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Press Release **PT Medco Energi Internasional Tbk**	• **President Director**	:	**Lukman Mahfoedz**
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MedcoEnergi Successfully Developed the Fourth LNG in Indonesia

Luwuk, 2 August 2015 - PT Medco Energi Internasional Tbk (MedcoEnergi/Company) is proud to announce the completion of its two Major Projects' development, namely Senoro Upstream Gas and Senoro Downstream Donggi Senoro LNG (DSLNG) plant. In commemoration of the completion, the two projects were officially inaugurated by the President of the Republic of Indonesia, HE. Joko Widodo, and DSLNG's first LNG cargo was released for shipment. This momentous achievement imprinted an important milestone for MedcoEnergi as it has succeeded in monetizing the Senoro gas field, which was considered as stranded gas 15 years ago, such that it can supply gas to DSLNG plant among others.

With a capacity of 2.1 million tons per year, DSLNG plant is operated by PT Donggi Senoro LNG (PT DSLNG), a joint venture company between PT Medco LNG Indonesia (11.1%), PT Pertamina Hulu Energi (29%), and Sulawesi LNG Development Ltd (59.9%) - a joint venture company between Mitsubishi Corporation and Korean Gas (KOGAS). This plant has undergone the commissioning phase successfully and safely since October 2014. Meanwhile, Senoro Upstream Gas Production Facility is operated by the Joint Operating Body Pertamina - Medco E&P Tomori Sulawesi (JOB-PMTS) which comprises of MedcoEnergi (30%), PT Pertamina (50%), and Tomori E&P Ltd (20%). The Senoro Upstream Facility has two Trains of production facility with a total production capacity up to 310 million standard cubic feet per day (MMSCFD) of gas and 8,500 barrel per day (bpd) of condensate.

DSLNG is the fourth LNG center in Indonesia and the first of its kind developed under a downstream business structure, separating the upstream gas business structure and downstream LNG processing plant. This separation enhances the economics of Senoro gas field development, which would otherwise be considered marginal, as such that the projects can provide significant contribution to government revenue. In addition, the scheme also benefits the government as the operational risks and investment risks of the LNG plant are borne by PT DSLNG. Furthermore, the government is not burdened by the cost recovery of the LNG plant investment. In due time, the operations of both upstream and downstream businesses may contribute a total revenue of approximately US$ 6.4 billion to the Government of Indonesia, at oil price of US$70 per barrel, for the 13 years period until the expiration of the PSC contract in 2027.

On 30 April 2015, Train-1 of Senoro Upstream Gas Production Facility went for full operation. The gas production from Senoro field was sent to DSLNG to produce its first LNG drop on 24 June 2015. Train-2 of Senoro has started its operation and transmitting gas to DSLNG with a ramp up production rate to meet DSLNG gas requirement of up to 250 MMSCFD. Within 40 days of operation time span, Senoro Upstream Gas Production Facility has transmitted the required gas volume for the first LNG shipment of approximately 125,000 m^3, which today on 2 August 2015 will be shipped to the LNG Regasification Facility owned by PT Pertamina in Arun, Aceh. In addition to DSLNG, 55 MMSCFD of gas will be supplied to an ammonia plant operated by PT Panca Amara Utama (PAU) and 5 MMSCFD of gas to PT PLN.

Lukman Mahfoedz, President Director and CEO of MedcoEnergi stated, "The successful completions of these two projects substantiate MedcoEnergi as a National Private Oil and Gas Company making a breakthrough in monetizing gas such that it provides significant contribution to the government. We are hoping that the Government of Indonesia would provide more opportunities for National Private Oil Companies like MedcoEnergi to continue developing energy in Indonesia in the future. This success also demonstrates that MedcoEnergi, together with its partner, play a crucial role in the development of gas and LNG industry in Indonesia."

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Project history highlight

The project was pioneered by MedcoEnergi after acquiring JOB Senoro Tomori block in 2000. Until 2005, MedcoEnergi endeavored to develop this gas field, which has about 1.9 TCF of gas reserves, but in a remote location far from any gas infrastructure or gas market. In 2005, MedcoEnergi, together with its partner Pertamina, decided to build an LNG plant with a total investment of US$2.8 billion, and to develop the upstream side of Senoro with a total investment of US$1.2 billion.(***)

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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