IMPORTANT NOTICE

You must read the following disclaimer before continuing. The following disclaimer applies to the attached preliminary offering circular (the "Offering Circular"). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached. In accessing the attached, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Restrictions: The attached Offering Circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described in the Offering Circular. The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or CLSA Limited, Credit Suisse (Singapore) Limited, DBS Bank Ltd., Mandiri Securities Pte Ltd, Morgan Stanley Asia (Singapore) Pte. and Standard Chartered Bank to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute a general advertisement or general solicitation (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act) in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the issuer in such jurisdiction.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

If you receive this document by e-mail, you should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

THE ATTACHED OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither the issuer of the securities, CLSA Limited, Credit Suisse (Singapore) Limited, DBS Bank Ltd., Mandiri Securities Pte Ltd, Morgan Stanley Asia (Singapore) Pte., Standard Chartered Bank, nor any of their employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version.

Confirmation of Your Representation: You have accessed the attached document on the basis that you have confirmed your representation that (1) you and any customers you represent are (i) qualified institutional buyers (as defined under Rule 144A under the Securities Act) or (ii) outside the United States (as defined under Regulation S under the Securities Act) and that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, (2) if you are an investor in Singapore, you are either an institutional investor as defined under Section 4A(1) of the Securities and Future Act, Chapter 289 of Singapore (the "SFA"), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer may be made pursuant to Section 275(1A) of the SFA, and agree to be bound by the limitations and restrictions described herein, (3) that you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission and (4) that you agree to the foregoing terms and conditions.

MEDCOENERGI

US$500,000,000

Medco Platinum Road Pte. Ltd.

(incorporated with limited liability under the laws of Singapore)

6.75% Senior Notes due 2025

Irrevocably and unconditionally guaranteed by

PT MEDCO ENERGI INTERNASIONAL Tbk

(incorporated with limited liability under the laws of the Republic of Indonesia)

Medco Platinum Road Pte. Ltd. (the "Issuer"), a company incorporated under the laws of Singapore with limited liability and a wholly owned indirect subsidiary of PT Medco Energi Internasional Tbk. ("Medco Energi" or the "Parent Guarantor"), is issuing US$500,000,000 aggregate principal amount of 6.75% senior notes due 2025 (the "Notes"). The Notes will mature on January 30, 2025. Interest will accrue from January 30, 2018 and be payable semi-annually in arrears commencing on July 30, 2018. The Notes will be irrevocably and unconditionally guaranteed (the "Guarantees") by Medco and certain of Medco's subsidiaries (the "Subsidiary Guarantors," and collectively with the Parent Guarantor, the "Guarantors").

A portion of the net proceeds from the offering of the Notes will be used to fund the Interest Reserve Account (as defined herein) with an amount equal to one (1) semi-annual payment of interest under the Notes. Funds remaining on deposit in the Interest Reserve Account will be applied to the payment of interest on the Notes, and any remaining balance shall be applied to the payment of premium and Additional Amounts (as defined herein), if any, due on the Notes on the final Stated Maturity (as defined herein) of the Notes or any redemption date for redemption of all outstanding Notes, in each case for purposes of full or partial payment of outstanding Notes.

Not later than 30 days following a Change of Control (as defined herein), the Issuer or the Parent Guarantor must offer to purchase the Notes at a price equal to 101% of their principal amount plus unpaid and accrued interest, if any, to (but not including) the offer to purchase payment date. The Issuer may redeem all but not less than all of the Notes at the principal amount plus accrued interest upon certain changes in tax law. At any time on or after January 30, 2022, the Issuer may redeem the Notes, in whole or in part, at the redemption prices specified under "Description of the Notes — Optional Redemption" plus accrued and unpaid interest, if any to (but not including) the redemption date. At any time prior to January 30, 2022, the Issuer may at its option redeem all or any portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium (as defined herein) and accrued and unpaid interest, if any, to (but not including) the redemption date. At any time prior to January 30, 2022, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from certain equity offerings at a redemption price of 106.75% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

The Notes will be general obligations of the Issuer and will otherwise rank at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Issuer. The Guarantees are general obligations of the Guarantors and will otherwise rank *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Guarantors. For a more detailed description of the Notes, see "Description of the Notes."

Investing in the Notes involves risks. See "Risk Factors," beginning on page 27.

The Notes are expected to be rated "B2" with a positive outlook by Moody's Investors Service, or "Moody's" and "B" with a stable outlook by Standard and Poor's Ratings Services, or "S&P", and Fitch Ratings, or "Fitch". A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, or withdrawal at any time by the assigning rating agency.

Issue Price: 99.178%

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantors, their respective subsidiaries and associated companies, or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as any of the Notes are listed on the SGX-ST. Currently, there is no market for the Notes.

The Notes will be ready for delivery in book-entry form only through the Depository Trust Company for the account of its participants, including Euroclear Bank SA/NV, and Clearstream Banking S.A., on or about January 30, 2018. The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction. The Notes and the Guarantees may not be offered or sold within the United States (as defined under Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes and the Guarantees are being offered and sold only (1) to qualified institutional buyers in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act, and (2) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act. See "Plan of Distribution" and "Transfer Restrictions" for additional information about eligible offerees and transfer restrictions. This offering does not constitute a public offering in Indonesia under Law Number 8 of 1995 on Capital Market and its implementing regulation. The Notes may not be offered or sold in Indonesia or to Indonesian citizens, wherever they are domiciled, or to Indonesian residents, in a manner that constitutes a public offering under the laws and regulations of Indonesia.

This Offering Circular (the "Offering Circular") has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("MAS"). Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than: (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"); (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This Offering Circular is not a prospectus for the purposes of the Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the "Prospectus Directive").

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive.

Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation."

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. The term "manufacturer" as used in this paragraph refers to Standard Chartered Bank.

The communication of this Offering Circular and any other document or materials relating to the issue of the Notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, the Notes offered hereby are only available to, and any investment or investment activity to which this Offering Circular relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this Offering Circular or any of its contents.

Joint Global Coordinators and Joint Bookrunners

CLSA **Credit Suisse** **DBS Bank Ltd.** **Mandiri Securities** **Morgan Stanley** **Standard Chartered Bank**

The date of this Offering Circular is January 23, 2018

You should rely only on the information contained in this Offering Circular. We have not authorized anyone to provide you with different information. Neither we nor the Initial Purchasers are making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this Offering Circular is accurate as of any date other than the date on the front of this Offering Circular.

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NOTE TO INVESTORS

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY NOTE OFFERED HEREBY BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH AN OFFER, SOLICITATION OR SALE. NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF OUR COMPANY, OUR SUBSIDIARIES, JOINT VENTURES OR ASSOCIATES OR THAT THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

This Offering Circular is being furnished by us on a confidential basis in connection with an offering exempt from the registration requirements under the Securities Act, solely for the purpose of enabling a prospective investor to consider the purchase of the Notes and the Guarantee (the "Securities"). We have prepared this Offering Circular solely for use in connection with the proposed offering of the securities described herein. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire securities. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and agrees to make no photocopies of this Offering Circular or any documents referred to herein.

No person has been authorized to give any information or to make any representation not contained in this Offering Circular in connection with the offering of the Securities, and, if given or made, such other information or representation must not be relied upon as having been authorized by Company, the Issuer, the Initial Purchasers, The Bank of New York Mellon (the "Trustee") as paying agent, transfer agent and registrar, and The Bank of New York Mellon, Singapore Branch as collateral agent (together with the paying agent, transfer agent and registrar, collectively referred to as the "Agents") or any other person.

Each of CLSA Limited, Credit Suisse (Singapore) Limited, DBS Bank Ltd., Mandiri Securities Pte Ltd, Morgan Stanley Asia (Singapore) Pte. and Standard Chartered Bank (each, an "Initial Purchaser" and together, the "Initial Purchasers"), the Trustee and the Agents make no representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in this Offering Circular. Nothing contained in this Offering Circular is, or should be relied upon as, a promise or representation by the Initial Purchasers, the Trustee or the Agents as to the past or future. The Initial Purchasers, the Trustee and the Agents have not independently verified all of the information contained herein (financial, legal or otherwise) and assume no responsibility for the accuracy or completeness of any such information.

The information contained in this Offering Circular is accurate as of the date of this Offering Circular and is subject to change, completion or amendment without notice. Neither the delivery of this Offering Circular at any time nor the offer, sale or delivery of any Note shall, under any circumstances, create any implication that there has been no change in the information set forth in this Offering Circular or in our affairs since the date of this Offering Circular.

This Offering Circular contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of material documents referred to herein will be made available to prospective investors upon request to us or the Initial Purchasers.

The Securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the

financial risks of this investment for an indefinite period of time. Please refer to the sections entitled "Plan of Distribution" and "Transfer Restrictions."

This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy any of the Securities to any person in any jurisdiction where it is unlawful to make such an offer or solicitation. Except as mentioned under "Plan of Distribution" no action has been or will be taken to permit a public offering of the Securities in any jurisdiction where action would be required for that purpose. The Securities may not be offered or sold, directly or indirectly, and this Offering Circular may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Each prospective investor must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Securities or possesses or distributes this Offering Circular and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the Initial Purchasers nor the Trustee nor the Agents nor any of our or their respective representatives shall have any responsibility therefor.

We reserve the right to withdraw this offering of the Securities at any time and we and the Initial Purchasers reserve the right to reject any commitment to subscribe for the Securities, in whole or in part. We also reserve the right to allot to you less than the full amount of Securities sought by you. The Initial Purchasers and certain related entities may acquire for their own account a portion of the Securities.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the Securities under applicable legal investment or similar laws or regulations.

In connection with the issue and distribution of the Securities, the Initial Purchasers or any person acting for them may, subject to applicable law, over-allot or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail for a limited period of time. However, the Initial Purchasers or any person acting for them is under no obligation to do so. Furthermore, such stabilization, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

This Offering Circular is not a prospectus for the purposes of the Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the "Prospectus Directive").

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive.

Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation."

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and

professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. The term "manufacturer" as used in this paragraph refers to Standard Chartered Bank.

The communication of this Offering Circular and any other document or materials relating to the issue of the Notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, the Notes offered hereby are only available to, and any investment or investment activity to which this Offering Circular relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this Offering Circular or any of its contents.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION NOR ANY OTHER REGULATORY AUTHORITY, HAS APPROVED OR DISAPPROVED THE SECURITIES NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with resales of the Notes, the Company is required to furnish upon request of a holder of a Note and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) if, at the time of such request, the Company is not subject to the periodic reporting requirements of Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") nor exempt from such reporting requirements pursuant to Rule 12g3-2(b) thereunder.

NOTICE TO PROSPECTIVE INDONESIAN INVESTORS

The Securities have not been offered or sold and will not be offered or sold in Indonesia or to any Indonesian nationals, corporation or residents, including by way of invitation, offering or advertisement, and this Offering Circular and any other offering material relating to the Securities has not been distributed, and will not be distributed, in Indonesia or to any Indonesian nationals, corporations or residents in a manner which would constitute a public offering in Indonesia under Law No. 8 of 1995 on Capital Market. The Indonesian Financial Services Authority (Otoritas Jasa Keuangan or "OJK") (formerly known as Bapepam-LK) does not review or declare its approval or disapproval of the issue of the Securities, nor does it make any determination as to the accuracy or adequacy of this Offering Circular. Any statement to the contrary is a violation of Indonesian law.

NON-GAAP FINANCIAL MEASURES

This Offering Circular includes certain non-GAAP financial measures. We define EBITDA for the purposes of this Offering Circular as earnings before interest, taxes, depreciation (including depletion), amortization, gain

or loss on foreign exchange and other income or charges for the period presented. EBITDA, as well as the related ratios presented in this Offering Circular, are supplemental measures of respective performance and liquidity that are not required by, or presented in accordance with, Indonesian Financial Accounting Standards (Indonesian FAS) or U.S. GAAP are not measurements of financial performance or liquidity under Indonesian FAS or U.S. GAAP and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with Indonesian FAS or U.S. GAAP or as alternatives to cash flow from operating activities as a measure of liquidity. In addition, EBITDA is not a standardized term; accordingly, a direct comparison between companies using such a term may not be possible.

We believe that EBITDA and EBITDAX facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest, finance charges and related derivative gains or losses, net of interest income), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and book depreciation and amortization of tangible and intangible assets (affecting relative depreciation and amortization expenses) and in the case of EBITDAX, exploration expenses. In particular, presentation of our EBITDA also adjusts for the non-cash equity in net income of associates and foreign exchange gains (losses). EBITDA has been presented because we believe that it is frequently used by securities analysts, investors and other interested parties to evaluate similar companies, many of whom present such non-GAAP financial measures when reporting their results. Finally, EBITDA is presented as a supplemental measure of our ability to service our debt. Nevertheless, EBITDA has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for, analysis of our financial condition or results of operations. Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

EBITDA and EBITDAX are not measurements of financial performance under Indonesian Financial Accounting Standards and should not be considered as an alternative to net income as indicators of the Company's operating performance or any other measures of performance derived in accordance with Indonesian Financial Accounting Standards. As a measure of the Company's operating performance, the Company believes that the most directly comparable Indonesian Financial Accounting Standards measure to EBITDA and EBITDAX is gross profit and profit or loss before income tax expense. We calculate EBITDA as gross profit minus selling, general and administrative expenses plus depreciation, depletion and amortization (which are charged to cost of sales and other direct costs and selling, general and administrative expenses). EBITDAX is EBITDA plus exploration expenses.

INDUSTRY AND MARKET DATA

Certain market data, industry forecasts and data relating to Indonesia and other countries or areas of the world used throughout this Offering Circular have been obtained from industry publications and surveys, including the report entitled "Indonesia Market Report — Upstream Section" prepared by Wood Mackenzie. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. While reasonable actions have been taken by us to ensure that the information is extracted accurately and in its proper context, neither we nor the Initial Purchasers have independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

In this Offering Circular, various operational data relating to our operations has been included. The manner in which such operational data has been calculated is described in this Offering Circular. You should note, however, that other companies in our industries may calculate and present such data in a different manner and therefore, you should use caution in comparing our data with data presented by other companies, as such data may not be directly comparable.

CERTAIN TERMS AND CONVENTIONS

Unless indicated otherwise in this Offering Circular, all references to: (1) the "Issuer" are to Medco Platinum Road Pte. Ltd.; (2) "Medco Energi" or the "Parent Guarantor" are to PT Medco Energi Internasional Tbk., (3) the "Company", "us", "our" or "we" are to Medco Energi and its subsidiaries; (4) "AMNT" are to PT Amman Mineral Nusa Tenggara, our joint venture company through which we jointly conduct copper and gold mining operations; and (5) "MPI" are to PT Medco Power Indonesia, our subsidiary engaged in the power generation business in Indonesia in which we effectively own an 88.62% interest.

Certain terms used herein are defined in the "Glossary" contained elsewhere in this Offering Circular. All references herein to "Indonesia" are references to the Republic of Indonesia and references to the "Government" herein are references to the government of Indonesia. References to the "United States" or "U.S." are to the United States of America. References herein to "US$", "$" or "U.S. dollar" are to the currency of the United States of America, and references to "IDR," "Rp." or "Rupiah" are to the currency of the Republic of Indonesia. Unless otherwise specified, all translations of Rupiah into U.S. dollar amounts were made at the middle exchange rate for Rupiah against U.S. dollar announced by Bank Indonesia on September 29, 2017, which was US$0.000074 to Rp. 1.00. These translations were made for the sole purpose of the reader's convenience. No representation is made that the Rupiah or U.S. dollar amounts referred to herein could have been or could be converted into Rupiah or U.S. dollars, as the case may be, at any particular rate or at all. See "Exchange Rates". Certain amounts (including percentage amounts) have been rounded for convenience; as a result, certain figures may not sum to total amounts or divide to equal quotients.

Our consolidated financial statements are prepared in accordance with Indonesian Financial Accounting Standards ("Indonesian FAS") and are not intended to present our consolidated financial condition, financial performance or cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than those in Indonesia, including the United States and countries in the European Union. The material differences between Indonesian FAS and U.S. GAAP as applicable to us are discussed under the caption "Summary of Certain Significant Differences Between Indonesian FAS and U.S. GAAP." We maintain our books, and prepare and report our consolidated financial statements, using the U.S. dollar.

Unless otherwise specified, all references herein to "production capacity" of a facility means the maximum amount that can, or is expected to be able to, be contained by such facility. No representation is made that the amount of production (if any) from such facility is or will or is expected to be equal to the production capacity of a facility and production capacity should not be treated as indicative of future levels of production.

Unless otherwise specified, all references herein to ownership interests and effective interests are as of September 30, 2017.

Gross working interest production, with respect to a block, is the production achieved from the block attributable to our effective interest prior to deduction of any share attributable to the Government, multiplied by our working interest before applying any PSC calculation. Our net entitlement in a given year represents our share of gross working interest production after deducting the share attributable to the Government pursuant to the terms of the relevant production sharing arrangement. For a more complete description of the mechanism for sharing production between us and the Government, refer to "Regulatory Overview."

PRESENTATION OF OIL AND GAS RESERVES DATA

The information on our historical natural gas and oil reserves presented in this Offering Circular is based on estimates of such reserves underlying the properties in which we have an interest under production sharing arrangements. "Proved reserves" are those quantities of hydrocarbon which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods and Government regulations. "Proved plus probable reserves" are proved reserves plus those reserves that are unproved reserves

which analysis of geological and engineering data suggests are more likely than not to be recoverable. "Proved plus probable plus possible reserves" are proved plus probable reserves plus additional reserves that the engineering data indicates are less certain to be recovered than probable reserves. "Gross working interest reserves" are reserves attributable to our effective interest prior to deduction of any share attributable to the Government. "Net reserves" are reserves attributable to our effective interest, after deduction of any share attributable to the Government. In each case, our effective interest is given after taking into account any dilution due to less than 100% ownership through subsidiaries which are less than wholly owned, directly or indirectly, by us. All SKK Migas and Pertamina interests shown herein, other than working interests, income and revenue taxes and DMO (as defined herein), are considered to be attributable to the Government. Estimated oil and gas reserves and resources are presented based on our net working interest (inclusive of any government shares).

Contingent resources are less certain than reserves. These are resources that are potentially recoverable but not yet considered mature enough for commercial development due to technological or business hurdles. For contingent resources to move into the reserves category, the key conditions, or contingencies, that prevented commercial development must be clarified and removed.

Unless otherwise indicated or in the case of oil prices, references to "crude oil" or "oil" include condensate. Natural gas equivalents and crude oil equivalents are determined using the ratio in the range of 5.19 – 6.54 Mcf of natural gas to one Bbl of crude oil, condensate or natural gas liquids.

All references herein to the "2001 Oil and Gas Law" are references to the oil and gas law as set forth in Law No. 22 of 2001 enacted on November 23, 2001 by the Government. References to "Pertamina" are references to the Indonesian state-owned oil and gas company, PT Pertamina (Persero) (*Perusahaan Pertambangan Minyak dan Gas Bumi Negara*), references to "MIGAS" are references to "the Directorate General of Oil & Gas (*Direktorat Jenderal Minyak dan Gas Bumi*), of the Ministry of Energy and Mineral Resources of the Republic of Indonesia," references to "SKK MIGAS" are references to the Indonesian Government's Special Task Force for Upstream Oil and Gas Activities (*Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi*), which came into existence upon the issuance of Presidential Regulation No. 9 of 2013 regarding the Management of Upstream Oil and Gas Activities ("PR 9/2013") to take over the former functions and duties of the Executive Agency for Upstream Oil and Gas Activities known as *Badan Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi* ("BP MIGAS"). All references to "PSCs" are to Production Sharing Contracts, and all references to "JOBs" are to Joint Operating Bodies. For more information see "Regulatory Overview."

Certain of our oil and gas reserves data included herein has been derived based on the reserves estimations or assessments of independent petroleum engineering consultants, Netherland, Sewell & Associates, Inc. ("NSAI"), Resource Investment Strategy Consultants ("RISC") and Gaffney, Cline & Associates ("GCA"). In particular, the reserves figures presented in this Offering Circular are derived from independent third party reserves estimations or assessments as of December 31, 2016 by NSAI for the Block A Aceh PSC; as of December 31, 2016 by RISC for the South Natuna Sea Block B PSC; and as of November 30, 2016 by GCA for the Senoro-Toili (Senoro Gas Field). To the extent that we have presented our gross working interest reserves on the basis of our effective interest under the applicable contractual arrangement before consideration of PSC terms and not in accordance with SPE guidelines, we and not our independent petroleum engineering consultants are responsible for such data. However, our independent petroleum engineering consultants are responsible for the reserves data prior to adjustment for the effective working interest.

The other reserves information contained in this Offering Circular, which amounts to approximately 46.5% of our gross working interest proved oil and gas reserves and 51.0% of our gross working interest proved plus probable oil and gas reserves as of September 30, 2017, has not been recently estimated or assessed by any third party, but constitutes our estimates, based on prior independent third party reserve estimations or assessments from which production has been deducted. Certain reserves information contained in this Offering Circular consists of estimates of third parties and has not been independently verified by us. The reserves information contained in this Offering Circular was prepared on the basis of generally accepted petroleum engineering

principles and definitions applicable to the proved plus probable plus possible reserve categories and sub-classifications promulgated by the Society of Petroleum Engineers ("SPE"). However, such disclosures may not meet the disclosure requirements of the SEC. See "Risk Factors — Risks Relating to the Company — The oil and gas reserves data in this Offering Circular are estimates calculated using industry standard methodologies and the actual production, revenue and expenditures achievable with respect to our reserves may differ from such estimates; although we have recent reserve estimations or assessments for certain of our key production and development blocks, there are no recent independent third party estimations or assessments available for the majority of our blocks, and the oil and gas reserves data for these blocks are based on previous third party estimations or assessments and then deducting cumulative production. In addition, probable reserves are generally believed to be less likely to be recovered than proved reserves." Estimated oil and gas reserves and resources are presented based on our net working interest (inclusive of any government shares).

FORWARD-LOOKING STATEMENTS

This Offering Circular includes "forward-looking statements", as defined in Section 27A of the Securities Act, and Section 21E of the Exchange Act including statements regarding our expectations and projections for future operating performance and business prospects. The words "believe," "plan," "expect," "anticipate," "estimate," "project" and similar words identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular are forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Specifically, statements under the captions "Summary," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors" and "Business" relating to the following matters may include forward looking statements:

- our reserve estimates and classification of reserves and our ability to extract oil and gas;
- our plans and targets for commencement of oil and gas production, as well as our planned production capacity and the performance of certain facilities, wells and geological formations;
- our development plans for our exploration, development and production blocks and AMNT's development plans for the Batu Hijau mine;
- our and our partners' and associates' development and future plans for the copper and gold, power and renewable energy industries and relevant anticipated or predicted production;
- our future and budgeted capital expenditures and investments in general and expected production capacity of facilities to be constructed or acquired as part of our capital expenditure plans;
- the expected results of our exploration, development, production and drilling activities and other related capital expenditures and investments;
- the anticipated demand and selling prices for petroleum products, gas products and petrochemicals, drilling activities and power;
- sales to existing and potential customers, whether under sales contract or not, and generation of future receivables;
- our ability to be and remain competitive;
- our financial position, business strategy and budgets, projected financial and operating data and plans and objectives of management for future operations; and
- environmental compliance and remediation.
- Such statements are subject to certain risks and uncertainties, including:
- economic, social and political conditions in Indonesia and other countries in which we operate and transact business;
- movements in oil and gas prices and in gold and copper prices;

- increases in regulatory burdens in Indonesia and such countries, including environmental regulations and compliance costs;
- changes in our relationship with the Government, SKK Migas, Pertamina and/or regional government authorities in Indonesia;
- changes in terms and conditions of production sharing arrangements; and
- changes in import or export controls, duties, levies or taxes, either in international markets or in Indonesia.

The expectations of our management with respect to exploration, development and production activities, whether conducted by us, any of our subsidiaries, joint ventures, associates or affiliates, or any of our suppliers, are also subject to risks arising from the inherent difficulty of predicting the presence, yield or quality of oil and gas deposits or mineral resources, as well as unknown or unforeseen difficulties in extracting, transporting or processing any oil and gas or mineral resources found, or doing so on an economical basis.

Our ability to maintain and grow revenues, net income and cash flows depends upon continued capital expenditure. In addition, our capital expenditure and investment plans are subject to a number of risks, contingencies and other factors, such as oil and gas prices, market demand, geological factors, acquisition opportunities and the success of our drilling program, some of which are beyond our control. We adjust our capital expenditure and investment budget periodically based on factors deemed relevant by us. Our ability to obtain adequate financing to satisfy our capital expenditure and investment budget and debt service requirements may be limited by our financial condition, results of operations, legal and regulatory issues and the liquidity of international and domestic financial markets. We may make additional capital expenditures and investments as opportunities or needs arise. We may increase, reduce or suspend our planned capital expenditures or investments, or change the timing and use of our capital expenditures from what is currently planned, in response to market conditions, drilling results, production trends or for other reasons.

For the foregoing reasons, our actual future capital expenditures and investments are likely to be different from our current budgeted capital expenditure and investment amounts, and such differences may be significant.

Should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected. Specifically, but without limitation, capital costs could increase, projects could be delayed, and anticipated improvements in production, capacity or performance might not be fully realized or realized at all. Although we believe that the expectations of our management as reflected by such forward-looking statements are reasonably based on information currently available to us, no assurances can be given that such expectations will prove to have been correct. Accordingly, prospective investors are cautioned not to place undue reliance on forward-looking statements. In any event, these statements speak only as of their dates, and the Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a private limited liability company incorporated under the laws of Singapore. The Parent Guarantor is a publicly listed limited liability company incorporated in Indonesia under the laws of the Republic of Indonesia. As a result, it may be difficult for investors to enforce against the Issuer or the Parent Guarantor judgments obtained in non-Indonesian courts. A claimant may be required to pursue claims in Indonesian courts on the basis of Indonesian law.

As Indonesia and Singapore do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters, and Indonesia is not listed as a country under the Reciprocal Enforcement of Commonwealth Judgments Act, Chapter 264 of Singapore, or Reciprocal

Enforcement of Foreign Judgments Act, Chapter 265 of Singapore, a final and conclusive judgment for the payment of money rendered by any courts in Indonesia based on civil liability cannot be registered in Singapore and enforced as if it was a judgment of the Singapore court. However, if the party in whose favor such Indonesian final and conclusive judgment is rendered brings a new suit in a competent court in Singapore and makes a fresh claim on the final and conclusive money judgment rendered by the Indonesian courts, such party may submit to the Singapore court the final and conclusive judgment that has been rendered in Indonesia as evidence of fact in relation to the claim for the money judgment. If, and to the extent, the Singapore court finds that the court in Indonesia is of competent jurisdiction to render the judgment, it is an in personam final and conclusive judgment, which is also judgment for a definite sum of money, the Singapore court will, in principle, grant a Singapore judgment for the sum under the foreign judgment, without substantive re-examination or re-litigation on the merits of the subject matter thereof, unless such judgment was procured by fraud or its enforcement would be contrary to public policy in Singapore or that the proceedings in which it was obtained were contrary to natural justice.

The Parent Guarantor has been advised by its Indonesian legal advisor, Assegaf Hamzah and Partners, that judgments of non-Indonesian courts, including any judgments on original actions brought in Indonesian courts based solely upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state or territory within the United States, are not recognized or directly enforceable in Indonesian courts. A claimant may be required to pursue claims in Indonesian courts on the basis of Indonesian law. The judgment of a foreign court could be offered and accepted as evidence in proceedings of the underlying claim in an Indonesian court and may be given such evidentiary weight as the Indonesian court may deem appropriate, in its sole discretion. Re-examination of the underlying claim de novo would be required before the Indonesian court. There can be no assurance that the claims or remedies available under Indonesian laws will be the same, or as extensive, as those available in other jurisdictions.

The agreements entered into with respect to the issue of the Notes are governed by the laws of New York. A judgment rendered by a New York court based upon the civil liability provisions of the securities laws of the United States or any state thereof are not enforceable in Singapore courts and Singapore courts may not enter judgments in original actions brought in Singapore courts based solely upon the civil liability provisions of the securities laws of the United States or any state thereof.

ENFORCEMENT OF THE GUARANTEES IN INDONESIA

Under the Indonesian Civil Code, a guarantor may waive its right to require the obligee to exhaust its legal remedies against the obligor's assets on a guaranteed obligation prior to the obligee exercising its rights under the related guarantee. The Guarantees contain a waiver of this obligation. The Parent Guarantor has been advised by its Indonesian legal advisor that it may successfully argue that, even though a guarantee contains such waivers, the Parent Guarantor may nevertheless require that the obligee first prove that all available legal remedies against the obligor have, in fact, been exhausted. Accordingly, if such request is granted, the Parent Guarantor may not be required to comply with its obligations under the Guarantees provided in respect of the Notes until all remedies against the Issuer have been exhausted. Paragraph 1 of Article 1832 of the Indonesian Civil Code stipulates that once a guarantor has waived its rights to require a lender to exhaust its legal remedy against the obligor, such guarantor may no longer claim otherwise. However, the outcome of specific cases in the Indonesian legal system is subject to considerable discretion and uncertainty.

In several court cases in Indonesia, Indonesian companies that had defaulted on debt incurred through offshore financing entities (using structures involving a guarantee issued by an Indonesian company) have successfully sued their creditors to, among other things, invalidate their debt obligations and have sought damages from creditors exceeding the original proceeds of the debt issued. In one such case, which was subsequently settled, an Indonesian court annulled the transaction documents in a structure involving a guarantee issued by an Indonesian company for debt of an offshore subsidiary. In another case, an Indonesian court

declared a loan agreement between an offshore entity and its creditors null and awarding damages to the defaulting borrower. The courts' reports of these decisions do not provide a clear factual basis or legal rationale for the judgments.

In a June 2006 decision that was released in November 2006, the Indonesian Supreme Court affirmed a lower court judgment that invalidated US$500 million of notes issued through an offshore offering structure (the "June 2006 Decision"). The decision involved an Indonesian listed company, PT Indah Kiat Pulp & Paper Tbk. ("Indah Kiat"), as plaintiff and various parties as the defendants using a structure similar to this offering of the Notes and the Guarantees, whereby notes were issued through a Dutch subsidiary of Indah Kiat and guaranteed by Indah Kiat. The Indonesian Supreme Court upheld the decisions of a District Court and High Court in Indonesia in favor of Indah Kiat. The Indonesian courts ruled that the defendants (including the trustee, underwriter and security agent for the issuance of the Indah Kiat notes) committed a tort (perbuatan melawan hukum), and therefore the issuance of the notes was declared null and void. The courts nullified the notes by reasoning that the contracts made in relation to the notes were signed without any legal cause, and so did not meet the provision of Article 1320 of the Indonesian Civil Code that requires a legal cause as one of the elements for a valid agreement. The Indonesian courts accepted the plaintiff's argument that Indah Kiat acted both as a debtor and as a guarantor of the same debt even though in the facts of the case Indah Kiat International Finance Company B.V. ("Indah Kiat BV"), Indah Kiat's Dutch subsidiary established for the purpose of the issuance of the notes, was the issuer of the notes and Indah Kiat was the guarantor of such notes. The Indonesian courts also ruled that the establishment of Indah Kiat BV was unlawful as it was intended to avoid Indonesian withholding tax payments.

On August 19, 2008, the Indonesian Supreme Court granted a civil review (peninjauan kembali) and annulled the June 2006 Decision ("August 2008 Decision"). The Indonesian Supreme Court in its civil review decision stated that Indah Kiat had failed to prove that the transaction was an act of legal manipulation that caused damages to Indah Kiat. Therefore, the Indonesian Supreme Court concluded that the defendants did not commit any unlawful act. Further, the Indonesian Supreme Court maintained that it was clear that the money borrowed by Indah Kiat from Indah Kiat BV was in fact originated from the issuance of notes, as evidenced in the recital of the relevant loan agreement, and thus the claim that the whole transaction was a manipulation of law had no merit. Moreover, with regard to the validity and enforceability of the security documents, the civil review stated that the security agreements would prevail as long as the underlying agreements were still valid and binding. On the tax issues, the civil review considered that the Indonesian Supreme Court has misapplied the tax law as it did not prohibit tax saving, and thus the claim relating to tax was annulled. The civil review also stated that for certain New York law governed agreements in the transaction (such as the indenture, the loan agreement, the amended and restated loan agreement and the underwriting agreement), the claim should be brought to the appropriate court in the state of New York.

Despite the decision described above, the Indonesian Supreme Court has taken a contrary view with respect to PT Lontar Papyrus Pulp & Paper Industry ("Lontar Papyrus"), a sister corporation of Indah Kiat. According to an Indonesian Supreme Court decision at civil review level (which was subsequently upheld by the Indonesian Supreme Court at the appellate level), in March 2009, the Indonesian Supreme Court refused a civil review (the "March 2009 Decision") of a judgment by the District Court of Kuala Tungkal, in South Sumatra, which invalidated US$550 million of notes issued by APP International Finance Company B.V. ("APPC") and guaranteed by Lontar Papyrus. Lontar Papyrus' legal arguments in its lower court case were fundamentally the same as those in the earlier cases by Indah Kiat — namely, that, under the notes structure, the plaintiff was acting as both the debtor and guarantor for the same debt and, therefore, the structure was invalid. The Indonesian Supreme Court's refusal to grant a civil review effectively affirmed the lower court decision to invalidate all of the transaction documents, including Lontar Papyrus's obligations as the guarantor under the notes, and meaning the verdict is now final. The Indonesian Supreme Court's refusal to grant the civil review was based on reasons that the loan agreement between APPC and Lontar Papyrus and the indenture with regard to the issuance of notes required adjustment to observe the prevailing laws and regulations in Indonesia. In addition, the fact that the loan has been paid in full by Lontar Papyrus to APPC under the relevant loan agreement resulted in Lontar Papyrus

having no continuing outstanding legal obligation, either as debtor under the relevant loan agreement or as guarantor under the indenture. Lontar Papyrus and Indah Kiat are subsidiaries of Asia Pulp & Paper Company Ltd., and their original court cases against their creditors were filed at approximately the same time. While the lower court decisions in certain of these cases have been ultimately annulled by the Indonesian Supreme Court, as was the case in August 2008 in the Indah Kiat matter, it appears that the Indonesian Supreme Court has taken a contradictory view on the Lontar Papyrus case.

In September 2011, the Indonesian Supreme Court (the "September 2011 Decision") refused a civil review of a decision by the District Court of Bengkalis (whose judgment was the subject of the Indonesian Supreme Court's June 2006 Decision and August 2008 Decision), which invalidated the notes issued by Indah Kiat B.V. The facts and legal claims presented by Indah Kiat BV were substantially the same as those made by Indah Kiat in the lower court cases that were the subject of the June 2006 Decision. The September 2011 Decision specifically noted that the Indonesian Supreme Court chose to not consider its August 2008 Decision despite such substantially similar facts and legal claims.

The Indonesian Supreme Court's refusal to grant civil reviews of the lower court decisions in the March 2009 Decision and September 2011 Decision effectively affirmed the lower court decisions and such lower court decisions are now final and not subject to further review.

There is also an instance where the Indonesian court, through a suspension of payment proceedings, failed to acknowledge noteholders as creditors of the parent guarantor under a guarantee arrangement similar to that of the Notes. On December 8, 2014, the Supervisory Judge in proceedings before the Commercial Court of the Central Jakarta District Court determined that noteholders were not creditors of PT Bakrie Telecom Tbk ("Bakrie Tel") for purposes of its court-supervised debt restructuring, known as a PKPU (the "Bakrie Tel PKPU"). Bakrie Tel, an Indonesian telecommunications company, is the guarantor of US$380 million of senior notes issued in 2010 and 2011 by a Singapore-incorporated special purpose vehicle that is a subsidiary of Bakrie Tel. The proceeds from the offering of the notes were on-lent to Bakrie Tel pursuant to an intercompany loan agreement, which was guaranteed by Bakrie Tel and assigned to the noteholders as collateral. In its decision affirming the composition plan, the Commercial Court accepted the Supervisory Judge's determination that the relevant creditor of Bakrie Tel in respect of the US$380 million notes was the issuer subsidiary, rather than the noteholders or the trustee, and gave no effect to the guarantee. As such, only the intercompany loan was recognized by the Commercial Court as indebtedness on which Bakrie Tel was liable for purposes of the Bakrie Tel PKPU. As a result, only the issuer subsidiary had standing as a Bakrie Tel creditor to vote in the Bakrie Tel PKPU proceedings, which substantially altered the terms of the U.S. dollar bonds and the guarantee.

Similar with the Bakrie Tel PKPU case, an Indonesian company, PT Trikomsel Oke Tbk ("Trikomsel"), in early 2016 entered into a suspension of payment obligation ("PKPU") under the Indonesia bankruptcy law regime. The PKPU administrators were reported to have rejected claims that arose from holders of their two Singaporean Dollar bonds and have taken the stance that the trustees under such bonds did not have any standing to make claims on behalf of bondholders. Further, they asserted that only individual bondholders that had filed claims on their own would be able to participate in the PKPU proceedings and to vote on any restructuring plan. On September 28, 2016, the PKPU process was settled between Trikomsel and its creditors through the establishment of a composition plan (rencana perdamaian) which was approved by certain bondholders, and then ratified by the Jakarta Commercial Court. Based on an announcement from Trikomsel, under the composition plan, the bondholders of the two of Singaporean dollar bonds may be required to convert their notes into new shares to be issued by Trikomsel, thereby extinguishing the bonds.

The Indonesian court decisions are not binding precedents and do not constitute a source of law at any level of the judicial hierarchy as would be the case in common law jurisdictions such as the United States and the United Kingdom. This means that while lower courts are not bound by the Indonesian Supreme Court decisions, such decisions have persuasive force. Therefore, there can be no assurance that in the future a court will not issue a similar decision to the June 2006 Decision or the March 2009 Decision or decision on PKPU proceedings such

as the Bakrie Tel PKPU or Trikomsel PKPU in relation to the validity and enforceability of the Notes and the Guarantees or grant additional relief to the detriment of the holders of the Notes, if we were to contest the enforcement by the holders of the Notes of our obligations.

Indonesian Regulation of Offshore Debt

Pursuant to Presidential Decree No. 59/1972 dated October 12, 1972 and Presidential Decree No. 120/1998 dated August 12, 1998 ("Presidential Decree No. 59/1972"), Parent Guarantor is required to report details regarding its offshore debt to the Minister of Finance of Indonesia and Bank Indonesia, on the acceptance, implementation and repayment of principal and interest. The Ministry of Finance Decree No. KEP-261/MK/IV/5/73 dated May 3, 1973, as amended by the Ministry of Finance Decree No. 417/KMK.013/1989 dated May 1, 1989, and the Ministry of Finance Decree No. 279/ KMK.01/1991 dated March 18, 1991, as the implementing regulation of the Presidential Decree No. 59/1972, further set forth the requirements to submit periodic reports regarding offshore debt (including guarantees over offshore debt) to the Ministry of Finance of Indonesia and Bank Indonesia on the effective date of the contract and each subsequent three month period. Further, pursuant to Presidential Decree No. 39/1991 dated September 4, 1991 on Commercial Offshore Loan Management Coordination ("Presidential Decree No. 39/1991"), all offshore commercial borrowers must submit periodic reports to the Team of Offshore Commercial Borrowings (the "PKLN Team") upon the implementation of their offshore commercial borrowings. Presidential Decree No. 39/1991 does not stipulate the time frame or the format and the content of the periodic reports that must be submitted.

On December 31, 2014, Bank Indonesia issued Bank Indonesia Regulation No. 16/22/PBI/2014 regarding the Reporting on Foreign Exchange Activities and Reporting on the Implementation of Prudential Principles in the Management of Non-Bank Corporation's Offshore Debt ("PBI 16/22"). This regulation supersedes the Bank Indonesia Regulation No. 14/21/PBI/2012 regarding the Reporting on Foreign Exchange Activities ("PBI 14/21") which took effect on January 1, 2015. However, the implementing regulation of PBI 14/21, namely the Bank Indonesia Circular Letter No. 15/16/DInt dated April 29, 2013 on the Reporting of Foreign Exchange Activities in the form of Offshore Debt Realization and Position ("SEBI 15/16/DInt") would remain valid to the extent it did not contravene PBI 16/22. Bank Indonesia has issued implementing regulations for PBI 16/22, namely (i) the Bank Indonesia Circular Letter No. 17/4/DSta dated March 6, 2015 on the Reporting of Foreign Exchange Activities in the form of Offshore Debt Plan and the Amendment thereto ("SEBI 17/4/DSta") which supersedes Bank Indonesia Circular Letter No. 15/17/Dint dated April 29, 2013; (ii) Bank Indonesia Circular No. 17/3/DSta dated March 6, 2015 on the Reporting of the Implementation of Prudential Principles in the Management of Non-Bank Corporation's Offshore Debt as amended by Bank Indonesia Circular No. 17/24/DSta dated October 12, 2015 ("SEBI 17/3/DSta"); and (iii) the Bank Indonesia Circular Letter No. 17/26/DSta dated October 15, 2015 on the Reporting on Foreign Exchange Activities other than Offshore Debt ("SEBI 17/26/DSta"), which supersedes Bank Indonesia Circular Letter No. 15/5/DSM dated March 7, 2013.

PBI 16/22 requires all Indonesian residents who engage in foreign exchange activities, whether individual or entities, to report (i) any trading of goods, services and other transaction between an Indonesian resident and a non-resident; (ii) position and changes to offshore financial assets and/or offshore financial liabilities; and/or (iii) offshore debt plan and/or its realization to Bank Indonesia. The report on foreign exchange activities must be submitted using an online system in accordance with each implementing regulations of PBI 16/22 as applicable, namely SEBI 17/26/DSta, SEBI 15/16/Dint, SEBI 17/4/DSta.

Pursuant to SEBI 17/26/DSta, the following reports must be submitted to Bank Indonesia: (i) a report on trading transactions of goods, services, and other transactions between Indonesian residents and non-residents, (ii) a report on positions held and changes to offshore financial assets, (iii) a report on positions held and changes to equity of non-residents and other related obligations, (iv) a report on positions held and changes to offshore derivative obligations, (v) a report on positions held in offshore contingencies and commitments, and (vi) a report on positions held in securities owned by custodian customers. The report specified in (v) covers corporate guarantees, and any corporate guarantee given to a foreign lender which must be reported to Bank Indonesia.

Such reports and/or corrections of such reports (if any) are to be submitted through Bank Indonesia's website in a format that is specified under SEBI 17/26/DSta.

According to SEBI 15/16/DInt, any individual or entity that obtains offshore debt in a foreign currency and/or Rupiah pursuant to loan agreements, debt securities, trade credits or other loans, except two-step loans incurred by the Government (which refer to loans made by international financial institutions that are distributed to Indonesian commercial and rural banks through Bank Indonesia to support the Government's programs), clearing accounts, savings and deposits, must submit reports to Bank Indonesia. There is no minimum amount requirement to trigger the reporting obligation with regard to offshore debt obtained by an entity (whether a financial or non-financial institution). In contrast, an individual's offshore debt is only required to be reported if such debt exceeds an amount of US$200,000 or its equivalent in any other currency. The reports consist of the main data report and/or amendments and the monthly recapitulation data report. The main data report must be submitted to Bank Indonesia by no later than 15th day of the following month at 14:00 Western Indonesia time after the signing of the loan agreement or the issuance of the debt securities and/or the debt acknowledgment over the trade credits and/or other loans, and a monthly recapitulation data report must be submitted to Bank Indonesia by no later than 15th day of the following month at 24:00 Western Indonesia time, until the offshore debt has been repaid in full. According to SEBI 17/4/DSta, a company that intends to obtain a long-term offshore debt, namely a debt with tenor of more than one year, is required to submit reports on offshore debt plans to Bank Indonesia, through an online system by no later than March 15th of the respective year, while any changes thereto must be submitted through an online system at the latest by July 1st of the respective year. The procedure to submit such reports is stipulated in SEBI 17/4/DSta.

In addition to reporting on foreign exchange activities, for the purpose of PBI 16/21 (as defined below), PBI 16/22 also requires reporting on the implementation of the prudential principles. Under the SEBI 17/3/DSta, non-bank corporations must submit:

(1) the prudential principle implementation activity report ("KPPK report"): (i) a non-attested KPPK Report, which is to be submitted on quarterly basis, no later than the end of the third month after the end of the relevant quarter; and (ii) an attested KPPK report (attested by a public accountant), which is to be submitted no later than the end of June of the following year;

(2) information on the fulfillment of credit ratings, which is to be submitted at the latest at the end of the month following the execution or issuance of the offshore debt; and

(3) the financial statements of the company, consisting of: (i) unaudited financial statements, to be submitted on quarterly basis, by no later than the end of the third month after the end of the relevant quarter; and (ii) annual audited financial statements, which must be submitted by no later than end of June of the following year.

Bank Indonesia examines the accuracy of the foreign exchange activities report and the prudential principle implementation activity report. It can also request clarifications, evidence, records or other supporting documents from the relevant party or institutions, including direct inspection to the company or appoint a third party to do so.

As of January 1, 2016, submissions of and corrections to the prudential principle implementation activity report shall be made online. The requirement to submit credit ratings fulfillment only applies to offshore debt executed or issued as of January 1, 2016.

On December 23, 2015, Bank Indonesia issued Bank Indonesia Regulation No. 17/23/PBI/2015 to amend Bank Indonesia Regulation No. 16/10/PBI/2014 on Foreign Exchange Export Revenue and Drawdown of Offshore Debt which was issued on May 14, 2014 ("PBI 16/10/2014"). PBI 16/10/2014 revokes and replaces Bank Indonesia Regulation No. 13/22/PBI/2011 and Bank Indonesia Regulation No. 14/25/PBI/2012. On April 6, 2015, Bank Indonesia issued Bank Indonesia Circular Letter No. 18/5/DSta on the Receipt of Offshore Debt to revoke and replace Bank Indonesia Circular Letter No. 16/10/DSta dated May 26, 2014 on Drawdown of

Offshore Debt, as the implementing regulation of PBI 16/10/2014. Based on PBI 16/10/2014, any drawdown from offshore debt (in foreign currencies) originating from (i) a non-revolving loan agreement (including offshore debt originating from a difference between the refinanced debt and the previous debt) or (ii) offshore debt securities (including acknowledgements of debt which is tradable in domestic or international financial and capital markets, among others, in the form of bonds, medium term notes, floating rate notes, promissory notes and commercial paper) must be withdrawn through foreign exchange banks (which include offshore bank branches in Indonesia) and must be reported to Bank Indonesia with the relevant supporting documents. The aggregate face amount of the offshore debt should be equal to the local commitments provided under such debt and every receipt of offshore debt through a foreign exchange bank should be equal to each offshore debt withdrawal. In the event that the aggregate face amount of the offshore debt is less than the local commitments in excess of Rp. 50,000,000 (or its equivalent in foreign currencies), the borrower must submit a written explanation and sufficient supporting documentation to Bank Indonesia before the expiration of the term of such debt. In the event that each receipt amount of offshore debt received through foreign exchange bank is less the amount of each offshore debt withdrawal, such receipt amount of offshore debt received through foreign exchange bank will be deemed equal to the amount of each offshore debt withdrawal if the borrower submits sufficient supporting documents to Bank Indonesia. Withdrawals of the above offshore debt must be reported to Bank Indonesia monthly using the recapitulation data report as regulated under SEBI 15/16/DInt. These reports shall include supporting documents detailing that the receipt of offshore debt was withdrawn from the foreign exchange bank. Administrative sanctions will be imposed on companies that fail to comply with such reporting obligations.

With respect to the foregoing reporting obligations to Bank Indonesia, the sanction that may be imposed by Bank Indonesia is as follows:

(1) any delay and failure to submit foreign exchange report on offshore debt plan is administrative sanction in the form of warning letter and/or notification to the relevant authority or institution which will be issued by Bank Indonesia;

(2) any incompleteness and/or inaccuracy of information on a foreign exchange report (except for offshore debt plan) which is not corrected is an administrative sanction in the form of penalty at the amount of Rp. 50,000 (fifty thousand Rupiah) per incomplete and/or inaccuracy record, provided that the maximum amount of penalty imposed will not exceed Rp. 10,000,000 (ten million Rupiah);

(3) any incompleteness and/or inaccuracy of information on the KPPK Report, is an administrative sanction in the form of penalty at the amount of Rp. 500,000 (five hundred thousand Rupiah) per incompleteness and/or inaccuracy;

(4) any delay to submit the foreign exchange report (except for offshore debt plan) and the KPPK Report (whether non-attested or attested), including its supporting documents and financial statements (except for information on credit rating), is an administrative sanction in the form of penalty at the amount of Rp. 500,000 (five hundred thousand Rupiah) per day of delay, provided that the maximum amount of penalty imposed will not exceed Rp. 5,000,000 (five million Rupiah);

(5) any failure to submit the foreign exchange report (except for offshore debt plan) and the KPPK Report (whether non-attested or attested), including its supporting documents and financial statements (except for information on credit rating), is an administrative sanction in the form of penalty at the amount of Rp. 10,000,000 (ten million Rupiah);

(6) in addition to penalty, administrative sanction in form of warning letter and/or notification to the relevant authority or institution will be issued by Bank Indonesia for any delay and failure to submit the KPPK Report (whether non-attested or attested), including its supporting documents and financial statement (except for information on credit rating);

(7) any delay and failure to submit information on credit rating is administrative sanction in form of warning letter and/or notification to the relevant authority or institution which will be issued by Bank Indonesia; and

(8) any failure to comply with the obligation to withdraw the offshore debt through a foreign exchange bank in Indonesia is an administrative sanction in the form of penalty of 0.25% (zero point two five percent) of the withdrawal amount which does not pass through foreign exchange bank in Indonesia, provided that the maximum amount of penalty imposed will not exceed Rp. 50,000,000 (fifty million Rupiah).

Please note that the sanction that is imposed by Bank Indonesia in connection with the report on prudential principle implementation activity, including its supporting documents (except for information on credit rating) has been effective since the delivery of third quarter data report of 2015, while the sanction in connection with the report on prudential principles implementation with respect to credit rating has been effective since January 1, 2016.

Related to report on prudential principle implementation activity as regulated under PBI 16/22 is regulation which was issued by Bank Indonesia on December 29, 2014, namely Bank Indonesia Regulation No. 16/21/PBI/2014 on the Implementation of Prudential Principles in the Management of Non-Bank Corporation's Offshore Debt as amended by Bank Indonesia Regulation No. 18/4/PBI/2016 dated April 22, 2016 ("PBI 16/21"), which is applicable to non-bank corporations that obtain offshore debt in a foreign currency (non-Indonesian Rupiah). PBI 16/21 effectively replaces PBI 16/20/PBI/2014 which was issued on October 28, 2014 and for the implementation of PBI 16/21/2014, Bank Indonesia also issued (i) Bank Indonesia Circular Letter No. 16/24/DKEM dated December 30, 2014, as initially amended by Bank Indonesia Circular Letter No. 17/18/DKEM dated June 30, 2015 ("SEBI 16/24/DKEM") and lastly amended by Bank Indonesia Circular Letter No. 18/6/DKEM dated April 22, 2016 ("SEBI 18/6/DKEM") and (ii) SEBI 17/3/DSta.

PBI 16/21/2014 requires non-bank corporations that have offshore debt in a foreign currency (non-Indonesian Rupiah) to maintain the following prudential principles, namely: (i) minimum hedging requirement, (ii) minimum liquidity requirement and (iii) minimum credit ratings. The hedging requirement does not apply to non-bank corporations whose financial statement are presented in U.S. dollars and who fulfill the following criteria: (i) having an export revenue to business revenue ration of more than 50% in the previous calendar year, and (ii) having obtained approval from the Ministry of Finance to use U.S. dollars in their financial statement, which approval shall be evidenced by submitting supporting documents to Bank Indonesia.

The minimum hedging requirement is applied with a two-stage approach to avoid unnecessary difficulties for corporations having existing offshore debt. Until December 31, 2015, the minimum hedging ratio was set at 20% of (i) the negative difference between the foreign exchange assets and the foreign exchange liabilities that will become due within three months from the end of the relevant quarter, and (ii) the negative difference between the foreign exchange assets and the foreign exchange liabilities that will become due in the period of more than three months up to six months after the end of the relevant quarter. After December 31, 2015, the minimum hedging ratio is set at 25% of (i) the negative difference between the foreign exchange assets and the foreign exchange liabilities that will become due within three months from the end of the relevant quarter and (ii) the negative difference between the foreign exchange assets and the foreign exchange liabilities that will become due in the period of more than three months up to six months after the end of the relevant quarter. Foreign currency assets comprise of cash, demand deposits, regular deposits, term deposits, account receivables, inventories, marketable securities and receivables from forwards, swaps and/or options transactions in a foreign currency (non-Indonesian Rupiah) calculated based on position at the end of the relevant quarter. The account receivables which may be calculated as foreign currency assets are account receivables to resident and non-resident which will be due (a) within three months from the end of the relevant quarter and/or (b) in the period of more than three months up to six months after the end of the relevant quarter, which are true-sale in nature or non-refundable and after deducted with amortization. Accounts receivable may be calculated as foreign currency assets if such underlying agreement was executed prior to July 1, 2015. Account receivables with underlying agreement executed starting from July 1, 2015 may be counted as foreign exchange assets if: (a) they are related to strategic infrastructure projects and have obtained Bank Indonesia approval; or (b) the transaction which underlies the foreign currency assets is permitted to be in foreign currency pursuant to Bank Indonesia

Regulation No. 17/3/PBI/2015 on the Mandatory Use of Rupiah in the territory of the Republic of Indonesia ("PBI 17/3"). Inventory which may be calculated as a foreign currency asset is inventory from exporters with export income to business revenue ratio of more than 50% in the previous calendar year.

SEBI 16/24/DKEM defines foreign currency liabilities as liabilities in foreign currency to residents and non-residents, including liability deriving from forwards, swaps and/or options transactions maturing (a) within three months from the end of the relevant quarter; and (b) between three and six months from the end of the relevant quarter. Foreign currency liability which will be due may not be calculated as foreign currency liability if (a) it is in the process of roll over, revolving, or refinancing, to the extent the transaction which underlies it is in accordance with PBI 17/3; and/or (b) it constitutes foreign currency liability with respect to project financing which will be due within the next 6 months to the extent secured by offshore debt drawdown in foreign currency where the schedule of such drawdown is adjusted to the payable foreign currency liabilities and the transaction activities are in accordance with PBI 17/3. These two points must be proven by sufficient supporting documentation. SEBI 16/24/DKEM determines that only corporations that have negative difference of more than U.S. dollars 100,000 are obliged to fulfill the minimum hedging requirement. In addition, PBI 16/21 also regulates that hedging transactions for the fulfillment of the minimum hedging requirement shall be conducted with banks in Indonesia and became effective in 2017.

On the minimum liquidity requirement, non-bank corporations that have offshore debt in foreign currency are also required to comply with the minimum liquidity ratio of at least 70% by providing sufficient foreign exchange assets against foreign exchange liabilities that will become due within three months from the end of the relevant quarter. The minimum liquidity ratio of 70% was effective on January 1, 2016, while the applicable minimum liquidity ratio in 2015 was 50%.

The minimum credit rating requirement is required to be maintained at BB- (BB minus) or its equivalent from a particular rating agency recognized by Bank Indonesia. Such credit rating will be in the form of the applicable rating over the relevant corporation (issuer rating) and/or bonds (issue rating) in accordance with the type and period of such foreign currency offshore debt. Such rating shall be valid for two years as of the rating issuance. PBI 16/21 sets additional provisions where corporation may use their parent company credit rating if (i) such corporation enters into an offshore debt in foreign currency with its parent company, or if the offshore debt is guaranteed by the parent company, or (ii) such corporation is a newly established corporation with a maximum three years since the corporation begins its commercial operation. The requirement to fulfill the minimum credit rating requirement is exempted for (i) the refinancing of offshore debt in foreign currency (such exemption is limited to refinancing which does not increase the outstanding amount of the previous debt or if it increases, such increase shall not exceed (a) US$2,000,000 or its equivalent or (b) 5% of the outstanding of such refinanced debt if such 5% figure is higher than US$2,000,000 or its equivalent); (ii) offshore debt in foreign currency for infrastructure project financing derived (a) all from an international bilateral/multilateral lending agency or (b) from syndications loan where more than 50% of the contribution comes from international bilateral/multilateral institutions; (iii) offshore debt in foreign currency for central or regional government infrastructure project financing; (iv) offshore debt in foreign currency which is secured by international bilateral/multilateral institutions; (v) offshore debt in foreign currency in form of trade credits; (vi) offshore debt in foreign currency in form of other loans; (vii) offshore debt in foreign currency by a finance company (a business entity which conducts financing activities for the procurement of goods and services) to the extent (a) such finance company has minimum financial soundness of "healthy" as lastly issued by OJK; (b) such finance company fulfills the maximum gearing ratio as regulated by OJK); or (viii) offshore debt in foreign currency by Lembaga Pembiayaan Ekspor Indonesia (Indonesia Eximbank). Non-bank corporations that have offshore debt in foreign currency are obliged to submit report to Bank Indonesia on the implementation of prudential principles and the exemptions, together with the relevant supporting documents. Non-compliance of the requirements will be subject to administrative sanction in the form of warning letter. PBI 16/21 does not specify any other sanction in the event the non-bank corporations ignore such warning letter, however Bank Indonesia may inform related parties, such as relevant offshore creditors, the Ministry of State-Owned Companies (for state-owned non-bank corporation), the Ministry of Finance on behalf of Directorate General of Tax, OJK and the Indonesian Stock

Exchange (the "IDX") (for publicly listed non-bank corporation) on the implementation of administrative sanctions. PBI 16/21 became effective as of January 1, 2015, with exceptions for the implementation of (i) the administrative sanction requirement, which became effective starting from the delivery of the fourth quarter report of 2015, and (ii) the minimum credit rating requirement, which applies to offshore debt that is signed or issued on or after January 1, 2016.

Periodic Reports

Publicly listed companies are required by OJK regulations to periodically submit financial reports including annual financial statements and semi-annual financial statements pursuant to Bapepam-LK Regulation No. X.K.2 on Obligation to Submit Periodic Financial Statements. OJK replaced and assumed the function, duty and authority of the Indonesian Capital Markets and Financial Supervisory Agency (Badan Pengawas Pasar Modal dan Lembaga Keuangan) (or "Bapepam-LK") with effect from July 5, 2011. In addition, the IDX requires publicly-listed companies to submit annual and interim (quarterly) financial statements pursuant to IDX Regulation No. I-E on Obligations of Information Submission ("IDX Regulation No. I-E"). Under Law No. 40 of 2007 regarding Limited Liability Company (the "Company Law"), the board of directors must submit an annual report to a General Meeting of Shareholders. Pursuant to OJK Regulation No. 31/POJK.04/2015 on Disclosure on Material Information or Facts by Issuers or Public Companies ("OJK Regulation No. 31/2015") and IDX Regulation No. I-E, publicly listed companies are required to report to OJK and the IDX and are required to announce any material public information or facts that may affect the price of securities or investors' decision to the public, no later than two business days after the event has occurred. Further, pursuant to OJK Regulation No. 31/2015, the announcement shall include the following: (i) the date of the event, (ii) the types of material information, (iii) a description of the material information, and (iv) the impact caused by such material information. Publicly listed companies are also required to submit an annual report to OJK and IDX consisting of a summary of material financial data, information on shares (if any), the Board of Directors' and Board of Commissioners' report, company profile, management analysis and discussion, corporate governance, corporate social and environmental responsibility, audited annual financial statements and statement letter on the responsibilities of the Board of Directors and the Board of Commissioners in relation with the content in the annual report pursuant to OJK Regulation No. 29/POJK.04/2016 on Annual Report of Issuers or Public Companies and IDX Regulation No. I-E. The annual report must be submitted to OJK and IDX no later than 4 months following the end of a financial year.

Language of the Transaction Documents

Pursuant to Article 31 of Law No. 24 of 2009 on Flag, Language, Coat of Arms, and National Anthem that was enacted on July 9, 2009 ("Law No. 24/2009"), agreements to which Indonesian parties are a party are required to be executed in Bahasa Indonesia, although, when a foreign entity is a party, a dual-language document in English or the national language of the relevant party is permitted. There exists substantial uncertainty on how Law No. 24/2009 will be interpreted and applied, and it is not certain that an Indonesian court would permit the English version to prevail or even consider the English version. The Indenture and other documents entered into in connection with the issuance of the Notes will also be prepared in Bahasa Indonesia. However, there can be no assurance, in the event of inconsistencies between the Bahasa Indonesia and English Language version of those documents, an Indonesian court would hold that the English versions of such documents prevail. Furthermore, a translation from English to Bahasa Indonesia may not accurately reflect the original intent of the parties.

On December 28, 2009, the Ministry of Law and Human Rights of the Republic of Indonesia issued Letter No. M.HH.UM.01.01-35 regarding the Clarification for Implication and Implementation of Law No. 24/2009 (the "MOLHR Clarification Letter") in connection with Article 31 of Law No. 24/2009, which clarified the use of Bahasa Indonesia pursuant to Law No. 24/2009. The MOLHR Clarification Letter stipulates that, even if an agreement between Indonesian private entities (lembaga swasta Indonesia) is executed in English, such agreement should not violate the provisions of Article 31 of Law No. 24/2009. As the basis for this analysis, the MOLHR Clarification Letter references to Article 40 of Law No. 24/2009, which states that the use of Bahasa

Indonesia, including for the purpose of Article 31 of Law No. 24/2009, shall be further regulated by Presidential Regulations. Pursuant to the MOLHR Clarification Letter, until further implementing regulations of Article 31 of Law No. 24/2009 have been issued, an agreement between Indonesian private entities that is executed in English should not be deemed to have violated the provisions of Article 31 of Law No. 24/2009. On July 7, 2014, the Government issued an implementing regulation ("Government Regulation 57/2014") to give effect to certain provisions of Law No. 24/2009. Government Regulation 57/2014 focuses on the promotion and protection of the Indonesian language and literature and, while it is silent on the question of contractual language, it does serve as a timely reminder that contracts involving Indonesian parties must be executed in Bahasa Indonesia (although versions in other languages are also permitted). Hence, pursuant to the MOLHR Clarification Letter, any agreement that is executed in English without a Bahasa version is still legal and valid, and does not violate Article 31 of Law No. 24/2009. However, this letter was issued only as an opinion and does not fall within the types and hierarchy as stipulated in Article 7 of Law No. 12 of 2014 regarding the Formation of Laws and Regulations to be considered as a law or regulation and therefore has no legal force.

On June 20, 2013, the District Court of West Jakarta released Decision No. 451/Pdt.G/2012/PN.Jkt.Bar (the "June 2013 Decision"), which annulled a loan agreement between an Indonesian borrower, namely PT Bangun Karya Pratama Lestari as plaintiff, and a non-Indonesian lender, Nine AM Ltd as defendant. The loan agreement was governed by Indonesian law and was drafted only in the English language. The court ruled that the agreement contravened Article 31(1) of Law No. 24/2009 and declared it to be invalid. In arriving at this conclusion, the court relied on Articles 1320, 1335 and 1337 of the Indonesian Civil Code, which taken together render an agreement void if, inter alia, it is tainted by illegality. The court held that as the agreement had not been drafted in the Indonesian language, as required by Article 31(1), it therefore failed to satisfy the "lawful cause" requirement and was void from the outset, meaning that a valid and binding agreement had never existed. Then, the defendant appealed to the Jakarta High Court. On December 4, 2014, the Jakarta High Court released Decision No. 662/Pdt/2014/PT.DKI which rejected the appeal submitted by Nine AM Ltd. and affirmed the June 2013 Decision in its entirety. In its judgment, the Jakarta High Court believed the District Court of West Jakarta's judgment was correct and accurate.

Further, on October 23, 2015, the Indonesia Supreme Court through its decision No. 1572 K/Pdt/2015 again affirmed the two lower court decisions reached by the Jakarta High Court and West Jakarta District Court, which stated the loan agreement between Nine AM Ltd and PT Bangun Karya Pratama Lestari was annulled (null and void). The Supreme Court found that an agreement made only in the English language is null and void since its violates Article 31 (1) of Law No. 24/2009 and clauses stipulated in Articles of 1335 and 1337 of the Indonesian Civil Code. The annulment of the loan agreement resulted in the annulment of the fiduciary agreement, which was an accessor agreement, as well. Indonesian court decisions are generally not binding precedents and do not constitute a source of law at any level of the judicial hierarchy, as would typically be the case in common law jurisdictions such as the United States and the United Kingdom. However, there can be no assurance that a court will not, in the future, issue a similar decision to the June 2013 Decision in relation to the validity and enforceability of agreements that are made only in the English language. On January 15, 2014, Law No. 2 of 2014 on Amendment to the Law No. 30 of 2004 on Notary Profession ("Notary Law") was issued. Pursuant to the Notary Law, a notarial deed made after January 15, 2014 must be drawn up in the Indonesian language. If the parties require, the notarial deed can be made in a foreign language and in such an event, the notary must translate the deed into the Indonesian language but in the event of different interpretation as to the content of the deed, the Indonesian language deed shall prevail.

We will execute dual English and Bahasa Indonesia versions of all transaction agreements, to which the Guarantors are party. All of these documents will provide that in the event of a discrepancy or inconsistency, the parties intend the English version to prevail. Some concepts in the English language may not have a corresponding term in the Indonesian language and the exact meaning of the English text may not be fully captured by the Indonesian language version. If this occurs, there can be no assurance that the terms of the Notes and the Guarantees, including the Indenture, will be as described in the Offering Circular, or will be interpreted and enforced by the Indonesian courts as intended.

SUMMARY

The following summary is qualified in its entirety by the more detailed information and the consolidated financial statements of the Company appearing elsewhere in this Offering Circular. Certain oil and gas and other terms are defined under "Glossary." Prospective investors should carefully consider the information set forth in "Risk Factors" and the financial statements and related notes thereto included in the Offering Circular prior to making an investment decision with respect to the Notes. To understand the terms of the Notes, you should carefully read the section of this Offering Circular entitled "Description of the Notes" prior to making an investment decision with respect to the Notes.

Overview

We are an integrated energy and natural resources company operating through our core oil and gas exploration and production business and through significant investments in power generation and mining. We are the largest independent publicly listed oil and gas exploration and production company in Indonesia based on market capitalization. In addition, based on a peer analysis conducted by Wood Mackenzie, we are the largest upstream oil and gas exploration and production company among our Peer Group as of and for the year ended December 31, 2017 based on proved and probable reserves and production in Asia (our Peer Group refers to the group of peers identified by Wood Mackenzie, consisting of independent exploration and production companies with a noteworthy proved and probable reserves and production footprint in South and South East Asia. These consist of PT Saka Energi Indonesia, PT Energi Mega Persada Tbk., Ophir Energy plc, Premier Oil plc and KrisEnergy Ltd.). We primarily focus on our activities in Indonesia, and also have operations in the Middle East, North Africa and the United States.

We have achieved significant milestones in the last two years. We believe that 2016 was a transformational year for our business. We achieved key milestones in our oil and gas business through, among other things, our acquisition of an interest in, and becoming the operator of, the South Natuna Sea Block B and the associated West Natuna Transportation System, increasing our interest in Block A Aceh to 85%, obtaining a 10-year extension of, and increasing our interest to 100% in, the Lematang PSC in South Sumatra and receiving estimation or assessment of an additional 880 BCF of gross 100% field 1C contingent resources of gas compared to GCA's assessment in 2014 at the Senoro-Toili PSC. We also entered the copper and gold mining sector through our acquisition of a 41.1% indirect interest in AMNT, which operates the Batu Hijau mine, a very large, established open pit mining and processing operation on the Island of Sumbawa in Indonesia, processing about 42 Mtpa of ore per annum to produce copper and gold concentrates.

In 2017, we continued to successfully integrate previous acquisitions, including the acquisition of our interest in South Natuna Sea Block B and improve our cost structure. In October 2017, we increased our stake in MPI, which operates in the power generation sector as an IPP and O&M provider, from 49% (which we hold directly) to an effective interest of 88.62% by purchasing a 77.68% equity interest in PT Saratoga Power, which holds a 51% equity interest in MPI. In August 2017, we also completed the US$400 million offering of Senior Notes due 2022, refinancing a significant portion of our indebtedness. We also continued to deleverage and completed a rights offering in 2017 which raised proceeds of approximately US$195 million and also issued warrants exercisable between July 2018 and December 2020, the proceeds of which we expect to use for, among other things, repayment of indebtedness. In addition, the holding companies for our mining joint venture, AMNT, have repaid certain indebtedness, which has resulted in the discharge of our parent guarantee with respect to their indebtedness.

In 2015 and 2016, we significantly improved our organizational cost structure. Our full year unit cash production cost was reduced to US$8.8/BOE in 2016 compared to US$12.3/BOE in 2015 and US$15.4/BOE in 2014. Our unit cash production cost per BOE for the nine month period ended September 30, 2017 was

US$8.1/BOE. Our cost reduction programs have targeted both larger scale cost reduction opportunities, such as drilling rig rate reductions and smaller scale granular opportunities, such as travel and training budgets. We currently are committed to maintaining a unit cash production cost per BOE below US$10 through 2021.

We have interests in ten oil and gas properties in Indonesia, seven of which are currently producing and in oil and gas properties in five countries outside of Indonesia, namely the United States, Tunisia, Yemen, Libya and Oman. In Indonesia, our blocks are held under production sharing arrangements with SKK Migas, Indonesia's national upstream oil and gas regulator. Under these production sharing arrangements, we are entitled to recover our costs and earn an agreed after-tax share of the production once the block is declared commercially exploitable by SKK Migas.

We plan to continue to strengthen our producing assets portfolio by the phased development and monetization of our existing portfolio of discovered gas assets. We aim to bring our projects on-stream on time and within budget, particularly our Block A, Aceh block, which is our most advanced development in Indonesia. First gas production and gas deliveries under the Block A take-or-pay backed, fixed-price domestic contract are expected to begin in 2018. We then plan to focus on Senoro-Toili phase II where the investment decision with respect to the preferred development scenario is expected to be made in late 2018. Our operations at Senoro-Toili phase I are fully contracted under off-take agreements both for the upstream and downstream sectors. After this Senoro-Toili phase II investment, we plan to focus on our next large development, which is phase II of our Block A Aceh block and the monetization of our other discovered gas resources at this block. As a result, going forward, we expect that a larger percentage of our production will consist of production from Senoro-Toili, South Natuna Sea Block B and Block A Aceh, as certain of our existing blocks, including Rimau PSC and South Sumatera PSC, are in mature stages of production.

In 2016, our oil and gas production split was 46.7% oil and 53.3% gas (including production under our Oman service contract) and 39.0% oil and 61.0% gas (excluding production under our Oman service contract). Of the gas production, 50.9% was sold under fixed price contracts to PLN, the Indonesian state electricity generator, Pertamina (the national oil company of Indonesia) and Pusri (an Indonesian fertilizer producer wholly owned by the Government). The remaining gas production is sold to Sembgas, Petronas or indirectly pursuant to LNG contracts to KOGAS, Chubu Electric Power Co. Inc and Kyushu Electric Power Co. Inc. Our gas off-takers include blue chip customers with strong credit profiles.

In addition to our core oil and gas business, we operate in power generation and have a significant investment in mining. Through MPI, we operate in the power generation sector in Indonesia. MPI is an IPP and O&M provider. MPI is currently operating 526 MW gross installed capacity and also engages in the O&M business with a current portfolio of 2,150 MW. In October 2017, we increased our stake in MPI from 49% to an effective interest of 88.62% by purchasing a 77.68% equity interest in PT Saratoga Power, which holds a 51% equity interest in MPI, from PT Saratoga Sentra Business and S. Asia III Luxembourg S.A.R.L. MPI promotes a green energy platform and has interests in gas-fired power plants, geothermal energy and hydro-electricity. Established in 2004, MPI owns and operates seven gas-fired power generation assets with a total gross capacity of over 296.7 MW and is also currently developing its 275 MW gas-fired IPP project and six other renewable assets, including geothermal and mini hydro power plants. MPI also owns a minority share in the Sengkang gas-fired power plant in South Sulawesi and acquired a long-term O&M contract for the Tanjung Jati B power plant in Jepara, Central Java through one of its subsidiaries. MPI is also (jointly with its partners) developing a 3x110 MW geothermal power plant in Sarulla, North Sumatra, where the commercial operation of the first 110 MW unit was achieved in March 2017 and the second 110 MW unit was achieved in October 2017, and the remaining unit, with a 110MW capacity, is expected to be finished by mid-2018. For the Sarulla geothermal power plant, MPI is also appointed as operator under the O&M contract. In December 2017, MEB, together with EPC contractors Barata Indonesia and Dalle Engineering Construction, signed a contract with PLN for a 40 MW gas-fired power plant in Luwuk. MEB was also engaged to provide the O&M services at the plant for five years starting in 2019. Going forward, MPI plans to continue to grow

in the clean energy sector as an IPP (natural gas, geothermal and other renewables based energy), as well as grow its O&M business.

Our copper and gold mining operations are conducted through our joint venture, AMNT, in which we made our investment in November 2016 together with our joint venture partner, PT AP Investment ("API"). AMNT owns and operates the Batu Hijau mine, located on the island of Sumbawa, approximately 950 miles east of Jakarta. The mining concession covers an area of 66,000 hectares, which includes the Elang copper and gold resource and several exploration prospects including, Lampui, Rinti, Batu Balong, Nangka and Teluk Puna.

As of September 30, 2017, our estimated gross working interest proved plus probable reserves was 315.6 MMBOE. We produced approximately 31.6 MBOPD, 30.6 MBOPD and 30.8 MBOPD of oil and condensate and approximately 142.9 MMSCFD, 140.5 MMSCFD and 205.9 MMSCFD of natural gas in 2014, 2015 and 2016, respectively, and approximately 29.8 MBOPD and 35.5 MBOPD of oil and condensate and approximately 199.2 MMSCFD and 283.5 MMSCFD of natural gas in nine months ended September 30, 2016 and 2017, respectively. As of December 31, 2016, AMNT had 4,616 thousand ounces of proven and probable gold reserves and 1,234 thousand ounces of gold stockpiles and 4,810 million pounds of proven and probable copper reserves and 2,505 million pounds of copper stockpiles. In 2016 and the nine months ended September 30, 2017, AMNT had gold sales of 777 thousand ounces and 345 thousand ounces and had copper sales of 461 million pounds and 235 million pounds, respectively. In 2016 and the nine months ended September 30, 2017, MPI as an IPP produced 1,733 GW and 1,527 GW of power and in its O&M business produced 8,656 GW and 6,697 GW of power, respectively. As of September 30, 2017, MPI had installed capacity as an IPP of 526 MW and its operations and maintenance business services installed capacity of 2,150 MW, and its IPP pipeline was 565 MW and its O&M business pipeline was 385 MW.

For the years ended December 31, 2014, 2015 and 2016, our net oil and gas sales were US$701.9 million, US$575.3 million and US$583.0 million, respectively, and EBITDA was US$262.1 million, US$224.9 million and US$267.7 million, respectively. For the nine month periods ended September 30, 2016 and 2017, our net oil and gas sales were US$386.0 million and US$595.1 million, respectively, and EBITDA was US$180.1 million and US$310.9 million, respectively.

We were established in 1980 as an Indonesian drilling contractor and have grown substantially since becoming an oil and gas exploration and production company in 1992. In particular, we expanded our exploration and production activities with our acquisition of an interest in the Rimau block in 1995, followed by the subsequent discovery of the Kaji and Semoga oil fields in the same block in 1996. In 1995, we acquired all of Stanvac Indonesia's shares from Exxon/Mobil. Since January 2000, we have acquired interests in additional blocks both within and outside of Indonesia. We entered the power producing business in 2004 by forming PT Medco Power Indonesia and its associated brand.

Our registered and principal executive office is located on the 53rd floor of The Energy Building (which we own) SCBD Lot 11A, Jl. Jend. Sudirman, Jakarta 12190, Indonesia.

Competitive Strengths

A leading regional exploration and production company

We are the largest independent publicly listed oil and gas exploration and production company in Indonesia based on market capitalization. In addition, based on a peer analysis conducted by Wood Mackenzie we are the largest upstream oil and gas exploration and production among our Peer Group as of and for the year ended December 31, 2017 based on proved and probable reserves and production in Asia. Our Peer Group refers to the group of peers identified by Wood Mackenzie, consisting of independent exploration and production companies

with a noteworthy proved and probable reserves and production footprint in South and Southeast Asia. These consist of PT Saka Energi Indonesia, PT Energi Mega Persada Tbk., Ophir Energy plc, Premier Oil plc and KrisEnergy Ltd. As of September 30, 2017, our estimated gross working interest proved plus probable reserves were 316 MMBOE. We are either the operator or joint operator of each of our blocks in Indonesia, where our in-country geographic diversity, experience and size allow us to control or significantly influence and optimize the pace of exploration, development and the associated capital expenditure at each block.

We believe our large portfolio of blocks offers a diversification of the risks associated with the management of reserves, production and exploration opportunities. We have interests in ten oil and gas properties in Indonesia, seven of which are currently producing, and in oil and gas properties in five countries outside of Indonesia, namely the United States, Tunisia, Yemen, Libya and Oman. The majority of our reserves, 69.8% of our gross working interest proved plus probable reserves as of September 30, 2017 are located in Indonesia. We produced approximately 31.6 MBOPD, 30.6 MBOPD and 30.8 MBOPD of oil and condensate and approximately 142.9 MMSCFD, 140.5 MMSCFD and 205.9 MMSCFD of natural gas in 2014, 2015 and 2016, respectively, and approximately 29.8 MBOPD and 35.5 MBOPD of oil and condensate and approximately 199.2 MMSCFD and 283.5 MMSCFD of natural gas in first nine months of 2016 and 2017, respectively.

We believe that we can leverage our position as a leading Indonesian oil and gas company to access, review and, if desirable, competitively bid for and acquire both domestic and international blocks. Moreover, we believe our reputation, together with our financial and operational strength, allows us to competitively access domestic and international funds through our banking relationships and/or capital markets to fund both project development and, if needed, acquisitions.

Stable cash flows from long-term gas sales agreements with blue-chip customer base

We benefit from relatively stable cash flows, particularly from sales of our domestic gas production where we benefit from long-term GSAs that provide consistent revenue streams and, to a certain extent, hedge us from the effects of oil price volatility. Gas prices under our domestic gas GSAs are fixed in US$/MMBTU with an application of a relatively small escalation factor (typically 2.5% to 3.0% per annum). Therefore our revenue from natural gas sales is not subject to as much price volatility as our oil revenues. Some of our export contracts contain pricing linked ultimately to oil prices, such as the Senoro GSA and approximately half of our production under the South Natuna Sea Block B GSA. In particular, as of September 30, 2017, gross volumes from all of our 1,012 BCF of gross proved plus probable gas reserves were commercially committed for sale through long-term contracts, with sales through such contracts representing 43% and 50% of our total net oil and gas sales in 2016 and nine months ended September 30, 2017. Of this, for nine months ended September 30, 2017, 36.3% of gas revenue was sold through fixed price gas contracts with the remaining gas revenue sold under oil-linked prices. In addition, most of our GSAs, including both fixed-domestic and oil-linked-export GSAs, have take-or-pay protections, pursuant to which, if a buyer is unable to absorb the agreed supply during a period (typically over twelve months) then the buyer will have to pay a portion (usually in the range of 80% to 90%) of the total contracted supply for the period. The revenue contribution from GSAs has increased in recent years and we expect will continue to increase as a percentage of our revenue in 2018, especially with the first gas being sold under our fixed-price GSA for the Block A, Aceh gas development expected in March 2018.

In addition, our gas off-takers include blue chip customers with strong credit profiles, including domestic companies such as Pertamina, PGN and PLN, and large international customers such as SembCorp and Petronas each of whom have demonstrated solid payment histories.

Competitive cost structure and low cost exploration and production producer

In 2015 and 2016, we significantly improved our organizational cost structure. Our 2016 full year unit cash production cost declined to US$8.8/BOE compared to US$12.3/BOE in 2015 and US$15.4 in 2014. We continue

to expand our cost reduction and efficiency efforts and where necessary consult and contract with industry specialists to advise on our practices. Our unit cash production cost per BOE for the nine month period ended September 30, 2017 was US$8.1/BOE. This cost reduction has been achieved through a number of efficiency initiatives including (i) changing operating modes, such as revising crew rotation schedules and outsourcing certain non-core activities such as security services, housekeeping and others; (ii) optimizing existing operations and relationships, such as vendor renegotiations to capture deflation and sharing infrastructure with neighboring operators; and (iii) reassessing all operations to apply "fit-for-purpose" methodologies, such as rescheduling planned maintenance and engine exchanges. The cost reduction programs have targeted, and continue to target, both large opportunities, such as drilling rig rate reductions, to smaller scale granular opportunities, such as travel and training budgets. While cost and efficiency are important to us, we maintain checks and controls to avoid and, if needed, mitigate and manage, exposure to risks to employee and contractor safety, production uptime and environmental performance.

We aim to maintain a unit cash production cost per BOE below US$10 through 2021. We believe that our cost structure assists in extending the economic life of producing blocks and provides stronger operating margins in a given oil price environment, and is particularly beneficial in maturing fields as volumes inevitably decline. A lower cost structure also allows for economic reserve growth and PSC life extension at lower capital cost levels.

Long-standing track record of executing, integrating and operating complex projects

We have a successful track record of project development in Indonesia, which makes us an attractive and reliable partner for both state-owned and foreign operators. We believe we are a reliable local partner for foreign companies due to our ability to navigate Indonesian regulatory and institutional risk. We are also a reliable partner for state-owned entities because of our access to foreign capabilities and expertise.

Our development of both the Senoro gas field (with Pertamina as the joint operator) and the DSLNG joint venture are examples of both such partnerships. DSLNG is the first project in Indonesia to use an upstream-downstream LNG structure whereby the downstream LNG business is set up as a separate business entity from the upstream business activity, our Senoro gas field. This innovative structure enabled significant savings in procurement and scheduling. Our involvement in the downstream gas sector is through DSLNG, a joint venture company established in 2007 by a consortium consisting of PT Medco LNG Indonesia (a wholly-owned subsidiary of our Group), Mitsubishi Corporation and KOGAS through their joint venture Sulawesi LNG Development Ltd., and Pertamina through its subsidiary PT Pertamina Hulu Energi. In 2016, a further 880 BCF of gross 100% field 1C contingent resources were estimated or assessed by a third party compared to the third party's assessment in 2014.

We have also proven our ability to successfully close and integrate new acquisitions. In 2016, we acquired our interest in, and become the operator of, the South Natuna Sea Block B and the associated West Natuna Transportation System. After becoming the operator of the South Natuna Sea Block B, we retained the majority of the existing Indonesian management team and work force of the PSC, which assisted in the integration process and maintaining production at the block. In 2016, with our joint venture partner, we also financed and obtained the complex regulatory and government approvals necessary for the successful acquisition of the gold and copper concession containing the Batu Hijau mine.

In addition, we have historically been successful in obtaining extensions for all of our PSCs prior to expiry. For example, most recently in 2016, we obtained extensions for the Lematang PSC until 2027 and the extension of exploration period for the South Sokang PSC until 2020, and prior to that in 2010, we obtained 20-year extensions for the Block A Aceh and South Sumatera PSCs.

We believe that our successful involvement in such projects with both state-owned and foreign operators, as well as our track record in securing extensions of, and acquiring interests in, PSCs and concessions, provides us with a competitive advantage to continue to be the partner of choice for both state-owned and foreign operators.

Diversified portfolio of energy and natural resources related businesses and investments

In addition to our core oil and gas operations, we have diversified our business through our power business and our investment in mining.

We operate in the power business through MPI. MPI is an IPP and O&M services provider, and is a sizeable clean and renewable power platform in Indonesia. In the geothermal energy sector, MPI is (jointly with its partners) developing a 3x110 MW geothermal power plant in Sarulla, North Sumatra, where the commercial operation of the first 110 MW unit was achieved in March 2017 and the second 110MW unit was achieved in October 2017, and the remaining units with a 110 MW capacity are currently expected to be completed by mid-2018. MPI was also appointed as operator under the O&M contract for the Sarulla project. The Sarulla project is one of the largest single-contract geothermal projects in the world.

MPI has a track record in power plant development and O&M servicing. MPI owns and operates seven gas-fired power generation assets with a total gross capacity of over 296.7 MW and is also currently developing its 275 MW gas-fired IPP project and six other renewable assets, including geothermal and mini hydro power plants, and has a long-term O&M contract for the Tanjung Jati B power plant in Jepara, Central Java. MPI has stable cash flows from its growing O&M business and long-term minimum off-take backed PPAs with PLN from its IPP portfolio. Following the acquisition of our controlling interest in MPI in 2017, we expect to significantly increase the synergies between MPI and our operated gas businesses.

We conduct copper and gold mining operations through our joint venture, AMNT, in which we acquired our interest in November 2016. AMNT owns and operates the Batu Hijau mine, located on the island of Sumbawa, approximately 950 miles east of Jakarta. The mining concession covers an area 66,000 hectares include the Elang copper and gold resource and several exploration prospects. AMNT was established under a contract of work expiring in 2030, which is extendable up to 20 years. As of December 31, 2016, AMNT had 4,616 thousand ounces of proven and probable gold reserves and 1,234 thousand ounces of gold stockpiles and 4,810 million pounds of proven and probable copper reserves and 2,505 million pounds of copper stockpiles. Due to regulations related to in-country smelting and refining as well as export of copper concentrate, AMNT has begun feasibility studies for the capacity, design and construction as well as operation of an on-site smelting facility with two groups of competing foreign partners. AMNT will contribute land, its deep water port and its power plant to the joint venture, with the joint venture partner or partners making capital contributions for the construction of the smelter. AMNT's mining concession includes the Elang copper-gold resource which is larger than the Batu Hijau deposit and is situated approximately 60 kilometers east of the Batu Hijau mine. AMNT believes that development of the Elang resource has significant long term cash generation potential with resources of about 13 billion pounds of copper and about 20 thousand troy ounces of gold.

Well-positioned to leverage the favorable growth outlook for gas and power markets in Indonesia.

Gas

Indonesia's gas market is expected to continue to expand to support the growing economy. Wood Mackenzie expects Indonesia's gas demand to increase by approximately 0.7 BCF/D from 2017, reaching approximately 4.1 BCF/D in 2027, corresponding to a CAGR of 1.8%; as piped gas production declines, share of liquid natural gas will grow strongly. This robust growth is supported by consistent GDP increases and corresponding growing demand from the industrial and power sectors.

In addition, the Indonesian government has introduced policies designed to promote the use of alternative fuels, including domestic natural gas, given the strong economic, environmental and budgetary incentive to do so.

We believe we are well-positioned to capitalize on recent new regulations, such as the Indonesian Energy Ministry regulation No. 11/2017 on the use of natural gas for the power sector to reduce the regulatory hurdles and time taken to develop IPPs to allow synergies between gas and LNG portfolios.

Power

Indonesia has one the lowest levels of power demand per capita in South East Asia. Program Indonesia Terang (PIT) was launched in March 2016 and aims to develop more renewable energy power plants in rural areas, mostly located in East Indonesia. The program aims to increase the overall national electrification rate from 85% in 2015 to 99% by 2019 according to Wood Mackenzie. According to Wood Mackenzie, Indonesia is expected to have the largest capacity additions to be built through 2025 in Southeast Asia. In January 2015, the Indonesian government announced new 35 GW capacity additions across Indonesia. The 35 GW program comprises 291 power plants, targeting around 65% of the new capacity to be coal-fired, with the remaining to comprise of gas (30%) and renewables (5%). PLN will develop 15 GW of the capacity, and the remaining 20 GW is expected to be developed by IPPs. These additional power plants are needed to meet growing electricity demand.

Medco Power is one of the players in the Indonesia power market. According to Wood Mackenzie, in North Sumatra and West Java and in terms of new build plants with a capacity below 200 MW, Medco Power is associated with the greatest number of power plants and total available capacity. We believe MPI has a strong reputation in the power sector in Indonesia. In late 2017, two of MPI's subsidiaries, MEB and Sarulla Operation Ltd won "Best Electricity Award (IBEA) 2017" awards in November 2017 from Listrik Indonesia. MEB was awarded "The Best Power Plant 10—100 MW" and Sarulla Operation Ltd was awarded "The Best New Comer Power Plant Company". Furthermore, TJBPS, which is a subsidiary of MPI engaged in O&M for a coal-fired power plant, has received the green PROPER Award from the Ministry of Environment and Forestry. This award is the fourth consecutive time that TJBPS has received this award since 2014. We believe MPI is well-positioned to benefit from expected growth in the power sector and allows us to vertically integrate and effectively and quickly monetize some of our existing gas discoveries.

Experienced management team with a successful exploration and development record

We benefit from an experienced board of directors and senior management team with significant experience in oil and gas exploration and production both in and outside of Indonesia. Our management team includes oil and gas professionals with experience at large multi-national corporations such as Premier Oil, Hess, BP, ENI and ConocoPhillips.

In addition, our board of commissioners has significant experience working with regulators and government institutions, which is evidenced by our success with our PSC renewals and our ability to partner with state-owned operators on significant projects or in jointly operating PSCs. Furthermore, we value good corporate governance and our board of commissioners includes two independent commissioners.

Business Strategies

Our strategy is to continue to build our operations through our core oil and gas exploration and production business and our investments in power and mining. To that end, the following are our key strategies:

Continued focus on core business of oil and gas exploration and production by monetizing existing discoveries

We plan to continue to strengthen our producing assets portfolio by the phased development and monetization of our existing portfolio of discovered gas assets. We aim to bring our projects on-stream on time and within budget, particularly our Block A, Aceh block, which is our most advanced development in Indonesia. First gas production and gas deliveries under the Block A take-or-pay backed, fixed-price domestic contract are expected to begin in 2018. We then plan to focus on Senoro-Toili phase II, where in 2016, a further 880 BCF of gross 100% field 1C contingent resources were estimated or assessed by GCA compared to GCA's assessment in 2014 and where we are now evaluating potential development scenarios and preliminary engineering for Senoro-Toili phase II. The investment decision with respect to the preferred development scenario is expected to be made in late 2018. After this Senoro-Toili phase II investment, we plan to focus on our next large development, which is phase II of our Block A Aceh block and the monetization of our other discovered gas resources on this block. As a result, going forward, we expect that a larger percentage of our production will consist of production from Senoro-Toili, South Natuna Sea Block B and Block A Aceh, as certain of our existing blocks, including Rimau PSC and South Sumatera PSC, are in mature stages of production. As of December 31, 2016, our reserve life index was 14 years.

Replace and add reserves through selective low-risk exploration and development

We plan to continue to replace depleting reserves and add reserves through selective low-risk exploration and development on our existing Indonesian PSCs. We intend to implement this strategy primarily by conducting infrastructure-led exploration, development and tie-ins to existing infrastructure on our existing PSCs. Our existing PSCs have cost recovery funded, economic advantages when compared to the contracts offered on new PSCs. While we will continue to assess new block offerings, we intend to continue our disciplined approach to exploration over the next five years. We believe this will help us to economically offset decline in our core PSCs in a continued low oil price environment.

Continue to maintain competitive cost structure

In 2015 and 2016, we significantly improved our organizational cost structure. Our 2016 full year unit cash production cost was reduced to US$8.8/BOE compared to US$12.3/BOE in 2015 and US$ 15.4 /BOE in 2014. Our unit cash production cost for the nine month period ended September 30, 2017 was US$8.1 /BOE. Our cost reduction programs have targeted both larger scale cost reduction opportunities, such as drilling rig rate reductions, to smaller scale granular opportunities, such as travel and training budgets. We are committed to maintaining a unit cash production cost per BOE below US$10 through 2021 by continuing to implement our cost efficiency measures. While cost and efficiency are important, we continue to focus on minimizing risks to employee and contractor safety and promoting production uptime and environmental performance.

Maintain financial flexibility with a prudent capital structure and rigorous financial discipline

We intend to maintain a prudent capital structure by keeping the use of debt within reasonable limits and to delever utilizing a mix of internally generated funds, equity financing and the sale of non-core assets.

Our total annual non-debt funded capital expenditures necessary to maintain our production levels are expected to remain below US$200 million per year over the next five years, which should allow for a reduction

in gearing. We intend to cap expenditures for discretionary exploration and managing declines in production to US$60 million per year. We plan to do this by phasing expenditures on our large developments and making carefully selected investments to offset declines in production. We expect that our capital expenditure for drilling and oil and gas infrastructure will be funded by the cost recovery mechanism under our PSCs.

We do not expect capital injections into our AMNT mining joint venture. We expect to make equity contributions of approximately US$88 million in MPI over the next five years to complete the Sarulla geothermal project and Medco Ratch Power Riau project prior to an initial public offering of MPI.

In addition, we plan to refinance our debt maturing in the next 12 to 18 months through long-term financing. In particular, we plan to refinance certain indebtedness described under "Use of Proceeds" with the net proceeds of this offering. In December 2017 we conducted a rights offering raising proceeds of Rp. 2.6 trillion before deduction of transaction costs, which we used primarily for reducing our leverage. Shareholders that exercises their rights were issued one detachable warrant, with the warrants being exercisable between July 2018 and December 2020, with the exercise price for each warrant ranging between Rp. 625 and Rp. 675, with proceeds therefrom potentially up to Rp. 2.9 trillion.

We intend to continue our disciplined approach to acquisitions and only invest in projects that meet or exceed our hurdle rate. We expect that our ongoing focus to delever and cost control may allow us to take advantage of very selective future potential acquisition and development opportunities. We also expect that we will be able to make use of operational efficiencies from completed acquisitions, such as integration and synergies of newly acquired assets through shared services. We also plan to divest from certain non-core assets, including our holding in The Energy building, and our coal mining business unit, each of which are currently classified as held for sale. In addition, we plan to rationalize our oil and gas portfolio by disposing of non-material exploration and production assets and our smaller non-oil and gas businesses. We recently obtained government approval for the disposal of our Bawean oil producing block, for example.

Continue to develop our power and renewable energy and mining businesses

Power

MPI is one of the players in the Indonesia power market. According to Wood Mackenzie, in North Sumatra and West Java and in terms of new build plants with a capacity below 200 MW, MPI is associated with the greatest number of power plants and total available capacity. We believe this makes MPI well-positioned to benefit from expected growth in the power sector.

In the geothermal energy sector, MPI is (jointly with its partners) developing a 3x110 MW geothermal power plant in Sarulla, North Sumatra, where the commercial operation of the first 110 MW unit was achieved in March 2017 and the second 110MW unit was achieved in October 2017, and the remaining units with a 110 MW capacity are currently expected to be completed by mid-2018. The Sarulla project is one of the largest single-contract geothermal projects in the world. In addition, in February 2013, MPI through its subsidiary, PT Medco Cahaya Geothermal, signed a PPA with PLN, in which MPI as an IPP agreed to develop, operate and maintain a 2x55 MW geothermal power plant in the working area of Belawan-Ijen in the East Java province. MPI is also currently developing mini hydro power generating plants located in West Java.

In 2016, MPI through its wholly owned subsidiary PT Medco Geothermal Sarulla ("MGS") signed an O&M agreement with Sarulla Operations Ltd with respect to a 330 MW geothermal plant and, through its subsidiary MEB, signed an O&M contract with PT PLN Batam for an aggregate of 500 MW gas-fired generation plants across eight locations in Indonesia. In December 2017, MEB, together with PT Barata Indonesia & PT Dalle Engineering Construction (as EPC Contractor), received a letter of acceptance from PLN for a 40 MW gas-fired

power plant in Luwuk. MEB was also engaged to provide the O&M services at the plant for five years, We expect to make equity contributions of approximately US$88 million in MPI over the next five years to complete the Sarulla geothermal project and Medco Ratch Power Riau project prior to an initial public offering of MPI.

In its IPP business, MPI plans to continue to focus on the development of clean energy power plants, primarily in the areas of natural gas, geothermal energy and potentially solar power, in western Indonesia, as MPI believes western Indonesia has high demand for power but also better infrastructure (including pipeline networks and road access). MPI seeks to partner with reputable third parties for the development of power plants ranging in capacity from 100 MW to 500 MW. In its O&M business, MPI seeks to continue to leverage its experience under its current O&M arrangements to capture future opportunities in the O&M sector. In addition, we, with respect to our oil and gas business, and MPI, plan to take advantage of mutually beneficial synergies, such as through our provision of gas to MPI and MPI providing power for our other businesses (including potentially AMNT) as needed.

In October 2017, we increased our stake in MPI from 49% to an effective interest of 88.62% by purchasing a 77.68% equity interest in PT Saratoga Power, which holds a 51% equity interest in MPI, from PT Saratoga Sentra Business and S. Asia III Luxembourg S.A.R.L. Since our acquisition of MPI, we have made certain changes to its board of directors, including replacing MPI's president director with our appointee. Our acquisition of additional shares in MPI allows us to regain majority control with a view to strengthening our position in the power generation sector, which we expect to continue to grow. Our increased stake is consistent with our strategy to grow our oil and gas, mining and power businesses, and also has the added benefit of unlocking greater potential for synergies with our upstream gas business.

Copper and Gold Mining

Our copper and gold mining operations are conducted through our joint venture, AMNT, in which we acquired our interest in November 2016. We and our partner intend to begin the development of Phase 7 and the smelter project and realize significant procurement savings. Mining at Batu Hijau was most recently focused on ore production from Phase 6, which was completed during 2017. Current mining at Batu Hijau is focused stockpile processing and development of Phase 7. Overburden removal for Phase 7 is expected to commence in 2018. This overburden removal is required to access the ore in Phase 7 and is expected to take three years. During this hiatus in ex-pit ore production, Batu Hijau will raise capital and feed its processing plant from existing long-term stockpile in order to generate cash for operating activities. We believe that AMNT's business and external sources of funding will be sufficient to fund its capital expenditure going forward and we do not expect to make cash contributions to AMNT. AMNT's contract of work also includes at least six prospective reserves. The Elang copper-gold resource is the largest of the resources and is situated approximately 60 kilometers east of the Batu Hijau mine. AMNT intends to develop plans to evaluate the Elang resources during its ongoing discussions with the government of Indonesia.

On December 29, 2017, AMNT entered into a facility agreement with PT Bank Mandiri (Persero) Tbk for a US$400 million facility (with the option to upsize to US$875 million), primarily for the purpose of funding Phase 7 of the Batu Hijau mine. In the short to medium term, we expect that AMI and/or AMNT will undertake to raise further funding including debt and a domestic-focused initial public offering.

Continue to develop strategic partnerships

We intend to continue to build strategic alliances through our core oil and gas business and through our investments in power and mining. We have, in the past, successfully collaborated on projects with both foreign and government operators. For example, we were the private Indonesian partner in DSLNG, a joint venture company established in 2007 by a consortium consisting of PT Medco LNG Indonesia (a wholly-owned

subsidiary of our Group), Mitsubishi Corporation and KOGAS through their joint venture Sulawesi LNG Development Ltd., and Pertamina through its subsidiary PT Pertamina Hulu Energi. AMNT also plans to form a joint venture with another party or parties to develop its smelter. AMNT expects to contribute access to land, the port and its power plant to the joint venture, with the joint venture partner making capital contributions towards project finance needed to construct of the smelter. On October 23, 2017, AMNT signed a non-binding memorandum of understanding with PT Freeport Indonesia to conduct joint evaluation of the development of a smelter at the Batu Hijau mine.

We have employed a similar strategy in AMNT's acquisition a 44% stake in Macmahon Holdings Limited in exchange for a life-of-mine contract to provide earthmoving and mining services at the Batu Hijau mine and existing mobile mining equipment, which closed in August 2017. We expect that Macmahon will reduce AMNT's costs and timeline for the development of phase 7 of the Batu Hijau mine as well as other resources on the concession.

Maintain high corporate governance standards

We are focused on maintaining high corporate governance standards, which are driven by principles of transparency, accountability, responsibility and fairness. We believe that we enjoy a positive reputation within Indonesia, and we believe that implementation of good corporate governance principles is important in sustaining our future growth and aim to execute our business in line with these principles. In addition, we implement and enforce our non-discrimination policies with regard to gender, race and religion and have two externally managed whistleblowing systems in place to enhance oversight of conduct that is not in line with our code of ethics. We intend to continue implementing these and other prudent policies to maintain our corporate governance standards.

Maintain support from local communities

We believe that relationships with local communities around our operations while being a corporate objective are also important for our business and the security of our operations. We practice CSR policies which foster empowerment and entrepreneurship, and include assisting in the improvement of public welfare and sanitation facilities in local communities, creating economically self-sustaining communities, encouraging local government re-greening and re-forestation programs and supporting social, religious and education activities. We are the only Indonesian listed member of the NGO, Business for Social Responsibility and we intend to continue to engage in community development programs encompassing a variety of social and economic areas, including infrastructure, education and sports, medical and health, and religion and culture. For example, we built a hospital near the Block A, Aceh PSC for the use and access of the local community.

SUMMARY OF THE OFFERING

The following is a brief summary of the terms of the offering and is qualified in its entirety by the remainder of this Offering Circular. Phrases used in this summary and not otherwise defined shall have the meanings given to them in the "Description of the Notes."

Issuer	Medco Platinum Road Pte. Ltd.
Parent Guarantor	PT Medco Energi Internasional Tbk.
Subsidiary Guarantors	Certain subsidiaries of the Parent Guarantor, see "Description of the Notes — Subsidiary Guarantees."
Notes Offered	US$500,000,000 aggregate principal amount of 6.75% Guaranteed Notes due 2025 (the "Notes").
Issue Price	99.178% of the principal amount of the Notes.
Maturity Date	January 30, 2025.
Interest	The Notes will bear interest from and including January 30, 2018 at the rate of 6.75% per annum, payable semi-annually in arrears.
Interest Payment Dates	January 30 and July 30 of each year, commencing July 30, 2018.
Ranking of the Notes	The Notes will: • be general obligations of the Issuer; • be senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes; • rank at least *pari passu* in right of payment with all unsecured, unsubordinated obligations of the Issuer (subject to any priority rights of such unsubordinated obligations pursuant to applicable law); • be guaranteed by the Guarantors on an unsubordinated basis, subject to the limitations described under "Description of the Notes — The Parent Guarantee," "Description of the Notes — Subsidiary Guarantees" and in "Risk Factors — Risks Relating to the Notes and the Guarantees"; • be effectively subordinated to the secured obligations of the Issuer to the extent of the value of the assets serving as security therefor; and • be effectively subordinated to all existing and future obligations of any other Subsidiaries that are not Subsidiary Guarantors.
Parent Guarantee	The Parent Guarantor will guarantee due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under the Notes.

	The Parent Guarantee may be released in certain circumstances. See "Description of the Notes — The Parent Guarantee — Release of the Parent Guarantee."
Ranking of the Parent Guarantee	The Parent Guarantee will: • be a general obligation of the Parent Guarantor; • be effectively subordinated to secured obligations of the Parent Guarantor, to the extent of the value of the assets serving as security therefor; • be senior in right of payment to all future obligations of the Parent Guarantor expressly subordinated in right of payment to the Parent Guarantee; • rank at least *pari passu* in right of payment with all other unsecured, unsubordinated obligations of the Parent Guarantor (subject to any priority rights of such unsubordinated obligations pursuant to applicable law); and • be effectively subordinated to all existing and future obligations of any Subsidiaries that are not Subsidiary Guarantors.
Subsidiary Guarantees	The Subsidiary Guarantors will guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under the Notes. The Parent Guarantor will cause each of its future Restricted Subsidiaries which are not Excluded Subsidiaries, within 30 days of becoming a Restricted Subsidiary, to execute and deliver to the Trustee a supplemental indenture to the Indenture pursuant to which such Restricted Subsidiary will guarantee the payment of the Notes. The Subsidiary Guarantees may be released in certain circumstances. See "Description of the Notes — Subsidiary Guarantees — Release of the Subsidiary Guarantees."
Ranking of the Subsidiary Guarantees . .	The Subsidiary Guarantee of each Subsidiary Guarantor will: • be a general obligation of such Subsidiary Guarantor; • be effectively subordinated to secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor; • be senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee; and • rank at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law).

Security	The obligations of the Issuer and the Guarantors under the Notes, the Guarantees and the Indenture will be secured on a first priority basis (Subject to Permitted Liens) by a Lien on the collateral which shall initially consist of: (1) charges by MSS of all the Capital Stock of the Issuer; (2) a charge over all of the Issuer's rights in the Interest Reserve Account; (3) an assignment by the Issuer, Far East Energy Trading Pte. Ltd. and MSS of their respective lending interests in and rights under the Intercompany Loans; and (4) a charge by the Issuer over all of the Issuer's rights in the Escrow Account. See "Description of the Notes — Security."
Interest Reserve Account	Prior to the Original Issue Date, the Issuer will establish the Interest Reserve Account in Singapore with Standard Chartered Bank; acting through its Singapore branch. On the Original Issue Date, the Issuer will deposit into the Interest Reserve Account an amount in cash equal to the amount of one (1) semi-annual interest payment under the Notes. Funds remaining on deposit in the Interest Reserve Account will be applied to the payment of interest on the Notes, and any remaining balance shall be applied to the payment of premium and Additional Amounts, if any, due on the Notes on the final Stated Maturity of the Notes or any redemption date for redemption of all outstanding Notes, in each case for purposes of full or partial repayment of outstanding Notes.
Escrow Account	On the Original Issue Date, an amount equal to the net proceeds from the issue of the Notes after deducting the amounts used to fund the Interest Reserve Account, as described under "Use of Proceeds," will be deposited into an account in Singapore established by and in the name of the Issuer with Standard Chartered Bank; acting through its Singapore branch, as account bank. The account bank will release escrow funds in the escrow account only upon satisfaction of certain release conditions.
Intercompany Loans	On the Original Issue Date, the Issuer will contribute the net proceeds of the offering of the Notes, after deducting the amounts used to fund the Interest Reserve Account, as described under "Use of Proceeds," from the Escrow Account to Far East Energy Trading Pte. Ltd. and Medco Strait Services Pte. Ltd. by way of Intercompany Loans. Far East Energy Trading Pte. Ltd. and Medco Strait Services Pte. Ltd. will then on lend the net proceeds by way of Intercompany Loans to the Parent Guarantor, who will use the amounts received as described under "Use of Proceeds."
Use of Proceeds	The net proceeds of the offering, after deducting amounts used to fund the Interest Reserve Account, will be deposited into the Escrow Account, and subsequently will be lent by the Issuer to Far East Energy Trading Pte. Ltd. and MSS, and further on lent to the Parent Guarantor by Far East Energy Trading Pte. Ltd. and MSS, to be used by the Parent Guarantor to repay certain indebtedness, including the repayment of certain loan facilities which bear interest rates ranging from 5.0% to 6.1%, our IDR Shelf-Registered Bonds I Phase II of 2013 and the remainder for repayment of IDR Shelf-Registered Bonds II Phase I, II and III of 2016. See "Description of Material Indebtedness" and "Use of Proceeds."

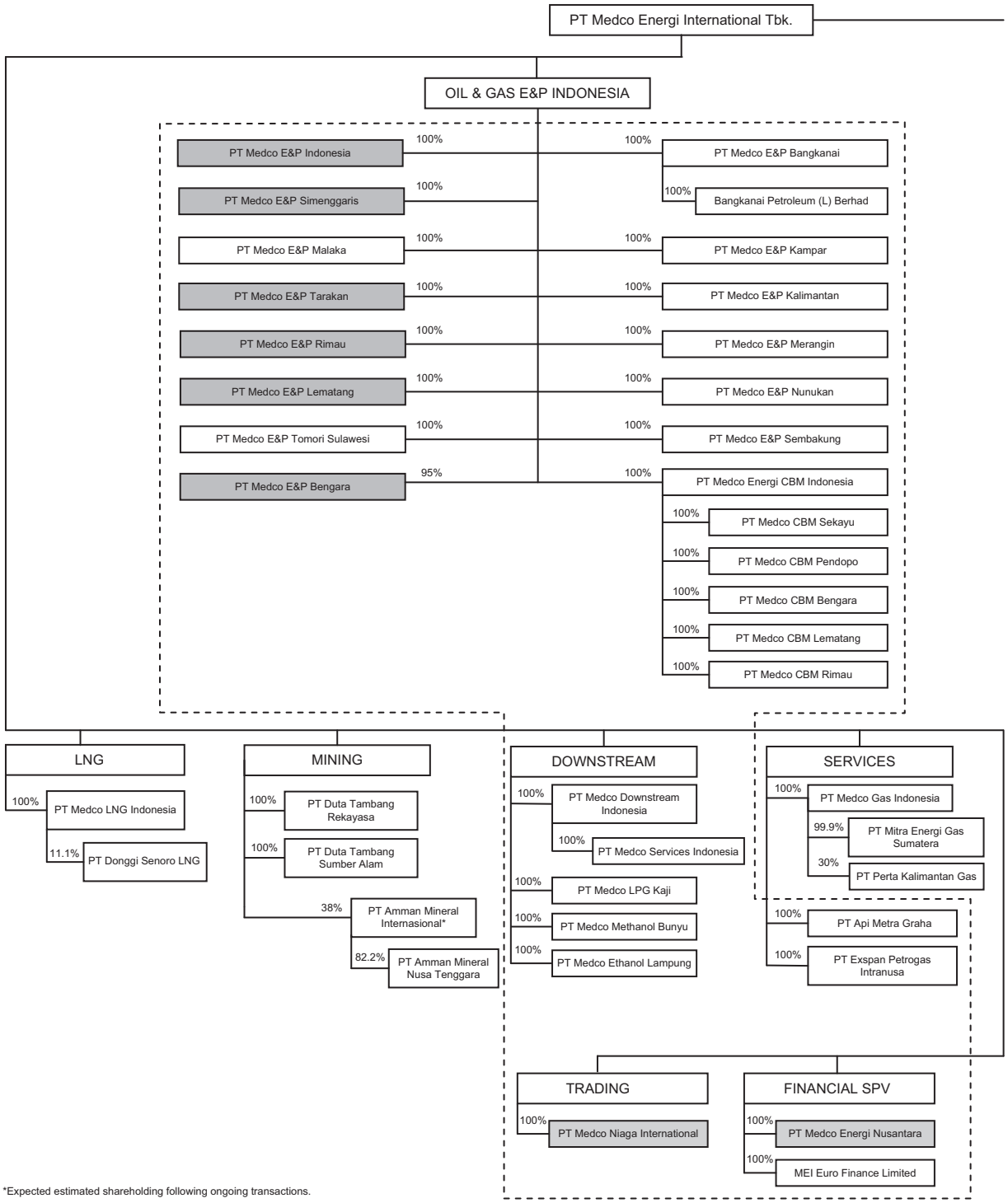
Optional Redemption	At any time on or after January 30, 2022, the Issuer may at its option redeem the Notes, in whole or in part, at the redemption prices set forth under "Description of the Notes — Optional Redemption," plus accrued and unpaid interest, if any, on the Notes redeemed, to (but not including) the redemption date. At any time and from time to time prior to January 30, 2022, the Issuer may at its option redeem the Notes, in whole or in part, at a redemption price equal to 100% of their principal amount plus the Applicable Premium as of, and accrued and unpaid interest, if any, on the Notes redeemed, to (but not including) the redemption date. In addition, at any time prior to January 30, 2022, the Issuer may at its option redeem up to 35% of the aggregate principal amount of the Notes with the proceeds from certain equity offerings at a redemption price of 106.75% of the principal amount of the Notes, plus accrued and unpaid interest, if any, on the Notes redeemed, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes issued on the Original Issue Date (excluding Notes held by the Parent Guarantor and its Restricted Subsidiaries) remains outstanding after each such redemption and any such redemption takes place within 60 days of the closing of such equity offering.
Repurchase of Notes upon a Change of Control	Not later than 30 days following a Change of Control, the Issuer or the Parent Guarantor will make an Offer to Purchase all outstanding Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date. See "Description of the Notes — Change of Control."
Additional Amounts	Payments with respect to the Notes, the Parent Guarantee and any Subsidiary Guarantee will be made without withholding or deduction for taxes imposed by the jurisdictions in which the Issuer, the Parent Guarantor or any future Subsidiary Guarantors is organized or resident for tax purposes, or through which payment is made except as required by law. Where such withholding or deduction is required by law, the Issuer or the applicable Guarantor will make such deduction or withholding and will, subject to certain exceptions, pay such additional amounts as will result in receipt by the Holder of such amounts as would have been received by such Holder had no such withholding or deduction been required. See "Description of the Notes — Additional Amounts."
Redemption for Taxation Reasons	Subject to certain exceptions and as more fully described herein, the Issuer or the Parent Guarantor may redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Issuer or the Parent Guarantor for redemption, if, as a result of certain changes in tax law, the Issuer or the Parent Guarantor (as the case may be) would be required to pay certain Additional Amounts.

Covenants	The Indenture will limit the ability of the Issuer, the Parent Guarantor and the Restricted Subsidiaries to, among other things: • incur additional Indebtedness and issue preferred stock; • make investments or other specified Restricted Payments; • enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends and transfer assets or make intercompany loans; • issue or sell Capital Stock of Restricted Subsidiaries; • issue guarantees by Restricted Subsidiaries; • enter into transactions with equity holders or affiliates; • create any Lien; • enter into Sale and Leaseback Transactions; • sell assets; • engage in different business activities; and • effect a consolidation or merger. These covenants are subject to a number of important qualifications and exceptions described in "Description of the Notes — Certain Covenants."
Selling and Transfer Restrictions	The Notes will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. See "Transfer Restrictions."
Form, Denomination and Registration	The Notes will be issued only in fully registered form, without coupons, in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof and will be initially represented by one or more Global Notes registered in the name of a nominee of DTC.
Book-Entry Only	The Notes will be issued in book-entry form through the facilities of DTC for the accounts of its participants, including Euroclear and Clearstream. For a description of certain factors relating to clearance and settlement, see "Description of the Notes — Book-Entry; Delivery and Form."
Delivery of the Notes	The Issuer expects to make delivery of the Notes, against payment in same-day funds, on or about January 30, 2018, which the Issuer expects will be the fifth business day following the date of this Offering Memorandum, referred to as "T+5." You should note that initial trading of the Notes may be affected by the T+5 settlement. See "Plan of Distribution."
Trustee	The Bank of New York Mellon.
Collateral Agent	The Bank of New York Mellon, Singapore Branch.

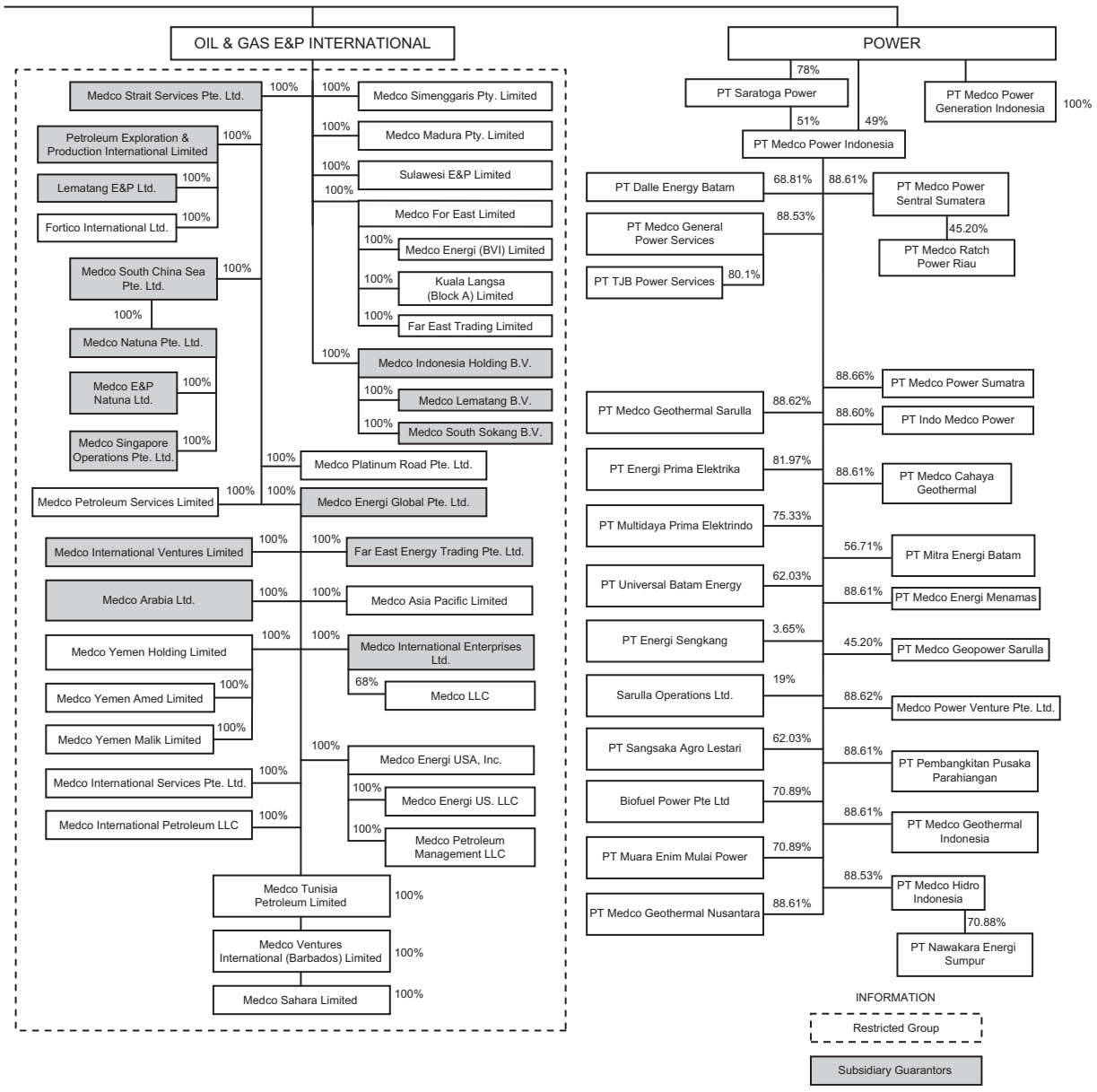
Paying Agent, Transfer Agent and Registrar	The Bank of New York Mellon.
Global Notes	Reg S: CUSIP Number: Y59505AA8; ISIN: USY59505AA82; Common Code: 176073098 144A: CUSIP Number: 58406HAA8; ISIN: US58406HAA86; Common Code: 176033223
Listing	Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 for so long as any of the Notes are listed on the SGX-ST.
Governing Law	The Notes and the Indenture will be governed by and will be construed in accordance with the laws of the State of New York.
Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see "Risk Factors."

CORPORATE STRUCTURE

The following table depicts, in simplified form, our corporate structure.



*Expected estimated shareholding following ongoing transactions.


OIL & GAS E&P INTERNATIONAL
POWER
Medco Strait Services Pte. Ltd.
Petroleum Exploration & Production International Limited
Lematang E&P Ltd.
Fortico International Ltd.
Medco South China Sea Pte. Ltd.
Medco Natuna Pte. Ltd.
Medco E&P Natuna Ltd.
Medco Singapore Operations Pte. Ltd.
Medco Petroleum Services Limited
Medco International Ventures Limited
Medco Arabia Ltd.
Medco Yemen Holding Limited
Medco Yemen Amed Limited
Medco Yemen Malik Limited
Medco International Services Pte. Ltd.
Medco International Petroleum LLC
Medco Simenggaris Pty. Limited
Medco Madura Pty. Limited
Sulawesi E&P Limited
Medco For East Limited
Medco Energi (BVI) Limited
Kuala Langsa (Block A) Limited
Far East Trading Limited
Medco Indonesia Holding B.V.
Medco Lematang B.V.
Medco South Sokang B.V.
Medco Platinum Road Pte. Ltd.
Medco Energi Global Pte. Ltd.
Far East Energy Trading Pte. Ltd.
Medco Asia Pacific Limited
Medco International Enterprises Ltd.
Medco LLC
Medco Energi USA, Inc.
Medco Energi US. LLC
Medco Petroleum Management LLC
Medco Tunisia Petroleum Limited
Medco Ventures International (Barbados) Limited
Medco Sahara Limited
PT Saratoga Power
PT Medco Power Generation Indonesia
PT Medco Power Indonesia
PT Dalle Energy Batam
PT Medco General Power Services
PT TJB Power Services
PT Medco Power Sentral Sumatera
PT Medco Ratch Power Riau
PT Medco Geothermal Sarulla
PT Energi Prima Elektrika
PT Multidaya Prima Elektrindo
PT Universal Batam Energy
PT Energi Sengkang
Sarulla Operations Ltd.
PT Sangsaka Agro Lestari
Biofuel Power Pte Ltd
PT Muara Enim Mulai Power
PT Medco Geothermal Nusantara
PT Medco Power Sumatra
PT Indo Medco Power
PT Medco Cahaya Geothermal
PT Mitra Energi Batam
PT Medco Energi Menamas
PT Medco Geopower Sarulla
Medco Power Venture Pte. Ltd.
PT Pembangkitan Pusaka Parahiangan
PT Medco Geothermal Indonesia
PT Medco Hidro Indonesia
PT Nawakara Energi Sumpur
INFORMATION
Restricted Group
Subsidiary Guarantors

SUMMARY FINANCIAL, OPERATING AND RESERVE DATA

The following tables set forth certain summary consolidated financial data of the Company as of the dates and for each of the periods indicated. The summary consolidated financial information as of and for the years ended December 31, 2014, 2015, and 2016 and as of September 30, 2017 and for nine month period then ended are derived from the Company's audited consolidated financial statements as of and for the years ended December 31, 2014, 2015 and 2016 and as of September 30, 2017 and for nine month period then ended, which were prepared in accordance with Indonesian FAS, and included elsewhere in this Offering Circular. The summary interim consolidated financial information as of September 30, 2016 and for the nine month period then ended is derived from our unaudited interim consolidated financial statements as of September 30, 2016 and for the nine month period then ended and included elsewhere in this Offering Circular.

The Company's audited consolidated financial statements as of and for the years ended December 31, 2014, 2015 and 2016 and as of September 30, 2017 and for nine month period then ended included in this Offering Circular have been audited by Purwantono, 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"), as stated in their audit reports appearing elsewhere in this Offering Circular.

The Company's unaudited interim consolidated financial statements as of September 30, 2016 and for the nine month period then ended included elsewhere in this Offering Circular have been reviewed by Purwantono, Sungkoro & Surja (the Indonesian member firm of Ernst & Young Global Limited), independent public accountants, in accordance with Standard on Review Engagements 2410 established by the IICPA, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("SRE 2410"), as stated in their review report appearing elsewhere in this Offering Circular (presented combined with the audit report mentioned above). A review conducted in accordance with SRE 2410 established by the IICPA is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the IICPA and, as stated in its review report appearing elsewhere in this Offering Circular (presented as combined with the audit report mentioned above), Purwantono, Sungkoro & Surja (the Indonesian member firm of Ernst & Young Global Limited), independent public accountants, did not audit and do not express any opinion on such unaudited interim consolidated financial statements included elsewhere in this Offering Circular.

The Company's consolidated financial statements have been prepared in accordance with Indonesian FAS, which differs in certain respects from U.S. GAAP. See "Summary of Certain Significant Differences Between Indonesian FAS and U.S. GAAP" and "Risk Factors—Risks Relating to the Company—Indonesian corporate and other disclosure and accounting standards differ from those in other jurisdictions, such as the United States and countries in the European Union." The amounts for the twelve month period from October 1, 2016 to September 30, 2017 are neither audited nor reviewed.

	For the Years Ended December 31,			For the Nine Month Periods Ended September 30,		For the Twelve Month Period from October 1, 2016 to September 30, 2017[1]
	2014	2015	2016	2016	2017	
	(Restated)[2]	(Restated)[2]	(Restated)[2]	(Unaudited)		(Unaudited)
	(US$ in millions)					
Consolidated Statements of Profit or Loss and Other Comprehensive Income						
Sales and Other Operating Revenues						
Net oil and gas sales	701.9	575.3	583.0	386.0	595.1	792.1
Revenues from services	0.2	7.0	7.0	5.4	2.5	4.0
Total Sales and Other Operating Revenues	**702.1**	**582.3**	**590.0**	**391.5**	**597.5**	**796.1**
Cost of Sales and Other Direct Costs						
Production and lifting costs	281.5	215.3	205.1	129.6	144.3	219.8
Depreciation, depletion, and amortization	89.0	117.1	113.8	80.5	112.4	145.7
Cost of crude oil purchases	26.3	21.3	13.3	5.5	29.6	37.5
Exploration expenses	24.4	6.8	7.0	5.0	10.3	12.3
Cost of services	1.3	1.4	1.5	1.3	0.7	1.0
Total Cost of Sales and Other Direct Costs	**422.5**	**361.8**	**340.7**	**221.8**	**297.4**	**416.2**
Gross Profit	**279.6**	**220.4**	**249.3**	**169.7**	**300.2**	**379.9**
Selling, general and administrative expenses	(108.0)	(114.9)	(96.5)	(70.9)	(102.0)	(127.7)
Finance costs	(71.3)	(77.2)	(99.6)	(67.3)	(95.6)	(127.9)
Finance income	10.3	6.0	7.6	1.7	24.1	29.9
Bargain purchase	—	—	551.7	18.9	43.1	575.9
Income from insurance claim	—	—	—	—	7.7	7.7
Gain on business combination achieved in stages	—	50.2	—	—	—	—
Loss on assets recognized at fair value less cost to sell	—	—	(11.9)	(11.9)	—	—
Share of net income (loss) of associates and joint venture	7.1	7.2	(27.2)	2.2	(23.4)	(52.9)
Reversal of (Loss on) impairment of assets	(16.2)	(217.2)	(288.9)	(160.2)	100.0	(28.7)
Other income	27.8	20.2	16.9	17.8	25.8	24.9
Other expenses	(7.2)	(14.0)	(6.2)	(3.7)	(5.5)	(7.9)
Profit (Loss) Before Income Tax Expense from Continuing Operations	**122.1**	**(119.4)**	**295.1**	**(103.8)**	**274.3**	**673.1**
Income Tax Expense	**(94.3)**	**(31.4)**	**(63.3)**	**(0.5)**	**(102.4)**	**(165.2)**
Profit (Loss) for The Period/Year from Continuing Operations	**27.8**	**(150.8)**	**231.8**	**(104.2)**	**171.9**	**507.9**
Loss after Income Tax Expense from Discontinued Operations	(19.0)	(35.4)	(44.8)	**(43.5)**	**(3.8)**	**(5.1)**
Profit (Loss) for The Period/Year	**8.8**	**(186.2)**	**187.0**	**(147.7)**	**168.1**	**502.9**
Other Comprehensive Income That Will Be Reclassified to Profit or Loss	**8.5**	**(1.4)**	**4.5**	**25.4**	**15.3**	**(5.6)**
Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	**5.2**	**5.8**	**3.4**	**2.8**	**(7.1)**	**(6.5)**
Total Comprehensive Income (Loss) for The Period/Year	**22.5**	**(181.8)**	**195.0**	**(119.6)**	**176.3**	**490.8**
Profit (loss) for The Period/Year Attributable to Equity Holders of The Parent Company						
Profit (Loss) for The Period/Year from Continuing Operations	**24.2**	**(152.8)**	**229.5**	**(106.1)**	**168.1**	**507.5**
Loss for The Period/Year from Discontinued Operations	**(19.0)**	**(35.4)**	**(44.8)**	**(43.5)**	**(3.8)**	**(5.1)**
Profit (loss) for The Period/Year Attributable to Owners of The Parent Company	**5.2**	**(188.1)**	**184.8**	**(149.6)**	**164.3**	**502.4**
Basic Earnings (Loss) per Share Attributable to Equity Holders of the Parent Company (in full amount)	0.00039	(0.01415)	0.01412	(0.01143)	0.01254	0.03834

Notes:

(1) The amounts are derived from the difference of December 31, 2016 profit or loss and September 30, 2016 profit or loss and adding September 30, 2017 profit or loss amounts and are used to calculate the fixed charge coverage ratio which is included in "Description of the Notes."

(2) The restated consolidated financial statements resulted from the discontinuation of the classification of certain assets previously classified as held-for-sale, as further described in note 37 of the consolidated financial statements included elsewhere in this Offering Circular.

	As of December 31,			As of September 30,	
	2014	2015	2016	2016	2017
				(Unaudited)	
			(US$ in millions)		
Consolidated Statements of Financial Position					
Assets					
Current Assets					
Cash and cash equivalents	206.6	463.2	164.6	184.1	364.8
Short-term investments	268.6	225.9	66.9	3.9	26.4
Restricted time deposits and cash in banks	—	3.2	—	—	85.0
Trade receivables	101.6	98.5	183.2	122.7	179.5
Other receivables	112.3	122.8	351.6	121.7	375.9
Inventories	42.4	40.1	70.3	37.7	84.8
Non-current assets classified as held for sale	7.3	1.2	266.4	34.8	466.8
Prepaid taxes	10.6	10.1	4.2	11.5	4.3
Prepaid expenses	3.4	3.5	4.7	3.3	8.6
Advance for investment	—	75.0	—	650.0	—
Other current assets	1.4	1.2	22.4	8.1	8.0
Total Current Assets	754.2	1,044.9	1,134.3	1,177.7	1,604.2
Non-Current Assets					
Other receivables	160.7	30.5	51.8	40.6	84.1
Restricted time deposits and cash in banks	6.3	4.0	2.4	2.4	2.1
Deferred tax assets	31.1	31.1	90.4	77.0	88.9
Long-term investments	302.4	208.7	924.5	211.1	1,005.3
Investment in project	30.3	22.7	22.7	22.7	—
Property, plant and equipment	88.5	69.0	5.2	56.4	7.1
Mining properties	2.3	—	—	—	—
Investment properties	—	361.5	351.3	353.3	—
Exploration and evaluation assets	140.9	81.7	70.4	71.4	103.2
Oil and gas properties	1,130.7	998.5	921.2	819.4	1,092.8
Goodwill	—	37.1	16.2	15.2	1.0
Derivative assets	—	—	1.7	3.0	3.6
Other assets	20.3	20.0	5.1	6.8	9.2
Total Non-Current Assets	1,913.5	1,864.9	2,462.9	1,679.4	2,397.4
Total Assets	**2,667.8**	**2,909.8**	**3,597.1**	**2,857.1**	**4,001.6**
Liabilities and Equity					
Short-term bank loan (including current maturities of long-term bank loans and obligations)	183.7	258.3	411.0	396.4	299.9
Other current liabilities	284.1	268.3	449.5	325.8	671.3
Total Current Liabilities	467.7	526.6	860.6	722.2	971.3
Long-term debt—net of current maturities	1,002.1	1,321.9	1,522.3	1,307.6	1,744.9
Other non-current liabilities	310.8	359.7	323.7	248.8	219.6
Total Non-Current Liabilities	1,312.9	1,681.6	1,846.1	1,556.4	1,964.5
Total Liabilities	**1,780.7**	**2,208.2**	**2,706.6**	**2,278.7**	**2,935.7**
Total Equity	**887.1**	**701.6**	**890.5**	**578.4**	**1,065.8**
Total Liabilities and Equity	**2,667.8**	**2,909.8**	**3,597.1**	**2,857.1**	**4,001.6**

	For the Years Ended December 31,			For the Nine Month Periods Ended September 30,	
	2014	2015	2016	2016	2017
	(Restated)[1]	(Restated)[1]	(Restated)[1]	(Unaudited)	
Consolidated Statements of Cash Flows					
Net Cash Provided by Operating Activities	**149.2**	**113.2**	**20.9**	**78.6**	**348.2**
Net Cash Used in Investing Activities	**(304.2)**	**(151.4)**	**(578.2)**	**(401.7)**	**(98.0)**
Net Cash Provided by (Used in) Financing Activities	**95.5**	**295.9**	**259.7**	**43.3**	**(50.8)**

Note:

(1) The restated consolidated financial statements resulted from the discontinuation of the classification of certain assets previously classified as held-for-sale, as further described in note 37 of the consolidated financial statements included elsewhere in this Offering Circular.

Non-GAAP Accounting Items

EBITDA and EBITDAX are not measurements of financial performance under Indonesian Financial Accounting Standards and should not be considered as an alternative to net income as indicators of the Company's operating performance or any other measures of performance derived in accordance with Indonesian Financial Accounting Standards. As a measure of the Company's operating performance, the Company believes that the most directly comparable Indonesian Financial Accounting Standards measure to EBITDA and EBITDAX is gross profit and profit or loss before income tax expense.

The following table reconciles the Company's gross profit to the Company's definition of EBITDA and EBITDAX for the years ended December 31, 2014, 2015 and 2016, the nine month periods ended September 30, 2016 and 2017 and the twelve month period from October 1, 2016 to September 30, 2017. EBITDA means earnings before interest, taxes, depreciation (including depletion), amortization, gain or loss on foreign exchange and other income or charges. EBITDAX means EBITDA adding back exploration expenses.

	For the Years Ended December 31,			For the Nine Month Periods Ended September 30,		For the Twelve Month Period from October 1, 2016 to September 30,
	2014	2015	2016	2016	2017	2017[1]
	(Restated)[4]	(Restated)[4]	(Restated)[4]	(Unaudited)		
	(US$ in millions)					
Reconciliation of EBITDA and EBITDAX to Gross Profit						
Gross profit	279.6	220.4	249.3	169.7	300.2	379.9
Selling, general and administrative expenses	(108.0)	(114.9)	(96.5)	(70.9)	(102.0)	(127.7)
Sub-total	171.6	105.5	152.8	98.8	198.2	252.2
Depreciation, depletion and amortization (charged to cost of sales and other direct costs and selling, general and administrative expenses)	90.5	119.5	114.9	81.3	112.7	146.3
EBITDA	**262.1**	**224.9**	**267.7**	**180.1**	**310.9**	**398.5**
Exploration Expense	24.4	6.8	7.0	5.0	10.3	12.3
EBITDAX	**286.5**	**231.8**	**274.7**	**185.1**	**321.2**	**410.8**

Notes:

(1) We calculate EBITDA as gross profit minus selling, general and administrative expenses plus depreciation, depletion and amortization (which are charged to cost of sales and other direct costs and selling, general and administrative expenses). EBITDAX is EBITDA plus exploration expenses.

(2) We have included EBITDA and EBITDAX because management believes they are financial measures commonly used in the oil and gas industry as a useful supplement to cash flow data as a measure of our performance and our ability to generate cash from operations to cover debt service and taxes. These measures should not be considered in isolation or construed as an alternative to cash flows, earnings or any other measure of performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. These measures do not account for certain items such as taxes, interest expense and other non-operating cash expenses. In evaluating these measures, we believe that investors should consider, among other things, the components of these measures such as revenues and operating expenses and the amount by which these measures exceed capital expenditures and other charges. These measures presented herein may not be comparable to similarly titled measures presented by other companies.

(3) The Company uses January 1 to December 31 as a basis for preparation of the year-end financial statement. The EBITDA information is also used to calculate the fixed coverage ratios that are included in "Description of the Notes".

(4) The restated consolidated financial statements resulted from the discontinuation of the classification of certain assets previously classified as held-for-sale, as further described in note 37 of the consolidated financial statements included elsewhere in this Offering Circular.

Summary Operating and Reserve Data

The table below sets forth certain operating data for the years ended December 31, 2014, 2015 and 2016, for the nine month periods ended September 30, 2016 and 2017, and for the twelve month period from October 1, 2016 to September 30, 2017.

	For the Years Ended December 31,			For the Nine Month Periods Ended September 30,		For the Twelve Month Period from October 1, 2016 to September 30,
	2014	2015	2016	2016	2017	2017[8]
	(US$ in millions)					
Oil						
Oil lifting and sales (MBOPD)	22.2	22.1	21.5	20.0	26.2	24.4
Average realized sales price (US$ per BBLS)[1]	97.8	49.3	42.3	39.5	49.5	47.7
Gas						
Gas lifting and sales (BBTUPD)	141.4	130.8	212.2	207.0	279.8	266.8
Average realized sales price (US$ per MMBTU)[2]	5.6	5.2	4.4	4.2	5.5	5.4
Total production (MBOEPD), including Oman service contract)	**56.0**	**55.6**	**66.0**	**63.9**	**88.3**	**83.9**
Total production (MBOEPD), excluding Oman service contract)	**47.3**	**47.0**	**57.7**	**55.7**	**80.0**	**75.5**
Proved plus probable reserve life index (in years)[3]	**17**	**17**	**14**	**N.A.**	**N.A.**	**10**
Revenue from fixed-price contracts (US$ million)[4]	**286.8**	**187.5**	**237.5**	**172.8**	**216.3**	**280.9**
Revenue from fixed-price contracts as percentage of total net oil and gas sales (%)	**40.9**	**32.6**	**40.7**	**44.8**	**36.3**	**35.5**
Unit cash production cost (US$ per BOE)[5]	**15.4**	**12.3**	**8.8**	**8.7**	**8.1**	**8.4**
Unit lifting cost (US$ per BOE)[6]	**11.3**	**8.0**	**6.1**	**5.0**	**4.8**	**5.7**
Unit general and administrative cost (US$ per BOE)[7]	**4.1**	**4.3**	**2.7**	**3.7**	**3.3**	**2.7**

Notes:

(1) Represents our total net sales for the period divided by our aggregate net entitlement for the period.

(2) Based on our net entitlement, See "Notice to Investors — Presentation of Oil and Gas Reserves Data" for a definition of net entitlement.

(3) Prior year-end net proved plus probable reserves divided by production attributable to our net working interest.

(4) Represents revenue earned under GSAs which are fixed in US$/MMBTU with an application of a relatively small escalation factor (typically 2.5% to 3.0% per annum).

(5) Represents total oil and gas production and lifting cost including general and administration costs divided by aggregate production for the period.

(6) Represents total oil and gas production and lifting cost divided by aggregate production for the period.

(7) Represents total oil and gas general and administration cost divided by aggregate production for the period.

(8) Amounts are derived by subtracting the relevant amount for the nine months ended September 30, 2016 from the relevant amount for the year ended December 31, 2016 and then adding the relevant amount for the nine months ended September 30, 2017.

The table below summarizes our estimated gross working interest proved reserves and estimated gross working interest proved plus probable reserves based on our estimates as of September 30, 2017. See "Business — Reserves."

	As of or for the year December 31,			As of or for the nine months ended September 30,
	2014	2015	2016	2017
Gross working interest proved reserves:[1]				
Natural gas (BCF)	711.8	660.5	712.2	783.7
Oil and condensate (MMBBLS)	95.2	91.4	98.1	93.7
Total (MMBOE)	216.7	204.1	219.6	227.4
Gross working interest proved plus probable reserves:[1]				
Natural gas (BCF)	877.6	826.4	918.2	1,011.6
Oil and condensate (MMBBLS)	140.4	136.2	148.4	143.0
Total (MMBOE)	290.0	277.1	305.0	315.6
Proved developed reserves[2]	192.6	180.9	186.7	169.4
Reserve replacement ratio[3]	2.3	0.2	2.3	N/A

Notes:

(1) For a description of the meaning of gross working interest proved reserves, gross working interest proved plus probable reserves and gross working interest proved plus probable plus possible reserves as of the reference dates set out in this Offering Circular, please see "Notice to Investors — Presentation of Oil and Gas Reserves Data." These gross working interest values are calculated based upon our portion of the estimated gross proved reserves and gross proved plus probable reserves attributable to our effective working interest, which have been derived from reserves estimations or assessments as of their dates and then deducting production, without accounting for reserves appreciation or depreciation, at each production block over the period from the respective estimations or assessments effective date (if a block has been so earlier estimated or assessed) to September 30, 2017. If a recent reserves estimations or assessments for a block is unavailable, the estimates have been derived by our internal technical team based on guidelines promulgated by SPE. To the extent that we have presented our gross working interest reserves on the basis of our effective working interest under the applicable contractual arrangement and not in accordance with SPE guidelines, we and not our independent petroleum engineering consultants are responsible for such data. However, our independent petroleum engineering consultants are responsible for the reserves data prior to adjustment for the effective working interest. Certain of these reserve estimations or assessments may include projections, forecasts or other forward-looking statements and any such information does not form part of this Offering Circular.

(2) Proved developed reserves means reserves that can be expected to be recovered through existing wells with existing equipment and operating methods.

(3) Represents the amount of reserves added in the period divided by production for the period.

See "Risk Factors — Risks Relating to Our Business and Operations — The oil and gas reserves data in this Offering Circular are only estimates and the actual production, revenue and expenditures achievable with respect to our reserves may differ from such estimates; there are no recent reserve estimations or assessments available for a significant portion of our reserves, and the oil and gas reserves data for these blocks are based on our internal estimates. In addition, probable reserves are generally believed to be less likely to be recovered than proved reserves."

RISK FACTORS

Prior to making an investment decision in relation to the Notes, prospective investors in the Notes should carefully consider all the information set forth in this Offering Circular, including the risk factors set out below. The risk factors set out below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with the businesses of the Issuer or the Parent Guarantor and its subsidiaries or any decision to purchase, own or dispose of the Notes. The risks and risk factors set forth below are not an exhaustive list of the challenges currently facing the Parent Guarantor and its subsidiaries or that may develop in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on the Issuer, the Parent Guarantor and its subsidiaries or the Notes.

RISKS RELATING TO OUR BUSINESS AND OPERATIONS

We are dependent on our ability to produce from and/or develop existing reserves, replace existing reserves and find and develop additional reserves for our core oil and gas business.

We must explore for, find, develop or acquire new reserves to replace those depleted and sold in order to grow or maintain production. We face challenges in sustaining production growth due to the maturation and depletion of oil and gas properties. Revenue from Rimau, South Sumatra, Lematang and the South Natuna Sea Block B PSCs, which together contributed 52.2% and 63.6% of our net oil and gas sales for 2016 and the nine month period ended September 30, 2017, respectively, are entering a mature stage with economic lives of five to 10 years.

The success of presently contemplated exploration and development activities cannot be assured. The decision to explore or develop a property will depend in part on geophysical and geological analyses and engineering studies, the results of which may be inconclusive or subject to varying interpretations. Exploration activities are subject to numerous risks, including the risk that no commercially viable oil or natural gas accumulations will be discovered. If we are unable to find or acquire additional reserves, we would not be able to sustain total production nor grow our core business, and this would have a material adverse effect on our business, prospects, financial condition and results of operations.

The cost of drilling, completing and operating wells is also uncertain. Drilling may be curtailed, delayed or cancelled as a result of many factors, including weather conditions, government requirements and contractual conditions, shortages of or delays in obtaining equipment, reductions in product prices or limitations in the market for products. Geological uncertainties and unusual or unexpected formations and pressures may result in dry wells. Our exploration and production activities may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or the recovery of drilling, completion or operating costs. In addition, we face substantial competition in the search for and acquisition of reserves, which require substantial investment.

Our indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations in relation to the Notes.

As of September 30, 2017, after giving pro forma effect to the Notes issuance and the expected use of proceeds for debt refinancing, we would have had US$2,043.3 million of indebtedness outstanding. In addition, we will be permitted under the indenture governing the Notes to incur additional debt, subject to certain limitations. Covenants in agreements governing debt that we may incur in the future may materially restrict our operations, including our ability to incur debt, pay dividends, make certain investments and payments, and encumber or dispose of assets. Our high degree of leverage and ability to incur additional debt may have important consequences to prospective investors, including the following:

- we may have difficulty satisfying our obligations under the Notes or other indebtedness and, if we fail to comply with these requirements, an event of default could result;

- we may be required to dedicate a substantial portion of our cash flow from operations to required payments on indebtedness, thereby reducing the availability of cash flow for working capital, capital expenditures and other general corporate activities;
- covenants relating to indebtedness may limit our ability to obtain additional financing for working capital, capital expenditures and other general corporate activities;
- covenants relating to indebtedness may limit our flexibility in planning for, or reacting to, changes in our business and the industries;
- we may be more vulnerable than our competitors to the impact of economic downturns and adverse developments in our business; and
- we may be placed at a competitive disadvantage against any less leveraged competitors.

Any of these factors could have a material adverse effect on our business, financial condition, results of operations, prospects and ability to satisfy our obligations under the Notes.

We face risks related to our joint ventures and other partners.

In November 2016, we acquired a 50% economic interest in AMNT (which has since decreased as described in "Business—Copper and Gold Mining"), which operates a copper and gold mine in Sumbawa. AMNT is currently jointly controlled with a Board of Directors and Commissioners appointed by us and our original joint venture partner. Because we do not wholly control AMNT, we may be unable to fully control decisions relating to operations and strategy, which could adversely affect our ability to obtain benefits from our investment. There can be no assurance that the other shareholders in AMNT will not take actions collectively or otherwise that are detrimental to our interests.

In addition, a number of our oil and gas blocks have other interest holders, including government entities and a number of MPI's projects have other interest holders. These types of relationships involve special risks associated with the possibility that partner(s) may have economic or business interests or goals that are inconsistent with ours or MPI's; take or omit to take actions contrary to our or MPI's instructions, requests, policies or objectives, good corporate governance practices or the law; be unable or unwilling to fulfill their obligations under the relevant agreements; have disputes with us or MPI as to the scope of their responsibilities; and/or have financial difficulties. For example, our involvement in the downstream sector is through DSLNG, a joint venture company established in 2007 by a consortium consisting of PT Medco LNG Indonesia (a wholly-owned subsidiary of our Group), Mitsubishi Corporation and KOGAS through their joint venture Sulawesi LNG Development Ltd., and Pertamina through its subsidiary PT Pertamina Hulu Energi. Within this scheme, DSLNG purchases gas from the upstream sector, operates the LNG plant, and sells LNG to international customers. We have an 11.1% interest in DSLNG. DSLNG has certain banking facilities that require certain of its shareholders to fulfill certain requirements or reach certain milestones. Although to date we have complied with our obligations under the agreement, we understand that one of our partners anticipated being unable to meet certain of its required milestones and was able to obtain an extension from DSLNG's lenders. However, there can be no assurance that our partners will meet their obligations in the future, and if such partners do not meet their obligations, DSLNG may be considered in default on its indebtedness, which could materially and adversely affect our downstream operations and upstream operations at the Senoro gas field. We have provided a corporate guarantee with respect to such indebtedness in proportion to our 11.1% holding in DSLNG, and we cannot assure you that we will not be liable pursuant to such guarantee in the future. In addition, we or MPI may face stalemates, an inability to finance certain developments, limits on the ability to recoup investments and limits on financial flexibility. Any of the foregoing could materially and adversely affect our or our investments' business, prospects, financial condition and results of operations.

Our business is subject to significant government regulation.

Oil and gas companies operating in Indonesia are highly regulated. The key terms and conditions applicable to us under Indonesian regulations include cost recovery arrangements and the DMO. For every barrel produced,

an oil and gas company that operates under a PSC is entitled to recover costs pertaining to the exploration and production activities carried out during the year. The cost recovery portion of the annual net entitlement varies with the level of cost incurred, including capital investment for exploration, development and production, annual operating expenses and the realized prices of oil and gas. The DMO specifies the amount of production that must be sold domestically, which can be at lower prices than could be obtained from selling elsewhere. In addition, oil and gas companies are subject to regulation by governments throughout the world. These regulations typically include the requirement to obtain permits to export products. Compliance with government regulations is required to ensure that these permits are, for example, granted, renewed or extended. In the case of exporting pipeline gas, for example, a quarterly permit renewal is required in Indonesia. An inability to obtain the necessary permits may affect exploration and production interests, the costs of safety and health and environmental controls and restrictions on drilling and production. We are also subject to the risk of nationalization, expropriation or cancellation of contract rights by governments. We operate in several countries and are therefore exposed to risks associated with the laws and regulations of each of these countries.

AMNT's copper and gold mining is subject to significant regulation. In 2014, the Indonesian government issued new regulations pertaining to the export of copper concentrate that contain potentially restrictive conditions in respect of obtaining an export permit and impose a new export duty.

The Batu Hijau mine was temporarily shut down from June 2014 through September 2014 due to an inability to export copper concentrate and AMNT's predecessor and its majority shareholder filed claims against the Indonesian government at the International Centre for Settlement of Investment Disputes in July 2014. However in August 2014, AMNT's predecessor withdrew its case, and following the withdrawal, AMNT's predecessor and the government entered into a Memorandum of Understanding in September 2014 in which, among other things, AMNT's predecessor agreed to pay higher royalties and certain export duties and the government agreed to issue permits to allow it to export and sell copper concentrates. The government then issued several six-month export permits commencing in September 2014, March 2015 and November 2015. In 2017, the Indonesian government issued new regulations which amended the 2014 regulations. The 2017 regulations deleted a provision in the previous government regulation that allowed COW holders to export processed minerals and also mandates that COW holders convert their COW to IUPK and refine their minerals domestically. Further in February 2017, under its new ownership, AMNT adopted the Indonesian government's IUPK mining permit which has preserved all economic conditions in the original COW. In February 2017, the Indonesian government issued a twelve month export permit to AMNT. Future export permits will be subject to the government's assessment of progress on AMNT's commitments to comply with the 2014 and 2017 regulations, which include the requirement to build an in-country smelter no later than five years after the issuance of the 2017 regulations. AMNT plans to form a joint venture with another party or parties to develop its smelter. AMNT expects to contribute access to land, the port and its power plant to the joint venture, with the joint venture partner making capital contributions towards project finance needed to construct of the smelter.

The 2014 and 2017 regulations could, notwithstanding the accommodations made by AMNT, result in the inability to export copper concentrate or additional financial obligations, which could adversely impact our future operating and financial results. In addition, AMNT is required to apply for renewals of certain other key permits related to Batu Hijau (such as wastewater permit and explosion utilization permit). The inability to renew such permit, the export permit or other key permits could adversely impact Batu Hijau operations and may adversely impact our business, prospects, financial condition and results of operations.

The power business in Indonesia is highly regulated and certain regulations restrict the price that can be charged for power as well as place other restrictions on the sale of power, which can limit our ability to earn revenue. Regulations also affect the tendering process for new projects and any changes in the future could affect our ability to tender for new projects. Furthermore, the business is influenced by factors beyond the control of us and our partners such as new market entrants, prices and supply gas as well as operating risks inherent in the industry. Any reduction in the prices received for power would adversely affect our business, prospects, financial condition and results of operations.

The oil and gas reserves data in this Offering Circular are only estimates and the actual production, revenue and expenditures achievable with respect to our reserves may differ from such estimates; there are no recent reserve estimations or assessments available for a significant portion of our reserves; even for blocks where there are recent third party reserves estimations or assessments, we have not attached these reports to this Offering Circular.

This Offering Circular includes estimates of certain of our proved reserves, proved plus probable reserves and proved plus probable plus possible reserves. There are no recent estimations or assessments or no estimations or assessments available for the Rimau, South Sumatra, Tarakan, Lematang and Senoro-Toili (Tiaka, which is Senoro-Toili's oil field) PSCs and for our international blocks, and the reserves estimations have been derived based on prior reserves estimations or assessments which are not recent, with the estimations or assessments for a number of our key producing but maturing blocks being from 2011. Certain of our other blocks were estimated or assessed between 2008 and 2014. Certain reserves figures presented in this Offering Circular are derived based on reserves estimations or assessments as of December 31, 2016 by NSAI for the Block A Aceh PSC, as of December 31, 2016 by RISC for the South Natuna Sea Block B PSC, and as of November 30, 2016 by GCA for the Senoro-Toili (Senoro Gas Field). Our estimates of reserves at these blocks as at any date which is more recent than the date of the most recent reserve estimations or assessments for the applicable block have been derived by deducting production at the block, without accounting for any reserves appreciation or depreciation, since the dates of the respective estimations or assessments. However, there can be no assurance that a more recent reserves estimation or assessment conducted would result in estimates of the available reserves at these blocks which are consistent with our internal estimates of such reserves. See "Notice to Investors—Presentation of Oil and Gas Reserves Data".

Approximately 46.5% of our gross proved oil and gas reserves and 51.0% of our gross proved plus probable oil and gas reserves as of September 30, 2017, has not been estimated or assessed since 2014 by any third party, but constitutes our estimates, based on prior reserve estimations or assessments from which production has been deducted.

Even with respect to reserves figures presented in this Offering Circular that are derived based on independent third party reserves estimations or assessments (namely, the reports as of December 31, 2016 by NSAI for the Block A Aceh PSC; as of December 31, 2016 by RISC for the South Natuna Sea Block B PSC; and as of November 30, 2016 by GCA for the Senoro-Toili (Senoro Gas Field)), we have not attached the reports relating thereto to this Offering Circular. Accordingly, investors will not have access to such reports provided by these independent consultants, which reports include additional information that may be useful in evaluating the reserves information relating to these blocks.

In addition, while we have obtained consent from these independent consultants to name them in this Offering Circular, we have not previously sought or otherwise obtained their consent for other disclosures, including in our annual reports.

The Ministry of Energy and Mineral Regulation No. 27 of 2006 on Management and Use of Data Obtained from General Survey, Exploration and Exploitation of Oil and Gas as amended by The Ministry of Energy and Mineral Regulation No. 29 of 2017 on the Licenses for Oil and Gas Business Activities (the "MEMR Regulation") requires any person that discloses any "data" (as defined therein) relating to oil and gas reserves to obtain consent from the MEMR. The MEMR Regulation does not specify the type of reserves data or information, or reserves report, disclosure that requires consent from the MEMR. Failure to comply with this requirement to obtain consent from the MEMR could result in sanctions of up to 1 year of imprisonment or fines of up to Rp. 10 billion. As a public company, under OJK Regulation No. 29/POJK.04/2016 on Annual Report of Issuer or Public Companies as implemented by OJK Circular Letter No. 30/SEOJK.04/2016 on Format and Content of Annual Report of Issuer or Public Companies (the "OJK Regulation"), the Parent Guarantor is required to release an annual report which includes financial statements and other material information, including reserves data and information relating to our operations. In compliance with the OJK Regulation, the Parent

Guarantor has been disclosing reserves data and information from time to time in its financial statements and annual reports and other disclosures. Similarly in this Offering Circular, we have included reserves data and information consistent with disclosures in the Parent Guarantor's financial statements and annual reports and other disclosures. In relation to this Offering, the Parent Guarantor has submitted an application to the relevant authority in order to disclose the reserves data in this Offering Circular. While we believe that the Parent Guarantor can obtain consent to disclose the reserves data, there is no assurance that consent will be obtained in time prior to the issuance of the Notes or at all. This notwithstanding, there can be no assurance that the MEMR may take the view that the Parent Guarantor's past disclosures of reserves data and information or disclosures in this Offering Circular have been made without obtaining their consent as may be required under the MEMR Regulation and impose penalties or sanctions on us, which could have an adverse effect on us.

Determining estimates of reserves is an inexact activity and, accordingly, there can be no assurance that our reserves data accurately reflects actual reserves or will not change. In addition, the basis on which we estimate our reserves differs from SPE guidelines.

Determination of reserves estimates is an inexact interpretive activity generally based upon SPE guidelines and definitions which require estimators to make uncertain forecasts of future production and to analyze incomplete technical and commercial data. There often exist professional interpretive differences of SPE guidelines and reserves classification between companies, independent petroleum engineering consultants and operators. This is often evidenced by different reported reserves between consortium members of the same exploration or producing block. Such differences may include assigning volumes to the categories of proved, probable or possible reserves, based on interpretation of guidelines or on views of the commercial viability of a given oil or gas reserve, at a particular point in time.

There is no assurance that we, independent petroleum engineering consultants or other operators will not change our or their views or interpretations of such guidelines or change our or their interpretation on the commercial viability of given reserves, and thus causing such reserves to be reclassified into another category under SPE or other similar guidelines. Accordingly, there can also be no assurance that the reserves estimates that we have recorded at these blocks accurately reflect the currently available reserves at these blocks.

There are numerous uncertainties inherent in estimating quantities of reserves, including many factors beyond our control. The reserves data set forth in this Offering Circular represent estimates determined by independent petroleum engineering consultants according to current industry practice (where reserves estimations or assessments are applicable), or our own internal review. In general, estimates of economically recoverable oil and gas reserves are based upon a number of variable factors and assumptions, such as geological and geophysical characteristics of the reservoirs, historical production performance from the properties, the quality and quantity of technical and economic data, prevailing oil and gas prices applicable to a company's production, extensive engineering judgments, the assumed effects of regulation by Government agencies and future operating costs. All such estimates involve uncertainties, and classifications of reserves are only attempts to define the degree of likelihood that the reserves will result in revenue for us. For those reasons, estimates of the economically recoverable oil and gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom, prepared by different engineers or by the same engineers at different times, may vary substantially. In addition, such estimates can be and will be subsequently revised as additional pertinent data becomes available prompting revision. Actual reserves may vary significantly from such estimates. To the extent that actual production is lower than the estimated reserves, our business, prospects, financial condition and results of operations are likely to be materially and adversely affected.

The estimates of gross working interest reserves set out in this Offering Circular reflect reserves attributable to our effective working interest under the applicable contractual arrangement before consideration of PSC terms. This is a different approach to the method stipulated under SPE guidelines which states that a producer's net entitlement to reserves should be estimated on the basis of the applicable contract terms taking into account

project costs and profits. We believe that our approach reflects a common practice in our industry in Indonesia. Our approach may result in higher gross working interest reserves as compared to if such reserves were estimated under SPE guidelines. Estimates of gross working interest reserves are also significantly affected by many factors, including (but not limited to) sales prices, production rates and capital and operating expenses prevailing as of the time such reserves are determined, as well as cost recovery provisions affecting the Government's share of such reserves and the portion of Government take payable to the Government as owner of the reserves. Such estimates may change materially from period to period even in the absence of any new geological information.

Estimates of proven and probable gold and copper reserves are uncertain and the volume and grade of ore actually recovered may vary from estimates.

The reserves stated in this Offering Circular represent the amount of gold and copper that are estimated at December 31, 2016 that could be economically and legally extracted or produced at the time of the reserve determination. Such reserves are calculated based on a technical report. Estimates of proven and probable reserves are subject to considerable uncertainty. Such estimates are, to a large extent, based on the prices of gold and copper and interpretations of geologic data obtained from drill holes and other exploration techniques, which data may not necessarily be indicative of future results. Producers use feasibility studies to derive estimates of capital and operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the predicted configuration of the ore body, expected recovery rates or metals from the ore, the costs of comparable facilities, the costs of operating and processing equipment and other factors. Actual operating and capital cost and economic returns on projects may differ significantly from original estimates. Further, it may take many years from the initial phases of exploration until commencement of production, during which time, the economic feasibility of production may change.

In addition, if the price of gold or copper declines from recent levels, if production costs increase or recovery rates decrease or if applicable laws and regulations are adversely changed, we can offer no assurance that the indicated level of recovery will be realized or that mineral reserves can be mined or processed profitably. If AMNT determines that certain of its ore reserves have become uneconomic, this may ultimately lead to a reduction in aggregate reported reserves. The foregoing could cause AMNT to revise its business plans or make asset impairments. Consequently, if AMNT's actual mineral reserves are less than current estimates, AMNT's results would be materially and adversely affected, which in turn would materially and adversely affect our business, prospects, financial condition and results of operations, which could in turn affect its ability to pay dividends to us.

Failure or delay by SKK Migas, our counterparties or us to comply with the terms of PSCs, and the failure to receive SKK Migas and other government approvals on a timely basis, could adversely affect us.

SKK Migas currently regulates Indonesia's petroleum resources on behalf of the Government. SKK Migas enters (and prior to it, BP MIGAS had entered) into production sharing contracts and other forms of cooperation contracts with private sector energy companies, such as us (or in respect of pre-existing production sharing contracts, as the Government contract counterparty of private sector energy companies) whereby such companies explore, develop and market oil and gas in specified areas in exchange for a percentage interest in the production from the blocks in the applicable contract area. To the best of our knowledge, as of the date of this Offering Circular, we believe we and our partners have been in compliance with the terms of our PSCs.

Most of our reserves are attributable to PSCs. The PSCs to which we are a party contain requirements regarding quality of service, capital expenditures, legal status of the contractors, restrictions on transfer and encumbrance of assets and other restrictions. While there is no specific regulation under Indonesian law which requires the enforcement of a pledge of interests in oil and gas companies that control, directly or indirectly, interests in a PSC, to be approved by SKK Migas, we believe that such enforcement and transfer of interests will, as a matter of policy and market practice, require the approval of SKK Migas. Any failure by us or any private counterparty to comply with the terms of our PSCs could result, under certain circumstances, in the revocation or

termination of such arrangements. Such an action by SKK Migas or Pertamina against us could have a material adverse effect on us. Furthermore, SKK Migas may fail to comply with the terms of PSCs. In addition, we must obtain approval from SKK Migas for substantially all material activities undertaken with respect to our PSCs, including acquisitions, divestments, exploration, development, production, drilling and other operations, sale of oil or natural gas and the hiring or termination of personnel. The failure to obtain such approvals or delays in obtaining such approvals, or conditions imposed in connection with the grant of such approvals, would have an adverse impact on us. As part of these PSCs, we finance such activities and facilities and equipment and recover our costs from the sales of the production, if there is successful production, in accordance with the terms of the PSCs. Our business and results of operations are substantially dependent on our relationship with SKK Migas and our counterparties, and any adverse change to these relationships may have a material adverse effect on our business, prospects, financial condition and results of operations.

We have in the past, and may again in the future, engage in acquisitions, which would be subject to risks.

We have in the past, and may in the future, continue to pursue strategic acquisitions that will expand our oil and gas business and our activity in the oil and gas industry generally or in our other lines of business, such as power and mining. We may not be able to identify or complete acquisitions or may be unable to obtain financing on acceptable terms, or if we consummate acquisitions, we may not realize any anticipated benefits from such acquisitions. For international acquisitions in jurisdictions where we do not operate, we may face new and different regulatory regimes, environmental requirements and other regulations with which we need to comply. In addition, we are required to comply with covenants under certain of our existing funding agreements which may require written notification to and/or prior consent from the lenders in the event that we would like to consummate any acquisitions should such acquisition fall within the criteria for the covenants. The process of integrating acquired operations into our existing operations may result in unforeseen issues and may require financial resources that would otherwise be available for the ongoing development or expansion of our existing operations. Future acquisitions could result in the incurrence of additional debt, contingent liabilities and increased capital expenditures, interest and other costs, any of which could have a material adverse effect on our business, prospects, financial condition and results of operations by reducing our net profit or increasing our total liabilities, or both.

In addition, we have in the past recorded bargain purchase gains on certain of our acquisitions and in the future may recognize bargain purchase gains or acquisition of goodwill. For example, we recorded a bargain purchase gain of US$467.2 million in 2016 with respect to our investment in AMIV, reflecting that the purchase price we paid for our share in AMIV was less than the assessment of the fair value of our share of AMIV's assets based on a valuation report from an independent third party valuer registered with the OJK. We have also recognized bargain purchase gains from the acquisition of our interest in South Natuna Sea Block B and the increases in our effective interests in Block A Aceh and Lematang PSC. Bargain purchase gains and goodwill we acquire are subject to impairment testing with respect to whether the value of the asset is recoverable, and therefore to the extent such assets decrease in value, we could record impairment losses in the future.

We may experience difficulties in expanding into new businesses and geographic areas.

We have already expanded, and may in the future again expand, our operations or invest in new businesses. For instance, in 2016, we acquired a 50% interest in AMI, which indirectly controls or has an economic interest in all of the shares in AMNT, which operates a copper and gold mine in Sumbawa. In addition, we have in the past expanded into jurisdictions outside of Indonesia, including among others the United States, Oman, Libya, Tunisia, and Yemen. We are also expanding our O&M business activities in the power sector. Prior to making our investment in AMNT, neither we nor our joint venture partner had experience in the gold and copper mining sector. We have also entered into different businesses from time to time which we have subsequently exited or otherwise hold for sale for portfolio rationalization, such as The Energy building. We may have limited or no prior investment or operational experience in areas into which we expand in the future, and there can be no assurance that we will be successful in investing or operating in such areas, or that such activities will not detract the financial and personnel resources from our core business.

A majority of our oil and gas assets and operations is concentrated in Indonesia, all of MPI's operations are in Indonesia and AMNT's copper and gold mining operations are located within one contract area, which geographically exposes us to risks and hazards in those areas.

The concentration of our operations within Indonesia exposes us to the possibility that events could adversely affect the development or production of oil and/or gas, power generation or mining operations in limited geographic areas. Adverse developments with respect to the areas in which we or AMNT operate could materially and adversely affect our business, prospects, financial condition and results of operations.

The development and expansion of our projects under development involves construction and financing risks that could lead to increased expenses and a loss of opportunities.

As part of our ongoing business, we participate in development projects. Such development projects involve many risks, including:

- the breakdown or failure of plant equipment or processes;
- the inability to obtain required governmental permits and approvals in time;
- work stoppages and other industrial actions by employees or contractors;
- opposition from local communities and special-interest groups;
- engineering and environmental problems;
- construction delays;
- inability to obtain working capital; and
- unanticipated cost overruns.

If we experience any of these or other problems, we may not be able to derive income and cash flows from the projects and investments in a timely manner, in the amounts expected or at all.

Furthermore, the projects we are developing and in which we invest, require substantial capital outlay and a long gestation period before we realize any benefits or returns on investments. For example, first gas discoveries were made at Senoro-Toili in 1999, we signed a GSA in 2009, the final investment decision was made in 2011, and gas deliveries began in 2014. In July 2017 we entered into a facility agreement for up to US$360 million for the development of Block A, Aceh, where first gas production and gas deliveries are expected to begin in 2018. We then plan to focus on Senoro-Toili, where in 2016, a further 880 BCF of gross 100% field 1C contingent resources were estimated or assessed by GCA compared to GCA's assessment in 2014 and where we are now evaluating potential development scenarios and preliminary engineering for Senoro-Toili phase II and the investment decision with respect to the preferred development scenario is expected to be made in the third quarter of 2018. After this Senoro-Toili phase II investment, we plan to focus on our next large development, which is phase II of our Block A Aceh block and the monetization of our other discovered gas resources on this block. Development of Senoro-Toili phase II and Block A Aceh phase II will require additional financing. We cannot assure you that we will be able to obtain such financing on acceptable terms or at all.

In addition, the time and some of the costs required in completing a project may be subject to substantial increases due to factors including shortages, or increased competition or market prices, for materials, equipment, skilled personnel and labor; adverse weather conditions; natural disasters; labor disputes with contractors; accidents; changes in government priorities and policies; changes in market conditions; delays in obtaining the requisite licenses, permits and approvals from the relevant authorities; and other unforeseeable problems and circumstances. We cannot assure you that our projects will be completed on time, within budget or at all, or that their development period will not be affected by any or all of these factors. Any of these factors could materially and adversely affect our business, prospects and financial condition.

We are engaged in the power generation and gold and copper mining business through MPI and AMI, respectively, which have required capital contributions and have substantial indebtedness.

Through our 88.62% effective interest in MPI, we are engaged in the power generation sector in Indonesia. Through our expected 38% interest in AMI, which controls and has an economic interest in all of the shares in AMNT, we have an investment in a copper and gold mine in Sumbawa. These entities have historically been accounted for using the equity method and are not Restricted Subsidiaries (as defined under "Description of the Notes").

MPI and AMI and their respective subsidiaries have substantial indebtedness. In order to receive cash flows from these entities, we rely on dividends and there can be no assurance that we will receive dividends from MPI or AMI.

These entities have required our assistance in the past and we expect to make equity contributions of approximately US$88 million to MPI over the next five years to complete the Sarulla geothermal project and Riau IPP prior to an initial public offering of MPI.

We may suffer uninsured losses or experience losses exceeding our insurance limits.

Our projects could suffer physical damage from fire or other causes, resulting in losses which may not be fully compensated by insurance. The proceeds of any insurance claim may be insufficient to cover rebuilding costs as a result of inflation, changes in building regulations, environmental issues as well as other factors. In addition, there are certain types of losses, such as those due to earthquakes, floods, hurricanes, other natural disasters, terrorism or acts of war, which may be uninsurable or are not insurable at a reasonable premium. We may not carry coverage for timely completion of our projects under development, loss of rent or profit, defects in the quality of materials used, public liability insurance and comprehensive general liability insurance. Should an uninsured loss or a loss in excess of insured limits occur, we may lose the capital invested in and the anticipated revenue from the affected property. We could also remain liable for any debt or other financial obligation related to that property. In addition, any payments we make to cover any uninsured loss may be significant. We may bear the costs associated with any damage suffered by us in respect of these uninsured events. Any of the foregoing could materially and adversely affect our business, prospects, financial condition and results of operations.

Our business is capital intensive, and if we are unable to obtain financing on terms acceptable to us to fund the substantial capital expenditure we expect to incur, we may not be able to implement our development plans.

We require, and will continue to require, substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves and through MPI, we require and will continue to require substantial capital expenditures for the development of power projects. If certain oil and gas projects currently under development do not increase production as quickly as expected or, if, following such increases, revenues subsequently decline, we may be constrained in our ability to secure the capital necessary to undertake or to complete future drilling or other programs. Our ability to obtain required capital on acceptable terms is subject to a variety of uncertainties, including: limitations on our ability to incur additional debt, including as a result of prospective lenders' evaluations of our creditworthiness and pursuant to restrictions on incurrence of debt in our existing and anticipated credit facilities; whether it is necessary to provide credit support or other assurances from our shareholders on terms and conditions and in amounts that are commercially acceptable to them; limitations on our ability to raise capital in the capital markets and conditions of the various capital markets in which we may seek to raise funds; and our future results of operations, financial condition and cash flows. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet our requirements or, if debt or equity financing or loans are available, that it will be on acceptable terms. In addition, with respect to MPI, given that is not a Restricted Subsidiary (as defined under "Description of Notes"), our ability to make capital contributions or advances to, or enter into transactions with, to MPI is limited.

To the extent we raise additional debt in order to fund our planned capital expenditures, this may pose additional risks and place restrictions on us which may, among other things:

- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditure, working capital requirements and other general corporate purposes; and/or
- limit our flexibility in planning for, or reacting to, changes in our business and our industry, either through the imposition of restrictive financial or operational covenants or otherwise.

Any inability to access financing on acceptable terms and conditions could have a material adverse effect on our business, prospects, financial condition and results of operations.

Increases in interest rates may materially impact our financial condition.

We have entered into certain facility agreements pursuant to which we have indebtedness which is subject to floating rate interest payments. The outstanding indebtedness which is subject to floating interest rate represents 10.0% of our total outstanding indebtedness as of September 30, 2017. Under such facility agreements, we are exposed to interest rate risk in the future depending on the nature of our financing cash flows. We may from time to time enter into interest or other hedging contracts or financial arrangements in the future to minimize our exposure to interest rate fluctuations. These hedging contracts are designed to reduce the risk of exposure to variable interest rates. However, we cannot assure you that we will be able to do so on commercially reasonable terms or that any such agreements we enter into will protect us fully against these risks. Any increase in interest expense of our loan servicing obligations may have a material adverse effect on our business, prospects, financial condition and results of operations.

We rely on equipment provided by third parties.

We compete with other oil and gas companies for equipment and human resources such as drilling rigs, supply vessels and helicopters, which are a limited resource given the competitive market in the Indonesian oil and gas sector. While the current situation is such that there is an excess availability and capacity for oil and gas equipment and services, there is no assurance that this situation will continue. If we are unable to obtain the equipment that we need to carry out our development plans and operations, we may have to delay or restructure our development plans or curtail selected operations, which may have an adverse effect on our ability to commercialize our oil and gas reserves on a timely basis. Further, depending on the complexity of our development projects, the competitive dynamics of the market, and the availability and prices of our contractors and equipment, we may have to pay more than we currently anticipate to implement our development plans. In addition, both MPI and AMNT also compete with third parties for infrastructure and equipment for their respective businesses.

In the event of a disruption or delay in the availability of equipment provided by third parties, we, MPI and AMNT would be unable to sell our respective products until the problem is corrected or until we or they find alternative means to deliver our or their products to our or their customers. Such alternative means, if available, may result in increased costs, and could have a material adverse effect on our or their business, prospects, financial condition and results of operations.

Our use of 2D and 3D seismic data is subject to interpretation and may not accurately identify the presence of oil and gas.

Seismic data is a method used to determine the depth, orientation and configuration of subsurface rock formations. Seismic data is generated by applying a source of energy, from explosives or vibrations, to the

surface of the ground and capturing the reflected sound waves to create two-dimensional ("2D") "lines" or three-dimensional ("3D") grids, the latter of which provides a more accurate subsurface understanding (which includes subsurface maps). Even when properly used and interpreted, 2D and 3D seismic data and visualization techniques are only tools used to assist geoscientists in interpreting subsurface structures and potential hydrocarbon occurrences and do not enable geoscientists to know whether hydrocarbons are, in fact, present in those structures or the amount of hydrocarbons. We employ 3D seismic technology to reduce the uncertainty of our projects. However, the use of 3D seismic and other advanced technologies requires greater pre-drilling expenditures than traditional drilling strategies. This could incur greater drilling and exploration expenses as a result of such expenditures, which may result in a reduction in its returns. Moreover, our drilling activities may not be successful or economical, and our overall drilling success rate, or our drilling success rate for activities in a particular area, could decline.

We are dependent on key personnel as well as the availability of qualified technical personnel.

We are dependent on senior management employees. If we lose the services of any of our key executive officers, it could be time consuming to find, relocate and integrate adequate replacement personnel into our operations, which could harm our operations and the growth of our business. We are also dependent on attracting qualified technical employees to provide services in relation to certain of our oil and gas operations. If we are unable to retain our current workforce or hire qualified technical personnel in the future, it could have a material adverse effect on our business, prospects, financial condition and results of operations.

From time to time, we may be involved in legal, regulatory and other proceedings arising out of our operations, and may incur substantial costs arising therefrom.

From time to time we have been and in the future may continue to be, involved in legal disputes. These disputes may cause us to incur substantial costs, delays in our development schedule, and the diversion of resources and management's attention, regardless of the outcome. If we were to fail to win these disputes, we could incur substantial losses and face significant liabilities. Further, even if we were to win these disputes, we may incur substantial costs in mounting our defense. We may also be subject to regulatory action in the course of our operations, which may subject us to administrative proceedings and unfavorable decisions that could result in penalties and/or delayed construction of new logistics facilities. In such cases, our business, prospects, financial condition and results of operations could be materially and adversely affected.

We may not be able to renew our production sharing or concession arrangements on the same or attractive terms or at all.

Although in the past we have been able to renegotiate economic extensions for our previous expiring Indonesian PSCs, there can be no assurance that we will be able to negotiate new PSCs with SKK Migas, or concessions or other arrangements with other authorities, when existing arrangements expire, or that any new arrangements will be on terms that are satisfactory to us. Among other things, any new arrangements could reduce our production sharing entitlement, royalty or other payments or place other restrictions on our ability to realize economic value from our production entitlement. We also face risks in this regard because new contracts can be less attractive than existing PSCs and so we have increased our focus on older PSCs, which are more likely to require that we obtain extensions thereof. Failure to successfully negotiate any such extensions on favorable terms or at all could result in loss of the ability to carry out activities on the applicable blocks, inability to grow or maintain production levels and otherwise may have an adverse effect on our business, prospects, financial condition and results of operations.

Due to the limited natural gas transmission and distribution infrastructure, failure by us to develop markets for the sale of our natural gas would have an adverse effect on our results of operations.

The limited natural gas transmission and distribution infrastructure within Indonesia and between Indonesia and other countries, including Singapore, has restricted consumption of Indonesian natural gas. There can be no

assurance as to when or if a significant natural gas transmission and distribution system will be constructed. Construction of transmission and distribution pipelines and other infrastructure depends on many factors, many of which are beyond our control, such as government funding, costs of land acquisition, national and local government approvals and timely completion of construction.

Our natural gas is primarily transported through pipes to the off-taker. Due to the limited natural gas delivery infrastructure, we must sell our natural gas to off-takers who are within close geographical proximity to our operations or find other means of monetizing such resources. We must seek to maximize utilization of our natural gas reserves by entering into working alliances as a gas supplier to obtain and secure long-term gas contracts with power plants and industrial users, among others, as new users of natural gas, or by investing interests in or acquiring power plants. Our ability to sustain the planned expansion of our natural gas exploration and production business by continuously finding, developing and maintaining markets for the sale of our natural gas will be subject to many factors, including the ability to obtain funding, regulatory approvals, competition from other regional and international gas producers, downstream market reforms such as reductions of fuel subsidies that could trigger public opposition, environmental regulations, and other operating or commercial risks, some of which are beyond our control. Failure by us to find, develop and maintain markets for the sale of our natural gas would have a material adverse effect on our natural gas business and our business, prospects, financial condition and results of operations.

Fluctuations in the value of the Indonesian Rupiah against foreign currencies may have an adverse effect on our results of operations.

While the Parent Guarantor reports its consolidated results in U.S. dollars, a substantial portion of our costs are generated in Rupiah. Our oil and gas and AMNT's revenues are earned in U.S. dollars, and MPI's revenue is earned in Rupiah. Many of our and AMNT's, operating costs, such as salaries and employee expenses, are denominated in Rupiah. Accordingly, we are exposed to fluctuations in the value of the Rupiah, against the U.S. dollar. In addition, since MPI currently reports its results in Rupiah, fluctuations of the Rupiah against the U.S. dollar affect our accounting for MPI's net income. All of our borrowings are either in U.S. dollars or have been swapped to U.S. dollars, except in the case of MPI which has U.S. dollar and non-U.S. dollar borrowings not all of which are swapped to U.S. dollars, although in the future if we earn revenues or dividends from our investments in Rupiah, or have debt exposure in Rupiah or other currencies, fluctuations in the value of the Rupiah or other currencies against the U.S. dollar will affect the U.S. dollar cost to us of servicing and repaying these borrowings. We enter into currency hedging contracts to reduce the exposure to this risk. However, we cannot assure you that we will be able to do so on commercially reasonable terms or that any such agreements we enter into will protect us fully against these risks. Future fluctuations of the U.S. dollar against the Rupiah and other foreign currencies may adversely impact our business, prospects, financial condition and results of operations.

AMNT may be unable to replace gold and copper reserves as they become depleted.

Our gold and copper mining operations are carried out by our joint venture, AMNT. AMNT plans to continue the development of its Batu Hijau mine, and to engage in further appraisal on other discovered resources, including at Elang, which is its largest discovered resource. AMNT also plans further exploration activities in the future. There can be no assurance that AMNT's development plans will be successful or that its appraisal and exploration activities will result in the discovery or development of mineable reserves. With respect to exploration activities, if a viable commercial deposit is discovered, it can take several years and capital expenditure from the initial phases of exploration until production commences during which time the capital cost and economic feasibility may change. Furthermore, actual results upon production may differ from those anticipated at the time of discovery. In order to maintain gold and copper production beyond the life of AMNT's current proved and probable gold and copper reserves, additional gold and copper reserves must be appraised and developed. AMNT's appraisal and exploration programs may not result in the replacement of such gold reserves or result in new commercial mining operations, this outcome would adversely impact its business and our prospects.

Mining at Batu Hijau was most recently focused on ore production from Phase 6, which was completed in September 2017. Current mining at Batu Hijau is focused stockpile processing and development of Phase 7. Overburden removal for Phase 7 is expected to commence in 2018. This overburden removal is required to access the ore in Phase 7 and is expected to take three years. During this hiatus in ex-pit ore production, Batu Hijau will feed its processing plant from existing long-term stockpiles of lower grade ore resulting in lower metal production during the Phase 7 overburden removal period. Predominantly low to medium grade ore has been accumulated on stockpiles since the start of operations in 2000 until the present day. AMNT believes there is sufficient stockpiled material for up to 10 years of concentrate production. AMNT believes that grade control from blasthole sampling and the precise spatial tracking of the placement of each truckload of this material on the stockpile has resulted in an accurate physical geo-model of the stockpile. However these stockpiles have been classified as a "Probable Mineral Reserve" in order to reflect some uncertainty regarding the degree of oxidation of the copper minerals over time, which affects metal recovery. In addition, Phase 7 could also experience unexpected problems and delays during development arising from such factors as unseasonal or exceptional wet weather and localized pit wall disturbance.

The interests of our controlling shareholders may differ from those of our Group.

Encore Energy, Clio Capital Ventures Ltd, PT Medco Duta, PT Medco Daya Abadi Lestari, and PT Multifabrindo Gemilang are beneficially owned by, and/or held for the benefit of, Hilmi Panigoro, our President Director, and/or members of his family. The interests beneficially owned by, and/or held for the benefit of, Mr. Hilmi Panigoro and/or members of his family, through Encore Energy Pte. Ltd, Clio Capital Ventures Ltd, PT Medco Duta, PT Multifabrindo Gemilang, and PT Medco Daya Abadi Lestari, represent 50.78% of our total outstanding Shares. As a result, these shareholders have the power to significantly influence the management and policies of the Parent Guarantor. Under Indonesian regulations, an affiliate transaction is a transaction entered between a company and its affiliates or affiliates of a member of the board of directors of a company, a member of the board of commissioners or a substantial shareholder who owns at least 20% of total issued and paid up capital of such company. An affiliate transaction does not require prior approval by a company's independent shareholders. Subject to certain exemptions, the company must publicly disclose the transaction, including providing a fairness opinion from an independent appraiser. An affiliate transaction may, however, be a conflict of interest transaction if such transaction could raise a conflict between the economic interests of the company and the personal economic interests of a member of the board of directors or board of commissioners or substantial shareholder or any of their affiliates, which may be detrimental to us. If the transaction is considered to be a conflict of interest transaction, it will be subject to the approval of Parent Guarantor's independent shareholders, which could affect our ability to enter into such transactions even if such a transaction may be in our interests.

The interests of the Parent Guarantor's controlling shareholders may differ from ours, and such shareholders may vote their shares in a way which prioritizes their interests over ours. Resulting transactions may be adverse to us or holders of the Notes. To the extent that we enter into affiliate transactions without public disclosure and providing the fairness opinion or enter into conflict of interest transactions without independent shareholder approval, the Parent Guarantor may be subject to administrative sanctions under OJK regulations, such as written notices, fines, restrictions of business activity, ceasing business activity, revocation of license, cancellation of approval and/or cancellation of registration. In addition, Encore is subject to certain covenants and restrictions with respect to its shareholding in the Parent Guarantor pursuant to financing arrangements with its lenders, including having to provide a pledge over Encore's shares in the Parent Guarantor. The interests of Encore's lenders may also differ from ours and the exercise of certain rights by these lenders may be adverse to ours and to the holders of the Notes. See "Principal Shareholders of the Parent Guarantor".

Indonesian law contains provisions which may cause us to forego transactions that are in our best interests.

In order to provide more legal certainty and protection to shareholders, in particular the independent shareholders, in connection with affiliated party transactions or conflict of interest transactions conducted by an

issuer or an Indonesian public company, in November 2009, BAPEPAM-LK issued Rule No. IX.E.1 on Affiliated Party Transaction and Conflict of Interest of Certain Transaction which replaced the previous rule issued in 2008 ("Rule No. IX.E.1").

Rule No. IX.E.1 requires the issuer or the Indonesian public company to disclose information to the public or to submit a report to OJK of its affiliated party transaction by the end of the second working day following such a transaction and further stipulates that any conflict of interest transaction conducted by Indonesian public companies would require prior independent shareholders' approval of the issuer or the said Indonesian public company, unless such affiliated party transaction or conflict of interest transaction meets certain exemptions stipulated under this rule.

Transactions between us and other persons could constitute an affiliated party transaction or conflict of interest transaction under Rule No. IX.E.1. If such a transaction falls under the conflict of interest transaction, the approval of holders of a majority of shares owned by the independent shareholders would have to be obtained prior to conducting such a transaction. OJK has the power to enforce this rule and our shareholders may also be entitled to seek enforcement or bring enforcement actions based on Rule No. IX.E.1.

The approval of independent shareholders is designed to be a control to stop abuse by controlling shareholders. However the requirement to obtain independent shareholder approval could be burdensome to us in terms of time and expense and could cause us to forego entering into certain transactions which we might otherwise consider to be in our best interests. Moreover, we cannot assure you that approval of the independent shareholders would be obtained if sought.

Indonesian corporate and other disclosure and accounting standards differ from those in other jurisdictions, such as the United States and countries in the European Union.

There may be less publicly available information about Indonesian public companies, such as the Parent Guarantor, than is regularly made available by public companies in the United States and other countries. In addition, our financial statements have been prepared in accordance with Indonesian Financial Accounting Standards, which differs in certain material respects from U.S. GAAP. See "Summary of Certain Significant Differences Between Indonesian FAS and U.S. GAAP". Further, although we are required to comply with the requirements of OJK with respect to corporate governance standards, these standards may differ materially from those applicable in other jurisdictions, such as the United States.

Political and social instability in the countries where we operate could adversely affect us.

While our assets are primarily located in Indonesia, we also have assets or operations in Oman, Tunisia, Yemen and Libya. Exploration and development activities in these countries may require protracted negotiations with host governments, national oil companies and third parties and may be subject to economic and political considerations such as the risks of war, actions by terrorist or insurgent groups, community disturbances, renegotiation, forced change or nullification of existing contracts or royalty rates, unenforceability of contractual rights, changing taxation policies or interpretations, adverse changes to laws (whether of general application or otherwise) or the interpretation thereof, foreign exchange restrictions, inflation, changing political conditions, the death or incapacitation of political leaders, local currency devaluation, currency controls, and governmental regulations that favor or require awarding contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Any of the factors detailed above or similar factors or the occurrence of any of the foregoing events in Indonesia or the other countries where we operate could have a material adverse effect on our business, results of operations and financial condition.

In 2016, we recorded impairment losses on our oil and gas properties of US$278.5 million (of which $100 million with respect to Libya was reversed in the nine month period ended September 30, 2017), primarily related to impairments of our assets in Libya and Tunisia partly resulting from our risk assessment related to

political conditions in the North African region. Due to political conditions in Libya and Yemen, we have reduced activities at, and in the case of Yemen, relinquished our rights to, certain of our oil and gas blocks in these countries. In addition, exploration activities in Libya are currently suspended under force majeure. There can be no assurance that our rights to these blocks will not be impaired or terminated as a result, including, for example, because we are deemed not to have fulfilled our development or other obligations relating thereto.

If a dispute arises in connection with our operations, it may be subject to the exclusive jurisdiction of courts in those countries or arbitration tribunals or may not be successful in subjecting foreign persons, especially foreign oil ministries and national oil companies, to more favorable jurisdictions. Further, we may also be adversely affected by increased action by non-governmental organizations opposed to the oil and gas exploration and production industry.

Political and related social developments in the countries where we operate have been unpredictable in the past and there can be no assurance that social and civil disturbances will not occur in the future and on a wider scale, or that any such disturbances will not, directly or indirectly, have a material adverse effect on our business, financial condition, result of operations and prospects and the Issuer's ability to meet its payment obligations under the Notes.

Our operations could be disrupted by community or labor issues.

We are subject to risks associated with community and workforce unrest. For example, AMNT's Batu Hijau operations faced demonstrations including protests and roadblocks by the local community in 2011 and again in 2015 relating to a worker recruitment process by AMNT. The local community believed that AMNT conducted an unfair recruitment process by accepting the workers from families of the local village and sub-district officials. Batu Hijau also faced temporary work stoppages in 2011 and 2012. In addition, development of the geothermal facility at Sarulla, which is not operated by us, was also impacted by social unrest, including riots, which delayed commercial operation of the first facility there. In addition, our operations in Tunisia were suspended due to labor protests in connection with a general strike in the country from April to June 2017. We cannot predict whether similar or more significant incidents will occur and the recurrence of significant opposition from the local community could disrupt exploration, development or operational activities and, thereby, adversely affect our assets and operations or our other operations. Indonesia has seen greater worker and union activism in recent times, and a strike or other labor disputes could adversely affect our operations and assets. Strikes and labor disputes can have various causes including wages, benefits, work conditions and job security, as well as layoffs, which can result from, among other things, reduced labor needs during the lifecycle of our projects. Any of the foregoing could have a material adverse effect on our business, prospects, financial condition and results of operations.

Oil and gas facility and pipeline, mine closure and remediation costs and abandonment costs and environmental liabilities may exceed the provisions we have made.

Natural resource extractive companies are required to close their operations and rehabilitate the lands that they mine in accordance with a variety of environmental laws and regulations in accordance with the obligations in their PSCs, contracts of work, or IUPK, and a variety of implementing environmental laws and regulations, as applicable. Under the Indonesian mining law, mining companies are required to submit reclamation plans and post-mining activity plans to Directorate General of Minerals, Coal and Geothermal ("DGMCG"). Mining companies are also required to provide reclamation and post-mining guarantees as a commitment to implement the reclamation and post-mining activities as stipulated in the plan. The amount of guarantee itself is determined by the DGMCG based on its assessment and valuation of the plan submitted by the mining company. Estimates of the total ultimate closure and rehabilitation costs may be significant and based principally on current legal and regulatory requirements and closure plans that may change materially. Any underestimated or unanticipated rehabilitation costs could materially affect our or AMNT's business and prospects. The laws and regulations governing oil and gas facilities and pipelines, mine closure and remediation are subject to review at any time and

may be amended to impose additional requirements and conditions which may cause our or AMNT's provisions for environmental liabilities to be underestimated and could materially affect our financial position or results of operations.

The exploration, development, and operation of the Sarulla geothermal power project is subject to geological risks and uncertainties.

The Sarulla geothermal power project, in which MPI owns an 18.6% interest, is subject to various uncertainties, such as potential dry holes, flow-constrained wells and uncontrolled releases of pressure and temperature decline. In addition, the high temperature and high pressure in geothermal energy resources requires special resource management and monitoring. Because geothermal resources are complex geological structures, there can be no assurance that MPI's estimates of their geographic area are accurate. The viability of geothermal projects depends on different factors directly related to the geothermal resource, such as the heat content (the relevant composition of temperature and pressure) of the geothermal resource, the useful life (commercially exploitable life) of the resource and operational factors relating to the extraction of geothermal fluids. Although MPI believes its geothermal resources will be fully renewable if managed appropriately, the geothermal resources that MPI intends to exploit may not be sufficient for sustained generation of the anticipated electrical power capacity over time. Further, MPI's geothermal resources may suffer an unexpected decline in capacity. Any of these factors could adversely affect MPI's development of the Sarulla geothermal power project and, in turn, our business, financial condition and results of operations.

RISKS RELATING TO OUR INDUSTRIES

The volatility of prices for crude oil could adversely affect the Group's financial condition and results of operations.

Our future revenues will be highly dependent upon the prices of, and demand for, oil and natural gas. Our profitability is determined in large part by the difference between the prices received for the oil and natural gas and the costs of exploring for, developing, producing and selling these products. We currently sell most of our oil at prices based on the Indonesian Crude Price. Currently, we sell all of our natural gas under long-term contracts. Some of our contracts, representing 55% of sales volume in the nine month period ended September 30, 2017 contain pricing linked to oil prices, such as the Senoro GSA and one of the South Natuna Sea Block B GSAs. The remaining 45% was sold domestically within Indonesia under fixed price or inflation linked long-term contracts with no linkage to oil price, and accordingly, our revenue from natural gas sales is not subject to as much price volatility as with sales of oil.

There have recently been significant fluctuations in the prices of crude oil, with oil prices having dropped significantly in 2015. In 2015, our average realized crude oil price was US$49.29 per barrel, representing a 49.6% decline from our average realized crude oil price in 2014 of US$97.83 barrel, which impacted our revenues and profitability and impacted the value of our assets as we recorded an asset impairment of US$203.9 million in 2015. The average monthly ICP-SLC ranged from US$45/bbl to US$132/bbl from January 1, 2009 to December 31, 2014 and more recently, the average monthly ICP-SLC dropped from US$60/bbl in December 2014 to US$53/bbl in September 2017.

The market prices of crude oil are subject to a variety of factors beyond our control. These factors, among others, include:

- international events and circumstances, as well as political developments and instability in petroleum producing regions, such as the Middle East (particularly the Persian Gulf, Iraq and Iran), Latin America and Western Africa;
- the ability of the Organization of Petroleum Exporting Countries ("OPEC") and other petroleum-producing nations to set and maintain production levels and therefore influence market prices;

- market prices and supply levels of substitute energy sources, such as coal;
- domestic and foreign government regulations with respect to oil and energy industries in general;
- the level and scope of activity of oil speculators;
- weather conditions and seasonality; and
- overall global economic conditions.

In the event of sustained low oil prices we attempt to reduce our cost of production and curtain exploration activities. In the event that the price of oil falls below the cost of production, we may reduce oil production to a level where we can produce oil economically. These circumstances could lead to further decreases in our revenues, net income and cash flows. We do not materially hedge our exposure to movements in oil prices Volatility and any significant decreases in the price of oil and gas could have a material adverse effect on our financial condition and results of operations.

A substantial or extended decline in gold or copper prices would have a material adverse effect on AMNT.

AMNT's business is dependent on the prices of gold and copper, which fluctuate on a daily basis and are affected by numerous factors beyond our control. Factors tending to influence prices include:

- gold sales, purchases or leasing by governments and central banks;
- speculative short positions taken by significant investors or traders in gold or copper;
- the relative strength of the U.S. dollar;
- the monetary policies employed by the world's major central banks;
- the fiscal policies employed by the world's major industrialized economies;
- expectations of the future rate of inflation;
- interest rates;
- recession or reduced economic activity in the United States, China, India and other industrialized or developing countries;
- decreased industrial, jewelry or investment demand;
- increased import and export taxes;
- increased supply from production, disinvestment and scrap;
- forward sales by producers in hedging or similar transactions; and
- availability of cheaper substitute materials.

Any decline in AMNT's realized gold or copper price could adversely impact our net income. In addition, sustained lower gold or copper prices can:

- reduce revenues further through production declines due to cessation of the mining of deposits, or portions of deposits, that have become uneconomic at sustained lower gold or copper prices;
- reduce or eliminate the profit that we currently expect from ore stockpiles and ore on leach pads and increase the likelihood and amount that AMNT might be required to record as an impairment charge related to the carrying value of its stockpiles;
- halt or delay the development of new projects;

- reduce funds available for exploration and advanced projects with the result that depleted reserves may not be replaced; and
- reduce existing reserves by removing ores from reserves that can no longer be economically processed at prevailing prices.

Our operations are subject to significant operating hazards.

Our oil and gas exploration, development and production operations are subject to significant risks normally associated with such activities, including drilling blowouts, pipeline ruptures, explosions, oil spills and fires. Any of these risks could result in environmental pollution, damage to or destruction of wells, production facilities or other property, or injury to persons or fatalities. While we aim to prepare for, and train our personnel to deal with, such emergencies, if we are unable to quickly fix the damage resulting from such accidents, our financial condition and results of operation could be materially and adversely impacted. In addition, drilling hazards or environmental damage could increase the cost of operations, and various field operating conditions may adversely affect our production levels from successful wells. These conditions include delays in obtaining government approvals or consents, shut-in of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. Production delays and declines from normal field operating conditions cannot be eliminated and can be expected to materially and adversely affect revenue and cash flow to varying degrees. Offshore production facilities are subject to hazards inherent in marine operations, such as capsizing, sinking, grounding, collision and damage from severe weather or tidal conditions. These hazards can cause substantial damage to facilities and interrupt production. Offshore oil activities can also be affected by ocean conditions arising from occurrences such as typhoons and tsunamis.

In addition, the exploration and development of natural resources and the development and production of oil and gas, mining or power operations are activities that involve a high level of uncertainty. These can be difficult to predict and are often affected by risks and hazards outside of our control. These factors include, but are not limited to:

- environmental hazards, including discharge of metals, concentrates, pollutants or hazardous chemicals;
- industrial accidents, including in connection with the operation of mining transportation equipment, milling equipment and/or conveyor systems and accidents associated with the preparation and ignition of large-scale blasting operations, milling, processing and transportation of chemicals, explosives or other materials;
- surface or underground fires or floods;
- unexpected geological formations or conditions (whether in mineral or gaseous form);
- ground and water conditions;
- fall-of-ground accidents in underground operations;
- failure of mining pit slopes and tailings dam walls;
- seismic activity; and
- other natural phenomena, such as lightning, cyclonic or tropical storms, floods or other inclement weather conditions.

The occurrence of one or more of these events in connection with our businesses or investments may result in the death of, or personal injury to, employees, other personnel or third parties, the loss of equipment, damage to or destruction of properties or production facilities, monetary losses, deferral or unanticipated fluctuations in production, environmental damage and potential legal or regulatory actions or liabilities, all of which may adversely affect our reputation, business, prospects, results of operations and financial position. In November 2017, there was an employee fatality at MPI's Cibalapulang mini hydro power generating plants, and in December 2017, there was a fatality at the Sarulla geothermal project. These incidents are currently being reviewed internally.

The mining industry faces continued geotechnical challenges.

The mining industry and AMNT's mining operations are facing continued geotechnical challenges due to aging of mines and a trend toward mining deeper pits and more complex deposits. This leads to higher pit walls and increased exposure to geotechnical instability and hydrological impacts. As AMNT's operations are maturing, open pits get deeper and AMNT has experienced certain geotechnical failures at the Batu Hijau mine in the past. In addition, the pit design for Phase 7 was developed based on the same geotechnical and hydrological strategies that have been developed over the 20-year life of the Batu Hijau operation to date. The pit walls will be depressurized with horizontal drainage holes and pre-split blasting will be used to maximize wall competency but, based on experience at Batu Hijau, the pit walls are still anticipated to fail on a localized scale. The operation is well-practiced in monitoring and managing such confined failures and there is no reason to expect the additional depth in Phase 7 will present any additional issues to what the mine has experienced in the past.

No assurances can be given that unanticipated adverse geotechnical and hydrological conditions, such as landslides and pit wall failures, will not occur in the future or that such events will be detected in advance. Geotechnical instabilities can be difficult to predict and are often affected by risks and hazards outside of AMNT's control, such as severe weather and considerable rainfall, which may lead to periodic floods, mudslides, wall instability and seismic activity, which may result in slippage of material. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause mining operations to be less profitable than currently anticipated and could result in a material adverse effect on our business, financial condition, results of operations and prospects.

We operate in a competitive environment.

The Indonesian oil and gas, mining and power industries are highly competitive. Key areas in which we face competition include the acquisition, renewal and negotiation of licenses, evaluating, bidding for and acquiring assets, and securing the resources necessary for our operations as well as selling our products. Many of our competitors have greater financial and personnel resources available to them than we do. The size, infrastructure, wide-ranging experience and close relationships with the Government of some state-owned, international, or other energy companies may provide them with competitive advantages over other companies operating in Indonesia or the other countries where we operate, including us. Our ability to develop our business will depend upon our ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

Our business operations may be adversely affected by current and future environmental regulations.

Our business is subject to certain laws and regulations on environmental and safety matters relating to the exploration for, and development and production of, oil and gas, conducting mining operations and power generation, which may have a material adverse effect on our financial condition and results of operations. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities which may require us to incur costs to remedy such discharge and pay penalties or fines. Any change in Indonesian laws and regulations applicable to us, including environmental laws and regulations and increased governmental enforcement of environmental laws or other similar developments in the future may require us to make additional capital expenditure or incur additional operating expenses in order to maintain our current production, development, exploration and other operations activities, curtail our production activities or take other actions that could materially and adversely affect us.

On October 3, 2009, the Government enacted Law No. 32 of 2009 regarding Environmental Protection and Management ("Environmental Law"), in place of the previous Law No. 23 of 1997 ("Law 23/1997"), which required that all current environmental management licenses be integrated into the environmental permit issued

pursuant to the Environmental Law and introduced more stringent penalties for breaches of environmental laws and regulations. As an implementation of the Environmental Law, the Government enacted Government Regulation No. 27 of 2012 on Environmental License, dated February 23, 2012 ("Regulation No. 27") and State Minister of Environmental Affairs Regulation No. 5 of 2012 on Types of Planned Businesses and/or Activities Subject to Mandatory Environmental Impact Analysis which requires that in addition to an environmental impact analysis (*Analisa Mengenai Dampak Lingkungan*) ("AMDAL") approval, an environmental management effort plan (*Upaya Pengelolaan Lingkungan*) ("UKL") or an environmental monitoring effort plan (*Upaya Pemantauan Lingkungan*) ("UPL"), an environmental permit from the State Ministry of Environmental Affairs or governor or mayor/head of regent of their respective areas would need to be obtained. However, all environmental documents (AMDAL, UKL and UPL) obtained before the implementation of Regulation No. 27 would be accepted as valid environmental permits. The Environmental Law requires us to obtain environmental licenses (*Izin Lingkungan*) as a pre-requisite to obtaining the relevant business licenses, and if obligations in the AMDAL approval, UKL or UPL are not met, one of the sanctions that could be imposed is the revocation of our environmental permit. Revocation of environmental licenses may lead to nullification or termination of the corresponding business license, which may require us to cease certain operations and may have a material adverse effect on us. In addition to environmental licenses, under Law No. 32/2009, each holder of an environmental license is required to effect a cash deposit in a designated state-owned bank; however, no government regulation has been issued which stipulates the amount of such cash deposit, and accordingly we have not made any such deposit as of the date of this Offering Circular. If, in the future, government regulations are issued which stipulate the amount of the cash deposit, we would be required to make such a deposit in order to comply with Law No. 32/2009. The enactment of further implementing regulations relating to the Environmental Law could cause us to incur significant additional costs or delay in the completion of our projects under development in order to comply with such new regulations. See "Business — Environmental".

While we have generally received Blue, Green and Gold PROPER awards from the Environmental & Forestry Ministry for certain of our Indonesian assets, in 2016, we received a Red rating from the Environmental & Forestry Ministry for our Bawean PSC (which we sold in June 2017), due, among other things, to the Government's request for a wastewater treatment facility to be constructed. A Red rating means that although the facility was making efforts to be in compliance with relevant regulations, such facility is not in full compliance.

We operate the South Natuna Sea Block B PSC as well as the West Natuna Transportation System ("WNTS") pipeline to an onshore receiving facility in Singapore through which we distribute approximately 30% of our total gas sales. It has been reported that the Singapore government may consider implementing regulations aimed at limiting the amount of mercury in gas supplied to Singapore. There can be no assurance regarding the extent or effect of such regulations, which have not yet been promulgated. While a mercury removal unit has been implemented at the South Natuna Sea Block B PSC, which we believe would allow us to be in compliance with such prospective regulations, the actual implementation of such regulations in a manner different from our expectations could have an adverse effect on our business, prospects, results of operations and financial condition if we are not in compliance.

In addition, certain discoveries on our blocks, such as Block A Aceh, have high carbon dioxide levels. The future developments of such resources which will need to be considered, designed and managed by us in light of prevailing regulations.

Given the possibility of unanticipated regulatory or other developments, including more stringent environmental laws and regulations, the amount and timing of future environmental compliance expenditures could vary substantially from their current levels. These changes could limit the availability of our funds for other purposes. We cannot predict what additional environmental legislation or regulations will be enacted in the future or the potential effects on our business, financial condition, results of operations and prospects.

Shortages of critical parts and equipment may adversely affect us.

The industries in which we operate and invest have been impacted, from time to time, by increased demand for critical resources such as input commodities, drilling equipment, trucks, shovels and tires. These shortages have, at times, impacted the efficiency of operations, and resulted in cost increases and delays in production and construction of projects, thereby impacting operating costs, capital expenditures and production and construction schedules.

RISKS RELATING TO INDONESIA AND CERTAIN OTHER COUNTRIES WHERE WE OPERATE

The Parent Guarantor is incorporated in Indonesia and most of its commissioners and directors are based in Indonesia. A substantial majority of our operations and assets are also located in Indonesia. As a result, future political, economic, legal and social conditions in Indonesia, as well as certain actions and policies the Government may take or adopt, or omit to take or adopt, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Political and social instability in Indonesia may adversely affect us.

Following the collapse of President Soeharto's regime in 1998, Indonesia experienced a process of democratic change. Despite Indonesia having successfully conducted its first free elections for parliament and president in 1999, as a new democratic country, Indonesia continues to face various socio-political issues and has, from time to time, experienced political instability and social and civil unrest.

Since 2000, thousands of Indonesians have participated in demonstrations in Jakarta and other Indonesian cities both for and against former President Wahid, former President Megawati, former President Yudhoyono and current President Widodo as well as in response to specific issues, including fuel subsidy reductions, privatization of state assets, anti-corruption measures, decentralization and provincial autonomy and the American-led military campaigns in the middle-east. Although these demonstrations were generally peaceful, some have turned violent.

Political and related social developments in Indonesia have been unpredictable in the past. There can be no assurance that this situation or future sources of discontent will not lead to further political and social instability. Social and civil disturbances could directly or indirectly, materially and adversely affect our business, financial condition, results of operations and prospects, and our ability to pay interest on, and repay the principal of, the Notes. In addition, as a significant oil producer and consumer market of great potential, Indonesia remains a key investment location, though corruption, policy drift and collapsing infrastructure, as well as insecurity in the region, present risks to business operations in that country.

Increased scope of regulation by Government agencies may have a material adverse effect on our business, financial condition and results of operations.

The evolving roles of SKK Migas and the Ministry of Energy and Mineral Resources, coupled with political changes in Indonesia, have allowed other Government agencies to increase their roles in administering and regulating the oil and gas industry in Indonesia.

BP MIGAS (currently known as SKK Migas), via a letter dated June 10, 2009 in relation to the Regulation of the Minister of Energy and Mineral Resources No. 22 Year 2008 on "Type of Activities Cost of Business Upstream Oil and Gas which cannot be recovered to Contractor of Production Sharing Contract" (*Kontraktor Kontrak Kerja Sama*) and Government Regulation of Republic of Indonesia No. 27 of 2017 regarding Amendment of Government Regulation of Republic Indonesia No. 79 of 2010 on "Cost Recovery and Income Tax Treatment in the Upstream Oil and Natural Gas Business Sector," added to the categories of costs that could not be recovered under contract.

Also, the Indonesian tax authorities have recently initiated additional tax audits and implemented measures to increase tax revenues from the oil and gas industry. Further, the treatment of taxation under the new tax laws may conflict with the approach currently adopted for PSCs. Continued expansion of the role of these governmental agencies may have a material adverse effect on companies operating in the oil and gas industry, including us. See Note 23 to the consolidated financial statements included elsewhere in this Offering Circular for information on our tax assessment letters.

The interpretation and application of laws and regulations in Indonesia involves uncertainty.

The courts in Indonesia may offer less certainty as to the judicial outcome or a more protracted judicial process than is the case in more established economies. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for resolving issues or disputes compound such problems. Accordingly, we could face risks such as: (1) effective legal redress in the courts of such jurisdictions being more difficult to obtain, whether in respect of a breach of law or regulation, or in an ownership dispute, (2) a higher degree of discretion on the part of governmental authorities and therefore less certainty, (3) the lack of judicial or administrative guidance on interpreting applicable rules and regulations, (4) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, or (5) relative inexperience or unpredictability of the judiciary and courts in such matters.

Enforcement of laws in Indonesia may depend on and be subject to the interpretation placed upon such laws by the relevant local authority, and such authority may adopt an interpretation of an aspect of local law which differs from the advice that has been given to us by local lawyers or even previously by the relevant local authority itself. Furthermore, there is limited or no relevant case law providing guidance on how courts would interpret such laws and the application of such laws to its concessions, joint operations, licenses, license applications or other arrangements.

For example, on November 13, 2012, the Indonesian Constitutional Court (*Mahkamah Konstitusi*) ("MK") handed down Decision No. 36/PUU-X/2012 ("MK Decision 36/2012"), which declared several articles in the Indonesian Law No. 22 of 2001 on Oil and Gas ("Oil and Gas Law") pertaining to the establishment and functions of BP Migas to be unconstitutional and unenforceable. In its considerations, the MK elaborates its views on the meaning of Article 33 of the Constitution of Indonesia, concluding that the Indonesian Government should directly manage oil and gas resources, as opposed to only performing supervisory duties through BP Migas.

Upon the announcement of MK Decision 36/2012, certain provisions of the Oil and Gas Law, amongst others, relating to the establishment and functions of BP Migas ceased to have any binding force, and BP Migas therefore ceased to exist. However, in order to avoid legal uncertainty with respect to ongoing oil and gas business activities, the MK made clear, in MK Decision 36/2012, that pending the promulgation of further regulations and amendments to the Oil and Gas Law, the functions and duties formerly held by BP Migas would be taken over by the Indonesian Government, represented by the Ministry of Energy and Mineral Resources ("MEMR"). The MK also stated that all PSCs signed by BP Migas would remain valid until their respective expiration dates or as agreed by the parties. This follows a line of constitutional precedent regarding the non-retroactivity of MK decisions. Since the issuance of MK Decision 36/2012, the Indonesian Government has authorized SKK Migas, pursuant to PR 9/2013, to take over the former functions and duties of BP Migas.

There can be no assurance, however, that PR 9/2013, the establishment of SKK Migas, or any future amendments to the Oil and Gas Law or its implementing regulations, will not be the subject of further challenges before the MK.

In addition, the Oil and Gas Law requires upstream oil and gas operators to provide at least 25.0% of production to fulfill domestic needs. As the DMO is implemented on a case-by-case basis, there is no certainty as

to the proportion that will be allocated in the event we enter into new concessions. Moreover, in Indonesia, regional autonomy is a sensitive political subject. Laws and regulations have changed the regulatory environment by decentralizing certain regulatory and other authority from the Government to regional (i.e., provincial and/or local) governments. The process of devolving authority to regional governments is ongoing, and while the regulations on regional autonomy, as well as various sector-specific laws (including the Oil and Gas Law), have set out the divisions of authority between the Government and the regional governments, the implementation of such regulations has been erratic, causing the scope of devolved authority to be uncertain. Although the central Indonesian Government has made efforts in the regulatory sector to curb overreaching by regional governments, jurisdictional uncertainty is expected to continue for the foreseeable future. One consequence of this uncertainty is that the powers of the licensing authorities in Indonesia are not completely transparent or clearly delineated. Under these regional autonomy laws, regional autonomy was expected to give the regional governments greater powers and responsibilities over the use of "national assets" and to create a balanced and equitable financial relationship between central and regional governments. However, under the pretext of regional autonomy, certain regional governments have put in place various restrictions, taxes and levies which may differ from restrictions, taxes and levies put in by other regional governments and/or are in addition to restrictions, taxes and levies stipulated by the central government. It is unclear whether the rights granted by the Government at the central, provincial and local levels conflict with each other, or that the application of regulatory powers will be consistent.

In addition, Indonesia's Law No. 17 of 2008 on Shipping includes a cabotage rule. The cabotage rule specifically reserves domestic sea transportation activities to domestic shipping companies using Indonesian-flagged vessels and Indonesian crews. The Government has interpreted the cabotage requirement broadly to apply not only to vessels engaged in the transportation of goods and passengers, but also to offshore platforms, construction and drilling vessels, Floating Production Storage and Offloading facilities ("FPSO") and other specialized equipment used in the offshore oil and gas industry. For the time being, the Indonesian Ministry of Transportation has exempted specific specialized oil and gas vessels, including vessels conducting oil and gas survey activities, drilling, offshore construction, offshore supporting activities, dredging and salvage and sub-sea work, from flying the Indonesian flag, as many vessels used for oil and gas activities are high-tech specialized vessels, expensive, and currently not available from Indonesian shipbuilders. The exemptions will apply temporarily as long as Indonesian-flagged vessels are not yet available for such specific activities (such as oil and gas survey activities, drilling, offshore construction, offshore supporting activities, dredging and salvage and sub-sea work) There can be no assurance that Indonesian-flagged vessels will be available on terms that we find acceptable, or at all, once the exemptions are no longer applicable due to revocation. If the exemptions are revoked, it is likely that the supply of such rigs and vessels for use in our Indonesian operations will reduce as there is no certainty that international oil services companies will re-flag their rigs and vessels. This could potentially increase our costs of operations and delay exploration and/or development within our Indonesian contract areas, which could materially and adversely affect our growth, business results of operations, financial condition and prospects.

Unfavorable interpretation or application of the laws in the jurisdictions in which we operate may adversely affect our concessions, joint operations, licenses, license applications or other legal arrangements. In Indonesia, the commitment of local businesses, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be less certain and more susceptible to revision or cancellation, and legal redress may be uncertain or delayed. If the existing body of laws and regulations in Indonesia are interpreted or applied, or relevant discretions exercised, in an inconsistent manner by the courts or applicable regulatory bodies, this could result in ambiguities, inconsistencies and anomalies in the enforcement of such laws and regulations, which in turn could hinder our long-term planning efforts and may create uncertainties in our operating environment.

Increased regulation by governments and governmental agencies may increase the cost of regulatory compliance and limit our access to new exploration properties.

The oil and gas industry is generally subject to regulation and intervention by governments throughout the world in such matters as the award of exploration and production interests, the imposition of specific drilling obligations, environmental, health and safety controls, controls over the development and decommissioning of a field (including restrictions on production) and possibly, nationalization, expropriation, cancellation or non-renewal of contract rights.

Within Indonesia, where our operations are primarily located, the evolving roles of SKK Migas and the Ministry of Energy and Mineral Resources, coupled with political changes in Indonesia, have allowed other Government agencies such as the Minister of Trade, the Ministry of Forestry and State Ministry for Environmental Affairs to increase their roles in administering and regulating the oil and gas industry in Indonesia. The continued expansion of the roles of governmental agencies may result in the adoption of new regulations, legislation and practices that we would be required to comply with.

In addition, new regulations, legislation and practices may be adopted by the Government and other governments or governmental agencies in countries in which we have operations in response to evolving practices or specific incidents, such as the Gulf of Mexico oil spill, which may result in more stringent regulation of oil and gas activities in the United States and elsewhere, particularly relating to environmental, health and safety controls and oversight of drilling operations, as well as access to new areas. Any new regulations, legislation and practices could increase the cost of compliance and may require changes to our drilling operations, exploration, development and decommissioning plans and could impact our ability to capitalize on our assets and limit our access to new exploration properties or operatorships.

The oil and gas industry is also subject to the payment of royalties and taxation, which tend to be high compared with those payable in respect of other commercial activities, and we operate in certain tax jurisdictions that have a degree of uncertainty relating to the interpretation of, and changes to, tax law. As a result of new laws and regulations or other factors, we could be required to curtail or cease certain operations, or we could incur additional costs.

Indonesia is subject to significant geological risk that could lead to natural disasters and economic loss.

Because of its location in a geologically active part of the world, Indonesia is subject to various forms of natural disasters. These include earthquakes, tsunamis, volcanic eruptions, floods and landslides that can result in major losses of life and property, such as the 2004 Indian Ocean Tsunami that devastated the province of Aceh, and can therefore have significant economic and developmental effects.

If the Government is unable to timely deliver foreign aid to affected communities, political and social unrest could result. Any such failure on the part of the Government, or declaration by it of a moratorium on its sovereign debt, could trigger an event of default under numerous private-sector borrowings including ours, thereby materially and adversely affecting our business, financial condition, results of operations and prospects, and on our ability to pay interest on, and repay the principal of, the Notes.

In addition, the future geological or meteorological occurrences, may significantly harm the Indonesian economy. A significant earthquake or other geological disturbance or weather-related natural disasters in any of Indonesia's more populated cities and financial centers could severely disrupt the Indonesian economy and thereby materially and adversely affect our business, financial condition, results of operations and prospects.

Terrorist attacks and terrorist activities and certain destabilizing events have led to substantial and continuing economic and social volatility in Indonesia, which may materially and adversely affect our business.

Terrorist attacks and associated military responses have resulted in substantial and continuing economic volatility and social unrest in the world. In Indonesia during the last several years and as recently as May 2017,

there have been various terrorist attacks directed towards the Government, foreign governments and public and commercial buildings frequented by foreigners, which have killed and injured a number of people.

There can be no assurance that further terrorist acts will not occur in the future. Any of the foregoing events, including damage to our infrastructure or that of our suppliers and customers, could materially and adversely affect international financial markets and the Indonesian economy, interrupt parts of our business and materially and adversely affect our financial condition, results of operations and prospects.

Any outbreak of infectious disease, or fear of an outbreak, or any other serious public health concerns in Indonesia or elsewhere may have an adverse effect on the Indonesian economy and may adversely affect us.

An outbreak of infectious diseases (including avian flu, SARS, swine flu, the H7N9 virus) or another contagious disease or the measures taken by the governments of affected countries, including Indonesia, against such potential outbreaks, could seriously interrupt our operations or the services or operations of our suppliers and customers, which could have a material adverse effect on our business, financial condition, results of operations and prospects. The perception that an outbreak of infectious diseases or another contagious disease may occur may also have an adverse effect on the economic conditions of countries in Asia, including Indonesia.

Regional or global economic challenges may materially and adversely affect the Indonesian economy and our business.

The economic crisis which affected South East Asia, including Indonesia, from mid-1997 was characterized in Indonesia by, among others, currency depreciation, a significant decline in real gross domestic product, high interest rates, social unrest and extraordinary political developments. As a result of the economic crisis in 1997, the Government has had to rely on the support of international agencies and governments to prevent sovereign debt defaults. The economic difficulties Indonesia faced during the Asian economic crisis that began in 1997 resulted in, among other things, significant volatility in interest rates, which had a material adverse impact on the ability of many Indonesian companies to service their existing indebtedness.

Indonesia's economy remains significantly affected by economic conditions which resulted in a decrease in Indonesia's real GDP growth from 6.0% in 2012, to 5.6% in 2013, 5.0% in 2014, 4.9% in 2015 and a slight increase in 2016 to 5.0%. These conditions had a material adverse effect on Indonesian businesses. The global financial markets have experienced, and may continue to experience, significant turbulence originating from the liquidity shortfalls in the U.S. credit and sub-prime residential mortgage markets since 2008, which have caused liquidity problems resulting in bankruptcy for many institutions, and resulted in major government bailout packages for banks and other institutions. The global economic crisis has also resulted in a shortage in the availability of credit, a reduction in foreign direct investment, the failure of global financial institutions, a drop in the value of global stock markets, a slowdown in global economic growth and a drop in demand for certain commodities. The global financial markets have also recently experienced volatility as a result of concerns over the debt crisis in the Eurozone. Uncertainty over the outcome of the Eurozone governments' financial support programs and worries about sovereign finances generally are ongoing.

The Government continues to have a modest fiscal deficit and a high level of sovereign debt, its foreign currency reserves are modest, the Rupiah continues to be volatile and has poor liquidity, and the banking sector is weak and suffers from high levels of non-performing loans. The inflation rate (measured by the year on year change in the consumer price index) remains volatile. The Indonesia rate of inflation was 6.3% in 2015 and 3.5% in 2016 based on the consumer price index. Interest rates in Indonesia have also been volatile in recent years, which have had a material adverse impact on the ability of many Indonesian companies to service their existing indebtedness.

The current global economic situation could further deteriorate or have a greater impact on Indonesia and our business. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects, and on our ability to pay interest on, and repay the principal of, the Notes.

Indonesian accounting standards differ from those in other jurisdictions.

We prepare our financial statements in accordance with Indonesian FAS, which differs from U.S. GAAP. As a result, our financial statements and reported earnings could be significantly different from those that would be reported under U.S. GAAP. This Offering Circular does not contain a reconciliation of our financial statements to U.S. GAAP, and there can be no assurance that such reconciliation would not reveal material differences. See "Summary of Principal Differences between Indonesian FAS and U.S. GAAP" for a summary of certain principal accounting differences that may be applicable to us.

We are subject to corporate disclosure and reporting requirements that differ from those in other countries.

We are subject to corporate governance and reporting requirements in Indonesia that differ, in significant respects, from those applicable to companies in certain other countries. The amount of information made publicly available by issuers in Indonesia may be less than that made publicly available by comparable companies in certain more developed countries, and certain statistical and financial information of a type typically published by companies in certain more developed countries may not be available. As a result, investors may not have access to the same level and type of disclosure as that available in other countries, and comparisons with other companies in other countries may not be possible in all respects.

Downgrades of the credit ratings of Indonesia and Indonesian companies could materially and adversely affect us and the market price of the Notes.

As of the date of this Offering Circular, Indonesia's sovereign foreign currency long-term debt is rated "Baa3/positive outlook" by Moody's, "BBB-/stable outlook by Standard and Poor's and "BBB/stable outlook" by Fitch, and its short-term foreign currency debt is rated "P-3" by Moody's, "A-3" by Standard & Poor's and "F3" by Fitch with a stable outlook from Moody's, a positive outlook from Standard & Poor's and a stable outlook from Fitch. These ratings reflect an assessment of the Government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due.

Any downgrade to credit ratings of Indonesia or Indonesian companies could have an adverse impact on liquidity in the Indonesian financial markets, the ability of the Government and Indonesian companies, including us, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available and could have a material adverse effect on us.

We may be subject to changes in taxation.

Our subsidiaries engaged in oil and gas operations in Indonesia are subject to taxation and are faced with increasingly complex tax laws. The amount of tax we pay could increase substantially as a result of changes in, or new interpretations of, these laws, which could have a material adverse effect on our liquidity and results of operations. Taxes have increased or been imposed in the past and may increase or be imposed again in the future. In addition, taxing authorities could review and question our tax returns leading to additional taxes and penalties which could be material.

Certain recent changes to Indonesian tax laws may adversely affect us. We have interests in a number of PSCs in Indonesia. On December 20, 2010, the Indonesian Government enacted Government Regulation 79/2010 ("GR 79/2010"), which changes the regime governing cost recovery under PSCs and the taxation of oil and gas activities. GR 79/2010 generally applies to PSCs entered into or extended after December 20, 2010. PSCs entered into or extended before December 20, 2010 will continue to be governed by the regulations prevailing at the time such PSCs were executed, unless it is determined that such PSCs have not expressly or sufficiently provided for the areas mentioned in the list below, in which case the provisions of GR 79/2010 will apply and such PSCs must be adjusted within three months of the effective date of GR 79/2010 (being December 20, 2010). It is not yet clear who will make such determinations or how they will be made.

The transitional provisions in GR 79/2010 list eight areas that makes GR 79/2010 applicable to PSCs entered into before December 20, 2010 including:

- government share;
- requirements for cost recovery and the norms for claiming operating non-allowable costs;
- non-recoverable operating costs;
- the appointment of independent third parties to carry out financial and technical verifications;
- the issuance of income tax assessments;
- the exemption of customs duty and import tax on the importation of goods used during exploitation and exploration activities;
- contractor's tax in the form of oil and gas from the contractor's share; and
- income from outside the PSC in the form of uplifts and/or the transfer of PSC interests.

On June 15, 2017, the Indonesian government enacted Government Regulation No. 27 of 2017 regarding the Amendment of Government Regulation No. 79 of 2010 regarding Operating Costs that may be Recovered and Income Tax Treatment for Upstream Oil and Gas Activities ("GR 27/2017"), which was put into effect on June 19, 2017. GR 27/2017 applies to PSCs entered into or extended after June 19, 2017. PSCs entered into or extended: (i) prior to the enactment of Oil and Gas Law; (ii) after the enactment of Oil and Gas Law and prior to enactment of GR 79/2010; and/or (iii) after the enactment of GR 79/2010, will continue to be governed by the regulations prevailing at the time such PSCs were executed, unless it is determined that such PSCs have not expressly or sufficiently provided for the eight areas mentioned in the transitional provisions of GR 27/2017 which are the same as the eight areas mentioned in the transitional provisions of GR 79/2010 above.

GR 27/2017 introduced new tax facilities which previously were not available in GR 79/2010:

- domestic purchase of certain goods on which VAT is applicable and utilization of certain intangible goods and services from overseas during exploitation and exploration period are exempted from VAT. These VAT exemption facilities available during the exploitation period can be granted by the Ministry of Finance upon consideration of the economics of the project;
- 100% reduction of land and building tax during exploration period as stated in the Tax Payable Notification Letter ("SPPT"). The same facilities also apply to activities during the exploitation period for sub-surface parts, but are granted only by the Ministry of Finance upon consideration of the economics of the project;
- facility cost sharing and parent company overhead charges are exempted from withholding tax and VAT; and
- income from outside the PSC in the form of uplifts and/or the transfer of PSC interests after deduction of final income tax, is exempted from branch profit tax.

PSCs entered into or extended prior to enactment of GR 27/2017 which aim to utilize benefits from GR 27/2017 may choose to adjust the PSC in full with the terms of GR 27/2017 within a period of no more than six months after the effective date of GR 27/2017 (being June 19, 2017). It is not yet clear who will make such determinations or how they will be made.

Further changes to the taxation and tax laws that may result in higher taxes and operating costs in Indonesia could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are exposed to the risk of adverse sovereign action.

The oil and gas industry is a significant contributor to the Indonesian economy and the economies of the other countries where we operate and is therefore a key government focus. Potential future changes in

government policy, regulations or PSC fiscal regimes and taxes could have an adverse effect on our business, financial results or prospects.

Our assets may be subject to sovereign immunity risk.

Indonesia has a constitution and laws which entrench and vest all of the rights over its natural resources in the state, including oil and gas resources, which are regarded as sovereign state assets. Indonesia has also established a state-owned agency which enters into commercial contracts with oil and gas exploration and production companies in relation to the exploration, development and production of oil and gas resources. Accordingly, the natural resources discovered within a contract area are ultimately owned by the state and the exploration and production agency only has contractual rights of exploration, development and production. As our contracts in Indonesia are with a state-owned agency, in the event of a dispute, it is uncertain if the state-owned agency will be able to invoke the principles of sovereign immunity. We are subject to similar risks with respect to our international operations. The invocation of such immunity may limit our ability to enforce our rights, which in turn adversely affects our business, results of operations, financial condition and prospects.

Labor laws and regulations in Indonesia or other countries where we operate and labor unrest may materially adversely affect our results of operations.

Laws and regulations which facilitate the forming of labor unions, combined with weak economic conditions, have resulted and may continue to result in labor unrest and activism in Indonesia. In 2000, the Government issued Law No. 21 of 2000 regarding Labor Unions (the "Labor Union Law"). The Labor Union Law permits employees to form unions without intervention from an employer, the government, a political party or any other party. On March 25, 2003, President Megawati enacted Law No. 13 of 2003 regarding Employment (the "Labor Law") which, among other things, increased the amount of severance, pension, medical coverage, life insurance, service and compensation payments payable to employees upon termination of employment. The Labor Law requires further implementation of regulations that may substantively affect labor relations in Indonesia. The Labor Law requires companies with 50 or more employees establish bipartite forums with participation from employers and employees. The Labor Law also requires a labor union to have participation of more than half of the employees of a company in order for a collective labor agreement to be negotiated and creates procedures that are more permissive to the staging of strikes. Following the enactment, several labor unions urged the Indonesian Constitutional Court to declare certain provisions of the Labor Law unconstitutional and order the Government to revoke those provisions. The Indonesian Constitutional Court declared the Labor Law valid except for certain provisions, including relating to the right of an employer to terminate its employee who committed a serious mistake and criminal sanctions against an employee who instigates or participates in an illegal labor strike. Our international operations are also subject to the labor laws in the jurisdictions where we operate, and our international operations are affected by such laws.

Labor unrest and activism in Indonesia could disrupt our operations, our suppliers or contractors and could affect the financial condition of Indonesian companies in general, depressing the prices of Indonesian securities on the Jakarta or other stock exchanges and the value of the Rupiah relative to other currencies. Labor disruptions outside of Indonesia in the markets in which we operate have affected and could in the future affect our operations. For example, our operations in Tunisia were suspended due to labor protests in connection with a general strike in the country from April 2017 to June 2017. Such events could materially and adversely affect our business, financial condition, results of operations and prospects, and our ability to pay interest on, and repay the principal of, the Notes.

RISKS RELATING TO THE NOTES, THE GUARANTEES AND THE COLLATERAL

The terms of the Notes and the Guarantees will contain covenants limiting our financial and operating flexibility.

Covenants contained in the documentation relating to the Notes and the Guarantees will restrict the ability of the Issuer, the Parent Guarantor, and any Restricted Subsidiary (as defined in "Description of the Notes") to, among other things:

- incur or guarantee additional indebtedness and issue certain redeemable or preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Parent Guarantor, or its restricted subsidiaries;
- prepay or redeem subordinated debt or equity;
- make certain investments and capital expenditures;
- create encumbrances or restrictions on the payment of dividends, or other distributions, loans or advances to and on the transfer of assets to the Parent Guarantor or any of its restricted subsidiaries;
- sell, lease or transfer certain assets, including stock of restricted subsidiaries;
- enter into sale and leaseback transactions;
- engage in certain transactions with affiliates;
- enter into unrelated businesses or engage in prohibited activities;
- consolidate or merge with other entities; and
- impair the security interest for the benefit of the Noteholders.

All of these covenants are subject to the limitations, exceptions and qualifications described in "Description of the Notes — Certain Covenants." These covenants could limit our ability to pursue our growth plan, restrict our flexibility in planning for, or reacting to, changes in our business and industry, and increase our vulnerability to general adverse economic and industry conditions. We may also enter into additional financing arrangements in the future, which could further restrict our flexibility.

Any defaults of covenants contained in the Notes may lead to an event of default under the Notes and the Indenture and may lead to cross-defaults under our other indebtedness. No assurance can be given that the Issuer will be able to pay any amounts due to the Noteholders in the event of such default, and any default may significantly impair the Issuer's ability to pay, when due, the interest of and principal on the Notes and the Parent Guarantor's, and any Subsidiary Guarantor's, ability to satisfy its obligations under the Guarantees.

We may incur additional indebtedness. This could further exacerbate the risks described above.

Subject to restrictions in the Indenture governing the Notes, we may incur additional indebtedness, which could increase the risks associated with our already substantial indebtedness. If we incur any additional indebtedness that ranks equally with the Notes, the relevant creditors will be entitled to share ratably with the Noteholders in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of the Issuer or a Guarantor. This may have the effect of reducing the amount of proceeds paid to the Noteholders. Covenants in agreements governing debt that we may incur in the future may also materially restrict our operations, including our ability to incur debt, pay dividends, make certain investments and payments, and encumber or dispose of assets. In addition, we could be in default of financial covenants contained in agreements relating to our future debt in the event that our results of operations do not meet any of the terms in the covenants, including the financial thresholds or ratios. A default under one debt instrument may also trigger cross-defaults under other debt instruments. An event of default under any debt instrument, if not cured or waived, could have a material adverse effect on us.

Enforcing rights under the Notes or the Guarantees across multiple jurisdictions may prove difficult.

The Notes will be issued by the Issuer, which is incorporated under the laws of the Singapore, and the Notes will be guaranteed by Parent Guarantor and certain of its subsidiaries, which are established under the laws of Indonesia or other non-United States jurisdictions. In addition, the Notes and the Indenture are governed by New York law.

In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in, among others, Singapore, Indonesia and New York. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Investors' rights under the Notes and the Guarantee will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that investors will be able to effectively enforce their rights in such complex multiple bankruptcy, insolvency or similar proceedings.

In addition, the bankruptcy, insolvency, administrative and other laws of Singapore, Indonesia and New York or other non-United States jurisdictions may be materially different from, or be in conflict with, each other and those with which investors may be familiar, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect investors' ability to enforce their rights under the Notes and the Guarantee in the relevant jurisdictions or limit any amounts that they may receive.

We may not be able to generate sufficient cash flows to meet our debt service obligations.

Our ability to make scheduled payments on, or to refinance our obligations with respect to, our indebtedness, including the intercompany loan agreements and the Notes, will depend on our financial and operating performance, which in turn will be affected by general economic conditions and by financial, competitive, regulatory and other factors beyond our control. Our business may not generate sufficient cash flow from operations and future sources of capital may not be available to us in an amount sufficient to enable us to service our indebtedness, including the intercompany loan agreements and the Notes, or to fund our other liquidity needs. The Parent Guarantor is a holding entity that conducts substantially all of its business operations through operating subsidiaries, joint ventures and unconsolidated entities and relies on dividend payments and other distributions from its operating subsidiaries, joint ventures and investments for substantially all of its cash flows. If we are unable to generate sufficient cash flow to satisfy our debt obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot assure you that any refinancing would be possible, that any assets could be sold or, if sold, of the timing of the sales and the amount of proceeds that may be realized from those sales, or that additional financing could be obtained on acceptable terms, if at all. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms, would materially and adversely affect our financial condition and results of operations and our ability to satisfy our obligations under the Notes.

Moreover, our offering structure may be found to be non-compliant with the Singapore-Indonesia tax treaty and applicable Indonesian tax regulations. Under these circumstances, there can be no assurance that the Indonesian tax authorities will not unilaterally apply a 20% withholding tax rate upon us. This would effectively increase our debt servicing obligations with respect to the Notes, and we cannot assure you that we could satisfy such increased obligations.

It may not be possible for you to effect service of process, or to enforce judgments of a foreign court, on the Guarantors in Indonesia.

Each of the Parent Guarantor and the majority of the Subsidiary Guarantors is a limited liability company incorporated in Indonesia operating within the framework of Indonesian laws relating to investment and all of its

significant assets are located in Indonesia. All of the Parent Guarantor's and the majority of the Subsidiary Guarantors' commissioners and directors reside in Indonesia. As a result, it may be difficult for investors to effect service of process, including judgments, on the Parent Guarantor or a Subsidiary Guarantor or their respective commissioners and directors outside Indonesia, or to enforce judgments obtained in non-Indonesian courts against the Parent Guarantor, a Subsidiary Guarantor or their respective commissioners and directors in Indonesia. See "Enforcement of Civil Liabilities."

The Guarantors have been advised by their Indonesian legal adviser that judgments of non-Indonesian courts are not enforceable in Indonesian courts, although such judgments could be admissible as non-conclusive evidence in a proceeding on the underlying claim in an Indonesian court. Our Indonesian legal advisers have also advised us that there is doubt as to whether Indonesian courts will recognize judgments in original actions brought in Indonesian courts based only upon the civil liability provisions of the securities laws of other countries. In addition, an Indonesian court may refuse to hear an original action based on securities laws of other countries. As a result, the Noteholders would be required to pursue claims against the Parent Guarantor or a Subsidiary Guarantor or their respective commissioners, directors and executive officers in Indonesian courts.

The claims and remedies available under Indonesian law may not be as extensive as those available in other jurisdictions. No assurance can be given that the Indonesian courts will protect the interests of the Noteholders in the same manner or to the same extent as would courts in more developed countries outside of Indonesia.

Indonesian companies have filed suits in Indonesian courts to invalidate transactions with structures similar to this offering of the Notes and the Guarantees and have brought legal action against lenders and other transaction participants. Moreover, such legal actions have resulted in judgments against such defendants invalidating all obligations under the applicable debt instruments and in damages against such defendants in excess of the amounts borrowed.

The Indonesian Supreme Court has affirmed several District Court decisions that invalidated transactions with structures similar to this offering of the Notes and the Guarantees. These cases have generally involved Indonesian companies that had defaulted on notes and other debt incurred through offshore financing entities in transactions structured similarly to this offering of the Notes and the Guarantees and had successfully sued their creditors as well as other parties such as underwriters and trustees with respect to such debt and have obtained, among other reliefs:

- a declaration that the entire debt obligation is null and void;
- disgorgement of prior payments made to holders of the notes;
- damages from lenders and other transaction participants in amounts exceeding the original proceeds of the debt issued; and
- injunctions prohibiting holders of the notes from enforcing their rights under the relevant transaction documents and trading in the notes.

Published reports, including those court decisions that are available, do not provide a clear factual basis or legal rationale for these judgments. In reaching these decisions, however, the courts have not appeared to follow the contractual selection of non-Indonesian law as the governing law. These courts have in certain instances barred the exercise of any remedies available to the investors anywhere in the world.

In several court cases in Indonesia, Indonesian companies that had defaulted on debt incurred through offshore financing entities and guaranteed by Indonesian companies have sued their creditors under such debt to, among other things, invalidate their debt obligations, and have sought damages in amounts exceeding the original principal amounts of the relevant debt from such creditors. In a case which was subsequently settled, an Indonesian court voided the transaction documents under a transaction involving a guarantee issued by an Indonesian company of the debt of an offshore subsidiary. In another case, an Indonesian court declared a loan

agreement between an offshore entity and its creditors null and void and awarded damages to the defaulting borrower. The courts' reports of these decisions do not provide a clear factual basis or legal rationale for the judgments.

Following several lower court cases involving Indah Kiat the Indonesian Supreme Court in the June 2006 decision released in November 2006, affirmed lower court judgments that invalidated US$500 million of notes issued by Indah Kiat BV, a Dutch subsidiary of Indah Kiat, and guaranteed by Indah Kiat. The lower courts had ruled that the defendants (including the trustee, underwriter and security agent with respect to the notes) committed a tort (*perbuatan melawan hukum*), and therefore the issuance of the notes was null and void. Indah Kiat argued that by acting as both guarantor of the notes issued by Indah Kiat BV and borrower under an inter-company loan from Indah Kiat BV, Indah Kiat acted as both debtor and guarantor of the same debt. The lower courts reasoned that the transaction documents with respect to the notes were signed without any legal cause and did not meet the provisions of Article 1320 of the Indonesian Civil Code, which requires an agreement to have a legal cause in order to be a valid agreement. The lower courts also ruled that the establishment of Indah Kiat BV was unlawful, as it was established for the purposes of avoiding Indonesian withholding tax liability.

On August 19, 2008, the Indonesian Supreme Court granted a civil review (*peninjauan kembali*) (the "August 2008 Decision") and annulled the June 2006 Decision, stating that Indah Kiat had failed to prove that the transaction was an act of legal manipulation that caused damages to Indah Kiat and concluding that the defendants did not commit any unlawful acts. Further, the Indonesian Supreme Court maintained that it was clear that the money borrowed from Indah Kiat BV by Indah Kiat originated from the issuance of the notes, as evidenced by the relevant inter-company loan agreement, and therefore there was no merit to the claim that the transaction was an act of legal manipulation. The Indonesian Supreme Court in the August 2008 Decision further stated that it had misapplied the tax law in the June 2006 Decision, as the tax law did not prohibit tax saving. Finally, the Indonesian Supreme Court stated that the guarantees with respect to the notes were enforceable as long as the relevant security documents were valid and enforceable, and that claims with respect to certain New York-law governed documents, such as the indenture, intercompany loan agreement and the underwriting agreement, should be brought in the appropriate court in the state of New York.

The Indonesian Supreme Court in March 2009 refused a civil review (the "March 2009 Decision") of a judgment by the District Court of Kuala Tungkal, South Sumatra, which invalidated US$550 million of notes issued by APPC and guaranteed by Lontar Papyrus, a sister corporation of Indah Kiat. Although the Indonesian Supreme Court's official judgment is not publicly available, Lontar Papyrus' legal arguments in its lower court case were substantially similar to those made by Indah Kiat and rejected by the Indonesian Supreme Court in its August 2008 Decision. The Indonesian Supreme Court's refusal to grant a civil review effectively affirmed and made final the lower court's decision to invalidate the transaction documents and Lontar Papyrus's guarantor obligations under the notes. The Indonesian Supreme Court reasoned that the loan agreement between APPC and Lontar Papyrus and the indenture with respect to the notes required revisions in order to comply with Indonesia's prevailing laws and regulations and that because Lontar Papyrus had repaid in full the loan from APPC, it had no outstanding legal obligations as debtor under the loan agreement with APPC or as guarantor under the indenture. Lontar Papyrus and Indah Kiat are subsidiaries of Asia Pulp & Paper Company Ltd., and their original lower court cases against their creditors were filed at approximately the same time. While the lower court decisions in certain of these cases have been annulled by the Indonesian Supreme Court, as in the August 2008 Decision, the Indonesian Supreme Court has taken a contradictory view in the March 2009 Decision.

On January 25, 2011, the Indonesian Supreme Court refused a civil review of a decision by the District Court of Bengkalis, which invalidated the agreements and the securities documents in relation to the August 2008 Decision's US$500 million notes issued by Indah Kiat BV, in the September 2011 Decision. The September 2011 Decision was initially brought by Indah Kiat BV, a Dutch subsidiary of Indah Kiat at the Bengkalis District Court in Riau. The facts and legal claims presented by Indah Kiat BV were substantially the same as those made by Indah Kiat in relation to the June 2006 Decision and the August 2008 Decision. The September 2011 Decision specifically noted that the Indonesian Supreme Court chose not to consider its August 2008 Decision despite

such substantially similar facts and legal claims. The Supreme Court's refusal to grant civil reviews of the lower court decisions in the March 2009 Decision and September 2011 Decision effectively affirmed the lower court decisions to invalidate the agreements and the securities documents in relation to such notes, and therefore renders it final.

There is also an instance where the Indonesian court, through a suspension of payment proceedings, failed to acknowledge noteholders as creditors of a parent guarantor. On December 8, 2014, the supervisory judge in proceedings before the Commercial Court of the Central Jakarta District Court determined that noteholders were not creditors of Bakrie Tel for purposes of its court-supervised debt restructuring, Bakrie Tel PKPU. Bakrie Tel, an Indonesian telecommunications company, is the guarantor of US$380 million of senior notes issued in 2010 and 2011 by a Singapore-incorporated special purpose vehicle that is a subsidiary of Bakrie Tel. The proceeds from the offering of the notes were on-lent to Bakrie Tel pursuant to an intercompany loan agreement, which was guaranteed by Bakrie Tel and assigned to the noteholders as collateral. In its decision affirming the composition plan, the Commercial Court accepted the Supervisory Judge's determination that the relevant creditor of Bakrie Tel in respect of the US$380 million notes was the issuer subsidiary, rather than the noteholders or the trustee, and gave no effect to the guarantee. As such, only the intercompany loan was recognized by the Commercial Court as indebtedness on which Bakrie Tel was liable for purposes of the Bakrie Tel PKPU. As a result, only the issuer subsidiary had standing as a Bakrie Tel creditor to vote in the Bakrie Tel PKPU proceedings, which substantially altered the terms of the U.S. dollar bonds and the guarantee. Similar with the Bakrie Tel PKPU case, Trikomsel, in early 2016 was entered into a suspension of payment obligation (PKPU) under the Law No. 37 of 2004 regarding Bankruptcy and Suspension of Obligation for Payment of Debts (the "Indonesian Bankruptcy Law") regime. The PKPU administrators were reported to reject claims that arose from their two Singaporean dollar bonds and have taken the stance that the trustees do not have any standing to make claims on behalf of the bondholders. Further, they asserted that only individual noteholders that had filed claims on their own would be able to participate in the PKPU proceedings and to vote on the restructuring plan. On September 28, 2016, the PKPU process was settled between Trikomsel and its creditors through the establishment of a composition plan (rencana perdamaian) which was approved by certain bondholders, and then ratified by the Jakarta Commercial Court. Based on an announcement from Trikomsel, under the composition plan, the bondholders of the two of Singaporean dollar bonds may be required to convert their notes into new shares to be issued by Trikomsel, thereby extinguishing the bonds.

Indonesian court decisions are not binding precedents and do not constitute a source of law at any level of the judicial hierarchy as in common law jurisdictions. However, we cannot assure you that a court would not issue a decision similar to the September 2011 Decision with respect to the validity and enforceability of the Notes and the Guarantees or grant any additional relief, which in each case would be adverse to the interests of Noteholders. We cannot assure you that the Indonesian Supreme Court and lower Indonesian courts will not invalidate the Notes, the Guarantees and other transaction documents, or that you will be able to enforce your rights in Indonesia, where substantially all of the Guarantors' assets are located. Holders of the Notes may have no effective or practical recourse to any assets or legal process in Indonesia to enforce their rights against the Issuer or the Guarantors.

Under the Indonesian Civil Code, a guarantor of a debt obligation may waive its right to require the beneficiary of the guarantee to exhaust its legal remedies against the principal obligor's assets prior to the beneficiary exercising its rights against the guarantor under the guarantee. Although the Guarantees include a waiver of this right, the Guarantors have been advised by their Indonesian counsel, Assegaf Hamzah & Partners, that the Indonesian Guarantors may, nonetheless, require that a beneficiary of the Guarantees exhaust all available legal remedies against the Issuer, as the obligor before acting against the Guarantor.

There has been no prior market for the Notes; the absence of a prior market in the Notes may contribute to a lack of liquidity and the market price of the Notes following this Offering may be volatile.

The Notes comprise a new issue of securities for which there is currently no public market. Although application has been made for the listing and quotation of the Notes on the SGX-ST, there can be no assurance as

to the liquidity of any market that may develop for the Notes, the ability of holders to sell their Notes or the prices at which holders would be able to sell their Notes. The Notes could trade at prices that may be lower than the initial market value thereof depending on many factors, including prevailing interest rates, our operating results and the markets for similar securities. Although the Issuer and the Parent Guarantor have an obligation under the Indenture to use reasonable endeavors to maintain the listing of the Notes on the SGX-ST, the Issuer, the Parent Guarantor and the Initial Purchasers have no obligation to make a market in the Notes or to maintain the listing of the Notes on the SGX-ST. In addition, the market for debt securities in emerging markets has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. There can be no assurance that the markets for the Notes, if any, will not be subject to similar disruptions. Any disruptions in these markets may have a material adverse effect on the holders of the Notes.

The Guarantees may be challenged under applicable bankruptcy, insolvency, fraudulent transfer, financial assistance, unfair preference or similar laws, which could impair the enforceability of the Guarantees.

Under bankruptcy, insolvency, fraudulent transfer, financial assistance, unfair preference or similar laws in Indonesia, where the Parent Guarantor and the majority of the Subsidiary Guarantors are incorporated and where the majority of their significant assets are currently located (as well as under the law of certain other jurisdictions to which a Guarantor may be subject or in which insolvency proceedings against a Guarantor may be commenced), the enforceability of the Guarantees may be impaired if certain statutory or other conditions are met. In particular, the Guarantees may be voided, or claims in respect of the Guarantees could be subordinated to all other debts of such Guarantor, if at the time of the incurrence of the indebtedness evidenced by, or when it gives, its Guarantee, it:

- incurred the debt with the intent to hinder, delay or defraud creditors or was influenced by a desire to put the beneficiary of the Guarantee in a position which, in the event of such Guarantor's insolvency, would be better than the position the beneficiary would have been in had the Guarantee not been given;
- received less than reasonably equivalent value or fair consideration for the incurrence of such Guarantee;
- received no commercial benefit;
- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which such Guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

The test for insolvency, the other particular requirements for the enforcement of fraudulent transfer law, and the nature of the remedy if a fraudulent transfer is found, may vary depending on the law of the jurisdiction which is being applied. Under the laws of Indonesia, it would also be necessary for the directors to ensure that such Guarantor is solvent immediately after entry into, and performance of any obligation under, the transaction, that:

- it will be able to satisfy its liabilities as they become due in the ordinary course of its business; and
- the realizable value of the assets of such Guarantor will not be less than the sum of its total liabilities other than deferred taxes, as shown in the books of account, and its capital.

The directors are required to ensure that the issued capital of such Guarantor is maintained and that, after the giving of the Guarantee, such Guarantor would have sufficient net assets to cover the nominal value of its issued share capital.

If a court voided the Guarantee, or held the Guarantee unenforceable for any other reason, then the Noteholders would cease to have a claim against such Guarantor based upon such Guarantee, and would solely

be creditors of the Issuer. If a court subordinated the Guarantee to other indebtedness of such Guarantor, then claims under the Guarantee would be subject to the prior payment of all liabilities (including trade payables). We cannot assure you that there would be sufficient assets to satisfy the claims of the Noteholders after providing for all such prior claims.

Claims of the secured creditors of the Guarantors will have priority with respect to their security over the claims of unsecured creditors, such as the Noteholders, to the extent of the value of the assets securing such indebtedness.

Certain of our credit facilities are secured. See "Description of Material Indebtedness." The terms of the Indenture permit us to incur additional secured indebtedness under certain circumstances. See "Description of the Notes — Certain Covenants — Definitions — Permitted Liens."

Claims of the secured creditors of the Parent Guarantor and the Restricted Subsidiaries will have priority with respect to the assets securing their indebtedness over the claims of the Noteholders. Therefore, the Notes and the Guarantees will be effectively subordinated to any secured indebtedness and other secured obligations of the Guarantors to the extent of the value of the assets securing such indebtedness or other obligations. In the event of any foreclosure, dissolution, winding up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of the Guarantors that has secured obligations, holders of secured indebtedness will have prior claims to the assets of the Guarantors that constitute their collateral. The Noteholders will participate ratably with all holders of the unsecured indebtedness of the Guarantors, and potentially with all of their other general creditors, based upon the respective amounts owed to each holder or creditor, in the remaining assets of the Guarantors. In the event that any of the secured indebtedness of the Guarantors becomes due or the creditors thereunder proceed against the assets that secure such indebtedness, the Guarantors' assets remaining after repayment of that secured indebtedness may not be sufficient to repay all amounts owing in respect of the Guarantees. As a result, the Noteholders may receive less than holders of secured indebtedness of the Guarantors.

Payments with respect to the Notes and Guarantees will be structurally subordinated to liabilities, contingent liabilities and obligations of a significant number of our subsidiaries.

On the Original Issue Date (as defined in the Indenture), the Notes will not be guaranteed by a significant number of our subsidiaries. In addition, under the terms of the indenture, future Restricted Subsidiaries which are Excluded Subsidiaries may not be required to become guarantors of the Notes. See "Description of the Notes — Subsidiary Guarantees." Creditors, including trade creditors of our non-guarantor subsidiaries and any holders of preferred shares in such entities, would have a claim on our non-guarantor subsidiaries' assets that would be prior to the claims of the Noteholders. As a result, our payment obligations under the Notes and the Guarantees will be effectively subordinated to all existing and future obligations of our non-guarantor subsidiaries, and all claims of creditors of our non-guarantor subsidiaries will have priority as to the assets of such entities over our claims and those of our creditors, including the Noteholders.

The ratings assigned to the Notes may be lowered or withdrawn entirely in the future.

The ratings assigned to the Notes may be lowered or withdrawn entirely in the future. The Notes are expected to be assigned a rating of "B2" with a positive outlook by Moody's and "B" with a stable outlook by S&P and Fitch. The ratings address the ability to perform obligations under the terms of the Notes and the Guarantees of the Notes and the credit risks in determining the likelihood that payments will be made when due. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. No assurances can be given that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant.

Upon a Change of Control of the Parent Guarantor, the Issuer may not be in a position to redeem the Notes.

Upon a change of control of the Parent Guarantor, the Issuer must, pursuant to the provisions of the Notes, make an offer to repurchase all of such Noteholder's Notes at a purchase price of 101% of their principal amount plus accrued and unpaid interest, if any, up to, but not including, the date of purchase. See "Description of the Notes." A Change of Control could occur as a result of a number of actions beyond the control of the Parent Guarantor, including the acquisition by any person or group other than the Permitted Holders of a percentage of the voting power of the Voting Stock of the Parent Guarantor greater than the Permitted Holders, the sale by the Permitted Holders of their Voting Stock, the enforcement of security interests granted by the Permitted Holders or other persons over their Voting Stock or other disposal beyond the control of the Parent Guarantor. In the event of such occurrence, there can be no assurance that the Parent Guarantor will have sufficient funds to pay the purchase price for all the Notes. The source of funds for payment under the Guarantee would be from the Parent Guarantor's available cash or third-party financing. The failure by the Issuer to make an offer to purchase all outstanding Notes upon a change of control would constitute an event of default under the Notes. Such event of default under the Notes may, in turn, constitute an event of default under the Parent Guarantor's other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If the Parent Guarantor's other debt were to be accelerated, the Parent Guarantor may not have sufficient funds to fulfill the Parent Guarantor's obligations under the Guarantee.

Holders of the Notes may be excluded from receiving compensation in respect of a consent, waiver or amendment to the Indenture or the Notes.

The Parent Guarantor and its subsidiaries are generally excluded from paying any consideration, directly or indirectly, to any holder of the Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid or is paid to all holders that consent, waive or agree to amend such term or provision. However, the Parent Guarantor will be permitted to exclude holders of the Notes in any jurisdiction where such consent, waiver or amendment or payment of consideration for such consent, waiver or amendment, in either case in the manner the Parent Guarantor deem appropriate, would not be permitted under applicable law in such jurisdiction or would require us to a) file a registration statement, prospectus or similar document subjecting us or any of the Parent Guarantor's subsidiaries to ongoing periodic reporting or similar requirements, b) qualify as a foreign corporation or other entity or as a dealer in securities in such jurisdiction if it is not otherwise required to so qualify, c) generally consent to service of process in any such jurisdiction or d) subject the Parent Guarantor or any of its subsidiaries to taxation in any such jurisdiction if it is not otherwise so subject. The Parent Guarantor intends to evaluate at the time of any consent, waiver or amendment the costs, potential liabilities and any other factors the Parent Guarantor consider appropriate at the time associated with extending such consent, waiver or amendment into the relevant jurisdictions. On this basis of this evaluation, the Parent Guarantor will then make a decision as to how to proceed and whether to extend such consent, waiver or amendment. The Parent Guarantor cannot assure you that the Parent Guarantor will include holders of the Notes in jurisdictions where the above exclusions are permitted.

The transfer of Notes is restricted which may adversely affect their liquidity and the price at which they may be sold.

The Notes and the Guarantee have not been registered under, and the Issuer is not obligated to register the Notes or the Guarantee under, the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See "Transfer Restrictions". The Parent Guarantor has not agreed to, or otherwise undertaken, to register the Notes (including by way of an exchange offer), and the Parent Guarantor has no intention to do so.

The Notes will initially be held in book entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificated form and held through Euroclear, Clearstream and their respective participants. Interests in the global Notes will trade in book entry form only, and Notes in definitive registered form, or definitive registered Notes, will be issued in exchange for book entry interests only in very limited circumstances. Owners of book entry interests will not be considered owners or holders of the Notes. The custodian for Euroclear and Clearstream will be the sole registered holder of the global Notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the global Notes representing the Notes will be made to the paying agent which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to accounts of participants in Euroclear and Clearstream that hold book entry interests in the global Notes representing the Notes and credited by such participants to indirect participants. After payment to the custodian for Euroclear and Clearstream, the Parent Guarantor will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book entry interests. Accordingly, if you own a book entry interest, you must rely on the procedures of Euroclear and Clearstream, and if you are not a participant in Euroclear and Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a Noteholder under the indenture.

Unlike the holders of the Notes themselves, owners of book entry interests will not have the direct right to act upon the Parent Guarantor's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies many not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered Notes are issued in respect of all book entry interests, if you own a book entry interest, you will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes.

We must comply with the restrictions and covenants in our facility agreements and the Indenture governing the Notes to avoid defaulting under the terms of these agreements.

If we are unable to comply with the restrictions and covenants in the Indenture governing the Notes, or our current or future indebtedness and other agreements, there may be a default under the terms of the Indenture or these agreements. In the event of a default under the Indenture or these agreements, the lenders may terminate their commitments to lend to us, accelerate the indebtedness and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of our indebtedness agreements, including the Indenture governing the Notes, contain cross-acceleration or cross-default provisions. As a result, our default under one indebtedness agreement may cause the acceleration of other indebtedness, including the Notes, or result in a default under our other indebtedness agreements, including the Indenture governing the Notes. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we may obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

We will follow the applicable disclosure standards for debt securities listed on the SGX-ST, which standards may be different from those applicable to companies in certain other countries.

We will be subject to continuing reporting obligations in respect of the Notes to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST for such continuing reporting obligations may be different than those imposed by securities exchanges in other countries or regions such as the United States or the United Kingdom. As a result, the level of information that is available may not correspond to what investors in the Notes are accustomed to.

Holders of the Notes will not have voting rights at shareholders' meetings.

Holders of the Notes do not have any right to vote at any of our shareholders' meetings. Consequently, Holders of the Notes cannot influence any decisions by our Board of Directors or any decisions by shareholders, including the declaration of dividends in respect of our ordinary shares.

Interest rate risks may affect the value of the Notes.

The Notes are fixed interest rate securities. Subsequent changes in market interest rates may adversely affect the value of the Notes.

The value of the Collateral may not be sufficient to satisfy our obligations under the Notes.

The obligations of the Issuer and the Parent Guarantor under the Notes and the Parent Guarantee will be secured by the Collateral (as defined in "Description of the Notes") which shall initially consist of: (i) a pledge by MSS of the Capital Stock of the Issuer; (ii) a charge over all of the Issuer's rights in the Interest Reserve Account and the Escrow Account (each as defined below); and (iii) an assignment by Far East Energy Trading Pte. Ltd. and MSS of all their respective interest in and rights under the Intercompany Loans. The amount of proceeds that would ultimately be realized from the Collateral upon any enforcement action may not be sufficient to satisfy our obligations under the Notes. The value of the Collateral and any amount to be recovered upon enforcement action against the Collateral will depend upon many factors including, among others, the jurisdiction in which the enforcement action or sale is completed, the ability to sell the Collateral in an orderly sale, the availability of buyers and the condition of the Collateral. The sale of certain Collateral, including pledged shares, may violate provisions of certain of our operating agreements and may result in the termination of such agreements. An appraisal of the Collateral has not been prepared in connection with the offering of the Notes. Accordingly, we cannot assure you that any sale of the Collateral is possible or that the proceeds of any sale of the Collateral following an acceleration of the Notes or otherwise would be sufficient to satisfy, or would not be substantially less than, our obligations under the Notes. Each of these factors could reduce the likelihood of an enforcement action as well as reduce the amount of any proceeds in the event of an enforcement action.

The ability of the Collateral Agent to foreclose on the Collateral, upon the occurrence of an Event of Default or otherwise, will be subject in certain instances to perfection and priority issues. Although procedures will be undertaken to support the validity and enforceability of the security interests, we cannot assure you that the Trustee or Holders of the Notes will be able to enforce any of the security interests. The value of the Collateral in the event of a liquidation will depend upon market and economic conditions, the availability of buyers and similar factors. By its nature, some or all of the Collateral may be illiquid and may have no readily ascertainable market value. We cannot assure you that the Collateral will be saleable or, if saleable, that there will not be substantial delays in its liquidation.

The rights over the Collateral will not be granted directly to the Noteholders.

The rights over the Collateral securing the obligations of the Issuer and the Parent Guarantor under the Notes and the Indenture have not been and will not be granted directly to the Noteholders, but will be granted only in favor of the Collateral Agent. As a consequence, Noteholders will not have direct security and will not be entitled to take enforcement action in respect of the security for the Notes and the Parent Guarantee, except through the Collateral Agent, which has agreed to apply any proceeds of enforcement on such security towards such obligations. The Trustee and the Collateral Agent will not be under any obligation to exercise any rights or powers conferred under the Indenture, the Notes, the Note Guarantees or any of the security agreements for the benefit of the Noteholders unless such Noteholders have offered to the Trustee and the Collateral Agent indemnity and/or security satisfactory (including by way of pre-funding) to the Trustee and the Collateral Agent against any loss, liability or expense which it may incur in complying with such instructions. If satisfactory indemnities or security are not provided in a timely manner by the Noteholders, any recovery under the

Indenture, the Notes, the Guarantees or the security agreements may be adversely affected. Other than the Indonesian capital markets regulations, Indonesian law does not recognize the concept of trust including, without limitation, the relationship of trustee and beneficiary or other fiduciary relationships. Accordingly, enforcement of the provisions granting security in favor of third party beneficiaries and otherwise relating to the nature of the relationship between a trustee (in its capacity as such) and the beneficiaries of a trust in Indonesia will be subject to an Indonesian court accepting the concept of trustee under New York law and accepting proof of the application of equitable principles under such security documents.

Noteholders are exposed to risks relating to Singapore taxation.

The Notes to be issued are intended to be "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, subject to the fulfillment of certain conditions more particularly described in the section "Taxation — Singapore Taxation." However, there is no assurance that the Notes will continue to be "qualifying debt securities" or that the tax concessions in connection therewith will apply throughout the tenure of the Notes should the relevant tax laws be amended or revoked at any time.

EXCHANGE RATES AND EXCHANGE CONTROLS

From 1978 to 1997, Indonesia maintained a managed floating exchange rate system under which the Rupiah was linked to a basket of currencies, the composition of which was based on Indonesia's main trading partners. Indonesia has adopted a free floating exchange rate system since August 1997, under which market forces determine the exchange rate for the Rupiah.

The following table sets forth information on the exchange rates between the Rupiah and U.S. dollars based on the middle exchange rate on the last day of each month during the year indicated. The Rupiah middle exchange rate is calculated based on Bank Indonesia's buying and selling rates.

	Middle Exchange Rates			
	High	Low	Average	At Period End
	(Rp. per US$)			
2011	9,185	8,460	8,779	9,068
2012	9,707	8,892	9,380	9,670
2013	12,270	9,634	10,451	12,189
2014	12,900	11,271	11,878	12,440
2015	14,728	12,515	13,392	13,795
2016:	13,946	12,926	13,307	13,436
2017:	13,630	13,154	13,384	13,548
August	13,374	13,318	13,342	13,351
September	13,492	13,154	13,303	13,492
October	13,630	13,483	13,526	13,572
November	13,592	13,500	13,527	13,514
December	13,589	13,515	13,557	13,548
2018:				
January (through January 10, 2018)	13,542	13,397	13,456	13,449

Notes:

(1) Source: Statistik Ekonomi dan Keuangan Indonesia (Indonesian Financial Statistics) published monthly by Bank Indonesia; Internet website of Bank Indonesia.

(2) For full years, the high and low amounts are determined based on the month-end middle exchange rates announced by Bank Indonesia during the year indicated. The high and low monthly figures are determined based on the daily middle exchange rates during the month indicated.

Exchange Controls

Indonesia has limited foreign exchange controls. The Rupiah has been, and in general is, freely convertible within or from Indonesia. However, to maintain the stability of the Rupiah and to prevent the utilization of the Rupiah for speculative purposes by non-residents, Bank Indonesia has introduced regulations to restrict the movement of Rupiah from banks within Indonesia to offshore banks, an offshore branch of an Indonesian bank, or any investment denominated in Rupiah by foreign parties and/or Indonesian parties domiciled or permanently residing outside Indonesia, thereby limiting offshore trading to existing sources of liquidity. In addition, Bank Indonesia has the authority to request information and data concerning the foreign exchange activities of all people and legal entities that are domiciled, or who plan to be domiciled, in Indonesia for at least one year.

Under PBI 16/22, all Indonesian residents who engage in foreign exchange traffic activities, whether individual or entities, to report (i) any trading of goods, services and other transaction between Indonesian resident and non-resident, (ii) position and changes to offshore financial assets and/or offshore financial liabilities; and/or (iii) Offshore Debt Plan and/or its realization to Bank Indonesia.

In addition to reporting on foreign exchange activities, for the purpose of Bank Indonesia Regulation No. 16/21/PBI/2014 regarding the Implementation of Prudential Principle in the Offshore Loan Management for Non-Bank Corporations as lastly amended by PBI 16/21, PBI 16/22 also requires report on the implementation of prudential principles. Under the Bank Indonesia Circular Letter No. 17/3/DSta regarding the Reporting of the Implementation of Prudential Principle in the Offshore Loan Management for Non-Bank Corporations as lastly amended by Bank Indonesia Circular Letter No. 17/24/DSta ("SEBI 17/3"), Non-Bank Corporations must submit:

(1) The KPPK report: (i) a non-attested KPPK Report, which is to be submitted on a quarterly basis, no later than the end of the third month after the end of the relevant quarter; and (ii) an attested KPPK report (attested by a public accountant), which is to be submitted no later than the end of June of the following year;

(2) Information on the fulfillment of credit ratings, which is to be submitted at the latest at the end of the month following the execution or issuance of the offshore debt; and

(3) The financial statements of the company, consisting of: (i) unaudited financial statements, to be submitted on quarterly basis, by no later than the end of the third month after the end of the relevant quarter; and (ii) annual audited financial statements, which must be submitted by no later than end of June of the following year.

Bank Indonesia examines the accuracy of the foreign exchange activities report and the prudential principle implementation activity report and will impose administrative sanctions in the form of penalties, written warnings and/or may report to other authorities of any violation due to any omission, inaccuracy, delay or failure in submission of such reports.

As of January 1, 2016, submissions of and corrections to the prudential principle implementation activity report shall be made online. The requirement to submit a credit ratings fulfillment applies only to offshore borrowings executed or issued as of January 1, 2016.

Indonesian Law on Currency and Obligation to Use Rupiah in Indonesian Territory

On June 28, 2011, the House of Representatives (or the "Indonesian Parliament") passed Law No. 7 of 2011 (the "Currency Law") and on March 31, 2015, Bank Indonesia issued PBI 17/3 and enacted Bank Indonesia Circular Letter No. 17/11/DKSP on June 1, 2015 as the implementation guidelines ("SEBI 17/2015"). Under the Currency Law and PBI 17/3, all parties are required to use Rupiah for cash and non-cash transactions conducted within Indonesia, including (i) each transaction which has the purpose of payment; (ii) settlement of other obligations which must be satisfied with money; and/or (iii) other financial transactions (including deposits of Rupiah in various amounts and types of Rupiah denomination from customers to banks).

Subject to further requirements under PBI 17/3, the obligation to use Rupiah does not apply to (i) certain transactions relating to the implementation of state revenue and expenditure; (ii) the receipt or provision of grants either from or to overseas; (iii) international trade transactions, which includes (a) export and/or import of goods to or from outside Indonesian territory and (b) activities relating to cross border trade in services; (iv) bank deposits denominated in foreign currencies; (v) international financing transactions; and (vi) transactions in foreign currency which are conducted in accordance with applicable laws and regulations, including, among others; (a) a bank's business activities in foreign currency which is conducted based on applicable laws regarding conventional and sharia banks, (b) securities in foreign currency issued by the Indonesian government in primary or secondary markets based on applicable laws, and (c) other transactions in foreign currency conducted based on applicable laws, including the law regarding Bank Indonesia, the law regarding investment and the law regarding Lembaga Pembiayaan Ekspor Indonesia (Indonesia Eximbank).

The Currency Law and PBI 17/3 prohibit the rejection of Rupiah when offered as a means of payment, to settle obligations and/or with respect to other financial transactions within Indonesia, unless there is uncertainty

regarding the authenticity of the Rupiah bills offered, or the parties to the transaction have agreed in writing to the payment or settlement of obligations in a foreign currency. Article 10 of PBI 17/3/2015 further explains that the exemption based on such a written agreement between the parties is only applicable to an agreement made with respect to one of the above exempted transactions or transactions related to a strategic infrastructure project.

PBI 17/3 took effect from March 31, 2015, and the requirement to use Rupiah for non-cash transactions was effective from July 1, 2015. Written agreements which were signed prior to July 1, 2015 that contain provisions for the payment or settlement of obligations in foreign currency for non-cash transactions will remain effective until the expiry of such agreements. However, any extension and/or certain amendment of such agreements must comply with PBI 17/3.

According to SEBI 17/2015, a business operator in Indonesia must quote the price of goods and/or services in Rupiah and is prohibited from conducting dual quotations where the price of goods and/or services is listed both in Rupiah and a foreign currency, anywhere including on electronic media. The restriction applies to, among others, (i) price tags, (ii) service fees, such as agent fees in the sale and purchase of property, tourism services fee or consultancy services fee, (iii) leasing fees, such as apartment leases, housing leases, office leases, building leases, land leases, warehouse leases or vehicle leases, (iv) tariffs, such as loading/unloading tariff for cargo at the seaport or airplane ticket tariff, (v) price lists, such as a restaurant menu price list, (vi) contracts, such as clauses for pricing or fees, (vii) documents of offer, order, invoice, such as the price clause in an invoice, purchase order or delivery order, and/or (viii) payment evidence, such as the price listed in a receipt.

Further, SEBI 17/2015 stipulates that conditional exemptions may apply to certain infrastructure projects, among others, (i) transportation infrastructure, including airport services, seaport procurement and/or services, railway infrastructure and facilities, (ii) road infrastructure, including toll roads and toll bridges, (iii) watering infrastructure, including standard water bearer channel, (iv) drinking water infrastructure, including standard water bearer building, transmission channels, distribution channels, drinking water treatment installation, (v) sanitation infrastructure, including waste water treatment installation, collector channel and main channel, and waste facility which includes transporter and waste storage, (vi) informatics and technology infrastructure, including telecommunication network and e-government infrastructure, (vii) electricity infrastructure, including power plant, which includes power development sourcing from geothermal, transmission or distribution of electricity, and (viii) natural oil and gas infrastructure, including transmission and/or distribution of natural oil and gas. These exemptions apply if (a) the project has been declared by the central or regional government as a strategic infrastructure project, as evidenced by a formal confirmation letter from the relevant ministry/institution with regards to the project owner; and (b) an exemption approval has been obtained from Bank Indonesia.

A failure to comply with the obligation to use Rupiah in cash transactions will result in criminal sanctions in the form of fines and confinement. While a failure to comply with the obligation to use Rupiah in non-cash transactions will be subjected to administrative sanctions in the form of (i) written warning, (ii) fines, and/or (iii) prohibition from undertaking payment activities. Bank Indonesia may also recommend the relevant authorities and institutions to conduct certain action such as revoking the business license or stopping the business activities of the party which fails to comply with the obligation to use Rupiah in non-cash transactions.

Purchasing of Foreign Currencies Against Rupiah through Banks

On September 5, 2016, Bank Indonesia issued Regulation No. 18/18/PBI/2016 on Foreign Exchange Transaction to Rupiah between Banks and Domestic Parties ("PBI 18/18"), as implemented by Bank Indonesia Circular Letter No. 18/34/DPPK dated December 13, 2016. Under PBI 18/18, any conversion of Rupiah into foreign currency for spot and standard derivative (plain vanilla) transactions that exceeds a specific threshold is required to have an underlying transaction and supported by underlying transaction documents. These thresholds are: (i) the purchase of foreign currency against Rupiah of more than US$25,000 or its equivalent per month per customer for spot transactions; (ii) the purchase of foreign currency against Rupiah of more than US$100,000 or its equivalent per month per customer for derivative transactions; (iii) the sales of foreign currency against

Rupiah of more than US$5,000,000 or its equivalent per transaction per customer for forward transactions; and (iv) the sales of foreign currency against Rupiah of more than US$1,000,000 or its equivalent per transaction per customer for option transaction. The underlying transaction and supporting transaction documents are also required for transactions of foreign exchange structured product in the form of a call spread option, in any amount. Further, the maximum amount of such foreign exchange conversion cannot exceed the value of the underlying transaction.

The underlying transaction may consist of: (i) domestic and international trade of goods and services; (ii) investment in the form of direct investment, portfolio investment, loans, capital and other investment inside and outside Indonesia; and/or (iii) the granting of facility or financing from a bank in foreign currencies and/or Rupiah for trade and investment activities. The underlying transaction may not include: (i) a placement of funds in banks in the form of, among others, saving account, demand deposit account, time deposit, or Negotiable Certificate Deposit ("NCD"); (ii) money transfers by a remittance company; (iii) undrawn credit facilities, including standby loans and undisbursed loans; or (iv) usage of Bank Indonesia securities in foreign currencies.

Indonesian parties (i) conducting foreign currency structured product against Rupiah in form of Call Spread Option in any amount and (ii) purchasing foreign currencies from banks by way of (a) spot transactions; and (b) standard derivative (plain vanilla) transactions in excess of US$25,000 and US$100,000, respectively, will be required to submit certain supporting documents to the selling bank, including, among other items, a duly stamped or authenticated written statement by the company confirming that the underlying transaction document is valid and correct, and the amount of foreign currency purchased is or will not exceed the amount stated in the underlying transaction document. For the purchase of foreign currencies not exceeding such thresholds, the company must declare in a duly stamped or authenticated written statement by the company that its aggregate foreign currency purchases do not exceed the thresholds in the Indonesian banking system.

Bank Indonesia also issued Bank Indonesia Regulation No. 18/19/PBI/2016 dated September 5, 2016 on Foreign Exchange Transaction to Rupiah between Banks and Foreign Parties ("PBI 18/19"), as implemented by Bank Indonesia Circular Letter No. 18/35/DPPK dated December 13, 2016. Similar to PBI 18/18, PBI 18/19 is intended to comprehensively govern foreign exchange transactions against Rupiah in Indonesia. However, unlike PBI 18/18, which targets Indonesian bank customers, PBI 18/19 governs foreign exchange transactions by banks and foreign parties.

PBI 18/19 also requires an underlying transaction if a foreign exchange transaction exceeds certain threshold amounts. The thresholds set forth by PBI 18/19, which are similar to the threshold amounts under PBI 18/18, are: (i) for spot transactions, a purchase of foreign exchange against the Rupiah equivalent of US$25,000 per month per foreign party, or its equivalent; (ii) for derivative transactions, the sale and purchase of foreign exchange against the Rupiah equivalent of US$1,000,000 per transaction per foreign party or per outstanding amount of each derivative transaction per bank, or its equivalent; (iii) for forward transaction, the sales of foreign currency against Rupiah of more than US$5,000,000 or its equivalent per transaction per customer; and (iv) for option transaction, the sales of foreign currency against Rupiah of more than US$1,000,000 or its equivalent per transaction per customer for option transaction.

The underlying transaction under PBI 18/19 may consist of: (i) domestic and international trade of goods and services; and/or (ii) investment in the form of direct investment, portfolio investment, loans, capital and other investment inside and outside Indonesia.

The following transactions are not considered as underlying transactions: (i) Bank Indonesia Certificates (or "SBI") for derivative transactions, (ii) a placement of funds in banks (vostro account) in the form of saving account, demand deposit account, time deposit, or NCD; (iii) the granting of facility which has not been withdrawn, such as standby loan and disbursed loan; and (iv) the usage of Bank Indonesia securities in foreign currencies.

Similar to PBI 18/18, PBI 18/19 also requires foreign parties that (i) conducting foreign currency structured product against Rupiah in form of a call spread option in any amount and (ii) purchasing foreign currencies from banks by way of (a) spot transactions; and (b) standard derivative (plain vanilla) transactions in excess of US$25,000 and US$100,000, respectively, to submit certain supporting documents to the selling bank, including, among other items, a duly stamped or authenticated written statement by the company confirming that the underlying transaction document is valid and correct, and the amount of foreign currency purchased is or will not exceed the amount stated in the underlying transaction document. For the purchase of foreign currencies not exceeding such thresholds, the company must declare in a duly stamped or authenticated written statement by the company that its aggregate foreign currency purchases do not exceed the thresholds in the Indonesian banking system.

CAPITALIZATION

The following table shows our audited consolidated short-term and long-term debts, shareholders' equity and total capitalization as of September 30, 2017 derived from the Company's consolidated financial statements included elsewhere in this Offering Circular prepared in accordance with Indonesian Financial Accounting Standards and as adjusted to give effect to the Offering of the Notes and the use of net proceeds thereof. For the purposes of making adjustments to the table below with respect to the Offering of the Notes, we have estimated that we will receive net proceeds (i.e., after deducting an estimated aggregate amount of commissions, discounts, fees and certain other estimated expenses we expect to incur in connection with the Offering of the Notes) of approximately US$478.4 million from the gross proceeds from the sale of the Notes, which is estimated to be US$500.0 million in aggregate. We have also assumed the repayment of certain indebtedness as described under "Use of Proceeds". You should read the as adjusted capitalization data set forth in the table below in conjunction with "Use of Proceeds", "Selected Financial, Operating and Reserve Data", "Management's Discussion and Analysis of Financial Condition and Results of Operation" and our consolidated financial statements and the accompanying notes included elsewhere in this Offering Circular.

	As of September 30, 2017	
	(Actual)	(As adjusted)
	(in US$ million)	
Cash and cash equivalents[5]	364.8	341.7
Short-term and long-term debts:		
Bank loans	1,011.4	757.7
Medium-term notes	127.7	73.9
Rupiah bonds	516.4	322.5
U.S. Dollar bonds	384.0	384.0
Loan from a non-bank financial institution	5.2	5.2
Senior Notes offered hereby[3]	—	500.0
Total short-term and long-term debts	**2,044.8**	**2,043.3**
Equity:		
Capital stock—Rp. 25 par value per share		
Authorized—38,000,000,000 shares		
Issued and fully paid—13,329,805,800 shares[1]	101.2	101.2
Treasury shares—135,974,800 shares	(1.0)	(1.0)
Additional paid-in capital	182.2	182.2
Effects of changes in the equity transactions of subsidiaries/associates	9.5	9.5
Translation adjustments	(26.2)	(26.2)
Fair value adjustment on cash flow hedging instruments	8.8	8.8
Share of other comprehensive loss of associates and joint venture	(27.4)	(27.4)
Remeasurement of defined benefit program	19.9	19.9
Retained earnings	795.6	795.6
Total equity attributable to the equity holders of the parent company	1,062.6	1,062.6
Non-controlling interest	3.2	3.2
Total Equity[1]	**1,065.8**	**1,065.8**
Total Capitalization[2]	**3,110.7**	**3,109.1**

Notes:

(1) Including treasury shares.

(2) Total capitalization includes total debts plus total equity.

(3) Represents the aggregate principal amount of notes, which differs from the net proceeds received by us, as this excludes the Initial Purchasers' discounts, commissions and fees and estimates of other expenses payable by us in connection with this offering.

(4) In December 2017, we completed a rights offering where existing shareholders were provided with preemptive rights to subscribe for one new share for every three existing shares held, with each new share receiving a detachable warrant to purchase an additional share in the future. A total of 4,399,117,667 shares, representing 24.8% of our issued share capital after giving effect to the offering were issued on December 14, 2017 with a further potential to issue up to 4,399,117,667 shares issued if and when subscribing shareholders subsequently exercise their warrants. All new shares will have the

same rights and characteristics as existing shares. The subscription price for shares issued in the rights issue was Rp. 600, with total funds of Rp. 2.6 trillion before deduction of transaction costs. The warrants are exercisable between July 2018 and December 2020, with the exercise price for each warrant ranging between Rp. 625 and Rp. 675. The table above does not reflect the issuance of shares pursuant to the rights offering or the proceeds therefrom.

(5) Assumes the use of US$65.0 million from the net proceeds of the Notes together with cash and cash equivalents of US$46.0 million which consists of amounts held in escrow consisting of proceeds from our 2022 Notes to repay in full the outstanding amounts under the IDR Shelf-Registered Bonds I Phase II of 2013.

Other than as set forth in this Offering Circular, there has been no material change in our total capitalization since September 30, 2017.

USE OF PROCEEDS

The aggregate net proceeds from this Offering, after deducting an estimated amount of discounts, commissions, fees and other expenses for the Offering payable by us, are expected to be approximately US$478.4 million. The net proceeds, after deducting amounts used to fund the Interest Reserve Account, will be deposited into the Escrow Account, and will be released from the Escrow Account by the Issuer to be lent to MSS and Far East Energy Trading Pte. Ltd. who will each further on lend such proceeds to the Parent Guarantor. Funds in the Escrow Account (as defined in "Description of Notes—Escrow Account") in Singapore, established by and in the name of the Issuer with Standard Chartered Bank, acting through its Singapore Branch, will be released from escrow to repay indebtedness as follows:

- within 30 days from the closing of the offering, at least US$200 million for certain loan facilities which bear interest at rates ranging from 5.0% to 5.25%, which consist of:
  - at least US$100 million with respect to a non-revolving credit facility agreement entered into between the Parent Guarantor and Mandiri on August 29, 2014. The facility matures on August 28, 2019, bears interest at a rate of 5.25% per annum and will be repaid in full with the net proceeds of the Notes. See "Description of Other Material Indebtedness—Special Transaction Credit Facility Phase IV": and
  - at least US$100 million with respect to a non-revolving credit facility agreement entered into between the Parent Guarantor and Mandiri on August 21, 2015. The facility matures on August 20, 2020, bears interest at a rate of 5.0% per annum and will be repaid in full with the net proceeds of the Notes. See "Description of Other Material Indebtedness—Special Transaction Credit Facility Phase V";
- at least US$65 million for repayment of the IDR Shelf-Registered Bonds I Phase II of 2013, which bear interest at a rate of 8.85% and mature on March 15, 2018. These will be fully repaid on or prior to maturity with the net proceeds of the Notes and amounts held in escrow consisting of proceeds from our 2022 Notes. See "Description of Other Material Indebtedness—Rupiah-Denominated Shelf-Registered Bonds I ("IDR Shelf-Registered Bonds I")—Phase II";
- additional proceeds of at least US$85 million will be used for the repayment in full of the following on or prior to maturity:
  (i) IDR Shelf-Registered Bonds II Phase I of 2016, Series A, which bear interest at a rate of 10.8% and mature on July 15, 2019;
  (ii) IDR Shelf-Registered Bonds II Phase II of 2016, Series A, which bear interest at a rate of 10.8% and mature on September 30, 2019; and
  (iii) IDR Shelf-Registered Bonds II Phase III of 2016, Series A, which bear interest at a rate of 10.8% and mature on December 21, 2019.

  See "Description of Other Material Indebtedness—Rupiah-Denominated Shelf Bonds II ("IDR Shelf Bonds II");"
- at least US$55 million for repayment of the MTN V Phase I of 2016, which bears interest as a rate of 5.2% per annum and matures on November 15, 2019. These will be fully repaid on or prior to maturity with the net proceeds of the Notes. See "Description of Other Material Indebtedness—Medium Term Notes V"; and
- any additional net proceeds will be used for the partial repayment of a non-revolving credit facility agreement entered into between the Parent Guarantor and Mandiri on October 21, 2015. The facility matures on August 20, 2020, bears interest at a rate of 5.0% per annum. See "Description of Other Material Indebtedness—Special Transaction Credit Facility Phase VI".

SELECTED FINANCIAL, OPERATING AND RESERVE DATA

The following tables set forth certain selected consolidated financial data of the Company as of the dates and for each of the periods indicated. The summary consolidated financial information as of and for the years ended December 31, 2014, 2015, and 2016 and as of September 30, 2017 and for nine month period then ended are derived from the Company's audited consolidated financial statements as of and for the years ended December 31, 2014, 2015 and 2016 and as of September 30, 2017 and for nine month period then ended, which were prepared in accordance with Indonesian FAS, and included elsewhere in this Offering Circular. The summary interim consolidated financial information as of September 30, 2016 and for the nine month period then ended is derived from our unaudited interim consolidated financial statements as of September 30, 2016 and for the nine month period then ended and included elsewhere in this Offering Circular.

The Company's audited consolidated financial statements as of and for the years ended December 31, 2014, 2015 and 2016 and as of September 30, 2017 and for nine month period then ended included in this Offering Circular have been audited by Purwantono, 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"), as stated in their audit reports appearing elsewhere in this Offering Circular.

The Company's unaudited interim consolidated financial statements as of September 30, 2016 and for the nine month period then ended included elsewhere in this Offering Circular have been reviewed by Purwantono, Sungkoro & Surja (the Indonesian member firm of Ernst & Young Global Limited), independent public accountants, in accordance with Standard on Review Engagements 2410 established by the IICPA, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("SRE 2410"), as stated in their review report appearing elsewhere in this Offering Circular (presented combined with the audit report mentioned above). A review conducted in accordance with SRE 2410 established by the IICPA is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the IICPA and, as stated in its review report appearing elsewhere in this Offering Circular (presented as combined with the audit report mentioned above), Purwantono, Sungkoro & Surja (the Indonesian member firm of Ernst & Young Global Limited), independent public accountants, did not audit and do not express any opinion on such unaudited interim consolidated financial statements included elsewhere in this Offering Circular.

	For the Years Ended December 31,			For the Nine Month Periods Ended September 30,		For the Twelve Month Period from October 1, 2016 to September 30, 2017[1]
	2014	2015	2016	2016	2017	
	(Restated)[2]	(Restated)[2]	(Restated)[2]	(Unaudited)		(Unaudited)
	(US$ in millions)					
Consolidated Statements of Profit or Loss and Other Comprehensive Income						
Sales and Other Operating Revenues						
Net oil and gas sales	701.9	575.3	583.0	386.0	595.1	792.1
Revenues from other contracts and related services	0.2	7.0	7.0	5.4	2.5	4.0
Total Sales and Other Operating Revenues	**702.1**	**582.3**	**590.0**	**391.5**	**597.5**	**796.1**
Cost of Sales and Other Direct Costs						
Production and lifting costs	281.5	215.3	205.1	129.6	144.3	219.8
Depreciation, depletion, and amortization	89.0	117.1	113.8	80.5	112.4	145.7
Cost of crude oil purchases	26.3	21.3	13.3	5.5	29.6	37.5
Exploration expenses	24.4	6.8	7.0	5.0	10.3	12.3
Cost of services	1.3	1.4	1.5	1.3	0.7	1.0
Total Cost of Sales and Other Direct Costs	**422.5**	**361.8**	**340.7**	**221.8**	**297.4**	**416.2**
Gross Profit	**279.6**	**220.4**	**249.3**	**169.7**	**300.2**	**379.9**
Selling, general and administrative expenses	(108.0)	(114.9)	(96.5)	(70.9)	(102.0)	(127.7)
Finance costs	(71.3)	(77.2)	(99.6)	(67.3)	(95.6)	(127.9)
Finance income	10.3	6.0	7.6	1.7	24.1	29.9
Bargain purchase	—	—	551.7	18.9	43.1	575.9
Income from insurance claim	—	—	—	—	7.7	7.7
Gain on business combination achieved in stages	—	50.2	—	—	—	—
Loss on assets recognized at fair value less cost to sell	—	—	(11.9)	(11.9)	—	—
Share of net income (loss) of associates and joint venture	7.1	7.2	(27.2)	2.2	(23.4)	(52.9)
Reversal of (Loss on) impairment of assets	(16.2)	(217.2)	(288.9)	(160.2)	100.0	(28.7)
Other income	27.8	20.2	16.9	17.8	25.8	24.9
Other expenses	(7.2)	(14.0)	(6.2)	(3.7)	(5.5)	(7.9)
Profit (Loss) Before Income Tax Expense from Continuing Operations	**122.1**	**(119.4)**	**295.1**	**(103.8)**	**274.3**	**673.1**
Income Tax Expense	**(94.3)**	**(31.4)**	**(63.3)**	**(0.5)**	**(102.4)**	**(165.2)**
Profit (Loss) for The Period/Year from Continuing Operations	**27.8**	**(150.8)**	**231.8**	**(104.2)**	**171.9**	**507.9**
Loss after Income Tax Expense from Discontinued Operations	(19.0)	(35.4)	(44.8)	**(43.5)**	**(3.8)**	**(5.1)**
Profit (Loss) for The Period/Year	**8.8**	**(186.2)**	**187.0**	**(147.7)**	**168.1**	**502.9**
Other Comprehensive Income That Will Be Reclassified to Profit or Loss	**8.5**	**(1.4)**	**4.5**	**25.4**	**15.3**	**(5.6)**
Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	**5.2**	**5.8**	**3.4**	**2.8**	**(7.1)**	**(6.5)**
Total Comprehensive Income (Loss) for The Period/Year	**22.5**	**(181.8)**	**195.0**	**(119.6)**	**176.3**	**490.8**
Profit (loss) for The Period/Year Attributable to Equity Holders of The Parent Company						
Profit (Loss) for The Period/Year from Continuing Operations	**24.2**	**(152.8)**	**229.5**	**(106.1)**	**168.1**	**507.5**
Loss for The Period/Year from Discontinued Operations	**(19.0)**	**(35.4)**	**(44.8)**	**(43.5)**	**(3.8)**	**(5.1)**
Profit (loss) for The Period/Year Attributable to Owners of The Parent Company	**5.2**	**(188.1)**	**184.8**	**(149.6)**	**164.3**	**502.4**
Basic Earnings (Loss) per Share Attributable to Equity Holders of the Parent Company (in full amount)	0.00039	(0.01415)	0.01412	(0.01143)	0.01254	0.03834

Notes:

(1) The amounts are derived from the difference of December 31, 2016 profit or loss and September 30, 2016 profit or loss and adding September 30, 2017 profit or loss amounts and are used to calculate the fixed coverage ratio which is included in "Description of the Notes."

(2) The restated consolidated financial statements resulted from the discontinuation of the classification of certain assets previously classified as held-for-sale, as further described in note 37 of the consolidated financial statements included elsewhere in this Offering Circular.

	As of December 31,			As of September 30,	
	2014	2015	2016	2016	2017
				(Unaudited)	
			(US$ in millions)		
Consolidated Statements of Financial Position					
Assets					
Current Assets					
Cash and cash equivalents	206.6	463.2	164.6	184.1	364.8
Short-term investments	268.6	225.9	66.9	3.9	26.4
Restricted time deposits and cash in banks	—	3.2	—	—	85.0
Trade receivables	101.6	98.5	183.2	122.7	179.5
Other receivables	112.3	122.8	351.6	121.7	375.9
Inventories	42.4	40.1	70.3	37.7	84.8
Non-current assets classified as held for sale	7.3	1.2	266.4	34.8	466.8
Prepaid taxes	10.6	10.1	4.2	11.5	4.3
Prepaid expenses	3.4	3.5	4.7	3.3	8.6
Advance for investment	—	75.0	—	650.0	—
Other current assets	1.4	1.2	22.4	8.1	8.0
Total Current Assets	754.2	1,044.9	1,134.3	1,177.7	1,604.2
Non-Current Assets					
Other receivables	160.7	30.5	51.8	40.6	84.1
Restricted time deposits and cash in banks	6.3	4.0	2.4	2.4	2.1
Deferred tax assets	31.1	31.1	90.4	77.0	88.9
Long-term investments	302.4	208.7	924.5	211.1	1,005.3
Investment in project	30.3	22.7	22.7	22.7	—
Property, plant and equipment	88.5	69.0	5.2	56.4	7.1
Mining properties	2.3	—	—	—	—
Investment properties	—	361.5	351.3	353.3	—
Exploration and evaluation assets	140.9	81.7	70.4	71.4	103.2
Oil and gas properties	1,130.7	998.5	921.2	819.4	1,092.8
Goodwill	—	37.1	16.2	15.2	1.0
Derivative assets	—	—	1.7	3.0	3.6
Other assets	20.3	20.0	5.1	6.8	9.2
Total Non-Current Assets	1,913.5	1,864.9	2,462.9	1,679.4	2,397.4
Total Assets	**2,667.8**	**2,909.8**	**3,597.1**	**2,857.1**	**4,001.6**
Liabilities and Equity					
Short-term bank loan (including current maturities of long-term bank loans and obligations)	183.7	258.3	411.0	396.4	299.9
Other current liabilities	284.1	268.3	449.5	325.8	671.3
Total Current Liabilities	467.7	526.6	860.6	722.2	971.3
Long-term debt—net of current maturities	1,002.1	1,321.9	1,522.3	1,307.6	1,744.9
Other non-current liabilities	310.8	359.7	323.7	248.8	219.6
Total Non-Current Liabilities	1,312.9	1,681.6	1,846.1	1,556.4	1,964.5
Total Liabilities	**1,780.7**	**2,208.2**	**2,706.6**	**2,278.7**	**2,935.7**
Total Equity	**887.1**	**701.6**	**890.5**	**578.4**	**1,065.8**
Total Liabilities and Equity	**2,667.8**	**2,909.8**	**3,597.1**	**2,857.1**	**4,001.6**

	For the Years Ended December 31,			For the Nine Month Periods Ended September 30,	
	2014	2015	2016	2016	2017
	(Restated)[1]	(Restated)[1]	(Restated)[1]	(Unaudited)	
Consolidated Statements of Cash Flows					
Net Cash Provided by Operating Activities	**149.2**	**113.2**	**20.9**	**78.6**	**348.2**
Net Cash Used in Investing Activities	**(304.2)**	**(151.4)**	**(578.2)**	**(401.7)**	**(98.0)**
Net Cash Provided by (Used in) Financing Activities	**95.5**	**295.9**	**259.7**	**43.3**	**(50.8)**

Note:

(1) The restated consolidated financial statements resulted from the discontinuation of the classification of certain assets previously classified as held-for-sale, as further described in note 37 of the consolidated financial statements included elsewhere in this Offering Circular.

Non-GAAP Accounting Items

EBITDA and EBITDAX are not measurements of financial performance under Indonesian Financial Accounting Standards and should not be considered as an alternative to net income as indicators of the Company's operating performance or any other measures of performance derived in accordance with Indonesian Financial Accounting Standards. As a measure of the Company's operating performance, the Company believes that the most directly comparable Indonesian Financial Accounting Standards measure to EBITDA and EBITDAX is gross profit and profit or loss before income tax expense.

The following table reconciles the Company's gross profit to the Company's definition of EBITDA and EBITDAX for the years ended December 31, 2014, 2015 and 2016, the nine month periods ended September 30, 2016 and 2017 and the twelve month period from October 1, 2016 to September 30, 2017. EBITDA means earnings before interest, taxes, depreciation (including depletion), amortization, gain or loss on foreign exchange and other income or charges. EBITDAX means EBITDA adding back exploration expenses.

	For the Years Ended December 31,			For the Nine Month Periods Ended September 30,		For the Twelve Month Period from October 1, 2016 to September 30, 2017[1]
	2014	2015	2016	2016	2017	
	(Restated)[4]	(Restated)[4]	(Restated)[4]	(Unaudited)		
	(US$ in millions)					
Reconciliation of EBITDA and EBITDAX to Gross Profit						
Gross profit	279.6	220.4	249.3	169.7	300.2	379.9
Selling, general and administrative expenses	(108.0)	(114.9)	(96.5)	(70.9)	(102.0)	(127.7)
Sub-total	171.6	105.5	152.8	98.8	198.2	252.2
Depreciation, depletion and amortization (charged to cost of sales and other direct costs and selling, general and administrative expenses)	90.5	119.5	114.9	81.3	112.7	146.3
EBITDA	**262.1**	**224.9**	**267.7**	**180.1**	**310.9**	**398.5**
Exploration Expense	24.4	6.8	7.0	5.0	10.3	12.3
EBITDAX	**286.5**	**231.8**	**274.7**	**185.1**	**321.2**	**410.8**

Notes:

(1) We calculate EBITDA as gross profit minus selling, general and administrative expenses plus depreciation, depletion and amortization (which are charged to cost of sales and other direct costs and selling, general and administrative expenses). EBITDAX is EBITDA plus exploration expenses.

(2) We have included EBITDA and EBITDAX because management believes they are financial measures commonly used in the oil and gas industry as a useful supplement to cash flow data as a measure of our performance and our ability to

generate cash from operations to cover debt service and taxes. These measures should not be considered in isolation or construed as an alternative to cash flows, earnings or any other measure of performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. These measures do not account for certain items such as taxes, interest expense and other non-operating cash expenses. In evaluating these measures, we believe that investors should consider, among other things, the components of these measures such as revenues and operating expenses and the amount by which these measures exceed capital expenditures and other charges. These measures presented herein may not be comparable to similarly titled measures presented by other companies.

(3) The Company uses January 1 to December 31 as a basis for preparation of the year-end financial statement. The EBITDA information is also used to calculate the fixed charge coverage ratios that are included in "Description of the Notes."

(4) The restated consolidated financial statements resulted from the discontinuation of the classification of certain assets previously classified as held-for-sale, as further described in note 37 of the consolidated financial statements included elsewhere in this Offering Circular.

Selected Operating and Reserve Data

The table below sets forth certain operating data for the years ended December 31, 2014, 2015 and 2016, for the nine month periods ended September 30, 2016 and 2017, and for the twelve month period from October 1, 2016 to September 30, 2017.

	For the Years Ended December 31,			For the Nine Month Periods Ended September 30,		For the Twelve Month Period from October 1, 2016 to September 30, 2017[8]
	2014	2015	2016	2016	2017	
	(US$ in millions)					
Oil						
Oil lifting and sales (MBOPD)	22.2	22.1	21.5	20.0	26.2	24.4
Average realized sales price (US$ per BBLS)[1]	97.8	49.3	42.3	39.5	49.5	47.7
Gas						
Gas lifting and sales (BBTUPD)	141.4	130.8	212.2	207.0	279.8	266.8
Average realized sales price (US$ per MMBTU)[2]	5.6	5.2	4.4	4.2	5.5	5.4
Total production (MBOEPD), including Oman service contract)	**56.0**	**55.6**	**66.0**	**63.9**	**88.3**	**83.9**
Total production (MBOEPD), excluding Oman service contract)	**47.3**	**47.0**	**57.7**	**55.7**	**80.0**	**75.5**
Proved plus probable reserve life index (in years)[3]	**17**	**17**	**14**	**N.A.**	**N.A.**	**10**
Revenue from fixed-price contracts (US$ million)[4]	**286.8**	**187.5**	**237.5**	**172.8**	**216.3**	**280.9**
Revenue from fixed-price contracts as percentage of total net oil and gas sales (%)	**40.9**	**32.6**	**40.7**	**44.8**	**36.3**	**35.5**
Unit cash production cost (US$ per BOE)[5]	**15.4**	**12.3**	**8.8**	**8.7**	**8.1**	**8.4**
Unit lifting cost (US$ per BOE)[6]	**11.3**	**8.0**	**6.1**	**5.0**	**4.8**	**5.7**
Unit general and administrative cost (US$ per BOE)[7]	**4.1**	**4.3**	**2.7**	**3.7**	**3.3**	**2.7**

Notes:

(1) Represents our total net sales for the period divided by our aggregate net entitlement for the period.

(2) Based on our net entitlement, See "Notice to Investors — Presentation of Oil and Gas Reserves Data" for a definition of net entitlement.

(3) Prior year-end gross working interest proved plus probable reserves divided by production attributable to our net working interest.

(4) Represents revenue earned under GSAs which are fixed in US$/MMBTU with an application of a relatively small escalation factor (typically 2.5% to 3.0% per annum).
(5) Represents total oil and gas production and lifting cost including general and administration costs divided by aggregate production for the period.
(6) Represents total oil and gas production and lifting cost divided by aggregate production for the period.
(7) Represents total oil and gas general and administration cost divided by aggregate production for the period.
(8) Amounts are derived by subtracting the relevant amount for the nine months ended September 30, 2016 from the relevant amount for the year ended December 31, 2016 and then adding the relevant amount for the nine months ended September 30, 2017.

The table below summarizes our estimated gross working interest proved reserves and estimated gross working interest proved plus probable reserves based on our estimates as of September 30, 2017. See "Business — Reserves".

	As of or for the year ended December 31,			As of or for the nine months ended September 30,
	2014	2015	2016	2017
Gross working interest proved reserves:(1)				
Natural gas (BCF)	711.8	660.5	712.2	783.7
Oil and condensate (MMBBLS)	95.2	91.4	98.1	93.7
Total (MMBOE)	216.7	204.1	219.6	227.4
Gross working interest proved plus probable reserves:(1)				
Natural gas (BCF)	877.6	826.4	918.2	1,011.6
Oil and condensate (MMBBLS)	140.4	136.2	148.4	143.0
Total (MMBOE)	290.0	277.1	305.0	315.6
Proved developed reserves(2)	192.6	180.9	186.7	169.4
Reserve replacement ratio(3)	2.3	0.2	2.3	N/A

Notes:
(1) For a description of the meaning of gross working interest proved reserves, gross working interest proved plus probable reserves and gross working interest proved plus probable plus possible reserves as of the reference dates set out in this Offering Circular, please see "Notice to Investors — Presentation of Oil and Gas Reserves Data." These gross working interest values are calculated based upon our portion of the estimated gross proved reserves and gross proved plus probable reserves attributable to our effective working interest, which have been derived from reserves estimations or assessments as of their dates and then deducting production, without accounting for reserves appreciation or depreciation, at each production block over the period from the respective estimations or assessments effective date (if a block has been so earlier estimated or assessed) to September 30, 2017. If a recent reserves estimations or assessments for a block is unavailable, the estimates have been derived by our internal technical team based on guidelines promulgated by SPE. To the extent that we have presented our gross working interest reserves on the basis of our effective working interest under the applicable contractual arrangement and not in accordance with SPE guidelines, we and not our independent petroleum engineering consultants are responsible for such data. However, our independent petroleum engineering consultants are responsible for the reserves data prior to adjustment for the effective working interest. Certain of these reserve estimations or assessments may include projections, forecasts or other forward-looking statements and any such information does not form part of this Offering Circular.
(2) Proved developed reserves means reserves that can be expected to be recovered through existing wells with existing equipment and operating methods.
(3) Represents the amount of reserves added in the period divided by production for the period.

See "Risk Factors — Risks Relating to Our Business and Operations — The oil and gas reserves data in this Offering Circular are only estimates and the actual production, revenue and expenditures achievable with respect to our reserves may differ from such estimates; there are no recent reserve estimations or assessments available for a significant portion of our reserves, and the oil and gas reserves data for these blocks are based on our internal estimates. In addition, probable reserves are generally believed to be less likely to be recovered than proved reserves."

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion below should be read together with our consolidated financial statements and the selected consolidated financial, production and reserve data, in each case together with the accompanying notes, contained elsewhere in this Offering Circular. Our consolidated financial statements have been prepared in accordance with Indonesian FAS, which differs in certain material respects from U.S. GAAP. See "Summary of Certain Significant Differences Between Indonesian FAS and U.S. GAAP" and "Risk Factors — Risks Relating to the Company — Indonesian corporate and other disclosure and accounting standards differ from those in the United States, countries in the European Union and other jurisdictions." We have selected the U.S. dollar as our functional currency.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth under "Forward-Looking Statements." "Risk Factors" and elsewhere in this Offering Circular.

Overview

We are an integrated energy and natural resources company operating through our core oil and gas exploration and production business and through significant investments in power generation and mining. We are the largest independent publicly listed oil and gas exploration and production company in Indonesia based on market capitalization. In addition, based on a peer analysis conducted by Wood Mackenzie, we are the largest upstream oil and gas exploration and production company among our Peer Group as of and for the year ended December 31, 2017 based on proved and probable reserves and production in Asia (our Peer Group refers to the group of peers identified by Wood Mackenzie, consisting of independent exploration and production companies with a noteworthy proved and probable reserves and production footprint in South and South East Asia. These consist of PT Saka Energi Indonesia, PT Energi Mega Persada Tbk., Ophir Energy plc, Premier Oil plc and KrisEnergy Ltd.). We primarily focus on our activities in Indonesia, and also have operations in the Middle East, North Africa and the United States.

We have interests in ten oil and gas properties in Indonesia, seven of which are currently producing and in oil and gas properties in five countries outside of Indonesia, namely the United States, Tunisia, Yemen, Libya and Oman. In Indonesia, our blocks are held under production sharing arrangements with SKK Migas, Indonesia's national upstream oil and gas regulator. Under these production sharing arrangements, we are entitled to recover our costs and earn an agreed after-tax share of the production once the block is declared commercially exploitable by SKK Migas.

We plan to continue to strengthen our producing assets portfolio by the phased development and monetization of our existing portfolio of discovered gas assets. We aim to bring our projects on-stream on time and within budget, particularly our Block A, Aceh block, which is our most advanced development in Indonesia. First gas production and gas deliveries under the Block A take-or-pay backed, fixed-price domestic contract are expected to begin in 2018. We then plan to focus on Senoro-Toili phase II where the investment decision with respect to the preferred development scenario is expected to be made in late 2018. Our operations at Senoro-Toili phase I are fully contracted under off-take agreements both for the upstream and downstream sectors. After this Senoro-Toili phase II investment, we plan to focus on our next large development, which is phase II of our Block A Aceh block and the monetization of our other discovered gas resources at this block. As a result, going forward, we expect that a larger percentage of our production will consist of production from Senoro-Toili, South Natuna Sea Block B and Block A Aceh, as certain of our existing blocks, including Rimau PSC and South Sumatera PSC, are in mature stages of production.

In 2016, our oil and gas production split was 46.7% oil and 53.3% gas (including production under our Oman service contract) and 39.0% oil and 61.0% gas (excluding production under our Oman service contract).

Of the gas production, 50.9% was sold under fixed price contracts to PLN, the Indonesian state electricity generator, Pertamina (the national oil company of Indonesia) and Pusri (an Indonesian fertilizer producer wholly owned by the Government). The remaining gas production is sold to Sembgas, Petronas or indirectly pursuant to LNG contracts to KOGAS, Chubu Electric Power Co. Inc and Kyushu Electric Power Co. Inc. Our gas off-takers include blue chip customers with strong credit profiles.

In addition to our core oil and gas business, we operate in power generation and have a significant investment in mining. Through MPI, we operate in the power generation sector in Indonesia. MPI is an IPP and O&M provider. MPI is currently operating 526 MW gross installed capacity and also engages in the O&M business with a current portfolio of 2,150 MW. In October 2017, we increased our stake in MPI from 49% to an effective interest of 88.62% by purchasing a 77.68% equity interest in PT Saratoga Power, which holds a 51% equity interest in MPI, from PT Saratoga Sentra Business and S. Asia III Luxembourg S.A.R.L. MPI promotes a green energy platform and has interests in gas-fired power plants, geothermal energy and hydro-electricity. Established in 2004, MPI owns and operates seven gas-fired power generation assets with a total gross capacity of over 296.7 MW and is also currently developing its 275 MW gas-fired IPP project and six other renewable assets, including geothermal and mini hydro power plants. MPI also owns a minority share in the Sengkang gas-fired power plant in South Sulawesi and acquired a long-term O&M contract for the Tanjung Jati B power plant in Jepara, Central Java through one of its subsidiaries. MPI is also (jointly with its partners) developing a 3x110 MW geothermal power plant in Sarulla, North Sumatra, where the commercial operation of the first 110 MW unit was achieved in March 2017 and the second 110 MW unit was achieved in October 2017, and the remaining unit, with a 110MW capacity, is expected to be finished by mid-2018. For the Sarulla geothermal power plant, MPI is also appointed as operator under the O&M contract. In December 2017, MEB, together with EPC contractors Barata Indonesia and Dalle Engineering Construction, signed a contract with PLN for a 40 MW gas-fired power plant in Luwuk. MEB was also engaged to provide the O&M services at the plant for five years starting in 2019. Going forward, MPI plans to continue to grow in the clean energy sector as an IPP (natural gas, geothermal and other renewables based energy), as well as grow its O&M business.

Our copper and gold mining operations are conducted through our joint venture, AMNT, in which we made our investment in November 2016 together with our joint venture partner, PT AP Investment (“API”). AMNT owns and operates the Batu Hijau mine, located on the island of Sumbawa, approximately 950 miles east of Jakarta. The mining concession covers an area of 66,000 hectares, which includes the Elang copper and gold resource and several exploration prospects including, Lampui, Rinti, Batu Balong, Nangka and Teluk Puna.

For the years ended December 31, 2014, 2015 and 2016, our net oil and gas sales were US$701.9 million, US$575.3 million and US$583.0 million, respectively, and EBITDA was US$262.1 million, US$224.9 million and US$267.7 million, respectively. For the nine month periods ended September 30, 2016 and 2017, our net oil and gas sales were US$386.0 million and US$595.1 million, respectively, and EBITDA was US$180.1 million and US$310.9 million, respectively.

Recent Developments

Rights Offering

As part of our de-leveraging plan in December 2017, we completed a rights offering where existing shareholders were provided with preemptive rights to subscribe for one new share for every three existing shares held, with each new share receiving a detachable warrant to purchase an additional share in the future. A total of 4,399,117,667 shares, representing 24.8% of our issued share capital after giving effect to the offering were issued on December 14, 2017 with a further potential to issue up to 4,399,117,667 shares issued if and when subscribing shareholders subsequently exercise their warrants. All new shares will have the same rights and characteristics as existing shares. The subscription price for shares issued in the rights issue was Rp. 600, with total funds raised of Rp. 2.6 trillion before deduction of transaction costs. The warrants are exercisable between July 2018 and December 2020, with the exercise price for each warrant ranging between Rp. 625 and Rp. 675.

MPI

In October 2017, we increased our stake in MPI from 49% to an effective interest of 88.62% by purchasing a 77.68% equity interest in PT Saratoga Power, which holds a 51% equity interest in MPI, from PT Saratoga Sentra Business and S. Asia III Luxembourg S.A.R.L. for total consideration of US$129.2 million. Approximately US$85.0 million of the purchase price was financed through a bank loan provided by PT Bank Mandiri (Persero) Tbk and the remainder was financed with cash on hand. See "Significant Factors Affecting Results of Operations — Acquisitions and Divestments — MPI" for further information.

AMNT

We, API, AMI and a new shareholder, PT Sumber Gemilang Persada (a consortium of Indonesian investors led by Mr. Agus Projosasmito) entered into a transaction pursuant to which we, API and PT Sumber Gemilang Persada will hold our interest in AMNT through AMI, and our and API's shareholding in AMI is, in the first quarter of 2018, expected to be reduced to approximately 38% each and PT Sumber Gemilang Persada is expected to own approximately 24% of AMI. As part of this transaction, approximately 50% of the amount of the shareholder loan held by us was converted into equity in AMI, and the other 50% of the amount of the shareholder loan converted into a receivable owed to us by API. In addition, other acquisition debt has been repaid in December 2017 and the parent guarantee we had provided in connection with such debt has been discharged. See "Business—Copper and Gold Mining."

Significant Factors Affecting Results of Operations

Oil and Gas Prices

Our net sales, profitability and asset values and financial condition have been and will continue to be significantly affected by movements in oil and gas prices.

Oil Prices

The international market for crude oil is volatile, and has recently been characterized by significant price fluctuations including significant decreases in the second half of 2014 and in 2015. The monthly average price of Brent crude oil decreased from a high of US$111.9 as of June 2014 to US$62.8 as of December 2014, and then to US$38.8 as of December 2015, to US$54.9 as of December 2016 and to US$56.2 as of September 30, 2017.

Oil prices fluctuate due to a number of factors, which include, among others, demand for crude oil, global events and circumstances, political developments and instability in petroleum producing regions, such as the Middle East; the ability of OPEC and other petroleum-producing nations to set and maintain production levels and therefore influence market prices; market prices and supply levels of substitute energy sources, such as natural gas and coal; domestic and foreign government regulations with respect to oil and energy industries in general; the level and scope of activity of oil speculators; weather conditions and seasonality; and overall domestic and regional economic conditions. Our average realized sales prices for oil for the years ended December 31, 2014, 2015 and 2016 were US$97.8 per BBLS, US$49.3 per BBLS and US$42.3 per BBLS, respectively, reflecting the decline in crude oil prices globally. Our average realized retail sales prices for oil in the nine month periods ended September 30, 2016 and 2017 were US$39.5 per BBLS and US$49.5 per BBLS, respectively. The changes in oil prices have significantly impacted our net oil and gas sales, which decreased from US$701.9 million in 2014 to US$575.3 million in 2015 to US$583.0 million in 2016. The increase in 2016 was primarily due to increased sales volumes which offset the decrease in oil prices. In addition, fluctuations in oil prices have impacted and may continue to impact our results of operations and asset values. In 2015, we recorded a loss on impairment of assets of US$217.2 million, primarily due to changes in value of our oil and gas properties resulting from the sharp decrease in oil prices during the year. To the extent oil prices fluctuate in the future, we could record impairment losses or gains on fair value of our assets.

We sell most of our net crude oil production through short to medium term off-take contracts which we grant under a competitive tender process. In line with the Indonesian government regulations, we sell our oil at prices based on ICP. The ICP price is determined by the Indonesian government, and was the monthly average of the mean of two publications of independent oil traders and marketers in the Asia Pacific region published by Platts and RIM in the following proportions: 50% Platts and 50% RIM until June 2016. Starting in July 2016, the basis of ICP changed to Dated Brent price plus Alpha. The ICP is published every month. The sales contracts that we enter into are based on the ICP, with certain pre-agreed premiums depending on the quality of the crude oil and provide for the sale of substantially all of our net crude oil production from a given producing block. Increases in ICP therefore increase our net oil sales and have a favorable impact on our results of operations. The cost-recovery portion of net crude entitlement is also calculated based upon ICP prices. Our profitability is significantly affected by the prices of, and demand for, crude oil, and the difference between the prices received for the oil we produce and the costs of exploring for, developing, producing, transporting and selling oil.

The terms of our production sharing contracts at oil-producing blocks require us to effect DMO sales at 10% to 25% of the market price. As a result, we are unable to sell our entire net oil production at the full international market price and consequently our average realized sales price may be lower than the applicable ICP. These prices are also subject to fluctuations which may have a material adverse effect on our revenues and net income and on our business, financial condition and results of operations.

Gas Prices

We typically enter into GSAs which set the total contracted quantity ("TCQ"), daily contracted quantity ("DCQ") and gas price. While TCQ and DCQ vary between buyers, gas prices under our domestic gas GSAs are fixed in US$/MMBTU with an application of a relatively small escalation factor (typically 2.5% to 3.0% per annum). Therefore, our revenue from natural gas sales is not subject to as much price volatility as our oil revenues. Some of our export contracts contain pricing linked ultimately to oil prices, such as the Senoro GSA and approximately half of our production under the South Natuna Sea Block B GSA. In particular, as of September 30, 2017, gross working interest volumes from all of our 1,012 BCF of proved plus probable gas reserves were commercially committed for sale through long-term contracts, with sales through such contracts representing 43% and 50% of our net oil and gas sales in 2016 and nine month period ended September 30, 2017, respectively. Of this, for nine month period ended September 30, 2017 gas revenue of approximately 36.3% was sold through fixed price gas contracts with the remaining gas revenue sold under oil-linked prices. In addition, most of our GSAs, including both fixed-domestic and oil-linked-export GSAs, have take-or-pay protections, pursuant to which, if a buyer is unable to absorb the agreed supply during a period (typically over twelve months) then the buyer will have to pay a portion (usually in the range of 80% to 90%) of the total contracted supply for the period. The revenue contribution from GSAs has increased in recent years, and we expect will continue to increase as a percentage of our revenue in 2017 and 2018, especially with the first gas being sold under our fixed-price GSA for the Block A, Aceh gas development expected in March 2018. Our average realized sales prices for gas per MMBTU for the years ended December 31, 2014, 2015 and 2016 were US$5.6, US$5.2 and US$4.4, respectively, reflecting production from Senoro starting in 2015, which has a GSA with prices linked to movements in oil prices. Our average realized sales prices for gas per MMBTU for the nine month periods ended September 30, 2016 and 2017 were US$4.2 and US$5.5, respectively, reflecting increased sales under our oil price-linked GSAs. For a summary description of our gas sales arrangements, see "Business — Sales and Distribution — Natural Gas."

Acquisitions and Divestments

Our results of operations and business are significantly affected by acquisitions and divestments.

AMNT

In November 2016, we entered into the copper and gold mining sector through our acquisition of our joint venture interest in AMNT, the operator of the Batu Hijau copper and gold mine as well as various discovered

resources, several exploration prospects and the supporting infrastructure in the same area. This transaction has affected and we expect will continue to affect our results in a number of respects, which include: (i) primarily as a result of the consummation of this transaction, we recorded a bargain purchase gain of US$467.2 million in 2016, reflecting that the purchase price we paid for our share in the joint venture was less than the assessment of the fair value of our share of its assets based on a valuation report from an independent third party valuer registered with the OJK. In addition, this acquisition affected our balance sheet as our cash balances decreased significantly from the beginning of 2016 to the end of 2016 and our long-term investments increased, primarily due to this acquisition. As part of the transaction, we made a shareholder loan of US$246 million to the joint venture for its acquisition of AMNT and also guaranteed certain indebtedness which was incurred in connection with such acquisition. Such guarantee has been discharged in full. See "Related Party Transactions." Through this investment, we now operate in the copper and gold mining industry, and expect our share of the results of our joint venture will be significantly affected by AMNT's operating performance in the future. We, API, AMI and a new shareholder, PT Sumber Gemilang Persada (a consortium of Indonesian investors led by Mr. Agus Projosasmito) entered into a transaction pursuant to which we, API and PT Sumber Gemilang Persada will hold our interest in AMNT through AMI, and our and API's shareholding in AMI will, in the first quarter of 2018, be reduced to approximately 38% each and PT Sumber Gemilang Persada will own approximately 24% of AMI. See "—Recent Developments—AMNT."

MPI

In October 2017, we increased our stake in MPI from 49% to an effective interest of 88.62% by purchasing a 77.68% equity interest in PT Saratoga Power, which holds a 51% equity interest in MPI, from PT Saratoga Sentra Business and S. Asia III Luxembourg S.A.R.L. for a total consideration of US$129.2 million. Approximately US$85.0 million of the purchase price was financed through a bank loan provided by PT Bank Mandiri (Persero) Tbk and the remainder was financed with cash on hand. Prior to October 3, 2017, we accounted for the results of MPI using the equity method. As a result of our increased interest, starting from October 3, 2017 we began consolidating MPI's results and therefore we expect MPI's results of operations and financial condition to more significantly impact our results of operations and financial condition. In particular, MPI has substantial indebtedness which will be fully reflected in our consolidated financial statements and a significant portion of its indebtedness is associated with projects which are not yet in operation as MPI expands its business. MPI and its Subsidiaries are Unrestricted Subsidiaries (as defined in "Description of the Notes".) Although the indebtedness of MPI will be fully consolidated in our statement of financial condition as of December 31, 2017, our consolidated statement of profit and loss and cash flows (including revenue, expenses, EBITDA and other items included in, or derived from, our income statement) for the fiscal year ended December 31, 2017 will only reflect MPI's contribution as a consolidated subsidiary from the date of acquisition on October 3, 2017 to December 31, 2017. MPI's results of operations are significantly affected by certain factors which include, among others:

- commercial arrangements under its PPAs and O&M agreements, including the duration of agreements and tariffs;
- MPI's power generation capacity and volume and type of O&M services provided;
- with respect to the tendering and tariff regime for future projects, changes in government regulation; and
- currency fluctuations between the U.S. dollar and the Rupiah. Generally, certain of the tariff components under MPI's PPAs contain adjustment provisions based on movements between the U.S. dollar and the Rupiah or the tariffs are U.S. dollar denominated. From a cost perspective, MPI's expenses are mainly denominated in Rupiah and as a result to the extent it earn revenues denominated in U.S. dollars its results are affected by currency fluctuations.

MPI from time to time explores potential capital raising options which could include debt or other forms of financing.

Oil and Gas Blocks

From time to time, we acquire and divest from, or increase or decrease our effective interests in, oil and gas blocks. For example, in 2016, we increased our interest in the Lematang PSC, a producing asset, to 100% from 74.1%, increased our interest in Block A Aceh, a development asset, from 41.7% to 58.3% and acquired a 40.0% interest in South Natuna Sea Block B. We also agreed to divest our entire interest in the Bawean PSC, a producing asset, effective in September 2017. Further in April 2017, we increased our interest in Block A, Aceh from 58.3% to 85.0%. The acquisitions of, and divestments from, producing assets affect our production volume, and generally our acquisitions and divestments affect the value of our assets, liabilities and result of operations as we record bargain purchase gains.

Other Businesses

From time to time we have entered into certain businesses, including coal, real estate (through our ownership of The Energy Building) and others. Based on our assessment of our business lines, we decided that it may be in our interests to divest from these businesses and therefore we have reclassified them as assets held for sale. Such reclassification has the effect of such businesses being accounted for as discontinued operations on our income statement until we sell or may reclassify such assets. In particular, in 2017 we reclassified our subsidiary which holds The Energy building as held for sale, which resulted in a significant decrease in investment properties under our non-current assets and increase in our non-current assets classified as held for sale.

Cost Efficiencies

Since 2014, in light of the decreases in oil prices in 2014 and 2015, we have carried out an efficiency drive. In 2015 and 2016, we significantly improved our organizational cost structure. Our 2016 full year unit cash production cost was reduced to US$8.8/BOE compared to US$12.3/BOE in 2015 and US$15.4/BOE in 2014. In the nine month period ended September 30, 2017 our unit cash production cost was US$8.1/BOE. This reduction was achieved through a number of cost reduction initiatives including (i) changing operating modes, such as revising crew rotation schedules and outsourcing certain non-core activities; (ii) optimizing existing operations and relationships, such as vendor renegotiations to capture deflation and sharing infrastructure with neighboring operators; and (iii) reassessing all operations to apply "fit-for-purpose" methodologies, such as rescheduling planned maintenance and engine exchanges. The cost reduction programs have targeted both larger scale cost reduction opportunities, such as drilling rig rate reductions, to smaller scale granular opportunities, such as travel and training budgets. We currently are committed to maintaining a unit cash production cost per BOE below US$10 through 2021 through, among others, continuing the aforementioned cost-efficiency initiatives.

Commercial Arrangements

Our PSCs contain cost recovery provisions which permit us to recover approved costs incurred in capital investment for exploration and development, and production and operating expenses against available revenues generated by the PSC after deduction of FTP, and any applicable investment credits. Generally, under the terms of our PSCs, we and the Government are entitled to take and receive FTP amounting to 20% of the total production of oil and gas each year, split between us and the Government, from our production areas in all of our PSCs, before any deduction for cost recovery, and applicable investment credits. Under the terms of ten of our PSCs, including 2 JOBs, after we have recovered all approved costs including incentives, the Government is entitled to a 65.0% to 85.0% profit share of the remaining production and we keep the rest as our profit share.

Because our recoverable costs are customarily settled in oil and gas, the exact amount realizable by us out of these cost recoveries varies depending on the market prices of oil and the contracted prices for gas. For example, if oil prices decrease, our cost recovery portion of production will rise and our net entitlement under our commercial arrangements will therefore also rise. However, despite such increase in our net entitlement, a decline in oil prices will lead to a decline in net revenues.

Our share of profits after tax from our PSCs ranges from 27.5% to 40.0% for gas and 12.5% to 35.0% for oil, depending on the PSCs and without taking into account the impact of cost recovery and DMO for oil and gas. After a period of 60 months commencing from the month of the first delivery of crude oil produced from each new field in a given contract area, the contractor will typically be subject to DMO to sell approximately 3.75% on an after tax basis of the crude oil produced from the contract area at a discounted price, ranging from 10.0% to 25.0% of the market price, depending on the PSC. For the last three years, our DMO have accounted for an average of approximately 3.9% on an after tax basis of our crude oil net production. While we are obliged to sell 25% of the gas we produce in the domestic market, we may do so at market price and as we sell the majority of our entire gas net production in the domestic market, in practice, this obligation does not affect our results of operations. There can be no assurance that we will not be subject to increases in our DMO for oil and gas in the future. See "Risk Factors — Risks Relating to our Industries." See "Regulatory Overview — Legal Framework for the Oil and Gas Industry — PSC" for further information.

Oil and Gas Production Volume

Our oil and gas net production volumes are a key factor that affects our sales and profitability and depend primarily on the terms of our production sharing contracts and the level of developed reserves in the fields in which we have an interest. The level of developed reserves is affected by such factors as:

- our exploration success in making discoveries;
- the speed at which successful exploration is approved for development and then brought into production, and the speed at which reserves are depleted through production;
- the extent to which we acquire or divest interests in producing reserves;
- the expiration and extension of the terms of the production sharing arrangements under which we and our partners produce crude oil and gas;
- operational efficiencies in and the infrastructure available for our production processes; and
- managing declining reserves at mature fields.
- In addition to our amount of producing reserve, our level of production is affected by:
- market demand; and
- individual terms of the commercial contracts.

Our Planned Exploration and Development Activities

From January 1, 2014 to September 30, 2017, we incurred US$1,007.7 million in capital expenditures, which include acquisition costs for exploration and evaluation assets, and development costs for our oil and gas properties. Our total annual non-debt funded capital expenditures necessary to maintain our production levels are expected to remain below US$200 million per year over the next five years, which should allow for a reduction in gearing. Within this total capital expenditure, we intend to cap expenditures for discretionary exploration and managing declines in production to US$60 million per year. We plan to do this by phasing expenditures on our large developments and making carefully selected investments to offset declines in production. We expect that our capital expenditure for drilling and oil and gas infrastructure will be funded by the cost recovery mechanism under our PSCs.

We follow PSAK No. 64, Exploration for Evaluation of Mineral Resources, in recording exploration and evaluation assets. Accordingly, all estimated future costs associated with the acquisition and exploration of oil and gas reserves, including directly related overhead costs, are capitalized. All costs arising from production activities are recorded at the time they are incurred. All capitalized costs relating to our oil and gas reserves are depreciated and amortized using the unit of production method, based on the total estimated proved reserves, as detailed in Note 2 to our consolidated financial statements included elsewhere in this Offering Circular.

Investments in unproven reserves and major development projects are not amortized until proved reserves associated with such properties and projects can be determined or until impairments occur.

Our depreciation, depletion and amortization costs for (including depreciation charged to our operating expenses) for the years ended December 31, 2014, 2015 and 2016 were US$90.5 million, US$119.5 million and US$114.9 million, respectively. Our depreciation, depletion and amortization costs for the nine month periods ended September 30, 2016 and 2017 were US$81.3 million and US$112.7 million, respectively.

We also conduct workover operations, comprising drilling activities, to maintain our current production capacity, which are accounted for as capital expenditure.

PSC Tax Regime

The calculation of income tax for PSC working interest holders differs from the method generally used in calculating income tax for other Indonesian tax payers. Significant differences between the general income tax regime and the PSC income tax regime include:

- under the PSC tax regime, the taxable value of oil liftings is to be referenced to the net entitlement of oil after deduction of cost recovery (calculated based on ICP, as opposed to the actual sales price), while the taxable value of gas liftings is also referenced to the net gas entitlement, but calculated based on actual sales price;
- under the PSC tax regime, the classifications for intangible and capital costs are not necessarily consistent with general Indonesian income tax rules relating to capital spending;
- under the PSC tax regime, the depreciation and amortization rates applying to intangible and capital costs are not necessarily consistent with the depreciation rates available under the general Indonesian income tax rules;
- under the PSC tax regime, interest costs are not recoverable and not tax deductible, whereas interest is usually fully deductible under general Indonesian income tax rules. However, some of our PSCs provide specific allowances (such as investment credit allowance and interest cost recovery) which are calculated based on approved interest rates on remaining capital expenditure balances, allowing our subsidiaries to recover the amount of such allowances. Such allowance are not tax deductible costs;
- under the PSC tax regime prior to the issuance of the Director General of Taxes No. PER-20/PJ/2017 ("PER-20/2017"), regarding Procedures for Calculating and Paying Income Tax on the First Tranche Petroleum ("FTP") dated November 14, 2017, 20% of the oil and gas production (the number may vary depending on the PSC contract) before any deduction for cost recovery can be deferred from tax until the equity split position is reached, which is not necessarily consistent with the how tax is calculated under the general Indonesian income tax rules.
- under PER-20/2017, tax on FTP is deemed to be payable if the balance of accumulative FTP has exceeded the balance of the unrecovered costs;
- the PSC tax regime provides for an unlimited carry forward of prior year unrecovered costs, as opposed to a given year restriction under the general Indonesian income tax rules; and
- no tax deductions will arise under the PSC tax regime until commercial production commences, as opposed to a deduction arising from the date of the expenditure being expensed or accrued under the general Indonesian income tax rules.

Due to the above differences, decreases or increases in current tax expenses may not necessarily be in line with decreases or increases in sales. Deductible costs are accordingly required to be calculated in accordance with the PSC tax regime in order to calculate our taxable income and the related tax expense for a given period.

Indonesian income tax rates on our PSCs currently vary from 25% to 35%, depending on the contract terms for the applicable PSC where revenue is generated and the prevailing tax rates in the year in which the PSC is entered into, and this percentage changes our effective tax rate. Our PSCs are also subject to a PSC dividend tax of 15% to 20%. Our income tax expense is significantly influenced by the fact that PSCs cannot be consolidated for Indonesian income tax purposes, as this prevents us from off-setting losses from one PSC from profits from another PSC. Each PSC is taxed individually and no cross deduction is allowed.

Political and Security Conditions in the Countries Where we Operate

While our assets are primarily located in Indonesia, we also operate in Oman, Yemen, Tunisia and Libya. Such operations may be subject to political and security considerations. In 2016, we recorded impairment losses on our oil and gas properties of US$278.5 million (partially reversed by US$100.0 million in 2017), primarily related to impairments of our assets in Libya and Tunisia resulting from our risk assessment related to political conditions in the North African region, which affected our profitability for the year. In addition, our operations in Tunisia were suspended due to labor protests in connection with a general strike in the country which occurred from April 2017 to June 2017. Operations resumed from June 2017. In Yemen, due to adverse security conditions there has been no activity at our blocks since 2014 and one block is in the process of being relinquished to the Government of Yemen and another is currently under a claim of force majeure. We continue to monitor and assess the conditions in these countries to resume operations.

Overview of Results of Operations

The following table sets forth certain information with respect to our revenues, expenditures and profits, for the years ended December 31, 2014, 2015 and 2016 and the nine month periods ended September 30, 2016 and 2017.

	For the Years Ended December 31,			For the Nine Month Periods Ended September 30,	
	2014	2015	2016	2016	2017
	(Restated)[1]	(Restated)[1]	(Restated)[1]	(Unaudited)	
	(US$ in millions)				
Consolidated Statements of Profit or Loss and Other Comprehensive Income					
Sales and Other Operating Revenues					
Net oil and gas sales	701.9	575.3	583.0	386.0	595.1
Revenue from services	0.2	7.0	7.0	5.4	2.5
Total Sales and Other Operating Revenues	**702.1**	**582.3**	**590.0**	**391.5**	**597.5**
Cost of Sales and Other Direct Costs					
Production and lifting costs	281.5	215.3	205.1	129.6	144.3
Depreciation, depletion, and amortization	89.0	117.1	113.8	80.5	112.4
Cost of crude oil purchases	26.3	21.3	13.3	5.5	29.6
Exploration expenses	24.4	6.8	7.0	5.0	10.3
Cost of services	1.3	1.4	1.5	1.3	0.7
Total Cost of Sales and Other Direct Costs	**422.5**	**361.8**	**340.7**	**221.8**	**297.4**
Gross Profit	**279.6**	**220.4**	**249.3**	**169.7**	**300.2**
Selling, general and administrative expenses	(108.0)	(114.9)	(96.5)	(70.9)	(102.0)
Finance costs	(71.3)	(77.2)	(99.6)	(67.3)	(95.6)
Finance income	10.3	6.0	7.6	1.7	24.1
Bargain purchase	—	—	551.7	18.9	43.1
Income from insurance claim	—	—	—	—	7.7
Gain on business combination achieved in stages	—	50.2	—	—	—
Loss on assets recognized at fair value less cost to sell	—	—	(11.9)	(11.9)	—
Share of net income (loss) of associates and joint venture	7.1	7.2	(27.2)	2.2	(23.4)
Reversal of (Loss on) impairment of assets	(16.2)	(217.2)	(288.9)	(160.2)	100.0
Other income	27.8	20.2	16.9	17.8	25.8
Other expenses	(7.2)	(14.0)	(6.2)	(3.7)	(5.5)
Profit (Loss) Before Income Tax Expense from Continuing Operations	**122.1**	**(119.4)**	**295.1**	**(103.8)**	**274.3**
Income Tax Expense	**(94.3)**	**(31.4)**	**(63.3)**	**(0.5)**	**(102.4)**
Profit (Loss) for The Period/Year from Continuing Operations	**27.8**	**(150.8)**	**231.8**	**(104.2)**	**171.9**
Loss after Income Tax Expense from Discontinued Operations	(19.0)	(35.4)	(44.8)	**(43.5)**	**(3.8)**
Profit (Loss) for The Period/Year	**8.8**	**(186.2)**	**187.0**	**(147.7)**	**168.1**
Other Comprehensive Income That Will Be Reclassified to Profit or Loss	**8.5**	**(1.4)**	**4.5**	**25.4**	**15.3**
Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	**5.2**	**5.8**	**3.4**	**2.8**	**(7.1)**
Total Comprehensive Income (Loss) for The Period/Year	**22.5**	**(181.8)**	**195.0**	**(119.6)**	**176.3**
Basic Earnings (Loss) per Share Attributable to Equity Holders of the Parent Company (in full amount)	0.00039	(0.01415)	0.01412	(0.01143)	0.01254

Note:

(1) The restated consolidated financial statements resulted from the discontinuation of the classification of certain assets previously classified as held-for-sale, as further described in note 37 of the consolidated financial statements included elsewhere in this Offering Circular.

Description of Certain Principal Comprehensive Income Statement Line Items

Net Oil and Gas Sales

Our net oil and gas sales are primarily generated from sales of crude oil and natural gas, which are affected primarily by our net entitlement volume of oil and gas under production sharing arrangements and the prices at which they are sold.

We sell all of our net crude oil entitlement through a competitive tender process, and subject to market conditions, enter into short-term sales contracts with the winning bidder. Crude oil entitlement not sold pursuant to a sales contract is sold in the spot market. Substantially all of our net crude entitlement in Indonesia in 2017 was sold to customers outside of Indonesia (other than oil sold pursuant to our DMO). We currently sell substantially all of our oil produced in Indonesia at prices based on the ICP, subject to adjustment depending on the quality of the crude oil. The cost recovery portion of net crude entitlement is also calculated based upon ICP prices.

Our natural gas sales contracts in Indonesia are typically long-term fixed price contracts, while our gas produced in the United States is sold on the spot market. Our gas production in Indonesia in 2017 was sold to local customers under long-term GSAs. For a summary description of our GSAs, see "Business — Sales and Distribution — Natural Gas".

Revenues from services

Our revenue from services are primarily generated from gas transportation services (onshore and offshore) and gas distribution.

Cost of Sales and Other Direct Costs

Production and Lifting Costs

Production and lifting costs consist primarily of (i) costs for oil and gas contracts, which consist of costs that are directly attributable to oil and gas activities in international operations, and mainly include manpower and utilities costs, (ii) field operations overhead costs, which consist of several administrative costs such as manpower, equipment rental and utilities costs; and (iii) O&M costs, and to a lesser extent, operational support costs and pipeline and transportation fees.

Cost of Crude Oil Purchases

Our costs of crude oil purchases consist of payments for crude oil (outside of our entitlement) that we purchase from SKK Migas and Pertamina which we then sell to our foreign customers. We settle our lifting position with SKK Migas and Pertamina at the end of each year.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization primarily arises from the depletion of capitalized oil and gas exploration and development costs which are calculated using the unit of production method and depreciation of investment property.

Exploration Expenses

Exploration expenses include dry hole costs, geological and geophysical costs and exploration overheads. Exploration expenses vary with the level of exploration activities and the success rate of such activities. We use the "successful efforts method" of accounting for oil and gas exploration expenses. Accordingly, the costs related to acquisitions of interests in oil and gas properties, the costs of drilling and equipping exploratory wells that locate or result in proved reserves and the costs of drilling and equipping development wells, including the costs of drilling exploratory-type stratigraphic test wells, are initially capitalized and recorded as part of uncompleted wells, equipment and facilities until the exploration is determined to be unsuccessful. Exploration expenses for dry holes are expensed in the year in which the exploration effort is determined to have been unsuccessful.

Cost of Services

Costs of services represents the costs related to our drilling activities in Oman under our Oman service contract for Karim Small Fields where we operate and provide services for the owner, Petroleum Development Oman LLC, and operational activities for our gas transportation and distribution business.

Selling, General and Administrative Expenses

General and administrative expenses consists of salaries, wages and other employee benefits; professional fees; contract charges; service costs; repairs and maintenance; insurance; office supplies and equipment; depreciation; transportation; education; rental and insurance. Selling expenses include export expenses; business travel; advertising and promotion; and entertainment expenses.

Finance Costs

Finance costs primarily consist of interest expenses on our indebtedness.

Finance Income

Finance income primarily consists of interest income on cash deposits at banks.

Bargain Purchase

We record bargain purchase gains when the value of the consideration paid in an acquisition exceeds the fair value of the net assets acquired. In 2016, we recorded a bargain purchase gain of US$551.7 million, which primarily consisted of gains recorded from the purchase of our interest in AMIV, the acquisition of our interest in South Natuna Sea Block B and the increases in our effective interests in Block A Aceh and Lematang PSC. In the nine-month period ended September 30, 2017, we recorded a bargain purchase gains recorded from the increase in our effective interests in Block A Aceh. In the nine-month period ended September 30, 2016 we recorded bargain purchase gains from the purchase of our additional interest in Lematang PSC.

Income from insurance claim

Income from insurance claim consists of proceeds from insurance claims in 2017, related to an insurance claim from a 2011 gas flow incident where unintended gas flow occurred in the Lagan Deep-1 exploration well at the South Sumatera PSC.

Gain on Business Combination Achieved in Stages

Gain on business combination achieved in stages consists of a US$50.2 million gain we recognized in 2015 as a result of the remeasurement of our initial 49% equity interest in AMG, which previously had been held at its acquisition date fair value. The 49% interest in AMG, the company that owns The Energy building, was initially acquired in 2013, and the remaining 51% was acquired in December 2015.

Loss on Assets Recognized at Fair Value less Costs to Sell

Our impairment loss on assets recognized at fair value less costs to sell consists of impairment of net assets that are classified as held for sale, which in 2016 related to the classification of Bawean PSC as held for sale.

Share of Net Income (Loss) of Associates and Joint Venture

Our share of net income (loss) of associates and joint venture primarily consists of our share of the net losses and net income from AMIV and MPI, respectively, which historically have been accounted for using equity accounting. In October 2017, we increased our stake in MPI from 49% to an effective interest of 88.62% by purchasing a 77.68% equity interest in PT Saratoga Power, which holds a 51% equity interest in MPI, from PT Saratoga Sentra Business and S. Asia III Luxembourg S.A.R.L. Prior to October 3, 2017, we accounted for the results of MPI using the equity method. As a result of our increased interest, starting from October 3, 2017, we began consolidating MPI's results. Prior to December 2015, this line item also included income from AMG, which we consolidated starting in December 2015 following our purchase of the remaining 51%, and which prior to December 2015 we accounted for using the equity method.

Reversal of (Loss on) Impairment of Assets

Our loss on impairment of assets primarily consists of impairment losses recorded on our oil and gas properties as a result of impairment testing we perform when circumstances indicate that the carrying value of the asset exceeds its recoverable amount. In 2015, we recorded a loss on impairment of assets of US$217.2 million, primarily due to changes in value of our oil and gas properties resulting from the sharp decrease in oil prices during the year. In 2016, we recorded impairment losses on our oil and gas properties of US$278.5 million, primarily related to our assets in Libya and Tunisia based on our risk assessment related to political conditions in the North Africa region. In September 2017, we updated our model for our operations in Libya following, among other things, our re-assessment of engineering information, government press releases regarding development plans, updates with respect to costs and our decision to take a phased approach to development and discussions with potential subcontractors, which resulted the reversal of previous year impairment losses amounting to US$100.0 million.

Other Income

For the nine month period ended September 30, 2017, other income mainly represented overhead fees we received from the other working interest holders at South Natuna Sea Block B as operator of the block under our Joint Operating Agreement. In 2016, other income mainly consisted of cash receipts from VAT reimbursement amounting to US$5.7 million. In 2015 and 2014, other income mainly consisted of income from short-term investments amounting to US$11.8 million and US$12.8 million, respectively.

Other Expenses

Other expenses primarily consists of foreign exchange losses related to expenses recorded in Indonesian Rupiah.

Income Tax Expense

Income tax expenses primarily consist of our current tax expense net of the deferred tax benefit available to us which is determined in accordance with Statement of Financial Accounting Standards (PSAK) No. 46, "Accounting for Income Taxes". Our current tax expenses are generally determined based on the following: (i) subsidiaries involved in the oil and gas exploration and production are subject to Indonesian corporate income tax at a rate which varies from 25% to 35% and dividend tax which varies from 15% to 20%. Dividend tax is computed from taxable profit after Indonesia corporate income tax; and (ii) the Company and its subsidiaries are subject to corporate tax which varies from 17% to 25%.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Loss After Income Tax Expense from Discontinued Operations

Loss after income tax expense from discontinued operations represents losses generated by our coal mining business, certain oil and gas blocks and certain other operations, including drilling services, and chemicals production which are held for sale.

Comparison of Nine Months Ended September 30, 2017 and Nine Months Ended September 30, 2016

Net Oil and Gas Sales

Our net oil and gas sales increased by 54.1% to US$595.1 million for the nine-month period ended September 30, 2017 from US$386.0 million for the nine-month period ended September 30, 2016. The increase in net oil and gas sales was primarily due to increased sales volume, which increased primarily due to our acquisition of our interest in South Natuna Sea Block B in November 2016 and an increase in our average realized prices which was primarily the result of higher oil prices. Our crude oil sales increased to 26.2 MBOPD for the nine-month period ended September 30, 2017 from 20.0 MBOPD for the same period in 2016. Our average realized prices for oil increased to US$49.5/barrel for the nine-month period ended September 30, 2017 from US$39.5/barrel for the corresponding period in 2016. Our gas sales increased to 279.7 BBTUPD for the nine-month period ended September 30, 2017 from 206.9 BBTUPD for the same period in 2016. Our average realized prices for natural gas increased to US$5.5/MMBTU for the nine-month period ended September 30, 2017 from US$4.2/MMBTU for the corresponding period in 2016.

Revenues from services

Our revenues from services decreased by 54.7% to US$2.5 million for the nine-month period ended September 30, 2017 from US$5.4 million for the nine-month period ended September 30, 2016. The decrease in revenues from services was primarily due to a decrease in pipeline fee tariffs with PLN.

Production and Lifting Costs

Production and lifting costs increased by 11.4% to US$144.3 million for the nine-month period ended September 30, 2017 from US$129.6 million for the corresponding period in 2016. This increase was primarily due to production and lifting costs from South Natuna Sea Block B, in which we acquired our interest in November 2016.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization increased by 39.7% to US$112.4 million for the nine-month periods ended September 30, 2017 from US$80.5 million for the nine-month period ended September 30, 2016, primarily due to depreciation of oil and gas assets at South Natuna Sea Block B, in which we acquired our interest in November 2016.

Cost of Crude Oil Purchases

Cost of crude oil purchases increased by 440.9% to US$29.6 million for the nine-month period ended September 30, 2017 from US$5.5 million for the nine-month period ended September 30, 2016, primarily due to additional crude oil purchases at South Natuna Sea Block B in which we acquired our interest in November 2016.

Exploration Expenses

Exploration expenses increased by 104.7% to US$10.3 million for the nine-month period ended September 30, 2017 from US$5.0 million for the nine-month period ended September 30, 2016, primarily due to additional exploration activities in existing contract areas during the period.

Cost of Services

Cost of services decreased by 43.9% to US$0.7 million for the nine-month period ended September 30, 2017 from US$1.3 million for the nine-month period ended September 30, 2016.

Total Cost of Sales and Other Direct Costs

As a result of the foregoing, total cost of sales and other direct costs increased by 34.1% to US$297.4 million for the nine-month period ended September 30, 2017 from US$221.8 million for the nine-month period ended September 30, 2016.

Gross Profit

Gross profit increased by 76.9% to US$300.2 million for the nine-month period ended September 30, 2017 from US$169.7 million for the nine-month period ended September 30, 2016. Gross profit margin increased to 50.2% for the nine-month period ended September 30, 2017 from 43.3% for the nine-month period ended September 30, 2016, primarily due to our increased revenues, particularly from South Natuna Sea Block B which as a mature block carries higher margins and higher oil prices. Gross profit margin is derived by dividing gross profit over net oil and gas sales.

Selling, General And Administrative Expenses

Selling, general and administrative expenses increased by 43.9% to US$102.0 million for the nine-month period ended September 30, 2017 from US$70.9 million for the nine-month period ended September 30, 2016. This increase was primarily due to, among others, increased expenses for rental, contract charges relating to manpower supply, services expenses, export expenses, salaries, wages and other employee benefits which was mostly due to the expenses from South Natuna Sea Block B in which we purchased our interest in 2016.

Finance Costs

Finance costs increased by 42.1% to US$95.6 million for the nine-month period ended September 30, 2017 from US$67.3 million for the nine-month period ended September 30, 2016, primarily due to an increased average amount of indebtedness in 2017 as compared to 2016.

Finance Income

Finance income increased by 1,291.6% to US$24.1 million for the nine-month period ended September 30, 2017 from US$1.7 million for the nine-month period ended September 30, 2016, primarily due to interest income from the shareholder's loan to AMIV.

Bargain Purchase

In the nine-month period ended September 30, 2017, we recorded a bargain purchase gain of US$43.1 million, which primarily consisted of gains recorded from the purchase of our interest in Block A, Aceh. In the nine-month period ended September 30, 2016 we recorded bargain purchase gains of US$18.9 million from the purchase of our additional interest in Lematang PSC.

Income from Insurance Claim

In the nine-month period ended September 30, 2017, we recorded income from an insurance claim of US$7.7 million, which consisted of cash received from insurance claims in 2017, related to an insurance claim from a 2011 gas flow incident where unintended gas flow occurred in the Lagan Deep-1 exploration well at the South Sumatera PSC.

Loss on assets recognized at fair value less cost to sell

Loss on assets recognized at fair value less cost to sell for the ninth-month period ended September 30, 2016 was US$11.9 million, which consisted of losses related to our classification of Bawean PSC as an asset held for sale.

Share of Net Income (Loss) Of Associates and Joint Venture

In the nine-month period ended September 30, 2017, our share of net loss of associates and joint venture was US$23.4 million compared to our share of net income of associates and joint venture of US$2.2 million for the nine-month period ended September 30, 2016. The share of net losses in 2017 was primarily due to our share of net losses of AMIV which was primarily the results of costs from the termination of hedging arrangements.

Reversal of (loss on) Impairment of Assets

In the nine-month period ended September 30, 2017, we recorded a reversal of impairment of assets of US$100.0 million as compared to a loss on impairment of assets of US$160.2 million for the corresponding period in 2016. In 2016, our loss on impairment of assets was primarily due to changes in the recoverable value of our oil and gas properties due to the sharp decrease in oil prices during the year. In 2017, we recognized a reversal on impairment of assets in Libya based on our updated economic model for our assets in Libya as of September 2017.

Other Income

Other income increased by 45.1% to US$25.8 million for the nine-month period ended September 30, 2017 from US$17.8 million for the year ended September 30, 2016, which was primarily due to overhead fees from the other working interest holders at South Natuna Sea Block B under our Joint Operating Agreement. In the nine-month period ended September 30, 2016, other income mainly consisted of cash receipts from VAT reimbursements of US$7.4 million.

Other Expenses

Other expenses increased by 45.4% to US$5.5 million for the nine-month period ended September 30, 2017 from US$3.7 million for the nine-month period ended September 30, 2016, primarily due to increased foreign exchange losses.

Profit (Loss) before Income Tax Expense from Continuing Operations

Our profit before income tax expense from continuing operations was US$274.3 million for the nine-month period ended September 30, 2017 compared to a loss before income tax expense from continuing operations of US$103.8 million for the year ended September 30, 2016, primarily due to our reversal of impairment losses, bargain purchase gain, and increased gross profit in 2017, which were partially offset by increased selling, general and administrative expenses, net losses of associates and joint venture as well as increased finance costs. The loss in the nine-month period ended September 30, 2016 was primarily the result of impairment losses on our oil and gas properties.

Income Tax Expense

Income tax expense from continuing operations increased to US$102.4 million for the nine-month period ended September 30, 2017 from US$0.5 million for the nine-month period ended September 30, 2016, primarily due to increased profit before tax from continuing operations.

Profit (Loss) for the period from Continuing Operations

As a result of the foregoing, we recorded a profit for the period from continuing operations of US$171.9 million for the nine-month period ended September 30, 2017 and a loss for the period from continuing operations of US$104.2 million for the nine-month period ended September 30, 2016.

Loss After Income Tax Expense From Discontinued Operations

Our loss after income tax expense from discontinued operations decreased by 91.3% to US$3.8 million for the year ended September 30, 2017 from US$43.5 million for the year ended September 30, 2016, primarily due to increased finance costs with respect to assets held for sale.

Profit (Loss) For the Period

As a result of the foregoing, we recorded a profit for the period of US$168.1 million for the nine-month period ended September 30, 2017 compared to loss for the year of US$147.7 million for the nine-month period ended September 30, 2016.

Total Comprehensive Income (Loss) For the Year

Total comprehensive profit for the period was US$176.3 million for the nine-month period ended September 30, 2017 compared to a total comprehensive loss for the period of US$119.6 million for the nine-month period ended September 30, 2016.

Comparison of 2016 and 2015

Net Oil and Gas Sales

Our net oil and gas sales increased by 1.3% to US$583.0 million for the year ended December 31, 2016 from US$575.3 million for the year ended December 31, 2015. The increase in net oil and gas sales was primarily due to increased natural gas sales volume, which increased primarily due to sales from the Tomori field at Senoro, in which full production began in September 2015, partially offset by a decrease in our average realized prices resulting from decreased oil prices and a decrease in oil sales volume which in each case was primarily the result of production declines at maturing blocks. Our crude oil sales decreased to 21.5 MBOPD for the year ended December 31, 2016 from 22.2 MBOPD for the year ended December 31, 2015. Our average realized prices for oil decreased to US$42.3/barrel for the year ended December 31, 2016 from US$49.3/barrel for the year ended December 31, 2015. Our gas sales increased to 212.2 BBTUPD for the year ended December 31, 2016 from 130.8 BBTUPD for the year ended December 31, 2015. Our average realized prices for natural gas decreased to US$4.4/MMBTU for the year ended December 31, 2016 from US$5.2/MMBTU for the year ended December 31, 2015.

Revenues from services

Revenues from services was relatively stable at US$7.0 million for each of the years ended December 31, 2016 and 2015.

Production and Lifting Costs

Production and lifting costs decreased by 4.7% to US$205.1 million for the year ended December 31, 2016 from US$215.3 million for the year ended December 31, 2015. This decrease was primarily due to decreased O&M expenses as well as pipeline and transportation fees primarily resulting from cost efficiency measures and was partially offset by increases in manpower and utility expenses at our international assets.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization decreased by 2.8% to US$113.8 million for the year ended December 31, 2016 from US$117.1 million for the year ended December 31, 2015, primarily due to decreases in production resulting from natural production declines at maturing blocks.

Cost of Crude Oil Purchases

Cost of crude oil purchases decreased by 37.5% to US$13.3 million for the year ended December 31, 2016 from US$21.3 million for the year ended December 31, 2015, primarily due to the decrease in oil prices in 2016.

Exploration Expenses

Exploration expenses increased slightly by 3.0% to US$7.0 million for the year ended December 31, 2016 from US$6.8 million for the year ended December 31, 2015, primarily due to additional exploration in existing areas.

Cost of Services

Cost of services increased by 8.2% to US$1.5 million for the year ended December 31, 2016 from US$1.4 million for the year ended December 31, 2015, primarily due to increased operational activities related to gas distribution.

Total Cost of Sales and Other Direct Costs

As a result of the foregoing, total cost of sales and other direct costs decreased by 5.8% to US$340.7 million for the year ended December 31, 2016 from US$361.8 million for the year ended December 31, 2015.

Gross Profit

Gross profit increased by 13.1% to US$249.3 million for the year ended December 31, 2016 from US$220.4 million for the year ended December 31, 2015. Gross profit margin increased to 42.3% for the year ended December 31, 2016 from 37.8% for the year ended December 31, 2015, primarily due to our increased revenues and decreases in production and lifting costs and costs of crude oil purchases. Gross profit margin is derived by dividing gross profit over net oil and gas sales.

Selling, General And Administrative Expenses

Selling, general and administrative expenses decreased by 16.0% to US$96.5 million for the year ended December 31, 2016 from US$114.9 million for the year ended December 31, 2015. This decrease was primarily due to, among others, decreased expenses for office supplies and equipment, contract charges relating to manpower supply, export expenses, transportation expenses and salaries, wages and other employee benefits. These decreases were partially offset by increased miscellaneous expenses and professional fees.

Finance Costs

Finance costs increased by 28.9% to US$99.6 million for the year ended December 31, 2016 from US$77.2 million for the year ended December 31, 2015, primarily due to an increased average amount of

indebtedness in 2016 as compared to 2015 and to increases in average interest rates for our U.S. dollar-denominated debt.

Finance Income

Finance income increased by 27.0% to US$7.6 million for the year ended December 31, 2016 from US$6.0 million for the year ended December 31, 2015, primarily due to an increase in interest income from the shareholder's loan to AMIV.

Bargain Purchase

In the year ended December 31, 2016, we recorded a bargain purchase gain of US$551.7 million, which primarily consisted of gains recorded from the purchase of our interest in AMIV in the amount of US$467.2 million, and to gains from the acquisition of our interest in South Natuna Sea Block B and from the acquisition of additional effective interests in Block A Aceh and Lematang PSC. In 2015 we did not record any bargain purchase gains.

Gain On Business Combination Achieved In Stages

In the year ended December 31, 2015, we recorded a gain on business combination achieved in stages of US$50.2 million, as a result of the remeasurement of our initial 49% equity interest in AMG, the company that owns The Energy building. Previously, our investment in AMG had been recorded at its acquisition date fair value as we initially acquired a 49% interest in 2013. We acquired the remaining 51% in December 2015. In 2016, we did not record any gains on business combination achieved in stages.

Loss on assets recognized at fair value less cost to sell

Loss on assets recognized at fair value less cost to sell for the year ended December 31, 2016 was US$11.9 million, which consisted of losses related to our classification of Bawean PSC as an asset held for sale.

Share of Net Income (Loss) Of Associates and Joint Venture

In the year ended December 31, 2016, our share of net loss of associates and joint venture was US$27.2 million as compared to our share of net income of associates and joint venture of US$7.2 million for the year ended December 31, 2015. The share of net losses in 2016 was primarily due to our share of net losses of AMIV. The loss in 2016 was partially offset by our share of net income of MPI. AMIV's net loss in 2016 was primarily due to acquisition costs in connection with its acquisition of AMNT. The share of net income in 2015 was primarily the result of our share of net income from MPI.

Loss on Impairment of Assets

Our loss on impairment of assets increased by 33.0% to US$288.9 million for the year ended December 31, 2016 from US$217.2 million for the year ended December 31, 2015. In 2015, the loss on impairment of assets was primarily due to changes in the recoverable value of our oil and gas properties due to the sharp decrease in oil prices during the year. In 2016, the loss was primarily from impairments of our assets in Libya and Tunisia based on our risk assessment related to political conditions in the North African region.

Other Income

Other income decreased by 16.7% to US$16.9 million for the year ended December 31, 2016 from US$20.2 million for the year ended December 31, 2015 which was primarily due to cash receipts from VAT reimbursements amounting to US$5.7 million in 2016, compared to income from short-term investments of US$11.8 million in 2015.

Other Expenses

Other expenses decreased by 55.7% to US$6.2 million for the year ended December 31, 2016 from US$14.0 million for the year ended December 31, 2015, primarily due to decreased foreign exchange gains and to changes in the mechanism for VAT receivables refund from reimbursement through cost recovery in 2015 to a reimbursement mechanism in 2016 resulting in such expenses no longer being recognized in our financial statements.

Profit (Loss) before Income Tax Expense from Continuing Operations

Our profit before income tax expense from continuing operations was US$295.1 million for the year ended December 31, 2016 compared to a loss before income tax expense from continuing operations of US$119.4 million for the year ended December 31, 2015. Our profit in 2016 was primarily due to our bargain purchase gain in 2016, increased gross profit, and decreased selling, general and administrative expenses, which were partially offset by increased impairments of our oil and gas assets as well as increased finance costs. The loss in 2015 was primarily the result of impairment losses on our oil and gas properties.

Income Tax Expense

Income tax expense from continuing operations increased by 101.3% to US$63.3 million for the year ended December 31, 2016 from US$31.4 million for the year ended December 31, 2015, primarily due to increased profit before tax from continuing operations.

Profit (Loss) for the year from Continuing Operations

As a result of the foregoing, we recorded a profit for the year from continuing operations of US$231.8 million for the year ended December 31, 2016 and a loss for the year from continuing operations of US$150.8 million for the year ended December 31, 2015.

Loss After Income Tax Expense From Discontinued Operations

Our loss after income tax expense from discontinued operations increased by 26.5% to US$44.8 million for the year ended December 31, 2016 from US$35.4 million for the year ended December 31, 2015, primarily due to increased finance costs with respect to assets held for sale.

Profit (Loss) For the Year

As a result of the foregoing, we recorded a profit for the year of US$187.0 million for the year ended December 31, 2016 compared to loss for the year of US$186.2 million for the year ended December 31, 2015.

Total Comprehensive Income (Loss) For the Year

Total comprehensive profit for the year was US$195.0 million for the year ended December 31, 2016 compared to total comprehensive loss for the year of US$181.8 million for the year ended December 31, 2015.

Comparison of 2015 and 2014

Net Oil and Gas Sales

Our net oil and gas sales decreased by 18.0% to US$575.3 million for the year ended December 31, 2015 from US$701.9 million for the year ended December 31, 2014. The decrease in net oil and gas sales was primarily due to the fall in oil prices which began in late 2014 and continued through 2015 and to a lesser extent to a decline in sales volume primarily due to natural production declines at certain of our blocks in 2015, which

primarily included Rimau and South Sumatra. Our crude oil sales decreased slightly to 22.1 MBOPD for the year ended December 31, 2015 from 22.2 MBOPD for the year ended December 31, 2014. Our average realized prices for oil decreased to US$49.3/ barrel for the year ended December 31, 2015 from US$97.8/ barrel for the year ended December 31, 2014. Our gas sales decreased to 130.8 BBTUPD for the year ended December 31, 2015 from 141.4 BBTUPD for the year ended December 31, 2014. Our average realized prices for natural gas decreased to US$5.2/ MMBTU for the year ended December 31, 2015 from US$5.6/MMBTU for the year ended December 31, 2014.

Revenue from services

Revenue from services increased by 3,322.1% to US$7.0 million for the year ended December 31, 2016 from US$0.2 million for the year ended December 31, 2015, primarily due to new contracts for gas distribution that were signed in 2015.

Production and Lifting Costs

Production and lifting costs decreased by 23.5% to US$215.3 million for the year ended December 31, 2015 from US$281.5 million for the year ended December 31, 2014, primarily due to decreased production in 2015.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization increased by 31.6% to US$117.1 million for the year ended December 31, 2015 from US$89.0 million for the year ended December 31, 2014, primarily due to depreciation from the Tomori filed at the Senoro PSC which came online in August 2015.

Cost of Crude Oil Purchases

Cost of crude oil purchases decreased by 19.1% to US$21.3 million for the year ended December 31, 2015 from US$26.3 million for the year ended December 31, 2014, primarily due to the decrease in oil prices in 2015.

Exploration Expenses

Exploration expenses decreased by 72.1% to US$6.8 million for the year ended December 31, 2015 from US$24.4 million for the year ended December 31, 2014, primarily due to reduced exploration activities in response to the low oil price environment in 2015.

Cost of Services

Cost of services increased by 4.9% to US$1.4 million for the year ended December 31, 2015 from US$1.3 million for the year ended December 31, 2014, primarily due to increased cost of services in Oman.

Total Cost of Sales and Other Direct Costs

Total cost of sales and other direct costs decreased by 14.4% to US$361.8 million for the year ended December 31, 2015 from US$422.5 million for the year ended December 31, 2014, primarily due to the decreases in production and lifting costs and in exploration expenses.

Gross Profit

Gross profit decreased by 21.2% to US$220.4 million for the year ended December 31, 2015 from US$279.6 million for the year ended December 31, 2014. Gross profit margin decreased to 37.8% for the year ended December 31, 2015 from 39.8% for the year ended December 31, 2014, primarily due to the year on year decrease in net oil and gas sales due to the decrease in oil prices and to a letter extent the decrease in sales volume. Gross profit margin is derived by dividing gross profit over net oil and gas sales.

Selling, General And Administrative Expenses

Selling, general and administrative expenses increased by 6.4% to US$114.9 million for the year ended December 31, 2015 from US$108.0 million for the year ended December 31, 2014. This increase was due, among others, to increased rental expenses, office supplies and equipment expenses resulting. Such increase was partially offset, among others, by decreased salaries, wages and other employee benefits, contract charges, and selling expenses.

Finance Costs

Finance costs increased by 8.3% to US$77.2 million for the year ended December 31, 2015 from US$71.3 million for the year ended December 31, 2014, primarily due to increased average amount of indebtedness in 2015 compared to 2014.

Finance Income

Finance income decreased by 42.1% to US$6.0 million for the year ended December 31, 2015 from US$10.3 million for the year ended December 31, 2014, primarily due to decrease of interest income from time deposits.

Gain On Business Combination Achieved In Stages

In the year ended December 31, 2015, we recorded a gain on business combination achieved in stages of US$50.2 million, as a result of the remeasurement of our initial 49% equity interest in AMG, the company that owns The Energy building. Previously, our investment in AMG had been recorded at its acquisition date fair value as we initially acquired a 49% interest in 2013. We acquired the remaining 51% in December 2015. In 2014, we did not record any gains on business combination achieved in stages.

Share Of Net Income of Associates And Joint Venture

Our share of net income of associates and joint venture increased by 2.0% to US$7.2 million for the year ended December 31, 2015 from US$7.1 million for the year ended December 31, 2014, primarily due to an increase in income from MPI.

Loss On Impairment Of Assets

Our loss on impairment of assets increased to US$217.2 million for the year ended December 31, 2015 from US$16.2 million for the year ended December 31, 2014. In 2015, the loss on impairment of assets was primarily due to changes in the recoverable value of our oil and gas properties because of a sharp decrease in oil prices during the year. In 2014, our impairments primarily related to impairment of oil and gas properties resulting from our relinquishment of Yemen 83 Block to the government.

Other Income

Other income decreased by 27.3% to US$20.2 million for the year ended December 31, 2015 from US$27.8 million for the year ended December 31, 2014, primarily due to decreased income from short term investments.

Other Expenses

Other expenses increased by 93.7% to US$14.0 million for the year ended December 31, 2015 from US$7.2 million for the year ended December 31, 2014, primarily due to increased foreign exchange losses resulting from the remeasurement of monetary assets which were denominated in Indonesian Rupiah.

Profit (Loss) before Income Tax from Continuing Operations

Our loss before income tax from continuing operations was US$119.4 million for the year ended December 31, 2015 compared to our profit before income tax from continuing operations of US$122.1 million for the year ended December 31, 2014. This was primarily due to the sharp decrease in oil prices which led to decreased revenues and increased losses on impairment of assets in 2015.

Income Tax Expense

Income tax expense from continuing operations decreased by 66.7% to US$31.4 million for the year ended December 31, 2015 from US$94.3 million for the year ended December 31, 2014, primarily due to our decrease in taxable income.

Profit (Loss) for the Year from Continuing Operations

As a result of the foregoing, recorded loss for the year from continuing operations of US$150.8 million for the year ended December 31, 2015 compared to profit for the year from continuing operations of US$27.8 million for the year ended December 31, 2014.

Loss after Income Tax Expense From Discontinued Operations

Our loss after income tax expense from discontinued operations increased to US$35.4 million for the year ended December 31, 2015, from US$19.0 million for the year ended December 31, 2014, primarily due to impairment losses on our downstream assets.

Profit (Loss) For the Year

As a result of the foregoing, we recorded a loss for the year of US$186.2 million for the year ended December 31, 2015 compared to profit for the year of US$8.8 million for the year ended December 31, 2014.

Total Comprehensive Income (Loss) For the Year

Total comprehensive loss for the year was US$181.8 million for the year ended December 31, 2015 compared to total comprehensive profit of US$22.5 million for the year ended December 31, 2014.

Liquidity and Capital Resources

Our operations, capital expenditures and working capital requirements are primarily funded from cash generated from operations and from borrowings, both short-term and long-term, including banking facilities and bonds. As of September 30, 2017, we had available banking facilities of US$650.0 million, of which US$311.4 million was unutilized. Of these facilities, US$360.0 million represents financing for Block A, Aceh development, of which US$187.7 million was unutilized as of September 30, 2017.

As of September 30, 2017, we had cash and cash equivalents of US$364.8 million, which comprised cash and time deposits with maturity dates not over three months and which are not used as collateral and short term investment of US$26.4 million. We also had approximately US$91.8 million in an escrow account, which consisted of proceeds from the offering of US$400.0 million aggregate principal amount of guaranteed senior notes due 2022 by our subsidiary Medco Straits Services Pte. Ltd., which will be used to repay debt, primarily consisting amounts owed under the IDR Shelf-Registered Bonds I Phase II of 2013.

The following table presents our cash flow data for the years ended December 31, 2014, 2015 and 2016 and the nine month periods ended September 30, 2016 and 2017.

Cash Flow Data

	For the Years Ended December 31,			For the Nine Month Periods ended September 30,	
	2014	2015	2016	2016	2017
	(Restated)	(Restated)	(Restated)	(Unaudited)	
	(US$ in millions, except where otherwise indicated)				
Consolidated Statements of Cash Flows					
Net Cash Provided by Operating Activities	**149.2**	**113.2**	**20.9**	**78.6**	**348.2**
Net Cash Used in Investing Activities	**(304.2)**	**(151.4)**	**(578.2)**	**(401.7)**	**(98.0)**
Net Cash Provided by (Used in) Financing Activities	**95.5**	**295.9**	**259.7**	**43.3**	**(50.8)**

Net Cash Provided by Operating Activities

Nine month period ended September 30, 2017. Our net cash provided by operating activities was US$348.2 million for the nine month period ended September 30, 2017, primarily comprising cash receipts from customers of US$679.1 million, partially offset by cash paid to suppliers and employees of US$237.3 million and income tax paid of US$93.6 million.

Nine month period ended September 30, 2016. Our net cash provided by operating activities was US$78.6 million for nine month period ended September 30, 2016, which was primarily comprising cash receipts from customers of US$328.8 million, partially offset by cash paid to suppliers and employees of US$235.6 million and income tax paid of US$14.6 million.

Year ended December 31, 2016. Our net cash provided by operating activities was US$20.9 million in 2016, primarily comprising cash receipts from customers of US$508.7 million, partially offset by cash paid to suppliers and employees of US$467.6 million and income tax paid of US$20.3 million. The decrease in net cash provided by operating activities from 2015 to 2016 primarily reflected a significant year on year increase in trade receivables, which were primarily from sales at our newly acquired interest in South Natuna Sea Block B.

Year ended December 31, 2015. Our net cash provided by operating activities was US$113.2 million in 2015, primarily comprising cash receipts from customers of US$612.3 million, partially offset by cash paid to suppliers and employees of US$467.9 million and income tax paid of US$31.2 million.

Year ended December 31, 2014. Our net cash provided by operating activities was US$149.2 million in 2014, primarily comprising cash receipts from customers of US$671.5 million, partially offset by cash paid to suppliers and employees of US$452.2 million and income tax paid of US$70.1 million.

Net Cash Used in Investing Activities

Nine month period ended September 30, 2017. Our net cash used in investing activities was US$98.0 million for the nine month period ended September 30, 2017, which was primarily due to additions to oil and gas properties of US$127.6 million, which mostly represented additions to Block A and Natuna development drilling, partially offset by proceeds from redemption of short term investments of US$43.0 million, which was previously managed by banks.

Nine month period ended September 30, 2016. Our net cash used in investing activities was US$401.7 million for nine month period ended September 30, 2016, which was primarily due to advance for investment of US$575.0 million representing an advance to PT AP Investment, which was in relation to our joint acquisition of AMIV in 2016, partially offset by proceeds from redemption of short term investments of US$218.9 million, which was previously managed by banks.

Year ended December 31, 2016. Our net cash used in investing activities was US$578.2 million in 2016, which was primarily due to investments in joint ventures of US$404.0 million, consisting of cash paid for: (i) the acquisition of our interest in AMIV; (ii) the acquisition of subsidiaries for US$261.5 million, which represented acquisitions of our interests in subsidiaries which hold interests in South Natuna Sea Block B and the West Natuna Transportation System, a subsidiary which increased our interest in Block A, Aceh, and our subsidiary which holds our interest in South Sokang PSC; and (iii) additions to oil and gas properties of US$87.9 million consisting of additions of South Natuna Sea Block B and Block A, Aceh. These were partially offset by, among others, proceeds from redemption of short term investments of US$218.9 million, which was previously managed by banks.

Year ended December 31, 2015. Our net cash used in investing activities was US$151.4 million in 2015, which was primarily due to acquisition of subsidiaries of US$157.8 million representing: (i) acquisitions of AMG (our subsidiary that owns The Energy building), (ii) additions to oil and gas properties of US$92.4 million, which mostly represented additions to Senoro-Toili gas facilities and Rimau development drilling, and (iii) advance for investment of US$75.0 million representing an advance to PT AP Investment, which was in relation to our joint acquisition of AMIV in 2016. These were partially offset by reduction in other receivables from related parties of US$122.5 million, representing the cash received from DSLNG.

Year ended December 31, 2014. Our net cash used in investing activities was US$304.2 million in 2014, primarily due to: (i) additions to oil and gas properties of US$142.4 million in Senoro-Toili and (ii) acquisition of subsidiaries of US$126.4 million, which consisted of subsidiaries acquired in connection with the purchase of oil and gas properties, particularly in Tunisia.

Net Cash Flow Provided by (Used in) Financing Activities

Nine month period ended September 30, 2017. Our net cash used in financing activities was US$50.8 million for the nine month period ended September 30, 2017, primarily consisting of proceeds of bank loans of US$278.6 million, representing additional bank loans, and of other long-term debt (primarily representing the proceeds from the 2022 Notes) of US$557.4 million, partially offset by repayment of bank loans of US$455.3 million, payment of financing charges of US$95.3 million, repayment of other long-term debt of US$202.2 million (primarily representing the repayment of banking facilities and SGD bonds primarily with net proceeds from our 2022 Notes), increases in restricted cash in bank in PT Bank Mandiri for the acquisition of PT Saratoga Power of US$84.7 million (in connection with our increase in our effective interest in MPI), and the settlement of derivative liability of US$45.7 million consisting of derivative costs on settlement of hedging arrangements with respect to our IDR and SGD bonds.

Nine month periods ended September 30, 2016. Our net cash provided by financing activities was US$43.3 million for the nine month periods ended September 30, 2016, primarily consisting of proceeds of bank loans of US$160.0 million, representing additional bank loans, and of other long-term debt of US$189.8 million, partially offset by repayment of bank loans of US$190.0 million, payment of financing charges of US$66.3 million, and repayment of other long-term debt of US$50.0 million.

Year ended December 31, 2016. Our net cash provided by financing activities was US$259.7 million in 2016, primarily due to proceeds of bank loans of US$330.0 million, representing additional bank loans, and of other long-term debt of US$267.1 million, representing proceeds from Rupiah shelf-registered bonds II Phase I, II and III, partially offset by repayment of bank loans of US$168.4 million, payment of financing charges of US$86.5 million and repayment of other long-term debt of US$80.0 million.

Year ended December 31, 2015. Our net cash provided by financing activities was US$295.9 million in 2015, primarily due to proceeds of bank loans of US$737.6 million, representing additional bank loans, and of other long-term debt of US$70.7 million, representing Singapore dollar medium term notes, partially offset by repayment of bank loans of US$378.3 million, representing settlement of bank loans.

Year ended December 31, 2014. Our net cash provided by financing activities was US$95.5 million in 2014, primarily due to proceeds of bank loans of US$465.0 million, representing additional bank loans, and of other long-term debt of US$80.4 million, representing proceeds from the issuance of our Medium Term Notes IV, partially offset by repayment of bank loans of US$159.9 million, repayments to related parties of US$134.4 million, representing settlement of a term-loan facility to Mitsubishi Corporation, and repayment of other long-term debt of US$79.3 million.

Indebtedness

The following table shows the amount of the Company's total consolidated short-term and long-term debt outstanding as of December 31, 2014, 2015 and 2016 and as of September 30, 2016 and 2017:

	As of December 31,			As of September 30,	
	2014	2015	2016	2016	2017
				(Unaudited)	
			(US$ in millions)		
Short-term debt					
Short-term bank loans	—	—	16.0	20.0	—
Current maturities of long-term bank loans and obligation	183.7	258.3	395.0	376.4	299.9
Long-term debt (net of current maturities)					
Bank loans	544.7	908.2	1,009.6	852.1	878.0
Loan from a non-bank financial institution	—	—	—	—	5.2
Medium-term notes	79.8	72.0	127.5	76.6	127.7
U.S. dollar bond	97.4	18.7	—	—	384.0
Singapore dollar bond	—	70.0	68.3	72.4	—
Rupiah bond[(1)]	280.3	252.9	316.9	306.5	349.9
Total debt	**1,185.9**	**1,580.1**	**1,933.3**	**1,704.0**	**2,044.7**

Note:

(1) Rupiah amounts were converted to U.S. dollars at an exchange rate: of 0.000080 US$ per Rupiah for amounts as of December 31, 2014; of 0.000072 US$ per Rupiah for amounts as of December 31, 2015; of 0.000074 US$ per Rupiah for amounts as of December 31, 2016; of 0.000077 US$ per Rupiah for amounts as of September 30, 2016; and of 0.000074 US$ per Rupiah for amounts as of September 30, 2017.

Our long-term debt outstanding as of December 31, 2014, 2015 and 2016 and as of September 30, 2017 consisted of both local and foreign currency obligations. Under the terms and conditions of these long-term obligations, we are subject to various restrictive covenants, which restrict us from undertaking certain actions without prior approval of lenders**.** See "Description of Material Indebtedness."

Contractual Obligations, Including Long-term Debt

The following table discloses our contractual and other obligations, excluding contingent liabilities, that were outstanding as of September 30, 2017 and the effect such obligations are expected to have on liquidity and cash flow in future periods.

	Payments Due By Period				
	Total	2017	2018	2019	After 2019
			(US$ in millions)		
Bank Loans	1,032.5	26.3	144.1	291.3	570.8
Loan from a non-bank financial institution	5.2	—	—	—	5.2
Long-term Debt Obligations (Bonds)	918.9	37.1	129.6	83.2	669.0
Long-term Debt Obligations (Medium-term notes)	129.1	—	74.1	55.0	—
Total	**2,085.7**	**63.4**	**347.8**	**429.5**	**1,245.0**

Note: Amounts outstanding are presented excluding unamortized discounts.

The proceeds of the Notes will be used to repay certain indebtedness. See "Use of Proceeds." In addition, certain proceeds from the 2022 Notes are being held in escrow and will be used to repay indebtedness. See "—Liquidity and Capital Resources."

Capital Expenditures

The following table sets forth the Company's capital expenditures for the years ended December 31, 2014, 2015 and 2016 and the nine month period ended September 30, 2017.

	For the Years Ended December 31,			For the Nine Month period ended September 30,
	2014	2015	2016	2017
	(US$ in millions)			
Maintenance Capex	124.3	4.6	159.1	13.9
Development Drilling	53.6	35.1	68.0	37.9
Major Projects	129.9	56.1	109.8	172.2
Exploration Program	17.0	14.6	9.1	2.1
Others	0.3	—	0.1	0.0
Total	**325.1**	**110.4**	**346.1**	**226.2**

Note: The amounts shown represents our expenditure based on our working interest in the project.

Development and exploration drilling accounts for a majority of the capital expenditure for exploration and development activities. The table below sets forth our planned capital expenditure for the periods indicated.

	2017E	2018E	2019E	2020E	2021E
	(US$ in millions)				
Maintenance	31.5	47.0	53.9	30.0	38.5
Development Drilling	56.5	42.1	119.6	34.4	25.3
Major Projects[(1)]	166.3	176.3	3.0	72.9	22.5
Exploration Program	11.5	39.0	64.5	118.6	132.5
Others[(2)]	—	—	—	—	—
Total	**265.6**	**304.4**	**240.8**	**255.8**	**218.7**

Note:

(1) Primarily relates to capital expenditure for Block A, Aceh and Senoro Phase II. See "Business — Strategies."

(2) Excludes MPI equity capital expenditures of US$88 million over the next five years, any incremental MPI capital expenditure is expected to be funded by MPI and its subsidiaries without equity contributions from us.

We intend to fund our capital expenditure through a combination of cash generated from the cost recovery portion of our oil and gas sales pursuant to the terms of our PSCs, cash on hand, and equity and debt financing.

The cost recovery mechanism in each of our producing PSCs allows us to recover capital expenditure within a relatively short period of time. Our capital expenditure for maintenance of equipment and facilities and for drilling is fully recoverable through the cost recovery mechanism under our PSCs. Our capital expenditure at major projects is expected in the short to medium term to be funded primarily through debt and cash from operations. Our capital expenditure for major projects will primarily be focused on the development of Block A, Aceh phase I, and subsequent phases of Senoro-Toili and Block A, Aceh. Our total annual capital expenditures funded through our cash from operating, or investing activities (including cost recovery) are expected to remain below US$200 million per year over the next five years, which should allow for a reduction in gearing. Within this total non-debt funded capital expenditure, we intend to cap expenditures for discretionary exploration and low margin in production to US$60 million per year. We plan to do this by phasing expenditures on our large developments and making carefully selected investments to offset declines in production. We cap our

discretionary exploration capital expenditure and focus on infrastructure-led, low risk targets and we fund this capital expenditure through cash from operations.

Our ability to obtain adequate financing to satisfy our capital expenditure and debt service requirements may be limited by our financial condition, results of operations and the liquidity of international and domestic financial markets. We may make additional capital expenditures as opportunities or needs arise. In addition, we may increase, reduce or suspend planned capital expenditures or change the timing and use of capital expenditures from what is currently planned in response to market conditions or for other reasons. The above budgeted amounts do not include any investments we may make in acquisitions of oil and gas properties or other downstream projects, if any.

Our ability to maintain and grow our revenues, net income and cash flows depends upon continued capital spending. Our capital expenditure plans are subject to a number of risks, contingencies and other factors, such as oil and gas prices, geological factors, market demand, acquisition opportunities and the success of our drilling program, some of which are beyond our control. We adjust our capital expenditure plans and investment budget periodically, based on factors deemed relevant by us. Therefore our actual future capital expenditures and investments are likely to be different from its current planned amounts, and such differences may be significant.

Off-Balance Sheet Arrangements

We have various contractual obligations, some of which are required to be recorded as liabilities in our consolidated financial statements, including long-term and short-term loans. We have certain additional commitments and contingencies that are not recorded on our consolidated balance sheet but may result in future cash requirements. These off-balance sheet arrangements are not generally required to be recognized as liabilities on our balance sheet.

Production Sharing Arrangements

Subsidiary	Block Ownership	Country	Term	PSA	
				Local Government	Subsidiary
Medco Oman LLC.	Karim Small Fields	Oman	25 years	88% of profit from total production	12% of profit from total production
Medco International Venture Ltd.	Area 47	Libya	30 years	86.3% of profit from total production	6.85% of profit from total production
Medco Yemen Amed Ltd	Block 82	Yemen	20 years	80% of profit oil (for production over 25,000 BOPD)	20% of profit oil (for production over 25,000 BOPD)
Medco Yemen Malik Ltd. . . .	Block 9	Yemen	25 years	70% of profit oil (for production over 25,000 BOPD)	30% of profit oil (for production over 25,000 BOPD)
Medco Ventures International (Barbados) Limited	Block Bir Ben Tartar	Tunisia	30 years	65% of profit from total production	35% of profit from total production
Medco Ventures International (Barbados) Limited	Block Cosmos	Tunisia	50 years	50% of profit from total production	50% of profit from total production
Medco Ventures International (Barbados) Limited	Block Yasmin	Tunisia	50 years	50% of profit from total production	50% of profit from total production
Medco Ventures International (Barbados) Limited	Block Sud Remada	Tunisia	11 years	65% of profit from total production	35% of profit from total production
Medco Ventures International (Barbados) Limited	Block Jenein	Tunisia	4 years	70% of profit from total production	30% of profit from total production
Medco Ventures International (Barbados) Limited	Block Hammamet	Tunisia	10 years	60% of profit from total production	40% of profit from total production
Medco Sahara Limited	Block Adam	Tunisia	30 years	50% of profit from total production	50% of profit from total production
Medco Sahara Limited	Block Borj El Khadra	Tunisia	25 years	50% of profit from total production	50% of profit from total production

The total remaining commitment for exploration expenditures relating to the above contracts as of September 30, 2017 is US$23.2 million.

Gas Supply Agreements

Our significant GSAs as of September 30, 2017, are as follows.

Company / Counter-party	Date of Agreement	Commitment	Contract Year
PT Medco E&P Indonesia			
PT Pupuk Sriwidjaja Palembang	August 7, 2007	To supply gas at 45 BBTUD	The GSA expires on December 31, 2018, and can be extended to 2022 depending on reservoir and gas allocation approval by Government.
PT Mitra Energi Buana	July 24, 2006 and amended December 1, 2012	To supply and sell gas in the quantity of 2.5 BBTUD until November 2012 and 3.7 BBTUD until December 2017 with total gas contract quantity 12,619 BBTU.	The GSA expires on the earlier of December 31, 2017 or until the total contracted quantity has been fulfilled.
PT MEPPO-GEN	October 17, 2014 and amended May 25, 2016	To supply 10-16 BBTUD of gas with total gas contract quantity amounted to 15,686 BBTU	2 (two) years since the initial supplies (6,560 BBTU) are delivered or total contract quantity has been fully supplied, whichever occurs first.
Perusahaan Daerah Pertambangan dan Energi for electricity	August 10, 2011	To supply and sell 3 BBTUD of gas	Effective until August 31, 2020 or until the total contract quantity has been fully supplied, whichever occurs first.
PT Sarana Pembangunan Palembang Jaya (SP2J)	April 13, 2010, last amendment dated November 25, 2015	To supply gas with total contract quantity of 450.93 BBTU.	Agreement ends December 31, 2018 or until the total contract quantity has been fully supplied, whichever occurs first.

Company / Counter-party	Date of Agreement	Commitment	Contract Year
PT PLN Tarakan for Electricity in Gunung Belah Tarakan	May 12, 2010, and amendment through Joint Arrangement dated March 26, 2015.	To supply and sell gas with total contract quantity of 10,134 BBTU.	Agreement ends December 31, 2021 or until the total contract quantity has been fully supplied, whichever occurs first. On January 1, 2017, this commitment was transferred to PT Perusahaan Listrik Negara (Persero).
Perusahaan Daerah Pertambangan dan Energi for Gas Fuel in South Sumatera	August 4, 2009, and amended through Joint Arrangement dated April 12, 2016.	To supply 0.3 BBTUD of gas, with a total contract quantity of 729 BBTU.	Agreement ends November 30, 2018 or until the total contract quantity has been fully supplied.
Perusahaan Daerah Mura Energi	August 4, 2009, last amendment dated September 1, 2016.	To supply 1.35 - 2.1 BBTUD of gas with total contract quantity of 8,750 BBTU of gas.	12 years and 10 months (estimated until January 2028) from the Start Date or until the total contract quantity is fully supplied, whichever occurs first.
Perusahaan Daerah Kota Tarakan (assigned to PT PGN (Persero) Tbk)	April 6, 2011 assigned by Joint Agreement *(Kesepakatan Bersama)* dated January 20, 2016	To supply gas to meet the needs of household in Tarakan of 0.2 BBTUD.	5 years from effective assignment date (January 8, 2016).
PD Petrogas Ogan Ilir	May 25, 2017, amended on November 6, 2017	To supply gas involving 1,148 BBTU.	December 31, 2019 or until the total contract quantity has been fully supplied, whichever occurs first.
PT Medco E&P Lematang			
PT Perusahaan Listrik Negara (Persero)	September 19. 2017	Gas supply of 20 BBTUD (joint supply) started from April 6, 2017, with a total contract quantity of 19,327.2 BBTU from Lematang PSC and 50,932.80 BBTU from South Sumatera PSC	January 31. 2027 or until the total contract quantity has been fully supplied, whichever occurs first.

Company / Counter-party	Date of Agreement	Commitment	Contract Year
PT Medco E&P Malaka			
PT Pertamina (Persero)	January 27, 2015	To supply 58 BBTUD of gas with a total volume of 198 TBTU.	Until 13 years from the date of first gas delivery, or when the total amount of the contract, or gas no longer has an economic value, or the expiration of Block A PSC whichever occurs first.
PT Medco E&P Tomori			
PT Donggi Senoro LNG	January 22, 2009	Supply 277.8 BBTUD (equivalent to 250 MMSCFD) of gas with price based on formula expressed in US$ / MMBTU and referred to value of Japan Crude Cocktail (JCC)	15 years (starting at date of commercial operation of LNG plant), or total contract quantity has been delivered, or expiry of the Senoro-Toili PSC
PT Panca Amara Utama	March 13, 2014	To supply 248,200 MSCF of gas with Daily Contract Quantity of 55 MMSCFD	At the time when such quantity in the agreement has been fully supplied or until the termination of the Senoro-Toili PSC (December 3, 2027), whichever occurs first.
PT Medco E&P Simenggaris			
PT Perusahaan Listrik Negara (Persero)	October 17, 2014	To supply gas at 0.5 MMSCFD with total Contracts 805 MMSCF	5 years (starting from the first gas date) or until the fulfillment of the total contract quantity, whichever occurs first.
Medco E & P Natuna Ltd			
PT Pertamina (Persero)	January 15, 1999.	To supply gas with PT Pertamina (Persero) for SembCorp Gas Pte Ltd with the total contract quantities 2,625 TBTU	27 years from the Start Date or until the fulfillment of the total amount of the contract, whichever occurs first
PT Pertamina (Persero)	March 28, 2001 amended on May 8, 2012.	To supply gas with PT Pertamina (Persero) for Petroliam Nasional Berhad (Petronas) with the total contract quantities 1,648 TBTU.	20 years or whichever occurs first as stated in the agreement.

Inflation

The Indonesia rate of inflation was 6.3% in 2015 and 3.5% in 2016 based on the consumer price index. Inflation in Indonesia has not significantly impacted the Company's results of operations in recent years.

Seasonality

Indonesia's wet and dry seasons do not have a material impact on the demand and prices for crude oil and natural gas. During the annual rainy season, typhoons and heavy rain can temporarily limit our ability to continue our oil and gas development activities and reduce AMNT's mine production.

Quantitative and Qualitative Disclosure About Market Risks

Our primary market risk exposures are to fluctuations in oil and gas prices.

Commodity Price Risk

We are exposed to fluctuations in prices of crude oil which is a commodity whose price is determined by reference to international market prices. International oil prices are volatile and this volatility has a significant effect on our revenues and asset values. Due to the cost recovery provided to us in our production sharing arrangements, previously we did not materially hedge market risk resulting from fluctuations in oil and gas prices. Currently, our policy is to hedge up to 20% of oil production. See "— Overview" and "Risk Factors — Risks Relating to our Industries — The volatility of prices for crude oil could adversely affect the Group's financial condition and results of operations." AMNT's business is subject to fluctuations in market prices for gold and copper.

Operating Risks

We are exposed to operating risks, including reservoir risk, risk of loss of oil and gas and natural calamities risk in respect of all its installations and facilities. We have, however, insured our installations and facilities. We do not have insurance coverage for lost profits. See "Business — Operating Hazards, Insurance and Uninsured Risks" and "Risk Factors — Risks Relating to our Industries — Our operations are subject to significant operating hazards."

Foreign Exchange Rate Risk

Most of the major contracts entered into by us have historically been denominated in U.S. dollars, and it is anticipated that this will continue to be the case. Such contracts include PSCs, JOBs, agreements with joint venture partners, major construction contracts, drilling leases, service contracts, oil and gas sales contracts and transportation agreements. Consequently, substantially all of our revenues are denominated in U.S. dollars, and a majority of our cash expenses are also denominated in U.S. dollars. Certain expenses comprising the salaries of Indonesian employees, local vendors, local rentals and interest income/expense are normally paid in Rupiah. Given the relatively small currency mismatch, we believe that our exposure to the currency risk of an appreciation of the Rupiah is limited. However, since MPI currently reports its results in Rupiah, fluctuations of the Rupiah against the U.S. dollar affect our accounting for MPI's net income.

We are also exposed to foreign exchange rate risk resulting from fluctuations in exchange rates in the translation of Rupiah-denominated loans and U.S. dollar-denominated purchases of diesel, which is later sold in Indonesian Rupiah-denominated sales. As of September 30, 2017, we had U.S. dollar denominated loans of US$1.49 billion and Indonesian Rupiah-denominated loans of Rp. 8.07 trillion (equivalent to US$598.1 million).

Our policy for foreign exchange management, swap and hedging was designed to minimize currency risk and maintain cost effectiveness and has the following objectives: ensure that all transactions in currencies other

than U.S. dollars (being our functional currency) are sufficiently covered on a timely basis; ensure that we are not adversely affected by foreign exchange, commodity price, interest rate and general market movement in a way that might seriously threaten our viability or undermine the confidence of our customers, staff or debt and equity holders; reduce the actual or anticipated cost of financing; and optimize swap and hedging transactions by maintaining cost effectiveness of such activities and to fairly weigh the cost of risk with possible saving in going unhedged or by engaging in natural hedging.

Interest Rate Risk

We are exposed to interest rate risk resulting from fluctuations in interest rates on our short-term and long-term indebtedness. Upward fluctuations in interest rates increase the cost of new borrowings and the interest cost of our outstanding floating rate indebtedness. As of September 30, 2017, 10.0% of our long-term indebtedness have interest at floating rates which, in the case of U.S. dollar debts, principally are determined in reference to LIBOR and, in the case of Rupiah debts, in reference to the banks' prime lending rate. It is part of our policy to protect any risks related to foreign currency, interest rate, and commodity price using financial hedging instruments. In addition to obtaining cash flow certainty, we enter into cross currency swap transactions to mitigate foreign currency risk for any non-U.S. dollar debts, and interest rates swap to fixed any floating interest rates exposures. We apply hedge accounting to any hedging transactions that meet the criteria for hedge accounting to minimize the volatility of marked-to-market movement on income. Under this policy, we are allowed to enter into hedging transactions for up to 50% of underlying exposures, with special approval required for larger exposures. We monitor the positions through marked to market report distributed by the hedge counterparties.

Critical Accounting Policies and Practices

Our critical accounting policies and practices are those that we believe are the most important to the portrayal of our financial condition and results of operations and that require subjective judgment on behalf of management. In many cases, the accounting treatment of a particular transaction is specifically dictated by generally accepted accounting principles. However, in the preparation of the consolidated financial statements we use judgment to make certain estimates, assumptions and decisions regarding accounting treatments. We believe the policies and practices described below are its critical accounting policies and practices.

Purchase Price Allocation and Goodwill Impairment

Acquisition accounting requires extensive use of accounting estimates to allocate the purchase price to the reliable fair market values of the assets and liabilities purchased, including intangible assets. Under PSAK No. 48 (Revised 2014), "Impairment of Assets", goodwill is not amortized and is subject to an annual impairment testing. Impairment testing is performed when certain impairment indicators are present. In case of goodwill, such asset is subject to annual impairment test and whenever there is an indication that an asset may be impaired; management uses its judgment in estimating the recoverable value and determining the amount of impairment.

Bargain Purchase

Bargain purchase represents the excess of the estimated fair value of the net assets acquired over the cash paid to acquire the assets. The difference is recognized directly in the income statement. Primarily as a result of the acquisition of our interest in AMIV in 2016, we recorded a bargain purchase gain of US$467.2 million in 2016, reflecting that the purchase price we paid for our share in AMIV was less than the assessment of the fair value of our share of AMIV's assets based on a valuation report from an independent third party valuer registered with the OJK. The table below sets forth information about our bargain purchase gain recognized in connection with this transaction:

	Provisional Fair Value As of November 2, 2016[1]
	(US$ in millions)
Assets	
Cash and cash equivalents	377.1
Restricted cash in bank	54.6
Trade receivables	221.9
Other receivables	73.5
Prepaid tax and tax receivables	7.9
Income tax receivable	266.3
Other tax receivables	72.6
Receivables from related parties	230.6
Inventories	170.8
Stockpile	1,520.7
Deferred mine development cost	158.2
Deferred stripping cost	83.8
Debt issuance cost	55.6
Property, plant and equipment	1,302.5
Other assets	54.5
Sub-total	4,650.6
Liabilities	
Trade payable	(79.2)
Other payable to related parties	(246.0)
Accrued expenses	(0.0)
Taxes payable	(113.1)
Other taxes payable	(16.5)
Bank loans	(1,027.8)
Asset abandonment and site restoration obligations and other provisions	(310.1)
Post-employment benefits obligations	(34.8)
Deferred tax liabilities—net	(477.1)
Other payable	(1.7)
Sub-total	(2,306.2)
Other venturer identified asset AMIV	(602.0)
Total identifiable net assets at fair values	1,742.4
Non-controlling interest	(871.2)
Bargain purchase	(467.2)
Total estimation	404.0

Note:

(1) November 2, 2016 is the date of acquisition of AMIV.

Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortization but tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable based on the fair value assessment using the cash flow projection method that we conduct on a regular basis. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Proved oil and gas reserves are the estimated quantities of crude oil and natural gas which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Proved reserves include:

(i) proved developed reserves: amounts of hydrocarbons that are expected to be retrieved through existing wells, facilities and operating methods; and

(ii) undeveloped proved reserves: amounts of hydrocarbons that are expected to be retrieved following new drilling, facilities and operating methods.

Our historical impairment of oil and gas properties were made where we estimated the recoverable amount of reserves based on value in use using cash flow projections. The calculation of value in use for oil and gas properties cash generating units is mostly sensitive to the following assumptions: (a) lifting, (b) prices, (c) discount rates, and (d) operating and capital expenses. Changes to the assumptions used by the management to determine the recoverable amount, in particular the discount rate, can have significant impact on the result of the impairment assessment.

Reserve Estimates

The accuracy of proved reserve estimates depends on a number of factors, assumptions and variables such as: the quality of available geological, technical and economic data, results of drilling, testing and production after the date of the estimates, the production performance of the reservoirs, production techniques, projecting future rates of production, the anticipated cost and timing of development expenditures, the availability for commercial market, anticipated commodity prices and exchange rates.

As the economic assumptions used to estimate reserves change from year to year, and additional geological data are generated during the course of operations, estimates of reserves may change from year to year. Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including:

- Depreciation and amortization which are determined on a unit of production basis, or where the useful economic lives of assets change.
- Decommissioning, site restoration and environmental provision may change where changes in estimated reserves affect expectations about the timing or cost of these activities.
- The carrying value of deferred tax assets/liabilities may change due to changes in estimates of the likely recovery of the tax benefits.

Asset Abandonment and Site Restoration Obligations

We have recognized provisions for asset abandonment and site restoration obligations associated with our oil and gas wells, facilities and infrastructure. In determining the amount of the provision, assumptions and estimates are required in relation to discount rates and the expected cost to dismantle and remove all the structures from the site and restore the site. We intend to fulfill these obligations in accordance with the terms of our PSCs or contract areas.

BUSINESS

Overview

We are an integrated energy and natural resources company operating through our core oil and gas exploration and production business and through significant investments in power generation and mining. We are the largest independent publicly listed oil and gas exploration and production company in Indonesia based on market capitalization. In addition, based on a peer analysis conducted by Wood Mackenzie, we are the largest upstream oil and gas exploration and production company among our Peer Group as of and for the year ended December 31, 2017 based on proved and probable reserves and production in Asia (our Peer Group refers to the group of peers identified by Wood Mackenzie, consisting of independent exploration and production companies with a noteworthy proved and probable reserves and production footprint in South and South East Asia. These consist of PT Saka Energi Indonesia, PT Energi Mega Persada Tbk., Ophir Energy plc, Premier Oil plc and KrisEnergy Ltd.). We primarily focus on our activities in Indonesia, and also have operations in the Middle East, North Africa and the United States.

We have achieved significant milestones in the last two years. We believe that 2016 was a transformational year for our business. We achieved key milestones in our oil and gas business through, among other things, our acquisition of an interest in, and becoming the operator of, the South Natuna Sea Block B and the associated West Natuna Transportation System, increasing our interest in Block A Aceh to 85%, obtaining a 10-year extension of, and increasing our interest to 100% in, the Lematang PSC in South Sumatra and receiving estimation or assessment of an additional 880 BCF of gross 100% field 1C contingent resources of gas compared to GCA's assessment in 2014 at the Senoro-Toili PSC. We also entered the copper and gold mining sector through our acquisition of a 41.1% indirect interest in AMNT, which operates the Batu Hijau mine, a very large, established open pit mining and processing operation on the Island of Sumbawa in Indonesia, processing about 42 Mtpa of ore per annum to produce copper and gold concentrates.

In 2017, we continued to successfully integrate previous acquisitions, including the acquisition of our interest in South Natuna Sea Block B and improve our cost structure. In October 2017, we increased our stake in MPI, which operates in the power generation sector as an IPP and O&M provider, from 49% (which we hold directly) to an effective interest of 88.62% by purchasing 77.68% of PT Saratoga Power from PT Saratoga Sentra Business and S. Asia III Luxembourg S.A.R.L. PT Saratoga Power holds a 51% interest in MPI. In August 2017, we also completed the US$400 million offering of Senior Notes due 2022, refinancing a significant portion of our indebtedness. We also continued to deleverage and completed a rights offering in 2017 which raised proceeds of approximately US$195 million and also issued warrants exercisable between July 2018 and December 2020, the proceeds of which we expect to use for, among other things, repayment of indebtedness. In addition, the holding companies for our mining joint venture, AMNT, have repaid certain indebtedness, which has resulted in the discharge of our parent guarantee with respect to their indebtedness.

In 2015 and 2016, we significantly improved our organizational cost structure. Our full year unit cash production cost was reduced to US$8.8/BOE in 2016 compared to US$12.3/BOE in 2015 and US$15.4/BOE in 2014. Our unit cash production cost per BOE for the nine month period ended September 30, 2017 was US$8.1/BOE. Our cost reduction programs have targeted both larger scale cost reduction opportunities, such as drilling rig rate reductions and smaller scale granular opportunities, such as travel and training budgets. We currently are committed to maintaining a unit cash production cost per BOE below US$10 through 2021.

We have interests in ten oil and gas properties in Indonesia, seven of which are currently producing and in oil and gas properties in five countries outside of Indonesia, namely the United States, Tunisia, Yemen, Libya and Oman. In Indonesia, our blocks are held under production sharing arrangements with SKK Migas, Indonesia's national upstream oil and gas regulator. Under these production sharing arrangements, we are entitled to recover our costs and earn an agreed after-tax share of the production once the block is declared commercially exploitable by SKK Migas.

We plan to continue to strengthen our producing assets portfolio by the phased development and monetization of our existing portfolio of discovered gas assets. We aim to bring our projects on-stream on time and within budget, particularly our Block A, Aceh block, which is our most advanced development in Indonesia. First gas production and gas deliveries under the Block A take-or-pay backed, fixed-price domestic contract are expected to begin in 2018. We then plan to focus on Senoro-Toili phase II where the investment decision with respect to the preferred development scenario is expected to be made in late 2018. Our operations at Senoro-Toili phase I are fully contracted under off-take agreements both for the upstream and downstream sectors. After this Senoro-Toili phase II investment, we plan to focus on our next large development, which is phase II of our Block A Aceh block and the monetization of our other discovered gas resources at this block. As a result, going forward, we expect that a larger percentage of our production will consist of production from Senoro-Toili, South Natuna Sea Block B and Block A Aceh, as certain of our existing blocks, including Rimau PSC and South Sumatera PSC, are in mature stages of production.

In 2016, our oil and gas production split was 46.7% oil and 53.3% gas (including production under our Oman service contract) and 39.0% oil and 61.0% gas (excluding production under our Oman service contract). Of the gas production, 50.9% was sold under fixed price contracts to PLN, the Indonesian state electricity generator, Pertamina (the national oil company of Indonesia) and Pusri (an Indonesian fertilizer producer wholly owned by the Government). The remaining gas production is sold to Sembgas, Petronas or indirectly pursuant to LNG contracts to KOGAS, Chubu Electric Power Co. Inc and Kyushu Electric Power Co. Inc. Our gas off-takers include blue chip customers with strong credit profiles.

In addition to our core oil and gas business, we operate in power generation and have a significant investment in mining. Through MPI, we operate in the power generation sector in Indonesia. MPI is an IPP and O&M provider. MPI is currently operating 526 MW gross installed capacity and also engages in the O&M business with a current portfolio of 2,150 MW. In October 2017, we increased our stake in MPI from 49% to an effective interest of 88.62% by purchasing a 77.68% equity interest in PT Saratoga Power, which holds a 51% equity interest in MPI, from PT Saratoga Sentra Business and S. Asia III Luxembourg S.A.R.L. MPI promotes a green energy platform and has interests in gas-fired power plants, geothermal energy and hydro-electricity. Established in 2004, MPI owns and operates seven gas-fired power generation assets with a total gross capacity of over 296.7 MW and is also currently developing its 275 MW gas-fired IPP project and six other renewable assets, including geothermal and mini hydro power plants. MPI also owns a minority share in the Sengkang gas-fired power plant in South Sulawesi and acquired a long-term O&M contract for the Tanjung Jati B power plant in Jepara, Central Java through one of its subsidiaries. MPI is also (jointly with its partners) developing a 3x110 MW geothermal power plant in Sarulla, North Sumatra, where the commercial operation of the first 110 MW unit was achieved in March 2017 and the second 110 MW unit was achieved in October 2017, and the remaining unit, with a 110MW capacity, is expected to be finished by mid-2018. For the Sarulla geothermal power plant, MPI is also appointed as operator under the O&M contract. In December 2017, MEB, together with EPC contractors Barata Indonesia and Dalle Engineering Construction, signed a contract with PLN for a 40 MW gas-fired power plant in Luwuk. MEB was also engaged to provide the O&M services at the plant for five years starting in 2019. Going forward, MPI plans to continue to grow in the clean energy sector as an IPP (natural gas, geothermal and other renewables based energy), as well as grow its O&M business.

Our copper and gold mining operations are conducted through our joint venture, AMNT, in which we made our investment in November 2016 together with our joint venture partner, PT AP Investment (“API”). AMNT owns and operates the Batu Hijau mine, located on the island of Sumbawa, approximately 950 miles east of Jakarta. The mining concession covers an area of 66,000 hectares, which includes the Elang copper and gold resource and several exploration prospects including, Lampui, Rinti, Batu Balong, Nangka and Teluk Puna.

As of September 30, 2017, our estimated gross working interest proved plus probable reserves was 315.6 MMBOE. We produced approximately 31.6 MBOPD, 30.6 MBOPD and 30.8 MBOPD of oil and condensate and approximately 142.9 MMSCFD, 140.5 MMSCFD and 205.9 MMSCFD of natural gas in 2014, 2015 and 2016, respectively, and approximately 29.8 MBOPD and 35.5 MBOPD of oil and condensate and

approximately 199.2 MMSCFD and 283.5 MMSCFD of natural gas in nine months ended September 30, 2016 and 2017, respectively. As of December 31, 2016, AMNT had 4,616 thousand ounces of proven and probable gold reserves and 1,234 thousand ounces of gold stockpiles and 4,810 million pounds of proven and probable copper reserves and 2,505 million pounds of copper stockpiles. In 2016 and the nine months ended September 30, 2017, AMNT had gold sales of 777 thousand ounces and 345 thousand ounces and had copper sales of 461 million pounds and 235 million pounds, respectively. In 2016 and the nine months ended September 30, 2017, MPI as an IPP produced 1,733 GW and 1,527 GW of power and in its O&M business produced 8,656 GW and 6,697 GW of power, respectively. As of September 30, 2017, MPI had installed capacity as an IPP of 526 MW and its operations and maintenance business services installed capacity of 2,150 MW, and its IPP pipeline was 565 MW and its O&M business pipeline was 385 MW.

For the years ended December 31, 2014, 2015 and 2016, our net oil and gas sales were US$701.9 million, US$575.3 million and US$583.0 million, respectively, and EBITDA was US$262.1 million, US$224.9 million and US$267.7 million, respectively. For the nine month periods ended September 30, 2016 and 2017, our net oil and gas sales were US$386.0 million and US$595.1 million, respectively, and EBITDA was US$180.1 million and US$310.9 million, respectively.

We were established in 1980 as an Indonesian drilling contractor and have grown substantially since becoming an oil and gas exploration and production company in 1992. In particular, we expanded our exploration and production activities with our acquisition of an interest in the Rimau block in 1995, followed by the subsequent discovery of the Kaji and Semoga oil fields in the same block in 1996. In 1995, we acquired all of Stanvac Indonesia's shares from Exxon/Mobil. Since January 2000, we have acquired interests in additional blocks both within and outside of Indonesia. We entered the power producing business in 2004 by forming PT Medco Power Indonesia and its associated brand.

Our registered and principal executive office is located on the 53rd floor of The Energy Building (which we own) SCBD Lot 11A, Jl. Jend. Sudirman, Jakarta 12190, Indonesia.

Competitive Strengths

A leading regional exploration and production company

We are the largest independent publicly listed oil and gas exploration and production company in Indonesia based on market capitalization. In addition, based on a peer analysis conducted by Wood Mackenzie we are the largest upstream oil and gas exploration and production among our Peer Group as of and for the year ended December 31, 2017 based on proved and probable reserves and production in Asia. Our Peer Group refers to the group of peers identified by Wood Mackenzie, consisting of independent exploration and production companies with a noteworthy proved and probable reserves and production footprint in South and Southeast Asia. These consist of PT Saka Energi Indonesia, PT Energi Mega Persada Tbk., Ophir Energy plc, Premier Oil plc and KrisEnergy Ltd. As of September 30, 2017, our estimated gross working interest proved plus probable reserves were 316 MMBOE. We are either the operator or joint operator of each of our blocks in Indonesia, where our in-country geographic diversity, experience and size allow us to control or significantly influence and optimize the pace of exploration, development and the associated capital expenditure at each block.

We believe our large portfolio of blocks offers a diversification of the risks associated with the management of reserves, production and exploration opportunities. We have interests in ten oil and gas properties in Indonesia, seven of which are currently producing, and in oil and gas properties in five countries outside of Indonesia, namely the United States, Tunisia, Yemen, Libya and Oman. The majority of our reserves, 69.8% of our gross working interest proved plus probable reserves as of September 30, 2017 are located in Indonesia. We produced approximately 31.6 MBOPD, 30.6 MBOPD and 30.8 MBOPD of oil and condensate and approximately 142.9 MMSCFD, 140.5 MMSCFD and 205.9 MMSCFD of natural gas in 2014, 2015 and 2016, respectively, and approximately 29.8 MBOPD and 35.5 MBOPD of oil and condensate and approximately 199.2 MMSCFD and 283.5 MMSCFD of natural gas in first nine months of 2016 and 2017, respectively.

We believe that we can leverage our position as a leading Indonesian oil and gas company to access, review and, if desirable, competitively bid for and acquire both domestic and international blocks. Moreover, we believe our reputation, together with our financial and operational strength, allows us to competitively access domestic and international funds through our banking relationships and/or capital markets to fund both project development and, if needed, acquisitions.

Stable cash flows from long-term gas sales agreements with blue-chip customer base

We benefit from relatively stable cash flows, particularly from sales of our domestic gas production where we benefit from long-term GSAs that provide consistent revenue streams and, to a certain extent, hedge us from the effects of oil price volatility. Gas prices under our domestic gas GSAs are fixed in US$/MMBTU with an application of a relatively small escalation factor (typically 2.5% to 3.0% per annum). Therefore our revenue from natural gas sales is not subject to as much price volatility as our oil revenues. Some of our export contracts contain pricing linked ultimately to oil prices, such as the Senoro GSA and approximately half of our production under the South Natuna Sea Block B GSA. In particular, as of September 30, 2017, gross volumes from all of our 1,012 BCF of gross proved plus probable gas reserves were commercially committed for sale through long-term contracts, with sales through such contracts representing 43% and 50% of our total net oil and gas sales in 2016 and nine months ended September 30, 2017. Of this, for nine months ended September 30, 2017, 36.3% of gas revenue was sold through fixed price gas contracts with the remaining gas revenue sold under oil-linked prices. In addition, most of our GSAs, including both fixed-domestic and oil-linked-export GSAs, have take-or-pay protections, pursuant to which, if a buyer is unable to absorb the agreed supply during a period (typically over twelve months) then the buyer will have to pay a portion (usually in the range of 80% to 90%) of the total contracted supply for the period. The revenue contribution from GSAs has increased in recent years and we expect will continue to increase as a percentage of our revenue in 2018, especially with the first gas being sold under our fixed-price GSA for the Block A, Aceh gas development expected in March 2018.

In addition, our gas off-takers include blue chip customers with strong credit profiles, including domestic companies such as Pertamina, PGN and PLN, and large international customers such as SembCorp and Petronas each of whom have demonstrated solid payment histories.

Competitive cost structure and low cost exploration and production producer

In 2015 and 2016, we significantly improved our organizational cost structure. Our 2016 full year unit cash production cost declined to US$8.8/BOE compared to US$12.3/BOE in 2015 and US$15.4 in 2014. We continue to expand our cost reduction and efficiency efforts and where necessary consult and contract with industry specialists to advise on our practices. Our unit cash production cost per BOE for the nine month period ended September 30, 2017 was US$8.1/BOE. This cost reduction has been achieved through a number of efficiency initiatives including (i) changing operating modes, such as revising crew rotation schedules and outsourcing certain non-core activities such as security services, housekeeping and others; (ii) optimizing existing operations and relationships, such as vendor renegotiations to capture deflation and sharing infrastructure with neighboring operators; and (iii) reassessing all operations to apply "fit-for-purpose" methodologies, such as rescheduling planned maintenance and engine exchanges. The cost reduction programs have targeted, and continue to target, both large opportunities, such as drilling rig rate reductions, to smaller scale granular opportunities, such as travel and training budgets. While cost and efficiency are important to us, we maintain checks and controls to avoid and, if needed, mitigate and manage, exposure to risks to employee and contractor safety, production uptime and environmental performance.

We aim to maintain a unit cash production cost per BOE below US$10 through 2021. We believe that our cost structure assists in extending the economic life of producing blocks and provides stronger operating margins in a given oil price environment, and is particularly beneficial in maturing fields as volumes inevitably decline. A lower cost structure also allows for economic reserve growth and PSC life extension at lower capital cost levels.

Long-standing track record of executing, integrating and operating complex projects

We have a successful track record of project development in Indonesia, which makes us an attractive and reliable partner for both state-owned and foreign operators. We believe we are a reliable local partner for foreign companies due to our ability to navigate Indonesian regulatory and institutional risk. We are also a reliable partner for state-owned entities because of our access to foreign capabilities and expertise.

Our development of both the Senoro gas field (with Pertamina as the joint operator) and the DSLNG joint venture are examples of both such partnerships. DSLNG is the first project in Indonesia to use an upstream-downstream LNG structure whereby the downstream LNG business is set up as a separate business entity from the upstream business activity, our Senoro gas field. This innovative structure enabled significant savings in procurement and scheduling. Our involvement in the downstream gas sector is through DSLNG, a joint venture company established in 2007 by a consortium consisting of PT Medco LNG Indonesia (a wholly-owned subsidiary of our Group), Mitsubishi Corporation and KOGAS through their joint venture Sulawesi LNG Development Ltd., and Pertamina through its subsidiary PT Pertamina Hulu Energi. In 2016, a further 880 BCF of gross 100% field 1C contingent resources were estimated or assessed by a third party compared to the third party's assessment in 2014.

We have also proven our ability to successfully close and integrate new acquisitions. In 2016, we acquired our interest in, and become the operator of, the South Natuna Sea Block B and the associated West Natuna Transportation System. After becoming the operator of the South Natuna Sea Block B, we retained the majority of the existing Indonesian management team and work force of the PSC, which assisted in the integration process and maintaining production at the block. In 2016, with our joint venture partner, we also financed and obtained the complex regulatory and government approvals necessary for the successful acquisition of the gold and copper concession containing the Batu Hijau mine.

In addition, we have historically been successful in obtaining extensions for all of our PSCs prior to expiry. For example, most recently in 2016, we obtained extensions for the Lematang PSC until 2027 and the extension of exploration period for the South Sokang PSC until 2020, and prior to that in 2010, we obtained 20-year extensions for the Block A Aceh and South Sumatera PSCs.

We believe that our successful involvement in such projects with both state-owned and foreign operators, as well as our track record in securing extensions of, and acquiring interests in, PSCs and concessions, provides us with a competitive advantage to continue to be the partner of choice for both state-owned and foreign operators.

Diversified portfolio of energy and natural resources related businesses and investments

In addition to our core oil and gas operations, we have diversified our business through our power business and our investment in mining.

We operate in the power business through MPI. MPI is an IPP and O&M services provider, and is a sizeable clean and renewable power platform in Indonesia. In the geothermal energy sector, MPI is (jointly with its partners) developing a 3x110 MW geothermal power plant in Sarulla, North Sumatra, where the commercial operation of the first 110 MW unit was achieved in March 2017 and the second 110MW unit was achieved in October 2017, and the remaining units with a 110 MW capacity are currently expected to be completed by mid-2018. MPI was also appointed as operator under the O&M contract for the Sarulla project. The Sarulla project is one of the largest single-contract geothermal projects in the world.

MPI has a track record in power plant development and O&M servicing. MPI owns and operates seven gas-fired power generation assets with a total gross capacity of over 296.7 MW and is also currently developing its 275 MW gas-fired IPP project and six other renewable assets, including geothermal and mini hydro power plants, and has a long-term O&M contract for the Tanjung Jati B power plant in Jepara, Central Java. MPI has

stable cash flows from its growing O&M business and long-term minimum off-take backed PPAs with PLN from its IPP portfolio. Following the acquisition of our controlling interest in MPI in 2017, we expect to significantly increase the synergies between MPI and our operated gas businesses.

We conduct copper and gold mining operations through our joint venture, AMNT, in which we acquired our interest in November 2016. AMNT owns and operates the Batu Hijau mine, located on the island of Sumbawa, approximately 950 miles east of Jakarta. The mining concession covers an area 66,000 hectares include the Elang copper and gold resource and several exploration prospects. AMNT was established under a contract of work expiring in 2030, which is extendable up to 20 years. As of December 31, 2016, AMNT had 4,616 thousand ounces of proven and probable gold reserves and 1,234 thousand ounces of gold stockpiles and 4,810 million pounds of proven and probable copper reserves and 2,505 million pounds of copper stockpiles. Due to regulations related to in-country smelting and refining as well as export of copper concentrate, AMNT has begun feasibility studies for the capacity, design and construction as well as operation of an on-site smelting facility with two groups of competing foreign partners. AMNT will contribute land, its deep water port and its power plant to the joint venture, with the joint venture partner or partners making capital contributions for the construction of the smelter. AMNT's mining concession includes the Elang copper-gold resource which is larger than the Batu Hijau deposit and is situated approximately 60 kilometers east of the Batu Hijau mine. AMNT believes that development of the Elang resource has significant long term cash generation potential with resources of about 13 billion pounds of copper and about 20 thousand troy ounces of gold.

Well-positioned to leverage the favorable growth outlook for gas and power markets in Indonesia.

Gas

Indonesia's gas market is expected to continue to expand to support the growing economy. Wood Mackenzie expects Indonesia's gas demand to increase by approximately 0.7 BCF/D from 2017, reaching approximately 4.1 BCF/D in 2027, corresponding to a CAGR of 1.8%; as piped gas production declines, share of liquid natural gas will grow strongly. This robust growth is supported by consistent GDP increases and corresponding growing demand from the industrial and power sectors.

In addition, the Indonesian government has introduced policies designed to promote the use of alternative fuels, including domestic natural gas, given the strong economic, environmental and budgetary incentive to do so.

We believe we are well-positioned to capitalize on recent new regulations, such as the Indonesian Energy Ministry regulation No. 11/2017 on the use of natural gas for the power sector to reduce the regulatory hurdles and time taken to develop IPPs to allow synergies between gas and LNG portfolios.

Power

Indonesia has one the lowest levels of power demand per capita in South East Asia. Program Indonesia Terang (PIT) was launched in March 2016 and aims to develop more renewable energy power plants in rural areas, mostly located in East Indonesia. The program aims to increase the overall national electrification rate from 85% in 2015 to 99% by 2019 according to Wood Mackenzie. According to Wood Mackenzie, Indonesia is expected to have the largest power generation capacity additions to be built through 2025 in Southeast Asia. In January 2015, the Indonesian government announced new 35 GW capacity additions across Indonesia. The 35 GW program comprises 291 power plants, targeting around 65% of the new capacity to be coal-fired, with the remaining to comprise of gas (30%) and renewables (5%). PLN will develop 15 GW of the capacity, and the remaining 20 GW is expected to be developed by IPPs. These additional power plants are needed to meet growing electricity demand.

Medco Power is one of the players in the Indonesia power market. According to Wood Mackenzie, in North Sumatra and West Java and in terms of new build plants with a capacity below 200 MW, Medco Power is

associated with the greatest number of power plants and total available capacity. We believe MPI has a strong reputation in the power sector in Indonesia. In late 2017, two of MPI's subsidiaries, MEB and Sarulla Operation Ltd won "Best Electricity Award (IBEA) 2017" awards in November 2017 from Listrik Indonesia. MEB was awarded "The Best Power Plant 10—100 MW" and Sarulla Operation Ltd was awarded "The Best New Comer Power Plant Company". Furthermore, TJBPS, which is a subsidiary of MPI engaged in O&M for a coal-fired power plant, has received the green PROPER Award from the Ministry of Environment and Forestry. This award is the fourth consecutive time that TJBPS has received this award since 2014. We believe MPI is well-positioned to benefit from expected growth in the power sector and allows us to vertically integrate and effectively and quickly monetize some of our existing gas discoveries.

Experienced management team with a successful exploration and development record

We benefit from an experienced board of directors and senior management team with significant experience in oil and gas exploration and production both in and outside of Indonesia. Our management team includes oil and gas professionals with experience at large multi-national corporations such as Premier Oil, Hess, BP, ENI and ConocoPhillips.

In addition, our board of commissioners has significant experience working with regulators and government institutions, which is evidenced by our success with our PSC renewals and our ability to partner with state-owned operators on significant projects or in jointly operating PSCs. Furthermore, we value good corporate governance and our board of commissioners includes two independent commissioners.

Business Strategies

Our strategy is to continue to build our operations through our core oil and gas exploration and production business and our investments in power and mining. To that end, the following are our key strategies:

Continued focus on core business of oil and gas exploration and production by monetizing existing discoveries

We plan to continue to strengthen our producing assets portfolio by the phased development and monetization of our existing portfolio of discovered gas assets. We aim to bring our projects on-stream on time and within budget, particularly our Block A, Aceh block, which is our most advanced development in Indonesia. First gas production and gas deliveries under the Block A take-or-pay backed, fixed-price domestic contract are expected to begin in 2018. We then plan to focus on Senoro-Toili phase II, where in 2016, a further 880 BCF of gross 100% field 1C contingent resources were estimated or assessed by GCA compared to GCA's assessment in 2014 and where we are now evaluating potential development scenarios and preliminary engineering for Senoro-Toili phase II. The investment decision with respect to the preferred development scenario is expected to be made in late 2018. After this Senoro-Toili phase II investment, we plan to focus on our next large development, which is phase II of our Block A Aceh block and the monetization of our other discovered gas resources on this block. As a result, going forward, we expect that a larger percentage of our production will consist of production from Senoro-Toili, South Natuna Sea Block B and Block A Aceh, as certain of our existing blocks, including Rimau PSC and South Sumatera PSC, are in mature stages of production. As of December 31, 2016, our reserve life index was 14 years.

Replace and add reserves through selective low-risk exploration and development

We plan to continue to replace depleting reserves and add reserves through selective low-risk exploration and development on our existing Indonesian PSCs. We intend to implement this strategy primarily by conducting infrastructure-led exploration, development and tie-ins to existing infrastructure on our existing PSCs. Our existing PSCs have cost recovery funded, economic advantages when compared to the contracts offered on new PSCs. While we will continue to assess new block offerings, we intend to continue our disciplined approach to exploration over the next five years. We believe this will help us to economically offset decline in our core PSCs in a continued low oil price environment.

Continue to maintain competitive cost structure

In 2015 and 2016, we significantly improved our organizational cost structure. Our 2016 full year unit cash production cost was reduced to US$8.8/BOE compared to US$12.3/BOE in 2015 and US$ 15.4 /BOE in 2014. Our unit cash production cost for the nine month period ended September 30, 2017 was US$8.1 /BOE. Our cost reduction programs have targeted both larger scale cost reduction opportunities, such as drilling rig rate reductions, to smaller scale granular opportunities, such as travel and training budgets. We are committed to maintaining a unit cash production cost per BOE below US$10 through 2021 by continuing to implement our cost efficiency measures. While cost and efficiency are important, we continue to focus on minimizing risks to employee and contractor safety and promoting production uptime and environmental performance.

Maintain financial flexibility with a prudent capital structure and rigorous financial discipline

We intend to maintain a prudent capital structure by keeping the use of debt within reasonable limits and to delever utilizing a mix of internally generated funds, equity financing and the sale of non-core assets.

Our total annual non-debt funded capital expenditures necessary to maintain our production levels are expected to remain below US$200 million per year over the next five years, which should allow for a reduction in gearing. We intend to cap expenditures for discretionary exploration and managing declines in production to US$60 million per year. We plan to do this by phasing expenditures on our large developments and making carefully selected investments to offset declines in production. We expect that our capital expenditure for drilling and oil and gas infrastructure will be funded by the cost recovery mechanism under our PSCs.

We do not expect capital injections into our AMNT mining joint venture. We expect to make equity contributions of approximately US$88 million in MPI over the next five years to complete the Sarulla geothermal project and Medco Ratch Power Riau project prior to an initial public offering of MPI.

In addition, we plan to refinance our debt maturing in the next 12 to 18 months through long-term financing. In particular, we plan to refinance certain indebtedness described under “Use of Proceeds” with the net proceeds of this offering. In December 2017 we conducted a rights offering raising proceeds of Rp. 2.6 trillion before deduction of transaction costs, which we used primarily for reducing our leverage. Shareholders that exercises their rights were issued detachable warrant with the warrants being exercisable between July 2018 and December 2020, with the exercise price for each warrant ranging between Rp. 625 and Rp. 675, with proceeds therefrom potentially up to Rp. 2.9 trillion.

We intend to continue our disciplined approach to acquisitions and only invest in projects that meet or exceed our hurdle rate. We expect that our ongoing focus to delever and cost control may allow us to take advantage of very selective future potential acquisition and development opportunities. We also expect that we will be able to make use of operational efficiencies from completed acquisitions, such as integration and synergies of newly acquired assets through shared services. We also plan to divest from certain non-core assets, including our holding in The Energy building, and our coal mining business unit, each of which are currently classified as held for sale. In addition, we plan to rationalize our oil and gas portfolio by disposing of non-material exploration and production assets and our smaller non-oil and gas businesses. We recently obtained government approval for the disposal of our Bawean oil producing block, for example.

Continue to develop our power and renewable energy and mining businesses

Power

MPI is one of the players in the Indonesia power market. According to Wood Mackenzie, in North Sumatra and West Java and in terms of new build plants with a capacity below 200 MW, MPI is associated with the greatest number of power plants and total available capacity. We believe this makes MPI well-positioned to benefit from expected growth in the power sector.

In the geothermal energy sector, MPI is (jointly with its partners) developing a 3x110 MW geothermal power plant in Sarulla, North Sumatra, where the commercial operation of the first 110 MW unit was achieved in March 2017 and the second 110MW unit was achieved in October 2017, and the remaining units with a 110 MW capacity are currently expected to be completed by mid-2018. The Sarulla project is one of the largest single-contract geothermal projects in the world. In addition, in February 2013, MPI through its subsidiary, PT Medco Cahaya Geothermal, signed a PPA with PLN, in which MPI as an IPP agreed to develop, operate and maintain a 2x55 MW geothermal power plant in the working area of Belawan-Ijen in the East Java province. MPI is also currently developing mini hydro power generating plants located in West Java.

In 2016, MPI through its wholly owned subsidiary PT Medco Geothermal Sarulla ("MGS") signed an O&M agreement with Sarulla Operations Ltd with respect to a 330 MW geothermal plant and, through its subsidiary MEB, signed an O&M contract with PT PLN Batam for an aggregate of 500 MW gas-fired generation plants across eight locations in Indonesia. In December 2017, MEB, together with PT Barata Indonesia & PT Dalle Engineering Construction (as EPC Contractor), received a letter of acceptance from PLN for a 40 MW gas-fired power plant in Luwuk. MEB was also engaged to provide the O&M services at the plant for five years, We expect to make equity contributions of approximately US$88 million in MPI over the next five years to complete the Sarulla geothermal project and Medco Ratch Power Riau project prior to an initial public offering of MPI.

In its IPP business, MPI plans to continue to focus on the development of clean energy power plants, primarily in the areas of natural gas, geothermal energy and potentially solar power, in western Indonesia, as MPI believes western Indonesia has high demand for power but also better infrastructure (including pipeline networks and road access). MPI seeks to partner with reputable third parties for the development of power plants ranging in capacity from 100 MW to 500 MW. In its O&M business, MPI seeks to continue to leverage its experience under its current O&M arrangements to capture future opportunities in the O&M sector. In addition, we, with respect to our oil and gas business, and MPI, plan to take advantage of mutually beneficial synergies, such as through our provision of gas to MPI and MPI providing power for our other businesses (including potentially AMNT) as needed.

In October 2017, we increased our stake in MPI from 49% to an effective interest of 88.62% by purchasing a 77.68% equity interest in PT Saratoga Power, which holds a 51% equity interest in MPI, from PT Saratoga Sentra Business and S. Asia III Luxembourg S.A.R.L. Since our acquisition of MPI, we have made certain changes to its board of directors, including replacing MPI's president director with our appointee. Our acquisition of additional shares in MPI allows us to regain majority control with a view to strengthening our position in the power generation sector, which we expect to continue to grow. Our increased stake is consistent with our strategy to grow our oil and gas, mining and power businesses, and also has the added benefit of unlocking greater potential for synergies with our upstream gas business.

Copper and Gold Mining

Our copper and gold mining operations are conducted through our joint venture, AMNT, in which we acquired our interest in November 2016. We and our partner intend to begin the development of Phase 7 and the smelter project and realize significant procurement savings. Mining at Batu Hijau was most recently focused on ore production from Phase 6, which was completed during 2017. Current mining at Batu Hijau is focused stockpile processing and development of Phase 7. Overburden removal for Phase 7 is expected to commence in 2018. This overburden removal is required to access the ore in Phase 7 and is expected to take three years. During this hiatus in ex-pit ore production, Batu Hijau will raise capital and feed its processing plant from existing long-term stockpile in order to generate cash for operating activities. We believe that AMNT's business and external sources of funding will be sufficient to fund its capital expenditure going forward and we do not expect to make cash contributions to AMNT. AMNT's contract of work also includes at least six prospective reserves. The Elang copper-gold resource is the largest of the resources and is situated approximately 60 kilometers east of the Batu Hijau mine. AMNT intends to develop plans to evaluate the Elang resources during its ongoing discussions with the government of Indonesia.

On December 29, 2017, AMNT entered into a facility agreement with PT Bank Mandiri (Persero) Tbk for a US$400 million facility (with the option to upsize to US$875 million), primarily for the purpose of funding Phase 7 of the Batu Hijau mine. In the short to medium term, we expect that AMI and/or AMNT will undertake to raise further funding including debt and a domestic-focused initial public offering.

Continue to develop strategic partnerships

We intend to continue to build strategic alliances through our core oil and gas business and through our investments in power and mining. We have, in the past, successfully collaborated on projects with both foreign and government operators. For example, we were the private Indonesian partner in DSLNG, a joint venture company established in 2007 by a consortium consisting of PT Medco LNG Indonesia (a wholly-owned subsidiary of our Group), Mitsubishi Corporation and KOGAS through their joint venture Sulawesi LNG Development Ltd., and Pertamina through its subsidiary PT Pertamina Hulu Energi. AMNT also plans to form a joint venture with another party or parties to develop its smelter. AMNT expects to contribute access to land, the port and its power plant to the joint venture, with the joint venture partner making capital contributions towards project finance needed to construct of the smelter. On October 23, 2017, AMNT signed a non-binding memorandum of understanding with PT Freeport Indonesia to conduct joint evaluation of the development of a smelter at the Batu Hijau mine.

We have employed a similar strategy in AMNT's acquisition a 44% stake in Macmahon Holdings Limited in exchange for a life-of-mine contract to provide earthmoving and mining services at the Batu Hijau mine and existing mobile mining equipment, which closed in August 2017. We expect that Macmahon will reduce AMNT's costs and timeline for the development of phase 7 of the Batu Hijau mine as well as other resources on the concession.

Maintain high corporate governance standards

We are focused on maintaining high corporate governance standards, which are driven by principles of transparency, accountability, responsibility and fairness. We believe that we enjoy a positive reputation within Indonesia, and we believe that implementation of good corporate governance principles is important in sustaining our future growth and aim to execute our business in line with these principles. In addition, we implement and enforce our non-discrimination policies with regard to gender, race and religion and have two externally managed whistleblowing systems in place to enhance oversight of conduct that is not in line with our code of ethics. We intend to continue implementing these and other prudent policies to maintain our corporate governance standards.

Maintain support from local communities

We believe that relationships with local communities around our operations while being a corporate objective are also important for our business and the security of our operations. We practice CSR policies which foster empowerment and entrepreneurship, and include assisting in the improvement of public welfare and sanitation facilities in local communities, creating economically self-sustaining communities, encouraging local government re-greening and re-forestation programs and supporting social, religious and education activities. We are the only Indonesian listed member of the NGO, Business for Social Responsibility and we intend to continue to engage in community development programs encompassing a variety of social and economic areas, including infrastructure, education and sports, medical and health, and religion and culture. For example, we built a hospital near the Block A, Aceh PSC for the use and access of the local community.

Oil and Gas Exploration and Production Business

Our oil and gas activities are focused on Indonesia, where we are involved in upstream activity, exploration, development and production of crude oil and natural gas. We have interests in ten oil and gas properties in

Indonesia, seven of which are currently producing; and in oil and gas properties in five countries outside of Indonesia, four of which are currently producing. Our oil and gas properties that are not currently producing are at various stages of exploration and development.

Summary of Production Sharing Arrangements

The following table summarizes our production sharing arrangements:

Contract Area (Type)[2]	Date of Acquisition	Effective Interest[3]	Gross Area (Km^2)	Contract Expiry Date	Share to Contractor[1] Profit Crude Oil (%)	Share to Contractor[1] Profit Natural Gas (%)	Operator
Indonesia:							
Producing Properties							
Rimau (PSC)	1995	95.00%	1,103	2023	15.00%	35.00%	Medco
South Sumatera Block (PSC)	1995	100.00%	4,470	2033	12.50%	27.50%	Medco
Lematang (PSC)	2002	100.00%	409	2027	15.00%	29.50%	Medco
Tarakan (PSC)	1992	100.00%	180	2022	15.00%	35.00%	Medco
Senoro-Toili (PSC-JOB)	2000	30.00%	451	2027	35.00%	40.00%	Pertamina-Medco JOB
South Natuna Sea Block B	2016	40.00%	11,162	2028	15.00%	35.00%	Medco
Simenggaris (PSC-JOB)	1998	62.50%	547	2028	15.00%	35.00%	Pertamina-Medco JOB
Development Properties							
Block A (PSC)	2006	85.00%	1,867	2031	15.00%	35.00%	Medco
Exploration Properties							
Bengara (PSC)	2001	100.00%	922	2029	15.00%	35.00%	Medco
South Sokang (PSC)	2016	100.00%	998	2040	37.20%	42.50%	Medco
United States:							
Producing Properties							
East Cameron (Blocks 317 and 318) (Lease Agreement)	2004	75.00%	41	2031	N/A	N/A	Medco
East Cameron (Block 316) (Lease Agreement)	2009	100.00%	20	2031	N/A	N/A	Medco
Main Pass (Blocks 64 and 65) (Lease Agreement)	2004	75.00%	28.4	EOP	N/A	N/A	Medco
Libya:							
Development Properties							
Area 47 (EPSA)	2005	50.00%	6,182	Five years exploration, 25 years production	6.85	6.85	Nafusah Oil Operation BV[4]
Tunisia:							
Producing Properties							
Bir Ben Tartar Block (PSC)	2014	100.00%	352	2041	35	35	Medco
Adam Block (Royalty and Tax)	2014	5.00%	860	2033	50	50	ENI
Development Properties							
Cosmos Block (Royalty and Tax)	2014	80.00%	440	2035	50	50	Medco
Yasmin Block (Royalty and Tax)	2014	100.00%	96	2020	50	50	Medco
Exploration Properties							
Sud Remada (PSC)	2014	100.00%	3,516	2018	35	35	Medco
Borj El Khadra Block (Royalty and Tax)	2014	10.00%	2,864	2020	50	50	ENI

Contract Area (Type)[2]	Date of Acquisition	Effective Interest[3]	Gross Area (Km^2)	Contract Expiry Date	Share to Contractor[1] Profit Crude Oil (%)	Share to Contractor[1] Profit Natural Gas (%)	Operator
Jenein Block (PSC)	2014	65.00%	312	2018	30	30	Medco
Hammamet Block (PSC)	2014	54.00%	3,740	2018	40	40	Medco
Oman:							
Producing Properties							
Karim Small Fields (Service Agreement)	2006	51.00%	781	2040	12	N/A	Medco
Exploration Properties							
Block 56 (PSC)	2014	75.00%	5,808	3 years production, 3 years exploration	25	30	Medco
Yemen:							
Producing Properties							
Block 9 Malik (PSC)	2008	21.25%	4,728	2030[5]	30	N/A	Calvalley Petroleum (Cyprus) Ltd
Exploration Properties							
Block 82 (PSC)	2008	38.25%	1,853	2040[5]	20	N/A	Medco

Notes:

(1) Effective post-Government tax and post-cost recovery. Prior to any potential DMO and any local government taxes.

(2) For details of productions arrangements and contract types in Indonesia see "Regulatory Overview" elsewhere in this Offering Circular.

(3) Effective interest is presented net of the participating interests of our partners (if any) but gross of all Government participating interests.

(4) Comprised of the Libya Investment Authority, Medco International Ventures Ltd. and National Oil Corporation.

(5) For production over 25,000 BOPD.

Reserves and Resources

From time to time, we engage independent petroleum engineering consultants to estimate or assess the reserves at each of our major production blocks.

Estimations or assessments have been prepared by the following independent petroleum engineering consultants for the blocks listed below within the last twelve months:

Asset	Estimating/Assessing Consultant	Reserves Date
Senoro-Toili (Senoro Gas Field)	Gaffney, Cline, & Associates	November 30, 2016
Block A Aceh	Netherland, Sewell & Associates, Inc.	December 31, 2016
South Natuna Sea Block B	RISC Operations Pty Ltd	December 31, 2016

Estimates on reserves for assets that are not listed above and which amount to approximately 46.5% of our gross working interest proved oil and gas reserves and 51% of our gross working interest proved plus probable oil and gas reserves as of September 30, 2017 are estimated by us based on our own investigations and prior reserve estimates or assessments by reputable international consultants. Investors should note that the above-mentioned estimations or assessments made by us, may differ from the bases of estimation for reserves and resources used by other companies in the industry.

For a description of the meaning of gross working interest proved reserves, gross working interest proved plus probable reserves and gross proved plus probable plus possible reserves as of the reference dates set out in

this Offering Circular, please see "Notice to Investors—Presentation of Oil and Gas Reserves Data". These gross working interest values are calculated based upon our portion of the estimated gross proved reserves and gross proved plus probable reserves attributable to our effective working interest, which have been derived from reserves estimations or assessments as of their dates and then deducting production, without accounting for reserves appreciation or depreciation, at each production block over the period from the respective estimations or assessments effective date (if a block has been so earlier estimated or assessed) to September 30, 2017. If a recent reserves estimations or assessments for a block is unavailable, the estimates have been derived by our internal technical team based on guidelines promulgated by SPE. To the extent that we have presented our gross working interest reserves on the basis of our effective working interest under the applicable contractual arrangement and not in accordance with SPE guidelines, we and not our independent petroleum engineering consultants are responsible for such data. However, our independent petroleum engineering consultants are responsible for the reserves data prior to adjustment for the effective working interest. Certain of these reserve estimations or assessments may include projections, forecasts or other forward-looking statements and any such information does not form part of this Offering Circular.

The following table sets forth the reserves for each of our blocks, excluding our exploration blocks and certain development blocks for which reserves have not yet been estimated, as of September 30, 2017.

	As of September 30, 2017								
	Gross Working Interest Proved Reserves			Gross Working Interest Proved Plus Probable Reserves			Gross Working Interest Proved Plus Probable Plus Possible Reserves		
	Gas	Oil	Total	Gas	Oil	Total	Gas	Oil	Total
	(BCF)	(MMBBLS)	(MMBOE)	(BCF)	(MMBBLS)	(MMBOE)	(BCF)	(MMBBLS)	(MMBOE)
Indonesia:									
Producing Properties									
Rimau	—	14	14	—	21	21	—	28	28
South Sumatera	106	9	27	141	10	34	156	10	37
Lematang (PSC)	12	—	2	21	—	4	28	—	5
Tarakan (PSC)	2	2	2	2	3	3	4	4	5
Senoro-Toili (PSC-JOB)[1]	361	7	69	364	9	71	371	10	74
South Natuna Sea Block B	34	8	14	83	13	27	149	21	47
Development Properties									
Block A (PSC)	215	3	40	315	4	58	317	5	60
United States:									
Producing Properties									
Main Pass (Blocks 64 and 65) (Lease Agreement)	17	3	6	25	4	8	25	4	8
Libya:									
Development Properties									
Area 47 (EPSA)	36	39	45	57	61	71	57	61	71
Tunisia:									
Producing Properties									
Bir Ben Tartar Block (PSC)	—	3	3	—	8	8	—	17	17
Adam Block (Royalty and Tax)	2	0	1	3	1	1	3	1	1
Yemen:									
Producing Properties									
Block 9 Malik (PSC)	—	4	4	—	9	9	—	12	12
Total Reserves	**784**	**94**	**227**	**1,012**	**143**	**316**	**1,110**	**175**	**364**

Note:

(1) Includes reserves from both (i) the Senoro-Toili (Senoro Gas Field), which have been estimated by us based on estimates as of November 30, 2016 by Gaffney, Cline & Associates and (ii) the Senoro-Toili, Tiaka field, which is Senoro-Toili's oil field, which have been estimated by us based on other prior reserves estimations or assessments.

Certain reserve information contained in this Offering Circular, which amounts to approximately 46.5% of our gross working interest proved oil and gas reserves and 51% of our gross working interest proved plus probable oil and gas reserves as of September 30, 2017, has not been recently estimated or assessed by any third party, but constitutes our estimates, based on our own investigations and prior reserve estimations or assessments.

There are numerous uncertainties inherent in estimating natural gas and oil reserves, including many factors beyond the control of the Company. For a description of certain of the risks and uncertainties with respect to the Company's reserve data, see "Risk Factors—The oil and gas reserves data in this Offering Circular are only estimates and the actual production, revenue and expenditures achievable with respect to our reserves may differ from such estimates; there are no recent reserve estimations or assessments available for a significant portion of our reserves, and the oil and gas reserves data for these blocks are based on our internal estimates. In addition, probable reserves are generally believed to be less likely to be recovered than proved reserves."

Contingent Resources

Contingent resources are quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality.

The contingent resources set forth below are presented based on the "best estimate" scenario of contingent resources, or "2C," meaning that the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts has been assessed to be at least 50%. The following table sets forth the contingent resources regarding our oil and gas assets based on the independent third party estimations or assessments and our or the relevant operator's estimates as of September 30, 2017 on a gross 100% field basis multiplied by our working interest in each block:

	As of September 30, 2017		
	Oil	Gas	Total
	(MBBLS)	(MMSCF)	(MBOE)
Indonesia:			
Producing Properties:			
Senoro-Toili (PSC-JOB)	11,400	670,200	125,964
South Natuna Sea Block B	3,840	77,135	17,025
Simenggaris	—	92,761	15,856
Libya			
Development Properties:			
Area 47 (EPSA)	30,503	95,109	46,355
Yemen			
Producing Properties:			
Block 9 Malik (PSC)	2,828	16,419	5,564
Total	**48,571**	**951,624**	**210,764**

Production

Our oil and gas activities are focused on Indonesia, where we focus on upstream activity, exploration, development and production of crude oil and natural gas. We have interests in ten oil and gas properties in Indonesia, seven of which are currently producing; and in oil and gas properties in five countries outside of Indonesia, four of which are currently producing. Our oil and gas properties that are not currently producing are at various stages of exploration and development. The basis for the oil production numbers are gross 100% field basis multiplied by our working interest in each block:

Oil Production

	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2014	2015	2016	2016	2017
	(BOPD)	(BOPD)	(BOPD)	(BOPD)	(BOPD)
Indonesia:					
Rimau	11,552	10,523	9,826	9,518	9,104
South Sumatera[1]	6,799	6,523	5,198	5,201	5,494
Tarakan	1,734	1,822	1,941	1,971	1,778
Senoro-Toili[2]	291	244	2,516	2,558	2,310
South Natuna Sea Block B[3]	—	—	617	—	7,223
Bawean	734	466	635	657	—
International:					
Main Pass (Blocks 64 and 65) (Lease Agreement)	360	381	413	414	397
Bir Ben Tartar Block (PSC)	728	1,589	1,135	1,124	794
Adam (Concession)	99	233	207	215	135
Karim Small Fields (Service Agreement)	8,652	8,633	8,295	8,164	8,277
Block 9 Malik (PSC)	608	205	—	—	—
Total Production	**31,556**	**30,619**	**30,784**	**29,822**	**35,512**

Notes:

(1) Includes production from Kampar block in 2014, which was transferred to the Government of Indonesia in December 2014.

(2) Includes reserves from both (i) the Senoro-Toili (Senoro Gas Field), which have been estimated by us based on estimates as of November 30, 2016 by Gaffney, Cline & Associates and (ii) the Senoro-Toili, Tiaka field, which is Senoro-Toili's oil field, which have been estimated by us based on other prior reserves estimations or assessments.

(3) From December 1, 2016.

Gas Production

	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2014	2015	2016	2016	2017
	(MSCFD)				
Indonesia Assets					
Rimau	—	—	—	—	3,742
South Sumatera Extension	108,242	65,567	62,197	61,697	66,879
Tarakan	982	745	842	887	959
Senoro-Toili	170	35,499	95,648	96,996	90,264
Lematang	32,264	36,800	37,831	37,781	33,007
South Natuna Sea Block B[1]	—	—	7,596	—	87,578
Simenggaris			107	131	45
International:					
Main Pass (Blocks 64 and 65) (Lease Agreement)	707	378	270	347	—
Bir Ben Tartar Block (PSC)	—	—	—	—	—
Karim Small Fields (Service Agreement)	—	—	—	—	—
Adam (Concession)	530	1,498	1,465	1,372	1,070
Block 9 Malik (PSC)	—	—	—	—	—
Total Production	**142,895**	**140,487**	**205,954**	**199,212**	**283,543**

Note:
(1) From December 1, 2016.

Hydrocarbon Production

	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2014	2015	2016	2016	2017
	(BOEPD)				
Indonesia Assets					
Rimau	11,552	10,523	9,826	9,518	9,744
South Sumatera Extension	25,302	17,731	15,830	15,747	18,380
Tarakan	1,901	1,949	2,085	2,122	1,960
Senoro-Toili	320	7,540	18,866	19,139	19,803
Lematang	5,515	6,068	6,467	6,458	5,047
South Natuna Sea Block B[1]	—	—	1,916	—	23,562
Bawean	734	466	635	657	—
Simenggaris	—	—	18	22	8
International:					
Main Pass (Blocks 64 and 65) (Lease Agreement)	478	444	458	472	397
Bir Ben Tartar Block (PSC)	728	1,589	1,135	1,124	794
Karim Small Fields (Service Agreement)	8,652	8,633	8,295	8,164	8,277
Adam (Concession)	188	483	451	450	318
Block 9 Malik (PSC)	608	205	—	—	—
Total Production	**55,978**	**55,631**	**65,982**	**63,874**	**88,289**

Note:
(1) From December 1, 2016.

Oil Lifting

	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2014	2015	2016	2016	2017
	(MBOPD)				
Indonesia Assets					
Rimau	11.40	10.43	9.21	9.31	8.43
South Sumatera[1]	6.69	6.48	5.22	5.22	5.86
Tarakan	1.52	1.95	2.01	1.95	1.67
Senoro-Toili		0.93	2.51	2.30	2.19
Senoro Tiaka	0.30	0.32	0.05	0.07	—
Lematang	—	—	—	—	—
Bawean	0.55	0.47	0.62	—	—
South Natuna Sea Block B[2]			0.74	—	7.01
International:					
East Cameron (Blocks 317 and 318) (Lease Agreement)	—	—	—	—	—
East Cameron (Block 316) (Lease Agreement)	—	—	—	—	—
Main Pass (Blocks 64 and 65) (Lease Agreement)	0.36	0.38	0.39	0.41	0.40
Tunisia	1.09	1.04	0.75	0.74	0.65
Karim Small Fields (Service Agreement)	8.65	8.63	8.29	8.17	8.28
Block 9 Malik (PSC)	0.29	0.1	—	—	—
Total	**30.86**	**30.75**	**29.79**	**28.16**	**34.48**

Notes:

(1) Includes production from Kampar block in 2014, which was transferred to the Government of Indonesia in December 2014.

(2) From December 1, 2016.

Gas Sales

	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2014	2015	2016	2016	2017
	(BBTUPD)				
Indonesian Assets					
Rimau	—	—	—	—	—
South Sumatera	115.08	61.33	63.99	63.56	68.76
Tarakan	0.96	0.73	0.92	0.96	0.81
Lematang	24.18	28.09	36.77	37.47	27.30
Senoro-Toili	0.19	38.86	101.65	103.03	97.44
Senoro-Tiaka	—	—	—	—	0.12
South Natuna Sea Block B[1]			7.00	—	84.25
Simenggaris			0.03	0.07	0.04
International:					
Main Pass (Blocks 64 and 65) (Lease Agreement)	0.62	0.31	0.26	0.35	—
Tunisia	0.42	1.42	1.53	1.54	1.05
Karim Small Fields (Service Agreement)	—	—	—	—	—
Block 9 Malik (PSC)	—	—	—	—	—
Total	**141.43**	**130.76**	**212.15**	**206.98**	**279.75**

Note:
(1) From December 1, 2016.

Hydrocarbon Sales

	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2014	2015	2016	2016	2017
	(MBOPD)				
Indonesia Assets					
Rimau	11.40	10.43	9.21	9.31	8.43
South Sumatera[1]	26.65	17.12	16.32	16.25	17.79
Tarakan	1.68	2.08	2.17	2.12	1.81
Senoro-Toili	0.30	0.32	0.05	0.07	0.12
Senoro Tiaka	0.03	7.67	20.14	20.17	19.09
Lematang	4.19	4.87	6.38	6.50	4.74
Bawean	—	—	—	—	—
South Natuna Sea Block B[2]	—	—	1.95	—	21.63
Simenggaris	—	—	0.01	0.01	0.01
International:					
Main Pass (Blocks 64 and 65) (Lease Agreement)	0.47	0.44	0.43	0.47	0.40
Tunisia	1.17	1.29	1.01	1.00	0.82
Karim Small Fields (Service Agreement)	8.65	8.63	8.29	8.17	8.28
Block 9 Malik (PSC)	0.29	0.10	—	—	—
Total	**55.39**	**55.43**	**66.58**	**64.06**	**83.10**

Notes:
(1) Includes production from Kampar block in 2014, which was transferred to Pertamina in December 2014.
(2) From December 1, 2016

Exploration and Development

We are involved in both exploration (the search for oil and gas) and development (the drilling and development of facilities) to bring oil and gas into production and to market. Our exploration operations include aerial surveys, geological and geophysical studies (such as seismic surveys), drilling of wildcat wells, core testing and well logging.

Seismic surveys involve recording and measuring the rate of transmission of shock waves through the earth with a seismograph. Upon striking rock formations, the waves are reflected back to the seismograph. The time lapse is a measure of the depth of the formation. The rate at which waves are transmitted varies with the medium through which they pass. Seismic surveys may either be 3D or 2D surveys, the former type generally giving a better detailed picture and the latter a better overall picture.

Analysis of the data produced allows us to formulate a picture of the underground strata to enable us to form a view as to whether there are any "leads" or "prospects". "Leads" are preliminary interpretation of geological and geophysical information that may or may not lead to prospects and "prospects" are geological structures conducive to the production of oil and gas. The actual existence of such oil and gas must be confirmed, usually by the drilling of a wildcat well. If the wildcat well confirms the prospect (that is, is considered "successful"), we may then drill a delineation (or appraisal) well to acquire more detailed data on the reservoir formation. Once the presence of hydrocarbons is proved to be in commercially recoverable quantities, or the delineation well is "successful", development wells may be drilled to prepare for production. An area is considered to be developed when it has a well on it capable of producing oil or gas in paying quantities. We may also "work over" producing wells (wells that produce oil or gas) to restore or increase production and rework producing wells and abandoned wells (wells which are no longer in use) in an effort to begin, restore or increase production from those wells.

We plan to continue to replace depleting reserves and add reserves through selective low-risk exploration and development on our existing Indonesian PSCs. We have identified over 48 leads and 47 prospects in our Indonesian producing, development and exploration blocks. We currently plan to spend between US$20 million to US$40 million per year on exploration activities close to existing infrastructure at our South Sumatra asset and South Natuna Sea Block B PSC.

Description of Key Oil and Gas Properties

Key Producing Blocks in Indonesia

Our production blocks are managed in three main business units. These are our (i) South Sumatra asset (the Rimau PSC, South Sumatera PSC and Lematang PSC), (ii) the offshore South Natuna Sea Block B PSC, and (iii) the Senoro-Toili JOB. We also manage the smaller Tarakan PSC. Going forward, we expect that a larger percentage of our production will consist of production from Senoro-Toili, South Natuna Sea Block B and Block A Aceh, as certain of our existing blocks, including Rimau PSC and South Sumatera PSC are in the mature stage of production. In 2016 and the nine month period ended September 30, 2017, our key producing blocks in the aggregate accounted for 72% and 79% of oil and gas revenue respectively.

Rimau

Location:	South Sumatra
Area (sq. km):	1,103
Status:	Production
Type of Contract:	PSC
Expiry:	2023
Participating Interests:	95.0% PT Medco E&P Rimau (wholly owned by us) 5.0% South Sumatra Regency (Perusahaan Daerah Pertambangan & Energi Sumsei/PDPDE)
Operator:	PT Medco E&P Indonesia

Background. Oil production from the Rimau block began in 1986, and we acquired an operating interest in the block in 1995. The block became a significant oil producing operation when we discovered the Kaji-Semoga fields in September 1996. We also discovered gas reserves at the Kaji-Semoga fields.

Key Fiscal Terms. After deduction for the FTP and allowing for cost-recovery, the Government and the PSC participants share the remaining petroleum in accordance with the parties' profit oil shares and profit gas shares. For crude oil, the PSC participants' share is 26.8% and the Government's share is 73.2%. For natural gas, the PSC participants' share is 62.5% and the government's share is 37.5%. A portion of the PSC participants' profit oil share is subject to DMO, but the participant's profit gas share is not subject to DMO.

Sales. We have a Crude Oil Sale and Purchase Agreement ("COSPA") with Lukoil Asia Pacific Pte Ltd. for the sale of our oil entitlement from this block. Under this agreement, Lukoil is required to make certain prepayments with respect to their off-take obligations.

Development Strategy. We aim to minimize production decline on our existing wells and improve recovery rates by drilling further producing wells and potentially implementing an enhanced oil recovery program.

In addition, the Rimau PSC includes the Iliran heavy oil discovery with approximately 440 MMBOE of contingent resources. In 2016, we drilled 25 workover wells, including the installation of 14 electrical submersible pumps. This pilot program is continuing in 2017 as we assess the optimum development scenarios. The pilot program has used adapted mining rigs with small bore sizes which reduce drilling costs by approximately 90% compared to conventional drilling rigs.

Rimau PSC also contains the Telisa oil discovery with approximately 194 MMBOE of contingent resources. In 2017, we began to apply hydraulic fracking technology on a number of wells in another pilot program. The program will continue in 2018 as we refine our capabilities. The results, which have generally been successful, have been presented to the government in support of our forthcoming PSC extension request. We currently plan to undertake a larger fracking campaign in 2018 or 2019. This program uses rigs owned and operated by us.

South Sumatra

Location:	South Sumatra
Area (sq. km):	4,470
Status:	Production
Type of Contract:	PSC
Expiry:	2033
Participating Interests:	100.0% PT Medco E&P Indonesia (wholly owned by us)
Operator:	PT Medco E&P Indonesia

Background. Gas production from the South Sumatera Block began in 1989 and was acquired by us in 1995. This block was awarded a PSC contract extension until 2033.

Key fiscal terms. After deduction for the FTP and allowing for cost-recovery, the Government and the PSC participants share the remaining petroleum in accordance with the parties' profit oil shares and profit gas shares. For crude oil, the PSC participants' share is 19.6% and the Government's share is 80.4%. For natural gas, the PSC participants' share is 43.1% and the government's share is 56.9%. A portion of the PSC participants' profit oil share and profit gas share is subject to DMO.

Sales—Oil . We have a Crude Oil Sale and Purchase Agreement with Lukoil Asia Pacific Pte Ltd. for the sale of our oil entitlement from this block.

Sales—Gas. We have several fixed price GSAs with, among others, PT Pupuk Sriwidjaja, a subsidiary of one of the largest state-owned fertilizer companies in Indonesia; the GSA expires in 2018 and we are in the process of renewing and PT Meta Epsi Pejebe Power Generation ("Meppogen") an independent power producer.

Development Strategy. In 2016, we drilled 13 workover wells, and installed four electrical submersible pumps. This program to offset decline continued in 2017. The field also contains the Temelat gas discovery with an ongoing gas development plan with the potential to recover an estimated 38.5 BCF. First gas is expected in the third quarter of 2018. We are also assessing the North Temelat oil discovery to recover an estimated 3.0 MMBOE of oil beginning in the third quarter of 2020.

Senoro-Toili

Location:	Sulawesi
Area (sq. km):	451
Status:	Production
Type of Contract:	PSC-JOB
Expiry:	2027
Participating Interests:	30.0% PT Medco E&P Tomori Sulawesi 50.0% PT Pertamina Hulu Energi Tomori Sulawesi 20.0% Tomori E&P Limited
Operator:	JOB Pertamina-Medco E&P Tomori Sulawesi ("JOB-PMEPTS")

Background. We acquired our interest in this block in 2000. The block consists of two areas: Senoro (onshore), which covers 188 sq. km and contains our largest gas reserves, and Toili (offshore), which covers 263 sq. km and contains the Tiaka field in Toili, which has produced a high quality condensate since 2005 (approximately 1.5 MBOPD).

Key Fiscal Terms. The key fiscal terms of the PSC are as follows: After deduction for the FTP and allowing for cost-recovery, the Government and the PSC participants share the remaining petroleum in accordance with the parties' profit oil shares and profit gas shares. For crude oil, the PSC participants' share is 62.5% and the Government's share is 37.5%. For natural gas, the PSC participants' share is 71.4% and the government's share is 28.6%. A portion of the PSC participants' profit oil share is subject to DMO, but the participant's profit gas share is not subject to DMO.

Oil

Sales—Condensate . We have an agreement with Petro Diamond Singapore (Pte.) Ltd. to sell our entire liquid entitlement from production at this block.

Gas

Upstream Sector

The Senoro field started production on time and on budget in August 2015. The production facilities now have a capacity of up to 340 MMSCFD.

JOB-PMEPTS signed a GSA with DSLNG to supply 250 MMSCFD of gas in 2009. In addition, JOB-PMEPTS also entered into an agreement with PT Panca Amra Utama in March 2014 to supply 55 MMSCFD of gas to an ammonia plant for which the price is linked to ammonia prices in the South East Asia market.

In 2016, a further 880 BCF of gross 100% field 1C contingent resources were estimated or assessed by an independent third party compared to the independent third party's assessment in 2014. The potential

development scenarios to monetize these resources are currently being evaluated. Front end engineering and design is ongoing and the final investment decision with respect to the preferred development scenario is expected to be made in the second half of 2018. This phase II development is planned to begin following the commencement of gas production and sales from our Aceh gas development project. We plan to submit the plan of development to SKK Migas in 2018. We have entered into MOU, for potential GSAs. The phase II development is expected to increase production from the Senoro field from 2021.

Downstream Sector

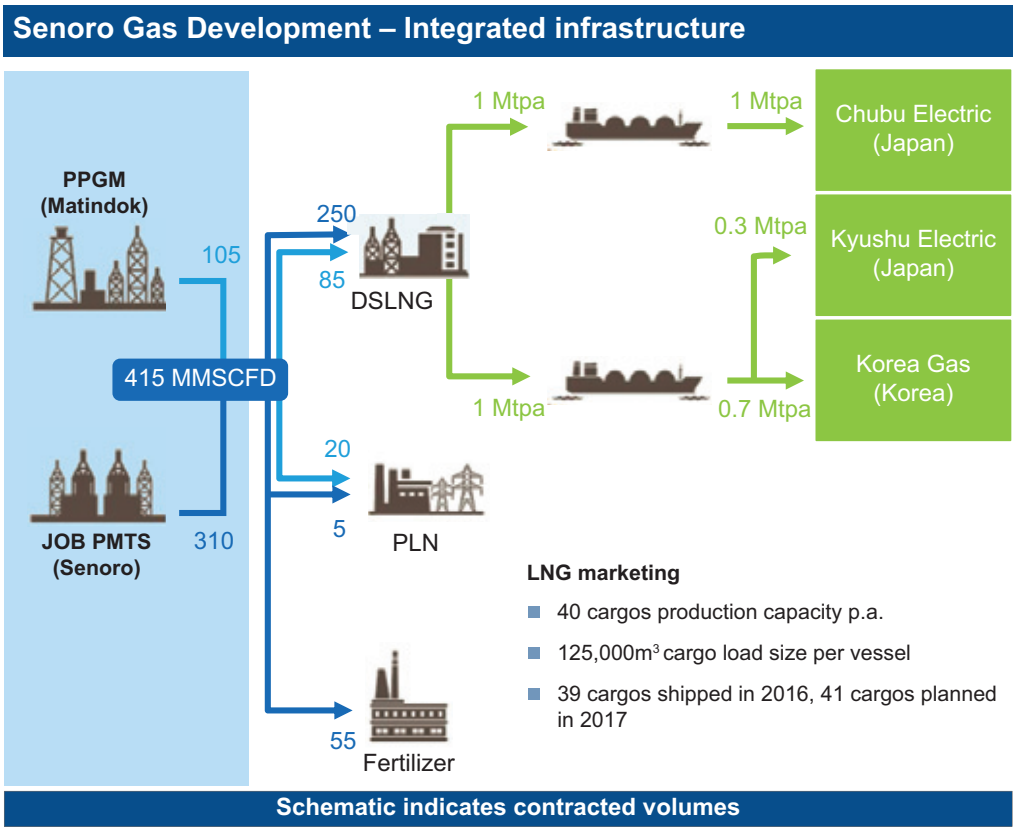
Our involvement in the downstream sector is through DSLNG, a joint venture company established in 2007 by a consortium consisting of PT Medco LNG Indonesia (a wholly-owned subsidiary of our Group), Mitsubishi Corporation and KOGAS through their joint venture Sulawesi LNG Development Ltd., and Pertamina through its subsidiary PT Pertamina Hulu Energi. The downstream LNG plant has a capacity of approximately 2.1 million tons per annum located at Banggai Regency, Central Sulawesi. The plant is contracted to take the phase I 1.44 TCF from the Senoro gas reserves and 0.70 TCF from the Matindok gas field owned by Pertamina.

DSLNG is the first project in Indonesia to use an upstream-downstream LNG structure whereby the downstream LNG business is set up as a separate business entity from the upstream business activity. Within this scheme, DSLNG purchases gas from the upstream sector, operates the LNG plant, and sells LNG to international customers.

In January 2009, DSLNG entered into a GSA pursuant to which the Senoro Gas Field agreed to supply 277.8 BBTUD (250 MMSCFD) of gas for a term of 15 years at a price based on the Japan Crude Cocktail. Due to the late completion of Pertamina's Matindok gas field, the Senoro field has supplied an average of above 300 MMSCFD, which is above the contracted volume of 250 MMSCFD, since first production.

More than 1.4 TCF of Senoro's gas is expected to be supplied to the downstream LNG plant, which will then sell to three LNG buyers being, KOGAS, Chubu Electric Power Co. Inc ("CE"), and Kyushu Electric Power Co. Inc. ("QE"). The LNG Sale & Purchase Agreement ("LNG SPA") with KOGAS dated January 2011 has total commitment of 0.7 million ton per annum, the CE LNG SPA dated June 2012 is for the supply of 1.0 million ton of LNG per annum, and QE LNG SPA also dated May 2012 has commitment for the shipment of 0.3 million ton of LNG per annum.

The DSLNG plant was inaugurated by President Joko Widodo in August 2015 and the first LNG shipment was delivered in September 2015. In 2016, 39 cargos were sold to three long-term buyers or otherwise on the spot market. A total of 42 cargos are currently estimated to have been sold in 2017.



Lematang

Location:	South Sumatra
Area (sq. km):	409
Status:	Production
Type of Contract:	PSC
Expiry:	2027
Participating Interests:	51.1% PT Medco E&P Lematang (wholly owned by us) 23.0% Lematang E&P Limited (wholly owned by us) 25.9% Medco Lematang BV (wholly owned by us)
Operator:	PT Medco E&P Lematang

Background. The Lematang PSC contains the Harimau oil field, which was discovered in 1989, and the Singa gas field, which was discovered in 1997. BP Migas approved the development plan for this block in 2008. We successfully completed the construction of production facilities and produced first gas in 2010, using advanced technology. The Singa-3 was the first well in Indonesia to be drilled horizontally using managed pressure drilling technology, applicable for wells of extreme conditions (high temperature, high pressure). Currently, Lematang has two active gas wells. In the first quarter of 2016, we obtained an extension of the Lematang PSC until 2027.

Key Fiscal Terms. After deduction for the FTP and allowing for cost-recovery, the Government and the PSC participants share the remaining petroleum in accordance with the parties' profit oil shares and profit gas shares.

For crude oil, the PSC participants' share is 28.8% and the Government's share is 71.2%. For natural gas, the PSC participants' share is 57.7% and the government's share is 42.3%. A portion of the PSC participants' profit oil share and profit gas share is subject to DMO.

Sales. Gas is sold under a fixed-price long-term GSA to PLN.

Development Strategy. We are currently studying options for further development of this block.

South Natuna Sea Block B

Location:	Riau Island
Area (sq. km):	11,162
Status:	Production
Type of Contract:	PSC
Expiry:	2028
Participating Interests:	Medco E&P Natuna Ltd. 40% (wholly owned by us) Prime Natuna Energy Pte. Ltd 25% Medco South Natuna Sea 35%
Operator:	Medco E&P Natuna Ltd.

Background. In November 2016, we acquired the companies owning a 40% participating interest in the South Natuna Sea Block B PSC and the related Singapore based gas receiving facilities. We now operate the PSC and the facilities located in the Natuna Sea in approximately 300 feet of water with one FPSO, one FSO, four central processing platforms, seven wellhead platforms, four producing subsea fields, and offshore support vessels. Production at this block began in 1979. The facilities support three producing oil fields together with 16 natural gas fields in various stages of development, eight of which are currently producing. We operate an onshore supply base on Matak Island in the Anambas Regency providing logistical support with facilities for helicopters, fuel and accommodations and a 1,190 meter airstrip. The offshore facility houses nearly 370 people with a further 420 providing onshore support in Jakarta. The Singapore gas is shipped from the PSC through the 656 kilometer West Natuna Transportation System pipeline to an onshore receiving facility in Singapore. Both the pipeline and the facility are operated by us and the pipeline also serves other working interest holders at two other blocks in the area, including the working interest holders of South Natuna Sea Block A PSC, which include Premier Oil, Petronas, Kuwait Foreign Petroleum Exploration Company, Pertamina and PTT Exploration and Production Public Company Limited.

Key Fiscal Terms. After deduction for the FTP and allowing for cost-recovery, the Government and the PSC participants share the remaining petroleum in accordance with the parties' profit oil shares and profit gas shares. For crude oil, the PSC participants' share is 28.8% and the Government's share is 71.2%. For natural gas, the PSC participants' share is 67.3% and the government's share is 32.7%. A portion of the PSC participants' profit oil share is subject to DMO, but the participant's profit gas share is not subject to DMO.

Sales. South Natuna Sea Block B, has been selling its gas to two customers in Singapore (Sembgas Corp) and Malaysia (Petronas) under two long-term GSAs since 2001 and 2002, respectively. Pricing under the Sembgas contract and a portion of the Petronas contracts are linked to HSFO. We have a COSPA with Lukoil Asia Pacific Pte Ltd. for the sale of our oil entitlement from this block. Under this agreement, Lukoil is required to make certain prepayments with respect to their off-take obligations.

Development Strategy. Fields within the South Natuna Sea Block B PSC are not ring fenced for cost recovery within the PSC. This allows the immediate cost recovery of exploration and development expenditures on non-producing fields from other producing fields within the same PSC. This provides favorable economics for exploration and development expenditures.

In 2017, we conducted a six well continuous development drilling program, with four wells in North Belut and two wells in Belanak and Kerisi. These wells were drilled from existing platforms and include both new drill wells and side tracks. Drilling began in early March 2017 in the North Belut field to target an undrained oil rim in the Gabus formation. This well was completed in May 2017, following which we extended the well into deeper new zones. We are assessing a 2018 drilling program of an initial six further wells targeting gas sales under our Singapore contract. If the results are successful, then a further 21 well targets will be assessed. In addition, we are undertaking engineering for a subsea development of the Buntal field which, if successful, would also supply gas under our Singapore contract by the first quarter of 2019. The Buntal development will employ intelligent well design in order to reduce drilling costs and optimize recovery rates.

Key Development Blocks in Indonesia

Block A

Location:	Aceh, North Sumatra
Area (sq. km):	1,867
Status:	Development
Type of Contract:	PSC
Expiry:	2031
Participating Interests:	85.0% PT Medco E&P Malaka (wholly owned by us) 15.0% Kris Energy (Aceh) B.V.
Operator:	PT Medco E&P Malaka

Background. Exploration for deeper gas in Block A took place in the 1970s through the 1980s, resulting in five discoveries: Alur Siwah, Alur Rambong, Julu Rayeu, Bata/Peulalu and Kuala Langsa. Plans of Development have been prepared for Alur Siwah, Alur Rambong and Julu Rayeu. We acquired our participating interests in 2006 (16.67%) and 2007 (25.0%) and became the operator in 2007. A 20-year extension for the Block A PSC was obtained in 2011. In 2016, we acquired a 16.67% participating interest from Japex Block A Ltd., and in 2017 a further 26.67% from Kris Energy (Aceh) B.V. In 2016, we also signed an Engineering Procurement and Construction ("EPC") contract with PT JGC Indonesia and PT Encona Inti lndustri for US$240.0 million as well as an EPC for flowline, trunkline, and pipeline construction with PT Kelsri. Total investment costs for the first phase of this block are estimated to be approximately US$540 million. The lump sum nature of the EPC Contract provides us with greater cost certainty for the development of this block. In July 2017 we obtained project financing for the development of this block of US$360.0 million, and do not expect to make further equity contributions for its development.

Key Fiscal Terms. After deduction for the FTP and allowing for cost-recovery, the Government and the PSC participants share the remaining petroleum in accordance with the parties' profit oil shares and profit gas shares. For crude oil, the PSC participants' share is 25.0% and the Government's share is 75.0%. For natural gas, the PSC participants' share is 58.3% and the government's share is 41.7%. A portion of the PSC participants' profit oil share and profit gas share is subject to DMO.

Sales. In January 2015, we signed a GSA with Pertamina to sell in a total cumulative Quantity ("TCQ") DF198 TBTU of gas. Gas supply for Phase I of Block A Aceh, is targeted to start in the first half of 2018 for a period of 13 years. There are no penalties expected under the GSA with respect to development of the block.

Development Strategy. In addition to the five discoveries mentioned above, we drilled a successful exploratory well on the Matang field in 2013. The Matang-1 well has gas flow at a rate of up to 25 MMSCFD with low hydrogen sulfide content. Further appraisal of this field together with the other gas discovery on the block, Kuala Langsa, will commence after the current Block A development is completed. The Matang field contains gross recoverable and in-place gas resources of 82 BCF and 116 BCF, respectively, while the high CO2 Kuala Langsa field is expected to allow the recovery of up to 0.9 TCF with 6.4 TCF in place, on a gross basis.

The current development scenario for the Matang field is for us to develop an IPP gas-fired power plant to sell electricity into Sumatra. We have submitted a proposal to the Ministry of Energy for our "Gas to Power" plan for the Matang field in 2017. This was accompanied by a letter of support from the Aceh governor.

As of November 2017, Gas development reached 66.7% completion and the central processing plant was 90% complete.

Key International Blocks

Block 56, The Sultanate of Oman

Location:	The Sultanate of Oman
Area (sq. km):	5,808
Status:	Exploration
Type of contract:	PSC
Expiry:	2017 for the first exploration phase with an option to extend the exploration phase for another three years to 2020. Thereafter, there will be a 20 year production phase, which can be extended for another five years.
Participating interests:	50.0% Medco Arabia Ltd 25.0% Biyaq LLC 25.0% Intaj LLC
Operator:	Medco Arabia Ltd

Background. In November 2014, our subsidiary, Medco Arabia Ltd, entered into the contract for the exploration and production of Block 56 in Oman with the Government of Oman, and its local partner, Intaj LLC. Block 56 is located in a productive hydrocarbon basin, the Oman Salt Basin. We have complied with our minimum work obligations for the first exploration phase in the amount of US$10.6 million and expect to conduct a seismic study later this year. We expect to be able to extend the exploration phase until 2020 depending on the outcome of our activities.

Strategy. The location of Block 56 is adjacent to Karim Small Fields ("KSF"), with similar geological characteristics. We expect to have operational synergy with KSF going forward, as it is also operated by us. In 2016, we completed geological and geophysical studies including 2D seismic studies. We are currently drilling three exploration wells.

Oman, Karim Small Fields, Service Contract

Location:	Oman
Area (sq. km):	781
Status:	Producing
Type of Contract:	Service contract with Petroleum Development Oman LLC
Expiry:	2040
Participating Interests:	Medco LLC (Oman) 51% (68% owned by us) Oman Oil Company 25% Kuwait Energy 15% Vision Oil & Gas 5% PetroVest 4%
Operator:	Medco LLC (Oman)

Background. In January 2006, we, through Medco LLC (Oman), were awarded the right to enter into a service contract with Petroleum Development Oman LLC ("PDO") to operate and manage the Karim Small Fields in Oman. We entered into a 10-year service contract with PDO ("Service Contract") effective in 2006, pursuant to which we are entitled to recover all of our costs (up to a level not to exceed 30.0% of production) and to receive a 3.98% share in the profits from oil sales.

In March 2006, we entered into a Participating and Economic Sharing Agreement ("PESA") with Oman Oil Company S.A.O.C. ("Oman Oil"). Under the terms of the PESA, we and Oman Oil agreed jointly to develop the Karim Small Fields and to share in the costs and expenses relating to the Service Contract, with us taking a 75% participating interest and Oman Oil taking a 25.0% participating interest. As we are the responsible party under the Service Contract, under the PESA, we have the exclusive right to provide the services as required by the Service Contract. In April 2015, Medco LLC (Oman) signed a new Amendment and Restated Service Contract extending the term of the contract to 2040.

Strategy. In 2016, we completed geological and geophysical studies including certain 2D seismic studies. We drilled three exploration wells in 2017.

Libya, Area 47

Location:	Libya
Area (sq. km):	6,182
Status:	Exploration and Development
Type of Contract:	EPSA IV
Expiry:	2030
Participating Interests:	50.0% Medco International Ventures Ltd. (wholly owned by us) 50.0% Libyan Investment Authority ("LIA")
Operator:	Medco International Ventures Ltd. (with respect to development, the operator is Nafusah Oil Operation B.V. (which is 24.5% owned by Medco International Ventures Ltd., 24.5% owned by LIA and 51.0% owned by the National Oil Corporation))

Background. Since obtaining our participating interest in Area 47, from 2005 until 2009 a total of 20 exploration wells and six appraisal wells have been drilled, with 18 of the exploration wells showing indication of considerable oil reserves. The LIA acquired its interest in 2009 from a third party. In April 2010, we were entrusted to replace LIA as the operator for the block throughout the exploration period. Since our appointment as operator, we have drilled three exploration wells, with all showing indications of large oil discoveries.

Strategy. Due to adverse security conditions there has been no activity at this block since 2014. We have made a force majeure claim to freeze the license period for our exploration areas within this block. In 2016, we finalized the invitation-to-tender package for an engineering procurement construction contract on the development areas within this block. However, due to our assessment of the ongoing security situation, and although front end engineering design had been completed, we believe that obtaining financing on acceptable terms for the expected scale of our operations would have been impracticable and as a result wrote off our prior expenditure on this block in 2016. We are currently pursuing a strategy of several early production facilities in order to begin and prove up small scale oil production. However, the resumption of in-country activity will be dependent on our assessment of developments in the ongoing security situation in Libya.

Other Oil and Gas Properties

Indonesia

Tarakan. We began operations at the Tarakan PSC in 1992 and were awarded a PSC extension through 2022. Tarakan has 21 active oil wells and one active gas well. We have an agreement with Pertamina for the sale of all of our entire net entitlement of oil produced at this block. We have a fixed price GSA with PLN to supply gas for the purpose of electricity generation in the Tarakan area. In 2016, we drilled two workover wells which resulted in increased oil production. We are assessing potential exploration of this PSC but have no immediate plans for further expenditure.

Simenggaris. The Simenggaris block consists of the Sesayap and South Sembakung gas fields. In 2013, the Government of Indonesia approved the reallocation of gas supply from the Bunyu Methanol Plant to fill the need of PLN to generate power in the Eastern parts of Indonesia. We target to supply gas to meet energy needs in the vicinity, especially for the power generation sector of North, East and South Kalimantan. The plant has the capacity to supply 25 MMSCFD.

Bengara. In December 2001, we purchased 95.0% of PT Petroner Bengara Energi, which holds a 100.00% participating interest in the Bengara Block. The first drilling was conducted in June 2006, with the first discovery of gas at South Sebuku-1 in July 2009. Delineation drilling at South Sebuku-2 was subsequently conducted in July 2011. In the first quarter of 2013, we undertook an asset swap with Salamander Energy pursuant to which our participating interest in the block became 100.0%.

South Sokang. In early 2016, we acquired Medco South Sokang B.V. (formerly known as Lundin South Sokang B.V.) and operatorship of the South Sokang PSC, in the Natuna Sea. In 2016, we obtained an extension of the exploration period until December 2020.

United States

We have the right to explore for and produce oil and gas in five producing assets in the United States, located offshore in the Gulf of Mexico off of Louisiana and held through leases with the United States Department of the Interior, Bureau of Ocean Energy Management. Our East Cameron block 316 has been decommissioned, and we expect that blocks 317 and 318 will be decommissioned in 2018. At our Main Pass blocks, which consist of blocks 64 and 65, in 2016, we temporarily abandoned four wells at block 64. All of our United States oil and gas properties are held by our wholly-owned subsidiary, Medco Energi US LLC. All of our oil production in the United States is sold on the spot market and we have no plans to enter into long-term sales arrangements. Gas produced is used for our own operations.

Tunisia

In August 2014, we, through our subsidiary, Medco Tunisia Petroleum Limited, acquired a 100.0% shareholding interest in Storm Ventures International (Barbados) Limited, an oil and gas exploration and production company that operates in Tunisia. The acquisition provided us with a participating right to eight blocks in Tunisia, consisting of Adam Block, Bir Ben Tartar Block, Cosmos Block, Yasmin Block, Borj El Khadra Block, Jenein Block, Sud Remada Block and Gulf of Hammamet Block. Five onshore blocks (Adam, Sud Remada, Bir Ben Tartar, Jenein and Borj El Khadra) are located in the Ghadames Basin and the remaining three offshore blocks (Cosmos, Hammamet and Yasmin) are located in the Pellagian Basin off the northeast coast of Tunisia. Our operations in Tunisia were suspended due to labor protests in connection with a general strike in the country which occurred from April 2017 to June 2017. Operations resumed from June 2017.

Yemen, Block 82 and Block 9

Our fields in Yemen consist of Block 82 and Block 9. We were awarded Block 82 through a bid process held by the Ministry of Oil and Minerals of the Republic of Yemen through the Petroleum Exploration and Production Authority ("PEPA") in December 2006. We and our partners, Kuwait Energy, Oil Corporation, Oil India Ltd. and Yemen Oil & Gas Corporation, signed a profit sharing arrangement in 2008. Due to adverse security conditions there has been no activity at this block since 2014. This block is in the process of being relinquished to the Government of Yemen.

Our subsidiary Medco Yemen Malik Ltd., acquired a 25.0% participating interest in Block 9 from Reliance Exploration & Production DMCC in 2012. Drilling in 2013 was carried out at five exploration wells. Due to adverse security conditions, there has been no activity since 2014. We have made a force majeure claim with respect to this block as a result of the security situation in Yemen and continue to monitor the security situation in Yemen. As of December 31, 2017, the participating interest of our subsidiary in Block 9 is 21.25%.

Blocks Relinquished or Divested

The table below sets forth interests in blocks that we divested from or relinquished from January 1, 2014 through September 30, 2017.

Entity	Divest/ Relinquish	Working interest prior to transaction	Working interest after transaction	Transferee	Date of divestment/ relinquishment
PSC Bawean (Camar Bawean Petroleum Ltd & Camar Resources Canada Inc.)	Divest	65%	0%	Hyoil	June 2016
PT Medco E&P Nunukan (PSC Nunukan)	Divest	40%	0%	PT Pertamina Hulu Energi	September 2015
Medco Cendrawasih VII	Relinquish	100%	0%	Government of Republic Indonesia	—
Medco Yemen Arat Ltd (Block 83—Wadi Arat)	Relinquish	45%	0%	Government of Yemen	April 2014
Moonbi Energy Ltd (PPL 470)	Divest	90%	0%	Moonbi Enterprise Limited	February 2016
PT CBM Lematang (GMB Lematang)	Divest	55%	34%	PT Methanindo Energi Resources	February 2016
PT CBM Sekayu (GMB Sekayu)	Relinquish	50%	0%	Government of Republic Indonesia	December 2016
PT Medco E&P Indonesia (PSC Central Sumatera Kampar)	Relinquish	100%	0%	Government of Republic Indonesia	December 2014

While we do incur some costs in relinquishing assets, these costs are typically not material and in certain cases we do not bear costs.

Sales and Distribution

Average Realized Sales Prices

	For the Years Ended December 31,			For the Nine Month Period Ended September 30,	
	2014	2015	2016	2016	2017
Average realized sales prices:					
Oil and condensate (US$ per Bbl)	97.83	49.29	42.29	39.53	49.49
Natural gas (US$ per MMBTU)	5.60	5.23	4.40	4.20	5.54

Crude Oil

We sell our net oil entitlement from our Indonesian operations to the domestic Indonesian market as well as to the overseas market. In line with the Indonesian government regulations, we sell our oil at prices based on ICP. The ICP price is determined by the Indonesian government, and is the monthly average of the mean of two publications of independent oil traders and marketers in the Asia Pacific region published by Platts and RIM in the following proportions: 50% Platts and 50% RIM until June 2016. Starting in July 2016, the basis of ICP changed to Dated Brent price plus Alpha.

All of our oil production in the United States is sold on the spot market, and we have no plans to enter into long-term sales arrangements.

The following table summarizes the key terms and arrangements of our current material crude oil sales agreements.

Block	Counterparty	Term	Pricing	Total Gross Volume for Life of Contract
Indonesia:				
Rimau	Lukoil	2 years	ICP Kaji + premium	whole entitlement
South Sumatera	Pertamina[1]	—	ICP Kaji Flat	—
Tarakan	Pertamina UP V Balikpapan[2]	—	ICP Tarakan Flat	—
Senoro-Toili (condensate)	Petro Diamond Singapore (2016-2020)	4 years	ICP Senoro Condensate minus premium	whole entitlement
Senoro-Toili	Petro Diamond Singapore (2014-now)	Volume based	ICP Tiaka + premium	1,025,000 bbls

Notes:
(1) Swap with Rimau's crude oil.
(2) Domestic market.

Natural Gas

We sell our gas production from our Indonesian onshore operations to buyers including state-owned companies (in the power and fertilizer industries), independent power producers, gas transport companies, and local state and city gas providers.

We typically enter into GSAs which set the TCQ, DCQ and gas price. While TCQ and DCQ vary between buyers, gas prices are largely fixed using the same structure, in US$/MMBTU with an application of an escalation factor (typically 2.5% to 3.0% per annum). However starting in late 2015 we started commercial gas sales from Senoro-Toili with prices linked to Japanese Crude Cocktail (JCC) prices. The GSAs also typically include a "Take-or-pay" mechanism, pursuant to which, if a buyer is unable to absorb the agreed DCQ, the buyer will have to pay a portion (usually in the range of 80.0% to 90.0%) of the DCQ.

All of our gas production in the United States is sold on the spot market, and we have no plans to enter into long-term sales arrangements.

The following table summarizes the key terms and arrangements of our current material GSAs for our Indonesian blocks.

Block	Counterparty	Term	Daily Contract Quantity	Take-or-Pay as a percentage of DCQ
Indonesia:				
South Sumatera	PT Pupuk Sriwidjaja (Persero)	2008-2018	45 BBTUD	90%
	PT Mitra Energi Buana	2006-2017	2.5 BBTUD increasing to 3.7 BBTUD	90%
	PT MEPPO-GEN	2014-2018	10 BBTUD	85%
	Perusada Mura Energi	2009-2028 (on stream on 2015)	1.80 BBTUD increasing to 2.50 BBTUD	90%
	Perusda Pertambangan dan Energi (BBG)	2009-2018 (on stream on 2013)	0.3 BBTUD	N.A.
	Perusda Pertambangan dan Energi (Kelistrikan)	2011-2020	3 BBTUD	90%
	PT Medco E&P Rimau	2016-2023	0.66 BBTUD increasing to 2.65 BBTUD	90%
	PD. Petrogas Ogan Ilir	2016-2019	1.4 BBTUD increasing to 1.6 BBTUD in year 2 and declining to 1.3 BBTUD in year 4	90%
	Perusda Sarana Pembangunan Palembang Jaya	2010-2018	0.1 BBTUD increasing to 0.3 BBTUD	N.A
	PLN (South Sumatera Power Plant)	2019-2027	20 BBTUD (Joint supply with Lematang Block)	90%
Tarakan	PLN-Gunung Belah	2010-2021	0.5 BBTUD	90%
	PT PGN (Persero) Tbk	2016-2021	0.2 BBTUD	N.A
Block A	PT Pertamina (Persero)	13 years from initial commencement of gas sales	58 BBTUD	90%
Senoro-Toili	Donggi Senoro LNG	2009-2027	250 MMSCFD / 277.75 BBTUD	90%
	PT Panca Amara Utama	2018-2027	55 MMSCFD	80%-90%
Simenggaris	PLN	2015-2020	0.3 - 0.5 MMSCFD	0.3 MMSCFD
	Perusda Nura Serambi Persada	2012-2023	5 MMSCFD	85%
South Natuna Sea Block B	Pertamina	2001-2032	247.0 BBtu in year 1, 337.2 BBtu in year 2, 341.25 BBtu after year 2 and gradually declining to 51.81 BBtu in 2023	85%-90%
	Pertamina	1999-2026	105.0 BBtu to 263.0 BBtu	80%-85%

Gas Distribution Unit

Our subsidiaries MGI and MEGS operate a gas compression station with a pipeline facility at Gunung Megang, South Sumatra, with three main gas compressors of 22.5 MMSCFD capacity each and ten 17.5 kilometer pipeline facilities. From August 2009 to December 2014, this compression station served to increase gas pressure for delivery from our South Sumatra block to a PGN facility at Pagardewa and the PLTG Gn Megang (Meppogen) power plant, with a target of 37 BBTUD of compressed gas and 20 BBTUD of transported gas each day.

On December 10, 2014, MEGS entered into a new contract with PT Medco E&P Lematang and PLN South Sumatera for the transport of gas from Singa Field, Lematang block to PLN through existing pipeline facilities, with a target of 42 MMSCFD.

In April, 2017, MEGS continued transporting Singa Gas from Central Production Plant Singa to Gunung Megang with a daily rate averaging 25 MMSCFD.

In addition, from 2013 to 2015, we also operated a gas compression station with three high pressure primary gas compressors at the Soka station with a capacity of 15 MMSCFD each.

Power and Mining

In addition to our core oil and gas business, we have a significant power generation business and a significant investment in mining. Our subsidiaries and associates engaged in the power business and mining business, as applicable, are not restricted subsidiaries for the purposes of the Notes nor are they guarantors of the Issuer's obligations under the Notes.

Power Business

Our power business is conducted through MPI, an IPP and O&M service provider. In October 2017, we increased our stake in MPI from 49% to an effective interest of 88.62% by purchasing a 77.68% equity interest in PT Saratoga Power, which holds a 51% equity interest in MPI, from PT Saratoga Sentra Business and S. Asia III Luxembourg S.A.R.L.

As an IPP, MPI owns majority interests in and operates three gas-fired power plants in Batam with aggregate gross capacity of 266 MW. In 2020, the asset in Batam operated by PT Energi Listrik Batam ("ELB") is expected to increase gross capacity by 40 MW through a combined cycle addition. In 2021, MPI expects to commence operations from an additional gas-fired power plant in the Riau with a capacity of 275 MW. In the geothermal energy sector, MPI is (jointly with its partners) developing a 3x110 MW geothermal power plant in Sarulla, North Sumatra, where the commercial operation of the first 110 MW unit was achieved in March 2017 and the second 110MW unit was achieved in October 2017, and the remaining units with a 110 MW capacity are currently expected to be completed by mid-2018.

As an O&M service provider, MPI operates a large 1,320 MW coal-fired power plant in Central Java under a 24-year O&M contract with PLN. In September 2016, MPI through its subsidiary MGS signed an O&M agreement with Sarulla Operations Ltd with respect to a 330 MW geothermal plant, and, in December 2016, through its subsidiary in MEB, signed a two year O&M contract with PT PLN Batam for an aggregate of 500 MW gas-fired generation plants (TM2500 truck-mounted gas turbine generator unit) across eight locations in Indonesia.

MPI's business is focused on small to medium sized natural gas and geothermal independent power projects and captive power plants in western Indonesia and seeks to maximize its power services operations and synergies with its other businesses.

In 2016, MPI was selected as one of the top five IPPs and O&M companies at the Indonesia Best Electricity Awards held by "Majalah Listrik Indonesia", which is an Indonesian energy magazine and Tanjung Jati (the Central Java coal plant which MPI services as an O&M services provider) received green PROPER award from the Indonesia Ministry of Environment and Forestry ("MEF").

The table below sets forth certain information about MPI's projects.

Business Type	Fuel Type	Gross (MW)	Ownership (%)	Net (MW)
IPP (in operation)				
MEB—Batam	Gas	85	64	54
DEB—Batam	Gas	85	80	68
TM 2500—Batam	Gas	20	100	20
ELB—Batam	Gas	76	70	53
EPE—South Samatra	Gas	12	92.5	11
MPE—South Samatra	Gas	12	85	10
Singa—South Samatra	Gas	7	100	7
Sarulla—North Sumatra	Geothermal	220	19	42
Cibalapulang 1—W. Java	Mini-hydro	9	70	6
Total Installed Capacity IPP		**526**		**271**
O&M Services (contracted)				
T JBPS—Central Java	Coal	1320	80.1	1320
Sarulla—North Sumatra	Geothermal	330	100	330
TM 2500 (8 locations)	Gas	500	64	320
Total Installed Capacity O&M Services		**2,150**		**1,970**

IPP Business

Mitra Energi Batam

Location:	Batam Island
Status:	Operational
Ownership:	10% MPI 54% MEM 30% PT PLN Batam 6% YPK PLN
Operator:	MEB
Capacity:	Gross capacity of 84.1 MW produced from two 27.75 MW simple cycle units, 20.6 MW combined cycle, and 8 MW chillers.

Background. In March 2004, MPI acquired a 54% interest in MEB, and commenced commercial operations in October 2004. MPI transferred its interest in MEB to MEM and MPI subsequently acquired an additional 10.0% stake in MEB from YPK PLN. MPI currently owns an effective 64.0% stake in MEB, with the remaining shareholders being MEM with a 54% stake, PT PLN Batam with a 30.0% stake and YPK PLN with a 6.0% stake respectively.

MEB owns a gas-fired power plant located in Panaran I on Batam Island, Indonesia, which was MPI's first power plant on Batam island. The facility is comprised of a 55.5 MW simple cycle power plant ("SCPP") with an additional 8.0 MW chiller and a 20.6 MW combined cycle power plant ("CCPP"). The facility has a total installed capacity of 84.1 MW.

The SCPP unit was commissioned in October 2004 with Kelsri-Dalle Engineering as the EPC contractor. The SCPP is capable of supplying 55.5 MW of capacity. In 2013, a chiller was added to the facility to increase the net output of the facility. An additional CCPP was commissioned in 2014 with Mitsui and Hyundai as the EPC contractors to further expand the capacity of the facility. The CCPP can generate 89.4 tons per hour of steam by recovering heat from the exhaust gas of the SCPP.

In December 2017, MEB, together with EPC contractors Barata Indonesia and Dalle Engineering Construction, signed a contract with PLN for a 40 MW gas-fired power plant in Luwuk. MEB was also engaged to provide the O&M services at the plant for five years starting in 2019.

Power Purchase Arrangements. In April 2004, MEB entered into a Transfer of PPA with PT Menamas and PT PLN Batam, pursuant to which all the rights and obligations of PT Menamas were transferred to MEB. The PPA was amended three times, which were in July 2004, in October 2012 and recently in February 2017. The current PPA is valid for 20 years from 2014 and includes the addition of the chiller and steam turbine generator to convert the SCPP to a CCPP. The chiller and CCPP achieved commercial operations in October 2013 and September 2014, respectively.

The PPA tariff also includes investment recovery of IDR 7 per kWh for 12 years until October 2016 based on production of 408.4 GWh per annum (which is the minimum off-take by PLN for the SCPP) installation of the switchyard for the facility. For the first 12 years until October 2016, PLN agreed to pay a total of IDR 190 per kWh. Beginning November 2016, PLN agreed to pay a total of IDR 89 per kWh subject to exchange rate adjustments based on an exchange rate of IDR 9,000 to US$1.00.

For CCPP, the PPA tariff includes a fixed component of IDR 350 per kWh and variable components of IDR 100 per kWh and IDR 12 per kWh, portions of which are subject to exchange rate adjustments at a base rate of IDR 9,000 to US$1.00.

The PPA also stipulates a minimum take-or-pay level of 84.0% for the SCPP. The PPA has a contracted capacity of 82.1 MW and enjoys a full gas pass through (subject to certain conditions stipulated in the PPA) with PLN paying gas costs directly to the gas supplier. In addition, the PPA also stipulates contract penalties in the event that MEB is not able to meet certain performance benchmarks in terms of output, force outage, availability factor and heat rate.

Gas Sales Agreement. Under the PPA, PLN is responsible for securing natural gas from PGN for the operation of the plant.

PT Dalle Energy Batam

Location:	Batam Island
Status:	Operational
Ownership:	79.99% MPI 20.00% PT PLN Batam 0.01% PT Dalle Energy
Operator:	PT Dalle Energy Batam
Capacity:	84.1 MW produced from two 27.75 MW simple cycle units, a 20.6 MW combined cycle unit, and chillers producing 8 MW.

Background. In June 2005, MPI acquired a 40% interest in PT Dalle Energy Batam ("DEB"), which is the owner and operator of the Panaran II power plant, and MPI further increased its stake in the project to 79.99% by contributing most of the project's required equity commitment. PT PLN Batam acquired a 20.0% interest in the plant from PT Dalle Energy in 2006.

DEB owns a gas-fired power plant located in Panaran II on Batam Island, Indonesia. The facility is comprised of a 55.5 MW SCPP with an additional 8.0 MW chiller and a 20.6 MW CCPP. The facility has a total installed capacity of 84.1 MW.

The SCPP and chiller unit were commissioned in 2006 with Kelsri-Dalle Engineering (a joint operation established between PT Kelsri and PT Dalle Engineering Construction), as the EPC contractor. The SCPP is capable of supplying 55.5 MW of capacity. The chiller was able to increase the electricity output of the facility and also contributes to 1 to 3% fuel savings for the SCPP. An additional CCPP was commissioned in 2010 with Mitsui and Hyundai as the EPC contractors to further expand the capacity of the facility. The CCPP can generate 89.4 tons per hour of steam by recovering heat from the exhaust gas of the SCPP through a heat recovery steam generator. In 2007, DEB entered into a rental agreement with MPI for a truck-mounted mobile gas turbine. The initial variable rental fee of IDR 217.8 per KWh has since been revised to 204.9 per KWh.

Power Purchase Arrangements. DEB and PT PLN Batam entered into a PPA expiring in 2025 pursuant to which DEB is required to procure, operate and maintain a combined cycle power plant consisting of two gas turbine generator units, a chiller unit and a steam generator turbine. PT PLN Batam is to purchase the power supply generated by the units on a minimum take-or-pay basis of 90% of power produced at a price of Rp. 285 per KWh subject to exchange rate adjustment.

Feedstock. DEB entered into a gas supply contract with PGN for the supply of gas, the cost of which is passed through to PT PLN Batam. The GSA for DEB has been extended until 2019.

Truck-Mounted 20 MW Gas-Fired Power Plant

Location:	Batam Island (adjacent to the Panaran II gas-fired power plant)
Status:	Operational
Ownership:	100% MPI
Operator:	PT Dalle Energi Batam
Capacity:	19 MW produced from a truck-mounted unit

Background. In 2007, MPI added a 20 MW truck-mounted gas turbine generator unit to its power generating operations on Batam Island.

Power Purchase Arrangements. To ensure the reliability, stability, and continuity of power supply from PT Dalle Energy Batam to PT PLN Batam, a joint arrangement between PT Dalle Energy Batam and PT PLN Batam was concluded in 2007. This truck-mounted unit was considered to be a back-up unit to supplement an existing combined cycle power plant, and therefore there was no applicable take-or-pay arrangement, but based on an amendment to the PPA on the CCPP in 2008, the truck-mounted unit was turned into an existing unit for a period of 16 years from the availability of trafo kV and bay. The tariff is set at Rp. 798 per kWh.

Feedstock. Gas costs are passed through to PT PLN Batam.

PT Energi Listrik Batam

Location:	Batam Island
Status:	Operational
Ownership:	99.99% PT Universal Batam Energy 0.01% PT Universal Gas Energy
Operator:	PT Energi Listrik Batam
Capacity:	70 MW produced from 2 units of simple cycle.

Background. ELB was established in March 2012 through a joint venture company, PT Universal Batam Energy ("UBE"), which is 70.0% owned by MPI and 30.0% owned by PT Universal Gas Energy ("UGE"). UGE currently owes receivables to MPI representing advances made by MPI to ELB on behalf of UGE for the construction of this project. The receivables accrue interest at a rate of 20.0% interest and are secured by UGE's 30.0% stake in ELB. Given that the interest on the receivables owed by UGE to MPI are higher than the project equity return, under the agreement between MPI and UGE, MPI has the economic benefit of 100.0% of ELB.

ELB owns a gas-fired power plant located in Tanjung Uncang on Batam Island which began commercial operations in January 2016.

In September 2012, ELB entered into an EPC agreement with a consortium of MPI and PT Dalle Engineering Construction (the "Consortium") whereby the Consortium agreed to provide EPC services. Under the contract, MPI agreed to supply the gas turbine generator while PT Dalle Engineering Construction agreed to carry out the construction of the project.

Power Purchase Arrangements. ELB entered into a PPA with PT PLN Batam in 2012 which was amended in October of 2015 for a period of 20 years starting from the COD which began on January 6, 2017 for the second unit and on May 14, 2017 for the first unit.

The PPA tariff consists of different components, portions of which are subject to varying adjustments based on, among other things, Rupiah to U.S. dollar foreign exchange rate movements, Indonesia and U.S. CPI, and operational metrics. The PPA also provides for minimum take-or-pay levels.

PT Energi Prima Elektrika

Location:	Patih Galung, Prabumulih, South Sumatra
Status:	Operational
Ownership:	92.5% PT Medco Power Indonesia 7.5% PLN-E
Expiration:	June 12, 2017; PPA expires 2026
Operator:	PT Energi Prima Elektrika
Capacity:	12.5MW produced from gas engines

Background. PT Energi Prima Elektrika ("EPE"), which began operating in 2006, was acquired by MPI in 2010. EPE owns a gas-fired power plant located in Prabumulih, South Sumatra. The facility is comprised of two gas engines with a total installed capacity of 12.5 MW. In December 2010, MPI acquired an additional 7.5% stake and renamed the company EPE.

The power plant was commissioned in June 2006 with PT Samapta Energi Nusantara as the EPC contractor.

Power Purchase Arrangements.

In November 2004, EPE entered into a transfer of PPA with PLN-E and PLN WS2JB, whereby all rights and obligations of PLN-E under the PPA entered into between PLN-E and PLN WS2JB were transferred to EPE. Based on this agreement, EPE is required to fund, establish and operate the 12 MW power plant. The parties agreed that PLN WS2JB will purchase all of the electricity from EPE for 20 years subject to annual extension upon approval by both parties.

The PPA tariff consists of different components, portions of which are subject to varying adjustments based on, among other things, Rupiah to U.S. dollar foreign exchange rate movements, gas prices, Indonesia and U.S. CPI, and operational metrics. The PPA expires in 2026.

PT Multidaya Prima Elektrindo

Location:	Kali Doni, Palembang, South Sumatra
Status:	Operational
Ownership:	85% PT Medco Power Indonesia 15% PLN-E
Expiration:	May 5, 2018; PPA expired 2028
Operator:	PT Multidaya Prima Elektrindo (85% owned by MPI)
Capacity:	12.5 MW produced from gas engine

Background. PT Multidaya Prima Elektrindo ("MPE") owns a gas-fired power plant located in Sako, South Sumatra. The facility is comprised of two gas engines with a total installed capacity of 12.5 MW.

The power plant was commissioned in May 2008 with PT Wijaya Karya and PT Samapta Energi Nusantara as the EPC contractors. The power plant supplies electricity to PT PLN Batam through a 6.3 / 20.0 kV step up transformer.

Power Purchase Arrangements.

Under the PPA between MPE and PLN WS2JB with effect from 2004, MPE is required to fund, establish and operate the 12 MW power plant. The parties agreed that PLN WS2JB will purchase all of the electricity from MPE for 20 years subject to annual extension upon approval by both parties. In June 2016, MPE and PLN WS2JB amended the PPA to increase the tariff to a total sum of its components of IDR 736.75 per KWh based on a capacity factor of 80.0%. The PPA tariff consists of different components, portions of which are subject to varying adjustments based on, among other things, Rupiah to U.S. dollar foreign exchange rate movements, gas prices, Indonesia and U.S. CPI, and operational metrics. The current purchase power period under the PPA expires in May 5, 2018.

Singa

Location:	Singa Field, Lematang, South Sumatra
Status:	Operational
Ownership:	100% PT Medco Power Indonesia
Expiration:	Mar 2018 (in the process of extension)
Operator:	PT Medco Power Indonesia
Capacity:	7 MW produced from gas turbine

Background. PT Medco E&P Lematang (*"*MEPL*"*) owns and operates an onshore gas field in the Lematang area in South Sumatra. The field requires approximately 7.0 MW of electricity supplied by the 7.5 MW gas-fired captive power plant Singa. Singa began commercial operations in 2010 with Indo Turbine and Grand Cartex as the EPC contractors. MPI currently owns a 100% stake in the project.

Power Purchase Arrangements. In January 2010, Singa entered into a PPA with MEPL for a period of five years, ending in January 2015. The PPA tenor has been extended until March 2018. MPI is currently in process of obtaining an extension of the tenor of the PPA with MEPL, since MEPL obtained its PSC extension of the Lematang PSC in 2016. The PPA has a minimum take-or-pay of 80% of the capacity factor, at a fixed tariff of US$3.97 cents per KWh and gas is provided by MEPL. For gas, MEPL guarantees and provides gas supply to the power plant from the Singa gas field.

Geothermal Projects

MPI currently has two geothermal power plant projects in Indonesia, namely Sarulla in North Sumatra with a planned capacity of 330 MW and Ijen in East Java with a planned capacity of 110 MW.

Sarulla Geothermal Power Project

Location:	Sarulla, North Sumatra
Status:	Operational/Under Construction
Working Interests:	18.9975% PT Medco Power Indonesia
	18.2525% Inpex
	25% Itochu
	25% Kyushu Electric Power Co
	12.75% Ormat
Operator:	MPI, Kyuden International Corporation
Capacity:	330 MW (220 MW in operation and 110 MW under construction)

Background. This is a geothermal project with two reservoirs (Silangkitang and Namora-I-Langit) located in the Pahaejulu and Pahaejae districts, North Tapanuli Regency of North Sumatra Province, approximately 300 kilometers from Medan. Commercial operation of the first 110 MW unit was achieved in March 2017 and the second 110MW unit was achieved in October 2017, and the remaining units with a 110 MW capacity are currently expected to be completed by mid-2018. Sarulla has a 30 year energy sales contract with PLN with take or pay protections at 90% of capacity. This project is financed by Japan Bank of International Cooperation, Asian Development Bank and several commercial lenders.

Medco Cahaya Geothermal (Ijen project)

In February 2013, MPI through its wholly owned subsidiary, PT Medco Cahaya Geothermal, signed a PPA with PLN (amended in December 2014), in which MPI as an IPP agreed to develop, operate and maintain a 2x55 MW geothermal power plant in the working area of Belawan-Ijen in the East Java province. A slim hole drilling campaign began in January 2016. The first well (IJN 01) has been completed with a depth of 2,000 meters and a flow test is expected to be performed in June 2017, while the drilling for the second well (IJN 02) is on hold while waiting for a new partner and expected to be completed in 2018. IJN is currently in discussions with several potential partners for a minority investment in the project.

Pursuant to the PPA with PLN, the target for the commencement of commercial operations at Ijen is 2020. This power plant will supply electricity to the Java-Bali grid. The PPA is for a term of 30 years from the project commercial operation date.

Mini Hydro Project

MPI is currently developing mini hydro power generating plants ("PLTMH") located in West Java. The following is a brief description of the PLTMH projects currently being developed by MPI.

Cibalapulang 1 PLTMH. The Cibalapulang 1 PLTMH is MPI's first mini hydro project, located in Cianjur, with a capacity of 9 MW. The PPA between PT Bio Jathpora Indonesia and PLN was signed in 2012 and expires 15 years after commercial operations commence. Commercial operations started in the third quarter of 2017. MPI has a 70% interest in Cibalapulang 1.

Cibalapulang 2 and 3 PLTMH. The Cibalapulang 2 and 3 PLTMH is located in Cianjur, with a capacity of 13 MW. The PPA with PLN was signed in 2013 and expires 15 years after commercial operations commence. Commercial operations are expected to commence in 2019. MPI has a 100% effective interest in this project.

Pusaka Parahiangan PLTMH. MPI acquired the assets of PT Pembangkitan Pusaka Parahiangan, which is involved in the development of a PLTMH project in Cianjur with a total generating capacity of 9 MW. The PPA with PT PLN West Java was signed in 2013 and expires 15 years after commercial operations commence. Commercial operations are expected to commence in 2018. MPI wholly owns this project. The PPA is valid for fifteen years as of the commercial operation date of PMLTH, starting from July 16, 2013.

Sumpur PLTMH. The Sumpur PLTMH is located in Pasaman with a capacity of 2 x 3.8 MW. The PPA with PLN was signed in 2013 and expires 15 years after commencement of commercial operations. Commercial operations are expected to commence in 2019. MPI has an 80% effective interest in this project.

Medco Ratch Power Riau (Riau Project)

Location:	Riau, Sumatra
Status:	Development
Ownership:	51% MPI 49% Ratchaburi Electricity Generating Holding Public Company Limited
Expiration:	2041
Operator:	PT Medco Ratch Power Riau
Capacity:	275 MW
Off-taker:	PLN

Background. In March 2017, MPI and Ratchaburi Electricity Generating Holding Public Company Limited established PT Medco Ratch Power Riau ("MRPR"), which was awarded the rights to develop a 275MW combined cycle power plant located at Pekanbaru City, Riau province.

Construction is planned to commence in 2018 and commercial operations are expected starting in 2021. The power plant will be connected to a PLN 150 kV transmission line.

The project cost is expected to be approximately US$300 million, expected to be funded primarily through project finance.

Power Purchase Arrangements. On April 7, 2017, MRPR entered into a 20-year PPA with PLN. Gas will be supplied by PLN based on its gas sales contract with its supplier.

Tanjung Jati B Steam Power Plant (Operations and Maintenance Agreement)

Location:	Jepara, Central Java
Status:	Operational
Ownership:	99.9% PT Medco Power Indonesia and 0.1% PT KIM through 80.1% owned by Medco Gajendra Power Services 19.9% PT. Fortum Service Oy
Expiration:	2029
Operator:	PT Tanjung Jati B Services (80%-owned by MPI and 20%-owned by Fortum Service Oy)
Capacity:	1,320 MW produced from two 660 MW coal-fired units
Off-taker:	PLN

Background. In June 2005, a consortium consisting of the Company and Fortum Service Oy ("Fortum"), a leading Nordic energy company headquartered in Finland, and PLN signed an O&M agreement for the PLTU Tanjung Jati B coal fired steam power plant, which was approved by the shareholders of PLN and became effective in September 2005. For this purpose, in April 2006, PT TJB Power Services, an 80%-owned subsidiary of MPI, was established to undertake the role as operator.

Under the O&M agreement, the O&M fees consist of five different components including labor for operations, labor for maintenance, labor administration, consumables and general expenses. Certain components are subject to adjustment based on movements in the Indonesian CPI and exchange rate fluctuations between the U.S. dollar and Rupiah.

Medco Geothermal Sarulla (Sarulla Operations and Maintenance Services)

In September 2016, Medco Geothermal Sarulla entered into an O&M agreement with Sarulla Operations Ltd for Sarulla geothermal power facilities in North Sumatra. This agreement is for a six-year period starting from the earlier of September 2018 or the commercial operation date of the second unit of Namora I Langit.

Mitra Energi Batam (Scattered PLN power plant—Operation and Maintenance Services)

In December 2016, MEB signed a contract with PT PLN Batam to provide O&M services to mobile power plants ("MPPs") owned by PLN. The total capacity of these MPPs is 500 MW across eight locations including Nias, Lombok, Pontianak and Belitung. The O&M contracts are valid for two years starting from the commencement date of each MPP area, extendable by mutual agreement of the parties.

Copper and Gold Mining

Our copper and gold mining operations are conducted through AMNT, a joint venture in which we and our joint venture partner, API (an entity in which Mr. Agus Projosasmito is the majority shareholder of record), acquired our interests in November 2016.

We initially, in 2016, acquired a 50% economic interest in AMNT. We acquired our interest in AMNT indirectly through our acquisition of a 50% interest in AMIV, which in turn, through AMI, acquired 82.2% of AMNT, for a consideration of US$404 million, financed through cash on hand. AMIV's purchase of AMNT was financed through the following sources: (i) the Parent Guarantor provided AMIV with a shareholder loan pursuant to a loan agreement entered into on August 23, 2016 of US$246.0 million; (ii) a 99% owned subsidiary of AMIV, PT Amman Mineral Ventura ("AMV"), entered into a mezzanine facility agreement (the "Mezzanine Facility") with PT Multi Daerah Bersaing on June 30, 2016, for US$275.0 million and (iii) on June 20, 2016, AMI, which was previously a 99% owned subsidiary of AMV, entered into a senior facility agreement (the "Senior Facility") with PT Bank Mandiri (Persero) Tbk, PT Bank Negara Indonesia (Persero) Tbk and PT Bank Rakyat Indonesia (Persero) Tbk for US$750.0 million. Borrowings under the Senior Facility bore interest at rates of LIBOR plus 10% per annum during the first year from drawdown, LIBOR plus 12% per annum during the second year from drawdown and LIBOR plus 16% per annum from the end of the second year until maturity. Pursuant to a corporate guarantee and indemnity agreement (the "Parent AMNT Guarantee") dated October 14, 2016, the Parent Guarantor provided a guarantee of this loan in proportion to its direct or indirect shareholding in AMI, which was 50%. Pursuant to a loan agreement entered into with the prior shareholders of AMNT, PT Pukuafu Indah, an unrelated non-controlling shareholder in AMNT which owns the remaining 17.8% of AMNT, had pledged certain rights in its shares in AMNT to the prior shareholders of AMNT. AMI acquired the pledges of such rights in connection with the acquisition of AMNT and succeeded to certain of those pledged rights and therefore AMI had also acquired the economic benefit of PT Pukuafu Indah's shares in AMNT. The Mezzanine Facility and Senior Facility have been repaid in December 2017. In addition, the Parent AMNT Guarantee has been discharged.

We, API, AMI and a new shareholder, PT Sumber Gemilang Persada (a consortium of Indonesian investors led by Mr. Agus Projosasmito), entered into a transaction pursuant to which we, API and PT Sumber Gemilang Persada will hold our interest in AMNT through AMI, and our and API's shareholding in AMI is, in the first quarter of 2018, expected to be reduced to approximately 38% each and PT Sumber Gemilang Persada is expected to own approximately 24% of AMI. As part of this transaction, approximately 50% of the amount of the shareholder loan held by us was converted into equity in AMI, and the other 50% of the amount of the shareholder loan converted into a receivable owed to us by API.

On December 29, 2017 AMI entered into a facility agreement with PT Bank Mandiri (Persero) Tbk for an US$400 million facility, with the option to upsize to US$875 million, primarily for the purpose of funding Phase 7 of the Batu Hijau mine. In the short to medium term, we expect that AMI and/or AMNT will undertake to raise further funding including debt, a domestic-focused initial public offering.

In addition, in connection with the acquisition of AMNT, AMI has agreed to certain contingent consideration payable to the sellers. This contingent consideration consists of: (i) US$225.0 million from Phase 7 of Batu Hijau mine production, 50% of which would be payable after any year end where the London Mercantile Exchange average copper price per pound for such year is US$2.75 or more starting in 2023, (ii) US$229.7 million would be payable if during any quarter commencing after the second quarter after closing of the acquisition, the London Mercantile Exchange average copper price from the Batu Hijau mine exceeds US$3.75 per pound; and (iii) US$203.7 million will be payable by the first anniversary of the first shipment of concentrate (or any other form of saleable copper, gold or silver) from the Elang resource.

AMNT owns and operates the Batu Hijau mine, located on the island of Sumbawa, approximately 950 miles east of Jakarta. The mining concession covers an area 66,000 hectares include the Elang copper and gold resource and several exploration prospects including, Lampui, Rinti, Batu Balong, Nangka and Teluk Puna. Exploration activities from 2017 onward are expected to focus on Nangka, Batu Balong and Teluk Puna which are the most easily accessible areas from Batu Hijau. The Elang copper-gold resource is situated approximately 60 kilometers east of the Batu Hijau mine. AMNT expects to perform feasibility studies on Elang and engage in discussions with the government of Indonesia with a view to developing the mine before the cessation of pit operations at Batu Hijau.

As of December 31, 2016, AMNT had 4.62 million ounces of proven and probable gold reserves and 1.23 million ounces of gold stockpiles and 4.81 million pounds of proven and probable copper reserves and 2.505 million pounds of copper stockpiles.

On January 11, 2017, the Indonesian government issued new regulations on the export of copper concentrate, namely MEMR Regulation No. 5 of 2017 as amended by MEMR Regulation No. 28 of 2017 on the Amendment of MEMR Regulation No. 5 of 2017 on Increase of Added Value of Minerals through Domestic Mineral Processing and Refinery ("MEMR Regulation No. 5 of 2017"). MEMR Regulation No. 5 of 2017 requires AMNT as COW holder to convert its COW into Special Mining Business License—Operation Production (*Izin Usaha Pertambangan Khusus—Operasi Produksi*, an "IUPK OP") in order to export its copper concentrate. On February 10, 2017, AMNT obtained the IUPK OP from MEMR. The 2017 regulations also mandates that IUPK OP holders refine their minerals domestically. AMNT continues to work with the government to guarantee investment certainty and operational continuity, including AMNT's commitment to build an in-country smelting and refining as well as export of copper concentrate. AMNT has begun a feasibility study for the capacity, design and construction as well as operation of an on-site smelting facility. For the smelter, AMNT plans to form a joint venture with another party to develop the smelter and also plans maintain majority ownership of the smelter. AMNT expects to contribute access to land, the port and its power plant to the joint venture, with the joint venture partner making capital contributions for the construction of the smelter. AMNT currently is required to complete the smelter by 2022.

Corporate Governance Rights at AMIV and AMNT

On October 20 2016, we, API and AMIV entered into a shareholders' agreement relating to AMIV and AMNT. Under the shareholder's agreement, management of each of AMIV and its subsidiaries, including AMNT, rests with their respective boards of directors as supervised by their respective boards of commissioners. Under the shareholders' agreement, we and API had agreed to alternate the ability to appoint the president commissioner and president director every three years at each of AMIV and AMNT. The current president director of AMNT is the existing president director at the time of acquisition. In addition, the current president commissioner of AMNT is our current president commissioner, Mr. Muhammad Lutfi. While we do not currently intend to make material changes to the management structure of AMI or AMNT, we expect to negotiate a new shareholders' agreement with API and the new third party shareholder in AMI which would set forth the rights of each shareholder. There can be no assurance that the other shareholders will not require significant minority rights or that such shareholders will not take actions collectively or otherwise that are detrimental to our interests.

Batu Hijau Mine

The Batu Hijau mine site is located on the island of Sumbawa. The mine employs approximately 4,500 workers. Access to the site is possible by ferry from Lombok or by seaplane from either Lombok or Denpasar, Bali. Batu Hijau is a large porphyry copper and gold deposit which is mined using a standard open pit truck and shovel method. The site has supporting facilities owned by AMNT which include an ore processing plant capable of processing up to 120,000 tons per day and comprising two semi-autonomous grinding mills, four ball mills and flotation circuits, coal and diesel fired power stations totaling 157 MW, a deep water port, a ferry terminal and townsite.

At the mine, copper and gold ore is crushed and then transported from the mine by a six kilometer conveyor to the process plant, where it is finely milled and then treated by two stages of flotation resulting in a copper/gold concentrate containing 23% to 30% copper. The concentrate is transported from the process plant through an 18 kilometer long pipeline to the port at Benete where it is filtered-dried and prior to ship-loading. AMNT's customers include traders and smelters outside of Indonesia under short to medium term agreements.

Mining at Batu Hijau was most recently focused on ore production from Phase 6, which was completed during 2017. Current mining at Batu Hijau is focused stockpile processing and development of Phase 7. Overburden removal for Phase 7 is expected to commence in 2018. This overburden removal is required to access the ore in Phase 7 and is expected to take three years. During this hiatus in ex-pit ore production, Batu Hijau will raise capital and feed its processing plant from existing long-term stockpiles of lower grade ore resulting in lower metal production during the Phase 7 waste development period in order to generate cash for operating activities.

Gold

In 2016, AMNT had gold production of 801 thousand ounces and an average realized price of $1,224. Gold generally is used for fabrication or investment. Fabricated gold has a variety of end uses, including jewelry, electronics, dentistry, industrial and decorative uses, medals, medallions and official coins. Gold investors buy gold bullion, official coins and jewelry. AMNT generally sells gold in U.S. dollars at the prevailing market price during the month in which the gold is delivered to the buyers.

Copper

In 2016, AMNT had copper sales of 478 million pounds and an average realized price of $2.05. AMNT generally sells copper in U.S. dollars at the prevailing market price during the month in which the copper is delivered to the buyers. Copper sales are in the form of concentrate that is sold to smelters for further treatment and refining, and copper cathode (raw material for the production of copper rods for the wire and cable industry).

In the nine month period ended September 30, 2017, the joint venture entity, AMIV, had net revenue of US$1,180.4 million.

The Energy Building

We, through our subsidiary AMG, own The Energy building, the building in which we and most of our subsidiaries are headquartered. The Energy building is a modern and intelligent building located in a strategic area of Jakarta, the Sudirman Central Business District ("SCBD"). The building occupies an area of 8,263 square meters, comprising 40 floors for office space and five basement floors for parking. The building was designed by Kohn Pedersen Fox, a prominent architecture firm from New York, USA, The Energy building was built in 2006 with high-quality specifications and was fully operational by the end of 2008.

We acquired a 49% interest in AMG, the company that owns The Energy building, in 2013 and the remaining 51% in December 2015 since we and our subsidiaries are headquartered in the building. AMG leases

the building to businesses which operate in a number of industries, mostly petroleum, mining, financial institutions and professional services. The building has continuously maintained a high occupancy rate, with approximately 94% occupied as of September 30, 2017.

Categorized as a Premium Grade A office building, The Energy building has extensive facilities including a multi-function Hall, a banking hall, international restaurants, a salon and wellness center, money changers, a post office, child care facilities, pharmacy and a mini-market. Moreover, given the location in the SCBD, the building is in close proximity to premium office buildings, shopping centers, hotels and apartments and is also easily accessible from other areas of Jakarta.

Our ownership in AMG is currently held for sale, as part of our strategy of portfolio rationalization. The value of investment properties, which is primarily The Energy building, as of September 30, 2017 was US$349.7 million.

Coal Mining Unit

Through our wholly owned subsidiary, PT Medco Energi Mining Internasional, which in turn owns, PT Duta Tambang Rekayasa ("DTR") and PT Duta Tambang Sumber Alam ("DTSA"), we own and operate coal mines in Nunukan, North Kalimantan. DTR currently produces approximately 575,000 tons per annum and exports its coal under a term contract. From the site, DTR coal is trucked to the loading port, then barged through the Sebakis river to Nunukan anchorage as the offshore transshipment point. Located adjacent to DTR, DTSA is under development and expected to start producing in the fourth quarter of 2017, at annual rate of approximately 300,000 tons. DTR's coal is primarily sold under short-term off-take agreements with foreign buyers. We currently classify this business as a discontinued operation and hold our coal mining assets as assets held for sale.

Competition

We face competition from other oil and gas companies including Pertamina, the state-owned national oil and gas company, in all areas of our oil and gas operations, including the acquisition of production sharing arrangements. Our competitors in Indonesia and South East Asia include international oil and gas companies, many of which are large, well-established companies with substantially greater capital resources and larger operating staff than we have and many of which have been engaged in the oil and gas business for a longer period than us. Such companies may be able to offer more attractive terms when bidding for concessions for exploratory prospects and secondary operations, to pay more for productive natural gas and oil properties and exploratory prospects, and to define, evaluate, bid for and purchase a greater number of properties and prospects than our financial, technical or personnel resources permit. Our ability to acquire production sharing arrangements and to discover, develop and produce reserves in the future will depend upon our ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment. However, given the importance of the oil and gas industry to the Indonesian economy, local participation has been actively encouraged by the Government. Being one of the few Indonesian companies involved in the oil and gas exploration and production industry, we believe we have certain advantages when seeking to expand our business in this sector.

Indonesia's independent power sector is fragmented, with multiple IPPs operating in the small to medium sized (< 400 MW capacity) and large sized segments (> 400 MW). Local Indonesian power players generally operate across multiple segments but are largely focusing on the small to medium sized segments. Indonesia Power and PJB (both state-owned) are the strongest local players as they are well-positioned in the market due to their legacy and relationship with PLN and the government. International power players largely operate in the large sized segment with their main focus being coal and geothermal resources. MPI mainly competes for new projects based on tariff pricing and technical quality location.

AMNT competes with other copper and gold mines, primarily in Asia. AMNT competes based on track record in fulfilling orders, fulfilling customer commitments and ore quality.

Operating Hazards, Insurance and Uninsured Risks

Our main operations are subject to hazards and risks inherent in the exploration, production and transportation of natural gas and oil, and through AMNT and MPI, mining and power generation. Such risks and hazards include fires, natural disasters, explosions, encountering formations with abnormal pressures, blowouts, cratering, pipeline ruptures and spills; most of which can result in the loss of hydrocarbons, mineral and power production, environmental pollution, personal injury claims and other damage to our properties. As protection against operating hazards, we maintain insurance coverage against some, but not all, potential losses. Our coverage includes, but is not limited to, physical damage on certain assets, control of wells, blowouts and certain costs of pollution control, comprehensive general liability including automobile and worker's compensation. In line with what we believe to be industry practice, we do not carry business interruption insurance.

Safety

We have extensive safety procedures designed to ensure the safety of our workers, assets, the public and the environment. General safety procedures are available at the corporate level. More specific procedures are developed by each operating subsidiary to manage high risk jobs or tasks. Working procedures must be available, approved and reviewed by authorized person before a high risk job can be undertaken.

It is our policy that in the event of any conflict between the progress of work and safety or environmental concerns, the safety of employees including third parties and preservation of the environment are paramount. We also continue to build employee and contractor health, safety and environment (**"**HSE**"**) basic competence. Basic standardized training ensures that all employees and contractors have similar HSE insight and knowledge.

We have implemented an HSE management system known as Performance Integrity of Medco E&P (**"**PRIME**"**). PRIME uses a structured approach applied in order to ensure that our business activities fulfill and comply with relevant legal and other requirements relating to HSE. Our management system is aligned with management system models and structures in OHSAS 18001, ISO 9001, ISO 14001, and include the relevant requirements of ISRS 7th. We have also developed our operating systems, guidelines and standard operating procedures to comply with PRIME procedures.

As a result of our robust HSE programs, we recorded a total recordable incident rate of 1.01 in our oil and gas exploration and production domestic operations, which we believe is in line with top level performance in the exploration and production industry. In 2016, we received several safety awards from MEMR: which are the Patra Nirbhaya Karya Madya for Tarakan PSC, Patra Nirbhaya Karya Pratama for Lematang PSC, Patra Nirbhaya Karya Utama in Senoro-Toili. Patra Nirbhaya awards are awarded in recognition of the success rate of an oil and gas company in ensuring the continuity of safety in oil and gas business activities.

Employees

We had 3,855 employees as of September 30, 2017, of which 2,405 were permanent employees and 1,450 were contract employees.

The following table sets forth the number of our regular employees, temporary employees and total employees for the periods indicated below.

As of December 31,	Regular Employees	Temporary Employees	Total
2014	1,327	328	1,655
2015	1,398	133	1,531
2016	2,398	1,287	3,685
As of September 30,			
2017	2,405	1,450	3,855

Our employees have seven labor unions, and we have signed collective bargaining agreements with a term of two years with one year optional extension. Our oil and gas business has not been subject to any material strikes or other labor disturbances that have interrupted our operations. AMNT and MPI have been subject to certain labor disturbances. See "Risk Factors—Risks Relating to Our Business and Operations—Our operations could be disrupted by community or labor issues." We believe we have a good and cooperative relationship with our employees.

Environmental

Our operations are subject to Indonesian laws and regulations governing the environment or otherwise relating to environmental protection. These laws and regulations require the acquisition of a permit before drilling commences development construction, which restrict the types, quantities and concentration of various substances that can be released into the environment related to drilling and production operation activities, and limit or prohibit drilling activities on certain lands lying within wilderness, natural reserves, wetlands and other protected areas. The regulations also require parameter measurement to prevent pollution resulting from former or recent operations, such as plug abandoned wells, and impose substantial liabilities for pollution resulting from our operations. To some extent, the regulatory system regulates the oil and gas industry such that the cost of doing business increases and consequently affects its profitability. Changes in environmental laws and regulations may result in a more stringent and costly waste handling, disposal and clean-up requirements and this could have a significant impact on our operating costs, as well as the oil and gas industry in general. Management believes that we are in compliance with current applicable environmental laws and regulations in all material respects and that continued compliance with existing requirements will not have a material adverse impact on us.

The Government has imposed environmental regulations on oil and gas companies operating in Indonesia and in Indonesian waters. Operators are prohibited from allowing oil into the environment and must ensure that the area surrounding any onshore well is restored to its original state after the operator has ceased to operate on the site. Environmental impact study and a Government permit are required before any exploration work can commence. Under the Oil and Gas Law, SKK Migas has direct control over operators to ensure that they meet the Government regulations. We are required to provide a report containing an environmental impact analysis to the Indonesian environmental agency on a bi-annual basis.

We believe we have demonstrated our compliance with regulations, particularly in environmental aspect. We have consistently received Blue, Green and Gold PROPER awards from the Environmental & Forestry Ministry for certain of our Indonesian assets. While we have generally received Blue, Green and Gold PROPER awards from the Environmental & Forestry Ministry for certain of our Indonesian assets, in 2016, we received a Red rating from Environmental and Forestry Ministry for our Bawean PSC, which we sold in 2017, due among other things to the Governments request for a wastewater treatment facility to be constructed. A Red rating means that we have made efforts to be in compliance, but are not completely in compliance with regulations. AMNT's mining business is also subject to Indonesian environmental regulations. See "Regulatory Overview—Legal Framework for Environmental".

In 2017, we implemented a new environment, health and safety ("EHS") management system which is both corporate and project based, and which, among other things, improves our ability to monitor and identify risks and assists in compliance with the Equator Principles, which is a risk management framework adopted by financial institutions for determining, assessing and managing environmental and social risk in projects. We also appointed a new head of sustainability.

We have a strong commitment to participate in reducing the effects of climate change. Energy-related activities contribute around 70% of global greenhouse gas ("GHG") emissions, with oil and gas jointly representing approximately 60% of those energy-related emissions through their extraction, processing and subsequent combustion. While the direct emissions of the oil and gas sector are significant contributors to total

global GHG emissions, the bulk of GHG emissions generated through the oil and gas lifecycle are in the consumption and combustion of final products and remain beyond the boundaries of oil and gas companies' operations. Indonesia has ambitious goals to reduce greenhouse gas emissions by 26% away from "business-as-usual" levels by 2020, or by as much as 41% with international support, while at the same time maintaining strong economic growth. As an energy company that mainly does exploration and development in the oil and gas industry, we are highly-committed to overcoming effects of climate change. We conduct efforts to minimize our GHG emissions and to instill good practices in terms of energy and resource efficiency. We minimize our GHG emissions by monthly monitoring of GHG emissions and a reporting process to our board of directors, and we also continuously seek to innovate processes to perform energy efficiency activities. We also report our GHG emission levels to the Ministry of Environment and Forestry on an annual basis. We have also taken measures including converting our operational vehicles from fossil fuel-based engines to gas-based engines, pioneering the reduction and utilization of flaring gasses across multiple assets, and applying low-pressure gas emission reductions and utilization with low pressure compressors (gas jack) in asymptotic conditions.

Corporate Social Responsibility

Our Corporate Social Responsibility ("CSR") program is designed and managed to benefit the stakeholders around our main operating areas and is customized according to each community's primary needs and competencies. In each community, our CSR investments are focused on three policy pillars:

- to foster empowerment and entrepreneurship;
- to manage and mitigate security risks to our operations; and
- to encourage and invest in the development of environmentally friendly renewable energy.

In 2016, we spent a total of US$0.7 million on CSR programs in operations ranging from East Aceh (DI Aceh), Anambas and Natuna (Riau Islands), Lahat, Musi Rawas, Banyuasin, Banyuasin, Muara Enim, Penukal Abab and Lematang Ilir (South Sumatra), Tarakan (North Kalimantan), North Morowali, Toili to South Batui (Central Sulawesi). Such programs included, among others, promoting sustainable agriculture in more than 20 villages, providing electricity to 558 houses in five villages, providing early childhood education, books and housing, supporting the cultivation of medicinal herbs and organic vegetables in 1,950 family gardens in 37 villages, providing tools and training for 1,944 fishermen on post-harvest processing techniques for captured fish and developing organic rubber farms for 375 farmers in South Sumatra. We also established institutions to ensure a consistent effort in developing these programs.

We have consistently received Blue, Green and Gold PROPER awards from the Environmental & Forestry Ministry for certain of our Indonesian assets. The Company also received Adiwiyata School Award in Anambas for our contribution to child education. With the help of our program, in 2016 the organic rubber farmers from South Sumatra were invited to the Indonesian presidential palace and received Farmers' Achievement Awards for the third time.

Legal Proceedings

From time to time, we have been and may be a party to various legal proceedings.

We are not currently a party to any other pending legal proceedings that we believe will have a material adverse effect on our business, financial condition or results of operations.

REGULATORY OVERVIEW

Legal Framework for the Oil and Gas Industry

Executing Agency for Upstream Activities

Under the 1945 Indonesian Constitution, all oil and gas resources in Indonesia belong to the state and should be used for the greatest benefit and welfare of the people of Indonesia. The Indonesian oil and gas industry has been liberalized in recent years, although the Indonesian Government ultimately retains control of the industry. In the 1970s, the management of Indonesia's oil and gas assets and PSCs was concentrated in the hands of Pertamina. Pertamina also acted as operator in some contract areas under various Production-Sharing Contracts. Pertamina was initially a state-owned enterprise and has since been converted into a state-owned limited liability company (*PT Pertamina (Persero)*) as regulated under Government Regulation No. 31 of 2003 on Change of Status of the State Oil and Gas Mining Company ("Pertamina") into a Limited Liability Company ("Persero"). Until 2001, Pertamina was responsible for all aspects of upstream and downstream oil and gas activities. Following the passage of the Oil and Gas Law, Pertamina's role was split up, such that it was effectively operated as an independent state-owned oil and gas company and its supervision and management of the Indonesian oil and gas industry was consequently exercised by BP Migas for upstream activities and BPH Migas (Oil and Gas Downstream Regulatory Body / *Badan Pengatur Hilir Minyak dan Gas Bumi,* "BPH Migas") for downstream activities. According to the Oil and Gas Law and Government Regulation No. 42 of 2002 on Executing Agency for Upstream Oil and Gas Business Activities, which took effect on July 16, 2002, BP Migas, as executing agency, became responsible for managing the PSC in Indonesia, and Pertamina was thereafter free to tender for a contract on an equal basis with other operators.

However, on November 13, 2012, the MK issued MK Decision 36/2012, which annulled articles of the Oil and Gas Law that relate to the authority, role and functions of BP Migas, and BP Migas therefore ceased to exist. MK considered that the meaning of Article 33 of the 1945 Indonesian Constitution is that the Indonesian Government should directly manage oil and gas resources, as opposed to only performing supervisory duties through BP Migas. MK also found that state control over the country's oil and gas resources through BP Migas as the regulatory and monitoring body had degraded, and therefore it violated the Indonesian Constitution.

MK further ordered that all authority and responsibilities of BP Migas be transferred to the Indonesian Government through the MEMR, until a new oil and gas law is adopted. MK Decision 36/2012 also stated that all PSCs) signed by BP Migas would remain valid until their respective expiration dates or as agreed to by the Parties. To execute the MK Decision 36/2012, Presidential Regulation No. 95 dated November 13, 2012 on the Transfer of Duties and Functions of Upstream Oil and Gas Activities ("PR 95/2012") was enacted to transfer BP Migas' roles and responsibilities to the MEMR. The MEMR then transferred the duties, functions, and organizations of BP Migas to the Interim Task Force for Upstream Oil and Gas Business Activities (*Satuan Kerja Sementara Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi*) as stated under MEMR Regulation No. 3135 K/08/MEM/2012 on Transfer of Duties, Functions and Organizations in execution of oil and gas business dated November 13, 2012 ("MEMR Regulation 3135/2012") as the implementation regulation of PR 95/2012. The Interim Task Force for Upstream Oil and Gas Business Activities is responsible to the MEMR.

Following the enactment of PR 95/2012 and MEMR Regulation 3135/2012, PR 9/2013 was enacted on January 10, 2013 to establish "SKK Migas" (Special Task Force for Upstream Oil and Gas Business Activities / *Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi*), which became effective on the enactment date, except for matters related to the operational expenses which took effect on November 13, 2012. Pursuant to PR 9/2013, SKK Migas is responsible for the management of upstream oil and gas business activities and has the authority to deal with all matters in relation to operational expenses of oil and gas business activities arising from and after November 13, 2012 until the issuance of new oil and gas law. In order for SKK Migas to control, supervise, and evaluate the management of the upstream oil and gas business activities, a Supervisory Commission was established under PR 9/2013. The Supervisory Commission consists of the MEMR as the Chairman, Vice Minister of Finance, which manages the State Budget as the Vice Chairman, the Chairman of

Capital Investment Coordinating Board and the Vice Minister of the MEMR as the members. The Supervisory Commission will submit a report to the President at least once every six months.

Upstream Regulations

Upstream activities are conducted in working areas whose boundaries are determined by the MEMR. Each contractor may only be granted one working area and, accordingly, upstream oil and gas companies operating in Indonesia incorporate separate legal entities for each asset in which they have an interest. Upstream activities are performed through petroleum contracts between either SKK Migas or Pertamina and contractors. Unlike any other industry in Indonesia, upstream oil and gas activities are open to participation by foreign business entities that are established and incorporated outside Indonesia.

The director general of Directorate General of Oil and Gas ("DGOG") may put a working area out to tender and invite bids for an interest in the area with regard to the opinion of SKK Migas. The negotiation of production-sharing arrangement terms with potential contractors is handled primarily by the MEMR. Awards of work areas are granted based on either a competitive tender process or a direct offer, as regulated under MEMR Regulation No. 35 of 2008 on Procedures of Determining and Bidding Oil and Gas Working Areas ("MEMR Regulation 35/2008"). Direct offers shall be performed based on a contractor's written proposal for a working area that has not been reserved for the bidding process. If the director general of DGOG approves such proposal, the contractor must conduct a joint study (*i*.e., a survey activity conducted by the interested business entity together with DGOG to locate potential oil and gas fields, "Joint Study").

All production-sharing arrangements between the Indonesian Government and private contractors are based on six main principles, which are applicable to PSCs, TACs (Technical Assistance Contracts) and KSOs (Operation Cooperation Agreements) (see below):

- the contractors are responsible for all investments and production costs (exploration, development and production), including provision of capital to implement the agreed work program;
- the operational risk in performing upstream activities under the contracts is borne by contractors;
- the contractors' investment and production costs may be recovered against production;
- the profits are split between the Indonesian Government and contractors based on production after the cost recovery portion;
- the ownership of all tangible and intangible assets remains with the Indonesian Government; and
- the overall management and control remains with BP Migas (now SKK Migas) on behalf of the Indonesian Government.

The most common type of production-sharing arrangement is the PSC. These PSCs, both historically and currently, have been granted in respect of exploration properties and are awarded for the exploration for oil and gas reserves and the establishment of commercial production of those resources.

PSC

A PSC is granted by the Indonesian Government, through SKK Migas, to one or more contractors to allow the contractors to explore, develop and produce oil and gas reserves and resources in a designated working area. Accordingly, PSCs are entered into with SKK Migas and approved by the co-signature of MEMR on behalf of the Indonesian Government. Each PSC is based on a standard form contract and typically contains provisions such as:

- the requirement for the contractor to pay to the Indonesia Government (through SKK Migas) certain signature bonuses, yearly administrative fees, royalty payments, production-level payments and the payment of certain bonuses upon the achievement of certain production milestones for the working area;

- the term of the initial exploration and development period, with an option for the parties to agree to extend this period;
- the obligations of the contractor (and any other operators of the working area) to bear the risk and costs of exploration and development activities and/or production operations;
- the scope and schedule for the contractor (and any other operators of the working area) to undertake exploration and production activities;
- the ability of the contractor (and any other operators of the working area), if commercial production is successful, to recover its exploration, development and production costs out of the oil and gas produced after deduction of First Tranche Petroleum ("FTP");
- the percentage allocation of total oil and gas production between BP Migas (now SKK Migas) and the contractor out of FTP and the following recovery by the contractor of their costs;
- the requirement for the contractor to supply the Indonesian domestic market at a discounted price with a certain percentage, usually 25%, of the contractor's share of total oil and gas produced;
- the requirement that the title to petroleum at all times lies with the Indonesian Government, except where the title to crude oil or gas has passed in accordance with the provisions of the PSC;
- the obligation of the contractor to pay the Indonesian corporate taxes on its share of profits, including FTP;
- the requirements for the contractor to provide financial and performance guarantees to BP Migas (now SKK Migas) to secure the contractor's exploration and production work commitments;
- the requirements for the contractor to market the oil and gas produced; and
- the requirements for the contractor to relinquish specified percentages of the working area, which are not required for production and/or in which hydrocarbons have not been discovered by specified times.

Pursuant to Government Regulation No. 35 of 2004 on Upstream Oil and Gas Business as amended from time to time lastly by Government Regulation No. 55 of 2009 on Second Amendment to the Upstream Oil and Gas Business ("GR 35/2004"), once the approval of the field development plan for first production from a working area has been received, contractors are required to offer up to a 10.0% participating interest to a regional government-owned enterprise (*Badan Usaha Milik Daerah*) upon the approval of the first field to be developed in a working area. In the event that the regional government-owned enterprise does not accept such offer within 60 days after the offer, the contractor must offer such participating interest to a limited liability company established and existing in accordance with Indonesian Law which is domiciled and operated in Indonesia and wholly owned by Indonesian citizens or other national companies, including, but not limited to, state-owned companies, cooperations, small enterprises and national private companies (each a "National Company"). If, within 60 days, no National Company accepts the offer, then the offering is closed.

MEMR has enacted a new regulation with regards to the bidding of participating interest 10.0% in the oil and gas working areas namely MEMR Regulation No. 37 of 2016 on Terms of Bidding Participating Interest 10.0% in Oil and Gas Working Areas ("MEMR Regulation 37/2016"). This regulation requires contractors to offer 10.0% of participating interest to a regional government-owned enterprise upon the approval of the first field to be developed in a working area. MEMR Regulation 37/2016 also restricts the scope of the regional government-owned enterprise which shall be in the form of (i) a regional company with the shares wholly owned by the regional government, or (ii) a limited liability company which at least 99% of its share are owned by regional government and the remaining shares are all affiliated with the regional government, (iii) the status of the regional government-owned enterprise was passed through local regulations, and (iv) only engage in participating interest management business. Each regional government-owned enterprise is only given 10% of participating interest management for one working area.

If there is more than one contractor in a PSC, the contractors may enter into an operating agreement with the other owners of Participating Interest under the PSC. Pursuant to this operating agreement, each participant agrees to participate in proportion to its respective equity interest in all costs, expenses and liabilities incurred in conjunction with petroleum operations in the working area and each participant will own, in the same proportion, the contractual and operating rights in the PSC. One participant is appointed operator and, subject to the supervision of the operating committee (consisting of one representative appointed by each party) and the terms of the operating agreement, the operator is vested with the management and discretion of all petroleum operations in the working area. The operator is obliged to use its best efforts to conduct the petroleum operations in accordance with generally accepted practices in the petroleum industry and receives an indemnity from the other contractors for acting in the capacity of operator. An operating agreement generally continues in effect for the term of the PSC.

As part of the Indonesian Government's goal to increase oil and gas production in Indonesia, the MEMR issued MEMR Regulation No. 6 of 2010 on Policy Guidance for the Increase of Oil and Gas Production ("MEMR Regulation No. 6/2010"), which requires contractors to expedite existing exploration and development activities. In particular, MEMR Regulation No. 6/2010 requires contractors to submit the oil and gas reserves report to SKK Migas within 14 calendar days after being stipulated by SKK Migas, to propose a field development plan no later than 90 calendar days following, to initiate field development activities at least 180 calendar days after obtaining field development approval from the authority and obliges the contractors to conduct oil and/or gas production within at least two years after obtaining field development approval from the authority. In affirmation to aforementioned Indonesian Government's goal, the President of Indonesia has issued a Presidential Instruction No. 2 of 2012 on the Increase of Oil Production.

Joint Study Agreement

Pursuant to MEMR Regulation 35/2008**,** where an area has not already been reserved for the bidding process, a contractor may bid for such working area directly by providing the director general of DGOG with a written proposal. If the director general of DGOG approves the proposal, the contractor must, at its own cost, conduct a Joint Study with DGOG (or any other party appointed by DGOG) of the proposed area. Joint Study shall be conducted over eight months, extendable once for the period up to four months. All costs and risks required in the implementation of the Joint Study are the burden and responsibility of business entities or Permanent Establishments of Joint Study Commitments and they are required to maintain the confidentiality of data used and produced in the Joint Study. The Joint Study only extends to minimum geological and geophysical work (for example, field surveys, magnetic surveys, reprocessing of existing seismic lines etc.). In general, each Joint Study work program will incur a cost of US$500,000 to US$700,000 borne by the contractors under the Joint Study. The contractor is obligated to deliver performance bond in the amount of US$1,000,000 from the well-known bank domiciled in Jakarta during the Joint Study and submitted in 14 days following the issuance of approval of the direct offer of the working area. Upon completion of the Joint Study, the director general of DGOG may choose to announce a bidding process for the working area. Contractors who conducted a Joint Study with DGOG (or any other party appointed by DGOG) will have the right to change their offer (right to match) in the bidding process, if the other bidders give higher offers, but otherwise they have no preferential treatment.

Extension of PSCs

Pursuant to the Oil and Gas Law and GR 35/2004, PSCs may be extended for a period of not more than 20 years for each extension. A contractor who intends to extend its PSC must submit a request to the MEMR through SKK Migas. Then, SKK Migas shall evaluate the request and submit it to the MEMR for consideration. A request for an extension of a PSC may be submitted no sooner than ten years and no later than two years before the expiry date of the PSC. However, if the contractor has entered into a natural gas sales/purchase contract, such contractor may request an extension of the PSC earlier than ten years prior to the expiry date of the PSC.

In granting approval, the MEMR shall consider, among others, potential reserves of oil and/or gas from the work area concerned, potential or certainty of market/needs, and technical/economic feasibility. Based on its consideration, the MEMR may reject or approve such request.

Fiscal Term

On June 15, 2017, the Indonesian Government issued Government Regulation No. 27 of 2017 regarding to the amendment of Government Regulation No. 79 of 2010 about the Operating Costs that may be Recovered and Income Tax Treatment for Upstream Oil and Gas Activities ("GR 27/2017") and effectively applied on June 19, 2017. GR 27/2017 regulates the costs that cannot be recovered in the calculation of profit sharing and income tax which includes costs incurred for personal interests of the Participating Interest holders, penalties imposed due to violation of any laws by the contractor, depreciation costs, legal consultant and tax consultant fees, and bonuses payable to the Indonesian Government.

GR 27/2017 also regulates income tax applicable to the transfer of Participating Interest and any other activities conducted by PSCs. It also requires that the contractor has its own tax identification number. Although provisions of GR 27/2017 apply only to contracts entered into and extensions of contracts after the issuance of the GR 27/2017, all contracts in existence up to the issuance of GR 79/2010 remain in force until the expiration date of the relevant contracts by continuing to fulfill its obligations for matters that have not been regulated or not sufficiently clearly regulated in the contract on: (a) government's share, (b) terms for operating cost which can be recovered and the standard norms for operating cost, (c) non-recoverable operating costs, (d) third-party appointment to conduct financial and technical verification, (e) issuance of income tax assessment, (f) import duty and import tax exemption on importation of goods for exploration and exploitation activities, (g) contractors' income tax in the form of oil and/or gas volume from contractor entitlement and (h) income from outside the contract in the form of uplift and/or Participating Interest transfer, must be adjusted to comply with GR 27/2017. Some implementing regulations have been put in place on matters provided for in GR 27/2017. The implementing regulations cover various subjects, from the method for determining the Indonesian Crude Price (the "ICP") issued by the MEMR, the terms and conditions for indirect head office cost recovery, procedures for withholding and remitting income tax arising from other income in the form of uplift or other similar compensation and contractor's income from Participating Interest transfer, to subjects such as the maximum remuneration that can be cost recovered by the Contractor issued by the Minister of Finance.

GR 79/2010, the provisions of which are maintained in GR 27/2017 also stipulates that income arising from Participating Interest transfer is subject to final income tax at 5.0% or 7.0% of the gross proceeds for exploration stage or exploitation stage respectively. Subject to satisfying certain requirements, a risk sharing Participating Interest transfer during exploration stage is not included as a taxable Participating Interest transfer. Participating Interest is defined as rights and obligations of PSC contractors either directly and indirectly in a working area.

Minister of Finance Regulation No. 257/PMK.011/2011 dated December 28, 2011 (MoF 257/2011) further stipulates that taxable income, after deduction of final income tax on uplift and/or Participating Interest transfer, is subject to branch profit tax in accordance with the income tax law. GR 27/2017 has introduced tax facilities that such taxable income, after deduction of final income tax on uplift and/or Participating Interest transfer, are exempted from branch profit tax. However, it is not yet clear whether these tax facilities can be applied to Participating Interest transfer of PSC entered into or extended prior to enactment of GR 27/2017. In addition, although technically GR 27/2017 should override the contents of MoF 257/2011, it is uncertain whether or not another implementing regulation is needed to revoke MoF 257/2011.

The statements herein regarding the GR 27/2017 are general in nature and in force as of the date of this document. The provisions of GR 27/2017 are subject to various interpretations and applications by the relevant authorities.

With regards to the land and building tax, under the Regulation of Director General of Tax No. PER-45/PJ/2013, effective as of January 1, 2014 ("DGT Regulation 45/2013"), the land and/or buildings located within and

outside (which shall be the supporting area for the oil and gas mining activity that physically forms an inseparable part of the onshore and offshore area) the working area utilized for oil and gas mining activities and geothermal is subject to land and building tax. The term "land" in this regulation is defined as onshore and offshore, and includes depth measurements. The onshore area which is subject to land and building tax includes productive area, not yet productive area, not productive area and emplacement area. Whilst the offshore area, which is subject to land and building tax, is defined as offshore waters within and outside (which shall be the supporting area for the oil and gas mining activity that physically forms an inseparable part of the onshore and offshore area) the working area utilized for upstream oil and gas business activities, whereby the tax payer has rights and/or received benefits over such area. Not all onshore and offshore areas are subject to land and building tax as the regulation exempts land, inland waters and/or offshore waters within the working area which, among other things, do not create benefit for the taxpayer in respect of its oil and gas activities. The formula to calculate how much tax should be paid is regulated under DGT Regulation 45/2013, and it covers tax to be paid during the exploration period and the exploitation period.

On December 31, 2014, Minister of Finance issued Regulation Number 267/PMK.011/2014 on Land and Building Tax Reduction For Oil and Gas Mining At Exploration Stage. Pursuant this regulation, land and building tax incentive granted for sub-surface which is at the exploration stage, in which this tax incentive has become applicable from 2015 onward. The tax reduction incentive can be granted on a yearly basis for a maximum of 6 years of the PSC signing and can be extended by up to 4 years.

In order to obtain this tax incentive, the oil and gas contractor shall be required to comply with requirements that (i) the PSC with the Government is signed after the enactment of GR 79/2010 (after December 20, 2010); (ii) the SPOP (Tax Object Notification Form / *Surat Pemberitahuan Objek Pajak)* has been submitted to the relevant tax office; and (iii) the recommendation letter from the MEMR stating that the land and building tax object is still at exploration stage is attached to the SPOP.

With regards to the land and building tax, under GR 27/2017, land and building tax during the exploitation and exploration period can be 100% exempted. Exemptions for the land and building tax during exploitation period for the sub-surface part can be granted by Ministry of Finance upon consideration of economics of the project. The provisions of GR 27/2017 on tax facilities related to land and building tax are subject to further regulation by the Ministry of Finance.

PSCs signed or extended prior to the application of GR 27/2017 may opt to fully comply with GR 27/2017 by adjusting the existing contract within six months after the effective date of GR 27/2017, i.e., by December 19, 2017 in order to get the benefit of any facilities offered by GR 27/2017. It is not yet clear who will make such determinations or how they will be made.

Abandonment and Site Restoration

On November 24, 2010, BP Migas issued the Guidance of Abandonment and Restoration No. KEP-0139/BP00000/2010/S0 and Working Procedure Guidelines No. 040/PTK/XI/2010 ("Restoration Guidance") as guidance for the implementation of abandonment and site restoration ("ASR") for upstream oil and gas business activities. Under the Restoration Guidance, the PSC's contractor shall prepare the ASR report for (1) existing assets, (2) assets being constructed and (3) assets that will be constructed, in accordance with the plan of development. The ASR report must contain an ASR activities plan, estimates of ASR costs and the total amount to be reserved as an ASR fund. The contractor is required to set aside the ASR fund and transfer it to a joint bank account under the names of the contractor and SKK Migas. The bank shall be a reputable Indonesian bank, as agreed upon by the contractor and SKK Migas. The ASR fund is deemed as an operating cost.

The proposed implementation plan for abandonment and restoration needs to be submitted by the contractor to SKK Migas at least two years before implementation. After completing abandonment and restoration activities, the contractor must report on the result of the implementation, as well as the use of the ASR fund.

SKK Migas will evaluate the report submitted by the contractor and issue a statement letter confirming completion of the ASR if the evaluation result is satisfactory.

Legal Framework for Downstream Activities

Downstream activities consist of the following activities:

- Processing, activity to purify, obtain parts of, increase quality of and increase the value added of the oil and gas, excluding field processing;
- Transportation, activity to relocate oil, gas and/or any of its processed products from the working area or storage and processing location, including carried out gas through transmission and distribution pipe;
- Storage, activity to receive, collect, store, and outlet the oil and/or gas; and
- Trading, activity to purchase, sale, export, import the oil and/or gas or any of its processed products, including gas sale and purchase through pipe.

Downstream activity may only be performed if the business entity has obtained business license issued by the MEMR. However, processing, transportation, storage and trading activities as a continuation of upstream activity shall not be required to obtain such business license.

Monitoring Body

Downstream activities are monitored by BPH Migas which has been established according to Government Regulation No. 67 of 2002 on the Controlling Board on the Supply and Distribution of Fuel Oil and Natural Gas Transportation Business Through Pipes, dated December 30, 2002, as amended by Government Regulation No. 49 of 2012 on amendment of Government Regulation No. 67 of 2002 dated April 12, 2012 ("GR 67/2002") *jo.* Presidential Decree No. 86 of 2002 on the Establishment of Controlling Board on the Supply and Distribution of Fuel Oil and Natural Gas Transportation Business through Pipes, dated December 30, 2002, as amended by Presidential Decree No. 45 of 2012 on amendment of Presidential Decree No. 86 of 2002, dated April 16, 2012 ("Decree 86/2002").

Pursuant to GR 67/2002, the function of BPH Migas is supervising the implementation of the supply and distribution of fuel and natural gas transportation through pipelines. The supervision is conducted to secure the availability and distribution of fuel throughout the territory of the Republic of Indonesia and increase the utilization of natural gas.

BPH Migas is responsible to the President of the Republic of Indonesia, and the Head of BPH Migas shall deliver a periodic report to the President of the Republic of Indonesia on a semi-annual basis and/or as necessary through MEMR.

The Head of BPH Migas acts as a committee chairman and member of the committee together with 8 members of committee. The chairman and members of the committee are appointed by the President of the Republic of Indonesia by obtaining prior approval from House of Representative as recommended by the MEMR. To assure the implementation of role and function of BPH Migas, Secretarial of BPH Migas is established with BPH Migas' Secretary as its chairman. Secretarial of BPH Migas may have a maximum of 3 Divisions led by the Head of the Division, and a maximum of 2 Sub-Divisions may be formed underneath each of the Divisions.

Business License for Downstream Activities

Pursuant to Oil and Gas Law, licenses for downstream activities consist of the (i) Surveying License (*Izin Survei*); (ii) Processing License (*Izin Usaha Pengolahan*); (iii) Transportation License *(Izin Usaha*

Pengangkutan); (vi) Storage License (*Izin Usaha Penyimpanan*); and (v) Trading Business License (*Izin Usaha Niaga*), this license is divided into 2 categories, i.e., a Wholesale License and a Trading License. The wholesaler may market the oil and/or gas to customer on a large scale. However, the wholesaler shall own and/or control its owned storage facility and assure the availability of oil and gas for domestic market. The business entity with the Trading License may provide services to the owner of receiving terminal. Therefore, there is no requirement for the holder of the Trading License to own a storage facility.

Each business entity may obtain more than one business license; provided that if:

- the business entity conducts storage, transportation and trading business activities as the continuation of processing activities, it shall only hold a Processing License. However, if such business entity intends to market the oil and/or gas or derivative products of oil and/or gas, it shall obtain a Wholesale License; provided that it has a storage facility;
- the business entity provides storage services and transportation of the oil and/or gas to support the storage services, it shall only hold a Storage License; or
- the business entity conducts storage and/or transportation activities to support its trading activities, it shall only hold a Wholesale License.

As an effort to advance the spirit of government in implementing One-Door Integrated Service (*Pelayanan Terpadu Satu Pintu*) in Indonesia, MEMR have issued the MEMR Regulation No. 40 of 2017 ("MEMR Regulation 40/2017") which delegated the above business licenses of licensing authority in the energy and mineral resources sectors to Coordinating Investment Board (*Badan Koordinasi Penanaman Modal*, "BKPM"). A business entity that is interested in conducting downstream activities shall apply for the above-mentioned business license to the BKPM.

Before issuing the business license, DGOG will issue an interim license (*Izin Usaha Sementara*). The interim business license and the business license may be granted upon fulfillment of the administrative and technical requirement as stated in the MEMR Regulation No. 29 of 2017 on Licensing in Oil and Gas Activities, dated April 12, 2017 ("MEMR Regulation 29/2017"). Each of the business license for surveying activity, the business license for processing activity, the business license for storage activity, the business license for transportation activity and the business license for trading activity has its own administrative and technical requirements. The interim license will be valid for a maximum period of three years and may be extended only for one time with a maximum period of two years. Business entities may apply for a relevant business license (i.e., surveying activity, processing activity, storage activity, transportation activity and trading activity) if they have fulfilled the requirements as stated in MEMR Regulation 29/2017.

A business license for processing activity is granted for a maximum period of 30 years and may be renewed for a maximum period of 20 years. A business license for storage activity is granted for a maximum period of 20 years and may be renewed for a maximum period of 10 years. A business license for transportation activity is granted for a maximum period of 20 years and may be renewed for a maximum period of 10 years. A business license for trading activity is granted for a maximum period of 20 years and may be renewed for a maximum period of 10 years.

Business license holders may be imposed with an administrative sanction if they constitute a breach of their obligation as stated in the MEMR Regulation 29/2017. The administrative sanction may be in the form of a warning letter, injunction of activity, or license revocation. The business license may be revoked by the MEMR if the business entity: (i) fails to fulfill conditions set forth in the respective license, including technical requirements set out by DGOG; (ii) repeats its failure in fulfilling such conditions; and (iii) fails to fulfill requirements set forth under the Oil and Gas Law, including to assure the availability of oil and gas for domestic market, particularly for the holder of processing, storage and trading License.

Government will issue warning letter and may consequentially be followed by administrative sanction, before revoking the license.

Liquefied Natural Gas ("LNG")

Gas processing into LNG may be classified as a downstream business activity as it is intended to be separately profitable and not a continuation of upstream business activity. Business entities that processes gas to LNG, store LNG, distributes LNG and/or market LNG must fulfill the requirements set forth above in order to obtain a business license and commence business activities.

Legal Framework for Drilling Industry

Oil and gas contractors usually require other entities to provide services in order to explore or exploit the oil and gas. Drilling services companies are usually engaged by the oil and gas contractors whether in exploration or exploitation phase. On August 22, 2008, the MEMR issued Regulation No. 27 of 2008 on the Oil and Gas Supporting Services ("MEMR Regulation 27/2008"), which regulates licensing procedure for oil and gas services companies including drilling services companies.

Licenses

Pursuant to MEMR Regulation 27/2008, the drilling services company is required to obtain a Registration Certificate (*Surat Keterangan Terdaftar*). The application for Registration Certificates is submitted through DGOG. Within 10 (ten) days of receipt of the completed application, DGOG shall issue such Registration Certificate to the drilling services company. Registration Certificate shall be valid for 3 (three) years and renewable. In providing drilling services to oil and gas contractors, drilling services companies shall comply with local content requirement set forth by the oil and gas contractor pursuant to the applicable law.

In addition to the Registration Certificate, the drilling services company, as the owner of a rig utilized in oil and gas activities, shall obtain a worthiness certificate issued by DGOG for its rig.

Cabotage Rule

Indonesia's Law No. 17 of 2008 on shipping includes a cabotage rule. The cabotage rule specifically reserves domestic sea transportation activities to domestic shipping companies using Indonesian-flagged vessels and Indonesian crews. The Indonesian Government has interpreted the cabotage requirement broadly to apply not only to vessels engaged in the transportation of goods and passengers, but also to offshore platforms, construction and drilling vessels, Floating Production Storage and Offloading facility (FPSO) and other specialized equipment used in the offshore oil and gas industry. For the time being, the Indonesian Ministry of Transportation has exempted certain specialized oil and gas vessels, including vessels conducting oil and gas survey activities, drilling, offshore construction, offshore supporting activities, dredging and salvage and sub-sea work, from flying the Indonesian flag, as many vessels used for oil and gas activities are high-tech specialized vessels, expensive, and currently not available from Indonesian shipbuilders.

Regulation of the Indonesian Mining Industry

The constitution of Indonesia states that Indonesia's natural resources are to be controlled by the state and must be used for the maximum benefit of the Indonesian people. The old mining law, Law No. 11 of 1967 on Mining and its implementing regulations adopted this as a fundamental principle. 'Control' was interpreted as being equivalent to ownership and therefore no title to particular mineral deposits was granted by the state to private companies or individuals. The state, in general, only granted rights to exploit and sell the mineral deposits to encourage new investment in the Indonesian mining sector. On January 12, 2009, former President Yudhoyono enacted the Mining Law, which revoked the old mining regime.

One of the objectives of the Mining Law is to provide equal treatment to foreign and domestic investors introduced under the Investment Law of 2007 (as defined below), and includes, among other things, (i) the

abolishment of the contracts of work system; (ii) the introduction of a license-based system equally applicable to both foreign and domestic investors; (iii) the allowance of foreign investment while also requiring divestment; (iv) the authorization of the Government to designate mining areas (*Wilayah Pertambangan*) within Indonesia; (v) the requirement of a tender process for the granting of new mining concessions; (vi) the regulation of larger mining areas and reduction terms for production; (vii) the requirement to comply with onshore processing obligations; and (viii) the regulation of mining services contractors.

Under the Mining Law, new licensing classifications are being introduced, abolishing the previous licensing system which provided for mining authorizations (*Kuasa Pertambangan*, "KP"), contracts of work (*Kontrak Karya*, "KK" or "COW") and the coal contract of work (*Perjanjian Karya Pengusahaan Pertambangan Batubara*). The new licenses are classified as follows:

- a Mining Business License (*Ijin Usaha Pertambangan*, an "IUP"): valid for mining operations of coal, rock, metal minerals or non-metal minerals, within an IUP operational area (*Wilayah Izin Usaha Pertambangan*, a "WIUP"), an IUP may only be granted for the mining of one type of resource. Such WIUP shall be located within a mining operational area (*Wilayah Usaha Pertambangan* "WUP"). WUP is stipulated by the Government, upon being determined by the regional government and submission in writing to the House of Representatives (*Dewan Perwakilan Rakyat*, the "DPR"). An IUP will only be granted to a business entity, individual or cooperatives (*koperasi*). An IUP may be obtained by submitting an application to (i) the Regentor the Mayor (for local investment only), (ii) the Governor or (iii) the MEMR, respectively, based on their authority over the WUP or by attending an auction process of the WUP (except for rock mining). In the event that the WUP is found to contain more than one type of resource, the existing IUP holder's additional IUP application for the newly discovered resource is prioritized;

- a Special Mining Business License (*Izin Usaha Pertambangan Khusus*, an "IUPK"): granted for coal and metal mineral mining, where the mining area (*Wilayah Izin Usaha Pertambangan Khusus*, the "WIUPK") is located within a special mining operation area (*Wilayah Usaha Pertambangan Khusus*, the "WUPK"), being a conversion from a state reserved area (*Wilayah Pencadangan Negara*, a "WPN") as approved by the DPR for mining operations. Similar to the IUP described above, an IUPK may only be granted for the mining operation of one type of resource. Further, an IUPK will only be granted to a legal entity established in one of the following forms: a state-owned enterprise (*Badan Usaha Milik Negara*, a "BUMN"), a regional government-owned enterprise (*Badan Usaha Milik Daerah*, a "BUMD") or a private entity. Although a BUMN and a BUMD have priority to obtain an IUPK, a private business entity may obtain an IUPK by participating in an auction or by submitting an application to MEMR specifically for COW holder which COW's tenure is expiring; and

- a People's Mining License (*Ijin Pertambangan Rakyat*, an "IPR"): granted either for individuals, community groups, or cooperatives within a people's mining area (*Wilayah Pertambangan Rakyat*, a "WPR"). A WPR is determined by the Regent or Mayor in consultation with the DPR. An IPR is available for the mining of coal, rock, metal mineral and non-metal mineral within a limited mining operational area.

Existing COW will remain valid for the remainder of their respective terms of contract, but are subject to amendments of certain terms (not including taxes and levies) and may be converted to the appropriate licenses upon their expiration. In order to extend an expiring COW, Regulation No. 23 of 2010 (as amended) requires a COW to be converted to an IUPK within two years before the end of the COW period but that such conversion shall be no later than six months before the COW period has ended.

During 2010 and 2011, the Government issued several implementing regulations to implement the Mining Law through the enactment of Regulation No. 22 of 2010, Regulation No. 23 of 2010 as recently amended by Regulation No. 1 of 2017 ("Regulation No. 23 of 2010 (as amended)"), Regulation No. 55 of 2010, and the most recent implementing regulation of the Mining Law, Regulation No. 78 of 2010.

Regulation No. 22 of 2010 regulates the procedures to determine the WUPs, the WUPKs, and the WPRs. The determination of these mining areas lies on the sole discretion of the Government, and in respect of a WUPK, prior approval from the DPR is required.

Further, Regulation No. 23 of 2010 (as amended) sets out the minimum divestment requirement for foreign holders of IUP and/or IUPK such that the shareholding of the Indonesian participant must be at least 20% at the sixth year of production and at least 51% at the tenth year of production. Such divestment scheme is applied to all types of mining companies. If the capital of the foreign-owned companies is increased, then the aggregate amount of stakes ownership of such local party cannot be diluted and always subject to the aforementioned amount. The divestment requirements as set forth in Regulation No. 23 of 2010 (as amended) apply to IUP and/or IUPK granted both prior and subsequent to the issuance of such regulation.

The divestment to an Indonesian entity is to be made pursuant to the following procedure: the shares must be offered to the central government; if they are not willing to buy, they are to be offered to provincial or regent/municipal governments. If those parties are unwilling to purchase the shares, the shares are tendered to both state and regional-owned enterprises. In each case, parties are given 30 days from the date of offering to declare their interest. If no state- or regional-owned enterprise is willing to purchase the shares, they can be tendered to private, local companies which are given 30 days to declare their interest after the initial offering date. If a local company chooses not to purchase the divested shares, the shares shall be offered for an initial public offering.

In addition, Regulation No. 23 of 2010 (as amended) also provides that the holders of an IUP and IUPK must prioritize domestic needs for coal. The holders of an IUP and an IUPK may export their coal only after the Indonesian domestic market has been fulfilled, which is regulated by a Ministerial Regulation. Prior to the release of Regulation No. 23 of 2010, the MEMR issued MEMR Regulation No. 34 of 2009, which requires producers of coal and minerals in Indonesia to allocate a portion of their annual production output to the Indonesian domestic market. In relation to export activities, Pursuant to Minister of Trade Regulation No. 39/M-DAG/PER/7/2014 on Provision on Coal Export and Coal Products, as Amended by Minister of Trade Regulation No. 49/M-DAG/PER/8/2014 ("MOTR 39/2014"), certain type of coal and coal products is subject to export limitation. The types of coal and coal product that are subject to MOTR 39/2014 are listed in its Appendix I and Appendix II, which among others include: creosote oil, anthracite, bituminous coal, lignite, peat, and briquette. Any IUP, IUPK, or COW holders who intend to export any product listed therein shall first be recognized by Minister of Trade as a Registered Coal Exporter (*Eksportir Terdaftar Batubara* "ET-Batubara"). Regulation No. 23 of 2010 (as amended) provides additional guidance on what constitutes a private enterprise that may be granted an IUP. A qualified private enterprise may be (i) an enterprise whose shares are owned by domestic investors; or (ii) an enterprise whose shares are owned by foreign investors (a foreign direct investment company or "FDI Company"). This regulation provides that where an applicant for an IUP is an FDI Company, the IUP will be issued by the MEMR (rather than a provincial governor or regent/mayor).

In addition, Regulation No. 23 of 2010 (as amended) introduces a provision that may conflict with the Mining Law. Article 93 (1) of the Mining Law clearly prohibits the transfer of a mining license (IUP or IUPK) to a third party, while the Article 7A of the Regulation No. 24 of 2012 provides that both an IUP and IUPK may be transferred; provided that the transferee is an affiliate of the transferor. For purposes of this provision, an "affiliate" must be at least 51.0% owned by the transferor.

Under Regulation No. 55 of 2010, the supervision of licensed mining activities is generally conducted by the MEMR, governors, regents or mayors. Those who fall under the scope of regulatory supervision are holders of an IUP, an IPR or an IUPK. Regulation No. 55 of 2010 also regulates the supervision of mining activities and the supervision of: finances, mineral and coal processing data, conservation of mineral and coal, operational safety, environmental impacts, land reclamation, post-mining management, technical training of laborers, as well as a host of production data of the types, quality, and total amount of extracted minerals. Supervision will be carried out by Mining Inspectors, with endorsement from the MEMR, although the MEMR, and the governors, regents and mayors may also send authorized representatives into mining facilities. Nevertheless, only a Mining

Inspector is equipped with the authority to recommend that the Chief Mining Inspector: (i) temporarily suspend mining activities in part or entirely or (ii) that certain mining activities permanently cease operations.

Under Regulation No. 78 of 2010, mining companies are obliged to carry out reclamation and post-mining-related activities. Reclamation is required in both the exploration and production operation stages. Prior to commencing each aforesaid stage, mining companies must prepare a reclamation plan which requires the approval of the relevant governmental institutions (the MEMR or the governor or regent/mayor as relevant). Specifically before the production operation stage, mining companies must also prepare a post-mining activities plan, in addition to the reclamation plan. Regulation No. 78 of 2010 also includes an obligation on the mining companies to place guarantee funds in a bank designated by the Government for the following matters: (i) reclamation in the exploration stage; (ii) reclamation in the production operation stage; and (iii) post-mining activities.

A holder of an IUP / IUPK will be required to pay production royalties to the Government as stipulated in the Government Regulation No. 9 of 2012 on the Types and Tariffs of Non-State Tax Revenue Applicable in the Ministry of Energy and Natural Resources. Currently, a range of royalties applies with respect to different types of coal and mineral mining. Under the Mining Law, the holders of IUPK for operation production are required to pay 10.0% of its net profit from the mine, comprising 4.0% to be paid to the Government, and 6.0% to be shared between/among the relevant provincial and regional governments in whose jurisdictions the mine is located.

Under the Mining Law, coal and other minerals mined within Indonesia will be required to be processed and refined domestically. However, to date, the implementing regulations of the Mining Law only set out the standard processing and refining of mineral products. The minimum standard of processing of coal products has not yet been set out in the implementing regulations of the Mining Law. As of the date of this offering circular, the Mining Law provides that "processing and refinery" shall mean a process which increases the quality of minerals and/or coal and the utilization of and the extraction of associated minerals.

The Mining Law states that all concessions for coal and other minerals and metals currently in existence and issued under the previous mining regulations will continue to be valid until their expiry. As for KPs, such licenses shall be adjusted in the form of IUPs. As for contracts of work and coal contracts of work, the terms of those contracts of work must be modified within one year following adoption of the Mining Law to bring them into conformity with the obligations of mining rights holders under the Mining Law. The Mining Law expressly states that the provisions of these existing contracts of work related to state revenue, including royalty and tax payments, will not be amended.

General Mining Services

General mining services are governed under the Mining Law and the MEMR Regulation No. 34 of 2017 on the Licensing of Minerals and Coal Mining, and as lastly has been amended partially under the MEMR Regulation No. 48 of 2017 for the provisions on the changes of ownership or control, transfer of shares or participating interest, and changes to the composition of board of directors and/or board of commissioners within the energy and mineral resources business sector (the "Mining Service Regulations"), and these two are the implementing regulation of the Mining Law. The Mining Service Regulations revoked the MEMR Regulation No. 28 of 2009 on the Implementation of Coal and Mineral Mining Service Business as amended by the MEMR Regulation No. 24 of 2012, the Decree of the Minister of Mining No. 555.K/26/M.PE/1995 on the Safety and Health of the Works of General Mining, the MEMR Regulation No. 18 of 2009 on the Change of Investment in relations to Contracts of Work on the Coal Mining Business, the MEMR Regulation No. 27 of 2013 on the Procedure and Price Setting of Shares Divestment alongside the Changes of Investment in the Business of Mineral and Coal Mining, MEMR Regulation No. 32 of 2013 on the Procedures of Issuing a Specific Permit on the Field of Minerals and Coal Mining as amended by MEMR Regulation No. 32 of 2015, amended the MEMR Regulation No. 10/P/M/PERTAMBEN/1981 on Guidelines and Requirements for Joint Operation Contracts between Pertamina and Contractors in the Organization of Concessions of Geothermal-Energy Resources,

amended the MEMR Regulation No. 10 of 2017 on Principles in Power Purchase Agreement partially for the provisions regarding on the transfer of shares, and revoked the MEMR Regulation No. 42 of 2017 on the Supervision of Concessions of Energy and Mineral Resources Business Activities. A company which intends to provide mining services (a "Mining Services Company") must first obtain a mining service business license (*Izin Usaha Jasa Pertambangan*) from the MEMR in cases that the activity encloses the whole Indonesian territory and also in cases that the applicant is an FDI company, or the relevant Governor in cases that the activity is limited to only one province. The mining service business licenses are granted for a period of five years and can be renewed for another three years.

Mining services companies may be engaged or appointed to perform mining business activities for concession holders (comprising holders who were granted concessions under previous mining regulations and IUP / IUPK holders under the Mining Law). The Mining Law provides that concession holders shall be responsible and held liable for all activities conducted by mining services companies engaged by them, and imposes certain restrictions on concession holders and mining services companies. Mining service companies are required under the Mining Law to give preference to the usage of local content, local contractors and laborers.

The Mining Service Regulations requires, among other things, that mining concession-holders, rather than mining service contractors, conduct certain activities in the coal or mineral extraction process (namely, coal or mineral digging and coal or mineral loading). In relation to that, the Mining Service Regulations provides that mining service companies may conduct services on, among others, overburden with or without explosion, coal loading and transportation to the concession holders or IUPs holder.

Among other provisions, the three most important features set forth in the Mining Service Regulations are as follows:

- The scope of mining activities that may be contracted to mining services companies is limited to the stripping or removal of overburden materials, including excavation, loading and hauling of overburden materials (with or without blasting activities). All activities related to the mining of coal and mineral must be carried out by mining companies themselves. In cases of development and societal empowerment, utilization, optimization, and conservation of alluvial minerals, mining companies can assign the digging of alluvial minerals to mining services companies that hold a mining service business license issued by the governor through a partnership program after receiving the approval of the MEMR. Furthermore, mining companies that use an underground mining method may assign the creation of shaft/tunnel access that leads to the vein ore/seam coal and mineral, flow and ventilation to mining services companies under the fields of tunneling.
- To carry out mining services, mining companies must first prioritize the employment of domestic (local and national) Indonesian mining services companies over "other" mining services companies.
- The activities of a mining services company are to act as (a) (i) consultants, planners, executers and examiners of equipment participating in assessment, exploration, the preparation of feasibility studies, mining environmental control, mining construction, loading, post-mining operations, reclamation and work health and safety management; and (ii) consultants and planners for the fields of mining or processing or refining.

Coal and Metal Minerals Sales Price Controls

On January 11, 2017, the MEMR issued MEMR Regulation No. 7 of 2017 on Method of Determination of Minerals and Coal Benchmark Sale Price ("MEMR Regulation No. 7 of 2017"), as lastly amended by the MEMR Regulation No. 44 of 2017. MEMR Regulation No. 7 of 2017 stipulates that the coal and/or mineral price arrangement between the IUP, IUPK, contracts of work or COW holders and coal and mineral purchaser (including their affiliated parties) should be no less than the Coal Benchmark Price or Mineral Benchmark Price (*Harga Patokan Batubara atau Harga Patokan Mineral Logam*) that is determined each month by the DGMCG

("Government Benchmark Price"). The Government Benchmark Price will be determined based on market mechanisms and/or in accordance with general pricing within the international market. Further, the pricing of Government Benchmark Price may be calculated in Rupiah or in USD. Should the price be calculated in USD, then the equalization of Rupiah and USD shall be made in accordance with the median currency exchange rate determined by Bank Indonesia on the date of or during the period agreed between seller and buyer of coal.

IUP, IUPK, contracts of work or COW holders are allowed to sell the following types of coal below the Government Benchmark Price: fine coal, rejected coal, and coal with certain impurities; provided that such sale is made for the following purposes: (i) coal which is utilized by the license holder for its own consumption, (ii) coal utilized by the license holder to increase the added value of coal from mine-mouth mining activities, and (iii) coal utilized for development of undeveloped areas around the mining area.

Coal Export License

The Ministry of Trade also issued Regulation No. 39/M-DAG/PER/7/2014 regarding provisions on coal exports and coal products as amended by Ministry of Trade Regulation No. 49/M-DAG/PER/8/2014 which requires exporters of power plant coal as well as other types of coal to obtain a license called the ET-Batubara. Coal exporters must secure this license before exporting coal from Indonesia. The license is valid for three years from the date of issue.

Forestry Regulation

Law No. 41 of 1999 on Forestry, as amended by Government Regulation as Substitute of Law No. 1 of 2004 ("Forestry Law"), provides that open-pit mining operations cannot be conducted within protected forests. Notwithstanding this general prohibition, a number of licenses and contracts for open-pit mining in protected forest areas that existed prior to the enactment of Forestry Law 1999 remain valid until their expiration. Significant areas of forestry in Indonesia have been classified as protected forests.

Based on Forestry Law, the use of forests for mining purposes must be conducted with a Borrow-Use License (*Izin Pinjam Pakai*) issued by the Minister of Forestry. Further, under Regulation of the Minister of Forestry No. P.50/Menlhk / Setjen / Kum.1/6/2016 regarding the Guidelines on Borrow and Use of Forest Area ("Regulation 50 of 2016"), a company applying for a Borrow-Use License may deliver non-forest land as compensation or pay compensation for the use of forest area in the form of a non-tax state income. It also stipulates that a Borrow-Use License is valid for the same period as the applicable operational license, such as the mining licenses (IUP or IUPK). Pursuant to the Forestry Law, to make any changes on the utilization of the forest, due to its strategic value, the Minister of Forestry must obtain the approval of the DPR.

Pursuant to Regulation of the Minister of Forestry No. P.04/Menhut-II/2011 dated January 18, 2011 on the Guidelines for Forest Reclamation ("Regulation No. P.04 of 2011"), a mining company whose mining activities are conducted within a forest, based on a Land-use of Forest Area Permit (*Izin Penggunaan Kawasan Hutan*) from the Minister of Forestry, is required to include forest reclamation as a part of its mining activities. It further stipulates that the reclamation process is required to commence without waiting for the mining operations to be completed or within one year from the completion of the mining operations or the expiry of the Land-use of Forest Area Permit.

The reclamation process is required to be consolidated in a five-year plan with additional details contained in the annual plan. The reclamation plan will be assessed by the Directorate General of Watershed Management and Social Forestry at the Ministry of Forestry, on behalf of the Minister. If found to be adequate, then a recommendation will be issued by the Directorate General of Watershed Management and Social Forestry at the Ministry of Forestry, on behalf of the Minister of Forestry, and will be further approved by the MEMR, the head of the regional or the regency government. If the mining period is less than five years, the reclamation plan will be adjusted to the mining period, while the assessment and the approval by the related authorities will follow the "five-year plan" steps.

The Land-use of a Forest Area Permit holder is required to establish a special body to execute the forest reclamation process, which must include experts in forestry, agriculture, mining, soil and other fields related to forest reclamation. A progress report concerning the reclamation process must be submitted periodically to the Directorate General of Watershed Management and Social Forestry at the Ministry of Forestry, with a carbon copy to the Directorate General of Forestry Planology at the Ministry of Forestry, Directorate General of Minerals, Coal and Geothermal at the MEMR; Provincial Technical Agency that handles forestry matters; and the Regent Technical Agency that handles forestry matters, and such report must include quarterly and annual reports. Regulation 50 of 2016 requires that the holder of a Borrow-Use License for mining purposes has to provide compensation in the form of land in exchange for the Borrow-Use License according to the procedure stipulated under Regulation No. P.04 of 2011.

Legal Framework for Geothermal Industry

The House of Representatives passed the Law No. 21 of 2014 on the Geothermal Resources (the "Geothermal Law") on August 26, 2014 replacing the Law No. 27 of 2003 on the Geothermal Resources (the "Law 27/2003"). The Geothermal Law gives an important boost to the geothermal energy industry as it provides that pricing for direct or indirect use of geothermal (e.g. use of geothermal for power plant) will henceforth be based on economic cost, something that is of the utmost importance in an industry where upfront costs can be enormous. In addition, it significantly liberalizes the rules regulating the development of geothermal power projects, in particular by no longer classifying geothermal energy exploitation as a form of "mining," thus exempting it from the restrictive rules governing mining in designated forest areas. The Geothermal Law also places all authority in respect of the licensing of geothermal resources for power generation purposes in the hands of the central government, whereas previously it was shared with local government.

Pricing

The Geothermal Law regulates that the price payable for the use of the state's geothermal energy resources shall be set by the government "having regard to economic cost." In relation to the pricing, the MEMR issued regulation on June 3, 2014 that increases the purchase price payable by PLN for electricity produced by geothermal power plants and for geothermal steam that is used in generating electricity—See Regulations—Legal Framework for The Electricity Industry—Sales of Electricity to PLN.

According to the Geothermal Law, an IUP holder that signed a geothermal power purchase agreement prior to the legislation's coming into effect may renegotiate the price.

Centralized Licensing

The Geothermal Law distinguishes between geothermal energy that is "directly used" and that which is "indirectly used." The former includes the exploitation of geothermal for such things as tourism, agribusiness and industrial purposes, while the latter refers to the use of geothermal to generate electricity. This is a crucial distinction as Article 6(1) of the Geothermal Law places the licensing authority for all aspects of indirectly exploited geothermal energy (that is, electricity generation) in the hands of the central government, while licensing authority in respect of directly exploited geothermal energy is shared by central and local government.

Excluded from Mining Sector

Under the Geothermal Law, geothermal exploitation is no longer specifically classified as a form of "mining." The Geothermal Law vests sole authority to determine the boundaries and extent of geothermal concessions (*wilayah kerja*) for power generation in the central government. The geothermal concessions may be granted in respect of state land, registered land (that is, land for which a title certificate has been issued), tribal

lands, water areas and, perhaps most importantly, forest conservation areas. Should the geothermal project be located in a designated forest area, the Geothermal License holder must obtain the following:

a. A borrow-use permit for a production or protection forest area;

b. a license for the use of a conservation forest area; or

c. In the case of a forest conservation area, an Environmental Services Utilization License (*Izin Pemanfaatan Jasa Lingkungan*) will also be required.

The geothermal resources may be developed for electricity generation purposes in forest conservation areas. However, in order to give effect to this, it is expected that an ancillary/implementing regulation will be issued down the line either by the Ministry of Forestry, or jointly by the Ministry of Forestry and the MEMR.

Licenses

As regards to power generation, the Geothermal Law replaces the requirement to obtain IUP under the Law 27/2003 with the requirement to obtain Geothermal License (*Izin Panas Bumi* "IPB"), following an auction process, by the MEMR. The IPB may not be assigned to a third party. However, the IPB holder may sell its shares on the Indonesia Stock Exchange after the exploration phase has been completed, subject to the approval of the MEMR.

The maximum validity of an IPB is set at 37 years, but may be extended for unlimited consecutive periods each for 20 years.

The Geothermal Law differentiates geothermal operations into (i) exploration, and (ii) exploitation and utilization phases. The duration of the exploration phase is set at five years from the issuance of the IPB, extendable for two periods of one year each, while the duration of the exploitation and utilization phases is capped at a total of 30 years from the date of approval of the feasibility study by the MEMR.

Under Article 31(3) of the Geothermal Law, before commencing the exploratory wells, the IPB holder must obtain an Environmental License (*Izin Lingkungan,* "Environmental License") from the Ministry of the Environment ("MEA"), and then the IPB holder is required to obtain a further Environmental License before commencing the exploitation and utilization phases. The new Environmental License shall be obtained each time there is change in a company's operations.

Taxes and Other Levies

The Geothermal Law provides that an IPB holder must pay taxes and other levies to central and local government. In the case of the central government, besides the normal taxes that are payable to the central government by all commercial entities, an IPB holder must also pay a dead rent (*a fixed rent payable irrespective of whether the project is operational or profitable*) and production royalties, and, in a catch-all provision, "such other state levies as may be provided for by law" (the elucidation of the Geothermal Law explains that these include such things as education and training fees, and research and development fees).

At the local government level, the IPB holder is required to pay local government taxes, local government service charges (such as charges for the provision of public lighting, garbage disposal, etc), and, once again in a catch-all provision, "such other levies as may be provided for by law."

In addition to central and local government taxes and levies, Article 53 of the Geothermal Law provides that an IPB holder is required to pay what is termed a "production bonus" to the local government within whose jurisdiction the geothermal project is located. The amount of the bonus is to be determined as a fixed percentage of the IPB holder's "gross earnings since first commencing operations." The bonus is payable in respect of all concessions, including those issued prior to the Geothermal Law. For concessions issued prior to the Geothermal Law that are currently in production / operation, the bonus is payable starting from January 2015.

Article 55 of the Geothermal Law allows the government to provide fiscal and other incentives, as authorized by law, to encourage the development and exploitation of geothermal resources.

Transitional Provisions

Article 78 of the Geothermal Law provides that all geothermal concessions granted prior to the legislation's enactment will remain valid for 30 years from the enactment date of the Geothermal Law; all geothermal operating contracts will remain in effect until their expiry and all geothermal licenses granted prior to the enactment of the legislation will remain in effect until their expiry; provided that exploitation has commenced by no later than December 31, 2014. Upon the expiry of such geothermal concessions, operating contracts and licenses, they may be converted into IPBs.

In addition Article 79 of the Geothermal Law provides that all IUPs issued prior to the coming into effect of the Geothermal Law must be converted into IPBs by the MEMR.

Article 82 of the Geothermal Law provides that the holders of geothermal concessions, geothermal operating contracts, geothermal licenses and IUPs issued prior to the coming into effect of the Geothermal Law may now conduct operations in conservation forests based upon an Environmental Services Utilization License.

If a company is named as the winner of a concession auction prior to the coming into effect of the Geothermal Law but has not obtained an IUP, Article 81 provides that an IPB will be processed by the MEMR (in a situation where the license would have been issued by local government prior to the coming into effect of the Geothermal Law).

Legal Framework for Electricity Industry

On September 23, 2009, Law No. 30 of 2009 on Electricity ("Electricity Law No. 30") came into effect. Electricity Law No. 30 revoked and replaced the provisions of Law No. 15 of 1985 on Electricity ("Electricity Law No. 15"). The Government Regulation No. 14 of 2012 on Electric Power Supply Business Activities, as amended by the Government Regulation No. 23 of 2014, is the implementing regulation of the Electricity Law No. 30 issued on January 24, 2012 ("Regulation 14/2012"). In addition to the Regulation 14/2012, the procedure obtaining the electricity business license is regulated under the MEMR Regulation No. 12 of 2016 as the second amendment to the MEMR Regulation No. 35 of 2013, together with Regulation 14/2012 shall be referred to as "Electricity Law No. 30 Implementing Regulations").

Industry Framework

Under Electricity Law No. 30 and Regulation 14/2012, electricity supply in Indonesia is no longer executed by the state and carried out by PLN as the exclusive Holders of the Electricity Business Authority (*Pemegang Kuasa Usaha Ketenagalistrikan* (PKUK)). Instead, the electricity supply is controlled by the state and conducted by the central government and the regional government through state-owned enterprises and regional government-owned enterprises. Electricity Law No. 30 also allows private business enterprises, cooperatives and non-governmental enterprises to participate in the electricity supply business. However, PLN, as a state-owned enterprise is given first priority to be the electricity supplier for the public. If PLN declines the offer to undertake a public electricity supply business for the specified area or is unable to provide sufficient supply, the central government or the regional government, in accordance with their respective authority, may offer the right to maintain the public electricity supply business to regional owned enterprises, private enterprises or cooperatives.

Type of Electricity Industry

Electricity Law No. 30 Implementing Regulations divides the electricity industry into two main sectors, namely the electricity supply business and the electricity supporting business. The electricity supply business is

divided further into the electricity supply business for public and captive electricity supply business. Electricity supply business for public covers electricity generation, transmission, distribution and sales, whereas the electricity supporting business is including consultation in electricity supply installation, development and construction of electricity supply installation, examination and inspection of electricity supply installation, operation of the electricity supply installation, maintenance of the electricity supply installation, research and development, education and training, equipment test laboratory and utilization of the electricity power, certification of equipment and utilization of the electricity power, certification of electricity technical manpower competency or certification of electricity supporting business entity.

Electricity Supply Business Licensing

Under Electricity Law No. 15, the electricity supply business license was issued in the form of: (i) an electricity business license for public use (Izin Usaha Ketenagalistrikan Untuk Kepentingan Umum, "IUKU"), (ii) an electricity business license for self-use (Izin Usaha Ketenagalistrikan Untuk Kepentingan Sendiri, "IUKS"), or (iii) a PKUK. However, under Electricity Law No. 30, the PKUK is no longer recognized, and the electricity supply business license will be issued in the form of: (i) an Electricity Supply Business License (Izin Usaha Penyediaan Tenaga Listrik, "IUPTL") for the purpose of supplying electricity for public use, or (ii) an Operation License (Izin Operasi, "IO"), for the purpose of supplying electricity for private use. Under Electricity Law No. 30, PLN is deemed to hold an IUPTL. Under Regulation 14/2012, an IUPTL may be issued for the period of 30 (thirty) years and extendable coverage of Licenses.

Under Electricity Law No. 30, the IUPTL covers the following business activities, such as: (i) electricity generation, (ii) electricity transmission, (iii) electricity distribution and (iv) electricity sale. An IUPTL can be issued separately for each type of electricity business activity. Further, Electricity Law No. 30 allows the integration of electricity business activities for a business entity which conducts an electricity supply business for public use.

Obligations of License Holder

Pursuant to Electricity Law No. 30, an IUPTL holders are obliged to (i) continuously supply electricity that meets the required standard of quality, (ii) provide the best services to the consumers and society, (iii) comply with electricity safety standards, (iv) prioritize the use of domestic products and supplies, and (v) provide a report on its electricity supply business to the Issuer of its respective license. Pursuant to the Electricity Law No. 30 Implementing Regulations, standard of quality shall be issued by the MEMR, the governor, or regent/mayor, in accordance with their respective authority. Failure to meet this obligation may be imposed by penalty in the form of payment of compensation related to service level to the customer.

Business Area

Electricity Law No. 30 maintains the concept of business area, which is an area that is prescribed and designated by the central government within which a business that has an IUPTL may conduct its business. Electricity Law No. 30 also reflects the general principle that only one business entity will have permission, within a single business area, to conduct an integrated electricity supply business for public use. This limitation also applies to business entities whose activities only cover distribution and/or sale of electricity for public use.

Licensing Authorities

As the Government's plan to install an additional 35,000 megawatts of power generation capacity during the 2015—2019 periods, a comprehensive one-stop integrated service is essential to facilitate the licensing process, particularly licensing in sector of electricity business. An earlier attempt to streamline the licensing process had been made by the MEMR through Regulation No. 05 of 2010 ("MEMR Regulation 5/2010") which delegated a limited amount of licensing authority in the energy and mineral resources sectors to BKPM. However, this

regulation, in so far as it relates to the electrical power sector, was revoked on December 24, 2014 by the MEMR Regulation No. 35 of 2014 which came into effect on December 24, 2014 as amended by MEMR Regulation No. 14 of 2017("MEMR Regulation 35/2014").

Under the MEMR Regulation 35/2014, MEMR delegates its authority to BKPM, among others, the issuance of IUPTL. The procedures for submitting license/approval applications and the required supporting documents are unaffected by the MEMR Regulation 14/2017. For instance, an application for an Electrical Power Supply License continues to be governed by the procedures and documents set out in MEMR 35/2013. In order to facilitate the application process, the MEMR has seconded a number of its officials to the BKPM so as to assist with the processing of applications. The MEMR liaison officers also have the authority to provide technical recommendations and/or issue operating licenses, if required.

Transitional Provisions

Under Electricity Law No. 30, all IUKU and IUKS licenses that have been issued under Electricity Law No. 15 will remain valid until their expiration date; provided that such licenses will be adjusted in accordance with the provisions of Electricity Law No. 30 within two years since the enactment date of Electricity Law No. 30, being September 23, 2009. In addition to the delegation given to BKPM in issuing IUPTL, IUPTL that have been issued under the MEMR Regulation 5/2010 will remain valid until its expiration date.

Tariff Structure for the Sales Prices to Public as Consumers

Under Electricity Law No. 30 and Regulation 14/2012, the central Government retains the authority to issue national guidelines regarding electricity tariffs. However, each level of government, with the approval of the national House of Representatives (in the case of the central Government) or regional House of Representatives (in the case of a regional government), has the authority to set electricity tariffs for consumers within its jurisdiction. The holder of an IUPTL may request a tariffs determination from the MEMR, the governor, or mayor/regent, in accordance with its authority. Electricity Law No. 30 expressly contemplates that tariffs charged to consumers may be different in each regional business area. Further terms and guidelines to obtain approval on electricity tariffs to public consumer shall be regulated by ministerial regulations, governor regulations or regent or mayor decree.

Integrated Power Supply Businesses

Regulation 14/2012 provides that an IUPTL license for an integrated power generation and distribution business can only be issued after obtaining the stipulation for business area. MEMR Regulation Number 28 of 2012, as the implementing regulation of Regulation 14/2012, on the Procedure for the Application of Business Area for Supplying Electricity for Public use, stipulates that the stipulation of business area will be granted if the relevant business area is not being served by another business area holder, if an existing business area holder is incapable of supplying electricity on a reliable basis in such business area, or if an existing business area holder return part or all of its business area to MEMR.

Sales of Electricity to PLN

MEMR Regulation No. 19 of 2017 on Utilization of Coal For Power Plant and Purchase of Excess Power ("MEMR Regulation 09/2017"). MEMR issued Decree No. 1415 K/ 20/ M/ 2017 on the Legalization of Business Plan of PLN in Procurement of Electricity (*Rencana Usaha Penyediaan Tenaga Listrik* "RUPTL") for 2017 to 2026. These regulations were issued to increase the capacity of construction and development of national electricity power, especially to increase construction of power generator through independent power producer ("IPP"). Coal-fired power plants can be mine mouth and non-mine power plants. Mine mouth power plant is done through direct appointment while non-mine mouth through legislation.

On June 3, 2014, the MEMR also issued MEMR Regulation No. 17 of 2014 on the Purchase by PLN for Electricity Produced by Geothermal Power Plants and for Geothermal Steam That Is Used in Generating Electricity ("MEMR Regulation 17/2014"). The MEMR Regulation 17/2014 revokes MEMR Regulation No. 22 of 2012.

MEMR Regulation 17/2014 requires PLN to purchase electricity generated from geothermal power plants which operated by IPP who holds IUPTL and steam for the purpose of generating electricity from the holders of geothermal exploitation licenses. The purchase price for electricity is negotiable but must not be higher than the relevant ceiling price set out in the MEMR Regulation 17/2014. The purchase price is dependent on the area where the power plant is located and the COD, subject to approval from MEMR. The mechanism for determining the COD is governed by the Power Purchase Agreement ("PPA").

MEMR Regulation17/2014 distinguishes between three different regions for the purpose of pricing calculations, namely:

Region I : Sumatra, Java and Bali;

Region II : Sulawesi, West Nusa Tenggara, East Nusa Tenggara, Halmahera, Molucca, Papua and Kalimantan; and

Region III : Areas in Regions I and II that are isolated and where most electricity is generated from fossil-fuel power plants.

The ceiling price is the based price on the COD, and is exclusive of escalation and transmission line construction costs. Escalation is permitted only after the COD and will be calculated based on the formula agreed in the PPA. With escalation expressly confined to the post-COD stage, this means that IPPs will have to bear the risk of cost increases prior to the COD should there be any delay in the commencement of commercial operations. As regards the construction of transmission lines, PLN is responsible for performing the construction work.

The ceiling prices prescribed by MEMR Regulation 17/2014 are as follows:

	Ceiling Price (US$ / KwH)		
Year of Commercial Operation Date (COD)	**Region I**	**Region II**	**Region III**
2015	11.8	17.0	25.4
2016	12.2	17.6	25.8
2017	12.6	18.2	26.2
2018	13.0	18.8	26.6
2019	13.4	19.4	27.0
2020	13.8	20.0	27.4
2021	14.2	20.6	27.8
2022	14.6	21.3	28.3
2023	15.0	21.9	28.7
2024	15.5	22.6	29.2
2025	15.9	23.3	29.6

For an IPP participating in a tender for a geothermal concession, the power purchase price will be the price stated in the IPP's bid. It will be fixed and non-negotiable, and must be incorporated in the PPA. Should MEMR view the bid as favorable, MEMR will then issue a purchase instruction to PLN. No later than six months after the date of the purchase instruction, PLN and the IPP must sign the PPA. Should a PPA not signed within this period on grounds attributable to the IPP, then the IPP will be subject to administrative sanctions under the prevailing regulations (it is not clear from the MEMR Regulation 17/2014 what precisely these sanctions might be). If within one year after the issuance of the purchase instruction the PPA remains unsigned due to reasons attributable to the IPP, the purchase instruction will be automatically revoked by operation of law.

PLN is also required to purchase power generated as a result of the addition of capacity or in the event of an extension of the PPA, based on the agreement of the parties. In such circumstances, the purchase price will be the price agreed by PLN and the IPP, subject to the relevant ceiling price and the approval of MEMR. An amendment to the PPA which accommodates additional capacity or an extension of the PPA must be signed no later than 12 months after the proposal regarding additional capacity or the extension of PPA is received by PLN. Should there be a delay that is due to matters other than the purchase price, then PLN may terminate the process. However, if the delay is the result of a failure to agree on the purchase price, then PLN and the IPP should appoint an independent appraiser/expert to determine the purchase price.

Captive Electricity Generation

Under Electricity Law No. 30, as well as the Electricity Law No. 15 Implementing Regulation, a company may apply for a license to generate electricity strictly for its own use. Such license can be granted by the relevant local government agency, assuming the applicable electricity facilities are located solely within the jurisdiction of that local government.

Legal Framework for Environmental

A company whose operations have a significant environmental or social impact must create and maintain an Environmental Impact Assessment Report known as an "AMDAL" document if it meets certain environmental threshold, which contains analyses of, and plans for dealing with, that company's environmental impact. If a company has an environmental or social impact but does not reach the threshold where an AMDAL document is required, an Environmental Management Effort- Environmental Monitoring Effort ("UKL-UPL") must be prepared by the Company.

Pursuant to the Ministry of Environmental No. 5/2012, companies who conduct the following businesses and meets the threshold are obligated to create and maintain AMDAL document: (1) exploitation of oil and gas, (2) pipelines of oil and gas under the sea, (3) construction of oil refinery, LPG refinery, LNG refinery, (4) regasification of LNG, (5) lubricating oil refinery and (6) coal bed methane field development.

Any company which obtains an AMDAL or an UKL-UPL must also submit an application to obtain an Environmental License. Pursuant to Government Regulation No. 27 of 2012 on Environmental License ("GR No. 27/2012"), Environmental License is issued by the MEF, Governor, or Mayor or Regent, in accordance with their respective authorities following the publication of the application for an Environmental License submitted by a company and will be issued simultaneously with the issuance of the Environmental Feasibility Decision (*keputusan kelayakan lingkungan hidup*) or UKL-UPL Recommendations. An Environmental License is a prerequisite to obtain a business license and, in the event that the Environmental License is revoked, the business license will also be revoked.

GR No. 27/2012 stipulates that any environmental document that has been approved prior to February 23, 2012, i.e., Environmental Feasibility Decision and UKL-UPL Recommendation, shall be declared as a valid document and deemed to be an Environmental License.

In addition, there are a number of other key obligations that companies involved in upstream oil and gas may be required to fulfill, including obtaining certain licenses and permits and other measures in order to manage the potential risks posed to the environment by upstream oil and gas activities.

In addition, applicable Indonesian regulations generally provide, among other things, that natural resource companies must have facilities and bear the costs and expenses of reclamation and rehabilitation of working areas, and shall prevent and minimize environmental pollution and destruction resulting from natural resource activities. Pursuant to Environmental Law, the environmental license holder must reserve an environmental deposit fund for the restoration of the environment. Such environmental deposit fund will be deposited in state

owned bank appointed by the MEF, governor, or regent/mayor in accordance with their authorization. The MEF, Governor, Mayor or Regent has the authority to appoint a third party to conduct the restoration of the environment function using the environmental deposit fund. This is to be detailed in an implementing regulation, which to date has not been issued. GR 35/2004 furthermore requires contractors to allocate environmental deposit funds for post upstream operation activities (abandonment and site restoration), which must be conducted at the beginning of exploration period. The environmental deposit fund shall be included in the work program and annual budget. The amount of environmental deposit fund will be determined each year in conjunction with budget of operating cost.

Environmental license holders must establish an environmental deposit fund for the restoration of the environment after decommissioning. The environmental deposit fund must be included in the work program and annual budget. The amount of the environmental deposit fund will be determined each year in conjunction with the operating costs budget but it is excluded from cost recovery.

Government Regulation No. 82 of 2001 on Water Quality Management and Water Pollution Control requires reports to be submitted by concession holders detailing their disposal of wastewater and compliance with applicable regulations. Such reports are to be submitted on a quarterly basis to the relevant authority, with a copy provided to the MEF. The Decision of the Minister of Environmental Affairs No. 113 of 2003 concerning Standard Quality for Coal Mining Business and/or Activities requires mining companies to process their wastewater from mining and processing activities in accordance with mandated quality standards set out therein, and to manage water that is affected by mining activities by way of sedimentation pools. Mining companies are also required to monitor surface water quality where wastewater from the sedimentation pools or wastewater treatment facilities is discharged into streams and rivers, and comply with any additional requirements stipulated in their respective concessions or licenses. Analysis of wastewater and daily flow rates must be submitted on a quarterly basis to the relevant authority and to the MEF.

Government Regulation 101 of 2014 on Management of Hazardous and Toxic Waste Materials and Government Regulation No. 74 of 2001 on Management of Hazardous or Toxic Materials *(Bahan Berbahaya dan Beracun)*, regulates the management of certain stipulated materials and waste. Flammable, poisonous or infectious waste from mining operations is subject to these regulations unless it can be proven scientifically by the applicant that it falls outside the categories set forth in such regulations. These regulations require a company using the specified materials, or which produces waste which is specified in the regulations, to obtain a license in order to store, collect, utilize, process and accumulate such waste. This license may be revoked and the license-holder may be required to cease operations in the event of violation.

In addition, Decree of the Head of Regional Environmental Impact Controlling Agency *(Badan Pengendalian Dampak Lingkungan Daerah)* No. 255 of 1996 on Procedure on the Storing and Collecting of Used Lubricant Oil provides, among others, that an entity which collects used oil for further use or processing must comply with certain requirements as set out in the decree, including obtaining a license, ensuring that buildings used for the storage of such lubricants comply with the specifications set out in the decree, establishing procedures on the collection and distribution of used oil and submitting quarterly periodic reports with respect to these activities.

Explosives usage in Indonesia for mining purposes is regulated by Decree of Minister of Mining and Energy No. 555.K/26/M.PE/1995 on General Mining Occupational Safety and Health and Regulation of Head of National Police No. 2 of 2008 on Supervision, Control and Safety of Commercial Explosive Materials (the "Explosive Regulations"). Based on the Explosive Regulations, an "end-user" is defined as a company or institution with the right to use explosive materials for the purpose of general mining, oil and gas exploration and exploitation activities, or private users engaged in non-mining businesses. Under the Explosive Regulations, an end-user is required to be a registered business entity which has obtained a transportation permit to transport, store and use explosives between designated delivery points and the relevant mining location, and hold a mining license.

THE ISSUER

The Issuer, Medco Platinum Road Pte. Ltd., was incorporated on January 10, 2018 under the laws of Singapore as a private company limited by shares and is a wholly owned subsidiary of Medco Strait Services Pte. Ltd.. The registration number of the Issuer is 201801399E.

The Board of Directors of the Issuer consists of the following members: Hilmi Panigoro, Roberto Lorato and Yoo Loo Ping.

The issued share capital of the Issuer is S$1.00 consisting of one ordinary share, which is fully paid up. From the date of its incorporation to the date hereof, the Issuer has had no outstanding debt.

The registered address of the Issuer is 38 Beach Road, #29-11, South Beach Tower, Singapore 189767.

MANAGEMENT OF THE PARENT GUARANTOR

Commissioners, Directors and Advisors

The management and day-to-day operations of the Parent Guarantor are carried out by the Board of Directors under the supervision of the Board of Commissioners, the members of which are appointed through a general meeting of shareholders. The rights and obligations of each member of the Board of Commissioners and Board of Directors are established in the Parent Guarantor's Articles of Association and by the decisions of the Parent Guarantor's shareholders in a general meeting of shareholders. Under the Articles of Association, the Board of Directors must consist of at least three members including a President Director and two or more Directors. The President Director is authorized to represent the Board of Directors and to represent the Parent Guarantor. The Board of Commissioners must have at least three members: a President Commissioner and two or more Commissioners.

The Board of Commissioners is currently composed of five members. The Board of Directors is currently composed of five members. Commissioners and Directors are elected for a term of office of five years, which may be extended, without prejudice to the rights of the general meeting of shareholders to dismiss a Commissioner or Director during their term of office or to reappoint a Commissioner or Director whose term of office has expired. The Parent Guarantor also has three Advisors, each of whom advises the Board of Commissioners and Board of Directors concerning the latest developments within the oil and gas industry.

None of the Commissioners, Directors and advisors of the Parent Guarantor have had any convictions in relation to fraudulent offenses, have been associated with any bankruptcies, receiverships or liquidations while acting in the capacity of such positions, have had any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or have been disqualified by a court from acting as a member of the Board of Commissioners or the Board of Directors of the Parent Guarantor or from acting in the management or conduct of the affairs of the Parent Guarantor during the five year period prior to the date of their appointment.

Information regarding the Commissioners, Directors and Advisors of the Parent Guarantor is set forth below. The business address of all Commissioners, Directors and Advisors of the Parent Guarantor is the address of Medco Energi's registered and principal executive office at 55th Floor, The Energy, SCBD Lot 11A, Jl. Jend. Sudirman, Jakarta 12190, Indonesia.

Board of Commissioners

Name	Position	Date of Appointment	Date of Expiration of Term
Mr. Muhammad Lutfi	President Commissioner	Nov 25, 2015	2020
Mr. Bambang Subianto	Independent Commissioner	Nov 25, 2015	2020
Mr. Marsillam Simandjuntak	Independent Commissioner	May 27, 2010	2020
Mr. Yaser Raimi A. Panigoro	Commissioner	Nov 25, 2015	2020
Ms. Yani Yuhani Rodyat*	Commissioner	June 29, 1998	2020

* Mr. Hilmi Panigoro, Medco Energi's President Director, Ms. Yani Yuhani Rodyat, Medco Energi's Commissioner, and Mr. Arifin Panigoro, Medco Energi's Advisor, are siblings.

Mr. Muhammad Lutfi. Indonesian citizen. Born in 1969. He has been the President Commissioner since November 25, 2015. He was a former Minister of Trade of Indonesia from February to October in 2014 and a former Ambassador of Indonesia to Japan from 2010 to 2013. He was also a former Chairman of Indonesia Investment Coordinating Board from 2005 to 2009. He has an extensive international network, a deep understanding in investments and organization experience. He received a Bachelor's degree in Economics from Purdue University in the U.S.

Mr. Bambang Subianto. Indonesian citizen. Born in 1945. He has been an Independent Commissioner since 2015. He has been a partner in Arghajata Consulting since 2005 and has previously held positions as a partner of PT Ernst Young Consulting from 2000 to 2004, as a former Minister of Finance of Indonesia from 1998 to 1999, and as Chairman of IBRA (BPPN) from January to February 1998. He was also a former Director General of Financial Institution of Ministry of Finance of Indonesia from 1992 to 1998, and a former Director of Financial Institution and Accounting of the Directorate General of Monetary of the Ministry of Finance from 1988 to 1992. He also acted as a Director of Management Consulting of Economic Faculty, Management Institute University of Indonesia from 1986 to 1988. He received a Doctoral degree in Applied Economic Sciences in 1984 and a Master's of Business Administration in 1981 both from Catholic University of Leuven, Belgium. He also received a Bachelor's degree in Chemical Engineering in 1973 from Bandung Institute of Technology.

Mr. Marsillam Simandjuntak. Indonesian citizen. Born in 1943. He has been an Independent Commissioner since 2010. He previously held positions as Special Staff to the Ministry of Finance for Tax Reform Initiative and Customs from 2006 to 2010. He was the head of the Presidential Working Unit Program and Reform Governance (UKP-PPR) from 2006 to 2009. He was a former Secretary of Cabinet, Minister of Justice and Attorney General of the Republic of Indonesia in 2001. He also had experience as President Commissioner of PT Garuda Indonesia from 2003 to 2005 and President and Independent Commissioner of PT Gunung Agung Tbk from 2003 to 2005. He began his career as a medical doctor at PT Garuda Indonesia in 1971 up until 1980 and received a Medical degree from the University of Indonesia in 1971 and a Law degree from the University of Indonesia in 1989. He was a visiting scholar at the University of California, Berkeley, United States of America from 1985 to 1987.

Mr. Yaser Raimi A. Panigoro. Indonesian citizen. Born in 1978. He has been a Commissioner since 2015. He currently holds positions as Commissioner of PT Medco Agro, PT Multi Fabrindo Gemilang, PT Medco Intidinamika and PT Antareja Resources. He joined the Parent Guarantor as a Business Development Manager in 2003 and was a Deputy Managing Director of Medco Energi Mining Indonesia from 2007 to 2010.

Ms. Yani Yuhani Rodyat. Indonesian citizen. Born in 1951. She has been a Commissioner of the Parent Guarantor since 1998. She currently holds positions as Director of PT Medco Duta and PT Medco Intidinamika, Commissioner of PT Sentrafood Indonusa, Lecturer at University of Indonesia and Commissioner of PT Sarana Jabar Ventura. She has extensive experience in the field of education and science, and is a lecturer at various reputable universities in Indonesia. She also worked in the Indonesian Science Institute from 1975 to 1982. She received a Master's degree in Management from Sekolah Tinggi Manajemen, Bandung, in 1977, and a Bachelor's degree in Electrical Engineering from Bandung Institute of Technology in 1975.

Board of Directors

Name	Position	Date of Appointment	Date of Expiration of Term
Mr. Hilmi Panigoro*	President Director	Nov 25, 2015	2020
Mr. Roberto Lorato	Director and Chief Executive Officer	Nov 25, 2015	2020
Mr. Anthony R. Mathias	Independent Director	Nov 25, 2015	2020
Mr. Ronald Gunawan	Director and Chief Operating Officer	Nov 25, 2015	2020
Mr. Amri Siahaan	Director and Chief Human Capital & Business Support Officer	Nov 25, 2015	2020

* Mr. Hilmi Panigoro, Medco Energi's President Director, Ms. Yani Yuhani Rodyat, Medco Energi's Commissioner, and Mr. Arifin Panigoro, Medco Energi's Advisor, are siblings.

Mr. Hilmi Panigoro. Indonesian citizen. Born in 1955. He has been the President Director of the Parent Guarantor since 2015 and was appointed for a five-year term from 2015 to 2020. He was the President Commissioner of the Parent Guarantor from 2008 to 2015. He currently holds positions as President Director of PT Medco Duta and PT Medco Intidinamika. He has extensive experience in the oil and gas industry and held various positions while working at VICO Indonesia between 1982 and 1996. He received a Master's degree in Geological Science from Colorado School of Mines, U.S., in 1988, took a core program in Business Administration at Thunderbird University, United States, in 1984, and received a Bachelor's degree in Geological Science from Bandung Institute of Technology in 1981.

Mr. Roberto Lorato. Italian citizen. Born in 1958. He has been Director and Chief Executive Officer of the Parent Guarantor since 2015 and was appointed for a five-year term from 2015 to 2020. He previously held positions as the President of Premier Oil Indonesia from 2010 to 2015, the Managing Director of Eni Indonesia from 2006 to 2009, the President and Chief Executive Officer of VICO from 2003 to 2006, and the Managing Director of Agip, UK, from 2001 to 2002. Since 2006, he has also been an active member of the IPA Board of Directors and was elected President of the Association for the years 2008 and 2009. He received a Master's degree from the London Business School, a Master's degree in Energy Economics from Scuola Superiore Enrico Mattei and a Bachelor's degree in mechanical engineering from the University of Padua.

Mr. Anthony R. Mathias. British citizen. Born in 1966. He has been an Independent Director of the Parent Guarantor since 2015 and was appointed for a five-year term from 2015 to 2020. He has extensive experience in the oil and gas industry and has been the Vice President of Finance and Information Technology in Premier Oil from 2012 to 2015. He previously held positions in finance at ConocoPhillips from 2006 to 2012 and Mobil Oil. After university, Tony began his career as an engineer with GEC Marconi in 1988 before joining PriceWaterhouse in 1990. He is a Fellow of the Institute of Chartered Accountants in England and Wales and received an MBA from the Manchester Business School and a Bachelor's degree in Electrical Engineering from Bradford University in the United Kingdom.

Mr. Ronald Gunawan. Indonesian citizen. Born in 1964. He has been Director and Chief Operating Officer of the Parent Guarantor since 2015 and was appointed for a five-year term from 2015 to 2020. He has more than 27 years of extensive experience in the oil and gas industry, and he previously held positions as the Vice President of Operations & Development in Premier Oil Indonesia from 2014 to 2015 and as the President and General Manager in Hess Indonesia from 2012 to 2014. He held various management positions in operations and projects in Eni Australia and Eni E&P from 2007 to 2012. He also served as the Vice President of Assets at Vico Indonesia from 2002 to 2006. He received a Master's of Science degree from Texas A&M University and a Bachelor's of Science degree in petroleum engineering from Bandung Institute of Technology.

Mr. Amri Siahaan. Indonesian citizen. Born in 1965. He has been Director and Chief Human Capital & Business Support Officer of the Parent Guarantor since November 25, 2015 for a five-year term from 2015 to 2020. He has over 26 years of experience in the oil and gas industry. He has been Vice President of Government Affairs & Business Support in Premier Oil Indonesia from 2011 until 2015. He has previously held positions as the General Manager of Operations and Start-Up Manager in Tangguh LNG BP Indonesia from 2008 to 2011, as an Executive Assistant to Chief Operating Officer in Atlantic LNG Trinidad & Tobago form 2007 to 2008, as the Vice President of Semberah Asset in VICO Indonesia from 2004 to 2006, as the Vice President of Supply Chain Management in VICO Indonesia from 2001 to 2004 and as the Audit & Internal Control Manager in BP Indonesia in 2001. He received an MBA degree from University of Leicester, United Kingdom and a Bachelor's degree in mechanical engineering from Institute of Technology Bandung.

Advisors

Name	Position	Date of Appointment	Date of Expiration of Term
Mr. Alwi Shihab	Advisor	2007	—
Mr. Arifin Panigoro*	Advisor	1998	—
Mr. Subroto	Advisor	1997	—

* Mr. Hilmi Panigoro, Medco Energi's President Director, Ms. Yani Yuhani Rodyat, Medco Energi's Commissioner, and Mr. Arifin Panigoro, Medco Energi's Advisor, are siblings.

Mr. Alwi Shihab. He is a former Minister of Foreign Affairs of the Republic of Indonesia and Coordinating Minister of People's Welfare. He joined as the Parent Guarantor's Advisor in March 2007 with the main role of providing advice in penetrating the international oil and gas market. He graduated from IAIN Alauddin, Ujung Pandang, Indonesia in 1986 with a Bachelor's degree in Islamic Philosophy. He received his Bachelor of Arts degree and Master of Arts degree from University of Al-Azhar, Cairo, Egypt in 1966 and 1968, respectively. He also received a Master of Arts degree and a Doctoral degree in philosophy from Temple University in the United States in 1995, as well as a Doctoral degree in philosophy from University of Ain Shams, Cairo, Egypt.

Mr. Arifin Panigoro. He is the founder of the Parent Guarantor and has been involved in the drilling and oil and gas industry since 1980. He withdrew from the Parent Guarantor's management in 1998 and has since become an Advisor to Medco Energi.

Mr. Subroto. He was a former Minister of Mining and Energy of Republic of Indonesia and former Secretary General of Organization of Petroleum Exporter Committee (OPEC). Since 1997, he has been an Advisor to the Parent Guarantor, mainly in providing information on macroeconomic issues and global developments in the oil and gas business. He received a post-doctorate degree from the International Teachers Program of Harvard University in 1964 and a post-doctorate degree in Financial Management and Control from Stanford University in 1963. He also received a Doctoral degree in Philosophy and Economics from University of Indonesia in 1958, a Master of Arts degree in Economics from McGill University in Montreal, Canada in 1956, and a Bachelor of Arts degree in Economics from the University of Indonesia in 1952 after he graduated from the Military Academy, Yogyakarta in 1948.

Compensation and Share Ownership

The total compensation and other benefits recognized to the Commissioners and Directors in 2014, 2015 and 2016 totaled US$6.7 million, US$5.3 million and US$4.5 million, respectively.

As of September 30, 2017, excluding the interests of Mr. Hilmi Panigoro, the Parent Guarantor's Commissioners, Directors and Advisors as a group hold less than 1% of the Shares. See "Principal Shareholders of the Parent Guarantor".

Board Practices

The Parent Guarantor complies with corporate governance requirements applicable to public companies in Indonesia.

Termination of Employment

Commissioners and Directors are given a severance payment upon termination of employment in accordance with the Parent Guarantor's severance compensation policy for Commissioners and Directors.

Corporate Secretary

On December 28, 2016, we appointed Mrs. Siendy K. Wisandana as our corporate secretary pursuant to the Organization Announcement re. Corporate Secretary No. INT-1520/TAL/MEDC/XII/2016. The function of a corporate secretary must be performed by one of the directors of a listed company or an official of such listed company who is specifically appointed to conduct such function. In the event the corporate secretary is not a director of the relevant listed company, the board of directors of the listed company is responsible for any information submitted by the corporate secretary. Under OJK Regulation No. 35/POJK.04/2014 on Corporate Secretary of Issuer or Public Company, dated December 8, 2014, the functions of a corporate secretary are, among others, to keep himself or herself up-to-date with the capital market regulations, to ensure that information about the company is accessible to investors, to provide inputs to the Board of Directors with respect to the compliance to Law No. 8 of 1995 on Capital Market and its implementing regulations and act as contact person between the company on the one hand, and the relevant authorities and the public on the other.

Audit Committee

Pursuant to the OJK Regulation No. 55/POJK.04/2015 on Establishment and Implementation Guidelines for the Audit Committee, dated December 23, 2015, the Audit Committee's main responsibility is to assist the Board of Commissioners in assessing the integrity of operation and financial reports prepared by the Board of Directors. Based on minutes of board of commissioners meeting dated January 13, 2016, the current Audit Committee comprises of three members consisting of one Independent Commissioner and two independent external parties namely, Mr. Bambang Subianto as the chairman, Mr. Jul Azmi and Ms. Ida Anggrainy Sarwani, respectively. Duties and responsibilities of Audit Committee are set forth in the Parent Guarantor's audit committee charter dated February 5, 2014.

Internal Audit

We have appointed Ronny Siahaan as the Chairman of our Internal Audit as of November 1, 2017 which has been approved by the Board of Commissioners of the Company pursuant to Memo regarding Approval Proposal for the Appointment of New Senior Manager of Internal Audit dated October 30, 2017. Internal Audit is regulated under OJK Regulation No. 56/POJK.04/2015 on the Formation and Guidelines on Drafting the Charter of Internal Audit Unit, dated December 23, 2015. Duties and responsibilities of Internal Audit department have been set forth in our Internal Audit Charter effective since January 1, 2003. Our Internal Audit Unit is authorized to (i) access such financial statements, records and facilities as may be reasonably required for it to discharge its responsibilities, (ii) directly communicate and convene meetings periodically with our Board of Directors, Board of Commissioners and/or Audit Committee or any member thereof; and (iii) coordinate with our external auditors.

Nomination and Remuneration Committee

Under OJK Regulation No. 34/POJK.04/2014 on Nomination and Remuneration Committee of the Issuer or Public Company, dated December 8, 2014, for the purposes of implementing good corporate governance, a public company is required to have the function of nomination and remuneration which can be conducted by the board of commissioners. Our Nomination and Remuneration Committee are stipulated in minutes of board of commissioners meeting dated January 13, 2016 which consists of five members, namely Mr. Marsillam Simandjuntak, who is the chairman of the division, Mr. Muhammad Lutfi, Mrs. Yani Yuhani Rodyat, Mr. Yaser Raimi Panigoro and Mrs. Cisca Alimin. Duties and responsibilities of Nomination and Remuneration Committee are stipulated in our Nomination Committee Charter and Remuneration Committee Charter both effective since February 5, 2014.

Risk Management Committee

The Risk Management Committee ("RMC") is formed to assist the Board of Commissioners in ensuring that the risks inherent in the Parent Guarantor's business have been defined and understood, and that subsequently,

risk mitigation plans have been formulated and delegated to respective risk owners who are competent risk managers in the respective business units for every major transaction proposed to be undertaken by the Parent Guarantor and its subsidiary entities. The RMC is the last line of defense in ensuring that the degree of acceptance to risks is consistent with the strategy of the business and must satisfy itself that the relevant parties such as shareholders and Board of Commissioners are appropriately informed of the enterprise's risk profile. Members of the RMC are officially appointed and dismissed by the Board of Commissioners and the membership of the committee comprises of at least five members. The committee currently comprises of eight members, namely, Mr. Muhammad Lutfi as the Chairman of the committee, Mr. Hilmi Panigoro, Mrs. Yani Y. Rodyat, Mr. Yaser Raimi A. Panigoro, Mr. Marsillam Simandjuntak, Mr. Bambang Subianto, Mr. Anthony Robert Mathias and Mr. Roberto Lorato as members.

PRINCIPAL SHAREHOLDERS OF THE PARENT GUARANTOR

The authorized share capital of the Parent Guarantor is Rp. 950.0 billion comprising 38,000,000,000 shares of Rp. 25 each, of which 17,728,923,467 shares (including treasury stock) were issued and outstanding and were fully paid up, as of the date of this Offering Circular (the "Shares").

The following table sets forth certain information, as of December 31, 2017, with respect to the ownership of the Shares by each person who, according to the records of Parent Guarantor, owned more than 5% of Parent Guarantor's Shares, treasury shares and ownership by the public:

Name of Shareholder[2]	Number of Shares Held	Percentage of Total Outstanding Shares (%)
Encore Energy Pte. Ltd[1][5]	4,760,709,492	26.85
PT Medco Duta[1]	33,244,500	0.19
PT Multifabrindo Gemilang[1]	8,000,000	0.05
Clio Capital Ventures Ltd[1][5]	2,763,255,200	15.59
PT Medco Daya Abadi Lestari[1][3][5]	3,491,628,454	19.69
Diamond Bridge Pte., Ltd.[3][4]	1,774,988,917	10.01
Treasury Shares	132,452,800	0.75
Public (each below 5%)	4,764,644,104	26.87

Notes:

(1) Encore Energy, Clio Capital Ventures Ltd, PT Medco Duta, PT Medco Daya Abadi Lestari, and PT Multifabrindo Gemilang are beneficially owned by, and/or held for the benefit of, Hilmi Panigoro, our President Director, and/or members of his family.

(2) In connection with our rights offering in December 2017, shareholders that exercised their rights were issued one detachable warrant ("Warrants") per share subscribed for in the rights offering. We issued a total of 4,399,117,667 Warrants to shareholders that subscribed for their rights in the rights offering. Encore Energy Pte Ltd, Clio Capital Ventures Pte. Ltd., PT Multifabrindo Gemilang and PT Medco Duta transferred their entitlement to rights in the rights offering to PT Medco Daya Abadi Lestari, as a result of which the 2,521,736,398 Warrants relating to such rights were also transferred to PT Medco Daya Abadi Lestari. In addition to the Warrants received pursuant to this transfer, on the issue date of the Warrants, PT Medco Daya Abadi Lestari also received 221,873,615 Warrants from the shares that it subscribed for in the rights offering. Diamond Bridge Pte., Ltd. received 443,747,229 Warrants from the shares that it subscribed for in the rights offering. Such Warrants are tradable after the date of issuance and so there can be no assurance that the number of Warrants held by PT Medco Daya Abadi Lestari and Diamond Bridge Pte., Ltd. will not change. The Warrants are exercisable between July 2018 and December 2020.

(3) Diamond Bridge Pte., Ltd. is owned by Premium Return Ventures Limited. Tan Hang Huat is listed as the owner of record of Premium Return Ventures. Agus Projosasmito, Tan Hang Huat and Yang Teck Huat are directors of Diamond Bridge Pte., Ltd.

(4) On January 15, 2018, Diamond Bridge Pte., Ltd. acquired 2,055,701,884 Shares from PT Medco Daya Abadi Lestari, along with 1,027,850,942 Warrants relating thereto, with the effect that, thereafter, Diamond Bridge Pte., Ltd. owned 21.6% of the outstanding Shares and PT Medco Daya Abadi owned 8.1% of the outstanding Shares. After giving effect to this transaction, the interests beneficially owned by, and/or held for the benefit of, Mr. Hilmi Panigoro and/or members of his family, through Encore Energy Pte. Ltd, Clio Capital Ventures Ltd, PT Medco Duta, PT Multifabrindo Gemilang, and PT Medco Daya Abadi Lestari, represented 50.78% of our total outstanding Shares. In the event that all of the Warrants issued are exercised, and given the transfer of Warrants from PT Medco Daya Abadi Lestari to Diamond Bridge Pte., Ltd., the interests held by Mr. Hilmi Panigoro and his family could, in theory, decline to approximately 48% of our total outstanding Shares.

(5) Shares pledged to Credit Suisse AG.

In June 2017, the shareholders of the Parent Guarantor approved the issuance of Shares to certain members of our senior management team and Directors, namely Anthony Robert Mathias, Amri Siahaan, Ronald Gunawan and Roberto Lorato, who are directors of the Parent Guarantor and Muhammad Lufti and Yasser Raimi Panigoro, who are commissioners of the Parent Guarantor. These Shares were issued in August 2017, and each such person owns less than one percent of the outstanding Shares of the Parent Guarantor. Except as described in this Offering Circular, the Parent Guarantor is not aware of the beneficial ownership of its outstanding Shares.

RELATED PARTY TRANSACTIONS

The Company enters into transactions with certain of its subsidiaries, investees and other related parties in the ordinary course of business. All of these commercial arrangements are entered into on an arm's-length basis.

In connection with these related party transactions, it is our policy to comply with Indonesian securities laws, the rules and regulations of the OJK, as well as the accounting standards regarding disclosure of information concerning related persons and companies as determined by the Indonesian Institute of Accountants. It is our policy to conduct these transactions on normal commercial terms and on an arm's-length basis. Any of our future transactions with persons with possible conflicts of interest will be reviewed by our audit committee to consider the reasonableness of any such transaction. In addition, in order to protect the rights of minority shareholders, the rules of OJK require the Company to engage an independent evaluer to provide fairness of opinion in relation to the transaction and for the Company's independent shareholders to vote to approve or disapprove any transactions, whether or not material, which entail a "conflict of interest" under OJK rules. See "Risk Factors—Risks Relating to our Business and Operations—Indonesian law contains provisions which may cause us to forego transactions that are in our best interests".

We have summarized below the material related party transactions that we have entered into with our related parties. We believe each of these arrangements as described below have been entered into on arm's-length terms or on terms that we believe have been at least as favorable to us as similar transactions with non-related parties.

The related parties with whom we have entered into business transactions are:

- Mitsubishi Corporation;
- Petro Diamond Singapore;
- Petro Diamond Co. Ltd.;
- PT Donggi Senoro LNG;
- PT Api Metra Graha;
- PT Medco Power Indonesia ("MPI");
- PT Amman Mineral Investama;
- PT Medco Days Sentosa ("MDS");
- PT Medco Daya Abadi Lestari ("MDAL")
- PT Bank Woori Saudara Indonesia 1906 Tbk;
- PT Medco Intidinamika;
- PT Medco Duta;
- PT Satria Raksa Buminusa; and
- PT Musi Raksa Buminusa.

Transactions with Related Parties

Mitsubishi Corporation

DSLNG

Mitsubishi UFJ, which was previously one of our significant shareholders, is an affiliate of Mitsubishi Corporation, which is one of our partners in the Senoro DSLNG facility. In October 2010, the Parent Guarantor

and its partners in the Senoro Downstream Gas Development Project which are also shareholders of DSLNG namely, Pertamina and Mitsubishi Corporation, signed the Principles of Marketing Cooperation Agreement to do joint marketing of LNG (MJV HOA) with Chubu Electric Power Co, Inc ("Chubu"). Under the MJV HOA, Chubu, Pertamina, Mitsubishi Corporation and the Parent Guarantor agreed to cooperate to market LNG purchased by Chubu to other potential buyers.

Petro Diamond Co. Ltd. ("PDCL") and Petro Diamond Singapore Pte. Ltd. ("PDS")

PDCL and PDS are subsidiaries of Mitsubishi Corporation.

On July 1, 2016, the Parent Guarantor, through its wholly-owned subsidiary, Far East Energy Trading Pte. Ltd., signed the Senoro Condensate Sales and Purchase Agreement with PDS. This agreement has a term of 48 months or four million barrels of condensate have been sold, whichever occurs earlier, at a price based on ICP Senoro Condensate minus a fixed premium as stated in the agreement.

On April 1, 2014, the Parent Guarantor, through its wholly-owned subsidiary, Petroleum Exploration & Production International Ltd., signed a Crude Oil Sale and Purchase Agreement with PDCL. This agreement has a term until December 31, 2015, or until PDCL lifts the total quantity of 1,025,000 barrels of oil at a price based on ICP Tiaka plus a fixed premium as stated in the agreement. According to an amendment dated April 16, 2015, PDCL assigned its rights and obligations under this agreement to PDS in a letter dated February 18, 2015.

In 2014, 2015, and 2016 revenue from PDS has accounted for approximately 17% to 37% of our revenue.

Since October 2016, Mitsubishi Corporation, Petro Diamond Co Ltd and Petro Diamond Singapore Pte Ltd have not been related parties of the Company.

PT Donggi Senoro LNG ("DSLNG")

PT Donggi Senoro LNG (DSLNG) is an entity under significant influence of the Parent Guarantor.

On January 22, 2009 with the most recent amendment on December 13, 2010, PT Donggi Senoro LNG entered into a GSA with PT Medco E&P Tomori Sulawesi to supply 277.8 BBTUD of gas. This contract will be terminated at the time when such quantity in the agreement fully supplied or until the termination of PSC, whichever occurs first.

Since October 2016, DSLNG has not been a related party of the Company.

PT Api Metra Graha

Prior to October 2015, we owned a 49% interest in AMG, the entity which owns The Energy Building in Jakarta where we would rent office space for our headquarters. We consolidated starting in December 2015 following our purchase of the remaining 51%, and which prior to December 2015 we accounted for using the equity method. Rental payments to AMG in 2014 and in 2015 prior to consolidation were US$8.4 million and US$9.0 million, respectively. In addition, MPI rents space in The Energy Building.

PT Medco Power Indonesia

Prior to our acquisition of our controlling interest in October 2016, MPI was 49%-owned by the Parent Guarantor.

MEPL owns and operates an onshore gas field in the Lematang area in South Sumatra. The field requires approximately 6.0 MW of electricity supplied by the 7.5 MW gas-fired captive power plant Singa. Singa began

commercial operations in 2010 with Indo Turbine and Grand Cartex as the EPC contractors. MPI currently owns a 100% stake in the project. In January 2010, Singa entered into a PPA with MEPL for a period of five years, ending in January 2015. The PPA tenor has been extended until March 2018. MPI is currently in process of obtaining an extension of the tenor of the PPA with MEPL, since MEPL obtained its PSC extension of the Lematang PSC in 2016. The PPA has a minimum take-or-pay of 80% of the capacity factor, at a fixed tariff of US$3.97 cents per KWh and gas is provided by MEPL. For gas, MEPL guarantees and provides gas supply to the power plant from the Singa gas field.

MPI leases office space from AMG, located at The Energy building, SCBD Lot 11A, Jl. Jend. Sudirman, Kav. 52-53, Jakarta 12190. The agreement is valid until March 31, 2020.

AMNT

In connection with our acquisition of our joint venture interest in AMNT, we entered into certain transactions with our joint venture entities. See Business—Copper and Gold Mining."

PT Medco Daya Sentosa ("MDS")

On March 27, 2017, the Parent Guarantor through MDS entered into Sale and Purchase Agreement with Inpex Natuna Ltd to purchase all shares owned by Inpex Natuna Ltd on Medco South Natuna Sea Ltd. The Parent Guarantor has granted a corporate guarantee to Inpex Natuna Ltd to guarantee all liabilities and responsibilities held by MDS as the purchaser. MDS is a subsidiary of MDAL, in which the Parent Guarantor holds 1% and MDAL holds 99% of the issued and paid-up capital of MDS. Pursuant to the Joint Operating Agreement among the working interest holders of South Natuna Sea Block B, as the operator of the block, we are entitled to receive certain overhead fees from the other working interest holders. As a result, since the purchase of its 35% working interest in South Natuna Sea Block B by MDS in 2017, we have received and expect to continue to receive overhead fees as operator of the block.

PT Medco Daya Abadi Lestari ("MDAL")

On May 12, 2017, the Parent Guarantor has transfer 98% of its shares in MDS to MDAL, with the agreed purchase price of Rp. 539 million. In relation to the transfer of shares, MDAL executed a Counter Guarantee and Indemnity in relation to the corporate guarantee granted by Parent Guarantor to Inpex Natuna Ltd. MDAL is a shareholder of the Parent Guarantor with the 19.69% of ownership. MDAL is entirely owned by the Panigoro Family. On May 15, 2017, we entered into a business services agreement with MDAL, pursuant to which we agreed to assist in providing business services for MDAL covering accounting, corporate finance, corporate treasury, corporate planning, legal and other operational activities related to the business of MDAL's subsidiaries. The agreement has a fixed fee annually and expires on May 14, 2022.

DESCRIPTION OF OTHER MATERIAL INDEBTEDNESS

The following is a summary of the terms of our material indebtedness. The following summary does not purport to be complete. Please refer to Parent Guarantor's financial statements and the notes thereto included elsewhere in this offering circular for additional information with respect to such indebtedness.

Parent Guarantor's Indebtedness

The Parent Guarantor's indebtedness bear interest in range of 5.0% to 5.85% for US$ and swapped non US$ borrowings.

Indebtedness with PT Bank Negara Indonesia (Persero) Tbk ("BNI")

On January 23, 2015, the Parent Guarantor entered into a term loan facility with BNI for a maximum amount of US$52.5 million. The facility agreement was most recently amended on September 28, 2015. The facility matures on January 22, 2020 and is not secured by any of the assets of the Parent Guarantor.

US$52.5 million was outstanding under this facility as of September 30, 2017.

On September 28, 2015, the Parent Guarantor entered into a term loan facility with BNI for a maximum amount of US$100.0 million. The facility matures on September 28, 2020 and is not secured by any of the assets of the Parent Guarantor.

US$85.0 million was outstanding under this facility as of September 30, 2017.

This facility includes certain financial covenants, including: (i) maintaining a minimum current ratio of 1.25:1, (ii) maintaining a debt to equity ratio not exceeding 3:1, (iii) maintaining a minimum debt service coverage (debt service coverage means the ratio between EBITDA and payable installment obligations and interest according to the audited financial statements of the Parent Guarantor) of 100% and (iv) maintaining a minimum interest coverage ratio of 100%. Under this facility, certain actions taken by the Parent Guarantor require prior written consent from BNI, such as: (i) any merger or consolidation which may have a negative impact on the continuity of the Parent Guarantor's business activities, (ii) investing or making long-term investments using short-term funding sources, (iii) providing any loan to any parties except as permitted under the Parent Guarantor's bonds including Rupiah bonds, shelf-registered U.S. dollar bonds, medium-term notes or other form of bonds, (iv) change the status of the company and its articles of association, except for changes required by the law and in relation to transfer of shares in a form of capital reduction, (v) opening new line of business, except in relation to support the existing business and (vi) acting as a guarantor except relating to its business activities, existing guarantees, project financing and permitted guarantee under the existing financing agreements, or guarantee in relation to the Parent Guarantor's bonds including Rupiah bonds, U.S. dollar bonds, medium term notes or other form of bonds.

Indebtedness with PT Bank Mandiri (Persero) Tbk ("Mandiri")

Special Transaction Credit Facility Phase IV

On August 29, 2014, the Parent Guarantor entered into a non-revolving credit facility agreement with Mandiri for a maximum principal amount of US$100.0 million. This facility is unsecured and matures on August 28, 2019.

US$100.0 million was outstanding under this facility as of September 30, 2017.

Special Transaction Credit Facility Phase V

On August 21, 2015, the Parent Guarantor entered into a non-revolving credit facility agreement with Mandiri for a maximum principal amount of US$100 million. This facility is unsecured and matures on August 20, 2020.

US$100.0 million was outstanding under this facility as of September 30, 2017.

Special Transaction Credit Facility Phase VI

On August 21, 2015, the Parent Guarantor entered into a non-revolving credit facility agreement with Mandiri for a maximum principal amount of US$100 million. This facility is unsecured and matures on August 20, 2020.

US$100.0 million was outstanding under this facility as of September 30, 2017.

Special Transaction Credit Facility Phase VII

On December 21, 2015, the Parent Guarantor entered into a non-revolving credit facility agreement with Mandiri for a maximum principal amount of US$245.0 million. This facility is unsecured and matures on December 20, 2020.

US$178.8 million was outstanding under this facility as of September 30, 2017 and this facility will be repaid in full on January 23, 2018 with net proceeds from our 2017 rights offering.

Special Transaction Credit Facility Phase VIII

On September 28, 2017, the Parent Guarantor entered into a non-revolving credit facility agreement with Mandiri for a maximum principal amount of US$85.0 million. This facility is collateralized by a pledge over share of PT Saratoga Power and over certain accounts.

US$85.0 million was outstanding under this facility as of September 30, 2017.

Restrictions Pursuant to the Credit Facility Agreements with Mandiri

Under the abovementioned credit facility agreements with Mandiri, Parent Guarantor is required to comply with several financial covenants, including (i) maintaining a minimum current ratio of 1.25:1, (ii) maintaining a debt to equity ratio not exceeding 3:1, and (iii) maintaining a minimum EBITDA to net financial expenses ratio of 1:1. So long as any loan remains outstanding under these agreements, without Mandiri's prior written approval, the Parent Guarantor may not: (i) conduct any merger or consolidation or acquisition of other companies which may cause dissolution of the Parent Guarantor or have a material adverse effect on the business activity of the Parent Guarantor, (ii) reduce the authorized capital, issued capital, or paid up capital, (iii) provide any loan to any parties except for any existing loan, any loan to the employees, any loan to its subsidiaries, and any loan exempted under the existing credit agreement and Parent Guarantor's bonds, including Rupiah bonds, shelf-registered U.S. dollar bonds, shelf-registered Rupiah bonds, or other debt instruments, (iv) provide security over or encumber any of the Parent Guarantor's assets and/or revenue, except for (1) any security or encumbrance over assets which have been effective prior to the agreement, (2) any security or encumbrance relating to the new loan facility for refinancing purposes, and (3) any security or encumbrance as required for the purposes of business activity of the Parent Guarantor, including security or encumbrance exempted under the existing credit facility and Parent Guarantor's bonds, including Rupiah bonds, shelf-registered USD bonds, shelf-registered Rupiah bonds, or other debt instruments, (v) transfer more than 10% of the Parent Guarantor's total fixed assets in a single or series of transactions within the relevant year, (vi) change the business activities of the

Parent Guarantor, (vii) obtain loan from third party(ies) in breach of the provision(s) under this agreement or agreements relating to the existing bonds prior to the execution of this agreement, except for any loan exempted under the existing credit agreement and Parent Guarantor's bonds, including Rupiah bonds, shelf-registered USD bonds, shelf-registered Rupiah bonds, or other debt instruments, (viii) liquidate or apply for bankruptcy or postponement of debt settlement obligations, (ix) distribute dividend payments to the Parent Guarantor's shareholders which may cause the dividend payout ratio to be more than 50% and (x) distribute or declare dividend to the Parent Guarantor's shareholders which may negatively affect the Parent Guarantor's ability to repay its debt.

Indebtedness with PT Indonesia Infrastructure Finance ("IIF")

On April 10, 2017, the Parent Guarantor obtained a term loan facility from IIF for an amount of Rp. 157.5 billion. This facility is unsecured and matures on April 10, 2020. Under this facility agreement, the Parent Guarantor is required to comply with the following financial covenants: (i) maintaining a minimum current ratio of 1.25:1, (ii) maintaining a debt to equity ratio not exceeding 3:1, and (iii) maintaining a minimum EBITDA to interest cost ratio of 1:1.

Pursuant to this agreement, unless otherwise waived by IIF, the Parent Guarantor is prohibited from (i) selling, transferring, or otherwise disposing of any receivables under the terms of the recourse, (ii) committing to any retention or ownership provisions, (iii) selling, leasing, transferring or otherwise disposing of any of its assets except for transfer of not exceeding 10% of the total fixed assets, transfer of assets between members of the Group (as defined in this facility agreement) for purposes of day-to-day activities, (iii) consolidating or merging with other companies, (iv) changing the Parent Guarantor's current business activities, (v) providing guarantees or being liable for any financial liability, whether contingent or otherwise, except for (1) accounts payable in the ordinary course of business, (2) guarantees which have been effective prior to this agreement, (3) any guarantee, security or encumbrance relating to the new loan facility for refinancing purposes, (4) any guarantee for the interest of the Parent Guarantor's subsidiaries, (5) any existing corporate guarantee, (6) any security or encumbrance in relation to the reserves based lending, (7) any corporate guarantee for the employees and/or employees cooperation (*koperasi*), (8) any security or encumbrance for financing in asset acquisitions.

Indebtedness with PT Bank DBS Indonesia ("DBS")

On December 28, 2017, the Parent Guarantor entered into a credit facility agreement with DBS for a maximum principal amount of US$50.0 million. This facility is unsecured and matures on December 28, 2021. Under this facility agreement, the Parent Guarantor is required to comply with the following financial covenants: (i) maintaining a fixed charge coverage ratio for any additional indebtedness of 2.5x before December 31, 2018 and 3x for December 31, 2018 and thereafter, and (ii) maintaining a net leverage ratio below 5x.

Under this facility, certain actions taken by the Parent Guarantor require prior written consent from DBS, such as: (i) submitting an application for bankruptcy or any postponement of debt settlement, (ii) change of control or ownership as referred in 2022 Notes indenture, and (iii) change of nature of business under its articles of association.

Domestic Bonds

The Parent Guarantor has entered into interest rate swap agreements so the borrowings under the domestic bonds effectively bear interest in the range of 3.78%-6.33%.

Rupiah-Denominated Shelf-Registered Bonds I ("IDR Shelf-Registered Bonds I")

Phase I

On December 5, 2012, the Parent Guarantor issued Rupiah-denominated Shelf-Registered Bonds I Phase I in an aggregate principal amount of Rp. 500.0 billion bearing interest at a fixed rate of 8.80% per annum with a

term of 5 years ("IDR Shelf-Registered Bonds I Phase I of 2012"). The IDR Shelf Bonds I Phase I of 2012 was unsecured and matured on December 19, 2017. The IDR Shelf Bonds I Phase I of 2012 are listed on the Indonesian Stock Exchange with Bank Mega as the trustee. The net proceeds of IDR Shelf Bonds I Phase I of 2012 were used to refinance Parent Guarantor's existing debt. As of September 30, 2017, the aggregate principal amount of the IDR Shelf Bonds I Phase I of 2012 outstanding was Rp. 500.0 billion. These bonds were repaid in full upon maturity.

Phase II

On February 26, 2013, the Parent Guarantor issued Rupiah-denominated Shelf-Registered Bonds I Phase II in an aggregate principal amount of Rp. 1,500.0 billion, with a term of 5 years and bearing interest at a fixed rate of 8.85% per annum ("IDR Shelf-Registered Bonds I Phase II of 2013"). The IDR Shelf-Registered Bonds I Phase II of 2013 is unsecured and matures on March 15, 2018. IDR Shelf-Registered Bonds I Phase II of 2013 are listed on the Indonesian Stock Exchange with Bank Mega as the trustee. The net proceeds of IDR Shelf Bonds I Phase II of 2013 were used to refinance Parent Guarantor's existing debt. As of September 30, 2017, the aggregate principal amount of the IDR Shelf Bonds I Phase II of 2012 outstanding was Rp. 1,500.0 billion.

Rupiah-Denominated Shelf Bonds II ("IDR Shelf Bonds II")

Phase I

On July 15, 2016, the Parent Guarantor issued Rupiah-denominated Shelf-Registered Bonds II Phase I with fixed interest rates in an aggregate amount of Rp. 1,250.0 billion ("IDR Shelf-Registered Bonds II Phase I of 2016").

The IDR Shelf-Registered Bonds II Phase I of 2016 comprises of two series:

a. The Series A bonds in an aggregate amount of Rp. 327.0 billion bearing interest at a fixed rate of 10.8% per annum with a term of 3 years. The maturity date of Series A Bonds is July 15, 2019; and

b. The Series B bonds in an aggregate amount of Rp. 923.0 billion bearing interest at a fixed rate of 11.3% per annum with a term of 5 years. The maturity date of Series B bonds is July 15, 2021.

IDR Shelf-Registered Bonds II Phase I of 2016 are listed on the Indonesian Stock Exchange with Bank Mega as the trustee. The net proceeds of IDR Shelf-Registered Bonds II Phase I of 2016 were used to refinance Parent Guarantor's debt and for capital expenditures, including in connection with future asset acquisitions. IDR Shelf-Registered Bonds II Phase I of 2016 are unsecured.

Phase II

On September 30, 2016, the Parent Guarantor issued Rupiah-denominated Shelf-Registered Bonds II Phase II in an aggregate amount of Rp. 1,250.0 billion ("IDR Shelf-Registered Bonds II Phase II of 2016").

The IDR Shelf-Registered Bonds II Phase II of 2016 comprises of two series:

a. The Series A bonds in an aggregate amount of Rp. 549.0 billion with a term of 3 years. The Series A bonds bear interest at a fixed rate of 10.8% per annum and matures on September 30, 2019; and

b. The Series B bonds in an aggregate amount of Rp. 701.0 billion, with a term of 5 years. The Series B bonds bear interest at a fixed rate of 11.3% per annum and matures on September 30, 2021.

IDR Shelf-Registered Bonds II Phase II of 2016 are listed on the Indonesian Stock Exchange with Bank Mega as the trustee. The net proceeds of IDR Shelf-Registered Bonds II Phase II of 2016 were used to refinance Parent Guarantor's debt and for capital expenditures, including in connection with future asset acquisitions. IDR Shelf-Registered Bonds II Phase II of 2016 are unsecured.

Phase III

On December 21, 2016, the Parent Guarantor issued Rupiah-denominated Shelf-Registered Bonds II Phase III in an aggregate amount of Rp. 274.0 billion ("IDR Shelf-Registered Bonds II Phase III of 2016").

IDR Shelf-Registered Bonds II Phase III of 2016 comprises of three series:

a. The Series A bonds in an aggregate amount of Rp. 246.0 billion with a term of 3 years. The Series A bonds bear interest at a fixed rate of 10.8% per annum and matures on December 21, 2019;

b. The Series B bonds in an aggregate amount of Rp. 5.0 billion with a term of 5 years. The Series B bonds bear interest at a fixed rate of 11.3% per annum and matures on December 21, 2021; and

c. The Series C bonds in an aggregate amount of Rp. 23.0 billion with a term of 7 years. The Series C bonds bear interest at a fixed rate of 11.8% per annum and matures on December 21, 2023.

IDR Shelf-Registered Bonds II Phase III of 2016 are listed on the Indonesian Stock Exchange with Bank Mega as the trustee. The net proceeds of IDR Shelf-Registered Bonds II Phase III of 2016 were used to refinance Parent Guarantor's debt and for capital expenditures, including in connection with future asset acquisitions. IDR Shelf-Registered Bonds II Phase III of 2016 are unsecured.

Phase IV

On March 30, 2017, the Parent Guarantor issued Rupiah-denominated Shelf-Registered Bonds II Phase IV in an aggregate amount of Rp. 388.0 billion ("IDR Shelf-Registered Bonds II Phase IV of 2017").

IDR Shelf-Registered Bonds II Phase IV of 2017 comprises of three series:

a. The Series A bonds in an aggregate amount of Rp. 380.0 billion with a term of 3 years. The Series A bonds bear interest at a fixed rate of 10.8% per annum and matures on March 30, 2020;

b. The Series B bonds in an aggregate amount of Rp. 1.0 billion with a term of 5 years. The Series B bonds bear interest at a fixed rate of 11.3% per annum and matures on March 30, 2022; and

c. The Series C bonds in an aggregate amount of Rp. 7.0 billion with a term of 7 years. The Series C bonds bear interest at a fixed rate of 11.8% per annum and matures on March 30, 2024.

IDR Shelf-Registered Bonds II Phase IV of 2017 are listed on the Indonesian Stock Exchange with Bank Mega as the trustee. The net proceeds of IDR Shelf-Registered Bonds II Phase IV of 2017 were used to refinance Parent Guarantor's debt and for capital expenditures, including in connection with future asset acquisitions. IDR Shelf-Registered Bonds II Phase IV of 2017 are unsecured.

Phase V

On June 14, 2017, the Parent Guarantor issued Rupiah-denominated Shelf-Registered Bonds II Phase V in an aggregate amount of Rp. 1,271.5 billion ("IDR Shelf-Registered Bonds II Phase V of 2017").

IDR Shelf-Registered Bonds II Phase V of 2017 comprises of three series:

a. The Series A bonds in an aggregate amount of Rp. 248.5 billion with a term of 1 year. The Series A bonds bear interest at a fixed rate of 8.75% per annum and mature on June 24, 2018;

b. The Series B bonds in an aggregate amount of Rp. 269.5 billion with a term of 3 years. The Series B bonds bear interest at a fixed rate of 10.8% per annum and matures on June 14, 2020; and

c. The Series C bonds in an aggregate amount of Rp. 753.5 billion with a term of 5 years. The Series C bonds bear interest at a fixed rate of 11.3% per annum and matures on June 14, 2022.

IDR Shelf-Registered Bonds II Phase V of 2017 are listed on the Indonesian Stock Exchange with Bank Mega as the trustee. The net proceeds of IDR Shelf-Registered Bonds II Phase V of 2017 were used to refinance Parent Guarantor's debt and for capital expenditures, including in connection with future asset acquisitions. IDR Shelf Bonds II Phase V of 2017 are unsecured.

Phase VI

On September 28, 2017, the Parent Guarantor issued Rupiah–denominated Shelf-Registered Bonds II Phase VI in an aggregate amount of Rp. 566.5 billion ("IDR Shelf-Registered Bonds II Phase VI of 2017").

The IDR Shelf-Registered Bonds II phase VI of 2017 comprises of two series:

a) The Series A bonds in an aggregate amount of Rp. 415.0 billion with a term of 42 months. The Series A bonds bear interest at a fixed rate of 10.3% per annum and mature on March 28, 2021.

b) The Series B bonds in an aggregate amount of Rp. 151.5 billion with a term of five years. The Series B bonds bear interest at a fixed rate of 10.8% per annum and mature on September 28, 2022.

The IDR Shelf-Registered Bonds II Phase VI of 2017 are listed on the Indonesian Stock Exchange with Bank Mega as the trustee. The net proceeds of IDR Shelf-Registered Bonds II Phase VI of 2017 were used for capital expenditures, including in connection with future asset acquisitions. The IDR Shelf Bonds II Phase VI of 2017 are unsecured.

Restrictions Pursuant to Existing Domestic Bonds

The IDR Bonds III of 2012, USD Bonds Phase III of 2012, IDR Shelf-Registered Bonds I and IDR Shelf-Registered Bonds II are collectively referred to as "Existing Domestic Bonds" and individually as "Existing Domestic Bond". Under the Existing Domestic Bonds, without prior written consent from the trustee, the Parent Guarantor is prohibited from:

(i) merging or consolidating with or acquiring other companies which may cause dissolution of the Parent Guarantor or have a negative effect to the business of the Parent Guarantor, except as required by the prevailing laws and regulations or court or other governmental authorities decisions;

(ii) reducing its authorized capital, issued capital or paid up capital;

(iii) providing security over or encumbering any of the Parent Guarantor's assets, including any of the Parent Guarantor's right to future revenue, which exists now or in the future, except for (a) security or encumbrance to secure the repayment of the outstanding amount under the Existing Domestic Bond or the trustee agreement or issuance agreement, (b) security or encumbrance of asset(s) which has been effective or notified to the trustee or monitoring agent (as applicable) prior to the signing of the trustee agreement or issuance agreement, (c) security or encumbrance relating to the new loan facility replacing the portion of the existing loan facility (refinancing) secured by asset(s) on the same value and category, (d) security or encumbrance which has been provided prior to merger, consolidation, or acquisition as specified under point (i) above; (e) security or encumbrance required for the purpose of the ordinary course (day-to-day basis) of business activity of the Parent Guarantor to obtain, among others, bank guarantee, letter of credit and working capital of the Parent Guarantor, provided that the secured indebtedness does not breach the financial covenants relating to the Parent Guarantor's consolidated financial statement, (f) security or encumbrance for the purpose of project financing, provided that the secured fixed assets are related to such project, and the financing of such project has limited recourse in nature; (g) security or encumbrance for the purpose of acquisition financing, provided that the secured assets are the acquired assets and/or the term of the Parent Guarantor's corporate guarantee covers the same time period with the term of such acquisition financing; (h) security or encumbrance for the purpose of Reserve Based Lending (RBL);

(iv) providing security or encumbrance of the Parent Guarantor's shares in affiliated party(ies) of the Parent Guarantors, which in aggregate shall not exceed 10% (ten percent) of the Parent Guarantor's equity based on the latest consolidated financial statement audited by an independent auditor;

(v) providing loan or corporate guarantee to a third party, except for (a) any loan or corporate guarantee which has existed prior to the execution of the trustee agreement or issuance agreement, (b) any loan or corporate guarantee to the Parent Guarantor's employee or to employee's cooperative and/or foundation having programs for employee's welfare improvement and development of small enterprise and cooperative in line with the government's policy; (c) any loan or guarantee for the benefit of its subsidiaries; (d) any loan or corporate guarantee (which are not Parent Guarantor's tangible assets), including but not limited to, corporate guarantee, undertaking, commitment, to the Parent Guarantor's affiliated company, provided such loan and corporate guarantee are negotiated at arm's length, and value of the loan or guarantee is not more than 10% (ten percent) of the Parent Guarantor's equity as stated in the latest Parent Guarantor's consolidated financial statements audited by an independent auditor registered in OJK. Specifically for DS LNG Project and/or Sarulla Project and/or Senoro Project (as applicable), maximum loan or corporate guarantee shall not exceed US$300.0 million (three hundred million United States dollars) and shall be valid up until the commercial operation date of such project(s); and (e) any ordinary advances, loan, or guarantee in relation to the Parent Guarantor's ordinary course of business activity;

(vi) transferring the Parent Guarantor's fixed assets in a single transaction or series of transactions within the relevant book year which exceed 10% (ten percent) of the Parent Guarantor's total fixed assets, provided that the cumulative fixed assets to be transferred shall not exceed 25% (twenty five percent) of the Parent Guarantor's total fixed assets as stated in the latest annual audited financial statements during the period of the Existing Domestic Bond, except for (a) any transfer of the non-productive fixed assets, provided that the terms and conditions of such sale of non-productive assets do not jeopardize the Parent Guarantor's business operation; (b) any transfer of the Parent Guarantor's assets conducted specifically for the purpose of the Parent Guarantor's asset securitization, provided that the cumulative assets to be transferred shall not exceed 5% (five percent) of the Parent Guarantor's equity as stated in the latest annual audited financial statements during the period of the Existing Domestic Bond; (c) any transfer of the assets within the group of the Parent Guarantor (whether in a single transaction or series of transactions) which may not have a material adverse effect to the Parent Guarantor's business; (d) any transfer of assets of which proceeds from such transfer are reinvested to the Parent Guarantor's business operation and/or its subsidiaries or to repay the Parent Guarantor's or its subsidiaries' indebtedness, provided that (1) such indebtedness is not a subordinated indebtedness and shall not have a material adverse effect on the Parent Guarantor's debt obligation under the trustee agreement or issuance agreement, and (2) the proceeds from the transfer are reinvested to the Parent Guarantor's business within 365 days from such transfer;

(vii) changing the Parent Guarantor's line of business other than specified in its Articles of Association;

(viii) issuing a bond or other financial securities which are more senior than the Existing Domestic Bond through capital market, except for (a) any loan for the purpose of financing a project, provided that the financing is limited recourse and does not breach the financial covenants; and (b) any loan issued specifically for the purpose of assets securitization, provided that such loan and securitization does not breach the financial covenants;

(ix) filing for bankruptcy or suspension of payment by the Parent Guarantor so long as the existing bond or MTN principals and interests are outstanding;

(x) distributing dividend to the Parent Guarantor's shareholders from the previous year's net consolidated profits which may cause the dividend pay-out ratio to be more than 50% (fifty percent); and

(xi) distributing or declaring dividend to the Parent Guarantor's shareholders from the previous year net consolidated profits which may have a material adverse effect to the Parent Guarantor's capability in

repaying the principals and interests of the Existing Domestic Bond or if any event of un-remedied default occurs and cannot be waived by all parties, including the holders of the Existing Domestic Bond.

Pursuant to the Existing Domestic Bonds, the Parent Guarantor is required to comply with the financial covenants relating to the consolidated financial statement, as follows:

(i) maintaining a ratio of the total consolidated indebtedness bearing interest to the adjusted equity of not more than 3:1;

(ii) maintaining a ratio of current assets and current liabilities of not less than 1.25:1; and

(iii) maintaining a ratio of EBITDA and net financing charges of not less than 1:1.

Redemption terms of the Existing Domestic Bonds

Generally, the Existing Domestic Bonds may be redeemed prior to each of its relevant maturity date by means of buyback one year after the allocation date of each relevant Existing Domestic Bonds and such buyback shall not result in any failure by the Parent Guarantor to comply with the requirements under the Existing Domestic Bonds. In performing the buyback, the Parent Guarantor shall consider the economic interest of such buyback.

Medium Term Notes

Medium Term Notes IV

On October 6, 2014, the Parent Guarantor issued Rupiah-denominated Medium Term Notes IV in the aggregate principal amount of Rp. 1,000.0 billion bearing interest at a fixed rate of 11.2% per annum with a term of 4 years and ("MTN IV of 2014"). The MTN IV of 2014 is not secured by a specific collateral and matures on October 8, 2018. PT DBS Vickers Indonesia acted as the arranger for this issuance, and Bank Mega acted as the monitoring agent. The net proceeds of MTN IV of 2014 were used to refinance Parent Guarantor's debt and for capital expenditures of the Parent Guarantor.

Medium Term Notes V

On November 15, 2016, the Parent Guarantor issued U.S. dollar-denominated Medium Term Notes V in the aggregate principal amount of US$55.0 million bearing interest at a fixed rate of 5.2% per annum with a term of 3 years and ("MTN V Phase I of 2016"). The MTN V Phase I of 2016 is not secured by a specific collateral and matures on November 15, 2019. PT DBS Vickers Indonesia acted as the arranger for this issuance and Bank Mega acted as the monitoring agent. The net proceeds of MTN V Phase I of 2016 were used to refinance Parent Guarantor's debt and for capital expenditures, including in connection with future asset acquisitions.

Restrictions Pursuant to Existing Medium Term Notes

The MTN IV of 2014 and MTN V Phase I of 2016 collectively referred to as "Existing MTNs" and individually as "Existing MTN". Under the Existing MTNs, without prior written consent from the trustee, the Parent Guarantor is prohibited from:

(i) merging or consolidating with or acquiring other companies which may cause dissolution of the Parent Guarantor or have a negative effect to the business of the Parent Guarantor, except as required by the prevailing laws and regulations or court or other governmental authorities decisions;

(ii) reducing its authorized capital, issued capital or paid up capital;

(iii) providing security over or encumbering any of the Parent Guarantor's assets, including any of the Parent Guarantor's right to future revenue, which exists now or in the future, except for (a) security or

encumbrance to secure the repayment of the outstanding amount under the Existing MTN or the trustee agreement or issuance agreement, (b) security or encumbrance of asset(s) which has been effective or notified to the trustee or monitoring agent (as applicable) prior to the signing of the trustee agreement or issuance agreement, (c) security or encumbrance relating to the new loan facility replacing the portion of the existing loan facility (refinancing) secured by asset(s) on the same value and category, (d) security or encumbrance which has been provided prior to merger, consolidation, or acquisition as specified under point (i) above; (e) security or encumbrance required for the purpose of the ordinary course (day-to-day basis) of business activity of the Parent Guarantor to obtain, among others, bank guarantee, letter of credit and working capital of the Parent Guarantor, provided that the secured indebtedness does not breach the financial covenants relating to the Parent Guarantor's consolidated financial statement, (f) security or encumbrance for the purpose of project financing, provided that the secured fixed assets are related to such project, and the financing of such project has limited recourse in nature; (g) security or encumbrance for the purpose of acquisition financing, provided that the secured assets are the acquired assets and/or the term of the Parent Guarantor's corporate guarantee does not exceed 2 (two) years after such acquisition financing; (h) security or encumbrance for the purpose of Reserve Based Lending (RBL);

(iv) providing a loan or corporate guarantee to a third party, except for (a) any loan or corporate guarantee which has existed prior to the execution of the trustee agreement or issuance agreement, (b) any loan or corporate guarantee to the Parent Guarantor's employee or to employee's cooperative and/or foundation having programs for employee's welfare improvement and development of small enterprise and cooperative in line with the government's policy; (c) any loan or guarantee for the benefit of its subsidiaries; (d) any loan or corporate guarantee (which are not Parent Guarantor's tangible assets), including but not limited to, corporate guarantee, undertaking, commitment, to the Parent Guarantor's affiliated company, provided such loan and corporate guarantee are negotiated at arm's length, and value of the loan or guarantee is not more than 10% (ten percent) of the Parent Guarantor's equity as stated in the latest Parent Guarantor's consolidated financial statements audited by an independent auditor registered in OJK. Specifically for DS LNG Project and/or Sarulla Project and/or Senoro Project (as applicable), maximum loan or corporate guarantee shall not exceed US$300.0 million (three hundred million United States dollars) and shall be valid up until the commercial operation date of such project(s); and (e) any ordinary advances, loan, or guarantee in relation to the Parent Guarantor's ordinary course of business activity;

(v) transferring the Parent Guarantor's fixed assets in a single transaction or series of transactions within the relevant book year which exceed 10% (ten percent) of the Parent Guarantor's total fixed assets, provided that the cumulative fixed assets to be transferred shall not exceed 25% (twenty five percent) of the Parent Guarantor's total fixed assets as stated in the latest annual audited financial statements during the period of the Existing MTN, except for (a) any transfer of the non-productive fixed assets, provided that the terms and conditions of such sale of non-productive assets do not jeopardize the Parent Guarantor's business operation; (b) any transfer of the Parent Guarantor's assets specifically for the purpose of Parent Guarantor's asset securitization, provided that the cumulative assets to be transferred shall not exceed 5% (five percent) of the Parent Guarantor's equity as stated in the latest annual audited financial statements during the period of the Existing MTN; (c) any transfer of assets within the group of the Parent Guarantor (whether in a single transaction or series of transactions) which may not have a material adverse effect to the Parent Guarantor's business; (d) any transfer of the assets of which proceeds from such transfer are reinvested to the Parent Guarantor's business operation and/or its subsidiaries or to repay the Parent Guarantor's or its subsidiaries' indebtedness, provided that (1) such indebtedness is not a subordinated indebtedness and shall not have a material adverse effect on the Parent Guarantor's debt obligation under the trustee agreement or issuance agreement, and (2) the proceeds from the transfer are reinvested to the Parent Guarantor's business within 365 days from such transfer;

(vi) changing the Parent Guarantor's line of business other than specified in its Articles of Association;

(vii) issuing an MTN or other financial securities which are more senior than the Existing MTN through capital market, except for (a) any loan for the purpose of financing a project, provided that the financing is limited recourse and does not breach the financial covenants; and (b) any loan issued specifically for the purpose of assets securitization, provided that such loan and securitization does not breach the financial covenants;

(viii) filing for bankruptcy or suspension of payment by the Parent Guarantor so long as the Existing MTN's principals and interests are outstanding;

(ix) distributing dividend to the Parent Guarantor's shareholders from the previous year's net consolidated profits which may cause the dividend pay-out ratio to be more than 50% (fifty percent); and

(x) distributing or declaring dividend to the Parent Guarantor's shareholders from the previous year net consolidated profits which may have a material adverse effect to the Parent Guarantor's capability in repaying the principals and interests of the Existing MTN or if any event of un-remedied default occurs and cannot be waived by all parties, including the holders of the Existing MTN.

Pursuant to the Existing MTNs, the Parent Guarantor is required to comply with the financial covenants relating to the consolidated financial statement, as follows:

(i) maintaining a ratio of the total consolidated indebtedness bearing interest to the adjusted equity of not more than 3:1;

(ii) maintaining a ratio of current assets and current liabilities of not less than 1.25:1; and

(iii) maintaining a ratio of EBITDA and net financing charges of not less than 1:1.

Subsidiaries Indebtedness

Our subsidiaries indebtedness bears interest in the range of 4.8%-8.5%.

PT Medco E&P Tomori Sulawesi Indebtedness

On November 24, 2015, PT Medco E&P Tomori Sulawesi entered into a senior secured term facility agreement with (among others) PT Bank ANZ Indonesia, PT Bank DBS Indonesia, PT Bank Mandiri (Persero) Tbk, Standard Chartered Bank ("SCB") and Sumitomo Mitsui Banking Corporation, collectively as mandated lead arrangers and SCB as global coordinator, for a US$200.0 million term loan facility (the "2015 Senoro Facility"). As the guarantor and an obligor under the 2015 Senoro Facility, the Parent Guarantor was required to comply with certain financial covenants until certain conditions were fulfilled on a Completion Test Date, as such term is defined in the 2015 Senoro Facility. In September 2016, the Completion Test Date occurred. As a result, the Parent Guarantor has been released from all obligations and liabilities as the guarantor and an obligor under the 2015 Senoro Facility, including any financial covenants therein. The 2015 Senoro Facility imposes certain restrictions on PT Medco E&P Tomori Sulawesi including, among other things, limitations on the disposal of assets and limitations on incurring or creating guarantees or indemnity in respect of another's obligations. These limitations include limitations on PT Medco E&P Tomori Sulawesi paying dividends, from making other distributions on its shares or capital stock, from repaying loans or advances (including to the Parent Guarantor and its subsidiaries) and from transferring any property or assets to other persons (including to the Parent Guarantor and its subsidiaries). The purpose of the 2015 Senoro Facility is for the repayment of certain intra-group loans and the funding of PT Medco E&P Tomori Sulawesi's general corporate purposes, among other things. The 2015 Senoro Facility is secured by security over the shares in PT Medco E&P Tomori Sulawesi and security over certain assets of PT Medco E&P Tomori Sulawesi (including bank accounts, movable assets and receivables).

The final maturity date of the 2015 Senoro Facility is June 30, 2021. US$158.9 million was outstanding under this facility as of September 30, 2017.

PT Medco E&P Malaka Indebtedness

On July 14, 2017, PT Medco E&P Malaka entered into a senior secured term loan facility agreement with (among others) Australia and New Zealand Banking Group Limited, ING Bank N.V., Singapore Branch and Societe Generale, collectively as mandated lead arrangers, for a US$360 million term loan facility (the "2017 Malaka Facility"). As the guarantor and an obligor under the 2017 Malaka Facility, the Parent Guarantor is required to comply with certain financial covenants until certain conditions are fulfilled on a Completion Date, as such term is defined in the 2017 Malaka Facility. The Completion Date has not yet occurred. The 2017 Malaka Facility imposes certain restrictions on PT Medco E&P Malaka including, among other things, limitations on the disposal of assets and limitations on incurring or creating guarantees or indemnity in respect of another's obligations. These limitations include limitations on PT Medco E&P Malaka paying dividends, from making other distributions on its shares or capital stock, from repaying loans or advances (including to the Parent Guarantor and its subsidiaries) and from transferring any property or assets to other persons (including to the Parent Guarantor and its subsidiaries). The purpose of the 2017 Malaka Facility is for payment of costs in connection with the development of Block A, Aceh, among other things. The 2017 Malaka Facility is secured by security over the shares in PT Medco E&P Malaka and security over certain assets of PT Medco E&P Malaka and the Parent Guarantor (including bank accounts, insurances, movable assets, receivables and hedging agreements).

The final maturity date of the 2017 Malaka Facility is not a fixed date but will be June 30, 2024 at the latest. As of September 30, 2017, US$172.3 million was outstanding under this facility.

On December 14, 2017 PT Medco E&P Malaka and the Parent Guarantor entered into a syndication agreement with the mandated lead arrangers under the 2017 Malaka Facility and certain new lenders, pursuant to which some of the mandated lead arrangers' commitments under the 2017 Malaka Facility were transferred to the new lenders. Effective December 29, 2017, the lenders under the 2017 Malaka Facility with aggregate commitments of US$360 million were ING Bank N.V., Singapore Branch; PT Bank ANZ Indonesia; Société Générale, Singapore Branch; BNP Paribas, acting through its Singapore Branch; Bank of China (Hong Kong) Limited, Jakarta Branch; Crédit Agricole Corporate and Investment Bank; Intesa Sanpaolo S.p.A., Hong Kong Branch; Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation, Singapore Branch.

Medco Strait Services Pte. Ltd. ("MSS")

Guaranteed Senior Notes Due 2022

In August 2017, MSS, wholly-owned subsidiary of the Parent Guarantor incorporated in Singapore, issued US$400.0 million aggregate principal amount of guaranteed senior notes due 2022 (the "2022 Notes"), through an international placement in reliance on Rule 144A and Regulation S under the Securities Act. The 2022 Notes bear interest at a fixed rate of 8.50% per annum. The Parent Guarantor and certain of our subsidiaries (together, the "2022 Notes Guarantors") have jointly and severally guaranteed the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the 2022 Notes. As of September 30, 2017, the aggregate principal amount of 2022 Notes outstanding was US$400.0 million.

The indenture governing the 2022 Notes (the "2022 Notes Indenture") requires MSS, or certain affiliates of MSS, as applicable, to create an account containing an amount at least equal to one semi-annual interest payment on the 2022 Notes (the "2022 Notes Interest Reserve Account"). The 2022 Notes Indenture also requires MSS to establish an escrow account (the "2022 Notes Escrow Account") containing the net proceeds from the issue of the 2022 Notes, after deducting the funds used to fund the 2022 Notes Interest Reserve Accounts. Funds from the 2022 Notes Escrow Account may be released in accordance with the 2022 Notes Indenture and the escrow agreement governing the 2022 Notes Escrow Account.

The obligations of MSS and the 2022 Notes Guarantors under the 2022 Notes are secured on a first priority basis by a lien on certain collateral (the "2022 Notes Collateral"), which consists of:

- charges by the Parent Guarantor of the Capital Stock of MSS;

- a charge over all of MSS's rights in the 2022 Notes Interest Reserve Account;
- an assignment by MSS of its interest in and rights under certain intercompany loans; and
- a charge by MSS over the funds in the 2022 Notes Escrow Account.

The 2022 Notes are general obligations of MSS:

- are general obligations of MSS;
- are senior in right of payment to any existing future obligations of MSS expressly subordinated in right of payment to the 2022 Notes;
- rank at least *pari passu* in right of payment with all unsecured, unsubordinated indebtedness of MSS (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law);
- are guaranteed by the 2022 Notes Guarantors on an unsubordinated basis, subject to certain limitations described in the 2022 Notes Indenture;
- are effectively subordinated to the secured obligations of MSS to the extent of the value of the assets serving as security therefor (other than the 2022 Notes Collateral);
- are effectively subordinated to all existing and future obligations of each of the Parent Guarantor's
- present or future subsidiaries that are not 2022 Notes Guarantors; and
- are secured by the 2022 Notes Collateral.

The 2022 Notes contain covenants which require MSS, the Parent Guarantor and its restricted subsidiaries not to incur any indebtedness (subject to certain agreed exceptions) unless (i) no event of default has occurred and is continuing, (ii) the Fixed Charge Coverage Ratio (defined as the ratio of (1) aggregate Consolidated EBITDA (as defined in the 2022 Notes Indenture) for the most recent four fiscal quarters to (2) aggregate Consolidated Fixed Charges (as defined in the 2022 Notes Indenture) for the most recent four fiscal quarters) would not be less than (a) 2.50 to 1.0 with respect to any incurrence on or after the original issue date of the 2022 Notes and on or prior to December 31, 2018, (b) 3.00 to 1.0 with respect to any incurrence thereafter, (iii) the Net Leverage Ratio (defined as the ratio of (1) aggregate indebtedness (as defined in the 2022 Notes Indenture) of the Parent Guarantor and its restricted subsidiaries, less cash and Temporary Cash Investments (as defined in the 2022 Notes Indenture) to (2) aggregate consolidated EBITDA (as defined in the 2022 Notes Indenture) for the most recent four fiscal quarters) would not be greater than 5.0 to 1.0 with respect to any incurrence on or after July 1, 2018 and (iv) if such indebtedness constitutes Consolidated Priority Indebtedness (as defined in the 2022 Notes Indenture), such indebtedness constitutes Permitted Priority Indebtedness (as defined in the 2022 Notes Indenture).

Pursuant to the covenants in the 2022 Notes, MSS, the Parent Guarantor and its restricted subsidiaries may make certain restricted payments, including dividends, only if, subject to certain agreed exceptions: (i) the Parent Guarantor is able to incur indebtedness based on the conditions described above and (ii) such payment, together with the aggregate amount of all restricted payments since the original issue date of the 2022 Notes, are limited to an amount equal to the sum of, among other things, (a) 50% of the aggregate amount of consolidated net income (or, if its consolidated net income is a loss, minus 100.0% of such loss), accrued on a cumulative basis beginning on October 1, 2017 and ending on the last day of the most recently ended fiscal quarter prior to the proposed payment and (b) 100.0% of the aggregate net cash proceeds received by the Parent Guarantor from certain equity offerings and capital contributions since the issuance of the 2022 Notes; minus (c) amounts drawn under certain standby letters of credit and guarantees.

The 2022 Notes contain restrictive covenants which limit the ability of MSS, the Parent Guarantor and its restricted subsidiaries to, among other things:

- incur additional indebtedness and issue preferred stock;

- make investments or other specified restricted payments;
- declare dividends on capital stock, or purchase or redeem capital stock;
- issue or sell capital stock of restricted subsidiaries;
- guarantee indebtedness;
- enter into transactions with equity holders or affiliates;
- create any lien;
- enter into sale and leaseback transactions;
- sell assets;
- engage in different business activities;
- enter into agreements that restrict certain agreed subsidiaries' ability to pay dividends and transfer
- assets or make intercompany loans; and
- effect a consolidation or merger.

The 2022 Notes Indenture provides for events of default which, if any of them occur, would permit or require the principal of, and accrued interest on, the 2022 Notes to become or to be declared due and payable.

MSS may redeem the 2022 Notes, in whole but not in part, at a price equal to 100.0% of the principal amount plus accrued and unpaid interest, if any, to the date of redemption and certain additional amounts, if any, if certain changes in applicable tax law occur.

Upon a change of control, MSS is required to make an offer to purchase each holder's 2022 Notes at a price equal to 101.0% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

AMG Indebtedness

On June 5, 2017, AMG obtained term loan facilities from OCBC in the amount of up to US$150.0 million comprising of the Tranche A facility in the amount of up to US$65.0 million and Tranche B facility in the amount of minimum US$85.0 million. These facilities will mature on June 5, 2025 and are secured by parcels of land which are located in Jakarta, Indonesia, fiduciary security over account receivables, pledges over accounts and corporate guarantee from the Parent Guarantor. During the term of the facilities, AMG must procure that Medco Energi will continue to own at least 51% of the shares in AMG, either directly or indirectly. Pursuant to this agreement, in the event of any change of Board of Directors and Board of Commissioners of AMG, AMG must obtain prior written consent from OCBC. AMG is prohibited from undertaking the following activities, among others, without the prior written consent from OCBC, (i) liquidation, merger, acquisition, consolidation and/or joint venture with another company, (ii) obtaining new indebtedness from other financial institutions, (iii) acting as guarantor to third party obligations, and (iv) creating any security or encumbrance over its assets except for the security which has been disclosed to OCBC and created prior to the date of this facility agreement. In addition, AMG is permitted to pay dividends and distribute assets to its shareholders up to a maximum of 50% of its net profit, provided that (i) AMG must pre-pay amounts owing under the facility in the same amount as the dividend paid or assets distributed and (ii) AMG is in compliance with the financial covenants under the facility and has not otherwise breached the facility agreement.

MPI Indebtedness

The indebtedness of MPI and its subsidiaries bears interest at rates ranging from 3.2% to 12%.

a. Sarulla Geothermal Power Project

The Sarulla Geothermal Power Project, in which MPI has an 18.9975% interest, is financed in an amount of up to approximately US$1.17 billion (the "Sarulla Facility") by a consortium of lenders comprising Japan Bank for International Cooperation, Asian Development Bank in its own capacity and as implementing entity of the Clean Technology Fund and the Canadian Climate Fund, and a number of financial institutions. PT Medco Geopower Sarulla is one of five joint and several borrowers for the Sarulla Facility, the other four joint and several borrowers being owned by the other investors in the Sarulla Geothermal Power Project. As of September 30, 2017, the amount outstanding under the Sarulla Facility was US$1.04 billion.

The Sarulla Facility will mature in 2034 and is secured by various assets of the Sarulla Geothermal Power Project. In connection with the Sarulla Facility, MPI has (i) provided security over its shares in PT Medco Geopower Sarulla and Sarulla Operations Limited, (ii) entered into a equity support deed in connection with the Sarulla Facility pursuant to which, among other things, MPI has committed to provide base equity and contingent equity contributions in an aggregate amount of up to US$84.8 million, and (iii) subordinated all loans made by MPI to PT Medco Geopower Sarulla and assigned those loans by way of security.

b. The Bank of Tokyo-Mitsubishi UFJ, LTD. ("BTMU")

On March 9, 2017 (as amended on June 9, 2017 and June 16, 2017), MPI signed a credit agreement with BTMU, where BTMU agreed to provide a committed credit facility ("BTMU Facility") to MPI in USD, provided that the principal amount of the BTMU Loan(s) may not exceed the facility limit of USD20,000,000.

The BTMU Facility will mature on June 9, 2018. During the term of the BTMU Facility, MPI commits and agrees that as long as there are outstanding loans in any amount whatsoever that are unused or unpaid pursuant to the agreement, MPI will not, without BTMU's prior written consent: (i) sell, lease, transfer or otherwise dispose, except in the normal course of business; (ii) acquire any asset by purchasing, leasing or otherwise, except in the normal course of business; (iii) distribute or pay dividends to MPI's shareholders, except where are no events of defaults based on the agreement; (iv) conduct any amalgamation or merger with any other party whatsoever, or change the capital structure, shareholders or their respective ownership compositions, or make amendments to their Articles of Association that require the approval of the Minister of Law and Human Rights; or (v) act as a guarantor or perform any action with similar impact in connection with the obligations of any other third party whatsoever.

c. PT Bank DBS Indonesia

On December 10, 2014 (as amended on November 20, 2017), MPI signed a credit agreement with DBS, where DBS agrees to provide to MPI banking facilities in the following forms: (i) an uncommitted omnibus facility with available maximum facility of US$70.0 million (Omnibus Facility), with the following sub-facilities: import financing facilities in the form of uncommitted import letter of credit facility in the form of usance letter of credit transactions, with an available maximum facility amount of US$15.0 million or its equivalent in other currencies approved by DBS, with a maximum tenor of letter of credit of nine months and tenor of usance of nine months, at the maximum ("Import L/C Sub-Facility"); (ii) bank guarantee facilities in the form of issuance of uncommitted usance local letter of credit (*surat kredit berdokumen dalam negeri*, "SKBDN") with a maximum available facility amount of US$15.0 million or its equivalent in Rupiah, with a maximum tenor of SKBDN of nine months and a maximum tenor of usance of nine months ("SKBDN Sub-Facilities"); (iii) a bank guarantee facility in the form of uncommitted bank guarantee ("B/G") facility with a maximum available facility of US$70.0 million or its equivalent in other currencies approved by DBS, with a maximum B/G tenor of one year plus one month claim period ("BG Sub-Facility"); (iv) Uncommitted Revolving Credit Facility with a maximum available facility amount of US$4.0 million or its equivalent in Rupiah with a maximum tenor of three months ("RCF Sub-Facility").

The facility mature on the later of September 24, 2014 or the end of the term of issuance of usance letter of credit, or usance SKBDN or B/G, except if the Banking Facility is terminated earlier, whichever is earlier; and is

secured by (i) a fiduciary lien on machinery and equipment, including a gas turbine generator located in the Singa Central Processing Plant, Lematang, Bangun Sari Village, Sukamenanti County, Gunung Megang District, Muara Enim, South Sumatera; (ii) a fiduciary lien on MPI's invoices/receivables from Tanjung Jati B and Singa Power Plant projects financed by MPI; (iii) a pledge of MMPI's time deposit at DBS; and (iv) transfer of right by way of assignment agreement for MPI's bank accounts at DBS.

During the term of the facility, MPI commits and agrees that as long as there are outstanding loans in any amount whatsoever that are unused or unpaid pursuant to the agreement, MPI will not, without DBS' prior written consent: (i) change MPI's legal form and/or status, perform liquidation, merger, amalgamation and/or other action for the benefit of its lenders (other than DBS), except MPI's investments below US$10.0 million; (ii) transfer major assets or material assets or companies in any form under any name whatsoever and for any purpose whatsoever to any third party, where (a) the transfer of assets referred to above is defined as a transfer of assets representing more than 5% of MPI's total assets in all of MPI's financial statements (excluding divestment of the Sarulla project); (b) provided that there are no material changes to the Tanung Jati B Operation & Maintenance Agreement that may have an adverse impact on MPI; (iii) obtain new and/or additional credit facilities and/or loans from DBS or another third party, except cash loans with a total amount below US$1.0 million. This provision shall not apply to trade-related surety instruments (L/C/BG/SKBDN or other trade products); (iv) bind itself as a guarantor for third parties, except in the event that MPI binds itself for an amount lower than US$20.0 million; (v) change MPI's shareholder composition, unless the reasons of which are deemed unreasonable by DBS; (vi) pay MPI's loans to shareholders in any form whatsoever, whether those existing or will exist in the future, provided that these provisions shall apply in the event that MPI remains indebted to DBS and/or in the event that MPI is in default; (vii) distribute and/or pay dividends in any form whatsoever to the shareholders of MPI, if MPI is in default or in the event of or potential default.

d. Mandiri

Working Capital Credit Facility—Transactional

On November 21, 2011 (as most recently amended on November 21, 2017), MPI signed a credit agreement with Mandiri, where Mandiri agreed to provide a credit facility to MPI with a limit of Rp. 100.0 billion. The facility is payable on the 23rd of each month, and will mature on November 20, 2018.

Non-Cash Loan Facility—Bank Guarantee

On November 21, 2011 (as most recently amended on November 21, 2017), MPI signed a credit agreement with Mandiri, where Mandiri agreed to provide a Non-Cash Loan Facility to MPI with a limit of Rp. 450.0 billion, with a Letter of Credit Facility (L/C/SKBDN/Standby L/C) maximum limit of Rp. 250.0 billion. The facilities will mature on November 20, 2018.

Treasury Line Facilities

On November 21, 2011 (as most recently amended on November 21, 2017), MPI signed a credit agreement with Mandiri, where Mandiri agreed to provide credit facilities to MPI with a limit of US$3,325,000 and US$299,250. The facilities will mature on November 20, 2018.

Pursuant to the credit facilities granted by Mandiri, in order to further secure orderly and proper payment of all monies indebted due to any reasons whatsoever that are payable by MPI to Mandiri pursuant to the agreement, MPI and/or other third parties hereby pledge the following collateral: (i) existing and future trade receivables pursuant to contracts financed by Mandiri (Cash Loan and Non-Cash Loan), which shall be charged with fiduciary lien; (ii) TM2500 power plant machinery, including 25/30 MVA step up transformer charged with fiduciary lien; and (iii) funds in the escrow account, completed with the debit authorization, charged with assignment as stated in the Deed of Assignment of Rights over Funds in Escrow Account. During the term of the facility, MPI commits and agrees that as long as there are outstanding loans in any amount whatsoever that are

unused or unpaid pursuant to the agreement, MPI will not, without Mandiri's prior written consent: (i) change its shareholder composition; (ii) obtain another credit facility or loan from other financial institutions, except existing credit facilities or loans from financial institutions entered into prior to the signing of the agreement; (iii) bind itself as a guarantor or pledge MPI's assets to other parties, except existing debt guarantees based on agreements entered into prior to the signing of the agreement; (iv) use the credit facilities other than the intended purpose of the respective credit facilities as stipulated in the agreement; or (v) dividend distribution may be conducted without Mandiri's prior written consent provided that MPI is able to meet the financial ratios (prior and subsequent to such dividend distribution) and MPI shall be obligated to report such dividend distribution to Mandiri no later than 30 days subsequent to the distribution of such dividends. In the event of failure to meet the financial ratios prior to and subsequent to the dividend distribution, MPI must obtain Mandiri's prior written consent before making any dividend distribution.

e. ING Bank N.V., Singapore Branch ("ING")

On July 27, 2017, MPI signed a credit agreement with ING, where ING agreed to provide to MPI: (i) a U.S. dollar term loan facility with an aggregate amount of US$26,950,000, and (ii) U.S. dollar term loan facility with an aggregate amount of US$28,050,000. The facilities will mature on September 27, 2019.

BJI Indebtedness

On October 31, 2016, BJI signed (i) Article of Akad Al-Qardh Number 3808 between BJI with PT. Bank Muamalat Indonesia Tbk ("BMI"), (ii) Article of Murabahah Payment Number 3809 between BJI with BMI, and (iii) Line Facility Agreement between BJI with BMI, each of those three agreements was drawn up before Muhammad Taufiq, S.H., M.Kn, Notary in Jakarta ("Facility Agreements"). Pursuant to the Facility Agreements, BMI has provided (i) Al-Qardh facility in the amounts of Rp. 67,694,826,167.83, (ii) Murabahah facility in the amount of Rp. 115,902,416,252.94, and (iii) Line facility in the amount of Rp. 70,000,000,000.

The Facility Agreements have been secured by among others (i) land and building under BJI's name located in Waringinsari and Wargasari, (ii) a pledge over PT Sangsaka Agro Lestari's shares in BJI, (iii) a pledge over PT Sangsaka Hidro Selebes in BJI, and (iv) fiduciary security of receivables.

Under the Facility Agreements, BJI without prior written consent from BMI, shall not; (i) obtain any loan or facilities, any financial leases from bank or act as a guarantor or secure its assets for other parties which may breach the financial covenant, (ii) change the structure of BJI's shareholders, (iii) make payments or repayments to BJI shareholders for any existing and future financing by BJI shareholders, (iv) change the capital structure of BJI, unless for the increase from retained earnings or any new shares issuance or subscription from shareholders, (v) sell, lease or transfer the majority of its assets to other parties, or (vi) conducting merger, amalgamation, or acquire another entities.

DEB Indebtedness

Lembaga Pembiayaan Eksport Indonesia ("Indonesia Eximbank")

On September 25, 2015, DEB signed a credit agreement with Indonesia Eximbank, where Indonesia Eximbank agreed to provide DEB Investment Export Credit Facilities with maximum limit of Rp. 320 billion. The facility will mature on September 25, 2022. The credit facility is secured by among others, DEB's property, plant and equipment under an arrangement containing a lease, rights over receivables on the GTG project, pledge of Shares by MPI in DEB, rights on project insurance and all Bank Mandiri accounts related to the project.

During the term of this facility, DEB commits and agrees that as long as there are outstanding loans in any amount whatsoever that are unused or unpaid pursuant to the agreement, DEB will not, without Indonesia Eximbank's prior written consent, among others: (i) conduct a merger or acquisition which may cause delay to DEB's obligation to repay this facility, (ii) receive new loans with an amount of more than Rp. 10 billion, (iii) act

as guarantor, except for facilities provided by Indonesia Eximbank, (iv) sell or transfer part or all of its assets which are encumbered as collateral to Indonesia Eximbank, (v) lend money to third parties including its affiliates, (vi) conduct a business consolidation, capital investment or acquisition of shares in other companies, (vii) distribute dividends to its shareholders, unless DEB has fulfilled the cash sweep mechanism in the loan facility, (viii) change or allow changes made to its capital structure unless for capital injection and has obtained written consent from PT PLN Batam, or (ix) change its shareholding composition, unless for capital injection and has obtained written consent from PT PLN Batam.

MEB Indebtedness

PT Sarana Multi Infrastruktur (Persero) ("SMI")

On December 24, 2014, MEB signed a facility agreement with SMI, where SMI agreed to provide MEB with a non-revolving facility with an aggregate amount of Rp. 365,000,000,000. This facility will mature in 12 years as of the execution of this agreement, including a one-year grace period. The credit facility has been secured by MEB's property, power plant located in Tembesi, assignment of rights over the sales and purchase agreement of electricity, assignment of rights over the borrow-use agreement, rights over receivables on the GTG project, assignment of rights over the long term service agreement, pledge of shares by MPI in MEB's Shares, assignment of rights on project insurance and all bank accounts related to the project.

During the term of this facility, MEB commits and agree that as long as there are outstanding loans in any amount whatsoever that are unused or unpaid pursuant to the agreement, MEB will not, without SMI's prior written consent, among others: (i) make changes to its ownership structure or transfer of MEB's shares, (ii) conduct divestment, merger, consolidation, acquisition of shares in other companies, (iii) sell, dispose or in any measures transfer all or parts of its assets which are encumbered as collateral, (iv) lend money to other parties, except for daily operational activities with maximum limit of Rp. 5,000,000,000, provided that such facility does not violate the financial covenant, (v) submit petition for bankruptcy, (vi) change its name, legal form and status, and nature of its business activities, (vii) bind itself as guarantor to other parties, and (viii) distribute dividend to its shareholders unless it meets the financial covenant.

EPE Indebtedness

PT Bank Syariah Mandiri ("BSM")

On March 28, 2013 (as amended on July 28, 2016 and August 1, 2017), EPE signed a line facility agreement with BSM, where BSM agreed to provide EPE with a "Qardh wal Murabahah" line facility with maximum limit of Rp. 71 billion or in accordance with the latest outstanding principal. On April 8, 2013 (as amended on July 28, 2016 and August 1, 2017), EPE signed an "Al-Murabahah" and "Qardh" facility agreement with BSM, where BSM agreed to provide EPE with loan facility with an aggregate amount of Rp. 71 Billion. This facility will mature on March 28, 2020. On July 28, 2016 (as amended on August 1, 2017), EPE signed a "Kafalah" facility agreement with BSM, where BSM agreed to provide EPE with a non-cash loan facility with maximum limit of US$720,000. The loan is payable in monthly installments until May 2019. The loan facility is secured by pledge of shares by MPI in EPE, among others, land and building, plant and equipment under an arrangement containing a lease and fiduciary transfer of receivables.

During the term of this facility, EPE commits and agree that as long as there are outstanding loans in any amount whatsoever that are unused or unpaid pursuant to the agreement, EPE will not, without BSM's prior written consent, among others: (i) receive loan facility or other financial facility, whether for investment, working capital or leasing facility from banks or bind itself as guarantor to guarantee payment of loan of other party, which may cause EPE to violate its financial covenant ratio; (ii) sell, lease, transfer, or dispose its encumbered assets; (iii) conduct merger, acquisition and transfer of EPE's shares; (iv) make payment or repayment to its shareholders for shareholders loans; (v) conduct business activities that don't relate to operational activities or business expansion or deduction that can affect EPE's ability to repay its debt; (vi) file for bankruptcy, propose postpone debt repayment and liquidation; (vii) change its capital structure, except for

capital injection made in accordance with its retain earnings; (viii) change its management and shareholding composition; (ix) reassign guarantee that has been guaranteed; (x) conduct business activities that are contrary to sharia principles; (xi) every contract amendment that related with this facility must be informed written and obtain approval from Bank at the latest 2 weeks before amendment signing; and (xii) every investment plan or new projects must obtain Bank's written consent on condition that it doesn't affect EPE's cash flow towards this facility.

MPE Indebtedness

PT Bank Syariah Mandiri ("BSM")

On March 28, 2013, MPE signed a line facility agreement with BSM, where BSM agreed to provide MPE with a "Qardh wal Murabahah" line facility with maximum limit of Rp. 75 billion or in accordance with the latest outstanding principal. On April 8, 2013, MPE signed an "Al-Murabahah" and "Qardh" facility agreement with BSM, where BSM agreed to provide MPE with loan facility with an aggregate amount of Rp. 75 Billion. This facility will mature on March 28, 2020.

During the term of this facility, MPE commits and agree that as long as there are outstanding loans in any amount whatsoever that are unused or unpaid pursuant to the agreement, MPE will not, without BSM's prior written consent, among others: (i) receive loan facility or other financial facility, whether for investment, working capital or leasing facility from banks or bind itself as guarantor to guarantee payment of loan of other party, which may cause MPE to violate its financial covenant ratio, (ii) sell, lease, transfer, or dispose its encumbered assets, (iii) conduct merger, acquisition and transfer of MPE's shares, (iv) make payment or repayment to its shareholders for shareholders loans, (v) conduct business activities that don't relate to operational activities or business expansion or deduction that can affect MPE's ability to repay its debt (vi) files for bankruptcy, propose postpone debt repayment and liquidation, (vii) change its capital structure, except for capital injection made in accordance with its retain earnings, (viii) change its management and shareholding composition, (ix) reassign guarantee that has been guaranteed, (x) conduct business activities that are contrary to sharia principles (xi) every contract amendment that related with this facility must be informed written and obtain approval from Bank at the latest 2 weeks before amendment signing, (xii) every investment plan or new projects must obtain Bank's written consent on condition that it doesn't affect MPE's cash flow towards this facility.

ELB Indebtedness

PT Bank Syariah Mandiri ("BSM")

On December 30, 2016, ELB signed a line facility agreement with BSM, where BSM agreed to provide ELB with "Musyarakah Mutanaqisah" facility with maximum limit of US$ 51 million. The loan is payable in monthly installments until maturity on December 2026. The loan facility is secured by property, plant and equipment under an arrangement containing a lease, rights over receivables, pledge of ELB's shares by PT Universal Batam Energy and PT Universal Gas Energy and guarantee letter from MPI. The loan agreement requires ELB to obtain prior written consent from PT Bank Syariah Mandiri in entering into among others: (i) obtain new loans or credit facilities from third parties or to act as a guarantor for the third parties' indebtedness, which may affect financial covenants, (ii) acquisition or merger, and transfer of shares, (iii) sell, lease, transfer, or dispose the majority of its assets, (iv) conduct business activities that don't relate to operational activities or business expansion or deduction that can affect ELB's ability to repay its debt, (v) files for bankruptcy, propose postpone debt repayment and liquidation, (vi) change the shareholding structures, the composition of its directors and commissioners, (vii) make loan repayment to the shareholders (unless ELB has fulfill the criteria on cash sweep mechanism) (viii) reassign guarantee that has been guaranteed (ix) distribute dividend to its shareholders (unless ELB has fulfill the criteria a cash sweep mechanism). Under this facility agreement, ELB is required to maintain certain financial ratios which shall be calculated based on the financial statements as of the end of the year. PT Bank Syariah Mandiri also requires ELB to maintain several restricted bank accounts with PT Bank Syariah Mandiri with minimum balances as specified in the loan agreement.

PPP Indebtedness

Syndication of PT Bank Syariah Mandiri and PT Bank Muamalat Indonesia Tbk ("BSM-BMI")

On September 1, 2014, PPP obtained credit facilities under "Akad Murabahah, Wakalah" from syndication banks of PT Bank Syariah Mandiri and PT Bank Muamalat Indonesia Tbk ("BMI") with maximum limit of Rp. 180.75 billion of which Rp. 144.6 billion is the form of sublimit letter of credit facility. The loan was previously payable in 108 months. On August 14, 2017, PPP with the syndication banks of BSM and BMI agreed to restructure the afore-mentioned loan facility to extend availability period until December 2017 and increase installment period up to September 2025 but decrease maximum credit facility to Rp. 141,396,323,493.82. The loan facility is secured by (i) land including property, plant and equipment attached thereto, (ii) fiduciary security over receivables, and (iii) pledge of SHB's shares by PT Medco Power Indonesia and PT Dalle Panaran.

During the term of this facility, PPP commits and agree that as long as there are outstanding loans in any amount whatsoever that are unused or unpaid pursuant to the agreement, PPP will not, without Banks' prior written consent, among others: (i) obtain new and/or additional credit facilities and/or loans from another third party, bind itself as guarantor to other parties that may cause PPP's inability to fulfill its financial covenant, (ii) sell, dispose or in any measures transfer all or parts of its assets which are encumbered as collateral, (iii) conduct divestment, merger, acquisition of shares in other companies, (iv) make a payment or repayment to the shareholders for a loan which have been and/or will be given by shareholders to PPP, (v) run a business that doesn't relate to operational activities or business expansion or deduction that can affect PPP's ability to repay its debt, (vi) files for bankruptcy, propose postpone debt repayment and liquidation, (vii) change the capital structure of PPP and/or obligor except for additional capital that come from retained earnings or issuance of new share or issue bonds beyond the financial covenants, (viii) change the shareholding structures in PPP while the facility is still outstanding (ix) re-encumber security under this facility to secure other liabilities, (x) conduct business activities that business activities that are contrary to sharia principles (xi) execute any contract amendment related to this facility, (xii) make any investment plan or new projects provided that it doesn't affect PPP's cash flow towards this facility.

SHB Indebtedness

Syndication of PT Bank Syariah Mandiri and PT Bank Muamalat Indonesia Tbk ("BSM-BMI")

On September 1, 2014, SHB obtained credit facilities under "Akad Murabahah, Wakalah" from syndication banks of PT Bank Syariah Mandiri and PT Bank Muamalat Indonesia Tbk ("BMI") with maximum limit of Rp. 192. 5 billions of which Rp. 154 billions in the form of sublimit letter of credit. The loan is payable in 9 years as of the date of the agreement. The loan facility is secured by (i) land including property, plant and equipment attached thereto, (ii) fiduciary security over receivables, and (iii) pledge of SHB's shares by PT Medco Hidro Indonesia and PT Dalle Panaran.

During the term of this facility, SHB commits and agree that as long as there are outstanding loans in any amount whatsoever that are unused or unpaid pursuant to the agreement, SHB will not, without Banks' prior written consent, among others: (i) obtain new and/or additional credit facilities and/or loans from another third party, bind itself as guarantor to other parties that may cause SHB's inability to fulfill its financial covenant, (ii) sell, dispose or in any measures transfer all or parts of its assets which are encumbered as collateral, (iii) conduct divestment, merger, acquisition of shares in other companies, (iv) make a payment or repayment to the shareholders for a loan which have been and/or will be given by shareholders to SHB, (v) run a business that doesn't relate to operational activities or business expansion or deduction that can affect SHB's ability to repay its debt, (vi) files for bankruptcy, propose postpone debt repayment and liquidation, (vii) change the capital structure of SHB and/or obligor except for additional capital that come from retained earnings or issuance of new share or issue bonds beyond the financial covenants, (viii) change the shareholding structures in SHB while the facility is still outstanding (ix) re-encumber security under this facility to secure other liabilities, (x) conduct business activities that business activities that are contrary to sharia principles (xi) execute any contract or amendment related to this facility, (xii) make any investment plan or new projects provided that it doesn't affect SHB's cash flow towards this facility.

DESCRIPTION OF THE NOTES

For purposes of this "Description of the Notes," the term "Issuer" refers only to Medco Platinum Road Pte. Ltd., a private company with limited liability incorporated under the laws of Singapore and a wholly owned subsidiary of the Parent Guarantor, and any successor obligor on the Notes, and the term "Parent Guarantor" refers only to PT Medco Energi Internasional Tbk, a company incorporated with limited liability under the laws of Indonesia, and not to any of its Subsidiaries. The Parent Guarantor's guarantee of the Notes is referred to as the "Parent Guarantee." Each Subsidiary of the Parent Guarantor that guarantees the Notes is referred to as a "Subsidiary Guarantor," and each such guarantee is referred to as a "Subsidiary Guarantee." The term "Guarantor" refers to either the Parent Guarantor or a Subsidiary Guarantor, as the context requires, and the term "Guarantee" refers to either the Parent Guarantee or a Subsidiary Guarantee, as the context requires. The term "Guarantors" refers to the Parent Guarantor and the Subsidiary Guarantors collectively, and the term "Guarantees" refers to the Parent Guarantee and the Subsidiary Guarantees collectively.

The Notes are to be issued under an indenture (the "Indenture"), to be dated as of the Original Issue Date, among the Issuer, the Guarantors and The Bank of New York Mellon, as trustee (the "Trustee") for the Holders of the Notes and The Bank of New York Mellon, Singapore Branch as collateral agent (the "Collateral Agent") in a transaction outside the United States and not subject to the registration requirements of the Securities Act. Holders of Notes will not be entitled to any registration rights. See "Transfer Restrictions."

The following is a summary of certain provisions of the Indenture, the Notes, the Guarantees and the Security Documents. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Indenture, the Notes, the Guarantees and the Security Documents. It does not restate those agreements in their entirety. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. We urge you to read the Indenture and the Security Documents because they, and not this description, define your rights as a Holder. Copies of the Indenture and the Security Documents will be available for inspection on or after the Original Issue Date during normal office hours at the corporate trust office of the Trustee at 101 Barclay Street, New York, NY 10286, United States of America.

Brief Description of the Notes

The Notes will:

- be general obligations of the Issuer;
- be senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes;
- rank at least *pari passu* in right of payment with all unsecured, unsubordinated obligations of the Issuer (subject to any priority rights of such unsubordinated obligations pursuant to applicable law);
- be guaranteed by the Guarantors on an unsubordinated basis, subject to the limitations described below under the caption "—The Parent Guarantee", "—Subsidiary Guarantees" and in "Risk Factors—Risks Relating to the Notes, the Guarantees and the Collateral";
- be effectively subordinated to the secured obligations of the Issuer to the extent of the value of the assets serving as security therefor (other than the Collateral);
- be effectively subordinated to all existing and future obligations of any other Subsidiaries that are not Subsidiary Guarantors; and
- be secured by the Collateral as described below under "—Security."

The Notes will mature on January 30, 2025 unless earlier redeemed pursuant to the terms thereof and the Indenture. The Indenture allows additional Notes to be issued from time to time (the "Additional Notes"), subject

to certain limitations described under "—Further Issues." Unless the context requires otherwise, references to the "Notes" for all purposes of the Indenture and this "Description of the Notes" include any Additional Notes that are actually issued. The Notes will bear interest at 6.75% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually in arrears on January 30 and July 30 of each year (each an "Interest Payment Date"), commencing on July 30, 2018.

Interest on the Notes will be paid to Holders of record at the close of business on January 15 or July 15 immediately preceding an Interest Payment Date (each a "Record Date"), notwithstanding any transfer, exchange or cancellation thereof after a Record Date and prior to the immediately following Interest Payment Date. Interest on the Notes will be calculated on the basis of a 360 day year comprised of twelve 30-day months.

Except as described under "Optional Redemption" and "Redemption for Taxation Reasons" and as otherwise provided in the Indenture, the Notes may not be redeemed prior to maturity (unless they have been repurchased by the Issuer).

In any case in which the date of the payment of principal of, premium (if any) or interest on the Notes (including any payment to be made on any date fixed for redemption or purchase of any Note) is not a Business Day in the relevant place of payment or in the place of business of the Paying Agent, then payment of principal, premium (if any) or interest need not be made in such place on such date but may be made on the next succeeding Business Day in such place. Any payment made on such Business Day will have the same force and effect as if made on the date on which such payment is due, and no interest on the Notes will accrue for the period after such date. Interest on overdue principal and interest and Additional Amounts, if any, will accrue at a rate that is 1% higher than the then applicable interest rate on the Notes.

The Notes will be issued only in fully registered form, without coupons, in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. See "—Book-Entry; Delivery and Form." No service charge will be made for any registration of transfer or exchange of Notes, but the Issuer may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

All payments on the Notes will be made in U.S. dollars in immediately available funds by the Issuer at the office or agency of the Issuer maintained for that purpose (which initially will be the specified office of the Paying Agent located at 101 Barclay Street, New York, NY 10286, United States of America, and the Notes may be presented for registration of transfer or exchange at such office or agency; *provided* that, at the option of the Issuer, payment of interest will be made by wire transfer or, if the Notes are in certificated form and the Issuer or any affiliate acts as the paying agent, payments may be made by checks mailed to the address of the Holders as such address appears in the Note register. Interest payable on the Notes held through DTC will be available to DTC participants (as defined herein) on the Business Day following payment thereof. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of the Notes including, in certain circumstances, an Opinion of Counsel. Holders will be required to pay all taxes due on transfer.

The Parent Guarantee

The Parent Guarantee will:

- be a general obligation of the Parent Guarantor;
- be effectively subordinated to secured obligations of the Parent Guarantor, to the extent of the value of the assets serving as security therefor (other than the Collateral);
- be senior in right of payment to all future obligations of the Parent Guarantor expressly subordinated in right of payment to the Parent Guarantee;

- rank at least *pari passu* in right of payment with all other unsecured, unsubordinated obligations of the Parent Guarantor (subject to any priority rights of such unsubordinated obligations pursuant to applicable law);
- be effectively subordinated to all existing and future obligations of any Subsidiaries that are not Subsidiary Guarantors; and
- be secured by the Collateral as described below under "—Security."

Under the Indenture, the Parent Guarantor will guarantee the due and punctual payment of the principal of, premium (if any) and interest on, and all other amounts payable under, the Notes. The Parent Guarantor will (1) agree that its obligations under the Parent Guarantee will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (2) waive its right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Issuer prior to exercising its rights under the Parent Guarantee. Moreover, if at any time any amount paid under a Note or the Indenture is rescinded or must otherwise be repaid, the rights of the Holders under the Parent Guarantee will be reinstated with respect to such payments as though such payment had not been made. All payments under the Parent Guarantee are required to be made in U.S. dollars.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, the Parent Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by the Parent Guarantor without rendering the Parent Guarantee voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. If the Parent Guarantee were to be rendered voidable, it could be subordinated by a court to all other Indebtedness (including guarantees and other contingent liabilities) of the Parent Guarantor, and, depending on the amount of such Indebtedness, the Parent Guarantor's liability on the Parent Guarantee could be reduced to zero.

Concurrently with the issuance of the Indenture, the Parent Guarantor will also enter into a Deed of Guarantee governed by the laws of Indonesia which will provide for the Parent Guarantor's guarantee of the due and punctual payment of the principal of, premium (if any) and interest on, and all other amounts payable under, the Notes under the laws of Indonesia.

The obligations of the Parent Guarantor under the Parent Guarantee may be limited, or possibly invalid, under applicable laws. See "Risk Factors—Risks Relating to the Notes, the Guarantees and the Collateral—The Guarantees may be challenged under applicable bankruptcy, insolvency, fraudulent transfer, financial assistance, unfair preference or similar laws, which could impair the enforceability of the Guarantees."

Release of the Parent Guarantee

The Parent Guarantee may be released in certain circumstances, including:

- upon repayment in full of the Notes; or
- upon a defeasance as described under "—Defeasance" or a discharge as described under "—Satisfaction and Discharge."

Subsidiary Guarantees

On the Original Issue Date, the following Subsidiaries will be Restricted Subsidiaries:

Oil & Gas E&P—Indonesia	Oil & Gas E&P—International
PT Medco E&P Indonesia[1]	Medco Strait Services Pte. Ltd.[1]
PT Medco E&P Simenggaris[1]	Petroleum Exploration & Production International Limited[1]
PT Medco E&P Malaka[2]	Medco Indonesia Holding B.V.[1]

Oil & Gas E&P—Indonesia

PT Medco E&P Tarakan[1]
PT Medco E&P Rimau[1]
PT Medco E&P Lematang[1]
PT Medco E&P Tomori Sulawesi[2]
PT Medco E&P Bengara[1]
PT Medco E&P Bangkannai[2][3]
Bangkanai Petroleum (L) Berhad[2][3]
PT Medco E&P Kampar[2][3]
PT Medco E&P Kalimantan[2][3]
PT Medco E&P Merangin[2][3]
PT Medco E&P Nunukan[2][3]
PT Medco E&P Sembakung[2][3]
PT Medco CBM Indonesia[2][3]
PT Medco CBM Sekayu[2][3]
PT Medco CBM Pendopo[2][3]
PT Medco CBM Bengara[2][3]
PT Medco CBM Lematang[2][3]
PT Medco CBM Rimau[2][3]

Downstream

PT Medco Downstream Indonesia[2][3]
PT Medco Services Indonesia[2][3]
PT Medco LPG Kaji[2][3]
PT Medco Methanol Bunyu[2][3]
PT Medco Ethanol Lampung[2][3]

Services

PT Exspan Petrogas Intranusa[2]
PT Api Metra Graha[2]

Trading

PT Medco Niaga Internasional[1]

Oil & Gas E&P—International

Medco Lematang B.V.[1]
Lematang E&P Limited[1]
Fortico International Limited[2][3]
Medco South China SEA Pte. Ltd.[1]
Medco Natuna Pte. Ltd.[1]
Medco E&P Natuna Ltd.[1]
Medco Singapore Operations Pte. Ltd.[1]
Medco South Sokang B.V.[1]
Medco Petroleum Services Limited[2][3]
Medco Simenggaris Pty Limited[2][3]
Medco Madura Pty Limited[2][3]
Sulawesi E&P Limited[2][3]
Medco Far East Limited[2][3]
Medco Energi (BVI) Limited[2][3]
Kuala Langsa (Block A) Limited[2][3]
Far East Trading Limited[2][3]
Medco Energi Global Pte. Ltd.[1]
Medco International Ventures Limited[1]
Medco Arabia Ltd.[1]
Medco Yemen Holding Limited[2][3]
Medco Yemen Amed Limited[2][3]
Medco Yemen Malik Limited[2][3]
Medco International Services Pte. Ltd.[2][3]
Medco International Petroleum LLC[2][3]
Medco Tunisia Petroleum Limited[2][3]
Medco Ventures International (Barbados) Limited[2][3]
Medco Sahara Limited[2][3]
Far East Energy Trading Pte. Ltd.[1]
Medco Asia Pacific Limited[2][3]
Medco International Enterprise Ltd.[1]
Medco LLC[2]
Medco Energi USA, Inc.,[2][3]
Medco Energi US, LLC[2][3]
Medco Petroleum Management LLC[2][3]

Financing

MEI Euro Finance Limited[2][3]
PT Medco Energi Nusantara[1]
Medco Platinum Road Pte. Ltd.[2]

Notes:

(1) Subsidiary Guarantor.
(2) Restricted Subsidiary but not a Subsidiary Guarantor.
(3) Dormant Subsidiary.

On the Original Issue Date and at all times thereafter, the following Subsidiaries will be Unrestricted Subsidiaries.

Mining

PT Medco Energi Mining International
PT Duta Tambang Rekayasa
PT Duta Tambank Sumber Alam

Services

LNG

PT Medco LNG Indonesia

Mining	Services
	Power
	PT Saratoga Power
	PT Medco Power Generation Indonesia
	PT Medco Java Power
	PT Medco Power Indonesia
	PT Mitra Energi Batam
	PT Medco Energi Menamas
	PT Dalle Energy Batam
	PT TJB Power Services
	PT Medco General Power Services
	PT Dalle Panaran
	PT Indo Medco Power
	PT Medco Power Sumatera
	PT Medco Geothermal Indonesia
	PT Medco Cahaya Geothermal
	PT Muara Enim Multi Power
	PT Medco Geothermal Sarulla
	PT Medco Geopower Sarulla
	PT Universal Batam Energy
	PT Energi Listrik Batam
	PT Multidaya Prima Elektrindo
	PT Energi Prima Elektrika
	PT Sangsaka Agro Lestari
	PT Sangsaka Hidro Lestari
	PT Bio Jatropha Indonesia
	PT Sangsaka Hidro Selatan
	PT Sangsaka Hidro Kasmar
	PT Sangsaka Hidro Cisereuh
	PT Sangsaka Hidro Patikala Lima
	PT Sangsaka Hidro Baliase
	PT Pembangkitan Pusaka Parahiangan Indonesia
	PT Medco Hidro Indonesia
	PT Sangsaka Hidro Barat
	PT Nawakara Energi Sumpur
	PT Medco Geothermal Nusantara
	Security Services
	PT Medco Sarana Balaraja
	PT Musi Raksa Buminasa
	PT Satria Raksa Buminusa
	PT Mahakam Raksa Buminusa
	Pipeline Transport Services
	PT Medco Gas Indonesia
	PT Mitra Energi Gas Sumatra
	PT Meta Adhya Tirta Umbulan
	PT Perta Kalimantan Gas

Each of the Restricted Subsidiaries (other than the Issuer and the initial Excluded Subsidiaries (the initial "Non-Guarantor Restricted Subsidiaries")) will be the initial Subsidiary Guarantors. The Parent Guarantor will cause each of its future Restricted Subsidiaries which are not Excluded Subsidiaries, within 30 days of becoming a Restricted Subsidiary, to execute and deliver to the Trustee a supplemental indenture to the Indenture pursuant to which such Restricted Subsidiary will guarantee the payment of the Notes.

The following table sets forth certain information regarding the restricted and unrestricted subsidiaries group and the guarantor and non-guarantor group as of and for the nine months ended September 30, 2017. The following figures (other than the figures in first column relating to the Parent Guarantor and its Subsidiaries) are unaudited, not consolidated and accordingly are not comparable with the consolidated financial information included elsewhere in this Offering Circular. The eliminations specified below do not include all eliminations or adjustments that would have been made if the figures were consolidated.

	As of September 30, 2017, and for the nine month period then ended				
	Parent Guarantor and its Subsidiaries[1][4] (consolidated)	**Parent Guarantor and Restricted Subsidiaries[2][4] (non-consolidated)**	**Unrestricted Subsidiaries[2][5] (non-consolidated)**	**Restricted Subsidiaries that are not Subsidiary Guarantors[2] (non-consolidated)**	**Parent Guarantor and the Subsidiary Guarantors[2][4] (non-consolidated)**
			(in US$ million)		
Assets	4,001.6	3,114.5	194.5	1,223.0	1,891.5
Intercompany receivables within the Group[3]	—	4,106.8	31.8	311.5	3,795.3
Investment in shares within the Group[3]	—	1,731.0	7.2	266.7	1,464.2
Total Assets	**4,001.6**	**8,952.3**	**233.5**	**1,801.2**	**7,151.0**
Liabilities	2,935.7	2,924.0	22.8	651.8	2,272.3
Intercompany payables within the Group[3]	—	3,912.9	200.5	1,068.2	2,844.7
Total Liabilities	**2,935.7**	**6,836.9**	**223.3**	**1,720.0**	**5,116.9**
Total Equity	**1,065.8**	**2,115.4**	**10.2**	**81.2**	**2,034.1**
Profit (Loss) for the period from continuing operations	**171.9**	**169.8**	**(3.0)**	**70.8**	**99.0**

Notes:

(1) These figures are derived from the audited consolidated financial statements of the Company as of and for the nine month period ended September 30, 2017.

(2) These figures are unaudited, not consolidated and accordingly are not comparable with the consolidated financial information included elsewhere in this Offering Circular. These figures were derived from the relevant balances from the financial statements of the relevant subsidiaries and do not otherwise take account of intercompany eliminations or other adjustments that would have been made if the figures were consolidated.

(3) These figures are to be eliminated at the consolidation level and do not include all eliminations or adjustments that would have been made if the relevant figures were consolidated.

(4) These figures include the long-term investment carrying amount associated with the Parent Guarantor's 49% ownership of Medco Power Indonesia as of September 30, 2017, which has since increased. Prior to October 3, 2017, the Parent Guarantor accounted for the results of Medco Power Indonesia using the equity method. As a result of the Parent Guarantor's increased interest in Medco Power Indonesia, as of October 3, 2017, the Parent Guarantor began consolidating Medco Power Indonesia's results in its consolidated financial statements. Such consolidation is not reflected in this table.

(5) These figures do not include the total non-consolidated amounts (e.g. assets, liabilities, equity, profit or loss) as of September 30, 2017 and for the nine-month period then ended for PT Medco Power Indonesia and its subsidiaries. Medco Power Indonesia become a consolidated subsidiary of the Company on October 3, 2017, the effective date of acquisition of our additional ownership in Medco Power Indonesia.

The Subsidiary Guarantee of each Subsidiary Guarantor will:

- be a general obligation of such Subsidiary Guarantor;
- be effectively subordinated to secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor (other than the Collateral);
- be senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee;

- rank at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law); and
- be secured by the Collateral as described below under "—Security"

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each of the Subsidiary Guarantors will jointly and severally guarantee the due and punctual payment of the principal of, premium (if any) and interest on, and all other amounts payable under, the Notes. The Subsidiary Guarantors will (1) agree that their obligations under the Subsidiary Guarantees will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (2) waive their right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Issuer prior to exercising its rights under the Subsidiary Guarantees. Moreover, if at any time any amount paid under a Note or the Indenture is rescinded or must otherwise be repaid, the rights of the Holders under the Subsidiary Guarantees will be reinstated with respect to such payments as though such payment had not been made. All payments under the Subsidiary Guarantees are required to be made in U.S. dollars.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each Subsidiary Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. If a Subsidiary Guarantee were to be rendered voidable, it could be subordinated by a court to all other Indebtedness (including guarantees and other contingent liabilities) of the applicable Subsidiary Guarantor, and, depending on the amount of such Indebtedness, a Subsidiary Guarantor's liability on its Subsidiary Guarantee could be reduced to zero.

Concurrently with the execution of a Subsidiary Guarantee, each Subsidiary Guarantor incorporated in the Republic of Indonesia will enter into a Deed of Guarantee governed by the laws of Indonesia which will provide for such Subsidiary Guarantor's guarantee of the due and punctual payment of the principal of, premium (if any) and interest on, and all other amounts payable under, the Notes and the Indenture under the laws of Indonesia.

The obligations of each Subsidiary Guarantor under its Subsidiary Guarantee may be limited, or possibly invalid, under applicable laws. See "Risk Factors—Risks Relating to the Notes, the Guarantees and the Collateral—The Guarantees may be challenged under applicable bankruptcy, insolvency, fraudulent transfer, financial assistance, unfair preference or similar laws, which could impair the enforceability of the Guarantees."

Release of the Subsidiary Guarantees

A Subsidiary Guarantee given by a Subsidiary Guarantor may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon a defeasance as described under "—Defeasance" or a discharge as described under "—Satisfaction and Discharge";
- upon the designation by the Parent Guarantor of such Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the terms of the Indenture; or
- upon the sale, merger, consolidation, transfer, winding up, conveyance or other disposition of such Subsidiary Guarantor in compliance with the terms of the Indenture (including the covenants described under the captions "—Certain Covenants—Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries," "—Certain Covenants—Limitation on Asset Sales" and "—Consolidation, Merger and Sale of Assets") resulting in such Subsidiary Guarantor no longer being a Restricted

Subsidiary, so long as such Subsidiary Guarantor is simultaneously released from its obligations in respect of any of the Parent Guarantor's other Indebtedness or any Indebtedness of any other Restricted Subsidiary.

Under the circumstances described below under the caption "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries," the Parent Guarantor will be permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." The Parent Guarantor's Unrestricted Subsidiaries will generally not be subject to the restrictive covenants in the Indenture. The Parent Guarantor's Unrestricted Subsidiaries will not guarantee the Notes.

As of September 30, 2017, the Parent Guarantor and its Restricted Subsidiaries had US$2,085.6 million of consolidated indebtedness outstanding, of which US$416.2 million was secured.

Security

The obligations of the Issuer and the Guarantors under the Notes, the Guarantees and the Indenture will be secured on a first priority basis (subject to Permitted Liens) by a Lien on the collateral which shall initially consist of:

(1) charges by Medco Strait Services Pte. Ltd. ("MSS") of all the Capital Stock of the Issuer;

(2) a charge by the Issuer over all of its rights in the Interest Reserve Account (as defined below);

(3) an assignment by the Issuer, Far East Energy Trading Pte. Ltd. and MSS of their respective lending interests in and rights under the Intercompany Loans; and

(4) a charge by the Issuer over all of its rights in the Escrow Account (as defined below),

collectively, the "Collateral."

The proceeds realizable from the Collateral that will secure the Notes, the Guarantees and the Indenture are unlikely to be sufficient to satisfy the Issuer's and the Guarantors' obligations under the Notes, the Guarantees and the Indenture, and the Collateral may be reduced or diluted under certain circumstances, including the issuance of Additional Notes and the disposition of assets comprising the Collateral, subject to the terms of the Indenture. See "—Release of Security" and "Risk Factors—Risks Relating to the Notes, the Guarantees and the Collateral—The value of the Collateral may not be sufficient to satisfy our obligations under the Notes."

No appraisals of the Collateral have been prepared in connection with this offering of the Notes. There can be no assurance that the proceeds of any sale of the Collateral, in whole or in part, pursuant to the Indenture and the Security Documents following an Event of Default, would be sufficient to satisfy amounts due on the Notes or the Guarantees. The Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all.

So long as no Default has occurred and is continuing, and subject to the terms of the Security Documents and the Indenture, the Issuer and the Parent Guarantor, as the case may be, will be entitled to exercise any and all voting rights and to receive, retain and use any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares or stock resulting from stock splits or reclassifications, rights issues, warrants, options and other distributions (whether similar or dissimilar to the foregoing) in respect of the Capital Stock constituting Collateral.

Interest Reserve Account

Prior to the Original Issue Date, the Issuer will establish an account (the "Interest Reserve Account") in Singapore with Standard Chartered Bank, acting through its Singapore Branch, as account bank (the "Account

Bank"). On the Original Issue Date, the Issuer will deposit into the Interest Reserve Account an amount in cash equal to the amount of one (1) semi-annual interest payment under the Notes. Funds deposited in the Interest Reserve Account will be maintained in U.S. dollars and may only be invested, on the written instruction of the Parent Guarantor, in financial instruments specified in clauses (1), (2) and (5) of the definition of Temporary Cash Investment. From the Original Issue Date, the Issuer will at all times maintain an amount equal to one (1) semi-annual interest payment in the Interest Reserve Account with respect to the outstanding Notes. The Issuer may release funds held in the Interest Reserve Account which are in excess of the next semi-annual interest payment on the outstanding Notes.

If the Notes become due and payable following the occurrence of an Event of Default under the Notes, the funds remaining on deposit in the Interest Reserve Account shall be held solely to the order of the Collateral Agent for the benefit of the Holders and the Account Bank shall release such funds in the Interest Reserve Account at the direction of the Collateral Agent (acting upon the instruction of the Trustee), which shall apply such funds in accordance with the provisions of the Indenture and the Security Documents in and towards payment of the amount due under the Notes and the Indenture.

Funds remaining on deposit in the Interest Reserve Account will be applied to the payment of interest on the Notes, and any remaining balance shall be applied to the payment of premium and Additional Amounts, if any, due on the Notes on the final Stated Maturity of the Notes or any redemption date for redemption of all outstanding Notes, in each case for purposes of full or partial repayment of outstanding Notes.

Neither the Trustee nor the Collateral Agent shall be responsible or liable for monitoring the amount of funds to be maintained in the Interest Reserve Account or for ensuring that the Issuer or the Parent Guarantor withdraw funds from the Interest Account in accordance with the provisions of the Indenture, the agreement governing the Interest Reserve Account and the Security Documents.

Escrow Account

On the Original Issue Date (and, if so required by the applicable supplemental indenture or terms relating to such issuance, on any date on which any Additional Notes are issued under the Indenture), an amount equal to the net proceeds from the issue of the Notes, and after deducting the amounts used to fund the Interest Reserve Account (or, in the case of an issuance of Additional Notes, the amount (if any) specified as being required to be so deposited in the supplemental indenture or terms relating to such issuance) (in any such case, the "Escrow Funds"), will be deposited into an account (the "Escrow Account") in Singapore established by and in the name of the Issuer with the Account Bank, as the account bank. Prior to disbursement as described below, funds in the Escrow Account will be maintained in U.S. dollars and may only be invested, on the written instruction of the Parent Guarantor, in financial instruments specified in clauses (1), (2) and (5) of the definition of Temporary Cash Investment. The Account Bank will deposit in the Escrow Account all interest, principal and premium payments from such Temporary Cash Investments received by the Issuer with respect to the Escrow Funds.

The Issuer will provide the Trustee with two business days' prior written notice of any request for release of Escrow Funds in the Escrow Account following which, upon provision of evidence of such notice to the Account Bank together with the requisite release instructions, the Issuer will arrange for the Account Bank to release:

- within 30 days from the closing of the offering, at least US$200 million for certain loan facilities which bear interest at rates ranging from 5.0% to 5.25%, which consist of:
  - at least US$100 million with respect to a non-revolving credit facility agreement entered into between the Parent Guarantor and Mandiri on August 29, 2014. The facility matures on August 28, 2019, bears interest at a rate of 5.25% per annum and will be repaid in full with the net proceeds of the Notes. See "Description of Other Material Indebtedness—Special Transaction Credit Facility Phase IV": and

- at least US$100 million with respect to a non-revolving credit facility agreement entered into between the Parent Guarantor and Mandiri on August 21, 2015. The facility matures on August 20, 2020, bears interest at a rate of 5.0% per annum and will be repaid in full with the net proceeds of the Notes. See "Description of Other Material Indebtedness—Special Transaction Credit Facility Phase V";

- at least US$65 million for repayment of the IDR Shelf-Registered Bonds I Phase II of 2013, which bear interest at a rate of 8.85% and mature on March 15, 2018. These will be fully repaid on or prior to maturity with the net proceeds of the Notes and amounts held in escrow consisting of proceeds from our 2022 Notes. See "Description of Other Material Indebtedness—Rupiah-Denominated Shelf-Registered Bonds I ("IDR Shelf-Registered Bonds I")—Phase II";

- additional proceeds of at least US$85 million will be used for the repayment in full of the following on or prior to maturity:

  (i) IDR Shelf-Registered Bonds II Phase I of 2016, Series A, which bear interest at a rate of 10.8% and mature on July 15, 2019;

  (ii) IDR Shelf-Registered Bonds II Phase II of 2016, Series A, which bear interest at a rate of 10.8% and mature on September 30, 2019; and

  (iii) IDR Shelf-Registered Bonds II Phase III of 2016, Series A, which bear interest at a rate of 10.8% and mature on December 21, 2019.

  See "Description of Other Material Indebtedness—Rupiah-Denominated Shelf Bonds II ("IDR Shelf Bonds II");"

- at least US$55 million for repayment of the MTN V Phase I of 2016, which bears interest as a rate of 5.2% per annum and matures on November 15, 2019. These will be fully repaid on or prior to maturity with the net proceeds of the Notes. See "Description of Other Material Indebtedness—Medium Term Notes V"; and

- any additional net proceeds will be used for the partial repayment of a non-revolving credit facility agreement entered into between the Parent Guarantor and Mandiri on October 21, 2015. The facility matures on August 20, 2020, bears interest at a rate of 5.0% per annum. See "Description of Other Material Indebtedness—Special Transaction Credit Facility Phase VI".

Timely notice by the Issuer to the Trustee detailing the intended use of proceeds consistent with the above, is referred to as the "Release Condition."

Such indebtedness will be repaid partially using the net proceeds of the Notes and partially through our cash on hand. See "Description of Other Material Indebtedness—Rupiah-Denominated Shelf Bonds II ("IDR Shelf Bonds II")".

If the Notes become due and payable following the occurrence of an Event of Default under the Notes, the funds remaining on deposit in the Escrow Account shall be held solely to the order of the Collateral Agent for the benefit of the Holders and the Account Bank shall release such funds in the Escrow Account at the direction of the Collateral Agent (acting upon the instruction of the Trustee), which shall apply such funds in accordance with the provisions of the Indenture and the Security Documents in and towards payment of the amount due under the Notes and the Indenture. The Trustee shall not be responsible or liable for monitoring the amount of Escrow Funds to be maintained in the Escrow Account or for ensuring that the Issuer or the Parent Guarantor actually apply the funds withdrawn from the Escrow Account in accordance with the provisions of the Indenture, the agreement governing the Escrow Account and the Security Documents.

Brief Description of the Intercompany Loans

Upon withdrawal of funds pursuant to applicable release conditions from the Escrow Account, the Issuer will lend such funds to Far East Energy Trading Pte. Ltd. and/or MSS pursuant to Intercompany Loans, who will subsequently on-lend such proceeds to the Parent Guarantor pursuant to Intercompany Loans. The Parent Guarantor will use the amounts received pursuant to the Intercompany Loans as described under "Use of Proceeds".

The Intercompany Loans will rank equal in right of payment to all existing and future senior unsecured, unsubordinated obligations of the Parent Guarantor. The Indenture also provides for limitations on amendments to the Intercompany Loans. See "—Amendments to or Prepayments of Intercompany Loans."

Enforcement of Security

The first-priority Liens (subject to any Permitted Lien) securing the Notes, the Parent Guarantee of the Parent Guarantor and the Subsidiary Guarantees of the Subsidiary Guarantors will be granted to the Collateral Agent. The Bank of New York Mellon, Singapore Branch will act as the initial Collateral Agent under the Security Documents entered into on the Original Issue Date. The Collateral Agent will hold such Liens over the Collateral granted pursuant to the Security Documents with sole authority as directed by the written instructions of the Trustee (acting on the written direction of the Holders) to exercise remedies under the Security Documents and subject to receipt of security and/or indemnity and/or pre-funding satisfactory to it. The Collateral Agent has agreed to act as secured party under the applicable Security Documents on behalf of the Holders, to follow the instructions provided to it under the Indenture and the Security Documents, and to carry out certain other duties. The Trustee will give instructions to the Collateral Agent by itself or in accordance with instructions it receives from the Holders under the Indenture.

The Indenture and/or the Security Documents principally provide that, at any time while the Notes are outstanding, the Collateral Agent has the right to perform and enforce the terms of the Security Documents relating to the Collateral and to exercise and enforce all privileges, rights and remedies thereunder according to its direction, including to take or retake control or possession of such Collateral and to hold, prepare for sale, process, lease, dispose of or liquidate such Collateral, including, without limitation, following the occurrence of an Event of Default under the Indenture.

All payments received and all amounts held by the Collateral Agent in respect of the Collateral under the Security Documents will be applied as follows:

first, to the Collateral Agent to the extent necessary to reimburse the Collateral Agent, its agents, delegates and any receivers, for any fees and expenses (including properly incurred fees and expenses of its counsel) incurred in connection with the collection or distribution of such amounts held or realized or in connection with expenses incurred in enforcing all available remedies under the Security Documents and preserving the Collateral and all amounts for which the Collateral Agent, its agents, delegates and any receivers, is entitled to payment or indemnification under the Indenture and the Security Documents;

second, to the Trustee to the extent necessary to reimburse the Trustee, the Agents and their respective agents, delegates and any receivers for any expenses (including properly incurred fees and expenses of its counsel) incurred in connection with the Indenture and in connection with the collection or distribution of such amounts held or realized or in connection with the fees, costs and expenses incurred in enforcing all available remedies under the Security Documents and preserving the Collateral and all amounts for which the Trustee, the Agents and their respective agents, delegates and any receivers are entitled to payment or indemnification under the Indenture and the Security Documents;

third, to the Trustee for the benefit of the Holders; and

fourth, any surplus remaining after such payments will be paid to the Issuer or the Parent Guarantor or to whomever may be lawfully entitled thereto.

The Collateral Agent will not be required to expend its own funds, foreclose on the Collateral or exercise remedies available if it does not receive indemnification and/or security and/or pre-funding to its satisfaction. In addition, the Collateral Agent's ability to foreclose on the Collateral may be subject to lack of perfection, the consent of third parties, prior Liens and practical problems associated with the realization of the Collateral Agent's Liens on the Collateral. Neither the Trustee, the Collateral Agent nor any of their respective officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value, time or protection of any Collateral securing the Notes, for the legality, enforceability, effectiveness, adequacy or sufficiency of the Security Documents, for the creation, perfection, continuation, priority, sufficiency or protection of any of the Liens, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Liens or Security Documents or any delay in doing so. Nor will the Collateral Agent nor the Trustee be responsible for (i) the right or title of any person in or to, or the value of, or sufficiency of any part of the Collateral created by the Security Documents; (ii) the priority of any Lien on the Collateral created by the Security Documents; or (iii) the existence of any other Lien affecting any asset secured under a Security Document.

The Security Documents provide that the Issuer and the Parent Guarantor will indemnify the Collateral Agent for all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind imposed against the Collateral Agent arising out of the Indenture and the Security Documents except to the extent that any of the foregoing are finally judicially determined to have resulted from the gross negligence or willful misconduct of the Collateral Agent.

Release of Security

The security created in respect of the Collateral granted under the Security Documents may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon defeasance of the Notes as provided below under "—Defeasance" or a discharge as described under "—Satisfaction and Discharge";
- upon certain dispositions (including but not limited to, as a result of a sale, merger, consolidation, transfer, conveyance or other disposition) of the Collateral in compliance with the covenants described under "—Certain Covenants—Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries" or "—Certain Covenants—Limitation on Asset Sales" or in accordance with the provision described under "—Consolidation, Merger and Sale of Assets"; and
- in whole or in part, with the requisite consent of the Holders (other than as provided in the Indenture and the Security Documents) in accordance with the provisions described under "—Amendments and Waiver."

Further Issues

Subject to the covenants described below and in accordance with the terms of the Indenture, the Issuer may, from time to time, without notice to or the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the Notes (including the benefit of the Guarantees) in all respects (or in all respects except for the issue date, issue price, first payment of interest and the first date for accrual of interest, and, to the extent necessary, certain temporary securities law transfer restrictions) (a "Further Issue") so that such Additional Notes may be consolidated and form a single class with the previously outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided* that (a) the issuance of any such Additional Notes shall then be permitted under "—Certain Covenants—Limitation on Indebtedness and Preferred Stock" covenant described below and the other provisions of the Indenture; and (b) the Additional Notes will not be issued under the same CUSIP, ISIN, or Common Code as the Notes unless such Additional Notes are fungible with the Notes for U.S. federal income tax purposes.

In addition, the issuance of any Additional Notes by the Issuer will be subject to the following conditions:

(1) all Obligations with respect to the Additional Notes shall be secured and guaranteed under the Indenture, the Guarantees and the Security Documents to the same extent and on the same basis as the Notes outstanding on the date the Additional Notes are issued;

(2) the net proceeds of such Additional Notes (less the amount required to fund the Interest Reserve Account, with respect to such Additional Notes) shall be lent by the Issuer to the Parent Guarantor and/or a Subsidiary Guarantor pursuant to Intercompany Loans;

(3) the Parent Guarantor and the Issuer shall have delivered to the Trustee an Officers' Certificate, in form and substance satisfactory to the Trustee, confirming that the issuance of the Additional Notes complies with the Indenture and is permitted by the Indenture; and

(4) the Parent Guarantor and the Issuer shall have delivered to the Trustee one or more Opinions of Counsel, in form and substance satisfactory to the Trustee, confirming, among other things, that the issuance of the Additional Notes satisfies the conditions precedent to such issuance under the Indenture.

Optional Redemption

At any time on or after January 30, 2022, the Issuer may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to (but not including) the redemption date, if redeemed during the 12-month period commencing on January 30 of any year set forth below:

Period	Redemption Price
2022	103.375%
2023	101.688%
2024	100.844%

At any time prior to January 30, 2022, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with the Net Cash Proceeds of one or more sales of Common Stock (or options, warrants or rights relating to Common Stock) of the Parent Guarantor in an Equity Offering at a redemption price of 106.75% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; *provided* that at least 65% of the aggregate principal amount of the Notes issued on the Original Issue Date (excluding Notes held by the Parent Guarantor and its Affiliates) remains outstanding after each such redemption and any such redemption takes place within 90 days after the closing of the related Equity Offering.

At any time prior to January 30, 2022, the Issuer may at its option redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. Neither the Trustee nor any of the Agents shall be responsible or liable for calculating or verifying the Applicable Premium.

The Issuer will give not less than 30 days' nor more than 60 days' notice of any redemption. If less than all of the Notes are to be redeemed, the Notes for redemption will be selected as follows:

- if the Notes are listed on any securities exchange, in compliance with the requirements of the principal securities exchange on which the Notes are then traded or if the Notes are held through the clearing systems, in compliance with the requirements of the clearing systems; or
- if the Notes are not listed on any securities exchange or are not held through the clearing systems, on a pro rata basis by lot or such other method as the Trustee deem appropriate in its sole and absolute discretion, unless otherwise required by law.

However, no Note of US$200,000 in principal amount or less will be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions of them called for redemption.

Repurchase of Notes Upon a Change of Control

Not later than 30 days following a Change of Control, the Issuer or the Parent Guarantor will make an Offer to Purchase all outstanding Notes (a "Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date.

The Issuer and the Parent Guarantor have agreed in the Indenture that upon a Change of Control they will timely repay all Indebtedness or obtain consents as necessary under, or terminate, agreements or instruments that would otherwise prohibit a Change of Control Offer required to be made pursuant to the Indenture. Notwithstanding this agreement of the Issuer and the Parent Guarantor, it is important to note that if the Issuer or the Parent Guarantor is unable to repay (or cause to be repaid) all of the Indebtedness, if any, that would prohibit repurchase of the Notes or is unable to obtain the requisite consents of the holders of such Indebtedness, or terminate any agreements or instruments that would otherwise prohibit a Change of Control Offer, it would continue to be prohibited from purchasing the Notes. In that case, the failure by the Issuer or the Parent Guarantor to purchase tendered Notes would constitute an Event of Default under the Indenture.

Certain of the events constituting a Change of Control under the Notes may also constitute an event of default under certain other debt instruments. Future debt of the Issuer or the Parent Guarantor may also prohibit the Issuer or the Parent Guarantor from purchasing Notes in the event of a Change of Control, provide that a Change of Control is a default or require repurchase of such debt upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer or the Parent Guarantor to purchase the Notes could cause a default under other Indebtedness, even if the Change of Control itself does not, due to the financial effect of the purchase on the Issuer or the Parent Guarantor. The ability of the Issuer or the Parent Guarantor to pay cash to the Holders following the occurrence of a Change of Control may be limited by the Issuer's or the Parent Guarantor's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "Risk Factors—Risks Relating to the Notes, the Guarantees and the Collateral—Upon a Change of Control of the Parent Guarantor, the Issuer may not be in a position to redeem the Notes."

The definition of "Change of Control" includes a phrase "all or substantially all," as used with respect to the assets of the Parent Guarantor or the Issuer. No precise definition of the phrase has been established under applicable law, and the phrase will be interpreted under New York law based on particular facts and circumstances. Accordingly, there may be a degree of uncertainty as to the ability of a Holder of Notes to require the Parent Guarantor or the Issuer to repurchase such Holder's Notes as a result of a sale of "all or substantially all" the assets of the Parent Guarantor or the Issuer to another person or group.

Notwithstanding the above, the Parent Guarantor and the Issuer will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer to be made by the Parent Guarantor or the Issuer and such third party purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The Issuer and the Parent Guarantor will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to a Change of Control Offer. To the extent that

the provisions of any securities laws or regulations conflict with the provisions of the covenant described hereunder, the Issuer and the Parent Guarantor will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations described hereunder by virtue of its compliance with such laws and regulations.

The Trustee shall not be required to take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur, and shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Issuer. The Trustee shall not be required to take any steps to ascertain whether the condition for the exercise of the rights herein has occurred. The Trustee shall not be responsible for determining or verifying whether a Note is to be accepted for redemption and will not be responsible to the Holders for any loss arising from any failure by it to do so. The Trustee shall not be under any duty to determine, calculate or verify the redemption amount payable hereunder and will not be responsible or liable to any person for any loss arising from any failure by it to do so.

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer or the Parent Guarantor purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

Sinking Fund

There will be no mandatory redemption or sinking fund payments for the Notes.

Additional Amounts

All payments of principal of and premium (if any) and interest on the Notes and all payments under the Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Issuer, a Surviving Person (as defined under the caption "—Consolidation, Merger and Sale of Assets") or an applicable Guarantor is organized or resident for tax purposes or any jurisdiction from or through which payment is made (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a "Relevant Jurisdiction"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Issuer, a Surviving Person or the applicable Guarantor, as the case may be, will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and will pay such additional amounts ("Additional Amounts") as will result in receipt by the Holder of each Note of such amounts payable under the Notes or the Guarantees as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts will be payable:

(a) for or on account of:

(i) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(A) the existence of any present or former connection between the Holder or beneficial owner of such Note or Guarantee, as the case may be, or, if the Holder is a trust, partnership, limited liability company or a corporation, its beneficiaries, partners, members or shareholders, and the Relevant Jurisdiction other than merely holding such Note or the receipt of payments thereunder or under a Guarantee, including, without limitation, such Holder or beneficial owner (or its beneficiaries, partners, members or shareholders) being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

(B) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, or

interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;

(C) the failure of the Holder or beneficial owner to comply with a timely request of the Issuer, a Surviving Person or any Guarantor addressed to the Holder or beneficial owner, as the case may be, to provide information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder or beneficial owner; or

(D) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(ii) any estate, inheritance, gift, stamp, sale, excise, transfer, personal property or similar tax, assessment or other governmental charge;

(iii) any tax, duty, assessment or other governmental charge which is payable other than by deduction or withholding from payments made on or with respect to any Note;

(iv) any withholding or deduction imposed on or in respect of any Note pursuant to Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended, and any current or future regulations promulgated thereunder (generally referred to as "FATCA"), the laws of any Relevant Jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement between the Issuer or a Guarantor and the United States or any authority thereof entered into for FATCA purposes; or

(v) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (i), (ii), (iii), and (iv); or

(b) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included for tax purposes in the income under the laws of a Relevant Jurisdiction, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, or beneficial owner been the Holder thereof.

As a result of these provisions, there are circumstances in which taxes could be withheld or deducted but Additional Amounts would not be payable to some or all beneficial owners of Notes.

The Issuer will pay any present or future stamp, court or documentary taxes or any excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery or registration of the Notes or any other document or instrument relating to the issuance thereof, excluding any such taxes, charges or similar levies imposed by any jurisdiction outside a Relevant Jurisdiction.

Whenever there is mentioned in any context the payment of principal, premium or interest in respect of any Note or any Guarantee, such mention will be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Paying Agent and the Trustee will make payments free of withholdings or deductions on account of taxes unless required by applicable law. If such a deduction or withholding is required, the Paying Agent or the Trustee will not be obligated to pay any Additional Amount to the recipient unless such an Additional Amount is received by the Paying Agent or the Trustee.

Each Holder, by accepting the Notes agrees, for the benefit of the Trustee, that it is solely responsible for its own independent appraisal of and investigation into all risks arising under or in connection with the offering of the Notes and has not relied on and will not at any time rely on the Trustee in respect of such risks.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Issuer, the Parent Guarantor or a Surviving Person, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders (which notice will be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to (but not including) the date fixed by the Issuer, the Parent Guarantor or the Surviving Person, as the case may be, for redemption (the "Tax Redemption Date") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Jurisdiction affecting taxation; or

(2) any change in, or amendment to, an official position regarding the application or interpretation of such laws, regulations or rulings or treaties (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment is announced and becomes effective on or after the Original Issue Date with respect to any payment due or to become due under the Notes, the Indenture, the Intercompany Loans or a Guarantee (or, in the case of a Surviving Person or future Subsidiary Guarantor, the date such Person became a Surviving Person or Guarantor, as the case may be), the Issuer, a Guarantor or the Surviving Person, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts (or, in the case of any payment with respect to the Intercompany Loans, would be required to withhold or deduct any taxes, duties, assessments or governmental charges of whatever nature), and such requirement cannot be avoided by the taking of reasonable measures by the Issuer, such Guarantor or the Surviving Person, as the case may be; *provided* that changing the jurisdiction of the Issuer, a Guarantor or the Surviving Person is not a reasonable measure for the purposes of this section; *provided further* that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer, a Guarantor or the Surviving Person, as the case may be, would be obligated to pay such Additional Amounts (or, in the case of the Intercompany Loans, withhold or deduct such taxes, duties, assessments or governmental charges) if a payment in respect of the Notes (or on the Intercompany Loans, as applicable) were then due; *provided further* that where any such requirement to pay Additional Amounts (or withhold or deduct an amount from any payment with respect to the Intercompany Loans) is due to taxes of the Republic of Indonesia (or any political subdivision or taxing authority thereof or therein), this provision shall only have effect to permit the Notes to be redeemed in the event that the rate of withholding or deduction in respect of which Additional Amounts are required (or in respect of which withholding is required on payments on the Intercompany Loans) is in excess of 20.0%.

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer, a Guarantor or Surviving Person, as the case may be, will deliver to the Trustee at least 30 days but not more than 60 days before the Tax Redemption Date:

(1) an Officers' Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Issuer, such Guarantor or such Surviving Person, as the case may be, by taking reasonable measures available to it; and

(2) an Opinion of Counsel of recognized standing, or an opinion of a tax consultant of international recognized standing, with respect to tax matters of the Relevant Jurisdiction, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above without any verification, in which event it will be conclusive and binding on the Holders, and the Trustee will not be responsible for any loss occasioned by acting in reliance on such certificate and opinion, and is not obligated to verify any information contained in any certificate or opinion.

Any Notes that are redeemed will be cancelled.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture.

Limitation on Indebtedness and Preferred Stock

(a) The Issuer and the Parent Guarantor will not, and the Parent Guarantor will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness (including Acquired Indebtedness) and the Parent Guarantor will not permit any Restricted Subsidiary to issue any Preferred Stock; *provided* that the Parent Guarantor, the Issuer, any Subsidiary Guarantor or Finance Subsidiary may Incur Indebtedness (including Acquired Indebtedness) if, after giving pro forma effect to the Incurrence of such Indebtedness and the receipt and the application of the proceeds therefrom, (x) no Default has occurred and is continuing, (y) the Fixed Charge Coverage Ratio would be not less than (i) 2.50 to 1.0 with respect to any Incurrence on or after the Original Issue Date but prior to December 31, 2018 and (ii) 3.00 to 1.0 with respect to any Incurrence on or after December 31, 2018, (y) the Net Leverage Ratio would not be greater than 5.00 to 1.00 with respect to any Incurrence of Indebtedness on or after July 1, 2018 and (z) if such Indebtedness constitutes Consolidated Priority Indebtedness, such Indebtedness constitutes Permitted Priority Indebtedness. Notwithstanding the foregoing, the Parent Guarantor will not and will not permit any Restricted Subsidiary to, Incur any Disqualified Stock (except that the Parent Guarantor or any Restricted Subsidiary may issue Disqualified Stock held by the Parent Guarantor or a Subsidiary Guarantor, so long as it is so held).

(b) Notwithstanding the foregoing, the Parent Guarantor and, to the extent provided below, the Issuer, any Subsidiary Guarantor or any Restricted Subsidiary, may Incur each and all of the following ("Permitted Indebtedness"):

(1) Indebtedness under the Notes (excluding any Additional Notes), the Guarantees, the Intercompany Loans, the 2022 Notes, the 2022 Notes Guarantees and the 2022 Intercompany Loans;

(2) Indebtedness of the Parent Guarantor or any Restricted Subsidiary outstanding on the Original Issue Date, excluding Indebtedness permitted under clause (b)(1), or (b)(3) of this covenant;

(3) Indebtedness of the Parent Guarantor, the Issuer or any Restricted Subsidiary owed to the Parent Guarantor, the Issuer or any Restricted Subsidiary; *provided* that (x) any event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Parent Guarantor, the Issuer or any Restricted Subsidiary) will be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (b)(3), (y) if the Issuer or the Parent Guarantor is the obligor on such Indebtedness, such Indebtedness must be unsecured and expressly be subordinated in right of payment to the Notes, in the case of the Issuer, or the Parent Guarantee, in the case of the Parent Guarantor and (z) if a Subsidiary Guarantor is the obligor on such Indebtedness and a Restricted Subsidiary that is not a Subsidiary Guarantor is the obligee, such Indebtedness must be unsecured and expressly subordinated in right of payment to the Subsidiary Guarantee of such Subsidiary Guarantor;

(4) Refinancing Indebtedness ("Permitted Refinancing Indebtedness") issued in exchange for, or the net proceeds of which are used to Refinance Indebtedness Incurred under clause (a) or clause (b)(1), (b)(2), (b)(4), (b)(10) or (b)(13) of this covenant;

(5) Indebtedness Incurred by the Parent Guarantor or any Restricted Subsidiary pursuant to Hedging Obligations entered into in the ordinary course of a Permitted Business and for the purpose of protecting the Parent Guarantor or any such Restricted Subsidiary from fluctuations in interest rates, currencies or commodity prices and not for speculation;

(6) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Parent Guarantor or any Restricted Subsidiary pursuant to such agreements, in any case, Incurred in connection with the disposition of any business, assets or Equity Interests of a Restricted Subsidiary, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Equity Interests of a Restricted Subsidiary for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds (including non-cash proceeds) actually received by the Parent Guarantor or any Restricted Subsidiary from the disposition of such business, assets or Equity Interests of a Restricted Subsidiary;

(7) Indebtedness Incurred by the Parent Guarantor or any Restricted Subsidiary arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided*, *however*, that such Indebtedness is extinguished within fifteen Business Days of Incurrence;

(8) Indebtedness Incurred by the Parent Guarantor or any Restricted Subsidiary constituting (x) reimbursement obligations with respect to workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance, self-insurance obligations, bankers' acceptances or bid, performance, appeal or surety bonds (in each case other than for an obligation for borrowed money) or similar instruments, (y) the financing of insurance premiums in the ordinary course of business, or (z) reimbursement obligations with respect to security deposits, pre-sale deposits or advances on the purchase price of property, oil and gas or similar obligations in the ordinary course of business;

(9) Indebtedness Incurred by the Parent Guarantor or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit or trade guarantees issued in the ordinary course of business to the extent that such letters of credit or trade guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 30 days following receipt by the Parent Guarantor or such Restricted Subsidiary of a demand for reimbursement;

(10) Indebtedness Incurred by the Issuer, the Parent Guarantor or any Restricted Subsidiary represented by Capitalized Lease Obligations, mortgage financings or purchase money obligations in the ordinary course of business after the Original Issue Date to finance all or any part of the purchase price or cost of design, construction, installation or improvement of property (real or personal) (including the lease purchase price of land use rights), plant or equipment (including through the acquisition of Capital Stock of any Person that owns property, plant or equipment which will, upon such acquisition, become a Restricted Subsidiary) to be used in the Permitted Business; *provided* that (i) such Indebtedness shall be Incurred no later than 90 days after the acquisition, construction, installation or improvement of such property (real or personal), plant or equipment and (ii) on the date of Incurrence of such Indebtedness and after giving pro forma effect thereto, the aggregate principal amount of such Indebtedness at any time outstanding (together with Refinancings thereof) shall not exceed an amount equal to 10.0% of Total Assets;

(11) guarantees by any Guarantor of Indebtedness of any other Guarantor, the Issuer or a Finance Subsidiary that was permitted to be Incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes or a Guarantee, then the guarantee shall be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed;

(12) guarantees by the Parent Guarantor of Indebtedness Incurred by any non-Guarantor Restricted Subsidiary that (i) was permitted to be Incurred by another provision of this covenant and (ii) was Incurred to finance a project related to the Permitted Business, *provided* that such guarantee is released prior to or upon completion of construction of such project; and

(13) Indebtedness of the Parent Guarantor or any Restricted Subsidiary with a maturity of one year or less used by the Parent Guarantor or any Restricted Subsidiary for working capital; *provided* that on the date of Incurrence of such Indebtedness and after giving effect thereto, the aggregate amount of outstanding Indebtedness Incurred pursuant to this clause (13) (together with refinancings thereof) does not exceed US$85 million (or the Dollar Equivalent thereof),

provided that, with respect to the incurrence of Permitted Indebtedness under this paragraph (b) (other than Permitted Refinancing Indebtedness that Refinances Permitted Priority Indebtedness under clause (4) of this paragraph (b)), if such Permitted Indebtedness constitutes Consolidated Priority Indebtedness, on the date of the Incurrence of such Indebtedness or the issuance of such Preferred Stock and after giving pro forma effect thereto and the application of proceeds therefrom, such Indebtedness or Preferred Stock constitutes Permitted Priority Indebtedness.

(c) For purposes of determining compliance with this "—Limitation on Indebtedness and Preferred Stock" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in the first sentence of clause (a) of this covenant, the Parent Guarantor, in its sole discretion, will classify and from time to time may reclassify, such item of Indebtedness and only be required to include the amount of such Indebtedness as one of such types, or may apportion such item of Indebtedness among several such types.

(d) The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock or Preferred Stock in the form of additional shares of the same class of Disqualified Stock or Preferred Stock will not be deemed to be an incurrence of Indebtedness; provided, in each such case, that the amount of any such accrual, accretion or payment is included in the Consolidated Fixed Charges of the Parent Guarantor as accrued.

(e) For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the Dollar Equivalent principal amount of Indebtedness denominated in a foreign currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred; *provided*, that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such Refinancing would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such Refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced (plus premiums, accrued interest, underwriting discounts, costs (including any defeasance costs), fees and expenses). The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such Refinancing.

(f) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Parent Guarantor or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

Limitation on Restricted Payments

The Issuer and the Parent Guarantor will not, and the Parent Guarantor will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as "Restricted Payments"):

(1) declare or pay any dividend or make any distribution on or with respect to the Parent Guarantor's or any Restricted Subsidiary's Capital Stock (other than dividends or distributions payable or paid solely in shares of the Parent Guarantor's Capital Stock (other than its Disqualified Stock) or by any Restricted Subsidiary in its Capital Stock (other than its Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Issuer, the Parent Guarantor or any Wholly Owned Restricted Subsidiary;

(2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock (including options, warrants or other rights to acquire such shares of Capital Stock of the Parent Guarantor, any Restricted Subsidiary or any direct or indirect parent of the Parent Guarantor held by any Persons other than the Issuer, the Parent Guarantor or any Wholly Owned Restricted Subsidiary;

(3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or any Guarantee (excluding (i) the Intercompany Loans or (ii) any intercompany Indebtedness between or among the Parent Guarantor and any Restricted Subsidiary or among Restricted Subsidiaries); or

(4) make any Investment, other than a Permitted Investment,

if, at the time of, and after giving effect to, the proposed Restricted Payment:

(A) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;

(B) the Parent Guarantor could not Incur at least US$1.00 of Indebtedness under the proviso in the first sentence of clause (a) of the covenant described under the caption "—Limitation on Indebtedness and Preferred Stock"; or

(C) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Parent Guarantor and its Restricted Subsidiaries after the Original Issue Date, would exceed the sum (without duplication) of:

(i) 50% of the aggregate amount of the Consolidated Net Income of the Parent Guarantor (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the fiscal quarter in which the 2022 Original Issue Date falls and ending on the last day of the Parent Guarantor's most recently ended fiscal quarter for which consolidated financial statements of the Parent Guarantor (which the Parent Guarantor will use its reasonable best efforts to compile in a timely manner and which may be internal financial statements) are available and have been provided to the Trustee at the time of such Restricted Payment; plus

(ii) 100% of the aggregate Net Cash Proceeds received by the Parent Guarantor after the 2022 Original Issue Date as a capital contribution to its common equity or from the issuance and sale of its Equity Interests (other than Disqualified Stock) to a Person who is not a Subsidiary of the Parent Guarantor, including any such Net Cash Proceeds received upon (x) the conversion of any Indebtedness (other than Subordinated Indebtedness) of the Parent Guarantor into Capital Stock (other than Disqualified Stock) of the Parent Guarantor, or (y) the exercise by a Person who is not a Subsidiary of the Parent Guarantor of any options, warrants or other rights to acquire Capital Stock of the Parent Guarantor (other than Disqualified Stock), in each case after deducting (to the extent such amounts are not included

as a Restricted Payment) the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Parent Guarantor; plus

(iii) the amount by which Indebtedness of the Parent Guarantor or any Restricted Subsidiary is reduced on the Parent Guarantor's balance sheet upon conversion or exchange (other than by a Subsidiary of the Parent Guarantor) subsequent to the 2022 Original Issue Date of any Indebtedness of the Parent Guarantor or any Restricted Subsidiary convertible or exchangeable into Capital Stock (other than Disqualified Stock) of the Parent Guarantor (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Parent Guarantor upon such conversion or exchange, to the extent such amounts are not included as a Restricted Payment); plus

(iv) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the 2022 Original Issue Date in any Person resulting from payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Parent Guarantor or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income), (b) the unconditional release of a guarantee provided by the Parent Guarantor or any Restricted Subsidiary after the Original Issue Date of an obligation of another Person, (c) the Net Cash Proceeds from the sale, transfer or other disposition (including by merger or consolidation) of any such Investment (except to the extent such Net Cash Proceeds are included in the calculation of Consolidated Net Income) or (d) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments made by the Parent Guarantor or a Restricted Subsidiary after the Original Issue Date in any such Person; minus

(v) any amounts drawn on the MPI SLC; plus

(vi) any amounts reimbursed to the Parent Guarantor or any of its Restricted Subsidiaries, whether pursuant to a right of subrogation, repayment or otherwise, on account of amounts drawn under the MPI SLC, but not exceeding, in aggregate, the amounts previously deducted under clause (v) above.

The foregoing provision will not be violated by reason of:

(1) the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;

(2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Parent Guarantor or any Subsidiary Guarantor with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

(3) the redemption, repurchase or other acquisition of Capital Stock of the Parent Guarantor or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent capital contribution to or sale (other than to a Subsidiary of the Parent Guarantor) of, shares of Capital Stock (other than Disqualified Stock) of the Parent Guarantor (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (C)(ii) of the preceding paragraph; provided further that any item that has been excluded pursuant to clause (C)(ii) of the preceding paragraph will not be excluded again as a result of the proviso in this clause (3);

(4) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Parent Guarantor or any Restricted Subsidiary in exchange for, or out of the Net

Cash Proceeds of a substantially concurrent capital contribution to or sale (other than to a Subsidiary of the Parent Guarantor) of, shares of Capital Stock (other than Disqualified Stock) of the Parent Guarantor (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (C)(ii) of the preceding paragraph; provided further that any item that has been excluded pursuant to clause (C)(ii) of the preceding paragraph will not be excluded again as a result of the proviso in this clause (4);

(5) (x) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary or (y) the redemption, repurchase, defeasance or other acquisition by a Restricted Subsidiary of any shares of its Capital Stock, in each case payable, on a pro rata basis or on a basis more favorable to the Parent Guarantor to all holders of any class of Capital Stock of such Restricted Subsidiary, a majority of which is held, directly or indirectly through Restricted Subsidiaries, by the Parent Guarantor;

(6) the repurchase, redemption or other acquisition or retirement for value of Capital Stock of the Parent Guarantor deemed to occur upon (a) the exercise or conversion of warrants, options or other rights to acquire Capital Stock to the extent such Capital Stock represent a portion of the exercise price of those warrants, options or other rights or (b) the withholding of a portion of the Equity Interests granted or awarded to an employee to pay for the taxes payable by such employee upon such grant or award; or

(7) cash payments in lieu of the issuance of fractional shares in connection with the exercise or conversion of any warrants, options or rights to acquire Capital Stock of the Parent Guarantor,

provided that in the case of clause (2), (3), or (4) above, no Default will have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

Each Restricted Payment permitted pursuant to clauses (1) and (5) (but only to the extent that dividends are paid to Persons other than the Parent Guarantor or a Restricted Subsidiary), of the preceding paragraph will be included in calculating whether the conditions of clause (C) of the first paragraph of this "—Limitation on Restricted Payments" covenant have been met with respect to any subsequent Restricted Payments, and Restricted Payments pursuant to such other clauses or under clause (5) (to the extent paid to the Parent Guarantor or a Restricted Subsidiary) shall not be so included.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Parent Guarantor or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities (other than cash) must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of recognized national or international standing if the Fair Market Value exceeds US$5 million (or the Dollar Equivalent thereof).

Not later than the date of making any Restricted Payment in excess of US$5.0 million (or the Dollar Equivalent thereof), the Parent Guarantor will deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this "—Limitation on Restricted Payments" covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

(a) Except as provided below, the Parent Guarantor will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Parent Guarantor or any other Restricted Subsidiary;

(2) pay any Indebtedness or other obligation owed to the Parent Guarantor or any other Restricted Subsidiary;

(3) make loans or advances to the Parent Guarantor or any other Restricted Subsidiary; or

(4) sell, lease or transfer any of its property or assets to the Parent Guarantor or any other Restricted Subsidiary.

(b) The provisions of paragraph (a) do not apply to any encumbrances or restrictions:

(1) existing in agreements as in effect on the Original Issue Date, or in the Notes, the Guarantees, the Indenture, the Security Documents and any extensions, Refinancings, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, Refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(2) existing under or by reason of applicable law, rule, regulation or government order;

(3) with respect to any Person (or any Subsidiary of such Person) or the property or assets of such Person (or any such Subsidiary), in any such case acquired by the Parent Guarantor or any Restricted Subsidiary, existing at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person (or any Subsidiary of such Person) or the property or assets of such Person (or any such Subsidiary) so acquired, and any extensions, Refinancings, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, Refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(4) that otherwise would be prohibited by the provision described in clause (a)(4) of this covenant if they arise, or are agreed to in the ordinary course of business and that (x) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease or license, (y) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to, any property or assets of the Parent Guarantor or any Restricted Subsidiary not otherwise prohibited by the Indenture or (z) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Parent Guarantor or any Restricted Subsidiary in any manner material to the Parent Guarantor or any Restricted Subsidiary;

(5) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by the "—Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries," "—Limitation on Indebtedness and Preferred Stock" and "—Limitation on Asset Sales" covenants;

(6) existing with respect to any Unrestricted Subsidiary or the property or assets of such Unrestricted Subsidiary that is designated as a Restricted Subsidiary in accordance with the terms of the Indenture at the time of such designation and not incurred in contemplation of such designation,

which encumbrances or restrictions (i) were not created in connection with or in anticipation of the transaction or series of transactions pursuant to which such Restricted Subsidiary either became an Unrestricted Subsidiary or was designated as a Restricted Subsidiary and (ii) are not applicable to any Person or the property or assets of any Person other than such Subsidiary or its Subsidiaries or the property or assets of such Subsidiary or its Subsidiaries, and any extensions, Refinancings, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, Refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, Refinanced, renewed or replaced;

(7) imposed pursuant to any Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive in any material respect, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(8) existing in customary provisions in joint venture agreements or other similar agreements permitted under the Indenture, to the extent such encumbrance or restriction relates to the activities or assets of a Restricted Subsidiary that is a party to such joint venture or agreement and if (as determined in good faith by the Board of Directors) (i) the encumbrances or restrictions are customary for a joint venture or similar agreement of that type and (ii) the encumbrances or restrictions would not, at the time agreed to, be expected to materially adversely affect the ability of the Issuer to make required payments on the Notes;

(9) imposed pursuant to debt obligations of the Issuer similar to the Notes and representing Indebtedness Incurred under clause (a) of the covenant under the caption "Certain Covenants—Limitation on Indebtedness and Preferred Stock," if, as determined by the Board of Directors in good faith, the encumbrances or restrictions are (i) customary for such types of Indebtedness; (ii) no more restrictive than the encumbrances and restrictions under the Indenture and (iii) would not, at the time agreed to, be expected to materially and adversely affect the ability of the Issuer to make required payment on the Notes or the Guarantors to make required payments under the Guarantees; or

(10) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the Incurrence of Indebtedness of the type described under clause (b)(10) of the "Limitation on Indebtedness and Preferred Stock" covenant if, as determined by the Board of Directors, the encumbrances or restrictions are (i) customary for such types of agreements and (ii) would not, at the time agreed to, be expected to materially or adversely affect the ability of (x) the Issuer to make required payment on the Notes or (y) any Guarantor to make required payments under its Guarantee.

Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries

The Issuer and the Parent Guarantor will not sell, and the Parent Guarantor will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell, any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock) except:

(a) to the Parent Guarantor, the Issuer or a Wholly Owned Restricted Subsidiary;

(b) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law to be held by a Person other than the Parent Guarantor or a Wholly Owned Restricted Subsidiary;

(c) the sale, transfer or other disposition (including by way of merger or consolidation) of the shares of Capital Stock of a Restricted Subsidiary if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any remaining Investment in such Person would have been permitted to be made under the "—Limitation on

Restricted Payments" covenant if made on the date of such issuance or sale and if permitted under, and made in accordance with, the "—Limitation on Asset Sales" covenant; and

(d) the issuance or sale, transfer or other disposition (including by way of merger or consolidation) of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale); *provided* that the Parent Guarantor or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with the "—Limitation on Asset Sales" covenant.

Limitation on Issuances of Guarantees by Restricted Subsidiaries

The Parent Guarantor will not permit any Restricted Subsidiary which is not a Subsidiary Guarantor, directly or indirectly, to provide any guarantee for any Indebtedness ("Guaranteed Indebtedness") of the Parent Guarantor, the Issuer or any Subsidiary Guarantor, unless (a) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated Subsidiary Guarantee of payment of the Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim, or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Parent Guarantor, the Issuer or any Subsidiary Guarantor as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee until the Notes have been paid in full.

If the Guaranteed Indebtedness (A) ranks *pari passu* in right of payment with the Notes or any Guarantee, then the guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Guarantee or (B) is subordinated in right of payment to the Notes or any Guarantee, then the guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes or the Guarantee.

Limitation on Transactions with Shareholders and Affiliates

The Issuer and the Parent Guarantor will not, and the Parent Guarantor will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with (a) any holder (or any Affiliate of such holder) of 10% or more of any class of Capital Stock of the Parent Guarantor or (b) any Affiliate of the Parent Guarantor (each an "Affiliate Transaction"), unless:

(1) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Parent Guarantor or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm's-length transaction by the Parent Guarantor or the relevant Restricted Subsidiary with a Person that is not such a holder or an Affiliate of the Parent Guarantor or such Restricted Subsidiary; and

(2) the Parent Guarantor delivers to the Trustee:

(A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$5.0 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors (or if there are no disinterested members of the Board of Directors, by a majority of the Board of Directors); and

(B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$10.0 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in clause (2)(A) above, an opinion issued by an accounting, appraisal or investment banking firm of recognized national or international standing as to the fairness to the Parent Guarantor or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view.

The foregoing limitation does not limit, and will not apply to:

(1) the payment of reasonable and customary regular fees to directors or commissioners of the Parent Guarantor or any Restricted Subsidiary who are not employees of the Parent Guarantor or any Restricted Subsidiary;

(2) transactions otherwise permitted under the Indenture between or among the Parent Guarantor, the Issuer and any Wholly Owned Restricted Subsidiary or between or among Wholly Owned Restricted Subsidiaries;

(3) any Restricted Payment of the type described in clause (1), (2) or (3) of the first paragraph of the covenant described under the caption "—Limitation on Restricted Payments" if permitted by that covenant;

(4) transactions or payments pursuant to any employee, officer or director compensation or benefit plans or arrangements entered into in the ordinary course of business, approved by the Board of Directors and in compliance with the listing rules of the Indonesian Stock Exchange;

(5) any issuance or sale of Capital Stock (other than Disqualified Stock) of the Parent Guarantor; and

(6) the 2022 Notes Guarantees.

In addition, the requirements of clause (2) of the first paragraph of this covenant will not apply to (i) Investments (other than Permitted Investments) not prohibited by the "—Limitation on Restricted Payments" covenant, (ii) transactions pursuant to agreements in effect on the Original Issue Date and described in this Offering Circular, or any amendment or modification or replacement thereof, so long as such amendment, modification or replacement is as a whole not more disadvantageous in any material respect to the Parent Guarantor and its Restricted Subsidiaries than the original agreement in effect on the Original Issue Date, (iii) any transaction between or among the Parent Guarantor and any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary; *provided* that in the case of clause (iii), (a) such transaction is entered into in the ordinary course of business and (b) none of the minority shareholders or minority partners (if any) of or in such Subsidiary is a Person described in clauses (a) or (b) of the first paragraph of this covenant (other than by reason of such minority shareholder or minority partner being an officer, commissioner or director of such Subsidiary) or (iv) any transaction between or among the Parent Guarantor, the Issuer and the 2022 Issuer permitted under the Indenture. Furthermore, the requirements of clause (2)(B) of the first paragraph of this covenant will not apply to transactions in the ordinary course of business between the Parent Guarantor and any Restricted Subsidiary, on the one hand, and any Affiliate of the Parent Guarantor described in clause (b) of the first paragraph of this covenant that is engaged in a Permitted Business described in clauses (iii) and (iv) of the definition thereof or any Unrestricted Subsidiary, on the other hand.

Limitation on Liens

The Issuer will not, and the Parent Guarantor will not permit the Issuer or any Restricted Subsidiary to, directly or indirectly, incur, assume or permit to exist any Lien of any nature whatsoever on the Collateral (other than Permitted Liens).

The Issuer and the Parent Guarantor will not, and the Parent Guarantor will not permit any Restricted Subsidiary to, directly or indirectly, incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind (other than the Collateral), whether owned at the Original Issue Date or thereafter acquired, except Permitted Liens, unless the Notes are secured equally and ratably with (or, if the obligation or liability to be secured by such Lien is subordinated in right of payment to the Notes or any Guarantee, senior in priority to) the obligation or liability so secured for so long as such obligation or liability is so secured by such Lien.

Limitation on Sale and Leaseback Transactions

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction; *provided* that the Parent Guarantor or any Subsidiary Guarantor may enter into a Sale and Leaseback Transaction if:

(a) the Parent Guarantor or such Subsidiary Guarantor could have (1) incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under the covenant described under the caption "—Limitation on Indebtedness and Preferred Stock" and (2) incurred a Lien to secure such Indebtedness pursuant to the covenant described under the caption "—Limitation on Liens," in which case, the corresponding Indebtedness and Lien will be deemed incurred pursuant to those provisions;

(b) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction; and

(c) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Parent Guarantor or such Subsidiary Guarantor applies the proceeds of such transaction in compliance with, the covenant described under the caption "—Limitation on Asset Sales."

Limitation on Asset Sales

The Issuer and the Parent Guarantor will not, and the Parent Guarantor will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

(a) no Default will have occurred and be continuing or would occur as a result of such Asset Sale;

(b) the consideration received by the Parent Guarantor or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of;

(c) at least 75% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets; *provided* that in the case of an Asset Sale in which the Parent Guarantor or such Restricted Subsidiary receives Replacement Assets involving aggregate consideration in excess of US$10.0 million (or the Dollar Equivalent thereof), the Parent Guarantor shall deliver to the Trustee an opinion as to the fairness to the Parent Guarantor or such Restricted Subsidiary of such Asset Sale from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized national or international standing. For purposes of this provision, each of the following will be deemed to be cash:

(A) any liabilities, as shown on the Parent Guarantor's most recent consolidated balance sheet, of the Parent Guarantor or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that irrevocably and unconditionally releases the Parent Guarantor or such Restricted Subsidiary from further liability; and

(B) any securities, notes or other obligations received by the Parent Guarantor or any Restricted Subsidiary from such transferee that are promptly, but in any event within 30 days of closing, converted by the Parent Guarantor or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion.

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Parent Guarantor (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Cash Proceeds to:

(1) permanently repay any Senior Indebtedness of the Parent Guarantor or a Restricted Subsidiary (and, if such Senior Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) in each case owing to a Person other than the Parent Guarantor or a Restricted Subsidiary;

(2) acquire properties and assets that replace the properties and assets that were the subject of such Asset Sale or properties or assets (other than current assets) that will be used in the Permitted Business;

(3) acquire Capital Stock of any entity involved in the Permitted Business, if, after giving effect to any such acquisition of Capital Stock, such entity involved in the Permitted Business is or becomes a Restricted Subsidiary; or

(4) make capital expenditure relating to properties or assets that are used in the Permitted Business.

Properties, assets or Capital Stock referred to in clauses (2), (3) and (4) of the preceding paragraph constitute "Replacement Assets." Pending application of such Net Cash Proceeds as set forth in the preceding paragraph, the Parent Guarantor (or applicable Restricted Subsidiary) may use such Net Cash Proceeds to make an Investment in cash or Temporary Cash Investments or to temporarily reduce revolving credit Indebtedness.

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in the second preceding paragraph will constitute "Excess Proceeds." Excess Proceeds of less than US$10.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When accumulated Excess Proceeds equal or exceed US$10.0 million (or the Dollar Equivalent thereof), within 10 days thereof, the Parent Guarantor or the Issuer must make an Offer to Purchase Notes having a principal amount equal to:

(i) accumulated Excess Proceeds, multiplied by

(ii) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and all *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale, rounded down to the nearest US$1,000.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount plus accrued and unpaid interest to (but not including) the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Parent Guarantor may use such Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and any other *pari passu* Indebtedness tendered in (or required to be prepaid or redeemed in connection with) such Offer to Purchase exceeds the amount of Excess Proceeds, the Notes and such other *pari passu* Indebtedness will be purchased on a pro rata basis based on the principal amount of Notes and such other *pari passu* Indebtedness tendered (or required to be prepaid or redeemed). Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

Notwithstanding the provisions of this covenant "Limitation on Asset Sales", the Issuer and the Parent Guarantor will not sell or otherwise transfer the Intercompany Loans.

The Parent Guarantor and the Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Offer to Purchase. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the covenant described hereunder, the Parent Guarantor and the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations described hereunder by virtue of its compliance with such laws and regulations.

Limitation on the Parent Guarantor's Business Activities

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than a Permitted Business; *provided*, *however*, that the Parent Guarantor or any Restricted Subsidiary (other than the Issuer) may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than a Permitted Business as long as any Investment therein was not prohibited when made by the covenant under the caption "—Limitation on Restricted Payments."

Limitation on the Issuer

The Issuer will not issue any Capital Stock other than the issuance of its ordinary shares to the Parent Guarantor.

The Issuer will at all times remain a Wholly Owned Restricted Subsidiary of the Parent Guarantor.

For so long as any Notes are outstanding, none of the Issuer or the Parent Guarantor will commence or take any action to cause a winding-up or liquidation of the Issuer except that the Issuer may be wound up or liquidated subsequent to a consolidation, merger or transfer of assets conducted in accordance with the first paragraph of the covenant described under the caption "—Consolidation, Merger and Sale of Assets."

Amendments to or Prepayments of the Intercompany Loans

On the Original Issue Date the Issuer will deposit the net proceeds of the offering, after deducting underwriting discounts and other estimated expenses related to the offering, which are not used to fund the Interest Reserve Account into the Escrow Account. Upon release of the Escrow Funds, the Issuer will lend the Escrow Funds to Far East Energy Trading Pte. Ltd. and MSS, who will on lend such funds to the Parent Guarantor. The Intercompany Loans will be subordinated in right of payment to the Guarantees.

Without the consent of the holders of at least a majority in aggregate principal amount of the Notes then outstanding, the Issuer and the Parent Guarantor will not, and will not permit any Restricted Subsidiary to,

(i) prepay or otherwise reduce or permit the prepayment or reduction of the Intercompany Loans; or

(ii) amend, modify or alter the instrument governing the Intercompany Loans in any manner adverse to the Holders; *provided* that, without the consent of all holders, the Issuer and the Parent Guarantor will not, and will not permit any Restricted Subsidiary to, amend, modify or alter the Intercompany Loans to:

(1) change the Stated Maturity of the Intercompany Loans;

(2) change the currency for payment of principal or interest on the Intercompany Loans; or

(3) reduce the above-stated percentage of Notes the consent of whose holders is necessary to modify or amend the Intercompany Loans.

Notwithstanding the foregoing, without the consent of any Holder of Notes, the Intercompany Loans may be amended solely (x) to provide for the issuance of Additional Notes, and may be prepaid or reduced to facilitate or otherwise accommodate or reflect a Refinancing, redemption, repurchase or exchange of outstanding Notes in accordance with the terms of the Indenture or through any tender offer or exchange offer or (y) to reduce any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Issuer or the Parent Guarantor is organized or resident for tax purposes; *provided* that in the case of clause (y), prior to such amendment, the Issuer or the Parent Guarantor will deliver to the Trustee an Opinion of Counsel or an opinion of a tax consultant of recognized national or international standing that such amendment to the Intercompany Loans will reduce such withholding or deduction.

The Issuer and the Parent Guarantor will not sell or otherwise transfer the Intercompany Loans or to directly or indirectly, incur, assume or permit to exist any Lien on the Intercompany Loans (other than Permitted Liens).

Maintenance of Insurance

The Parent Guarantor will, and will cause each Restricted Subsidiary, to maintain insurance with reputable and financially sound carriers against such risks and in such amounts as is customarily carried by similar companies engaged in similar business to the Permitted Business in the jurisdictions in which the Parent Guarantor or such Restricted Subsidiary conducts its businesses, including, without limitation, property and casualty insurance.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary (other than the Issuer) to be an Unrestricted Subsidiary; *provided* that (a) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (b) neither the Parent Guarantor nor any Restricted Subsidiary guarantees or provides credit support for the Indebtedness or other liabilities of such Restricted Subsidiary; (c) such Restricted Subsidiary has no outstanding Indebtedness that could trigger a cross-default to the Indebtedness of the Parent Guarantor or any other Restricted Subsidiary; (d) such Restricted Subsidiary does not own any Disqualified Stock of the Parent Guarantor or Preferred Stock of another Restricted Subsidiary or hold any Indebtedness of, or any Lien on any property of, the Parent Guarantor or any Restricted Subsidiary, if such Preferred Stock or Indebtedness could not be Incurred under the covenant described under "—Limitation on Indebtedness and Preferred Stock" or such Lien would violate the covenant described under "—Limitation of Liens"; (e) such Restricted Subsidiary does not own any Voting Stock of another Restricted Subsidiary, and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated as Unrestricted Subsidiaries in accordance with this paragraph; (f) the Investment deemed to have been made thereby in such newly designated Unrestricted Subsidiary and each other newly designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made by the covenant described under the caption "—Limitation on Restricted Payments;" and (g) such Restricted Subsidiary does not own or operate or possess any material license, franchise or right used in connection with the ownership or operation of any material part of the Parent Guarantor's or its Restricted Subsidiaries' business.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that (a) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (b) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under the caption "—Limitation on Indebtedness and Preferred Stock"; (c) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been Incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under the caption "—Limitation on Liens"; (d) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary); and (e) such Restricted Subsidiary will, if required by the Indenture, upon such designation execute and deliver to the Trustee a supplemental indenture to the Indenture by which such Restricted Subsidiary will become a Subsidiary Guarantor. All designations must be evidenced by a Board Resolution delivered to the Trustee certifying compliance with the preceding provisions.

Use of Proceeds

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, use the net proceeds from the sale of the Notes, in any amount, for any purpose other than (a) in the approximate amounts and for the purposes specified under the caption "Use of Proceeds" in this Offering Circular and in compliance with the Release Conditions as described under the caption "—Escrow Account," and (b) pending application of all of such net proceeds in such manner, to invest the portion of such net proceeds not yet so applied in Temporary Cash Investments.

Government Approvals and Licenses; Compliance with Law

The Issuer and the Parent Guarantor will, and the Parent Guarantor will cause each Restricted Subsidiary to, (a) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Business, (b) preserve and maintain good and valid title to its properties and assets (including land-use rights) free and clear of any Liens other than Liens not prohibited by the covenant described under "—Limitation on Liens" and (c) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on

(1) the business or results of operations of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole, or (2) the ability of the Issuer, the Parent Guarantor or any Subsidiary Guarantor to perform their obligations under the Notes, the relevant Guarantee or the Indenture.

Anti-Layering

The Issuer will not Incur, and the Parent Guarantor will not and will not permit any Subsidiary Guarantor to Incur, any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Issuer, the Parent Guarantor or such Subsidiary Guarantor, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the applicable Guarantee, on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or guarantees securing or in favor of some but not all of such Indebtedness.

Suspension of Certain Covenants

If on any date following the date of the Indenture, the Notes have a rating of Investment Grade from at least two of the Rating Agencies and no Default or Event of Default has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have a rating of Investment Grade from at least two of the Rating Agencies, the provisions of the Indenture summarized under the following captions will be suspended:

(1) "—Certain Covenants—Limitation on Indebtedness and Preferred Stock";

(2) "—Certain Covenants—Limitation on Restricted Payments";

(3) "—Certain Covenants—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";

(4) "—Certain Covenants—Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries";

(5) "—Certain Covenants—Limitation on Issuances of Guarantees by Restricted Subsidiaries";

(6) "—Certain Covenants—Limitation on Asset Sales";

(7) "—Certain Covenants—Maintenance of Insurance"; and

(8) "—Certain Covenants—Anti-Layering".

During any period that the foregoing covenants have been suspended, the Board of Directors may not designate any Restricted Subsidiary as an Unrestricted Subsidiary pursuant to the covenant described under the caption "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries" or the definition of "Unrestricted Subsidiary."

Such covenants will be reinstituted and apply according to their terms as of and from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Parent Guarantor, the Issuer or any Restricted Subsidiary properly taken in compliance with the provisions of the Indenture during the continuance of the Suspension Event, and following reinstatement the calculations under the covenant described under the caption "—Certain Covenants—Limitation on Restricted Payments" will be made as if such covenant had been in effect since the date of the Indenture except that no Default or Event of Default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. There can be no assurance that the Notes will ever achieve an Investment Grade rating or that, if achieved, any such rating will be maintained.

Provision of Financial Statements and Reports

(a) So long as any of the Notes remain outstanding, the Parent Guarantor will file with the Trustee and furnish to the Holders upon request, as soon as they are available but in any event not more than ten

calendar days after they are filed with the Indonesia Stock Exchange or any other national stock exchange on which the Parent Guarantor's Common Stock is at any time listed for trading, true and correct copies of any financial or other report in the English language (and an English translation of any financial or other report in any other language) filed with such exchange; *provided* that, if at any time the Common Stock of the Parent Guarantor ceases to be listed for trading on the Indonesia Stock Exchange or any other national stock exchange, the Parent Guarantor will file with the Trustee and furnish to the Holders in the English language (and an English translation if in any other language):

(1) as soon as they are available, but in any event within 90 calendar days after the end of each fiscal year of the Parent Guarantor, annual reports containing, and in a level of detail that is comparable in all material respects to that included in this Offering Circular, the following information:

    (i) audited consolidated balance sheets of the Parent Guarantor of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Parent Guarantor for the two most recent fiscal years, including complete footnotes to such financial statements and the audit report of a member firm of an internationally recognized firm of independent accountants on the financial statements;

    (ii) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition, EBITDA (as presented in this Offering Circular) and liquidity and capital resources of the Parent Guarantor, and a discussion of material recent developments and material commitments and contingencies and critical accounting policies; and

    (iii) description of the business, management and shareholders of the Parent Guarantor (on a consolidated basis) and, with respect to shareholders, to the extent known to the Parent Guarantor, in sufficient detail to identify any Beneficial Owners of 5% or more of any class of Capital Stock of the Parent Guarantor;

(2) as soon as they are available, but in any event within 45 calendar days after the end of the first semi-annual fiscal period of the Parent Guarantor, semi-annual reports of the Parent Guarantor containing the following information: (i) an unaudited condensed consolidated balance sheet as of the end of such semi-annual period and unaudited condensed consolidated statements of income and statements of cash flow of the Parent Guarantor for the most recent semi-annual fiscal period ending on the unaudited condensed consolidated balance sheet date, and the comparable prior year period, together with a certificate signed by the person then authorized to sign financial statements on behalf of the Parent Guarantor to the effect that such financial statements present fairly the financial position of the Parent Guarantor as at the end of, and the results of its operations for, such semi-annual fiscal period (with such exceptions as are required for end of period adjustments and lack of notes); and (ii) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition, EBITDA (as presented in this Offering Circular) and liquidity and capital resources of the Parent Guarantor, and a discussion of material recent developments and material changes in commitments and contingencies and critical accounting policies since the most recent annual report; and

(3) as soon as they are available, but in any event within 45 calendar days after the end of each of the first and third fiscal quarters of the Parent Guarantor, quarterly reports of the Parent Guarantor containing an unaudited condensed consolidated balance sheet as of the end of such fiscal quarter and unaudited condensed consolidated statements of income and statements of cash flow of the Parent Guarantor for the most recent fiscal quarter ending on the unaudited condensed consolidated balance sheet date, and the comparable prior year period, prepared on a basis consistent with the audited financial statements of the Parent Guarantor, together with a certificate signed by the person then authorized to sign financial statements on behalf of the Parent Guarantor to the effect that such financial statements present fairly the financial position of the Parent

Guarantor as at the end of, and the results of its operations for, the relevant quarterly period (with such exceptions as are required for end of period adjustments and lack of notes).

(b) In addition, so long as any of the Notes remain outstanding, the Parent Guarantor will provide to the Trustee (1) within 90 days after the close of each fiscal year, an Officers' Certificate stating the Fixed Charge Coverage Ratio with respect to the four most recent fiscal quarters and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio, with a certificate from the Parent Guarantor's external auditors verifying the accuracy and correctness of the calculation and arithmetic computation; *provided*, *however*, that the Parent Guarantor shall not be required to provide such auditor certification if its external auditors refuse as a general policy to provide such certification; and (2) as soon as possible and in any event within 20 days after the Parent Guarantor becomes aware or should reasonably become aware of the occurrence of the occurrence of a Default and/or an Event of Default (and also within 14 days of any request in writing by the Trustee), an Officer's Certificate of the Parent Guarantor setting forth the details thereof and the action the Parent Guarantor is taking or proposes to take with respect thereto.

All historical financial statements shall be prepared in accordance with GAAP as in effect on the date of such report or financial statement (or otherwise on the basis of GAAP as then in effect) and on a consistent basis for the periods presented; *provided*, *however*, that the reports set forth in clauses (a)(1), (a)(2) and (a)(3) above may, in the event of a change in applicable GAAP, present earlier periods on a basis that applied to such periods.

At any time that any of the Parent Guarantor's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Parent Guarantor, then the annual, semi-annual and quarterly financial information required by clauses (a)(1), (a)(2) and (a)(3) above shall include a summary presentation, either on the face of the financial statements or in the footnotes thereto or in the operating and financial review of the financial statements of the revenue, EBITDA (as presented in this Offering Memorandum), net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense of such Unrestricted Subsidiaries.

Events of Default

The following events will be defined as "Events of Default" in the Indenture:

(a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

(b) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;

(c) default in the performance or breach of the provisions of the covenants described under the captions "—Consolidation, Merger and Sale of Assets" or the failure to make or consummate an Offer to Purchase in the manner described under the captions "—Repurchase of Notes upon a Change of Control" or "—Certain Covenants—Limitation on Asset Sales";

(d) the Parent Guarantor or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice of such default or breach by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes then outstanding;

(e) there occurs with respect to any Indebtedness of the Parent Guarantor or any Restricted Subsidiary having an outstanding principal amount of US$15.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or will hereafter be created, (1) an event of default that has caused the holder thereof to declare such

Indebtedness to be due and payable prior to its Stated Maturity and/or (2) a failure to pay principal of, or interest or premium in an amount of at least US$1.0 million (subject to the applicable grace period in the relevant documents) on, such Indebtedness when the same becomes due;

(f) one or more final judgments or orders for the payment of money are rendered against the Parent Guarantor or any Restricted Subsidiary and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to exceed US$15.0 million (or the Dollar Equivalent thereof) (net of any amounts which the Parent's insurance carriers have paid or agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

(g) an involuntary case or other proceeding is commenced against the Parent Guarantor or any Restricted Subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Parent Guarantor or any Restricted Subsidiary or for any substantial part of the property and assets of the Parent Guarantor or any Restricted Subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Parent Guarantor or any Restricted Subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;

(h) the Parent Guarantor or any Restricted Subsidiary (1) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (2) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Parent Guarantor or any Restricted Subsidiary or for all or substantially all of the property and assets of the Parent Guarantor or any Restricted Subsidiary or (3) effects any general assignment for the benefit of creditors;

(i) any Guarantor denies or disaffirms in writing its obligations under its Guarantee or any Guarantee is finally determined in any judicial proceeding to be unenforceable or invalid or will for any reason cease to be in full force and effect, or the Issuer or any Guarantor repudiates the Indenture, the Notes or any Guarantee or does or causes or permits to be done any act or thing evidencing an intention to repudiate such agreement, in each case except as permitted by the Indenture;

(j) a moratorium is agreed or declared in respect of any Indebtedness of the Issuer or any Guarantor or any governmental authority shall take any action to condemn, seize, nationalize or appropriate all or a substantial part of the assets of the Issuer or any Guarantor or all or a substantial part of the Capital Stock of the Issuer or any Guarantor, the Notes or any Guarantee, or the Issuer or any Guarantor shall be prevented from exercising normal control over all or a substantial part of its property;

(k) the capital and/or currency exchange controls in place in the Republic of Indonesia on the Original Issue Date shall be modified or amended in a manner that prevents or will prevent the Issuer or any Guarantor from performing its payment obligations under the Indenture, the Notes or any Guarantee;

(l) the entire issued share capital of the Issuer ceases to be Wholly Owned, directly or indirectly, by the Parent Guarantor;

(m) it is or will become unlawful for the Issuer or any Guarantor to perform or comply with any of its material obligations under or in respect of the Indenture, the Notes or any Guarantor;

(n) any failure by the Issuer to maintain the Interest Reserve Account and the Escrow Account in accordance with the Indenture;

(o) any default by the Issuer or the Parent Guarantor in the performance of any of its obligations under the Security Documents that adversely affects the enforceability, validity, perfection or priority of the

applicable Lien on the Collateral or that adversely affects the condition or value of the Collateral, taken as a whole, in any material respect; or

(p) the Issuer or the Parent Guarantor denies or disaffirms its obligations under any Security Documents or, other than in accordance with the Indenture and the Security Documents, any Security Document ceases to be or is not in full force and effect or the Collateral Agent ceases to have a first priority Lien over the Collateral (subject to any Permitted Lien).

If an Event of Default (other than an Event of Default specified in clause (g) or (h) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes, then outstanding, by written notice to the Issuer (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written request of such Holders will (subject to the Trustee being indemnified and/or secured and/or pre-funding to its satisfaction), declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest will be immediately due and payable. If an Event of Default specified in clause (g) or (h) above occurs with respect to the Parent Guarantor or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding will automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Issuer will be required to furnish to the Trustee annually, and within 14 days of any written request by the Trustee, a statement concerning the performance and observance of its obligations under the Notes or the Indenture and the occurrence of any Event of Default, if any. In addition, the Issuer is required to file promptly with the Trustee written notice of the occurrence of any Event of Default.

The Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Issuer and to the Trustee (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction by such Holders), may on behalf of all Holders waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

(x) all existing Events of Default, other than the non-payment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived; and

(y) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

If an Event of Default occurs and is continuing, the Trustee may pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or the Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction in advance of such proceedings. However, the Trustee may refuse to follow any direction that conflicts with law, the Indenture or the Security Documents that may involve the Trustee in personal liability and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. Notwithstanding anything to the contrary in the Indenture, the Deed of Guarantee or any other document relating

to the Notes and the Security Documents, in the event the Trustee shall receive instructions and/or indemnity and/or prefunding from two or more groups of Holders, each holding at least 25% in aggregate principal amount of the then outstanding Notes, and the Trustee believes (in its sole discretion and subject to such legal or other advice as it may deem appropriate) that such instructions are conflicting, the Trustee may, in its sole discretion, exercise any one or more of the following options:

(i) refrain from acting on any such conflicting instructions;

(ii) take the action requested by the Holders of the highest percentage of the aggregate principal amount of the then outstanding Notes, notwithstanding any other provisions of the Indenture (and always subject to such indemnity, security and/or prefunding as is satisfactory to the Trustee); and

(iii) petition a court of competent jurisdiction for further instructions.

In all such instances where the Trustee has acted or refrained from acting as outlined above, the Trustee shall not be responsible or liable for any losses or liability of any nature whatsoever to any party. In addition, the Trustee will not be required to expend its own funds in following such direction if it does not believe that reimbursement or satisfactory indemnification and/or security and/or pre-funding is assured to it.

Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any Holders unless such Holders have instructed the Trustee in writing and have offered to the Trustee security and/or indemnity (including by way of pre-funding) to its satisfaction (which, in the case of a direction to enforce the Deed of Guarantee, or any other document governed under the laws of the Republic of Indonesia against the Guarantors or any other Person, shall be subject to the provisions of the Indenture) against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts when due, no Holder shall pursue any remedy with respect to the Indenture or the Notes, unless:

(1) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer the Trustee indemnity and/or security and/or prefunding satisfactory to the Trustee against any costs, liability or expense to be incurred in compliance with such request;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity and/or security and/or prefunding; and

(5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a written direction that is inconsistent with the request.

However, such limitations do not apply to the right of any Holder to receive payment of the principal of, premium, if any, or interest, and Additional Amounts, if any, on, such Note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right will not be impaired or affected without the consent of the Holder.

Two officers of each of the Issuer and the Parent Guarantor must certify to the Trustee in writing, on or before a date not more than 120 days after the end of each fiscal year and within 14 days after receiving a written request from the Trustee, that a review has been conducted of the activities of the Parent Guarantor and its Restricted Subsidiaries and the Parent Guarantor's and its Restricted Subsidiaries' performance under the Indenture and the Notes and that the Parent Guarantor and its Restricted Subsidiaries have fulfilled all obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Issuer and the Parent Guarantor will also be obligated to notify the Trustee in writing of any default or defaults in the performance of any covenants or agreements under the Indenture and the Security Documents. See "—Provision of Financial Statements and Reports."

Consolidation, Merger and Sale of Assets

The Issuer will not consolidate with, merge with or into, another Person (other than the Parent Guarantor), permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets (as an entirety or substantially an entirety in one transaction or a series of related transactions) to any Person (other than the Parent Guarantor); *provided* that, in the event the Issuer so consolidates with, merges with or into, the Parent Guarantor or sells, conveys, transfers, leases or otherwise disposes of all or substantially all of its properties and assets to the Parent Guarantor, the Parent Guarantor immediately after such transaction, will (a) assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Issuer under the Indenture and the Notes, which shall remain in full force and effect and (b) deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that such transaction and such supplemental indenture complies with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with.

The Parent Guarantor will not consolidate with, or merge with or into, another Person, permit any Person to merge with or into it or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:

(a) the Parent Guarantor will be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "Surviving Person") will be a corporation organized and validly existing under the laws of Indonesia and will expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Parent Guarantor under the Indenture, the Notes and the Parent Guarantee, as the case may be, and the Indenture, the Notes and the Parent Guarantee, as the case may be, will remain in full force and effect;

(b) immediately after giving effect to such transaction, no Default will have occurred and be continuing;

(c) immediately after giving effect to such transaction on a pro forma basis, the Parent Guarantor or the Surviving Person, as the case may be, will have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Parent Guarantor immediately prior to such transaction;

(d) immediately after giving effect to such transaction on a pro forma basis, the Parent Guarantor or the Surviving Person, as the case may be, could Incur at least US$1.00 of Indebtedness under the proviso in the first sentence of clause (a) of the covenant described under the caption "—Certain Covenants—Limitation on Indebtedness and Preferred Stock";

(e) the Parent Guarantor delivers to the Trustee (1) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (c) and (d) of this paragraph and (2) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and such supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with;

(f) each Subsidiary Guarantor, unless such Subsidiary Guarantor is the Person with which the Parent Guarantor has entered into a transaction described under this covenant, shall execute and deliver a supplemental indenture to the Indenture confirming that its Subsidiary Guarantee shall apply to the obligations of the Parent Guarantor or the Surviving Person in accordance with the Notes and the Indenture; and

(g) no Rating Decline will have occurred.

No Subsidiary Guarantor will consolidate with, merge with or into, another Person, permit any Person to merge with or into it or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially

an entirety in one transaction or a series of related transactions) to another Person (other than the Parent Guarantor or another Subsidiary Guarantor), unless:

(A) such Subsidiary Guarantor will be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets will be the Parent Guarantor or another Subsidiary Guarantor or will become a Subsidiary Guarantor concurrently with the transaction, and such Person shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of such Subsidiary Guarantor under the Indenture, the Notes and the Subsidiary Guarantee, as the case may be, including the obligation to pay Additional Amounts, and the Indenture, the Notes and the Subsidiary Guarantee, as the case may be, shall remain in full force and effect;

(B) immediately after giving effect to such transaction, no Default will have occurred and be continuing;

(C) immediately after giving effect to such transaction on a pro forma basis, the Parent Guarantor will have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Parent Guarantor immediately prior to such transaction;

(D) immediately after giving effect to such transaction on a pro forma basis, the Parent Guarantor could Incur at least US$1.00 of Indebtedness under the proviso in the first sentence of clause (a) of the covenant described under the caption "—Certain Covenants—Limitation on Indebtedness and Preferred Stock";

(E) the Issuer or the Parent Guarantor delivers to the Trustee (1) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (C) and (D) of this paragraph and (2) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with; and

(F) no Rating Decline will have occurred;

provided that this paragraph will not apply to (a) any sale, merger, consolidation, assignment, conveyance, lease or other disposition that complies with the "—Certain Covenants—Limitation on Asset Sales" covenant, (b) a consolidation or merger of any Subsidiary Guarantor whose Subsidiary Guarantee is unconditionally released in accordance with the provisions described under "—Subsidiary Guarantees—Release of Subsidiary Guarantees" and (c) a consolidation or merger of any Subsidiary Guarantor with and into the Parent Guarantor or any other Subsidiary Guarantor, so long as the resulting entity remains or becomes a Guarantor.

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under New York law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The foregoing provisions would not necessarily afford Holders protection in the event of highly leveraged or other transactions involving the Parent Guarantor that may adversely affect Holders.

No Payments for Consents

The Parent Guarantor will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes, unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment.

Notwithstanding the foregoing, the Parent Guarantor or any of its Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture, to exclude Holders in any jurisdiction where (A) the solicitation of such consent, waiver or amendment in the manner deemed appropriate by the Parent Guarantor and the payment of consideration therefor would require the Issuer or the Parent Guarantor or any of its Subsidiaries to (i) file a registration statement, prospectus or similar document or subject the Issuer or the Parent Guarantor or any of its Subsidiaries to ongoing periodic reporting or similar requirements under any securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), (ii) qualify as a foreign corporation or other entity as a dealer in securities in such jurisdiction if it is not otherwise required to so qualify, (iii) generally consent to service of process in any such jurisdiction or (iv) subject the Issuer or the Parent Guarantor or any of its Subsidiaries to taxation in any such jurisdiction if it is not otherwise so subject; or (B) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Defeasance

Defeasance and Discharge

The Indenture will provide that the Issuer will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 183rd day after the deposit referred to below, and the provisions of the Indenture and the Security Documents will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies and to hold monies for payment in trust) if, among other things:

(a) the Issuer has (1) deposited into an account opened with the Trustee (or its agent), money and/or U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes and (2) delivered to the Trustee an Opinion of Counsel or a certificate of an internationally recognized firm of independent accountants to the effect that the amount deposited by the Issuer is sufficient to provide payment for the principal of, premium, if any, and accrued interest on, the Notes on the Stated Maturity of such payment in accordance with the terms of the Indenture and the Notes and an Opinion of Counsel to the effect that the Holders have a valid, perfected, exclusive security in the trust;

(b) the Issuer has delivered to the Trustee (1) either (x) an Opinion of Counsel of recognized international standing with respect to U.S. federal tax laws which is based on a change in applicable U.S. federal income tax law occurring after the Original Issue Date to the effect that beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the Issuer's exercise of its option under this "—Defeasance and Discharge" provision and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same time as would have been the case if such deposit, defeasance and discharge had not occurred or (y) a ruling directed to the Trustee received from the U.S. Internal Revenue Service to the same effect as the aforementioned Opinion of Counsel and (2) an Opinion of Counsel of recognized international standing to the effect that the creation of and the deposit of assets into the defeasance account does not violate the U.S. Investment Company Act of 1940, as amended, and after the passage of 183 days following the deposit, the fund or assets will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law;

(c) the Issuer shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by it with the intent of preferring the Holders over any other of its creditors or with the intent of defeating, hindering, delaying or defrauding any other of its creditors or others;

(d) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, will have

occurred and be continuing on the date of such deposit or during the period ending on the 183rd day after the date of such deposit, and such defeasance will not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Parent Guarantor or any Restricted Subsidiary is a party or by which the Parent Guarantor or any Restricted Subsidiary is bound; and

(e) the Issuer must deliver to the Trustee an Officers' Certificate acceptable to the Trustee and an Opinion of Counsel, each stating that all conditions precedent relating to such defeasance have been complied with.

In case of either discharge or defeasance of the Notes, the Parent Guarantee and the Subsidiary Guarantees will terminate.

Defeasance of Certain Covenants

The Indenture further will provide that the provisions of the Indenture will no longer be in effect with respect to clauses (c), (d), (e)(1) and (g) under the second paragraph and clauses (C), (D), (E)(1) and (F) under the third paragraph under "—Consolidation, Merger and Sale of Assets" and all the covenants described herein under "—Certain Covenants" other than as described under "—Certain Covenants—Anti-Layering," clause (c) under "—Events of Default" with respect to such clauses (c), (d), (e)(1) and (g) under the second paragraph and clauses (C), (D), (E)(1) and (F) under the third paragraph under "—Consolidation, Merger and Sale of Assets" and with respect to the other events set forth in such clause, clause (d) under "—Events of Default" with respect to such other covenants and clauses (e) and (f) under "—Events of Default" will be deemed not to be Events of Default upon, among other things, the deposit into an account opened with the Trustee (or its agent), of money, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, Additional Amounts, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes, the satisfaction of the provisions described in clause (b)(2), (c) and (e) of the preceding paragraph and the delivery by the Issuer to the Trustee of an Opinion of Counsel of recognized international standing with respect to U.S. federal income tax matters to the effect that beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred.

Defeasance and Certain Other Events of Default

If in the event the Issuer exercises its option to omit compliance with certain covenants and provisions of the Indenture with respect to the Notes as described in the immediately preceding paragraph and the Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of money and/or U.S. Government Obligations on deposit with the Trustee will be sufficient to pay amounts due on the Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Notes at the time of the acceleration resulting from such Event of Default. However, the Issuer and the Guarantors under the Indenture will remain liable for such payments.

Satisfaction and discharge

The Indenture will be discharged, and will cease to be of further effect as to all Notes issued thereunder, when either:

(1) all Notes that have been authenticated and delivered (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust) have been delivered to the Registrar for cancellation; or

(2) (a) all Notes not theretofore delivered to the Registrar for cancellation have become due and payable by reason of the giving of a notice of redemption or otherwise, will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee, as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, Government Securities, or a combination thereof, in such amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Registrar for cancellation for principal, premium, if any, and accrued interest to, but not including, the date of maturity or redemption, as the case may be;

(b) no Default or Event of Default has occurred and is continuing on the date of such deposit or will occur as a result of such deposit (other than a Default or an Event of Default resulting from the borrowing of funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith) and the deposit will not result in a breach or violation of, or constitute a default under any material agreement or material instrument (other than the Indenture) to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;

(c) the Issuer or any Guarantor has paid or caused to be paid all sums payable by the Issuer under the Indenture, including all amounts payable to the Trustee, the Collateral Agent and the Agents (which shall include fees, expenses and indemnities); and

(d) the Issuer has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Issuer shall deliver to the Trustee an Officers' Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions) each stating that all conditions precedent to satisfaction and discharge have been satisfied.

Amendments and Waiver

Amendments Without Consent of Holders

Amendments of the Indenture, the Notes, the Deeds of Guarantee or any Security Document may be made by the Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Collateral Agent and the Trustee, without the consent of any Holder, to:

(a) cure any ambiguity, defect, omission or inconsistency in the Indenture, the Notes, the Deeds of Guarantee or any Security Document;

(b) comply with the provisions described under "—Consolidation, Merger and Sale of Assets";

(c) evidence and provide for the acceptance of appointment by a successor Trustee;

(d) add any Guarantor or any Guarantee or release any Guarantor from any Guarantee as provided or permitted by the terms of the Indenture;

(e) to add additional collateral to secure the Notes and the Guarantees;

(f) provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;

(g) in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;

(h) effect any changes to the Indenture in a manner necessary to comply with the procedures of DTC, Euroclear, Clearstream or any other depository for the Notes;

(i) make any other change that does not materially and adversely affect the rights of any Holder of Notes;

(j) conform the text of the Indenture, the Notes, the Deeds of Guarantee, the Guarantees or the Security Documents to any provision of this "Description of the Notes" to the extent that such provision in this "Description of the Notes" was intended to be a verbatim recitation of a provision of the Indenture, the Notes, the Deeds of Guarantee, the Guarantees or the Security Documents;

(k) provide for the assumption by a successor entity of the obligations of the Issuer or any Guarantor under the Indenture, the Notes, the Deeds of Guarantee, the Security Documents or the Guarantees in accordance with "—Certain covenants—Merger and Consolidation"; or

(l) evidence and provide for the acceptance of an appointment under the Indenture and the Security Documents of a successor trustee; *provided* that the successor trustee is otherwise qualified and eligible to act as such under the terms of the Indenture and the Security Documents.

Amendments With Consent of Holders

Amendments of the Indenture, the Notes, the Deeds of Guarantee or any Security Document may be made by the Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Collateral Agent and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, and the holders of a majority in principal amount of the outstanding Notes may waive future compliance by the Issuer, the Parent Guarantor or the Subsidiary Guarantors with any provision of the Indenture, the Notes, the Deeds of Guarantee or the Guarantees; *provided*, *however*, that no such modification, amendment or waiver may, without the consent of each Holder:

(a) change the Stated Maturity of the principal of, or any installment of interest on, any Note;

(b) reduce the principal amount of, or premium, if any, or interest on, any Note;

(c) change the currency, time or place of payment of principal of, or premium, if any, or interest on, any Note;

(d) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note or any Guarantee;

(e) reduce the above stated percentage of outstanding Notes the consent of whose Holders is necessary to modify or amend the Indenture;

(f) waive a default in the payment of principal of, premium, if any, or interest on the Notes;

(g) release any Guarantor from its Guarantee, except as provided in the Indenture;

(h) reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults;

(i) amend, change or modify any Guarantee or Deed of Guarantee in a manner that adversely affects the Holders;

(j) release any Collateral, except as provided in the Indenture and the Security Documents;

(k) amend, change or modify any provision of any Security Document or any provision of the Indenture relating to the Collateral, in a manner that adversely affects the Holders, except in accordance with the other provisions of the Indenture or such Security Document;

(l) reduce the amount payable upon a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from any Asset Sale or, change the time or manner by which a Change of Control Offer or an

Offer to Purchase with the Excess Proceeds from any Asset Sale may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from any Asset Sale whether through an amendment or waiver of provisions in the covenants, definitions or otherwise, unless such amendment, waiver or modification shall be in effect prior to the occurrence of a Change of Control or the event giving rise to the repurchase of the Notes under "—Limitation on Asset Sales";

(m) change the redemption date or the redemption price of the Notes from that stated under "—Optional Redemption" or "—Redemption for Taxation Reasons";

(n) amend, change or modify the obligation of the Issuer or any Guarantor to pay Additional Amounts; or

(o) amend, change or modify any provision of the Indenture, the Security Documents or the related definition affecting the ranking of the Notes or any Guarantee in a manner which adversely affects the Holders.

Unclaimed Money

Claims against the Issuer for the payment of principal of, premium, if any, or interest, on the Notes will become void unless presentation for payment is made as required under the Indenture within a period of six years.

No Personal Liability of Incorporators, Stockholders, Members, Officers, Directors or Employees

No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Issuer, the Parent Guarantor or any of the Subsidiary Guarantors in the Indenture, or in any of the Notes or the Guarantees or because of the creation of any Indebtedness represented thereby, will be had against any incorporator, stockholder, officer, commissioner, director, employee or controlling person of the Issuer, the Parent Guarantor or any of the Subsidiary Guarantors or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes and the Guarantees. Such waiver may not be effective to waive liabilities under any applicable securities law.

Concerning the Trustee, the Collateral Agent, the Paying Agent, Registrar and Transfer Agent

The Bank of New York Mellon is to be appointed as Trustee under the Indenture, and will also be appointed as transfer agent (the "Transfer Agent"), paying agent (the "Paying Agent") and registrar (the "Registrar") with regard to the Notes and The Bank of New York Mellon, Singapore Branch is to be appointed as Collateral Agent with regard to the Collateral under the Security Documents. Except during the continuance of a Default, the Trustee will not be liable, except for the performance of such duties as are specifically set forth in the Indenture, the Notes and the Security Documents, as the case may be, and no implied covenants or obligations shall be read into the Indenture, the Notes and the Security Documents against the Trustee. If an Event of Default has occurred and is continuing, the Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture, the Notes and the Security Documents, as the case may be, as a prudent person would exercise under the circumstances in the conduct of such person's own affairs. Pursuant to the terms of the Indenture, the Security Documents or the Notes (as the case may be), the Issuer will reimburse the Trustee for all fees and expenses (including indemnity payments) incurred.

The Indenture contains limitations on the rights of the Trustee, should it become a creditor of the Issuer, the Parent Guarantor or any of the Subsidiary Guarantors, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee and the Agent are permitted to engage in other transactions with the Parent Guarantor and its Affiliates; *provided*,

however, that if it acquires any conflicting interest that may have a materially prejudicial effect upon the Holders of the Notes, it must eliminate such conflict or resign. The Trustee and the Agents may have an interest in, may be providing, or may in the future provide financial or other services to other parties.

Notwithstanding anything to the contrary herein, whenever the Trustee is required or entitled by the terms of the Indenture to exercise any discretion or power, take any action of any nature, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to solicit Holders for direction, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or the non-exercise of such discretion or power, or not taking any such action or making any such decision or giving any such direction or certification in the absence of any such directions from Holders. In any event, and as provided elsewhere herein, even where the Trustee has been directed by the Holders, the Trustee shall not be required to exercise any such discretion, power or take any such action as aforesaid unless it has been indemnified and/or secured and/or prefunded to its satisfaction.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, if a Global Note is exchanged for Certificated Notes, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, and make an announcement of such exchange through the SGX-ST that will include all material information with respect to the delivery of the Certificated Notes, including details of the paying agent in Singapore.

The Collateral Agent, acting in its capacity as such, shall have such duties with respect to the Collateral charged, assigned or granted pursuant to the Security Documents as are set forth in the Security Documents. Each Holder, by accepting the Note will agree, for the benefit of the Trustee and the Collateral Agent, that it is solely responsible for its own independent appraisal of and investigation into all risks arising under or in connection with the Notes, the Indenture and the Security Documents and has not relied on and will not at any time rely on the Trustee or the Collateral Agent in respect of such risks.

The Trustee and the Collateral Agent will be under no obligation to exercise any rights or powers conferred under the Indenture at the written request or direction of the Holders unless such Holders have offered to the Trustee and the Collateral Agent indemnity and/or security satisfactory and/or prefunding to the Trustee and the Collateral Agent against any loss, liability or expense that might be incurred by it in compliance with such request or direction. With respect to a request or direction from Holders to enforce the Deed of Guarantee, or any other document governed under the laws of the Republic of Indonesia against the Guarantors or any other Person, security and indemnity shall include, without limitation (and without limiting the Trustee's ability to accept other forms of security and/or indemnity), prefunding by the requesting Holders of an account in the name of the Trustee in such amounts as the Trustee determines in its sole discretion. The foregoing prefunding requirements shall be in addition, and subject in all respects, to any other requirements of the Trustee regarding the indemnity and security to be provided to it in connection with any such enforcement request, including requirements regarding the creditworthiness of the requesting Holders.

The Trustee shall not be deemed or implied to have any duties or obligations under any documents to which it is a party. Furthermore, the Trustee shall not be deemed to have knowledge of any event unless it has been actually notified in writing of such event. In the exercise of its duties, the Trustee shall not be responsible for the verification of the accuracy or completeness of any certification or legal opinion submitted to it by the Issuer or the Parent Guarantor and is entitled to rely exclusively on, and take action based on the information contained in, the certification or legal opinion. Notwithstanding anything described herein, the Trustee has no duty to monitor the performance or compliance of the Issuer or the Parent Guarantor in the fulfillment of the Issuer's or the Parent Guarantor's obligations under the Indenture and the Security Documents.

The Trustee shall not be responsible for the performance by any other person appointed by the Issuer or the Parent Guarantor in relation to the Notes and, unless notified in writing to the contrary, shall assume that the

same are being duly performed. The Trustee shall not be liable to any Holders or any other person for any action taken by the Holders or the Trustee in accordance with the instructions of the Holders.

The Trustee and the Collateral Agent are entitled to rely on all instructions, notices, declarations and certifications received pursuant to the Indenture and the Security Documents without investigating or being responsible for the accuracy, authenticity and validity of these instructions, notices, declarations and certifications.

Neither the Trustee nor the Agents will be responsible for making calculations or for verifying calculations performed by the Issuer or any other persons unless otherwise specified in the Indenture.

Book-Entry; Delivery and Form

The certificates representing the Notes will be issued in fully registered form without interest coupons. Notes sold in offshore transactions in reliance on Regulation S under the Securities Act will initially be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each a "Regulation S Global Note") and will be deposited with The Bank of New York Mellon as custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream Luxembourg.

Notes sold in reliance on Rule 144A will be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each a "Restricted Global Note" and together with the Regulation S Global Notes, the "Global Notes") and will be deposited with The Bank of New York Mellon as custodian for, and registered in the name of a nominee of, DTC.

Each Global Note (and any Notes issued for exchange therefor) will be subject to certain restrictions on transfer set forth therein as described under "Transfer Restrictions."

Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC ("participants") or persons who hold interests through participants. Ownership of beneficial interests in a Global Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Beneficial owners may hold their interests in a Global Note directly through DTC if they are participants in such system, or indirectly through organizations which are participants in such system.

Euroclear and Clearstream Luxembourg will hold interests in the Global Notes on behalf of their participants through DTC.

So long as DTC, or its nominee, is the registered owner or holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Indenture and the Notes. No beneficial owner of an interest in a Global Note will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture and, if applicable, those of Euroclear and Clearstream Luxembourg.

Payments of the principal of, and interest on, a Global Note will be made to DTC or its nominee, as the case may be, as the registered owner thereof. Neither the Issuer, the Parent Guarantor nor any of the Subsidiary Guarantors, the Trustee nor any of the Agents nor the Collateral Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note, will credit participants' accounts with payments in amounts proportionate to their respective

beneficial interests in the principal amount of such Global Note as shown on the records of DTC or its nominee. The Issuer also expects that payments by participants to owners of beneficial interests in such Global Note held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

The Issuer expects that DTC will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in a Global Note is credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC will exchange the applicable Global Note for Certificated Notes, which it will distribute to its participants and which may be legended as set forth under the heading "Transfer Restrictions."

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in a Global Note among participants of DTC, Euroclear and Clearstream Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Parent Guarantor, any of the Subsidiary Guarantors, the Trustee, the Agents or the Collateral Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

If DTC is at any time unwilling or unable to continue as a depositary for the Global Notes and a successor depositary is not appointed by the Issuer within 90 days, the Issuer will issue Certificated Notes in registered form, which may bear the legend referred to under "Transfer Restrictions", in exchange for the Global Notes. Holders of an interest in a Global Note may receive Certificated Notes, which may bear the legend referred to under "Transfer Restrictions", in accordance with the DTC's rules and procedures in addition to those provided for under the Indenture.

The Clearing Systems

General

DTC, Euroclear and Clearstream Luxembourg have advised the Issuer as follows:

DTC. DTC is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom own DTC, and may include the Initial Purchasers. Indirect access to the DTC system is also available to others that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly ("indirect participants"). Transfers of ownership or other interests in Notes in DTC may be made only through DTC participants. In addition, beneficial owners of Notes in DTC will receive all distributions of principal of and interest on the Notes from the Trustee through such DTC participant.

Euroclear and Clearstream Luxembourg. Euroclear and Clearstream Luxembourg hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and

Clearstream Luxembourg provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream Luxembourg interface with domestic securities markets. Euroclear and Clearstream Luxembourg participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream Luxembourg is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

None of the Issuer, the Parent Guarantor, the Trustee or any of their respective agents will have responsibility for the performance of Euroclear or Clearstream Luxembourg or their respective participants of their respective obligations under the rules and procedures governing their operations, including rules and procedures relating to book-entry interests.

Initial Settlement

Initial settlement of the Notes will be made in immediately available funds. Investors' interests in Notes held in book-entry form by DTC will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC. As a result, Euroclear and Clearstream will hold positions on behalf of their participants through DTC.

Investors electing to hold their Notes through DTC (other than through accounts at Euroclear or Clearstream) Luxembourg must follow the settlement practices applicable to United States corporate debt obligations. The securities custody accounts of investors will be credited with their holdings against payment in same day funds on the settlement date.

Investors electing to hold their Notes through Euroclear or Clearstream Luxembourg accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Notes will be credited to the securities custody accounts of Euroclear Holders and of Clearstream Luxembourg Holders on the Business Day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules. Secondary market trading between Clearstream Luxembourg participants and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream Luxembourg and Euroclear and will be settled using the procedures applicable to conventional eurobonds.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream Luxembourg participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its U.S. depositary; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if a transaction meets its settlement requirements, deliver instructions to its U.S. depositary to take action to effect final settlement on its behalf by delivering or receiving Notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Luxembourg participants and Euroclear participants may not deliver instructions directly to the U.S. depositaries.

Because of time zone differences, credits of Notes received in Clearstream Luxembourg or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the Business Day following the DTC settlement date. Such credits or any transactions in such Notes

settled during such processing will be reported to the relevant Clearstream Luxembourg participants or Euroclear participants on such Business Day. Cash received in Clearstream Luxembourg or Euroclear as a result of sales of Notes by or through a Clearstream Luxembourg participant or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream Luxembourg or Euroclear cash account only as of the Business Day following settlement in DTC.

Notices

All notices or demands required or permitted by the terms of the Notes or the Indenture to be given to or by the Holders are required to be in writing and may be given or served by being sent by prepaid courier or by being deposited, first-class postage prepaid, in the United States mails (if intended for the Issuer, the Parent Guarantor or any Subsidiary Guarantor) addressed to the Issuer, the Parent Guarantor or such Subsidiary Guarantor at the registered office of the Parent Guarantor, or (if intended for the Trustee) addressed to the Trustee, at the corporate trust office of the Trustee; and (if intended for any Holder) addressed to such Holder at such Holder's last address as it appears in the Note register.

Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of DTC. Any such notice will be deemed to have been delivered on the day such notice is delivered to DTC or if by mail, when so sent or deposited.

Consent to Jurisdiction; Service of Process

The Issuer, the Parent Guarantor and each of the Subsidiary Guarantors will irrevocably (i) submit to the non-exclusive jurisdiction of any U.S. federal or New York state court located in the Borough of Manhattan, The City of New York in connection with any suit, action or proceeding arising out of, or relating to, the Notes, any Guarantee or the Indenture or any transaction contemplated thereby and (ii) designate and appoint Law Debenture for receipt of service of process in any such suit, action or proceeding.

Governing Law

Each of the Notes, the Guarantees and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York. The Security Documents will be governed by the laws of the Republic of Singapore.

Definitions

Set forth below are defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for other capitalized terms used in this "Description of the Notes" for which no definition is provided.

"*2022 Issuer*" means Medco Strait Services Pte. Ltd.

"*2022 Intercompany Loans*" means the loan in U.S. dollars between the Parent Guarantor and Medco Natuna Pte. Ltd., as borrowers, and the 2022 Issuer, as lender, pursuant to intercompany loan agreements entered into, for an aggregate amount equal to at least the net proceeds of the offering of the 2022 Notes.

"*2022 Notes*" means the 8.50% Senior Notes due 2022 issued by the 2022 Issuer.

"*2022 Notes Guarantees*" means the guarantees by the Guarantors of the due and punctual payment of all sums from time payable by the 2022 Issuer in respect of its obligations under the 2022 Notes.

"*2022 Original Issue Date*" means August 17, 2017.

"*Acquired Indebtedness*" means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary, whether or not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary.

"*Adjusted Treasury Rate*" means, with respect to any redemption date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three (3) months before or after August 17, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Business Day immediately preceding the redemption date.

"*Affiliate*" means, with respect to any Person, any other Person (i) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (ii) who is a director, commissioner or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (i) of this definition; or (iii) who is a spouse or any person cohabiting as a spouse, child, parent, brother, sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew or niece of a Person described in clause (i) or (ii). For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"*Applicable Premium*" means, with respect to a Note at any redemption date, the greater of (i) 1.00% of the principal amount of such Note and (ii) the excess of (A) the present value at such redemption date of the redemption price of such Note on January 30, 2022 (such redemption price being described in the first paragraph in the "—Optional Redemption" section exclusive of any accrued interest), plus all required remaining scheduled interest payments due on such Note through January 30, 2022 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points, over (B) the principal amount of such Note on such redemption date.

"*Asset Acquisition*" means (i) an Investment by the Parent Guarantor or any Restricted Subsidiary in any other Person pursuant to which such Person will become a Restricted Subsidiary or will be merged into or consolidated with the Parent Guarantor or any Restricted Subsidiary, or (ii) an acquisition by the Parent Guarantor or any Restricted Subsidiary of the property and assets of any Person other than the Parent Guarantor or any Restricted Subsidiary that constitute substantially all of a division or line of business of such Person.

"*Asset Sale*" means any sale, transfer or other disposition of any of its property or assets (including by way of merger, consolidation or Sale and Leaseback Transaction and including any sale or issuance of Capital Stock by a Restricted Subsidiary) in one transaction or a series of related transactions by the Parent Guarantor or any Restricted Subsidiary to any Person; *provided* that "*Asset Sale*" will not include:

(a) any sale, transfer or other disposition of inventory, receivables and other current assets (including oil and gas (whether for immediate delivery, advance or prepaid sales or otherwise)) in the ordinary course of business;

(b) any sale, transfer or other disposition of assets constituting a Permitted Investment or Restricted Payment permitted to be made under the covenant described under the caption "—Certain Covenants—Limitation on Restricted Payments";

(c) any sale, transfer or other disposition of assets with a Fair Market Value not in excess of US$2.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;

(d) any sale, transfer or other disposition of any property or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Parent Guarantor or its Restricted Subsidiaries;

(e) any sale, transfer or other disposition deemed to occur in connection with creating or granting any Lien not prohibited by the "Certain Covenants—Limitations on Liens" covenant;

(f) a transaction covered by the covenant under the caption "—Consolidation, Merger and Sale of Assets";

(g) the sale, transfer or other disposition of Cash Equivalents in the ordinary course of business;

(h) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(i) the licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business which do not materially interfere with the business of Parent Guarantor and the Restricted Subsidiaries; and

(j) any sale, transfer or other disposition of any assets by the Parent Guarantor or any Restricted Subsidiary to the Parent Guarantor or to a Subsidiary Guarantor.

"*Attributable Indebtedness*" means, in respect of a Sale and Leaseback Transaction, at the time of determination, the present value, discounted at the interest rate implicit in such Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in such Sale and Leaseback Transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended, determined in accordance with GAAP.

"*Average Life*" means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or exercisable only upon the occurrence of a subsequent condition. The terms "*Beneficially Owns*" and "*Beneficially Owned*" will have a corresponding meaning.

"*Board of Directors*" means the board of directors of the Parent Guarantor elected or appointed by the stockholders of the Parent Guarantor to manage the business of the Parent Guarantor or any committee of such board duly authorized to take the action purported to be taken by such committee.

"*Board Resolution*" means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors.

"*Business Day*" means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, Hong Kong, Singapore or Indonesia (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

"*Capital Stock*" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding debt securities convertible into such equity.

"*Capitalized Lease*" means, with respect to any Person, any lease of any property (whether real, personal or mixed), which, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person.

"*Capitalized Lease Obligations*" means the discounted present value of the rental obligations under a Capitalized Lease.

"*Change of Control*" means the occurrence of one or more of the following events:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole, to any "person" within the meaning Section 13(d) of the Exchange Act, other than to one or more Permitted Holders;

(2) the Parent Guarantor consolidates with, or merges with or into, any Person (other than one or more Permitted Holders), or any Person consolidates with, or merges with or into, the Parent Guarantor, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Parent Guarantor or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Parent Guarantor outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance) and in substantially the same proportion as before the transaction;

(3) (i) the Permitted Holders cease to be the Beneficial Owner, directly or indirectly, of at least 30% in the aggregate of the voting power of the Voting Stock of the Parent Guarantor, or (ii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, becomes the Beneficial Owner, directly or indirectly, of a larger percentage of the voting power of such Voting Stock than the Permitted Holders;

(4) individuals who on the Original Issue Date constituted the Board of Directors (together with any new directors whose election was approved by (i) a vote of at least a majority of the members of the Board of Directors then in office who were members of the Board of Directors on the Original Issue Date or whose election was previously so approved) or (ii) a vote of at least a majority of the members of the nominating committee of the Board of Commissioners, cease for any reason to constitute a majority of the members of the Board of Directors then in office; or

(5) the adoption of a plan relating to the liquidation or dissolution of the Parent Guarantor.

"*Clearstream*" means Clearstream Banking S.A. or any successor thereof.

"*Commodity Agreement*" means any forward or futures contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement designed to protect against fluctuations in commodity prices and not for speculation.

"*Common Stock*" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or

ordinary shares, whether or not outstanding on the Original Issue Date, and include, without limitation, all series and classes of such common stock or ordinary shares.

"*Comparable Treasury Issue*" means the U.S. Treasury security having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes from the redemption date to January 30, 2022.

"*Comparable Treasury Price*" means, with respect to any redemption date, if clause (ii) of the Adjusted Treasury Rate is applicable, the average of three, or such lesser number as is obtained by the Issuer, Reference Treasury Dealer Quotations for such redemption date.

"*Consolidated EBITDA*" means, for any period, Consolidated Net Income for such period plus, to the extent such amount was deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense;

(2) income taxes (other than income taxes attributable to extraordinary and non-recurring gains (or losses) or sales of assets);

(3) depreciation expense and amortization expense; and

(4) all other non-cash items reducing Consolidated Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period), less all non-cash items increasing Consolidated Net Income (other than accrual of revenue in the ordinary course of business),

all as determined on a consolidated basis for the Parent Guarantor and its Restricted Subsidiaries in conformity with GAAP; *provided* that if any Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary, Consolidated EBITDA will be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Parent Guarantor or any Restricted Subsidiary.

"*Consolidated Fixed Charges*" means, for any period, the sum (without duplication) of (i) Consolidated Interest Expense for such period and (ii) all cash and non-cash dividends paid, declared, accrued or accumulated during such period on any Disqualified Stock of the Parent Guarantor or Preferred Stock of any Restricted Subsidiary held by Persons other than the Parent Guarantor or any Wholly Owned Restricted Subsidiary, except for dividends payable in the Parent Guarantor's Capital Stock (other than Disqualified Stock).

"*Consolidated Interest Expense*" means, for any period, the amount that would be included in gross interest expense on a consolidated income statement prepared in accordance with GAAP for such period of the Parent Guarantor and its Restricted Subsidiaries, plus, to the extent not included in such gross interest expense, and to the extent incurred, accrued or payable during such period by the Parent Guarantor and its Restricted Subsidiaries, without duplication, (i) interest expense attributable to Capitalized Lease Obligations and imputed interest with respect to Attributable Indebtedness, (ii) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (iii) the interest portion of any deferred payment obligation, (iv) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (v) the net costs associated with Hedging Obligations (including the amortization of fees) to the extent, but only to the extent in respect of interest rate or currency protection in respect of Indebtedness (net of payments received under such Hedging Obligations), (vi) interest accruing on Indebtedness of any other Person that is guaranteed by the Parent Guarantor or any Restricted Subsidiary or secured by a Lien on assets of the Parent Guarantor or any Restricted Subsidiary proportionate to the extent that such Indebtedness is guaranteed or secured, (vii) any capitalized interest and (viii) all other non-cash interest expense; *provided* that interest expense attributable to interest on any

Indebtedness bearing a floating interest rate will be computed on a pro forma basis as if the rate in effect on the date of determination had been the applicable rate for the entire relevant period.

"*Consolidated Net Income*" means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; *provided* that the following items will be excluded in computing Consolidated Net Income (without duplication):

(1) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting, except to the extent of the amount of net income actually paid in cash to, or the amount of loss actually funded in cash by, the specified Person or a Restricted Subsidiary of the Person during such period;

(2) the net income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Parent Guarantor or any Restricted Subsidiary or all or substantially all of the property and assets of such Person are acquired by the Parent Guarantor or any Restricted Subsidiary;

(3) the net income (but not loss) of any Restricted Subsidiary which is not a Subsidiary Guarantor (or the Issuer) to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other similar constitutive documents or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;

(4) the cumulative effect of a change in accounting principles;

(5) any net after tax gains or losses realized on the sale or other disposition of (A) any property or assets of the Parent Guarantor or any Restricted Subsidiary which is not sold in the ordinary course of business or (B) any Capital Stock of any Person (including any gains or losses by the Parent Guarantor realized on sales of Capital Stock of the Parent Guarantor or any Restricted Subsidiary);

(6) any translation gains or losses due solely to fluctuations in currency values and related tax effects;

(7) any income or loss from the early extinguishment of Indebtedness or early termination of Hedging Obligations or other derivative instruments or any gains or losses from the effect of mark-to-market adjustments relating to Hedging Obligations until realized in cash; and

(8) any net after-tax extraordinary or non-recurring gains or losses.

"*Consolidated Net Worth*" means, at any date of determination, stockholders' equity as set forth on the most recently available annual, semi-annual or quarterly consolidated balance sheet of the Parent Guarantor and its Restricted Subsidiaries, plus, to the extent not included, any Preferred Stock of the Parent Guarantor, less any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Parent Guarantor or any Restricted Subsidiary, each item to be determined in conformity with GAAP.

"*Consolidated Priority Indebtedness*" means, without duplication, (a) any Indebtedness of any Restricted Subsidiary (other than the Issuer, a Subsidiary Guarantor or a Finance Subsidiary) other than (i) Indebtedness of a Wholly-Owned Subsidiary of a Finance Subsidiary secured by Liens described in paragraph (21) of the definition of "Permitted Liens," (ii) Indebtedness outstanding under clause (b)(3), (b)(5), (b)(6), (b)(7), (b)(8), (b)(9), (b)(10) or (b)(13) of the covenant described under the caption "—Certain Covenants—Limitation on Indebtedness and Preferred Stock," and (b) any Secured Indebtedness of the Issuer or a Guarantor, other than (i) the Notes and the Guarantees, (ii) Indebtedness of any Guarantor to the extent secured by Liens described in paragraph (21) of the definition of "Permitted Liens," (iii) Indebtedness Incurred under clause (b)(3), (b)(5),

(b)(6), (b)(7), (b)(8), (b)(9), (b)(10) or (b)(13) or (b)(4) (to the extent such Refinancing Indebtedness was Incurred or previously Incurred under the foregoing clauses) of the covenant described under the caption "—Certain Covenants—Limitation on Indebtedness and Preferred Stock" and (iv) prior to March 31, 2019, US$150 million of Indebtedness of PT Api Metra Graha secured by the Energy Building and the Kyai Maja Building.

"*Currency Agreement*" means any foreign exchange forward contract, currency swap agreement, currency hedge agreement, currency option agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates and not for speculation.

"*Default*" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"*Disqualified Stock*" means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed on or prior to the date that is 183 days after the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock on or prior to the date that is 183 days after the Stated Maturity of the Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity on or prior to the date that is 183 days after the Stated Maturity of the Notes; *provided* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the Stated Maturity of the Notes will not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in "—Certain Covenants—Limitation on Asset Sales" and "—Repurchase of Notes upon a Change of Control" covenants and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Issuer's repurchase of the Notes as are required to be repurchased pursuant to the "—Certain Covenants—Limitation on Asset Sales" and "—Repurchase of Notes Upon a Change of Control" covenants.

"*Dollar Equivalent*" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by Bank Indonesia or its successor on the date of determination.

"*DTC*" means The Depository Trust Company and its successors.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means any underwritten public offering or private placement of Common Stock (or options, warrants or rights related to Common Stock) of the Parent Guarantor after the Original Issue Date to any Person other than to a Wholly Owned Restricted Subsidiary or any Permitted Holder; *provided* that the aggregate gross cash proceeds received by the Parent Guarantor from such transaction will be no less than US$20.0 million (or the Dollar Equivalent thereof).

"*Euroclear*" means Euroclear Bank SA/NV, as operator of the Euroclear System, or any successor thereof.

"*Exchange Act*" means the United States Securities Exchange Act of 1934, as amended.

"*Excluded Subsidiary*" means (i) any Subsidiary of the Parent Guarantor that is prohibited from becoming a Guarantor under applicable law, (ii) any Subsidiary of the Parent Guarantor of whose outstanding Capital Stock the Parent Guarantor, together with its Affiliates, own less than 90% and (iii) each of PT Medco E&P Malaka, PT Medco E&P Tomori Sulawesi, Medco E&P Natuna Ltd., PT Medco E&P Bangkanai, Bangkanai Petroleum

(L) Bhd. (Labuan), PT Medco E&P Kampar, PT Medco E&P Kalimantan, PT Medco E&P Merangin, PT Medco E&P Nunukan, PT Medco E&P Sembakung, PT Medco CBM Indonesia, PT Medco CBM Sekayu, PT Medco CBM Pendopo, PT Medco CBM Bengara, PT Medco CBM Lematang, PT Medco CBM Rimau, PT Medco Downstream Indonesia, PT Medco Services Indonesia, PT Medco LPG Kaji, PT Medco Methanol Bunyu, PT Medco Ethanol Lampung, PT Api Metra Graha, Fortico International Limited, Medco Petroleum Services Ltd., Medco Simenggaris Pte. Ltd., Medco Madura Pty. Ltd., Sulawesi E&P Ltd., Medco Far East Ltd., Medco Energi (BVI) Ltd., Kuala Langsa (Block A) Ltd., Far East Trading Ltd., Medco Yemen Holding Ltd., Medco Yemen Amed Ltd., Medco Yemen Malik Ltd., Medco International Services Pte. Ltd., Medco International Petroleum Ltd, Medco Tunisia Petroleum Ltd., Medco Ventures International (Barbados), Medco Sahara Ltd., Medco Asia Pacific Limited, Medco International Enterprise Ltd., Medco Energi USA, Inc., Medco Energi US, LLC, Medco Petroleum Management LLC and MEI Euro Finance Ltd.

"*Fair Market Value*" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination will be conclusive if evidenced by a Board Resolution.

"*Finance Subsidiary*" means a Wholly Owned Restricted Subsidiary of the Parent Guarantor or another Finance Subsidiary (other than the Issuer) (i) the operations of which are primarily comprised of Incurring Indebtedness to Persons other than the Parent Guarantor or any of its Subsidiaries from time to time to finance the operations of the Parent Guarantor and/or its Restricted Subsidiaries and other activities incidental, related to or ancillary to such operations; and (ii) which conducts no business and owns no material assets other than (w) any Equity Interests in another Finance Subsidiary, (x) intercompany loans or other securities representing the proceeds of Indebtedness described in clause (i), (y) any such debt obligations upon a repurchase, redemption or other acquisition thereof and prior to cancellation thereof, and (z) cash or Temporary Cash Investments held for purposes similar to those for which the Issuer is permitted to hold cash and Temporary Cash Investments under the covenant "Certain Covenants—Limitation on the Issuer."

"*Fitch*" means Fitch Ratings Ltd. and its affiliates.

"*Fixed Charge Coverage Ratio*" means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the Four Quarter Period with respect to such Transaction Date to (2) the aggregate Consolidated Fixed Charges during such Four Quarter Period. In making the foregoing calculation:

(A) *pro forma* effect will be given to any Indebtedness or Preferred Stock Incurred, repaid or redeemed during the Reference Period relating to such Four Quarter Period in each case as if such Indebtedness or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Reference Period (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement or any predecessor revolving credit or similar arrangement); *provided* that, in the event of any such repayment or redemption, Consolidated EBITDA for such period will be calculated as if the Parent Guarantor or such Restricted Subsidiary had not earned any interest income actually earned during such period in respect of the funds used to repay or redeem such Indebtedness;

(B) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a pro forma basis and bearing a floating interest rate will be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;

(C) pro forma effect will be given to the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries during the Reference Period as if such creation, designation or redesignation had occurred on the first day of such Reference Period;

(D) pro forma effect will be given to Asset Sales and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Sale) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and

(E) pro forma effect will be given to asset sales and asset acquisitions (including giving pro forma effect to the application of proceeds of any asset sale) that have been made by any Person that has become a Restricted Subsidiary or has been merged or consolidated with or into the Parent Guarantor or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Sales or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset sales or asset acquisitions were Asset Sales or Asset Acquisitions that occurred on the first day of such Reference Period; *provided* that to the extent that clause (D) or (E) of this sentence requires that pro forma effect be given to an Asset Acquisition or Asset Sale (or asset acquisition or asset sale), such pro forma calculation will be based upon the Four Quarter Period immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

"*Four Quarter Period*" means, as of any Transaction Date, the then most recent four fiscal quarters prior to such Transaction Date for which consolidated financial statements of the Parent Guarantor (which the Parent Guarantor will use its reasonable best efforts to compile in a timely manner and which may be internal financial statements) are available and have been provided to the Trustee.

"*GAAP*" means generally accepted accounting principles in the Republic of Indonesia as in effect from time to time. All ratios and computations contained or referred to in the Indenture will be computed in conformity with GAAP applied on a consistent basis.

"*guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"*Guarantees*" means the Parent Guarantee and the Subsidiary Guarantees.

"*Hedging Obligation*" of any Person means the obligations of such Person pursuant to any Commodity Agreement, Currency Agreement or Interest Rate Agreement.

"*Holder*" means the Person in whose name a Note is registered in the Note register.

"*Incur*" means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that (1) any Indebtedness and Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock (to the extent provided for when the Indebtedness or Preferred Stock on which such interest or dividend is paid was originally issued) will not be considered an Incurrence of Indebtedness. The terms "Incurrence," "Incurred" and "Incurring" have meanings correlative with the foregoing.

"*Indebtedness*" means, with respect to any Person at any date of determination (without duplication):

(1) all indebtedness of such Person for borrowed money;

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments;

(4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;

(5) all Capitalized Lease Obligations and Attributable Indebtedness;

(6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided* that the amount of such Indebtedness will be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness;

(7) all Indebtedness of other Persons guaranteed by such Person to the extent such Indebtedness is guaranteed by such Person;

(8) to the extent not otherwise included in this definition, Hedging Obligations;

(9) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase or redemption price plus accrued dividends; and

(10) all obligations of such Person under conditional sale or other title retention agreements relating to assets purchased by such Person.

The amount of Indebtedness of any Person at any time will be the outstanding balance at such time of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; provided:

(A) that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;

(B) that money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness will not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest; and

(C) the amount of Indebtedness with respect to any Hedging Obligation shall be equal to the net amount payable if the Commodity Agreement, Currency Agreement or Interest Rate Agreement giving rise to such Hedging Obligation terminated at that time due to default by such Person.

"*Intercompany Loans*" means the loans in U.S. dollars between the Parent Guarantor and/or one or more Restricted Subsidiaries, as borrowers, and the Issuer, Far East Energy Trading Pte. Ltd. or MSS, as lenders, pursuant to intercompany loan agreements as may be entered into, for an aggregate amount equal to at least the net proceeds of the offering of the Notes, less the amount required to fund the Interest Reserve Account.

"*Interest Rate Agreement*" means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates.

"*Investment*" means:

(i) any direct or indirect advance, loan or other extension of credit to another Person;

(ii) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);

(iii) any purchase or acquisition of Capital Stock (or options, warrants or other rights to acquire such Capital Stock), Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person;

(iv) any guarantee of any obligation of another Person to the extent such obligation is outstanding and to the extent guaranteed by such Person; or

(v) all other items that would be classified as investments (including purchases of assets outside the ordinary course of business) on a balance sheet of such Person prepared in accordance with GAAP.

For the purposes of the provisions of the "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries" and "—Certain Covenants—Limitation on Restricted Payments" covenants: (i) the Parent Guarantor will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the Fair Market Value of the Parent Guarantor's proportionate interest in the assets (net of the Parent Guarantor's proportionate interest in the liabilities owed to any Person other than the Parent Guarantor or a Restricted Subsidiary and that are not guaranteed by the Parent Guarantor or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation, and (ii) any property transferred to or from any Person will be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

"*Investment Grade*" means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by Fitch or any of its successors or assigns, or a rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or any of its successors or assigns, or a rating of "AAA," "AA," "A," "BBB," as modified by a "+" or "-" indication.

"*Lien*" means any mortgage, pledge, fiduciary security, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

"*Moody's*" means Moody's Investors Service, Inc. and its affiliates.

"*MPI SLC*" means any guarantee or standby letter of credit guaranteeing the Parent Guarantor's committed equity contributions existing on the Original Issue Date in PT Medco Power Indonesia of US$88.0 million.

"*Net Cash Proceeds*" means:

(a) with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Temporary Cash Investments and proceeds from the conversion of other property received when converted to cash or Temporary Cash Investments, net of:

(1) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment banks) related to such Asset Sale;

(2) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole;

(3) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale; and

(4) appropriate amounts to be provided by the Parent Guarantor or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP, and amounts placed in escrow prior to termination of such escrow; and

(b) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Temporary Cash Investments and proceeds from the conversion of other property received when converted to cash or Temporary Cash Investments, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"*Net Leverage Ratio*" means, on any Transaction Date, the ratio of (1) the aggregate amount of Indebtedness of the Parent Guarantor and its Restricted Subsidiaries on a consolidated basis outstanding on such Transaction Date, less cash and Temporary Cash Investments of the Parent Guarantor and its Restricted Subsidiaries on a consolidated basis on such Transaction Date, to (2) the aggregate Consolidated EBITDA for the Four Quarter Period with respect to such Transaction Date, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustments set forth in the definition of "Fixed Charge Coverage Ratio" and "Permitted Priority Indebtedness" including, without limitation, giving pro forma effect to any Indebtedness Incurred, repaid or redeemed on such date and the receipt and application of any proceeds therefrom.

"*Note Documents*" means the Indenture, the Notes and the Guarantees.

"*Offer to Purchas*e" means an offer to purchase the Notes by the Issuer or the Parent Guarantor from the Holders commenced by the Issuer or the Parent Guarantor mailing a notice by first class mail, postage prepaid, to the Trustee and each Holder at its last address appearing in the Note register stating:

(1) the provision of the Indenture pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a pro rata basis, subject to the provisos in clause 7 and the penultimate paragraph of this definition;

(2) the purchase price and the date of purchase (which will be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Offer to Purchase Payment Date");

(3) that any Note not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Issuer or the Parent Guarantor defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase will cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that each Note purchased and each new Note issued will be in a principal amount of US$200,000 or integral multiples of US$1,000.

One Business Day prior to the Offer to Purchase Payment Date, the Issuer or the Parent Guarantor will deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof to be accepted by the Issuer or the Parent Guarantor for payment on the Offer to Purchase Payment Date. On the Offer to Purchase Payment Date, the Issuer or the Parent Guarantor will (a) accept for payment on a pro rata basis (subject to the proviso in the next sentence) Notes or portions thereof tendered pursuant to an Offer to Purchase; and (b) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers' Certificate specifying the Notes or portions thereof accepted for payment by the Issuer or the Parent Guarantor. The Paying Agent will as soon as reasonably practicable mail to the Holders of Notes so accepted payment in an amount equal to the purchase price, and the Trustee will as soon as reasonably practicable authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided* that each Note purchased and each new Note issued will be in a principal amount of US$200,000 or integral multiples of US$1,000.

The materials used in connection with an Offer to Purchase are required to contain or incorporate by reference information concerning the business of the Parent Guarantor and its Subsidiaries which the Issuer or the Parent Guarantor in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Issuer or the Parent Guarantor to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase. To the extent that the provisions of any securities laws or regulations conflict with the requirements of the Indenture governing the relevant Offer to Purchase, the Parent Guarantor and the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached their obligations under the Notes, the Indenture and the Guarantees by virtue of their compliance with such securities laws or regulations.

"*Officer*" means the managing director of the Issuer, in the case of the Issuer, or one of the executive officers of the Parent Guarantor, in the case of the Parent Guarantor or, in the case of a Subsidiary Guarantor, one of the directors or executive officers of such Subsidiary Guarantor.

"*Officers' Certificate*" means a certificate signed by two Officers, one of whom is, in the case of the Issuer, a managing director.

"*Opinion of Counsel*" means a written opinion from legal counsel who is acceptable to the Trustee and that meets the requirements of the Indenture.

"*Original Issue Date*" means the date on which the Notes are originally issued under the Indenture.

"*Parent Guarantee*" means any guarantee of the obligations of the Issuer under the Indenture and the Notes by the Parent Guarantor.

"*Permitted Business*" means (i) any business conducted or proposed to be conducted (as described in the Offering Circular) by the Parent Guarantor and its Subsidiaries on the Original Issue Date, (ii) extraction, refinement, trading and sale of oil and gas, (iii) power generation and transmission and (iv) mining and any other business reasonably related, ancillary or complementary to any such business.

"*Permitted Holders*" means any or all of the following:

(1) Arifin Panigoro and Hilmi Panigoro;

(2) any spouse, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister of any of the persons named in subclause (1);

(3) any Affiliate (other than an Affiliate as defined in clause (ii) of the definition of "Affiliate") of the Person specified in clause (1); and

(4) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% by Persons specified in clauses (1) and (2).

"*Permitted Investment*" means:

(1) any Investment in the Parent Guarantor, the Issuer or a Restricted Subsidiary that is primarily engaged in a Permitted Business or a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged in a Permitted Business or be merged or consolidated with or into or transfer or convey all or substantially all its assets to the Parent Guarantor or a Restricted Subsidiary that is primarily engaged in a Permitted Business;

(2) cash or Temporary Cash Investments;

(3) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP and not in excess of US$2.0 million (or the Dollar Equivalent thereof) outstanding at any time;

(4) loans or advances to directors, commissioners, officers and employees of the Parent Guarantor or any of its Restricted Subsidiaries made in the ordinary course of business in an aggregate principal amount not to exceed US$10.0 million (or the Dollar Equivalent thereof) at any one time outstanding;

(5) stock, obligations or securities received in satisfaction of judgments;

(6) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;

(7) any Investment pursuant to a Hedging Obligation designed solely to protect the Parent Guarantor or any Restricted Subsidiary against fluctuations in interest rates, foreign currency exchange rates or commodity prices and not for speculation;

(8) receivables owing to the Parent Guarantor or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(9) any securities or other Investments received as consideration in, or retained in connection with, sales or other dispositions of property or assets, including Asset Sales made in compliance with the covenant described under the caption "—Certain Covenants—Limitation on Asset Sales";

(10) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business, (y) provided to third parties with respect to purchases, construction, development, installation, improvement or replacement of machinery, equipment (including spare parts), land, mining interests, oil and gas properties, working interests, power plant facilities or other assets used in the Permitted Business, or (z) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under the caption "—Certain Covenants—Limitation on Liens";

(11) advances to contractors and suppliers for the acquisition of assets or consumables or services in the ordinary course of a Permitted Business that are recorded as deposits or prepaid expenses on the Parent Guarantor's consolidated balance sheet;

(12) deposits made in order to comply with statutory or regulatory obligations to maintain deposits for workers, compensation claims and other purposes specified by statute or regulation from time to time in the ordinary course of a Permitted Business;

(13) deposits made in order to secure the performance of the Parent Guarantor or any Restricted Subsidiary in connection with the direct or indirect acquisition of land, mining interests, oil and gas properties, working interests, power plant facilities by the Parent Guarantor or any Restricted Subsidiary, in each case, in the ordinary course of a Permitted Business;

(14) Investments in securities of trade creditors, trade debtors or customers received in compromise or settlement of debts or pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditor, trade debtor or customer;

(15) guarantees of Indebtedness made in compliance with the covenant described under "—Certain Covenants—Limitation on Indebtedness and Preferred Stock";

(16) repurchases of the Notes;

(17) advance or prepaid sales of oil and gas in the ordinary course of business;

(18) advances of expenses to counterparties under joint operating agreements or similar agreements in the ordinary course of business;

(19) other Investments by the Parent Guarantor or any Restricted Subsidiary in any Person (other than a Restricted Subsidiary) engaged in a Permitted Business, *provided* that the aggregate of all Investments made under this clause (19) since the Original Issue Date shall not exceed in aggregate an amount equal to the lesser of (i) US$300 million (or the Dollar Equivalent thereof) and (ii) 15% of Total Assets. Such aggregate amount of Investments shall be calculated after deducting an amount equal to the net reduction in all Investments made under this clause (19) since the Original Issue Date resulting from:

(A) payments of interest on Indebtedness, dividends or repayments of loans or advances made under this clause, in each case to the Parent Guarantor or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income),

(B) the unconditional release of a Guarantee provided by the Parent Guarantor or a Restricted Subsidiary after the Original Issue Date under this clause of an obligation of any such Person,

(C) to the extent that an Investment made after the Original Issue Date under this clause (19) is sold or disposed of (including by way of merger or consolidation) or otherwise liquidated or repaid for cash, the lesser of cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment, or

(D) any such Person becoming a Restricted Subsidiary (whereupon all Investments made by the Parent Guarantor or any Restricted Subsidiary in such Person since the Original Issue Date shall be deemed to have been made pursuant to clause (1) of the definition of "Permitted Investment"),

not to exceed, in each case, the amount of Investments made by the Parent Guarantor or a Restricted Subsidiary after the Original Issue Date in any such Person pursuant to this clause (19); and

(20) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (20) since the Original Issue Date, not to exceed US$5.0 million.

"*Permitted Liens*" means:

(1) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as will be required in conformity with GAAP will have been made;

(2) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as required in conformity with GAAP will have been made;

(3) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);

(4) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Parent Guarantor or its Restricted Subsidiaries, taken as a whole;

(5) Liens encumbering property or assets in connection with the development, construction or improvement of real or personal property or equipment to be used in a Permitted Business by the Parent Guarantor or any Restricted Subsidiary arising from progress or partial payments by a customer of the Parent Guarantor or its Restricted Subsidiaries relating to such property or assets;

(6) any interest or title of a lessor in the property subject to any operating lease;

(7) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; *provided* that such Liens do not extend to or cover any property or assets of the Parent Guarantor or any Restricted Subsidiary other than the property or assets acquired (plus improvements and appurtenances thereto); provided further that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary;

(8) Liens in favor of the Parent Guarantor, the Issuer or any Subsidiary Guarantor;

(9) Liens arising from attachment or the rendering of a final judgment or order against the Parent Guarantor or any Restricted Subsidiary that does not give rise to an Event of Default;

(10) Liens existing on the Original Issue Date;

(11) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (b)(4) of the covenant described under the caption "—Certain Covenants—Limitation on Indebtedness and Preferred Stock"; *provided* that such Liens do not extend to or cover any property or assets of the Parent Guarantor or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced (plus improvements and appurtenances thereto);

(12) Liens (including extensions and renewals thereof) upon real or personal property acquired after the Original Issue Date; *provided* that (a) such Lien is created solely for the purpose of securing Indebtedness Incurred under clause (b)(10) of the covenant described under the caption "—Limitation on Indebtedness and Preferred Stock," (b) such Lien is created prior to, at the time of or within 90 days after the later of the acquisition or the completion of development, construction or improvement of such property, (c) the principal amount of Indebtedness secured by such Lien does not exceed 100% of the cost of such property, development, construction or improvement, (d) such Lien shall not extend to or cover any property or assets other than such item of property and any development, construction or improvements on such item; *provided* that, such Lien may cover Capital Stock of a Person constructing, acquiring, developing or improving such item;

(13) easements, rights-of-way, municipal and zoning ordinances or other restrictions as to the use of properties in favor of governmental agencies or utility companies that do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Parent Guarantor or any Restricted Subsidiary;

(14) Liens encumbering customary initial deposits and margin deposits, and other Liens that are within the general parameters customary in the industry and incurred in the ordinary course of business, in each

case, securing Indebtedness under Hedging Obligations permitted by clause (b)(5) of the covenant described under the caption "—Certain Covenants—Limitation on Indebtedness and Preferred Stock";

(15) Liens on deposits made in order to comply with statutory obligations to maintain deposits for workers' compensation claims and other purposes specified by statute made in the ordinary course of business and not securing Indebtedness of the Parent Guarantor or any Restricted Subsidiary;

(16) Liens on deposits made in order to secure the performance of the Parent Guarantor or any Restricted Subsidiary in connection with the acquisition of oil and gas properties, working interests, mining properties, power plants or other Replacement Assets by the Parent Guarantor or any Restricted Subsidiary in the ordinary course of business and not securing Indebtedness of the Parent Guarantor or any Restricted Subsidiary;

(17) Liens securing Notes (including Additional Notes) under the Indenture or the Security Documents;

(18) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;

(19) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(20) Liens on current assets to secure Indebtedness permitted under clause (b)(13) under the caption "Limitation on Indebtedness and Preferred Stock";

(21) Liens on (i) Capital Stock of a Finance Subsidiary (other than the Issuer) and any intercompany loans or advances from such Finance Subsidiary to the Parent Guarantor or any Restricted Subsidiary, (ii) Capital Stock of a Wholly Owned Subsidiary of a Finance Subsidiary and on any intercompany loans or advances made by such Wholly Owned Subsidiary to the Parent Guarantor or any Restricted Subsidiary representing the proceeds of Indebtedness Incurred by such Finance Subsidiary; and (iii) any interest reserve, debt service reserve or similar account used to service interest payments or debt obligations with respect to such Indebtedness or any escrow account holding all or any part of the proceeds of such Indebtedness (and investment returns thereon), in each case securing Indebtedness of such Finance Subsidiary (and guarantees by the Parent Guarantor or Subsidiary Guarantors of such Indebtedness) permitted to be Incurred under the covenant described under the caption entitled "—Certain Covenants—Limitation on Indebtedness";

(22) Liens on land or other assets ("Replacement Collateral") securing Indebtedness, which Liens are Incurred to replace Liens on other land or other assets ("Existing Collateral") securing the same Indebtedness (or in the case of revolving Indebtedness, securing not more than the amount of Indebtedness secured by the Existing Collateral), *provided* that (i) the Liens on the Existing Collateral are released substantially concurrently with the Incurrence of the Liens on the Replacement Collateral; and (ii) the Fair Market Value of the Replacement Collateral is not more than the Fair Market Value of the Existing Collateral at such time;

(23) Liens on advances, security deposits and pre-payments made by customers in connection with the purchase of oil and gas, or real or personal property in the ordinary course of business;

(24) Liens securing Permitted Priority Indebtedness; and

(25) Other Liens securing obligations in an aggregate amount not exceeding US$2.0 million,

provided that for purposes of the Collateral, Permitted Liens shall mean Liens described in clauses (1), (2), (9), (15), (17), (19) and (21) above only.

"*Permitted Priority Indebtedness*" means any Consolidated Priority Indebtedness, *provided* that, on the date of Incurrence of such Indebtedness, and after giving pro forma effect thereto and the application of the proceeds thereof, the aggregate Consolidated Priority Indebtedness then outstanding would be no greater than 15.0% of

Total Assets. In making the foregoing calculations, the amount of Permitted Priority Indebtedness, Consolidated Priority Indebtedness and Total Assets as of any date of determination shall be as set forth on the most recently available quarterly consolidated balance sheet of the Parent Guarantor and its Restricted Subsidiaries (which the Parent Guarantor shall use its reasonable best efforts to compile in a timely manner and which may be internal financial statements), calculated on a pro forma basis to give effect to the following events occurring subsequent to the date of the most recently available quarterly consolidated balance sheet of the Parent Guarantor and its Restricted Subsidiaries (the "Reference Date"):

(a) pro forma effect shall be given to any Consolidated Priority Indebtedness Incurred, repaid or redeemed since the Reference Date;

(b) pro forma effect shall be given to the provision of any Liens on Indebtedness since the Reference Date that would result in such Indebtedness becoming Consolidated Priority Indebtedness, or the release of any Liens since the Reference Date that would result in any Consolidated Priority Indebtedness ceasing to meet the definition of Consolidated Priority Indebtedness;

(c) pro forma effect shall be given to the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries since the Reference Date;

(d) pro forma effect shall be given to the creation or designation of any new Non-Guarantor Restricted Subsidiaries since the Reference Date, and the recharacterization of any Indebtedness of such entities as Consolidated Priority Indebtedness;

(e) pro forma effect shall be given to Asset Sales and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Sales) since the Reference Date; and

(f) pro forma effect shall be given to asset sales and asset acquisitions (including giving pro forma effect to the application of proceeds of any asset sale) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Parent Guarantor or any Restricted Subsidiary since the Reference Date and that would have constituted Asset Sales or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset sales or asset acquisitions were Asset Sales or Asset Acquisitions.

"*Person*" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"*Preferred Stock*" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its terms is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over any other class of Capital Stock of such Person.

"*Rating Agencies*" means (i) Moody's, (ii) S&P and (iii) Fitch.

"*Rating Date*" means in connection with actions contemplated under the caption "—Consolidation, Merger and Sale of Assets," that date which is 90 days prior to the earlier of (x) the occurrence of any such actions as set forth therein and (y) a public notice of the occurrence of any such actions.

"*Rating Decline*" means in connection with actions contemplated under the caption "—Consolidation, Merger and Sale of Assets," the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

(a) in the event the Notes are rated by all three of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any two of the three Rating Agencies shall cease to be Investment Grade;

(b) in the event the Notes are rated by any two, but not all three, of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any of such two Rating Agencies shall cease to be Investment Grade;

(c) in the event the Notes are rated by one, and only one, of the three Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall cease to be Investment Grade; or

(d) in the event the Notes are rated below Investment Grade by all of the Rating Agencies that have rated the Notes on the Rating Date, the rating of the Notes by any such Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories) or the Notes shall otherwise cease to maintain at least as high a rating from any such Rating Agency as it held on the Ratings Date.

"*Reference Period*" means, as of any Transaction Date, the period commencing on and including the first day of the Four Quarter Period with respect to such Transaction Date and ending on and including the Transaction Date.

"*Reference Treasury Dealer*" means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in The City of New York, selected by the Issuer in good faith.

"*Reference Treasury Dealer Quotations*" means, with respect to each Reference Treasury Dealer and any redemption date, the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing by such Reference Treasury Dealer at 5:00 p.m. New York City time on the third Business Day preceding such redemption date.

"*Refinance*" means in respect of any Indebtedness, to refinance, refund, replace, exchange, renew, repay, prepay, purchase, defease, discharge or extend or issue other Indebtedness in exchange or replacement for, such Indebtedness. "Refinancing, "Refinances" and "Refinanced" shall have a correlative meaning

"*Refinancing Indebtedness*" means Indebtedness that Refinances any Indebtedness of the Issuer or any Restricted Subsidiary existing on the Original Issue Date or Incurred in compliance with the Indenture including any Indebtedness that Refinances Refinancing Indebtedness; *provided*, *however*, that (i) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred to with original issue discount), the aggregate accreted value) then outstanding (plus premiums, accrued interest, fees, defeasance costs and expenses) under the Indebtedness being Refinanced, (ii) Indebtedness the proceeds of which are used to refinance the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes or any Guarantee, shall only be permitted if (A) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes or any Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or such Guarantee, as the case may be, or (B) in case the Indebtedness to be Refinanced is subordinated in right of payment to the Notes or any Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or such Guarantee, as the case may be, at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes or such Guarantee, as the case may be, (iii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced and (iv) in no event may Indebtedness of the Issuer or any Subsidiary Guarantor be refinanced by means of any Indebtedness of any Restricted Subsidiary that is not the Issuer or a Guarantor; and (v) in no event may unsecured Indebtedness of the Issuer or any Guarantor be Refinanced with secured Indebtedness.

"*Restricted Subsidiary*" means any Subsidiary of the Parent Guarantor other than an Unrestricted Subsidiary.

"*S&P*" means Standard & Poor's Ratings Services and its affiliates.

"*Sale and Leaseback Transaction*" means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Parent Guarantor or any Restricted Subsidiary transfers such property to another Person and the Parent Guarantor or any Restricted Subsidiary leases it from such Person.

"*Secured Indebtedness*" means any Indebtedness of the Issuer or a Guarantor secured by a Lien.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended.

"*Security Documents*" means, collectively, the pledge or charge agreements and any other agreements or instruments that, including the Indenture, may evidence or create any security interest granted to the Collateral Agent for the benefit of itself, the Trustee and/or any Holders in any or all of the Collateral.

"*Senior Indebtedness*" of the Parent Guarantor or any Restricted Subsidiary, as the case may be, means all Indebtedness of the Parent Guarantor or such Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to the Notes or, in respect of the Parent Guarantor, its Parent Guarantee or, in respect of any Restricted Subsidiary that is a Subsidiary Guarantor, its Subsidiary Guarantee; *provided* that Senior Indebtedness does not include (a) any obligation to the Parent Guarantor or any Restricted Subsidiary, (b) trade payables or (c) Indebtedness Incurred in violation of the Indenture.

"*Significant Subsidiary*" means any Restricted Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated under the Securities Act, as such regulation is in effect on the Original Issue Date; *provided* that in each instance in such definition in which the term "10 percent" is used, the term "5 percent" shall be substituted therefor.

"*Stated Maturity*" means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness.

"*Subordinated Indebtedness*" means any Indebtedness of the Issuer, the Parent Guarantor or any Subsidiary Guarantor which is contractually subordinated or junior in right of payment to the Notes, the Parent Guarantee or any Subsidiary Guarantee, as applicable, pursuant to a written agreement to such effect.

"*Subsidiary*" means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person.

"*Subsidiary Guarantee*" means any guarantee of the obligations of the Issuer under the Indenture and the Notes by any Subsidiary Guarantor.

"*Subsidiary Guarantor*" means any initial Subsidiary Guarantor named herein and any other Restricted Subsidiary which guarantees the payment of the Notes pursuant to the Indenture and the Notes; *provided* that Subsidiary Guarantor will not include any Person whose Subsidiary Guarantee has been released in accordance with the Indenture and the Notes.

"*Temporary Cash Investments*" means any of the following:

(1) direct obligations of the United States of America, Singapore or any agency thereof or obligations fully and unconditionally guaranteed by the United States of America, Singapore or any agency thereof, in each case maturing within one year;

(2) demand or time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America or any state thereof, the United Kingdom, Hong Kong or Singapore, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US$500 million (or the Dollar Equivalent thereof) and has outstanding debt which is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Section 3(a)(62) of the Exchange Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;

(4) commercial paper, maturing within 180 days of the date of acquisition thereof, issued by a corporation (other than an Affiliate of the Parent Guarantor) organized and in existence under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P;

(5) securities maturing within one year of the date of acquisition thereof, issued or fully and unconditionally guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or Moody's;

(6) any mutual fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (1) through (5) above; and

(7) demand or time deposit accounts, certificates of deposit and money market deposits with (i) PT Bank Mandiri (Persero) Tbk, PT Bank Negara Indonesia (Persero) Tbk, Citibank, N.A., Alizz Islamic Bank, Standard Chartered Bank, Capital One, N.A., Bank of Tokyo-Mitsubishi UFJ, Ltd, ANZ Bank – Singapore, PT ANZ Bank Indonesia, The Hongkong and Shanghai Banking Corporation Ltd, Barclays Bank PLC, PT Bank Central Asia Tbk, PT Bank CIMB Niaga Tbk, PT Bank Danamon Indonesia Tbk, PT Bank QNB Indonesia Tbk and PT Bank Bukopin Tbk, (ii) any other bank or trust company organized or licensed to operate under the laws of the Republic of Indonesia whose long-term debt rating by Moody's or S&P is rated as high or higher than any of those banks listed in subclause (i) of this clause (7) or (iii) any other bank organized or licensed to operate under the laws of the Republic of Indonesia; *provided* that, in the case of clause (iii), such deposits do not exceed US$10.0 million (or the Dollar Equivalent thereof) with any single bank or US$30.0 million (or the Dollar Equivalent thereof) in the aggregate, at any date of determination thereafter.

"*Total Assets*" means, as of any date of determination, the total consolidated assets of the Parent Guarantor and its Restricted Subsidiaries (excluding any assets of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting) measured in accordance with GAAP as of the last day of the most recent fiscal quarter for which consolidated financial statements of the Parent Guarantor (which the Parent Guarantor shall use its reasonable best efforts to compile in a timely manner) are available and have been provided to the Trustee, the calculation of which shall include such pro forma adjustments as are appropriate and consistent with the pro forma adjustments set forth in the definition of "Fixed Charge Coverage Ratio" and "Permitted Priority Indebtedness" including, without limitation, giving pro forma effect to any Indebtedness Incurred, repaid or redeemed on such date and the receipt and application of any proceeds therefrom.

"*Trade Payables*" means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services and payable within 90 days.

"*Transaction Date*" means, with respect to (i) the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred, (ii) any Restricted Payment, the date such Restricted Payment is to be made, and (iii) the incurrence or assumption of any Lien, the date such Lien is to be incurred or assumed.

"*Unrestricted Subsidiary*" means (1) any Subsidiary of the Parent Guarantor that at the time of determination will be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided in the Indenture; and (2) any Subsidiary of an Unrestricted Subsidiary.

"*U.S. Government Obligations*" means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the holder thereof at any time prior to the Stated Maturity of the Notes, and will also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

"*Voting Stock*" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"*Wholly Owned*" means, with respect to any Subsidiary of any Person, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any (1) director's qualifying shares or (2) Investments by foreign nationals or shares owned by a second shareholder, in each case as mandated by applicable law) by such Person or one or more Wholly Owned Subsidiaries of such Person.

"*Wholly Owned Restricted Subsidiary*" means a Restricted Subsidiary that is Wholly Owned by the Parent Guarantor.

TAXATION

Indonesian Taxation

The following summary is based on tax laws of Indonesia as in effect on the date of this Offering Circular, and is subject to changes in Indonesian law, including changes that could have retroactive effect. The following summary does not take into account or discuss the tax laws of any countries other than Indonesia. Prospective purchasers in all jurisdictions are advised to consult their own tax advisors as to Indonesian or other tax consequence of the acquisition, ownership and disposition of the Notes

The following is a summary with respect to taxes imposed by the Government of Indonesia. The summary does not address any laws other than the tax laws of Indonesia in force and as they are applied in practice as of the date of this Offering Circular.

1. General

Resident taxpayers, individual or corporate, are subject to income tax in Indonesia. Subject to the provisions of any applicable agreement for the avoidance of double taxation (a "Tax Treaty"), a "non-resident individual" is a foreign national who does not reside in Indonesia and is not physically present in Indonesia for more than 183 days during any 12 month period, during which period, such non-resident individual receives income in respect of the ownership or disposition of the Notes (unless an individual is deemed as a tax resident if he intends to reside in Indonesia, indicated by obtaining a working visa or limited stay permit card (KITAS) or having a contract of employment, business, or activities that are performed in Indonesia for more than 183 days) and a "non-resident entity" is a corporation or non-corporate body that is established under the laws of a jurisdiction other than Indonesia, is not domiciled in Indonesia and does not have a fixed place of business or permanent establishment in Indonesia during an Indonesian tax year in which such non-Indonesian entity receives income in respect of the ownership or disposition of the Notes. If the income is effectively connected with a permanent establishment of a non-resident corporation in Indonesia, the income is subject to corporate income tax up to a maximum rate of 25.0% and deemed distribution withholding tax of 20.0% of the after-tax profits, subject to applicable tax treaties. For individuals, the income is subject to progressive tax rates with a maximum rate of 30.0%.

2. Withholding Tax

Withholding Tax on Interest Income

Interest paid or due to be paid by the Issuer under the Notes should not be subject to Indonesian withholding tax, provided that the payments are not made and not borne by a permanent establishment of the Issuer in Indonesia.

Interest paid or due to be paid and borne by an Indonesian resident guarantor under the relevant guarantee, to a non-resident taxpayer with no permanent establishment in Indonesia, should be subject to final withholding tax in Indonesia at the statutory rate of 20% or the relevant reduced rate under an applicable Tax Treaty. To use the reduced rate under an applicable Tax Treaty, a non-resident taxpayer must satisfy the eligibility requirements under the relevant Tax Treaty and domestic tax regulations, including the requirement that the interest recipient be the beneficial owner of the income (see "—Anti-Avoidance Rule on the Tax Treaty and CoD Requirements" below).

Withholding Tax on Sale and Disposition of Notes

Income derived by a non-resident taxpayer, without a permanent establishment in Indonesia, from the disposal of Notes to resident taxpayer or another non-resident taxpayer without a permanent establishment in Indonesia, should not be subject to Indonesian income tax.

Capital gains derived by a non-resident taxpayer, without a permanent establishment in Indonesia, from the disposal of Notes to a resident taxpayer or to non-resident taxpayer, having a permanent establishment in Indonesia, shall not be subject to Indonesian withholding tax as the gains are not sourced from Indonesia.

Capital gains derived by a non-resident taxpayers having a permanent establishment in Indonesia, from the disposal of Notes should not be subject to Indonesian withholding tax provided those funds to acquire the Notes are not effectively connected with the permanent establishment in Indonesia.

3. Anti-Avoidance Rule on the Tax Treaty and CoD Requirements

Indonesia has concluded tax treaties with a number of countries including Australia, Belgium, Canada, France, Germany, Japan, the Netherlands, Singapore, Sweden, Switzerland, the United Kingdom and the United States of America. The relevant Tax Treaty may affect the definition of non-resident taxpayers and level of withholding tax applied to payments on the Notes.

Where a Tax Treaty exists and the eligibility requirements of that treaty benefit are satisfied, a reduced rate of withholding tax may be applicable in the case of interest (or payments in the nature of interest, such as premiums or discounts). This is also subject to there being no misuse of the tax treaties, the non-resident taxpayers meeting the administrative requirements under the Indonesian tax regulations and the non-resident taxpayers must be the beneficial owners of the income received from Indonesia. Some tax treaties also provide an exemption from Indonesian tax on any capital gains of non-resident taxpayers arising from the disposal of certain properties in Indonesia.

On June 19, 2017, the Directorate General of Tax ("DGT") issued regulations designed to prevent Tax Treaty misuse, i.e. PER-10/PJ/2017 ("PER-10") regarding the administrative procedures to apply a Tax Treaty, including the template of Form-DGT 1 and Form DGT-2 which supersede two regulations PER-61/PJ./2009 ("PER-61") and PER-62/PJ./2009 ("PER-62"). PER-10 sets out stringent anti-tax treaty misuse tests (please see below the misuse tests) and administrative requirements to be satisfied. Failure to comply with the conditions means the Indonesian withholding tax will apply at 20%.

Form DGT-2 is required to be completed by the non-resident taxpayer who, being a resident of the Tax Treaty partner country, is:

(a) a banking institution;

(b) a pension fund; or

(c) a person who claims Tax Treaty relief from Indonesia Income Tax in respect of income arising from the transfer of bonds or stocks traded or registered on the Indonesia Stock Exchange and earned income or settled transactions through a Custodian in Indonesia, other than interest and dividends,

Form DGT-1 is required to be completed by the non-resident taxpayer, who is out of the above scope, claiming the Tax Treaty benefit in respect of income sourced from Indonesia.

Under PER-10, in order for a non-resident taxpayer or recipient of the payments from Indonesia to be eligible for Tax Treaty benefit, they must:

(a) not be an Indonesian tax resident;

(b) be the tax resident of the Indonesia Tax Treaty partner;

(c) fulfill the administrative requirements;

(d) not commit any Tax Treaty misuse; and

(e) be the beneficial owner of the income (if required by the Tax Treaty provisions).

Under PER-10, the administrative requirements to be fulfilled by the non-resident taxpayer in order to apply the Tax Treaty benefit are in the certificate of domicile ("CoD") form, which must be:

(a) in the form prescribed by the DGT (i.e. Form DGT-1 or Form DGT-2, where applicable);

(b) filled in completely by the non-resident;

(c) signed by the non-resident taxpayer;

(d) certified by the competent tax authority, the legal representative or the tax office of the treaty partner country of the non-resident taxpayer in the form of a signature or marked in a way that is similar to a signature and which marking is considered a common practice in that treaty country or the certification can be substituted with a Certificate of Residence which is commonly issued by the competent tax authority of the treaty partner country subject to it meeting certain conditions (such as the U.S. Internal Revenue Service ("IRS") Form 6166 in the case of the United States);

(e) used within the period stated in the CoD; and

(f) submitted prior to the lodgment of the relevant monthly Indonesian tax return for the tax period of the tax payable.

The CoD is to confirm that the foreign income recipient (including the Issuer) is a tax resident of the foreign country. All the pages of Form DGT-1 and Form DGT-2 must be completed in all respects. The second and the third page of Form DGT-1 and the second page of Form DGT-2 do not require any sign-off by a competent tax authority. All the pages of Form DGT-1 and Form DGT-2 require the foreign income recipient (including the Issuer) to confirm that it satisfies the relevant test(s), as well as to provide details on the amounts and types of income.

The original and valid Form DGT-1 and Form DGT-2 must be obtained before the withholding tax is due and shall be made available to the tax withholder before the monthly withholding tax return filing deadline, i.e. the 20th day of the following month, to be submitted along with the monthly withholding tax return. The first page of Form DGT-1 is valid for 12 months from the date of validation and must be renewed subsequently. However, the second and the third page of Form DGT-1 and the second page of Form DGT-2 must be produced by the foreign income recipient in respect of each payment of income. The certification from competent tax authority in Part III on the first page of Form DGT-1 and Form DGT-2 can be substituted with the Certificate of Residence commonly issued by competent tax authority of the treaty partner country. The CoD is valid for the year indicated in the Certificate of Residence.

Further, PER-10 stipulates that Tax Treaty misuse may occur in the case that:

(a) there is no economic substance in the establishment of the entity or in the transaction arrangement using a structure or scheme that is arranged solely to enjoy the benefit of the Tax Treaty;

(b) a transaction has a structure or scheme whose legal form differs from its economic substance solely with the intention to enjoy the benefit of the Tax Treaty;

(c) the business operation is not managed by its own management and the management has no appropriate authority to carry out a transaction;

(d) the entity's assets, other than the assets to generate income from Indonesia, are not sufficient and adequate to carry out a business operation in the Tax Treaty partner country;

(e) the entity has no sufficient qualified employees to conduct its business operation; or

(f) the entity has no active business other than receiving income from dividends, interest and/or royalties originating from Indonesia.

According to PER-10, the beneficial owner criteria must be fulfilled for the income for which the Tax Treaty article contains the beneficial owner requirement, in addition to the Tax Treaty misuse test. Usually

this is relevant for dividend, interest and royalty income (passive income). Despite of the fact that PER-10 only requires the beneficial ownership criteria to be fulfilled in certain circumstances, the Indonesia tax office, up to a certain extent, may also consider the failure to apply the beneficial owner criteria in any case is an indication that the entity is a Tax Treaty misuse.

Article 10 of PER-10 defines the "beneficial owner" of the income as:

(a) an individual who is not acting as an agent or a nominee;

(b) a company which is not acting as an agent or a nominee or a conduit, and fulfills these conditions:

- has effective power to use or enjoy any funds, assets, or right to earn income from Indonesia;
- does not use more than 50% of its total income (non-consolidated) to fulfill obligations to other parties in the form of interest, royalties, or other fees (excluding reasonable remuneration to employees, other expenses normally incurred by the company in running the business, or dividend distribution to shareholders);
- bears any risk derived from entity assets, capital or liabilities; and
- does not have any contractual or legal obligation to pass on part of or the entire payment.

"Agent" is defined as a person or an entity that acts as an intermediary and conducts actions for and/or on behalf of another party. A "nominee" is defined as a person or an entity that legally owns an asset and/or income (i.e. a legal owner) for the interests of or based on instruction/mandate from the party who is the actual owner of the asset and/or the party who actually enjoys the benefit of the income. A "conduit company" is defined as a company which enjoys the Tax Treaty benefits in relation to income sourced from another country, while the economic benefits of said income is owned by persons in another country who would not be able to enjoy Tax Treaty benefits if such income were directly received by them. However, in practice the Tax Office does not apply a look through to the ultimate owner of the economic benefit of the income and therefore immediately denies the application of any Tax Treaty provision if the Indonesian sourced income is paid to a conduit company.

In addition, in the event that it is found that the legal form of a structure of a particular transaction is different from its economic substance, the Indonesian Tax Authority will apply the "substance over form" principle in imposing taxes in accordance with the economic substance of the transaction.

4. Taxation on Capital Gain

Gains from disposal of the Notes by an Indonesian tax resident is taxable in Indonesia and subject to income tax up to a maximum rate of 30.0% for individuals, 25.0% corporate tax for companies and permanent establishments, and an additional deemed distribution tax for permanent establishments of 20.0% of after-tax profits, subject to any applicable Tax Treaty and fulfilling the requirements to claim tax treaty benefits.

Capital gains derived by a non-resident taxpayer, without a PE in Indonesia, from the disposal of Notes to a resident taxpayer or to non-resident taxpayer, having a PE in Indonesia, shall not be subject to Indonesian withholding tax as the gains are not sourced from Indonesia.

5. Stamp Duty

In Indonesia, nominal stamp duty applies on a per document basis, and is not related to the value of the transaction. Stamp duty applies on certain documents made, executed or brought into Indonesia or intended to be used as evidence for civil proceedings. Documents subject to stamp duty include notarial deeds, documents evidencing or recording the receipt of money, and securities instruments. The nominal amount of

the Indonesian stamp duty for any kind of securities transaction having a value greater than Rp. 1,000,000 is Rp. 6,000. Generally, the stamp duty is due at the time the document is executed. Stamp duty is payable by the party who benefits from the executed document unless the parties decide otherwise.

6. Other Indonesian Taxes

There are no Indonesian estate, inheritance, succession, or gift taxes generally applicable to the acquisition, ownership or disposition of the Notes. There are no Indonesian registrations or similar taxes payable by the Noteholders as a result of their holding of the Notes.

The above summary is not intended to constitute a complete analysis of all tax consequences relating to the ownership of the Notes. Prospective purchasers of the Notes should consult their own tax advisors concerning the tax consequences of their particular situations.

Singapore Taxation

The statements made herein regarding Singapore taxation are general in nature and based on certain aspects of the current tax laws of Singapore, administrative guidelines and circulars issued by the Monetary Authority of Singapore ("MAS") in force as of the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or in the interpretation of these laws, guidelines or circulars, occurring after such date, which changes could be made on a retrospective basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective investors are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposition of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject to. It is emphasized that none of the Issuer, the Parent Guarantor, the Initial Purchasers and any other persons involved in the issuance of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore ("ITA"), the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such

payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17%. The applicable rate for non-resident individuals is currently 22%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after January 1, 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after February 17, 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after February 15, 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

As the issue of the Notes is jointly lead-managed by CLSA Limited, Credit Suisse (Singapore) Limited, DBS Bank ltd., Mandiri Securities Pte Ltd, Morgan Stanley Asia (Singapore) Pte. and Standard Chartered Bank and on the basis that more than half of them are Financial Sector Incentive (Bond Market) ("FSI-BM"), Financial Sector Incentive (Capital Market) ("FSI-CM") or Financial Sector Incentive (Standard Tier) ("FSI-ST") Companies (as defined in the ITA) at such time and more than half of the Notes issued are distributed by FSI-BM, FSI-CM or FSI-ST Companies, and the Notes are issued as debt securities prior to December 31, 2018, the Notes would be qualifying debt securities ("QDS") for the purposes of the ITA, to which the following treatment shall apply:

(a) subject to certain prescribed conditions having been fulfilled (including the submission by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require and subject to the Issuer including in all offering documents relating to the Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost is derived from the Notes by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Notes using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "Qualifying Income") from the Notes paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore income tax;

(b) subject to certain conditions having been fulfilled (including the submission by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Notes that the MAS may require), Qualifying Income from the Notes paid by the Issuer and derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to Singapore income tax at a concessionary rate of 10% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

(i) the Issuer including in all offering documents relating to the Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(ii) the submission by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Notes that the MAS may require,

payments of Qualifying Income derived from the Notes are not subject to withholding of Singapore tax by the Issuer.

Notwithstanding the foregoing:

(a) if during the primary launch of the Notes, the Notes are issued to fewer than four persons and 50% or more of the issue of the Notes are beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Notes would not qualify as QDS; and

(b) even though the Notes are QDS, if, at any time during the tenure of the Notes, 50% or more of the Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Notes held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire the Notes are obtained, directly or indirectly from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax described above.

The term "related party", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person directly or indirectly are under the control of a common person.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

- "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;
- "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and
- "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) derived from the Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Gains on Disposal of the Notes

Any gains considered to be in the nature of capital made from the disposal of the Notes will not be taxable in Singapore. However, any gains derived by any person from the disposal of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Noteholders who apply or are required to apply Singapore Financial Reporting Standard ("FRS") 39—or FRS 109, may for Singapore income tax purposes be required to recognize gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes".

Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39—Financial Instruments: Recognition and Measurement".

FRS 109 is mandatorily effective for annual periods beginning on or after January 1, 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109, subject to certain exceptions. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109—Financial Instruments".

Noteholders who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after February 15, 2008.

Certain United States Federal Income Tax Considerations

The following is a general discussion based upon present law of certain U.S. federal income tax considerations for prospective purchasers of the Notes. The discussion addresses only U.S. Holders (as defined below) that purchase Notes in the original offering, hold the Notes as capital assets, and use the U.S. dollar as their functional currency. The discussion does not consider the circumstances of particular purchasers, some of which (such as financial institutions, insurance companies, regulated investment companies, tax exempt organizations, dealers, traders who elect to mark their investment to market, and persons holding the Notes as part of a hedge, straddle, conversion, constructive sale or integrated transaction) are subject to special tax regimes. The discussion does not address any state, local or foreign taxes, the Medicare tax on net investment income or the federal alternative minimum tax. Prospective investors should note that no rulings have been, or are expected to be, sought from the IRS with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS or a court will not take contrary positions.

EACH PROSPECTIVE PURCHASER IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE FEDERAL, STATE AND LOCAL LAWS OF THE UNITED STATES, INDONESIA AND THE LAWS OF ANY OTHER JURISDICTION WHERE THE PURCHASER MAY BE SUBJECT TO TAXATION.

For purposes of this discussion, "U.S. Holder" means the beneficial owner of a Note that for U.S. federal income tax purposes is

- a citizen or individual resident of the United States,
- a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) organized in or under the laws of the United States or any political subdivision thereof,
- a trust subject to the control of one or more U.S. persons and the primary supervision of a U.S. court or that has validly elected to be treated as a U.S. person, or
- an estate the income of which is subject to U.S. federal income taxation regardless of its source.

The treatment of partners in a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) that owns Notes may depend on the status of such partners and the status and activities of the partnership and such persons should consult their own tax advisors about the consequences of an investment in the Notes.

Interest

Stated interest paid to a U.S. Holder, and any Additional Amounts with respect to withholding tax on the Notes (including the amount of tax withheld from payments of interest and Additional Amounts), will be includible in the U.S. Holder's gross income as ordinary interest income at the time interest and Additional Amounts are received or accrued in accordance with the U.S. Holder's regular method of tax accounting for U.S. federal income tax purposes. It is expected, and the remainder of this discussion assumes, that the Notes will not be issued with original issue discount for U.S. federal income tax purposes.

Interest on the Notes generally will be treated as foreign source income for U.S. federal income tax purposes and generally will constitute "passive category" income for most U.S. Holders. Subject to generally applicable restrictions and conditions (including a minimum holding period requirement), a U.S. Holder generally will be entitled to a foreign tax credit in respect of any Indonesian income taxes withheld on interest payments on the Notes. Alternatively, the U.S. Holder may be able to deduct such taxes in computing taxable income for U.S. federal income tax purposes. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit or a deduction for foreign taxes paid under their particular circumstances.

Sale, Exchange or Other Taxable Disposition

Upon the sale, exchange or other taxable disposition (including redemption) of a Note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between the amount realized on the sale, exchange or other taxable disposition (other than accrued but unpaid interest, which will be taxable as interest) and the U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will be equal to the amount that the U.S. Holder paid for the Note. Any such gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if the Note has been held for more than one year at the time of its sale, exchange or other taxable disposition. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations.

U.S. Backup Withholding and Information Reporting

Information reporting generally will apply to payments of principal of, and interest on, Notes (including Additional Amounts), and to proceeds from the sale, exchange or other taxable disposition (including redemption) of Notes within the United States, or by a U.S. payor or U.S. middleman, to a U.S. Holder (other than an exempt recipient). Backup withholding may be required on reportable payments if the holder fails to

furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, information reporting and backup withholding. Backup withholding is not an additional tax. A holder of Notes generally will be entitled to credit any amounts withheld under the backup withholding rules against its U.S. federal income tax liability or to obtain a refund of the amounts withheld provided the required information is furnished to the IRS in a timely manner.

"Specified Foreign Financial Asset" Reporting

Owners of "specified foreign financial assets" with an aggregate value in excess of US$50,000 (and in some circumstances, a higher threshold), may be required to file an information statement with respect to such assets with their U.S. federal income tax returns, currently on IRS Form 8938. The Notes generally are expected to constitute "specified foreign financial assets" unless they are held in accounts maintained by financial institutions. U.S. Holders are urged to consult their tax advisors regarding the application of this legislation to their ownership of the Notes.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership or disposition of the Notes. Prospective purchasers of Notes should consult their own tax advisors concerning the tax consequences of their particular situations.

PLAN OF DISTRIBUTION

CLSA Limited, Credit Suisse (Singapore) Limited, DBS Bank Ltd., Mandiri Securities Pte Ltd, Morgan Stanley Asia (Singapore) Pte and Standard Chartered Bank are acting as initial purchasers of the offering of the Notes (the "Initial Purchasers"). Subject to the terms and conditions stated in the purchase agreement dated the date of this Offering Circular (the "Purchase Agreement"), the Initial Purchasers have agreed to purchase, and the Issuer has agreed to sell to the Initial Purchasers, the principal amount of the Notes set forth opposite the name of such Initial Purchaser.

Initial Purchaser	Principal Amount
CLSA Limited	US$ 83,333,333
Credit Suisse (Singapore) Limited	US$ 83,333,333
DBS Bank Ltd	US$ 83,333,333
Mandiri Securities Pte Ltd	US$ 83,333,333
Morgan Stanley Asia (Singapore) Pte	US$ 83,333,334
Standard Chartered Bank	US$ 83,333,334
Total	US$500,000,000

The Purchase Agreement provides that the several and not joint obligations of the Initial Purchasers to purchase the Notes are subject to certain conditions. The Initial Purchasers must purchase all of the Notes if they purchase any of the Notes. After the Notes are released for sale, the Initial Purchasers may change the offering price and other selling terms. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part. Delivery of the Notes is expected to occur on or about January 30, 2018. In addition, we have agreed with the Initial Purchasers that we will pay a commission to certain private banks in connection with the distribution of the Notes to their clients. This commission will be based on the principal amount of the Notes so distributed, and may be deducted from the purchase price for the Notes payable by such private banks upon settlement.

The Issuer and the Guarantors have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Initial Purchasers may be required to make in respect of any of such liabilities.

The Issuer and the Guarantors have been advised that the Initial Purchasers propose to resell the Notes at the offering price set forth on the cover page of this Offering Circular within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in offshore transactions in reliance on Regulation S. See "Transfer Restrictions."

The Issuer and the Guarantors have agreed not to, for a period of thirty (30) days after the date of the Final Offering Circular, (i) offer for sale, sell, or otherwise dispose of (or enter into any transaction or device that is designed to, or would be expected to, result in the disposition by any person at any time in the future of) any debt securities substantially similar to the Notes or securities convertible into or exchangeable for such debt securities, or sell or grant options, rights or warrants with respect to such debt securities or securities convertible into or exchangeable for such debt securities, (ii) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such debt securities, (iii) file or cause to be filed a registration statement, including any amendments, with respect to the registration of debt securities substantially similar to the Notes or securities convertible, exercisable or exchangeable into debt securities or (iv) publicly announce an offering of any debt securities substantially similar to the Notes or securities convertible or exchangeable into such debt securities, in each case without the prior written consent of the Initial Purchasers.

The Notes have not been registered under the Securities Act and, unless so registered, may not be offered or sold within the United States except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "Transfer Restrictions."

The Notes will constitute a new class of securities with no established trading market. Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Notes on the SGX-ST. The offering and settlement of the Notes is not conditioned upon obtaining the listing. The Issuer does not intend to apply for listing or quotation of the Notes on any national securities exchange in the United States. However, there can be no assurance that the prices at which the Notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes after the completion of the offering will develop and continue after this offering. The Initial Purchasers have advised us that they currently intend to make a market in the Notes. However, they are not obligated to do so and may discontinue any market-making activities with respect to the Notes at any time without notice. In addition, market-making activity will be subject to the limits imposed by applicable law. Accordingly, there can be no assurance that the trading market for the Notes will have any liquidity.

Each Initial Purchaser or its affiliates may purchase the Notes for its own account or enter into secondary market transactions or derivative transactions relating to the Notes, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackagings and credit default swaps, at the same time as the offering of the Notes. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be a purchaser of the Notes). As a result of such transactions, an Initial Purchaser or its affiliates may hold long or short positions relating to the Notes.

In connection with this offering, Credit Suisse (Singapore) Limited, as stabilizing manager, or any person acting for it, may purchase and sell Notes in the open market. These transactions may, to the extent permitted by law, include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale of a greater amount of Notes than the Initial Purchasers are required to purchase in this offering. Stabilizing transactions consist of certain bids or purchases for the purpose of preventing or retarding a decline in the market price of the Notes while this offering is in progress. These activities, to the extent permitted by law, may stabilize, maintain or otherwise affect the market price of the Notes. These activities may be conducted in the over-the-counter market or otherwise. As a result, the price of the Notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time and must in any event be brought to an end after a limited time. These activities will be undertaken solely for the account of the stabilizing manager and not for and on behalf of the Issuer.

The Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Initial Purchasers and its affiliates may also engage in investment or commercial banking and other dealings in the ordinary course of business with the Issuer or its affiliates from time to time and may receive fees and commissions for these transactions. In addition to the transactions noted above, each Initial Purchaser and its affiliates may, from time to time after completion of the offering of the Notes, engage in other transactions with, and perform services for, the Issuer or its affiliates in the ordinary course of their business. Each Initial Purchaser or its affiliates may also purchase Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold Notes on behalf of clients or in the capacity of investment advisors. Credit Suisse AG and its affiliates have provided and may from time to time provide loans to shareholders of the Parent Guarantor, including Permitted Holders. Such loans are secured by collateral which includes share pledges over a substantial number of the Parent Guarantor's shares. If the borrowers were to default under such loans, the enforcement of such share pledges could result in a Change of Control of the Parent Guarantor. See "Risk Factors—Upon a Change of Control of the Parent Guarantor the Issuer may not be in a position to redeem the Notes." In the ordinary course

of their various business activities, the Initial Purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve our securities and other financial instruments, including the Notes. The Initial Purchasers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or our other financial instruments, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments. While each Initial Purchaser and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause an Initial Purchaser or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Initial Purchaser may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes. See "Description of Material Indebtedness."

Delivery of the Notes is expected on or about January 30, 2018 which is the fifth business day following the date of this Offering Circular (such settlement cycle being referred to as "T+5"). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the next succeeding business day will be required, because the Notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers who wish to trade the Notes on the pricing date or the next succeeding business day should consult their own advisers.

Selling Restrictions

General

No action has been taken or will be taken in any jurisdiction by the Issuer, the Guarantors or the Initial Purchasers that would permit a public offering of Notes, or the possession, circulation or distribution of this Offering Circular or any other material relating to the Notes or this offering, in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor such other material may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the issuer in such jurisdiction.

United States

The Notes and the Guarantees have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. See "Transfer Restrictions" for a description of other restrictions on the transfer of Notes. Accordingly, the Notes are being offered and sold only (1) in the United States to "qualified institutional buyers" in reliance on Rule 144A under the Securities Act and (2) outside the United States in offshore transactions in reliance on Regulation S. Resales of the Notes are restricted as described under "Transfer Restrictions."

As used herein, the term "United States" has the meaning given to it in Regulation S.

United Kingdom

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of the Notes may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors.

All applicable provisions of the FSMA must be complied with in respect to anything done by any person in relation to the Notes in, from or otherwise involving the United Kingdom.

European Economic Area

Prohibition of Sales to EEA Retail Investors

The Notes may not be offered, sold or otherwise made available to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

  (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Directive; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Hong Kong

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This Offering Circular has not been registered as a prospectus with the MAS. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Indonesia

The Notes have not been, and will not be, registered with the OJK, and therefore, the Notes may not be offered or sold within Indonesia or to Indonesian citizens outside of Indonesia in a manner which constitutes a public offer under Law No. 8 of 1995 on Capital Markets and the implementing regulations. Accordingly, the Joint Bookrunners have represented and agreed that they will not, directly or indirectly, expressly or implicitly:

(1) offer the Notes to more than 100, or sell the Securities to more than 50, parties in Indonesia and/or Indonesian citizens outside of Indonesia; and

(2) offer the Notes by way of mass media, including any newspaper, magazine, film, television, radio or other electronic media or any letter, brochure or other printed medium, distributed to more than 100 parties in Indonesia and/or Indonesian citizens outside of Indonesia.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

We have not registered the Notes under the Securities Act and the Notes may only be offered or sold (i) within the United States to "qualified institutional buyers" in reliance on Rule 144A under the Securities Act or (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. Terms used above and otherwise in this section of this Offering Circular have the meanings given to them by Regulation S and Rule 144A.

Each purchaser of Notes will be deemed to have represented and agreed as follows:

(1) You understand and acknowledge that the Notes have not been and will not be registered under the Securities Act or any other applicable securities laws and that the Notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including resales pursuant to Rule 144A, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom, or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph (3) below.

You are not our "affiliate" (as defined in Rule 144 under the Securities Act), you are not acting on our behalf and you are either:

(a) a qualified institutional buyer and are aware that any sale of these Notes to you will be made in reliance on Rule 144A and such acquisition will be for your own account or for the account of another qualified institutional buyer; or

(b) purchasing Notes in an offshore transaction in accordance with Regulation S.

(2) You acknowledge that none of us, the Initial Purchasers or any person representing us or the Initial Purchasers has made any representation to you with respect to us or the offer or sale of any of the Notes, other than the information contained in this Offering Circular, which Offering Circular has been delivered to you. You represent that you are only relying on this Offering Circular in making your investment decision with respect to the Notes. You acknowledge that the Initial Purchasers make no representation or warranty as to the accuracy or completeness of this Offering Circular. You have had access to such financial and other information concerning us and the Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

(3) You are purchasing Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other available exemption from registration available under the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of these Notes by its acceptance thereof will agree, to offer, sell or otherwise transfer such Notes prior to (x) the date which is one year (or such shorter period of time as permitted by Rule 144(d) under the Securities Act or any successor provision thereunder) after the later of the date of the original issue of these Notes and the last date on which we or any of our affiliates were the owner of such Notes (or any predecessor thereto) or (y) such later date, if any, as may be required by applicable law (the "Resale Restriction Termination Date") only:

(a) to us or any of our affiliates;

(b) pursuant to a registration statement which has been declared effective under the Securities Act;

(c) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a qualified institutional buyer that purchases for its own account or for the account of another qualified institutional buyer to whom you give notice that the transfer is being made in reliance on Rule 144A;

(d) outside the United States in offshore transactions meeting the requirements of Rule 904 under the Securities Act; or

(e) pursuant to any other available exemption from the registration requirements of the Securities Act;

subject in each of the foregoing cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be within the seller or account's control, and in compliance with any applicable state securities laws.

You acknowledge that we, the Trustee and the Transfer Agent reserve the right prior to any offer, sale or other transfer of the Notes pursuant to clause (e) above prior to the Resale Restriction Termination Date of the Notes to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to us, the trustee and the registrar.

(4) You acknowledge that each Note will contain a legend substantially in the following form:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "QIB") OR (B) IT IS NOT IN THE UNITED STATES, IS NOT ACQUIRING THIS NOTE FOR THE ACCOUNT OR BENEFIT OF A PERSON WITHIN THE UNITED STATES AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT, WITHIN THE TIME PERIOD REFERRED TO UNDER RULE 144 UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF THE TRANSFER OF THIS NOTE, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE ISSUER OR ANY OF ITS AFFILIATES THEREOF, (B) TO A PERSON WHOM THE HOLDER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS."

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(5) You acknowledge that the Transfer Agent will not be required to accept for registration or transfer any Notes acquired by you, except upon presentation of evidence satisfactory to us and the Transfer Agent that the restrictions set forth herein have been complied with.

(6) You acknowledge that:

(a) We, the Initial Purchasers, the Trustee, the Agents and others will rely upon the truth and accuracy of your acknowledgements, representations and agreements set forth herein and you agree that, if any of your acknowledgements, representations or agreements herein cease to be accurate and complete, you will notify the Initial Purchasers Trustee and the Agents promptly in writing; and

(b) if you are acquiring any Notes as fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

(i) you have sole investment discretion; and

(ii) you have full power to make the foregoing acknowledgements, representations and agreements.

(7) You agree that you will give to each person to whom you transfer these Notes notice of any restrictions on the transfer of the Notes.

(8) You understand that no action has been taken in any jurisdiction (including the United States) by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under "Plan of Distribution."

SUMMARY OF CERTAIN DIFFERENCES BETWEEN INDONESIAN FINANCIAL ACCOUNTING STANDARDS AND U.S. GAAP

Our consolidated financial statements included elsewhere in this Offering Circular have been prepared and presented in accordance with Indonesian FAS. Significant differences exist between Indonesian FAS and U.S. GAAP, which might be material to the consolidated financial statements herein. The matters described below should not be expected to reveal all differences between Indonesian FAS and U.S. GAAP that are relevant to us.

Management has made no attempt to quantify the impact of those differences, nor has any attempt been made to identify all disclosure, presentation, or classification differences that would affect the manner in which transactions or events are presented in the consolidated financial statements. Had any such quantification or identification been undertaken by management, other potential significant accounting and disclosure differences may have come to its attention which are not summarized below. Accordingly, it should not be construed that the following summary of certain significant differences between Indonesian FAS and U.S. GAAP is complete.

Regulatory bodies that promulgate Indonesian FAS and U.S. GAAP have significant ongoing projects that could affect future comparisons such as this one. Further, no attempt has been made to identify future differences between Indonesian FAS and U.S. GAAP as a result of prescribed changes in accounting standards and regulations. Finally, no attempt has been made to identify all future differences between Indonesian FAS and U.S. GAAP that may affect the consolidated financial statements as a result of transactions or events that may occur in future.

Management believes that the application of U.S. GAAP to the consolidated financial statements could have a material and significant impact upon the consolidated financial statements reported under Indonesian FAS. In making an investment decision, investors must rely upon their own examination of us, terms of the offering, and the consolidated financial statements. Potential investors should consult their own professional advisors for an understanding of the differences between Indonesian FAS and U.S. GAAP, and how those differences might affect the consolidated financial statements included herein.

Interim Financial Reporting

Under Indonesian FAS, each interim period is viewed as a discrete reporting period. A cost that does not meet the definition of an asset at the end of an interim period is not deferred, and a liability recognized at san interim reporting date must represent an existing obligation. Under U.S. GAAP, each interim period is viewed as an integral part of an annual period. As a result, certain costs that benefit more than one interim period may be allocated among those period, resulting in deferral or accrual of certain costs.

Consolidation, Joint Venture Accounting, and Equity-Method Investment

Indonesian FAS provides a single control model for all entities, including structured entities. An investor controls an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under Indonesian FAS, potential voting rights and the notion of "de facto control" are considered. U.S. GAAP provides for primarily two consolidation models (i.e. variable interest model and voting model). The variable interest model evaluates control based on determining which party has power and benefits, while the voting model evaluates control based on existing voting rights. All entities are first evaluated as potential variable interest entities ("VIEs"). If an entity is not a VIE, it is evaluated for control pursuant to the voting model. Under U.S. GAAP, potential voting rights are generally not included in either evaluation and the notion of "de factor control" is not considered.

Under Indonesian FAS, uniform accounting policies between parent and subsidiary are required. Under U.S. GAAP, uniform accounting policies between parent and subsidiary are not required.

Under Indonesian FAS, proportionate consolidation is not permitted, regardless of industry. However, when a joint arrangement meets the definition of a joint operation instead of a joint venture, an investor would recognize its share of the entity's assets, liabilities, revenues, and expenses, and not apply the equity method. Under U.S. GAAP, proportionate consolidation may be permitted to account for interests in unincorporated entities in certain limited industries when it is an established practice (i.e. construction and extractive industries).

Under Indonesian FAS, when determining significant influence (i.e. an investment of 20% or more of the equity of an investee (including potential rights)), potential voting rights are considered if currently exercisable. Under U.S. GAAP, when determining significant influence (i.e. an investment of 20% or more of the voting common stock of an investee), potential voting rights are generally not considered.

Under Indonesian FAS, investments in associates held by venture capital organizations, mutual funds, unit trusts, or similar entities are exempt from using the equity method and the investor may elect to measure its investment at fair value. U.S. GAAP provides entities the option to account for certain equity method investments at fair value. If the entity does not elect to use the fair value option, the equity method of accounting is required.

Consolidation of Foreign Operations

Under Indonesian FAS, the method of consolidation is not specified and, as a result, either the "direct" method or the "step-by-step" method of consolidation is used. Under the "direct" method, each entity within the consolidated group is directly translated into the functional currency of the ultimate parent and then consolidated into the ultimate parent (i.e. the reporting entity) without regard to any intermediate parent. The choice of consolidation method used could affect the cumulative translation adjustments deferred within equity at intermediate levels, and therefore, the recycling of such exchange rate differences upon disposal of an intermediate foreign operation. Under U.S. GAAP, a "bottom-up" approach is required in order to reflect the appropriate foreign currency effects and hedges in place. As such, an entity should be consolidated by the enterprise that controls the entity. Therefore, the "step-by-step" method of consolidation is used, whereby each entity is consolidated into its immediate parent until the ultimate parent has consolidated the financial statements of all the entities below it.

Business Combinations

Under Indonesian FAS, non-controlling interest components that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation may be measured at: (i) fair value (including goodwill), or (ii) the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets (exclusive of goodwill), while all other components of non-controlling interest are measured at fair value unless another measurement basis is required. Accordingly, the choice is available on a transaction-by-transaction basis. Under U.S. GAAP, non-controlling interest is measured at fair value (including goodwill).

Under Indonesian FAS, separate recognition of an intangible asset or liability is required only if the acquire is a lessee. If the acquire is a lessor, the terms of the lease are taken into account in estimating the fair value of the asset subject to the lease and that separate recognition of an intangible asset or liability is not required. Under U.S. GAAP, if the terms of an acquiree's operating lease are favorable or unfavorable relative to market terms, the acquirer recognizes an intangible asset or liability, respectively, regardless of whether the acquire is the lessor or the lessee.

Under Indonesian FAS, liabilities arising from contingencies are recognized as of the acquisition date if there is a present obligation that arises from past events and the fair value can be measured reliably, while contingent assets are not recognized. Liabilities subject to contingencies are subsequently measured at the higher of: (i) the amount that would be recognized in accordance with Indonesian Statement of Financial Accounting

Standards (*Pernyataan Standar Akuntansi Keuangan* or "PSAK") 57, "Provisions, Contingent Liabilities, and Contingent Assets" ("PSAK 57"), or (ii) the amount initially recognized less, if appropriate, cumulative amortization recognized in accordance with PSAK 23, "Revenue". Under U.S. GAAP, assets and liabilities arising from contingencies are recognized at fair value in accordance with Accounting Standards Codification 820, "Fair Value Measurement and Disclosures" ("ASC 820"), if the fair value can be determined during the measurement period; otherwise, those assets or liabilities are recognized at the acquisition date in accordance with ASC 450, "Contingencies" ("ASC 450"), if the related criteria for recognition are met. If contingent assets and liabilities are initially recognized at fair value, an acquirer should develop a systematic and rational basis for subsequently measuring and accounting for those assets and liabilities depending on their nature. If amounts are initially recognized and measured in accordance with ASC 450, the subsequent accounting and measurement should be based on that guidance.

Under Indonesian FAS, no guidance exists for pushdown accounting. The general view is that entities may not use the hierarchy in PSAK 25, "Accounting Policies, Changes in Accounting Estimates, and Errors" to refer to U.S. GAAP and apply pushdown accounting in the separate financial statements of an acquired subsidiary, because the application of pushdown accounting will result in the recognition and measurement of assets and liabilities in a manner that conflicts with certain standards and interpretations under Indonesian FAS. Under U.S. GAAP, an acquired entity can choose to apply pushdown accounting in its separate financial statements when an acquirer obtains control of it or later. However, an entity's election to apply pushdown accounting is irrevocable.

Inventory

Under Indonesian FAS, inventory is carried at the lower of cost or net realizable value. Net realizable value is defined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Under U.S. GAAP, prior to the adoption of Accounting Standards Update 2015-11, "Inventory" (Topic 330): Simplifying the Measurement of Inventory" ("ASU 2015-11") (which is effective for public business entities for fiscal years beginning after December 15, 2016 and interim periods within those fiscal years, and effective for all other entities for fiscal years beginning after December 15, 2016 and interim periods within fiscal years beginning after December 15, 2017), inventory is carried at the lower of cost or market value. Market value is defined as the current replacement cost (by purchase or by reproduction), provided that it meets both of the following conditions: (i) market value shall not exceed net realizable value, and (ii) market value shall not be less than net realizable value reduced by an allowance for an approximately normal profit margin.

Under Indonesian FAS, when the circumstances that previously caused inventory to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed (the reversal is limited to the amount of the original write-down) so that the new carrying amount is the lower of the cost or the revised net realizable value. Under U.S. GAAP, inventory that was previously written-down below cost cannot be reversed.

Land Rights

In Indonesia, except for ownership rights granted to individuals, the title to land rests with the Government of the Republic of Indonesia under the Agrarian Law No. 5 of 1960. Land use is accomplished through land rights, whereby the holder of the rights enjoys the full use of the land for a stated period of time, subject to extensions. Under Indonesian FAS, land right is not depreciated unless management believes that it is highly unlikely that extensions of the land right will not be granted by the Government. The predominant practice is to capitalize (and not to amortize) the costs of acquired land rights, as entities generally believe that extensions of land rights will be granted by the Government. Other expenses associated with the acquisition of government permits to use land, including legal fees, area survey and re-measurement fees, notary fees, and taxes, are capitalized and amortized over the period of the right to use the land. Under U.S. GAAP, the costs and other expenses associated with the acquisition of land rights are capitalized and amortized over the period of the right to use the land.

Long-Lived Assets

Under Indonesian FAS, revaluation of long-lived assets is a permitted accounting policy election whereby long-lived assets are revalued to their fair values on a regular basis. If a long-lived asset is revalued, then all long-lived assets within the same category are also required to be revalued. Under U.S. GAAP, revaluation of long-lived assets is not permitted.

Under Indonesian FAS, long-lived asset component depreciation is required if components of an asset have differing patterns of benefit. Under U.S. GAAP, long-lived asset component depreciation is permitted, but considered not common.

Under Indonesian FAS, eligible borrowing costs to be capitalized as part of a qualifying long-lived asset include exchange rate differences from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. For borrowings associated with a specific qualifying long-lived asset, actual borrowing costs are capitalized and offset by investment income earned on those borrowings. Under U.S. GAAP, long-lived asset component depreciation is permitted, but considered not common.

Under Indonesian FAS, costs that represent a replacement of a previously identified component of a long-lived asset (i.e. costs of a major overhaul) are capitalized if future economic benefits are probable and the costs can be reliably measured; otherwise, expensed as incurred. Under U.S. GAAP, eligible borrowing costs to be capitalized as part of a qualifying long-lived asset do not include exchange rate differences. Interest earned on the investment of borrowed funds generally cannot offset interest costs incurred during the period. For borrowings associated with a specific qualifying long-lived asset, borrowing costs equal to the weighted-average accumulated expenditures times the borrowing rate are capitalized. Under U.S. GAAP, multiple accounting models have evolved in practice for costs related to a major overhaul, including: (i) expense costs as incurred, (ii) capitalize costs and amortize them through the date of the next overhaul, or (iii) follow the approach provided under Indonesian FAS or the International Financial Reporting Standards.

Under Indonesian FAS, investment property is separately defined as property held to earn rent or for capital appreciation (or both) and may include property held by lessees under a finance or operating lease. Investment property may be accounted for on a historical cost basis or on a fair value basis as an accounting policy election. Capitalized operating leases classified as investment property must be accounted for using the fair value model. Under U.S. GAAP, investment property is not separately defined, and therefore, is accounted for as held for use or held for sale.

Intangible Assets

Under Indonesian FAS, development costs are capitalized when technical and economic feasibility of a project can be demonstrated in accordance with specific criteria, including: (i) demonstrating technical feasibility, (ii) intent to complete the asset, and (iii) ability to sell the asset in the future. Although application of these principles may be largely consistent with those under U.S. GAAP, there is no separate guidance addressing development costs for computer software. Under U.S. GAAP, development costs are expensed as incurred unless addressed by guidance in another ASC Topic. Development costs related to computer software developed or external use are capitalized once technological feasibility is established in accordance with specific criteria. In the case of software developed for internal use, only those costs incurred during the application development stage may be capitalized.

Under Indonesian FAS, advertising and promotional costs are expensed as incurred. A prepayment may be recognized as an asset only when payment for the goods or services is made in advance of the entity having access to the goods or receiving the services. Under U.S. GAAP, advertising and promotional costs are either expensed as incurred or expensed when the advertising takes place for the first time (policy choice). Direct response advertising may be capitalized if the specific criteria are met.

Under Indonesian FAS, revaluation to fair value of intangible assets other than goodwill is a permitted accounting policy election for a class of intangible assets. Because revaluation requires reference to an active market for the specific type of intangible, this is relatively uncommon in practice. Under U.S. GAAP, revaluation of to fair value of intangible assets other than goodwill is not permitted.

Impairment of Long-Lived Assets, Goodwill, and Intangible Assets

Under Indonesian FAS, impairment of long-lived assets is determined using the "one-step" approach, which requires that impairment loss calculation be performed if impairment indicators exist. Impairment loss is recognized when the carrying amount of the long-lived asset exceeds its recoverable amount. Recoverable amount is the higher of: (i) fair value less costs to sell, or (ii) value in use (the present value of future cash flows in use, including disposal value). Under U.S. GAAP, impairment of long-lived assets is determined using the "two-steps" approach, which requires that a recoverability test (i.e. carrying amount of the long-lived asset is compared with the sum of the future undiscounted cash flows generated through use and eventual disposition) be performed first. If it is determined that the long-lived asset is not recoverable, an impairment loss calculation is required Impairment loss is recognized when the carrying amount of the long-lived asset exceeds its fair value as calculated in accordance with ASC 820.

Under Indonesian FAS, goodwill is allocated to a cash-generating unit ("CGU") or group of CGUs that represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and cannot be larger than an operating segment (before aggregation). The use of qualitative assessment in determining the impairment of goodwill (and indefinite-lived intangibles) is not permitted. Impairment of goodwill (and indefinite-lived intangibles) is determined using the "one-step" approach, which requires that an impairment test be performed at the CGU level by comparing the CGU's carrying amount (including goodwill) and its recoverable amount. Impairment loss on the CGU (amount by which the CGU's carrying amount (including goodwill) exceeds its recoverable amount) is allocated first to reduce goodwill to zero, then, the carrying amount of other assets in the CGU are reduced on a pro rata basis based on the carrying amount of each asset. Under U.S. GAAP, goodwill is assigned to a reporting unit, which is defined as an operating segment or one level below an operating segment (component). Entities have the option to qualitatively assess whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. Impairment of goodwill (and indefinite-lived intangibles) is determined using the "two-steps" approach, which requires that a recoverability test be performed first at the reporting unit level (the carrying amount of the reporting unit is compared with its fair value). If the carrying amount of the reporting unit exceeds its fair value, then impairment testing must be performed.

Under Indonesian FAS, if the indefinite-lived intangible asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, then the indefinite-lived intangible asset should be tested for impairment as part of the CGU to which it belongs unless certain conditions are met. Under U.S. GAAP, indefinite-lived intangible assets separately recognized should be assessed for impairment individually unless they operate in concert with other indefinite-lived intangible assets as a single asset (i.e. the indefinite-lived intangible assets are essentially inseparable). Indefinite-live intangible assets may be combined with other assets (e.g. finite-lived intangible assets or goodwill) for purposes of an impairment test.

Under Indonesian FAS, the reversal of impairment loss previously recognized is prohibited for goodwill, while other assets must be reviewed at the end of each reporting period for reversal indicators. If appropriate, impairment loss should be reversed up to the newly estimated recoverable amount, not to exceed the initial carrying amount adjusted for depreciation. Under U.S. GAAP, the reversal of impairment loss previously recognized is prohibited for all assets to be held and used.

Financial Instruments

Under Indonesian FAS, compound (hybrid) financial instruments are required to be split into a debt component and an equity component and, if applicable, a derivative component. The derivative component is

accounted for using fair value accounting. Under U.S. GAAP, compound (hybrid) financial instruments are not split into debt and equity components unless certain specific requirements are met, but they may be bifurcated into debt and derivative components, with the derivate component accounted for using fair value accounting.

Under Indonesian FAS, generally, only objective evidence of one or more credit loss events result in an impairment being recognized in the statement of comprehensive income for an available-for-sale ("AFS") debt instrument. The impairment loss is measured as the difference between the debt instrument's amortized cost basis and its fair value. Impairment losses for AFS debt instruments may be reversed through the statement of other comprehensive income if the fair value of the instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognized. Under U.S. GAAP, declines in fair value below cost may result in an impairment loss being recognized in the income statement on an AFS debt instrument due solely to a change in interest rates (risk free or otherwise) if the entity has the intent to sell the debt instrument of it is more likely than not that it will be required to sell the debt instrument before its anticipated recovery. In this circumstance, the impairment loss is measured as the difference between the debt instrument's amortized cost basis and its fair value. When a credit loss exits, but: (i) the entity does not intend to sell the debt instrument, or (ii) it is not more likely than not that the entity will be required to sell the debt instrument before the recovery of the remaining cost basis, the impairment is separated into the amount representing the credit loss and the amount related to all other factors. The amount of the total impairment related to the credit loss is recognized in the income statement and the amount related to all other factors is recognized in other comprehensive income, net of applicable taxes. When an impairment loss is recognized in the income statement, a new cost basis in the instrument is established equal to the previous cost basis less the impairment recognized in earnings, and therefore, impairment losses recognized in the income statement cannot be reversed for any future recoveries.

Under Indonesian FAS, impairment of an AFS equity instrument is recognized in the statement of comprehensive income when there is objective evidence that the AFS equity instrument is impaired and the cost of the investment in the equity instrument may not be recovered. A significant or prolonged decline in the fair value of an equity instrument below its cost is considered objective evidence of an impairment. Under U.S. GAAP, impairment of an AFS equity instrument is recognized in the income statement if the equity instrument's fair value is not expected to recover sufficiently in the near term to allow a full recovery of the entity's cost basis. An entity must have the intent and ability to hold an impaired equity instrument until such near-term recovery; otherwise, an impairment loss must be recognized in the income statement.

Under Indonesian FAS, the impairment loss of a held-to-maturity ("HTM") instrument is measured as the difference between the carrying amount of the instrument and the present value of estimated future cash flows discounted at the instrument's initial effective interest rate. The carrying amount of the instrument is reduced either directly or through the use of an allowance account. The amount of impairment loss is recognized in the statement of comprehensive income. Under U.S. GAAP, the impairment loss of a HTM instrument is measured as the difference between its fair value and amortized cost basis. The amount of the total impairment related to the credit loss is recognized in the income statement, and the amount related to all other factors is recognized in other comprehensive income. The carrying amount of an HTM investment after recognition of an impairment is the fair value of the debt instrument at the date of the impairment. The new cost basis of the debt instrument is equal to the previous cost basis less the impairment recognized in the income statement. The impairment recognized in other comprehensive income is accredited to the carrying amount of the HTM instrument through other comprehensive income over its remaining life.

Under Indonesian FAS, the definition of a derivative does not include a requirement that a notional amount be indicated, nor is net settlement a requirement. Certain of the scope exceptions under Indonesian FAS differ from those under U.S. GAAP. Under U.S. GAAP, to meet the definition of a derivative, an instrument must have: (i) one or more underlyings, one or more notional amounts or payment provisions, or both, (ii) must require no initial net investment (as defined), and (iii) must be able to be settled net (as defined). Certain scope exceptions exit for instruments that would otherwise meet these criteria.

Indonesian FAS allows risks associated with only a portion of the instrument's cash flows or fair value (such as one or more selected contractual cash flows or portions of them or a percentage of the fair value) when hedging a risk component of a financial instrument, provided that effectiveness can be measured, that is, the portion is separately identifiable and reliably measurable. Under U.S. GAAP, the risk components that may be hedged are specifically defined by the literature, with no additional flexibility. Under U.S. GAAP, the shortcut method for interest rate swaps hedging recognized debt instruments is permitted. The long-haul method of assessing and measuring hedge effectiveness for a fair value hedge of the benchmark interest rate component of a fixed rate debt instrument requires that all contractual cash flows be considered in calculating the change in the hedged item's fair value even though only a component of the contractual coupon payment is the designated hedged item.

Under Indonesian FAS, the use of the shortcut method for interest rate swaps hedging recognized debt is not permitted. Assessment and measurement of hedge effectiveness considers only the change in fair valued of the designated hedged portion of the instrument's cash flows, as long as the portion is separately identifiable and reliably measureable.

Under Indonesian FAS, the inclusion of option's time value in assessing and measuring the hedge effectiveness is not permitted. Under U.S. GAAP, the inclusion of option's time value in assessing and measuring the hedge effectiveness is permitted.

Under Indonesian FAS, derecognition of financial assets is based on a mixed model that considers transfer of risks and rewards and control. Transfer of control is considered only when the transfer of risks and rewards assessment is not conclusive. If the transferor has neither retained nor transferred substantially all of the risks and rewards, there is then an evaluation of the transfer of control. Control is considered to be surrendered if the transferee has the practical ability to unilaterally sell the transferred asset to a third party without restrictions. There is no legal isolation test required. The derecognition criteria may be applied to a portion of a financial asset if the cash flows are specifically identified or represent a pro rata share of the financial asset or a pro rata share of specifically identified cash flows. Under U.S. GAAP, derecognition of financial assets (i.e. sales treatment) occurs when effective control over the financial asset has been surrendered: (i) the transferred financial assets are legally isolated from the transferor, (ii) each transferee (or, if the transferee is a securitization entity or an entity whose sole purpose is to facilitate an asset-backed financing, each holder of its beneficial interests) has the right to pledge or exchange the transferred financial assets (or beneficial interests), and (iii) the transferor does not maintain effective control over the transferred financial assets or beneficial interests (e.g. through a call option or repurchase agreement). The derecognition criteria may be applied to a portion of a financial asset only if it mirrors the characteristics of the initial entire financial asset.

Indonesian FAS requires the initial effective interest rate to be used throughout the life of the instrument for all financial assets and liabilities, except for certain reclassified financial assets, in which case the effect of increases in cash flows are recognized as prospective adjustments to the effective interest rate. U.S. GAAP requires the use of catch-up approach, retrospective method, or prospective method of calculating the interest for amortized cost-based assets, depending on the type of instrument.

Under Indonesian FAS, loans and receivables are carried at amortized cost unless classified into the "fair value through profit or loss" category or the "available for sale" category, both of which are carried at fair value on the statement of financial position. Under U.S. GAAP, unless the fair value option is elected, loans and receivables are classified as either: (i) held for investment, which are measured at amortized cost, or (ii) held for sale, which are measured at the lower of cost or fair value.

Under Indonesian FAS, the day one gains and losses on financial instruments are recognized only when their fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. level or level 2 input) or based on a valuation technique that uses only data from observable markets. Under U.S. GAAP, entities are not precluded from recognizing day one gains and losses on financial instruments reported at fair

value even when all inputs to the measurement model are not observable. Unlike Indonesian FAS, U.S. GAAP contains no specific requirements regarding the observability of inputs, thereby potentially allowing for the recognition of gains or losses at initial recognition of an asset or liability even when the fair value measurement is based on a valuation model with significant unobservable inputs (i.e. level 3 measurements).

Under Indonesian FAS, there is no practical expedient to assume that net asset value per share ("NAV") represents the fair value of certain alternative investments. Under U.S. GAAP, entities are provided a practical expedient to estimate the fair value of certain alternative investments (i.e. a limited partner interest in a Private Equity fund) using NAV or its equivalent.

Leases

Under Indonesian FAS, when the leaseback is classified as a capital leaseback, gain or loss on a sale-leaseback transaction is deferred and amortized over the lease term. Under U.S. GAAP, when the leaseback is classified as a capital leaseback, the seller-lessee is presumed to have retained substantially all of the remaining use of the leased asset, and therefore, the profit on sale is deferred.

Under Indonesian FAS, when the leaseback is classified as an operating leaseback, gain or loss on a sale-leaseback transaction is recognized immediately, subject to adjustment if the sales price differs from fair value. Under U.S. GAAP, when the leaseback is classified as an operating leaseback, if the seller-lessee retains only a minor use of the leased asset through the sale-leaseback, the sale and leaseback are accounted for as separate transactions based on their respective terms (unless rentals are unreasonable in relation to market conditions). If a seller-lessee retinas more than a minor use of the leased asset but less than substantially all of it, and the profit on the sale exceeds the present value of the minimum lease payments due under the operating leaseback, such excess is recognized as profit at the date of sale. All other profit is deferred and generally amortized over the lease term.

Income Taxes

Indonesian FAS requires taxes paid on intercompany profits to be recognized as incurred and requires the recognition of deferred taxes on temporary differences between the tax-bases of assets transferred between entities/tax jurisdictions that remain within the consolidated group. U.S. GAAP requires taxed paid on intercompany profits to be deferred and prohibits the recognition of deferred taxes on temporary differences between the tax-bases of assets transferred between entities/tax jurisdictions that remain within the consolidated group.

Under Indonesian FAS, there is no specific guidance on uncertain tax positions. PSAK 46, "Income Taxes", indicates that tax assets and liabilities should be measured at the amount expected to be paid based on enacted or substantively enacted tax legislation. Some adopt a "one-step" approach that recognized all uncertain tax positions at an expected value, while others adopt a "two-step" approach that recognizes only those uncertain tax positions that are considered probable to result in a cash outflow. Practice varies regarding the consideration of detection risk in the analysis. Under U.S. GAAP, entities are required to recognize and measure their uncertain tax positions using a two-step process, separating recognition from measurement. A benefit is recognized when it is "more likely than not" to be sustained based on the technical merits of the position. Detection risk is precluded from being considered in the analysis. The amount of benefit to be recognized is based on the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement.

Under Indonesian FAS, deferred tax effects arising from the initial recognition of an asset or liability are not recognized when: (i) the amounts did not arise from a business combination, and (ii) upon occurrence, the transaction affects neither accounting nor taxable profit (e.g. acquisition of non-deductible assets). Under U.S. GAAP, there is no exemption for non-recognition of deferred tax effects for certain assets or liabilities.

Under Indonesian FAS, deferred tax assets are recognized only to the extent that it is probable that they will be realized. Under U.S. GAAP, deferred tax assets are recognized in full (except for certain outside basis differences), but valuation allowance reduces deferred tax assets to the amounts that are "more likely than not" to be realized.

Under Indonesian FAS, enacted or "substantively enacted" tax rates as of the date of the statement of financial position must be used in computing deferred tax asset or liability. Under U.S. GAAP, enacted tax rates must be used in computing deferred tax asset or liability.

Under Indonesian FAS, recognition of deferred tax liabilities from investments in subsidiaries or joint ventures (often referred to as outside basis differences) is required unless the reporting entity has control over the timing of the reversal of the temporary difference and it is probable that the difference will not reverse in the foreseeable future. Under U.S. GAAP, recognition of deferred tax liabilities from investments in subsidiaries or joint ventures (often referred to as outside basis differences) is not required for investment in a foreign subsidiary or foreign corporate joint venture that is essentially permanent in duration unless it becomes apparent that the difference will reverse in the foreseeable future.

Provisions and Contingencies

Under Indonesian FAS, a loss must be "probable" (in which "probable" is interpreted as "more likely than not") to be recognized. "More likely than not" refers to a probability of greater than 50%. Under U.S. GAAP, a loss must be "probable" (in which "probable" is interpreted as "likely") to be recognized. While ASC 450 does not ascribe a percentage to "probable", it is intended to denote a high likelihood (e.g. 70% or more).

Under Indonesian FAS, provisions should be recorded at the estimated amount to settle or transfer the obligation taking into consideration the time value of money. The discount rate to be used should be "a pre-tax rate (or rates) that reflects (or reflect) current market assessments of the time value of money and the risks specific to the liability." Under U.S. GAAP, provisions may be discounted only when the amount of the liability and the timing of the payments are fixed or reliably determinable, or when the obligation is a fair value obligation. The discount rate to be used is dependent upon the nature of the provision. However, when a provision is measured at fair value, the time value of money and the risks specific to the liability should be considered.

Under Indonesian FAS, best estimate of obligation should be accrued. For a large population of items being measured (such a warranty costs), best estimate is typically expected value, although midpoint in the range may also be used when any point in a continuous range is as likely as another. Best estimate for a single obligation may be the most likely outcome, although other possible outcomes should still be considered. Under U.S. GAAP, most likely outcome within the range should be accrued. When no one outcome is more likely than the others, the minimum amount in the range of outcomes should be accrued.

Under Indonesian FAS, once management has "demonstrably committed" (i.e. a legal or constructive obligation has been incurred) to a detailed exit plan, the general provisions under PSAK 57, apply. Costs typically are recognized earlier than under U.S. GAAP because PSAK 57 focuses on the exit plan as a whole, rather than individual cost components of the plan. Under U.S. GAAP, once management has committed to a detailed exit plan, each type of cost is examined to determine when recognized. Involuntary employee termination costs under a one-time benefit arrangement are recognized over future service period, or immediately if there is no future service required. Other exit costs are expensed when incurred.

Revenue Recognition

Under Indonesian FAS, revenue from sale of goods is recognized only when: (i) risks and rewards of ownership have been transferred, (ii) the seller retains neither continuing managerial involvement to the degree

usually associated with ownership nor effective control over the goods sold, (iii) revenues can be measured reliably, (iv) it is probable that the economic benefits will flow to the seller, and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services may be recognized in accordance with long-term contract accounting whenever revenues, costs, and the stage of completion can be measured reliably and it is probable that economic benefits will flow to the seller. Under U.S. GAAP, public companies must follow Staff Accounting Bulletin Topic 13, "Revenue Recognition" ("SAB Topic 13") when recognizing revenue from sale of goods, which requires that: (i) delivery has occurred (the risks and rewards of ownership have been transferred), (ii) there is a persuasive evidence of an arrangement, (iii) the fee is fixed or determinable, and (iv) collectability is reasonable assured. Revenue from rendering certain types of services, primarily relating to services sold with software, are addressed separately in U.S. GAAP literature, while all other service revenue should follow SAB Topic 13. Application of long-term contract accounting generally is not permitted for non-construction services.

Under Indonesian FAS, construction contracts are accounted for using the percentage-of-completion method if certain criteria are met; otherwise, revenue recognition is limited to recoverable costs incurred. The use of completed contract method is not permitted. Construction contracts are combined or segmented if certain criteria are met. Under U.S. GAAP, construction contracts are accounted for using the percentage-of-completion method if certain criteria are met; otherwise, the completed contract method must be used. Construction contracts may be, but are not required to be, combined or segmented if certain criteria are met.

Indonesian FAS requires recognition of revenue for each separately identifiable component of a single transaction if separation reflects the substance of the transaction; conversely, two or more transactions may be grouped together when their commercial effects are linked. Indonesian FAS does not provide specific criteria for making the determination on how to identify separate components in a single transaction. Under U.S. GAAP, specific criteria are required in order for each element to be a separate unit of accounting, including delivered elements must have standalone value. If those criteria are met, revenue for each element of the transaction may be recognized when the element is delivered.

Under Indonesian FAS, deferred receipt of receivables is considered to be a financing agreement. Accordingly, the value of revenue to be recognized is determined by discounting all future receipts using an imputed rate of interest. Under U.S. GAAP, discounting the deferred receipt of receivables to present value is required only in limited situations.

Share-Based Payments

Under Indonesian FAS, a performance condition is a vesting condition that must be met while the counterparty is rendering service. Therefore, the period of time to achieve a performance condition must not extend beyond the end of the service period. If a performance target can be achieved after the employee's requisite service period, it would be accounted for as a non-vesting condition that affects the grant date fair value of the award. Under U.S. GAAP, a performance condition where the performance target affects vesting can be achieved after the employee's requisite service period. Therefore, the period to time to achieve a performance target can extend beyond the end of the service period.

Indonesian FAS has a more general definition of an "employee", which includes individuals who provide services similar to those rendered by employees. The fair value of the transaction should be based on the fair value of the goods or services received, and only on the fair value of the equity instruments granted in the rare circumstance that the fair value of the goods and services cannot be reliably estimated. Measurement date is considered as the date the entity obtains the goods or the counterparty renders the services. There is no performance commitment concept exits. Under U.S. GAAP, the definition of an "employee" focuses primarily on the common law definition of an employee. The fair value of: (i) the goods or services received, or (ii) the equity instruments granted, whichever is more reliably measurable, is used to value the transaction. Measurement date is considered as the earlier of: (i) the date at which a "commitment for performance" by the counterparty is reached, or (ii) the date at which the counterparty's performance is complete.

Under Indonesian FAS, in measuring and recognizing the expense-awards with graded vesting features, entities must recognize compensation cost on an accelerated basis and each individual tranche must be separately measured. Under U.S. GAAP, in measuring and recognizing the expense-awards with graded vesting features, entities make an accounting policy election to recognize compensation cost for awards containing only service conditions either on a straight-line basis or on an accelerated basis, regardless of whether the fair value of the award is measured based on the award as a whole or for each individual tranche.

Under Indonesian FAS, deferred taxes on share-based payments are calculated based on the estimated tax deduction determined at each reporting date (e.g. intrinsic value). If the tax deduction exceeds the cumulative compensation cost, deferred tax based on the excess is credited to shareholders' equity. If the tax deduction is less than or equal to cumulative compensation cost, deferred taxes are recorded in income. Under U.S. GAAP, deferred taxes on share-based payments are calculated based on the cumulative generally accepted accounting principles ("GAAP") expense recognized and trued up or down upon realization of the tax benefit. If the tax benefit exceeds the deferred tax assets, the excess ("windfall benefit") is credited directly to shareholders' equity. Any shortfall of the tax benefit below the deferred tax asset is charged to shareholders' equity to the extent of prior windfall benefits, and not ax expense thereafter.

Under Indonesian FAS, compensation cost is the grant date fair value of the award, together with any incremental fair value at the modification date. Therefore, when there is modification of vesting terms that are improbable of achievement, the determination of whether the initial grant date fair value affects the accounting is based on the ultimate outcome (i.e. whether the initial or modified conditions are met) rather than the probability of vesting as of the modification date. Under U.S. GAAP, if an award is modified such that the service or performance condition, which was previously improbable of achievement, is probable of achievement as a result of the modification, the compensation cost is based on the fair value of the modified award at the modification date. Grant date fair value of the initial award is not recognized.

Employee Benefits other than Share-Based Payments

Under Indonesian FAS, the projected unit credit method is required in all cases when computing employee benefits liability in defined benefit plans. Under U.S. GAAP, different methods are required when computing employee benefits liability in defined benefit plans, depending on the characteristics of the plan's benefit formula.

Under Indonesian FAS, the concept of an expected return on plan assets does not exist. Instead, a "net interest" expense/(income) on the net defined benefit liability/(asset) is recognized as a component of defined benefit cost based on the discount rate used to determine the obligation. Under U.S. GAAP, the concept of an expected return on plan assets exists, which is calculated using the expected long-term rate of return on invested assets and the market related value of the assets (based on either the fair value of plan assets at the measurement date or a "calculated value" that smooths changes in fair value over a period not to exceed five years, at the employer's election).

Under Indonesian FAS, treatment of actuarial gains and losses must be recognized immediately in other comprehensive income. Gains and losses are not subsequently recognized in net income. Under U.S. GAAP, actuarial gains and losses may be recognized in net income as they occur or deferred in other comprehensive income and subsequently amortized to net income through a corridor approach.

Under Indonesian FAS, prior service costs or credits from plan amendments are immediately recognized in net income. Under U.S. GAAP, prior service costs or credits from plan amendments are initially deferred in other comprehensive income and subsequently recognized in net income over the average remaining service period of active employees or, when all or almost all participants are inactive, over the average remaining life expectancy of those participants.

Under Indonesian FAS, gain or loss from settlement is recognized in net income when it occurs. Change in the defined benefit obligation from a curtailment is recognized in net income at the earlier of when it occurs or when related restructuring costs or termination benefits are recognized. Under U.S. GAAP, settlement gain or loss is recognized in net income when the obligation is settled. Curtailment loss is recognized in net income when the curtailment is probable of occurring and the loss is estimable, while curtailment gain is recognized in net income only when the curtailment occurs.

Under Indonesian FAS, multi-employer post-retirement plans are accounted for as either a defined contribution plan or defined benefit plan based on the terms (contractual and constructive) of the plan. If a defined benefit plan, it must account for the proportionate share of the plan similar to any other defined benefit plan unless sufficient information is not available. Under U.S. GAAP, multi-employer post-retirement plans are accounted for similar to a defined contribution plan.

Earnings per Share

Under Indonesian FAS, contracts that may be settled in shares or cash at the issuer's option are always assumed to be settled in shares. Under U.S. GAAP, contracts that may be settled in shares or cash at the issuer's option are presumed to be settled in shares unless evidence is provided to the contrary (i.e. the issuer's past practice or stated policy is to settle in cash).

Under Indonesian FAS, in computing the year-to-date and annual diluted earnings per share ("EPS") for options and warrants (using the treasury stock method) and for contingently issuable shares, regardless of whether the period is profitable, the number of incremental shares is computed as if the entire year-to-date period were "the period" (i.e. not to average the current quarter with each of the prior quarters). Under U.S. GAAP, in computing the year-to-date and annual diluted EPS for options and warrants (using the treasury stock method) and for contingently issuable shares, for year-to-date and annual computations when each period is profitable, the number of incremental shares added to the denominator is the weighted average of the incremental shares that were added to the denominator in each of the quarterly computations.

Under Indonesian FAS, when using the treasury stock method for options, warrants, and their equivalents, there is no explicit requirement to assume proceeds to include the income tax effects on additional paid-in capital. Under U.S. GAAP, when using the treasury stock method, it assumes that proceeds include the income tax effects, if any, on additional paid-in capital at exercise.

Under Indonesian FAS, potentially issuable shares in contingently convertible debt are considered "contingently issuable" and are included in diluted EPS using the if-converted method only if the contingencies are satisfied at the end of the reporting period. Under U.S. GAAP, potentially issuable shares in contingently convertible debt are included in diluted EPS using the if-converted method if one or more contingencies relate to a market price trigger (e.g. the entity's share price), even if the market price trigger is not satisfied at the end of the reporting period.

Segment Reporting

Under Indonesian FAS, all entities determine segments based on the management approach, regardless of form of organization. Under U.S. GAAP, entities with a matrix form of organization must determine segments based on products and services.

Subsequent Events

Under Indonesian FAS, subsequent events are evaluated through the date that the financial statements are authorized for issuance. Depending on an entity's corporate governance structure and statutory requirements, authorization may come from management or a board of directors. Under U.S. GAAP, subsequent events are

evaluated through the date the financial statements are issued (United States Securities and Exchange Commission ("SEC")) registrants and conduit bond obligors) or available to be issued (all entities other than SEC registrants and conduit bond obligors). Financial statements are considered issued when they are widely distributed to shareholders or other users in a form that complies with U.S. GAAP. Financial statements are considered available to be issued when they are in a form that complies with U.S. GAAP and all necessary approvals have been obtained.

Indonesian FAS does not specifically address the reissuance of financial statements and recognizes only one date through which subsequent events are evaluated, that is, the date that the financial statements are authorized for issuance, even if they are being reissued. As a result, only one date will be disclosed with respect to the evaluation of subsequent events, and an entity could have adjusting subsequent events in reissued financial statements. Under U.S. GAAP, if the financial statements are reissued, events or transactions may have occurred that require disclosure in the reissued financial statements to keep them from being misleading. However, an entity should not recognize events occurring between the time the financial statements were issued or available to be issued and the time the financial statements were reissued unless the adjustment is required by U.S. GAAP or regulatory requirements.

LEGAL MATTERS

Certain legal matters in connection with the Notes will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP with respect to matters of U.S. federal securities law, by Allen & Gledhill LLP with respect to matters of Singapore law and by Assegaf Hamzah & Partners with respect to matters of Indonesian law and for the Initial Purchasers by Sidley Austin LLP with respect to matters of U.S. law and by Witara Cakra Advocates with respect to matters of Indonesian law. In rendering such opinions, Skadden, Arps, Slate, Meagher & Flom LLP and Sidley Austin LLP may rely upon the opinions of Assegaf Hamzah & Partners and Witara Cakra Advocates, respectively, as to all matters of Indonesian law and of Allen & Gledhill LLP as to all matters of Singapore law.

INDEPENDENT PUBLIC ACCOUNTANTS

The summary consolidated financial information as of and for the years ended December 31, 2014, 2015, and 2016 and as of September 30, 2017 and for nine month period then ended are derived from the Company's audited consolidated financial statements as of and for the years ended December 31, 2014, 2015 and 2016 and as of September 30, 2017 and for nine month period then ended, which were prepared in accordance with Indonesian FAS, and included elsewhere in this Offering Circular. The summary interim consolidated financial information as of September 30, 2016 and for the nine month period then ended is derived from our unaudited interim consolidated financial statements as of September 30, 2016 and for the nine month period then ended and included elsewhere in this Offering Circular.

The Company's audited consolidated financial statements as of and for the years ended December 31, 2014, 2015 and 2016 and as of September 30, 2017 and for nine month period then ended included in this Offering Circular have been audited by Purwantono, 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"), as stated in their audit reports appearing elsewhere in this Offering Circular.

The Company's unaudited interim consolidated financial statements as of September 30, 2016 and for the nine month period then ended included elsewhere in this Offering Circular have been reviewed by Purwantono, Sungkoro & Surja (the Indonesian member firm of Ernst & Young Global Limited), independent public accountants, in accordance with Standard on Review Engagements 2410 established by the IICPA, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("SRE 2410"), as stated in their review report appearing elsewhere in this Offering Circular (presented combined with the audit report mentioned above). A review conducted in accordance with SRE 2410 established by the IICPA is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the IICPA and, as stated in its review report appearing elsewhere in this Offering Circular (presented as combined with the audit report mentioned above), Purwantono, Sungkoro & Surja (the Indonesian member firm of Ernst & Young Global Limited), independent public accountants, did not audit and do not express any opinion on such unaudited interim consolidated financial statements included elsewhere in this Offering Circular.

RATINGS

The Notes are expected to be rated "B2" with a positive outlook by Moody's and "B" with a stable outlook by S&P and Fitch. The credit ratings accorded the Notes are not a recommendation to purchase, hold or sell the Notes inasmuch as such ratings do not comment as to market price or suitability for a particular investor. There can be no assurance that the ratings will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgment, circumstances so warrant. See "Risk Factors—Risks Relating to the Notes and the Guarantees—The ratings assigned to the Notes may be lowered or withdrawn entirely in the future."

GLOSSARY

Certain Defined Terms

"1C"	means with respect to contingent resources, in the "low estimate" scenario of contingent resources, the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is at least 90%.
"Alpha"	means adjustment to the dated Brent price to accommodate crude quality, international oil price, and national energy security.
"AMG"	means PT Api Metra Graha.
"AMI"	means PT Amman Mineral Internasional.
"AMIV"	means PT Amman Mineral Investama.
"AMNT"	means PT Amman Mineral Nusa Tenggara.
"BAPEPAM-LK"	means Badan Pengawas Pasar Modal dan Lembaga Keuangan (or Capital Market Supervisory Agency).
"BJI"	means PT Bio Jatropha Indonesia.
"Block A PSC"	means the PSC between Pertamina and Asamera Oil (Indonesia) Ltd. dated July 6, 1989, which expired on August 31, 1991, and the amended and restated PSC between Pertamina, PT Medco EP Malaka, Premier Oil Sumatra (North) BV. and Japex Block A Ltd. dated October 28, 2010 that became effective as of September 1, 2011, as may be amended from time to time.
"BPH Migas"	means Badan Pengatur Hilir Minyak Dan Gas Bumi, the non-profit Government-owned operating board that is succeeding to Pertamina's role as regulator of downstream oil and gas activities under the Oil and Gas Law.
"BP Migas"	means Badan Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi, the non-profit Government-owned operating board that is succeeding to Pertamina's role as regulator of upstream oil and gas activities under the Oil and Gas Law.
"CAGR"	means compounded annual growth rate.
"Company"	means Medco Energi and its consolidated subsidiaries.
"ConocoPhillips"	means ConocoPhillips Indonesia.
"CPI"	means Consumer Price Index.
"Custodian"	has the same meaning as set forth in the Indonesian Regulation PER-10/PJ/2017.

"Energi Sengkang"	means PT Energi Sengkang.
"EPC"	means engineering, procurement and construction.
"Financial Sector Incentive"	has the same meaning as set forth in the Indonesian Regulation PER-10/PJ/2017.
"FSO"	means floating storage and offloading vessel.
"Government"	means the Government of Indonesia.
"GSA"	means Gas Sale Agreements.
"HOAs"	means binding heads of agreements.
"HSFO"	means High Sulfur Fuel Oil 180 CST.
"IDR"	means Indonesian Rupiah.
"IDX"	means the Indonesia Stock Exchange (formerly known as the Jakarta Stock Exchange or JSX).
"Indonesia"	means the Republic of Indonesia.
"Indonesian FAS"	means Indonesian Financial Accounting Standards.
"Indonesia Income Tax"	has the same meaning as set forth in the Indonesian Regulation PER-10/PJ/2017.
"ISO"	means International Organization for Standardization.
"ISRS"	means International Stereotactic Radiosurgery Society.
"Itochu"	means Itochu Petroleum Co., (Singapore) Pte. Ltd.
"Lematang PSC"	is the production sharing contract between Pertamina and Enim Oil Company Ltd dated April 6, 1987, as may be amended from time to time.
"LIBOR"	refers to the London Interbank Offering Rate.
"MEB"	means to PT Mitra Energi Batam.
"Medco E&P Indonesia"	means PT Medco E&P Indonesia (formerly PT Exspan Nusantara).
"Medco Energi"	means PT Medco Energi Internasional Tbk.
"Medco Madura"	means Medco Madura Pty Limited, a subsidiary of Medco Energi.
"Medco Simenggaris"	means Medco Simenggaris Pty Ltd., a subsidiary of Medco Energi.
"MEGS"	means PT Mitra Energi Gas Sumatera.

"MEM"	means PT Medco Energi Menamas.
"Menamas"	means PT Menamas.
"MGI"	means PT Medco Gas Indonesia.
"Ministry"	means Ministry of Energy and Natural Resources, Indonesia.
"MIV"	means Medco International Ventures Ltd.
"MTN"	means medium term notes.
"Non-Bank Corporations"	has the same meaning as set forth in the No. 16/22/PBI/2014 regarding the Reporting of Foreign Exchange Activity and Reporting of Application of Prudential Principles in Relation to an Offshore Loan Management for Non-Bank Corporation.
"Noteholder(s)"	means holder(s) of the Notes.
"OCBC"	means Overseas-Chinese Banking Corporation.
"Offshore Debt Plan"	has the same meaning as set forth in the No. 16/22/PBI/2014 regarding the Reporting of Foreign Exchange Activity and Reporting of Application of Prudential Principles in Relation to an Offshore Loan Management for Non-Bank Corporation.
"OHSAS"	means Occupational Health and Safety Assessment Series.
"Oil and Gas Law"	refers to the new oil and gas law enacted on November 23, 2001 by the Government.
"OPEC"	means the Organization of Petroleum Exporting Countries.
"O&M"	means Operations and maintenance.
"Pertamina"	means Perusahaan Pertambangan Minyak Dan Gas Bumi Negara, the Indonesian state-owned oil and gas company.
"PGN"	means PT Perusahaan Gas Negara (Persero) Tbk.
"PJB"	means PT Pembangkitan Jawa-Bali.
"PLN"	means PT Perusahaan Listrik Negara (Persero).
"PLN-E"	means PT Prima Layanan Nasional Enjiniring.
"PLN WS2JB"	means PT PLN (Persero) Wilayah Sumetera Selatan Jambi dan Bengkulu.
"PSAK"	means *Pernyataan Standar Akuntansi Keuangan* or Indonesian Statement of Financial Accounting Standards.

"Rimau PSC"	means the PSC between Pertamina and PT Stanvac Indonesia dated April 23, 1973, as may be amended from time to time, and the renewal and extension PSC between Pertamina, Exspand Airsenda Inc. and Exspan Airlimau Inc. dated December 7, 2001 that became effective as of April 23, 2003, as may be amended from time to time.
"Rp." or "Rupiah"	means Indonesian Rupiah.
"SCB"	means Standard Chartered Bank.
"Senoro-Toili JOB-PSC"	means the PSC between Pertamina and Union Texas Tomori, Inc dated December 4, 1997, as may be amended from time to time.
"SGD Bonds"	means the S$100.0 million 5.90% Notes due 2018 issued by Medco Energi Global Pte. Ltd. under the S$500.0 million Multicurrency Medium Term Note Programme unconditionally and irrevocably guaranteed by the Parent Guarantor.
"SIBOR"	means the Singapore Interbank Offering Rate.
"Simenggaris JOB-PSC"	means the PSC between Pertamina and Genindo Western Petroleum Pty. Ltd. dated February 24, 1998, as may be amended from time to time.
"South Natuna Sea Block B PSC"	means the PSC between Pertamina and Conoco Indonesia Inc., Texaco Block B South Natuna Sea Inc, Chevron International Ltd. and Inpex Natuna Ltd. dated August 3, 1990, signed on October 16, 1968, as may be amended from time to time, and the renewal and extension PSC between Pertamina and Conoco Indonesia Inc., Texaco Block B South Natuna Sea Inc, and Inpex Natuna Ltd. dated January 15, 1999 that became effective as of October 16, 2018 as may be amended from time to time.
"South Sokang PSC"	means the PSC between BP MIgas and Medco South Sokang BV dated December 17, 2010, as may be amended from time to time.
"South Sumatera Block PSC"	means the PSC between Pertamina and PT Stanvac Indonesia dated July 6, 1989 that became effective as of November 28, 1993, as may be amended from time to time, and the renewal and extension PSC between BP Migas and PT Medco E&P Indonesia dated October 28, 2010, as may be amended from time to time.
"SPE"	means the Society of Petroleum Engineers.
"Tarakan PSC"	is the production sharing contract between Pertamina and Tesoro Tarakan dated January 14, 1982, as may be amended from time to time, and the renewal and extension production sharing contract between Pertamina and PT Medco E&P Tarakan (formerly PT Exspan Tarakan) dated December 7, 2001, as may be amended from time to time.

"U.S. GAAP"	means generally accepted accounting principles in the United States, which is the accounting standards adopted by the United States Securities and Exchange Commission.
"U.S."	means the United States of America.
"US$"	means United States dollars.
"United States"	means the United States of America.
"VAT"	means value-added tax.
"Warrants"	means the warrants issued by our Company in December 2017.
"WNTS"	means the West Natuna Transportation System.
"Wood Mackenzie"	means Wood MacKenzie Ltd., an international energy research and consulting company.
"YPK PLN"	means Yayasan Pendidikan dan Kesejahteraan PLN.

Oil and Gas Terms

"Brent price"	means Brent crude oil price.
"contract area"	means a specified geographic area that is the subject of a production sharing arrangement pursuant to which an operator and its partners provide financing and technical expertise to conduct exploration, development and production operations.
"delineation well" or "appraisal well"	means a well drilled in a newly discovered or known discovery to gain further information.
"development well"	means a well that is drilled to exploit the hydrocarbon accumulation defined by an appraisal or delineation well.
"DMO"	means domestic market obligations.
"dry well" or "dry hole"	is an exploratory, development or appraisal well found to be incapable of producing either oil or gas in sufficient quantities to justify completion as an oil or gas well.
"EPSA"	means Exploration and Production Sharing Agreement.
"exploration well"	means a well that is designed to test the validity of a seismic interpretation and to confirm the presence of hydrocarbons in an undrilled formation.
"FTP"	means first tranche petroleum.
"gross working interest production"	represents the sum of the oil and gas production from each of the Company's blocks multiplied by the effective interest in such block.

"gross working interest reserves"	represents reserves attributable to the Company's effective interest prior to deduction of Government take payable to the Government as owner of the reserves under the applicable contractual arrangement.
"ICP-SLC"	means the Indonesian Crude Price-Sumatra Light Crude/Minas, a reference price calculated using a formula determined by the Government.
"Indonesian participant"	means an Indonesian entity which must be offered a certain specified percentage undivided interest in the total rights and obligations under a production sharing arrangement.
"JOB"	means Joint Operating Body.
"KOGAS"	means Korea Gas Corporation.
"lead"	means preliminary interpretation of geological and geophysical information that may or may not lead to prospects.
"lifting cost" or "production cost"	means, for a given period, cost incurred to operate and maintain wells and related equipment and facilities.
"LNG"	means liquefied natural gas.
"LPG"	means liquefied petroleum gas.
"Net production" or "net entitlement"	represents the Company's share of gross working interest production after deducting the share payable to the Government pursuant to the terms of the relevant production sharing arrangement.
"Net reserves"	represents reserves attributable to the Company's effective interest, after deduction of Government take payable to the Government as owner of the reserves under the applicable contractual arrangement.
"Petronas"	means Petroliam Nasional Berhad.
"Platts"	means S&P Global Platts.
"Proved plus probable reserves"	are proved reserves plus those reserves that are unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable.
"Proved reserves"	represents those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods, and Government regulations.
"PSC"	means Production Sharing Contract.
"RIM"	means RIM Intelligence Co.

"SembCorp"	means SembCorp Industries.
"Sembgas"	means SembCorp Gas Pty. Ltd.
"TAC"	means Technical Assistance Contract.
"Upstream Regulation"	refers to the Government Regulation No. 35 of 2004 on October 14, 2004 with respect to Upstream Oil and Gas Business Activities.

Units of Measurement

"Bbls"	means barrels.
"BBTU"	means billion BTU.
"Bcf"	means billion cubic feet.
"BOE"	means barrels of oil equivalent; natural gas is converted to BOE using the ratio of one Bbls of crude oil in the range of 5.19 — 6.54 Mcf of natural gas.
"BOPD"	means barrels of oil production.
"BTU"	means British Thermal Unit, the standard measure of the heating value of natural gas.
"GW"	means gigawatt.
"GWh"	means gigawatt hour.
"KWh"	means kilowatt hour.
"MBbls/d"	means thousand barrels per day.
"MBOE/d"	means thousand barrels of oil equivalent per day.
"MBOPD"	means million barrels gross oil production.
"MBTU"	means thousand BTU.
"Mcf"	means thousand cubic feet.
"MMBbls"	means million barrels.
"MMBbls/d"	means million barrels per day.
"MMBOE"	means million barrels of oil equivalent.
"MMBTU"	means million BTU.
"MMBTUD"	means million BTU per day.
"MMSCFD"	means million standard cubic feet per day.
"MW"	means megawatts.
"Tcf"	means trillion cubic feet.

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PT Medco Energi Internasional Tbk
dan entitas anaknya/*and its subsidiaries*

Laporan keuangan konsolidasian
tanggal 30 September 2017
dan 31 Desember 2016, 2015, dan 2014
dan untuk periode sembilan bulan yang berakhir pada tanggal
30 September 2017 dan untuk tahun yang berakhir pada
tanggal-tanggal 31 Desember 2016, 2015, dan 2014
beserta laporan auditor independen
Laporan keuangan konsolidasian yang tidak diaudit
tanggal 30 September 2016 dan untuk periode
sembilan bulan yang berakhir pada tanggal tersebut
beserta laporan atas reviu informasi keuangan interim/
Consolidated financial statements
as of September 30, 2017
and December 31, 2016, 2015, and 2014
and for the nine-month periods ended
September 30, 2017 and for the years ended
December 31, 2016, 2015, and 2014
with independent auditors' report
Unaudited consolidated financial statements
as of September 30, 2016
and for the nine-month periods then ended
with report on review of interim financial information

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MEDCOENERGI

FORMULIR / *FORM* No. VIII.G.11-1

SURAT PERNYATAAN DIREKSI TENTANG TANGGUNG JAWAB ATAS PENYAJIAN LAPORAN KEUANGAN KONSOLIDASIAN TANGGAL 30 SEPTEMBER 2017 DAN 31 DESEMBER 2016, 2015, DAN 2014 DAN UNTUK PERIODE SEMBILAN BULAN YANG BERAKHIR PADA TANGGAL 30 SEPTEMBER 2017 DAN UNTUK TAHUN YANG BERAKHIR PADA TANGGAL-TANGGAL 31 DESEMBER 2016, 2015, DAN 2014 BESERTA LAPORAN AUDITOR INDEPENDEN
LAPORAN KEUANGAN KONSOLIDASIAN YANG TIDAK DIAUDIT TANGGAL 30 SEPTEMBER 2016 DAN UNTUK PERIODE SEMBILAN BULAN YANG BERAKHIR PADA TANGGAL TERSEBUT BESERTA LAPORAN ATAS REVIU INFORMASI KEUANGAN INTERIM

DIRECTORS' STATEMENT ON THE RESPONSIBILITY FOR PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2017 AND DECEMBER 31, 2016, 2015, AND 2014 AND FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017 AND FOR THE YEARS ENDED DECEMBER 31, 2016, 2015, AND 2014 WITH INDEPENDENT AUDITORS' REPORT
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2016 AND FOR THE NINE-MONTH PERIOD THEN ENDED WITH REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Kami yang bertanda tangan dibawah ini,

1. Nama/*Name* : Hilmi Panigoro
   No. Identitas/*Id Number* : 3174070404550005
   Alamat Kantor/*Office Address* : The Energy Building 53rd Floor, SCBD Lot 11A Jl. Jendral Sudirman, Jakarta 12190
   Alamat Rumah/ *Home Address* : Jl. Patimura No.9, RT005/001, Selong, Kebayoran Baru, Jakarta Selatan
   Telepon/ *Telephone* : 021-2995 3000
   Jabatan/*Title* : Direktur Utama / *President Director*

2. Nama/*Name* : Anthony Robert Mathias
   No. Identitas/*Id Number* : 511160687
   Alamat Kantor/*Office Address* : The Energy Building 53rd Floor, SCBD Lot 11A Jl. Jendral Sudirman, Jakarta 12190
   Alamat Rumah/ *Home Address* : Executive Paradise Complex J4, Cilandak Barat, Jl. Antasari, Jakarta 12410
   Telepon/ *Telephone* : 021-2995 3000
   Jabatan/*Title* : Direktur Keuangan / *Finance Director*

We the undersigned,

menyatakan bahwa :

1. Kami bertanggung jawab atas penyusunan dan penyajian Laporan keuangan konsolidasian tanggal 30 September 2017 dan 31 Desember 2016, 2015, dan 2014 dan untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2017 dan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016, 2015, dan 2014 beserta laporan auditor independen, laporan keuangan konsolidasian yang tidak diaudit tanggal 30 September 2016 dan untuk periode sembilan bulan yang berakhir pada tanggal tersebut beserta laporan atas reviu informasi keuangan interim PT Medco Energi Internasional Tbk dan Entitas Anaknya ("Laporan Keuangan Konsolidasian Untuk Periode Sembilan Bulan Perseroan dan Entitas Anaknya");

hereby confirm :

1. *We are responsible towards the preparation and presentation of the Consolidated financial statements as of September 30, 2017 and December 31, 2016, 2015, and 2014 and for the nine-month period ended September 30, 2017 and for the years ended December 31, 2016, 2015, and 2014 with independent auditors' report, unaudited consolidated financial statements as of September 30, 2016 and for the nine-month period then ended with report on review of interim financial information PT Medco Energi Internasional Tbk and Its Subsidiaries ("The Consolidated Financial Statement For The Nine Months Period of The Company and Its Subsidiaries");*

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MEDCOENERGI

2. Laporan Keuangan Konsolidasian Untuk Periode Sembilan Bulan Perseroan dan Entitas Anaknya telah disusun dan disajikan sesuai dengan prinsip akuntansi yang berlaku umum di Indonesia;

3. a. Semua informasi dalam Laporan Keuangan Konsolidasian Untuk Periode Sembilan Bulan Perseroan dan Entitas Anaknya telah disajikan secara lengkap dan benar;

   b. Laporan Keuangan Konsolidasian Untuk Periode Sembilan Bulan Perseroan dan Entitas Anaknya tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;

4. Kami bertanggung jawab atas sistem pengendalian interen dalam perusahaan.

2. *The Consolidated Financial Statements For The Nine Months Period of the Company and Its Subsidiaries has been prepared in accordance with the generally accepted accounting principles in Indonesia;*

3. a. *All the information in the Consolidated Financial Statement For The Nine Months Period of The Company and Its Subsidiaries have been fully and accurately disclosed;*

   b. *The Consolidated Financial Statement For The Nine Months Period of The Company and Its Subsidiaries does not contain any false information or material fact, and does not omit any information or material fact;*

4. *We are responsible towards the internal control system of the Company.*

Demikian pernyataan ini dibuat dengan sebenarnya.

In witness whereof, the undersigned have drawn up this statement truthfully.

Jakarta, 29 Desember 2017 / *Jakarta, December 29, 2017*
PT Medco Energi Internasional Tbk

Hilmi Panigoro	**Anthony Robert Mathias**
Direktur Utama / *President Director*	Direktur Keuangan / *Finance Director*

PT MEDCO ENERGI INTERNASIONAL Tbk DAN ENTITAS ANAKNYA LAPORAN KEUANGAN KONSOLIDASIAN TANGGAL 30 SEPTEMBER 2017 DAN 31 DESEMBER 2016, 2015, DAN 2014 DAN UNTUK PERIODE SEMBILAN BULAN YANG BERAKHIR PADA TANGGAL 30 SEPTEMBER 2017 DAN UNTUK TAHUN YANG BERAKHIR PADA TANGGAL-TANGGAL 31 DESEMBER 2016, 2015, DAN 2014 BESERTA LAPORAN AUDITOR INDEPENDEN LAPORAN KEUANGAN KONSOLIDASIAN YANG TIDAK DIAUDIT TANGGAL 30 SEPTEMBER 2016 DAN PERIODE SEMBILAN BULAN YANG BERAKHIR PADA TANGGAL TERSEBUT BESERTA LAPORAN ATAS REVIU INFORMASI KEUANGAN INTERIM

PT MEDCO ENERGI INTERNASIONAL Tbk AND ITS SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2017 AND DECEMBER 31, 2016, 2015, and 2014 AND FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30 , 2017 AND FOR THE YEARS ENDED DECEMBER 31, 2016, 2015, and 2014 WITH INDEPENDENT AUDITORS' REPORT UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2016 AND FOR THE NINE-MONTH PERIODS THEN ENDED WITH REPORT ON REVIEW OF FINANCIAL INFORMATION INTERIM

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The original report included herein is in the Indonesian language.

Laporan Auditor Independen

Laporan No. RPC-5568/PSS/2017

Pemegang Saham, Dewan Komisaris, dan Direksi
PT Medco Energi Internasional Tbk

Kami telah mengaudit laporan keuangan konsolidasian PT Medco Energi Internasional Tbk ("Perusahaan") dan entitas anaknya terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 30 September 2017 dan 31 Desember 2016, 2015, dan 2014, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas konsolidasian untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2017 dan tahun yang berakhir pada tanggal-tanggal 31 Desember 2016, 2015, dan 2014, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memeroleh keyakinan memadai tentang apakah laporan keuangan konsolidasian tersebut bebas dari kesalahan penyajian material.

Independent Auditors' Report

Report No. RPC-5568/PSS/2017

The Shareholders and the Boards of Commissioners and Directors
PT Medco Energi Internasional Tbk

We have audited the accompanying consolidated financial statements of PT Medco Energi Internasional Tbk (the "Company") and its subsidiaries, which comprise the consolidated statements of financial position as of September 30, 2017 and December 31, 2016, 2015, and 2014, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the nine-month period ended September 30, 2017 and the years ended December 31, 2016, 2015, and 2014, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audits. We conducted our audits in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

The original report included herein is in the Indonesian language.

Laporan Auditor Independen (lanjutan)

Laporan No. RPC-5568/PSS/2017 (lanjutan)

Tanggung jawab auditor (lanjutan)

Suatu audit melibatkan pelaksanaan prosedur untuk memeroleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektivitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas kelepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT Medco Energi Internasional Tbk dan entitas anaknya tanggal 30 September 2017 dan 31 Desember 2016, 2015, dan 2014, serta kinerja keuangan dan arus kas konsolidasiannya untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2017 dan tahun yang berakhir pada tanggal-tanggal 31 Desember 2016, 2015, dan 2014, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Independent Auditors' Report (continued)

Report No. RPC-5568/PSS/2017 (continued)

Auditors' responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Medco Energi Internasional Tbk and its subsidiaries as of September 30, 2017 and December 31, 2016, 2015, and 2014, and their consolidated financial performance and cash flows for the nine-month period ended September 30, 2017 and the years ended December 31, 2016, 2015, and 2014, in accordance with Indonesian Financial Accounting Standards.

The original report included herein is in the Indonesian language.

Laporan Auditor Independen (lanjutan)

Laporan No. RPC-5568/PSS/2017 (lanjutan)

Hal lain

Laporan ini diterbitkan dengan tujuan untuk dicantumkan dalam dokumen penawaran sehubungan dengan rencana penawaran efek hutang entitas anak dari Perusahaan di Amerika Serikat dan di luar Amerika Serikat masing-masing berdasarkan *Rule 144A* dan *Regulation S* dari *United States Securities Act of 1933*, serta tidak ditujukan, dan tidak diperkenankan untuk digunakan, untuk tujuan lain.

Independent Auditors' Report (continued)

Report No. RPC-5568/PSS/2017 (continued)

Other matter

This report has been prepared solely for inclusion in the offering document in connection with the proposed offering of the debt securities of the Company's subsidiary in the United States of America and outside of the United States of America in reliance on Rule 144A and Regulation S, respectively, under the United States Securities Act of 1933, and is not intended to be, and should not be, used for any other purposes.

Purwantono, Sungkoro & Surja

Susanti
Registrasi Akuntan Publik No. AP.0705/*Public Accountant Registration No. AP.0705*

29 Desember 2017/*December 29, 2017*

Purwantono, Sungkoro & Surja

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Laporan atas Reviu Informasi Keuangan Interim

Laporan No. RPC-5567/PSS/2017

Pemegang Saham, Dewan Komisaris, dan Direksi
PT Medco Energi Internasional Tbk

Kami telah mereviu laporan keuangan konsolidasian interim PT Medco Energi Internasional Tbk ("Perusahaan") dan entitas anaknya terlampir, yang terdiri dari laporan posisi keuangan konsolidasian interim tanggal 30 September 2016, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas konsolidasian interim untuk periode sembilan bulan yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya. Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian interim ini sesuai dengan Standar Akuntansi Keuangan di Indonesia. Tanggung jawab kami adalah untuk menyatakan suatu kesimpulan atas laporan keuangan konsolidasian interim ini berdasarkan reviu kami.

Ruang lingkup reviu

Kami melaksanakan reviu kami berdasarkan Standar Perikatan Reviu 2410, "Reviu atas Informasi Keuangan Interim yang Dilaksanakan oleh Auditor Independen Entitas" ("SPR 2410"), yang ditetapkan oleh Institut Akuntan Publik Indonesia. Suatu reviu atas informasi keuangan interim terdiri dari pengajuan pertanyaan, terutama kepada pihak yang bertanggung jawab atas bidang keuangan dan akuntansi, serta penerapan prosedur analitis dan prosedur reviu lainnya. Suatu reviu memiliki ruang lingkup yang secara substansial kurang daripada suatu audit yang dilaksanakan berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia dan sebagai konsekuensinya, tidak memungkinkan kami untuk memperoleh keyakinan bahwa kami akan mengetahui seluruh hal signifikan yang mungkin teridentifikasi dalam suatu audit. Oleh karena itu, kami tidak menyatakan suatu opini audit.

Report on Review of Interim Financial Information

Report No. RPC-5567/PSS/2017

The Shareholders and the Boards of Commissioners and Directors
PT Medco Energi Internasional Tbk

We have reviewed the accompanying interim consolidated financial statements of PT Medco Energi Internasional Tbk (the "Company") and its subsidiaries, which comprise the interim consolidated statement of financial position as of September 30, 2016, and the interim consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Indonesian Financial Accounting Standards. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("SRE 2410"), established by the Indonesian Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The original report included herein is in the Indonesian language.

Laporan atas Reviu Informasi Keuangan Interim (lanjutan)

Laporan No. RPC-5567/PSS/2017 (lanjutan)

Kesimpulan

Berdasarkan reviu kami, tidak ada hal-hal yang menjadi perhatian kami yang menyebabkan kami percaya bahwa laporan keuangan konsolidasian interim terlampir tidak menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT Medco Energi Internasional Tbk dan entitas anaknya tanggal 30 September 2016, serta kinerja keuangan dan arus kas konsolidasiannya untuk periode sembilan bulan yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Hal lain

Laporan ini diterbitkan dengan tujuan untuk dicantumkan dalam dokumen penawaran sehubungan dengan rencana penawaran efek hutang entitas anak dari Perusahaan di Amerika Serikat dan di luar Amerika Serikat masing-masing berdasarkan Rule 144A dan Regulation S dari United States Securities Act of 1933, serta tidak ditujukan, dan tidak diperkenankan untuk digunakan, untuk tujuan lain.

Report on Review of Interim Financial Information (continued)

Report No. RPC-5567/PSS/2017 (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of PT Medco Energi Internasional Tbk and its subsidiaries as of September 30, 2016, and their consolidated financial performance and cash flows for the nine-month period then ended, in accordance with Indonesian Financial Accounting Standards.

Other matter

This report has been prepared solely for inclusion in the offering document in connection with the proposed offering of the debt securities of the Company's subsidiary in the United States of America and outside of the United States of America in reliance on Rule 144A and Regulation S, respectively, under the United States Securities Act of 1933, and is not intended to be, and should not be, used for any other purposes.

Purwantono, Sungkoro & Surja

Susanti
Registrasi Akuntan Publik No. AP.0705/*Public Accountant Registration No. AP.0705*

29 Desember 2017/*December 29, 2017*

PT MEDCO ENERGI INTERNASIONAL Tbk
DAN ENTITAS ANAKNYA
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN
Tanggal 30 September 2017 dan 2016 dan
31 Desember 2016, 2015, dan 2014
(Disajikan dalam Dolar Amerika Serikat,
Kecuali Dinyatakan Lain)

PT MEDCO ENERGI INTERNASIONAL Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
As of September 30, 2017 and 2016 and
December 31, 2016, 2015, and 2014
(Expressed in United States Dollars,
Unless Otherwise Stated)

	Catatan/ *Notes*	30 September/*September 30,* 2017	2016 (Tidak diaudit/ *Unaudited*)	31 Desember/*December 31,* 2016	2015	2014	
ASET							***ASSETS***
ASET LANCAR							***CURRENT ASSETS***
Kas dan setara kas	2,4,41,43	364.841.270	184.059.039	164.560.884	463.175.233	206.639.912	*Cash and cash equivalents*
Investasi jangka pendek	2,5,43,44,46	26.420.130	3.909.960	66.885.629	225.930.397	268.628.303	*Short-term investments*
Deposito dan rekening bank yang dibatasi penggunaannya	2,11,41, 43	85.000.000	-	-	3.174.701	-	*Restricted time deposits and cash in banks*
Piutang usaha	2,6,43						*Trade receivables*
- Pihak berelasi	41	-	31.227.426	694.960	20.220.257	12.442.828	*Related parties -*
- Pihak ketiga		179.486.538	91.463.541	182.511.820	78.320.827	89.150.954	*Third parties -*
Piutang lain-lain	2,7,43						*Other receivables*
- Pihak berelasi	41	271.327.355	2.166.649	250.745.343	2.227.846	80.850	*Related parties -*
- Pihak ketiga		104.589.968	119.538.361	100.868.158	120.596.059	112.207.591	*Third parties -*
Persediaan	2,8	84.844.142	37.674.846	70.290.770	40.067.047	42.410.834	*Inventories*
Aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual	2,37	466.803.525	34.752.743	266.355.418	1.237.635	7.290.112	*Non-current assets classified as held for sale*
Pajak dibayar di muka	2,9	4.261.939	11.530.225	4.244.739	10.141.018	10.608.117	*Prepaid taxes*
Beban dibayar di muka	2,10	8.566.002	3.284.561	4.741.217	3.538.317	3.393.600	*Prepaid expenses*
Uang muka investasi	19	-	650.000.000	-	75.000.000	-	*Advance for investment*
Aset lancar lain-lain	20	8.034.610	8.063.603	22.361.847	1.233.939	1.364.760	*Other current assets*
Jumlah Aset Lancar		1.604.175.479	1.177.670.954	1.134.260.785	1.044.863.276	754.217.861	*Total Current Assets*
ASET TIDAK LANCAR							***NON-CURRENT ASSETS***
Piutang lain-lain	2,7,43						*Other receivables*
- Pihak berelasi	41	-	39.899.032	-	29.620.713	159.313.967	*Related parties -*
- Pihak ketiga		84.103.321	736.610	51.793.728	920.812	1.337.534	*Third parties -*
Deposito dan rekening bank yang dibatasi penggunaannya	2,11,41, 43	2.108.489	2.410.895	2.401.983	3.958.521	6.344.031	*Restricted time deposits and cash in banks*
Aset pajak tangguhan	2,36	88.871.632	76.972.848	90.359.085	31.146.229	31.071.315	*Deferred tax assets*
Investasi jangka panjang	2,12	1.005.312.012	211.091.238	924.497.143	208.691.221	302.447.510	*Long-term investments*
Investasi pada proyek	2,13	-	22.674.035	22.674.035	22.709.840	30.324.414	*Investment in project*
Aset tetap	2,14,33,34	7.122.733	56.374.470	5.170.315	68.961.789	88.513.473	*Property, plant and equipment*
Properti pertambangan	2,17,33	-	-	-	-	2.282.185	*Mining properties*
Properti investasi	2,15	-	353.299.791	351.258.964	361.520.701	-	*Investment properties*
Aset eksplorasi dan evaluasi	2,16	103.182.640	71.430.670	70.439.368	81.739.073	140.882.632	*Exploration and evaluation assets*
Aset minyak dan gas bumi	2,17,33	1.092.807.744	819.420.953	921.245.047	998.527.961	1.130.706.825	*Oil and gas properties*
Goodwill	2,18	1.017.204	15.220.000	16.237.204	37.125.795	-	*Goodwill*
Aset derivatif	2,25,44	3.613.538	3.028.054	1.659.449	-	-	*Derivative assets*
Aset lain-lain	2,20	9.246.479	6.837.637	5.133.497	20.022.897	20.320.983	*Other assets*
Jumlah Aset Tidak Lancar		2.397.385.792	1.679.396.233	2.462.869.818	1.864.945.552	1.913.544.869	*Total Non-current Assets*
JUMLAH ASET		**4.001.561.271**	**2.857.067.187**	**3.597.130.603**	**2.909.808.828**	**2.667.762.730**	***TOTAL ASSETS***

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT MEDCO ENERGI INTERNASIONAL Tbk
DAN ENTITAS ANAKNYA
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN (lanjutan)
Tanggal 30 September 2017 dan 2016 dan
31 Desember 2016, 2015, dan 2014
(Disajikan dalam Dolar Amerika Serikat,
Kecuali Dinyatakan Lain)

PT MEDCO ENERGI INTERNASIONAL Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION (continued)
As of September 30, 2017 and 2016 and
December 31, 2016, 2015, and 2014
(Expressed in United States Dollars,
Unless Otherwise Stated)

	Catatan/ *Notes*	30 September/*September 30,* 2017	2016 (Tidak diaudit/ *Unaudited*)	31 Desember/*December 31,* 2016	2015	2014	
LIABILITAS DAN EKUITAS							***LIABILITIES AND EQUITY***
LIABILITAS							***LIABILITIES***
LIABILITAS JANGKA PENDEK							***CURRENT LIABILITIES***
Pinjaman bank jangka pendek	2,26,43,44	-	20.000.000	16.000.000	-	-	*Short-term bank loan*
Utang usaha	2,21,43,44						*Trade payables*
- Pihak berelasi	41	-	224.755	-	57.936	1.416.478	*Related parties -*
- Pihak ketiga		132.035.055	63.921.418	104.920.029	77.324.045	90.488.378	*Third parties -*
Utang lain-lain	2,22b,44						*Other payables*
- Pihak berelasi	41	-	327.398	-	1.740.327	-	*Related parties -*
- Pihak ketiga		110.460.767	78.281.807	102.524.904	72.809.232	41.152.140	*Third parties -*
Utang pajak	2,23	32.881.522	24.715.989	32.378.526	10.927.712	23.904.636	*Taxes payable*
Liabilitas yang secara langsung berhubungan dengan aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual	37	195.405.337	37.863.453	62.177.436	8.724.108	9.003.687	*Liabilities directly associated with the non-current assets classified as held for sale*
Biaya akrual dan provisi lain-lain	2,24,44	79.054.632	56.714.808	75.492.247	86.746.293	76.854.830	*Accrued expenses and other provisions*
Liabilitas imbalan kerja jangka pendek	2,40	2.502.225	-	3.956.404	589.548	662.565	*Employee benefits liabilities - current portion*
Liabilitas derivatif	2,25,44	57.487.355	59.965.415	63.767.824	-	35.856.281	*Derivative liabilities*
Pinjaman jangka panjang yang jatuh tempo dalam satu tahun	2,43						*Current maturities of long-term debt*
- Pinjaman bank	26	133.447.885	174.935.543	228.476.617	179.502.491	183.696.183	*Bank loans -*
- Obligasi Rupiah	27	166.477.269	153.668.685	148.700.823	-	-	*Rupiah bonds -*
- Obligasi Dolar AS	27	-	47.829.449	17.841.893	78.827.354	-	*US Dollar bonds -*
Uang muka dari pelanggan	22a						*Advances from customers*
- Pihak berelasi	41	-	288.990	354.509	305.149	-	*Related parties -*
- Pihak ketiga		61.499.851	3.496.584	3.969.070	9.061.151	4.713.197	*Third parties -*
Jumlah Liabilitas Jangka Pendek		971.251.898	722.234.294	860.560.282	526.615.346	467.748.375	*Total Current Liabilities*
LIABILITAS JANGKA PANJANG							***NON-CURRENT LIABILITIES***
Pinjaman jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun	2,43,44						*Long-term debt - net of current maturities*
- Pinjaman bank	26	877.984.411	852.129.132	1.009.552.427	908.214.456	544.669.226	*Bank loans -*
- Pinjaman dari instansi Keuangan non-bank	27	5.188.260	-	-	-	-	*Loan from a non-bank - financial institution*
- Obligasi Rupiah	27	349.947.851	306.531.100	316.889.775	252.946.827	280.253.368	*Rupiah bonds -*
- Obligasi Dolar AS	27	384.045.221	-	-	18.742.971	97.406.084	*US Dollar bonds -*
- Obligasi Dolar Singapura	27	-	72.378.806	68.334.183	69.973.057	-	*Singapore Dollar bonds -*
- Wesel jangka menengah	27	127.748.262	76.562.219	127.544.863	71.999.347	79.752.616	*Medium term notes -*
Utang lain-lain	2,22b	16.636.599	19.606.468	55.477.230	11.610.868	9.121.822	*Other payables*
Liabilitas pajak tangguhan	2,36	90.758.227	109.500.391	104.718.481	110.531.012	112.892.702	*Deferred tax liabilities*
Liabilitas imbalan kerja jangka panjang	2,40	39.287.434	9.264.598	41.571.976	6.993.174	12.681.485	*Long-term employee benefits liabilities*
Liabilitas derivatif	2,25,44	12.313.893	52.953.641	67.505.001	157.631.685	113.762.545	*Derivative liabilities*
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	2,49	60.587.678	57.508.802	54.467.529	72.956.226	62.389.014	*Asset abandonment and site restoration obligations and other provisions*
Jumlah Liabilitas Jangka Panjang		1.964.497.836	1.556.435.157	1.846.061.465	1.681.599.623	1.312.928.862	*Total Non-current Liabilities*
Jumlah Liabilitas		**2.935.749.734**	**2.278.669.451**	**2.706.621.747**	**2.208.214.969**	**1.780.677.237**	***Total Liabilities***

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

**PT MEDCO ENERGI INTERNASIONAL Tbk
DAN ENTITAS ANAKNYA
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN (lanjutan)
Tanggal 30 September 2017 dan 2016 dan
31 Desember 2016, 2015, dan 2014
(Disajikan dalam Dolar Amerika Serikat,
Kecuali Dinyatakan Lain)**

***PT MEDCO ENERGI INTERNASIONAL Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION (continued)
As of September 30, 2017 and 2016 and
December 31, 2016, 2015, and 2014
(Expressed in United States Dollars,
Unless Otherwise Stated***

	Catatan/ *Notes*	30 September/*September 30,* 2017	2016 (Tidak diaudit/ *Unaudited)*	31 Desember/*December 31,* 2016	2015	2014	
LIABILITAS DAN EKUITAS (lanjutan)							***LIABILITIES AND EQUITY (continued)***
EKUITAS							***EQUITY***
Modal saham - nilai nominal Rp25 per saham pada tanggal 30 September 2017 dan Rp100 per saham pada tanggal 30 September 2016 dan 31 Desember 2016, 2015 dan 2014							*Capital stock - par value Rp25 par value per share as of September 30, 2017 and Rp100 par value per share as of September 30, 2016 and December 31, 2016, 2015, and 2014*
- Modal dasar 38.000.000.000 saham pada tanggal 30 September 2017, 9.500.000.000 saham pada tanggal 31 Desember 2016 dan 4.000.000.000 saham pada tanggal 30 September 2016 dan 31 Desember 2015 dan 2014							*Authorized - 38,000,000,000 shares as of September 30, 2017, 9,500,000,000,000 shares as of December 31, 2016 and 4,000,000,000,000 shares as of September 30, 2016 and December 31, 2015 and 2014*
- Diterbitkan dan disetor penuh 13.329.805.800 saham pada tanggal 30 September 2017 dan 3.332.451.450 saham pada tanggal 30 September 2016 dan 31 Desember 2016, 2015, dan 2014	1b,29	101.154.464	101.154.464	101.154.464	101.154.464	101.154.464	*Issued and fully paid - 13,329,805,800 shares as of September 30, 2017 and 3,332,451,450 shares as of September 30, 2016 and December 31, 2016, 2015, and 2014*
- Saham treasuri 135.974.800 saham pada tanggal 30 September 2017, 65.906.200 saham pada tanggal 30 September 2016 dan 31 Desember 2016 dan 36.992.800 saham pada tanggal 31 Desember 2015	29	(1.031.857)	(2.000.541)	(2.000.541)	(1.122.893)	-	*Treasury shares - 135,974,800 shares as of September 30, 2017, 65,906,200 shares as of September 30, 2016 and December 31, 2016 and 36,992,800 shares as of December 31, 2015*
		100.122.607	99.153.923	99.153.923	100.031.571	101.154.464	
Tambahan modal disetor	30	182.222.323	180.657.446	180.657.446	181.487.838	183.439.833	*Additional paid-in capital*
Dampak perubahan transaksi ekuitas entitas anak/entitas asosiasi	12,31	9.508.620	9.508.620	9.508.620	9.400.343	(444.912)	*Effects of changes in equity transactions of subsidiaries/ associates*
Selisih kurs karena penjabaran laporan keuangan	2	(26.169.415)	(23.963.988)	(26.438.586)	(28.365.965)	(22.814.985)	*Translation adjustments*
Penyesuaian nilai wajar atas instrumen lindung nilai arus kas	2	8.800.915	(8.622.965)	(6.739.002)	(33.440.020)	(31.653.354)	*Fair value adjustment on cash flow hedging instruments*
Bagian rugi komprehensif lain entitas asosiasi dan ventura bersama	12	(27.358.278)	(6.553.985)	(26.860.021)	(2.713.819)	(8.860.750)	*Share of other comprehensive loss of associates and joint venture*
Pengukuran kembali program imbalan pasti	40	19.903.108	26.369.099	27.010.208	23.580.468	18.032.738	*Remeasurement of defined benefit program*
Saldo laba							*Retained earnings*
- Ditentukan penggunaannya		6.492.210	6.492.210	6.492.210	6.492.210	6.492.210	*Appropriated -*
- Tidak ditentukan penggunaannya		789.088.763	290.434.141	624.767.587	440.010.031	632.189.553	*Unappropriated -*
Jumlah ekuitas yang dapat diatribusikan kepada pemilik entitas induk		1.062.610.853	573.474.501	887.552.385	696.482.657	877.534.797	*Total equity attributable to the equity holders of the parent company*
Kepentingan nonpengendali	28	3.200.684	4.923.235	2.956.471	5.111.202	9.550.696	*Non-controlling interests*
Jumlah Ekuitas		**1.065.811.537**	**578.397.736**	**890.508.856**	**701.593.859**	**887.085.493**	***Total Equity***
JUMLAH LIABILITAS DAN EKUITAS		**4.001.561.271**	**2.857.067.187**	**3.597.130.603**	**2.909.808.828**	**2.667.762.730**	***TOTAL LIABILITIES AND EQUITY***

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

**PT MEDCO ENERGI INTERNASIONAL Tbk
DAN ENTITAS ANAKNYA
LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN KONSOLIDASIAN
Untuk Periode Sembilan Bulan yang Berakhir pada Tanggal-Tanggal 30 September 2017 dan 2016 dan Untuk Tahun yang Berakhir pada Tanggal-Tanggal 31 Desember 2016, 2015, dan 2014
(Disajikan dalam Dolar Amerika Serikat, Kecuali Dinyatakan Lain)**

***PT MEDCO ENERGI INTERNASIONAL Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Nine-Month Periods Ended September 30, 2017 and 2016 and For the Years Ended December 31, 2016, 2015, and 2014
(Expressed in United States Dollars, Unless Otherwise Stated)***

	Catatan/ *Notes*	30 September/*September 30,* 2017	30 September/*September 30,* 2016 Tidak diaudit/ *Unaudited)*	31 Desember/*December 31,* 2016 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	31 Desember/*December 31,* 2015 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	31 Desember/*December 31,* 2014 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	
OPERASI YANG DILANJUTKAN							***CONTINUING OPERATIONS***
PENJUALAN DAN PENDAPATAN USAHA LAINNYA							***SALES AND OTHER OPERATING REVENUES***
Penjualan minyak dan gas bumi neto	2,32,41	595.074.910	386.040.210	583.027.141	575.275.962	701.916.858	*Net oil and gas sales*
Pendapatan dari jasa	32	2.453.590	5.421.393	7.009.841	6.982.011	204.026	*Revenue from services*
JUMLAH PENJUALAN DAN PENDAPATAN USAHA LAINNYA		**597.528.500**	**391.461.603**	**590.036.982**	**582.257.973**	**702.120.884**	***TOTAL SALES AND OTHER OPERATING REVENUES***
BEBAN POKOK PENJUALAN DAN BIAYA LANGSUNG LAINNYA							***COST OF SALES AND OTHER DIRECT COSTS***
Biaya produksi dan *lifting*	2,33	144.340.290	129.568.490	205.051.669	215.265.607	281.479.367	*Production and lifting costs*
Penyusutan, deplesi dan amortisasi	2,14,17,33	112.371.960	80.465.500	113.792.871	117.073.909	88.992.599	*Depreciation, depletion and amortization*
Biaya pembelian minyak mentah	2,33	29.628.561	5.477.340	13.307.007	21.278.975	26.309.259	*Cost of crude oil purchases*
Beban eksplorasi	2,33	10.315.579	5.038.414	7.016.432	6.811.268	24.385.209	*Exploration expenses*
Biaya jasa		702.618	1.252.966	1.523.025	1.407.014	1.341.070	*Cost of services*
JUMLAH BEBAN POKOK PENJUALAN DAN BIAYA LANGSUNG LAINNYA		**297.359.008**	**221.802.710**	**340.691.004**	**361.836.773**	**422.507.504**	***TOTAL COST OF SALES AND OTHER DIRECT COSTS***
LABA KOTOR		**300.169.492**	**169.658.893**	**249.345.978**	**220.421.200**	**279.613.380**	***GROSS PROFIT***
Beban penjualan, umum dan administrasi	2,34	(101.989.573)	(70.859.056)	(96.529.516)	(114.939.762)	(107.995.965)	*Selling, general and administrative expenses*
Beban pendanaan	26,27	(95.645.991)	(67.293.426)	(99.570.568)	(77.232.228)	(71.319.033)	*Finance costs*
Pendapatan bunga		24.086.748	1.730.836	7.578.386	5.965.013	10.296.432	*Finance income*
Pembalikan (kerugian) penurunan nilai aset	17	99.971.207	(160.197.719)	(288.913.678)	(217.246.599)	(16.179.208)	*Reversal of (loss on) impairment of assets*
Keuntungan pembelian diskon	46	43.067.951	18.852.320	551.655.417	-	-	*Bargain purchase*
Pendapatan dari klaim asuransi		7.664.809	-	-	-	-	*Income from insurance claim*
Keuntungan dari kombinasi bisnis secara bertahap		-	-	-	50.247.693	-	*Gain on business combination achieved in stages*
Kerugian atas pengukuran nilai wajar dikurangi biaya untuk menjual	37	-	(11.924.603)	(11.924.603)	-	-	*Loss on assets recognized at fair value less cost to sell*
Bagian laba (rugi) dari entitas asosiasi dan ventura bersama	2,12	(23.421.676)	2.236.135	(27.202.127)	7.206.901	7.067.272	*Share of net income (loss) of associates and joint venture*
Pendapatan lain-lain	35	25.815.791	17.794.692	16.866.686	20.249.669	27.849.530	*Other income*
Beban lain-lain	35	(5.453.070)	(3.749.976)	(6.215.992)	(14.030.257)	(7.245.021)	*Other expenses*
LABA (RUGI) SEBELUM PAJAK PENGHASILAN DARI OPERASI YANG DILANJUTKAN		**274.265.688**	**(103.751.904)**	**295.089.983**	**(119.358.370)**	**122.087.387**	***PROFIT (LOSS) BEFORE INCOME TAX EXPENSE FROM CONTINUING OPERATIONS***
BEBAN PAJAK PENGHASILAN	2,36	**(102.404.247)**	**(489.702)**	**(63.285.019)**	**(31.439.654)**	**(94.281.611)**	***INCOME TAX EXPENSE***

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT MEDCO ENERGI INTERNASIONAL Tbk DAN ENTITAS ANAKNYA LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN KONSOLIDASIAN (lanjutan) Untuk Periode Sembilan Bulan yang Berakhir pada Tanggal-Tanggal 30 September 2017 dan 2016 dan Untuk Tahun yang Berakhir pada Tanggal-Tanggal 31 Desember 2016, 2015, dan 2014 (Disajikan dalam Dolar Amerika Serikat, Kecuali Dinyatakan Lain)

PT MEDCO ENERGI INTERNASIONAL Tbk AND ITS SUBSIDIARIES CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued) For the Nine-Month Periods Ended September 30, 2017 and 2016 and For the Years Ended December 31, 2016, 2015, and 2014 (Expressed in United States Dollars, Unless Otherwise Stated)

	Catatan/ *Notes*	30 September/*September 30,* 2017	2016 Tidak diaudit/ *Unaudited)*	31 Desember/*December 31,* 2016 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	2015 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	2014 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	
LABA (RUGI) TAHUN/PERIODE BERJALAN DARI OPERASI YANG DILANJUTKAN		**171.861.441**	**(104.241.606)**	**231.804.964**	**(150.798.024)**	**27.805.776**	***PROFIT (LOSS) FOR THE YEAR/PERIOD FROM CONTINUING OPERATIONS***
OPERASI YANG DIHENTIKAN							***DISCONTINUED OPERATIONS***
Rugi setelah beban pajak penghasilan dari operasi yang dihentikan	37	(3.776.052)	(43.476.097)	(44.755.985)	(35.375.517)	(18.963.781)	*Loss after income tax expense from discontinued operations*
LABA (RUGI) PERIODE/ TAHUN BERJALAN		**168.085.389**	**(147.717.703)**	**187.048.979**	**(186.173.541)**	**8.841.995**	***PROFIT (LOSS) FOR THE PERIOD/YEAR***
PENGHASILAN KOMPREHENSIF LAIN							***OTHER COMPREHENSIVE INCOME***
PENGHASILAN KOMPREHENSIF LAIN YANG AKAN DIREKLASIFIKASI KE LABA RUGI							***OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS***
Selisih kurs karena penjabaran laporan keuangan		269.171	4.401.977	1.927.379	(5.550.980)	(3.226.616)	*Translation adjustments*
Penyesuaian nilai wajar atas instrumen lindung nilai arus kas		15.539.917	24.817.055	26.701.018	(1.786.666)	22.074.911	*Fair value adjustment on cash flow hedging instruments*
Bagian laba (rugi) komprehensif lain entitas asosiasi dan ventura bersama	12	(498.257)	(3.840.166)	(24.152.180)	5.924.578	(10.348.166)	*Share of other comprehensive income (loss) of associates and joint venture*
PENGHASILAN KOMPREHENSIF LAIN YANG TIDAK AKAN DIREKLASIFIKASI KE LABA RUGI							***OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS***
Bagian laba (rugi) komprehensif lain entitas asosiasi dan ventura bersama	12	-	-	5.978	222.353	(13.281)	*Share of other comprehensive income (loss) of associates and joint venture*
Pengukuran kembali program imbalan kerja	40	(6.203.978)	3.098.515	3.723.354	5.574.795	5.196.699	*Remeasurement of defined benefit program*
Pajak penghasilan terkait dengan pos yang tidak direklasifikasi ke laba rugi	36	(903.122)	(309.884)	(293.614)	(27.065)	(29.985)	*Income tax related to the account which is not being reclassified to profit or loss*
JUMLAH LABA (RUGI) KOMPREHENSIF PERIODE/ TAHUN BERJALAN		**176.289.120**	**(119.550.206)**	**194.960.914**	**(181.816.526)**	**22.495.557**	***TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD/YEAR***

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT MEDCO ENERGI INTERNASIONAL Tbk DAN ENTITAS ANAKNYA LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN KONSOLIDASIAN (lanjutan) Untuk Periode Sembilan Bulan yang Berakhir pada Tanggal-Tanggal 30 September 2017 dan 2016 dan Untuk Tahun yang Berakhir pada Tanggal-Tanggal 31 Desember 2016, 2015, dan 2014 (Disajikan dalam Dolar Amerika Serikat, Kecuali Dinyatakan Lain)

PT MEDCO ENERGI INTERNASIONAL Tbk AND ITS SUBSIDIARIES CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued) For the Nine-Month Periods Ended September 30, 2017 and 2016 and For the Years Ended December 31, 2016, 2015, and 2014 (Expressed in United States Dollars, Unless Otherwise Stated)

	Catatan/ *Notes*	30 September/*September 30,* 2017	30 September/*September 30,* 2016 Tidak diaudit/ *Unaudited)*	31 Desember/*December 31,* 2016 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	31 Desember/*December 31,* 2015 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	31 Desember/*December 31,* 2014 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	
LABA (RUGI) TAHUN/PERIODE BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA							***PROFIT (LOSS) FOR THE YEAR/PERIOD ATTRIBUTABLE TO***
Pemilik entitas induk							*Equity holders of the parent company*
Laba (rugi) periode/tahun berjalan dari operasi yang dilanjutkan		168.097.228	(106.099.793)	229.513.541	(152.758.530)	24.202.700	*Profit (loss) for the period/year from continuing operations*
Rugi periode/tahun berjalan dari operasi yang dihentikan		(3.776.052)	(43.476.097)	(44.755.985)	(35.375.517)	(18.963.781)	*Loss for the period/year from discontinued operations*
Laba (rugi) periode/tahun berjalan yang diatribusikan pada pemilik entitas induk		164.321.176	(149.575.890)	184.757.556	(188.134.047)	5.238.919	*Profit (loss) for the period/year from attributable to owners of the parent company*
Laba periode/tahun berjalan dari operasi yang dilanjutkan yang diatribusikan kepada kepentingan nonpengendali	2,28	3.764.213	1.858.187	2.291.423	1.960.506	3.603.076	*Profit for the period/year from continuing operations attributable to non-controlling interests*
		168.085.389	**(147.717.703)**	**187.048.979**	**(186.173.541)**	**8.841.995**	
JUMLAH LABA KOMPREHENSIF PERIODE/TAHUN BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA							***TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/ YEAR ATTRIBUTABLE TO***
Pemilik entitas induk							*Equity holders of the parent company*
Laba (rugi) komprehensif periode/tahun berjalan dari operasi yang dilanjutkan		176.300.959	(77.932.296)	237.425.476	(148.401.515)	37.856.262	*Comprehensive income (loss) for the period/year from continuing operations*
Rugi komprehensif periode/tahun berjalan dari operasi yang dihentikan		(3.776.052)	(43.476.097)	(44.755.985)	(35.375.517)	(18.963.781)	*Comprehensive loss for the period/year from discontinued operations*
Laba (rugi) komprehensif periode/tahun berjalan yang diatribusikan kepada pemilik entitas induk		172.524.907	(121.408.393)	192.669.491	(183.777.032)	18.892.481	*Comprehensive income for the period/year attributable to equity the holders of parent company*
Laba komprehensif periode/ tahun berjalan yang diatribusikan kepada kepentingan nonpengendali	2,28	3.764.213	1.858.187	2.291.423	1.960.506	3.603.076	*Comprehensive income for the period/year attributable to non-controlling interests*
		176.289.120	**(119.550.206)**	**194.960.914**	**(181.816.526)**	**22.495.557**	
LABA (RUGI) PER SAHAM DASAR YANG DAPAT DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK	**2,38**	**0,01254**	**(0,01143)**	**0,01412**	**(0,01415)**	**0,00039**	***BASIC EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY***
LABA (RUGI) PER SAHAM DASAR DARI OPERASI YANG DILANJUTKAN YANG DAPAT DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK	**2,38**	**0,01283**	**(0,00811)**	**0,01754**	**(0,01149)**	**0,00182**	***BASIC EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY***

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT MEDCO ENERGI INTERNASIONAL Tbk DAN ENTITAS ANAKNYA
LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN
Untuk Periode Sembilan Bulan yang Berakhir pada Tanggal-Tanggal 30 September 2017 dan 2016 dan
Untuk Tahun yang Berakhir pada Tanggal-Tanggal 31 Desember 2016, 2015, dan 2014
(Disajikan dalam Dolar Amerika Serikat, Kecuali Dinyatakan Lain)

PT MEDCO ENERGI INTERNASIONAL Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Nine-Month Periods Ended September 30, 2017 and 2016 and
For the Years Ended December 31, 2016, 2015, and 2014
(Expressed in United States Dollars, Unless Otherwise Stated)

	Catatan/ *Notes*	Diatribusikan kepada pemilik entitas induk/*Attributable to the equity holders of the parent company*											
		Modal Saham/ *Capital Stock*	Tambahan Modal Disetor/ *Additional Paid-in Capital*	Saldo Laba/*Retained Earnings*		Dampak Perubahan Transaksi Ekuitas Entitas Anak/Entitas Asosiasi/ *Effect of Changes in Equity Transactions of Subsidiaries/ Associates*	Selisih Kurs karena Penjabaran Laporan Keuangan/ *Translation Adjustments*	Penyesuaian Nilai Wajar atas Instrumen Lindung Nilai Arus Kas/ *Fair Value Adjustment on Cash Flow Hedging Instruments*	Bagian pendapatan (rugi) komprehensif lain dari Entitas Asosiasi/ *Share of other comprehensive income (loss) of Asssociates*	Pengukuran kembali program imbalan pasti/ *Remeasurement of defined benefit program*	Jumlah/*Total*	Kepentingan Nonpengendali/ *Non-controlling Interests*	Jumlah Ekuitas/ *Total Equity*	
				Ditentukan Penggunaannya/ *Appropriated*	Tidak Ditentukan Penggunaannya/ *Unappropriated*								
Saldo per 31 Desember 2013		**101.154.464**	**183.439.833**	**6.492.210**	**631.984.002**	**(444.912)**	**(19.588.369)**	**(53.728.265)**	**1.500.697**	**12.866.024**	**863.675.684**	**11.547.620**	**875.223.304**	***Balance, December 31, 2013***
Laba tahun berjalan		-	-	-	5.238.919	-	-	-	-	-	5.238.919	3.603.076	8.841.995	*Profit for the year*
Penghasilan komprehensif lain		-	-	-	-	-	(3.226.616)	22.074.911	(10.361.447)	5.166.714	13.653.562	-	13.653.562	*Other comprehensive income*
Jumlah laba komprehensif tahun berjalan		-	-	-	5.238.919	-	(3.226.616)	22.074.911	(10.361.447)	5.166.714	18.892.481	3.603.076	22.495.557	*Total comprehensive income for the year*
Dividen kas	28,39	-	-	-	(5.033.368)	-	-	-	-	-	(5.033.368)	(5.600.000)	(10.633.368)	*Cash dividends*
Saldo per 31 Desember 2014		**101.154.464**	**183.439.833**	**6.492.210**	**632.189.553**	**(444.912)**	**(22.814.985)**	**(31.653.354)**	**(8.860.750)**	**18.032.738**	**877.534.797**	**9.550.696**	**887.085.493**	***Balance, December 31, 2014***
Rugi tahun berjalan		-	-	-	(188.134.047)	-	-	-	-	-	(188.134.047)	1.960.506	(186.173.541)	*Loss for the year*
Penghasilan komprehensif lain		-	-	-	-	-	(5.550.980)	(1.786.666)	6.146.931	5.547.730	4.357.015	-	4.357.015	*Other comprehensive income*
Jumlah rugi komprehensif tahun berjalan		-	-	-	(188.134.047)	-	(5.550.980)	(1.786.666)	6.146.931	5.547.730	(183.777.032)	1.960.506	(181.816.526)	*Total comprehensive loss for the year*
Dividen kas	28,39	-	-	-	(4.045.475)	-	-	-	-	-	(4.045.475)	(6.400.000)	(10.445.475)	*Cash dividends*
Selisih transaksi perubahan ekuitas entitas asosiasi	31	-	-	-	-	9.845.255	-	-	-	-	9.845.255	-	9.845.255	*Effect of changes in equity of associates*
Pembelian saham treasuri	2,29	(1.122.893)	(1.951.995)	-	-	-	-	-	-	-	(3.074.888)	-	(3.074.888)	*Purchase of treasury shares*
Saldo per 31 Desember 2015		**100.031.571**	**181.487.838**	**6.492.210**	**440.010.031**	**9.400.343**	**(28.365.965)**	**(33.440.020)**	**(2.713.819)**	**23.580.468**	**696.482.657**	**5.111.202**	**701.593.859**	***Balance, December 31, 2015***
Rugi periode berjalan		-	-	-	(149.575.890)	-	-	-	-	-	(149.575.890)	1.858.187	(147.717.703)	*Loss for the period*
Penghasilan komprehensif lain		-	-	-	-	-	4.401.977	24.817.055	(3.840.166)	2.788.631	28.167.497	-	28.167.497	*Other comprehensive income*
Jumlah rugi komprehensif periode berjalan		-	-	-	(149.575.890)	-	4.401.977	24.817.055	(3.840.166)	2.788.631	(121.408.393)	1.858.187	(119.550.206)	*Total comprehensive loss for the period*
Dividen kas	28	-	-	-	-	-	-	-	-	-	-	(3.200.000)	(3.200.000)	*Cash dividends*
Selisih transaksi perubahan ekuitas entitas asosiasi	31	-	-	-	-	108.277	-	-	-	-	108.277	-	108.277	*Effect of changes in equity in associates*
Setoran modal dari kepentingan nonpengendali	28	-	-	-	-	-	-	-	-	-	-	1.153.846	1.153.846	*Capital injection from non-controlling interest*
Pembelian saham treasuri	2,29	(877.648)	(830.392)	-	-	-	-	-	-	-	(1.708.040)	-	(1.708.040)	*Purchase of treasury shares*
Saldo per 30 September 2016		**99.153.923**	**180.657.446**	**6.492.210**	**290.434.141**	**9.508.620**	**(23.963.988)**	**(8.622.965)**	**(6.553.985)**	**26.369.099**	**573.474.501**	**4.923.235**	**578.397.736**	***Balance, September 30, 2016***

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

PT MEDCO ENERGI INTERNASIONAL Tbk DAN ENTITAS ANAKNYA
LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN (lanjutan)
Untuk Periode Sembilan Bulan yang Berakhir pada Tanggal-Tanggal 30 September 2017 dan 2016 dan
Untuk Tahun yang Berakhir pada Tanggal-Tanggal 31 Desember 2016, 2015, dan 2014
(Disajikan dalam Dolar Amerika Serikat, Kecuali Dinyatakan Lain)

PT MEDCO ENERGI INTERNASIONAL Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)
For the Nine-Month Periods Ended September 30, 2017 and 2016 and
For the Years Ended December 31, 2016, 2015, and 2014
(Expressed in United States Dollars, Unless Otherwise Stated)

		Diatribusikan kepada pemilik entitas induk/*Attributable to the equity holders of the parent company*												
				Saldo Laba/*Retained Earnings*										
	Catatan/ *Notes*	Modal Saham/ *Capital Stock*	Tambahan Modal Disetor/ *Additional Paid-in Capital*	Ditentukan Penggunaannya/ *Appropriated*	Tidak Ditentukan Penggunaannya/ *Unappropriated*	Dampak Perubahan Transaksi Ekuitas Entitas Anak/Entitas Asosiasi/ *Effect of Changes in Equity Transactions of Subsidiaries/ Associates*	Selisih Kurs karena Penjabaran Laporan Keuangan/ *Translation Adjustments*	Penyesuaian Nilai Wajar atas Instrumen Lindung Nilai Arus Kas/ *Fair Value Adjustment on Cash Flow Hedging Instruments*	Bagian pendapatan (rugi) komprehensif lain dari Entitas Asosiasi/ *Share of other comprehensive income (loss) of Asssociates*	Pengukuran kembali program imbalan pasti/ *Remeasurement of defined benefit program*	Jumlah/*Total*	Kepentingan Nonpengendali/ *Non-controlling Interests*	Jumlah Ekuitas/ *Total Equity*	
Saldo per 31 Desember 2015		**100.031.571**	**181.487.838**	**6.492.210**	**440.010.031**	**9.400.343**	**(28.365.965)**	**(33.440.020)**	**(2.713.819)**	**23.580.468**	**696.482.657**	**5.111.202**	**701.593.859**	***Balance, December 31, 2015***
Laba tahun berjalan		-	-	-	184.757.556	-	-	-	-	-	184.757.556	2.291.423	187.048.979	*Profit for the year*
Penghasilan komprehensif lain		-	-	-	-	-	1.927.379	26.701.018	(24.146.202)	3.429.740	7.911.935	-	7.911.935	*Other comprehensive income*
Jumlah laba komprehensif tahun berjalan		-	-	-	184.757.556	-	1.927.379	26.701.018	(24.146.202)	3.429.740	192.669.491	2.291.423	194.960.914	*Total comprehensive income for the year*
Dividen kas	28	-	-	-	-	-	-	-	-	-	-	(5.600.000)	(5.600.000)	*Cash dividends*
Selisih transaksi perubahan ekuitas entitas asosiasi	31	-	-	-	-	108.277	-	-	-	-	108.277	-	108.277	*Effect of changes in equity in associates*
Setoran modal dari kepentingan nonpengendali	28	-	-	-	-	-	-	-	-	-	-	1.153.846	1.153.846	*Capital injection from non-controlling interest*
Pembelian saham treasuri	2,29	(877.648)	(830.392)	-	-	-	-	-	-	-	(1.708.040)	-	(1.708.040)	*Purchase of treasury shares*
Saldo per 31 Desember 2016		**99.153.923**	**180.657.446**	**6.492.210**	**624.767.587**	**9.508.620**	**(26.438.586)**	**(6.739.002)**	**(26.860.021)**	**27.010.208**	**887.552.385**	**2.956.471**	**890.508.856**	***Balance, December 31, 2016***
Laba periode berjalan		-	-	-	164.321.176	-	-	-	-	-	164.321.176	3.764.213	168.085.389	*Profit for the period*
Penghasilan komprehensif lain		-	-	-	-	-	269.171	15.539.917	(498.257)	(7.107.100)	8.203.731	-	8.203.731	*Other comprehensive income*
Jumlah laba komprehensif periode berjalan		-	-	-	164.321.176	-	269.171	15.539.917	(498.257)	(7.107.100)	172.524.907	3.764.213	176.289.120	*Total comprehensive income for the period*
Dividen kas	28	-	-	-	-	-	-	-	-	-	-	(3.520.000)	(3.520.000)	*Cash dividends*
Pembayaran berbasis saham	30	968.684	1.564.877	-	-	-	-	-	-	-	2.533.561	-	2.533.561	*Share-based payment*
Saldo per 30 September 2017		**100.122.607**	**182.222.323**	**6.492.210**	**789.088.763**	**9.508.620**	**(26.169.415)**	**8.800.915**	**(27.358.278)**	**19.903.108**	**1.062.610.853**	**3.200.684**	**1.065.811.537**	***Balance, September 30, 2017***

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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PT MEDCO ENERGI INTERNASIONAL Tbk
DAN ENTITAS ANAKNYA
LAPORAN ARUS KAS
KONSOLIDASIAN
Untuk Periode Sembilan Bulan yang Berakhir pada Tanggal-Tanggal 30 September 2017 dan 2016 dan Untuk Tahun yang Berakhir pada Tanggal-Tanggal 31 Desember 2016, 2015, dan 2014
(Disajikan dalam Dolar Amerika Serikat, Kecuali Dinyatakan Lain)

PT MEDCO ENERGI INTERNASIONAL Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine-Month Periods Ended September 30, 2017 and 2016 and For the Years Ended December 31, 2016, 2015, and 2014
(Expressed in United States Dollars, Unless Otherwise Stated)

	Catatan/ *Notes*	30 September/*September 30,* 2017	30 September/*September 30,* 2016 Tidak diaudit/ *Unaudited)*	31 Desember/*December 31,* 2016 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	31 Desember/*December 31,* 2015 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	31 Desember/*December 31,* 2014 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	
Arus Kas dari Aktivitas Operasi							***Cash Flows from Operating Activities***
Penerimaan kas dari pelanggan		679.073.292	328.790.889	508.738.183	612.291.193	671.549.632	*Cash receipts from customers*
Pembayaran kas kepada pemasok dan karyawan		(237.344.096)	(235.557.148)	(467.563.407)	(467.916.629)	(452.247.316)	*Cash paid to suppliers and employees*
Kas yang dihasilkan dari kegiatan usaha		441.729.196	93.233.741	41.174.776	144.374.564	219.302.316	*Cash generated from operations*
Pembayaran pajak penghasilan		(93.569.567)	(14.601.148)	(20.287.869)	(31.187.067)	(70.080.595)	*Income tax paid*
Kas neto diperoleh dari aktivitas operasi		**348.159.629**	**78.632.593**	**20.886.907**	**113.187.497**	**149.221.721**	***Net cash provided by operating activities***
Arus Kas dari Aktivitas Investasi							***Cash Flows from Investing Activities***
Penambahan aset minyak dan gas bumi	17	(127.601.564)	(44.446.304)	(87.858.518)	(92.360.829)	(142.387.297)	*Additions to oil and gas properties*
Akuisisi bisnis setelah dikurangi kas yang diperoleh	46	(26.729.173)	(25.607.351)	(261.521.269)	(157.761.576)	(126.363.802)	*Acquistion of business net of cash acquired*
Penambahan aset eksplorasi dan evaluasi	16	(19.371.917)	(2.937.993)	(325.942)	(11.017.582)	(41.016.367)	*Addition to exploration and evaluation assets*
Penambahan investasi jangka pendek		(2.558.899)	(334.328)	(63.000.000)	(2.000.000)	(7.500.000)	*Additions to short-term investments*
Perolehan aset tetap	14	(7.346)	(3.209.726)	(77.997)	(1.089.575)	(510.096)	*Acquisitions of property, plant and equipment*
Penerimaan bunga		3.291.141	1.294.126	4.611.013	6.721.504	9.273.167	*Interest received*
Penerimaan dari uang muka proyek - Jeruk		25.217.205	35.805	-	2.614.574	-	*Proceeds from advance project - Jeruk*
Penerimaan dari pencairan investasi jangka pendek		43.024.398	218.901.936	218.901.936	56.573.323	5.406.469	*Proceeds from redemption of short-term investments*
Penambahan aset lain-lain		(4.112.982)	-	(21.127.908)	(2.844.495)	(106.079)	*Additions to other assets*
Penerimaan dari pelepasan enitas anak	46	10.821.392	-	-	659.995	17.400.000	*Proceeds from disposal of subsidiaries*
Penambahan piutang lain-lain dari pihak berelasi		-	29.620.713	35.465.668	122.508.505	(10.304.901)	*Additions to other receivables from related parties*
Uang muka untuk investasi		-	(575.000.000)	-	(75.000.000)	-	*Advance for investment*
Dividen kas dari entitas asosiasi	12	-	-	750.000	1.550.850	458.150	*Cash dividends received from associates*
Penerimaan atas penjualan aset tetap		-	-	-	55.789	2.557.354	*Proceeds from disposal of property, plant and equipment*
Penambahan investasi pada ventura bersama	46	-	-	(404.000.000)	-	-	*Addition to investment in joint venture*
Penambahan investasi saham		-	-	-	-	(11.144.400)	*Addition to investment in shares of stock*
Kas neto digunakan untuk aktivitas investasi		**(98.027.745)**	**(401.683.122)**	**(578.183.017)**	**(151.389.517)**	**(304.237.802)**	***Net cash used in investing activities***

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

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**PT MEDCO ENERGI INTERNASIONAL Tbk
DAN ENTITAS ANAKNYA
LAPORAN ARUS KAS
KONSOLIDASIAN (lanjutan)
Untuk Periode Sembilan Bulan yang Berakhir pada
Tanggal-Tanggal 30 September 2017 dan 2016 dan
Untuk Tahun yang Berakhir pada Tanggal-Tanggal
31 Desember 2016, 2015, dan 2014
(Disajikan dalam Dolar Amerika Serikat,
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***PT MEDCO ENERGI INTERNASIONAL Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
CASH FLOWS (continued)
For the Nine-Month Periods Ended
September 30, 2017 and 2016 and
For the Years Ended
December 31, 2016, 2015, and 2014
(Expressed in United States Dollars,
Unless Otherwise Stated)***

	Catatan/ *Notes*	30 September/*September 30,* 2017	2016 Tidak diaudit/ *Unaudited)*	31 Desember/*December 31,* 2016 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	2015 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	2014 (Disajikan kembali/ *As Restated* - Catatan/ *Note 37)*	
Arus Kas dari Aktivitas Pendanaan							***Cash Flows from Financing Activities***
Hasil yang diperoleh dari:							*Proceeds from:*
- Pinjaman bank		278.590.650	160.000.000	330.000.000	737.579.016	465.012.073	*Bank loans -*
- Pinjaman jangka panjang		557.418.091	189.786.094	267.105.804	70.690.000	80.385.852	*Other long-term Debt -*
- Pihak berelasi		-	-	-	-	2.843.469	*Related party -*
Pembayaran atas:							*Payments of:*
- Pinjaman bank		(455.325.000)	(190.000.000)	(168.400.200)	(378.344.318)	(159.948.052)	*Bank loans -*
- Utang jangka panjang lainnya		(202.226.996)	(50.000.000)	(80.005.665)	-	(79.300.643)	*Other long-term debt -*
- Pihak berelasi		-	-	-	-	(134.360.957)	*Related party -*
Pembayaran beban pendanaan		(95.334.876)	(66.309.139)	(86.492.393)	(69.385.857)	(68.979.942)	*Payment of financing charges*
Penyelesaian liabilitas derivatif		(45.710.487)	-	-	(50.321.967)	(7.629.154)	*Settlement of derivative liability*
Pembayaran dividen kas dari Entitas Anak kepada kepentingan nonpengendali		(3.520.000)	(3.200.000)	(5.600.000)	(6.400.000)	(5.600.000)	*Cash dividends payment of a Subsidiary to non-controlling interest*
Penarikan (penempatan) deposito dan rekening bank yang dibatasi penggunaannya	11	(84.706.506)	4.722.327	4.832.714	(789.191)	8.094.374	*Withdrawal of (increase in) restricted time deposits and cash in banks*
Pembelian saham treasuri		-	(1.708.040)	(1.708.040)	(3.074.888)	-	*Purchase of treasury shares*
Pembayaran dividen kas		-	-	-	(4.045.475)	(5.033.368)	*Cash dividends payment*
Kas neto diperoleh dari (digunakan untuk) aktivitas pendanaan		**(50.815.124)**	**43.291.242**	**259.732.220**	**295.907.320**	**95.483.652**	***Net cash provided (used in) by financing activities***
KENAIKAN (PENURUNAN) NETO KAS DAN SETARA KAS DARI OPERASI YANG DILANJUTKAN		**199.316.760**	**(279.759.287)**	**(297.563.890)**	**257.705.300**	**(59.532.429)**	***NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS***
KENAIKAN (PENURUNAN) NETO KAS DAN SETARA KAS DARI OPERASI YANG DIHENTIKAN	37	**1.120.042**	**11.990**	**(1.720.976)**	**441.125**	**2.515.612**	***NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS***
KENAIKAN NETO KAS DAN SETARA KAS DARI ASET YANG DIMILIKI UNTUK DIJUAL	37	**(54.537)**	**215.432**	**(62.223)**	**-**	**-**	***NET INCREASE IN CASH AND CASH EQUIVALENTS FROM ASSETS HELD FOR SALE***
PERBEDAAN NILAI TUKAR NETO		**(101.879)**	**415.671**	**732.740**	**(1.611.104)**	**(317.269)**	***NET FOREIGN EXCHANGE DIFFERENCE***
KAS DAN SETARA KAS PADA AWAL PERIODE	4	**164.560.884**	**463.175.233**	**463.175.233**	**206.639.912**	**263.973.998**	***CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD***
KAS DAN SETARA KAS PADA AKHIR PERIODE	4	**364.841.270**	**184.059.039**	**164.560.884**	**463.175.233**	**206.639.912**	***CASH AND CASH EQUIVALENTS AT END OF PERIOD***

Catatan atas laporan keuangan konsolidasian interim terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian inteirm secara keseluruhan.

The accompanying notes to the interim consolidated financial statements form an integral part of these interim consolidated financial statements taken as a whole.

1. UMUM

a. Informasi Umum

PT Medco Energi Internasional Tbk ("Perusahaan") didirikan di dalam kerangka Undang-undang Penanaman Modal Dalam Negeri No. 6 Tahun 1968 yang telah diubah dengan Undang-Undang No. 12 tahun 1970, berdasarkan Akta Notaris No. 19 oleh Imas Fatimah, S.H., pada tanggal 9 Juni 1980. Akta pendirian ini disetujui oleh Menteri Kehakiman Republik Indonesia dengan Surat Keputusan No.Y.A.5/192/4 tanggal 7 April 1981 dan diumumkan dalam Berita Negara Republik Indonesia No. 102, Tambahan No. 1020 tanggal 22 Desember 1981.

Anggaran Dasar Perusahaan beberapa kali mengalami perubahan, dimana perubahan terakhir dilakukan untuk pemecahan nilai nominal saham Perseroan. Perubahan terakhir tersebut diaktakan dengan Akta Notaris No. 30 tanggal 14 Juli 2017, yang telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia dalam surat keputusannya No. AHU-0153495.AH.01.03 TH 2017.

Perusahaan berdomisili di Jakarta dan kantor pusat beralamat di Lantai 53, Gedung The Energy, SCBD lot 11A, Jl. Jenderal Sudirman, Jakarta 12190.

Sesuai dengan Pasal 3 Anggaran Dasar Perusahaan, ruang lingkup aktivitas Perusahaan terdiri dari, antara lain, eksplorasi dan produksi minyak dan gas bumi dan aktivitas energi lainnya, usaha pengeboran darat dan lepas pantai, serta melakukan investasi (langsung dan tidak langsung) pada entitas anak. Perusahaan memulai kegiatan operasi komersialnya pada tanggal 13 Desember 1980.

Perusahaan dan entitas anaknya (bersama-sama disebut "Grup") memiliki karyawan tetap masing-masing sekitar 1.958 (tidak diaudit), 1.956 (tidak diaudit), 1.956 (tidak diaudit), 1.511 (tidak diaudit) dan 1.766 (tidak diaudit) orang pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014.

1. GENERAL

a. General Information

PT Medco Energi Internasional Tbk ("the Company") was established within the framework of the Domestic Capital Investment Law No. 6 Year 1968 as amended by Law No. 12 Year 1970, based on notarial deed No. 19 of Imas Fatimah, S.H., dated June 9, 1980. The deed of establishment was approved by the Ministry of Justice of the Republic of Indonesia in its decision letter No. Y.A.5/192/4 dated April 7, 1981 and was published in State Gazette No. 102, Supplement No. 1020 dated December 22, 1981.

The Company's Articles of Association has been amended several times, the latest amendments of which were made to stock split the Company's share capital value. The latest amendments were covered by notarial deed No. 30 dated July 14, 2017, which were approved by the Ministry of Law and Human Rights in its decision letter No. AHU-0153495.AH.01.03 TH 2017.

The Company is domiciled in Jakarta and its head office is located at 53rd Floor, The Energy Building, SCBD lot 11A, Jl. Jenderal Sudirman, Jakarta 12190.

In accordance with Article 3 of the Company's Articles of Association, the scope of its activities comprises, among others, exploration for and production of oil and natural gas and other energy activities, onshore and offshore drilling, and investing (direct and indirect) in subsidiaries. The Company started its commercial operations on December 13, 1980.

The Company and subsidiaries (collectively referred to as the "Group") have approximately 1,958 (unaudited) and 1,956 (unaudited), 1,956 (unaudited), 1,511 (unaudited) and 1,766 (unaudited) permanent employees as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, respectively.

1. UMUM (lanjutan)

b. Penawaran Umum Efek Saham Perusahaan

Saham Perusahaan ditawarkan perdana kepada masyarakat dan dicatatkan di Bursa Efek Jakarta (BEJ) (sekarang Bursa Efek Indonesia) pada tanggal 12 Oktober 1994. Penawaran perdana saham Perusahaan sejumlah 22.000.000 saham dengan nilai nominal Rp1.000 per saham, disetujui untuk dicatatkan pada tanggal 13 September 1994 oleh Badan Pengawas Pasar Modal dan Lembaga Keuangan (BAPEPAM-LK, dahulu Badan Pengawas Pasar Modal/BAPEPAM) dengan suratnya No. S-1588/PM/1994.

Perusahaan juga melakukan Penawaran Umum Terbatas I dengan maksimum 379.236.000 saham yang disetujui untuk dicatatkan pada tanggal 16 November 1999 oleh Ketua BAPEPAM-LK melalui suratnya No. S-2244/PM/1999. Saham baru sebanyak 321.730.290 saham diterbitkan dalam penawaran ini dan dicatatkan di BEJ pada tanggal 19 November 1999.

Pada tanggal 30 September 2017, seluruh saham Perusahaan sejumlah 13.329.805.800 tercatat di Bursa Efek Indonesia. Pada tanggal 30 September 2016 dan 31 Desember 2016, 2015, dan 2014, seluruh saham Perusahaan sejumlah 3.332.451.450 tercatat di Bursa Efek Indonesia.

c. Dewan Komisaris dan Direksi dan Komite Audit

Susunan Dewan Komisaris dan Direksi, dan Anggota Komite Audit Perusahaan pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 adalah sebagai berikut:

1. GENERAL (continued)

b. The Company's Share Public Offering

The Company's shares of stock were initially offered to the public and listed on the Jakarta Stock Exchange (JSE) (now Indonesia Stock Exchange) on October 12, 1994. The Company's initial public offering of 22,000,000 shares with a par value of Rp1,000 per share, was approved for listing on September 13, 1994 by the Capital Market and Financial Institution Supervisory Agency (BAPEPAM-LK, formerly Capital Market Supervisory Agency/BAPEPAM) in its letter No. S-1588/PM/1994.

The Company also made a Limited Public Offering I of a maximum of 379,236,000 shares which were approved for listing on November 16, 1999 by the Chairman of BAPEPAM-LK through its letter No. S-2244/PM/1999. 321,730,290 new shares were issued and listed on the JSE on November 19, 1999.

As of September 30, 2017, all of the Company's 13,329,805,800 shares are listed on the Indonesia Stock Exchange. As of September 30, 2016 and December 31, 2016, 2015, and 2014, all of the Company's 3,332,451,450 shares are listed on the Indonesia Stock Exchange.

c. Boards of Commissioners and Directors and Audit Committee

The members of the Company's Boards of Commissioners and Directors, and Audit Committee as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 are as follows:

1. UMUM (lanjutan)

c. Dewan Komisaris dan Direksi dan Komite Audit (lanjutan)

1. GENERAL (continued)

c. Boards of Commissioners and Directors and Audit Committee (continued)

	30 September/*September 30,*		
	2017	**2016**	
Dewan Komisaris:			***Board of Commissioners:***
Komisaris Utama	Muhammad Lutfi	Muhammad Lutfi	*President Commissioner*
Komisaris Independen	Bambang Subianto	Bambang Subianto	*Independent Commissioner*
Komisaris Independen	Marsillam Simandjuntak	Marsillam Simandjuntak	*Independent Commissioner*
Komisaris	Yani Yuhani Rodyat	Yani Yuhani Rodyat	*Commissioner*
Komisaris	Yaser Raimi A. Panigoro	Yaser Raimi A. Panigoro	*Commissioner*
Komisaris	-	Junichi Iseda	*Commissioner*
Direksi:			***Board of Directors:***
Direktur Utama	Hilmi Panigoro	Hilmi Panigoro	*President Director*
Direktur dan *CEO*	Roberto Lorato	Roberto Lorato	*Director and CEO*
Direktur Independen	Anthony R. Mathias	Anthony R. Mathias	*Independent Director*
Direktur	Ronald Gunawan	Ronald Gunawan	*Director*
Direktur	Amri Siahaan	Amri Siahaan	*Director*
Ketua Komite Audit	Bambang Subianto	Bambang Subianto	*Chairman of Audit Committee*
Anggota Komite Audit	Jul Azmi	Jul Azmi	*Member of Audit Committee*
Anggota Komite Audit	Ida Anggrainy Sarwani	Ida Anggrainy Sarwani	*Member of Audit Committee*

	31 Desember/*December 31,*			
	2016	**2015**	**2014**	
Dewan Komisaris:				***Board of Commissioners:***
Komisaris Utama	Muhammad Lutfi	Muhammad Lutfi	Hilmi Panigoro	*President Commissioner*
Komisaris Independen	Bambang Subianto	Bambang Subianto	Gustiawan Deru	*Independent Commissioner*
Komisaris Independen	Marsillam Simandjuntak	Marsillam Simandjuntak	Marsillam Simandjuntak	*Independent Commissioner*
Komisaris	Yani Yuhani Rodyat	Yani Yuhani Rodyat	Yani Yuhani Rodyat	*Commissioner*
Komisaris	Yaser Raimi A. Panigoro	Yaser Raimi A. Panigoro	Retno Dewi Arifin	*Commissioner*
Komisaris	-	Junichi Iseda	Junichi Iseda	*Commissioner*
Direksi:				***Board of Directors:***
Direktur Utama	Hilmi Panigoro	Hilmi Panigoro	Lukman A. Mahfud	*President Director*
Direktur dan CEO	Roberto Lorato	Roberto Lorato	-	*Director and CEO*
Direktur Independen	Anthony R. Mathias	Anthony R. Mathias	-	*Independent Director*
Direktur	Ronald Gunawan	Ronald Gunawan	Lany Djuwita Wong	*Director*
Direktur	Amri Siahaan	Amri Siahaan	Akira Mizuta	*Director*
Direktur	-	-	Frila Berlini Yaman	*Director*
Ketua Komite Audit	Bambang Subianto	Marsillam Simandjuntak	Marsillam Simandjuntak	*Chairman of Audit Committee*
Anggota Komite Audit	Jul Azmi	Jul Azmi	Jul Azmi	*Member of the Audit Committee*
Anggota Komite Audit	Ida Anggrainy Sarwani	Ida Anggrainy Sarwani	Ida Anggrainy Sarwani	*Member of the Audit Committee*

Pada tanggal 29 Juni 2016, pemegang saham, pada Rapat Umum Pemegang Saham Tahunan (RUPST), menyetujui pengunduran diri Bapak Junichi Iseda dari jabatannya sebagai Komisaris.

On June 29, 2016, the shareholders, in their Annual General Meeting of Shareholders (AGMS), approved the resignation of Mr. Junichi Iseda as Commissioner.

Efektif tanggal 13 Januari 2016, pemegang saham mengangkat Bapak Bambang Subianto menggantikan Bapak Marsillam Simandjuntak sebagai Ketua Komite Audit.

Effective January 13, 2016, the shareholders appointed Mr. Bambang Subianto to replace Mr. Marsillam Simandjuntak as the Chairman of Audit Committee.

1. UMUM (lanjutan)

c. Dewan Komisaris dan Direksi dan Komite Audit (lanjutan)

Keseluruhan kompensasi dan imbalan lain kepada Dewan Komisaris dan Direksi untuk periode sembilan bulan yang berakhir pada tanggal-tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 terdiri dari:

1. GENERAL (continued)

c. Boards of Commissioners and Directors and Audit Committee (continued)

The total compensation and other benefits for the Commissioners and Directors for the nine-month periods ended September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 consist of:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Dewan Komisaris						***Board of Commisioners***
Imbalan jangka pendek	1.309.981	1.087.757	1.364.270	1.938.611	2.517.327	*Short-term compensations*
Direksi						***Board of Directors***
Imbalan jangka pendek	2.837.936	937.718	1.522.202	2.417.584	3.106.448	*Short-term compensations*
Imbalan pasca-kerja (pencadangan)	987.391	1.036.992	1.595.372	935.137	1.125.156	*Post retirement benefits (provision)*
Sub-Jumlah	3.825.327	1.974.710	3.117.574	3.352.721	4.231.604	*Sub-total*
Pembayaran berbasis saham untuk Komisaris dan Direksi	1.190.108	-	-	-	-	*Share-based payments for Directors and Commisioners*
Jumlah	**6.325.416**	**3.062.467**	**4.481.844**	**5.291.332**	**6.748.931**	***Total***

d. Entitas Anak

i. Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, Perusahaan telah mengkonsolidasikan semua entitas anaknya sesuai dengan kebijakan sebagaimana diuraikan dalam Catatan 2b, "Prinsip Konsolidasi". Untuk tujuan pengungkapan, hanya entitas *subholding* atau entitas anak yang material terhadap laporan keuangan konsolidasian Grup dari jumlah aset/liabilitas dan/atau pendapatan/laba neto yang disajikan dalam tabel di bawah ini:

d. Subsidiaries

i. As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, the Company has consolidated all of its subsidiaries in line with its accounting policy as described in Note 2b, "Principles of Consolidation". For disclosure purposes, only subholding entities or subsidiaries which are material in terms of total assets/liabilities and/or revenue/net income to the Group's consolidated financial statements are presented in the table below:

1. UMUM (lanjutan)

d. Entitas Anak (lanjutan)

1. GENERAL (continued)

d. Subsidiaries (continued)

	Dimulainya kegiatan komersial/ *Start of commercial operations*	Tanggal perolehan izin eksplorasi/ eksploitasi/ *Date of exploration/ exploitation permit obtained*	Persentase kepemilikan efektif/ *Effective percentage of ownership*		Jumlah aset (sebelum eliminasi) dalam jutaan/ *Total assets (before elimination) in millions*	
			30 September 2017/ *September 30, 2017*	30 September 2016 (tidak diaudit/ *September 30, 2016 (Unaudited)*	30 September 2017/ *September 30, 2017*	30 September 2016 (tidak diaudit/ *September 30, 2016 (Unaudited)*
Eksplorasi dan produksi minyak dan gas/ *Exploration and production of oil and gas*						
PT Medco E & P Tarakan [1] Indonesia	1992	14 Jan' 2002	100,00	100,00	16,45	13,91
PT Medco E & P Indonesia [1] Indonesia	1995	28 Nov' 2013	100,00	100,00	154,70	145,41
PT Medco E & P Tomori Sulawesi [1] Indonesia	2005	4 Des' 1997	100,00	100,00	298,84	333,73
PT Medco E & P Simenggaris [1] Indonesia	2009	24 Feb' 1998	100,00	100,00	75,74	74,10
PT Medco E & P Bengara [1] Indonesia	Tahap eksplorasi/ *Exploration stage*	27 Sep' 1999	95,00	95,00	2,37	6,54
PT Medco E & P Lematang [1] Indonesia	2003	6 Apr' 1987	100,00	100,00	220,50	177,06
Medco Indonesia Holdings BV [1] Indonesia	-	-	100,00	100,00	-	-
Medco Lematang BV [2] Indonesia	2003	6 Apr' 1987	100,00	100,00	100,14	112,54
Medco South Sokang BV [2] Indonesia	Tahap eksplorasi/ *Exploration stage*	17 Des' 2010	100,00	100,00	-	-
Medco Cendrawasih VII BV [2] Indonesia	Tahap eksplorasi/ *Exploration stage*	16 Jul' 2013	100,00	100,00	-	-
Oil & Gas BV [2] Indonesia	-	-	100,00	100,00	-	-
Medco Energi Global Pte Ltd [2] Singapura/*Singapore*	2004	-	100,00	100,00	695,12	786,19
PT Medco CBM Sekayu [2] Indonesia	Tahap eksplorasi/ *Exploration stage*	27 Mei 2008	100,00	100,00	2,25	2,33
PT Medco CBM Pendopo [2] Indonesia	Tahap eksplorasi/ *Exploration stage*	3 Des' 2010	100,00	100,00	0,73	0,13
PT Medco CBM Lematang [2] Indonesia	Tahap eksplorasi/ *Exploration stage*	1 Agustus 2011	100,00	100,00	0,14	0,70
PT Medco E & P Malaka [1] Indonesia	Tahap eksplorasi dan Pengembangan/ *Exploration and Development stage*	1 Sep' 1991	100,00	100,00	582,24	176,87
PT Medco E & P Rimau [1] Indonesia	2005	23 Apr' 2003	100,00	100,00	156,24	177,00
PT Medco E & P Nunukan [1] Indonesia	Tahap eksplorasi/ *Exploration stage*	12 Des' 2004	100,00	100,00	0,03	0,03
Medco Bawean (Holdings) Pte Ltd [1)3)] Singapura/*Singapore*	2008	12 Feb' 2011	100,00	100,00	38,36	70,13
Medco Yemen Malik Ltd [2] Yaman/*Yemen*	2012	-	100,00	100,00	0,14	14,21
Camar Bawean Petroleum Ltd [2] Indonesia	2005	12 Feb' 2011	-	100,00	-	36,98

1. UMUM (lanjutan) / *1. GENERAL (continued)*

d. Entitas Anak (lanjutan) / *d. Subsidiaries (continued)*

	Dimulainya kegiatan komersial/ *Start of commercial operations*	Tanggal perolehan izin eksplorasi/ eksploitasi/ *Date of exploration/ exploitation permit obtained*	Persentase kepemilikan efektif/ *Effective percentage of ownership*		Jumlah aset (sebelum eliminasi) dalam jutaan/ *Total assets (before elimination) in millions*	
			30 September 2017/ *September 30, 2017*	30 September 2016 (tidak diaudit)/ *September 30,2016 (Unaudited)*	30 September 2017/ *September 30, 2017*	30 Setpember 2016 (tidak diaudit/ *September 30, 2016 (Unaudited)*
Lematang E & P Limited [2] Indonesia	2008	6 Apr' 1987	100,00	100,00	118,42	110.04
Medco International [2] Services Pte Ltd Singapura/ *Singapore*	2004	-	100,00	100,00	25,05	24,21
Medco Yemen Holding Ltd [2] Yaman/ *Yemen*	2008	-	100,00	100,00	0,04	0,04
Medco Yemen Amed Ltd [2] Yaman/ *Yemen*	Tahap eksplorasi/ *Exploration stage*	13 Apr' 2008	100,00	100,00	1,55	1,22
Medco Cambodia Holding Limited [2] Kamboja/ *Cambodia*	2007	-	100,00	100,00	-	-
Medco LLC [2] Oman	2001	Jan' 2006	68,00	68,00	36,63	43,41
Medco Energi USA Inc [2] Amerika Serikat/ *United States of America (USA)*	2004	-	100,00	100,00	225,35	222,11
Medco Energi US LLC [2] Amerika Serikat/ *USA*	2004	-	100,00	100,00	24,56	33,82
Medco Petroleum Management LLC [2] Amerika Serikat/ *USA*	2014	-	100,00	100,00	0,04	0,03
Medco Tunisia Petroleum Limited [2] Tunisia	2004	-	100,00	100,00	128,54	128,54
Medco Ventures Internasional (Barbados) Limited [2] Barbados	2014	-	100,00	100,00	158,09	57,92
Medco Sahara Limited [2] Inggris/ *United Kingdom*	2014	-	100,00	100,00	-	-
Medco E & P Natuna Ltd [2] Indonesia	1979	19 Jan' 1999	100,00	100,00	475,07	-
Pertambangan/*Mining*						
PT Duta Tambang Rekayasa [2] [3] Indonesia	Tahap Operasi Produksi/ *Operation & Production Phase*	2 Feb' 2010	100,00	100,00	20,00	15,20
PT Duta Tambang Sumber Alam [2] [3] Indonesia	Tahap Operasi Produksi/ *Operation & Production Phase*	30 Sep' 2014	100,00	100,00	1,47	0,06
Jasa penunjang operasi minyak dan gas/ *Support services for oil and gas activities*						
PT Exspan Petrogas Intranusa [1] [3] Indonesia			100,00	100,00	44,93	50,85
PT Medco Gas Indonesia [1] [3] Indonesia			100,00	100,00	14,75	3,85
PT Mitra Energi Gas Sumatra [2] Indonesia			100,00	100,00	16,39	17,73
PT Meta Adhya Tirta Umbulan [2] [3] Indonesia			70,00	70,00	19,50	9,40
Medco Singapore Operation Pte Ltd [2] Singapura/*Singapore*			100,00	100,00	1,04	-
Produksi kimia dan perdagangan/ *Production and trading of chemicals*						
PT Medco Niaga Internasional [1] Indonesia			100,00	100,00	0,37	0,37
Liquefied Natural Gas						
PT Medco LNG Indonesia [1] Indonesia			100,00	100,00	147,39	145,42
Lain-lain/*Others*						
PT Api Metra Graha [1] [3] Indonesia			100,00	100,00	203,82	117,20
MEI Euro Finance Limited [1] Mauritius			100,00	100,00	0,09	0,003
PT Medco Energi Mining Internasional [1] [3] Indonesia			100,00	100,00	6,23	5,62
Medco Straits Services Pte Ltd [1] Singapura/ *Singapore*			100,00	100,00	1.726,18	1.278,15
PT Medco Power Generation Indonesia) [1] Indonesia			100,00	100,00	2,17	2,14
PT Medco Java Power [2] Indonesia			100,00	100,00	0,04	0,04

1. UMUM (lanjutan)

d. Entitas Anak (lanjutan)

1. GENERAL (continued)

d. Subsidiaries (continued)

	Dimulainya kegiatan komersial/ *Start of commercial operations*	Tanggal perolehan izin eksplorasi/eksploitasi/ *Date of exploration/ exploitation permit obtained*	Persentase kepemilikan efektif/ *Effective percentage of ownership*			Jumlah aset (sebelum eliminasi) dalam jutaan/ *Total assets (before elimination) in millions*		
			31 Desember 2016/ *December 31, 2016*	31 Desember 2015/ *December 31, 2015*	31 Desember 2014/ *December 31, 2014*	31 Desember 2016/ *December 31, 2016*	31 Desember 2015/ *December 31, 2015*	31 December 2014/ *December 31, 2014*
Eksplorasi dan produksi minyak dan gas/ *Exploration and production of oil and gas*								
PT Medco E & P Tarakan [1] Indonesia	1992	14 Jan' 2002	100,00	100,00	100,00	15,96	19,77	33,56
PT Medco E & P Indonesia [1] Indonesia	1995	28 Nov' 2013	100,00	100,00	100,00	159,95	186,92	275,37
PT Medco E & P Tomori Sulawesi [1] Indonesia	2005	4 Des' 1997	100,00	100,00	100,00	313,31	329,87	289,14
PT Medco E & P Simenggaris [1] Indonesia	2009	24 Feb' 1998	100,00	100,00	100,00	71,75	48,64	48,37
PT Medco E & P Bengara [1] Indonesia	Tahap eksplorasi/ *Exploration stage*	27 Sep' 1999	95,00	95,00	95,00	6,52	9,79	10,40
PT Medco E & P Lematang [1] Indonesia	2003	6 Apr' 1987	100,00	100,00	100,00	86,73	83,34	112,67
Medco Indonesia Holdings BV [1] Indonesia	-	-	100,00	-	-	-	-	-
Medco Lematang BV [2] Indonesia	2003	6 Apr' 1987	100,00	-	-	90,05	-	-
Medco South Sokang BV [2] Indonesia	Tahap eksplorasi/ *Exploration stage*	17 Des' 2010	100,00	-	-	-	-	-
Medco Cendrawasih VII BV [2] Indonesia	Tahap eksplorasi/ *Exploration stage*	16 Jul' 2013	100,00	-	-	-	-	-
Oil & Gas BV [2] Indonesia	-	-	100,00	-	-	-	-	-
Medco Energi Global Pte Ltd [2] Singapura/*Singapore*	2004	-	100,00	100,00	100,00	784,12	739,92	731,39
PT Medco CBM Sekayu [2] Indonesia	Tahap eksplorasi/ *Exploration stage*	27 Mei 2008	100,00	100,00	100,00	2,29	3,32	9,40
PT Medco CBM Pendopo [2] Indonesia	Tahap eksplorasi/ *Exploration stage*	3 Des' 2010	100,00	100,00	100,00	0,72	0,63	2,69
PT Medco CBM Lematang [2] Indonesia	Tahap eksplorasi/ *Exploration stage*	1 Agustus 2011	100,00	100,00	100,00	0,82	0,91	1,93
PT Medco E & P Malaka [1] Indonesia	Tahap eksplorasi dan Pengembangan/ *Exploration and Development stage*	1 Sep' 1991	100,00	100,00	100,00	261,61	141,20	103,14
PT Medco E & P Rimau [1] Indonesia	2005	23 Apr' 2003	100,00	100,00	100,00	194,52	240,55	261,48
PT Medco E & P Nunukan [1] Indonesia	Tahap eksplorasi/ *Exploration stage*	12 Des' 2004	100,00	100,00	100,00	0,03	1,37	3,7
Medco Bawean (Holdings) Pte Ltd [1] [3] Singapura/*Singapore*	2008	12 Feb' 2011	100,00	100,00	100,00	74,85	75,97	67,53
Medco Yemen Malik Ltd [2] Yaman/*Yemen*	2012	-	100,00	100,00	100,00	0,14	20,79	93,64
Camar Bawean Petroleum Ltd [2] Indonesia	2005	12 Feb' 2011	100,00	100,00	100,00	41,89	49,38	43,90

1. UMUM (lanjutan) / *1. GENERAL (continued)*

d. Entitas Anak (lanjutan) / *d. Subsidiaries (continued)*

	Dimulainya kegiatan komersial/ *Start of commercial operations*	Tanggal perolehan izin eksplorasi/eksploitasi/ *Date of exploration/ exploitation permit obtained*	Persentase kepemilikan efektif/ *Effective percentage of ownership*			Jumlah aset (sebelum eliminasi) dalam jutaan/ *Total assets (before elimination) in millions*		
			31 Desember 2016/ *December 31, 2016*	31 Desember 2015/ *December 31, 2015*	31 Desember 2014/ *December 31, 2014*	31 Desember 2016/ *December 31, 2016*	31 Desember 2015/ *December 31, 2015*	31 December 2014/ *December 31, 2014*
Lematang E & P Limited [2] Indonesia	2008	6 Apr' 1987	100,00	100,00	100,00	112,08	89,78	84,85
Medco International [2] Services Pte Ltd Singapura/ *Singapore*	2004	-	100,00	100,00	100,00	24,78	22,73	24,72
Medco Yemen Holding Ltd [2] Yaman/ *Yemen*	2008	-	100,00	100,00	100,00	0,04	0,04	0,04
Medco Yemen Amed Ltd [2] Yaman/ *Yemen*	Tahap eksplorasi/ *Exploration stage*	13 Apr' 2008	100,00	100,00	100,00	1,27	1,29	9,08
Medco Cambodia Holding Limited [2] Kamboja/ *Cambodia*	2007	-	100,00	100,00	100,00	-	-	-
Medco LLC [2] Oman	2001	Jan' 2006	68,00	68,00	68,00	42,34	48,78	55,26
Medco Energi USA Inc [2] Amerika Serikat/ *United States of America (USA)*	2004	-	100,00	100,00	100,00	180,25	179,23	179,23
Medco Energi US LLC [2] Amerika Serikat/ *USA*	2004	-	100,00	100,00	100,00	32,30	34,73	58,78
Medco Petroleum Management LLC [2] Amerika Serikat/ *USA*	2014	-	100,00	100,00	100,00	0,05	0,04	0,04
Medco Tunisia Petroleum Limited [2] Tunisia	2004	-	100,00	100,00	100,00	128,54	128,54	128,54
Medco Ventures Internasional (Barbados) Limited [2] Barbados	2014	-	100,00	100,00	100,00	153,13	143,83	143,01
Medco Sahara Limited [2] Inggris/ *United Kingdom*	2014	-	100,00	100,00	100,00	-	-	-
Moonbi Energy Ltd [2] Papua Nugini/ *Papua New Guinea*	Tahap eksplorasi/ *Exploration stage*	11 Des' 2013	-	90,00	90,00	-	3,6	3,6
Medco E & P Natuna Ltd [2] Indonesia	1979	19 Jan' 1999	100,00	-	-	493,97	-	-
Pertambangan/*Mining* PT Duta Tambang Rekayasa [2] [3] Indonesia	Tahap Operasi Produksi/ *Operation & Production Phase*	2 Feb' 2010	100,00	100,00	100,00	14,78	18,07	32,85
PT Duta Tambang Sumber Alam [2] [3] Indonesia	Tahap Operasi Produksi/ *Operation & Production Phase*	30 Sep' 2014	100,00	100,00	100,00	0,06	0,06	0,81
Jasa penunjang operasi minyak dan gas/ *Support services for oil and gas activities*								
PT Exspan Petrogas Intranusa [1] [3] Indonesia			100,00	100,00	100,00	48,02	58,24	62,28
PT Medco Gas Indonesia [1] [3] Indonesia			100,00	100,00	100,00	3,85	4,92	0,83
PT Mitra Energi Gas Sumatra [2] [3] Indonesia			100,00	100,00	100,00	17,83	25,48	18,80
PT Meta Adhya Tirta Umbulan [2] [3] Indonesia			70,00	-	-	9,39	-	-
Medco Singapore Operation Pte Ltd [2] Singapura/*Singapore*			100,00	-	-	0,85	-	-
Produksi kimia dan perdagangan/ *Production and trading of chemicals*								
PT Medco Niaga Internasional [1] Indonesia			100,00	100,00	100,00	0,37	0,37	0,40
Liquefied Natural Gas								
PT Medco LNG Indonesia [1] Indonesia			100,00	100,00	100,00	145,89	135,35	265,07
Lain-lain/*Others*								
PT Api Metra Graha [1] [3] Indonesia			100,00	100,00	-	118,06	121,06	-
MEI Euro Finance Limited [1] Mauritius			100,00	100,00	100,00	0,10	0,002	0,01
PT Medco Energi Mining Internasional [1] [3] Indonesia			100,00	100,00	100,00	6,13	5,14	4,38
Medco Straits Services Pte Ltd [1] Singapura/ *Singapore*			100,00	100,00	100,00	1.220,09	1.213,47	1.093,29
PT Medco Power Generation Indonesia) [1] Indonesia			100,00	100,00	100,00	2,21	2,20	0,08
PT Medco Java Power [2] Indonesia			100,00	100,00	-	0,04	0,04	-

1. UMUM (lanjutan)

d. Entitas Anak (lanjutan)

Rincian entitas anak yang tidak aktif, atau tidak signifikan, atau telah menjadi entitas asosiasi tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, atau dimiliki tidak langsung oleh Perusahaan adalah sebagai berikut:

1. GENERAL (continued)

d. Subsidiaries (continued)

The subsidiaries that are not active, or not significant or owned indirectly by the Company as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 are as follows:

	Persentase kepemilikan efektif/ *Effective percentage of ownership*	
	30 September 2017/ *September 30, 2017*	30 September 2016 (Tidak diaudit)/ *September 30, 2016 (Unaudited)*
Eksplorasi dan produksi minyak dan gas/ *Exploration and production of oil and gas*		
Bangkanai Petroleum (L) Berhad [2]	100,00	100,00
BUT Medco Madura Pty Ltd [1]	51,00	51,00
PT Medco E & P Kalimantan [1]	100,00	100,00
PT Medco E & P Sembakung [1]	100,00	100,00
PT Medco E & P Madura [1]	100,00	100,00
Medco Simenggaris Pty Ltd [1]	100,00	100,00
Medco Arabia [2]	100,00	100,00
Medco International Ventures Ltd [2]	100,00	100,00
Medco Yemen Arat Ltd [2]	100,00	100,00
Medco International Enterprise Ltd [2]	100,00	100,00
Medco Energi (BVI) Ltd [2]	100,00	100,00
Medco Far East Limited Cayman Islands [1]	100,00	100,00
PT Medco E & P Merangin [1]	100,00	100,00
PT Medco E & P Bangkanai [1]	100,00	100,00
PT Medco E & P Nunukan [1]	100,00	100,00
Medco South China Sea Pte Ltd [2]	100,00	100,00
Medco Natuna Pte Ltd [2]	100,00	100,00
Jasa penunjang operasi minyak dan gas/*Support services for oil and gas activities*		
PT Medco Energi CBM Indonesia [1]	100,00	100,00
PT Medco CBM Bengara [2]	100,00	100,00
PT Medco CBM Rimau [2]	100,00	100,00
Medco Petroleum Services Ltd [2]	100,00	100,00
Produksi kimia dan perdagangan/*Production and trading of chemicals*		
PT Medco Downstream Indonesia [1] [3]	100,00	100,00
PT Medco LPG Kaji [2] [3]	100,00	100,00
PT Medco Methanol Bunyu [2] [3]	100,00	100,00
PT Medco Ethanol Lampung [2] [3]	100,00	100,00
PT Usaha Tani Sejahtera [2] [3]	100,00	100,00

1. UMUM (lanjutan)

d. Entitas Anak (lanjutan)

1. GENERAL (continued)

d. Subsidiaries (continued)

	Persentase kepemilikan efektif/ *Effective percentage of ownership*	
	30 September 2017/ *September 30, 2017*	30 September 2016 (Tidak diaudit)/ *September 30, 2016 (Unaudited)*
PT Medco Services Indonesia [2) 3)]	100,00	100,00
PT Medco Sarana Balaraja [1) 3)]	100,00	100,00
PT Satria Raksa Buminusa [2) 3)]	100,00	30,00
PT Musi Raksa Buminusa [2) 3)]	100,00	30,00
PT Mahakam Raksa Buminusa [2) 3)]	99,00	99,00
Petroleum Exploration & Production Int Ltd [2)]	100,00	100,00
Fortico International Limited [2)]	100,00	100,00
Far East Energy Trading Pte Ltd [2)]	100,00	100,00
PT Medco Energi Nusantara [1)]	100,00	100,00

	Persentase kepemilikan efektif/ *Effective percentage of ownership*		
	31 Desember 2016/ *December 31, 2016*	31 Desember 2015/ *December 31, 2015*	31 Desember 2014/ *December 31, 2014*
Eksplorasi dan produksi minyak dan gas/ *Exploration and production of oil and gas*			
Bangkanai Petroleum (L) Berhad [2)]	100,00	100,00	100,00
BUT Medco Madura Pty Ltd [1)]	51,00	51,00	51,00
PT Medco E & P Kalimantan [1)]	100,00	100,00	100,00
PT Medco E & P Sembakung [1)]	100,00	100,00	100,00
PT Medco E & P Madura [1)]	100,00	100,00	100,00
Medco Simenggaris Pty Ltd [1)]	100,00	100,00	100,00
Perkasa Equatorial Sembakung Ltd [2)]	-	-	100,00
Exspan Cumi-cumi (L) Inc [2)]	-	-	100,00
Medco Arabia [2)]	100,00	100,00	100,00
Medco International Ventures Ltd [2)]	100,00	100,00	100,00
Medco Yemen Arat Ltd [2)]	100,00	100,00	100,00
Medco International Enterprise Ltd [2)]	100,00	100,00	100,00
Medco Energi (BVI) Ltd [2)]	100,00	100,00	100,00
Medco Far East Limited Cayman Islands [1)]	100,00	100,00	100,00
Medco Cambodia Holding Limited [2)]	100,00	100,00	100,00
Medco Sahara Limited [2)]	100,00	100,00	100,00
PT Medco E & P Merangin [1)]	100,00	100,00	100,00
PT Medco E & P Bangkanai [1)]	100,00	100,00	100,00
PT Medco E & P Nunukan [1)]	100,00	100,00	100,00
Medco South China Sea Pte Ltd [2)]	100,00	-	-
Medco Natuna Pte Ltd [2)]	100,00	-	-

1. UMUM (lanjutan)

d. Entitas Anak (lanjutan)

1. GENERAL (continued)

d. Subsidiaries (continued)

	Persentase kepemilikan efektif/ *Effective percentage of ownership*		
	31 Desember 2016/ *December 31, 2016*	31 Desember 2015/ *December 31, 2015*	31 Desember 2014/ *December 31, 2014*
Jasa penunjang operasi minyak dan gas/*Support services for oil and gas activities*			
PT Sistim Vibro Indonesia [2]	-	-	100,00
PT Medco Integrated Resources [2]	-	-	100,00
PT Medco Energi CBM Indonesia [1]	100,00	100,00	100,00
PT Medco CBM Bengara [2]	100,00	100,00	100,00
PT Medco CBM Rimau [2]	100,00	100,00	100,00
Medco Petroleum Services Ltd [2]	100,00	100,00	100,00
Produksi kimia dan perdagangan/*Production and trading of chemicals*			
PT Medco Downstream Indonesia [1) 3)]	100,00	100,00	100,00
PT Medco LPG Kaji [2) 3)]	100,00	100,00	100,00
PT Medco Methanol Bunyu [2) 3)]	100,00	100,00	100,00
PT Medco Ethanol Lampung [2) 3)]	100,00	100,00	100,00
PT Usaha Tani Sejahtera [2) 3)]	100,00	100,00	100,00
PT Medco Services Indonesia [2) 3)]	100,00	100,00	100,00
PT Medco Sarana Balaraja [1) 3)]	100,00	100,00	100,00
PT Satria Raksa Buminusa [2) 3)]	100,00	30,00	100,00
PT Musi Raksa Buminusa [2) 3)]	100,00	30,00	100,00
PT Mahakam Raksa Buminusa [2) 3)]	99,00	99,00	99,00
Petroleum Exploration & Production Int Ltd [2]	100,00	100,00	100,00
Synergia Trading International Pte Ltd [2]	-	-	100,00
Fortico International Limited [2]	100,00	100,00	100,00
Far East Energy Trading Pte Ltd [2]	100,00	-	-
PT Medco Energi Nusantara [1]	100,00	100,00	100,00

1) Entitas anak dengan kepemilikan langsung oleh PT Medco Energi Internasional Tbk.
2) Entitas anak dengan kepemilikan tidak langsung
3) Entitas anak diklasifikasikan sebagai aset tersedia untuk dijual

1) Subsidiaries held directly by PT Medco Energi Internasional Tbk.
2) Subsidiaries held indirectly through subsidiary undertakings
3) Subsidiaries classified as asset held for sale

1. UMUM (lanjutan)

d. Entitas Anak (lanjutan)

ii. Grup mempunyai operasi bersama minyak dan gas atau Kontrak Jasa/Perjanjian Partisipasi dan Pembagian Ekonomi di dalam negeri pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 sebagai berikut:

1. GENERAL (continued)

d. Subsidiaries (continued)

ii. The Group has interests in the following domestic petroleum joint operations or Service Contracts/Participation and Economic Sharing Agreements as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, as follows:

	Hak Kepemilikan (%)/*Interest (%)*					
	30 September/*September 30,*		31 Desember/*December 31,*			
Daerah Operasi	**2017**	**2016**	**2016**	**2015**	**2014**	***Operation Area***
PSC Sumatera Selatan	100,00	100,00	100,00	100,00	100,00	*PSC Sumatera Selatan*
PSC Tarakan	100,00	100,00	100,00	100,00	100,00	*PSC Tarakan*
PSC Rimau	100,00	100,00	100,00	100,00	100,00	*PSC Rimau*
JOB Senoro Toili	30,00	30,00	30,00	30,00	30,00	*JOB Senoro Toili*
PSC Lematan	100,00	100,00	100,00	74,12	74,12	*PSC Lematang*
JOB Simenggari	62,50	62,50	62,50	62,50	62,50	*JOB Simenggaris*
PSC Blok "A" Aceh	58,33	41,67	58,33	41,67	41,67	*PSC Block "A" Aceh*
PSC South Natuna Sea Block B	40,00	-	40,00	-	-	*PSC South Natuna Sea Block B*
GMB Lematan	-	34,00	34,00	55,00	55,00	*CBM Lematang*
PSC Bengara	100,00	100,00	100,00	100,00	100,00	*PSC Bengara*
GMB Sekayu	-	-	-	50,00	50,00	*CBM Sekayu*
GMB Muralim	50,00	50,00	50,00	50,00	50,00	*CBM Muralim*
PSC Bawean	-	100,00	100,00	100,00	100,00	*PSC Bawean*

PSC: Kontrak Bagi Hasil
JOB: Badan Operasi Bersama
GMB: Gas Metana Batu bara

PSC: ProductionSharing Contract
JOB: Joint Operating Body
CBM: Coal Bed Methane

iii. Grup mempunyai operasi bersama minyak dan gas atau Kontrak Jasa/Perjanjian Partisipasi dan Pembagian Ekonomi di luar negeri pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 sebagai berikut:

iii. The Group has interests in the following overseas petroleum joint operations or Service Contracts/Participation and Economic Sharing Agreements as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, as follows:

		Hak Kepemilikan (%)/ *Interest (%)*					
		30 September/ *September 30,*		31 Desember/ *December 31,*			
Operasi Bersama	**Negara/ *Country***	**2017**	**2016**	**2016**	**2015**	**2014**	***Joint Operations***
East Cameron (EC) 317/318 *lease*	Amerika Serikat/*USA*	75,00	75,00	75,00	75,00	75,00	*East Cameron (EC) 317/318 lease*
East Cameron (EC) 316	Amerika Serikat/USA	100,00	100,00	100,00	100,00	100,00	*East Cameron (EC) 316*
Main Pass (MP) 64/65 *lease*	Amerika Serikat/*USA*	75,00	75,00	75,00	75,00	75,00	*Main Pass (MP) 64/65 lease*
Nimr - Karim Area	Oman	51,00	51,00	51,00	51,00	51,00	*Nimr - Karim Area*
Blok 56	Oman	75,00	75,00	75,00	75,00	75,00	*Block 56*
Blok 47 Ghadames Basin	Libya	50,00	50,00	50,00	50,00	50,00	*Block 47 Ghadames Basin*
Blok 82	Yaman/*Yemen*	38,25	38,25	38,25	38,25	38,25	*Block 82*
Blok 9	Yaman/*Yemen*	21,25	21,25	21,25	21,25	21,25	*Block 9*
Blok Bir Ben Tartar	Tunisia	100,00	86,00	100,00	86,00	86,00	*Block Bir Ben Tartar*
Blok Adam	Tunisia	5,00	5,00	5,00	5,00	5,00	*Block Adam*
Blok Cosmos	Tunisia	80,00	80,00	80,00	80,00	80,00	*Block Cosmos*
Blok Yasmin	Tunisia	100,00	100,00	100,00	100,00	100,00	*Block Yasmin*
Blok Sud Remada	Tunisia	100,00	86,00	100,00	86,00	86,00	*Block Sud Remada*
Blok Borj El Khadra	Tunisia	10,00	10,00	10,00	10,00	10,00	*Block Borj El Khadra*
Blok Jenein	Tunisia	65,00	65,00	65,00	65,00	65,00	*Block Jenein*
Blok Hammamet	Tunisia	54,00	35,00	54,00	35,00	35,00	*Block Hammamet*
Juha Extension PPL-470	Papua Nugini/ *Papua New Guinea*	-	-	-	90,00	90,00	*Juha Extension PPL-470*

1. UMUM (lanjutan)

d. Entitas Anak (lanjutan)

iv. Grup melakukan sejumlah akuisisi dan divestasi/penjualan aset sebagaimana diungkapkan dalam Catatan 18 dan 46.

v. Pada tanggal 30 Agustus 2016, Medco Strait Services Pte Ltd ("MSS") mendirikan Medco South China Sea Pte Ltd ("MSCS"), berdasarkan *the Companies Act* dengan nomor pendaftaran 201623586K dan beralamat di 38 Beach Road #29-11 South Beach Tower Singapore (189767) dengan modal dasar sebanyak 1 saham, tanpa nilai nominal.

Pada tanggal 30 Agustus 2016, MSCS melakukan akuisisi 100% kepemilikan saham Medco Natuna Pte Ltd dari MSS dengan harga pembelian S$1.

vi. Pada tanggal 18 April 2016, MSS mendirikan Medco Natuna Pte Ltd berdasarkan *the Companies Act* dengan nomor daftar 201610187R dan beralamat di 38 Beach Road #29-11 South Beach Tower Singapore (189767). Medco Natuna Pte Ltd dimiliki 100% oleh MSS, dengan modal dasar sebanyak 1 saham, tanpa nilai nominal.

vii. Pada tanggal 22 Maret 2016, Medco Energi Global Pte Ltd ("MEG") mendirikan Far East Energy Trading Pte Ltd berdasarkan *the Companies Act* dengan nomor daftar 201607428K dan beralamat di 38 Beach Road #29-11 South Beach Tower Singapore (189767). Far East Energy Trading Pte Ltd dimiliki 100% oleh MEG, dengan modal dasar sebanyak 1 saham, tanpa nilai nominal.

viii. Efektif pada tanggal 2 Oktober 2015, Medco Yemen Arat Ltd, entitas anak yang didirikan berdasarkan hukum British Virgin Islands, telah berubah nama menjadi Far East Trading Ltd.

1. GENERAL (continued)

d. Subsidiaries (continued)

iv. The Group has undertaken acquisitions and divestments/sale of assets as disclosed in Notes 18 and 46.

v. On August 30, 2016, Medco Strait Services Pte Ltd ("MSS") established Medco South China Sea Pte Ltd ("MSCS"), incorporated under the Companies Act with Registration No. 201623586K and with registered address in 38 Beach Road #29-11 South Beach Tower, Singapore (189767) and has an authorized capital stock of 1 share, with no par value.

On August 30, 2016, MSCS acquired the 100% share capital of Medco Natuna Pte Ltd from MSS with acquisition price of S$1.

vi. On April 18, 2016, MSS established Medco Natuna Pte Ltd incorporated under the Companies Act with Registration No. 201610187R and with registered address in 38 Beach Road #29-11 South Beach Tower Singapore (189767). Medco Natuna Pte Ltd is 100% owned by MSS and has an authorized capital stock of 1 share, with no par value.

vii. On March 22, 2016, Medco Energi Global Pte Ltd ("MEG") established Far East Energy Trading Pte Ltd incorporated under the Companies Act, with Registration No. 201607428K and with registered address in 38 Beach Road #29-11 South Beach Tower Singapore (189767). Far East Energy Trading Pte Ltd is 100% owned by MEG and has an authorized capital stock of 1 share, with no par value.

viii. Effective on October 2, 2015, Medco Yemen Arat Ltd, a subsidiary incorporated under the laws of the British Virgin Islands, has changed its registered company name to Far East Trading Ltd.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN

a. Dasar Penyusunan Laporan Keuangan Konsolidasian

Laporan keuangan konsolidasian telah disajikan sesuai dengan Standar Akuntansi Keuangan (SAK), yang terdiri dari Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK) yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia dan Peraturan serta Pedoman Penyajian dan Pengungkapan Laporan Keuangan yang dikeluarkan oleh Otoritas Jasa Keuangan ("OJK").

Laporan keuangan konsolidasian telah disusun atas dasar akrual, kecuali untuk laporan arus kas konsolidasian, dengan menggunakan konsep biaya historis, kecuali untuk akun-akun tertentu yang diukur dengan dasar sebagaimana dijelaskan di dalam kebijakan akuntansi terkait.

Laporan arus kas konsolidasian yang disusun dengan menggunakan metode langsung, menyajikan penerimaan dan pengeluaran kas di mana arus kas diklasifikasikan menjadi aktivitas operasi, investasi dan pendanaan.

Mata uang pelaporan yang digunakan dalam penyusunan laporan keuangan konsolidasian adalah Dolar Amerika Serikat (Dolar AS), yang juga merupakan mata uang fungsional Grup.

b. Prinsip Konsolidasi

Laporan keuangan konsolidasian terdiri dari laporan keuangan Perusahaan dan entitas anaknya seperti dijelaskan pada Catatan 1d.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of the Preparation of the Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with Indonesian Financial Accounting Standards (SAK), which comprise the Statements of Financial Accounting Standards (PSAK) and Interpretations of Financial Accounting Standards (ISAK) issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants and the Regulations and the Guidelines on Financial Statements Presentation and Disclosures issued by Financial Services Authority ("OJK").

The consolidated financial statements have been prepared on the accrual basis, except for consolidated statements of cash flows, using historical cost concept, except for certain accounts which are measured on the bases described in the relevant notes herein.

The consolidated statements of cash flows, which were prepared using the direct method, present cash receipts and payments classified into operating, investing and financing activities.

The presentation currency used in the preparation of the consolidated financial statements is the United States Dollar (US Dollar), the Group's functional currency.

b. Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as described in Note 1d.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

b. Prinsip Konsolidasi (lanjutan)

Entitas anak adalah entitas yang dikendalikan oleh Grup. Grup mengendalikan suatu entitas ketika Grup terekspos atau memiliki hak atas imbal hasil variabel dari keterlibatannya dengan entitas tersebut dan memiliki kemampuan untuk mempengaruhi imbal hasil tersebut melalui kekuasaannya atas entitas itu.

Konsolidasi atas entitas anak dimulai sejak tanggal Grup memperoleh pengendalian atas entitas anak dan berakhir ketika Grup kehilangan pengendalian atas entitas anak. Grup menilai kembali apakah masih mengendalikan *investee* jika fakta dan keadaan mengindikasikan bahwa terdapat perubahan dalam satu atau lebih dari tiga elemen pengendalian.

Perubahan dalam bagian kepemilikan Grup pada entitas anak yang tidak mengakibatkan hilangnya pengendalian Grup pada entitas anak dicatat sebagai transaksi ekuitas.

Ketika Grup kehilangan pengendalian pada entitas anak, maka Grup menghentikan pengakuan aset (termasuk *goodwill*), liabilitas, kepentingan nonpengendali (KNP) dan komponen ekuitas lainnya serta mengakui keuntungan atau kerugian terkait dengan hilangnya pengendalian. Saldo investasi yang masih dimiliki diakui pada nilai wajarnya.

Laporan keuangan konsolidasian disusun dengan menggunakan kebijakan akuntansi yang sama untuk transaksi dan peristiwa lain dalam keadaan yang serupa. Jika anggota Grup menggunakan kebijakan akuntansi yang berbeda untuk transaksi dan peristiwa dalam keadaan yang serupa, maka penyesuaian dilakukan atas laporan keuangannya dalam penyusunan laporan keuangan konsolidasian.

Seluruh saldo akun dan transaksi yang signifikan antara Perusahaan dengan entitas anak telah dieliminasi untuk mencerminkan posisi keuangan dan hasil dari operasi Grup sebagai satu kesatuan bisnis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Principles of Consolidation (continued)

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

A change in the Group's ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group losses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest (NCI) and other components of equity while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

The consolidated financial statements have been prepared using uniform accounting policies for transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted for transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

All intercompany accounts and transactions between the Company and its subsidiaries have been eliminated to reflect the financial position and the results of operations of the Group as one business entity.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

b. Prinsip Konsolidasi (lanjutan)

KNP merupakan bagian atas laba atau rugi dan aset neto dari entitas anak yang tidak diatribusikan pada Grup, yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian dan sebagai ekuitas pada laporan posisi keuangan konsolidasian, terpisah dari bagian yang dapat diatribusikan kepada pemilik entitas induk.

Laba rugi dan setiap komponen dari penghasilan komprehensif lain (OCI) diatribusikan kepada pemilik entitas Induk dari Grup dan KNP, meskipun hal tersebut mengakibatkan KNP memiliki saldo defisit.

c. Kombinasi Bisnis

Kombinasi bisnis dicatat dengan menggunakan metode akuisisi. Biaya perolehan dari suatu akuisisi diukur dari nilai agregat imbalan yang dialihkan, diukur pada nilai wajar pada tanggal akuisisi dan jumlah setiap KNP pada pihak yang diakuisisi. Untuk setiap kombinasi bisnis, pihak pengakuisisi mengukur KNP pada entitas yang diakuisisi pada nilai wajar atau pada proporsi kepemilikan KNP atas aset neto yang teridentifikasi dari entitas yang diakuisisi. Biaya-biaya akuisisi yang timbul dibebankan langsung dan dicatat dalam "Beban Penjualan, Umum dan Administrasi".

Dalam suatu kombinasi bisnis yang dilakukan secara bertahap, pihak pengakuisisi mengukur kembali kepemilikan atas ekuitas yang dimiliki sebelumnya pada pihak yang diakuisisi berdasarkan nilai wajar pada tanggal akuisisi dan mengakui keuntungan atau kerugian yang terjadi dalam laba rugi.

Imbalan kontinjensi yang akan dibayarkan oleh pihak pengakuisisi diakui pada nilai wajar pada tanggal akuisisi. Perubahan nilai wajar atas imbalan kontinjensi setelah tanggal akuisisi yang diklasifikasikan sebagai aset atau liabilitas, akan diakui dalam laporan laba rugi atau sebagai pendapatan komprehensif lain sesuai dengan PSAK No. 55 (Revisi 2014). Jika diklasifikasikan sebagai ekuitas, imbalan kontinjensinya tidak diukur kembali sampai penyelesaian terakhir dalam ekuitas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Principles of Consolidation (continued)

NCI represents the portion of the profit or loss and net assets of the subsidiaries not attributable to the Group, which are presented in the consolidated statements of profit or loss and other comprehensive income and under the equity section of the consolidated statements of financial position, respectively, separately from the corresponding portion attributable to the equity holders of the parent company.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the NCI, even if this results in the NCI having a deficit balance.

c. Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are directly expensed and included in "Selling, General and Administrative Expenses".

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PSAK No. 55 (Revised 2014) either in profit or loss or as other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

c. Kombinasi Bisnis (lanjutan)

Pada tanggal akuisisi, pertama kali *goodwill* diukur pada harga perolehan yang merupakan selisih lebih nilai agregat dari imbalan yang dibayarkan dan jumlah yang diakui untuk KNP dibandingkan dengan jumlah dari aset teridentifikasi dan liabilitas yang diperoleh. Jika imbalan tersebut kurang dari nilai wajar aset neto entitas anak yang diakuisisi, selisih tersebut diakui dalam laporan laba rugi.

Setelah pengakuan awal, *goodwill* diukur pada jumlah tercatat dikurangi akumulasi kerugian penurunan nilai, jika ada. Untuk tujuan uji penurunan nilai, *goodwill* yang diperoleh dari suatu kombinasi bisnis dialokasikan sejak tanggal akuisisi kepada setiap unit penghasil kas ("UPK") dari Grup yang diharapkan akan memperoleh manfaat dari kombinasi tersebut, terlepas dari apakah aset atau liabilitas lain dari pihak yang mengakuisisi dialokasikan kepada UPK tersebut.

Jika *goodwill* telah dialokasikan pada suatu UPK dan operasi tertentu dalam UPK tersebut dilepas, maka *goodwill* yang terasosiasi dengan operasi yang dilepas tersebut dimasukkan dalam jumlah tercatat operasi tersebut ketika menentukan keuntungan atau kerugian dari pelepasan operasi. *Goodwill* yang dilepaskan tersebut diukur berdasarkan nilai relatif operasi yang dilepas dan porsi UPK yang ditahan.

Sesuai dengan ketentuan dalam PSAK No. 22 (Revisi 2010), apabila proses akuntansi awal untuk kombinasi bisnis belum selesai pada akhir periode pelaporan pada saat kombinasi terjadi, Kelompok Usaha melaporkan jumlah sementara untuk pos-pos yang proses akuntansinya belum selesai dalam laporan keuangan konsolidasian. Selama periode pengukuran, Kelompok Usaha menyesuaikan secara retrospektif jumlah sementara yang diakui pada tanggal akuisisi untuk mencerminkan informasi baru yang diperoleh tentang fakta dan keadaan yang ada pada tanggal akuisisi dan, jika diketahui telah berdampak pada pengukuran jumlah yang diakui pada tanggal tersebut.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Business Combinations (continued)

At acquisition date, goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquirer are assigned to those CGUs.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

In accordance with the provision of PSAK No. 22 (Revised 2010), if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group shall report in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

d. Penentuan Nilai Wajar

Grup mengukur instrumen keuangan seperti derivatif dan investasi jangka pendek pada nilai wajar pada setiap tanggal pelaporan. Pengungkapan nilai wajar untuk instrumen keuangan disajikan dalam Catatan 44.

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar pada tanggal pengukuran. Pengukuran nilai wajar berdasarkan asumsi bahwa transaksi untuk menjual aset atau mengalihkan liabilitas terjadi di:

- Pasar utama untuk aset dan liabilitas tersebut; atau
- Jika tidak terdapat pasar utama, di pasar yang paling menguntungkan untuk aset atau liabilitas tersebut.

Grup harus memiliki akses ke pasar utama atau pasar yang paling menguntungkan tersebut.

Nilai wajar aset dan liabilitas diukur menggunakan asumsi yang akan digunakan pelaku pasar ketika menentukan harga aset atau liabilitas tersebut, dengan asumsi bahwa pelaku pasar bertindak dalam kepentingan ekonomi terbaiknya.

Grup menggunakan teknik penilaian yang sesuai dalam keadaan dan dimana data yang memadai tersedia untuk mengukur nilai wajar, memaksimalkan penggunaan input yang dapat diobservasi yang relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Determination of Fair Value

The Group measures financial instruments such as derivatives and short-term investments at fair value at each reporting date. Fair value related disclosures for financial instruments are disclosed in Note 44.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- *In the principal market for the asset or liability; or*
- *In the absence of a principal market, in the most advantageous market for the asset or liability.*

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

d. Penentuan Nilai Wajar (lanjutan)

Semua aset dan liabilitas yang nilai wajarnya diukur atau diungkapkan dalam laporan keuangan konsolidasian dikategorikan dalam hirarki nilai wajar, sebagaimana dijelaskan dibawah ini, berdasarkan tingkatan level input yang terendah yang signifikan terhadap pengukuran nilai wajar secara keseluruhan:

- Level 1 - harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik.
- Level 2 - teknik penilaian di mana tingkat level input terendah yang signifikan terhadap pengukuran nilai wajar dapat diobservasi baik secara langsung atau tidak langsung.
- Level 3 - teknik penilaian dimana tingkat level input terendah yang signifikan terhadap pengukuran nilai wajar tidak dapat diobservasi baik secara langsung atau tidak langsung.

Untuk aset dan liabilitas yang diukur secara berulang dalam laporan keuangan konsolidasian, Grup menentukan apakah perpindahan antar level hirarki telah terjadi dengan melakukan evaluasi pengelompokan pada setiap akhir periode pelaporan.

e. Transaksi dan Saldo dalam Mata Uang Asing

Transaksi-transaksi selama periode berjalan melibatkan mata uang selain Dolar AS dicatat dalam Dolar AS dengan menggunakan kurs tukar yang berlaku pada saat terjadinya transaksi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Determination of Fair Value (continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- *Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.*
- *Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.*
- *Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.*

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

e. Foreign Currency Transactions and Balances

Transactions during the period involving currencies other than US Dollar are recorded in US Dollar at the rates of exchange in effect on the date of the transactions.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

e. Transaksi dan Saldo dalam Mata Uang Asing (lanjutan)

Seluruh aset dan liabilitas moneter dalam mata uang selain Dolar AS dijabarkan ke Dolar AS dengan menggunakan kurs tengah Bank Indonesia yang berlaku pada tanggal pelaporan. Keuntungan atau kerugian neto dari selisih kurs dikreditkan atau dibebankan ke operasi berjalan.

Untuk tujuan konsolidasi, aset dan liabilitas dari entitas anak, yang menyelenggarakan pencatatan akun-akunnya dalam mata uang selain Dolar AS dan mata uang fungsionalnya adalah selain Dolar AS, dijabarkan ke Dolar AS dengan menggunakan kurs tukar yang berlaku pada tanggal laporan posisi keuangan. Akun-akun ekuitas dijabarkan dengan menggunakan kurs tukar historis, sedangkan pendapatan dan beban serta arus kas dijabarkan dengan menggunakan kurs tukar rata-rata. Selisih kurs yang terjadi dikreditkan atau dibebankan ke akun "Selisih Kurs karena Penjabaran Laporan Keuangan" yang disajikan di bagian Ekuitas di laporan posisi keuangan konsolidasian. Untuk entitas yang pencatatan akun-akunnya diselenggarakan dalam mata uang selain Dolar AS, tetapi mata uang fungsionalnya adalah Dolar AS, untuk tujuan konsolidasi, akun-akun dari entitas-entitas tersebut, diukur kembali dalam Dolar AS untuk lebih mencerminkan substansi ekonomisnya. Selisih kurs yang terjadi dikreditkan atau dibebankan ke operasi tahun berjalan.

Kurs tukar yang digunakan pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 atas saldo dalam mata uang asing yang signifikan adalah sebagai berikut:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Foreign Currency Transactions and Balances (continued)

All monetary assets and liabilities denominated in currencies other than US Dollar are translated to US Dollar at the Bank of Indonesia's middle exchange rates prevailing on the reporting date. The resulting net foreign exchange gains or losses are credited or charged to current operations.

For consolidation purposes, assets and liabilities of subsidiaries which maintain their accounts in and whose functional currency is other than US Dollar, are translated into US Dollar using the rates of exchange prevailing at the reporting date. Equity accounts are translated using historical rates of exchange, while revenues and expenses and cash flows are translated using average rates of exchange. The resulting foreign exchange differences are credited or charged to "Translation Adjustments" account, under the Equity section of the consolidated statements of financial position. For entities that maintain their accounts in currencies other than US Dollar, but their functional currency is the US Dollar, for consolidation purposes, the accounts of these entities are remeasured into the US Dollar in order to reflect more closely their economic substance. The resulting foreign exchange differences are credited or charged to current operations.

As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 the rates of exchange used for significant foreign currency-denominated balances are as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Rupiah/AS$1	0,000074	0,000077	0,000074	0,000072	0,000080	*Rupiah/US$1*
Euro/AS$1	1,1781	1,1216	1,0540	1,0924	1,2165	*Euro/US$1*
Dolar Australia/AS$1	0,7840	0,7626	0,7238	0,7296	0,8214	*Australian Dollar/US$1*
Dolar Singapura/AS$1	0,7357	0,7325	0,6921	0,7069	0,7574	*Singapore Dollar/US$1*

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

f. Transaksi-transaksi dengan Pihak-pihak Berelasi

Grup mempunyai transaksi dengan pihak berelasi sebagaimana didefinisikan pada PSAK No. 7 (Revisi 2010).

Transaksi ini dilakukan berdasarkan persyaratan yang disetujui oleh kedua belah pihak. Beberapa persyaratan tersebut mungkin tidak sama dengan persyaratan yang dilakukan dengan pihak-pihak yang tidak berelasi.

Seluruh transaksi dan saldo dengan pihak-pihak berelasi yang signifikan diungkapkan dalam catatan atas laporan keuangan konsolidasian.

g. Setara Kas

Deposito berjangka dan investasi jangka pendek lainnya dengan jangka waktu tiga bulan atau kurang sejak tanggal penempatan yang tidak digunakan sebagai jaminan atau dibatasi penggunaannya, diklasifikasikan sebagai "Setara Kas".

Rekening bank yang dibatasi penggunaannya yang akan digunakan untuk membayar utang yang jatuh tempo dalam satu tahun disajikan sebagai aset lancar. Rekening bank lainnya dan deposito berjangka yang dipakai sebagai agunan atau dibatasi penggunaannya disajikan sebagai aset tidak lancar.

h. Persediaan

Persediaan minyak mentah, batu bara, bahan kimia dan produk petroleum lainnya, suku cadang dan perlengkapan untuk operasi dinyatakan sebesar biaya perolehan atau nilai realisasi neto, mana yang lebih rendah. Biaya perolehan ditentukan dengan menggunakan metode rata-rata tertimbang atau metode rata-rata. Nilai realisasi neto adalah estimasi harga jual yang wajar di dalam proses usaha normal setelah dikurangi dengan estimasi biaya untuk menyelesaikan dan estimasi biaya penjualannya yang diperlukan. Cadangan untuk penurunan nilai keusangan persediaan ditentukan berdasarkan penelaahan terhadap keadaan masing-masing persediaan pada akhir periode/tahun.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Transactions with Related Parties

The Group has transactions with related parties as defined in PSAK No. 7 (Revised 2010).

The transactions are made based on terms agreed by the parties. Such terms may not be the same as those of the transactions between unrelated parties.

All significant transaction and balances with related parties are disclosed in the notes to the consolidated financial statements.

g. Cash Equivalents

Time deposits and other short-term investments with a maturity date of three months or less at the time of placement which are not used as collateral or are not restricted as to use, are classified as "Cash Equivalents".

Restricted cash in banks which will be used to pay currently maturing obligations is presented under current assets. Other current accounts and time deposits which are pledged or restricted as to use are presented under non-current assets.

h. Inventories

Inventories of crude oil, coal, chemicals and other petroleum products, spare parts and supplies used for operations are stated at cost or net realizable value, whichever is lower. Cost is determined using the weighted average method or the average method. Net realizable value is a reasonable selling price in normal process less the estimated costs of completion and estimated costs necessary to make the sale. Allowance for decline in value and obsolescence of inventories is provided based on a review of the individual inventory items at the end of the period/year.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

i. Beban Dibayar Di muka

Beban dibayar di muka diamortisasi selama masa manfaat dengan menggunakan metode garis lurus.

j. Aset Tetap

Aset tetap, kecuali tanah, dinyatakan sebesar biaya perolehan dikurangi akumulasi penyusutan dan penurunan nilai. Biaya perolehan aset tetap termasuk biaya penggantian bagian dari aset tetap pada saat terjadinya biaya, jika kriteria pengakuannya terpenuhi. Demikian pula, ketika pemeriksaan utama dilakukan, biaya pemeriksaan diakui sebagai nilai tercatat aset sebagai penggantian jika kriteria pengakuan terpenuhi. Semua biaya perbaikan dan perawatan yang tidak memenuhi kriteria pengakuan diakui pada laporan laba rugi pada saat terjadinya.

Penyusutan dihitung dengan menggunakan metode garis lurus berdasarkan estimasi masa manfaat ekonomis aset tetap sebagai berikut:

	Tahun/ *Years*	
Bangunan dan prasarana	20	*Buildings and land improvements*
Mesin	8 - 20	*Machinery*
Peralatan panel pengendali	4 - 20	*Control panel equipment*
Peralatan dan perlengkapan pengeboran	8 - 16	*Drilling rigs and equipment*
Peralatan telekomunikasi	5	*Telecommunication equipment*
Kendaraan bermotor	4 - 10	*Vehicles*
Leasehold improvements	3 - 8	*Leasehold improvements*
Peralatan kantor dan lainnya	3 - 5	*Office and other equipment*
Pesawat terbang	20	*Aircraft*

Tanah dinyatakan berdasarkan biaya perolehan dan tidak disusutkan.

Biaya pengurusan legal hak atas tanah dalam bentuk Hak Guna Bangunan ("HGB") yang dikeluarkan ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan tanah pada akun "Aset Tetap" dan tidak diamortisasi. Sementara biaya pengurusan perpanjangan atau pembaruan legal hak atas tanah diakui sebagai aset tak berwujud dan diamortisasi sepanjang umur hukum hak atau umur ekonomis tanah, mana yang lebih pendek.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Prepaid Expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

j. Property, Plant and Equipment

Property, plant and equipment, except land, are stated at cost less accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in profit or loss as incurred.

Depreciation is computed using the straight-line method based on the estimated useful lives of the property, plant and equipment as follows:

Land is stated at cost and is not depreciated.

The legal cost of land rights in the form of Building Usage Rights ("HGB") incurred when the land was acquired initially is recognized as part of the cost of the land under "Property, plant and equipment" account and not amortized. Meanwhile the extension or the legal renewal costs of land rights are recognized as intangible assets and amortized over the shorter of the rights' legal life or land's economic life.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

j. Aset Tetap (lanjutan)

Aset tetap dihentikan pengakuannya dari laporan posisi keuangan konsolidasian pada saat penjualan atau saat tidak ada manfaat masa depan dari penggunaan atau penjualan aset tersebut. Segala keuntungan dan kerugian yang timbul dari penghentian pengakuan aset (dihitung sebagai perbedaan hasil penjualan neto dan nilai tercatat dari aset) diakui dalam laporan laba rugi pada saat aset dihentikan pengakuannya.

Nilai sisa aset, estimasi umur ekonomis dan metode penyusutan ditelaah dan disesuaikan secara prospektif setiap tanggal pelaporan keuangan, jika memadai.

Aset dalam penyelesaian dinyatakan sebesar biaya perolehan. Akumulasi biaya perolehan direklasifikasi ke akun aset tetap yang bersangkutan pada saat pembangunan selesai dan aset tersebut telah siap untuk digunakan.

k. Properti Investasi

Properti investasi terdiri atas tanah dan/atau bangunan yang dimiliki untuk sewa operasi atau kenaikan nilai, daripada untuk digunakan atau dijual dalam kegiatan operasi normal.

Properti investasi, kecuali tanah, diakui sebesar biaya perolehan dan disusutkan sesuai dengan estimasi umur ekonomisnya. Penyusutan dihitung dengan menggunakan metode garis lurus berdasarkan estimasi masa manfaat ekonomis properti investasi sebagai berikut:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Property, Plant and Equipment (continued)

An item of property, plant and equipment is derecognized from the consolidated statements of financial position upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss in the period the asset is derecognized.

The assets' residual values, useful lives and method of depreciation are reviewed and adjusted prospectively, if appropriate, at each financial reporting date.

Construction in progress is stated at cost. The accumulated costs are reclassified to the appropriate property, plant and equipment account when the construction is substantially completed and the asset is ready for its intended use.

k. Investment Property

Investment property represents land and/or building held for operating lease or for capital appreciation, rather than for use or sale in the ordinary course of business.

Investment property, except land, is recognized at cost and depreciated over the estimated economic life. Depreciation is computed using the straight-line method based on the estimated useful lives of the investment property as follows:

	Tahun/*Years*	
Bangunan dan prasarana	16 - 40	*Building and infrastructure*
Perlengkapan gedung	3 - 16	*Building equipment*

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

k. Properti Investasi (lanjutan)

Biaya pemeliharaan dan perbaikan dibebankan pada operasi pada saat terjadinya. Pengeluaran yang memperpanjang masa manfaat atau memberi manfaat ekonomis di masa yang akan datang dalam bentuk peningkatan kapasitas, atau peningkatan standar kinerja, dikapitalisasi. Properti investasi yang tidak digunakan lagi atau dijual dikeluarkan dari kelompok properti investasi berikut akumulasi penyusutan dan penurunan nilainya, jika ada. Keuntungan atau kerugian dari penjualan properti investasi tersebut dibukukan dalam operasi pada tahun penjualan terjadi.

Manajemen melakukan penilaian atas properti investasi secara berkala untuk memastikan ada tidaknya penurunan nilai permanen yang material.

Tanah dinyatakan pada biaya perolehan dan tidak disusutkan.

Biaya pengurusan legal hak atas tanah dalam bentuk Hak Guna Usaha ("HGU"), Hak Guna Bangunan ("HGB") dan Hak Pakai ("Hak Pakai") ketika tanah diperoleh pertama kali diakui sebagai bagian dari perolehan tanah dan tidak diamortisasi.

Sedangkan biaya pengurusan perpanjangan atau pembaruan legal hak atas tanah diakui sebagai aset tak berwujud dan diamortisasi sepanjang umur hukum hak atau umur ekonomis tanah, mana yang lebih pendek.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Investment Property (continued)

The cost of repairs and maintenance is charged to operations as incurred. Expenditures which extend the useful lives of the property or result in increasing future economic benefits such as increase in capacity and improvement in the quality of output or standard of performance is capitalized. When property is retired or otherwise disposed of, the carrying value and the related accumulated depreciation and accumulated impairment losses, if any, are removed from the accounts. Gains or losses from sale of investment property are recorded in profit or loss in the year of sale.

Management conducts appraisal of investment property with sufficient regularity to ensure whether or not there is a material permanent impairment.

Land is presented at acquisition cost and not depreciated.

Legal costs of landrights in the form of Business Usage Rights (Hak Guna Usaha or "HGU"), Building Usage Right (Hak Guna Bangunan or "HGB") and Usage Right ("Hak Pakai") when the land was acquired initially are recognized as part of the cost of the land and not amortized.

Meanwhile the extension or the legal renewal costs of land rights are recognized as intangible assets and amortized over the shorter of the rights' legal life or land's economic life.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

I. Investasi pada Entitas Asosiasi dan Ventura Bersama

Entitas asosiasi adalah entitas yang mana Grup memiliki pengaruh signifikan. Pengaruh signifikan adalah kekuasaan untuk berpartisipasi dalam keputusan kebijakan keuangan dan operasional *investee*, tetapi tidak mengendalikan atau mengendalikan bersama atas kebijakan tersebut.

Ventura bersama adalah pengaturan bersama yang para pihaknya memiliki pengendalian bersama atas pengaturan memiliki hak atas aset neto dari pengaturan. Pengendalian bersama adalah persetujuan kontraktual untuk berbagi pengendalian atas suatu pengaturan, yang ada hanya ketika keputusan tentang aktivitas relevan mensyaratkan persetujuan dengan suara bulat dari seluruh pihak yang berbagi pengendalian.

Sesuai dengan metode ekuitas, investasi pada entitas asosiasi dan ventura bersama diakui pada awalnya sebesar biaya perolehan. Nilai tercatat investasi tersebut selanjutnya disesuaikan untuk mengakui perubahan pasca perolehan dalam bagian Grup atas aset neto dari entitas asosiasi dan ventura bersama tersebut. *Goodwill* sehubungan dengan entitas asosiasi diakui dalam nilai tercatat investasi dan tidak diamortisasi maupun dilakukan pengujian penuruan nilai secara individual.

Laporan laba rugi dan penghasilan komprehensif lain konsolidasian Grup mencerminkan bagian atas hasil operasi dari entitas asosiasi dan ventura bersama. Bila terdapat perubahan dalam pendapatan komprehensif lainnya pada entitas asosiasi dan ventura bersama, disajikan sebagai pendapatan komprehensif lainnya Grup. Bila terdapat perubahan yang diakui langsung pada ekuitas dari entitas asosiasi, Grup mengakui bagiannya atas perubahan tersebut dan mengungkapkan hal ini, jika dapat diterapkan, dalam laporan perubahan ekuitas konsolidasian. Laba atau rugi yang belum direalisasi sebagai hasil dari transaksi antara Grup dengan entitas asosiasi dan ventura bersama dieliminasi pada jumlah sesuai dengan jumlah kepentingan Grup dalam entitas asosiasi dan ventura bersama.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Investment in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Under the equity method, the investment in an associate and joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate and joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statements of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associates and joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognized it shares of any changes, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate and joint venture are eliminated to the extend of the interest in the associate and joint venture.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

l. Investasi pada Entitas Asosiasi dan Ventura Bersama (lanjutan)

Laporan keuangan entitas asosiasi dan ventura bersama disusun untuk periode pelaporan yang sama dengan Grup. Jika diperlukan, penyesuaian dilakukan untuk menyeragamkan dengan kebijakan akuntansi Grup.

Setelah penerapan metode ekuitas, Grup menentukan apakah diperlukan untuk mengakui rugi penurunan nilai atas investasi dalam entitas asosiasi dan ventura bersama.

Grup menentukan pada setiap tanggal pelaporan apakah terdapat bukti yang obyektif yang mengindikasikan bahwa investasi dalam entitas asosiasi mengalami penurunan nilai. Dalam hal terdapat bukti yang obyektif, Grup menghitung jumlah penurunan nilai berdasarkan selisih antara jumlah terpulihkan atas investasi dalam entitas asosiasi dan ventura bersama dan nilai tercatatnya dan mengakui kerugian tersebut sebagai "Bagian atas laba dari entitas asosiasi dan ventura bersama" di dalam laporan laba rugi.

Pada saat kehilangan pengaruh signifikan terhadap entitas asosiasi dan ventura bersama, Grup mengukur dan menilai investasi yang tersisa pada nilai wajarnya. Selisih yang timbul atas nilai tercatat dengan nilai wajarnya pada saat kehilangan pengaruh signifikan dan hasil yang diterima pada saat pelepasan diakui dalam laporan laba rugi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Investment in Associates and Joint Ventures (continued)

The financial statements of the associate and joint venture are prepared for the same reporting period as the Group. When necessary, adjustment are made to bring the accounting policy in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate and joint venture.

At its reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and joint venture at its carrying value, and then recognizes the loss as "Share of net income of associates and joint venture" in the profit or loss.

Upon loss of significant influence over the associate and joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

I. Investasi pada Entitas Asosiasi dan Ventura Bersama (lanjutan)

Investasi dicatat dengan menggunakan metode ekuitas sejak tanggal investasi tersebut memenuhi definisi entitas asosiasi atau ventura bersama. Pada saat perolehan investasi, setiap selisih antara biaya perolehan investasi dengan bagian entitas atas nilai wajar neto aset dan liabilitas teridentifikasi dari investee dicatat dengan cara sebagai berikut:

a) *Goodwill* yang terkait dengan entitas asosiasi atau ventura bersama termasuk dalam jumlah tercatat investasi. Amortisasi *goodwill* tersebut tidak diperkenankan.
b) Setiap selisih lebih bagian entitas atas nilai wajar neto aset dan liabilitas teridentifikasi dari *investee* terhadap biaya perolehan investasi dimasukkan sebagai penghasilan dalam menentukan bagian entitas atas laba rugi entitas asosiasi atau ventura bersama pada periode investasi diperoleh.

Penyesuaian terhadap bagian entitas atas laba rugi entitas asosiasi atau ventura bersama setelah akuisisi dilakukan untuk mencatat, sebagai contoh, penyusutan dari aset berdasarkan nilai wajarnya pada tanggal perolehan. Sedangkan, penyesuaian terhadap bagian entitas atas laba rugi entitas asosiasi atau ventura bersama setelah akuisisi dilakukan atas rugi penurunan nilai yang diakui, misalnya *goodwill* atau aset tetap.

Mata uang fungsional PT Medco Power Indonesia, entitas asosiasi, adalah Rupiah. Untuk tujuan pelaporan investasi tersebut menggunakan metode ekuitas, aset dan liabilitas perusahaan ini pada tanggal laporan posisi keuangan masing-masing dijabarkan ke dalam Dolar AS dengan menggunakan kurs yang berlaku pada tanggal tersebut, sedangkan pendapatan dan beban dijabarkan ke dalam Dolar AS dengan menggunakan kurs rata-rata selama periode tersebut. Selisih kurs akibat penjabaran diakui dan dilaporkan sebagai "Selisih kurs karena Penjabaran Laporan Keuangan" pada bagian ekuitas di laporan posisi keuangan konsolidasian.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Investment in Associates and Joint Ventures (continued)

An investment is accounted for using the equity method from the date on which it becomes an associate or a joint venture. On acquisition of the investment, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

a) Goodwill relating to an associate or a joint venture is included in the carrying amount of the investment. Amortisation of that goodwill is not permitted.
b) Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Appropriate adjustments to the entity's share of the associate's or joint venture's profit or loss after acquisition are made in order to account, for example, for depreciation of the depreciable assets based on their fair values at the acquisition date. Similarly, appropriate adjustments to the entity's share of the associate's or joint venture's profit or loss after acquisition are made for impairment losses such as for goodwill or property, plant and equipment.

The functional currency of PT Medco Power Indonesia, an associate, is Rupiah. For the purpose of reporting the investments using the equity method, the assets and liabilities of the company is translated into US Dollar using the rate of exchange prevailing at that date, while revenues and expenses are translated into US Dollar at the average rates of exchange for the year. The resulting translation adjustments are reported as part of "Translation Adjustment" in the equity of the consolidated statements of financial position.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

m. Aset dalam Sewa Pembiayaan

Penentuan apakah suatu perjanjian merupakan perjanjian sewa atau perjanjian yang mengandung sewa didasarkan atas substansi perjanjian pada tanggal awal sewa dan apakah pemenuhan perjanjian tergantung pada penggunaan suatu aset dan perjanjian tersebut memberikan suatu hak untuk menggunakan aset tersebut. Sewa yang mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset, diklasifikasikan sebagai sewa pembiayaan. Selanjutnya, suatu sewa diklasifikasikan sebagai sewa operasi, jika sewa tidak mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset.

Grup sebagai *lessee*

Dalam sewa pembiayaan, Grup mengakui aset dan liabilitas dalam laporan posisi keuangan konsolidasian pada awal masa sewa, sebesar nilai wajar aset sewaan atau sebesar nilai kini dari pembayaran sewa minimum, jika nilai kini lebih rendah dari nilai wajar. Pembayaran sewa dipisahkan antara bagian yang merupakan beban keuangan dan bagian yang merupakan pelunasan liabilitas sewa. Beban keuangan dialokasikan setiap periode selama masa sewa, sehingga menghasilkan tingkat suku bunga periodik yang konstan atas saldo liabilitas.

Sewa kontinjen dibebankan pada periode terjadinya. Beban keuangan dicatat dalam laporan laba rugi. Aset sewaan (disajikan sebagai bagian aset tetap) disusutkan selama jangka waktu yang lebih pendek antara umur manfaat aset sewaan dan periode masa sewa, jika tidak ada kepastian yang memadai bahwa Grup akan mendapatkan hak kepemilikan pada akhir masa sewa.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Assets under Finance Lease

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. Leases that transfer substantially to the lessee all the risks and rewards incidental to ownership of the leased item are classified as finance leases. Moreover, leases which do not transfer substantially all the risks and rewards incidental to ownership of the leased item are classified as operating leases.

The Group as lessee

Under a finance lease, the Group recognizes assets and liabilities in its consolidated statements of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent rents are charged as expenses in the periods in which they are incurred. Finance charges are reflected in profit or loss. Capitalized leased assets (presented under the account property, plant and equipment) are depreciated over the shorter of the estimated useful life of the assets and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

m. Aset dalam Sewa Pembiayaan (lanjutan)

Grup sebagai *lessor*

Dalam sewa pembiayaan, *lessor* mengakui aset berupa piutang sewa pembiayaan dalam laporan posisi keuangan konsolidasi sebesar jumlah yang sama dengan investasi sewa neto yaitu, jumlah agregat dari (i) pembayaran sewa minimum yang akan diterima *lessor* dalam sewa pembiayaan dan (ii) nilai residu yang tidak dijamin yang menjadi hak *lessor* didiskontokan dengan suku bunga implisit dalam sewa. Selisih antara investasi sewa neto dan investasi sewa bruto (jumlah agregat dari pembayaran sewa minimum yang akan diterima *lessor* dalam sewa pembiayaan dan nilai residu yang tidak dijamin yang menjadi hak *lessor*) dialokasikan sebagai pendapatan keuangan selama masa sewa didasarkan pada suatu pola yang mencerminkan suatu tingkat pengembalian periodik yang konstan atas investasi neto.

Laba atau rugi dari transaksi jual-dan-sewa balik yang merupakan sewa pembiayaan, ditangguhkan dan diamortisasi dengan menggunakan metode garis lurus selama masa sewa.

n. Aset Minyak dan Gas Bumi dan Properti Pertambangan

Biaya pengeboran sumur pengembangan dan sumur tes stratigrafi tahap pengembangan, *platform*, perlengkapan sumur dan fasilitas produksi terkait, dikapitalisasi sebagai aset sumur, perlengkapan dan fasilitas dalam pengerjaan. Biaya tersebut dipindahkan ke aset sumur, perlengkapan dan fasilitas terkait pada saat pengeboran atau konstruksi selesai.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Assets under Finance Lease (continued)

The Group as lessor

Under a finance lease, the Group recognizes an asset in the form of finance lease receivable in its consolidated statements of financial position in the amount of the net investment in finance lease which is the aggregate amount of (i) the minimum lease payments to be received by the lessor under the finance lease and (ii) unguaranteed residual value which becomes a right of the lessor, discounted at interest rate implicit in the lease. The difference between the net investment in finance lease and the gross investment in finance lease (representing the aggregate amount of the minimum lease payments to be received by the lessor under the finance lease and unguaranteed residual value which becomes the right of the lessor) is allocated as finance income over the term of the lease so as to produce a constant periodic rate of return on the net investment.

Gain or loss on sale-and-leaseback transactions where the leaseback is a finance lease, is deferred and amortized using the straight-line method over the lease term.

n. Oil and Gas Properties and Mining Properties

The costs of drilling development wells and development-type stratigraphic test wells, platforms, well equipment and attendant production facilities, are capitalized as uncompleted wells, equipment and facilities. Such costs are transferred to wells and related equipment and facilities upon completion.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

n. Aset Minyak dan Gas Bumi dan Properti Pertambangan (lanjutan)

Penyusutan, deplesi dan amortisasi atas aset minyak dan gas bumi, kecuali untuk aset sumur, perlengkapan dan fasilitas dalam pengerjaan, dihitung dengan menggunakan metode satuan unit produksi, dengan menggunakan produksi kotor yang dibagi dengan cadangan kotor yang terbukti dan telah dikembangkan. Penyusutan atas fasilitas pendukung dan peralatan dihitung dengan menggunakan metode garis lurus selama 4 sampai dengan 20 tahun.

Entitas anak yang bergerak di bidang eksplorasi dan produksi minyak dan gas bumi (kecuali entitas anak yang beroperasi di Amerika Serikat) tidak mempunyai kepemilikan secara hukum atas aset produksi maupun atas cadangan minyak dan gas bumi, tetapi mempunyai hak untuk mengoperasikan aset tersebut dan menerima bagian dari produksi dan/atau pendapatan dari penjualan minyak dan gas bumi sesuai dengan kontrak yang berlaku.

o. Aset Eksplorasi dan Evaluasi

Beban eksplorasi dan evaluasi termasuk biaya geologi dan geofisika, biaya pengeboran sumur eksplorasi termasuk biaya pengeboran sumur tes stratigrafi tahap eksplorasi, dan biaya lainnya yang terkait untuk mengevaluasi kelayakan teknis dan komersialitas dari minyak dan gas yang diekstraksi dikapitalisasi dan disajikan terpisah sebagai Aset Eksplorasi dan Evaluasi di laporan posisi keuangan konsolidasian.

Pengeluaran yang dilakukan sebelum perolehan izin penambangan untuk entitas anak yang bergerak dibidang tambang batu bara dibebankan pada saat terjadinya.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Oil and Gas Properties and Mining Properties (continued)

Depreciation, depletion and amortization of oil and gas properties, except uncompleted wells, equipment and facilities, are calculated based on the unit-of-production method, using the gross production divided by gross proved developed reserves. Depreciation for support facilities and equipment is calculated using straight-line method over 4 to 20 years.

The subsidiaries engaged in exploration and production of oil and gas (excluding the subsidiaries located in United States) have no legal ownership in the producing assets and oil and gas reserves, but rather have the right to operate the assets and receive a share of production and/or revenues from the sale of oil and gas in accordance with the respective contracts.

o. Exploration and Evaluation Assets

Exploration and evaluation expenditures including geological and geophysical costs, costs of drilling exploratory wells, including the costs of drilling exploratory-type stratigraphic test wells, and other costs in relation to evaluating the technical feasibility and commercial viability of extracting oil and gas are capitalized and presented separately as Exploration and Evaluation Assets in the consolidated statements of financial position.

The costs incurred before the acquisition of mining license for subsidiaries engaged in coal mining are expensed when incurred.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

o. Aset Eksplorasi dan Evaluasi (lanjutan)

Jika tidak ditemukan potensi cadangan yang secara ekonomis dapat diperoleh, aset eksplorasi dan evaluasi dihapus melalui laba rugi sebagai sumur kering. Jika cadangan terbukti ditemukan dan layak dikembangkan tergantung pada aktivitas penilaian lebih lanjut, pengeluaran disajikan sebagai aset eksplorasi dan evaluasi pada saat kegiatan mengevaluasi kelayakan tersebut sedang berlangsung.

Pemulihan aset eksplorasi dan evaluasi tergantung pada keberhasilan pengembangan dan eksploitasi komersial daerah pengembangan (*area of interest*) tersebut. Aset eksplorasi dan evaluasi diuji untuk penurunan nilai bila fakta dan kondisi mengindikasikan bahwa jumlah tercatatnya mungkin melebihi jumlah terpulihkannya. Dalam keadaan tersebut, maka entitas harus mengukur, menyajikan dan mengungkapkan rugi penurunan nilai terkait sesuai dengan PSAK No. 48 (Revisi 2014), "Penurunan Nilai Aset".

Aset eksplorasi dan evaluasi ditransfer ke "Properti pertambangan" dan "Aset minyak dan gas bumi" pada akun "Aset minyak dan gas bumi dan properti pertambangan" setelah ditetapkan bahwa tambang memiliki nilai ekonomis untuk dikembangkan.

p. Saham Treasuri

Perolehan kembali modal saham sebagai saham treasuri yang akan diterbitkan kembali di masa yang akan datang dicatat dengan menggunakan metode nilai nominal. Berdasarkan metode ini, nilai nominal saham treasuri disajikan sebagai pengurang akun modal saham. Apabila saham tresuri tersebut semula diterbitkan dengan harga di atas nilai nominal, akun tambahan modal disetor terkait akan disesuaikan. Selisih lebih harga perolehan kembali atas harga penerbitan awal disesuaikan ke saldo laba.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Exploration and Evaluation Assets (continued)

If no potentially commercial hydrocarbons are discovered, the exploration asset is written off through profit or loss as a dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity, it is probable that they can be commercially developed, the costs continue to be carried as an exploration and evaluation asset while progress is made in assessing the commerciality of the hydrocarbons.

The recoverability of exploration and evaluation assets depends on the successful development and commercial exploitation in such area (area of interest). Exploration and evaluation assets are tested for impairment if certain facts and circumstances indicate that the carrying amount of the assets may exceed the recoverable value. In such conditions, the entity must measure, present and disclose the impairment loss as required under PSAK No. 48 (Revised 2014), "Impairment of Assets".

The exploration and evaluation assets are transferred to "Mining properties" and "Oil and gas properties" in the "Oil and gas assets and mining properties" account after the mining area is determined to have commercial reserves for further development.

p. Treasury Stock

Reacquisition of capital stock to be held as treasury stock for future reissuance is recorded by using par value method. Under this method, the par value of treasury stock is presented as a reduction from the capital stock account. If the treasury stock had been originally issued at a price above par value, the related additional paid-in capital account is adjusted. Any excess of the reacquisition cost over the original issuance price is adjusted to retained earnings.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

q. Pengaturan pembayaran berbasis saham

Perusahaan memberikan kepada manajemen dan karyawan Grup yang memenuhi syarat (termasuk *executive* senior) imbalan dalam bentuk pembayaran berbasis saham (transaksi pembayaran berbasis saham yang diselesaikan dengan instrumen ekuitas), di mana pembayaran diselesaikan dengan saham Perusahaan.

Biaya transaksi pembayaran berbasis saham yang diselesaikan dengan instrumen ekuitas ditentukan berdasarkan nilai wajar ketika penghargaan diberikan, menggunakan nilai pasar saham pada tanggal pemberian penghargaan.

Biaya tersebut diakui sebagai beban, bersama-sama dengan kenaikan pada ekuitas (tambahan modal disetor), selama periode jasa diberikan (periode *vesting)*. Biaya atas penghargaan yang *vest* segera, langsung diakui sebagai beban pada tanggal pemberian penghargaan.

Jasa yang masih harus diberikan tidak dipertimbangkan dalam mengestimasi nilai wajar saham pada tanggal pengukuran, tapi kemungkinan terpenuhinya kondisi dievaluasi sebagai bagian dari estimasi terbaik Grup dalam menentukan jumlah instrumen ekuitas yang pada akhirnya akan *vest.*

r. Program Pensiun dan Imbalan Kerja Lainnya

Grup menyelenggarakan program pensiun dan imbalan kerja lainnya berikut untuk semua karyawan tetapnya:

- Program pensiun imbalan pasti untuk karyawan pada entitas anak yang bergerak di bidang minyak dan gas bumi;
- Program pensiun iuran pasti untuk karyawan pada entitas anak yang bergerak di bidang minyak dan gas bumi;
- Imbalan pasca-kerja sesuai dengan Undang-Undang Tenaga Kerja No. 13/2003; dan
- Penghargaan *Jubilee* setelah beberapa tahun masa kerja.

Grup juga menyediakan imbalan pasca-kerja untuk personil manajemen utama sesuai dengan kebijakan Grup.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Share-based payment arrangement

The Company grants remuneration to the Group's management and eligible employees (including senior executives) in the form of share-based payments (equity-settled share-based payment transactions), wherein the payment is settled with the shares of the Company.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the share market price at grant date.

Such cost is recognized as an expense, together with a corresponding increase in equity (additional paid-in capital), over the period in which the service are provided (the vesting period). The cost for an award that vest immediately are recognized as an expense at grant date.

Service to be rendered are not taken into account when determining the grant date fair value of share awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

r. Pension and Other Employment Benefits

The Group provided the following pension and other employment benefits for all permanent employees:

- *Defined benefit pension plan for employees of subsidiaries in oil and gas operations;*
- *Defined contribution pension plan for employees of subsidiaries in oil and gas operations;*
- *Post-employment benefits in accordance with the requirements of Labor Law No. 13/2003; and*
- *Jubilee awards upon completion of a certain number of years of services.*

In addition, the Group also provided the post employment benefits for its key management personnel in accordance with the Group policy.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

r. Program Pensiun dan Imbalan Kerja Lainnya (lanjutan)

Program imbalan pasti

Beban atas pemberian imbalan dalam program imbalan manfaat pasti ditentukan dengan metode *Projected Unit Credit* dengan penilaian aktuaria yang dilakukan pada setiap akhir periode pelaporan tahunan.

Pengukuran kembali atas liabilitas (aset) imbalan pasti neto, yang diakui sebagai penghasilan komprehensif lain, terdiri dari:

i. Keuntungan atau kerugian aktuaria;
ii. Imbal hasil atas aset program, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas (aset);
iii. Setiap perubahan dampak batas aset, tidak termasuk jumlah yang dimasukkan dalam bunga neto atas liabilitas (aset).

Pengukuran kembali atas liabilitas (aset) imbalan pasti neto, diakui sebagai penghasilan komprehensif lain dan disajikan sebagai pos terpisah di ekuitas serta tidak direklasifikasi ke laba rugi pada periode berikutnya.

Biaya jasa lalu diakui pada laba rugi pada tanggal yang lebih awal antara tanggal amandemen atau kurtailmen program; dan tanggal pada saat Grup mengakui biaya restrukturisasi terkait.

Bunga neto ditentukan dengan mengalikan liabilitas (aset) imbalan pasti neto dengan tingkat diskonto. Grup mengakui perubahan atas liabilitas imbalan pasti neto berikut pada biaya produksi dan *lifting* dan beban penjualan, umum dan administrasi pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian:

- Biaya jasa yang terdiri dari biaya jasa kini, biaya jasa lalu dan keuntungan dan kerugian atas kurtailmen.
- Beban atau pendapatan bunga neto.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Pension and Other Employment Benefits (continued)

Defined benefit program

The cost of providing benefits under the defined benefits plan is determined using the Projected Unit Credit method with actuarial valuations being carried out at the end of each annual reporting period.

Remeasurement on net defined benefit liabilities (asset), which is recognized as other comprehensive income, consists of:

i. Actuarial gain and losses;
ii. Return on program asset, excluding of amount included in liabilities (asset) net interest;
iii. Every changes in asset ceiling, excluding of amount included in liabilities (asset) net interest.

Remeasurement on net defined benefit liabilities (asset), is recognized as other comprehensive income and presented as separate line item in equity and will not be reclassified to profit or loss in the next periods.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Group recognizes related restructuring costs.

Net interest is calculated by applying discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under production and lifting cost and selling, general and administrative expenses in the consolidated statements of profit or loss and other comprehensive income:

- *Service costs comprise current service costs, past-service costs and gains and losses on curtailments.*
- *Net interest expense or income.*

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

r. Program Pensiun dan Imbalan Kerja Lainnya (lanjutan)

Program imbalan pasti (lanjutan)

Kurtailmen terjadi apabila Grup mengurangi secara signifikan jumlah pekerja yang ditanggung oleh program, terminasi atau penghentian program.

Penyelesaian program terjadi ketika entitas melakukan transaksi yang menghapuskan semua kewajiban hukum atau konstruktif untuk sebagian atau seluruh imbalan dalam program imbalan pasti.

Program pensiun iuran pasti

Biaya atas program pensiun iuran pasti tersebut diakui pada saat terjadinya.

Imbalan jangka panjang lainnya

Beban imbalan jangka panjang lainnya ditentukan dengan metode *Projected Unit Credit* dengan metode yang disederhanakan di mana metode ini tidak mengakui pengukuran kembali dalam penghasilan komprehensif lain. Total nilai neto dari biaya jasa kini, biaya bunga neto atas liabilitas (aset) imbalan pasti neto dan pengukuran kembali liabilitas (aset) imbalan pasti neto diakui pada laba rugi periode berjalan.

s. Liabilitas Pembongkaran Aset Restorasi Area

Grup mengakui liabilitas pembongkaran dan pemindahan aset, dan restorasi area atas fasilitas produksi minyak dan gas bumi, sumur, pipa dan aset-aset yang terkait sesuai dengan persyaratan dalam kontrak bagi hasil atau sesuai dengan peraturan yang berlaku.

Estimasi awal biaya pembongkaran dan pemindahan aset minyak dan gas bumi dan restorasi area aset diakui sebagai komponen biaya perolehan, yang kemudian disusutkan/ dideplesikan dengan menggunakan metode satuan unit produksi yang sejalan dengan tarif deplesi aset yang dipilih.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Pension and Other Employment Benefits (continued)

Defined benefit program (continued)

A curtailment occurs when the Group either significantly reduce the number of employees covered by a plan, termination or suspension of the program.

A settlement occurs when an entity enters into a transaction that eliminates all further legal or constructive obligation for part or all of the benefits provided under a defined benefit plan.

Defined contribution pension plan

The costs of the defined contribution plans are recognized when incurred.

Other long-term benefits

The cost of providing other long-term employee benefits is determined using the Projected Unit Credit method using simplified method of not recognizing remeasurements in other comprehensive income. The net total of service cost, net interest on the net defined benefit liability (asset) and remeasurements of the net defined benefit liability (asset) is recognized in profit or loss for the period.

s. Asset Abandoment and Site Restoration

The Group recognizes its obligations for future dismantlement and transfer of assets, and site restoration of oil and gas production facilities, wells, pipelines and related assets in accordance with the provisions in the production sharing contracts or in line with applicable regulations.

The initial estimated costs for dismantlement and site restoration of oil and gas properties are recognized as part of the acquisition costs of the assets, and are subsequently depreciated/depleted using the unit-of-production method in line with the selected assets depletion rate.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

s. Liabilitas Pembongkaran Aset Restorasi Area (lanjutan)

Dalam banyak kasus, aktivitas pembongkaran dan pemindahan aset, dan restorasi area fasilitas produksi minyak dan gas, sumur, pipa saluran dan aset terkait terjadi pada beberapa tahun di masa yang akan datang. Provisi atas liabilitas pembongkaran dan pemindahan aset, dan restorasi area di masa yang akan datang adalah berupa estimasi terbaik pada tanggal pelaporan keuangan atas nilai kini dari pengeluaran di masa yang akan datang untuk melaksanakan liabilitas pembongkaran dan pemindahan aset, dan restorasi area tersebut, sesuai dengan ketentuan hukum yang berlaku pada tanggal pelaporan.

Estimasi tersebut ditelaah setiap tahun dan disesuaikan bila diperlukan. Penyesuaian atas nilai kini dari liabilitas pembongkaran dan pemindahan aset, dan restorasi area dibukukan sebagai penyesuaian atas nilai buku aset yang bersangkutan dengan jumlah yang sama.

Pembalikan dari efek diskonto dalam penghitungan provisi diakui sebagai beban pendanaan.

Pengeluaran yang terkait dengan pemulihan, rehabilitasi dan lingkungan hidup yang terjadi pada tahap produksi dibebankan sebagai bagian dari biaya produksi.

t. Instrumen Keuangan

Aset Keuangan

Aset keuangan diklasifikasikan dalam empat jenis: aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi, pinjaman yang diberikan dan piutang, investasi dimiliki hingga jatuh tempo, dan aset keuangan tersedia untuk dijual.

Grup menentukan klasifikasi aset keuangannya pada pengakuan awal dan, jika diperbolehkan dan sesuai, akan mengevaluasi kembali pengklasifikasian aset tersebut pada setiap akhir tanggal pelaporan keuangan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. Asset Abandoment and Site Restoration (continued)

In most instances, the dismantlement and transfer of assets, and site restoration activities of oil and gas production facilities, wells, pipelines and related assets will occur several years in the future. The provision for future dismantlement and transfer of assets, and site restoration obligation is the best estimate of the present value of the future expenditures required to undertake the dismantlement and transfer of assets, and site restoration obligation at the reporting date, based on current legal requirements.

Such estimates are reviewed on an annual basis and adjusted each year as required. Adjustments to the present value of the dismantlement and transfer of assets, and site restoration obligation are recorded as adjustment to the carrying amount of the associated asset in the same amount.

The unwinding of the effect of discounting the provision is recognized as a finance cost.

The costs related to restoration, rehabilitation and living environment which occurred in the production phase are expensed as part of production cost.

t. Financial Instruments

Financial Assets

Financial assets are classified into four types: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets.

The Group determines the classification of its financial assets at initial recognition and, if allowed and appropriate, re-evaluates the classification of those assets at each financial reporting date.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

t. Instrumen Keuangan (lanjutan)

Aset Keuangan (lanjutan)

Pengakuan awal

Aset keuangan pada awalnya diukur pada nilai wajar, dan dalam hal aset keuangan yang tidak diklasifikasikan sebagai aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi, ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung.

Pengukuran setelah pengakuan awal

Pengukuran aset keuangan setelah pengakuan awal tergantung pada klasifikasinya sebagai berikut:

- Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi

  Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi termasuk aset keuangan untuk diperdagangkan dan aset keuangan yang ditetapkan pada nilai wajar melalui laporan laba rugi pada saat pengakuan awal.

  Aset derivatif diklasifikasikan sebagai kelompok diperdagangkan kecuali mereka ditetapkan sebagai instrumen lindung nilai efektif.

  Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi disajikan dalam laporan posisi keuangan konsolidasian pada nilai wajar dengan keuntungan atau kerugian dari perubahan nilai wajar diakui dalam laporan laba rugi.

  Investasi jangka pendek dan aset derivatif diklasifikasikan dalam kategori ini.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Financial Instruments (continued)

Financial Assets (continued)

Initial recognition

Financial assets are recognized initially at fair value of the consideration given plus, in the case of financial assets not classified at fair value through profit or loss, directly attributable transaction cost.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

- *Financial assets at fair value through profit or loss*

  Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated as assets at fair value through profit or loss upon initial recognition.

  Derivative assets are classified as held for trading unless they are designated as effective hedging instruments.

  Financial assets at fair value through profit or loss are carried in the consolidated statements of financial position at fair value with gains or losses from changes in fair value recognized in profit or loss.

  Short-term investments and derivative assets are classified under this category.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

t. Instrumen Keuangan (lanjutan)

Aset Keuangan (lanjutan)

Pengukuran setelah pengakuan awal (lanjutan)

- Pinjaman yang diberikan dan piutang

  Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan yang tidak mempunyai kuotasi di pasar aktif, tidak termasuk dalam kelompok aset diperdagangkan dan tidak diklasifikasikan sebagai "diukur pada nilai wajar melalui laporan laba rugi", "tersedia untuk dijual", atau sebagai "investasi dimiliki hingga jatuh tempo".

  Setelah pengakuan awal, aset keuangan tersebut dicatat pada biaya perolehan yang diamortisasi dengan menggunakan metode suku bunga efektif, dan keuntungan atau kerugian terkait diakui dalam laporan laba rugi pada saat pinjaman yang diberikan dan piutang dihentikan pengakuannya atau mengalami penurunan nilai, atau melalui proses amortisasi.

  Grup memiliki kas dan setara kas, rekening bank yang dibatasi penggunaannya, piutang usaha dan piutang lain-lain dalam kategori ini.

- Aset keuangan tersedia untuk dijual (*Available-for-sale* (AFS))

  Aset keuangan AFS adalah aset keuangan non-derivatif yang ditetapkan sebagai tersedia untuk dijual atau yang tidak diklasifikasikan dalam tiga kategori sebelumnya. Setelah pengukuran awal, aset keuangan AFS diukur dengan nilai wajar dengan keuntungan atau kerugian yang belum terealisasi diakui dalam ekuitas di laporan posisi keuangan konsolidasian. Pada saat aset tersebut dihentikan pengakuannya, keuntungan atau kerugian kumulatif yang sebelumnya dicatat dalam ekuitas harus diakui pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Financial Instruments (continued)

Financial Assets (continued)

Subsequent measurement (continued)

- *Loans and receivables*

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as assets for trading, and have not been designated "at fair value through profit or loss", as "available-for-sale" or as "held-to-maturity" investments.

  After initial measurement, such financial assets are carried at amortized cost using the effective interest rate method, and gains or losses are recognized in profit or loss when the loan and receivable is derecognized or impaired, as well as through the amortization process.

  The Group has cash and cash equivalents, restricted cash in banks, trade and other receivables under this category.

- *Available-for-sale (AFS) financial assets*

  AFS financial assets are non-derivative assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, AFS financial assets are measured at fair value with unrealized gains or losses recognized in the shareholders' equity in the consolidated statements of financial position. When the asset is derecognized, the cumulative gain or loss previously recorded in the shareholders' equity shall be recognized in consolidated statements of profit or loss and other comprehensive income.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

t. Instrumen Keuangan (lanjutan)

Aset Keuangan (lanjutan)

Pengukuran setelah pengakuan awal (lanjutan)

- Aset keuangan tersedia untuk dijual (*Available-for-sale* (AFS)) (lanjutan)

  Investasi yang diklasifikasi sebagai aset keuangan tersedia untuk dijual yang tidak tersedia nilai wajarnya dengan kepemilikan kurang dari 20% dan investasi jangka panjang lainnya dicatat pada biaya perolehannya.

Penghentian pengakuan aset keuangan

Penghentian pengakuan atas suatu aset keuangan, atau bila dapat diterapkan, untuk bagian dari aset keuangan atau bagian dari kelompok aset keuangan serupa, terjadi bila:

i. Hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir; atau

ii. Grup tetap memiliki hak kontraktual untuk menerima arus kas yang berasal dari aset keuangan tersebut namun menanggung kewajiban untuk membayar arus kas yang diterima tersebut tanpa penundaan yang signifikan kepada pihak ketiga melalui suatu kesepakatan penyerahan; atau

iii. Grup mengalihkan hak kontraktual untuk menerima arus kas yang berasal dari aset keuangan tersebut dan: (a) secara substansial mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan tersebut, atau (b) secara substansial tidak mengalihkan dan tidak memiliki seluruh risiko dan manfaat atas kepemilikan aset keuangan tersebut, namun telah mengalihkan pengendalian atas aset keuangan tersebut.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Financial Instruments (continued)

Financial Assets (continued)

Subsequent measurement (continued)

- *Available-for-sale (AFS) financial assets (continued)*

  The investments classified as AFS that do not have readily determinable fair value in which the equity interest is less than 20% and other long-term investments which are carried at cost.

Derecognition of financial assets

A financial asset, or where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognized when:

i. The contractual rights to receive cash flows from such financial asset have expired; or

ii. The Group retains the right to receive cash flows from such financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass through" arrangement; or

iii. The Group has transferred its rights to receive cash flows from the financial asset and either: (a) has transferred substantially all the risks and rewards of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

t. Instrumen Keuangan (lanjutan)

Aset Keuangan (lanjutan)

Penurunan nilai dari aset keuangan

Pada setiap tanggal laporan posisi keuangan, Grup mengevaluasi apakah terdapat bukti yang obyektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai. Penurunan nilai atas aset keuangan atau kelompok aset keuangan dianggap telah terjadi, jika dan hanya jika, terdapat bukti yang obyektif mengenai penurunan nilai tersebut sebagai akibat dari salah satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut ("peristiwa yang merugikan") dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan atas aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara andal.

- Aset keuangan dicatat sebesar biaya perolehan yang diamortisasi

  Untuk pinjaman yang diberikan dan piutang yang dicatat pada biaya perolehan diamortisasi, Grup terlebih dahulu menentukan bahwa terdapat bukti obyektif mengenai penurunan nilai secara individual atas aset keuangan yang signifikan secara individual atau secara kolektif untuk aset keuangan yang tidak signifikan secara individual. Jika Grup menentukan tidak terdapat bukti obyektif mengenai penurunan nilai atas aset keuangan yang dinilai secara individual, terlepas aset keuangan tersebut signifikan atau tidak, maka aset tersebut dimasukkan ke dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang sejenis dan dinilai penurunan nilai kelompok tersebut secara kolektif. Aset yang penurunan nilainya dinilai secara individual dan untuk itu kerugian penurunan nilai diakui atau tetap diakui, tidak termasuk dalam penilaian penurunan nilai secara kolektif.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Financial Instruments (continued)

Financial Assets (continued)

Impairment of financial assets

At each reporting date, the Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an "incurred loss event") and that loss event has an impact on the estimated future cash flows from the financial asset or the group of financial assets that can be reliably estimated.

- *Financial assets carried at amortized cost*

  For loans and receivables carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

t. Instrumen Keuangan (lanjutan)

Aset Keuangan (lanjutan)

Penurunan nilai dari aset keuangan (lanjutan)

- Aset keuangan dicatat sebesar biaya perolehan yang diamortisasi (lanjutan)

  Jika terdapat bukti obyektif bahwa kerugian penurunan nilai telah terjadi, jumlah kerugian tersebut diukur sebagai selisih antara nilai tercatat aset dengan nilai kini estimasi arus kas masa datang (tidak termasuk kerugian kredit di masa mendatang yang belum terjadi). Nilai kini estimasi arus kas masa datang didiskonto dengan menggunakan suku bunga efektif awal dari aset keuangan tersebut. Jika suatu aset keuangan yang dikelompokkan sebagai "pinjaman yang diberikan dan piutang" memiliki suku bunga variabel, maka tingkat diskonto yang digunakan untuk mengukur setiap kerugian penurunan nilai adalah suku bunga efektif yang berlaku.

  Nilai tercatat atas aset keuangan dikurangi melalui penggunaan cadangan penurunan nilai dan jumlah kerugian yang terjadi diakui dalam laporan laba rugi. Pendapatan bunga selanjutnya diakui sebesar nilai tercatat yang diturunkan nilainya berdasarkan tingkat suku bunga efektif awal dari aset keuangan. Pinjaman yang diberikan dan piutang beserta dengan cadangan terkait dihapuskan jika tidak terdapat kemungkinan yang realistis atas pemulihan di masa mendatang dan seluruh agunan telah terealisasi atau dialihkan kepada Grup. Jika pada tahun berikutnya, nilai estimasi kerugian penurunan nilai aset keuangan bertambah atau berkurang karena peristiwa yang terjadi setelah penurunan nilai diakui, maka kerugian penurunan nilai yang diakui sebelumnya ditambah atau dikurangi dengan menyesuaikan cadangan penurunan nilai. Jika terdapat penghapusan yang dapat dipulihkan di masa mendatang, jumlah pemulihan tersebut diakui pada laporan laba rugi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Financial Instruments (continued)

Financial Assets (continued)

Impairment of financial assets (continued)

- *Financial assets carried at amortized cost (continued)*

  If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a "loans and receivables" financial asset has a variable interest rate, the discount rate for measuring impairment loss is the current effective interest rate.

  The carrying amount of the financial asset is reduced through the use of an allowance for impairment account and the amount of the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the financial asset. Loans and receivables, together with the associated allowance, are written-off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment account. If a future write-off is later recovered, the recovery is recognized in profit or loss.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

t. Instrumen Keuangan (lanjutan)

Aset Keuangan (lanjutan)

Penurunan nilai dari aset keuangan (lanjutan)

- Aset keuangan yang tersedia untuk dijual

  Dalam hal investasi ekuitas diklasifikasikan sebagai aset keuangan yang tersedia untuk dijual, bukti obyektif akan termasuk penurunan nilai wajar yang signifikan atau berkepanjangan di bawah nilai perolehan investasi tersebut.

  Ketika terdapat bukti penurunan nilai, kerugian kumulatif - yang diukur sebagai selisih antara biaya perolehan dan nilai wajar kini, dikurangi kerugian penurunan nilai investasi yang sebelumnya diakui pada laporan laba rugi - direklasifikasi dari ekuitas ke dalam laporan laba rugi. Kerugian penurunan nilai atas investasi ekuitas tidak dibalik/dipulihkan melalui laporan laba rugi; namun kenaikan nilai wajar setelah penurunan nilai tersebut diakui dalam ekuitas.

  Dalam hal instrumen utang diklasifikasikan sebagai aset keuangan yang tersedia untuk dijual, indikasi penurunan nilai dievaluasi berdasarkan kriteria yang sama dengan aset keuangan yang dicatat sebesar biaya perolehan diamortisasi. Penghasilan bunga di masa mendatang didasarkan pada penurunan nilai tercatat dan diakui berdasarkan suku bunga yang digunakan untuk mendiskonto arus kas masa datang dalam pengukuran kerugian penurunan nilai. Penghasilan bunga yang masih harus dibayar tersebut dicatat sebagai bagian dari akun "Pendapatan Bunga" dalam laporan laba rugi. Jika pada tahun berikutnya, nilai wajar atas instrumen utang meningkat dan peningkatan tersebut secara obyektif dapat dikaitkan dengan peristiwa yang timbul setelah pengakuan kerugian penurunan nilai melalui laporan laba rugi, kerugian penurunan nilai tersebut harus dipulihkan melalui laporan laba rugi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Financial Instruments (continued)

Financial Assets (continued)

Impairment of financial assets (continued)

- *AFS financial assets*

  In the case of equity investment classified as an AFS financial asset, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost.

  Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss - is reclassified from shareholders' equity to profit or loss. Impairment losses on equity investments are not reversed through the profit or loss; increases in their fair value after impairment are recognized in shareholders' equity.

  In the case of a debt instrument classified as an AFS financial asset, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Future interest income is based on the reduced carrying amount and is accrued based on the rate of interest used to discount future cash flows for the purpose of measuring impairment loss. Such accrual is recorded as part of the "Interest Income" account in profit or loss. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

t. Instrumen Keuangan (lanjutan)

Liabilitas Keuangan

Pengakuan awal

Liabilitas keuangan diklasifikasikan sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi dan liabilitas keuangan lain yang tidak dimiliki untuk diperdagangkan atau tidak ditetapkan sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi.

Grup menentukan klasifikasi liabilitas keuangan pada saat pengakuan awal. Liabilitas keuangan pada awalnya diukur pada nilai wajar dari jumlah yang diterima dan, dalam hal pinjaman dan utang, dikurangi dengan biaya transaksi yang dapat diatribusikan secara langsung.

Liabilitas keuangan Grup meliputi utang usaha dan lain-lain, biaya akrual, pinjaman bank jangka pendek, pinjaman jangka panjang dan liabilitas derivatif.

Pengukuran setelah pengakuan awal

Pengukuran liabilitas keuangan tergantung pada klasifikasi sebagai berikut:

- Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi

  Liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi termasuk liabilitas keuangan dimiliki untuk diperdagangkan dan liabilitas keuangan yang ditetapkan pada nilai wajar melalui laporan laba rugi pada saat pengakuan awal.

  Liabilitas keuangan diklasifikasikan sebagai dimiliki untuk diperdagangkan jika mereka diperoleh untuk tujuan dijual atau dibeli kembali dalam waktu dekat. Liabilitas derivatif juga diklasifikasikan sebagai dimiliki untuk diperdagangkan kecuali mereka ditetapkan sebagai instrumen lindung nilai efektif. Keuntungan atau kerugian atas liabilitas yang dimiliki untuk diperdagangkan diakui dalam laporan laba rugi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Financial Instruments (continued)

Financial Liabilities

Initial recognition

Financial liabilities are classified as financial liabilities at fair value through profit or loss and other financial liabilities that are not held for trading or not designated at fair value through profit or loss.

The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognized initially at the fair value of the consideration received and, in the case of loans and borrowings, less directly attributable transaction cost.

The Group's financial liabilities consist of trade and other payables, accrued expenses, short-term bank loans, long-term debt and derivative liabilities.

Subsequent measurement

The measurement of financial liabilities depends on the classification as follows:

- *Financial liabilities at fair value through profit or loss*

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at fair value through profit or loss upon initial recognition.

  Financial liabilities are classified as held for trading if they are acquired for the purposes of selling or repurchasing in the near term. Derivatives liabilities are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in profit or loss.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

t. Instrumen Keuangan (lanjutan)

Liabilitas Keuangan (lanjutan)

Pengukuran setelah pengakuan awal (lanjutan)

- Liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi

  Liabilitas keuangan yang tidak diklasifikasikan sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi dikategorikan dan diukur dengan biaya perolehan diamortisasi.

  Setelah pengakuan awal, pinjaman dan utang yang dikenakan bunga selanjutnya diukur pada biaya perolehan yang diamortisasi dengan menggunakan metode suku bunga efektif. Pada tanggal pelaporan keuangan, biaya bunga yang masih harus dibayar dicatat secara terpisah dari nilai pokok pinjaman terkait dalam bagian liabilitas lancar. Keuntungan dan kerugian diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian ketika liabilitas dihentikan pengakuannya serta melalui proses amortisasi menggunakan metode suku bunga efektif.

  Utang usaha dan lain-lain, biaya akrual, pinjaman bank jangka pendek dan pinjaman jangka panjang diklasifikasikan dalam kategori ini.

Penghentian pengakuan

Liabilitas keuangan dihentikan pengakuannya pada saat liabilitas tersebut dibayar atau dibatalkan atau kadaluwarsa. Ketika sebuah liabilitas keuangan yang masih ada ditukar dengan liabilitas keuangan lain dari pemberi pinjaman yang sama atas persyaratan yang secara substansial berbeda, atau bila persyaratan dari liabilitas keuangan tersebut secara substansial dimodifikasi, pertukaran atau modifikasi persyaratan tersebut dicatat sebagai penghentian pengakuan liabilitas keuangan awal dan pengakuan liabilitas keuangan baru, dan selisih antara nilai tercatat masing-masing liabilitas keuangan tersebut diakui dalam laporan laba rugi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Financial Instruments (continued)

Financial Liabilities (continued)

Subsequent measurement (continued)

- *Financial liabilities at amortized cost*

  Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortized cost.

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. At financial reporting date, the accrued interest is recorded separately from the respective principal amount of loans as part of current liabilities. Gains and losses are recognized in consolidated statements of profit or loss and other comprehensive income when the liabilities are derecognized as well as through the amortization process using the effective interest rate method.

  Trade and other payables, accrued expenses, short-term bank loans and long term debt are classified under this category.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

t. Instrumen Keuangan (lanjutan)

Saling hapus dari instrumen keuangan

Aset keuangan dan liabilitas keuangan saling hapus dan nilai netonya dilaporkan dalam laporan posisi keuangan konsolidasian jika, dan hanya jika, memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan berniat untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara bersamaan.

Penyesuaian risiko kredit

Grup menyesuaikan harga di pasar yang dapat diobservasi untuk mencerminkan adanya perbedaan risiko kredit para pihak yang bertransaksi antara instrumen yang diperdagangkan di pasar tersebut dengan instrumen yang dinilai untuk posisi aset keuangan. Dalam penentuan nilai wajar posisi liabilitas keuangan, risiko kredit Grup terkait dengan instrumen keuangan tersebut ikut diperhitungkan.

u. Pengakuan Pendapatan dan Beban

Pendapatan dari penjualan minyak mentah dan gas diakui pada saat pengiriman ke pelanggan. Apabila volume dari minyak yang di-*lifting* kurang/lebih dari hak Grup, maka piutang dari/utang ke Pemerintah harus diakui.

Pendapatan dari kegiatan pengeboran dan jasa terkait lainnya diakui pada saat jasa diberikan. Pendapatan mobilisasi diakui pada saat *rig* telah sampai di lokasi pengeboran dan siap untuk beroperasi. Pendapatan demobilisasi diakui pada saat jasa pengeboran telah selesai dilaksanakan dan *rig* telah dipindahkan dari lokasi sumur pengeboran yang terakhir.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Financial Instruments (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is currently an enforceable legal right to set off the recognized amounts and there is an intention either to settle on a net basis, or to realize the assets and the liabilities simultaneously.

Credit risk adjustment

The Group adjusts the price in the observable market to reflect any differences in counterparty credit risk between instruments traded in that market and the ones being valued for financial asset positions. In determining the fair value of financial liability positions, the Group's own credit risk associated with the instrument is taken into account.

u. Revenue and Expense Recognition

Revenue from sales of crude oil and gas is recognized upon delivery to the customer. For lifting imbalances with the Government, wherein the volume of oil lifted is less/greater than the Group entitlement, a receivable or payable is accrued.

Revenues from drilling and other related services are recognized when the service is rendered. Mobilization revenue is recognized when the rig has arrived in the drilling area and is ready to operate. Demobilization revenue is recognized when the drilling service has been completed and the rig has been moved from the last well drilled.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

u. Pengakuan Pendapatan dan Beban (lanjutan)

Penghasilan/pendapatan lain-lain diakui pada saat diperoleh.

Beban diakui pada saat terjadinya dengan menggunakan metode akrual.

v. Perpajakan

Beban pajak penghasilan terdiri dari pajak kini dan pajak tangguhan. Pajak diakui dalam laporan laba rugi, kecuali jika pajak tersebut terkait dengan transaksi atau kejadian yang diakui di pendapatan komprehensif lain atau langsung diakui ke ekuitas. Dalam hal ini, pajak tersebut masing-masing diakui dalam pendapatan komprehensif lain atau ekuitas.

Pajak kini

Beban pajak kini ditentukan berdasarkan laba kena pajak dalam tahun yang bersangkutan. Tarif pajak yang digunakan untuk menghitung jumlah tersebut adalah yang telah berlaku atau secara substantif telah berlaku pada tanggal pelaporan.

Aset dan liabilitas pajak kini untuk tahun berjalan dan tahun sebelumnya diukur sebesar jumlah yang diharapkan dapat direstitusi dari atau dibayarkan kepada otoritas perpajakan.

Koreksi terhadap liabilitas perpajakan dicatat saat surat ketetapan pajak diterima dan apabila dilakukan banding, ketika hasil banding sudah diputuskan. Kekurangan/ kelebihan pembayaran pajak penghasilan dicatat sebagai bagian dari “Beban Pajak Kini” dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Revenue and Expense Recognition (continued)

Other income/revenues are recognized when earned.

Expenses are recognized as incurred on an accrual basis.

v. Taxation

The income tax expense comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax expense is determined based on the taxable income for the year. Tax rates used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities for the current and prior years are measured at the amounts expected to be recovered from or paid to the tax authorities.

Amendments to taxation obligations are recorded when an assessment is received and if appealed, when the result of the appeal is determined. The underpayment/overpayment of income tax are recorded as part of "Current Tax" in the consolidated statements of profit or loss and other comprehensive income.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

v. Perpajakan (lanjutan)

Pajak tangguhan

Pajak tangguhan diakui dengan menggunakan metode liabilitas atas perbedaan temporer antara perhitungan akuntansi dan basis perhitungan pajak atas aset dan kewajiban pada tanggal pelaporan.

Aset dan liabilitas pajak tangguhan diakui atas perbedaan temporer antara jumlah tercatat aset dan liabilitas pada laporan posisi keuangan dengan dasar pengenaan pajaknya pada setiap tanggal pelaporan. Aset pajak tangguhan diakui untuk seluruh perbedaan temporer yang boleh dikurangkan dan akumulasi rugi pajak yang belum dikompensasikan, bila kemungkinan besar laba kena pajak akan tersedia sehingga perbedaan temporer dapat dikurangkan dan rugi pajak belum dikompensasikan tersebut dapat dimanfaatkan.

Liabilitas pajak tangguhan dan aset pajak tangguhan (jika memenuhi kriteria) diakui atas perbedaan temporer kena pajak terkait dengan investasi pada entitas anak dan asosiasi, kecuali yang waktu pembalikannya dapat dikendalikan dan kemungkinan besar perbedaan temporer tersebut tidak akan dibalik di masa depan yang dapat diperkirakan.

Jumlah tercatat aset pajak tangguhan ditelaah pada setiap tanggal pelaporan dan nilai tercatat aset pajak tangguhan tersebut diturunkan apabila laba fiskal mungkin tidak memadai untuk mengkompensasi sebagian atau semua manfaat aset pajak tangguhan. Aset pajak tangguhan yang belum diakui sebelumnya ditelaah pada setiap tanggal pelaporan dan diakui sepanjang laba kena pajak yang akan datang kemungkinan besar akan tersedia untuk dipulihkan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Taxation (continued)

Deferred tax

Deferred tax is recognized using the liability method on temporary differences between the financial and the tax bases of assets and liabilities at the financial reporting date.

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amount of assets and liabilities with their tax bases at the financial reporting date. Deferred tax assets are recognized for all deductible temporary differences and accumulated tax losses that have not been utilized, if taxable income is likely to be available so that the temporary differences can be deducted and the unutilized tax losses can be utilized.

Deferred tax liabilities and deferred tax assets (if they meet the criteria) are recognized for temporary differences associated with investments in subsidiaries and associates, unless the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable income will be available in the future to enable some or all of the benefits of the deferred tax assets to be realized. Deferred tax assets that have not been recognized previously are reviewed at each reporting date and recognized to the extent that it has become probable that sufficient taxable income will be available to enable the deferred tax assets to be recovered.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

v. Perpajakan (lanjutan)

Pajak tangguhan (lanjutan)

Aset dan liabilitas pajak tangguhan diukur berdasarkan tarif pajak yang diharapkan akan dipakai pada tahun saat aset terealisasi dan liabilitas diselesaikan berdasarkan tarif pajak dan peraturan perpajakan yang berlaku atau yang secara substantif berlaku pada tanggal laporan posisi keuangan konsolidasian.

Aset pajak tangguhan dan liabilitas pajak tangguhan saling hapus jika terdapat hak secara hukum untuk melakukan saling hapus atas aset pajak kini terhadap liabilitas pajak kini atau aset dan liabilitas pajak tangguhan pada entitas yang sama.

Entitas anak yang terlibat dalam kegiatan eksplorasi dan produksi minyak dan gas bumi di Indonesia dikenai tarif pajak penghasilan sebesar antara 36% sampai 48%.

Entitas anak yang terlibat dalam kegiatan eksplorasi dan produksi minyak dan gas bumi di luar Indonesia dikenai berbagai tarif pajak penghasilan badan, paling tinggi sebesar 50%.

Entitas anak yang beroperasi dalam bidang selain minyak dan gas bumi di Indonesia dikenakan tarif pajak sebesar 25%.

w. Instrumen Keuangan Derivatif dan Akuntansi Lindung Nilai

Grup menggunakan instrumen keuangan seperti *swap* tingkat suku bunga antar mata uang, kontrak *forward* mata uang asing dan *swap* antar mata uang untuk melakukan lindung nilai atas risiko mata uang asing dan risiko tingkat suku bunganya. Instrumen keuangan tersebut pada awalnya diakui sebesar nilai wajar pada tanggal kontrak derivatif dimulai dan selanjutnya diukur kembali pada nilai wajar. Derivatif dicatat sebagai aset keuangan saat nilai wajarnya positif dan sebagai liabilitas keuangan saat nilai wajarnya negatif.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Taxation (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are measured based on tax rates that are expected to apply to the year when the assets are realized and liabilities are settled based on the tax rates and tax laws that have been enacted or substantively enacted at the consolidated statements of financial position date.

Deferred tax assets and deferred tax liabilities are offset if there is a legal right to off-set deferred tax assets against deferred tax liabilities and the deferred tax assets and liabilities pertain to the same entity.

Subsidiaries involved in oil and gas exploration and production in Indonesia are subject to income tax at rates ranging from 36% to 48%.

Subsidiaries involved in oil and gas exploration and production outside Indonesia are subject to various corporate income tax rates, up to a maximum rate of 50%.

Subsidiaries involved in non-oil and gas activities in Indonesia are subject to corporate income tax at 25%.

w. Derivative Financial Instruments and Hedge Accounting

The Group uses derivative financial instruments such as cross currency interest rate swaps, foreign currency forward contracts and cross-currency swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

w. Instrumen Keuangan Derivatif dan Akuntansi Lindung Nilai (lanjutan)

Grup menerapkan akuntansi lindung nilai atas transaksi lindung nilai yang memenuhi kriteria akuntansi lindung nilai.

Untuk tujuan akuntansi lindung nilai, lindung nilai diklasifikasikan sebagai lindung nilai atas nilai wajar, lindung nilai atas arus kas dan lindung nilai atas investasi neto dalam kegiatan usaha luar negeri.

Lindung nilai arus kas

Lindung nilai arus kas digunakan untuk lindung nilai terhadap eksposur variabilitas arus kas yang dapat diatribusikan pada risiko mata uang asing atau risiko tingkat suku bunga yang terkait dengan suatu aset atau liabilitas yang diakui.

Bagian efektif atas laba atau rugi instrumen lindung nilai atas arus kas diakui langsung pada pendapatan komprehensif lain, sementara bagian yang tidak efektif diakui segera dalam laporan laba rugi.

Perusahaan mempunyai kontrak *swap* antar mata uang yang digunakan sebagai lindung nilai atas eksposur perubahan dalam arus kas sehubungan dengan perubahan nilai tukar mata uang asing. Kontrak *swap* tersebut dicatat dengan menggunakan akuntansi lindung nilai.

x. Penurunan Nilai Aset Non-Keuangan

Pada setiap akhir periode pelaporan, Grup menilai apakah terdapat indikasi suatu aset mengalami penurunan nilai. Jika terdapat indikasi tersebut, atau pada saat pengujian tahunan penurunan nilai aset (yaitu *goodwill* yang diperoleh dalam suatu kombinasi bisnis) diperlukan, maka Grup membuat estimasi jumlah terpulihkan aset tersebut.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

w. Derivative Financial Instruments and Hedge Accounting (continued)

The Group applies hedge accounting to hedging transactions that meet the criteria for hedge accounting.

For the purpose of hedge accounting, hedges are classified as fair value hedge, cash flow hedge and hedge of a net investment in a foreign operation.

Cash flow hedge

Cash flow hedge is used to hedge the exposure to variability in cash flows that is attributable to foreign currency risk or interest rate risk associated with a recognized asset or liability.

The effective portion of the gain or loss on the cash flow hedging instrument is recognized directly in other comprehensive income, while any ineffective portion is recognized immediately in profit or loss.

The Company entered into cross-currency swap contracts that are used as a hedge for the exposure to changes in cash flows relating to interest payments and bonds repayment due to changes in foreign exchange rates. Such swap contracts are accounted for under hedge accounting.

x. Impairment of Non-Financial Assets

The Group assesses at end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset (i.e., goodwill acquired in a business combination) is required, the Group makes an estimate of the asset's recoverable amount.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

x. Penurunan Nilai Aset Non-Keuangan (lanjutan)

Jumlah terpulihkan yang ditentukan untuk aset individual adalah jumlah yang lebih tinggi antara nilai wajar aset atau unit penghasil kas (UPK) dikurangi biaya untuk menjual dan nilai pakainya, dan ditentukan untuk aset individual kecuali aset tersebut tidak menghasilkan arus kas masuk yang sebagian besar independen dari aset lain atau kelompok aset lain. Jika nilai tercatat aset lebih besar daripada nilai terpulihkannya, maka aset tersebut mengalami penurunan nilai dan nilai tercatat aset diturunkan menjadi sebesar nilai terpulihkannya. Rugi penurunan nilai dari operasi yang dilanjutkan diakui pada laporan laba rugi sebagai "kerugian atas penurunan nilai aset".

Pemulihan rugi penurunan nilai untuk aset non-keuangan selain *goodwill*, diakui jika, dan hanya jika, terdapat perubahan estimasi yang digunakan dalam menentukan jumlah terpulihkan aset sejak pengujian penurunan nilai terakhir kali. Pembalikan tersebut dibatasi sehingga jumlah tercatat aset tidak melebihi jumlah terpulihkannya maupun jumlah tercatat, setelah dikurangi penyusutan, seandainya tidak ada rugi penurunan nilai yang telah diakui untuk aset tersebut pada tahun sebelumnya. Pembalikan rugi penurunan nilai diakui segera dalam laba rugi. Setelah pembalikan tersebut, penyusutan aset tersebut disesuaikan di periode mendatang untuk mengalokasikan jumlah tercatat aset yang direvisi, dikurangi nilai sisanya, dengan dasar yang sistematis selama sisa umur manfaatnya.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

x. Impairment of Non-Financial Assets (continued)

An asset's recoverable amount is the higher of the asset's or cash generating unit (CGU)'s fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment losses of continuing operations are recognized in profit or loss as "impairment losses".

Reversal on impairment loss for non-financial assets other than goodwill would be recognized if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment test was carried out. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized immediately in profit or loss. After such a reversal, the depreciation charge on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

x. Penurunan Nilai Aset Non-Keuangan (lanjutan)

Goodwill diuji untuk penurunan nilai setiap tahun (pada tanggal 31 Desember) dan ketika keadaan yang mengindikasikan bahwa nilai tercatat mungkin mengalami penurunan nilai. Penurunan nilai bagi *goodwill* ditetapkan dengan menentukan jumlah terpulihkan dari setiap UPK (atau kelompok UPK) dimana *goodwill* terkait. Jika jumlah terpulihkan dari UPK kurang dari jumlah tercatatnya, rugi penurunan nilai diakui.

Kerugian penurunan nilai yang berhubungan dengan *goodwill* tidak dapat dibalik pada periode yang akan datang.

y. Pengaturan Bersama

Pengaturan bersama adalah pengaturan yang dua atau lebih pihak memiliki pengendalian bersama. Pengendalian bersama adalah persetujuan kontraktual untuk berbagi pengendalian atas suatu pengaturan, yang ada hanya ketika keputusan mengenai aktivitas relevan mensyaratkan persetujuan dengan suara bulat dari seluruh pihak yang berbagi pengendalian.

Operasi bersama

Operasi bersama adalah salah satu jenis pengaturan bersama dimana para pihak yang memiliki pengendalian bersama atas pengaturan memiliki hak atas aset, kewajiban atas liabilitas, terkait dengan pengaturan tersebut.

Grup memiliki kepemilikan dalam operasi bersama dimana Grup termasuk salah satu pihak yang memiliki pengendalian bersama (operator bersama).

Ketika entitas mengakuisisi kepentingan dalam operasi bersama yang aktivitas operasi bersamanya merupakan bisnis, kombinasi bisnis entitas tersebut, menerapkan seluruh prinsip akuntansi kombinasi bisnis. Hal ini diterapkan untuk akuisisi kepentingan awal dan kepentingan tambahan dalam operasi bersama yang aktivitas operasi bersamanya merupakan bisnis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

x. Impairment of Non-Financial Assets (continued)

Goodwill is tested for impairment annually (on December 31) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized.

Impairment losses relating to goodwill cannot be reversed in future periods.

y. Joint Arrangement

A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint Operation

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

The Group has interests in several joint operation whereby the Group includes as a party which have joint control of a joint operation (joint operator).

When an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business. It shall apply, all of the principles on business combinations accounting. This applies to the acquisition of both the initial interest and additional interests in a joint operation in which the activity of the joint operation constitutes a business.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

y. Pengaturan Bersama (lanjutan)

Operasi bersama (lanjutan)

Sehubungan dengan kepemilikannya dalam operasi bersama, Grup mengakui:

- Aset, mencakup bagiannya atas setiap aset uang dimiliki bersama;
- Liabilitas, mencakup bagiannya atas liabilitas yang terjadi bersama;
- Pendapatan dari penjualan bagiannya atas output yang dihasilkan dari operasi bersama;
- Bagiannya atas pendapatan dari penjualan output oleh operasi bersama; dan
- Beban, mencakup bagiannya atas setiap beban yang terjadi secara bersama-sama.

Ketika Grup melakukan transaksi dengan operasi bersama, di mana Grup merupakan salah satu operator bersama, maka Grup mengakui keuntungan dan kerugian yang dihasilkan dari transaksi tersebut hanya sebatas kepentingan para pihak lain dalam operasi bersama tersebut.

Ketika Grup kehilangan pengendalian bersama, Grup mengakui dan mencatat investasi yang tersisa pada nilai wajar. Perbedaan antara nilai tercatat dari entitas pengendalian bersama dahulu saat kehilangan pengendalian bersama dan nilai wajar investasi yang tersisa dan pendapatan dari pelepasan dicatat dalam laba atau rugi. Ketika investasi tersisa menunjukkan pengaruh yang signifikan, maka investasi akan dicatat sebagai investasi pada entitas asosiasi.

Ventura Bersama

Ventura bersama adalah pengaturan bersama yang mengatur bahwa para pihak yang memiliki pengendalian bersama atas pengaturan memiliki hak atas aset neto pengaturan tersebut. Investasi pada ventura bersama dicatat menggunakan metode ekuitas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

y. Joint Arrangement (continued)

Joint Operation (continued)

In relation to its interests in joint operations, the Group recognises its:

- *Assets, including its share of any assets held jointly;*
- *Liabilities, including its share of any liabilities incurred jointly;*
- *Revenue from the sale of its share of the output arising from the joint operation;*
- *Share of the revenue from the sale of the output by the joint operation; and*
- *Expenses, including its share of any expenses incurred jointly.*

When the Group enters into a transaction with a joint operation in which it is a joint operator, the Group shall recognise gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation.

Upon loss of joint control, the Group measures and recognizes its remaining investment at its fair value. Any difference between the carrying amount of the former jointly controlled entity upon loss of joint control and the fair value of the remaining investment and gain from disposal is recognized in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as investment in an associates.

Joint Venture

Joint ventures are a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investment in joint ventures are accounted for using the equity method.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

z. Informasi Segmen

Segmen adalah komponen Grup yang dapat dibedakan dalam menghasilkan produk tertentu (segmen bisnis) atau dalam menghasilkan produk dalam sebuah lingkungan ekonomi khusus (segmen geografis), yang merupakan subyek yang mempunyai risiko dan manfaat yang berbeda dari segmen lainnya.

Segmen pendapatan, beban, hasil, aset dan liabilitas termasuk hal-hal yang dapat diatribusikan secara langsung terhadap sebuah segmen dan juga yang dapat dialokasikan pada dasar yang wajar pada segmen tersebut. Segmen tersebut ditentukan sebelum saldo intragrup dan transaksi intragrup dieliminasi.

Untuk tujuan manajemen, Grup dibagi menjadi segmen operasi berdasarkan produk dan jasa yang dikelola secara independen oleh masing-masing pengelola segmen yang bertanggung jawab atas kinerja dari masing-masing segmen. Para pengelola segmen melaporkan secara langsung kepada manajemen Perusahaan yang secara teratur mengkaji laba segmen sebagai dasar untuk mengalokasikan sumber daya ke masing-masing segmen dan untuk menilai kinerja segmen. Pengungkapan tambahan pada masing-masing segmen terdapat dalam Catatan 42, termasuk faktor yang digunakan untuk mengidentifikasi segmen yang dilaporkan dan dasar pengukuran informasi segmen.

aa. Provisi

Provisi diakui ketika Grup memiliki kewajiban kini (bersifat hukum dan/atau konstruktif) yang diakibatkan oleh peristiwa di masa lalu, dan besar kemungkinannya arus keluar sumber daya yang mengandung manfaat ekonomis akan diperlukan untuk menyelesaikan kewajiban dan estimasi yang andal mengenai jumlah kewajiban tersebut dapat dibuat.

bb. Laba per Saham

Laba per saham dasar dihitung dengan membagi laba tahun berjalan yang dapat diatribusikan kepada pemilik entitas induk dengan jumlah rata-rata tertimbang saham biasa yang beredar pada periode yang bersangkutan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Segment Information

A segment is a distinguishable component of the Group that is engaged either in providing certain products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment revenue, expenses, results, assets, and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. They are determined before intragroup balances and intragroup transactions are eliminated.

For management purposes, the Group is organized into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 42, including the factors used to identify the reportable segments and the measurement basis of segment information.

aa. Provisions

Provisions are recognized when the Group has a present obligation, (legal and/or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

bb. Earnings per Share

Basic earnings per share amounts are computed by dividing profit for the year attributable to owners of the parent entity by the weighted average number of ordinary shares outstanding during the period.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

cc. Aset Tidak Lancar yang Diklasifikasikan sebagai Dimiliki untuk Dijual dan Operasi yang Dihentikan

Aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual

Aset tidak lancar diklasifikasikan sebagai dimiliki untuk dijual jika nilai tercatatnya akan dipulihkan terutama melalui transaksi penjualan daripada melalui pemakaian berlanjut.

Aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual diukur pada nilai yang lebih rendah antara nilai tercatat dan nilai wajar setelah dikurangi biaya untuk menjual.

Aset tetap dan aset takberwujud tidak didepresiasi atau diamortisasi setelah diklasifikasikan sebagai dimiliki untuk dijual.

Aset dan liabilitas diklasifikasikan sebagai tersedia untuk dijual disajikan terpisah sebagai bagian lancar pada laporan posisi keuangan konsolidasian.

Operasi yang dihentikan

Operasi yang dihentikan adalah komponen entitas yang telah dilepaskan atau diklasifikasikan sebagai dimiliki untuk dijual, dan

- Mewakili lini usaha atau area geografis operasi utama yang terpisah; dan
- Bagian dari rencana tunggal terkoordinasi untuk melepaskan lini usaha atau area geografis operasi utama yang terpisah, atau
- Entitas anak yang diperoleh secara khusus dengan tujuan dijual kembali.

Operasi yang dihentikan disajikan terpisah dari hasil usaha operasi yang dilanjutkan dan disajikan sebagai suatu jumlah tunggal laba atau rugi setelah pajak dari operasi yang dihentikan dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian. Informasi komparatif periode sebelumnya diklasifikasikan kembali untuk menyesuiakan dengan penyajian tersebut.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

cc. Non-current Assets Classified as Held for Sale and Discountinued Operations

Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statements of financial position.

Discontinued Operations

A discontinued operations is a component of a company that either has been disposed of, or is classified as held for sale, and

- *Represents a separate major line of business or major geographical area of operations; and*
- *Is part of a single co-ordinated plan to dispose of a separate major line of business or major geographical area of operations, or*
- *Is a subsidiary acquired exclusively with a view to resale.*

Discontinued operations are excluded from the results of continuing operations and presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statements of profit or loss and other comprehensive income. The comparative prior periods information are re-presented to align with such presentation.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

cc. Aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual dan operasi yang dihentikan (lanjutan)

Operasi yang dihentikan (lanjutan)

Jika kriteria dimiliki untuk dijual tidak lagi dipenuhi, aset tersebut diklasifikasikan kembali pada klasifikasi sebelum aset tersebut dikategorikan sebagai tersedia dijual dan diukur pada yang lebih rendah antara (a) jumlah tercatat aset tersebut (atau kelompok lepasan) diklasifikasikan sebelum dimiliki untuk dijual, disesuaikan dengan penyusutan dan amortisasi yang seharusnya diakui apabila aset tersebut (kelompok lepasan) tidak diklasifikasikan sebagai dimiliki untuk dijual, dan (b) jumlah terpulihkan pada saat tanggal keputusan tidak menjual. Hasil usaha yang sebelumnya disajkan pada operasi yang dihentikan diklasifikasikan kembali dan termasuk dalam penghasilan dari operasi yang dilanjutkan untuk semua periode sajian.

Pengungkapan tambahan disajikan pada Catatan 37. Catatan laporan keuangan lainnya terutama termasuk jumlah untuk operasi yang dilanjutkan, kecuali disebutkan lain.

dd. Amandemen dan Penyesuaian Standar Akuntansi yang Berlaku Efektif pada Tahun 2016

Penerapan amandemen dan penyesuaian standar berikut yang berlaku efektif 1 Januari 2017 tidak menimbulkan perubahan substansial terhadap kebijakan akuntansi Grup dan tidak memiliki dampak yang material atas jumlah yang dilaporkan untuk periode berjalan dan periode sebelumnya:

- PSAK No. 1 (Amandemen 2016), "Penyajian Laporan Keuangan"
- PSAK No. 3 (Penyesuaian 2016), "Laporan Keuangan Interim"
- PSAK No. 24 (Penyesuaian 2016), "Imbalan Kerja"
- PSAK No. 58 (Penyesuaian 2016), "Aset Tidak Lancar yang Dimiliki Untuk Dijual dan Operasi yang Dihentikan"
- PSAK No. 60 (Penyesuaian 2016), "Instrumen Keuangan: Pengungkapan"

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

cc. Non-current assets classified as held for sale and discountinued operation (continued)

Discontinued Operations (continued)

If held for sale criteria no longer met, such assets are re-presented to the classification prior to held for sale classification and measured at the lower of (a) its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortization that would have been recognized had the asset (or disposal group) not been classified as held for sale, and (b) its recoverable amount at the date of the subsequent decision not to sell. The results of operations of the component previously presented in discontinued operations shall be reclassified and included in income from continuing operations for all periods presented.

Additional disclosures are provided in Note 37. All other notes to the financial statements mainly include amount is for continuing operations, unless otherwise mentioned.

dd. Accounting Standards Amendments, Annual Improvements which Became Effective in 2016

The adoption of these amendments, improvements which were effective January 1, 2017, did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial periods:

- *PSAK No. 1 (2016 Amendment), "Presentation of Financial Statements"*
- *PSAK No. 3 (2016 Improvement), "Interim Financial Reporting"*
- *PSAK No. 24 (2016 Improvement), "Employee Benefits"*
- *PSAK No. 58 (2016 Improvement), "Non-Current Assets Held for Sale and Discontinued Operation"*
- *PSAK No. 60 (2016 Improvement), "Financial Instruments: Disclosures"*

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

ee. Standar Akuntansi yang Telah Disahkan Namun Belum Berlaku Efektif

Amandemen standar akuntansi yang telah disahkan oleh Dewan Standar Akuntansi Keuangan (DSAK), tetapi belum berlaku efektif untuk laporan keuangan periode berjalan diungkapkan di bawah ini. Grup bermaksud untuk menerapkan standar tersebut, jika dipandang relevan, saat telah menjadi efektif.

Efektif berlaku pada atau setelah tanggal 1 Januari 2018:

- Amandemen PSAK No. 2: "Laporan Arus Kas tentang Prakarsa Pengungkapan". Penerapan dini diperkenankan.

  Amandemen ini mensyaratkan entitas untuk menyediakan pengungkapan yang memungkinkan pengguna laporan keuangan untuk mengevaluasi perubahan pada liabilitas yang timbul dari aktivitas pendanaan, termasuk perubahan yang timbul dari arus kas maupun perubahan non-kas.

- Amandemen PSAK No. 46: "Pajak Penghasilan tentang Pengakuan Aset Pajak Tangguhan untuk Rugi yang Belum Direalisasi". Penerapan dini diperkenankan.

  Amandemen ini mengklarifikasi bahwa untuk menentukan apakah laba kena pajak akan tersedia sehingga perbedaan temporer yang dapat dikurangkan dapat dimanfaatkan, estimasi atas kemungkinan besar laba kena pajak masa depan dapat mencakup pemulihan beberapa aset entitas melebihi jumlah tercatatnya.

Grup sedang mengevaluasi dampak dari standar akuntansi tersebut dan belum menentukan dampaknya terhadap laporan keuangan konsolidasian.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ee. Accounting Standards Issued but Not Yet Effective

The amendments to accounting standards that are issued by the Indonesian Financial Accounting Standards Board (DSAK), but not yet effective for current period consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Effective on or after January 1, 2018:

- *Amendment to PSAK No. 2: "Statement of Cash Flows on the Disclosures Initiative". Earlier application is permitted.*

  This amendment requires entities to provide disclosures that enable the financial statements users to evaluate the changes in liabilities arising from financing activities, including changes from cash flow and non-cash changes.

- *Amendment to PSAK No. 46: "Income Taxes on the Recognition of Deferred Tax Assets for Unrealized Losses". Earlier application is permitted.*

  This amendment clarifies that to determine whether the taxable income will be available so that the deductible temporary differences can be utilized, estimates of the most likely future taxable income can include recovery of certain assets of the entity exceeding their carrying amounts.

The Group is presently evaluating and has not yet determined the effects of these accounting standards on the consolidated financial statements.

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI YANG SIGNIFIKAN

Penyusunan laporan keuangan konsolidasian Grup mengharuskan manajemen untuk membuat pertimbangan, estimasi dan asumsi yang mempengaruhi jumlah pendapatan, beban, aset dan liabilitas yang dilaporkan, dan pengungkapan atas liabilitas kontinjensi, pada tanggal pelaporan.

Ketidakpastian mengenai estimasi dan asumsi tersebut dapat mengakibatkan penyesuaian material terhadap nilai tercatat dari aset dan liabilitas di masa yang akan datang.

Pertimbangan

Pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Grup yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan konsolidasian:

Penentuan Mata Uang Fungsional

Mata uang fungsional adalah mata uang dari lingkungan ekonomi primer dimana entitas beroperasi. Manajemen mempertimbangkan mata uang yang paling mempengaruhi pendapatan dan beban dari jasa yang diberikan serta mempertimbangkan indikator lainnya dalam menentukan mata uang yang paling tepat menggambarkan pengaruh ekonomi dari transaksi, kejadian dan kondisi yang mendasari.

Pajak Penghasilan

Pertimbangan signifikan dilakukan dalam menentukan provisi atas pajak penghasilan badan. Terdapat transaksi dan perhitungan tertentu yang penentuan pajak akhirnya tidak dapat ditentukan secara pasti dalam kegiatan usaha normal. Grup mengakui liabilitas atas pajak penghasilan badan berdasarkan estimasi apakah akan terdapat tambahan pajak penghasilan badan yang akan terutang.

Klasifikasi Aset dan Liabilitas Keuangan

Grup menetapkan klasifikasi aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan apabila aset dan liabilitas tersebut memenuhi definisi yang ditetapkan PSAK No. 55 (Revisi 2014) berdasarkan pertimbangan Grup.

Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Grup seperti diungkapkan pada Catatan 2t.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date.

Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

The following judgments are made by management in the process of applying the Group's accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements:

Determination of Functional Currency

The functional currency is the currency of the primary economic environment in which the entity operates. The management considered the currency that mainly influences the revenue and cost of rendering services and other indicators in determining the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Income Tax

Significant judgment is involved in determining the provision for corporate income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain in the ordinary course of business. The Group recognizes liabilities for corporate income tax based on estimation of whether additional corporate income tax will be due.

Classification of Financial Assets and Liabilities

The Group determines the classifications of certain assets and liabilities as financial assets and liabilities if they meet the definition set forth in PSAK No. 55 (Revised 2014) based on the Group's judgment.

Accordingly, the financial assets and liabilities are accounted for in accordance with the Group's accounting policies disclosed in Note 2t.

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI YANG SIGNIFIKAN (lanjutan)

Pertimbangan (lanjutan)

Pengaturan Bersama

Pertimbangan diperlukan untuk menentukan kapan Grup memiliki pengendalian bersama terhadap sebuah pengaturan, yang memerlukan penilaian dari aktivitas yang relevan dan apabila keputusan sehubungan dengan aktivitas tersebut mengharuskan persetujuan dengan suara bulat.

Grup menetapkan bahwa aktivitas relevan bagi Grup untuk pengaturan bersama adalah aktivitas yang berhubungan dengan keputusan keuangan, operasional dan modal dari pengaturan tersebut. Pertimbangan-pertimbangan yang dibuat dalam menentukan pengendalian bersama adalah sama dengan penentuan pengendalian atas entitas anak.

Pertimbangan juga diperlukan untuk menentukan klasifikasi suatu pengaturan bersama. Pengklasifikasian tersebut mengharuskan Grup menilai hak dan kewajibannya yang timbul dari pengaturan bersama. Secara khusus, Grup mempertimbangkan:

- Struktur pengaturan bersama - apakah dibentuk melalui kendaraan terpisah;
- Ketika pengaturan bersama dibentuk melalui kendaraan terpisah, Grup juga mempertimbangkan hak dan kewajiban para pihak yang timbul dari:
  - Bentuk hukum dari kendaraan terpisah;
  - Persyaratan pengaturan kontraktual; dan
  - Fakta dan keadaan lainnya, jika relevan.

Penilaian tersebut sering memerlukan pertimbangan yang signifikan. Kesimpulan yang berbeda baik atas kesimpulan mengenai pengendalian bersama dan apakah suatu pengaturan adalah sebuah operasi bersama atau ventura bersama, dapat secara material mempengaruhi perlakuan akuntansinya.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)

Joint Arrangements

Judgment is required to determine when the Group has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent.

The Group has determined that the relevant activities for its joint arrangements are those relating to the financial, operating and capital decisions of the arrangement. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Judgment is also required to classify a joint arrangement. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, the Group considers:

- *The structure of the joint arrangement - whether it is structured through a separate vehicle;*
- *When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:*
  - *The legal form of the separate vehicle;*
  - *The terms of the contractual arrangement; and*
  - *Other relevant facts and circumstances.*

This assessment often requires significant judgment. A different conclusion about both joint control and whether the arrangement is a joint operation or a joint venture, may materially impact the accounting.

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI YANG SIGNIFIKAN (lanjutan)

Estimasi dan Asumsi

Asumsi utama masa depan dan sumber utama estimasi ketidakpastian lain pada tanggal pelaporan yang memiliki risiko signifikan yang mungkin mengakibatkan penyesuaian yang material terhadap nilai tercatat aset dan liabilitas untuk periode berikutnya diungkapkan di bawah ini. Grup mendasarkan estimasi dan asumsi pada parameter yang tersedia pada saat laporan keuangan konsolidasian disusun. Asumsi dan situasi mengenai perkembangan masa depan tersebut mungkin berubah akibat perubahan pasar atau situasi yang timbul di luar kendali Grup. Perubahan tersebut dicerminkan dalam asumsi terkait pada saat terjadinya.

Alokasi Biaya Perolehan dan Penurunan Nilai *Goodwill*

Akuntansi akuisisi mengharuskan penggunaan estimasi akuntansi secara ekstensif dalam mengalokasikan biaya perolehan kepada nilai pasar wajar yang dapat diandalkan atas aset dan liabilitas yang diakuisisi, termasuk aset takberwujud. Sesuai PSAK No. 22 (Revisi 2010), "Kombinasi Bisnis", *goodwill* tidak diamortisasi dan diuji untuk penurunan nilai setiap tahun.

Uji penurunan nilai dilakukan apabila terdapat indikasi penurunan nilai. Dalam hal *goodwill*, aset terkait diuji untuk penurunan nilai setiap tahun dan pada saat terdapat indikasi penurunan nilai; manajemen harus menggunakan pertimbangannya dalam mengestimasi nilai terpulihkan dan menentukan jumlah penurunan nilai.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Group based its estimates and assumptions on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes in the assumptions are reflected when they occur.

Purchase Price Allocation and Goodwill Impairment

Acquisition accounting requires extensive use of accounting estimates to allocate the purchase price to the reliable fair market values of the assets and liabilities purchased, including intangible assets. Under PSAK No. 22 (Revised 2010), "Business Combinations", goodwill is not amortized and is subject to an annual impairment testing.

Impairment test is performed when certain impairment indicators are present. In case of goodwill, such asset is subject to annual impairment test and whenever there is an indication that such asset may be impaired; management uses its judgment in estimating the recoverable value and determining the amount of impairment.

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI YANG SIGNIFIKAN (lanjutan)

Estimasi dan Asumsi (lanjutan)

Penyisihan atas Penurunan Nilai Piutang

Grup mengevaluasi akun tertentu jika terdapat informasi bahwa pelanggan dan debitur yang bersangkutan tidak dapat memenuhi kewajiban keuangannya. Dalam hal tersebut, Grup mempertimbangkan, berdasarkan fakta dan situasi yang tersedia, termasuk namun tidak terbatas pada, jangka waktu hubungan dengan pelanggan atau debitur dan atau status kredit dari pelanggan atau debitur berdasarkan catatan kredit dari pihak ketiga dan faktor pasar yang telah diketahui, untuk mencatat provisi spesifik atas jumlah piutang pelanggan atau debitur guna mengurangi jumlah piutang sebesar jumlah yang diharapkan dapat diterima oleh Grup. Provisi spesifik ini dievaluasi kembali dan disesuaikan jika tambahan informasi yang diterima mempengaruhi jumlah penyisihan untuk penurunan nilai piutang. Nilai tercatat dari piutang usaha Grup sebelum cadangan untuk penurunan nilai pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, masing-masing sebesar AS$183.990.726, AS$123.097.795, AS$183.537.071, AS$98.845.351 dan AS$101.763.116. Penjelasan lebih lanjut diungkapkan dalam Catatan 6 atas laporan keuangan konsolidasian. Nilai tercatat dari piutang lain-lain Grup sebelum cadangan untuk penurunan nilai pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 termasuk porsi lancar dan tidak lancar masing-masing sebesar AS$476.239.365, AS$175.846.570, AS$416.913.147, AS$162.224.953 dan AS$280.871.791. Penjelasan lebih lanjut diungkapkan dalam Catatan 7 atas laporan keuangan konsolidasian.

Penurunan Nilai Aset Non-Keuangan

Grup mengevaluasi apakah terdapat indikator penurunan untuk semua aset non-keuangan pada setiap tanggal pelaporan. Aset non-keuangan diuji penurunan nilainya apabila terdapat indikasi adanya nilai tercatat yang tidak terpulihkan.

Ketika nilai pakai dalam perhitungan ditentukan, manajemen harus memperkirakan arus kas masa depan yang diharapkan diterima dari aset atau unit penghasil kas, dan menentukan tingkat diskonto yang sesuai untuk menghitung nilai kini dari arus kas tersebut.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and Assumptions (continued)

Allowance for Impairment of Receivables

The Group evaluates specific accounts where it has information that certain customers and debtors are unable to meet their financial obligations. In these cases, the Group uses judgment, based on the best available facts and circumstances, including but not limited to, the length of its relationship with the customer or debtor and or the customer's or debtor's current credit status based on third party credit reports and known market factors, to record specific provisions for customers or debtors against amounts due to reduce its receivable amounts that the Group expects to collect. These specific provisions are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment of receivables. The carrying amounts of the Group's trade receivables before allowance for impairment as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 are US$183,990,726, US$123,097,795, US$183,537,071, US$98,845,351 and US$101,763,116, respectively. Further details are presented in Note 6 to the consolidated financial statements. The carrying amounts of the Group's other receivables before allowance for impairment as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 inclusive of current and non-current portions, are US$476,239,365, US$175,846,570, US$416,913,147, US$162,224,953 and US$280,871,791, respectively. Further details are presented in Note 7 to the consolidated financial statements.

Impairment of Non-Financial Assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI YANG SIGNIFIKAN (lanjutan)

Estimasi dan Asumsi (lanjutan)

Imbalan Pensiun dan Imbalan Pasca-kerja Lainnya

Penentuan kewajiban dan biaya pensiun dan imbalan pasca-kerja lainnya bergantung pada pemilihan asumsi yang digunakan oleh aktuaris independen dalam menghitung jumlah-jumlah tersebut. Asumsi tersebut termasuk tingkat diskonto, tingkat kenaikan gaji tahunan, tingkat pengunduran diri karyawan tahunan, tingkat kecacatan, umur pensiun dan tingkat kematian. Grup berkeyakinan bahwa asumsi tersebut adalah wajar dan sesuai, namun dikarenakan sifat jangka panjang dari liabilitas ini, estimasi tersebut adalah subjek dari ketidakpastian yang signifikan. Nilai tercatat atas liabilitas diestimasi imbalan kerja Grup pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 masing-masing sebesar AS$41.789.659, AS$9.264.598, AS$45.528.380, AS$7.582.722 dan AS$13.344.050. Penjelasan lebih rinci diungkapkan dalam Catatan 40 atas laporan keuangan konsolidasian.

Penyusutan Aset Tetap dan Properti Investasi

Biaya perolehan aset tetap dan properti investasi disusutkan dengan menggunakan metode garis lurus berdasarkan estimasi masa manfaat ekonomisnya. Manajemen mengestimasi masa manfaat ekonomis aset tetap dan properti investasi antara 3 sampai 40 tahun. Ini merupakan masa manfaat yang secara umum diharapkan dalam industri dimana Grup menjalankan bisnisnya. Perubahan tingkat pemakaian dan perkembangan teknologi dapat mempengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin dapat direvisi. Nilai tercatat neto atas aset tetap Grup pada tanggal tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 masing-masing sebesar AS$7.122.733, AS$56.374.470, AS$5.170.315, AS$68.961.789 dan AS$88.513.473. Penjelasan lebih rinci diungkapkan dalam Catatan 14 atas laporan keuangan konsolidasian.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and Assumptions (continued)

Pension and Other Post-Employment Benefits

The determination of the Group's obligations and cost for pension and other post-employment benefits is dependent on the assumptions used by the independent actuaries. These assumptions include discount rates, future annual salary increases, annual employee turn-over rate, disability rate, retirement age and mortality rate. While the Group believes that its assumptions are reasonable and appropriate, due to the long-term nature of these obligations, such estimates are subject to significant uncertainty. The carrying amounts of the Group's estimated liabilities for post-employment benefits as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 are US$41,789,659, US$9,264,598, US$45,528,380, US$7,582,722 and US$13,344,050, respectively. Further details are disclosed in Note 40 to the consolidated financial statements.

Depreciation of Property, Plant and Equipment and Investment Property

The costs of property, plant and equipment and investment property are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 40 years. These are common life expectancies applied in the industries where the Group conducts its businesses. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. The net carrying amounts of the Group's property, plant and equipment as September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 are US$7,122,733, US$56,374,470, US$5,170,315, US$68,961,789 and US$88,513,473, respectively. Further details are disclosed in Note 14 to the consolidated financial statements.

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI YANG SIGNIFIKAN (lanjutan)

Estimasi dan Asumsi (lanjutan)

Penyusutan Aset Tetap dan Properti Investasi (lanjutan)

Nilai tercatat neto atas properti investasi Grup pada 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 masing-masing sebesar AS$ nihil, AS$353.299.791, AS$351.258.964 dan AS$361.520.701 dan AS$ nihil. Penjelasan lebih rinci diungkapkan dalam Catatan 15 atas laporan keuangan konsolidasian.

Aset Pajak Tangguhan

Aset pajak tangguhan diakui atas seluruh rugi fiskal dan beda temporer yang dapat dikurangkan yang belum digunakan sepanjang besar kemungkinannya bahwa penghasilan kena pajak akan tersedia sehingga rugi fiskal tersebut dapat digunakan. Estimasi signifikan oleh manajemen diperlukan dalam menentukan jumlah aset pajak tangguhan yang dapat diakui, berdasarkan saat penggunaan dan tingkat penghasilan kena pajak disertai dengan strategi perencanaan pajak masa depan.

Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, Grup memiliki rugi fiskal yang dapat dikompensasi dan biaya yang belum terpulihkan masing-masing sebesar AS$99.246.918, AS$93.343.383, AS$107.707.597, AS$319.692.429 dan AS$433.404.854 yang tidak diakui sebagai pajak tangguhannya. Rugi fiskal tersebut terkait kepada entitas anak yang masih mengalami kerugian, belum kadaluwarsa dan tidak dapat digunakan untuk disalinghapuskan dengan penghasilan kena pajak entitas lain dalam Grup dan biaya yang belum terpulihkan terkait kepada entitas anak yang bergerak dalam eksplorasi dan produksi minyak dan gas bumi yang dapat terpulihkan melalui penjualan minyak dan gas bumi ketika sudah berproduksi.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and Assumptions (continued)

Depreciation of Property, Plant and Equipment and Investment Property (continued)

The net carrying amounts of the Group's investment property as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 are US$ nil, US$353,299,791, US$351,258,964, US$361,520,701 and US$ nil, respectively. Further details are disclosed in Note 15 to the consolidated financial statements.

Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses and deductable temporary difference to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, the Group has tax loss carry forwards and unrecovered costs amounting to US$99,246,918, US$108,535,181, US$107,707,597, US$319,692,429 and US$433,404,854, respectively, on which deferred tax assets are not recognized. These tax losses relates to subsidiaries which still incurred loss, have not yet expired and may not be used to offset taxable profits elsewhere in the Group and unrecovered costs relates to subsidiaries involved in oil and gas exploration and production which will be recovered though sales of oil and gas when the production started.

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI YANG SIGNIFIKAN (lanjutan)

Estimasi dan Asumsi (lanjutan)

Penyisihan Penurunan Nilai dan Keusangan Persediaan

Penyisihan penurunan nilai dan keusangan persediaan diestimasi berdasarkan fakta dan keadaan terbaik yang tersedia, termasuk namun tidak terbatas kepada kondisi fisik persediaan yang dimiliki, harga jual pasar, estimasi biaya penyelesaian dan estimasi biaya yang timbul untuk penjualan. Provisi dievaluasi kembali dan disesuaikan jika terdapat tambahan informasi yang mempengaruhi jumlah yang diestimasi. Nilai tercatat persediaan Grup sebelum cadangan atas keusangan dan penurunan nilai pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 masing-masing sebesar AS$85.026.837, AS$37.857.541, AS$70.473.465, AS$40.249.742 dan AS$42.593.529. Penjelasan lebih rinci diungkapkan dalam Catatan 8 atas laporan keuangan konsolidasian.

Liabilitas Pembongkaran Aset dan Restorasi Area

Grup mengakui provisi untuk liabilitas pembongkaran aset dan restorasi area terkait dengan sumur minyak dan gas bumi, area tambang batu bara, dan fasilitas dan infrastruktur terkait. Dalam menentukan nilai provisi, asumsi dan estimasi yang diperlukan adalah tingkat diskonto dan biaya yang diharapkan untuk membongkar dan memindahkan semua peralatan dari daerah pengeboran dan restorasi area. Nilai tercatat dari provisi tersebut pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 masing-masing sebesar AS$60.587.678, AS$57.508.802, AS$54.467.529, AS$72.956.226 dan AS$62.389.014. Penjelasan lebih rinci diungkapkan dalam Catatan 49 atas laporan keuangan konsolidasian.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and Assumptions (continued)

Allowance for Decline in Value and Obsolescence of Inventories

Allowance for decline in value and obsolescence of inventories is estimated based on the best available facts and circumstances, including but not limited to, the inventories' own physical conditions, their market selling prices, estimated costs of completion and estimated costs to sell. The provisions are re-evaluated and adjusted as additional information received affects the amount estimated. The carrying amounts of the Group's inventories before allowance for obsolescence and decline in value as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 are US$85,026,837, US$37,857,541, US$70,473,465, US$40,249,742 and US$42,593,529, respectively. Further details are disclosed in Note 8 to the consolidated financial statements.

Asset Abandonment and Site Restoration Obligations

The Group has recognized provision for asset abandonment and site restoration obligations associated with its oil and gas wells, facilities and infrastructure. In determining the amount of the provision, assumptions and estimates are required in relation to discount rates and the expected cost to dismantle and remove all the structures from the site and restore the site. The carrying amounts of the provision as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 are US$60,587,678, US$57,508,802, US$54,467,529, US$72,956,226 and US$62,389,014, respectively. Further details are disclosed in Note 49 to the consolidated financial statements.

3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI YANG SIGNIFIKAN (lanjutan)

Estimasi dan Asumsi (lanjutan)

Estimasi Cadangan

Cadangan minyak dan gas bumi terbukti adalah perkiraan jumlah minyak mentah dan gas alam yang berdasarkan data geologis dan teknis dapat diambil dengan tingkat kepastian yang memadai di tahun-tahun mendatang dari cadangan yang ada berdasarkan kondisi ekonomi dan operasi yang sekarang ada, misalnya terkait dengan harga dan biaya pada tanggal estimasi tersebut dibuat. Cadangan terbukti meliputi:

(i) cadangan terbukti dikembangkan: jumlah hidrokarbon yang diharapkan akan diambil melalui metode sumur, fasilitas, dan operasi yang sekarang ada; dan
(ii) cadangan terbukti yang belum dikembangkan: jumlah hidrokarbon yang diharapkan dapat diambil setelah adanya pengeboran, fasilitas dan metode operasi baru.

Akurasi dari cadangan terbukti tergantung pada sejumlah faktor, asumsi dan variabel seperti: kualitas data geologi, teknis dan ekonomi yang tersedia beserta interpretasi dan pertimbangan terkait, hasil pengeboran, pengujian dan produksi setelah tanggal estimasi, kinerja produksi reservoir, teknik produksi, proyeksi tingkat produksi di masa mendatang, estimasi besaran biaya dan waktu terjadinya pengeluaran pengembangan, ketersediaan pasar komersial, harga komoditi yang diharapkan dan nilai tukar.

Karena asumsi ekonomis yang digunakan untuk mengestimasi cadangan berubah dari waktu ke waktu dan tambahan data geologi yang dihasilkan selama operasi, estimasi cadangan dapat berubah dari waktu ke waktu. Perubahan cadangan yang dilaporkan dapat mempengaruhi hasil dan posisi keuangan Grup dalam berbagai cara, diantaranya:

- Penyusutan dan amortisasi yang ditentukan berdasarkan unit produksi, atau jika masa manfaat ekonomi sumur aset berubah.

- Provisi biaya pembongkaran, restorasi lokasi aset dan hal-hal yang berkaitan dengan lingkungan dapat berubah apabila terjadi perubahan dalam perkiraan cadangan yang mempengaruhi ekspektasi tentang waktu atau biaya kegiatan ini.
- Nilai tercatat aset/liabilitas pajak tangguhan dapat berubah karena perubahan estimasi pemulihan manfaat pajak.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and Assumptions (continued)

Reserve Estimates

Proved oil and gas reserves are the estimated quantities of crude oil and natural gas which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Proved reserves include:

(i) proved developed reserves: amounts of hydrocarbons that are expected to be retrieved through existing wells, facilities and operating methods; and
(ii) undeveloped proved reserves: amounts of hydrocarbons that are expected to be retrieved following new drilling, facilities and operating methods.

The accuracy of proved reserve estimates depends on a number of factors, assumptions and variables such as: the quality of available geological, technical and economic data, results of drilling, testing and production after the date of the estimates, the production performance of the reservoirs, production techniques, projecting future rates of production, the anticipated cost and timing of development expenditures, the availability for commercial market, anticipated commodity prices and exchange rates.

As the economic assumptions used to estimate reserves change from year to year, and additional geological data are generated during the course of operations, estimates of reserves may change from year to year. Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including:

- *Depreciation and amortization which are determined on a unit of production basis, or where the useful economic lives of assets change.*
- *Decommissioning, site restoration and environmental provision may change where changes in estimated reserves affect expectations about the timing or cost of these activities.*

- *The carrying value of deferred tax assets/liabilities may change due to changes in estimates of the likely recovery of the tax benefits.*

4. KAS DAN SETARA KAS / *4. CASH AND CASH EQUIVALENTS*

Akun ini terdiri dari: / *This account consists of:*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited*)	2016	2015	2014	
Kas	22.506	50.928	16.661	65.467	169.079	*Cash on hand*
Bank						*Cash in banks*
Pihak berelasi						*Related party*
Rupiah						*Rupiah*
PT Bank Woori Saudara Indonesia 1906 Tbk	241.897	728.983	413.193	607.735	3.692.588	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Dolar Amerika Serikat						*United States Dollar*
PT Bank Woori Saudara Indonesia 1906 Tbk	146.807	199.162	107.075	2.451.202	1.114.322	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Pihak ketiga						*Third parties*
Rupiah						*Rupiah*
PT Bank Negara Indonesia (Persero) Tbk	5.290.956	3.217.509	4.141.706	585.147	1.093.986	*PT Bank Negara Indonesia (Persero) Tbk*
PT Bank Mandiri (Persero) Tbk	1.767.623	1.663.310	32.096.816	4.933.252	4.912.514	*PT Bank Mandiri (Persero) Tbk*
Citibank, N.A.	319.908	124.092	91.259	898.636	654.831	*Citibank, N.A.*
Lain-lain (masing-masing di bawah AS$500.000)	557.857	602.364	544.607	470.577	661.035	*Others (each below US$500,000)*
Dolar Amerika Serikat						*United States Dollar*
DBS Bank - Singapore	110.105.665	183.207	183.207	184.941	-	*DBS Bank - Singapore*
PT Bank Mandiri (Persero) Tbk	93.962.822	73.713.576	71.137.341	266.056.610	2.259.991	*PT Bank Mandiri (Persero) Tbk*
PT Bank ANZ Indonesia	72.165.692	67.377	82.502	-	-	*PT Bank ANZ Indonesia*
ANZ Bank - Singapore	50.446.014	84.146	10.514.329	14.240	-	*ANZ Bank - Singapore*
PT Bank Negara Indonesia (Persero) Tbk	12.326.209	4.740.799	18.155.885	60.020.762	15.229.848	*PT Bank Negara Indonesia (Persero) Tbk*
Alizz Islamic Bank	9.012.233	10.088.437	5.838.538	11.207.484	-	*Alizz Islamic Bank*
Banque Internationale Arabe de Tunisie (BIAT)	1.778.429	575.685	2.423.813	1.085.648	4.031.869	*Banque Internationale Arabe de Tunisie (BIAT)*
PT Bank QNB Indonesia Tbk	1.419.934	3.821	3.817	681.066	20.022.074	*PT Bank QNB Indonesia Tbk*
Citibank, N.A.	1.292.692	16.050.054	1.486.557	7.454.553	2.308.265	*Citibank, N.A.*
Bank of Tokyo - Mitsubishi UFJ, Ltd	1.262.076	149.215	835.185	6.613.548	1.253.368	*Bank of Tokyo - Mitsubishi UFJ, Ltd*
Capital One, N.A.	820.199		586.948	1.162.845	2.206.271	*Capital One, N.A.*
Libyan Foreign Bank	385.555	2.140.900	384.740	2.140.900	2.090.023	*Libyan Foreign Bank*
Standard Chartered Bank	341.659	69.546	960.401	759.576	7.665.971	*Standard Chartered Bank*
Union Bancaire pour le Commerce et l'Industrie (UBCI)	154.218	210.099	157.117	1.242.818	4.302.045	*Union Bancaire pour le Commerce et l'Industrie (UBCI)*
PT Bank DBS Indonesia	109.281	25.195.069	45.848	229.300	28.665	*PT Bank DBS Indonesia*
Barclays Bank PLC	66.330	5.032	2.006.677	643	770	*Barclays Bank PLC*
The Hong Kong and Shanghai Banking Corporation Ltd	65.280	4.057.133	3.048.676	150.323	4.918.849	*The Hong Kong and Shanghai Banking Corporation Ltd*
PT Bank Central Asia Tbk	63.044	63.173	63.148	62.300	1.161.979	*PT Bank Central Asia Tbk*
PT Bank Muamalat Indonesia Tbk	59.790	28.785	45.510	885.995	15.551.422	*PT Bank Muamalat Indonesia Tbk*
Bank of Commerce and Development	56.866	1.150.690	112.065	1.150.690	951.960	*Bank of Commerce and Development*
PT Bank CIMB Niaga Tbk	55.140	25.337.753	9.016	2.658.386	306.805	*PT Bank CIMB Niaga Tbk*
PT Bank Danamon Indonesia Tbk	6.816	6.835	6.830	246.505	31.016.686	*PT Bank Danamon Indonesia Tbk*
PT Bank DKI	1.147	1.208	1.193	1.253	504.586	*PT Bank DKI*
PT Bank Bukopin Tbk	-	1.262.378	1.367.686	2.575.492	-	*PT Bank Bukopin Tbk*
Muscat Bank	-	-	-	-	18.213.613	*Muscat Bank*
Lain-lain (masing-masing di bawah AS$500.000)	211.345	903.858	469.268	478.645	920.934	*Others (each below US$500,000)*
Mata uang asing lainnya	167.483	172.027	74.363	-	304.478	*Other foreign currencies*
Sub-jumlah	364.660.967	172.796.223	157.395.316	377.011.072	147.379.748	*Sub-total*

4. KAS DAN SETARA KAS (lanjutan) / *4. CASH AND CASH EQUIVALENTS (continued)*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Setara kas						*Cash equivalents*
Deposito berjangka						*Time deposits*
Pihak berelasi						*Related party*
Rupiah						*Rupiah*
PT Bank Woori Saudara Indonesia 1906 Tbk	59.294	4.116.773	2.805.894	3.541.403	4.660.908	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Dolar Amerika Serikat						*United States Dollar*
PT Bank Woori Saudara Indonesia 1906 Tbk	-	800.000	-	7.210.402	7.500.000	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Pihak ketiga						*Third parties*
Rupiah						*Rupiah*
PT Bank Bukopin Tbk	-	1.623.327	3.170.586	1.870.243	-	*PT Bank Bukopin Tbk*
PT Bank Mandiri (Persero) Tbk	-	573.883	74.427	72.490	-	*PT Bank Mandiri (Persero) Tbk*
Dolar Amerika Serikat						*United States Dollar*
UBS AG	98.503	97.905	98.000	58.796.869	2.293.420	*UBS AG*
PT Bank Bukopin Tbk	-	4.000.000	1.000.000	14.000.000	5.000.000	*PT Bank Bukopin Tbk*
Barclays Bank PLC	-	-	-	607.287	5.601.382	*Barclays Bank PLC*
PT Bank Mandiri (Persero) Tbk	-	-	-	-	25.000.000	*PT Bank Mandiri (Persero) Tbk*
PT Bank QNB Indonesia Tbk	-	-	-	-	5.035.375	*PT Bank QNB Indonesia Tbk*
PT Bank CIMB Niaga Tbk	-	-	-	-	4.000.000	*PT Bank CIMB Niaga Tbk*
Sub-jumlah	157.797	11.211.888	7.148.907	86.098.694	59.091.085	*Sub-total*
Jumlah	**364.841.270**	**184.059.039**	**164.560.884**	**463.175.233**	**206.639.912**	***Total***
Tingkat bunga per tahun						*Interest rate per annum*
Deposito berjangka						*Time deposits*
Rupiah	3,75%	3,75% - 9,75%	3,75% - 9,75%	4,50% - 10,25%	4,25% - 11,00%	*Rupiah*
Dolar Amerika Serikat	0,86%	0,26% - 2,25%	0,43% - 2,25%	0,12% - 3,50%	0,12% - 3,50%	*United States Dollar*

5. INVESTASI JANGKA PENDEK / *5. SHORT-TERM INVESTMENTS*

Akun ini terdiri dari: / *This account consists of:*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Surat berharga yang diperdagangkan						*Marketable securities-for trading*
Rupiah						*Rupiah*
Unit Reksadana	3.733.602	3.517.902	3.325.030	3.154.235	3.129.622	*Mutual fund units*
Obligasi	158.613	392.058	382.217	140.660	237.540	*Bonds*
Dolar Amerika Serikat						*United States Dollar*
Dana kelolaan bank	22.527.915	-	63.178.382	222.635.502	265.261.141	*Managed funds by banks*
Jumlah	**26.420.130**	**3.909.960**	**66.885.629**	**225.930.397**	**268.628.303**	***Total***
Tingkat bunga per tahun						*Interest rate per annum*
Surat berharga yang diperdagangkan (obligasi)						*Marketable securities for trading (bonds)*
Rupiah	10,85%	9,25% - 10,85%	9,25% - 10,85%	7,35% - 10,85%	7,35% - 10,85%	*Rupiah*

5. INVESTASI JANGKA PENDEK (lanjutan)

Dana kelolaan bank terdiri dari saham-saham perusahaan publik, pendapatan tetap/surat utang, pasar uang dan instrumen keuangan lainnya. Untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2017, keuntungan neto dari investasi jangka pendek adalah sebesar AS$0,07 juta (30 September 2016: kerugian neto sebesar AS$2,7 juta) dan untuk tahun yang berakhir pada tanggal 31 Desember 2016 kerugian neto sebesar AS$2,7 juta (31 Desember 2015 keuntungan neto sebesar AS$11,8 juta dan 31 Desember 2014 keuntungan neto sebesar AS$12,8 juta).

Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, manajemen berpendapat bahwa tidak terdapat penurunan nilai atas investasi jangka pendek Grup.

5. SHORT-TERM INVESTMENTS (continued)

Investments in managed funds by banks consist of shares of listed companies, fixed income/notes payable, money market and other financial instruments. For the the nine-month periods ended September 30, 2017, net income from short-term investment, amounted to US$0.07 million (September 30, 2016: net loss amounting to US$2.7 million) and for the year ended December 31, 2016: net loss amounting to US$2.7 million (December 31, 2015: net income amounting to US$11.8 million and December 31, 2014: net income amounting to US$12.8 million).

As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, management is of the opinion that no impairment on the Group's short-term investments is necessary.

6. PIUTANG USAHA

Rincian dari akun ini adalah sebagai berikut:

a. Berdasarkan Pelanggan

6. TRADE RECEIVABLES

The details of this account are as follows:

a. By Customer

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Pihak berelasi						*Related parties*
Petro Diamond Singapore Pte Ltd	-	22.824.983	-	10.051.533	12.347.821	*Petro Diamond Singapore Ptd Ltd*
PT Donggi Senoro LNG	-	7.238.773	-	9.691.150	7.700	*PT Donggi Senoro LNG*
PT Medco Intidinamika	-	549.867	531.597	290.817	-	*PT Medco Intidinamika*
PT Satria Raksa Buminusa	-	457.899	-	-	-	*PT Satia Raksa Buminusa*
PT Medco Power Indonesia	-	148.113	147.014	-	4.360	*PT Medco Power Indonesia*
PT Bank Woori Saudara Indonesia 1906 Tbk	-	8.981	18.195	186.757	-	*PT Bank Woori Saudara Indonesia 1906 Tbk*
PT Mitra Energi Batam	-	-	-	-	78.780	*PT Mitra Energi Batam*
PT Api Metra Graha	-	-	-	-	4.167	*PT Api Metra Graha*
Sub-jumlah	-	31.228.616	696.806	20.220.257	12.442.828	*Sub-total*
Cadangan penurunan nilai	-	(1.190)	(1.846)	-	-	*Allowance for impairment*
Neto	-	31.227.426	694.960	20.220.257	12.442.828	*Net*
Pihak ketiga						*Third parties*
Pelanggan dalam negeri	45.437.137	56.770.532	47.857.522	45.691.975	51.428.333	*Local customers*
Pelanggan luar negeri	138.553.589	35.098.647	134.982.743	32.933.119	37.891.955	*Foreign customers*
Sub-jumlah	183.990.726	91.869.179	182.840.265	78.625.094	89.320.288	*Sub-total*
Cadangan penurunan nilai	(4.504.188)	(405.638)	(328.445)	(304.267)	(169.334)	*Allowance for impairment*
Neto	179.486.538	91.463.541	182.511.820	78.320.827	89.150.954	*Net*
Jumlah	**179.486.538**	**122.690.967**	**183.206.780**	**98.541.084**	**101.593.782**	***Total***

6. PIUTANG USAHA (lanjutan) / *6. TRADE RECEIVABLES (continued)*

b. Berdasarkan Umur / *b. By Aging Category*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Lancar dan tidak mengalami penurunan nilai	138.463.193	46.531.862	19.908.133	26.507.039	27.086.119	*Neither past due nor impaired*
Telah jatuh tempo dan tidak mengalami penurunan nilai:						*Past due and not impaired:*
1 - 30 hari	33.885.482	64.478.243	155.958.950	65.351.194	62.565.443	*1 - 30 days*
31 - 60 hari	191.788	1.250.706	2.166.390	4.330.434	9.486.426	*31 - 60 days*
61 - 90 hari	109.747	849.241	648.658	384.962	2.241.565	*61 - 90 days*
91 - 120 hari	666.865	2.384.255	51.294	236.901	94.792	*91 - 120 days*
Lebih dari 120 hari	6.169.463	7.196.660	4.473.355	1.730.554	288.771	*More than 120 days*
Telah jatuh tempo dan mengalami penurunan nilai:						*Past due and impaired:*
Lebih dari 120 hari	4.504.188	406.828	330.291	304.267	-	*More than 120 days*
Jumlah	183.990.726	123.097.795	183.537.071	98.845.351	101.763.116	*Total*
Cadangan penurunan nilai	(4.504.188)	(406.828)	(330.291)	(304.267)	(169.334)	*Allowance for impairment*
Neto	**179.486.538**	**122.690.967**	**183.206.780**	**98.541.084**	**101.593.782**	***Net***

c. Berdasarkan Mata Uang / *c. By Currency*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Dolar Amerika Serikat	183.988.656	115.333.345	180.956.263	97.795.738	100.444.076	*United States Dollar*
Rupiah	2.070	7.764.450	2.580.808	1.049.613	1.319.040	*Rupiah*
Jumlah	183.990.726	123.097.795	183.537.071	98.845.351	101.763.116	*Total*
Cadangan penurunan nilai	(4.504.188)	(406.828)	(330.291)	(304.267)	(169.334)	*Allowance for impairment*
Neto	**179.486.538**	**122.690.967**	**183.206.780**	**98.541.084**	**101.593.782**	***Net***

Perubahan dalam cadangan penurunan nilai adalah sebagai berikut:

The changes in the allowance for impairment are as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	(tidak diaudit/ *Unaudited)*	2016	2015	2014	
Saldo awal periode/tahun	330.291	304.267	304.267	169.334	4.369.739	*Balance at beginning of the year/period*
Cadangan selama periode/tahun berjalan	4.504.188	210.615	190.734	-	33.695	*Provision during the period/year*
Pembalikan periode/tahun berjalan	-	(108.054)	(108.054)	-	(6.329)	*Reversal for the period/year*
Dampak akuisisi entitas anak	-	-	-	247.611	-	*Effect of acquisition of a Subsidiary*
Direklasifikasi ke operasi yang dihentikan (Catatan 37)	(330.291)	-	(56.656)	-	(4.227.771)	*Reclassified to discontinued operations (Note 37)*
Efek dekonsolidasi entitas anak	-	-	-	(112.678)	-	*Effect of deconsolidation of subsidiaries*
Saldo akhir periode/tahun	**4.504.188**	**406.828**	**330.291**	**304.267**	**169.334**	***Balance at end of period/year***

6. PIUTANG USAHA (lanjutan) / *TRADE RECEIVABLES (continued)*

Berdasarkan hasil penelaahan status dari akun piutang pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, manajemen berpendapat bahwa cadangan penurunan nilai piutang cukup untuk menutupi kerugian yang mungkin timbul dari tidak tertagihnya piutang tersebut.

Based on the review of the status of the receivable accounts as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, management is of the opinion that the allowance for impairment of receivables is adequate to cover possible losses on uncollectible accounts.

Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, pelanggan Grup dengan piutang usaha lebih dari 10% dari jumlah piutang usaha Grup adalah sebagai berikut:

As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, the Group's customers with trade receivables over than 10% of the Group's trade receivables are as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Sembcorp Gas Pte Ltd	18%	-	21%	-	-	*Sembcorp Gas Pte Ltd*
Lukoil Asia Pacific Pte Ltd	18%	-	-	-	-	*Lukoil Asia Pacific Pte Ltd*
Petroliam Nasional Berhad	17%	-	7%	-	-	*Petroliam Nasional Berhad*
Petroleum Development Oman LLC	11%	20%	16%	30%	31%	*Petroleum Development Oman LLC*
PT Perusahaan Listrik Negara (Persero)	8%	20%	10%	20%	26%	*PT Perusahaan Listrik Negara (Persero)*
Petro Diamond Singapore Pte Ltd	8%	19%	14%	10%	12%	*Petro Diamond Singapore Pte Ltd*
PT Donggi Senoro LNG	4%	6%	5%	10%	-	*PT Donggi Senoro LNG*

7. PIUTANG LAIN-LAIN / *OTHER RECEIVABLES*

Akun ini terdiri dari:

This account consists of:

a. Berdasarkan pihak/jenis

a. *By party/nature*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Pihak berelasi						*Related parties*
PT Amman Mineral Investama	271.327.355	-	250.459.024	-	-	*PT Amman Mineral Investama*
PT Donggi Senoro LNG	-	40.185.856	-	29.117.587	158.685.931	*PT Donggi Senoro LNG*
PT Musi Raksa Buminusa	-	1.488.871	-	1.470.989	-	*PT Musi Raksa Buminusa*
PT Medco Power Indonesia	-	390.954	252.716	353.126	467.565	*PT Medco Power Indonesia*
PT Medco Inti Dinamika	-		33.603	-	-	*PT Medco Inti Dinamika*
PT Satria Raksa Buminusa	-	-	-	756.857	-	*PT Satria Raksa Buminusa*
Tomori E&P Ltd	-	-	-	150.000	150.000	*Tomori E&P Ltd*
PT Api Metra Graha	-	-	-	-	80.850	*PT Api Metra Graha*
Kuala Langsa (Block-A) Ltd	-	-	-	-	10.471	*Kuala Langsa (Block-A) Ltd*
Sub-jumlah	271.327.355	42.065.681	250.745.343	31.848.559	159.394.817	*Sub-total*
Bagian jangka panjang	-	39.899.032	-	29.620.713	159.313.967	*Long-term portion*
Bagian yang jatuh tempo dalam satu tahun - neto	**271.327.355**	**2.166.649**	**250.745.343**	**2.227.846**	**80.850**	***Current portion - net***

7. PIUTANG LAIN-LAIN (lanjutan) / *7. OTHER RECEIVABLES (continued)*

a. Berdasarkan pihak/jenis (lanjutan) / *a. By party/nature (continued)*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Pihak ketiga						*Third parties*
Piutang Operasi Bersama	71.971.939	48.336.290	60.809.242	37.772.903	20.545.669	*Receivables from Joint Operations*
Pajak Pertambahan Nilai (PPN) yang dapat ditagihkan	68.537.088	64.484.136	67.100.088	53.502.190	68.412.001	*Reimbursable Value Added Tax (VAT)*
PT Donggi Senoro LNG	41.898.428	-	-	-	-	*PT Donggi Senoro LNG*
Pinjaman karyawan	6.709.515	900.585	6.531.308	1.578.593	834.612	*Loans to employees*
Piutang *underlifting*	5.353.963	13.016.371	22.637.849	34.783.111	23.631.101	*Underlifting receivable*
Piutang bunga	2.732.949	2.959.623	2.804.087	1.211.900	1.618.580	*Interest receivable*
Lain-lain (masing-masing di bawah AS$1.000.000)	7.708.128	4.083.884	6.285.230	1.527.697	6.435.011	*Others (each below US$1,000,000)*
Jumlah sebelum cadangan penurunan nilai	**204.912.010**	**133.780.889**	**166.167.804**	**130.376.394**	**121.476.974**	***Total before allowance for impairment***
Bagian jangka panjang	84.106.246	739.535	51.796.653	980.612	1.398.169	*Long-term portion*
Cadangan penurunan nilai	(2.925)	(2.925)	(2.925)	(59.800)	(60.635)	*Allowance for impairment*
Bagian jangka panjang - neto	**84.103.321**	**736.610**	**51.793.728**	**920.812**	**1.337.534**	***Long-term portion - net***
Bagian yang jatuh tempo dalam satu tahun	120.805.764	133.041.354	114.371.151	129.395.782	120.078.805	*Current portion*
Cadangan penurunan nilai	(16.215.796)	(13.502.993)	(13.502.993)	(8.799.723)	(7.871.214)	*Allowance for impairment*
Bagian yang jatuh tempo dalam satu tahun - neto	**104.589.968**	**119.538.361**	**100.868.158**	**120.596.059**	**112.207.591**	***Current portion - net***

b. Berdasarkan jenis debitur / *b. By debtor*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Pihak berelasi	271.327.355	42.065.681	250.745.343	31.848.559	159.394.817	*Related parties*
Pihak ketiga						*Third parties*
Perusahaan Multinasional	99.538.870	44.558.588	57.712.957	32.477.012	13.444.425	*Multinational companies*
Pemerintah Indonesia	68.537.088	77.500.507	89.737.937	88.285.302	68.720.486	*Goverment of Indonesia*
Badan Usaha Milik Negara	6.934.081	1.486.777	818.700	1.504.966	27.701.824	*State-owned companies*
Individual	6.389.259	890.791	6.531.308	1.672.150	1.138.755	*Individuals*
Perusahaan lainnya	23.512.712	9.344.226	11.366.902	6.436.964	10.471.484	*Other companies*
Jumlah	**476.239.365**	**175.846.570**	**416.913.147**	**162.224.953**	**280.871.791**	***Total***

c. Berdasarkan mata uang / *c. By currency*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Dolar Amerika Serikat	443.897.166	124.326.270	369.888.082	113.767.185	215.631.133	*United States Dollar*
Rupiah	32.342.199	51.520.300	47.004.979	48.457.768	65.240.658	*Rupiah*
Euro	-	-	19.668	-	-	*Euro*
Dolar Singapura	-	-	418	-	-	*Singapore Dollar*
Jumlah	**476.239.365**	**175.846.570**	**416.913.147**	**162.224.953**	**280.871.791**	***Total***

7. PIUTANG LAIN-LAIN (lanjutan) / ***7. OTHER RECEIVABLES (continued)***

c. Berdasarkan mata uang (lanjutan) / *c. By currency (continued)*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Bagian jangka panjang	84.106.246	40.638.567	51.796.653	30.601.325	160.712.136	*Long-term portion*
Cadangan penurunan nilai	(2.925)	(2.925)	(2.925)	(59.800)	(60.635)	*Allowance for impairment*
Bagian jangka panjang - neto	**84.103.321**	**40.635.642**	**51.793.728**	**30.541.525**	**160.651.501**	***Long-term portion - net***
Bagian yang jatuh tempo dalam satu tahun	392.133.119	135.208.003	365.116.494	131.623.628	120.159.655	*Current portion*
Cadangan penurunan nilai	(16.215.796)	(13.502.993)	(13.502.993)	(8.799.723)	(7.871.214)	*Allowance for impairment*
Bagian yang jatuh tempo dalam satu tahun - neto	**375.917.323**	**121.705.010**	**351.613.501**	**122.823.905**	**112.288.441**	***Current portion - net***

d. Berdasarkan area geografis / *d. By geographical area*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Indonesia	457.334.269	129.691.745	397.006.221	129.747.932	268.365.237	*Indonesia*
Tunisia	12.518.918	26.803.204	13.651.039	890.658	-	*Tunisia*
Singapura	1.844.129	108.557	128.003	107.346	128.003	*Singapore*
Oman	1.936.511	3.613.328	2.381.255	2.462.226	534.563	*Oman*
Yaman	1.259.374	12.127.215	979.222	17.105.785	10.095.272	*Yemen*
Libya	582.093	3.318.511	2.412.703	11.598.979	-	*Libya*
Amerika Serikat	434.484	4.423	4.423	-	705.421	*United States of America*
Lain-lain	329.587	179.587	350.281	312.027	1.043.295	*Others*
Jumlah	**476.239.365**	**175.846.570**	**416.913.147**	**162.224.953**	**280.871.791**	***Total***

Pada tanggal 23 Agustus 2016, Perusahaan menandatangani Shareholder Facility Agreement dengan PT Amman Mineral Investama ("AMIV") di mana Perusahaan memberikan pinjaman sebesar AS$246.000.000 dan akan jatuh tempo pada tanggal 23 Agustus 2021. Pinjaman ini dikenakan bunga sebesar 2% diatas tingkat bunga yang berlaku di AMIV per tahun.

On August 23, 2016, the Company signed a Shareholder Facility Agreement with PT Amman Mineral Investama ("AMIV"), wherein the Company provided loan amounting to US$246,000,000 which will mature on August 23, 2021. The loan bears interest at 2% above the other interest rate applicable in AMIV per annum.

Pada tanggal 28 September 2017, AMIV menandatangani perubahan atas *Shareholders Facility Agreement* dengan Perusahaan, dan setuju mengubah waktu pembayaran menjadi setiap saat dapat diminta oleh Perusahaan untuk dibayar sebelum tanggal berakhirnya perjanjian berdasarkan permintaan tertulis dari Perusahaan kepada AMIV.

On September 28, 2017, AMIV signed amendment to the Shareholders Facility Agreement with the Company, and agree to change the term to be payable on demand at any time prior to the termination date upon the delivery of a written request from the Company to AMIV.

7. PIUTANG LAIN-LAIN (lanjutan)

Pada tanggal 31 Desember 2016, Grup menyajikan piutang lain-lain dari AMIV sebagai aset lancar berdasarkan pemberitahuan dari AMIV untuk melakukan pembayaran dipercepat dan akan melunasi piutang tersebut pada tahun 2017.

Piutang dari PT Donggi Senoro LNG (DSLNG) pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2015, dan 2014 terutama merupakan pinjaman atas pembiayaan proyek *liquefied natural gas* yang sedang berjalan. Piutang ini dikenakan bunga sebesar LIBOR ditambah margin 3,75% per tahun. Pada tanggal 30 Januari 2015, DSLNG telah melunasi sebagian piutangnya sejumlah AS$151.881.300.

Piutang dari PT Musi Raksa Buminusa (MRB) merupakan pinjaman yang diberikan oleh Perusahaan. Pembayaran akan dilakukan oleh PT Garda Utama Nasional yaitu pemegang saham mayoritas MRB.

Piutang dari PT Satria Raksa Buminusa merupakan pinjaman dari Perusahaan. Piutang tersebut dibayarkan di bulan Januari dan Februari 2016.

Piutang lain-lain dari PT Api Metra Graha (AMG) adalah piutang dividen milik Perusahaan sebesar AS$80.850 berdasarkan pengumuman dividen oleh AMG pada tanggal 4 November 2014. Dividen tersebut telah dibayarkan oleh AMG pada tanggal 2 April 2015.

Piutang Pajak Pertambahan Nilai (PPN) yang dapat ditagihkan merupakan PPN yang dibayarkan oleh entitas anak yang bergerak di bidang eksplorasi dan produksi minyak dan gas bumi di Indonesia, yang dapat ditagih kembali dari Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi (SKK Migas). Pada tanggal 31 Desember 2015, Grup melakukan penghapusan piutang atas Pajak Pertambahan Nilai (PPN) yang tidak dapat ditagih sebesar AS$8,3 juta yang dicatat sebagai "Kerugian Penurunan Nilai Aset" pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian tahun 2015.

Piutang Operasi Bersama merupakan piutang dari mitra Operasi Bersama yang berkaitan dengan aktivitas eksplorasi dan produksi minyak dan gas bumi.

7. OTHER RECEIVABLES (continued)

As of December 31, 2016, the Group presented other receivables from AMIV as current assets based on notification from AMIV whereby AMIV will accelerate the payment and settle the loan in 2017.

Receivables from PT Donggi Senoro LNG (DSLNG) as of September 30, 2017 and 2016 and December 31, 2015, and 2014, mainly represented loan to finance the ongoing liquefied natural gas project. The receivable was charged interest at LIBOR plus 3.75% per annum. On January 30, 2015, DSLNG has repaid portion of the receivable amounting to US$151,881,300.

Receivable from PT Musi Raksa Buminusa (MRB) represents the loan from the Company. Payment was made by PT Garda Utama Nasional which is the majority shareholder of MRB.

Receivable from PT Satria Raksa Buminusa represents loan from the Company. The receivable was paid in January and February 2016.

Other receivable from PT Api Metra Graha (AMG) represents the Company's dividend receivable amounting to US$80,850 based on the dividends declared by AMG on November 4, 2014. This dividend has been paid by AMG on April 2, 2015.

Reimbursable Value Added Tax (VAT) represents VAT paid by subsidiaries involved in oil and gas exploration and production in Indonesia which is reimbursable from Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi (SKK Migas). As of December 31, 2015, the Group written off receivables for uncollectible Value Added Tax (VAT) amounting to US$8.3 million recorded as "Loss on Impairment of Assets" in the 2015 consolidated statements of profit or loss and other comprehensive income.

Receivables from Joint Operations represent receivables from Joint Operations partners relating to oil and gas exploration and production activities.

7. PIUTANG LAIN-LAIN (lanjutan) / *7. OTHER RECEIVABLES (continued)*

Piutang *underlifting* dari SKK Migas pada tanggal 30 September 2017 berasal dari Blok Senoro-Toili. Piutang *underlifting* dari SKK Migas pada tanggal 30 September 2016 dan 31 Desember 2016, 2015 dan 2014 berasal dari Blok Rimau dan Senoro-Toili.

The underlifting receivable as of September 30, 2017 from SKK Migas relates to Senoro-Toili Blocks. The underlifting receivable as of September 30, 2016 and December 31, 2016, 2015 and 2014 from SKK Migas relates to Rimau and Senoro-Toili Blocks.

Berdasarkan penelaahan status akun piutang lain-lain pada tanggal-tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, manajemen berpendapat bahwa cadangan penurunan nilai piutang lain-lain cukup untuk menutupi kemungkinan kerugian atas tidak tertagihnya akun-akun tersebut.

Based on the review of other receivables as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 management is of the opinion that the allowance for impairment of other receivables is adequate to cover possible losses on uncollectible accounts.

8. PERSEDIAAN / *8. INVENTORIES*

Persediaan terdiri dari: / *Inventories consist of:*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Suku cadang, perlengkapan sumur dan lainnya	85.026.837	37.857.541	70.473.465	38.341.149	38.302.846	*Spareparts, well supplies and others*
Persediaan batu bara	-	-	-	1.908.593	4.290.683	*Coal inventory*
Jumlah	85.026.837	37.857.541	70.473.465	40.249.742	42.593.529	*Total*
Cadangan keusangan dan penurunan nilai	(182.695)	(182.695)	(182.695)	(182.695)	(182.695)	*Allowance for obsolescence and decline in value*
Neto	**84.844.142**	**37.674.846**	**70.290.770**	**40.067.047**	**42.410.834**	***Net***

Perubahan cadangan keusangan dan penurunan nilai persediaan adalah sebagai berikut:

The movement in the allowance for obsolescence and decline in value is as follows:

	30 September/September 30,		31 Desember/*December 31,*			
	2017	2016	2016	2015	2014	
Saldo awal periode/tahun	182.695	182.695	182.695	182.695	6.610.703	*Balance of the beginning period/year*
Direklasifikasi ke operasi yang dihentikan (Catatan 37)	-	-	-	-	(6.428.008)	*Reclassified to discontinued operations (Note 37)*
Saldo akhir periode/tahun	**182.695**	**182.695**	**182.695**	**182.695**	**182.695**	***Balance of the end of period/year***

Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, seluruh persediaan telah diasuransikan kepada berbagai perusahaan asuransi (Catatan 14 dan 17). Manajemen memiliki keyakinan bahwa nilai pertanggungan cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungkan.

As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, all inventories were insured with various insurance companies (Notes 14 and 17). Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

8. PERSEDIAAN (lanjutan)

Tidak ada penurunan nilai persediaan untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2017 dan untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014. Untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2016 dan untuk tahun yang berakhir pada tanggal 31 Desember 2016, Grup mengakui kerugian penurunan nilai persediaan sebesar AS$4,2 juta.

Berdasarkan hasil penelaahan terhadap kondisi fisik dan nilai realisasi neto dari persediaan pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, manajemen berpendapat bahwa cadangan keusangan dan penurunan nilai persediaan adalah cukup.

8. INVENTORIES (continued)

There is no impairment of inventory for the nine-month periods ended September 30, 2017 and for the years ended December 31, 2015 and 2014. For the ninth-month periods ended September 30, 2016 and for the year ended December 31, 2016, the Group recognized loss on decline in value of inventory of US$4.2 million.

Based on the review of the physical condition and net realizable values of inventories as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, management is of the opinion that the allowance for obsolescence and decline in value is adequate.

9. PAJAK DIBAYAR DI MUKA / *9. PREPAID TAXES*

Rincian akun ini adalah sebagai berikut / *The details of this account are as follows:*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Perusahaan						*The Company*
Pajak Pertambahan Nilai (PPN)	899.885	4.380.569	112.387	1.231.145	971.181	*Value Added Tax (VAT)*
Lebih bayar pajak penghasilan badan	1.978.937	4.451.490	4.115.915	3.629.820	5.304.278	*Corporate income tax overpayments*
Sub-jumlah	2.878.822	8.832.059	4.228.302	4.860.965	6.275.459	*Sub-total*
Entitas anak						*Subsidiaries*
PPN	148.654	209.483	11.395	1.926.701	2.468.005	*VAT*
Lebih bayar pajak penghasilan badan	1.234.463	2.488.683	5.042	3.353.352	1.864.653	*Corporate income tax overpayments*
Sub-jumlah	1.383.117	2.698.166	16.437	5.280.053	4.332.658	*Sub-total*
Jumlah	**4.261.939**	**11.530.225**	**4.244.739**	**10.141.018**	**10.608.117**	***Total***

10. BEBAN DIBAYAR DI MUKA / *10. PREPAID EXPENSES*

Rincian akun ini adalah sebagai berikut / *The details of this account are as follows:*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Sewa	4.120.770	1.288.871	644.499	535.159	255.641	*Rental*
Asuransi	3.806.109	513.915	3.097.851	1.958.561	3.030.842	*Insurance*
Lain-lain	639.123	1.481.775	998.867	1.044.597	107.117	*Others*
Jumlah	**8.566.002**	**3.284.561**	**4.741.217**	**3.538.317**	**3.393.600**	***Total***

11. DEPOSITO DAN REKENING BANK YANG DIBATASI PENGGUNAANNYA

11. RESTRICTED TIME DEPOSITS AND CASH IN BANKS

Rincian akun ini adalah sebagai berikut:

The details of this account are as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Lancar						*Current*
Pihak ketiga						*Third party*
Rupiah						*Rupiah*
PT Bank Mandiri (Persero) Tbk	-	-	-	2.174.701	-	*PT Bank Mandiri (Persero) Tbk*
Dolar Amerika Serikat						*United States Dollar*
PT Bank Mandiri (Persero) Tbk	85.000.000	-	-	1.000.000	-	*PT Bank Mandiri (Persero) Tbk*
Jumlah	**85.000.000**	**-**	**-**	**3.174.701**	**-**	***Total***
Tidak lancar						*Non-current*
Pihak berelasi						*Related party*
Rupiah						*Rupiah*
PT Bank Woori Saudara Indonesia 1906 Tbk	1.523.792	1.596.539	1.537.796	2.009.771	3.766.984	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Dolar Amerika Serikat						*United States Dollar*
PT Bank Woori Saudara Indonesia 1906 Tbk	-	-	-	1.000.000	-	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Pihak ketiga						*Third parties*
Rupiah						*Rupiah*
PT Bank CIMB Niaga Tbk	447.006	814.356	727.983	948.750	1.397.830	*PT Bank CIMB Niaga Tbk*
PT Bank Mandiri (Persero) Tbk	137.691	-	136.204	-	-	*PT Bank Mandiri(Persero) Tbk*
Dolar Amerika Serikat						*United States Dollar*
PT Bank Mandiri (Persero) Tbk	-	-	-	-	1.146.850	*PT Bank Mandiri (Persero) Tbk*
Standard Chartered Bank	-	-	-	-	32.367	*Standard Chartered Bank*
Jumlah	**2.108.489**	**2.410.895**	**2.401.983**	**3.958.521**	**6.344.031**	***Total***
Tingkat bunga per tahun						*Interest rate per annum*
Deposito yang dibatasi penggunaannya						*Restricted time deposits*
Rupiah	5% - 6,75%	5,25% - 7,25%	5,25% - 7,25%	5,25% - 7,75%	5,25% - 10,25%	*Rupiah*
Dolar Amerika Serikat	-	-	-	1,50% - 3,50%	2,00%	*United States Dollar*

Saldo bank yang dibatasi penggunaannya (Dolar Amerika Serikat) di PT Bank Mandiri (Persero) Tbk pada 30 September 2017 sebesar AS$85 juta merupakan rekening yang dicadangkan terkait fasilitas kredit yang akan digunakan untuk pembiayaan akuisisi PT Saratoga Power (Catatan 26 dan 53).

Restricted cash in bank (United States Dollar) in PT Bank Mandiri (Persero) Tbk as of September 30, 2017 amounting to US$85 million represent escrow account related to a credit facility that will be used for the acquisition of PT Saratoga Power (Notes 26 and 53).

Saldo deposito berjangka yang dibatasi penggunaannya (Rupiah) di PT Bank Woori Saudara Indonesia 1906 Tbk dan PT Bank CIMB Niaga Tbk pada tanggal 30 September 2017 dan 31 Desember 2016 merupakan deposito berjangka entitas anak yang terutama digunakan untuk jaminan utang karyawan.

Restricted time deposits accounts (Rupiah) in PT Bank Woori Saudara Indonesia 1906 Tbk and PT Bank CIMB Niaga Tbk as of September 30, 2017 and December 31, 2016 mainly represent the subsidiaries' time deposits used as collaterals for employee's loan.

Saldo bank yang dibatasi penggunaannya (Rupiah) di PT Bank Mandiri (Persero) Tbk pada 30 September 2017 dan 31 Desember 2016 merupakan rekening bank yang diblokir karena gugatan hukum (Catatan 48).

Restricted cash in bank (Rupiah) in PT Bank Mandiri (Persero) Tbk as of September 30, 2017 and December 31, 2016 is a blocked bank account due to legal claim (Note 48).

11. DEPOSITO DAN REKENING BANK YANG DIBATASI PENGGUNAANNYA (lanjutan)

Saldo bank yang dibatasi penggunaannya (Rupiah) di PT Bank Mandiri (Persero) Tbk pada tanggal 31 Desember 2015 merupakan bank garansi entitas anak yang digunakan sebagai jaminan proyek "Umbulan Jawa Timur" dengan Pemerintah Provinsi Jawa Timur. Pada tahun 2016, bank garansi tersebut sudah dicairkan sesuai dengan perjanjian proyek tersebut.

Saldo bank yang dibatasi penggunaannya (Dolar Amerika Serikat) di PT Bank Mandiri (Persero) Tbk pada tanggal 31 Desember 2015 merupakan bank garansi entitas anak yang digunakan sebagai jaminan proyek "Nunukan Simenggaris" dengan PT Pertamina Hulu Simenggaris dan PT Medco E & P Simenggaris. Pada tahun 2016, bank garansi tersebut sudah dicairkan sesuai dengan perjanjian proyek tersebut.

Deposito berjangka (Dolar Amerika Serikat) di PT Bank Woori Saudara Indonesia 1906 Tbk pada tanggal 31 Desember 2015 merupakan deposito berjangka Entitas Anak yang digunakan sebagai cadangan untuk pembayaran dana pensiun.

11. RESTRICTED TIME DEPOSITS AND CASH IN BANKS (continued)

Restricted bank account (Rupiah) in PT Bank Mandiri (Persero) Tbk as of December 31, 2015, is a subsidiary's bank guarantee which is used as collateral for the "Umbulan Jawa Timur" project with the Government of East Java Province. In 2016 , the bank guarantee has been withdrawn as agreed in this project agreement.

Restricted cash account (United States Dollar) in PT Bank Mandiri (Persero) Tbk as of December 31, 2015 is a subsidiary's bank guarantee which is used as collateral for the "Nunukan Simenggaris" project with PT Pertamina Hulu Simenggaris and PT Medco E & P Simenggaris. In 2016 , the bank guarantee has been withdrawn as agreed in this project agreement.

Time deposit account (United States Dollar) in PT Bank Woori Saudara Indonesia 1906 Tbk as of December 31, 2015 is a Subsidiary's time deposit which is used as reserve for pension fund payment.

12. INVESTASI JANGKA PANJANG

Akun ini terdiri dari sebagai berikut:

12. LONG-TERM INVESTMENTS

This account consists of the following:

	30 September 2017/*September 30, 2017*					
	Persentase kepemilikan/ *Percentage of ownership*	Nilai tercatat 1 Januari 2017/ *Carrying value January 1, 2017*	Penambahan/ *Additions* (Pengurangan)/ *(Deductions)*	Selisih kurs karena penjabaran laporan keuangan/ *Translation adjustments*	Perubahan *ekuitas/ Equity changes*	Nilai tercatat 30 September 2017/ *Carrying value September 30, 2017*
Entitas asosiasi/*Associates*						
Metode ekuitas/*Equity method*						
Kuala Langsa (Block-A) Limited (KLL)	50,00%	362.292	-	-	(29)	362.263
PT Medco Power Indonesia (MPI)	49,00%	108.774.094	-	(327.117)	6.940.012	115.386.989
Sub-jumlah/*Sub-total*		109.136.386	-	(327.117)	6.939.983	115.749.252
Metode biaya perolehan/*Cost method*						
PT Donggi Senoro LNG (DSLNG)	11,11%	-	105.061.501[1)]	-	-	105.061.501
PT Medco Daya Sentosa (MDS)	1,00%	-	418	-	-	418
Sub-jumlah/*Sub-total*		-	105.061.919	-	-	105.061.919
Sub-jumlah/*Sub-total*		109.136.386	105.061.919	(327.117)	6.939.983	220.811.171
Ventura bersama/*Joint venture*						
Metode ekuitas/*Equity method*						
PT Amman Mineral Investama (AMIV)	50%	815.360.757	-	-	(30.859.916)	784.500.841
Jumlah/*Total*		**924.497.143**	**105.061.919**	**(327.117)**	**(23.919.933)**	**1.005.312.012**

1) Direklasifikasi dari "Aset Tidak Lancar yang Diklasifikasikan Sebagai Dimiliki untuk Dijual" (Catatan 37).

1) Reclassified from "Non-current Assets Classified As Held for Sale" (Note 37).

12. INVESTASI JANGKA PANJANG (lanjutan) / *12. LONG-TERM INVESTMENTS (continued)*

30 September 2016/*September 30, 2016* (Tidak diaudit/*Unaudited*)

	Persentase kepemilikan/ *Percentage of ownership*	Nilai tercatat 1 Januari 2016/ *Carrying value January 1, 2016*	Penambahan/ *Additions* (Pengurangan)/ *(Deductions)*	Selisih kurs karena penjabaran laporan keuangan/ *Translation adjustments*	Perubahan *ekuitas/ Equity changes*	Nilai tercatat 30 September 2016/ *Carrying value September 30, 2016*
Entitas asosiasi/*Associates*						
Metode ekuitas/*Equity method*						
Kuala Langsa (Block-A) Limited (KLL)	50,00%	1.177.111	-	-	(814.576)	362.535
PT Medco Power Indonesia (MPI)	49,00%	102.173.004	-	4.539.686	(1.539.455)	105.173.235
PT Satria Raksa Buminusa (SRB) (Catatan 37/ *Note 37)*	30,00%	279.605	-	-	214.362	493.967
PT Musi Raksa Buminusa (MRB) (Catatan 37/ *Note 37)*	30,00%	-	-	-	-	-
Sub-jumlah/*Sub-total*		103.629.720	-	4.539.686	(2.139.669)	106.029.737
Metode biaya perolehan/*Cost method*						
PT Donggi Senoro LNG (DSLNG)	11,11%	105.061.501	-	-	-	105.061.501
Jumlah/*Total*		**208.691.221**	**-**	**4.539.686**	**(2.139.669)**	**211.091.238**

31 Desember 2016/*December 31, 2016*

	Persentase kepemilikan/ *Percentage of ownership*	Nilai tercatat 1 Januari 2016/ *Carrying value January 1, 2016*	Penambahan/ *Additions* (Pengurangan)/ *(Deductions)*	Selisih kurs karena penjabaran laporan keuangan/ *Translation adjustments*	Perubahan *ekuitas/ Equity changes*	Nilai tercatat 31 Desember 2016/ *Carrying value December 31, 2016*
Entitas asosiasi/*Associates*						
Metode ekuitas/*Equity method*						
Kuala Langsa (Block-A) Limited (KLL)	50,00%	1.177.111	-	-	(814.819)	362.292
PT Medco Power Indonesia (MPI)	49,00%	102.173.004	-	2.037.697	4.563.393	108.774.094
PT Satria Raksa Buminusa (SRB) (Catatan 37/ *Note 37)*	30,00%	279.605	(453.404)	-	173.799	-
PT Musi Raksa Buminusa (MRB) (Catatan 37/ *Note 37)*	30,00%	-	-	-	-	-
Sub-jumlah/*Sub-total*		103.629.720	(453.404)	2.037.697	3.922.373	109.136.386
Metode biaya perolehan/*Cost method*						
PT Donggi Senoro LNG (DSLNG)	11,11%	105.061.501	(105.061.501)[2)]	-	-	-
Sub-jumlah/*Sub-total*		208.691.221	(105.514.905)	2.037.697	3.922.373	109.136.386
Ventura bersama/*Joint venture*						
Metode ekuitas/*Equity method*						
PT Amman Mineral Investama (AMIV)	50,00%	-	871.207.660	-	(55.846.903)	815.360.757
Jumlah/*Total*		**208.691.221**	**765.692.755**	**2.037.697**	**(51.924.530)**	**924.497.143**

2) Direklasifikasi ke "Aset Tidak Lancar yang Diklasifikasikan Sebagai Dimiliki untuk Dijual" (Catatan 37).

2) Reclassified to "Non-current Assets Classified As Held for Sale" (Note 37).

12. INVESTASI JANGKA PANJANG (lanjutan) / *12. LONG-TERM INVESTMENTS (continued)*

	31 Desember 2015/*December 31, 2015*					
	Persentase kepemilikan/ *Percentage of ownership*	Nilai tercatat 1 Januari 2015/ *Carrying value January 1, 2015*	Penambahan/ *Additions* (Pengurangan)/ *(Deductions)*	Selisih kurs karena penjabaran laporan keuangan/ *Translation adjustments*	Perubahan *ekuitas/ Equity changes*	Nilai tercatat 31 Desember 2015/ *Carrying value December 31, 2015*
Entitas asosiasi/*Associates*						
Metode ekuitas/*Equity method*						
Kuala Langsa (Block-A) Limited (KLL)	50,00%	1.110.251	-	-	66.860	1.177.111
PT Medco Power Indonesia (MPI)	49,00%	88.057.583	-	(5.713.394)	19.828.815	102.173.004
PT Api Metra Graha (AMG)	49,00%	108.218.175	(110.051.587)[3)]	-	1.833.412	-
PT Satria Raksa Buminusa (SRB) (Catatan 37/ *Note 37)*	30,00%	-	279.605	-	-	279.605
PT Musi Raksa Buminusa (MRB) (Catatan 37/ *Note 37)*	30,00%	-	-	-	-	-
Sub-jumlah/*Sub-total*		197.386.009	(109.771.982)	(5.713.394)	21.729.087	103.629.720
Metode biaya perolehan/*Cost method*						
PT Donggi Senoro LNG (DSLNG)	11,11%	105.061.501	-	-	-	105.061.501
Jumlah/*Total*		**302.447.510**	**(109.771.982)**	**(5.713.394)**	**21.729.087**	**208.691.221**

3) Pada tanggal 17 Desember 2015, Grup mengakuisi 51% saham kepemilikan AMG untuk menambahkan kepemilikan atas AMG menjadi 100%. Sejak tanggal efektif pengakuisisian tersebut, AMG menjadi entitas anak Grup (Catatan 18 dan 46).

3) On December 17, 2015, the Group acquired 51% share ownership in AMG and increased its ownership to 100%. Starting from the effective date of the acquisition, AMG became subsidiary of the Group (Notes 18 and 46).

	31 Desember 2014/*December 31, 2014*					
	Persentase kepemilikan/ *Percentage of ownership*	Nilai tercatat 1 Januari 2014/ *Carrying value January 1, 2014*	Penambahan/ *Additions* (Pengurangan)/ *(Deductions)*	Selisih kurs karena penjabaran laporan keuangan/ *Translation adjustments*	Perubahan *ekuitas/ Equity changes*	Nilai tercatat 31 Desember 2014/ *Carrying value December 31, 2014*
Entitas asosiasi/*Associates*						
Metode ekuitas/*Equity method*						
Kuala Langsa (Block-A) Limited (KLL)	50,00%	1.008.397	-	-	101.854	1.110.251
PT Medco Power Indonesia (MPI)	49,00%	95.851.694	-	(1.630.653)	(6.163.458)	88.057.583
PT Api Metra Graha (AMG)	49,00%	105.989.746	-	-	2.228.429	108.218.175
Sub-jumlah/*Sub-total*		202.849.837	-	(1.630.653)	(3.833.175)	197.386.009
Metode biaya perolehan/*Cost method*						
PT Donggi Senoro LNG (DSLNG)	11,11%	93.917.101	11.144.400	-	-	105.061.501
Jumlah/*Total*		**296.766.938**	**11.144.400**	**(1.630.653)**	**(3.833.175)**	**302.447.510**

12. INVESTASI JANGKA PANJANG (lanjutan)

Tabel berikut menyajikan perubahan ekuitas pada entitas asosiasi dan ventura bersama:

12. LONG-TERM INVESTMENTS (continued)

The following table illustrates the equity changes in associates and joint venture:

	30 September 2017/*September 30, 2017*					
	Persentase kepemilikan/ *Percentage of ownership*	Laba (rugi) periode berjalan/ *Profit (loss) for the period*	Pendapatan komprehensif lain/ *Other comprehensive income*	Dividen yang dideklarasikan/ *Declared dividend*	Dampak perubahan transaksi ekuitas Entitas Asosiasi/ *Effect of changes in equity transactions of Associates*	Jumlah/ *Total*
Entitas asosiasi/*Associates*						
Metode ekuitas/*Equity method*						
Kuala Langsa (Block-A) Limited (KLL)	50,00%	(29)	-	-	-	(29)
PT Medco Power Indonesia (MPI)	49,00%	6.387.244	552.768	-	-	6.940.012
Sub-jumlah/*Sub-total*		6.387.215	552.768	-	-	6.939.983
Ventura bersama/*Joint venture*						
Metode ekuitas/*Equity method*						
PT Amman Mineral Investama (AMIV)	50,00%	(29.808.891)	(1.051.025)	-	-	(30.859.916)
Jumlah/*Total*		**(23.421.676)**	**(498.257)**	**-**	**-**	**(23.919.933)**

	30 September 2016/*September 30, 2016* (Tidak diaudit/*Unaudited*)					
	Persentase kepemilikan/ *Percentage of ownership*	Laba (rugi) periode berjalan/ *Profit (loss) for the period*	Pendapatan komprehensif lain/ *Other comprehensive income*	Dividen yang dideklarasikan/ *Declared dividend*	Dampak perubahan transaksi ekuitas Entitas Asosiasi/ *Effect of changes in equity transactions of Associates*	Jumlah/ *Total*
Entitas asosiasi/*Associates*						
Metode ekuitas/*Equity method*						
Kuala Langsa (Block-A) Limited (KLL)	50,00%	(64.576)	-	(750.000)	-	(814.576)
PT Medco Power Indonesia (MPI)	49,00%	2.300.711	(3.840.166)	-	-	(1.539.455)
PT Satria Raksa Buminusa (SRB) (Catatan 37/ *Note 37)*	30,00%	214.362	-	-	-	214.362
PT Musi Raksa Buminusa (MRB) (Catatan 37/ *Note 37)*	30,00%	-	-	-	-	-
Jumlah/*Total*		**2.450.497**	**(3.840.166)**	**(750.000)**	**-**	**(2.139.669)**

	31 Desember 2016/*December 31, 2016*					
	Persentase kepemilikan/ *Percentage of ownership*	Laba (rugi) tahun berjalan/ *Profit (loss) for the year*	Pendapatan komprehensif lain/ *Other comprehensive income*	Dividen yang dideklarasikan/ *Declared dividend*	Dampak perubahan transaksi ekuitas Entitas Asosiasi/ *Effect of changes in equity transactions of Associates*	Jumlah/ *Total*
Entitas asosiasi/*Associates*						
Metode ekuitas/*Equity method*						
Kuala Langsa (Block-A) Limited (KLL)	50,00%	(64.819)	-	(750.000)	-	(814.819)
PT Medco Power Indonesia (MPI)	49,00%	4.099.586	463.807	-	-	4.563.393
PT Satria Raksa Buminusa (SRB) (Catatan 37/ *Note 37)*	30,00%	173.799	-	-	-	173.799
PT Musi Raksa Buminusa (MRB) (Catatan 37/ *Note 37)*	30,00%	-	-	-	-	-
Sub-jumlah/*Sub-total*		4.208.566	463.807	(750.000)	-	3.922.373

12. INVESTASI JANGKA PANJANG (lanjutan) / *12. LONG-TERM INVESTMENTS (continued)*

31 Desember 2016/*December 31, 2016*

	Persentase kepemilikan/ *Percentage of ownership*	Laba (rugi) tahun berjalan/ *Profit (loss) for the year*	Pendapatan komprehensif lain/ *Other comprehensive income*	Dividen yang dideklarasikan/ *Declared dividend*	Dampak perubahan transaksi ekuitas Entitas Asosiasi/ *Effect of changes in equity transactions of Associates*	Jumlah/ *Total*
Ventura bersama/*Joint venture*						
Metode ekuitas/*Equity method*						
PT Amman Mineral Investama (AMIV)	50,00%	(31.236.894)	(24.610.009)	-	-	(55.846.903)
Jumlah/*Total*		**(27.028.328)**	**(24.146.202)**	**(750.000)**	-	**(51.924.530)**

31 Desember 2015/*December 31, 2015*

	Persentase kepemilikan/ *Percentage of ownership*	Laba (rugi) tahun berjalan/ *Profit (loss) for the year*	Pendapatan komprehensif lain/ *Other comprehensive income*	Dividen yang dideklarasikan/ *Declared dividend*	Dampak perubahan transaksi ekuitas Entitas Asosiasi/ *Effect of changes in equity transactions of Associates*	Jumlah/ *Total*
Entitas asosiasi/*Associates*						
Metode ekuitas/*Equity method*						
Kuala Langsa (Block-A) Limited (KLL)	50,00%	66.860	-	-	-	66.860
PT Medco Power Indonesia (MPI)	49,00%	3.836.629	6.146.931	-	9.845.255	19.828.815
PT Api Metra Graha (AMG)	49,00%	3.303.412	-	(1.470.000)	-	1.833.412
Jumlah/*Total*		**7.206.901**	**6.146.931**	**(1.470.000)**	**9.845.255**	**21.729.087**

31 Desember 2014/*December 31, 2014*

	Persentase kepemilikan/ *Percentage of ownership*	Laba (rugi) tahun berjalan/ *Profit (loss) for the year*	Pendapatan komprehensif lain/ *Other comprehensive income*	Dividen yang dideklarasikan/ *Declared dividend*	Dampak perubahan transaksi ekuitas Entitas Asosiasi/ *Effect of changes in equity transactions of Associates*	Jumlah/ *Total*
Entitas asosiasi/*Associates*						
Metode ekuitas/*Equity method*						
Kuala Langsa (Block-A) Limited (KLL)	50,00%	101.854	-	-	-	101.854
PT Medco Power Indonesia (MPI)	49,00%	4.197.989	(10.361.447)	-	-	(6.163.458)
PT Api Metra Graha (AMG)	49,00%	2.767.429	-	(539.000)	-	2.228.429
Jumlah/*Total*		**7.067.272**	**(10.361.447)**	**(539.000)**	**-**	**(3.833.175)**

Pada tanggal 9 Mei 2016, Kuala Langsa (Block-A) Limited melakukan pembagian dividen kas kepada Perusahaan sebesar AS$750.000.

On May 9, 2016, Kuala Langsa (Block-A) Limited distributed cash dividends to the Company amounting to US$750,000.

Pada tanggal 14 Juli 2015, PT Api Metra Graha melakukan pembagian dividen kas kepada Perusahaan sebesar AS$1.470.000.

On July 14, 2015, PT Api Metra Graha distributed cash dividends to the Company amounting to US$1,470,000.

Pada tanggal 11 November 2014, PT Api Metra Graha melakukan pembagian dividen kas kepada Perusahaan sebesar AS$539.000.

On November 11, 2014, PT Api Metra Graha distributed cash dividends to the Company amounting to US$539,000.

12. INVESTASI JANGKA PANJANG (lanjutan) / *12. LONG-TERM INVESTMENTS (continued)*

Tabel berikut menyajikan ringkasan informasi keuangan entitas asosiasi dan ventura bersama:

The following table illustrates the summarized financial information of the associates and joint venture:

Laporan posisi keuangan konsolidasian: / ***Consolidated statements of financial position:***

	Aset lancar/ *Current assets*	Aset tidak lancar/ *Non-current assets*	Liabilitas jangka pendek/ *Current liabilities*	Liabilitas jangka panjang/ *Non-current liabilities*	Ekuitas perusahaan induk/ *Equity of parent company*	Kepentingan non-pengendali/ *Non-controlling interest*	Persentase kepemilikan/ *Percentage of ownership*	Bagian Grup atas aset neto Entitas Asosiasi/ *The Group's share of net assets of Associates*	Penyesuaian ekuitas/ *Equity adjustment*	Nilai tercatat investasi/ *Investment carrying value*
30 September 2017/*September 30, 2017*										
Entitas asosiasi/*Associates*										
Kuala Langsa (Block-A) Limited (KLL)	575.969	159.185	10.629	-	724.525	-	50,00%	362.263	-	362.263
PT Medco Power Indonesia (MPI)	187.948.057	726.637.534	90.631.258	553.543.948	174.336.348	96.074.037	49,00%	85.424.811	29.962.178	115.386.989
Sub-jumlah/*Sub-total*	188.524.026	726.796.719	90.641.887	553.543.948	175.060.873	96.074.037		85.787.074	29.962.178	115.749.252
Ventura bersama/ *Joint venture*										
PT Amman Mineral Investama (AMIV)	955.583.122	3.224.110.375	637.237.431	1.376.759.870	1.569.001.680	596.694.516	50,00%	784.500.840	-	784.500.840
Jumlah/*Total*	**1.144.107.148**	**3.950.907.094**	**727.879.318**	**1.930.303.818**	**1.744.062.553**	**692.768.553**		**870.287.914**	**29.962.178**	**900.250.092**
30 September 2016/*September 30, 2016* (Tidak diaudit/*Unaudited*)										
Entitas asosiasi/*Associates*										
Kuala Langsa (Block-A) Limited (KLL)	576.174	159.185	10.289	-	725.070	-	50,00%	362.535	-	362.535
PT Medco Power Indonesia (MPI)	129.393.076	645.594.671	117.469.518	464.647.067	153.491.952	39.379.210	49,00%	75.211.057	29.962.178	105.173.235
PT Satria Raksa Buminusa (SRB)	3.913.978	337.569	341.263	2.263.728	1.646.556	-	30,00%	493.967	-	493.967
PT Musi Raksa Buminusa (MRB)	1.089.532	530	1.807.838	-	(717.776)	-	30,00%	-	-	-
Jumlah/*Total*	**134.972.760**	**646.091.955**	**119.628.908**	**466.910.795**	**155.145.802**	**39.379.210**		**76.067.559**	**29.962.178**	**106.029.737**
31 Desember 2016/*December 31, 2016*										
Entitas asosiasi/*Associates*										
Kuala Langsa (Block-A) Limited (KLL)	576.149	159.185	10.750	-	724.584	-	50,00%	362.292	-	362.292
PT Medco Power Indonesia (MPI)	170.376.548	671.876.916	119.774.222	515.305.804	160.840.646	46.332.792	49,00%	78.811.916	29.962.178	108.774.094
Sub-jumlah/*Sub-total*	170.952.697	672.036.101	119.784.972	515.305.804	161.565.230	46.332.792		79.174.208	29.962.178	109.136.386
Ventura bersama/ *Joint venture*										
PT Amman Mineral Investama (AMIV)	1.178.444.817	3.325.273.154	1.490.150.518	835.407.961	1.630.721.514	547.437.978	50,00%	815.360.757	-	815.360.757
Jumlah/*Total*	**1.349.397.514**	**3.997.309.255**	**1.609.935.490**	**1.350.713.765**	**1.792.286.744**	**593.770.770**		**894.534.965**	**29.962.178**	**924.497.143**

12. INVESTASI JANGKA PANJANG (lanjutan) / *12. LONG-TERM INVESTMENTS (continued)*

Laporan posisi keuangan konsolidasian (lanjutan): / ***Consolidated statement of financial position (continued):***

31 Desember 2015/*December 31, 2015*

	Aset lancar/ *Current assets*	Aset tidak lancar/ *Non-current assets*	Liabilitas jangka pendek/ *Current liabilities*	Liabilitas jangka panjang/ *Non-current liabilities*	Ekuitas perusahaan induk/ *Equity of parent company*	Kepentingan non-pengendali/ *Non-controlling interest*	Persentase kepemilikan/ *Percentage of ownership*	Bagian Grup atas aset neto Entitas Asosiasi/ *The Group's share of net assets of Associates*	Penyesuaian ekuitas/ *Equity adjustment*	Nilai tercatat investasi/ *Investment carrying value*
Entitas asosiasi/*Associates*										
Kuala Langsa (Block-A) Limited (KLL)	2.171.495	192.889	10.163	-	2.354.221	-	50,00%	1.177.111	-	1.177.111
PT Medco Power Indonesia (MPI)	159.999.312	501.671.152	71.850.521	402.025.806	147.369.033	40.425.104	49,00%	72.210.826	29.962.178	102.173.004
PT Satria Raksa Buminusa (SRB)	2.660.662	85.175	159.311	1.654.511	932.015	-	30,00%	279.605	-	279.605
PT Musi Raksa Buminusa (MRB)	1.094.966	530	1.808.126	-	(712.630)	-	30,00%	-	-	-
Jumlah/*Total*	**165.926.435**	**501.949.746**	**73.828.121**	**403.680.317**	**149.942.639**	**40.425.104**		**73.667.542**	**29.962.178**	**103.629.720**

31 Desember 2014/*December 31, 2014*

	Aset lancar/ *Current assets*	Aset tidak lancar/ *Non-current assets*	Liabilitas jangka pendek/ *Current liabilities*	Liabilitas jangka panjang/ *Non-current liabilities*	Ekuitas perusahaan induk/ *Equity of parent company*	Kepentingan non-pengendali/ *Non-controlling interest*	Persentase kepemilikan/ *Percentage of ownership*	Bagian Grup atas aset neto Entitas Asosiasi/ *The Group's share of net assets of Associates*	Penyesuaian ekuitas/ *Equity adjustment*	Nilai tercatat investasi/ *Investment carrying value*
Entitas asosiasi/*Associates*										
Kuala Langsa (Block-A) Limited (KLL)	2.037.819	159.185	10.206	-	2.186.798	-	50,00%	1.093.399	16.852	1.110.251
PT Medco Power Indonesia (MPI)	55.297.613	351.702.983	40.453.688	224.908.650	118.562.052	23.076.206	49,00%	58.095.405	29.962.178	88.057.583
PT Api Metra Graha (AMG)	11.926.191	80.620.568	12.249.775	47.108.500	33.188.484	-	49,00%	16.262.357	91.955.818	108.218.175
Jumlah/*Total*	**69.261.623**	**432.482.736**	**52.713.669**	**272.017.150**	**153.937.334**	**23.076.206**		**75.451.161**	**121.934.848**	**197.386.009**

Laporan laba rugi dan penghasilan komprehensif lain konsolidasian: / ***Consolidated statement of profit or loss and other comprehensive income:***

Periode Sembilan bulan yang berakhir pada tanggal 30 September 2017/ *Nine-month periods ended September 30, 2017*

	Pendapatan neto/ *Net revenues*	Laba (rugi)/ *Profit (loss)*	Pendapatan kompehensif lain/ *Other comprehensive income*	Jumlah penghasilan (rugi) komprehensif/ *Total comprehensive income (loss)*	Persentase kepemilikan/ *Percentage of ownership*	Bagian investor atas laba (rugi)/ *Investor's share on profit (loss)*
Entitas asosiasi/*Associates*						
Kuala Langsa (Block-A) Limited (KLL)	-	(58)	-	(58)	50,00%	(29)
PT Medco Power Indonesia (MPI)	210.914.804	13.035.192	1.128.098	14.163.290	49,00%	6.387.244
Sub-jumlah/*Sub-total*	210.914.804	13.035.134	1.128.098	14.163.232		6.387.215
Ventura bersama/ *Joint venture*						
PT Amman Mineral Investama (AMIV)	1.180.369.124	(59.617.785)	(2.102.050)	(61.719.835)	50,00%	(29.808.891)
Jumlah/*Total*	**1.391.283.928**	**(46.582.651)**	**(973.952)**	**(47.556.603)**		**(23.421.676)**

12. INVESTASI JANGKA PANJANG (lanjutan) / *12. LONG-TERM INVESTMENTS (continued)*

Laporan laba rugi dan penghasilan komprehensif lain konsolidasian (lanjutan): / ***Consolidated statement of profit or loss and other comprehensive income (continued):***

Periode Sembilan bulan yang berakhir pada tanggal 30 September 2016/ *Nine-month periods ended September 30, 2016* (Tidak diaudit/*Unaudited*)

	Pendapatan neto/ *Net revenues*	Laba (rugi)/ *Profit (loss)*	Pendapatan kompehensif lain/ *Other comprehensive income*	Jumlah penghasilan (rugi) komprehensif/ *Total comprehensive income (loss)*	Persentase kepemilikan/ *Percentage of ownership*	Bagian investor atas laba (rugi)/ *Investor's share on profit (loss)*
Entitas asosiasi/*Associates*						
Kuala Langsa (Block-A) Limited (KLL)	-	(129.152)	-	(129.152)	50,00%	(64.576)
PT Medco Power Indonesia (MPI)	208.991.835	4.695.329	(7.837.074)	(3.141.745)	49,00%	2.300.711
PT Satria Raksa Buminusa (SRB)	5.171.322	714.539	-	714.539	30,00%	214.362
PT Musi Raksa Buminusa (MRB)	-	(5.145)	-	(5.145)	30,00%	-
Jumlah/*Total*	**214.163.157**	**5.275.571**	**(7.837.074)**	**(2.561.503)**		**2.450.497**

31 Desember 2016/*December 31, 2016*

	Pendapatan neto/ *Net revenues*	Laba (rugi)/ *Profit (loss)*	Pendapatan kompehensif lain/ *Other comprehensive income*	Jumlah penghasilan (rugi) komprehensif/ *Total comprehensive income (loss)*	Persentase kepemilikan/ *Percentage of ownership*	Bagian investor atas laba (rugi)/ *Investor's share on profit (loss)*
Entitas asosiasi/*Associates*						
Kuala Langsa (Block-A) Limited (KLL)	-	(129.638)	-	(129.638)	50%	(64.819)
PT Medco Power Indonesia (MPI)	267.730.783	8.366.503	946.545	9.313.048	49%	4.099.586
PT Satria Raksa Buminusa (SRB)	6.915.333	579.330	-	579.330	30%	173.799
PT Musi Raksa Buminusa (MRB)	-	(2.469)	-	(2.469)	30%	-
Sub-jumlah/*Sub-total*	274.646.116	8.813.726	946.545	9.760.271		4.208.566
Ventura bersama/ *Joint venture*						
PT Amman Mineral Investama (AMIV)	156.051.099	(62.473.788)	(49.220.018)	(111.693.806)	50%	(31.236.894)
Jumlah/*Total*	**430.697.215**	**(53.660.062)**	**(48.273.473)**	**(101.933.535)**		**(27.028.328)**

31 Desember 2015/*December 31, 2015*

	Pendapatan neto/ *Net revenues*	Laba (rugi)/ *Profit (loss)*	Pendapatan kompehensif lain/ *Other comprehensive income*	Jumlah penghasilan (rugi) komprehensif/ *Total comprehensive income (loss)*	Persentase kepemilikan/ *Percentage of ownership*	Bagian investor atas laba (rugi)/ *Investor's share on profit (loss)*
Entitas asosiasi/*Associates*						
Kuala Langsa (Block-A) Limited (KLL)	-	133.719	-	133.719	50%	66.860
PT Medco Power Indonesia (MPI)	230.965.731	7.829.856	12.544.757	20.374.613	49%	3.836.629
PT Api Metra Graha (AMG)	23.949.780	6.741.657	-	6.741.657	49%	3.303.412
Jumlah/*Total*	**254.915.511**	**14.705.232**	**12.544.757**	**27.249.989**		**7.206.901**

12. INVESTASI JANGKA PANJANG (lanjutan) / *12. LONG-TERM INVESTMENTS (continued)*

Laporan laba rugi dan penghasilan komprehensif lain konsolidasian (lanjutan): / ***Consolidated statement of profit or loss and other comprehensive income (continued):***

	31 Desember 2014/*December 31, 2014*					
	Pendapatan neto/ *Net revenues*	Laba (rugi)/ *Profit (loss)*	Pendapatan kompehensif lain/ *Other comprehensive income*	Jumlah penghasilan (rugi) komprehensif/ *Total comprehensive income (loss)*	Persentase kepemilikan/ *Percentage of ownership*	Bagian investor atas laba (rugi)/ *Investor's share on profit (loss)*
Entitas asosiasi/*Associates*						
Kuala Langsa (Block-A) Limited (KLL)	-	203.708	-	203.708	50%	101.854
PT Medco Power Indonesia (MPI)	152.605.701	8.567.324	(21.145.810)	(12.578.486)	49%	4.197.989
PT Api Metra Graha (AMG)	21.891.917	5.647.814	-	5.647.814	49%	2.767.429
Jumlah/*Total*	**174.497.618**	**14.418.846**	**(21.145.810)**	**(6.726.964)**		**7.067.272**

Entitas asosiasi dan ventura bersama tidak mempunyai komitmen modal dan kontinjensi pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, kecuali imbalan kontinjensi ventura bersama terkait akuisisi seperti yang diungkapkan pada Catatan 46.

The associates and joint venture had no other capital commitments or contingent liabilities as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, except contingent considerations in relation to the acquisition of joint venture as disclosed in Note 46.

Tidak ada pembatasan signifikan atas kemampuan entitas asosiasi dan ventura bersama untuk mentransfer dana kepada Grup.

There are no significant restrictions on the ability of associates and joint venture entity to transfer funds to the Group.

Kuala Langsa (Block A) Limited / *Kuala Langsa (Block A) Limited*

Kuala Langsa (Block A) Limited (KLL) sebelumnya memegang hak partisipasi Blok A, yang saat ini telah dipindahkan ke PT Medco E & P Malaka dan KrisEnergy (Block A Aceh) B.V..

Kuala Langsa (Block A) Limited (KLL) previously held working interest in Block A, which currently has been transferred to PT Medco E & P Malaka and KrisEnergy (Block A Aceh) B.V..

PT Medco Power Indonesia / *PT Medco Power Indonesia*

Grup melakukan bisnis ketenagalistrikan melalui PT Medco Power Indonesia (MPI), yang sejak Desember 2011 dimiliki bersama oleh PT Saratoga Power (Saratoga) dan Grup masing-masing sebesar 51% dan 49%.

The Group's power business is conducted through PT Medco Power Indonesia (MPI), with an ownership structure of PT Saratoga Power (Saratoga) and the Group by 51% and 49%, respectively, since December 2011.

Pada tanggal 3 Oktober 2017, Grup mengakuisi 77,68% saham kepemilikan Saratoga untuk menambahkan kepemilikan atas MPI menjadi 88,62%. Sejak tanggal efektif pengakuisisian tersebut, MPI menjadi entitas anak Grup (Catatan 46).

On October 3, 2017, the Group acquired 77.68% share ownership in Saratoga that increased its ownership in MPI to 88.62%. Starting from effective date of the acquisition, MPI became subsidiary of the Group (Note 46).

12. INVESTASI JANGKA PANJANG (lanjutan)

PT Api Metra Graha

Grup mengakuisisi secara efektif 49% saham PT Api Metra Graha (AMG) pada tahun 2013 yang memiliki gedung perkantoran The Energy di Jakarta dimana Grup saat ini berdomisili.

Pada tanggal 17 Desember 2015, Grup mengakuisi 51% saham kepemilikan AMG untuk menambahkan kepemilikan atas AMG menjadi 100%. Sejak tanggal efektif pengakuisisian tersebut, AMG menjadi entitas anak Grup (Catatan 18 dan 46).

PT Satria Raksa Buminusa dan PT Musi Raksa Buminusa

Grup melakukan bisnis penyediaan jasa tenaga kerja, khususnya dalam bidang keamanan melalui PT Satria Raksa Buminusa ("SRB") dan PT Musi Raksa Buminusa ("MRB").

Pada tanggal 29 Desember 2016, PT Medco Sarana Balaraja ("entitas anak Grup") mengakuisi 70% saham kepemilikan SRB dan MRB untuk menambahkan kepemilikan atas SRB dan MRB menjadi 100%. Sejak tanggal efektif pengakuisisian tersebut, SRB dan MRB menjadi entitas anak Grup (Catatan 44).

PT Amman Mineral Investama

Grup mengakuisisi secara efektif 50% saham PT Amman Mineral Investama ("AMIV") pada November 2016 yang memiliki pengendalian tidak langsung atas 82,2% kepemilikan atas PT Amman Mineral Nusa Tenggara ("AMNT").

Pada tanggal 10 Februari 2017, Kementrian Energi dan Sumber Daya Mineral (ESDM) mengeluarkan Izin Usaha Pertambangan Khusus (IUPK) untuk AMNT.

AMNT mengoperasikan tambang tembaga dan emas Batu Hijau di Kepulauan Sumbawa, Indonesia, dan memiliki akses terhadap beberapa prospek eksplorasi dan temuan cadangan yang besar di Elang di mana semuanya termasuk di dalam Kontrak Karya yang dimiliki.

12. LONG-TERM INVESTMENTS (continued)

PT Api Metra Graha

The Group effectively acquired 49% stake of PT Api Metra Graha (AMG) in 2013 which owns The Energy office building in Jakarta where the Group currently domiciles.

On December 17, 2015, the Group acquired 51% share ownership of AMG that increased its ownership to 100%. Starting from effective date of acquisition, AMG became subsidiary of the Group (Notes 18 and 46).

PT Satria Raksa Buminusa and PT Musi Raksa Buminusa

The Group conducts the business of providing labor services, particularly in the security field through PT Satria Raksa Buminusa ("SRB") and PT Musi Raksa Buminusa ("MRB").

On December 29, 2016, PT Medco Sarana Balaraja ("a subsidiary of the Group") acquired 70% share ownership of SRB and MRB that increased its ownership to 100%. Starting from effective date of acquisition, SRB and MRB became subsidiaries of the Group (Note 44).

PT Amman Mineral Investama

The Group effectively acquired 50% stake in PT Amman Mineral Investama ("AMIV") in November 2016 which has indirect control over 82.2% of PT Amman Mineral Nusa Tenggara ("AMNT").

On February 10, 2017, the Ministry of Energy and Mineral Resources (MOEMR) issued Spesial Mining Operation Permit (IUPK) for AMNT.

AMNT operates Batu Hijau copper and gold mine on the Island of Sumbawa, Indonesia and has access to several exploration prospects as well as the large undeveloped Elang discovery within its Contract of Work.

13. INVESTASI PADA PROYEK

Investasi pada proyek pada tanggal 30 September 2016 dan 31 Desember 2016, 2015, dan 2014 masing-masing senilai AS$22.674.035, AS$22.674.035, AS$22.709.840 dan AS$30.324.414. Akun ini merupakan pengeluaran untuk Proyek Jeruk yang dibayarkan oleh Grup kepada Cue Sampang Pty Ltd ("Cue") dan Singapore Petroleum Company Ltd ("SPC") dimana keduanya adalah pemilik hak partisipasi, sesuai dengan Perjanjian Ekonomis Jeruk yang dilakukan Grup dengan Cue dan SPC pada tanggal 4 Januari 2006 (Catatan 48). Dalam perjanjian tersebut, Grup berhak memperoleh pengembalian atas pengeluaran tersebut dari Cue dan SPC pada saat Lapangan Oyong di Blok Sampang mulai berproduksi dan saat Cue dan SPC telah sepenuhnya memperoleh pengembalian atas seluruh biaya terkait. Pada bulan Mei dan Juni 2017, Grup telah menerima pengembalian dari Cue dan SPC sejumlah AS$25 juta. Selisih antara kas yang diterima dengan nilai tercatat diakui sebagai bagian dari "Pendapatan lain-lain" pada tahun 2017.

13. INVESTMENT IN PROJECT

Investment in project as of September 30, 2016 and December 31, 2016, 2015, and 2014 of US$22,674,035, US$22,674,035, US$22,709,840 and US$30,324,414, respectively. This account represents disbursements for the Jeruk Project made by the Group to Cue Sampang Pty Ltd ("Cue") and Singapore Petroleum Company Ltd ("SPC"), owners of the participating interest, in accordance with the Jeruk Economic Agreement entered into by the Group with Cue and SPC on January 4, 2006 (Note 48). Under the agreement, the Group is entitled to recover such disbursements from Cue and SPC once the Oyong Field in the Sampang Block of which both parties are participating owners, starts producing oil, and Cue and SPC have recovered their own costs. In May and June 2017, the Group received the payments from Cue and SPC totaling US$25 million. The difference between cash received and amount recorded is recognized as part of "Other income" in 2017.

14. ASET TETAP / *14. PROPERTY, PLANT AND EQUIPMENT*

Akun ini terdiri dari sebagai berikut: / *This account consists of the following:*

	30 September 2017/*September 30, 2017*							
	Saldo Awal/ *Beginning Balance*	**Penambahan/ *Additions***	**Pengurangan/ *Deductions***	**Reklasifikasi/ *Reclassi-fications***	**Reklasifikasi dari Aset Entitas Anak yang Sebelumnya yang Dimiliki untuk Dijual/ *Reclassi-fications of a Subsidiary's Asset Previously Classified as Held for Sale***	**Aset Entitas Anak yang Dimiliki untuk Dijual/ *Assets of Subsidiaries Classified as Held for Sale***	**Saldo Akhir/ *Ending Balance***	
Biaya Perolehan								*Acquisition Cost*
Tanah	102.427	-	-	-	124.206	-	226.633	*Land*
Bangunan dan prasarana	4.822.553	-	-	-	26.530	-	4.849.083	*Buildings and land improvements*
Mesin	79.906	-	-	-	10.683.699	-	10.763.605	*Machinery*
Kendaraan bermotor	3.404.819	-	-	-	114.867	(17.164)	3.502.522	*Vehicle*
Peralatan kantor dan lainnya	7.702.617	7.346	-	-	141.664	(560.433)	7.291.194	*Office and other equipment*
Leasehold improvements	1.109.262	-	-	-	-	-	1.109.262	*Leasehold improvements*
Pesawat terbang	15.865.596	-	-	-	-	-	15.865.596	*Aircraft*
Jumlah Biaya Perolehan	33.087.180	7.346	-	-	11.090.966	(577.597)	43.607.895	*Total Acquisition cost*
Akumulasi Penyusutan								*Accumulated Depreciation*
Bangunan dan prasarana	2.291.704	184.330	-	-	17.687	-	2.493.721	*Buildings and land improvements*
Mesin	52.045	1.365.358	-	-	7.017.460	-	8.434.863	*Machinery*
Kendaraan bermotor	3.227.269	29.123	-	-	109.015	(6.793)	3.358.614	*Vehicles*
Peralatan kantor dan lainnya	7.370.988	50.815	-	-	135.069	(440.909)	7.115.963	*Office and other equipment*
Leasehold improvements	1.109.262	-	-	-	-	-	1.109.262	*Leasehold improvements*
Pesawat terbang	4.433.935	107.142	-	-	-	-	4.541.077	*Aircraft*
Jumlah Akumulasi Penyusutan	18.485.203	1.736.768	-	-	7.279.231	(447.702)	27.053.500	*Total Accumulated Depreciation*
Akumulasi Penurunan Nilai								*Accumulated Impairment*
Penurunan nilai	9.431.662	-	-	-	-	-	9.431.662	*Impairment*
Nilai Tercatat	**5.170.315**						**7.122.733**	***Carrying Value***

14. ASET TETAP (lanjutan) / *14. PROPERTY, PLANT AND EQUIPMENT (continued)*

30 September 2016/*September 30, 2016*
(Tidak diaudit/*Unaudited*)

	Saldo Awal/ *Beginning Balance*	Penambahan/ *Additions*	Pengurangan/ *Deductions*	Reklasifikasi/ *Reclassifications*	Reklasifikasi Aset Entitas Anak dari yang Dimiliki untuk Dijual/ *Reclassifications of a Subsidiary's Asset from Held for Sale*	Aset Entitas Anak yang Dimiliki untuk Dijual/ *Assets of Subsidiaries Classified as Held for Sale*	Saldo Akhir/ *Ending Balance*	
Biaya Perolehan								*Acquisition Cost*
Tanah	406.118	-	-	-	-	-	406.118	*Land*
Bangunan dan prasarana	10.570.005	-	-	-	-	-	10.570.005	*Buildings and land improvements*
Mesin	39.054.304	3.253.824	-	-	-	-	42.308.128	*Machinery*
Peralatan dan perlengkapan pengeboran	67.201.771	726.483	(794.201)	-	-	-	67.134.053	*Drilling rigs and equipment*
Kendaraan bermotor	21.984.352	74.445	-	-	-	-	22.058.797	*Vehicles*
Peralatan kantor dan lainnya	9.310.513	34.368	(10.719)	-	-	-	9.334.162	*Office and other equipment*
Leasehold improvements	1.110.592	-	-	-	-	-	1.110.592	*Leasehold improvements*
Pesawat terbang	15.865.596	-	-	-	-	-	15.865.596	*Aircraft*
Aset tetap dalam pembangunan	-	1.404.917	-	-	-	-	1.404.917	*Construction in progress*
Jumlah Biaya Perolehan	165.503.251	5.494.037	(804.920)	-	-	-	170.192.368	*Total Acquisition cost*
Akumulasi Penyusutan								*Accumulated Depreciation*
Bangunan dan prasarana	5.022.082	184.496	-	-	-	-	5.206.578	*Buildings and land improvements*
Mesin	29.689.630	2.791.883	-	-	-	-	32.481.513	*Machinery*
Peralatan dan perlengkapan pengeboran	23.475.046	3.613.753	(580.452)	-	-	-	26.508.347	*Drilling rigs and equipment*
Kendaraan bermotor	13.437.946	1.115.194	-	-	-	-	14.553.140	*Vehicles*
Peralatan kantor dan lainnya	8.121.034	118.209	(10.719)	-	-	-	8.228.524	*Office and other equipment*
Leasehold improvements	1.110.592	-	-	-	-	-	1.110.592	*Leasehold improvements*
Pesawat terbang	3.617.387	612.410	-	-	-	-	4.229.797	*Aircraft*
Jumlah Akumulasi Penyusutan	84.473.717	8.435.945	(591.171)	-	-	-	92.318.491	*Total Accumulated Depreciation*
Akumulasi Penurunan Nilai								*Accumulated Impairment*
Penurunan nilai	12.067.745	9.431.662	-	-	-	-	21.499.407	*Impairment*
Nilai Tercatat	**68.961.789**						**56.374.470**	***Carrying Value***

14. ASET TETAP (lanjutan) / *14. PROPERTY, PLANT AND EQUIPMENT (continued)*

31 Desember 2016/*December 31, 2016*

	Saldo Awal/ *Beginning Balance*	Penambahan/ *Additions*	Pengurangan/ *Deductions*	Reklasifikasi/ *Reclassi-fications*	Dampak Akuisisi Entitas Anak/ *Effects from Acquisition of Subsidiaries*	Aset Entitas Anak yang Dimiliki untuk Dijual/ *Assets of Subsidiaries Classified as Held for Sale*	Saldo Akhir/ *Ending Balance*	
Biaya Perolehan								*Acquisition Cost*
Tanah	406.118	-	-	29.170	-	(332.861)	102.427	*Land*
Bangunan dan prasarana	10.570.005	9.732	(1.933.080)	-	-	(3.824.104)	4.822.553	*Buildings and land improvements*
Mesin	39.054.304	3.253.824	(15.871.765)	(10.995.443)	-	(15.361.014)	79.906	*Machinery*
Peralatan dan perlengkapan pengeboran	67.201.771	1.390.104	(794.201)	10.584.393	-	(78.382.067)	-	*Drilling rigs and equipment*
Kendaraan bermotor	21.984.352	121.796	(338.579)	1.189.289	-	(19.552.039)	3.404.819	*Vehicles*
Peralatan kantor dan lainnya	9.310.513	63.296	(10.719)	(807.409)	78.925	(931.989)	7.702.617	*Office and other equipment*
Leasehold improvements	1.110.592	-	-	-	-	(1.330)	1.109.262	*Leasehold improvements*
Pesawat terbang	15.865.596	-	-	-	-	-	15.865.596	*Aircraft*
Aset sewa guna usaha	-	-	-	-	36.858	(36.858)	-	*Assets under finance lease*
Aset tetap dalam pembangunan	-	6.236.065	-	-	-	(6.236.065)	-	*Construction in progress*
Jumlah Biaya Perolehan	165.503.251	11.074.817	(18.948.344)	-	115.783	(124.658.327)	33.087.180	*Total Acquisition cost*
Akumulasi Penyusutan								*Accumulated Depreciation*
Bangunan dan prasarana	5.022.082	308.071	(1.933.080)	709.832	-	(1.815.201)	2.291.704	*Buildings and land improvements*
Mesin	29.689.630	3.769.658	(15.871.765)	(6.711.657)	-	(10.823.821)	52.045	*Machinery*
Peralatan dan perlengkapan pengeboran	23.475.046	4.899.624	(580.452)	5.692.413	-	(33.486.631)	-	*Drilling rigs and equipment*
Kendaraan bermotor	13.437.946	1.829.798	(335.928)	389.218	-	(12.093.765)	3.227.269	*Vehicles*
Peralatan kantor dan lainnya	8.121.034	151.727	(10.719)	(79.806)	71.487	(882.735)	7.370.988	*Office and other equipment*
Leasehold improvements	1.110.592	-	-	-	-	(1.330)	1.109.262	*Leasehold improvements*
Pesawat terbang	3.617.387	816.548	-	-	-	-	4.433.935	*Aircraft*
Aset sewa guna usaha	-	-	-	-	35.695	(35.695)	-	*Assets under finance lease*
Jumlah Akumulasi Penyusutan	84.473.717	11.775.426	(18.731.944)	-	107.182	(59.139.178)	18.485.203	*Total Accumulated Depreciation*
Akumulasi Penurunan Nilai								*Accumulated Impairment*
Penurunan nilai	12.067.745	9.431.662	(2.438.357)	-	-	(9.629.388)	9.431.662	*Impairment*
Nilai Tercatat	**68.961.789**						**5.170.315**	***Carrying Value***

14. ASET TETAP (lanjutan) / *14. PROPERTY, PLANT AND EQUIPMENT (continued)*

31 Desember 2015/*December 31, 2015*

	Saldo Awal/ *Beginning Balance*	Penambahan/ *Additions*	Pengurangan/ *Deductions*	Reklasifikasi/ *Reclassifications*	Dampak Akuisisi Entitas Anak/ *Effects from Acquisition of Subsidiaries*	Aset Entitas Anak yang Dimiliki untuk Dijual/ *Assets of Subsidiaries Classified as Held for Sale*	Saldo Akhir/ *Ending Balance*	
Biaya Perolehan								*Acquisition Cost*
Tanah	406.118	-	-	-	-	-	406.118	*Land*
Bangunan dan prasarana	9.984.576	585.429	-	-	-	-	10.570.005	*Buildings and land improvements*
Mesin	38.828.953	225.351	-	-	-	-	39.054.304	*Machinery*
Peralatan dan perlengkapan pengeboran	67.110.014	1.057.377	(965.620)	-	-	-	67.201.771	*Drilling rigs and equipment*
Kendaraan bermotor	20.906.743	1.204.910	(136.335)	-	(8.130)	17.164	21.984.352	*Vehicles*
Peralatan kantor dan lainnya	8.948.316	11.486	(147.429)	-	(6.705)	504.845	9.310.513	*Office and other equipment*
Leasehold improvements	1.110.592	-	-	-	-	-	1.110.592	*Leasehold improvements*
Pesawat terbang	15.865.596	-	-	-	-	-	15.865.596	*Aircraft*
Aset sewa guna usaha	243.294	-	(214.940)	-	(28.354)	-	-	*Assets under finance lease*
Jumlah Biaya Perolehan	163.404.202	3.084.553	(1.464.324)	-	(43.189)	522.009	165.503.251	*Total Acquisition cost*
Akumulasi Penyusutan								*Accumulated Depreciation*
Bangunan dan prasarana	4.463.618	558.464	-	-	-	-	5.022.082	*Buildings and land improvements*
Mesin	26.011.113	3.678.517	-	-	-	-	29.689.630	*Machinery*
Peralatan dan perlengkapa pengeboran	19.417.252	4.759.491	(701.697)	-	-	-	23.475.046	*Drilling rigs and equipment*
Kendaraan bermotor	10.598.084	2.962.430	(118.735)	-	(5.263)	1.430	13.437.946	*Vehicles*
Peralatan kantor dan lainnya	7.685.331	198.098	(119.537)	-	(3.514)	360.656	8.121.034	*Office and other equipment*
Leasehold improvements	1.110.592	-	-	-	-	-	1.110.592	*Leasehold improvements*
Pesawat terbang	2.800.840	816.547	-	-	-	-	3.617.387	*Aircraft*
Aset sewa guna usaha	177.993	11.712	(164.327)	-	(25.378)	-	-	*Assets under finance lease*
Jumlah Akumulasi Penyusutan	72.264.823	12.985.259	(1.104.296)	-	(34.155)	362.086	84.473.717	*Total Accumulated Depreciation*
Akumulasi Penurunan Nilai								*Accumulated Impairment*
Penurunan nilai	2.625.906	9.441.839	-	-	-	-	12.067.745	*Impairment*
Nilai Tercatat	**88.513.473**						**68.961.789**	***Carrying Value***

14. ASET TETAP (lanjutan) / *14. PROPERTY, PLANT AND EQUIPMENT (continued)*

31 Desember 2014/*December 31, 2014*

	Saldo Awal/ *Beginning Balance*	Penambahan/ *Additions*	Pengurangan/ *Deductions*	Reklasifikasi/ *Reclassi-fications*	Dampak Akuisisi Entitas Anak/ *Effects from Acquisition of Subsidiaries*	Aset Entitas Anak yang Dimiliki untuk Dijual/ *Assets of Subsidiaries Classified as Held for Sale*	Saldo Akhir/ *Ending Balance*	
Biaya Perolehan								*Acquisition Cost*
Tanah	891.690	-	(485.572)	-	-	-	406.118	*Land*
Bangunan dan prasarana	11.658.348	-	(538.783)	-	(121)	(1.134.868)	9.984.576	*Buildings and land improvements*
Mesin	33.081.908	545.203	(241.987)	5.443.829	-	-	38.828.953	*Machinery*
Peralatan panel pengendali	13.353.997	-	(34.877)	-	(116)	(13.319.004)	-	*Control panel equipment*
Peralatan dan perlengkapan pengeboran	65.487.618	1.671.958	(49.562)	-	-	-	67.110.014	*Drilling rigs and equipment*
Kendaraan bermotor	6.627.785	1.262.560	(537.155)	13.683.308	(22.616)	(107.139)	20.906.743	*Vehicles*
Peralatan kantor dan lainnya	9.516.943	487.285	(468.446)	-	(51.293)	(536.173)	8.948.316	*Office and other equipment*
Leasehold improvements	1.110.592	-	-	-	-	-	1.110.592	*Leasehold improvements*
Pesawat terbang	14.004.200	1.861.396	-	-	-	-	15.865.596	*Aircraft*
Aset sewa guna usaha	290.921	-	(36.494)	-	(6.696)	(4.437)	243.294	*Assets under finance lease*
Jumlah Biaya Perolehan	156.024.002	5.828.402	(2.392.876)	19.127.137	(80.842)	(15.101.621)	163.404.202	*Total Acquisition cost*
Akumulasi Penyusutan								*Accumulated Depreciation*
Bangunan dan prasarana	5.080.307	911.930	(409.896)	-	(113)	(1.118.610)	4.463.618	*Buildings and land improvements*
Mesin	17.104.682	729.772	(207.319)	8.383.978	-	-	26.011.113	*Machinery*
Peralatan panel pengendali	13.342.915	444	(24.250)	-	(105)	(13.319.004)	-	*Control panel equipment*
Peralatan dan perlengkapan pengeboran	14.660.454	4.799.394	(42.596)	-	-	-	19.417.252	*Drilling rigs and equipment*
Kendaraan bermotor	5.107.819	2.883.724	(356.290)	3.091.969	(21.999)	(107.139)	10.598.084	*Vehicles*
Peralatan kantor dan lainnya	8.251.250	420.368	(401.922)	-	(48.193)	(536.172)	7.685.331	*Office and other equipment*
Leasehold improvements	1.067.177	43.415	-	-	-	-	1.110.592	*Leasehold improvements*
Pesawat terbang	2.100.630	700.210	-	-	-	-	2.800.840	*Aircraft*
Aset sewa guna usaha	192.525	24.086	(29.195)	-	(5.818)	(3.605)	177.993	*Assets under finance lease*
Jumlah Akumulasi Penyusutan	66.907.759	10.513.343	(1.471.468)	11.475.947	(76.228)	(15.084.530)	72.264.823	*Total Accumulated Depreciation*
Akumulasi Penurunan Nilai								*Accumulated Impairment*
Penurunan nilai	3.415.474	299.698	(1.076.975)	-	(1.329)	(10.962)	2.625.906	*Impairment*
Nilai Tercatat	**85.700.769**						**88.513.473**	***Carrying Value***

14. ASET TETAP (lanjutan) / *14. PROPERTY, PLANT AND EQUIPMENT (continued)*

Beban penyusutan dialokasikan sebagai berikut: / *Allocation of depreciation expense is as follows:*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2015 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2014 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	
Operasi yang dilanjutkan						*Continuing operations*
Beban pokok penjualan dan biaya langsung lainnya (Catatan 33)	1.381.706	2.634.160	3.545.864	3.259.983	1.024.102	*Cost of sales and other direct costs (Note 33)*
Beban penjualan, umum dan administrasi (Catatan 34)	338.473	832.981	1.120.780	2.394.116	1.480.847	*Selling, general and administrative expenses (Note 34)*
Sub-jumlah	1.720.179	3.467.141	4.666.644	5.654.099	2.504.949	
Operasi yang dihentikan						*Discontinued operations*
Beban pokok penjualan	-	4.951.926	7.086.745	7.163.167	7.984.420	*Cost of sales*
Beban penjualan, umum dan administrasi	16.589	16.878	22.037	167.993	23.974	*Selling, general and administrative expenses*
Sub-jumlah	16.589	4.968.804	7.108.782	7.331.160	8.008.394	*Sub-total*
Jumlah	**1.736.768**	**8.435.945**	**11.775.426**	**12.985.259**	**10.513.343**	***Total***

Tidak ada biaya pinjaman yang dikapitalisasi untuk periode sembilan bulan yang berakhir pada tanggal-tanggal 30 September 2017 dan 2016 dan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016, 2015 dan 2014.

No borrowing costs were capitalized as part of property, plant and equipment for the nine-month periods ended September 30, 2017 and 2016 and for the years ended December 31, 2016, 2015 and 2014.

Tidak ada aset tetap pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 yang digunakan sebagai jaminan atas utang yang diperoleh Grup.

No property, plant and equipment as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 are used as collateral to the loans obtained by the Group.

Seluruh persediaan (Catatan 8) dan aset tetap, kecuali tanah, telah diasuransikan terhadap risiko kebakaran, pencurian dan risiko lainnya dengan nilai pertanggungan sebesar AS$41,32 juta dan Rp4,7 miliar pada tanggal 30 September 2017, AS$124 juta dan Rp18 miliar pada tanggal 30 September 2016, AS$122 juta dan Rp26 miliar pada tanggal 31 Desember 2016, AS$154 juta dan Rp54 miliar pada tanggal 31 Desember 2015 dan AS$94 juta dan Rp58 miliar pada tanggal 31 Desember 2014. Manajemen berkeyakinan bahwa nilai pertanggungan tersebut adalah cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungkan.

All inventories (Note 8) and property, plant and equipment, except land, were insured against fire, theft and other possible risks for US$41.32 million and Rp4.7 billion as of September 30, 2017, US$124 million and Rp18 billion as of September 30, 2016, US$122 million and Rp26 billion as of December 31, 2016, US$154 million and Rp54 billion as of December 31, 2015 and US$94 million and Rp58 billion as of December 31, 2014. Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

14. ASET TETAP (lanjutan)

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Beberapa pelepasan aset tetap adalah sebagai berikut:

Disposals of property, plant and equipment are as follows:

30 September/*September ,30*		31 Desember/*December ,31*			
2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Hasil pelepasan neto					*Net proceeds*
Operasi yang dilanjutkan	-	-	-	55.789	90.022	*Continuing operations*
Operasi yang dihentikan	-	-	37.780	-	2.531.409	*Discontinued operations*
Sub-jumlah	-	-	37.780	55.789	2.621.431	*Sub-total*
Dikurangi:						*Less:*
Nilai tercatat						*Carrying amount*
Operasi yang dilanjutkan	-	-	-	360.028	63.244	*Continuing operations*
Operasi yang dihentikan	-	213.749	216.400	-	858.164	*Discontinued operations*
Sub-jumlah	-	213.749	216.400	360.028	921.408	*Sub-total*
Rugi	**-**	**(213.749)**	**(178.620)**	**(304.239)**	**1.700.023**	***Loss***

Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015 dan 2014, biaya perolehan aset tetap yang telah disusutkan penuh namun masih digunakan oleh Grup masing-masing sebesar AS$256.528, AS$8,47 juta dan AS$294.125, AS$12,67 juta dan AS$8,16 juta terdiri atas mesin, peralatan dan perlengkapan pengeboran, peralatan kantor dan lainnya dan *leasehold improvements.*

As of September 30, 2017 and 2016 and December 31, 2016, 2015 and 2014, the cost of property, plant and equipment that have been fully depreciated but are still being used by the Group amounted to US$256,528, US$8.47 million and US$294,125, US$12.67 million and US$8.16 million, respectively, consisting of machinery, drilling rigs and equipment, office and other equipment and leasehold improvements.

Pada tanggal 30 September 2017 dan 2016, 31 Desember 2016, 2015 dan 2014, nilai tercatat aset tetap yang telah disusutkan namun tidak dipakai untuk sementara masing-masing sebesar AS$nihil, AS$29,22 juta dan AS$ nihil, AS$20,06 juta dan AS$29,5 juta yang terdiri dari peralatan dan perlengkapan pengeboran dan mesin.

As of September 30, 2017 and 2016 and December 31 2016, 2015 and 2014, the carrying value of property, plant and equipment that have been temporarily idle amounted to US$ nil, US$29.22 million and US$ nil, US$20.06 million and US$29.5 million, respectively, consisting of drilling rigs and equipment and machinery.

Berdasarkan hasil penelaahan atas aset tetap secara individu pada tanggal 30 September 2017, manajemen berkeyakinan bahwa tidak diperlukan cadangan penurunan nilai lebih lanjut atas aset tetap.

Based on the review of individual property, plant and equipment as of September 30, 2017, the management is of the opinion that no further impairment in value of property, plant and equipment recognized is necessary.

14. ASET TETAP (lanjutan)

Berdasarkan hasil penelaahan atas aset tetap secara individu pada tanggal 30 September 2016 dan 31 Desember 2016, Grup mengakui kerugian penurunan nilai aset tetap dari Medco Straits Services Pte Ltd, entitas anak, sebesar AS$9,4 juta sebagai akibat dari penurunan nilai aset tetap dan diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian dalam akun "Kerugian Penurunan Nilai Aset". Jumlah terpulihkan pada tanggal 30 September 2016 dan 31 Desember 2016 berdasarkan nilai wajar dikurangi biaya pelepasan di mana nilai wajarnya masuk dalam kategori level 3 pada hirarki nilai wajar.

Berdasarkan hasil penelaahan atas aset tetap secara individu pada tanggal 31 Desember 2015, Grup mengakui kerugian penurunan nilai aset tetap terutama dari PT Medco Energi Mining Internasional (MEMI) dan PT Exspan Petrogas Intranusa (EPI), entitas anak, masing-masing sebesar AS$6,9 juta dan AS$2,6 juta sebagai akibat dari penurunan nilai aset tetap dan diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian dalam akun "Kerugian Penurunan Nilai Aset". Jumlah terpulihkan pada tanggal 31 Desember 2015 berdasarkan nilai wajar dikurangi biaya pelepasan dan ditentukan dengan menggunakan perhitungan arus kas diskonto setelah pajak. Arus kas didiskontokan dengan tingkat diskonto sebelum pajak sebesar 11,33% untuk MEMI dan 20,47%-20,49% untuk EPI.

Berdasarkan hasil penelaahan atas aset tetap secara individu pada tanggal 31 Desember 2014, Grup mengakui kerugian penurunan nilai aset tetap terutama dari PT Exspan Petrogas Intranusa (EPI), entitas anak.

Pada tanggal pelaporan, Manajemen berkeyakinan bahwa penurunan nilai atas aset tetap sudah memadai.

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Based on the review of individual property, plant and equipment as of September 30, 2016 and December 31, 2016, the Group recognized impairment loss of property, plant, and equipment from Medco Straits Services Pte Ltd, subsidiary, amounting to US$9.4 million as a result of property, plant and equipment's decline in value and were recognized in the consolidated statements of profit or loss and other comprehensive income as "Loss on Impairment of Assets". The recoverable amount as of September 30, 2016 and December 31, 2016 was based on fair value less cost to sell which fair value was categorized as by level 3 in the fair value hierarchy.

Based on the review of individual property, plant and equipment as of December 31, 2015, the Group recognized impairment loss of property, plant, and equipment mainly from PT Medco Energi Mining Internasional (MEMI) and PT Exspan Petrogas Intranusa (EPI), subsidiaries, amounting to US$6.9 million and US$2.6 million, respectively, as a result of property, plant and equipment's decline in value and were recognized in the consolidated statements of profit or loss and other comprehensive income as "Loss on Impairment of Assets". The recoverable amount as of December 31, 2015 was based on fair value less cost to sell and was determined by using a post-tax discounted cash-flow ("DCF") calculation. The cash flows were discounted at a rate of 11.33% for MEMI and 20.47%-20.49% for EPI on a pre-tax basis.

Based on the review of individual property, plan and equipment as of December 31, 2014, the Group recognized impairment loss of property, plant and equipment mainly from PT Exspan Petrogas Intranusa (EPI), a subsidiary.

At reporting date, Management believes that the impairment loss for property, plant, and equipment recognized is adequate.

15. PROPERTI INVESTASI / *15. INVESTMENT PROPERTIES*

30 September 2017/*September 30, 2017*

	Saldo Awal/ *Beginning Balance*	Penambahan/ *Additions*	Aset Entitas Anak yang Dimiliki untuk Dijual/ *Assets of a Subsidiary Classified as Held for Sale*	Saldo Akhir/ *Ending Balance*	
Biaya Perolehan					*Acquisition Cost*
Hak atas tanah	144.012.794	-	(144.012.794)	-	*Land rights*
Bangunan dan prasarana	201.082.681	5.818	(201.088.499)	-	*Building and infrastructures*
Perlengkapan gedung	16.799.057	9.193	(16.808.250)	-	*Building equipments*
Jumlah biaya perolehan	361.894.532	15.011	(361.909.543)	-	*Total acquisition cost*
Akumulasi Penyusutan					*Accumulated Depreciation*
Bangunan dan prasarana	6.061.147	1.010.191	(7.071.338)	-	*Building and infrastructures*
Perlengkapan gedung	3.466.033	577.672	(4.043.705)	-	*Building equipments*
Jumlah akumulasi penyusutan	9.527.180	1.587.863	(11.115.043)	-	*Total accumulated depreciation*
Akumulasi Penurunan Nilai	1.108.388	-	(1.108.388)	-	*Accumulated Impairment*
Nilai Tercatat	**351.258.964**			**-**	***Carrying Value***

30 September 2016/*September 30, 2016* (Tidak diaudit/*Unaudited*)

	Saldo Awal/ *Beginning Balance*	Penambahan/ *Additions*	Saldo Akhir/ *Ending Balance*	
Biaya Perolehan				*Acquisition Cost*
Hak atas tanah	144.012.794	-	144.012.794	*Land rights*
Bangunan dan prasarana	201.075.693	6.988	201.082.681	*Building and infrastructure*
Perlengkapan gedung	16.432.214	32.487	16.464.701	*Building equipment*
Jumlah biaya perolehan	361.520.701	39.475	361.560.176	*Total acquisition cost*
Akumulasi Penyusutan				*Accumulated Depreciation*
Bangunan dan prasarana	-	4.545.860	4.545.860	*Building and infrastructure*
Perlengkapan gedung	-	2.606.137	2.606.137	*Building equipment*
Jumlah akumulasi penyusutan	-	7.151.997	7.151.997	*Total accumulated depreciation*
Akumulasi Penurunan Nilai	-	1.108.388	1.108.388	*Accumulated Impairment*
Nilai Tercatat	**361.520.701**		**353.299.791**	***Carrying Value***

15. PROPERTI INVESTASI (lanjutan) / *15. INVESTMENT PROPERTIES (continued)*

31 Desember 2016/ *December 31, 2016*

	Saldo Awal/ *Beginning Balance*	**Penambahan/ *Additions***	**Saldo Akhir/ *Ending Balance***	
Biaya Perolehan				*Acquisition Cost*
Hak atas tanah	144.012.794	-	144.012.794	*Land rights*
Bangunan dan prasarana	201.075.693	6.988	201.082.681	*Building and infrastructure*
Perlengkapan gedung	16.432.214	366.843	16.799.057	*Building equipment*
Jumlah biaya perolehan	361.520.701	373.831	361.894.532	*Total acquisition cost*
Akumulasi Penyusutan				*Accumulated Depreciation*
Bangunan dan prasarana	-	6.061.147	6.061.147	*Building and infrastructure*
Perlengkapan gedung	-	3.466.033	3.466.033	*Building equipment*
Jumlah akumulasi penyusutan	-	9.527.180	9.527.180	*Total accumulated depreciation*
Akumulasi Penurunan Nilai	-	1.108.388	1.108.388	*Accumulated Impairment*
Nilai Tercatat	**361.520.701**		**351.258.964**	***Carrying Value***

31 Desember 2015/ *December 31, 2015*

	Saldo Awal/ *Beginning Balance*	**Dampak Akuisisi Entitas Anak/ *Effects from Acquisition of a Subsidiary - PT Api Metra Graha - Catatan 18/ Notes 18***	**Saldo Akhir/ *Ending Balance***	
Biaya Perolehan				*Acquisition Cost*
Hak atas tanah	-	144.012.794	144.012.794	*Land rights*
Bangunan dan prasarana	-	201.075.693	201.075.693	*Building and infrastructure*
Perlengkapan gedung	-	16.432.214	16.432.214	*Building equipment*
Jumlah biaya perolehan	-	361.520.701	361.520.701	*Total acquisition cost*
Akumulasi Penyusutan				*Accumulated Depreciation*
Bangunan dan prasarana	-	-	-	*Building and infrastructure*
Perlengkapan gedung	-	-	-	*Building equipment*
Jumlah akumulasi penyusutan	-	-	-	*Total accumulated depreciation*
Nilai Tercatat	**-**		**361.520.701**	***Carrying Value***

15. PROPERTI INVESTASI (lanjutan)

Beban penyusutan properti investasi untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2017 dan 2016 dan untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar AS$1.587.863, AS$7.151.997, AS$9.527.180 dan AS$ nihil dibebankan sebagai beban pokok penjualan dan biaya langsung lainnya pada operasi yang dihentikan (Catatan 37).

Properti investasi telah diasuransikan dengan jumlah pertanggungan sebesar Rp4,5 triliun dan AS$1 juta pada tanggal 30 September 2017, Rp3,2 triliun dan AS$1,1 juta pada tanggal 30 September 2016, Rp4,7 triliun dan AS$1 juta pada tanggal 31 Desember 2016 dan Rp3,2 triliun dan AS$1,1 juta pada tanggal 31 Desember 2015. Manajemen berkeyakinan bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian atas aset tersebut.

Pada tanggal 30 September 2016 dan 31 Desember 2016 dan 2015, properti investasi (Gedung The Energy dan Gedung Trada) dengan nilai tercatat masing-masing sebesar AS$322.602.817, AS$320.514.159 dan AS$330.734.314 dijaminkan sebagai jaminan atas pinjaman yang diperoleh dari PT Bank Bukopin Tbk (Catatan 26).

Berdasarkan laporan hasil penilaian dari penilai independen pada tanggal 31 Desember 2015, nilai wajar untuk properti investasi adalah sebesar Rp4.987.178.000.000 atau setara dengan AS$361.520.701.

Berdasarkan laporan hasil penilaian dari penilai independen pada tanggal 30 September 2016, nilai wajar untuk properti investasi adalah sebesar Rp5.008.149.000.000 atau setara dengan AS$385.301.508. Pada tahun 2016, Grup mengakui kerugian penurunan nilai pada properti investasi sebesar AS$1.108.388.

Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, manajemen berkeyakinan bahwa penurunan nilai yang diakui pada properti investasi cukup untuk menutupi penurunan nilai pada properti investasi.

Pada tanggal 31 Desember 2015, manajemen berpendapat tidak ada penurunan nilai pada properti investasi.

15. INVESTMENT PROPERTIES (continued)

Depreciation expense on investment properties for the nine-month periods ended September 30, 2017 and 2016 and for the years ended December 31, 2016 and 2015 amounting to US$1,587,863, US$7,151,997, US$9,527,180 and US$ nil, respectively, is charged as cost of sales and other direct costs in discontinued operations (Note 37).

The investment properties are insured for a total amount of Rp4.5 trillion and US$1 million as of September 30, 2017, Rp3.2 trillion and US$1.1 million as of September 30, 2016, Rp4.7 trillion and US$1 million as of December 31, 2016 and Rp3.2 trillion and US$1.1 million as of December 31, 2015. Management believes that the sum insured is adequate to cover possible loss on such assets.

As of September 30, 2016 and December 31, 2016 and 2015, investment property (The Energy Building and Trada Building) with carrying value of US$322,602,817, US$320,514,159 and US$330,734,314, respectively, are pledged as collateral to the loans obtained from PT Bank Bukopin Tbk (Note 26).

Based on the appraisal reports of an independent appraiser as of June 30, 2017, fair value of the investment properties amounted to Rp4,987,178,000,000 or equivalent to US$361,520,701.

Based on the appraisal reports of an independent appraiser as of September 30, 2016, fair value of the investment properties amounted to Rp5,008,149,000,000 or equivalent to US$385,301,508. In 2016, the Group recognized impairment loss on investment properties amounting to US$1,108,388.

As of September 30, 2017 and 2016 and December 31, 2016 management believes that the impairment in the value of investment properties recognized is adequate to cover the decline in value of investment properties.

As of December 31, 2015, management believes that no impairment in value of investment property is required.

15. PROPERTI INVESTASI (lanjutan)

15. INVESTMENT PROPERTIES (continued)

Asumsi yang digunakan

Key assumptions used

Perhitungan nilai wajar pada properti investasi didasarkan pada data transaksi atau penawaran atas properti yang sebanding dan sejenis dengan objek penilaian (harga transaksi) dan proyeksi arus kas yang didiskontokan dari rencana usaha mencakup periode 10 tahun dan menggunakan *terminal value*. Tingkat diskonto sebelum pajak yang digunakan dalam proyeksi arus kas pada tahun 2017 adalah 13,80%. Perhitungan nilai wajar dikategorikan sebagai level 3 pada hirarki nilai wajar.

The calculation of fair value of the investment properties is based on transaction data or offering from comparable and similar property to valuation object (transaction price) and discounted cash flow projections from the business plan covering 10-year period and using terminal value. The pre-tax discount rate applied to the cash flow projections is at 13.80% in 2017. The calculation of fair value is categorized as level 3 in the fair value hierarchy.

16. ASET EKSPLORASI DAN EVALUASI

16. EXPLORATION AND EVALUATION ASSETS

	Jumlah/ *Amount*	
Saldo awal 1 Januari 2014	**121.201.467**	***Beginning balance, January 1, 2014***
Penambahan	41.021.506	*Additions*
Akuisisi Entitas Anak	3.565.000	*Acquisition of a subsidiary*
Transfer ke properti pertambangan	(2.490.594)	*Transfer to mining properties*
Direklasifikasi ke aset minyak dan gas bumi	(6.259.308)	*Reclassified to oil and gas properties*
Penurunan nilai dan sumur kering	(16.155.439)	*Impairment and dry hole*
Saldo akhir 31 Desember 2014	**140.882.632**	***Ending balance, December 31, 2014***
Penambahan	11.017.582	*Additions*
Direklasifikasi dari aset minyak dan gas bumi	6.439.930	*Reclassified from oil and gas properties*
Penurunan nilai dan sumur kering	(76.601.071)	*Impairment and dry hole*
Saldo akhir 31 Desember 2015	**81.739.073**	***Ending balance, December 31, 2015***
Penambahan	204.080	*Additions*
Direklasifikasi ke aset minyak dan gas bumi	(10.480.440)	*Reclassified to oil and gas properties*
Penurunan nilai dan sumur kering	(32.043)	*Impairment and dry hole*
Saldo akhir 30 September 2016	**71.430.670**	***Ending balance, September 30, 2016***
Saldo awal 1 Januari 2016	**81.739.073**	***Beginning balance, January 1, 2016***
Penambahan	325.942	*Additions*
Direklasifikasi ke aset minyak dan gas bumi	(11.593.604)	*Reclassified to oil and gas properties*
Penurunan nilai dan sumur kering	(32.043)	*Impairment and dry hole*
Saldo akhir 31 Desember 2016	**70.439.368**	***Ending balance, December 31, 2016***
Penambahan	34.750.383	*Additions*
Direklasifikasi ke aset minyak dan gas bumi	(1.957.488)	*Reclassified to oil and gas properties*
Penurunan nilai dan sumur kering	(49.623)	*Impairment and dry hole*
Saldo akhir 30 September 2017	**103.182.640**	***Ending balance, September 30, 2017***

16. ASET EKSPLORASI DAN EVALUASI (lanjutan)

Penurunan nilai dan sumur kering adalah sebagai berikut:

16. EXPLORATION AND EVALUATION ASSETS (continued)

Impairment and dry hole are as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Penurunan nilai	-	-	-	76.462.667	404.888	*Impairment*
Sumur kering	49.623	32.043	32.043	138.404	15.750.551	*Dry hole*
Jumlah	**49.623**	**32.043**	**32.043**	**76.601.071**	**16.155.439**	***Total***

Berdasarkan penelaahan aset eksplorasi dan evaluasi, manajemen berkeyakinan tidak diperlukan penurunan nilai lebih lanjut untuk aset eksplorasi dan evaluasi pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014.

Based on the review of exploration and evaluation assets, management believes that no further impairment of exploration and evaluation assets as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 is necessary.

17. ASET MINYAK DAN GAS BUMI DAN PROPERTI PERTAMBANGAN

a. Properti Pertambangan

Entitas anak - tambang berproduksi:

17. OIL AND GAS ASSETS AND MINING PROPERTIES

a. Mining Properties

Subsidiaries - producing mines:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
South Block:						*South Block:*
Abah	-	642.307	-	642.307	642.307	*Abah*
Ganggoro	-	1.075.817	-	1.075.817	725.349	*Ganggoro*
Kris	-	468.170	-	468.170	468.170	*Kris*
Erna	-	326.914	-	326.914	147.811	*Erna*
Elonita	-	591.258	-	591.258	586.365	*Elonita*
Lain-lain	-	1.716.409	-	1.716.409	1.716.408	*Others*
Jumlah	-	4.820.875	-	4.820.875	4.286.410	*Total*
Akumulasi amortisasi	-	(2.061.426)	-	(2.061.426)	(1.987.834)	*Accumulated amortization*
Penurunan nilai aset	-	(2.759.449)	-	(2.759.449)	(16.391)	*Allowance for impairment*
Neto	**-**	**-**	**-**	**-**	**2.282.185**	***Net***

Pembebanan amortisasi properti pertambangan ke biaya produksi untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan 2014 masing-masing sebesar AS$73.592 dan AS$818.673.

Amortization expense of mining properties charged to production costs for the years ended December 31, 2015 and 2014 amounted to US$73,592 and US$818,673.

17. ASET MINYAK DAN GAS BUMI DAN PROPERTI PERTAMBANGAN (lanjutan) / *17. OIL AND GAS ASSETS AND MINING PROPERTIES (continued)*

b. Aset Minyak dan Gas Bumi / *b. Oil and Gas Properties*

Akun ini terdiri dari sebagai berikut: / *This account consists of the following:*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Sumur dan perlengkapan terkait dan fasilitasnya	2.182.203.140	1.978.961.846	2.159.992.206	1.836.700.816	1.499.556.507	*Wells and related equipment and facilities*
Aset sewa pembiayaan	-	-	-	3.674.375	3.674.375	*Finance lease assets*
Sumur, perlengkapan dan fasilitas dalam pengerjaan	351.583.268	105.640.164	180.274.943	246.564.531	527.118.492	*Uncompleted wells, equipment and facilities*
Operated acreage	74.265.892	74.265.892	74.265.892	74.265.892	74.265.892	*Operated acreage*
Peralatan dan gudang	22.044.482	20.824.560	22.044.430	20.542.134	17.729.986	*Equipment and warehouse*
Kendaraan bermotor	1.281.726	1.281.500	1.281.726	1.281.500	1.279.234	*Vehicles*
Jumlah	2.631.378.508	2.180.973.962	2.437.859.197	2.183.029.248	2.123.624.486	*Total*
Akumulasi penyusutan, deplesi dan amortisasi dan cadangan penurunan nilai	(1.538.570.764)	(1.361.553.009)	(1.516.614.150)	(1.184.501.287)	(992.917.661)	*Accumulated depreciation, depletion and amortization and impairment reserves*
Nilai Tercatat	**1.092.807.744**	**819.420.953**	**921.245.047**	**998.527.961**	**1.130.706.825**	***Carrying Amount***

Pergerakan aset minyak dan gas bumi adalah sebagai berikut: / *The movements in oil and gas properties are as follows:*

		30 September 2017/*September 30, 2017*				
Area Kepemilikan	**Lokasi/ *Location***	**Saldo Awal 31 Desember 2016/ *Beginning Balance December 31, 2016***	**Penambahan/ *Additions*[1)]**	**Pengurangan/ *Deductions***	**Saldo Akhir 30 September 2017/ *Ending Balance September 30, 2017***	***Area of Interest***
Bengara	Kalimantan	4.215.924	-	4.215.924	-	*Bengara*
Blok A	Aceh	171.384.920	138.665.912	-	310.050.832	*Block A*
Kampar/S.S. Extension	Sumatera Selatan/ *South Sumatera*	72.128.098	988.402	10.417.548	62.698.952	*Kampar/S.S.Extension*
Rimau	Sumatera	123.738.008	2.019.096	31.619.634	94.137.470	*Rimau*
Senoro Toili	Sulawesi	247.354.494	779.530	13.771.266	234.362.758	*Senoro Toili*
Lematang	Sumatera	20.285.878	5.068.847	14.270.452	11.084.273	*Lematang*
Tarakan	Kalimantan	8.272.722	35.831	2.167.582	6.140.971	*Tarakan*
Simenggaris	Kalimantan	35.367.239	89.776	-	35.457.015	*Simenggaris*
Natuna	Kepulauan Riau/ *Riau Islands*	173.447.550	40.705.921	39.686.005	174.467.466	*Natuna*
Main Pass	Amerika Serikat/*USA*	28.564.967	-	2.083.565	26.481.402	*Main Pass*
Area 47 Libya	Libya	15.273.135	102.479.917	-	117.753.052	*Area 47 Libya*
Tunisia	Tunisia	21.212.112	539.086	1.577.645	20.173.553	*Tunisia*
		921.245.047	**291.372.318**	**119.809.621**	**1.092.807.744**	

1) Penambahan termasuk akuisisi 26,6666% hak partisipasi di Blok A PSC sebesar AS$58.953.614 (Catatan 46).

1) Additions include acquisition of 26.6666% participating interest in Block A PSC amounting to US$58,953,614 (Note 46).

17. ASET MINYAK DAN GAS BUMI DAN PROPERTI PERTAMBANGAN (lanjutan)

b. Aset Minyak dan Gas Bumi (lanjutan)

Pergerakan aset minyak dan gas bumi adalah sebagai berikut: (lanjutan)

17. OIL AND GAS ASSETS AND MINING PROPERTIES (continued)

b. Oil and Gas Properties (continued)

The movements in oil and gas properties are as follows: (continued)

30 September 2016/*September 30, 2016*
(Tidak diaudit/*Unaudited*)

Area Kepemilikan	Lokasi/ *Location*	Saldo Awal 31 Desember 2015/ *Beginning Balance December 31, 2015*	Penambahan/ *Additions*[2)]	Pengurangan/ *Deductions*	Saldo Akhir 30 September 2016/ *Ending Balance September 30, 2016*	*Area of Interest*
Bengara	Kalimantan	7.496.371	-	3.280.447	4.215.924	*Bengara*
Blok A	Aceh	69.466.471	28.924.525	-	98.390.996	*Block A*
Kampar/S.S. Extension	Sumatera Selatan/ *South Sumatera*	84.663.135	-	14.329.066	70.334.069	*Kampar/S.S.Extension*
Rimau	Sumatera	143.584.312	5.993.192	20.489.140	129.088.364	*Rimau*
Senoro Toili	Sulawesi	263.297.123	4.450.130	15.944.129	251.803.124	*Senoro Toili*
Lematang	Sumatera	28.386.637	18.900.882	14.834.159	32.453.360	*Lematang*
Tarakan	Kalimantan	11.277.542	123.476	5.118.492	6.282.526	*Tarakan*
Bawean [4)]	Jawa Timur/ *East Java*	40.517.449	-	40.517.449	-	*Bawean [4)]*
Simenggaris	Kalimantan	26.753.686	8.628.704	28.636	35.353.754	*Simenggaris*
Main Pass	Kepulauan Riau/ Amerika Serikat/*USA*	31.456.745	-	1.011.969	30.444.776	*Main Pass*
Area 47 Libya	Libya	179.924.944	15.417.525	54.137.645	141.204.824	*Area 47 Libya*
Malik 9	Yaman/*Yemen*	2.507.864	-	-	2.507.864	*Malik 9*
Tunisia	Tunisia	109.195.682	2.437.131	94.291.441	17.341.372	*Tunisia*
		998.527.961	**84.875.565**	**263.982.573**	**819.420.953**	

31 Desember 2016/*December 31, 2016*

Area Kepemilikan	Lokasi/ *Location*	Saldo Awal 31 Desember 2015/ *Beginning Balance December 31, 2015*	Penambahan/ *Additions*[2)3)]	Pengurangan/ *Deductions*	Saldo Akhir 31 Desember 2016/ *Ending Balance December 31, 2016*	*Area of Interest*
Bengara	Kalimantan	7.496.371	-	3.280.447	4.215.924	*Bengara*
Blok A	Aceh	69.466.471	101.918.449	-	171.384.920	*Block A*
Kampar/S.S. Extension	Sumatera Selatan/ *South Sumatera*	84.663.135	1.870.212	14.405.249	72.128.098	*Kampar/S.S. Extension*
Rimau	Sumatera	143.584.312	7.425.587	27.271.891	123.738.008	*Rimau*
Senoro Toili	Sulawesi	263.297.123	7.894.637	23.837.266	247.354.494	*Senoro Toili*
Lematang	Sumatera	28.386.637	18.900.882	27.001.641	20.285.878	*Lematang*
Tarakan	Kalimantan	11.277.542	71.932	3.076.752	8.272.722	*Tarakan*
Bawean [4)]	Jawa Timur/ *East Java*	40.517.449	-	40.517.449	-	*Bawean [4)]*
Simenggaris	Kalimantan	26.753.686	8.642.189	28.636	35.367.239	*Simenggaris*
Natuna	Kepulauan Riau/ *Riau Islands*	-	178.847.265	5.399.715	173.447.550	*Natuna*
Main Pass	Amerika Serikat/*USA*	31.456.745	-	2.891.778	28.564.967	*Main Pass*
Area 47 Libya	Libya	179.924.944	15.538.204	180.190.013	15.273.135	*Area 47 Libya*
Malik 9	Yaman/*Yemen*	2.507.864	-	2.507.864	-	*Malik 9*
Tunisia	Tunisia	109.195.682	4.634.504	92.618.074	21.212.112	*Tunisia*
		998.527.961	**345.743.861**	**423.026.775**	**921.245.047**	

2) Penambahan termasuk akuisisi Lundin Lematang BV sebesar AS$18.632.928 (Catatan 46).

3) Penambahan termasuk akuisisi ConocoPhillips Indonesia Inc Limited sebesar AS$177.773.168 dan akuisisi 16,6667% hak partisipasi di Blok A PSC sebesar AS$49.885.643 (Catatan 46).

4) Direklasifikasi ke operasi yang dimiliki untuk dijual.

2) Additions include acquisition of Lundin Lematang amounting to US$18,632,928 (Note 46).

3) Additions include acquisition of ConocoPhillips Indonesia Inc Limited amounting to US$177,773,168 and acquisition of 16.6667% participating interest in Block A PSC amounting to US$49,885,643 (Note 46).

4) Reclassified to held for sale.

17. ASET MINYAK DAN GAS BUMI DAN PROPERTI PERTAMBANGAN (lanjutan)

b. Aset Minyak dan Gas Bumi (lanjutan)

Pergerakan aset minyak dan gas bumi adalah sebagai berikut: (lanjutan)

17. OIL AND GAS ASSETS AND MINING PROPERTIES (continued)

b. Oil and Gas Properties (continued)

The movements in oil and gas properties are as follows: (continued)

31 Desember 2015/*December 31, 2015*

Area Kepemilikan	Lokasi/ *Location*	Saldo Awal 31 Desember 2014/ *Beginning Balance December 31, 2014*	Penambahan/ *Additions*	Pengurangan/ *Deductions*	Saldo Akhir 31 Desember 2015/ *Ending Balance December 31, 2015*	*Area of Interest*
Bengara	Kalimantan	8.080.229	-	583.858	7.496.371	*Bengara*
Blok A	Aceh	64.549.785	4.916.686	-	69.466.471	*Block A*
Kampar/S.S. Extension	Sumatera Selatan/ *South Sumatera*	100.726.412	2.149.368	18.212.645	84.663.135	*Kampar/S.S. Extension*
Rimau	Sumatera	134.593.958	31.358.662	22.368.308	143.584.312	*Rimau*
Senoro Toili	Sulawesi	237.553.631	51.266.409	25.522.917	263.297.123	*Senoro Toili*
Lematang	Sumatera	67.667.144	177.245	39.457.752	28.386.637	*Lematang*
Tarakan	Kalimantan	16.819.860	2.574.381	8.116.699	11.277.542	*Tarakan*
Bawean	Jawa Timur/ *East Java*	42.856.747	221.671	2.560.969	40.517.449	*Bawean*
Simenggaris	Kalimantan	26.450.557	305.364	2.235	26.753.686	*Simenggaris*
Main Pass	Amerika Serikat/*USA*	35.815.904	-	4.359.159	31.456.745	*Main Pass*
East Cameron	Amerika Serikat/*USA*	18.552.565	52.505	18.605.070	-	*East Cameron*
Area 47 Libya	Libya	180.421.466	-	496.522	179.924.944	*Area 47 Libya*
Malik 9	Yaman/*Yemen*	71.777.967	-	69.270.103	2.507.864	*Malik 9*
Tunisia	Tunisia	124.840.600	6.338.182	21.983.100	109.195.682	*Tunisia*
		1.130.706.825	**99.360.473**	**231.539.337**	**998.527.961**	

31 Desember 2014/*December 31, 2014*

Area Kepemilikan	Lokasi/ *Location*	Saldo Awal 31 Desember 2013/ *Beginning Balance December 31, 2013*	Penambahan/ *Additions*	Pengurangan/ *Deductions*	Saldo Akhir 31 Desember 2014/ *Ending Balance December 31, 2014*	*Area of Interest*
Bengara	Kalimantan	8.080.229	-	-	8.080.229	*Bengara*
Blok A	Aceh	63.606.993	942.792	-	64.549.785	*Block A*
Kampar/S.S. Extension	Sumatera Selatan/ *South Sumatera*	112.321.630	3.573.628	15.168.846	100.726.412	*Kampar/S.S. Extension*
Rimau	Sumatera	151.738.793	3.760.020	20.904.855	134.593.958	*Rimau*
Senoro Toili	Sulawesi	130.263.228	109.522.096	2.231.693	237.553.631	*Senoro Toili*
Lematang	Sumatera	86.202.919	-	18.535.775	67.667.144	*Lematang*
Tarakan	Kalimantan	18.755.146	2.662.929	4.598.215	16.819.860	*Tarakan*
Bawean	Jawa Timur/ *East Java*	47.099.792	-	4.243.045	42.856.747	*Bawean*
Simenggaris	Kalimantan	15.380.978	11.069.579	-	26.450.557	*Simenggaris*
Main Pass	Amerika Serikat/*USA*	38.337.974	-	2.522.070	35.815.904	*Main Pass*
East Cameron	Amerika Serikat/*USA*	21.992.796	-	3.440.231	18.552.565	*East Cameron*
Area 47 Libya	Libya	159.043.450	21.378.016	-	180.421.466	*Area 47 Libya*
Malik 9	Yaman/*Yemen*	76.098.411	-	4.320.444	71.777.967	*Malik 9*
Blok-blok lainnya di Yaman	Yaman/*Yemen*	8.075.064	-	8.075.064	-	*Other blocks in Yemen*
Tunisia	Tunisia	-	130.830.798	5.990.198	124.840.600	*Tunisia*
		936.997.403	**283.739.858**	**90.030.436**	**1.130.706.825**	

17. ASET MINYAK DAN GAS BUMI DAN PROPERTI PERTAMBANGAN (lanjutan)

b. Aset Minyak dan Gas Bumi (lanjutan)

Pada tanggal 30 September 2017, Grup merevisi estimasi cadangan terbukti (P1) di wilayah kerja Natuna berdasarkan laporan penilai eksternal Perusahaan. Penyesuaian atas saldo estimasi cadangan tersebut menurunkan beban deplesi sebesar AS$5,6 juta.

Pada tanggal 31 Desember 2016, Grup merevisi estimasi cadangan terbukti (P1) di wilayah kerja Sumatera Selatan, Tarakan dan Lematang berdasarkan laporan internal Perusahaan. Penyesuaian atas saldo estimasi cadangan tersebut menurunkan beban deplesi sebesar AS$8,99 juta.

Beban bunga dan beban pendanaan lainnya yang dikapitalisasi sebagai aset minyak dan gas bumi sebesar AS$1,7 juta untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2017 (30 September 2016: Nihil) dan nihil untuk tahun yang berakhir pada tanggal 31 Desember 2016 (31 Desember 2015: AS$3,1 juta; 2014: AS$8,8 juta).

Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, seluruh sumur, area tambang dan perlengkapan dan fasilitas terkait yang dimiliki entitas anak yang bergerak di bidang eksplorasi dan produksi minyak dan gas bumi diasuransikan dengan nilai pertanggungan masing-masing sebesar AS$6,8 miliar dan AS$1,58 miliar dan AS$7 miliar, AS$1,47 miliar dan AS$1,67 miliar. Manajemen berkeyakinan bahwa nilai pertanggungan tersebut adalah cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungkan.

c. Uji penurunan nilai atas aset eksplorasi dan evaluasi, dan aset minyak dan gas bumi

Pengujian penurunan nilai atas aset minyak dan gas bumi dilakukan ketika terdapat suatu indikasi bahwa nilai tercatat aset minyak dan gas bumi tersebut mengalami penurunan. Dalam hal ini, manajemen Grup menentukan hak kepemilikan pada masing-masing blok sebagai satu UPK.

Pada tanggal 30 September 2017, berdasarkan evaluasi manajamen jumlah terpulihkan masih lebih tinggi dari nilai tercatat.

17. OIL AND GAS ASSETS AND MINING PROPERTIES (continued)

b. Oil and Gas Properties (continued)

As of September 30, 2017, the Group revised the estimated proved reserves (P1) in Natuna area based on the Company's external reserve report. As a result, the depletion expense decreased by US$5.6 million.

As of December 31, 2016, the Group revised the estimated proved reserves (P1) in South Sumatera, Tarakan and Lematang area based on the Company's internal report. As a result, the depletion expense decreased by US$8.99 million.

Interest and other financing costs that are capitalized as oil and gas properties amounting to US$1.7 million for the nine-month periods ended September 30, 2017 (September 30, 2016: Nil) and nil for the year ended December 31, 2016 (December 31, 2015: US$3.1 million; 2014: US$8.8 million).

As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, all wells, mining areas and related equipment and facilities of subsidiaries involved in oil and gas exploration and production are insured for US$6.8 billion and US$1.58 billion and US$7 billion, US$1.47 billion and US$1.67 billion, respectively. Management believes the insurance coverage is adequate to cover possible losses on the assets insured.

c. Impairment test on exploration and evaluation assets and oil and gas properties

Impairment test on oil and gas properties is performed when circumstances indicate the CGU's carrying value may be impaired. In this matter, the management of the Group determined the participating interests in the respective blocks as a CGU.

As of September 30, 2017, based on managements assessment the recoverable amount still higher than the carrying amount.

17. ASET MINYAK DAN GAS BUMI DAN PROPERTI PERTAMBANGAN (lanjutan)

c. Uji penurunan nilai atas aset eksplorasi dan evaluasi, dan aset minyak dan gas bumi (lanjutan)

Pada tanggal 30 September 2017, Grup mengakui pemulihan cadangan penurunan nilai untuk aset minyak dan gas bumi untuk aset di Libya sebesar AS$99,9 juta yang disebabkan oleh perubahan pada biaya untuk mengembangkan aset minyak dan gas bumi yang berdampak menguntungkan telah terjadi selama periode dan diharapkan akan berlanjut di masa mendatang. Nilai aset minyak dan gas bumi yang dapat dipulihkan dari nilai penggunaannya lebih besar dari nilai tercatat.

Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, manajemen melakukan evaluasi atas jumlah terpulihkan dan nilai tercatat aset minyak dan gas bumi pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016 dan 2015 dan membukukan penurunan nilai (pembalikan penurunan nilai) sebagai berikut:

17. OIL AND GAS ASSETS AND MINING PROPERTIES (continued)

c. Impairment test on exploration and evaluation assets and oil and gas properties (continued)

As of September 30, 2017, the Group recognized reversal of prior year provision for impairment of oil and gas properties for one of its assets in Libya amounting to US$99.9 million due to changes in cost of developing the oil and gas assets favourable effect have taken place during the period and are expected to continue in the near future. The recoverable amount of oil and gas properties from its value in use are projected higher than its carrying value.

As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 management made an evaluation on the recoverable amount and the carrying amount of oil and gas properties as of September 30, 2017 and 2016 and December 31, 2016 and 2015 are and recorded the impairment loses (reversal of impairment) as follows:

30 September 2017/*September 30, 2017*

	Jumlah terpulihkan/ *Recoverable amount*	**Nilai tercatat/ *Carrying amount***	**Pembalikan penurunan nilai/ *Reversal of impairment***	
Aset minyak dan gas bumi				***Oil and gas properties***
Area 47 Libya	117.753.052	17.781.845	99.971.207	*Area 47 Libya*
Jumlah	**117.753.052**	**17.781.845**	**99.971.207**	***Total***

30 September 2016/*September 30, 2016* (Tidak diaudit/*Unaudited*)

	Jumlah terpulihkan/ *Recoverable amount*	**Nilai tercatat/ *Carrying amount***	**Penurunan nilai/ *Impairment losses***	
Aset minyak dan gas bumi				***Oil and gas properties***
Bengara	4.215.924	7.470.371	3.254.447	*Bengara*
Area 47 Libya	141.204.824	195.342.469	54.137.645	*Area 47 Libya*
Tunisia	17.341.372	109.762.538	92.421.166	*Tunisia*
Jumlah	**162.762.120**	**312.575.378**	**149.813.258**	***Total***

17. ASET MINYAK DAN GAS BUMI DAN PROPERTI PERTAMBANGAN (lanjutan)

17. OIL AND GAS ASSETS AND MINING PROPERTIES (continued)

c. Uji penurunan nilai atas aset eksplorasi dan evaluasi, dan aset minyak dan gas bumi (lanjutan)

c. Impairment test on exploration and evaluation assets and oil and gas properties (continued)

	31 December 2016/*December 31, 2016*			
	Jumlah terpulihkan/ *Recoverable amount*	**Nilai tercatat/ *Carrying amount***	**Penurunan nilai/ *Impairment losses***	
Aset minyak dan gas bumi				***Oil and gas properties***
Bengara	4.215.924	7.429.191	3.213.267	*Bengara*
Area 47 Libya	15.273.135	195.463.148	180.190.013	*Area 47 Libya*
Malik 9	-	2.507.864	2.507.864	*Malik 9*
Tunisia	21.212.112	113.830.186	92.618.074	*Tunisia*
Jumlah	**40.701.171**	**319.230.389**	**278.529.218**	***Total***

	31 Desember 2015/*December 31, 2015*			
	Jumlah Terpulihkan/ *Recoverable amount*	**Nilai tercatat/ *Carrying amount***	**Penurunan nilai/ *Impairment losses***	
Aset eksplorasi dan evaluasi				***Exploration and evaluation assets***
Kampar/S.S. Extension	21.860.132	74.376.287	52.516.155	*Kampar/S.S. Extension*
PT Medco Energi CBM	1.113.763	8.404.567	7.290.804	*PT Medco Energi CBM*
MEMI	-	759.670	759.670	*MEMI*
Yemen 82	-	11.811.814	11.811.814	*Yemen 82*
Juha Extension PPL-470	-	3.565.000	3.565.000	*Juha Extension PPL-470*
Sub-jumlah	22.973.895	98.917.338	75.943.443	*Sub-total*
Properti pertambangan	-	2.743.058	2.743.058	***Mining properties***
Aset minyak dan gas bumi				***Oil and gas properties***
Bengara	7.496.371	8.015.595	519.224	*Bengara*
Lematang	28.386.637	35.895.637	7.509.000	*Lematang*
Tarakan	11.277.542	18.612.489	7.334.947	*Tarakan*
Main Pass	31.456.745	33.417.777	1.961.032	*Main Pass*
East Cameron	-	18.605.070	18.605.070	*East Cameron*
Malik 9	2.507.864	70.292.617	67.784.753	*Malik 9*
Tunisia	109.195.682	130.710.682	21.515.000	*Tunisia*
Sub-jumlah	190.320.841	315.549.867	125.229.026	*Sub-total*
Jumlah	**213.294.736**	**417.210.263**	**203.915.527**	***Total***

17. ASET MINYAK DAN GAS BUMI DAN PROPERTI PERTAMBANGAN (lanjutan)

c. Uji penurunan nilai atas aset eksplorasi dan evaluasi, dan aset minyak dan gas bumi (lanjutan)

Untuk tahun yang berakhir pada tanggal 31 Desember 2014, Grup mengakui kerugian penurunan nilai aset minyak dan gas bumi dari Blok Nunukan sebesar AS$404.888.

Mutasi cadangan penurunan nilai adalah sebagai berikut:

17. OIL AND GAS ASSETS AND MINING PROPERTIES (continued)

c. Impairment test on exploration and evaluation assets and oil and gas properties (continued)

For the year ended December 31, 2014, the Group recognized loss on impairment of oil and gas properties from Nunukan Block amounting to US$404,888.

Movements in allowance for impairment losses are as follows:

30 September/*September 30,*		31 Desember/*December 31,*			
2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Saldo awal	482.866.024	204.336.806	204.336.806	421.279	16.391	*Beginning balances*
Penambahan penurunan nilai (pembalikan penurunan nilai) periode/tahun berjalan	(99.971.207)	149.813.258	278.529.218	203.915.527	404.888	*Additional impairment (reversal of impairment) during the period/year*
Saldo akhir	**382.894.817**	**354.150.064**	**482.866.024**	**204.336.806**	**421.279**	***Ending balance***

Grup memperhitungkan jumlah terpulihkan berdasarkan nilai pakai yang dihitung berdasarkan proyeksi arus kas. Nilai wajar ditentukan dengan menggunakan perhitungan arus kas diskonto setelah pajak.

Proyeksi arus kas didasarkan pada produksi dan rencana pengembangan yang telah disetujui oleh manajemen yang mencakup estimasi periode kontrak termasuk perpanjangan kontrak dan investasi masa depan untuk peningkatan hasil produksi. Periode proyeksi berkisar antara 3 - 30 tahun.

Group calculated the recoverable amount based on value in use calculation using cash flow projection. The fair value was determined by using a post-tax discounted cashflow ("DCF") calculation.

The cashflow projection is based on production and developement forecast approved by management covering the estimated period of contract including contract extension and future investment to increase output. The period of projection is ranging from 3 - 30 years.

Asumsi yang digunakan

Perhitungan nilai pakai untuk aset minyak dan gas bumi sangat sensitif terhadap asumsi-asumsi di bawah ini:
a. *Lifting*
b. Harga
c. Tingkat diskonto
d. Beban operasi dan modal

Lifting: Lifting tahunan yang diproyeksikan ini berdasarkan rencana bisnis manajemen dengan mempertimbangkan kondisi saat ini dan ekspektasi masa depan.

Harga: Harga perkiraan minyak dan gas didasarkan pada estimasi manajemen dan data pasar yang tersedia.

Key assumptions used

The calculation of value in use for oil and gas properties CGU is most sensitive to the following assumptions:
a. Lifting
b. Prices
c. Discount rates
d. Operating and capital expenses

Lifting: The projected annual lifting is based on management business plan considering the current conditions and future expectations.

Prices: Forecasted oil and gas prices are based on management's estimates and available market data.

17. ASET MINYAK DAN GAS BUMI DAN PROPERTI PERTAMBANGAN (lanjutan)

c. Uji penurunan nilai atas aset eksplorasi dan evaluasi, dan aset minyak dan gas bumi (lanjutan)

Kenaikan sepuluh persen (10%) pada proyeksi harga minyak akan menaikkan jumlah terpulihkan aset minyak dan gas bumi masing-masing sebesar AS$32,9 juta dan AS$33,7 juta dan AS$164,7 juta dan AS$31,7 juta pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016 dan 2015.

Tingkat diskonto: Tingkat diskonto berasal dari Biaya Modal Rata-rata Tertimbang setelah pajak (*post-tax Weighted Average Cost of Capital* atau WACC), dengan penyesuaian yang dilakukan untuk mencerminkan risiko khusus untuk aset minyak dan gas bumi, dan untuk menentukan tingkat sebelum pajak. WACC memperhitungkan, baik utang maupun ekuitas, dengan bobot sebesar 64,8% dan 35,2% dan 69,3% dan 30,7% untuk tanggal 30 September 2017 dan 2016, 81,6% dan 18,4% untuk tanggal 31 Desember 2016 dan 69,0% dan 31,0% untuk tanggal 31 Desember 2015. Biaya ekuitas sama dengan imbal hasil dari sekuritas yang bebas risiko ditambah dengan premi risiko ekuitas yang disesuaikan untuk risiko sistematis Grup. Biaya utang didasarkan pada perkiraan menyeluruh atas biaya rata-rata tertimbang pembiayaan Grup seolah-olah pembiayaannya menggunakan utang pada tanggal penilaian. Risiko khusus aset diperhitungkan melalui dimasukkannya faktor beta individual. Tingkat diskonto sebelum pajak (kecuali untuk afrika dan timur tengah) adalah sebagai berikut:

17. OIL AND GAS ASSETS AND MINING PROPERTIES (continued)

c. Impairment test on exploration and evaluation assets and oil and gas properties (continued)

The increase of ten percent (10%) in oil price forecast will increase the recoverable amount oil and gas properties by US$32.9 million and US$33.7 million and US$164.7 million and US$31.7 million as of September 30, 2017 and 2016 and December 31, 2016 and 2015, respectively.

Discount rates: Discount rates are derived from the post-tax Weighted Average Cost of Capital (WACC), with appropriate adjustments made to reflect the risks specific to the oil and gas properties and to determine the pre-tax rate. The WACC takes into account both debt and equity, weighted of 64.8% and 35.2% and 69.3% and 30.7% for September 30, 2017 and 2016, 81.6% and 18.4% for December 31, 2016 and 69.0% and 31.0% for December 31, 2015. The cost of equity is equal to the return on risk-free securities plus the equity risk premium adjusted for the Group systematic risk. The cost of debt is based on the overall estimate of the weighted average cost of debt finance for the Group as if it were refinancing all of its debt at the valuation date. Asset-specific risk is incorporated by applying individual beta factors. The pre-tax (except for africa and middle east) discount rates are as follows:

	Diskonto sebelum pajak/*Pre-tax discount rates*					
	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
UPK						***CGU***
Indonesia	14,83%	16,07%	16,07%	11,33%	13,33%	*Indonesia*
Luar negeri:						*Overseas:*
Afrika dan Timur Tengah	12,42% - 14,00%	14,00% - 16,56%	15,91% - 17,77%	12,14%	14,28%	*Africa and Middle East*
Amerika Serikat	13,50%	13,50%	13,50%	13,00%	15,29%	*United States of America*

17. ASET MINYAK DAN GAS BUMI DAN PROPERTI PERTAMBANGAN (lanjutan)

c. Uji penurunan nilai atas aset eksplorasi dan evaluasi, dan aset minyak dan gas bumi (lanjutan)

Kenaikan satu persen (1%) pada tingkat diskonto akan menurunkan jumlah terpulihkan aset minyak dan gas bumi sebesar AS$18,1 juta dan AS$17,4 juta dan AS$79,9 juta dan AS$7,9 juta pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016 dan 2015.

Beban operasi dan modal: Asumsi ini didasarkan pada perencanaan beban operasi dan modal Grup. Manajemen memiliki kontrol penuh atas biaya, dan percaya bahwa asumsi akan tercapai.

Perubahan terhadap asumsi yang digunakan oleh manajemen dalam menentukan jumlah terpulihkan, khususnya tingkat diskonto dan tingkat pertumbuhan, dapat berdampak signifikan pada hasil pengujian. Manajemen berkeyakinan bahwa tidak terdapat kemungkinan yang beralasan bahwa asumsi utama tersebut di atas dapat berubah sehingga nilai tercatat masing-masing UPK menjadi lebih tinggi dari nilai yang terpulihkan secara material.

Berdasarkan penelaahan atas aset minyak dan gas bumi secara individu, manajemen berkeyakinan bahwa tidak diperlukan penurunan nilai lebih lanjut atas aset minyak dan gas bumi pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014.

17. OIL AND GAS ASSETS AND MINING PROPERTIES (continued)

c. Impairment test on exploration and evaluation assets and oil and gas properties (continued)

The increase of one percent (1%) in discount rate will decrease the recoverable amount of oil and gas properties by US$18.1 million and US$17.4 million and US$79.9 million and US$7.9 million as of September 30, 2017 and 2016 and December 31, 2016 and 2015.

Operating and capital expenses: These assumptions are based on the Group's operating and capital expenses plan. The management has full control over the costs, and believes that assumptions will be achievable.

Changes to the assumptions used by the management to determine the recoverable amount, in particular the discount rate, can have significant impact on the result of the impairment assessment. Management is of the opinion that there was no reasonably possible change in any of the key assumptions stated above that would cause the carrying amount of the CGU to materially exceed its recoverable amount.

Based on the review of the individual oil and gas properties, the management believes that no further impairment in value of oil and gas properties is necessary as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014.

18. *GOODWILL* / *18. GOODWILL*

	Jumlah/ *Amount*	
Saldo awal 1 Januari 2015	**-**	***Beginning balance, January 1, 2015***
Penambahan		*Additions*
Akuisisi entitas anak (Catatan 46)	37.125.795	*Acquisition of a subsidiary (Note 46)*
Pengurangan	-	*Deductions*
Saldo akhir 31 Desember 2015	**37.125.795**	***Ending balance, December 31, 2015***
Penambahan		*Additions*
Akuisisi entitas anak	-	*Acquisition of a subsidiary*
Pengurangan		*Deductions*
Penurunan nilai *goodwill*	(21.905.795)	*Impairment of goodwill*
Saldo akhir 30 September 2016	**15.220.000**	***Ending balance, September 30, 2016***
Saldo awal 1 Januari 2016	**37.125.795**	***Beginning balance, January 1, 2016***
Penambahan		*Additions*
Akuisisi entitas anak (Catatan 46)	1.017.204	*Acquisition of a subsidiary (Note 46)*
Pengurangan		*Deductions*
Penurunan nilai *goodwill*	(21.905.795)	*Impairment of goodwill*
Saldo akhir 31 Desember 2016	**16.237.204**	***Ending balance, December 31, 2016***
Penambahan		*Additions*
Akuisisi entitas anak	-	*Acquisition of a subsidiary*
Pengurangan		*Deductions*
Direklasifikasi ke aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual (Catatan 37)	(15.220.000)	*Reclassifed to non-current assets classified as held for sale (Note 37)*
Saldo akhir 30 September 2017	**1.017.204**	***Ending balance September 30, 2017***

Goodwill tersebut tidak diharapkan dapat dikurangkan untuk tujuan pelaporan pajak.

Goodwill is not expected to be deductible for tax purposes.

Akuisisi PT Api Metra Graha

Pada tanggal 17 Februari 2013, Perusahaan melakukan pembelian atas 49% saham di PT Api Metra Graha (AMG) yang dimiliki oleh Jaden Holdings Limited (Jaden).

Acquisition of PT Api Metra Graha

On February 17, 2013, the Company purchased 49% shares in PT Api Metra Graha (AMG) held by Jaden Holdings Limited (Jaden).

18. *GOODWILL* (lanjutan)

Akuisisi PT Api Metra Graha (lanjutan)

Pada tanggal 17 Desember 2015, Perusahaan dan PT Medco Energi Nusantara, entitas anak yang dimiliki penuh, melakukan pembelian lebih lanjut atas 51% saham di AMG dengan nilai pembelian sebesar AS$166.842.105. Sebagai hasil dari akuisisi ini, Grup memiliki 100% kepemilikan saham di AMG. Saldo *goodwill* yang timbul dari akuisisi ini sebesar AS$37.125.795 terutama dari potensi kenaikan nilai wajar dari properti investasi.

Pada bulan Desember 2016, Perusahaan telah menyelesaikan alokasi harga beli selama periode pengukuran dan menentukan bahwa tidak diperlukan perubahan nilai wajar.

Akuisisi ConocoPhillips Singapore Operations Pte Limited ("CSOP")

Pada tanggal 18 September 2016, Medco Natuna menandatangani *Share Purchase and Sale Agreement* ("SPA") dengan ConocoPhillips Indonesia Holding Limited ("ConocoPhillips") dan ConocoPhillips Company untuk mengakuisisi 100% saham anak perusahaannya, ConocoPhillips Singapore Operations Pte Limited ("CSOP") dengan nilai pembelian sebesar AS$1.000.000. Saldo goodwill yang timbul dari akuisisi ini sebesar AS$1.017.204 (Catatan 46).

Uji penurunan nilai terhadap *Goodwill*

Dalam menguji apakah penurunan nilai *goodwill* diperlukan, nilai tercatat *goodwill* dialokasikan ke aset atau UPK yang relevan untuk mendapatkan nilai tercatat kombinasian. Nilai tercatat kombinasian tersebut dibandingkan dengan nilai terpulihkan UPK. Nilai terpulihkan adalah jumlah yang lebih besar antara nilai wajar UPK dikurangi biaya untuk menjual dan nilai pakai. Grup menguji penurunan nilai *goodwill* setiap tahun (pada tanggal 31 Desember) dan ketika keadaan yang mengindikasikan bahwa nilai tercatat mungkin mengalami penurunan nilai.

Jumlah terpulihkan *goodwill* ditentukan berdasarkan perhitungan nilai buku yang disesuaikan (*adjusted book value*) dan proyeksi arus kas yang didiskontokan dari rencana usaha mencakup periode 5 tahun dan menggunakan *terminal value*.

18. GOODWILL (continued)

Acquisition of PT Api Metra Graha (continued)

On December 17, 2015, the Company and PT Medco Energi Nusantara, a wholly-owned subsidary of the Company, acquired additional 51% ownership in AMG for a purchase price of US$166,842,105. As a result of the acquisition, the Group has 100% share ownership in AMG. Goodwill arises from this acquisition amounting to US$37,125,795 because of the potential increase in the fair value of investment properties.

In December 2016, the Company was able to finalize the purchase price allocation during the measurement period and determined that no change to the fair value is necessary.

Acquisition of ConocoPhillips Singapore Operations Pte Limited ("CSOP")

On September 18, 2016, Medco Natuna signed a Share Purchase and Sale Agreement ("SPA") with ConocoPhillips Indonesia Holding Limited ("ConocoPhillips") and ConocoPhillips Company, to acquire 100% shares of its subsidiaries, ConocoPhillips Singapore Operations Pte Limited ("CSOP") with acquisition price amounting to US$1,000,000. Goodwill arises from this acquisition amounting to US$1,017,204 (Note 46).

Impairment test on Goodwill

In assessing whether impairment on goodwill is required, the carrying value of goodwill is allocated to the relevant assets or CGU to obtain combined carrying value. The combined carrying value is compared with CGU's recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs to sell and value in use. Group tested for goodwill impairment annually (on December 31) and when circumstances indicate that the carrying value may be impaired.

The recoverable amount of goodwill has been determined based on the fair market value of AMG using adjusted book value and discounted cash flow projections from the business plan covering 5-year period and using terminal value.

18. *GOODWILL* (lanjutan)

Asumsi yang digunakan

Tingkat diskonto: tingkat diskonto sebelum pajak yang digunakan pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016 dan 2015 adalah masing-masing sebesar 8,78%, 12,25%, 12,25% dan 9,67% diperoleh dari Biaya Modal Rata-rata Tertimbang setelah pajak (WACC).

Harga sewa: Harga sewa didasarkan pada estimasi manajemen dan data pasar yang tersedia.

Beban operasi dan modal: Asumsi ini didasarkan pada perencanaan beban operasi dan modal Grup. Manajemen memiliki kontrol penuh atas biaya, dan yakin bahwa asumsi akan tercapai.

Pada tanggal 30 September 2017 dan 31 Desember 2015, tidak terdapat penurunan nilai atas *goodwill* yang perlu diakui dan pada tanggal 30 September 2016 dan 31 Desember 2016, Grup mengakui penurunan nilai *goodwill* sebesar AS$21.905.795.

Perubahan terhadap asumsi yang digunakan oleh manajemen dalam menentukan jumlah terpulihkan, khususnya tingkat diskonto dan tingkat pertumbuhan, dapat berdampak signifikan pada hasil pengujian. Manajemen berkeyakinan bahwa tidak terdapat kemungkinan yang beralasan bahwa asumsi utama tersebut di atas dapat berubah sehingga nilai tercatat *goodwill* yang dialokasikan pada UPK menjadi lebih tinggi dari nilai yang terpulihkan secara material.

19. UANG MUKA INVESTASI

Pada tanggal 30 September 2016 dan 31 Desember 2015, akun ini merupakan uang muka ke PT AP Investment untuk rencana strategis Perusahaan terkait investasi yang masih bisa terpulihkan setelah dikurangi biaya-biaya transaksi apabila akuisisinya tidak jadi dilaksanakan.

18. GOODWILL (continued)

Key assumptions used

Discount rate: the pre-tax discount rate used as of September 30, 2017 and 2016 and December 31, 2016 and 2015 was 8.78%, 12.25%, 12.25% and 9.67%, respectively, derived from the post-tax weighted average cost of capital (WACC).

Rental prices: Forecasted rental prices are based on management's estimates and available market data.

Operating and capital expenses: These assumptions are based on the Group's operating and capital expenses plan. The management has full control over the costs, and believes that assumptions will be achievable.

As of September 30, 2017 and December 31, 2015, no impairment losses on goodwill is necessary to be recognized while as of September 30, 2016 and December 31, 2016, the Group recognized impairment losses of US$21,905,795.

Changes to the assumptions used by the management to determine the recoverable amount, in particular the discount rate, can have significant impact on the result of the impairment assessment. Management is of the opinion that there was no reasonably possible change in any of the key assumptions stated above that would cause the carrying amount of the goodwill allocated to the CGU to materially exceed its recoverable amount.

19. ADVANCE FOR INVESTMENT

As of September 30, 2016 and December 31, 2015, this account represents advance payment to PT AP Investment for the Company's strategic investment which still can be recovered, net of transaction expenses, if the acquisition is cancelled.

20. ASET LAIN-LAIN / *20. OTHER ASSETS*

Akun ini terdiri dari: / *This account consists of the following:*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Lancar						*Current*
Uang muka	8.034.610	8.063.603	22.361.847	1.233.939	1.257.926	*Advances*
Lain-lain	-	-	-	-	106.834	*Others*
Jumlah	**8.034.610**	**8.063.603**	**22.361.847**	**1.233.939**	**1.364.760**	***Total***
Tidak lancar						*Non-current*
Uang muka untuk pembelian/sewa	8.108.018	5.122.350	3.614.924	3.819.240	3.597.932	*Advance payments for purchase/rental*
Setoran jaminan	1.056.036	1.258.977	1.214.719	1.690.105	2.489.516	*Security deposits*
Biaya yang ditangguhkan	41.647	117.150	81.843	8.203.110	5.579.923	*Deferred charges*
Bonus penandatanganan kontrak - neto	-	-	-	2.347.000	3.424.975	*Signing bonuses - net*
Lain-lain	40.778	339.160	222.011	3.963.442	5.228.637	*Others*
Jumlah	**9.246.479**	**6.837.637**	**5.133.497**	**20.022.897**	**20.320.983**	***Total***

Pada tanggal 30 September 2017, uang muka terutama terdiri dari pembayaran deposit kepada PT Saratoga Sentra Business ("SSB") dan S Asia III Luxembourg SARL ("SAL"). Transaksi ini berkaitan dengan pembelian saham kepemilikan atas PT Saratoga Power ("SP").

As of September 30, 2017, advances mostly consist of payment of deposit to PT Saratoga Sentra Business ("SSB") and S Asia III Luxembourg SARL ("SAL"). This transaction is related to the purchase of share ownership of PT Saratoga Power ("SP").

Pada tanggal 31 Desember 2016, uang muka terutama terdiri dari pembayaran *cash call* KrisEnergy (Block A Aceh) B.V. untuk bulan November dan Desember 2016. Pada tanggal 30 September 2016, uang muka terutama terdiri dari pembayaran deposit yang bisa dikembalikan dan pembayaran *cash call Japex Block A Ltd* untuk bulan Mei sampai dengan September 2016. Transaksi ini berkaitan dengan pembelian hak partisipasi pada PSC Blok A Aceh oleh PT Medco E & P Malaka, entitas anak Grup (Catatan 46).

As of December 31, 2016, advances mostly consist of the payment of cash call of KrisEnergy (Block A Aceh) B.V. for November and December 2016. As of September 30, 2016, advances mostly consist of payment of refundable deposit and cash call Japex Block A Ltd for May until September 2016. This transaction is related to the purchase of working interest in the Block A Aceh PSC by PT Medco E & P Malaka, a subsidiary of the Group (Note 46).

Saldo uang muka untuk pembelian/sewa terdiri atas pembayaran-pembayaran uang muka yang dibuat berkaitan dengan perolehan/sewa berbagai aset.

Advance payments for purchase/rental represent payments made in relation to the acquisition/rental of various assets.

21. UTANG USAHA / *21. TRADE PAYABLES*

Rincian dari akun ini adalah sebagai berikut: / *This account consists of the following:*

a. Berdasarkan Pemasok / *a. By Supplier*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Pihak berelasi						*Related parties*
PT Satria Raksa Buminusa	-	171.668	-	3.742	-	*PT Satria Raksa Buminusa*
PT Musi Raksa Buminusa	-	27.847	-	26.238	-	*PT Musi Raksa Buminusa*
PT Medco Intidinamika	-	25.240	-	22.631	36.921	*PT Medco Intidinamika*
PT Api Metra Graha	-	-	-	-	1.378.913	*PT Api Metra Graha*
Lain-lain	-	-	-	5.325	644	*Others*
Sub-jumlah	-	224.755	-	57.936	1.416.478	*Sub-total*
Pihak ketiga						*Third parties*
Pemasok dalam negeri	100.262.547	41.202.746	50.032.325	42.443.342	58.857.455	*Local suppliers*
Pemasok luar negeri	31.772.508	22.718.672	54.887.704	34.880.703	31.630.923	*Foreign suppliers*
Sub-jumlah	132.035.055	63.921.418	104.920.029	77.324.045	90.488.378	*Sub-total*
Jumlah	**132.035.055**	**64.146.173**	**104.920.029**	**77.381.981**	**91.904.856**	***Total***

b. Berdasarkan Umur / *b. By Aging Category*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Sampai dengan 1 bulan	58.099.081	21.409.226	59.359.267	50.724.235	49.906.057	*Up to 1 month*
1 - 3 bulan	27.280.422	26.198.148	16.057.166	7.147.043	16.406.600	*1 - 3 months*
3 - 6 bulan	24.337.122	1.334.458	1.344.526	239.126	19.834.975	*3 - 6 months*
6 bulan - 1 tahun	10.901.522	2.882.507	10.763.815	632.998	2.417.162	*6 months - 1 year*
Lebih dari 1 tahun	11.416.908	12.321.834	17.395.255	18.638.579	3.340.062	*More than 1 year*
Jumlah	**132.035.055**	**64.146.173**	**104.920.029**	**77.381.981**	**91.904.856**	***Total***

c. Berdasarkan Mata Uang / *c. By Currency*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Dolar Amerika Serikat	123.798.608	53.992.641	92.422.034	71.196.008	67.638.111	*United States Dollar*
Rupiah	8.227.419	10.153.374	11.894.946	6.131.018	24.211.693	*Rupiah*
Lain-lain	9.028	158	603.049	54.955	55.052	*Others*
Jumlah	**132.035.055**	**64.146.173**	**104.920.029**	**77.381.981**	**91.904.856**	***Total***

Utang usaha baik dari pemasok dalam negeri maupun luar negeri tidak dijamin dan secara umum mempunyai masa kredit sampai dengan satu bulan.

Trade payables to both local and foreign suppliers are unsecured and generally have credit terms of up to one month.

Utang usaha pada tanggal 31 Desember 2015 dan 2014 termasuk utang PT Medco E & P Tomori Sulawesi terkait dengan masalah Arbitrase dengan PT Asia Petrocom Services (Catatan 48).

Trade payables as of December 31, 2015 and 2014 include payables of PT Medco E & P Tomori Sulawesi related to Arbitration against PT Asia Petrocom Services (Note 48).

22. UTANG LAIN-LAIN / *22. OTHER LIABILITIES*

a. Uang muka dari pelanggan / *a. Advances from customers*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Pihak berelasi						*Related parties*
PT Bank Woori Saudara Indonesia 1906 Tbk	-	146.789	196.099	163.375	-	*PT Bank Woori Saudara Indonesia 1906 Tbk*
PT Medco Power Indonesia	-	122.598	158.410	141.774	-	*PT Medco Power Indonesia*
PT Medco Intidinamika	-	19.603	-	-	-	*PT Medco Intidinamika*
Sub-jumlah	-	288.990	354.509	305.149	-	*Sub-total*
Pihak ketiga						*Third parties*
Lukoil Asia Pacific Pte Ltd (Catatatan 47)	60.000.000	-	-	-	-	*Lukoil Asia Pacific Pte Ltd (Notes 47)*
PT Perusahaan Listrik Negara (Persero)	517.237	222.925	-	6.345.907	4.713.197	*PT Perusahaan Listrik Negara (Persero)*
Lain-lain (masing-masing di bawah AS$1.000.000)	982.614	3.273.659	3.969.070	2.715.244	-	*Others (each below US$1,000,000)*
Sub-jumlah	61.499.851	3.496.584	3.969.070	9.061.151	4.713.197	*Sub-total*
Jumlah	**61.499.851**	**3.785.574**	**4.323.579**	**9.366.300**	**4.713.197**	***Total***

b. Utang lain-lain / *b. Other payables*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Pihak berelasi						*Related parties*
Tomori E&P Limited	-	120.654	-	1.354.413	-	*Tomori E&P Limited*
PT Satria Raksa Buminusa	-	206.744	-	385.914	-	*PT Satria Raksa Buminusa*
Jumlah	-	327.398	-	1.740.327	-	*Total*
Pihak ketiga						*Third parties*
Utang kepada Operasi Bersama	56.171.760	25.848.681	58.945.523	31.535.516	10.220.585	*Payables to Joint Operations*
Kewajiban pajak atas *First Tranche Petroleum*	26.921.553	29.744.123	47.729.388	26.800.683	18.088.213	*Tax payable on First Tranche Petroleum*
Tomori E&P Limited	10.368.244	-	120.654	-	-	*Tomori E&P Limited*
Utang *overlifting*	8.575.925	479.761	1.037.218	2.064.693	1.965.848	*Overlifting payable*
Utang kepada Japex Block A Pte Ltd (Catatan 46)	5.000.000	-	5.000.000	-	-	*Payable to Japex Block A Pte Ltd (Note 46)*
BP West Java Ltd	4.536.217	4.536.217	4.536.217	4.536.217	4.536.217	*BP West Java Ltd*
Utang kepada Lundin Sea Holding B.V. (Catatan 46)	2.166.242	2.166.242	2.166.242	-	-	*Payable to Lundin Sea Holding B.V. (Note 46)*
PT Pertamina Hulu Energi	2.150.455	9.005.263	8.977.746	367.740	362.884	*PT Pertamina Hulu Energi*
Asuransi	1.991.333	1.993.168	2.002.317	1.833.114	904.882	*Insurance*
Karyawan	1.669.233	2.379.735	2.573.970	3.045.130	1.102.541	*Employees*
Cityview Energy Corp Ltd	1.008.979	1.008.980	1.008.980	1.008.980	1.008.980	*Cityview Energy Corp Ltd*
Setoran jaminan	-	4.144.080	4.007.537	3.650.141	-	*Security deposits*
HyOil (Bawean) Pte Ltd	-	3.628.000	4.535.694	-	-	*HyOil (Bawean) Pte Ltd*
Biaya Perolehan atas Hak Tanah dan Bangunan (BPHTB)	-	1.535.527	1.547.133	-	-	*Duty on Transfer of Property*
BUT Atlantic Maritime Services LLC	-	-	-	1.332.923	1.332.923	*BUT Atlantic Maritime Services LLC*
PT Airfast Indonesia	-	-	-	447.293	1.854.323	*PT Airfast Indonesia*
Lain-lain (masing-masing di bawah AS$1.000.000)	6.537.425	11.418.498	13.813.515	7.797.670	8.896.566	*Others (each below US$1,000,000)*
Jumlah	**127.097.366**	**97.888.275**	**158.002.134**	**84.420.100**	**50.273.962**	***Total***
Bagian yang jatuh tempo dalam satu tahun	(110.460.767)	(78.281.807)	(102.524.904)	(72.809.232)	(41.152.140)	*Current portion*
Bagian jangka panjang	**16.636.599**	**19.606.468**	**55.477.230**	**11.610.868**	**9.121.822**	***Long-term portion***

22. UTANG LAIN-LAIN (lanjutan) / *22. OTHER LIABILITIES (continued)*

Utang kepada Operasi Bersama merupakan utang atas aktivitas eksplorasi dan produksi yang berkaitan dengan kontrak kerjasama dimana Grup bukan merupakan operator.

Payables to Joint Operations represent payables for exploration and production activities related to joint operations, where the Group is not the operator.

Utang *overlifting* merupakan utang kepada SKK Migas, Tomori E&P Limited dan PT Pertamina Hulu Energi dari operasi minyak dan gas bumi.

Overlifting payables are payables to SKK Migas, Tomori E&P Limited and PT Pertamina Hulu Energi from oil and gas operation.

Utang kepada BP West Java Ltd merupakan jumlah yang akan dibayar oleh PT Medco E & P Tomori Sulawesi, entitas anak, pada saat produksi Blok Senoro-Toili telah mencapai volume tertentu sebagaimana ditetapkan dalam perjanjian.

Payable to BP West Java Ltd represents the amount to be paid by PT Medco E & P Tomori Sulawesi, a subsidiary, once the production from the Senoro-Toili Block has reached certain volume as stipulated in the agreement.

Utang kepada HyOil (Bawean) Pte Ltd terkait dengan *cash call* untuk bulan Juli sampai dengan September 2016.

Payable to HyOil (Bawean) Pte Ltd pertains to cash calls for the months of July to September 2016.

Kewajiban pajak atas *First Tranche Petroleum* (FTP) merupakan bagian kurang bayar pajak penghasilan badan dan pajak dividen untuk FTP entitas anak untuk tahun pajak 2008 sampai 2016. Entitas anak akan membayar pajak tersebut jika terdapat "*Equity to be split*" dari penjualan minyak dan gas bumi. Pada tanggal 30 September 2017, kewajiban pajak atas FTP disajikan sebagai utang pajak karena sudah terdapat *equity to be split*.

Tax payable on First Tranche Petroleum (FTP) is part of underpayment of income tax and dividend tax on subsidiaries FTP for fiscal years 2008 until 2016. The subsidiaries will pay the tax if there is "Equity to be split" from the sale of oil and gas. As of September 30, 2017, tax payable on FTP is presented as tax payable since there is equity to be split.

Setoran jaminan merupakan uang jaminan dari penyewa untuk keperluan penyewaan gedung The Energy yang dibayarkan kepada PT Api Metra Graha (AMG), entitas anak. Biaya Perolehan atas Hak Tanah dan Bangunan (BPHTB) merupakan kewajiban pajak AMG atas pembelian gedung Medco Ampera. Pada tanggal 31 Maret 2017, setoran jaminan dan BPHTB telah direklasifikasi sebagai "Liabilitas yang secara langsung berhubungan dengan aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual" (Catatan 37).

Security deposits are deposits from tenants pertaining to office space lease which were paid to PT Api Metra Graha (AMG), a subsidiary. Duty on Transfer of Property is AMG's tax payable in purchase of Medco Ampera's building. As of March 31, 2017, security deposits and BPHTB is reclassified as part of "Liabilities directly associated with the non-current assets classified as held for sale" (Note 37).

23. UTANG PAJAK / *23. TAXES PAYABLE*

Akun ini terdiri dari: / *This account consists of:*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Perusahaan						*The Company*
Pajak penghasilan:						*Income tax:*
Pasal 4(2)	606.754	351.964	405.551	326.519	152.850	*Article 4(2)*
Pasal 15	22.762	11.710	14.813	20.029	34.624	*Article 15*
Pasal 21	371.500	156.161	46.720	558.133	523.598	*Article 21*
Pasal 23	206.612	7.559	27.341	181.451	172.295	*Article 23*
Pasal 26	1.514	25.943	4.322	-	1.374.363	*Article 26*
Sub-jumlah	1.209.142	553.337	498.747	1.086.132	2.257.730	*Sub-total*

23. UTANG PAJAK (lanjutan) / *23. TAXES PAYABLE (continued)*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Entitas anak						*Subsidiaries*
Pajak penghasilan (PPh) badan	25.957.521	18.640.494	23.804.024	5.139.236	14.083.866	*Corporate income tax*
Pajak penghasilan:						*Income tax:*
Pasal 4(2)	426.466	1.776.544	2.258.814	188.147	281.893	*Article 4(2)*
Pasal 15	26.375	6.080	3.960	14.182	32.153	*Article 15*
Pasal 21	990.282	541.746	1.024.295	1.042.629	751.599	*Article 21*
Pasal 23	341.909	149.979	112.291	463.902	2.055.796	*Article 23*
Pasal 26	1.631	1.171	900	20.148	21.130	*Article 26*
Pajak Pertambahan Nilai (PPN)	3.928.196	3.046.638	4.675.495	2.973.336	4.420.469	*Value-added Tax (VAT)*
Sub-jumlah	31.672.380	24.162.652	31.879.779	9.841.580	21.646.906	*Sub-total*
Jumlah	**32.881.522**	**24.715.989**	**32.378.526**	**10.927.712**	**23.904.636**	***Total***

Surat Ketetapan Pajak (SKP)

Audit pajak untuk PPh Badan oleh Kantor Pajak Indonesia atas Perusahaan untuk tahun pajak 2014 telah selesai. Perusahaan telah menerima Surat Ketetapan Pajak Lebih Bayar (SKPLB) sejumlah AS$2 juta pada tanggal 18 Oktober 2016. Jumlah lebih bayar tersebut telah diterima Perusahaan pada tanggal 1 Februari 2017.

Klaim pajak Grup yang masih belum terselesaikan akibat terbitnya Surat Ketetapan sampai tanggal 30 September 2017 adalah sebagai berikut:

Tax Assessment Letters

The tax audit by the Indonesia Tax Office (ITO) on the Company's corporate income tax for fiscal year 2014 has been completed. The Company received overpayment tax assessment letter amounting to US$2 million on October 18, 2016. The refund was received on February 1, 2017.

The Group's unresolved tax claims due to the issuance of tax assessment letters up to September 30, 2017 are as follows:

PT Exspan Petrogas Intranusa (EPI) / ***PT Exspan Petrogas Intranusa (EPI)***

Jenis Pajak dan Masa/*Type of Tax and Period*	Jenis/*Type*	Jumlah Penilaian Menurut Otoritas Pajak/*Assessed Amount by Tax Authority*	Jumlah Keberatan/Banding menurut Grup/ *Amount of Objection/Appeal According to the Group*	Nomor dan Tanggal Surat Pajak Terakhir/ *Number and Date of Latest Tax Letters*	Status/ *Status*
PPh Badan Tahun 2015/ *Corporate Income Tax Year 2015*	SKP Lebih Bayar/ *Overpayment Tax Assessment Letter*	Rp6.426.840.194	Rp47.806.314.376 (Koreksi fiskal/ *Fiscal correction)*	00007/406/15/081/17 26 April 2017/ *April 26, 2017*	Keberatan/ *Objection*

PT Medco LNG Indonesia (MLI) / ***PT Medco LNG Indonesia (MLI)***

Jenis Pajak dan Masa/*Type of Tax and Period*	Jenis/*Type*	Jumlah Penilaian Menurut Otoritas Pajak/*Assessed Amount by Tax Authority*	Jumlah Keberatan/Banding menurut Grup/ *Amount of Objection/Appeal According to the Group*	Nomor dan Tanggal Surat Pajak Terakhir/ *Number and Date of Latest Tax Letters*	Status/ *Status*
PPh Badan Tahun 2013/ *Corporate Income Tax Year 2013*	SKP Lebih Bayar/ *Overpayment Tax Assessment Letter*	Rp8.028.707.391	Rp 77.059.433.930 (Koreksi fiskal/ *Fiscal correction)*	KEP-00090/KEB/WPJ.30/2016 24 Juni 2016/ *June 24, 2016*	Banding/ *Appeal*

23. UTANG PAJAK (lanjutan)

23. TAXES PAYABLE (continued)

Surat Ketetapan Pajak (SKP) (lanjutan)

Tax Assessment Letters (continued)

PT Medco E & P Tarakan (MEPT)

PT Medco E & P Tarakan (MEPT)

Jenis Pajak dan Masa/*Type of Tax and Period*	**Jenis/*Type***	**Jumlah Penilaian Menurut Otoritas Pajak/*Assessed Amount by Tax Authority***	**Jumlah Keberatan/Banding menurut Grup/ *Amount of Objection/Appeal According to the Group***	**Nomor dan Tanggal Surat Pajak Terakhir/ *Number and Date of Latest Tax Letters***	**Status/ *Status***
PPh 23 Tahun 2011/ *WHT Art 23 Year 2011*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp96.849.440	Nihil/*Nil*	00077/203/11/081/16 2 Desember 2016/ *December 2, 2016*	Keberatan/ *Objection*
PPh Badan Tahun 2011/ *Corporate Income Tax Year 2011*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	AS$22.884/ *US$22,884*	Nihil/*Nil*	00030/216/11/081/16 2 Desember 2016/ *December 2, 2016*	Keberatan/ *Objection*
PPh 23 Tahun 2012/ *WHT Art 23 Year 2012*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp297.592.727	Nihil/*Nil*	00028/203/12/081/17 27 April 2017/ *April 27, 2017*	Keberatan/ *Objection*
PPh Badan Tahun 2012/ *Corporate Income Tax Year 2012*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	AS$65.687/ *US$65,687*	Nihil/*Nil*	00009/216/12/081/17 17 April 2017/ *April 17, 2017*	Keberatan/ *Objection*
PPh 23 Juni - Desember 2013/ *WHT Art 23 June - December 2013*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp23.000.751	Nihil/*Nil*	Berbagai nomor/*Various number* 19 Mei 2017/ *May 19, 2017*	Keberatan/ *Objection*
PPN Juni - Desember 2013/ *VAT June - December 2013*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp115.017.075	Nihil/*Nil*	Berbagai nomor/*Various number* 19 Mei 2017/ *May 19, 2017*	Keberatan/ *Objection*

PT Medco E & P Rimau (MEPR)

PT Medco E & P Rimau (MEPR)

Jenis Pajak dan Masa/*Type of Tax and Period*	**Jenis/*Type***	**Jumlah Penilaian Menurut Otoritas Pajak/*Assessed Amount by Tax Authority***	**Jumlah Keberatan/Banding menurut Grup/ *Amount of Objection/Appeal According to the Group***	**Nomor dan Tanggal Surat Pajak Terakhir/ *Number and Date of Latest Tax Letters***	**Status/ *Status***
PPh 21 Tahun 2009/ *WHT Art 21 Year 2009*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp5.171.814.354	Nihil/*Nil*	KEP-2681/WPJ.07/2013 23 Desember 2013/ *December 23, 2013*	Banding/ *Appeal*

23. UTANG PAJAK (lanjutan)

23. TAXES PAYABLE (continued)

Surat Ketetapan Pajak (SKP) (lanjutan)

Tax Assessment Letters (continued)

PT Medco E & P Rimau (MEPR) (lanjutan)

PT Medco E & P Rimau (MEPR) (continued)

Jenis Pajak dan Masa/*Type of Tax and Period*	**Jenis/*Type***	**Jumlah Penilaian Menurut Otoritas Pajak/*Assessed Amount by Tax Authority***	**Jumlah Keberatan/Banding menurut Grup/*Amount of Objection/Appeal According to the Group***	**Nomor dan Tanggal Surat Pajak Terakhir/*Number and Date of Latest Tax Letters***	**Status/*Status***
PPh 23 Tahun 2009/ *WHT Art 23 Year 2009*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp703.572.161	Nihil/*Nil*	KEP-2623/WPJ.07/2013 12 Desember 2013/ *December 12, 2013*	Banding/ *Appeal*
PPh Final 4(2) Tahun 2009/ *WHT Art 4(2) Final Year 2009*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp2.732.870.610	Nihil/*Nil*	KEP-2652/WPJ.07/2013 17 Desember 2013/ *December 17, 2013*	Banding/ *Appeal*
PPh Badan Tahun 2011/ *Corporate Income Tax Year 2011*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	AS$296.079/ *US$296,079*	Nihil/*Nil*	KEP-01129/KEB/WPJ.07/2017 21 Juni 2017/ *June 21, 2017*	Banding/ *Appeal*
PPh Badan Tahun 2012/ *Corporate Income Tax Year 2012*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	AS$246.276/ *US$246,276*	Nihil/*Nil*	00016/216/12/081/17 3 Mei 2017/ *May 3, 2017*	Keberatan/ *Objection*
PPh Pasal 15 November - Desember 2012/ *WHT Art 15 November - December 2012*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp166.308.235	Nihil/*Nil*	Berbagai nomor/ *Various number* 30 Maret 2017/ *March 30, 2017*	Keberatan/ *Objection*
PPh Pasal 23 Maret - Desember 2012/ *WHT Art 23 March - December 2012*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp286.613.157	Nihil/*Nil*	Berbagai nomor/ *Various number* 30 Maret 2017/ *March 30, 2017*	Keberatan/ *Objection*
PPN Maret - Desember 2012/ *VAT March - December 2012*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp2.925.630.872	Nihil/*Nil*	Berbagai nomor/ *Various number* 30 Maret 2017/ *March 30, 2017*	Keberatan/ *Objection*
PPh Pasal 23 Januari - Desember 2013/ *WHT Art 23 January - December 2013*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp40.102.537	Nihil/*Nil*	Berbagai nomor/ *Various number* 26 Mei 2017/ *May 26, 2017*	Keberatan/ *Objection*
PPN Januari - Desember 2013/ *VAT January - December 2013*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp605.621.919	Nihil/*Nil*	Berbagai nomor/ *Various number* 26 Mei 2017/ *May 26, 2017*	Keberatan/ *Objection*

23. UTANG PAJAK (lanjutan)

23. TAXES PAYABLE (continued)

Surat Ketetapan Pajak (SKP) (lanjutan)

Tax Assessment Letters (continued)

PT Medco E & P Indonesia (MEPI)

PT Medco E & P Indonesia (MEPI)

Jenis Pajak dan Masa/*Type of Tax and Period*	**Jenis/*Type***	**Jumlah Penilaian Menurut Otoritas Pajak/*Assessed Amount by Tax Authority***	**Jumlah Keberatan/Banding menurut Grup/ *Amount of Objection/Appeal According to the Group***	**Nomor dan Tanggal Surat Pajak Terakhir/ *Number and Date of Latest Tax Letters***	**Status/ *Status***
PPh Badan Tahun 2011/ *Corporate Income Tax Year 2011*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	AS$454.470/ *US$454,470*	Nihil/*Nil*	00002/206/11/081/16 10 Agustus 2016/ *August 10, 2016*	Keberatan/ *Objection*
PPh 23 Tahun 2011/ *WHT Art 23 Year 2011*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp1.150.306.880	Rp2.149.293	00064/203/11/081/16 10 Agustus 2016/ *August 10, 2016*	Keberatan/ *Objection*
PPh Badan Tahun 2012/ *Corporate Income Tax Year 2012*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	AS$756.773/ *US$756,773*	Nihil/*Nil*	00018/216/12/081/7 9 Mei 2017/ *May 9, 2017*	Keberatan/ *Objection*
PPh 23 Mei-Desember Tahun 2012/ *WHT Art 23 May-December Year 2012*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp2.079.149.502	Rp9.796.638	00038/203/12/081/17 9 Mei 2017/ *May 9, 2017*	Keberatan/ *Objection*
PPN Desember Tahun 2012/ *VAT December Year 2012*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp6.637.076.108	Nihil/*Nil*	00096/287/12/081/16 9 Mei 2017/ *May 9, 2017*	Keberatan/ *Objection*
PPh 21 Januari-Desember Tahun 2013/ *WHT Art 21 January-December Year 2013*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp54.707.783	Nihil/*Nil*	00008/201/13/081/17 7 Agustus 2017/ *August 7, 2017*	Keberatan/ *Objection*
PPh 23 Januari-Desember Tahun 2013/ *WHT Art 23 January-December Year 2013*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp445.200.235	Nihil/*Nil*	Berbagai nomor/ *Various number* 7 Agustus 2017/ *August 7, 2017*	Keberatan/ *Objection*
PPN Januari-Desember Tahun 2013/ *VAT January-December Year 2013*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp2.279.347.064	Nihil/*Nil*	Berbagai nomor/ *Various number* 7 Agustus 2017/ *August 7, 2017*	Keberatan/ *Objection*

23. UTANG PAJAK (lanjutan)

23. TAXES PAYABLE (continued)

Surat Ketetapan Pajak (SKP) (lanjutan)

Tax Assessment Letters (continued)

PT Medco E & P Lematang (MEPL)

PT Medco E & P Lematang (MEPL)

Jenis Pajak dan Masa/*Type of Tax and Period*	**Jenis/*Type***	**Jumlah Penilaian Menurut Otoritas Pajak/*Assessed Amount by Tax Authority***	**Jumlah Keberatan/Banding menurut Grup/ *Amount of Objection/Appeal According to the Group***	**Nomor dan Tanggal Surat Pajak Terakhir/ *Number and Date of Latest Tax Letters***	**Status/ *Status***
PPh 23 Januari - Februari Tahun 2013/ *WHT Art 23 January - February Year 2013*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp2.602.499	Nihil/*Nil*	Berbagai nomor/ *Various number* 16 Juni 2017/ *June 16, 2017*	Keberatan/ *Objection*
PPh 23 April - Juli Tahun 2013/ *WHT Art 23 April - July Year 2013*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp30.298.476	Nihil/*Nil*	Berbagai nomor/ *Various number* 16 Juni 2017/ *June 16, 2017*	Keberatan/ *Objection*
PPh 23 September dan November Tahun 2013/ *WHT Art 23 September and November Year 2013*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp708.920	Nihil/*Nil*	Berbagai nomor/ *Various number* 16 Juni 2017/ *June 16, 2017*	Keberatan/ *Objection*
PPh 4(2) April Tahun 2013/ *WHT Art 4(2) April Year 2013*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp441.040	Nihil/*Nil*	00003/240/13/081/17 16 Juni 2017/ *June 16, 2017*	Keberatan/ *Objection*
PPN Januari - Februari Tahun 2013/ *VAT January - February Year 2013*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp13.012.493	Nihil/*Nil*	Berbagai nomor/ *Various number* 16 Juni 2017/ *June 16, 2017*	Keberatan/ *Objection*
PPN April - Juli Tahun 2013/ *VAT April - July Year 2013*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp. 149.276.498	Nihil/*Nil*	Berbagai nomor/ *Various number* 16 Juni 2017/ *June 16, 2017*	Keberatan/ *Objection*
PPN September Tahun 2013/ *VAT September Year 2013*	SKP Kurang Bayar/ *Underpayment Tax Assessment Letter*	Rp2.368.000	Nihil/*Nil*	00038/287/13/081/17 16 Juni 2017/ *June 16, 2017*	Keberatan/ *Objection*

Manajemen berkeyakinan Grup telah menaati ketentuan perpajakan yang berlaku di Indonesia dan di yurisdiksi pajak lainnya.

Management believes the Group has fully complied with the tax requirements in Indonesia and in other tax jurisdictions.

Manajemen berpendapat tidak diperlukan pencadangan atas ketidakpastian posisi perpajakan dari Surat Ketetapan Pajak yang disebutkan diatas.

Management is in the opinion that no provision is neccesary for uncertain tax position from the above mentioned Tax Assessment Letters.

24. BIAYA AKRUAL DAN PROVISI LAIN-LAIN / *24. ACCRUED EXPENSES AND OTHER PROVISIONS*

Akun ini terdiri dari: / *This account consists of:*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Kontrak jasa	54.365.547	34.755.894	45.034.418	53.337.776	52.513.393	*Contract services*
Bunga	10.783.653	12.353.101	14.958.849	7.898.004	6.249.752	*Interest*
Jasa profesional	9.011.966	-	-	-	-	*Professional fees*
Operasi bersama	1.497.167	1.611.649	3.161.622	4.786.783	4.818.557	*Joint operations*
Sewa	1.212.204	1.231.964	1.702.420	2.986.829	7.217.998	*Rentals*
Tenaga kerja	528.513	441.118	6.415.522	6.245.412	766.766	*Labor supply*
Biaya klaim	-	-	-	3.344.332	-	*Claim fee*
Lisensi dan pajak properti	-	-	-	3.223.284	-	*Licence and property tax*
Beban operasional lainnya	1.655.582	6.321.082	4.219.416	4.923.873	5.288.364	*Other operating expenses*
Jumlah	**79.054.632**	**56.714.808**	**75.492.247**	**86.746.293**	**76.854.830**	***Total***

25. DERIVATIF / *25. DERIVATIVES*

Pihak ketiga	Jenis/ *Type*	30 September 2017/ *September 30, 2017*			31 Desember 2016/ *December 31, 2016*			*Third parties*
		Aset Derivatif/ *Derivative Assets*	Liabilitas Derivatif/ *Derivative Liabilities*	Keuntungan (Kerugian)/ *Gain (Loss)*	Aset Derivatif/ *Derivative Assets*	Liabilitas Derivatif/ *Derivative Liabilities*	Keuntungan (Kerugian)/ *Gain (Loss)*	
Perusahaan								***The Company***
PT DBS Bank Indonesia	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	2.393.369	38.412.327	27.376.406	726.395	64.121.758	19.641.423	*PT DBS Bank Indonesia*
Standard Chartered Bank	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	11.532.440	25.032.766	-	36.565.206	8.947.242	*Standard Chartered Bank*
Bank of Tokyo - Mitsubishi UFJ, Ltd	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	5.746.021	481.132	-	6.227.153	1.560.975	*Bank of Tokyo - Mitsubishi UFJ,Ltd*
PT Bank Permata Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	11.374.358	1.206.723	-	12.581.081	3.069.076	*PT Bank Permata Tbk*
PT Bank Mandiri (Persero) Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	428.924	1.602.680	1.713.499		2.887.256	(2.887.256)	*PT Bank Mandiri (Persero) Tbk*
PT Bank CIMB Niaga Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	88.812	51.134	1.750.747	-	1.713.069	(1.713.069)	*PT Bank CIMB Niaga Tbk*
PT Bank Maybank Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	168.816	(168.816)	-	-	-	*PT Bank Maybank Tbk*
Morgan Stanley & Co International PLC	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	-	-	-	-	-	7.555	*Morgan Stanley & Co International PLC*
PT Bank CIMB Niaga Tbk	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	-	-	-	-	-	4.868	*PT Bank CIMB Niaga Tbk*
Bank of Tokyo - Mitsubishi UFJ, Ltd	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	-	-	-	-	-	6.868	*Bank of Tokyo - Mitsubishi UFJ, Ltd*
DBS Bank Ltd	Perjanjian *swap* komoditas/ *Commodity swaps*	-	919	93.400	-	94.319	(94.319)	*DBS Bank Ltd*

25. DERIVATIF (lanjutan) / *25. DERIVATIVES (continued)*

Pihak ketiga	Jenis/ *Type*	30 September, 2017/ *September 30, 2017* Aset Derivatif/ *Derivative Assets*	Liabilitas Derivatif/ *Derivative Liabilities*	Keuntungan (Kerugian)/ *Gain (Loss)*	31 Desember 2016/ *December 31, 2016* Aset Derivatif/ *Derivative Assets*	Liabilitas Derivatif/ *Derivative Liabilities*	Keuntungan (Kerugian)/ *Gain (Loss)*	*Third parties*
Medco Energi Global Pte Ltd (MEG)								***Medco Energi Global Pte Ltd (MEG)***
DBS Bank Ltd	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	-	4.952.315	-	4.952.315	(1.007.526)	*DBS Bank Ltd*
Bank of Tokyo - Mitsubishi UFJ, Ltd	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	-	2.130.668	-	2.130.668	(450.582)	*Bank of Tokyo - Mitsubishi UFJ,Ltd*
PT Medco E & P Tomori Sulawesi (MEPTS)								***PT Medco E & P Tomori Sulawesi (MEPTS)***
Standard Chartered Bank	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	145.989	-	(16.218)	162.207	-	162.207	*Standard Chartered Bank*
PT Bank ANZ Indonesia	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	142.569	-	(23.851)	166.420	-	166.420	*PT Bank ANZ Indonesia*
PT Bank DBS Indonesia	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	140.867	-	(27.953)	168.821	-	168.821	*PT Bank DBS Indonesia*
PT Bank Mandiri (Persero) Tbk	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	131.487	-	(126.975)	258.462	-	258.462	*PT Bank Mandiri (Persero) Tbk*
Sumitomo Mitsui Banking Corporation	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	141.521	-	(35.623)	177.144	-	177.144	*Sumitomo Mitsui Banking Corporation*
PT Medco E & P Malaka (MEPM)								***PT Medco E & P Malaka (MEPM)***
Australia and New Zealand Banking Group Limited	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	-	311.241	(311.241)	-	-	-	*Australia and New Zealand Banking Group Limited*
ING Bank N.V	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	-	327.783	(327.783)	-	-	-	*ING Bank N.V*
Societe Generale	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	-	273.529	(273.529)	-	-	-	*Societe Generale*
Jumlah		3.613.538	69.801.248	63.425.667	1.659.449	131.272.825	28.018.309	*Total*
Dikurangi yang jatuh tempo dalam satu tahun		-	57.487.355		-	63.767.824		*Less current portion*
Bagian jangka panjang		**3.613.538**	**12.313.893**		**1.659.449**	**67.505.001**		***Long-term portion***
Keuntungan (kerugian) yang terealisasi atau belum direalisasi yang diakui pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian				93.400			(94.319)	*Realized or unrealized gain (loss) on derivatives recognized in consolidated statement of profit or loss and other comprehensive income*
Pendapatan komprehensif lainnya atas lindung nilai atas arus kas				**63.332.267**			**28.112.628**	*Other comprehensive income of cash flow hedge*

25. DERIVATIF (lanjutan) / *25. DERIVATIVES (continued)*

Pihak ketiga	Jenis/ *Type*	30 September 2016/ *September 30, 2016* (Tidak diaudit/ *Unaudited*) Aset Derivatif/ *Derivative Assets*	Liabilitas Derivatif/ *Derivative Liabilities*	Keuntungan (Kerugian)/ *Gain (Loss)*	31 Desember 2015/ *December 31, 2015* Aset Derivatif/ *Derivative Assets*	Liabilitas Derivatif/ *Derivative Liabilities*	Keuntungan (Kerugian)/ *Gain (Loss)*	*Third parties*
Perusahaan								***The Company***
PT DBS Bank Indonesia	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	2.017.172	57.169.138	27.884.821	-	83.036.786	(14.539.695)	*PT DBS Bank Indonesia*
Standard Chartered Bank	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	34.348.901	11.163.547	-	45.512.448	4.288.916	*Standard Chartered Bank*
Bank of Tokyo - Mitsubishi UFJ, Ltd	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	5.777.131	2.010.997	-	7.788.128	11.161.804	*Bank of Tokyo - Mitsubishi UFJ,Ltd*
PT Bank Permata Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	11.741.947	3.908.210	-	15.650.157	(3.334.556)	*PT Bank Permata Tbk*
PT Bank Mandiri Persero Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	1.010.882	795.858	215.024	-	-	-	*PT Bank Mandiri Persero (Tbk)*
PT Bank CIMB Niaga Tbk *Niaga Tbk*	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	740.827	(740.827)	-	-	-	*PT Bank CIMB*
Morgan Stanley & Co International PLC	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	-	-	7.555	-	7.555	11.426	*Morgan Stanley & Co International PLC*
PT Bank CIMB Niaga Tbk	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	-	-	4.868	-	4.868	11.717	*PT Bank CIMB Niaga Tbk*
Bank of Tokyo - Mitsubishi UFJ, Ltd	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	-	-	6.868	-	6.868	12.404	*Bank of Tokyo - Mitsubishi UFJ, Ltd*
DBS Bank Ltd	Perjanjian *swap* komoditas/ *Commodity swaps*	-	88.608	(88.608)	-	-	-	*DBS Bank Ltd*
Medco Energi Global Pte Ltd (MEG)								***Medco Energi Global Pte Ltd (MEG)***
DBS Bank Ltd	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	1.576.264	2.368.525	-	3.944.789	(3.944.789)	*DBS Bank Ltd*
Bank of Tokyo - Mitsubishi UFJ, Ltd	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	680.382	999.704	-	1.680.086	(1.680.086)	*Bank of Tokyo - Mitsubishi UFJ,Ltd*
Jumlah		3.028.054	112.919.056	47.740.684	-	157.631.685	(8.012.859)	*Total*
Dikurangi yang jatuh tempo dalam satu tahun		-	59.965.415		-	-		*Less current portion*
Bagian jangka panjang		**3.028.054**	**52.953.641**		**-**	**157.631.685**		***Long-term portion***
Keuntungan (kerugian) yang terealisasi atau belum direalisasi yang diakui pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian				(88.608)			-	*Realized or unrealized gain (loss) on derivatives recognized in consolidated statement of profit or loss and other comprehensive income*
Pendapatan komprehensif lainnya atas lindung nilai atas arus kas				**47.829.292**			**(8.012.859)**	*Other comprehensive income of cash flow hedge*

25. DERIVATIF (lanjutan) / *25. DERIVATIVES (continued)*

Pihak ketiga / *Third parties*	Jenis/ *Type*	31 Desember 2014/ *December 31, 2014* — Aset Derivatif/ *Derivative Assets*	Liabilitas Derivatif/ *Derivative Liabilities*	Keuntungan (Kerugian)/ *Gain (Loss)*
Perusahaan / ***The Company***				
PT DBS Bank Indonesia / *PT DBS Bank Indonesia*	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	68.497.091	4.164.720
Standard Chartered Bank / *Standard Chartered Bank*	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	49.801.364	5.127.433
Bank of Tokyo Mitsubishi-UFJ, Ltd / *Bank of Tokyo - Mitsubishi UFJ,Ltd*	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	18.949.932	2.449.371
Morgan Stanley & Co International PLC / *Morgan Stanley & Co International PLC*	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	-	2.221.729
PT Bank Permata Tbk / *PT Bank Permata Tbk*	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	-	12.315.601	1.499.226
Morgan Stanley & Co International PLC / *Morgan Stanley & Co International PLC*	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	-	18.981	(18.981)
PT Bank CIMB Niaga Tbk / *PT Bank CIMB Niaga Tbk*	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	-	16.585	(16.585)
Bank of Tokyo - Mitsubishi UFJ, Ltd / *Bank of Tokyo - Mitsubishi UFJ, Ltd*	Perjanjian *swap* atas tingkat suku bunga/ *Interest rate swap*	-	19.272	(19.272)
Jumlah / *Total*		-	149.618.826	15.407.641
Dikurangi yang jatuh tempo dalam satu tahun / *Less current portion*		-	35.856.281	
Bagian jangka panjang / ***Long-term portion***		**-**	**113.762.545**	
Kerugian yang terealisasi atau belum direalisasi yang diakui pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian / *Realized or unrealized loss on derivatives recognized in consolidated statements of profit or loss and other comprehensive income*				(2.891.067)
Pendapatan komprehensif lainnya atas lindung nilai atas arus kas / *Other comprehensive income of cash flow hedge*				**12.516.574**

Grup melakukan transaksi *swap* atas mata uang silang dan *swap* atas tingkat suku bunga sebagai instrumen lindung nilai untuk mengelola risiko atas tingkat bunga dan mata uang asing. Seluruh kontrak yang dilakukan Grup mempunyai kewajiban yang mendasari.

The Group entered into cross-currency swaps, and interest rate swaps hedging instruments to manage its interest rate and foreign currency risks. All contracts entered into by the Group have underlying obligations.

25. DERIVATIF (lanjutan)

Informasi lebih lanjut mengenai berbagai kontrak derivatif Grup adalah sebagai berikut:

25. DERIVATIVES (continued)

Further information relating to the derivatives undertaken by the Group is as follows:

Pihak ketiga/ ***Third parties***	**Jenis/** ***Type***	**Nilai Notional/*Notional Amount***		**Tanggal Efektif/** ***Effective Date***	**Tanggal Pertukaran Akhir/** ***Final Exchange Date***	**Syarat dan ketentuan/** ***Terms and conditions***
		Dalam AS$/** ***In US$*	**Dalam mata uang asing/** ***In foreign currency***			
PT Bank Maybank Indonesia	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	11.356.821	Rp151.500.000.000	28 September 2017 */ *September 28, 2017 **	28 September 2022/ *September 28, 2022*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 28 Maret, 28 Juni, 28 September dan 28 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every March 28, June 28, September 28 and December 28. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*
PT Bank DBS Indonesia	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	15.554.722	Rp207.500.000.000	28 September 2017 */ *September 28, 2017 **	28 Maret 2021/ *March 28, 2021*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 28 Maret, 28 Juni, 28 September dan 28 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every March 28, June 28, September 28 and December 28. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*
PT Bank Mandiri (Persero) Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	15.554.722	Rp207.500.000.000	28 September 2017 */ *September 28, 2017 **	28 Maret 2021/ *March 28, 2021*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 28 Maret, 28 Juni, 28 September dan 28 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every March 28, June 28, September 28 and December 28. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*

Catatan:
* tanggal pertukaran awal

Note:
* *initial exchange date*

25. DERIVATIF (lanjutan) / ***25. DERIVATIVES (continued)***

Pihak ketiga/ *Third parties*	Jenis/ *Type*	Nilai Notional/*Notional Amount*		Tanggal Efektif/ *Effective Date*	Tanggal Pertukaran Akhir/ *Final Exchange Date*	Syarat dan ketentuan/ *Terms and conditions*
		Dalam AS$/ *In US$*	Dalam mata uang asing/ *In foreign currency*			
Australia and New Zealand Banking Group Limited	Perjanjian *swap* atas suku bunga/ *Interest rate swap*	43.084.000	N/A	31 Juli 2017/ *July 31, 2017*	31 Desember 2023/ *December 31, 2023*	MEPM menerima tingkat suku bunga mengambang dengan basis LIBOR per tahun dan membayar pada tingkat suku bunga tetap per tahun setiap tiga bulan pada tanggal 31 Maret, 30 Juni, 30 September dan 31 Desember/ *MEPM shall receive a floating LIBOR-based interest rate per annum and pay a fixed interest rate per annum every March 31, June 30, September 30 and December 31.*
Societe Generale	Perjanjian *swap* atas suku bunga/ *Interest rate swap*	43.084.000	N/A	31 Juli 2017/ *July 31, 2017*	31 Desember 2023/ *December 31, 2023*	MEPM menerima tingkat suku bunga mengambang dengan basis LIBOR per tahun dan membayar pada tingkat suku bunga tetap per tahun setiap tiga bulan pada tanggal 31 Maret, 30 Juni, 30 September dan 31 Desember/ *MEPM shall receive a floating LIBOR-based interest rate per annum and pay a fixed interest rate per annum every March 31, June 30, September 30 and December 31.*
ING Bank N.V.	Perjanjian *swap* atas suku bunga/ *Interest rate swap*	43.084.000	N/A	31 Juli 2017/ *July 31, 2017*	31 Desember 2023/ *December 31, 2023*	MEPM menerima tingkat suku bunga mengambang dengan basis LIBOR per tahun dan membayar pada tingkat suku bunga tetap per tahun setiap tiga bulan pada tanggal 31 Maret, 30 Juni, 30 September dan 31 Desember/ *MEPM shall receive a floating LIBOR-based interest rate per annum and pay a fixed interest rate per annum every March 31, June 30, September 30 and December 31.*
PT Bank CIMB Niaga Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	18.512.944	Rp246.000.000.000	21 Juni 2017/ *June 21, 2017*	21 Desember 2019/ *December 21, 2019*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 21 Maret, 21 Juni, 21 September dan 21 Desember. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every March 21, June 21, September 21 and December 21. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*

Catatan:
* tanggal pertukaran awal

Note:
* *initial exchange date*

25. DERIVATIF (lanjutan) / ***25. DERIVATIVES (continued)***

Pihak ketiga/ *Third parties*	Jenis/ *Type*	Nilai Notional/*Notional Amount*		Tanggal Efektif/ *Effective Date*	Tanggal Pertukaran Akhir/ *Final Exchange Date*	Syarat dan ketentuan/ *Terms and conditions*
		Dalam AS$/ *In US$*	Dalam mata uang asing/ *In foreign currency*			
PT Bank DBS Indonesia	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	56.696.764	Rp753.500.000.000	14 Juni 2017 */ *June 14, 2017 **	14 Juni 2022/ *June 14, 2022*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 14 Maret, 14 Juni, 14 September dan 14 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every March 14, June 14, September 14 and December 14. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*
PT Bank CIMB Niaga Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	20.278.405	Rp269.500.000.000	14 Juni 2017 */ *June 14, 2017 **	14 Juni 2020/ *June 14, 2020*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 14 Maret, 14 Juni, 14 September dan 14 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every March 14, June 14, September 14 and December 14. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*

Catatan:
* tanggal pertukaran awal

Note:
* *initial exchange date*

25. DERIVATIF (lanjutan) / ***25. DERIVATIVES (continued)***

Pihak ketiga/ *Third parties*	Jenis/ *Type*	Nilai Notional/*Notional Amount*		Tanggal Efektif/ *Effective Date*	Tanggal Pertukaran Akhir/ *Final Exchange Date*	Syarat dan ketentuan/ *Terms and conditions*
		Dalam AS$/ *In US$*	Dalam mata uang asing/ *In foreign currency*			
PT Bank Mandiri (Persero) Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	18.698.269	Rp248.500.000.000	14 Juni 2017 */ *June 14, 2017 **	14 Juni 2018/ *June 14, 2018*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 14 Maret, 14 Juni, 14 September dan 14 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every March 14, June 14, September 14 and December 14. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*
PT Bank DBS Indonesia	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	28.539.241	Rp380.000.000.000	30 Maret 2017 */ *March 30, 2017 **	30 Maret 2020/ *March 30, 2020*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 30 Maret, 30 Juni, 30 September dan 30 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every March 30, June 30, September 30 and December 30. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*
PT Bank Mandiri (Persero) Tbk	Perjanjian *swap* atas suku bunga/ *Interest rate swap*	19.859.375	N/A	4 November 2016/ *November 4, 2016*	30 Juni 2021/ *June 30, 2021*	MEPTS menerima tingkat suku bunga mengambang dengan basis LIBOR per tahun dan membayar pada tingkat suku bunga tetap per tahun setiap tiga bulan pada tanggal 30 Maret, 30 Juni, 30 September dan 30 Desember/ *MEPTS shall receive a floating LIBOR-based interest rate per annum and pay a fixed interest rate per annum every March 30, June 30, September 30 and December 30.*
Standard Chartered Bank, Jakarta	Perjanjian *swap* atas suku bunga/ *Interest rate swap*	14.894.531	N/A	4 November 2016/ *November 4, 2016*	30 Juni 2021/ *June 30, 2021*	MEPTS menerima tingkat suku bunga mengambang dengan basis LIBOR per tahun dan membayar pada tingkat suku bunga tetap per tahun setiap tiga bulan pada tanggal 30 Maret, 30 Juni, 30 September dan 30 Desember/ *MEPTS shall receive a floating LIBOR-based interest rate per annum and pay a fixed interest rate per annum every March 30, June 30, September 30 and December 30.*
PT Bank ANZ Indonesia	Perjanjian *swap* atas suku bunga/ *Interest rate swap*	14.894.531	N/A	4 November 2016/ *November 4, 2016*	30 Juni 2021/ *June 30, 2021*	MEPTS menerima tingkat suku bunga mengambang dengan basis LIBOR per tahun dan membayar pada tingkat suku bunga tetap per tahun setiap tiga bulan pada tanggal 30 Maret, 30 Juni, 30 September dan 30 Desember/ *MEPTS shall receive a floating LIBOR-based interest rate per annum and pay a fixed interest rate per annum every March 30, June 30, September 30 and December 30.*

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Note:
* *initial exchange date*

25. DERIVATIF (lanjutan) / ***25. DERIVATIVES (continued)***

Pihak ketiga/ *Third parties*	Jenis/ *Type*	Nilai Notional/*Notional Amount*		Tanggal Efektif/ *Effective Date*	Tanggal Pertukaran Akhir/ *Final Exchange Date*	Syarat dan ketentuan/ *Terms and conditions*
		Dalam AS$/ *In US$*	Dalam mata uang asing/ *In foreign currency*			
PT Bank DBS Indonesia	Perjanjian *swap* atas suku bunga/ *Interest rate swap*	14.894.531	N/A	4 November 2016/ *November 4, 2016*	30 Juni 2021/ *June 30, 2021*	MEPTS menerima tingkat suku bunga mengambang dengan basis LIBOR per tahun dan membayar pada tingkat suku bunga tetap per tahun setiap tiga bulan pada tanggal 30 Maret, 30 Juni, 30 September dan 30 Desember/ *MEPTS shall receive a floating LIBOR-based interest rate per annum and pay a fixed interest rate per annum every March 30, June 30, September 30 and December 30.*
Sumitomo Mitsui Banking Corporation	Perjanjian *swap* atas suku bunga/ *Interest rate swap*	14.894.531	N/A	4 November 2016/ *November 4, 2016*	30 Juni 2021/ *June 30, 2021*	MEPTS menerima tingkat suku bunga mengambang dengan basis LIBOR per tahun dan membayar pada tingkat suku bunga tetap per tahun setiap tiga bulan pada tanggal 30 Maret, 30 Juni, 30 September dan 30 Desember/ *MEPTS shall receive a floating LIBOR-based interest rate per annum and pay a fixed interest rate per annum every March 30, June 30, September 30 and December 30.*
PT Bank Mandiri (Persero) Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	3.945.841	Rp51.000.000.000	30 September 2016 */ *September 30, 2016 **	30 September 2021/ *September 30, 2021*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 30 Maret, 30 Juni, 30 September dan 30 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every March 30, June 30, September 30 and December 30. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*
PT Bank Mandiri (Persero) Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	42.475.822	Rp549.000.000.000	30 September 2016 */ *September 30, 2016 **	30 September 2019/ *September 30, 2019*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 30 Maret, 30 Juni, 30 September dan 30 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every March 30, June 30, September 30 and December 30. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*

Catatan:
* tanggal pertukaran awal

Note:
* *initial exchange date*

25. DERIVATIF (lanjutan) / ***25. DERIVATIVES (continued)***

Pihak ketiga/ *Third parties*	Jenis/ *Type*	Nilai Notional/*Notional Amount*		Tanggal Efektif/ *Effective Date*	Tanggal Pertukaran Akhir/ *Final Exchange Date*	Syarat dan ketentuan/ *Terms and conditions*
		Dalam AS$/ *In US$*	Dalam mata uang asing/ *In foreign currency*			
PT Bank DBS Indonesia	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	25.145.068	Rp325.000.000.000	30 September 2016 */ *September 30, 2016 **	30 September 2021/ *September 30, 2021*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 30 Maret, 30 Juni, 30 September dan 30 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every March 30, June 30, September 30 and December 30. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*
PT Bank CIMB Niaga Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	25.145.068	Rp325.000.000.000	30 September 2016 */ *September 30, 2016 **	30 September 2019/ *September 30, 2019*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 30 Maret, 30 Juni, 30 September dan 30 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every March 30, June 30, September 30 and December 30. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*

Catatan:
* tanggal pertukaran awal

Note:
* *initial exchange date*

25. DERIVATIF (lanjutan) / ***25. DERIVATIVES (continued)***

Pihak ketiga/ *Third parties*	Jenis/ *Type*	Nilai Notional/*Notional Amount*		Tanggal Efektif/ *Effective Date*	Tanggal Pertukaran Akhir/ *Final Exchange Date*	Syarat dan ketentuan/ *Terms and conditions*
		Dalam AS$/ *In US$*	Dalam mata uang asing/ *In foreign currency*			
PT Bank DBS Indonesia	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	70.190.114	Rp923.000.000.000	15 Juli 2016*/ *July 15, 2016 *	15 Juli 2021/ *July 15, 2021*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 15 Januari, 15 April, 15 Juli dan 15 Oktober. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every January 15, April 15, July 15 and October 15. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*
PT Bank Mandiri (Persero) Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	24.866.920	Rp327.000.000.000	15 Juli 2016*/ *July 15, 2016 *	15 Juli 2019/ *July 15, 2019*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 15 Januari, 15 April, 15 Juli dan 15 Oktober. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every January 15, April 15, July 15 and October 15. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*
DBS Bank Ltd	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	52.434.457	S$70.000.000	14 Mei 2015 */ *May 14, 2015 * Telah dibatalkan pada Agustus 2017/ *Has been terminated in August 2017*	14 Mei 2018/ *May 14, 2018*	MEG menerima tingkat bunga tetap per tahun atas nilai nominal Dolar Singapura dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap enam bulan pada tanggal 14 Mei dan 14 November. Pertukaran awal terjadi pada tanggal efektif dimana MEG membayar nilai nominal Dolar Singapura dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, MEG membayar nilai nominal Dolar AS dan menerima nilai nominal Dolar Singapura/ *MEG shall receive a fixed interest rate on the Singapore Dollars notional amount and pay a fixed interest rate on the US Dollars notional amount every May 14 and November 14. Initial exchange occurred on the Effective Date in which MEG paid the Singapore Dollars notional amount and received the US Dollars notional amount. On the final exchange date, MEG pays the US Dollars notional amount and receives the Singapore Dollars notional amount.*

Catatan:
* *tanggal pertukaran awal*

Note:
* *initial exchange date*

25. DERIVATIF (lanjutan) / ***25. DERIVATIVES (continued)***

Pihak ketiga/ *Third parties*	Jenis/ *Type*	Nilai Nominal/*Notional Amount*		Tanggal Efektif/ *Effective Date*	Tanggal Pertukaran Akhir/ *Final Exchange Date*	Syarat dan ketentuan/ *Terms and conditions*
		Dalam AS$/ *In US$*	Dalam mata uang asing/ *In foreign currency*			
Bank of Tokyo - Mitsubishi UFJ, Ltd	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	22.471.910	S$30.000.000	15 Mei 2015 */ *May 15, 2015 *	14 Mei 2018/ *May 14, 2018*	MEG menerima tingkat bunga tetap per tahun atas nilai nominal Dolar Singapura dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap enam bulan pada tanggal 14 Mei dan 14 November. Pertukaran awal terjadi pada tanggal efektif dimana MEG membayar nilai nominal Dolar Singapura dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, MEG membayar nilai nominal Dolar AS dan menerima nilai nominal Dolar Singapura/ *MEG shall receive a fixed interest rate on the Singapore Dollars notional amount and pay a fixed interest rate on the US Dollars notional amount every May 14 and November 14. Initial exchange occurred on the Effective Date in which MEG paid the Singapore Dollars notional amount and received the US Dollars notional amount. On the final exchange date, MEG pays the US Dollars notional amount and receives the Singapore Dollars notional amount.*
PT Bank DBS Indonesia	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	81.833.061	Rp1.000.000.000.000	8 Oktober 2014 */ *October 8, 2014 *	8 Oktober 2018/ *October 8, 2018*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 8 Januari, 8 April, 8 Juli dan 8 Oktober. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate on the Rupiah notional amount and pay a fixed interest rate on the US Dollars notional amount every January 8, April 8, July 8 and October 8. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*

Catatan:
* *tanggal pertukaran awal*

Note:
* *initial exchange date*

25. DERIVATIF (lanjutan) / ***25. DERIVATIVES (continued)***

Pihak ketiga/ *Third parties*	Jenis/ *Type*	Nilai Nominal/*Notional Amount*		Tanggal Efektif/ *Effective Date*	Tanggal Pertukaran Akhir/ *Final Exchange Date*	Syarat dan ketentuan/ *Terms and conditions*
		Dalam AS$/ *In US$*	Dalam mata uang asing/ *In foreign currency*			
PT Bank DBS Indonesia	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	71.794.872	Rp700.000.000.000	15 Maret 2013 * / *March 15, 2013* *	15 Maret 2018/ *March 15, 2018*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap per tahun atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 15 Maret, 15 Juni, 15 September dan 15 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate per annum on the Rupiah notional amount and pay a fixed interest rate per annum on the US Dollars notional amount every March 15, June 15, September 15 and December 15. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*
PT Bank Permata Tbk	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	41.025.641	Rp400.000.000.000	15 Maret 2013 * / *March 15, 2013* *	15 Maret 2018/ *March 15, 2018*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap per tahun atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 15 Maret, 15 Juni, 15 September dan 15 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate per annum on the Rupiah notional amount and pay a fixed interest rate per annum on the US Dollars notional amount every March 15, June 15, September 15 and December 15. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*
Standard Chartered Bank	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	20.512.820	Rp200.000.000.000	15 Maret 2013 */ *March 15, 2013* *	15 Maret 2018/ *March 15, 2018*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap per tahun atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 15 Maret, 15 Juni, 15 September dan 15 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate per annum on the Rupiah notional amount and pay a fixed interest rate per annum on the US Dollars notional amount every March 15, June 15, September 15 and December 15. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*

Catatan:
* tanggal pertukaran awal

Note:
* *initial exchange date*

25. DERIVATIF (lanjutan) / ***25. DERIVATIVES (continued)***

Pihak ketiga/ *Third parties*	Jenis/ *Type*	Nilai Notional/*Notional Amount*		Tanggal Efektif/ *Effective Date*	Tanggal Pertukaran Akhir/ *Final Exchange Date*	Syarat dan ketentuan/ *Terms and conditions*
		Dalam AS$/ *In US$*	Dalam mata uang asing/ *In foreign currency*			
Bank of Tokyo - Mitsubishi UFJ, Ltd	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	20.512.820	Rp200.000.000.000	15 Maret 2013 */ *March 15, 2013 **	15 Maret 2018/ *March 15, 2018*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap per tahun atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 15 Maret, 15 Juni, 15 September dan 15 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate per annum on the Rupiah notional amount and pay a fixed interest rate per annum on the US Dollars notional amount every March 15, June 15, September 15 and December 15. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*
PT Bank DBS Indonesia	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	31.088.083	Rp300.000.000.000	19 Desember 2012 */ *December 19, 2012 **	19 Desember 2017/ *December 19, 2017*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap per tahun atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 19 Maret, 19 Juni, 19 September dan 19 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate per annum on the Rupiah notional amount and pay a fixed interest rate per annum on the US Dollars notional amount every March 19, June 19, September 19 and December 19. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and received the Rupiah notional amount.*
Standard Chartered Bank	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	20.725.389	Rp200.000.000.000	19 Desember 2012 */ *December 19, 2012 **	19 Desember 2017/ *December 19, 2017*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap per tahun atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 19 Maret, 19 Juni, 19 September dan 19 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate per annum on the Rupiah notional amount and pay a fixed interest rate per annum on the US Dollars notional amount every March 19, June 19, September 19 and December 19. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*

Catatan:
* tanggal pertukaran awal

Note:
* *initial exchange date*

25. DERIVATIF (lanjutan) / ***25. DERIVATIVES (continued)***

Pihak ketiga/ *Third parties*	Jenis/ *Type*	Nilai Notional/*Notional Amount*		Tanggal Efektif/ *Effective Date*	Tanggal Pertukaran Akhir/ *Final Exchange Date*	Syarat dan ketentuan/ *Terms and conditions*
		Dalam AS$/ *In US$*	Dalam mata uang asing/ *In foreign currency*			
PT DBS Bank Indonesia	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	78.947.368	Rp750.000.000.000	19 Juni 2012*/ *June 19, 2012 *	19 Juni 2017/ *June 19, 2017* Telah diselesaikan pada bulan Juni 2017/ *Settled in June 2017*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap per tahun atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 19 Maret, 19 Juni, 19 September dan 19 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate per annum on the Rupiah notional amount and pay a fixed interest rate per annum on the US Dollars notional amount every March 19, June 19, September 19 and December 19. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*
Standard Chartered Bank	Perjanjian *swap* atas mata uang silang/ *Cross-currency swap*	78.947.368	Rp750.000.000.000	19 Juni 2012*/ *June 19, 2012 *	19 Juni 2017/ *June 19, 2017* Telah diselesaikan pada bulan Juni 2017/ *Settled in June 2017*	Perusahaan menerima tingkat bunga tetap per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap per tahun atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 19 Maret, 19 Juni, 19 September dan 19 Desember. Pertukaran awal terjadi pada tanggal efektif dimana Perusahaan membayar nilai nominal Rupiah dan menerima nilai nominal Dolar AS. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah/ *The Company shall receive a fixed interest rate per annum on the Rupiah notional amount and pay a fixed interest rate per annum on the US Dollars notional amount every March 19, June 19, September 19 and December 19. Initial exchange occurred on the Effective Date in which the Company paid the Rupiah notional amount and received the US Dollars notional amount. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.*

Catatan:
* tanggal pertukaran awal

Note:
* *initial exchange date*

25. DERIVATIF (lanjutan) / *25. DERIVATIVES (continued)*

Pihak ketiga/ *Third parties*	Jenis/ *Type*	Jumlah Kuantitas Notional/ *Total Notional Quantity*	Tanggal Efektif/ *Effective Date*	Tanggal Pertukaran Akhir/ *Final Exchange Date*	Syarat dan ketentuan/ *Terms and conditions*
DBS Bank Ltd	Perjanjian *swap* komoditas/ *Commodity swap agreement*	180.000 barel/ *180,000 barrels*	1 Juli 2016/ *July 1, 2016*	1 Januari 2018/ *January 1, 2018*	Jika harga mengambang pada saat tanggal pembayaran sama atau lebih besar dari harga kesepakatan tertinggi, maka pada tanggal pembayaran, Perusahaan harus membayar/ *If the floating price in respect of a payment date is equal to or greater than the upper strike price, then on the relevant payment date, the Company should pay.* Jika harga mengambang pada saat tanggal pembayaran lebih rendah dari harga kesepakatan tertinggi dan sama atau lebih tinggi dari harga kesepakatan terendah, maka Bank dan Perusahaan tidak membayar/ *If the floating price in respect of a payment date is lower than the upper strike price and equal to or greater than the lower strike price, then neither the Bank nor the Company shall pay.* Jika harga mengambang pada saat tanggal pembayaran lebih rendah dari harga kesepakatan tertinggi, maka pada tanggal pembayaran, Bank harus membayar/ *If the floating price in respect of a payment date is lower than the upper strike price, then on the relevant payment date, the Bank shall pay.*

Catatan:
* tanggal pertukaran awal

Note:
* *initial exchange date*

26. PINJAMAN BANK / *26. BANK LOANS*

a. Pinjaman Bank / *a. Bank Loans*

30 September/*September 30,*		31 Desember/*December 31,*			
2017	2016 (tidak diaudit/ *Unaudited*)	2016	2015	2014	
Pinjaman bank jangka pendek -	20.000.000	16.000.000	-	-	*Short-term bank loan*
Pinjaman bank jangka panjang - bagian yang jatuh tempo dalam satu tahun 135.600.000	176.686.503	230.534.877	179.777.122	183.790.193	*Long-term bank loans - current portion*
135.600.000	196.686.503	246.534.877	179.777.122	183.790.193	
Pinjaman bank jangka panjang - bagian pinjaman jangka panjang 896.860.000	862.419.569	1.017.959.484	916.368.466	553.762.073	*Long-term bank loans - long-term portion*
Jumlah 1.032.460.000	1.059.106.072	1.264.494.361	1.096.145.588	737.552.266	*Total*
Dikurangi diskonto yang belum diamortisasi 21.027.704	12.041.397	10.465.317	8.428.641	9.186.857	*Less unamortized discount*
Neto 1.011.432.296	1.047.064.675	1.254.029.044	1.087.716.947	728.365.409	*Net*
Dikurangi bagian yang jatuh tempo dalam satu tahun 133.447.885	194.935.543	244.476.617	179.502.491	183.696.183	*Less current portion*
Bagian jangka panjang 877.984.411	**852.129.132**	**1.009.552.427**	**908.214.456**	**544.669.226**	***Long-term portion***

26. PINJAMAN BANK (lanjutan) / *26. BANK LOANS (continued)*

a. Pinjaman Bank (lanjutan) / *a. Bank Loans (continued)*

Kreditur / *Lenders*	30 September 2017/*September 30, 2017*				
	Jumlah/ *Total*	Jangka Pendek/ *Current*	Jatuh Tempo Dalam Satu Tahun/ *Maturing Within One Year*	Jangka Panjang/ *Non-current*	
Dolar AS					***US Dollar***
Pihak ketiga					***Third parties***
PT Bank Mandiri (Persero) Tbk	563.750.000	-	77.000.000	486.750.000	*PT Bank Mandiri (Persero) Tbk*
PT Bank Negara Indonesia (Persero) Tbk	137.500.000	-	10.000.000	127.500.000	*PT Bank Negara Indonesia (Persero) Tbk*
Pinjaman sindikasi dari:					*Syndicated loan from:*
Standard Chartered Bank					*Standard Chartered Bank*
PT Bank ANZ Indonesia					*PT Bank ANZ Indonesia*
PT Bank DBS Indonesia					*PT Bank DBS Indonesia*
PT Bank Mandiri (Persero) Tbk					*PT Bank Mandiri (Persero) Tbk*
Sumitomo Mitsui Banking Corporation	158.875.000	-	48.600.000	110.275.000	*Sumitomo Mitsui Banking Corporation*
Pinjaman sindikasi dari:					*Syndicated loan from:*
Australia and New Zealand Banking Group Limited					*Australia and New Zealand Banking Group Limited*
ING Bank N.V., Cabang Singapura					*ING Bank N.V., Singapore Branch*
Societe Generale, Cabang Singapura	172.335.000	-	-	172.335.000	*Societe Generale, Singapore Branch*
Jumlah	1.032.460.000	-	135.600.000	896.860.000	*Total*
Dikurangi diskonto yang belum diamortisasi	21.027.704		2.152.115	18.875.589	*Less unamortized discount*
Neto	**1.011.432.296**	**-**	**133.447.885**	**877.984.411**	***Net***

Kreditur / *Lenders*	30 September 2016/*September 30, 2016* (Tidak diaudit/*Unaudited*)				
	Jumlah/ *Total*	Jangka Pendek/ *Current*	Jatuh Tempo Dalam Satu Tahun/ *Maturing Within One Year*	Jangka Panjang/ *Non-current*	
Dolar AS					***US Dollar***
Pihak ketiga					***Third parties***
PT Bank Mandiri (Persero) Tbk	582.500.000	-	103.750.000	478.750.000	*PT Bank Mandiri (Persero) Tbk*
PT Bank Negara Indonesia (Persero) Tbk	142.500.000		5.000.000	137.500.000	*PT Bank Negara Indonesia (Persero) Tbk*
PT Bank ICBC Indonesia	50.000.000	-	50.000.000		*PT Bank ICBC Indonesia*
PT Bank Bukopin Tbk	23.889.249	-	5.548.111	18.341.138	*PT Bank Bukopin Tbk*
Pinjaman sindikasi dari:					*Syndicated loan from:*
Standard Chartered Bank					*Standard Chartered Bank*
PT Bank ANZ Indonesia					*PT Bank ANZ Indonesia*
PT Bank DBS Indonesia					*PT Bank DBS Indonesia*
PT Bank Mandiri (Persero) Tbk					*PT Bank Mandiri (Persero) Tbk*
Sumitomo Mitsui Banking Corporation	194.975.000	-	10.050.000	184.925.000	*Sumitomo Mitsui Banking Corporation*
The HongKong and Shanghai Banking Corporation Ltd	20.000.000	20.000.000	-	-	*The HongKong and Shanghai Banking Corporation Ltd*
Sub-jumlah	1.013.864.249	20.000.000	174.348.111	819.516.138	*Sub-total*

26. PINJAMAN BANK (lanjutan) / *26. BANK LOANS (continued)*

a. Pinjaman Bank (lanjutan) / *a. Bank Loans (continued)*

Kreditur / *Lenders*	30 September 2016/*September 30, 2016* (Tidak diaudit/*Unaudited*) Jumlah/*Total*	Jangka Pendek/*Current*	Jatuh Tempo Dalam Satu Tahun/*Maturing Within One Year*	Jangka Panjang/*Non-current*
Rupiah / ***Rupiah***				
Pihak ketiga / ***Third party***				
PT Bank Bukopin Tbk (dalam mata uang asli: Rp588 miliar) / *PT Bank Bukopin Tbk (in original currency: Rp588 billion)*	45.241.823	-	2.338.392	42.903.431
Jumlah / *Total*	1.059.106.072	20.000.000	176.686.503	862.419.569
Dikurangi diskonto yang belum diamortisasi / *Less unamortized discount*	12.041.397	-	1.750.960	10.290.437
Neto / ***Net***	**1.047.064.675**	**20.000.000**	**174.935.543**	**852.129.132**

Kreditur / *Lenders*	31 Desember 2016/*December 31, 2016* Jumlah/*Total*	Jangka Pendek/*Current*	Jatuh Tempo Dalam Satu Tahun/*Maturing Within One Year*	Jangka Panjang/*Non-current*
Dolar AS / ***US Dollar***				
Pihak ketiga / ***Third parties***				
PT Bank Mandiri (Persero) Tbk	800.000.000	-	125.000.000	675.000.000
PT Bank Negara Indonesia (Persero) Tbk	142.500.000	-	5.000.000	137.500.000
PT Bank ICBC Indonesia	50.000.000	-	50.000.000	-
PT Bank Bukopin Tbk	22.742.606	-	5.642.351	17.100.255
Pinjaman sindikasi dari: / *Syndicated loan from:*				
Standard Chartered Bank				
PT Bank ANZ Indonesia				
PT Bank DBS Indonesia				
PT Bank Mandiri (Persero) Tbk				
Sumitomo Mitsui Banking Corporation	189.950.000	-	42.600.000	147.350.000
The HongKong and Shanghai Banking Corporation Ltd	16.000.000	16.000.000	-	-
Sub-jumlah / *Sub-total*	1.221.192.606	16.000.000	228.242.351	976.950.255
Rupiah / ***Rupiah***				
Pihak ketiga / ***Third party***				
PT Bank Bukopin Tbk (dalam mata uang asli: Rp582 miliar) / *PT Bank Bukopin Tbk (in original currency: Rp582 billion)*	43.301.755	-	2.292.526	41.009.229
Jumlah / *Total*	1.264.494.361	16.000.000	230.534.877	1.017.959.484
Dikurangi diskonto yang belum diamortisasi / *Less unamortized discount*	10.465.317	-	2.058.260	8.407.057
Neto / ***Net***	**1.254.029.044**	**16.000.000**	**228.476.617**	**1.009.552.427**

26. PINJAMAN BANK (lanjutan) / *26. BANK LOANS (continued)*

a. Pinjaman Bank (lanjutan) / *a. Bank Loans (continued)*

Kreditur / *Lenders*	31 Desember 2015/*December 31, 2015*				
	Jumlah/ *Total*	Jangka Pendek/ *Current*	Jatuh Tempo Dalam Satu Tahun/ *Maturing Within One Year*	Jangka Panjang/ *Non-current*	
Dolar AS					***US Dollar***
Pihak ketiga					***Third parties***
PT Bank Mandiri (Persero) Tbk	590.000.000	-	120.000.000	470.000.000	*PT Bank Mandiri (Persero) Tbk*
PT Bank Negara Indonesia (Persero) Tbk	185.000.000	-	42.500.000	142.500.000	*PT Bank Negara Indonesia (Persero) Tbk*
PT Bank ICBC Indonesia	50.000.000	-	-	50.000.000	*PT Bank ICBC Indonesia*
PT Bank Bukopin Tbk	27.201.884	-	5.151.982	22.049.902	*PT Bank Bukopin Tbk*
Pinjaman sindikasi dari:					*Syndicated loan from:*
Standard Chartered Bank					*Standard Chartered Bank*
PT Bank ANZ Indonesia					*PT Bank ANZ Indonesia*
PT Bank DBS Indonesia					*PT Bank DBS Indonesia*
PT Bank Mandiri (Persero) Tbk					*PT Bank Mandiri (Persero) Tbk*
Sumitomo Mitsui Banking Corporation	200.000.000	-	10.050.000	189.950.000	*Sumitomo Mitsui Banking Corporation*
Sub-jumlah	1.052.201.884	-	177.701.982	874.499.902	*Sub-total*
Rupiah					***Rupiah***
Pihak ketiga					***Third party***
PT Bank Bukopin Tbk (dalam mata uang asli: Rp606 miliar)	43.943.704	-	2.075.140	41.868.564	*PT Bank Bukopin Tbk (in original currency: Rp606 billion)*
Jumlah	1.096.145.588	-	179.777.122	916.368.466	*Total*
Dikurangi diskonto yang belum diamortisasi	8.428.641	-	274.631	8.154.010	*Less unamortized discount*
Neto	**1.087.716.947**	**-**	**179.502.491**	**908.214.456**	***Net***

26. PINJAMAN BANK (lanjutan) / *26. BANK LOANS (continued)*

a. Pinjaman Bank (lanjutan) / *a. Bank Loans (continued)*

Kreditur / *Lenders*	31 Desember 2014/*December 31, 2014*			
	Jumlah/ *Total*	Jangka Pendek/ *Current*	Jatuh Tempo Dalam Satu Tahun/ *Maturing Within One Year*	Jangka Panjang/ *Non-current*
Dolar AS				
Pihak ketiga				
PT Bank Mandiri (Persero) Tbk	345.000.000	-	-	345.000.000
PT Bank Negara Indonesia (Persero) Tbk	105.000.000	-	67.500.000	37.500.000
PT Bank ICBC Indonesia	50.000.000	-	-	50.000.000
The Bank of Tokyo - Mitsubishi UFJ	30.000.000	-	3.750.000	26.250.000
Pinjaman sindikasi dari:				
Standard Chartered Bank				
PT Bank ANZ Indonesia				
Natixis Bank Singapura dan				
PT Bank Mandiri (Persero) Tbk	95.012.073	-	-	95.012.073
Sub-jumlah	625.012.073	-	71.250.000	553.762.073
Rupiah				
Pihak ketiga				
PT Bank Bukopin Tbk (dalam mata uang asli: Rp1,4 trilliun)	112.540.193	-	112.540.193	-
Jumlah	737.552.266	-	183.790.193	553.762.073
Dikurangi diskonto yang belum diamortisasi	9.186.857	-	94.010	9.092.847
Neto	**728.365.409**	**-**	**183.696.183**	**544.669.226**

26. PINJAMAN BANK (lanjutan)

a. Pinjaman Bank (lanjutan)

Informasi mengenai tanggal efektif pinjaman dan jadwal pelunasan pinjaman bank adalah sebagai berikut:

26. BANK LOANS (continued)

a. Bank Loans (continued)

Information relating to bank loans effectivity date and repayment schedule are as follows:

Kreditur/*Lenders*	**Tanggal efektif pinjaman/ *Loan effectivity date***	**Jadwal pelunasan/ *Repayment schedule***	**Jaminan/*Security***
Perusahaan/*The Company*			
PT Bank Mandiri (Persero) Tbk			
Fasilitas Kredit Transaksi Khusus III/ *Special Transaction Credit Facility III*	Agustus 2014/ *August 2014*	Agustus 2017/ *August 2017* Fasilitas ini telah dilunasi seluruhnya pada Agustus 2017/ *This Facility has been fully repaid in August 2017.*	Fasilitas ini tidak dijamin dengan agunan khusus Perusahaan/ *The loan facility is unsecured by the Company.*
Fasilitas Kredit Transaksi Khusus IV/ *Special Transaction Credit Facility IV*	Agustus 2014/ *August 2014*	Agustus 2019/ *August 2019*	Fasilitas ini tidak dijamin dengan agunan khusus Perusahaan/ *The loan facility is unsecured by the Company.*
Fasilitas Kredit Transaksi Khusus V/ *Special Transaction Credit Facility V*	Agustus 2015/ *August 2015*	Agustus 2020/ *August 2020*	Fasilitas ini tidak dijamin dengan agunan khusus Perusahaan/ *The loan facility is unsecured by the Company.*
Fasilitas Kredit Transaksi Khusus VI/ *Special Transaction Credit Facility VI*	Agustus 2015/ *August 2015*	Agustus 2020/ *August 2020*	Fasilitas ini tidak dijamin dengan agunan khusus Perusahaan/ *The loan facility is unsecured by the Company.*
Fasilitas Kredit Transaksi Khusus VII/ *Special Transaction Credit Facility VII*	Desember 2015/ *December 2015*	Angsuran per kuartal sampai dengan September 2020/ *Quarterly installments until September 2020*	Fasilitas ini tidak dijamin dengan agunan khusus Perusahaan/ *The loan facility is unsecured by the Company.*
Fasilitas Kredit Transaksi Khusus VIII/ *Special Transaction Credit Facility VIII*	September 2017/ *September 2017*	Angsuran per kuartal sampai dengan Desember 2020/ *Quarterly installments until December 2020*	Fasilitas ini dijamin dengan gadai atas saham PT Saratoga Power dan atas rekening/ *The loan facility is collateralized by pledge over share of PT Saratoga Power and over account.*

26. PINJAMAN BANK (lanjutan)

a. Pinjaman Bank (lanjutan)

26. BANK LOANS (continued)

a. Bank Loans (continued)

Kreditur/*Lenders*	**Tanggal efektif pinjaman/ *Loan effectivity date***	**Jadwal pelunasan/ *Repayment schedule***	**Jaminan/*Security***
Perusahaan/*The Company*			
PT Bank Negara Indonesia (Persero) Tbk			
Fasilitas Kredit *Term Loan/ Term Loan Facility*	Januari 2015/ *January 2015*	Januari 2020/ *January 2020*	Fasilitas ini tidak dijamin dengan agunan khusus Perusahaan/ *The loan facility is unsecured by the Company.*
Fasilitas Kredit *Term Loan/ Term Loan Facility*	September 2015/ *September 2015*	Angsuran per kuartal sampai dengan 2020/ *Quarterly installments until September 2020*	Fasilitas ini tidak dijamin dengan agunan khusus Perusahaan/ *The loan facility is unsecured by the Company.*
PT Bank ICBC Indonesia			
Fasilitas Pinjaman Tetap atas Permintaan/ *Fixed Loan on Demand*	Februari 2014/ *February 2014*	Februari 2017/ *February 2017* Fasilitas ini telah dilunasi seluruhnya pada Februari 2017/ *This Facility has been fully repaid in February 2017.*	Fasilitas ini tidak dijamin dengan agunan khusus Perusahaan/ *The loan facility is unsecured by the Company.*
Bank of Tokyo - Mitsubishi UFJ Ltd			
Fasilitas Kredit/ *Revolving Credit Facility*	Juli 2014/ *July 2014*	Juli 2017/ *July 2017* Fasilitas ini telah dilunasi seluruhnya pada Desember 2015/ *This Facility has been fully repaid in December 2015.*	Fasilitas ini tidak dijamin dengan agunan khusus Perusahaan/ *The loan facility is unsecured by the Company.*
The Hongkong and Shanghai Bank Corporation			
Fasilitas Perbankan Korporasi/ *Corporate Facility agreement*	Maret 2017/ *March 2017*	Juni 2017/ *June 2017*	Fasilitas ini tidak dijamin dengan agunan khusus Perusahaan/ *The loan facility is unsecured by the Company.*

26. PINJAMAN BANK (lanjutan) / ***26. BANK LOANS (continued)***

a. Pinjaman Bank (lanjutan) / *a. Bank Loans (continued)*

Kreditur/*Lenders*	**Tanggal efektif pinjaman/ *Loan effectivity date***	**Jadwal pelunasan/ *Repayment schedule***	**Jaminan/*Security***
PT Api Metra Graha			
PT Bank Bukopin Tbk		Fasilitas ini telah dilunasi seluruhnya pada Juni 2017/ *This facility has been fully prepaid in June 2017*	
Fasilitas pertama/ *First facility*	Oktober 2006/ *October 2006*	Desember 2018/ *December 2018*	Fasilitas ini dijaminkan dengan gedung The Energy, properti investasi yang dimiliki oleh Grup (Catatan 15)/ *This facility is collateralized with The Energy Building, an investment property owned by the Group (Note 15).*
Fasilitas kedua/ *Second facility*	Oktober 2006/ *October 2006*	Desember 2018/ *December 2018*	Fasilitas ini dijaminkan dengan gedung The Energy, properti investasi yang dimiliki oleh Grup (Catatan 15)/ *This facility is collateralized with The Energy Building, an investment property owned by the Group (Note 15).*
Fasilitas keempat/ *Fourth facility*	Februari 2008/ *February 2008*	Desember 2018/ *December 2018*	Fasilitas ini dijaminkan dengan gedung The Energy, properti investasi yang dimiliki oleh Grup (Catatan 15)/ *This facility is collateralized with The Energy Building, an investment property owned by the Group (Note 15).*
Fasilitas kelima/ *Fifth facility*	April 2010/ *April 2010*	Desember 2018/ *December 2018*	Fasilitas ini dijaminkan dengan gedung The Energy, properti investasi yang dimiliki oleh Grup (Catatan 15)/ *This facility is collateralized with The Energy Building, an investment property owned by the Group (Note 15).*
Fasilitas keenam/ *Sixth facility*	Januari 2012/ *January 2012*	Juni 2021/ *June 2021*	Fasilitas ini dijaminkan dengan gedung The Energy, properti investasi yang dimiliki oleh Grup (Catatan 15)/ *This facility is collateralized with The Energy Building, an investment property owned by the Group (Note 15).*
Fasilitas ketujuh/ *Seventh facility*	Januari 2012/ *January 2012*	Juni 2021/ *June 2021*	Fasilitas ini dijaminkan dengan gedung The Energy, properti investasi yang dimiliki oleh Grup (Catatan 15)/ *This facility is collateralized with The Energy Building, an investment property owned by the Group (Note 15).*
Fasilitas kedelapan/ *Eighth facility*	Oktober 2014/ *October 2014*	Oktober 2021/ *October 2021*	Fasilitas ini dijaminkan dengan gedung The Energy dan gedung Trada, properti investasi yang dimiliki oleh Grup (Catatan 15)/ *This facility is collateralized with The Energy Building and Trada Building, investment properties owned by the Group (Note 15).*
Fasilitas kesembilan/ *Ninth facility*	Agustus 2015/ *August 2015*	Agustus 2025/ *August 2025*	Fasilitas ini dijaminkan dengan gedung The Energy, properti investasi yang dimiliki oleh Grup (Catatan 15)/ *This facility is collateralized with The Energy Building, an investment property owned by the Group (Note 15).*

26. PINJAMAN BANK (lanjutan)

a. Pinjaman Bank (lanjutan)

26. BANK LOANS (continued)

a. Bank Loans (continued)

Kreditur/*Lenders*	Tanggal efektif pinjaman/ *Loan effectivity date*	Jadwal pelunasan/ *Repayment schedule*	Jaminan/*Security*
PT Medco E & P Tomori Sulawesi			
PT Bank ANZ Indonesia PT Bank DBS Indonesia PT Bank Mandiri (Persero) Tbk Standard Chartered Bank Sumitomo Mitsui Banking Corporation Fasilitas *term loan* dengan jaminan/*Senior secured long term facility*	November 2015/ *November 2015*	Juni 2021/ *June 2021*	Dijamin dengan gadai atas *debt service account,* rekening operasional dan fidusia atas hak tagih/ *Collateralized by pledge over the debt service account, operational account and fiduciary over the receivables.*
Medco Natuna Pte Ltd			
ANZ Bank Ltd Fasilitas Kredit *Term Loan*/ *Term Loan Facility*	September 2016/ *September 2016*	September 2021/ *September 2021* Fasilitas ini telah dilunasi seluruhnya pada Desember 2016/ *This Facility has been fully repaid in December 2016*	Fasilitas ini dijamin dengan gadai atas account/ *Collateralized by pledge over account.*
PT Bank Mandiri (Persero) Tbk Cabang Singapura/ *Singapore Branch*	Desember 2016/ *December 2016*	Desember 2021/ *December 2021* Fasilitas ini telah dilunasi seluruhnya pada Agustus 2017/ *This Facility has been fully repaid in August 2017*	Fasilitas ini dijamin dengan gadai atas *account*/ *Collateralized by pledge over account.*

26. PINJAMAN BANK (lanjutan) / *26. BANK LOANS (continued)*

a. Pinjaman Bank (lanjutan) / *a. Bank Loans (continued)*

Kreditur/*Lenders*	Tanggal efektif pinjaman/ *Loan effectivity date*	Jadwal pelunasan/ *Repayment schedule*	Jaminan/*Security*
PT Medco E&P Malaka			
Australia and new Zealand Banking Group Limited ING Bank N.V., Singapore Branch PT Bank ANZ Indonesia Societe Generale, Singapore Branch Fasilitas *term loan* dengan jaminan/ *Senior secured long term facility*	Juli 2017/ *July 2017*	Juni 2024/ *June 2024*	Jaminan atas project account, fidusia atas aset bergerak dan fidusia atas hak tagih/ *This facility is collateralized by pledge over Project Account and fiduciary over moveable asset and receivable.*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited*)	2016	2015	2014	
Tingkat bunga per tahun						*Interest rate per annum*
Rupiah	-	11,40% - 11,80%	11,40% - 11,80%	11,40% - 11,80%	9,00%	*Rupiah*
Dolar Amerika Serikat	4,83% - 5,80%	4,25% - 7,40%	4,25% - 7,40%	3,74% - 7,40%	2,73% - 5,50%	*United States Dollar*

Berdasarkan perjanjian atas pinjaman-pinjaman di atas, Grup harus mematuhi batasan-batasan tertentu, antara lain untuk memperoleh persetujuan tertulis dari pemberi pinjaman sebelum melakukan transaksi-transaksi tertentu seperti mengadakan penggabungan usaha, pengambilalihan, likuidasi atau perubahan status serta Anggaran Dasar, mengurangi modal dasar, ditempatkan dan disetor penuh; pembatasan dalam pemberian pinjaman kepada pihak ketiga; penjaminan negatif, dengan beberapa pengecualian khusus; pembatasan dalam mengubah aktivitas utama dan mengumumkan dan membayar dividen melebihi persentase tertentu dari laba neto konsolidasian; dan harus mematuhi rasio-rasio keuangan tertentu.

Under its loan agreements, the Group is subject to various covenants, among others to obtain written approval from the lenders before entering into certain transactions such as mergers, acquisitions, liquidation or change in status and Articles of Association, reducing the authorized, issued and fully paid capital; restrictions on lending money to third parties; negative pledges, with certain exceptions; restrictions on change in core business activities and declaring and paying dividends in excess of a certain percentage of consolidated net income; and requirement to comply with certain financial ratios.

Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, Grup telah memenuhi semua rasio keuangan yang dipersyaratkan dalam perjanjian pinjaman.

As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, the Group has complied with all financial ratios required to be maintained under the loan agreements.

26. PINJAMAN BANK (lanjutan)

b. Fasilitas Bank

Pada tanggal 30 September 2017, Grup memiliki Fasilitas Kredit Bank dan Fasilitas Umum Bank yang belum terpakai sebagai berikut:

26. BANK LOANS (continued)

b. Bank Facilities

As of September 30, 2017, the Group has the following Unused Credit Bank Facilities and General Bank Facility:

Bank	Fasilitas/*Facility*	Jumlah Fasilitas Maksimum/ *Maximum Facility Amount*	Fasilitas yang Tidak Dipakai pada Tanggal 30 September 2017/ *Unused Portion of the Facility as of September 30, 2017*
Fasilitas Umum Bank/ *General Banking Facility*			
Standard Chartered Bank, Jakarta	Fasilitas Perbankan/ *Banking Facility*	AS$30.000.000/ *US$30,000,000*	AS$ nihil/ *US$ nil*
PT Bank Mandiri (Persero) Tbk	Fasilitas *Non-Cash Loan*/ *Non-Cash Loan Facility*	AS$100.000.000/ *US$100,000,000*	AS$92.493.964/ *US$92,493,964*
PT Bank DBS Indonesia	Fasilitas Perbankan/ *Banking Facility*	AS$85.000.000/ *US$85,000,000*	AS$ nihil/ *US$ nil*
The HongKong and Shanghai Banking Corporation Ltd	Fasilitas Perbankan Korporasi (*Letter of Credit, Guarantee and Revolving Loan)*/ *Corporate Facility Agreement* (*Letter of Credit, Guarantee and Revolving Loan)*	AS$45.000.000/ *US$45,000,000*	AS$31.224.097/ *US$31,224,097*
Alizz Islamic Bank	Fasilitas Bank Garansi/ *Bank Guarantee Facility*	AS$30.000.000/ *US$30,000,000*	AS$ nihil/ *US$ nil*
Australia And New Zealand Banking Group	Fasilitas *Term-loan* dengan Jaminan/ *Senior Secured Long-term Facility*	AS$360.000.000/ *US$360,000,000*	AS$187.665.000/ *US$187,665,000*

Perusahaan

Pada tanggal 22 Januari 2014, Perusahaan melakukan pelunasan dipercepat Fasilitas Kredit Modal Kerja ("Fasilitas Kredit") dengan PT Bank ICBC Indonesia ("ICBC"). Pada tanggal 11 Februari 2014, Perusahaan menandatangani Perjanjian Fasilitas Kredit dengan ICBC dengan batas sebesar AS$50.000.000 untuk keperluan pembiayaan umum di tahun 2014 - 2016. Fasilitas ini akan jatuh tempo 3 tahun setelah tanggal penarikan pertama fasilitas. Pada tanggal 25 Februari 2013, perusahaan telah menarik seluruh jumlah fasilitas senilai AS$50.000.000. Pada tanggal 10 Februari 2017, Perusahaan telah melunasi *Revolving Committed Facility* dari PT Bank ICBC Indonesia sebesar AS$50 juta.

The Company

On January 22, 2014, the Company prepaid the Working Capital Credit Facility ("Credit Facility") with PT Bank ICBC Indonesia ("ICBC"). On February 11, 2014, the Company signed a Credit Facility Agreement with ICBC with maximum limit of US$50,000,000. The facility is for general financing purposes for the years 2014 - 2016 and will mature in three (3) years after the first withdrawal date. On February 25, 2013, the Company has withdrawn the facility up to US$50,000,000. On February 10, 2017, the Company has fully repaid Revolving Committed Facility from PT Bank ICBC Indonesia amounting to US$50 million.

26. PINJAMAN BANK (lanjutan)

b. Fasilitas Bank (lanjutan)

Perusahaan (lanjutan)

Pada tanggal 5 Maret 2014, Perusahaan menandatangani Perjanjian Kredit dengan PT Bank Mandiri (Persero) Tbk untuk memperpanjang Fasilitas Kredit Modal Kerja sebesar AS$50.000.000 yang jatuh tempo. Perjanjian ini akan berakhir pada tanggal 13 Maret 2015. Pada tanggal 10 Oktober 2014, Perusahaan telah melakukan percepatan pembayaran Fasilitas Kredit Modal Kerja sebesar AS$50 juta.

Pada tanggal 27 Maret 2014, Perusahaan melakukan penarikan sejumlah AS$40.000.000 dari Fasilitas Kredit *Standby Loan* BNI.

Pada tanggal 3 Juli 2014, Perusahaan menandatangani Perjanjian Kredit dengan Bank of Tokyo - Mitsubishi UFJ Limited, Cabang Jakarta untuk fasilitas *revolving* sebesar AS$30.000.000 ("Fasilitas Kredit"). Fasilitas Kredit ini akan dipakai untuk keperluan pembiayaan umum dan akan jatuh tempo pada tanggal 3 Juli 2017. Perusahaan telah menarik seluruh dana Fasilitas Kredit pada tanggal 14 Juli 2014. Perusahaan telah melakukan transaksi *Interest Rate Swap* dengan Bank of Tokyo - Mitsubishi UFJ Limited, Morgan Stanley & Co Plc, dan PT CIMB Niaga Tbk untuk menetapkan suku bunga pinjaman dari suku bunga mengambang (LIBOR+margin) menjadi suku bunga tetap setiap tiga bulan pada tanggal 3 Oktober, 3 Januari, 3 April, dan 3 Juli dengan jangka waktu mengikuti jangka waktu pinjaman. Pada tanggal 23 Desember 2015, Perusahaan melakukan pelunasan dan pembatalan atas fasilitas kredit dari Bank of Tokyo - Mitsubishi UFJ Ltd, cabang Jakarta ("BTMU") sebesar AS$30.000.000.

26. BANK LOANS (continued)

b. Bank Facilities (continued)

The Company (continued)

On March 5, 2014, the Company signed a Credit Agreement with PT Bank Mandiri (Persero) Tbk for the extension of matured Working Capital Facility amounting to US$50,000,000. The Credit Agreement expired on March 13, 2015. On October 10, 2014, the Company made an early repayment of the Working Capital Facility amounting to US$50 million.

On March 27, 2014, the Company made a drawdown of US$40,000,000 from BNI Standby Loan Credit Facility.

On July 3, 2014, the Company has signed a Credit Agreement with the Bank of Tokyo - Mitsubishi UFJ Limited, Jakarta Branch for a revolving facility amounting to US$30,000,000 ("Credit Facility"). The facility is for general corporate purpose and will mature on July 3, 2017. The Company has fully withdrawn the Credit Facility on July 14, 2014. The Company has entered into Interest Rate Swap with Bank of Tokyo - Mitsubishi UFJ Limited, Morgan Stanley & Co Plc, and PT CIMB Niaga Tbk to fix the interest rate of the loan from floating interest rate (LIBOR+margin) to fixed interest rate every October 3, January 3, April 3 and July 3 with terms to match the underlying loan. On December 23, 2015, the Company fully repaid and cancelled the credit facility from Bank of Tokyo - Mitsubishi UFJ Ltd, Jakarta Branch ("BTMU") amounting to US$30,000,000.

26. PINJAMAN BANK (lanjutan)

b. Fasilitas Bank (lanjutan)

Perusahaan (lanjutan)

Pada tanggal 29 Agustus 2014, Perusahaan menandatangani Perjanjian Transaksi Khusus III ("PTK III") dan Perjanjian Transaksi Khusus IV ("PTK IV") dengan PT Bank Mandiri (Persero) Tbk masing-masing sebesar AS$50.000.000 dengan tenor 3 tahun dan AS$100.000.000 dengan tenor 5 tahun. Adapun tujuan penggunaan dari PTK III adalah untuk pembiayaan kembali, sementara PTK IV untuk belanja modal Perusahaan dan pembayaran kembali. Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, Fasilitas Kredit PTK III dan PTK IV telah digunakan seluruhnya. Pada tanggal 29 Agustus 2017, Perusahaan melakukan pelunasan atas fasilitas Perjanjiaan Kredit Transaksi Khusus ("PTK III") dari PT Bank Mandiri (Persero) Tbk sebesar AS$50.000.000.

Pada tanggal 10 Oktober 2014, Perusahaan melakukan pelunasan dipercepat atas seluruh Fasilitas Kredit Modal Kerja dari PT Bank Mandiri (Persero) Tbk sebesar AS$50 juta yang sebelumnya akan jatuh tempo pada bulan Maret 2015.

Pada tanggal 23 Januari 2015, Perusahaan melakukan pelunasan dan pembatalan atas sebagian utang dari Fasilitas Kredit Modal Kerja ("KMK") dari PT Bank Negara Indonesia (Persero) Tbk ("BNI") dengan plafon AS$150.000.000 sehingga sisa dari fasilitas kredit tersebut menjadi sebesar maksimum AS$37.500.000. Pada tanggal 27 Februari 2015, Perusahaan melakukan pelunasan dipercepat atas sebagian utang Fasilitas KMK dari BNI sebesar AS$25.000.000. Pada tanggal 31 Maret 2015, Perusahaan melakukan penarikan sebesar AS$10.000.000 atas Fasilitas KMK dari BNI. Penarikan tersebut digunakan untuk keperluan pendanaan ulang.

Pada tanggal 23 Januari 2015, Perusahaan menandatangani perjanjian fasilitas kredit dengan BNI sebesar AS$52.500.000 dengan tenor lima tahun sejak penandatanganan perjanjian kredit.

26. BANK LOANS (continued)

b. Bank Facilities (continued)

The Company (continued)

On August 29, 2014, the Company signed a Special Transaction Credit Facility III ("PTK III") and Special Transaction Credit Facility IV ("PTK IV") with PT Bank Mandiri (Persero) Tbk amounting to US$50,000,000 with 3 years terms and US$100,000,000 with 5 years terms, respectively. The purposes of the proceed from PTK III is for refinancing while PTK IV is for capital expenditure and refinancing. As of the completion date of the consolidated financial statements, the Credit Facility PTK III and PTK IV were fully utilized. On August 29, 2017, the Company repaid the Special Transaction Credit Facility III ("PTK III") from PT Bank Mandiri (Persero) Tbk amounting to US$50,000,000.

On October 10, 2014, the Company early repaid the Working Capital Facility in full from PT Bank Mandiri (Persero) Tbk amounting to US$50 million which was originally to mature in March 2015.

On January 23, 2015, the Company partially repaid and cancelled the Revolving Working Capital Loan Facility ("KMK") from PT Bank Negara Indonesia (Persero) Tbk ("BNI") with maximum facility up to US$150,000,000, therefore the remaining balance of the facility is US$37,500,000. On February 27, 2015, the Company partially repaid the Revolving Working Capital Loan Facility from BNI amounting to US$25,000,000. On March 31, 2015, the Company withdrew US$10,000,000 from the Revolving Working Capital Loan Facility from BNI. The proceeds were used for refinancing.

On January 23, 2015, the Company signed credit facility agreement with BNI amounting to US$52,500,000 with five years tenor from the signing date.

26. PINJAMAN BANK (lanjutan)

b. Fasilitas Bank (lanjutan)

Perusahaan (lanjutan)

Pada tanggal 31 Maret 2015, Perusahaan melakukan pelunasan dipercepat atas sebagian Fasilitas Kredit Transaksi Khusus I ("PTK I") dengan PT Bank Mandiri (Persero) Tbk ("Bank Mandiri") sebesar AS$30.000.000. Pada tanggal 1 September 2015, Perusahaan melakukan pelunasan atas sisa fasilitas Perjanjiaan Kredit Transaksi Khusus ("PTK I") dari Bank Mandiri sebesar AS$70.000.000.

Pada tanggal 21 Agustus 2015, Perusahaan menandatangani Perjanjian Fasilitas Kredit Transaksi Khusus V ("PTK V") dan Perjanjian Fasilitas Kredit Transaksi Khusus VI ("PTK VI") dengan Bank Mandiri masing-masing sebesar AS$100.000.000 dengan tenor 5 tahun. Tujuan penggunaan fasilitas-fasilitas ini adalah untuk pendanaan ulang dan belanja modal. Pada tanggal 20 Agustus 2016, Perusahaan melakukan penarikan dana dari fasilitas kredit PTK V dan PTK VI dari Bank Mandiri masing-masing sebesar AS$100 juta. Pada tanggal 31 Desember 2016, Perusahaan telah menggunakan fasilitas seluruh PTK V dan PTK VI.

Pada tanggal 24 September 2015, Perusahaan telah melakukan pelunasan atas utang dari Fasilitas Kredit *Term Loan* dari BNI dengan plafon Rp1.400.000.000.000. Pada tanggal 28 September 2015, Perusahaan menandatangani Perjanjian Fasilitas Kredit *Term Loan* dengan BNI maksimum sebesar AS$100.000.000. Fasilitas Kredit ini akan dipakai untuk keperluan pendanaan ulang dan akan jatuh tempo pada tanggal 28 September 2020. Dari maksimum fasilitas diatas, Perusahaan telah melakukan penarikan sebesar AS$95.000.000 pada tanggal 29 September 2015.

Pada tanggal 21 Desember 2015, Perusahaan menandatangani Perjanjian Fasilitas Kredit transaksi khusus VII ("PTK VII") dengan Bank Mandiri sebesar AS$245.000.000 dengan tenor lima tahun. Tujuan penggunaan fasilitas ini adalah untuk pembiayaan kebutuhan akan belanja modal dan pendanaan ulang. Perusahaan telah menggunakan seluruh fasilitas PTK VII pada tanggal 23 Desember 2015.

26. BANK LOANS (continued)

b. Bank Facilities (continued)

The Company (continued)

On March 31, 2015, the Company partially repaid the Special Transaction Credit Facility I ("PTK I") with PT Bank Mandiri (Persero) Tbk ("Bank Mandiri") amounting to US$30,000,000. On September 1, 2015, the Company partially repaid the Special Transaction Credit Facility I ("PTK I") from Bank Mandiri amounting to US$70,000,000.

On August 21, 2015, the Company signed a Special Transaction Credit Facility V ("PTK V") and Special Transaction Credit Facility VI ("PTK VI") with Bank Mandiri amounting to US$100,000,000, respectively, with 5 years tenor. The purpose of these proceeds are for refinancing and capital expenditure. On August 20, 2016, the Company has fully draw down credit facility of PTK V and PTK VI from Bank Mandiri of US$100 million, respectively. As of December 31, 2016, the Company has fully utilized the PTK V dan PTK VI.

On September 24, 2015, the Company repaid the Term Loan Credit from BNI with maximum facility up to Rp1,400,000,000,000. On September 28, 2015, the Company signed a Term Loan Credit Facility Agreement with BNI with maximum amount up to US$100,000,000. The purpose of the proceeds is for refinancing, and it will mature on September 28, 2020. From total facility mentioned above, the Company made a drawdown of US$95,000,000 on September 29, 2015.

On December 21, 2015, the Company signed Special Transaction Credit Facility VII ("PTK VII") with Bank Mandiri amounting to US$245,000,000 with five years tenor. The purpose of the proceeds are for capital expenditure and refinancing. The Company has fully utilized the PTK VII on December 23, 2015.

26. PINJAMAN BANK (lanjutan)

b. Fasilitas Bank (lanjutan)

Perusahaan (lanjutan)

Pada tanggal 22 Januari 2016, Perusahaan telah mengakhiri Perjanjian Swap Atas Suku Bunga dengan BTMU, Morgan Stanley & Co International PLC, dan PT Bank CIMB Niaga Tbk dengan nilai awal sejumlah AS$10.000.000 untuk masing-masing Pihak Ketiga dan dengan tanggal jatuh tempo awal pada 3 Juli 2017, dikarenakan pelunasan dipercepat atas transaksi dasar yaitu fasilitas kredit dari BTMU, Cabang Jakarta sebesar AS$30.000.000.

Pada tanggal 15 Juli 2016, Perusahaan melunasi fasilitas kredit Perjanjian Transaksi Khusus ("PTK") II dari Bank Mandiri sebesar AS$95 juta.

Pada tanggal 27 Desember 2016, Perusahaan melakukan penarikan sejumlah AS$16.000.000 dari fasilitas *Revolving Loan* dari The Hong Kong and Shanghai Banking Corporation Ltd dan telah melunasi fasilitas tersebut pada tanggal 16 Juni 2017.

Pada tanggal 28 September 2017, Perusahaan menandatangani perjanjian kredit dengan PT Bank Mandiri (Persero) Tbk sebesar AS$85.000.000 dengan jangka waktu 39 bulan. Fasilitas kredit ini akan digunakan untuk pembiayaan akuisisi PT Saratoga Power yang dimiliki oleh PT Saratoga Sentra Business dan Saratoga Asia III Luxemburg. Pada tanggal 29 September 2017, Perusahaan telah menggunakan seluruh fasilitas kredit ini.

PT Medco E & P Tomori Sulawesi ("MEPTS")

Pada tanggal 29 Mei 2015, MEPTS telah melakukan pembatalan dan pelunasan dipercepat atas seluruh fasilitas kredit dari Bank Sindikasi, yaitu Standard Chartered Bank cabang Singapura dan PT Bank Mandiri (Persero) Tbk, sebesar AS$120.104.730.

26. BANK LOANS (continued)

b. Bank Facilities (continued)

The Company (continued)

On January 22, 2016, the Company has terminated Interest Rate Swap Agreements with BTMU, Morgan Stanley & Co International PLC, and PT Bank CIMB Niaga Tbk with initial amount of US$10,000,000 for each counterparty and original expiry date on July 3, 2017, due to the early repayment of the underlying exposure which is credit facility from BTMU, Jakarta Branch amounting to US$30,000,000.

On July 15, 2016, the Company has fully repaid Special Transaction Credit Facility ("PTK") II from Bank Mandiri of US$95 million.

On December 27, 2016, the Company made a drawdown of US$16,000,000 from Revolving Loan Facility from The Hong Kong and Shanghai Banking Corporation Ltd and fully repay it on June 16, 2017.

On September 28, 2017, the Company signed credit facility agreement with PT Bank Mandiri (Persero) Tbk amounting to US$85,000,000 with 39 months tenor. This credit facility will be used for acquisition of PT Saratoga Power owned by PT Saratoga Sentra Business and Saratoga Asia III Luxemburg. On September 29, 2017, the Company has fully used this credit facility.

PT Medco E & P Tomori Sulawesi ("MEPTS")

On May 29, 2015, MEPTS has fully repaid and cancelled the credit facility from Syndicate Banks, namely Standard Chartered Bank - Singapore branch and PT Bank Mandiri (Persero) Tbk amounting to US$120,104,730.

26. PINJAMAN BANK (lanjutan)

b. Fasilitas Bank (lanjutan)

PT Medco E & P Tomori Sulawesi ("MEPTS") (lanjutan)

Pada tanggal 24 November 2015, MEPTS menandatangani perjanjian kredit dengan PT Bank ANZ Indonesia, PT Bank DBS Indonesia, Bank Mandiri, Standard Chartered Bank, dan Sumitomo Mitsui Banking Corporation sebesar AS$200.000.000 dan akan jatuh tempo pada tanggal 30 Juni 2021. Pada tanggal 10 Desember 2015, MEPTS telah menggunakan seluruh fasilitas tersebut.

Medco Natuna Pte Ltd ("MNPL")

Pada tanggal 27 Desember 2016, MNPL menandatangani perjanjian kredit dengan Bank Mandiri sebesar AS$230.000.000 yang akan dibayar secara angsuran per kuartal sampai dengan Desember 2021. Pada tanggal 29 Desember 2016, MNPL telah menggunakan seluruh fasilitas tersebut.

Pada tanggal 21 Agustus 2017, MNPL, melakukan pembatalan dan pelunasan dipercepat atas seluruh fasilitas kredit dari PT Bank Mandiri (Persero) Tbk sebesar AS$230.000.000.

PT Medco E & P Malaka ("MEPM")

Pada tanggal 14 Juli 2017, MEPM menandatangani perjanjian Fasilitas Pinjaman Berjangka dengan Jaminan dengan Australia and New Zealand Banking Group Limited, ING Bank N.V., Cabang Singapura, dan Societe Generale, Cabang Singapura sebesar AS$360.000.000 dengan tenor 60 bulan setelah Tanggal Penyelesaian.

Fasilitas ini di jamin dengan gadai atas *Project Account* dan fidusia atas aset bergerak dan fidusia atas hak tagih.

Tanggal Penyelesaian Terakhir adalah 30 Juni 2019 atau tanggal yang disetujui oleh Mayoritas Pemberi Pinjaman. Pada tanggal 31 Juli 2017, Perusahaan telah melakukan penarikan pertama sebesar AS$100.285.000 dan pada tanggal 29 September 2017 Perusahaan telah melakukan penarikan kedua sebesar AS$72.050.000.

26. BANK LOANS (continued)

b. Bank Facilities (continued)

PT Medco E & P Tomori Sulawesi ("MEPTS") (continued)

On November 24, 2015, MEPTS signed credit facility with PT Bank ANZ Indonesia, PT Bank DBS Indonesia, Bank Mandiri, Standard Chartered Bank, and Sumitomo Mitsui Banking Corporation amounting to US$200,000,000 and will mature on June 30, 2021. On December 10, 2015, MEPTS has fully utilized the facility.

Medco Natuna Pte Ltd ("MNPL")

On December 27, 2016, MNPL signed credit facility with Bank Mandiri amounting to US$230,000,000 and payable in quarterly installment until December 2021. On December 29, 2016, MNPL has fully utilized the facility.

On August 21, 2017, MNPL, has fully cancelled and accelerated payment of credit facility from PT Bank Mandiri (Persero) Tbk amounting to US$230,000,000.

PT Medco E & P Malaka ("MEPM")

On July 14, 2017, MEPM has signed Senior Secured Term Loan Facility Agreement with Australia and New Zealand Banking Group Limited, ING Bank N.V., Singapore Branch, and Societe Generale, Singapore Branch for a loan of US$360,000,000 with a 60-month tenor after the Completion Date.

This Facility is collaterized by a pledge over Project Account and fiduciary over movable assets and receivables.

The Completion Date is June 30, 2019 or such later date approved by the Majority Lenders. On July 31, 2017, the Company has made the first drawdown amounting to US$100,285,000 and on September 29, 2017, the Company has made the second drawdown amounting to US$72,050,000.

27. UTANG JANGKA PANJANG LAINNYA / *27. OTHER LONG-TERM DEBT*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Wesel Jangka Menengah						*Medium Term Notes*
Jatuh tempo pada tahun 2018	74.117.996	76.934.913	74.426.913	72.490.033	80.385.852	*Due in 2018*
Jatuh tempo pada tahun 2019	55.000.000	-	55.000.000	-	-	*Due in 2019*
	129.117.996	76.934.913	129.426.913	72.490.033	80.385.852	
Dikurangi diskonto yang belum diamortisasi	(1.369.734)	(372.694)	(1.882.050)	(490.686)	(633.236)	*Less unamortized discount*
Bagian Jangka Panjang - Neto	**127.748.262**	**76.562.219**	**127.544.863**	**71.999.347**	**79.752.616**	***Long-term Portion - Net***
Obligasi Rupiah						*Rupiah Bonds*
Jatuh tempo pada tahun 2017	37.058.998	153.869.826	148.853.826	144.980.065	160.771.704	*Due in 2017*
Jatuh tempo pada tahun 2018	129.595.316	115.402.370	111.640.369	108.735.049	120.578.778	*Due in 2018*
Jatuh tempo pada tahun 2019	83.160.391	67.394.984	83.506.996	-	-	*Due in 2019*
Jatuh tempo pada tahun 2020	48.139.638	-	-	-	-	*Due in 2020*
Jatuh tempo pada tahun 2021	151.497.184	124.942.299	121.241.441	-	-	*Due in 2021*
Jatuh tempo pada tahun 2022	67.150.904	-	-	-	-	*Due in 2022*
Jatuh tempo pada tahun 2023	1.704.714	-	1.711.819	-	-	*Due in 2023*
Jatuh tempo pada tahun 2024	518.826	-	-	-	-	*Due in 2024*
Jumlah	518.825.971	461.609.479	466.954.451	253.715.114	281.350.482	*Total*
Dikurangi diskonto yang belum diamortisasi	(2.400.851)	(1.409.694)	(1.363.853)	(768.287)	(1.097.114)	*Less unamortized discount*
Neto	**516.425.120**	**460.199.785**	**465.590.598**	**252.946.827**	**280.253.368**	***Net***
Dikurangi jangka pendek	166.477.269	153.668.685	148.700.823	-	-	*Less current portion*
Bagian jangka panjang	**349.947.851**	**306.531.100**	**316.889.775**	**252.946.827**	**280.253.368**	***Long-term portion***
Obligasi Dolar AS						*US Dollar Bonds*
Jatuh tempo pada tahun 2016	-	30.000.000	-	79.000.000	79.000.000	*Due in 2016*
Jatuh tempo pada tahun 2017	-	17.858.811	17.858.811	18.784.000	18.784.000	*Due in 2017*
Jatuh tempo pada tahun 2022	400.000.000	-	-	-	-	*Due in 2022*
	400.000.000	47.858.811	17.858.811	97.784.000	97.784.000	
Dikurangi diskonto yang belum diamortisasi	(15.954.779)	(29.362)	(16.918)	(213.675)	(377.916)	*Less unamortized discount*
Jumlah	384.045.221	47.829.449	17.841.893	97.570.325	97.406.084	*Total*
Dikurangi bagian jangka pendek	-	47.829.449	17.841.893	78.827.354	-	*Less current portion*
Bagian Jangka Panjang	**384.045.221**	**-**	**-**	**18.742.971**	**97.406.084**	***Long-term Portion***
Obligasi Dolar Singapura						*Singapore Dollar Bonds*
Jatuh tempo pada tahun 2018	-	72.836.617	68.916.970	70.686.408	-	*Due in 2018*
Dikurangi diskonto yang belum diamortisasi	-	(457.811)	(582.787)	(713.351)	-	*Less unamortized discount*
Bagian jangka panjang - Neto	**-**	**72.378.806**	**68.334.183**	**69.973.057**	**-**	***Long-term portion - Net***
Pinjaman dari Instansi Keuangan Non-bank						*Loan from a Non-bank Financial Institution*
Jatuh tempo pada tahun 2020	5.188.260	-	-	-	-	*Due in 2020*
Dikurangi diskonto yang belum diamortisasi	-	-	-	-	-	*Less unamortized discount*
Bagian Jangka Panjang - Neto	**5.188.260**	**-**	**-**	**-**	**-**	***Long-term Portion - Net***

27. UTANG JANGKA PANJANG LAINNYA (lanjutan)

27. OTHER LONG-TERM DEBT (continued)

Informasi lain mengenai utang jangka panjang lainnya adalah sebagai berikut:

Further information relating to other long-term debt is as follows:

Utang Jangka Panjang/ *Long-Term Debt*	Pokok/ *Principal*	Peringkat/ *Rating*	Terdaftar/ *Listed*	Jatuh Tempo/ *Maturity*	Kupon/ *Coupon*	Jaminan/ *Security*
Perusahaan/*The Company*					Per tahun/ *Per annum*	
Obligasi Berkelanjutan AS$ I/ *US$ Shelf Registered Bonds I*	AS$100.000.000/ *US$100,000,000* Tahap pertama sejumlah AS$50.000.000/ *First phase amounting to US$50,000,000* Tahap kedua sejumlah AS$30.000.000/ *Second phase amounting to US$30,000,000* Tahap ketiga sejumlah AS$20.000.000/ *Third phase amounting to US$20,000,000*	PT Pemeringkat Efek Indonesia (PEFINDO) : A+ (2016)	Bursa Efek Indonesia/ *Indonesia Stock Exchange*	Juli 2016/*July 2016* Telah dilunasi pada Juli 2016/ *Has been fully repaid in July 2016* November 2016/ *November 2016* Telah dilunasi pada November 2016/ *Has been fully repaid in November 2016* Juli 2017/ *July 2017* Telah dilunasi pada Juli 2017/ *Has been fully repaid in July 2017*	6,05% Terutang setiap kuartal/ *6.05% Payable quarterly*	Obligasi ini tidak dijamin dengan agunan khusus/ *These bonds are unsecured.*
Obligasi Rupiah III Tahun 2012/ *Rupiah Bonds III Year 2012*	Rp1.500.000.000.000 Dilanjutkan dengan transaksi *swap* menjadi AS$157.894.737/ *Rp1,500,000,000,000 and swapped into US$157,894,737*	PT Pemeringkat Efek Indonesia (PEFINDO) : A+ (2016)	Bursa Efek Indonesia/ *Indonesia Stock Exchange*	Juni 2017/ *June 2017* Telah dilunasi pada Juni 2017/ *Has been fully repaid in June 2017*	8,75% Terutang setiap kuartal/ *8.75% Payable quarterly*	Obligasi ini tidak dijamin dengan agunan khusus/ *These bonds are unsecured.*
Obligasi Berkelanjutan Rupiah I Tahap I/ *Rupiah Shelf Registered Bonds I Phase I*	Tahap pertama sejumlah Rp500.000.000.000 Dilanjutkan dengan transaksi *swap* menjadi AS$51.813.471/ *First phase amounting to Rp500,000,000,000 and swapped into US$51,813,471*	PT Pemeringkat Efek Indonesia (PEFINDO) : A+ (2017)	Bursa Efek Indonesia/ *Indonesia Stock Exchange*	Desember 2017/ *December 2017*	8,80% Terutang setiap kuartal/ *8.80% Payable quarterly*	Obligasi ini tidak dijamin dengan agunan khusus/ *These bonds are unsecured.*
Obligasi Berkelanjutan Rupiah I Tahap II/ *Rupiah Shelf Registered Bonds I Phase II*	Tahap kedua sejumlah Rp1.500.000.000.000 Dilanjutkan dengan transaksi *swap* menjadi AS$153.846.154/ *Second phase amounting to Rp1,500,000,000,000 and swapped into US$153,846,154*	PT Pemeringkat Efek Indonesia (PEFINDO) : A+ (2017)	Bursa Efek Indonesia/ *Indonesia Stock Exchange*	Maret 2018/ *March 2018*	8,85% Terutang setiap kuartal/ *8.85% Payable quarterly*	Obligasi ini tidak dijamin dengan agunan khusus/ *These bonds are unsecured.*

27. UTANG JANGKA PANJANG LAINNYA (lanjutan) / *27. OTHER LONG-TERM DEBT (continued)*

Utang Jangka Panjang/ *Long-Term Debt*	Pokok/ *Principal*	Peringkat/ *Rating*	Terdaftar/ *Listed*	Jatuh Tempo/ *Maturity*	Kupon/ *Coupon*	Jaminan/ *Security*
Perusahaan (lanjutan)/ ***The Company (continued)***					Per tahun/ *Per annum*	
Wesel Jangka Menengah IV/ *Medium Term Note IV*	Rp1.000.000.000.000 Dilanjutkan dengan transaksi *swap* menjadi AS$81.833.061/ *Rp1,000,000,000,000 and swapped into US$81,833,061*	*Non-rated*	-	Oktober 2018/ *October 2018*	11,2% Terutang setiap kuartal/ *11.2% Payable Quarterly*	Obligasi ini tidak dijamin dengan agunan khusus/ *These bonds are unsecured.*
Wesel Jangka Menengah V/ *Medium Term Note V*	AS$55.000.000/ *US$55,000,000*	PT Pemeringkat Efek Indonesia (PEFINDO) : A+ (2017)	-	November 2019/ *November 2019*	5,2% Terutang setiap kuartal/ *5.2% Payable Quarterly*	Obligasi ini tidak dijamin dengan agunan khusus/ *These bonds are unsecured.*
Obligasi Berkelanjutan Rupiah II Tahap I/ *Rupiah Shelf Registered Bonds II Phase I*	Seri A Rp327.000.000.000 Dilanjutkan dengan transaksi swap menjadi AS$24.866.920/ *Tranche A Rp327,000,000,000 and swapped into US$24,866,920*	PT Pemeringkat Efek Indonesia (PEFINDO) : A+ (2017)	Bursa Efek Indonesia/ *Indonesia Stock Exchange*	Juli 2019/ *July 2019*	10,80% Terutang setiap kuartal/ *10.80% Payable quarterly*	Obligasi ini tidak dijamin dengan agunan khusus/ *These bonds are unsecured.*
	Seri B Rp923.000.000.000 Dilanjutkan dengan transaksi swap menjadi AS$70.190.114/ *Tranche B Rp923,000,000,000 and swapped into US$70,190,114*			Juli 2021/ *July 2021*	11,30% Terutang setiap kuartal/ *11.30% Payable quarterly*	
Obligasi Berkelanjutan Rupiah II Tahap II/ *Rupiah Shelf Registered Bonds II Phase II*	Seri A Rp549.000.000.000 Dilanjutkan dengan transaksi swap menjadi AS$42.475.822/ *Tranche A Rp549,000,000,000 and swapped into US$42,475,822*	PT Pemeringkat Efek Indonesia (PEFINDO) : A+ (2017)	Bursa Efek Indonesia/ *Indonesia Stock Exchange*	September 2019/ *September 2019*	10,80% Terutang setiap kuartal/ *10.80% Payable quarterly*	Obligasi ini tidak dijamin dengan agunan khusus/ *These bonds are unsecured.*
	Seri B Rp701.000.000.000 Dilanjutkan dengan transaksi swap menjadi AS$54.235.977/ *Tranche B Rp701,000,000,000 and swapped into US$54,235,977*			September 2021/ *September 2021*	11,30% Terutang setiap kuartal/ *11.30% Payable quarterly*	
Obligasi Berkelanjutan Rupiah II Tahap III/ *Rupiah Shelf Registered Bonds II Phase III*	Seri A Rp246.000.000.000 Dilanjutkan dengan transaksi swap menjadi AS$18.512.944/ *Tranche A Rp246,000,000,000 and swapped into US$18,512,944*	PT Pemeringkat Efek Indonesia (PEFINDO) : A+ (2017)	Bursa Efek Indonesia/ *Indonesia Stock Exchange*	Desember 2019/ *December 2019*	10,80% Terutang setiap kuartal/ *10.80% Payable quarterly*	Obligasi ini tidak dijamin dengan agunan khusus/ *These bonds are unsecured.*
	Seri B/*Tranche B* Rp5.000.000.000			Desember 2021/ *December 2021*	11,30% Terutang setiap kuartal/ *11.30% Payable quarterly*	
	Seri C/*Tranche C* Rp23.000.000.000			Desember 2023/ *December 2023*	11,80% Terutang setiap kuartal/ *11.80% Payable quarterly*	

27. UTANG JANGKA PANJANG LAINNYA (lanjutan) / *27. OTHER LONG-TERM DEBT (continued)*

Utang Jangka Panjang/ *Long-Term Debt*	Pokok/ *Principal*	Peringkat/ *Rating*	Terdaftar/ *Listed*	Jatuh Tempo/ *Maturity*	Kupon/ *Coupon*	Jaminan/ *Security*
Perusahaan (lanjutan)/ ***The Company (continued)***					Per tahun/ *Per annum*	
Obligasi Berkelanjutan Rupiah II Tahap IV/ *Rupiah Shelf Registered Bonds II Phase IV*	Seri A Rp380.000.000.000 Dilanjutkan dengan transaksi swap menjadi AS$28.539.241/ *Tranche A Rp380,000,000,000 and swapped into US$28,539,241*	PT Pemeringkat Efek Indonesia (PEFINDO) : A+ (2017)	Bursa Efek Indonesia/ *Indonesia Stock Exchange*	Maret 2020/ *March 2020*	10,80% Terutang setiap kuartal/ *10.80% Payable quarterly*	Obligasi ini tidak dijamin dengan agunan khusus/ *These bonds are unsecured.*
	Seri B/*Tranche B* Rp1.000.000.000			Maret 2022/ *March 2022*	11,30% Terutang setiap kuartal/ *11.30% Payable quarterly*	
	Seri C/*Tranche C* Rp7.000.000.000			Maret 2024/ *March 2024*	11,80% Terutang setiap kuartal/ *11.80% Payable quarterly*	
Obligasi Berkelanjutan Rupiah II Tahap V/ *Rupiah Shelf Registered Bonds II Phase V*	Seri A Rp248.500.000.000 Dilanjutkan dengan transaksi swap menjadi AS$18.698.269/ *Tranche A Rp248,500,000,000 and swapped into US$18,698,269*	PT Pemeringkat Efek Indonesia (PEFINDO) : A+ (2017)	Bursa Efek Indonesia/ *Indonesia Stock Exchange*	Juni 2018/ *June 2018*	8,75% Terutang setiap kuartal/ *8.75% Payable quarterly*	Obligasi ini tidak dijamin dengan agunan khusus/ *These bonds are unsecured.*
	Seri B Rp269.500.000.000 Dilanjutkan dengan transaksi swap menjadi AS$20.278.405/ *Tranche B Rp269,500,000,000 and swapped into US$20,278,405*			Juni 2020/ *June 2020*	10,80% Terutang setiap kuartal/ *10.80% Payable quarterly*	
	Seri C Rp753.500.000.000 Dilanjutkan dengan transaksi swap menjadi AS$56.696.764/ *Tranche C Rp753,500,000,000 and swapped into US$56,696,764*			Juni 2022/ *June 2022*	11,30% Terutang setiap kuartal/ *11.30% Payable quarterly*	
Obligasi Berkelanjutan Rupiah II Tahap VI/ *Rupiah Shelf Registered Bonds II Phase VI*	Seri A Rp415.000.000.000 Dilanjutkan dengan transaksi swap menjadi AS$31.109.445/ *Tranche A Rp415,000,000,000 and swapped into US$31,109,445*	PT Pemeringkat Efek Indonesia (PEFINDO) : A+ (2017)	Bursa Efek Indonesia/ *Indonesia Stock Exchange*	Maret 2021/ *March 2021*	10,30% Terutang setiap kuartal/ *10.30% Payable quarterly*	Obligasi ini tidak dijamin dengan agunan khusus/ *These bonds are unsecured.*
	Seri B Rp151.500.000.000 Dilanjutkan dengan transaksi swap menjadi AS$11.356.822/ *Tranche B Rp151,500,000,000 and swapped into US$11,356,822*			September 2022/ *September 2022*	10,80% Terutang setiap kuartal/ *10.80% Payable quarterly*	

27. UTANG JANGKA PANJANG LAINNYA (lanjutan) / ***27. OTHER LONG-TERM DEBT (continued)***

Utang Jangka Panjang/ *Long-Term Debt*	Pokok/ *Principal*	Peringkat/ *Rating*	Terdaftar/ *Listed*	Jatuh Tempo/ *Maturity*	Kupon/ *Coupon*	Jaminan/ *Security*
Medco Energi Global Pte Ltd						
Obligasi Dolar Singapura/ *Singapore Dollar Bonds*	S$100.000.000 Dilanjutkan dengan transaksi swap menjadi AS$74.906.367/ *S$100,000,000 and swapped into US$74,906,367*	*Non-rated*	Singapore Exchange Trading Limited	Mei 2018/ *May 2018* Telah dilunasi pada Agustus 2017/ *Has been fully repaid in August 2017*	5,9% Terutang setiap setengah tahun/ *5.9% Payable semi-annually*	Obligasi ini tidak dijamin dengan agunan khusus/ *These bonds are unsecured.*
Medco Strait Services Pte Ltd						
Obligasi Dolar AS/ *US Dollar Bonds*	AS$400.000.000/ *US$400,000,000*	Moody's Investor Service : B2 (2017) Fitch Ratings : B (2017) Standard & Poor's Rating Services : B (2017)	Singapore Exchange Trading Limited	Agustus 2022/ *August 2022*	8,5% Terutang setiap setengah tahun/ *8.5% Payable semi-annually*	Obligasi ini tidak dijamin dengan agunan khusus/ *These bonds are unsecured.*

Berdasarkan syarat-syarat dan kondisi-kondisi dari perjanjian sehubungan dengan kewajiban jangka panjang tersebut, Grup harus mematuhi pembatasan tertentu, antara lain memperoleh persetujuan dari pemberi pinjaman/wali amanat yang ditunjuk sebelum melakukan tindakan-tindakan seperti: merger atau akuisisi, mengurangi modal dasar, diterbitkan dan disetor penuh dari modal saham Perusahaan, mengubah bisnis utama Perusahaan; pembatasan atas pemberian pinjaman kepada pihak ketiga, menjaminkan dan mengalihkan aset Perusahaan, menerbitkan obligasi senior, mengajukan permintaan bangkrut atau penundaan pembayaran pinjaman sebelum pembayaran pokok dan bunga obligasi, mengumumkan dan membayar dividen melebihi persentase tertentu dari laba neto konsolidasian dan harus memenuhi rasio keuangan tertentu.

Under the terms and conditions of these long-term obligations, the Group is subject to various covenants, among others, obtaining approval from the lenders/designated trustees prior to undertaking certain actions such as: mergers or acquisitions, reducing the authorized, issued and fully paid capital stock of the Company, changing the main business activities of the Company; restrictions on granting loans to third parties, pledging and transferring the Company's assets, issuing senior debt, filing for bankruptcy or delaying loan payments prior to the payment of bond interest and principal and declaring and paying dividends in excess of a certain percentage of consolidated net income and requirement to comply with certain financial ratios.

a. Pembatasan-pembatasan atas Pinjaman

Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 manajemen berpendapat bahwa Grup, mematuhi pembatasan atas semua liabilitas jangka panjang.

Manajemen menyatakan bahwa selama periode pelaporan dan pada tanggal penyelesaian laporan keuangan konsolidasian, Grup tidak pernah mengalami kondisi gagal bayar atas obligasi yang telah jatuh tempo.

Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, Grup telah memenuhi semua rasio keuangan yang dipersyaratkan dalam perjanjian.

a. Debt Covenants

As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, in management's opinion, the Group is in compliance with the covenants of all long-term obligations.

Management represented that during the reporting periods and as of the completion date of the consolidated financial statements, the Group has never defaulted on paying its maturing bonds.

As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, the Group has complied with all financial ratios required to be maintained under the agreements.

27. UTANG JANGKA PANJANG LAINNYA (lanjutan)

b. Wali Amanat

Grup telah menunjuk Wali Amanat sebagai perantara antara Grup dengan Pemegang Obligasi. Adapun Wali Amanat untuk Obligasi Berkelanjutan AS$ I, Obligasi Rupiah III Tahun 2012, Obligasi Berkelanjutan Rupiah I Tahap I dan II dan Obligasi Berkelanjutan Rupiah II Tahap I, II, III, IV, V dan VI adalah PT Bank Mega Tbk. Grup juga telah menunjuk Bank of New York Mellon Corporation sebagai Wali Amanat untuk Program *Multicurrency Medium Term Notes* (MTN) dan Obligasi Dolar AS.

c. Lain-lain

Pada tanggal 14 Mei 2015, Perusahaan, melalui anak perusahaan Medco Energi Global Pte Ltd, telah menerbitkan Obligasi Dolar Singapura sebesar S$100 juta dengan kupon sebesar 5,9% per tahun dan tenor selama tiga tahun. Penjamin pelaksana dalam transaksi ini adalah DBS Bank Ltd, dan bersama dengan Australia and New Zealand Banking Corporation Limited, dan Mitsubishi UFJ Securities (Singapore) Limited bertindak sebagai *Joint Lead Managers*, sementara Bank of New York Mellon, Cabang Singapura sebagai Wali Amanat. Penerbitan ini merupakan bagian dari program MTN sebesar S$500 juta yang penandatanganannya sudah dilaksanakan pada tanggal 13 April 2015. Penerbitan MTN tahap pertama ini ditujukan untuk modal kerja, belanja modal, dan pendanaan ulang.

Secara bersamaan Grup juga telah melakukan perjanjian *swap* suku bunga dan mata uang atas MTN tersebut dari Dolar Singapura tetap menjadi Dolar Amerika Serikat tetap setiap tanggal 14 Mei dan 14 November dengan tenor yang sama dengan MTN.

Pada tanggal 12 Februari 2016, Perusahaan melakukan pembelian kembali atas Obligasi Berkelanjutan USD Medco Energi Internasional Tahap I tahun 2011 sebesar AS$1.626.000 dan Penawaran Umum Berkelanjutan (PUB) USD Tahap III tahun 2012 sebesar AS$925.189.

27. OTHER LONG-TERM DEBT (continued)

b. Trustees

The Group engaged Trustees to act as the intermediaries between the Group and the Bondholders. The Trustee for Shelf Registered US$ Bonds I, Rupiah Bonds III Year 2012, Shelf Registered Rupiah Bonds I Phase I and II and Shelf Registered Rupiah Bonds II Phase I, II, III, IV, V and VI is PT Bank Mega Tbk. The Group has also appointed Bank of New York Mellon Corporation to act as Trustee for its Multicurrency Medium Term Notes (MTN) Programme and US Dollar Bonds.

c. Others

On May 14, 2015, the Company, through its subsidiary, Medco Energi Global Pte Ltd, has issued Singapore Dollar Bonds amounting to S$100 million with 5.9% per annum coupon rate and three year tenor. The sole underwriter is DBS Bank Ltd, and along with Australia and New Zealand Banking Corporation Limited and Mitsubishi UFJ Securities (Singapore) Limited as the Joint Lead Managers while Bank of New York Mellon, Singapore Branch as the Trustee. This issuance is part of the S$500 million MTN program which was signed on April 13, 2015. The proceeds of this MTN first issuance was used for working capital, capital expenditure, and refinancing.

Simultaneously, the Group has entered into Cross Currency-Interest Swap to fix the interest rate and currency of the MTN from fixed Singapore Dollar to fixed United States Dollar on every May 14 and November 14 with terms to match the underlying MTN.

On February 12, 2016, the Company boughtback its Shelf Registered USD Medco Energi Internasional Phase I Year 2011 amounting to US$1,626,000 and Shelf Registered Bond (PUB) USD Phase III year 2012 amounting to US$925,189.

27. UTANG JANGKA PANJANG LAINNYA (lanjutan)

c. Lain-lain (lanjutan)

Pada tanggal 15 Juli 2016, Perusahaan menerbitkan Obligasi Berkelanjutan Rupiah II Tahun 2016 dengan jumlah maksimal sebesar Rp5.000.000.000.000 ("PUB II") dengan penerbitan tahap I sebesar Rp1.250.000.000.000 ("PUB II Tahap I") yang dibagi dalam dua seri yaitu:

- Seri A sebesar Rp327.000.000.000 dengan tenor 3 tahun;
- Seri B sebesar Rp923.000.000.000 dengan tenor 5 tahun.

Dana hasil emisi PUB II Tahap I ini digunakan untuk pendanaan ulang dan belanja modal.

Pada tanggal 30 September 2016, Perusahaan menerbitkan PUB II dengan penerbitan tahap II sebesar Rp1.250.000.000.000 ("PUB II Tahap II") yang dibagi dalam dua seri yaitu:

- Seri A sebesar Rp549.000.000.000 dengan tenor 3 tahun;
- Seri B sebesar Rp701.000.000.000 dengan tenor 5 tahun.

Dana hasil emisi PUB II Tahap II ini digunakan untuk pendanaan ulang dan belanja modal.

Pada tanggal 21 Desember 2016, Perusahaan menerbitkan PUB II dengan penerbitan tahap III sebesar Rp274.000.000.000 ("PUB II Tahap III") yang dibagi dalam tiga seri yaitu:

- Seri A sebesar Rp246.000.000.000 dengan tenor 3 tahun;
- Seri B sebesar Rp5.000.000.000 dengan tenor 5 tahun;
- Seri C sebesar Rp23.000.000.000 dengan tenor 7 tahun.

Dana hasil emisi PUB II Tahap III ini digunakan untuk pendanaan ulang dan belanja modal.

27. OTHER LONG-TERM DEBT (continued)

c. Others (continued)

On July 15, 2016, the Company has issued Shelf Registered Rupiah Bond II Year 2016 with maximum amount of Rp5,000,000,000,000 ("PUB II") with issuance of the first phase amounting to Rp1,250,000,000,000 ("PUB II Phase I") which consists of two tranches:

- *Tranche A amounting to Rp327,000,000,000 with 3 year tenor;*
- *Tranche B amounting to Rp923,000,000,000 with 5 year tenor.*

Proceeds from the issuance of the PUB II Phase I are used for refinancing and capital expenditures.

On September 30, 2016, the Company has issued PUB II with issuance of the second phase amounting to Rp1,250,000,000,000 ("PUB II Phase II") which consists of two tranches:

- *Tranche A amounting to Rp549,000,000,000 with 3 year tenor;*
- *Tranche B amounting to Rp701,000,000,000 with 5 year tenor.*

Proceeds from the issuance of the PUB II Phase II are used for refinancing and capital expenditures.

On December 21, 2016, the Company has issued PUB II with issuance of the third phase amounting to Rp274,000,000,000 ("PUB II Phase III") which consists of three tranches:

- *Tranche A amounting to Rp246,000,000,000 with 3 year tenor;*
- *Tranche B amounting to Rp5,000,000,000 with 5 year tenor;*
- *Tranche C amounting to Rp23,000,000,000 with 7 year tenor.*

Proceeds from the issuance of the PUB II Phase III are used for refinancing and capital expenditures.

27. UTANG JANGKA PANJANG LAINNYA (lanjutan)

c. Lain-lain (lanjutan)

Pada tanggal 30 Maret 2017, Perusahaan menerbitkan PUB II dengan penerbitan tahap IV sebesar Rp388.000.000.000 ("PUB II Tahap IV") yang dibagi dalam tiga seri yaitu:

- Seri A sebesar Rp380.000.000.000 dengan tenor 3 tahun;
- Seri B sebesar Rp1.000.000.000 dengan tenor 5 tahun;
- Seri C sebesar Rp7.000.000.000 dengan tenor 7 tahun.

Dana hasil emisi PUB II Tahap IV ini digunakan untuk pendanaan ulang dan belanja modal.

Pada tanggal 10 April 2017, Perusahaan menandatangani perjanjian Fasilitas Pinjaman Berjangka dengan PT Indonesia Infrastructure Finance dengan jumlah fasilitas sampai dengan Rp157.500.000.000 dengan tenor 3 tahun. Pada tanggal 12 April 2017, Perusahaan telah melakukan penarikan pertama sebesar Rp70.000.000.000. Fasilitas ini akan jatuh tempo pada bulan April 2020 dan tidak dijamin dengan agunan khusus.

Pada tanggal 14 Juni 2017, Perusahaan menerbitkan PUB II dengan penerbitan tahap V sebesar Rp1.271.500.000.000 ("PUB II Tahap V") yang dibagi dalam tiga seri yaitu:

- Seri A sebesar Rp248.500.000.000 dengan tenor 1 tahun;
- Seri B sebesar Rp269.500.000.000 dengan tenor 3 tahun;
- Seri C sebesar Rp753.500.000.000 dengan tenor 5 tahun.

Dana hasil emisi PUB II Tahap V ini digunakan untuk pendanaan ulang dan belanja modal.

Pada tanggal 19 Juni 2017, Perusahaan telah melunasi Obligasi Rupiah III Tahun 2012 sebesar Rp1.500.000.000.000.

Pada tanggal 30 Juli 2017, Perusahaan telah melunasi Obligasi Berkelanjutan AS$ I Tahap III sebesar AS$20.000.000.

27. OTHER LONG-TERM DEBT (continued)

c. Others (continued)

On March 30, 2017, the Company has issued PUB II with issuance of the fourth phase amounting to Rp388,000,000,000 ("PUB II Phase IV") which consists of three tranches:

- *Tranche A amounting to Rp380,000,000,000 with 3 year tenor;*
- *Tranche B amounting to Rp1,000,000,000 with 5 year tenor;*
- *Tranche C amounting to Rp7,000,000,000 with 7 year tenor*

Proceeds from the issuance of the PUB II Phase IV were used for refinancing and capital expenditures.

On April 10, 2017, the Company signed a Term Credit Facility agreement with PT Indonesia Infrastructure Finance amounting to Rp157,500,000,000 with a 3-year tenor. On April 12, 2017, the Company has made the first drawdown amounting to Rp70,000,000,000. This facility will be due on April 2020 and are unsecured.

On June 14, 2017, the Company has issued PUB II with issuance of the fifth phase amounting to Rp1,271,500,000,000 ("PUB II Phase V") which consists of three tranches:

- *Tranche A amounting to Rp248,500,000,000 with 1 year tenor;*
- *Tranche B amounting to Rp269,500,000,000 with 3 year tenor;*
- *Tranche C amounting to Rp753,500,000,000 with 5 year tenor.*

Use of proceeds from the issuance of the PUB II Phase V is for refinancing and capital expenditures.

On June 19, 2017, the Company has paid its Rupiah Bonds III Year 2012 amounting to Rp1,500,000,000,000.

On July 30, 2017, the Company has fully repaid its US$ Shelf Registred Bonds I Phase III amounting to US$20,000,000.

27. UTANG JANGKA PANJANG LAINNYA (lanjutan)

c. Lain-lain (lanjutan)

Pada tanggal 17 Agustus 2017, Medco Strait Services Pte Ltd, entitas anak yang dimiliki sepenuhnya, menerbitkan *senior notes* sebesar AS$300 juta yang akan jatuh tempo pada tahun 2022 serta *re-tap* sebesar AS$100 juta pada tanggal 22 Agustus 2017 (kedua *senior notes* ini dikonsolidasi dan menjadi satu kesatuan), dengan kupon sebesar 8,5% per tahun, yang tidak dapat dibatalkan dan dijamin tanpa syarat oleh Perusahaan dan entitas anak tertentu.

Senior notes ini akan jatuh tempo pada tanggal 17 Agustus 2022 dan bunganya akan mulai dicatat dari tanggal 17 Agustus 2017 dan terutang setiap tengah tahun mulai tanggal 17 Februari 2018. *Senior notes* ini terdaftar pada Singapore Exchange Securities Trading Limited dan dana hasil penerbitan *senior notes* ini akan digunakan untuk pelunasan seluruh fasilitas kredit MNPL yang diperoleh dari PT Bank Mandiri (Persero) Tbk dan obligasi Rupiah dan obligasi Dolar Singapura Grup.

Pada tanggal 23 Agustus 2017, Medco Energi Global Pte Ltd ("MEG"), entitas anak yang dimiliki sepenuhnya, melakukan pembatalan dan pelunasan dipercepat atas obligasi Dolar Singapura sebesar S$94.250.000 dan sisanya sebesar S$5.750.000 dilunasi pada tanggal 13 September 2017. MEG juga telah membatalkan seluruh transaksi swap yang terkait dengan obligasi ini.

Pada tanggal 28 September 2017, Perusahaan menerbitkan PUB II dengan penerbitan tahap VI sebesar Rp566.500.000.000 ("PUB II Tahap VI") yang dibagi dalam dua seri yaitu:

- Seri A sebesar Rp415.000.000.000 dengan jangka waktu 42 bulan;
- Seri B sebesar Rp151.500.000.000 dengan jangka waktu 60 bulan.

Dana hasil emisi PUB II Tahap VI ini digunakan untuk belanja modal. Perusahaan juga telah melakukan transaksi "Pertukaran Mata Uang Silang" ("*Cross Currency Swap*") dengan tujuan mengubah kewajiban Rupiah menjadi Dolar AS di mana Perusahaan akan membayarkan suku bunga tetap dalam Dolar AS dan menerima suku bunga tetap dalam Rupiah.

27. OTHER LONG-TERM DEBT (continued)

c. Others (continued)

On August 17, 2017, Medco Strait Services Pte Ltd, a wholly owned subsidiary, issued a US$300 million senior notes due 2022 and re-tap for additional US$100 million on August 22, 2017 (both senior notes are consolidated and formed a single class), with coupon rate of 8.5% per annum, which are irrevocably and unconditionally guaranteed by the Company and certain subsidiaries.

The senior notes will mature on August 17, 2022 and interest will accrue from August 17, 2017 and payable semi-annually in arrears commencing on February 17, 2018. The senior notes are listed on the Singapore Exchange Securities Trading Limited, and its proceeds were used for repayment of all credit facilities of MNPL from PT Bank Mandiri (Persero) Tbk and the Group's Rupiah bonds Singapore Dollar bonds.

On August 23, 2017, Medco Energi Global Pte Ltd ("MEG"), a subsidiary, has cancelled and accelerated its wholly-owned prepayment of its Singapore Dollar bonds amounting to S$94,250,000 and the remaining S$5,750,000 was fully paid on September 13, 2017. MEG has also terminated all the swap transactions related to these bonds.

On September 28, 2017, the Company has issued PUB II with issuance of sixth phase amounting to Rp566,500,000,000 ("PUB II Phase VI") which consists of two tranches:

- *Tranche A amounting to Rp415,000,000,000 with 42-month tenor;*
- *Tranche B amounting to Rp151,500,000,000 with 60-month tenor.*

Proceeds from the issuance of the PUB II Phase VI are to be used for capital expenditures. The Company has entered into Cross Currency Swap in order to swap the Rupiah liabilities to US Dollar in which the Company will pay fixed US Dollar interest rate and receive fixed Rupiah interest rate.

28. KEPENTINGAN NONPENGENDALI

Kepentingan nonpengendali atas entitas anak terkait dengan Medco LLC dan PT Meta Adhya Tirta Umbulan (META).

Pada tanggal 1 April 2014, Medco Oman LLC membayarkan dividen interim untuk tahun 2013 sebesar AS$17.500.000, dimana sebesar AS$5.600.000 telah dibayarkan kepada pihak nonpengendali.

Pada tanggal-tanggal 28 Januari 2015 dan 27 Oktober 2015, Medco Oman LLC membayarkan dividen interim untuk tahun 2014 sebesar AS$20.000.000 dan diperbarui pada tahun 2016 menjadi AS$10.000.000, dan yang telah dibayarkan pada pihak nonpengendali sebesar AS$6.400.000 diperbarui pada tahun 2016 sebesar AS$3.200.000.

Pada tanggal 19 Mei 2016 dan 26 Oktober 2016, Medco LLC membayarkan dividen untuk tahun 2015 masing-masing sebesar AS$10.000.000 dan AS$7.500.000, dimana sebesar AS$3.200.000 dan AS$2.400.000 telah dibayarkan kepada pihak nonpengendali.

Pada tanggal 15 Mei 2017, Medco LLC membayarkan dividen interim untuk tahun 2016 sebesar AS$11.000.000, di mana sebesar AS$3.520.000 telah dibayarkan kepada pihak nonpengendali.

Pada tanggal 27 April 2016, PT Medco Gas Indonesia (MGI) dan PT Bangun Cipta Kontraktor (BCK) mendirikan sebuah perseroan terbatas, PT Meta Adhya Tirta Umbulan ("META"), dengan masing-masing kepemilikan saham adalah sebesar 70% dan 30% dalam META.

Modal ditempatkan dan disetor penuh META, adalah sejumlah 500 lembar saham dengan nilai nominal seluruhnya sebesar Rp50.000.000.000. Susunan pemegang saham META adalah sebagai berikut:

a. 350 lembar saham milik MGI dengan nilai nominal seluruhnya sebesar Rp35.000.000.000 atau setara dengan AS$2.700.000; dan
b. 150 lembar saham milik BCK dengan nilai nominal seluruhnya sebesar Rp15.000.000.000 atau setara dengan AS$1.153.846.

28. NON-CONTROLLING INTERESTS

Non-controlling interests in subsidiaries pertain to Medco LLC and PT Meta Adhya Tirta Umbulan (META).

On April 1, 2014, Medco Oman LLC paid interim dividend for the year 2013 amounting to US$17,500,000, wherein, dividends amounting to US$5,600,000 was paid to non-controlling interest.

On January 28, 2015 and October 27, 2015, Medco Oman LLC paid interim dividend for the year 2014 amounting to US$20,000,000 and renewed in 2016 amounting US$10,000,000, and dividends which was paid to non-controlling interest amounting to US$6,400,000 renewed in 2016 amounting US$3,200,000.

On May 19, 2016 and October 26, 2016, Medco LLC paid dividend for the year 2015 amounting to US$10,000,000 and US$7,500,000, respectively, wherein, dividends amounting to US$3,200,000 and US$2,400,000, respectively, was paid to non-controlling interest.

On May 15, 2017, Medco LLC paid interim dividend for the year 2016 amounting to US$11,000,000, wherein, dividends amounting to US$3,520,000 was paid to non-controlling interest.

On April 27, 2016, PT Medco Gas Indonesia (MGI) and PT Bangun Cipta Kontraktor (BCK) established a company, PT Meta Adhya Tirta Umbulan ("META"), in which each respectively has 70% and 30% shares ownership.

META's issued and fully paid capital consist of 500 shares with total nominal value of Rp50,000,000,000. The composition of META's shareholders is as follows:

a. 350 shares owned by MGI with total nominal value of Rp35,000,000,000 or equivalent to US$2,700,000; and
b. 150 shares owned by BCK with total nominal value of Rp15,000,000,000 or equivalent to US$1,153,846.

29. MODAL SAHAM / *29. CAPITAL STOCK*

30 September 2017/*September 30, 2017*

Pemegang Saham/*Shareholders*	Jumlah Saham/ *Number of Shares*	Persentase Kepemilikan/ *Percentage of Ownership*	Jumlah/*Amount* Rp'000	Jumlah/*Amount* AS$/*US$*
Encore Energy Pte Ltd	4.760.709.492	36,08%	119.017.737	36.131.937
Clio Capital Ventures Ltd	2.763.255.200	20,94%	69.081.380	20.969.218
Mitsubishi Corporation	1.331.241.688	10,09%	33.281.042	10.102.251
PT Medco Daya Abadi Lestari	665.620.844	5,04%	16.640.521	5.051.125
PT Medco Duta	33.222.000	0,25%	830.550	252.108
PT Multifabrindo Gemilang	8.000.000	0,06%	200.000	60.693
Dewan Komisaris/*Board of Commissioners* (Catatan 30/*Note 30*)				
Muhammad Lutfi	3.448.000	0,03%	86.200	26.165
Yani Yuhani Panigoro	1.724.000	0,01%	43.100	13.083
Yaser Raimi A Panigoro	1.150.000	0,01%	28.750	8.727
Direksi/*Board of Directors* (Catatan 30/*Note 30*)				
Roberto Lorato	46.890.000	0,36%	1.172.250	355.829
Ronald Gunawan	23.686.000	0,18%	592.150	179.743
Anthony Robert Mathias	19.174.000	0,15%	479.350	145.504
Amri Siahaan	18.404.000	0,14%	460.100	139.660
Hilmi Panigoro	5.458.000	0,04%	136.450	41.419
Masyarakat (masing-masing di bawah 5%)/ *Public (each below 5%)*	3.511.847.776	26,62%	87.796.195	26.645.145
Sub-jumlah/*Sub-total*	13.193.831.000	100,00%	329.845.775	100.122.607
Saham treasuri/*Treasury stock*	135.974.800		3.399.370	1.031.857
Jumlah/*Total*	**13.329.805.800**		**333.245.145**	**101.154.464**

30 September 2016/*September 30, 2016* (Tidak diaudit/*Unaudited*)

Pemegang Saham/*Shareholders*	Jumlah Saham/ *Number of Shares*	Persentase Kepemilikan/ *Percentage of Ownership*	Jumlah/*Amount* Rp'000	Jumlah/*Amount* AS$/*US$*
Encore Energy Pte Ltd	1.689.393.006	51,72%	168.939.301	51.285.313
Credit Suisse AG SG Trust Account Client	690.813.800	21,15%	69.081.380	20.969.218
PT Prudential Life Assurance	275.950.600	8,45%	27.595.060	8.376.307
PT Medco Duta	8.305.500	0,25%	830.550	252.108
PT Multifabrindo Gemilang	2.000.000	0,06%	200.000	60.693
Masyarakat (masing-masing di bawah 5%)/ *Public (each below 5%)*	600.082.344	18,37%	60.008.234	18.210.284
Sub-jumlah/*Sub-total*	3.266.545.250	100,00%	326.654.525	99.153.923
Saham treasuri/*Treasury stock*	65.906.200		6.590.620	2.000.541
Jumlah/*Total*	**3.332.451.450**		**333.245.145**	**101.154.464**

29. MODAL SAHAM (lanjutan) / *29. CAPITAL STOCK (continued)*

31 Desember 2016/*December 31, 2016*

Pemegang Saham / *Shareholders*	Jumlah Saham/ *Number of Shares*	Persentase Kepemilikan/ *Percentage of Ownership*	Jumlah / *Amount* Rp'000	Jumlah / *Amount* AS$/*US$*
Encore Energy Pte Ltd	1.190.177.373	36,44%	119.017.737	36.131.937
Credit Suisse AG SG Trust Account Client	690.813.800	21,15%	69.081.380	20.969.218
Mitsubishi Corporation	499.215.633	15,28%	49.921.563	15.153.376
PT Prudential Life Assurance	237.433.300	7,27%	23.743.330	7.207.138
PT Medco Duta	8.305.500	0,25%	830.550	252.108
PT Multifabrindo Gemilang	2,000,000	0,06%	200.000	60.693
Masyarakat (masing-masing di bawah 5%)/ *Public (each below 5%)*	638.599.644	19,55%	63.859.965	19.379.453
Sub-jumlah/*Sub-total*	3.266.545.250	100,00%	326.654.525	99.153.923
Saham treasuri/*Treasury stock*	65.906.200		6.590.620	2.000.541
Jumlah/*Total*	**3.332.451.450**		**333.245.145**	**101.154.464**

31 Desember 2015/*December 31, 2015*

Pemegang Saham / *Shareholders*	Jumlah Saham/ *Number of Shares*	Persentase Kepemilikan/ *Percentage of Ownership*	Jumlah / *Amount* Rp'000	Jumlah / *Amount* AS$/*US$*
Encore Energy Pte Ltd	1.689.393.006	51,26%	168.939.301	51.285.313
Credit Suisse AG SG Trust Account Client	690.813.800	20,96%	69.081.380	20.969.218
PT Prudential Life Assurance	329.734.800	10,01%	32.973.480	10.008.892
PT Medco Duta	8.305.500	0,25%	830.550	252.108
PT Multifabrindo Gemilang	2.000.000	0,06%	200.000	60.693
Masyarakat (masing-masing di bawah 5%)/ *Public (each below 5%)*	575.211.544	17,46%	57.521.154	17.455.347
Sub-jumlah/*Sub-total*	3.295.458.650	100%	329.545.865	100.031.571
Saham treasuri/*Treasury stock*	36.992.800		3.699.280	1.122.893
Jumlah/*Total*	**3.332.451.450**		**333.245.145**	**101.154.464**

29. MODAL SAHAM (lanjutan) / *29. CAPITAL STOCK (continued)*

31 Desember 2014/*December 31, 2014*

Pemegang Saham / *Shareholders*	Jumlah Saham/ *Number of Shares*	Persentase Kepemilikan/ *Percentage of Ownership*	Jumlah / *Amount*	
			Rp'000	AS$/*US$*
Encore Energy Pte Ltd	1.689.393.006	50,70%	168.939.301	51.285.313
Credit Suisse AG SG Trust Account Client	690.813.800	20,73%	69.081.380	20.969.218
PT Prudential Life Assurance	240.363.600	7,21%	24.036.360	7.296.086
PT Medco Duta	8.305.500	0,25%	830.550	252.108
PT Multifabrindo Gemilang	2.000.000	0,06%	200.000	60.693
Masyarakat (masing-masing di bawah 5%)/ *Public (each below 5%)*	701.575.544	21,05%	70.157.554	21.291.046
Jumlah/*Total*	**3.332.451.450**	100%	**333.245.145**	**101.154.464**

Pada tanggal 26 Agustus 2015, Perusahaan mengumumkan rencana untuk membeli kembali maksimum sebanyak 10% dari jumlah saham Perusahaan yang telah diterbitkan. Dana yang dicadangkan untuk melakukan program pembelian kembali saham ini adalah sebesar AS$50 juta. Program ini akan dilakukan dalam kurun waktu 6 bulan setelah pengumuman tersebut. Pada tanggal 31 Desember 2015, Perusahaan telah melakukan pembelian kembali sebanyak 36.992.800 lembar saham dengan nilai sebesar Rp42.921.848.735 (atau setara dengan AS$1.122.893). Selanjutnya pada 2016, Perusahaan melakukan tambahan pembelian kembali sebanyak 28.913.400 lembar saham dengan nilai sebesar Rp23.654.670.005 (atau setara dengan AS$877.648), sehingga pada tanggal 30 September 2017 dan 31 Desember 2016, jumlah pembelian kembali saham treasuri adalah sebanyak 65.906.200 lembar saham dengan nilai sebesar Rp66.576.518.740 (atau setara dengan AS$2.000.541).

On August 26, 2015, the Company announced its plan to buy back up to 10% of its paid-up capital. For this buy-back program, the Company set aside funds in the amount of US$50 million. The buy-back program will be conducted within a period of 6 months from the announcement. As of December 31, 2015, the Company had repurchased 36,992,800 shares for the total cost of Rp42,921,848,735 (equivalent to US$1,122,893). Furthermore, in 2016 the Company repurchased additional 28,913,400 shares for the total cost of Rp23,654,670,005 (equivalent to US$877,648), therefore as of September 30, 2017 and December 31, 2016, total repurchased treasury shares amounted to 65,906,200 shares for the total cost of Rp66,576,518,740 (equivalent to US$2,000,541).

29. MODAL SAHAM (lanjutan)

Berdasarkan Akta Pernyataan Keputusan Rapat No. 110 tanggal 30 September 2016 oleh Notaris Leolin Jayayanti, SH, M.Kn, pemegang saham Perusahaan telah menyetujui peningkatan modal dasar Perusahaan dari Rp400.000.000.000 menjadi Rp950.000.000.000.

Perubahan modal dasar tersebut telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan Surat Keputusan Menteri Hukum dan Hak Asasi Manusia No. AHU-0018110.AH.01.02.TH 2016 tanggal 5 Oktober 2016.

Pada tanggal 17 Oktober 2016, Mitsubishi Corporation telah menyelesaikan transaksi pembelian saham Perusahaan yang sebelumnya dimiliki oleh Encore Energy Pte Ltd sejumlah 499.215.633 lembar saham yang merepresentasikan 15,28% kepemilikan.

Berdasarkan keputusan Rapat Umum Pemegang Saham Luar Biasa ("RUPSLB") tanggal 16 Juni 2017 yang dinyatakan dalam Akta Notaris Leolin Jayanti, SH., M.Kn No.30 tanggal 14 Juli 2017, para pemegang saham menyetujui pemecahan saham Perusahaan. Untuk setiap saham dengan nilai nominal Rp100 dipecah menjadi 4 saham dengan nilai nominal Rp25, sehingga modal dasar Perseroan menjadi Rp950 miliar terbagi atas 38 miliar saham, dengan nilai nominal Rp25 per saham. Dari modal dasar tersebut, telah ditempatkan dan disetor penuh sebanyak 13.329.805.800 saham, dengan nilai nominal seluruhnya sebesar Rp333.245.145.000.

Perubahan ini telah dilakukan dalam Anggaran Dasar Perusahaan yang telah disahkan oleh Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia dengan Surat Keputusan No. AHU-AH.01.03-0153495 TH.2017. Pendaftaran di pasar telah disampaikan Otoritas Jasa Keuangan ("OJK") pada tanggal 14 Juli 2017.

Pada tanggal 1 Agustus 2017 Perusahaan telah menerbitkan 127.650.000 lembar saham yang berasal dari saham treasuri Perusahaan sehubungan dengan pelaksanaan program saham bonus manajemen (Catatan 30).

29. CAPITAL STOCK (continued)

Based on Deed of Meeting Resolution No. 110 dated September 30, 2016 issued by Notary Leolin Jayayanti, SH., M.Kn. the shareholders of the Company have approved the Company's authorized capital increase from Rp400,000,000,000 to Rp950,000,000,000.

The change in authorized share capital has been approved by the Ministry of Law and Human Rights of the Republic of Indonesia through its letter No. AHU-0018110.AH.01.02.TH 2016, dated October 5, 2016.

On October 17, 2016, Mitsubishi Corporation has completed the purchase of the Company Shares which previously were owned by Encore Energy Pte Ltd totalling of 499,215,633 shares which represent 15.28% ownership.

Based Extraordinary General Meeting of Shareholders ("EGMS") dated June 16, 2017 covered on Notarial Deed of Leolin Jayanti, SH., M.Kn No.30 dated July 14, 2017, the shareholders approved stock split of the Company's share. For every share with par value of Rp100 per share was split into 4 shares with par value of Rp25, therefore, the Company's authorized capital become Rp950 billion which consists of 38 billion shares, with Rp25 par value per share. Out of these authorized capital, has been issued and fully paid totaling to 13,329,805,800 shares with total par value amounting to Rp333,245,145,000.

The Company's Articles of Association has been amended to reflect the above matters and the amandment has been approved by the Minister of Justice and Human Rights in its Decision Letter No. AHU-AH.01.03-0153495 TH. 2017. The market Registration has been submitted to Financial Services Authority on July 14, 2017.

On August 1, 2017 the Company issued 127,650,000 shares from the Company treasury shares in connection with the implementation of the share Award Program (Note 30).

30. TAMBAHAN MODAL DISETOR DAN PEMBAYARAN BERBASIS SAHAM

30. ADDITIONAL PAID-IN CAPITAL AND SHARE-BASED PAYMENT

Tambahan Modal Disetor

Akun ini terdiri dari:

Additional Paid-In Capital

This account consists of:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Penerbitan 321.730.290 saham melalui penawaran umum terbatas I kepada pemegang saham pada tahun 1999	139.908.988	139.908.988	139.908.988	139.908.988	139.908.988	*Issuance of 321,730,290 shares through rights offering I to stockholders in 1999*
Penjualan 22.000.000 saham Melalui penawaran umum perdana kepada masyarakat pada tahun 1994	33.500.000	33.500.000	33.500.000	33.500.000	33.500.000	*Sale of 22,000,000 shares through initial public offering in 1994*
Penjualan kembali saham	1.073.325	1.073.325	1.073.325	1.073.325	1.073.325	*Resale of shares*
Pembagian saham bonus pada tahun 1998	(32.254.579)	(32.254.579)	(32.254.579)	(32.254.579)	(32.254.579)	*Distribution of bonus shares in 1998*
Penurunan modal disetor dari saham treasuri	(36.383.224)	(36.383.224)	(36.383.224)	(35.552.831)	(33.600.836)	*Deduction of additional paid-in capital on treasury stock*
Penjualan kembali saham treasuri	74.812.936	74.812.936	74.812.936	74.812.935	74.812.935	*Resale of treasury stock*
Pembayaran berbasis saham	2.533.561	-	-	-	-	*Share-based payment*
Pembagian saham treasuri sebagai *Share Award Program*	(968.684)	-	-	-	-	*Distribution of treasury shares as Share Award Program*
Jumlah	**182.222.323**	**180.657.446**	**180.657.446**	**181.487.838**	**183.439.833**	***Total***

Pembayaran Berbasis Saham

Pada tanggal 29 Juni 2016, pemegang saham, pada Rapat Umum Pemegang Saham Tahunan (RUPST), berdasarkan akta Notaris Leolin Jayayanti, SH.,M.Kn No.168/NOT/VI/2016 tanggal 30 Juni 2016, menyetujui rencana kepemilikan saham oleh karyawan dan direksi melalui *Management and Employees Stock Allocation program.*

Share-Based Payment

On June 29, 2016, the shareholders, in their Annual General Meeting of Shareholders (AGMS), based on notarial deed No.168/NOT/VI/2016 of Leolin Jayayanti, SH.,M.Kn dated June 30, 2016, approved share ownership plan for employee and director through Management and Employee Stock Allocation Program.

30. TAMBAHAN MODAL DISETOR DAN PEMBAYARAN BERBASIS SAHAM (lanjutan)

Pembayaran berbasis saham (lanjutan)

Program ini terdiri atas berbagai jenis kompensasi berbasis saham yang hanya dapat diselesaikan dengan ekuitas (yaitu: saham treasuri yang dimiliki oleh Perusahaan). Jenis-jenis kompensasi berbasis saham adalah sebagai berikut:

a. Program Bagi Hasil Manajemen *(MSAP)*

i. *Blocked Share Program*

Blocked Share Program adalah program yang berlaku untuk Direksi dan manajemen senior Perusahaan. Jumlah saham yang diberikan dalam program ini adalah 25.000.000 lembar saham. Jumlah saham ini akan disesuaikan dalam hal terdapat hak memesan efek terlebih dahulu (*right issue),* penerbitan saham bonus dan pemecahan saham. Pemahaman atas syarat dan ketentuan terkait dengan program ini dicapai pada saat telah dikomunikasikan kepada masing-masing personil terkait pada tanggal 17 September 2015 dan persetujuan dari pemegang saham atas program tersebut diperoleh pada tanggal 29 Juni 2016. Oleh karena itu, tanggal pemberian penghargaan adalah tanggal 29 Juni 2016 dan biaya program ini diukur berdasarkan nilai wajar harga saham pada tanggal tersebut di mana harga penutupan pasar adalah Rp1.420 per lembar saham. Personil yang berhak akan menerima saham tersebut setelah memberikan jasa kepada Perusahaan sampai dengan tanggal 31 Desember 2019 (tanggal *vesting*). Beban yang diakui pada periode interim 30 September 2017 yang dihitung dengan menggunakan metode garis lurus sebesar AS$962.979.

ii. *Unblocked Share Program*

- ***Unblocked Share Program - Executive Level***

  Program ini berlaku bagi Direksi, Dewan Komisaris dan Manajemen Senior Perusahaan. Jumlah saham yang diberikan dalam program ini adalah 6.912.500 lembar saham.

30. ADDITIONAL PAID-IN CAPITAL AND SHARE-BASED PAYMENT (continued)

Share-based payment (continued)

The program involves different types of share-based compensation which can only be settled by equity (i.e.: the treasury shares held by the Company). The types of share-based compensation are as follows:

a. Management Share Award Program (MSAP)

i. Blocked Share Program

Blocked Share Program is the program applicable for Board of Directors and senior management of the Company. The total number of shares awarded in this program is 25,000,000 shares. The number of shares will be adjusted in case there is rights issue, bonus shares issue and stock split. The understanding of the terms and conditions of such arrangement was achieved when the program was communicated to each respective person on September 17, 2015 and the approval from shareholders were obtained on June 29, 2016. Therefore, the grant date of this award is June 29, 2016 and the cost of the program is measured based on the fair value of the shares on that date wherein the closing market price is Rp1,420 per share. The personnel eligible for the shares shall render services to the Company until December 31, 2019 (vesting date). The expense recognized for the interim period September 30, 2017 calculated using straight-line method amounted to US$962,979.

ii. Unblocked Share Program

- ***Unblocked Share Program - Executive Level***

  This program is applicable for Board of Directors, Board of Commissioners and Senior Management of the Company. The total number of shares awarded in this program is 6,912,500 shares.

30. TAMBAHAN MODAL DISETOR DAN PEMBAYARAN BERBASIS SAHAM (lanjutan)

Pembayaran berbasis saham (lanjutan)

a. Program Bagi Hasil Manajemen *(MSAP)* (lanjutan)

ii. *Unblocked Share Program* (lanjutan)

- ***Unblocked Share Program - Executive Level* (lanjutan)**

  Pemahaman atas syarat dan ketentuan terkait dengan program ini dicapai pada saat telah dikomunikasikan kepada masing-masing personil terkait pada tanggal 21 Juni 2017 dan persetujuan dari pemegang saham atas program tersebut diperoleh pada tanggal 29 Juni 2016. Oleh karena itu, tanggal pemberian penghargaan adalah tanggal 21 Juni 2017 dan biaya program ini diukur berdasarkan nilai wajar harga saham pada tanggal tersebut di mana harga penutupan pasar adalah Rp2.290 per lembar saham. Saham yang diberikan *vest* pada tanggal pemberian. Beban yang diakui pada periode interim 30 September 2017 adalah sebesar AS$1.190.108.

- ***Unblocked Share Program - Senior Management Level***

  Program ini berlaku untuk Manajemen Senior Perusahaan yang diperbantukan pada entitas anak Grup. Jumlah saham yang diberikan dalam program ini adalah 880.550 lembar saham. Pemahaman atas syarat dan ketentuan terkait dengan program ini dicapai pada saat telah dikomunikasikan kepada masing-masing personil terkait pada tanggal 8 Agustus 2017 dan persetujuan dari pemegang saham atas program tersebut diperoleh pada tanggal 29 Juni 2016. Oleh karena itu, tanggal pemberian penghargaan adalah tanggal 8 Agustus 2017 dan biaya program ini diukur berdasarkan nilai wajar harga saham pada tanggal tersebut di mana harga penutupan pasar adalah Rp2.610 per lembar saham. Saham yang diberikan *vest* pada tanggal pemberian. Beban yang diakui pada periode interim 30 September 2017 adalah sebesar AS$172.553.

30. ADDITIONAL PAID-IN CAPITAL AND SHARE-BASED PAYMENT (continued)

Share-based payment (continued)

a. Management Share Award Program (MSAP) (continued)

ii. Unblocked Share Program (continued)

- ***Unblocked Share Program - Executive Level (continued)***

  The understanding of the terms and conditions of such arrangement was achieved when the program was communicated to each respective person on June 21, 2017 and the approval from shareholders were obtained on June 29, 2016. Therefore, the grant date of this award is June 21, 2017 and the cost of the program is measured based on the fair value of the shares on that date wherein the closing market price is Rp2,290 per share. The shares awarded vested immediately on the grant date. The expense recognized for the interim period September 30, 2017 amounted to US$1,190,108.

- ***Unblocked Share Program - Senior Management Level***

  This program is applicable for the Company Senior Management who are seconded to the Group's subsidiaries. The total number of shares awarded in this program is 880,550 shares. The understanding of the terms and conditions of such arrangement was achieved when the program was communicated to each respective person on August 8, 2017 and the approval from shareholders were obtained on June 29, 2016. Therefore, the grant date of this award is August 8, 2017 and the cost of the program is measured based on the fair value of the shares on that date wherein the closing market price is Rp2,610 per share. The shares awarded vested immediately on the grant date. The expense recognized for the interim period September 30, 2017 amounted to US$172,553.

30. TAMBAHAN MODAL DISETOR DAN PEMBAYARAN BERBASIS SAHAM (lanjutan)

Pembayaran berbasis saham (lanjutan)

b. Program Bagi Hasil Karyawan *(ESAP)*

ESAP berlaku untuk karyawan Perusahaan atau PT Medco E & P Indonesia ("MEPI") yang memenuhi syarat, baik mereka yang bekerja di Perusahaan atau MEPI, entitas anak yang dimiliki sepenuhnya atau yang diperbantukan pada entitas anak atau entitas asosiasi Grup. Jumlah saham yang diberikan dalam program ini adalah 5.277.650 lembar saham. Jumlah saham ini akan disesuaikan dalam hal terdapat pemecahan saham dan setelah vesting, jumlah saham memiliki hak memesan efek terlebih dahulu (*right issue)* dan mendapatkan saham bonus. Pemahaman atas syarat dan ketentuan terkait dengan program ini dicapai pada saat telah dikomunikasikan kepada masing-masing personil terkait pada tanggal 27 dan 28 Juli 2017 dan persetujuan dari pemegang saham atas program tersebut diperoleh pada tanggal 29 Juni 2016. Oleh karena itu, tanggal pemberian penghargaan adalah tanggal 28 Juli 2017 dan biaya program ini diukur berdasarkan nilai wajar harga saham pada tanggal tersebut di mana harga penutupan pasar adalah Rp2.700 per lembar saham.

Penghargaan ini *vest* dalam tiga tahapan tanggal *vesting*, yaitu 1 Juni 2018 (30% dari saham), 1 Juni 2019 (30% dari saham) dan 1 Juni 2020 (40% dari saham). Personil berhak mendapatkan jumlah saham pada setiap tahapan apabila personil memberikan jasa hingga setiap tanggal *vesting*. Beban yang diakui pada periode interim 30 September 2017 dengan jumlah sebesar AS$207.921 dihitung dengan menggunakan metode garis lurus dalam tiga tahapan sebagai berikut: tahap pertama sebesar AS$106.930, tahap kedua sebesar AS$53.466 dan tahap ketiga sebesar AS$47.525.

31. DAMPAK PERUBAHAN TRANSAKSI EKUITAS ENTITAS ANAK/ENTITAS ASOSIASI

Akun ini terutama merupakan akun “selisih harga perolehan atas aset neto yang diperoleh” dari PT Medco Power Indonesia ("MPI"), entitas asosiasi, sehubungan dengan tambahan kepemilikan di entitas anak MPI.

30. ADDITIONAL PAID-IN CAPITAL AND SHARE-BASED PAYMENT (continued)

Share-based payment (continued)

b. Employee Shares Award Program (ESAP)

ESAP is applicable for the eligible employees of the Company and PT Medco E & P Indonesia (“MEPI”), wholly owned subsidiary who are working in either the Company or seconded to other subsidiaries or affiliates of the Group based on certain criteria. The total number of shares awarded in this program is 5,277,650 shares. The number of shares will be adjusted in case there is stock split and after vesting, these number of shares have the pre-emptive rights and bonus shares. The understanding of the terms and conditions of such arrangement was achieved when the program was communicated to the employees on July 27 and 28, 2017 and the approval from shareholders were obtained on June 29, 2016. Therefore, the grant date of this award is July 28, 2017 and the cost of the program is measured based on the fair value of the shares on that date wherein the closing market price is Rp2,700 per share.

The award vest in three tranches of vesting date, namely June 1, 2018 (30% of the shares), June 1, 2019 (30% of the shares) and June 1, 2020 (40% of the shares). To be entitled receive the number of shares available in each tranche; the respective employee has to render services up to each vesting date. The expense recognized for the interim period September 30, 2017 totaling US$207,921 is calculated using straight-line method in three tranches as follows: 1st tranche amounted to US$106,930, 2nd tranche amounted to US$53,466 and 3rd tranche amounted to US$47,525.

31. EFFECTS OF CHANGES IN EQUITY TRANSACTIONS OF SUBSIDIARIES/ ASSOCIATES

This account mainly represents “excess of purchase price over net assets acquired” of PT Medco Power Indonesia (“MPI”), an associate, in relation to the additional equity interest in MPI’s subsidiaries.

32. PENJUALAN DAN PENDAPATAN USAHA LAINNYA

Rincian penjualan dan pendapatan usaha lainnya yang diperoleh Grup adalah sebagai berikut:

a. Berdasarkan jenis pendapatan

32. SALES AND OTHER OPERATING REVENUES

The breakdown of the sales and other operating revenues of the Group is as follows:

a. By nature of revenues

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2015 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2014 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	
Penjualan minyak dan gas neto	595.074.910	386.040.210	583.027.141	575.275.962	701.916.858	*Net oil and gas sales*
Pendapatan dari jasa	2.453.590	5.421.393	7.009.841	6.982.011	204.026	*Revenue from services*
Jumlah	**597.528.500**	**391.461.603**	**590.036.982**	**582.257.973**	**702.120.884**	***Total***

b. Berdasarkan pelanggan

b. By customer

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2015 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2014 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	
Pihak berelasi						*Related parties*
Petro Diamond Singapore Pte Ltd	-	99.565.894	-	156.431.885	231.001.250	*Petro Diamond Singapore Pte Ltd*
PT Donggi Senoro LNG	-	60.599.161	-	58.611.649	351.438	*PT Donggi Senoro LNG*
Petro Diamond Co Ltd, Hong Kong	-	-	-	11.899.904	35.267.259	*Petro Diamond Co Ltd, Hong Kong*
Pihak ketiga						*Third parties*
Pelanggan dalam negeri	168.488.339	129.089.693	259.937.131	194.351.451	254.540.563	*Local customers*
Pelanggan luar negeri	429.040.161	102.206.855	330.099.851	160.963.084	180.960.374	*Foreign customers*
Jumlah	**597.528.500**	**391.461.603**	**590.036.982**	**582.257.973**	**702.120.884**	***Total***

Rincian pendapatan dari pelanggan yang melebihi 10% dari jumlah pendapatan yang dilaporkan berasal dari:

The details of revenues from customers which exceeded 10% of the total revenues, are as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2015 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2014 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	
Petro Diamond Singapore Pte Ltd	152.751.455	99.565.894	148.908.594	156.431.885	231.001.250	*Petro Diamond Singapore Pte Ltd*
Sembcorp Gas Pte Ltd	93.729.179	-	14.988.441	-	-	*Sembcorp Gas Pte Ltd*
PT Donggi Senoro LNG	69.143.012	60.599.161	78.079.292	58.611.649	351.438	*PT Donggi Senoro LNG*
Petroleum Development Oman LLC	57.275.774	66.881.692	93.571.502	98.586.418	107.465.919	*Petroleum Development Oman LLC*
PT Perusahaan Listrik Negara (Persero)	39.710.162	76.396.283	103.017.647	86.890.466	108.535.181	*Petroleum Development Oman LLC*
Jumlah	**412.609.582**	**303.443.030**	**438.565.476**	**400.520.418**	**447.353.788**	***Total***

33. BEBAN POKOK PENJUALAN DAN BIAYA LANGSUNG LAINNYA

Grup mempunyai beban-beban sebagai berikut dalam mengoperasikan, memproses dan menjual produk dan jasanya:

a. Biaya Produksi dan *Lifting*

Akun ini terdiri dari:

33. COST OF SALES AND OTHER DIRECT COSTS

The Group incurred the following costs to operate, process and sell its products and services:

a. Production and Lifting Costs

This account consists of:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Biaya kontrak minyak dan gas bumi	65.843.528	52.059.034	88.316.920	84.549.423	112.524.500	*Cost of oil and gas contracts*
Biaya *overhead* operasi lapangan	52.308.600	46.020.184	70.940.270	69.507.283	95.081.266	*Field operations overhead*
Operasi dan pemeliharaan	20.007.849	25.899.293	36.693.582	48.827.148	56.510.721	*Operations and maintenance*
Pendukung operasi	4.632.151	4.664.754	8.141.751	5.628.695	8.321.669	*Operational support*
Biaya pipa dan transportasi	1.548.162	925.225	959.146	6.753.058	9.041.211	*Pipeline cost and transportation fees*
Jumlah	**144.340.290**	**129.568.490**	**205.051.669**	**215.265.607**	**281.479.367**	***Total***

b. Penyusutan, Deplesi dan Amortisasi

Akun penyusutan, deplesi dan amortisasi, adalah sebagai berikut:

b. Depreciation, Depletion and Amortization

This account represents depreciation, depletion and amortization for the following:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2015 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2014 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	
Operasi minyak dan gas bumi	110.990.254	77.831.340	110.247.007	113.813.926	87.968.497	*Oil and gas operations*
Kontrak lainnya dan jasa terkait (Catatan 14)	1.381.706	2.634.160	3.545.864	3.259.983	1.024.102	*Other contracts and related services (Note 14)*
Jumlah	**112.371.960**	**80.465.500**	**113.792.871**	**117.073.909**	**88.992.599**	***Total***

c. Beban Eksplorasi

Akun ini terdiri dari:

c. Exploration Expenses

This account consists of:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Overhead eksplorasi	6.050.032	5.038.414	6.984.389	6.672.864	8.634.300	*Exploration overhead*
Sumur kering	4.265.547	-	32.043	138.404	15.750.909	*Dry hole*
Jumlah	**10.315.579**	**5.038.414**	**7.016.432**	**6.811.268**	**24.385.209**	***Total***

33. BEBAN POKOK PENJUALAN DAN BIAYA LANGSUNG LAINNYA (lanjutan)

d. Biaya Pembelian Minyak Mentah

Akun ini terdiri dari biaya pembelian minyak mentah oleh Grup dari SKK Migas, PT Pertamina Hulu Energi dan Tomori E&P Ltd untuk periode sembilan bulan yang berakhir pada tanggal-tanggal 30 September 2017 dan 2016 dan untuk tahun yang berakhir pada tanggal 31 Desember 2016, 2015, dan 2014. Tidak terdapat pembelian dari satu pihak yang melebihi 10% dari pendapatan untuk periode sembilan bulan yang berakhir pada tanggal-tanggal 30 September 2017 dan 2016 dan untuk tahun yang berakhir pada tanggal 31 Desember 2016, 2015, dan 2014.

33. COST OF SALES AND OTHER DIRECT COSTS (continued)

d. Cost of Crude Oil Purchases

This account consists of cost of crude oil purchased by the Group from SKK Migas, PT Pertamina Hulu Energi and Tomori E&P Ltd for the nine-month periods ended September 30, 2017 and 2016 and for the years ended December 31, 2016, 2015, and 2014. There were no purchases from a single vendor which exceeded 10% of revenues for the nine-month periods ended September 30, 2017 and 2016 and for the years ended December 31, 2016, 2015, and 2014.

34. BEBAN PENJUALAN, UMUM, DAN ADMINISTRASI

34. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2015 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2014 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	
Umum dan administrasi						***General and administrative***
Gaji, upah dan imbalan kerja lainnya	56.274.280	36.682.781	46.375.672	50.690.169	52.749.006	*Salaries, wages and other employee benefits*
Penurunan nilai piutang	9.289.315	-	-	-	2.016.330	*Provision for impairment of receivables*
Honorarium profesional	5.457.093	5.292.985	9.574.779	5.969.002	5.983.806	*Professional fees*
Jasa	5.160.506	1.022.344	2.398.294	2.034.818	4.037.079	*Service*
Sewa	4.742.933	946.648	407.761	12.941.836	5.540.412	*Rental*
Asuransi	1.956.629	1.477.839	1.655.478	2.268.825	2.589.657	*Insurance*
Beban kontrak	1.432.001	1.382.092	2.620.103	5.154.511	7.860.723	*Contract charges*
Perawatan dan perbaikan	1.091.515	1.086.973	2.175.560	1.990.318	1.996.714	*Repairs and maintenance*
Transportasi	1.063.258	1.026.485	824.454	2.113.857	616.757	*Transportation*
Peralatan dan perlengkapan kantor	992.686	2.137.364	1.437.255	6.936.135	1.232.403	*Office supplies and equipment*
Pendidikan	431.257	156.104	279.177	350.301	897.289	*Education*
Penyusutan (Catatan 14)	338.473	832.981	1.120.780	2.394.116	1.480.847	*Depreciation (Note 14)*
Lain-lain (masing-masing di bawah AS$100.000)	4.581.996	9.338.749	14.398.974	6.252.435	3.682.784	*Others (each below US$100,000)*
Sub-jumlah	92.811.942	61.383.345	83.268.287	99.096.323	90.683.807	*Sub-total*
Penjualan						***Selling***
Beban ekspor	6.801.083	8.183.602	11.353.351	13.598.574	12.678.964	*Export expenses*
Perjalanan dinas	1.415.450	901.010	1.378.554	972.610	2.829.166	*Business travel*
Iklan dan promosi	936.879	380.886	516.276	1.256.197	30.471	*Advertising and promotions*
Beban jamuan	24.219	10.213	13.048	16.058	1.773.557	*Entertainment*
Sub-jumlah	9.177.631	9.475.711	13.261.229	15.843.439	17.312.158	*Sub-total*
Jumlah	**101.989.573**	**70.859.056**	**96.529.516**	**114.939.762**	**107.995.965**	***Total***

35. PENDAPATAN DAN BEBAN LAIN-LAIN

Pendapatan lain-lain untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2017 terutama merupakan imbalan manajemen terkait Perjanjian Operasi Bersama Medco E & P Natuna Ltd (Catatan 47).

Pendapatan lain-lain atas periode sembilan bulan yang berakhir pada tanggal 30 September 2016 umumnya berasal dari penerimaan kas atas penggantian PPN sebesar AS$7,4 juta.

Pendapatan lain-lain untuk tahun yang berakhir pada tanggal 31 Desember 2016 umumnya berasal dari penerimaan kas atas penggantian PPN sebesar AS$5,7 juta.

Pendapatan lain-lain untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2015 dan 2014 umumnya berasal dari keuntungan atas investasi jangka pendek masing-masing sebesar AS$11,8 juta dan AS$12,8 juta.

35. OTHER INCOME AND OTHER EXPENSES

Other income for the nine-month periods ended September 30, 2017 mainly represents management fees related to Joint Operating Agreement of Medco E & P Natuna Ltd (Note 47).

Other income for the nine-month periods ended September 30, 2016, mainly consists of cash receipt from VAT reimbursement amounting to US$7.4 million.

Other income for the year ended December 31, 2016 mainly consist of cash receipt from VAT reimbursement amounting to US$5.7 million.

Other income for the years ended December 31, 2015 and 2014 mainly consists of income from short-term investments amounting to US$11.8 million and US$12.8 million, respectively.

36. PERPAJAKAN

a. Beban pajak Perusahaan dan entitas anak terdiri dari sebagai berikut:

36. TAXATION

a. Income tax expense of the Company and subsidiaries consists of the following:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2015 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2014 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	
Operasi yang dilanjutkan						
Beban pajak kini						*Current income tax expense*
Entitas anak	(96.416.259)	(27.194.107)	(48.800.762)	(36.788.496)	(77.141.220)	*Subsidiaries*
Manfaat (beban) pajak tangguhan						*Deferred tax benefit (expense)*
Perusahaan	(472.646)	8.204.645	7.840.609	(13.663.895)	(3.120.041)	*The Company*
Entitas anak	(5.515.342)	18.499.760	(22.324.866)	19.012.737	(14.020.350)	*Subsidiaries*
Sub-jumlah	(5.987.988)	26.704.405	(14.484.257)	5.348.842	(17.140.391)	*Sub-total*
Jumlah Beban Pajak dari Operasi yang Dilanjutkan	**(102.404.247)**	**(489.702)**	**(63.285.019)**	**(31.439.654)**	**(94.281.611)**	***Total Income Tax Expense from Continuing Operations***

b. Pajak Kini

Rekonsiliasi antara laba (rugi) sebelum beban pajak penghasilan dari operasi yang dilanjutkan menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian dan rugi fiskal Perusahaan adalah sebagai berikut:

b. Current Income Tax

A reconciliation between profit (loss) before income tax expense from continuing operations per consolidated statements of profit or loss and other comprehensive income and the Company's tax loss is as follows:

36. PERPAJAKAN (lanjutan) / *36. TAXATION (continued)*

b. Pajak Kini (lanjutan) / *b. Current Income Tax (continued)*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2015 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2014 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	
Laba (rugi) konsolidasian sebelum beban pajak penghasilan dari operasi yang dilanjutkan	174.294.481	(103.751.904)	295.089.983	(119.358.370)	122.087.387	*Consolidated profit (loss) before income tax expense from continuing operations*
Penyesuaian konsolidasi	-	-	(486.059.980)	-	-	*Consolidation adjustment*
Dikurangi rugi (laba) sebelum beban pajak penghasilan entitas anak	(266.679.965)	51.768.192	80.203.486	126.763.265	(170.086.760)	*Less loss (profit) before income tax expense of subsidiaries*
Laba (rugi) sebelum pajak - Perusahaan	(92.385.484)	(51.983.712)	(110.766.511)	7.404.895	(47.999.373)	*Profit (loss) before income tax - the Company*
Pendapatan dividen dari entitas anak	2.465.660	3.000.000	3.000.000	381.264.170	-	*Dividend income from subsidiaries*
Jumlah laba (rugi) sebelum pajak - Perusahaan	(89.919.824)	(48.983.712)	(107.766.511)	388.669.065	(47.999.373)	*Profit (loss) before income tax - the Company*
Perbedaan temporer						***Temporary differences***
Penyusutan aset tetap	(31.147)	(60.948)	77.536	(77.726)	(30.342)	*Depreciation of property, plant and equipment*
Amortisasi beban ditangguhkan	-	-	-	-	(38.043)	*Amortization of deferred charges*
Imbalan kerja	4.271.204	3.320.432	2.608.800	4.217.285	(824.419)	*Employee benefits*
Kerugian/(keuntungan) surat berharga yang belum direalisasikan	81.693	30.790.036	31.362.437	(4.448.084)	(12.415.321)	*Unrealized loss/(gain) on marketable securities*
Keuntungan selisih kurs imbalan kerja	-	-	-	-	(291.348)	*Gain on foreign exchange employee-benefits*
Keuntungan dari kombinasi bisnis secara bertahap	-	-	-	(50.247.693)	-	*Gain on business combination achieved in stages*
Bagian rugi (laba) dari entitas asosiasi dan ventura bersama	23.421.649	(2.300.711)	27.099.651	(7.140.041)	-	*Share of net loss (income) of associates and joint venture*
Perbedaan tetap						***Permanent differences***
Beban yang tidak dapat dikurangkan	31.138.624	(7.960.400)	7.632.512	2.055.073	256.697	*Non-deductible expenses*
Dividen kas	(2.465.660)	(3.000.000)	(3.000.000)	-	-	*Cash dividend*
Pendapatan tidak kena pajak	-	-	-	(381.264.170)	-	*Non-taxable income*
Pendapatan yang dikenai pajak final	(237.670)	(392.055)	(502.467)	(2.820.407)	(3.529.908)	*Income subjected to final income tax*
Rugi fiskal periode/ tahun berjalan Perusahaan	**(33.741.131)**	**(28.587.358)**	**(42.488.042)**	**(51.056.698)**	**(64.872.057)**	***Tax loss of the Company for the period/year***
Rugi fiskal periode/ tahun lalu	(42.488.042)	(125.940.002)	(125.940.002)	(235.629.162)	(287.516.536)	*Prior periods/years tax losses*
Penyesuaian	42.488.042	-	-	(3.000.000)	-	*Adjustment*
Rugi fiskal yang kedaluwarsa	-	-	125.940.002	163.745.858	116.759.431	*Expired tax loss*
Rugi fiskal kumulatif Perusahaan pada akhir periode/ tahun - Perusahaan	**(33.741.131)**	**(154.527.360)**	**(42.488.042)**	**(125.940.002)**	**(235.629.162)**	***Accumulated tax loss carry-forward at end of period/year - the Company***

Jumlah penghasilan kena pajak kini Perusahaan untuk tahun 2017 sebagaimana disajikan di atas, akan dilaporkan oleh Perusahaan dalam Surat Pemberitahuan Tahunan ("SPT") PPh badan tahun 2017 ke Kantor Pajak.

The amounts of the Company's taxable income for 2017, as stated in the above, will be reported by the Company in its 2017 annual income tax return ("SPT") submitted to the Tax Office

36. PERPAJAKAN (lanjutan) / *36. TAXATION (continued)*

c. Pajak Tangguhan / *c. Deferred Tax*

Rincian dari aset dan liabilitas pajak tangguhan dari Grup adalah sebagai berikut: / *The details of the Group's deferred tax assets and liabilities are as follows:*

	30 September 2017/*September 30, 2017*					
	31 Desember 2016/ *December 31, 2016*	Penambahan dari akuisisi/ *Additions from acquisition*	Aset/liabilitas pajak tangguhan atas entitas anak yang diklasifikasikan sebagai dimiliki untuk dijual dan operasi yang dihentikan/ *Deferred tax assets/liabilities of subsidiaries classified as held for sale and discountinued operation*	Dibebankan (dikreditkan) ke laporan laba rugi dan penghasilan komprehensif lain konsolidasian/ *Charged (credited) to consolidated statement of profit or loss and other comprehensive income*	30 September 2017/ *September 30, 2017*	
Perusahaan						***The Company***
Aset Pajak Tangguhan						***Deferred Tax Assets***
Pembayaran berbasis saham	-	-	-	(280.109)	280.109	*Share-based payment*
Liabilitas Pajak Tangguhan						***Deferred Tax Liabilities***
Beda temporer atas investasi pada entitas anak yang dicatat sebagai aset tersedia untuk dijual	-	-	-	1.651.603	(1.651.603)	*Temporary difference from investment in subsidiaries which were classified as assets held for sale*
Keuntungan yang belum direalisasikan atas surat berharga	(316.466)	-	-	(20.423)	(296.043)	*Unrealized income on marketable securities*
Kewajiban imbalan kerja	-	-	-	26.440	(26.440)	*Employee benefit liabilities*
Penyesuaian nilai wajar investasi pada entitas anak/ entitas asosiasi	(20.052.468)	-	-	-	(20.052.468)	*Fair value adjustment of investment in subsidiaries/ associates*
Sub-jumlah	(20.368.934)	-	-	1.657.620	(22.026.554)	*Sub-total*
Liabilitas Pajak Tangguhan - Perusahaan	(20.368.934)	-	-	1.377.511	(21.746.445)	*Deferred Tax Liabilities - the Company*
Beban Pajak Tangguhan dari Pendapatan Komprehensif Lain - Perusahaan				(904.865)		*Deferred Tax Expenses from Other Comprehensive Income - the Company*
Beban Pajak Tangguhan - Perusahaan				472.646		*Deferred Tax Expense the Company*
Aset Pajak Tangguhan - entitas anak	90.359.085	19.138.815	245.724	20.871.992	88.871.632	*Deferred Tax Assets - subsidiaries*
Liabilitas Pajak Tangguhan - entitas anak	(84.349.547)	-	-	(15.337.765)	(69.011.782)	*Deferred Tax Liabilities - subsidiaries*
Aset Pajak Tangguhan - Grup - Neto	90.359.085	19.138.815	245.724	20.871.992	88.871.632	*Net Deferred Tax Assets - the Group - Net*
Liabilitas Pajak Tangguhan - Grup - Neto	(104.718.481)	-	-	(13.960.254)	(90.758.227)	*Net Deferred Tax Liabilities - the Group - Net*
Jumlah Beban Pajak Tangguhan Grup				**6.911.738**		***Total Deferred Tax Expense of the Group***
Beban Pajak Tangguhan dari pendapatan komprehensif lain				**(903.122)**		***Deferred Tax Expenses from other comprehensive income***
Dampak selisih kurs				**(20.628)**		***Effect of foreign exchange rate***
Beban Pajak Tangguhan Neto dari Operasi yang Dilanjutkan				**5.987.988**		***Net Deferred Tax Expense from Continuing Operation***

36. PERPAJAKAN (lanjutan) / *36. TAXATION (continued)*

c. Pajak Tangguhan (lanjutan) / *c. Deferred Tax (continued)*

	30 September 2016/*September 30, 2016* (tidak diaudit/unaudited)				
	31 Desember 2015/ *December 31, 2015*	*Penambahan dari akuisisi/ Additions from acquisition*	Dibebankan (dikreditkan) ke laporan laba rugi dan penghasilan komprehensif lain konsolidasian/ *Charged (credited) to consolidated statement of profit or loss and other comprhensive income*	30 September 2016/ *September 30, 2016*	
Perusahaan					***The Company***
Liabilitas Pajak Tangguhan					***Deferred Tax Liabilities***
Keuntungan yang belum direalisasikan atas surat berharga	(8.157.076)	-	(8.204.645)	47.569	*Unrealized income on marketable securities*
Penyesuaian nilai wajar investasi pada entitas asosiasi	(20.052.468)	-	-	(20.052.468)	*Fair value adjustment of investment in associate*
Sub-jumlah	(28.209.544)	-	(8.204.645)	(20.004.899)	*Sub-total*
Liabilitas Pajak Tangguhan - Perusahaan	(28.209.544)	-	(8.204.645)	(20.004.899)	*Deferred Tax Liabilities - the Company*
Aset Pajak Tangguhan - entitas anak	31.146.229	19.913.080	(25.913.539)	76.972.848	*Deferred Tax Assets - subsidiaries*
Liabilitas Pajak Tangguhan entitas anak	(82.321.468)	-	7.174.024	(89.495.492)	*Net Deferred Tax Liabilities of subsidiaries*
Aset Pajak Tangguhan Grup - Neto	31.146.229	19.913.080	(25.913.539)	76.972.848	*Net Deferred Tax Assets of the Group*
Liabilitas Pajak Tangguhan Grup - Neto	(110.531.012)	-	(1.030.621)	(109.500.391)	*Net Deferred Tax Liabilities of the Group*
Jumlah Manfaat Pajak Tangguhan Grup			**(26.944.160)**		***Total Deferred Tax Income of The Group***
Beban Pajak Tangguhan dari pendapatan kompehensif lain			**309.884**		***Deferred Tax Expense from other comprehensive income***
Dampak selisih kurs			**(98.746)**		***Effect of foreign exchange rate***
Direklasifikasi ke operasi yang dihentikan (Catatan 37)			**28.617**		***Reclassified to discontinued operation (Note 37)***
Beban Pajak Tangguhan Neto dari Operasi yang Dilanjutkan			**(26.704.405)**		***Net Deferred Tax Expense from Continuing Operations***

36. PERPAJAKAN (lanjutan) / *36. TAXATION (continued)*

c. Pajak Tangguhan (lanjutan) / *c. Deferred Tax (continued)*

	31 Desember 2016/*December 31, 2016*					
	31 Desember 2015/ *December 31, 2015*	Penambahan dari akuisisi/ *Additions from acquisition*	Aset/liabilitas pajak tangguhan atas entitas anak yang diklasifikasikan sebagai dimiliki untuk dijual dan operasi yang dihentikan/ *Deferred tax assets/liabilities of subsidiaries classified as held for sale and discountinued operation*	Dibebankan (dikreditkan) ke laporan laba rugi dan penghasilan komprehensif lain konsolidasian/ *Charged (credited) to consolidated statement of profit or loss and other comprehensive income*	31 Desember 2016/ *December 31, 2016*	
Perusahaan						***The Company***
Liabilitas Pajak Tangguhan						***Deferred Tax Liabilities***
Keuntungan yang belum direalisasikan atas surat berharga	(8.157.076)	-	-	(7.840.610)	(316.466)	*Unrealized income on marketable securities*
Penyesuaian nilai wajar investasi pada entitas anak/ entitas asosiasi	(20.052.468)	-	-	-	(20.052.468)	*Fair value adjustment of investment in subsidiaries/ associates*
Sub-jumlah	(28.209.544)	-	-	(7.840.610)	(20.368.934)	*Sub-total*
Liabilitas Pajak Tangguhan - Perusahaan	(28.209.544)	-	-	(7.840.610)	(20.368.934)	*Deferred Tax Liabilities - the Company*
Aset Pajak Tangguhan - entitas anak	31.146.229	53.623.454	(249.238)	(5.838.640)	90.359.085	*Deferred Tax Assets - subsidiaries*
Liabilitas Pajak Tangguhan - entitas anak	(82.321.468)	19.913.080	6.132.743	28.073.902	(84.349.547)	*Deferred Tax Liabilities - subsidiaries*
Aset Pajak Tangguhan - Grup - Neto	31.146.229	53.623.454	(249.238)	(5.838.640)	90.359.085	*Net Deferred Tax Assets - the Group - Net*
Liabilitas Pajak Tangguhan - Grup - Neto	(110.531.012)	19.913.080	6.132.743	20.233.292	(104.718.481)	*Net Deferred Tax Liabilities - the Group - Net*
Jumlah Beban Pajak Tangguhan Grup				**14.394.652**		***Total Deferred Tax Expense of the Group***
Beban Pajak Tangguhan dari pendapatan komprehensif lain				**293.614**		***Deferred Tax Expense from other comprehensive income***
Dampak selisih kurs				**26.446**		***Effect of foreign exchange rate***
Direklasifikasi dari Operasi yang dihentikan (Catatan 37)				**(230.455)**		***Reclassified from discontinued operation (Note 37)***
Beban Pajak Tangguhan Neto dari Operasi yang Dilanjutkan				**14.484.257**		***Net Deferred Tax Expense from Continuing Operation***

36. PERPAJAKAN (lanjutan)

36. TAXATION (continued)

c. Pajak Tangguhan (lanjutan)

c. Deferred Tax (continued)

	31 Desember 2015/*December 31, 2015*				
	31 Desember 2014/ *December 31, 2014*	Aset/liabilitas pajak tangguhan kumulatif atas entitas anak yang dijual/ *Cumulative deferred tax assets/ liabilities of divested subsidiaries*	Dibebankan (dikreditkan) ke laporan laba rugi dan penghasilan komprehensif lain konsolidasian/ *Charged (credited) to consolidated statement of profit or loss and other comprehensive income*	31 Desember 2015/ *December 31, 2015*	
Perusahaan					***The Company***
Liabilitas Pajak Tangguhan					***Deferred Tax Liabilities***
Keuntungan yang belum direalisasikan atas surat berharga	(7.055.104)	-	1.101.972	(8.157.076)	*Unrealized income on marketable securities*
Penyesuaian nilai wajar investasi pada entitas asosiasi	(7.490.545)	-	12.561.923	(20.052.468)	*Fair value adjustment of investment in associates*
Sub-jumlah	(14.545.649)	-	13.663.895	(28.209.544)	*Sub-total*
Liabilitas Pajak Tangguhan - Perusahaan	(14.545.649)	-	13.663.895	(28.209.544)	*Deferred Tax Liabilities - the Company*
Aset Pajak Tangguhan - entitas anak	31.071.315	(64.705)	(139.619)	31.146.229	*Deferred Tax Assets - subsidiaries*
Liabilitas Pajak Tangguhan entitas anak	(98.347.053)	-	(16.025.585)	(82.321.468)	*Net Deferred Tax Liabilities of subsidiaries*
Aset Pajak Tangguhan Grup - Neto	31.071.315	(64.705)	(139.619)	31.146.229	*Net Deferred Tax Assets of the Group - Net*
Liabilitas Pajak Tangguhan Grup - Neto	(112.892.702)	-	(2.361.690)	(110.531.012)	*Net Deferred Tax Liabilities of the Group - Net*
Jumlah Manfaat Pajak Tangguhan Grup			**(2.501.309)**		***Total Deferred Tax Income of The Group***
Beban Pajak Tangguhan dari pendapatan kompehensif lain			**27.065**		***Deferred Tax Expense from other comprehensive income***
Dampak selisih kurs			**(17.001)**		***Effect of foreign exchange rate***
Direklasifikasi ke operasi yang dihentikan (Catatan 37)			**(2.857.597)**		***Reclassified to discontinued operation (Note 37)***
Manfaat Pajak Tangguhan Neto dari Operasi yang Dilanjutkan			**(5.348.842)**		***Net Deferred Tax Income from Continuing Operations***

36. PERPAJAKAN (lanjutan) / *36. TAXATION (continued)*

c. Pajak Tangguhan (lanjutan) / *c. Deferred Tax (continued)*

31 Desember 2014/*December 31, 2014*

	31 Desember 2013/ *December 31, 2013*	Penambahan dari akuisisi/ *Additions from acquisition*	Aset/liabilitas pajak tangguhan atas entitas anak yang diklasifikasikan sebagai dimiliki untuk dijual dan operasi yang dihentikan/ *Deferred tax assets/liabilities of subsidiaries classified as held for sale and discountinued operation*	Dibebankan (dikreditkan) ke laporan laba rugi dan penghasilan komprehensif lain konsolidasian/ *Charged (credited) to consolidated statement of profit or loss and other comprehensive income*	31 Desember 2014/ *December 31, 2014*	
Perusahaan						***The Company***
Liabilitas Pajak Tangguhan						***Deferred Tax Liabilities***
Keuntungan yang belum direalisasikan atas surat berharga	(3.935.063)	-	-	3.120.041	(7.055.104)	*Unrealized income on marketable securities*
Penyesuaian nilai wajar investasi pada entitas anak/ entitas asosiasi	(7.490.545)	-	-	-	(7.490.545)	*Fair value adjustment of investment in subsidiaries/ associates*
Sub-jumlah	(11.425.608)	-	-	3.120.041	(14.545.649)	*Sub-total*
Liabilitas Pajak Tangguhan - Perusahaan	(11.425.608)	-	-	3.120.041	(14.545.649)	*Deferred Tax Liabilities - the Company*
Aset Pajak Tangguhan - entitas anak	42.600.507	-	-	11.529.192	31.071.315	*Deferred Tax Assets - subsidiaries*
Liabilitas Pajak Tangguhan - entitas anak	(87.791.714)	-	1.139.113	3.790.777	(90.443.378)	*Deferred Tax Liabilities - subsidiaries*
Liabilitas Pajak Tangguhan atas akuisisi Tunisia	-	-	-	-	(7.903.675)	*Deferred Tax Liabilities of Tunisia acquisition*
Jumlah Liabilitas Pajak Tangguhan Entitas Anak	(87.791.714)				(98.347.053)	*Total Deferred Tax Liabilities of subsidiaries*
Aset Pajak Tangguhan - Grup - Neto	42.600.507	-	-	11.529.192	31.071.315	*Net Deferred Tax Assets - the Group - Net*
Liabilitas Pajak Tangguhan - Grup - Neto	(99.217.322)	-	1.139.113	6.910.818	(104.989.027)	*Net Deferred Tax Liabilities - the Group - Net*
Liabilitas Pajak Tangguhan atas akuisisi Tunisia	-	-	-	-	(7.903.675)	*Deferred Tax Liabilities of Tunisia acquisition*
Jumlah Liabilitas Pajak Tangguhan Grup - Neto	(99.217.322)				(112.892.702)	*Total Deferred Tax Liabilities of subsidiaries*
Jumlah Beban Pajak Tangguhan Grup				**18.440.010**		***Total Deferred Tax Expenses of he Group***
Beban Pajak Tangguhan dari pendapatan komprehensif lain				**29.985**		***Deferred Tax Expenses from other comprehensive income***
Dampak selisih kurs				**9.472**		***Effect of foreign exchange rate***
Direklasifikasi ke operasi yang dihentikan (Catatan 37)				**(1.339.076)**		***Reclassified to discontinued operation (Note 37)***
Manfaat Pajak Tangguhan Neto dari Operasi yang Dilanjutkan				**17.140.391**		***Net Deferred Tax Income from Continuing Operation***

Pada tanggal pelaporan, Manajemen berpendapat bahwa aset pajak tangguhan yang diakui Perusahaan dan entitas anak dapat direalisasi sepenuhnya.

At reporting date, the management is of the opinion that the recognized deferred tax assets of the Company and subsidiaries are fully recoverable.

36. PERPAJAKAN (lanjutan) / *36. TAXATION (continued)*

c. Pajak Tangguhan (lanjutan) / *Deferred Tax (continued)*

Tidak ada konsekuensi pajak penghasilan atas pembayaran dividen oleh entitas anak domestik, entitas asosiasi dan ventura bersama kepada Perusahaan dan Perusahaan bermaksud memegang investasi tersebut dalam jangka panjang, kecuali untuk investasi pada entitas anak tertentu yang diklasifikasikan sebagai dimiliki untuk dijual.

There are no income tax consequences attached to the payment of dividends by the local subsidiaries, associates and joint venture to the Company and the Company intends to hold the investment for long-term, except for investment in certain subsidiaries which were classified as held for sale.

Pada tanggal 30 September 2017, aset pajak tangguhan yang tidak diakui atas beda temporer yang timbul dari investasi pada entitas anak yang diklasifikasikan sebagai dimiliki untuk dijual adalah sebesar AS$36,9 juta.

As of September 30, 2017, deferred tax asset arising from temporary difference of investment in subsidiaries classified as held for sale not recognized amounting to US$36.9 million.

d. Rekonsiliasi antara beban pajak dengan hasil perhitungan menggunakan tarif pajak *statutory* yang berlaku atas laba (rugi) sebelum beban pajak adalah sebagai berikut:

d. A reconciliation between the income tax expense and the amount computed by applying the statutory tax rate to profit (loss) before income tax expense is as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2015 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2014 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	
Laba (rugi) konsolidasian sebelum beban pajak penghasilan dari operasi yang dilanjutkan	174.294.481	(103.751.904)	295.089.983	(119.358.370)	122.087.387	*Consolidated profit (loss) before income tax expense from continuing operations*
Penyesuaian konsolidasi	-	-	(486.059.980)	-	-	*Consolidation adjustment*
Dikurangi rugi (laba) sebelum pajak penghasilan entitas anak	(266.679.965)	51.768.192	80.203.486	126.763.265	(170.086.760)	*Less loss (profit) before income tax expense of subsidiaries*
Laba (rugi) sebelum pajak - Perusahaan	(92.385.484)	(51.983.712)	(110.766.511)	7.404.895	(47.999.373)	*Profit (loss) before income tax - the Company*
Pendapatan dividen dari entitas anak	2.465.660	3.000.000	3.000.000	381.264.170	-	*Dividend income from subsidiaries*
Jumlah laba (rugi) sebelum pajak - Perusahaan	**(89.919.824)**	**(48.983.712)**	**(107.766.511)**	**388.669.065**	**(47.999.373)**	***Profit (loss) before income tax - the Company***
Manfaat (beban) pajak menggunakan tarif pajak efektif yang berlaku	22.479.956	12.245.928	26.941.628	(97.167.266)	11.999.843	*Tax benefit (expense) using statutory tax rate*
Dampak pajak dari perbedaan tetap:						*Tax effects of permanent differences:*
Pendapatan yang dikenai pajak final	59.417	98.014	125.617	705.102	882.477	*Income already subjected to final tax*
Aset pajak tangguhan yang tidak diakui	(15.843.778)	(6.879.397)	(18.068.508)	(12.004.005)	(15.938.188)	*Unrecognized deferred tax assets*
Pendapatan dividen dari entitas anak	616.415	750.000	750.000	95.316.042	-	*Dividend income from subsidiaries*
Beban yang tidak dapat dikurangkan	(7.784.656)	1.990.100	(1.908.128)	(513.768)	(64.173)	*Non-deductible expenses*
Manfaat (beban) pajak dari operasi yang dilanjutkan:						*Tax benefit (expense) from continuing operations:*
Perusahaan	(472.646)	8.204.645	7.840.609	(13.663.895)	(3.120.041)	*The Company*
Entitas anak	(101.931.601)	(8.694.347)	(71.125.628)	(17.775.759)	(91.161.570)	*Subsidiaries*
Beban Pajak - Neto	**(102.404.247)**	**(489.702)**	**(63.285.019)**	**(31.439.654)**	**(94.281.611)**	***Tax Expense - Net***

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN

a. Pada tanggal 16 Oktober 2013, Grup mencatat investasinya pada PT Medco Downstream Indonesia (MDI), PT Medco LPG Kaji (MLK), PT Medco Methanol Bunyu (MMB), PT Medco Ethanol Lampung (MEL) dan PT Medco Services Indonesia (MSI) sebagai bagian dari operasi yang dihentikan, sejalan dengan tujuan dari Grup agar lebih fokus mengembangkan unit usaha dengan lini bisnis minyak dan gas bumi. Proses penjualan saat ini masih dalam tahap mencari pembeli potensial yang baru dan menawarkan harga jual yang lebih relevan.

Pada tanggal 22 Desember 2016, manajemen menyetujui rencana untuk melepas kepemilikannya pada beberapa entitas anak, yaitu PT Medco Gas Indonesia dan entitas anak (MGI Grup), PT Exspan Petrogas Indonesia (EPI), PT Medco Energi Mining Internasional dan entitas anak (MEMI Grup), PT Medco Sarana Balaraja dan entitas anak (MSB Grup) dan PT Medco LNG Indonesia (MLI). Rencana transaksi sedang dalam proses negosiasi dengan pembeli yang diusulkan dan kemungkinan besar akan selesai paling lambat akhir tahun 2017.

Pada tanggal 15 Maret 2017, manajemen lebih lanjut menyetujui rencana untuk melepas kepemilikannya PT Api Metra Graha (AMG). Rencana transaksi sedang dalam proses negosiasi dengan pembeli yang diusulkan dan kemungkinan besar akan selesai paling lambat akhir kuartal pertama tahun 2018.

Pada pertengahan tahun 2017, Perusahaan mengubah rencana penjualan PT Medco Gas Indonesia (MGI) dengan rencana pembelian kepemilikan pada PT Mitra Energi Gas Sumatera (MEGS), entitas anak MGI mengingat sifat usaha MEGS terkait dengan operasi usaha utama Grup. Sehubungan perubahan rencana tersebut, aset dan liabilitias MEGS diklasfiikasikan kembali pada klasifikasi semula dan hasil usaha diklasifikasikan kembali dari operasi yang dihentikan menjadi operasi yang dilanjutkan. Pada tanggal 14 September 2017, Perusahaan melakukan pembelian 100% saham MEGS dari MGI.

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

a. On October 16, 2013, the Group recorded its investment in PT Medco Downstream Indonesia (MDI), PT Medco LPG Kaji (MLK), PT Medco Methanol Bunyu (MMB), PT Medco Ethanol Lampung (MEL) and PT Medco Services Indonesia (MSI) as a part of discontinued operation, in line with the objectives of the Group to focus on the oil and gas business. The sales process is currently still looking for new potential buyer and offer more relevant selling price.

On December 22, 2016, the management approved the plan to dispose its ownership in certain subsidiaries, namely PT Medco Gas Indonesia and its subsidiaries (MGI Group), PT Exspan Petrogas Indonesia (EPI), PT Medco Energi Mining Internasional and its subsidiaries (MEMI Group), PT Medco Sarana Balaraja and its subsidiaries (MSB Group) and PT Medco LNG Indonesia (MLI). Proposed transaction currently is in negotiation with proposed buyers and are likely to be concluded at the latest end of 2017.

On March 15, 2017, the management further approved the plan to dispose its ownership in PT Api Metra Graha (AMG). Proposed transaction currently is in negotiation with proposed buyers and are likely to be concluded at the latest end of 2018 first quarter.

In the middle of 2017, the Company changed its divestment plan of PT Medco Gas Indonesia (MGI) with the plan to purchase direct ownership in PT Mitra Energi Gas Sumatera (MEGS), a subsidiary of MGI, considering that the nature of business of MEGS is related to the Group main business. In relation to such change of plan, assets and liabilities of MEGS are reclassified to its previous classification and its results of operations are re-presented from discontinued operation to continuing operation. On September 14, 2017, the Company purchased 100% of MEGS shares in MGI.

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN (lanjutan)

Pada tanggal 30 September 2017, manajemen menghentikan pengklasifikasian PT Medco LNG Indonesia ("MLI"), sebagai aset yang dimiliki untuk dijual karena kriteria dalam PSAK No. 58, "Aset Tidak Lancar yang Dimiliki untuk Dijual dan Operasi yang Dihentikan" tidak lagi terpenuhi. Hal tersebut dikarenakan, pembeli potensial yang sebelumnya diharapkan, tidak memberikan kepastian akan terlaksananya transaksi tersebut. Selain itu, pemberi pinjaman proyek PT Donggi Senoro LNG ("DSLNG"), entitas yang sahamnya dimiliki 11,11% oleh MLI, mewajibkan pemegang saham yang ada untuk mempertahankan kepemilikan mereka di DSLNG dan mempertahankan jaminan sampai penyelesaian proyek di DSLNG.

Manajemen memutuskan untuk melakukan perpanjangan periode untuk menyelesaikan penjualan atas aset yang tersedia untuk dijual karena selama periode satu tahun awal timbul keadaan yang sebelumnya tidak dipertimbangkan yang menyebabkan aset tidak lancar yang sebelumnya diklasifikasikan sebagai dimiliki untuk dijual belum terjual sampai dengan akhir 2017. Grup telah mengambil tindakan yang diperlukan untuk merespon keadaan tersebut dengan cara menawarkan aset tersebut secara aktif kepada beberapa pembeli potensial pada tingkat harga yang wajar.

Sehubungan dengan rencana-rencana Grup tersebut di atas, untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2017 dan 2016 dan untuk tahun yang berakhir pada tanggal 31 Desember 2016, 2015, dan 2014, Grup menyajikan rugi setelah pajak dari operasi yang dihentikan sebagai suatu jumlah tunggal dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian. Pada tanggal posisi keuangan periode diklasifikasikannya entitas-enitas tersebut sebagai dimiliki untuk dijual, aset dan liabilitas disajikan dalam jumlah tunggal sebagai aset dan liabilitas yang dimiliki untuk dijual dalam laporan keuangan konsolidasian.

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

As of September 30, 2017, management discontinued the classification of, PT Medco LNG Indonesia (MLI), as asset held for sale since the criteria in PSAK No. 58, "Non-current Assets Classified as Held for Sale and Discontinued Operation" is no longer met. The expected potential buyers no longer showed intention to proceed with the transaction. In addition, PT Donggi Senoro LNG ("DSLNG"), entity owned 11.11% by MLI, Project Finance lenders required the existing shareholders to maintain their ownership in DSLNG and maintain the guarantee until the project completion in DSLNG.

Management decided to extend the period to complete the sale of assets available for sale since during the initial one year period, there are unpredictable situations which resulted the assets held for sale to have not yet been sold until the end of 2017. The Group has taken the necessary actions to respond to the situation by actively offering such assets to several potential buyer at fair market price.

As a result of the above plans, for the nine-month periods ended September 30, 2017 and 2016, and for the years ended December 31, 2016, 2015, and 2014, the Group present the loss after tax from discontinued operations as single line item in the consolidated statements of profit or loss and other comprehensive income. As of the financial position date in the particular period when those entities were classified as held for sale, the assets and liabilities are presented as single line item as assets and liabilities held for sale in the consolidated statements of financial position.

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN (lanjutan)

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

Akun-akun laba rugi utama untuk unit usaha yang dihentikan adalah sebagai berikut:

The profit and loss main accounts for discontinued business units are presented below:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited*)	2016	2015	2014	
Penjualan dan pendapatan usaha lainnya	45.056.402	28.403.960	38.825.490	46.221.304	49.468.123	*Sales and other operating revenues*
Beban pokok penjualan dan biaya langsung lainnya	(30.712.076)	(33.598.823)	(43.964.719)	(58.379.991)	(58.485.762)	*Cost of sales and other direct costs*
Laba (rugi) kotor	14.344.326	(5.194.863)	(5.139.229)	(12.158.687)	(9.017.639)	*Gross profit (loss)*
Beban penjualan, umum dan administrasi	(8.713.704)	(5.731.402)	(6.705.445)	(4.547.171)	(9.643.937)	*Selling, general and administrative expenses*
Beban pendanaan	(6.961.428)	(5.356.138)	(15.580.771)	(99.628)	(135.192)	*Finance costs*
Pendapatan bunga	386.985	259.072	357.989	116.193	144.577	*Finance income*
Kerugian penurunan nilai aset	(9.044)	(22.550.067)	(20.575.826)	(18.958.277)	(3.542.593)	*Loss on impairment of assets*
Kerugian penjualan aset tetap	(1.800.373)	(122.504)	-	-	-	*Loss on disposal of propety, plant, and equipment*
Bagian laba dari Entitas Asosiasi (Catatan 12)	-	214.362	173.799	-	(21.596)	*Share of net income of Associates (Note 12)*
Penerimaan dari pelepasan entitas anak	-	-	-	1.398.972	3.591.812	*Proceeds from disposal of subsidiaries*
Pajak final	(1.886.579)	(1.807.085)	(2.473.613)	-	-	*Final tax*
Pendapatan (beban) lain-lain	988.236	(2.873.343)	(2.415.741)	599.348	2.989.570	*Other income (expense)*
Lainnya - net	-	-	7.715.329	382.389	(1.030.000)	*Others - net*
Rugi sebelum beban pajak penghasilan dari operasi yang dihentikan	(3.651.581)	(43.161.968)	(44.643.508)	(33.266.861)	(16.664.998)	*Loss before income tax expense from discontinued operation*
Beban pajak penghasilan	(124.471)	(314.129)	(112.477)	(2.108.656)	(2.298.783)	*Income tax expense*
Rugi setelah beban pajak penghasilan dari operasi yang dihentikan	**(3.776.052)**	**(43.476.097)**	**(44.755.985)**	**(35.375.517)**	**(18.963.781)**	***Loss after income tax expense from discontinued operations***

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN (lanjutan)

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

Akun-akun laporan posisi keuangan utama untuk unit usaha yang dihentikan pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 adalah sebagai berikut:

The statement of financial position accounts for discontinued business units as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 are presented below:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
ASET						***ASSETS***
Kas dan setara kas	13.109.004	85.861	11.988.962	164.195	46.484	*Cash and cash equivalents*
Rekening bank yang dibatasi penggunaannya	7.209.904	-	804	-	-	*Restricted cash in banks*
Investasi jangka pendek	222.354	-	-	-	-	*Short-term investment*
Piutang usaha						*Trade receivables*
Pihak berelasi	685.603	-	-	26.300	-	*Related parties*
Pihak ketiga	7.726.290	-	11.169.542	-	308.426	*Third parties*
Piutang lain-lain						*Other receivables*
Pihak berelasi	825.702	-	-	-	-	*Related party*
Pihak ketiga	65.346	-	40.453.449	-	-	*Third parties*
Persediaan	3.841.461	-	1.861.545	-	312.742	*Inventories*
Pajak dibayar di muka	2.435.647	256.332	3.174.524	448.569	484.297	*Prepaid taxes*
Beban dibayar di muka	720.088	-	139.045	-	48.596	*Prepaid expenses*
Investasi jangka panjang	-	-	105.061.501	-	-	*Long-term investment*
Aset tetap	52.330.269	545.278	55.890.144	24.731.453	24.735.727	*Property, plant and equipment*
Properti pertambangan	127.244	-	-	-	-	*Mining properties*
Properti investasi	349.707.446	-	-	-	-	*Investment properties*
Goodwill	15.220.000	-	-	-	-	*Goodwill*
Aset pajak tangguhan	48.630	-	249.238	-	-	*Deferred tax assets*
Aset lain-lain	12.528.537	12.632	2.540.843	19.126	42.491	*Other assets*
Aset dari operasi yang dihentikan	466.803.525	900.103	232.529.597	25.389.643	25.978.763	*Assets from discontinued operations*
Pengakuan kerugian atas pengukuran nilai wajar dikurangi biaya untuk menjual	-	-	-	(24.152.008)	(18.688.651)	*Impairment loss on assets recognized at fair value less cost to sell*
Aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual dan operasi dihentikan	466.803.525	900.103	232.529.597	1.237.635	7.290.112	*Non-current assets held for sale and discontinued operation*
Aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual - Aset Bawean	-	33.852.640	33.825.821	-	-	*Non-current assets held for sale - Bawean's asset*
Jumlah	**466.803.525**	**34.752.743**	**266.355.418**	**1.237.635**	**7.290.112**	***Total***

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN (lanjutan)

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

Akun-akun laporan posisi keuangan utama untuk unit usaha yang dihentikan pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 adalah sebagai berikut: (lanjutan)

The statement of financial position accounts for discontinued business units as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 are presented below: (continued)

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
LIABILITAS						***LIABILITIES***
Utang usaha						*Trade payables*
Pihak berelasi	9.733	-	15.657	-	-	*Related parties*
Pihak ketiga	7.455.824	803	3.564.615	7.319	38.618	*Third parties*
Utang lain-lain	6.913.878	22.432	216.036	627.964	482.750	*Other payables*
Utang pajak	2.153.475	92.972	1.130.859	82.920	83.652	*Taxes payable*
Biaya akrual	18.303.662	7.894.604	18.824.449	7.999.946	8.392.708	*Accrued expenses*
Pinjaman bank	144.726.409	-	-	-	-	*Bank loan*
Pinjaman institusi keuangan non-bank	3.007.293	-	-	-	-	*Loan from a non-bank financial institution*
Liabilitas pajak tangguhan	5.751.902	-	6.132.743	-	-	*Deferred tax liabilities*
Liabilitas imbalan kerja (Catatan 40)	2.373.222	-	1.823.066	-	-	*Employee benefit liabilities (Note 40)*
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	1.235.859	-	644.190	-	-	*Asset abandonment and site restoration obligations and other provisions*
Uang muka dari pelanggan						*Advances from customers*
Pihak berelasi	376.288	-	-	-	-	*Related parties*
Pihak ketiga	3.097.792	-	-	5.959	5.959	*Third parties*
Liabilitas yang secara langsung berhubungan dengan aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual dan operasi dihentikan	195.405.337	8.010.811	32.351.615	8.724.108	9.003.687	*Liabilities directly associated with the non-current assets classified as held for sale and discontinued operation*
Liabilitas yang secara langsung berhubungan dengan aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual - Liabilitas Bawean	-	29.852.642	29.825.821	-	-	*Liabilities directly associated with the non-current assets classified as held for sale - Bawean's liabilities*
Jumlah	**195.405.337**	**37.863.453**	**62.177.436**	**8.724.108**	**9.003.687**	***Total***
Aset (liabilitas) neto	**271.398.188**	**(3.110.710)**	**204.177.982**	**(7.486.473)**	**(1.713.575)**	***Net asset (liabilities)***

Pada tanggal 30 September 2017, properti, investasi (Gedung The Energy dan Gedung Trada) dengan nilai tercatat sebesar AS$319.038.813 dijaminkan sebagai jaminan yang diperoleh dari PT Bank OCBC NISP Tbk (Catatan 47).

As of September 30, 2017, investment, properties (The Energy Building and Trada Building) with carrying value of US$319,038,813 are pledged as collateral to the loans obtained from PT Bank OCBC NISP Tbk (Note 47).

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN (lanjutan)

Akun-akun laporan arus kas utama untuk unit usaha yang dihentikan adalah sebagai berikut:

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

The major accounts in the statement of cash flows for discontinued business units are presented below:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
ARUS KAS						***CASH FLOWS***
Aktivitas operasi	7.654.099	14.179.366	32.294.312	(1.735.668)	13.715.857	*Operating activities*
Aktivitas investasi	(72.898.132)	(738.408)	(11.796.356)	(2.780.110)	(7.854.784)	*Investing activities*
Aktivitas pendanaan	66.364.075	(13.428.968)	(22.218.932)	4.956.903	(3.345.461)	*Financing activities*
Arus kas - neto	**1.120.042**	**11.990**	**(1.720.976)**	**441.125**	**2.515.612**	***Cash flows – net***

Sehubungan dengan penerapan PSAK No. 58, "Aset Tidak Lancar yang Dimiliki untuk Dijual dan Operasi yang Dihentikan", Grup menyajikan kembali akun-akun laba rugi terkait atas operasi MEGS dan MLI yang dilanjutkan untuk untuk tahun yang berakhir pada tanggal 31 Desember 2016, 2015, dan 2014.

Due to implementation of PSAK No. 58, "Non-Current Assets Classified as Held for Sale and Discontinued Operation", the Group restated the profit and loss accounts pertaining to the operation of MEGS and MLI which have been continued for the years ended December 31, 2016, 2015 and 2014.

Berikut merupakan dampak dari penyajian kembali laporan keuangan konsolidasian yang disebut di atas:

Following are the effects of restatements of consolidated financial statements disclosed above:

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN (lanjutan)

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

	31 Desember 2016/*December 31, 2016*			
	Dilaporkan Sebelumnya/ *As Previously Reported*	Disajikan Kembali/ *Restatement*	Setelah Disajikan Kembali/ *As Restated*	
Laporan laba rugi dan penghasilan komprehensif lain konsolidasian				***Consolidated statement of profit or loss and other comprehensive income***
Penjualan dan pendapatan usaha lainnya	583.027.141	7.009.841	590.036.982	*Sales and other operating revenues*
Beban pokok penjualan dan biaya langsung lainnya	336.256.896	4.434.108	340.691.004	*Cost of sales and other direct costs*
Laba kotor	246.770.245	2.575.733	249.345.978	*Gross profit*
Beban penjualan, umum dan administrasi	(94.667.668)	(1.861.848)	(96.529.516)	*Selling, general and administrative expenses*
Beban pendanaan	(99.568.331)	(2.237)	(99.570.568)	*Finance costs*
Pendapatan bunga	5.964.166	1.614.220	7.578.386	*Finance income*
Pendapatan lain-lain	16.740.959	125.727	16.866.686	*Other income*
Beban lain-lain	(6.036.932)	(179.060)	(6.215.992)	*Other expenses*
Laba sebelum manfaat pajak penghasilan dari operasi yang dilanjutkan	292.817.448	2.272.535	295.089.983	*Profit before income tax benefit from continuing operations*
Beban pajak penghasilan	(62.781.870)	(503.149)	(63.285.019)	*Income tax expense*
Laba tahun berjalan dari operasi yang dilanjutkan	**230.035.578**	**1.769.386**	**231.804.964**	***Profit for the year from continuing operations***
Rugi setelah beban pajak penghasilan dari operasi yang dihentikan	**(42.986.599)**	**(1.769.386)**	**(44.755.985)**	***Loss after income tax expense from discontinued operations***
Laba yang dapat diatribusikan kepada pemilik entitas induk				***Profit attributable to equity holders of the parent company***
Laba tahun berjalan dari operasi yang dilanjutkan	227.744.155	1.769.386	229.513.541	*Profit for the year from continuing operations*
Rugi tahun berjalan dari operasi yang dihentikan	(42.986.599)	(1.769.386)	(44.755.985)	*Loss for the year from discontinued operations*
Jumlah rugi komprehensif yang dapat diatribusikan kepada pemilik entitas induk				***Total comprehensive loss attributable to equity holders of the parent company***
Laba komprehensif tahun berjalan dari operasi yang dilanjutkan	235.656.090	1.769.386	237.425.476	*Comprehensive income for the year from continuing operations*
Rugi komprehensif tahun berjalan dari operasi yang dihentikan	(42.986.599)	(1.769.386)	(44.755.985)	*Comprehensive loss for the year from discontinued operations*

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN (lanjutan)

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

	31 Desember 2016/*December 31, 2016*			
	Dilaporkan Sebelumnya/ *As Stated Previously*	**Disajikan Kembali/ *Restatement***	**Setelah Disajikan Kembali/ *As Restated***	
Laporan arus kas konsolidasian				***Consolidated statement of cash flow***
Arus Kas dari Aktivitas Operasi				***Cash Flows from Operating Activities***
Penerimaan kas dari pelanggan	514.899.773	(6.161.590)	508.738.183	*Cash receipts from customers*
Pembayaran kas kepada pemasok dan karyawan	(465.534.063)	(2.029.344)	(467.563.407)	*Cash paid to suppliers and employees*
Kas yang dihasilkan dari kegiatan usaha	49.365.710	(8.190.934)	41.174.776	*Cash generated from operations*
Pembayaran pajak penghasilan	(21.043.012)	755.143	(20.287.869)	*Income tax paid*
Kas neto diperoleh dari aktivitas operasi	**28.322.698**	**(7.435.791)**	**20.886.907**	***Net cash provided by operating activities***
Arus Kas dari Aktivitas Investasi				***Cash Flows from Investing Activities***
Penambahan piutang lain-lain pihak berelasi	35.120.713	344.955	35.465.668	*Addition to other receivables from related parties*
Kas neto digunakan untuk aktivitas investasi	**(578.527.972)**	**344.955**	**(578.183.017)**	***Net cash used in investing activities***
Arus Kas dari Aktivitas Pendanaan				***Cash Flows from Financing Activities***
Penarikan deposito dan rekening bank yang dibatasi penggunaannya	4.731.239	101.475	4.832.714	*Withdrawal of restricted time deposits and cash in banks*
Kas neto diperoleh dari aktivitas pendanaan	**259.630.745**	**101.475**	**259.732.220**	***Net cash provided by financing activities***
PENURUNAN NETO KAS DAN SETARA KAS DARI OPERASI YANG DILANJUTKAN	**(290.574.529)**	**(6.989.361)**	**(297.563.890)**	***NET DECREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS***
PENURUNAN NETO KAS DAN SETARA KAS DARI OPERASI YANG DIHENTIKAN	**(8.710.337)**	**6.989.361**	**(1.720.976)**	***NET DECREASE IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS***

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN (lanjutan)

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

	31 Desember 2015/*December 31, 2015*			
	Dilaporkan Sebelumnya/ *As Stated Previously*	**Disajikan Kembali/ *Restatement***	**Setelah Disajikan Kembali/ *As Restated***	
Laporan laba rugi dan penghasilan komprehensif lain konsolidasian				***Consolidated statement of profit or loss and other comprehesive income***
Penjualan dan pendapatan usaha lainnya	575.275.962	6.982.011	582.257.973	*Sales and other operating revenues*
Beban pokok penjualan dan biaya langsung lainnya	357.983.029	3.853.744	361.836.773	*Cost of sales and other direct costs*
Laba kotor	217.292.933	3.128.267	220.421.200	*Gross profit*
Beban penjualan, umum dan administrasi	(112.059.517)	(2.880.245)	(114.939.762)	*Selling, general and administrative expenses*
Beban pendanaan	(77.230.553)	(1.675)	(77.232.228)	*Finance costs*
Pendapatan bunga	4.278.018	1.686.995	5.965.013	*Finance income*
Pendapatan lain-lain	18.585.679	1.663.990	20.249.669	*Other income*
Beban lain-lain	(13.999.896)	(30.361)	(14.030.257)	*Other expenses*
Laba sebelum beban pajak penghasilan dari operasi yang dilanjutakan	(122.925.341)	3.566.971	(119.358.370)	*Profit before income tax expense from continuing operation*
Beban pajak penghasilan	(31.257.289)	(182.365)	(31.439.654)	*Income tax expense*
Laba tahun berjalan dari operasi yang dilanjutkan	**(154.182.630)**	**3.384.606**	**(150.798.024)**	***Profit for the year from continuing operations***
Rugi setelah beban pajak penghasilan dari operasi yang dihentikan	**(31.990.911)**	**(3.384.606)**	**(35.375.517)**	***Loss after income tax expense from discontinued operations***
Laba yang dapat diatribusikan kepada pemilik entitas induk				***Profit attributable to equity holders of the parent company***
Laba tahun berjalan dari operasi yang dilanjutkan	(156.143.136)	3.384.606	(152.758.530)	*Profit for the year from continuing operations*
Rugi tahun berjalan dari operasi yang dihentikan	(31.990.911)	(3.384.606)	(35.375.517)	*Loss for the year from discontinued operations*
Jumlah rugi komprehensif yang dapat diatribusikan kepada pemilik entitas induk				***Total comprehensive loss attributable to equity holders of the parent company***
Laba komprehensif tahun berjalan dari operasi yang dilanjutkan	(151.786.121)	3.384.606	(148.401.515)	*Comprehensive income for the year from continuing operations*
Rugi komprehensif tahun berjalan dari operasi yang dihentikan	(31.990.911)	(3.384.606)	(35.375.517)	*Comprehensive loss for the year from discontinued operations*

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN (lanjutan)

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

	31 Desember 2015/*December 31, 2015*			
	Dilaporkan Sebelumnya/ *As Stated Previously*	Disajikan Kembali/ *Restatement*	Setelah Disajikan Kembali/ *As Restated*	
Laporan arus kas konsolidasian				***Consolidated statement of cash flow***
Arus Kas dari Aktivitas Operasi				***Cash Flows from Operating Activities***
Penerimaan kas dari pelanggan	604.603.121	7.688.072	612.291.193	*Cash receipts from customers*
Pembayaran kas kepada pemasok dan karyawan	(459.618.695)	(8.297.934)	(467.916.629)	*Cash paid to suppliers and employees*
Kas yang dihasilkan dari kegiatan usaha	144.984.426	(609.862)	144.374.564	*Cash generated from operations*
Kas neto diperoleh dari aktivitas operasi	**113.797.359**	**(609.862)**	**113.187.497**	***Net cash provided by operating activities***
Arus Kas dari Aktivitas Investasi				***Cash Flows from Investing Activities***
Penerimaan bunga	6.487.228	234.276	6.721.504	*Interest received*
Pengurangan piutang lain-lain pihak berelasi	122.126.446	382.059	122.508.505	*Deduction to other receivables from related parties*
Kas neto digunakan untuk aktivitas investasi	**(152.005.852)**	**616.335**	**(151.389.517)**	***Net cash used in investing activities***
KENAIKAN NETO KAS DAN SETARA KAS DARI OPERASI YANG DILANJUTKAN	**257.698.827**	**6.473**	**257.705.300**	***NET INCREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS***
KENAIKAN NETO KAS DAN SETARA KAS DARI OPERASI YANG DIHENTIKAN	**447.598**	**(6.473)**	**441.125**	***NET INCREASE IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS***

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN (lanjutan)

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

31 Desember 2014/*December 31, 2014*

	Dilaporkan Sebelumnya/ *As Stated Previously*	**Disajikan Kembali/ *Restatement***	**Setelah Disajikan Kembali/ *As Restated***	
Laporan laba rugi dan penghasilan komprehensif lain konsolidasian				***Consolidated statement of profit or loss and other comprehesive income***
Penjualan dan pendapatan usaha lainnya	701.916.858	204.026	702.120.884	*Sales and other operating revenues*
Beban pokok penjualan dan biaya langsung lainnya	420.684.375	1.823.129	422.507.504	*Cost of sales and other direct costs*
Laba kotor	281.232.483	(1.619.103)	279.613.380	*Gross profit*
Beban penjualan, umum dan administrasi	(105.168.013)	(2.827.952)	(107.995.965)	*Selling, general and administrative expenses*
Beban pendanaan	(67.025.657)	(4.293.376)	(71.319.033)	*Finance costs*
Pendapatan bunga	3.990.790	6.305.642	10.296.432	*Finance income*
Pendapatan lain-lain	27.149.538	699.992	27.849.530	*Other income*
Laba sebelum beban pajak penghasilan dari operasi yang dilanjutakan	123.822.184	(1.734.797)	122.087.387	*Profit before income tax expense from continuing operation*
Beban pajak penghasilan	(93.488.830)	(792.781)	(94.281.611)	*Income tax expense*
Laba tahun berjalan dari operasi yang dilanjutkan	**30.333.354**	**(2.527.578)**	**27.805.776**	***Profit for the year from continuing operations***
Rugi setelah beban pajak penghasilan dari operasi yang dihentikan	**(21.491.359)**	**2.527.578**	**(18.963.781)**	***Loss after income tax expense from discontinued operations***
Laba yang dapat diatribusikan kepada pemilik entitas induk				***Profit attributable to equity holders of the parent company***
Laba tahun berjalan dari operasi yang dilanjutkan	26.730.278	(2.527.578)	24.202.700	*Profit for the year from continuing operations*
Rugi tahun berjalan dari operasi yang dihentikan	(21.491.359)	2.527.578	(18.963.781)	*Loss for the year from discontinued operations*
Jumlah rugi komprehensif yang dapat diatribusikan kepada pemilik entitas induk				***Total comprehensive loss attributable to equity holders of the parent company***
Laba komprehensif tahun berjalan dari operasi yang dilanjutkan	40.383.840	(2.527.578)	37.856.262	*Comprehensive income for the year from continuing operations*
Rugi komprehensif tahun berjalan dari operasi yang dihentikan	(21.491.359)	2.527.578	(18.963.781)	*Comprehensive loss for the year from discontinued operations*

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN (lanjutan)

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

	31 Desember 2014/*December 31, 2014*			
	Dilaporkan Sebelumnya/ *As Stated Previously*	**Disajikan Kembali/ *Restatement***	**Setelah Disajikan Kembali/ *As Restated***	
Laporan arus kas konsolidasian				***Consolidated statement of cash flow***
Arus Kas dari Aktivitas Operasi				***Cash Flows from Operating Activities***
Penerimaan kas dari pelanggan	664.987.312	6.562.320	671.549.632	*Cash receipts from customers*
Pembayaran kas kepada pemasok dan karyawan	(447.823.374)	(4.423.942)	(452.247.316)	*Cash paid to suppliers and employees*
Kas yang dihasilkan dari kegiatan usaha	217.163.938	2.138.378	219.302.316	*Cash generated from operations*
Pembayaran pajak penghasilan	(69.633.845)	(446.750)	(70.080.595)	*Income tax paid*
Kas neto diperoleh dari aktivitas operasi	**147.530.093**	**1.691.628**	**149.221.721**	***Net cash provided by operating activities***
Arus Kas dari Aktivitas Investasi				***Cash Flows from Investing Activities***
Penerimaan bunga	9.028.720	244.447	9.273.167	*Interest received*
Perolehan aset tetap	(462.617)	(47.479)	(510.096)	*Acquisitions of property, plant and equipment*
Penambahan piutang lain-lain pihak berelasi	(12.429.487)	2.124.586	(10.304.901)	*Addition to other receivables from related parties*
Kas neto digunakan untuk aktivitas investasi	**(306.559.356)**	**2.321.554**	**(304.237.802)**	***Net cash used in investing activities***
Arus Kas dari Aktivitas Pendanaan				***Cash Flows from Financing Activities***
Pembayaran beban pendanaan	(68.976.529)	(3.413)	(68.979.942)	*Payment of financing charges*
Kas neto diperoleh dari aktivitas pendanaan	**95.487.065**	**(3.413)**	**95.483.652**	***Net cash provided by financing activities***
PENURUNAN NETO KAS DAN SETARA KAS DARI OPERASI YANG DILANJUTKAN	**(63.542.198)**	**4.009.769**	**(59.532.429)**	***NET DECREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS***
KENAIKAN NETO KAS DAN SETARA KAS DARI OPERASI YANG DIHENTIKAN	**6.525.381**	**(4.009.769)**	**2.515.612**	***NET INCREASE IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS***

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN (lanjutan)

b. Pada tanggal 1 September 2016, Perusahaan menandatangani Share Sale and Purchase Agreement (SPA) dengan HyOil (Bawean) Pte Ltd, untuk melepaskan 100% kepemilikan atas entitas anak, Camar Bawean Petroleum Limited dan Camar Resources Canada Inc (yang dikendalikan melalui perjanjian nominee) (secara kolektif disebut "Bawean"). Bawean memiliki 100% hak partisipasi di blok produksi Bawean Blok. Transaksi ini telah memperoleh persetujuan dari Pemerintah Indonesia pada tanggal 20 Juni 2017. Transaksi ini telah selesai pada tanggal 25 September 2017. Karenanya, aset dan liabilitas Bawean pada tanggal 30 September 2016 dan 31 Desember 2016 dicantumkan dalam jumlah tunggal sebagai aset dan liabilitas yang dimiliki untuk dijual dalam laporan posisi keuangan konsolidasian.

Untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2016 dan untuk tahun yang berakhir pada tanggal 31 Desember 2016, Grup mengakui kerugian atas pengukuran nilai wajar aset dikurangi biaya untuk menjual sebesar AS$11,9 juta terkait dengan rencana Grup untuk menjual Bawean.

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

b. On September 1, 2016, the Company signed a Share Sale and Purchase Agreement (SPA) with HyOil (Bawean) Pte Ltd, to divest 100% shares of its subsidiaries, Camar Bawean Petroleum Limited and Camar Resources Canada Inc (which controlled by the nominee agreement) (collectively referred to herein as "Bawean"). Bawean owns 100% operating interest in a producing block, the Bawean Block. This transaction has been approved by the Government of Indonesia on June 20, 2017. This transaction was completed on September 25, 2017. As a result, the assets and liabilities of Bawean as of September 30, 2016 and December 31, 2016 are also presented as single line item as assets and liabilities held for sale in the consolidated statements of financial position.

For the nine-month periods ended September 30, 2016 and for the year ended December 31, 2016, the Group recognized loss on fair value less costs to sell amounting to US$11.9 million related to the intention of the Group to sell Bawean.

	Nilai tercatat (AS$)/ *Carrying Value (US$)*	
Aset		***Assets***
Aset Lancar		***Current Assets***
Kas dan setara kas	54.536	*Cash and cash equivalents*
Piutang lain-lain	5.732.127	*Other receivables*
Beban dibayar di muka	48.460	*Prepaid expenses*
Persediaan	1.143.515	*Inventory*
Jumlah Aset Lancar	**6.978.638**	***Total Current Assets***
Aset Tidak Lancar		***Non-current Assets***
Aset minyak dan gas bumi	26.797.107	*Oil and gas properties*
Aset lain-lain	50.078	*Other assets*
Jumlah Aset Tidak Lancar	**26.847.185**	***Total Non-current Assets***
Jumlah Aset	**33.825.823**	***Total Assets***

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN (lanjutan)

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

	Nilai tercatat (AS$)/ *Carrying Value (US$)*	
Liabilitas		***Liabilities***
Liabilitas Jangka Pendek		***Current Liabilities***
Utang usaha	3.130.322	*Trade payables*
Utang akrual	1.712.167	*Accrued liabilites*
Utang lain-lain	5.498.268	*Other payables*
Utang pajak	221.566	*Taxes payables*
Jumlah Liabilitas Jangka Pendek	**10.562.323**	***Total Current Liabilities***
Liabilitas Jangka Panjang		***Non-current Liabilities***
Liabilitas pembongkaran aset dan restorasi area	18.646.999	*Asset abandonment and site restoration obligation*
Liabilitas imbalan kerja	600.214	*Employee benefits liabilities*
Jumlah Liabilitas Jangka Panjang	**19.247.213**	***Total Non-current Liabilities***
Jumlah Liabilitas	**29.809.536**	***Total Liabilities***
Aset Neto	**4.016.287**	***Net Assets***
Biaya yang terjadi selama periode berjalan	6.825.023	*Cost incurred during the period*
Jumlah	10.841.310	*Total*
Imbalan pembelian yang diterima	10.821.392	*Purchase consideration received*
Kerugian pelepasan entitas anak	**(19.918)**	***Loss on disposal of subsidiaries***

Akun-akun laporan posisi keuangan utama untuk Bawean pada tanggal 30 September 2016 dan 31 Desember 2016 adalah sebagai berikut:

The details of the statement of financial position for Bawean as of September 30, 2016 and December 31, 2016 are presented below:

	30 September/*September 30,*			
	2017	**2016 *(tidak diaudit/ Unaudited)***	**31 Desember 2016/ *December 31, 2016***	
ASET				***ASSETS***
Kas dan setara kas	-	86.273	54.537	*Cash and cash equivalents*
Piutang usaha	-	48.014	-	*Trade receivables*
Piutang lain-lain	-	5.646.583	5.732.127	*Other receivables*
Persediaan	-	1.143.514	1.143.514	*Inventories*
Beban dibayar di muka	-	47.803	48.460	*Prepaid expenses*
Aset minyak dan gas bumi	-	38.721.707	38.721.707	*Oil and gas properties*
Aset lain-lain	-	83.530	50.079	*Other assets*
Aset yang dimiliki untuk dijual	-	45.777.424	45.750.424	*Assets held for sale*
Kerugian atas pengukuran nilai wajar dikurangi biaya untuk menjual	-	(11.924.603)	(11.924.603)	*Impairment loss on assets recognized at fair value less cost to sell*
Aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual	-	33.852.821	33.825.821	*Non-current assets held for sale*

37. ASET TIDAK LANCAR YANG DIKLASIFIKASIKAN SEBAGAI DIMILIKI UNTUK DIJUAL DAN OPERASI YANG DIHENTIKAN (lanjutan)

37. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

	30 September/*September 30,*			
	2017	2016 *(tidak diaudit/ Unaudited)*	31 Desember 2016/ *December 31, 2016*	
LIABILITAS				***LIABILITIES***
Utang usaha	-	7.087.050	3.130.322	*Trade payables*
Utang lain-lain	-	1.877.570	5.498.267	*Other payables*
Utang pajak	-	170.377	221.566	*Taxes payable*
Biaya akrual	-	1.470.612	1.728.453	*Accrued expenses*
Liabilitas imbalan kerja (Catatan 40)	-	600.214	600.214	*Employee benefits liabilities (Note 40)*
Liabilitas pembongkaran asset dan restorasi area dan provisi lain-lain	-	18.646.998	18.646.999	*Asset abandonment and site restoration obligations and other provisions*
Liabilitas yang secara langsung berhubungan dengan aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual	-	29.852.821	29.825.821	*Liabilities directly associated with the non-current assets classified as held for sale*
Aset neto yang diklasifikasikan sebagai dimiliki untuk dijual	**-**	**4.000.000**	**4.000.000**	***Net assets held for sale***

Akun-akun laba rugi utama untuk Bawean adalah sebagai berikut:

The profit and loss accounts for Bawean is presented below:

	30 September/*September 30,*			
	2017	2016 *(tidak diaudit/ Unaudited)*	31 Desember 2016/ *December 31, 2016*	
Penjualan dan pendapatan usaha lainnya	-	-	5.119.651	*Sales and other operating revenues*
Beban pokok penjualan dan biaya langsung lainnya	(5.773.238)	(8.138.848)	(6.360.870)	*Cost of sales and other direct costs*
Rugi kotor	**(5.773.238)**	**(8.138.848)**	**(1.241.219)**	***Gross loss***
Beban penjualan, umum dan administrasi	(705.151)	(1.210.144)	(638.789)	*Selling, general and administrative expenses*
Beban pendanaan	(946)	(13.620)	(582.583)	*Finance costs*
Pendapatan bunga	1.541	2.247	2.623	*Finance income*
Beban lain-lain	(347.229)	(12.638.190)	(11.875.606)	*Other expense*
Rugi sebelum beban pajak penghasilan dari aset yang dimiliki untuk dijual	(6.825.023)	(21.998.555)	(14.335.574)	*Loss before income tax expense from asset held for sale*
Beban pajak penghasilan	-	-	-	*Income tax expense*
Rugi setelah beban pajak penghasilan dari aset yang dimiliki untuk dijual	**(6.825.023)**	**(21.998.555)**	**(14.335.574)**	***Loss after income tax expense from asset held for sale***

38. LABA PER SAHAM / *38. EARNINGS PER SHARE*

a. Laba per saham dasar / *a. Basic earnings per share*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2015 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2014 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	
Laba (rugi) yang diatribusikan pada pemilik entitas induk						*Profit (loss) attributable to the owners of the parent company*
Operasi yang dilanjutkan	168.097.228	(106.099.793)	229.513.541	(152.758.530)	24.202.700	*Continuing operations*
Operasi yang dihentikan	(3.776.052)	(43.476.097)	(44.755.985)	(35.375.517)	(18.963.781)	*Discontinued operations*
Laba (rugi) periode/ tahun berjalan yang diatribusikan pada pemilik entitas induk	164.321.176	(149.575.890)	184.757.556	(188.134.047)	5.238.919	*Profit (loss) for the period/year attributable to owners of the parent company*
Rata-rata saham yang beredar	13.104.476.000	13.087.861.960	13.082.858.660	13.299.792.292	13.329.805.800	*Average outstanding shares*
Laba (rugi) per saham dasar dari operasi yang dilanjutkan	0,01283	(0,00811)	0,01754	(0,01149)	0,00182	*Basic earning (loss) per share for continuing operations*
Rugi per saham dasar dari operasi yang dihentikan	(0,00029)	(0,00332)	(0,00342)	(0,00266)	(0,00142)	*Basic loss per share for discontinued operations*
Laba (rugi) per saham dasar	0,01254	(0,01143)	0,01412	(0,01415)	0,00039	*Basic earning (loss) per share*

Perhitungan laba per saham dasar untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2016 dan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016, 2015, dan 2014 telah disesuaikan secara retrospektif sehubungan dengan pemecahan saham Perusahaan (Catatan 29).

The calculation of basic earning per share for the nine-month periods ended September 30, 2016 and for the years ended Dececmber 31, 2016, 2015, and 2014 has been retrospectively adjusted in connection with the Company's stock split (Note 29).

b. Laba per saham dilusian / *b. Diluted earnings per share*

Perusahaan tidak menghitung laba per saham dilusian karena tidak terdapat instrumen yang berpotensi dilutif (anti dilutif).

The Company did not compute diluted earnings per share since there were no potentially dilutive instruments (anti-dilutive).

39. DIVIDEN KAS / *39. CASH DIVIDENDS*

Pada tanggal 21 April 2015, pemegang saham, pada Rapat Umum Pemegang Saham (RUPS) tahunan, menyetujui pembagian dividen kas atas tahun 2014 sejumlah AS$0,00121 per saham setara dengan AS$4,0 juta. Dividen kas telah dibayar pada bulan Mei 2015.

On April 21, 2015, the shareholders, in their Annual General Meeting (AGM) approved the distribution of cash dividends pertaining to year 2014 in the amount of US$0.00121 per share or equivalent to approximately US$4.0 million. The cash dividends were paid in May 2015.

Pada tanggal 30 April 2014, pemegang saham, pada Rapat Umum Pemegang Saham (RUPS) tahunan, menyetujui pembagian dividen kas atas tahun 2013 sejumlah AS$0,00151 per saham setara dengan AS$5,0 juta. Dividen kas telah dibayar pada bulan Juni 2014.

On April 30, 2014, the shareholders, in their Annual General Meeting (AGM) approved the distribution of cash dividends pertaining to year 2013 in the amount of US$0.00151 per share or equivalent to approximately US$5.0 million. The cash dividends were paid in June 2014.

40. LIABILITAS IMBALAN KERJA

a. Program Pensiun Iuran Pasti

Entitas anak yang bergerak di bidang eksplorasi dan produksi minyak dan gas bumi telah menyelenggarakan program pensiun iuran pasti untuk semua karyawan tetap lokalnya. Program ini akan memberikan manfaat pensiun yang dihitung berdasarkan gaji dan masa kerja karyawan.

Program pensiun dikelola oleh Dana Pensiun Lembaga Keuangan (DPLK) PT Bank Negara Indonesia (Persero) Tbk yang akta pendiriannya disetujui oleh Menteri Keuangan Republik Indonesia dengan surat keputusannya No. Kep. 1100/KM.17/1998 tanggal 23 November 1998 dan No. Kep.171-KMK/7/1993 tanggal 16 Agustus 1993. Program pensiun tersebut didanai dengan kontribusi baik dari entitas anak masing-masing sebesar 6% dan 4% dari gaji kotor maupun dari karyawan masing-masing sebesar 2% dan 2% atau 4% dari gaji kotor.

Biaya atas pensiun iuran pasti dari entitas anak yang bergerak dalam eksplorasi dan produksi minyak dan gas bumi masing-masing sejumlah AS$1.617.765 dan AS$1.527.756 untuk periode sembilan bulan yang berakhir pada tanggal-tanggal 30 September 2017 dan 2016 dan AS$2.207.996, AS$2.305.089 dan AS$2.247.135 untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016, 2015 dan 2014.

b. Program Pensiun Imbalan Pasti

Grup mengakui liabilitas pensiun imbalan pasti untuk karyawan yang bekerja di bidang minyak dan gas bumi sesuai dengan peraturan yang berlaku. Program pensiun imbalan pasti didanai dengan penempatan dana pada PT Bank Negara Indonesia (Persero) Tbk dan PT Bank Mandiri (Persero) Tbk.

Grup juga mengakui manfaat pasca-kerja lainnya untuk pegawai yang bukan anggota program pensiun imbalan pasti sesuai dengan Undang-Undang Ketenagakerjaan No. 13/2003 dan kebijakan Grup yang berlaku.

40. EMPLOYEE BENEFITS LIABILITIES

a. Defined Contribution Pension Plan

Subsidiaries involved in oil and gas exploration and production activities have established defined contribution pension plans covering all their local permanent employees. These plans provide pension benefits based on salaries and years of service of the employees.

The pension plans are managed by Dana Pensiun Lembaga Keuangan (DPLK), PT Bank Negara Indonesia (Persero) Tbk whose deeds of establishment were approved by the Minister of Finance of the Republic of Indonesia in his decision letters No. Kep. 1100/KM.17/1998 dated November 23, 1998 and No. Kep.171-KMK/7/1993 dated August 16, 1993. The pension plans are funded by contributions from both the subsidiaries at 6% and 4% of gross salaries and their employees at 2% and 2% or 4% of gross salaries, respectively.

The defined contribution pension cost of subsidiaries involved in oil and gas exploration and production amounted to US$1,617,765 and US$1,527,756 for the nine-month periods ended September 30, 2017 and 2016, respectively and US$2,207,996, US$2,305,089 and US$2,247,135 for the years ended December 31, 2016, 2015 and 2014, respectively.

b. Defined Benefit Pension Plan

The Group also recognizes defined benefit obligation for employees involved in oil and gas operations in accordance with applicable regulations. The defined benefit pension plan is being funded by placing funds in PT Bank Negara Indonesia (Persero) Tbk and PT Bank Mandiri (Persero) Tbk.

The Group also recognizes post-employment benefits expense for non-members of the defined benefit pension plan in accordance with Labor Law No. 13/2003 and the prevailing Group policy.

40. LIABILITAS IMBALAN KERJA (lanjutan)

b. Program Pensiun Imbalan Pasti (lanjutan)

Jumlah orang yang berhak memperoleh imbalan tersebut adalah masing-masing 1.717 orang (tidak diaudit), 942 orang (tidak diaudit), 1.723 orang (tidak diaudit), 964 orang (tidak diaudit) dan 1.067 orang (tidak diaudit) pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014.

i. Analisa liabilitas pensiun imbalan pasti yang diakui di dalam laporan posisi keuangan konsolidasian adalah sebagai berikut:

40. EMPLOYEE BENEFITS LIABILITIES (continued)

b. Defined Benefit Pension Plan (continued)

The numbers of people eligible for the benefits is 1,717 personnel (unaudited), 942 personnel (unaudited), 1,723 personnel (unaudited), 964 personnel (unaudited) and 1,067 personnel (unaudited) as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, respectively.

i. An analysis of defined benefit obligations recognized in the consolidated statements of financial position is as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (Tidak diaudit/ *Unaudited*)	2016	2015	2014	
Nilai sekarang liabilitas pensiun imbalan pasti	110.923.388	52.379.922	86.436.162	41.613.922	49.219.143	*Present value of defined benefit obligations*
Nilai wajar aset program imbalan	(111.395.324)	(91.051.971)	(84.501.336)	(76.999.220)	(87.947.314)	*Fair value of plan assets*
Liabilitas pensiun imbalan kerja (kelebihan pendanaan)	(471.936)	(38.672.049)	1.934.826	(35.385.298)	(38.728.171)	*Defined benefit obligations (overfunded)*
Batasan pengakuan aset	35.668.731	38.915.662	37.502.847	35.974.846	39.390.736	*Limitation on asset recognition*
Saldo akhir periode/ tahun	35.196.795	243.613	39.437.673	589.548	662.565	*Balance at end of period/year*
Liabilitas imbalan kerja - jangka pendek	2.502.225	-	3.956.404	589.548	662.565	*Employee benefits liabilities - current portion*
Liabilitas imbalan kerja - jangka panjang	32.694.570	243.613	35.481.269	-	-	*Long-term employee benefit liabilities*
Saldo akhir periode/tahun	**35.196.795**	**243.613**	**39.437.673**	**589.548**	**662.565**	***Balance at end of period/year***

ii. Analisa biaya pensiun imbalan pasti pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian adalah sebagai berikut:

ii. An analysis of the defined benefit costs in the consolidated statements of profit or loss and other comprehensive income is as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (Tidak diaudit/ *Unaudited*)	2016	2015	2014	
Biaya jasa kini	6.785.442	3.256.992	4.543.144	3.652.850	4.561.039	*Current service cost*
Beban bunga	1.249.709	40.273	53.507	45.328	22.902	*Interest cost*
Laba aktuaria yang diakui	-	-	(28.612)	(53.052)	(157.673)	*Actuarial gain recognized*
Penilaian kembali atas imbalan jangka panjang lainnya	73.419	(6.970)	(2.099)	(148)	(211)	*Remeasurement of other long-term employee benefits*
Jumlah	**8.108.570**	**3.290.295**	**4.565.940**	**3.644.978**	**4.426.057**	***Total***

40. LIABILITAS IMBALAN KERJA (lanjutan) / *40. EMPLOYEE BENEFITS LIABILITIES (continued)*

b. Program Pensiun Imbalan Pasti (lanjutan) / *Defined Benefit Pension Plan (continued)*

iii. Mutasi liabilitas yang diakui atas beban imbalan kerja di laporan posisi keuangan konsolidasian adalah sebagai berikut: / *The movements of liabilities recognized for the provision for employee service entitlements in the consolidated statements of financial position are as follows:*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (Tidak diaudit/ *Unaudited)*	2016	2015	2014	
Saldo awal periode/ tahun	39.437.673	589.548	589.548	662.565	314.774	*Balance at beginning of period/year*
Efek akuisisi entitas anak (Catatan 46)	-	-	38.449.384	-	-	*Effect of acquistion of subsidiaries (Note 46)*
Biaya imbalan kerja pada periode/tahun berjalan	8.108.570	3.290.295	4.565.940	3.644.978	4.426.057	*Employee benefit costs for the period/year*
Jumlah yang diakui pada pendapatan komprehensif lain	5.884.777	(3.673.626)	(3.988.558)	(3.200.830)	(4.123.778)	*Total amount recognized in other comprehensive income*
Kontribusi pada periode/tahun berjalan	(18.189.028)	-	-	(311.479)	(40.142)	*Contributions for the period/year*
Imbalan kerja yang dibayarkan	(36.458)	-	-	(165.854)	(34.357)	*Benefits paid*
Dampak selisih kurs	(8.739)	41.396	(178.641)	(39.832)	120.011	*Effect of foreign exchange differences*
Saldo akhir periode/tahun	**35.196.795**	**247.613**	**39.437.673**	**589.548**	**662.565**	***Balance at end of period/year***

iv. Mutasi nilai kini kewajiban berdasarkan perhitungan aktuari adalah sebagai berikut: / *The movements of present value of obligation based on independent actuary's calculation are as follows:*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (Tidak diaudit/ *Unaudited)*	2016	2015	2014	
Saldo awal periode/ tahun	86.436.162	41.613.922	41.613.922	49.219.143	69.502.975	*Balance at beginning of period/year*
Efek akuisisi entitas anak (Catatan 46)	-	-	38.449.384	-	-	*Effect of acquisition of subsidiaries (Note 46)*
Beban jasa kini	6.785.442	3.256.992	4.543.144	3.652.850	4.561.039	*Current service cost*
Beban bunga	4.207.083	2.906.548	3.821.657	3.653.723	6.412.184	*Interest cost*
Imbalan kerja yang dibayarkan:						*Benefits paid:*
Perusahaan	(1.250)	-	(108.910)	(165.854)	(34.357)	*Company*
Dana pensiun	(1.293.193)	(2.260.295)	(3.450.292)	(6.209.546)	(4.678.875)	*Pension fund*
Kerugian actuarial atas:						*Actuarial loss due from:*
Perubahan asumsi demografik	(183.036)	(513.452)	-	(2.266)	(4.690)	*Changes in demographic assumptions*
Perubahan asumsi finansial	10.361.397	7.565.643	2.549.612	(4.016.323)	(55.375)	*Changes in financial assumptions*
Penyesuaian historis	5.160.651	(2.941.324)	(1.878.701)	203.693	(26.120.216)	*Experience adjustments*
Dampak selisih kurs	(549.868)	2.751.888	896.346	(4.721.498)	(363.542)	*Effect of foreign exchange differences*
Saldo akhir periode/ tahun	**110.923.388**	**52.379.922**	**86.436.162**	**41.613.922**	**49.219.143**	***Balance at end of period/year***

40. LIABILITAS IMBALAN KERJA (lanjutan) / *40. EMPLOYEE BENEFITS LIABILITIES (continued)*

b. Program Pensiun Imbalan Pasti (lanjutan) / *Defined Benefit Pension Plan (continued)*

v. Kategori utama atas aset program imbalan sebagai persentase dari nilai wajar aset program adalah sebagai berikut:

v. The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (Tidak diaudit/ *Unaudited)*	2016	2015	2014	
Obligasi pemerintah	64%	58%	58%	55%	58%	*Government bonds*
Deposito berjangka	13%	14%	14%	14%	14%	*Time deposits*
Obligasi perusahaan	23%	28%	28%	31%	28%	*Corporate bonds*
Jumlah	**100%**	**100%**	**100%**	**100%**	**100%**	***Total***

vi. Liabilitas pensiun imbalan pasti pada dihitung dengan menggunakan asumsi sebagai berikut:

vi. The defined benefit obligations were calculated using the following assumptions:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Tingkat diskonto	6,5% - 7,1%	6,8% - 7,1%	8% - 8,3%	8,3% - 9,0%	8% - 8,3%	*Discount rates*
Tingkat pengembalian yang diharapkan dari aset:						*Expected rate of return on assets:*
- Portofolio Rupiah	0% - 7,1%	0% - 6,8%	0% - 8%	0% - 9%	0% - 8%	*Rupiah Portfolio -*
Tingkat proyeksi kenaikan gaji	5% - 9,5%	5% - 9,5%	5% - 9,5%	5% - 12%	5% - 9,5%	*Salary increment rate*
Tingkat mortalitas	TMI 2011 dan/*and* GAM 71	TMI 2011 dan/*and* GAM 71	TMI 2011 dan/*and* GAM 71	TMI 2011 dan/*and* GAM 71	TMI 2011 dan/and GAM 71	*Mortality rate*
Tingkat morbiditas (tingkat disabilitas)	0,75% - 10% tingkat mortalitas/ *mortality rate*	0,75% - 10% tingkat mortalitas/ *mortality rate*	0,75% - 10% tingkat mortalitas/ *mortality rate*	0,75% - 10% tingkat mortalitas/ *mortality rate*	0,75% - 10% tingkat mortalitas/ *mortality rate*	*Morbidity rate (disability rate)*
Tingkat pengunduran diri	1% - 2% terutama sesuai tingkat usia/ *primarily in line with age profile*	1% - 2% terutama sesuai tingkat usia/ *primarily in line with age profile*	1% - 2% terutama sesuai tingkat usia/ *primarily in line with age profile*	1% - 2% terutama sesuai tingkat usia/ *primarily in line with age profile*	1% - 2% terutama sesuai tingkat usia/ *primarily in line with age profile*	*Resignation rate*
Proporsi pengambilan pensiun normal	100%	100%	100%	100%	100%	*Proportion of normal retirements*

Analisa sensitivitas kuantitatif untuk asumsi-asumsi yang signifikan pada tanggal 30 September 2017 adalah sebagai berikut:

The quantitative sensitivity analysis for significant assumptions as of September 30, 2017 is as follows:

	Tingkat diskonto/ *Discount rates*		Kenaikan gaji dimasa depan/ *Future salary increases*		
	Persentase/ *Percentage*	Pengaruh nilai kini atas kewajiban imbalan kerja/ *Effect on present value of benefits obligation*	Persentase/ *Percentage*	Pengaruh nilai kini atas kewajiban imbalan kerja/ *Effect on present value of benefits obligation*	
2017					***2017***
Kenaikan	1%	(8.186.583)	1%	12.167.069	*Increase*
Penurunan	-1%	12.212.456	-1%	(8.301.717)	*Decrease*

40. LIABILITAS IMBALAN KERJA (lanjutan)

b. Program Pensiun Imbalan Pasti (lanjutan)

Jadwal jatuh tempo dari liabilitas imbalan pasti yang tidak diskontokan pada tanggal 30 September 2017:

	2017	
1 tahun	5.014.816	*Within one year*
2 - 5 tahun	48.952.232	*2 - 5 years*
Lebih dari 5 tahun	612.631.255	*More than 5 years*
Jumlah	**666.598.303**	***Total***

c. Undang-Undang Ketenagakerjaan No. 13/ 2003 dan Imbalan Pasca-Kerja Lainnya

Grup juga mengakui manfaat pasca-kerja lainnya untuk pegawai yang bukan anggota program pensiun imbalan pasti dan personil manajemen kunci sesuai dengan Undang-Undang Ketenagakerjaan No. 13/2003 dan kebijakan Grup yang berlaku.

Jumlah karyawan yang berhak memperoleh imbalan tersebut masing-masing adalah sebanyak 455 orang (tidak diaudit), 447 orang (tidak diaudit), 353 orang (tidak diaudit), 361 orang (tidak diaudit) dan 465 orang (tidak diaudit) orang pada tanggal-tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014.

Liabilitas imbalan kerja ditetapkan berdasarkan perhitungan aktuaris independen, PT Dayamandiri Dharmakonsilindo untuk karyawan selain Direksi dan PT Sentra Jasa Aktuaria untuk karyawan dan Direksi, yang laporan masing-masing tertanggal 15 Desember 2017 dan 15 Maret 2017 untuk laporan keuangan konsolidasian tanggal 30 September 2017 dan laporan keuangan konsolidasian tanggal 31 Desember 2016. Penilaian aktuaris ini dilakukan setiap tanggal pelaporan atau bila diperlukan.

40. EMPLOYEE BENEFITS LIABILITIES (continued)

b. Defined Benefit Pension Plan (continued)

Undiscounted maturity profile of defined benefit obligations as of September 30, 2017:

c. Labor Law No. 13/2003 and Other Post-employment Benefits

The Group also recognizes post-employment benefits for employees who are non-members of the defined benefit plan and key management in accordance with Labor Law No. 13/2003 and current Group policy.

The numbers of employees eligible for the benefits 455 personnel (unaudited), 477 personnel (unaudited), 353 personnel (unaudited), 361 personnel (unaudited) and 465 personnel (unaudited) as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, respectively.

Employee benefits liabilities are determined based on the calculation of independent actuary, PT Dayamandiri Dharmakonsilindo for employees but Directors and PT Sentra Jasa Aktuaria for employees and Directors, as set forth in their reports dated December 15, 2017 and March 15, 2017 for consolidated financial statements as of September 30, 2017 and consolidated financial statements as of December 31, 2016, respectively. The actuarial valuation is performed at each reporting date or as necessary.

40. LIABILITAS IMBALAN KERJA (lanjutan)

c. Undang-Undang Ketenagakerjaan No. 13/2003 dan Imbalan Pasca-Kerja Lainnya (lanjutan)

i. Analisa liabilitas Undang-Undang Ketenagakerjaaan No. 13/2003 dan imbalan pasca-kerja lainnya yang diakui di dalam laporan posisi keuangan konsolidasian adalah sebagai berikut:

40. EMPLOYEE BENEFITS LIABILITIES (continued)

c. Labor Law No. 13/2003 and Other Post-employment Benefits (continued)

i. An analysis of the Labor Law No. 13/2003 and other post-employment benefits obligations recognized in the consolidated statements of financial position is as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (Tidak diaudit/ *Unaudited)*	2016	2015	2014	
Nilai sekarang liabilitas pensiun imbalan pasti	7.385.148	9.230.499	7.437.877	7.411.605	11.519.863	*Present value of defined benefit obligations*
Nilai wajar aset program Imbalan	(2.179.681)	(1.613.780)	(2.606.289)	(1.488.581)	-	*Fair value of plan assets*
Liabilitas pensiun imbalan kerja yang belum dicadangkan	**5.205.467**	**7.616.719**	**4.831.588**	**5.923.024**	**11.519.863**	***Unfunded defined benefit obligations***

ii. Analisa biaya Undang-Undang Ketenagakerjaan No. 13/2003 dan imbalan pasca-kerja lainnya pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian adalah sebagai berikut:

ii. An analysis of the Labor Law No. 13/2003 and other post-employment benefits costs in the consolidated statements of profit or loss and other comprehensive income is as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (Tidak diaudit/ *Unaudited)*	2016	2015	2014	
Biaya jasa kini	1.185.803	1.689.943	2.127.452	534.813	1.459.784	*Current service cost*
Beban bunga	49.370	220.029	261.049	350.125	554.748	*Interest cost*
Biaya jasa lalu	-	(22)	(33)	-	(156.776)	*Past service cost*
Laba aktuaria yang diakui	-	-	(746)	(397)	24.113	*Actuarial gain recognized*
Biaya pesangon	-	181.790	198.833	-	28.760	*Termination expense*
Penilaian kembali atas imbalan jangka panjang lainnya	-	11.881	11.401	(7.330)	(9.805)	*Remeasurement of other long-term employee benefits*
Lain-lain	(9.882)	-	15.513	23.876	749.991	*Others*
Jumlah	**1.225.291**	**2.103.621**	**2.613.469**	**901.087**	**2.650.815**	***Total***

40. LIABILITAS IMBALAN KERJA (lanjutan)

c. Undang-Undang Ketenagakerjaan No. 13/2003 dan Imbalan Pasca-Kerja Lainnya (lanjutan)

iii. Mutasi liabilitas yang diakui atas beban imbalan kerja di laporan posisi keuangan konsolidasian adalah sebagai berikut:

40. EMPLOYEE BENEFITS LIABILITIES (continued)

c. Labor Law No. 13/2003 and Other Post-employment Benefits (continued)

iii. The movements of liabilities recognized for the provision for employee service entitlements in the consolidated statements of financial position are as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (Tidak diaudit/ *Unaudited)*	2016	2015	2014	
Saldo awal periode/ tahun	4.831.588	5.923.024	5.923.024	11.519.863	11.829.614	*Balance at beginning of period/year*
Penyesuaian Konsolidasian	-	-	-	307.276	-	*Adjustment due to consolidation*
Biaya imbalan kerja pada periode/ tahun berjalan	1.225.291	2.103.621	2.613.469	901.087	2.650.815	*Employee benefit costs for the period/year*
Jumlah yang diakui pada pendapatan komprehensif lain	319.483	575.107	265.204	(2.373.965)	(1.072.921)	*Total amount recognized in other comprehensive income*
Pemberhentian karyawan	-	(166.278)	(199.640)	(1.037.829)	(729.776)	*Termination of employees*
Kontribusi pada tahun berjalan	-	(1.122)	(999.444)	(1.495.742)	-	*Contributions for the period/year*
Imbalan kerja yang dibayarkan	(792.723)	(421.154)	(431.038)	(1.309.295)	(966.704)	*Benefits paid*
Dekonsolidasi entitas anak	-	-	-	(225.035)	-	*Deconsolidation of subsidiaries*
Liabilitas yang secara langsung berhubungan dengan aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual (Catatan 37)	815.562	(600.214)	(2.359.569)	-	-	*Liabilities directly associated with the non-current assets classified as held for sale (Note 37)*
Dampak selisih kurs	(1.193.734)	203.735	19.582	(363.336)	(191.165)	*Effect of foreign exchange differences*
Saldo akhir periode/tahun	**5.205.467**	**7.616.719**	**4.831.588**	**5.923.024**	**11.519.863**	***Balance at end of period/year***

iv. Nilai kini kewajiban berdasarkan perhitungan aktuari adalah sebagai berikut:

iv. The movements of present value of obligation based on independent actuary's calculation are as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (Tidak diaudit/ *Unaudited)*	2016	2015	2014	
Saldo awal periode/tahun	7.437.877	7.411.605	7.411.605	11.519.863	11.877.198	*Balance at beginning of period/year*
Transfer liabilitas dari akuisisi entitas anak	-	-	-	307.276	-	*Transfer of liabilities from acquisition of a subsidiary*
Beban jasa kini	1.185.803	1.689.943	2.127.452	534.813	1.459.784	*Current service cost*
Beban jasa lalu	-	(22)	(33)	-	(163.589)	*Past service cost*
Beban bunga	205.310	333.388	270.405	350.125	554.748	*Interest cost*
Imbalan kerja yang dibayarkan:						*Benefits paid:*
Perusahaan	(792.723)	(417.453)	(428.143)	(2.323.247)	(985.528)	*Company*
Dana pensiun	(538.004)	(214.404)	(129.547)	(11.201)	-	*Pension fund*
Penyisihan kelebihan pembayaran	-	-	-	-	-	*Provision of excess benefit payment*
Dekonsolidasi entitas anak	-	-	-	(225.035)	-	*Deconsolidation of subsidiaries*
Liabilitas yang secara langsung berhubungan dengan aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual (Catatan 37)	815.562	(600.214)	(2.359.569)	-	-	*Liabilities directly associated with the non-current assets classified as held for sale (Note 37)*

40. LIABILITAS IMBALAN KERJA (lanjutan) / *40. EMPLOYEE BENEFITS LIABILITIES (continued)*

c. Undang-Undang Ketenagakerjaan No. 13/ 2003 dan Imbalan Pasca-Kerja Lainnya (lanjutan) / *c. Labor Law No. 13/2003 and Other Post-employment Benefits (continued)*

iv. Nilai kini kewajiban berdasarkan perhitungan aktuari adalah sebagai berikut (lanjutan): / *iv. The movements of present value of obligation based on independent actuary's calculation are as follows (continued):*

30 September/*September 30,*		31 Desember/*December 31,*			
2017	2016 (Tidak diaudit/ *Unaudited*)	2016	2015	2014	
					Actuarial loss (gain) due from:
Perubahan asumsi demografi	-	183.050	183.036	-	-	*Demographic assumption*
Perubahan asumsi finansial	236.699	417.157	86.576	(2.187.393)	(162.175)	*Change in financial assumption*
Penyesuaian historis	(82.809)	29.364	(16.929)	(197.252)	(908.835)	*Experience adjustment*
Lain-lain	39.230	-	20.228	-	47.682	*Others*
Dampak selisih kurs	(1.121.797)	398.085	272.796	(356.344)	(199.422)	*Effect of foreign exchange differences*
Saldo akhir periode/tahun	**7.385.148**	**9.230.499**	**7.437.877**	**7.411.605**	**11.519.863**	***Balance at end of period/year***

v. Penghargaan *Jubilee*: / *v. Jubilee Awards:*

Pegawai permanen dari Grup berhak atas penghargaan *Jubilee.* Penghargaan *Jubilee* akan dibayarkan kepada pegawai setelah menyelesaikan sejumlah tahun masa kerjanya. Estimasi penghargaan *Jubilee* adalah sebagai berikut:

Permanent employees of the Group are entitled to Jubilee Awards. Jubilee Awards are paid to employees upon completion of a certain number of years of services. Estimated jubilee awards are as follows:

30 September/*September 30,*		31 Desember/*December 31,*			
2017	2016 (Tidak diaudit/ *Unaudited*)	2016	2015	2014	
Nilai sekarang liabilitas pensiun imbalan pasti	1.387.397	1.404.266	1.259.119	1.070.150	1.161.622	*Present value of defined benefit obligations*

Tabel berikut ini menyajikan komponen beban dan liabilitas imbalan kerja jangka panjang lainnya konsolidasian:

The following tables summarize the consolidated components of employees' other long term benefit expense and liabilities:

30 September/*September 30,*		31 Desember/*December 31,*			
2017	2016 (Tidak diaudit/ *Unaudited*)	2016	2015	2014	
Biaya jasa kini	109.871	115.301	141.906	129.359	608.948	*Current service cost*
Biaya jasa lalu	-	-	-	-	(57.800)	*Past service cost*
Beban bunga	79.155	70.825	99.966	87.901	572.566	*Interest cost*
Keuntungan aktuaria yang diakui	-	-	76.772	(95.839)	49.970	*Actuarial gain recognized*
Penilaian kembali atas imbalan jangka panjang lainnya	50.762	174.944	(4.144)	(23.345)	(42.108)	*Remeasurement of other long term Employee benefits*
Jumlah	**239.788**	**361.070**	**314.500**	**98.076**	**1.131.576**	***Total***

40. LIABILITAS IMBALAN KERJA (lanjutan)

c. Undang-Undang Ketenagakerjaan No. 13/ 2003 dan Imbalan Pasca-Kerja Lainnya (lanjutan)

v. Penghargaan *Jubilee*: (lanjutan)

Mutasi liabilitas yang diakui atas beban imbalan kerja di laporan posisi keuangan konsolidasian adalah sebagai berikut:

40. EMPLOYEE BENEFITS LIABILITIES (continued)

c. Labor Law No. 13/2003 and Other Post-employment Benefits (continued)

v. Jubilee Awards: (continued)

The movements of liabilities recognized for the provision for employee service entitlements in the consolidated statements of financial position are as follows:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (Tidak diaudit/ *Unaudited*)	2016	2015	2014	
Saldo awal periode/ tahun	1.259.119	1.070.150	1.070.150	1.161.622	144.986	*Balance at beginning of period/year*
Biaya imbalan kerja pada periode/ tahun berjalan	239.788	361.070	314.500	98.076	1.131.576	*Employee benefit costs for the period/year*
Jumlah yang diakui pada pendapatan komprehensif lain	(282)	4	-	-	-	*Total amount recognized in other comprehensive income*
Reklasifikasi sehubungan dengan klasifikasi dimiliki untuk dijual (Catatan 37)	-	-	(63.711)	-	-	*Reclassification in relation to held for sale classification (Note 37)*
Imbalan kerja yang dibayarkan	(104.010)	(40.195)	(91.391)	(91.202)	(65.645)	*Benefits paid*
Dampak selisih kurs	(7.218)	13.237	29.571	(98.346)	(49.295)	*Effect of foreign exchange differences*
Saldo akhir periode/ tahun	**1.387.397**	**1.404.266**	**1.259.119**	**1.070.150**	**1.161.622**	***Balance at end of period/year***

vi. Liabilitas atas Undang-Undang Ketenagakerjaan No. 13/2003 dan imbalan pasca-kerja lainnya pada dihitung dengan menggunakan asumsi sebagai berikut:

vi. The Labor Law No. 13/2003 and other post-employment benefits obligations were calculated using the following assumptions:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (Tidak diaudit/ *Unaudited*)	2016	2015	2014	
Tingkat diskonto	1,6% - 7,0%	1,6% - 7,0%	1,4% - 8,7%	2,0% - 9,0%	1% - 8,9%	*Discount rates*
Tingkat proyeksi kenaikan gaji	5% - 10%	5% - 10%	5% - 10%	5% - 10%	5% - 10%	*Salary increment rate*
Tingkat mortalitas	TMI 2011	TMI 2011	TMI 2011	TMI 2011	TMI 2011	*Mortality rate*
Tingkat morbiditas (tingkat disabilitas)	10% tingkat mortalitas/ *10% of mortality rate*	10% tingkat mortalitas/ *10% of mortality rate*	10% tingkat mortalitas/ *10% of mortality rate*	10% tingkat mortalitas/ *10% of mortality rate*	10% tingkat mortalitas/ *10% of mortality rate*	*Morbidity rate (disability rate)*
Tingkat pengunduran diri	0% - 1% terutama sesuai tingkat usia/ *primarily in line with age profile*	0% - 1% terutama sesuai tingkat usia/ *primarily in line with age profile*	0% - 1% terutama sesuai tingkat usia/ *primarily in line with age profile*	0% - 1% terutama sesuai tingkat usia/ *primarily in line with age profile*	0% - 1% terutama sesuai tingkat usia/ *primarily in line with age profile*	*Resignation rate*
Proporsi pengambilan pensiun normal	100%	100%	100%	100%	100%	*Proportion of normal retirements*

40. LIABILITAS IMBALAN KERJA (lanjutan) / *40. EMPLOYEE BENEFITS LIABILITIES (continued)*

c. Undang-Undang Ketenagakerjaan No. 13/2003 dan Imbalan Pasca-Kerja Lainnya (lanjutan)

c. Labor Law No. 13/2003 and Other Post-employment Benefits (continued)

Analisa sensitivitas kuantitatif untuk asumsi-asumsi yang signifikan pada tanggal 30 September 2017 adalah sebagai berikut:

The quantitative sensitivity analysis for significant assumptions as of September 30, 2017 is as follows:

	Tingkat diskonto/ *Discount rates*		Kenaikan gaji dimasa depan/ *Future salary increases*		
	Persentase/ *Percentage*	Pengaruh nilai kini atas kewajiban imbalan kerja/ *Effect on present value of benefits obligation*	Persentase/ *Percentage*	Pengaruh nilai kini atas kewajiban imbalan kerja/ *Effect on present value of benefits obligation*	
2017					***2017***
Kenaikan	1%	(328.329)	1%	376.611	*Increase*
Penurunan	-1%	381.440	-1%	(329.463)	*Decrease*

Jadwal jatuh tempo dari liabilitas imbalan pasti yang tidak didiskontokan pada tanggal 30 September 2017:

The undiscounted maturity profile of defined benefit obligations as of September 30, 2017:

	2017	
1 tahun	163.041	*Within one year*
2 - 5 tahun	8.794.662	*2 - 5 years*
Lebih dari 5 tahun	15.023.197	*More than 5 years*
Jumlah	**23.980.900**	***Total***

Durasi rata-rata liabilitas imbalan pasti diakhir periode pelaporan untuk Grup berkisar antara 8 sampai 20 tahun untuk 30 September 2017, antara 8 sampai 19 tahun untuk 30 September 2016, antara 8 sampai 19 tahun untuk 31 Desember 2016, antara 8 sampai 20 tahun untuk 31 Desember 2015 dan antara 8 sampai 21 tahun untuk 31 Desember 2014.

The average duration of the defined benefits obligation at the end of reporting period for the Group is approximately from 8 to 20 years for September 30, 2017, approximately from 8 to 19 years for September 30, 2016, approximately from 8 to 19 years for December 31, 2016, approximately from 8 to 20 years for December 31, 2015 and approximately from 8 to 21 years for December 31, 2014.

41. SIFAT HUBUNGAN DAN TRANSAKSI-TRANSAKSI DENGAN PIHAK-PIHAK BERELASI

a. Sifat Hubungan Berelasi

i. PT Bank Woori Saudara Indonesia 1906 Tbk mempunyai pemegang saham mayoritas yang sama dengan Perusahaan.

ii. Mitsubishi Corporation (MC) adalah salah satu pemegang saham tidak langsung Perusahaan melalui Encore Energy Pte Ltd sampai dengan Oktober 2016. Petro Diamond Co Ltd, Petro Diamond Hong kong, Co Ltd, Petro Diamond Singapore Pte Ltd (PDS) dan Tomori E&P Ltd (TEL) adalah entitas anak MC.

iii. PT Donggi Senoro LNG (DSLNG) adalah entitas di bawah pengaruh signifikan Grup melalui MC sampai dengan Oktober 2016. DSLNG adalah entitas anak tidak langsung MC melalui Sulawesi LNG Development Ltd.

iv. PT Medco Intidinamika (INTI) mempunyai pemegang saham pengendali yang sama dengan Perusahaan.

v. PT Medco Duta (DUTA) adalah salah satu pemegang saham Perusahaan dan mempunyai pemegang saham mayoritas yang sama dengan Perusahaan.

vi. PT Api Metra Graha (AMG) dimiliki oleh Grup sebesar 49% sampai dengan 17 Desember 2015. Efektif 17 Desember 2015, AMG dimiliki Grup sebesar 100% (Catatan 18 dan 46).

vii. PT Medco Power Indonesia (MPI) merupakan entitas asosiasi yang dimiliki oleh Grup sebesar 49%.

viii. PT Amman Mineral Investama (AMIV) dimiliki oleh Grup sebesar 50%.

ix. PT Satria Raksa Buminusa (SRB) dan PT Musi Raksa Buminusa (MRB) dimiliki oleh Grup sebesar 30% sejak tanggal 31 Desember 2015. Efektif 29 Desember 2016, SRB dan MRB dimiliki Grup sebesar 100% (Catatan 46).

x. PT Medco Daya Abadi Lestari (MDAL), Merupakan Perusahaan yang dikendalikan oleh manajemen kunci yang sama dengan Perusahaan.

41. NATURE OF RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

a. Nature of Relationships

i. PT Bank Woori Saudara Indonesia 1906 Tbk has the same majority shareholder with the Company.

ii. Mitsubishi Corporation (MC) is one of the indirect shareholders of the Company through Encore Energy Pte Ltd until October 2016. Petro Diamond Co Ltd, Petro Diamond Hong kong, Co Ltd, Petro Diamond Singapore Pte Ltd (PDS) and Tomori E&P Ltd (TEL) are subsidiaries of MC.

iii. PT Donggi Senoro LNG (DSLNG) is an entity under significant influence of the Group through MC until October 2016. DSLNG is indirect subsidiary of MC through Sulawesi LNG Development Ltd.

iv. PT Medco Intidinamika (INTI) has the same controlling shareholder as the Company.

v. PT Medco Duta (DUTA) is a stockholder of the Company and has the same majority shareholder with the Company.

vi. PT Api Metra Graha (AMG) is 49%-owned by the Group until December 17, 2015. Effective December 17, 2015, AMG is 100%-owned by the Group (Notes 18 and 46).

vii. PT Medco Power Indonesia (MPI) is an associates, 49%-owned by the Group.

viii. PT Amman Mineral Investama (AMIV) is 50%-owned by the Group.

ix. PT Satria Raksa Buminusa (SRB) and PT Musi Raksa Buminusa (MRB) are 30%-owned by the Group effective December 31, 2015. Effective December 29, 2016, SRB and MRB is 100%-owned by the Group (Note 46).

x. PT Medco Daya Abadi Lestari (MDAL), is an entity under the same key management with the Company.

41. SIFAT HUBUNGAN DAN TRANSAKSI-TRANSAKSI DENGAN PIHAK-PIHAK BERELASI (lanjutan)

b. Transaksi-transaksi dengan Pihak-pihak Berelasi

Dalam melakukan kegiatan usahanya, Grup melakukan transaksi-transaksi tertentu dengan pihak-pihak berelasi.

Transaksi ini dilakukan berdasarkan persyaratan yang disetujui oleh kedua belah pihak. Beberapa persyaratan tersebut mungkin tidak sama dengan persyaratan yang dilakukan dengan pihak-pihak yang tidak berelasi.

41. NATURE OF RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Transactions with Related Parties

In the normal course of business, the Group entered into certain transactions with its related parties.

The transactions are made based on terms agreed by the parties. Such terms may not be the same as those of the transactions between unrelated parties.

	30 September 2017/*September 30, 2017*		
	Jumlah/ *Amount*	**Persentase terhadap jumlah (%)/ *Percentage to related totals (%)***	
Aset			***Assets***
Kas dan setara kas			*Cash and cash equivalents*
PT Bank Woori Saudara Indonesia 1906 Tbk	447.998	0,011196	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Deposito dan rekening bank yang dibatasi penggunaannya			*Restricted time deposits and cash in bank*
PT Bank Woori Saudara Indonesia 1906 Tbk	1.523.792	0,038080	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Piutang lain-lain			*Other receivables*
PT Amman Mineral Investama	271.327.355	6,780537	*PT Amman Mineral Investama*

41. SIFAT HUBUNGAN DAN TRANSAKSI-TRANSAKSI DENGAN PIHAK-PIHAK BERELASI (lanjutan)

41. NATURE OF RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Transaksi-transaksi dengan Pihak-pihak Berelasi (lanjutan)

b. Transactions with Related Parties (continued)

	30 September 2016/*September 30, 2016* (Tidak diaudit/*Unaudited*)		
	Jumlah/ *Amount*	**Persentase terhadap jumlah (%)/ *Percentage to related totals (%)***	
Aset			***Assets***
Kas dan setara kas			*Cash and cash equivalents*
PT Bank Woori Saudara Indonesia 1906 Tbk	5.844.918	0,204578	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Piutang usaha			*Trade receivables*
Petro Diamond Singapore Pte Ltd	22.824.983	0,798896	*Petro Diamond Singapore Pte Ltd*
PT Donggi Senoro LNG	7.238.773	0,253364	*PT Donggi Senoro LNG*
PT Medco Intidinamika	549.867	0,019246	*PT Medco Intidinamika*
PT Satria Raksa Buminusa	457.899	0,016027	*PT Satria Raksa Buminusa*
PT Medco Power Indonesia	148.113	0,005184	*PT Medco Power Indonesia*
PT Bank Woori Saudara Indonesia 1906 Tbk	8.981	0,000314	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Deposito dan rekening bank yang dibatasi penggunaannya PT Bank Woori Saudara Indonesia 1906 Tbk	1.596.539	0,055880	*Restricted time deposits and cash in bank PT Bank Woori Saudara Indonesia 1906 Tbk*
Piutang lain-lain			*Other receivables*
PT Donggi Senoro LNG	40.185.856	1,406542	*PT Donggi Senoro LNG*
PT Musi Raksa Buminusa	1.488.871	0,052112	*PT Musi Raksa Buminusa*
PT Medco Power Indonesia	390.454	0,010855	*PT Medco Power Indonesia*
Liabilitas			***Liabilities***
Utang usaha			*Trade payables*
PT Satria Raksa Buminusa	171.668	0,007534	*PT Satria Raksa Buminusa*
PT Musi Raksa Buminusa	27.847	0,001222	*PT Musi Raksa Buminusa*
PT Medco Intidinamika	25.240	0,001108	*PT Medco Intidinamika*
Uang muka dari pelanggan			*Advances from customer*
PT Bank Woori Saudara Indonesia 1906 Tbk	146.789	0,006442	*PT Bank Woori Saudara Indonesia 1906 Tbk*
PT Medco Power Indonesia	122.598	0,005380	*PT Medco Power Indonesia*
PT Medco Intidinamika	19.603	0,000860	*PT Medco Intidinamika*
Utang Lain-lain			*Other payables*
PT Satria Raksa Buminusa	206.744	0,009073	*PT Satria Raksa Buminusa*
Tomori E&P Limited	120.654	0,005295	*Tomori E&P Limited*
Transaksi			***Transactions***
Penjualan minyak dan gas bumi neto			*Net oil and gas sales*
Petro Diamond Singapore Pte Ltd	99.565.894	25,434396	*Petro Diamond Singapore Pte Ltd*
PT Donggi Senoro LNG	60.599.161	15,480231	*PT Donggi Senoro LNG*

41. SIFAT HUBUNGAN DAN TRANSAKSI-TRANSAKSI DENGAN PIHAK-PIHAK BERELASI (lanjutan)

41. NATURE OF RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Transaksi-transaksi dengan Pihak-pihak Berelasi (lanjutan)

b. Transactions with Related Parties (continued)

	31 Desember 2016/ *December 31, 2016*		
	Jumlah/ *Amount*	**Persentase terhadap jumlah (%)/ *Percentage to related totals (%)***	
Aset			***Assets***
Kas dan setara kas			*Cash and cash equivalents*
PT Bank Woori Saudara Indonesia 1906 Tbk	3.326.162	0,092467	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Piutang usaha			*Trade receivables*
PT Medco Intidinamika	531.597	0,014778	*PT Medco Intidinamika*
PT Medco Power Indonesia	147.014	0,004087	*PT Medco Power Indonesia*
PT Bank Woori Saudara Indonesia 1906 Tbk	18.195	0,000506	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Deposito dan rekening bank yang dibatasi penggunaannya			*Restricted time deposits and cash in bank*
PT Bank Woori Saudara Indonesia 1906 Tbk	1.537.796	0,042751	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Piutang lain-lain			*Other receivables*
PT Amman Mineral Investama	250.459.024	6,962745	*PT Amman Mineral Investama*
PT Medco Power Indonesia	252.716	0,007025	*PT Medco Power Indonesia*
PT Medco Intidinamika	33.603	0,000934	*PT Medco Intidinamika*
Liabilitas			***Liabilities***
Uang muka dari pelanggan			*Advance from customers*
PT Bank Woori Saudara Indonesia 1906 Tbk	196.099	0,007245	*PT Bank Woori Saudara Indonesia 1906 Tbk*
PT Medco Power Indonesia	158.410	0,005853	*PT Medco Power Indonesia*

41. SIFAT HUBUNGAN DAN TRANSAKSI-TRANSAKSI DENGAN PIHAK-PIHAK BERELASI (lanjutan)

41. NATURE OF RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Transaksi-transaksi dengan Pihak-pihak Berelasi (lanjutan)

b. Transactions with Related Parties (continued)

	31 Desember 2015/*December 31, 2015* Disajikan kembali/*As restated* - Catatan/*Note 37*		
	Jumlah/ *Amount*	**Persentase terhadap jumlah (%)/ *Percentage to related totals (%)***	
Aset			***Assets***
Kas dan setara kas			*Cash and cash equivalents*
PT Bank Woori Saudara Indonesia 1906 Tbk	13.810.742	0,474627	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Piutang usaha			*Trade receivables*
Petro Diamond Singapore Pte Ltd	10.051.533	0,345436	*Petro Diamond Singapore Pte Ltd*
PT Donggi Senoro LNG	9.691.150	0,333051	*PT Donggi Senoro LNG*
PT Medco Intidinamika	290.817	0,009994	*PT Medco Intidinamika*
PT Bank Woori Saudara Indonesia 1906 Tbk	186.757	0,006418	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Deposito dan rekening bank yang dibatasi penggunaannya			*Restricted time deposits and cash in bank*
PT Bank Woori Saudara Indonesia 1906 Tbk	3.009.771	0,103435	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Piutang lain-lain			*Other receivables*
PT Donggi Senoro LNG	29.117.587	1,000670	*PT Donggi Senoro LNG*
PT Musi Raksa Buminusa	1.470.989	0,050553	*PT Musi Raksa Buminusa*
PT Satria Raksa Buminusa	756.857	0,026011	*PT Satria Raksa Buminusa*
PT Medco Power Indonesia	353.126	0,012136	*PT Medco Power Indonesia*
Tomori E&P Limited	150.000	0,005155	*Tomori E&P Limited*
Liabilitas			***Liabilities***
Utang usaha			*Trade payables*
PT Musi Raksa Buminusa	26.238	0,001188	*PT Musi Raksa Buminusa*
PT Medco Intidinamika	22.631	0,001025	*PT Medco Intidinamika*
PT Satria Raksa Buminusa	3.742	0,000169	*PT Satria Raksa Buminusa*
Uang muka dari pelanggan			*Advance from customers*
PT Bank Woori Saudara Indonesia 1906 Tbk	163.375	0,007399	*PT Bank Woori Saudara Indonesia 1906 Tbk*
PT Medco Power Indonesia	141.774	0,006420	*PT Medco Power Indonesia*
Utang Lain-lain			*Other payables*
Tomori E&P Limited	1.354.413	0,061335	*Tomori E&P Limited*
PT Satria Raksa Buminusa	385.914	0,017476	*PT Satria Raksa Buminusa*
Transaksi			***Transactions***
Penjualan minyak dan gas bumi neto			*Net oil and gas sales*
Petro Diamond Singapore Pte Ltd	156.431.885	26,866422	*Petro Diamond Singapore Pte Ltd*
PT Donggi Senoro LNG	58.611.649	10,066268	*PT Donggi Senoro LNG*
Petro Diamond Co Ltd, Hong Kong	11.899.904	2,043751	*Petro Diamond Co Ltd, Hong Kong*

41. SIFAT HUBUNGAN DAN TRANSAKSI-TRANSAKSI DENGAN PIHAK-PIHAK BERELASI (lanjutan)

41. NATURE OF RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES (continued)

b. Transaksi-transaksi dengan Pihak-pihak Berelasi (lanjutan)

b. Transactions with Related Parties (continued)

	31 Desember 2014/ *December 31, 2014* Disajikan kembali/*As restated* - Catatan/*Note 37*		
	Jumlah/ *Amount*	**Persentase terhadap jumlah (%)/ *Percentage to related totals (%)***	
Aset			***Assets***
Kas dan setara kas			*Cash and cash equivalents*
PT Bank Woori Saudara Indonesia 1906 Tbk	16.967.818	0,636032	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Piutang usaha			*Trade receivables*
Petro Diamond Singapore Pte Ltd	12.347.821	0,462853	*Petro Diamond Singapore Pte Ltd*
PT Mitra Energi Batam	78.780	0,002953	*PT Mitra Energi Batam*
PT Donggi Senoro LNG	7.700	0,000289	*PT Donggi Senoro LNG*
PT Medco Power Indonesia	4.360	0,000163	*PT Medco Power Indonesia*
PT Api Metra Graha	4.167	0,000156	*PT Api Metra Graha*
Deposito dan rekening bank yang dibatasi penggunaannya			*Restricted time deposits and cash in bank*
PT Bank Woori Saudara Indonesia 1906 Tbk	3.766.984	0,141204	*PT Bank Woori Saudara Indonesia 1906 Tbk*
Piutang lain-lain			*Other receivables*
PT Donggi Senoro LNG	158.685.931	5,948278	*PT Donggi Senoro LNG*
PT Medco Power Indonesia	467.565	0,017526	*PT Medco Power Indonesia*
Tomori E&P Limited	150.000	0,005623	*Tomori E&P Limited*
PT Api Metra Graha	80.850	0,003031	*PT Api Metra Graha*
Kuala Langsa (Block A) Ltd	10.471	0,000392	*Kuala Langsa (Block A) Ltd*
Liabilitas			***Liabilities***
Utang usaha			*Trade payables*
PT Api Metra Graha	1.378.913	0,077438	*PT Api Metra Graha*
PT Medco Intidinamika	36.921	0,002073	*PT Medco Intidinamika*
Transaksi			***Transactions***
Penjualan minyak dan gas bumi neto			*Net oil and gas sales*
Petro Diamond Singapore Pte Ltd	231.001.250	32,900495	*Petro Diamond Singapore Pte Ltd*
Petro Diamond Co Ltd, Hong Kong	35.267.259	5,022961	*Petro Diamond Co Ltd, Hong Kong*
PT Donggi Senoro LNG	351.438	0,050054	*PT Donggi Senoro LNG*

42. INFORMASI SEGMEN

Grup mengklasifikasikan dan mengevaluasi informasi keuangan mereka menjadi pelaporan segmen usaha yang dikelompokkan menjadi tujuh (7) kelompok bisnis strategis:

a. Segmen Usaha

Grup bergerak di bidang usaha sebagai berikut:

i. Eksplorasi dan produksi minyak dan gas bumi
ii. Jasa
iii. Kimia
iv. Batu bara
v. Perdagangan
vi. *Holding* dan operasional terkait
vii. Sewa properti

Segmen usaha dari operasi yang dihentikan dan dimiliki untuk dijual adalah sebagai berikut (Catatan 37):

42. SEGMENT INFORMATION

The Group classifies and evaluates its financial information into reportable operating segments which are grouped into seven (7) strategic business groups:

a. Operating Segments

The Group is engaged in the following business activities:

i. Exploration for and production of oil and gas
ii. Services
iii. Chemicals
iv. Coal mining
v. Trading
vi. Holding and related operations
vii. Rental properties

The operating segments of discontinued operations and held for sale are as follows (Note 37):

Entitas anak/ *Subsidiaries*	Segmen/*Segment*
PT Medco Downstream Indonesia	Kimia/*Chemicals*
PT Medco Methanol Bunyu	Kimia/*Chemicals*
PT Medco LPG Kaji	Kimia/*Chemicals*
PT Medco Ethanol Lampung	Kimia/*Chemicals*
PT Medco Gas Indonesia	Jasa/*Services*
PT Meta Adhya Tirta Umbulan	Jasa/*Services*
PT Exspan Petrogas Intranusa	Jasa/*Services*
PT Medco Sarana Balaraja dan entitas anak/ *and subsidiaries*	Jasa/*Services*
PT Medco Energi Mining Internasional dan entitas anak/ *and subsidiaries*	Batu bara/*Coal mining*
PT Api Metra Graha	Sewa properti/*Rental properties*

Informasi segmen Grup adalah sebagai berikut:

Segment information of the Group is as follows:

42. INFORMASI SEGMEN (lanjutan) / *42. SEGMENT INFORMATION (continued)*

a. Segmen Usaha (lanjutan) / *a. Operating Segments (continued)*

	30 September 2017 / *September 30.* 2017						
	Eksplorasi dan produksi minyak dan gas bumi/ *Exploration for and production of oil and gas*	Jasa/ *Service*	Perdagangan/ *Trading*	*Holding* dan operasional terkait/ *Holding and related operations*	Operasi yang dihentikan/ *Discontinued operations*	Eliminasi/ *Elimination*	Konsolidasi/ *Consolidation*
Penjualan eksternal/ *External sales*	385.407.998	2.453.590	209.666.912	-	-	-	597.528.500
Penjualan antar segmen/ *Intersegment sales*	169.528.031	-	-	-	-	(169.528.031)	-
Jumlah penjualan dan pendapatan usaha lainnya/ *Total sales and other operating revenues*	554.936.029	2.453.590	209.666.912	-	-	(169.528.031)	597.528.500
Laba kotor/ *Gross profit*	286.976.376	769.732	12.423.384	-	-	-	300.169.492
Beban penjualan, umum dan administrasi/ *Selling, general and administrative expenses*	(76.791.223)	(6.386.654)	(108.416)	(23.417.812)	-	4.714.532	(101.989.573)
Beban pendanaan/ *Finance costs*	(40.181.163)	(425.854)	(138)	(63.010.561)	-	7.971.725	(95.645.991)
Pendapatan bunga/ *Finance income*	1.760.045	49.555	98	28.656.549	-	(6.379.499)	24.086.748
Pembalikan penurunan nilai aset/ *Reversal of impairment of assets*	99.971.207	-	-	-	-	-	99.971.207
Keuntungan pembelian diskon/ *Bargain purchase*	43.067.951	-	-	-	-	-	43.067.951
Penerimaan dari klaim ausransi *Receipt from claim insurance*	7.664.809	-	-	-	-	-	7.664.809
Bagian rugi dari entitas entitas asosiasi dan ventura bersama *Share of net loss of associates and joint venture*	(29)	-	-	(23.421.647)	-	-	(23.421.676)
Pendapatan lain-lain/ *Other income*	9.821.353	249.529	-	15.044.196	-	700.713	25.815.791
Beban lain-lain/ *Other expenses*	(52.899)	-	(4.686.738)	(12.720)	-	(700.713)	(5.453.070)
Laba (rugi) sebelum manfaat (beban) pajak penghasilan dari operasi yang dilanjutkan/ *Profit (loss) before income tax benefit (expense) from continuing operations*	332.236.427	(5.743.692)	7.628.190	(66.161.995)	-	6.306.758	274.265.688

42. INFORMASI SEGMEN (lanjutan) / *42. SEGMENT INFORMATION (continued)*

a. Segmen Usaha (lanjutan) / *a. Operating Segments (continued)*

	30 September 2017/*September 30.* 2017						
	Eksplorasi dan produksi minyak dan gas bumi/ *Exploration for and production of oil and gas*	***Jasa/ Service***	***Perdagangan/ Trading***	***Holding* dan operasional terkait/ *Holding and related operations***	**Operasi yang dihentikan/ *Discontinued operations***	**Eliminasi/ *Elimination***	**Konsolidasi/ *Consolidation***
Manfaat (beban) pajak penghasilan/ *Income tax benefit (expense)*	(103.343.587)	1.411.985	-	(472.645)	-	-	(102.404.247)
Kepentingan nonpengendali/ *Non-controlling interests*	(3.764.213)	-	-	-	-	-	(3.764.213)
Rugi setelah beban pajak penghasilan dari operasi yang dihentikan/ *Loss after income tax expense from discontinued operations*	-	-	-	-	2.530.706	(6.306.758)	(3.776.052)
LABA (RUGI) PERIODE BERJALAN YANG DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK/ *PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY*	**225.128.627**	**(4.331.707)**	**7.628.190**	**(66.634.640)**	**2.530.706**	**-**	**164.321.176**
Aset segmen/ *Segment assets*	3.321.545.714	83.142.824	158.309.522	1.275.433.104	459.732.981	(2.301.914.886)	2.996.249.259
Investasi jangka panjang/ *Long-term investments*	105.423.764	-	-	899.888.248	-	-	1.005.312.012
JUMLAH ASET/ *TOTAL ASSETS*	**3.426.969.478**	**83.142.824**	**158.309.522**	**2.175.321.352**	**459.732.981**	**(2.301.914.886)**	**4.001.561.271**
LIABILITAS Liabilitas segmen/ ***LIABILITIES*** *Segment liabilites*	2.933.004.778	53.431.195	207.647.681	1.848.189.301	195.391.665	(2.301.914.886)	2.935.749.734
Pembelian barang modal/ *Capital expenditures*	226.151.494	-	-	-	-	-	226.151.494
Penyusutan, deplesi dan amortisasi/ *Depreciation, depletion and amortization*	111.102.724	1.381.784	-	225.925	-	-	112.710.433
Beban non kas selain depresiasi, deplesi dan amortisasi/ *Non-cash expenses other than depreciation, depletion and amortization*	113.060.971	12.579	-	964.417	-	-	114.037.967

42. INFORMASI SEGMEN (lanjutan) / *42. SEGMENT INFORMATION (continued)*

a. Segmen Usaha (lanjutan) / *a. Operating Segments (continued)*

30 September 2016/*September 30, 2016*
(Tidak diaudit/*Unaudited*)

	Eksplorasi dan produksi minyak dan gas bumi/ *Exploration for and production of oil and gas*	Jasa/ *Service*	Perdagangan/ *Trading*	*Holding* dan operasional terkait/ *Holding and related operations*	Operasi yang dihentikan/ *Discontinued operations*	Eliminasi/ *Elimination*	Konsolidasi/ *Consolidation*
Penjualan eksternal/ *External sales*	314.119.896	5.421.393	-	71.920.314	-	-	391.461.603
Penjualan antar segmen/ *Intersegment sales*	105.476.423	-	-	-	-	(105.476.423)	-
Jumlah penjualan dan pendapatan usaha lainnya/ *Total sales and other operating revenues*	419.596.319	5.421.393	-	71.920.314	-	(105.476.423)	391.461.603
Laba kotor/ *Gross profit*	163.732.282	1.996.927	-	3.929.684	-	-	169.658.893
Beban penjualan, umum dan administrasi/ *Selling, general and administrative expenses*	(60.825.088)	(1.200.831)	(366.245)	(13.333.052)	-	4.866.160	(70.859.056)
Beban pendanaan/ *Finance costs*	(19.994.176)	(1.960)	(1.861)	(52.777.318)	-	5.481.889	(67.293.426)
Pendapatan bunga/ *Finance income*	1.302.899	26.619	65	6.644.044	-	(6.242.791)	1.730.836
Keuntungan pembelian diskon/ *Bargain purchase*	18.852.320	-	-	-	-	-	18.852.320
Kerugian atas pengukuran nilai wajar dikurangi biaya untuk menjual/ *Loss on assets recognized at fair value less cost to sell*	(11.924.603)	-	-	-	-	-	(11.924.603)
Bagian laba (rugi) dari entitas asosiasi dan ventura bersama/ *Share of net income (loss) of associates and joint venture*	(64.576)	-	-	2.300.711	-	-	2.236.135
Kerugian penurunan nilai aset/ *Loss on impairment of assets*	(160.197.719)	-	-	-	-	-	(160.197.719)
Pendapatan lain-lain/ *Other income*	12.146.353	44.114	-	4.778.987	-	825.238	17.794.692
Beban lain-lain/ *Other expenses*	(688.659)	-	-	(3.061.317)	-	-	(3.749.976)
Laba (rugi) sebelum manfaat (beban) pajak penghasilan dari operasi yang dilanjutkan/ *Profit (loss) before income tax benefit (expense) from continuing operations*	(57.660.967)	864.869	(368.041)	(51.518.261)	-	4.930.496	(103.751.904)

42. INFORMASI SEGMEN (lanjutan) / *42. SEGMENT INFORMATION (continued)*

a. Segmen Usaha (lanjutan) / *a. Operating Segments (continued)*

30 September 2016/*September 30, 2016*
(Tidak diaudit/*Unaudited*)

	Eksplorasi dan produksi minyak dan gas bumi/ *Exploration for and production of oil and gas*	Jasa/ *Service*	Perdagangan/ *Trading*	*Holding* dan operasional terkait/ *Holding and related operations*	Operasi yang dihentikan/ *Discontinued operations*	Eliminasi/ *Elimination*	Konsolidasi/ *Consolidation*
Manfaat (beban) pajak penghasilan/ *Income tax benefit (expense)*	(8.414.338)	(280.009)	-	8.204.645	-	-	(489.702)
Kepentingan nonpengendali/ *Non-controlling interests*	(1.858.187)	-	-	-	-	-	(1.858.187)
Rugi komprehensif periode/tahun berjalan dari operasi yang dihentikan/ *Comprehensive loss for the period/ year from discontinued operation*	-	-	-	-	(38.545.601)	(4.930.496)	(43.476.097)
LABA (RUGI) PERIODE BERJALAN YANG DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK/ *PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY*	**(67.933.492)**	**584.860**	**(368.041)**	**(43.313.616)**	**(38.545.601)**	**-**	**(149.575.890)**
Aset segmen/ *Segment assets*	2.317.320.559	71.393.328	152.241.027	1.658.625.772	372.446.492	(1.948.725.264)	2.623.301.914
Investasi jangka panjang/ *Long-term investments*	105.424.036	493.967	-	105.173.235	-	-	211.091.238
Investasi dalam proyek/ *Investment in project*	22.674.035	-	-	-	-	-	22.674.035
JUMLAH ASET/ *TOTAL ASSETS*	**2.445.418.630**	**71.887.295**	**152.241.027**	**1.763.799.007**	**372.446.492**	**(1.948.725.264)**	**2.857.067.187**
LIABILITAS Liabilitas segmen/ ***LIABILITIES*** *Segment liabilites*	2.239.201.336	28.068.123	68.966.840	1.764.291.658	126.866.758	(1.948.725.264)	2.278.669.451
Pembelian barang modal/ *Capital expenditures*	85.079.645	-	-	74.445	-	-	85.154.090
Penyusutan, deplesi dan amortisasi/ *Depreciation, depletion and amortization*	78.445.752	2.635.591	-	217.138	-	-	81.298.481
Beban non kas selain depresiasi, deplesi dan amortisasi/ *Non-cash expenses other than depreciation, depletion and amortization*	170.775.302	444.734	-	904.800	-	-	172.124.836

42. INFORMASI SEGMEN (lanjutan) / *42. SEGMENT INFORMATION (continued)*

a. Segmen Usaha (lanjutan) / *a. Operating Segments (continued)*

	31 Desember 2016/*December 31, 2016* Disajikan kembali - Catatan 37/*As restated - Note 37*						
	Eksplorasi dan produksi minyak dan gas bumi/ *Exploration for and production of oil and gas*	**Jasa/ *Service***	**Perdagangan/ *Trading***	***Holding* dan operasional terkait/ *Holding and related operations***	**Operasi yang dihentikan/ *Discontinued operations***	**Eliminasi/ *Elimination***	**Konsolidasi/ *Consolidation***
Penjualan eksternal/ *External sales*	496.918.986	7.009.841	14.187.841	71.920.314	-	-	590.036.982
Penjualan antar segmen/ *Intersegment sales*	156.974.069	-	-	-	-	(156.974.069)	-
Jumlah penjualan dan pendapatan usaha lainnya/ *Total sales and other operating revenues*	653.893.055	7.009.841	14.187.841	71.920.314	-	(156.974.069)	590.036.982
Laba kotor/ *Gross profit*	238.495.784	2.575.733	4.344.777	3.929.684	-	-	249.345.978
Beban penjualan, umum dan administrasi/ *Selling, general and administrative expenses*	(75.349.525)	(1.773.333)	(375.697)	(26.636.306)	-	7.605.345	(96.529.516)
Beban pendanaan/ *Finance costs*	(31.591.721)	(2.238)	(2.048)	(75.494.937)	-	7.520.376	(99.570.568)
Pendapatan bunga/ *Finance income*	1.752.601	63.788	120	14.382.252	-	(8.620.375)	7.578.386
Keuntungan pembelian diskon/ *Bargain purchase*	84.447.757	-	-	467.207.660	-	-	551.655.417
Kerugian atas pengukuran nilai wajar dikurangi biaya untuk menjual/ *Impairment loss on assets recognized at fair value less cost to sell*	(11.924.603)	-	-	-	-	-	(11.924.603)
Bagian rugi dari entitas asosiasi dan ventura bersama/ *Share of net loss of associates and joint venture*	(64.819)	-	-	(27.137.308)	-	-	(27.202.127)
Kerugian penurunan nilai aset/ *Loss on impairment of assets*	(288.913.678)	-	-	-	-	-	(288.913.678)
Pendapatan lain-lain/ *Other income*	13.614.537	125.727	-	3.126.422	-	-	16.866.686
Beban lain-lain/ *Other expenses*	(3.329.851)	(75.930)	(178.023)	(2.632.188)	-	-	(6.215.992)
Laba (rugi) sebelum manfaat (beban) pajak penghasilan dari operasi yang dilanjutkan/ *Profit (loss) before income tax benefit (expense) from continuing operations*	(72.863.518)	913.747	3.789.129	356.745.279	-	6.505.346	295.089.983

42. INFORMASI SEGMEN (lanjutan) / *42. SEGMENT INFORMATION (continued)*

a. Segmen Usaha (lanjutan) / *a. Operating Segments (continued)*

	31 Desember 2016/*December 31, 2016* Disajikan kembali - Catatan 37/*As restated - Note 37*						
	Eksplorasi dan produksi minyak dan gas bumi/ *Exploration for and production of oil and gas*	**Jasa/ *Service***	**Perdagangan/ *Trading***	***Holding* dan operasional terkait/ *Holding and related operations***	**Operasi yang dihentikan/ *Discontinued operations***	**Eliminasi/ *Elimination***	**Konsolidasi/ *Consolidation***
Manfaat (beban) pajak penghasilan/ *Income tax benefit (expense)*	(70.376.987)	(503.149)	-	7.595.117	-	-	(63.285.019)
Kepentingan nonpengendali/ *Non-controlling interests*	(2.291.423)	-	-	-	-	-	(2.291.423)
Rugi setelah beban pajak penghasilan dari operasi yang dihentikan/ *Loss after income tax* expense *from discontinued operations*	-	-	-	-	(38.250.639)	(6.505.346)	(44.755.985)
LABA (RUGI) TAHUN BERJALAN YANG DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK/ *PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY*	**(145.531.928)**	**410.598**	**3.789.129**	**364.340.396**	**(38.250.639)**	**-**	**184.757.556**
Aset segmen/ *Segment assets*	2.608.798.689	17.831.706	181.752.865	1.513.079.490	448.549.403	(2.120.052.728)	2.649.959.425
Investasi jangka panjang/ *Long-term investments*	362.292	-	-	924.134.851	-	-	924.497.143
Investasi dalam proyek/ *Investment in project*	22.674.035	-	-	-	-	-	22.674.035
JUMLAH ASET/ *TOTAL ASSETS*	**2.631.835.016**	**17.831.706**	**181.752.865**	**2.437.214.341**	**448.549.403**	**(2.120.052.728)**	**3.597.130.603**
LIABILITAS Liabilitas segmen/ ***LIABILITIES*** *Segment liabilites*	2.780.062.855	9.155.412	94.319.591	1.797.820.249	145.316.368	(2.120.052.728)	2.706.621.747
Pembelian barang modal/ *Capital expenditures*	346.069.803	-	-	74.387	-	-	346.144.190
Penyusutan, deplesi dan amortisasi/ *Depreciation, depletion and amortization*	111.072.977	3.547.009	-	293.665	-	-	114.913.651
Beban non kas selain depresiasi, deplesi dan amortisasi/ *Non-cash expenses other than depreciation, depletion and amortization*	302.105.976	266.735	-	1.188.297	23.434.473	-	326.995.481

42. INFORMASI SEGMEN (lanjutan) / *42. SEGMENT INFORMATION (continued)*

a. Segmen Usaha (lanjutan) / *a. Operating Segments (continued)*

	31 Desember 2015/*December 31, 2015* Disajikan kembali - Catatan 37/*As restated - Note 37*						
	Eksplorasi dan produksi minyak dan gas bumi/ *Exploration for and production of oil and gas*	**Jasa/ *Service***	**Perdagangan/ *Trading***	***Holding* dan operasional terkait/ *Holding and related operations***	**Operasi yang dihentikan/ *Discontinued operations***	**Eliminasi/ *Elimination***	**Konsolidasi/ *Consolidation***
Penjualan eksternal/ *External sales*	380.674.985	6.982.011	57.090.747	137.510.230	-	-	582.257.973
Penjualan antar segmen/ *Intersegment sales*	164.663.608	785.457	-	-	-	(165.449.065)	-
Jumlah penjualan dan pendapatan usaha lainnya/ *Total sales and other operating revenues*	545.338.593	7.767.468	57.090.747	137.510.230	-	(165.449.065)	582.257.973
Laba kotor/ *Gross profit*	208.634.539	3.128.267	1.982.941	6.675.453	-	-	220.421.200
Beban penjualan, umum dan administrasi/ *Selling, general and administrative expenses*	(83.657.190)	(2.869.536)	(2.389.119)	(26.023.917)	-	-	(114.939.762)
Beban pendanaan/ *Finance costs*	(22.101.183)	(672.954)	(7.609)	(63.617.633)	-	9.167.151	(77.232.228)
Pendapatan bunga/ *Finance income*	1.726.757	234.276	130	14.414.327	-	(10.410.477)	5.965.013
Keuntungan dari kombinasi bisnis secara bertahap/ *Gain on business combination achieved in stages*	-	-	-	50.247.693	-	-	50.247.693
Bagian laba dari entitas asosiasi dan ventura bersama/ *Share of net income of associates and joint venture*	66.860	-	-	7.140.041	-	-	7.206.901
Kerugian penurunan nilai aset/ *Loss on impairment of assets*	(217.246.599)	-	-	-	-	-	(217.246.599)
Pendapatan lain-lain/ *Other income*	3.733.003	131.224	20.258	19.348.619	-	(2.983.435)	20.249.669
Beban lain-lain/ *Other expenses*	(14.116.096)	(30.361)	-	(2.867.235)	-	2.983.435	(14.030.257)
Laba (rugi) sebelum manfaat (beban) pajak penghasilan dari operasi yang dilanjutkan/ *Profit (loss) before income tax benefit (expense) from continuing operations*	(122.959.909)	(79.084)	(393.399)	5.317.348	-	(1.243.326)	(119.358.370)

42. INFORMASI SEGMEN (lanjutan) / *42. SEGMENT INFORMATION (continued)*

a. Segmen Usaha (lanjutan) / *a. Operating Segments (continued)*

	31 Desember 2015/*December 31, 2015* Disajikan kembali - Catatan 37/*As restated - Note 37*						
	Eksplorasi dan produksi minyak dan gas bumi/ *Exploration for and production of oil and gas*	**Jasa/ *Service***	**Perdagangan/ *Trading***	***Holding* dan operasional terkait/ *Holding and related operations***	**Operasi yang dihentikan/ *Discontinued operations***	**Eliminasi/ *Elimination***	**Konsolidasi/ *Consolidation***
Beban pajak penghasilan/ *Income tax expense*	(17.593.394)	(182.365)	-	(13.663.895)	-	-	(31.439.654)
Kepentingan nonpengendali/ *Non-controlling interests*	(1.960.506)	-	-	-	-	-	(1.960.506)
Rugi setelah beban pajak penghasilan dari operasi yang dihentikan/ *Loss after income tax expense from discontinued operations*	-	-	-	-	(36.618.843)	1.243.326	(35.375.517)
LABA (RUGI) TAHUN BERJALAN YANG DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK/ *PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY*	**(142.513.809)**	**(261.449)**	**(393.399)**	**(8.346.547)**	**(36.618.843)**	**-**	**(188.134.047)**
Aset segmen/ *Segment assets*	2.691.001.020	24.813.992	158.405.665	2.788.362.046	487.914.255	(3.472.089.211)	2.678.407.767
Investasi jangka panjang/ *Long-term investments*	106.238.612	279.604	-	102.173.005	-	-	208.691.221
Investasi dalam proyek/ *Investment in project*	22.709.840	-	-	-	-	-	22.709.840
JUMLAH ASET/ *TOTAL ASSETS*	**2.819.949.472**	**25.093.596**	**158.405.665**	**2.890.535.051**	**487.914.255**	**(3.472.089.211)**	**2.909.808.828**
LIABILITAS Liabilitas segmen/ ***LIABILITIES*** *Segment liabilites*	2.890.567.910	13.409.816	74.762.863	2.557.850.658	143.712.933	(3.472.089.211)	2.208.214.969
Pembelian barang modal/ *Capital expenditures*	110.378.055	-	-	5.647	-	-	110.383.702
Penyusutan, deplesi dan amortisasi/ *Depreciation, depletion and amortization*	114.685.003	4.459.309	-	323.713	-	-	119.468.025
Beban non kas selain depresiasi, deplesi dan amortisasi/ *Non-cash expenses other than depreciation, depletion and amortization*	228.123.381	240.328	-	510.461	16.570.357	-	245.444.527

42. INFORMASI SEGMEN (lanjutan) / *42. SEGMENT INFORMATION (continued)*

a. Segmen Usaha (lanjutan) / *a. Operating Segments (continued)*

	31 Desember 2014/*December 31, 2014* Disajikan kembali - Catatan 37/*As restated - Note 37*						
	Eksplorasi dan produksi minyak dan gas bumi/ *Exploration for and production of oil and gas*	**Jasa/ *Service***	**Perdagangan/ *Trading***	***Holding* dan operasional terkait/ *Holding and related operations***	**Operasi yang dihentikan/ *Discontinued operations***	**Eliminasi/ *Elimination***	**Konsolidasi/ *Consolidation***
Penjualan eksternal/ *External sales*	416.522.293	204.026	285.394.565	-	-	-	702.120.884
Penjualan antar segmen/ *Intersegment sales*	252.519.392	5.373.748	-	-	-	(257.893.140)	-
Jumlah penjualan dan pendapatan usaha lainnya/ *Total sales and other operating revenues*	669.041.685	5.577.774	285.394.565	-	-	(257.893.140)	702.120.884
Laba (rugi) kotor/ *Gross (loss) profit*	274.666.585	(1.619.102)	6.565.897	-	-	-	279.613.380
Beban penjualan, umum dan administrasi/ *Selling, general and administrative expenses*	(76.607.246)	(1.360.078)	(4.617.393)	(25.411.248)	-	-	(107.995.965)
Beban pendanaan/ *Finance costs*	(20.158.473)	(3.413)	(107)	(61.863.777)	-	10.706.737	(71.319.033)
Pendapatan bunga/ *Finance income*	6.503.289	224.710	210	15.331.178	-	(11.762.955)	10.296.432
Bagian laba dari entitas asosiasi dan ventura bersama/ *Share of net income of associates and joint venture*	101.854	-	-	6.965.418	-	-	7.067.272
Kerugian penurunan nilai aset/ *Loss on impairment of assets*	(14.798.384)	-	-	(1.380.824)	-	-	(16.179.208)
Pendapatan lain-lain/ *Other income*	699.985	7	1.269.419	31.660.282	-	(5.780.163)	27.849.530
Beban lain-lain/ *Other expenses*	(2.799.558)	(16.366)	-	(10.209.260)	-	5.780.163	(7.245.021)
Laba (rugi) sebelum manfaat (beban) pajak penghasilan dari operasi yang dilanjutkan/ *Profit (loss) before income tax benefit (expense) from continuing operations*	167.608.052	(2.774.242)	3.218.026	(44.908.231)	-	(1.056.218)	122.087.387

42. INFORMASI SEGMEN (lanjutan) / *42. SEGMENT INFORMATION (continued)*

a. Segmen Usaha (lanjutan) / *a. Operating Segments (continued)*

	31 Desember 2014/*December 31, 2014* Disajikan kembali - Catatan 37/*As restated - Note 37*						
	Eksplorasi dan produksi minyak dan gas bumi/ *Exploration for and production of oil and gas*	**Jasa/ *Service***	**Perdagangan/ *Trading***	***Holding* dan operasional terkait/ *Holding and related operations***	**Operasi yang dihentikan/ *Discontinued operations***	**Eliminasi/ *Elimination***	**Konsolidasi/ *Consolidation***
Beban pajak penghasilan/ *Income tax expense*	(92.549.045)	(792.781)	(27.516)	(912.269)	-	-	(94.281.611)
Kepentingan nonpengendali/ *Non-controlling interests*	(3.603.076)	-	-	-	-	-	(3.603.076)
Rugi setelah beban pajak penghasilan dari operasi yang dihentikan/ *Loss after income tax expense from discontinued operations*	-	-	-	-	(20.019.999)	1.056.218	(18.963.781)
LABA (RUGI) TAHUN BERJALAN YANG DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK/ *PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY*	**71.455.931**	**(3.567.023)**	**3.190.510**	**(45.820.500)**	**(20.019.999)**	**-**	**5.238.919**
Aset segmen/ *Segment assets*	2.907.137.931	18.039.241	159.719.211	2.170.470.593	128.869.918	(3.049.246.088)	2.334.990.806
Investasi jangka panjang/ *Long-term investments*	106.171.753	-	-	196.275.757	-	-	302.447.510
Investasi dalam proyek/ *Investment in project*	30.324.414	-	-	-	-	-	30.324.414
JUMLAH ASET/ *TOTAL ASSETS*	**3.043.634.098**	**18.039.241**	**159.719.211**	**2.366.746.350**	**128.869.918**	**(3.049.246.088)**	**2.667.762.730**
LIABILITAS Liabilitas segmen/ ***LIABILITIES*** *Segment liabilites*	2.636.857.700	11.861.014	80.858.082	2.008.927.465	91.419.062	(3.049.246.086)	1.780.677.237
Pembelian barang modal/ *Capital expenditures*	324.761.364	-	-	304.543	-	-	325.065.907
Penyusutan, deplesi dan amortisasi/ *Depreciation, depletion and amortization*	89.028.714	1.027.563	-	417.169	-	-	90.473.446
Beban non kas selain depresiasi, deplesi dan amortisasi/ *Non-cash expenses other than depreciation, depletion and amortization*	27.371.788	-	(2.018.331)	-	1.345.926	-	26.699.383

42. INFORMASI SEGMEN (lanjutan) / *42. SEGMENT INFORMATION (continued)*

b. Informasi Geografis / *b. Geographical Information*

Tabel berikut ini menampilkan distribusi pendapatan Grup berdasarkan pasar geografis dan aset Grup berdasarkan letak geografis:

The following table shows the distribution of the Group's revenues by geographical market and the Group's assets by geographical location:

Pendapatan / *Revenues*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2015 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	2014 (Disajikan kembali/ *As restated -* Catatan/ *Note 37)*	
Indonesia	168.488.339	189.688.854	259.937.131	252.963.100	254.892.001	*Indonesia*
Luar negeri						*Overseas*
Asia	354.412.043	117.375.230	208.353.234	195.570.838	285.394.564	*Asia*
Afrika dan Timur Tengah	69.443.791	79.833.736	115.460.932	126.750.078	148.709.103	*Africa and Middle East*
Amerika Serikat	5.184.327	4.563.783	6.285.685	6.973.957	13.125.216	*United States of America*
Jumlah	**597.528.500**	**391.461.603**	**590.036.982**	**582.257.973**	**702.120.884**	***Total***

Jumlah Aset / *Total Assets*

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (tidak diaudit/ *Unaudited)*	2016	2015	2014	
Indonesia	3.693.767.891	2.458.674.979	3.252.007.433	3.785.336.868	3.539.917.513	*Indonesia*
Luar negeri						*Overseas*
Asia	2.379.636.963	2.113.847.212	2.239.979.838	2.150.771.840	1.996.377.000	*Asia*
Afrika dan Timur Tengah	205.426.029	199.863.096	192.798.330	409.010.796	491.997.171	*Africa and Middle East*
Amerika Serikat	24.645.274	33.407.164	32.397.730	36.778.535	60.111.918	*United States of America*
Jumlah	6.303.476.157	4.805.792.451	5.717.183.331	6.381.898.039	6.088.403.602	*Total*
Eliminasi	(2.301.914.886)	(1.948.725.264)	(2.120.052.728)	(3.472.089.211)	(3.420.640.872)	*Elimination*
Setelah eliminasi	**4.001.561.271**	**2.857.067.187**	**3.597.130.603**	**2.909.808.828**	**2.667.762.730**	***After elimination***

Aktivitas Grup terkonsentrasi di beberapa lokasi geografis yang signifikan (Asia, Amerika Serikat, Afrika dan Timur Tengah). Aktivitas utama berpusat di Indonesia.

The Group's activities are concentrated in several major geographic locations (Asia, United States of America, Africa and Middle East). The main concentration of activities is in Indonesia.

Transaksi antar segmen ditetapkan dengan syarat dan kondisi yang normal sebagaimana halnya jika dilakukan dengan pihak ketiga.

Intersegment transactions are set with normal terms and conditions as if conducted with third parties.

43. ASET ATAU LIABILITAS MONETER DALAM MATA UANG ASING

Grup memiliki aset dan liabilitas moneter dalam mata uang asing dengan rincian sebagai berikut:

43. MONETARY ASSETS OR LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group has monetary assets and liabilities denominated in foreign currencies as follows:

30 September 2017/*September 30, 2017*

	Dalam mata uang aslinya (dalam jutaan)/ *In original currency (in millions)*			Setara AS$ (dalam satuan penuh)/ *US$ Equivalent (full amount)*	
	Rupiah/ *Rupiah*	Euro/ *Euro*	Lain-lain/ *Others*		
Aset					***Assets***
Kas dan setara kas	113.093	-	0,23	8.549.694	*Cash and cash equivalents*
Investasi jangka pendek	52.514	-	-	3.892.215	*Short-term investments*
Deposito dan rekening bank yang dibatasi penggunaannya	28.448	-	-	2.108.489	*Restricted time deposits and cash in banks*
Piutang usaha	28	-	-	2.070	*Trade receivables*
Piutang lain-lain	436.361	-	-	32.342.199	*Other receivables*
Liabilitas					***Liabilities***
Utang usaha	(111.004)	-	(0,01)	(8.236.447)	*Trade payables*
Pinjaman jangka panjang lainnya	(8.000.000)	-	-	(592.943.967)	*Other long-term debt*
Liabilitas Neto	**(7.480.560)**	**-**	**0,22**	**(554.285.747)**	***Net Liabilities***

30 September 2016/*September 30, 2016*
(Tidak diaudit/*Unaudited*)

	Dalam mata uang aslinya (dalam jutaan)/ *In original currency (in millions)*			Setara AS$ (dalam satuan penuh)/ *US$ Equivalent (full amount)*	
	Rupiah/ *Rupiah*	Euro/ *Euro*	Lain-lain/ *Others*		
Aset					***Assets***
Kas dan setara kas	165.090	-	0,23	12.873.196	*Cash and cash equivalents*
Investasi jangka pendek	50.822	-	-	3.909.960	*Short-term investments*
Deposito dan rekening bank yang dibatasi penggunaannya	31.337	-	-	2.410.895	*Restricted time deposits and cash in banks*
Piutang usaha	100.922	-	-	7.764.450	*Trade receivables*
Piutang lain-lain	669.661	-	-	51.520.300	*Other receivables*
Liabilitas					***Liabilities***
Utang usaha	(131.974)	-	-	(10.153.532)	*Trade payables*
Pinjaman jangka panjang lainnya	(7.000.000)	-	(100,01)	(611.381.009)	*Other long-term debt*
Pinjaman bank	(588.053)	-	-	(45.241.822)	*Bank loans*
Liabilitas Neto	**(6.702.195)**	**-**	**(99,78)**	**(588.297.562)**	***Net Liabilities***

43. ASET ATAU LIABILITAS MONETER DALAM MATA UANG ASING (lanjutan)

43. MONETARY ASSETS OR LIABILITIES DENOMINATED IN FOREIGN CURRENCIES (continued)

31 Desember 2016/ *December 31, 2016*

	Dalam mata uang aslinya (dalam jutaan)/ *In original currency (in millions)*			Setara AS$ (dalam satuan penuh)/ *US$ Equivalent (full amount)*	
	Rupiah/ *Rupiah*	Euro/ *Euro*	Lain-lain/ *Others*		
Aset					***Assets***
Kas dan setara kas	582.325	-	0,11	43.415.027	*Cash and cash equivalents*
Investasi jangka pendek	49.811	-	-	3.707.247	*Short-term investments*
Deposito dan rekening bank yang dibatasi penggunaannya	32.273	-	-	2.401.983	*Restricted time deposits and cash in banks*
Piutang usaha	34.676	-	-	2.580.808	*Trade receivables*
Piutang lain-lain	631.559	0,02	-	47.025.066	*Other receivables*
Liabilitas					***Liabilities***
Utang usaha	(159.820)	-	(0,87)	(12.497.995)	*Trade payables*
Pinjaman jangka panjang lainnya	(7.274.000)	-	(100,01)	(610.298.333)	*Other long-term debt*
Pinjaman bank	(581.802)	-	-	(43.301.755)	*Bank loans*
Liabilitas Neto	**(6.684.978)**	**0,02**	**(100,77)**	**(566.967.952)**	***Net Liabilities***

31 Desember 2015/ *December 31, 2015*

	Dalam mata uang aslinya (dalam jutaan)/ *In original currency (in millions)*			Setara AS$ (dalam satuan penuh)/ *US$ Equivalent (full amount)*	
	Rupiah/ *Rupiah*	Euro/ *Euro*	Lain-lain/ *Others*		
Aset					***Assets***
Kas dan setara kas	179.792	-	-	13.033.149	*Cash and cash equivalents*
Investasi jangka pendek	45.453	-	-	3.294.895	*Short-term investments*
Deposito dan rekening bank yang dibatasi penggunaannya	70.813	-	-	5.133.222	*Restricted time deposits and cash in banks*
Piutang usaha	14.479	-	-	1.049.613	*Trade receivables*
Piutang lain-lain	668.475	-	-	48.457.768	*Other receivables*
Liabilitas					***Liabilities***
Utang usaha	(84.577)	(0,04)	(0,01)	(6.185.973)	*Trade payables*
Pinjaman jangka panjang lainnya	(4.500.000)	-	(100,01)	(396.891.555)	*Other long-term debt*
Pinjaman bank	(606.203)	-	-	(43.943.704)	*Bank loans*
Liabilitas Neto	**(4.211.768)**	**(0,04)**	**(100,02)**	**(376.052.585)**	***Net Liabilities***

31 Desember 2014/ *December 31, 2014*

	Dalam mata uang aslinya (dalam jutaan)/ *In original currency (in millions)*			Setara AS$ (dalam satuan penuh)/ *US$ Equivalent (full amount)*	
	Rupiah/ *Rupiah*	Euro/ *Euro*	Lain-lain/ *Others*		
Aset					***Assets***
Kas dan setara kas	196.984	0,01	0,24	16.139.170	*Cash and cash equivalents*
Investasi jangka pendek	41.887	-	-	3.367.162	*Short-term investments*
Deposito dan rekening bank yang dibatasi penggunaannya	64.250	-	-	5.164.814	*Restricted time deposits and cash in banks*
Piutang usaha	16.409	-	-	1.319.040	*Trade receivables*
Piutang lain-lain	811.594	-	-	65.240.658	*Other receivables*
Liabilitas					***Liabilities***
Utang usaha	(301.193)	(0,06)	(0,04)	(24.266.745)	*Trade payables*
Pinjaman jangka panjang lainnya	(4.478.474)	-	-	(360.005.984)	*Other long-term debt*
Pinjaman bank	(1.400.000)	-	-	(112.540.193)	*Bank loans*
Liabilitas Neto	**(5.048.543)**	**(0,05)**	**0,20**	**(405.582.078)**	***Net Liabilities***

44. INSTRUMEN KEUANGAN / *44. FINANCIAL INSTRUMENTS*

a. Nilai Wajar atas Instrumen Keuangan / *a. Fair Values of Financial Instruments*

Tabel berikut menyajikan klasifikasi instrumen keuangan dan membandingkan nilai tercatat dan estimasi nilai wajar dari instrumen keuangan Grup yang dicatat di laporan posisi keuangan konsolidasian pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014:

The following table presents the classification of financial instruments and sets forth the carrying amounts and estimated fair values of the financial instruments of the Group that are carried in the consolidated statements of financial position as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014:

	30 September 2017/ *September 30,* 2017		30 September 2016/ *September 30,* 2016 (Tidak diaudit/*Unaudited*)		
	Nilai Tercatat/ *Carrying Amounts*	Nilai Wajar/ *Fair Value*	Nilai Tercatat/ *Carrying Amounts*	Nilai Wajar/ *Fair Value*	
Aset Keuangan					***Financial Assets***
Aset jangka pendek					***Current assets***
Investasi jangka pendek	26.420.130	26.420.130	3.909.960	3.909.960	*Short-term investments*
Aset tidak lancar					***Non-current assets***
Aset derivatif	3.613.538	3.613.538	3.028.054	3.028.054	*Derivative assets*
Jumlah Aset Keuangan	**30.033.668**	**30.033.668**	**6.938.014**	**6.938.014**	***Total Financial Assets***
Liabilitas Keuangan					***Financial Liabilities***
Liabilitas jangka pendek					***Current liabilities***
Liabilitas derivatif	57.487.355	57.487.355	59.965.415	59.965.415	*Derivative liabilities*
Liabilitas jangka panjang					***Non-current liabilities***
Pinjaman jangka panjang:					*Long-term debt:*
Pinjaman bank	877.984.411	876.168.953	852.129.132	847.465.597	*Bank loans*
Pinjaman dari instansi keuangan non-bank	5.188.260	4.669.979	-	-	*Loan from a non-bank financial institution*
Obligasi Rupiah	349.947.851	332.498.122	306.531.100	294.304.982	*Rupiah bonds*
Obligasi Dolar AS	384.045.221	364.353.399	-	-	*US Dollar bonds*
Obliasi Dolar Singapura	-	-	72.378.806	72.258.858	*Singapore Dollar bonds*
Wesel jangka menengah	127.748.262	127.570.307	76.562.219	75.729.231	*Medium term Notes*
Liabilitas derivatif	12.313.893	12.313.893	52.953.641	52.953.641	*Derivative liabilities*
Jumlah Liabilitas Keuangan	**1.814.715.253**	**1.775.062.008**	**1.420.520.313**	**1.402.267.724**	***Total Financial Liabilities***

	31 Desember 2016/ *December 31, 2016*		31 Desember 2015/ *December 31, 2015*		31 Desember 2014/ *December 31, 2014*		
	Nilai Tercatat/ *Carrying Amounts*	Nilai Wajar/ *Fair Value*	Nilai Tercatat/ *Carrying Amounts*	Nilai Wajar/ *Fair Value*	Nilai Tercatat/ *Carrying Amounts*	Nilai Wajar/ *Fair Value*	
Aset Keuangan							***Financial Assets***
Aset jangka pendek							***Current assets***
Investasi jangka pendek	66.885.629	66.885.629	225.930.397	225.930.397	268.628.303	268.628.303	*Short-term investments*
Aset tidak lancar							***Non-current assets***
Aset derivatif	1.659.449	1.659.449	-	-	-	-	*Derivative assets*
Jumlah Aset Keuangan	**68.545.078**	**68.545.078**	**225.930.397**	**225.930.397**	**268.628.303**	**268.628.303**	***Total Financial Assets***

44. INSTRUMEN KEUANGAN (lanjutan) / *44. FINANCIAL INSTRUMENTS (continued)*

a. Nilai Wajar atas Instrumen Keuangan (lanjutan) / *a. Fair Values of Financial Instruments (continued)*

	31 Desember 2016/ *December 31, 2016*		31 Desember 2015/ *December 31, 2015*		31 Desember 2014/ *December 31, 2014*		
	Nilai Tercatat/ *Carrying Amounts*	Nilai Wajar/ *Fair Value*	Nilai Tercatat/ *Carrying Amounts*	Nilai Wajar/ *Fair Value*	Nilai Tercatat/ *Carrying Amounts*	Nilai Wajar/ *Fair Value*	
Liabilitas Keuangan							***Financial Liabilities***
Liabilitas jangka pendek							***Current liabilities***
Liabilitas derivatif	63.767.824	63.767.824	-	-	35.856.281	35.856.281	*Derivative liabilities*
Liabilitas jangka panjang							***Non-current liabilities***
Pinjaman jangka panjang:							*Long-term debt:*
Pinjaman bank	1.009.552.427	1.004.993.469	908.214.456	904.237.067	544.669.226	544.279.955	*Bank loans*
Pinjaman dari Instansi keuangan non-bank	-	-	-	-	-	-	*Loan from a non-bank financial institution*
Obligasi Rupiah	316.889.775	312.419.883	252.946.827	242.134.862	280.253.368	251.918.371	*Rupiah bonds*
Obligasi Dolar AS	-	-	18.742.971	19.056.171	97.406.084	98.457.504	*US Dollar bonds*
Obligasi Dolar Singapura	68.334.183	68.276.085	69.973.057	69.590.023	-	-	*Singapore Dollar bonds*
Wesel jangka menengah	127.544.863	121.503.507	71.999.347	77.806.098	79.752.616	75.900.383	*Medium term Notes*
Liabilitas derivatif	67.505.001	73.420.006	157.631.685	157.631.685	113.762.545	113.762.545	*Derivative liabilities*
Jumlah Liabilitas Keuangan	**1.653.594.073**	**1.644.380.774**	**1.479.508.343**	**1.470.455.906**	**1.151.700.120**	**1.120.175.039**	***Total Financial Liabilities***

Metode dan asumsi berikut ini digunakan untuk mengestimasi nilai wajar untuk kelompok instrumen keuangan yang praktis untuk memperkirakan nilai tersebut:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

i. Instrumen keuangan dicatat pada nilai wajar

   Instrumen derivatif diukur pada nilai wajarnya berdasarkan teknik penilaian yang wajar dengan nilai input pasar yang dapat diobservasi.

   Investasi jangka pendek diukur pada harga kuotasian yang dipublikasikan pada pasar aktif.

i. Financial instruments carried at fair value

   Fair values of derivative instruments are estimated using appropriate valuation techniques with market observable inputs.

   Short-term investments are measured at published quoted market prices in an active market.

ii. Instrumen keuangan dicatat sebesar biaya perolehan yang diamortisasi

   Nilai wajar dari pinjaman jangka panjang (pinjaman bank, wesel jangka menengah dan obligasi Rupiah, Dolar AS dan Dolar Singapura) dihitung berdasarkan arus kas yang didiskontokan.

ii. Financial instruments carried at amortized cost

   The fair values of long-term debts (bank loans, medium-term note and Rupiah, US Dollar and Singapore Dollar bonds), are determined based on discounted cash flows method.

44. INSTRUMEN KEUANGAN (lanjutan)

a. Nilai Wajar atas Instrumen Keuangan (lanjutan)

Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, nilai tercatat instrumen keuangan berikut ini mendekati nilai wajarnya:

i. Instrumen keuangan yang jatuh tempo dalam jangka pendek

Nilai wajar kas dan setara kas, deposito dan rekening bank yang dibatasi penggunaannya, piutang usaha dan lain-lain, pinjaman bank jangka pendek, utang usaha dan lain-lain, biaya akrual dan provisi lain-lain dan pinjaman jangka panjang yang jatuh tempo dalam satu tahun mendekati nilai tercatatnya karena jatuh temponya dalam jangka pendek dan sifat instrumen keuangan tersebut.

ii. Instrumen keuangan dicatat pada biaya perolehan

Investasi pada saham biasa yang tidak memiliki kuotasi pasar dengan kepemilikan saham di bawah 20%, dicatat pada biaya perolehan karena nilai wajarnya tidak dapat diukur secara andal.

iii. Instrumen keuangan lainnya

Nilai wajar dari bagian tidak lancar deposito dan rekening bank yang dibatasi penggunaannya, piutang lain-lain tidak lancar, aset lain-lain tidak lancar dan utang lain-lain jangka panjang adalah sama dengan nilai tercatat karena nilai wajarnya tidak dapat diukur secara andal.

Aset dan liabilitas keuangan diklasifikasikan secara keseluruhan berdasarkan tingkat terendah dari masukan yang signifikan terhadap pengukuran nilai wajar. Penilaian dampak signifikan dari suatu input tertentu terhadap pengukuran nilai wajar membutuhkan pertimbangan dan dapat mempengaruhi penilaian dari aset dan liabilitas yang diukur dan penempatannya dalam hirarki nilai wajar.

44. FINANCIAL INSTRUMENTS (continued)

a. Fair Values of Financial Instruments (continued)

As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, the carrying amount of the following financial instruments is a reasonable approximation of its fair value:

i. Financial instruments with short-term maturities

Fair values of cash and cash equivalents, restricted time deposits and cash in banks, trade and other receivables, short-term bank loans, trade and other payables, accrued expenses and other provisions and current maturities of long-term debts approximate their carrying amounts due to the short-term maturities.

ii. Financial instruments recorded at acquisition cost

Investments in common shares with no quoted market price representing ownership below 20%, are recorded at cost because fair value cannot be measured reliably.

iii. Other financial instruments

The fair values of non-current portion of restricted time deposits and cash in banks, non-current other receivables, non-current other assets and other liabilities listed are the same as their carrying amounts because their fair values cannot be measured reliably.

The fair value measurements of financial assets and liabilities are classified as a whole based on the lowest level of input that is significant to the fair value measurement as a whole. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of the financial assets and liabilities being measured and their level within the fair value hierarchy.

44. INSTRUMEN KEUANGAN (lanjutan)

a. Nilai Wajar atas Instrumen Keuangan (lanjutan)

Bukti terbaik dari nilai wajar adalah kuotasi harga dalam sebuah pasar yang aktif. Jika pasar untuk sebuah instrumen keuangan tidak aktif, Grup menetapkan nilai wajar dengan menggunakan metode penilaian. Tujuan dari penggunaan metode penilaian adalah untuk menetapkan harga transaksi yang terbentuk pada tanggal pengukuran dalam sebuah transaksi pertukaran yang wajar dengan pertimbangan bisnis normal.

Metode penilaian termasuk penggunaan transaksi pasar kini yang wajar antara pihak-pihak yang memahami dan berkeinginan, jika tersedia, merujuk kepada nilai wajar terkini dari instrumen lain yang secara substansial sama dan analisa arus kas yang didiskontokan. Jika terdapat metode penilaian yang biasa digunakan oleh para pelaku pasar untuk menentukan harga dari instrumen dan metode tersebut telah didemonstrasikan untuk menyediakan estimasi yang andal atas harga yang diperoleh dari transaksi pasar yang aktual, Grup menggunakan metode tersebut. Metode penilaian yang dipilih menggunakan secara maksimum dari pasar dan bergantung sedikit mungkin atas input yang spesifik untuk Grup. Metode tersebut memperhitungkan semua faktor yang akan dipertimbangkan oleh peserta pasar dalam menentukan sebuah harga dan selaras dengan metode ekonomi untuk penilaian sebuah instrumen keuangan. Secara berkala, Grup menelaah metode penilaian dan mengujinya untuk validitas dengan menggunakan harga dari transaksi pasar terkini yang dapat diobservasi untuk instrumen yang sama (yaitu tanpa modifikasi dan pengemasan kembali) atau berdasarkan data pasar yang tersedia dan dapat diobservasi.

44. FINANCIAL INSTRUMENTS (continued)

a. Fair Values of Financial Instruments (continued)

The best evidence of fair value is the price quotations in an active market. If the market for a financial instrument is not active, the Group establishes a fair value by using a valuation method. The objective of using a valuation method is to establish what the transaction price would have been on the measurement date in an arm's length transaction based on normal business considerations.

Valuation methods include the use of recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same and discounted cash flow analysis. If there is a valuation method commonly used by market participants to determine the price of the instrument and the method has been demonstrated to provide reliable estimates on prices obtained from actual market transactions, the Group uses that method. Valuation methods are chosen to make the maximum use of market inputs and rely as little as possible on inputs that are specific to the Group. The method takes into account all the factors that will be considered by market participants in setting a price and in tune with the economic method for the assessment of a financial instrument. Periodically, the Group reviews the valuation methods and tests it for validity using prices from current market transactions that can be observed for the same instrument (i.e., without modification and repackaging) or based on available market data and can be observed.

44. INSTRUMEN KEUANGAN (lanjutan) / *44. FINANCIAL INSTRUMENTS (continued)*

a. Nilai Wajar atas Instrumen Keuangan (lanjutan) / *a. Fair Values of Financial Instruments (continued)*

Hirarki nilai wajar pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 adalah sebagai berikut:

The hierarchy of fair value as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 are as follows:

	30 September 2017/*September 30, 2017*				
	Jumlah/ *Total*	Harga pasar yang dikuotasikan untuk aset dan liabilitas yang sama (Level 1)/ *Market value quotation for similar assets and liabilities (Level 1)*	Input yang signifikan dan dapat diobservasi secara langsung maupun tidak langsung (Level 2)/ *Significant input and observable directly or indirectly (Level 2)*	Input yang signifikan tetapi tidak dapat diobservasi (Level 3)/ *Significant input but unobservable (Level 3)*	
Aset diukur pada nilai wajar					***Assets measured at fair value***
Aset Keuangan					***Financial Assets***
Investasi jangka pendek	26.420.130	26.420.130	-	-	*Short-term investments*
Aset derivatif	3.613.538	-	3.613.538	-	*Derivative assets*
Liabilitas diukur pada nilai wajar					***Liabilities measured at fair value***
Liabilitas Keuangan					***Financial Liabilities***
Liabilitas derivatif	69.801.248	-	69.801.248	-	*Derivative liabilities*
Liabilitas yang nilai wajarnya diungkapkan					***Liabilities for which fair value is disclosed***
Liabilitas Keuangan					***Financial Liabilities***
Pinjaman jangka panjang:					*Long-term debt:*
Pinjaman bank	876.168.953	-	876.168.953	-	*Bank loans*
Pinjaman dari instansi keuangan non-bank	4.669.979	-	4.669.979	-	*Loan from a non-bank financial institution*
Obligasi Rupiah	332.498.122	-	332.498.122	-	*Rupiah bonds*
Obligasi Dolar AS	364.353.399	-	364.353.399	-	*US Dollar bonds*
Wesel jangka menengah	127.570.307	-	127.570.307	-	*Medium-term notes*

	30 September 2016/*September 30, 2016* (Tidak diaudit/*Unaudited*)				
	Jumlah/ *Total*	Harga pasar yang dikuotasikan untuk aset dan liabilitas yang sama (Level 1)/ *Market value quotation for similar assets and liabilities (Level 1)*	Input yang signifikan dan dapat diobservasi secara langsung maupun tidak langsung (Level 2)/ *Significant input and observable directly or indirectly (Level 2)*	Input yang signifikan tetapi tidak dapat diobservasi (Level 3)/ *Significant input but unobservable (Level 3)*	
Aset diukur pada nilai wajar					***Assets measured at fair value***
Aset Keuangan					***Financial Assets***
Investasi jangka pendek	3.909.960	3.909.960	-	-	*Short-term investments*
Aset derivatif	3.028.054	-	3.028.054	-	*Derivative assets*
Liabilitas diukur pada nilai wajar					***Liabilities measured at fair value***
Liabilitas Keuangan					***Financial Liabilities***
Liabilitas derivatif	112.919.056	-	112.919.056	-	*Derivative liabilities*

44. INSTRUMEN KEUANGAN (lanjutan) / *44. FINANCIAL INSTRUMENTS (continued)*

a. Nilai Wajar atas Instrumen Keuangan (lanjutan) / *a. Fair Values of Financial Instruments (continued)*

	30 September 2016/*September 30, 2016* (Tidak diaudit/*Unaudited*)				
	Jumlah/ *Total*	Harga pasar yang dikuotasikan untuk aset dan liabilitas yang sama (Level 1)/ *Market value quotation for similar assets and liabilities (Level 1)*	Input yang signifikan dan dapat diobservasi secara langsung maupun tidak langsung (Level 2)/ *Significant input and observable directly or indirectly (Level 2)*	Input yang signifikan tetapi tidak dapat diobservasi (Level 3)/ *Significant input but unobservable (Level 3)*	
Liabilitas yang nilai wajarnya diungkapkan					***Liabilities for which fair value is disclosed***
Liabilitas Keuangan					***Financial Liabilities***
Pinjaman jangka panjang:					*Long-term debt:*
Pinjaman bank	847.465.597	-	847.465.597	-	*Bank loans*
Obligasi Rupiah	294.304.982	-	294.304.982	-	*Rupiah bonds*
Obligasi Dolar Singapura	72.258.858	-	72.258.858	-	*Singapore Dollar bonds*
Wesel jangka menengah	75.729.231	-	75.729.231	-	*Medium-term notes*

	31 Desember 2016/*December 31, 2016*				
	Jumlah/ *Total*	Harga pasar yang dikuotasikan untuk aset dan liabilitas yang sama (Level 1)/ *Market value quotation for similar assets and liabilities (Level 1)*	Input yang signifikan dan dapat diobservasi secara langsung maupun tidak langsung (Level 2)/ *Significant input and observable directly or indirectly (Level 2)*	Input yang signifikan tetapi tidak dapat diobservasi (Level 3)/ *Significant input but unobservable (Level 3)*	
Aset diukur pada nilai wajar					***Assets measured at fair value***
Aset Keuangan					***Financial Assets***
Investasi jangka pendek	66.885.629	66.885.629	-	-	*Short-term investments*
Aset derivatif	1.659.449	-	1.659.449	-	*Derivative assets*
Liabilitas diukur pada nilai wajar					***Liabilities measured at fair value***
Liabilitas Keuangan					***Financial Liabilities***
Liabilitas derivatif	131.272.825	-	131.272.825	-	*Derivative liabilities*
Liabilitas yang nilai wajarnya diungkapkan					***Liabilities for which fair value are disclosed***
Liabilitas Keuangan					***Financial Liabilities***
Pinjaman jangka panjang:					*Long-term debt:*
Pinjaman bank	1.004.993.469	-	1.004.993.469	-	*Bank loans*
Obligasi Rupiah	312.419.883	-	312.419.883	-	*Rupiah bonds*
Obligasi Dolar Singapura	68.276.085	-	68.276.085	-	*Singapore Dollar bonds*
Wesel jangka menengah	121.503.507	-	121.503.507	-	*Medium-term notes*

44. INSTRUMEN KEUANGAN (lanjutan) / *44. FINANCIAL INSTRUMENTS (continued)*

a. Nilai Wajar atas Instrumen Keuangan (lanjutan) / *a. Fair Values of Financial Instruments (continued)*

	31 Desember 2015/*December 31, 2015*				
	Jumlah/ *Total*	Harga pasar yang dikuotasikan untuk aset dan liabilitas yang sama (Level 1)/ *Market value quotation for similar assets and liabilities (Level 1)*	Input yang signifikan dan dapat diobservasi secara langsung maupun tidak langsung (Level 2)/ *Significant input and observable directly or indirectly (Level 2)*	Input yang signifikan tetapi tidak dapat diobservasi (Level 3)/ *Significant input but unobservable (Level 3)*	
Aset diukur pada nilai wajar					***Assets measured at fair value***
Aset Keuangan					***Financial Assets***
Investasi jangka pendek	225.930.397	225.930.397	-	-	*Short-term investments*
Liabilitas diukur pada nilai wajar					***Liabilities measured at fair value***
Liabilitas Keuangan					***Financial Liabilities***
Liabilitas derivatif	157.631.685	-	157.631.685	-	*Derivative liabilities*
Liabilitas yang nilai wajarnya diungkapkan					***Liabilities for which fair value are disclosed***
Liabilitas Keuangan					***Financial Liabilities***
Pinjaman jangka panjang:					*Long-term debt:*
Pinjaman bank	904.237.067	-	904.237.067	-	*Bank loans*
Obligasi Rupiah	242.134.862	-	242.134.862	-	*Rupiah bonds*
Obligasi Dolar AS	19.056.171	-	19.056.171	-	*US Dollar bonds*
Obligasi Dolar Singapura	69.590.023	-	69.590.023	-	*Singapore Dollar bonds*
Wesel jangka menengah	77.806.098	-	77.806.098	-	*Medium-term notes*

	31 Desember 2014/*December 31, 2014*				
	Jumlah/ *Total*	Harga pasar yang dikuotasikan untuk aset dan liabilitas yang sama (Level 1)/ *Market value quotation for similar assets and liabilities (Level 1)*	Input yang signifikan dan dapat diobservasi secara langsung maupun tidak langsung (Level 2)/ *Significant input and observable directly or indirectly (Level 2)*	Input yang signifikan tetapi tidak dapat diobservasi (Level 3)/ *Significant input but unobservable (Level 3)*	
Aset diukur pada nilai wajar					***Assets measured at fair value***
Aset Keuangan					***Financial Assets***
Investasi jangka pendek	268.628.303	268.628.303	-	-	*Short-term investments*
Liabilitas diukur pada nilai wajar					***Liabilities measured at fair value***
Liabilitas Keuangan					***Financial Liabilities***
Liabilitas derivatif	149.618.826	-	149.618.826	-	*Derivative liabilities*
Liabilitas yang nilai wajarnya diungkapkan					***Liabilities for which fair value are disclosed***
Liabilitas Keuangan					***Financial Liabilities***
Pinjaman jangka panjang:					*Long-term debt:*
Pinjaman bank	544.279.955	-	544.279.955	-	*Bank loans*
Obligasi Rupiah	251.918.371	-	251.918.371	-	*Rupiah bonds*
Obligasi Dolar AS	98.457.504	-	98.457.504	-	*US Dollar bonds*
Wesel jangka menengah	75.900.383	-	75.900.383	-	*Medium-term notes*

44. INSTRUMEN KEUANGAN (lanjutan)

a. Nilai Wajar atas Instrumen Keuangan (lanjutan)

Untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2017 dan 2016 dan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016, 2015, dan 2014, tidak terdapat pengalihan antara pengukuran nilai wajar Level 1 dan Level 2.

b. Tujuan dan Kebijakan Manajemen Risiko

Liabilitas keuangan utama Grup meliputi pinjaman jangka pendek dan jangka panjang, utang usaha dan lain-lain dan biaya akrual. Tujuan utama dari liabilitas keuangan ini adalah untuk mengumpulkan dana untuk operasi Grup. Grup mempunyai berbagai aset keuangan seperti piutang usaha dan kas dan setara kas, yang dihasilkan langsung dari kegiatan usahanya.

Risiko utama yang timbul dari instrumen keuangan Grup adalah risiko suku bunga, risiko fluktuasi nilai tukar mata uang asing, risiko kredit, risiko likuiditas dan risiko volatilitas harga. Pentingnya untuk mengelola risiko ini telah meningkat secara signifikan dengan mempertimbangkan perubahan dan volatilitas pasar keuangan baik di Indonesia maupun internasional. Direksi Perusahaan menelaah dan menyetujui kebijakan untuk mengelola risiko-risiko yang dirangkum di bawah ini:

i. Risiko suku bunga

Kebijakan Grup terkait dengan risiko suku bunga adalah dengan mengelola biaya bunga melalui kombinasi pinjaman dengan suku bunga tetap dan variabel. Grup mengevaluasi perbandingan suku bunga tetap terhadap suku bunga mengambang dari pinjaman bank jangka pendek dan pinjaman jangka panjang sejalan dengan perubahan suku bunga yang relevan di pasar keuangan. Berdasarkan evaluasi manajemen, pembiayaan baru akan ditentukan harganya pada suku bunga tetap atau mengambang.

44. FINANCIAL INSTRUMENTS (continued)

a. Fair Values of Financial Instruments (continued)

For the nine-month periods ended September 30, 2017 and 2016 and for the years ended December 31, 2016, 2015, and 2014, there were no transfers between Level 1 and Level 2 fair value measurements.

b. Risk Management Objectives and Policies

The principal financial liabilities of the Group consist of short-term and long-term debts, trade and other payables and accrued expenses. The main purpose of these financial liabilities is to raise funds for the operations of the Group. The Group has various financial assets such as trade receivables and cash and cash equivalents, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange rate risk, credit risk, liquidity risk and price volatility risk. The importance of managing these risks has significantly increased in light of the considerable change and volatility in both Indonesian and international financial markets. The Company's Directors review and approve the policies for managing these risks which are summarized below:

i. Interest rate risk

The Group policy relating to interest rate risk is to manage interest cost through a mix of fixed and variable rate debts. The Group evaluates the comparability of the fixed rate to floating rate of its short-term bank loans and long-term debts in line with movements of relevant interest rates in the financial markets. Based on management's assessment, the new financing will be priced either on a fixed rate or floating rate basis.

44. INSTRUMEN KEUANGAN (lanjutan)

b. Tujuan dan Kebijakan Manajemen Risiko (lanjutan)

i. Risiko suku bunga (lanjutan)

Grup memiliki risiko tingkat suku bunga yang terutama berasal dari pergerakan suku bunga piutang dan liabilitas jangka panjang dengan tingkat suku bunga mengambang. Untuk mengelola risiko suku bunga, Grup melakukan transaksi *Interest Rate Swaps*.

Tabel di bawah ini menyajikan nilai tercatat, berdasarkan periode jatuh tempo dari instrumen keuangan Grup yang terkena dampak risiko suku bunga:

44. FINANCIAL INSTRUMENTS (continued)

b. Risk Management Objectives and Policies (continued)

i. Interest rate risk (continued)

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term receivable and long-term obligations with floating interest rates. In order to manage interest rate risk, the Group entered into Interest Rate Swaps.

The following table sets out the carrying amounts, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

30 September 2017/*September 30, 2017*

Keterangan	Dalam jangka waktu 1 tahun/ *Within 1 year*	1-2 tahun/ *1-2 years*	2-5 tahun/ *2-5 years*	Lebih dari 5 tahun/ *More than 5 years*	Jumlah/ *Total*	*Description*
Piutang dari pihak berelasi	271.327.355	-	-	-	271.327.355	*Receivable from a related party*
Aset derivatif	-	3.613.538	-	-	3.613.538	*Derivative assets*
Pinjaman bank jangka panjang	133.447.885	65.068.309	652.587.936	160.328.166	1.011.432.296	*Long-term bank loans*
Pinjaman dari instansi keuangan non-bank	-	-	5.188.260	-	5.188.260	*Loan from a non-bank financial institution*
Liabilitas derivatif	57.487.355	-	12.313.893	-	69.801.248	*Derivative liabilities*

30 September 2016/*September 30, 2016*
(Tidak diaudit/*Unaudited*)

Keterangan	Dalam jangka waktu 1 tahun/ *Within 1 year*	1-2 tahun/ *1-2 years*	2-5 tahun/ *2-5 years*	Lebih dari 5 tahun/ *More than 5 years*	Jumlah/ *Total*	*Description*
Piutang dari pihak berelasi	33.394.075	-	39.899.032	-	73.293.107	*Receivable from a related party*
Aset derivatif	-	3.028.054	-	-	3.028.054	*Derivative assets*
Pinjaman bank jangka pendek	20.000.000	-	-	-	20.000.000	*Short-term bank loan*
Pinjaman bank jangka panjang	174.935.543	89.675.000	753.584.187	8.869.945	1.027.064.675	*Long-term bank loans*
Liabilitas derivatif	59.965.415	-	52.953.641	-	112.919.056	*Derivative liabilities*

31 Desember 2016/*December 31, 2016*

Keterangan	Dalam jangka waktu 1 tahun/ *Within 1 year*	1-2 tahun/ *1-2 years*	2-5 tahun/ *2-5 years*	Lebih dari 5 tahun/ *More than 5 years*	Jumlah/ *Total*	*Description*
Piutang dari pihak berelasi	251.440.303	-	-	-	251.440.303	*Receivable from a related party*
Aset derivatif	-	1.659.449	-	-	1.659.449	*Derivative assets*
Pinjaman bank jangka pendek	16.000.000	-	-	-	16.000.000	*Short-term bank loan*
Pinjaman bank jangka panjang	228.476.617	9.857.285	983.763.954	15.931.188	1.238.029.044	*Long-term bank loans*
Liabilitas derivatif	63.767.824	-	67.505.001	-	131.272.825	*Derivative liabilities*

44. INSTRUMEN KEUANGAN (lanjutan)

b. Tujuan dan Kebijakan Manajemen Risiko (lanjutan)

i. Risiko suku bunga (lanjutan)

44. FINANCIAL INSTRUMENTS (continued)

b. Risk Management Objectives and Policies (continued)

i. Interest rate risk (continued)

31 Desember 2015/*December 31, 2015*

Keterangan	Dalam jangka waktu 1 tahun/ *Within 1 year*	1-2 tahun/ *1-2 years*	2-5 tahun/ *2-5 years*	Lebih dari 5 tahun/ *More than 5 years*	Jumlah/ *Total*	*Description*
Piutang dari pihak berelasi	22.448.103	29.620.713	-	-	52.068.816	*Receivable from a related party*
Pinjaman bank jangka panjang	179.502.491	6.818.869	875.194.993	26.200.594	1.087.716.947	*Long-term bank loans*
Liabilitas derivatif	-	-	157.631.685	-	157.631.685	*Derivative liabilities*

31 Desember 2014/*December 31, 2014*

Keterangan	Dalam jangka waktu 1 tahun/ *Within 1 year*	1-2 tahun/ *1-2 years*	2-5 tahun/ *2-5 years*	Lebih dari 5 tahun/ *More than 5 years*	Jumlah/ *Total*	*Description*
Piutang dari pihak berelasi	12.523.678	159.313.967	-	-	171.837.645	*Receivable from a related party*
Pinjaman bank jangka panjang	183.696.183	232.500.000	312.169.226	-	728.365.409	*Long-term bank loans*
Liabilitas derivatif	35.856.281	-	113.762.545	-	149.618.826	*Derivative liabilities*

Bunga atas instrumen keuangan yang diklasifikasikan sebagai tingkat suku bunga mengambang direvisi dalam jangka waktu kurang dari satu tahun. Sedangkan untuk yang termasuk dalam klasifikasi sebagai tingkat suku bunga tetap adalah tetap sampai dengan jatuh tempo instrumen keuangan tersebut. Instrumen keuangan Grup lainnya yang tidak termasuk dalam tabel di atas adalah instrumen keuangan yang tidak dikenakan bunga atau dengan suku bunga tetap dan oleh karena itu tidak terkena dampak risiko perubahan suku bunga.

Interest on financial instruments classified as floating rate is re-priced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above table are either non-interest bearing or have fixed interest rates and are therefore not subject to interest rate risk.

Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, jika tingkat suku bunga pinjaman meningkat/menurun sebesar 0,5% dengan semua variabel konstan, laba sebelum beban pajak penghasilan akan lebih rendah atau tinggi masing-masing sebesar AS$4,8 juta, AS$5,0 juta, AS$10,1 juta, AS$5,3 juta dan AS$2,3 juta.

As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, if the borrowing rate increases/decreases by 0.5% with all variables held constant, the consolidated income before tax expense will be lower or higher by US$4.8 million, US$5.0 million US$10.1 million, US$5.3 million and US$2.3 million, respectively.

44. INSTRUMEN KEUANGAN (lanjutan)

b. Tujuan dan Kebijakan Manajemen Risiko (lanjutan)

ii. Risiko fluktuasi nilai tukar mata uang asing

Pembukuan Grup dilakukan dalam mata uang Dolar AS sehingga pendapatan, beban, aset dan liabilitas dalam mata uang selain Dolar AS memiliki eksposur terhadap nilai tukar mata uang tersebut terhadap Dolar AS. Aktivitas eksplorasi dan produksi minyak dan gas Grup di berbagai negara tidak terlepas dari eksposur mata uang setempat.

Untuk mengelola risiko mata uang, Grup menandatangani beberapa kontrak *swap* atas mata uang silang. Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, kontrak ini dicatat sebagai transaksi yang tidak ditetapkan sebagai lindung nilai kecuali kontrak lindung nilai atas arus kas, dimana keuntungan atau kerugian yang timbul dari bagian efektif lindung nilai atas arus kas dikreditkan atau dibebankan di pendapatan komprehensif lain (Catatan 25).

Pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014, jika nilai tukar Dolar AS terhadap mata uang asing meningkat/menurun sebanyak 10% dengan semua variabel konstan, laba sebelum manfaat pajak akan lebih tinggi/rendah masing-masing sebesar AS$55 juta, AS$58 juta, AS$56 juta, AS$31 juta dan AS$40 juta terutama sebagai akibat dari translasi pinjaman bank dan pinjaman jangka panjang lainnya.

iii. Risiko kredit

Risiko kredit adalah risiko dimana salah satu pihak atas instrumen keuangan akan gagal memenuhi kewajibannya dan menyebabkan pihak lain mengalami kerugian keuangan.

44. FINANCIAL INSTRUMENTS (continued)

b. Risk Management Objectives and Policies (continued)

ii. Foreign exchange rate risk

The Group maintains its bookkeeping in US Dollar, therefore, a portion of its revenues, expenses, assets and liabilities which are denominated in currencies other than US Dollar are exposed to currency exchange rates against US Dollar. The oil and gas exploration and production activities of the Group in various countries are also exposed to the currency exchange fluctuations of the local currencies.

In order to manage currency risk, the Group entered into several cross-currency swap and forward contracts. As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, these contracts are accounted for as transactions that are not designated as hedging contracts except for cash flow hedging contracts, in which the gain or loss arising from the effective portion of cash flow hedge is credited or charged to other comprehensive income (Note 25).

As of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014, if the exchange rate of the US Dollar against foreign currencies increases/decreases by 10% with all variables held constant, the consolidated income before tax expense will be higher/lower by US$55 million, US$58 million, US$56 million, US$31 million and US$40 million, respectively, primarily as a result of translations of bank loans and other long-term debt.

iii. Credit risk

Credit risk is the risk that one party to financial instruments will fail to discharge its obligation and will incur a financial loss to the other party.

44. INSTRUMEN KEUANGAN (lanjutan)

b. Tujuan dan Kebijakan Manajemen Risiko (lanjutan)

iii. Risiko kredit (lanjutan)

Eksposur paling besar adalah sebesar nilai tercatat aset keuangan sebagaimana diungkapkan pada Catatan 6 dan 7 atas laporan keuangan konsolidasian.

Kas dan setara kas

Risiko kredit atas penempatan rekening koran dan deposito dikelola oleh manajemen sesuai dengan kebijakan Grup. Investasi atas kelebihan dana dibatasi untuk tiap-tiap bank dan kebijakan ini dievaluasi setiap tahun oleh direksi. Batas tersebut ditetapkan untuk meminimalkan risiko konsentrasi kredit sehingga mengurangi kemungkinan kerugian akibat kebangkrutan bank-bank tersebut.

Pada tanggal 30 September 2017 dan 31 Desember 2014, tidak terdapat konsentrasi risiko kredit atas penempatan pada bank. Pada tanggal 30 September 2016 dan 31 Desember 2016 dan 2015, terdapat konsentrasi risiko kredit atas penempatan pada bank di mana 41%, 63% dan 58% kas dan setara kas ditempatkan pada PT Bank Mandiri (Persero) Tbk.

Piutang usaha

Risiko kredit yang dihadapi Grup berasal dari kredit yang diberikan kepada pelanggan. Grup melakukan hubungan usaha hanya dengan pihak ketiga yang diakui dan kredibel. Grup memiliki kebijakan untuk semua pelanggan yang akan melakukan perdagangan secara kredit harus melalui prosedur verifikasi kredit. Sebagai tambahan, jumlah piutang dipantau secara terus menerus untuk mengurangi risiko piutang yang tidak tertagih.

44. FINANCIAL INSTRUMENTS (continued)

b. Risk Management Objectives and Policies (continued)

iii. Credit risk (continued)

The most significant exposure to the credit risk is represented by the carrying amounts of financial assets as shown in Notes 6 and 7 of the consolidated financial statements.

Cash and cash equivalents

Credit risk arising from placement of current accounts and deposits is managed in accordance with the Group's policy. Investments of surplus funds are limited for each bank and reviewed annually by the directors. Such limits are set to minimize the concentration of credit risk and therefore mitigate financial loss through potential failure of the banks.

As of September 30, 2017 and December 31, 2014, there is no concentration of credit risk on the investment of surplus funds in bank. As of September 30, 2016 and December 31, 2016 and 2015, there is a concentration of credit risk on the investment of surplus funds in bank since 41%, 63% and 58% of cash and cash equivalent, respectively, is deposited in PT Bank Mandiri (Persero) Tbk.

Trade receivables

The Group is exposed to credit risk arising from the credit granted to its customers. The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis to reduce the exposure to bad debts.

44. INSTRUMEN KEUANGAN (lanjutan)

b. Tujuan dan Kebijakan Manajemen Risiko (lanjutan)

iii. Risiko kredit (lanjutan)

Pada tanggal 30 September 2017, piutang usaha Grup terutama terdiri dari empat debitur yang masing-masing mencakup 18%, 18%, 17% dan 11% dari jumlah piutang usaha.

Pada tanggal 30 September 2016, piutang usaha Grup terutama terdiri dari tiga debitur yang masing-masing mencakup 20%, 20% dan 19% dari jumlah piutang usaha.

Pada tanggal 31 Desember 2016, piutang usaha Grup terutama terdiri dari empat debitur yang masing-masing mencakup 21%, 16%, 14% dan 10% dari jumlah piutang usaha.

Pada tanggal 31 Desember 2015, piutang usaha Grup terutama terdiri dari empat debitur yang masing-masing mencakup 30%, 20%, 10% dan 10% dari jumlah piutang usaha.

Pada tanggal 31 Desember 2014, piutang usaha Grup terutama terdiri dari tiga debitur yang masing-masing mencakup 31%, 26% dan 12% dari jumlah piutang usaha.

Risiko kredit atas piutang usaha dan lain-lain berdasarkan informasi yang disediakan oleh manajemen pada tanggal 30 September 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 adalah sebagai berikut:

44. FINANCIAL INSTRUMENTS (continued)

b. Risk Management Objectives and Policies (continued)

iii. Credit risk (continued)

As of September 30, 2017, a significant portion of the trade receivables of the Group is due from four debtors whose respective accounts constitute 18%, 18%, 17% and 11% of the total trade receivables.

As of September 30, 2016, a significant portion of the trade receivables of the Group is due from three debtors whose respective accounts constitute 20%, 20% and 19% of the total trade receivables.

As of December 31, 2016, a significant portion of the trade receivables of the Group is due from four debtors whose respective accounts constitute 21%, 16%, 14% and 10% of the total trade receivables.

As of December 31, 2015, a significant portion of the trade receivables of the Group is due from four debtors whose respective accounts constitute 30%, 20%, 10% and 10% of the total trade receivables.

As of December 31, 2014, a significant portion of the trade receivables of the Group is due from three debtors whose respective accounts constitute 31%, 26% and 12% of the total trade receivables.

The credit risk on trade receivables and other receivables as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 based on information provided by management is as follows:

44. INSTRUMEN KEUANGAN (lanjutan)

b. Tujuan dan Kebijakan Manajemen Risiko (lanjutan)

iii. Risiko kredit (lanjutan)

a. Berdasarkan area geografis

44. FINANCIAL INSTRUMENTS (continued)

b. Risk Management Objectives and Policies (continued)

iii. Credit risk (continued)

a. By geographical area

30 September 2017/*September 30, 2017*

	Piutang Usaha/ *Trade Receivables*	**Piutang Lain-lain/ *Other Receivables***	
Singapura	79.288.929	1.844.129	*Singapore*
Indonesia	45.437.137	388.797.181	*Indonesia*
Oman	20.472.587	1.936.511	*Oman*
Malaysia	30.409.901	-	*Malaysia*
Tunisia	7.461.711	12.518.918	*Tunisia*
Amerika Serikat	920.461	434.484	*United States of America*
Yaman	-	1.259.374	*Yemen*
Libya	-	582.093	*Libya*
Lain-lain	-	329.587	*Others*
Jumlah	**183.990.726**	**407.702.277**	***Total***

30 September 2016/*September 30, 2016* (Tidak diaudit/*Unaudited*)

	Piutang Usaha/ *Trade Receivables*	**Piutang Lain-lain/ *Other Receivables***	
Indonesia	65.174.165	65.207.609	*Indonesia*
Singapura	22.825.392	108.557	*Singapore*
Oman	24.377.991	3.613.328	*Oman*
Tunisia	8.681.611	26.803.204	*Tunisia*
Amerika Serikat	2.029.568	4.423	*United States of America*
Yaman	9.068	12.127.215	*Yemen*
Libya	-	3.318.511	*Libya*
Lain-lain	-	179.587	*Others*
Jumlah	**123.097.795**	**111.362.434**	***Total***

31 Desember 2016/*December 31, 2016*

	Piutang Usaha/ *Trade Receivables*	**Piutang Lain-lain/ *Other Receivables***	
Singapura	78.965.220	128.003	*Singapore*
Indonesia	48.554.328	329.906.133	*Indonesia*
Oman	29.134.061	2.381.255	*Oman*
Malaysia	12.992.654	-	*Malaysia*
Tunisia	11.047.109	13.651.039	*Tunisia*
Amerika Serikat	2.684.631	4.423	*United States of America*
Inggris	150.000	-	*United Kingdom*
Yaman	9.068	979.222	*Yemen*
Libya	-	2.412.703	*Libya*
Lain-lain	-	350.281	*Others*
Jumlah	**183.537.071**	**349.813.059**	***Total***

44. INSTRUMEN KEUANGAN (lanjutan) / ***44. FINANCIAL INSTRUMENTS (continued)***

b. Tujuan dan Kebijakan Manajemen Risiko (lanjutan) / ***b. Risk Management Objectives and Policies (continued)***

iii. Risiko kredit (lanjutan) / *iii. Credit risk (continued)*

a. Berdasarkan area geografis (lanjutan) / *a. By geographical area (continued)*

31 Desember 2015/*December 31, 2015*

	Piutang Usaha/ *Trade Receivables*	**Piutang Lain-lain/ *Other Receivables***	
Indonesia	55.860.699	76.245.742	*Indonesia*
Oman	29.141.089	2.462.226	*Oman*
Singapura	12.251.167	107.346	*Singapore*
Amerika Serikat	1.583.278	-	*United States of America*
Yaman	9.068	17.105.785	*Yemen*
Swiss	50	-	*Switzerland*
Tunisia	-	890.658	*Tunisia*
Libya	-	11.598.979	*Libya*
Lain-lain	-	312.027	*Others*
Jumlah	**98.845.351**	**108.722.763**	***Total***

31 Desember 2014/*December 31, 2014*

	Piutang Usaha/ *Trade Receivables*	**Piutang Lain-lain/ *Other Receivables***	
Indonesia	51.523.340	199.953.236	*Indonesia*
Oman	31.376.268	534.563	*Oman*
Singapura	12.347.821	128.003	*Singapore*
Tunisia	5.196.358	-	*Tunisia*
Amerika Serikat	1.319.329	705.421	*United States of America*
Yaman	-	10.095.272	*Yemen*
Lain-lain	-	1.043.295	*Others*
Jumlah	**101.763.116**	**212.459.790**	***Total***

b. Berdasarkan jenis debitur / *b. By debtor*

30 September 2017/*September 30, 2017*

	Piutang Usaha/ *Trade Receivables*	**Piutang Lain-lain/ *Other Receivables***	
Pihak-pihak berelasi	-	271.327.355	*Related parties*
Pihak ketiga:			*Third parties:*
Perusahaan multinasional	63.427.084	99.538.870	*Multinational companies*
Badan Usaha Milik Negara	22.992.445	6.934.081	*State - owned enterprises*
Pemerintah Indonesia	3.704.708	-	*Government of Indonesia*
Individual	-	6.389.259	*Individuals*
Perusahaan lainnya	93.866.489	23.512.712	*Other companies*
Jumlah	**183.990.726**	**407.702.277**	***Total***

44. INSTRUMEN KEUANGAN (lanjutan) / ***44. FINANCIAL INSTRUMENTS (continued)***

b. Tujuan dan Kebijakan Manajemen Risiko (lanjutan) / ***b. Risk Management Objectives and Policies (continued)***

iii. Risiko kredit (lanjutan) / *iii. Credit risk (continued)*

b. Berdasarkan jenis debitur (lanjutan) / *b. By debtor (continued)*

	30 September 2016/*September 30, 2016* (Tidak diaudit/*Unaudited*)		
	Piutang Usaha/ *Trade Receivables*	**Piutang Lain-lain/ *Other Receivables***	
Pihak-pihak berelasi	31.228.616	42.065.681	*Related parties*
Pihak ketiga:			*Third parties:*
Badan Usaha Milik Negara	37.923.043	1.486.777	*State - owned enterprises*
Perusahaan multinasional	6.552.533	44.558.588	*Multinational companies*
Pemerintah Indonesia	4.452.505	13.016.371	*Government of Indonesia*
Perusahaan Terdaftar di Bursa Efek Indonesia	403.383	-	*Listed companies in the Indonesia Stock Exchange*
Individual	-	890.791	*Individuals*
Perusahaan lainnya	42.537.715	9.344.226	*Other companies*
Jumlah	**123.097.795**	**111.362.434**	***Total***

	31 Desember 2016/*December 31, 2016*		
	Piutang Usaha/ *Trade Receivables*	**Piutang Lain-lain/ *Other Receivables***	
Pihak-pihak berelasi	696.806	250.745.343	*Related parties*
Pihak ketiga:			*Third parties:*
Perusahaan multinasional	66.797.705	57.712.957	*Multinational companies*
Badan Usaha Milik Negara	30.439.008	818.700	*State - owned enterprises*
Pemerintah Indonesia	4.262.077	22.637.849	*Government of Indonesia*
Perusahaan Terdaftar di Bursa Efek Indonesia	142.202	-	*Listed companies in the Indonesia Stock Exchange*
Individual	9.347	6.531.308	*Individuals*
Perusahaan lainnya	81.189.926	11.366.902	*Other companies*
Jumlah	**183.537.071**	**349.813.059**	***Total***

	31 Desember 2015/*December 31, 2015*		
	Piutang Usaha/ *Trade Receivables*	**Piutang Lain-lain/ *Other Receivables***	
Pihak-pihak berelasi	20.220.257	31.848.559	*Related parties*
Pihak ketiga:			*Third parties:*
Perusahaan multinasional	39.318.916	32.477.012	*Multinational companies*
Badan Usaha Milik Negara	27.938.181	1.504.966	*State - owned enterprises*
Pemerintah Indonesia	4.203.537	34.783.112	*Government of Indonesia*
Perusahaan Terdaftar di Bursa Efek Indonesia	284.948	-	*Listed companies in the Indonesia Stock Exchange*
Individual	8.084	1.672.150	*Individuals*
Perusahaan lainnya	6.871.428	6.436.964	*Other companies*
Jumlah	**98.845.351**	**108.722.763**	***Total***

44. INSTRUMEN KEUANGAN (lanjutan)

b. Tujuan dan Kebijakan Manajemen Risiko (lanjutan)

iii. Risiko kredit (lanjutan)

b. Berdasarkan jenis debitur (lanjutan)

44. FINANCIAL INSTRUMENTS (continued)

b. Risk Management Objectives and Policies (continued)

iii. Credit risk (continued)

b. By debtor (continued)

31 Desember 2014/*December 31, 2014*

	Piutang Usaha/ *Trade Receivables*	**Piutang Lain-lain/ *Other Receivables***	
Pihak-pihak berelasi	12.442.828	159.394.817	*Related parties*
Pihak ketiga:			*Third parties:*
Badan Usaha Milik Negara	41.018.976	27.701.824	*State - owned enterprises*
Perusahaan multinasional	37.891.956	13.444.425	*Multinational companies*
Pemerintah Indonesia	7.932.099	308.485	*Government of Indonesia*
Perusahaan lainnya	2.477.257	10.471.484	*Other companies*
Individual	-	1.138.755	*Individuals*
Jumlah	**101.763.116**	**212.459.790**	***Total***

iv. Risiko likuiditas

Risiko likuiditas didefinisikan sebagai risiko saat posisi arus kas Grup menunjukkan bahwa pendapatan jangka pendek tidak cukup untuk menutupi pengeluaran jangka pendek. Kebutuhan likuiditas Grup secara historis timbul dari kebutuhan untuk membiayai investasi dan pengeluaran barang modal dan untuk mendanai operasional.

Dalam mengelola risiko likuiditas, Grup memantau dan menjaga tingkat kas dan setara kas yang dianggap memadai untuk membiayai operasional Grup dan untuk mengatasi dampak dari fluktuasi arus kas. Grup juga secara rutin mengevaluasi proyeksi arus kas dan arus kas aktual, termasuk jadwal jatuh tempo pinjaman jangka panjang, dan terus menelaah kondisi pasar keuangan untuk memelihara fleksibilitas pendanaan dengan cara menjaga ketersediaan komitmen fasilitas kredit. Kegiatan ini bisa meliputi pinjaman bank dan penerbitan ekuitas pasar modal.

Tabel di bawah ini menyajikan periode jatuh tempo liabilitas keuangan Grup berdasarkan pembayaran kontraktual yang tidak didiskontokan:

iv. Liquidity risk

The liquidity risk is defined as a risk where the cash flow position of the Group indicates that the short-term revenue is not sufficient to cover the short-term expenditures. The Group liquidity requirements have historically arisen from the need to finance investments and operational and capital expenditures.

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group also regularly evaluates the projected and actual cash flows, including long-term loan maturity profiles, and continuously assesses the conditions in the financial market to maintain flexibility in funding by keeping committed credit facilities available. These activities may include bank loans and issuance of equity in the capital market.

The table below presents the maturity period of the Group's financial liabilities based on undiscounted contractual payments:

44. INSTRUMEN KEUANGAN (lanjutan) / *44. FINANCIAL INSTRUMENTS (continued)*

b. Tujuan dan Kebijakan Manajemen Risiko (lanjutan) / *b. Risk Management Objectives and Policies (continued)*

iv. Risiko likuiditas (lanjutan) / *iv. Liquidity risk (continued)*

30 September 2017/*September 30, 2017*

Keterangan	Dalam jangka waktu 1 tahun/ *Within 1 year*	1-2 tahun/ *1-2 years*	2-5 tahun/ *2-5 years*	Lebih dari 5 tahun/ *More than 5 years*	Jumlah/ *Total*	*Description*
Utang usaha						*Trade payables*
- Pihak ketiga	132.035.055	-	-	-	132.035.055	*Third parties -*
Utang lain-lain						*Other payables*
- Pihak ketiga	110.460.767	-	-	16.636.599	127.097.366	*Third parties -*
Biaya akrual dan provisi lain-lain	79.054.632	-	-	-	79.054.632	*Accrued expenses and other provisions*
Pinjaman bank						*Bank loans*
- Pokok pinjaman	135.600.000	65.800.000	658.725.000	172.335.000	1.032.460.000	*Principal -*
- Beban bunga masa depan	44.323.568	42.010.292	62.295.716	21.041.670	169.671.246	*Future imputed - interest charges*
Pinjaman dari instansi keuangan non-bank						*Loan from a non-bank - financial institution*
- Pokok pinjaman	-	-	5.188.260	-	5.188.260	*Principal -*
- Beban bunga masa depan	518.826	518.826	261.545		1.299.197	*Future imputed - interest charges*
Wesel jangka menengah						*Medium-term notes*
- Pokok pinjaman	-	74.117.996	55.000.000	-	129.117.996	*Principal -*
- Beban bunga masa depan	11.161.216	3.041.944	360.438	-	14.563.598	*Future imputed - interest charges*
Obligasi Dolar AS						*US Dollar bonds*
- Pokok pinjaman	-	-	400.000.000	-	400.000.000	*Principal -*
- Beban bunga masa depan	34.000.000	34.000.000	97.994.521	-	165.994.521	*Future imputed - interest charges*
Obligasi Rupiah						*Rupiah bonds*
- Pokok pinjaman	166.654.314	-	349.948.117	2.223.540	518.825.971	*Principal -*
- Beban bunga masa depan	57.121.031	38.786.281	47.796.366	336.994	144.040.672	*Future imputed - interest charges*
Liabilitas derivatif	57.487.355	-	12.313.893	-	69.801.248	*Derivative liabilities*

30 September 2016/*September 30, 2016*
(Tidak diaudit/*Unaudited*)

Keterangan	Dalam jangka waktu 1 tahun/ *Within 1 year*	1-2 tahun/ *1-2 years*	2-5 tahun/ *2-5 years*	Lebih dari 5 tahun/ *More than 5 years*	Jumlah/ *Total*	*Description*
Utang usaha						*Trade payables*
- Pihak berelasi	224.755	-	-	-	224.755	*Related parties -*
- Pihak ketiga	63.921.418	-	-	-	63.921.418	*Third parties -*
Utang lain-lain						*Other payables*
- Pihak berelasi	327.398	-	-	-	327.398	*Related parties -*
- Pihak ketiga	78.281.807	-	-	19.606.468	97.888.275	*Third parties -*
Biaya akrual dan provisi lain-lain	56.714.808	-	-	-	56.714.808	*Accrued expenses and other provisions*
Pinjaman bank						*Bank loans*
- Pokok pinjaman	196.686.503	128.038.497	725.480.872	8.900.200	1.059.106.072	*Principal -*
- Beban bunga masa depan	54.546.828	51.194.885	77.686.992	1.083.045	184.511.750	*Future imputed - interest charges*
Wesel jangka menengah						*Medium-term notes*
- Pokok pinjaman	-	-	76.934.913	-	76.934.913	*Principal -*
- Beban bunga masa depan	8.616.710	8.805.570	188.859	-	17.611.139	*Future imputed - interest charges*
Obligasi Dolar AS						*US Dollar bonds*
- Pokok pinjaman	47.858.811	-	-	-	47.858.811	*Principal -*
- Beban bunga masa depan	1.061.972	-	-	-	1.061.972	*Future imputed - interest charges*
Obligasi Rupiah						*Rupiah bonds*
- Pokok pinjaman	153.869.826	115.402.370	192.337.283		461.609.479	*Principal -*
- Beban bunga masa depan	36.393.334	21.613.084	29.107.380	-	87.113.798	*Future imputed - interest charges*
Obligasi Dolar Singapura						*Singapore Dollar bonds*
- Pokok pinjaman		- 72.836.617	-	-	72.836.617	*Principal -*
- Beban bunga masa depan	4.297.360	2.660.831	-	-	6.958.191	*Future imputed - interest charges*
Liabilitas derivatif	59.965.415	-	52.953.641	-	112.919.056	*Derivative liabilities*

44. INSTRUMEN KEUANGAN (lanjutan)

44. FINANCIAL INSTRUMENTS (continued)

b. Tujuan dan Kebijakan Manajemen Risiko (lanjutan)

b. Risk Management Objectives and Policies (continued)

iv. Risiko likuiditas (lanjutan)

iv. Liquidity risk (continued)

Keterangan	Dalam jangka waktu 1 tahun/ *Within 1 year*	1-2 tahun/ *1-2 years*	2-5 tahun/ *2-5 years*	Lebih dari 5 tahun/ *More than 5 years*	Jumlah/ *Total*	*Description*
31 Desember 2016/*December 31, 2016*						
Utang usaha						*Trade payables*
- Pihak ketiga	104.920.029	-	-	-	104.920.029	*Third parties -*
Utang lain-lain						*Other payables*
- Pihak ketiga	102.524.904	-	-	55.477.230	158.002.134	*Third parties -*
Biaya akrual dan provisi lain-lain	75.492.247	-	-	-	75.492.247	*Accrued expenses and other provisions*
Pinjaman bank						*Bank loans*
- Pokok pinjaman	111.511.911	311.599.342	563.604.260	33.481.188	1.020.196.701	*Principal -*
- Beban bunga masa depan	51.380.350	24.117.218	14.813.352	-	90.310.920	*Future imputed - interest charges*
Wesel jangka menengah						*Medium-term notes*
- Pokok pinjaman	-	-	74.095.822	-	74.095.822	*Principal -*
- Beban bunga masa depan	8.298.732	8.298.732	-	-	16.597.464	*Future imputed - interest charges*
Obligasi Dolar AS						*US Dollar bonds*
- Pokok pinjaman	-	17.841.893	-	-	17.841.893	*Principal -*
- Beban bunga masa depan	-	638.665	-	-	638.665	*Future imputed - interest charges*
Obligasi Rupiah						*Rupiah bonds*
- Pokok pinjaman	-	37.143.647	111.404.100	-	148.547.747	*Principal -*
- Beban bunga masa depan	22.886.326	-	-	-	22.886.326	*Future imputed - interest charges*
Obligasi Dolar Singapura						*Singapore Dollar bonds*
- Pokok pinjaman	-	-	68.334.183	-	68.334.183	*Principal -*
- Beban bunga masa depan	4.031.717	4.031.717	-	-	8.063.434	*Future imputed - interest charges*
Liabilitas derivatif	63.767.824	-	67.505.001	-	131.272.825	*Derivative liabilities*
31 Desember 2015/*December 31, 2015*						
Utang usaha						*Trade payables*
- Pihak berelasi	57.936	-	-	-	57.936	*Related parties -*
- Pihak ketiga	58.685.466	-	18.638.579	-	77.324.045	*Third parties -*
Utang lain-lain						*Other payables*
- Pihak berelasi	1.740.327	-	-	-	1.740.327	*Related parties -*
- Pihak ketiga	72.809.232	-	-	11.610.868	84.420.100	*Third parties -*
Biaya akrual dan provisi lain-lain	86.746.293	-	-	-	86.746.293	*Accrued expenses and other provisions*
Pinjaman bank						*Bank loans*
- Pokok pinjaman	179.714.575	308.240.193	561.976.003	43.750.593	1.093.681.364	*Principal -*
- Beban bunga masa depan	59.694.464	41.008.137	57.307.769	12.119.552	170.129.922	*Future imputed - interest charges*
Wesel jangka menengah						*Medium-term notes*
- Pokok pinjaman	-	-	79.752.616	-	79.752.616	*Principal -*
- Beban bunga masa depan	8.932.293	8.932.293	7.245.082	-	25.109.668	*Future imputed - interest charges*
Obligasi Dolar AS						*US Dollar bonds*
- Pokok pinjaman	79.000.000	18.784.000	-	-	97.784.000	*Principal -*
- Beban bunga masa depan	4.323.438	691.329	-	-	5.014.767	*Future imputed - interest charges*
Obligasi Rupiah						*Rupiah bonds*
- Pokok pinjaman	-	144.980.065	108.735.049	-	253.715.114	*Principal -*
- Beban bunga masa depan	22.326.930	17.455.197	2.272.109	-	42.054.236	*Future imputed - interest charges*
Obligasi Dolar Singapura						*Singapore Dollar bonds*
- Pokok pinjaman	-	-	69.950.389	-	69.950.389	*Principal -*
- Beban bunga masa depan	4.127.073	4.127.073	1.662.293	-	9.916.439	*Future imputed - interest charges*
Liabilitas derivatif	-	-	157.631.685	-	157.631.685	*Derivative liabilities*

44. INSTRUMEN KEUANGAN (lanjutan)

44. FINANCIAL INSTRUMENTS (continued)

b. Tujuan dan Kebijakan Manajemen Risiko (lanjutan)

b. Risk Management Objectives and Policies (continued)

iv. Risiko likuiditas (lanjutan)

iv. Liquidity risk (continued)

Keterangan	31 Desember 2015/*December 31, 2014*					*Description*
	Dalam jangka waktu 1 tahun/ *Within 1 year*	1-2 tahun/ *1-2 years*	2-5 tahun/ *2-5 years*	Lebih dari 5 tahun/ *More than 5 years*	Jumlah/ *Total*	
Utang usaha						*Trade payables*
- Pihak berelasi	1.416.478	-	-	-	1.416.478	*Related parties -*
- Pihak ketiga	87.148.317	884.179	2.455.882	-	90.488.378	*Third parties -*
Utang lain-lain						*Other payables*
- Pihak ketiga	41.152.140	-	-	9.121.822	50.273.962	*Third parties -*
Biaya akrual dan provisi lain-lain	76.854.830	-	-	-	76.854.830	*Accrued expenses and other provisions*
Pinjaman bank						*Bank loans*
- Pokok pinjaman	183.790.192	247.500.000	289.250.000	17.012.073	737.552.265	*Principal -*
- Beban bunga masa depan	39.164.948	22.290.118	11.122.479	14.909.104	87.486.649	*Future imputed - interest charges*
Wesel jangka menengah						*Medium-term notes*
- Pokok pinjaman	-	-	79.752.616	-	79.752.616	*Principal -*
- Beban bunga masa depan	8.932.293	8.932.293	16.301.435	-	34.166.021	*Future imputed - interest charges*
Obligasi Dolar AS						*US Dollar bonds*
- Pokok pinjaman	-	79.000.000	18.784.000	-	97.784.000	*Principal -*
- Beban bunga masa depan	5.915.932	4.389.820	707.113	-	11.012.865	*Future imputed - interest charges*
Obligasi Rupiah						*Rupiah bonds*
- Pokok pinjaman	-	-	281.350.482	-	281.350.482	*Principal -*
- Beban bunga masa depan	24.758.842	24.758.842	22.219.933	-	71.737.617	*Future imputed - interest charges*
Liabilitas derivatif	35.856.281	-	113.762.545	-	149.618.826	*Derivative liabilities*

v. Risiko volatilitas harga

Harga jual minyak Grup berdasarkan pada harga *Indonesian Crude Price (ICP)* yang ditetapkan oleh Kementerian Energi dan Sumber Daya Mineral (ESDM) setiap bulannya. Sebagai akibatnya, harga yang diterima oleh Grup untuk produksi minyak, akan tergantung dari banyak faktor di luar kendali Grup.

Sebagian besar gas dijual di Indonesia dihitung berdasarkan sistem kontrak dengan harga tetap dan dengan menggunakan mekanisme tingkat eskalasi tertentu yang diterapkan setiap tahunnya. Dalam hal ini terdapat risiko potensi hilangnya peluang pada saat kenaikan harga pasar minyak dan gas bumi jauh melebihi tingkat eskalasi dalam kontrak.

Gas bumi yang diproduksi di Amerika Serikat, dijual berdasarkan harga pasar Henry Hub. Sehingga, risiko yang dihadapi Grup serupa dengan dampak fluktuasi harga minyak dan gas bumi.

v. Price volatility risk

The selling price of the Group's oil is based on the price of Indonesian Crude Price (ICP) that is determined by the Ministry of Energy and Mineral Resources (ESDM) on a monthly basis. As a result, the price of oil that is produced by the Group will depend largely on factors beyond the control of the Group.

The natural gas produced in Indonesia is largely sold on contract basis with fixed price that allows certain level of escalation annually. There exists a potential risk of opportunity loss when the market price of oil and gas increases well above the escalation cap in the contract.

The Group's gases produced in the United States are sold on the spot market on the basis of the Henry Hub market price. Therefore, the risk faced by the Group is similar to the effects of oil and gas price fluctuation.

44. INSTRUMEN KEUANGAN (lanjutan)

c. Manajemen Modal

Tujuan Grup ketika mengelola modal adalah:

- Mempertahankan basis modal yang kuat sehingga dapat mempertahankan kepercayaan investor, kreditur dan pasar; dan
- Mempertahankan kelangsungan pembangunan usaha di masa depan.

Grup secara berkala meninjau dan mengelola struktur modal mereka untuk memastikan struktur yang optimal serta tingkat pengembalian pemegang saham, dengan mempertimbangkan kebutuhan modal masa depan dari Grup dan efisiensi modal, profitabilitas yang berlaku dan diproyeksikan, proyeksi arus kas operasi, proyeksi pengeluaran modal dan proyeksi peluang investasi strategis.

Untuk tujuan pengelolaan modal, manajemen menganggap seluruh ekuitas yang diatribusikan kepada pemilik entitas induk sebagai modal. Jumlah modal pada tanggal September 30, 2017 dan 2016 dan 31 Desember 2016, 2015, dan 2014 masing-masing sebesar AS$1.063 juta, AS$573 juta, AS$887 juta, AS$696 juta dan AS$877 juta yang dianggap optimal oleh manajemen setelah memperhatikan pengeluaran modal yang diproyeksikan dan proyeksi peluang investasi strategis. Dan juga, selama beberapa tahun terakhir, laba sebelum pajak penghasilan, bunga, penyusutan dan amortisasi (EBITDA) telah menjadi kendali penting Grup serta juga bagi bank pemberi pinjaman. Pertumbuhan yang berkelanjutan dan optimal dari Grup tergantung pada kemampuan mereka mandiri dalam pendanaan (EBITDA).

Tidak terdapat perubahan pendekatan Grup untuk pengelolaan modal sepanjang periode/tahun.

44. FINANCIAL INSTRUMENTS (continued)

c. Capital Management

The Group's objectives when managing capital are:

- *To maintain a strong capital base so as to maintain investor, creditor and market confidence; and*
- *To sustain future development of the business.*

The Group regularly reviews and manages their capital structure to ensure optimal structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

For capital management purposes, management regards total equity attributable to the owners of parent company as capital. The amount of capital as of September 30, 2017 and 2016 and December 31, 2016, 2015, and 2014 is US$1,063 million, US$573 million, AS$887 milllion, AS$696 million AS$877 million, respectively, which the management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities. Also, over the past recent years, earnings before income tax, interest, depreciation and amortization (EBITDA) has become an important control figure for the Group as well as for the lending banks. The continuing optimal development of the Group depends on its strong self-financing ability (EBITDA).

There are no changes in the Group's approach to capital management during the period/year.

45. KESEPAKATAN BAGI HASIL MINYAK DAN GAS

a. Kesepakatan Bagi Hasil - Indonesia

Mayoritas entitas anak yang bergerak di bidang minyak dan gas bumi berlokasi di Indonesia dan beroperasi berdasarkan berbagai kesepakatan bagi hasil dengan SKK Migas. Uraian umum kesepakatan dan ketentuan dalam peraturan baru minyak dan gas bumi yang berlaku tersebut adalah sebagai berikut:

i. Kontrak Bagi Hasil (PSC) - Indonesia

PSC diberikan untuk mencari dan mengembangkan cadangan hidrokarbon komersial di area tertentu sebelum berproduksi secara komersial. Kontraktor pada umumnya diwajibkan untuk menyerahkan kembali persentase tertentu dari area kontrak pada tanggal tertentu, kecuali jika area tersebut terkait dengan permukaan lapangan dimana telah ditemukan minyak dan gas bumi.

Tanggung jawab dari kontraktor dalam PSC umumnya termasuk menyediakan dana atas semua aktivitas serta menyiapkan dan melaksanakan program kerja dan anggaran. Sebagai imbalannya, kontraktor diizinkan untuk melakukan *lifting* atas minyak mentah dan produksi gas yang menjadi haknya.

Bagi hasil dalam bentuk *First Tranche Petroleum* (FTP) sebesar 20% dari total produksi sebelum dikurangi *cost recovery* tersedia untuk Pemerintah dan kontraktor sesuai dengan persentase hak bagi hasil masing-masing.

45. OIL AND GAS PRODUCTION SHARING ARRANGEMENTS

a. Production Sharing Arrangements - Indonesia

The majority of the Group's oil and gas subsidiaries are located in Indonesia and operated under various production sharing arrangements with SKK Migas. A general description of those arrangements and applicable oil and gas law is as follows:

i. Production Sharing Contracts (PSC) - Indonesia

A PSC is awarded to explore for and to establish commercial hydrocarbon reserves in a specified area prior to commercial production. The contractor is generally required to relinquish specified percentages of the contract area on specified dates unless such designated areas correspond to the surface area of any field in which oil and gas has been discovered.

The responsibilities of a contractor under a PSC generally include financing all activities and preparing and executing the work program and budget. In return, the contractor may freely lift and dispose of its share of crude oil and gas production.

A sharing in the form of First Tranche Petroleum (FTP) of 20% out of total production before deduction of cost recovery is available to the Government and the contractor in line with their entitlement shares.

45. KESEPAKATAN BAGI HASIL MINYAK DAN GAS (lanjutan)

a. Kesepakatan Bagi Hasil - Indonesia (lanjutan)

i. Kontrak Bagi Hasil (PSC) - Indonesia (lanjutan)

Jumlah produksi setelah FTP adalah jumlah yang tersedia untuk *cost recovery* bagi kontraktor yang dihitung berdasarkan referensi atas harga minyak mentah yang berlaku di Indonesia dan harga gas aktual. Setelah kontraktor memulihkan semua biaya yang dikeluarkan, Pemerintah berhak memperoleh pembagian tertentu dari hasil produksi minyak mentah dan gas bumi yang tersisa, selanjutnya kontraktor berhak atas sisanya sebagai bagian ekuitas (laba).

Kontraktor diwajibkan untuk membayar pajak badan atas bagian labanya berdasarkan tarif pajak yang berlaku di Indonesia pada saat PSC tersebut ditandatangani.

PSC di Indonesia wajib memenuhi *Domestic Market Obligation* (DMO) dimana kontraktor harus menyediakan kepada pasar domestik sebanyak yang lebih rendah antara 25% dari (i) bagian kontraktor sebelum pajak atas total produksi minyak bumi dan (ii) bagian laba kontraktor atas minyak.

45. OIL AND GAS PRODUCTION SHARING ARRANGEMENTS (continued)

a. Production Sharing Arrangements - Indonesia (continued)

i. Production Sharing Contracts (PSC) - Indonesia (continued)

The balance of production after FTP is available for cost recovery for the contractor which is calculated by reference to the prevailing Indonesian crude price and actual gas prices. After the contractor has recovered all allowable costs, the Government is entitled to a specified share of the remaining natural gas and crude oil production and the contractor is entitled to the balance as its equity (profit) share.

The contractor is obligated to pay Indonesian corporate taxes on its specified profit share, generally, at the Indonesian corporate tax rate in effect at the time the PSC is executed.

PSCs in Indonesia are subject to a Domestic Market Obligation (DMO) under which the contractor is required to supply the domestic market with the lesser of 25% of (i) the contractor's pre-tax share of total crude oil production and (ii) the contractor's profit share for oil.

45. KESEPAKATAN BAGI HASIL MINYAK DAN GAS (lanjutan)

a. Kesepakatan Bagi Hasil - Indonesia (lanjutan)

ii. Badan Operasi Bersama (JOB) - Indonesia

Dalam JOB, kegiatan operasional dilakukan oleh badan operasi bersama yang dikepalai oleh PT Pertamina (Persero) (Pertamina) dan dibantu oleh kontraktor sebagai pihak kedua dalam JOB. Dalam JOB, 37,5%-50% dari produksi merupakan milik Pertamina, dan sisanya adalah bagian yang dapat dibagikan dan dibagikan kepada pihak-pihak dengan cara yang sama seperti PSC.

Grup pada saat ini memiliki 10 PSC dan 2 JOB di Indonesia.

Sisa komitmen biaya untuk kegiatan pengembangan dan eksplorasi terkait dengan kontrak-kontrak diatas pada tanggal 30 September 2017 adalah sebesar AS$76,6 juta.

b. Kesepakatan Bagi Hasil - Internasional

Grup memiliki kesepakatan bagi hasil di Libya, Yaman dan Tunisia serta kontrak jasa di Oman dengan kerangka fiskal sebagai berikut:

45. OIL AND GAS PRODUCTION SHARING ARRANGEMENTS (continued)

a. Production Sharing Arrangements - Indonesia (continued)

ii. Joint Operating Body (JOB) - Indonesia

In a JOB, operations are conducted by a joint operating body headed by PT Pertamina (Persero) (Pertamina) and assisted by the contractor through their respective secondees to the JOB. In a JOB, 37.5%-50% of the production is retained by Pertamina, and the balance is the shareable portion which is split between the parties in the same way as for a PSC.

The Group currently has 10 PSCs and 2 JOBs in Indonesia.

The remaining commitment for exploration and development expenditures relating to the above contracts as of September 30, 2017 is US$76.6 million.

b. Production Sharing Arrangements - International

The Group has production sharing arrangements in Libya, Yemen and Tunisia and a service contract in Oman with the following fiscal arrangements:

Entitas Anak/ ***Subsidiaries***	**Kepemilikan Blok/** ***Block Ownership***	**Negara Operasi/** ***Country of Operations***	**Jangka Waktu Kontrak/** ***Contract Term***	**Perjanjian Bagi Hasil Konsesi/** ***Concession Production Sharing Agreement***	
				Pemerintah Setempat/ ***Local Government***	**Entitas Anak/** ***Subsidiaries***
Medco Oman LLC	Karim Small Fields/ *Karim Small Fields*	Oman	25 tahun/ *25 years*	88% atas laba dari jumlah produksi/ *88% of profit from total production*	12% atas laba dari jumlah produksi/ *12% of profit from total production*
Medco International Venture Ltd	Wilayah 47/*Area 47*	Libya	30 tahun/ *30 years*	86,3% atas laba dari jumlah produksi/ *86.3% of profit from total production*	6,85% atas laba dari jumlah produksi/ *6.85% of profit from total production*

45. KESEPAKATAN BAGI HASIL MINYAK DAN GAS (lanjutan)

45. OIL AND GAS PRODUCTION SHARING ARRANGEMENTS (continued)

b. Kesepakatan Bagi Hasil - Internasional (lanjutan)

b. Production Sharing Arrangements - International (continued)

Entitas Anak/ ***Subsidiaries***	**Kepemilikan Blok/** ***Block Ownership***	**Negara Operasi/** ***Country of Operations***	**Jangka Waktu Kontrak/** ***Contract Term***	**Perjanjian Bagi Hasil Konsesi/** ***Concession Production Sharing Agreement***	
				Pemerintah Setempat/ ***Local Government***	**Entitas Anak/** ***Subsidiaries***
Medco Yemen Amed Ltd	Blok 82/*Block 82*	Yaman/*Yemen*	20 tahun/ *20 years*	80% atas laba (untuk produksi lebih dari 25.000 bopd)/ *80% of profit oil (for production over 25,000 bopd)*	20% atas laba (untuk produksi lebih dari 25.000 bopd)/ *20% of profit oil (for production over 25,000 bopd*)
Medco Yemen Malik Ltd	Blok 9/*Block 9*	Yaman/*Yemen*	25 tahun/ *25 years*	70% atas laba (untuk produksi lebih dari 25.000 bopd)/ *70% of profit oil (for production over 25,000 bopd)*	30% atas laba (untuk produksi lebih dari 25.000 bopd)/ *30% of profit oil (for production over 25,000 bopd)*
Medco Ventures International (Barbados) Limited	Blok Bir Ben Tartar/*Block Bir Ben Tartar*	Tunisia	30 tahun/ *30 years*	65% atas laba dari jumlah produksi/ *65% of profit from total production*	35% atas laba dari jumlah produksi/ *35% of profit from total production*
Medco Ventures International (Barbados) Limited	Blok Cosmos/*Block Cosmos*	Tunisia	50 tahun/ *50 years*	50% atas laba dari jumlah produksi/ *50% of profit from total production*	50% atas laba dari jumlah produksi/ *50% of profit from total production*
Medco Ventures International (Barbados) Limited	Blok Yasmin/*Block Yasmin*	Tunisia	50 tahun/ *50 years*	50% atas laba dari jumlah produksi/ *50% of profit from total production*	50% atas laba dari jumlah produksi/ *50% of profit from total production*

45. KESEPAKATAN BAGI HASIL MINYAK DAN GAS (lanjutan)

45. OIL AND GAS PRODUCTION SHARING ARRANGEMENTS (continued)

b. Kesepakatan Bagi Hasil - Internasional (lanjutan)

b. Production Sharing Arrangements - International (continued)

Entitas Anak/ ***Subsidiaries***	**Kepemilikan Blok/** ***Block Ownership***	**Negara Operasi/** ***Country of Operations***	**Jangka Waktu Kontrak/** ***Contract Term***	**Perjanjian Bagi Hasil Konsesi/** ***Concession Production Sharing Agreement***	
				Pemerintah Setempat/ ***Local Government***	**Entitas Anak/** ***Subsidiaries***
Medco Ventures International (Barbados) Limited	Blok Sud Remada/*Block Sud Remada*	Tunisia	11 tahun/ *11 years*	65% atas laba dari jumlah produksi/ *65% of profit from total production*	35% atas laba dari jumlah produksi/ *35% of profit from total production*
Medco Ventures International (Barbados) Limited	Blok Jenein/*Block Jenein*	Tunisia	4 tahun/ *4 years*	70% atas laba dari jumlah produksi/ *70% of profit from total production*	30% atas laba dari jumlah produksi/ *30% of profit from total production*
Medco Ventures International (Barbados) Limited	Blok Hammamet/*Block Hammamet*	Tunisia	10 tahun/ *10 years*	60% atas laba dari jumlah produksi/ *60% of profit from total production*	40% atas laba dari jumlah produksi/ *40% of profit from total production*
Medco Sahara Limited	Blok Adam/*Block Adam*	Tunisia	30 tahun/ *30 years*	50% atas laba dari jumlah produksi/ *50% of profit from total production*	50% atas laba dari jumlah produksi/ *50% of profit from total production*
Medco Sahara Limited	Blok Borj El Khadra/*Block Borj El Khadra*	Tunisia	25 tahun/ *25 years*	50% atas laba dari jumlah produksi/ *50% of profit from total production*	50% atas laba dari jumlah produksi/ *50% of profit from total production*

Komitmen pengeluaran yang masih tersisa untuk kegiatan eksplorasi sehubungan dengan kontrak-kontrak tersebut di atas pada tanggal 30 September 2017 adalah sebesar AS$23,2 juta.

The total remaining commitment for exploration expenditures relating to the above contracts as of September 30, 2017 is US$23.2 million.

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN

Selama periode pelaporan, Grup melakukan beberapa akuisisi entitas anak dan ventura bersama.

Grup telah membuat analisa penilaian provisional atas nilai wajar sementara aset teridentifikasi yang diperoleh dan liabilitas yang diambil alih. Menggunakan sejumlah pertimbangan untuk akuisisinya, Grup telah mengestimasi alokasi atas aset dan liabilitas tersebut.

Nilai wajar yang disajikan adalah jumlah sementara mengingat kompleksitas dari akuisisi dan sifat ketidakpastian yang inheren dari sektor minyak dan gas, terutama dalam menentukan penilaian aset minyak dan gas bumi dan pertambangan. Revisi atas nilai wajar aset dan liabilitas yang diakuisisi akan diselesaikan paling lambat dalam 12 bulan sejak tanggal akuisisi.

Alokasi harga pembelian provisional digunakan pada laporan posisi keuangan dan laporan laba rugi dan penghasilan komprehensif lainnya. Alokasi harga pembelian final akan ditentukan pada saat Grup telah menyelesaikan penilaian yang rinci dan perhitungan lain yang dianggap perlu. Alokasi final mungkin berbeda secara material dari alokasi provisional. Alokasi final mungkin termasuk; (1) perubahan nilai wajar dari aset minyak dan gas bumi; (2) perubahan dalam alokasi aset takberwujud seperti teknologi dan hubungan pelanggan serta *goodwill*; dan (3) perubahan lain dari aset dan liabilitas. Berikut adalah akuisisi yang signifikan:

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS

During the reporting period, the Group made several acquisitions of subsidiaries and joint venture.

The Group has performed a provisional valuation analysis of the provisional fair value of identifiable assets and liabilities assumed. Using a number of judgment on the acquisition, the Group has estimated allocation of the assets and liabilities.

The fair values disclosed are provisional due to complexity of the acquisition and the inherent uncertain nature of the oil and gas sector, particularly in valuing oil and gas properties and mining properties. The revision of the fair values of the assets and liabilities acquired will be completed within 12 months from the acquisition.

This provisional purchase price allocation has been used in the statements of financial position and profit or loss and other comprehensive income. The final purchase price allocation will be determined when the Group has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the provisional allocation. The final allocation may include; (1) changes in fair values of oil and gas properties; (2) changes in allocations to intangible assets such as technology and customer relationships as well as goodwill; and (3) other changes to assets and liabilities. The following are significant acquisitions:

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

i. Pada tanggal 13 September 2017, Perusahaan menandatangani Akta Novasi Bersyarat dan Perubahan atas Perjanjian Jual Beli ("PJB") antara PT Saratoga Sentra Business ("SSB"), S Asia III Luxembourg S.A.R.L. ("SAL") dan PT Medco Daya Abadi Lestari ("MDAL") tertanggal 21 Juni 2017 ("Perjanjian Novasi"), di mana MDAL bermaksud mengakuisi 77,68% kepemilikan PT Saratoga Power ("SP") dari SSB dan SAL. Dengan Novasi ini, SSB, SAL dan MDAL telah menyetujui pemindahan hak dan kewajiban MDAL sebagai pembeli SP kepada Perusahaan. PT Saratoga Power memiliki kepemilikan sebesar 51% pada PT Medco Power Indonesia ("MPI"), di mana Perusahaan saat ini telah memiliki 49% kepemilikan pada MPI.

Berdasarkan perjanjian Perusahaan diharuskan untuk membayar uang muka sebesar yang telah dibayarkan pada tanggal 13 September 2017 sebesar AS$5 juta. Pada tanggal 30 September 2017 Grup mencatat transaksi ini sebagai uang muka pada akun "Aset lain-lain" (Catatan 20) dalam laporan posisi keuangan konsolidasian.

Transaksi ini telah berlaku efektif pada tanggal 3 Oktober 2017 dengan dipenuhinya seluruh persyaratan pendahuluan berdasarkan PJB dan Perjanjian Novasi.

Perusahaan telah membuat analisa penilaian awal atas nilai wajar sementara aset teridentifikasi yang diperoleh dan liabilitas yang diambil alih dari SP. Menggunakan sejumlah pertimbangan untuk akuisisinya, Perusahaan telah mengestimasi alokasi atas aset dan liabilitas tersebut.

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

i. On September 13, 2017, the Company signed Deed of Conditional Novation and Amendment to SPA Between PT Saratoga Sentra Business ("SSB"), S Asia III Luxembourg S.A.R.L ("SAL") and PT Medco Daya Abadi Lestari ("MDAL") dated June 21, 2017 ("Novation Deed"), whereby MDAL intend to acquire 77.68% ownership in PT Saratoga Power ("SP") from SSB and SAL. With this Novation, SSB, SAL and MDAL has agreed to novate the rights and obligation of MDAL as the purchaser of SP to the Company. PT Saratoga Power owns of 51% ownership in PT Medco Power Indonesia ("MPI"), where the Company currently owns 49% ownership in MPI.

Based on the agreement the Company is required to pay deposit amounting to US$5 million on September 13, 2017. As of September 30, 2017, the Group recorded the transactions as advance payment under "Other assets" (Note 20) in the consolidated statement of financial position.

This transaction is effective on October 3, 2017 with the satisfaction of all conditions precedent specified under the SPA and Novation Deed.

The Company has performed a preliminary valuation analysis of the provisional fair value of SP and subsidiaries' identifiable assets and liabilities assumed. Using a number of judgments on the acquisition, the Company has estimated allocation of the assets and liabilities

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

Tabel berikut adalah ikhtisar alokasi harga pembelian awal pada tanggal efektif (3 Oktober 2017):

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

The following table summarizes the allocation of the preliminary purchase price as of the effective date (October 3, 2017):

	Nilai Wajar Sementara (AS$)/ *Provisional Fair Value (US$)*	
Aset		***Assets***
Kas dan setara kas	55.189.506	*Cash and cash equivalents*
Piutang usaha	28.992.341	*Trade receivables*
Persediaan	2.847.752	*Inventory*
Rekening bank yang dibatasi penggunaannya	26.536.036	*Restricted cash in banks*
Konsesi aset keuangan	517.993.508	*Concession financial assets*
Beban dibayar di muka dan uang muka	9.642.165	*Prepaid expense and advances*
Piutang sewa pembiayaan	174.919.692	*Finance lease receivables*
Tagihan pajak penghasilan	24.978.856	*Claim for income tax refund*
Aset tetap	54.380.448	*Property. plant. equipment*
Aset lancar dan tidak lancar lainya	33.085.563	*Other current and non-current assets*
Sub-jumlah	928.565.867	*Sub-total*
Liabilitas		***Liabilities***
Pinjaman jangka pendek	22.000.000	*Short term loans*
Utang usaha	18.541.090	*Trade payable*
Utang pajak	3.768.027	*Taxes payable*
Utang lain-lain	2.449.321	*Other payable*
Biaya akrual	20.824.677	*Accrued expenses*
Liabilitas pajak tangguhan	23.130.794	*Deferred Tax Liabilities*
Pinjaman jangka panjang	497.992.010	*Long-term debt*
Instrumen keuangan derivatif	24.821.074	*Long-term debt*
Utang lain-lain	31.084.743	*Other payable*
Sub-jumlah	644.611.736	*Sub-total*
Aset Neto pada nilai wajar	**283.954.131**	***Net assets at fair value***
Bagian kepentingan nonpengendali atas aset teridentifikasi SP	(33.240.033)	*Non-controlling interest of identified asset SP*
Nilai wajar kepemilikan saham Perusahaan di MPI sebelum kombinasi bisnis	(147.368.816)	*Fair value of the Company's equity interest in MPI held before the business combination*
Nilai wajar aset neto teridentifikasi	**103.345.282**	***Total identifiable net assets at fair values***
Goodwill	25.869.664	*Goodwill*
Imbalan pembelian yang dialihkan	129.214.946	*Purchase consideration transferred*
Dikurangi kas yang diperoleh dari entitas anak yang diakuisisi	(55.189.506)	*Net cash of the acquired subsidiary*
Akuisisi entitas anak, setelah dikurangi kas yang diperoleh	**74.025.440**	***Acquisition of a subsidiary, net of cash acquired***

Grup masih menyelesaikan hasil penilaian terhadap aset teridentifikasi yang dimiliki oleh SP, jumlah yang dapat diidentifikasi atas aset tersebut dan menentukan adanya liabilitas kontinjensi. Penilaian tersebut belum dapat diselesaikan pada tanggal penyelesaian laporan keuangan konsolidasian.

The Group is still evaluating the fair valuation for identifiable assets owned by SP and the recoverable amounts of the identifiable assets and contingent liabilities. The assessment had not been completed at the completion date of the consolidated financial statements.

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

ii. Pada tanggal 21 Maret 2017, melalui Akta Notaris No. 10 oleh Notaris Siti Rumondang Bulan Lubis, S.H., M.Kn., Grup telah membeli 49% kepemilikan atas PT Medco Daya Sentosa ("MDS") yang dimiliki oleh PT Medco Daya Abadi Lestari ("MDAL"). Kepemilikan yang dibeli Grup sebanyak 269.500 lembar saham atau setara dengan kepemilikan 49%.

Selanjutnya, pada tanggal 23 Maret 2017, melalui Akta Notaris No. 11 oleh Notaris Siti Rumondang Bulan Lubis, S.H., M.Kn., Perusahaan membeli tambahan 49% kepemilikan atas MDS dari MDAL dan 1% kepemilikan atas MDS yang dimiliki oleh PT Medco Daya Energi Nusantara ("MDEN"), sehingga total kepemilikan yang dibeli Grup sebanyak 544.500 lembar saham atau setara dengan kepemilikan sebesar 99%.

Berdasarkan akta notaris, MDS didirikan oleh MDAL dan MDEN pada tanggal 30 September 2016 dengan modal saham ditempatkan dan disetor penuh sejumlah 550.000 lembar saham dengan nilai nominal seluruhnya sebesar Rp550.000.000.

Grup dan MDAL telah menyepakati harga beli atas saham MDS sejumlah Rp539 juta atau setara dengan AS$41 ribu dan Grup dengan MDEN telah menyepakati harga beli atas saham MDS sejumlah Rp5,5 juta atau setara dengan AS$418. Imbalan pembelian yang dialihkan atas akuisisi MDS sama dengan nilai wajar aset neto teridentifikasinya sehingga tidak terdapat keuntungan atau *goodwill* dari transaksi tersebut.

Pada tanggal 27 Maret 2017, PT Medco Daya Sentosa menandatangani *Share Sale and Purchase Agreement* ("SPA") dengan INPEX Corporation, untuk membeli 100% kepemilikan atas INPEX Natuna Ltd ("SPA Inpex Natuna"). Inpex Natuna memiliki 35% hak partisipasi di blok produksi PSC South Natuna Sea Block B. Terkait dengan penandatanganan SPA Inpex Natuna, Perusahaan memberikan *Corporate Guarantee* tertanggal 27 Maret 2017 kepada INPEX Corporation selaku penjual.

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

ii. On March 21, 2017, based on the Notarial Deed No. 10 issued by Siti Rumondang Bulan Lubis, S.H., M.Kn., the Group purchased 49% ownership of PT Medco Daya Sentosa ("MDS") owned by PT Medco Daya Abadi Lestari ("MDAL"). Ownership purchased by the Group consisted of 269,500 shares, equivalent to 49% ownership.

Moreover, on March 23, 2017, based on the Notarial Deed No. 11 issued by Siti Rumondang Bulan Lubis, S.H., M.Kn., the Group purchased additional 49% ownership of MDS from MDAL and 1% ownership of MDS from PT Medco Daya Energi Nusantara ("MDEN"), therefore total ownership purchased by the Group consisted of 544,500 shares, equivalent to 99% ownership.

Based on notarial deed, MDS was established by MDAL and MDEN on September 30, 2016 with issued and fully paid shares of 550,000 shares with total nominal value of Rp550,000,000.

The Group and MDAL have agreed to the shares purchase price of MDS totaling to Rp539 million or equivalent to US$41 thousand and the Group with MDEN has agreed to the shares purchase price of MDS amounting to Rp5.5 million or equivalent to US$418. Purchase consideration transferred from MDS acquisition is the same with the total identifiable net assets at fair value, therefore no gain or goodwill is recognized from such transactions.

On March 27, 2017, PT Medco Daya Sentosa signed a Share Sale and Purchase Agreement ("SPA") with INPEX Corporation, to acquire 100% shares of INPEX Natuna Ltd ("SPA Inpex Natuna"). Inpex Natuna owns 35% of working interest in a producing block, the PSC South Natuna Sea Block B. In relation to the execution of SPA Inpex Natuna, the Company provided a Corporate Guarantee date on March 27, 2017 to INPEX Corporation as the seller.

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

Pada tanggal 12 Mei 2017, Perusahaan menandatangani *Conditional Share Sale and Purchase Agreement* terkait pengalihan 98% saham dalam MDS kepada MDAL yang sebelumnya merupakan pemegang 1% saham MDS. Penjualan 48% saham dalam MDS efektif terjadi pada tanggal 12 Mei 2017 di mana keputusan pemegang saham terkait hal ini dituangkan dalam Akta Pernyataan Keputusan Sirkulasi Pemegang Saham No. 13 Tanggal 12 Mei 2017 dibuat di hadapan Notaris Siti Rumondang Bulan Lubis, S.H., M.Kn. dan penjualan 50% saham sisanya efektif terjadi pada tanggal 15 Mei 2017 di mana keputusan pemegang saham terkait hal ini dituangkan dalam Akta Pernyataan Keputusan Sirkulasi Pemegang Saham No. 14 Tanggal 15 Mei 2017 dibuat dihadapan notaris yang sama. Dengan efektifnya *Conditional Share Sale and Purchase Agreement* ini, kepemilikan saham Perusahaan dalam MDS menjadi 1% dan sisanya dimiliki oleh MDAL.

Terkait pengalihan 98% saham milik Perusahaan kepada MDAL, untuk kepentingan Perusahaan, MDAL menandatangani Counter Guarantee and Indemnity tanggal 12 Mei 2017 sehubungan dengan Jaminan Perusahaan dalam Perjanjian Jual Beli Saham dengan Inpex Corporation ("SPA Inpex Natuna"). SPA Inpex Natuna telah efektif pada tanggal 31 Mei 2017.

iii. Pada tanggal 9 November 2016, PT Medco E & P Malaka ("MEPM") dan KrisEnergy (Block A Aceh) B.V. ("KrisEnergy") menandatangani *Farmout Agreement*, di mana KrisEnergy setuju menyerahkan 26,6666% (*"Farmout interest")* hak partisipasi miliknya di PSC Blok A Aceh kepada MEPM dengan nilai pembelian sebesar AS$14,4 juta. Sehubungan dengan transaksi ini, MEPM juga membayarkan dana *cash call* KrisEnergy untuk bulan Mei 2016 sampai April 2017 sejumlah AS$34.646.124.

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

The Company executed a Conditional Share Sale and Purchase Agreement dated May 12, 2017 with respect to the transfer of 98% shares owned by the Company in MDS to MDAL, as the previous holder of 1% share in MDS. The transfer of 48% shares in MDS was effective on May 12, 2017 as approved in the Statement of Circular Resolution of the Shareholders in Deed No. 13 dated May 12, 2017 made before Notary Siti Rumondang Bulan Lubis, S.H., M.Kn. and the transfer of the remaining 50% shares in MDS was effective on May 15, 2017, as approved in the Statement of Circular Resolution of the Shareholders in Deed No 14. dated May 15, 2017 made before the same notary. With the effectivity of this Conditional Share Sale and Purchase Agreement, the share ownership of the Company in MDS became 1% and MDAL owns the remaining portion of the shares.

In relation to the transfer of such 98% shares to MDAL, for the benefit of the Company, MDAL executed a Counter Guarantee and Indemnity dated May 12, 2017 in relation to the Company Guarantee under the Sale and Share Purchased Agreement (SPA) with Inpex Corporation ("SPA Inpex Natuna"). The SPA with Inpex Natuna was effective as of May 31, 2017.

iii. On November 9, 2016, PT Medco E & P Malaka ("MEPM") and KrisEnergy (Block A Aceh) B.V. ("KrisEnergy") signed a Farmout Agreement, whereby KrisEnergy agreed to assign 26.6666% its working interest in the Block A Aceh PSC to MEPM with purchase price amounting to US$14.4 million. MEPM also paid cash call of KrisEnergy for May 2016 until April 2017 amounting to US$34,646,124.

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

Pada tanggal 6 April 2017, Kementerian Energi dan Sumber Daya Mineral telah menyetujui transaksi ini. Pada tanggal 17 April 2017, Badan Pengelola Migas Aceh telah menyetujui transaksi ini.

Tabel berikut adalah ikhtisar alokasi harga pembelian awal pada tanggal efektif (28 April 2017):

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

On April 6, 2017, the Ministry of Energy and Mineral Resources has approved this transaction. On April 17, 2017, Badan Pengelola Migas Aceh has approved this transaction.

The following table summarizes the allocation of the preliminary purchase price as of the effective date (April 28, 2017):

	Nilai Wajar Sementara (AS$)/ *Provisional Fair Value (US$)*	
Aset		***Assets***
Kas dan setara kas	315.104	*Cash and cash equivalents*
Piutang lain-lain	6.486.736	*Other receivables*
Persediaan	6.791.971	*Inventory*
Beban dibayar di muka	17.588	*Prepaid expenses*
Aset minyak dan gas bumi (Catatan 17)	58.953.614	*Oil and gas properties (Note 17)*
Aset eksplorasi dan evaluasi (Catatan 16)	15.378.466	*Exploration and evaluation asset (Note 16)*
Aset lain-lain	20.000	*Other assets*
Aset pajak tangguhan	19.138.816	*Deferred tax*
Sub-jumlah	107.102.295	*Sub-total*
Liabilitas		***Liabilities***
Utang usaha	2.940.618	*Trade payable*
Utang pajak	116.700	*Taxes payable*
Utang lain-lain	1.005.800	*Other payable*
Biaya akrual	10.577.204	*Accrued expenses*
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	347.897	*Asset abandonment and site restoration obligations and other provisions*
Sub-jumlah	14.988.219	*Sub-total*
Nilai wajar aset neto teridentifikasi	**92.114.076**	***Total identifiable net assets at fair values***
Keuntungan pembelian diskon	(43.067.952)	*Bargain purchase*
Imbalan pembelian yang dialihkan	49.046.124	*Purchase consideration transferred*
Dikurangi kas yang diperoleh dari entitas anak yang diakuisisi	(315.104)	*Net cash of the acquired subsidiary*
Akuisisi entitas anak, setelah dikurangi kas yang diperoleh	**48.731.020**	***Acquisition of a subsidiary, net of cash acquired***

Perusahaan berkeyakinan telah dapat mengakusisi porsi *working interest* yang dimiliki KrisEnergy dibawah nilai wajar asetnya dikarenakan (i) posisi unik Perusahaan sebagai operator Blok A di Indonesia, yang memungkinkan penjual meminimalkan risiko yang harus ditanggung di masa mendatang, (ii) intensi penjual untuk keluar dari operasi di blok tersebut karena untuk program pengembangan blok tersebut masih membutuhkan dana yang cukup besar sementara penjual memiliki prioritas lain dalam alokasi dananya.

The Company believes that it was able to acquire KrisEnergy's share in Block A working interest for less than the fair value of its assets because of (i) the Company's unique position as the operator Block A in Indonesia, enabling the seller to minimize its future risks and warranties, (ii) the seller's intent to exit its operation in the block as significant sum of fund is needed for the development program whereas the seller has other priorities for its funds.

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

iv. Pada tanggal 18 September 2016, Medco Natuna menandatangani *Share Purchase and Sale Agreement* ("SPA") dengan ConocoPhillips Indonesia Holding Limited ("ConocoPhillips") dan ConocoPhillips Company untuk mengakusisi 100% saham anak perusahaannya, ConocoPhillips Indonesia Inc Limited ("CIIL") dan ConocoPhillips Singapore Operations Pte Limited ("CSOP") dengan nilai pembelian masing-masing sebesar AS$238.000.000 dan AS$1.000.000. Berdasarkan SPA, Medco Natuna juga diharuskan untuk membayar liabilitas imbalan kerja CIIL sebesar AS$38.449.384.

Nilai wajar sementara dari aset dan liabilitas teridentifikasi CIIL dan CSOP pada tanggal akuisisi (17 November 2016) adalah:

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

iv. On September 18, 2016, Medco Natuna signed a Share Purchase and Sale Agreement ("SPA") with ConocoPhillips Indonesia Holding Limited ("ConocoPhillips") and ConocoPhillips Company, to acquire 100% shares of their subsidiaries, ConocoPhillips Indonesia Inc Limited ("CIIL") and ConocoPhillips Singapore Operations Pte Limited ("CSOP") with acquisition price amounting to US$238,000,000 and US$1,000,000, respectively. Based on SPA, Medco Natuna is also required to pay employee benefit liabilities of CIIL amounting to US$38,449,384.

The provisional fair values of the identifiable assets and liabilities of CIIL and CSOP as at the date of acquisition (November 17, 2016) were:

	Nilai Wajar Sementara (AS$)/ *Provisional Fair Values (US$)*		
	CSOP	**CIIL**	
Kas dan setara kas	124.881	34.932.167	*Cash and cash equivalents*
Piutang usaha	-	122.405.488	*Account receivables*
Piutang lain-lain	329.157	13.371.557	*Other receivables*
Persediaan	-	29.800.286	*Inventory*
Beban dibayar di muka	-	3.291.977	*Prepaid expenses*
Aset pajak tangguhan	-	51.032.052	*Deferred tax assets*
Aset minyak dan gas bumi (Catatan 17)	-	177.773.168	*Oil and gas properties (Note 17)*
Utang usaha	(114.363)	(68.456.232)	*Trade payable*
Utang pajak	-	(18.806.381)	*Tax payable*
Utang lain-lain dan biaya akrual	(267.165)	(24.410.350)	*Other payable and accrued expenses*
Nilai wajar aset neto teridentifikasi	72.510	320.933.732	*Total identifiable net assets at fair values*
Goodwill (keuntungan pembelian dengan diskon)	1.017.204	(25.600.021)	*Goodwill (bargain purchase)*
Imbalan pembelian yang dialihkan	1.089.714	295.333.711	*Purchase consideration transferred*
Dikurangi kas yang diperoleh dari entitas anak yang diakuisisi	**(124.881)**	**(34.932.167)**	***Net cash of the acquired subsidiary***
Akuisisi entitas anak setelah dikurangi kas yang diperoleh	**964.833**	**260.401.544**	***Acquisition of a subsidiary net of cash acquired***

Perusahaan berkeyakinan telah dapat mengakusisi CIIL dibawah nilai wajar asetnya dikarenakan (i) intensi penjual untuk keluar dari operasi di blok B yang disebabkan oleh akan berakhirnya kontrak PSC di 2028; dan (ii) peningkatan efisiensi yang dapat dicapai Perusahaan atas operasi aset.

The Company believes that it was able to acquire CIIL for less than the fair value of its assets because of (i) the seller's intention to exit Block B operations due to the PSC expiration in 2028; and (ii) increase in efficiency that the Company can achieve on the asset's operation.

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

v. Pada tanggal 23 Agustus 2016, Perusahaan menandatangani Perjanjian Jual Beli Bersyarat ("CSPA") terkait pembelian 50% saham dalam PT Amman Mineral Investama ("AMIV") dengan PT AP Investment sebagai penjual dengan nilai transaksi sebesar AS$404 juta.

Terkait transaksi ini dan pada tanggal yang sama, Perusahaan juga menandatangani *Key Terms Shareholders Agreement* dengan PT AP Investment dan *Shareholder Facility Agreement* sebesar AS$246 juta dengan AMIV selaku debitur dan Grup selaku kreditur. Sebagaimana implementasi *Key Terms Shareholders Agreement*, AMIV dan PT AP Investment menandatangani *Shareholders Agreement* tanggal 20 Oktober 2016.

Sehubungan dengan transaksi di atas, Perusahaan memberikan jaminan atas pinjaman yang diterima oleh PT Amman Mineral Internasional berdasarkan *Senior Facilities Agreement* dengan PT Bank Mandiri (Persero) Tbk, PT Bank Negara Indonesia (Persero) Tbk dan PT Bank Rakyat Indonesia (Persero) Tbk, sebesar AS$375 juta atau setara dengan 50% dari jumlah pinjaman yang diberikan. PT Amman Mineral Internasional merupakan entitas anak dari PT Amman Mineral Ventura, entitas anak dari PT Amman Mineral Investama.

Nilai wajar sementara dari aset dan liabilitas teridentifikasi AMIV pada tanggal akuisisi (2 November 2016) adalah:

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

v. On August 23, 2016, the Company executed a Conditional Sale and Purchase Agreement ("CSPA") in relation to the purchase of 50% of the shares in PT Amman Mineral Investama ("AMIV") with PT AP Investment as seller for the transaction value of US$404 million.

In relation to this transaction and on the same date, the Company also signed Key Terms Shareholders Agreement with PT AP Investment and Shareholder Facility Agreement of US$246 million with AMIV as debtor and the Group as creditor. As implementation of Key Terms Shareholders Agreement, AMIV and PT AP Investment executed Shareholders Agreement dated October 20, 2016.

In relation to the above transactions, the Company provides the guarantees on loans received by PT Amman Mineral Internasional based on Senior Facilities Agreement with PT Bank Mandiri (Persero) Tbk, PT Bank Negara Indonesia (Persero) Tbk and PT Bank Rakyat Indonesia (Persero) Tbk of US$375 million or equivalent with 50% of the total loans granted. PT Amman Mineral Internasional is a subsidiary of PT Amman Mineral Ventura, subsidiary of PT Amman Mineral Investama.

The provisional fair values of the identifiable assets and liabilities of AMIV as at the date of acquisition (November 2, 2016) were:

	Nilai Wajar Sementara (AS$)/ *Provisional Fair Value (US$)*	
Aset		***Assets***
Kas dan setara kas	377.060.758	*Cash and cash equivalents*
Rekening bank yang dibatasi penggunanya	54.611.000	*Restricted cash in bank*
Piutang usaha	221.885.000	*Trade receivables*
Piutang lain-lain	73.500.000	*Other receivables*
Pajak dibayar dimuka dan piutang pajak	7.869.000	*Prepaid tax and tax receivables*
Piutang pajak penghasilan	266.329.000	*Income tax receivable*
Piutang pajak lainnya	72.605.000	*Other tax receivables*
Piutang pihak berelasi	230.604.412	*Receivables from related parties*
Persediaan	170.797.000	*Inventories*
Stockpile	1.520.690.000	*Stockpile*
Biaya pengembangan lahan tangguhan	158.219.000	*Deferred mine development cost*
Biaya pelepasan tangguhan	83.809.000	*Deferred stripping cost*
Biaya penerbitan utang	55.600.000	*Debt issuance cost*
Aset tetap	1.302.474.260	*Property, plant and equipment*
Aset lain-lain	54.545.000	*Other assets*
Sub-jumlah	4.650.598.430	*Sub-total*

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

	Nilai Wajar Sementara (AS$)/ *Provisional Fair Value (US$)*	
Liabilitas		***Liabilities***
Utang usaha	(79.175.000)	*Trade payable*
Utang lain-lain pihak berelasi	(246.015.296)	*Other payable to related parties*
Biaya akrual	(20.486)	*Accrued expenses*
Utang pajak	(113.090.000)	*Taxes payable*
Utang pajak lain-lain	(16.457.712)	*Other taxes payable*
Pinjaman bank	(1.027.750.000)	*Bank loans*
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	(310.068.000)	*Asset abandonment and site restoration obligations and other provisions*
Liabilitas imbalan pasca-kerja	(34.822.000)	*Post-employment benefits obligations*
Liabilitas pajak tangguhan - neto	(477.109.191)	*Deferred tax liabilities - net*
Utang lain-lain	(1.706.900)	*Other payable*
Sub-jumlah	(2.306.214.585)	*Sub-total*
Bagian kepentingan nonpengendali atas aset teridentifikasi AMIV	(601.968.525)	*Other venturer identified asset AMIV*
Nilai wajar aset neto teridentifikasi	**1.742.415.320**	***Total identifiable net assets at fair values***
Bagian kepentingan ventura lain	(871.207.660)	*Other venturer portion*
Keuntungan pembelian diskon	(467.207.660)	*Bargain purchase*
Jumlah estimasi	**404.000.000**	***Total estimation***

Grup berkeyakinan telah mengakusisi AMIV dibawah nilai wajar asetnya dikarenakan (i) intensi penjual untuk keluar dari operasi dikarenakan adanya perubahan peraturan perundang-undangan yang mengatur bahwa setelah lima tahun berproduksi, badan usaha pemegang izin usaha pertambangan (IUP) dan izin usaha pertambangan khusus (IUPK) yang sahamnya dimiliki oleh asing wajib melakukan divestasi saham atau penjualan saham asing pada pemerintah, pemerintah daerah, Badan Usaha Milik Negara (BUMN), Badan Usaha Milik Daerah (BUMD), atau badan usaha swasta nasional dan (ii) intensi penjual untuk menjual kepemilikannya di perusahaan tersebut karena berpotensi akan membutuhkan dana yang cukup besar untuk program pengembangan sementara penjual memiliki prioritas lain dalam alokasi dananya.

The Group believes that it was able to acquire AMIV for less than the fair value of its assets due to (i) the seller's intention to exit the operation due to the change in government regulation which regulate that after five years of production, a company with mining permit (IUP) and special mining permit (IUPK) which shares are owned by foreign company should divest or sell their shares to government, regional government, Indonesian State Owned Enterprises (BUMN), Indonesian Regionally-Owned Enterprises (BUMD), or private national enterprises and (ii) the seller's intention to sell their ownership in such company as significant sum of funds will be needed for the development program whereas the seller has other priorities for their funds.

Bagian kepentingan non-pengendali dan ventura lain diukur pada proporsi kepemilikan kepentingan nonpengendali atas aset neto teridentifikasi dari pihak diakuisisi.

The non-controlling and other venturer interest is measured at the proportionate share in the recognised amounts of the acquiree's identifiable net assets.

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

Entitas anak tidak langsung AMIV, PT Amman Mineral Internasional, memiliki imbalan kontinjensi yang timbul dari *Share Sale and Purchase Agreement* ("SPA") dengan Nusa Tenggara Partnership BV ("NTPBV") yaitu:

a. AS$225.000.000, dari produksi tahap 7, 50% dari jumlah tersebut terutang pada setiap akhir tahun apabila harga tembaga rata-rata per pon berdasarkan London Merchantile Exchange (LME) pada tahun bersangkutan adalah AS$2,75 atau lebih (dimulai di 2023).
b. AS$229.717.000, porsi terutang apabila pada setiap kuartal dimulai di kuartal kedua setelah tanggal penyelesaian, harga tembaga rata-rata LME dari Batu Hijau melebihi AS$3,75 per pon.
c. AS$203.682.000 terutang dari tahun pertama pengiriman konsentrat pertama (atau setiap bentuk dari tembaga, emas atau perak yang dapat dijual) dari Elang.

Berdasarkan evaluasi yang dilakukan oleh manajemen AMIV, kondisi yang dapat mengakibatkan pembayaran imbalan kontinjensi tidak terpenuhi sehingga imbalan kontinjensi tidak diukur pada tanggal laporan keuangan.

vi. Pada tanggal 9 Agustus 2016, META mengeluarkan keputusan sirkuler para pemegang saham sebagai pengganti keputusan yang diambil pada Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) di mana para pemegang saham menyetujui sebagai berikut:

a. Perubahan modal dasar META dari Rp700 miliar terdiri dari 7.000 saham menjadi Rp50 miliar terbagi atas 1.750 saham.

b. Modal ditempatkan dan disetor penuh yang sebelumnya sebanyak 1.750 saham dengan nilai sebesar Rp175 miliar (MGI sebanyak 1.225 saham dengan nilai sebesar Rp122,5 miliar dan BCK sebanyak 525 saham dengan nilai sebesar Rp52,5 miliar) menjadi sebanyak 500 saham dengan nilai sebesar Rp50 miliar (MGI sebanyak 350 saham dengan nilai sebesar Rp35 miliar dan BCK sebanyak 150 saham dengan nilai sebesar Rp15 miliar).

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

AMIV's Indirect subsidary, PT Amman Mineral Internasional, had contingent consideration as part of the Share Sale and Purchase Agreement ("SPA") with Nusa Tenggara Partnership BV ("NTPBV") of:

a. US$225,000,000, from phase 7 production, 50% payable after any year end where the London Merchantile Exchange (LME) average copper price per pound for such year is US$2.75 or more (starting in 2023).

b. US$229,717,000, portion payable if during any quarter commencing in second full quarter after closing, LME average copper price from Batu Hijau exceeds US$3.75 per pound.
c. US$203,682,000, payable by first anniversary of first shipment of concentrate (or any other from of saleable copper, gold or silver) from Elang.

Based on evaluation performed by AMIV's management, condition resulting in payment of contingent consideration is not fulfilled therefore contingent consideration is not measured as of financial statements date.

vi. On August 9, 2016, META issued a circular decision of the shareholders in lieu of the decisions taken at the Extraordinary General Meeting Shareholders (EGMS) in which the shareholders approved the following:

a. Change in META's authorized capital from Rp700 billion consists of into 7,000 shares to become Rp50 billion consists of 1,750 shares.
b. Issued and fully paid shares from 1,750 shares with amount of Rp175 billion (MGI of 1,225 shares with amount of Rp122.5 billion and BCK of 525 shares with amount of Rp52.5 billion) become 500 shares with amount of Rp50 billion (MGI 350 shares with amount of Rp35 billion and BCK 150 shares with amount of Rp15 billion).

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

vii. Pada tanggal 28 April 2016, PT Medco E & P Malaka ("MEPM") dan Japex Block A Ltd ("Japex"), perusahaan minyak dan gas Jepang, menandatangani *Farmout Agremeent* dan *Deed of Assignment of Interests*, dimana Japex setuju menyerahkan 16,6667% hak partisipasi PSC Blok A Aceh kepada MEPM.

Pada tanggal 26 Oktober 2016, MEPM telah membayar sejumlah AS$4,5 juta sebagai pembayaran atas transaksi ini. MEPM masih harus membayar sisa harga pembelian yang belum dibayarkan sejumlah AS$5 juta paling lambat pada tanggal 31 Desember 2018. Sehubungan dengan transaksi ini, Perusahaan juga membayarkan dana *cash call* Japex untuk bulan Mei sampai Oktober 2016 sejumlah AS$6.577.540.

Pada tanggal 22 September 2016, Kementerian Energi dan Sumber Daya Mineral telah menyetujui transaksi ini. Pada tanggal 12 Oktober 2016, Badan Pengelola Migas Aceh (BPMA) telah menyetujui transaksi ini.

Tabel berikut ini adalah ikhtisar alokasi harga pembelian awal pada tanggal efektif (12 Oktober 2016):

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

vii. On April 28, 2016, PT Medco E & P Malaka ("MEPM") and Japex Block A Ltd ("Japex"), a Japan-based oil and gas company, signed a Farmout Agreement and Deed of Assignment of Interests, where by Japex agreed to assign 16.6667% working interest in the Block A Aceh PSC to MEPM.

On October 26, 2016, MEPM already paid amounting to US$4.5 million as payment for this transaction. MEPM shall paid remaining purchase price that has not been paid amounting to US$5 million no longer than December 31, 2018. The Company also paid cash call of Japex for May until October 2016 amounting to US$6,577,540.

On September 22, 2016, the Ministry of Energy and Mineral Resources has approved this transaction. On October 12, 2016, Badan Pengelola Migas Aceh (BPMA) has approved this transaction.

The following table summarizes the allocation of the preliminary purchase price as of the effective date (October 12, 2016):

	Nilai Wajar Sementara (AS$)/ *Provisional Fair Value (US$)*	
Aset		***Assets***
Kas dan setara kas	20.132	*Cash and cash equivalents*
Piutang lain-lain	2.672.188	*Other receivables*
Persediaan	4.043.541	*Inventory*
Beban dibayar di muka	11.029	*Prepaid expenses*
Aset minyak dan gas bumi (Catatan 17)	49.885.643	*Oil and gas properties (Note 17)*
Aset lain-lain	12.502	*Other assets*
Aset pajak tangguhan	2.591.402	*Deferred tax assets*
Sub-jumlah	59.236.437	*Sub-total*
Liabilitas		***Liabilities***
Utang usaha	1.499.932	*Trade payable*
Utang pajak	64.551	*Taxes payable*
Utang lain-lain	408.908	*Other payable*
Biaya akrual	273.569	*Accrued expenses*
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	216.518	*Asset abandonment and site restoration obligations and other provisions*
Sub-jumlah	2.463.478	*Sub-total*
Nilai wajar aset neto teridentifikasi	**56.772.959**	***Total identifiable net assets at fair values***
Keuntungan pembelian diskon	(39.995.418)	*Bargain purchase*
Imbalan pembelian yang dialihkan	16.777.541	*Purchase consideration transferred*
Dikurangi kas yang diperoleh dari entitas anak yang diakuisisi	(20.132)	*Net cash of the acquired subsidiary*

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

	Nilai Wajar Sementara (AS$)/ *Provisional Fair Value (US$)*	
Akuisisi entitas anak, setelah dikurangi kas yang diperoleh	**16.757.409**	***Acquisition of a subsidiary, net of cash acquired***

Grup berkeyakinan telah dapat mengakusisi porsi *working interest* yang dimiliki Japex dibawah nilai wajar asetnya dikarenakan (i) posisi unik Grup sebagai operator Blok A di Indonesia, yang memungkinkan pembeli meminimalkan resiko yang harus ditanggung di masa mendatang, (ii) intensi penjual untuk keluar dari operasi di blok tersebut karena untuk program pengembangan blok tersebut masih membutuhkan dana yang cukup besar sementara penjual memiliki prioritas lain dalam alokasi dananya.

The Group believes that it was able to acquire Japex's share in Block A working interest for less than the fair value of its assets because of (i) the Group's unique position as the operator Block A in Indonesia, enabling the buyer to minimize its future risks and warranties, (ii) the seller's intent to exit its operation in the block as significant sum of fund are needed for the development program whereas the seller have other priorities for their funds.

viii. Pada tanggal 27 April 2016, PT Medco Gas Indonesia (MGI) dan PT Bangun Cipta Kontraktor (BCK) mendirikan konsorsium, PT Meta Adhya Tirta Umbulan ("META"), dengan masing-masing kepemilikan saham sebesar 70% dan 30%.

Modal dasar META berjumlah Rp700 miliar terdiri dari 7.000 saham dimana masing-masing saham bernilai nominal Rp100 juta. Modal dasar tersebut telah diterbitkan dan disetor penuh sebanyak 1.750 saham dengan nilai sebesar Rp175 miliar (MGI sebanyak 1.225 saham dengan nilai sebesar Rp122,5 miliar dan BCK sebanyak 525 saham dengan nilai sebesar Rp52,5 miliar).

viii. On April 27, 2016, PT Medco Gas Indonesia (MGI) and PT Bangun Cipta Kontraktor (BCK) established a consorsium company, PT Meta Adhya Tirta Umbulan ("META"), with shares owns by 70% and 30%, respectively.

META's authorized capital amounted to Rp700 billion consists of 7,000 shares with each share having a par value of Rp100 million. The authorized capital has been issued and fully paid as much as 1,750 shares with amount of Rp175 billion (MGI of 1,225 shares with amount of Rp122.5 billion and BCK of 525 shares with amount of Rp52.5 billion).

ix. Pada 8 Oktober 2015, Perusahaan menandatangani *Share Sale and Purchase Agreement* (SPA) dengan Lundin Petroleum AB, untuk mengakuisisi 100% saham salah satu anak perusahaannya, Lundin Indonesia Holding B.V. ("Lundin"). Lundin melalui anak perusahaannya, Lundin Lematang B.V., mempunyai 25,8824% *non-operating interest* di aset produksi Lematang PSC. Selain itu, entitas anak Lundin, Lundin South Sokang B.V. dan Lundin Cendrawasih VII B.V., juga memiliki 60% dan 100% hak blok eksplorasi.

Pada tanggal 5 April 2016, Kementerian Energi dan Sumber Daya Mineral (ESDM), memberikan persetujuan atas transaksi ini.

ix. On October 8, 2015, the Company signed a Share Sale and Purchase Agreement (SPA) with Lundin Petroleum AB, to acquire 100% shares in one of its subsidiaries, Lundin Indonesia Holding B.V. ("Lundin"). Lundin through its subsidiary, Lunding Lematang B.V., owns 25.8824% of non-operating interest in a producing block, Lematang PSC. Moreover, its subsidiaries, Lundin South Sokang B.V. and Lundin Cendrawasih VII B.V., also owns 60% and 100% interest in exploration blocks.

On April 5, 2016, the Ministry of Energy and Mineral Resources, has approved this transaction.

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

Efektif pada tanggal 26 Mei 2016, dilakukan perubahan nama-nama sebagai berikut:

1) Lundin Indonesia Holding B.V. telah berubah nama menjadi Medco Indonesia Holding B.V.;
2) Lundin Lematang B.V. telah berubah nama menjadi Medco Lematang B.V.;
3) Lundin South Sokang B.V. telah berubah nama menjadi Medco South Sokang B.V.;
4) Lundin Cendrawasih VII B.V. telah berubah nama menjadi Medco Cendrawasih VII B.V.; dan
5) Lundin Oil and Gas B.V. telah berubah nama menjadi Oil and Gas B.V..

Tabel berikut ini adalah ikhtisar alokasi harga pembelian awal pada tanggal efektif (5 April 2016):

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

Effective on May 26, 2016, the following changes to the names were made:

1) Lundin Indonesia Holding B.V. has changed its registered company name to Medco Indonesia Holding B.V.;
2) Lundin Lematang B.V. has changed its registered company name to Medco Lematang B.V.;
3) Lundin South Sokang B.V. has changed its registered company name to Medco South Sokang B.V.;
4) Lundin Cendrawasih VII B.V. has changed its registered company name to Medco Cendrawasih VII B.V.; and
5) Lundin Oil and Gas B.V. has changed its registered company name to Oil and Gas B.V..

The following table summarizes the allocation of the preliminary purchase price as of the effective date (April 5, 2016):

	Nilai Wajar (AS$)/ *Fair Value (US$)*	
Aset		***Assets***
Kas dan setara kas	1.702.779	*Cash and cash equivalents*
Piutang usaha	19.248.087	*Account receivables*
Putang lain-lain	992.641	*Other receivables*
Beban dibayar di muka	149.019	*Prepaid expenses*
Aset minyak dan gas bumi (Catatan 17)	18.632.928	*Oil and gas properties (Note 17)*
Aset pajak tangguhan	19.913.081	*Deferred tax assets*
Aset lain-lain	260.174	*Other assets*
Sub-jumlah	60.898.709	*Sub-total*
Liabilitas		***Liabilities***
Biaya akrual	354.195	*Accrued expenses*
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	482.788	*Asset abandonment and site restoration obligations and other provisions*
Utang lain-lain	11.733.036	*Other payable*
Sub-jumlah	12.570.019	*Sub-total*
Nilai wajar aset neto teridentifikasi	**48.328.690**	***Total identifiable net assets at fair values***
Keuntungan pembelian diskon	(18.852.318)	*Bargain purchase*
Imbalan pembelian yang dialihkan	29.476.372	*Purchase consideration transferred*
Dikurangi kas yang diperoleh dari entitas anak yang diakuisisi	(1.702.779)	*Net cash of the acquired subsidiary*
Akuisisi entitas anak, setelah dikurangi kas yang diperoleh	**27.773.593**	***Acquisition of a subsidiary, net of cash acquired***

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

Grup berkeyakinan telah dapat mengakusisi Lundin dibawah nilai wajar asetnya dikarenakan (i) posisi unik Grup sebagai operator aset utama di Indonesia dari salah satu entitas anak Lundin; (ii) intensi penjual untuk keluar dari operasi di negara tersebut yang disebabkan oleh penurunan kondisi ekonomi dan (iii) usaha Grup yang berhasil memperpanjang salah satu kontrak PSC penjual yang berproduksi. Entitas anak Lundin lainnya tidak memberikan keuntungan, dan penjual melakukan pendekatan dengan Grup dalam usahanya untuk menjual dan keluar dari operasi di Indonesia yang tidak lagi sesuai dengan strategi bisnisnya. Keuntungan bersih mencerminkan kelebihan dari estimasi nilai dari aset yang diakuisisi atas estimasi nilai wajar dari estimasi utang.

Sebagai bagian dari perjanjian pembelian dengan Lundin, imbalan kontijensi telah disetujui dalam bentuk pembayaran tunai tambahan terutang ke Lundin SEA Holding B.V. sebesar AS$2.166.242 yang dicatat sebagai utang lain-lain (Catatan 22b) mencerminkan jumlah yang harus dibayarkan pada saat pendapatan dari Blok Lematang setelah periode perpanjangan telah mencapai kondisi yang disebutkan pada perjanjian.

Pada bulan April 2017, Grup telah menyelesaikan alokasi harga beli selama periode pengukuran dan menyelesaikan penilaian terhadap aset minyak dan gas bumi yang nilai wajarnya telah diakui pada laporan keuangan konsolidasian tanggal 31 Desember 2016. Berdasarkan evaluasi akhir manajemen, tidak adanya perubahan diperlukan.

x. Pada tanggal 28 April 2015, Grup melalui konsorsium, Medco LLC menandatangani Amandemen dan Pernyataan Baru atas Kontrak Jasa di Oman Karim Small Fields (Oman KSF). Dengan ini, Medco LLC mendapatkan perpanjangan kontrak kerja di Oman KSF selama 25 tahun sejak berakhirnya kontrak lama di Agustus 2016 dengan beberapa ketentuan komersial yang baru.

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

The Group believes that it was able to acquire Lundin for less than the fair value of its assets because of (i) the Group's unique position as the operator of one of Lundin subsidiaries' only producing asset in Indonesia; (ii) the seller's intent to exit its country's operations due to the then prevailing economic environment and (iii) the Group's successful effort in extending one of the seller's producing PSC contract. Other Lundin subsidiaries were an unprofitable venture, and the seller approached the Group in an effort to sell and exit its operation in Indonesia that no longer fit its strategy. The net gain represents the excess of the estimated fair value of the assets acquired over the estimated fair value of the liabilities assumed.

As part of the purchase agreement with Lundin, a contingent consideration has been agreed in the form of additional cash payments payable to Lundin SEA Holding B.V. of US$2,166,242 which recorded as other payables (Note 22b) represents the amount to be paid once the proceeds from the Lematang Block after extension period has reached certain condition as stipulated in the agreement.

In April 2017, the Group was able to finalize the purchase price allocation during the measurement period and completed the valuation of the oil and gas properties, which fair value were recognized in the December 31, 2016 consolidated financial statements. Based on final evaluation by the management, no change was necessary.

x. On April 28, 2015, the Group through its consortium, Medco LLC has signed a new Amendment and Restated Service Contract for the Oman Karim Small Fields (Oman KSF). With the new contract, Medco LLC has entered the service contract in Oman KSF for 25 years since the termination of the previous contract in August 2016 with some new commercial term.

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

xi. Pada tanggal 16 Januari 2014, Grup melalui entitas anak yang dimiliki sepenuhnya, Medco Asia Pacific Ltd mengakuisisi 90% kepemilikan saham pada Moonbi Energy Ltd, anak perusahaan dari Moonbi Enterprises Ltd sebesar AS$3,565 juta. Selain itu, pada tanggal 5 Februari 2014, Medco Asia Pacific Ltd melakukan perjanjian *Joint Operating Agreement* (JOA) dengan Moonbi Enterprise Ltd dan Moonbi Energy Ltd yang dinyatakan dalam *Petroleum Prospecting License No. 470* (PPL 470) untuk melakukan eksplorasi minyak dan gas bumi selama enam tahun di wilayah Juha Extension, yang terletak di Provinsi Barat, Papua Nugini.

Pada tanggal 9 Februari 2016, Grup melalui entitas anak yang dimiliki sepenuhnya, Medco Asia Pacific Limited, menandatangani *Shares Sales and Purchase Agreement (SPA)* untuk menjual seluruh kepemilikan sahamnya atas Moonbi Energy Limited kepada Moonbi Enterprises Limited dengan harga AS$100.

xii. Pada tanggal 20 Desember 2012, Perusahaan telah menandatangani *Shares Sales and Purchase Agreement* (SPA) untuk pembelian 49% saham PT Api Metra Graha (AMG) yang dimiliki oleh Jaden Holdings Ltd (Jaden).

Pada tanggal 12 Februari 2013, melalui Akta Notaris No. 4 oleh Notaris Karlita Rubianti S.H., Jaden Holdings Ltd menjual 111.720 lembar saham AMG kepada Perusahaan dengan harga yang disetujui sebesar AS$101.610.000.

Pada tanggal 6 Oktober 2015, Perusahaan telah menandatangani *Shares Sales and Purchase Agreement* untuk pembelian 51% saham PT Api Metra Graha (AMG) yang dimiliki oleh Jaden Holdings Ltd dan Jaden Investment Inc dengan nilai transaksi AS$166.842.105. Pada tanggal 17 Desember 2015, Perusahaan telah menyelesaikan pembayaran atas nilai transaksi sebesar AS$158,5 juta setelah dipotong pajak, dimana pembayaran pajak sebesar Rp116.655.999.998 (setara dengan AS$8.342.105) telah dibayarkan Perusahaan pada tanggal 29 Desember 2015.

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

xi. On January 16, 2014, the Group through its wholly-owned subsidiary, Medco Asia Pacific Ltd, signed a Shares Sale and Purchase Agreement to acquire 90% ownership in Moonbi Energy Ltd, a subsidiary of Moonbi Enterprises Ltd, for a total consideration of US$3.565 million. Also, on February 5, 2014, Medco Asia Pacific Ltd entered into a Joint Operating Agreement (JOA) with Moonbi Enterprises Ltd and Moonbi Energy Ltd for the exploration of oil and gas for six years in Juha Extension area designated as Petroleum Prospecting License No. 470 (PPL 470), located in West Province, Papua New Guinea.

On February 9, 2016, the Group through Medco Asia Pacific Limited, a wholly-owned subsidiary, signed the Shares Sale and Purchase Agreement (SPA) for the sale of all of its share ownership of Moonbi Energy Limited to Moonbi Enterprises Limited with total consideration of US$100.

xii. On December 20, 2012, the Company signed a Shares Sales and Purchase Agreement (SPA) for the purchase of 49% stake in PT Api Metra Graha (AMG) held by Jaden Holdings Limited (Jaden).

On February 12, 2013, based on the Notarial Deed No. 4 issued by Notary Karlita Rubianti S.H., Jaden Holdings Ltd sold 111,720 shares of AMG to the Company with agreed price of US$101,610,000.

On October 6, 2015, the Company has signed the Shares Sales and Purchase Agreement for the purchase of 51% shares of PT Api Metra Graha (AMG) owned by Jaden Holdings Ltd and Jaden Investment Inc for total amount of US$166,842,105. On December 17, 2015, the Company has completed the payment of US$158.5 million after withholding tax, whereby the witholding tax of Rp116,655,999,998 (equivalent to US$8,342,105) was paid by the Company on December 29, 2015.

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

Berdasarkan Akta Notaris Siti Rumondang Bulan Lubis, S.H., M.Kn No. 22 tanggal 17 Desember 2015, Perusahaan, Jaden Holdings Limited dan Jaden Investment Inc selaku pemegang saham AMG telah menyetujui perjanjian sebagai berikut:

- Menjual seluruh kepemilikan yang dimiliki oleh Jaden Holdings Limited sejumlah 114.730 lembar saham (50,32%) kepada Perusahaan;
- Menjual seluruh kepemilikan yang dimiliki oleh Jaden Investment Inc sejumlah 1.550 lembar saham (0,68%) kepada MEN; dan
- Mengubah status AMG dari Penanaman Modal Asing (PMA) ke Penanaman Modal Dalam Negeri (PMDN).

Akta notaris tersebut telah disetujui oleh Kementerian Hukum dan HAM dengan surat keputusannnya No. AHU-094821.AH.01.02 Tahun 2015 tanggal 22 Desember 2015.

Berdasarkan Akta Notaris Siti Rumondang Bulan Lubis, S.H., M.Kn No. 23 tanggal 17 Desember 2015, Jaden Holdings Limited telah menjual kepemilikannya terhadap AMG sejumlah 114.730 lembar saham (50,32%) kepada Perusahaan senilai AS$164.617.554

Berdasarkan akta notaris Siti Rumondang Bulan Lubis, S.H., M.Kn No. 24 tanggal 17 Desember 2015, Jaden Investment Inc. telah menjual kepemilikannya terhadap AMG sejumlah 1.550 lembar saham (0,68%) kepada MEN entitas anak yang dimiliki sepenuhnya, senilai AS$2.224.551.

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

Based on Notarial Deed No. 22 of Siti Rumondang Bulan Lubis, S.H., M.Kn No. 22 dated on December 17, 2015, the Company, Jaden Holdings Limited and Jaden Investment Inc as shareholders of AMG have agreed to the following provisions:

- *Sell all the shares owned by Jaden Holdings Limited of 114,730 shares (50.32%) to the Company;*
- *Sell all the shares owned by Jaden Investment Inc of 1,550 shares (0.68%) to MEN; and*
- *Change the type of AMG from Foreign Capital Investment (PMA) to Domestic Capital Investment (PMDN).*

This Notarial Deed has been approved by Minister of Law and Human Rights in its approval letter No. AHU-094821.AH.01.02 Year 2015 dated December 22, 2015.

Based on Notarial Deed No. 23 of Siti Rumondang Bulan Lubis, S.H., M.Kn dated December 17, 2015, Jaden Holdings Limited, has sold its ownership in AMG of 114,730 shares (50.32%) to the Company for US$164,617,554.

Based on Notarial Deed No. 24 of Siti Rumondang Bulan Lubis, S.H., M.Kn dated on December 17, 2015, Jaden Investment Inc. sold its ownership in AMG of 1,550 shares (0.68%) to MEN, a wholly-owned subsidiary, for US$2,224,551.

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

xiii. Pada awal tahun 2006, Grup menandatangani suatu perjanjian komersil (*economic agreement*) dengan Singapore Petroleum Company (SPC) dan Cue Energy Resources Limited (Cue) dimana SPC dan Cue mengalihkan 18,2% dan 6,8% hak ekonomis dari 40% dan 15% hak partisipasi mereka masing-masing di Lapangan Jeruk, sehingga Grup memperoleh hak ekonomis neto sebesar 25% dari Lapangan Jeruk dari Sampang PSC. SPC dan Cue adalah pemegang langsung hak partisipasi dari Sampang PSC, dimana pemegang hak partisipasi lainnya adalah Santos (Sampang) Pty Ltd yang merupakan operator dari PSC tersebut. Sesuai dengan *economic agreement* tersebut, Grup membayar secara proporsional biaya pengeboran sumur Jeruk.

Meskipun otoritas yang berwenang di Indonesia memberikan persetujuan atas perjanjian komersil tersebut, hak partisipasi langsung atas PSC Sampang (termasuk Lapangan Jeruk) tidak berubah.

Pada awal tahun 2008, Santos sebagai operator dari Lapangan Jeruk, menjelaskan bahwa pengeboran lebih lanjut atas Lapangan Jeruk telah ditunda, menunggu hasil penelaahan atas berbagai skenario pengembangan dan keputusan atas komersialisasi dan isu teknis yang dapat berpengaruh terhadap kelayakan dari pengembangan yang akan dilakukan.

Meskipun demikian, berdasarkan ketentuan yang ada di PSC, biaya proyek Jeruk merupakan bagian dari keseluruhan biaya PSC Sampang, sehingga biaya proyek Jeruk dapat dipulihkan dari produksi yang berasal dari lapangan lainnya yang ada di PSC Sampang. Grup juga memiliki hak untuk memperoleh pemulihan atas biaya proyek Jeruk sebagaimana disebut di atas melalui mekanisme yang diatur dalam "*economic agreement*".

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

xiii. In early 2006, the Group entered into a commercial agreement (economic agreement) with the Singapore Petroleum Company (SPC) and Cue Energy Resources Limited (Cue) involving the transfer of 18.2% and 6.8% interest out of their respective 40% and 15% interests in the Jeruk Field, which enabled the Group to gain an undivided 25% economic interest in the Jeruk Field of Sampang PSC. SPC and Cue are the direct holders of participating interest in Sampang PSC, in addition to Santos (Sampang) Pty Ltd which is the operator of the PSC. In accordance with the economic agreement, the Group agreed to assume proportionate share of Jeruk drilling wells costs.

Whilst the Indonesian Authorities have sanctioned the commercial agreement between the participants, Sampang PSC interests (including Jeruk Field interests) remain unchanged.

In early 2008, Santos, the operator of the Jeruk Field, disclosed that further drilling in the Jeruk Field had been put on hold, pending the review of development scenarios and the resolution of commercial and technical issues that may impact the viability of any development.

Nevertheless, under the PSC, Jeruk costs represent part of overall Sampang PSC cost pool, and therefore Jeruk costs can be recovered from the production proceeds of other fields within Sampang PSC. The Group is also entitled to such recovery of Jeruk project costs under and through the mechanism as set out in the "economic agreement".

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

xiv. Pada tanggal 25 November 2015, Grup, melalui PT Medco Sarana Balaraja (“MSB”), entitas anak yang dimiliki seluruhnya, menandatangani Perjanjian Jual Beli Saham (“PJB”) dengan PT Garda Utama Nasional (“GUN”) untuk penjualan 70% saham dalam PT Satria Raksa Buminusa dan PT Musi Raksa Buminusa yang dimiliki oleh MSB ke GUN dengan harga Rp9 miliar. Transaksi ini telah berlaku efektif pada tanggal 29 Desember 2015 dengan dipenuhinya seluruh persyaratan pendahuluan berdasarkan PJB.

Pada tanggal 29 Desember 2016, melalui Akta Notaris No. 10 oleh Notaris Siti Rumondang Bulan Lubis, S.H., M.Kn., Grup melalui PT Medco Sarana Balaraja ("MSB") dan PT Medco Energi Nusantara ("MEN"), telah membeli 70% kepemilikan atas PT Satria Raksa Buminusa ("SRB") yang dimiliki oleh PT Garda Utama Nasional (“GUN”). Kepemilikan yang dibeli Grup melalui MSB sebanyak 10.702.500 lembar saham atau setara dengan 69,95% dan melalui MEN sebanyak 7.500 lembar saham atau setara dengan 0,05%.

Pada tanggal 29 Desember 2016, melalui Akta Notaris No. 7 oleh Notaris Siti Rumondang Bulan Lubis, S.H.,M.Kn., Grup melalui MSB dan MEN, telah membeli 70% kepemilikan atas PT Musi Raksa Buminusa ("MRB") yang dimiliki oleh GUN. Kepemilikan yang dibeli Grup melalui MSB sebanyak 696.250 lembar saham atau setara dengan 69,63% dan melalui MEN sebanyak 3.750 lembar saham atau setara dengan 0,37%.

Grup dan GUN telah menyepakati harga beli atas saham MRB dan SRB sejumlah Rp16,7 miliar atau setara dengan AS$1.239.516.

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

xiv. On November 25, 2015, the Group, through PT Medco Sarana Balaraja (“MSB”), a wholly-owned subsidiary, signed the Shares Sales and Purchase Agreement (SPA) with PT Garda Utama Nasional (“GUN”) for the sale of 70% shares of PT Satria Raksa Buminusa and PT Musi Raksa Buminusa owned by MSB to GUN with total consideration of Rp9 billion. This transaction is effective as of December 29, 2015 with the satisfaction of all conditions precedent specified under the SPA.

On December 29, 2016, based on the Notarial Deed No. 10 issued by Siti Rumondang Bulan Lubis, S.H., M.Kn., the Group through PT Medco Sarana Balaraja ("MSB") and PT Medco Energi Nusantara ("MEN"), purchased 70% ownership of PT Satria Raksa Buminusa ("SRB") owned by PT Garda Utama Nasional (“GUN”). Ownership purchased by the Group through MSB amounting to 10,702,500 shares, equivalent to 69.95% and through MEN amounting to 7,500 shares, equivalent to 0.05%.

On December 29, 2016, based on the Notarial Deed No. 7 issued by Siti Rumondang Bulan Lubis, S.H., M.Kn., the Group through MSB and MEN, purchased 70% ownership of PT Musi Raksa Buminusa ("MRB") owned by GUN. Ownership purchased by the Group through MSB amounting to 696,250 shares, equivalent to 69.63% and through MEN amounting to 3,750 shares, equivalent to 0.37%.

The Group and GUN have agreed the shares purchased price of MRB and SRB totalling to Rp16.7 billion or equivalent to US$1,239,516.

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

xv. Pada tanggal 18 Desember 2014, Grup, melalui PT Medco CBM Lematang, entitas anak yang dimiliki seluruhnya, menandatangani *Asset Sale and Purchase Agreement* (ASPA) dengan PT Methanindo Energi Resources, untuk mengalihkan hak partisipasinya dalam Blok PSC CBM Lematang dari 55% menjadi 34% serta mengalihkan *operatorship* dalam blok tersebut kepada PT Methanindo Energi Resources. Sebagai kompensasi atas penjualan 21% hak partisipasinya tersebut, PT Methanindo Energi Resources setuju untuk memberikan *free carry* atas seluruh biaya terkait komitmen pasti (*firm commitment*), baik biaya belanja modal (*capex*) maupun biaya operasi (*opex*). Selain itu, PT Medco CBM Lematang akan menerima penggantian atas 21% biaya terdahulu sejak blok CBM Lematang didapatkan sampai 31 Juli 2014.

Pada tanggal 22 Februari 2016, Kementerian Energi dan Sumber Daya Mineral (ESDM), melalui Surat No. 2273/13/DJM.E/2016 telah menyetujui pengalihan hak partisipasi serta operatorship Blok PSC CBM Lematang sebesar 21% kepada PT Methanindo Energi Resources.

xvi. Pada tanggal 15 November 2016, Perusahaan, melalui PT Medco CBM Lematang, entitas anak yang dimiliki seluruhnya, menandatangani *Deed of Assignment* terkait pengalihan hak partisipasi 34% milik PT CBM Lematang dalam PSC Blok CBM Lematang kepada PT Methanindo Energi Resources dan menandatangani Amandemen Perjanjian Jual Beli Aset dengan PT Methanindo Energi Resources. Sebagai kompensasi atas penjualan 21% hak partisipasi dan pengalihan *operatorship* tersebut, MER setuju untuk membayar AS$555.666 dalam tiga tahap:

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

xv. On December 18, 2014, the Group, through PT Medco CBM Lematang, a wholly-owned subsidiary, signed the Asset Sale and Purchase Agreement (ASPA) with PT Methanindo Energi Resources, to transfer PT Medco CBM Lematang's participating interest in CBM Lematang PSC from 55% to 34% as well as to transfer its operatorship in the block to PT Methanindo Energi Resources. In return for the sale of the 21% participating interest, PT Methanindo Energi Resources agrees to free carry the whole firm commitment work program costs, both capital expenditure (capex) and operating expenditure (opex). In addition, PT Medco CBM Lematang shall receive reimbursement for the 21% of total gross costs incurred in the past from the date the block was acquired until July 31, 2014.

On February 22, 2016, the Ministry of Energy and Mineral Resources, through its letter No. 2273/13/DJM.E/2016 has granted the transfer of 21% participating interest in CBM Lematang PSC Block to PT Methanindo Energi Resources.

xvi. On November 15, 2016, the Company, through PT Medco CBM Lematang, a wholly-owned subsidiary, signed Deed of Assignment related to transfer 34% of PT Medco CBM Lematang's participating interest in CBM Lematang PSC to PT Methanindo Energi Resources and signed Amendment to Asset Sale and Purchase Agreement with PT Methanindo Energi Resources. In compensation for the sale of the 21% participating interest and operatorship, MER agreed to pay US$555,666 consideration in three stages:

46. AKUISISI DAN PENGALIHAN YANG SIGNIFIKAN (lanjutan)

a. AS$120.000 pada saat tanggal penandatanganan;
b. AS$180.000 pada tanggal 31 Januari 2017;
c. AS$255.666 selambatnya 7 hari kerja setelah tanggal persetujuan Pemerintah atas pengalihan sisa hak partisipasi (34%) milik PT Medco CBM Lematang kepada MER.

Pada tanggal 28 Juli 2017, Kementerian Energi dan Sumber Daya Mineral telah menyetujui pengalihan hak partisipasi PT Medco CBM Lematang kepada MER. Pada tanggal 29 Agustus 2017, SKK Migas juga telah menyetujui pengalihan hak partisipasi ini.

Transaksi ini menghasilkan kerugian sebesar AS$73.923 yang diakui pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian untuk periode sembilan bulan yang berakhir pada tanggal 30 September 2017.

Nilai tercatat aset dan liabilitas dari pelepasan hak partisipasi adalah sebagai berikut:

46. SIGNIFICANT ACQUISITIONS AND DISPOSALS (continued)

a. US$120,000 on the signing date;

b. US$180,000 on January 31, 2017;

c. US$255,666 at the latest 7 business days after the approval date by the Government for the assignment of the remaining working interest (34%) owned by PT Medco CBM Lematang to MER.

On July 28, 2017, the Ministry of Energy & Mineral Resources has approved transfer of participating interest of PT Medco CBM Lematang to MER. On August 29, 2017, SKK Migas also approved the transfer of participating interest.

The transaction resulted in loss of US$73,923 recognized in consolidated statement of profit or loss and other comprehensive income for the ninth-month periods ended on September 30, 2017.

The carrying amount of assets and liabilities associated with the participating interest are as follows:

	Nilai tercatat (AS$)/ *Carrying Value (US$)*	
Piutang lain-lain	17.581	*Other receivables*
Aset eksplorasi dan evaluasi	576.125	*Exploration and evaluation assets*
Aset lancar lain-lain	41.250	*Other current assets*
Utang usaha	(152)	*Trade payables*
Utang lain-lain	(5.215)	*Other payables*

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN

a. Perjanjian Pasokan Gas

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS

a. Gas Supply Agreements

Perusahaan/*Entity*	Tanggal Perjanjian/ *Date of Agreement*	Komitmen/*Commitment*	Periode Kontrak/ *Contract Period*
PT Medco E & P Indonesia			
Perusahaan Daerah Pertambangan dan Energi (Jakabaring)	10 Agustus 2011, perubahan terakhir melalui Kesepakatan Bersama tanggal 4 Desember 2012/ *August 10, 2011, last amendment through on Joint Arrangement dated December 4, 2012.*	Komitmen untuk memasok dan menjual gas alam sejumlah 3 BBTUD/ *Commitment to supply and sell 3 BBTUD of gas.*	9 tahun atau sampai seluruh jumlah yang disepakati telah dipasok, yang mana terjadi lebih dahulu/ *9 years or until such quantity has been fully supplied, whichever occurs first.*

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

a. Perjanjian Pasokan Gas (lanjutan)

a. Gas Supply Agreements (continued)

Perusahaan/*Entity*	Tanggal Perjanjian/ *Date of Agreement*	Komitmen/*Commitment*	Periode Kontrak/ *Contract Period*
PT Medco E & P Indonesia (lanjutan/*continued*)			
PT Sarana Pembangunan Palembang Jaya (SP2J)	13 April 2010, diubah terakhir tanggal 25 November 2015/ *April 13, 2010, last amendment dated November 25, 2015*	Komitmen untuk memasok gas sebanyak 450,93 BBTU/ *Commitment to supply gas involving 450.93 BBTU.*	Perjanjian berakhir pada 31 Desember 2018 atau telah terpenuhinya jumlah kontrak, mana yang lebih dulu terjadi/ *Agreement ends at December 31, 2018 or until such quantity has been fully supplied, whichever occurs first.*
PT Perusahan Listrik Negara (PLN) (Persero)	1 April 2010, perubahan terakhir melalui Kesepakatan Bersama tanggal 26 Maret 2015/ *April 1, 2010, last amendment through Joint Arrangement dated March 26, 2015.*	Komitmen untuk memasok dan menjual gas sebanyak 10.134 BBTU/ *Commitment to supply and sell 10,134 BBTU of gas.*	31 Desember 2021 atau sampai terpenuhinya jumlah kontrak penyerahan gas, yang mana terjadi lebih dahulu/ *December 31, 2021 or until such quantity has been fully supplied, whichever occurs first..*
Perusahaan Daerah Pertambangan dan Energi	4 Agustus 2009, perubahan terakhir melalui Kesepakatan Bersama tanggal 12 April 2016/ *August 4, 2009, last amendment through on Joint Arrangement dated April 12, 2016.*	Komitmen untuk memasok gas 0,3 BBTUD. Per April 2013, pasokan gas baru dimulai karena persyaratan untuk memasok gas baru terpenuhi/ *Commitment to supply 0.3 BBTUD of gas. As of April 2013, the gas supply has just commenced due to the requirements to supply gas has just been fulfilled.*	30 November 2018 atau sampai terpenuhinya total jumlah kontrak/ *November 30, 2018 or until such quantity has been fully supplied.*
Perusahaan Daerah Mura Energi	4 Agustus 2009 diubah terakhir tanggal 1 September 2016/ *August 4, 2009 last amendment dated September 1, 2016.*	Komitmen untuk memasok gas 1,35 - 2,1 BBTUD dengan total jumlah kontrak 8.750 BBTU/ *Commitment to supply 1.35 - 2.1 BBTUD of gas with total contract 8,750 BBTU of gas.*	12 tahun 10 bulan (estimasi sampai dengan Januari 2028) sejak tanggal dimulai atau sampai terpenuhinya jumlah kontrak, yang mana tercapai lebih dahulu/ *12 years and 10 months (estimated until January 2028) from the start date or until total amount of the contract fully supplied, whichever occurs first.*

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

a. Perjanjian Pasokan Gas (lanjutan)

a. Gas Supply Agreements (continued)

Perusahaan/*Entity*	**Tanggal Perjanjian/ *Date of Agreement***	**Komitmen/*Commitment***	**Periode Kontrak/ *Contract Period***
PT Medco E & P Indonesia (lanjutan/*continued*)			
PT Perusahaan Gas Negara (Persero), Tbk	6 April 2011 diubah terakhir melalui Kesepakatan Bersama tanggal 20 Januari 2016/ *April 6, 2011 last amendment through on Joint Arrangement dated January 20, 2016*	Komitmen untuk memasok gas untuk memenuhi kebutuhan gas rumah tangga di Kota Tarakan sebesar 0,20 BBTUD/ *Commitment to supply gas to meet the needs of household in Tarakan of 0.20 BBTUD.*	5 tahun atau sampai dengan berakhirnya produksi gas bumi dari lapangan gas, mana yang lebih dulu terjadi/ *5 years or until the end of production of gas field, whichever occurs first.*
PT Pupuk Sriwidjaja (Persero)	7 Agustus 2007/ *August 7, 2007*	Komitmen untuk memasok gas rata-rata sebanyak 45 BBTUD/ *Commitment to supply 45 BBTUD of gas.*	11 tahun sampai 31 Desember 2018 atau sampai dengan terpenuhinya volume penyerahan gas/ *11 years up to December 31, 2018, or until total amount of the contract fully supplied.*
PD Petrogas Ogan Ilir	25 Mei 2016/ *May 25, 2016*	Komitmen untuk memasok gas sebanyak 1.820 BBTU/ *Commitment to supply gas involving 1,820 BBTU.*	31 Desember 2019 atau sampai terpenuhinya total jumlah kontrak terpenuhi, yang mana terjadi lebih dahulu dan dapat diperpanjang jika memenuhi persyaratan sesuai dengan perjanjian/ *December 31, 2019 or until the quantity of the contract has been fully supplied, whichever occurs first and could be extended in accordance with terms and conditions as stated in the agreement.*
PT Meta Epsi Pejebe Power Generation (MEPPO - GEN)	17 Oktober 2014 terakhir diubah pada tanggal 25 Mei 2016/ *October 17, 2014 last amanded with agreement dated May 25, 2016*	Komitmen untuk memasok gas sebanyak 10-16 BBTUD dengan jumlah kontrak 15.686 BBTU/ *Commitment to supply 10-16 BBTUD of gas with total gas contract quantity amounted to 15,686 BBTU.*	2 (dua) tahun sejak terpenuhinya jumlah pasokan awal (6.560 BBTU) atau seluruh total jumlah kontrak terpenuhi, yang mana terjadi lebih dahulu/ *2 (two) years since the initial supplies (6,560 BBTU) are met or total amount contract has been fully supplied, whichever occurs first.*
PT Mitra Energi Buana	24 Juli 2006 diubah terakhir tanggal 1 Desember 2012/ *July 24, 2006, last amendment dated December 1, 2012*	Komitmen untuk memasok dan menjual gas sebanyak 2,5 BBTUD sampai dengan November 2012 dan 3,7 BBTUD sampai dengan Desember 2017/ *Commitment to supply and sell gas in the quantity of 2.5 BBTUD until November 2012 and 3.7 BBTUD until December 2017.*	11 tahun atau sampai pada saat seluruh jumlah yang disepakati telah dipasok, yang mana terjadi lebih dahulu/ *11 years or until such quantity has been fully supplied, whichever occurs first.*

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

a. Perjanjian Pasokan Gas (lanjutan)

a. Gas Supply Agreements (continued)

Perusahaan/*Entity*	Tanggal Perjanjian/ *Date of Agreement*	Komitmen/*Commitment*	Periode Kontrak/ *Contract Period*
PT Medco E & P Lematang			
PT Perusahaan Listrik Negara (Persero)	21 Maret 2007, Diubah terakhir tanggal 19 September 2017/ *March 21, 2007, last amendment dated on September 19, 2017*	Komitmen untuk memasok dan menjual gas sebanyak 25 BBTUD sampai Desember 2017 dan 20 BBTUD sampai 31 Januari 2027 dengan jumlah total kontrak 70.260 BBTU/ *Commitment to supply and sell gas of 25 BBTUD until December 2017 and 20 BBTUD until January 31, 2027 with total contract quantity 70,260 BBTU.*	Sejak tanggal dimulai sampai dengan 31 Januari 2027 atau sampai terpenuhinya jumlah kontrak penyerahan gas/ *Since the start date until January 31, 2027 or until such quantity has been fully supplied.*
PT Medco E & P Malaka			
PT Pertamina (Persero)	27 Januari 2015/ *January 27, 2015*	Komitmen untuk memasok gas sebanyak 58 BBTUD dengan jumlah volume sebanyak 198 TBTU/ *Commitment to supply 58 BBTUD of gas with a total volume of 198 TBTU.*	Sampai dengan 13 tahun sejak tanggal penyerahan gas pertama, atau terpenuhinya total jumlah kontrak, atau gas tidak lagi mempunyai nilai ekonomis, atau berakhirnya PSC Blok A mana yang lebih dahulu terjadi/ *Up to 13 years from the date of first gas delivery, or when the total amount of the contract, or gas no longer has an economic value, or the expiration of Block A PSC whichever occurs first.*

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

a. Perjanjian Pasokan Gas (lanjutan)

a. Gas Supply Agreements (continued)

Perusahaan/*Entity*	Tanggal Perjanjian/ *Date of Agreement*	Komitmen/*Commitment*	Periode Kontrak/ *Contract Period*
PT Medco E & P Tomori Sulawesi			
PT Panca Amara Utama	13 Maret 2014/ *March 13, 2014*	Komitmen untuk memasok gas sebanyak 248.200 MMSCF dengan Jumlah Penyerahan Harian sebesar 55 MMSCFD/ *Commitment to supply 248,200 MMSCF of gas with Daily Contract Quantity of 55 MMSCFD.*	Pada saat total jumlah kontrak telah terpenuhi atau pada saat berakhirnya PSC Senoro-Toili (tanggal 3 Desember 2027) yang mana terjadi lebih dahulu/ *At the time when such quantity in the agreement has been fully supplied or until the termination of the Senoro-Toili PSC (December 3, 2027), whichever occurs first.*
PT Donggi Senoro LNG (melalui JOB Pertamina - Medco E & P Tomori Sulawesi)	22 Januari 2009 terakhir diubah pada tanggal 13 Desember 2010/ *January 22, 2009 last amendment on December 13, 2010*	Komitmen untuk memasok gas sebanyak 252 BBTUD/ *Commitment to supply 252 BBTUD of gas.*	Pada saat total jumlah kontrak terpenuhi atau pada saat berakhirnya PSC, yang mana terjadi lebih dahulu/ *At the time when such quantity in the agreement fully supplied or until the termination of PSC, whichever occurs first.*
PT Medco E & P Simenggaris			
PT Perusahaan Listrik Negara (Persero)	17 Oktober 2014/ *October 17, 2014*	Komitmen untuk memasok gas sebesar 0,5 MMSCF dengan total nilai kontrak 805 MMSCF/ *Commitment to supply gas at 0.5 MMSCF with total Contracts 805 MMSCF.*	5 tahun (sejak tanggal operasi dimulai) atau sampai dengan terpenuhinya jumlah kontrak, mana yang lebih dahulu terjadi/ *5 years (starting from the operation date) or until the fulfillment of the total amount of the contract, whichever occurs first.*
Medco E & P Natuna Ltd			
PT Pertamina (Persero)	15 Januari 1999/ *January 15, 1999*	Komitmen untuk memasok gas kepada PT Pertamina (Persero) untuk SembCorp Gas Pte Ltd dengan total kontrak sebanyak 2.625 TBTU/ *Commitment to supply gas with PT Pertamina (Persero) for SembCorp Gas Pte Ltd with the total contract quantities 2,625 TBTU.*	27 tahun sejak tanggal dimulai atau sampai terpenuhinya jumlah kontrak, mana yang lebih dahulu terjadi/ *27 years from the Start Date or until the fulfillment of the total amount of the contract, whichever occurs first.*
PT Pertamina (Persero)	28 Maret 2001 Terakhir diubah pada tanggal 8 Mei 2012/ *March 28, 2001 last amendment on May 8, 2012.*	Komitmen untuk memasok gas kepada PT Pertamina (Persero) untuk Petroliam Nasional Berhad (Petronas) dengan total kontrak sebanyak 1.648 TBTU/ *Commitment to supply gas with PT Pertamina (Persero) for Petroliam Nasional Berhad (Petronas) with the total contract quantities 1,648 TBTU.*	20 tahun atau yang mana yang terjadi lebih dahulu sesuai perjanjian/ *20 years or whichever occurs first as stated in the agreement.*

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain

i. Perjanjian *Commited Term Loan Facility*

Pada tanggal 24 Mei 2017, PT Api Metra Graha ("AMG"), entitas anak, menandatangani perjanjian *Commited Term Loan Facility* dengan PT Bank OCBC NISP Tbk ("OCBC") dengan limit fasilitas sebesar AS$150 juta. Jangka waktu fasilitas ini adalah 96 bulan dari tanggal penandatanganan perjanjian. Fasilitas ini dijaminkan dengan gedung The Energy dan Trada dan piutang usaha AMG.

Pada tanggal 6 Juni 2017, AMG telah melakukan penarikan fasilitas ini sebesar AS$65 juta.

Pada tanggal 9 Juni 2017, AMG telah menarik seluruh fasilitas ini sebesar AS$85 juta.

ii. Perjanjian Penyediaan Jasa Bisnis

Pada tanggal 15 Mei 2017, Perusahaan menandatangani *Business Service Agreement* dengan PT Medco Daya Abadi Lestari dan grup ("MDAL"). Perusahaan akan memberikan bantuan penyediaan jasa bisnis untuk MDAL, termasuk jasa akuntansi, jasa keuangan, jasa perbendaharaan, jasa perencanaan, bantuan hukum, dan aktivitas operasional lainnya yang terkait dengan bisnis entitas anak MDAL. Perjanjian ini memiliki biaya tetap per tahunnya dan berlaku untuk 5 tahun sampai 14 Mei 2022.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements

i. Commited Term Loan Facility Agreement

On May 24, 2017, PT Api Metra Graha ("AMG"), a subsidiary has signed Commited Term Loan Facility with PT Bank OCBC NISP Tbk ("OCBC") with facility limit amounting to US$150 million. This facility is due within 96 months after date of agreement. This facility is collaterized with The Energy and Trada building and AMG's receivable.

On June 6, 2017, AMG has made drawdown of this facility amounting to US$65 million.

On June 9, 2017, AMG has fully drawn this facility amounting to US$85 million.

ii. Business Service Agreement

On May 15, 2017, the Company entered into Business Service Agreement with PT Medco Daya Abadi Lestari and its group ("MDAL"). The Company will assist in providing business services for MDAL covering accounting, corporate finance, corporate treasury, corporate planning, legal, and other operational activities related to the business of MDAL's subsidiaries. This agreement has fixed fee annually and valid for 5 years until May 14, 2022.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

iii. Perjanjian Jasa Pekerjaan Pemindahan Tanah dan Pertambangan

Pada tanggal 4 Mei 2017, PT Amman Mineral Nusa Tenggara ("PTAMNT"), PT AP Investment ("PTAPI"), Amman Mineral Contractors (Singapore) Pte Ltd ("AMC"), PT Macmahon Indonesia ("Macmahon Indonesia"), dan Macmahon Holdings Limited ("Macmahon") menandatangani perjanjian dimana PTAMNT akan menunjuk Macmahon Indonesia untuk menyediakan jasa pekerjaan pemindahan tanah dan pertambangan di Batu Hijau (dan berpotensi, untuk menyediakan jasa serupa atau prospek lain yang mungkin akan dikembangkan oleh PTAMNT di area pertambangan yang sama dengan Batu Hijau) sesuai dengan persyaratan kontrak aliansi pertambangan. Berdasarkan perjanjian tersebut, Macmahon akan mengakuisisi beberapa peralatan pertambangan bergerak dari PTAMNT dan sebagai imbalan atas akuisisi tersebut, Macmahon akan menerbitkan sekitar 954.064.924 saham dengan harga penjualan sebesar AS$0,203 per saham. Saham tersebut akan diambil oleh AMC sehingga AMC akan memiliki 44,3% saham di Macmahon. AMC adalah perusahaan yang baru didirikan di Republik Singapura yang pada saat penyelesaian transaksi ini, PTAMNT memiliki saham mayoritas secara tidak langsung di AMC. Transaksi ini efektif pada tanggal 8 Agustus 2017.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

iii. Earthmoving and Mining Services

On May 4, 2017, PT Amman Mineral Nusa Tenggara ("PTAMNT"), PT AP Investment ("PTAPI"), Amman Mineral Contractors (Singapore) Pte Ltd ("AMC"), PT Macmahon Indonesia ("Macmahon Indonesia"), and Macmahon Holdings Limited ("Macmahon") entered into an agreement whereby PTAMNT will engage Macmahon Indonesia to provide earthmoving and mining services at Batu Hijau mine (and potentially, to provide similar services or other prospects which may be developed by PTAMNT in the same mining area as Batu Hijau mine) pursuant to the terms of the life of mine, alliance style mining contract. Based on the agreement, Macmahon will acquire certain mobile mining equipment from PTAMNT and as consideration for such acquisition, Macmahon will issue approximately 954,064,924 shares at a subscription price of US$0.203 per share. The shares will be subscribed by AMC resulting in AMC having a 44.3% shareholding in Macmahon. AMC is a newly incorporated company in the Republic of Singapore that, at completion date of this transaction, is majority owned indirectly by PT AMNT. This transaction became effective on August 8, 2017.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

iv. Perjanjian Pinjaman antara PT Meta Adhya Tirta Umbulan (META) dengan Indonesia Infrastructure Finance (IIF)

Pada tanggal 30 Desember 2016, META telah mendapatkan persetujuan dari IIF untuk menyediakan fasilitas pinjaman senilai Rp1,055 triliun untuk kebutuhan pembiayaan proyek sistem pengedalian air minum di Umbulan, yang selanjutnya akan dinamakan Fasilitas Tranche A, yaitu terdiri dari:

a. Fasilitas Seri A-1 yaitu sejumlah sampai dengan maksimum Rp767 miliar.
b. Fasilitas Seri A-2 yaitu sejumlah sampai dengan maksimum Rp173 miliar.
c. Fasilitas Seri A-3 yaitu sejumlah sampai dengan maksimum Rp70 miliar.
d. Fasilitas Seri A-4 yaitu sejumlah sampai dengan maksimum Rp45 miliar.

Pada tanggal 30 Juni 2017, Grup telah mendapatkan sebagian fasilitas seri A sebesar Rp40 miliar pada tanggal 21 Juni 2017.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

iv. Loan Agreement between PT Meta Adhya Tirta Umbulan (META) with Indonesia Infrastructure Finance (IIF)

On December 30, 2016, META has obtained approval from IIF to provide a loan facility amounting to Rp1.055 trillion for financing of water management project in Umbulan, hereinafter named as Tranche A Facility, which consists of:

a. Tranche A-1 Facility was up to a maximum amounting to Rp767 billion.
b. Tranche A-2 Facility was up to a maximum amounting to Rp173 billion.
c. Tranche A-3 Facility was up to a maximum amounting to Rp70 billion.
d. Tranche A-4 Facility was up to a maximum amounting to Rp45 billion.

As of June 30, 2017, Group received a part of Tranche A facility amounting to Rp40 billion on June 21, 2017.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

v. Perjanjian Jual Beli Batu Bara

Pada tanggal 29 September 2016, PT Duta Tambang Rekayasa ("DTR") dan Swiss Singapore Overseas Enterprises Pte Ltd ("SSOE") menandatangani Kontrak Pembelian Batu Bara Jangka Panjang dimana SSOE setuju untuk membeli 300.000 MT batu bara dari DTR selama enam bulan dengan harga batubara sebesar AS$61 per MT untuk tiga pengiriman pertama. Terkait dengan perjanjian tersebut, DTR memutuskan untuk melanjutkan kembali aktivitas pertambangan batu bara.

vi. Perjanjian Penyediaan Air Minum

a. Perjanjian Air Minum Curah Antara PT Meta Adhya Tirta Umbulan dengan Pemerintah Provinsi Jawa Timur

Pada tanggal 21 Juli 2016, PT Meta Adhya Tirta Umbulan ("META"), menandatangani Perjanjian Kerjasama ("Perjanjian Kerjasama") dengan Pemerintah Provinsi Jawa Timur ("Pemprov") terkait Proyek Kerjasama Pemerintah dan Badan Usaha untuk Proyek Kerjasama Pemerintah Swasta Sistem Penyediaan Air Minum Curah dari Mata Air Umbulan, Jawa Timur ("Proyek").

Persyaratan pendahuluan yang dipersyaratkan berdasarkan Perjanjian Kerjasama, antara lain: (i) META telah memperoleh surat pernyataan dari para kreditur Proyek bahwa perjanjian pembiayaan telah berlaku efektif dan persyaratan untuk pencairan awal dari *senior note* telah dipenuhi; (ii) Pemprov telah memperoleh hak yang diperlukan oleh penggunaan lahan Proyek; dan (iii) Pemprov dan META telah memperoleh persetujuan dan perizinan yang diperlukan terkait Proyek.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

v. Coal Sales and Purchase Agreement

On September 29, 2016, PT Duta Tambang Rekayasa ("DTR") and Swiss Singapore Overseas Enterprises Pte Ltd ("SSOE") signed a Long-term Coal Sales Purchase Contract where SSOE agreed to buy 300,000 MT coal from DTR for six months with coal price at US$61 per MT for the first three shipments. Related to the agreement, DTR decided to resume coal mining operations.

vi. Water Supply Agreement

a. Water Supply Bulk Agreement between PT Meta Adhya Tirta Umbulan with Government of East Java Province

On July 21, 2016, PT Meta Adhya Tirta Umbulan ("META"), entered into a Cooperation Agreement ("Cooperation Agreement") with the Government of East Java Province ("Pemprov") related to the Government and Private Cooperation Project for the Bulk Water Supply System, from Umbulan Springs, East Java ("Project").

The precedent conditions under the Cooperation Agreement are as follows: (i) META has obtained the statement letter from Project creditors that the financing agreement has been effective and requirements for the first drawdown of the senior notes have been fulfilled; (ii) Pemprov has the rights to use Project's land; and (iii) Pemprov and META have obtained approvals and licenses required by the Project.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

vi. Perjanjian Penyediaan Air Minum (lanjutan)

b. Perjanjian Air Minum Curah Antara PT Meta Adhya Tirta Umbulan dengan Perusahaan Daerah Air Bersih Provinsi Jawa Timur

Pada tanggal 21 Juli 2016, META menandatangani Perjanjian Penyediaan Air Minum Curah dari Sistem Penyediaan Air Umbulan dengan Perusahaan Daerah Air Bersih ("PDAB") Provinsi Jawa Timur, dimana PDAB telah mendapatkan pelimpahan kewenangan dari Gubernur Jawa Timur untuk menerima dan membayar tarif air minum curah yang disalurkan oleh META. Berdasarkan Perjanjian Kerjasama dengan Pemprov, Penyediaan Air Minum selanjutnya akan disalurkan kepada Perusahaan Daerah Air Minum ("PDAM").

Jangka waktu kontrak ini berlaku sejak tanggal 21 Juli 2016 dan berakhir 25 tahun setelah Tanggal Operasi Komersial.

vii. Perjanjian Penjaminan Penyediaan Air Minum

Pada tanggal 21 Juli 2016, META menandatangani Perjanjian Penjaminan dengan PT Penjaminan Infrastruktur Indonesia (Persero) ("PII"), dimana PII sebagai penjamin, berkewajiban untuk menjamin kewajiban-kewajiban finansial tertentu dari Pemprov dan PDAB kepada META berdasarkan Perjanjian Kerjasama, antara lain, menjamin atas kegagalan bayar PDAB kepada META atas tagihan yang telah jatuh tempo terkait pembayaran tarif air minum curah berdasarkan Perjanjian Penyediaan Air Minum Curah. Jumlah maksimum yang dijamin PII atas kegagalan bayar tersebut adalah sebesar Rp180 miliar.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

vi. Water Supply Agreement (continued)

b. Water Supply Bulk Agreement between PT Meta Adhya Tirta Umbulan with Regional Owned Enterprise of East Java Province

On July 21, 2016, META entered into a Bulk Water Supply System Agreement from the Umbulan Water System Supply with Drinking Water with Regional Owned Enterprise of East Java Province ("PDAB"), in which PDAB is authorized by the Governor of East Java Province to receive and make payment for bulk water tariff transported by META. Based on the Cooperation Agreement with Pemprov, the next Water Supply will be transported to Drinking Water Local Owned Enterprise ("PDAM").

The period of which the precedent condition are effective is from July 21, 2016 and will be terminated in 25 years after the Commercial Operation Date.

vii. Water Supply Underwriting Agreement

On July 21, 2016, META entered into an Underwriting Agreement with PT Penjaminan Infrastruktur Indonesia (Persero) ("PII"), whereby PII as the guarantor, has to guarantee the financial obligations from Pemprov and PDAB to META pursuant to the Cooperation Agreement, which guarantee PDAB default payment to META on any outstanding bulk water tariff due under the Bulk Water Supply Agreement. The maximum guarantee amount for such default payment is Rp180 billion.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

vii. Perjanjian Penjaminan Penyediaan Air Minum (lanjutan)

Berdasarkan persyaratan Perjanjian Penjaminan dengan PII, META diharuskan sebagai berikut:

a. META harus membayarkan imbal jasa dimuka kepada PII sebesar Rp15 miliar.
b. META harus menjaminkan imbal jasa penjaminan setiap enam bulan secara di muka sejumlah Rp1,05 miliar yang dibayarkan pertama kali pada tanggal efektif Perjanjian Penjaminan sampai dengan berakhirnya Perjanjian Penjaminan.

Jangka waktu kontrak ini berlaku sejak tanggal 21 Juli 2016 dan berakhir 25 tahun setelah Tanggal Operasi Komersial.

viii. Perjanjian Manajemen Investasi Portofolio

Perusahaan mengadakan perjanjian manajemen investasi portofolio dengan Bank of Singapore (bertindak sebagai "Manajer Investasi"), dimana Perusahaan menunjuk Manajer Investasi untuk menginvestasi dan mengelola portofolio Perusahaan. Berdasarkan perjanjian tersebut, portofolio investasi terdiri dari kas dan instrumen keuangan dalam bentuk saham yang diperdagangkan, surat-surat berharga, reksadana dan efek lainnya.

Berdasarkan perjanjian, Manajer Investasi harus melaporkan nilai aset neto dari portofolio investasi setiap bulan kepada Perusahaan. Manajer Investasi berhak atas imbalan manajemen dari Nilai Aset Neto portofolio investasi.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

vii. Water Supply Underwriting Agreement (continued)

Based on the requirements of Underwriting Agreement with PII, META is required to:

a. META must pay an upfront fee to the PII of Rp15 billion.

b. META must guarantee a recurring fee for every six months in advance of Rp1.05 billion which was first paid on the effective date of the Underwriting Agreement until the end of the Underwriting Agreement.

The period of this contract is effective from July 21, 2016 and will be terminated in 25 years after the Commercial Operation Date.

viii. Portfolio Investment Management Agreement

The Company entered into portfolio investment management agreements with Bank of Singapore (acting as "Fund Manager"), whereby the Company appointed these Fund Manager to invest and manage the Company's investment portfolio. Based on such agreements, the investment portfolio will consist of cash and financial instruments, in the form of traded shares of stocks, commercial papers, mutual fund units and other marketable securities.

Under the agreements, the Fund Manager are required to report the net asset value of the Company's respective investment portfolios every month under their management. The Fund Manager are entitled to management fee based on the Net Asset Value of the investment portfolio.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

viii. Perjanjian Manajemen Investasi Portofolio (lanjutan)

Jumlah aset neto dari dana Perusahaan yang dikelola oleh para Manajer Investasi tersebut pada tanggal 30 September 2017 dan 31 Desember 2016, 2015, dan 2014 masing-masing sebesar AS$22.527.915, AS$63.178.382, AS$222.635.502, dan AS$265.261.141. Investasi ini disajikan sebagai bagian dari "Investasi Jangka Pendek" dalam laporan posisi keuangan konsolidasian (Catatan 5).

ix. Perjanjian Jual Beli Kondensat Senoro

Pada tanggal 18 November 2015, Perusahaan melalui entitas anak yang dimiliki sepenuhnya, Petroleum Exploration & Production International Ltd (PEPIL), menandatangani Perjanjian Jual Beli Kondensat Senoro (PJB kondensat) dengan Petro Diamond Singapore Pte Ltd (PDS).

Jangka waktu penjualan kondensat ke PDS ini adalah 48 bulan atau 4 juta barel kondensat terjual, mana yang terjadi lebih dahulu, dengan harga berdasarkan ICP Senipah dikurangi dengan premi tertentu per barel sebagaimana ditentukan dalam perjanjian.

Pada tanggal 1 Juli 2016, Perusahaan melalui entitas anaknya, Far East Energy Trading Pte Ltd (FEET), menandatangani PJB kondesat dengan PDS dengan jangka waktu 48 bulan atau 4 juta barel kondesat terjual, mana yang terjadi lebih dahulu, dengan harga berdasarkan ICP Senipah dikurangi dengan premi tertentu per barel sebagaimana ditentukan dalam perjanjian.

Pada tanggal 1 Juli 2017, FEET dan PDS menyetujui amandemen PJB kondensat untuk memperpanjang masa perjanjian sampai dengan 3 Agustus 2018.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

viii. Portfolio Investment Management Agreement (continued)

The total net asset value of the Company's funds managed by the Fund Manager as of September 30, 2017 and December 31, 2016, 2015, and 2014 amounted to about US$22,527,915, US$63,178,382, US$222,635,502, and US$265,261,141, respectively. These investments are presented as part of "Short-term Investments" in the consolidated statements of financial position (Note 5).

ix. The Senoro Condensate Sales and Purchase Agreement

On November 18, 2015, the Company through its wholly-owned subsidiary, Petroleum Exploration & Production International Limited (PEPIL), signed The Senoro Condensate Sales and Purchase Agreement with Petro Diamond Singapore Pte Ltd (PDS).

The term for the sales of condensate to PDS is 48 months or 4 million barrels of condensate sold, whichever occurs earlier, at a price based on ICP Senipah minus a fixed premium per barrel as stated in the agreement.

On July 1, 2016, the Company through its wholly-owned subsidiary, Far East Energy Trading Pte Ltd (FEET), signed the Senoro Condensate Sales and Purchase Agreement with PDS with term of 48 months or 4 million barrels of condensate have been sold, whichever occurs earlier, at a price based on ICP Senipah minus a fixed premium as stated in the agreement.

On July 1, 2017, FEET and PDS agreed to amend Senoro Condensate Sales & Purchase Agreement to extend the period of the contract until August 3, 2018.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

x. Perjanjian Pengangkutan Gas Melalui Pipa

Pada tanggal 10 Desember 2014, PT Mitra Energi Gas Sumatera (MEGS) melakukan perjanjian tripartit dengan PT Perusahaan Listrik Negara (Persero) dan PT Medco E & P Lematang terkait pemanfaatan jalur transmisi pipa atas pengangkutan gas bumi dari Lapangan Singa di Blok Lematang ke Gunung Megang Station dengan jumlah gas yang diangkut sebesar 36.661 MMSCF untuk jasa transportasi gas sebesar AS$450/MMSCF hingga April 2017. Dalam perjanjian ini, MEGS sebagai pihak yang mengoperasikan pipa dan melakukan transportasi gas bumi.

Pada tanggal 19 September 2017, PT Mitra Energi Gas Sumatera ("MEGS"), entitas anak yang dimiliki seluruhnya, menandatangani Amandemen Perjanjian Pengangkutan Gas Bumi dari Lapangan Singa di Blok Lematang ke Gunung Megang Station dengan PT Medco E & P Lematang (MEPL) dan PLN.

Sesuai keputusan rapat dengan BPH Migas, penetapan tarif transportasi pipa untuk ruas Gunung Megang ke Singa Station adalah AS$0,20/MSCF dan berlaku sejak 1 Januari 2016 sampai dengan tanggal 31 Agustus 2020 atau pada saat telah terpenuhinya jumlah penyaluran gas bumi oleh MEPL.

xi. *Plan of Development* (POD) Bengara-I

Pada tanggal 22 Maret 2013, Kementerian ESDM melalui suratnya telah memberikan persetujuan POD pertama lapangan South Sebuku Wilayah Kerja Bengara-I. Apabila PT Medco E & P Bengara tidak melaksanakan kegiatan sesuai dengan rencana pengembangan lapangan dalam jangka waktu 5 (lima) tahun sejak persetujuan ini, maka PSC wajib mengembalikan wilayah kerja Bengara-I kepada pemerintah.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

x. Gas Transportation Agreement Through Pipes

On December 10, 2014, PT Mitra Energi Gas Sumatera (MEGS) entered into a tripartite agreement with PT Perusahaan Listrik Negara (Persero) and PT Medco E & P Lematang related to the usage of the transmission pipeline for the transportation of natural gas from Singa Field in Lematang Block to Megang Mountain Station with total gas of 36,661 MMSCF for a gas transportation service fee of US$450/MMSCF until April 2017. Under this agreement, MEGS is the operator of the pipeline for the transportation of natural gas.

On September 19, 2017, PT Mitra Energi Gas Sumatera ("MEGS"), a wholly-owned subsidiary, signed an Amendment Gas Transportation Agreement from Lapangan Singa in Blok Lematang to Gunung Megang Station with PT Medco E & P Lematang (MEPL) and PLN.

As decided on a meeting with BPH Migas, the agreed tariff for pipeline from Gunung Megang to Singa Station is US$0.20/MSCF and valid from January 1, 2016 to August 31, 2020 or when the distribution of natural gas is achieved by MEPL.

xi. Plan Of Development (POD) for Bengara-I

On March 22, 2013, the Ministry of Energy and Mineral Resources (ESDM) in its letter has given approval to the first POD in South Sebuku Field Bengara-I Work Area. If PT Medco E & P Bengara does not perform the activities as per Field Development Planning within 5 (five) years from this approval date, then the PSC for Bengara-I Work Area has to be relinquished to the Government.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

xii. Jasa Pendukung Pengeboran Minyak dan Gas Bumi

Pada tanggal 28 April 2014, PT Halliburton Logging Services Indonesia (HAL) menandatangani perjanjian drilling rig dengan PT Exspan Petrogas Intranusa (EPI) yang berkapasitas 2.000 HP dengan estimasi nilai kontrak maksimal sebesar AS$20.000.000. Pada 17 Desember 2014, EPI dan HAL menyepakati amandemen pertama untuk menyewa tambahan drilling rig EPI#11 D berkapasitas 1.500 HP yang berlokasi di Pahae Jae, Sumatera Utara tanpa merubah nilai kontrak. Pekerjaan yang dilakukan oleh tambahan drilling rig EPI#11 D telah berakhir pada tanggal 31 Januari 2016 dan tidak diperpanjang lagi.

Pada tanggal 11 Februari 2016, EPI dan HAL menyetujui amandemen kedua untuk memperpanjang masa kontrak untuk drilling rig berkapasitas 2.000 HP milik EPI hingga 31 Desember 2016. Perjanjian ini dilanjutkan hingga 30 Juni 2017 dan tidak diperpanjang setelah berakhirnya masa kontrak.

Pada tanggal 9 Februari 2015, EPI sepakat untuk menyediakan 1 (satu) unit *land rig workover truck mounted* dengan kapasitas 450 HP lengkap dengan tenaga kerja, alat-alat berat, peralatan utama dan penunjangnya untuk jangka waktu 2 (dua) tahun di wilayah kerja PT Pertamina EP Asset 2 Limau Field tahun 2015-2016 dengan nilai kontrak maksimum AS$3.600.732 yang berakhir pada tanggal 5 April 2017. Pada tahun 2016, EPI dan PT Pertamina EP Asset 2 Field Limau menandatangani amandemen I untuk menambah nilai kontrak menjadi AS$3.960.805 dan menambah jangka waktu kontrak sampai dengan tanggal 5 Juli 2017. Amandemen ini juga mengubah tarif harian operasi dari AS$5.445 menjadi AS$4.900, tarif harian siaga dari AS$4.356 menjadi AS$3.675, dan tarif harian pindah perangkat *rig service* dari AS$4.084 menjadi AS$3.675.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

xii. Oil and Gas Drilling Support Services

On April 28, 2014, PT Halliburton Logging Services Indonesia (HAL) signed drilling rig agreement to PT Exspan Petrogas Intranusa (EPI) with capacity of 2,000 HP with maximum estimated total contract value of US$20,000,000. On December 17, 2014, EPI and HAL agreed the first amendment to add another drilling rig named "EPI#11 D" with capacity 1,500 HP located in Pahae Jae, North Sumatera without any changes in contract value. The work performed by EPI#11 D has ended on January 31, 2016 and no longer renewed.

On February 11, 2016 EPI and HAL agreed the second amendment to extend the period of contract for drilling rig 2,000 HP until December 31, 2016. This agreement was extended until June 30, 2017 and no longer renewed after the end of the contract period.

On February 9, 2015, EPI agreed to provide 1 (one) unit land rig workover truck mounted with capacity 450 HP complete with labor, heavy equipments, main equipments and its supporting equipment for a period of 2 (two) years in PT Pertamina EP Asset 2 Limau Field year 2015-2016 with maximum contract value of US$3,600,732 which end on April 5, 2017. In 2016, EPI and PT Pertamina EP Asset 2 Field Limau signed amendment I to add contract value to US$3,960,805 and extend the contract term until July 5, 2017. This amendment also changed daily operation rate from US$5,445 to US$4,900, daily standby rate from US$4,356 to US$3,675, and daily rig service moving rate from US$4,084 to US$3,675.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

xii. Jasa Pendukung Pengeboran Minyak dan Gas Bumi (lanjutan)

Pada tahun 2017, EPI sepakat untuk menyediakan Jasa Penyediaan dan Pengoperasian 1 (satu) unit *rig* berkapasitas 350 HP selama 2 tahun kepada PT Pertamina EP Asset 2. Nilai kontrak tersebut adalah sebesar Rp39.991.924.546 dengan jangka waktu perjanjian 9 Maret 2017 hingga 27 Mei 2019.

Efektif tanggal 13 Juni 2017, EPI sepakat untuk menjual dua (2) unit *rig* berkapasitas 450 HP kepada Biyaq Oilfield Services LLC (BOS) dengan harga total AS$2.144.000. Jumlah tersebut akan diterima secara penuh oleh EPI pada Juli 2019 melalui pembayaran cicilan per bulan sebesar AS$112.843 yang dimulai pada 1 Januari 2018. EPI dan BOS sepakat untuk menyelesaikan transaksi paling akhir pada tanggal 31 Juli 2019.

xiii. Transaksi Minyak Mentah

(a) Pada tanggal 30 Juni 2011, Perusahaan (dahulu melalui entitas anak yang dimiliki sepenuhnya, Petroleum Exploration & Production International Ltd ("PEPIL")), menandatangani Perjanjian Jual Beli Minyak Mentah (PJB Minyak Mentah) dengan Petro Diamond Singapore Pte Ltd ("PDS").

Jangka waktu penjualan minyak ke PDS ini adalah 3 (tiga) tahun yaitu mulai Januari 2012 sampai dengan Desember 2014 dengan harga berdasarkan *Indonesian Crude Price* (ICP) dari *Sumatera Light Crude* (SLC) ditambah dengan premi tertentu per barel sebagaimana ditentukan dalam perjanjian. Pengiriman pertama dilakukan pada bulan Januari 2012.

Perjanjian telah diubah beberapa kali, yang terakhir adalah pada tanggal 1 April 2015, dimana kedua belah pihak setuju untuk memperpanjang kontrak sampai dengan 30 Juni 2018.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

xii. Oil and Gas Drilling Support Services (continued)

In 2017, EPI agreed to rent and operate 1 (one) unit rig with capacity 350 HP for 2 years with PT Pertamina EP Asset 2. The contract value is amounting to Rp39,991,924,546 with contract term from March 9, 2017 until May 27, 2019.

Effective June 13, 2017, EPI agreed to sell two (2) units of rig with capacity 450 HP to Biyaq Oilfield Services LLC (BOS) with total selling price amounting to US$2,144,000. The selling price amount will be fully received by EPI in July 2019 through monthly installment amounting to US$112,843 starting on January 1, 2018. EPI and BOS agreed to complete the transaction at the latest on July 31, 2019.

xiii. Crude Oil Transaction

(a) On June 30, 2011, the Company (previously through its wholly-owned subsidiary, Petroleum Exploration & Production International Limited ("PEPIL")), signed a Crude Oil Sale and Purchase Agreement (COSPA) with Petro Diamond Singapore Pte Ltd ("PDS").

The term for the sales of crude oil to PDS will be 3 (three) years starting from January 2012 to December 2014 at a price based on Indonesian Crude Price (ICP) of Sumatera Light Crude (SLC) including fixed premium per barrel as stated in the agreement. The first delivery occurred in January 2012.

The agreement has been amended several times, with the latest on April 1, 2015, whereas both parties agreed to extend the contract until June 30, 2018.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

xiii. Transaksi Minyak Mentah (lanjutan)

(b) Pada tanggal 16 April 2015, Perusahaan melalui entitas anak yang dimiliki sepenuhnya, Petroleum Exploration & Production International Ltd ("PEPIL"), menandatangani Amendemen atas Amandemen dan Pernyataan Kembali Perjanjian Jual Beli Minyak Mentah dengan Petro Diamond Singapore Pte Ltd ("PDS").

Jangka waktu penjualan minyak ke PDS ini adalah 1 (satu) tahun atau 1.025.000 barel minyak mentah terjual, mana yang lebih akhir terjadi, dengan harga berdasarkan *Indonesian Crude Price* (ICP) Tiaka ditambah dengan premi tertentu per barel sebagaimana ditentukan dalam perjanjian.

(c) Pada tanggal 1 Juli 2016, Perusahaan melalui entitas anaknya, Far East Energy Trading Pte Ltd (FEET), menandatangani PJB Minyak Mentah dengan PDS dengan jangka waktu penjualan minyak ke PDS ini adalah 24 bulan sampai dengan 30 Juni 2018 dengan harga berdasarkan ICP dari SLC ditambah dengan premi tertentu per barel sebagaimana ditentukan dalam perjanjian.

(d) Pada tanggal 1 Mei 2017, Perusahaan melalui entitas anak yang dimiliki sepenuhnya, Far East Energy Trading Pte Ltd (FEET), menandatangani PJB Minyak Mentah dengan Lukoil Asia Pasific Pte. Ltd. ("LAP"), perusahaan yang berdomisili dan berlokasi di Singapura, untuk penjualan dan pengiriman minyak mentah ke LAP, dengan jangka waktu 24 bulan sampai dengan 30 April 2019. Harga minyak yang ditetapkan di dalam perjanjian berdasarkan ICP dari SLC termasuk dengan premi tetap per barel sesuai dengan yang ditetapkan di dalam perjanjian.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

xiii. Crude Oil Transaction (continued)

(b) On April 16, 2015, the Company through its wholly-owned subsidiary, Petroleum Exploration & Production International Limited ("PEPIL"), signed an Amendment to the Amended and Restated Crude Oil Sale and Purchase Agreement with Petro Diamond Singapore Pte Ltd ("PDS").

The term for the sales of crude oil to PDS is 1 (one) year or when 1,025,000 barrels of crude oil have been sold, whichever occurs later, at a price based on Indonesian Crude Price (ICP) Tiaka plus a fixed premium per barrel as stated in the agreement.

(c) On July 1, 2016, the Company through its wholly-owned subsidiary, Far East Energy Trading Pte Ltd (FEET), signed the Crude Oil Sales and Purchase Agreement with PDS with term for the sales of crude oil to PDS of 24 months until June 30, 2018 at a price based on ICP of SLC including fixed premium per barrel as stated in the agreement.

(d) On May 1, 2017, the Company through its wholly-owned subsidiary, Far East Energy Trading Pte Ltd (FEET), signed the Crude Oil Sales and Purchase Agreement ("COSPA") with Lukoil Asia Pacific Pte. Ltd. ("LAP"), a company incorporated and located in Singapore, for the sales and delivery of crude oil to LAP, with term of agreement of 24 months until April 30, 2019. The price of the oil covered in the agreement is based on ICP of SLC including fixed premium per barrel as stated in the agreement.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

xiii. Transaksi Minyak Mentah (lanjutan)

Pada PJB Minyak Mentah tersebut, pembayaran dari LAP ke FEET dibayarkan dengan mekanisme uang muka, sesuai dengan syarat dan ketentuan yang disetujui oleh kedua belah pihak. Jumlah uang muka yang tercantum dengan PJB Minyak Mentah adalah sebesar AS$150 juta. Pada tanggal 12 Juni 2017, FEET telah menerima pembayaran uang muka pertama sebesar AS$80 juta untuk penjualan dan pengiriman minyak mentah selama dua belas bulan. Jumlah yang diterima dicatat sebagai pada akun "Uang muka dari pelanggan" dalam laporan keuangan konsolidasian (Catatan 22a). Pada tanggal 27 Oktober 2017, FEET telah menerima pembayaran uang muka kedua sebesar AS$70 juta.

(e) Pada tanggal 13 Juni 2017, Perusahaan melalui entitas anak yang dimiliki sepenuhnya, Far East Energy Trading Pte Ltd (FEET), menandatangani PJB Minyak Mentah dengan Lukoil Asia Pasific Pte. Ltd. ("LAP"), perusahaan yang berdomisili dan berlokasi di Singapura, untuk penjualan dan pengiriman minyak mentah ke LAP, dengan jangka waktu 24 bulan sampai dengan 12 Juni 2019. Harga minyak yang ditetapkan di dalam perjanjian berdasarkan ICP dari Belida dan Belanak termasuk dengan premi tetap per barel sesuai dengan yang ditetapkan di dalam perjanjian.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

xiii. Crude Oil Transaction (continued)

Under the COSPA, the payment of LAP to FEET is made by way of an advanced payment mechanism, subject to terms and conditions that are mutually agreed by both parties. The total advance payments under the COSPA is US$150 million. On June 12, 2017, FEET has received the first advance payment amounting to US$80 million for the sale and delivery of crude oil for twelve months. The amount received is recorded in "Advance from customers" account in the consolidated statements of financial position (Note 22a). On October 27, 2017, FEET has received the second advance payment amounting to US$70 million.

(e) On June 13, 2017, the Company through its wholly-owned subsidiary, Far East Energy Trading Pte Ltd (FEET), signed the Crude Oil Sales and Purchase Agreement ("COSPA") with Lukoil Asia Pacific Pte. Ltd. ("LAP"), a company incorporated and located in Singapore, for the sales and delivery of crude oil to LAP, with term of agreement of 24 months until June 12, 2019. The price of the oil covered in the agreement is based on ICP of Belida and Belanak including fixed premium per barrel as stated in the agreement.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

xiii. Transaksi Minyak Mentah (lanjutan)

Pada PJB Minyak Mentah tersebut, pembayaran dari LAP ke FEET dibayarkan dengan mekanisme uang muka, sesuai dengan syarat dan ketentuan yang disetujui oleh kedua belah pihak. Jumlah uang muka yang tercantum dengan PJB Minyak Mentah adalah sebesar AS$150 juta. Pada tanggal 20 Desember 2017, FEET telah menerima pembayaran uang muka pertama sebesar AS$40 juta untuk penjualan dan pengiriman minyak mentah selama dua belas bulan. Pembayaran uang muka kedua belum diterima sampai dengan tanggal penyelesaian laporan keuangan konsolidasian.

xiv. Perpanjangan PSC

Pada bulan Oktober 2010, Pemerintah Republik Indonesia melalui SKK Migas memberikan persetujuan perpanjangan Kontrak Kerja Sama (PSC) wilayah kerja Blok *South Sumatera*, Blok A dan Bawean.

Untuk PSC Blok A, perpanjangan PSC tersebut juga telah disepakati oleh Pemerintah Aceh sesuai dengan ketentuan Undang-undang No. 11 Tahun 2006 tentang Pemerintahan Aceh. Jangka waktu perpanjangan PSC Blok A adalah 20 (dua puluh) tahun yang berlaku efektif dari tanggal 1 September 2011 sampai dengan 31 Agustus 2031.

Perpanjangan PSC *South Sumatra* berlaku untuk jangka waktu 20 (dua puluh) tahun yang akan berlaku efektif dari tanggal 28 November 2013 sampai dengan 27 November 2033 dengan nilai komitmen sebesar AS$24 juta.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

xiii. Crude Oil Transaction (continued)

Under the COSPA, the payment of LAP to FEET is made by way of an advanced payment mechanism, subject to terms and conditions that are mutually agreed by both parties. The total advance payments under the COSPA is US$150 million. On December 20, 2017, FEET has received the first advance payment amounting to US$40 million for the sale and delivery of crude oil for twelve months. The second advance payment has not yet been received until the completion date of the consolidated financial statements.

xiv. Extension of PSC

In October 2010, the Government of the Republic of Indonesia through SKK Migas approved the extension of the respective Production Sharing Contracts (PSC) of South Sumatera Blocks, Block A and Bawean.

For Block A PSC, the PSC extension has also been agreed to by the Government of Aceh in accordance with the provisions of Law No. 11 Year 2006 of the Government of Aceh. The extension of Block A PSC is for 20 (twenty) years effective from September 1, 2011 to August 31, 2031.

The extension of South Sumatera PSC is valid for 20 (twenty) years, which will be effective from November 28, 2013 to November 27, 2033 with a commitment value of US$24 million.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

xiv. Perpanjangan PSC (lanjutan)

Perpanjangan PSC Bawean berlaku untuk jangka waktu 20 (dua puluh) tahun yang berlaku efektif dari tanggal 12 Februari 2011 sampai dengan 11 Februari 2031 dengan nilai komitmen sebesar AS$50,5 juta.

Dalam tambahan hak dan kewajiban Kontraktor yang diatur dalam Kontrak Kerja Sama (PSC) Blok A, Aceh, yang telah diubah dan dinyatakan kembali, kontraktor menyepakati antara lain untuk mengalokasikan sebesar minimum 1% dari pendapatan produksi tahunan sebagai kontribusi mereka kepada program pengembangan masyarakat sesuai dengan Memorandum Perjanjian antara PT Medco E & P Malaka dan Pemerintah Provinsi Aceh tanggal 5 April 2010.

Pada tanggal 4 April 2016, Pemerintah Republik Indonesia melalui Kementerian Energi dan Sumber Daya Mineral (ESDM), melalui surat No. 2870/12/MEM.M/2016, memberikan persetujuan perpanjangan PSC wilayah kerja Blok Lematang.

Perpanjangan PSC Lematang berlaku untuk jangka waktu 10 (sepuluh) tahun yang berlaku efektif dari tanggal 6 April 2017 sampai dengan 5 April 2027 dengan nilai komitmen sebesar AS$52,5 juta.

xv. Perjanjian Kerjasama Pemasaran LNG

Pada bulan Oktober 2010, Grup dan mitra kerjanya dalam proyek Pengembangan Gas Senoro Hilir yang juga merupakan pemegang saham dari DSLNG yaitu PT Pertamina (Persero) ("Pertamina") dan Mitsubishi Corporation ("MC"), menandatangani Pokok-pokok Perjanjian untuk melakukan Kerjasama Pemasaran LNG (MJV HOA) dengan Chubu Electric Power Co, Inc ("Chubu"). Berdasarkan MJV HOA tersebut, Chubu, Pertamina, MC dan Grup akan melakukan kerjasama untuk memasarkan LNG yang dibeli oleh Chubu dan untuk dialihkan kepada pembeli berpotensi lainnya.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

xiv. Extension of PSC (continued)

The extension of PSC Bawean is valid for a period of 20 (twenty) years from February 12, 2011 to February 11, 2031 with a commitment value of US$50.5 million.

In addition to the rights and obligations of the contractors as set forth in the amended and restated Production Sharing Contract (PSC) for Block A, Aceh, the contractors agreed, among other matters, to allocate, at the minimum 1% of the total revenues from the yearly production as their contribution to community development programs in accordance with the Memorandum of Agreement between PT Medco E & P Malaka and the Aceh Provincial Government dated April 5, 2010.

On April 4, 2016, the Government of the Republic of Indonesia through the Ministry of Energy and Mineral Resources, by its letter No. 2870/12/MEM.M/2016, approved the extension of PSC of Lematang Block.

The extension of PSC Lematang is valid for a period of 10 (ten) years from April 6, 2017 to April 5, 2027 with commitment value of US$52.5 million.

xv. Joint Marketing of LNG

In October 2010, the Group and its partners in the Senoro Downstream Gas Development Project which are also shareholders of DSLNG namely, PT Pertamina (Persero) ("Pertamina") and Mitsubishi Corporation ("MC"), signed the Principles of Marketing Cooperation Agreement to do joint marketing of LNG (MJV HOA) with Chubu Electric Power Co, Inc ("Chubu"). Under the MJV HOA, Chubu, Pertamina, MC and the Group will cooperate to market LNG purchased by Chubu and to be transferred to other potential buyers.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

xvi. Perjanjian Operasi Bersama Medco E & P Natuna Ltd

Pada tanggal 1 Februari 2007, sebagai pemilik hak partisipasi di PSC Blok B Laut Natuna Selatan ("PSC"), ConocoPhillips Indonesia Inc. Ltd. (sekarang menjadi Medco E & P Natuna Ltd, "MEPN"), Inpex Natuna Ltd., Chevron South Natuna B Inc. ("Para Pihak") mengadakan Perjanjian Operasi Bersama ("JOA") untuk mengatur hak dan kewajiban Para Pihak atas kegiatannya di wilayah kerja PSC. Perjanjian ini menggantikan JOA tertanggal 22 Mei 1969 dan akan terus berlaku sampai diakhiri dengan persetujuan Para Pihak atau satu pihak dari semua kepentingan untuk seluruh atau sebagian dari wilayah kerja, atau ketika berakhirnya kontrak. Berdasarkan JOA, operator berhak membebankan kepada *Joint Account* semua biaya-biaya terkait jasa oleh induk perusahaan operator. Non-operator harus membayar kepada operator atas biaya *overhead* induk perusahaan operator.

Pada tanggal 15 Januari 1999, ConocoPhillips Indonesia Inc Ltd (sekarang menjadi Medco E & P Natuna Ltd, "MEPN"), Premier Oil Natuna Sea Limited (sekarang Premier Oil Natuna Sea B.V., "Premier Oil") dan Gulf Resources (Kakap) Ltd. (sekarang Star Energy (Kakap) Ltd.,"Star Energy") sebagai "Grup PSC" dengan persetujuan Pertamina, mengadakan Perjanjian *West Natuna Transportation System Joint Venture ("JV WNTS").* Grup PSC bermaksud untuk membangun dan mengoperasikan Sistem Pipa Natuna Barat, Jaringan SembGas dan Fasilitas Penerima, dan bermaksud untuk menggunakan sistem tersebut untuk mengangkut dan/atau mengantarkan kembali gas selain gas yang dimaksud dalam Perjanjian Penjualan Gas (antara Pertamina dan SembCorp Gas Pte Ltd). Perjanjian ini berlaku sampai dengan semua Grup PSC, dalam kapasitasnya sebagai anggota dari Grup JV WNTS menarik diri dari perjanjian ini.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

xvi. Joint Operating Agreement of Medco E & P Natuna Ltd

On February 1, 2007, as the owner of the participating interest in South Natuna Sea Block B PSC ("PSC"), ConocoPhillips Indonesia Inc. Ltd. (now known as Medco E & P Natuna Ltd, "MEPN"), Inpex Natuna, Ltd., Chevron South Natuna B Inc., (the "Parties") entered into a Joint Operating Agreement ("JOA") to define their respective rights and obligations with respect to their operations under the PSC. This agreement shall supersede the JOA dated May 22, 1969 and shall continue in effect until terminated by consent of the Parties or the vesting in one Party of all interests as to the whole or any portion of the Contract area, or on expiration of the Contract. Based on the JOA, the Operator shall charge to the Joint Account all charges for service rendered by the Corporate Parent of the operator. The non-operator shall also pay to the operator parent company overhead.

On January 15, 1999, ConocoPhillips Indonesia Inc Ltd (now known as Medco E & P Natuna Ltd., "MEPN"), Premier Oil Natuna Sea Limited (now known as Premier Oil Natuna Sea B.V., "Premier Oil") and Gulf Resources (Kakap) Limited (now known as Star Energy (Kakap) Ltd., "Star Energy") as "PSC Group" with the consent and concurrence of Pertamina, entered into West Natuna Transportation System Joint Venture ("WNTS JV") Agreement. The PSC Group wish to provide for the ownership construction and operation of the West Natuna Pipeline System, SembGas Line and the Receiving Facilities also to use the System for the transporting and/or redelivery of Gas other than pursuant to the Gas Sales Agreement (between Pertamina and SembCorp Gas Pte Ltd). This agreement shall remain in full force and full effect until all the PSC group, each in its capacity as a member of the WNTS JV Group, have withdrawn from this agreement.

47. KONTRAK, PERJANJIAN DAN IKATAN YANG SIGNIFIKAN (lanjutan)

b. Perjanjian Lain-lain (lanjutan)

xvi. Perjanjian Operasi Bersama Medco E & P Natuna Ltd (lanjutan)

Pada tanggal 31 Oktober 2008, MEPN, Premier Oil, Star Energy ("Grup PSC") dan Premier Oil dengan persetujuan BPMIGAS (sekarang SKK Migas), mengadakan Perjanjian Pengangkutan GSA2 atau GSA2 TA, dimana GSA2 merupakan perjanjian antara Premier Oil dengan SembCorp Gas Pte Ltd ("SembGas"). Grup PSC telah mendapat izin dari SembGas untuk menggunakan Jalur SembGas untuk pengangkutan gas GSA2 dan dalam kapasitasnya sebagai anggota JV WNTS, mendapatkan izin penggunaan Fasilitas Penerima yang memungkinkan pengantaran gas GSA2 pada titik penyerahan.

Sesuai dengan haknya sebagai anggota JV WNTS, Grup PSC memiliki hak untuk menggunakan sistem pengangkutan dan/ atau penyerahan gas selain dari WNG Gas (Perjanjian antara anggota JV WNTS), dan dengan ini menyetujui untuk menyediakan jasa pengangkutan gas kepada Kelompok Penyedia GSA2. Perjanjian ini berakhir pada tanggal 14 Juli 2028.

47. SIGNIFICANT CONTRACTS, AGREEMENTS AND COMMITMENTS (continued)

b. Other Agreements (continued)

xvi. Joint Operating Agreement of Medco E & P Natuna Ltd (continued)

On October 31, 2008, MEPN, Premier Oil, Star Energy (The "PSC group") and Premier Oil together with the consent and concurrence of BPMIGAS (now SKK Migas) entered into GSA2 Transportation Agreement or The GSA2 TA, GSA2 shall mean the Agreement between Premier Oil and SembCorp Gas Pte Ltd ("SembGas"). The PSC Group has been granted by SembGas the right to use the SembGas Line for transportation of Gas for delivery under GSA2 and has granted in favor of the WNTS JV Group a license of the Receiving Facilities to enable the delivery of GSA2 Gas at delivery point.

Pursuant to their right under the WNTS JV agreement, PSC Group has the right to use the System for the transportation and/or delivery of Gas other than WNG Gas (Agreement between WNTS JV Parties), and agrees to provide gas transportation services to the GSA2 Supply Group. This agreement shall terminate on July 14, 2028.

48. KONTINJENSI

a. Litigasi

i. Arbitrase dengan Singapore Petroleum Sampang Ltd ("SPC") dan Cue Sampang Pty Ltd ("Cue")

Pada tanggal 10 Agustus 2012, Grup melalui entitas anak yang dimiliki sepenuhnya, Medco Strait Services Pte Ltd ("MSS"), mengirimkan Surat Pemberitahuan Arbitrase kepada Singapore Petroleum Sampang Ltd ("SPC") dan Cue Sampang Pty Ltd ("Cue") untuk memulihkan klaimnya dari dua belah pihak ini sebesar AS$35,06 juta berkaitan dengan investasinya pada Proyek Jeruk. Pada tanggal 6 Maret 2014, Majelis Arbitrase menerbitkan putusan interim ("Putusan Interim") di mana Majelis Arbitrase menetapkan bahwa pembayaran kompensasi yang harus dibayarkan ke Medco belum jatuh tempo pada saat tanggal *cut-off* 31 Desember 2012. Majelis Arbitrase mengetahui dari data yang dipresentasikan bahwa tanggal pembayaran kompensasi tersebut akan jatuh tempo dalam waktu dekat, namun karena waktunya diluar cakupan yang disepakati dalam arbitrase tersebut, maka Majelis Arbitrase tidak dapat mengetahui lebih jauh mengenai hal ini. Putusan interim tersebut juga menetapkan cara penghitungan besaran kompensasi. MSS, SPC dan Cue diminta untuk menghitung bersama besaran angka kompensasi berdasarkan panduan Putusan Interim. Atas panduan cara perhitungan dalam Putusan Interim, SPC dan Cue berpendapat bahwa hal tersebut tidak mengikat dan mereka melakukan perhitungan kompensasi berdasarkan metode kalkulasi versi mereka.

48. CONTINGENCIES

a. Litigations

i. Arbitration against Singapore Petroleum Sampang Ltd ("SPC") and Cue Sampang Pty Ltd ("Cue")

On August 10, 2012, the Company through its wholly-owned subsidiary, Medco Strait Services Pte Ltd ("MSS"), served a Notice of Arbitration to Singapore Petroleum Sampang Ltd ("SPC") and Cue Sampang Pty Ltd ("Cue") to recover its claims from these two parties totalling about US$35.06 million relating to the subsidiary's investment in the Jeruk Project. On March 6, 2014, The Arbitration Tribunal issued an interim award ("Interim Award") whereby the Arbitration Tribunal determined that the compensatory payment due to Medco was not yet due on cut-off date of December 31, 2012. The Arbitration Tribunal noted, from the presented data, that the compensatory payment will due in the near future, however, as it is outside the agreed scope timeline, the Arbitration Tribunal could not probe further into this matter. The Interim Award also determine guidance on procedure to calculate such compensatory payment. MSS, SPC and Cue are requested to jointly calculate to have an agreed number of such compensatory payment under the Interim Award guidance. On such guidance, SPC and Cue are of the view that the guidance set out in the Interim Award are not binding and they calculate such compensatory payment based on their method version.

48. KONTINJENSI (lanjutan)

a. Litigasi (lanjutan)

i. Arbitrase dengan Singapore Petroleum Sampang Ltd ("SPC") dan Cue Sampang Pty Ltd ("Cue") (lanjutan)

Sehubungan dengan tidak tercapainya kesepakatan tentang besaran angka kompensasi, MSS melayangkan gugatan arbitrase kedua terhadap SPC dan Cue pada 12 November 2015. Besaran angka gugatan arbitrase kedua adalah sebesar kurang lebih AS$22,1 juta. Penurunan besaran angka gugatan yang sebelumnya AS$35,06 juta disebabkan telah diperhitungkannya faktor laba dari minyak dan pajak dimana tata cara penghitungannya ditetapkan dalam Putusan Interim. Majelis Arbitrase yang berbeda telah terbentuk terkait gugatan arbitrase kedua ini dalam sidang pada tanggal 22 Maret 2017 sampai dengan tanggal 24 Maret 2017.

Majelis Arbitrase telah mengeluarkan putusan yang bersifat definitif dan mengikat pada tanggal 12 Mei 2017. Berdasarkan putusan ini, secara total SPC dan Cue diwajibkan membayar kepada MSS sebesar AS$22,1 juta (ditambah dengan bunga pembayaran kompensasi sebesar AS$2,7 juta) dan penggantian seluruh biaya yang dikeluarkan oleh MSS terkait proses arbitrase. Grup, melalui MSS, telah menerima pembayaran secara penuh dari SPC dan Cue pada akhir bulan Mei 2017 dan pada pertengahan bulan Juni 2017.

48. CONTINGENCIES (continued)

a. Litigations (continued)

i. Arbitration against Singapore Petroleum Sampang Ltd ("SPC") and Cue Sampang Pty Ltd ("Cue") (continued)

Failing to reach an agreement on the quantum of compensatory payment, MSS has instituted a second arbitration against SPC and Cue on November 12, 2015. The claimed amount under the second arbitration was approximately US$22.1 million. The decrease in amount as compared to the previous US$35.06 million was due to profit oil and tax factors whereby the methodology to calculate both factors was stipulated in the Interim Award. A different Arbitration Tribunal is formed in relation to this second arbitration with a hearing scheduled between March 22, 2017 to March 24, 2017.

The Arbitration Tribunal has issued a definitive and binding award on May 12, 2017. According to the award, in total, SPC and Cue are liable to pay MSS the sum of US$22.1 million (plus total interest on compensatory payments of US$2.7 million) and reimbursement of all cost related to the arbitration incurred by MSS. The Group, through MSS, has received full payments from SPC and Cue at the end of May 2017 and at mid of June 2017.

48. KONTINJENSI (lanjutan)

a. Litigasi (lanjutan)

ii. Gugatan Hukum PT Mira Mirza Samudra Samarinda

Pada tanggal 29 Mei 2006, PT Mira Mirza Samudra Samarinda (Penggugat) mengajukan gugatan kepada PT Medco E & P Indonesia (Tergugat I) dan PT Pertamina EP Region KTI (Tergugat II) di Pengadilan Negeri Tenggarong. Gugatan ini diajukan saat Tergugat I bertindak sebagai operator di bawah Kontrak Bantuan Teknis (TAC). TAC ini telah berakhir dan hak dan kewajiban sebagai operator telah dialihkan ke Pertamina EP pada bulan Oktober 2008. Substansi sengketa ini menyangkut klaim Penggugat sebesar Rp1.180.000.000 atas insiden kapal yang disewa oleh Tergugat I dari Penggugat untuk tujuan operasional di bawah TAC.

Pada tanggal 3 Mei 2007, Pengadilan Negeri Tenggarong telah menyatakan gugatan Penggugat tidak dapat diterima dan Penggugat mengajukan banding terhadap keputusan Pengadilan Negeri Tenggarong ke Pengadilan Tinggi Samarinda. Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, gugatan tersebut masih dalam tahap pemeriksaan oleh Pengadilan Tinggi Samarinda. Grup berpendapat bahwa gugatan tersebut tidak memiliki dasar hukum yang kuat, sehingga tidak ada pencadangan atas gugatan tersebut dalam laporan keuangan konsolidasian.

48. CONTINGENCIES (continued)

a. Litigations (continued)

ii. Legal Claim of PT Mira Mirza Samudra Samarinda

On May 29, 2006, PT Mira Mirza Samudra Samarinda (Plaintiff) filed a lawsuit against PT Medco E & P Indonesia (Defendant I) and PT Pertamina EP Region KTI (Defendant II) at the Tenggarong District Court. The claim was filed against Defendant I when Defendant I was acting as the operator based on a Technical Assistance Contract (TAC). The TAC had ended and the operatorship transferred to Pertamina EP in October 2008. The substance of dispute involves a claim by Plaintiff of Rp1,180,000,000 for an incident involving a boat that was chartered by Defendant I from Plaintiff for the purpose of operations under the TAC.

On May 3, 2007, the Tenggarong District Court decided that the claim by Plaintiff was not acceptable and Plaintiff appealed against the Tenggarong District Court's decision to the Samarinda High Court. As of the completion date of these consolidated financial statements, this lawsuit is still under due process at the Samarinda High Court. The Group is of the opinion that the lawsuit has no real legal basis, and as such, the Group did not recognize a provision in its consolidated financial statements.

48. KONTINJENSI (lanjutan)

a. Litigasi (lanjutan)

iii. Arbitrase dengan PT Asia Petrocom Services

Pada tanggal 13 Oktober 2014, PT Asia Petrocom Services (Pemohon) mengajukan petisi kepada Joint Operating Body Pertamina - Medco E & P Tomori Sulawesi (Termohon) di Badan Arbitrase Nasional Indonesia (BANI), Jakarta. Petisi ini diajukan terkait dengan klaim dari Pemohon bahwa Termohon telah wanprestasi dalam Kontrak No. K6094R/JOBT/DRL tertanggal 24 November 2011 yang dibuat dan ditandatangani oleh dan antara Pemohon dan Termohon mengenai *Integrated Project Management*.

Pemohon mengklaim Termohon gagal dalam memenuhi kewajibannya untuk membayar tagihan yang diajukan oleh Pemohon yang telah jatuh tempo. Sementara itu, Termohon mengklaim bahwa Pemohon telah terlambat melaksanakan tajak dan mobilisasi *rig* selama 169 hari, oleh karena itu Termohon menahan pembayaran dari tagihan yang telah ditetapkan dalam kontrak sebesar AS$10.417.418,94.

48. CONTINGENCIES (continued)

a. Litigations (continued)

iii. Arbitration with PT Asia Petrocom Services

On October 13, 2014, PT Asia Petrocom Services (Petitioner) filed request of arbitration against Joint Operating Body Pertamina - Medco E & P Tomori Sulawesi (Respondent) in Indonesian National Board of Arbitration (BANI), Jakarta. Such request of arbitration filed is with regard to Petitioner's claim that the Respondent has committed breach of the Contract No. K6094R/JOBT/DRL dated November 24, 2011 signed by Respondent and Petitioner concerning Integrated Project Management.

The Petitioner claims that Respondent failed to fulfill the obligation to pay invoice submitted by the Petitioner which was already past due. Meanwhile, Respondent claims that Petitioner has delay in execution of spud and mobilization of rig for 169 days, therefore, the Respondent retained the payment of such invoice as a deduction referring to the provision stipulated in the PSC in the amount of US$10,417,418.94.

48. KONTINJENSI (lanjutan)

a. Litigasi (lanjutan)

iii. Arbitrase dengan PT Asia Petrocom Services (lanjutan)

Badan Arbitrase Nasional Indonesia (BANI) mengeluarkan putusan pada tanggal 26 November 2015 dengan amar putusan sebagai berikut:

a) Menerima sebagian permohonan Pemohon;
b) Menyatakan Termohon membayar ganti rugi sejumlah AS$6.637.153,64;
c) Menyatakan Termohon membayar denda karena kerugian sejumlah AS$331.857,68; dan
d) Menolak permohonan Pemohon lainnya.

Termohon memberikan sanksi kepada Pemohon sebesar AS$3.780.265,30. Jumlah yang harus dibayarkan oleh Termohon dikurangi dari nilai AS$10.417.418,94 dan telah dibayarkan pada tanggal 29 Januari 2016.

iv. Gugatan Hukum Perdata dari Oilex (West Kampar) Limited atas dasar Perbuatan Melawan Hukum

Pada tanggal 27 Mei 2015, Oilex (West Kampar) Limited (Penggugat) mengajukan gugatan perdata kepada 49 Tergugat termasuk PT Medco E & P Indonesia dan PT Asia Bumi Petroleo (Turut Tergugat) di Pengadilan Negeri Jakarta Pusat.

Penggugat mengklaim bahwa Para Tergugat telah melakukan perbuatan melawan hukum terhadap Putusan Pengadilan Niaga pada Pengadilan Negeri Jakarta Pusat No. 42/Pdt.Sus/PKPU/2014/PN.Niaga tertanggal 1 September 2014. Penggugat menuntut Para Tergugat untuk membayar ganti rugi secara tanggung renteng sebesar AS$23.331.394,33.

48. CONTINGENCIES (continued)

a. Litigations (continued)

iii. Arbitration with PT Asia Petrocom Services (continued)

Indonesian National Board of Arbitration (BANI) issued an arbitration award on November 26, 2015, with verdict as follows:

a) To accept Petitioner's petition partially;
b) Respondent to pay out a sum of US$6,637,153.64;
c) Respondent to pay out penalty of delay in a sum of US$331,857.68; and
d) To reject the rest of Petitioner's petition.

Respondent gives sanction to Petitioner in the amount of US$3,780,265.30. Total amount which the Respondent was ordered to pay is deducted from the retained amount of US$10,417,418.94 and has been paid on January 29, 2016.

iv. Civil Lawsuit of Oilex (West Kampar) Limited on the basis of Unlawful Acts

On May 27, 2015, the lawsuit submitted by Oilex (West Kampar) Limited (Plaintiff) was filed against 49 Defendants including PT Medco E & P Indonesia and PT Asia Bumi Petroleo (Co-Defendant) at the Central Jakarta District Court.

Plaintiff claimed that the Defendants have committed an unlawful act against the Decision of the Commercial Court in the Central Jakarta District Court No. 42/Pdt.Sus/PKPU/2014/PN.Niaga dated September 1, 2014. The Plaintiff was claiming the Defendants to pay jointly a compensation of US$23,331,394.33.

48. KONTINJENSI (lanjutan)

a. Litigasi (lanjutan)

iv. Gugatan Hukum Perdata dari Oilex (West Kampar) Limited atas dasar Perbuatan Melawan Hukum (lanjutan)

Pada sidang terakhir Majelis Hakim Perkara telah memutuskan bahwa Pengadilan Negeri Jakarta Pusat tidak memiliki kewenangan untuk mengadili perkara, namun Pengadilan Negeri belum mengeluarkan salinan putusan resmi.

Grup berpendapat bahwa gugatan tersebut tidak memiliki dasar hukum yang kuat, dan masih dalam tahap pemeriksaan oleh Pengadilan Negeri Jakarta Pusat sehingga tidak ada pencadangan atas gugatan tersebut dalam laporan keuangan konsolidasian.

v. Gugatan Hukum dengan Prawito Tien

Prawito Tien mengajukan gugatan terhadap Conoco Philips (Ramba) Ltd ("CPRL") di Pengadilan Negeri Jakarta Pusat ("Pengadilan"). Berdasarkan putusan akhir Makhamah Agung, CPRL dijatuhi hukuman untuk membayar tuntutan sebesar AS$27 juta. Pada saat proses pengadilan, CPRL telah dijual kepada Elnusa Tristar Ramba Ltd. Pengadilan memutuskan untuk melakukan pemblokiran atas rekening Conoco Phillips Inc Ltd ("CIIL") sebagai putusan terakhir. Sebagai pihak tidak berkaitan dengan kasus ini, CIIL pun mengajukan keberatan kepada pengadilan pada tanggal 14 Juli 2015. Pada tanggal 28 Juli 2016, pengadilan menolak keberatan dari CIIL dan memutuskan bahwa CPRL dan CIIL adalah entitas yang sama. Pada tanggal 25 Oktober 2016, CIIL mengajukan nota banding sebagai tanggapan atas putusan pengadilan.

48. CONTINGENCIES (continued)

a. Litigations (continued)

iv. Civil Lawsuit of Oilex (West Kampar) Limited on the basis of Unlawful Acts (continued)

At the last hearing the Judge has decided that the Central Jakarta District Court did not have jurisdiction to examine the case, but the Court has not issued an official copy of the judgment.

The Group states that such a claim has no real legal basis, and the case still awaits due process at the Central Jakarta District Court, therefore, the Group did not recognize a provision for this case in its consolidated financial statements.

v. Legal Claim of PrawitoTien

Prawito Tien sued Conoco Phillips (Ramba) Ltd. ("CPRL") at Central Jakarta District Court ("Court"). Based on the final decision from the Supreme Court over this case, the court punished CPRL to pay Prawito Tien's claim for US$27 million. CPRL has been sold to Elnusa Tristar Ramba Ltd during the court process. The court blocked Conoco Phillips Inc Ltd ("CIIL") bank account as the execution of the final decision on the case. Since CIIL is not the party to the case, CIIL submitted a rebuttal to the court on July 14, 2015. On July 28, 2016 the Panel of Judges denied CIIL's third party rebuttal and made a conclusion that CPRL and CIIL are the same entity. On October 25, 2016 CIIL has submitted the memorandum of appeal to the court decision.

48. KONTINJENSI (lanjutan)

a. Litigasi (lanjutan)

v. Gugatan Hukum dengan Prawito Tien (lanjutan)

Pada tanggal 4 September 2017, CIIL telah menerima pemberitahuan bahwa Pengadilan Tinggi telah menguatkan keputusan Pengadilan. Oleh karena itu pada tanggal 28 September 2017, CIIL mengajukan memorándum kasasi atas putusan banding ke Makhamah Agung. Dikarenakan proses litigasi terjadi sebelum akuisisi CIIL oleh Grup, proses litigasi diambil oleh ConocoPhillips. Sebagai bagian dari perjanjian penjualan ConocoPhillips Holding Limited membebaskan CIIL dari kasus tersebut.

vi. Arbitrase dengan Dahyar Kiatmaja

Dahyar Kiatmaja ("DK") adalah mantan karyawan CIIL yang telah melakukan pelanggaran terkait "*Company Collective Labor Agreement*". Pada saat pemutusan hubungan kerja, DK masih memiliki kewajiban kompensasi terhadap CIIL sebesar Rp375.313.440 terkait pinjaman kepemilikan rumah dan DK menolak melakukan pembayaran tersebut. Pada tanggal 26 September 2016 CIIL melakukan arbitrase melalui BANI untuk melawan DK. Pada tanggal 23 Oktober 2017 BANI mengeluarkan putusan yang memihak pada CIIL. Dikarenakan proses litigasi terjadi sebelum akuisisi CIIL oleh Grup, proses litigasi diambil oleh ConocoPhillips. Sebagai bagian dari perjanjian penjualan ConocoPhillips Holding Limited membebaskan CIIL dari kasus tersebut.

48. CONTINGENCIES (continued)

a. Litigations (continued)

v. Legal Claim of PrawitoTien (continued)

On September 4, 2017, CIIL has received a letter informing that the High Court restated the decision of the District Court. However on September 28, 2017, CIIL has filled memorandum of cassation to Supreme Court. Since the litigation proceeding specified above occurred prior to the acquisition of CIIL by the Group, the litigation process is taken by ConocoPhillips. As part of the sales agreement, ConocoPhillips Holding Limited absolve CIIL from this case.

vi. Arbitration against Dahyar Kiatmaja

Dahyar Kiatmaja ("DK") was former CIIL employee who was laid off due to violation of the "Company Collective Labor Agreement". At the time of termination, DK still has pending compensation obligation to CIIL in the amount of Rp375,313,440 related to the house loan and DK rejected to pay such amount. On September 26, 2016, CIIL submitted arbitration claim through BANI against DK. On October 23, 2017, BANI issued decision on CIIL's favor. Since the litigation proceeding specified above occurred prior to the acquisition of CIIL by the Group, the litigation process is taken by ConocoPhillips. As part of the sales agreement, ConocoPhillips Holding Limited absolved CIIL from this case.

48. KONTINJENSI (lanjutan)

a. Litigasi (lanjutan)

vii. Arbitrase terhadap CE Hammamet Ltd. ("CE Hammamet")

Pada tanggal 17 Maret 2016, Perusahaan melalui entitas anak yang dimiliki sepenuhnya, Medco Ventures International (Barbados) Ltd ("MVI"), bersama partner DNO Tunisia AS ("DNO") (MVI dan DNO sebagai "Penggugat") mengirimkan Surat Pemberitahuan Arbitrase kepada CE Hammamet ("Responden"), salah satu rekanan di Blok Hammamet, untuk membayar biaya pemenuhan *Minimum Work Obligation* ("MWO") atas komitmen eksplorasi berupa satu sumur eksplorasi pada Blok Hammamet, dimana CE Hammamet bermaksud untuk mundur sebagai rekanan. Permintaan untuk arbitrasi sudah diajukan di Pengadilan Arbitrase Internasional London ("LCIA" atau "Pengadilan Arbitrase").

Pada tanggal 22 April 2016, CE Hammamet mengirimkan surat jawaban atas pemberitahuan arbitrase tersebut.

Pada tanggal 8 Desember 2016, Penggugat dan Responden mencapai kesepakatan penyelesaian yang dituangkan dalam *Deed of Settlement* ("DOS"). Cooper Energy Limited sebagai entitas induk dari CE Hammamet telah menerbitkan garansi dan ganti rugi yang menguntungkan pihak Penggugat. Pada tanggal yang sama, semua pihak memberikan informasi kepada majelis arbitrase bahwa dokumen penyelesaian telah dieksekusi. Semua pihak telah sepakat bahwa untuk kepentingan terbaik masing-masing pihak untuk menyelesaikan klaim pada arbitrase. Hasilnya, Majelis Arbitrase memutuskan untuk tetap melakukan arbitrase, dimana periode arbitrase telah diperpanjang menjadi 6 April 2018 (sebelumnya sampai dengan 6 Juli 2017).

48. CONTINGENCIES (continued)

a. Litigations (continued)

vii. Arbitration against CE Hammamet Ltd. ("CE Hammamet")

On March 17, 2016, the Company through its wholly-owned subsidiary, Medco Ventures International (Barbados) Ltd ("MVI"), together with partner DNO Tunisia AS ("DNO") (both MVI and DNO as "Claimants") served a Notice of Arbitration to CE Hammamet ("Respondent"), one of the partners in Hammamet Block, to pay its share of the Minimum Work Obligation ("MWO") of one exploration well as a commitment under the Joint Operating Agreement in the Hammamet Block, which CE Hammamet purported to withdraw. The request for arbitration was filed in the London Court of International Arbitration ("LCIA" or "Arbitration Tribunal").

On April 22, 2016, CE Hammamet has submitted a response to the arbitration notice.

On December 8, 2016, the Claimants and the Respondent entered into a settlement agreement as set forth in the Deed of Settlement ("DOS"). Further, Cooper Energy Limited as the parent company of CE Hammamet has issued a guarantee and indemnity in favour of the Claimants. On the same date, all parties informed the Arbitration Tribunal that the settlement documents had been executed. The parties have determined that it is in their respective best interests to compromise and settle the claims in the arbitration. As a result, the Arbitration Tribunal granted a stay of the arbitration, whereby the standstill period of arbitration has been extended to April 6, 2018 (previously until July 6, 2017).

48. KONTINJENSI (lanjutan)

a. Litigasi (lanjutan)

vii. Arbitrase terhadap CE Hammamet Ltd. ("CE Hammamet") (lanjutan)

Berdasarkan dokumen penyelesaian, semua pihak setuju bahwa Penggugat berhak untuk bernegosiasi dengan pemerintah Tunisia untuk menentukan nilai denda yang harus dibayar oleh Penggugat bila MWO tidak dipenuhi; dan ketika denda telah ditentukan oleh pemerintah Tunisia, Cooper sebagai entitas induk CE Hammamet sepakat untuk menanggung 35% porsi denda MWO CE Hammamet, sampai dengan AS$2.887.500. Nilai ini melebihi jumlah denda potensial yang disepakati dalam kontrak Blok Hammamet dan hukum Tunisia yang berlaku sebesar AS$2.275.000.

viii. Gugatan Hukum dengan tiga mantan pegawai CIIL

Pada tanggal 28 September 2017, CIIL menerima surat panggilan dari Pengadilan Negeri Jakarta Selatan ("Pengadilan") atas gugatan dari tiga mantan pegawai CIIL ("Penggugat"). Penggugat menuntut CIIL atas perlakuan tidak adil terhadap pembayaran masa kerjanya dan meminta ganti rugi sebesar Rp5.540.559.991. Dikarenakan pegawai-pegawai tersebut keluar/pensiun sebelum akuisisi CIIL oleh Grup, ConocoPhillips Holding Limited membebaskan CIIL dari kasus tersebut.

48. CONTINGENCIES (continued)

a. Litigations (continued)

vii. Arbitration against CE Hammamet Ltd. ("CE Hammamet") (continued)

Based on the settlement documents, the parties agreed that the Claimants have discretion to engage in negotiations with the government of Tunisia on the amount of penalty to be paid by the Claimants in the event that the MWO is not satisfied; and once the penalty has been fixed by the government of Tunisia, Cooper as the parent company of CE Hammamet agrees to be liable for CE Hammamet's 35% share of the MWO penalty, subject to a cap of US$2,887,500. This value is in excess of potential penalty value which is set out in the contract for Hammamet Block and prevailing laws of Tunisia which is in the amount of US$2,275,000.

viii. Legal Claim of three CIIL ex-employees

On September 28, 2017, CIIL received summon from South Jakarta District Court on the case submitted by three ex-employees of CIIL ("Plaintiffs"). Plaintiffs claimed that they have been treated unfairly by CIIL related to their service year payment and claimed for Rp5,540,559,991 for compensation. *As the plaintiffs resigned/retired prior to the acquisition of CIIL by the Group, ConocoPhillips Holding Limited absolved CIIL from this case.*

48. KONTINJENSI (lanjutan)

b. Klaim dari Audit oleh Pemerintah dan Mitra Operasi Bersama

Sehubungan dengan kegiatan eksplorasi dan produksi minyak dan gas bumi, Pemerintah dan mitra operasi bersama secara periodik melakukan audit atas kegiatan Grup tersebut. Klaim yang timbul dari audit tersebut dapat disetujui oleh manajemen dan diakui di dalam pencatatan, atau tidak disetujui oleh manajemen.

Resolusi atas klaim yang tidak disetujui dapat memerlukan waktu pembahasan yang lama hingga beberapa tahun. Pada tanggal 30 September 2017, atas temuan audit Pemerintah yang belum selesai terhadap klaim yang sebagian besar terkait dengan biaya yang tidak dapat di *cost recovery* dari tahun 2012 sampai dengan tahun 2014. Manajemen yakin bahwa Grup memiliki posisi kuat dalam menghadapi tuntutan oleh karena itu tidak terdapat provisi yang dicadangkan atas klaim yang ada.

c. Kewajiban kepada Pihak Penjamin

Medco Energi US LLC (MEUS) secara kontinjen berkewajiban kepada perusahaan asuransi penjamin, dengan jumlah keseluruhan sebesar AS$13.906.200 pada tanggal 30 September 2017 berkaitan dengan penerbitan obligasi atas nama MEUS kepada *The United States Bureau of Ocean Energy Management* (BOEM) dan kepada pihak ketiga dimana aset minyak dan gas bumi dibeli. Obligasi tersebut adalah jaminan pihak ketiga dari perusahaan asuransi penjamin bahwa MEUS akan beroperasi sesuai dengan aturan dan ketentuan yang diterapkan dan akan melakukan kewajiban *Plugging and Abandonment* seperti disebut dalam perjanjian pembelian dan penjualan.

48. CONTINGENCIES (continued)

b. Government and Joint Operations Audit Claims

In relation with its oil and gas exploration and production activities, the Group is subject to periodic audits by governmental agencies and joint operations partners. Claims arising from these audits are either agreed by management and recorded in the accounting records, or are disputed.

Resolution of disputed claims may require a lengthy negotiation process extending over a number of years. As of September 30, 2017, the outstanding Government audit findings, mainly relates to cost not eligible for cost recovery for years 2012 to 2014. Management believes that the Group has strong position against these claims, and therefore no provisions have been made for these claims.

c. Surety Obligations

Medco Energi US LLC (MEUS) is contingently liable to a surety insurance company in the aggregate amount of US$13,906,200 as of September 30, 2017 relative to bonds issued on MEUS's behalf to The United States Bureau of Ocean Energy Management (BOEM) and certain third parties from whom oil and gas properties were purchased. The bonds are third party guarantees by the surety insurance company that the MEUS will operate in accordance with applicable rules and regulations and perform certain Plugging and Abandonment obligations as specified by applicable purchase and sale agreements.

49. LIABILITAS PEMBONGKARAN ASET DAN RESTORASI AREA DAN PROVISI LAIN-LAIN

Mutasi liabilitas restorasi dan pembongkaran aset adalah sebagai berikut:

49. ASSET ABANDONMENT AND SITE RESTORATION OBLIGATIONS AND OTHER PROVISIONS

The movements in site restoration and abandonment obligations are presented below:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (Tidak diaudit/ *Unaudited*)	2016	2015	2014	
Indonesia						***Indonesia***
Saldo awal	87.132.686	103.329.695	103.329.695	82.103.412	69.805.261	*Beginning balance*
Akresi selama periode/tahun Berjalan	3.371.960	4.238.050	6.043.484	5.082.570	5.574.289	*Accretion during the period/year*
Akuisisi entitas anak	347.897	845.365	1.061.883	-	-	*Acquisition of subsidiaries*
Reklasifikasi aset tersedia untuk dijual	-	(20.525.381)	(23.344.946)	-	-	*Asset reclass to available-for-sale*
Penambahan selama periode/ tahun berjalan	-	-	-	16.143.713	6.236.138	*Additions during the year*
Penyesuaian	901.344	(200.161)	42.570	-	487.724	*Adjustment*
Saldo akhir	91.753.887	87.687.568	87.132.686	103.329.695	82.103.412	*Ending balance*
Rekening yang dicadangkan	(45.236.407)	(43.689.917)	(43.632.957)	(43.500.677)	(39.868.964)	*Escrow accounts*
Saldo akhir - neto	46.517.480	43.997.651	43.499.729	59.829.018	42.234.448	*Ending balance - net*
Amerika Serikat (AS) dan Tunisia						***United States of America (USA) and Tunisia***
Saldo awal	10.967.800	13.127.208	13.127.208	20.154.566	15.391.673	*Beginning balance*
Akresi selama periode/tahun Berjalan	1.115.297	383.943	-	1.212.240	1.247.821	*Accretion during the period/year*
Akuisisi entitas anak	-	-	-	-	5.306.770	*Acquisition of subsidiaries*
Penyesuaian	1.987.101	-	(2.159.408)	(8.239.598)	(1.791.698)	*Adjustment*
Saldo akhir - neto	14.070.198	13.511.151	10.967.800	13.127.208	20.154.566	*Ending balance - net*
Jumlah	**60.587.678**	**57.508.802**	**54.467.529**	**72.956.226**	**62.389.014**	***Total***

Estimasi terkini untuk biaya pembongkaran aset dan restorasi area yang ditinggalkan tidak dihitung oleh konsultan independen, tetapi dilakukan oleh pihak manajemen. Manajemen berkeyakinan bahwa akumulasi penyisihan pada tanggal laporan posisi keuangan konsolidasian telah cukup untuk menutup semua liabilitas yang timbul dari kegiatan pembongkaran aset dan restorasi area. Estimasi tersebut ditelaah setiap tahun dan disesuaikan bila diperlukan. Tingkat diskonto yang dipergunakan dalam perhitungan adalah 1,85% - 6%.

The current estimates for the asset abandonment and site restoration obligations were determined by management and not by an independent consultant. Management believes that the accumulated provisions as of the dates of the consolidated statements of financial position are sufficient to meet the environmental obligations resulting from future asset abandonment and site restoration. These estimates are reviewed on annual basis and adjusted if required. The discount rate used in the calculation is 1.85% - 6%.

Rekening yang dicadangkan dan dicantumkan di atas ditempatkan di PT Bank Negara Indonesia (Persero) Tbk dan PT Bank Rakyat Indonesia (Persero) Tbk untuk mendanai liabilitas pembongkaran aset dan restorasi area (ARO) di Indonesia sehubungan dengan operasi minyak dan gas. Rekening yang dicadangkan yang ditempatkan di PT Bank Mandiri (Persero) Tbk akan digunakan untuk mendanai reklamasi area sehubungan dengan operasi pertambangan.

The escrow accounts placed in PT Bank Negara Indonesia (Persero) Tbk and PT Bank Rakyat Indonesia (Persero) Tbk are for the funding of asset abandonment and site restoration obligations (ARO) relating to oil and gas operations in Indonesia. Escrow accounts placed in PT Bank Mandiri (Persero) Tbk will be used for funding the reclamation area in connection with mining operations.

50. TIMUR TENGAH DAN AFRIKA UTARA

Grup memiliki kontrak kerja sama operasi untuk eksplorasi dan produksi minyak dan gas bumi di Libya, Yaman dan Tunisia serta kontrak jasa minyak dan gas bumi di Oman. Pada awal tahun 2011, kerusuhan berlangsung di Libya dan merambat ke Yaman. Pada tahun 2015, Grup telah mencadangkan penurunan nilai atas aset di Yaman sebesar AS$79,6 juta. Pada tahun 2016, Grup telah mencadangkan penurunan nilai atas aset di Yaman dan Libya masing-masing sebesar AS$2,5 juta dan AS$180 juta.

Pasca kerusuhan yang terjadi di Libya, di tahun yang sama, Grup mulai membuka kembali operasi di sana dengan aktivitas yang masih terbatas. Pada tanggal 30 September 2017, Grup mengakui pemulihan cadangan penurunan nilai atas aset di Libya sebesar AS$99,9 juta (Catatan 17). Grup memiliki biaya eksplorasi yang dikapitalisasi sebesar AS$17,8 juta atau 0,5% dari jumlah aset konsolidasian Grup pada tanggal 30 September 2017. Secara substansial, pengeluaran tersebut dikeluarkan untuk kegiatan pengeboran terutama *sub-surface well equipment*, dimana bukan merupakan aset berwujud di atas tanah, yang menghasilkan penemuan hidrokarbon dalam volume yang sangat signifikan pada 10.000 kaki di bawah tanah. Aset tersebut (seperti cadangan hidrokarbon dan *sub-surface well equipment*) secara fisik aman dari kerusuhan sipil.

50. MIDDLE EAST AND NORTH AFRICA

The Group has oil and gas exploration and production joint operations contracts in Libya, Yemen and Tunisia and an oil and gas service contract in Oman. In early 2011, civil unrests were taking place in Libya, and to a lesser extent in Yemen. In 2015, the Group has recognized the provision for impairment of Yemen assets which amounted to US$79.6 million. In 2016, the Group has recognized the provision for impairment of Yemen and Libya assets which amounted to US$2.5 million and US$180 million, respectively.

After the civil unrest in Libya in the same year, the Group has already resumed its operations with limited activities. As of September 30, 2017, the Group recognized reversal of prior year provision for Libya assets amounted to US$99.9 million (Note 17). The Group has total capitalized exploration expenditures of US$17.8 million or 0.5% of the Group's total consolidated assets as of September 30, 2017. Those expenditures were substantially spent for the drilling activities involving primarily sub-surface well equipment, not in the form of tangible assets on land, that have resulted in the discovery of very significant volume of hydrocarbons that reside about 10,000 feet underground. Therefore, the assets (i.e., the hydrocarbon reserves and the associated sub-surface well equipment) had not been exposed to the disturbances during the civil unrest.

51. RISIKO OPERASIONAL

Operasi Grup di sektor minyak dan gas bumi terkait dengan bahaya dan risiko bawaan pada saat pengeboran dan produksi dan transportasi atas gas alam dan minyak, seperti kebakaran, bencana alam, ledakan, menghadapi formasi dengan tekanan yang abnormal, semburan liar, ambles, pipa patah dan bocor yang dapat menyebabkan kehilangan hidrokarbon, polusi lingkungan, klaim atas cedera perorangan dan kerusakan lain atas aset tetap Grup. Sebagai tambahan, terdapat aktivitas minyak dan gas bumi tertentu Grup yang dilakukan di wilayah yang menghadapi gangguan cuaca tropis, yang dapat menyebabkan kerusakan yang substansial atas fasilitas dan menghambat produksi.

51. OPERATIONAL RISKS

The Group's operations in the oil and gas sector are subject to hazards and inherent risks in drilling and production and transportation of natural gas and oil, such as fires, natural disasters, explosions, encountering formations with abnormal pressures, blowouts, cratering, pipe line ruptures and spils, which can result in the loss of hydrocarbons, environmental pollution, personal injury claims and other damage to properties of the Group. Additionally, certain of the Group's oil and natural gas operations are located in areas that are subject to tropical weather disturbances, some of which can be severe enough to cause substantial damage to facilities and possibly interrupt production.

51. RISIKO OPERASIONAL (lanjutan)

Sebagai perlindungan terhadap risiko operasional tersebut, Grup mempunyai perlindungan asuransi, namun tidak atas semua kerugian yang potensial. Perlindungan asuransi Grup untuk aktivitas eksplorasi dan produksi gas dan minyak bumi meliputi, namun tidak terbatas pada kerusakan sumur, semburan liar dan beberapa biaya tertentu untuk pengendalian polusi, kerusakan fisik aset tertentu, kewajiban terhadap karyawan, kewajiban umum yang komprehensif, asuransi kendaraan dan kompensasi pekerja.

51. OPERATIONAL RISKS (continued)

As protection against operational risks, the Group maintains insurance coverage against some, but not all potential losses. The Group's insurance coverage for its oil and gas exploration and production activities includes, but is not limited to, loss of wells, blowouts and certain costs of pollution control, physical damage to certain assets, employer's liability, comprehensive general liability, and automobile and workers compensation insurance.

52. TRANSAKSI NON-KAS

Transaksi non-kas terdiri dari:

52. NON-CASH TRANSACTIONS

Non-cash transactions consist of:

	30 September/*September 30,*		31 Desember/*December 31,*			
	2017	2016 (Tidak diaudit/ *Unaudited)*	2016	2015	2014	
Pendapatan bunga dari ventura bersama	20.868.286	-	5.245.911	-	-	*Finance income from joint venture*
Beban pendanaan yang berasal dari akresi liabilitas restorasi area dan pembongkaran aset	4.487.257	4.782.634	6.043.484	6.294.811	6.822.110	*Financing charges from accretion in asset abandonment and site restoration obligations*
Penambahan (pengurangan) aset minyak dan gas melalui liabilitas restorasi area dan pembongkaran aset	2.888.445	-	-	7.904.115	4.932.164	*Addition (deduction) of oil and gas properties involving asset abandonment and site restoration obligations*
Reklasifikasi dari aset eksplorasi dan evaluasi ke aset minyak dan gas bumi	1.957.488	10.480.440	11.593.604	22.252.105	43.278.394	*Reclassification from exploration and evaluation asset to oil and gas properties*
Utang lain-lain dan utang dana pensiun saat akuisisi entitas anak	-	-	45.615.626	-	-	*Other liabilitas and pension fund liabilities at acquisition of subsidiaries*
Hasil pelepasan aset tetap	-	-	-	-	1.671.958	*Net proceeds from property, plant and equipment*
Jumlah	**30.201.476**	**15.263.074**	**68.498.625**	**36.451.031**	**56.704.626**	***Total***

53. PERISTIWA SETELAH TANGGAL PERIODE PELAPORAN

i. Pada tanggal 18 Oktober 2017, Medco LLC membayarkan dividen interim untuk tahun 2017 sebesar AS$10.000.000, dimana sebesar AS$3.200.000 telah dibayarkan kepada pihak nonpengendali.

ii. Pada tanggal 23 Oktober 2017, Majelis Arbitrase BANI telah mengeluarkan putusan yang mengabulkan permohonan CIIL berkaitan dengan sebagian arbitrase dengan Dahyar Kiatmaja.

53. EVENTS AFTER THE REPORTING PERIOD

i. On October 18, 2017, Medco LLC paid interim interim dividend for the year 2017 amounting to US$10,000,000, whereby, dividends amounting to US$3,200,000 was paid to non-controlling interest.

ii. On October 23, 2017 panel Arbitration BANI has issued a decision which granted CIIL's petition in partial pertaining to arbitration with Dahyar Kiatmaja.

53. PERISTIWA SETELAH TANGGAL PERIODE PELAPORAN (lanjutan)

iii. Pada tanggal 6 November 2017, PT Medco E & P Indonesia ("MEPI"), entitas anak yang dimiliki sepenuhnya, menandatangani Amandemen atas Perjanjian Jual Beli Gas Bumi dengan PD Petrogas Ogan Ilir untuk sektor industri di Sumatera Selatan. Amandemen tersebut berkaitan dengan permohonan penundaan pengaliran gas sampai dengan 1 Desember 2017.

iv. Pada tanggal 29 November 2017, Perusahaan menerima pernyataan efektif dari Otoritas Jasa Keuangan terkait rencana Penawaran Umum Terbatas II kepada para pemegang saham Perusahaan dalam rangka penerbitan Hak Memesan Efek Terlebih Dahulu ("PUT II HMETD") atas 4.399.117.667 saham biasa atas nama atau sebesar 24,81% dari modal ditempatkan dan disetor penuh Perusahaan setelah PUT II HMETD. Perusahaan memperoleh dana sebesar Rp2.639.470.600.200 (sebelum dikurangi biaya transaksi) melalui PUT II HMETD ini.

Bersamaan dengan PUT II ini, Perseroan juga menerbitkan sebanyak-banyaknya 4.399.117.667 Waran Seri I yang merupakan 33,33% dari jumlah modal ditempatkan dan disetor penuh pada saat pernyataan pendaftaran dan berdasarkan asumsi dilaksanakannya Waran Seri I sebelum PUT II. Untuk setiap 1 saham hasil pelaksanaan HMETD tersebut melekat 1 Waran Seri I bagi pemegang HMETD yang melaksanakan haknya. Waran Seri I dapat dilaksanakan mulai tanggal 1 Juli 2018 sampai dengan tanggal 11 Desember 2020 dimana setiap pemegang 1 Waran Seri I berhak untuk membeli 1 saham Perseroan dengan ketentuan sebagai berikut:

53. EVENTS AFTER THE REPORTING PERIOD (continued)

iii. On November 6, 2017 PT Medco E & P Indonesia ("MEPI"), a subsidiary, signed an amendment to the Gas Sales Agreement with PD Petrogas Ogan Ilir for gas supply in industry sector in South Sumatera. The amendment related to request for delay in gas supply until December 1, 2017.

iv. On November 29, 2017, the Company obtained effective letter from Otoritas Jasa Keuangan related to the Limited Public Offering II to the shareholders of the Company through of the Issuance of Pre-Emptive Rights ("PUT II HMETD") of 4,399,117,667 ordinary registered shares or 24.81% of the Company's issued and paid-up capital subsequent to the PUT II HMETD. The Company obtained fund amounting to Rp2,639,470,600,200 (before deduction of transaction costs) through this PUT II HMETD.

Simultaneously with the PUT II, the Company shall issue a total of 4,399,117,667 Series I Warrants, which represent 33.33% of the total issued and paid-up capital as of the submission of the registration statement based on the assumption that the Series I Warrants are exercised prior to the PUT II. Every 1 Right Share shall be accompanied by 1 Series I Warrant granted to the Preemptive Right holders exercising their rights. The Series I Warrants may be exercised from July 1, 2018 until December 11, 2020, where each holder of 1 Series I Warrant shall be entitled to purchase 1 share of the Company, subject to the following provisions:

53. PERISTIWA SETELAH TANGGAL PERIODE PELAPORAN (lanjutan)

- Tahap I dimulai pada tanggal 1 Juli 2018 sampai dengan 31 Desember 2018 dengan Harga Pelaksanaan Waran Tahap I Rp625 per saham;
- Tahap II dimulai pada tanggal 1 Januari 2019 sampai dengan 31 Desember 2019 dengan Harga Pelaksanaan Waran Tahap II Rp650 per saham;
- Tahap III dimulai pada tanggal 1 Januari 2020 sampai dengan 11 Desember 2020 dengan Harga Pelaksanaan Waran Tahap III Rp675 per saham.

v. Pada tanggal 19 Desember 2017, Perusahaan telah melunasi Obligasi Berkelanjutan Rupiah I Tahap I sebesar Rp500.000.000.000.

vi. Pada tanggal 20 Desember 2017, MEPN, Premier Oil, Star Energy ("Grup PSC") menandatangani Perjanjian *WNTS Clarification*. Grup PSC menyetujui untuk menyelesaikan liabilitas diantara pihak-pihak dalam grup dan menyamakan interpretasi atas beberapa klausul dalam *Gas Supply Agreement* dan *GSA2 Transportation Agreement* tertanggal 15 Januari 1999 dan 31 Oktober 2008, serta melakukan amandemen atas klausul dalam kontrak-kontrak tersebut untuk menyesuaikan dengan interpretasinya yang disetujui dalam *Clarification Agreement*.

vii. Pada tanggal 27 Desember 2017, Perusahaan menandatangani *Share Sale and Purchase Agreement* (SPA) dengan Tophams Finance Ltd, untuk melepaskan 100% kepemilikan atas Medco Bawean Holding Pte Ltd ("MBHPL").

viii. Pada tanggal 28 Desember 2017, Perusahaan menandatangani perjanjian kredit dengan PT Bank DBS Indonesia sebesar AS$50.000.000 dengan jangka waktu 4 tahun. Fasilitas kredit ini akan digunakan untuk pembiayaan kembali hutang Perusahaan dan biaya-biaya pengeluaran Perusahaan lainnya. Sampai dengan tanggal laporan, Perusahaan belum menggunakan fasilitas kredit ini.

53. EVENTS AFTER THE REPORTING PERIOD (continued)

- *Exercise Window I shall commence from July 1, 2018, until December 31, 2018, with the Exercise Price for the Warrant Exercise Window I of Rp625 per share;*
- *Exercise Window II shall commence from January 1, 2019, until December 31, 2019, with the Exercise Price for the Warrant Exercise Window II of Rp650 per share;*
- *Exercise Window III shall commence from January 1, 2020, until December 11, 2020, with the Exercise Price for the Warrant Exercise Window III of Rp675 per share.*

v. On 19 December 2017, the Company has fully repaid Rupiah Shelf Registered Bonds I Phase I amounting to Rp500,000,000,000.

vi. On December 20, 2017, MEPN, Premier Oil, Star Energy (The "PSC group") signed WNTS Clarification Agreement. The PSC group agrees to settle the outstanding amounts between the parties of the group and to conform the interpretation of some clauses in Gas Supply Agreement and GSA2 Transportation Agreement dated January 15, 1999 and October 31, 2008, also to amend the said clauses in these agreements to align with interpretation as stated in the Clarification Agreement.

vii. On September 1, 2016, the Company signed a Share Sale and Purchase Agreement (SPA) with Tophams Finance Ltd, to divest 100% shares of Medco Bawean Holding Pte Ltd ("MBHPL").

viii. On December 28, 2017, the Company signed credit facility agreement with PT Bank DBS Indonesia amounting to US$50,000,000 with 4 year tenor. This credit facility will be used for refinancing the Company's indebtedness and any expenses incur. Until the date of the report, the Company has not used this credit facility.

53. PERISTIWA SETELAH TANGGAL PERIODE PELAPORAN (lanjutan)

ix. Pada tanggal 29 Desember 2017, PT Medco E & P Malaka (“MEPM”), melakukan penarikan ketiga sebesar AS$56.562.000 atas Fasilitas Pinjaman Berjangka dengan Jaminan dengan Australia and New Zealand Banking Group Limited, ING Bank N.V., Cabang Singapura, Societe Generale, Cabang Singapura, BNP Paribas, Bank of China (Hongkong) Limited, Cabang Jakarta, Credit Agricole Corporate and Investment Bank, Intesa Sanpaolo S.P.A, Cabang Hongkong, Mizuho Bank, LTD., dan Sumitomo Mitsui Banking Corporation, Cabang Singapura.

x. Pada tanggal 29 Desember 2017, entitas anak tidak langsung AMIV, PT Amman Mineral Internasional (”AMI”) telah melakukan percepatan pelunasan seluruh pinjaman berdasarkan perjanjian *Senior Facility* tanggal 20 Juni 2016 (”SFA”). Sehubungan dengan pembayaran tersebut, PT Bank Negara Indonesia (Persero) Tbk selaku *Security Agent* telah melepaskan seluruh jaminan efektif pada tanggal 29 Desember 2017.

xi. Pada tanggal 29 Desember 2017, entitas anak AMIV, PT Amman Mineral Ventura (“AMV”) telah melakukan percepatan pelunasan seluruh kewajiban pinjaman berdasarkan perjanjian *Mezzanine Facility* tanggal 30 Oktober 2016 (”MFA”). Sehubungan dengan pembayaran tersebut, Madison Pacific Trust Limited selaku *Security Agent* telah melepaskan seluruh jaminan efektif pada tanggal 29 Desember 2017.

xii. Pada tanggal 29 Desember 2017, entitas anak tidak langsung AMIV, PT Amman Mineral Nusa Tenggara (”AMNT”) menandatangani perjanjian *Senior Secured Term Loan Facility* dengan PT Bank Mandiri (Persero) Tbk sebesar AS$400 juta dengan opsi untuk menambah hingga sebesar AS$875 juta dan akan jatuh tempo pada tanggal 29 Desember 2024. Pokok pinjaman akan diangsur pembayarannya setiap tiga bulan dimulai pada tanggal 30 September 2022. Pinjaman ini dikenakan bunga sebesar LIBOR ditambah margin 4,5% per tahun. *Senior Secured Term Loan Facility* digunakan untuk modal kerja keuangan dan investasi modal AMNT untuk Tahap 7 dan untuk pendanaan perusahaan secara umum. *Senior Secured Term Loan Facility* dijamin dengan aset tetap dan bergerak AMNT, semua saham entitas anak AMI, dan jaminan perusahaan dari AMI.

53. EVENTS AFTER THE REPORTING PERIOD (continued)

ix. On December 29, 2017, PT Medco E & P Malaka (“MEPM”), made the third drawdown amounting to US$56,562,000 from the Senior Secured Term Loan Facility Agreement with Australia and New Zealand Banking Group Limited, ING Bank N.V., Singapore Branch, Societe Generale, Singapore Branch, BNP Paribas, Bank of China (Hongkong) Limited, Jakarta Branch, Credit Agricole Corporate and Investment Bank, Intesa Sanpaolo S.P.A, Hongkong Branch, Mizuho Bank, LTD., and Sumitomo Mitsui Banking Corporation, Singapore Branch.

x. On December 29, 2017, AMIV’s indirect subsidiary, PT Amman Mineral Internasional (”AMI”), fully prepaid the loan obligation under the Senior Facility Agreement dated June 20, 2016 (“SFA”). Pursuant to the payment, PT Bank Negara Indonesia (Persero) Tbk as the Security Agent has released all security and guarantee effective on December 29, 2017.

xi. On December 29, 2017, AMIV’s subsidiary, PT Amman Mineral Ventura (“AMV”) fully prepaid the loan obligation under the Mezzanine Facility Agreement dated October 30, 2016 (“MFA”). Pursuant to such payment, Madison Pacific Trust Limited as the Security Agent has released all security and guarantee effective on December 29, 2017.

xii. On December 29, 2017, AMIV’s Indirect Subsidiary, PT Amman Mineral Nusa Tenggara (”AMNT”) signed Senior Secured Term Loan Facility agreement with PT Bank Mandiri (Persero) Tbk amounted to US$400 million with an option to increase up to US$875 million and will mature on December 29, 2024. The installment of loan principal will be paid on quarterly basis commencing on September 30, 2022. The loan bears interest at LIBOR plus 4.5% per annum. The Senior Secured Term Loan Facility was used for financial working capital and capital investment of AMNT for Phase 7 and general corporate purposes. The Senior Secured Term Loan Facility is secured by fixed and movable assets of AMNT, pledged of all shares in AMI subsidiaries, and the corporate guarantees from AMI.

54. PERSETUJUAN DAN OTORISASI PENERBITAN LAPORAN KEUANGAN KONSOLIDASIAN

Penerbitan laporan keuangan konsolidasian Grup telah disetujui dan disahkan oleh Direksi pada tanggal 29 Desember 2017.

54. APPROVAL AND AUTHORIZATION FOR THE ISSUANCE OF CONSOLIDATED FINANCIAL STATEMENTS

The issuance of the consolidated financial statements of the Group was approved and authorized by the Board of Directors on December 29, 2017.

55. TUJUAN PENYUSUNAN DAN PENERBITAN LAPORAN KEUANGAN KONSOLIDASIAN

Laporan keuangan konsolidasian ini disusun dan diterbitkan dengan tujuan untuk dicantumkan dalam dokumen penawaran sehubungan dengan rencana penawaran umum efek utang entitas anak dari Perusahaan di Amerika Serikat dan di luar Amerika Serikat masing-masing berdasarkan *Rule 144A dan Regulation S dari United States Securities Act of 1933*.

55. PURPOSE OF PREPARATION AND ISSUANCE OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were prepared and issued solely for inclusion in the offering circular in connection with the proposed offering of the debt securities of the Company's subsidiary in the United States of America and outside of the United States of America in reliance on Rule 144A and Regulation S, respectively, under the United States Securities Act of 1933.

PT MEDCO ENERGI INTERNASIONAL Tbk DAN ENTITAS ANAKNYA
INFORMASI TAMBAHAN
Tanggal 30 September 2017
(Disajikan dalam Dolar Amerika Serikat, Kecuali Dinyatakan Lain)
(Tidak Diaudit)

PT MEDCO ENERGI INTERNASIONAL Tbk AND ITS SUBSIDIARIES
SUPPLEMENTARY INFORMATION
As of September 30, 2017
(Expressed in United States Dollars, Unless Otherwise Stated)
(Unaudited)

ESTIMASI CADANGAN

Informasi berikut mengenai kuantitas cadangan yang *proved developed*, *undeveloped* dan *probable reserve quantities* serta sumber daya kontinjen hanya merupakan estimasi, dan tidak dimaksudkan untuk menggambarkan nilai yang dapat direalisasikan atau nilai pasar yang wajar dari cadangan Grup. Grup menekankan bahwa estimasi cadangan secara bawaan tidak akurat. Sehubungan dengan hal tersebut, estimasi ini bisa berubah bila tersedia informasi baru dikemudian hari. Terdapat berbagai ketidakpastian bawaan dalam mengestimasi cadangan minyak dan gas bumi, termasuk faktor-faktor yang berada di luar kendali Grup.

Informasi berikut atas kuantitas cadangan dan sumber daya diestimasi baik oleh tenaga ahli Grup, konsultan perminyakan independen yaitu Netherland, Sewell & Associates, Inc., Gaffney, Clyne and Associates, dan RISC Operations Pty Ltd (RISC) ataupun berdasarkan estimasi oleh masing-masing operator blok. Prinsip teknik perminyakan dan definisi yang berlaku di industri atas kategori dan sub-klasifikasi cadangan *proved* dan *probable* serta sumber daya kontinjen dipergunakan dalam penyusunan pengungkapan cadangan dan sumber daya.

Manajemen berpendapat bahwa kuantitas cadangan di bawah ini merupakan estimasi yang wajar berdasarkan data geologi dan teknik yang tersedia.

RESERVES ESTIMATION

The following information on proved developed, undeveloped and probable reserve quantities as well as contingent resources are estimates only, and do not purport to reflect realizable values or fair market values of the Group's reserves. The Group emphasizes that reserve estimates are inherently imprecise. Accordingly, these estimates are expected to change as future information becomes available. There are numerous uncertainties inherent in estimating oil and natural gas reserves including many factors beyond the control of the Group.

The following information on the Group's reserves and resources quantities are estimated either by the Group's engineers, an independent petroleum engineering consultant, i.e., Netherland, Sewell & Associates, Inc., Gaffney, Clyne and Associates and RISC Operations Pty Ltd (RISC) or based on estimates by the operators of the respective blocks. Generally accepted petroleum engineering principles and definitions applied by the industry to proved and probable reserve categories and subclassifications as well as contingent resources were utilized in preparing the reserves and resources disclosures.

Management believes that the reserve quantities shown below are reasonable estimates based on available geological and engineering data.

PT MEDCO ENERGI INTERNASIONAL Tbk DAN ENTITAS ANAKNYA
INFORMASI TAMBAHAN (lanjutan)
Tanggal 30 September 2017
(Disajikan dalam Dolar Amerika Serikat, Kecuali Dinyatakan Lain)
(Tidak Diaudit)

PT MEDCO ENERGI INTERNASIONAL Tbk AND ITS SUBSIDIARIES
SUPPLEMENTARY INFORMATION (continued)
As of September 30, 2017
(Expressed in United States Dollars, Unless Otherwise Stated)
(Unaudited)

ESTIMASI CADANGAN (lanjutan) / ***RESERVES ESTIMATION (continued)***

	Aset di Indonesia/ *Indonesian Assets*				Aset Internasional/ *International Assets* [3]		Jumlah/ *Total*		
	Wilayah Barat/ *West* [1]		Wilayah Timur dan Tengah/ *East and Central* [2]						
	Minyak/*Oil*	Gas	Minyak/*Oil*	Gas	Minyak/*Oil*	Gas	Minyak/*Oil*	Gas	Minyak dan Gas/ *Oil and Gas*
	mbbls	mmscf	mbbls	mmscf	mbbls	mmscf	mbbls	mmscf	mboe
Grup Cadangan *Proved*/ *Group Proved Reserves*									
Saldo awal 31 Desember 2016/ *Beginning Balance, December 31, 2016*	36.710	271.466	10.336	386.675	51.081	54.091	98.127	712.232	219.644
Penemuan dan pengembangan/ *Discoveries and extensions*	-	-	-	-	-	-	-	-	-
Revisi/ *Revisions* [4]	3.112	99.473	-	-	-	-	3.112	99.473	20.489
Akuisisi dan divestasi/ *Acquisitions and divestments* [5]	764	42.265	-	-	-	-	764	42.265	8.753
Produksi/ *Production*	5.957	46.053	1.116	23.988	1.278	276	8.351	70.317	21.507
Saldo akhir 30 September 2017/ *Ending balance, September 30, 2017*	**34.629**	**367.151**	**9.220**	**362.687**	**49.803**	**53.815**	**93.652**	**783.653**	**227.379**
Grup *Proved* dan *Probable*/ *Group Proved and Probable*									
Saldo awal 31 Desember 2016/ *Beginning balance, December 31, 2016*	50.677	442.811	13.085	390.452	84.669	84.924	148.431	918.187	305.024
Penemuan dan pengembangan/ *Discoveries and extensions*	-	-	-	-	-	-	-	-	-
Revisi/ *Revisions* [4]	1.816	120.015	-	-	-	-	1.816	120.015	22.328
Akuisisi dan divestasi/ *Acquisitions and divestments* [5]	1.140	43.688	-	-	-	-	1.140	43.688	9.749
Produksi/ *Production*	5.957	46.053	1.116	23.988	1.278	276	8.351	70.317	21.507
Saldo akhir 30 September 2017/ *Ending balance, September 30, 2017*	**47.676**	**560.461**	**11.969**	**366.464**	**83.391**	**84.648**	**143.036**	**1.011.573**	**315.594**

PT MEDCO ENERGI INTERNASIONAL Tbk DAN ENTITAS ANAKNYA
INFORMASI TAMBAHAN (lanjutan)
Tanggal 30 September 2017
(Disajikan dalam Dolar Amerika Serikat, Kecuali Dinyatakan Lain)
(Tidak Diaudit)

PT MEDCO ENERGI INTERNASIONAL Tbk AND ITS SUBSIDIARIES
SUPPLEMENTARY INFORMATION (continued)
As of September 30, 2017
(Expressed in United States Dollars, Unless Otherwise Stated)
(Unaudited)

ESTIMASI CADANGAN (lanjutan) / ***RESERVES ESTIMATION (continued)***

	Aset di Indonesia/ *Indonesian Assets*				Aset International/ *International Assets* [3]		Jumlah/ *Total*		
	Wilayah Barat/ *West* [1]		Wilayah Timur dan Tengah/ *East and Central* [2]						
	Minyak/*Oil*	Gas	Minyak/*Oil*	Gas	Minyak/*Oil*	Gas	Minyak/*Oil*	Gas	Minyak dan Gas/ *Oil and Gas*
	mbbls	mmscf	mbbls	mmscf	mbbls	mmscf	mbbls	mmscf	mboe
Grup Sumber Daya Kontinjen/ *Group Contingent Resources*									
Saldo awal 31 Desember 2016/ *Beginning balance, December 31, 2016*	16.553	244.246	11.400	762.973	33.331	111.528	61.284	1.118.747	252.045
Penemuan dan pengembangan/ *Discoveries and extensions*	-	-	-	-	-	-	-	-	-
Revisi/ *Revisions* [4]	(12.713)	(167.110)	-	-	-	-	(12.713)	(167.110)	(41.279)
Akuisisi dan divestasi/ *Acquisitions and divestments*	-	-	-	-	-	-	-	-	-
Produksi/ *Production*	-	-	-	11	-	-	-	11	2
Saldo akhir 30 September 2017/ *Ending balance, September 30, 2017*	**3.840**	**77.136**	**11.400**	**762.962**	**33.331**	**111.528**	**48.571**	**951.626**	**210.764**

(1) Estimasi cadangan yang termasuk dalam aset di Indonesia, wilayah Barat meliputi beberapa wilayah kerja diantaranya Sumatera S.S. Extension, Rimau, Lematang, Blok A dan Blok B.

(2) Estimasi cadangan yang termasuk dalam aset di Indonesia, wilayah Timur dan Tengah meliputi beberapa wilayah kerja diantaranya Tarakan, Senoro-Toili dan Simenggaris.

(3) Estimasi cadangan yang termasuk dalam aset Internasional meliputi beberapa wilayah kerja diantaranya Amerika Serikat, Libya, Yaman dan Tunisia.

(4) Pada tahun 2017 dilakukan penyesuaian atas perhitungan konversi gas ke setara minyak.

(5) Penambahan akuisisi hak partisipasi KrisEnergy sebesar 26,6666% di Blok A.

(1) The Group's reserves estimates of Indonesian assets, West area include several working areas, such as Sumatera S.S. Extension, Rimau, Lematang, Block A and Block B.

(2) The Group's reserves estimates of Indonesian assets, East and Central area include several working areas, such as Tarakan, Senoro-Toili and Simenggaris.

(3) The Group's reserves estimates of International assets include several working areas, such as United States, Libya, Yemen and Tunisia.

(4) In 2017, the Company made an adjustment to calculate gas conversion to oil equivalent.

(5) Acquisition 26.6666% of KrisEnergy's working interest in Block A.

Indonesia Market Report
Upstream Section

Prepared for Medco Energi

January 2018

Strategy with substance
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Introduction

This Industry Market Report covering Indonesia was prepared by Wood Mackenzie for inclusion into the Offering Circular related to Medco Energi's proposed bond offering.

The information and data presented in this Industry Market Report has been provided by our energy industry consultant, Wood Mackenzie.

Wood Mackenzie has advised that the statistical and graphical information contained herein is drawn from its database and other publicly available sources. In connection therewith, Wood Mackenzie has advised that:

(i) certain information in Wood Mackenzie's database is derived from estimates or subjective judgements;

(ii) the information in the databases of other data collection agencies may differ from the information in Wood Mackenzie's database; and

(iii) while Wood Mackenzie has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures.

Wood Mackenzie's methodologies for collection of information and data are proprietary, and therefore the information discussed in this report may differ from that of other sources. The information and data presented in this report has not been independently verified and we do not make any representation as to the accuracy or completeness of such data or any assumptions relied upon thereon.

1. Medco upstream overview and peer comparison

Overview

Medco's upstream exploration and production portfolio constitutes assets primarily in Indonesia as well as other interests in the United States of America, Libya, Tunisia, Oman and Yemen. These are summarised in the table below.

Country	Contract	Type	Interest	Operator/ partner	Stage (Primary hydrocarbons)
Indonesia	Senoro-Toili	PSC-JOB	30.0%	Joint Operator with PT PERTAMINA Hulu Energi	Production (Oil & Gas)
	South Natuna Sea Block B**	PSC	40.0%	Operator	Production (Oil, Gas, Condensate & LPG)
	Lematang	PSC	100.0%	Operator	Production (Gas)
	Rimau	PSC	95.0%	Operator	Production (Oil)
	Tarakan	PSC	100.0%	Operator	Production (Oil & Gas)
	South Sumatra Extension**	PSC	100.0%	Operator	Production (Oil & Gas)
	Simenggaris	PSC-JOB	62.5%	Joint Operator with PT PERTAMINA Hulu Energi	Development (Gas)
	North Sumatra Block A Aceh	PSC	85.0%	Operator	Development (Gas & Condensate)
	South Sokang	PSC	100.0%	Operator	Exploration
	Bengara	PSC	100.0%	Operator	Exploration
Oman	Karim Small Fields	Service Contract	51.0%	Operator	Production (Oil)
	Block 56	PSC	75.0%	Operator	Exploration
Yemen	Block 9 Malik	PSA	21.25%	Partner	Production (Oil)
	Block 82**	PSA	38.25%	Operator	Exploration
Tunisia	Adam Fields	Concession	5.0%	Partner	Production (Oil & Gas)
	Bir Ben Tartar	PSC	100.0%	Operator	Production (Oil & Gas)
	Yasmin	Concession	100.0%	Operator	Pre-development (Oil)
	Cosmos	Concession	80.0%	Operator	Pre-development (Oil & Gas)
	Jenein	PSC	65.0%	Operator	Exploration
	Sud Remada	PSC	100.0%	Operator	Exploration
	Borj El-Khadra	Concession	10.0%	Partner	Exploration
	Hammamet	PSC	54.0%	Operator	Exploration
USA	Blocks 64 & 65, Main Pass, Louisiana	Concession	75.0%	Operator	Production (Oil & Gas)
	Block 316, East Cameron, Louisiana	Concession	100.0%	Operator	Production (Oil & Gas)
	Blocks 317 & 318, East Cameron, Louisiana	Concession	75.0%	Operator	Production (Oil & Gas)
Libya	Area 47	EPSA IV	25.0%	Partner	Development (Oil & Gas)

** Key changes from previous (July 2017) market report:

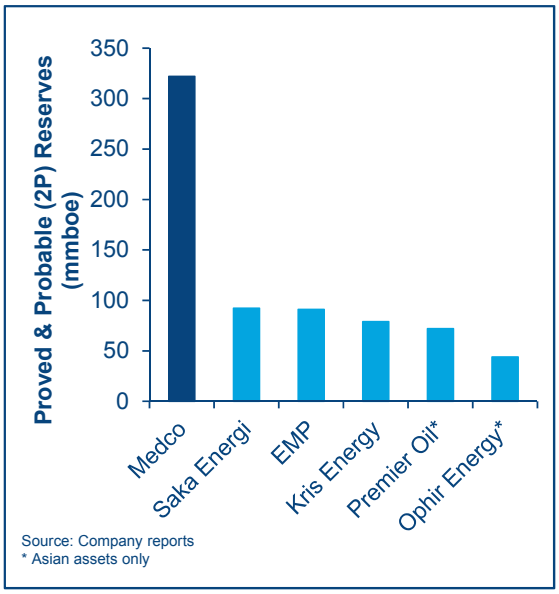
- South Sumatra Extension previously referred to as South and Central Sumatra PSC
- Yasmin (Tunisia Asset) removed as now classed as contingent resource (i.e. not likely to be developed)
- Block 82 in Yemen currently suspended (Force Majeure) due to above ground security risks, unclear timing of return to active exploration
- Tunisian Exploration licenses are past initial expiration dates but we have assumed renewal

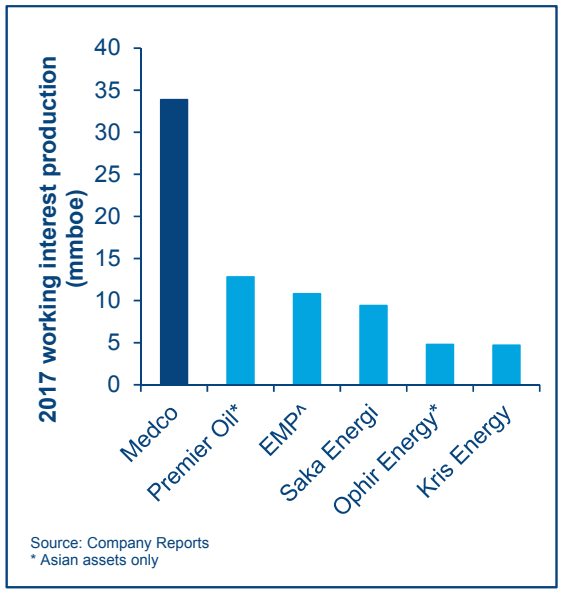
A peer analysis of Medco's contemporaries in the upstream space was undertaken. The selection was confined to independent exploration and production companies with a noteworthy proved & probable (2P) reserve and production footprint in South and Southeast Asia. These companies are summarised in the following table:

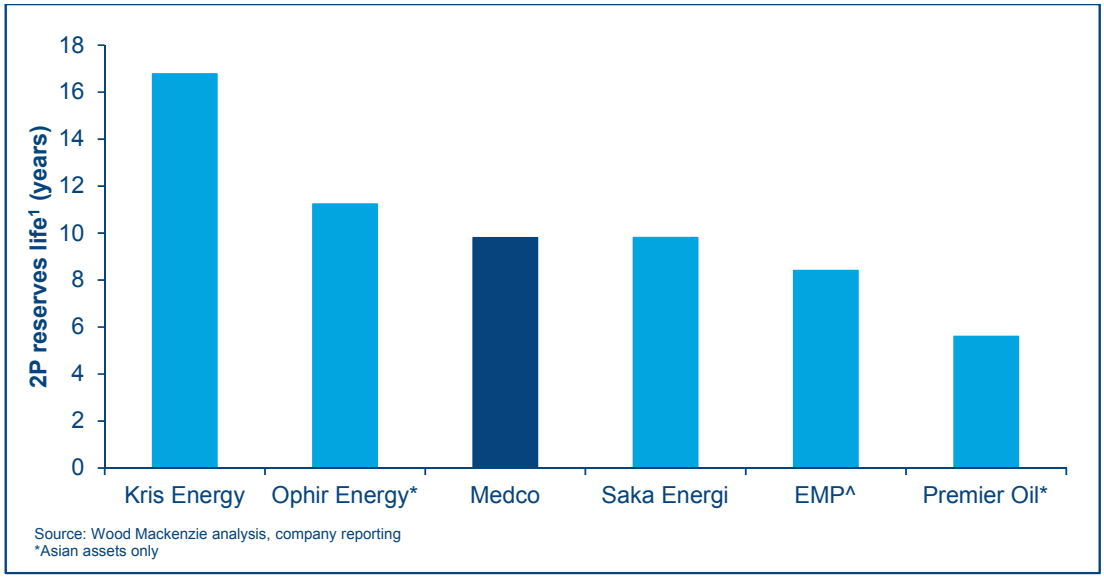
Company	Headquarters/ Corporate Office	Listing venue	Current and near-term Asian production footprint
Medco Energi	Jakarta, Indonesia	Indonesia Stock Exchange	Indonesia
Energi Mega Persada	Jakarta, Indonesia	Indonesia Stock Exchange	Indonesia
Ophir Energy	London, United Kingdom	London Stock Exchange	Indonesia, Thailand
Premier Oil	London, United Kingdom	London Stock Exchange	Indonesia, Vietnam, Pakistan
KrisEnergy	Singapore, Singapore	Singapore Exchange	Thailand, Bangladesh, Indonesia
Saka Energi	Jakarta, Indonesia	Subsidiary of PT Perusahaan Gas Negara	Indonesia

2017 production, 2017 proved and probable (2P) reserves and resultant 2P reserves life

At the end of 2017, Medco had the highest level of proved and probable Asian reserves amongst its peers. It also had the highest Asian production amongst its peer group. Medco's resultant reserve life is approximately 10 years, within the peer group range of 7 to 16 years.





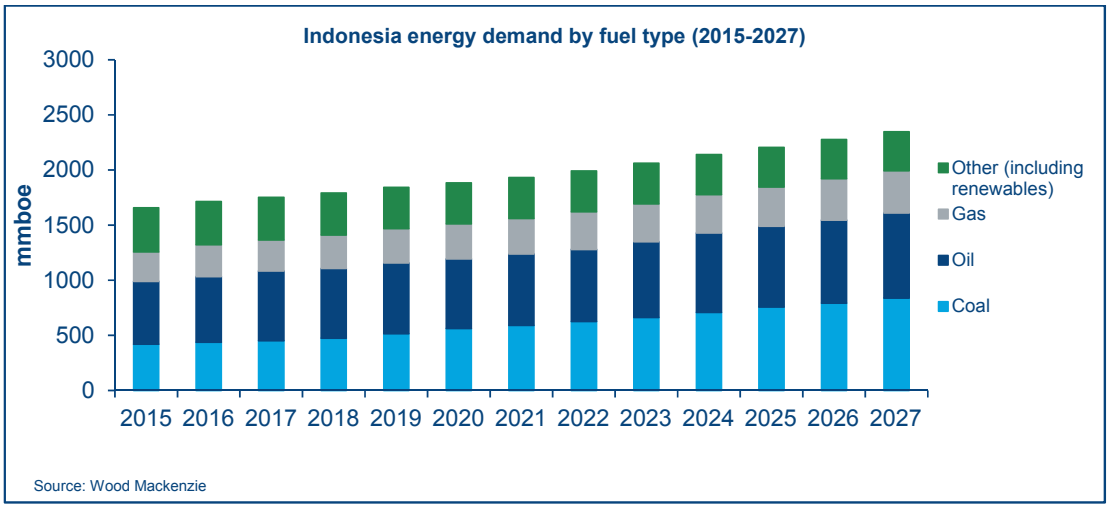


Source: Wood Mackenzie analysis, company reporting
*Asian assets only

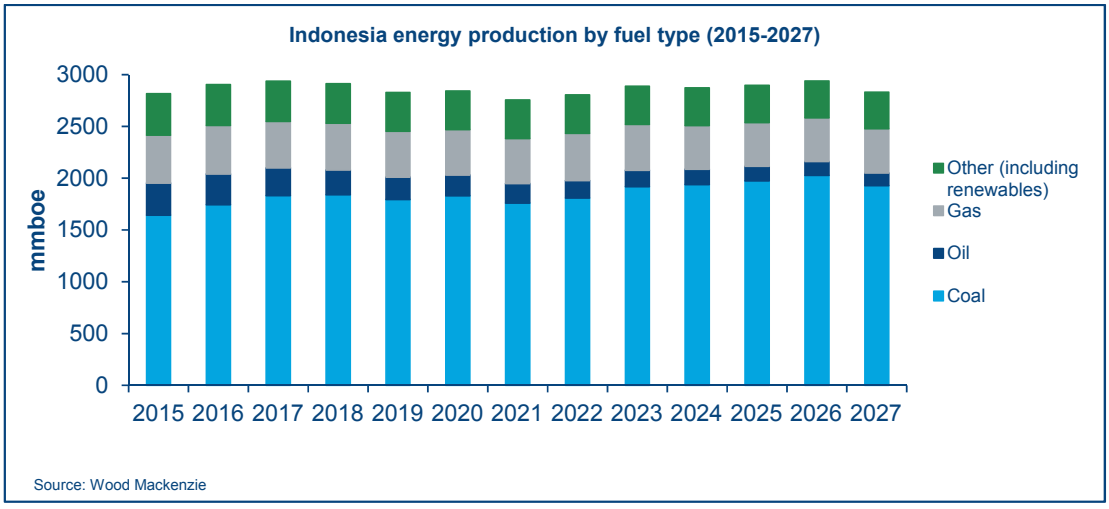
2. Indonesia Oil and Gas Market

Consumption and Production

Indonesia's total primary energy demand is expected to grow at a CAGR of 3.0% between 2017-2027. Of the fossil fuels, coal is expected to grow most rapidly at a CAGR of 6.4% resulting in its increased dominance in the energy mix. Coal's share of the energy mix increases from 26% in 2017 to 36% in 2027. Annual oil and gas consumption is expected to increase from 915 mmboe to 1,156 mmboe, while their combined share of the energy mix falls from 52% in 2017 to 49% in 2027.



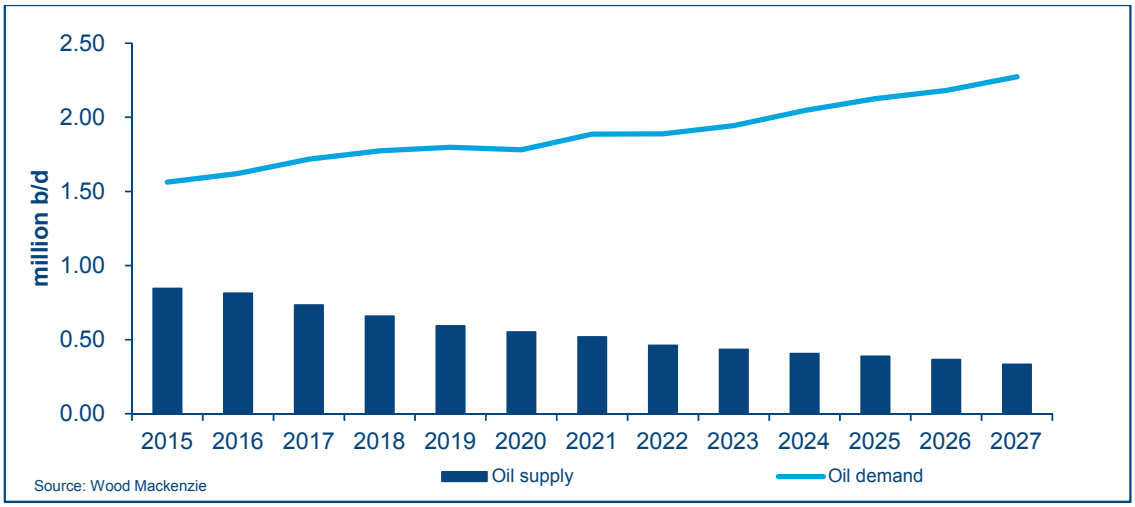
Energy production remains steady, with a slight decline at CAGR of -0.4% between 2017-2027. Coal is the only fossil fuel that is expected to have a small increase in production. With a CAGR of 0.5%, coal is expected to cement its dominance of the energy production mix from 62% in 2017 to 68% in 2027.



Oil demand

Oil demand growth averaged 3.3% annually in the five years from 2008 to 2013, primarily because of strong transport demand. However, Indonesia's oil demand was flat between 2013 and 2015 as price reforms for gasoline and diesel/gasoil softened transport sector demand. Even with the fall in crude oil prices and the government's downward adjustment of prices in 2016, retail fuel prices are currently ~15% (diesel) to 50% (gasoline) higher compared with pre-reform levels in 2012. Poor mining sector demand for diesel/gasoil in 2014/2015 has also contributed to a weaker demand outlook.

Looking forward, Indonesia's total product demand is forecast to grow from 1.7 million b/d in 2017 to 2.3 million b/d in 2027, at a CAGR of 2.7%. Transportation demand accounts for the majority (75%) of the demand increase, with road transport alone accounting for 68% of growth. Petrochemical feedstock demand also accounts for a notable portion (16%) of the increase, with moderate growth expected from the residential and industrial sectors.



Oil production and imports

Indonesia has been a net importer of oil since 2004 despite having exported 7.4% of total oil production in 2016. Indonesian oil production has been in decline since the turn of the decade, as smaller new oil developments have failed to replace the decline in output from mature, legacy fields such as the giant Minas and Duri fields in central Sumatra. With no other new oil developments of significant scale planned, future liquids output will increasingly rely on investment in existing fields.

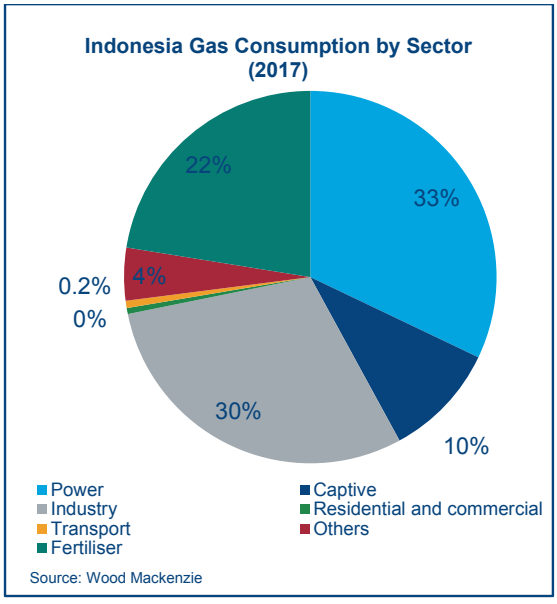
Significant efforts have been undertaken by many operators over the last two decades to add reserves in existing Indonesian fields. Large enhanced oil recovery projects such as the Duri steamflood have had substantial impact (several hundred million barrels) on increasing the level of recoverable reserves from mature producing fields. With the progress of technology, there is potential for further increases in recovery from a number of important producing areas, especially onshore Sumatra. One example comes from a polymer-flooding project which is being trialled on the giant Minas fields.

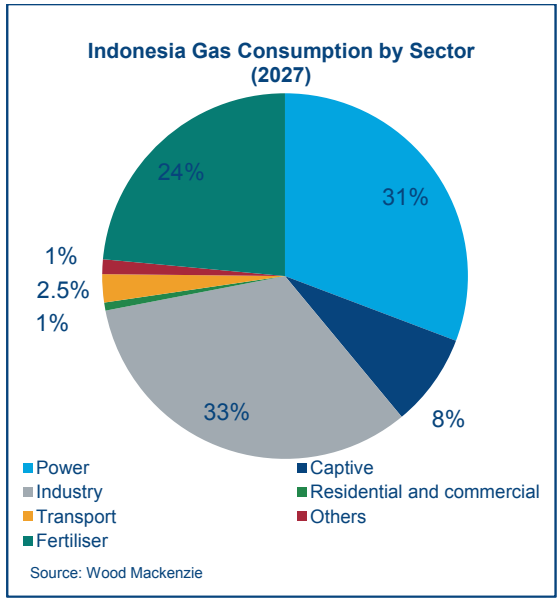
Further development of Pertamina's fields, especially in Sumatra and Java provides significant potential for reserves growth, albeit relatively unquantifiable. Pertamina has historically been constrained in terms of capital and access to technology and there is a perception that many of its operated concession areas remain under-exploited. The company is now seeking to engage international companies to assist in the exploration and development of a number of its producing areas. Should these efforts be successful, there could be an appreciable impact on Indonesian production in the period post-2020.

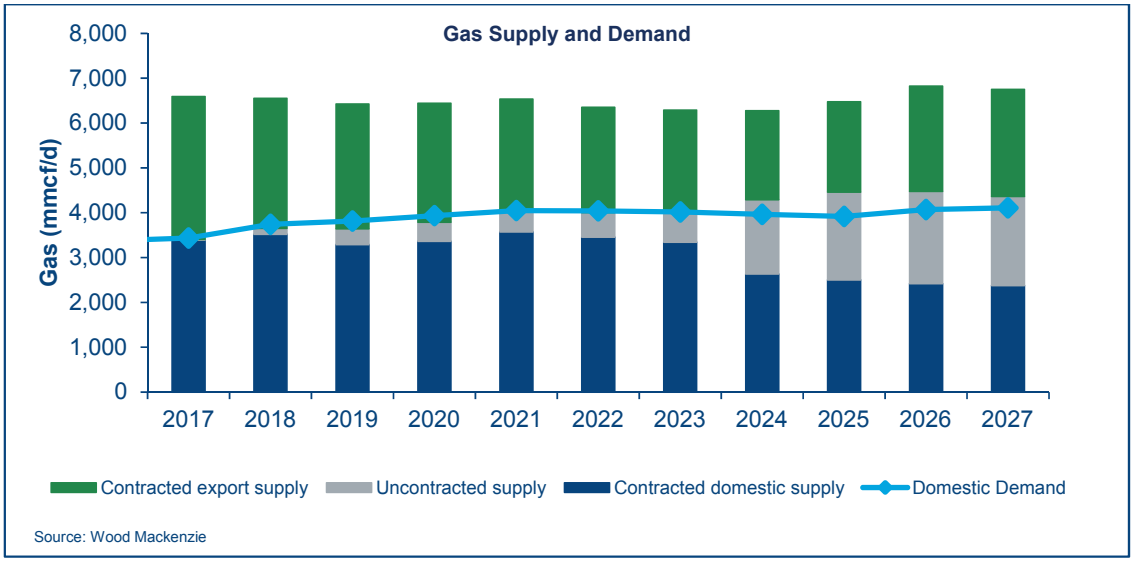
Gas demand

Indonesia's gas market will continue to expand to support the growing economy. We expect the country's gas demand to increase by approximately 0.7 bcf/d between 2017 and 2027, corresponding to a CAGR of 1.8%; as piped gas production declines, share of LNG will grow strongly.

Demand from the industrial sector is expected to grow at a CAGR of 2.9 between 2017 and 2027%. Industrial and manufacturing plants and fertiliser production facilities provide the bulk of gas demand from the non-power sector. Further upside could potentially come from the new smelter, refinery and petrochemical projects across the country. The mineral ore export ban will see the development of new domestic smelters and processing facilities. New refineries and petrochemical plants could create additional gas demand, although most of the proposals remain speculative at the moment.

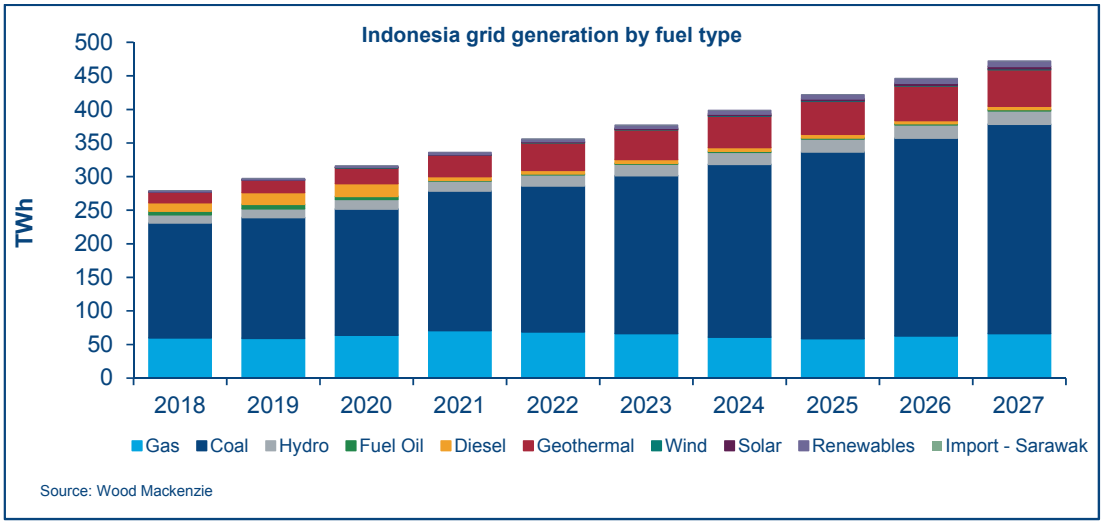






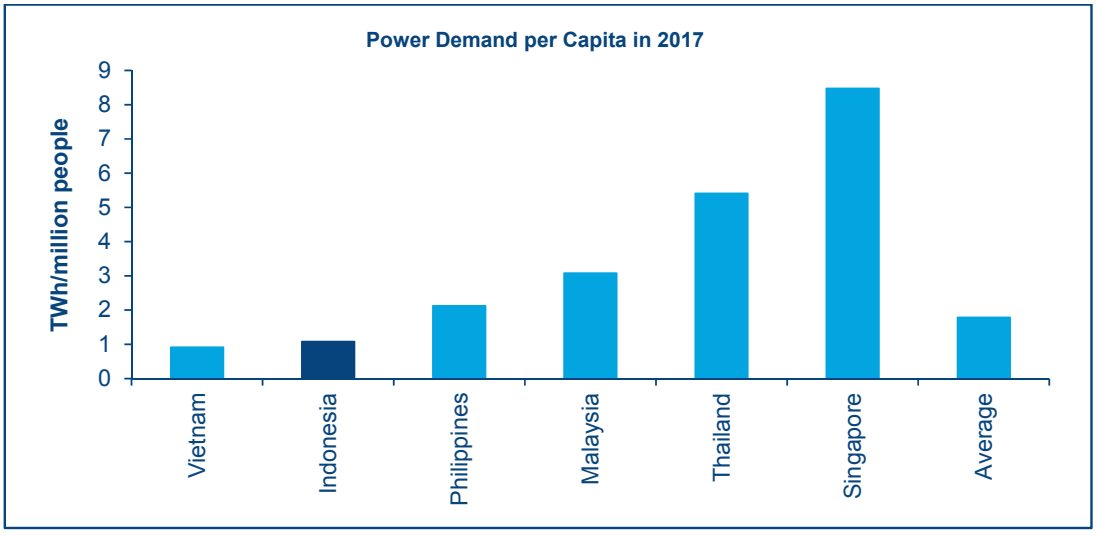
Power demand

The power sector will have the strongest growth rate, at a CAGR of 6.0% a year between 2018 and 2027. While we expect gas demand from the power sector to grow robustly from 2018 to 2021, demand will soften between 2022 and 2025, as around 15 GW of new coal capacity is added in Java and Sumatra. Thereafter, we expect gas demand growth from the power sector to resume after 2025.

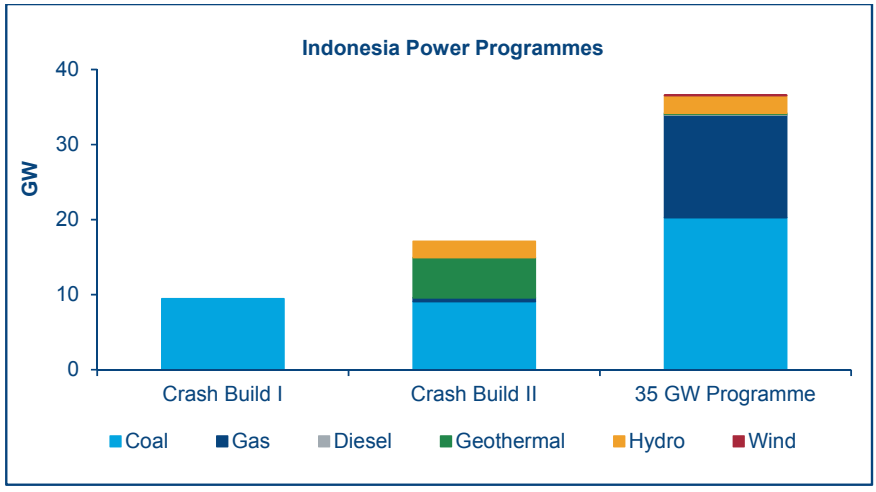


As shown in the figure below, Indonesia has one the lowest levels of power demand per capita in South East Asia. Programme Indonesia Terang (PIT) was launched in March 2016 and aims to develop more renewable energy power plants in rural areas, mostly located in East Indonesia. The programme aims to increase the overall national electrification rate from 85% in 2015 to 97% by 2019.

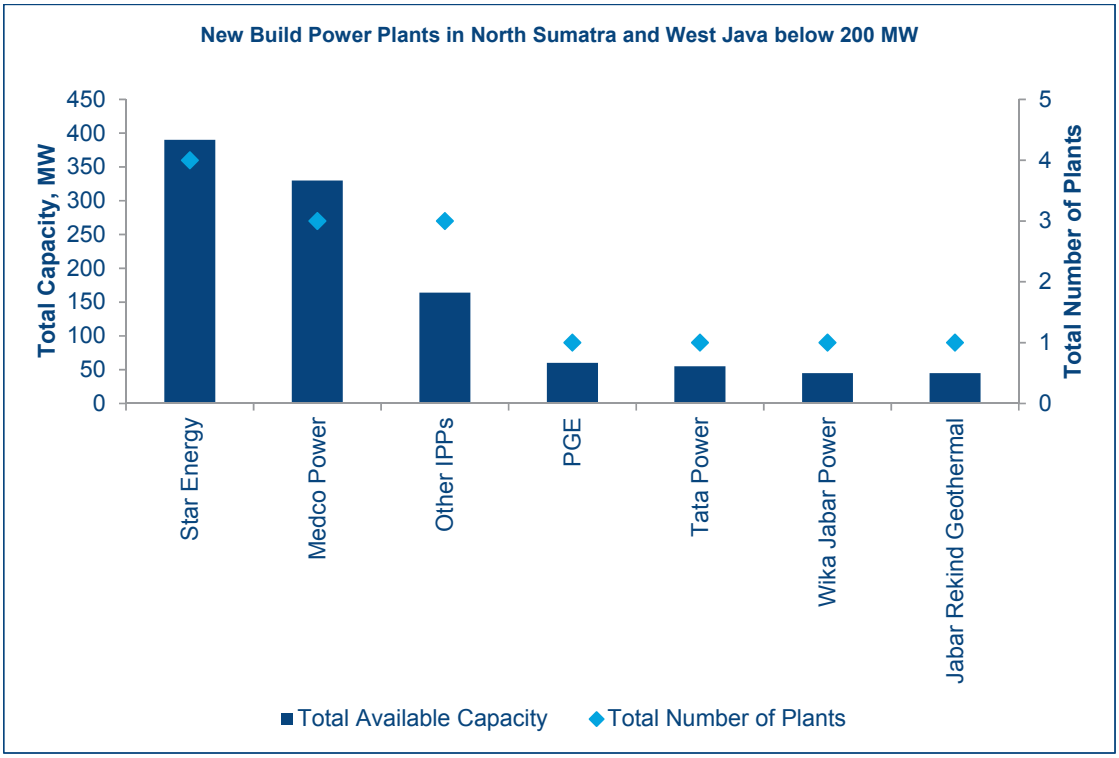
As shown in the figure below, Indonesia has one the lowest levels of power demand per capita in South East Asia. Programme Indonesia Terang (PIT) was launched in March 2016 and aims to develop more renewable energy power plants in rural areas, mostly located in East Indonesia. The programme aims to increase the overall national electrification rate from 85% in 2015 to 97% by 2019.



Gas demand for power is influenced by the 35 GW Programme. This programme was sanctioned by the government in January 2015 to supplement previous Crash Build Programmes (Crash Build I & II). Under the 35 GW programme, 15 GW will be offered to PLN and 20 GW offered to IPPs. The mix between coal and gas power plants is 60% and 35% respectively. The Electricity Business Plan (RUPTL) published in 2017 addresses a reduction in the portion of coal generation in 2025; PLN seeks to reduce the share of coal from 60% in 2017 to 50% by 2025. The share of renewable energy will be increased to 25% within the same period. Coal currently contributes approximately ~60% of total power generation capacity in Indonesia, and is expected to increase to approximately 65% by 2035 corresponding to a 7% CAGR. The 35 GW programme includes plans to build 10 GW of CCGTs by 2019. With the new Geothermal Law and increased PPA ceiling prices, the contribution of geothermal power to the mix is likely to increase, particularly from 2020 onwards.



Medco Power is one of the players in the Indonesia power market. In North Sumatra and West Java and in terms of new build plants with a capacity below 200 MW, Medco Power is associated with one of the greatest number of power plants and total available capacity, as shown in the figure below. Until the sale of Chevron Geothermal assets to Star Energy, Medco had the greatest capacity of new build plants with a capacity under 200 MW.



Gas production

Overall gas production remains flat in the near term from 2017-2025 averaging approximately 6.7 bcf/d. Recent developments, particularly in Central/East Java and Sulawesi, could add some upside, but this is offset by a continuous decline in the existing gas production in West Java, East Kalimantan, and Central/South Sumatra to a lesser extent.

We anticipate further delays on key LNG supply projects. Apart from Donggi Senoro LNG, which commenced operating in August 2015 and Muara Bakau PSC which started operations in May 2017 new LNG volumes could come from Sengkang in 2018/2019, and Tangguh Train 3 in 2021. However, other large-scale LNG projects are becoming increasingly uncertain. Further delays on the IDD (and PSC extension requirements) and Abadi LNG projects are very likely, amid low oil prices and regulatory uncertainties following the Indonesian government's decision to scrap the Floating LNG (FLNG) concept for Abadi, preferring an onshore liquefaction facility instead.

Coalbed methane (CBM) development in Indonesia has slowed down with no blocks being awarded in 2013-2015; while only eight blocks were awarded in 2012. In total, there are 54 CBM blocks across Indonesia, of which 31 are located in Kalimantan and the rest in Sumatra. Many of the blocks are inactive without any meaningful development. ExxonMobil and BP have divested their interests in Kalimantan signalling a slowdown in this sector and we are likely to see smaller companies push ahead with small projects on their own. We estimate a very limited production below 10 mmcfd in the near term.

Currently contracted production from Indonesia is nearly equally split between the domestic market and exports, at a ratio of 55%:45% respectively. A decline in exports share of supply is set to continue, as the domestic market grows and new supply struggles to adequately replace falling production.

Indicative crude oil and natural gas pricing

Liquids Pricing

Indonesia previously calculated its monthly crude prices using the average of Platts and RIM's price assessments. Since July 2016, it switched its crude pricing formula to Dated Brent plus Alpha. Alpha is calculated by taking into consideration several factors, including the quality of the Indonesian crude, the production volume, and price trend on the international market. The use of Dated Brent as a price benchmark facilitates a more independent price assessment, allowing the crude price to trend closer to market conditions, and reduces the possibility of price manipulation.

Natural Gas Pricing

Gas exported as LNG is usually priced on a cost, insurance and freight (CIF) basis or free on board (FOB) basis. The gas price for each individual LNG contract is different. However, they are intrinsically indexed to average export crude prices excluding the premium crudes. Although the vast majority is sold on long-term contracts, a spot market has evolved.

Prices for gas exported to Malaysia and Singapore are linked to high sulphur fuel oil prices as quoted on the Singapore market.

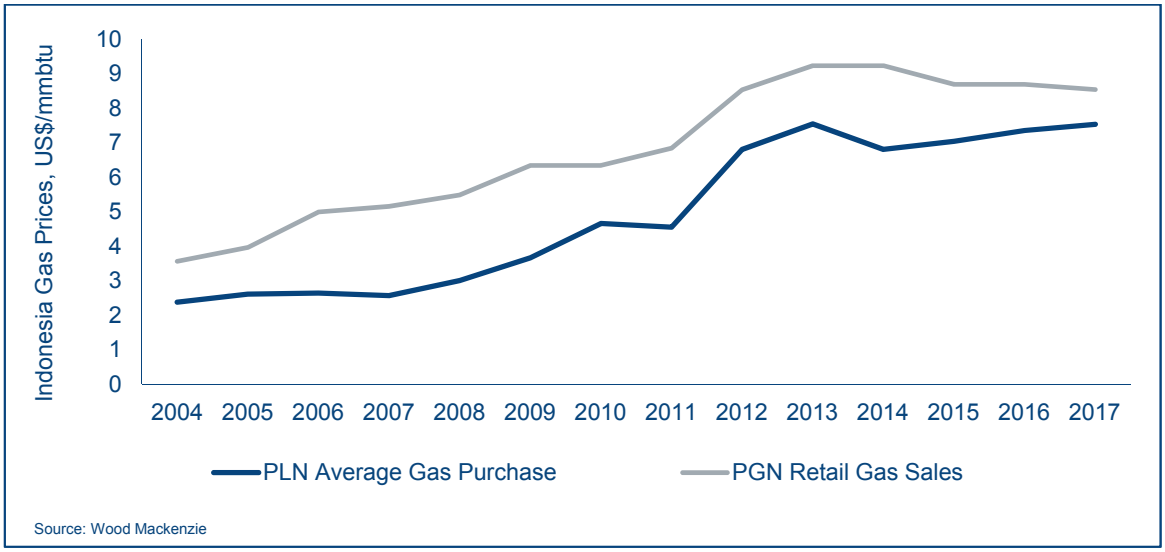
Domestic gas has historically realised lower value with prices fixed (i.e. flat in nominal terms) for the duration of the contract. However, more recent gas sales contracts incorporate linkages to the Indonesian Crude Price and/or other escalation components, such as ammonia prices. Gas prices for contracts supplying to Java and Sumatra have been recording prices in the range of USD6 to USD9 per mmbtu.

Supplier	Buyer	Region	Contract Start Year	Contract End Year	Gas Price (USD/mmbtu) in 2017
Cepu	Petrokimia Gresik (fertiliser)	Java	2020	2035	7.69
Muriah	PLN (Tambak Lorok)	Central & East Java	2016	2025	7.48
Ketapang	PGN	Java	2015	2021	5.83
Madura Strait	Inti Alasindo, Parna Raya, and PGN	Java	2015	2026	7.00
Madura Strait	PGN	Java	2015	2030	7.00
Gundih	PLN (Tambak Lorok)	Central & East Java	2014	2028	7.85
PERTAMINA South Sumatra	PUSRI (fertiliser)	Sumatra	2013	2020	7.10
Kangean	Petrokimia Gresik (fertiliser)	Java	2012	2022	6.00
Brantas	BUMD Gresik	Java	2012	2018	5.91
South East Sumatra	PLN (Cilegon)	Sumatra	2006	2018	5.15

Gas prices in Indonesia are negotiated on a bilateral basis between the producers and the gas aggregators or end-users. However, contracts are subject to approval from SKKMIGAS, which have sought to keep prices low.

In 2012, a number of gas contracts were renegotiated with approval from the regulator. This led to a doubling of pipeline gas prices from around USD2-3/mmbtu to USD5-6/mmbtu. For new gas production, operators are able to achieve prices in the range of USD6-8/mmbtu.

Gas prices have continued to increase further. We have seen an upward trend in the prices of more recent gas contracts. The Gundih-Tambak Lorok contract was renegotiated in 2012 at USD7.4/mmbtu with 2% annual escalation.



Source: Wood Mackenzie

As a result, consumer prices have also increased. PGN raised its selling prices from USD6.9/mmbtu to USD9.2/mmbtu in West Java after securing the government's approval. This took place in two phases, in September 2012 and April 2013. Higher costs for the more recent development is understood to be the key driver behind the price increase. However, piped gas price increases will not continue indefinitely because prices of competing fuels such as LNG, coal and oil products will set the ceiling.

The fertiliser sector has also seen a marked increase in prices. New contracts range between USD5.0-7.5/mmbtu. In East Kalimantan, the Kaltim fertiliser plant is buying gas from the Sebuku PSC at USD6.72/mmbtu with an upside to gas prices depending on the international ammonia price.

Although the government has allowed gas prices to rise in the power, fertiliser and industrial sectors, small consumers in the transport sector are protected to promote the NGV growth. Gas sold to the transport sector through PERTAMINA is capped at USD4.72/mmbtu. Gas prices for city gas residential users are set at USD9-15/mmbtu depending on the consumption size.

In November 2016, MEMR released regulation no 40/2016, to implement Presidential Regulation no. 40/2016 the reference gas prices for industrial buyers. Under this MEMR regulation, gas prices for three key sectors - fertiliser, petrochemical and steel - are set at US$6/mmbtu. The measure was made partly to promote the development of new fertiliser and petrochemical projects across the country. Currently, the price reduction only applies to targeted industrial consumers: fertiliser, petrochemical, oleochemical, steel, ceramics, glass and rubber gloves manufacturers. The government is in the process of implementing the changes, and seeks to maintain the revenues for upstream operators by reducing the government take from the impacted PSCs.

In January 2017, another gas price measure was announced, for the power sector. Under MEMR Regulation no 11/2017, gas prices for wellhead power generation were capped at 8% Indonesian crude price (ICP). Higher prices are allowed if an open bidding mechanism is used. For non-wellhead power plant projects, the price cap was 11.5% ICP at the power plant gate for piped gas and 11.5% ICP on an FOB basis for domestic LNG. The regulation also allowed PLN and independent power producers (IPPs) to import LNG from the international market if they can't secure domestic LNG below 11.5% ICP on an FOB basis. With the issuance of this regulation, the government started to open up the LNG import scheme for PLN and IPPs..

In July 2017, MEMR issued ministerial regulation no 45/2017, superseding regulation no 11/2017 on gas and LNG price cap for PLN and IPPs. Under the new regulation, the price ceiling for PLN and IPPs was raised from 11.5% ICP (Indonesian Crude Price) to 14.5% ICP. However, the reference point for LNG was also changed to the power plant gate. The revised regulation benefits piped gas producers and has helped resolving the deadlock caused by the former regulation. The previous price cap of 11.5% ICP, which equates to US$5.6/mmbtu in 2017, was below the breakeven cost of most upstream gas projects. This had caused several deadlocks, preventing new GSAs from being signed. We understand the recent revision was partly done to allow the new GSAs to progress.

For LNG producers however, the seemingly higher price benchmark may not bring any benefits. The reference point was changed at the same time, from the loading port to the power plant gate. The new price reference includes regas costs (which are in the range of US$ 1.7-3.4/mmbtu) as well as pipeline tariffs. After netting off the midstream infrastructure and shipping costs, the respective LNG price at the loading port on an FOB basis will remain relatively the same at 11.5% ICP at most.

Wood Mackenzie's long term assumption is that the ICP trades at a 3% discount to Brent.

Domestic market obligation (“DMO”)

As stipulated under Article 46 of GR 55/2009 and Article 1 of MEMR Regulation 2/2008, upstream operators are required to provide 25% of production to fulfil domestic needs.

Law 22/2001 and Government Regulation 35/2004 reiterated the obligation of upstream contractors to meet domestic market demand. The law and regulation were significant in that they introduced a domestic market obligation for gas, in addition to oil.

MIGAS provided a clarification for blocks on offer post-2008. Gas DMO will be calculated as 25% of the contractor's share of profit gas. Once a commercial discovery has been made, SKKMIGAS has one year in which to find a suitable buyer for the gas. If a suitable buyer is not identified or if commercial negotiations between the contractor and the identified buyer fail, the contractor can seek permission from the government to export the gas to the international market. It is understood that this time restriction is not followed.

DMO Pricing - liquids

For pre-August 1988 contracts, DMO production is reimbursed at a fee of USD0.20/bbl. For contracts signed between 1988 and 1992, DMO production is reimbursed at 10% of the prevailing export price and a five-year DMO

holiday became applicable. This is increased to 15% for contracts signed in 1992-1993 and to 25% for contracts signed effective 1994. Fields developed prior to 1977 did not benefit from the five-year DMO holiday.

Under the gross split PSC terms, introduced in January 2017, DMO will be reimbursed at a full market price.

DMO Pricing - gas

There is no specific formula for DMO gas prices, pricing will be determined as in normal sales negotiations.

Regulation and upstream fiscal regime

Regulatory Environment

Indonesia's oil and gas sector is governed by Law 22/2001, which replaced the previous Laws 44/1960 and 8/1971. Prior to 2001, PERTAMINA was responsible for all petroleum activities in the country. Laws 22/2001, 42/2002 and 31/2003 removed PERTAMINA's regulatory functions and transformed the company in to a limited liability company PERTAMINA (Persero), under the jurisdiction of the Minister of State Enterprises. PERTAMINA is engaged in exploration and production, oil and gas refining and processing, and the marketing and distribution of refined products.

BPMIGAS was established to replace PERTAMINA’s upstream regulatory functions, to supervise upstream business activities to maximise benefit and revenue to the state. On behalf of the government, BPMIGAS acts as a party to Production Sharing Contracts. BPMIGAS' responsibility includes assessment and presentation for ministerial approval of new field development plans, approval of development plans for fields already in production, approval of annual work programmes and budgets, monitoring and ministerial reporting on the implementation of cooperation contracts and responsibility for the appointment of sellers for the state's share of oil and gas.

A separate entity, BPHMIGAS, was established as the downstream regulatory and supervisory body.

MEMR has overall responsibility for the implementation of government policy in the energy sector. It incorporates the Directorate General of Oil and Gas (MIGAS), which supervises and promotes the optimal utilisation of the oil and gas resources of Indonesia to maximise the benefit for the people and Government of Indonesia. The exploration bid rounds, issuance and relinquishment of blocks fall under MIGAS' direct responsibility.

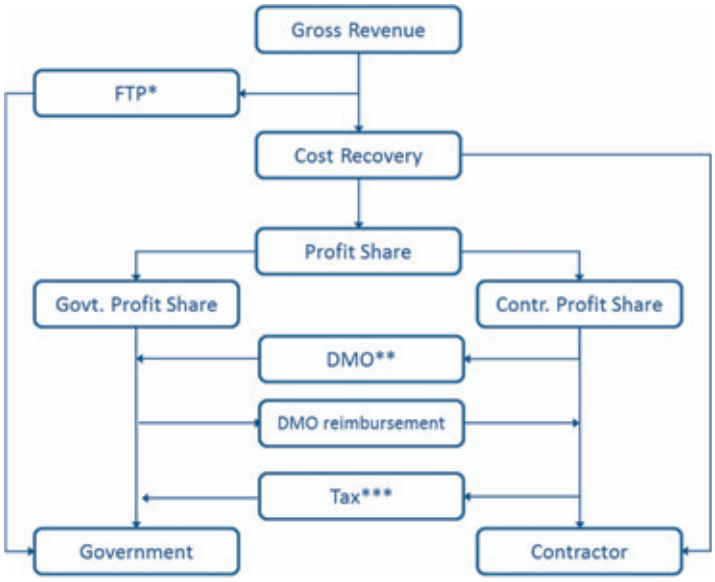
SKKMIGAS effectively replaced the functions of BPMIGAS, which was ruled as unconstitutional by Indonesia's Constitutional Court in November 2012. Since then, a revision of the Oil and Gas Law have been discussed by lawmakers, to clarify the role of SKKMIGAS and prevent future legal challenges. However, there is no clear timeline for the revision to be finalised.

There also have been proposals by the government to create a single holding company for select industrial sectors. For the oil and gas sector, the proposal is to merge all related state-owned enterprises – including PERTAMINA and PGN – under a holding company. It is unclear how this proposal will affect the ongoing discussion of the Oil and Gas Law revision.

Fiscal Regime

The fiscal system in Indonesia is governed by the Production Sharing Contract (PSC) regime. Royalty, in the form of First Tranche Petroleum (FTP) is paid on production and the standard rate of corporate income tax is applied to profits. There have been different vintages of PSC models, the difference being in the rate or method of calculation in items such as bonuses, cost recovery ceiling, FTP, profit sharing split, depreciation, investment credit and income taxes.

It should be noted that in some contracts additional incentives have been negotiated. In addition, PSCs awarded in licensing rounds post-2003 have incorporated contract-specific levels of FTP, investment credit and profit oil/gas splits.



**: FTP may be divided between the contractor and the government, based on the contract.*

***: The contractor is required to supply a percentage of oil production to the domestic market, multiplied by its pre-tax profit oil/gas entitlement percentage, capped at the amount of its combined share of FTP and profit share. The contractor receives a discounted price for those volumes.*

****: A withholding tax rate of 20% is applied on the balance after income tax has been charged.*

Gross PSC

In January 2017 the MEMR introduced the Gross PSC terms through decree 8/2017. The Gross PSC removes the cost recovery mechanism, and the government and contractors split gross revenues. Upstream operations will continue to be supervised and managed by SKKMIGAS, but the new terms promise the operators a greater degree of freedom in managing the budget, costs and asset operations. The new terms will be applied to future licence awards and contract extensions. Contractors may also choose to adopt the new terms for existing PSCs. An amendment in August 2017 took into account feedback from key oil and gas industry stakeholders (independent petroleum economists, Indonesian Petroleum Upstream Association and international oil companies). These new changes included adjusting splits to make the model more attractive for investors.

The government's base share of revenues will be 57% for oil production and 52% for gas production. The contractors share of revenues can be increased, depending on field complexity. For example, a deepwater or an unconventional field will see the contractor's share of gross revenues increase by 16%. The prevailing rules of taxation is understood to apply. DMO oil will receive full market price.

	Standard PSC (2015 licensing round)	Gross PSC
First tranche petroleum (FTP)	FTP based on gross production, shared between government and contractor based on profit share percentage	No FTP applicable
Cost recovery	Capital and operating costs recovered from production after FTP	No cost recovery
Production sharing	Remaining production after cost recovery is shared based on flat percentage	Gross production shared between government and contractor based on gross production share percentage
Oil domestic market obligation (DMO) price	DMO is set at 25% of market price	DMO is set at market price
Income Tax	25% income tax plus 20% withholding tax (40% effective tax rate)	Not specified

A number of aspects of the gross split PSC terms will have to be clarified by further regulatory changes, particularly on procurement without cost recovery and taxation. The fiscal term's standing in relation to the pending revision of the Oil and Gas Law is also uncertain.

State Participation

Under older PSCs, upon first commercial discovery, a 10% participating interest is reserved for a government-designated Indonesian company, the shareholders of which shall be Indonesian Nationals.

Under the conditions of Government Regulation 35/2004, Indonesian companies are given preferential rights to acquire stakes in upstream contracts in new PSCs signed after October 2004. The regulation provides outlines of these rights under two cases:

- When a company seeks to transfer an interest in a contract area to a party other than an affiliated or existing joint venture company, the Minister of Energy and Mineral Resources may request that the stake be first offered to national company – defined as registered in Indonesia and wholly owned by Indonesian citizens.
- When a field development plan is approved for the first field to be developed within a contract area, it is required that a participating interest of 10% in the contract area is offered to a company owned by the regional government. The signing of the Cepu contract in September 2005 provided an example of this regulation.

In November 2016, the MEMR issued a regulation 37/2016 on the offering of 10% participating interest in upstream projects to regional government owned enterprise. The regulation sets a number of key changes from the previous Government Regulation 35/2004:

- Contractors are required to offer a 10% participating interest to regional governments upon approval of the first plan of development in a contract area, or during the process of PSC extension. It is understood that this does not apply to extension of exploration periods within a PSC.
- The allocation of the 10% participating interest between the provincial and district governments is based on the location of the reserves. The regulation does not include provision for subsequent change of the allocation, if there are additional discoveries made on the contract area.
- The Contractor is required to carry the regional government's costs, including historic exploration costs, through to the end of the PSC. Interests on the carried costs are not allowed.
- Following production, the Contractor is required to maintain positive cash flow for the regional government's stake.
- If the regional governments reject the 10% participating interest offer, the Contractor is required to offer 10% participating interest to a State-Owned Company (SOE). However, the Contractor is not required to carry the SOE's costs.

Local Content

Since 2009, Indonesia has set a minimum requirement of 35% for energy projects to source a proportion of their components from local manufacturers. Over the years, tighter regulations have emerged and with the Regulation No. 15/2013, local content requirement to be increased across the board for all oil and gas activities. The government has set a targeted year for the implementation of this requirement for various services (bulleted list below), recognising the fact that it will take some time before local industries are ready to produce services or equipment required.

- Shipping services 75%, implementation post 2013
- Drilling 70% (onshore), 45% (offshore). Implementation post 2016
- Offshore EPCI 45%. Implementation post 2016
- Seismic, surveys and geological studies 90% (onshore), 35% (offshore). Implementation post 2020
- Other services 75%, implementation post 2020

Although how upstream procurement will be conducted under the new gross split terms is still unclear, the gross split terms provides incremental split for local content higher than 30%. The incremental split for local content is capped at 4%, applied for projects that achieve a local content of 70% or higher.

Abandonment

Early PSCs did not explicitly include provisions for decommissioning. Starting from 1995, PSC terms include site restoration among the PSC contractor's responsibilities, although the terms do not state that the contractor must make provision for an abandonment fund.

Contracts signed from 2008 onwards require contractors to set aside funds allocated for decommissioning, referred as Abandonment and Site Restoration (ASR) funds, for each Plan of Development (POD). In 2010, SKKMIGAS issued PTK 40/2010, containing further details on ASR funds. Cost estimates for decommissioning activities are included as part of the POD approval process, and may be reviewed periodically.

The funds set aside are put into an escrow account, then the amounts are used to generate an abandonment charge to the cost recovery pool, which are recovered in the same manner as operating expenses. Any interest earned gained by the account shall be treated as part of the fund. Upon PSC expiry, the contractor shall be responsible for execution of the decommissioning activities, unless the government appoints a third-party. The contractors will pay for the actual decommissioning, and the government will access the ASR funds to reimburse the contractor after the decommissioning has been completed. The contractors shall be liable for any deficit of funds, and any surplus belongs to the Indonesian government.

Several key issues remain uncertain, particularly on the criteria for the removal, reuse, or disposal of structures, and the extent of site restoration and post-decommissioning liability. The MEMR decree 01/2011 provides a technical guideline on offshore structure removal. Although it acknowledges partial removal, it lacks detail on qualification criteria and does not include provisions for reefing.

3. Overview of Indonesia's Oil & Gas Industry

Overview – key areas of interest to E&P Companies

Indonesia is South-Eastern Asia's largest oil and gas producer, and also has the highest remaining commercial reserves, estimated at 6.3 billion boe. Indonesia's growing economy is driving higher domestic demand for energy, but oil production is declining, and several major gas developments are facing project delays.

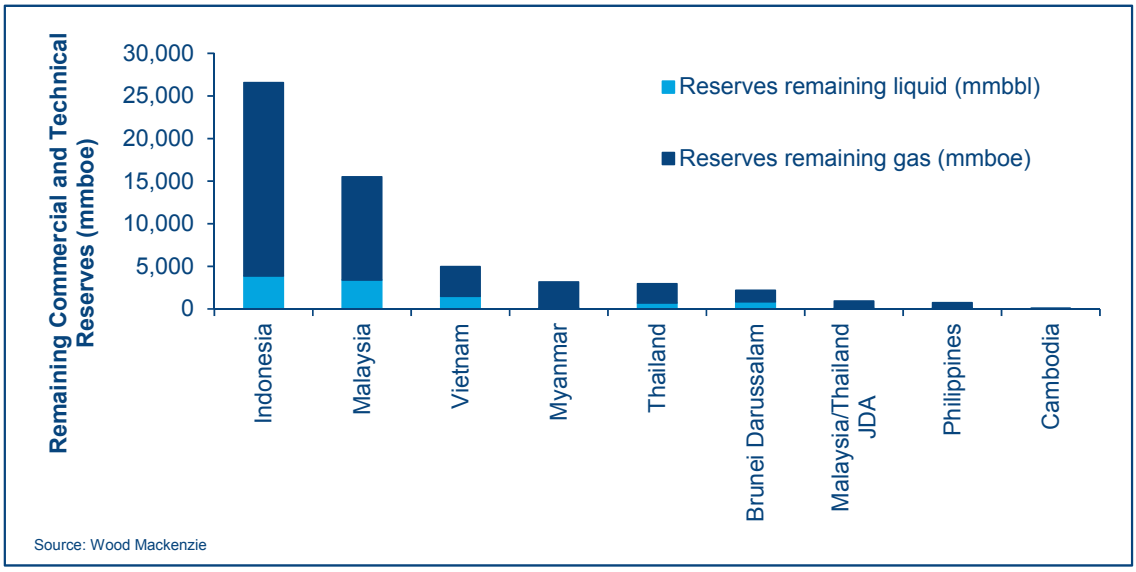
The majority of oil and gas production is sourced from the well-explored basins of Sumatra, Java and East Kalimantan. Given the maturity of the core producing areas within these regions, the country must increasingly rely on the development of smaller and more challenging fields like Natuna D Alpha and Abadi to meet its requirements.

Exploration and development activity has been negatively impacted by regulatory and fiscal uncertainty, with the 2012 dissolution of BPMIGAS and recent series of negative regulations. The Indonesian government is proposing incentives and revising some of the negative regulations, in hopes of increasing exploration activity and reversing the production decline. The recent introduction of the Gross Split PSC outlined in the previous section is also seen by the Indonesian government as providing a positive stimulus for foreign investment and development.

Exploration in Indonesia has underperformed over the last decade, and a lack of major success has contributed to a lack of significant development projects on the horizon. While exploration potential remains in Indonesia's more remote and frontier basins, attracting continued investment will be vital if Indonesia is to maximise the recovery of its remaining oil and gas resources.

O&G reserves/resources

Indonesia has 26.6 bnboe of remaining oil and gas reserves (commercial and technical), the largest amongst its South East Asian neighbours. Gas accounts for a significant portion (83%) of Indonesia's petroleum reserves, and continues to be a primary energy source for Indonesia.



Source: Wood Mackenzie

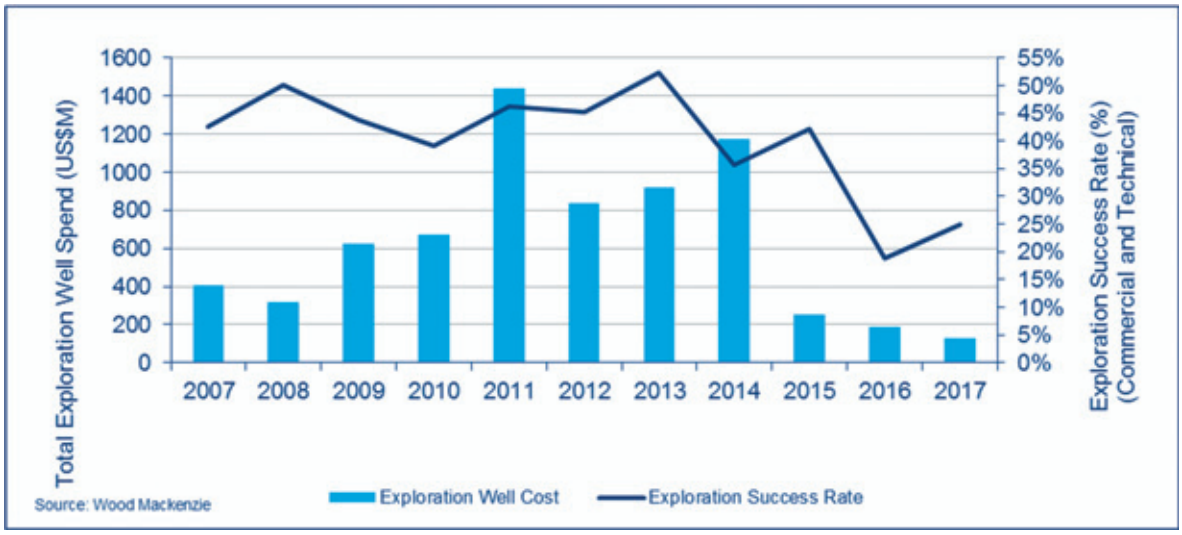
O&G exploration and production

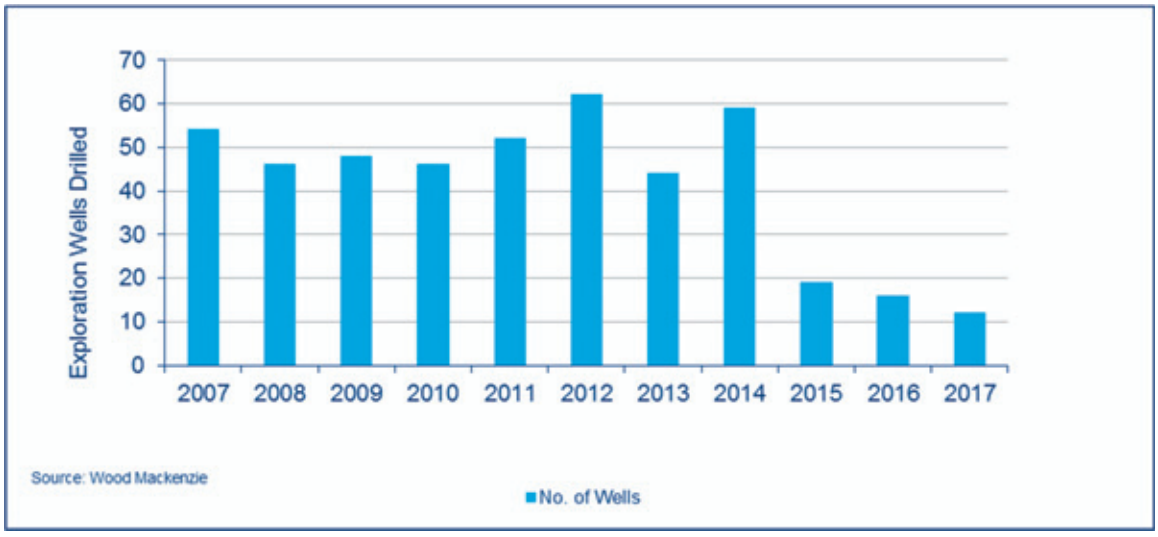
Indonesia Exploration & Appraisal

There are 333 active licences in Indonesia. The government has offered one or two licensing rounds on an annual basis since 2000 with varying levels of interest. The amount of active acreage has been boosted by the high levels of unconventional licence awards in recent years, particularly in 2011 when major tranches of CBM acreage were awarded in the Barito and Kutei basins. CBM acreage awards in Sumatra and several new onshore awards in mature basins has

ensured that the Java, Sumatra and Natuna regions still account for 58% of the active contract. Trending the oil price movement, Indonesia licensing rounds attracted high levels of interest during the 2011 and 2012 period, where Brent was approaching and exceeding US$100/bbl. However, from 2013 onwards, the interest in Indonesia licensing rounds have decreased significantly. Only six conventional blocks were awarded in 2013 and 2014, and none were awarded in 2015. The situation has been exacerbated by the recent exodus of IOCs.

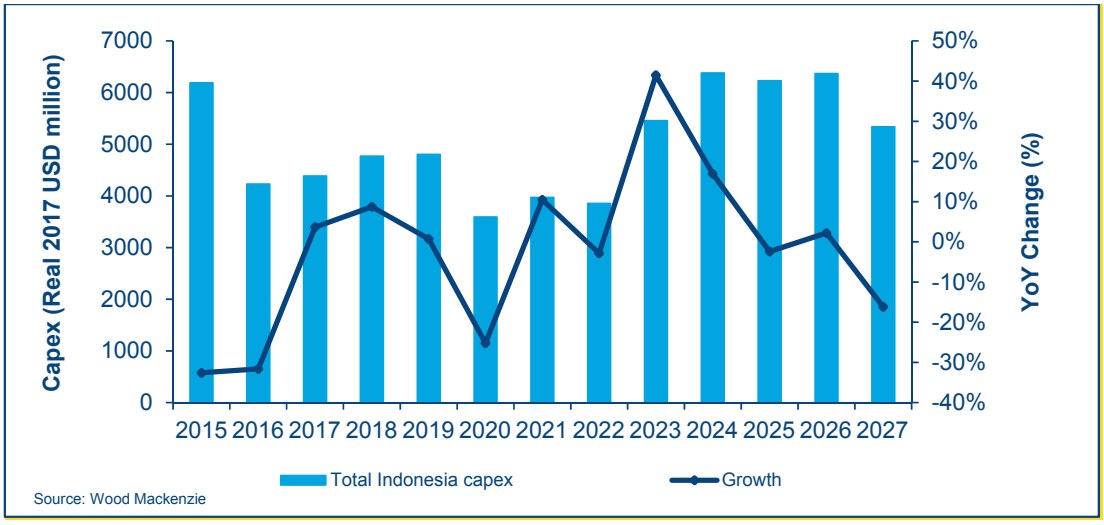
Between 2007 and 2014, Indonesia exploration well cost spend has seen a steady increase, with an average of 50 wells per year during this period. Exploration activity saw a dramatic decrease with the oil price crash in Q4 2014. The majority of spend has been focussed on the Kutei basin which has had above-average technical success. Drilling has continued to focus on the traditional producing basins of Sumatra, Java and East Kalimantan, but in recent years, activity has begun to test the deeper waters and underexplored basins of Eastern Indonesia. Unfortunately, wildcat exploration in Indonesia's frontier basins has initially proved disappointing, with a number of operators re-evaluating their exploration plans. North America-based companies including Anadarko, Marathon, Murphy and Hess, have exited Indonesia as the country is viewed as high risk frontier region compared to the unconventional shale resources in the US, part of a common retrenchment strategy across International large cap E&Ps. Most recently, however, near-field exploration in lower-risk traditional basins like East Java and South Sumatra with quick monetisation opportunities have taken a front seat. Only the most promising prospects have been drilled, as a result, an uptick in exploration success rate has been observed between 2016 and 2017 (19-25%), although still well below 2007-13 ranges of 40-50%.





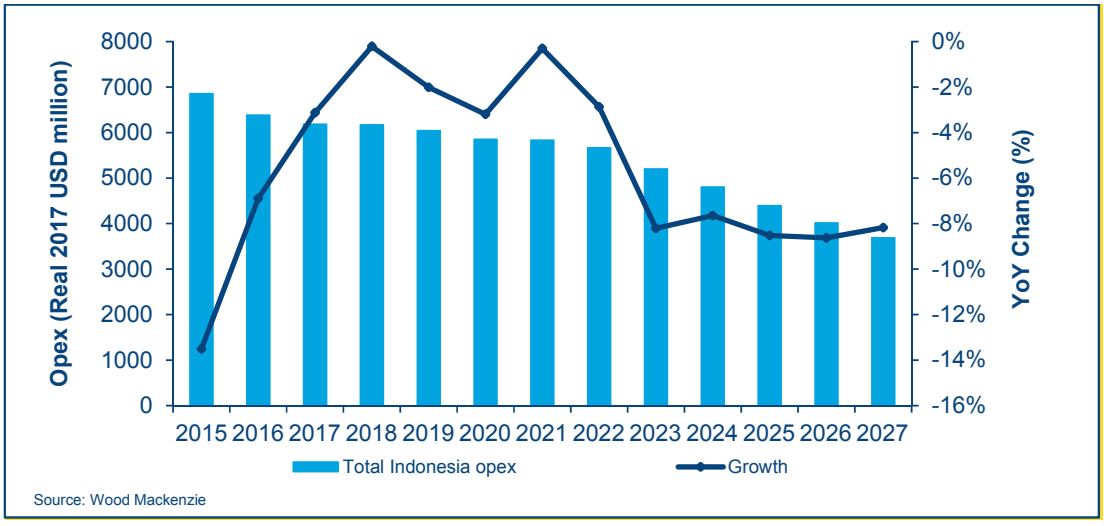
Indonesia CAPEX (real 2017)

Indonesia real capital expenditure, for projects under development in the short term, has rebounded in 2017 to USD4.4 billion, up 4% from USD4.2 billion in 2016. This is mainly due to project deferrals in 2016 as companies cut their capital budget in the lower oil price environment. We expect capital spend to be relatively flat over the 2017-2019 period due to the lack of sizable pre development projects in the horizon. The vast majority of capex is spent in the Sumatra, Java and Kalimantan regions.



Indonesia OPEX (real 2017)

Wood Mackenzie estimates Indonesia real operating expenditure to steadily decline at a rate of 2% from 2017 to 2021.



Ongoing and future developments

Notable developments that were brought onstream in 2017 include the Madura Strait and Muara Bakau FPSO with expected peak productions of 50kboe/d and 73kboe/d respectively. In early 2018, the offshore Mahak fixed platform is expected to come online.

The North Sumatra Block A Aceh gas development was sanctioned in 2016, and first gas is expected in 2018. Also in 2016, BP sanctioned the expansion of its Tangguh LNG project in West Papua. The project will see the development of a third LNG train and several shallow water gas fields. The Bison, Iguana, and Gajah Puteri fields, offshore Natuna, were sanction as subsea tiebacks in early-2017.

Production from the deepwater Jangkrik was produced started in February 2017. Gas from the Walanga, Sampi Sampi, and Bonge fields is planned to be monetised through the Sengkang mini-LNG plant. Sengkang LNG failed to meet the targeted 2017 start up and has been pushed back to 2018/2019.

Field	Block	Operator	Startup/Expected Startup	Commercial Remaining Reserves at 01/12/2017 - Liquids (mmbbl)	Commercial Remaining Reserves at 01/12/2017 - Gas (bcf)
Alur Rambong, Alur Siwah, Julu Rayeu	North Sumatra Block A Aceh	Medco Energi	2018	2	264
Bangka	Rapak	Chevron	2016	3	125
Banyu Urip (peak)	Cepu	ExxonMobil	2016	-	90
BD, MDA-MBH-MDK	Madura Strait	Husky-CNOOC Madura	2017 for BD, 2019/20 others	26	993
Bison, Iguana, Gajah Puteri	Natuna Sea Block A	Premier Oil	2019	1	192
Jangkrik & Jangkrik North East	Muara Bakau	Eni	2017	10	1205
Kerendan	Bangkanai	Ophir Energy	2016	3	183
Sirasun & Batur	Kangean	Kangean Energy Indonesia	2019	-	305
Tangguh Phase 2	Berau, Wiriagar, Muturi	BP	2021	16	3,195
Walanga, Sampi-Sampi, Bonge	Sengkang	Energy World Corporation	2018/19	-	138

Technical Reserves are not included.

Several greenfield projects are in the pre-FID stage, however commercial issues faced by these projects may defer their sanction.

Field	Block	Operator	Expected Startup	Commercial Remaining Reserves at 01/01/2017 - Liquids (mmbbl)	Commercial Remaining Reserves at 01/01/2017 - Gas (bcf)
Ande Ande Lumut	Northwest Natuna	Santos	2020	95	0-
Kinanti	Pasir	Archipelago Resources	2019	10	01
Lengo	Bulu	KrisEnergy	2022	-	229
Pabuaran KSO	Pabuaran KSO	IEV	2018	1	13

Technical Reserves are not included.

The following table lists a number of sizeable undeveloped oil and gas fields in Indonesia that have the potential to be developed in the near future. We have only included discoveries that exist within PSCs that have no fields currently in production or under development.

Field	Block	Operator	Expected Startup	Technical Reserves - Liquids (mmbbl)	Technical Reserves - Gas (bcf)
Abadi	Masela	INPEX	2026	203	21,456
Asap & Merah	Kasuri	Genting Oil & Gas	2024	17	2,150
Badik & West Badik	Nunukan	PERTAMINA	2024	104	105
Barokah	South Sesulu	PGN	2021	-	325
Dara	North Sokang	Black Platinum Energy	2024	-	530
Jambu Aye Utara	Krueng Mane	Eni	2022	3	163
Merakes	East Sepinggan	Eni	2024	-	850

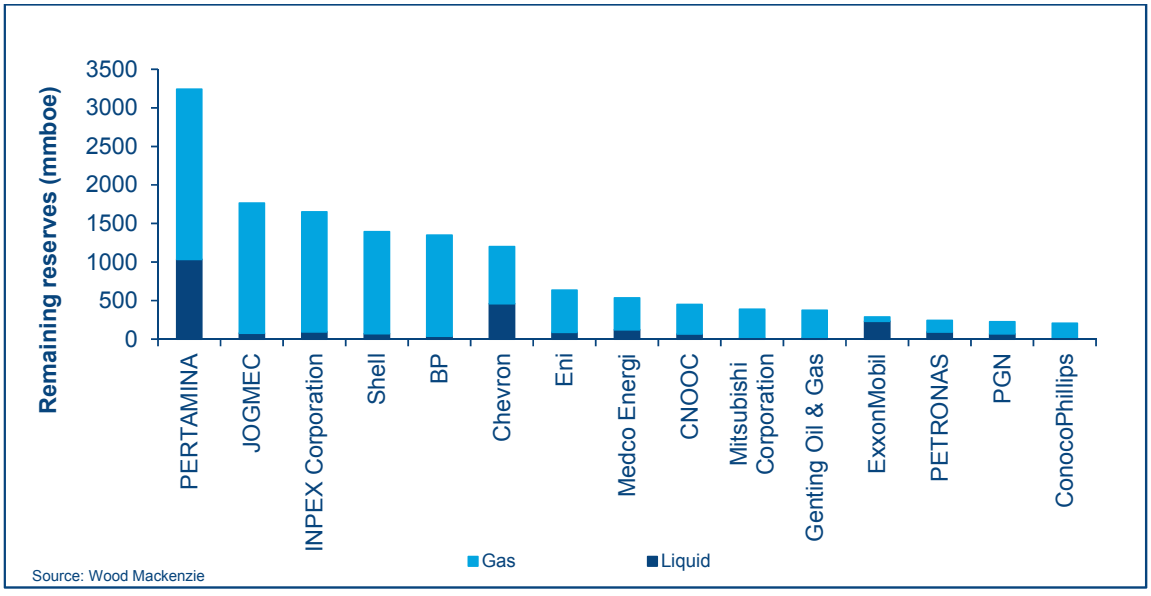
Technical Reserves: Potentially recoverable hydrocarbon volumes that have been discovered but are not currently considered commercial by Wood Mackenzie. This may be due for example to low levels of reserves, perceived technical difficulties with a development, low product quality or the lack of available markets.

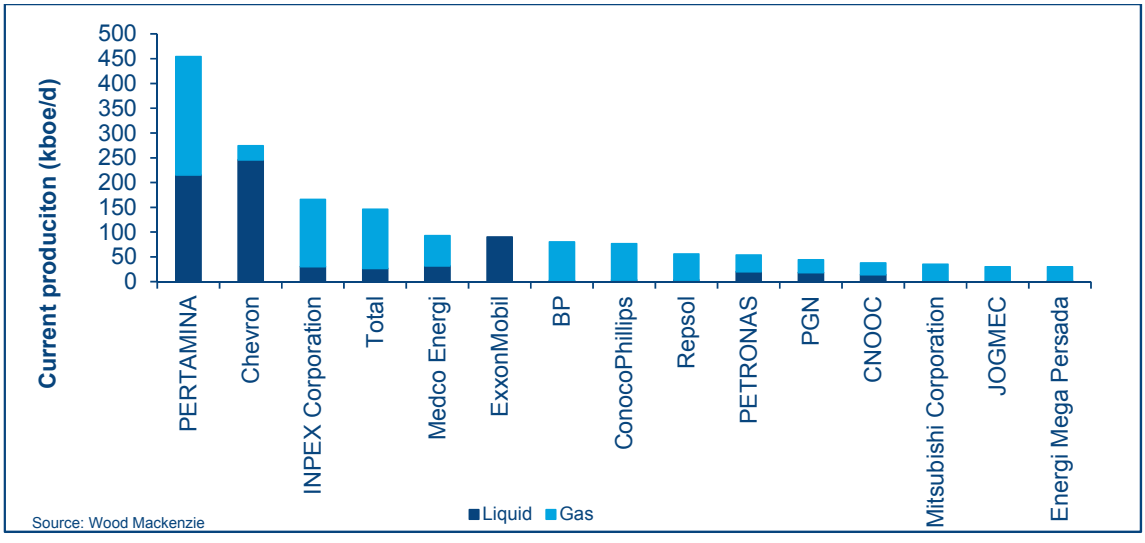
Key upstream players active in Indonesia

Indonesia has one of the most diverse upstream industries of any country in the world, with over 200 active PSC participants of varying capability and size. In terms of remaining reserves and production, the top 15 companies include US and European majors (Chevron, TOTAL, ConocoPhillips, BP, ExxonMobil), Indonesian independents (Medco Energi and Energi Mega Persada), state-owned enterprise subsidiary Saka Energi, independents (Eni, Repsol, Genting) and oil companies from Japan (INPEX, JOGMEC, JAPEX), NOCs (CNOOC, PETRONAS), and Indonesia's state-owned PERTAMINA.

Following a long dominance by the international majors, PERTAMINA has now become the leading producer in Indonesia with 454 kboe/d of average working interest production in 2017 This is driven in part by increased production from Cepu, but also due to the overall declining trend of production amongst companies like Chevron in Indonesia.

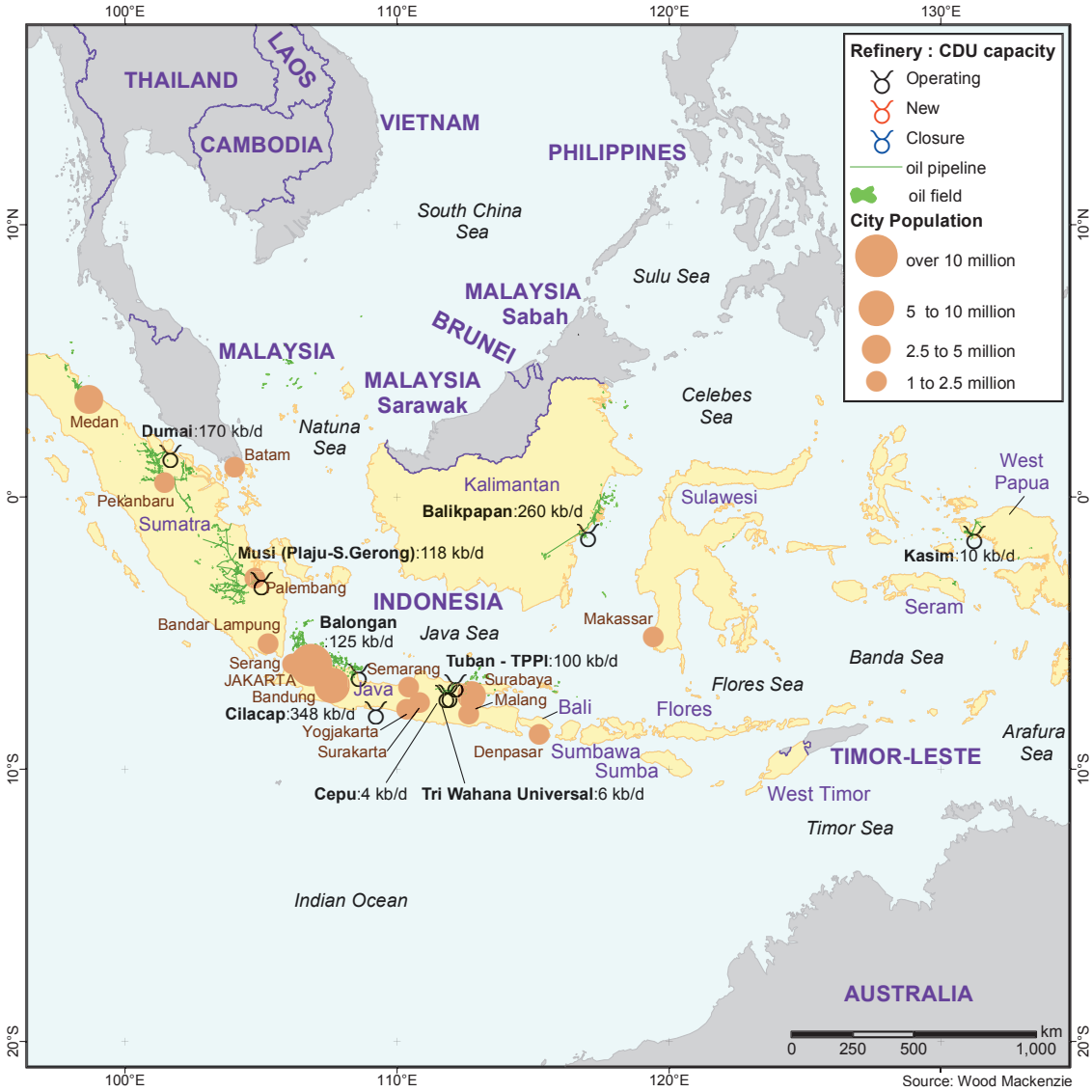
Ten licenses, which in total contributes 405 kboe/d in 2017 will expire during December 2017- December 2018. Pertamina will be awarded operatorship in Offshore Mahakam PSC from 1 January 2018. The Tengah acreage will be likely integrated into Offshore Mahakam. In January 2017, the MEMR announced that the remaining licenses will be extended with Pertamina to be awarded full ownership but the NOC is allowed to partner with other companies. In September 2017, Pertamina declined the offer to take the Attaka Unit and the East Kalimantan PSC, the government has said it will tender the blocks on expiry however no timeline has been announced.





Indonesia Infrastructure

Oil infrastructure



Indonesia has a total of nine active oil refineries, located in East Kalimantan, Java, Sumatra and West Papua, seven of which are wholly owned and operated by PERTAMINA. PERTAMINA began oil refining through its first refinery at Sungai Pakning in Riau, which started operations in 1969, with a capacity of 50,000 b/d. Through a series of acquisitions and capacity expansions, PERTAMINA has a current refining capacity of over 1,000,000 b/d

Indonesia has a stated objective to reduce its reliance on imported petroleum products. It aims to meet this objective by increasing domestic product supply through refinery expansions and construction of new grassroots refineries. A few foreign investors that showed interest in refining joint-venture projects in 2013 have now backed off as the subsidised domestic market did not provide a sufficient rate of return. However, the Indonesian government removed subsidies in the retail sector in January 2015 with the fall in global crude oil prices. This may again generate interest in new grassroots refinery projects in Indonesia. Currently, Pertamina are in formal agreements with Rosneft to develop a new refinery greenfield refinery in Tuban, East Java; a deal is expected to be reached by the end of 2017. The government is working to provide more incentives to make new investments more viable. However, it is doubtful that any additional capacity will come online by 2022, despite several capacity addition projects being announced.

However, there has been a positive development in Indonesia as Pertamina is looking to revamp its existing refineries with foreign partners. In 2014, Pertamina entered agreements with Saudi Aramco, JX Nippon Oil & Energy Corp and China Petroleum & Chemical Corp (Sinopec) to progress its Refining Development Master Plan (RDMP). This initiative aims to improve Pertamina refineries' operational capacities, complexities and competitiveness. Subsequently, JX and Sinopec have called off their investment plan with only Aramco progressing talks with Pertamina.

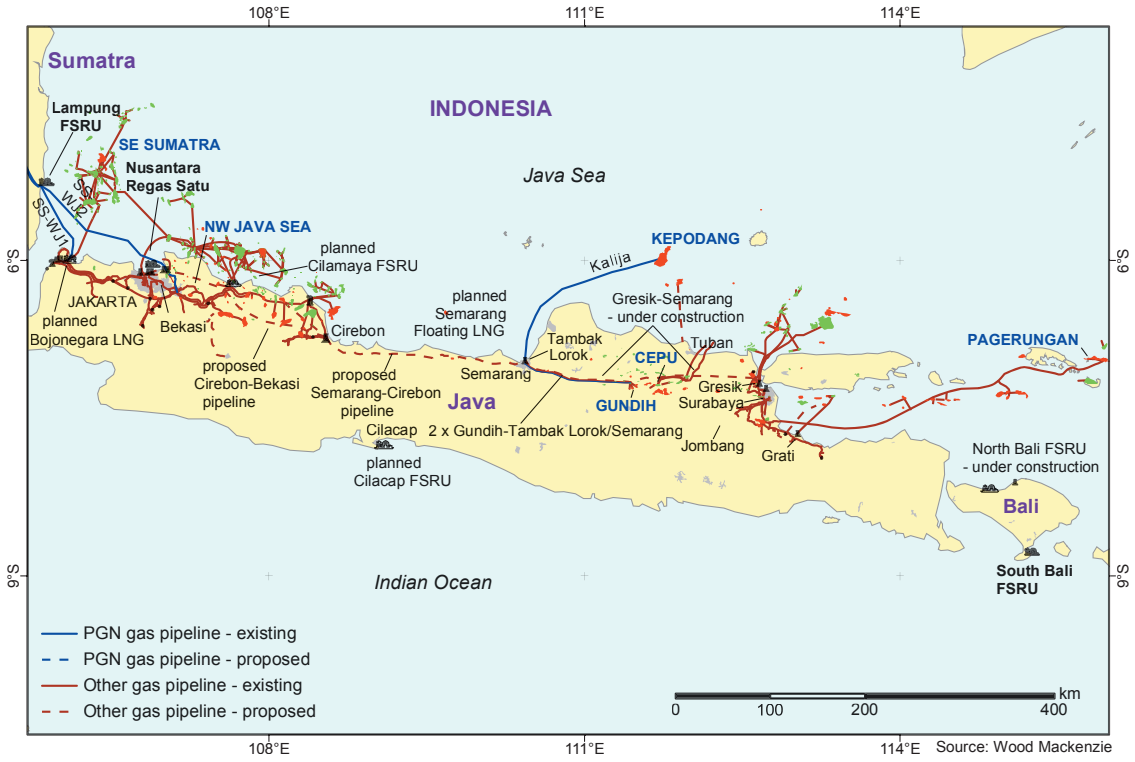
In May 2016, Pertamina and Saudi Aramco awarded a detailed engineering study to expand the Cilacap refinery from its current 348,000 b/d to 370,000 b/d refining capacity by 2023. In October 2016, Pertamina also entered into a licensing agreement with Axens for its residue upgrading project in Balikpapan. This project involves the addition of a new RFCC, diesel hydrotreater and LPG sulphur removal unit, to reduce the refinery's fuel oil production and increase its low-sulphur diesel production. The project is expected to be completed post 2022.

Separately, Pertamina is also replacing its semi-regen reformer for a continuous catalytic reformer (CCR) and adding an isomerisation unit as a part of the Blue sky project at the Cilacap refinery in 2018. Overall, Indonesia's refining capacity will remain flat through to 2022, as there are no firm CDU capacity additions in our view.

Location	Refinery Name	Operator	Refinery Type	CDU Capacity (kbd)
Indonesia	Balikpapan	PERTAMINA	HCU	260
Indonesia	Balongan	PERTAMINA	FCC	125
Indonesia	Cepu	PERTAMINA	HSKIM	4
Indonesia	Cilacap	PERTAMINA	FCC	348
Indonesia	Dumai	PERTAMINA	HCU & COK	170
Indonesia	Kasim	PERTAMINA	HSKIM	10
Indonesia	Musi (Plaju-S.Gerong)	PERTAMINA	FCC	118
Indonesia	Tri Wahana Universal	Private Investors	HSKIM	6
Indonesia	Tuban – TPPI	Trans Pacific Petrochemical	HSKIM	100

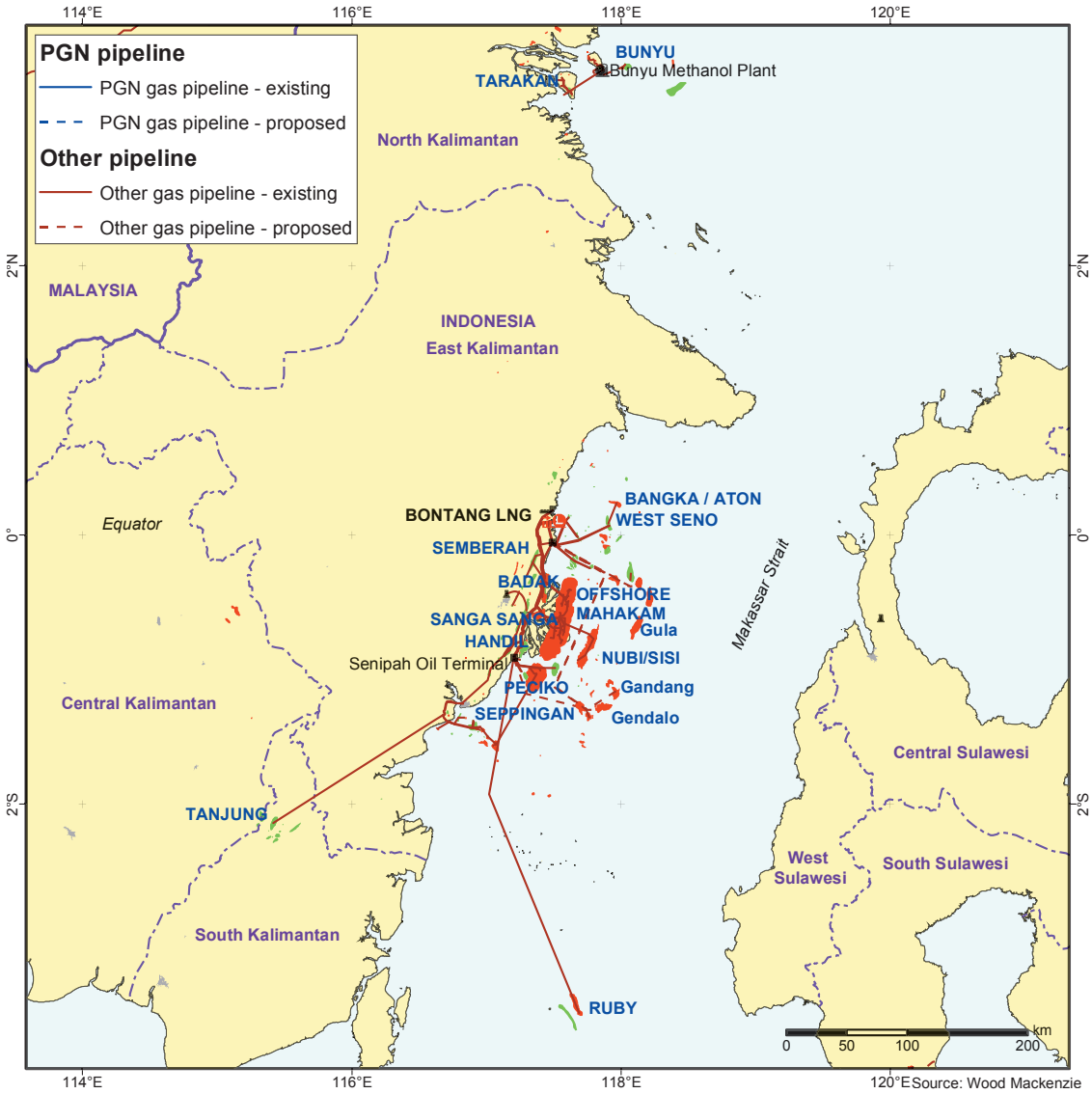
Gas Infrastructure

Java Gas Infrastructure



Sumatra Gas Infrastructure

Kalimantan Gas Infrastructure

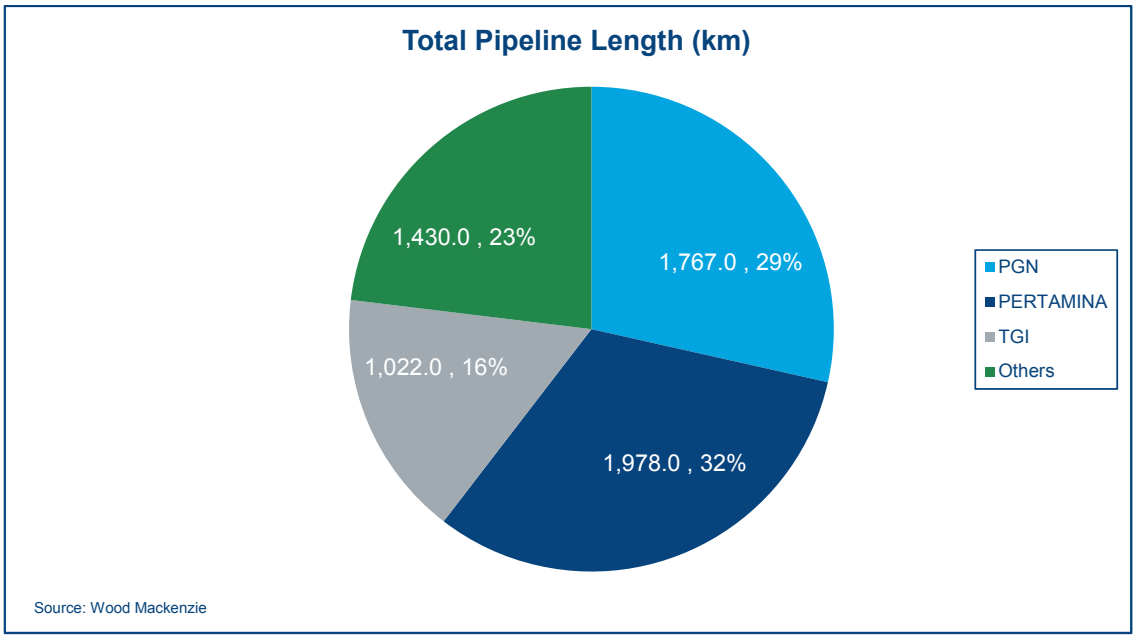


The lack of gas interconnection infrastructure divides Indonesia into several regional markets. Java Island is separated into the West Java, Central Java and East Java markets, while Sumatra Island is segregated into the Aceh/North Sumatra and Central/South Sumatra markets. Pipeline infrastructure outside Java and Sumatra is very limited, except in the East Kalimantan region around the Bontang LNG plant.

Existing inter-regional pipeline connections include the Grissik-Duri and the Grissik-Singapore pipelines connecting South Sumatra with Central Sumatra, Batam, and Singapore, and the SSWJ I and II pipelines connecting South Sumatra with West Java. In North Sumatra, the Arun-Medan pipeline was completed in December 2014, connecting the gas markets in Aceh and Medan. Export pipelines also exist in the Natuna Sea, delivering gas to Singapore and Malaysia.

The market is growing as additional pipelines are being built. The Gundih-Tambak Lorok pipeline was commissioned in September 2014, supplying gas to Semarang. Another pipeline to Semarang from Muriah was completed in August 2015. The Cilegon-Bitung pipeline, which is part of PGN's gas pipeline expansion in West Java began operating in 2015. In October 2014, Pertagas started the construction of the Gresik-Semarang pipeline which expected to connect the Central and East Java markets in 2018. In Sumatra, the Duri-Dumai pipeline is being constructed, targeting 2019 completion.

Pipeline Ownership (based on operatorship)



Source: Wood Mackenzie

Existing Pipelines

Pipeline System	Transporter / Operator	Current Capacity (mmcfd)	Diameter (inch)	Length (km)
Java				
Cilamaya to Cilegon (via Tegal Gede & Nagrak)	PERTAMINA	250,400	18,24	218
Pagerungan Island to Porong (East Java Pipeline)	PERTAMINA	600	28.0	370
Porong to Gresik (East Java Pipeline)	PERTAMINA	600	28.0	53
Gundih - Tambak Lorok	Sumber Petrindo Perkasa	200	20.0	140
Kepodang - Tambak Lorok	PGN and Bakrie Brothers	250	14.0	207
Sumatra				
Arun - Medan	PERTAMINA	200	24	340
Medan - Sei Mangke	PERTAMINA	150	24	138
Pangkalan Brandan to Wampu	PERTAMINA	135	18,12	51
Grissik to Duri	TGI	430	28	544
Grissik to Singapore (via Batam)	TGI	467	28	478
Musi – Palembang	PERTAMINA	300	12,20 (varies)	200
Pagardewa - Labuhan Maringgai (SSWJ I)	PGN	530	32	268
Labuhan Maringgai - Bojonegara (SSWJ I)	PGN	530	32	105
Grissik - Pagardewa (SSWJ II)	PGN	440	36	196
Pagardewa - Labuhan Maringgai - Muara Bekasi - Rawa Maju (SSWJ II)	PGN	440	32	466
Natuna Sea				
West Natuna Transportation System to Singapore border (upstream pipeline) via Batam	PSCs	700	28	644
Kalimantan				
Tanjung Santan - SKG Bontang	Pertagas	200	16	40
Senipah - Badak (upstream pipeline)	PSCs	1,600	42	128
Handil - Badak (upstream pipeline)	PSCs	300	20	74
Badak - Bontang LNG (upstream pipeline)	PSCs	3,600	36, 36, 42, 42	57

Sulawesi				
Kampung Baru - Sengkang (upstream pipeline)	PSC	30	8	29
Papua				
Arar - Kasim (upstream pipeline)	PSC	60	8	60

Under Development/Proposed (likely) Pipelines

Pipeline System	Licensee	Status	Ultimate Capacity (mmcfd)	Diameter (inch)	Length (km)
Java					
Gresik - Semarang	PERTAMINA	Under development	350-500	28	267
Semarang - Cirebon	-	Proposed	350 - 500	28	258
Sumatra					
Bentu Korinci Baru - Teluk Lembu	Bentu Korinci Baru PSC	Under development	40	8	40
Grissik - Palembang	PERTAMINA	Under development	160	20	176
Duri - Dumai	PGN	Under development	250-300	24	130
Dumai - Medan	PGN	Proposed	250-300	28	395
Kalimantan					
Simenggaris - Bunyu	PERTAMINA	Under development	35	10	70
Handil – Tanjung Batu	PERTAMINA	Under development	100	16	55

LNG Infrastructure

Existing LNG Infrastructure

Facility	Type	Owner	Nominal Capacity (mmcfd)	Peak Capacity	Storage (m3)
Nusantara Regas Satu	Regasification	PERTAMINA, PGN	397	397	125,000
PGN FSRU Lampung	Regasification	PGN	240	240	170,000
Arun Regas	Regasification	PERTAMINA	397	397	636,000
Benoa Regas	Regasification	PERTAMINA, PLN	50	50	20,000
Liquefaction					
Bontang Liquefaction Plant	Liquefaction	Government of Indonesia (Badak)	2,916	-	-
Tangguh Liquefaction Plant	Liquefaction	Tangguh Consortium led by BP	998	1,497	-
Donggi Senoro Liquefaction Plant	Liquefaction	Mitsubishi Corporation, PERTAMINA, KOGAS, Medco Energi	263	263	-

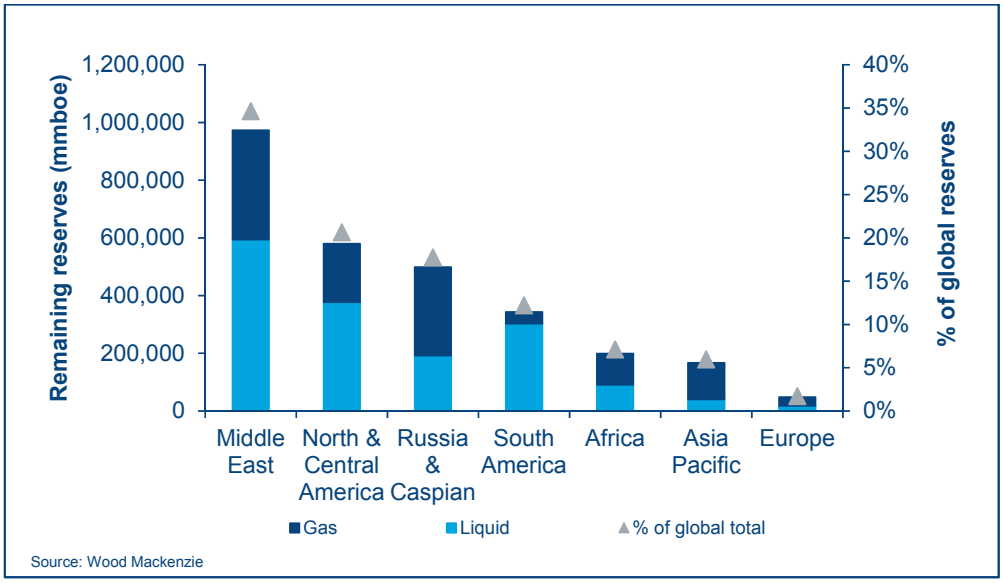
Planned LNG Infrastructure

Facility	Type	Owner	Nominal Capacity (mmcfd)	Location	Status
Celukan Bawang FSRU	Regasification	Padma Energi	70.0	Bali	Cancelled
Bojonegara Regas	Regasification	PERTAMINA	529.6	West Java	Proposed
Cilacap FSRU	Regasification	PERTAMINA	200.0	Central Java	Proposed
Pomala Regas	Regasification	PGN	50*	SE Sulawesi	Proposed
Java-1 FSRU	Regasification	PLN/IPP	199*	West Java	Proposed
Java-3 Peaker Regas	Regasification	PLN/IPP	50*	West Java	Proposed
Bangka Regas	Regasification	PLN/IPP	20*	South Sumatra	Proposed
Central Indonesia Mini-LNG	Regasification	PLN	290*	Central Indonesia	Proposed
Banten FSRU	Regasification	PT Energi Dian Kemala	132 - 530	West Java	Speculative
East & West Indonesia Mini-LNG	Regasification	PLN	360*	East/West Indonesia	Speculative
Bantaeng	Regasification	ENMP, AG&P	132.0	South Sulawesi	Speculative
Liquefaction					
Sengkang Liquefaction Plant	Liquefaction	EWC	265	South Sulawesi	Under construction
Abadi	Liquefaction	INPEX, Shell	1,258	Timor	Proposed

4. Global Oil and Gas Market

Global reserves by region[1]

Wood Mackenzie estimates total global commercial oil and gas reserves at approximately 2,809 billion boe[2], with the Middle East region accounting for 35% of the total, followed by North & Central America (21%), Russia & Caspian (18%) and South America (12%).



Source: Wood Mackenzie

Global oil and gas consumption

Crude oil demand by region

Wood Mackenzie projects oil demand will increase from 86.0 million b/d in 2017 to 87.5 million b/d in 2021, equating to a 0.4% average annual growth rate. Despite demand cooling in Europe (where oil demand actually declines over the next five years), development in the rest of the world looks set to drive continued demand growth, albeit at a slower pace than in previous years. Wood Mackenzie expects that the volumetric demand for oil in Asia Pacific will surpass the total increase in demand from the rest of the regions, with 1.05 million b/d of additional demand expected between 2017 to 2021, or an average annual growth rate of 0.8%. This demand growth is underpinned by increased transport demand in China and India. The implications for Asia Pacific include a continued (and growing) dependence on imported oil and regional governments focusing on increasing domestic supply.

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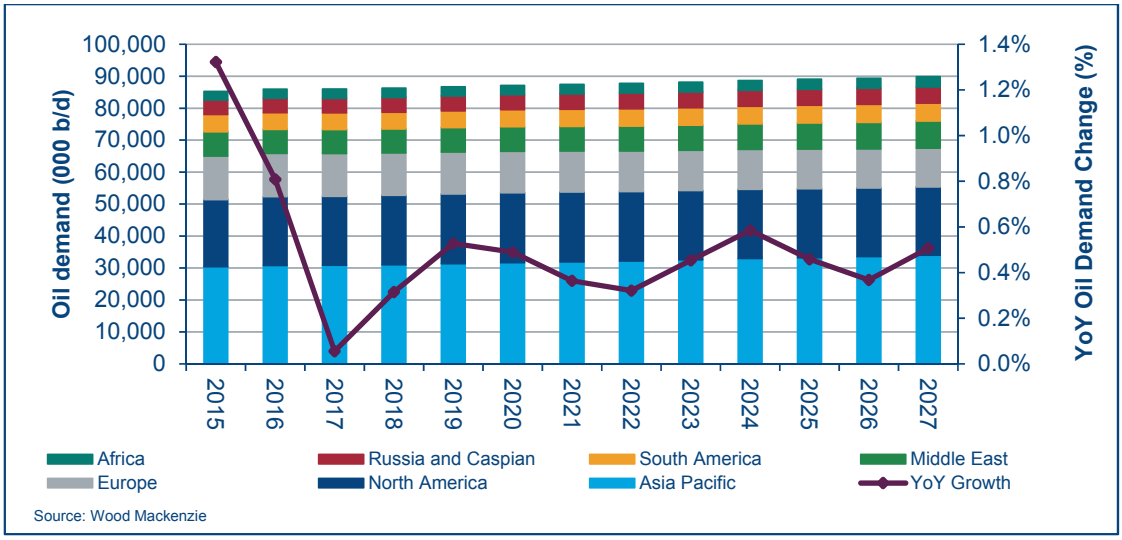
[1] *Using Wood Mackenzie's methodology, commercial reserves are broadly equivalent to proven and probable reserves. In particular, Wood Mackenzie considers commercial reserves to be fields which are currently in production, under development or regarded as probable developments. Fields under development are fields where the development plan has been approved by the government authorities and the field participants have made the final investment decision for the project to proceed. Probable developments are discoveries where reserve estimates have been sufficiently proved-up and any development plan would be economically viable. Wood Mackenzie would expect probable developments to be either on-stream or under development within a five-year timescale.*

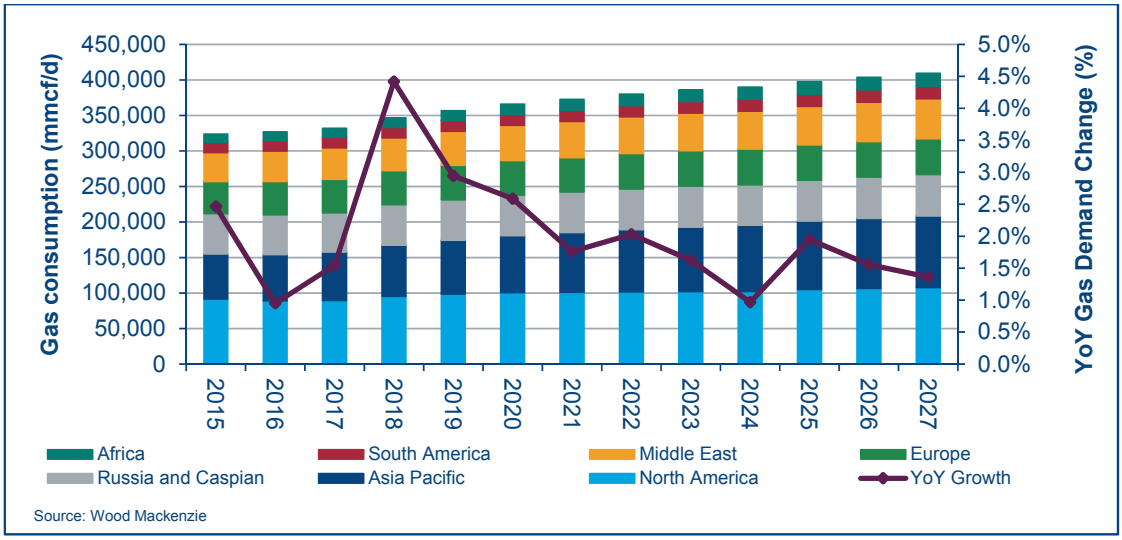
[2] *This includes both technical and commercial reserves*



Source: Wood Mackenzie

Gas consumption by region

In Wood Mackenzie's view, gas looks set to take on a greater role globally, with gas consumption expected to steadily increase into the future, from 331.8 bcf/d in 2017 to 372.4 bcf/d in 2021, equating to an average annual growth rate of 2.9%. The main regions that contribute to this rise (volumetrically) are Asia Pacific, North America, and the Middle East with gas demand in Asia Pacific growing at an average of 5.3% per year between 2017 and 2021. The Chinese gas market remains the largest driver for Asia gas demand growth. Recent policy initiatives in China related to incentivising gas usage as a path to a lower-carbon future will underpin a resilience in long term gas demand.



Source: Wood Mackenzie

Global oil and gas production

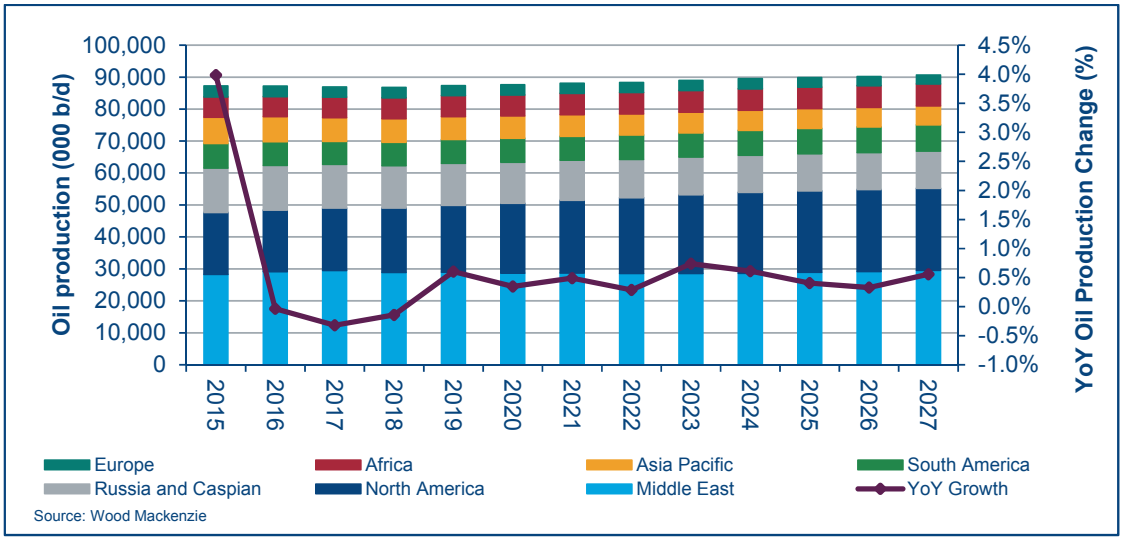
Crude oil production by region

Based on Wood Mackenzie estimates, global oil production is set to rise from 86.9 million b/d in 2017 to 88.0 million b/d in 2021, at an average annual growth rate of 0.3%. This is led by the projected growth in production in North America (CAGR 2017-21: 3.9%), South America (CAGR 2017-21: 0.95%) and Africa (CAGR 2017-21: 1.0%). Middle East production falls slightly over this period (CAGR 2017-21: -0.7%).

Excluding 2018 and 2019, the US Lower 48 production forecast has been revised lower for most years through 2035.. The ultimate potential of US Lower 48 oil production is highly price dependent and there are a number of risk factors,

these include: Higher than expected gas-to-oil recoveries, parent-child well communication issues, companies targeting cash flow neutrality and a reduction labour force.

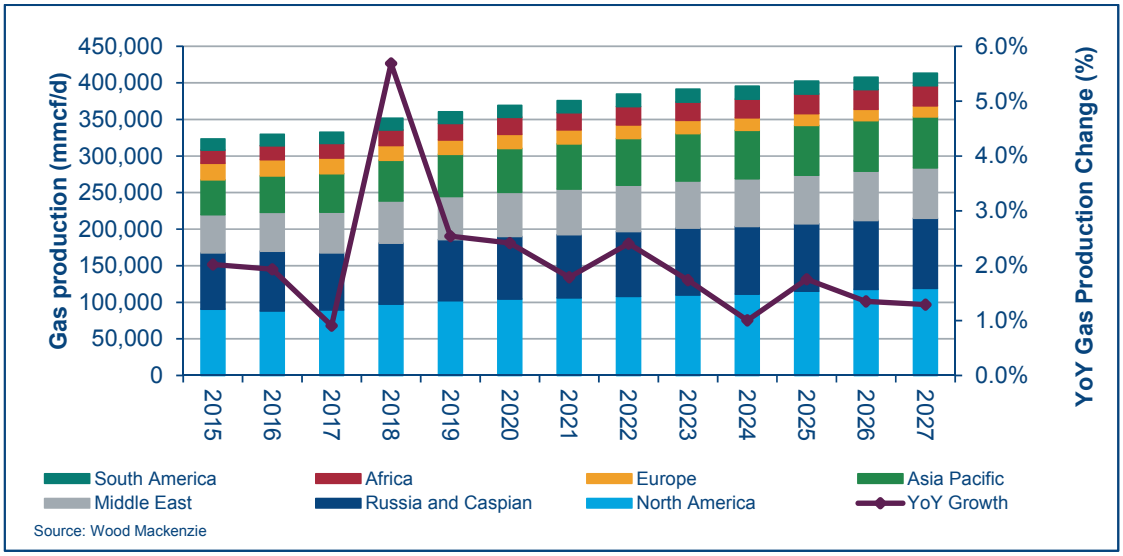
In Asia Pacific, oil production between 2017 and 2021 is set to decline at an average annual rate of 2.4%, as the region's current producing fields mature and smaller oil discoveries are made.



Source: Wood Mackenzie

Gas production by region

Wood Mackenzie expects a 3.1% average annual increase in global gas production, from 333 bcf/d in 2017 to 376 bcf/d in 2021. While the North America and Russia & Caspian regions are expected to maintain their positions as the leading producers of gas globally, Asia Pacific is expected to grow its gas production at an annual average rate of 4.2% between 2017 and 2021, outperforming other regions. This production growth is driven by increases in Chinese (conventional and unconventional) and Australian (LNG) output; however gas production in South East Asia is also on the rise.



Source: Wood Mackenzie

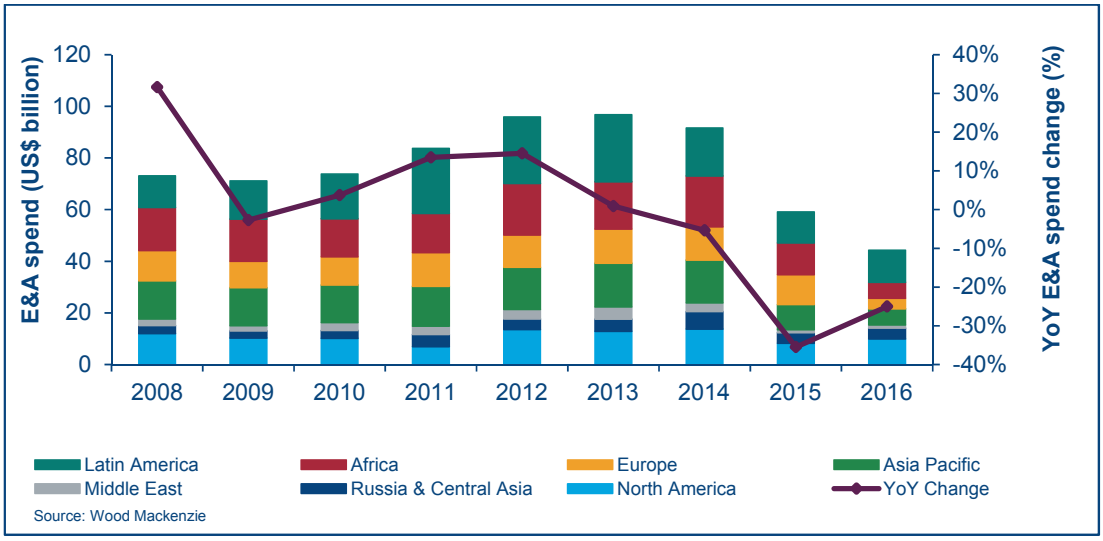
Global E&P Spending Outlook

Exploration & Appraisal ("E&A") spend by region

The exploration industry is expected to emerge from the downturn with gradual change through to 2018. Most companies are expected to hold their highly cautious approach to exploration for a while and industry investment and well counts will remain low. There have been a diminishing number of explorers and corporate diversity is low. As much of the industry will chase similar opportunities, basin diversity will narrow and this leads to sharper competition eroding margins. Growth in this industry is expected to be lead by unconventional and deep water discoveries.

E&A spend decreased from USD 55.5 billion in 2007 to USD 44.3 billion in 2016. E&A spend peaked at USD96.7 billion in 2013, corresponding with the period of elevated oil prices consequent cost escalation in the service sector. In Asia Pacific, E&A spend fell from USD 11.7 billion in 2007 to USD 6.2 billion in 2016, down 47%. As a percentage of global E&A spend, Asia Pacific's share has fallen from 21% in 2007 to 14% in 2016 reflecting the maturity of the basins.

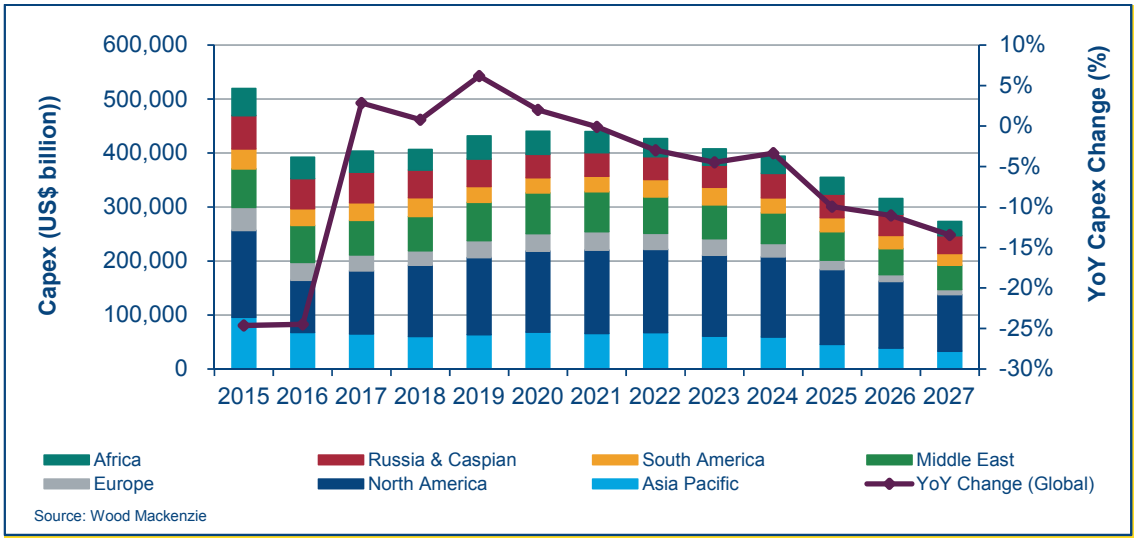
Lower oil prices since 2014 have manifested in a sharp drop-off in exploration spending globally, as companies have retreated from higher-risk frontier exploration to preserve capital for onstream and upstream assets under development. In many cases exploration spending is the first 'discretionary item' to be cut from budgets as companies have adjusted to the lower oil price. The effect has been felt in particular in Asia-Pacific as smaller prospect sizes and higher economic thresholds have restricted exploration in region to only the most "certain" prospects, normally those which can be monetised relatively quickly.



Capital costs by region

Based on projects in production or likely to produce in the near future (under construction or sanctioned), Wood Mackenzie forecasts global CAPEX to increase from USD392.0 billion in 2016 to USD403.3 billion in 2017. Asia Pacific accounted for 17% of the global E&P CAPEX in 2016, at USD68.0 billion. Asia Pacific regional CAPEX in 2017 is trimmed to USD65.0 billion.

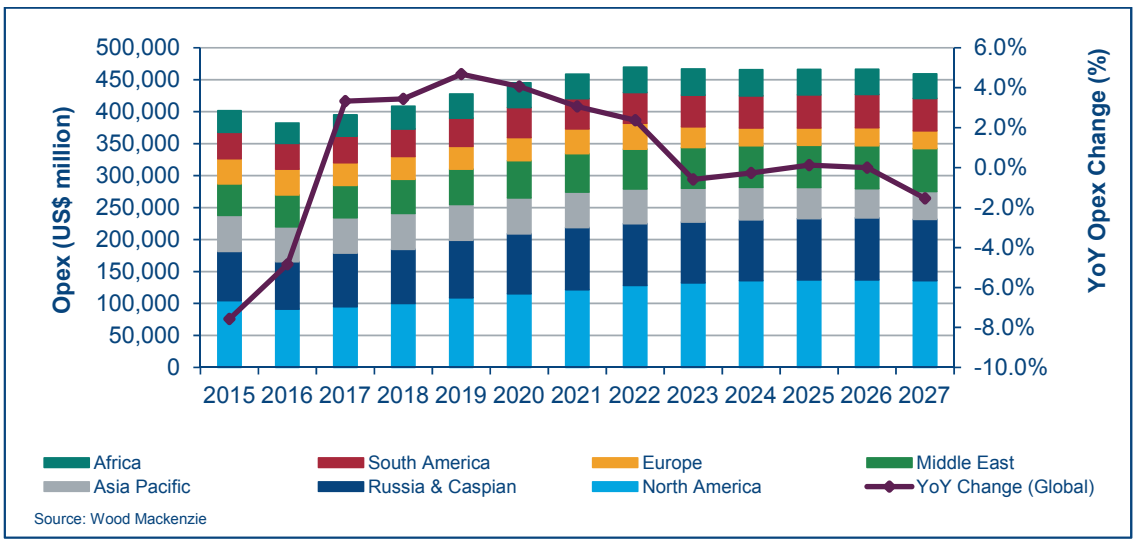
Careful scrutiny of discretionary spend since lower oil prices began in 2014 has lead to all but the most attractive projects being deferred. Final investment decisions ("FIDs") dropped significantly in 2015 and 2016 as companies assessed their budgets and deferred most new capital spend in favour of existing committed capital (projects under construction). Wood Mackenzie expects that with a relative 'stabilisation' of oil prices and companies adjusting to this environment (as well as some cost reduction in the service industry), CAPEX growth is expected to peak at 2021.



Source: Wood Mackenzie

Operating costs by region

As operating costs begin to rebound from the decrease in 2015-2016 caused by cyclical cost deflation due to low oil prices, Wood Mackenzie expects operating costs globally to increase from USD382.0 billion in 2016 to USD395.0 billion in 2017, a year-on-year increase of 3.3%. In Asia Pacific, which saw a more muted response in OPEX to lower oil prices than other regions, year-on-year growth in 2017 is expected to be 1%, and stay within 2% through 2020.



Source: Wood Mackenzie

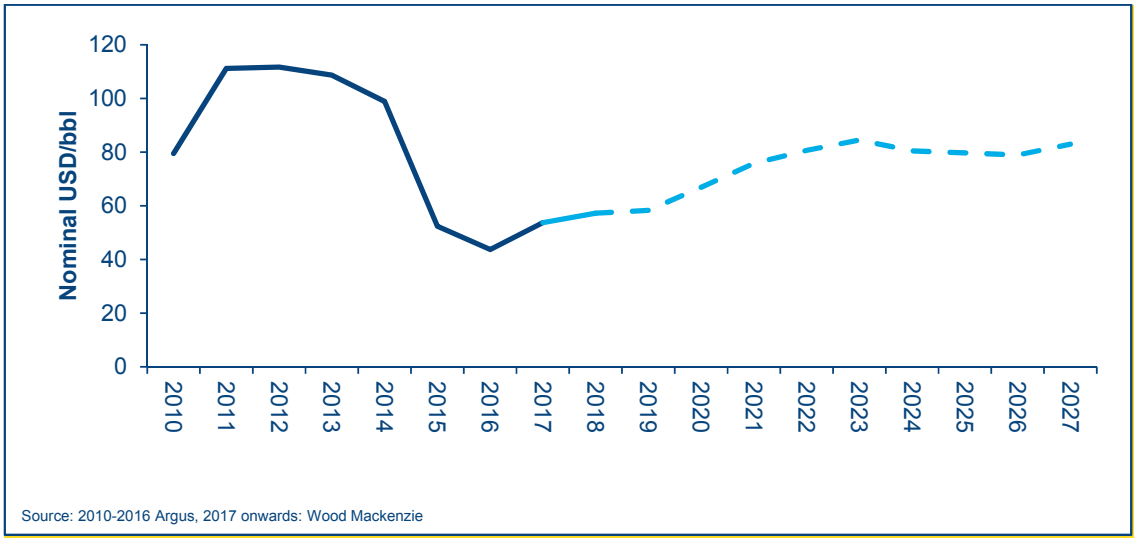
Crude Oil and Natural Gas Pricing

Crude oil pricing

For 2017, Wood Mackenzie forecasts the annual average price of USD53.7 per barrel for Brent. The annual average for Brent is forecast at USD57.24 per barrel for 2018. Crude prices fell in H1 2017 as tight oil production picked up while exports from Nigeria and Libya were higher than expected. These production increases offset OPEC and Russia output cuts and pushed back any market rebalancing, despite strong compliance with agreed reductions. As a result, OPEC has had to extend production cuts into 2018. In the near-term, prices are capped by increased US output while OPEC cuts and tight oil production costs provide a floor. Wood Mackenzie expects strong growth in tight oil production through to the mid 2020s.

Beyond 2020, Brent climbs to an interim peak in 2023 as tight oil breakevens rise, and growth in Lower 48 production is insufficient to offset demand growth and declining production from conventional oil. Heightened geopolitical risk also supports higher prices as indebtedness continues to rise in many producer countries which face fiscal breakevens over $70/ bbl.

Higher prices in the early 2020s drive increased investment from OPEC and non-OPEC producers. Notably, greater numbers of conventional projects are sanctioned, coming onstream in the mid-2020s. This loosens the market amid slowing demand growth and Brent retreats to a nadir in 2026 before rising in a more sustained fashion as increasingly high cost production is required to meet growth in demand.



Source: 2010-2016 Argus, 2017 onwards: Wood Mackenzie

Natural gas pricing

Henry Hub Prices

Henry Hub is a key distribution hub within the US natural gas pipelines system and is located in Louisiana. Delivered prices at the hub are a key marker of natural gas prices in the US. As the US begins to export more gas (in the form of LNG) into the Asia Pacific, US LNG, which is priced off Henry Hub gas prices, will compete with other sources of LNG and domestic piped gas. Due to the recent gas supply glut in the US, Henry Hub prices have been low and increasingly pose a threat to more expensive incumbent gas sources.

The recovery in oil and gas drilling over the past year and pipeline expansion in the Northeast US signals an increase in supply starting this summer and continuing through 2018. We expect Henry Hub prices this year to average US$3.4/mmbtu and US$2.8/mmbtu (nominal) in 2018.

In the medium term, we expect prices to fall, averaging US$3.1/mmbtu between 2019 and 2024, as strong demand growth is matched with cheap supplies. Pipeline expansion in the Northeast allows supply growth in this low-cost region to accelerate, growing 150 bcm over the next 5 years. Additionally Permian rig counts have increased from 137 to 364 over the past twelve months, and aggressive growth is forecast into the next decade. The Permian will account for just under 15% of total Lower 48 gas volumes by 2025. Meanwhile, lower breakevens in Montney will result in production reaching 170 bcm in five years.

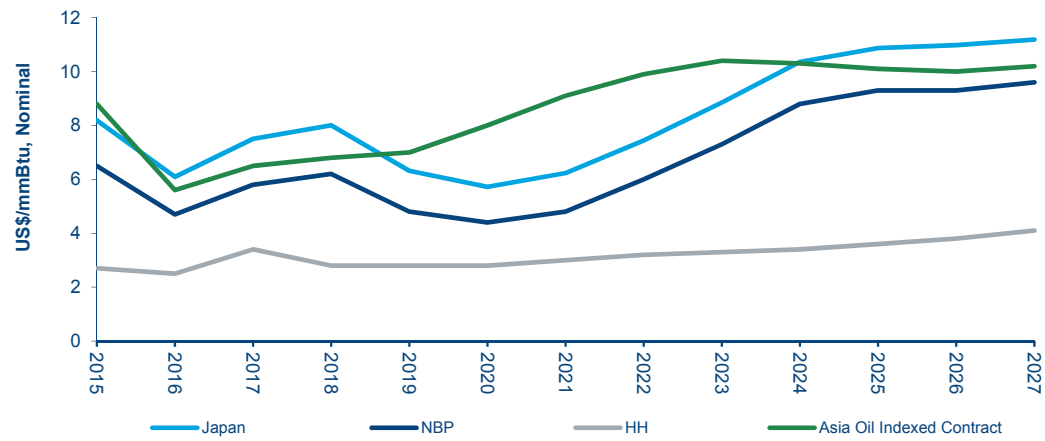
By the mid-2020s, domestic power markets and new LNG projects support continued market growth. US federal carbon policy is increasingly uncertain in light of the decision to withdraw from the Paris Accord, but state and regional initiatives nonetheless look likely to support long-term growth in both renewables and gas-fired generation at the expense of coal. Yet by the early to mid-2020s the Northeast pipeline capacity currently under development will fill up, and associated gas production will begin to plateau. This opens the door for production recovery in the Haynesville, along with continued WCSB growth and a Rockies supply recovery. Prices will have to rise to support development in these areas, along with new Northeast pipelines. As such, we expect Henry Hub to have an average of over-US$4/mmbtu range in the second half of the next decade.

Asian LNG spot prices

Over the past years global gas and LNG prices have been converging. Part of that has been the consequence of weakening oil prices. But much has also been the consequence of increasing global LNG supply and trade that has resulted in regional price differentials being set by differentials in shipping costs.

As the global LNG market becomes oversupplied, we forecast Asian LNG prices (see Japan prices below) to trade at a small differential to Europe, including through winters as seasonal demand in China is counterbalanced by reduced seasonality in Japan and South Korea, the consequence of increased coal, nuclear and renewable capacity.

[The Wood Mackenzie's Asia Oil indexed contract assumption is 12.5% Brent (3,3,1) + 0.5 for H2 17 update]



Source: Argus Media, NYMEX, Wood Mackenzie

Appendix

Gross Split PSC terms

Gross split PSC terms	Condition	Contractor share
Base split		
Oil		43.0%
Gas		48.0%
Variable split (incremental)		
Development status	First POD	5.0%
	No POD	0.0%
Field location		
	Onshore	0.0%
	WD ≤ 20m	8.0%
	20m < WD ≤ 50m	10.0%
	50m < WD ≤ 150m	12.0%
	150m < WD ≤ 1000m	14.0%
	WD >1000m	16.0%
Reservoir depth		
	≤ 2500m	0.0%
	> 2500m	1.0%
Infrastructure		
	Well developed	0.0%
	New frontier	2.0%
Conventional status		
	Conventional	0.0%
	Unconventional	16.0%
CO_2		
	CO_2 < 5%	0.0%
	5% ≤ CO_2 < 10%	0.5%
	10% ≤ CO_2 < 20%	1.0%
	20% ≤ CO_2 < 40%	1.5%
	40% ≤ CO_2 < 60%	2.0%
	CO_2 ≥ 60%	4.0%
H_2S (ppm)		
	H_2S < 100	0.0%
	100 ≤ H_2S < 300	0.5%
	300 ≤ H_2S < 500	0.75%
	H_2S ≥ 500	1.0%

Gross split PSC terms	Condition	Contractor share
Variable split (incremental) - continued		
Crude gravity		
	API < 25^0	1.0%
	API ≥ 25^0	0.0%
Local content (LC)		
	LC<30%	0.0%
	30% ≤ LC < 50%	2.0%
	50% ≤ LC < 70%	3.0%
	LC > 70%	4.0%
Production stage		
	Primary	0.0%
	Secondary	3.0%
	Tertiary	5.0%
Progressive split (incremental)		
Oil price split		
	Price < USD40/bbl	7.5%
	USD40/bbl ≤ Price < USD55/bbl	5.0%
	USD55/bbl ≤ Price < USD70/bbl	2.5%
	USD70/bbl ≤ Price < USD85/bbl	0.0%
	USD85/bbl ≤ Price < USD100/bbl	-2.5%
	USD100/bbl < Price < USD115/bbl	-5.0%
	Price ≥ USD115/bbl	-7.5%
Cumulative production split		
	< 1 mmboe	5.0%
	1 mmboe ≤ X < 10 mmboe	4.0%
	10 mmboe ≤ X < 20 mmboe	3.0%
	20 mmboe ≤ X < 50 mmboe	2.0%
	50 mmboe ≤ X < 150 mmboe	1.0%
	≥ 150 mmboe	0.0%
Ministerial prerogative		-5% to 5%

Source: MEMR decree 08/2017 on gross split contracts

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(incorporated with limited liability under the laws of Singapore)

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