

**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: (i) Financial Services Authority Regulation No. 38/POJK.04/2014 dated 29 December 2014 regarding Increase of Capital for Public Companies Without Pre-emptive Rights; and (ii) Financial Services Authority Regulation No. 30/POJK.04/2017 dated 21 June 2017 on Buyback of Shares Issued by Public Companies.



**MEDCOENERGI**

**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**

**Head Office:**

The Energy Building 53 – 55 Floor SCBD Lot 11 A  
Jalan Jenderal Sudirman  
Jakarta 12920 – Indonesia  
Phone : +62-21 29953000  
Facsimile : +62-21 29953001  
Email: [corporate.secretary@medcoenergi.com](mailto:corporate.secretary@medcoenergi.com)  
Website: [www.medcoenergi.com](http://www.medcoenergi.com)

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 April, 7<sup>th</sup> 2018**

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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.
- “Share Buyback”** : Buyback of the Company’s issued and listed shares in the Indonesia Stock Exchange (hereinafter shall be referred to as “**IDX**”) in the amount of up to 354,578,469 shares or 2% of the total issued and paid up capital of the Company including the treasury shares or with the fund allocation of up to Rp 68,000,000,000 (sixty eight billion Rupiah) which will be conducted in batches within 18 (eighteen) months as of the approval of the Share Buyback in the EGMS.
- “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. 30”** : OJK Regulation No. 30/POJK.04/2017 dated 21 June 2017 on Public Company Share Buybacks.

- “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. 33”** : OJK Regulation No. 33/POJK.04/2014 dated 8 December 2014 regarding Board of Directors and Board of Commissioners of Issuer or Public Companies.
- “POJK No. 38”** : OJK Regulation No. 38/POJK.04/2014 dated 29 December 2014 regarding Increase of Capital for Public Companies Without Preemptive Rights.
- “PMTHMETD”** : 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 14 May 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 daed 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 March 28<sup>th</sup>, 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	21.61
2.	PT Medco Daya Abadi Lestari	8,959,891,262	223,997,281,550	50.54
3.	PT Medco Duta	33,244,500	831,112,500	0.19
4.	PT Multifabrindo Gemilang	8,000,000	200,000,000	0.05
5.	Public (each below 5%)	4,801,624,304	120,040,607,600	27.08
6.	Treasury Shares	95,472,600	2,390,070,000	0.54
<b>Total</b>		<b>17,728,923,467</b>	<b>443,223,086,675</b>	<b>100</b>
<b>Portfolio Shares</b>		<b>20,271,076,533</b>	<b>506,776,913,325</b>	

Pursuant to Deed of First Amendment and Restatement of 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.

**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 29<sup>th</sup>, 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 30<sup>th</sup>, 2016 and registered in the Company Register in the Ministry of Law under No. AHU-0081297.AH.01.11.Tahun 2016 dated June 30<sup>th</sup>, 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 date hereof. Accordingly, with reference to the average closing price for traded shares from March 2<sup>nd</sup>, 2018 to April 6<sup>th</sup>, 2018, then the implementation price of the transaction is to be at least Rp 1,305.4 (one thousand three hundred five Rupiah and four cents).

The following is the closing price data of the Company’s shares traded at the IDX from March 2<sup>nd</sup>, 2018 to April 6<sup>th</sup>, 2018:

No.	TRADING DATE	CLOSING PRICE (IDR)
1.	2 March 2018	1,460
2.	5 March 2018	1,490
3.	6 March 2018	1,475
4.	7 March 2018	1,375
5.	8 March 2018	1,400

No.	TRADING DATE	CLOSING PRICE (IDR)
6.	9 March 2018	1,360
7.	12 March 2018	1,400
8.	13 March 2018	1,385
9.	14 March 2018	1,345
10.	15 March 2018	1,285
11.	16 March 2018	1,230
12.	19 March 2018	1,305
13.	20 March 2018	1,345
14.	21 March 2018	1,305
15.	22 March 2018	1,290
16.	23 March 2018	1,280
17.	26 March 2018	1,285
18.	27 March 2018	1,265
19.	28 March 2018	1,225
20.	29 March 2018	1,210
21.	2 April 2018	1,225
22.	3 April 2018	1,205
23.	4 April 2018	1,145
24.	5 April 2018	1,165
25.	6 April 2018	1,180
<b>Average</b>		<b>1,305.4</b>

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

In connection with the PMTHMETD, the Company can 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 as at the date hereof. 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 and after PMTHMETD is as follows:

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	21.61	3,830,690,801	95,767,270,025	19.64
2.	PT Medco Daya Abadi Lestari	8,959,891,262	223,997,281,550	50.54	8,959,891,262	223,997,281,550	45.94
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	0.05	8,000,000	200,000,000	0.04
5.	Public (each below 5%)	4,801,624,304	120,040,607,600	27.08	4,801,624,304	120,040,607,600	24.62
6.	Investor	-	-	-	1,772,892,346	44,322,308,650	9.09
7.	Treasury Shares	95,472,600	2,390,070,000	0.54	95,472,600	2,390,070,000	0.50
<b>Jumlah</b>		<b>17,728,923,467</b>	<b>443,223,086,675</b>	<b>100</b>	<b>19,501,815,813</b>	<b>487,545,395,325</b>	<b>100</b>
<b>Saham dalam portepel</b>		<b>20,271,076,533</b>	<b>506,776,913,325</b>		<b>18,498,184,187</b>	<b>462,454,604,675</b>	

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 9.09% (nine point zero nine 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	Setelah PMTHMETD dan Sebelum Waran Seri I			Setelah PMTHMETD dan Waran Seri I		
		Jumlah Saham	Jumlah (Rp)	%	Jumlah Saham	Jumlah (Rp)	%
1.	Diamond Bridge Pte, Ltd	3,830,690,801	95,767,270,025	19.64	4,274,438,030	106,860,950,750	17.88
2.	PT Medco Daya Abadi Lestari	8,959,891,262	223,997,281,550	45.94	11,785,898,872	294,647,471,800	49.31
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%)	4,801,624,304	120,040,607,600	24.62	5,930,987,132	148,274,678,300	24.81
6.	Investor	1,772,892,346	44,322,308,650	9.09	1,772,892,346	44,322,308,650	7.42
7.	Treasury Shares	95,472,600	2,390,070,000	0.50	95,472,600	2,390,070,000	0.40
<b>Jumlah</b>		<b>19,501,815,813</b>	<b>487,545,395,325</b>	<b>100</b>	<b>23,900,933,480</b>	<b>597,523,337,000</b>	<b>100</b>
<b>Saham dalam portepel</b>		<b>18,498,184,187</b>	<b>462,454,604,675</b>		<b>14,099,066,520</b>	<b>352,476,663,000</b>	

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 and Share Buyback**

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

- |    |  |               |
|----|--|---------------|
| 1. | Notification of the Plan to Convene an EGMS to the OJK   | 29 March 2018 |
| 2. | Announcement of the Notice of the Plan to Convene the EGMS on Bisnis Indonesia newspaper, the IDX's website and the Company's website in accordance with POJK No. 32                             | 7 April 2018  |
| 3. | Disclosure of Information to the Shareholders regarding PMTHMETD and Share Buyback on the IDX's website and the Company's website in accordance with POJK No. 38                                 | 7 April 2018  |
| 4. | The Issuance of the List of Shareholders Entitled to Attend the EGMS (Recording Date)  | 23 April 2018 |
| 5. | Advertisement of the Invitation to the EGMS on the newspaper, IDX's website and the Company's website  | 24 April 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) | 9 May 2018    |
| 7. | Holding of the EGMS  | 14 May 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.

#### **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 exercise price of Rp 1,306 (one thousand three hundred and six Rupiah):

- a. Cash and cash equivalents will increase up to 46.08% from its previous position (Audited Consolidated Financial Statements as of 30 September 2017) which is in the amount of USD 364,841,270 to become USD 532,977,019, which increase occurs as a result of share subscription by the investor in relation to the PMTHMETD
- b. The equity of the Company will increase up to 15.78% from its previous position (Audited Consolidated Financial Statements as of 30 September 2017) recorded at USD 1,065,811,537 to become up to USD 1,233,947,286 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 1,306 (one thousand three hundred and six Rupiah) per share:
  - i. With nominal value of Rp 25 (twenty five Rupiah) per shares, therefore the increase of issued and paid-up capital will increase in the amount of Rp 44,322,308,650 (forty four billion three hundred twenty two million three hundred eight thousand six hundred fifty Rupiah) or equivalent to USD 3,218,525 (three million two hundred eighteen thousand five hundred twenty five United States Dollars);
  - ii. With due observance to the difference between the nominal value of Rp 25 (twenty five Rupiah) per share and the exercise price of Rp 1,306 (one thousand three hundred and six Rupiah), such difference will be recorded as share premium (additional paid-in capital) in the amount of Rp 2,271,075,095,226 (two trillion two hundred seventy one billion seventy five million ninety five thousand two hundred twenty six Rupiah) or equivalent to USD 164,917,224 (one hundred sixty four million nine hundred seventeen thousand two hundred twenty four United States Dollars)

Using the above assumption, the proforma of financial data of the Company (based on Audited Consolidated Financial Statements as per 30 September 2017) before and after the PMTHMETD is as follows:

<b>Equity – in United States Dollars</b>	<b>30 September 2017 (prior to PMTHMETD)</b>	<b>30 September 2017 (after PMTHMETD)</b>
Capital Stock - nominal value of Rp25 per share Authorized - 38,000,000,000 shares Issued and fully paid - 13,329,805,800 shares Treasury Shares - 135,974,800 shares	101,154,464 (1,031,857)	104,372,989 (1,031,857)
Additional paid-in capital	182,222,323	347,139,547
Effects of changes in equity transactions of subsidiaries/associates	9,508,620	9,508,620
Translation adjustments	(26,169,415)	(26,169,415)
Fair value adjustment on cash flow hedging instruments	8,800,915	8,800,915
Share of other comprehensive loss of associates and joint ventures	(27,358,278)	(27,358,278)
Remeasurement of defined benefit program	19,903,108	19,903,108
Retained earnings		
- Appropriated	6,492,210	6,492,210
- Unappropriated	789,088,763	789,088,763
Total equity attributable to the equity holders of the parent company	1,062,610,853	1,230,746,602
Non-controlling interests	3,200,684	3,200,684
<b>Total equity</b>	<b>1,065,811,537</b>	<b>1,233,947,286</b>

## Financial Highlights

Below is the financial highlights of the Company based on (Audited Consolidated Financial Statements as per 30 September 2017):

Consolidated Statements of Financial Position				
Financial Statements Line Items	30 September 2017	31 December 2016	Growth	%
Current Assets	1,604,175,479	1,134,260,785	469,914,694	41.43%
Non-current Assets	2,397,385,792	2,462,869,818	(65,484,026)	(2.66%)
<b>Total Assets</b>	<b>4,001,561,271</b>	<b>3,597,130,603</b>	<b>404,430,668</b>	<b>11.24%</b>
Current Liabilities	971,251,898	860,560,282	110,691,616	12.86%
Non-current Liabilities	1,964,497,836	1,846,061,465	118,436,371	6.42%
<b>Total Liabilities</b>	<b>2,935,749,734</b>	<b>2,706,621,747</b>	<b>229,127,987</b>	<b>8.47%</b>
<b>Total Equity</b>	<b>1,065,811,537</b>	<b>890,508,856</b>	<b>175,302,681</b>	<b>19.69%</b>
<b>Total Liabilities and Equity</b>	<b>4,001,561,271</b>	<b>3,597,130,603</b>	<b>404,430,668</b>	<b>11.24%</b>

Consolidated Statements of Profit or Loss and Other Comprehensive Income				
Financial Statements Line Items	30 September 2017	31 December 2016	Growth	%
<b>CONTINUING OPERATIONS</b>				
Total Sales and Other Operating Revenues	597,528,500	391,461,603	206,066,897	52,64%
Total Cost of Sales and Other Direct Costs	(297,359,008)	(221,802,710)	75,556,298	34,06%
<b>Gross Profit</b>	<b>300,169,492</b>	<b>169,658,893</b>	<b>130,510,599</b>	<b>76,93%</b>
Selling, General and Administrative Expenses	(101,989,573)	(70,859,056)	(31,130,517)	43,93%
<b>Profit (Loss) Before Income Tax Expense from Continuing Operations</b>	<b>274,265,688</b>	<b>103,751,904</b>	<b>378,017,592</b>	<b>(364,35%)</b>
Income Tax Expense	(102,404,247)	(489,702)	(101,914,545)	20,811,54%
<b>Profit (Loss) for The Year from Continuing Operations</b>	<b>171,861,441</b>	<b>(104,241,606)</b>	<b>276,103,047</b>	<b>(264,87%)</b>
<b>DISCONTINUED OPERATIONS</b>				
Loss After Income Tax Expense from Discontinued Operations	(3,776,052)	(43,476,097)	39,700,045	(91,31%)
<b>Profit (Loss) for The Year</b>	<b>168,085,389</b>	<b>(147,717,703)</b>	<b>315,803,092</b>	<b>(213,79%)</b>
Other Comprehensive Income	8,203,731	28,176,497	(19,963,766)	(70,88%)
<b>Total Comprehensive Income (Loss) for The Year</b>	<b>176,289,120</b>	<b>(119,550,206)</b>	<b>295,839,326</b>	<b>(247,46%)</b>
Profit (loss) for The Year Attributable to:				
- Equity Holders of the Parent Company	164,321,176	(149,575,890)	313,897,066	(209,86%)
- Non-controlling Interests	3,764,213	1,858,187	1,906,026	(102,57%)
Comprehensive Income for The Year Attributable to:				
- Equity Holders of the Parent Company	172,524,907	(121,408,393)	293,933,300	(242,10%)
- Non-controlling Interests	3,764,213	1,858,187	1,906,026	102,57%

Based on the financial position (USD) audited as per 30 September 2017 above, the following are the ratios being used:

### **Liquidity**

Increased in current ratio by 25.31% from 1.32 in 2016 to 1.65 in 2017, is mainly due to decreased in cash and cash equivalents proceeded from non-current debt (US Dollar bonds).

### **Solvability**

In 2017, the Company maintained its current ratio of 1.65 compared to 1.32 in 2016. The current ratio measures the Company's ability to pay current and non-current liabilities. To measure this ability, the current ratio considers the total assets of the company (either liquid or non-liquid) compared to the current liabilities.

### **Capital Structure Policy**

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

USD2,044.84 million of the Company liabilities is interest-bearing liabilities, so the ratio of total debt to total equity as of September 30, 2017 is 1.92 compared to 2.18 in 2016. This reflects the Company's increased capacity and flexibility to serving his debts at the right time.

### **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.

## **III. INFORMATION ON THE COMPANY'S SHARE BUYBACK**

### **Estimation of the Company's Share Buyback Timetable**

The indicative schedule of the Company's Share Buyback is as elaborated in section Indicative Timeline of PMTHMETD and Share Buyback.

### **Estimation of Costs of Share Buyback and the Amount of Share Buyback**

The cost to perform Share Buyback will be from internal cash of the Company. The Company has allocated funds for the Share Buyback which will be from unattributable funds that will not impact the Company's operations. The amount of fund allocated for the Share Buyback as aforementioned shall be up to Rp 68,000,000,000 (sixty eight billion Rupiah). Such fund includes transaction costs, brokerage fee and other costs in relation to the Share Buyback.

The number of shares to be bought back by the Company is 354,578,469 shares or 2% of the total issued and paid up capital, therefore it will not exceed 10% shares included in the current treasury shares of the Company.

### **Background and Underlying Reason**

In performing its business, the Company tries to continuously improve shareholders value, amongst others by improving the Company's ROE. In addition to development and expansion of business, Share Buyback can be considered as one of the measures which can be taken to increase the Company's ROE. The Share Buyback implementation will give greater flexibilities for the Company in managing its capital and maximizing return to the shareholders. With due consideration of development and expansion of the Company's business, Share Buyback will also facilitate extra cash and fund on hand for the shareholders with an effective and efficient way.

In accordance to the prevailing laws and regulation, the Company may use the treasury shares from Share Buyback for the Company's employees and management share ownership program. The Company will fulfill the prevailing requirement in relation to transfer of treasury shares from Share Buyback.

### **Estimation of Decrease of Company's Income**

The Company estimates that there will be no impact on the decrease of income in relation to the implementation of Share Buyback, therefore there is no changes to Profit Per Share acknowledged in the 30 September 2017 financial statements.

### **Limitation on Share Buyback Price**

The Share Buyback will be conducted on a price lower than or equal to the transaction price occurred previously as regulated under POJK No. 30

### **Limitation of Period of Share Buyback**

Share Buyback will be conducted within at no later than 18 months as of 15 May 2019 until 14 November 2019.

The Company may cease the Share Buyback at any time prior to the end of the period of 18 months if (i) the number of shares bought back by the Company has reached 2% of the Company's shares including the existing treasury shares, (ii) the funds disbursed by the Company has reached Rp 68,000,000,000 (sixty eight billion Rupiah) or (iii) deemed necessary by the management of the Company. In such event, the Company shall announce to the public on the ceasing of the Share Buyback.

### **Methods of Share Buyback**

The Company will perform Share Buyback under the following provisions:

- i. The Company has appointed PT BNI Sekuritas to perform the Share Buyback through trading in the Indonesia Stock Exchange during the Share Buyback period;
- ii. Such buyback will be done at a lower price or equal to the previous transaction price;
- iii. Share Buyback will only be done if it is beneficial to the Company and its shareholders/ the Company will not perform Share Buyback if there is a material adverse effect which will affect the liquidity and capital structure of the Company and/or the Company's status as a publicly listed company;
- iv. Parties who are:
  - a. Commissioners, Directors, employees and substantial shareholders of the Company;
  - b. Individuals who due to their position or profession or business relation with the Company allows such individual to obtain inside information; or
  - c. Parties who are in the past 6 months no longer fall under the criteria mentioned in point (a) and (b),

Shall not perform any transaction on the Company's shares on the same day with the Share Buyback or transfer of treasury shares resulting from Share Buyback conducted by the Company through IDX.

### **Management Analysis and Discussion In Relation To Share Buyback**

By using the assumption that the number of shares to be bought back is in the amount of Share Buyback is 354,578,469 (three hundred fifty four million five hundred seventy eight thousand four hundred sixty nine) shares with exercise price in accordance to the prevailing regulations.

Share Buyback will not affect the business and operations of the Company because the Company has sufficiently good working capital to perform its business activities

#### **IV. 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 Information Disclosure 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 and Share Buyback, including assessing the risks and benefits of the plan for the Company and all shareholders, and accordingly believe that the PMTHMETD and Share Buyback is the best option for the Company and all shareholders. Therefore, based on the trust and confidence that the PMTHMETD and Share Buyback are 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 and Share Buyback as described in this Information Disclosure.

#### **V. 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 : Monday, 14 May 2018  
Time : 14.00 Western Indonesian Time - Completed  
Place : Soehanna Hall, The Energy Building, SCBD Lot 11 A, Jalan Jenderal Sudirman, Jakarta  
Agenda : 1. 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.  
2. Amendment of the Articles Association of the Company.  
3. Share Buyback

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 23 April 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.

##### Agenda 1 and 2

Agenda 1 and 2 can be implemented 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 1/2 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.

Agenda 3:

Agenda 3 can be implemented if the EGMS is attended by shareholders representing more than 1/2 of the total shares with valid voting rights, and decisions can only be approved by shareholders representing more than 1/2 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 1/3 of the total shares with voting rights and the decisions approved by more than 1/2 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.

## **VI. ADDITIONAL INFORMATION**

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

**Head Office:**

The Energy Building 53 – 55 Floor SCBD Lot 11 A  
Jalan Jenderal Sudirman  
Jakarta 12920 – Indonesia  
Phone : +62-21 29953000  
Facsimile : +62-21 29953001  
Email: [corporate.secretary@medcoenergi.com](mailto:corporate.secretary@medcoenergi.com)  
Website: [www.medcoenergi.com](http://www.medcoenergi.com)