



MEDCOENERGI

PT Medco Energi Internasional Tbk.

NOTIFICATION

**MEDCO ENERGI INTERNATIONAL SHELF-REGISTERED BONDS II 2016 PHASE III
 (“SHELF-REGISTERED BONDS II PHASE III”)**

THIS INFORMATION IS A NOTICE FOR ADDITIONAL INFORMATION AND/OR REVISION OF THE ABRIDGED SUPPLEMENTARY INFORMATION THAT HAS BEEN PUBLISHED IN COMPANY’S WEBSITE ON DECEMBER 5, 2016.

In connection with the completion of the Shelf-Registered Bonds II Phase III Public Offering, hereby notified that in accordance with the Jumbo Certificate of Shelf-Registered Bonds II Phase III, the total principal of Shelf-Registered Bonds II Phase III published on the Issue Date is amounted to Rp274,000,000,000 (two hundred seventy four billion Rupiah), which consists of 3 (three) series:

- A Series : A Series Bonds having a total principal of Rp246,000,000,000.- (two hundred forty six billion Rupiah) with a fixed interest rate of 10.8% (ten point eight percent) per annum and having a maturity of 3 (three) years from the Issue Date. The principal payment of the A Series Bonds shall be made in full on the Principal Payment Date of A Series Bonds, which shall fall on December 21, 2019;
- B Series : B Series Bonds having a total principal of Rp5,000,000,000.- (five 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 the B Series Bonds shall be made in full on the Principal Payment Date of B Series Bonds, which shall fall on December 21, 2021; and
- C Series : C Series Bonds having a total principal of Rp23,000,000,000.- (twenty three billion Rupiah) with a fixed interest rate of 11.8% (eleven point eight percent) per annum and having a maturity of 7 (seven) years from the Issue Date. The principal payment of the C Series Bonds shall be made in full on the Principal Payment Date of C Series Bonds, which shall fall on December 21, 2023.

The Shelf-Registered Bonds II Phase III shall be offered at 100% (one hundred percent) of the Principal of the Shelf-Registered Bonds II Phase III. The interest of Shelf-Registered Bonds II Phase III shall be paid every 3 (three) months in accordance with the Interest Payment Date of Shelf-Registered Bonds II Phase III, commencing on the Issue Date. The first interest payment of the Shelf-Registered Bonds II Phase III shall be made on March 21, 2017, whereas the last interest payment of Shelf-Registered Bonds II Phase III shall be made on the respective Principal Payment Date of Shelf-Registered Bonds II Phase III of each series of Shelf-Registered Bonds II Phase III. The repayment of Shelf-Registered Bonds II Phase III shall be paid in full (bullet payment) upon maturity.

Jakarta, December 19 2016

Board of Directors

PT Medco Energi Internasional Tbk.

Trustee

PT Bank Mega Tbk.

JOINT LEAD UNDERWRITERS AND UNDERWRITERS

PT CIMB
SECURITIES
INDONESIA

PT DANAREKSA
SEKURITAS

PT DBS VICKERS
SECURITIES
INDONESIA

PT MANDIRI
SEKURITAS

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-3 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.

Head Office:

The Energy Building, 53rd-53th Floor SCBD Lot. 11 A
Jend Sudirman Kav. 52-53, South Jakarta, 12190
Phone: (62 21) 2995 3000
Fax: (62 21) 2995 3001

Email: medc@medcoenergi.com, corporate.secretary@medcoenergi.com

Website: www.medcoenergi.com

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")**

and
**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")**

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 III
WITH A MAXIMUM TOTAL BOND PRINCIPAL OF Rp1,000,000,000,000.- (ONE TRILLION RUPIAH)
("SHELF-REGISTERED BONDS II PHASE III")**

The Shelf-Registered Bonds II Phase III shall consist of 3 (three) series, namely the A Series, B Series and C Series Bonds, which shall be issued scrippless, amounting to Rp127,000,000,000 (one hundred twenty seven billion Rupiah), underwritten in Full Commitment, as described below:

- A Series : A Series Bonds having a total principal of Rp101,000,000,000.- (one hundred one billion Rupiah) with a fixed interest rate of 10.8% (ten point eight percent) per annum and having a maturity of 3 (three) years from the Issue Date. The principal payment of the Bonds shall be made in full on the Principal Payment Date of A Series Bonds, which shall fall on December 21, 2019;
- B Series : B Series Bonds having a total principal of Rp4,000,000,000.- (four 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 the B Series Bonds shall be made in full on the Principal Payment Date of B Series Bonds, which shall fall on December 21, 2021; and
- C Series : C Series Bonds having a total principal of Rp22,000,000,000.- (twenty two billion Rupiah) with a fixed interest rate of 11.8% (eleven point eight percent) per annum and having a maturity of 7 (seven) years from the Issue Date. The principal payment of the C Series Bonds shall be made in full on the Principal Payment Date of C Series Bonds, which shall fall on December 21, 2023;

The remaining Principal of Shelf-Registered Bonds II Phase III, which shall be offered at a maximum amount of Rp873,000,000,000 (eight hundred seventy three billion Rupiah) shall be underwritten on a Best Effort basis.

The Shelf-Registered Bonds II Phase III shall be offered at 100% (one hundred percent) of the Principal of the Shelf-Registered Bonds II Phase III. The interest of Shelf-Registered Bonds II Phase III shall be paid every 3 (three) months in accordance with the Interest Payment Date of Shelf-Registered Bonds II Phase III, commencing on the Issue Date. The first interest payment of the Shelf-Registered Bonds II Phase III shall be made on March 21, 2017, whereas the last interest payment of Shelf-Registered Bonds II Phase III shall be made on the respective Principal Payment Date of Shelf-Registered Bonds II Phase III of each series of Shelf-Registered Bonds II Phase III. The repayment of Shelf-Registered Bonds II Phase III shall be paid in full (bullet payment) upon maturity.

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

IMPORTANT NOTICE

THE SHELF-REGISTERED BONDS II PHASE III 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 THAT HAVE EXISTED 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 III, WHICH SHALL RANK *PARI PASSU*.

THE BUYBACK OF THE SHELF-REGISTERED BONDS II PHASE III 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 III. THE COMPANY SHALL HAVE THE RIGHT TO TREAT SUCH BUYBACK AS REPAYMENT OF SHELF-REGISTERED BONDS II PHASE III 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 III JUMBO CERTIFICATE THAT SHALL BE REGISTERED UNDER THE NAME OF PT KUSTODIAN SENTRAL EFEK INDONESIA ("KSEI"), WHICH SHALL BE DISTRIBUTED ELECTRONICALLY AND ADMINISTERED 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 RISK EXPOSURES ARE RISKS 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 III MAY FACE THE RISK THAT THE SHELF-REGISTERED BONDS II PHASE III 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 III ARE GENERALLY PURCHASED AS LONG-TERM INVESTMENTS.

**THE SHELF-REGISTERED BONDS II PHASE III 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 December 2, 2016

SCHEDULE

Effective Date	:	June 28, 2016
Offering Period	:	December 15-16, 2016
Allotment Date	:	December 19, 2016
Payment Date by Investor	:	December 20, 2016
Bonds Electronic Distribution Date (Issue Date)	:	December 21, 2016
Bonds Listing Date on the Indonesia Stock Exchange	:	December 22, 2016

SHELF REGISTRATION PUBLIC OFFERING

Title of the Bonds

Medco Energi Internasional Shelf-Registered Bonds II 2016 Phase III

Type of Bonds

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

Offer Price

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

Bond Principal Amount, Bond Interest, and Maturities

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

- a. A total of Rp127,000,000,000 (one hundred twenty seven billion Rupiah) shall be underwritten in Full Commitment, consisting of:
 - A Series : A Series Bonds having a total principal of Rp101,000,000,000.- (one hundred one billion Rupiah) with a fixed interest rate of 10.8% (ten point eight percent) per annum and having a maturity of 3 (three) years from the Issue Date.
 - B Series : B Series Bonds having a total principal of Rp4,000,000,000.- (four 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.
 - C Series : C Series Bonds having a total principal of Rp22,000,000,000.- (twenty two billion Rupiah) with a fixed interest rate of 11.8% (eleven point eight percent) per annum and having a maturity of 7 (seven) years from the Issue Date.
- b. A maximum of Rp873,000,000,000 (eight hundred seventy three billion Rupiah) shall be underwritten on a Best Effort basis.

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

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

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

Interest No-	Interest Payment Date of Shelf-Registered Bonds II Phase III		
	A Series	B Series	C Series
1	March 21, 2017	March 21, 2017	March 21, 2017

Interest No-	Interest Payment Date of Shelf-Registered Bonds II Phase III		
	A Series	B Series	C Series
2	June 21, 2017	June 21, 2017	June 21, 2017
3	September 21, 2017	September 21, 2017	September 21, 2017
4	December 21, 2017	December 21, 2017	December 21, 2017
5	March 21, 2018	March 21, 2018	March 21, 2018
6	June 21, 2018	June 21, 2018	June 21, 2018
7	September 21, 2018	September 21, 2018	September 21, 2018
8	December 21, 2018	December 21, 2018	December 21, 2018
9	March 21, 2019	March 21, 2019	March 21, 2019
10	June 21, 2019	June 21, 2019	June 21, 2019
11	September 21, 2019	September 21, 2019	September 21, 2019
12	December 21, 2019	December 21, 2019	December 21, 2019
13		March 21, 2020	March 21, 2020
14		June 21, 2020	June 21, 2020
15		September 21, 2020	September 21, 2020
16		December 21, 2020	December 21, 2020
17		March 21, 2021	March 21, 2021
18		June 21, 2021	June 21, 2021
19		September 21, 2021	September 21, 2021
20		December 21, 2021	December 21, 2021
21			March 21, 2022
22			June 21, 2022
23			September 21, 2022
24			December 21, 2022
25			March 21, 2023
26			June 21, 2023
27			September 21, 2023
28			December 21, 2023

Bond interest payment procedures

The Principal Repayment of Shelf-Registered Bonds II Phase III and Interest Payment of Shelf-Registered Bonds II Phase III 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 III and/or the Interest Payment of Shelf-Registered Bonds II Phase III falls on other than the Working Day, such payment shall be made on the next Working Day.

Transfer unit and minimum subscription

The unit of transfer of the Shelf-Registered Bonds II Phase III shall be Rp1 (one Rupiah) or any multiple thereof.

Subscription unit

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

Collaterals

The Shelf-Registered Bonds II Phase III 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 III 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 III 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 III based on the consideration to optimize the use of proceeds from the Shelf-Registered Bonds II Phase III Public Offering in accordance with the purpose of use of proceeds from the Shelf-Registered Bonds II Phase III 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 III 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 Medco Energi Internasional Shelf-Registered Bonds II Phase III issue, which was performed by Pefindo. Pursuant to Letter No. 1909/PEF-DIR/XI/2016 dated November 11, 2016, Medco Energi Internasional Shelf-Registered Bonds II Phase III are rated:

idA+
(Single A Plus)

USE OF PROCEEDS FROM THE BONDS SHELF REGISTRATION PUBLIC OFFERING

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

1. 60% shall be used to pay a portion of the Singapore Dollar Bonds payable totaling SGD100,000,000, which shall mature on May 2018.
2. 40% shall be used for capital expenditures, including capital expenditures arising from future asset acquisition.

INDEBTEDNESS

As of September 30, 2016, the Company had a total consolidated liabilities of USD2,266 million, consisting of consolidated current liabilities of USD640 million and consolidated non-current liabilities of USD1,626 million.

	<i>(In USD)</i>
	<u>Total</u>
CURRENT LIABILITIES	
Short-term bank loans	20,000,000
Trade payables	
- Related Parties	85,035
- Third Parties	90,451,655
Other payables	
- Related Parties	497,982
- Third Parties	78,718,794
Taxes payable	21,401,276
Liabilities directly associated with the non-current assets classified as held for sale	35,054,320
Accrued expenses and other provisions	50,887,610
Employee benefits - current portion	1,089,265
Derivative payables	45,228,562
Current maturities of long-term debt	
- Bank loans	150,313,176
- Rupiah Bonds	115,182,480
- US Dollar Bonds	27,355,907
Advances from customers	
- Related Parties	317,744
- Third Parties	3,780,831
TOTAL CURRENT LIABILITIES	640,364,637
NON-CURRENT LIABILITIES	
Long-term debt - net of current maturities	
- Bank loans	877,651,210
- Rupiah Bonds	345,043,943
- US Dollar Bonds	17,811,013
- Singapore Dollar Bonds	72,783,587
- Medium Term Notes	76,522,575
Other payables	11,520,405
Deferred tax liabilities	93,462,056
Long-term employee benefit liabilities	8,954,393
Derivative payables	64,877,463
Asset abandonment and site restoration obligations and other provisions	57,800,324

TOTAL NON-CURRENT LIABILITIES
TOTAL LIABILITIES

1,626,426,969
2,266,791,606

Liabilities Maturing within the Next 3 (three) Months

Total Liabilities that will mature within 3 (three) months from the issuance of the Supplementary Information is USD82,500,000, consisting of:

1. Installments of Credit Facilities from Bank Mandiri totaling USD12,500,000, which shall mature on December 23, 2016.
2. Credit Facilities from The Hongkong and Shanghai Banking Corporation Ltd. Bank totaling USD20,000,000, which shall mature on December 23, 2016.
3. Credit Facilities from the Industrial and Commercial Bank of China totaling USD50,000,000, which shall mature on February 24, 2017.

The aforementioned liabilities shall be paid by the Company using income from operation and the Company's financing facilities.

Subsidiaries' Liabilities Maturing within the Next 3 (three) Months

Total Subsidiaries' Liabilities that will mature within 3 (three) months from the issuance of the Supplementary Information are USD6,201,601 and Rp6,386,813,000, consisting of:

1. Installments of Syndicated Credit Facilities from Standard Chartered Bank, Bank Mandiri, Australia New Zealand Bank, and Sumitomo Mitsui Banking Corporation to PT Medco E&P Tomori Sulawesi totaling USD5,025,000, which shall mature on December 30, 2016.
2. Installments of Credit Facilities from Bank Bukopin to PT Api Meta Graha totaling USD1,176,601 and Rp6,383,813,000, which shall mature on December 31, 2016, January 31, 2017, and February 28, 2017.

SUPPLEMENTARY INFORMATION OF THE COMPANY

1. BRIEF HISTORY OF THE COMPANY

The Company was established 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 III, and the last amendment of the Company's Articles of Association is 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"). Pursuant to 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 necessary 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 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; (viii) AMG as a building leasing business unit and (ix) AMNT as a gold and copper mining service 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.

Description of the Acquisition of All Shares of ConocoPhillips Indonesia Inc. Ltd and ConocoPhillips Singapore Operations Pte. Ltd.

On November 17, 2016, the Company, through its wholly-owned subsidiary, Medco Natuna Pte. Ltd. Has completed the acquisition of all shares of ConocoPhillips Indonesia Inc. Ltd (“CIL”) and ConocoPhillips Singapore Operations Pte. Ltd. (“CSOP”). The acquisition of all shares meets the definition of material transactions referred to in Regulation No. IX.E.2 given the transaction value falls at 32.87% (thirty two point eight seven percent) of the Company's total equity based on the Company's consolidated financial statements audited by the Registered Public Accountant Purwantono, Sungkoro & Surja for the six-month period ended June 30, 2016. The transaction may be categorized as a Material Transaction that does not require the approval of the General Meeting of Shareholder referred to in Regulation No. IX.E.2.

In order to comply with the provisions of Regulation No. IX.E.2, the Company had announced a Disclosure to shareholders with respect to the transaction to acquire all shares of CIL and CSOP in a daily newspaper, Suara Pembaruan, on November 21, 2016.

2. The Company's Share Ownership Development

2016

Pursuant to the Deed No. 29/2015 and the Company's shareholder composition based on the Shareholder Register as of October 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	
Total Issued and Fully Paid-up Capital			
Encore Energy Pte. Ltd.	1,190,177,373	119,017,737,300	35.71
Credit Suisse AG SG Trust Account Client	690,813,800	69,081,380,000	20.73
Mitsubishi UFJ Sec S/A Mitsubishi Corporation	499,215,633	49,921,563,300	14.98
PT Prudential Life Insurance	272,221,700	27,222,170,000	8.17
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%)	603,811,244	60,381,124,000	18.12
	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	

KEY FINANCIAL HIGHLIGHTS

The following tables present the key consolidated financial highlights of the Company and its Subsidiaries, which figures are derived from the Company's and its Subsidiaries' consolidated financial statements for the nine-month period ended September 30, 2016, and 2015, and the years ended on December 31, 2015, 2014, 2013, 2012, and 2011.

The Company's and its Subsidiaries' consolidated financial statements as of September 30, 2016, and 2015, and the nine-month periods then ended are not audited.

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 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 Information Memorandum 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, “IAPI”), 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 Information Memorandum.

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, Suherman & Surja, an independent public accountant, with Feniwati Chendana, CPA, 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 FINANCIAL POSITION	OF	December 31					September 30
		2011*	2012*	2013*	2014*	2015	2016
CURRENT ASSETS							
Cash and cash equivalents		703,951,167	523,651,774	263,973,998	206,639,912	463,175,233	181,046,959
Short-term investments		247,304,920	311,668,012	253,437,152	268,628,303	225,930,397	3,855,189
Restricted cash							
in banks		25,278,063	1,343,426	5,593,518	-	3,174,701	-
Trade Receivables							
- Related Parties		69,701,987	32,701,117	18,982,522	12,442,828	20,220,257	28,839,631
- Third Parties		132,626,242	114,428,181	124,651,998	89,150,954	78,320,827	79,482,027
Other receivables							
- Related Parties		-	-	-	80,850	2,227,846	440,189
- Third Parties		62,216,151	79,157,762	75,940,543	112,207,591	120,596,059	106,255,558
Inventories		43,704,972	36,503,594	37,164,353	42,410,834	40,067,047	42,814,536
Non-current assets							
classified as							
held for sale		-	-	24,989,685	7,290,112	1,237,635	37,984,716
Prepaid taxes		9,913,564	9,379,589	11,413,219	10,608,117	10,141,018	15,161,634
Prepaid expenses		6,251,345	4,066,007	3,758,125	3,393,600	3,538,317	2,905,927
Derivative Assets		2,844,957	-	-	-	-	-
Advance for investment		-	30,080,481	1,380,823	-	75,000,000	673,800,000
Other current assets		447,208	1,682,237	160,194	1,364,760	1,233,939	3,076,927
Total Current Assets		1,304,240,576	1,144,662,180	821,446,130	754,217,861	1,044,863,276	1,175,663,293
NON-CURRENT ASSETS							
Other receivables							
- Related Parties		46,827,782	101,615,237	142,600,440	159,313,967	29,620,713	41,890,634
- Third Parties		12,735,533	4,505,896	1,532,380	1,337,534	920,812	1,170,021
Restricted cash							
in banks		13,518,505	10,898,277	7,834,751	6,344,031	3,958,521	2,481,842
Deferred tax assets		65,339,990	59,541,169	42,600,507	31,071,315	31,146,229	59,884,580
Long-term investments		133,604,052	200,989,319	296,766,938	302,447,510	208,691,221	206,399,219
Investment in project		30,324,414	30,324,414	30,324,414	30,324,414	22,709,840	22,674,035
Property, plant and equipment		106,152,549	120,410,982	85,700,769	88,513,473	68,961,789	64,448,431
Mining properties		-	708,795	610,264	2,282,185	-	-
Investment properties		-	-	-	-	361,520,701	354,401,256
Exploration and							
evaluation assets		90,802,201	104,354,484	121,201,467	140,882,632	81,739,073	75,355,187
Oil and gas properties		760,947,154	857,467,874	936,997,400	1,130,706,825	998,527,961	956,588,719
Goodwill		-	-	-	-	37,125,795	37,125,795
Derivative Assets		-	-	-	-	-	215,033
Other assets		32,356,285	17,881,308	21,371,961	20,320,983	20,022,897	15,139,774
Total Non-Current Assets		1,292,608,465	1,508,697,755	1,687,541,291	1,913,544,869	1,864,945,552	1,837,774,526
TOTAL ASSETS		2,596,849,041	2,653,359,935	2,508,987,421	2,667,762,730	2,909,808,828	3,013,437,819
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	85,035
- Third Parties		113,004,919	95,194,668	94,193,530	90,488,378	77,324,045	90,451,655
Other payables							
- Related Parties		-	-	-	-	1,740,327	497,982

STATEMENTS FINANCIAL POSITION	OF	December 31				September 30	
		2011*	2012*	2013*	2014*	2015	2016
- Third Parties		35,430,475	43,589,966	50,795,338	41,152,140	72,809,232	78,718,794
Taxes payable		41,569,149	32,800,113	25,348,897	23,904,636	10,927,712	21,401,276
Liabilities							
directly							
associated with							
non-current assets							
classified as							
held for							
sale		-	-	3,393,361	9,003,687	8,724,108	35,054,320
Accrued expenses and other							
provisions		67,516,463	72,224,141	70,696,891	76,854,830	86,746,293	50,887,610
Employee benefits							
current portion		-	8,994,608	314,774	662,565	589,548	1,089,265
Derivative payables		-	-	10,520,221	35,856,281	-	45,228,562
Current maturities							
of							
long-term debts							
- Bank loans		291,721,364	62,855,699	928,203	183,696,183	179,502,491	150,313,176
- Medium Term Notes		64,928,129	40,386,422	-	-	-	0
- Rupiah Bonds		56,563,960	-	80,768,414	-	-	115,182,480
- US Dollar Bonds		-	-	-	-	78,827,354	27,355,907
Advances from customers							
- Related Parties		-	-	-	-	305,149	317,744
- Third Parties		19,211,686	15,897,995	12,599,877	4,713,197	9,061,151	3,780,831
Total Current							
Liabilities		811,346,129	432,013,548	409,919,082	467,748,375	526,615,346	640,364,637
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	877,651,210
- Rupiah Bonds		108,354,996	307,542,144	285,711,915	280,253,368	252,946,827	345,043,943
- US Dollar Bonds		79,387,679	99,334,607	98,466,256	97,406,084	18,742,971	17,811,013
- Singapore Dollar Bonds		-	-	-	-	69,973,057	72,783,587
- Related Parties		69,997,758	125,735,136	130,947,913	-	-	-
- Medium Term Notes		40,320,379	-	-	79,752,616	71,999,347	76,522,575
Other payables		10,511,274	13,849,625	9,698,707	9,121,822	11,610,868	11,520,405
Deferred tax							
liabilities		76,253,828	90,167,043	99,217,322	112,892,702	110,531,012	93,462,056
Long-term							
employee benefit liabilities		11,596,362	29,326,937	11,974,600	12,681,485	6,993,174	8,954,393
Derivative payables		1,202,270	17,985,673	162,135,400	113,762,545	157,631,685	64,877,463
Asset abandonment							
and site restoration obligations							
and other provisions		53,757,992	55,675,546	50,825,708	62,389,014	72,956,226	57,800,324
Total Non-Current							
Liabilities		917,790,620	1,394,001,118	1,223,845,035	1,312,928,862	1,681,599,623	1,626,426,969
TOTAL LIABILITIES		1,729,136,749	1,826,014,666	1,633,764,117	1,780,677,237	2,208,214,969	2,266,791,606
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)
		95,579,709	95,579,709	101,154,464	101,154,464	100,031,571	99,153,923
Additional paid-in capital		108,626,898	108,626,898	183,439,833	183,439,833	181,487,838	180,657,446
Effects of changes in							
equity transactions of							
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)	(26,084,699)
Fair value adjustments							

STATEMENTS FINANCIAL POSITION	OF	December 31				September 30	
		2011*	2012*	2013*	2014*	2015	2016
on cash flow							
hedging instruments		-	(13,244,181)	(53,728,265)	(31,653,354)	(33,440,020)	(8,827,868)
Share of other comprehensive income (loss) of							
Associates		73,083	90,929	1,500,697	(8,860,750)	(2,713,819)	(7,550,731)
Remeasurement of defined benefit programs		21,812,059	7,455,447	12,866,024	18,032,738	23,580,468	26,471,231
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	462,265,466
Total Equity							
attributable to the equity holders of the parent company		857,820,596	819,192,804	863,675,684	877,534,797	696,482,657	741,977,321
Non-controlling interest		9,891,696	8,152,465	11,547,620	9,550,696	5,111,202	4,668,892
TOTAL EQUITY		867,712,292	827,345,269	875,223,304	887,085,493	701,593,859	746,646,213
TOTAL LIABILITIES AND EQUITY		2,596,849,041	2,653,359,935	2,508,987,421	2,667,762,730	2,909,808,828	3,013,437,819

* restated

Consolidated Statements of Profit and Loss and Other Comprehensive Income

(In USD)

	December 31					September 30	
	2011*	2012*	2013*	2014*	2015	2015**	2016
DISCONTINUED OPERATIONS							
SALES AND OTHER OPERATING INCOME							
Net oil and gas sales	800,476,758	873,031,964	826,842,368	701,426,544	574,355,244	385,144,360	382,307,785
Revenue from services	8,656,180	17,842,472	16,719,719	13,155,844	32,603,314	17,241,363	17,324,924
Revenue from leases	-	-	-	-	-	-	13,561,109
Revenue from coal	-	9,085,540	42,959,147	36,148,131	21,520,719	15,671,423	3,692,526
TOTAL SALES AND OTHER OPERATING	809,132,938	899,959,976	886,521,234	750,730,519	628,479,277	418,057,146	416,886,344
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)	122,868,536	122,766,838
Depreciation, depletion and amortization	(100,742,468)	(82,776,970)	(101,609,714)	(96,973,184)	(125,936,997)	82,896,472	94,131,263
Cost of services	(18,955,968)	(24,408,947)	(29,717,463)	(24,539,712)	(27,792,537)	19,070,322	18,181,125
Coal production costs	-	(7,838,219)	(24,179,183)	(26,087,257)	(23,131,380)	15,501,238	4,768,382
Cost of crude oil purchases	(34,225,485)	(43,166,575)	(44,378,789)	(26,309,259)	(21,278,975)	8,216,901	8,798,676
Exploration expenses	(24,245,872)	(17,306,526)	(14,079,817)	(24,385,209)	(6,811,268)	4,148,069	6,239,880
Cost of leases	-	-	-	-	-	-	2,455,057
TOTAL COST OF SALES AND OTHER DIRECT COSTS	(458,101,558)	(502,439,871)	(521,728,686)	(479,773,988)	(420,216,764)	(252,701,538)	(257,341,221)
GROSS PROFIT	351,031,380	397,520,105	364,792,548	270,956,531	208,262,513	165,355,608	159,545,123
Selling, general and administrative expenses	(130,553,456)	(137,936,985)	(113,276,461)	(115,267,422)	(118,730,035)	(84,020,189)	(73,021,049)
Finance costs	(77,586,423)	(95,352,726)	(77,063,769)	(71,448,789)	(77,328,920)	(55,942,015)	(80,037,352)
Gain on discounted purchases							18,852,318
Share of net income of Associates	(1,952,409)	1,188,018	8,742,792	7,067,272	7,206,901	6,147,920	1,122,836
Final tax	-	-	-	-	-	-	(2,070,977)
Finance Income	8,896,821	21,572,559	11,677,650	10,438,876	6,080,548	6,053,597	10,437,261
Reversal (Loss) on impairment assets	(21,762,332)	(12,149,708)	(27,175,300)	(16,428,117)	(230,741,519)	(55,040,979)	2,862,316
Net gain on disposal of							

	December 31					September 30	
	2011*	2012*	2013*	2014*	2015	2015**	2016
Subsidiaries	71,752,789	5,362,723	-	-	1,398,972	-	-
Gain on business combination achieved in stages	-	-	-	-	50,247,693	-	-
Loss on Fair value measurement on cost of sale							(11,924,603)
Other income (expenses)	11,404,010	16,237,462	28,245,207	20,713,017	7,216,788	(14,987,746)	(192,544)
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE FROM DISCONTINUED OPERATIONS	211,230,380	196,441,448	195,942,667	106,031,368	(146,387,059)	(32,433,804)	25,573,329
INCOME TAX TAX	(120,769,581)	(156,339,016)	(153,825,846)	(97,719,507)	(33,548,310)	(9,045,985)	(1,523,948)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	90,460,799	40,102,432	42,116,821	8,311,861	(179,935,369)	(41,479,789)	24,049,381
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)	(6,384,316)	(189,742)
PROFIT (LOSS) FOR THE YEAR	93,476,095	22,510,134	19,844,270	8,841,995	(186,173,541)	(47,864,105)	23,859,639
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)	752,109	2,281,266
Fair value adjustments							
On cash flow hedging instruments	-	(13,244,181)	(40,484,084)	22,074,911	(1,786,666)	(2,607,550)	24,612,152
Share of other comprehensive income of Associates	-	(39,734)	1,409,768	(10,348,166)	5,924,578	220,153	(4,836,912)
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS							
Share of other comprehensive income of Associates	73,083	57,580	-	(13,281)	222,353	0	0
Remeasurement of defined benefit program	4,269,004	(23,725,772)	5,433,056	5,196,699	5,574,795	4,053,677	3,535,403
Income tax related to the account which is not being reclassified	(1,685,803)	9,369,160	(22,479)	(29,985)	(27,065)	(1,285,856)	(644,640)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	94,110,009	(9,282,469)	(29,174,325)	22,495,557	(181,816,526)	(46,731,572)	48,806,908
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)	(44,750,083)	22,445,177
Profit (loss) for the year from discontinued operations	3,015,296	(17,592,298)	(22,272,551)	530,134	(6,238,172)	(6,384,316)	(189,742)
Profit (loss) for the year attributable to the equity holders							

	December 31					September 30	
	2011*	2012*	2013*	2014*	2015	2015**	2016
of							
the parent company	86,747,801	16,249,365	16,449,115	5,238,919	(188,134,047)	(51,134,399)	22,255,435
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	3,270,294	1,604,204
	93,476,095	22,510,134	19,844,270	8,841,995	(186,173,541)	(47,864,105)	23,859,639
COMPREHENSIVE PROFIT (LOSS) ATTRIBUTABLE TO							
Equity holders of the parent company							
Comprehensive profit (loss) for the year							
for the year from continuing operations	84,366,419	2,049,060	(10,296,929)	18,362,347	(177,538,860)	(43,617,550)	47,392,446
Comprehensive profit (loss) for the year							
for the year from discontinued operations	3,015,296	(17,592,298)	(22,272,551)	530,134	(6,238,172)	(6,384,316)	(189,742)
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)	(50,001,866)	47,202,704
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	3,270,294	1,604,204
	94,110,009	(9,282,469)	(29,174,325)	22,495,557	(181,816,526)	(46,731,572)	48,806,908
BASIC EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY							
	0.0300	0.0055	0.00533	0.00157	(0.05658)	(0.0153)	0.0067

* restated
** unaudited

Consolidated Financial Ratios (Unaudited)

	December 31					September 30	
	2011*	2012*	2013*	2014*	2015	2016	
Cash Ratio ⁽¹⁾	0.87x	1.21x	0.64x	0.44x	0.88x	0.28x	
Current Ratio ^{(2)(A)}	1.61x	2.65x	2.00x	1.61x	1.98x	1.84x	
Debt to equity ratio ^{(3)(A)}	1.50x	1.63x	1.18x	1.34x	2.25x	2.28x	
Net debt to equity ratio ⁽⁴⁾	0.69x	1.00x	0.88x	1.10x	1.59x	2.04x	
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%	0.79%	
Return on equity ratio ⁽⁶⁾	10.77%	2.72%	2.27%	1.00%	-26.54%	3.20%	
Net oil and gas assets to total assets ratio	0.29x	0.32x	0.37x	0.42x	0.34x	0.32x	
Net Sales ⁽⁷⁾ and revenues to total assets ratio	0.31x	0.34x	0.35x	0.28x	0.22x	0.14x	
Net working capital ⁽⁸⁾ to sales ⁽⁷⁾ ratio	0.61x	0.79x	0.46x	0.38x	0.82x	1.28x	
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	-0.02x	
Net cash flows provided by operating activities to net profit ratio	1.14x	9.29x	13.33x	18.47x	-0.60x	5.88x	
EBITDA to finance costs ratio ^{(11)(A)}	4.70x	4.68x	5.43x	4.17x	3.04x	2.61x	

	December 31				September 30	
	2011*	2012*	2013*	2014*	2015	2016

Note:

- (1) Cash ratio is calculated by comparing total cash and cash equivalents to total current liabilities as of September 30 of the respective year.
- (2) Current ratio is calculated by comparing total current assets to total current liabilities as of September 30 of the respective year.
- (3) Debt to equity ratio is calculated by comparing total short-term bank loans, long-term debts, both current portion 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 September 30 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 September 30 of the respective year.
- (5) Return on assets ratio is calculated by comparing net profit for the year to total assets as of September 30 of the respective year.
- (6) Return on equity ratio is calculated by comparing net profit for the year to total equity as of September 30 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 September 30 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.
- (A) As of September 30, 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 III to the Public, in a maximum amount of Rp1,000,000,000,000 (one trillion Rupiah), where a total of Rp127,000,000,000 (one hundred twenty seven billion Rupiah) shall be underwritten in Full Commitment, and a maximum of Rp873,000,000,000 (eight hundred seventy three billion Rupiah) shall be underwritten on a Best Effort basis.

The underwriting composition, portion and percentage of the Shelf-Registered Bonds II Phase III totaling Rp127,000,000,000 (one hundred twenty seven billion Rupiah) underwritten in Full Commitment are as follows:

The composition, portion and percentage of the Underwriters are as follows:

No.	Underwriter	Underwriting Portion (Rp)			Total (Rp)	%
		A Series	B Series	C Series		
1.	PT CIMB Securities Indonesia	-	-	5,000,000,000	5,000,000,000	3.9
2.	PT Danareksa Sekuritas	84,000,000,000	1,000,000,000	11,000,000,000	96,000,000,000	75.6
3.	PT DBS Vickers Securities Indonesia	10,000,000,000	2,000,000,000	-	12,000,000,000	9.4
4.	PT Mandiri Sekuritas	7,000,000,000	1,000,000,000	6,000,000,000	14,000,000,000	11.0
TOTAL		101,000,000,000	4,000,000,000	22,000,000,000	127,000,000,000	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 No. 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.

SUPPORTING INSTITUTIONS AND PROFESSIONALS WITH RESPECT TO THE PUBLIC OFFERING

Trustee	: PT Bank Mega Tbk.
Legal Consultant	: Assegaf Hamzah & Partners
Notary	: Fathiah Helmi, S.H.

TERMS OF BOND SUBSCRIPTION

Eligible Subscribers

Individual Indonesian Citizens and individual Foreign Citizens, 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 III

The subscription of Shelf-Registered Bonds II Phase III 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 XV of this Supplementary Information, and subscriptions that have been submitted cannot be canceled by the Subscribers. Subscriptions of Shelf-Registered Bonds II Phase III 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 III 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.

Offering Period

The Public Offering Period shall commence on December 15, 2016, and shall end on December 16, 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 III

During the Public Offering, the subscribers shall subscribe to the Shelf-Registered Bonds II Phase III by submitting the BSF during the normal working hours to the Underwriters as set forth in Chapter XV 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 III

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

Allotment of Shelf-Registered Bonds II Phase III

The allotment shall be performed in accordance with Regulation No. IX.A.7. In the event that the total Shelf-Registered Bonds II Phase III subscribed exceeds the total Shelf-Registered Bonds II Phase III 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 December 19, 2016.

Each party is prohibited from, whether directly or indirectly, subscribing more than one subscription to the Shelf-Registered Bonds II Phase III in this Public Offering of Shelf-Registered Bonds II Phase III. In the event of oversubscription of Shelf-Registered Bonds II Phase III and it is proven that certain parties have submitted the Shelf-Registered Bonds II Phase III subscriptions through more than one subscription form for each Public Offering of Shelf-Registered Bonds II Phase III, whether directly or indirectly, then, for the purpose of allotment, the Allotment Manager shall include only one Shelf-Registered Bonds II Phase III 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 III Report to the OJK by no later than 5 (five) Business 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. The Allotment Manager for the Bonds is PT CIMB Securities Indonesia.

Payment of Subscription of Shelf-Registered Bonds II Phase III

Immediately after receiving the notice of Shelf-Registered Bonds II Phase III 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 December 20, 2016, at 15.00 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
Bank CIMB Niaga Graha Niaga Branch	PT Bank Permata Tbk. Sudirman Branch	PT Bank DBS Indonesia Jakarta Mega Kuningan Branch	PT Bank Maybank Indonesia Tbk. Thamrin Branch
Account No.: : 800 043 680 000	Account No.: 400-1763690	Account No.: : 3320034016	Account No.: : 2703000069
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 III

The electronic distribution of Shelf-Registered Bonds II Phase III shall be conducted on December 21, 2016, the Company shall be obligated to issue the Shelf-Registered Bonds II Phase III Jumbo Certificate to be submitted to KSEI and instruct KSEI to credit the Shelf-Registered Bonds II Phase III 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 III 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 III 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 III to the Underwriters, then the responsibility over the distribution of Shelf-Registered Bonds II Phase III 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 III, subject to the following provisions:

- i. An event beyond the Company's ability and control has occurred, which includes the followings:
 - 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) business 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) business 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) business 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 III, in which the Shelf-Registered Bonds II Phase III subscription payments have been received by the Joint Lead Underwriters and have not been paid to the Company, then, the Joint Lead Underwriters shall be obligated to refund such payment to the subscribers of Shelf-Registered Bonds II Phase III by no later than 2 (two) Business 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 III, in which the Shelf-Registered Bonds II Phase III 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 III through KSEI by no later than 2 (two) Business 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 III subscription is available, but the subscribers fail to collect such refund within 2 (two) Business Days subsequent to cancellation of the Public Offering of Shelf-Registered Bonds II Phase III, 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 III. 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 III, in whole or in part, with due considerations to the prevailing regulations.

PAYING AGENT

PT KUSTODIAN SENTRAL EFEK INDONESIA

Gedung Bursa Efek Indonesia, Tower 1, 5th Floor
Jl. Jendral 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	PT DANAREKSA SEKURITAS	PT DBS VICKERS SECURITIES INDONESIA	PT MANDIRI SEKURITAS
Gedung Bursa Efek Indonesia, Tower II, 11 th Floor Jl. Jend Sudirman Kav 52-53 Jakarta 12190 Phone: (62 21) 515 4660 Fax: (62 21) 515 4661 www.cimb.com	Jl. Medan Merdeka Selatan No 14 Jakarta 10110 Phone: (62 21) 29 555 777 Fax: (62 21) 350 1724 www.danareksa.com	DBS Bank Tower, Ciputra World 1, 32 nd 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	Plaza Mandiri, 28 th Floor Jl. Jend. Gatot Subroto Kav 36 – 38 Jakarta 12190 Phone: (62 21) 526 3445 Fax: (62 21) 526 3507 www.mandirisekuritas.co.id