

**DISCLOSURE OF INFORMATION TO THE SHAREHOLDERS OF
PT MEDCO ENERGI INTERNASIONAL TBK.
("Company")**

This information is made and addressed to the Shareholders in compliance with Financial Services Authority Regulation No. 38/POJK.04/2014 dated 29 December 2014 regarding Increase of Capital for Public Companies Without Pre-emptive Rights.



PT MEDCO ENERGI INTERNASIONAL TBK.

Main Business Activities:

Engaged in the exploration, mining, and oil production, gas and other energy domiciled in South Jakarta, Indonesia.

Domiciled in South Jakarta, Indonesia

Head Office:

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Information as contained in this disclosure of information is important to be read and understood by the shareholders of PT Medco Energy Internasional Tbk.

If you experience difficulty in understanding the information as contained herein, or hesitant in making a decision, you should consult with a stock broker, investment manager, legal counsel, public accountant or other professional advisor.

The Company's Board of Commissioners and Board of Directors, both individually and jointly, are fully responsible for the completeness and accuracy of the whole information or material facts contained herein and emphasize that the information stated herein is correct and that no unstated material facts can cause the material information herein to be untrue or misleading.

**This Disclosure of Information is issued on October 8, 2018
The Board of Directors of the Company**

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DEFINITIONS

- “Bapepam & LK”** : Capital Markets Supervisory Body and Financial Institution (*Badan Pengawas Pasar Modal and Lembaga Keuangan*) as referred to in the Ministry of Finance of the Republic of Indonesia Regulation No. 184/PMK.01/2010 dated 11 October 2010 regarding Organization and Work Procedures of the Ministry of Finance.
- “Indonesia Stock Exchange (IDX)”** : A stock exchange as defined in Article 1 Number 4 of the Capital Markets Law, in this case organized by PT Bursa Efek Indonesia, domiciled in Jakarta, or other exchanges determined later where Shares are registered.
- “Trading Day”** : Day on which the Stock Exchange or a substituting legal body who conducts stock exchange activities according to the prevailing laws and regulations and the provisions of the abovementioned stock exchange, and on which banks conduct clearings.
- “Calendar Day”** : Every day in 1 (one) year according to the Gregorian Calendar without exceptions, including Sundays and national holidays set from time to time by the Government of the Republic of Indonesia and normal work days that due to certain conditions is set by the Government of the Republic of Indonesia as not a normal working day.
- “KSEI”** : Abbreviation for PT Kustodian Sentral Efek Indonesia, domiciled in Jakarta, which is a Central Securities Depository in accordance with the Capital Markets Law.
- “MOLHR”** : Ministry of Law and Human Rights of the Republic of Indonesia.
- “Financial Services Authority or OJK”** : An independent institution as understood under Law No. 21 of 2011 regarding the Financial Services Authority (“**OJK Law**”), whose duties and authority include the regulation and supervision of financial services activities in the banking, capital markets, insurance, pension funds, financing institutes and other financial institutions sectors. Where since 31 December 2012, the OJK is the institution that replaced and received the rights and obligations to conduct regulatory and supervisory functions from Bapepam and/or Bapepam-LK in accordance with the provisions of Article 55 of the OJK Law.
- “Shareholders”** : Parties that own interests over the Company’s Shares, whether in the form of a clearing account letter or collective escrow account that is stored and administered in the securities account of KSEI, that is listed in the Company’s Shareholders Register that is administered by the Shareholders Registrar PT Sinartama Gunita.
- “Regulation No. I-A”** : IDX Regulation No. I-A regarding the Listing of Shares and Equity Securities Other Than Shares Issued by Listed Companies, Attachments and Decision of the Director of PT Bursa Efek Indonesia No. Kep-0001/BEI/01-2014, dated 20 January 2014.
- “POJK No. 32”** : OJK Regulation No. 32/POJK.04/2014 dated 8 December 2014 regarding Planning and Convening of General Meeting of Shareholders of Public Companies as amended by OJK Regulation No. 10/POJK.04/2017 dated 14 March 2017.
- “POJK No. 38”** : OJK Regulation No. 38/POJK.04/2014 dated 29 December 2014 regarding Increase of Capital for Public Companies Without Preemptive Rights.
- “PMTMETD”** : Increase of Capital Without Pre-emptive Rights (*Penambahan Modal Tanpa Memberikan Hak Memesan Efek Terlebih Dahulu*) by issuing New Shares as defined in POJK No. 38.

- “EGMS”** : The Company’s Extraordinary General Meeting of Shareholders that will be held on 15 November 2018 in accordance with the provisions of the Company’s Articles of Association, the Companies Law and the Capital Markets Law, as well as their implementing regulations.
- “Shares”** : All shares that have been issued and paid in full in the Company.
- “New Shares”** : Up to 1,772,892,346 (one billion even hundred seventy two million eight hundred ninety two thousand three hundred forty six) shares amounting to a maximum of 10% (ten percent) of the company’s total issued share capital of 17,728,923,467 (seventeen billion seven hundred twenty eight million nine hundred twenty three thousand four hundred sixty seven) that will be newly issued from the Company’s unissued authorized capital with a nominal value of Rp 25 per share.
- “Capital Markets Law”** : Law No. 8 of 1995 dated 10 November 1995 regarding Capital Markets, the Republic of Indonesia Circular No. 64 of 1995, Supplement No. 3608, and its implementing regulations.
- “Companies Law”** : Law No. 40 of 2007 dated 16 August 2007 regarding Limited Liability Companies, the Republic of Indonesia Circular No. 106 of 2007, Supplement No. 4746.

I. GENERAL

The Company was established as Domestic Investment Company based on Law No. 6 of 1968 as amended by Act No. 12 of 1970 and most recently amended by Law No. 25 of 2007 on Investments, established by Deed of Establishment No. 19 dated June 9, 1980 as amended by Deed of Amendment No. 29 dated 25 August 1980 and Deed of Amendment No. 2 dated March 2, 1981, all of which were drawn before Imas Fatimah, S.H., Notary in Jakarta, which deeds have been approved by the Minister of Justice of the Republic of Indonesia in his Decree No. YA5/192/4 dated 7 April 1981 Registered in the Jakarta District Court under No. 1348, No. 1349 and No. 1350 consecutively, all dated 16 April 1981 and was announced in State Gazette of Republic of Indonesia No. 102 dated December 22, 1981, Supplement No. 1020/1981.

The Company’s articles of association have been amended several times, most recently with Deed of Statement of Shareholders Resolution No. 51 dated 21 February 2018 drawn before Leolin Jayayanti, S.H., M.Kn, Notary in Jakarta, which deed was notified to the Minister of Law and Human Rights (“**MOLHR**”) as stated in the Receipt of Notification of Amendment to Articles of Association No. AHU-AH.01.03-0080040 dated 23 February 2018 and has been registered in the Company Register in the Ministry of Law and Human Rights of the Republic of Indonesia (“**Ministry of Law**”) under No. AHU-0026074.AH.01.11.Tahun 2018 dated 23 February 2018 (“**Deed No. 51/2018**”)

a. Company’s Capital Structure and Shareholding Composition

Pursuant to: (i) Deed of Statement of Shareholders Resolution No. 95 dated 25 November 2015, drawn before Leolin Jayayanti S.H., Notary in Jakarta, which was notified to the MOLHR as stated in the Receipt of Notification of Amendment to the Articles of Association No. AHU-AH.01.03-0983580 dated 27 November 2015 and has been registered in the Company Register in the Ministry of Law under No. AHU-3585501.AH.01.11.Tahun 2015 dated 27 November 2015 and (ii) Deed No. 51/2018, the capital structure of the Company is as follows:

| | | |
|--------------------|---|--------------------|
| Authorized Capital | : | Rp 950,000,000,000 |
| Issued Capital | : | Rp 443,223,086,675 |
| Paid – up Capital | : | Rp 443,223,086,675 |

The Authorized Capital of the Company is divided into 38,000,000,000 ordinary shares, each share having nominal value of Rp 25 (twenty-five Rupiah) per share.

Pursuant to the Company's shareholders register dated 28 September 2018, issued by PT Sinartama Gunita as the share registrar appointed by the Company, the shareholding composition of the Company is as follows:

| No. | Shareholder | Number of Shares | Nominal Value (Rp) | % |
|-------------------------|-----------------------------|-----------------------|------------------------|---------------|
| 1. | Diamond Bridge Pte, Ltd | 3,830,690,801 | 95,767,270,025 | 21.53 |
| 2. | PT Medco Daya Abadi Lestari | 8,959,891,262 | 223,997,281,550 | 50.35 |
| 3. | PT Medco Duta | 33,244,500 | 831,112,500 | 0.19 |
| 4. | PT Multifabrindo Gemilang | 8,000,000 | 200,000,000 | 0.04 |
| 5. | Public (each below 5%) | 4,895,639,490 | 122,390,987,250 | 27.51 |
| 6. | Treasury Shares | 66,867,440 | 1,671,686,000 | 0.38 |
| Total | | 17,794,333,493 | 444,858,337,325 | 100.00 |
| Portfolio Shares | | 20,205,666,507 | 505,141,662,675 | |

Pursuant to Deed of First Amendment and Restatement of the Statement of Series I Warrants Issuance in relation to Limited Public Offering II No. 50 dated 20 November 2017 drawn before Leolin Jayayanto S.H., M.Kn., Notary in Jakarta, the Company has issued 4,399,117,667 (four billion three hundred ninety-nine million one hundred seventeen thousand six hundred sixty seven) series I warrants, which shall be exercisable from 1 July 2018 to 11 December 2020 ("**Series I Warrant**") where each holder of 1 Series I Warrant shall be entitled to purchase 1 share of the Company. Based on the Register of the Shareholders of the Company as issued on September 28, 2018, the amount of Series I Warrant which have not been exercised amounted to 4,333,707,641. Until the date of the issuance of this Disclosure of Information, the Company has not restated the exercise of the Series I Warrant in the Company's Articles of Association.

b. Composition of the Company's Board of Commissioners and the Board of Directors

Pursuant to Deed of Statement of Shareholders Resolution No. 134 dated June 29th, 2016 drawn before Leolin Jayayanti, S.H., Notary in Jakarta which has been notified to the MOLHR as stated in Receipt of Notification of Changes to the Company's Data No. AHU-AH.01.03-0062798 dated June 30th, 2016 and registered in the Company Register in the Ministry of Law under No. AHU-0081297.AH.01.11.Tahun 2016 dated June 30th, 2016 ("**Deed No. 134/2016**"), the composition of the Company's Board of Commissioners and Board of Directors on the date of this Disclosure of Information are 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 |

Board of Directors

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

II. INFORMATION REGARDING THE PLAN TO INCREASE CAPITAL WITHOUT PRE-EMPTIVE RIGHTS

Purpose and Objective of the PMTHMETD

In respect of the business of the Company, the management of the Company views that the Company needs to strengthen its capital structure. In light of this, the Company intends to issue the New Shares through the implementation of PMTHMETD based on the Shareholders' approval in the EGMS. Through the PMTHMETD, the Company is expected to obtain an alternative source of funding for the benefit of the Company.

The New Shares and the Price of the New Shares

In accordance with POJK No. 38, PMTHMETD shall only be carried out by the Company upon the obtaining approval from the shareholders via the general meeting of shareholders or the EGMS. The EGMS of the Company will be held with due observance of certain procedures as regulated under POJK No. 32. The PMTHMETD shall be completed within 2 (two) years as of the date of EGMS approving the PMTHMETD. Further, the Company may only increase a maximum of 10% of the total paid-up capital of the Company which is stated in the amendment of the articles of association which has been notified and received by the MOLHR at the announcement of the EGMS regarding PMTHMETD.

The price of the New Shares issued in the PMTHMETD will be determined in accordance with Regulation No. I-A. The price of the Company's New Shares is at least the same as the average closing price of the Company's shares in 25 (twenty-five) consecutive Trading Dates in the regular market before the Company undertakes the announcement of the notice of the plan to convene the EGMS to the PMTHMETD agenda. Accordingly, with reference to the average closing price for traded shares from 31 August 2018 to 5 October 2018, then the implementation price of the transaction is to be at least Rp 868 (eight hundred sixty eight Rupiah).

The following is the closing price data of the Company's shares traded at the IDX from 31 August 2018 to 5 October 2018:

| No. | TRADING DATE | CLOSING PRICE (IDR) |
|-----|-------------------|---------------------|
| 1. | 31 August 2018 | 870 |
| 2. | 3 September 2018 | 860 |
| 3. | 4 September 2018 | 825 |
| 4. | 25 September 2018 | 760 |
| 5. | 6 September 2018 | 780 |
| 6. | 7 September 2018 | 770 |
| 7. | 10 September 2018 | 745 |
| 8. | 12 September 2018 | 755 |
| 9. | 13 September 2018 | 850 |
| 10. | 14 September 2018 | 830 |
| 11. | 17 September 2018 | 800 |
| 12. | 18 September 2018 | 785 |
| 13. | 19 September 2018 | 800 |
| 14. | 20 September 2018 | 825 |
| 15. | 21 September 2018 | 820 |
| 16. | 24 September 2018 | 815 |
| 17. | 25 September 2018 | 890 |
| 18. | 26 September 2018 | 900 |
| 19. | 27 September 2018 | 955 |
| 20. | 28 September 2018 | 1000 |
| 21. | 1 October 2018 | 1055 |

| No. | TRADING DATE | CLOSING PRICE (IDR) |
|----------------|----------------|---------------------|
| 22. | 2 October 2018 | 1005 |
| 23. | 3 October 2018 | 1025 |
| 24. | 4 October 2018 | 1010 |
| 25. | 5 October 2018 | 980 |
| Average | | 868 |

The Capital and Shareholding Structure Before and After the Completion of the PMTHMETD

In connection with the PMTHMETD, the Company will issue up to a maximum of 1,772,892,346 (one billion even hundred seventy-two million eight hundred ninety two thousand three hundred forty six) new shares or representing 10% (ten percent) of the total issued and paid-up capital of the Company pursuant to Deed No. 51/2018. Such new shares will be issued from the Company's unissued authorized capital with a nominal value of Rp 25 per share.

The capital structure of the Company before the PMTHMETD with reference to the Register of the Shareholders of the Company as issued on 28 September 2018 and the proforma of the capital structure of the Company after the PMTHMETD is stipulated in the following:

| No. | Shareholder | Prior to PMTHMETD | | | After PMTHMETD | | |
|--------------------------|-----------------------------|-----------------------|------------------------|------------|-----------------------|------------------------|------------|
| | | Number of Shares | Nominal Value (Rp) | % | Number of Shares | Nominal Value (Rp) | % |
| 1. | Diamond Bridge Pte, Ltd | 3,830,690,801 | 95,767,270,025 | 21.53 | 3,830,690,801 | 95,767,270,025 | 19.58 |
| 2. | PT Medco Daya Abadi Lestari | 8,959,891,262 | 223,997,281,550 | 50.35 | 8,959,891,262 | 223,997,281,550 | 45.79 |
| 3. | PT Medco Duta | 33,244,500 | 831,112,500 | 0.19 | 33,244,500 | 831,112,500 | 0.17 |
| 4. | PT Multifabrindo Gemilang | 8,000,000 | 200,000,000 | 0.04 | 8,000,000 | 200,000,000 | 0.04 |
| 5. | Public (each below 5%) | 4,895,639,490 | 122,390,987,250 | 27.51 | 4,895,639,490 | 122,390,987,250 | 25.02 |
| 6. | Investor | - | - | - | 1,772,892,346 | 44,322,308,650 | 9.06 |
| 7. | Treasury Shares | 66,867,440 | 1,671,686,000 | 0.38 | 66,867,440 | 1,671,686,000 | 0.34 |
| Amount | | 17,794,333,493 | 444,858,337,325 | 100 | 19,567,225,839 | 489,180,645,975 | 100 |
| Portofolio Shares | | 20,205,666,507 | 505,141,662,675 | | 18,432,774,161 | 480,819,354,025 | |

With the assumption that all the shares have been issued in the PMTHMETD, therefore the shareholders of the Company will be diluted to a maximum of 9.06% (nine point zero six percent) (rounding) from its ownership prior to the PMTHMETD exercise.

In relation to the Series I Warrants which have been issued by the Company, the capital structure of the Company after PMTHMETD and after all the Series I Warrants have been issued is as follows:

| No. | Nama Pemegang Saham | After PMTHMETD dan Prior to Series I Warrant | | | After PMTHMETD and After Series I Warrant | | |
|-----|-------------------------|--|--------------------|-------|---|--------------------|-------|
| | | Number of Shares | Nominal Value (Rp) | % | Number of Shares | Nominal Value (Rp) | % |
| 1. | Diamond Bridge Pte, Ltd | 3,830,690,801 | 95,767,270,025 | 19.58 | 5,302,288,972 | 132,557,224,300 | 22.18 |

| No. | Nama Pemegang Saham | After PMTHMETD dan Prior to Series I Warrant | | | After PMTHMETD and After Series I Warrant | | |
|--------------------------|-----------------------------|--|------------------------|------------|---|------------------------|------------|
| | | Number of Shares | Nominal Value (Rp) | % | Number of Shares | Nominal Value (Rp) | % |
| 2. | PT Medco Daya Abadi Lestari | 8,959,891,262 | 223,997,281,550 | 45.79 | 10,758,047,930 | 268,951,198,250 | 45.01 |
| 3. | PT Medco Duta | 33,244,500 | 831,112,500 | 0.17 | 33,244,500 | 831,112,500 | 0.14 |
| 4. | PT Multifabrindo Gemilang | 8,000,000 | 200,000,000 | 0.04 | 8,000,000 | 200,000,000 | 0.03 |
| 5. | Public (each below 5%) | 4,895,639,490 | 122,390,987,250 | 25.02 | 5,959,612,292 | 148,990,07,300 | 24.93 |
| 6. | Investor | 1,772,892,346 | 44,322,308,650 | 9.06 | 1,772,892,346 | 44,322,308,650 | 7.42 |
| 7. | Treasury Shares | 66,867,440 | 1,671,686,000 | 0.34 | 66,867,440 | 1,671,686,000 | 0.29 |
| Amount | | 19,567,225,839 | 489,180,645,975 | 100 | 23,909,953,480 | 597,523,837,000 | 100 |
| Portofolio Shares | | 18,432,774,161 | 460,819,354,025 | | 14,099,046,520 | 352,476,163,000 | |

With the assumption that all the shares have been issued in the PMTHMETD and Series I Warrants, therefore the shareholders of the Company who did not exercise their Series I Warrants will be diluted to a maximum of 26% (twenty six percent) (rounding) from its ownership prior to the PMTHMETD exercise.

Indicative Timeline of PMTHMETD of the Company

The selective forecasted key dates in the PMTHMETD are as follows:

- | | | |
|----|--|------------------|
| 1. | Notification of the Plan to Convene an EGMS to the OJK | 1 October 2018 |
| 2. | Announcement of the Notice of the Plan to Convene the EGMS on one Indonesia daily newspaper, the IDX's website and the Company's website in accordance with POJK No. 32 | 8 October 2018 |
| 3. | Disclosure of Information to the Shareholders regarding PMTHMETD on the IDX's website and the Company's website in accordance with POJK No. 38 | 8 October 2018 |
| 4. | The Issuance of the List of Shareholders Entitled to Attend the EGMS (Recording Date) | 22 October 2018 |
| 5. | Advertisement of the Invitation to the EGMS on one Indonesia daily newspaper, IDX's website and the Company's website | 23 October 2018 |
| 6. | Latest date for the announcement of additional information of Capital Increase Without Pre-emptive Rights on the IDX's website and the Company's website in accordance with POJK No. 38 (if any) | 13 November 2018 |
| 7. | Holding of the EGMS | 15 November 2018 |

Furthermore, in line with POJK No. 38, the implementation of the issuance of the New Shares through the PMTHMETD shall be completed within 2 (two) years as of the date of EGMS approving the PMTHMETD.

The Company's benefit of having New Shares Issuance through PMTHMETD

In accordance with the background of the PMTHMETD, the management of the Company views that the PMTHMETD will generate the following benefits to the Company:

1. The Company will obtain additional funds to strengthen the capital structure, which at the end will support the business of the Company; and

2. The Company's equity will increase parallel with the additional paid-up capital by the potential investor who gives the best offer. The cash position of the Company will be used to fund the Company's business activities.

Requirements for the New Shares Issuance through PMTHMETD

The key requirements for the PMTHMETD are the following:

1. The Company has to obtain the approval of the EGMS, which will be held with reference to POJK No. 38;
2. The Company has to obtain the additional share listing approval from IDX;
3. At the latest, 5 (five) business days before the PMTHMETD, the Company is obliged to notify the OJK and announce to the public through 1 (one) daily, nationally circulated Indonesian language newspaper or on the IDX website and the Company's website, regarding the transaction of the PMTHMETD. Proof of such announcement must be delivered to the OJK at the latest 2 (two) business days after the announcement takes place;
4. At the latest, 2 (two) business days after the PMTHMETD, the Company is required to notify the OJK and the public through 1 (one) daily, nationally circulated Indonesian language newspaper or on the IDX website and the Company's website, regarding the execution of the capital increase that will include information on, among other things, the parties making the subscription, the amount and price of issued shares, and the plan for the use of the proceeds;
5. Based on the provision of point V.1.4 of Regulation No. I-A, a lock-up period will be imposed on the New Shares to be issued by the Company via PMHMETD, hence, the New Shares will not be able to be sold or traded within 1 year as of the listing date of the New Shares at the IDX.

Use of Proceeds of the PMTHMETD

The Company will apply proceeds of the new shares issuance through the PMTHMETD for general corporate purposes of the Company and Subsidiaries, including but not limited to minimizing liabilities, investments and/or working capital of the Company and/or Subsidiaries.

The Company may disburse the proceeds from PMTHMETD to Subsidiaries by way of equity injection and/or intercompany loans.

In the event that the proceeds from PMTHMETD is disbursed by the Company to Subsidiaries using the means of intercompany loans, and such proceeds have been repaid by the Subsidiaries, the Company will redistribute the proceeds to other Subsidiaries in need.

Management's Analysis and Discussion on the Company's Financial Condition before and after the Increase in Capital without Preemptive Rights

The new shares issuance through PMTHMETD will strengthen the Company's capital structure to fund the business development activities of the Company.

In addition, the increase of equity due to the increase of the paid-in capital will improve several financial ratios in relation to the equity, which will then minimize the financial risks from the creditors and investors point of view. The Company believes that the new shares issuance through PMTHMETD is a relatively good option to increase the Company's capital with minimum financial costs.

The new shares issuance through PMTHMETD with the assumption that the shares to be issued is in the amount of 1,772,892,346 (one billion seven hundred seventy two million eight hundred ninety two thousand

three hundred forty six) shares with an exercise price of Rp 868 (eight hundred sixty-eight Rupiah), accordingly:

- a. With reference to the Audited Consolidated Financial Statement as of 31 December 2017, the amount of cash and cash equivalents of the Company will increase up to 20.73% from its previous position which is in the amount of USD489,040,578 to become USD590,402,095, in which such increase occurs as a result of share subscription by the investor in relation to the PMTHMETD by utilizing BI's middle rate as per 5 October 2018 in the nominal amount of Rp 15,182/USD.

With reference to the Unaudited and Unreviewed Interim Financial Statement as of 30 June 2018, the amount of cash and cash equivalents of the Company will increase up to 29.23% from its previous position which is in the amount of USD346,728,705 to become USD448,090,222, in which such increase occurs as a result of share subscription by the investor in relation to the PMTHMETD by utilizing BI's middle rate as per 5 October 2018 in the nominal amount of Rp 15,182/USD.

- b. With reference to the Audited Consolidated Financial Statement as of 31 December 2017, the amount of equity of the Company will increase up to 7.23% from its previous position which was recorded at rate of USD1,402,672,048 to become up to USD504,033,565 as result of increase of paid-up capital from the new shares issuance through PMTHMETD in the amount of up to 1,772,892,346 (one billion seven hundred seventy two million eight hundred ninety two thousand three hundred forty six) shares with exercise price of Rp 868 (eight hundred sixty eight Rupiah) per share, accordingly:

- i. With nominal value of Rp25 (twenty five Rupiah) per share, therefore the increase of issued and paid-up capital will increase in the amount of Rp44,322,308,650 (forty four billion three hundred twenty two million three hundred eight thousand six hundred fifty Rupiah) or equivalent to USD2,919,399 (two million nine-hundred nineteen thousand three hundred and ninety-nine United States Dollars) by utilizing BI's middle rate as per 5 October 2018 in the nominal amount of Rp 15,182/USD.

- ii. With due observance to the difference between the nominal value of Rp25 (twenty five Rupiah) per share and the exercise price of Rp 868 (eight hundred sixty eight Rupiah) per share, such difference will be recorded as share premium (additional paid-in capital) in the amount of Rp 1,494,548,247,678 (one trillion four-hundred ninety four million five-hundred forty eight million two hundred forty-seven thousand and six-hundred and seventy eight Rupiah) or equivalent to USD 98,442,118 (nine-hundred million four-hundred forty two thousand and one hundred eighteen United States Dollars) by utilizing BI's middle rate as per 5 October 2018 in the nominal amount of Rp 15,182/USD.

- c. With reference to the Unaudited and Unreviewed Interim Financial Statement as of 30 June 2018, the amount of equity of the Company will increase up to 6.99% from its previous position which was recorded at rate of USD1,450,594,567 to become up to USD1,551,956,084 as result of increase of paid-up capital from the new shares issuance through PMTHMETD in the amount of up to 1,772,892,346 (one billion seven hundred seventy two million eight hundred ninety two thousand three hundred forty six) shares with exercise price of Rp 868 (eight hundred sixty eight Rupiah) per share, accordingly:

- i. With nominal value of Rp25 (twenty five Rupiah) per share, therefore the increase of issued and paid-up capital will increase in the amount of Rp44,322,308,650 (forty four billion three hundred twenty two million three hundred eight thousand six hundred fifty Rupiah) or equivalent to USD2,919,399 (two million nine-hundred nineteen thousand three hundred and ninety-nine United States Dollars) by utilizing BI's middle rate as per 5 October 2018 in the nominal amount of Rp 15,182/USD.

- ii. With due observance to the difference between the nominal value of Rp25 (twenty five Rupiah) per share and the exercise price of Rp 868 (eight hundred sixty eight Rupiah) per share, such difference will be recorded as share premium (additional paid-in capital) in the amount of Rp 1,494,548,247,678 (one trillion four-hundred ninety four million five-hundred forty eight million two hundred forty-seven thousand and six-hundred and seventy eight Rupiah) or equivalent to USD 98,442,118 (nine-hundred million four-hundred forty two thousand and one hundred eighteen United States Dollars) by utilizing BI's middle rate as per 5 October 2018 in the nominal amount of Rp 15,182/USD.

Using the above assumption, the financial data proforma of the Company before and after the PMTHMETD and as of 31 December 2017 and 30 June 2018 is as follows:

| Equity – in United States Dollars | 31 December 2017 (prior to PMTHMETD) | 31 December 2017 (after PMTHMETD) |
|---|---|--|
| Capital Stock - nominal value of Rp25 per share | | |
| Authorized - 38,000,000,000 shares | 109,266,128 | 112,185,527 |
| Issued and fully paid – 17,728,923,467 shares | (816,327) | (816,327) |
| Treasury Shares – 132,452,800 shares | | |
| Additional paid-in capital | 366,137,292 | 464,579,411 |
| Effects of changes in equity transactions of subsidiaries/associates | 107,870 | 107,870 |
| Translation adjustments | 40,017 | 40,017 |
| Fair value adjustment on cash flow hedging instruments | 17,495,191 | 17,495,191 |
| Fair value adjustment on available-for-sale investment | 713,010 | 713,010 |
| Share of other comprehensive loss of associates and joint ventures | (14,420,763) | (14,420,763) |
| Remeasurement of defined benefit program | 20,586,862 | 20,586,862 |
| Retained earnings | | |
| - Appropriated | 6,492,210 | 6,492,210 |
| - Unappropriated | 751,865,237 | 751,865,237 |
| Total equity attributable to the equity holders of the parent company | 1,257,466,727 | 1,358,828,244 |
| Non-controlling interests | 145,205,321 | 145,205,321 |
| Total equity | 1,402,672,048 | 1,504,033,565 |

| Equity – in United States Dollars | 30 June 2018 (prior to PMTHMETD) | 30 June, 2018 (after PMTHMETD) |
|--|-------------------------------------|-----------------------------------|
| Capital Stock - nominal value of Rp25 per share Authorized - 38,000,000,000 shares Issued and fully paid – 17,728,923,467 shares | 109,266,128 (414,580) | 112,185,527 (414,580) |
| Treasury Shares – 95,472,600 shares | | |
| Additional paid-in capital | 367,005,062 | 465,447,181 |
| Effects of changes in equity transactions of subsidiaries/associates | 107,870 | 107,870 |
| Translation adjustments | (14,052,614) | (14,052,614) |
| Fair value adjustment on cash flow hedging instruments | 22,610,245 | 22,610,245 |
| Fair value adjustment on available-for-sale investment | 702,986 | 702,986 |
| Share of other comprehensive loss of associates and joint ventures | (7,196,716) | (7,196,716) |
| Remeasurement of defined benefit program | 16,277,055 | 16,277,055 |
| Retained earnings | | |
| - Appropriated | 6,492,210 | 6,492,210 |
| - Unappropriated | 793,307,685 | 793,307,685 |
| Total equity attributable to the equity holders of the parent company | 1,294,105,331 | 1,395,742,887 |
| Non-controlling interests | 156,489,236 | 156,489,236 |
| Total equity | 1,450,594,567 | 1,552,232,123 |

Financial Highlights

Below is the financial highlights of the Company based on Consolidated Financial Statements as of 31 December 2017 which have been audited and the Consolidated Financial Statements as of 30 June 2018 which have not been audited and reviewed.

The Consolidated Financial Statements as of 31 December 2017 have been audited by KAP Purwanto, Sungkoro & Surja (the Indonesian member firm of Ernst & Young Global Limited) independent public accountants, in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountant (“IICPA”), signed by Indrajwana Komala Widjaja.

| Consolidated Statements of Financial Position | | | | |
|--|----------------------|----------------------|----------------------|---------------|
| Financial Statements Line Items | 31 December 2017 | 31 December 2016 | Growth | % |
| Current Assets | 1,975,050,108 | 1,134,260,785 | 840,789,323 | 74.13% |
| Non-current Assets | 3,185,735,749 | 2,462,869,818 | 722,865,931 | 29.35% |
| Total Assets | 5,160,785,857 | 3,597,130,603 | 1,563,655,254 | 43.47% |
| Current Liabilities | 1,293,641,095 | 860,560,282 | 433,080,813 | 50.33% |
| Non-current Liabilities | 2,464,472,714 | 1,846,061,465 | 618,411,249 | 33.50% |
| Total Liabilities | 3,758,113,809 | 2,706,621,747 | 1,051,492,062 | 38.85% |
| Total Equity | 1,402,672,048 | 890,508,856 | 512,163,192 | 57.51% |
| Total Liabilities and Equity | 5,160,785,857 | 3,597,130,603 | 1,563,655,254 | 43.47% |

| Consolidated Statements of Financial Position | | | | |
|--|----------------------|----------------------|----------------------|---------------|
| Financial Statements Line Items | 30 June 2018 | 30 June 2017 | Growth | % |
| Current Assets | 1,714,999,448 | 1,521,704,404 | 193,295,044 | 12.70% |
| Non-current Assets | 3,390,239,940 | 2,153,053,499 | 1,237,186,441 | 57.46% |
| Total Assets | 5,105,239,388 | 3,674,757,903 | 1,430,481,485 | 38.93% |
| Current Liabilities | 1,020,343,245 | 1,147,226,042 | (126,882,797) | -11.06% |
| Non-current Liabilities | 2,634,301,576 | 1,563,637,715 | 1,070,663,861 | 68.47% |
| Total Liabilities | 3,654,644,821 | 2,710,863,757 | 943,781,064 | 34.81% |
| Total Equity | 1,450,594,567 | 963,894,146 | 486,700,421 | 50.49% |
| Total Liabilities and Equity | 5,105,239,388 | 3,674,757,903 | 1,430,481,485 | 38.93% |

| Consolidated Statements of Profit or Loss and Other Comprehensive Income | | | | |
|---|-------------------------|-------------------------|---------------------|-----------------|
| Financial Statements Line Items | 31 December 2017 | 31 December 2016 | Growth | % |
| CONTINUING OPERATIONS | | | | |
| Total Sales and Other Operating Revenues | 925,642,880 | 590,036,982 | 335,605,898 | 56.88% |
| Total Cost of Sales and Other Direct Costs | (504,908,710) | (340,691,004) | 164,217,706 | 48.20% |
| Gross Profit | 420,734,170 | 249,345,978 | 171,388,192 | 68.74% |
| Selling, General and Administrative Expenses | (151,393,243) | (96,529,516) | (54,863,727) | 56.84% |
| Profit Before Income Tax Expense from Continuing Operations | 295,482,625 | 295,072,219 | 410,406 | 0.14% |
| Income Tax Expense | (139,833,439) | (63,285,228) | (76,548,211) | 120.96% |
| Profit for The Year from Continuing Operations | 155,649,186 | 231,786,991 | (76,137,805) | (32.85%) |

| | | | | |
|--|--------------------|--------------------|---------------------|-----------------|
| DISCONTINUED OPERATIONS | | | | |
| Loss After Income Tax Expense from Discontinued Operations | (23,840,413) | (44,738,012) | 20,897,599 | (46.71%) |
| Profit for The Year | 131,808,773 | 187,048,979 | (55,240,206) | (29.53%) |
| Other Comprehensive Income | 57,838,780 | 7,911,935 | 49,926,845 | 631.03% |
| Total Comprehensive Income for The Year | 189,647,553 | 194,960,914 | (5,313,361) | (2.73%) |
| Profit for The Year Attributable to: | | | | |
| - Equity Holders of the Parent Company | 127,097,650 | 184,757,556 | (57,659,906) | (31.21%) |
| - Non-controlling Interests | 4,711,123 | 2,291,423 | 2,419,700 | 105.60% |
| Comprehensive Income for The Year Attributable to: | | | | |
| - Equity Holders of the Parent Company | 184,539,368 | 192,669,491 | (8,130,123) | (4.22%) |
| - Non-controlling Interests | 5,108,185 | 2,291,423 | 2,816,762 | 122.93% |

| Consolidated Statements of Profit or Loss and Other Comprehensive Income | | | | |
|---|---------------------|---------------------|---------------------|----------------|
| Financial Statements Line Items | 30 June 2018 | 30 June 2017 | Growth | % |
| CONTINUING OPERATIONS | | | | |
| Total Sales and Other Operating Revenues | 578,581,758 | 403,532,539 | 175,049,219 | 43.38% |
| Total Cost of Sales and Other Direct Costs | (258,772,062) | 205,363,075 | (464,135,137) | -226.01% |
| Gross Profit | 319,809,696 | 198,169,464 | 121,640,232 | 61.38% |
| Selling, General and Administrative Expenses | (77,955,891) | (68,601,508) | (9,354,383) | 13.64% |
| Profit Before Income Tax Expense from Continuing Operations | 319,809,696 | 198,169,464 | 121,640,232 | 61.38% |
| Income Tax Expense | (96,176,454) | (60,660,946) | (35,515,508) | 58.55% |
| Profit for The Year from Continuing Operations | 51,072,796 | 86,900,489 | (35,827,693) | -41.23% |
| DISCONTINUED OPERATIONS | - | - | - | - |
| Loss After Income Tax Expense from Discontinued Operations | 116,973 | (3,587,139) | 3,704,112 | -103.26% |
| Profit for The Year | 51,189,769 | 83,313,350 | (32,123,581) | -38.56% |
| Other Comprehensive Income | (6,466,499) | (8,420,531) | 1,954,032 | -23.21% |
| Total Comprehensive Income for The Year | 44,723,270 | 74,892,819 | (30,169,549) | -40.28% |
| Profit for The Year Attributable to: | | | | |
| - Equity Holders of the Parent Company | 41,442,448 | 80,673,411 | (39,230,963) | -41.23% |
| - Non-controlling Interests | 9,747,321 | 2,639,939 | 7,107,382 | 269.23% |
| Comprehensive Income for The Year Attributable to: | | | | |
| - Equity Holders of the Parent Company | 35,369,087 | 72,252,880 | (36,883,793) | -51.05% |
| - Non-controlling Interests | 9,354,183 | 2,639,939 | 6,714,244 | 254.33% |

Based on the financial position (USD) as per 31 December 2017 which have been audited and as per 30 June 2018, which have not been audited and reviewed as indicated above, the following are the ratios being used:

Liquidity and Solvability

Increased in current ratio by 15.83% from 1.32 as per 31 December 2016 to 1.53 as per 31 December 2017, which is mainly due to our program to manage liabilities and improve the company's capital structure in 2017, in which the Company succeeded in issuing global bonds with a nominal value of USD400 million which will be due in 2022. The proceeds from the bonds issuance will be used to pay for the debts which will be due in a relatively short period of time. As such, the Company's liquidity position by the end of 2017 will experience a positive increase.

The current ratio again increased by 10.09% from 1.53 as per 31 December 2017 to 1.68 as per 30 June 2018, this mainly due to the second issuance of the global bonds with a nominal value of USD500 million in early 2018 which will mature in 2025. The current ratio measures the Company's ability to pay short-term and long-term liabilities. The proceeds from the issuance of the bonds is used to repay debts that will mature in the near future.

To measure this capability, the current ratio considers the total assets of the Company at present (both liquid and illiquid) compared to the current amount of the Company's current liabilities.

Capital Structure Policy

The Company maintained its debt-to-equity ratio (not exceeding) 3.00x.

From the Company's liabilities as recorded per 30 June 2018, 31 December 2017 and 31 December 2016 amounting to USD2,651.44 million, USD 2,598,12 million and USD 1,933.34 million are interest-bearing liabilities, so the ratio of total debt to total equity as of 30 June 2018, 31 December 2017 and 2016 has continuously amount to 1.83, 1.85 and 2.17. This reflects the Company's increased capacity and flexibility to serving its debts from year to year.

Estimation of Earnings Per Share

The proforma table below shows the effect of PMTHMETD as if incurred in 31 December 2017 and 30 June 2018 financial statements.

| | 31 December 2017 (before PMTHMETD) | 31 December 2017 (after PMTHMETD) |
|--|---------------------------------------|--------------------------------------|
| Basic earnings per share attributable to equity holders of the parent company | 0.00887 | 0.00886 |
| Basic earnings per share from continuing operations attributable to equity holders of the parent company | 0.01053 | 0.01052 |
| Diluted earnings per share attributable to equity holders of the parent company | 0.00886 | 0.00852 |
| Diluted earnings per share from continuing operations attributable to equity holders of the parent company | 0.01052 | 0.01012 |

| | 30 June 2018 (before PMTHMETD) | 30 June 2018 (after PMTHMETD) |
|---|-----------------------------------|----------------------------------|
| Basic earnings per share attributable to equity holders of the parent company | 0.00221 | 0.00205 |

| | | |
|--|---------|---------|
| Basic earnings per share from continuing operations attributable to equity holders of the parent company | 0.00221 | 0.00206 |
| Diluted earnings per share attributable to equity holders of the parent company | 0.00209 | 0.00195 |
| Diluted earnings per share from continuing operations attributable to equity holders of the parent company | 0.00209 | 0.00195 |

Information Regarding the Potential Investor

The Company is currently searching for strategic investors to purchase the New Shares issued by the Company through PTMHMETD, including financial investors.

Cancelation on PMTHMETD

The Company has obtained approval from shareholders on 14 May 2018 to issue up to 1,772,892,346 (one billion even hundred seventy-two million eight hundred ninety two thousand three hundred forty six) shares with exercise price of Rp 1,306 (one thousand and three hundred six Rupiah). As at the date of the announcement of this Disclosure of Information, the Company has not issued new shares from PMTHMETD to any investor. Considering the current market condition and the significant changes on the shares price, the Company believe the exercise price that have previously agreed does not reflect the current condition of the Company, therefore the approval on the exercise price on the issuance of PMTHMETD is required.

III. STATEMENT OF THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS

- The information described in this Disclosure have been approved by the Board of Commissioners and Board of Directors, who are responsible for the validity of the information. The Board of Commissioners and Board of Directors declare that all material information and opinions expressed in this Disclosure of Information is true and can be accounted for and there is no other information that has not been disclosed that can cause the information to be incorrect or misleading.
- The Board of Commissioners and Directors of the Company have reviewed the PMTHMETD, including assessing the risks and benefits of the plan for the Company and all shareholders, and accordingly believe that the PMTHMETD is the best option for the Company and all shareholders. Therefore, based on the trust and confidence that the PMTHMETD is indeed the best option to achieve the benefits mentioned above, the Board of Directors and Board of Commissioners of the Company hereby recommend to the shareholders to approve the PMTHMETD as described in this Disclosure of Information.

IV. EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

In accordance with the provisions of the prevailing laws and regulations, the PMHMETD must be approved by the Shareholders of the Company through the EGMS, which will be held on:

- Day and Date : Thursday, 15 November 2018
Time : 14.00 Western Indonesian Time - Completed
Place : Soehanna Hall, The Energy Building, SCBD Lot 11 A, Jalan Jenderal Sudirman, Jakarta
Agenda : 1. Cancellation of Capital Increase without Pre-emptive Rights which has been approved by the General Meeting of Shareholders on 14 May 2018.
2. Approval on the Proposed Capital Increase Without Pre-emptive Rights in a maximum amount of 10% (ten percent) of the Company's total issued and paid-up capital in accordance with POJK No. 38.
3. Amendment of the Articles Association of the Company.

The shareholders who are entitled to attend the EGMS are shareholders whose names are listed in the Company's Shareholders Register at the closing of the Company's shares trading on 22 October 2018.

One or more Shareholders who are representing more than 1/20 of the total Shares with valid voting rights may have a right to propose the EGMS agenda in writing to the Directors of the Company. Such proposal must be submitted to the Directors of the Company at the latest 7 Calendar Days before the announcement of EGMS invitation.

The EGMS from the whole of the agendas may be held if the EGMS is attended by shareholders representing at least 2/3 of the total shares with valid voting rights, and decisions can only be approved by shareholders representing more than 2/3 of the total shares with voting rights who attended the EGMS.

In the event of the first EGMS attendance quorum is not achieved, then the second EGMS will be held under the condition whereby the second EGMS is legitimate and entitled to make a decision if the EGMS is attended or represented by at least 3/5 of the total shares with voting rights and the decisions approved by more than ½ of the total shares with voting rights attended at the second EGMS.

When the attendance quorum at the second EGMS is not achieved, then the third EGMS could be held under the condition whereby the third EGMS is legitimate and entitled to make decisions if attended by shareholders of shares with valid voting rights in the quorum and decision quorum set by the OJK upon the request of the Company.

V. ADDITIONAL INFORMATION

For additional information regarding the above matter, please contact the Company during working hours at this address:

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