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MEDCOENERGI

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THEFT OF OIL AND GAS ENDANGERS SOCIETY

Aceh, 19 March 2015 - Oil and gas company often has to deal with the theft of crude oil and gas in its area of operations. PT Medco Energi Internasional Tbk through its subsidiary PT Medco E&P Malaka ("Medco E&P") (together as "MedcoEnergi" or the "Company"), the operator of Block A PSC, located in East Aceh, where relics of some old wells from the previous operator are in existence Old wells have been shut down and are not in operations. To prevent theft and illegal use, Medco E&P Malaka continuously reaches out to the local community to provide information and make appeals regarding the dangers and risks of conducting oil and gas wells illegally.

Despite the above effort, theft still occurs, as happened on 8 March 2015 in the JR-57 well. The JR-57 well has been closed down by the previous operator since 2000. The incident was resolved quickly by the Company by performing isolation, outages and repairs. The JR-57 well has been made safe and re-closed after the damaged main valve and safety valve was successfully replaced. A concrete fence will also be erected to further ensure the security of the well. The JR-57 well incident handling involved support from the East Aceh District Government, the Fire Department, and local village officials, as well as the Contractor (PSC) which also operates in the surrounding area. The fire did not cause casualties nor pollution of the environment.

"We would like to thank all those who have provided support and assistance to overcome this incident. Utilization of wells illegally, including illegal oil theft, is a very dangerous and high risk activity. In addition to endangering the perpetrators, such actions can harm the public and the environment because of the environmental impact. We call for this illegal activity to be stopped, so that the safety and security of the public, workers and the environment can be maintained, "said Herman Hussein, General Manager of PT Medco E & P Malaka.

Block A, Gas Project

PT Medco E & P Malaka, the operation of Block A PSC, is in development of gas reserves that will be used to meet the needs of domestic gas in the provinces of Aceh and North Sumatra, primarily to meet the needs of local industry and fertilizer plant. The signing of the Gas Sales and Purchase Agreement (GSPA) with PT Pertamina (Persero) was conducted in January 2015. The target of first gas supply will begin in 2017 and continue for a period of 13 years, with a gas volume of 198 TBTU and daily gas supply for 63 BBTU per day. "We expect the support of all parties so that the Project Block A can immediately run and the investment climate can be maintained conducive so that the project can provide important contribution to the Government of Aceh in general and in particular to the Government of East Aceh," said Teguh Imanto, the Senior Manager of Relations.

MedcoEnergi is a publicly listed integrated energy company with a focus on exploration and production of oil and gas. MedcoEnergi has operations in Indonesia, including operating 9 oil and gas blocks and having an economic participating interest in an exploration field. Overseas, MedcoEnergi operates in Libya, Oman, Papua New Guinea, Tunisia, Yemen and the Gulf of Mexico in the United States of America. In addition MedcoEnergi operates several gas-fired and coal power plants, supplying electricity to the Indonesian State-Owned Electricity Company (Perusahaan Listrik Negara/PLN), and also coal mining and gas distribution businesses

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