Delivering Energy

Investor Update – 1Q16 Performance

MEDCOENERGI

July 2016 | www.medcoenergi.com

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Cover photo: Senoro Downstream Donggi Senoro LNG plant – First shipment of LNG

Main Business Activities

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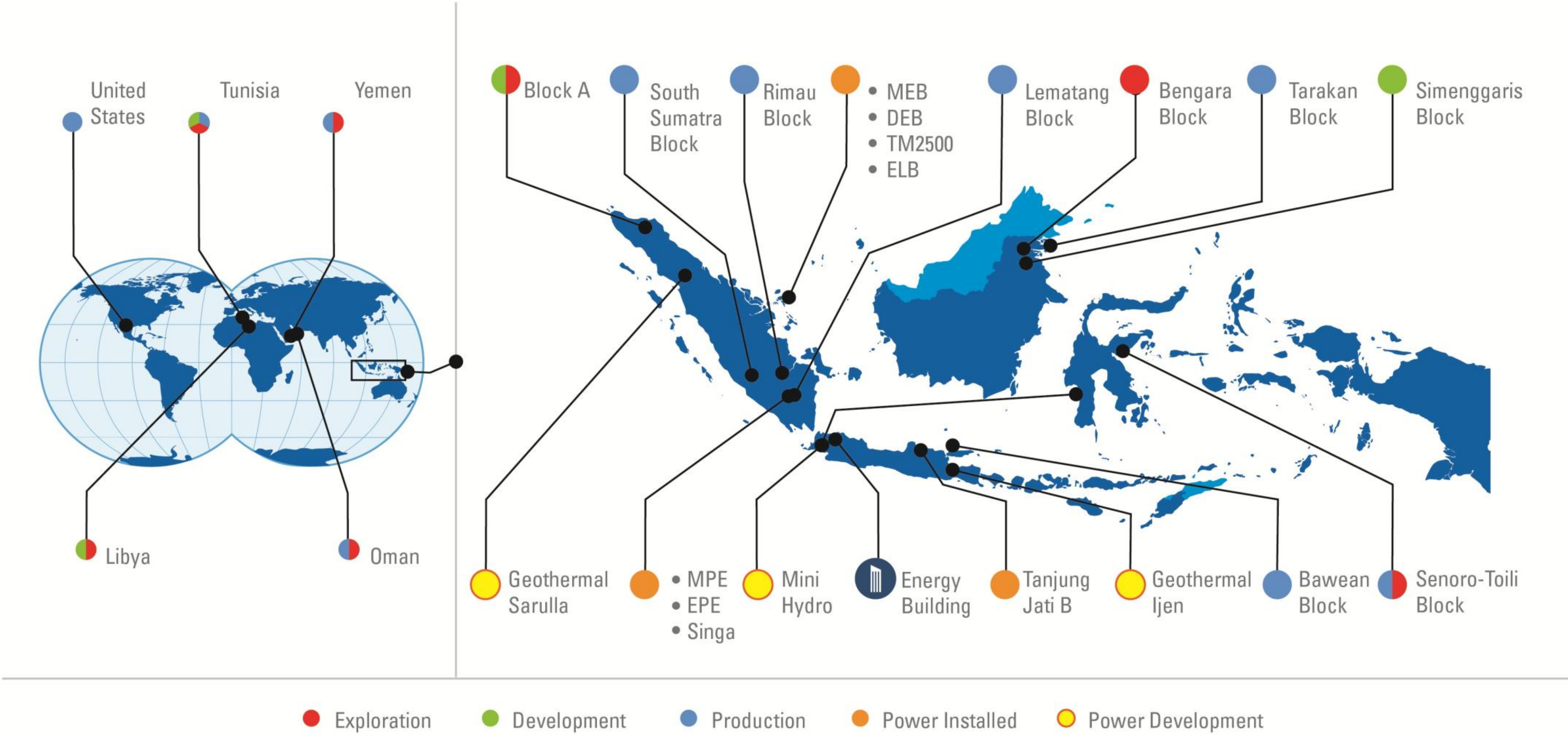
MedcoEnergi is a publicly listed, integrated energy company with significant interests in Power Generation and support services alongside its core Oil & Gas Exploration & Production activities in Indonesia, the Middle East, North Africa and the US.



2016 Milestones

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Senoro Upstream Gas – Central Processing Plant

- Agreed to acquire an effective 41.1% interest in PT Newmont Nusa Tenggara. The transaction is expected to close in Q3 following Government and MedcoEnergi shareholders approvals.
- Awarded a 10 year extension of the Lematang PSC and concluded the acquisition of Lundin's Lematang equity which will potentially increase reserves by 41 bcf.
- Acquired Japex's 16.67% interest in the Block A Aceh PSC. Completion is expected in Q3, subsequently Medco will own 58.33% operating interest in the block.
- Signed the Engineering Procurement and Construction contract for Phase 1 development of Block A gas project with PT JGC Indonesia & PT Encona Inti Industri (JEC).
- 1Q16 Revenue, EBITDA and Net Income increased year on year despite the continued decline in oil prices.
- 1Q16 gas production almost doubled, exploration expenses and capital more than halved with continued focus upon efficiency and effectiveness.
- Redeemed US$50 Million bonds and announced a Rp5 Trillion bonds program. Phase I completed in July 2016.

1Q16 Operational Performance

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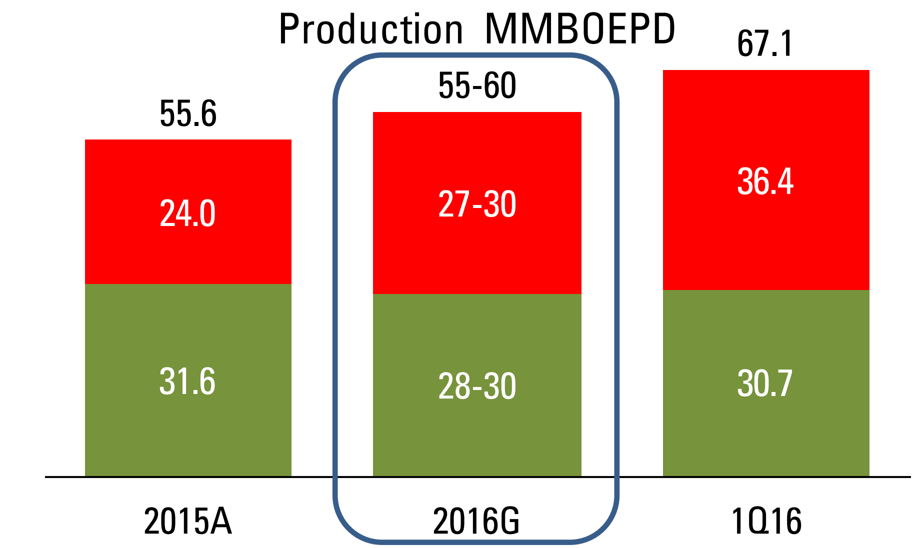

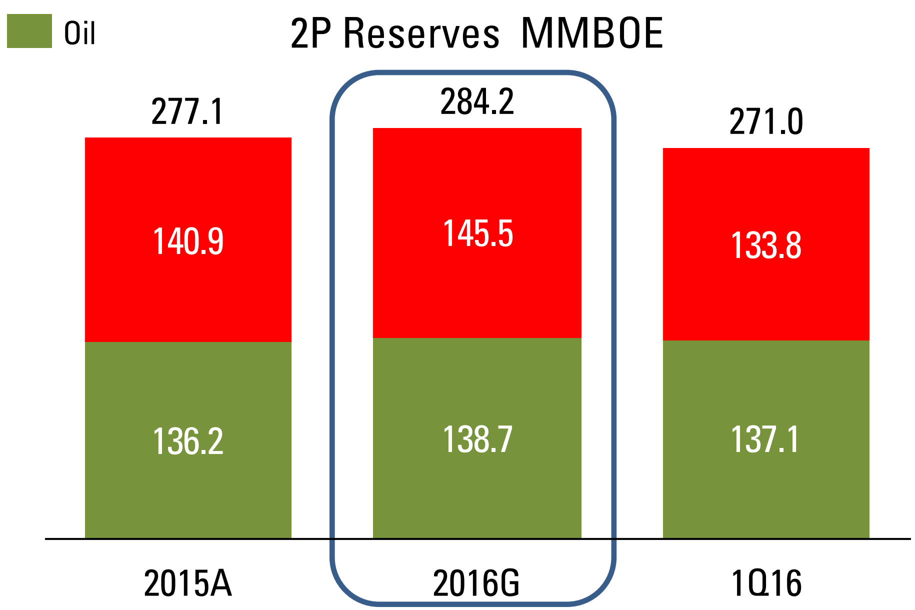

Oil and Gas E&P	1Q15	1Q16	Δ%
Production (including service contract)			
Oil, MBOPD	31.1	30.7	(1.3)
Gas, MMSCFD	109.9	197.6	79.8
Total Oil and Gas, MBOEPD*	49.9	64.5	29.3
Lifting/Sales			
Oil Lifting, MBOPD	20.2	18.9	(6.6)
Gas Sales, BBTUPD	98.3	202.1	105.6
Oman Service Contract , MBOPD	8.6	8.5	(0.8)
Average Realized Price			
Average Oil Price, US$/barrel	51.32	30.62	(40.3)
Average Gas Price, US$/mmbtu	5.78	4.14	(28.4)

* Including Oman Service Contract, excluding own used fuel

1Q16 Financial Performance

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Profit & Loss (US$ mn)	1Q15	FY15	1Q16	QoQ∆%
Revenue	127.7	628.5	144.6	13.2
• Oil and Gas	114.8	574.4	130.7	13.9
• Non Oil and Gas	12.9	54.1	13.9	7.5
Production & Lifting Costs	42.2	215.3	39.6	(6.2)
Gross Profit	44.6	208.3	57.6	29.2
S, G & A	26.8	118.7	23.2	(13.2)
Operating Income	17.8	89.5	34.4	93.2
EBITDA	45.2	216.8	65.5	44.9
Net Income	(37.4)	(188.1)	10.3	n.m.

Balance Sheet (US$ mn)	1Q15	FY15	1Q16	QoQ∆%
Cash & cash equivalents	274.2	463.2	400.5	46.1
Investments	592.8	532.3	601.6	1.5
Fixed Assets	1,319.2	1,510.7	1,520.8	15.3
Total Assets	2,553.4	2,909.8	2,926.7	14.6
Total Liabilities	1,717.5	2,208.2	2,202.8	28.3
• Bank Loans	686.3	1,087.7	1,106.2	61.2
• Capital Market Debt	439.8	492.5	506.3	15.1
• Other Liabilities	591.4	628.0	590.3	(0.2)
Equity	828.3	696.5	718.0	(13.3)

Financial Ratios (x)	1Q15	FY15	1Q16
Gross Margin	34.9%	33.6%	39.8%
Operating Margin	13.9%	14.2%	23.8%
EBITDA Margin	35.4%	34.5%	45.3%
Net Margin	-29.3%	-29.9%	7.1%

Financial Ratios (x)	1Q15	FY15	1Q16
Current Ratio	1.91	1.98	1.77
Debt to Equity	1.36	2.27	2.25
EBITDA to Interest	2.52	2.80	2.44
Net Debt to EBITDA	4.71	5.15	4.63

2016 Guidance

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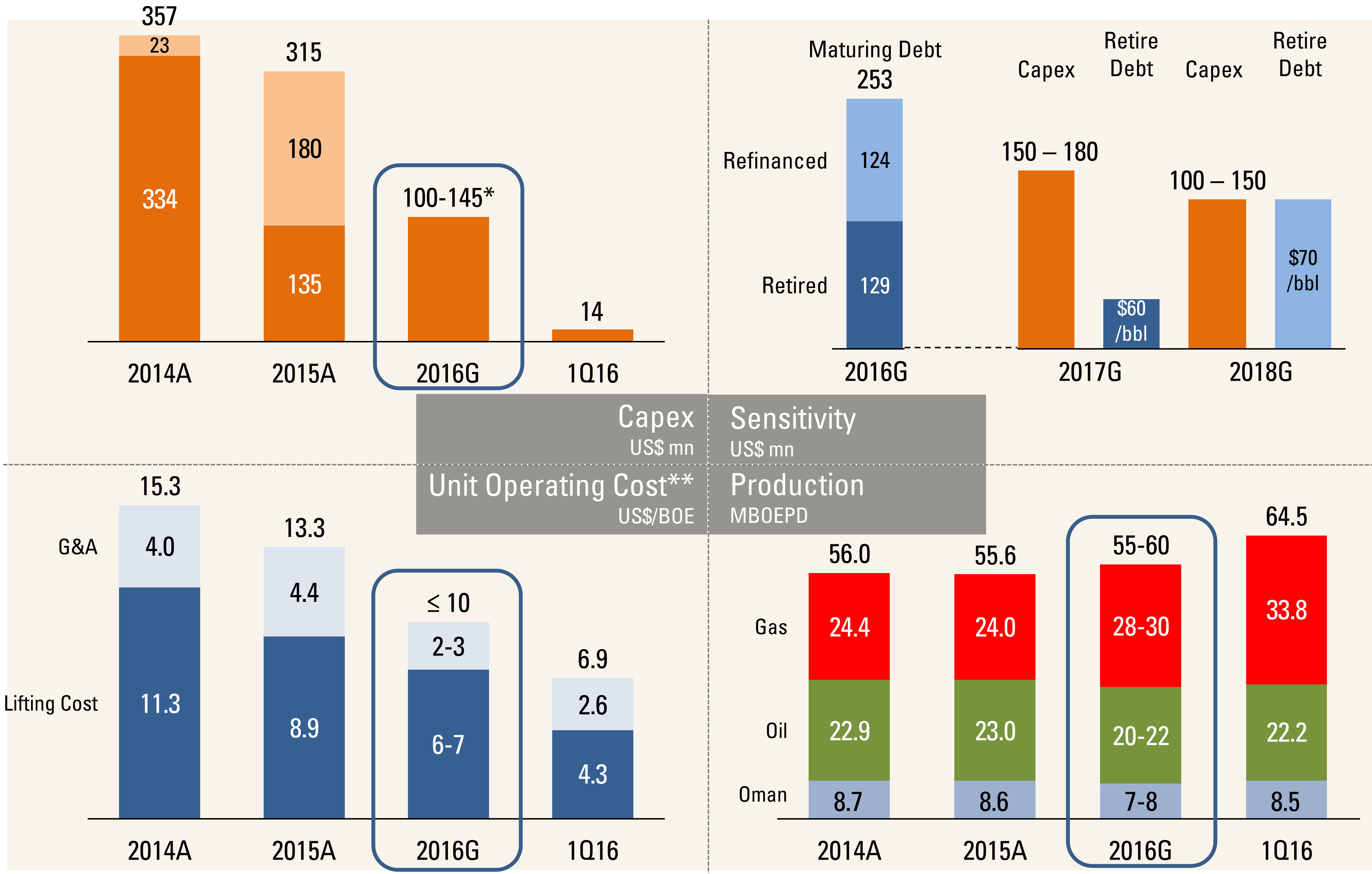

* Excluding acquisition Capex | **Cash cost without Oman Service Contract

Board Priorities

President Director
Hilmi Panigoro

Director
Chief Executive Officer
Roberto Lorato

Director
Chief Financial Officer
Anthony Mathias

Director
Chief Human Capital & Business Support
Amri Siahaan

Director
Chief Operating Officer
Ronald Gunawan

- Cost and capital efficiency, operational effectiveness
- Optimum project cycle time with renewed focus upon value and delivery
- Portfolio rationalization to meet return and profitability benchmarks
- Leveraging MedcoEnergi's strong domestic position through focused acquisitions and contract extensions
- No compromise on safety

Cost and capital efficiency, operational effectiveness

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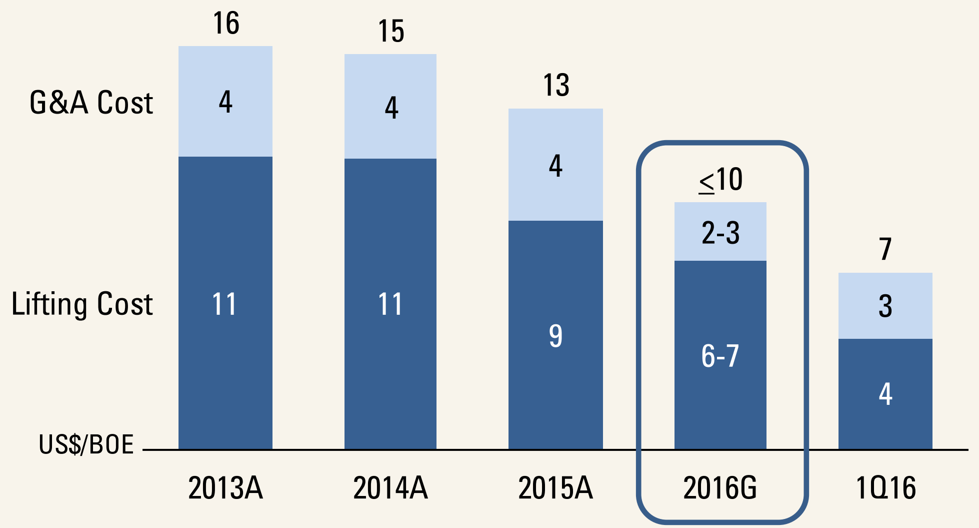
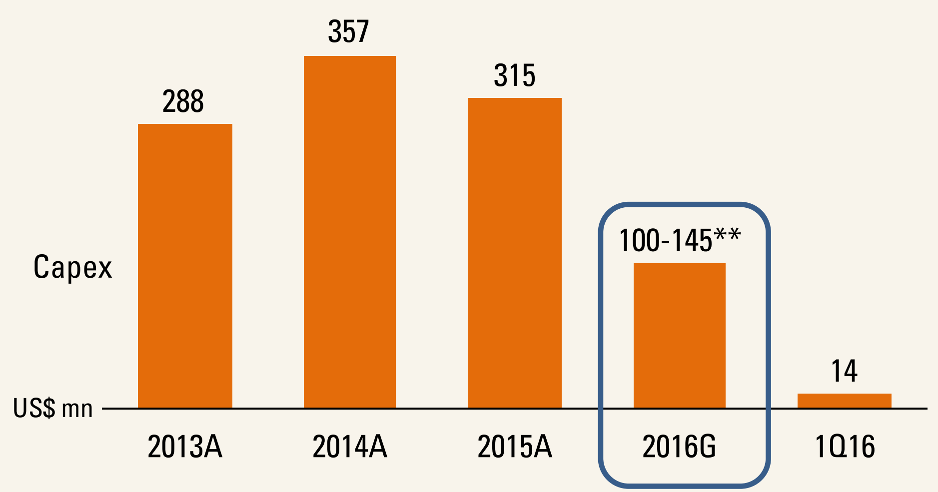
Improving unit cash cost*



Managing capital delivery



- Sustainable reductions in our cash cost structure
- Manage base production decline and reduce downtime
- Deferral and renegotiation of exploration commitments
- Selectively capture the benefits of further supplier market deflation

* Cash cost without Oman Service Contract | ** Excluding acquisition Capex

Well balanced 2P reserves

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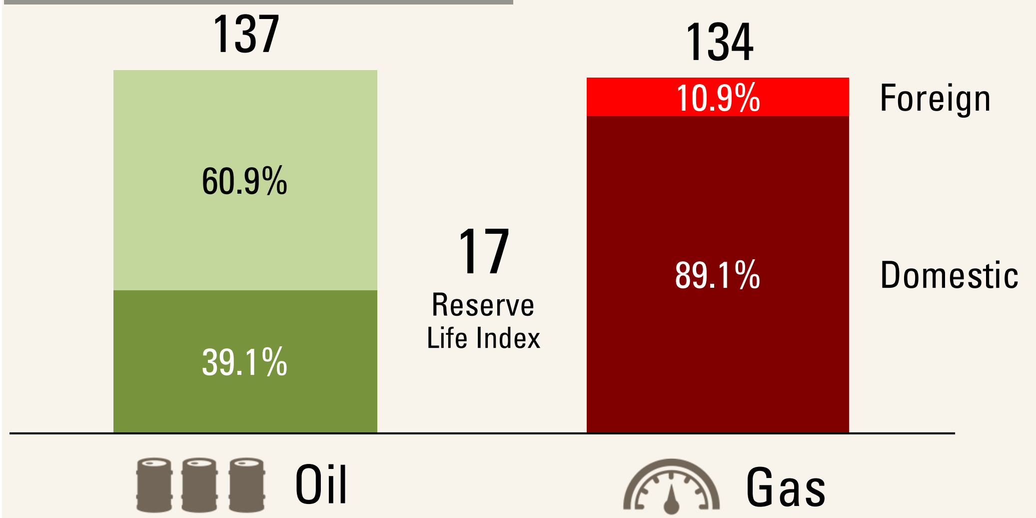
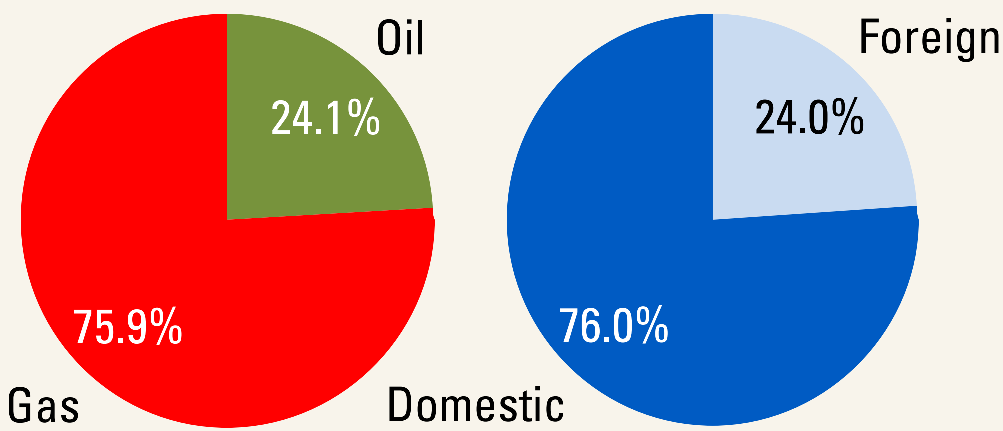
2P Reserves – 271 mmboe



Resources > 350 mmboe



- Large well balanced 2P reserves backed by a strong resource base
- Monetize our resources through capital discipline and project execution
- Prioritize domestic projects for early cash generation
- Focus on lower risk, cost effective near field resources and exploration

Reserves and resources in mmboe, Reserve life index in years

Healthy project pipeline

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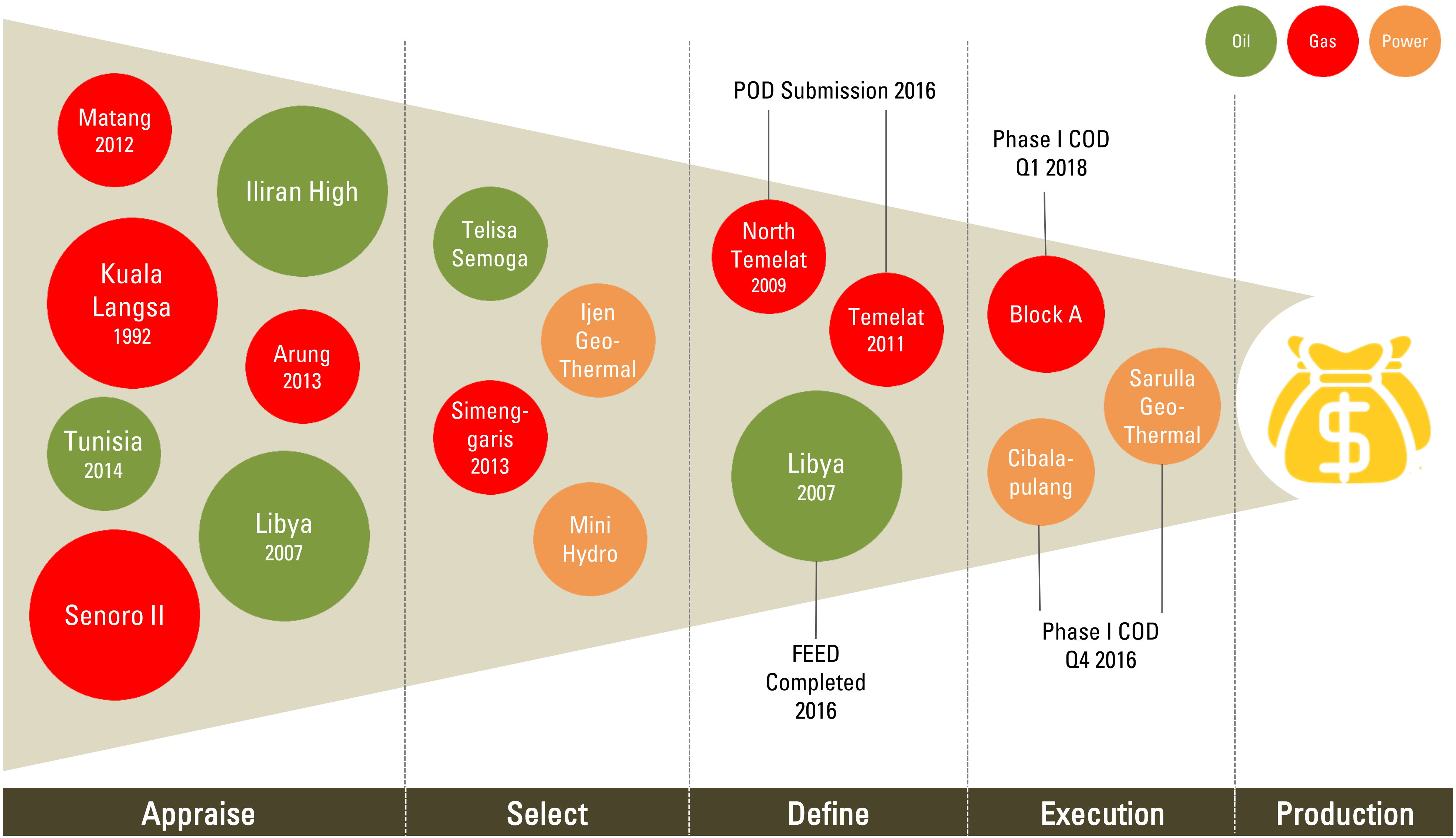

Block A Aceh Phase I – Gas Development

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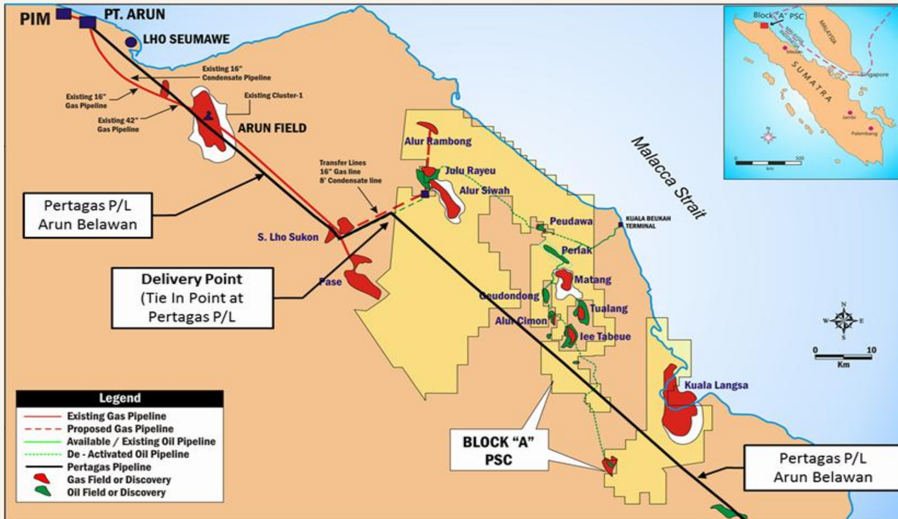
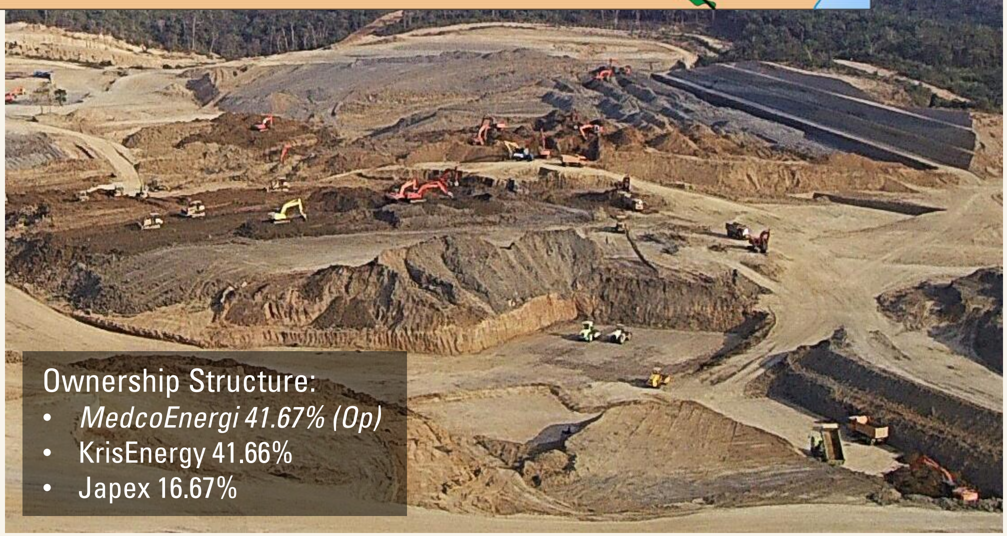
Monetizing 237 TBTU of gas and 5.17 MMBO of condensate for domestic market





CPP area site preparation progress

- EPC contract of US$240 million awarded to JEC, a consortium of PT JGC Indonesia and PT Encona Inti Industri.
- Engineering and site preparation work is well advanced. Land acquisition completed.
- Total project investment until first gas is US$540 million. First gas Q1 2018.
- GSA with Pertamina, for delivery of 198 TBTU over 13 years (58 BBTUPD).
- Proactive engagement with local community (hospital handed over).
- Additional gross potential resources of up to 1.6 TCF from Kuala Langsa and Matang.
- Completion of Japex's 16.67% interest acquisition is expected in Q3. Thereafter Medco will hold 58.34% operating interest.

Sarulla Phase I – Geothermal Power Development

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The largest single-contract geothermal power project in the world

Production Well Drilling Progress

Power Plant Construction Front View

- Located in Tapanuli Utara district, North Sumatra with contracted capacity of 3X110MW.
- 30 years Energy Sales Contract with PT PLN with Take or Pay 90% capacity factor. Joint Operating Contract with PT PGE.
- Ownership:
  - MPI (18.9975%),
  - INPEX (18.2525%),
  - ORMAT (12.75%),
  - ITOCHU (25%),
  - KYUSHU (25%)
- Total project investment cost of US$1.6 billion.
- Secured project financing of US$1.17 billion for 20 years with JBIC, ADB, and 6 commercial banks.
- Phase I power plant construction progress has reached 89.39% as of May 2016.

Senoro Phase II – Gas Development

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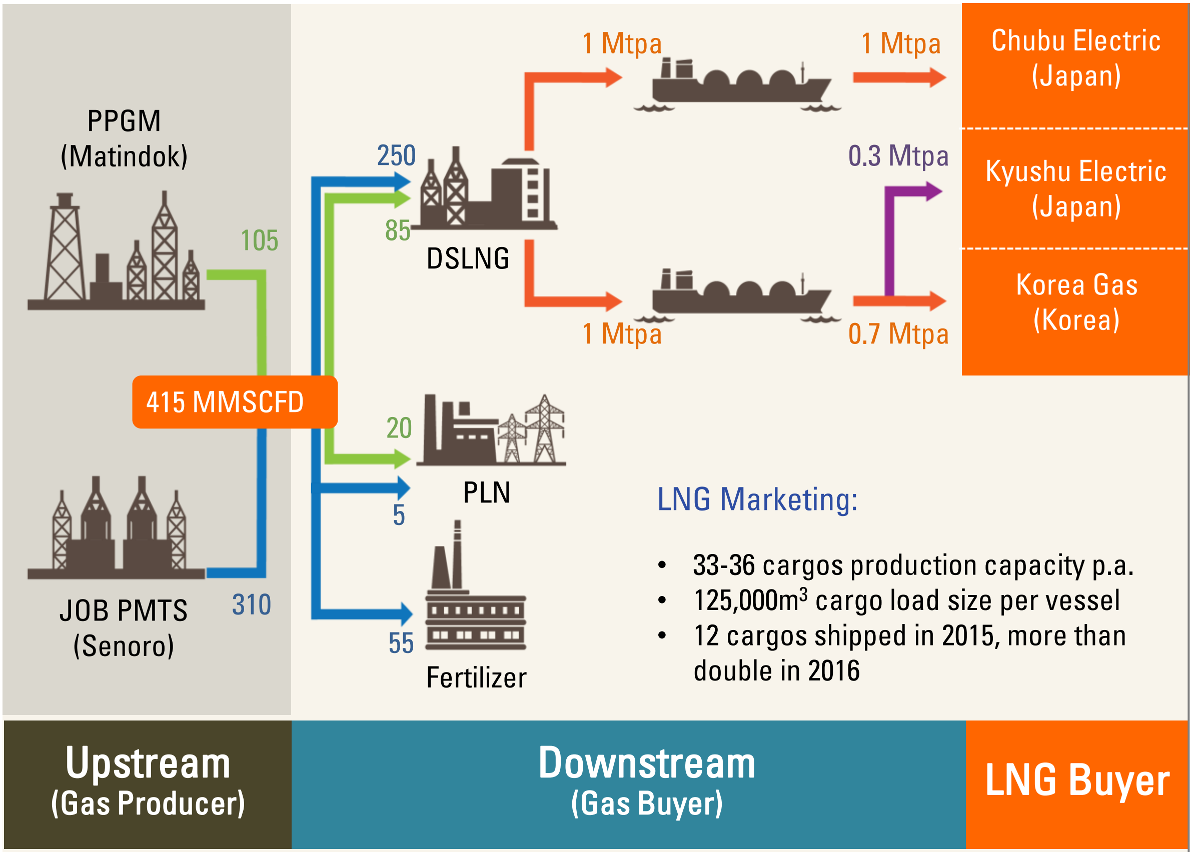
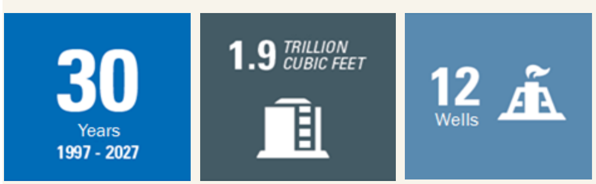
Enhancing the Senoro Upstream/Downstream LNG Value Chain

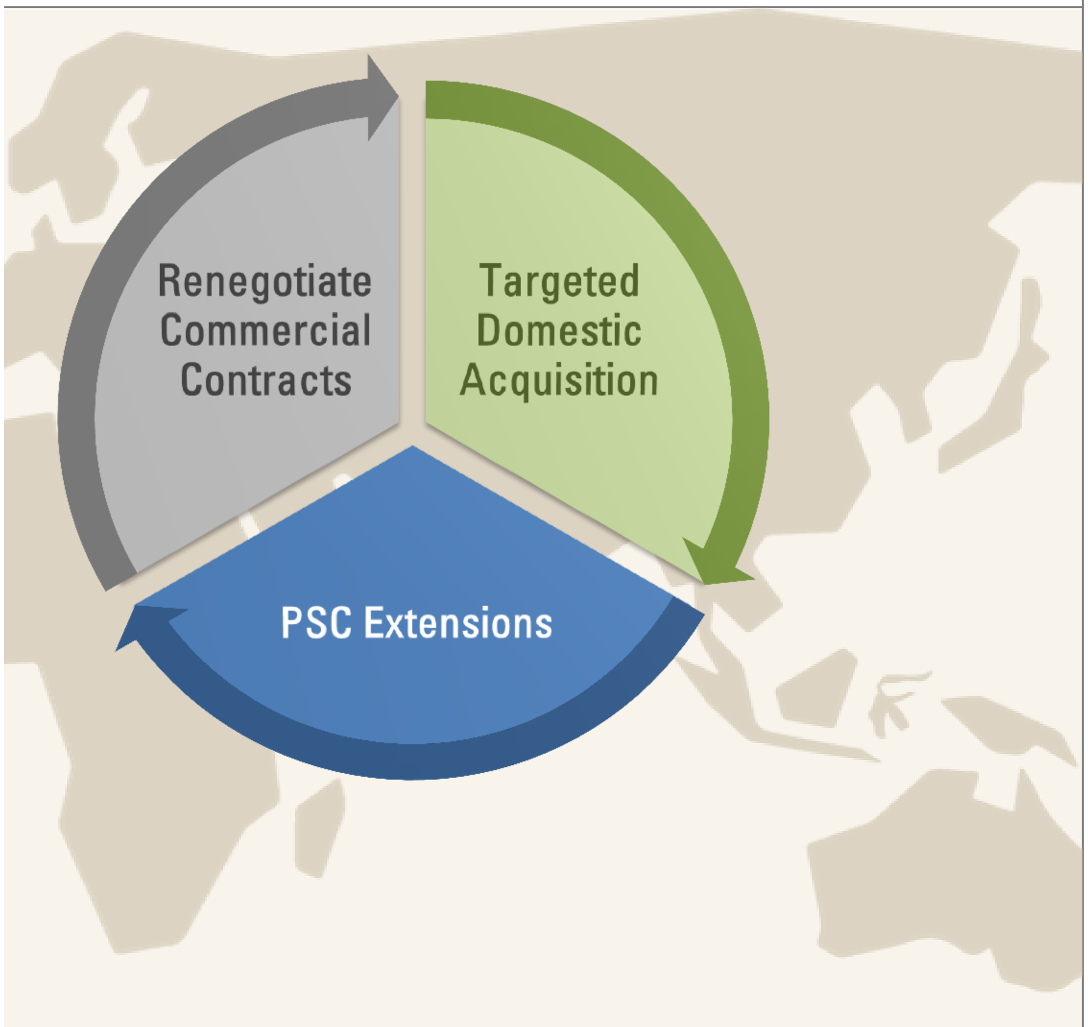




Structure	Upstream WI	Downstream
MedcoEnergi	30%	11.1%
Pertamina	50%	29.0%
Mitsubishi & Kogas	20%	59.9%

- Senoro Phase I existing proven reserve 1.4 TCF, COD in June 2015.
- Producing 333 mmscfd as of Q1 2016.
- Potential upside from North and South Senoro 500 BCF – 1 TCF.
- Senoro Phase 2 projected to increase production to above 400 mmscfd.

Leveraging MedcoEnergi's strong domestic position …



- Strong track record in obtaining PSC extensions (2001 – Rimau, 2010 – South Sumatra, Block A, Bawean, 2016 – Lematang).
- With commodity prices projected to remain low, there will be opportunities to acquire domestic resources.
- Medco will create value by evaluating each opportunity against our return and profitability benchmarks.
- The acquisition of PT Newmont Nusa Tenggara is an excellent example of how targeted domestic resource acquisition can create value for the Company's stakeholders.
- Effective integration into our portfolio will be essential to extract value.

Overview: PT Newmont Nusa Tenggara

Leveraging MedcoEnergi's strategic position for value creation

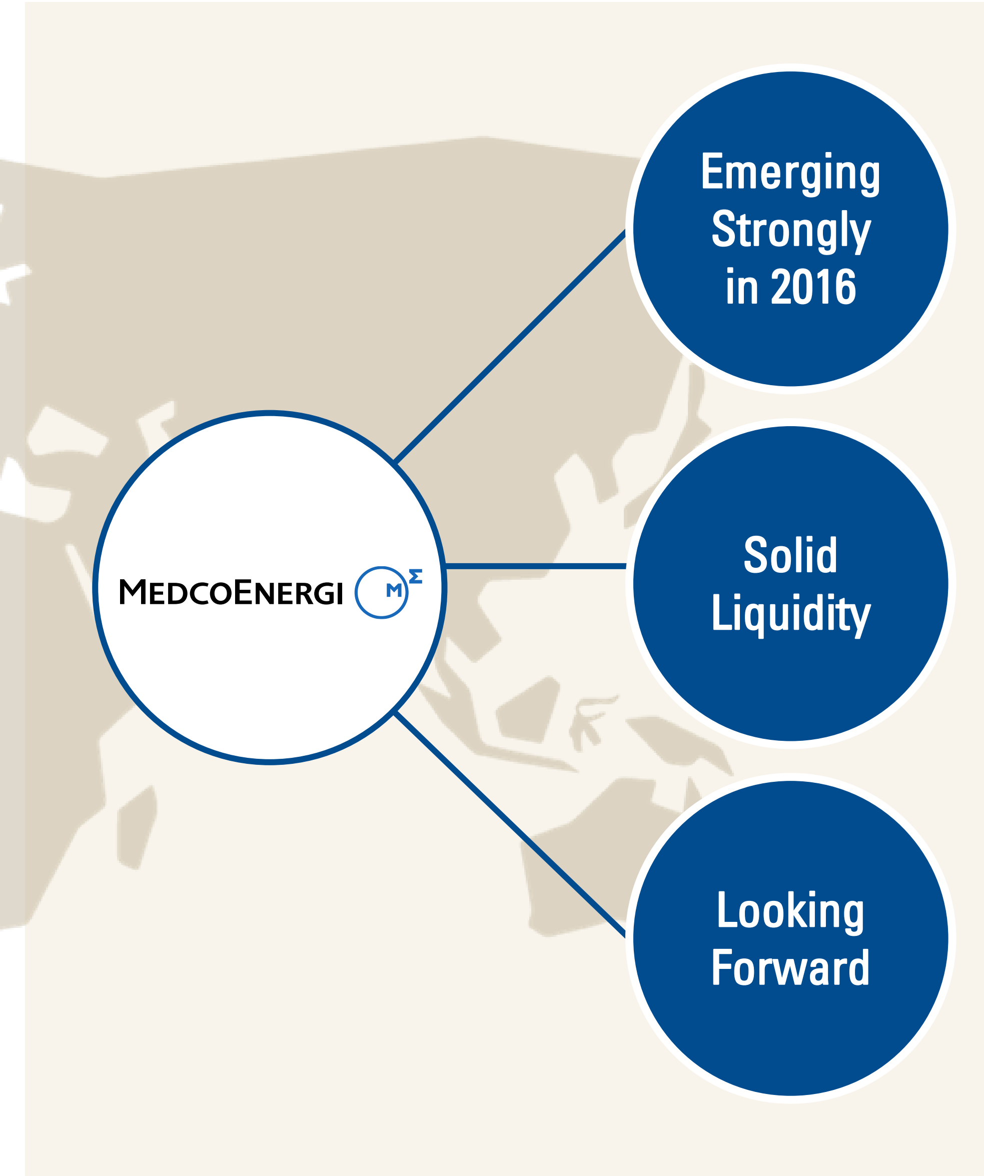
Batu Hijau mine

- Transaction closing expected in Q3 2016
- 87,000 ha Copper & Gold mine located SW Sumbawa Island, W. Nusa Tenggara Province, 550 m above sea level. 81 km from Mataram town
- 4th generation CoW signed 1986, for 30 years operation from start of production in 2000
- Producing Mine

Batu Hijau Mine	Copper	Gold
Proved Reserves	2.6 bil lbs	2.7 mil oz
Resources	10.3 bil lbs	13.9 mil oz
2015 Production	239.6 mil lbs	0.3 mil oz
Facilities	120,000 tpd processing facility, grinding facility, pipe assembly facilities for tailings management, warehousing, 158 mw coal-fired powerplant, port with ferry terminal, air services and town site for housing and school	

- Potential Development: Elang with est. resources 12,945 mil lbs copper, 19.7 mil oz gold with potential to produce 300-430 mil lbs copper and 0.35-0.60 mil oz gold annually

Conclusion



- Increased production in 1Q16 by 29.3% to 64.5 mboepd due to successful operation of Senoro Upstream
- 1Q16 Revenue and EBITDA increased despite lower average realized price of oil and gas
- Full year outlook is on track with 2016 Guidance

- US$400 million in cash as of end of Q1 2016
- US$10/bbl oil price increase generates additional $45 million cash available for debt service

- Management focus on value not volume
- Healthy project pipeline; prioritize domestic gas for early cash generation
- Sustainable reductions in our cash cost structure
- Added value from targeted domestic acquisitions

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