

**DISCLOSURE OF INFORMATION
IN RELATION TO THE AFFILIATED TRANSACTION**

PT MEDCO ENERGI INTERNASIONAL TBK.

(the “COMPANY”)

This Disclosure of Information is made and prepared to comply with the Financial Services Authority Regulation No. 42/POJK.04/2020 concerning Affiliated Transaction and Conflict of Interest Transaction (“**POJK No. 42/2020**”) and Financial Services Authority Regulation No. 31/POJK.04/2015 concerning Disclosure of Material Information or Facts by Issuers or Public Companies (“**POJK No. 31/2015**”).



MEDCOENERGI

PT MEDCO ENERGI INTERNASIONAL TBK

Main Business Activities:

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

Head Office:

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This Disclosure of Information is important to be read and considered by the Company's Shareholders regarding the Affiliated Transaction.

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.
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The Company's Board of Directors and the Board of Commissioners, whether severally or jointly, are fully responsible for the truth completeness and accuracy of all information or material facts contained herein, and hereby state that the information states 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, July 2, 2021
Board of Directors of the Company**

DEFINITION

Bapepam-LK	: The Capital Market and Financial Institution Supervisory Agency (<i>Badan Pengawas Pasar Modal dan Lembaga Keuangan</i>) as referred to in the Decree of the Minister of Finance of the Republic of Indonesia No. 184/PMK.01/2010 dated October 11, 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).
Ministry of Law and Human Rights	: The Ministry of Law and Human Rights of the Republic of Indonesia.
Disclosure of Information	: The Company's Disclosure of Information issued on July 2, 2021 in relation to the Transaction between MDAL, as a controlling shareholder of the Company, with the Company.
MDAL	: PT Medco Daya Abadi Lestari, a limited liability company incorporated under the laws of the Republic of Indonesia, domiciled in Jakarta.
MGEOPS	: PT Medco Geopower Sarulla, a limited liability company incorporated under the laws of the Republic of Indonesia, domiciled in Jakarta.
MPI	: PT Medco Power Indonesia, a limited liability company incorporated under the laws of the Republic of Indonesia, domiciled in Jakarta, which is a controlled company of the Company.
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 service activities in the capital market sector from Bapepam-LK since December 31, 2012, under the provisions of Law No. 21 of 2011 concerning Financial Services Authority.
Company	: PT Medco Energi Internasional Tbk, a limited liability company incorporated under the laws of the Republic of Indonesia, domiciled in Jakarta.
POJK No. 17/2020	: Financial Services Authority Regulation No. 17/POJK.04/2020 dated April 21, 2020, concerning Material Transactions and Changes in Business Activities.
POJK No. 31/2015	: Financial Services Authority Regulation No. 31/POJK.04/2015 dated December 16, 2015, concerning Disclosure of Information or Material Facts by Issuer or Public Company.
POJK No. 42/2020	: Financial Services Authority Regulation No. 42/POJK.04/2020 dated July 2, 2020, concerning Affiliated Transaction and Conflict of Interest Transaction.
Transaction	: Transaction of obtaining corporate guarantee by the Company from MDAL based on the Counter Guarantee and Indemnity dated February 18, 2021.

I. BACKGROUND

This Disclosure of Information is made in connection with the Company's intention to fully notify the shareholders of the Company regarding the transaction of obtaining corporate guarantee by the Company from MDAL which considered as an Affiliated Transaction as referred to in POJK No. 42/2020.

The Company has obtained approval from third parties in connection with the implementation of the Transaction.

II. DESCRIPTION ON THE AFFILIATED TRANSACTION

On August 31, 2020, MPI, a controlled company of the Company, has signed a shares sales and purchase agreement with MDAL, whereby MPI has agreed to sell its shares to MDAL in the amount of 36,827,238 (thirty-six million eight hundred twenty-seven thousand two hundred thirty-eight) shares or representing 2% (two percent) of the issued and paid-up capital in MGEOPS ("**MPI Shares Transfer**"). Accordingly, after the MPI Shares Transfer becomes effective, MPI and MDAL owns 49% (forty-nine) and 2% (two percent) shares in MGEOPS, respectively. We have announced the Disclosure of Information on the related matter on September 2, 2020.

Based on the Joint Operational Contract and the Energy Sales Contract which were both signed on February 27, 1993, MGEOPS acts as one of the contractors of PT Pertamina Geothermal Energy in the Sarulla geothermal power plant project to distribute the electricity generated from the production of geothermal energy resources to PT PLN Persero ("**Sarulla Project**"). The Company, as one of the sponsors of MGEOPS in the Sarulla Project, has provided a corporate guarantee and an irrevocable unconditional indemnity to ensure the fulfillment of MGEOPS's obligations based on Amended and Restated Joint Operating Agreement No. 1 dated July 11, 2008, as lastly amended on April 7, 2015, signed by MGEOPS, Orsarulla Inc., Sarulla Power Asset Ltd, Kyuden Sarulla Pte Ltd and Sarulla Operations Ltd. The corporate guarantee provided by the Company was proportional to MPI's ownership in MGEOPS at that time, which was 51% ("**Project Sponsor Guarantee**").

Subsequently, in connection with the MPI Shares Transfer, the Company agreed to maintain the value of the corporate guarantee of 51% (fifty-one percent) which the Company has granted to Orsarulla Inc, Sarulla Power Asset Ltd and Kyuden Sarulla Pte Ltd based on Deed of Guarantee and Indemnity dated July 11, 2008, as lastly amended on April 7, 2015, ("**Deed of Guarantee and Indemnity**"). Further, MDAL as a 2% shareholder in MGEOPS, agreed to provide an unconditional and irrevocable corporate guarantee and indemnity to the Company with a value equivalent to its ownership in MGEOPS.

A. OBJECT OF TRANSACTION

Counter Guarantee and Indemnity dated February 18, 2021, between the Company and MDAL

Parties:

1. The Company, as the obligee
2. MDAL, as the guarantor

Scope:

The Company agrees to continue its obligations under the Project Sponsor Guarantee in connection with the transfer of MPI's MGEOPS shares to MDAL based on the MGEOPS Shares Sales and Purchase Agreement and MDAL agrees to provide a guarantee and indemnity to the Company. MDAL will provide a guarantee and indemnity for the Company's obligations arising based on the MGEOPS Shares Sales and Purchase Agreement in the amount of 2% of its share ownership in MGEOPS.

MDAL unconditionally and irrevocably guarantees, separately and as an ongoing obligation, to indemnify the Company from all losses, responsibilities, costs and expenses arising from the guarantee obligations provided by MDAL, provided that such liability is limited to MDAL's share ownership in MGEOPS.

Validity:

The reciprocal guarantee and indemnity will be effective on the date:

- a. The effective date of the MGEOPS Shares Sales and Purchase Agreement; and
- b. The issuance of a fairness opinion report issued by an independent appraiser based on the provisions of POJK No. 42/2020.

Breach of Contract:

In the event that MDAL fails to perform its obligations, MDAL will transfer all of its shares in MGEOPS to the Company or its subsidiaries immediately on the date of notification of the Company.

Termination:

Not regulated.

Applicable Law:

Laws of the Republic of Indonesia.

Dispute Settlement:

Not regulated.

B. TRANSACTION VALUE

The value of the reciprocal corporate guarantee from MDAL to the Company is equivalent to MDAL's share ownership in MGEOPS, namely 36,827,238 shares with a nominal value of IDR36,827,238,000 or 2% of the issued and paid-up capital of MGEOPS.

III. PARTIES TO THE TRANSACTION

1. MDAL, as the guarantor

MDAL is a limited liability company incorporated under the laws of the Republic of Indonesia based on Deed of Establishment No. 12 dated September 30, 2016, drawn up before Siti Rumondang Bulan Lubis, S.H., M.Kn., Notary in Tangerang which has been ratified by the MOLHR based on Decree No. AHU-0044467.AH.01.01.Tahun 2016 dated October 7, 2016, and has been registered in the Company Register maintained by the MOLHR under No. AHU-0118107.AH.01.11.Tahun 2016. MDAL registered office is at The Energy Building, 53rd Floor 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 based on Deed of Shareholders Resolution No. 180 dated May 23, 2018, drawn up before Hasbullah Abdul Rasyid, S.H., M.Kn., Notary in Tangerang which has been ratified by the MOLHR based on Decree No. AHU-0011629.AH.01.02.Tahun 2018 dated May 25, 2018, and has been notified to the MOLHR pursuant to the Acknowledgment Letter No. AHU-AH.01.03-0209606 dated May 25, 2018, both have been registered in the Company Register maintained by the MOLHR under No. AHU-0073417.AH.01.11.Tahun 2018 dated May 25, 2018.

Based on Article 3 of MDAL's Article of Association, the purpose and objective of MDAL is to conduct business in trading, contractor, transporting, industry, printing, engineering works, services, electricity, mining and energy and also business fields related to mining and energy, industry, transporting, services.

The members of BOD and BOC of MDAL as of the date of this Disclosure of Information are as described below:

Board of Directors:

President Director : Hilmi Panigoro
 Director : Raden Hario Soeprbo
 Director : Hannibal S. Anwar
 Director : Benny Setiawan

Board Commissioners:

President Commissioner : Arief Widyawan Sidarto
 Commissioner : Yaser Raimi A. Panigoro

The capital structure and shareholders composition of MDAL as the date of this Disclosure of Information is as follows:

NAME	NOMINAL VALUE (IDR)	SHARES	%
Ir. Arifin Panigoro	4,104,299,875,000	4,104,299,875	99.99
PT Medco Intidinamika	125,000	125	0.01
Total	4,104,300,000,000	4,104,300,000	100.00
Portfolio Shares	12,312,900,000,000	12,312,900,000	

2. Company, as the obligee

Company was incorporated for Domestic Capital Investment based on Law No. 6 of 1968 as amended by Law No. 12 of 1970 and lastly amended by Law No. 25 of 2007 regarding Capital Investment as amended by Law No. 11 of 2020 regarding Job Creation, duly established pursuant to the Deed of Establishment No. 19 dated June 9, 1980, as amended by Deed of Amendment No. 29 dated August 25, 1980 and Deed of Amendment No. 2 dated March 2, 1981, both drawn up before Imas Fatimah, S.H., Notary in Jakarta, which have been approved by Minister of Justice of Republic of Indonesia by its Decree No. Y.A.5/192/4 dated April 7, 1981 and registered in the District Court of Jakarta under No. 1348, No. 1349, and No. 1350 dated April 16, 1981, respectively, and announced in the State Gazette No. 102 dated December 22, 1981, Supplement No. 29332.

The Company's Article of Association have been amended several times, the latest amendment is pursuant to the Deed of Statement of Meeting No. 39 dated February 15, 2021, drawn up before Leolin Jayayanti, S.H., M.Kn., Notary in Jakarta, notified to the MOLHR by virtue of Acknowledgment of Notification of Articles of Association Amendment Receipt No. AHU-AH.01.03-0098327 dated February 16, 2021 and registered in the Company Register in the Ministry of Law and Human Rights under No. AHU-0029152.AH.01.11.Tahun 2021 dated February 16, 2021 ("**Deed No. 39/2021**")

Based on Deed No. 39/2021, the shareholders of the company resolved to increase the issued and paid-up capital to IDR 628,405,781,300, as the implication of warrant.

Based on Deed No. 39/2021, the capital structure of the Company is as follows:

Authorised Capital	IDR950,000,000,000
Issued Capital	IDR628,405,781,300
Paid-up Capital	IDR628,405,781,300

The Company's Authorised Capital is divided into 38,000,000 shares, each having nominal value of IDR25 (twenty-five Rupiah) per shares.

In accordance with the Shareholders Register as of May 31, 2021 issued by PT Sinartama Gunita, as Securities Administration Bureau (*Biro Administrasi Efek*) of the Company, the shareholders composition of the Company is as follows:

Description and Information	Nominal Value IDR25 per Shares		(%)
	Total Shares	Total Nominal Value (IDR)	
Authorised Capital	38,000,000,000	950,000,000,000	
Issued and Paid-up Capital			
PT Medco Daya Abadi Lestari	12,944,140,124	323,603,503,100	51.50
Diamond Bridge Pte. Ltd.	5,395,205,771	134,880,144,275	21.46
PT Medco Duta	46,542,300	1,163,557,500	0.19
PT Multifabrindo Gemilang	11,200,000	280,000,000	0.04
Public (each is below 5%)	6,698,857,988	167,471,449,700	26.65
PT Medco Energi Internasional Tbk (Treasury Shares)	40,285,069	1,007,126,725	0.16
Total of Issued and Paid-up Capital	25,136,231,252	628,405,781,300	100.00
Portfolio Shares	12,863,768,748	321,594,218,700	

As at the date of this Disclosure of Information, the members of BOD and BOC of the Company are as described below:

Board of Commissioners

President Commissioner	: Muhammad Lutfi*
Independent Commissioner	: Marsillam Simandjuntak
Independent Commissioner	: Bambang Subianto
Commissioner	: Yani Yuhani Panigoro
Commissioner	: Yaser Raimi A. Panigoro

Board of Directors

President Director	: Hilmi Panigoro
Director	: Roberto Lorato
Director	: Ronald Gunawan
Director	: Amri Siahaan
Director	: Anthony Robert Mathias

**On October 9, 2020, the Company has received the resignation letter of Muhammad Lutfi from his position as President Commissioner of the Company.*

II. NATURE OF AFFILIATION

- MDAL is the controlling shareholder of the Company, who owns 12,944,140,124 shares in the Company or representing 51.50% of total issued and paid-up capital of the Company based on Shareholders Register as of May 31, 2020;
- There is a similarity of the Board of Directors between the Company and MDAL, which Hilmi Panigoro as a President Director of the Company also serves as a President Director of MDAL;

- c) There is a similarity of the Board of Commissioners between the Company and MDAL, which Yaser Raimi A. Panigoro as a Commissioner of the Company also serves as a Commissioner of MDAL.

Referring to the nature of affiliation as mentioned above, the Company must announce a disclosure of information to the public, followed by appraisal report and fairness opinion and also to deliver supporting documents to the OJK at the latest at the end of second working days after the occurrence of the Transaction as stipulated in the Article 4 of POJK No. 42/2020.

III. SUMMARY OF THE FAIRNESS OPINION

Kantor Jasa Penilai Publik ("KJPP") Kusnanto & rekan ("KR"), as registered KJPP based on the Ministry of Finance Decree No. 2.19.0162 dated July 15, 2019 and listed as a capital market supporting profession of the OJK under Registered Letter of Capital Market Supporting Profession of OJK No. STTD.PB-02/PM.22/2018 (business appraiser), has been assigned by the Company's management to provide the fairness opinion on the Transaction in accordance to engagement letter No. KR/210211-001 dated February 11, 2021 which was approved by the Company's management.

1. Fairness Opinion Report on the Transaction

The following is a summary of the fairness opinion report on the Transaction as stated in the report No. 00085/2.0162-00/BS/02/0382/1/VI/2021 dated June 30, 2021:

a. Transacting Parties

The transacting parties on the Transaction are the Company and MDAL.

b. Transaction Objects of the Fairness Opinion

The transaction object in the Fairness Opinion of the Transaction is Transaction of obtaining corporate guarantee by the Company from MDAL based on the Counter Guarantee and Indemnity dated February 18, 2021.

c. Purpose and Objective of the Fairness Opinion

Purpose and objective of the preparation of the Fairness Opinion on the Transaction is to provide an overview on the fairness of the Transaction to the Company's Directors from financial aspects and to comply with the applicable regulations, i.e. POJK No. 42/2020.

This Fairness Opinion was prepared in compliance with the provisions of OJK Rule No. 35/POJK.04/2020 concerning "Valuation and Presentation of Business Valuation Report in Capital Markets" dated May 25, 2020 ("**POJK No. 35/2020**") as well as Indonesian Valuation Standards ("**SPI**") 2018.

d. Limiting Conditions and Major Assumptions

The Fairness Opinion analysis on the Transaction was prepared using the data and information as disclosed above, such data and information of which KR have reviewed. In performing the analysis, KR relied on the accuracy, reliability and completeness of all financial information, information on the legal status of the Company and other information provided to KR by the Company or publicly available and KR are not responsible for the accuracy of such information. Any changes to the data and information may materially influence the outcome of KR opinion. KR also relied on assurances from the management of the Company that they did not know the facts which led to the information given to KR to be incomplete or misleading. Therefore, KR are not responsible for the changes in the conclusions of KR Fairness Opinion caused by

changes in those data and information.

The Company's financial projections before and after the Transaction was prepared by the Company's management. KR have reviewed such financial projections and those financial projections have described the operating conditions and performance of the Company. Overall, there were not any significant adjustments to be made to the performance targets of the Company.

KR did not perform an inspection of the Company's fixed assets or facilities. In addition, KR also did not give an opinion on the tax impact of the Transaction. The service KR provided to the Company in connection with the Transaction merely was the provision of the Fairness Opinion on the Transaction, not accounting services, auditing or taxation. KR did not perform observation on the validity of the Transaction from legal aspects and implication of taxation aspects. The Fairness Opinion on the Transaction was only performed from economic and financial aspects. The Fairness Opinion report on the Transaction represented a non-disclaimer opinion and was an open-for-public report unless there was confidential information on such report, which might affect the Company's operations. Furthermore, KR have also obtained the information on the legal status of the Company and MGEOPS based on the articles of association of the Company and MGEOPS.

KR work related to the Transaction was not and could not be interpreted in any form, a review or an audit or an implementation of certain procedures of financial information. The work was also not intended to reveal weaknesses in internal control, errors or irregularities in the financial statements or violation of law. In addition, KR did not have the authority and was not in a position to obtain and analyze a form of other transactions that existed and might be available to the Company other than the Transaction and the effect of these transactions to the Transaction.

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

In preparing the Fairness Opinion, KR applied several assumptions, such as the fulfillment of all conditions and obligations of the Company as well as all parties involved in the Transaction. The Transaction would be executed as described accordingly to a predetermined time period and the accuracy of the information regarding the Transaction which was disclosed by the Company's management.

The Fairness Opinion should be viewed as a whole and the use of partial analysis and information without considering other information and analysis as a whole may cause a misleading view and conclusion on the process underlying the Fairness Opinion. The preparation of the Fairness Opinion was a complicated process and might not be possible to perform through incomplete analysis.

KR also assumed that from the issuance date of the Fairness Opinion until the execution date of the Transaction, there were no changes that could materially affect the assumptions used in the preparation of the Fairness Opinion. KR are not responsible to reaffirm or to supplement or to update KR opinion due to the changes in the assumptions and conditions as well as events occurring after the letter date. The calculation and analysis in the Fairness Opinion have been performed properly and KR are responsible for the Fairness Opinion report.

The conclusion of the Fairness Opinion is applicable for no changes that might materially impact on the Transaction. Such changes include, but not limited to, the changes in conditions both internally on the Company and externally on the market and economic conditions, general conditions of business, trading and financial as well as government regulations of Indonesia and other relevant regulations after the issuance date of the Fairness Opinion report. Whenever after the issuance date of the Fairness Opinion report such changes occur, the Fairness Opinion on the Transaction might be different.

The Fairness Opinion analysis on this Transaction was carried out under uncertain conditions, including, but not limited to the high level of uncertainty due to the Covid-19 pandemic. The principle of prudence is required in the use of the Fairness Opinion report, especially regarding changes that occur from the date of the assessment to the date of use of the Fairness Opinion report. Changes in assumptions and conditions as well as events that occur after the date of this report will materially affect the conclusion of the Fairness Opinion.

e. The Approaches and Procedures of the Fairness Opinion on the Transaction

In evaluating the Fairness Opinion on the Transaction, KR had performed analysis through the approaches and procedures of the Fairness Opinion on the Transaction as follows:

- I. Analysis of the Transaction;
- II. Qualitative and quantitative analysis of the Transaction; and
- III. Analysis of the fairness on the Transaction.

f. Kesimpulan

Based on the scope of works, assumptions, data, and information acquired from the Company's management which was used in the preparation of this Fairness Opinion report, a review of the financial impact on the Transaction as disclosed in the Fairness Opinion report, therefore in KR opinion, the Transaction is **fair**.

IV. EXPLANATION, CONSIDERATIONS, AND REASONS FOR THE TRANSACTION COMPARED OTHER TRANSACTIONS OF THE SAME TYPE THAT ARE NOT PERFORMED WITH AFFILIATED PARTIES

The Company has provided corporate guarantees to guarantee the performance of MGEOPS obligations according to Deed of Guarantee and Indemnity. This guarantee is provided because the Company has an interest in the development of MGEOPS activities, which is one of the Company's subsidiaries. In the long term, the development of MGEOPS business activities will have a positive impact on the Company's productivity.

Thus, considering that the Company's share ownership through MPI in MGEOPS becomes less than the proportion of guarantees provided according to Project Sponsor Guarantee, the acquisition of a reciprocal corporate guarantee provided by MDAL may benefit the Company.

The Transaction Documents between the Company and MDAL have been made using the same terms and conditions if it is conducted with an unaffiliated party, so that the terms and conditions of the Transaction were made on an arm's length basis.

B. BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS STATEMENTS

The Board of Commissioners and the Board of Directors of the Company, both individually and jointly, state that all material information related to the Transaction has been disclosed and the information is not misleading, and the Transaction is not a conflict-of-interest transaction according to POJK No. 42/2020 and is not considered as a material transaction as referred to POJK No. 17/2020 considering that the Transaction value did not reach 20% of the Company's equity value based on the Company's Consolidated Financial Statements as of December 31, 2020 which was audited by Purwanto Sungkoro and Surja Public Accounting Firm.

The Board of Directors of the Company state that the Transaction is conducted in accordance with the Company's internal procedure as obligated by Article 3 of POJK No. 42/2020 to ensure that the affiliated transaction is conducted in accordance with common business practice.

C. ADDITIONAL INFORMATION

Shareholders of the Company who require more detailed information regarding this Disclosure of Information, may contact us during the working hours at:

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Corporate Secretary

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