



MEDCOENERGI

**MedcoEnergi Announces
Audited Full Year 2019 Results**

Summary Results

Financial

- Consolidated EBITDA US\$660 million, pro forma Ophir US\$802 million.
- Consolidated Gross Profit US\$592 million, pro forma Ophir US\$667 million.
- Net Debt to EBITDA¹ 3.4x, pro forma¹ Ophir 2.8x.
- Strong liquidity with cash and cash equivalents US\$596 million.

Operational

- Oil and gas production 103 mboepd, pro forma Ophir 115 mboepd.
- Medco Power generated sales of 2,600 GWh.
- Oil and gas cash production cost US\$9.3 per boe.

Jakarta, 20 May 2020 – PT Medco Energi Internasional Tbk² announces its audited consolidated financial statements for the year ended 31 December 2019 (“2019”).

Roberto Lorato, CEO, said “Last year was dominated by the successful acquisition of Ophir Energy Plc. This year, 2020, will be remembered for the global spread of Covid-19 and the unprecedented collapse in oil prices. MedcoEnergi has responded quickly to these new challenges with protocols to ensure the well-being of our staff, and over US\$200 million of expenditure deferrals and reductions to preserve cash and support our balance sheet.”

Financial Highlights

- A new Rights Issue will be proposed at the General Shareholders Meeting in June. Further information will be announced separately.
- EBITDA US\$660 million, gross profit US\$592 million with Pro forma Ophir EBITDA was US\$802 million.
- The immediately accretive Ophir acquisition produced seven months EBITDA US\$131 million, after one-time acquisition costs of US\$35 million and integration costs of US\$11 million. Pro forma the Ophir EBITDA was US\$238 million. Recurring annual synergies from the acquisition will be above US\$50 million.
- Net Income was a US\$27 million loss (2018 US\$51 million loss), as a result of profits from the Oil and Gas and Power segments, which were offset by larger losses in Amman Mineral Nusa Tenggara (AMNT) US\$49 million.
- Capital expenditures were US\$313 million, pro forma US\$356million, in line with guidance.
- Completed the sale of several non-core assets, including Tunisia, Mexico Block 5, monetized the AMNT shareholder loan and further diluted our interest in 2019 and 2020.
- Liquidity remains strong with cash and equivalents of US\$596 million, with rupiah bond maturities in 2020 and 2021 secured in escrow.
- Credit ratings were recently reaffirmed at B+ from Fitch, B+ from Standard & Poor, B1 from Moody's and A+ from Pefindo.
- Net Debt to EBITDA¹ was 3.4x, pro forma 2.8x and below the Net Debt to EBITDA¹ target of 3.0x. Gross Debt¹ was US\$2.5 billion.

Operational Highlights

- Oil and gas production 103 mboepd, 115 mboepd Ophir pro forma.
- Unit cash costs of US\$9.3 per boe, lower than our guidance.
- Completed the new developments in Bualuang, Thailand and Temelat, South Sumatra and the sub-sea development in Buntal-5, South Natuna Sea. Progress on the Meliwi gas development, East Java has reached 90% of completion as of May 2020 and first gas is on track for midyear.
- Completion of the successful Bronang-2 exploration well in Block B, South Natuna.

¹ Excluding PT Medco Power Indonesia (“MPI” or “Medco Power”)

² PT Medco Energi Internasional Tbk (“MedcoEnergi” or “Company”)



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- Medco Power generated sales of 2,600 GWh, a 4% decline year on year due to unscheduled maintenance in Sarulla Geothermal operations, North Sumatra.
- Construction of the Riau CCPP is 76% completed and the project is on track for service in 2021.
- Medco Power signed two new Operation & Maintenance contracts with PLN in Sulut-1, North Sulawesi and Timor-1, East Nusa Tenggara.
- Medco Power also won a tender to construct and operate 2x25MWp Solar PV facilities in Bali and construction has begun on the 26MWp PV facility in Sumbawa.
- AMNT production from stockpile was 130.3 Mlbs of copper and 56 Koz of gold. AMNT continues to progress the phase 7 development with first ore on track for mid-2020.

2020 Full Year Guidance

With US\$200 million of expenditure reductions, guidance for 2020 is as follows:

- Oil & Gas production of 100 – 105 mboepd.
- Oil & gas unit cash costs below US\$10/boe.
- Total capital expenditures below US\$240million.
- Power sales of 2,600 GWh.

Hilmi Panigoro, President Director, said “I am proud to say that, in this our 40th anniversary, the Company has enhanced its strength following the completion of the Block A, Aceh development and the acquisition of Ophir Energy, placing us as a leading Southeast Asian energy and natural resources company. The world is now facing extraordinarily challenging times, and Medco will do what it has always done, adapt to the changing environment and continue to produce safe and affordable energy for the countries in which we operate.”

PT Medco Energi Internasional Tbk. (“MedcoEnergi”) is a leading Southeast Asian integrated energy and natural resources company listed on the Indonesia Stock Exchange (MEDC-IDX). MedcoEnergi has three key business segments, Oil & Gas, Power and Mining. MedcoEnergi explores for and produces oil and gas primarily in Indonesia and is expanding its presence in the Southeast Asia. The Group operates gas, geothermal and hydro power plants in Indonesia through Medco Power Indonesia and a non-consolidated interest in Amman Mineral Nusa Tenggara which operates a large Indonesian copper and gold mine.

This document may contain projections, plans, strategies, policies and objectives of MedcoEnergi 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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