



**9M17 Investors
Update**

Delivering Value

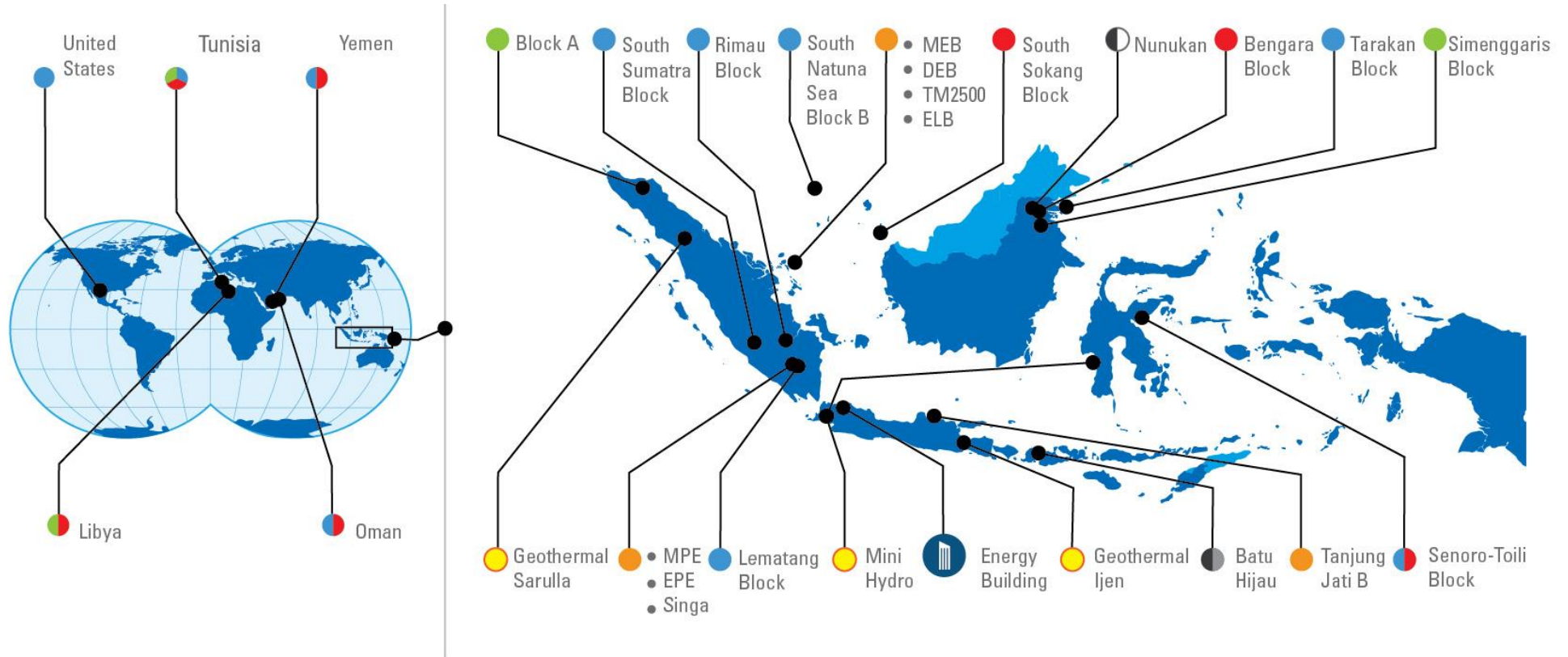
MEDCOENERGI 



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Introduction: Operations in three Key Business Segments, concentrated in Indonesia

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



- Production
- Development
- Exploration



- Power Installed
- Power Development



- Mining Production
- Mining Development
- Mining Exploration



President Director
Hilmi Panigoro



Director
Chief Executive Officer
Roberto Lorato



Director
Chief Financial Officer
Anthony Mathias



Director
**Chief Human Capital &
Business Support**
Amri Siahaan



Director
Chief Operating Officer
Ronald Gunawan

2016 was a transformational year for MedcoEnergi in which we seized opportunities to acquire strategic producing assets. During 9M17 we focused on extracting maximum value from our new and existing asset portfolio.

Our strategy is building a leading company across three key business segments, competitive in a low price environment, with a solid platform of producing assets and excellent growth prospects.

Our new, more diversified asset portfolio, together with the progress we have made on cost efficiency and capital discipline, positions MedcoEnergi as a very attractive and dependable investment proposition for the long term.

We aim to deliver long-term value and optimize returns to our investors, lenders and other stakeholders through continuous improvements in operational and financial performance.

Company Milestones

1980

Established as **Meta Epsi Pribumi Drilling Company**

1994

Initial Public Offering in Indonesia

1995

Acquired **100% shares of Stanvac Indonesia** from Exxon/Mobil

1996

Discovered **major onshore oil reserves** in Kaji-Semoga

2005

Awarded EPISA IV PSC Contract for **Area 47 Libya**

2006

Awarded Oman Service Contract. **Increased production by 100%** within 5-years

2007

Discovered **352 MMBOE** hydrocarbon resources in Area 47 Libya; 90% exploration success ratio

2009

LNG Sales Agreement signed with Japanese & Korean buyers, gas to be supplied from Senoro-Toili Block

2010

Awarded **20 year extension** for 3 Indonesian PSCs (South Sumatra, Block A and Bawean)

2011

Final Investment Decision for Senoro-Toili Gas and LNG projects

2013

Secured **Project Financing** for Senoro-Toili

2014

Secured **Project Financing** for DSLNG and Sarulla

2015

Senoro-Toili and DSNLG begin production
25 year of extension for Karim, Oman
Signed **GSA** for Block A Aceh

2016

Acquired a 41.1% indirect interest in **AMNT**
Acquired a 40% Operatorship in the **South Natuna Sea Block B PSC**
Awarded **10 year extension** on **Lematang PSC** and increased holding to 100%



- 9M17 oil and gas production of 88.3 mboepd compared to 63.9 mboepd in 9M16.
- South Natuna Sea Block B, acquired at the end of 2016, contributed 23.6 mboepd in 9M17.
- The Block A Aceh Gas Development reached over 66.7% completion as of November 2017. Signed a project finance facility agreement with three international banks.
- Won a US\$ 24.8 million arbitration award for claims against Singapore Petroleum Ltd. and Cue Energy Pty Ltd.



- Sarulla Geothermal Power plant Unit I began commercial production in March 2017, Unit II in early October, one month ahead of schedule. Unit III commercial operation expected in Q2 2018.
- MedcoPower was awarded the Operation & Maintenance contract for the Sarulla Geothermal Power plants.
- MedcoPower won the tender to construct a 275MW IPP in Riau, PPA was signed in April 2017.
- MedcoEnergi strengthened its ownership in MedcoPower by acquiring a controlling interest



- The Indonesian Government granted the conversion of AMNT's Contract of Work (CoW) into a Special Mining Permit (IUPK) and also extended its export license permit.
- Acquired 44.3% shares in the Australian mining contractor company Macmahon through a shares to assets transaction. Macmahon has also been awarded the life of mine contract.
- Completed Smelter feasibility studies and signed MoU with Freeport
- Medco has released all security and corporate guarantee with the full repayment of senior and mezzanine loans in AMNT.



- 9M17 Net Profit US\$164.3 million, compared to US\$149.6 million loss in 9M16.
- Gross and Net margins improved year-on-year, with unit cash cost < US\$10 at US\$ 8.1/BOE.
- Revenue and EBITDA were up by 52.6 % and 72.6% respectively on higher oil and gas prices.
- Raised Rp 2.23 trillion through the shelf-registered IDR bond program and US\$400 million through Global USD bond issuance.
- Completed 1:4 stock split in September 2017
- Completed 3:1 Rights Issue on December 2017 raising ~US\$195 million in proceeds.
- Issued warrants exercisable until December 2020.



Oil and Gas E&P

9M16 9M17 YoYΔ%

Production

Oil, MBOPD	29.8	35.5	19.1
Gas, MMSCFD	199.2	283.6	42.3
Total Oil and Gas, MBOEPD*	63.9	88.3	38.3

Lifting/Sales

Oil Lifting, MBOPD	20.0	26.2	31.0
Gas Sales, BBTUPD	207.0	279.8	35.2
Oman Service Contract , MBOPD	8.2	8.3	1.3

Average Realized Price

Average Oil Price, US\$/barrel	39.5	49.5	25.2
Average Gas Price, US\$/MMBTU	4.2	5.5	31.9

*Includes Oman Service Contract



Power

9M16 9M17 YoYΔ%

Production and Capacity^o

IPP Power Production, GWh	1,217	1,527	25.5
O&M Capacity, MW	1,320	2,150	62.9

Average Realized Price*

IPP, Cent/kwh	2.90	3.22	10.9
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*Excludes Fuel Component



Mining

9M16 9M17 YoYΔ%

Sales^o

Copper Sold, Mlbs	348	263	(24.6)
Gold Sold, Koz	576	405	(29.8)

Average Realized Price

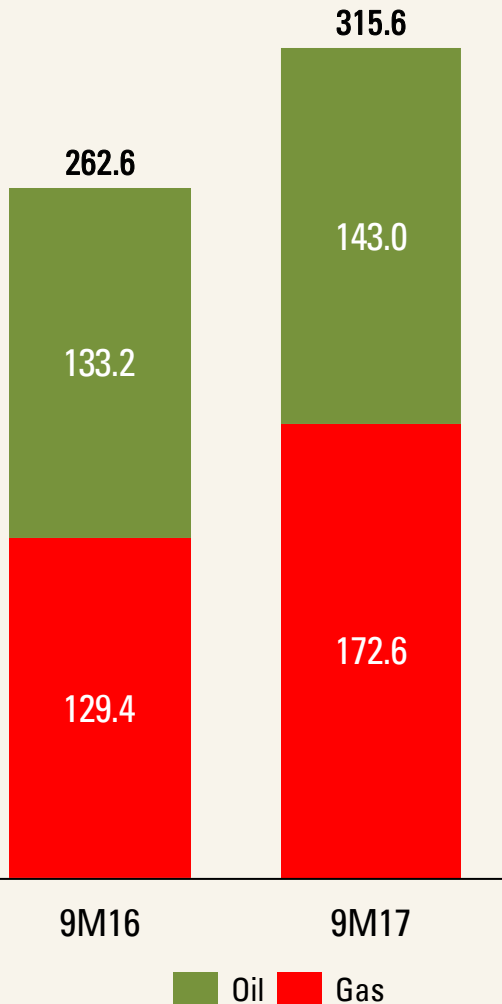
Copper, USD/lbs	1.97	2.62	32.9
Gold, USD/oz	1,254	1,218	(2.8)

^oGross 100% interest

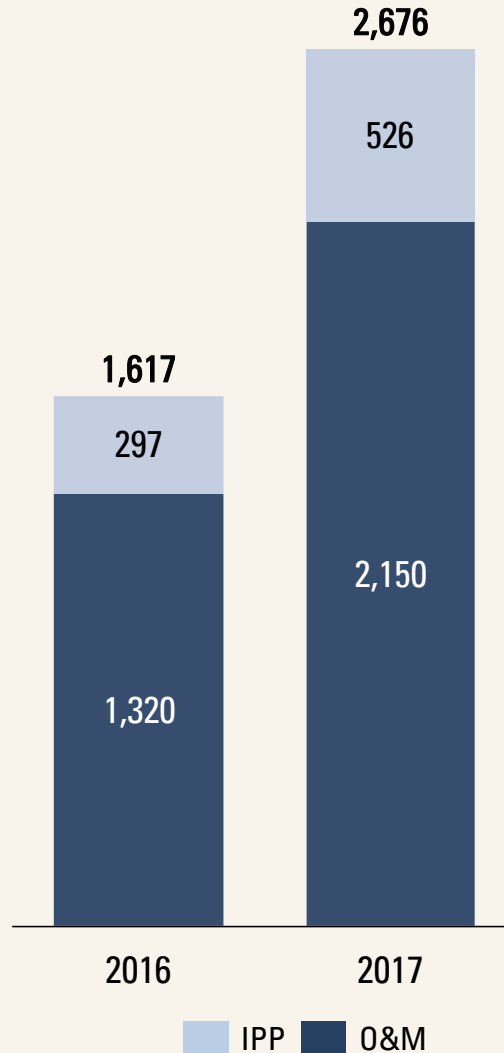


Oil & Gas: Net 2P Reserves, MMBOE

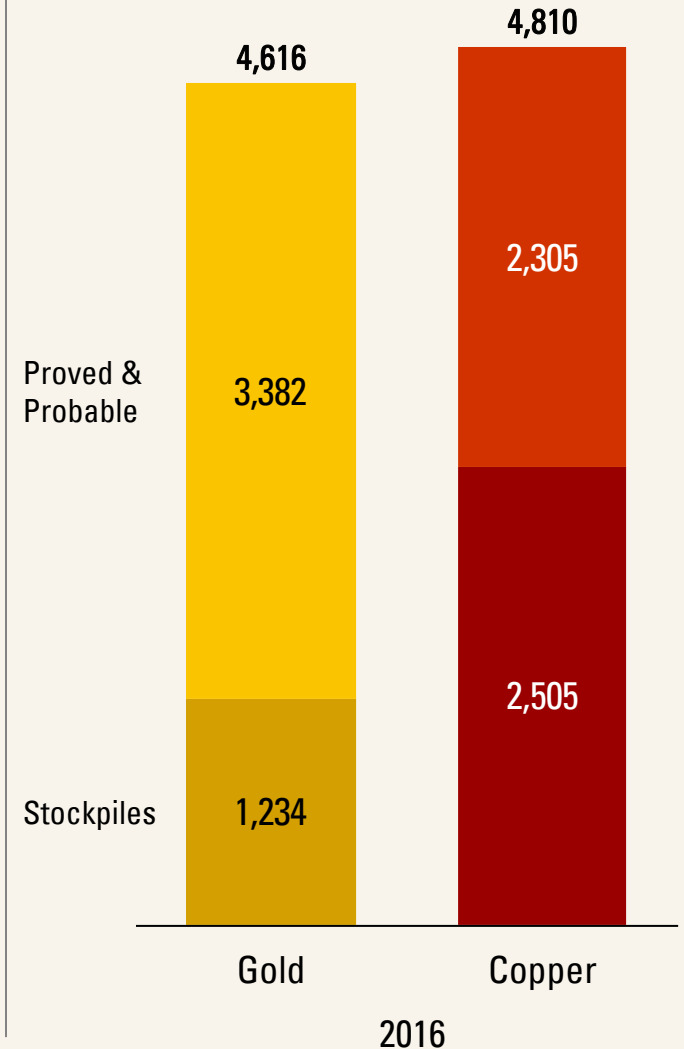
Life Index : 11 years



Power: Gross Installed Capacity, MW

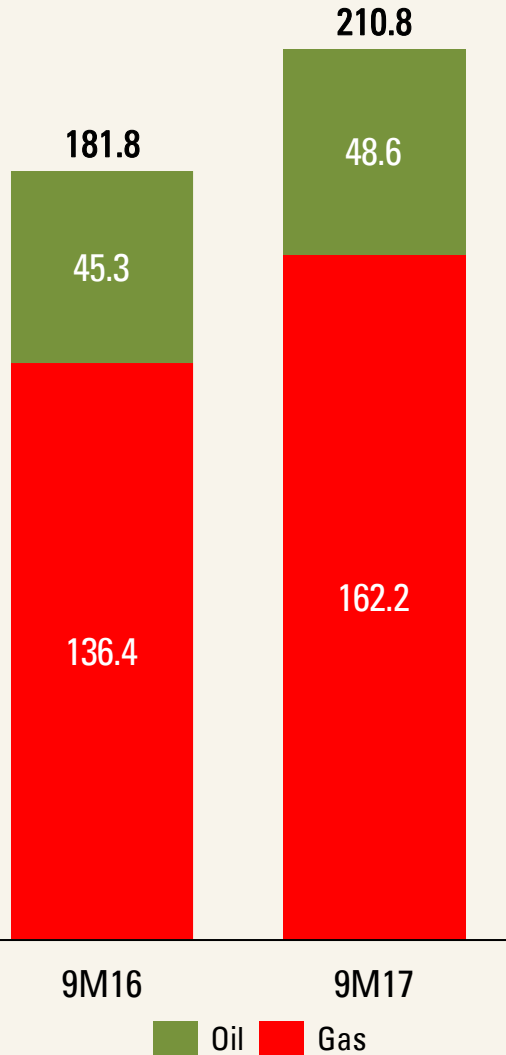


Mining: Gross Gold (Koz) and Copper (Mlbs) Reserves

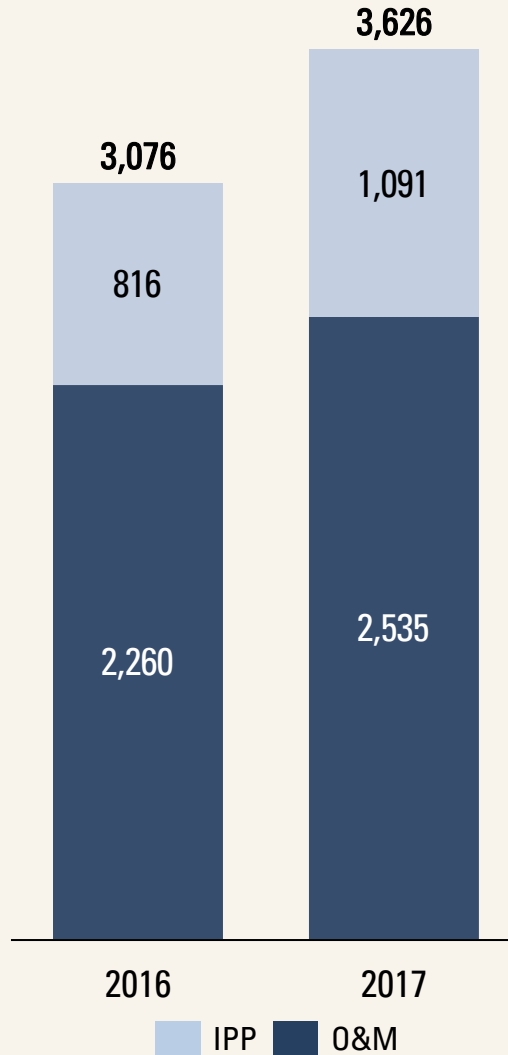




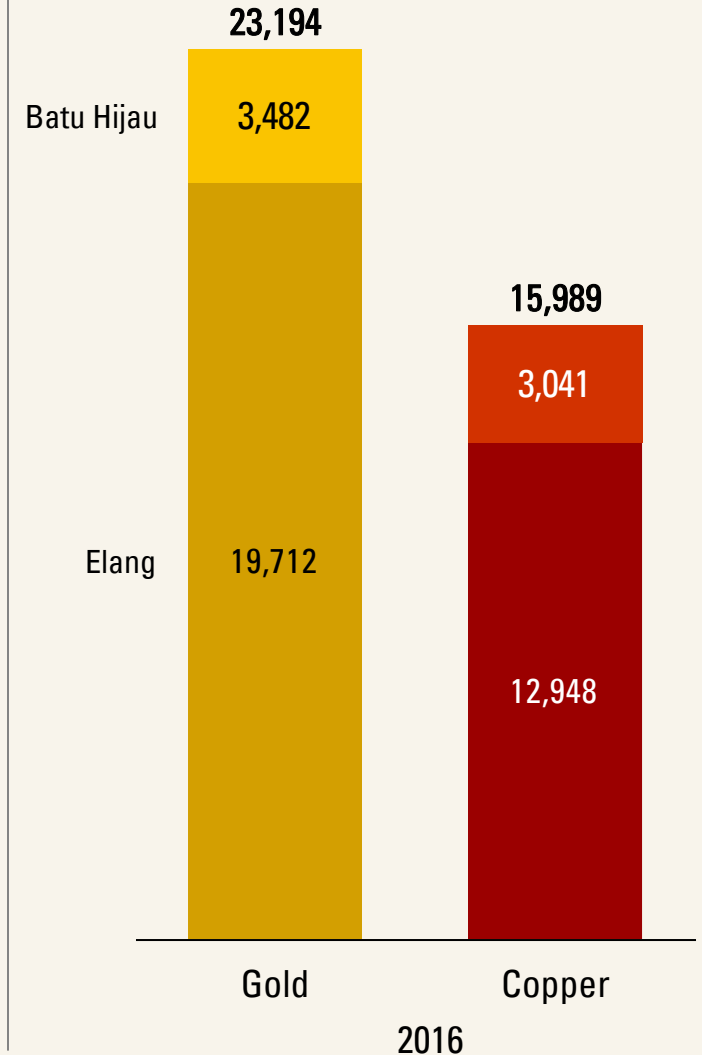
Oil & Gas: Net Contingent Resources, MMBOE



Power: Gross Installed Capacity & Committed Projects, MW



Mining: Gross Gold (Koz) and Copper (Mlbs) Resources



Profit & Loss (US\$ mn)	9M16	FY16	9M17
Revenue	391.5	590.0	597.5
Production & Lifting Costs	129.6	205.1	144.3
DDA	80.5	114.9	112.4
Gross Profit	169.7	249.3	300.2
S, G & A	70.9	96.5	102.0
Operating Income	98.8	152.8	198.2
EBITDA	180.1	267.7	310.9
Profit (Loss) before Tax	(103.8)	295.1	274.3
Net Income	(149.6)	184.8	164.3

*Restated 9M16 and FY16 financial results

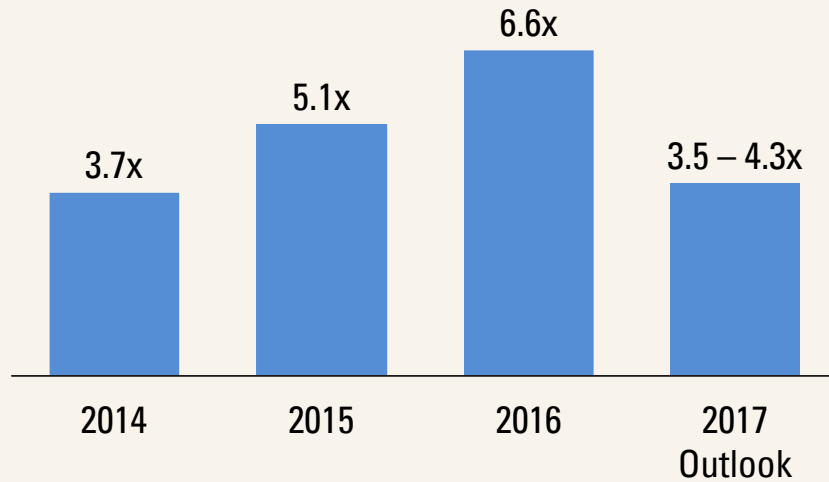
Profitability Ratios (%)	9M16	FY16	9M17
Gross Margin	43.3%	42.3%	50.2%
Operating Margin	25.2%	25.9%	33.2%
EBITDA Margin	46.0%	45.4%	52.0%
Net Income Margin	-38.2%	31.3%	27.5%

Balance Sheet (US\$ mn)	9M16	FY16	9M17
Cash and cash equivalents	184.1	164.6	364.8
Investments	887.7	1,014.0	1,031.7
Fixed Assets	1,315.7	1,364.4	1,204.1
Total Assets	2,857.1	3,597.1	4,001.6
Total Liabilities	2,278.7	2,706.6	2,935.7
• Bank Loans	1,047.1	1,254.0	1,011.4
• Capital Market Debts	657.0	679.3	1,028.2
• Other Liabilities	574.6	773.3	896.0
Equity	578.4	890.5	1,065.8

Financial Ratios (x)	9M16	FY16	9M17
Current Ratio	1.63	1.32	1.65
Debt to Equity	2.95	2.17	1.92
EBITDA to Interest	2.68	2.69	3.25
Net Debt to EBITDA [°]	6.33	6.61	4.05

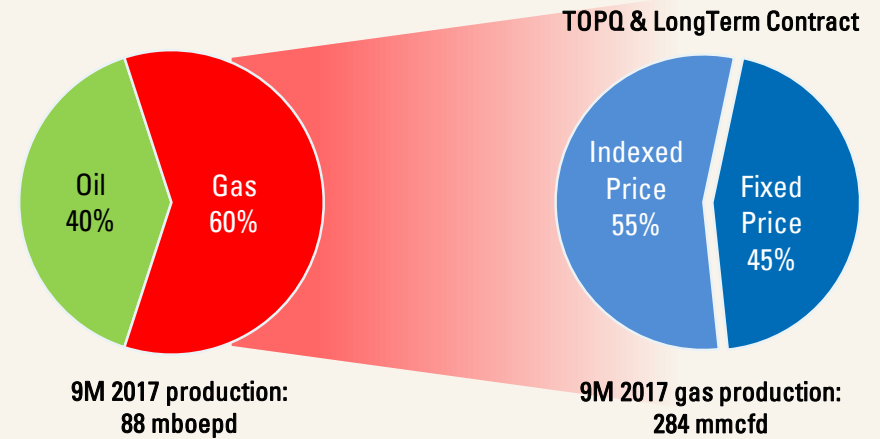
[°]Annualized

Net Debt to EBITDA°

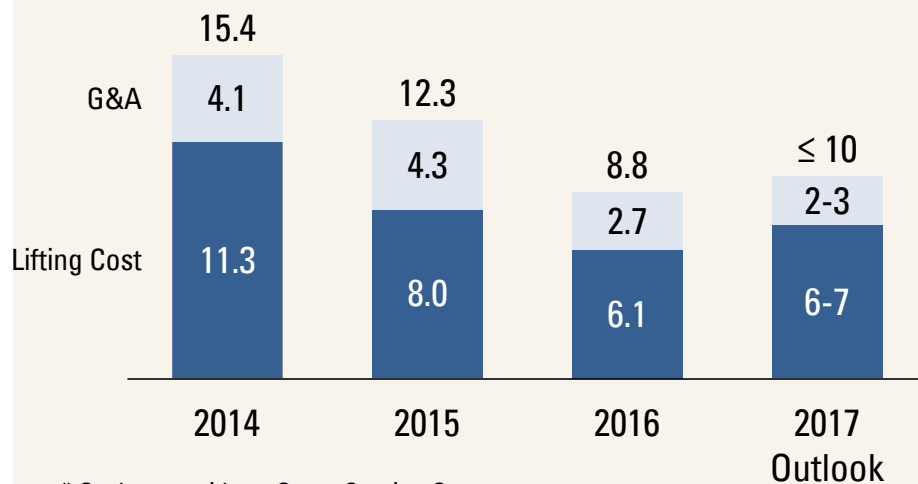


° Based on restricted group in the USD Bond Covenant

9M17 Oil & Gas Breakdown

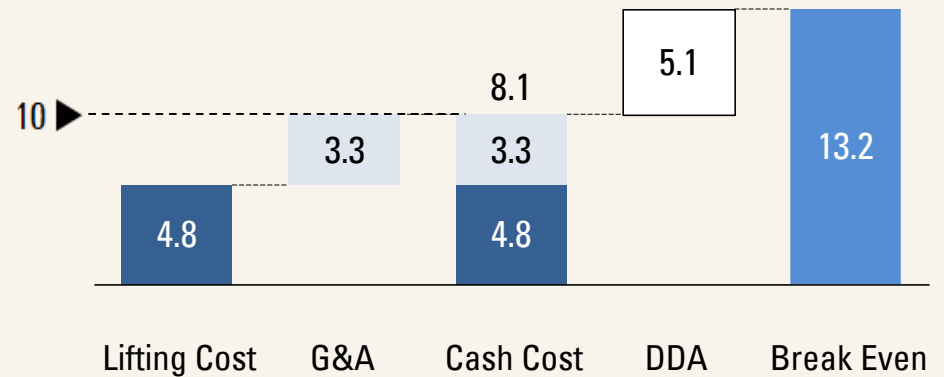


Oil&Gas Cash Cost/Unit* (US\$/BOE)



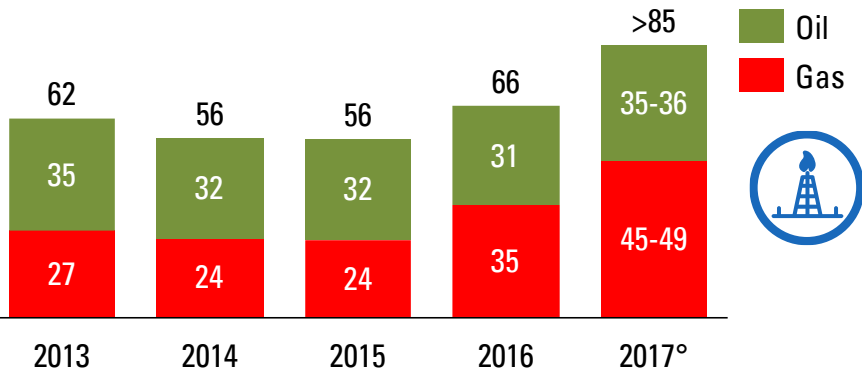
* Cash cost without Oman Service Contract

9M17 Oil & Gas Total Cost* (US\$/BOE)



A National Company Leading in Three Key Business Segments

Hydrocarbon Production* (Net), MBOEPD

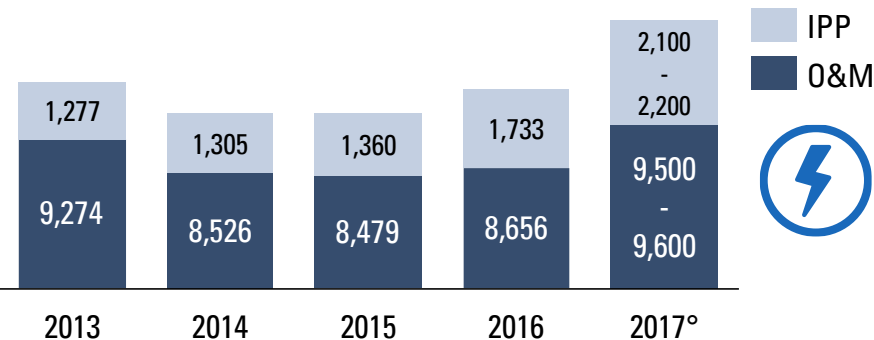


Oil & Gas

- Complete Aceh development on schedule, on budget
- Monetise existing domestic discoveries
- Near field Exploration and cost recovery funded drilling and subsea developments
- Unit costs below \$10/boe through 2020
- Further Portfolio rationalization

*Includes Oman Service Contract

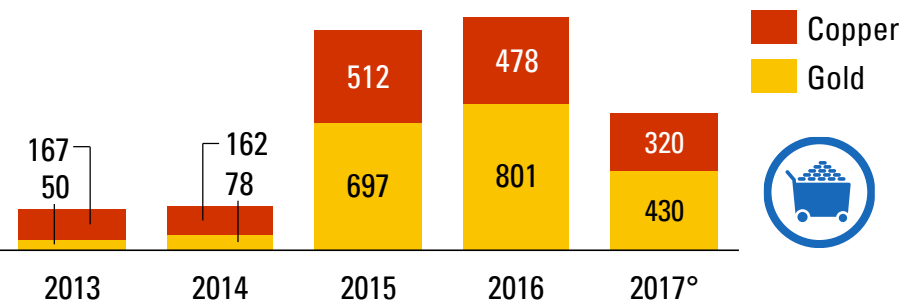
Power Production – Gross 100%, GWh



Power: Medco Power Indonesia

- Break ground on Riau EPC and complete Sarulla Geothermal
- Greater integration of Upstream gas and onsite Gas IPPs
- New IPPs will focus upon Western Indonesia, medium sized gas and geothermal plants
- Expand profitable O&M services
- Portfolio rationalization

Copper (Mlbs) & Gold (Koz) Production Gross 100%



Mining: PT Amman Mineral Nusa Tenggara

- Enhancing operational efficiencies and implement organizational optimization
- Refinance acquisition loans to expedite phase 7 development
- Develop smelter project. Finalize feasibility studies, funding through assets injection, project financing & strategic partner.
- Complete Joint Ore Reserves Committee (JORC) appraisal for Elang development

°Outlook



Extensive experience in managing decline and controlling costs on maturing assets



Rimau

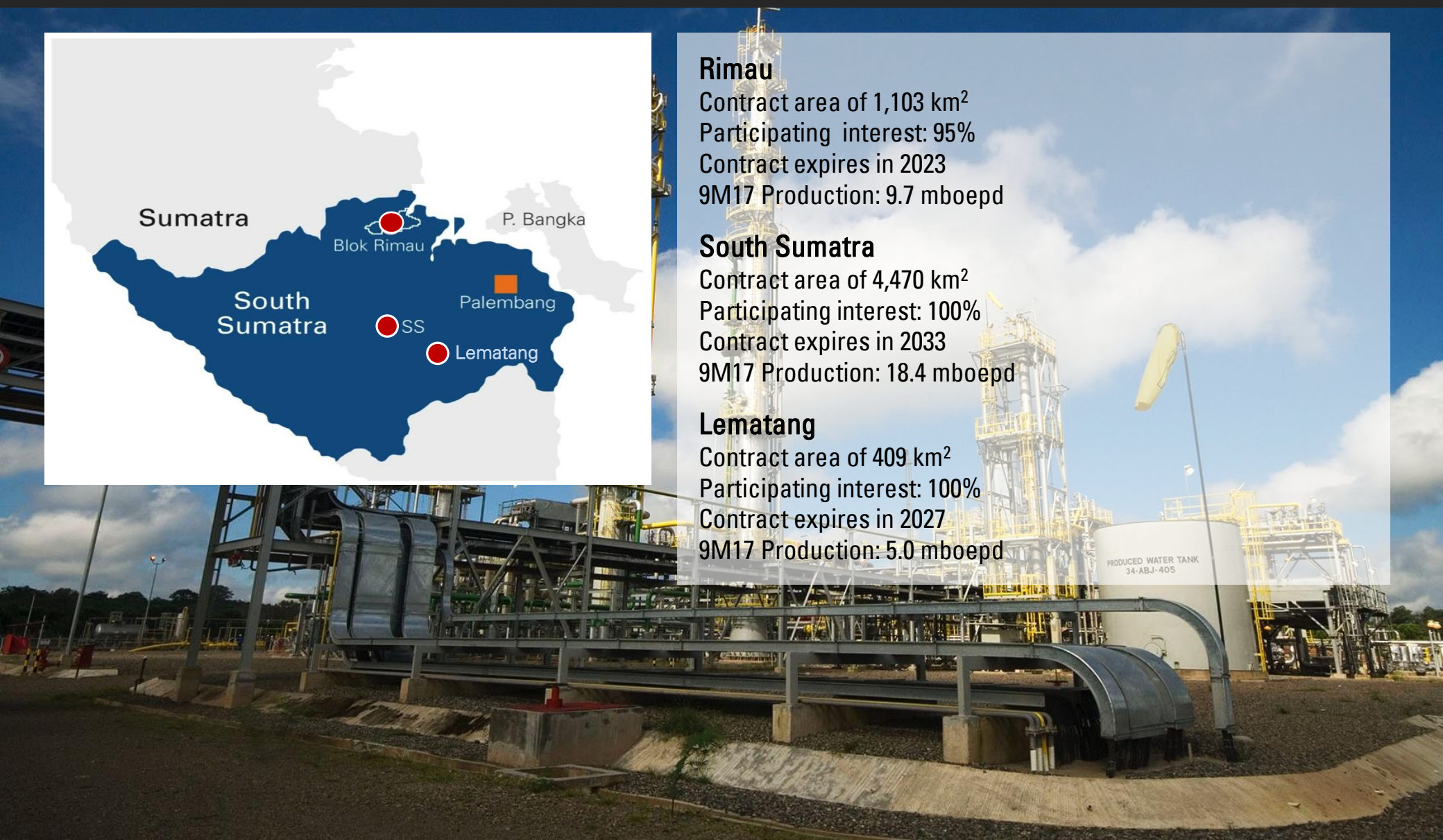
Contract area of 1,103 km²
Participating interest: 95%
Contract expires in 2023
9M17 Production: 9.7 mboepd

South Sumatra

Contract area of 4,470 km²
Participating interest: 100%
Contract expires in 2033
9M17 Production: 18.4 mboepd

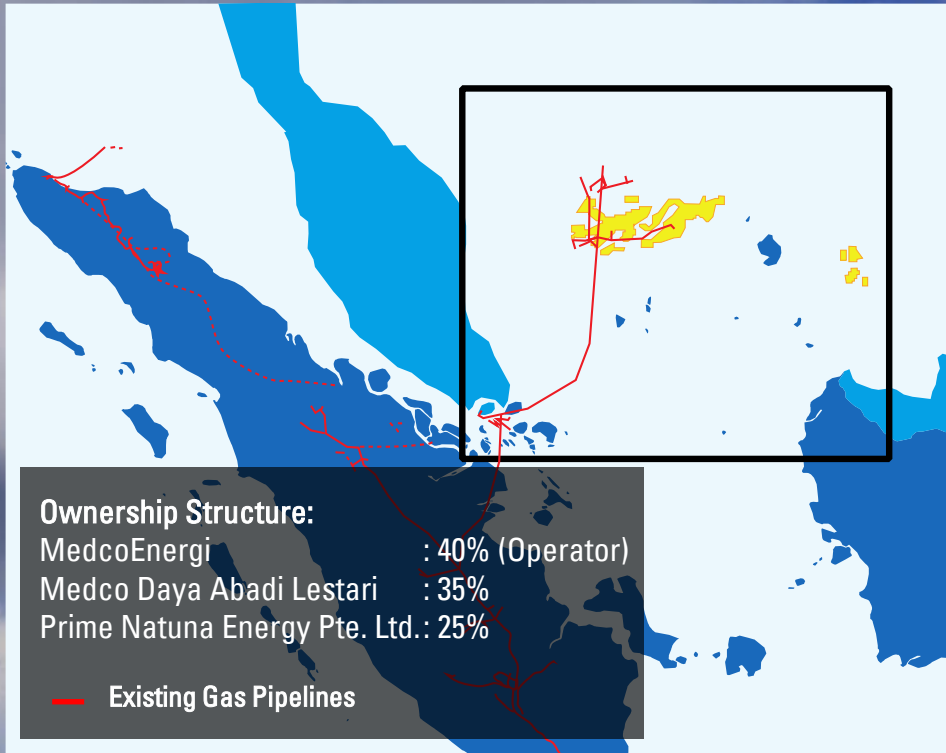
Lematang

Contract area of 409 km²
Participating interest: 100%
Contract expires in 2027
9M17 Production: 5.0 mboepd





Enhancing capabilities through the integration of world-class offshore operations



Offshore PSC in the South Natuna Sea, world class facilities, large hydrocarbon base (gross resources > 569 mmboe)

Acquisition completed November 2016, contract expires in October 2028

MedcoEnergi operates the PSC and the West Natuna Transportation System (WNTS)

9M17 gross production 59.0 mboepd.

Strong net cash flow linked to attractively priced gas sales agreements into premium markets

Future near field exploration, subsea developments and production optimization will extend field life and optimize asset decline.



South Natuna Sea Block B - Offshore Facilities

Integrated Offshore Production Systems Operated to the Highest Standard



Belanak FPSO



Belida LGP & DPP-A



Hang Tuah



WNTS - ORF



North Belut CPP & WHP-D



Belida WHP-B



Belanak WHP-B



Belanak WHP-A



Kerisi CPP & WHP-K

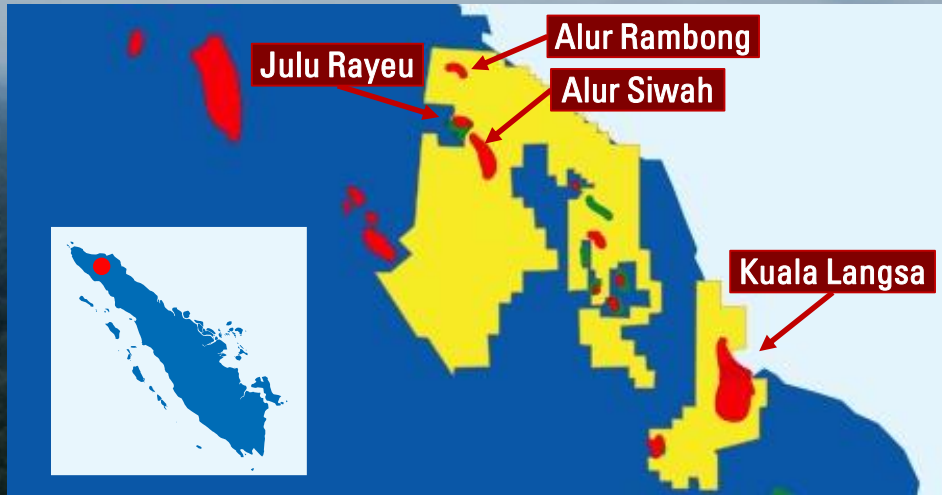


Intan FSO





Phase I will monetize 237 TBTU of gas and 5.17 MMBO of condensate for the domestic market



MedcoEnergi operated PSC. First gas 2018, PSC expiry 2031. Consolidated interest to 85%

Engineering, procurement, and construction over 66.7% completed as of November 2017

Secured a project finance facility agreement with three international banks in July 2017.

GSA with Pertamina over 58 BBTUD for 13 years

Proactive CSR engagement with local community

Phase II and III development of gas discoveries with resources of > 5TCF, enough to generate 1.5GW to support Sumatra electricity demand growth

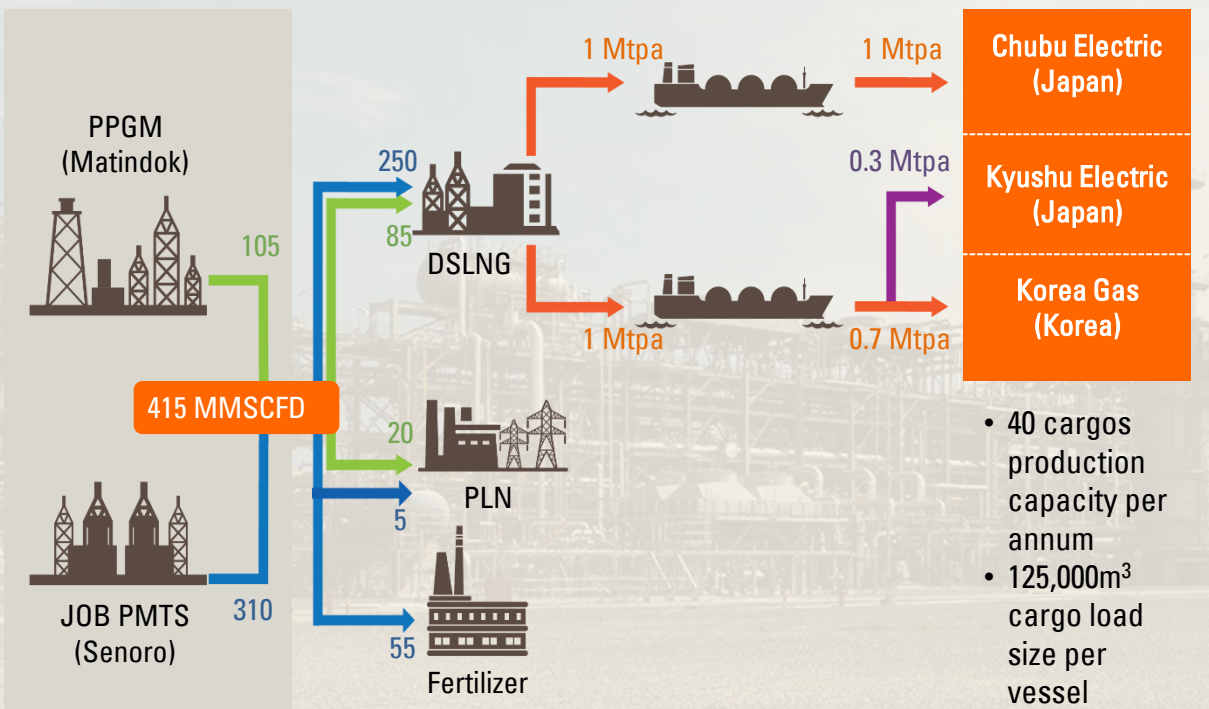
Ownership Structure:

- Medco E&P Malaka 85% (Op)
- KrisEnergy (Aceh B.V.) 15%

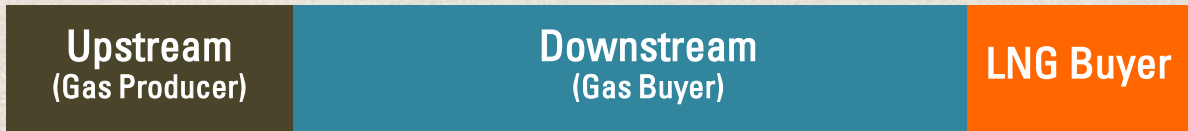
CPP area site preparation progress



Senoro Upstream/Downstream Value Chain



- 40 cargos production capacity per annum
- 125,000m³ cargo load size per vessel



30 Years 1997 - 2027	1.9 TRILLION CUBIC FEET	12 Wells	Structure	Upstream WI	Downstream
			MedcoEnergi	30%	11.1%
			Pertamina	50%	29.0%
			Mitsubishi & Kogas	20%	59.9%

Senoro Phase I production, 3Q15

Contract expires in December 2027

9M17 gross production > 301 mmscfd

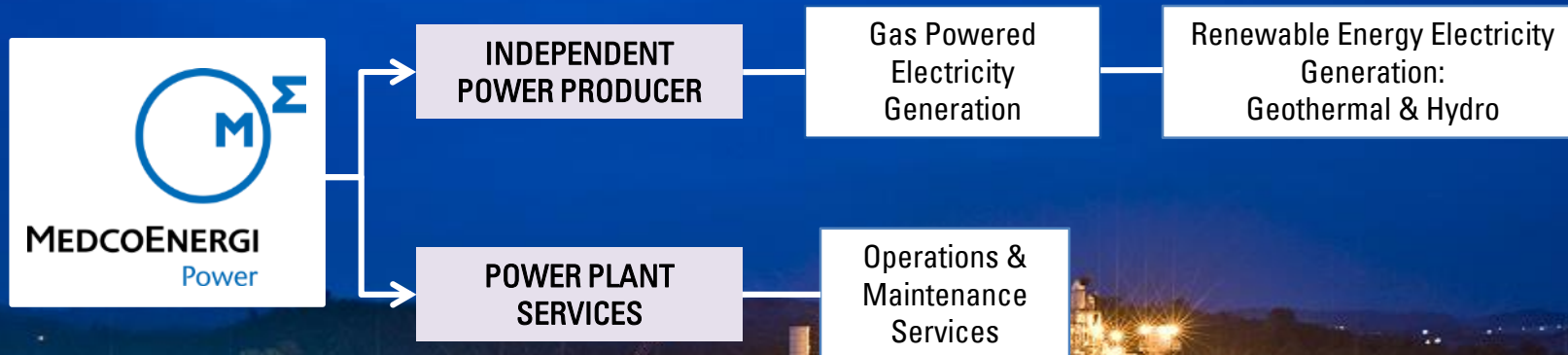
Gross proved reserve 1.4 TCF with additional 880 bcf third party certification

Senoro Phase 2 will increase production above 400 mmscfd



Focusing on Independent Power Producer and Operation & Maintenance Businesses

BUSINESS OVERVIEW



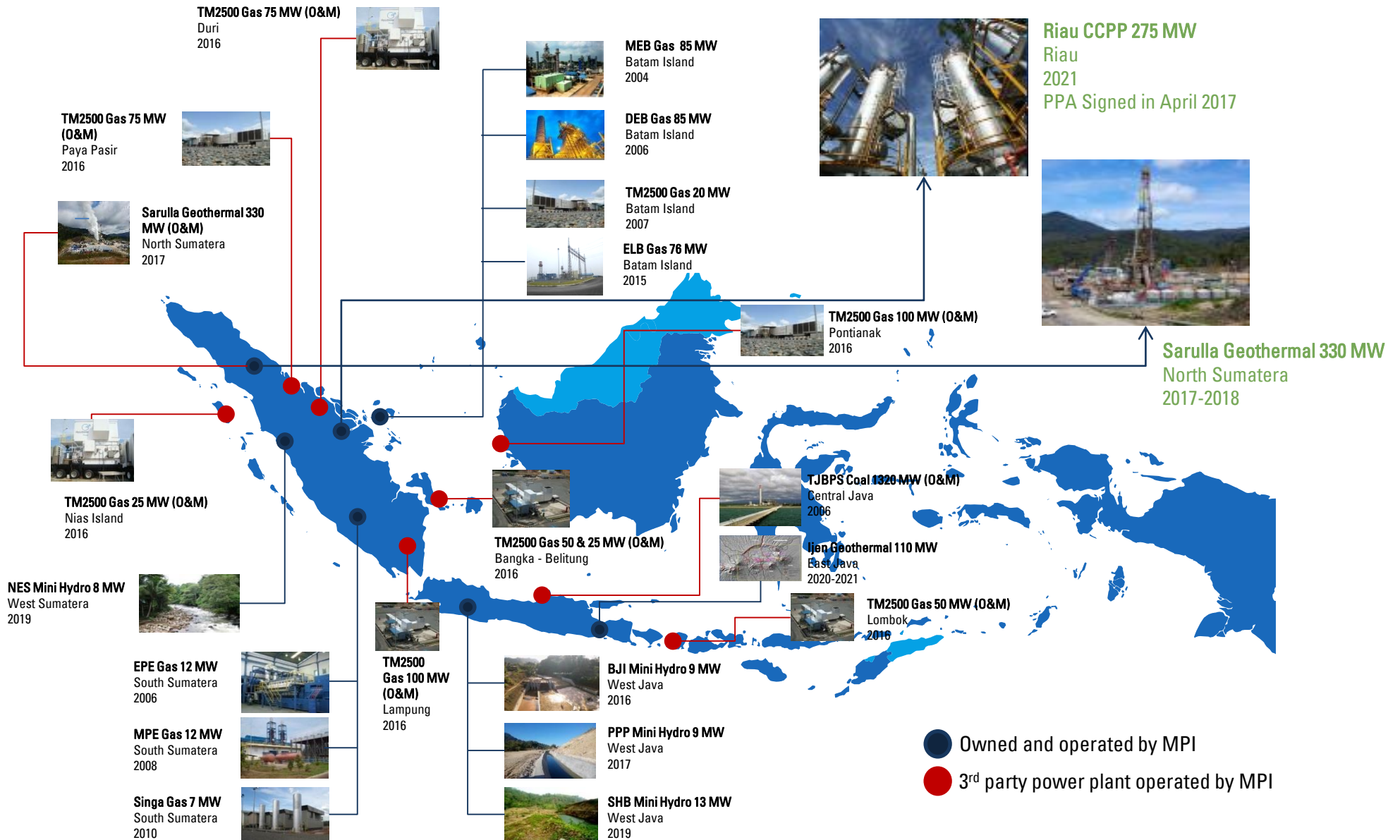
526 MW Operating Asset + 565 MW asset under construction
2,040 MW O&M business + 495 MW committed O&M business

BUSINESS STRATEGY

- Committed to clean energy, primarily natural gas and geothermal
- Focus on Western Indonesia due to abundance of sources (gas and geothermal) and largest electricity demand
- Focus on medium sized power plants (100-300MW) and selective larger power plants
- Target larger IPPs with intention to expand the O&M services business
- Identify and extract more synergies within MEI Group



Medco Power Indonesia: Asset Portfolio





Sarulla: Phased Geothermal Power Developments

The largest single-contract geothermal power project in the world

Unit I 110MW, commercial operation in March 2017 and Unit II 110MW, commercial operation in October 2017.

Unit III commercial operation in Q2 2018. Total contracted capacity of 330MW.

30 years Energy Sales Contract with PLN with Take or Pay 90% capacity factor. MPI provides plant O&M.

Partners INPEX, ORMAT, ITOCHU and KYUSHU

Investment cost of US\$1.6 billion with secured project financing with JBIC, ADB, and 6 commercial banks





Access to world-class Mining operations with long term upside



Transaction completed: 2 November 2016

Copper and gold mine in Sumbawa, Nusa Tenggara, established under 4th generation COW expiring in 2030, Converted into IUPK.

9M17 production: 243.3 Mlbs copper, 355.7 Koz gold

2016 Reserves (Proven + Probable):

4,810 Mlbs copper + 4,616 Koz gold.

2016 Resources (Measured + Indicated + Inferred):

3,041 Mlbs copper + 3,482 Koz gold

Potential Development: Elang with est. resources 12,945 Mlbs copper, 19,712 Koz gold with potential to produce 300~430 Mlbs copper and 350~600 Koz gold



Delivering Value

- 9M17 production results ahead of full year guidance; up 38.3% compared to 9M16 at 88.3 mboepd
- 9M17 Revenue and EBITDA up by 52.6% and 72.6% respectively on higher volumes and lower costs
- Gross and Net margins improved, to 50.2% and 27.5% respectively and Annualized Net Debt/EBITDA improved to 4.05x

Creating Value

- Block A, Aceh Development over 66.7% completed as of November 2017
- Sarulla Unit I began commercial production in March 2017, Unit II in October 2017
- AMNT's CoW to IUPK conversion approved, extending its export license permit by a year

Looking Forward

- Maintain E&P unit cash cost below \$10 per boe
- Monetize discovered reserve and resource base
- Increase synergy between Upstream and Power businesses
- Finalize AMNT mine and smelter plans
- Further portfolio rationalization and deleveraging
- Deliver long term balanced returns to Shareholders and Lenders



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