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1H 2025 Results Earnings Call Transcript

Hello everyone, welcome to MedcoEnergi International's First Half 2025 Earnings Conference Call. My name is Sasha, and I'll be moderating today's session. The presentation materials are available on our website, and the recording and transcript will also be uploaded there after this call.

We will begin with remarks from our senior management team: our CEO, Roberto Lorato; our CFO, Tony Mathias; our COO, Ronald Gunawan; and our Chief Administrative Officer, Amri Siahaan.

After that, we'll move to the Q&A session. Thank you to everyone who sent questions earlier, we'll try to cover those first. If you have additional questions during the call, please send them through the Zoom Q&A box with your name and company. Kindly keep your questions brief and relevant. We will prioritize pre-submitted questions but will also take live questions if time permits.

Please note, today's discussion is based on our unaudited interim financial statements for January – June 2025, prepared under Indonesian Financial Accounting Standards, and reported in USD. Throughout the call, we may refer to other operational or financial metrics not defined under these standards – these are meant to complement our disclosures.



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We may also make forward-looking statements, so please refer to the Safe Harbour statement and disclaimer in the presentation materials.

For more details on our performance, please check the Unaudited Interim Financial Statements, Earnings Press Release, and Quarterly Fact Book available on our website.

With that, I'll hand it over to Roberto.

Presenter: Roberto Lorato

Slide 4: [Highlights] 1H 2025 Operating and Financial Highlights

1H 2025 Operating & Financial Highlights					
Production & Power Sales	Capex & Cash Cost	Net Income & ROE	Consolidated & RG Debt	EBITDA & RG Net Debt to EBITDA	Credit & ESG Ratings
143 mboepd	\$193mn Oil & Gas : \$178mn Power : \$15mn	\$37mn	\$3.5bn	\$623mn	Fitch : BB- S&P : BB- Moody's : B1+
1,994 GWh	8.5 US\$/boe	10%	\$2.8bn	1.8x 1H 2025 US\$ 70/boe 1.9x Mid-cycle Price US\$65/boe	MSCI : AA CDP : B
First oil lift in June from the Natuna Forel field			Amman smelter began operations		
Ijen Geothermal & East Bali Solar PV COD			2024 Final Dividend of IDR 25/share		
Acquisition of Repsol's 24% Interest in Corridor PSC			Active program of share buybacks		

Thank you, Sasha, and good afternoon, everyone. Our first half results



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demonstrate our continued strong operational performance and disciplined financial management.

Oil & gas production was in line with our first quarter, while our **cash costs** remained competitive at 8.5 dollars per barrel of oil equivalent.

We achieved an important milestone in June with the first oil lifting from the Forel Field in Natuna Block B. This follows first production from both Forel and the Terubuk gas fields earlier in May, both of them inaugurated by President Prabowo. Together, these fields are expected to deliver production up to 30 thousand barrels gross of oil equivalent per day, by the end of the year.

In **Power**, we delivered 1,994 gigawatt-hours of **sales**, supported by our renewables' portfolio, including the start of operations at Ijen Geothermal in February and East Bali Solar PV in June.

Oil & gas capital expenditure was 178 million dollars and **Capex spending in Power** was 15 million dollars.

In June, we announced the acquisition of Repsol's 24% interest in the Corridor PSC. Corridor, as you know, is a high-quality, low-cost, gas-producing asset that strengthens our upstream portfolio and supports our natural gas growth strategy.



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On the financing side, we completed several key initiatives to strengthen our capital structure. We issued a 400 million US dollar senior note, and along with bank loans, refinanced our near-term debt maturities by repurchasing around 500 million dollars of our USD bonds – reducing gross debt, extending our debt maturity profile, and improving our liquidity.

Following these actions, Fitch Ratings, S&P and Moody's published credit updates, reflecting continued confidence in our financial discipline and stable cash flow generation. We maintain ample headroom within our BB- rating level from Fitch and S&P and B1 with Positive Outlook level from Moody's.

Our **EBITDA** remained strong at 623 million dollars, resulting in **Restricted Group Net Debt to EBITDA** of 1.9 times at mid-cycle oil prices, well below our 2.5 times target. This provides us with flexibility for future growth as evidenced by the Repsol acquisition.

We booked **Net Income** of 37 million dollars, impacted by a loss from Amman of around 31 million dollars, as they transitioned into Phase 8. The smelter began producing copper cathode in late March, with sales starting in the second quarter. Lower oil prices also weighed on our results. And we recorded dry hole



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expenses of 8.9 million dollars from the Barramundi exploration well in the Beluga PSC.

In July, we distributed the final 2024 **dividend** of 38 million dollars, bringing total dividends for the 2024 financial year to 63 million dollars, or 41 rupiah per share. We remain committed to consistently rewarding our shareholders, despite a volatile oil price environment.

Finally, to support shareholder value and optimize capital use, we launched a **share buyback** program in April using internal cash. As of today, we have repurchased around 428 million shares. This reflects our confidence in the company's financial position, prospects and long-term value creation.

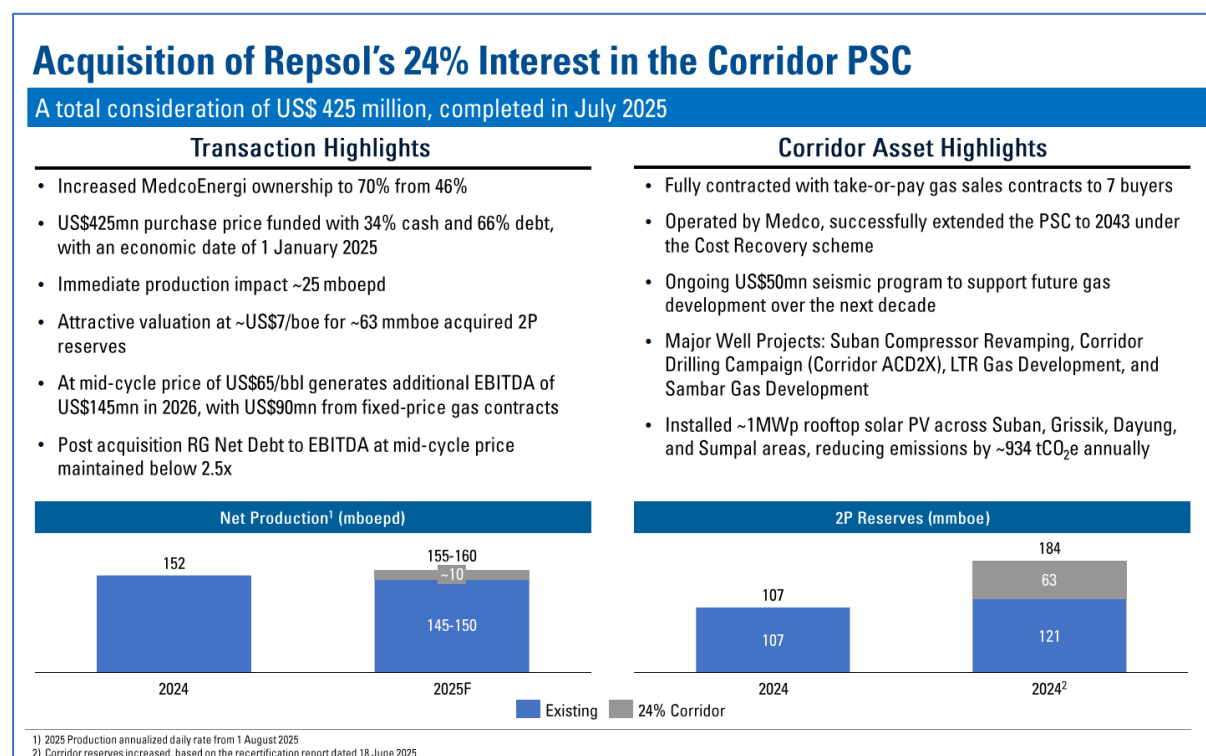
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Presenter: Roberto Lorato

Slide 5: [Highlights] Acquisition of Repsol's 24% Interest in the Corridor PSC



In June, we announced the acquisition of Repsol's 24% participating interest in the Corridor PSC for 425 million dollars, funded through a mix of internal cash and new debt. The transaction has now closed, increasing MedcoEnergi's ownership from 46% to 70%.

This is fully aligned with our strategy of focusing on low-cost, profitable assets with manageable risks and growth potential. Corridor is a high-quality, cash-generating gas asset, supplying seven buyers under fully contracted, long-term



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gas sales agreements. These agreements secure stable and predictable cash flows, both from Indonesia and Singapore.

The Block comprises seven producing gas fields and one oil field, supported by established infrastructure and a series of ongoing exploration and development programs.

The acquisition was made at an attractive valuation of around 7 dollars per barrel of oil equivalent, for the 2P reserves. It will deliver an immediate production impact of over 25 thousand barrels of oil equivalent per day.

At our mid-cycle oil prices, we expect this asset to generate around 145 million dollars of incremental EBITDA in 2026, including 90 million from fixed-price gas contracts.

Following the announcement, credit rating agencies issued updates acknowledging the transaction, citing our manageable leverage and sufficient headroom.

Corridor is one of the biggest gas producers in Indonesia and will continue to be a core contributor to our production and cash flow in the years to come, supporting both shareholder returns and future growth.

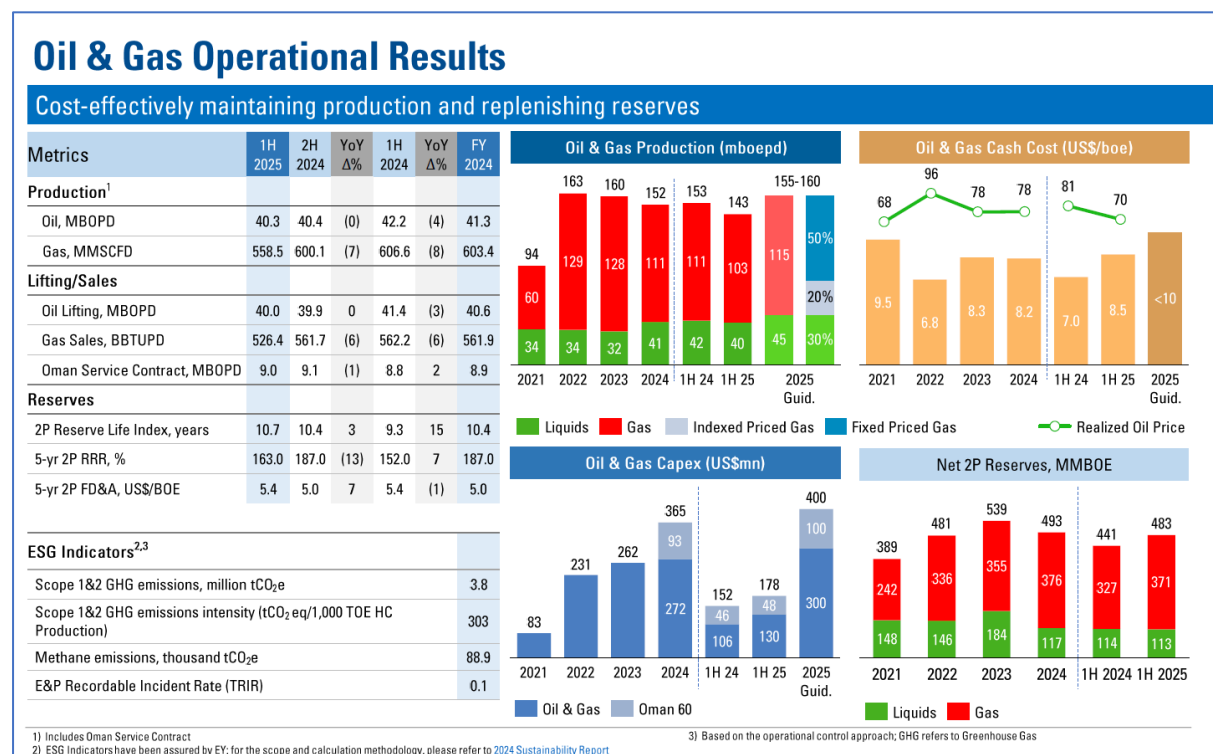


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I will now pass on to Ronald for an overview of our operational performance.

Presenter: Ronald Gunawan

Slide 7: [Operational Performance] Oil & Gas Operational Results



Thank you, Roberto. Good afternoon, everyone.

In this first half of 2025, our **production** was maintained at 143 thousand BOE per day. This was about 7% lower compared to the same period last year due to challenges from gas demand, scheduled maintenance, and a few project delays. Our 1H 2024 production also still included contributions from Vietnam Block 12W, which we divested last year.



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Production will ramp up in the second half, primarily driven by contributions from new projects Forel and Terubuk fields in Natuna, Corridor's LTR gas Expansion, Suban development drilling, Bisat-C processing facilities expansion at Oman Block 60, and post-completion of the maintenance program at Senoro. Following the acquisition of Repsol's 24% Interest in the Corridor PSC, we have updated our 2025 production guidance to 155-160 thousand barrels oil equivalent per day for 2025.

This year, our **production mix** is relatively balanced, with 48% sold under long-term, fixed-price, take-or-pay domestic gas sales agreements, which provide consistent revenue streams and reduce the effects of oil price volatility. The financial impact of this will be further detailed in the Financial Performance section. The remaining 52% of production is exposed to the market price environment, including 24% of exported gas, which is indexed to oil prices.

We have consistently maintained our **oil & gas cash costs** below \$10/boe since 2016, and in the first half of 2025 we recorded cash cost of \$8.5 per boe.

Capex spending for oil and gas in the first half of 2025 was 178 million dollars, as we continue our drilling programs at Natuna, Oman Block 60, Corridor and Senoro Phase 2A. Following the Repsol acquisition, we will continue to high-grade our



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capital spend, and despite the higher working interest and active programs in Corridor, our full-year capex guidance remains unchanged at 400 million dollars. As of June 30, 2025, our **2P reserve life** stood at 10.7 years, supported by a sustainable reserve base that has remained above 10 years since 2023. We've achieved a five-year average **Reserves Replacement Ratio** of 163%, adding more reserves than our production. Our average **2P finding, development and acquisition cost** during this period was 5.4 dollars per BOE, highlighting the efficiency of our reserve growth efforts.

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Presenter: Ronald Gunawan

Slide 8: [Operational Performance] Operational Progress on Key Oil & Gas Assets


Operational Progress on Key Oil & Gas Assets

Maximizing existing capabilities and unlocking reserves potential



Block B

- The Forel and Terubuk fields, inaugurated by President Prabowo in May 2025, will produce up to 20 mbopd and 60 mmscf, ~ 30 mboepd¹ total.
- Terubuk L onstream, Terubuk M drilling completed expected onstream in Q3 2025
- PSC Extension application in progress



Bangkanai

- Gross production Phase I facilities 20 mmscf ramping up to 55 mmscf with Phase II, targeting onstream in Q1 2029
- PSC Extension application in progress
- Completed ~130km Pipeline Study for 35 bbtud gas offtake to mini LNG plant in Melak
- Potential to monetize further ~300 bcf uncommitted gas

1) Gross 100% participating interest

Let me now highlight the progress on two of our key oil and gas assets – Natuna Block B and Bangkanai, as we continue to maximize the value of our existing portfolio.

Starting with **Natuna Block B**,

- We are on track to improve our production and extend the asset's economic life beyond the current PSC period, supported by Forel production and drilling activities at Terubuk field, where the remaining wells are expected to come onstream by the third quarter of 2025.



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- We are also progressing discussions on the PSC extension, supported by strong engagement with the government.

For Bangkanai PSC,

- This asset was part of the Ophir Energy acquisition in 2019. Since then, we have made steady progress in converting its large resources into reserves through the phased expansion of gas production facilities.
- Phase I facilities are currently producing 20 million standard cubic feet per day (gross) from Kerendan field, while Phase II is targeting to ramp up gas delivery from Kerendan field to 55 million standard cubic feet per day by early 2029.
- To increase offtake and commercialization, we have completed a 130 kilometers pipeline study and are working with local partners to deliver 35 mscfd of gas from our facilities to a planned mini LNG plant located in Melak, with first gas targeted in Q1 2029. This offtake is expected to be delivered under the PSC extension period, which would support production through 2053.
- To ensure the viability of these projects, the Phase II Plan of Development and PSC extension applications are currently in progress.

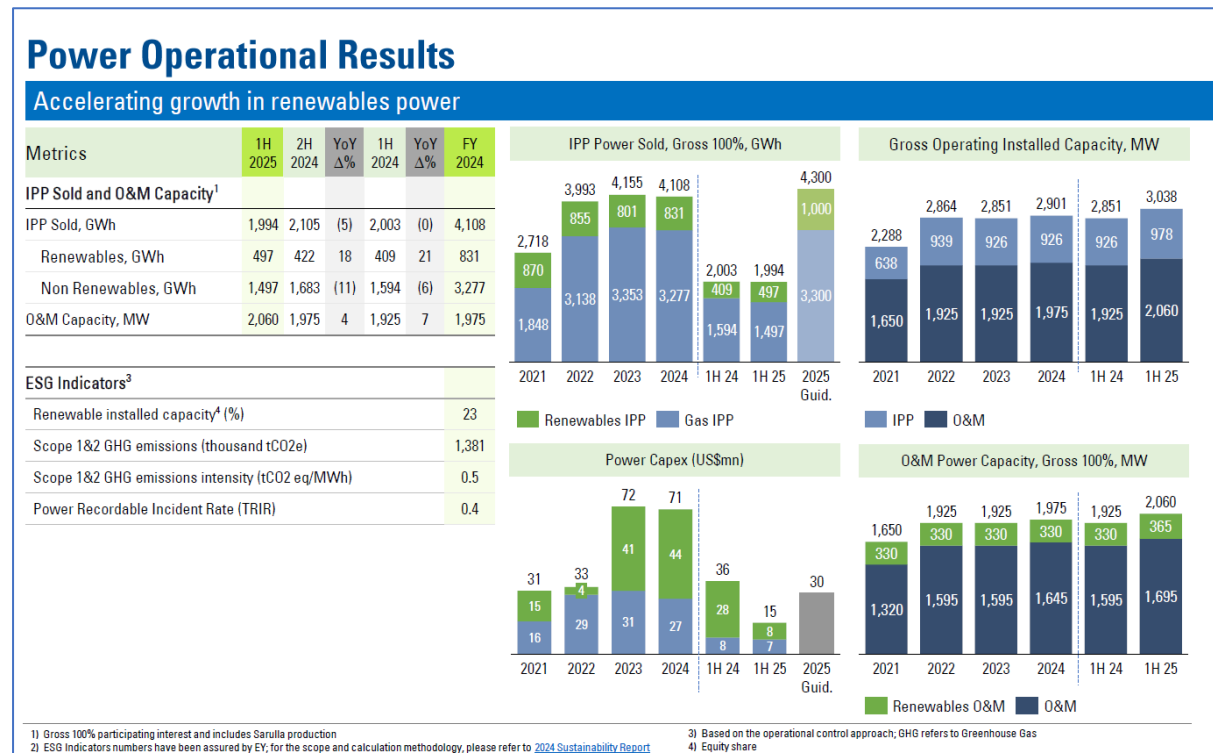
I will now pass on to Amri for an overview of Power operational performance.

Presenter: Amri Siahaan



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Slide 9: [Operational Performance] Power Operational Results



Thank you, Ronald.

Good afternoon, everyone.

In this first half of 2025, **IPP Power Sold** was slightly lower at 1,994 gigawatt-hours, mainly due to Riau IPP maintenance, an earthquake affecting Sarulla Geothermal, and flooding at the Sumbawa PV plant. We commenced operations at two new renewables assets: the 35-megawatt Ijen Geothermal and the 25-megawatt peak East Bali Solar PV project, resulting in a 21% year-on-year increase in renewables sales. This growth strengthens our revenue diversification.



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Looking ahead to the second half, we expect increased output in Q4 from the streaming of the Energi Listrik Batam (ELB) Expansion project, also known as ELB add-on project, supporting our trajectory to meet the revised full year 2025 sales target of 4,300 gigawatt-hours.

We are also growing our Operations & Maintenance (O&M) business through the Timor and Sulut projects.

Power **Capex** in the first half of 2025 reached 15 million dollars, mainly for the completion of the Ijen Geothermal and East Bali Solar PV project.

In the second half, we will focus on completing the 39-megawatt ELB Expansion project, expected to begin commercial operations in Q4 2025.

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Presenter: Amri Siahaan

Slide 10: [Operational Performance] Completion of Phase I New Power Assets

Completion of Phase I New Power Assets

Advancing Renewables projects to support future growth



Ijen Geothermal

- Ijen Banyuwangi, Bondowoso, East Java
- PPA Contract 110MW, sold to PLN
- Phase 1 capacity 35MW
- Phase 2 to expand capacity to 55MW
- COD Q1 2025
- Project cost: US\$140mn
- Medco 51%, Ormat 49%



East Bali Solar PV

- Kubu, Karangasem, East Bali
- PPA Contract 25MWp, sold to PLN
- COD Q2 2025
- Project cost: US\$22mn
- Medco 51%, Solar Philippines 49%
- Phase 2 under review

We continue to prioritize organic growth in our renewables' portfolio. Over the past few years, we have made strong progress and remain committed to expanding our renewable energy supply through internal development. This commitment is gaining recognition, including from the government, as seen in the increased national attention to our renewable projects:

- In February, we began commercial operations at the **Ijen Geothermal Power Plant** in East Java. The first phase contributes 35 megawatts to the Java grid under a long-term power purchase agreement, or PPA, with PLN. Once fully



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developed, the project is expected to reach 110 megawatts capacity, supplying electricity to around 85,000 households while helping to avoid up to 230,000 tons of CO₂ emissions annually. Ijen is our second geothermal facility after Sarulla, and is part of our long-term commitment to support Indonesia's energy transition. We are currently advancing a feasibility study for the Phase 2 expansion, which will add another 20 megawatts.

- In June we also started commercial operations at the **East Bali Solar PV Plant**, now the largest utility-scale solar project in Bali. With 25 megawatts peak capacity, it will generate around 50 GWh annually, supplying electricity to about 42,000 households and avoiding over 800,000 tons of CO₂ emissions over its lifetime. We are also engaged in a feasibility study to support further expansion of our domestic Solar PV portfolio.

Both Ijen Geothermal and East Bali Solar PV demonstrate our continued progress in building a renewable energy portfolio that supports national climate goals and aligns with our company's long-term sustainable strategy.

Looking ahead, we are enhancing the efficiency of **ELB**, our independent power producer in Batam. ELB currently operates a 70-megawatt Gas-Fired Power Plant which supplies electricity to PLN Batam under a gas supply agreement until



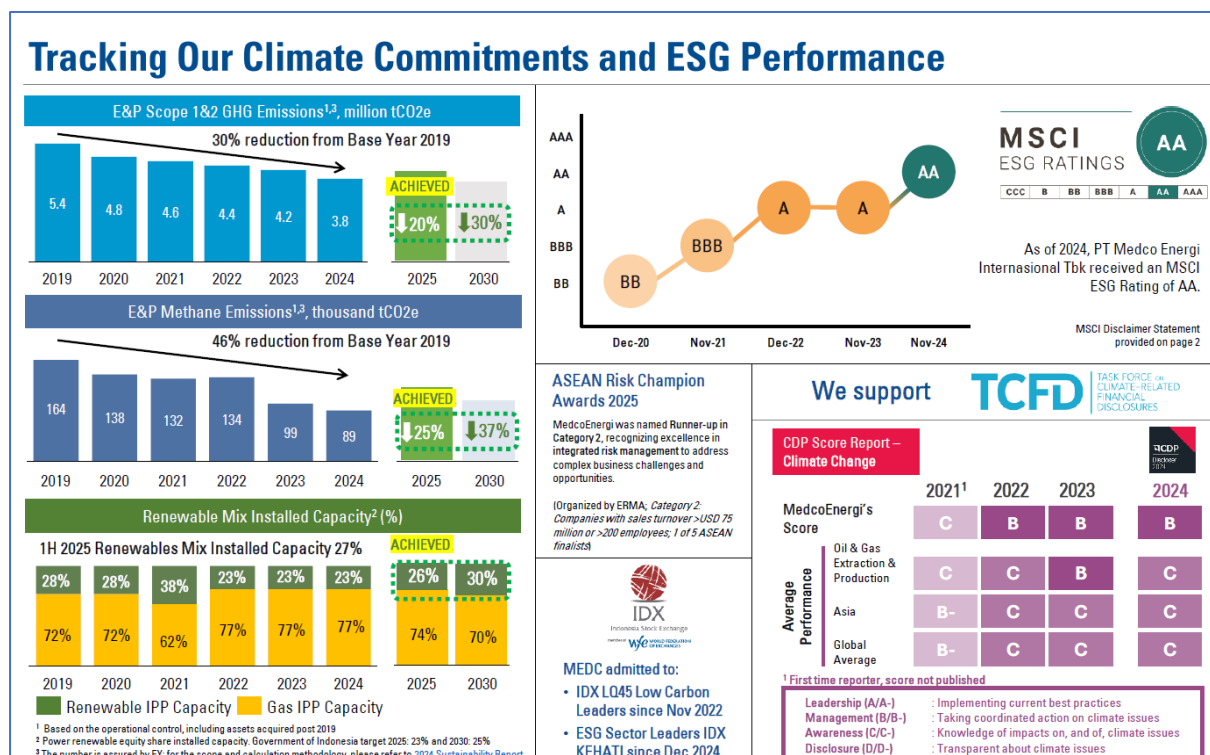
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December 2028. The facility is now being upgraded with a 39-megawatt Combined Cycle expansion, utilizing exhaust gas heat from the existing unit to generate more efficient electricity for the Batam Bintan grid. The energy conservation project is targeted to start operations in the fourth quarter of 2025.

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Presenter: Amri Siahaan

Slide 11: [Operational Performance] Tracking our Climate Commitments and ESG Performance



We continue to strengthen our efforts in managing climate risks and supporting energy transition. We established our Climate Change Strategy and Net Zero



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Target in 2021, followed by interim targets in 2022, as part of our commitment to taking meaningful climate actions while continuing to deliver reliable, affordable, sustainable energy and natural resources. Since then, we have actively tracked and reported our Scope 1 and Scope 2 GHG reduction emissions, and this year, for the first time, we also disclosed our assured Scope 3 GHG emissions in our 2024 Sustainability Report, to better understand impacts across our value chain. This slide highlights the steady progress we have made in integrating climate considerations into our operations:

- By 2024, we achieved Scope 1 and 2 GHG emissions reductions of over 1.5 million tons of CO₂e (carbon dioxide equivalent) from the 2019 baseline, exceeding our 2025 interim reduction target of 1.08 million tons or a 20% reduction.
- Methane emissions have also declined by 46% compared to 2019, well ahead of our 2025 target of 25% reduction.

This progress comes from 43 emission-reduction initiatives across our operations --- onshore, offshore, and international, including flare avoidance in Corridor, solar panels installations in Natuna and Sampang, diesel generator conversion to grid power in Oman, and biodiesel use for supply vessels in Thailand.



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- Aside from GHG and methane reductions, we have surpassed our 2025 renewables installed capacity target of 26%, reaching 27% in 1H 2025.

Our ongoing commitment to sustainability and ESG improvements continues to gain recognition:

- This year, MedcoEnergi was named Runner-up in the ASEAN Risk Champion Awards 2025, for our integrated approach to risk management across the business.
- In 2024, we achieved an upgrade from A to AA in the MSCI ESG Ratings, placing us in the 'Leader' category and reflecting our progress in managing key ESG risks and opportunities.
- We also maintained a B score in CDP Climate Change Disclosure, placing us in the Management-level band and above the average for our sector, Asian, and global peers.
- MedcoEnergi remains part of the IDX LQ45 Low Carbon Leaders and the IDX KEHATI ESG Sector Leaders, reaffirming our position as a responsible and sustainable operator.

You can access the full 2024 Sustainability Report on our website for further details.

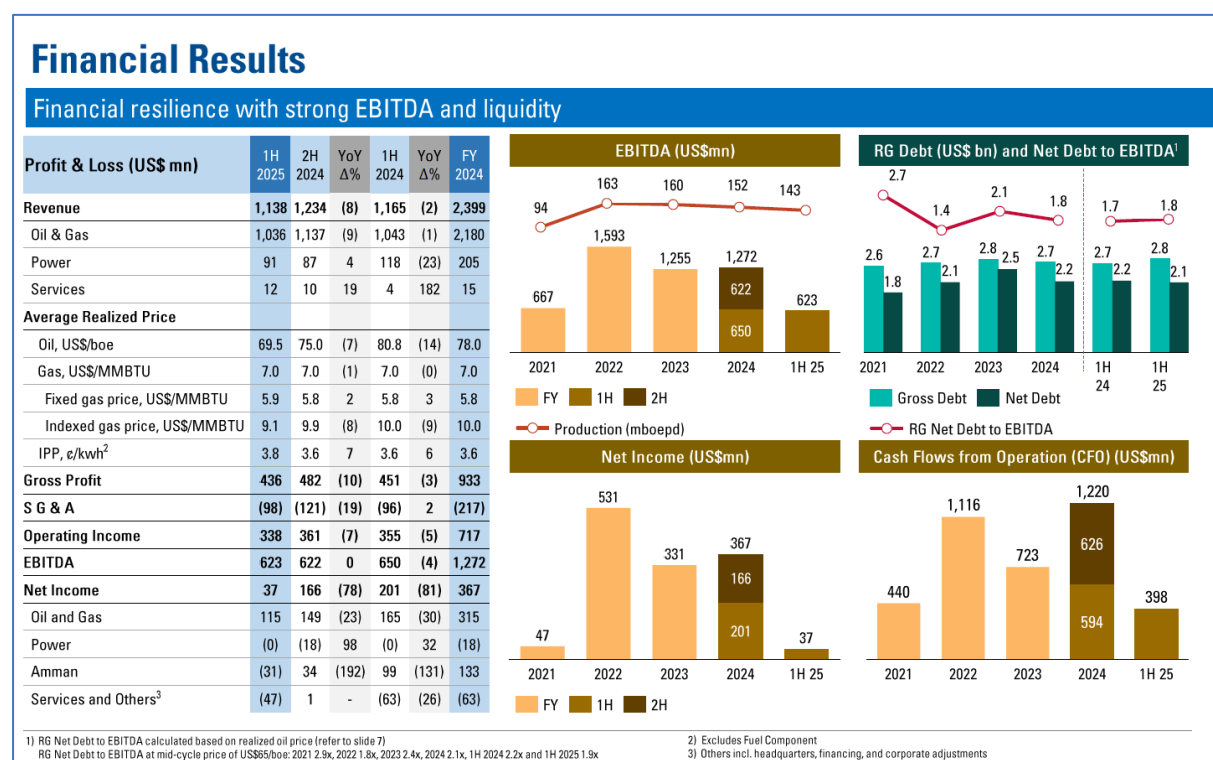


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I will now pass on to Tony for an overview of our financial performance. Thank You.

Presenter: Tony Mathias

Slide 13: [Financial Performance] Financial Results



Thank you, Pak Amri.

Good afternoon everyone.

As you saw, our first-half results came in slightly lower year-over-year across several metrics. Revenue was down about 2% compared to last year. Now, Oil & Gas revenue remained relatively solid, despite lower production volumes year-on-year, and, as I think you're aware, an almost \$11/bbl drop in Brent prices. So



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the resilience in Oil and Gas revenue was mainly the result of a number of projects in Block B, namely Forel and Terubuk, being Placed In Service. The way the PSC mechanism works, you spend capital. Once you place that asset into service, it starts delivering. Then you begin to get a step up in cost recovery. So, for a few years now, we'll receive higher cost recovery in Block B.

Conversely, Power revenue declined 23% year-on-year, primarily due to the accounting standards required us to book construction revenues on BOTs IPPs. So, in some ways, the converse of what happens in the PSC.

First half EBITDA was US\$623 million, down 4% year-on-year, this is despite that relatively larger percentage drop in commodity prices I referred to earlier. Fixed-price gas also supports us when prices drop, with fixed-price gas contracts accounted for around 50% of our gas sales in the first half and that is about US\$195 million, about over 30%, of the EBITDA in that period.

Net income, also down, a substantial decline from the same period last year, largely due to the loss we booked on Amman. As Roberto noted, and as has been expected, their mine operations are transitioning to Phase 8, and of course, the smelter was being commissioned. However, Amman's earnings began to recover in the second quarter with the first copper cathode export and sales, and now



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also the commissioning of the Precious Metal Refinery, which produced its first refined gold in mid-July.

At the end of half, we are carrying about US\$180 million of additional debt – negative carry, as we call it – ahead of IDR Bond repayments, due in the second half of this year and also early 2026. Absent that negative carry, debt continues to drop quarter on quarter.

And finally, for the balance sheet, we ended the half year with US\$883mn in cash and cash equivalents, and a significant amount of undrawn committed banking facilities. This level of liquidity provides us with the capacity to continue to manage our debt repayment, meet our commitments, especially post recent acquisitions, and be in a position to capitalize on further organic and of course inorganic growth opportunities that we continue to review.

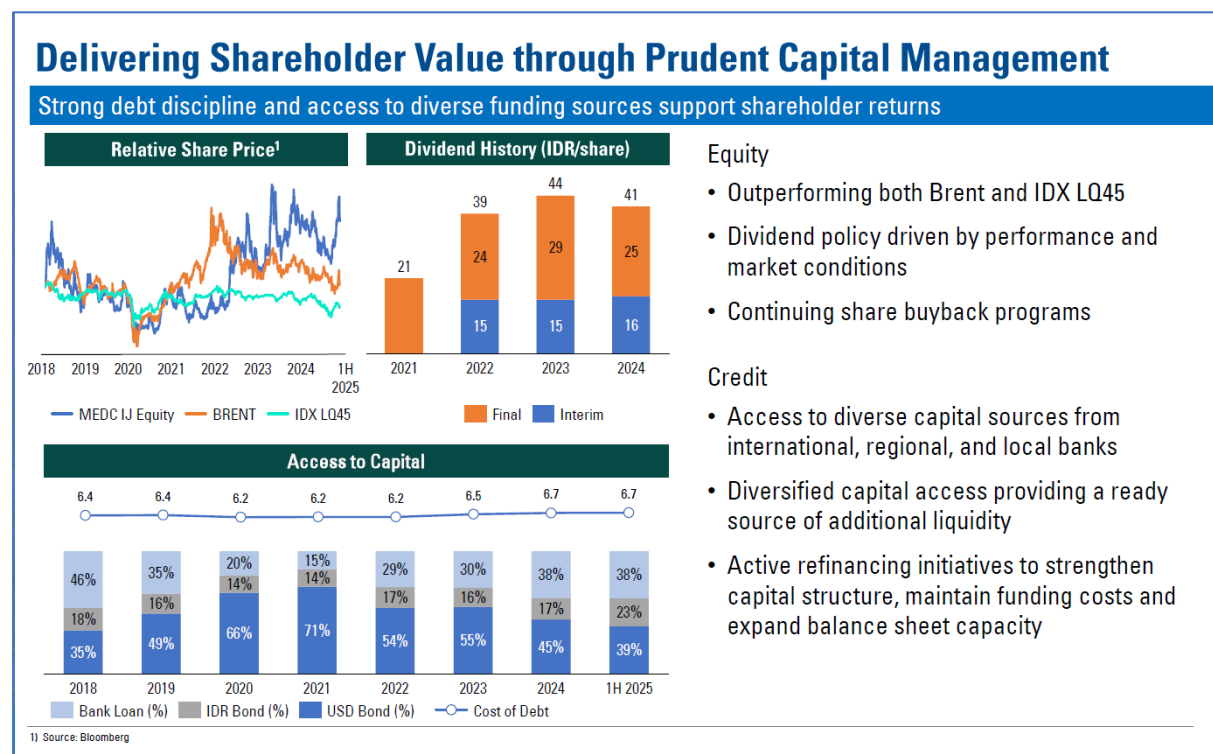
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Presenter: Tony Mathias

Slide 14: [Financial Performance] Delivering Shareholder Value through Prudent Capital Management



Equity

- Outperforming both Brent and IDX LQ45
- Dividend policy driven by performance and market conditions
- Continuing share buyback programs

Credit

- Access to diverse capital sources from international, regional, and local banks
- Diversified capital access providing a ready source of additional liquidity
- Active refinancing initiatives to strengthen capital structure, maintain funding costs and expand balance sheet capacity

I want to close with summarizing a message you've heard before, but it's about how we continue to deliver value to both our equity and credit stakeholders.

Starting with equity,

We will remain disciplined in our investments, and I want to highlight the fact that post Repsol acquisition, we've increased our production guidance for the year, but we have not increased our capital guidance for the year. So scale has grown, but we will high grade our opportunities, as we've done in the past, and we've



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also maintained our unit cost guidance. It's one of the reasons our share price has consistently outperformed Brent and also outperformed LQ45, the local Indonesian index.

In 2025, we've distributed dividends of IDR 41 per share, and we aim to sustain our shareholders' returns, aligned with Company's performance and market conditions. And we will review the position again carefully, as we consider the interim dividend we intend to pay later this year.

Of course, this year, earlier, we also expanded our share buyback program, buying a total of 428 million shares to date, almost US\$30 million. This underscores management's continued faith, belief in the long-term value of our stock.

Turning to credit,

We maintain strong access to a well-diversified mix of funding sources. In the first half we engaged with international, regional, and especially local banks, and we also accessed the local and international capital markets to both refinance debt and finance acquisitions, generally on improved terms. In June, we repaid two oil and gas banking facilities – one secured and one unsecured – using cash and, in both cases, lower-cost facilities.



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Of course we issued bonds, both in IDR and USD market in the half year, and we launched tender offers as part of our continuing proactive debt management strategy. These efforts have strengthened our capital structure while maintaining a competitive cost of debt.

In summary, I think we performed well.

We have strong liquidity, diverse access to capital, a more balanced debt maturity profile and we continue to control our cost of debt. Our capital management strategy is anchored in disciplined investment and a 2–3-year post-acquisition debt repayment cycle, which we will maintain for the recent Repsol transaction. And this gives us the flexibility to pursue further growth and continue to return value to shareholders.

The board has built a foundation that has consistently outperformed peers in both Return on Equity and Total Shareholder Return and created a repeatable cycle of value creation.

With that, I'll now pass back to Roberto, who will summarize an outlook for 2025.

Thank you.



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Presenter: Roberto Lorato

Slide 16: [Outlook] 1H 2025 Financial Results and 2025 Post-Corridor Guidance

1H 2025 Financial Results and 2025 Post-Corridor Guidance					
Oil & Gas Production	Power Sales	Capex	Oil & Gas Cash Cost	RG Net Debt to EBITDA	ROE
1H 2025 Financial Results					
143 mboepd	1,994 GWh	\$193mn Oil & Gas : \$178mn Power : \$15mn	8.5 US\$/boe	1.8x 1H 2025 US\$ 70/boe 1.9x Mid-cycle Price US\$65/boe	10%
2025 Guidance					
155 - 160 mboepd	4,300 GWh	\$430mn Oil & Gas : \$400mn Power : \$30mn	<10 US\$/boe	<2.5 Mid-cycle price at US\$65/boe	>15%
PSC extensions for Natuna, Sampang, and Bangkanai			Complete key projects on Block B, Senoro Phase 2A, Oman Block 60, and Corridor seismic program		
Selective portfolio management			Progress expansions for Ijen Geothermal Phase 2, Batam IPPs, and Bulan Solar PV		
Continued dividend payment & debt repayments			Strengthen energy transition capabilities		

Thank you, Tony.

Let me now walk you through our 2025 guidance:

- We are expecting **production** to increase to a run rate of around 180 thousand barrels of oil equivalent per day in Q4, which will allow us to close 2025 with annualized production of 155 to 160 thousand barrels of oil equivalent per day. This will be driven by a ramp-up in Block B, Senoro, and Oman Block 60 production and supported by the 24% working interest acquisition in the Corridor block.



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- For **Power**, we have revised our full-year **sales** target to around 4,300 gigawatt-hours, with contributions from Ijen Geothermal, East Bali Solar PV, and the Q4 COD of the ELB Expansion.
- **Capital expenditure** for the year is guided at around US\$430 million – that includes US\$400 million for gas-related projects in Natuna Block B and Corridor, drilling activities in Oman Block 60, and Bualuang, and remains unchanged despite the purchase of Repsol, while Medco Power will spend the remainder of their US\$30 million full year guidance to complete the ELB expansion.
- Our unit **oil & gas cash cost** will stay below US\$10 per boe.
- We will see a temporary increase in our **Restricted Group Net Debt to EBITDA** ratio next quarter due to the Corridor acquisition financing; however, we are maintaining our target to stay below 2.5 times at mid-cycle oil prices of US\$65 per boe.
- Our **Return on Equity (ROE)** currently stands at around 10%. Despite market volatility, we remain focused on creating long-term value and maintaining a stable return for our shareholders.

As we move through the second half:



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- We will continue to manage the portfolio proactively. The Corridor acquisition is a good example of our growth strategy; and we continue to review other opportunities that align with our long-term goals.
- In **Tanzania**, we secured an exploration license extension for Blocks 1 and 4, while engagement with the Government towards agreement on the full development plans is ongoing.
- On **Senoro Phase 2A**, we have completed drilling and well testing, and are progressing with the Construction work.
- For **Corridor**, we've completed 3D seismic acquisition in Rebonjaro and Sumpal fields, covering a total area of over 400 square kilometres, as part of a 50 million dollars multi-year program to unlock future reserves potential.
- We will continue to prioritize acquisition **debt repayment** within 2-3 years, while remaining committed to future **dividend payments**, subject to company performance and market conditions.
- In **Power**, we are pushing forward with the Ijen and Batam IPPs expansions, while progressing the Bulan Solar PV project.



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- And finally, we remain focused on our Climate Change Strategy – by investing in renewables, integrating climate considerations across our operations, and upskilling our teams to help drive this transformation.

With this, I think our presentation is complete and I propose that we move now to the Q&A session. Over to our moderator Sasha please.

Q&A session

Thank you, Pak Roberto. That concludes our remarks, and we will now begin our Q&A session.

All participants are currently in listen-only mode. We will start by addressing questions received prior to the call and then move on to new questions received during this session.

For any chat questions, please clearly indicate your name and company. I will read the question on your behalf. Let's begin with the first question from **Andhika Suryadharma – PT Sun Life Financial**: On the Corridor acquisition, would you be able to share the impact on production guidance?

Roberto: As mentioned earlier, the acquisition of Repsol's 24% interest in Corridor contributes an immediate production increase of ~25mboepd. This, combined with a ramp-up from Corridor's LTR gas expansion and Suban development drilling,



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first production from both Natuna Forel and Terubuk, completion of the Senoro maintenance program, and expansion of Oman Block 60 Bisat-C processing facilities, will lead to Q4 run rate to around 180 mboepd.

As a result, we anticipate our average annual production for 2025 to increase to approximately 155–160 mboepd from the original 145-150 mboepd.

Sasha: There are some analysts who asked similar questions on the Corridor acquisition:

1. Which debt facilities do you plan to utilize for this?
2. What is the split of fixed vs indexed-price gas from the Corridor asset?
3. Any upgrade to Corridor's 1P reserves during the Jun-25 recertification, if so, what is the upgraded number?
4. What is the "Economic Date of 1 Jan 25" that you have mentioned in the slide?

Does it mean the cashflow generated from January to July 2025 completion date is offset from the purchase price?

Roberto:

1. The acquisition price of US\$425mn has been funded using 34% cash and 66% debt. The loan facility has a floating interest rate of SOFR plus 3%-4% p.a. It



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has a 2 and a half year tenor, which is in line with our strategy of repaying acquisition debt within 2-3 years.

2. As for the split of fixed vs indexed-price gas from the Corridor asset, as of 1H 2025, approximately 80% Fixed Price / 20% Indexed Price.
3. In term of reserves, 1P Reserves were recertified on 31 December 2024 and they increased from 74 to 84 mmboe. At the same time, the 2P Reserves increase from 107 to 121 mmboe.
4. Yes, it is correct. The Economic Date refers to the effective date from which the economic benefits and risks of the asset transfer to the buyer. Net cash flows between the economic date and the completion date are offset from the purchase price.

The next question from **Umar Manzoor** from **Allianz Global Investors**: What is the Corridor's production level in 1H25? It seems it has declined by over 10% from 2024?

Ronald:

- Corridor is producing gas to meet contractual gas demand from our existing gas buyers. We have seven gas buyers, one from Singapore and six from



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domestic. In 1H25, Corridor producing 613 bbtud and met all the contractual gas demand from our gas buyers.

- As you know, since 2021 Corridor has been off plateau. However we continue managing Corridor's natural decline through our Accelerated Corridor Development Program (ACD) that consists of production and facility optimization, continue development drilling in Suban area, we continue developing DRO (Discovered Resource Opportunities), and near-field exploration.

The next one from **Umar Manzoor** from **Allianz Global Investors**: Would you be able to share any details of the maturity profile of the two syndicated loans (US\$500 million and US\$297 million), and the approximate cost of these facilities?

Tony:

- So, let me start with the US\$297mn. This isn't a new facility, it is quite an old facility. It is secured against our gas assets in Senoro and Block A. It is a revolving facility, and we repaid it fully in June. You'll still see it in the Financial statement, because it is revolving, secured, and now fully paid down. But it is undrawn and committed, so you'll see it for several more quarters. If we draw again, it is amortising, due for repayment in 2028.



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- The \$500mn facility is a new facility, refinanced of the contract underlying the Corridor asset. It is unsecured and was partially used to pay for the Corridor Repsol purchase. The bulk is undrawn, it's also amortising, fully repaid at the end of 2028.
- Both are SOFR plus 3-4%.
- For your information, we also signed two new unsecured Rupiah loans from domestic banks in the quarter, which we swapped into US dollar debt at fixed ~5%. You'll see more details on that in our Financial Statements, both of those are partially drawn, we use it to repay more expensive US\$297mn.

Next question is from **Faizun Muhtada** from **PEFINDO**: Any upcoming new corporate action in Oman and/or other regions to boost production higher than current guideline?

Roberto: As you know, our growth strategy relies largely on acquisitions. We do not have additional corporate actions to announce at this time. However, we continuously evaluate new opportunities. I think we have established a strong record of successful acquisitions over the years, and as confirmed by the latest addition of Corridor 24%, we remain disciplined in our acquisition criteria, as described in the slide here. In a nutshell we focus on producing assets that offer



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growth potential and contain risks which we understand and know how to manage.

Next question is from **Paul Lukaszewski** from **Abu Dhabi Investment Authority**:

Please discuss ongoing measures to increase reserves?

Ronald:

- We are actively progressing several initiatives to grow our reserves base through development projects, near field exploration and PSC extensions.
- In the last two years we have completed some development projects in:
 - Natuna: Bronang Gas, West Belut Gas, Trubuk oil and gas and Forel Oil;
 - Corridor: Letang Tengah Rawa (LTR) Gas Development, Suban Compressor Revamping Project (that is still ongoing);
 - Bualuang Thailand: we are executing debottlenecking project to increase water processing capacity. We've just been granted PSC License extension for another 10 years.
 - Senoro Phase 2A: development of South Senoro gas field is ongoing;
 - Oman Block 60: near field exploration at ABBN field (to develop Upper Gharif discovery) and increasing water processing capacity through Bisat C Project;



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- Rimau: near field exploration at West Kalabau (oil discovery).
- Beside that, we are now working on several new projects:
 - Block A Aceh: 2nd phase gas development;
 - Bangkanai: we are progressing with Kerendan Phase 2 gas development to monetize additional ~300 bcf of uncommitted gas;
 - Corridor: Sambar Gas Field development, acquisition of 3D seismic multi-year program is still ongoing.

Sasha: Next question is from **Umar Manzoor – Allianz Global Investors**: On reserves: would it be possible to get an update on Senoro-Toili and South Natuna Block B and whether these could drive some additions to 1P reserves in the immediate future if you are able to share any guidance?

Ronald: Both Senoro-Toili and Natuna Block B developments are developed based on 2P reserves. We booked P1 and P2, will move P2 to P1 based on actual performance of the reservoir.

Next one is from **Amberish Rathi – T Rowe Price**: What was the \$120million long term investment sold in the quarter?

Tony: To refer you to note 14 of the Financial Statements. This is related to the sale of the remaining 18% of Medco's ownership in PT Sumber Mineral Citra



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Nusantara ("SMCN"), which in turn owned Amman shares. Some years ago before the Amman IPO, we sold 72% ownership. This is a part of our de risking of our original investment in Amman and more broadly an element of our ongoing portfolio management.

Sasha: Thank you, Bapak. Let's move on to the live questions.

First, we have a question from Irene from Pictet: What is the Company's capital funding plan in the next one year?

Tony: Irene, if I interpret your question as the meaning of capex funding plan of the next year. As usual we generally fund ongoing capital from cash from operations generated by the business. It's very rare that we would actually take out debt to fund capital, large the like Senoro or Block A development plans. I think the plan, although we do have some projects coming on, it will be from cash from operation generated from our assets. We only take on debt for acquisitions and refinance. The funding plan is from ongoing operations.

Sasha: We got several questions from Bob Setiadi from CGS.

Tony:

a. What is the cause of the jump in Transgasindo net profit in the 1H25?



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There really hasn't been a jump in the assets profit. What you're seeing, I think, is the result of a series of small acquisitions that we've made in the holding company. If you look in the financial statements, you'll probably see references to Transasia. And that is a holding company for TGI, Transgasindo. We now fully consolidate the holding company. So I think you've seen a change in the accounting treatment. That's also resulted in an increase in our apparent finance charges or interest, just because the way that is accounted. So what you're seeing is not a jump in the profitability, but a change in the accounting treatment. Happy to take you through that offline. Just to add, all of those smaller scale acquisitions have been funded from cash.

b. Can you explain the asset impairment in the 1H25

It's not really an asset impairment. What you're seeing is we account for DSLNG as an investment, a long-term investment. When we receive dividends from DSLNG, we offset the dividend by, let's say, impairing or reducing the long-term investment. So you can think conceptually at the end of our, at the end of DSLNG's life. In theory, all of the dividends should wipe out the investment. Now, on a regular basis, we revalue our investment in DSLNG to, again, the accountant's policy makes us revalue. I mean, it can go down, it can



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go up in theory, right? So you should revalue it. The last few years, what you've actually seen is an increase in the value. So at the moment, we haven't done a valuation, and the dividends exactly match the reduction. It looks like an impairment, but it's really reflecting the dividends we see from that asset. At the end of this year, we'll probably do an evaluation of the future NPV of DSLNG that may offset that apparent impairment or even result in a gain. But it's not strictly an impairment. It's just the other side of the entry on the dividends we see.

c. Is there any minimum cash balance that you want to maintain

You know, typically US\$300mn minimum. I mean, really is a minimum. That's been our view for quite some time. And if you go back to the history of our statements, you probably come across times when it's been US\$300mn to 400mn. As the company's grown, we've repaid debt, liquidity's improved, we're quite some way away from that now, but we have been down. We did some analysis and US\$00mn was around the minimum. But as I say, we're quite some way beyond that now. That's all the questions from Bob. Back to you, Bu.

Sasha: Thank you, Pak Tony. I think we can move on to the next agenda.

We are going to listen to the closing remarks that will be delivered by Pak Roberto.



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Roberto: Thank you, Sasha. My closing remarks actually are going to be very brief.

Just a big thanks to all participants to today's call on MedcoEnergi half-year results. I hope we have been able to provide satisfactory information and explanations on our performance to date. We look forward to more interactions with you in the near future. And hopefully, we can meet in person next time. So once again, thank you all, and have a nice weekend. Over.

Sasha: Thank you Pak Roberto. This concludes the 1H 2025 Earnings Call. For any questions we weren't able to address today, we will follow up by email.

Thank you for joining us today and for your continued support. You may now disconnect.