



**MEDCOENERGI**

<b>Press Release</b> <b>PT Medco Energi Internasional Tbk</b>	<ul style="list-style-type: none"><li>• <b>President Director</b> : <b>Hilmi Panigoro</b></li><li>• <b>Director &amp; CEO</b> : <b>Roberto Lorato</b></li><li>• <b>Director &amp; CFO</b> : <b>Anthony R. Mathias</b></li><li>• <b>Director &amp; COO</b> : <b>Ronald Gunawan</b></li><li>• <b>Director &amp; CHCO</b> : <b>Amri Siahaan</b></li></ul>
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## MedcoEnergi Announces Its Audited 1H 2017 Results

### SUMMARY OF 1H 2017 KEY PERFORMANCE

#### Operational

- Oil and gas production volume increased 40.4% year on year
  - Average production was 89.8 MBOEPD (64.0 MBOEPD in 1H 2016)
  - Oil Production – 35.5 MBOPD (30.2 MBOPD in 1H 2016)
  - Gas Production – 290.6 MMSCFD (197.8 MMSCFD in 1H 2016)
  - Unit costs were \$8.2/boe, below the commitment to sustain cash costs sub \$10/boe

#### Financial

- EBITDA of US\$200.3 million (1H 2016 US\$123.9 million)
- Net profit of US\$80.7 million (1H 2016 US\$11.3 million)
- Debt reduced by 8.2% from year end 2016
- Strong liquidity with cash and cash equivalents above US\$210 million and over US\$150 million of trade receivables.

Jakarta, 2<sup>nd</sup> October 2017 – PT Medco Energi Internasional Tbk (“MedcoEnergi” or “Company”) announced its audited consolidated financial statements for the period ending 30 June 2017 (“1H 2017”).

Roberto Lorato, CEO said that “The Company continues to perform strongly, maintaining both production and cost management this year, we also added and certified 30 million BOE of proved reserves in Block A Aceh for which the gas development is on track to deliver first gas in late Q1 2018, the Central Processing Plant is 85% complete with the first well flow testing right now. The growth and expansion plans of our Power and Mining affiliates will continue with progress accelerating prior to year-end.”

#### Operational Highlights in 1H 2017

- Oil and Gas production was of 89.8 MBOEPD in 1H 2017, 40.4% higher than 1H 2016, driven by continued high gas sales from the Senoro field and volumes from the South Natuna Sea Block B field.
- Medco Power Indonesia (“MPI”) the Company’s power affiliate now operates over 520MW of gross installed capacity in gas, geothermal and mini-hydro power plants following the commercial operation of the Cibalapulung-1 mini-hydro facility and the expected commercial operation of the Sarulla Unit 2 Geothermal Plant in early October, one month ahead of schedule.
- PT Amman Mineral Nusa Tenggara (“PTAMNT”) the Company’s mining affiliate continues to make good progress on its plans to reduce costs and fund future developments.



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### Financial Highlights in 1H 2017

- 1H 2017 revenue was US\$403.5 million, 54.3% higher than 1H 2016 with higher sales and increased average realized prices of US\$49.3/bbls (+28.8%) for oil and US\$5.6/mmbtu (+32.8%) for gas.
- The Company recorded 1H 2017 gross profit of US\$198.2 million and a 49.1% gross margin. Cash costs continue to be a focus area with 1H 2017 gas and oil unit cash costs US\$8.2/BOE, well below the Company's commitment to remain below US\$10/BOE until 2020.
- The Company's 1H 2017 EBITDA (Earnings before Income, Taxes, Depreciation and Amortization) increased by 61.7% year on year to US\$200.3 million, with an improved EBITDA margin of 49.6%.
- In 1H 2017 the Company booked net profit from operations of US\$80.7 million, compared to US\$11.3 million in 1H 2016. 1H 2017 results were also negatively impacted by PT AMNT price hedges and dry hole expenses in Bengara, both non-recurring items.
- Net debt to EBITDA for 1H 2017 is 3.9x, well below the 6.7x in 2016 and the lowest level since 2013.

Hilmi Panigoro, President Director of MedcoEnergi, said that "I am pleased with the Company's first half 2017 results and Amman Mineral Nusa Tenggara's plans to reduce costs and develop its substantial copper and gold reserves are also progressing well, also this year we will complete our rights issue which will strengthen our capital structure and provide additional value to shareholders."

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

This document may contain projections, plans, strategies, policies and objectives of PT Medco Energi Internasional Tbk. ("the Company"), which should be treated as forward looking statements within the meaning of applicable law. Forward looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these statements. The Company does not guarantee that any action taken in reliance on this document will bring specific results.

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*For further information please call:*  
Corporate Secretary | Investor Relations  
Tel: (62-21) 2995 3000, Fax: (62-21) 2995 3001  
Email: [corporate.secretary@medcoenergi.com](mailto:corporate.secretary@medcoenergi.com)  
[investor.relations@medcoenergi.com](mailto:investor.relations@medcoenergi.com)  
Website: [www.medcoenergi.com](http://www.medcoenergi.com)