

ABRIDGED SUPPLEMENTARY INFORMATION

THE FINANCIAL SERVICES AUTHORITY (OTORITAS JASA KEUANGAN "OJK") NEITHER GIVES ITS APPROVAL OR DISAPPROVAL ON THE SECURITIES, NOR DOES THE OJK CONFIRM THE ACCURACY OR COMPLETENESS OF THE CONTENT OF THIS SUPPLEMENTARY INFORMATION. ANY STATEMENT IN CONTRARY TO THE ABOVE SHALL CONSTITUTE AN UNLAWFUL ACT.

PT MEDCO ENERGI INTERNASIONAL TBK ("THE COMPANY") AND THE BOND JOINT LEAD UNDERWRITERS SHALL BE FULLY RESPONSIBLE FOR THE ACCURACY OF ALL MATERIAL INFORMATION OR FACTS, AND THE TRUTHFULNESS OF OPINIONS STATED IN THIS SUPPLEMENTARY INFORMATION.

THIS PUBLIC OFFERING IS A PHASE-2 DEBT SECURITIES OFFERING OF THE SHELF REGISTRATION PUBLIC OFFERING II THAT HAS BECOME EFFECTIVE.



MEDCOENERGI

PT MEDCO ENERGI INTERNASIONAL Tbk

Domiciled in South Jakarta, Indonesia

Main Business Activities:

Exploration, mining and production of oil & gas and other energies.

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SHELF REGISTRATION PUBLIC OFFERING

MEDCO ENERGI INTERNATIONAL SHELF-REGISTERED BONDS II

WITH A TARGET RAISED FUND TOTALING Rp5,000,000,000,000 (FIVE TRILLION RUPIAH)

With regard to the Shelf Registration Public Offering II referred to above, the Company has issued and offered:
MEDCO ENERGI INTERNATIONAL SHELF-REGISTERED BONDS II 2016 PHASE I
WITH A TOTAL BOND PRINCIPAL OF Rp1,250,000,000,000.- (ONE TRILLION TWO HUNDRED FIFTY BILLION RUPIAH)
("SHELF-REGISTERED BONDS II PHASE I")

With regard to the Shelf Registration Public Offering II referred to above, the Company shall issue and offer:
MEDCO ENERGI INTERNATIONAL SHELF-REGISTERED BONDS II 2016 PHASE II
WITH A TOTAL BOND PRINCIPAL OF Rp1,250,000,000,000.- (ONE TRILLION TWO HUNDRED FIFTY BILLION RUPIAH)
("SHELF-REGISTERED BONDS II PHASE II")

The Shelf-Registered Bonds II Phase II shall consist of 2 (two) series, namely the A Series and B Series Shelf-Registered Bonds II Phase II, which shall be issued scrippless, amounting to Rp492,000,000,000 (four hundred ninety two billion Rupiah), underwritten in Full Commitment, as described below:

A Series : A Series Shelf-Registered Bonds II Phase II having a total principal of Rp284,000,000,000.- (two hundred eighty four billion Rupiah) with a fixed interest rate of 10.8% (eight point eight percent) per annum and having a maturity of 3 (three) years from the Issue Date; The principal payment of A Series Shelf-Registered Bonds II Phase II shall be made in full on the Principal Payment Date of A Series Shelf-Registered Bonds II Phase II, which shall fall on September 30, 2019; and

B Series : B Series Shelf-Registered Bonds II Phase II having a total principal of Rp208,000,000,000.- (two hundred eight billion Rupiah) with a fixed interest rate of 11.3% (eleven point three percent) per annum and having a maturity of 5 (five) years from the Issue Date. The principal payment of B Series Shelf-Registered Bonds II Phase II shall be made in full on the Principal Payment Date of B Series Shelf-Registered Bonds II Phase II, which shall fall on September 30, 2021.

The remaining Principal of Shelf-Registered Bonds II Phase II, which shall be offered at a maximum amount of Rp758,000,000,000 (seven hundred fifty eight billion Rupiah) shall be underwritten on a Best Effort basis.

The Shelf-Registered Bonds II Phase II shall be offered at 100% (one hundred percent) of the Principal of the Shelf-Registered Bonds II Phase II. The interest of Shelf-Registered Bonds II Phase II shall be paid every 3 (three) months in accordance with the Interest Payment Date of Shelf-Registered Bonds II Phase II, commencing on the Issue Date. The first interest payment of the Shelf-Registered Bonds II Phase II shall be made on December 30, 2016, whereas the last interest payment of Shelf-Registered Bonds II Phase II shall be made on the respective Principal Payment Date of Shelf-Registered Bonds II Phase II of each series of Shelf-Registered Bonds II Phase II. The repayment of Shelf-Registered Bonds II Phase II shall be paid in full (bullet payment) upon maturity.

SHELF-REGISTERED BONDS II PHASE III AND/OR FURTHER PHASES (IF ANY) SHALL BE DETERMINED IN THE FUTURE.

IMPORTANT NOTICE

THE SHELF-REGISTERED BONDS II PHASE II ARE NOT SECURED WITH SPECIFIC COLLATERALS IN THE FORM OF OBJECTS OR REVENUES OR OTHER ASSETS OF THE COMPANY IN ANY FORM AND ARE NOT SECURED BY ANY OTHER PARTY WHATSOEVER. ALL OF THE COMPANY'S ASSETS, BOTH MOVABLE AND IMMOVABLE ASSETS, WHETHER THOSE EXISTING OR WILL EXIST IN THE FUTURE, IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 1131 AND 1132 OF THE CIVIL CODE, SHALL SERVE AS COLLATERALS FOR ALL OF THE COMPANY'S DEBTS TO ALL ITS CREDITORS THAT ARE NOT SECURED WITH SPECIFIC COLLATERALS OR THOSE WITHOUT PREFERENCE, INCLUDING THESE SHELF-REGISTERED BONDS II PHASE II, WHICH SHALL RANK *PARI PASSU*.

THE BUYBACK OF THE SHELF-REGISTERED BONDS II PHASE II MAY BE CONDUCTED AFTER 1 (ONE) YEAR SUBSEQUENT TO THE ALLOTMENT DATE, ON WHICH THE COMPANY MAY BUY BACK A PORTION OR ALL OF THE SHELF-REGISTERED BONDS II PHASE II PRIOR TO THE PRINCIPAL PAYMENT DATE OF THE SHELF-REGISTERED BONDS II PHASE II. THE COMPANY HAS THE RIGHT TO TREAT SUCH BUYBACK AS REPAYMENT OF SHELF-REGISTERED BONDS II PHASE II OR TO BE HELD WITH DUE CONSIDERATIONS TO THE PROVISIONS OF THE TRUSTEE AGREEMENT AND THE PREVAILING LAWS AND REGULATIONS. INFORMATION CONCERNING THE BUYBACK IS AVAILABLE IN CHAPTER I OF THIS SUPPLEMENTARY INFORMATION.

THE COMPANY SHALL ONLY ISSUE THE SHELF-REGISTERED BONDS II PHASE II JUMBO CERTIFICATE THAT SHALL BE REGISTERED UNDER THE NAME OF PT KUSTODIAN SENTRAL EFEK INDONESIA ("KSEI"), WHICH SHALL BE DISTRIBUTED ELECTRONICALLY AND AMINISTERED IN THE COLLECTIVE DEPOSITORY OF KSEI.

IN CONNECTION WITH THE SHELF-REGISTERED BONDS II ISSUE, THE COMPANY HAS OBTAINED THE FOLLOWING RATING ON MEDCO ENERGI INTERNASIONAL SHELF-REGISTERED BONDS II WITH A MAXIMUM AMOUNT OF Rp5,000,000,000,000 FROM PT PEMERINGKAT EFEK INDONESIA ("PEFINDO"):

idA+(Single A Plus)

THE COMPANY'S MAIN RISKS ARE RELATED TO OIL & GAS EXPLORATION AND PRODUCTION. INVESTORS MAY ALSO BE SUBJECT TO OTHER RISK, I.E. INVESTORS PURCHASING THE SHELF-REGISTERED BONDS II PHASE II MAY FACE THE RISK THAT THE SHELF-REGISTERED BONDS II PHASE II OFFERED IN THIS PUBLIC OFFERING MAY NOT BE LIQUID, WHICH, AMONG OTHERS, MAY BE DUE TO THE FACT THAT THE SHELF-REGISTERED BONDS II PHASE II ARE GENERALLY PURCHASED AS LONG-TERM INVESTMENTS.

THE SHELF-REGISTERED BONDS II PHASE II SHALL BE ENTIRELY LISTED ON PT BURSA EFEK INDONESIA ("IDX")
 JOINT LEAD UNDERWRITERS AND UNDERWRITERS



PT CIMB SECURITIES
INDONESIA



PT DANAREKSA SEKURITAS



PT DBS VICKERS SECURITIES
INDONESIA



PT MANDIRI SEKURITAS

TRUSTEE
PT Bank Mega Tbk.

This Supplementary Information is issued in Jakarta on September 14, 2016

SCHEDULE

Effective Date	:	June 28, 2016
Offering Period	:	September 26 - 27, 2016
Allotment Date	:	September 28, 2016
Payment Date by Investor	:	September 29, 2016
Electronical Bonds Distribution Date	:	September 30, 2016
Bonds Listing Date on the Indonesia Stock Exchange	:	October 3, 2016

SHelf REGISTRATION PUBLIC OFFERING

Title of the Bonds

Medco Energi Internasional Shelf-Registered Bonds II 2016 Phase II

Type of Bonds

The Shelf-Registered Bonds II Phase II shall be issued scripless, except for the Shelf-Registered Bonds II Phase II Jumbo Certificate, which shall be issued to be registered under the name of KSEI as debentures for the benefit of the Holders of Shelf-Registered Bonds II Phase II through the Account Holders, and shall be registered on the date the Shelf-Registered Bonds II Phase II Jumbo Certificate is submitted by the Company to KSEI. The evidence of ownership of the Shelf-Registered Bonds II Phase II for the Holders of the Shelf-Registered Bonds II Phase II shall be the Written Confirmation issued by KSEI or the Account Holders.

Offer Price

The Shelf-Registered Bonds II Phase II shall be offered at 100% (one hundred percent) of the Principal of the Shelf-Registered Bonds II Phase II on the Issue Date.

Bond Principal Amount, Bond Interest, and Maturities

The Shelf-Registered Bonds II Phase II shall be issued with a maximum Principal of Shelf-Registered Bonds II Phase II of Rp1,250,000,000,000 (one trillion two hundred fifty billion Rupiah) as described below:

- a. A total of Rp492,000,000,000 (four hundred ninety two billion Rupiah) shall be underwritten in Full Commitment, consisting of:
 - i. A Series Shelf-Registered Bonds II Phase II having a total principal of Rp284,000,000,000.- (two hundred eighty four billion Rupiah) with a fixed interest rate of 10.8% (eight point eight percent) per annum and having a maturity of 3 (three) years from the Issue Date.
 - ii. B Series Shelf-Registered Bonds II Phase II having a total principal of Rp208,000,000,000.- (two hundred eight billion Rupiah) with a fixed interest rate of 11.3% (eleven point three percent) per annum and having a maturity of 5 (five) years from the Issue Date.
- b. A maximum of Rp758,000,000,000 (seven hundred fifty eight billion Rupiah) shall be underwritten on a Best Effort basis.

The aforementioned Interest Rate of Shelf-Registered Bonds II Phase II shall be the percentage per annum of the nominal value, calculated based on the elapsed Calendar Days, whereas 1 (one) year consists of 360 (three hundred sixty) days and 1 (one) month consists of 30 (thirty) days. The Interest of Shelf-Registered Bonds II Phase II shall be paid on a Quarterly basis commencing on the Issue Date on the Interest Payment Date of Shelf-Registered Bonds II Phase II.

The Shelf-Registered Bonds II Phase II shall be paid in the sum equal to the Principal of the Shelf-Registered Bonds II Phase II stated on the Written Confirmation owned by the Holders of the Shelf-Registered Bonds II Phase II, with due considerations to the Shelf-Registered Bonds II Phase II Jumbo Certificate and the provisions of the Trustee Agreement.

The Interest Payment schedule of the Shelf-Registered Bonds II Phase II is set forth in the following table:

Interest No.	Interest Payment Date of Shelf-Registered Bonds II Phase II	
	A Series	B Series
1	December 30, 2016	December 30, 2016
2	March 30, 2017	March 30, 2017
3	June 30, 2017	June 30, 2017
4	September 30, 2017	September 30, 2017
5	December 30, 2017	December 30, 2017
6	March 30, 2018	March 30, 2018
7	June 30, 2018	June 30, 2018

8	September 30, 2018	September 30, 2018
9	December 30, 2018	December 30, 2018
10	March 30, 2019	March 30, 2019
11	June 30, 2019	June 30, 2019
12	September 30, 2019	September 30, 2019
13		December 30, 2019
14		March 30, 2020
15		June 30, 2020
16		September 30, 2020
17		December 30, 2020
18		March 30, 2021
19		June 30, 2021
20		September 30, 2021

Bond interest payment procedures

The Principal Repayment of Shelf-Registered Bonds II Phase II and Interest Payment of Shelf-Registered Bonds II Phase II from the Company to the Bondholders through the Account Holders shall be made through KSEI as the Paying Agent in accordance with the terms and conditions set forth in the Paying Agent Agreement and in accordance with the respective payment schedule set forth in the Trustee Agreement. In the event that the date of Principal Repayment of Shelf-Registered Bonds II Phase II and/or the Interest Payment of Shelf-Registered Bonds II Phase II falls on other than the Exchange Day, such payment shall be made on the next Exchange Day.

Transfer unit and minimum subscription

The unit of transfer of the Shelf-Registered Bonds II Phase II shall be Rp1 (one Rupiah) or its multiples.

Subscription unit

The minimum subscription of the Shelf-Registered Bonds II Phase II shall be no less than Rp5,000,000 (five million Rupiah) and/or its multiples.

Collaterals

The Shelf-Registered Bonds II Phase II are not secured by any specific collaterals, but secured by all of the Company's assets, both movable and immovable assets, whether those existing or will exist in the future, which shall serve as collaterals for the holders of the Shelf-Registered Bonds II Phase II in accordance with the provisions set forth in Article 1131 and 1132 of the Civil Code. The rights of the holders of Shelf-Registered Bonds II Phase II shall rank *pari passu* without preference with all of the Company's other creditors, whether those existing or will exist in the future, except for the rights of the Company's creditors that are specifically secured by the Company's assets, whether those existing or will exist in the future.

Bond buyback

Further information concerning the repurchase (buyback) shall be described in Chapter I of the Supplementary Information concerning the Shelf Registration Public Offering

Allowance for Bond Principal Repayment Fund (sinking fund)

The Company does not form a sinking fund for the Shelf-Registered Bonds II Phase II based to optimize the use of proceeds from the Shelf-Registered Bonds II Phase II Public Offering in accordance with the purpose of use of proceeds from the Shelf-Registered Bonds II Phase II Public Offering.

Covenants and Obligations of the Company

Further information concerning the Company's covenants and obligations shall be described in Chapter I of the Supplementary Information concerning the Shelf Registration Public Offering

Rights of the Bondholders

Further information concerning the rights of the Bondholders shall be described in Chapter I of the Supplementary Information concerning the Shelf Registration Public Offering

Governing Laws

All agreements with regard to this Shelf-Registered Bonds II Phase II are based on and subject to the laws prevailing in Indonesia.

Rating Result

According to Regulation No. IX.C.1 and Regulation No. IX.C.11, the Company has obtained the rating with respect to the Shelf-Registered Bonds II issue, which was performed by Pefindo. Pursuant to Letter No. 1491/PEF-Dir/IX/2016 dated September 7, 2016, Medco Energi Internasional Shelf-Registered Bonds II are rated:

idA+
(Single A Plus)

USE OF PROCEEDS FROM THE BOND SHELF REGISTRATION PUBLIC OFFERING

The Company plans to use the proceeds from the Shelf-Registered Bonds II Phase II Public Offering, net of issuance cost, as follows:

1. Approximately 60% will be used to pay a portion and/or all off the debts incurred from the Medco Energi Internasional Shelf-Registered Bonds I Phase II Year 2013 issue as detailed below:

Name of Bonds to be Paid	Total Issue	Rating	Maturity Date	Coupon
Medco Energi Internasional Shelf-Registered Bonds I Phase II Year 2013	Rp1.500.000.000.000.	idA+	March 2018	8.85%

2. Approximately 40% will be used for capital expenditures, including capital expenditures arising from future asset acquisition.

INDEBTEDNESS

As of March 31, 2016, the Company has total consolidated liabilities amounting to USD2,202 million, consisting of consolidated current liabilities of USD601 million and consolidated non-current liabilities of USD1,602 million.

	<i>(In USD)</i>
	<u>Amount</u>
CURRENT LIABILITIES	
Short-term bank loans	20,000,000
Trade payables	
- Related Parties	72,346
- Third Parties	81,159,720
Other payables	
- Related Parties	3,490,815
- Third Parties	68,833,953
Taxes payable	20,371,141
Liabilities directly associated with the non-current assets	
classified as held for sale	8,078,063
Accrued expenses and other provisions	65,157,722
Employee benefits - current portion	939,467
Current maturities of long-term debt	
- Bank loans	252,485,100
- US Dollar Bonds	77,237,898
Advances from customers	
- Related Parties	350,584
- Third Parties	2,564,665
Total Current Liabilities	<u>600,741,474</u>
NON-CURRENT LIABILITIES	
Long-term debt - net of current maturities	
- Bank loans	833,704,795
- Rupiah Bonds	262,981,956
- US Dollar Bonds	17,823,706
- Singapore Dollar Bonds	73,363,039
- Medium Term Notes	74,871,432

Other payables	11,965,101
Deferred tax liabilities	116,442,584
Long-term employee benefit liabilities	7,615,234
Derivative payables	129,168,814
Asset abandonment and site restoration obligations and other provisions	74,103,766
Total Non-Current Liabilities	1,602,040,427
Total Liabilities	2,202,781,901

Total Liabilities that will mature within 3 (three) months from the issuance of the Supplementary Information is USD 50 million, consisting of:

1. Loan facilities from The Hongkong and Shanghai Banking Corporation Ltd Bank totaling USD20 million, which will mature on September 23, 2016.
2. Medco Energi Internasional Shelf-Registered USD Bonds I Phase II Year 2011 totaling USD30 million, which will mature on November 11, 2016.

SUPPLEMENTARY INFORMATION OF THE COMPANY

1. BRIEF HISTORY OF THE COMPANY

The Company was established in connection within the framework of Domestic Capital Investment pursuant to the Law No. 6 of 1968, as amended by the Law No. 12 of 1970, which was last amended by the Law No. 25 of 2007 concerning Capital Investment, based on the Deed of Establishment No. 19 dated June 9, 1980 as amended by the Deed of Amendment No. 29 dated August 25, 1980, and the Deed of Amendment No. 2 dated March 2, 1931, the three of which were drawn up before Imas Fatimah, S.H., a Notary in Jakarta, the deeds of which were approved by the Minister of Law and Human Rights by virtue of Decree No. Y.A.5/192/4 dated April 7, 1981, and were registered in Jakarta District Court under No. 1348, No. 1349, and No. 1350, respectively, dated April 16, 1981, and were announced in the State Gazette of the Republic of Indonesia No. 102 dated December 22, 1981, Supplement No. 1020/1981.

The Company has amended its Articles of Association subsequent to the public offering of Shelf-Registered Bonds I 2013 Phase II, and the last amendment of the Company's Articles of Association was set forth in the Deed of Meeting Resolutions No. 95 dated November 25, 2015, drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, which was notified to the Minister of Law and Human Rights as stated in the Receipt of Notification of Amendment to Articles of Association No. AHU-AH.01.03-0983580 dated November 27, 2015, which was registered in the Company Register at the Ministry of Law and Human Rights under No. AHU-3585501.AH.01.11.Tahun 2015 dated November 27, 2015 ("Deed No. 95/2015"). Based on the Deed No. 95/2015, the Company's shareholders have approved the amendment of Article 3, Article 4, Article (10), Article 11, Article 12, Article 13, Article 14, Article 15, Article 16, Article 19, Article 21, Article 22, Article 23, Article 24, Article 26, Article 27 and Article 18 of the Company's Articles of Association in order to conform to the OJK Regulation No. 32/POJK.04/2014 dated December 8, 2014, concerning the Plan and Organization of General Meeting of Shareholders of Public Companies ("POJK No. 32/2014") and OJK Regulation No. 33/POJK.04/2014 dated December 8, 2014, concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies ("POJK No. 33/2014") and the reconstitution of the Company's Articles of Association.

Pursuant to the Articles of Association, the aims and objective of the Company are to engage in the exploration, mining and production, industry, general trade, agency and/or representative, and contractor business. To achieve the aims and objectives referred to above, the Company may carry out its main business activities, namely (i) to engage in the exploration, mining and production of oil and gas and other energies, (ii) to engage in the drilling of oil and gas and other energies, (iii) to engage in the construction, maintenance of infrastructures, and distribution and other businesses necessary in the mining of oil and gas and other energies, and (iv) to engage in general trade, including the trading of oil and gas and other energies, whether through import, export, local and inter-island trading, whether independently or based on commission on behalf of other parties, as well as trading as suppliers, wholesalers and distributors.

The Company carries out the following business activities through (i) MEPI for the exploration and production of oil and gas - Indonesia; (ii) MSS for the exploration and production of oil and gas - international; (iii) MPI and MPGI as electric power business units; (v) MEMI as a coal mining business unit; (v) MEGI as a gas distribution business unit; (vi) Medco LNG as an oil and gas downstream sector business unit; (vii) EPI as a drilling equipment leasing service business unit; and (viii) AMG as a building leasing business unit. The said companies further carry out their business activities, whether directly or indirectly, through investment in other companies engaged in similar business fields.

2. The Company's Share Ownership Development

2016

Based on the Shareholder Register as of August 31, 2016, issued by the SAB, the Company's shareholder composition is as follows:

Description and Information	Nominal Value Rp100 per share		(%)
	Number of Shares	Total Nominal (Rp)	
Authorized Capital	4,000,000,000	400,000,000,000	
Issued and Fully Paid-up Capital			
Encore Energy Pte. Ltd.	1,689,393,006	168,939,300,600	50.70
Credit Suisse AG SG Trust Account Client	690,813,800	69,081,380,000	20.73
PT Prudential Life Assurance	280,140,500	28,014,050,000	8.41
PT Medco Duta	8,305,500	830,550,000	0.25
PT Multifabrindo Gemilang	2,000,000	200,000,000	0.06
Public (each below 5%)	595,492,444	59,589,244,400	17.88
	3,266,545,250	326,654,525,000	98.02
Treasury Stock	65,906,200	6,590,620,000	1.98
Total Issued and Fully Paid-up Capital	3,332,451,450	333,245,145,000	100.00
Shares in Portfolio	667,548,550	66,754,855,000	

3. Management and Supervision of the Company

Based on the Deed of Meeting Resolutions No. 134 dated June 29, 2016, drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, the latest compositions of the Company's Board of Commissioners and Board of Directors are as follows:

Board of Commissioners

President Commissioner	:	Muhammad Lutfi
Commissioner	:	Yani Yuhani Panigoro
Independent Commissioner	:	Marsillam Simandjuntak
Independent Commissioner	:	Bambang Subianto
Commissioner	:	Yaser Raimi Arifin Panigoro

Board of Directors:

President Director	:	Hilmi Panigoro
Director	:	Roberto Lorato
Director	:	Ronald Gunawan
Independent Director	:	Anthony Robert Mathias
Director	:	Amri Siahaan

The compositions of the Company's Board of Commissioners and Board of Directors referred to above have been notified to the Minister of Law and Human Rights as stated on the Receipt of Notification of Changes to the Company's Data No. AHU-AH.01.03-0062798 dated June 30, 2016, which was registered in the Company Register at the Ministry of Law and Human Rights under No. AHU-0081297.AH.01.11.Tahun 2016 dated June 30, 2016.

KEY FINANCIAL HIGHLIGHTS

The key financial highlights of the consolidated statements of profit and loss and other comprehensive income of the Company and its Subsidiaries for the years ended December 31, 2013, 2014, 2015 and the period ended March 31, 2016, and the key financial highlights of the consolidated statements of financial position of the Company and its Subsidiaries as of such dates, were derived from the audited consolidated financial statements of the Company and its Subsidiaries for the periods, which are entirely presented in this Prospectus and have been audited by the Registered Public Accountant Purwantono, Sungkoro & Surja, an independent public accountant, with Susanti as the partner in-charge, based on the auditing standards established by the Indonesian Institute of Public Accountants (*Institut Akuntan Publik Indonesia*, "IAP"), with unqualified opinion, whereby the audited consolidated financial statements as of December 31, 2014, and January 1, 2014/December 31, 2013, were restated with regard to the implementation of certain Statement of Financial Accounting Standards that were effective since January 1, 2015, whether applied prospectively or retrospectively, ("2015 SFAS Implementation") and certain accounts were reclassified, the reports of which are presented in this Prospectus.

The key financial highlights of the consolidated statements of profit and loss and other comprehensive income of the

Company and its Subsidiaries for the years ended December 31, 2011 and 2012, and the key financial highlights of the consolidated statements of financial position of the Company and its Subsidiaries are derived from the audited consolidated financial statements of the Company and its Subsidiaries for the periods, which have been audited by the Registered Public Accountant Purwantono, Sungkoro & Surja, an independent public accountant, with Susanti as the partner in-charge, based on the auditing standards established by IAPI, with unqualified opinion, which reports are not presented in this Prospectus.

Statements of Financial Position

STATEMENTS OF FINANCIAL POSITION	December 31,					March 31,
	2011*	2012*	2013*	2014*	2015	2016
<i>(In USD)</i>						
CURRENT ASSETS						
Cash and Cash Equivalents	703,951,167	523,651,774	263,973,998	206,639,912	463,175,233	400,476,633
Short-term investments	247,304,920	311,668,012	253,437,152	268,628,303	225,930,397	184,996,130
Restricted cash						
in banks	25,278,063	1,343,426	5,593,518	-	3,174,701	3,294,527
Trade Receivables						
- Related Parties	69,701,987	32,701,117	18,982,522	12,442,828	20,220,257	22,326,527
- Third Parties	132,626,242	114,428,181	124,651,998	89,150,954	78,320,827	75,868,354
Other Receivables						
- Related Parties	-	-	-	80,850	2,227,846	445,895
- Third Parties	62,216,151	79,157,762	75,940,543	112,207,591	120,596,059	131,122,153
Inventories	43,704,972	36,503,594	37,164,353	42,410,834	40,067,047	47,412,515
Non-current assets classified as						
held for sale	-	-	24,989,685	7,290,112	1,237,635	1,243,210
Prepaid Taxes	9,913,564	9,379,589	11,413,219	10,608,117	10,141,018	9,431,741
Prepaid expenses	6,251,345	4,066,007	3,758,125	3,393,600	3,538,317	2,019,097
Derivative Assets	2,844,957	-	-	-	-	-
Advance for investment	-	30,080,481	1,380,823	-	75,000,000	185,000,000
Other current assets	447,208	1,682,237	160,194	1,364,760	1,233,939	1,037,120
Total Current Assets	1,304,240,576	1,144,662,180	821,446,130	754,217,861	1,044,863,276	1,064,673,902
NON-CURRENT ASSETS						
Other Receivables						
- Related Parties	46,827,782	101,615,237	142,600,440	159,313,967	29,620,713	31,708,591
- Third Parties	12,735,533	4,505,896	1,532,380	1,337,534	920,812	844,167
Restricted cash						
in banks	13,518,505	10,898,277	7,834,751	6,344,031	3,958,521	4,000,738
Deferred tax assets	65,339,990	59,541,169	42,600,507	31,071,315	31,146,229	52,949,083
Long-term investments	133,604,052	200,989,319	296,766,938	302,447,510	208,691,221	208,898,789
Investment in project	30,324,414	30,324,414	30,324,414	30,324,414	22,709,840	22,674,111
Property, plant and equipment	106,152,549	120,410,982	85,700,769	88,513,473	68,961,789	69,297,713
Mining properties	-	708,795	610,264	2,282,185	-	-
Investment properties	-	-	-	-	361,520,701	359,140,835
Exploration and evaluation assets	90,802,201	104,354,484	121,201,467	140,882,632	81,739,073	80,229,572
Oil and gas properties	760,947,154	857,467,874	936,997,400	1,130,706,825	998,527,961	974,999,545
Goodwill	-	-	-	-	37,125,795	37,125,795
Other assets	32,356,285	17,881,308	21,371,961	20,320,983	20,022,897	20,130,397
Total Non-Current Assets	1,292,608,465	1,508,697,755	1,687,541,291	1,913,544,869	1,864,945,552	1,861,999,336
Total Assets	2,596,849,041	2,653,359,935	2,508,987,421	2,667,762,730	2,909,808,828	2,926,673,238
LIABILITIES AND EQUITY						
LIABILITIES						
CURRENT LIABILITIES						
Short-term bank loans	121,399,984	60,000,000	60,000,000	-	-	20,000,000
Trade payables						
- Related Parties	-	69,936	359,576	1,416,478	57,936	72,346
- Third Parties	113,004,919	95,194,668	94,193,530	90,488,378	77,324,045	81,159,720
Other payables						
- Related Parties	-	-	-	-	1,740,327	3,490,815
- Third Parties	35,430,475	43,589,966	50,795,338	41,152,140	72,809,232	68,833,953
Taxes payable	41,569,149	32,800,113	25,348,897	23,904,636	10,927,712	20,371,141

STATEMENTS OF FINANCIAL POSITION	December 31,					March 31,
	2011*	2012*	2013*	2014*	2015	2016
Liabilities						
directly associated with non-current assets						
Classified as held for sale	-	-	3,393,361	9,003,687	8,724,108	8,078,063
Accrued expenses and other provisions	67,516,463	72,224,141	70,696,891	76,854,830	86,746,293	65,157,722
Employee benefits						
current portion	-	8,994,608	314,774	662,565	589,548	939,467
Derivative payables	-	-	10,520,221	35,856,281	-	-
Current maturities						
of long-term debts						
- Bank loans	291,721,364	62,855,699	928,203	183,696,183	179,502,491	252,485,100
- Medium Term Notes	64,928,129	40,386,422	-	-	-	77,237,898
- Rupiah Bonds	56,563,960	-	80,768,414	-	-	-
- US Dollar Bonds	-	-	-	-	78,827,354	77,237,898
Advances from customers						
- Related Parties	-	-	-	-	305,149	350,584
- Third Parties	19,211,686	15,897,995	12,599,877	4,713,197	9,061,151	2,564,665
Total Current Liabilities	811,346,129	432,013,548	409,919,082	467,748,375	526,615,346	600,741,474
NON-CURRENT LIABILITIES						
Long-term debt - net of current maturities						
- Bank loans	466,408,082	654,384,407	374,867,214	544,669,226	908,214,456	833,704,795
- Rupiah Bonds	108,354,996	307,542,144	285,711,915	280,253,368	252,946,827	262,981,956
- US Dollar Bonds	79,387,679	99,334,607	98,466,256	97,406,084	18,742,971	17,823,706
- Singapore Dollar Bonds	-	-	-	-	69,973,057	73,363,039
- Related Parties	69,997,758	125,735,136	130,947,913	-	-	-
- Medium Term Notes	40,320,379	-	-	79,752,616	71,999,347	74,871,432
Other payables	10,511,274	13,849,625	9,698,707	9,121,822	11,610,868	11,965,101
Deferred tax liabilities	76,253,828	90,167,043	99,217,322	112,892,702	110,531,012	116,442,584
Long-term employee benefit liabilities	11,596,362	29,326,937	11,974,600	12,681,485	6,993,174	7,615,234
Derivative payables	1,202,270	17,985,673	162,135,400	113,762,545	157,631,685	129,168,814
Asset abandonment and site restoration obligations and other provisions	53,757,992	55,675,546	50,825,708	62,389,014	72,956,226	74,103,766
Total Non-Current Liabilities	917,790,620	1,394,001,118	1,223,845,035	1,312,928,862	1,681,599,623	1,602,040,427
Total Liabilities	1,729,136,749	1,826,014,666	1,633,764,117	1,780,677,237	2,208,214,969	2,202,781,901
EQUITY						
Paid-up Capital	101,154,464	101,154,464	101,154,464	101,154,464	101,154,464	101,154,464
Treasury Stock	(5,574,755)	(5,574,755)	-	-	(1,122,893)	(2,000,541)
Additional paid-in capital	95,579,709	95,579,709	101,154,464	101,154,464	100,031,571	99,153,923
Effects of changes in equity transactions	108,626,898	108,626,898	183,439,833	183,439,833	181,487,838	180,657,446
Subsidiaries/ Associates	107,870	(444,912)	(444,912)	(444,912)	9,400,343	9,400,343
Translation adjustments	(23,857)	(4,233,513)	(19,588,369)	(22,814,985)	(28,365,965)	(25,653,718)
Fair value adjustments on cash flow hedging instruments	-	(13,244,181)	(53,728,265)	(31,653,354)	(33,440,020)	(21,049,518)
Portion of other comprehensive income (loss) of Associates	73,083	90,929	1,500,697	(8,860,750)	(2,713,819)	(5,804,602)
Remeasurement of defined benefit programs	21,812,059	7,455,447	12,866,024	18,032,738	23,580,468	24,583,284
Retained earnings						
- Appropriated	6,492,210	6,492,210	6,492,210	6,492,210	6,492,210	6,492,210
- Unappropriated	625,152,624	618,870,217	631,984,002	632,189,553	440,010,031	450,221,372
Total Equity						

STATEMENTS OF FINANCIAL POSITION	December 31,					March 31,
	2011*	2012*	2013*	2014*	2015	2016
attributable to the equity holders of the parent company	857,820,596	819,192,804	863,675,684	877,534,797	696,482,657	718,000,740
Non-controlling interest	9,891,696	8,152,465	11,547,620	9,550,696	5,111,202	5,890,597
TOTAL EQUITY	867,712,292	827,345,269	875,223,304	887,085,493	701,593,859	723,891,337
TOTAL LIABILITIES AND EQUITY	2,596,849,041	2,653,359,935	2,508,987,421	2,667,762,730	2,909,808,828	2,926,673,238

* restated

Consolidated Statements of Profit and Loss and Other Comprehensive Income

(In USD)

STATEMENTS OF FINANCIAL POSITION	December 31,					March 31,	
	2011*	2012*	2013*	2014*	2015	2015**	2016
CONTINUING OPERATIONS							
SALES AND OTHER OPERATING REVENUES							
Net oil and gas sales	800,476,758	873,031,964	826,842,368	701,426,544	574,355,244	114,779,571	130,710,161
Revenue from services	8,656,180	17,842,472	16,719,719	13,155,844	32,603,314	6,279,358	6,764,128
Revenue from leases	-	-	-	-	-	-	4,054,947
Revenue from coal	-	9,085,540	42,959,147	36,148,131	21,520,719	3,091,295	3,091,295
TOTAL SALES AND OTHER OPERATING REVENUES	809,132,938	899,959,976	886,521,234	750,730,519	628,479,277	127,718,252	144,620,531
COST OF SALES AND OTHER DIRECT COSTS							
Production and lifting costs	(279,931,765)	(326,942,634)	(307,763,720)	(281,479,367)	(215,265,607)	(42,154,129)	(39,561,323)
Depreciation, depletion and amortization	(100,742,468)	(82,776,970)	(101,609,714)	(96,973,184)	(125,936,997)	(26,571,075)	(30,807,096)
Cost of services	(18,955,968)	(24,408,947)	(29,717,463)	(24,539,712)	(27,792,537)	(6,747,147)	(6,980,719)
Coal production costs	-	(7,838,219)	(24,179,183)	(26,087,257)	(23,131,380)	(4,359,300)	(4,010,386)
Cost of crude oil purchases	(34,225,485)	(43,166,575)	(44,378,789)	(26,309,259)	(21,278,975)	-	(3,042,115)
Exploration expenses	(24,245,872)	(17,306,526)	(14,079,817)	(24,385,209)	(6,811,268)	(3,311,309)	(1,794,638)
Cost of leases	-	-	-	-	-	-	(816,348)
TOTAL COST OF SALES AND OTHER DIRECT COSTS	(458,101,558)	(502,439,871)	(521,728,686)	(479,773,988)	(420,216,764)	(83,142,960)	(87,012,625)
GROSS PROFIT	351,031,380	397,520,105	364,792,548	270,956,531	208,262,513	44,575,221	57,607,906
Selling, general and administrative expenses	(130,553,456)	(137,936,985)	(113,276,461)	(115,267,422)	(118,730,035)	(26,790,579)	(23,249,600)
Finance costs	(77,586,423)	(95,352,726)	(77,063,769)	(71,448,789)	(77,328,920)	(17,935,786)	(26,812,967)
Portion of net income of Associates	(1,952,409)	1,188,018	8,742,792	7,067,272	7,206,901	2,171,264	524,682
Finance Income	8,896,821	21,572,559	11,677,650	10,438,876	6,080,548	2,302,723	3,072,036
Loss on impairment of assets	(21,762,332)	(12,149,708)	(27,175,300)	(16,428,117)	(230,741,519)	(50,040,979)	-
Net gain on disposal of Subsidiaries	71,752,789	5,362,723	-	-	1,398,972	-	-
Gain on business combination achieved in stages	-	-	-	-	50,247,693	-	-
Other income	22,152,094	25,319,919	41,619,755	28,988,038	20,687,660	5,743,010	2,998,964
Other expense	(10,748,084)	(9,082,457)	(13,374,548)	(8,275,021)	(13,470,872)	(5,918,251)	(8,784,841)
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE FROM CONTINUING OPERATIONS	211,230,380	196,441,448	195,942,667	106,031,368	(146,387,059)	(45,893,377)	5,356,180
INCOME TAX (EXPENSE)	(120,769,581)	(156,339,016)	(153,825,846)	(97,719,507)	(33,548,310)	9,655,684	5,729,994

STATEMENTS OF FINANCIAL POSITION	December 31,					March 31,	
	2011*	2012*	2013*	2014*	2015	2015**	2016
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	90,460,799	40,102,432	42,116,821	8,311,861	(179,935,369)	(36,237,693)	11,086,174
DISCONTINUED OPERATIONS							
PROFIT (LOSS) AFTER INCOME TAX EXPENSE FROM DISCONTINUED OPERATIONS	3,015,296	(17,592,298)	(22,272,551)	530,134	(6,238,172)	(6,193,283)	(95,438)
PROFIT (LOSS) FOR THE YEAR	93,476,095	22,510,134	19,844,270	8,841,995	(186,173,541)	(42,430,976)	10,990,736
OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO PROFIT AND LOSS							
Translation adjustments	(2,022,370)	(4,209,656)	(15,354,856)	(3,226,616)	(5,550,980)	643,007	2,712,247
Fair value adjustments							
On cash flow hedging instruments	-	(13,244,181)	(40,484,084)	22,074,911	(1,786,666)	1,331,539	12,390,502
Portion of other comprehensive income of Associates	-	(39,734)	1,409,768	(10,348,166)	5,924,578	(8,311,194)	(3,090,783)
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS							
Portion of other comprehensive income of Associates	73,083	57,580	-	(13,281)	222,353	(49,444)	-
Remeasurement of defined benefit program	4,269,004	(23,725,772)	5,433,056	5,196,699	5,574,795	798,901	1,031,608
Income tax related to the account which is not being reclassified	(1,685,803)	9,369,160	(22,479)	(29,985)	(27,065)	(38,043)	(28,792)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	94,110,009	(9,282,469)	(29,174,325)	22,495,557	(181,816,526)	(48,056,210)	24,005,518
PROFIT (LOSS) ATTRIBUTABLE TO							
Equity holders of the parent company							
Profit (loss) for the year from continuing operations	83,732,505	33,841,663	38,721,666	4,708,785	(181,895,875)	(37,408,954)	10,306,779
Profit (loss) for the year from discontinued operations	3,015,296	(17,592,298)	(22,272,551)	530,134	(6,238,172)	(6,193,283)	(95,438)
Profit (loss) for the year attributable to the equity holders of the parent company	86,747,801	16,249,365	16,449,115	5,238,919	(188,134,047)	(43,602,237)	10,211,341
Profit for the year from continuing operations attributable to non-controlling interest	6,728,294	6,260,769	3,395,155	3,603,076	1,960,506	1,171,261	779,395
	93,476,095	22,510,134	19,844,270	8,841,995	(186,173,541)	(42,430,976)	10,990,736
COMPREHENSIVE PROFIT (LOSS) ATTRIBUTABLE TO							
Equity holders of the parent company							
Comprehensive profit (loss) for the year from continuing operations	84,366,419	2,049,060	(10,296,929)	18,362,347	(177,538,860)	(43,034,188)	23,321,561

STATEMENTS OF FINANCIAL POSITION	December 31,				March 31,		
	2011*	2012*	2013*	2014*	2015	2015**	2016
Comprehensive profit (loss) for the year from discontinued operations	3,015,296	(17,592,298)	(22,272,551)	530,134	(6,238,172)	(6,193,283)	(95,438)
Comprehensive profit (loss) for the year attributable to equity holders of the parent company	87,381,715	(15,543,238)	(32,569,480)	18,892,481	(183,777,032)	(49,227,471)	23,226,123
Comprehensive income for the year attributable to non-controlling interest	6,728,294	6,260,769	3,395,155	3,603,076	1,960,506	1,171,261	779,395
	94,110,009	(9,282,469)	(29,174,325)	22,495,557	(181,816,526)	(48,056,210)	24,005,518
BASIC EARNING (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	0.0300	0.0055	0.00533	0.00157	(0.05658)	(0.01308)	0.00311
	* restated						
	** unaudited						

Consolidated Financial Ratios (Unaudited)

STATEMENTS OF FINANCIAL POSITION	December 31,			March 31,		
	2011*	2012*	2013*	2014*	2015	2016
Cash Ratio ⁽¹⁾	0.87x	1.21x	0.64x	0.44x	0.88x	0.67x
Current Ratio ^{(2)(A)}	1.61x	2.65x	2.00x	1.61x	1.98x	1.77x
Debt to equity ratio ^{(3)(A)}	1.50x	1.63x	1.18x	1.34x	2.25x	2.20x
Net debt to equity ratio ⁽⁴⁾	0.69x	1.00x	0.88x	1.10x	1.59x	1.65x
Total liabilities to total equity ratio	1.99x	2.21x	1.87x	2.01x	3.15x	3.04x
Return on assets ratio ⁽⁵⁾	3.60%	0.85%	0.79%	0.33%	-6.40%	0.38%
Return on equity ratio ⁽⁶⁾	10.77%	2.72%	2.27%	1.00%	-26.54%	1.52%
Net oil and gas assets to total assets ratio	0.29x	0.32x	0.37x	0.42x	0.34x	0.33x
Net Sales ⁽⁷⁾ and revenues to total assets ratio	0.31x	0.34x	0.35x	0.28x	0.22x	0.05x
Net working capital ⁽⁸⁾ to sales ⁽⁷⁾ ratio	0.61x	0.79x	0.46x	0.38x	0.82x	3.21x
Sales growth ⁽⁹⁾ to growth of net cash flows provided by operating activities ⁽¹⁰⁾ ratio	-7.15x	0.89x	-0.24x	1.34x	2.35x	0.55x
Net cash flows provided by operating activities to net profit ratio	1.14x	9.29x	13.33x	18.47x	-0.60x	2.93x
EBITDA to finance costs ratio ^{(11)(A)}	4.70x	4.68x	5.43x	4.17x	3.04x	2.76x

Note:

- (1) Cash ratio is calculated by comparing total cash and cash equivalents to total current liabilities as of March 31 of the respective year.
- (2) Current ratio is calculated by comparing total current assets to total current liabilities as of March 31 of the respective year.
- (3) Debt to equity ratio is calculated by comparing total short-term bank loans, long-term debts, both current and long-term portion net of current maturities (including bank loans, medium term notes, notes payable, Rupiah bonds, US Dollar Bonds, and guaranteed convertible bonds) to total equity as of March 31 of the respective year.
- (4) Net debt to equity ratio is calculated by comparing total short-term bank loans, long-term debts, both current and long-term portion net of current maturities (including bank loans, medium term notes, notes payable, Rupiah bonds, US Dollar Bonds, and guaranteed convertible bonds), net of cash and cash equivalents to total equity as of March 31 of the respective year.
- (5) Return on assets ratio is calculated by comparing net profit for the year to total assets as of March 31 of the respective year.
- (6) Return on equity ratio is calculated by comparing net profit for the year to total equity as of March 31 of the respective year.
- (7) Sales also include other operating revenues.
- (8) Net working capital is equal to current assets less current liabilities as of March 31 of the respective year.
- (9) Sales growth is calculated by comparing total sales and other operating revenues for the year to the total sales and other operating revenues for the previous year.

- (10) Growth of net cash flows provided by operating activities is calculated by comparing total net cash flows provided by operating activities for the year to the total net cash flows provided by operating activities for the previous year.
- (11) Net finance costs is calculated by totaling the net interest charges from all interest bearing liabilities or debts, net of finance income.

As of March 31, 2015, the Company has complied with the minimum current ratio (minimum 1.25x), maximum debt to equity ratio (maximum 3x), and minimum EBITDA to net finance costs ratios (minimum 1x).

BOND UNDERWRITING

Pursuant to the terms and conditions stipulated in the Securities Underwriting Agreement, the Joint Lead Underwriters and Underwriters, which names are listed below, have agreed to offer the Shelf-Registered Bonds II Phase II to the Public, in a maximum amount of Rp1,250,000,000,000 (one trillion two hundred fifty billion Rupiah), where a total of Rp492,000,000,000 (four hundred ninety two billion Rupiah) shall be underwritten in Full Commitment, and a maximum of Rp758,000,000,000 (seven hundred fifty eight billion Rupiah) shall be underwritten on a Best Effort basis.

The underwriting composition, portion and percentage of the Shelf-Registered Bonds II Phase II totaling Rp492,000,000,000 (four hundred ninety two billion Rupiah) underwritten in Full Commitment are as follows:

No.	Underwriter	Underwriting Portion (Rp)		Total (Rp)	%
		A Series	B Series		
1.	PT CIMB Securities Indonesia	80,000,000,000	23,000,000,000	103,000,000,000	20.9
2.	PT Danareksa Sekuritas	38,000,000,000	119,000,000,000	157,000,000,000	32.0
3.	PT DBS Vickers Securities Indonesia	10,000,000,000	30,000,000,000	40,000,000,000	8.1
4.	PT Mandiri Sekuritas	156,000,000,000	36,000,000,000	192,000,000,000	39.0
TOTAL		284,000,000,000	208,000,000,000	492,000,000,000	100.0

Other than this Bond Underwriting Agreement, there are no other agreements entered into by and between the Company, Joint Lead Underwriters and Underwriters, which contents are on the contrary to this Bond Underwriting Agreement.

The Underwriters participating in the Securities Underwriting Agreement further agreed to carry out their respective duties in accordance with Regulation No. IX.A.7 Annex to the Decree of Bapepam Chairman Number: Kep-691/BL/2011 dated December 30, 2011, concerning the Securities Subscription and Allotment in a Public Offering ("Regulation No. IX. A.7").

The Joint Lead Underwriters and Underwriters in this Public Offering expressly state that they are not Affiliates of the Company, whether directly or indirectly, in accordance with the definition of Affiliate in the Capital Market Law.

TERMS OF BOND SUBSCRIPTION

ELIGIBLE SUBSCRIBERS

Individuals, of Indonesian or Foreign Citizenship, regardless of their place of residence, and Indonesian or foreign legal entities or institutions, regardless of their places of domicile, shall be entitled to purchase the Bonds according to the provisions of local jurisdictions.

SUBSCRIPTION OF SHELF-REGISTERED BONDS II PHASE II

The subscription of Shelf-Registered Bonds II Phase II shall be submitted using the Bond Subscription Forms ("BSF") printed for such purpose, which shall be available at the office of the Underwriters stated in Chapter XVI of this Supplementary Information, and subscriptions that have been submitted cannot be canceled by the Subscribers. Subscriptions of Shelf-Registered Bonds II Phase II that are not in conformity to the terms referred to above shall not be processed.

The subscriptions must be accepted by the Allotment Manager if the following conditions are met: (i) subscriptions are made using the original BSF; and (ii) the subscriptions are submitted to the Securities Companies that are members of the securities underwriting syndicate and/or securities selling agent.

MINIMUM SUBSCRIPTION

The subscription of Shelf-Registered Bonds II Phase II shall be made in the sum of no less than one unit of trading, which shall be Rp5,000,000 (five million Rupiah) or its multiples.

PUBLIC OFFERING PERIOD

The Public Offering Period will commence on September 26, 2016, and end on September 27, 2016, from 09.00 Western Indonesian Time up to 16.00 Western Indonesian Time each day.

LOCATION TO SUBMIT THE SUBSCRIPTION OF SHELF-REGISTERED BONDS II PHASE II

During the Public Offering, the subscribers shall subscribe to the Shelf-Registered Bonds II Phase II by submitting the BSF during the normal working hours to the Underwriters as set forth in Chapter XVI of this Supplementary Information, at the location where the subscribers obtained the Supplementary Information and BSF.

RECEIPT OF SUBSCRIPTION OF SHELF-REGISTERED BONDS II PHASE II

The Underwriters receiving the subscriptions to the Shelf-Registered Bonds II Phase II shall return 1 (one) copy of the signed BSF to the Bond Subscriber as a receipt of subscription to Shelf-Registered Bonds II Phase II. Such receipt of the Shelf-Registered Bonds II Phase II subscription is not a guarantee that the bond subscription shall be fulfilled.

ALLOTMENT OF SHELF-REGISTERED BONDS II PHASE II

The allotment shall be performed in accordance with Regulation No. IX.A.7. In the event that the total Shelf-Registered Bonds II Phase II subscribed exceeds the total Shelf-Registered Bonds II Phase II offered, the allotment shall be determined according to the discretion of each Underwriter in accordance with their respective underwriting portion. The Allotment Date shall be September 28, 2016.

Each party is prohibited from, whether directly or indirectly, subscribing more than one subscription to the Shelf-Registered Bonds II Phase II in this Public Offering of Shelf-Registered Bonds II Phase II. In the event of oversubscription of Shelf-Registered Bonds II Phase II and it is proven that certain parties have submitted the Shelf-Registered Bonds II Phase II subscriptions through more than one subscription form for each Public Offering of Shelf-Registered Bonds II Phase II, whether directly or indirectly, then, for the purpose of allotment, the Allotment Manager shall include only one Shelf-Registered Bonds II Phase II subscription form that is first submitted by the concerned subscriber.

The Joint Lead Underwriters shall submit the Public Offering of Shelf-Registered Bonds II Phase II Report to the OJK by no later than 5 (five) Working Days following the allotment date in accordance with Regulation No. IX.A.2.

The Allotment Manager shall submit the Accountant Audit Report to the OJK concerning the fairness of the allotment with reference to Regulation No. VIII.G.12 Annex to the Decree of Bapepam Chairman No. Kep-17/PM/2004 dated April 13, 2004, concerning the Guidelines for Audit by Accountant on the Securities Subscriptions and Allotments or Bonus Shares Distributions and Regulation No. IX.A.7 by no later than 30 (thirty) days from the closing of the Public Offering Period.

PAYMENT OF SUBSCRIPTION OF SHELF-REGISTERED BONDS II PHASE II

Immediately after receiving the notice of Shelf-Registered Bonds II Phase II allotment result, subscribers must immediately perform payments, which may be made in cash or transfer, directed to the Underwriters where the Subscribers filed their subscriptions. The fund shall be effective (in good funds) at the accounts of the Underwriters by no later than September 29, 2016, at 15.00 PM Western Indonesian Time. Subsequently, the Underwriters shall immediately make the payment to the Joint Lead Underwriters by no later than such date (in good funds), which shall be directed to the following accounts:

PT CIMB Securities Indonesia	PT Danareksa Sekuritas	PT DBS Vickers Securities Indonesia	PT Mandiri Sekuritas
PT Bank CIMB Niaga, Tbk	PT Bank Permata Tbk Sudirman Branch	PT Bank DBS Indonesia Jakarta Mega Kuningan Branch	PT Bank Maybank Indonesia Tbk.
Cabang Graha Niaga Account No.:	Account No.:	Account No.:	Menteng Sentral Branch Account No.:
800 043 680 000	400-1763690	3320034016	2283002789
Under the name of PT CIMB Securities Indonesia	Under the name of PT Danareksa Sekuritas	Under the name of PT DBS Vickers Securities Indonesia	Under the name of PT Mandiri Sekuritas

All charges or bank provisions or transfer charges shall be borne by the Subscribers. Subscription shall be canceled in the event of failure to meet the terms of payment.

ELECTRONIC DISTRIBUTION OF SHELF-REGISTERED BONDS II PHASE II

The electronic distribution of Shelf-Registered Bonds II Phase II shall be conducted on September 30, 2016, the Company is obligated to issue the Shelf-Registered Bonds II Phase II Jumbo Certificate to be submitted to KSEI and instruct KSEI to credit the Shelf-Registered Bonds II Phase II to the Securities Accounts of the Joint Lead Underwriters at KSEI. With the execution of such instruction, the distribution of Shelf-Registered Bonds II Phase II shall solely become the responsibility of the Joint Lead Underwriters and KSEI. The Joint Lead Underwriters shall further instruct KSEI to

perform a book-entry settlement to transfer the Shelf-Registered Bonds II Phase II from the Securities Accounts of the Joint Lead Underwriters to the Securities Accounts of the Underwriters in accordance with the payments made by the Underwriters according to their respective underwriting portion. By the execution of the distribution of Shelf-Registered Bonds II Phase II to the Underwriters, then the responsibility over the distribution of Shelf-Registered Bonds II Phase II shall solely become the responsibility of the respective Underwriters.

POSTPONEMENT OF PUBLIC OFFERING PERIOD OR CANCELLATION OF PUBLIC OFFERING

Within the period from the effectiveness of the Registration Statement up to the end of the Public Offering Period, the Company may postpone the Public Offering Period for a maximum period of 3 (three) months following the effectiveness of the Registration Statement or cancel the Public Offering of Shelf-Registered Bonds II Phase II, subject to the following provisions:

- i. An event beyond the Company's ability and control has occurred, which includes the following:
 - a) The IDX composite index declines by more than 10% (ten percent) for 3 (three) consecutive Exchange Days;
 - b) Natural disasters, war, riots, fire, strikes which significantly affect the Company's going concern; and/or
 - c) Other events that have significant effect to the Company's business continuity as stipulated by the OJK based on the Form stipulated in the Bapepam and LK Regulation No. IX.A.2-11 Annex 11; and
- ii. The Company shall comply with the following provisions:
 - a) Announce the postponement of Public Offering Period or cancellation of the Public Offering in at least 1 (one) daily newspaper published in the Indonesian Language with national circulation by no later than 1 (one) working day following such postponement or cancellation. In addition to the obligation to issue an announcement in the newspaper, the Company may also issue such information in other mass media;
 - b) Inform the postponement of Public Offering Period or cancellation of the Public Offering to the OJK on the same day as the announcement referred to in point a) above;
 - c) Submit the proof of announcement referred to in point a) to the OJK by no later than 1 (one) working days subsequent to the said announcement; and
 - d) The Company postponing the Public Offering Period or canceling an ongoing Public Offering shall, in the event that Securities subscriptions have been paid, refund the Securities Subscription fund to the subscriber by no later than 2 (two) working days following such decision to postpone or cancel the Public Offering.

In the event of termination of the Securities Underwriting Agreement that results in the cancellation of the Public Offering of Shelf-Registered Bonds II Phase II, in which the Shelf-Registered Bonds II Phase II subscription payments have been received by the Joint Lead Underwriters and have not been paid to the Company, then, the Joint Lead Underwriters is obligated to refund such payment to the subscribers of Shelf-Registered Bonds II Phase II by no later than 2 (two) Working Days subsequent to the Allotment Date or the termination of the Securities Underwriting Agreement.

In the event of termination of the Securities Underwriting Agreement that results in the cancellation of the Public Offering of Shelf-Registered Bonds II Phase II, in which the Shelf-Registered Bonds II Phase II subscription payments have been received by the Company, then, the Company shall be obligated to refund such payment to the subscribers of Shelf-Registered Bonds II Phase II through KSEI by no later than 2 (two) Working Days subsequent to the date of cancellation or termination of the Securities Underwriting Agreement.

In the event of delay, the Joint Lead Underwriters or the Company which is responsible for such delay shall be obligated to pay a Penalty to the subscribers for each day of delay, whereas 1 (one) year shall consist of 360 (three hundred sixty) Calendar Days and 1 (one) month shall consist of 30 (thirty) Calendar Days.

If the refund for such Shelf-Registered Bonds II Phase II subscription is available, but the subscribers fail to collect such refund within 2 (two) Working Days subsequent to cancellation of the Public Offering of Shelf-Registered Bonds II Phase II, then the Company and/or Joint Lead Underwriters shall not be obligated to pay the interest and/or penalty to the subscribers of Shelf-Registered Bonds II Phase II. The Company shall not be liable for and is hereby released by the Joint Lead Underwriters and Underwriters from all claims arising from failure to perform the obligations which fall under the responsibilities of the Joint Lead Underwriters and Underwriters.

The Joint Lead Underwriters and Underwriters shall not be liable for and shall therefore be released by the Company from all claims arising from failure to perform the obligations which fall under the responsibilities of the Company.

OTHERS

The Joint Lead Underwriters shall have the right to accept or reject the subscriptions of Shelf-Registered Bonds II Phase II, in whole or in part, with due considerations to the prevailing regulations.

PAYING AGENT

PT KUSTODIAN SENTRAL EFEK INDONESIA

Gedung Bursa Efek Jakarta, Tower I, 5th Floor
Jl. Sudirman Kav. 52-53

Jakarta 12190
Phone: (021) 5299-1099
Facsimile: (021) 5299-1199

DISTRIBUTION OF SUPPLEMENTARY INFORMATION AND BOND SUBSCRIPTION FORMS

Supplementary Information and Bond Subscription Forms are available at the office of the Joint Lead Underwriters listed below:

JOINT LEAD UNDERWRITERS AND UNDERWRITERS

**PT CIMB SECURITIES
INDONESIA**

Gedung Bursa Efek
Indonesia, Tower II, 11th
Floor
Jl. Jend Sudirman
Kav 52-53 Jakarta 12190
Phone: (62 21) 515 4660
Fax: (62 21) 515 4661
www.cimb.com

**PT DANAREKSA
SEKURITAS**

Jl. Medan Merdeka
Selatan No. 14
Jakarta 10110
Phone: (62 21) 29 555
777
Fax: (62 21) 350 1817
www.danareksa.com

**PT DBS VICKERS
SECURITIES INDONESIA**

DBS Bank Tower, Ciputra
World 1, 32nd Floor
Jl. Prof. Dr. Satrio
Kav. 3-5
Jakarta 12940, Indonesia
Phone: (62 21) 3003 4945
Fax: (62 21) 3003 4944
www.dbsvickers.com/id

PT MANDIRI SEKURITAS

Plaza 89, 28th Floor
Jl. Jend. Gatot Subroto
Kav 36 – 38
Jakarta 12190
Phone: (62 21) 526 3445
Fax: (62 21) 526 3507
www.mandirisekuritas.co.id