

# 1H 2024 MedcoEnergi Results

PT Medco Energi Internasional Tbk (IDX Ticker: MEDC) | Jakarta, 8 August 2024



MEDCOENERGI

# 2024 Earnings Call, 8 August 2024. Management Attendees



**Roberto Lorato**  
*Chief Executive Officer*



**Anthony R. Mathias**  
*Chief Financial Officer*



**Ronald Gunawan**  
*Chief Operating Officer*



**Amri Siahaan**  
*Chief Administrative Officer*



MEDCOENERGI

# 1H 2024 Results



Highlights	4
Operational Performance	6
Financial Performance	10
ESG and Climate Change	13
Outlook	19
Appendix	23

The following presentation has been prepared by PT Medco Energi Internasional Tbk. ("Company" or "MedcoEnergi") and contains certain projections, plans, business strategies, policies of the Company and industry data in which the Company operates in, which could be treated as forward-looking statements within the meaning of applicable law. Any forward-looking statements, by their nature, involve risks and uncertainties that could prove to be incorrect and cause actual results to differ materially from those expressed or implied in these statements. The Company does not guarantee that any action, which may have been taken in reliance on this document will bring specific results as expected. The Company disclaims any obligation to revise forward-looking statements to reflect future events or circumstances

The use by MedcoEnergi of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of MedcoEnergi by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

PT Medco Energi Internasional Tbk ESG Risk Rating places it 25<sup>th</sup> in the Oil & Gas Producer industry and 23<sup>rd</sup> in the Oil & Gas Exploration and Production sub industry assessed by Sustainalytics. This Sustainability Report contains information developed by Sustainalytics ([www.sustainalytics.com](http://www.sustainalytics.com)). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>



MEDCOENERGI

# Highlights

Roberto Lorato  
*Chief Executive Officer*





# Highlights

- ✓ On track to meet operational guidance
- ✓ Oman acquisition APAC "Deal of the Year"
- ✓ Vietnam and Libya divestment closed
- ✓ Total 2023 Dividend US\$70mn
- ✓ Tender Offers & Buybacks
- ✓ Fitch and S&P Credit Rating upgrades
- ✓ AMMN renewal export permit & smelter commissioning

<b>Production mboepd</b>
1H 2024 : 153 2024 Guidance : 145 - 150

<b>Power Sales GWh</b>
1H 2024 : 2,003 2024 Guidance : 4,100

<b>Capex US\$ mn</b>
1H 2024 : 188 2024 Guidance : 430

<b>Cash Cost US\$/boe</b>
1H 2024 : 7.0 2024 Guidance : <10

<b>EBITDA US\$ 650 mn</b>
-------------------------------

<b>Net Income US\$ 201 mn</b>
-----------------------------------

<b>Average Realised Prices</b>	Liquids US\$81/bbl Indexed Gas US\$10/mmbtu Fixed Gas US\$6/mmbtu
--	---



MEDCOENERGI

# Operational Performance

Ronald Gunawan  
*Chief Operating Officer*





MEDCOENERGI

# Production & Power Sales

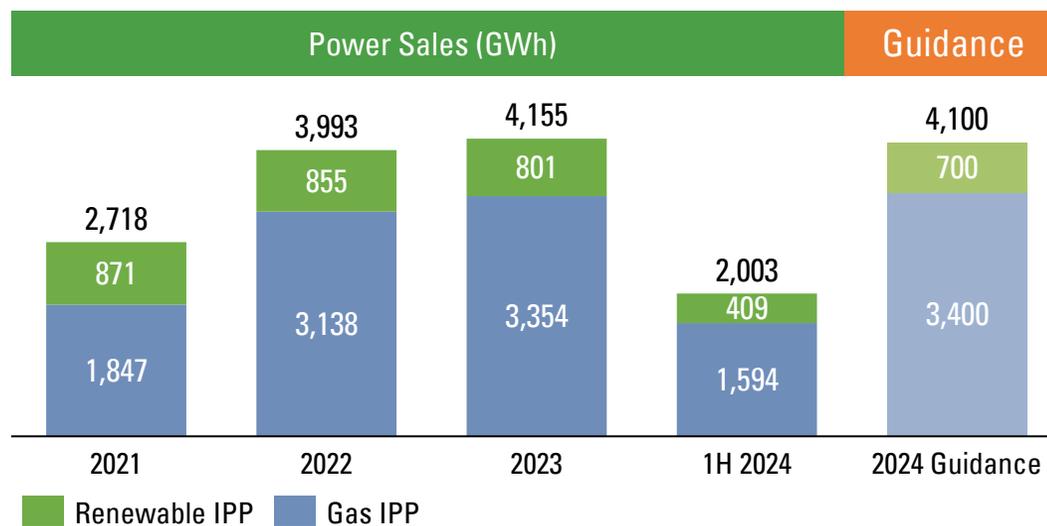
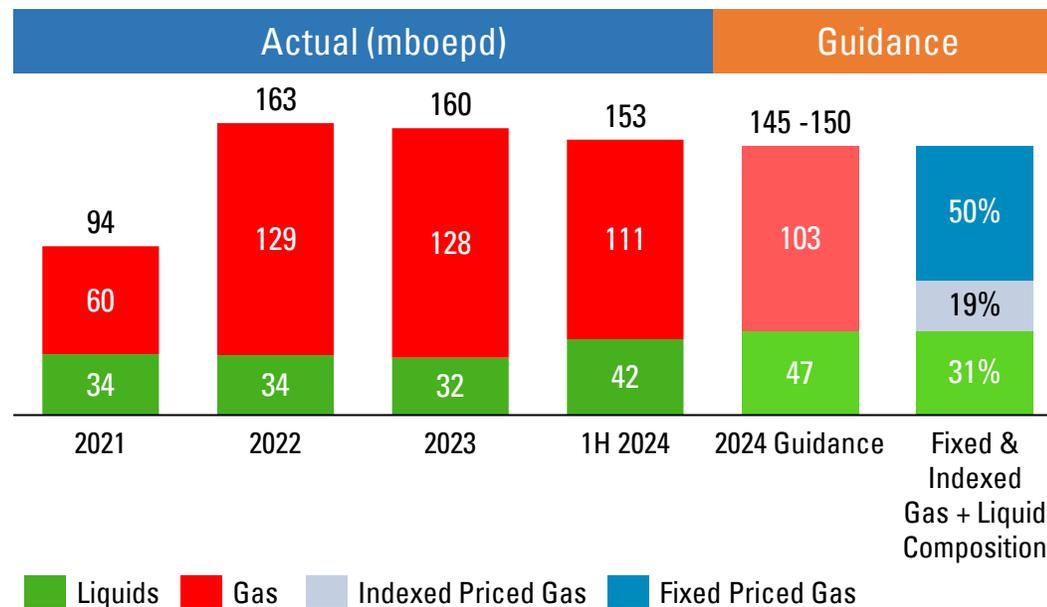
Ahead of guidance

## 1H 2024

- Production 153 mboepd, above guidance but lower compared to 1H 2023 due to Corridor working interest reduction, lower Singapore piped gas demand, and Vietnam divestment
- Power 2,003 GWh sales, 20% from Renewables

## 2024 Guidance

- Oil & Gas production: 145 – 150 mboepd
- Power sales guidance: 4,100 GWh





# Opex and Capex

On track to meet guidance

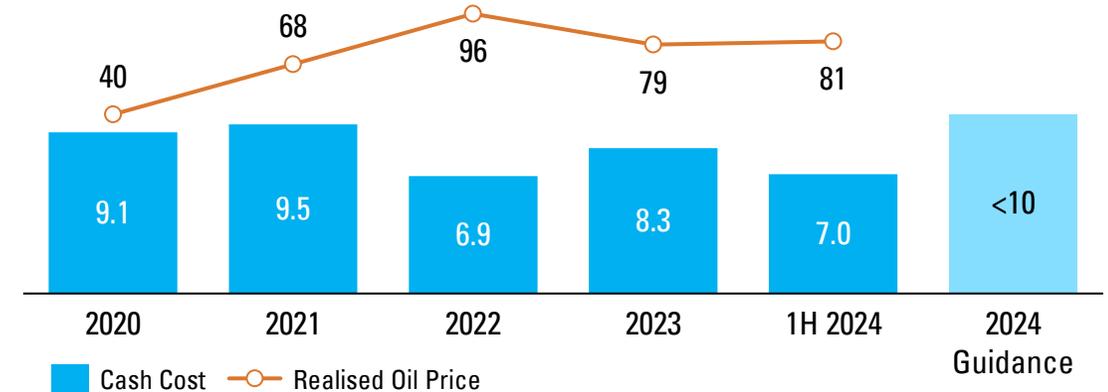
## Oil & Gas

- Oil & Gas cash cost < US\$10/boe
- 1H 2024 Capex US\$152mn
- Full year guidance US\$350mn, ~54% drilling capex, 87 wells planned full year

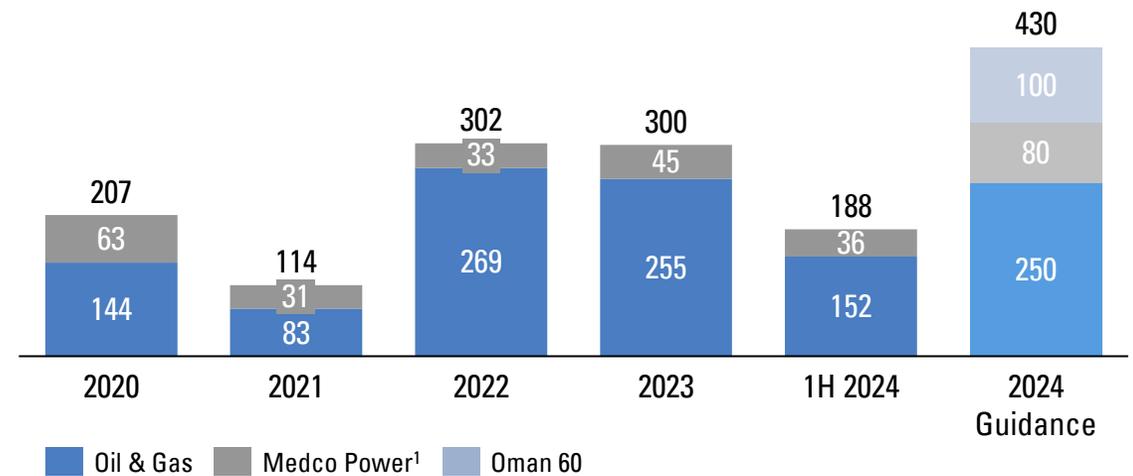
## Power

- 1H 2024 Capex US\$36mn. Full year guidance US\$80mn for Ijen, Bali East PV, ELB Add on and Bonjol
- 1H 2024 completed drilling wells in Ijen, confirming up to 40MW capacity

### Cash Cost/Unit (US\$/boe)



### Capex (US\$mn)



1) Power capex is net working interest



MEDCOENERGI

# 2024 Drilling Activities

11 active rigs with US\$191mn drilling capex spend in 2024

Drilling Activity	Q1 2024	Q2 2024	Q3 2024	Q4 2024
<b>Bualuang</b>				
Bualuang/Rig Hakuryu	BB-19ST1 & BB-20ST1 & BB-16ST1			
<b>Corridor</b>				
Suban/Rig Apexindo-10	Suban 27			Suban 25*
Rawa/Rig Dreco		Rawa 53		
Dayung/Rig Dreco				Dayung 2B & 5B
Sumpal/Rig EPI AR-09			Sumpal Shallow-1	Sumpal 9
<b>Natuna</b>				
Forel/Rig Soehanah	Forel A-01			
West Belut/Rig Soehanah	WB H-01/02/03			
Terubuk/Rig Soehanah				Terubuk L-01/02/03
Belida/Rig Soehanah			BB-12-ST & BB-01/BB-22	
<b>Madura</b>				
Meliwis-3/Rig Soehanah		Meliwis-3		
<b>Senoro</b>				
Senoro/Rig 04.3		Senoro 16,18, 19, & 20		
<b>Oman</b>				
Oman 60/Rig ABJ – 110		Bisat Producing Wells		
Oman 60/Rig ABJ – 111		Bisat Producing & Water Disposal Wells		
Oman 60/Rig ABJ – 205		Bisat Producing & Water Disposal Wells		
Oman 60/Rig ABJ – 210	Bisat Producing Wells	Exploration & ABB Wells		
<b>Geothermal</b>				
Ijen/Rig EPI-09	Completed 6 Wells			
Bonjol				Slimhole Drilling

■ Development ■ Appraisal ■ Exploration

\*Rig selection in progress



Natuna – Belida



MEDCOENERGI

# Financial Performance

Anthony R. Mathias  
*Chief Financial Officer*

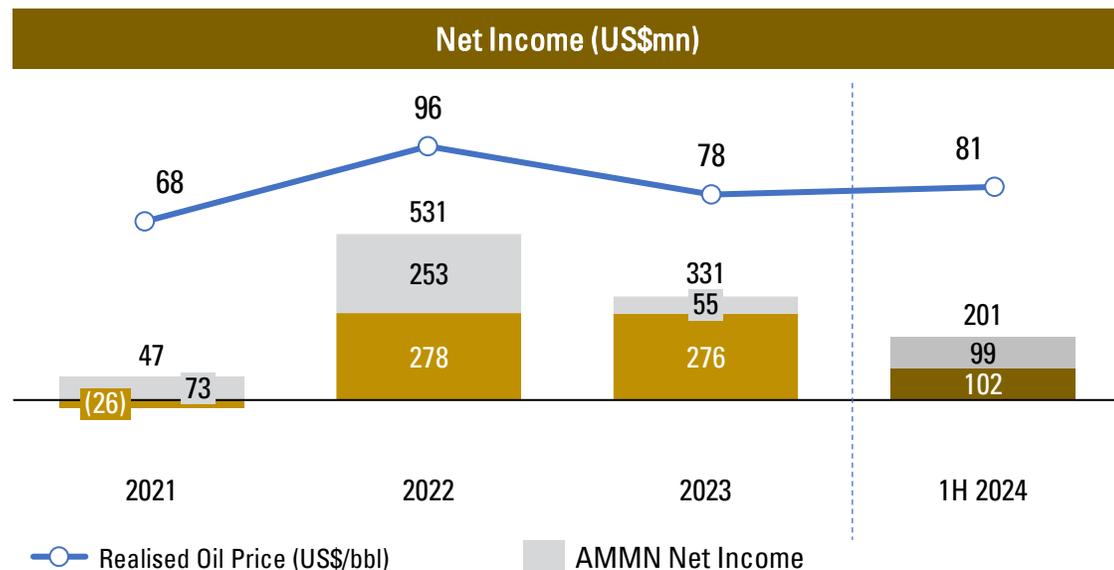
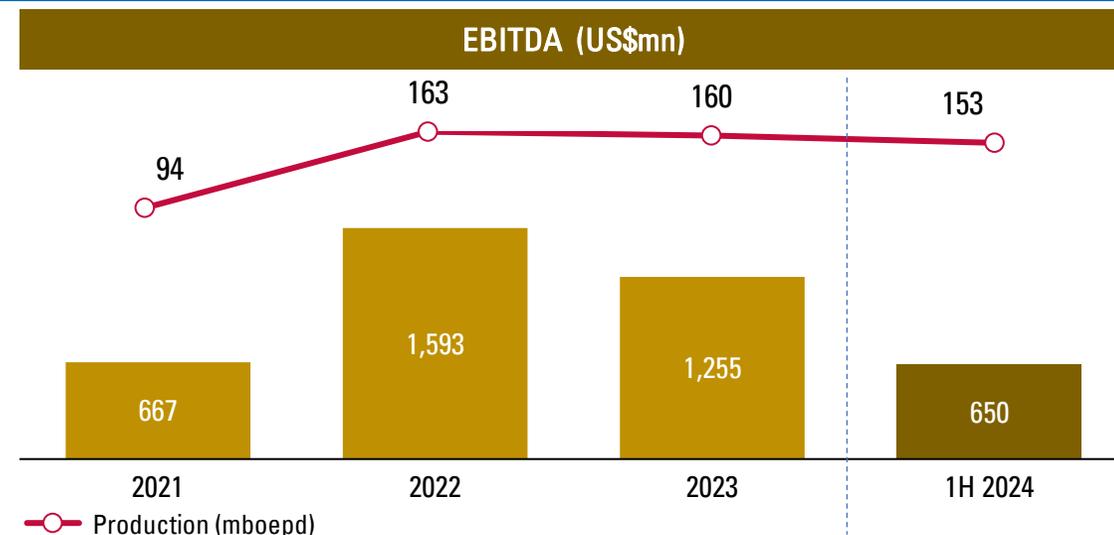




# Financial Results

## Strong fundamentals supported by favorable oil price

- 1H 2024 EBITDA US\$650mn above 1H 2023 US\$634mn, higher oil and gas prices offsetting reduced Corridor working interest
- Q2 2024 EBITDA US\$322mn slightly lower than Q1 2024, US\$328mn, due to turnaround activities in Bualuang and Corridor
- Net Profit US\$201mn, higher than US\$119mn in 1H 2023, due to significant contribution from AMMN
- Closed Vietnam and Libya divestments, cash proceeds US\$120mn
- AMMN Renewal Export Permit and Smelter Commissioning





MEDCOENERGI

# Capital Structure

Delivering results to reward all stakeholders

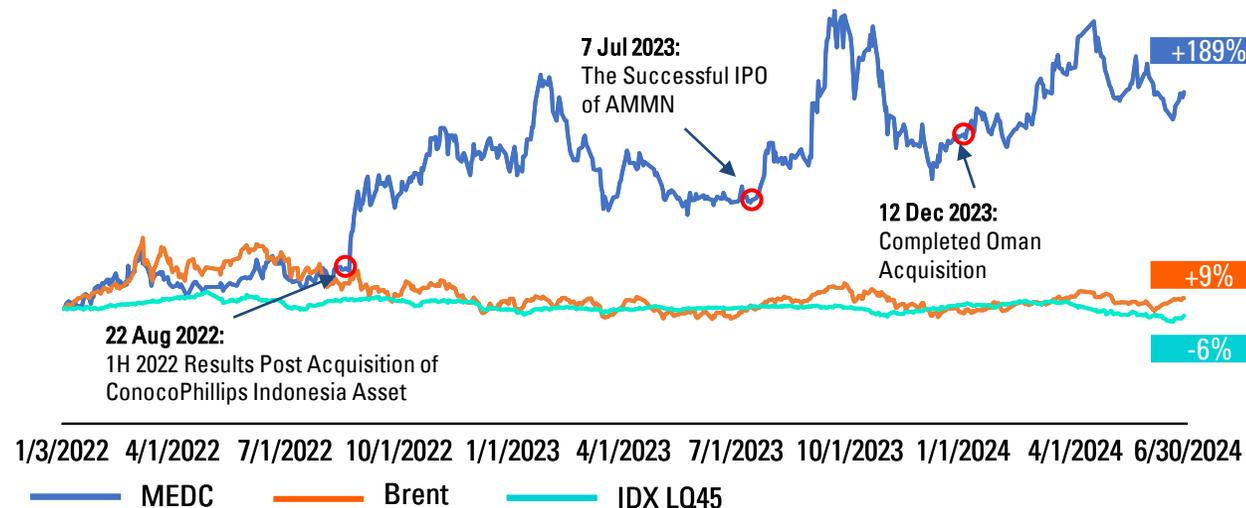
## Equity

- Average annual shareholder return from 2022 CAGR 57%<sup>1</sup>. Share price outperformed both Brent and IDX LQ45
- 2023 dividends US\$70mn, IDR45 per share, 2022 dividends US\$65mn, IDR39 per share

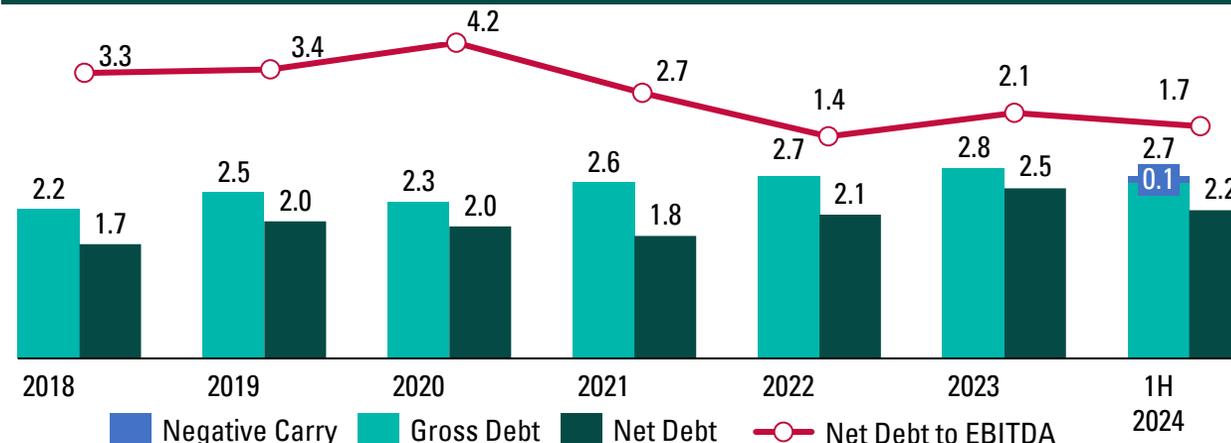
## Credit

- Upgraded by S&P and Fitch Credit Ratings to BB-, reaffirmed at idAA- by Pefindo
- Natuna, Ophir and Corridor acquisition debt repaid, debt back to 2018 level. On track to repay Oman acquisition debt within 2 - 3 years
- 1H 2024 US\$202mn tender offers & buybacks of USD Notes. July further buybacks of US\$13mn
- 1H 2024 US\$82mn negative carry for IDR bonds scheduled for Q3 and Q4 maturity
- 1H 2024 Net Debt to EBITDA<sup>2</sup> 1.7x

## MEDC vs Brent vs IDX LQ 45



## Restricted Group (RG) Debt (US\$ bn) and Net Debt to EBITDA



1) CAGR 3 January 2022 – 30 June 2024

2) Restricted Group. 2018, 3.6x and 1H 2024, 2.2x at mid-cycle price US\$65/bbl



MEDCOENERGI

# ESG and Climate Change

Amri Siahaan  
*Chief Administrative Officer*

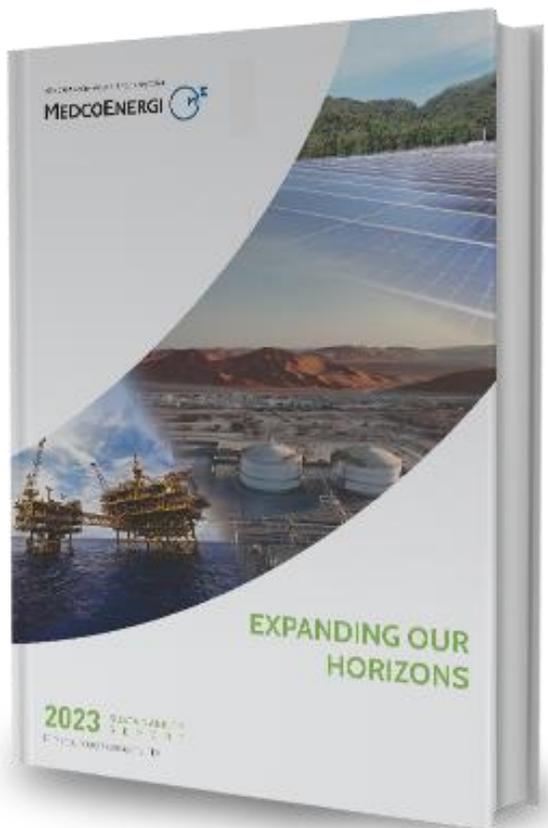




MEDCOENERGI

# Issued 2023 Sustainability Report

## Reports in accordance with 2016 GRI Standards and subsequent updates



We support the Sustainable Development Goals



MedcoEnergi is a co-founder of the Indonesia Business Council for Sustainable Development, the Indonesian chapter of the World Business Council for Sustainability Development (WBCSD)



CCC B BB BBB A AA AAA

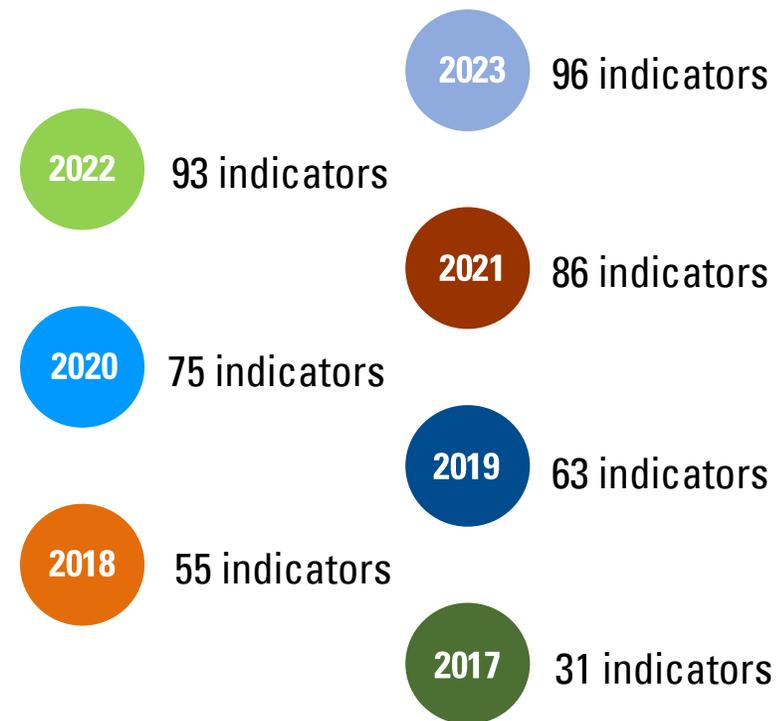
As of 2023, PT Medco Energi Internasional, Tbk. received an MSCI ESG Rating of A.

DISCLAIMER STATEMENT  
THE USE BY PT MEDCO ENERGI INTERNASIONAL TBK OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF PT MEDCO ENERGI INTERNASIONAL TBK BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

PT Medco Energi Internasional Tbk's ESG Risk Rating places it the 8<sup>th</sup> percentile in the Oil & Gas Producers industry and 9<sup>th</sup> percentile in the Oil & Gas Exploration and Production subindustry assessed by Sustainalytics

Copyright ©2024 Sustainalytics. All rights reserved. This Sustainability Report contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers.

Improved quality of disclosure in our reporting by increasing the number of GRI performance indicators disclosed and assured by Ernst & Young year-on-year



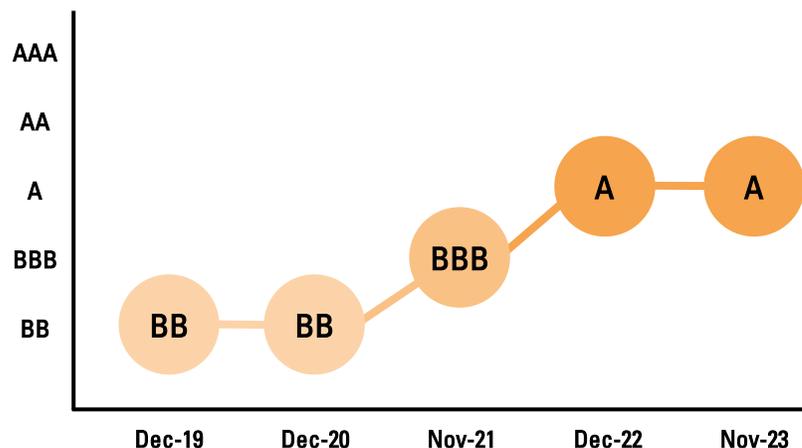
MedcoEnergi Sustainability Report:  
<http://www.medcoenergi.com/en/subpagelist/view/36>



MedcoEnergi Climate Change Strategy:  
<https://www.medcoenergi.com/en/page/view/3363>



# 2023 ESG Ratings

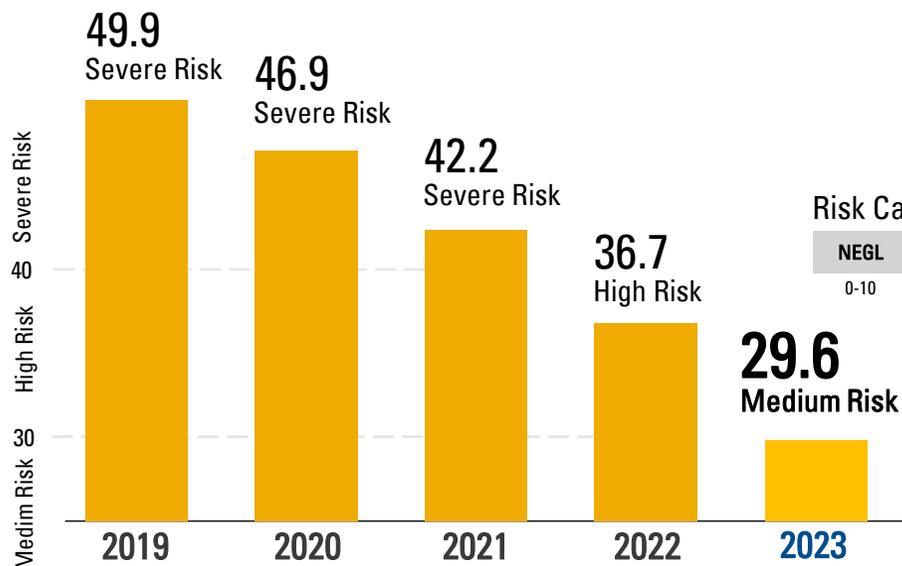


MSCI ESG RATINGS



CCC B BB BBB A AA AAA

Since 2022, PT Medco Energi Internasional Tbk received an MSCI ESG Rating of A.



Risk Categories

NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

Ranking **23** out of 307 Oil & Gas Producers  
1 Nov 2023

We support



## CDP Score Report - Climate Change



MedcoEnergi's CDP Score

Average Performance

2021\*



2022



2023



\*First time reporter, not published

- Leadership (A/A-)** : Implementing current best practices
- Management (B/B-)** : Taking coordinated action on climate issues
- Awareness (C/C-)** : Knowledge of impacts on, and of, climate issues
- Disclosure (D/D-)** : Transparent about climate issues



Indonesia Stock Exchange  
member of WFE WORLD FEDERATION OF EXCHANGES

MEDC admitted to IDX LQ45 LOW CARBON LEADERS since Nov 2022

MSCI & Sustainalytics Disclaimer Statement provided in the Content Slide



# Greenhouse Gas Emissions

Achieved emissions reduction targets ahead of plan

## Achieved 2025 Interim Targets

### 2 years ahead of plan

- GHG Scope 1 & 2: reduce by 20%
- Methane: reduce by 25%

Reduced Oil & Gas Scope 1 & 2 emissions<sup>1</sup>



# 22%

Reduced methane (CH<sub>4</sub>) emissions<sup>1</sup>



# 40%

Implemented

**41** GHG reduction  
Initiatives  
throughout 2023

**147,963 tCO<sub>2</sub>e**  
emission reductions

2024 Ongoing Initiatives

- Flare avoidance during well clean up and testing
- Amine process operating optimisation
- Gas engine & turbine generator optimisations
- Permanently switching generators to renewable energy supply

<sup>1</sup>Reduction from 2019 base year



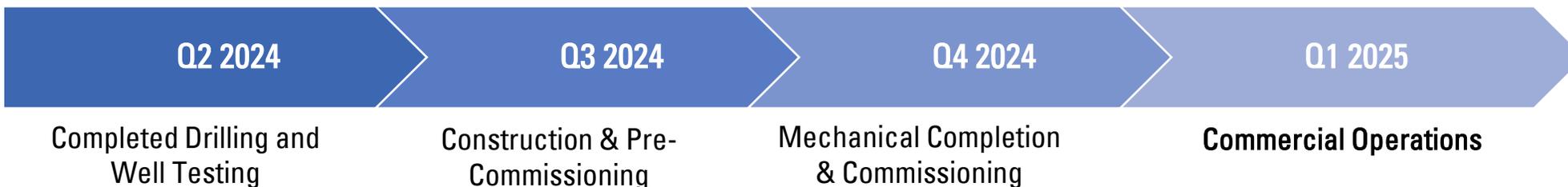
# Ijen Geothermal Power Plant 110 MW

Expanding supply of clean energy



- Phase 1 development of 34 MW geothermal facilities
- Completed drilling wells, confirming up to 40MW capacity
- Overall project progress ~93%, commercial operation in Q1 2025
- Project cost: ~US\$140mn
- Medco (51%), Ormat (49%)

## Timeline:





# Bulan Island Solar PV Power Project

Expanding supply of clean energy



- Over 2GWp of PV panels and 500MW of battery energy storage
- Export to Singapore premium market
- Preparation for Offshore and Onshore Surveys
- Net equity capex ~US\$300mn

## Timeline:





MEDCOENERGI

# Outlook

Roberto Lorato  
*Chief Executive Officer*





# 2024 Guidance

Oil & Gas Production	Power Sales	Capex	Oil & Gas Cash Cost	RG Net Debt to EBITDA
<p><b>145 - 150</b> mboepd</p> <p>1H 2024: 153 mboepd</p>	<p><b>4,100</b> GWh</p> <p>1H 2024: 2,003 GWh</p>	<p>US\$ <b>430</b> mn</p> <p>1H 2024: US\$188mn</p>	<p>US\$ <b>&lt;10</b>/boe</p> <p>1H 2024: US\$7.0/boe</p>	<p><b>&lt;2.5</b> x</p> <p>Mid-cycle price at US\$65/bbl</p> <p>1H 2024: 2.2x</p>

- |  |  |
|--|--|
|  <p>New reserves from Natuna, Corridor, Senoro, Bangkanai and Oman Block 60</p> |  <p>Start production from West Belut and Forel fields</p>                               |
|  <p>Selective portfolio management</p>  |  <p>Investment decision on West Bali PV; Progress Ijen Geothermal and Bulan PV</p>    |
|  <p>Continuing dividend payments and debt repayments</p>                      |  <p>Maintain ESG improvement trajectory and expand Energy Transition capabilities</p> |

# Our Strategy is Delivering



## Oil & Gas



## Clean Power



- Aggregating large, high-margin, producing assets
- Add value & extend reserve life through low-risk exploration in producing assets
- Increase efficiency, abating emissions, growing gas portfolio as a transition fuel
- Expand clean and renewable portfolio with larger scale projects: PV, geothermal
- Build expertise in low-carbon energy: CCS, LNG and hydrogen
- Continue positive momentum on ESG metrics and Credit rating

*Medco has a ~21% investment in AMMN, a separately listed entity with an independent Board*



## Copper & Gold Mining



- World-class copper resource with significant discoveries on existing license
- Well positioned to capitalize on growing global demand for copper
- AMMN successfully IPO'd on 7 July 2023, ~US\$54bn market capitalization



MEDCOENERGI

# Q&A Session



**Roberto Lorato**  
*Chief Executive Officer*



**Anthony R. Mathias**  
*Chief Financial Officer*



**Ronald Gunawan**  
*Chief Operating Officer*



**Amri Siahaan**  
*Chief Administrative Officer*



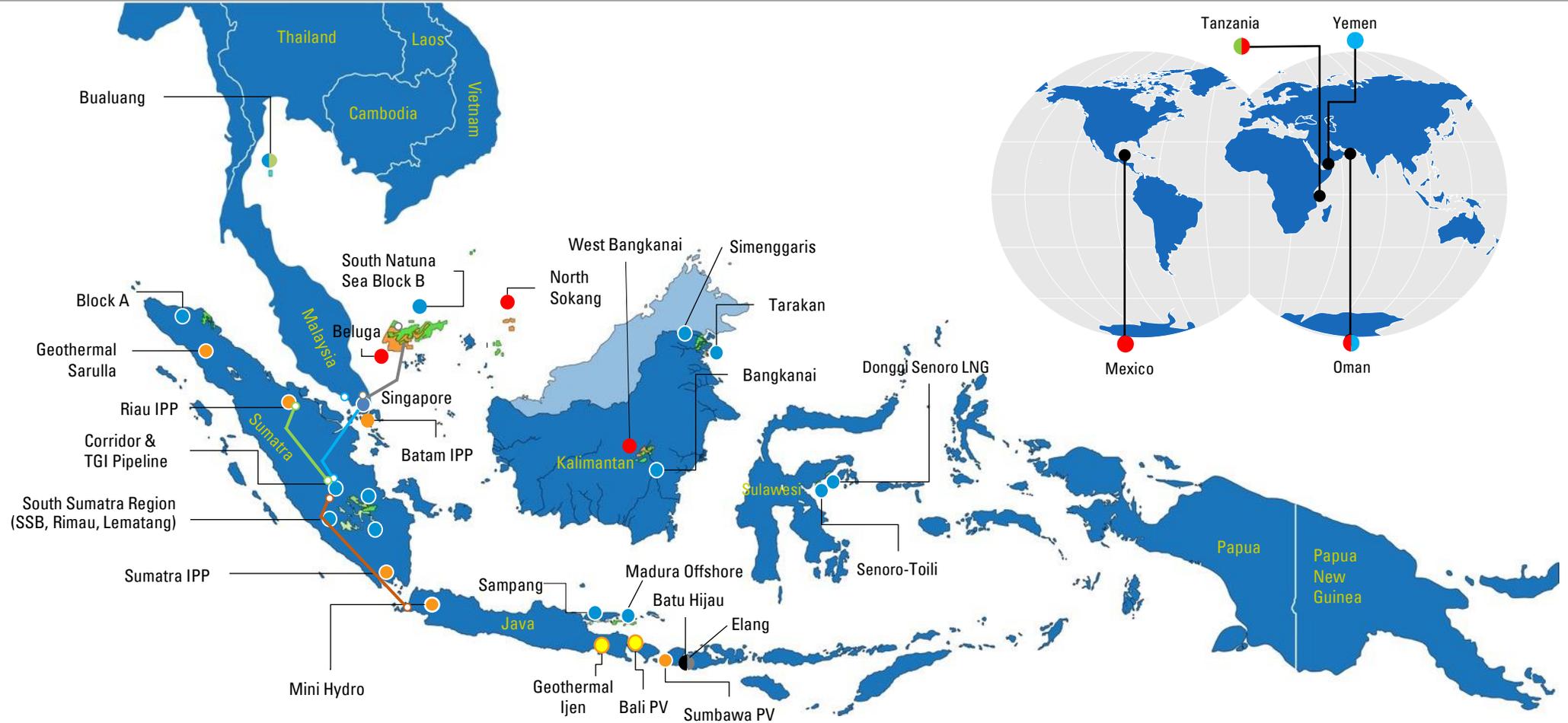
MEDCOENERGI

# Appendix



MEDCOENERGI

# A Leading Southeast Asia Energy and Natural Resources Company



- Production
- Development
- Exploration



- Power Installed
- Power Development



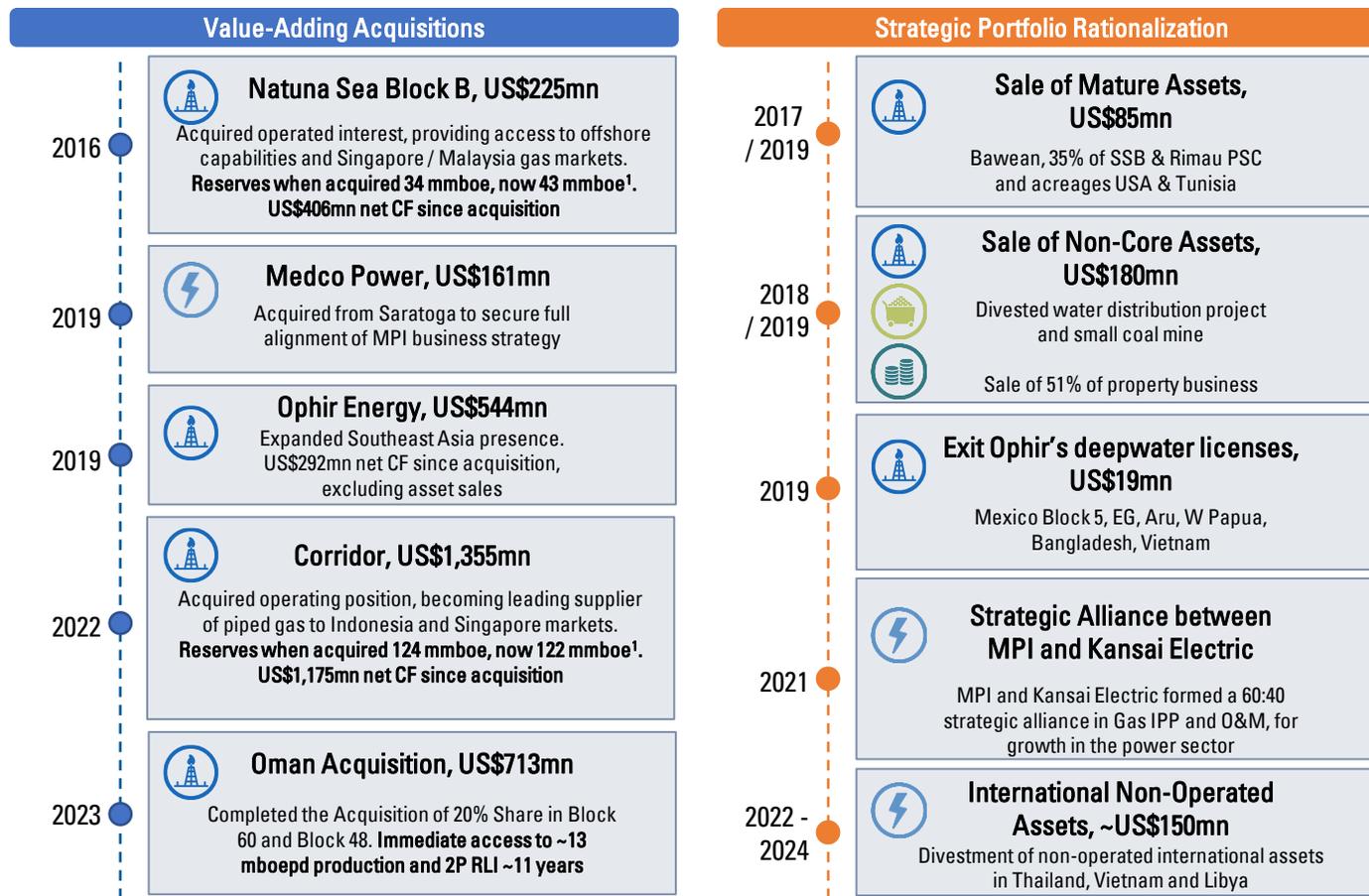
- Mining Production
- Mining Development
- Mining Exploration

# Accretive, Value Adding Acquisitions

We continue to focus only on value- and credit-accretive acquisitions, and strategic portfolio rationalization

Our acquisition criteria targets assets in Southeast Asia and focus markets which:

- Improve profitability and credit profile across the portfolio
- Include growth and upside opportunities
- Contain risks which can be managed or mitigated
- Are consistent with Medco's climate change strategy



<sup>1</sup>As of 31 December 2023

# Carbon Capture Storage (CCS)

Medco operates 12 producing PSCs in Indonesia with significant CO<sub>2</sub> Storage potential



## CCS Opportunities

- Decarbonize Medco high CO<sub>2</sub> gas fields (Corridor & South Sumatera)
- CO<sub>2</sub> storage for adjacent PSC high CO<sub>2</sub> gas fields (Sakakemang)
- CO<sub>2</sub> Storage Hubs for CO<sub>2</sub> intensive industries including from neighboring countries (Singapore)

## CCS Progress

- CCS is a key element of MedcoEnergi's climate change strategy
- Feasibility studies ongoing to mature potential CCS projects
- MOUs signed with external parties for potential CCS projects



MEDCOENERGI



# Oil and Gas Statistics

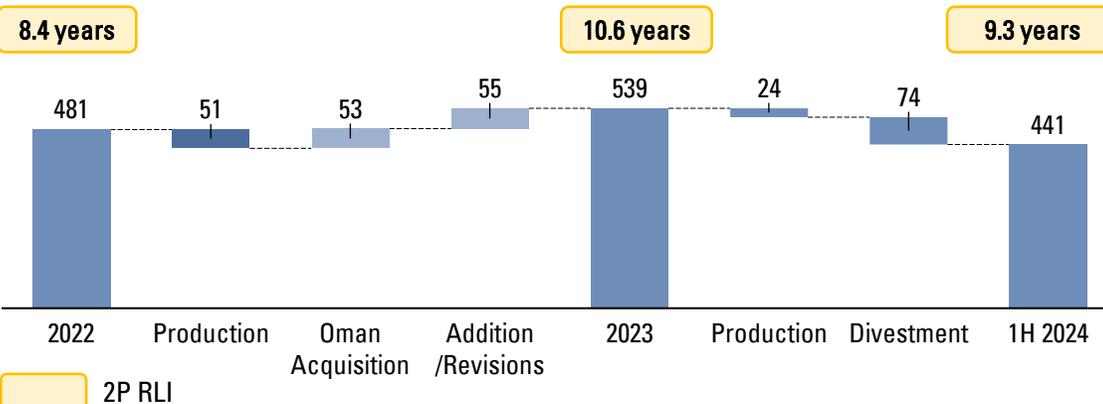
Metrics	1H 2024	1H 2023	YoY Δ%	FY 2023	FY 2022	YoY Δ%
<b>Production<sup>1</sup></b>						
Oil, MBOPD	42.2	32.1	31.5	32.1	33.5	(4.2)
Gas, MMSCFD	606.2	707.2	(14.3)	697.4	704.1	(1.0)
<b>Lifting/Sales</b>						
Oil Lifting, MBOPD	41.3	30.3	36.4	30.8	32.6	(5.5)
Gas Sales, BBTUPD	566.0	672.6	(15.9)	659.2	667.1	(1.2)
Oman Service Contract, MBOPD	8.8	7.7	14.1	7.6	7.4	2.7
<b>Average Realized Price</b>						
Oil, US\$/bbl	80.8	75.2	7.4	77.9	96.2	(19.0)
Gas, US\$/MMBTU	7.0	7.2	(3.1)	7.0	8.2	(14.6)
Fixed gas price, US\$/MMBTU	5.8	6.2	(6.8)	5.9	6.8	(13.2)
Indexed gas price, US\$/MMBTU	10.0	9.9	1.7	9.9	11.6	(14.5)
<b>ESG Indicators</b>						
Scope 1&2 GHG emissions <sup>2</sup> , million tCO <sub>2</sub> e				4.25	4.37	(2.7)
Scope 1&2 GHG emissions intensity <sup>2</sup> (tCO <sub>2</sub> eq/1,000 TOE Production)				315	291	8.2
Methane emissions <sup>2</sup> , thousand tCO <sub>2</sub> e				98	134	(26.9)
E&P Recordable Incident Rate (TRIR)				0.18	0.24	(37.5)

1) Includes Oman Service Contract

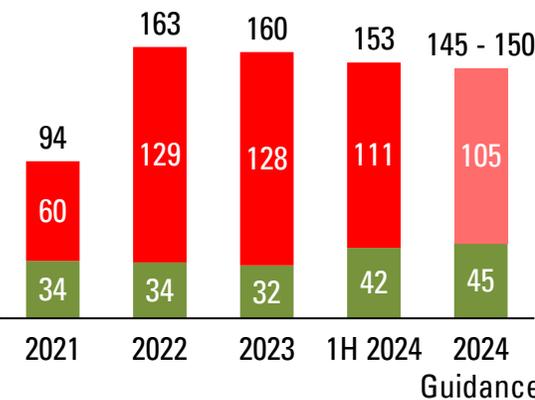
2) Operational control.

## Net 2P Reserves, MMBOE

1H 2024  
5-yr 2P RRR : 1.9%  
5-yr 2P FD&A : US\$5.4/boe



## Net Hydrocarbon Production<sup>1</sup>, MBOEPD



## Net Contingent Resources, MMBOE



Guidance

Liquids Gas

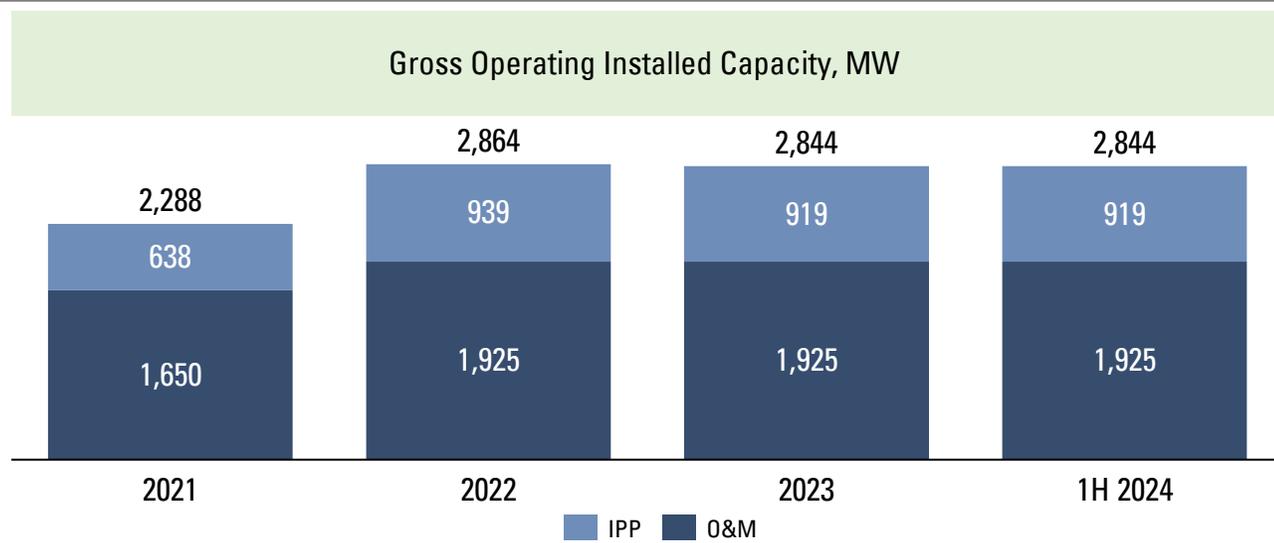


MEDCOENERGI

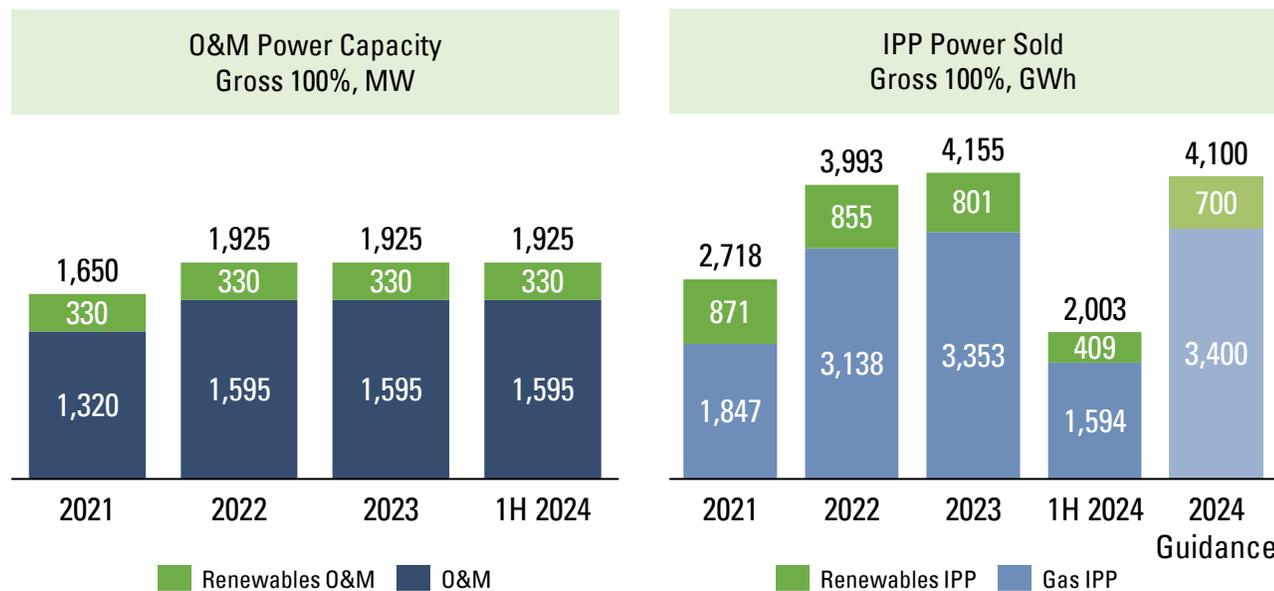
# Medco Power Statistics

Metrics	1H 2024	1H 2023	YoY Δ%	FY 2023	FY 2022	YoY Δ%
<b>IPP Sold and O&amp;M Capacity<sup>1</sup></b>						
IPP Sold, GWh	2,003	2,003	0	4,155	3,993	4.1
Renewables, GWh	409	419	(2)	801	855	(6.3)
Non Renewables, GWh	1,594	1,584	1	3,353	3,138	6.9
O&M Capacity, MW	1,925	1,925	0	1,925	1,925	0.0
<b>Average Realized Price<sup>2</sup></b>						
IPP, ¢/kwh	3.6	3.7	(2)	3.5	3.7	(5.4)
<b>ESG Indicators</b>						
Renewable installed capacity <sup>3</sup> (%)				23	23	0.0
Scope 1&2 GHG emissions <sup>4</sup> (thousand tCO <sub>2</sub> e)				1,395	1,364	2.3
Scope 1&2 GHG emissions intensity <sup>4</sup> (tCO <sub>2</sub> eq/MWh)				0.50	0.50	0.0
Power Recordable Incident Rate (TRIR)				0.00	0.00	N.A.

- 1) Gross 100% interest and includes Sarulla production
- 2) Excludes Fuel Component
- 3) Equity share
- 4) Operational control



Note: Decrease in O&M installed capacity due to contract expiry of Mobile Power Plant in 2021.





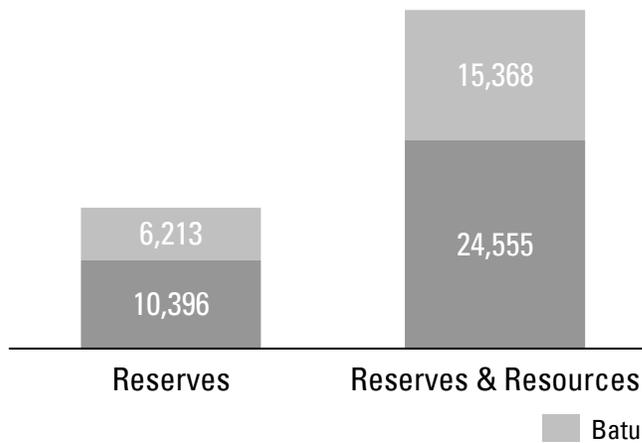
MEDCOENERGI



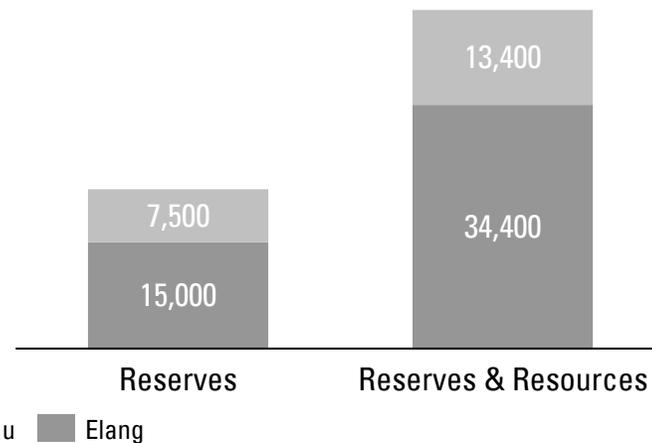
# Amman Mineral Statistics

Metrics	1H 2024	1H 2023	YoY Δ%	FY 2023	FY 2022	YoY Δ%
<b>Production</b>						
Copper, Mlbs	235.6	133.7	76.2	312.0	463.9	(32.7)
Gold, Kozs	494.9	171.5	188.6	463.5	730.7	(36.6)
<b>Sales</b>						
Copper, Mlbs	172.6	76.3	126.4	303.7	451.4	(32.7)
Gold, Kozs	344.2	119.3	188.4	454.6	703.5	(35.4)
<b>Average Realized Price</b>						
Copper, US\$/lb	4.5	4.5	(0.4)	3.8	3.6	6.1
Gold, US\$/oz	2,263	2,004	12.9	1,948	1,737	12.2

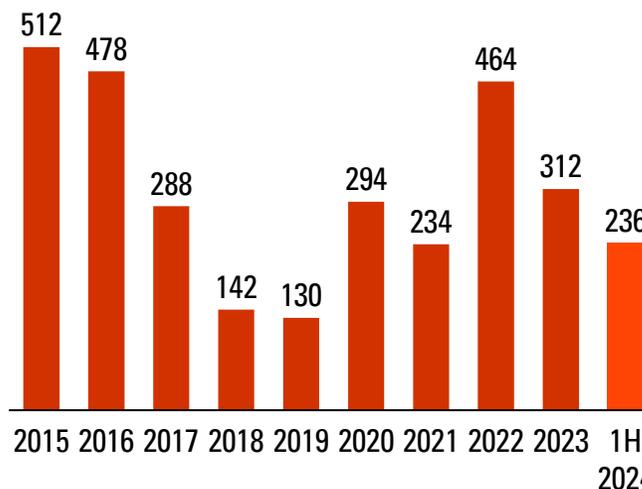
Copper Gross Reserves & Resources (Mlbs)  
31/12/2023



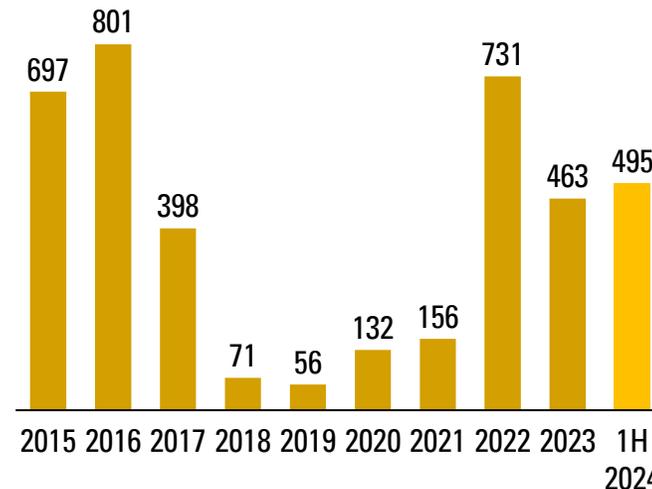
Gold Gross Reserves & Resources (Koz)  
31/12/2023



Copper Production (Mlbs)



Gold Production (Koz)





# Financial Statistics (1H 2024 vs 1H 2023<sup>1)</sup>)

AVERAGE REALIZED PRICE			REVENUE			GROSS PROFIT			EBITDA		
Oil Price	US\$81 /bbl	↑ 7%	Consolidated	US\$1,165 million	↑ 4%	Consolidated	US\$451 million	↓ 4%	Consolidated	US\$650 million	↑ 2%
Gas Price	US\$7 /MMBTU	↓ 3%	Restricted Group	US\$1,047 million	↑ 10%	Restricted Group	US\$415 million	↓ 4%	Restricted Group	US\$627 million	↑ 3%
CASH & CASH EQUIVALENT <sup>2</sup>			TOTAL DEBT			DEBT TO EQUITY			NET DEBT TO EBITDA		
Consolidated	US\$653 million	↑ 8%	Consolidated	US\$3,238 million	↑ 5%	Consolidated	1.5 times	↓ 9%	Consolidated	2.0 times	↑ 2%
Restricted Group	US\$525 million	↑ 19%	Restricted Group	US\$2,710 million	↑ 4%	Restricted Group	0.9 times	↑ 3%	Restricted Group	1.7 times	↓ 2%

1) Restated

2) Cash &amp; Cash Equivalent includes restricted cash in banks



# Financial Statistics (Q2 2024 vs Q1 2024)

AVERAGE REALIZED PRICE			REVENUE			GROSS PROFIT			EBITDA		
Oil Price	US\$82 /bbl	▲ 3%	Consolidated	US\$609 million	▲ 9%	Consolidated	US\$219 million	▼ 6%	Consolidated	US\$322 million	▼ 2%
Gas Price	US\$7 /MMBTU	▼ 0%	Restricted Group	US\$545 million	▲ 9%	Restricted Group	US\$200 million	▼ 7%	Restricted Group	US\$310 million	▼ 2%
CASH & CASH EQUIVALENT <sup>1</sup>			TOTAL DEBT			DEBT TO EQUITY			NET DEBT TO EBITDA		
Consolidated	US\$653 million	▲ 37%	Consolidated	US\$3,238 million	▼ 2%	Consolidated	1.5 times	▼ 9%	Consolidated	2.0 times	▼ 7%
Restricted Group	US\$525 million	▲ 42%	Restricted Group	US\$2,710 million	▼ 4%	Restricted Group	0.9 times	▼ 9%	Restricted Group	1.8 times	▼ 9%

1) Cash & Cash Equivalent includes restricted cash in banks



## PT Medco Energi Internasional Tbk

The Energy Building 53<sup>rd</sup> Floor

SCBD Lot 11A

Jl. Jend. Sudirman, Jakarta 12190

Indonesia

P. +62-21 2995 3000

F. +62-21 2995 3001

E. [investor.relations@medcoenergi.com](mailto:investor.relations@medcoenergi.com)

---

Website : [www.medcoenergi.com](http://www.medcoenergi.com)

---