

**DISCLOSURE OF INFORMATION
IN RELATION TO AFFILIATED TRANSACTIONS**

PT MEDCO ENERGI INTERNASIONAL TBK

(“COMPANY”)

This Disclosure of Information is made and prepared in order to comply with Bapepam and LK Regulation No. IX.E.1 on Affiliated Transactions and Conflicts of Interest of Certain Transactions ("**Rule No. IX.E.1**") and Financial Services Authority Regulation No. 31/POJK.04/2015 dated 16 December 2015 on the Disclosure of Material Information or Facts by Issuers or Public Companies ("**OJK Regulation No. 31/2015**").



PT MEDCO ENERGI INTERNASIONAL TBK (“COMPANY”)

Main Business Activity:

Exploration, mining and production of oil, natural gas and power generation
Located in South Jakarta, Indonesia.

Head Office:

The Energy Building 53rd – 55th Floor SCBD Lot 11 A
Jalan Jenderal Sudirman
Jakarta 12920 – Indonesia
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Website: www.medcoenergi.com

This Disclosure of Information is important to be read and considered by the Company's Shareholders regarding Affiliated Transactions.
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If You experience any difficulty in understanding the information contained herein, you should consult with a stockbroker, investment manager, legal counsel, public accountant or other professional advisors.

The Company's Board of Directors and Board of Commissioners, whether severally or jointly, are fully responsible for the completeness and accuracy of all the information or material facts contained herein, and hereby state that the information stated herein is correct and that there are no material facts omitted which may cause the material information stated herein to be untrue and/or misleading.
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**Jakarta, 3 July 2018
Board of Directors**

DEFINITIONS

Bapepam-LK	: The Capital Market and Financial Institution Supervisory Agency (<i>Badan Pengawas Pasar Modal dan Lembaga Keuangan</i>) as referred to in Decree of the Minister of Finance of the Republic of Indonesia No. 184/PMK.01/2010 dated 11 October 2010 concerning Organization and Working Procedures of the Capital Market and Financial Institution Supervisory Agency, formerly known as the Capital Market Supervisory Agency as referred to in Article 3 paragraph (1) of the Capital Market Law (as defined below), which has currently been taken over by OJK (as defined below).
BDM	: PT Bahtera Daya Makmur, a limited liability company incorporated under laws of Republic of Indonesia, domiciled in Jakarta.
MOLHR	: The Ministry of Law and Human Rights of the Republic of Indonesia.
Disclosure of Information	: The Company's Disclosure of Information issued on 3 July 2018 in relation to Shares Sales and Purchase Agreement conducted between Company and MDAL, MEN and BDM.
MDAL	: PT Medco Daya Abadi Lestari, a limited liability company incorporated under the laws of the Republic of Indonesia, domiciled in Jakarta.
MEGI	: PT Medco Gas Indonesia, a limited liability company incorporated under the laws of the Republic of Indonesia, domiciled in Jakarta.
MEMI	: PT Medco Energi Mining Indonesia, a limited liability company incorporated under the laws of the Republic of Indonesia, domiciled in Jakarta.
MEN	: PT Medco Energi Nusantara, a limited liability company incorporated under the laws of the Republic of Indonesia, domiciled in Jakarta.
MOLHR	: The Minister of Law and Human Rights of the Republic of Indonesia.
OJK	: The Financial Services Authority (<i>Otoritas Jasa Keuangan</i>), which has effectively taken over the functions, duties and authority of regulating and supervising financial services activities in the capital market sector from Bapepam-LK since 31 December 2012 under the provisions of Law No. 21 of 2011 on the Financial Services Authority.
Rule No. IX.E.1	: Rule No. IX.E.1 on Affiliated Transactions and Conflicts of Interest on Certain Transactions, Attachment to the Decree of the Head of the Capital Market and Financial Institution Supervisory Agency No. Kep-412/BL/2009 dated 25 November 2009.
Company	: PT Medco Energi Internasional Tbk, a limited liability company incorporated under the laws of the Republic of Indonesia, domiciled in Jakarta.
POJK No. 31/2015	: Financial Services Authority Regulation No. 31/POJK.04/2015 dated 16 December 2015 on the

Disclosure of Information or Material Facts by Issuers or Public Companies.

Transaction

- : Transaction on the transfer of: (i) 999,000 shares, representing 99.9% share ownership in MEGI owned by the Company to MDAL, (ii) 29,990,000 shares, representing 99.96% share ownership in MEMI owned by the Company to MDAL, (iii) 1,000 shares, representing 0.1% share ownership in MEGI owned by MEN to BDM, and (iv) 10,000 shares, representing 0.04% share ownership in MEMI owned by MEN to BDM.

I. INTRODUCTION

This Disclosure of Information is made in connection with the transaction the sale of: (i) 999,000 shares, representing 99.9% share ownership in MEGI owned by the Company to MDAL, (ii) 29,990,000 shares, representing 99.96% share ownership in MEMI owned by the Company to MDAL, (iii) 1,000 shares, representing 0.1% share ownership in MEGI owned by MEN to BDM, and (iv) 10,000 shares, representing 0.04% share ownership in MEMI owned by MEN to BDM dated 29 June 2018 (“**Transaction**”).

The transaction on the transfer of shares above is an Affiliated Transaction pursuant to Rule No. IX.E.1.

The Company’s Board of Directors and Board of Commissioners, severally or jointly, hereby states that this Transaction does not contain a Conflict of Interest as contemplated under Rule No. IX.E.1.

In connection with the matters referred to above, consistent with the provisions of Rule No. IX.E.1, the Board of Directors of the Company shall announce this Disclosure of Information with the objective to provide complete information and a full description to the shareholders of the Company regarding the Transaction that has been entered into between the Company and MDAL.

There are no negative covenants that requires the Company to obtain prior consent/approval from third parties in connection with the Transaction.

II. TRANSACTION

A. BACKGROUND, REASONS AND BENEFITS OF THE TRANSACTION

The Transaction is part of an effort to transform the Company’s Group to a business model which focuses mining, oil and gas exploration and production activities,.

The planned Transaction herein, is carried out by the Company with the consideration that the sales of shares in MEGI and MEMI to the Buyer is a good opportunity to obtain an optimum portfolio by divesting assets that are non-core in nature that are still in the development stage, which are believed to be able to provide benefits and presents a positive impact to the Company, stakeholders and Shareholders of the Company.

Upon completion of the transaction, the Company will obtain benefits, amongst others, an additional working capital for the Company to continue its debt deleveraging program which adds value for the Shareholders of the Company.

B. DESCRIPTION OF THE TRANSACTION

1. Parties to the Transaction

a. The Company

The Company was incorporated as a Domestic Investment by virtue of Law No. 6 of 1968 as amended by Law No. 12 of 1970 and lastly amended by Law No. 25 of 2007 regarding Capital Markets, incorporated based on Deed of Establishment No. 19 dated 9 June 1980, as amended by Deed of Amendment No. 29 dated 25 August 1980 and Deed of Amendment No. 2 dated 2 March 1981, whereby all three deeds were drawn up before Imas Fatimah, S.H., Notary in Jakarta, which has been ratified by the Minister of Justice of the

Republic of Indonesia by virtue of Decree No. Y.A.5/192/4, dated 7 April 1981 and registered at the District Court of Jakarta, respectively under No. 1348, No. 1349 and No. 1350, dated 16 April 1981 and announced under the State Gazette No. 102 dated 22 December 1981, Supplement No. 1020/1981. The articles of association of the Company has undergone several amendments, last of which is based on Deed of Shareholder Resolution No. 30 dated 14 July 2017 drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, which was notified to MOLHR as evidenced under Letter of Receipt of Notice of Amendment to Articles of Association No. AHU-AH.01.03-0153495 and has been registered in the Company Register maintained by the MOLHR under No. AHU-0087144.ah.01.11.Tahun 2017 dated 18 July 2017 ("**Deed No. 30/2017**").

Pursuant to Deed No. 30/2017, the shareholders of the Company have agreed to change the nominal value of the Company's shares from Rp 100.00 to Rp 25.00 for each share.

Based on Article 3 of the Company's articles of association, the purposes and objectives of the Company are to engage in the business of exploration, mining and production, industry, general trading, agency and/or representation, and contractor business.

To achieve the purposes and objectives stated above, the Company may conduct the following businesses:

1. Conducting the business of mining support services and production of oil and gas and other mining and energy industries;
2. Conducting the business of oil and gas and other sources of energy drilling;
3. Conducting the business of construction, infrastructure maintenance and distribution or any other business needed for the mining of oil and gas and other sources of energy;
4. Carry out general trading, including importing, exporting, and local trade, and inter-island trade (*interinsulair*) whether for its own calculation or by commission on the calculation of other parties, as well as trading businesses as supplier, grocer and distributor;
5. Act as an agent and representative of other companies, either domestically or abroad, save for acting as a travel agent;
6. Contract, plan and carry out construction works, in particular the construction of buildings, roads, bridges, setting up of water installations, electricity and gas installations and carry out technical labour related to the said works; and
7. Conducting business in the field of management and renting of office buildings.

When this Disclosure of Information is published, the composition of the Company's Boards of Commissioners and Board of Directors is as follows:

Board of Commissioners

President Commissioner	: Muhammad Lutfi
Independent Commissioner	: Marsilam Simandjuntak
Independent Commissioner	: Bambang Subianto

Commissioner : Yani Yuhani Panigoro
Commissioner : Yaser Raimi A. Panigoro

Director

President Director : Hilmi Panigoro
Director : Roberto Lorato
Director : Ronald Gunawan
Director : Amri Siahaan
Independent Director : Anthony R. Mathias

b. MDAL

MDAL is a limited liability company incorporated under the Laws of the Republic of Indonesia based on the Deed of Establishment No. 12 dated 30 September 30 2016 drawn up before Siti Rumondang Bulan Lubis, S.H., M.Kn., Notary in Tangerang, which has been ratified by MOLHR by virtue of Decree No. AHU-0044467.AH.01.01.Tahun 2016 dated 7 October 2016 and has been registered in the Company Register maintained by the MOLHR under No. AHU-0118107.AH.01.11.Tahun 2016. The registered office of MDAL is located at The Energy Building, 53rd floor of SCBD Lot. 11-A, Jl. Jendral Sudirman Kav. 52-53, Senayan, Kebayoran Baru, South Jakarta.

Since its establishment, MDAL has amended its articles of association pursuant to Deed of Circular Resolution of Shareholders No. 1 dated 3 April 2017 drawn up before Siti Rumondang Bulan Lubis, S.H., M.Kn., Notary in Tangerang, which has been ratified by the MOLHR by virtue of his Decree No. AHU-0008263.AH.01.02.Tahun 2017 dated April 7 2017 and notified to the MOLHR as evidenced under Letter of Receipt of Notice No. AHU-AH.01.03-0125411 dated 7 April 2017 both of which have been registered in the Company Register maintained by the MOLHR under No. AHU-0046283.AH.01.11.Tahun 2017 dated 7 April 2017.

Based on Article 3 of the articles of association of MDAL, the purpose and objectives of MDAL are to engage in the business of trading, contractor, transportation, industry, printing, engineering, services, electricity, mining and energy as well as business related to mining and energy, industry, transportation, and services.

The composition of the Board of Directors and the Board of Commissioners of MDAL as to the date of this Disclosure of Information is stipulated as follows:

Board of Directors

President Director : Hilmi Panigoro
Director : Hannibal S. Anwar

Board of Commissioners

President Commissioner : Arifin Panigoro
Commissioner : Yaser Raimi A. Panigoro
Commissioner : Bob Prabowo

c. MEN

MEN was incorporated based on Deed of Establishment of the Limited Liability Company No. 45 dated February 28, 2003, drawn up before Poerbaningsih Adi Warsito, S.H., Notary in Jakarta. The mentioned deed has

been ratified by the MOLHR by virtue of Decree No. C-26966 HT.01.01.TH.2003 dated 11 November 2003.

The latest amendment to MEN's articles of association amended to the provision in relation to Article 1 of MEN's Articles of Association with regards to the name of MEN based on Deed of Circular Resolution of Shareholders No. 6 dated 12 November 2008 drawn up before Karlita Rubianti, S.H., Notary in Jakarta, which has been ratified by the MOLHR by virtue of Decree No. AHU-87443.AH.01.02.Tahun 2008 dated 18 November 2008 and has been registered in the Company Register maintained by the MOLHR under No. AHU-0111145.AH.01.09.Tahun 2008 dated 18 November 2008 and has been published in the State Gazette of the Republic of Indonesia No. 11 dated 6 February 2009, Supplement No. 3488.

Under Article 3 of the MEN's Articles of Association, MEN conducts business activities in the fields of petroleum and natural gas mining, trading, contracting, carriage, industrial, printing, representation, and/or agency, engineering works, service or services, settlements and agriculture.

The composition of the Board of Directors and the Board of Commissioners of MEN as to the date of this Disclosure of Information is stipulated as follows :

Board of Directors

President Director	: Roberto Lorato
Director	: Amri Siahaan

Board of Commissioners

Commissioner	: Hilmi Panigoro
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d. BDM

BDM was incorporated based on Deed of Establishment No. 4 dated 13 February 2018, drawn up before Siti Rumondang Bulan Lubis, S.H., M.Kn., Notary in Jakarta. The deed has been ratified by the MOLHR by virtue of Decree No. AHU-0007857.AH.01.01.Tahun 2018 dated 14 February 2018, and has been registered in the Company Register maintained by the MOLHR under No. AHU-0021261.AH.01.11.Tahun 2018 dated 14 February 2018.

Based on Article 3 of the BDM's Articles of Association, BDM conducts business activities in the field of shipping and other related transport businesses, as well as the carriage of goods, both domestically and internationally.

The composition of the Board of Directors and the Board of Commissioners of BDM as to the date of this Disclosure of Information is stipulated as follows:

Board of Directors

Director	: Hannibal S. Anwar
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Board of Commissioners

Commissioner	: Hilmi Panigoro
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2. Summary of Agreements

a. Conditional Sales and Purchase of Shares Agreement dated 29 June 2018 made between the Company and MDAL in connection with the sale and purchase of all MEGI shares

Scope:

The Company has agreed to transfer 999,000 of its owned shares in MEGI to MDAL.

Purchase Price:

The price of the shares sales and purchase is USD 16,983,000, excluding part of the debt under the IIF facility which has been withdrawn by the Company on December 2017 amounting to Rp 70,000,000,000 which has been granted to MEGI in the form of an intercompany loan agreement.

Termination:

The agreement may be terminated, by the latest, before 30 September 2018 ("**Closing Date**") if any of the following events have occurred:

- a. has been agreed by both Parties to be terminated;
- b. one of the Party, in the event that the Closing Date is not on 30 September 2018 (or any other time agreed in writing by the Parties), as a result of such party's default; and
- c. one of the Party, does not breach the agreement, however the other Party breaches the agreement materially.

Applicable law:

Laws of the Republic of Indonesia.

Dispute resolution:

Badan Arbitrase Nasional Indonesia (BANI).

b. Conditional Sales and Purchase of Shares Agreement dated 29 June 2018 made between Company and MDAL in connection with the sale and purchase of all MEGI shares

Scope:

The Company has agreed to transfer 29,990,000 of its owned shares in MEMI to MDAL.

Purchase Price:

The price of the share sales and purchase is USD 30,988.

Termination:

The agreement may be terminated, by the latest, before 30 September 2018 ("**Closing Date**") if any of the following events have occurred:

- a. has been agreed by both Parties to be terminated;
- b. one of the Party, in the event that the Closing Date is not on 30 September 2018 (or any other time agreed in writing by the Parties), as a result of such party's default; and
- c. one of the Party, does not breach the agreement, however the other Party breaches the agreement materially.

Applicable law:

Laws of the Republic of Indonesia.

Dispute resolution:

Badan Arbitrase Nasional Indonesia (BANI).

c. Conditional Sales and Purchase of Shares Agreement dated 29 June 2018 made between MEN and BDM in connection with the sale and purchase of all MEGI shares

Scope:

MEN has agreed to transfer 1,000 of its owned shares in MEGI to BDM.

Purchase Price:

The price of the shares sales and purchase is USD 17,000.

Termination:

The agreement may be terminated, by the latest, before 30 September 2018 ("**Closing Date**") if any of the following events have occurred:

- a. has been agreed by both Parties to be terminated;
- b. one of the Party, in the event that the Closing Date is not on 30 September 2018 (or any other time agreed in writing by the Parties), as a result of such party's default; and
- c. one of the Party, does not breach the agreement, however the other Party breaches the agreement materially.

Applicable law:

Laws of the Republic of Indonesia.

Dispute resolution:

Badan Arbitrase Nasional Indonesia (BANI).

d. Conditional Sales and Purchase of Shares Agreement dated 29 June 2018 made between MEN and BDM in connection with the sale and purchase of all MEMI shares

Scope:

MEN has agreed to transfer 10,000 of its owned shares in MEMI to BDM.

Purchase Price:

The price of the shares sale and purchase is USD 12.

Termination:

The agreement may be terminated, by the latest, before 30 September 2018 ("**Closing Date**") if any of the following events have occurred:

- a. has been agreed by both Parties to be terminated;
- b. one of the Party, in the event that the Closing Date is not on 30 September 2018 (or any other time agreed in writing by the Parties), as a result of such party's default; and
- c. one of the Party, does not breach the agreement, however the other Party breaches the agreement materially.

Applicable law:

Laws of the Republic of Indonesia.

Dispute resolution:

Badan Arbitrase Nasional Indonesia (BANI).

D. AFFILIATED TRANSACTION

The transaction on the transfer of: (i) 999,000 shares, representing 99.9% share ownership in MEGI owned by the Company to MDAL, (ii) 29,990,000 shares, representing 99.96% share

ownership in MEMI owned by the Company to MDAL, (iii) 1,000 shares, representing 0.1% share ownership in MEGI owned by MEN to BDM, and (iv) 10,000 shares, representing 0.04% share ownership in MEMI owned by MEN to BDM constitutes as an affiliated transaction as contemplated under Rule No. IX.E.1, whereby the transaction represents the disposal of securities in the form of shares with MDAL who is a shareholder of the Company. Therefore, the Transaction must obtain a fairness opinion from an independent appraiser and must be announced to the public.

The Transaction is not a transaction that contains a conflict of interest as contemplated under Rule IX.E.1.

The Transaction has been conducted between an affiliated party of the Company by using the same terms and conditions as it would be when performed with a third party, therefore the terms and conditions of the Transaction may be generally accepted.

E. OBJECT OF THE AFFILIATED TRANSACTION

1. PT Medco Gas Indonesia (MEGI)

MEGI was incorporated based on Deed of Establishment No. 1 dated August 1, 2006, drawn up before Karlita Rubianti, SH, Notary in Jakarta, which has been approved by the MOLHR No. C-24505 HT.01.01.TH.2006 dated 23 August 2006 and registered in the Company Register with TDP No. 09.03.1.51.50794 at the South Jakarta Company Registry Office under No.236 BH.09.03 / X / 2006, and announced under the State Gazette No. 89 dated 7 November 2006, Supplement to the State Gazette No. 11677. The articles of association of MEGI has undergone several amendments, last of which is based on Deed of Circular Resolution of Shareholders No. 53 dated 28 July 2008, drawn up before Karlita Rubianti, S.H., Notary in Jakarta, which has been approved by the MOLHR by virtue of Decree No. AHU.69780.AH.01.02.Tahun 2008 dated 26 September 2008, registered in the Company Registry maintained by the MOLHR under No. AHU-0091956.AH.01.09.Tahun 2008 dated 26 September 2008 and has been announced under the State Gazette of the Republic of Indonesia No. 91 dated 11 November 2008, Supplement No. 23385 ("**Deed No. 53/2008**"). Based on Deed No. 53/2008, MEGI's shareholders approved the amendment and the rearrangement of MEGI's articles of association to conform it with Law No. 40 Year 2007 regarding Limited Liability Company.

Based on Article 3 of the MEGI's articles of association, MEGI's purpose and objectives are to conduct business activities in the fields of petroleum and natural gas mining, gas industry, gas trading, land and sea gas transportation, gas distribution, contractor, industry, agency and / or agency, engineering work, service or services.

The composition of the Board of Directors and the Board of Commissioners of MEGI as to the date of this Disclosure of Information is stipulated as follows:

Board of Directors

President Director	: Yunar Panigoro
Director	: Yasirin

Board of Commissioners:

President Commissioner	: Hilmi Panigoro
Commissioner	: Budi Basuki

2. PT Medco Energi Mining Internasional (MEMI)

MEMI was incorporated based on Deed of Establishment No. 55 dated 21 August 2000, drawn up before Poerbaningsih Adi Warsito, S.H., a Notary in Jakarta, which has been approved by the MOLHR No. C-07080 HT.01.01.TH.2006 dated 10 March 2006, and has been published in State Gazette No. 46 dated 8 June 2010, Supplement to State Gazette No. 4919.

Upon its establishment, MEMI has amended its Articles of Association, most recently based on Deed of Shareholder Resolution No. 12 dated 5 March 2014, drawn up before Aryanti Artisari, S.H., M.Kn., a Notary in South Jakarta, which has been approved by the MOLHR based on

Decree No. AHU-13244.AH.01.02.Tahun 2014 dated 10 April 2014, and registered in the Company Register maintained by the MOLHR under No. AHU-0028492.AH.01.09.Tahun 2014 dated 10 April 2014 ("**Deed No. 12/2014**").

Based on Deed No. 12/2014, MEMI's shareholders approved the increase of the Issued and Paid-in Capital, originally Rp 1,000,000,000 divided to 1,000,000 shares to Rp 30,000,000,000 divided into 30,000,000 shares.

Based on Article 3 of the MEMI articles of association, the purpose and objectives of MEMI is to conduct business in the fields of mining, oil and gas, trade, transportation, industry, printing, representation and / or agency, engineering works, and service or services.

The composition of the Board of Directors and the Board of Commissioners of MEMI as to the date of this Disclosure of Information is stipulated as follows:

Director

Director : Tonny Prihatna Sastramihadja

Board of Commissioners:

President Commissioner : Hilmi Panigoro

Commissioner : Budi Basuki

Commissioner : Bambang W. Sugondo

F. IMPACT OF THE TRANSACTION TO THE COMPANY'S FINANCIAL POSITION

Until the date of issuance of this Disclosure of Information, Transaction has no significant and material effect on the Company's financial position.

III. SUMMARY OF APPRAISAL REPORT

The Public Appraisal Service Office (*Kantor Jasa Penilai Publik*) ("**KJPP**") Jennywati, Kusnanto & rekan ("**JKR**") has been appointed as an independent appraiser in accordance with offer letter No. JK/180406-003, dated 6 April 2018 which has been required to provide an appraisal of the 100.00% of MEMI's shares, an appraisal of the 100.00% of MEGI shares and provide a fairness opinion of the Transaction.

Appraisal Report of 100,00% MEMI Shares

Hereby the summary of JKR's KJPP shares appraisal report on 100,00% shares of MEMI as set forth in report No. JK/SV/180629-005 dated 29 June 2018, which is as follows:

a. Parties involved in the Transaction

The parties involved in the Transaction are the Company, MEN, MDAL, and BDM.

b. Object of the Appraisal

The Object of the Appraisal is the fair market value of 100.00% of MEMI shares.

c. Purpose of the Appraisal

The purpose of the appraisal is to obtain an independent opinion of the fair market value of the Object of the Appraisal which is denominated in USD and/or its equivalent as of 31 December 2017.

d. Primary Assumptions and Qualifications

This appraisal is prepared based on market and economic conditions, general business and financial conditions and Government regulations which is valid until the date of issuance of this appraisal report.

The assessment of the Object of the Appraisal conducted under the discounted cash flow method is based on the projected financial statements prepared by DTR management. In preparing financial statement projections, assumptions are developed based on DTR's performance in previous years and based on future management plans. JKR has made adjustment to the projected financial statements in order to better reflect the operating conditions and performance of the DTR assessed at the time of this assessment more fairly. Broadly speaking, there is no significant adjustment that JKR does to the rated DTR performance targets. JKR is responsible for the performance of the appraisal and fairness of the projected financial statements based on DTR's historical performance and DTR's management information on DTR's projected financial statements. JKR is also responsible for the MEMI appraisal report and final value conclusions.

In the assignment of this appraisal, JKR assumes the fulfilment of all conditions and obligations of the Company. JKR also assumes that from the date of this appraisal until the date of issuance of the appraisal report there is no any change that materially affects the assumptions used in the assessment. JKR is not responsible for reaffirming or supplementing, updating JKR's opinion because of changes in assumptions and conditions and events occurring after the date of this letter.

In carrying out the analysis, JKR assumes and relies on the accuracy, reliability and completeness of all financial information and other information provided to JKR by the Company and MEMI or generally available which are, in effect, true, complete and not misleading and JKR irresponsible responsible for carrying out independent checks of such information. JKR also relies on guarantees from the management of the Company and MEMI that they are not aware of the facts that cause the information provided to JKR to be incomplete or misleading.

Analysis on Object of the Appraisal is prepared using the data and information as disclosed above. Any change to such data and information may adversely affect the final outcome of JKR's opinion. JKR is not responsible for any change of conclusions on the assessment of JKR nor any loss, damage, expense or expense caused by non-disclosure of information so that the data that JKR obtains becomes incomplete and/or misleading.

Since the results of JKR's appraisal is highly depended on the data as well as the underlying assumptions, changes to the data sources and assumptions based on market data will change the outcome of JKR's appraisal . Therefore, JKR notes that changes to the data used may influence the assessment results and that the differences that occur can be of material value. Although the contents of this appraisal report have been conducted in good faith and in a professional manner, JKR shall not accept responsibility for the possibility of differences in conclusions caused by additional analysis, the application of the appraisal result serves as a basis for conducting transaction analysis or any change in data which serves as the basis for assessment. The appraisal report of the Object of the Appraisal is a non-disclaimer opinion and is a report open to the public unless there are those confidential information, which may affect MEMI's operations.

JKR's work related to the assessment of the Object of the Appraisal is not and shall not be interpreted in any form, a review or audit or the implementation of certain procedures for financial information. The work also shall not be intended to reveal weaknesses in the internal control, errors or irregularities in those financial statements or violations of law. Furthermore, JKR has also obtained information on MEMI's legal status based on MEMI's articles of association.

e. The Approach Used in the Appraisal

The assessment of Object of the Appraisal is based on internal and external analysis. The internal analysis will be based on data provided by management, historical analysis of MEMI's comprehensive statements of financial position and income statement,

assessment of MEMI's operating and management conditions and resources. MEMI prospects in the future JKR evaluation based on business plan as well as projections of financial statements provided by the management that has reviewed by JKR in relation to its reasonableness and consistency. External analysis is based on a brief review of the external factors considered as value drivers, as well as a brief review of the prospects of the industry.

In applying the appraisal method to determine the indication of fair market value a "business interest" needs to be a reference to the financial statements (statements of financial position and statements of comprehensive income) that are representative, therefore adjustments are required to the book value of the statement of financial position and normalization of profitability profit which are usually compiled by management based on historical value. However, the book value of a company reflected in the statements of financial position and the statements of comprehensive income is the acquisition value and does not reflect the economic value that can be fully referenced as fair market value during the appraisal.

f. Appraisal Method

The appraisal methods used in the assessment of the Object of the Appraisal are the discounted cash flow method (DCF) method, the adjusted net asset method and the guideline publicly traded company method.

The discounted cash flow method is chosen considering that business activities undertaken by DTR in the future will still fluctuate in accordance with estimates of DTR's business growth. In carrying out the assessment by this method, the DTR operation is projected in accordance with estimates of DTR's business development. The cash flows generated on the basis of the projection are converted to present value with the discount rate corresponding to the level of risk. The value indication is the total present value of the cash flows.

In carrying out assessments using the net asset adjustment method, the value of all components of assets and liabilities/debt should be adjusted to market value or market value, except for components that have demonstrated market value (such as cash/ bank or bank debt). The overall market value of the firm is then obtained by calculating the difference between the market value of all assets (tangible and intangible) and market value of liabilities.

Comparative method of firms listed on the stock exchange is used in this appraisal because although in the stock market the company is listed on the stock exchange does not obtain information about similar companies with equivalent business scale and assets, but it is estimated that existing open company stock data can be used as a comparative data of value shares owned by MEMI.

The above appraisal and appraisal methods are what we consider most appropriate to apply in this assignment and have been agreed upon by MEMI management. It is also possible to apply other approaches and appraisal methods that can give different results.

Furthermore, the values obtained from each method are reconciled through weighting.

g. Appraisal Conclusion

Based on the analysis of all data and information that has been used by JKR and relevant factors, according to JKR, fair market value as of 31 December 2017 amounted to USD 0.03 million.

Appraisal Report of 100,00% MEGI's Shares

Hereby the summary of JKR's KJPP shares appraisal report on 100,00% MEGI's shares as set forth in report No. JK/SV/180629-004 dated 29 June 2018:

a. Parties involved in the Transaction

The parties involved in the Transaction are the Company, MEN, MDAL, and BDM.

b. Object of the Appraisal

The Object of the Appraisal is the fair market value of 100.00% of MEMI shares.

c. Purpose of the Appraisal

The purpose of the appraisal is to obtain an independent opinion of the fair market value of the Object of the Appraisal which is denominated in USD and/or its equivalent as of 31 December 2017.

d. Primary Assumption and Qualifications

This appraisal is prepared based on market and economic conditions, general business and financial conditions and Government regulations which is valid until the date of issuance of this appraisal report.

The assessment of this Object of the Appraisal conducted under the discount cash flow method was based on the projection of financial statement arranged by the MATU Management. In the arrangement of the projection of the financial statement, there are various assumption developed based on MATU's performance in the previous year and based on future management plans. JKR has made the adjustments to the projected financial statements in order to reflect the operating conditions and performance of MATU which proceed to be assessed at the time of this assessment with more reasonable. Broadly speaking, there is no significant adjustment that JKR has undertaken against the assessed performance target of MATU. JKR is responsible for conduction the assessment and fairness of projections of financial statements based on the historical performance of MATU and the management information of MATU projection of financial statements. JKR is also responsible for MEGI appraisal report and the conclusions of the final value.

In the assignment of this appraisal, JKR assumes the fulfilment of all conditions and obligations of the Company. JKR also assumes that from the date of this appraisal until the date of issuance of the appraisal report there is no any change that materially affects the assumptions used in the appraisal. JKR is not responsible for reaffirming or supplementing, updating JKR's opinion because of changes in assumptions and conditions and events occurring after the date of this letter.

In carrying out the analysis, JKR assumes and relies on the accuracy, reliability and completeness of all financial information and other information provided to JKR by the Company and MEGI or generally available which are in fact true, complete and not misleading and JKR irresponsible responsible for carrying out independent checks of such information. JKR also relies on guarantees from the management of the Company and MEGI that they are not aware of the facts that cause the information provided to JKR to be incomplete or misleading.

Analysis of the Object of the Appraisal an assessment is prepared using the data and information as disclosed above. Any change to such data and information may adversely affect the final outcome of JKR's opinion. JKR is not responsible for any change of conclusions on the assessment of JKR nor any loss, damage, expense or expense caused by non-disclosure of information so that the data that JKR obtains becomes incomplete and/or misleading.

Since the results of the JKR's appraisal is highly depend on the data as well as the underlying assumptions, changes to the data sources and assumptions based on market data will change the outcome of the JKR's appraisal. Therefore, JKR notes that changes

to the data used may have effect on the assessment results and that the differences that occur can be of material value. Although the contents of this appraisal report have been conducted in good faith and in a professional manner, JKR shall not accept responsibility for the possibility of differences in conclusions caused by additional analysis, the appraisal of the appraisal result as the basis for conducting transaction analysis or any change in data serve as the basis for assessment. The appraisal report of the Object of the Appraisal is a non-disclaimer opinion and is a report open to the public unless there is confidential information, which may affect MEGI's operations.

JKR's work related to the assessment of the Object of the Appraisal is not and shall not be interpreted in any form, a review or audit or the implementation of certain procedures for financial information. The work also shall not be intended to reveal weaknesses in the internal control, errors or irregularities in those financial statements or violations of law. Furthermore, JKR has also obtained information on MEGI's legal status based on MEGI's articles of association.

e. The Approach Used in the Appraisal

The assessment of Object of the Appraisal is based on internal and external analysis. The internal analysis will be based on data provided by management, historical analysis of MEGI's comprehensive statements of financial position and income statement, assessment of MEGI'S operating and management conditions and resources. MEGI'S prospects in the future JKR evaluation based on business plan as well as projections of financial statements provided by the management that has reviewed by JKR in relation to its reasonableness and consistency. External analysis is based on a brief review of the external factors considered as value drivers, as well as a brief review of the prospects of the industry.

In applying the appraisal method to determine the indication of fair market value a "business interest" shall refer to the financial statements (statements of financial position and statements of comprehensive income) that are representative, therefore adjustments are required to the book value of the statement of financial position and normalization of profitability profit which are usually compiled by management based on historical value. However, the book value of a company reflected in the statements of financial position and the statements of comprehensive income is the acquisition value and does not reflect the economic value that can be fully referenced as fair market value during the appraisal.

f. Appraisal Method

Appraisal methods used in the assessment of the Object of the Appraisal are the discounted cash flow method, the capitalized excess earnings method, the adjusted net assets method, the comparison method of the company listed on the stock exchange (guideline publicly traded company method).

The discounted cash flow method is chosen considering that the business activities undertaken by MATU in the future will still fluctuate in accordance with the estimates of the development of the MATU business. In carrying out the assessment by this method, the operation of the MATU is projected in accordance with the estimation of the development of the MATU business. The cash flows generated on the basis of the projection are converted to present value with the discount rate corresponding to the level of risk. The value indication is the total present value of the cash flows.

The capitalization method of excess income is a appraisal method based on a balance sheet approach. Under this method, the value of all components of the asset and liability must be adjusted to market value or fair market value, except for components that have demonstrated market value (such as cash / bank or bank debt). In addition to tangible assets, the market value of intangible assets must also be calculated. To calculate the value of the intangible asset, first the net asset value is calculated by subtracting the fair market value of the liability from the fair market value of the tangible asset (after all values on the statement of financial position are adjusted).

Thereafter, it is estimated that the expected value of income per annum of the net tangible asset value by using a reasonable rate of return.

In addition, the market value of intangible assets must also be calculated. To calculate the value of an asset, first calculates the net asset value by subtracting the fair value from fair market value. Thereafter, it is estimated that the expected value of income per year from net values by using a reasonable rate of return.

As a next step it is necessary to calculate the normal income of the assessed company by adjusting the comprehensive income statement. The difference between the normal income and the expected income is the excess revenue generated by the net tangible assets. The value of the intangible asset is then calculated by capitalizing the excess of that income with the appropriate capitalization rate. The next step is to calculate the indication of the fair market value of the stock by adding up the value of net tangible assets and the value of intangible assets.

In carrying out the assessment using the net asset adjustment method, the value of all components of assets and liabilities / debt should be adjusted to their fair market value, except for components that have demonstrated fair market value (such as cash / bank or bank debt). The fair market value of the entire firm is then obtained by calculating the difference between the fair market value of all assets (tangible and intangible) and market value of liabilities.

Comparative method of firms listed on the stock exchange is used in this appraisal because although in the stock market the company is listed on the stock exchange does not obtain information about similar companies with the scale of business and assets are equal, but it is estimated that the company's stock data listed on the stock exchanges that can be used as data comparison of the value of shares held by MGI.

The above appraisal and appraisal methods are what we consider most appropriate to apply in this assignment and have been agreed upon by MGI management. It is also possible to apply other approaches and appraisal methods that can give different results.

Furthermore, the values obtained from each method are reconciled with weighting.

g. Appraisal Conclusion

Based on the analysis of all data and information that JKR has received and considering all relevant factors affecting the appraisal, in JKR's opinion, the fair market value of the Object of the Appraisal as of 31 December 2017 is USD 20.80 million.

Fairness Opinion of The Transaction

Below is a summary of JKR's KJPP fairness opinion report in relation to the Transaction as outlined in its report No. JK/ FO/180629-006 date 29 June 2018 with the following summary:

a. Parties related to the Transaction

The parties involved in the Transaction is the Company, MEN, MDAL and BDM.

b. Object of the Fairness Opinion of the Transaction

The Object of Transaction in the Fairness Opinion of the Transaction is as follows:

- The Transaction where the Company has divest of 999,000 shares or equivalent to 99.90% of MEGI shares undertaken by the Company to MDAL with all transaction value of USD 22.15 million according to 99.90% MEGI Transaction.

- The Transaction where MEN has divest of 1,000 shares or equivalent to 0.10% of MEGI shares undertaken by MEN to BDM with a transaction value of USD 0.02 million according to 0.10% MEGI Transaction.
- The Transaction where the Company has divest of 29,990,000 shares or equivalent to 99.96% of MEMI shares undertaken by the Company to MDAL with a transaction value of USD 0.03 million according to 99.96% MEMI Transaction.
- The Transaction where MEN has divest of 10,000 shares or equivalent to 0.04% of MEMI shares undertaken by MEN to BDM with a transaction value of USD 0.00 million according to 0.04% MEMI Transaction.

c. Purpose of the Fairness Opinion

The purpose and objective of the preparation of Fairness Opinion report on the Transaction is to provide an overview to the Board of Directors of the Company on the Fairness Opinion of the Transaction and to comply with the applicable provisions of Rule IX.E.1.

d. Primary Assumptions and Qualifications

The analysis of Fairness Opinion on the Transaction is prepared using the data and information as disclosed above, which data and information has been reviewed by JKR. In carrying out the analysis, JKR relies on the accuracy, reliability and completeness of all financial information, information on the legal status of the Company and other information provided to JKR by the Company or generally available and JKR is not responsible for the accuracy of such information. Any changes to such data and information may affect the outcome of JKR's opinion in a material manner. JKR also relies on representation of the management of the Company that they are not aware of the facts that cause the information provided to JKR to be incomplete or misleading. Therefore, JKR is not responsible for the change of conclusion on JKR's Fairness Opinion due to the change of data and information.

The projected consolidated financial statements of the Company before and after the Transaction are prepared by the management of the Company. JKR has reviewed the projected financial statements and such projected financial statements have reflected the Company's operating and performance conditions. Broadly speaking, there are no significant adjustments that JKR needs to take in relation to the Company's performance targets.

JKR did not undertake inspections in relation to fixed assets or facilities of the Company. In addition, JKR did not provide an opinion on the tax effects of the Transaction. The services that JKR provides to the Company in connection with the Transaction is limited to the Fairness Opinion on Transaction and not those services related to accounting, audit or taxation services. JKR does not conduct research on the validity of the Transaction from any legal aspects and implications of any aspects of taxation. The Fairness Opinion on the Transaction was merely assessed from an economic and financial standpoint. The Fairness Opinion on the Transaction is a non-disclaimer opinion and is a report open to the public unless there is confidential information that may affect the Company's operations. Furthermore, JKR has also obtained information on the legal status of the Company based on the Company's articles of association.

JKR's work relating to the Transaction is not and cannot be construed to constitute in any form, a review or audit or the exercise of certain procedures for financial information. The work also cannot be intended to reveal weaknesses in internal control, errors or deviation in financial statements or violations of law. In addition, JKR does not have the authority and is not in a position to obtain and analyse any other forms of transactions other than the existing Transaction that may be available to the Company and the effect of such transactions in relation to the Transaction.

This Fairness Opinion is prepared based on market and economic conditions, general business and financial conditions and Government regulations related to Transaction on the issuance date of this Fairness Opinion.

In preparation of this Fairness Opinion, JKR uses several assumptions, such as the fulfilment of all conditions and obligations of the Company and all parties involved in the Transaction. The Transaction will be executed as described in accordance with the stipulated period and the accuracy of information on the Transaction disclosed by the management of the Company.

This Fairness Opinion shall be deemed as a unity and the use of part of the analysis and information without entirely considering other information and analysis can lead to misleading views and conclusions on the process underlying Fairness Opinion. Forming this Fairness Opinion is a difficult process and may not be possible through incomplete analysis.

JKR also assumes that from the issuance date of the Fairness Opinion until the date of the occurrence of this Transaction there are no changes that materially affects the assumptions used in the preparation of this Fairness Opinion. JKR is not responsible for reaffirming or completing, updating JKR's opinion because of changes in assumptions and conditions and events occurring after the date of this letter. Calculation and analysis in order to provide Fairness Opinion has been correctly done and JKR is responsible for Fairness Opinion report.

Conclusion on this Fairness Opinion applies if there are no changes that have material effect on the Transaction. These changes include, but not limited to, changes in conditions internally or externally to the Company, which is market and economic conditions, general conditions of business, trade and finance and Indonesian government regulations and other relevant regulations after the date of this Fairness Opinion report is issued. If there are changes mentioned above after the date of this Fairness Opinion report is issued, then the Fairness Opinion of the Transaction may be different.

e. Procedure and Approach of Appraisal

In the evaluation of Fairness Opinion on this Transaction, JKR has conducted an analysis through approach and procedure. Fairness Opinion on Transaction is as follows:

- I. Transaction Analysis;
- II. Qualitative and Quantitative Transaction Analysis; and
- III. Fair Transaction Analysis.

f. Conclusion

Based on the scope of work, assumptions, data and information obtained from the Company's management used in preparing this fairness report, reviewing the financial effects of the Transaction as disclosed in this fairness report, JKR believes that the Transaction is fair for the Company and the shareholders of the Company.

IV. INDEPENDENT PARTY APPOINTED BY THE COMPANY

Independent parties which have role in the Transaction and have been appointed by the Company are Appraisal Firms Jennywati, Kusnanto dan Rekan as independent appraiser registered in the OJK appointed by the Company to provide fairness opinion of Transaction.

V. ADDITIONAL INFORMATION

To the shareholders of the Company that needs a more detailed information on this Disclosure of Information, please contact us during the business days and business hours of the Company at:

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