware. Information technology shall refer to the ability to input, process, store, output, transfer and receive data and information electronically, including text, images, audio and video, in addition to the ability to control all types of machine electronically.

Matters which relate to the use of other information technology and communication systems such as voice mail, e-mail, internet, video and others shall be regulated separately under MedcoEnergi's Policy on Information Technology and Communications.

Usage of Social Media

MedcoEnergi prohibits the misuse or disclosure of any information on MedcoEnergi or the use of the MedcoEnergi's name with the aim to discredit or potentially harm the reputation of MedcoEnergi, either directly or indirectly, through social media including but not limited to Facebook, Twitter, YouTube, LinkedIn and others.



4 Respect for Business Partners

1

Gifts and Entertainment

Basic Concept

Each individual shall be obliged to maintain a high level of integrity and professionalism in his/her decision-making process. Therefore, no individual shall be permitted to accept gifts, entertainment and/or other facilities from business partners or suppliers. Each individual shall not give gifts, entertainment and/or other facilities to affiliated parties, business partners or suppliers.

Limitation on Acceptance/Provision of Gifts and Entertainment

MedcoEnergi deems any acceptance/provision of gifts, entertainment and/or other facilities valued above USD200 (two hundred U.S. dollars) as having the potential to affect the objectivity of the decision-making process. Such gifts, entertainment and/or other facilities may comprise of goods offered in return for assistance provided on certain transactions or to commemorate the festive season in the form of food, beverage, or tickets for sport event or art performance.

Each individual who has received/provided goods or entertainment exceeding the above stipulated value must submit a report according to the following provisions:

- If the recipient/provider is a member of the Board of Commissioners and Board of Directors, he/she must submit the report to the GCG Committee.
- If the recipient/provider is an employee, he/she must submit the report to his/her supervisor or Line Director for further processing and deliberation.

2

Conflicts of Interest

Basic Concept

Each individual must act for the interest of MedcoEnergi and shall not be involved in any activity that has a potential to generate conflicts of interest. Therefore, any decision-making process must be based on professional considerations, without influence from anyone that may compromise independent judgment, so as to generate the highest gain for MedcoEnergi.

Decision-Making Amidst Conflicts of Interest

With regards to conflicts of interest, any self-dealing must be avoided. Self-dealing refers to a situation where one takes an action in an official capacity which involves dealing with oneself in the private capacity and which confers a benefit on oneself.

Any individual that is involved in an unavoidable activity with a potential conflict of interest must report to his/her direct supervisor by completing a Conflict of Interest Report form.



5 Protection of

Community and

Government Interests

1 Corruption

Basic Concept

Each individual at MedcoEnergi is prohibited from providing or receiving, directly or indirectly, any offering that may enrich them or another person and thereby may exert influence on his/her decision-making process.

MedcoEnergi's Commitment to Eradicate Corruption

As a company that abides by national and/or international laws and regulations, MedcoEnergi requires its business partners, including joint venture partners, agents, distributors, representatives, contractors, and suppliers, to comply with the prevailing regulation and policy on corruption.

Corruption shall constitute an act that usually involves the provision of money or gifts to affect the recipient's behavior in ways that are inconsistent with his/her duty and may violate the law. Acts of corruption shall also include the provision of bribes/non-mandatory unofficial facilitation payment to public officials to accelerate process that is part of the duty of the said official. In addition, the provision of rent - which in this context shall mean the offering or acceptance of money, gifts, or anything of value - in return for acts that benefit certain party, shall also be considered corruption.

Any individual at MedcoEnergi who is found to have provided or accepted bribery or other acts of corruption shall face a disciplinary action that may lead to termination of employment and allegations of criminal charges.

2 Political Activity and Donation

Basic Concept

MedcoEnergi allows its employee to participate in the political process and support a party or candidate of his/her choice without any influence whatsoever. Employees who are actively involved in politics, for example by joining a political party as a member or campaigning for elections must refer to and comply with the relevant company rule, the Collective Bargaining Agreement and any other MedcoEnergi policy.

Prohibition on Political Donations

In accordance with the spirit of democracy, each individual at MedcoEnergi is permitted to engage in political activities/campaigns for election provided that this will not affect his/her work performance. Any such activity must take place outside the office/working hours and must not utilize the facilities designated by MedcoEnergi to perform duty as member of the Board of Commissioners, member of the Board of Directors or employees of MedcoEnergi.

MedcoEnergi does not support any political party and does not provide contribution and/or donations or other asset to any political party or organization or affiliated representative at any location where MedcoEnergi operates.

3 Whistleblowing System

Basic Concept

MedcoEnergi guarantees the rights of each individual to report any indication of violations to an independent party appointed by MedcoEnergi. MedcoEnergi has established a reporting system and a feedback process to assure the confidentiality of the whistleblower's report.

Whistleblower Report

Reports on alleged violations may be filed by internal or external party that maintains business relations with MedcoEnergi, including but not limited to business partners, suppliers, customers and local community. This report serves as a feedback from individuals who interacts with MedcoEnergi's employees. Any report of violation shall become an integral part of the continuous improvement of the Company's employee conduct in implementing GCG and CoC Guidelines as part of the corporate culture.

Reports can be sent to the Company-appointed independent party by email at lapor-medcoenergi@tipoffs.com.sg.

Whistleblower Protection

Each report shall be held confidentially. MedcoEnergi guarantees and protects the anonymity of the whistleblower when the whistleblower has stated his/her identity and contact information.



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