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## MEDCOENERGI

### MEDCO ENERGI GLOBAL PTE. LTD.

(Incorporated in the Republic of Singapore on 5 May 2006)  
(UEN/Company Registration No. 200606494N)

**S\$500,000,000**

### Multicurrency Medium Term Note Programme (the "Programme")

unconditionally and irrevocably guaranteed by

### PT MEDCO ENERGI INTERNASIONAL TBK

(Incorporated in the Republic of Indonesia on 9 June 1980 with limited liability)

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "Notes") to be issued from time to time by Medco Energi Global Pte. Ltd. (the "Issuer") pursuant to the Programme 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.

All sums payable in respect of the Notes issued from time to time by the Issuer are unconditionally and irrevocably guaranteed (the "Guarantee") by PT Medco Energi Internasional Tbk (the "Guarantor").

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in and quotation for any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries, their respective associated companies (if any), the Programme or such Notes.

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state of the United States and, accordingly, they may not be offered, sold or in the case of Bearer Notes, delivered in the United States or to U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")), except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. The Notes and the Guarantee are being offered and sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. The Notes may include Bearer Notes that are subject to U.S. tax law requirements. Registered Notes are subject to certain restrictions on transfer, see "Subscription, Purchase and Distribution".

The offering of the Notes does not constitute a public offering in Indonesia under Law Number 8 of 1995 regarding Capital Markets. The Notes may not be offered or sold in Indonesia or to Indonesian citizens, wherever they are domiciled, or to Indonesian residents, in manner which constitutes a public offering under the laws and regulations of Indonesia.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

Arrangers



## TABLE OF CONTENTS

	<u>Page</u>
NOTICE .....	1
FORWARD-LOOKING STATEMENTS .....	10
DEFINITIONS .....	11
GLOSSARY OF TECHNICAL TERMS .....	14
CORPORATE INFORMATION .....	17
SUMMARY OF THE PROGRAMME .....	19
SELECTED CONSOLIDATED FINANCIAL INFORMATION .....	29
TERMS AND CONDITIONS OF THE NOTES .....	41
RISK FACTORS .....	70
BUSINESS OF THE GROUP .....	93
CORPORATE STRUCTURE .....	124
MANAGEMENT .....	126
THE ISSUER .....	130
PRINCIPAL SHAREHOLDERS .....	131
EXCHANGE RATES AND EXCHANGE CONTROLS .....	132
DESCRIPTION OF MATERIAL INDEBTEDNESS .....	135
REGULATORY OVERVIEW .....	137
USE OF PROCEEDS .....	156
CLEARING AND SETTLEMENT .....	157
TAXATION .....	159
SUBSCRIPTION, PURCHASE AND DISTRIBUTION .....	166

## APPENDICES

I: GENERAL AND OTHER INFORMATION .....	I-1
II: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF PT MEDCO ENERGI INTERNASIONAL TBK AND ITS SUBSIDIARIES AS OF 31 DECEMBER 2013 AND 2014 AND FOR THE YEARS THEN ENDED WITH THE RELATED AUDIT REPORT .....	II-1

## NOTICE

Australia and New Zealand Banking Group Limited, DBS Bank Ltd. and Mitsubishi UFJ Securities (Singapore), Limited (the “**Arrangers**”) have been authorised by Medco Energi Global Pte. Ltd. (the “**Issuer**”) to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in Singapore dollars and/or any other currencies. The payment of all amounts payable in respect of the Notes are unconditionally and irrevocably guaranteed by PT Medco Energi Internasional Tbk (the “**Guarantor**”).

This Information Memorandum contains information with regard to the Issuer, the Guarantor, their respective subsidiaries and associated companies (if any), the Programme, the Notes and the Guarantee (as defined herein). Each of the Issuer and the Guarantor confirms that this Information Memorandum contains all information which is or may be material in the context of the Programme and the issue and offering of the Notes, that the information contained herein is true and accurate in all respects, the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are and will be based on all relevant considerations and facts existing at the date of this Information Memorandum and are and will be fairly, reasonably and honestly held by the directors of the Issuer and the Guarantor, having been reached after considering all relevant circumstances and are based on reasonable assumptions, and that there are and will be no other facts the omission of which in the context of the Programme and the issue and offering of the Notes would or might make any such information or expressions of opinion, expectation or intention misleading in any respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except for their respective issue dates, issue prices and/or the dates of the first payment of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Note (as defined herein) in bearer form or a Permanent Global Note (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP (as defined herein) or a common depositary for Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Trust Deed referred to below) shall be S\$500,000,000 (or its equivalent in any other currencies) or such increased amount in accordance with the terms of the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, any of the Arrangers or any of the Dealers. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer, the Guarantor or any of their respective subsidiaries or associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Guarantor, the Trustee, any of the Arrangers or any of the Dealers to subscribe for or purchase, the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other

document or information and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state of the United States and, accordingly, they may not be offered, sold or in the case of Bearer Notes, delivered in the United States or to U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. The Notes and the Guarantee are being offered and sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. The Notes may include Bearer Notes that are subject to U.S. tax law requirements.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Trustee, any of the Arrangers or any of the Dealers to subscribe for or purchase, any of the Notes.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Notes from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) or the issue, offering, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer, the Guarantor or any of their respective subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arrangers and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arrangers, any of the Dealers or any of their respective officers or employees is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer, the Guarantor or their respective subsidiaries or associated companies (if any). Further, none of the Arrangers or any of the Dealers makes any representation or warranty as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, the Trustee, any of the Arrangers or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer, the Guarantor and their respective subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer, the Guarantor and their respective subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arrangers, any of the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising

from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Trustee, any of the Arrangers or any of the Dealers accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Trustee, any of the Arrangers or any of the Dealers or on its behalf in connection with the Issuer, the Guarantor, the Group (as defined herein), the Programme or the issue and offering of the Notes. The Trustee, each Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Notes by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Guarantor, any of the Arrangers or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out under the section "Subscription, Purchase and Distribution" on pages 165 to 167 of this Information Memorandum.

**Any person(s) who is invited to purchase or subscribe for the Notes or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.**

**It is recommended that persons proposing to purchase or subscribe for any of the Notes consult their own legal and other advisers before purchasing or acquiring the Notes.**

**Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Notes.**

## **CERTAIN DEFINED TERMS AND CONDITIONS**

In this Information Memorandum, unless otherwise specified or the context otherwise requires, all references to "**Indonesia**" are references to the Republic of Indonesia. All references to the "**Government**" are references to the central Government of Indonesia. All references to the "**United States**" or the "**US**" are references to the United States of America.

All references in this Information Memorandum to "**US dollars**", "**US\$**", "**USD**" and "**\$**" refer to the currency of the United States of America, to "**Rupiah**", "**Indonesian Rupiah**" or "**Rp**" refer to the currency of Indonesia and to "**Singapore dollars**" and "**S\$**" refer to the currency of Singapore. Rounding adjustments have been made in calculating some of the financial information included in this Information Memorandum. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

## **PRESENTATION OF FINANCIAL INFORMATION**

Certain of the financial information included in this Information Memorandum has been derived from the audited consolidated financial statements of the Group as of 31 December 2013 and 2014, and for the years then ended. Unless otherwise indicated, financial information in this Information Memorandum has been prepared in accordance with Indonesian Financial Accounting Standards ("**Indonesian FAS**") presented at consolidated level, and expressed in US dollars. Rounding adjustments have been made in calculating some of the financial information included in this Information Memorandum. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them. Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

## PRESENTATION OF PARTICIPATING INTEREST

Under certain fiscal regimes, the contractor's net entitlement (or economic) share in oil and gas reserves or resources can be greater or less than its participating interest ("**Participating Interest**") in a given period due to the deduction of government take payable to the applicable host government and other variables such as oil price, cost estimates and any unrecovered cost pools. For consistency, this Information Memorandum contains information on a Participating Interest basis unless otherwise stated.

## ENFORCEMENT OF THE GUARANTEE

The Notes and the agreements entered into with respect to the issue of the Notes, including the Trust Deed, are governed by Singapore law.

The Guarantor is a limited liability company incorporated in Indonesia operating within the framework of Indonesian laws relating to investment and most of its significant assets are located in Indonesia. In addition, most of the Guarantor's commissioners and directors reside in Indonesia. As a result, it may be difficult for investors to effect service of process, including judgments, on the Guarantor or its commissioners and directors outside Indonesia, or to enforce judgments obtained in non-Indonesian courts against the Guarantor or its commissioners and directors in Indonesia.

The Guarantor has been advised by their Indonesian counsel, Assegaf Hamzah & Partners, that judgments of non-Indonesian courts are not enforceable in Indonesian courts and, as a result, it may not be possible to enforce judgments obtained in non-Indonesian courts against the Guarantor, including any judgments on original actions brought in Indonesian courts based solely upon the civil liability provisions of the securities laws of Singapore. A foreign court judgment could be offered and accepted as evidence in a proceeding 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. A claimant may be required to pursue claims in Indonesian courts on the basis of Indonesian law. 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 law will be the same, or as extensive, as those available in other jurisdictions.

If and to the extent the Singapore court finds that the jurisdiction of the court in Indonesia is an *in personam* final and conclusive judgment, which is also a 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.

## INDONESIAN REGULATION OF OFFSHORE BORROWINGS

Pursuant to Presidential Decree No. 59/1972 dated 12 October 1972 as lastly amended by Presidential Decree 24/1998 dated 23 January 1998, the Guarantor is required to report details regarding its offshore borrowings 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 3 May 1973, as amended by the Ministry of Finance Decree No.417/KMK.013/1989 dated 1 May 1989, and the Ministry of Finance Decree No. KEP-279/KMK.01/1991 dated 18 March 1991, as the implementing regulation of the Presidential Decree No. 59/1972, further set forth the requirements to submit periodic reports regarding offshore borrowings (including guarantee over offshore borrowings) 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 4 September 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 31 December 2014, Bank Indonesia issued Bank Indonesia Regulation No. 16/22/PBI/2014 ("**PBI 16/22**") regarding the Reporting on Foreign Exchange Activities and Reporting on the Implementation of Prudential Principles in the Management of Non-Bank Corporation's Offshore Borrowings. This regulation supersedes the Bank Indonesia Regulation No. 14/21/PBI/2012 ("**PBI 14/21**") which took effect on 1 January 2015. However, the implementing regulations of PBI 14/21, namely the Bank Indonesia Circular Letters No. 15/5/DSM dated 7 March 2013 on Reporting on Foreign Exchange Activities other than Offshore Borrowings ("**SEBI 15/2013**") and



No. 15/16/DInt dated 29 April 2013 on the Reporting of Foreign Exchange Activities in the form of Offshore Borrowings Realization and Position (“**SEBI 15/16/DInt**”) would remain valid to the extent they do not contravene PBI 16/22. On 6 March 2015, Bank Indonesia has issued implementing regulation of PBI 16/22, Bank Indonesia Circular Letter No. 17/4/DSta on the Reporting of Foreign Exchange Activities in the form of Offshore Borrowing Plan and the Amendment thereto (“**SEBI 17/4/DSta**”) which supersedes Bank Indonesia Circular Letter No. 15/17/Dint dated 29 April 2013 on the Reporting of Foreign Exchange Activities in the form of Offshore Borrowing Plan.

PBI 16/22 require all Indonesian residents who engage in foreign exchange activities, whether individual or legal entities, to report any trading of goods, services and other transaction, position and changes to offshore financial assets and/or offshore financial liabilities and/or offshore borrowing transactions 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 15/2013, SEBI 15/16/Dint, and SEBI 17/4/DSta.

Based on SEBI 15/2013, the following reports are to be submitted to Bank Indonesia: (i) a report on trading transactions of goods, services, and other transactions between Indonesian parties and foreign parties, (ii) a report on positions held and changes to offshore financial assets, (iii) a report on positions held and changes to equity of foreign parties and other related obligations, (iv) a report on positions held and changes to offshore derivative obligations, (v) a report on positions held and changes to offshore contingencies and commitments, and (vi) a report on positions held in commercial paper owned by custodian customers. The report specified in (v) covers corporate guarantees, and any corporate guarantee given to foreign borrowers is to be reported to Bank Indonesia. Such report and/or corrections of such reports (if any) is to be submitted through Bank Indonesia’s website in a format that is specified under SEBI 15/2013. Such report shall be submitted no later than the 15th day at 24.00 Western Indonesia time of the following month and the correction of such report (if any) shall be submitted no later than the twentieth day at 24.00 Western Indonesia time of the following month.

According to SEBI 15/16/DInt, any non-bank entity that obtains offshore commercial borrowings in foreign currency and/or Rupiah pursuant to loan agreements, debt securities, trade credits and other debts, 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 programmes), clearing accounts, savings and deposits, without any minimum amount requirement (in contrast to reporting obligations of an individual’s offshore borrowings which are required to be in an amount of at least US\$200,000 or its equivalent in any other currency) must submit reports to Bank Indonesia. The reports consist of the main data report and/or its amendment and the monthly recapitulation data report. The main data report must be submitted to Bank Indonesia no later than 15<sup>th</sup> 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 between no later than 15<sup>th</sup> day of the following month at 24:00 Western Indonesia time, until the offshore commercial borrowing has been repaid in full.

According to SEBI 17/4/DSta, a company intending to obtain a long-term offshore borrowing, namely a loan with tenor of more than one year, is required to submit reports to Bank Indonesia, through an online system by no later than March 15<sup>th</sup> of the respective year, while any changes thereto must be submitted through an online system at the latest by July 1<sup>st</sup> of the respective year. The procedure to submit such reports is stipulated in SEBI 17/4/DSta.

In addition to report on foreign exchange activities, for the purposes of implementing prudential principles in relation to offshore borrowings as required by Bank Indonesia Regulation No. 16/21/PBI 2014 dated 29 December 2014 on Implementation of Prudential Principles in Managing Offshore Loan of Non-Bank Corporation, PBI 16/22 also requires Indonesian companies to provide the following documents to Bank Indonesia:

- (1) the prudential principle implementation activity report (“**KPPK report**”), which is to be submitted on quarterly basis, no later than the end of the third month;
- (2) the KPPK report, attested by a public accountant, which is to be submitted no later than the end of June of the following year;
- (3) information on the fulfilment 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 borrowing; and

- (4) 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; 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 including direct inspection to the company or appoint a third party to do so.

From 1 January 2015 to 31 December 2015, submissions of and corrections to the prudential principle implementation activity report shall be made offline. As of 1 January 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 borrowings executed or issued as of 1 January 2016.

On 14 May 2014, Bank Indonesia issued Bank Indonesia Regulation No. 16/10/PBI/2014 on Receiving Withdrawing Foreign Currencies from Export Activities and Foreign Loans ("**PBI 16/10/2014**") which revokes and replaces Bank Indonesia Regulation No. 13/22/PBI/2011 and Bank Indonesia Regulation No. 14/25/PBI/2012. Based on PBI 16/10/2014 any borrowings from offshore loans (in foreign currencies) that originating from (i) a non-revolving loan agreement for purposes other than refinancing, (ii) a difference between the previous loan and the refinanced loan, or (iii) offshore debt securities 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. The aggregate amount of the offshore loan withdrawals should be equal to the local commitments provided under such loans. In the event that there is any difference in excess of Rp. 50,000,000 (or its equivalent in foreign currencies) between the offshore loan withdrawals and the local commitments, the offshore borrower must submit written explanation to Bank Indonesia. Withdrawals of the above foreign loans must be reported to Bank Indonesia on the 15<sup>th</sup> day of every month. These reports shall include supporting documents detailing the respective portions of the foreign loans that were 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 borrowing 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 foreign exchange report (except for offshore borrowing 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 incompleteness and/or inaccuracy, 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 report of prudential principle implementation activity and its supporting documents, 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 borrowing plan) and report on prudential principle implementation activity including its supporting documents (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 borrowing plan) and report on prudential principle implementation activity including its supporting documents (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 report on prudential principle implementation activity including its supporting documents (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 borrowings through foreign exchange bank in Indonesia, is an administrative sanction in the form of penalty at the amount of 0,25% (zero point twenty five percent) of the withdrawal amount, 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 report on prudential principle implementation activity including its supporting documents (except for information on credit rating) will be effective starting from the third quarter of 2015 while report on prudential principles implementation with respect to credit rating will be effective as of 1 January 2016.

Related to report on prudential principle implementation activity as regulated under PBI 16/22 is regulation which was issued by Bank Indonesia on 29 December 2014, namely Bank Indonesia Regulation No. 16/21/PBI/2014 on Implementation of Prudential Principles in Managing Offshore Loan of Non-Bank Corporations ("**PBI 16/21/2014**"), which is applicable to non-bank corporations that obtain offshore loans in foreign (non-Indonesian Rupiah) currency. PBI 16/21/2014 effectively replaces PBI 16/20/PBI/2014 which was issued on 28 October 2014 and for the implementation of PBI 16/21/2014, Bank Indonesia also issued Circular Letter No. 16/24/DKEM dated 30 December 2014 ("**CL 16/24/2014**").

PBI 16/21/2014 requires non-bank corporations that have offshore loans in foreign (non-Indonesian Rupiah) currency to fulfil three prudential principles, namely: (i) hedging ratio, (ii) liquidity ratio and (iii) credit ratings. The requirement to maintain certain hedging ratio does not apply to non-bank corporations which financial statement is presented in United States dollars and fulfil the following criteria: (i) non-bank corporations with export income to operating revenue ratio of more than 50% in the previous calendar year, and (ii) have obtained approval from the Ministry of Finance to use United States dollars in their financial statement, which approval shall be evidenced by submitting supporting documents to Bank Indonesia.

The minimum hedging ratio will be applied with a two-stage approach to avoid unnecessary difficulties for corporations having existing offshore loan. Until 31 December 2015, the minimum hedging ratio is 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 31 December 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 comprises of cash, demand deposits, regular deposits, term deposits, account receivables, inventories, marketable securities and receivables from forwards, swaps and/or options transactions in foreign (non-Indonesian Rupiah) currency. The account receivables which may be calculated as foreign currency assets are (a) account receivables to resident and non-resident which will be due 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 amortisation and such underlying agreement is executed before 1 July 2015. Account receivables with underlying agreement executed starting from 1 July 2015 may be counted as foreign exchange assets if they are related with strategic infrastructure projects and have obtained Bank Indonesia approval. Inventory which may be calculated as foreign currency assets is inventory from exporters with export income to operating revenue ratio of more than 50% in the previous calendar year.

PBI 16/21/2014 defines foreign currency liabilities as foreign currency liabilities to resident and non-resident deriving from forward, swap, and/or option which: (a) mature within three months from the end of the last quarter; and/or (b) mature between three and six months from the end of the last quarter. Foreign currency liabilities which will be due but in the process of being rolled over, revolved, or refinanced, shall not be included as foreign currency liabilities as long as it may be evidenced by sufficient supporting documents. CL 16/24/2014 determines that only corporations that have negative difference more than USD 100,000 are obliged to fulfil the minimum hedging ratio. In addition,

PBI 16/21/2014 also regulates that hedging transactions for the fulfilment of hedging ratio shall be conducted with banks in Indonesia and shall become effective in 2017.

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

The minimum credit rating is required to be maintained at BB- (BB minus) or its equivalent from a particular rating agency recognised by the relevant authorities. Such credit rating will be in the form of a rating over the relevant corporation and/or bonds which shall be valid for two years as of the rating issuance. PBI 16/21/2014 sets additional provisions where corporation may use their parent company credit rating if (i) such corporation enters into an offshore loan with its parent company, or if the offshore loan 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 fulfil the minimum credit rating requirement is exempted for (i) the refinancing of offshore loans in foreign currency (such exemption is limited to refinancing which does not increase the outstanding amount of the previous loans or if it increases, such increase shall not exceed (a) USD 2,000,000 or (b) 5% of the outstanding of such refinanced loans if such 5% figure is higher than USD 2,000,000); (ii) offshore loans in foreign currency for infrastructure projects deriving (a) all from an international bilateral/multilateral lending agencies or (b) from syndication loan with more than 50% contribution comes from international bilateral/multilateral institution; (iii) offshore loans in foreign currency for central or regional government infrastructure project; (iv) offshore loans in foreign currency which are secured by bilateral/multilateral international institution; (v) offshore loans in foreign currency in form of trade credits; or (vi) offshore loans in foreign currency in form of other loans. Non-bank corporations that have offshore loans 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. Bank Indonesia will monitor for compliance and may impose administrative sanctions in the form of warning letters for any failure to comply with the said three prudential criteria. PBI 16/21/2014 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 c.q. Directorate General of Tax, OJK and the Indonesian Stock Exchange (for publicly listed non-bank corporation) on the implementation of administrative sanctions. PBI 16/21/2014 has become effective as of 1 January 2015, with exceptions for the implementation of (i) the administrative sanction requirement, which will be effective from the fourth quarter of 2015, and (ii) the minimum credit rating requirement, which will apply to offshore loans that are signed or issued on or after 1 January 2016.

## **LANGUAGE OF THE TRANSACTION DOCUMENTS**

Pursuant to Article 31 of Law No. 24 of 2009 on Flag, Language, Coat of Arms, and National Anthem which was enacted on 9 July 2009 (“**Law No. 24/2009**”), agreements to which an Indonesian is a party are required to be executed in Indonesian language (*Bahasa Indonesia*), although, when a foreign entity is a party, an execution of the document also in English or the national language of the relevant party is permitted. All of these documents will provide that in the event of a discrepancy or inconsistency, the parties intend the English version to prevail.

There exists substantial uncertainty regarding how Law No. 24/2009 will be interpreted and applied in general, as to date, the Government has only issued one implementing regulation on the use of Bahasa Indonesia in the formal speech of the President and/or Vice President and other state officers, and it is not certain that an Indonesian court would permit the English version of an agreement to prevail or even consider the English version. See “Risk Factors – Risks Relating to the Notes and the Guarantee”. The Trust Deed and certain other documents entered into in connection with the establishment of the Programme and the issuance of the Notes will also be prepared in Bahasa Indonesia. However, there can be no assurance that, in the event of inconsistencies between the Bahasa Indonesia and English language version of those documents, an Indonesian court would hold that the English language versions of such documents will prevail. Further, a translation from English to Bahasa Indonesia may not accurately reflect the original intention of the parties.

In connection with the provision of Article 31 of Law No. 24/2009, the Ministry of Law and Human Rights of the Republic of Indonesia issued Letter No.M.HH.UM.01.01-35 dated 28 December 2009 regarding Clarification for Implication and Implementation of Law No. 24/2009 (the “**MOLHR Clarification Letter**”), which clarified the use of Bahasa Indonesia pursuant to Law No. 24/2009. The

MOLHR Clarification Letter stipulates that even though an agreement between Indonesian private entities (*lembaga swasta Indonesia*) is executed in English, it should not violate the provisions of Article 31 of Law No. 24/2009. As basis for this analysis, MOLHR Clarification Letter makes a reference to Article 40 of Law No. 24/2009, which states that the use of Bahasa Indonesia, including for the purposes 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. The Government issued an implementing regulation, Government Regulation 57/2014 on 7 July 2014 to give effect to certain provisions of Law No. 24/2009. While the regulation focuses on the promotion and protection of the Indonesian language and literature and is silent on the question of contractual language, it reiterates 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 the provision of Article 31 of Law No. 24/2009.

Further, on 20 June 2013, the District Court of West Jakarta released Decision No.451/Pdt.G/2012/PN.Jkt.Bar, which annulled a loan agreement between an Indonesian borrower, PT Bangun Karya Pratama Lestari, and a non-Indonesian lender, Nine AM. The loan agreement was governed by Indonesian law and was drafted only in English. The court ruled that the agreement had 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, when taken together will render an agreement void if, among other things, it is tainted by illegality. The court held that the agreement had not been drafted in the Bahasa Indonesia as required by Article 31(1) and therefore failed to satisfy the “lawful cause” requirement and was void from the outset, meaning that a valid and binding agreement had never existed. The defendant appealed to the Jakarta High Court. Upon appeal to the Jakarta High Court, the Jakarta High Court affirmed the decision of the District Court of West Jakarta in Decision No. 48/PDT/2014/PT.DKI on 7 May 2014.

As the relevant implementing regulation of Law No. 24/2009 has not been published and the law itself does not specify any sanctions for non-compliance, the Guarantor cannot predict how the implementation of Law No. 24/2009 (including its implementing regulation) will impact the validity and enforceability of the Programme and/or the Notes in Indonesia, which creates uncertainty as to the ability of holders of Notes to enforce the Notes in Indonesia.

The Guarantor will execute dual English and Bahasa Indonesia versions of certain transaction documents to which the Guarantor is a 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, including the Indenture, will be as described in this information memorandum, or will be interpreted and enforced by the Indonesian courts as intended.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any audited consolidated accounts and/or publicly announced reviewed financial statements of the Issuer and/or the Guarantor and its subsidiaries, and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the respective specified office of the Issuing and Paying Agent (as defined herein) or, as the case may be, the Non-CDP Paying Agent (as defined herein).

## FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would” and “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects the Issuer, the Guarantor and/or the Group (including statements as to the Issuer’s, the Guarantor’s and/or the Group’s revenue, profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer, the Guarantor and/or the Group, expected growth in the Issuer, the Guarantor and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer, the Guarantor and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer, the Guarantor and/or the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, discussion under the section on “Risk Factors”.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer, the Guarantor or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Guarantor, the Arrangers and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer, the Guarantor or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Notes by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuer, the Guarantor, the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Guarantor, the Arrangers and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

## DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

- “Agency Agreement”** : The Agency Agreement dated 13 April 2015 between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) The Bank of New York Mellon, Singapore Branch, as issuing and paying agent, CDP transfer agent and CDP registrar, (4) The Bank of New York Mellon, London Branch, as issuing and paying agent, non-CDP paying agent and calculation agent, (5) The Bank of New York Mellon (Luxembourg) S.A., as non-CDP transfer agent and non-CDP registrar, and (6) the Trustee, as trustee, as amended, restated or supplemented from time to time.
- “Arrangers”** : Australia and New Zealand Banking Group Limited, DBS Bank Ltd. and Mitsubishi UFJ Securities (Singapore), Limited.
- “Bearer Notes”** : Notes in bearer form.
- “Calculation Agent”** : The Bank of New York Mellon, London Branch.
- “CDP” or the “Depository”** : The Central Depository (Pte) Limited.
- “CDP Registrar”** : The Bank of New York Mellon, Singapore Branch.
- “CDP Transfer Agent”** : The Bank of New York Mellon, Singapore Branch.
- “Certificate”** : A registered certificate representing one or more Registered Notes of the same Series and, save as provided in the Conditions of the Notes, comprising the entire holding by a holder of Registered Notes of that Series.
- “Common Depository”** : In relation to a Series of the Notes, a depository common to Euroclear and Clearstream, Luxembourg.
- “Companies Act”** : Companies Act, Chapter 50 of Singapore.
- “Conditions”** : The terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Note or a Global Certificate, by the provisions of such Global Note or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Notes” as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
- “Couponholders”** : The holders of the Coupons.
- “Coupons”** : The bearer coupons appertaining to an interest bearing Bearer Note.
- “Dealers”** : Persons appointed as dealers under the Programme.
- “Definitive Note”** : A definitive Bearer Note having, where appropriate, Coupons and/or a Talon attached on issue.
- “Euro”** : The currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
- “FY”** : Financial year ended or ending 31 December.

<b>“Global Certificate”</b>	:	A Certificate representing Registered Notes of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (i) CDP, (ii) the Common Depository and/or (iii) any other clearing system.
<b>“Global Note”</b>	:	A global Note representing Bearer Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons or a Talon.
<b>“Group”</b>	:	The Guarantor and its subsidiaries.
<b>“Guarantee”</b>	:	The guarantee and indemnity of the Guarantor contained in the Trust Deed.
<b>“Guarantor”</b>	:	PT Medco Energi Internasional Tbk.
<b>“IDX”</b>	:	The Indonesia Stock Exchange.
<b>“IFRS”</b>	:	International Financial Reporting Standards.
<b>“Indonesia”</b>	:	The Republic of Indonesia.
<b>“IRAS”</b>	:	Inland Revenue Authority of Singapore.
<b>“Issuer”</b>	:	Medco Energi Global Pte. Ltd.
<b>“Issuing and Paying Agent”</b>	:	(In relation to any Series of Notes that are to be cleared through the Depository) The Bank of New York Mellon, Singapore Branch or (in relation to any Series of Notes that are to be cleared through any other clearing system other than the Depository) the Non-CDP Paying Agent.
<b>“ITA”</b>	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
<b>“Latest Practicable Date”</b>	:	8 April 2015
<b>“MAS”</b>	:	The Monetary Authority of Singapore.
<b>“Medco Strait”</b>	:	Medco Strait Services Pte. Ltd.
<b>“Moody’s”</b>	:	Moody’s Investors Service and its affiliates.
<b>“Non-CDP Paying Agent”</b>	:	The Bank of New York Mellon, London Branch.
<b>“Non-CDP Registrar”</b>	:	The Bank of New York Mellon (Luxembourg) S.A.
<b>“Non-CDP Transfer Agent”</b>	:	The Bank of New York Mellon (Luxembourg) S.A.
<b>“Noteholders”</b>	:	The holders of the Notes.
<b>“Notes”</b>	:	The notes issued or to be issued by the Issuer under the Programme.
<b>“OJK”</b>	:	The Financial Services Authority of Indonesia or <i>Otoritas Jasa Keuangan</i> .
<b>“Paying Agents”</b>	:	The Issuing and Paying Agent and the Non-CDP Paying Agent, or such other or further institutions as may from time to time be appointed by the Issuer as paying agent for the Notes and Coupons.
<b>“Permanent Global Note”</b>	:	A Global Note representing Bearer Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note.
<b>“Pricing Supplement”</b>	:	In relation to a Tranche or Series, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series.



<b>“Programme”</b>	:	The S\$500,000,000 Multicurrency Medium Term Note Programme of the Issuer.
<b>“Programme Agreement”</b>	:	The Programme Agreement dated 13 April 2015 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) the Arrangers, as arrangers, and (4) Australia and New Zealand Banking Group Limited, DBS Bank Ltd. and Mitsubishi UFJ Securities (Singapore), Limited, as dealers, as amended, restated or supplemented from time to time.
<b>“Registered Notes”</b>	:	Notes in registered form.
<b>“Rupiah”</b>	:	The currency of Indonesia.
<b>“Securities Act”</b>	:	Securities Act of 1933 of the United States, as amended or modified from time to time.
<b>“Series”</b>	:	a Tranche, together with any further Tranche or Tranches, which are (1) expressed to be consolidated and forming a single series and (2) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest.
<b>“SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended.
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited.
<b>“subsidiaries”</b>	:	Has the meaning ascribed to it in the Trust Deed.
<b>“Talons”</b>	:	Talons for further Coupons.
<b>“Temporary Global Note”</b>	:	A Global Note representing Bearer Notes of one or more Tranches of the same Series on issue.
<b>“Tranche”</b>	:	Notes which are identical in all respects (including as to listing).
<b>“Trust Deed”</b>	:	The Trust Deed dated 13 April 2015 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, and (3) the Trustee, as trustee, as amended, restated or supplemented from time to time.
<b>“Trustee”</b>	:	The Bank of New York Mellon, Singapore Branch.
<b>“United States” or “U.S.”</b>	:	United States of America.
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents respectively.
<b>“US\$” or “US dollars”</b>	:	United States dollars.
<b>“%”</b>	:	Per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

## GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations and definitions of certain terms used in this Information Memorandum in connection with the Group's business. The terms and their assigned meaning may not correspond to standard industry or common meaning or usage of these terms.

<b>"1P or 1P Reserves"</b>	:	Equivalent to proved reserves; denotes low estimate scenario of reserves.
<b>"2C"</b>	:	Best estimate of contingent resources. This is the best estimate of the quantity that will actually be recovered from an accumulation. When probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the best estimate.
<b>"2D seismic"</b>	:	Geophysical data that depicts the subsurface strata in two dimensions.
<b>"2P or 2P Reserves"</b>	:	Equivalent to proved plus probable reserves; denotes best estimate scenario of reserves.
<b>"3D seismic"</b>	:	Geophysical data that depicts the subsurface strata in three dimensions. 3d seismic typically provides a more detailed and accurate interpretation of the subsurface strata than 2d seismic.
<b>"BBO"</b>	:	Billion barrels of oil.
<b>"BBTU"</b>	:	Billion British thermal units.
<b>"BBTUD"</b>	:	Billion British thermal unit per day.
<b>"BCF"</b>	:	Billion cubic feet.
<b>"BOE"</b>	:	Barrel of oil equivalent. The factor used to convert gas to oil equivalent is based upon an approximate energy value of 5,850 cubic feet per barrel and not price equivalence at the time.
<b>"BOEPD"</b>	:	Barrels of oil equivalent per day.
<b>"BOPD"</b>	:	Barrels of oil per day inclusive of natural gas liquids.
<b>"condensate"</b>	:	A mixture of liquid hydrocarbons (mostly pentanes and heavier) that exist in the gaseous phase at original reservoir temperature and pressure, but when the gas is produced and processed through the dew point, are in the liquid phase at surface temperature and pressure conditions.
<b>"contingent resources"</b>	:	Quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not considered mature enough for commercial development due to one or more contingencies.
<b>"contract areas"</b>	:	A specified geographic area that is the subject of an agreement with the host government pursuant to which an operator and its partners provide financing and technical expertise to conduct exploration, development and production operations.
<b>"Delineation well/appraisal well"</b>	:	A well that is designed to test the validity of a seismic interpretation and to confirm the presences of hydrocarbons in an undrilled formation.
<b>"development well"</b>	:	A well drilled to obtain production from a proven oil or gas field.
<b>"discovery"</b>	:	One petroleum accumulation, or several petroleum accumulations collectively, for which one or several exploratory wells have established through testing, sampling, and/or logging the existence of a significant quantity of potentially moveable hydrocarbons. In this context, "significant" implies that there is evidence of a sufficient quantity of petroleum to justify estimating the in place

	:	volume demonstrated by the well(s) and for evaluating the potential for economic recovery.
<b>“EOR”</b>	:	Enhanced oil recovery. This is a process that is applied to increase production through energy addition compared to natural production.
<b>“EPC”</b>	:	Engineering procurement & construction.
<b>“E&amp;P”</b>	:	Exploration and production.
<b>“exploration well/wildcat well”</b>	:	A well drilled to find hydrocarbons in an unproved area or to extend significantly a known oil or gas reservoir.
<b>“farm-in”</b>	:	A process where the owner of an interest in a contract area invites third parties to participate in and assume some of the risks of developing the contract area.
<b>“FEED”</b>	:	Front End Engineering Design.
<b>“field”</b>	:	An area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same individual geological structural feature and/or stratigraphic condition.
<b>“geology”</b>	:	A scientific study of the origin, history and structure of the earth (adj. Geological).
<b>“GSA”</b>	:	Gas sales agreement.
<b>“gross production”</b>	:	The sum of the oil and gas production from each of the Group’s blocks multiplied by the effective interest in each block.
<b>“GWh”</b>	:	Giga watts hours.
<b>“HP”</b>	:	Horsepower.
<b>“HSE”</b>	:	Health, safety and environment.
<b>“ICP-SLC”</b>	:	Indonesian crude price-sumatra light crude minas.
<b>“IUP”</b>	:	Mining work permit.
<b>“JOB”</b>	:	Joint operating body.
<b>“JOC”</b>	:	Joint operating contract.
<b>“kcal”</b>	:	Kilo calories.
<b>“kg”</b>	:	Kilo grams.
<b>“LNG”</b>	:	Liquefied natural gas.
<b>“LPG”</b>	:	Liquid petroleum gas.
<b>“MMBTU”</b>	:	Million British Thermal Units.
<b>“MMBO”</b>	:	Million barrels of oil.
<b>“MMBOE”</b>	:	Million barrels of oil equivalent.
<b>“MMSCFD”</b>	:	Million standard cubic feet per day.
<b>“MW”</b>	:	Mega watt.
<b>“net production”</b>	:	The Group’s sum of the oil and gas production after deducting the share payable to the government pursuant to the terms of the relevant PSC.
<b>“PESA”</b>	:	Participation and economic sharing agreement.
<b>“possible reserves”</b>	:	Those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than probable reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of proved reserves plus probable reserves plus possible reserves (3p). When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3p estimate.

<b>“PPA”</b>	:	Power purchase agreement.
<b>“PPL”</b>	:	Petroleum prospecting licence (PNG).
<b>“probable reserves”</b>	:	Those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recoverable than proved reserves but more certain to be recovered than possible reserves. It is equally likely that actual remaining quantities ultimately recovered from the project will be greater than or less than the sum of the estimated proved reserves plus probable reserves (2p). When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2p estimate.
<b>“prospective reserves”</b>	:	Those quantities of petroleum which are estimated at a given date to be potentially recoverable from undiscovered accumulations.
<b>“proved reserves”</b>	:	Those quantities of petroleum which, by analysis of geological and technical 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 governmental regulations.
<b>“proved plus probable reserves”</b>	:	Proven reserves plus those reserves that are unproven, but which are, through analysis of geological and technical data, more likely than not to be recoverable.
<b>“PSA”</b>	:	Production sharing agreement.
<b>“PSC”</b>	:	Production sharing contract.
<b>“reserves”</b>	:	Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from given date forward under defined conditions Reserves must further satisfy four criteria: They must be discovered, recoverable, commercial and remaining (as of a given date) based on the development project(s) applied.
<b>“SKK Migas”</b>	:	Special Task Force for Upstream Oil and Gas Business Activities ( <i>Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi</i> ), established under Presidential Regulation No 9 Year 2013 dated 10 January 2013.
<b>“SHE”</b>	:	Safety health environment.
<b>“TCF”</b>	:	Trillion cubic feet.

## CORPORATE INFORMATION

Issuer	: Medco Energi Global Pte. Ltd.
Board of Directors of the Issuer	: Wong Lany Djuwita Faiz Shahab Lukman Ahmad Mahfoedz Frla Berlini Yaman Julie Anne Osborne
Company Secretary of the Issuer	: Yvonne Ang Ruey Shya
Registered Office of the Issuer	: 38 Beach Road #29-11 South Beach Tower Singapore 189767
Guarantor	: PT Medco Energi Internasional Tbk
Board of Commissioners of the Guarantor	: Hilmi Panigoro Yani Yuhani Panigoro Retno Dewi Arifin Marsillam Simandjuntak Junichi Iseda Gustiaman Deru
Board of Directors of the Guarantor	: Lukman Ahmad Mahfoedz Lany Wong Frla Berlini Yaman Akira Mizuta
Corporate Secretary of the Guarantor	: Imron Gazali
Registered Office of the Guarantor	: The Energy Building 53 <sup>rd</sup> Floor SCBD Lot 11A Jl. Jend. Sudirman Jakarta 12190 Indonesia
Independent Auditors of the Guarantor	: Purwanto, Suherman & Surja (a member firm of Ernst & Young Global Limited) Indonesia Stock Exchange Building Tower 2, 7 <sup>th</sup> Floor Jl. Jend. Sudirman Kav. 52-53 Jakarta 12190, Indonesia
Arrangers and Dealers of the Programme	: Australia and New Zealand Banking Group Limited 10 Collyer Quay #21-00 Ocean Financial Centre Singapore 049315  DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982  Mitsubishi UFJ Securities (Singapore), Limited 9 Raffles Place #01-01 Republic Plaza Singapore 048619
Issuing and Paying Agent, CDP Transfer Agent and CDP Registrar	: The Bank of New York Mellon, Singapore Branch One Temasek Avenue #03-01 Millenia Tower Singapore 039192

Non-CDP Paying Agent and Calculation Agent : The Bank of New York Mellon, London Branch  
One Canada Square  
London E14 5AL  
United Kingdom

Non-CDP Transfer Agent and Non-CDP Registrar : The Bank of New York Mellon (Luxembourg) S.A.  
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Trustee for the Noteholders : The Bank of New York Mellon, Singapore Branch  
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Legal Advisers to the Arrangers as to Singapore law : Allen & Gledhill LLP  
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Legal Advisers to the Issuing and Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the CDP Registrar, the Non-CDP Registrar, the CDP Transfer Agent, the Non-CDP Transfer Agent and the Trustee as to Singapore law : Allen & Gledhill LLP  
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Jakarta 12950  
Indonesia

## SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	: Medco Energi Global Pte. Ltd.
Guarantor	: PT Medco Energi Internasional Tbk.
Arrangers	: Australia and New Zealand Banking Group Limited, DBS Bank Ltd. and Mitsubishi UFJ Securities (Singapore), Limited.
Dealers	: Australia and New Zealand Banking Group Limited, DBS Bank Ltd., Mitsubishi UFJ Securities (Singapore), Limited and/or such other Dealers as may be appointed by the Issuer and the Guarantor in accordance with the Programme Agreement.
Trustee	: The Bank of New York Mellon, Singapore Branch.
Issuing and Paying Agent	: (In relation to any Series of Notes that are to be cleared through the Depository) The Bank of New York Mellon, Singapore Branch or (in relation to any Series of Notes that are to be cleared through any other clearing system other than the Depository) the Non-CDP Paying Agent.
CDP Transfer Agent and CDP Registrar	: The Bank of New York Mellon, Singapore Branch.
Non-CDP Paying Agent and Calculation Agent	: The Bank of New York Mellon, London Branch.
Non-CDP Transfer Agent and Non-CDP Registrar	: The Bank of New York Mellon (Luxembourg) S.A.
Description	: S\$500,000,000 Multicurrency Medium Term Note Programme.
Programme Size	: The maximum aggregate principal amount of the Notes outstanding at any time shall be S\$500,000,000 (or its equivalent in other currencies).
Use of Proceeds	: The net proceeds arising from the issues of Notes under the Programme (after deducting expenses incurred in connection with the issue of the Notes) will be used for general corporate purposes, including refinancing of existing borrowings and financing of working capital investments (including mergers and acquisitions) and/or capital expenditure requirements of the Issuer, the Guarantor and the Group.
Currency	: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	: Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	: Notes may be issued at par or at a discount, or premium, to par.

Maturities	: Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
Mandatory Redemption	: Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	: Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	: Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	: Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S\$ SIBOR or S\$ Swap Rate (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.  Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Variable Rate Notes	: Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	: Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S\$ SIBOR or S\$ Swap Rate (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).



Zero Coupon Notes	: Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Form and Denomination of Notes	: The Notes will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of Bearer Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, the Common Depository and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or Definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Notes upon the terms therein. Each Tranche or Series of registered Notes will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, the Common Depository and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Notes, a Certificate shall be issued in respect of each Noteholder's entire holding of registered Notes of one Series.
Custody of the Notes	: Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are to be cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with the Common Depository on behalf of Euroclear and/or Clearstream, Luxembourg.
Status of the Notes	: The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4(a) of the Notes) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any preference or priority among themselves, and <i>pari passu</i> with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Guarantee	: The payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Guarantor. The payment obligations of the Guarantor under the Guarantee and the Trust Deed constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall at all times rank <i>pari passu</i> with all other unsecured

obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

Optional Redemption and Purchase

: If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.

Redemption for Taxation Reasons

: If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(i) of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore (in the case of the Issuer) or Indonesia (in the case of the Guarantor) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Redemption at Option of Noteholders upon :  
Change of Control Event

If so provided on the face of the Note and the relevant Pricing Supplement, for any reason, a Change of Control Event occurs, the Issuer will, within seven days of such occurrence, give notice to the Noteholders of the occurrence of such event (the "**Change of Control Notice**") (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option) and shall, at the option of the holder of any Note, redeem such Note at its Redemption

Amount, together with interest accrued to the date fixed for redemption, on the date falling 60 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day).

“**Change of Control Event**” occurs when any other person (either individually or together with parties acting in concert) becomes the legal or beneficial owner, directly or indirectly, of a larger percentage of the voting rights of the issued share capital of the Guarantor than the Panigoro Family Members (together with any other parties acting in concert with the Panigoro Family Members); and “**Panigoro Family Members**” means Hilmi Panigoro, his spouse, siblings and close family members, including their spouses, children aged 18 and above and such child’s spouse, sibling and such sibling’s spouse and spouse’s sibling.

Redemption at Option of Noteholders upon Cessation or Suspension of Trading of Shares : In the event that (i) the shares of the Guarantor cease to be traded on the IDX or (ii) trading in the shares of the Guarantor on the IDX is suspended for a continuous period of more than seven trading days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on the date falling 60 days after the Effective Date.

“**Effective Date**” means (where the shares of the Guarantor cease to be traded on the IDX) the date of cessation of trading or (where trading in the shares of the Guarantor on the IDX is suspended for a continuous period of more than seven trading days) the trading day immediately following the expiry of such continuous period of seven trading days; and “**trading day**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which the IDX is open for securities trading.

Negative Pledge : Each of the Issuer and Guarantor have covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its subsidiaries will, create or have outstanding any security over the whole or any part of its undertakings, assets, property or revenues, present or future, save for:

- (i) any security or rights of set-off arising in the ordinary course of business or by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (1) has been due for less than 21 days or (2) is being contested in good faith and by appropriate means;
- (ii) any security existing as at the date of the Trust Deed over any of their respective

assets and disclosed in writing to the Trustee on or prior to the date of the Trust Deed, and any security to be created over such assets in connection with the extension or refinancing of the indebtedness secured by such assets provided that, in each case, the amount secured (which in respect of a credit facility, shall be the full facility limit of the credit facility and not the amount outstanding at such time) shall not be increased without the consent of the Noteholders by way of Extraordinary Resolution;

- (iii) any security over any assets acquired, constructed and/or developed by it after the date of the Trust Deed created in connection with the financing or refinancing of the acquisition (including the acquisition of a company or entity owning (whether directly or indirectly) such assets), construction or development of such assets (including acquisition financing, project financing or reserves based lending), in each case, securing a principal amount not exceeding the cost of the acquisition, construction or development;
- (iv) any existing security over or affecting any asset acquired by any member of the Group after the date of the Trust Deed provided that (1) the security was not created in contemplation of the acquisition of that asset by such member of the Group; and (2) the principal amount secured has not been increased in contemplation of, or since the acquisition of that asset by such member of the Group;
- (v) any security created in favour of any bank or financial institution in connection with the issue of performance guarantees, performance bonds or letters of credit granted by such bank or financial institution in the ordinary course of business;
- (vi) any security arising as a result of legal proceedings discharged within 21 days or otherwise contested in good faith (and not otherwise constituting an Event of Default) and in respect of which adequate reserves are being maintained;
- (vii) any security over cash paid into an escrow or similar account in connection with a disposal that does not fall within the circumstances referred to in Clause 16.28 of the Trust Deed; and
- (viii) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

## Financial Covenants

- : The Guarantor has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:
- (i) the ratio of Consolidated Total Debt (as defined in the Trust Deed and Condition 4(b) of the Notes) to Consolidated Tangible Net Worth (as defined in the Trust Deed and Condition 4(b) of the Notes) of the Group shall not exceed 3.0:1;
  - (ii) the ratio of Consolidated Secured Debt (as defined in the Trust Deed and Condition 4(b) of the Notes) to Consolidated Total Assets (as defined in the Trust Deed and Condition 4(b) of the Notes) shall not at any time exceed 0.25:1; and
  - (iii) the ratio of Consolidated EBITDA (as defined in the Trust Deed and Condition 4(b) of the Notes) to Consolidated Net Interest Expense (as defined in the Trust Deed and Condition 4(b) of the Notes) of the Group shall not be less than 1.0:1.

## Non-disposal Covenants

- : The Guarantor has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 16.28 of the Trust Deed, is substantial in relation to its assets, or those of itself and its subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) is likely to have a material adverse effect on it.

The following disposals shall not be taken into account under Clause 16.28 of the Trust Deed:

- (i) any disposal (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) undertaken in the same financial year not exceeding more than ten per cent. of the Guarantor's total assets as stated in the Guarantor's latest annual audited financial statements; provided that such transaction(s), when aggregated with all other transactions required to be taken into account under Clause 16.28 of the Trust Deed does not exceed 25 per cent. of the Guarantor's total assets as stated in the Guarantor's latest annual audited financial statements;

- (ii) any disposal on normal commercial terms, provided that the proceeds from such disposal shall be (1) reinvested within 365 days from the date of such disposal in the business or operations of the Group or any member of the Group or (2) used to repay the indebtedness of the Group or any member of the Group provided that (A) such indebtedness is not subordinated to the obligations under the Notes or the Issue Documents and (B) such repayment would not have a material adverse effect on the Issuer or the Guarantor's ability to perform its obligations under the Notes;
- (iii) any disposal or sale of non-productive fixed assets which are obsolete, in excess or no longer required for the purposes of its business, provided that such disposal or sale does not materially prejudice the business operation of the Guarantor or such subsidiary;
- (iv) any disposal or transfer of its assets conducted specifically for the purpose of asset securitisation, provided that such cumulative assets to be transferred and/or required to be taken into account under Clause 16.28 of the Trust Deed in respect of each series of Notes, shall not be more than five per cent. of the Guarantor's total equity as stated in the Guarantor's latest annual audited financial statements;
- (v) any transfer of assets by the Guarantor or any subsidiary to the Guarantor or any other subsidiary provided that such transfer would not have a material adverse effect on the Guarantor; and
- (vi) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

No Change of Business Covenant

- : The Guarantor has undertaken to the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, the Permitted Businesses shall remain the core business of the Group.

**"Permitted Businesses"** means the businesses in which the Group is engaged as at the date of the Trust Deed, together with any other business activities ancillary or reasonably related thereto.

Dividend Restriction Covenant

- : The Guarantor has undertaken to the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not pay any dividend, whether in cash or in specie or make any other distribution to its shareholders out of current or previous years' consolidated net profits or otherwise (i) while any interest or principal on any of the Notes is overdue and unpaid, (ii) if an Event of Default occurs and has not been waived or (iii) if such payment or distribution, when aggregated with all other payments and

distributions paid in that financial year, may cause the dividend pay-out ratio to exceed 50 per cent.

- No Merger, Amalgamation, Consolidation or Acquisition Covenant : The Guarantor has undertaken to the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not without the prior consent of the Noteholders by way of an Extraordinary Resolution (i) merge, amalgamate or otherwise consolidate with other company(ies) which may cause dissolution or a material adverse effect on it or (ii) acquire companies where such acquisition is likely to have a material adverse effect on it, except, in each case, as required by prevailing laws and regulations or decisions of any court, government or governmental authority, or save as permitted by, and in accordance with, Clause 16.28 of the Trust Deed.
- No Reduction of Capital Covenant : The Guarantor has undertaken to the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not reduce its authorised capital, issued capital or paid up capital.
- No Third Party Loan or Corporate Guarantee Covenant : The Guarantor has undertaken to the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not provide any loan or corporate guarantee to any third party, except for:
- (i) any loan or corporate guarantee existing at the date of the Trust Deed;
  - (ii) any loan or corporate guarantee to an employee or to an employee's co-operative or foundation for the sole purpose of the improvement of such employee's welfare or the development of small enterprise or co-operative in line with the policies of the Indonesian Government;
  - (iii) any loan or corporate guarantee for the benefit of its subsidiaries;
  - (iv) any loan or corporate guarantee for the benefit of an affiliated company, provided that (1) such loan or corporate guarantee is granted on arm's length basis and on normal commercial terms, and the value of such loan or corporate guarantee is not more than 10 per cent. of the Guarantor's equity as stated in the most recent audited consolidated financial statements of the Guarantor and (2) (in the case of any loan or corporate guarantee granted in connection with the Senoro Project and/or the Sarulla Project) such loan or corporate guarantee shall not be more than US\$300,000,000 and shall be valid up to the project completion date;
  - (v) any loan or corporate guarantee granted in the ordinary course of business and on normal commercial terms; and
  - (vi) the Guarantee.

Events of Default	: See Condition 10 of the Notes.
Taxation	: All payments in respect of the Notes and the Coupons by the Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore (in the case of the Issuer) or Indonesia (in the case of the Guarantor) or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "Taxation" herein.
Listing	: Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.  If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in foreign currencies).
Selling Restrictions	: For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law	: The Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.



## SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected consolidated financial information and other data should be read in conjunction with the audited consolidated financial statements and related notes of the Group included elsewhere in this Information Memorandum and in the section entitled "Presentation of Financial Information". The consolidated financial statements of the Group have been prepared and presented in accordance with Indonesian FAS.

The selected audited consolidated financial information of the Group presented below has been derived from the audited consolidated financial statements of the Group as of 31 December 2013 and 2014, and for the years then ended, included elsewhere in this Information Memorandum.

The audited consolidated financial statements of the Group as of 31 December 2013 and 2014, and for the years then ended, included elsewhere in this Information Memorandum, have been audited by Purwanto, Suherman & Surja ("PSS") (a member firm of Ernst & Young Global Limited), independent auditors, in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants ("IICPA"), as stated in their audit report appearing elsewhere in this Information Memorandum.

### Consolidated Statements of Financial Position

	As of 31 December	
	2014	2013
	(in US\$)	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	206,639,912	263,973,998
Short-term investments	268,628,303	253,437,152
Restricted cash in banks	—	5,593,518
Trade receivable Related parties	12,442,828	18,982,522
Trade receivable Third parties – net	89,150,954	124,651,998
Other receivables Related parties	80,850	—
Other receivables Third parties – net	112,207,591	75,940,543
Inventories – net	39,316,612	37,164,353
Non-current assets held for sale	7,290,112	24,989,685
Prepaid taxes	10,608,117	11,413,219
Prepaid expenses	3,393,600	3,758,125
Advance for purchase of shares of stock	—	1,380,823
Other current assets	1,364,760	160,194
<b>Total Current Assets</b>	<b>751,123,639</b>	<b>821,446,130</b>
<b>NON-CURRENT ASSETS</b>		
Other receivables Related parties	159,313,967	142,600,440
Other receivable Third parties – net	1,337,534	1,532,380
Restricted cash in banks	6,344,031	7,834,751
Deferred tax assets – net	31,071,315	42,600,507
Long-term investments	337,131,659	319,458,987
Investment In project	30,324,414	30,324,414
Property, plant and equipment – net	88,513,473	85,700,769
Mining properties – net	2,282,185	610,264
Exploration and evaluation assets	181,670,432	155,729,959
Oil and gas properties – net	1,093,013,247	902,468,908
Other assets – net	20,320,983	21,371,961
<b>Total Non-current Assets</b>	<b>1,951,323,240</b>	<b>1,710,233,340</b>
<b>TOTAL ASSETS</b>	<b>2,702,446,879</b>	<b>2,531,679,470</b>

	As of 31 December	
	2014	2013
	(in US\$)	
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Short-term bank loans	—	60,000,000
Trade payables		
Related parties	1,416,478	359,576
Third parties	90,488,378	94,193,530
Other payables	41,152,140	50,795,338
Taxes payable	23,904,636	25,348,897
Liabilities directly associated with the non-current assets classified as held for sale	9,003,687	3,393,361
Accrued expenses and other provisions	76,854,830	70,696,891
Employee benefits liabilities – current portion	651,974	449,582
Derivative liabilities	35,856,281	10,520,221
Current maturities of long-term debt		
Bank loans	183,696,183	928,203
Rupiah bonds	—	80,768,414
Advances from a customer – third party	4,713,197	12,599,877
<b>Total Current Liabilities</b>	<b>467,737,784</b>	<b>410,053,890</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debt – net of current maturities		
Bank loans	544,669,226	374,867,214
Rupiah bonds	280,253,368	285,711,915
US Dollar bonds	97,406,084	98,466,256
Related party	—	130,947,913
Medium term notes	79,752,616	—
Other payables	9,121,822	9,698,707
Deferred tax liabilities – net	112,887,298	99,150,300
Employee benefits liabilities	14,148,364	13,065,752
Derivative liabilities	113,762,545	162,135,400
Asset abandonment and site restoration obligations and other provisions	62,389,014	50,825,708
<b>Total Non-current Liabilities</b>	<b>1,314,390,337</b>	<b>1,224,869,165</b>
<b>Total Liabilities</b>	<b>1,782,128,121</b>	<b>1,634,923,055</b>
<b>EQUITY</b>		
Capital stock – Rp100 par value per share		
Authorised – 4,000,000,000 shares Issued and fully paid – 3,332,451,450 shares	101,154,464	101,154,464
Additional paid-in capital	183,439,833	183,439,833
Effects of changes In equity transactions of subsidiaries/ associated entities	107,870	107,870
Translation adjustments	(155,800)	1,440,163
Fair value adjustment on cash flow hedging instruments	(31,653,354)	(53,728,265)
Retained earnings		
Appropriated	6,492,210	6,492,210
Unappropriated	651,382,839	646,302,520
<b>Total equity attributable to the equity holders of the parent company</b>	<b>910,768,062</b>	<b>885,208,795</b>
Non-controlling interests	9,550,696	11,547,620
<b>Total Equity</b>	<b>920,318,758</b>	<b>896,756,415</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,702,446,879</b>	<b>2,531,679,470</b>

## Consolidated Statements of Comprehensive Income

	For the year ended 31 December	
	2014	2013 (As Restated)
	(in US\$)	
<b>CONTINUING OPERATIONS</b>		
<b>SALES AND OTHER OPERATING REVENUES</b>		
Net oil and gas sales .....	701,426,544	826,842,368
Revenue from coal .....	36,148,131	42,959,147
Revenue from services .....	13,155,844	16,719,719
<b>TOTAL SALES AND OTHER OPERATING REVENUES .....</b>	<b>750,730,519</b>	<b>886,521,234</b>
<b>COST OF SALES AND OTHER DIRECT COSTS</b>		
Production and lifting costs .....	(281,479,367)	(307,763,720)
Depreciation, depletion and amortisation .....	(96,973,184)	(101,609,714)
Cost of crude oil purchases .....	(26,309,259)	(44,378,789)
Coal production costs .....	(26,087,257)	(24,179,183)
Cost of services .....	(24,539,712)	(29,717,463)
Exploration expenses .....	(24,385,209)	(14,079,817)
<b>TOTAL COST OF SALES AND OTHER DIRECT COSTS .....</b>	<b>(479,773,988)</b>	<b>(521,728,686)</b>
<b>GROSS PROFIT .....</b>	<b>270,956,531</b>	<b>364,792,548</b>
Selling, general and administrative expenses .....	(110,313,286)	(117,107,313)
Finance costs .....	(71,448,789)	(77,063,769)
Loss on impairment of assets – net .....	(16,428,117)	(27,175,300)
Share of net income of associated entities – net .....	7,067,272	8,742,792
Finance income .....	10,438,876	11,677,650
Other income .....	28,988,038	41,619,755
Other expense .....	(8,275,021)	(13,374,548)
<b>PROFIT BEFORE INCOME TAX EXPENSE FROM CONTINUING OPERATIONS .....</b>	<b>110,985,504</b>	<b>192,111,815</b>
<b>INCOME TAX EXPENSE .....</b>	<b>(97,798,875)</b>	<b>(153,860,688)</b>
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS .....</b>	<b>13,186,629</b>	<b>38,251,127</b>
<b>DISCONTINUED OPERATIONS</b>		
<b>PROFIT (LOSS) AFTER INCOME TAX EXPENSE FROM DISCONTINUED OPERATIONS .....</b>	<b>530,134</b>	<b>(22,272,551)</b>
<b>PROFIT FOR THE YEAR .....</b>	<b>13,716,763</b>	<b>15,978,576</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Translation adjustments .....	(1,595,963)	985,378
Fair value adjustment on cash flow hedging instruments .....	22,074,911	(40,484,084)
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR .....</b>	<b>34,195,711</b>	<b>(23,520,130)</b>
<b>PROFIT ATTRIBUTABLE TO</b>		
Equity holders of the parent company		
Profit for the year from continuing operations .....	9,583,553	34,855,972
Profit (loss) for the year from discontinued operations .....	530,134	(22,272,551)
Profit for the year attributable to owners of the parent company .....	10,113,687	12,583,421
Profit for the year from continuing operations attributable to non-controlling interests .....	3,603,076	3,395,155
<b>13,716,763</b>	<b>15,978,576</b>	
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO</b>		
Equity holders of the parent company		
Comprehensive income (loss) for the year from continuing operations .....	30,062,501	(4,642,734)
Comprehensive Income (loss) for the year from discontinued operations .....	530,134	(22,272,551)
Comprehensive income (loss) for the year attributable to owners of the parent company .....	30,592,635	(26,915,285)
Comprehensive income for the year attributable to non-controlling interests .....	3,603,076	3,395,155
<b>34,195,711</b>	<b>(23,520,130)</b>	
<b>BASIC EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY .....</b>		
	<b>0.0030</b>	<b>0.0041</b>

## Consolidated Statements of Cash Flows

	For the year ended 31 December	
	2014	2013 (As Restated)
	(in US\$)	
<b>Cash Flows from Operating Activities</b>		
Cash receipts from customers	736,103,149	914,626,466
Cash paid to suppliers and employees	(498,041,931)	(525,323,599)
Cash generated from operations	238,061,218	389,302,867
Income tax paid	(74,793,436)	(124,698,686)
<b>Net cash provided by operating activities</b>	<b>163,267,782</b>	<b>264,604,181</b>
<b>Cash Flows from Investing Activities</b>		
Additions to short-term Investments	(7,500,000)	(115,000,000)
Proceeds from redemption of short-term investments	5,406,469	183,867,199
Additions to oil and gas properties	(142,387,297)	(154,528,904)
Addition to exploration and evaluation assets	(41,021,506)	(67,130,523)
Acquisition of subsidiaries net of cash acquired	(126,363,802)	(1,380,000)
Additions of investment in shares of stock	(11,144,401)	(98,910,982)
Proceeds from dividend payment of associates	458,150	143,135
Additions to other assets	(153,587)	(1,540,124)
Acquisitions of property, plant and equipment	(4,156,444)	(5,984,016)
Proceed from disposal of property, plant and equipment	2,621,431	20,620
Increase in other receivables from related parties	(16,334,839)	(40,985,204)
Proceed from disposal of subsidiaries	17,400,000	—
Interest received	9,357,015	11,913,175
<b>Net cash used in investing activities</b>	<b>(313,818,811)</b>	<b>(289,515,624)</b>
<b>Cash Flows from Financial Activities</b>		
Proceeds from:		
– Bank loans	465,012,073	110,000,000
– Other long-term debt	80,385,852	123,061,777
– Related party	3,297,927	5,214,374
Payments of:		
– Bank loans	(160,857,143)	(421,517,764)
– Other long-term debt	(79,300,643)	(41,450,000)
– Loan from affiliated companies	(134,360,957)	—
Proceed from sale of treasury stock	—	80,387,690
Payment of financing charges	(69,056,776)	(77,271,532)
Withdrawal of (increase in) restricted cash in banks	7,084,238	(1,186,566)
Settlement for derivative liability	(7,629,154)	—
Dividend payment	(5,033,368)	(3,335,330)
Subsidiary dividend payment to non-controlling interest	(5,600,000)	—
<b>Net cash provided by (used in) financing activities</b>	<b>93,942,049</b>	<b>(226,097,351)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS</b>	<b>(56,608,980)</b>	<b>(251,008,794)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS</b>	<b>(407,837)</b>	<b>(3,931,488)</b>
<b>NET FOREIGN EXCHANGE DIFFERENCE</b>	<b>(317,269)</b>	<b>(4,737,494)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>263,973,998</b>	<b>523,651,774</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>(a) 206,639,912</b>	<b>(b) 263,973,998</b>

The Group succeeded in implementing a cost-efficiency strategy that has proven to be effective in mitigating the effects of declining oil price throughout the second semester of 2014, thereby maintaining a healthy net profit.

### **Net Oil and Gas Sales**

In 2014, the Group succeeded in arresting the natural decline of its oil and gas production to under 10%. This is an achievement in and of itself, when compared to the average natural decline of oil and gas production in the normal range of 20% to 25%. Although the global crude oil price declined in the second semester of 2014, the Group achieved a realised crude oil price of US\$97.83/barrel, or just 9.67% below the realised crude oil price in 2013. Whereas for the realised price of gas that is based on long-term sale and purchase contract with buyers, the Group realised a 9.16% increase over the average price of gas to US\$5.60/MMBTU in 2014. This increase reflects the success of the Group in renegotiating the sale and purchase contracts for gas, which helped the Group's performance in 2014 by mitigating the decline in the realised oil and gas sales as a result of the natural decline rate and lower realised oil price. The Group booked total net oil and gas sales amounting to US\$701.43 million in 2014, lower than US\$826.84 million in 2013.

### **Revenue from Coal**

As a result of the declining global price of coal, the Group's average realised price for coal in 2014 also declined by US\$8.97/MT to US\$72.80/MT compared to the average realised price of US\$81.77/MT a year before. The Group through the Subsidiary Entity PT Duta Tambang Rekayasa produced and sold a total of 523.10 MT and 497.36 MT of coal, respectively, in 2014. In comparison to those of 2013, the production and sale of coal totalled 633.97 MT and 525.34 MT, respectively. The decline was prompted by the cost-efficiency strategy to reduce operating cost by eliminating certain activities that did not contribute to optimum results during a bearish coal market. Total revenues derived from the Group's operations in 2014 declined to US\$36.15 million, in comparison with US\$42.96 million a year before.

### **Revenue from Services**

The Group posted revenue from services totalling US\$13.16 million in 2014, declining by US\$3.56 million from revenues in 2013, mainly as a result of the completion of a number of contracts during the year. However, the Group was able to gain new contracts for drilling services that started at year-end 2014 and in 2015.

### **Gross Profit and Gross Profit Margin**

The Group posted total consolidated cost of sales and other direct costs of US\$479.77 million in 2014, a decline of 8.04% from US\$521.73 million in 2013. The decline reflected the success of the Group's cost-efficiency strategy in order to maintain net profitability.

The following is the gross profit margin of the Group's respective business segments in 2014, in comparison to those of 2013, the main causes of which have been described earlier:

- The oil and gas sector posted a gross profit of US\$261.65 million compared to US\$336.79 million in 2013. The decline resulted in a corresponding decline in gross profit margin to 39.13%, from 41.76% in 2013.
- The coal sector posted a gross profit of US\$6.20 million, from US\$15.31 million in 2013. This resulted in a decline of gross profit margin to 17.15%, from 35.64% in 2013.
- The services sector posted a decline in gross profit to record a gross loss of US\$3.46 million in 2014, compared to a gross profit of US\$2.02 million in 2013. This resulted in a decline in the gross profit margin of 5.63% to a gross profit loss of 11.05% in 2014.

### **Selling, General and Administrative Expenses**

Another proof of the Group's success in maintaining cost efficiency was underscored by the declining selling, general and administrative expenses during the year by 5.80% to US\$110.31 million, from US\$117.11 million in 2013.

### **Operating Profit**

Operating profit represents gross profit less selling, general and administrative expenses. In 2014, the Group posted an operating profit of US\$160.64 million, a decline from US\$247.69 million in 2013. The operating profit margin in 2014 declined to 21.40% from 27.94% in 2013.

## Financing Costs

In line with the Group's cost-efficiency strategy, a number of initiatives were taken to reduce the cost of financing such as early repayment of several bank borrowings that bear high interest rates. The Group also consistently raised new financing with more competitive costs. The result of these initiatives was to lower cost of financing to US\$71.45 million in 2014 from US\$77.06 million in 2013. The Group's average financing cost in 2014 was 5.3% per annum, down from 5.8% in 2013.

## Other Income (Expenses) - Net

In 2014, other Income (expenses) - net decreased by 26.67% to US\$20.71 million from US\$28.25 million. The decrease was dominated by a loss on foreign exchange.

## Other Comprehensive Income

Other Comprehensive Income comprised of:

- Fair Value Adjustment on Cashflow Hedging Instruments

In 2014, there was an increase of gains made on the Fair Value Adjustment on Cashflow from Hedging Instruments to US\$22.07 million compared to a loss of US\$40.48 million in 2013. One of the factors that contributed to that increase was the depreciating Rupiah against the US Dollar, falling from Rp12,189/ US\$1.00 in 2013 to Rp12,440/US\$1.00 in 2014. The Group sought to protect its cash flow by hedging several liability instruments including Rupiah Bonds and medium term notes ("MTN") totalling Rp4.5 trillion and bank loans amounting to Rp1.4 trillion, as well as bank loans in US Dollar amounting to US\$30 million.

- Translation Adjustments

Translation Adjustments arises from different currency denominations in the book of the parent company and those of subsidiary entities. In 2014, the translation produced a loss of US\$1.60 million from a gain of US\$0.99 million in 2013. This was due to the considerable depreciation of the Rupiah against the US Dollar in 2014.

- Profit Attributable to Non-controlling Interests

Profit Attributable to Minority Interests amounted to US\$3.60 million or higher by 6.12% from US\$3.40 million in 2013. The increase was due to higher revenue contribution from the Group's operating block in Oman that increased the share of Non-controlling interests from the operating block.

- Profit Attributable to Owners of the Parent Company

In 2014, the Group posted Profit that is Attributable to Owners of the Parent Company amounting to US\$10.11 million, a decline of US\$2.47 million compared to US\$12.58 million in 2013. As a result, the amount of earnings per share declined to US\$0.0030 from US\$0.0041 in 2013. The success of the Group in maintaining its Profit that is Attributable to Owners of the Parent Company was largely attributed to the cost-efficiency policy as well as the Group's successful efforts to reduce the cost of borrowings by early repayment of high interest-bearing bank borrowings.

The Group's net profit margin in 2014 declined to 1.35% from 1.42% in 2013. The Group posted an increase in the value of fixed assets in 2014 that was derived from the increase in oil and gas assets from the acquisition of the oil and gas assets in Tunisia. This contributed to the decline in the return on assets by 0.13% to 0.37% in 2014. On the other hand, the increase in the fair value adjustment on cashflow from hedging instruments that resulted from a weakening of the rupiah from Rp12,189/US\$1.00 in 2013 to Rp12,440/US\$1.00 in 2014, contributed to a return on equity of 1.10%.

## Current Assets

The total current assets of the Group declined by 8.56% as at year-end 2014 to US\$751.12 million from US\$821.45 million as of year-end 2013. The difference of US\$70.33 million was primarily due to the significant decline of cash and cash-equivalent to US\$206.64 million by year-end 2014 from US\$263.97 million as at year-end 2013, the decline in trade receivables by 29.27% to US\$101.59 million by year-end 2014 from US\$143.63 million at year-end 2013, the increase in other receivables by 47.86% to US\$112.29 million by year-end 2014 from US\$75.94 million at year-end 2013, the decrease in non-current assets held for sale of US\$7.29 million at year-end 2014 from US\$24.99 million in 2013.

The decline in total net cash was largely due to the use of cash for the payments of bank loans amounting to US\$160.86 million and the payments of loan from affiliated companies amounting to US\$134.36 million, plus the increase of cash derived from operating activities amounting to US\$163.27 million, and less cash used in investment and financing activities; all of which resulted in a cash and cash-equivalent balance of US\$206.64 million as at year-end 2014.

### Composition of Current Assets

Description	2014	Contribution	2013	Contribution	Contribution (%)
	US\$	(%)	US\$	(%)	
Cash and cash equivalents	206,639,912	27.51	263,973,998	32.14	(21.72)
Short-term investments	268,628,303	35.77	253,437,152	30.85	5.99
Restricted cash in banks	—	0.00	5,593,518	0.68	(100.00)
Trade receivables – net	101,593,782	13.53	143,634,520	17.49	(29.27)
Other receivables – net	112,288,441	14.95	75,940,543	9.24	47.86
Inventories – net	39,316,612	5.23	37,164,353	4.52	5.79
Prepaid taxes	10,608,117	1.41	11,413,219	1.39	(7.05)
Prepaid expenses	3,393,600	0.45	3,758,125	0.46	(9.70)
Advance for purchase of shares	—	0.00	1,380,823	0.17	(100.00)
Other current assets	1,364,760	0.18	160,194	0.02	751.94
Non-current assets held for sales	7,290,112	0.97	24,989,685	3.04	(70.83)
<b>Total</b>	<b>751,123,639</b>	<b>100.00</b>	<b>821,446,130</b>	<b>100.00</b>	<b>(8.56)</b>

### Non-Current Assets

As of year-end 2014 non-current assets increased by 14.10% to US\$1,951.32 million from US\$1,710.23 million as at year-end 2013. The increase was due to an increase in long-term investments by 5.53% to US\$337.13 million by year-end 2014 from US\$319.46 million as at yearend 2013 that reflected the Group's investments in the Senoro LNG project, an increase in exploration and evaluation assets by 16.66% to US\$181.67 million from US\$155.73 million as at year-end 2013, and an increase in oil and gas properties – net by 21.11% to US\$1,093.01 million from US\$902.47 million as at year-end 2013, the majority of which was contributed by the oil and gas assets in Tunisia that were acquired by the Group in 2014.

### Composition of Non-Current Assets

Description	2014	Contribution	2013	Contribution	Contribution (%)
	US\$	(%)	US\$	(%)	
Other receivables – net	160,651,501	8.23	144,132,820	8.43	11.46
Restricted cash in banks	6,344,031	0.33	7,834,751	0.46	(19.03)
Deferred tax assets – net	31,071,315	1.59	42,600,507	2.49	(27.06)
Long-term investments	337,131,659	17.28	319,458,987	18.67	5.53
Investment in projects	30,324,414	1.55	30,324,414	1.77	—
Property, plant and equipment – net	88,513,473	4.54	85,700,769	5.01	3.28
Mining property – net	2,282,185	0.12	610,264	0.04	273.97
Exploration and evaluation assets	181,670,432	9.31	155,729,959	9.11	16.66
Oil and gas properties – net	1,093,013,247	56.01	902,468,908	52.77	21.11
Other assets – net	20,320,983	1.04	21,371,961	1.25	(4.92)
<b>Total</b>	<b>1,951,323,240</b>	<b>100.00</b>	<b>1,710,233,340</b>	<b>100.00</b>	<b>14.10</b>

### Total Assets

Total assets as of year-end 2014 amounted to US\$2,702.45 million, an increase of 6.75% from US\$2,531.68 million as at year-end 2013. The increase was mainly propelled by the rise in current assets primarily other receivables, an increase in non-current assets especially oil and gas assets, despite the decline in the amounts of cash and cash-equivalent, trade receivables, investment available for sale.

### Cash and Cash Equivalent

This account consists of Cash in Bank amounting to US\$147.38 million and Cash Equivalents in the form of Time Deposits that are not restricted in their use amounting to US\$59.09 million. The

composition of Cash in Bank is 7.47% denominated in Indonesian Rupiah and 92.33% denominated in US\$, with the remaining 0.20% denominated in other currencies. The Cash Equivalents held by the Group was in the form of time deposits that were placed in several domestic and international banks, of which 92.11% was denominated in US\$ and 7.89% in Rupiah. The average rates of interest on these US Dollar deposits ranged from 0.12% to 3.50%, while those on Rupiah deposits ranged from 4.25% to 11.00%. Cash and Cash Equivalents declined by 21.72% from US\$263.97 million a year ago mainly due to the early repayment of several bank borrowings, from related parties, and other long-term debts amounting to US\$374.52 million, addition of oil & gas properties amounting to US\$142.39 million, addition of exploration and evaluation assets by US\$41.02 million, acquisition of subsidiaries net of cash acquired of US\$126.36 million, payment of interest expense of US\$69.06 million, and cash receipt from the net cash gained from operating activities amounting to US\$163.27 million, and proceeds from bank loans of US\$465.01 million and other long-term debts of US\$80.39 million.

### Composition of Cash and Cash Equivalent

Description	2014	Contribution	2013	Contribution	
	US\$	(%)	US\$	(%)	(%)
Cash on hand	169,079	0.08	44,081	0.02	283.56
Cash in Banks					
Rupiah	11,014,954	5.33	4,934,680	1.87	123.22
US Dollar	136,060,316	65.84	160,613,829	60.84	(15.29)
Other foreign currencies	304,478	0.15	300,355	0.11	1.37
Total bank	147,379,748	71.32	165,848,864	62.84	(11.14)
Cash equivalents					
Time deposits					
Rupiah	4,660,908	2.26	2,420,215	0.92	92.58
US Dollar	54,430,177	26.34	95,660,838	36.24	(43.10)
Total time deposits	59,091,085	28.60	98,081,053	37.16	(39.75)
<b>Total cash and cash equivalent</b>	<b>206,639,912</b>	<b>100.00</b>	<b>263,973,998</b>	<b>100.00</b>	<b>(21.72)</b>

### Restricted Cash in Banks

In 2014, the Group's Restricted Cash in Banks - Current decreased by 100.00%, amounting to US\$5.59 million. The decrease was due to the termination of a cross currency swap transaction between the Group and the Bank. Whereas for the Restricted Cash in Banks-Non Current, it increased by 19.03% or by US\$1.49 million.

### Short-Term Investments

In 2014, the Group placed an investment on the financial asset of bonds. The asset was recognised as marketable securities and assets under management by an investment manager. Total marketable securities increased by 3.59% to US\$3.37 million by year-end 2014 from US\$3.25 million as at year-end 2013. Investment in the form of assets under the management of an investment manager comprised of equities of listed companies, fixed-income securities/bonds, money market and other financial instruments. Managed Funds increased by 6.03% to US\$265.26 million by year-end 2014 from US\$250.19 million at year-end 2013.

### Short-term Investments

Description	2014	Contribution	2013	Contribution	
	US\$	(%)	US\$	(%)	(%)
Marketable securities – for trading					
Rupiah					
Mutual fund units	3,129,622	1.17	2,926,250	1.15	6.95
Bonds	237,540	0.09	324,258	0.13	(26.74)
United States Dollar		—			
Managed funds	265,261,141	98.74	250,186,644	98.72	6.03
<b>Total</b>	<b>268,628,303</b>	<b>100.00</b>	<b>253,437,152</b>	<b>100.00</b>	<b>5.99</b>



### Trade Receivables – Net

Trade Receivables - Net in 2014 declined by 29.26% to US\$101.59 million, from US\$143.63 million in 2013, pulled down by the decline in receivables from related parties by 34.45% and decrease in receivables from third parties by 28.48%. The composition of trade receivables net in 2014 was 12.25% receivables from related parties and 87.75% receivables from third parties.

### Property, Plant and Equipments – Net

Property, plant and equipments - net increased by 3.28% to US\$88.51 million in 2014, from US\$85.70 million in 2013, primarily due to an increase in motor vehicles asset and the capitalisation of the maintenance cost of an aircraft.

### Oil and Gas Properties – Net

Oil and gas properties - net increased by 21.11% to US\$1,093.01 million by year-end 2014, from US\$902.47 million as at year-end 2013. The increase resulted primarily from the acquisition of assets in the Tunisia block that was completed in 2014.

### Liabilities

Total Liabilities as of year-end 2014 amounted to US\$1,782.13 million that comprised of 26.25% Current Liabilities and 73.75% Non-current Liabilities. The amount of total Liabilities increased by US\$147.21 million or 9.00% from US\$1,634.92 million as at year-end 2013. This was mainly due to increases in the Group's both current and non-current liabilities.

### Current Liabilities

At year-end 2014, current liabilities declined by 14.07% to US\$467.74 million. The composition of this current liabilities was 19.65% trade payables, 8.80% other payables, 16.43% accrued expenses and other provisions, 5.11% tax payables, 39.27% current maturities of long-term debts. The increase of current liabilities by US\$57.68 million, or 14.07%, was primarily due to the increase in current maturities of long-term debts of US\$102.00 million, an increase in derivative liabilities from hedging of US\$25.34 million, accompanied by the decline in early short-term bank loans of US\$60.00 million and retirement of other payables amounting to US\$9.64 million.

### Short-term Liabilities

<u>Description</u>	<u>2014</u>	<u>Contribution</u>	<u>2013</u>	<u>Contribution</u>	
	<u>US\$</u>	<u>(%)</u>	<u>US\$</u>	<u>(%)</u>	<u>(%)</u>
Short-term bank loans .....	—	0.00	60,000,000	14.63	(100.00)
Trade payables .....	91,904,856	19.65	94,553,106	23.06	(2.80)
Other payables .....	41,152,140	8.80	50,795,338	12.39	(18.98)
Tax payables .....	23,904,636	5.11	25,348,897	6.18	(5.70)
Accrued expenses and other provisions .....	76,854,830	16.43	70,696,891	17.24	8.71
Employee benefits liabilities – current portion .....	651,974	0.14	449,582	0.11	45.02
Current maturities of long-term debts .....	183,696,183	39.27	81,696,617	19.92	124.85
Derivative liabilities .....	35,856,281	7.67	10,520,221	2.57	240.83
Advances from customers – third party .....	4,713,197	1.01	12,599,877	3.07	(62.59)
Liabilities directly associated with non-current assets classified as held for sale .....	9,003,687	1.92	3,393,361	0.83	165.33
<b>Total .....</b>	<b><u>467,737,784</u></b>	<b><u>100.00</u></b>	<b><u>410,053,890</u></b>	<b><u>100.00</u></b>	<b><u>14.07</u></b>

### Non-current Liabilities

The composition of non-current liabilities that amounted to US\$1,314.39 million is comprised of 76.23% long-term debt net of current maturities, 8.66% derivative liabilities from hedging, 8.59% deferred tax liabilities, and 4.75% liabilities incurred from assets abandonment and site restoration obligations and other provisions.

The increase in non-current liabilities by US\$89.52 million, or 7.31%, was primarily due to the increase in long-term bank loans by US\$169.80 million and increase in long-term medium term notes by US\$79.75 million, increase in deferred tax liabilities – net of US\$13.74 million and accompanied by a decline in derivative liabilities from hedging of US\$48.37 million and retirement of long-term debt related parties amounting to US\$130.95 million.

### Long-term Liabilities

Description	2014	Contribution	2013	Contribution	Contribution (%)
	US\$	(%)	US\$	(%)	
Long-term debt – net of current maturities . . . . .	1,002,081,294	76.23	889,993,298	72.66	12.59
Other payables . . . . .	9,121,822	0.69	9,698,707	0.79	(5.95)
Deferred tax liabilities – net . . . . .	112,887,298	8.59	99,150,300	8.09	13.85
Employee benefits liabilities . . . . .	14,148,364	1.08	13,065,752	1.07	8.29
Derivative liabilities . . . . .	113,762,545	8.66	162,135,400	13.24	(29.83)
Asset abandonment and site restoration obligation and other provisions . . . . .	62,389,014	4.75	50,825,708	4.15	22.75
<b>Total . . . . .</b>	<b>1,314,390,337</b>	<b>100.00</b>	<b>1,224,869,165</b>	<b>100.00</b>	<b>7.31</b>

### Equity

Equity increased by 2.63%, or US\$23.56 million, from US\$896.76 million in 2013 to US\$920.32 million in 2014. The increase was mainly derived from an increase in the amount of retained earnings – unappropriated as a result of the Group's net profit in 2014.

### Cash Flow

The Group's cash and cash-equivalents in 2014 declined by 21.72%, or US\$57.33 million. This was primarily due to the investment in the acquisition of the oil and gas block in Tunisia and Papua New Guinea amounting to US\$126.36 million; whereas cash inflows from operating activities amounted to US\$163.27 million and the rest coming from bank loans and the redemption of medium term notes.

#### Cash Flow from Operating Activities

The Group's cash flow from operating activities decreased by 38.30%, or US\$101.34 million, which primarily came from a decrease in the amount of cash receipt from customers due to lower sales revenue from the oil and gas segment, and an increase in the Group's working capital.

#### Cash Flow from Investment Activities

The Group's cash flow that was used for investment activities amounted to US\$313.82 million, which was primarily due to additional investment in shares, and additional oil and gas assets mainly due the Senoro Project and LNG-related Project. In addition, other contributing factors include the additional exploration and evaluation assets, as well as the acquisition of the Tunisia Block.

#### Cash Flow from Financing Activities

The Group's cash flow that was used for financing activities in 2014 resulted in a positive cash flow amounting to US\$93.94 million. In 2014, the Group took out a bank borrowing amounting to US\$465.01 million, and other debts in the form of medium term notes amounting to US\$80.39 million. The proceeds from these borrowings were used to repay the Group's bank loans, Rupiah bonds, investments and payment of loan to a related party.

#### Ability to Repay Debts

In 2014, there was an increase in the amount of short-term bank loans by 201.50%, or US\$122.27 million, compared to those of 2013. The same was true for long-term bank loans which increased by 45.30%, from the additional long-term bank loans in 2014. In addition, the Group also redeemed it Rupiah Bonds amounting to US\$80.77 million that became due in 2014 and repaid loan to a related party amounting to US\$130.95 million.

## Amount of Debts and Repayment Ability

Description	2014	2013	%
	US\$	US\$	
Short-term bank loans	—	60,000,000	(100.00)
Current maturities of long-term debt			
Bank loans	183,696,183	928,203	197.97
Rupiah bonds	—	80,768,414	(100.00)
Total short-term and current maturities of long-term debt (A)	183,696,183	141,696,617	29.64
Long-term debt – net of current maturities			
Bank loans	544,669,226	374,867,214	45.30
Related party	—	130,947,913	(100.00)
Rupiah bonds	280,253,368	285,711,915	(1.91)
US Dollar bonds	97,406,084	98,466,256	(1.08)
Medium term notes (MTN)	79,752,616	—	100.00
Total long-term debt – net of current maturities (B)	1,002,081,294	889,993,298	12.59
Total Debt (A+B)	1,185,777,477	1,031,689,915	14.94

## Collectability of Receivables

The Group's total current receivables as of year-end 2014 decreased by 2.59%, or US\$5.69 million, whereas non-current receivables increased by 11.46%, or US\$16.52 million, in which the largest contributor was receivables from the on-going development of the DSLNG project.

## Capital Structure

As of year-end 2014 the Group's capital structure is as follows:

### Capital Structure

Description	2014	Contribution (%)	2013	Contribution (%)	(%)
	US\$		US\$		
Total debt	1,185,777,477	56.30	1,031,689,915	53.50	14.94
Total short-term and current maturities of long-term debt	183,696,183	8.72	141,696,617	7.35	29.64
Total long-term debt – net of current maturities	1,002,081,294	47.58	889,993,298	46.15	12.59
Total equity	920,318,758	43.70	896,756,415	46.50	2.63
Equity attributable to equity holder of the parent company	910,768,062	43.25	885,208,795	45.90	2.89
Equity attributable to non-controlling interest	9,550,696	0.45	11,547,620	0.60	(17.29)
<b>Total capital invested</b>	<b>2,106,096,235</b>	<b>100.00</b>	<b>1,928,446,330</b>	<b>100.00</b>	<b>9.21</b>

The above capital structure shows a debt-to-equity ratio that increased by 12.17% from 1.15 to 1.29. The increase was primarily due to syndicated loan for Senoro Project and the issuance of the Group's medium term notes in 2014.

## Liquidity

As of year-end 2014, the Group had sound liquidity strength. Current ratio declined slightly from 2.00 in 2013 to 1.61 in 2014, primarily due to the decline in the balance of cash and cash-equivalent and the increase in the portion of long-term bank loan this will be due within a year from 31 December 2014.

## Management Policy on Capital Structure

The Group has set a policy on its capital structure by maintaining debt-to-equity ratio (not to exceed) the financial covenant over debt instruments or liabilities of (and not to exceed) 3.00x. Out of the Group's liabilities, a total of US\$1,185,777,477 represents interest-bearing liabilities, such that the ratio of total debt to total equity as of 31 December 2014 was 1.30x, or still below Group's capacity and flexibility to serve its debts in a timely manner.

**Material Commitments to Capital Expenditure**

There were no material commitments to capital expenditure as of the date of the Group's financial statements.

**Material Increase/Decrease of Sales and Net Income**

Discussions on the increase or decrease in a material way of sales and net income are presented in analysis on Sales and Revenues of this Section.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.*

The Notes are constituted by a Trust Deed (as amended, restated or supplemented from time to time, the "**Trust Deed**") dated 13 April 2015 made between (1) Medco Energi Global Pte. Ltd., as issuer (the "**Issuer**"), (2) PT Medco Energi Internasional Tbk, as guarantor (the "**Guarantor**"), and (3) The Bank of New York Mellon, Singapore Branch (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended, restated or supplemented from time to time, the "**Deed of Covenant**") dated 13 April 2015 executed by the Issuer, relating to Notes ("**CDP Notes**") cleared or to be cleared through the CDP System (as defined in the Trust Deed). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an Agency Agreement (as amended, restated or supplemented from time to time, the "**Agency Agreement**") dated 13 April 2015 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) The Bank of New York Mellon, Singapore Branch, as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**"), transfer agent in respect of CDP Notes (in such capacity, the "**CDP Transfer Agent**") and registrar in respect of CDP Notes (in such capacity, the "**CDP Registrar**"), (4) The Bank of New York Mellon, London Branch, as issuing and paying agent, paying agent in respect of Notes cleared or to be cleared through a clearing system other than the CDP System ("**Non-CDP Notes**") (in such capacity, the "**Non-CDP Paying Agent**" and, together with the Issuing and Paying Agent and any other paying agents that may be appointed, the "**Paying Agents**") and calculation agent (in such capacity, the "**Calculation Agent**"), (5) The Bank of New York Mellon (Luxembourg) S.A., as transfer agent in respect of Non-CDP Notes (in such capacity, the "**Non-CDP Transfer Agent**" and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the "**Transfer Agents**") and registrar in respect of Non-CDP Notes (in such capacity, the "**Non-CDP Registrar**" and, together with the CDP Registrar, the "**Registrars**"), and (6) the Trustee, as trustee for the Noteholders. The Noteholders and the holders (the "**Couponholders**") of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Issuing and Paying Agent shall, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Paying Agent, (b) the Registrar shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Registrar and (c) the Transfer Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Transfer Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Paying Agents for the time being.

## 1. Form, Denomination and Title

### (a) Form and Denomination

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the “**Notes**”) are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case in the Denomination Amount shown hereon.
- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).
- (iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.
- (iv) Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

### (b) Title

- (i) Title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Notes is represented by a Global Note (as defined below) or, as the case may be, a Global Certificate (as defined below), and such Global Note or Global Certificate is held by a common depository for Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) and/or The Central Depository (Pte) Limited (the “**Depository**”), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Note or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Guarantor, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note or, as the case may be, the Global Certificate (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by the Global Note or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.
- (iv) In these Conditions, “**Global Note**” means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, “**Global Certificate**” means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in

whose name a Registered Note is registered (as the case may be), “**Series**” means a Tranche, together with any further Tranche or Tranches, which are (1) expressed to be consolidated and forming a single series and (2) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest “**Tranche**” means Notes which are identical in all respects (including as to listing).

- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

## 2. No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes:** In the case of an exercise of the Issuer’s or Noteholders’ option in respect of, or a partial redemption or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day (other than a Saturday or Sunday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of

the Issuer, the Guarantor, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of tax or charges.

- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

### **3. Status and Guarantee**

#### **(a) Status**

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4(a) below) unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

#### **(b) Guarantee**

The payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee (as defined in the Trust Deed) are contained in the Trust Deed. The payment obligations of the Guarantor under the Guarantee and the Trust Deed constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall at all times rank *pari passu* with all other unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

### **4. Covenants**

#### **(a) Negative Pledge**

Each of the Issuer and Guarantor have covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its subsidiaries (as defined in the Trust Deed) will, create or have outstanding any security over the whole or any part of its undertakings, assets, property or revenues, present or future, save for:

- (i) any security or rights of set-off arising in the ordinary course of business or by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (1) has been due for less than 21 days or (2) is being contested in good faith and by appropriate means;
- (ii) any security existing as at the date of the Trust Deed over any of their respective assets and disclosed in writing to the Trustee on or prior to the date of the Trust Deed, and any security to be created over such assets in connection with the extension or refinancing of the indebtedness secured by such assets provided that, in each case, the amount secured (which in respect of a credit facility, shall be the full facility limit of the credit facility and not the amount outstanding at such time) shall not be increased without the consent of the Noteholders by way of Extraordinary Resolution;
- (iii) any security over any assets acquired, constructed and/or developed by it after the date of the Trust Deed created in connection with the financing or refinancing of the acquisition (including the acquisition of a company or entity owning (whether directly or indirectly) such assets), construction or development of such assets (including acquisition financing, project financing or reserves based lending), in each case, securing a principal amount not exceeding the cost of the acquisition, construction or development;
- (iv) any existing security over or affecting any asset acquired by any member of the Group after the date of the Trust Deed provided that (1) the security was not created in contemplation of the acquisition of that asset by such member of the Group; and (2) the principal amount secured has not been increased in contemplation of, or since the acquisition of that asset by such member of the Group;
- (v) any security created in favour of any bank or financial institution in connection with the issue of performance guarantees, performance bonds or letters of credit granted by such bank or financial institution in the ordinary course of business;



- (vi) any security arising as a result of legal proceedings discharged within 21 days or otherwise contested in good faith (and not otherwise constituting an Event of Default) and in respect of which adequate reserves are being maintained;
- (vii) any security over cash paid into an escrow or similar account in connection with a disposal that does not fall within the circumstances referred to in Clause 16.28 of the Trust Deed; and
- (viii) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

**(b) Financial Covenants**

The Guarantor has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:

- (i) the ratio of Consolidated Total Debt to Consolidated Tangible Net Worth of the Group (as defined in the Trust Deed) shall not exceed 3.0:1;
- (ii) the ratio of Consolidated Secured Debt to Consolidated Total Assets shall not at any time exceed 0.25:1; and
- (iii) the ratio of Consolidated EBITDA to Consolidated Net Interest Expense of the Group shall not be less than 1.0:1.

For the purposes of these Conditions:

- (1) **“Borrowings”** means any indebtedness incurred with respect to loans payable under bank facilities, investment loan facilities, finance leases, convertible securities, debt and other debt instruments and excludes any liabilities incurred in the normal course of business such as trade liabilities, tax liabilities and dividend payables;
- (2) **“Consolidated EBITDA”** means, for any Relevant Period, Consolidated Gross Profit less selling and general administrative expenses for that Relevant Period and adding back any amount attributable to depreciation, amortisation, and depletion of assets;
- (3) **“Consolidated Gross Profit”** means, for any Relevant Period, total consolidated revenue less total consolidated cost of sales and other direct costs;
- (4) **“Consolidated Liabilities”** means, at any particular time, the consolidated book values of all the liabilities of the Group, determined as liabilities in accordance with accounting standards, principles, and practices generally accepted in Indonesia;
- (5) **“Consolidated Net Interest Expense”** means, for any Relevant Period, the aggregate amount of interest, commission, fees, discounts, prepayment penalties or premiums and other finance payments in respect of Borrowings whether accrued, paid or payable and whether or not capitalised by any member of the Group in respect of that Relevant Period:
  - (A) excluding interest income;
  - (B) excluding any such obligations owed to any member of the Group;
  - (C) including the interest element of leasing and hire purchase payments;
  - (D) including any amounts paid, payable or accrued by any member of the Group to counterparties under any interest rate hedging instrument; and
  - (E) deducting any interest paid, payable to or accrued to the benefit of any member of the Group on any deposit or bank account;
- (6) **“Consolidated Secured Debt”** means at any particular time, the portion of Consolidated Total Debt encumbered by any security interest over any asset of the Group;
- (7) **“Consolidated Tangible Net Worth”** means Consolidated Total Assets minus Consolidated Liabilities and minus Non-Controlling Interests;
- (8) **“Consolidated Total Assets”** means, at any particular time, the consolidated amount of the book values of all the assets of the Group, determined as assets in accordance with accounting standards, principles and practices generally accepted in Indonesia;
- (9) **“Consolidated Total Debt”** means, at any time, the aggregate of all interest bearing debt which will be treated as a liability of the Group in accordance with accounting standards, principles and practices generally accepted in Indonesia;

- (10) **“Non-Controlling Interests”** means the portion of equity ownership in a subsidiary not attributable to the total consolidated tangible net worth; and
- (11) **“Relevant Period”** means (A) each period of 12 months ending on the last day of the Guarantor’s financial year; (B) each period of nine months ending on the last day of the Guarantor’s nine months financial period; (C) each period of six months ending on the last day of the Guarantor’s six months financial period; and (D) each period of three months ending on the last day of the Guarantor’s three months financial period.

**(c) Non-Disposal Covenant**

The Guarantor has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 16.28 of the Trust Deed, is substantial in relation to its assets, or those of itself and its subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) is likely to have a material adverse effect on it.

The following disposals shall not be taken into account under Clause 16.28 of the Trust Deed:

- (i) any disposal (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) undertaken in the same financial year not exceeding more than ten per cent. of the Guarantor’s total assets as stated in the Guarantor’s latest annual audited financial statements; provided that such transaction(s), when aggregated with all other transactions required to be taken into account under Clause 16.28 of the Trust Deed does not exceed 25 per cent. of the Guarantor’s total assets as stated in the Guarantor’s latest annual audited financial statements;
- (ii) any disposal on normal commercial terms, provided that the proceeds from such disposal shall be (1) reinvested within 365 days from the date of such disposal in the business or operations of the Group or any member of the Group or (2) used to repay the indebtedness of the Group or any member of the Group provided that (A) such indebtedness is not subordinated to the obligations under the Notes or the Issue Documents and (B) such repayment would not have a material adverse effect on the Issuer or the Guarantor’s ability to perform its obligations under the Notes;
- (iii) any disposal or sale of non-productive fixed assets which are obsolete, in excess or no longer required for the purposes of its business, provided that such disposal or sale does not materially prejudice the business operation of the Guarantor or such subsidiary;
- (iv) any disposal or transfer of its assets conducted specifically for the purpose of asset securitisation, provided that such cumulative assets to be transferred and/or required to be taken into account under Clause 16.28 of the Trust Deed in respect of each series of Notes, shall not be more than five per cent. of the Guarantor’s total equity as stated in the Guarantor’s latest annual audited financial statements;
- (v) any transfer of assets by the Guarantor or any subsidiary to the Guarantor or any other subsidiary provided that such transfer would not have a material adverse effect on the Guarantor; and
- (vi) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

**(d) No Change of Business**

The Guarantor has undertaken to the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, the Permitted Businesses shall remain the core business of the Group. For the purposes of these Conditions, **“Permitted Businesses”** means the businesses in which the Group is engaged as at the date of the Trust Deed, together with any other business activities ancillary or reasonably related thereto.

**(e) Dividend Restriction**

The Guarantor has undertaken to the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not pay any dividend, whether in cash or in specie or make any other

distribution to its shareholders out of current or previous years' consolidated net profits or otherwise (1) while any interest or principal on any of the Notes is overdue and unpaid, (2) if an Event of Default occurs and has not been waived or (3) if such payment or distribution, when aggregated with all other payments and distributions paid in that financial year, may cause the dividend pay-out ratio to exceed 50 per cent.

**(f) No Merger, Amalgamation, Consolidation or Acquisition**

The Guarantor has undertaken to the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not without the prior consent of the Noteholders by way of an Extraordinary Resolution (i) merge, amalgamate or otherwise consolidate with other company(ies) which may cause dissolution or a material adverse effect on it or (ii) acquire companies where such acquisition is likely to have a material adverse effect on it, except, in each case, as required by prevailing laws and regulations or decisions of any court, government or governmental authority, or save as permitted by, and in accordance with, Clause 16.28 of the Trust Deed.

**(g) No reduction of capital**

The Guarantor has undertaken to the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not reduce its authorised capital, issued capital or paid up capital.

**(h) No Third Party Loan or Corporate Guarantee**

The Guarantor has undertaken to the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not provide any loan or corporate guarantee to any third party, except for:

- (i) any loan or corporate guarantee existing at the date of the Trust Deed;
- (ii) any loan or corporate guarantee to an employee or to an employee's co-operative or foundation for the sole purpose of the improvement of such employee's welfare or the development of small enterprise or co-operative in line with the policies of the Indonesian Government;
- (iii) any loan or corporate guarantee for the benefit of its subsidiaries;
- (iv) any loan or corporate guarantee for the benefit of an affiliated company, provided that (1) such loan or corporate guarantee is granted on arm's length basis and on normal commercial terms, and the value of such loan or corporate guarantee is not more than 10 per cent. of the Guarantor's equity as stated in the most recent audited consolidated financial statements of the Guarantor and (2) (in the case of any loan or corporate guarantee granted in connection with the Senoro Project and/or the Sarulla Project) such loan or corporate guarantee shall not be more than US\$300,000,000 and shall be valid up to the project completion date;
- (v) any loan or corporate guarantee granted in the ordinary course of business and on normal commercial terms; and
- (vi) the Guarantee.

**5. Interest and Other Calculations**

**(I) Interest on Fixed Rate Notes**

**(a) Interest Rate and Accrual**

Each Fixed Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) to the Relevant Date (as defined in Condition 8).

**(b) Calculations**

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note. The amount of interest payable per Calculation Amount for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

For the purposes of these Conditions, "**Fixed Rate Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**(II) Interest on Floating Rate Notes or Variable Rate Notes**

**(a) Interest Payment Dates**

Each Floating Rate Note or Variable Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) to the Relevant Date.

**(b) Rate of Interest – Floating Rate Notes**

- (i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The “Spread” is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the “**Rate of Interest**”.

- (ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any);
- (B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed “SGD SIBOR” (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;
- (C) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and
- (D) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

- (2) in the case of Floating Rate Notes which are Swap Rate Notes:
- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption “SGD SOR rates as of 11:00 hrs London Time” and under the column headed “SGD SOR” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);
  - (B) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select; and
  - (C) if on any Interest Determination Date the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and
- (3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:
- (A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page, subject as provided below, the Rate of Interest in respect of such Interest Period shall be:
    - (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
    - (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,and as adjusted by the Spread (if any);
  - (B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at

the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

- (iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.
- (iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

**(c) Rate of Interest – Variable Rate Notes**

- (i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Agreed Yield**” and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Rate of Interest**”.
- (ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:
  - (1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
    - (A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
    - (B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and
    - (C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an “**Agreed Rate**”) and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
  - (2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.
- (iii) The Issuer has undertaken to the Issuing and Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed

Rate in respect of any Variable Rate Note is determined, but not later than 10.30 a.m. (Singapore time) on the next following business day:

- (1) notify or cause the Relevant Dealer to notify the Guarantor, the Issuing and Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
  - (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.
- (iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the “**Fall Back Rate**”) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The “Spread” is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 5(II)(b)(ii) above (*mutatis mutandis*) and references therein to “**Rate of Interest**” shall mean “**Fall Back Rate**”.

- (v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.
- (vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

**(d) Minimum Rate of Interest**

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then in the event that the Rate of Interest in respect of such Interest Period otherwise determined in accordance with these Conditions is less than such specified Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such specified Minimum Rate of Interest.

**(e) Definitions**

As used in these Conditions:

“**Benchmark**” means the rate specified as such in the applicable Pricing Supplement;

“**business day**” means, in respect of each Note, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent’s specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets



are open for general business in Singapore and Indonesia, (2) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (3) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, Indonesia and the principal financial centre for that currency;

**“Calculation Amount”** means the amount specified as such on the face of any Note or, if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

**“Day Count Fraction”** means, in respect of the calculation of an amount of interest in accordance with Condition 5:

- (i) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360; and
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365;

**“Euro”** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

**“Interest Determination Date”** means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

**“Primary Source”** means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service (“**Reuters**”)) agreed to by the Calculation Agent;

**“Reference Banks”** means the institutions specified as such in the applicable Pricing Supplement or any institution selected by the Issuer or, as the case may be, the Calculation Agent to replace a Reference Bank in accordance with Condition 5(v)(d) or, if none, three major banks selected by the Calculation Agent in the interbank market that is most closely connected with the Benchmark;

**“Relevant Currency”** means the currency in which the Notes are denominated;

**“Relevant Dealer”** means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

**“Relevant Financial Centre”** means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

**“Relevant Rate”** means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

**“Relevant Time”** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

**“Screen Page”** means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

### **(III) Interest on Hybrid Notes**

#### **(a) Interest Rate and Accrual**

Each Hybrid Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

#### **(b) Fixed Rate Period**

- (i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its outstanding principal amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.
- (ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to the Relevant Date.
- (iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

#### **(c) Floating Rate Period**

- (i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its outstanding principal amount from the first day of the Floating Rate

Period, and such interest will be payable in arrear on each interest payment date (“**Interest Payment Date**”). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the “**Specified Number of Months**”) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

- (ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an “**Interest Period**”.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) and the Agency Agreement to the Relevant Date.
- (iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

#### **(IV) Zero Coupon Notes**

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(i)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(i)).

#### **(V) Calculations**

##### **(a) Determination of Rate of Interest and Calculation of Interest Amounts**

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the “**Interest Amounts**”) in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties, including the Noteholders.

**(b) Notification**

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee, the Issuer and the Guarantor as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Issuing and Paying Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as practicable after the Calculation Agent's determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

**(c) Determination or Calculation by the Trustee**

If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition, with any necessary consequential amendments, to the extent that, in its sole opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall in its sole opinion deem fair and reasonable in all the circumstances.

**(d) Calculation Agent and Reference Banks**

The Issuer will use best endeavours to ensure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, it will procure that there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer or, as the case may be, the Calculation Agent will select another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

**6. Redemption and Purchase**

**(a) Final Redemption**

Unless previously redeemed or purchased and cancelled as provided below, each Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

**(b) Purchase at the Option of Issuer**

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

**(c) Purchase at the Option of Noteholders**

If so provided hereon, each Noteholder shall have the option to have all or any of his Variable Rate Notes, Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

**(d) Redemption at the Option of the Issuer**

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

**(e) Redemption at the Option of Noteholders**

(i) If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (ii) If so provided hereon, for any reason, a Change of Control Event occurs, the Issuer will, within seven days of such occurrence, give notice to the Noteholders of the occurrence of such event (the **“Change of Control Notice”**) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option) and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to the date fixed for redemption, on the date falling 60 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from any Paying Agent, the Registrar, any Transfer Agent or the Issuer (as applicable), no later than 45 days from the date of the Change of Control Notice. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 6(e)(ii):

- (1) **“Change of Control Event”** occurs when any other person (either individually or together with parties acting in concert) becomes the legal or beneficial owner, directly or indirectly, of a larger percentage of the voting rights of the issued share capital of the Guarantor than the Panigoro Family Members (together with any other parties acting in concert with the Panigoro Family Members); and
- (2) **“Panigoro Family Members”** means Hilmi Panigoro, his spouse, siblings and close family members, including their spouses, children aged 18 and above and such child’s spouse, sibling and such sibling’s spouse and spouse’s sibling.

**(f) Redemption for Taxation Reasons**

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(i) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore (in the case of the Issuer) or Indonesia (in the case of the Guarantor) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(f), the Issuer shall deliver to the Trustee and the Issuing and Paying Agent:

- (i) a certificate signed by a director or a duly authorised officer of the Issuer or, as the case may be, the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (ii) an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

**(g) Redemption upon Cessation or Suspension of Trading of Shares**

In the event that (i) the shares of the Guarantor cease to be traded on the IDX (as defined in the Trust Deed) or (ii) trading in the shares of the Guarantor on the IDX is suspended for a continuous

period of more than seven trading days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on the date falling 60 days after the Effective Date. The Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Issuing and Paying Agent and the Noteholders of the occurrence of the event specified in this paragraph (g) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with an Exercise Notice in the form obtainable from the Issuing and Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent or the Issuer (as applicable), no later than 21 days after the Effective Date. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

In this Condition 6(g):

- (1) “**Effective Date**” means (where the shares of the Guarantor cease to be traded on the IDX) the date of cessation of trading or (where trading in the shares of the Guarantor on the IDX is suspended for a continuous period of more than seven trading days) the trading day immediately following the expiry of such continuous period of seven trading days; and
- (2) “**trading day**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which the IDX is open for securities trading.

#### (h) Purchases

The Issuer, the Guarantor and/or any of their respective related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Notes so purchased, while held by or on behalf of the Issuer, the Guarantor or any of their respective related corporations shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

Notes purchased by the Issuer, the Guarantor and/or any of their respective related corporations may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer, the Guarantor or, as the case may be, the relevant related corporation be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

#### (i) Early Redemption of Zero Coupon Notes

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is

not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with **this** sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

**(j) Cancellation**

All Notes purchased by or on behalf of the Issuer, the Guarantor and/or any of their respective related corporations may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

**7. Payments**

**(a) Principal and Interest in respect of Bearer Notes**

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

**(b) Principal and Interest in respect of Registered Notes**

- (i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

**(c) Payments subject to Law etc.**

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

**(d) Appointment of Agents**

The Issuing and Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar



initially appointed by the Issuer and the Guarantor and their specified offices are listed below. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, any other Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents and Calculation Agents; provided that they will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore and (in the case of Non-CDP Notes) a Non-CDP Paying Agent, as the case may be, (ii) a Transfer Agent in relation to Registered Notes, (iii) a Registrar in relation to Registered Notes and (iv) a Calculation Agent where the Conditions so require.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 16.

The Agency Agreement may be amended at any time by the Issuer, the Guarantor, the Issuing and Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of any holder, for the purpose of curing any ambiguity of correcting a manifest error or of curing, correcting or supplementing any defective provision contained therein or to comply with mandatory provisions of Singapore law or in any manner which the Issuer, the Guarantor, the Issuing and Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Guarantor, the Issuing and Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, materially prejudice the interests of the holders of the Notes or the Coupons.

**(e) Unmatured Coupons and Unexchanged Talons**

- (i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unexpired Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unexpired Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

**(f) Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered

at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

**(g) Non-business Days**

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

**(h) Default Interest**

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

**8. Taxation**

All payments in respect of the Notes and the Coupons by the Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore (in the case of the Issuer) or Indonesia (in the case of the Guarantor) or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore or, as the case may be, Indonesia otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore or, as the case may be, Indonesia); or
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

Notwithstanding any other provision of these Conditions, if the Issuer, the Guarantor, or any other person through whom payments on the Notes or Coupons are made, is required make any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto, the Issuer, the Guarantor or that other person shall be permitted to make such withholding or deduction, and Noteholders and/or Couponholders and

beneficial owners of Notes and/or Coupons will not be entitled to receive any gross up, additional amount or other amount for such withholding or deduction.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**interest**” and/or “**Early Redemption Amounts**” shall be deemed to include any additional amounts which may be payable under these Conditions.

## 9. Prescription

Claims against the Issuer or, as the case may be, the Guarantor for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate Relevant Date for payment.

## 10. Events of Default

If any of the following events (“**Events of Default**”) occurs the Trustee at its discretion may (but is not obliged to), and if so requested in writing by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, give notice in writing to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

- (a) the Issuer or the Guarantor does not pay any sum in respect of principal or premium payable by it under any of the Notes when due or the Issuer or the Guarantor does not pay any sum in respect of interest or other amounts payable by it under any of the Notes and such default continues for a period of three business days after the due date;
- (b) the Issuer or the Guarantor does not perform or comply with any one or more of their respective obligations (other than the payment obligation of the Issuer or the Guarantor referred to in paragraph (a)) under any of the Issue Documents or any of the Notes and, if such default is capable of remedy, it is not remedied within 21 days of the earlier of the Issuer becoming aware of the failure to perform or to comply or the Trustee having given written notice to the Issuer or the Guarantor of the failure to perform or comply and requiring the same to be remedied;
- (c) any representation, warranty or statement by the Issuer or the Guarantor in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and, if the event or circumstance resulting in such non-compliance or incorrectness is capable of remedy, it is not remedied within 21 days of the earlier of the Issuer becoming aware of the non-compliance or incorrectness or the Trustee having given written notice to the Issuer or the Guarantor of the non-compliance or incorrectness and requiring the same to be remedied;
- (d) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect;
- (e)
  - (i) any other indebtedness of the Issuer, the Guarantor or any of the Principal Subsidiaries of the Guarantor in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due; or
  - (ii) the Issuer, the Guarantor or any of the Principal Subsidiaries fails to pay when due any guarantee of indebtedness for borrowed moneys,

provided however that no Event of Default will occur under this paragraph (e)(i) or (e)(ii) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned in this paragraph (e)(i) or (e)(ii) has or have occurred equals or exceeds US\$20,000,000 or its equivalent in any other currency(ies);

- (f) the Issuer, the Guarantor or any of the Principal Subsidiaries (i) is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or all of a particular type of) its indebtedness, (ii) (by reason of actual or anticipated financial difficulty) begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or a material part of (or all of a particular type of) its indebtedness, (iii) proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or (iv) a moratorium is agreed or declared in respect of or affecting all or a material part of (or all of a particular type of) the indebtedness of the Issuer, the Guarantor or any of the Principal Subsidiaries;
- (g) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the property, assets or revenues of the Issuer, the Guarantor or any of the Principal Subsidiaries and is not discharged or stayed within 21 days;
- (h) any security on or over the whole or a material part of the property or assets of the Issuer, the Guarantor or any of the Principal Subsidiaries becomes enforceable or any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person);
- (i) a meeting is convened, a petition or originating summons is presented an order is made, an effective resolution is passed or any similar legal process is taken by any person for the winding-up or dissolution of the Issuer, the Guarantor or any of the Principal Subsidiaries (except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Noteholders by way of Extraordinary Resolution) or for the appointment of a liquidator (including a provisional liquidator), receiver, manager, judicial manager, trustee, administrator, agent or similar officer of the Issuer, the Guarantor or any of the Principal Subsidiaries or over the whole or a material part of the property or assets of the Issuer, the Guarantor or any of the Principal Subsidiaries;
- (j) the Issuer, the Guarantor or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or any material part of its business (save in connection with a disposal which does not breach the provisions of Clause 16.28 of the Trust Deed);
- (k) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the Issuer, the Guarantor or any of the Principal Subsidiaries;
- (l) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 15.3 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable) and if such default is capable of remedy, it is not remedied within 21 days of the earlier of the Issuer becoming aware of the failure to perform or to comply or the Trustee having given written notice to the Issuer or the Guarantor of the failure to perform or comply and requiring the same to be remedied;
- (m) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of their respective obligations under any of the Issue Documents or any of the Notes;
- (n) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer or the Guarantor not) to be the legal and valid obligations of the Issuer or the Guarantor, binding upon it in accordance with its terms;
- (o) any litigation, arbitration or administrative proceeding (other than those of a frivolous or vexatious nature and discharged within 21 days of their commencement) against the Issuer, the Guarantor or any of the Principal Subsidiaries is current or pending (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer or the Guarantor under any of the Issue Documents or any of the Notes or (ii) which has or could have a material adverse effect on the Issuer or the Guarantor;

- (p) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (f), (g), (h), (i) or (k);
- (q) the Issuer, the Guarantor or any of the Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore; and
- (r) for any reason the Guarantor ceases to own (directly or indirectly) the whole of the issued share capital for the time being of the Issuer.

In these Conditions, “**Principal Subsidiary**” means any subsidiary of the Guarantor:

- (A) whose total assets (after intercompany eliminations), as shown by the financial statements of such subsidiary (consolidated in the case of a company which itself has subsidiaries), based upon which the latest audited consolidated financial statements of the Group have been prepared, are at least five per cent. of the total assets of the Group as shown by such audited consolidated financial statements; or
- (B) whose total revenue (after intercompany eliminations), as shown by the financial statements of such subsidiary (consolidated in the case of a company which itself has subsidiaries), based upon which the latest audited consolidated financial statements of the Group have been prepared, are at least five per cent. of the total revenue of the Group as shown by such audited consolidated financial statements,

provided that if any such subsidiary (the “**transferor**”) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or the Issuer or to any other person (the “**transferee**”) then:

- (I) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer or it is not a subsidiary of the Issuer) shall thereupon become a Principal Subsidiary; and
- (II) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer or it is not a subsidiary of the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the earlier of:

- (a) the date of issue of the first audited consolidated financial statements of the Group prepared as at a date later than the date of the relevant transfer which show total assets or total revenue (in each case, after intercompany eliminations) as shown by the financial statements of such subsidiary (consolidated (if any) in the case of a company which itself has subsidiaries), based upon which such audited consolidated financial statements have been prepared, to be less than five per cent. of the consolidated total assets or total revenue of the Group, as shown by such audited consolidated financial statements; and
- (b) the date on which the Issuer has delivered to the Trustee (which shall in any event be no earlier than the date on which the relevant transfer is completed) *pro forma* unaudited financial statements of such subsidiary and *pro forma* unaudited consolidated financial statements of the Group, in each case prepared off the latest full year audited financial statements of such subsidiary or the Group (as the case may be) as if the relevant transfer had been completed as of the date to which both such *pro forma* financial statements are prepared and based on reasonable assumptions and estimates, which show total assets or, as the case may be, total revenue (in each case, after intercompany eliminations) of such subsidiary (consolidated (if any) in the case of a company which itself has subsidiaries) to be less than five per cent. of the consolidated total assets or, as the case may be, total revenue of the Group.

A report by the Auditors (as defined in the Trust Deed), who shall also be responsible for reviewing any *pro forma* financial statements required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive.

## 11. Enforcement of Rights

The Trustee may at any time, at its discretion and without further notice, institute such proceedings against the Issuer or the Guarantor as it may think fit to recover any amounts due in respect of the Notes which are unpaid or to enforce any of its rights under the Issue Documents and/or the Notes but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing. The Trustee shall not be deemed to be responsible or liable to any Noteholder or Couponholder or the Issuer for taking or refraining from taking any such steps as set out in this Condition 11.

## 12. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee, the Issuer or the Guarantor at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (h) to modify or cancel the Guarantee, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

### **13. Replacement of Notes, Certificates, Coupons and Talons**

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

### **14. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding notes of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 14 and forming a single series with the Notes. Any further notes forming a single series with the outstanding notes of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

### **15. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer, the Guarantor or any of their respective related corporations without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the Guarantor, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

The Trustee may rely without liability to Noteholders on any report, confirmation or certificate or any advice of any accountants, financial advisers, legal advisers, financial institutions or any other expert, whether or not addressed to it and whether or not their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise.

### **16. Notices**

Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, there may be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require or permit, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Note or a Global Certificate, such notice may be given by any Noteholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given two days from the date of despatch to the Noteholders.

## **17. Contracts (Rights of Third Parties) Act**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

## **18. Governing Law and Jurisdiction**

### **(a) Governing Law**

The Trust Deed, the Notes, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

### **(b) Jurisdiction**

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, any Notes, Coupons or Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, Notes, Coupons, Talons or the Guarantee may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

### **(c) Process Agent**

The Guarantor agrees that services of process in, or any documents which start, any Proceedings (as defined in the Trust Deed) in Singapore may be delivered to Medco Energi Global Pte. Ltd. or to such other person with an address in Singapore or at such other address in Singapore as the Guarantor may specify by notice in writing to the Trustee and the Noteholders. If, for any reason, Medco Energi Global Pte. Ltd. or such other person ceases to be able to accept service of process in Singapore, the Guarantor shall promptly appoint a process agent and notify the Trustee and the Noteholders of such appointment. Without prejudice to the foregoing, the service of any legal process in any Proceedings anywhere may be effected on the Guarantor by forwarding a copy of the relevant documents issued pursuant to or in connection with such Proceedings by hand or by registered post to such process agent and such service shall be deemed to be good and effectual service on the Guarantor, even if any document may be returned by the post office undelivered. Nothing herein shall affect the right of the Trustee and/or the Noteholders to serve process in any other manner permitted by law.

## **19. English to Prevail**

In compliance with Law of the Republic of Indonesia No. 24 of 2009 regarding National Flag, Language, Coat of Arms, and Anthem ("**Indonesian Language Law**"), the parties hereto agree to execute a Bahasa Indonesia version of Trust Deed and the Notes as soon as possible and in any



event within 21 calendar days of the date of the English language version of the Trust Deed and the Notes.

The parties hereto further agree that:

- (i) the Bahasa Indonesia version of the Trust Deed and the Notes will be deemed to be effective from the date of the English language version of the Trust Deed and the Notes;
- (ii) in the event of inconsistency between the Bahasa Indonesia version and the English language version, the English language version shall always prevail and the Bahasa Indonesia text will be deemed to be amended to conform with and to make the relevant Bahasa Indonesia text consistent with the relevant English language text;
- (iii) without limiting the effect of paragraph (ii) above, at the request of the Trustee, the parties hereto shall execute a formal amendment to the Bahasa Indonesia version to make it consistent with the English language version (with effect from the date of execution of the English language version) as soon as possible and in any event within 21 calendar days after such request is made;
- (iv) the cost and expenses in relation to (i) the translation of the English language version into a Bahasa Indonesia version, (ii) the preparation and execution of the Bahasa Indonesia version, and (iii) any amendments of the Bahasa Indonesia version to conform with the English language version as contemplated by this Condition 19 shall be borne by the Issuer or, failing whom, the Guarantor; and
- (v) neither the Trustee nor any of the Agents will be responsible or liable to any party hereto for any inaccuracies arising out of the translation of the English language version into a Bahasa Indonesia version.

Notwithstanding the provisions of the Indonesian Language Law, pending the issuance of the implementing regulation, each of the parties hereto agrees that it shall not and shall not allow or assist any part to, in any manner or forum in any jurisdiction (i) challenge the validity of, or raise or file any objection to the Trust Deed or the Notes or the transactions contemplated in the Trust Deed or the Notes or (ii) defend its non-performance or breach of its obligations under the Trust Deed or the Notes on the basis of any failure to comply with the Indonesian Language Law or any of its implementing regulations.

Each party hereto (i) acknowledges that, with its agreement, the Trust Deed and the Notes have been predominantly negotiated in the English language, (ii) represents that it has read and fully understands the contents and consequences of the Trust Deed and the Notes and (iii) represents that it has made and has entered into the Trust Deed and the Notes freely and without duress.

## 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 Information Memorandum, including the risk factors set out below.*

*The risk factors set out below do not purport to be complete or comprehensive of all the risk factors that may be involved in the business, assets, financial condition, performance or prospects of the Issuer, the Guarantor and their respective subsidiaries or the properties owned by the Group or any decision to purchase, own or dispose of the Notes. Additional risk factors which the Issuer and the Guarantor are currently unaware of may also impair its business, assets, financial condition, performance or prospects. If any of the following risk factors develop into actual events, the business, assets, financial condition, performance or prospects of the Issuer, the Guarantor and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer and the Guarantor to comply with their respective obligations under the Trust Deed and the Notes may be adversely affected. Further, the market price of the Notes could decline, and investors may lose all or part of their investments in the Notes. The investment considerations and risk factors discussed below also include forward-looking statements and the Issuer's, the Guarantor's and the Group's actual results may differ substantially from those discussed in these forward-looking statements. Sub-headings are for convenience only and investment considerations and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.*

### LIMITATIONS OF THIS INFORMATION MEMORANDUM

**This Information Memorandum does not purport to, nor does it, contain all information that a prospective investor in, or existing holder of, the Notes may require in investigating the Issuer, the Guarantor or the Group, prior to making an investment or divestment decision in relation to the Notes issued under the Programme.**

Neither this Information Memorandum nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Notes (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, any of the Arrangers or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Notes.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, the Guarantor, their respective subsidiaries and/or associated companies (if any), any of the Arrangers or any of the Dealers, or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein, or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer, the Guarantor and the Group, the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

### RISKS RELATING TO THE GROUP'S BUSINESS AND OPERATIONS

***The Group is dependent on its ability to develop existing reserves, replace existing reserves and develop additional reserves.***

The Group must continually explore, develop, exploit and discover new hydrocarbon reserves to replace those produced and sold to maintain or grow production at current levels. The Group faces challenges in sustaining production growth due to the maturation and depletion of its oil properties. In particular, oil production from the Rimau PSC, which contributed 21% and 20% of the Group's total

sales and other operating revenues for the years ended 31 December 2013 and 2014, respectively, has declined as the Rimau PSC enters a mature stage of production. The decision to explore or develop a property will depend on geophysical and geological analyses, seismic data and technical and engineering studies as well as commercial analysis. Exploration activities are subject to numerous risks, including the risk that no commercially viable oil or natural gas accumulations would be discovered or dry hole wells. The cost of drilling is also a risk due to technical problems under the subsurface conditions, land clearance, licenses/permits/approval from government. The Group's exploration and production activities may be exposed to non-commercial efforts, not only from dry wells, but from wells with marginal or uneconomic return. In addition, the Group faces substantial competition in the search for acquisition of reserves and/or substantial investment requirement for acquisition. If the Group is unable to discover, develop or acquire additional reserves, the Group would not be able to sustain its production and grow its business, and this would have a material adverse effect on the financial condition and results of operation of the Group.

***The oil and gas reserve and resource estimates depend on various assumptions that may turn out to be inaccurate and material inaccuracies in these reserve and resource estimates or underlying assumptions could materially reduce the estimated quantities and present value of the Group's assets. Some of the data has not been certified by independent consultants and is based solely on the Group's internal analysis.***

This Information Memorandum includes reserve estimates certified by independent petroleum engineering consultants of certain of the Group's reserves and resources. Certain other reserve information contained in this Information Memorandum, is not certified by independent petroleum engineering consultants, but constitutes the Group's estimates which may be based upon (i) certifications of other independent petroleum engineering or other similar consultants for third parties, (ii) estimates of the operators, which are not current and from which production (if any) at the relevant block since the date of such certification has been deducted, or (iii) the Group's own studies and assessments. Because the certified reserves information included in this Information Memorandum may have a date that is more than seven years in the past and the most recently certified reserves information included in this Information Memorandum has a date that is more than three months in the past, it is possible that the reserves information, if certified as of a more recent date, would differ from the certified reserves information and the reserves information that is presented in this Information Memorandum based on management estimates and/or a third party data. Certain reserves information consists of estimates of third parties or the operator of the asset and has not been independently verified by the Group. The oil and gas reserves are inherently an estimate and may prove incorrect over time. The estimation of these oil and gas reserves and resources, and the movement from resources to reserves, also inherently involves a multi-step process and evaluation. It requires interpretations and analysis of available technical data and several estimates are based upon assumptions relating to economic factors, such as oil and gas prices, drilling and operating expenses, the amount and timing of capital expenditures, fiscal and taxes, and the availability of funds. In determining whether resources should be classified as reserves, technical assessment, including exploration and appraisal of drilled wells, independent verification and commercial approval from government or authority are required. However factors such as the need to construct production facilities or drilling of development well are removed. If the assumptions justifying the removal of the above factors result in being inaccurate, the reserves subject to such classification may be incorrectly classified.

Estimating underground accumulations of oil and gas is a subjective process and different expertise may make different estimates of reserves and resources. In order to prepare the estimates, the Group must analyse available geological, geophysical, production and engineering data and make a forecast of production rates and timing of development expenditures and. The extent, quality and reliability of this data can vary and is subject to interpretation, assessment, and certain assumptions. Any deviations from these interpretations or assumptions could materially affect the estimated quantities of oil and gas reported.

The Group's understanding of subsurface conditions is based on its interpretation and evaluation of the technical data available, but due to the inherent uncertainty of such interpretation, the Group may reach incorrect conclusions. The uncertainties inherent in estimating oil and gas resources and reserves are generally greater for areas where there has been limited historic hydrocarbon exploration, such as in the case of contingent, and in particular, prospective resource estimates, which are derived from the interpretation of technical data and, where appropriate, drilling results. Such interpretation and estimates of the amounts of oil and gas resources are subjective and the results of drilling, testing and

production subsequent to the date of any particular estimate may result in substantial revisions to the original interpretation and estimates, including the recoverability and commerciality of the reserves and resources.

Actual quantity of recoverable oil and gas reserves and resources, future production, oil and gas prices, revenues, development expenditures, operating expenses and fiscal terms (such as tax) are likely to vary from its estimates and such variance may be material. Any inaccuracies in these interpretations or estimates could reduce the estimated quantities and present value of the Group's reserves and resources shown in this Information Memorandum, and such reductions could have a material adverse effect on the Group's business, financial condition or prospects.

***The Group may not be able to consummate future acquisitions and certain consequences of acquisitions which it does complete may adversely affect the Group.***

The Group plans to continue to pursue strategic acquisitions that will expand its oil and gas business and its activity in the oil and gas industry generally. The Group may not be able to identify or complete acquisitions or if it does and they are consummated, the Group may not realise any anticipated benefits from such acquisitions. The Group may not be able to obtain acquisition financing and, depending on the terms of acquisitions, any financing could be restricted by the terms of its existing secured senior funding agreement and the indenture governing previously issued notes. For international acquisitions in jurisdictions that the Group does not have operations in, the Group may face new and different regulatory regimes, environmental requirements and other regulations with which it needs to comply. In addition, the Guarantor is required to comply with the covenants under certain of its existing funding agreements which may require written notification to and/or prior consent from the lenders in the event that the Group would like to consummate any acquisitions should such acquisition fall within the criteria for the covenants. The process of integrating acquired operations into the Group's existing operations may result in unforeseen issues and may require financial resources that would otherwise be available for the ongoing development or expansion of the Group's 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 the Group's financial condition and operating results by reducing its net profit or increasing its total liabilities, or both.

***The Group may experience difficulties in expanding into new businesses and non-Indonesian production areas, which may adversely affect the Group.***

The Group has already expanded, and plans to further expand, its operations into new businesses related to its oil and gas exploration and production operations. There can be no assurance that the Group will be successful in operating in such areas or that such activities will not detract the financial and personnel resources from the Group's core business. Furthermore, continuing to engage in such projects will likely have significant capital requirements and might expose the Group to additional risks, such as approvals from regulatory authorities and political, economic and legal risks associated with operating projects in other countries. There can be no assurance that undertaking such future projects would not have a material adverse effect on the Group.

***A majority of the Group's assets and operations is concentrated in two PSC areas, which geographically exposes the Group to risks and hazards in those areas.***

As of 31 December 2014, approximately 10% of the Group's total 2P reserves were located in the Rimau PSC contract area and approximately 14% of the Group's total 2P reserves were located in the South Sumatra PSC area. In the year ended 31 December 2014, approximately 50% of the Group's total oil production came from the Rimau PSC area. The concentration of the Group's reserves in the Rimau PSC area and in the South Sumatra PSC area exposes the Group to an event that could adversely affect the development or production of oil and/or gas in limited geographic areas, such as catastrophic damage to pipelines. Adverse developments with respect to one or more of these contract areas could have a material adverse effect on the Group.

***The development and expansion of the Group's projects under development involves construction and financing risks that could lead to increased expenses and a loss in opportunities.***

As part of its growth strategy, the Group participates in development projects. Such development and expansion 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 the Group experiences any of these or other problems, it may not be able to derive income and cash flows from its projects and investments in a timely manner, in the amounts expected or at all. Furthermore, the projects the Group is developing and in which the Group invests require substantial capital outlay and a long gestation period before the Group will realize any benefits or returns on investments. 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 labour; adverse weather conditions; natural disasters; labour 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. The Group cannot assure you that its projects will be completed on time, within budget or at all, or that their gestation period will not be affected by any or all of these factors. Any of these factors could adversely affect the Group's business, financial condition and results of operations.

***The Group may suffer uninsured losses or experience losses exceeding its insurance limits.***

The Group's 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. Should an uninsured loss or a loss in excess of insured limits occur, the Group may lose the capital invested in and the anticipated revenue from the affected property. The Group could also remain liable for any debt or other financial obligation related to that property. In addition, any payments the Group makes to cover any uninsured loss may have a material adverse effect on its business, financial condition and results of operations. The Group may bear the costs associated with any damage suffered by the Group in respect of these uninsured events.

***The Group's business is capital intensive, and if the Group is unable to obtain financing on terms acceptable to it to fund the substantial capital expenditure it expects to incur, the Group may not be able to implement its development plans.***

The Group requires, and will continue to require, substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves. 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, the Group may be constrained in its ability to secure the capital necessary to undertake or to complete future drilling programmes. The Group's ability to obtain required capital on acceptable terms is subject to a variety of uncertainties, including: limitations on the Group's ability to incur additional debt, including as a result of prospective lenders' evaluations of the Group's creditworthiness and pursuant to restrictions on incurrence of debt in the Group's existing and anticipated credit facilities; whether it is necessary to provide credit support or other assurances from the Group's shareholders on terms and conditions and in amounts that are commercially acceptable to them; limitations on the Group's ability to raise capital in the capital markets and conditions of the various capital markets in which the Group may seek to raise funds; and the Group's 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 the Group's requirements or, if debt or equity financing or loans are available, that it will be on terms acceptable to the Group.

The additional funding the Group may need to raise in order to make its planned capital expenditures which, if met by way of additional debt financing, may place restrictions on the Group which may, among other things:

- increase its vulnerability to general adverse economic and industry conditions;
- require it to dedicate a substantial portion of its cash flow from operations to payments on its debt, thereby reducing the availability of its cash flow to fund capital expenditure, working capital requirements and other general corporate purposes; and/or

- limit its flexibility in planning for, or reacting to, changes in its business and its industry, either through the imposition of restrictive financial or operational covenants or otherwise.

***Increases in interest rates may materially impact the Group's financial condition.***

The Guarantor has entered into certain facility agreements pursuant to which their indebtedness is subject to floating rate interest payments. Under such facility agreements, the Guarantor is exposed to interest rate risk in the future depending on the nature of its financing cash flows. The Group may enter into interest or other hedging contracts or financial arrangements in the future to minimise its exposure to interest rate fluctuations. However, the Group cannot assure you that it will be able to do so on commercially reasonable terms or that any such agreements it enters into will protect it fully against these risks. Any increase in interest expense of the Group's loan servicing obligations may have a material adverse effect on its financial condition.

***The Group relies on infrastructure and equipment provided by third parties.***

As an oil and gas exploration and production group, most of the infrastructure that the Group uses to transport oil and gas to its customers is not owned by the Group. Such infrastructure, which includes pipelines and storage tanks, is leased from third-party providers, and the Group has limited ability to control the quality and availability of this infrastructure. As part of its business, the Group also has to assume some of the risk of damage or loss of the construction services and equipment provided to it by third-party contractors (such as drilling rigs, seismic acquisition vessels, service boats, tankers and floating storage and offloading vessels). The Group's development projects have in the past also required it to commit to long-term lease and other financial arrangements. From time to time, the Group may face interruptions in the function of production and delivery infrastructure due to logistical complications outside its control.

In addition, the Group competes with other oil and gas companies for equipment and human resources such as oil and gas drilling rigs, which are a limited resource given the competitive market in the Indonesian oil and gas sector. The increased demand for such equipment and people has resulted in increases in the prices that the Group may have to pay to secure its access to such equipment and human resources. 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 the Group is unable to obtain the equipment that it needs to carry out its development plans with respect to its production assets, it may have to delay or restructure its development plans, which may have an adverse effect on the Group's ability to commercialise its oil and gas reserves on a timely basis. Further, depending on the complexity of its development projects, the competitive dynamics of the market, and the availability and prices of its contractors and equipment, the Group may have to pay more than it currently anticipates to implement its development plans.

In the event of a disruption or delay in the availability of infrastructure and equipment provided by third parties, the Group would be unable to sell its products until the problem is corrected or until it finds alternative means to deliver its products to its customers. Such alternative means, if available, may result in increased costs to the Group, and could have a material adverse effect on the Group's business, financial condition and results of operations.

***From time to time, the Group may be involved in legal, regulatory and other proceedings arising out of its operations, and may incur substantial costs arising therefrom.***

From time to time the Group is and in the future may continue to be, involved in legal disputes. These disputes may lead to result in substantial costs, delays in its development schedule, and the diversion of resources and management's attention, regardless of the outcome. If the Group were to fail to win these disputes, it may incur substantial losses and face significant liabilities. Further, even if it were to win these disputes, it may incur substantial costs in mounting its defence. The Group may be subject to regulatory action in the course of its operations, which may subject it to administrative proceedings and unfavourable decisions that could result in penalties and/or delayed construction of new logistics facilities. In such cases, the Group's results of operations and cash flow could be materially and adversely affected.

## **RISKS RELATING TO THE GROUP'S INDUSTRY**

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

Future revenues of the Group will be highly dependent upon the prices of, and demand for, oil and natural gas. The Group's profitability is determined in large part by the difference between the prices

received for the oil and natural gas it produces and the costs of exploring for, developing, producing and selling these products. The Group currently sells most of its oil at prices based on the Indonesian Crude Price-Sumatra Light Crude (the “**ICP-SLC**”). Currently, natural gas is sold by the Group under long-term escalated-price contracts and the Group’s revenue from natural gas sales is therefore not subject to as much price volatility as with sales of oil.

There have recently been significant fluctuations in the prices of crude oil. The average monthly ICP-SLC ranged from US\$64/bbl to US\$115/bbl from 31 January 2009 to 31 December 2014 and more recently, the average monthly ICP-SLC dropped from US\$60/bbl in December 2014 to US\$54/bbl in March 2015. The market prices of crude oil are subject to a variety of factors beyond the Group’s 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 Organisation 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, the Group may attempt to maintain the same level of oil production while attempting to reduce its cost of production. In the event that the price of oil falls below the cost of production, the Group may reduce its oil production to a level where it can produce oil economically. These circumstances could lead to further decreases in the Group’s revenues, net income and cash flows. Volatility and any significant decreases in the price of oil and gas could have a material adverse effect on the Group’s financial condition and results of operations.

***Oil and gas operations are subject to significant operating hazards.***

The Group’s 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. While the Group is prepared for, and its personnel are trained to deal with, such emergencies, if the Group is unable to quickly fix the damage resulting from such accidents, the Group’s 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 the Group’s 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. The occurrence of a significant event could have a material adverse effect on the Group.

***We Operate in a Competitive Environment.***

The Indonesian oil and gas industry is highly competitive. Key areas in respect of which the Group faces competition include the acquisition of the exploration and production licence through the bidding process run by governmental authorities and acquisition of other companies that may already own licences or existing oil and gas assets. Many of the Group’s competitors have greater financial and personnel resources available to them than the Group. The size, infrastructure, wide-ranging experience and close relationship with the Government of some state-owned energy companies may provide it with competitive advantages over other oil and gas companies operating in Indonesia, including the Group. The Group’s ability to successfully bid on and enter into new production sharing arrangements, acquire additional property rights, discover reserves, will depend upon its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

***The Group's business operations may be adversely affected by current and future environmental laws and regulations that may expose the Group to significant costs and liabilities.***

The Group's operations are subject to laws, regulations and provisions in concessions relating to the protection of human health and safety and the environment and any failure to comply with such requirements may give rise to significant liabilities. The Group incurs, and expects to continue to incur, substantial costs in order to comply with these laws, regulations and contractual obligations. New laws and regulations, the imposition of tougher requirements in concessions, increasingly strict enforcement of, or new interpretations of, existing laws, regulations and licenses, or the discovery of previously unknown contamination may require further material expenditures to:

- modify operations;
- install pollution control equipment;
- perform site clean-ups;
- curtail or cease certain operations; or
- pay fees or fines or make other payments for pollution, discharges or other breaches of environmental requirements.

In the future, the costs of such measures and liabilities related to environmental damage could also increase. Expenditures and costs relating to compliance with environmental matters could be significant and have a material adverse effect on the Group, its business, financial condition and prospects.

***The Group's 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 visualisation 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. The Group employs 3D seismic technology so as to reduce the uncertainty of its 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, the Group's drilling activities may not be successful or economical, and its overall drilling success rate, or its drilling success rate for activities in a particular area, could decline.

## **RISKS RELATING TO INDONESIA**

The Guarantor is incorporated in Indonesia and most of its commissioners and directors are based in Indonesia. Substantially most of the Group's operations and substantially most of the Group's 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 from taking or adopting, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***Majority of the Group operations are in Indonesia, a country with political, economic, fiscal, legal and regulatory uncertainties that could each have a material adverse effect on its business, financial condition and results of operations.***

The Group's operations in Indonesia are exposed to the political, economic, fiscal, legal and regulatory environment of Indonesia. The Group's business involves a high degree of risk that a combination of experience, knowledge and careful evaluation may not overcome. These risks include, but are not limited to, corruption, civil unrest or labour unrest, armed conflict, terrorism, limitations or price controls on oil and/or gas exports and limitations or the imposition of tariffs or duties on imports of certain goods. The Group's operations exposes it to potential civil unrest and political or currency risk. 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. In particular, previous civil unrest in Indonesia, including clashes between different religious groups, may arise again and pose a threat to the Group's operations and any intensification in the level of civil unrest may have a material adverse effect on the Group's business, results of operations or financial condition.

Exploration and development activities in developing 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 favour 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 happening of any of the foregoing events in Indonesia could have a material adverse effect on the Group's business, results of operations or financial condition. If a dispute arises in connection with the Group's operations, it may be subject to the exclusive jurisdiction of Indonesian courts or arbitration tribunals or may not be successful in subjecting foreign persons, especially foreign oil ministries and national oil companies, to more favourable jurisdictions. Further, the Group may also be adversely affected by increased action by non-governmental organisations opposing to the oil and gas exploration and production industry.

Political and related social developments in Indonesia 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 the Group's business, financial condition, result of operations and prospects and the Issuer's ability to meet its payment obligations under the Notes.

***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, the Group 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 the Group 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 13 November 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 authorised SKK Migas, pursuant to PR 9/2013, to take over the former functions and duties of BP Migas.

Many of the Group’s licenses and approvals, which were originally granted by BP Migas, are now under the jurisdiction of SKK 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 operators to provide at least 25.0% of production to fulfil domestic needs. As the domestic market obligation is implemented on a case-by-case basis, there is no certainty as to the proportion that will be allocated in the event the Group enters into new concessions. Moreover, in Indonesia, regional autonomy is a sensitive political subject. Laws and regulations have changed the regulatory environment by decentralising certain regulatory and other authority from the central Indonesian 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 central Indonesian 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 Indonesian 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 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 specialised equipment used in the offshore oil and gas industry. For the time being, the Indonesian Ministry of Transportation has exempted certain specialised 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 specialised vessels, expensive, and currently not available from Indonesian shipbuilders. However, some of the exemptions (for example, for drag-head/trailing suction hopper dredger, seismic, geophysics and geotechnical survey vessels) expired at the end of December 2014 and some are scheduled to expire at the end of December 2015 (for deep water drill ships). After December 2015, the exemptions will no longer apply and the cabotage principle will be fully applied to all vessels, at which point the Group will be required to use Indonesian-flagged vessels in the Group’s offshore operations unless the exemptions are extended. There can be no assurance that any of the existing exemptions will be extended, or that Indonesian-flagged vessels will be available on terms that the Group finds acceptable, or at all, once the exemptions expire. If the exemptions are not extended, it is likely that the supply of such rigs and vessels for use in the Group’s 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 the Group’s costs of operations and delay exploration and/or development within the Group’s Indonesian contract areas, which could materially and adversely affect its growth, business results of operations, financial condition and prospects.

There can be no assurance that unfavourable interpretation or application of the laws in the jurisdictions in which the Group operates will not adversely affect its 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 the Group's long-term planning efforts and may create uncertainties in the Group's operating environment.

***Indonesian courts have invalidated transactions with structures similar to the Notes and the Guarantee and rendered judgments against lenders and other transaction participants invalidating all obligations under the applicable debt instruments and, in certain cases, awarding damages against defendants in excess of the amounts borrowed.***

In several cases in Indonesian courts, Indonesian companies which had defaulted on notes and other debt incurred through offshore financing entities using structures similar to that of the Notes and the Guarantee have successfully sued creditors and other transaction participants obtaining, among other relief:

- a declaration that the entire debt obligation is null and void;
- disgorgement of prior payments made to noteholders on the notes;
- damages from lenders and other transaction participants in amounts exceeding the original proceeds of the debt issued; and
- injunctions prohibiting noteholders from enforcing their rights under the 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 rules of decision. These courts have in certain instances barred the exercise of any remedies available to the investors anywhere in the world.

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 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 favour 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 which 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'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 International Finance Company B.V. was unlawful as it was intended to avoid Indonesian withholding tax payments.

On 19 August 2008, the Indonesian Supreme Court granted a civil review (*peninjauan kembali*) and annulled the June 2006 Indonesian Supreme Court 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 International Finance Company B.V. 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's 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 BV. 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 courts' decisions and such lower court decisions are now final and not subject to further review.

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. 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 Indonesian Supreme Court decision mentioned above in relation to the validity and enforceability of the Notes and the Guarantee or grant additional relief to the detriment of Noteholders, if the Issuer were to contest efforts made by Noteholders to enforce these obligations.

***Domestic, regional or global economic changes may adversely affect the Group's business.***

The economic crisis which affected Southeast Asia, including Indonesia, from mid-1997 was characterised in Indonesia by, among others, currency depreciation, a significant decline in real gross domestic product, high interest rates, social unrest and extraordinary political developments. More recently, the global economic crisis that began in 2008 resulted in a decrease in Indonesia's rate of growth to 4.4% in 2009 from 6.1% in 2008 and 6.3% in 2007. These conditions had a material adverse effect on Indonesian businesses. Indonesia's economy remains significantly affected by the Asian economic crisis and, more recently, by the global economic crisis that began in 2008. 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 the downgrade of U.S. sovereign debt and concerns over the debt crisis in the Eurozone. Uncertainty over the outcome of the Eurozone governments' financial support programmes and worries about sovereign finances generally are ongoing.

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 Government continues to have a large 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. Government funding requirements to areas affected by the Asian tsunami in December 2004 and other natural disasters, as well as increasing oil prices, may increase the Government's fiscal deficits. The inflation rate (measured by the year on year change in the consumer price index) remains volatile with an annual inflation rate of 7.0% in 2010, 3.8% in 2011 and 4.3% in 2012. 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 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. Although the policy rate set by Bank Indonesia was 5.75% as of 7 March 2013, as compared to a peak of 70.8% in late July 1998 for one-month Bank Indonesia certificates, there can be no assurance that the recent improvement in economic conditions will continue or that the previous adverse economic condition in Indonesia and the rest of the Asia Pacific region will not occur in the future. In particular, a loss of investor confidence in the financial systems of emerging and other markets, or other factors, may cause increased volatility in the international and Indonesian financial markets and inhibit or reverse the growth of the global economy and the Indonesian economy.

In addition, the general lack of available credit and lack of confidence in the financial markets associated with any market downturn could adversely affect the Group's access to capital which in turn could adversely affect the Group's ability to fund its working capital requirements and capital expenditures.

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

***The Group may be subject to changes in taxation.***

The Group's 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 the Group pays could increase substantially as a result of changes in, or new interpretations of, these laws, which could have a material adverse effect on the Group's liquidity and results of operations. During periods of high profitability in the oil and gas industry, there are often calls for increased or windfall taxes on oil and gas revenue. 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 the Group's tax returns leading to additional taxes and penalties which could be material.

Certain recent changes to Indonesian tax laws may adversely affect the Group. The Group has interests in a number of PSCs in Indonesia. On 20 December 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 after 20 December 2010. PSCs entered into before 20 December 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 20 December 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 20 December 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.

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 the Group's business, results of operations, financial condition and prospects.

***Indonesian corporate and other disclosure differ from those in other jurisdictions.***

The Group's financial statements are prepared in accordance with Indonesian FAS, which differ from International Financial Reporting Standards ("IFRS"). As a result, the Group's financial statements and reported earnings could be different from those which would be reported under IFRS. This Information Memorandum does not contain a reconciliation of the Group's financial statements to IFRS, and there can be no assurance that such reconciliation, if performed, would not reveal material differences.

The Guarantor is 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 the Guarantor 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.

***Terrorist attacks in Indonesia and certain destabilizing events in Southeast Asia have led to substantial and continuing economic and social volatility, which may materially and adversely affect the Group's business.***

In Indonesia during the last 10 years, there have been various bombings directed towards the government, foreign governments and public and commercial buildings frequented by foreigners, including the Jakarta Stock Exchange Building. In 2002, over 200 people were killed in a bombing at a tourist area in Bali. In 2003, a bomb exploded at the JW Marriott Hotel in Jakarta, killing at least 13 people and injuring 149 others. In 2004, a car bomb exploded at the Australian Embassy in Jakarta, killing more than six people. In 2005, bomb blasts in Central Sulawesi killed at least 22 people and injured at least 60 people. Also in 2005, bomb blasts in Bali killed at least 23 people and injured at least 101 others. Indonesian, Australian and U.S. government officials have indicated that these bombings may be linked to an international terrorist organisation. On 17 July 2009, two separate bomb explosions occurred at the JW Marriott Hotel and the Ritz Carlton Hotel in Jakarta, killing at least nine people and injuring 40 others. Indonesian, Australian and U.S. government officials have indicated that these bombings may be linked to an international terrorist organisation. While in response to the terrorist attacks, the Government has institutionalised certain security improvements and undertaken certain legal reforms which seek to better implement anti-terrorism measures and some suspected key terrorist figures have been arrested and tried, there can be no assurance that further terrorist acts will not occur in the future.

Demonstrations have also taken place in Indonesia in response to plans for and subsequent to U.S., British and Australian military action in Iraq. On 17 July 2009, bombs exploded at the Ritz Carlton and JW Marriott Hotel in Jakarta, killing seven people and injuring more than 50 others. The Indonesian authorities are still investigating these incidents, but have suggested that they may be linked to the activities of certain Islamic militant groups.

There can be no assurance that further terrorist acts would not occur in the future. Such terrorist acts could destabilize Indonesia and increase internal divisions within the Government as it evaluates responses to that instability and unrest. Violent acts arising from, and leading to, instability and unrest have in the past had, and may continue to have, a material adverse effect on investment and confidence in, and the performance of, the Indonesian economy, which could have a material adverse

effect on the Group's businesses, financial condition, results of operations and prospects, and on the Issuer's ability to pay interest and additional amounts, if any, on, and repay the principal of, the Notes. In addition, although such terrorist acts have not in the past targeted the Indonesian oil industry or the Group's assets or those of the Group's customers, there can be no assurance that they will not do so in the future. The Group's current insurance policies do not cover for terrorist attacks. Any terrorist attack including damage to the Group's infrastructure or that of the Group's customers could cause interruption to parts of the Group's business and materially and adversely affect the Group's financial condition and results of operations, as well as investors' confidence in Indonesia.

***The Group is exposed to the risk of adverse sovereign action.***

The oil and gas industry is a significant contributor to the Indonesian economy and is therefore one of the Indonesian government's key focuses. Potential future changes in government policy, regulations or PSC fiscal regimes and taxes could have an adverse effect on the Group's business, financial results or prospects.

***The Group's 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 the Group's 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. The invocation of such immunity may limit the Group's ability to enforce its rights, which in turn adversely affects the Group's business, results of operations, financial condition and prospects.

***Indonesia is located in an earthquake zone and is subject to significant geological and meteorological risk that could lead to social and economic difficulties.***

The Indonesian archipelago is one of the most volcanically active regions in the world. Because it is located in the convergence zone of three major lithospheric plates, it is subject to significant seismic activity that can lead to destructive earthquakes and tsunamis, or tidal waves. In October 2010, an earthquake of magnitude 7.7 struck the Mentawai Islands, off the coast of West Sumatra, which triggered a tsunami which killed more than 450 people. Also, in October 2010, a series of eruptions of Mount Merapi, a volcano located on Java, are believed to have killed more than 380 people. More recently, from September 2013, a series of eruptions of Mount Sinabung, a volcano located on Sumatra, are believed to have killed more than 15 people, and more than 30,000 people have been evacuated since the eruptions began.

In addition to these geological events, on October 2010, at least 158 people died and 148 people were declared missing in a flash flood in Wasior district, West Papua. More recently, in January 2013, floods in Jakarta resulted in disruptions to businesses and extensive evacuations in the city.

If the Government is unable to timely deliver foreign aid to affected communities, political and social unrest could result. Additionally, recovery and relief efforts are likely to continue to impose a strain on the Government's finances, and may affect its ability to meet its obligations on its sovereign debt. 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 those of the Group, thereby materially and adversely affecting the Group. In addition, there can be no assurance that future geological occurrences will not have more of an impact on the Indonesian economy. A significant earthquake or other geological disturbance in any of Indonesia's more populated cities and financial centres could severely disrupt the Indonesian economy and undermine investor confidence, thereby materially and adversely affecting the Group's business, financial condition, results of operations and prospects.

***The Group's operations may be adversely affected by an outbreak of severe acute respiratory syndrome ("SARS"), Influenza A (H1N1) virus, Middle East Respiratory Syndrome ("MERS"), avian flu and/ or other epidemics.***

An outbreak of SARS, the H1N1 influenza, MERS, avian flu and/or other communicable diseases, if uncontrolled could affect the Group's business and operations. In addition, if any of the employees in

the Group's work areas or the work areas of the Group's suppliers and/or customers is infected with communicable diseases, the Group may experience disruptions to its business or its suppliers and the Group's customers may be required to temporarily shut down their affected work areas for quarantine purposes. Accordingly, these disruptions to the Group's business and operations may result in a negative impact on the Group's business, financial performance, financial condition, results of operations and/or prospects.

***Labour activism could adversely affect the Group, its customers and Indonesian companies in general, which in turn could affect the Group.***

The liberalisation of regulations permitting the formation of labour unions, combined with weak economic conditions, has resulted, and will likely continue to result, in labour unrest and activism in Indonesia. In 2000, the Indonesian Government issued Law No. 21 of 2000 on Labour Union which permits employees to form unions without employer intervention. In March 2003, the Indonesian Government enacted a manpower law, Law No. 13/2003 (the "**Manpower Law**"), which, among other things, increased the amount of required severance, service and compensation payments to employees upon termination of employment, and required employers with 50 or more employees to establish bipartite forums with the participation of employers and employees. To negotiate a collective labour agreement with such a company, a labour union's membership must consist of more than 50.0% of the company's employees. In response to a challenge to its validity, the Indonesian Constitutional Court declared the Manpower Law to be mostly valid, except for certain provisions. The Indonesian Government proposed to amend the Manpower Law in a manner which, in the view of labour activists, would result in reduced pension benefits, increased use of outsourced employees and prohibitions on unions to conduct strikes. The proposal has been suspended and the new Indonesian Government regulation addressing lay-offs of workers has not yet become effective. Labour unrest and activism, such as that evidenced by protests in Jakarta in December 2012, could disrupt the Group's operations and could adversely affect the financial condition of Indonesian companies in general and the value of the Rupiah relative to other currencies, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

## **RISKS RELATING TO THE NOTES AND THE GUARANTEE**

***If the Group is unable to comply with the restrictions and covenants in its debt agreements, including, among others, the Trust Deed, there could be a default under the terms of these agreements or the Trust Deed, which could cause repayment of the Group's debt to be accelerated.***

The Group's debt agreements contain covenants that restrict the Group's business activities. The Group's ability to comply with such covenants depends on Group's future operating performance. If the Group is unable to comply with the restrictions and covenants in the Group's current or future debt and other agreements (some of which are secured), or the Trust Deed, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Group, accelerate repayment of the debt and declare all amounts borrowed due and payable, terminate the agreements or exercise their enforcement or foreclosure remedies, as the case may be. Furthermore, some of the Group's debt agreements, including the Trust Deed, contain cross-acceleration or cross-default provisions. As a result, the Group's default under one debt agreement may cause the acceleration of repayment of debt or result in a default under the other debt agreements, including the Trust Deed. If any of these events occur, there is no assurance that the Group's assets and cash flow would be sufficient to repay in full all of its indebtedness, or that the Group would be able to find alternative financing. Even if the Group could obtain alternative financing, there is no assurance that it would be on terms that are favourable or acceptable to the Group.

***The insolvency laws of Singapore, Indonesia and other local insolvency laws may differ from those of another jurisdiction with which the Noteholders are familiar.***

Many of the subsidiaries in the Group are incorporated under the laws of Indonesia and the Group also has numerous additional subsidiaries that are incorporated in other jurisdictions. Any insolvency proceeding relating to any subsidiary of the Group may involve insolvency laws of Singapore, Indonesia or any other jurisdiction, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Notes are familiar.



***The Issuer may not be able to redeem the Notes upon the due date for redemption thereof.***

If so provided for the Notes, following the occurrence of a Change of Control Event (as defined in Condition 6(e)(ii)(1) of the Conditions), the Issuer may, at the option of any Noteholder, be required to redeem such Note in accordance with the Conditions of the Notes. If such event(s) were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. The Issuer's failure to repay, repurchase or redeem Notes could constitute an event of default under the Notes, which may also constitute a default under the terms of other indebtedness of the Group.

***The Trustee's right to request for information from the Issuer is limited.***

The Trustee may only request from the Issuer such information as it shall require for the purpose of the discharge of the duties, powers, trusts, authorities and discretions vested in the Trustee by the Trust Deed or by operation of law. The Trustee shall not (unless ordered so to do by a court of competent jurisdiction) be required to disclose to any Noteholder any confidential, financial, price sensitive or other information made available to the Trustee by the Issuer, the Guarantor or their respective subsidiaries in connection with any of the Issue Documents (as defined in the Trust Deed) and no Noteholder shall be entitled to take any action to obtain from the Trustee any such information. As such, the Noteholders may not be able to request for information through the Trustee in certain circumstances.

***Through the purchase of the Notes, Noteholders may be exposed to a legal system subject to considerable discretion and uncertainty; it may be difficult or impossible for Noteholders to pursue claims under the Notes because of considerable discretion and uncertainty of the Indonesian legal system.***

Indonesian legal principles relating to the rights of debtors and creditors, or their practical implementation by Indonesian courts, may differ materially from those that would apply in other jurisdictions. Neither the rights of debtors nor the rights of creditors under Indonesian law are as clearly established or recognised as under legislation or judicial precedent in other jurisdictions. In addition, under Indonesian law, debtors may have rights and defences to actions filed by creditors that such debtors would not have in other jurisdictions.

Indonesia's legal system is a civil law system based on written statutes in which judicial and administrative decisions do not constitute binding precedent and are not systematically published. Indonesia's commercial and civil laws, as well as rules on judicial process, were historically based on Dutch law as in effect prior to Indonesia's independence in 1945, and some have not been revised to reflect the complexities of modern financial transactions and instruments. Indonesian courts may be unfamiliar with sophisticated commercial or financial transactions, leading in practice to uncertainty in the interpretation and application of Indonesian legal principles. The application of Indonesian law depends upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy, the practical effect of which is difficult or impossible to predict. Indonesian judges operate in an inquisitorial legal system, have very broad fact-finding powers and a high level of discretion in relation to the manner in which those powers are exercised. In practice, Indonesian court decisions may omit, or may not be decided upon, a legal and factual analysis of the issues presented in a case, and as a result, the administration and enforcement of laws and regulations by Indonesian courts and Indonesian governmental agencies may be subject to considerable discretion and uncertainty. Furthermore, corruption in the court system in Indonesian has been widely reported in publicly available sources.

There is also no assurance that Indonesian courts would enforce, or even consent to adjudicating agreements that are governed by non-Indonesian law. On 2 September 2013, holders of notes issued by BLD Investments Pte. Ltd. and guaranteed by PT Bakrieland Development Tbk ("**Bakrieland**") under a trust deed governed under English law, filed a suspension of debt payment petition with the Jakarta Commercial Court on grounds that, among other things, Bakrieland had failed to comply with its obligation to repay the outstanding amount of the notes when noteholders exercised their put option under the terms of the notes. In its decision dated 23 September 2013, the Jakarta Commercial Court ruled, among other things, that as the trust deed relating to the notes is governed by English law, all disputes arising out of or in connection with the trust deed must be settled by English courts and the Jakarta Commercial Court did not therefore have authority to examine and adjudicate the case.

As a result, it may be difficult for holders of the Notes to pursue a claim against the Guarantor in Indonesia, which may adversely affect or eliminate entirely the ability of the Noteholders to obtain and

enforce a judgment against the Guarantor in Indonesia or increase the costs incurred by holders of the Notes in pursuing, and the time required to pursue, claims against the Guarantor.

***Enforcing the rights of Noteholders under the Notes across multiple jurisdictions may prove difficult.***

The Notes will be issued by the Issuer. The Issuer is incorporated under the laws of Singapore. The Notes will be guaranteed by the Guarantor. The Guarantor is incorporated under the laws of Indonesia. The Notes and the Trust Deed will be governed by Singapore law. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in Indonesia and Singapore. 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 an investor's rights. The rights of Noteholders under the Notes 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 Indonesia and Singapore may be materially different from, or be in conflict with, each other and those with which they may be familiar, including in the areas of the 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 in the relevant jurisdictions or limit any amounts that they may receive.

***The Trust Deed and certain other documents entered into in connection with the issue of the Notes thereunder will also be prepared in Bahasa Indonesia as required under Indonesian law. However, there is no assurance that, in the event of inconsistencies between the Bahasa Indonesia and English language versions of these documents, an Indonesian court would hold that the English language versions of such documents would prevail.***

On 9 July 2009, the Government enacted Law No. 24/2009 requiring that agreements involving Indonesian parties be written in the Indonesian language. Where an agreement also involves foreign parties, it may also be executed in both the Indonesian language and a foreign language, provided that the agreement in the foreign language and the agreement in the Indonesian language are equally authoritative. Law No. 24/2009 is silent on the governing language if there is more than one language used in a single agreement. Article 40 of Law No. 24/2009 states that further stipulation on the use of Bahasa Indonesia shall be regulated by the implementing regulations to be issued. The Government issued an implementing regulation, Government Regulation 57/2014 on 7 July 2014 to give effect to certain provisions of the Law No. 24/2009. While the regulation focuses on the promotion and protection of the Indonesian language and literature and is silent on the question of contractual language, it reiterates that contracts involving Indonesian parties must be executed in Bahasa Indonesia (although versions in other languages are also permitted).

On 20 June 2013, the District Court of West Jakarta released Decision No. 451/Pdt.G/2012/PN.Jkt.Bar, which annulled a loan agreement between an Indonesian borrower, PT Bangun Karya Pratama Lestari, and a non-Indonesian lender, Nine AM. The loan agreement was governed by Indonesian law and was drafted only in English. The court ruled that the agreement had 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, when taken together will render an agreement void if, among other things, it is tainted by illegality. The court held that the agreement had not been drafted in the Bahasa Indonesia as required by Article 31(1) and therefore failed to satisfy the "lawful cause" requirement and was void from the outset, meaning that a valid and binding agreement had never existed. The defendant appealed to the Jakarta High Court. Upon appeal to the Jakarta High Court, the Jakarta High Court affirmed the decision of the District Court of West Jakarta in Decision No. 48/PDT/2014/PT.DKI on 7 May 2014.

The Trust Deed and certain other documents entered into in connection with the issue of the Notes thereunder will be prepared in dual English and Bahasa Indonesia forms as permitted under Law No. 24/2009 and, pursuant to Law No. 24/2009, each version will be considered equally original. While these documents will expressly state that the English versions will prevail, there can be no assurance, in light of the ongoing uncertainty surrounding Law No. 24/2009, the West Jakarta District Court Decision and the Jakarta High Court Decision, that in the event of inconsistencies between the Bahasa Indonesia and English language versions of these documents an Indonesian court will hold that the English language versions of such documents would prevail, or even consider the English language

version. Parties to the Trust Deed and certain other documents entered into in connection with the issue of the Notes have agreed to execute a Bahasa Indonesia version of such documents as soon as possible and in any event within 21 calendar days of the English version. While the Law No. 24/2009 does not prohibit the execution of Bahasa Indonesia versions subsequent to the execution of the English versions, there is no assurance that the Indonesian courts would honour such provision. Further, as the implementing regulation for Law No. 24/2009 has not been published and the law itself does not specify any sanctions for non-compliance, the Issuer cannot predict how the implementation of Law No. 24/2009 (including its implementing regulation) will impact the validity and enforceability of the Trust Deed and certain other documents related to the issuance of the Notes.

Some concepts in the English language may not have a corresponding term in Bahasa Indonesia, or may not be fully captured by the Bahasa Indonesia version. If this occurs, there can be no assurance that the Notes will be as described in this Information Memorandum or will be interpreted and enforced by the Indonesian courts as intended.

***The Notes are unsecured obligations.***

The Notes are unsecured obligations of the Issuer. The payment obligations under the Notes may be adversely affected if:

- the Issuer enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the future secured indebtedness or other unsecured indebtedness of the Issuer; or
- there is an acceleration of any indebtedness of the Issuer.

If any of these events were to occur, and the Guarantor is unable to fulfil its obligations under the Guarantee, Noteholders may not be paid amounts due on the Notes.

***The Notes may not be a suitable investment for all investors.***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact such investment will have on the potential investor's overall investment portfolio.

Investment activities may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for them, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

***Provision in the Trust Deed and the terms and conditions of the Notes may be modified.***

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The terms and conditions of the Notes also provide that the Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Notes may be held, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

***A change in Singapore law which governs the Notes may adversely affect Noteholders.***

The Notes are governed by Singapore law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of issue of the Notes.

***The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System (as defined below).***

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, the Common Depositary, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP, a “**Clearing System**”). Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes. The relevant Clearing System will maintain records of their accountholders in relation to the Global Notes and Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to the Common Depositary or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the Issuing and Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Notes. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes and Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

***The notes issued under the Programme may have limited liquidity.***

There can be no assurance regarding the future development of the market for the Notes issued under the Programme or the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes. The Notes may have no established trading market when issued, and one may never develop. Even if a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt Notes.

Liquidity may have a severely adverse effect on the market value of the Notes. Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

***The market value of the Notes may fluctuate.***

Trading prices of the Notes are influenced by numerous factors, including the operating results and/or financial condition of the Issuer, the Guarantor, their respective subsidiaries and/or associated companies (if any), political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, the Guarantor, their respective subsidiaries and/or associated companies generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, the Guarantor, their respective subsidiaries and/or associated companies (if any) operate or have business dealings, could have a material adverse effect on the business, financial performance and financial condition of the Issuer, the Guarantor, their respective subsidiaries and associated companies (if any).

Global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of the Notes.

***Notes may be issued at a substantial discount or premium.***

The market values of Notes issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing notes. Generally, the longer the remaining term of the notes, the greater the price volatility as compared to conventional interest-bearing notes with comparable maturities.

***An investment in the Notes is subject to interest rate risk.***

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in note prices, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, note prices may rise. Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

***An Investment in the Notes is subject to inflation risk.***

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

***Exchange rate risks and exchange controls may result in Noteholders receiving less interest or principal than expected.***

The Issuer will pay principal and interest on the Notes in the currency specified. This presents certain risks relating to currency conversions if Noteholder's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the currency in which the Notes are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Notes are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Notes are denominated would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal.

***Changes in market interest rates may adversely affect the value of fixed rate Notes.***

Investment in fixed rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Notes.

***The Singapore tax treatment of the Notes may change.***

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2018 are, pursuant to the ITA and MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market"

issued by MAS on 28 June 2013, intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section “Taxation – Singapore Taxation”.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

***The Issuer may not be able to generate sufficient cash flows to meet its debt service obligations.***

The Issuer and Guarantor’s ability to make scheduled payments on, or to refinance their obligations with respect to, its indebtedness, including the intercompany loan agreements and the Notes, will depend on its financial and operating performance, which in turn will be affected by general economic conditions and by financial, competitive, regulatory and other factors beyond its control. The Issuer and/or Guarantor may not generate sufficient cash flow from operations and future sources of capital may not be available to them in an amount sufficient to enable them to service their indebtedness, including the Notes, or to fund their other liquidity needs. If the Issuer and/or Guarantor are unable to generate sufficient cash flow and capital resources to satisfy their debt obligations or other liquidity needs, they may have to undertake alternative financing plans, such as refinancing or restructuring their debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. There is no assurance 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 realised from those sales, or that additional financing could be obtained on acceptable terms, if at all. In the absence of such operating results and resources, the Issuer and/or Guarantor could face substantial liquidity problems and might be required to dispose of material assets or operations to meet its debt service and other obligations. Other credit facilities, the Trust Deed and the terms and conditions governing the Notes will restrict the Issuer and/or Guarantor’s ability to dispose of assets and use the proceeds from the disposition. The Issuer and/or Guarantor may not be able to consummate those dispositions or to obtain the proceeds which they could realise from them and these proceeds may not be adequate to meet any debt service obligations then due. The Issuer and/or Guarantor’s inability to generate sufficient cash flows to satisfy their debt obligations, or to refinance their indebtedness on commercially reasonable terms and in a timely manner, would materially and adversely affect the Issuer and/or Guarantor’s financial condition and results of operations and its ability to satisfy their obligations under the Notes.

***The Indonesia tax treaty may be applied in a manner adverse to the interests of the Group.***

On 5 November 2009, the Indonesian Directorate General of Tax (“DGT”) issued two regulations targeted at preventing tax treaties being used in an abusive manner, i.e. DGT Regulation No. 61/PJ./2009 (“DGT-61”) regarding the administrative procedures to apply a double tax treaty, including the template of Form – DGT 1 and 2 (as amended on 15 December 2009) and DGT Regulation No. 62/PJ./2009 (“DGT-62”) regarding the avoidance of double tax treaty abuse. On 30 April 2010, the DGT issued two regulations, DGT Regulation No. 24/PJ./2010 (“DGT-24”) and DGT Regulation No. 25/PJ./2010 (“DGT-25”) to amend DGT-61 and DGT-62, respectively.

These new regulations and their amendments became effective on 1 January 2010. The new regulations set out stringent anti-treaty abuse tests and administrative requirements. To obtain tax treaty benefits, non-resident income recipients must be able to demonstrate that they are the beneficial owner of income. Agents, nominees and conduit (pass-through) companies are not regarded as beneficial owners. In addition, as part of the administrative requirements to be able to obtain tax treaty benefits, the non-resident income recipient must provide the payer of the income with a certificate of tax residence in the prescribed form acceptable by the DGT (commonly referred to as Form DGT-1 or Form DGT-2, where applicable). The requirements stated in the DGT Forms must be satisfied to enable the tax treaty benefits to apply. Failure to comply with the conditions means that Indonesian withholding tax will apply at the statutory rate of 20%.

***Notes subject to optional redemption may have a lower market value than Notes that cannot be redeemed.***

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer elects to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At that time, Noteholders generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Noteholders should consider reinvestment risk in light of other investments available at that time.

***It may not be possible for investors to effect service of process or to enforce judgment of a foreign court on the Guarantor in Indonesia.***

The Guarantor is a limited liability company incorporated in Indonesia operating within the framework of Indonesian laws relating to investment and most of its significant assets are located in Indonesia. In addition, most of the Guarantor's commissioners and directors reside in Indonesia. As a result, it may be difficult for investors to effect service of process, including judgments, on the Guarantor or its commissioners and directors outside Indonesia, or to enforce judgments obtained in non-Indonesian courts against the Guarantor or its commissioners and directors in Indonesia.

The Guarantor has been advised by their Indonesian legal adviser, Assegaf Hamzah & Partners, 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. Their Indonesian legal advisers have also advised them that there is doubt as to whether Indonesian courts will recognise 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, holders of the Notes would be required to pursue claims against the Guarantor or its 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 holders of the Notes in the same manner or to the same extent as would courts in more developed countries outside of Indonesia.

***The Group may be subject to future bankruptcy, insolvency and similar proceedings in Indonesia or other jurisdictions, which may delay or prevent payment on the Notes.***

Under the Indonesian Bankruptcy Law, a creditor that foresees its debtor would not be able to continue to pay its debts when they become due and payable, or a debtor which is unable, or predicts that it would be unable, to pay its debts when they become due and payable, may file for suspension of payment of debt with the Commercial Court. In addition, a debtor who has two or more creditors and who is unable to pay any of its debt may be declared bankrupt by virtue of a Commercial Court decision. Under the Indonesian Bankruptcy Law, a suspension of debt payment proceeding takes priority over a bankruptcy proceeding and must be decided first. As such, a suspension of debt payment proceeding will effectively postpone the bankruptcy proceeding. As a result, creditors are unlikely to receive any payment during the course of the suspension of debt payment proceeding (with the exception of secured creditors subject to certain conditions) and the bankruptcy estate is likely to be insufficient to fully settle their claims.

In addition, during the suspension of debt payment proceeding, the debtor may propose a composition plan to its creditors. Such composition, if approved at a creditors' meeting and ratified by the Commercial Court, will be binding on all unsecured creditors and on secured creditors that voted for the composition plan, and the suspension of debt payment proceeding ends. The debtor can then continue its business and service its debt in accordance with the composition plan proposed by the debtor and approved at the creditors' meeting and ratified by the court. The secured creditors that did not attend the creditors' meeting or vote on the plan are not bound by the plan and are entitled to enforce their security interests.

As a composition plan, if approved, is approved by a majority of the creditors on a collective basis, but may not be in the best interests of any particular creditor. If the Guarantor becomes a debtor in a bankruptcy proceeding or a suspension of debt payment proceeding in Indonesia, the Guarantor may file for suspension of debt payment with a proposed composition plan which may not be satisfactory to investors. If such composition plan is approved, it will be binding on investors.

***Current OJK (formerly known as Bapepam-LK) regulations may restrict the Issuer's ability to issue the Notes and any additional debt securities.***

On 28 November 2011, Bapepam-LK Regulation IX.E.2 on Material Transactions and Change of Core Business was issued, which replaced the previous regulation issued in 2009 (the "**Material**

**Transactions Regulation**”). This regulation is applicable to publicly listed companies in Indonesia and their unlisted consolidated subsidiaries. Pursuant to the Material Transactions Regulation, each borrowing and lending in one transaction or a series of related transactions for a particular purpose or activity having a transaction value of 20% to 50% of the publicly listed company’s equity, as determined by the latest audited annual financial statements, semi-annual limited reviewed financial statements or audited interim financial statements (if any), must be announced to the public and the listed company must also prepare an appraisal report. The announcement relating to the material transaction must be made to the public in at least one Indonesian language daily newspaper having national circulation no later than the end of the second business day after the date of execution of the agreement(s) related to the material transaction. The announcement is required to include a summary of the transaction, an explanation of the considerations and reasons for such material transaction and the effect of the transaction on the company’s financial condition, a summary of the appraisal report (including its purpose, the object, the parties involved, the assumptions, qualifications and methodology used in the appraisal report, the conclusion on the value of the transaction, and the fairness opinion on the transaction), which must not be dated more than six months prior to the date of the material transaction, the amount borrowed or lent, and a summary of the terms and conditions of the borrowing or lending. Publicly listed companies must submit evidence of an announcement as referred to above, including the independent appraisal report to OJK at the latest by the end of the second business day after the date of execution of the agreement(s) related to the material transaction.

Subject to certain exceptions under the Material Transactions Regulation, a material transaction (in this case, borrowing and lending) with a value in excess of 50% of a company’s equity must be approved by shareholders holding more than half of all shares with valid voting rights who are present or represented, and more than half of such shareholders present or represented approve the transaction, in addition to fulfilling the appraisal disclosure requirements.

If the Issuer decides to issue additional notes other than through a public offering in Indonesia, and the amount issued exceeds the 50% threshold, the Guarantor would be required to obtain shareholders’ approval, as well as a new appraisal report. There is no assurance that the Guarantor would be able to obtain the approval of its shareholders or a favourable appraisal report in order to issue such additional debt securities. This requirement could limit the Guarantor’s ability to finance its future operations and capital needs, or pursue business opportunities or activities that may be in its interest. Any limitation on the Guarantor’s ability to raise funds to finance its operations could materially and adversely affect its business, financial condition, results of operations and prospects.

## **RISKS RELATING TO THE ISSUER**

### ***The Issuer’s ability to make payments on the Notes is dependent on payments to the Issuer by the Guarantor to meet its obligations under the Notes.***

The Issuer’s ability to make payments on the Notes is dependent on payments to the Issuer by the Guarantor. The Guarantor’s ability to make payments on the Guarantee will depend on a number of factors, some of which may be beyond its control. If the Guarantor fails to make scheduled payments under the Guarantee, the Issuer may not have any other source of funds to meet its payment obligations under the Notes.



## BUSINESS OF THE GROUP

### Overview

As at the Latest Practicable Date, the Guarantor is the largest publicly-listed exploration and production of oil and gas company in Indonesia and has additional operations in the power generation and downstream gas. The Guarantor was established in 1980 as an Indonesian drilling contractor and has grown substantially since becoming an oil and gas exploration and production company in 1992. In particular, the Group expanded its exploration and production activities with its 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, the Group acquired all of Stanvac Indonesia's Shares from Exxon/Mobil. Since January 2000, the Group has acquired interests in additional blocks both within and outside of Indonesia.

The Group's oil and gas activities consists of 33 blocks in various stages of production, development and exploration in Indonesia, Libya, Oman, Papua New Guinea, the United States, Tunisia and Yemen. In Indonesia, the Group has the right to explore for and produce oil and gas in 11 blocks, six of which are producing blocks, under production sharing arrangements with SKK Migas, Indonesia's national upstream oil and gas regulator, and in some cases, with Pertamina, Indonesia's state-owned national oil and gas company. Under these production sharing arrangements, the Group is entitled to recover its costs and earn an agreed after-tax share of the production once the block is declared commercially exploitable by SKK Migas. In the United States, the Group has the right to explore for and produce oil and gas in five blocks, all of which are producing blocks. In other countries, the Group has one combined exploration and development block in Libya, one exploration and one production block in Oman, one exploration block and one production block in Yemen, four exploration blocks, two development blocks and two production blocks in Tunisia and four exploration blocks (held by one Petroleum Prospecting License ("PPL")) in Papua New Guinea. The Group's ownership interests in these blocks vary from 100% to less than 10%. In addition, the Group is developing the construction and operation of an LNG Plant via PT Donggi Senoro LNG ("DSLNG").

The Group also has a number of other businesses, including a power generation unit run by PT Medco Power Indonesia ("MPI"), in which the Group produces electricity, geothermal energy and hydro-electricity. The Group also operates a coal mining business unit, a gas distribution business unit and a drilling services company who has two drilling rigs and several workover drilling and logging equipment rental unit.

The Group focuses on the development of the following key major projects: the upstream Senoro Gas Project, the downstream Donggi Senoro LNG Project, the Block A project development, the Area 47 Libya oil project, the application of the enhanced oil recovery ("EOR") project on a full-field development scale on Rimau Block and the oil development of the recently acquired Tunisian blocks.

The Group also focuses on continuing operating-cost management efficiency and has implemented an initiative which was defined as Medco Enhancement Initiative ("MEI") Project. The MEI Project, which was commenced in the late 2013, aimed towards reducing inefficiency, increasing operating margins and maximising EBITDA, and also implementing a field-based organisational orientation programme. The latter initiative effectively places project leaders and managers at operating sites, thus enabling quicker and more effective responses to issues which arise on site.

The Group is committed to improving the Safety, Health, and Environment ("SHE") by launching SHE rules, the program of Behaviour-Based Safety and participating in PROPER (Program Penilaian Kinerja Perusahaan dalam Pengelolaan Lingkungan) evaluation. The result of the Group's efforts and commitment is shown by Gold PROPER award received by Rimau Block operation in 2014 from the Government. This is the fourth consecutive year of the Gold PROPER award since 2011. In this aspect, the Group is the first and only oil and gas exploration and production company in Indonesia to date, to have achieved the Gold PROPER award for operating an E&P of oil and gas asset. The Gold PROPER award means the highest appreciation for performing environmental preservation and community development beyond the compliance.

As of 31 December 2014, the Group's estimated 2P reserves of 290.04 MMBOE consisted of approximately 140.39 MMBO of oil and 877.64 BCF of gas. The Group produced oil at approximately of 30,124.15 BOPD, 25,734.25 BOPD, and 22,904.27 BOPD and gas at approximately 161.41 MMSCFD, 159.41 MMSCFD, and 142.90 MMSCFD in the three years ended 31 December 2012, 2013 and 2014, respectively. The 2012, 2013 and 2014 oil sales are 29.75 MBOPD, 26.26 MBOPD and 22.21 MBOPD respectively, and gas sales of 157.01 BBTUPD, 159.78 BBTUPD and 141.43 BBTUPD

in the years 2012, 2013 and 2014 respectively. As of 31 December 2014, the Group produced approximately 1,293 GWh of power, compared to 1,269 GWh and 1,284 GWh in the years ended 31 December 2013 and 2012, respectively.

For the two years ended 31 December 2013 and 2014, the Group booked total sales and other operating revenues of US\$886.52 million and US\$750.73 million, respectively, and EBITDA of US\$350.97 million and US\$259.12 million in 2013 and 2014, respectively.

The Guarantor's registered and principal executive office is located at The Energy Building 53<sup>rd</sup> Floor, SCBD Lot 11A, Jl. Jend. Sudirman, Jakarta 12190, Indonesia.

## **Competitive Strengths**

### ***Leading Regional Exploration and Production Company.***

As at the Latest Practicable Date, the Guarantor is the largest publicly-listed oil and gas exploration and production of oil and gas company in Indonesia and is one of the largest independent exploration and production companies in Southeast Asia in terms of reserves and production. Its significant operations have attracted major domestic and foreign partners and stakeholders, including Mitsubishi Corporation ("MC"), Pertamina, Japan Petroleum Exploration Co., Ltd ("Japex"), ENI S.p.A., Kris Energy, Korea Gas Corporation ("KOGAS"), Libyan Investment Authority ("LIA"), National Oil Corporation ("NOC") Libya, OMV, Petroleum Development Oman LLC ("PDO") and major customers, including Petro Diamond and BP. Given its large size, the Group has the resources and expertise to serve as operator of many of its blocks. The Group believes its large portfolio of blocks offers a diversification of reserve, production and exploration opportunities and risk. The Group believes that it can leverage its position as a leading Indonesian oil and gas company to competitively bid for and acquire domestic as well as international blocks. The Group also believes its financial and operational strength allows better access to debt finance from both institutional lenders and the domestic and international capital markets to fund its acquisition and development costs, as demonstrated by its seven previous bond financings amounting to US\$545 million, the signing of the US\$260 million project financing with international banks for the Senoro Gas Development project in 2013, its success in obtaining US\$1.53 billion bank financing for the Donggi Senoro LNG project in 2014, as well as its success in obtaining US\$1.20 billion bank financing for the Sarulla Geothermal Power Plant Project in 2014.

### ***Large Undeveloped Reserve Base for Production Growth.***

The Group has 216.66 MMBOE of 1P oil and gas reserves and 290.04 MMBOE of 2P oil and gas reserves as of 31 December 2014. Of that number the Group has several development projects under its portfolio to monetize the undeveloped portion of these reserves which in turn will drive the Group's future production growth.

These development projects comprises the Senoro-Toili Gas Field development, with 81.73 MMBOE of 2P oil and gas reserves, the Block A gas development, with 22.08 MMBOE of 2P oil and gas reserves, the Area 47 oil fields development in Libya, with 70.58 MMBOE of 2P oil and gas reserves; and the EOR project in Rimau, which is targeted to increase the volume of oil lifted by up to 60 MMBO.

Aside from the 1P and 2P reserves that the Group has, there are also a substantial amount of contingent resources of around 181.78 MMBOE which mostly comprised of gas resources in Senoro-Toili and Simenggaris and oil resources in Libya and Yemen. Of that number, the Group has already one development project ready to monetise, which is 15.87 MMBOE of gas resources from the Simenggaris asset.

With the continuing development of key field projects for these and the Group's other reserves, the Group is targeting a gross production growth over the next five years.

### ***Focused and Balanced Reserve Growth Strategy.***

The Group has successfully grown its operations through a balanced strategy of exploration and acquisition. Of its reserves portfolio as of 31 December 2014, the Group has 2P oil reserves of 140.39 MMBO and gas reserves of 877.64 BCF and 1P oil reserves of 95.22 MMBO and gas reserves of 711.83 BCF, as compared to 31 December 2013, at which point the Group had 2P oil reserves of 121.13 MMBO and gas reserves of 856.71 BCF and 1P oil reserves of 84.50 MMBO and gas reserves of 687.62 BCF. The Group has demonstrated its competitive ability to acquire a variety of assets, such as exploration acreage and producing blocks. Since January 2014, the Group has acquired interests in 13 international blocks, consists of eight blocks in Tunisia, two of which are currently producing, with

the remaining under exploration and development, four exploration blocks in Papua New Guinea and one exploration block in Oman.

The Group's Oil Reserve Life Index increased from 13 years as of 31 December 2013 to 17 years as of 31 December 2014, and the Group's Gas Reserve Life Index increased from 15 years as of 31 December 2013 to 17 years as of 31 December 2014. This increase was due to addition 2P reserves (net the Group's portion) upon the signing of the Gas Sales Agreement ("GSA") with PT Panca Amara Utama ("PAU") for the Senoro-Toili PSC in March 2014 and the commercialisation of structures B, C and J in Area 47 in Libya in September 2014.

### ***Experienced Management Team.***

Members of the Guarantor's senior management team have an average of over 30 years of experience in exploration and production of oil and gas in Indonesia as well as overseas. Since the Guarantor's listing on the IDX in 1994, the Guarantor's management has demonstrated its ability to grow the Guarantor's business through a combination of exploration, development, and production of oil and gas blocks and with acquisition of new assets. As an entrepreneurial Indonesian exploration and production operator benefiting from local knowledge and good working relations with the Government, SKK Migas and the wider oil and gas community, the Group believes it has an advantage over other oil and gas companies operating in Indonesia in competing for new blocks, bidding out drilling contracts, and developing markets for its natural gas reserves.

### ***Competitive Cost Structure.***

The Group believes that it has a competitive cost structure with a low lifting cost. For the year ended 31 December 2014, the Group's average lifting cost was US\$13.80 per BOE for all of its oil and gas assets. Such relatively low costs have been achieved through the employment of local professionals; the proximity of existing infrastructure to the Group's producing blocks and the geographic concentration of its oil fields. The Group believes that its cost structure, among other factors, assists in extending the economic life of producing blocks and allows it to be more competitive in bidding for new blocks. A lower cost structure also allows for reserve growth at lower capital cost levels and provides stronger operating margins, in a given oil price environment.

### ***Well Positioned to Leverage on the Strong Demand Growth for Oil in Asian Markets and Gas in Key Gas Markets.***

The Group believes it is well-situated in a growing market, with petroleum import demand from Japan and South Korea. The strategic location of the Group in Indonesia also offers convenient, lower cost product delivery to off-takers in the premium Asia oil and gas market, including the regional petroleum trading centre of Singapore.

Energy demand in Indonesia was 3.30 million BOEPD in 2010 and will increase to 7.70 million BOEPD in 2025, of which oil and gas should constitute approximately 47%. The Energy per capita is also expected to increase from 0.65 TOE in 2010 to 1.90 TOE in 2015. Based on the estimated domestic energy supply, Indonesia should become a net energy importer from 2019, with energy demand reaching 6.19 million BOEPD and energy supply reaching only 6.04 million BOEPD<sup>(1)</sup>.

In addition, many of the Group's natural gas fields are located close to the growing domestic gas markets of West Java, East Java and South Sumatra, as well as the developed gas market of Singapore. The Group believes this proximity should also enable it to monetise its gas reserves more quickly, higher sales pricing and at a relatively lower cost. Additionally, Indonesia gas pricing has risen given the increased role of LNG imports and the desire to drive exploration and development growth to meet rising energy demand. The Group's predominantly onshore and conventional reserves allow for rapid development and low cost production.

The Group believes that based on its current portfolio of assets, it is well-positioned to tap into the rising demand for oil and gas.

### ***Business Strategies***

#### ***Continued Focus on Core Business of Oil-and-Gas Exploration and Production as well as Major Projects.***

Notwithstanding that the Group is developing new markets for uncommitted gas (see – "Develop New Markets for Uncommitted Natural Gas") and (see – "Develop Power and Renewable Energy and Coal

<sup>(1)</sup> Source: Ministry of Energy and Mineral Resources.

Mining Business”), the Group continues to focus on the core business of oil-and-gas exploration and production, as well as the development of major projects. The Group intends to continue to strengthen its producing assets portfolio, increase reserve life index through exploration and acquisition, complete major projects, and accelerate growth of other energy related assets through strategic partners.

***Replace and Add Reserves Through Acquisitions and Exploration.***

With its focus on reserve replacement and sustainable growth of the oil and gas business, the Group plans to continue to seek to acquire and develop new fields on its successful acquisition and exploration strategies to date. The Group’s acquisition strategy primarily focuses on targeted strategic investments in Asia Pacific, Middle East and North Africa regions. The Group intends to opportunistically pursue producing or development asset acquisitions with high upside potentials, as was done with Senoro-Toili in 2000, Lematang in 2002 and Block A in 2006, Block 9 Malik in 2012, and also the eight oil and gas working areas in Tunisia in 2014. More specifically, the Group plans to continue to target smaller properties which can be relatively less attractive or strategic for larger operators, whereas for larger prospects, the Group intends to work with strategic partners to facilitate participation by the Group while spreading risk. The Group intends to target both developed fields, for which significant geological data is available with lower exploration risk, and frontier fields for which minimal geological data is available but which may have significant exploration potential. The Group also plans to continue to explore for new oil and gas reserves through exploration of its existing blocks, as well as opportunistically pursuing selective exploration block acquisitions, which can be commercially attractive as such opportunities typically offer lower drilling risk given the Group’s advanced knowledge of the geology, and more cost-effective commercialisation of reserves given the existing infrastructure.

***Replace and Increase Production Volumes through the Development of Reserves and Exploration Activities.***

In order to replace and increase production over the next five years, the Group is developing its sizeable natural gas reserves, new oil fields and utilising marginal oil field development. For example, the Group is currently developing approximately 554.53 BCF of net proved plus probable gas reserves from Block A and the Senoro block.

Additionally, most of the Group’s assets contain multiple prospects and leads that require further evaluation including exploration drilling or other exploration activities. We are also continually reviewing new opportunities to increase the Group’s exploration portfolio inventory either directly from host governments or through transactions with other entities, including opportunities that are material to the Group’s business.

***The Group intends to continue to arrest the natural production declines in the Rimau block, which has over 29.59 MMBO of net proven and probable reserves as of 31 December 2014, by utilising a comprehensive marginal field development strategy, including waterflood optimisation and implementation of its EOR programme.***

In order to arrest the natural decline of oil production at its Rimau block, the Group has taken a number of initiatives, such as maintaining reservoir pressure, developing and stimulating tight sand formation at Telisa reservoir through the utilisation of sand fracturing techniques, developing the Talang Akar reservoir through infill well drilling, minimising pressure drawdown through the drilling of horizontal wells, and the implementation of the chemical injection EOR pilot project. With primary recovery and waterflood technology, the recovery factor of oil reserves at Kaji-Semoga field can be improved from 39.0%, whilst the chemical injection EOR technology is expected to provide additional oil recovery of up to 60 MMBO, which can improve recovery factor up to 50%.

***Develop New Markets for Uncommitted Natural Gas.***

Asian governments, including the Government of Indonesia, expect significant growth in natural gas demand and are making efforts to promote the use of natural gas as a cleaner and more efficient alternative to coal or oil. Indonesia in particular has seen significant increases in gas demand and a growing supply shortfall with the ongoing reduction of fuel-oil subsidies. The Group intends to capitalise on regional and domestic gas demand growth by continuing to market its uncommitted natural gas reserves and prudently evaluating selective investments in both domestic and export gas projects. The Group intends to continue to take a holistic approach to commercialise its gas reserves through:

- direct sales to adjacent customers or to state-owned pipeline company, PT Perusahaan Gas Negara, Tbk. (“**PGN**”) or through third-party transmission pipelines;

- working alliances with down-stream gas users to establish gas sales;
- individual projects utilising gas consumption

The Group plans to continue marketing its uncommitted gas to nearby customers and utilise new third-party transmission infrastructure to transport and market its uncommitted gas to the West Java, Batam and East Java markets. The Group has entered into gas arrangements to supply gas to different power plants in Indonesia, most of which are in South Sumatra. The Group intends to continue to develop markets for its own uncommitted gas by entering into working alliances as a gas supplier in or to obtain and secure long-term gas contracts with power plants and industrial users, among others, as new users of natural gas, as evidenced by the Group recently entering into Gas Sale and Purchase Agreements with PT Perusahaan Listrik Negara (“**PLN**”) and PT Panca Amara Utara (“**PAU**”). Moreover, the Group plans to produce Liquefied Natural Gas and construct multi-user gas pipelines in Sumatra and Kalimantan. The Group, through its subsidiary PT Medco Gas Indonesian (“**MGI**”), also develops a compression station consisting of three units of compression and with a compressed-gas capacity of 45 MMSCF per day in South Sumatra.

#### ***Develop Power and Renewable Energy and Coal Mining Business.***

The Group, through its affiliated company, PT Medco Power Indonesia (“**MPI**”), is developing renewable projects comprising of geothermal power plants in Sarulla in North Sumatra and Ijen in East Java, and also mini hydro projects in West Java and West Sumatra. Construction of the Sarulla geothermal power plant project started in the third quarter of 2014 and will produce geothermal power at 3 x 110MW. The three units are expected to complete in 2016, 2017 and 2018, respectively. The Sarulla geothermal power plant project is the largest geothermal project in Indonesia which, when completed, is expected to supply electricity to North Sumatra, and also achieve fuel saving with the use of renewable energy. In East Java, MPI is exploring the development of a geothermal power plant of 2 x 55MW. The mini hydro projects are expected to provide an aggregate generating capacity of 42 MW upon completion in phases from 2015 to 2017.

MPI is also operating a total of six gas-fired power plants in Batam and South Sumatra. MPI’s Independent Power Producer (“**IPP**”) in Batam utilises various types of engines to ensure a continuous supply of electricity, including simple cycle, combined cycle engines and a truck mounted plant.

In 2009, the Group entered into the coal mining business by acquiring two mining concession rights in Nunukan, North Kalimantan. The Group’s mining concessions cover total areas of 1,700 hectares and 2,676 hectares, respectively, with probable coal reserves of 4.00 million MT and 1.70 million MT respectively. In 2012, the Group completed the construction of coal production facilities at one mining site. The Group produced coal at a capacity of 50,000 tons per month, with a calorific value of 6,500 kcal/kg (as received basis) and low ash content.

#### ***Continue to Develop Strategic Partnerships.***

We intend to further accelerate the growth of the Group’s assets through building strategic alliances with strategic partners in Asia Pacific, Middle East and North Africa regions with substantial oil and gas resources. This should allow the Group to deepen its technical expertise, access opportunities and diversify exploration and development risk. The Group currently has over 20 strategic partners; one of the major milestones on the strategic partnership was when Mitsubishi Corporation (“**MC**”) became an indirect shareholder of the Group since 23 August 2007. This was then followed by MC’s involvement in the downstream LNG project by becoming majority shareholder of DSLNG since 19 December 2007 together with Pertamina. MC’s further involvement continued in Upstream Senoro Gas Project by acquiring 20% participating interest in Senoro PSC as at 31 December 2010. Since then, for the Group’s major projects, the Group has been engaged with international players such as MC, Korean Gas and Pertamina (for DSLNG project), Saratoga, Itochu, Kyushu and Ormat (for Sarulla geothermal project), Kris Energy and Japex (for Block A project).

#### ***Maintain Financial Flexibility with a Prudent Financial Structure and Cost Control.***

The Group intends to maintain a prudent financial structure by keeping the use of leverage within reasonable limits and utilising a mix of internally generated funds and external financing to fund the Group’s planned capital expenditures. The Group’s capital expenditures programme focuses primarily on its core oil and gas exploration and production business. The Group intends to continue its disciplined approach to acquisitions and to invest in projects that meet or exceed its hurdle rate. The Group expects that its ongoing focus on prudent leverage and cost control will also assist it to take advantage of acquisition and development opportunities as they arise.

### **Support from Local Community.**

The Group is committed to building strong relationships with local communities and governments, through its community development programmes. The Group's community development is driven on principles which include assisting in the improvement of public welfare, and sanitation facilities in surrounding communities, creating economically self-sustained communities, encouraging local government re-greening and re-forestation programmes, and supporting social, religious and educational activities.

The community development programmes encompass a variety of social and economic aspects, including infrastructure, education and sports, medical and health, and religion and culture. For example, in the education sector, the Group is focusing on the "hardware" and "software" improvement programmes for elementary and mid-level education such as the betterment of school buildings, study tools/equipment, laboratory equipment, scholarships and improvement of teachers' welfare. In the public health sector, the Group has been actively involved in various programmes such as improving household sanitation, medical facilities and nutrition of children and infants. These programmes have been implemented with a firm belief that the Group's operations should be beneficial not only to shareholders, but also to local communities.

### **Maintaining High Corporate Governance Standards.**

The Group strongly focuses on maintaining high corporate governance standards which are driven by principles of accountability, responsibility, transparency and fairness. The Group's objective is to become the pre-eminent oil and gas operator in Indonesia and it intends to continue to implement measures to further strengthen its corporate governance measures.

The Committees under the Guarantor's Board of Commissioners continue to undertake their duties to ensure that good corporate governance principles pertaining to transparency, responsibility, accountability, independence and fairness are adequately implemented throughout the Group. The Guarantor also ensures that non-discriminatory policies with regard to gender, race and religion are properly observed and implemented. The Guarantor's whistleblowing system continues to enhance oversight on conduct that is not in line with the Guarantor's Code of Ethics.

### **Summary of Production Sharing Arrangements**

The following table summarizes the Group's production sharing arrangements as at 31 December 2014:

<u>Contract Area (Type)<sup>(1)</sup></u>	<u>Date of Acquisition</u>	<u>Effective Interest<sup>(2)</sup></u>	<u>Gross Area (Km<sup>2</sup>)</u>	<u>Contract Expiry Date</u>	<u>Operator</u>
<b>Indonesia:</b>					
<b>Producing Properties</b>					
Rimau (PSC) . . . . .	1995	95.00%	1,103	2023	Group
South Sumatra Block (PSC) . . . . .	1995	100.00%	4,470	2033	Group
Lematang (PSC) . . . . .	2002	74.12%	409	2017	Group
Tarakan (PSC) . . . . .	1992	100.00%	180	2022	Group
Senoro-Toili (PSC-JOB) . . . . .	2000	30.00%	451	2027 <sup>(3)</sup>	Pertamina-Group JOB
Bawean (PSC) . . . . .	2004	65.00%	3,063	2031	Group
Kampar Area <sup>(4)</sup> . . . . .	1995	100%	469	2013	Group
<b>Development Properties</b>					
Block A (PSC) . . . . .	2006	41.67%	1,681	2031	Group
Simenggaris (PSC-JOB) . . . . .	1998	62.50%	547	2028 <sup>(3)</sup>	Pertamina-Group JOB
<b>Exploration Properties</b>					
Bengara (PSC) . . . . .	2001	100.00%	922	2029	Group
Nunukan (PSC) <sup>(5)</sup> . . . . .	2004	40.00%	3,196	2034	Group
<b>Economic Interest</b>					
Jeruk Field (Economic Interest) . . .	2006	25.00%	2,007	2027	Santos (Sampang) Ltd

<u>Contract Area (Type)<sup>(1)</sup></u>	<u>Date of Acquisition</u>	<u>Effective Interest<sup>(2)</sup></u>	<u>Gross Area (Km<sup>2</sup>)</u>	<u>Contract Expiry Date</u>	<u>Operator</u>
<b>United States:</b>					
<b><i>Producing Properties</i></b>					
East Cameron (Blocks 317 and 318) (Lease Agreement) . . . . .	2004	75.00%	41	EOP <sup>(6)</sup>	Group
East Cameron (Block 316) (Lease Agreement) . . . . .	2009	100.00%	20	EOP <sup>(6)</sup>	Group
Main Pass (Blocks 64 and 65) (Lease Agreement) . . . . .	2004	75.00%	28.4	EOP <sup>(6)</sup>	Group
<b>Libya:</b>					
<b><i>Development Properties</i></b>					
Area 47 (EPSA) . . . . .	2005	50.00%	6,182	2030	Nafusah Oil Operation BV
<b>Tunisia:</b>					
<b><i>Producing Properties</i></b>					
Bir Ben Tartar Block (PSC) . . . . .	2014	86.00%	352	2041	Group
Adam Block (Royalty and Tax) . . . . .	2014	5.00%	860	2033	ENI
<b><i>Development Properties</i></b>					
Cosmos Block (Royalty and Tax) . . . . .	2014	80.00%	440	2035	Group
Yasmin Block (Royalty and Tax) . . . . .	2014	100.00%	96	2019	Group
<b><i>Exploration Properties</i></b>					
Sud Remada (PSC) . . . . .	2014	86.00%	3,516	2016	Group
Borj El Khadra Block (Royalty and Tax) . . . . .	2014	10.00%	2,864	2015	ENI
Jenein Block (PSC) . . . . .	2014	65.00%	312	2016	Group
Hammamet Block (PSC) . . . . .	2014	35.00%	3,740	2016	Group
<b>Papua New Guinea:</b>					
<b><i>Exploration Properties</i></b>					
PPL 470 (RTS) . . . . .	2014	90.00%	324	2020	Group
<b>Oman:</b>					
<b><i>Producing Properties</i></b>					
Karim Small Fields (Service Agreement) . . . . .	2006	51.00%	N.A.	2016 <sup>(7)</sup>	Group
<b><i>Exploration Properties</i></b>					
Block 56 (PSC) . . . . .	2014	75.00%	5,808	2040 <sup>(8)</sup>	Group
<b>Yemen:</b>					
<b><i>Producing Properties</i></b>					
Block 9 Malik (PSC) . . . . .	2008	21.25%	4,728	2030	Calvalley Petroleum (Cyprus) Ltd
<b><i>Exploration Properties</i></b>					
Block 82 (PSC) . . . . .	2008	38.25%	1,853	3 years exploration, 20 years production	Group

*Notes:*

- (1) For details of productions arrangements and contract types in Indonesia see "Regulatory Overview" elsewhere in this Information Memorandum.
- (2) Effective interest is presented net of the participating interests of the Group's partners (if any) but gross of all Government participating interests.
- (3) Total period for exploration and production.
- (4) Kampar area has been legally relinquished to the Indonesian government effective as of 28 November 2013. However, the Indonesian government has temporarily assigned the Group as the operator of the Kampar area until a definitive contractor has been appointed by the Indonesian government under a PSC.
- (5) The Group decided to withdraw from this PSC block in July 2014.

- (6) Expires when production ends.
- (7) The Group has, since mid 2014, begun talks with PDO for a possible extension of this Service Contract.
- (8) The PSC contract will expire in 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 after the second exploration phase, which can be extended for another five years.

## Reserves and Resources

The Guarantor has provided estimates on the reserves based on certificates prepared by the following independent petroleum engineering consultants, namely:

<u>Asset</u>	<u>Certifying /Estimating Consultant</u>	<u>Reserves Date</u>
Rimau . . . . .	Netherland, Sewell, & Associates, Inc.	31 December 2011
South & Central Sumatera . . . . .	Netherland, Sewell, & Associates, Inc.	31 December 2011
Tarakan . . . . .	Netherland, Sewell, & Associates, Inc.	31 December 2011
Senoro-Toili (Tiaka Field) . . . . .	Netherland, Sewell, & Associates, Inc.	31 December 2011
Senoro-Toili (Senoro Gas Field) . . . . .	Gaffney, Cline, & Associates	1 July 2014
Lematang . . . . .	Netherland, Sewell, & Associates, Inc.	31 December 2011
Bawean . . . . .	Netherland, Sewell, & Associates, Inc.	31 December 2011
Block A . . . . .	Gaffney, Cline, & Associates	31 December 2007
AS . . . . .	Netherland, Sewell, & Associates, Inc.	31 December 2010
Libya (A, D, F) . . . . .	DeGoyler and McNaughton	30 September 2008
Libya (B, C, J) . . . . .	Final Appraisal Report	19 September 2014
Yemen . . . . .	McDaniel & Associates Consultant, Ltd	31 December 2014
Tunisia . . . . .	InSite Petroleum Consultants, Ltd	31 December 2013

(collectively, the “**Certificates**”).

Estimates on reserves for assets that are not listed above are estimated by the Group or the operator of the relevant asset.

Investors should note that the above-mentioned certificates and estimations made by the Group or the operator of the relevant asset may differ from the standards used by other companies in the industry.

## Reserves

Reserves are quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial and remaining (as at the evaluation date) based on the development project(s) applied. Reserves are further subdivided in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by development and production status.

Proved reserves (“**1P**”) are quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.

Probable reserves (“**2P**”) are additional reserves which by analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than possible reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves. In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.



The following table sets forth reserves information regarding the Group's oil and gas assets based on the Certificates and the Group or the relevant operator's estimates as at 31 December 2014.

Assets	Contract	Participating interests 1P Reserves		Participating interests 2P Reserves	
		Oil	Gas	Oil	Gas
		MMBO	BCF	MMBO	BCF
<b>Indonesian assets:</b>					
<b><i>Producing Properties</i></b>					
Rimau .....	PSC	23.32	—	29.59	—
South Sumatra .....	PSC	5.84	170.52	6.25	205.70
Lematang .....	PSC	—	18.73	—	28.10
Tarakan .....	PSC	1.31	2.59	1.89	3.07
Senoro-Toili – (Tiaka Field) .....	PSC – JOB	0.81	—	2.32	—
Bawean .....	PSC	4.83	—	6.71	—
<b><i>Development Properties</i></b>					
Block A (PSC) .....	PSC	0.91	40.44	1.27	121.69
Senoro-Toili (Senoro Gas Field) .....	PSC – JOB	6.39	424.14	7.74	432.84
<b>Overseas Assets:</b>					
US .....	Lease Agreement	3.63	16.80	4.78	25.41
Libya Area 47 .....	EPSA	39.14	35.65	61.14	56.69
Yemen Block 9 .....	PSC	4.28	—	8.89	—
Tunisia .....	Concession	4.76	2.96	9.86	4.38
<b>Total</b> .....		<b>95.22</b>	<b>711.83</b>	<b>140.39</b>	<b>877.64</b>

### 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. In the "low estimate" scenario of contingent resources ("1C"), the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is at least 90%; in the "best estimate" scenario of contingent resources ("2C"), the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is at least 50%; and in the "high estimate" scenario of contingent resources ("3C"), the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is at least 10%.

The following table sets forth contingent resources information regarding the Group's oil and gas assets based on the Certificates and the Group or the relevant operator's estimates as at 31 December 2014.

Assets	Contract	Participating interests 2C Reserves	
		Oil	Gas
		MMBO	BCF
<b>Indonesian assets:</b>			
Senoro-Toili (Senoro Gas Field) .....	PSC – JOB	12.00	596.70
Simenggaris .....	PSC – JOB	—	92.81
<b>Overseas Assets:</b>			
Area 47 .....	EPSA	30.50	95.11
Block 9 Malik .....	PSC	2.83	16.42
<b>Total</b> .....		<b>45.33</b>	<b>801.04</b>

### Internal Controls Over Reserves Estimates

The Guarantor's policy regarding internal controls over the recording of reserves and resources is structured to objectively and accurately estimate the Group's oil and gas reserves and resource quantities in compliance with 2007 Petroleum Resource Management System ("PRMS") standards. The Guarantor's petroleum engineering department reports to the Guarantor's Vice President

Technical Support. The Guarantor's Manager of Technical Support maintains oversight and compliance responsibility for the internal reserves and resource estimate process and provides appropriate data to independent third-party engineers for the annual estimation of the Group's year-end reserves and resources. In addition, the Guarantor's exploration department comprises other experts, all of whom report to the Guarantor's Senior Vice President of Exploration and provide input into the internal reserves and resource estimate process. The Group's Exploration Manager, Field Development Manager, and the Guarantor's Geoscience Technology Manager are responsible for identifying and assessing the location, quantity and quality of hydrocarbon deposits, ascertaining extraction risks and overseeing the geological and geophysical analysis of the exploration team in the Guarantor's regional offices.

### **Production**

The Group's oil and gas activities in Indonesia and overseas are primarily carried out through production sharing arrangements (each, a "PSC" or "JOB"). There are 33 assets owned by the Group, where 11 assets contracts are held in Indonesia; and 22 assets spread in the Middle East, North Africa, US, and Papua New Guinea to which the Group provides financing and technical expertise to conduct exploration, development and production operations in a specified geographic area (each, a "Contract Area"). Six of these Contract Areas in Indonesia, are currently producing i.e., Rimau PSC, South Sumatra PSC, Lematang PSC, Tarakan PSC, Bawean PSC, and Senoro-Toili PSC.

The following table sets forth the net production from each of these concessions for the years ended 31 December 2012, 2013 and 2014.

<u>Assets</u>	<u>2012</u>	<u>2013</u> (BOPD)	<u>2014</u>
<b>Oil Production</b>			
<b>Indonesian Assets</b>			
Rimau .....	14,935.71	12,863.01	11,551.96
South Sumatra .....	7,047.09	6,597.26	6,798.58
Lematang .....	—	—	—
Tarakan .....	2,705.11	2,076.71	1,733.55
Sembakung .....	2,196.75	1,564.38	—
Senoro-Toili (Tiaka Field) .....	366.57	323.29	290.92
Bawean .....	1,296.00	802.74	734.07
<b>Overseas Assets</b>			
USA GoM .....	542.44	438.36	360.23
Block 9 Yemen .....	1,034.45	1,068.49	607.96
Tunisia (Bir Ben Tartar and Adam fields) .....	—	—	826.99
<b>Total Production</b> .....	<b><u>30,124.15</u></b>	<b><u>25,734.25</u></b>	<b><u>22,904.27</u></b>
(MMSCFD)			
<b>Gas Production</b>			
<b>Indonesian Assets</b>			
Rimau .....	—	—	—
South Sumatra .....	128.13	123.00	108.24
Lematang .....	28.86	34.70	32.26
Tarakan .....	2.64	0.60	0.98
Sembakung .....	—	—	—
Senoro-Toili (Senoro Gas Fields) .....	—	—	0.17
<b>Overseas Assets</b>			
USA GoM .....	1.79	1.10	0.71
Tunisia (Adam field) .....	—	—	0.53
<b>Total Production</b> .....	<b><u>161.41</u></b>	<b><u>159.41</u></b>	<b><u>142.90</u></b>

### **Exploration and Development**

The Group is involved in both exploration (the search for oil and gas) and development (the drilling and development facilities in bringing hydrocarbon into production of wells and to market in addition to the discovery well in a field). The Group's 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 detail picture and the latter a better overall picture.

Analysis of the data produced allows the Group to formulate a picture of the underground strata to enable it 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”), the Group 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. The Group 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.

The Group currently has two exploration contract areas in Indonesia and 10 exploration contracts outside of Indonesia, and also has plans to develop seven blocks. The Group has identified over 76 leads and prospects in its Indonesian producing, development and exploration blocks.

### **Description of Oil and Gas Properties**

The Group has interests in 11 oil and gas properties in Indonesia and six of which are currently producing; and 22 oil and gas properties outside of Indonesia, nine of which are currently producing. The Group’s oil and gas properties that are not currently producing are at various stages of exploration and development.

#### ***Indonesian Oil and Gas Properties***

The Group has interests in six producing blocks, two development blocks, two exploration blocks and one economic interest in Indonesia. Under Indonesian law, each of the Group’s interests in oil and gas fields is required to be held by a unique legal entity.

#### **Producing Blocks in Indonesia**

##### ***Rimau***

Location	South Sumatra
Area (sq. km)	1,103
Status	Production
Type of Contract	PSC
Expiry	2023
Participating Interests	95.00% PT Medco E&P Rimau (wholly-owned by the Guarantor) 5.00% South Sumatra Regency (Perusahaan Daerah Pertambangan & Energi Sumsei/PDPDE)
Operator	PT Medco E&P Indonesia
2P Reserves	29.59 MMBO of oil (excluding heavy oil) as of 31 December 2014

*Background.* Production of oil from the Rimau block began in 1986, with the Group acquiring an interest in the block in 1995. The block became a significant oil producing operation when the Group discovered Kaji-Semoga fields in September 1996. The Group also discovered gas reserves at the Kaji-Semoga fields.

*Production.* The Group’s net oil production from the block was 11,551.96 BOPD for the year ended 31 December 2014.

*Sales and Marketing.* In December 2011, the Group signed a Crude Oil Sale and Purchase Agreement (“**COSPA**”) with Petro Diamond Singapore Pte. Ltd. for the Group’s entire net entitlement oil from production in Kaji-Semoga field in Rimau block. Since then, this COSPA has been amended and renewed on a few occasions.

*Development Strategy.* The Group seeks to minimise production declines by improving recovery rates by continuing the waterflood optimisation programme, drilling further producing wells and

implementing an EOR programme. The EOR programme, which represents tertiary production at Kaji-Semoga fields, is expected to supplement ongoing primary and secondary production, potentially resulting in relatively smoother production volumes and reducing annual oil production declines from these fields to below 5% per year. To maintain the rate of production and increase oil reserves, in 2014, the Group undertook drilling of one development production well, 33 workover wells and completing the single exploration well Salina-1 including well testing. In order to maintain the rate of production in 2015, the Group intends to conduct 34 work-overs as well as drill one horizontal well with multiple fracturing in the Telisa formation.

### **South Sumatra**

Location	South Sumatra
Area (sq. km)	4,470
Status	Production
Type of Contract	PSC
Expiry	2033
Participating Interests	100.00% PT Medco E&P Indonesia (wholly-owned by the Guarantor)
Operator	PT Medco E&P Indonesia
2P Reserves	6.25 MMBO of oil and 205.70 BCF of gas as of 31 December 2014

*Background.* The South Sumatra Block represents the Group's largest gas producing blocks. Production of gas from the South Sumatra Block began in 1988. The South Sumatra Block has been the Group's largest gas producing assets since its acquisition in 1995. Wholly-owned by the Group, this block has been awarded a PSC contract extension until the year 2033.

*Production.* The Group's net oil production from these blocks was 6,798.58 BOPD for the year ended 31 December 2014. The Group's gas production from these blocks was 108.24 MMSCFD for the year ended 31 December 2014.

*Sales and Marketing – Oil.* In December 2011 the Group signed a COSPA with Petro Diamond Singapore Pte. Ltd. for the Group's entire net entitlement oil from the South Sumatra Block. Since then, this COSPA has been amended and renewed on a few occasions.

*Sales and Marketing – Gas.* The Group has entered into several GSAs with, amongst others, PT Pupuk Sriwidjaja (a subsidiary of one of the largest state-owned fertiliser companies in Indonesia) and PT Meppogen (an independent power producer), pursuant to which the Group agreed to sell gas from this block. In the financial year ended 31 December 2014, 42 TBTU of gas were sold from this block.

*Development Strategy.* In 2014, the South Sumatra Block saw the drilling of five production development wells, and 13 work-over. To increase production in the future, the Group undertook (i) the drilling of two explorations wells, Arung and Lagan-1A, and (ii) seismic activities, for 2D as well as 3D, in areas that are deemed potential in the South Sumatra Block.

In 2014, the Group again succeeded in increasing the selling price of gas from the South Sumatra Block, through a number of contracts which have been extended with a significantly higher gas price.

To maintain the pace of production in 2015, the Group will undertake drilling three development wells and 16 workover. In the efforts to increase reserves, the Group will complete 2D and 3D seismics, using the data thereof to develop prospects and leads. In terms of exploration, the wells of Lagan-1A will be tested for production, while drilling will take place in two other exploration wells.

### **Lematang**

Location	South Sumatra
Area (sq. km)	409
Status	Production
Type of Contract	PSC
Expiry	2017
Participating Interests	51.12% PT Medco E&P Lematang (wholly owned subsidiary of the Guarantor) 23.00% Lematang E&P Ltd 25.88% Lundin Lematang BV
Operator	PT Medco E&P Lematang
2P Reserves	28.10 BCF of gas as of 31 December 2014

*Background.* The Lematang PSC contains the Harimau gas field, which was discovered in 1989, and the Singa gas field, which was discovered in 1997. SKK Migas approved the development plan for this

block in 2006. The Group 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 the MPD (Managed Pressure Drilling) technology, applicable for wells of extreme condition (high temperature, high pressure), with a temperature of approximately 342°F (172°C), a pressure of 8,000 psig and relatively high CO<sub>2</sub> and H<sub>2</sub>S contents of 32% and 200 ppm, respectively.

*Production.* The Group's net gas production from this block was 32.26 MMSCFD for the year ended 31 December 2014.

*Sales and Marketing.* The Group has a GSA with PLN, in which the GSA represents a contract based on a gas volume of 42 BBTUD until 2017. In 2014, gas sales from the block were 8.8 TBTU.

*Development Strategy.* Towards the end of 2014, the Central Processing Plant at Lematang succeeded in performing a turn-around, enabling continued production and giving assurance of sale production. The Group also succeeded in optimising gas sales by re-routing gas which was previously sent to West Java to South Sumatra. The change in the gas distribution strategy had a positive impact on sales, increasing the volume of gas to customers.

### **Tarakan**

Location	Tarakan Island, off Northeast Kalimantan
Area (sq. km)	180
Status	Production
Type of Contract	PSC
Expiry	2022
Participating Interests	100.00% PT Medco E&P Tarakan (wholly-owned by the Guarantor)
Operator	PT Medco E&P Indonesia
2P Reserves	1.89 MMBO reserves of oil and 3.07 BCF of gas as of 31 December 2014

*Background.* The Group began operations at the Tarakan PSC in 1992 and was awarded the PSC extension until 2022. The Tarakan PSC Block is wholly-owned by the Group, which also acts as the operator of the Block.

*Production.* In the year ended 31 December 2014, the Group's net production was of approximately 0.96 MMSCFD of gas and 1,733.55 BOPD of oil.

*Sales and Marketing.* The Group has an agreement with Pertamina for the Group's entire net entitlement oil from production in this block. In 2014, the amount of oil sales (oil lifting) from the block was 0.55 MMBO, whilst gas sales were 350 BBTU. The Group has a GSA with PT PLN Tarakan to supply gas for the purpose of electricity in the Tarakan area.

*Development Strategy.* In 2014, the Group carried out the drilling of one production development well and two exploration wells, one of which found gas reserves. The Group also completed several workover wells. To maintain production rates and increase reserves in 2015, the Group will drill one development well, five work-overs and complete a well testing on the Pastel-I exploration well. The Group will also undertake a study on further development of the Tarakan PSC.

### **Bawean**

Location	East Java
Area (sq. km)	3,063
Status	Production
Type of Contract	PSC
Expiry	2031
Participating Interests	65.00% Camar Bawean Petroleum Ltd, a subsidiary of the Guarantor 35.00% Camar Resources Canada Inc.
Operator	Camar Resources Canada Inc (a nominee company appointed by the Group)
2P Reserves	6.71 MMBO of oil as of 31 December 2014

*Background.* The Group has had a participating interest in the Bawean PSC since 2004. The Group acquired an extension contract for the Bawean PSC from the Government of Indonesia in 2010 for a period of 20 years, expiring in 2031. The main contribution of oil in the Bawean block is derived from the Camar field.

*Production.* In the year ended 31 December 2014, the net oil production was approximately 734.07 BOPD.

*Sales and Marketing.* The Group has an agreement with BP to sell the Group's entire net entitlement oil from production in this block.

*Development Strategy.* With the declining price of oil towards the end of 2014, the Group is reconsidering the right time to undertake the exploration drilling programme and may commence drilling in 2016.

### **Senoro-Toili**

Location	Sulawesi
Area (sq. km)	451
Status	Production
Type of Contract	PSC-JOB
Expiry	2028
Participating Interests	30.00% PT Medco E&P Tomori Sulawesi 50.00% PT Pertamina Hulu Energi Tomori Sulawesi 20.00% Tomori E&P Limited
Operator	JOB Pertamina-Medco E&P Tomori Sulawesi
2P Reserves	2.32 MMBO of oil as of 31 December 2014

*Background.* The Group acquired 50% interest in this block from ARCO in 2000. The block consists of two areas: Senoro (onshore), which covers 188 sq. km and contains the Group's largest gas reserves, and Toili (offshore), which covers 263 sq. km and contains the Tiaka oil field in Toili, which has produced oil since 2005 (approximately 1.5 MBOPD).

*Production.* The Group's net production from the Tiaka oil field was 290.92 BOPD for the year ended 31 December 2014.

*Sales and Marketing.* The Group has an agreement with Petro Diamond Co. Ltd. Hong Kong to sell the Group's entire net entitlement oil from production in this block.

*Development Strategy.* The Group intends to continue with its current production strategy for oil production at this asset.

## **Development Blocks in Indonesia**

### **Senoro-Toili (Senoro Gas Field)**

Location	Sulawesi
Area (sq. km)	451
Status	Development
Type of Contract	PSC-JOB
Expiry	2028
Participating Interests	30.00% PT Medco E&P Tomori Sulawesi 50.00% PHE Tomori 20.00% Tomori E&P Limited
Operator	JOB Pertamina-Medco E&P Tomori Sulawesi (" <b>JOB-PMEPTS</b> ")
2P Reserves	7.74 MMBO of oil and 432.84 BCF of gas as of 31 December 2014

*Background.* The Group received formal approval for its plan of development for the Senoro gas field in May 2005. It has been developing this field since 2012 and expects the field to enter into production in 2015. In 2010, 1.9 TCF of gas was moved into the gross 2P reserves and contingent resources categories.

### *Upstream Sector*

The Senoro gas supply is slated for its start-up in the early of second half of 2015. The production facilities are set for a capacity of up to 310 MMSCFD. Development study and design for upstream facilities have been completed in 2011, including location investigation and topographic surveys, as well as EPC tender documents for the central processing plant, jetties and pipeline construction.

The Group, through JOB-PMEPTS, has already completed the land acquisition and is progressing with site development. The tender process for the Central Processing Plant EPC has been completed with the announcement of the winning bidder, the Tripatra-Samsung Engineering consortium, in the third quarter of 2012. EPC works commenced in September 2012, and by March 2015, work progress had reached over 97.6%. The drilling of development wells at Senoro started in September 2013 and

included the drilling of the Senoro wells 10, 11 and 12, as well as re-entry wells, Senoro 4 dan Senoro 5. Since October 2014, this project has achieved early start up to supply 4 to 6 MMSCFD of gas to support the commissioning of the system of the LNG plant.

The Group, through JOB-PMEPTS, signed a GSA with DSLNG to supply 250 MMSCFD of gas in 2009. In addition, the Group, through JOB-PMEPTS, also entered into agreement with PAU in March 2014 concerning the supply of 55 MMSCFD of gas to an ammonia plant which the price is calculated based on certain agreed formula using the value of the ammonia price in South East Asia market.

In July 2013, the Group succeeded in obtaining financing facility from a bank syndication amounting to US\$260 million for the Senoro upstream project. The bank syndication comprises Standard Chartered Bank and Bank Mandiri. The final maturity of the said facility is 30 June 2020.

#### *Downstream Sector*

The Group's involvement in the downstream sector is through DSLNG, a joint venture company established in 2007 by a consortium consisting of PT Medco LNG Indonesia ("**MLI**") a subsidiary of the Group), Mitsubishi Corporation and KOGAS through subsidiary Sulawesi LNG Development Ltd. ("**SLD**"), and Pertamina through its subsidiary PT Pertamina Hulu Energi ("**PHE**"). The Group has an 11.10% interest in DSLNG. DSLNG is currently in the completion stage of the construction and operation of a downstream LNG plant with a capacity of approximately 2.1 million tons per annum located at Banggai Regency, Central Sulawesi. The plant will absorb 1.44 TCF of the Senoro gas reserves and 0.70 TCF of Matindok gas field owned by Pertamina.

DSLNG will be 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, as provided for in Law No. 22 Year 2001 on Oil and Gas. 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 GSA pursuant to which Senoro Gas Field agreed to supply 277 BBTU per day (250 MMSCFD) of gas for a term of 15 years at a price based on the Japan Crude Cocktail. More than 1.4 TCF of Senoro's gas is expected to be supplied to the downstream LNG plant, which will then onsell the gas to the LNG consumer.

GSAs were also signed with Japanese and Korean buyers.

All LNG foreseen to be produced have been all contracted with three LNG buyers i.e., KOGAS, Chubu Electric Power Co. Inc ("**CE**"), and Kyushu Electric Power Co. Inc. ("**QE**"). The LNG Sale & Purchase Agreement ("**LNG SPA**") with KOGAS dated August 2011 has total commitment of 0.7 million ton per annum, the CE LNG SPA dated May 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 three LNG SPAs are for a period of 15 years, commencing with the first shipment of LNG in third quarter 2015.

In December 2010, the shareholders of DSLNG decided to announce the Final Investment Decision ("**FID**") for the development of the LNG plant. By 21 January 2011, all of the requirements to begin construction had been fulfilled. The total development cost for the LNG Project will amount to approximately US\$2.8 billion, including costs for land acquisition, infrastructure, operation cost during construction (owner cost), and project financing expenses. The construction work of the LNG plant is undertaken by the JGC Corporation. Construction commenced in March 2011. DSLNG conducted Pre-commissioning Start-up Review ("**PSSR**") in September 2014. Since October 2014, Senoro has started to supply gas for commissioning the DSLNG plant. The physical construction was completed at the end of 2014, while the EPC progress is almost completed (as of March 2015). A full gas supply to the DSLNG plant is due to commence by mid-2015.

## **Block A**

Location	Aceh, North Sumatra
Area (sq. km)	11,681
Status	Development
Type of Contract	PSC
Expiry	2031
Participating Interests	41.67% PT Medco E&P Malaka (wholly owned by the Guarantor) 41.66% Kris Energy (Block A Aceh) 16.67% Japex Block A Ltd.
Operator	PT Medco E&P Malaka
2P Reserves	1.27 MMBO of oil and 121.69 BCF of gas as of 31 December 2014

*Background.* Exploration for deeper gas in Block A took place in the 1970s through the 1990s, 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. The Group acquired its participating interest in 2006 (16.67%) and 2007 (25.0%) and the Group became the operator in 2007. A 20-year extension for the Block A PSC was obtained in 2010.

*Sales and Marketing.* In January 2015, the Group signed a GSA with Pertamina to sell gas at price of US\$9.45/MMBTU. Gas supply is targeted to start in 2017 for a period of 13 years. The Group also has a GSA with PLN for the purpose of supplying gas to the East Aceh region.

*Development Strategy.* The Group is constructing gas production facilities with a capacity of 63 MMSCFD so as to facilitate a gas supply to a fertiliser plant. In addition to the five discoveries mentioned above, the Group has completed the drilling of an exploratory well, Matang. Matang-1 well can flow gas up to 25 MMSCFD with low H<sub>2</sub>S content. In addition, the appointment of the EPC contractor is expected by the second quarter of 2015 to meet the planned schedule for the first gas supply by year-end 2017. For 2015, the Group is targeting FID and preparations to drill development wells in Block A.

## **Simenggaris**

Location	Onshore in North Kalimantan
Area (sq. km)	547
Status	Development
Type of Contract	PSC – JOB
Expiry	2028
Participating Interests	62.50% PT Medco E&P Simenggaris (wholly-owned by the Guarantor) 37.50% PT Pertamina Hulu Energi Simenggaris
Operator	JOB Pertamina-Medco E&P Simenggaris
2C Reserves	92.81 BCF of gas as of 31 December 2014

*Background.* The 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. PLN has agreed to offtake the supply of gas of 25 MMSCF per day from the Simenggaris Block, and use the gas to replace PLN's diesel power plants in East Kalimantan. In 2013, the business scheme for the purchase of gas by PLN had undergone a change, in which the Group will supply gas to PLN via a Mini LNG Facility. In addition, drilling of the exploratory well, Bajul Besar, has been successfully completed, resulting in a new gas discovery.

*Sales and Marketing.* In May 2013, the Group through the operator signed a Head of Agreement with PLN for the supply of gas of 25 MMSCFD per day that will feed PLN power plants in East Kalimantan. In addition, the Group has also signed 2 GSAs with Perusda NSP and PLN in October 2012 and October 2014, respectively, to supply gas of 5 MMSCFD (to Perusda NSP) and 0.5 MMSCFD (to PLN) with the contracts expiring in 2022 and 2019, respectively. Perusda NSP will use the gas to meet the energy needs of the Nunukan Regency and the surrounding areas.

*Development Strategy.* The Group targets to supply gas to meet energy needs in the vicinity, especially for the power generation sector of North, East and South Kalimantan. To monetise the gas reserves, the Group will strive to create a synergy with domestic gas buyers through a small scale LNG value chain. In addition, efforts to increase the life index reserves of oil and gas also constitute a key development strategy of the Group at this asset to ensure the continuity of the gas supply to customers.



## Exploration Blocks in Indonesia

### **Nunukan**

Location	North Kalimantan
Area (sq. km)	3,196 (will become 984 sq. km after final relinquishment that is now delayed)
Status	Exploration
Type of Contract	PSC
Expiry	2034
Participating interests	40.00% PT Medco E&P Nunukan 35.00% PT Pertamina Hulu Energi Nunukan 12.50% BPRL Venture Indonesia BV 12.50% Videocon Indonesia Nunukan Inc.
Operator	PT Pertamina Hulu Energi Nunukan

*Background.* In 2004, the Group obtained the Nunukan PSC Block from the government, holding a 40.00% participating interest. Exploration drilling of the Badik-1 resulted in a gas discovery. In 2013, PHE Nunukan as the current operator undertook the delineation drilling on Badik-2 well and Badik-2 Sidetrack, to further gauge the level of hydrocarbon content, this was later followed up by delineation drilling of Badik-3 well and the exploration West Badik-1 to find an economically feasible reserve to develop the Badik fields. The Group, on the basis of technical analyses, decided not to participate in the drilling of the Badik-2 Sidetrack well, Badik-3 and West Badik-1.

The drilling activities were completed in July 2014 and, based on the final evaluation, the Group has decided to withdraw from this PSC Block. The Group is currently in the process of transferring its Participating Interest in this PSC Block to the existing partners, subject to government approval.

### **Bengara**

Location	North Kalimantan
Area (sq. km)	922
Status	Exploration – Development
Type of Contract	PSC
Expiry	2029
Participating interests	100.00% PT Medco E&P Bengara (wholly owned by the Guarantor)
Operator	PT Medco E&P Bengara

*Background.* In December 2001, the Group purchased 95.00% shares 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 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, a change in the composition of participation interest occurred as a result of an asset swap between Salamander Energy and the Guarantor, whereby the Guarantor's participating interest in the Block became 100.00%.

*Development Strategy.* In 2013 the Group succeeded in obtaining the approval for the First Plan of Development (“**POD**”) for the South Sebuku gas field from the Indonesian government, by targeting the closing of negotiation with PLN to supply gas to PLN's 10 MW power plant in East Kalimantan.

## Economic Participation in Indonesia

### **Jeruk Field**

Location	East Java
Area (sq. km)	2,007
Status	Exploration
Type of Contract	Participating interest
Expiry	2027
Participating Interests	45.00% Santos 25.00% Medco Straits Services Pte Ltd (wholly-owned by the Guarantor) 21.80% Singapore Petroleum Company 8.20% Cue Energy Resources
Operator	Santos

In early 2006, the Group acquired a 25.00% economic participation in Jeruk Field from Singapore Petroleum Sampang (“SPC”) and Cue Sampang Pty. Ltd. (“Cue”), and in return covered the drilling cost and working capital that were previously expended by SPC and Cue up to year-end 2006. The Jeruk field is located within the Sampang PSC Block and operated by Santos. The Group holds participating rights on these oil and gas blocks through a subsidiary, Medco Straits Services Pte Ltd, whose shares are 100% held by the Group.

### **United States Oil and Gas Properties**

The Group has the right to explore for and produce oil and gas in five producing assets in the United States, located in the Gulf of Mexico Offshore Louisiana and held through leases with the United States Department of the Interior, Bureau of Ocean Energy Management (“BOEM”). All of the Group’s United States oil and gas properties are held by the Group’s wholly-owned subsidiary, Medco Energi US LLC.

All of the Group’s oil and gas production in the United States is sold on the spot market and the Group has no plans to enter into long-term sales arrangements.

The total 2P oil reserves was 4.78 MMBO and the total 2P gas reserves was 25.41 BCF as of 31 December 2014, for the United States blocks. The total Group’s net of oil production, in 2014, was 360.23 BOPD, whilst total Group’s net gas production was 0.71 MMSCFD.

#### ***East Cameron***

Location	Offshore western Louisiana in the Gulf of Mexico
Area (sq. km)	61
Status	Production
Type of Contract	Lease Agreement
Expiry	Expires when production ends
Participating Interests	Block 316 100% Medco Energi U.S. LLC (wholly-owned by the Guarantor) Blocks 317/318 (Block 318 is held by Right of Use and Easement from the BOEM) 75% Medco Energi U.S. LLC (wholly-owned by the Guarantor) 25% Northstar Offshore Group LLC
Operator	Medco Energi U.S. LLC

The East Cameron blocks were discovered in 1988, with production starting in 1989. The Group acquired its interests in Blocks 317 and 318 in 2004 as part of the Novus acquisition and Block 316 in 2009 from Energy Resources Technology GOM Inc. for US\$18 million. Block 318 platform is currently used by Right of Use and Easement to handle and process production from Blocks 316 and 317.

#### ***Main Pass***

Location	Offshore eastern Louisiana in the Gulf of Mexico
Area (sq. km)	28
Status	Production
Type of Contract	Lease Agreement
Expiry	Expires when production ends
Participating Interests	Blocks 64 and 65 75% Medco Energi U.S. LLC (wholly owned by the Guarantor) 25% Northstar Offshore Group, LLC
Operator	Medco Energi U.S. LLC

The Group acquired its interests in Blocks 64 and 65 through its 100% acquisition of Novus Petroleum Ltd in 2004.

### **Tunisia Oil and Gas Properties**

In August 2014, the Group, through its subsidiary, Medco Tunisia Petroleum Limited, acquired 100.0% shareholding interest in Storm Ventures International (Barbados) Limited, an oil and gas exploration and production company that operates in Tunisia. Storm Ventures International (Barbados) Limited was a subsidiary of Chinook Energy Inc, a company listed in Toronto Stock Exchange, Canada.

The acquisition provide the Group 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. Total area of those assets is 12,180 sq. km with reserves potential of 9.86 MMBO of oil and 4.38 BCF of gas. 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.

#### **Tunisia, Bir Ben Tartar Block (Onshore)**

Location	Ghadames Basin, Tunisia
Area (sq. km)	352
Status	Production
Type of Contract	RPSC
Expiry	2041
Participating Interests	86.00% Medco Ventures International 14.00% CYGAM Energy Inc.
Operator	Medco Ventures International
2P Reserves	8.88 MMBO of oil as of 31 December 2014

*Background.* The Bir Ben Tartar Block is an oil producing block that is located in the Ghadames basin, a productive hydrocarbon area with potential oil reserves of 88 MMBO as of 31 December 2014. The Block has 19 wells, six of which were successfully drilled during the year.

*Production.* The Group's net production from the block was 727.76 BOPD (based on annualised production calculation) of oil for the year ended 31 December 2014.

*Sales and Marketing.* The oil produced at this asset is sold in the spot market.

*Development Strategy.* To increase production and operating efficiency further, the Group intends to drill an additional three development wells, and develop an early production facility and oil gathering system in 2015.

#### **Tunisia, Adam Block (Onshore)**

Area (sq. km)	860
Location	Ghadames Basin, Tunisia
Status	Production
Type of Contract	Royalty
Expiry	2033
Participating Interests	50.00% Entreprise Tunisienne d'Activités Pétrolières (" <b>ETAP</b> ") 25.00% Ente Nazionale Idrocarburi S.p.A (" <b>ENI</b> ") 5.00% Medco Ventures International
Operator	ENI
2P Reserves	0.98 MMBO of oil and 4.38 BCF of gas as of 31 December 2014

*Background.* The Adam Block is an oil and gas producing block operated by ENI. It is located in the Ghadames basin, a productive hydrocarbon area with oil and gas reserves of 0.98 MMBO and 4.38 BCF (as of 31 December 2014).

*Production.* The Group's net production from the block was 99.23 BOPD of oil and 0.53 MMSCFD of gas for the year ended 31 December 2014 (based on annualised production calculation).

*Sales and Marketing.* The gas produced at this block is sold to Societe Tunisienne de l'Electricite et du Gaz ("**STEG**"), the national power company of Tunisia that is responsible for the supply and distribution of electricity. The oil produced at this asset is sold in the spot market.

#### **Tunisia, Cosmos Block (Offshore)**

Location	Tunisia
Area (sq. km)	440
Status	Development
Type of Contract	Royalty and Tax
Expiry	2035
Participating Interests	80.00% Medco Ventures International 20.00% Entreprise Tunisienne d'Activités Pétrolières
Operator	Medco Ventures International

*Background.* Cosmos is an oil and gas block located offshore of the Gulf of Hammamet. This block is in its development phase

*Development Strategy.* To date, the block continues to be studied with first production anticipated for 2019.

***Tunisia, Yasmin Block (Offshore)***

Location	Tunisia
Area (sq. km)	96
Status	Development
Type of Contract	Royalty and tax
Expiry	2020
Participating Interests	100.00% Medco Ventures International
Operator	Medco Ventures International

*Background.* The Yasmin block is located offshore of the Gulf of Hammamet some 20 km from the Cosmos Block. This block is also in its development phase.

*Development Strategy.* To date, the block continues to be studied with first production anticipated for 2019.

***Tunisia, Sud Remada (Onshore)***

Location	Ghadames Basin, Tunisia
Area (sq. km)	3,516
Status	Exploration
Type of Contract	PSC
Expiry	2016
Participating Interests	86.00% Medco Ventures International 14.00% CYGAM Energy Inc.
Operator	Medco Ventures International

*Background.* The Sud Remada is an exploration block that is located in the Ghadames basin in the south of Tunisia. The Group has identified 14 prospects with total prospective reserves of oil in-place amounting to 748 MMBO to date. The Group has drilled two wells yielding hydrocarbon discoveries. In addition, Sud Remada also has the potential for the development of shale gas that has been deemed key to energy development in Tunisia.

*Development Strategy.* To increase the quality of data and successful exploration programme in Sud Remada, the Group plans to acquire 2D and 3D seismics over areas of 236 sq. km and 271 sq. km respectively, and undertake one exploration drilling in 2016.

***Tunisia, Borj El Khadra Block (Onshore)***

Location	Ghadames Basin, Tunisia
Area (sq. km)	2,864
Status	Exploration
Type of Contract	Royalty and Tax
Expiry	2015
Participating Interests	50.00% ENI S.p.A 40.00% OMV 10.00% Medco Sahara Limited
Operator	ENI S.p.A.

*Background.* The Borj El-Khadra (“**BEK**”) contains gas reserves and is located in South Tunisia. BEK is currently entering its second-phase extension of exploration.

*Development Strategy.* The Group intends to undertake a geological study to ascertain the amount of reserves and the development plan.

### **Tunisia, Jenein Block (Onshore)**

Location	Tunisia
Area (sq. km)	312
Status	Exploration
Type of Contract	PSC
Expiry	2016
Participating Interests	65.00% Medco Ventures International 35.00% PA Resources
Operator	Medco Ventures International

*Background.* The Group has participating rights of 65% in this block. Jenein is still in the exploratory phase and is estimated to have prospective reserves of oil in-place of up to 100 million barrels. The Group has completed a geological study and acquired seismic data, 2D and 3D, for 46 km and 110 km respectively, and drilled one exploration well.

*Development Strategy.* The plan going forward will be to proceed with 3D seismic data acquisition over an area of 75 sq. km, drill one exploration well to ascertain the amount of reserves, and draw up the development plans.

### **Tunisia, Hammamet Block (Offshore)**

Location	Tunisia
Area (sq. km)	3,740
Status	Exploration
Type of Contract	PSC
Expiry	2015 (in the process for extension)
Participating Interests	35.00% Medco Ventures International 35.00% Cooper 30.00% DNO
Operator	Medco Ventures International

*Background.* The Hammamet Block is located some 25 km off the coast of Tunisia in the Gulf Hammamet, in depths of 50 to 600 meters and an area of 3.740 sq. km.

*Development Strategy.* To date, the Group has undertaken a drilling of one exploration well and plans to drill another in 2016 to ensure the amount of prospective reserves in place.

## **Other Oil and Gas Properties**

### **Libya, Area 47**

Location	Libya
Area (sq. km)	6,182
Status	Development
Type of Contract	EPSA
Expiry	2030
Participating Interests	50.00% Medco International Ventures Ltd. ("MIVL") 50.00% Libyan Investment Authority ("LIA")
Operator	The Group
2P Reserves	61.14 MMBO of oil and 56.69 BCF of gas as of 31 December 2014

*Background.* Since obtaining the participating interest in Area 47, Libya, from 2005 until 2009 the Group, together with Verenex, had drilled a total of 20 exploration wells and six appraisal wells, with 18 of the exploration wells showing indication of considerable oil reserves discovery. Following the acquisition of Verenex's interest in Area 47 by the LIA in 2009, the Group and LIA held equal portions of 50% participating interest in Area 47. In April 2010, the Group through its subsidiary, Medco International Ventures Limited, was entrusted to replace LIA as the operator for the Block throughout the exploration period. Since the appointment as operator, the Group has continued the drilling of three exploration wells, with all three showing indication of large oil discoveries. Internal company analysis in 2011 indicated an increase of gross contingent reserves at Area 47 to 588 MMBOE (up by 67% from the level in 2008). By 2007, the Group discovered 352 MMBOE hydrocarbon resources in this block, amounting to about a 90% exploration success ratio: The Group also obtained Commerciality Approval on this block in 2011.

The Group has formed a Joint Operating Company, Nafusah Oil Operations B.V ("**Nafusah Oil Operations**"), with the working partners, NOC and LIA, as the development operator of Area 47. In

2013, Nafusah Oil Operations has established the organisation as well as the expertise required for the project development. In addition to that, preparation works for Front End Engineering Design (“FEED”) by an external consultant have also commenced, with a targeted completion date for FEED and the selection of the EPC contractor by mid 2015.

*Strategy.* The strategy is to monetise proven and probable oil reserves of some 208 MMBOE, to transfer contingent resources to proven and probable reserves through reserve commercialisation, and to increase oil reserves through exploration activities. In 2013, the Group completed the delineation testing (appraisal) of the B2 well and began to drill the P2 exploration well. Subsequently, in 2014, the Group succeeded in undertaking drilling and well testing on three wells, namely P2, A2 and O2, in which all three wells yielded new discoveries of oil and gas. The Group, through Nafusah, has also commenced the study for FEED to develop oil and gas production facilities to monetise oil and gas reserves from structures A, D and F. In September 2014 the Group received the second commerciality approval, this time for structures B, C and J, from NOC Libya.

Nafusah Oil Operations B.V, will continue to undertake a study of FEED for oil production facilities of up to 50,000 BOPD of oil and 90 MMSCFD of gas in capacity. It is targeted that this development will be completed in 2018.

If the geopolitical condition allows, the Group through its subsidiary, MIVL, will continue to carry out drilling activities on a number of exploration and appraisal wells to increase reserves and also to obtain the next commerciality approval.

### **Yemen, Block 82**

Location	Yemen
Area (sq. km)	1,853
Status	Exploration
Type of Contract	Profit Sharing Agreement (“PSA”)
Expiry	2040 (3 years exploration 20 years production)
Participating Interests	38.25% Medco Yemen Amed Ltd (a wholly-owned subsidiary of the Guarantor) 21.25% Kuwait Energy 12.75% Indian Oil Corporation 12.75% Oil India Limited 15.00% Yemen Oil and Gas Corporation
Operator	Medco Yemen Amed Ltd

*Background.* The Group was awarded Block 82 after winning the International Bid held by the Ministry of Oil and Minerals of the Republic of Yemen through the Petroleum Exploration and Production Authority (“PEPA”) in December 2006. The Group and its partners, Kuwait Energy Indian Oil Corporation, Oil India Ltd. and Yemen Oil & Gas Corporation, signed a PSA in 2008. By year-end 2012, the Group had completed data acquisition for 2D and 3D data (2D seismic along 349.90 km and 3D seismic over an area of 248.06 sq. km). Based on the currently available seismic data that is supported by the Meshat-1 well, the Group has evaluated the potential of this block and identified five leads.

*Development Strategy.* The Group will focus on renewing the sub-surface mapping and the oil formation development concept by incorporating well data from the surrounding areas of this block.

### **Yemen, Block 9**

Location	Yemen
Area (sq. km)	4,728
Status	Production
Type of Contract	PSA
Expiry	2030
Participating Interests	42.50% Calvalley Petroleum (Cyprus) Ltd 21.25% Medco Yemen Malik Ltd 21.25% Hood Oil Limited 15.00% Yemen Oil and Gas Corporation
Operator	Calvalley Petroleum (Cyprus) Ltd
2P Reserves	8.89 MMBO of oil as of 31 December 2014

*Background.* In line with the Group's business strategy, the Group through its subsidiary Medco Yemen Malik Ltd., acquired a 25.00% participating interest in Block 9 from Reliance Exploration & Production DMCC in 2012. In the efforts to increase oil reserves, drillings in 2013 were carried out in five exploration wells, namely Ras Nowmah South-1, Ras Nowmah North-1, Sueda-1, Al Hedba Plateau-1 and Ras Nowmah South-2. Future plans are in place to further develop the oil field so to increase total production, whilst the Group also wishes to continue exploration so to determine the oil and gas reserves.

*Production.* The Group's net production from the block was 607.96 BOPD of oil for the year ended 31 December 2014. A number of production facilities were constructed in 2014 to support oil lifting from the Hiswah, Ras Nowmah and Al Roidhat fields.

*Sales and Marketing.* In 2014, the Group sold all oil produced at this asset to Occidental Oil Asia Pte Ltd.

*Development Strategy.* Due to continuing security conditions, the Group will refrain from carrying out any drilling programmes on new wells in 2015, opting instead on workover activities to maintain production volume.

### **Papua New Guinea, PPL 470**

Location	Papua New Guinea
Area (sq. km)	324
Status	Exploration
Type of contract	Concession
Expiry	2020
Participating Interests	100.00% Moonbi Energy Limited (which is 90% owned by the Group)
Operator	Moonbi Energy Limited

*Background.* In February 2014, the Group, through Medco Asia Pacific Ltd., signed a sales purchase agreement for a new exploration block in Papua New Guinea, PPL 470 Block, with Moonbi Enterprises Limited through the acquisition of 90.0% shares of Moonbi Energy Limited. The Group holds a majority participating interest and is the operator of the PPL 470 Block, with a contract extending to February 2020.

PPL 470 is located within a proven geological system in the Papuan Basin and is adjacent to the Juha gas field which is owned by Exxon Mobil and already producing LNG. With a total area of 324 sq. km, PPL 470 will not be only for oil and gas exploration but will position the Group to pursue business opportunities in LNG/CNG train development.

Initial plans set forth by the Group for 2015 include several geological and geophysical studies.

### **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	75.00% Medco Arabia Ltd 25.00% Intaj LLC
Operator	Medco Arabia Ltd

*Background.* In November 2014, the Group, through Medco Arabia Ltd, signed a contract agreement for a new Exploration and Production block, Block 56 in Oman. The agreement was signed by the Government of Oman, with the Group and its local partner, Intaj LLC. In this consortium, the Group holds the majority participating interest and is the operator of the block.

Block 56 is located in a productive hydrocarbon basin, the Oman Salt Basin. With a total area of 5,808 sq. km and three hydrocarbon discoveries that had been identified, this block is estimated to contain 370 million barrel of oil in place. Six other potential prospects have also been identified that could add to the amount of oil reserves.

*Strategy.* The location of Block 56 is adjacent to Karim Small Fields (“KSF”), with similar geological characteristics. There will also be operational synergy with KSF going forward, as it is also geological by the Group.

The plan for 2015 will begin with Geological and Geophysical studies, prior to seismic work and exploratory drilling in 2016.

#### **Oman, Karim Small Fields, Service Contract**

Location	Oman
Area (sq. km)	N.A.
Status	Producing
Type of Contract	Service contract with Petroleum Development Oman LLC
Expiry	2016
Participating Interests	75% Medco LLC (Oman) (68%-owned subsidiary of the Guarantor) 25% Oman Oil Company Exploration and Production LLC
Operator	Medco LLC (Oman)

*Background.* In January 2006, the Group, through Medco LLC, (Oman) was 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. The Group and the PDO entered into a 10-year service contract (“Service Contract”) effective 1 April 2006, pursuant to which it is entitled to recover 100% of its costs up to a level not to exceed 30.0% of production receive a 3.98% share in the profits from oil sales.

In March 2006, the Group 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, the Group 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 the Group taking a 75% participating interest and Oman Oil taking a 25.0% participating interest. As the Group is the responsible party under the Service Contract, under the PESA the Group has the exclusive right to provide the services as required by the Service Contract. However, all liabilities and expenses incurred by the Group in performing such services are charged to a joint account maintained by the Group and are to be borne by the Group and Oman Oil in accordance with their respective participating interests. The terms of the PESA also call for the establishment of an operating committee composed of two representatives of each of the Group and Oman Oil, which is responsible for supervising the operations necessary to fulfil obligations under the Service Contract. The PESA also specifies that all work to be funded in connection the Service Contract (including, but not limited to, the drilling and operating of all wells and the handling, treating and storing of hydrocarbons extracted in connection therewith) must be performed and incurred only pursuant to an approved annual budget.

*Development Strategy.* Oil production in the onshore Karim Small Fields started in 1987, which provided an opportunity for the Group to apply its skill and experience in field rehabilitation. The Group took full field responsibility over 115 wells, producing 9,000 BOPD in August 2006. Production in this block increased by up to 100% in the five years from the acquisition of this block. The Group succeeded in drilling 30 production wells and achieved gross production of 16,965 BOPD, exceeding the production target by 1,950 BOPD from the Karim Small Fields in 2014. The Group plans to drill 29 new production wells in 2015. Our operating success in Oman was complemented by a successful safety at work programme. This was marked with the HSE Shield Award from PDO Shell for eight million man-hours without a single loss-time incident in 2014.

The Group has, since mid 2014, begun talks with PDO for a possible extension of this Service Contract.

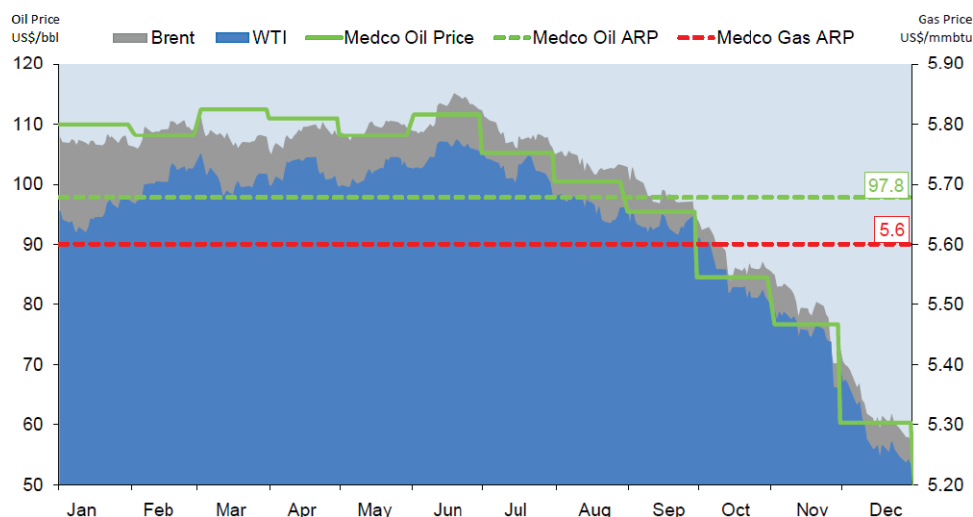
#### **Sales and Distribution**

##### **Average Realised Sales Prices**

	<b>For the Year Ended 31 December</b>		
	<b>2012</b>	<b>2013</b>	<b>2014</b>
Oil and condensate (US\$ per bbl) .....	115.62	108.26	97.83
Natural gas (US\$ per MMBTU) .....	3.98	5.13	5.60
LPG (US\$ per MT) .....	855.11	—	—
Lifting costs per BOE produced (US\$ per BOE) .....	13.10	13.60	13.80



The table below shows the historical oil price during 2014.



Source for Brent and WTI Oil Price: Bloomberg

In 2014 crude oil price was relatively stable during the first half of the year at an average around US\$109/bbl for Brent Crude and around US\$101/bbl for WTI. But during the second semester the oil price trend was succeeded with a steep decline thus resulting in a 47% drop for both Brent Crude price and WTI price by the end of December 2014. Fundamental changes that mainly caused this are the decline in global economic growth and an increase of shale oil supply from the United States of America. The duration of this downturn were relatively longer compared to the oil price slump in 2008, because of the unwillingness of OPEC to intervene and stabilise the price.

Despite the steep decline in the second half of the year, on an average annualised basis, the Group was still able to book crude oil price of US\$97.83/bbl in 2014, a decline of just 9.6% compared to the average price on 2013. Whereas in the realisation of gas price, because the selling price is locked under long-term contracts with buyers, the Group was able to realised average annualised selling price of gas at US\$5.60/MMBTU, an increase of 9.10% from that of 2013. The Group has been actively renegotiated its expiring gas contracts which resulted in higher realised price in 2014 in line with the greater demand for gas for electricity and other industries such as fertiliser.

### Crude Oil

The Group sells its net oil entitlement to the domestic Indonesian market as well as to the overseas market. In line with the Indonesian government regulations, the Group sells its oil at prices based on ICP-SLC. The ICP-SLC 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.

The Group sells its net oil entitlement from Yemen under a yearly contract to Occidental Oil Asia Pte Ltd. where prices are set by the Official Yemen Government Selling Price (“OSP”). Crude oil sold from Tunisia is sold to the Spot Market with prices linked to Brent Price.

### Natural Gas

The Group sells its gas production to buyers including state-owned companies (in the power and fertiliser industries), independent power producers, gas transport companies, and local state and city gas providers.

The Group typically enters into GSAs which set the overall contracted volume (“**Total Contract Quantity**” or “**TCQ**”), daily supply (“**Daily Contract Quantity**” or “**DCQ**”) and gas price. Whilst TCQ and DCQ vary between buyers, gas price is largely fixed using the same structure, in US\$/MMBTU with an application of an escalation factor (typically 2.50% to 3.00% per annum). The gas sales agreement 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, and such gas can be consumed at a later stage by the buyer via a make-up mechanism.

In light of the growing needs of the gas market in Indonesia, the Group has been successful in improving its weighted average gas price. The weighted average gas price has steadily increased from US\$3.63/ MMBTU in 2010 to US\$5.60/ MMBTU in 2014.

Gas from Tunisia is sold to a state-owned power and distribution company based on fuel oil with high sulphur content in the Mediterranean region. The weighted average price for gas sold in Tunisia was US\$9.33/MMBTU in 2014.

### **Gas Distribution Unit**

The Guarantor, through an indirect ownership of PT Mitra Energi Gas Sumatra (“**MEGS**”) (a wholly owned subsidiary of PT Medco Gas Indonesia, MGI, which is itself a subsidiary of the Guarantor) operates a compression station with three main gas compressors and pipeline facilities stretching over 17.5 km at Gunung Megang, South Sumatra. In operation since 17 August 2009, the Compression Station has served to increase gas pressure for delivery from the South Sumatra Extension (“**SSE**”) Block to the facility of PGN (the State Gas Company) at Pagardewa and the Meppogen power plant, with a target of 37 BBTUD of compressed gas and 20 BBTU of transported gas each day. On 29 August 2014, the compression and pipeline facilities contract has been terminated. However, on 11 December 2014, MEGS entered new contract between PT Medco E&P Lematang and PLN only for Pipeline Facilities, with a target of 42 MMSCFD.

As of 31 December 2014, the Group compressed gas amounting to 7,495 BBTU (or 89% of operational target) and distributed gas from SSE to PGN at Pagardewa of 4,774 BBTU (or 73% of operational target). In addition to that, the Group also operates a compression station with three Primary Gas Compressor at the Soka Station, Talang Ubi Regency, Pendopo, South Sumatra with a capacity of 15 MMSCFD each. This project has been built since November 2012.

### **Coal Mining Unit**

As part of its business diversification into coal mining, the Group acquired two mining work permits (“**IUP**”) at Nunukan, North Kalimantan, owned by PT Duta Tambang Rekayasa (“**DTR**”) and PT Duta Tambang Sumber Alam (“**DTSA**”), respectively. DTR and DTSA are subsidiaries of PT Medco Energi Mining Internasional (“**MEMI**”), a wholly-owned subsidiary of the Guarantor. At the present moment, DTR and DTSA are at the stage of Operation and Production.

In 2012, the Group completed the construction of coal production facilities at the DTR mining site. The Group produced coal at a capacity of 50,000 tons per month, with a calorific value of 6,500 kcal/kg (as received basis) and low ash content. An initial coal shipment of 38,135 tons was delivered to China Coal Solution Pte. Ltd. in September 2012. Total coal shipped during 2013 amounted to 525,342 tons on a long-term coal sales contract at a price of US\$ 81.77 per ton. For the year ended 31 December 2014, total sales of coal amounted to 497,361 tons at an average selling price of US\$72.83 per ton. From September 2012 to December 2014, the Group made 22 shipments to various buyers in China and India.

### **Drilling and Logging Equipment Rental Unit**

The Group provides rental services of drilling equipment for workover and logging units through its subsidiary, PT Exspan Petrogas Intranusa (“**EPI**”). Initially, EPI owned six units of workover rigs of 350-450 HP capacity, nine units of electric wireline logging trucks and one unit of mud logging truck, serving many E&P activities throughout Indonesia. In the third quarter 2012, through EPI, the Group acquired a further seven units of workover drilling rig of 350-450 HP capacity, one drilling rig unit of 1,500 HP capacity and one unit of logging truck. All of these units are managed and operated by EPI.

In the year ended 31 December 2014, the Group recorded a utilisation rate of 62.00% on all of its assets, a decline from that of the previous year due to the completion of several works while awaiting for the next job tender. The majority of the Group’s workover rigs are in operation with Pertamina and Pertamina’s business units, while several others are in operation at MEPI fields in Sumatra and Kalimantan. The remaining other units are operating in various joint operations.

In 2013, EPI entered into an agreement to operate a 2,000 HP capacity of drilling rig for the Lagan Deep 1A project in MEPI field in South Sumatera. This project commenced in the third quarter of 2013 and completed in the first quarter of 2014. The drilling rig unit with 2,000 HP capacity was then used, in December 2014, to service the Geothermal project for Sarulla Operations Limited in North Sumatera.

The one drilling rig unit of 1,500 HP capacity has been contracted by Sarulla Operations Limited to operate in North Sumatera and commenced its operations in March 2015.

The remaining workover rigs and logging units are being used to service Pertamina and MEPI in Sumatera and Kalimantan.

## **Power Business**

The Group's power business is conducted through MPI, with an ownership structure of PT Saratoga Power (51.0%) and the Guarantor (49.0%) since December 2011.

### **2014 Performance**

In 2014, MPI produced a total of 1,293 GWh of electricity from six power plants in Batam and South Sumatra, a slight increase from 1,269 GWh of electricity produced in 2013. This was due to the commencement of operations of combined cycle power plants in Batam in September 2014 and improved efficiency.

In a follow-up to the signing of PPA with PLN Batam in October 2012, in connection with the use of a combined cycle generator at the Batam power plant, MPI through the subsidiary PT Mitra Energi Batam ("**MEB**") has started the installation of the combined cycle add-on generator in November 2012. The installation of the Chiller was completed and has been operational since the fourth quarter 2013, with the combined cycle power plant ready for service in September 2014. In effect, this converted two gas-fired power plants into combined gas and steam-fired power plants, has resulted in an overall increase in electricity generating capacity for the city of Batam, with a total capacity of 84 MW.

MEB earned an award from the Mayor of Batam for being the best in environmental management for the municipal city of Batam in the category of the power plant industry.

MPI through another subsidiary Energi Listrik Batam ("**ELB**") has also completed the construction of a 2x35 MW gas-fired power plant, which has expected commercial operations in the third quarter of 2015 pursuant to the PPA signed with PLN Batam in October 2012.

In the Operation & Maintenance ("**O&M**") business, Tanjung Jati B Power Services ("**TJBPS**") as a subsidiary of MPI in the operation of the 2x660MW coal-fired Tanjung Jati B Power Plant, succeeded in carrying out a major overhaul (major outage) of the generating turbine with a time factor that is faster than anticipated.

### **Geothermal Project**

MPI currently has two geothermal power plant projects in Indonesia, namely Sarulla in North Sumatra with a capacity of 330 MW and Ijen in East Java with a capacity of 110 MW.

#### *Sarulla*

Sarulla Geothermal Power Project is a geothermal project with two reservoirs (Silangkitang and Namora Langit) located in Pahae Julu and Pahae Jae district, North Tapanuli Regency of North Sumatera Province approximately 300 km of Medan.

The development of the Sarulla geothermal field and its power plant includes (i) the development of Sarulla Geothermal field (the Silangkitang ("**SIL**") field and Namora Langit ("**NIL**") field); (ii) the construction and operation of a geothermal power plant, one unit at SIL of 104.8 MW and two units at NIL each with capacity of 108 MW; and (iii) the construction of 150 kV tie-in line between SIL and NIL plants with an approximate distance of 20 km.

The Sarulla Geothermal Power Project is being carried out through Sarulla Operations Limited, which will develop, construct, own and operate the project. The project is being carried out in consortium with several parties consisting of the Guarantor, Saratoga (through MPI), Itochu Corporation, Kyushu Electric Power Co., Inc (Kyuden) and Ormat International Inc.

MPI, as the majority shareholder in the Sarulla geothermal power plant, together with partners Itochu, Ormat and Kyushu Electric finalised and signed the Amendment to the Energy Sales Contract ("**ESC**") and Joint Operating Contract ("**JOC**") in 2013 which was followed by the handover of the ESC and JOC as well as the submission of the Letter of Guarantee on Business Viability from the Minister of Finance of the Republic of Indonesia. The investment amounted to US\$1.6 billion. Project financing totalling US\$1.2 billion has been secured from JBIC, ADB and other banks, the agreements of which were signed on 28 March 2014.

The Commercial Operation Date ("**COD**") of the first 110 MW unit is slated for 2016, while the remaining two units, each of 110 MW capacity, will be finished in 2017 and in 2018, respectively. This project is widely anticipated in the region, mainly to address the chronic electricity shortages currently prevailing in North Sumatra.

## *Ijen*

On 27 February 2013, MPI through its subsidiary, PT Medco Cahaya Geothermal, signed a Power Purchase Agreement with PT PLN (Persero) which amended with the Amendment 1 dated 12 December 2014, in which MPI as an Independent Power Producer (“**IPP**”) will develop, operate and maintain a 2x55 MW geothermal power plant in the Working Area of Mount Ijen in the East Java Province. This power plant will supply electricity to the Java- Bali grid and is expected to commence commercial operations at the end of 2019.

### **Mini Hydro Project**

MPI is currently developing mini hydro power generating plant (“**PLTMH**”) through a number of projects located in Cianjur and in West Sumatra. The following is a brief description of the PLTMH projects currently being developed by MPI.

*Cibalapulang 1 PLTMH.* The Cibalapulang 1 PLTMH is the first mini hydro project of MPI, located at Cianjur, with a capacity of 9 MW. The PPA with PLN was signed in 2012. Commercial operation is scheduled to start end 2015.

*Pusaka Parahiangan PLTMH.* MPI has acquired the assets of PT Pembangunan Pusaka Parahiangan, which is involved in the development of two PLTMH projects in Cianjur, West Java, with a total generating capacity of 12 MW. The PPA with PLN was signed in 2013. Construction of PLTMH Pusaka 1 and 3 has begun since the second quarter of 2014. Commercial operation is scheduled to start in 2016.

*Cibalapulang 2 and 3 PLTMH.* The Cibalapulang 2&3 PLTMH is located at Cianjur, with a capacity of 13 MW. The PPA with PLN was signed in 2013. Commercial operation is scheduled to start in 2017.

*Sumpur PLTMH.* The Sumpur PLTMH is located at Pasaman, West Sumatera with a capacity of 8 MW. The PPA with PLN was signed in 2013. Commercial operation is scheduled to start in 2017.

### **Supporting Service Business Unit (Building Lease)**

With the growing scale of the businesses of the Group, the Guarantor aims to maintain its head office in an office building that can support the business activities of the Group.

In 2013 the Group effectively acquired a 49.00% stake of PT Api Metra Graha, a company that owns The Energy Building in Jakarta. At present, the Group and a large majority of its Subsidiaries are domiciled in The Energy Building.

### **Competition**

The Group faces competition from other oil and gas companies, including from several, the state-owned national oil and gas company, in all areas of its operations, including the acquisition of production sharing blocks. The Group’s competitors in Indonesia and Southeast 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 the Group’s, many of which have been engaged in the oil and gas business for a longer period of time than the Group. Such companies may offer more attractive terms when bidding for concessions for exploratory prospects and secondary operations paying more for productive natural gas and oil properties and exploratory prospects than the Group’s. However, as one of the few reputable and long-track record Indonesian companies involved in the oil and gas exploration and production industry, the Group believes that it has certain advantages when seeking to expand its business in the oil and gas sector.

One of the Group’s competitive strengths is a low cost structure which enables it to economically reactivate production from mature oil and gas fields. This has not been a significant area of focus of the major international oil companies operating in Indonesia. While the Group continues to focus on existing fields and fields which have exploratory potential, it also plans to compete for the award of new production sharing contract or expiring PSC contracts in Indonesia. Although the industry operates in a competitive bidding environment for the award of new or expiring PSC contract areas, the Group, as a reputable national private oil and gas company in Indonesia with strong expertise and relations with the Indonesian Government, believes that it is in a favourable position, either alone or together with a major international oil and gas company, to obtain contract areas from the Government.

### **Operating Hazards, Insurance and Uninsured Risks**

The Group’s operations are subject to hazards and risks inherent in drilling for, and the production and transportation of, natural gas and oil. 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, environmental pollution, personal injury claims and other damage to properties of the Group. Additionally, certain of the Group's natural gas and oil 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. As protection against operating hazards, the Group maintains insurance coverage against some, but not all, potential losses. The Group's 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. The Group believes that its insurance coverage is adequate and is comparable to insurance taken out by companies of a similar size engaged in operations similar to those of the Group.

## **Safety**

The Group has extensive safety procedures designed to ensure the safety of its workers, the assets of the Group, the public and the environment. A central safety manual of detailed operating procedures is available at the operations level, with another, more specific, manual maintained by each operating subsidiary, which together govern the Group's procedures. Certain procedures must be approved by a safety officer in advance before they can be undertaken.

It is the policy of the Group that in the event of any conflict between the progress of work and safety or environmental concerns, the safety of employees, equipment and third parties and preservation of the environment are paramount. The Group provides its employees and contractors with comprehensive training in safety and environmental related matters.

As the Group's commitment to SHE principles, the Group implements an SHE management system known as Performance Integrity of Medco E&P ("**PRIME**"). PRIME is the structured approach applied by the Guarantor to its business activities so as to ensure that the business activities fulfil and comply with all relevant legal and other requirements relating to SHE principles. The Group also adopts the International Safety Rating System 7<sup>th</sup> edition to measure, assess and improve PRIME in all operation assets and divisions. The Group has also developed its operating systems, guidelines and standard operating procedures for the Group's operations to align it with its SHE policy.

The Group's safety records have also shown a decrease in the total recordable injury rate and lost time incident frequency rate in the past four years, and as at 31 December 2014, the Group recorded its lowest total recordable injury rate since 2006 and lowest lost time incident frequency rate since 2000.

## **Employees**

The Group had 2,096 employees as of 31 December 2014, of which 1,621 were permanent employees and 475 were contract employees.

A number of the Group's employees are members of labour union with whom the Group has signed a collective labour agreements. The Group has not been subject to any material strikes or other labour disturbances that have interrupted its operations. The Group believes it has a good and cooperative relationship with its employees.

## **Environmental**

The Group's 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, 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 the Group's operations. To some extent, the regulatory system stipulates 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 the operating costs of the Group, as well as the oil and gas industry in general. Management believes that the Group is 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 the Group.

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. The Group is required to provide a report containing an environmental impact analysis to the Indonesian environmental agency on a bi-annual basis.

The Group has demonstrated its compliance with regulations, particularly in environmental aspect. The Group consistently received Blue, Green and Gold PROPER awards from the Environmental & Forestry Ministry for its various Indonesian assets.

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# CORPORATE STRUCTURE

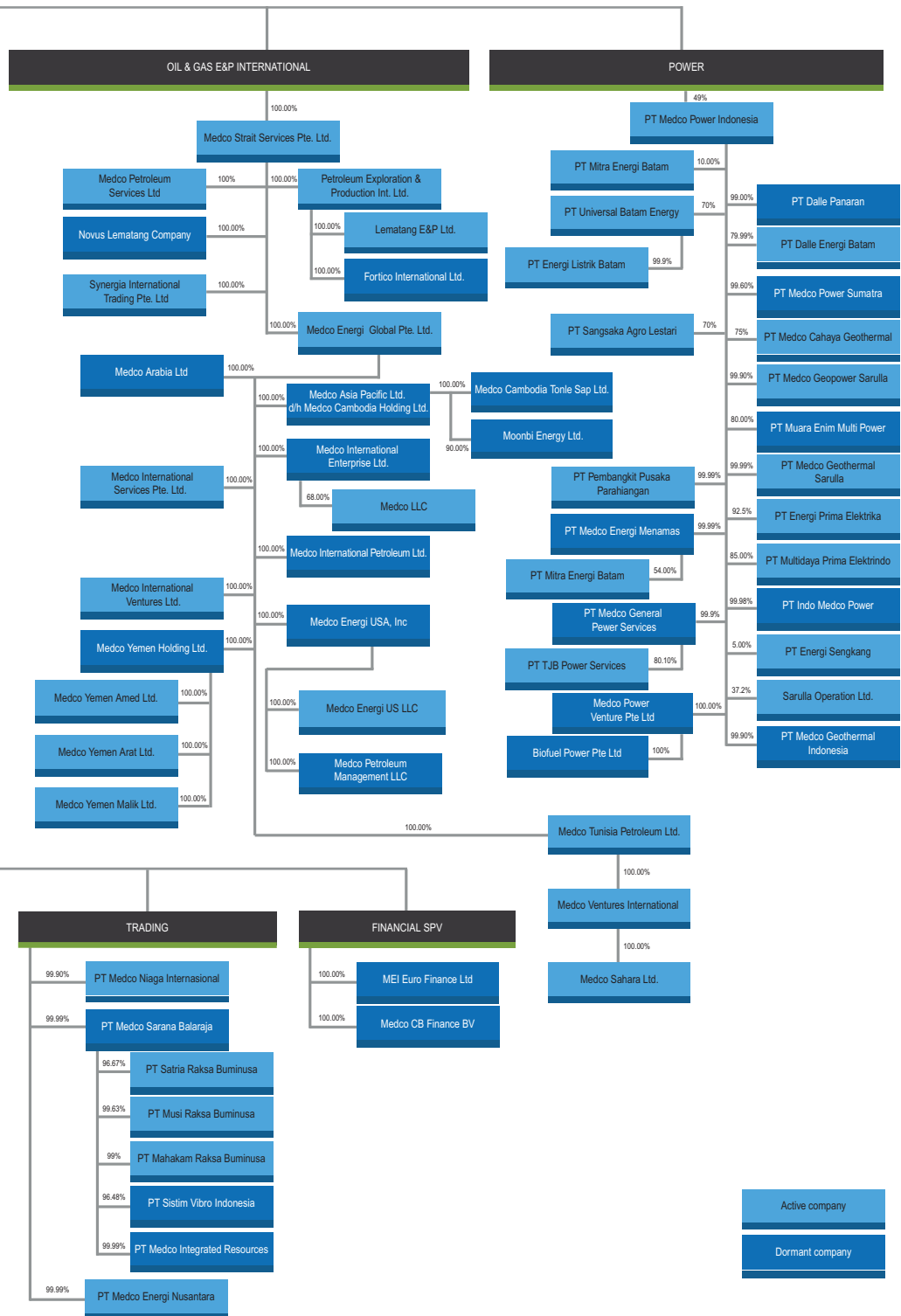
The Group's corporate structure as of 31 December 2014 is as follows:



## MEDCOENERGI







## MANAGEMENT

### Commissioners, Directors and Advisors

The management and day-to-day operations of the 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 regulated in the Guarantor's Articles of Association and by the decisions of the Guarantor's shareholders in a general meeting. 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 acting together with one other Director can legally bind the Guarantor. The Board of Commissioners must have at least three members: a President Commissioner and two or more Commissioners. The President Commissioner and one Commissioner acting together are entitled to act for and on behalf of the Board of Commissioners.

The Board of Commissioners is currently composed of six members. The Board of Directors is currently composed of four 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 officers of the Guarantor serve at the discretion of the Board of Directors. The 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 Guarantor have had any convictions in relation to fraudulent offences, 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 Guarantor or from acting in the management or conduct of the affairs of the Guarantor during the five year period prior to the date of this Information Memorandum.

Information regarding the Commissioners, Directors and Advisors of the Guarantor is set forth below. The business address of all Commissioners, Directors and Advisors of the Guarantor is the address of the Guarantor's registered and principal executive office at 53<sup>rd</sup> Floor, The Energy Building, SCBD Lot 11A, Jl. Jend. Sudirman, Jakarta 12190, Indonesia.

### Board of Commissioners

<u>Name</u>	<u>Position</u>
Mr. Hilmi Panigoro*	President Commissioner
Ms. Retno D. Arifin	Commissioner
Mr. Marsillam Simandjuntak	Independent Commissioner
Ms. Yani Y. Rodyat*	Commissioner
Mr. Junichi Iseda	Commissioner
Mr. Gustiaman Deru	Independent Commissioner

\* Mr. Hilmi Panigoro, the Guarantor's President Commissioner, Ms. Yani Y. Rodyat, the Guarantor's Commissioner, and Mr. Arifin Panigoro, the Guarantor's Advisor, are siblings.

**Mr. Hilmi Panigoro.** Indonesian Citizen. Born in 1955. He was appointed as President Commissioner of the Guarantor since 2008. He previously held the position of President Director of the Guarantor and had done so since 2001. He currently holds the position of Commissioner of PT Meta Archipelago Hotels and President Director of PT Medco Duta and PT Medco Intidnamika. He has extensive experience in oil and gas industry and held various key positions while working at VICO Indonesia between 1982 and 1996. He received a Master of Science degree in Geological Science from Colorado School of Mines, U.S., in 1988, took core programme in Business Administration at Thunderbird University, U.S., in 1984, and received a Bachelor's degree in Geological Science from Bandung Institute of Technology in 1981.

**Ms. Retno D. Arifin.** Indonesian Citizen. Born in 1945. She was re-appointed as the Commissioner of the Guarantor in 2003 and currently also serves as Commissioner of PT Kreasi Megah Sarana. She joined the Group in 1990, held Commissioner position at the Guarantor's drilling services subsidiaries from 1990 – 1994, and served as Commissioner of the Guarantor in 1994 to 1998. She received a Bachelor's degree in Architecture Engineering from Bandung Institute of Technology in 1972.

**Mr. Marsillam Simandjuntak.** Indonesian Citizen. Born in 1943. He was appointed as Independent Commissioner in 2010. He previously held positions as a 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 Programme and Reform Governance (UKP-PPR) from 2006 to 2009. He was a former Secretary of Cabinet and Minister of Justice and Attorney General of the Republic of Indonesia in 2001. He also had experiences as President Commissioner of PT Garuda Indonesia from 2003-2005, President and Independent Commissioner of PT Gunung Agung Tbk from 2003-2005. He began his career as a medical doctor at PT Garuda Indonesia in 1971 up until 1980 and had received a Medical degree from the University of Indonesia in 1971, a Law degree from the University of Indonesia in 1989, and was a visiting scholar at the University of California, Berkeley, United States of America from 1985-1987.

**Ms. Yani Y. Rodyat.** Indonesian Citizen. Born in 1951. She has been appointed as Commissioner of the Guarantor since 1998. She currently also holds positions as Director of PT Medco Duta and PT Medco Intidynamika, 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.

**Mr. Junichi Iseda.** Japanese Citizen. Born in 1955. Appointed as the Commissioner of the Guarantor in 2013. He is currently serving as Senior Vice President, Mitsubishi Corporation, Chief Regional Officer Indonesia. He earned a Law degree from The University of Tokyo in 1979.

**Mr. Gustiaman Deru.** Indonesian Citizen. Born in 1960. He was appointed as Independent Commissioner in 2002. He previously held positions as a Director, Senior Investment Professional post in Matlin Patterson Advisers (Asia) Limited, Hong Kong from 2002-2009, Commissioner of the Guarantor from 2000-2002, Director of Workout and Special Situation Group in Credit Suisse First Boston, Hong Kong from 1998-2002, Director, for Asian Local Markets Trading of ING Barings, Hong Kong from 1996 to 1998, and Director of Peregrine Fixed Income Limited, Singapore from 1994 to 1996 and various others prominent positions. Received a Master of Business Administration degree in Banking and Finance from the Rotterdam School of Management (Erasmus Universiteit – Rotterdam), the Netherlands in 1990, and a Bachelor's degree in Civil Engineering from Parahyangan University, Bandung in 1985.

## Board of Directors

Name	Position
Mr. Lukman Ahmad Mahfoedz .....	President Director, Chief Executive Officer
Ms. Lany Djuwita Wong .....	Director, Chief Financial Officer
Ms. Frila Berlini Yaman .....	Director, Chief Operation Officer (E&P)
Mr. Akira Mizuta .....	Director, Chief Planning Officer

**Mr. Lukman Ahmad Mahfoedz.** Indonesian Citizen. Born in 1954. He was appointed as the Guarantor's Director in 2008. Served as a Director in PT Medco E&P Indonesia in 2005. His career began as a construction engineer in a construction company from 1980 to 1983. He then joined Huffco/VICO in 1983. Held various positions in Operation & Engineering, Project Construction and General Support divisions in VICO Indonesia for almost 18 years. Before joining the Guarantor, he was the Senior Vice President for Tangguh LNG in BP Indonesia since 2001 until 2005. In April 2005, he moved to the position of President Director of PT Medco E&P Indonesia. He was the Member of Board Director in the Guarantor from May 2008 to 2011, and was appointed as the President Director and CEO of the Guarantor in May 2011.

**Ms. Lany Djuwita Wong.** Indonesian citizen. Born in 1969. She was appointed as Director and Chief Financial Officer of the Guarantor in April 2013. Previously she served as Director of PT Exspan Petrogas Intranusa in September 2011 until May 2013 and as Head of Corporate Planning and Performance. Joined the Guarantor initially in 2006 as Head of Corporate Finance (2006-2010). Prior to that she worked at Pricewaterhouse Coopers as Manager of Financial Advisory Services and also at Arthur Andersen and Astra International. She graduated with a degree in Economics (Accounting) from the University of Indonesia in 1993, and subsequently earned a Master in Finance degree from Texas A&M University in 1996, College Station, USA. She is also a Chartered Financial Analyst (CFA).

**Ms. Frila Berlini Yaman.** Indonesian citizen. Born in 1956. Frila Berlini Yaman has 32 years of experience in Exploration & Production, with more than half spent in international assignments at

senior management level with major international companies. She received a Chemical Engineering Degree from Bandung Institute of Technology, Indonesia (1981) and a Master in Management from Stanford University, USA (2000). She started her career in Jakarta working for ARCO as a Petroleum Engineer, and since 1996 worked internationally with BP and Shell in commercial and operational roles. Her assignments have included: Manager Corporate Planning at ARCO Headquarters in Los Angeles (1996 to 2000); Commercial Manager San Juan CBM, BP America in Houston (2000 to 2003); President BP China E&P, in Shekou and Beijing (2003 to 2006); Director of Midstream Business, BP Vietnam in Ho Chi Minh City (2006 to 2009); and Regional Executive Shell Asia Pacific, in Singapore (2009 to 2010). During her tenure with BP she was also concurrently Regional Head of BP Diversity & Inclusion in Asia from 2004-2005.

**Mr. Akira Mizuta.** Japanese citizen. Born in 1956. He was appointed as Director & Chief Planning Officer since May 2011, after previously serving as General Manager, Energy Business Group, Mitsubishi Corporation from 2006-2011. In the past, he had served in various managerial positions in Mitsubishi Corporation, including General Manager, Alaska Project Unit & Leader, GTL Task Force, Coordination/ Strategy Unit, Natural Gas Business Division (2003); General Manager, GTL Task Force, Coordination/ Strategy Unit, Natural Gas Business Division (2002); General Manager, Alaska Project Unit & Senior Manager, LNG Shipping Project, Coordination/ Strategy Unit, Natural Gas Business Division (2001); Manager, Alaska Project Team, LNG Business Dept. A (2000); Manager, Asia Project Development Dept., Fuels Division C (1997); Manager, Downstream, Fuels Strategic Planning, Fuels Division A (1996); Manager, Project Coordination Team, Petroleum Feedstock Dept. (1995); as well as at Feedstock Section A (Tokyo) (1989); Manager Petroleum Trading, Singapore Branch (1985); Manager, Fuels Dept., Jakarta Representative Office (1984); and at Feedstock Section, Petroleum Product Dept. (1978). He graduated from Hitotsubashi University with a Bachelor of Economics degree in 1978.

#### Advisors

<u>Name</u>	<u>Position</u>
Mr. Alwi Shihab . . . . .	Advisor
Mr. Arifin Panigoro* . . . . .	Advisor
Mr. Subroto . . . . .	Advisor

\* Mr. Hilmi Panigoro, the Guarantor's President Commissioner, Ms. Yani Y. Rodyat, the Guarantor's Commissioner, and Mr. Arifin Panigoro, the Guarantor'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 the Guarantor as 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 Art degree from University of Al-Azhar, Cairo, Egypt in 1966 and 1968, respectively. He also received a Master of Arts degree and a Doctor of Philosophy from Temple University, U.S. in 1995, as well as a Doctor of Philosophy degree from University of Ain Shams, Cairo, Egypt in 1990. In the year 1996, he received another post doctorate from the Centre for the Study of World Religions in Harvard University, USA.

**Mr. Arifin Panigoro.** Founder of the Group and involved in the drilling and oil and gas industry since 1980. He withdrew from the Guarantor's management in 1998 and has been an Advisor to the Guarantor since. He earned a bachelor degree in Electrical Engineering from the Bandung Institute of Technology in 1973 and was awarded his honorary degree from the Bandung Institute of Technology in 2010.

**Mr. Subroto.** He was a former Minister of Mining and Energy of Republic of Indonesia and former Secretary General of Organisation of Petroleum Exporter Committee (OPEC). Since 1997, he has been an advisor to the Guarantor, mainly in providing information on macroeconomic issues and global developments in the oil and gas business. Graduated from the Military Academy, Yogyakarta in 1948 and continued his study to earn a Bachelor of Arts degree in Economics from the University of Indonesia in 1952. He received a Master of Arts degree in Economics from McGill University in Montreal, Canada in 1956 followed by a Doctor of Philosophy degree in Economics from University of Indonesia in 1958. In 1963, he also received a post doctorate degree in Financial Management and Control from Stanford University and in 1964 a post doctorate degree from Harvard University for International Teachers Programme.

**Audit Committee**

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. Pursuant to the regulation of the Capital Market and Financial Institution Supervisory Agency dated 7 December 2012, the composition of the audit committee was changed on 22 May 2013. The current audit committee comprises of three members consisting of one Independent Commissioner and two independent external parties namely, Mr. Marsillam Simandjuntak, Mr. Jul Azmi and Ms. Ida Anggrainy, respectively.

**Risk Management Committee**

The Risk Management Committee ("**RMC**") is formed to assist the Board of Commissioners in ensuring that the risks inherent in the Company'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 Guarantor and its subsidiary entities. The RMC is the last line of defence 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, Board of Commissioners are appropriately informed of the enterprise 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 seven members, namely, Mr. Hilmi Panigoro as the Chairman of the committee, Mr. Marsillam Simandjuntak, Ms. Yani Y. Rodyat, Mr. Akira Mizua, Ms. Lany Djuwita Wong, Ms. Frila Berlini Yaman and Mr. Junichi Iseda as members.

## THE ISSUER

### General

The Issuer of the Notes under the Programme, Medco Energi Global Pte. Ltd., was incorporated on 5 May 2006 under the laws of Singapore as a private company with limited liability and its registration number is 200606494N. The registered office of the Issuer is located at 38 Beach Road, #29-11, South Beach Tower, Singapore 189767. The Issuer is a wholly-owned subsidiary of Medco Strait Services Pte. Ltd. which is in turn a wholly-owned subsidiary of the Guarantor.

### Business Activity

Under its Memorandum of Association, subject to the provisions of the Companies Act and any other written law and the Memorandum and Articles of Association of the Issuer, the Issuer is authorised to issue the Notes under the Programme and to finance the business of the Guarantor, including entering into the Trust Deed and any other transaction documents to which it is or will be a party.

The Issuer is a holding company for certain overseas subsidiaries of the Group.

The establishment of the Programme and the issue of Notes from time to time under the Programme was approved by the Board of Directors of the Issuer on 7 April 2015.

### Management

The directors of the Issuer are Wong Lany Djuwita, Faiz Shahab, Lukman Ahmad Mahfoedz, Frla Berlini Yaman and Julie Anne Osborne whose address for the purpose of their directorships of the Issuer is 38 Beach Road, #29-11, South Beach Tower, Singapore 189767.

### Capitalisation

As of the latest Practicable Date, the Issuer has an issued and paid-up share capital of S\$349,628,002 comprising 349,628,002 ordinary shares. As of the date of this Information Memorandum, save for intercompany loans provided by the Guarantor to the Issuer, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued, or created or unused), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

## PRINCIPAL SHAREHOLDERS

The following table sets forth certain information with respect to the Guarantor's shareholders as of the Latest Practicable Date:

<u>Name</u>	<u>Number of Shares Held</u>	<u>Percentage of Total Outstanding Shares (%)</u>
Encore Energy Pte. Ltd . . . . .	1,689,393,006	50.70
Credit Suisse AG SG Trust Account Client . . . . .	690,813,800	20.73
PT Prudential Life Assurance – Ref . . . . .	285,338,200	8.56
PT Medco Duta . . . . .	8,305,500	0.25
PT Multifabrindo Gemilang . . . . .	2,000,000	0.06
Public . . . . .	656,600,944	19.70
<b>Total</b> . . . . .	<b><u>3,332,451,450</u></b>	<b><u>100.00</u></b>

### Description of Principal Shareholders

As of the Latest Practicable Date, Encore Energy Pte. Ltd. collectively held 1,689,393,006 shares of the Guarantor, representing approximately 50.70% of the Guarantor's issued and outstanding shares.

## EXCHANGE RATES AND EXCHANGE CONTROLS

Bank Indonesia is the sole issuer of Rupiah and is responsible for maintaining the stability of the Rupiah. Since 1970, Indonesia has implemented three exchange rate systems: (i) a fixed rate between 1970 and 1978; (ii) a managed floating exchange rate system between 1978 and 1997; and (iii) a free floating exchange rate system since 14 August 1997. Under the second system, Bank Indonesia maintained stability of the Rupiah through a trading band policy, pursuant to which Bank Indonesia would enter the foreign currency market and buy or sell Rupiah, as required, when trading in the Rupiah exceeded bid and offer prices announced by Bank Indonesia on a daily basis. On 14 August 1997, Bank Indonesia terminated the trading band policy and permitted the exchange rate of the Rupiah to float without an announced level at which it would intervene, which resulted in a substantial subsequent decrease in the value of the Rupiah relative to the US dollar. Under the current system, the exchange rate of the Rupiah is determined solely by the market, reflecting the interaction of supply and demand in the market. Bank Indonesia may take measures, however, to maintain a stable exchange rate.

The following table sets forth information on the exchange rates between the Rupiah and US 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 buying and selling rates.

	Middle Exchange Rates			At Period End
	High	Low	Average	
	(Rp per US\$)			
2008 . . . . .	12,151	9,051	9,757	10,950
2009 . . . . .	11,980	9,400	10,356	9,400
2010 . . . . .	9,365	8,924	9,078	8,991
2011 . . . . .	9,170	8,508	8,773	9,068
2012 . . . . .	9,670	9,000	9,419	9,670
2013 . . . . .	12,189	9,667	10,563	12,189
2014 . . . . .	12,900	11,271	11,878	12,440
January 2015 . . . . .	12,732	12,444	12,579	12,625
February 2015 . . . . .	12,887	12,609	12,750	12,863
March 2015 . . . . .	13,237	12,932	13,067	13,084

Source: *Statistik Ekonomi dan Keuangan Indonesia* (Indonesian Financial Statistics) published monthly by Bank Indonesia; Internet website of Bank Indonesia at <http://www.bi.go.id/web/en/Moneter/Kurs+Bank+Indonesia/Kurs+Transaksi/>

### 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 utilisation 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.

Pursuant to Bank Indonesia Regulation No. 16/22/PBI/2014 (“**PBI 16/22**”) regarding the Reporting on Foreign Exchange Traffic Activities and Reporting on the Implementation of Prudential Principles in the Management of Non-Bank Corporation’s Offshore Borrowings, all Indonesian residents who engage in foreign exchange traffic activities, whether individual or legal entities, to report any trading of goods, services and other transaction, position and changes to offshore financial assets and/or offshore financial liabilities and/or offshore borrowing transactions to Bank Indonesia. The report must be submitted on a monthly basis using an online system at the latest by the 15th day of the following month, while any correction thereto must be notified at least by the 20th day of the respective month. For offshore borrowings plan during the ongoing year, the report shall be submitted at the beginning of each year, no later than 15 March and any amendment thereto, no later than 1 July.



In addition, for the purposes of implementing prudential principles in relation to offshore borrowings as required by Bank Indonesia Regulation No. 16/21/PBI/2014 on Implementation of Prudential Principles in Managing Offshore Loan of Non-Bank Corporation, Indonesian companies are required to provide the following documents:

- (1) The prudential principle implementation activity report ("**KPPK report**"), which is to be submitted on a quarterly basis, no later than the end of the third month;
- (2) The KPPK report, attested by a public accountant, which is to be submitted no later than the end of June after the ongoing financial year ended;
- (3) Information on the fulfilment 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 borrowings; and
- (4) 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; 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 traffic report and the prudential principle implementation activity report and will impose administrative sanctions in the form of penalties, written warning and/or may report to other authorities of any violation due to any delay or failure in submission of such reports.

From 1 January 2015 to 31 December 2015, submissions of and corrections to the prudential principle implementation activity report shall be made offline. As of 1 January 2016, submissions of and corrections to the prudential principle implementation activity report shall be made online. The requirement to submit credit ratings fulfilment only applies to offshore borrowings executed or issued as of 1 January 2016.

### **Indonesian Law on Currency**

On 28 June 2011, the Indonesian House of Representatives (the Indonesian parliament) passed Law No. 7 of 2011 (the "**Currency Law**") concerning the use of Rupiah. The Currency Law requires the use of and prohibits the rejection of Rupiah in certain transactions.

Article 21 of the Currency Law requires the use of Rupiah in payment transactions, monetary settlement of obligations and other financial transactions (among others, the deposit of money) within Indonesia. However, there are a number of exceptions to this rule, including certain transactions related to the state budget, income and grants from and to foreign countries, international trade transactions, foreign currency savings in a bank or international financing transactions.

Article 23 of the Currency Law prohibits the rejection of Rupiah offered as a means of payment, or to settle obligations and/or in other financial transactions within Indonesia unless there is uncertainty regarding the authenticity of the Rupiah bills offered. The prohibition does not apply to transactions in which the payment or settlement of obligations in a foreign currency has been agreed in writing.

There is uncertainty regarding the implementation of Articles 21 and 23 because Article 21 forbids settlement in a currency other than Rupiah, while Article 23 provides a number of exceptions to the prohibition of the rejection of Rupiah. To address public concern, on 6 December 2011, the Ministry of Finance through the Directorate General of Treasury of the Republic of Indonesia issued a document to the public on the Interpretation of the Currency Law ("**MOF Interpretation**"). The MOF Interpretation explains that the Currency Law only applies to cash transactions (coins and banknotes) while excluding the payment involving non-physical money transactions (*uang giral*) (cheques and letter of credit) and electronic payments. The MOF Interpretation also explains that the obligation to accept Rupiah as a means of payment or as settlement for an obligation or for any other financial transaction as mentioned in Article 23 of the Currency Law can be exempted by a contractual arrangement existing or entered into either before or after the enactment of the Currency Law. However, it should be noted that the MOF's Interpretation is not a legislative product and arguably may be subject to challenge.

Non-compliance with the Currency Law is a violation/misdemeanour and is punishable by up to one year of confinement or a fine of up to Rp. 200 million.

### **Purchasing of Foreign Currencies against Rupiah through Banks**

On 17 September 2014, Bank Indonesia issued Regulation No. 16/16/PBI/2014 regarding Foreign Exchange to Rupiah Transaction between Banks and Domestic Parties ("**PBI 16/16**"), as implemented

by the Circular Letter of Bank Indonesia No. 16/14/DPM. Under PBI 16/16, any conversion of Rupiah into foreign currency that exceeds a specific threshold would be required to have an underlying transaction. These thresholds are: (i) the purchase of more than US\$100,000 per month per customer or its equivalent of foreign exchange against Rupiah for spot transactions and derivative transactions other than forward and options transactions; and (ii) the purchase of more than US\$1,000,000 per month per customer or its equivalent of foreign exchange against Rupiah for forward or option transactions.

The following transactions may be deemed underlying transactions under PBI 16/16: (a) domestic and international trade of goods and services; and/or (b) investment in the forms of direct investment, portfolio investments, loans, capital and other investments inside and outside Indonesia. Underlying transactions do not include (a) placement of funds in banks in the form of, among others, saving accounts, demand deposit accounts, time deposits, and negotiable certificate deposits, and (b) money transfer activities by remittance companies.

Indonesian companies purchasing foreign currencies in excess of US\$100,000 will be required to submit certain supporting documents to the selling bank, including among others, a duly stamped statement confirming that the underlying agreement is valid and the amount of foreign currency purchased is or will not exceed the amount stated in the underlying agreement. For purchases of foreign currencies not exceeding US\$100,000, such company must declare in a duly stamped letter that its aggregate foreign currency purchases do not exceed US\$100,000 per month in the Indonesian banking system.

As of 10 November 2014, this regulation supersedes Bank Indonesia Regulation No. 10/28/PBI/2008, Bank Indonesia Regulation No. 10/37/PBI/2008 and Bank Indonesia Regulation No. 11/14/PBI/2009.

On 17 September 2014, Bank Indonesia issued Regulation No. 16/17/PBI/2014 regarding Foreign Exchange to Rupiah Transaction between Banks and Foreign Parties ("**PBI 16/17**"), as implemented by the Circular Letter of Bank Indonesia No. 16/15/DPM. While PBI 16/16 and PBI 16/17 collectively govern foreign exchange transactions against Rupiah in Indonesia, PBI 16/16 governs Indonesian bank customers, whereas PBI 16/17 governs foreign exchange transactions by banks and foreign parties.

Similar to PBI 16/16, PBI 16/17 also requires an underlying transaction for a foreign exchange transaction against Rupiah if it exceeds specified thresholds. These thresholds are: (i) a purchase of foreign exchange against Rupiah of more than US\$100,000 per month per customer for spot transactions and (ii) the purchase of foreign exchange against Rupiah of more than US\$1,000,000 per month per customer for derivative transactions. PBI 16/17 has a single threshold amount for derivative transactions, of US\$1,000,000 per month per customer for any kind of derivative transaction.

The following transactions may be deemed underlying transactions under PBI 16/17: (a) domestic and international trade of goods and services; and/or (b) investments in the forms of direct investment, portfolio investments, loans, capital and other investments inside and outside Indonesia.

As of 10 November 2014, PBI 16/17 supersedes Bank Indonesia Regulation No. 7/14/PBI/2005, Bank Indonesia Regulation No. 14/10/2012 and Bank Indonesia Regulation No. 16/9/PBI/2014.

On 14 May 2014, Bank Indonesia issued Regulation No. 16/10/PBI/2014 on Receiving and Withdrawing Foreign Currencies from Export Activities and Foreign Loans ("**PBI 16/2014**"), which revokes and replaces Bank Indonesia Regulation No. 13/22/PBI/2011 and BI Regulation No. 14/25/PBI/2012. Based on PBI 16/2014, any borrowings of offshore loans (in foreign currencies) that originate from (i) non-revolving loan agreements that are not used for refinancing purposes, (ii) a difference between the new loan and the refinanced loan, or (iii) debt securities (i.e. 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. The aggregate amount of the offshore loan withdrawals should be equal to the local commitments provided under such loans. In the event that there is any difference in excess of Rp.50,000,000 (or its equivalent in foreign currencies) between the offshore loan withdrawals and the local commitments, the offshore borrower must submit a written explanation to Bank Indonesia. Withdrawals of the above foreign loans must be reported to Bank Indonesia on the fifteenth day of every month. These reports shall include supporting documents detailing the respective portions of the foreign loans that were withdrawn from the foreign exchange bank. Administrative sanctions will be imposed on companies that fail to comply with such reporting obligations.

## DESCRIPTION OF MATERIAL INDEBTEDNESS

The table below sets out a summary of the Group's material indebtedness outstanding as at 31 December 2014.

Description of indebtedness <sup>(1)</sup>	Lender / Listed	Original / principal amount	Coupon p.a	Term / maturity	Amount Outstanding As of 31 December 2014	
					Rp	US\$
<b>BANK LOANS</b>						
Special transaction credit facility phase I	PT Bank Mandiri (Persero) Tbk	USD 100,000,000	—	(5 years) 29 April 2016	—	100,000,000
Special transaction credit facility phase II	PT Bank Mandiri (Persero) Tbk	USD 100,000,000	—	(5 years) 23 September 2016	—	95,000,000
Special transaction credit facility phase III	PT Bank Mandiri (Persero) Tbk	USD 50,000,000	—	(3 years) 29 August 2017	—	50,000,000
Special transaction credit facility phase IV	PT Bank Mandiri (Persero) Tbk	USD 100,000,000	—	(5 years) 29 August 2019	—	100,000,000
Revolving working capital loan facility	PT Bank Negara Indonesia (Persero) Tbk	USD 150,000,000	—	(5 years) 26 July 2016	—	105,000,000
Term loan facility	PT Bank Negara Indonesia (Persero) Tbk	Rp 1,400,000,000,000	—	(3 years) 24 September 2015	1,400,000,000,000	—
On demand fixed loan revolving facility	PT Bank ICBC Indonesia	Up to USD 50,000,000	—	(3 years) February 2017	—	50,000,000
Revolving credit facility	The Bank of Tokyo-Mitsubishi UFJ Limited, Jakarta Branch	Up to USD 30,000,000	—	(3 years) 3 July 2017	—	30,000,000
Syndicated loan for financing the Senoro project <sup>(2)</sup>	Standard Chartered Bank, Singapore Branch PT Bank Mandiri (Persero) Tbk	Up to USD 200,000,000	—	(7 years) 30 June 2020	—	95,012,073
<b>GENERAL BANKING FACILITY</b>						
Non Cash Loan Facility	PT Bank Mandiri (Persero) Tbk	USD 160,000,000	—	12 March 2015	—	95,313,075
Banking Facility	PT Bank DBS Indonesia	USD 100,000,000	—	24 September 2015	—	85,000,000
Bank guarantee facility, Standby letter of credit facility, Import letter of credit facility	PT Bank Danamon Indonesia Tbk	USD 10,000,000	—	31 October 2015	—	—
Banking Facility	Standard Chartered Bank	Bonds and Guarantees Facility USD 50,000,000	—	30 June 2015	—	15,350,000
<b>LONG TERM DEBT</b>						
US\$ Shelf Registered Bonds I	Indonesia Stock Exchange	US\$100,000,000 1st phase amounting to US\$50,000,000 2nd phase amounting to US\$30,000,000 3rd phase amounting to US\$20,000,000	6.05%	July 2016  November 2016  July 2017	—	79,000,000  18,784,000

Description of indebtedness <sup>(1)</sup>	Lender / Listed	Original / principal amount	Coupon p.a	Term / maturity	Amount Outstanding As of 31 December 2014	
					Rp	US\$
Rupiah Bonds III Year 2012	Indonesia Stock Exchange	Rp1.500.000.000.000 and swapped into US\$157,894,737	8.75%	June 2017	1.500.000.000.000	—
Rupiah Shelf Registered Bonds I Phase I	Indonesia Stock Exchange	First phase amounting to Rp500,000,000,000 and swapped into US\$51,813,471	8.80%	December 2017	500,000,000,000	—
Rupiah Shelf Registered Bonds I Phase II	Indonesia Stock Exchange	Second phase amounting to Rp1,500,000,000,000 and swapped into US\$153,846,154	8.85%	March 2018	1,500,000,000,000	—
Medium Term Note IV	Indonesia Stock Exchange	Rp1,000,000,000,000 and swapped into US\$81,833,061	11.20%	October 2018	1,000,000,000,000	—

*Notes:*

- (1) Unless otherwise stated, the borrower/issuer is the Guarantor.
- (2) The borrower is PT Medco E&P Tomori Sulawesi.

Under the various debt agreements, the Group is required to comply with certain conditions, including merger, sale of assets, dividend distribution and maintenance of certain financial covenants ratios.

## REGULATORY OVERVIEW

The following section sets forth a summary of significant laws and regulations of Indonesia that affect the Group.

### Regulation of Money Laundering

On 22 October 2010, the Government enacted Law No. 8 of 2010 on the Prevention and Eradication of Money Laundering Criminal Crime ("**Law No. 8/2010**"). This law regulates among others, the types of transactions which are required to be reported to the Indonesian Financial Transaction Reports and Analysis Centre (*Pusat Pelaporan dan Analisa Transaksi Keuangan*) ("**PPATK**") and the entities responsible to report such transactions. Under this law, a property developer (the "**Reporting Party**") is also one of the entities that is responsible to submit such report. Under Law No. 8/2010, the Reporting Party is required to report to PPATK any transaction entered into with its customers having a minimum amount of Rp500 million, or an equivalent value in other currencies, no later than 14 business days after the transaction is conducted (the "**Reporting Obligation**"). Failure to submit the report may subject the Reporting Party to administrative sanction(s) which will be imposed by the Supervisory and Regulatory Body (*Lembaga Pengawas dan Pengatur*) in the form of a warning letter, public announcement on the action or sanction and/or an administrative penalty. Law No. 8/2010 also provides protection to the Reporting Party and/or the witness with regard to its report and/or testimony such that the Reporting Party and/or the witness shall be free from any civil or criminal claim, unless the Reporting Party provides a false testimony while under oath. Further, Law No. 8/2010 stipulates that as long as the Supervisory and Regulatory Body has not been established, the PPATK is authorised to give the administrative sanctions.

The Reporting Obligation shall take effect two years after Law No. 8/2010 is enacted, which will be on 22 October 2012. To implement the reporting obligation, PPATK has issued Regulation of PPATK Head No. PER-12/1.02.01/PPATK/09/11 dated 19 September 2011 regarding Transaction Reporting Procedures for Providers of Goods and/or Other Services ("**PPATK Regulation 12/2011**") and Regulation of PPATK Head No. PER-10/1.02.1/PPATK, dated 19 September 2011 regarding the implementation of Know Your Service Consumers Principles for Providers of Goods and/or Other Services ("**PPATK Regulation 10/2011**") which particularly apply to providers of goods and/or services, among others, including developer companies. Under PPATK Regulation 10/2011, developer companies that carry out transactions with a minimum value of Rp100,000,000 must implement the Know Your Service Consumers principles in its business activities.

Furthermore, pursuant to PPATK Regulation 12/2011, transactions with a minimum value of Rp500,000,000 or equivalent in foreign currency shall be reported to PPATK and failure to so report shall be penalised with administrative sanction.

### Changes to BAPEPAM-LK

On 22 November 2012, with the enactment of Law No. 21 of 2011 regarding Financial Services Authority ("**OJK Law**"), Indonesia has effectively created a new integrated and independent financial authority called the Financial Services Authority or *Otoritas Jasa Keuangan*. By the authority given under the OJK Law, OJK has taken over the supervision and regulation of capital markets, insurance, pension funds, and multi finance companies from Bapepam-LK from 31 December 2012 and has taken over the supervision and regulation of banks from Bank Indonesia from 31 December 2013.

OJK Law stipulates that all existing licences, approvals, and decisions issued before the transfer of duties and authorities of Bapepam-LK to OJK will continue to be valid, while applications for licences and approvals and other decisions made or outstanding after 31 December 2012 will be processed by OJK.

### 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 liberalised in recent years, though the Indonesian Government ultimately retains control of the industry. In the 1970s, the management of Indonesia's oil and gas assets and production sharing contract was concentrated in the hands of Pertamina. Pertamina also acted as operator in some contract areas under various Production Sharing Contract. Pertamina was initially a government's 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 Law No. 22 of 2001 on Oil and Gas ("**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 (Executing Agency for Upstream Oil and Gas Business Activities / *Badan Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi*) 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 16 July 2002, BP Migas, as executing agency, became responsible for managing the production sharing contract in Indonesia and Pertamina was thereafter free to tender for a contract on an equal basis with other operators.

However, on 13 November 2012, the Constitutional Court (*Mahkamah Konstitusi*, "**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 Ministry of Energy and Mineral Resources ("**MEMR**"), until a new oil and gas law is adopted. MK Decision 36/2012 also stated that all PSCs (Production Sharing Contract, "**PSC**") signed by BP Migas would remain valid until their respective expiration dates or as agreed by the Parties. To execute the MK Decision 36/2012, Presidential Regulation No. 95 dated 13 November 2012 on the Transfer of Duties and Functions of Upstream Oil and Gas Activities ("**PR 95/2012**") was enacted to transfer the BP Migas' roles and responsibilities to the MEMR. MEMR, then, transfer 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 dated 13 November 2012 ("**MEMR Regulation 3135/2012**") as the implementation regulation of PR 95/2012. The Interim Task Force for Upstream Oil and Gas Business Activities shall be responsible to the MEMR.

Following the enactment of PR 95/2012 and MEMR Regulation 3135/2012, Presidential Regulation No. 9 of 2013 on Implementation of the Management of Upstream Oil and Gas Activities ("**PR 9/2013**") was enacted on 14 January 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 is effective on the enactment date, except for matters related to the operational expenses which shall take effect from 13 November 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 13 November 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 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 which 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 was handled primarily by MEMR. Awards of work areas were granted based on either a competitive tender process or direct offer, as regulated under MEMR Regulation No. 35 of 2008 (“**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 the DGOG to locate potential oil and gas field, “**Joint Study**”).

All production sharing arrangements between the Indonesian Government and private contractors are based on six main principles, which are applicable to PSCs, Technical Assistance Contracts (each, a “**TAC**”) and Operation Cooperation Agreements (each, a “**KSO**”) (see below):

- contractors are responsible for all investments and production costs (exploration, development and production), including provision of capital to implement the agreed work programme;
- operational risk in performing upstream activities under the contracts is borne by contractors;
- contractors’ investment and production costs may be recovered against production;
- profits are split between the Indonesian Government and contractors based on production after the cost recovery portion;
- ownership of all tangible and intangible assets remains with the Indonesian Government; and
- 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 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 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 costs and production costs out of the oil and gas produced after deduction of FTP (First Tranche Petroleum);
- the percentage allocation of total oil and gas production between BP Migas (now SKK Migas) and the contractor out of FTP and 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 title to crude oil or gas has passed in accordance with the provisions of the PSC;
- obligation of the contractor to pay the Indonesian corporate taxes on its share of profits, including FTP;
- 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;

- requirements for the contractor to market the oil and gas produced; and
- 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 (“**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 local authority-owned company upon the approval of the first field to be developed in a working area. In the event that the local authority-owned company 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 enterprises, cooperations, small enterprises and national private companies (“**National Company**”). If within 60 days no National Company accepts the offer, then the offering is closed.

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, 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 has reduced the maximum time in which contractors must submit a development plan to 90 calendar days from three years, and obliges the contractors to conduct oil and/ or gas production within at least two years after obtaining field development approval from the authority.

### ***Joint Study Agreement***

Pursuant to MEMR Regulation 35/2008, where an area has not already been reserved for a bidding process, a contractor may bid for such working area directly by providing the director general of DGOG with a written proposal. If director general of DGOG approve 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. Commitments in Joint Study only extend to minimum geological and geophysical work (for example, field surveys, magnetic surveys, reprocessing of existing seismic lines etc.). In general, each Joint Study work programme 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. Upon completion of the Joint Study, 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 gives higher offer, 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***

Government Regulation No. 79 of 2010 regarding the Operating Costs that may be Recovered and Income Tax Treatment for Upstream Oil and Gas Activities (“**GR 79/2010**”), regulates costs that cannot be recovered in the calculation of profit sharing and income tax. It 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 79/2010 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 79/2010 apply only to contracts entered and extensions of contract after the issuance of the GR 79/2010, a transitional provision of the regulation states that within three months of the effective date of GR 79/2010 (being 20 December 2010) all contracts in existence on that date which have not expressly or sufficiently provided for (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 statement, (f) duty and tax holiday for import of goods in exploration and exploitation activities, (g) contractors’ income tax in the form of oil and/or gas volume from contractor take, and (h) income from outside the contract in the form of uplift and/or Participating Interest transfer, must be adjusted to comply with GR 79/2010. Some implementing regulations have been put in place on matters provided for in GR 79/2010. The implementing regulations cover various subjects, from the method for determining the ICP (Indonesian Crude Price) issued by 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 Minister of Finance.

GR 79/2010 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 28 December 2011 further stipulates that taxable income after final income tax on Participating Interest transfer is subject to branch profit tax in accordance to the income tax law.

The statements herein regarding the GR 79/2010 are general in nature and in force as of the date of this document. The provisions of GR 79/2010 are subject to various interpretations and applications by the relevant authorities.

With regard to the land and building tax, under the Regulation of Director General of Tax No. PER-45/PJ/2013, effective as of 1 January 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 utilised 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 utilised 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 exploration period and exploitation period.

On 31 December 2014, Minister of Finance issued Regulation No. 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 reduction incentive on the sub-surface area can be granted to the oil and gas

contractor which is at the exploration stage. The land and building tax reduction incentive is applicable for 2015 onwards. The tax reduction incentive can be granted on yearly basis for maximum 6 years of the PSC signing and can be extended by up to 4 years.

In order to obtain the tax incentive, the oil and gas contractor shall comply with the following requirements, i.e. (i) the PSC with the Government shall be signed after the enactment of GR 79/2010 (after 20 December 2010); (ii) SPOP (Tax Object Notification Form/ *Surat Pemberitahuan Objek Pajak*) has been submitted by the oil and gas contractor; and (iii) the oil and gas contractor shall provide a recommendation letter from MEMR stating that the land and building tax object is still at exploration stage.

### **Abandonment and Site Restoration**

On 24 November 2010, BP Migas issued the Guidance of Abandonment and Restoration No. KEP-0139/BP00000/ 2010/S0 ("**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 name of the contractor and SKK Migas. The bank shall be a reputable Indonesian bank, as agreed 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 ASR if the evaluation result is satisfactory.

### **Legal Framework for Downstream Activities**

Downstream activities consist of the following activities:

- Processing, activity to purify, obtain part of, increase quality of and increase the value added of the oil and gas, excluding field processing;
- Transportation, activity to relocate oil and/or gas or processed oil and/or gas from the working area or storage and processing location, including carried out gas through transmission pipe and distribution;
- 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 processed oil and/or gas, including gas sale and purchase through pipe.

Downstream activity may only be performed if the business entity has obtained business license issued by 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 30 December 2002 as amended by Government Regulation No. 49 of 2012 on amendment of Government Regulation No. 67 of 2002 dated 12 April 2012 ("**GR 67/2002**") and 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 30 December 2002 as amended by Presidential Decree No. 45 of 2012 on amendment of Presidential Decree No. 86 of 2002 dated 16 April 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 utilisation of natural gas.

BPH Migas is responsible to the President of the Republic of Indonesia and Head of BPH Migas shall deliver a periodic report to the President of the Republic of Indonesia in semi-annual basis and/or as necessary through MEMR.

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 4 Divisions led by the Head of Division and a maximum of 3 Sub-Division may be formed underneath each of Divisions.

### ***Business License for Downstream Activities***

Pursuant to Oil and Gas Law, licenses for downstream activities consist of the (i) Processing License (*Izin Usaha Pengolahan*); (ii) Transportation License (*Izin Usaha Pengangkutan*); (iii) Storage License (*Izin Usaha Penyimpanan*); and (iv) Trading Business License (*Izin Usaha Niaga*), this license is divided into 2 categories, *i.e.* Wholesale and Trading License. The wholesaler may market the oil and/or gas to customer in 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. Business entity with Trading License may provide services to the owner of receiving terminal. Therefore there is no requirement for the holder of Trading License to own 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 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 Wholesale License, provided that it has 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 Storage License;
- the business entity conducts storage and/or transportation activities to support its trading activities, it shall only hold Wholesale License.

Business entity who is interested in conducting downstream activities shall apply for the abovementioned business license to MEMR through DGOG. The application must be copied to BPH Migas if the business entity is applying for (i) Processing License which produced the fuel oil, (ii) Transportation License of fuel oil, (iii) Transportation License of natural gas through pipe, (iv) Storage License of fuel oil, (v) Wholesale License of natural gas and (vi) Wholesale License of fuel oil.

Before issuing the business license, DGOG will issue interim license (*Izin Usaha Sementara*). However the business entity that conducts limited trading and has satisfied the administrative and technical requirement as stated in the Minister of Energy and Mineral Resources Regulation No. 7 of 2005 on Requirements and Guidelines for Implementation of License in Downstream Business Activities of Oil and Gas dated 21 April 2005 (“**MEMR Regulation 7/2005**”) may be granted with Trading License instead of interim license. The interim license will be valid for a maximum period of three years and may be extended only for one time with the maximum period of two years.

MEMR Regulation 7/2005 set out technical requirements to obtain interim license which are:

- preliminary feasibility study;
- arrangement of funding guarantee (*kesepakatan jaminan dukungan pendanaan*) or any other funding guarantee (*surat jaminan dukungan pendanaan lainnya*);
- waste management plan;
- environmental studies plan;
- production plan;
- products standard and quality plan;
- additional requirements for processing activities, facility construction and processing plan with maximum construction period of 5 years, heads of agreement of oil and/or gas supply, heads of agreement of LNG sales;
- additional requirements for transportation activities, proposal containing information of type, amount, capacity, and transportation area including technology used in its activities and production;
- additional requirements for transportation activities of natural gas utilising pipes, facility construction plan with maximum construction period of 5 years, heads of agreement of oil and/or gas supply and heads of agreement of oil and/or gas customer;

- additional requirements for storage activities, facility construction plan with maximum construction period of 3 years;
- additional requirements for LNG storage activities, facility construction plan which include information on the capacity of storage, stevedoring facilities, regasification process, technology used in the facility, and pipes and/or distribution method used in its activities; quality control plan; heads of agreement of LNG supply, amount and capacity of LNG tank built, and standard and technical equipment utilised;
- additional requirements for wholesale activities, facility construction plan with maximum construction period of 3 years, quality control plan, heads of supply agreement, proposed marketing area, and proposed marketing brand;
- additional requirements for trading activities, heads of supply agreement and documents evidencing the cooperation with the owner of distribution facilities.

Business entities may apply for relevant business license (*i.e.* Processing License of Oil and Gas, Transportation License, Transportation License of Natural Gas Through Pipelines, Storage License, LNG Storage License, Wholesale License and Trading License) if they have obtained environmental permit, certificate of worthiness for equipment and certificate of worthiness for installation. The requirement of certificate of worthiness for equipment and installation is stipulated under Decision of DGOG No. 84.K/38/DJM/1998 concerning Inspection Guidelines for Safety in Facilities, Equipment and Technology used in Oil and Gas and Geothermal Activity.

In addition, business entities that enter into heads of agreement for gas supply or gas sales have to sign a conclusive agreement before the application of business licenses. The business license is granted for a maximum period of 20 years and may be renewed subject to MEMR's approval.

Business license may be revoked by the MEMR if business entity (i) fails to fulfil conditions set forth in the respective license, including technical requirements set out by DGOG; (ii) repeat its failure in fulfilling such conditions; and (iii) fails to fulfil 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, Wholesale and Trading License.

Government will provide a period of time for business entity to rectify its failure before revoking the license.

In addition to the above licenses, business entity that distributes gas through transmission pipe and/or distribution network area and business entity that trades the gas through dedicated pipeline or through pipelines on dedicated pipelines shall obtain Special Right from BPH Migas. The granting of Special Right to the holders of Business License is subject to the several requirements, amongst others, (i) administrative requirements such as company profile, information on the supporting facility (particularly for the application of Special Right for transportation of gas through transmission pipe and/or distribution network area), information on the sources of supply and proposed access arrangement; (ii) presentation before BPH Migas on its proposed business activities; and (iii) have passed physical examination by BPH Migas.

### ***Liquefied Natural Gas (LNG)***

Gas processing into LNG is included in the downstream business activities in the course of it is aimed to gain the profits and not a continuation of upstream business activity. Business entity that process gas to LNG, store LNG, distribute LNG and/or market LNG shall fulfil requirements as set out above to obtain business license and commence their business activities.

### **Legal Framework for Drilling Industry**

Oil and gas contractor 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 contractor whether in exploration or exploitation phase. On 22 August 2008, 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 drilling services company is required to obtain Registration Certificate (*Surat Keterangan Terdaftar*). The application for Registration Certificate is submitted through DGOG. Within 10 (ten) days upon the receipt of complete 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 contractor, 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 Registration Certificate, the drilling services company as the owner of rig utilised in oil and gas activities shall obtain 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 specialised equipment used in the offshore oil and gas industry. For the time being, the Indonesian Ministry of Transportation has exempted certain specialised 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 specialised vessels, expensive, and currently not available from Indonesian shipbuilders. However, some of the exemptions (for example, for drag-head/trailing suction hopper dredger, seismic, geophysics and geotechnical survey vessels) have expired on December 2014 and some are scheduled to expire at the end of December 2015 (for deep water drill ships). After December 2015, the exemptions will no longer apply and the cabotage principle will be fully applied to all vessels, at which point the Company's Group will be required to use Indonesian-flagged vessels in the Company's Group offshore operations unless the exemptions are extended.

### **Legal Framework for the Mining Industry**

On 11 January 2014 Government Regulation (**GR**) No. 1 of 2014 (**GR No. 1/2014**) was issued as the second amendment to the GR No.23 of 2010 on Implementation of Mineral and Coal Mining Activities. This enactment continues the Government's policy to increase the added value on mineral products extracted from Indonesia through increased domestic processing and smelting activities. Under GR No. 1/2014, concession holders and holders of operation and production mining licenses are no longer allowed to export non-processed or non-smelted mineral ore from 12 January 2014. Despite the introduction of GR No. 1/2014, concession holders and holders of operation and production mining licenses are still permitted to export limited quantities of mineral products provided they have carried out domestic smelting and domestic processing activities of their metal mineral products up to the minimum required limit.

As an implementing regulation to GR No. 1/2014, on 11 January 2014, the MEMR issued MEMR Regulation No. 1 of 2014 ("**MEMR Regulation 1/2014**") on Increase in the Added Value of Minerals through Domestic Processing and Smelting Activities. MEMR Regulation 1/2014 sets out in detail the minimum quantity of domestic smelting and domestic processing that concession holders and operation and production mining license holders must satisfy in relation to mineral products to permit them to export the relevant mineral products. Primary mineral commodities such as nickel, bauxite, tin, gold and silver must be smelted to minimize any production of intermediary products before they can be exported. To provide time for the completion of smelting infrastructure, certain processed concentrates, including among others, copper, quartz sand and iron ore may continue to be exported in limited quantities until 2017. Following the expiry of the three-year grace period, only smelted concentrates will be allowed to be exported. In line with the policies limiting the export of mineral products, the Minister of Finance also issued Regulation No.6/PMK.011/2014 on 11 January 2014 as a second amendment to the Minister of Finance Regulation No.75/PMK.011/2012 on Export Goods Imposed with Export Duty and Tariff on Export Duty. This regulation established the progressive increase of export duties on various processed mineral products every six months from 2014 through 2016. The increases have resulted in tariffs rising from a minimum of 20.0% to 25.0% in the first six months of 2014. The tariffs are due to reach 60.0% in the second half of 2016.

Minister of Finance Regulation No.75/PMK.011/2012 has been amended by Minister of Finance Regulation No.153/PMK.011/2014 effective as of 4 August 2014. Under this regulation, export duties on processed mineral products which are applicable to exporters in the process of construction of smelter facilities or cooperating in the construction of smelter facilities will be determined based on the progress of construction of the smelter facilities. Construction of such smelter facilities shall include,

among others, the entry by the exporter into a conditional sale and purchase agreement or other documents showing the availability of the raw material, a study phase, permit or licensing and preparation of infrastructure, basic engineering, mechanical completion, commissioning and production.

A flat tariff on the export of non-processed mineral products was introduced on 4 August 2014, and will continue until 12 January 2017 based on the progress of construction, which is divided into three phases. A tariff of 7.5% is to be applied for Phase I, which covers construction progress of up to 7.5% and includes the provision of a surety bond. A tariff of 5.0% is to be applied for Phase II, which covers construction progress exceeding 7.5% and up to 30.0%. No tariff is to be applied for Phase III, which covers construction progress exceeding 30.0%.

Subsequent to GR No. 1/2014, on 14 October 2014, the Indonesian Government issued another amendment to GR No. 23/2010 through GR No. 77 of 2014 on the Third Amendment to GR No.23 of 2010 on Implementation of Mineral and Coal Mining Activities (**GR No. 77/2014**). GR No. 77/2014 was drafted with the following objectives: (i) reassurance as to the business certainty of holders of Mining Business Licenses (*Izin Usaha Pertambangan* or **IUP**) and Special Mining Business Licenses (*Izin Usaha Pertambangan Khusus* or **IUPK**) in the framework of domestic investment, i.e.: by stipulating the shareholding composition in the exploration and production operation stages; (ii) reorganization of the Indonesian shareholding participation in the framework of foreign direct investment, by stipulating divestment obligations; and (iii) provision of optimal benefits for the Indonesian Government and business certainty for holders of Contracts of Work (*Kontrak Karya*) and Coal Contracts of Work (*Perjanjian Karya Pengusahaan Pertambangan Batubara*), by regulating the area coverage and continuity of operations subsequent to contract termination.

Pursuant to GR No. 77/2014, the maximum foreign shareholding for IUP and IUPK holders in the event of a change in their corporate status from domestic investment company (i.e., a company without foreign shareholding) to foreign direct investment company (i.e., a company with foreign shareholding) shall be:

- 75% for holders of IUP and IUPK Exploration;
- 49% for holders of IUP and IUPK Production Operation who do not conduct their own processing and/or refining/smelting;
- 60% for holders of IUP and IUPK Production Operation who conduct their own processing and/or refining/smelting; and
- 70% for holders of IUP production operation and IUPK production operation who conduct underground mining.

There is an obligation for holders of IUP and IUPK Production Operation in the framework of foreign direct investment to start the gradual divestment of their shares by offering the shares to Indonesian parties by the end of their fifth production year. The offer must be in made in the following priority order: (i) central government, provincial government and local government; (ii) state-owned entities and regional-owned entities; and (iii) national private entities. The gradual divestment must be implemented in the following manner:

- Minimum Indonesian shareholding in the holders of IUPs and IUPKs of Production Operation who do not conduct their own processing and/or refining/smelting:
  - sixth year: 20%
  - seventh year: 30%
  - eighth year: 37%
  - ninth year: 44%
  - tenth year: 51%
- Minimum Indonesian shareholding in the holders of IUPs and IUPKs of Production Operation who conduct their own processing and/or refining/smelting:
  - sixth year: 20%
  - tenth year: 30%
  - fifteenth year: 40%

- Minimum Indonesian shareholding in the holders of IUP and IUPKs of Production Operation who conduct underground mining:
  - sixth year: 20%
  - tenth year: 25%
  - fifteenth year: 30%
- Minimum Indonesian shareholding in the holders of IUPs and IUPKs of Production Operation who conduct underground mining and open pit mining:
  - sixth year: 20%
  - eight year: 25%
  - tenth year: 30%

Contracts of Work and Coal Contracts of Work which were executed prior to the enactment of GR No. 23/2010 will remain effective until their respective termination dates. These contracts, can be extended twice if changed to IUPK Production Operation contracts. Holders of Contracts of Work and Coal Contracts of Work which had been producing for less than five years before the enactment of GR No. 77/2014 are obliged to comply with the divestment obligation. Holders of Contracts of Work and Coal Contracts of Work which had been producing for at least five years before the enactment of GR No.77/2014 are obliged to: (i) divest 20% of their shares at the latest within one year of the enactment of GR No.77/2014; and subsequently (ii) divest as per the percentage of the relevant current year within five years of the enactment of GR No.77/2014.

### **Legal Framework for the Geothermal Industry**

The House of Representatives passed the Law No. 21 of 2014 on the Geothermal Resources (the “**Geothermal Law**”) on 26 August 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 3 June 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 (*Izin Usaha Pertambangan Panas Bumi*, “**IUP**”) holder that signed a geothermal power purchase agreement prior to the legislation’s coming into effect may renegotiate the price.

### **Centralised 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 5(1)(b) 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; or
- b. a license for the use of a conservation forest area.
- c. In the case of a forest conservation area, an Environmental Services Utilisation 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 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 utilisation 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 utilisation 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 utilisation 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 authorised 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 31 December 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 Utilisation 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 the Electricity Industry**

On 23 September 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 24 January 2012 ("**Regulation 14/2012**"). The procedure obtaining the electricity business license is regulated under the Regulation of MEMR No. 35 of 2013, which was issued on 20 December 2013 ("**MEMR Regulation 35/2013**") (Regulation 14/2012 and MEMR Regulation 35/2013 shall be referred to as "**Electricity Law No. 30 Implementing Regulations**").

### **Industry Framework**

Under the Electricity Law No. 15 and its implementing regulation, *i.e.* Government Regulation No. 10 of 1989 on the Electricity Supply And Utilisation ("**Electricity Law No. 15 Implementing Regulation**"), electricity supply in Indonesia was executed by the state and carried out by PT PLN (Persero) ("**PLN**") as the exclusive holder of a Holder Electricity Business Authority (*Pemegang Kuasa Usaha Ketenagalistrikan*, "**PKUK**") to provide electricity for public use. In addition, private sector participants were allowed to obtain licenses to (i) generate electricity strictly for their own use or (ii) under limited circumstances and with the approval of the central government, to assist PLN in supplying electricity for public use.

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 holder of the 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-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**

MEMR Regulation 35/2013 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 utilisation of the electricity power, certification of equipment and utilisation 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 recognised, 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. 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 MEMR, 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 Coordinating Investment Board (*Badan Koordinasi Penanaman Modal*, “**BKPM**”). However, this regulation, in so far as it relates to the electrical power sector, was revoked on 24 December 2014 by the Minister of Energy and Mineral Resources Regulation No. 35 of 2014 (“**MEMR Regulation 35/2014**”), which came into effect on 24 December 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 35/2014. 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 23 September 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. Electricity License holder may request a tariffs determination from the MEMR, 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***

The Electricity Law No. 15 Implementing Regulation provide that an IUKU license for an integrated power generation and distribution business can only be issued if the relevant business area is not being served by another integrated IUKU business, or if an existing integrated IUKU license holder is incapable of supplying electricity on a reliable basis in such business area. Furthermore, these regulations require IUKU license holders for the generation, transmission or distribution of electricity to cooperate with holders of an integrated IUKU license. The Electricity Law No. 30 and MEMR Regulation 35/2013 also provide the same requirements and conditions for an integrated power supply businesses.

### ***Sales of Electricity to PLN***

PLN, as a state-owned enterprise with a right of first priority to carry out the supply of electricity for public use, is entitled to purchase electricity from the holder of an IUKU license, subject to approval by the MEMR of the terms of sale including pricing. Under the Electricity Law No. 15 Implementing Regulation, PLN is generally required to carry out electricity purchases from IUKU license holders through a competitive tender process. However, an exception is provided for electricity purchases made from integrated IUKU license holders, which may be concluded through direct negotiations between PLN and the integrated IUKU license holder, provided that the final pricing and other terms of sale remain subject to approval by the MEMR.

On 13 January 2015, the MEMR issued MEMR Regulation No. 03 of 2015 on the Procedure on Purchase of Electricity and Basic Purchase Price on Electricity of PLN through Direct Selection and Direct Appointment ("**MEMR Regulation 03/2015**"), whilst on 12 January 2015, MEMR issued Decree No. 0074 K/21/MEM/2015 on the Legalization of Business Plan of PLN in Procurement of Electricity (*Rencana Usaha Penyediaan Tenaga Listrik* or **RUPTL**) for 2015 to 2024. 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**").

In line with the government programme of 2015-2019, RUPTL 2015-2024 has incorporated the 35,000 MW electricity power generation construction programme for 2015-2019, in which the role of the private sector is expected to rise significantly. In increasing private sector participation under the programme, in principle, MEMR Regulation 03/2015 sets out the following: (i) electricity power purchase by way of direct selection mechanism will take a maximum of 45 days whilst a maximum of 30 days will be required under the direct appointment mechanism; (ii) to accelerate process of electricity power purchase, PLN shall set out standardized procurement documents and power purchase agreements for each type of PLN power generator and PLN may appoint a procurement agent to assist in carrying out the due diligence process on each prospective bidder; (iii) the highest basic price set out for each type of power generator and per generator capacity shall use the assumption on availability factor, contract period, heat rate, caloric value and fuel price; (iv) such basic price shall be based on levelised base price and shall be the price on commencement operation date ("**COD**") and (v) purchase of electricity carried out based on the highest basic price shall be exempted from the requirement to initially obtain approval on sales price from the MEMR.

MEMR Regulation 03/2015 regulates that the highest price payable by PLN for power sourced from a mine-mouth power plant, coal-fired power plant, gas-fired power plants ("**PLTG**")/ dual-fuel power

plants (*pembangkit listrik tenaga mesin gas*, “**PLTMG**”), or hydro power plants (“**PLTA**”) shall be based on (i) *levelised* base price based on the *busbar* of the plant; and (ii) price applicable on the COD of the plant.

The purchase of power sourced from a mine-mouth power plant, coal-fired power plant, PLTG/PLTMG, or PLTA that is made based on the highest price set forth in the MEMR Regulation 03/2015 shall not require power purchase price approval from the MEMR. By referring to the highest price under the MEMR Regulation 03/2015, the power purchase price may be adjusted in accordance with the terms of the power purchase agreement.

In certain areas, PLN may purchase power at prices higher than the benchmark price under MEMR Regulation 03/2015. In such cases, the power purchase price is calculated based on PLN’s own estimate and shall require power purchase price approval from MEMR. The details of the pricing structure are as shown in the following table:

• **Mine-Mouth Power Plants**

Unit Net Capacity Class (MW)	100	150	300	600
Price (cent USD/kWh)	8.2089	7.6520	7.1862	6.9012
<b>Assumption</b>				
Availability Factor	80%			
Contract Period	30 years			
Heat rate Kkal/kwh	3200	3000	2900	2700
Calorific Value (gar) Kkal/kg	3000			
Coal Price USD/ton (CIF)	30			

• **Coal-fired Power Plants (Non Mine Mouth)**

Unit Net Capacity Class (MW)	≤ 10	15	25	50	100	150	300	600	1000
Price (cent USD/kWh)	11.82	10.61	10.60	9.11	8.43	7.84	7.25	6.96	6.31
<b>Assumption</b>									
Availability Factor	80%								
Contract Period	25 years								
Heat rate Kkal/kwh	4160	3500	3450	3200	3000	2800	2600	2450	2290
Calorific Value (gar) Kkal/kg	5000								
Coal Price USD/ton (CIF)	60								

The pass-through principle shall be applicable to coal prices.

• **PLTG/PLTMG**

Unit Net Capacity Class (MW)	40-60	100
Price (cent USD/kWh)	8.64	7.31
<b>Assumption</b>		
Availability Factor	85%	
Contract Period	20 years	
Heat rate BTU/kwh	9083	8000
Gas Price USD/MMBTU	6.00	

Terms and conditions:

- If it functions as a peaking unit, the calculation of price shall take into account availability;
- For PLTMG, the heat rate is calculated based on the manufacturer’s heat rate (*heat rate pabrik*); and
- The pass-through principle shall be applicable to gas prices.

• **PLTA**

Unit Net Capacity Class (MW)	>10-<50	50-100	>100
Price (cent USD/kWh)	9.00	8.50	8.00
<b>Assumption</b>			
Availability Factor	60%		
Contract Period	30 years		

The purchase of power sourced from mine-mouth power plants, coal-fired power plants, PLTG/ PLTMG, and PLTA with a capacity of more than 10 MW (i) which are under process (either through direct appointment or direct offering) and (ii) no award has been made as part of that process prior to the coming into effect of the MEMR Regulation 03/2015 shall be conducted in accordance with the MEMR Regulation 03/2015.

On 3 June 2014, MEMR has also issued MEMR Regulation No. 17 of 2014 on the Purchase Prices Payable by State Power Utility PLN for Electricity Produced by Geothermal Power Plants and for Geothermal Steam That Is Used in Generating Electricity ("**MEMR Regulation17/2014**"). The MEMR Regulation17/2014 revokes MEMR Regulation No. 22 of 2012.

MEMR Regulation17/2014 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 Regulation17/2014. 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 the MEMR Regulation 17/2014 are as follows:

Year of Commercial Operation Date (COD)	Ceiling Price (US\$/KwH)		
	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 favourable, 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 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 Minister of Environmental Affairs Regulation 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 MEA, 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 23 February 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 fulfil, 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 the Law No. 32 of 2009 ("**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 MEA, governor, or regent/ mayor in accordance with their authorisation. The MEA, 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 programme 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 programme 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.

### **Corporate Social Responsibility**

Pursuant to Companies Law, contractors are required to undertake social and environmental responsibilities programmes, which may take into form of developing the environment and local community as regulated under Article 40(5) of the Oil and Gas Law. Each contractor's responsibility in doing so is to participate in developing and utilising the local community's potential, by employing local workers in certain number and quality as may be required. Thus, contractors must allocate funds for such participation every time they plan their working programme and annual budget, which is excluded from cost recovery.

## **USE OF PROCEEDS**

The net proceeds arising from the issues of Notes under the Programme (after deducting expenses incurred in connection with the issue of the Notes) will be used for general corporate purposes, including refinancing of existing borrowings and financing of working capital investments (including mergers and acquisitions) and/or capital expenditure requirements of the Issuer, the Guarantor and the Group.



## CLEARING AND SETTLEMENT

### Clearance and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (“**Depository System**”) maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note or a Global Certificate for persons holding the Notes in securities accounts with CDP (“**Depositors**”). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors (“**Depository Agents**”) approved by CDP under the Companies Act to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is 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 Guarantor, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

### Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant’s overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of

principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

## TAXATION

*The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and Indonesia and (in the case of Singapore) administrative guidelines and circulars issued by MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive 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 Information Memorandum 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 holders of the Notes are advised to consult their own professional tax advisers as to the Singapore, Indonesia or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Guarantor, the Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.*

### SINGAPORE TAXATION

#### 1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the 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.

Section 12(6A) of the ITA states that Section 12(6) shall not apply to any payment for-

- (a) any arrangement, management or service relating to any loan or indebtedness, where such arrangement, management or service is performed outside Singapore for or on behalf of a person resident in Singapore or a permanent establishment in Singapore by a non-resident person who-
  - (i) in the event the non-resident person is not an individual, is not incorporated, formed or registered in Singapore; and
  - (ii) in any event
    - (A) does not by himself or in association with others, carry on a business in Singapore and does not have a permanent establishment in Singapore; or
    - (B) carries on a business in Singapore (by himself or in association with others) or has a permanent establishment in Singapore, but the arrangement, management or service is not performed through that business carried on in Singapore or that permanent establishment; and
- (b) any guarantee relating to any loan or indebtedness, where the guarantee is provided for or on behalf of a person resident in Singapore or a permanent establishment in Singapore by a guarantor who is a non-resident person who-
  - (i) in the event the non-resident person is not an individual, is not incorporated, formed or registered in Singapore; and

- (ii) in any event
  - (A) does not by himself or in association with others, carry on a business in Singapore and does not have a permanent establishment in Singapore; or
  - (B) carries on a business in Singapore (by himself or in association with others) or has a permanent establishment in Singapore, but the giving of the guarantee is not effectively connected with that business carried on in Singapore or that permanent establishment.

Payments falling within Section 12(6), 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 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 20.0 per cent. 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 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties. Pursuant to the Singapore Budget Statement 2015, it was announced that the highest marginal tax rate for Singapore-resident individuals will be increased to 22.0 per cent. with effect from the year of assessment 2017. It is therefore possible that the above-mentioned withholding tax rate for non-resident individuals may similarly be increased from 20.0 per cent. to 22.0 per cent.

However, 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 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 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 addition, as the Programme as a whole is arranged by Australia and New Zealand Banking Group Limited, Singapore Branch, DBS Bank Ltd. and Mitsubishi UFJ Securities (Singapore), Limited, each of which is a Financial Sector Incentive (Bond Market) Company, Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Capital Market) Company (as defined in the ITA) at such time, any tranche of the Notes (the “**Relevant Notes**”) issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 would be, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled “Extension and Refinement of Tax Concessions for Promoting the Debt Market” issued by MAS on 28 June 2013 (the “**MAS Circular**”), qualifying debt securities (“**QDS**”) for the purposes of the ITA, to which the following treatment shall apply:

- (i) interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Qualifying Income**”) from the Relevant 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 Relevant Notes are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (ii) Qualifying Income from the Relevant Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at other rates of 12.0 per cent and 5.0 per cent); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Notes the following statement:

- (i) where qualifying income is derived from any qualifying debt securities issued during the period from the date of the offering document to 31 December 2018 by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption will not apply if such person acquires such securities using funds from Singapore operations; and
- (ii) where the qualifying income is not exempt from tax, the person deriving the qualifying income must include such income in his Singapore tax returns; and

(bb) the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

The term “offering documents” means the prospectuses, offering circulars, information memoranda, pricing supplements or other documents issued to investors in connection with an issue of securities.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of such Relevant 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 such Relevant Notes held by:

- (I) any related party of the Issuer; or
- (II) any other person where the funds used by such person to acquire such Relevant 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 as 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 “**prepayment fee**”, “**redemption premium**” and “**break cost**” are defined in the ITA as follows:

“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;

“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; and

“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.

References to “prepayment fee”, “redemption premium” and “break cost” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant 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 Relevant 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 or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

## 2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale 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.

Holders of the Notes who apply or who are required to apply the Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“**FRS 39**”), may for Singapore income tax purposes be required to recognise 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 Treatment for Singapore Income Tax Purposes”.

## 3. Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The IRAS has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement” (the “**FRS 39 Circular**”). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

## 4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

## INDONESIA TAXATION

*The following discussion is a summary of certain Indonesian income tax and stamp duty consequences relevant to prospective Noteholders who are not tax residents of Indonesia and have no permanent establishment in Indonesia. The summary does not address any laws other than the tax laws of the Republic of Indonesia in force as of the date of this Information Memorandum.*

*The summary represents a general guide only. The summary does not constitute tax advice for particular individual or corporate Noteholders. Prospective investors in all jurisdictions (including those have permanent establishment in Indonesia) are advised to consult their own tax advisors as to other tax consequences of the acquisition, ownership and disposition of the Notes relevant to their facts and circumstances.*

### 1. General

Generally, an individual is considered to be a non-resident of Indonesia if the individual does not reside in Indonesia or does not stay (or intend to stay) in Indonesia for more than 183 days within a 12-month period. A corporation will be considered a non-resident of Indonesia if the entity is not established or domiciled in Indonesia. In determining the tax residence or existence of a permanent establishment of an individual or corporation, consideration will also be given to the provision of any applicable double tax treaty which Indonesia has concluded with other countries (“**Tax Treaty**”). In this section, both a non-resident individual and a non-resident corporation will be referred to as “non-resident taxpayers”.

Non-resident taxpayers, who derive Indonesian sourced income, including interest (including premium or discount) are generally subject to a final withholding tax on that income at a rate of 20%, as long as the income is not effectively connected with a permanent establishment of the non-resident in Indonesia. This withholding tax may be reduced or eliminated under the provisions of any applicable Tax Treaty. If the income is effectively connected with a permanent establishment in Indonesia, such income shall be regarded as income earned by the permanent establishment, and is taxable in the same manner as for resident taxpayers. Furthermore, a branch profit tax of 20% will be imposed on the net profit after tax of the permanent establishment. This branch profit tax might be reduced under the provisions of an applicable Tax Treaty.

## **2. Taxation on Interest**

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 by a permanent establishment of the Issuer in Indonesia.

Interest paid or due to be paid 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).

## **3. Taxation on Sale or Disposition of Notes**

Income derived by a non-resident taxpayer, without a permanent establishment in Indonesia, from the disposal of Notes to 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.

## **4. 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 premium or discount). 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 alienation of certain properties in Indonesia.

On 5 November 2009, the Directorate General of Tax (“DGT”) issued two regulations which are designed to prevent Tax Treaty abuse, i.e. PER-61/PJ./2009 (“DGT-61”) regarding the administrative procedures to apply a Tax Treaty, including the template of Form-DGT 1 and Form DGT-2 (as amended on 15 December 2009) and PER-62/PJ./2009 (“DGT-62”) regarding the avoidance of Tax Treaty misuse. Further, on 30 April 2010, those tax regulations were amended, respectively, by DGT Regulation No. PER-24/PJ/2010 and No. PER-25/PJ/2010. These new regulations set 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 that Indonesian withholding tax will apply at 20%.

Under DGT-61 and DGT-62, in order for non-resident taxpayers or recipients of the payment from Indonesia to be eligible for Tax Treaty benefit, they must:

- (a) not be Indonesian tax resident;

- (b) fulfil the administrative requirements; and
- (c) not commit any Tax Treaty misuse.

Under DGT-61, the administrative requirements to be fulfilled by the non-resident taxpayer in order to apply the Tax Treaty benefit are in the new 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 taxpayers;
- (d) certified by the competent tax authority of the treaty country of the non-resident taxpayers; and
- (e) submitted prior to the lodgement of the relevant monthly 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. The page one and two of Form DGT-1 must still be completed in other respects. The second page does not require any sign-off by a competent tax authority. The second page of Form DGT-1 requires 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 sign-off of foreign residency by the foreign tax authority can be substituted with a standard CoD issued by the foreign tax authority, subject to it meeting certain conditions (such as the U.S. Internal Revenue Service (“**IRS**”) Form 6166 in the case of the United States).

The original and valid Form DGT-1 shall be obtained before the tax withholding 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 returns. If there is any late filing or the signature of the competent authority in the respective jurisdiction is received after the date when withholding tax is due, the withholding tax of 20% is due. The first page of Form DGT-1 is valid for 12 months since the date of validation and must be renewed subsequently. However, the second page of Form DGT-1 shall be produced by the foreign income recipient (including the Issuer) in respect of each payment of income.

Further, DGT-62 stipulates that misuse of a Tax Treaty may occur in the case that:

- (a) a transaction that has no economic substance is performed 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; and
- (c) the recipient of the income is not the actual owner of the economic benefit of the income (the beneficial owner).

The beneficial owner criteria shall be applied only to income for which the article in the relevant Tax Treaty contains the beneficial owner requirement. Usually this is relevant for interest income.

DGT-62 defines the “beneficial owner” of the income as a non-resident income recipient, that is not acting as an agent, a nominee, or a conduit company. “Agent” is defined as a person or an entity that acts as an intermediary and conducts action for and/or on behalf of other 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.

DGT-62 further states that the following non-resident taxpayers, residing in a treaty partner country, shall not be deemed to commit Tax Treaty misuse:

- (a) an individual who is not acting as an agent or a nominee;
- (b) an institution whose name is clearly stated in the Tax Treaty or one that has been jointly agreed by the competent authorities in Indonesia and the treaty partner country;



- (c) a non-resident taxpayer that receives or earns income through a custodian in relation to income from transactions on the transfer of shares or bonds (i.e. Notes) that are traded or reported in a capital market in Indonesia, other than interest and dividend, in the case that the non-resident taxpayer is not acting as an agent or as a nominee;
- (d) a company whose shares are listed on a stock exchange and are regularly traded;
- (e) a pension fund that is established under the laws of the Tax Treaty partner country and is a tax subject of the Tax Treaty partner country;
- (f) a bank; or
- (g) a company that satisfies the following conditions:
  - (i) the establishment of the company in the Tax Treaty partner country or the arrangement of the transaction structure/scheme is not aimed solely at utilising Tax Treaty benefits;
  - (ii) the company has its own management to conduct the business and the management has independent discretion;
  - (iii) the company employs sufficient qualified employees;
  - (iv) the company engages in active business or trade activities;
  - (v) the income derived from Indonesia is subject to tax in the country of the recipient; and
  - (vi) the company does not use more than 50% of its total income (non-consolidated) to fulfil obligations to other parties in the form of interest, royalty, or other fees (excluding reasonable remuneration to employees, other expenses normally incurred by the company in running the business, or dividends distribution to shareholders).

When a company receives income for which the provision in the relevant Tax Treaty does not stipulate a beneficial owner requirement, the company will not be deemed to commit misuse of Tax Treaty if the establishment of the company or the arrangement of the transaction structure/scheme is not aimed solely at utilising the relevant Tax Treaty benefits.

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.

## **5. Stamp Duty**

In Indonesian, nominal stamp duty applies 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 Rp1,000,000 is Rp6,000. 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 all parties involved decided 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.

## SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The Issuer may also from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions (including, without limitation, rebates to private bank investors in the Notes). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Notes from the Issuer pursuant to the Programme Agreement.

### Selling Restrictions

#### United States

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or under the securities laws of any state of the United States and, accordingly, they may not be offered, sold or in the case of Bearer Notes, delivered in the United States or to U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)), except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. The Notes and the Guarantee are being offered and sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. The Notes may include Bearer Notes that are subject to U.S. tax law requirements. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act (“**Regulation S**”).

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the relevant Issuing and Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the relevant Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration requirements under the Securities Act.

#### European Economic Area – Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the pricing supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes

which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Dealers; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means 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 the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuers or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Hong Kong**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

### **Indonesia**

The offering of the Notes does not constitute a public offering in Indonesia under Law No. 8 of 1995 regarding Capital Market. This Information Memorandum may not be distributed in Indonesia and the Notes may not be offered or sold in Indonesia, to Indonesian citizens or to Indonesian residents, in a manner which constitutes a public offering under the laws and regulations of Indonesia.

Public offering refers to an offering of securities that takes place within a certain time and within specified amounts, either within the territory of Indonesia, or to Indonesian citizens abroad, and offered either through the mass media, or otherwise to more than 100 (one hundred) persons, or resulting in sales to more than 50 (fifty) persons.

### **Singapore**

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with MAS. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of 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 provision of the SFA.

### **General**

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes this Information Memorandum or any Pricing Supplement.

*Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.*

## GENERAL AND OTHER INFORMATION

## INFORMATION ON DIRECTORS

1. No Director of the Issuer or the Guarantor is or was involved in any of the following events:
  - (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;
  - (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or
  - (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.
2. (a) The Directors of the Issuer are not related by blood or marriage to one another nor are they related to any substantial shareholder of the Issuer or, as the case may be, the Guarantor.
- (b) The Directors of the Guarantor are not related by blood or marriage to one another nor are they related to any substantial shareholder of the Issuer or, as the case may be, the Guarantor.
3. No option to subscribe for shares in, or debentures of, the Guarantor has been granted to, or was exercised by, any Director of the Guarantor or employees of the Group during the last financial year ended 31 December 2014.
4. No Director of the Guarantor is interested, directly or indirectly, in the promotion of any assets acquired or disposed of by or leased to, the Guarantor or any of its subsidiaries, within the two years preceding the date of this Information Memorandum, or in any proposal for such acquisition, disposal or lease as aforesaid.
5. The Directors of the Guarantor do not hold any interest in the shares of the Guarantor as at the Latest Practicable Date.

## SHARE CAPITAL

6. (a) As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the shares are stated in the Articles of Association of the Issuer.
- (b) As at the date of this Information Memorandum, there is only one class of ordinary shares in the Guarantor. The rights and privileges attached to the shares are stated in the Articles of Association of the Guarantor.
7. (a) The issued share capital of the Issuer as at the Latest Practicable Date is as follows:

<u>Share Designation</u>	<u>Issued Share Capital</u>	
	<u>Number of Shares</u>	<u>Amount</u>
Ordinary Shares .....	349,628,002	S\$349,628,002

- (b) The issued share capital of the Guarantor as at the Latest Practicable Date is as follows:

<u>Share Designation</u>	<u>Issued Share Capital</u>	
	<u>Number of Shares</u>	<u>Amount</u>
Ordinary Shares .....	3,332,451,450	Rp. 3,332,451,450

8. No shares in, or debentures of, the Guarantor have been issued or are proposed to be issued, as fully or partly paid-up, for cash or for a consideration other than cash, within the two years preceding the date of this Information Memorandum.
9. No shares in, or debentures of, the Guarantor are under option or agreed conditionally or unconditionally to be put under option and no person has been, or is entitled to be, given an option to subscribe for any shares in, or debentures of, the Guarantor.

## **BORROWINGS**

10. Save as disclosed in Appendix II, the Group had as at 31 December 2014 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

## **WORKING CAPITAL**

11. The Directors of the Issuer and the Commissioners and the Directors of the Guarantor are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, the Issuer and the Guarantor will have adequate working capital for their present requirements.

## **CHANGES IN ACCOUNTING POLICIES**

12. There has been no significant change in the accounting policies of the Group since its audited financial accounts for the financial year ended 31 December 2014.

## **LITIGATION**

13. There are no legal or arbitration proceedings pending or threatened against the Issuer, the Guarantor or any of the subsidiaries of the Guarantor the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer, the Guarantor or the Group.

## **MATERIAL ADVERSE CHANGE**

14. There has been no material adverse change in the financial condition or business of the Issuer, the Guarantor or the Group since 31 December 2014.

## **CONSENT**

15. Purwantono, Suherman & Surja (a member firm of Ernst & Young Global Limited) has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

## **DISCLOSURE OF INFORMATION**

16. The Trustee shall not (unless ordered so to do by a court of competent jurisdiction) be required to disclose to any Noteholder any confidential, financial, price sensitive or other information made available to the Trustee by the Issuer, the Guarantor or their respective subsidiaries in connection with any of the Issue Documents (as defined in the Trust Deed) and no Noteholder shall be entitled to take any action to obtain from the Trustee any such information.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

17. For so long as Notes may be issued pursuant to this Information Memorandum, copies of the following documents may be inspected at the registered office of the Issuer at 38 Beach Road, #29-11, South Beach Tower, Singapore 189767 during normal business hours:
  - (a) the Memorandum and Articles of Association of the Issuer;
  - (b) the constitutional documents of the Guarantor;
  - (c) the Trust Deed;
  - (d) the letter of consent referred to in paragraph 15 above; and
  - (e) the most recently published audited consolidated financial statements, and reviewed consolidated interim financial statements, of the Guarantor and its subsidiaries.

## **FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE**

18. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF PT MEDCO ENERGI  
INTERNASIONAL TBK AND ITS SUBSIDIARIES AS OF 31 DECEMBER 2013 AND 2014 AND  
FOR THE YEARS THEN ENDED WITH THE RELATED AUDIT REPORT**

**PT Medco Energi Internasional Tbk  
dan entitas anaknya/*and its subsidiaries***

Laporan keuangan konsolidasian tanggal 31 Desember 2014 dan 2013  
dan untuk tahun yang berakhir pada tanggal-tanggal tersebut  
beserta laporan auditor independen/  
*Consolidated financial statements as of December 31, 2014 and 2013  
and for the years then ended with independent auditors' report*





MEDCOENERGI

FORMULIR / FORM No. VIII.G.11-1

**SURAT PERNYATAAN DIREKSI TENTANG  
TANGGUNG JAWAB  
ATAS PENYAJIAN LAPORAN KEUANGAN  
KONSOLIDASIAN  
TANGGAL 31 DESEMBER 2014 DAN 2013  
DAN TAHUN YANG BERAKHIR PADA  
TANGGAL-TANGGAL TERSEBUT  
BESERTA LAPORAN AUDITOR INDEPENDEN  
PT MEDCO ENERGI INTERNASIONAL TBK DAN  
ENTITAS ANAKNYA**

**DIRECTORS' STATEMENT ON THE  
RESPONSIBILITY FOR PRESENTATION  
OF THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2014 AND 2013  
AND FOR THE YEARS THEN ENDED  
WITH INDEPENDENT AUDITOR'S REPORT  
PT MEDCO ENERGI INTERNASIONAL TBK AND ITS  
SUBSIDIARIES**

Kami yang bertanda tangan dibawah ini,

*We the undersigned,*

- |                              |   |
|------------------------------|---|
| 1. Nama/Name                 | : Lukman Ahmad Mahfud   |
| No. Identitas/Id Number      | : 09.5304.260254.0142   |
| Alamat Kantor/Office Address | : The Energy Building 53 <sup>rd</sup> Floor, SCBD Lot 11A<br>Jl. Jendral Sudirman, Jakarta 12190 |
| Alamat Rumah/ Home Address   | : Tanjung Mas Raya Blok.B 8/16 Rt. 002 / Rw. 001<br>Tanjung Barat, Jagakarsa, Jakarta Selatan     |
| Telepon/ Telephone           | : 021-2995 3000   |
| Jabatan/Title                | : Direktur Utama / President Director   |
| 2. Nama/Name                 | : Lany Djuwita  |
| No. Identitas/Id Number      | : 32.7103.630769.0008   |
| Alamat Kantor/Office Address | : The Energy Building 53 <sup>rd</sup> Floor, SCBD Lot 11A<br>Jl. Jendral Sudirman, Jakarta 12190 |
| Alamat Rumah/ Home Address   | : GG Sepatu No.6, RT002/002, Pabaton,<br>Kota, Bogor Tengah                                       |
| Telepon/ Telephone           | : 021-2995 3000   |
| Jabatan/Title                | : Direktur Keuangan / Finance Director  |

menyatakan bahwa :

*hereby confirm :*

1. Kami bertanggung jawab atas penyusunan dan penyajian Laporan keuangan konsolidasian tanggal 31 Desember 2014 dan 2013 dan tahun yang berakhir pada tanggal-tanggal tersebut beserta laporan auditor independen PT Medco Energi Internasional Tbk dan Entitas Anaknya ("Laporan Keuangan Konsolidasi Tahunan Perseroan dan Entitas Anaknya");
  2. Laporan Keuangan Konsolidasi Tahunan Perseroan dan Entitas Anaknya telah disusun dan disajikan sesuai dengan prinsip akuntansi yang berlaku umum di Indonesia;
  3. a. Semua informasi dalam Laporan Keuangan Konsolidasi Tahunan Perseroan dan Entitas Anaknya telah dimuat secara lengkap dan benar;
  - b. Laporan Keuangan Konsolidasi Tahunan Perseroan dan Entitas Anaknya tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
1. *We are responsible towards the preparation and presentation of the Consolidated Financial Statements as of December 31, 2014 and 2013 and for the years then ended with independent auditor's report PT Medco Energi Internasional Tbk and Its Subsidiaries ("The Annual Consolidated Financial Statements of the Company and Its Subsidiaries");*
  2. *The Annual Consolidated Financial Statements 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 Annual Consolidated Financial Statements of the Company and Its Subsidiaries have been fully and accurately disclosed;
  - b. The Annual Consolidated Financial Statements of the Company and Its Subsidiaries does not contain any false information or material fact, and does not omit any information or material fact;



**MEDCOENERGI**

4. Kami bertanggung jawab atas sistem pengendalian intern dalam Perseroan dan Entitas Anaknya


4. *We are responsible towards the internal control system of the Company and Its Subsidiaries.*

Demikian pernyataan ini dibuat dengan sebenarnya.

*In witness whereof, the undersigned have drawn up this statement truthfully.*

Jakarta, 25 Maret 2015 / Jakarta, March 25, 2015  
**PT Medco Energi Internasional Tbk**



  
**Lukman Ahmad Mahfud**  
Direktur Utama / *President Director*

  
**Lany Djuwita**  
Direktur Keuangan / *Finance Director*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
LAPORAN KEUANGAN KONSOLIDASIAN  
TANGGAL 31 DESEMBER 2014 DAN 2013  
DAN UNTUK TAHUN YANG BERAKHIR PADA  
TANGGAL-TANGGAL TERSEBUT  
BESERTA LAPORAN AUDITOR INDEPENDEN**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2014 AND 2013  
AND FOR THE YEARS THEN ENDED  
WITH INDEPENDENT AUDITORS' REPORT**

**Daftar Isi**

**Table of Contents**

	Halaman/ Page	
Laporan Auditor Independen		<i>Independent Auditors' Report</i>
Laporan Posisi Keuangan Konsolidasian.....	1-3	..... <i>Consolidated Statements of Financial Position</i>
Laporan Laba Rugi Komprehensif Konsolidasian.....	4-6	.. <i>Consolidated Statements of Comprehensive Income</i>
Laporan Perubahan Ekuitas Konsolidasian.....	7	..... <i>Consolidated Statements of Changes in Equity</i>
Laporan Arus Kas Konsolidasian .....	8-9	..... <i>Consolidated Statements of Cash Flows</i>
Catatan Atas Laporan Keuangan Konsolidasian.....	10-219	..... <i>Notes to the Consolidated Financial Statements</i>
Informasi Tambahan (Tidak Diaudit).....	220-223	..... <i>Supplementary Information (Unaudited)</i>

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# Purwantono, Suherman & Surja

Indonesia Stock Exchange Building  
Tower 2, 7<sup>th</sup> Floor  
Jl. Jend. Sudirman Kav. 52-53  
Jakarta 12190, Indonesia

Tel : +62 21 5289 5000  
Fax : +62 21 5289 4100  
ey.com/id

*The original report included herein is in the Indonesian language.*

## Laporan Auditor Independen

Laporan No. RPC-7520/PSS/2015

Pemegang Saham, Dewan Komisaris dan Direksi  
PT Medco Energi Internasional Tbk

Kami telah mengaudit laporan keuangan konsolidasian PT Medco Energi Internasional Tbk dan entitas anaknya terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2014 dan 2013, serta laporan laba rugi komprehensif, laporan perubahan ekuitas, dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal-tanggal tersebut, 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 memperoleh keyakinan memadai tentang apakah laporan keuangan konsolidasian tersebut bebas dari kesalahan penyajian material.

## Independent Auditors' Report

Report No. RPC-7520/PSS/2015

*The Shareholders the Board of Commissioners and the Board of Directors  
PT Medco Energi Internasional Tbk*

*We have audited the accompanying consolidated financial statements of PT Medco Energi Internasional Tbk and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2014 and 2013, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, 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 audit. 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.*

**Laporan Auditor Independen (lanjutan)**

Laporan No. RPC-7520/PSS/2015 (lanjutan)

**Tanggung jawab auditor (lanjutan)**

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh 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 keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan 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 31 Desember 2014 dan 2013, serta kinerja keuangan dan arus kas konsolidasiannya untuk tahun yang berakhir pada tanggal-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 Perusahaan di Bursa Efek Singapura, serta tidak ditujukan, dan tidak diperkenankan untuk digunakan, untuk tujuan lain.

**Independent Auditors' Report (continued)**

Report No. RPC-7520/PSS/2015 (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 the 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 December 31, 2014 and 2013, and their consolidated financial performance and cash flows for the years 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 a subsidiary of the Company on Singapore Exchange, and is not intended to be and should not be used for any other purposes.

Purwanto, Suherman & Surja



Drs. Hari Purwanto

Registrasi Akuntan Publik No. AP.0684/Public Accountant Registration No. AP.0684

25 Maret 2015/March 25, 2015

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
LAPORAN POSISI KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION  
As of December 31, 2014 and 2013  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

	Catatan/ Notes	2014	2013	
<b>ASET</b>				<b>ASSETS</b>
<b>ASET LANCAR</b>				<b>CURRENT ASSETS</b>
Kas dan setara kas	2d,2e,2f,2q,4, 39,41,42 2f,2q,5,	206.639.912	263.973.998	Cash and cash equivalents
Investasi jangka pendek	41,42,44	268.628.303	253.437.152	Short-term investments
Rekening bank yang dibatasi penggunaannya	2e,2q,11, 39,41,42	-	5.593.518	Restricted cash in banks
Piutang usaha	2g,2q,6,41,42			Trade receivables
Pihak berelasi	2e,24,39	12.442.828	18.982.522	Related parties
Pihak ketiga - neto		89.150.954	124.651.998	Third parties - net
Piutang lain-lain	2g,2q,7,41,42			Other receivables
Pihak berelasi	2e,39,41	80.850	-	Related parties
Pihak ketiga - neto		112.207.591	75.940.543	Third parties - net
Persediaan - neto	2h,8	39.316.612	37.164.353	Inventories - net
Aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual	35	7.290.112	24.989.685	Non-current assets held for sale
Pajak dibayar di muka	2s,9	10.608.117	11.413.219	Prepaid taxes
Beban dibayar di muka	2i,10	3.393.600	3.758.125	Prepaid expenses
Uang muka pembelian saham	17	-	1.380.823	Advance for purchase of shares of stock
Aset lancar lain-lain	18	1.364.760	160.194	Other current assets
Jumlah Aset Lancar		751.123.639	821.446.130	Total Current Assets
<b>ASET TIDAK LANCAR</b>				<b>NON-CURRENT ASSETS</b>
Piutang lain-lain	2g,2q,7,42			Other receivables
Pihak berelasi	2e,39,41	159.313.967	142.600.440	Related parties
Pihak ketiga - neto		1.337.534	1.532.380	Third parties - net
Rekening bank yang dibatasi penggunaannya	2f,2q,11,39, 41,42	6.344.031	7.834.751	Restricted cash in banks
Aset pajak tangguhan - neto	2s,34	31.071.315	42.600.507	Deferred tax assets - net
Investasi jangka panjang	2e,2q,12,42	337.131.659	319.458.987	Long-term investments
Investasi pada proyek	2q,13 2j,2k,2v,	30.324.414	30.324.414	Investment in project
Aset tetap - neto	14,31c,32	88.513.473	85.700.769	Property, plant and equipment - net
Properti pertambangan - neto	16a	2.282.185	610.264	Mining properties - net
Aset eksplorasi dan evaluasi	2l,2v,15 2c,2l,2p,	181.670.432	155.729.959	Exploration and evaluation assets
Aset minyak dan gas bumi - neto	2v,16b,31c	1.093.013.247	902.468.908	Oil and gas properties - net
Aset lain-lain - neto	2q,18,42	20.320.983	21.371.961	Other assets - net
Jumlah Aset Tidak Lancar		1.951.323.240	1.710.233.340	Total Non-current Assets
<b>JUMLAH ASET</b>		<b>2.702.446.879</b>	<b>2.531.679.470</b>	<b>TOTAL ASSETS</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian integral dari laporan keuangan konsolidasian ini.

The accompanying notes form an integral part of these consolidated financial statements.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
LAPORAN POSISI KEUANGAN  
KONSOLIDASIAN (lanjutan)  
Tanggal 31 Desember 2014 dan 2013  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION (continued)  
As of December 31, 2014 and 2013  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

	Catatan/ Notes	2014	2013	
<b>LIABILITAS DAN EKUITAS</b>				<b>LIABILITIES AND EQUITY</b>
<b>LIABILITAS</b>				<b>LIABILITIES</b>
<b>LIABILITAS JANGKA PENDEK</b>				<b>CURRENT LIABILITIES</b>
Pinjaman bank jangka pendek	2q,24,39,41,42	-	60.000.000	Short-term bank loans
Utang usaha	2q,19,41,42			Trade payables
Pihak berelasi	2e,39	1.416.478	359.576	Related parties
Pihak ketiga		90.488.378	94.193.530	Third parties
Utang lain-lain	2k,2q,20b,42	41.152.140	50.795.338	Other payables
Utang pajak	2s,21	23.904.636	25.348.897	Taxes payable
Liabilitas yang secara langsung berhubungan dengan aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual	35	9.003.687	3.393.361	Liabilities directly associated with the non-current assets classified as held for sale
Biaya akrual dan provisi lain-lain	2q,22,42	76.854.830	70.696.891	Accrued expenses and other provisions
Liabilitas imbalan kerja				Employee benefits
jangka pendek	2o,38	651.974	449.582	liabilities - current portion
Liabilitas derivatif	2q,2u,23,42	35.856.281	10.520.221	Derivative liabilities
Pinjaman jangka panjang yang jatuh tempo dalam satu tahun	2q,42			Current maturities of long-term debt
Pinjaman bank	24,41	183.696.183	928.203	Bank loans
Obligasi Rupiah	25	-	80.768.414	Rupiah bonds
Uang muka dari pelanggan - pihak ketiga	20a	4.713.197	12.599.877	Advances from a customer - third party
Jumlah Liabilitas Jangka Pendek		467.737.784	410.053.890	Total Current Liabilities
<b>LIABILITAS JANGKA PANJANG</b>				<b>NON-CURRENT LIABILITIES</b>
Pinjaman jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun	2q,42			Long-term debt - net of current maturities
Pinjaman bank	24,41	544.669.226	374.867.214	Bank loans
Obligasi Rupiah	25	280.253.368	285.711.915	Rupiah bonds
Obligasi Dolar AS	25	97.406.084	98.466.256	US Dollar bonds
Pihak berelasi	2e,25,39,41	-	130.947.913	Related party
Wesel jangka menengah	25	79.752.616	-	Medium term notes
Utang lain-lain	2k,2q,20b,42	9.121.822	9.698.707	Other payables
Liabilitas pajak tangguhan - neto	2s,34	112.887.298	99.150.300	Deferred tax liabilities - net
Liabilitas imbalan kerja	2o,38	14.148.364	13.065.752	Employee benefits liabilities
Liabilitas derivatif	2q,2u,23,42	113.762.545	162.135.400	Derivative liabilities
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	2p,46	62.389.014	50.825.708	Asset abandonment and site restoration obligations and other provisions
Jumlah Liabilitas Jangka Panjang		1.314.390.337	1.224.869.165	Total Non-current Liabilities
<b>Jumlah Liabilitas</b>		<b>1.782.128.121</b>	<b>1.634.923.055</b>	<b>Total Liabilities</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian integral dari laporan keuangan konsolidasian ini.

The accompanying notes form an integral part of these consolidated financial statements.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
LAPORAN POSISI KEUANGAN  
KONSOLIDASIAN (lanjutan)  
Tanggal 31 Desember 2014 dan 2013  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION (continued)  
As of December 31, 2014 and 2013  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

	Catatan/ Notes	2014	2013	
<b>LIABILITAS DAN EKUITAS (lanjutan)</b>				<b>LIABILITIES AND EQUITY (continued)</b>
<b>EKUITAS</b>				<b>EQUITY</b>
Modal saham - nilai nominal Rp100 per saham				Capital stock - Rp100 par value per share
Modal dasar - 4.000.000.000 saham				Authorized - 4,000,000,000 shares
Modal ditempatkan dan disetor penuh - 3.332.451.450 saham	1b,27	101.154.464	101.154.464	Issued and fully paid - 3,332,451,450 shares
Tambahan modal disetor	28	183.439.833	183.439.833	Additional paid-in capital
Dampak perubahan transaksi ekuitas entitas anak/entitas asosiasi	29	107.870	107.870	Effects of changes in equity transactions of subsidiaries/ associated entities
Selisih kurs karena penjabaran laporan keuangan	2d	(155.800)	1.440.163	Translation adjustments
Penyesuaian nilai wajar atas instrumen lindung nilai arus kas	2u	(31.653.354)	(53.728.265)	Fair value adjustment on cash flow hedging instruments
Saldo laba				Retained earnings
Ditentukan penggunaannya		6.492.210	6.492.210	Appropriated
Tidak ditentukan penggunaannya		651.382.839	646.302.520	Unappropriated
Jumlah ekuitas yang dapat diatribusikan kepada pemilik entitas induk		910.768.062	885.208.795	Total equity attributable to the equity holders of the parent company
Kepentingan nonpengendali	2b,26	9.550.696	11.547.620	Non-controlling interests
<b>Jumlah Ekuitas</b>		<b>920.318.758</b>	<b>896.756.415</b>	<b>Total Equity</b>
<b>JUMLAH LIABILITAS DAN EKUITAS</b>		<b>2.702.446.879</b>	<b>2.531.679.470</b>	<b>TOTAL LIABILITIES AND EQUITY</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian integral dari laporan keuangan konsolidasian ini.

The accompanying notes form an integral part of these consolidated financial statements.



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
LAPORAN LABA RUGI KOMPREHENSIF  
KONSOLIDASIAN  
Untuk Tahun yang Berakhir pada Tanggal-Tanggal  
31 Desember 2014 dan 2013  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
COMPREHENSIVE INCOME  
For the Years Ended  
December 31, 2014 and 2013  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

	Catatan/ Notes	2014	2013 (Disajikan kembali/ As restated - Catatan/ Note 35)	
<b>OPERASI YANG DILANJUTKAN</b>				<b>CONTINUING OPERATIONS</b>
<b>PENJUALAN DAN PENDAPATAN USAHA LAINNYA</b>				<b>SALES AND OTHER OPERATING REVENUES</b>
Penjualan minyak dan gas neto	2e,2r,30,39,40	701.426.544	826.842.368	Net oil and gas sales
Pendapatan dari batu bara		36.148.131	42.959.147	Revenue from coal
Pendapatan dari jasa		13.155.844	16.719.719	Revenue from services
<b>JUMLAH PENJUALAN DAN PENDAPATAN USAHA LAINNYA</b>		<b>750.730.519</b>	<b>886.521.234</b>	<b>TOTAL SALES AND OTHER OPERATING REVENUES</b>
<b>BEBAN POKOK PENJUALAN DAN BIAYA LANGSUNG LAINNYA</b>				<b>COST OF SALES AND OTHER DIRECT COSTS</b>
Biaya produksi dan lifting	2r,31a	(281.479.367)	(307.763.720)	Production and lifting costs
Penyusutan, depleksi dan amortisasi	2j,2l,14,16,31c	(96.973.184)	(101.609.714)	Depreciation, depletion and amortization
Biaya pembelian minyak mentah	2r,31e	(26.309.259)	(44.378.789)	Cost of crude oil purchases
Biaya produksi batu bara	2r,31f	(26.087.257)	(24.179.183)	Coal production costs
Biaya jasa	2r,31b	(24.539.712)	(29.717.463)	Cost of services
Beban eksplorasi	2l,2r,31d	(24.385.209)	(14.079.817)	Exploration expenses
<b>JUMLAH BEBAN POKOK PENJUALAN DAN BIAYA LANGSUNG LAINNYA</b>		<b>(479.773.988)</b>	<b>(521.728.686)</b>	<b>TOTAL COST OF SALES AND OTHER DIRECT COSTS</b>
<b>LABA KOTOR</b>		<b>270.956.531</b>	<b>364.792.548</b>	<b>GROSS PROFIT</b>
Beban penjualan, umum dan administrasi	2r,32	(110.313.286)	(117.107.313)	Selling, general and administrative expenses
Beban pendanaan	24,25	(71.448.789)	(77.063.769)	Finance costs
Kerugian atas penurunan nilai aset - neto	6,7,14,16	(16.428.117)	(27.175.300)	Loss on impairment of assets - net
Bagian laba dari entitas asosiasi - neto	2e,12	7.067.272	8.742.792	Share of net income of associated entities - net
Pendapatan bunga		10.438.876	11.677.650	Finance income
Pendapatan lain-lain	33	28.988.038	41.619.755	Other income
Beban lain-lain		(8.275.021)	(13.374.548)	Other expense
<b>LABA SEBELUM BEBAN PAJAK PENGHASILAN DARI OPERASI YANG DILANJUTKAN</b>		<b>110.985.504</b>	<b>192.111.815</b>	<b>PROFIT BEFORE INCOME TAX EXPENSE FROM CONTINUING OPERATIONS</b>
<b>BEBAN PAJAK PENGHASILAN</b>	2s,34	<b>(97.798.875)</b>	<b>(153.860.688)</b>	<b>INCOME TAX EXPENSE</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian integral dari laporan keuangan konsolidasian ini.

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**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
LAPORAN LABA RUGI KOMPREHENSIF  
KONSOLIDASIAN (lanjutan)  
Untuk Tahun yang Berakhir pada Tanggal-Tanggal  
31 Desember 2014 dan 2013  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
COMPREHENSIVE INCOME (continued)  
For the Years Ended  
December 31, 2014 and 2013  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

	Catatan/ Notes	2014	2013 (Disajikan kembali/ As restated - Catatan/ Note 35)	
<b>LABA TAHUN BERJALAN DARI OPERASI YANG DILANJUTKAN</b>		<b>13.186.629</b>	<b>38.251.127</b>	<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>
<b>OPERASI YANG DIHENTIKAN</b>				<b>DISCONTINUED OPERATIONS</b>
<b>LABA (RUGI) SETELAH BEBAN PAJAK PENGHASILAN DARI OPERASI YANG DIHENTIKAN</b>	35	<b>530.134</b>	<b>(22.272.551)</b>	<b>PROFIT (LOSS) AFTER INCOME TAX EXPENSE FROM DISCONTINUED OPERATIONS</b>
<b>LABA TAHUN BERJALAN</b>		<b>13.716.763</b>	<b>15.978.576</b>	<b>PROFIT FOR THE YEAR</b>
<b>PENDAPATAN KOMPREHENSIF LAIN</b>				<b>OTHER COMPREHENSIVE INCOME</b>
Selisih kurs karena penjabaran laporan keuangan		(1.595.963)	985.378	Translation adjustments
Penyesuaian nilai wajar atas instrumen lindung nilai arus kas		22.074.911	(40.484.084)	Fair value adjustment on cash flow hedging instruments
<b>JUMLAH LABA (RUGI) KOMPREHENSIF TAHUN BERJALAN</b>		<b>34.195.711</b>	<b>(23.520.130)</b>	<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>
<b>LABA YANG DAPAT DIATRIBUSIKAN KEPADA</b>				<b>PROFIT ATTRIBUTABLE TO</b>
Pemilik entitas induk				Equity holders of the parent company
Laba tahun berjalan dari operasi yang dilanjutkan		9.583.553	34.855.972	Profit for the year from continuing operations
Laba (rugi) tahun berjalan dari operasi yang dihentikan		530.134	(22.272.551)	Profit (loss) for the year from discontinued operations
Laba tahun berjalan yang diatribusikan pada pemilik entitas induk		10.113.687	12.583.421	Profit for the year attributable to owners of the parent company
Laba tahun berjalan dari operasi yang dilanjutkan yang diatribusikan kepada kepentingan nonpengendali	2b,26	3.603.076	3.395.155	Profit for the year from continuing operations attributable to non-controlling interests
		<b>13.716.763</b>	<b>15.978.576</b>	

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian integral dari laporan keuangan konsolidasian ini.

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**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
LAPORAN LABA RUGI KOMPREHENSIF  
KONSOLIDASIAN (lanjutan)  
Untuk Tahun yang Berakhir pada Tanggal-Tanggal  
31 Desember 2014 dan 2013  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF  
COMPREHENSIVE INCOME (continued)  
For the Years Ended December 31, 2014 and 2013  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

	Catatan/ Notes	2014	2013 (Disajikan kembali/ As restated - Catatan/ Note 35)	
<b>LABA (RUGI) KOMPREHENSIF YANG DAPAT DIATRIBUSIKAN KEPADA</b>				<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO</b>
Pemilik entitas induk				<i>Equity holders of the parent company</i>
Laba (rugi) komprehensif tahun berjalan dari operasi yang dilanjutkan		30.062.501	(4.642.734)	<i>Comprehensive income (loss) for the year from continuing operations</i>
Laba (rugi) komprehensif tahun berjalan dari operasi yang dihentikan		530.134	(22.272.551)	<i>Comprehensive income (loss) for the year from discontinued operations</i>
Laba (rugi) komprehensif tahun berjalan yang diatribusikan kepada pemilik entitas induk		30.592.635	(26.915.285)	<i>Comprehensive income (loss) for the year attributable to owners of the parent company</i>
Laba komprehensif tahun berjalan yang diatribusikan kepada kepentingan nonpengendali	2b,26	3.603.076	3.395.155	<i>Comprehensive income for the year attributable to non-controlling interests</i>
		<b>34.195.711</b>	<b>(23.520.130)</b>	
<b>LABA PER SAHAM DASAR YANG DAPAT DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK</b>	2z,36	<b>0,0030</b>	<b>0,0041</b>	<b>BASIC EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>

**PT MEDCO ENERGI INTERNASIONAL Tbk DAN ENTITAS ANAKNYA**  
**LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN**  
**Untuk Tahun yang Berakhir pada Tanggal-Tanggal 31 Desember 2014 dan 2013**  
**(Disajikan dalam Dolar Amerika Serikat, Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the Years Ended December 31, 2014 and 2013**  
**(Expressed in United States Dollars, Unless Otherwise Stated)**

Distribusikan kepada pemilik entitas induk/ Attributable to the equity holders of the parent company

Catatan/ Notes	Modal Saham/ Capital Stock	Tambahan Modal Dolar/ Additional Paid-in Capital	Saldo Laba/Retained Earnings		Dampak Perubahan Transaksi Ekuitas Entitas Anak/Entitas Asosiasi/ Effect of Changes in Equity Transactions of Subsidiary/ Associated Entities	Selisih Kurs karena Penjabaran Laporan Kerugian/ Translation Adjustments	Penyesuaian Nilai Wajar atas Instrumen Lindung Nilai Arus Kas/ Adjustment on Fair Value of Hedging Instruments	Kepentingan Non-pengling Non-controlling Interests	Jumlah Ekuitas/ Total Equity	Balance, December 31, 2012
			Dikantumkan Penggunaan/ Appropriated	Tidak Dikantumkan Penggunaan/ Unappropriated						
Saldo per 31 Desember 2012	95.579.709	108.626.898	6.492.210	637.054.429	107.870	454.785	(13.244.181)	8.152.465	843.224.185	Balance, December 31, 2012
Pendapatan (rugi) komprehensif tahun berjalan	-	-	-	12.583.421	-	985.378	(40.484.084)	3.395.155	(23.520.130)	Comprehensive income (loss) for the year
Dividen tunai	-	-	-	(3.335.330)	-	-	-	-	(3.335.330)	Cash dividend
Penjualan Saham Treasuri	5.574.755	74.812.935	-	-	-	-	-	-	80.387.690	Sale of Treasury Stocks
Saldo per 31 Desember 2013	101.154.464	183.439.833	6.492.210	646.302.520	107.870	1.440.163	(53.728.265)	11.547.620	896.756.415	Balance, December 31, 2013
Pendapatan (rugi) komprehensif tahun berjalan	-	-	-	10.113.687	-	(1.595.963)	22.074.911	3.603.076	34.195.711	Comprehensive income (loss) for the year
Dividen tunai	-	-	-	(5.033.368)	-	-	-	(5.600.000)	(10.633.368)	Cash dividend
Saldo per 31 Desember 2014	101.154.464	183.439.833	6.492.210	651.382.839	107.870	(155.800)	(31.653.354)	9.550.696	920.318.758	Balance, December 31, 2014

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian integral dari laporan keuangan konsolidasian ini.

The accompanying notes form an integral part of these consolidated financial statements.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
LAPORAN ARUS KAS KONSOLIDASIAN  
Untuk Tahun yang Berakhir pada Tanggal-Tanggal  
31 Desember 2014 dan 2013  
(Disajikan dalam Dolar Amerika Serikat, Kecuali  
Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended  
December 31, 2014 dan 2013  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

	Catatan/ Notes	2014	2013 (Disajikan kembali/ As restated - Catatan/ Note 35)	
<b>Arus Kas dari Aktivitas Operasi</b>				<b>Cash Flows from Operating Activities</b>
Penerimaan kas dari pelanggan		736.103.149	914.626.466	Cash receipts from customers
Pembayaran kas kepada pemasok dan karyawan		(498.041.931)	(525.323.599)	Cash paid to suppliers and employees
Kas yang dihasilkan dari kegiatan usaha		238.061.218	389.302.867	Cash generated from operations
Pembayaran pajak penghasilan		(74.793.436)	(124.698.686)	Income tax paid
<b>Kas neto diperoleh dari aktivitas operasi</b>		<b>163.267.782</b>	<b>264.604.181</b>	<b>Net cash provided by operating activities</b>
<b>Arus Kas dari Aktivitas Investasi</b>				<b>Cash Flows from Investing Activities</b>
Penambahan investasi jangka pendek	5	(7.500.000)	(115.000.000)	Additions to short-term investments
Penerimaan dari pencairan investasi jangka pendek	5	5.406.469	183.867.199	Proceeds from redemption of short-term investments
Penambahan aset minyak dan gas bumi	16	(142.387.297)	(154.528.904)	Additions to oil and gas properties
Penambahan aset eksplorasi dan evaluasi		(41.021.506)	(67.130.523)	Addition to exploration and evaluation assets
Akuisisi entitas anak setelah dikurangi kas yang diperoleh	44	(126.363.802)	(1.380.000)	Acquisition of subsidiaries net of cash acquired
Penambahan investasi pada saham		(11.144.401)	(98.910.982)	Additions of investment in shares of stock
Penerimaan dividen dari entitas asosiasi	12	458.150	143.135	Proceeds from dividend payment of associates
Penambahan aset lain-lain		(153.587)	(1.540.124)	Additions to other assets
Perolehan aset tetap	14	(4.156.444)	(5.984.016)	Acquisitions of property, plant and equipment
Penerimaan atas penjualan aset tetap		2.621.431	20.620	Proceed from disposal of property, plant and equipment
Penambahan piutang lain-lain berelasi		(16.334.839)	(40.985.204)	Increase in other receivables from related parties
Penerimaan atas pelepasan entitas anak		17.400.000	-	Proceed from disposal of subsidiaries
Penerimaan bunga		9.357.015	11.913.175	Interest received
<b>Kas neto digunakan untuk aktivitas investasi</b>		<b>(313.818.811)</b>	<b>(289.515.624)</b>	<b>Net cash used in investing activities</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian integral dari laporan keuangan konsolidasian ini.

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**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
LAPORAN ARUS KAS KONSOLIDASIAN  
(lanjutan)  
Untuk Tahun yang Berakhir pada Tanggal-Tanggal  
31 Desember 2014 dan 2013  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(continued)  
For the Years Ended December 31, 2014 and 2013  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

	Catatan/ Notes	2014	2013 (Disajikan kembali/ As restated - Catatan/ Note 35)	
				<b><u>Cash Flows from Financing</u></b>
				<b><u>Activities</u></b>
<b><u>Arus Kas dari Aktivitas Pendanaan</u></b>				<i>Proceeds from:</i>
Hasil yang diperoleh dari:				<i>Bank loans -</i>
- Pinjaman bank	24	465.012.073	110.000.000	<i>Other long-term debt -</i>
- Utang jangka panjang lainnya	25	80.385.852	123.061.777	<i>Related party -</i>
- Pihak berelasi		3.297.927	5.214.374	<i>Payments of:</i>
Pembayaran atas:				<i>Bank loans -</i>
- Pinjaman bank	24	(160.857.143)	(421.517.764)	<i>Other long-term debt -</i>
- Utang jangka panjang lainnya	25	(79.300.643)	(41.450.000)	<i>Loan from affiliated companies -</i>
- Utang dari perusahaan afiliasi	25	(134.360.957)	-	<i>Proceed from sale of treasury stock</i>
Penerimaan dari penjualan saham treasury			80.387.690	<i>Payment of financing charges</i>
Pembayaran beban pendanaan		(69.056.776)	(77.271.532)	<i>Withdrawal of (increase in)</i>
Penarikan (penempatan) rekening bank yang dibatasi penggunaannya		7.084.238	(1.186.566)	<i>restricted cash in banks</i>
Penyelesaian kewajiban derivatif		(7.629.154)	-	<i>Settlement for derivative liability</i>
Pembayaran dividen		(5.033.368)	(3.335.330)	<i>Dividend payment</i>
Pembayaran dividen entitas anak kepada kepentingan nonpengendali		(5.600.000)	-	<i>Subsidiary dividend payment to non-controlling interest</i>
<b>Kas neto diperoleh dari (digunakan untuk) aktivitas pendanaan</b>		<b>93.942.049</b>	<b>(226.097.351)</b>	<b>Net cash provided by (used in) financing activities</b>
<b>PENURUNAN NETO KAS DAN SETARA KAS DARI OPERASI YANG DILANJUTKAN</b>				<b>NET DECREASE IN CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS</b>
		<b>(56.608.980)</b>	<b>(251.008.794)</b>	
<b>PENURUNAN NETO KAS DAN SETARA KAS DARI OPERASI YANG DIHENTIKAN</b>				<b>NET DECREASE IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS</b>
	35	<b>(407.837)</b>	<b>(3.931.488)</b>	
<b>PERBEDAAN NILAI TUKAR NETO</b>				<b>NET FOREIGN EXCHANGE DIFFERENCE</b>
		<b>(317.269)</b>	<b>(4.737.494)</b>	
<b>KAS DAN SETARA KAS PADA AWAL TAHUN</b>				<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>
	4	<b>263.973.998</b>	<b>523.651.774</b>	
<b>KAS DAN SETARA KAS PADA AKHIR TAHUN</b>				<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>
	4	<b>206.639.912</b>	<b>263.973.998</b>	

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian integral dari laporan keuangan konsolidasian ini.

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**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**

**Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut**

**(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013,  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**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 menyesuaikan dengan Undang-undang Perseroan Terbatas No. 40 Tahun 2007. Perubahan terakhir tersebut diaktakan dengan Akta Notaris No. 33 tanggal 8 Agustus 2008, yang telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia dalam surat keputusannya No. AHU-69951.AH.01.02 TH 2008 dan telah diumumkan dalam Berita Negara Republik Indonesia No. 12 tanggal 10 Februari 2009, Tambahan No. 4180/2009.

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 Anak (bersama-sama disebut "Grup") memiliki karyawan masing-masing sekitar 1.766 (tidak diaudit) dan 1.875 (tidak diaudit) orang pada tanggal 31 Desember 2014 dan 2013.

**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 comply with the current Limited Liability Company Law No. 40 issued in 2007. The latest amendments were covered by notarial deed No. 33 dated August 8, 2008, which were approved by the Ministry of Law and Human Rights in its decision letter No. AHU-69951.AH.01.02 TH 2008 and were published in the State Gazette of the Republic of Indonesia No. 12 dated February 10, 2009, Supplement No. 4180/2009.

The Company is domiciled in Jakarta and its head office is located at 53<sup>rd</sup> 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 its Subsidiaries (collectively refer to as "the Group") have approximately 1,766 (unaudited) and 1,875 (unaudited) employees as of December 31, 2014 and 2013, respectively.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**1. UMUM (lanjutan)**

**b. Penawaran Umum Efek 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 31 Desember 2014 dan 2013, seluruh saham Perusahaan sejumlah 3.332.451.450 tercatat di Bursa Efek Indonesia.

Encore International Ltd, sebuah perusahaan yang didirikan di British Virgin Islands, merupakan entitas induk terakhir Grup. Entitas induk langsung Grup adalah Encore Energy Pte Ltd, sebuah perusahaan yang didirikan di Singapura.

**c. Dewan Komisaris dan Direksi, dan Komite Audit**

Susunan Dewan Komisaris dan Direksi, dan Anggota Komite Audit Perusahaan pada tanggal 31 Desember 2014 dan 2013 adalah sebagai berikut:

**1. GENERAL (continued)**

**b. The Company's 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 letter No. S-2244/PM/1999. 321,730,290 new shares were issued and listed on the JSE on November 19, 1999.

As of December 31, 2014 and 2013, all of the Company's 3,332,451,450 shares are listed on the Indonesia Stock Exchange.

Encore International Ltd, incorporated in British Virgin Islands, is the ultimate holding company of the Group. The immediate holding company of the Group is Encore Energy Pte Ltd, a company incorporated in Singapore.

**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 December 31, 2014 and 2013 are as follows:



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**1. UMUM (lanjutan)**

c. Dewan Komisaris dan Direksi, dan Komite Audit (lanjutan)

**Dewan Komisaris**

Komisaris Utama  
Komisaris Independen  
Komisaris Independen  
Komisaris  
Komisaris  
Komisaris

Hilmi Panigoro  
Gustiawan Deru  
Marsillam Simandjuntak  
Yani Yuhani Rodyat  
Retno Dewi Arifin  
Junichi Iseda

**Direksi**

Direktur Utama  
Direktur  
Direktur  
Direktur

Lukman A. Mahfud  
Lany Djuwita Wong  
Frla Berlini Yaman  
Akira Mizuta

Ketua Komite Audit  
Anggota Komite Audit  
Anggota Komite Audit

Marsillam Simandjuntak  
Jul Azmi  
Ida Angrainy Sarwani

Rapat Umum Pemegang Saham Tahunan (RUPS), yang diselenggarakan pada tanggal 26 April 2013, menyetujui pengunduran diri Bapak Mazayuki Mizuno dari jabatannya sebagai Komisaris dan Bapak Syamsurizal dari jabatannya sebagai Direktur Keuangan. Selanjutnya RUPS mengangkat Bapak Junichi Iseda sebagai Komisaris dan Ibu Lany Djuwita Wong sebagai Direktur Keuangan Perusahaan.

Berdasarkan resolusi Dewan Komisaris Perseroan tanggal 22 Mei 2013, Dewan Komisaris telah memberhentikan seluruh anggota Komite Audit yang lama, yaitu Bapak Marsillam Simandjuntak, Bapak Hilmi Panigoro, Bapak Gustiawan Deru, Bapak Zulfikri Aboebakar dan Bapak Djoko Sutardjo dan telah mengangkat anggota Komite Audit Perseroan yang baru untuk jangka waktu 5 tahun terhitung sejak tanggal 22 Mei 2013, yaitu Bapak Marsillam Simandjuntak, Bapak Jul Azmi dan Ibu Ida Angrainy Sarwani.

Efektif 1 Agustus 2013, Bapak Dasril Dahya mengundurkan diri dari jabatannya sebagai Direktur Sumber Daya Manusia Perseroan.

**1. GENERAL (continued)**

c. Boards of Commissioners and Directors, and Audit Committee (continued)

**Board of Commissioners**

President Commissioner  
Independent Commissioner  
Independent Commissioner  
Commissioner  
Commissioner  
Commissioner

**Board of Directors**

President Director  
Director  
Director  
Director

Chairman of Audit Committee  
Members of the Audit Committee  
Members of the Audit Committee

The Annual General Meeting of Stockholders (AGMS) held on April 26, 2013 approved the resignations of Mr. Mazayuki Mizuno as Commissioner and Mr. Syamsurizal as Finance Director. Furthermore, the AGMS approved the appointments of Mr. Junichi Iseda as Commissioner and Ms. Lany Djuwita Wong as Finance Director of the Company.

Based on the Board of Commissioners' resolution dated May 22, 2013, the Board of Commissioners has decided to discharge all of the previous Audit Committee members consisting of Mr. Marsillam Simandjuntak, Mr. Hilmi Panigoro, Mr. Gustiawan Deru, Mr. Zulfikri Aboebakar and Mr. Djoko Sutardjo and has appointed new Audit Committee members for the next five-year period starting on May 22, 2013 consisting of Mr. Marsillam Simandjuntak, Mr. Jul Azmi and Mrs. Ida Angrainy Sarwani.

Effective on August 1, 2013, Mr. Dasril Dahya has resigned from his position as Director of Human Resources of the Company.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**1. UMUM (lanjutan)**

c. Dewan Komisaris dan Direksi, dan Komite Audit (lanjutan)

Keseluruhan kompensasi dan imbalan lain kepada Dewan Komisaris dan Direksi untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013, yang terdiri dari:

	2014	2013	
<b><u>Dewan Komisaris</u></b>			<b><u>Commissioners</u></b>
Imbalan jangka pendek	2.517.327	2.360.126	Short-term compensations
<b><u>Direksi</u></b>			<b><u>Directors</u></b>
Imbalan jangka pendek	3.106.448	3.385.184	Short-term compensations
Imbalan pasca kerja (pencadangan)	1.125.156	1.113.995	Post retirement benefits (provision)
Sub-total	4.231.604	4.499.179	Sub-total
<b>Jumlah</b>	<b>6.748.931</b>	<b>6.859.305</b>	<b>Total</b>

d. Entitas Anak

i. Pada tanggal 31 Desember 2014 dan 2013, Perusahaan telah mengkonsolidasikan semua entitas anak 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 Perusahaan dari jumlah aset/liabilitas dan atau pendapatan/laba neto yang disajikan dalam tabel di bawah ini:

**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 years ended December 31, 2014 and 2013, which consist of:

d. Subsidiaries

i. As of December 31, 2014 and 2013, 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 Company's consolidated financial statements are presented in the table below:

	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 2014/ December 31, 2014	31 Desember 2013/ December 31, 2013	31 Desember 2014/ December 31, 2014	31 Desember 2013/ December 31, 2013
<b><u>Eksplorasi dan produksi minyak dan gas/ Exploration and production of oil and gas</u></b>						
PT Medco E&P Tarakan <sup>4)</sup> Indonesia	1992	14 Jan' 2002	100,00	100,00	33,64	33,61
PT Medco E&P Indonesia <sup>4)</sup> Indonesia (South Sumatera Asset)	1995	28 Nov' 2013	100,00	100,00	272,83	399,6
PT Medco E&P Indonesia <sup>24)</sup> Indonesia (Central Sumatera Asset)	2008	28 Nov' 1993	-	-	-	-
PT Medco E&P Tomori Sulawesi <sup>4)</sup> Indonesia	2005	4 Des' 1997	100,00	100,00	289,23	166,66
PT Medco E&P Sembakung <sup>4)</sup> Indonesia	2005	22 Des' 1993	100,00	100,00	9,20	12,55

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**1. UMUM (lanjutan)**

**d. Entitas Anak (lanjutan)**

	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 2014/ December 31, 2014	31 Desember 2013/ December 31, 2013	31 Desember 2014/ December 31, 2014	31 Desember 2013/ December 31, 2013
PT Medco E&P Simenggaris <sup>4)</sup> Indonesia	2009	24 Feb' 1998	100,00	100,00	39,2	47,9
PT Medco E&P Bengara <sup>4)</sup> Indonesia	Tahap eksplorasi/ Exploration stage	27 Sep' 1999	95,00	95,00	9,9	10,4
PT Medco E&P Lematang <sup>4)</sup> Indonesia	2003	6 Apr' 1987	100,00	100,00	111,71	101,3
Medco Energi Global Pte Ltd <sup>1) 2) 11)</sup> Singapura	2004	-	100,00	100,00	557,5	418,9
PT Medco CBM Sekayu <sup>10)</sup>	Tahap eksplorasi/ Exploration stage	27 Mei 2008	100,00	100,00	9,40	8,8
PT Medco CBM Pendopo	Tahap eksplorasi/ Exploration stage	3 Dec 2010	100,00	100,00	2,69	2,77
PT Medco CBM Lematang	Tahap eksplorasi/ Exploration stage	1 August 2011	100,00	100,00	1,93	1,38
PT Medco E&P Malaka <sup>4)</sup> Indonesia	Tahap eksplorasi dan Pengembangan/ Exploration and Development stage	1 Sep' 1991	100,00	100,00	102,90	102,81
PT Medco E&P Rimau <sup>4)</sup> Indonesia	2005	23 Apr' 2003	100,00	100,00	260,5	266,00
PT Medco E&P Nunukan <sup>4) 26)</sup> Indonesia	Tahap eksplorasi/ Exploration stage	12 Des' 2004	100,00	100,00	3,7	4,9
Medco Bawean (Holdings) Pte Ltd <sup>1) 4)</sup> Singapura	2008	12 Feb' 2011	100,00	100,00	67	84,6
Medco Yemen Malik Ltd <sup>13)</sup> Yemen	2012	-	100,00	100,00	93,6	105,9
Camar Bawean Petroleum Ltd <sup>6)</sup>	2005	12 Feb' 2011	100,00	100,00	70	84
Lematang E&P Limited <sup>9)</sup>	2008	6 Apr' 1987	100,00	100,00	82,6	60,9
Medco International Services Pte Ltd <sup>12)</sup>	2004	-	100,00	100,00	24,7	17,4
Medco Yemen Holding Ltd <sup>1) 11)</sup>	2008	-	100,00	100,00	0,39	0,39
Medco Yemen Amed Ltd <sup>13)</sup>	Tahap eksplorasi/ Exploration stage	13 Apr' 2008	100,00	100,00	9,1	6,4
Medco Cambodia Holding Limited <sup>12)</sup>	2007	-	100,00	100,00	-	-
Medco LLC <sup>15)</sup>	2001	Jan' 2006	68,00	68,00	55,3	60,6
Medco Energi USA Inc <sup>1) 12)</sup>	2004	-	100,00	100,00	179,2	196,6
Medco Energi US LLC <sup>15)</sup>	2004	-	100,00	100,00	58,8	67,8
Medco Petroleum Management LLC <sup>15)</sup>	2014	-	100,00	100,00	0,41	0,43
Medco Tunisia Petroleum Limited <sup>12)</sup>	2004	-	100,00	100,00	128,5	-
Medco Ventures Internasional (Barbados) Limited <sup>22)</sup>	2014	-	100,00	-	143	-
Medco Sahara Limited <sup>22)</sup>	2014	-	100,00	-	-	-
Moonbi Energy Ltd <sup>14)</sup> <b>Pertambangan/Mining</b>	Tahap eksplorasi/ Exploration stage	11 Dec' 2013	90,00	-	3,6	-
PT Duta Tambang Rekasava <sup>20) 1) *</sup> Indonesia	Tahap Operasi Produksi/ Operation & Production Phase	2 Feb 2010	100,00	100,00	33,9	37,6

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**1. UMUM (lanjutan)**

d. Entitas Anak (lanjutan)

	Persentase kepemilikan efektif/ Effective percentage of ownership		Jumlah aset (sebelum eliminasi) dalam jutaan Total assets (before elimination) in millions	
	31 Desember 2014/ December 31, 2014	31 Desember 2013/ December 31, 2013	31 Desember 2014/ December 31, 2014	31 Desember 2013/ December 31, 2013
<b><u>Jasa penunjang operasi minyak dan gas/ Support services for oil and gas activities</u></b>				
PT Exspan Petrogas Intranusa <sup>4)</sup> Indonesia	100,00	100,00	62,2	72,9
PT Medco Gas Indonesia <sup>1) 4)</sup> Indonesia	100,00	100,00	19,5	18,4
<b><u>Produksi kimia dan perdagangan/ Production and trading of chemicals</u></b>				
PT Medco Downstream Indonesia <sup>1) 2) 4)</sup> Indonesia	100,00	100,00	26,7	27,1
PT Medco Niaga Internasional <sup>4)</sup> Indonesia	100,00	100,00	0,4	0,3
<b><u>Liquefied Natural Gas</u></b>				
PT Medco LNG Indonesia <sup>4)</sup> Indonesia	100,00	100,00	265,04	235,6
<b><u>Lain-lain/Others</u></b>				
MEI Euro Finance Limited <sup>2) 4)</sup> Mauritius	100,00	100,00	0,009	1,9
Medco CB Finance BV <sup>2) 4) 23)</sup> Belanda	100,00	100,00	0	0,4
PT Medco Energi Mining Internasional <sup>1) 4)</sup> Indonesia	100,00	100,00	31,3	40,04
Medco Straits Services Pte Ltd <sup>1) 2) 4)</sup> Singapura	100,00	100,00	1.266,2	915,1

Rincian entitas anak yang tidak aktif, atau tidak signifikan, atau telah menjadi entitas asosiasi tanggal 31 Desember 2014 dan 2013, atau dimiliki tidak langsung oleh Perusahaan adalah sebagai berikut:

The subsidiaries that are not active, or not significant or owned indirectly by the Company in December 31, 2014 and 2013 are as follows:

	Persentase kepemilikan efektif/ Effective percentage of ownership	
	31 Desember 2014/ December 31, 2014	31 Desember 2013/ December 31, 2013
<b><u>Eksplorasi dan produksi minyak dan gas/ Exploration and production of oil and gas</u></b>		
Bangkalanai Petroleum (L) Berhad <sup>5)</sup>	100,00	100,00
BUT Medco Madura Pty Ltd <sup>4)</sup>	51,00	51,00
PT Medco E&P Kalimantan <sup>7)</sup>	100,00	100,00
PT Medco E&P Madura <sup>4)</sup>	100,00	100,00
Medco Simenggaris Pty Ltd <sup>4)</sup>	100,00	100,00
PT Medco E&P Yapen <sup>1) 4) 23)</sup>	-	100,00

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**1. UMUM (lanjutan)**

d. Entitas Anak (lanjutan)

**1. GENERAL (continued)**

d. Subsidiaries (continued)

	Persentase kepemilikan efektif/ Effective percentage of ownership	
	31 Desember 2014/ December 31, 2014	31 Desember 2013/ December 31, 2013
<u>Eksplorasi dan produksi minyak dan gas (lanjutan)/ Exploration and production of oil and gas (continued)</u>		
Perkasa Equatorial Sembakung Ltd <sup>8)</sup>	100,00	100,00
Exspan Cumi-cumi (L) Inc <sup>7) 22)</sup>	100,00	100,00
Sulawesi E&P Limited <sup>4) 23)</sup>	100,00	100,00
Medco Arabia <sup>12)</sup>	100,00	100,00
Medco International Ventures Ltd <sup>12)</sup>	100,00	100,00
Medco Yemen Arat Ltd <sup>13)</sup>	100,00	100,00
Medco Cambodia Tonle Sap <sup>14)</sup>	-	100,00
Medco International Enterprise Ltd <sup>1) 12)</sup>	100,00	100,00
Medco International Petroleum Ltd <sup>12)</sup>	-	100,00
Medco Energi (BVI) Ltd <sup>12)</sup>	100,00	100,00
Medco Far East Limited Cayman Islands <sup>2) 4)</sup>	100,00	100,00
PT Medco E&P Merangin Indonesia <sup>4)</sup>	100,00	100,00
PT Medco E&P Bangkanai Indonesia <sup>1) 4)</sup>	100,00	100,00

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

1. UMUM (lanjutan)

d. Entitas Anak (lanjutan)

Jasa penunjang operasi minyak dan gas/Support services for oil and gas activities

	Persentase kepemilikan efektif/ Effective percentage of ownership	
	31 Desember 2014/ December 31, 2014	31 Desember 2013/ December 31, 2013
PT Sistim Vibro Indonesia <sup>19)</sup>	100,00	100,00
PT Medco Integrated Resources <sup>19)</sup>	100,00	100,00
PT Mitra Energi Gas Sumatra <sup>16)</sup>	100,00	100,00
PT Medco Energi CBM Indonesia <sup>1) 4)</sup>	100,00	100,00
PT Medco CBM Bengara <sup>10)</sup>	100,00	100,00
PT Medco CBM Rimau <sup>10)</sup>	100,00	100,00
Medco Petroleum Services Ltd <sup>11)</sup>	100,00	100,00

Produksi kimia dan perdagangan/Production and trading of chemicals

PT Medco LPG Kaji <sup>16)</sup>	100,00	100,00
PT Medco Methanol Bunyu <sup>16)</sup>	100,00	100,00
PT Medco Ethanol Lampung <sup>16)</sup>	100,00	100,00
PT Usaha Tani Sejahtera <sup>21)</sup>	100,00	100,00
PT Medco Services Indonesia <sup>16)</sup>	100,00	100,00
PT Bumi Agro Lampung <sup>21)</sup>	-	100,00
PT Medco Sarana Balaraja <sup>4)</sup>	100,00	100,00
PT Mahakam Raksa Buminusa <sup>19)</sup>	99,00	99,00
Petroleum Exploration & Production Int Ltd <sup>1) 11)</sup>	100,00	100,00
Synergia Trading International Pte Ltd <sup>11)</sup>	100,00	100,00
Fortico International Limited <sup>9)</sup>	100,00	100,00
PT Satria Raksa Buminusa <sup>19)</sup>	100,00	100,00
PT Musi Raksa Buminusa <sup>19)</sup>	100,00	100,00
PT Medco Energi Nusantara <sup>4)</sup>	100,00	100,00
PT International Power Ventures <sup>6) 23)</sup>	-	100,00

- 1) dan entitas anak
- 2) sebesar 90%-95% dari jumlah aset merupakan akun antar perusahaan dalam Grup yang dieliminasi dalam laporan keuangan konsolidasian
- 3) Technical Assistance Contract (TAC) Kalimantan dilepaskan pada tahun 2008

- 1) and subsidiary/subsidiaries
- 2) 90%-95% of the assets are intercompany accounts within the Group which were eliminated in the consolidated financial statements
- 3) Technical Assistance Contract (TAC) of Kalimantan was relinquished in 2008

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**1. UMUM (lanjutan)**

**d. Entitas Anak (lanjutan)**

- 4) Entitas anak PT Medco Energi Internasional Tbk
- 5) Entitas anak PT Medco E & P Bangkanai
- 6) Entitas anak Medco Bawean (Holding) Pte Ltd
- 7) Entitas anak PT Medco E & P Kalimantan
- 8) Entitas anak Medco Far East Limited
- 9) Entitas anak Petroleum Exploration & Production Int Ltd
- 10) Entitas anak PT Medco Energi CBM Indonesia
- 11) Entitas anak Medco Straits Services Pte Ltd
- 12) Entitas anak Medco Energi Global Pte Ltd
- 13) Entitas anak Medco Yemen Holding Ltd
- 14) Entitas anak Medco Asia Pacific Ltd (dahulu Medco Cambodia Holding Ltd)
- 15) Entitas anak Medco Energi USA, Inc
- 16) Entitas anak PT Medco Downstream Indonesia
- 17) Entitas anak PT Exspan Petrogas Intranusa
- 18) Entitas anak PT Medco Gas Indonesia
- 19) Entitas anak PT Medco Sarana Balaraja
- 20) Entitas anak PT Medco Energi Mining Internasional
- 21) Entitas anak PT Medco Services Indonesia
- 22) Entitas anak Medco Tunisia Petroleum Ltd
- 23) Dalam proses likuidasi
- 24) Entitas telah dilikuidasi atau dijual kepada pihak ketiga
- 25) Pengembalian dan pengelolaan sementara
- 26) Izin eksplorasi berakhir tanggal 12 Desember 2014.
- \*) Tanggal perolehan eksplorasi/eksploitasi bervariasi dari tahun 2005-2009
- \*\*) Tanggal perolehan eksplorasi/eksploitasi pada tanggal 2 Februari 2010

ii. Grup mempunyai kerjasama operasi minyak dan gas atau Kontrak Jasa/Perjanjian Partisipasi dan Pembagian Ekonomi di luar negeri pada tanggal 31 Desember 2014 dan 2013 sebagai berikut:

Kerjasama Operasi	Negara/ Country	Hak Kepemilikan (%) Interest (%)		Joint Venture
		2014	2013	
East Cameron (EC) 317/318 lease	Amerika Serikat/USA	75,00	75,00	East Cameron (EC) 317/318 lease
East Cameron (EC) 316	Amerika Serikat/USA	100,00	100,00	East Cameron (EC) 316
Main Pass (MP) 64/65 lease	Amerika Serikat/USA	75,00	75,00	Main Pass (MP) 64/65 lease
Blok E offshore*)	Kamboja/Cambodia	-	41,25	Block E offshore
Blok 12*)	Kamboja/Cambodia	-	52,50	Block 12
Nimr - Karim Area	Oman	51,00	51,00	Nimr - Karim Area
Blok 47 Ghadames Basin	Libya	50,00	50,00	Block 47 Ghadames Basin
Blok 82	Yaman/Yemen	38,25	38,25	Block 82
Blok 9	Yaman/Yemen	21,25	21,25	Block 9
Blok Bir Ben Tartar**)	Tunisia	86,00	-	Block Bir Ben Tartar
Blok Adam**)	Tunisia	5,00	-	Block Adam
Blok Cosmos**)	Tunisia	80,00	-	Block Cosmos
Blok Yasmin**)	Tunisia	100,00	-	Block Yasmin
Blok Sud Remada**)	Tunisia	86,00	-	Block Sud Remada
Blok Borj El Khadra**)	Tunisia	10,00	-	Block Borj El Khadra
Blok Jenein**)	Tunisia	65,00	-	Block Jenein
Blok Hammamet**)	Tunisia	35,00	-	Block Hammamet
Juha Extension PPL-470	Papua New Guinea	90,00	-	Juha Extension PPL-470

\*) Dalam proses pelepasan  
\*\*) Entitas yang baru diakuisisi

iii. Grup melakukan sejumlah akuisisi dan penjualan aset sebagaimana diungkapkan dalam Catatan 44a.

**1. GENERAL (continued)**

**d. Subsidiaries (continued)**

- 4) Subsidiary of PT Medco Energi Internasional Tbk
- 5) Subsidiary of PT Medco E & P Bangkanai
- 6) Subsidiary of Medco Bawean (Holding) Pte Ltd
- 7) Subsidiary of PT Medco E & P Kalimantan
- 8) Subsidiary of Medco Far East Limited
- 9) Subsidiary of Petroleum Exploration & Production Int Ltd
- 10) Subsidiary of PT Medco Energi CBM Indonesia
- 11) Subsidiary of Medco Strait Services Pte Ltd
- 12) Subsidiary of Medco Energi Global Pte Ltd
- 13) Subsidiary of Medco Yemen Holding Ltd
- 14) Subsidiary of Medco Asia Pacific Ltd (formerly Medco Cambodia Holding Ltd)
- 15) Subsidiary of Medco Energi USA, Inc
- 16) Subsidiary of PT Medco Downstream Indonesia
- 17) Subsidiary of PT Exspan Petrogas Intranusa
- 18) Subsidiary of PT Medco Gas Indonesia
- 19) Subsidiary of PT Medco Sarana Balaraja
- 20) Subsidiary of PT Medco Energi Mining Internasional
- 21) Subsidiary of PT Medco Services Indonesia
- 22) Subsidiary of Medco Tunisia Petroleum Ltd
- 23) In process of liquidation
- 24) Entity has been liquidated or sold to third<sup>rd</sup> party
- 25) Temporary relinquishment and management
- 26) Exploration permit expired on December 12, 2014.
- \*) Date of exploration/exploitation varied from 2005-2009
- \*\*) Date of exploration/exploitation permit is February 2, 2010

ii. The Group has interests in the following overseas petroleum joint venture operations or Service Contracts/Participation and Economic Sharing Agreements as of December 31, 2014 and 2013:

Kerjasama Operasi	Negara/ Country	Hak Kepemilikan (%) Interest (%)		Joint Venture
		2014	2013	
East Cameron (EC) 317/318 lease	Amerika Serikat/USA	75,00	75,00	East Cameron (EC) 317/318 lease
East Cameron (EC) 316	Amerika Serikat/USA	100,00	100,00	East Cameron (EC) 316
Main Pass (MP) 64/65 lease	Amerika Serikat/USA	75,00	75,00	Main Pass (MP) 64/65 lease
Blok E offshore*)	Kamboja/Cambodia	-	41,25	Block E offshore
Blok 12*)	Kamboja/Cambodia	-	52,50	Block 12
Nimr - Karim Area	Oman	51,00	51,00	Nimr - Karim Area
Blok 47 Ghadames Basin	Libya	50,00	50,00	Block 47 Ghadames Basin
Blok 82	Yaman/Yemen	38,25	38,25	Block 82
Blok 9	Yaman/Yemen	21,25	21,25	Block 9
Blok Bir Ben Tartar**)	Tunisia	86,00	-	Block Bir Ben Tartar
Blok Adam**)	Tunisia	5,00	-	Block Adam
Blok Cosmos**)	Tunisia	80,00	-	Block Cosmos
Blok Yasmin**)	Tunisia	100,00	-	Block Yasmin
Blok Sud Remada**)	Tunisia	86,00	-	Block Sud Remada
Blok Borj El Khadra**)	Tunisia	10,00	-	Block Borj El Khadra
Blok Jenein**)	Tunisia	65,00	-	Block Jenein
Blok Hammamet**)	Tunisia	35,00	-	Block Hammamet
Juha Extension PPL-470	Papua New Guinea	90,00	-	Juha Extension PPL-470

\*) In process of relinquishment  
\*\*) newly acquired entities

iii. The Group has undertaken acquisitions and divestments of assets as disclosed in Note 44a.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**1. UMUM (lanjutan)**

d. Entitas Anak (lanjutan)

- iv. Medco Tunisia Petroleum Limited adalah perusahaan yang didirikan berdasarkan The British Virgin Islands (BVI) Business Companies Act 2004, tanggal 2 Mei 2014 dengan nomor daftar 1822501 dan beralamat di Palm Grove House P.O Box 438 Road Town, Tortola, VG 1110 British Virgin Islands. Medco Tunisia Petroleum Limited dimiliki seratus persen (100%) oleh Medco Energi Global Pte Ltd, dengan modal dasar sebanyak 50.000 saham, tanpa nilai nominal.

**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 BAPEPAM-LK No. VIII.G.7 (Lampiran Keputusan Ketua Bapepam-LK No. Kep-06/PM/2000 tanggal 13 Maret 2000, yang telah diubah melalui Keputusan Ketua Bapepam-LK No. Kep-347/BL/2012 tanggal 25 Juni 2012).

Kebijakan akuntansi yang diterapkan dalam penyajian laporan keuangan konsolidasian konsisten dengan kebijakan akuntansi yang diterapkan dalam penyajian laporan keuangan konsolidasian Grup pada tanggal dan untuk tahun yang berakhir pada tanggal 31 Desember 2013.

**1. GENERAL (continued)**

d. Subsidiaries (continued)

- iv. Medco Tunisia Petroleum Limited was incorporated under the British Virgin Islands (BVI) Business Companies Act 2004, on May 2, 2014 with Registration No. 1822501 and with registered address in Palm Grove House P.O. Box 438 Road Town, Tortola, VG 1110 British Virgin Islands. Medco Tunisia Petroleum Limited has an authorized capital stock of 50,000 shares, with no par value, and is one hundred percent (100%) owned by Medco Energi Global Pte Ltd.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. Basis of 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 No. VIII.G.7 (Appendix to the Chairman of Bapepam-LK Decree No. Kep-06/PM/2000 dated March 13, 2000, as amended by the Chairman of Bapepam-LK Decree No. Kep-347/BL/2012 dated June 25, 2012) issued by Bapepam-LK.

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those adopted in the preparation of the Group's consolidated financial statements as of and for the year ended December 31, 2013.



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

a. Dasar Penyusunan Laporan Keuangan  
Konsolidasian (lanjutan)

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 dimana 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.

Laporan keuangan konsolidasian Perusahaan dan entitas anaknya untuk tahun yang berakhir pada tanggal 31 Desember 2014 dan 2013 telah disusun sehubungan dengan adanya rencana penawaran efek hutang entitas anak Perusahaan di Bursa Efek Singapura.

b. Prinsip Konsolidasi

Laporan keuangan konsolidasian termasuk akun-akun entitas anak dimana Perusahaan mempunyai kepemilikan saham langsung atau tidak langsung lebih dari 50%.

Semua akun dan transaksi antar Grup yang material, termasuk keuntungan atau kerugian yang belum direalisasi, jika ada, dieliminasi untuk mencerminkan posisi keuangan dan hasil operasi Grup sebagai satu kesatuan usaha.

Entitas anak dikonsolidasi secara penuh sejak tanggal akuisisi, yaitu pada tanggal Perusahaan memperoleh pengendalian, dan berlanjut untuk dikonsolidasi sampai dengan tanggal entitas induk kehilangan pengendalian. Pengendalian dianggap ada ketika Perusahaan memiliki, secara langsung atau tidak langsung melalui entitas anak, lebih dari setengah hak suara suatu entitas.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

a. Basis of Preparation of the Consolidated  
Financial Statements (continued)

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 was prepared using the direct method present cash receipts and payments classified into operating, investing and financing activities using the direct method.

The reporting currency used in the preparation of the consolidated financial statements is the United States Dollar (US Dollar), the Group's functional currency.

The consolidated financial statements of the Company and its subsidiaries for the years ended December 31, 2014 and 2013 has been prepared in relation to the proposed offering of the debt securities of a subsidiary of the Company on Singapore Exchange.

b. Principles of Consolidation

The consolidated financial statements include the accounts of the subsidiaries in which the Company has more than 50% share ownership, either directly or indirectly.

All material intercompany accounts and transactions, including unrealized gains or losses, if any, are eliminated to reflect the financial position and the results of operations of the Group as one business entity.

A subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtained control, and continues to be consolidated until the date such control ceases. Control is presumed to exist if the Company owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

b. Prinsip Konsolidasi (lanjutan)

Pengendalian juga ada ketika entitas induk memiliki setengah atau kurang dari hak suara suatu entitas jika terdapat:

- a. Kekuasaan yang melebihi setengah hak suara sesuai perjanjian dengan investor lain;
- b. Kekuasaan untuk mengatur kebijakan keuangan dan operasional entitas berdasarkan peraturan atau perjanjian;
- c. Kekuasaan untuk menunjuk atau mengganti sebagian besar direksi atau badan pengatur setara dan mengendalikan entitas melalui direksi atau badan tersebut; atau
- d. Kekuasaan untuk memberikan suara mayoritas pada rapat direksi atau badan pengatur setara dan mengendalikan entitas melalui direksi atau badan tersebut.

Kerugian pada entitas anak yang tidak dimiliki secara penuh diatribusikan kepada kepentingan non-pengendali (KNP) bahkan jika hal ini mengakibatkan KNP mempunyai saldo defisit.

Jika kehilangan pengendalian atas suatu entitas anak, maka Grup:

- menghentikan pengakuan aset (termasuk goodwill) dan liabilitas entitas anak;
- menghentikan pengakuan jumlah tercatat setiap KNP;
- menghentikan pengakuan akumulasi atas selisih kurs, yang dicatat pada ekuitas, jika ada;
- mengakui nilai wajar atas pembayaran yang diterima;
- mengakui nilai wajar atas setiap investasi yang tersisa;
- mengakui setiap surplus atau defisit pada laporan laba rugi; dan
- mereklasifikasi bagian entitas induk atas komponen yang sebelumnya diakui sebagai pendapatan komprehensif lainnya ke laporan laba rugi atau laba ditahan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

b. Principles of Consolidation (continued)

Control also exists when the parent company owns half or less of the voting rights of an entity when there is:

- a. Power over more than half of the voting rights by virtue of an agreement with other investors;
- b. Power to govern the financial and operating policies of the entity under a statute or an agreement;
- c. Power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or
- d. Power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

Losses of a non-wholly owned subsidiary are attributed to the non-controlling interests (NCI) even if such losses result in a deficit balance for the NCI.

In case of loss of control over a subsidiary, the Group:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- derecognizes the carrying amount of any NCI;
- derecognizes the cumulative translation differences recorded in equity, if any;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained;
- recognizes any surplus or deficit in profit or loss; and
- reclassifies the parent's share of the component previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**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 diatribusikan kepada kepemilikan atas ekuitas yang secara langsung atau tidak langsung tidak dimiliki oleh Perusahaan, yang disajikan dalam laporan laba rugi komprehensif konsolidasian dan sebagai ekuitas pada laporan posisi keuangan konsolidasian, terpisah dari bagian yang dapat diatribusikan kepada pemilik entitas induk.

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".

Ketika Grup melakukan akuisisi atas sebuah bisnis, Grup mengklasifikasikan dan menentukan aset keuangan dan liabilitas keuangan yang diambil alih berdasarkan pada persyaratan kontraktual, kondisi ekonomi dan kondisi terkait lainnya yang ada pada tanggal akuisisi. Hal ini termasuk pemisahan atas derivatif yang melekat pada kontrak utama oleh pihak yang diakuisisi. 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.

**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 attributable to equity interests that are not owned directly or indirectly by the Company, which are presented in the consolidated statements of 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.

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".

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. 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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

c. Kombinasi Bisnis (lanjutan)

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 2011). Jika diklasifikasikan sebagai ekuitas, imbalan kontinjensinya tidak diukur kembali sampai penyelesaian terakhir dalam ekuitas.

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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

c. Business Combinations (continued)

*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 2011) 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.*

*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. 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.*

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

d. Transaksi dan Saldo dalam Mata Uang Asing

Grup mempertimbangkan indikator utama dan indikator lainnya dalam menentukan mata uang fungsionalnya. Jika ada indikator yang tercampur dan mata uang fungsional tidak jelas, manajemen menggunakan penilaian untuk menentukan mata uang fungsional yang paling tepat menggambarkan pengaruh ekonomi dari transaksi, kejadian dan kondisi yang mendasarinya.

Laporan keuangan konsolidasian disajikan dalam Dolar AS, yang merupakan mata uang fungsional Perusahaan dan mata uang penyajian Grup. Transaksi-transaksi selama tahun berjalan melibatkan mata uang selain Dolar AS dicatat dalam Dolar AS dengan menggunakan kurs tukar yang berlaku pada saat terjadinya transaksi.

Pada tanggal laporan posisi keuangan konsolidasian, seluruh aset dan liabilitas keuangan dalam mata uang selain Dolar AS dijabarkan ke Dolar AS dengan menggunakan kurs tengah yang berlaku pada tanggal tersebut. Keuntungan atau kerugian neto dari selisih kurs dikreditkan atau dibebankan ke operasi berjalan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

d. Foreign Currency Transactions and Balances

The Group considers the primary indicators and other indicators in determining its functional currency. If indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

The consolidated financial statements are presented in US Dollar, which is the Company's functional currency and the Group's presentation currency. Transactions during the year involving currencies other than US Dollar are recorded in US Dollars at the rates of exchange in effect on the date of the transactions.

At the reporting date, all monetary assets and liabilities denominated in currencies other than US Dollar are translated to US Dollar at the middle exchange rates prevailing on that date. The resulting net foreign exchange gains or losses are credited or charged to current operations.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

d. Transaksi dan Saldo dalam Mata Uang Asing  
(lanjutan)

Untuk tujuan konsolidasi, aset dan liabilitas dari Entitas Anak, yang menyelenggarakan pembukuan/mencatat akun-akunnya dalam Rupiah dan mata uang fungsionalnya adalah Rupiah, 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 pembukuan/akun-akun diselenggarakan dalam mata uang Rupiah dan Euro, 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 31 Desember 2014 dan 2013, atas saldo dalam mata uang asing yang signifikan adalah sebagai berikut:

	<u>2014</u>
Rupiah/AS\$1	0,000080
Euro/AS\$1	1,2165
Dolar Australia/AS\$1	0,8214
Dolar Singapura /AS\$1	0,7574
Poundsterling Inggris/AS\$1	1,5571
Yen Jepang 100/AS\$1	0,8380

Entitas Anak tertentu menyelenggarakan pembukuan dalam Rupiah dan mengukur kembali pembukuan mereka ke dalam mata uang fungsional mereka untuk tujuan penyusunan laporan keuangan konsolidasian.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

d. Foreign Currency Transactions and Balances  
(continued)

For consolidation purposes, assets and liabilities of Subsidiaries which maintain their books/accounts in Indonesian Rupiah and whose functional currency is Indonesian Rupiah, are translated into US Dollars 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 the account "Translation Adjustments", under the Equity section of the consolidated statements of financial position. For entities that maintain their books/accounts in Indonesian Rupiah and in Euro, 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 December 31, 2014 and 2013, the rates of exchange used for significant foreign currency-denominated balances are as follows:

	<u>2013</u>	
	0,000082	Rupiah/US\$1
	1,3801	Euro/US\$1
	0,8923	Australian Dollar/US\$1
	0,7899	Singapore Dollar/US\$1
	1,6488	British Poundsterling/US\$1
	0,9531	Japanese Yen 100/US\$1

Certain Subsidiaries maintain their books in Indonesian Rupiah and remeasure their books into their functional currencies for the purpose of preparing the consolidated financial statements.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**d. Transaksi dan Saldo dalam Mata Uang Asing (lanjutan)**

Entitas Anak tersebut mengukur kembali aset dan liabilitas non-moneter ke dalam mata uang fungsional mereka dengan menggunakan kurs historis, sedangkan aset dan liabilitas moneter dijabarkan ke dalam mata uang fungsional dengan menggunakan kurs yang berlaku pada tanggal pelaporan posisi keuangan.

Pendapatan dan beban diukur kembali ke dalam mata uang fungsional menggunakan nilai asli mata uang fungsional tersebut atau menggunakan nilai tukar rata-rata tertimbang setiap bulan yang mendekati kurs yang berlaku pada tanggal transaksi. Keuntungan atau kerugian selisih kurs dari proses pengukuran kembali diakui dalam laporan laba rugi.

**e. Transaksi-transaksi dengan Pihak-pihak Berelasi**

Suatu pihak dianggap berelasi dengan Grup jika:

- a. langsung, atau tidak langsung yang melalui satu atau lebih perantara, suatu pihak (i) mengendalikan, atau dikendalikan oleh, atau berada di bawah pengendalian bersama dengan Grup; (ii) memiliki kepentingan dalam Grup yang memberikan pengaruh signifikan atas Grup; atau (iii) memiliki pengendalian bersama atas Grup;
- b. suatu pihak adalah entitas asosiasi Grup;
- c. suatu pihak adalah kerjasama operasi dimana Grup sebagai *venturer*;
- d. suatu pihak adalah anggota dari personil manajemen utama dari Grup atau entitas induk Grup;
- e. suatu pihak adalah anggota keluarga dekat dari individu yang diuraikan dalam butir (a) atau (d);
- f. suatu pihak adalah entitas yang dikendalikan, dikendalikan bersama atau dipengaruhi secara signifikan oleh atau dimana hak suara signifikan dimiliki oleh, langsung maupun tidak langsung, individu seperti diuraikan dalam butir (d) atau (e); atau

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d. Foreign Currency Transactions and Balances (continued)**

Such Subsidiaries remeasure their non-monetary assets and liabilities into their functional currencies using historical rates, while monetary assets and liabilities are translated into functional currencies using the current exchange rate at the statements of financial position date.

Revenues and expenses are remeasured into functional currencies using the original functional currencies amount or using weighted average exchange rates every month which approximate the exchange rates prevailing at the date of transactions. Foreign exchange gains or losses from the remeasurement process are recognized in profit or loss.

**e. Transactions with Related Parties**

A party is considered to be related to the Group if:

- a. directly, or indirectly through one or more intermediaries, the party (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or, (iii) has joint control over the Group;
- b. the party is an associate of the Group;
- c. the party is a joint venture in which the Group is a venturer;
- d. the party is a member of the key management personnel of the Group or its parent;
- e. the party is a close member of the family of any individual referred to in (a) or (d);
- f. the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

e. Transaksi-transaksi dengan Pihak-pihak Berelasi (lanjutan)

g. suatu pihak adalah suatu program imbalan pasca-kerja untuk imbalan kerja dari Grup atau entitas yang terkait dengan Grup.

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.

f. 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.

g. Cadangan Penurunan Nilai Piutang

Cadangan penurunan nilai piutang ditentukan berdasarkan hasil penelaahan terhadap keadaan piutang pada akhir tahun sebagaimana didiskusikan pada butir q.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

e. Transactions with Related Parties (continued)

g. the party is a post-employment benefit plan for the benefit of employees of the Group or of any entity that is a related party of the Group.

The transactions are made based on terms agreed by the parties. Such terms are 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.

f. 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.

g. Allowance for Impairment of Receivables

An allowance for impairment of receivables is provided based on a review of the receivable accounts at the end of the year as discussed in point q.



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

**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. Cadangan untuk penurunan nilai keusangan persediaan ditentukan berdasarkan penelaahan terhadap keadaan masing-masing persediaan pada akhir tahun.

**i. Beban Dibayar Di muka**

Beban dibayar di muka diamortisasi selama masa manfaat dengan menggunakan metode garis lurus.

**j. Aset Tetap**

Aset tetap 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.

Aset tetap yang diperoleh melalui pertukaran aset non-moneter atau kombinasi aset moneter dan non-moneter diukur pada nilai wajar, kecuali:

- (i) Transaksi pertukaran tidak memiliki substansi komersial, atau
- (ii) Nilai wajar dari aset yang diterima dan diserahkan tidak dapat diukur secara andal.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**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. 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 year.*

**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, 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.*

*Property, plant and equipment acquired in exchange for a non-monetary asset or for a combination of monetary and non-monetary assets are measured at fair values unless:*

- (i) The exchange transactions lack commercial substance, or*
- (ii) The fair value of neither the assets received nor the assets given up can be measured reliably.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

j. Aset Tetap (lanjutan)

Penyusutan dihitung dengan menggunakan metode garis lurus berdasarkan taksiran masa manfaat ekonomis aset tetap sebagai berikut:

	<b>Tahun/ Years</b>
Bangunan dan prasarana	20
Mesin	8 - 20
Peralatan panel pengendali	4 - 20
Peralatan dan perlengkapan pengeboran	8 - 16
Peralatan telekomunikasi	5
Kendaraan bermotor	4 - 10
<i>Leasehold improvements</i>	3 - 8
Peralatan kantor dan lainnya	3 - 5
Pesawat terbang	20

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.

Pengakuan 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

j. Property, Plant and Equipment (continued)

Depreciation is computed using the straight-line method based on the estimated useful lives of the property, plant and equipment as follows:

<i>Buildings and land improvements</i>
<i>Machinery</i>
<i>Control panel equipment</i>
<i>Drilling rigs and equipment</i>
<i>Telecommunication equipment</i>
<i>Vehicles</i>
<i>Leasehold improvements</i>
<i>Office and other equipment</i>
<i>Aircraft</i>

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 are 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.

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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

**j. Aset Tetap (lanjutan)**

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. Aset dalam Sewa Pembiayaan**

Grup menerapkan PSAK No. 30 (Revisi 2011), "Sewa". Berdasarkan PSAK No. 30 (Revisi 2011), ketika sewa mengandung elemen tanah dan bangunan sekaligus, entitas harus menelaah klasifikasi untuk setiap elemen secara terpisah apakah sebagai sewa pembiayaan atau sewa operasi. Sebagai hasil dari penelaahan terpisah yang dilakukan oleh entitas dengan mempertimbangkan perbandingan antara masa sewa dengan umur ekonomis yang ditelaah ulang dari masing-masing elemen dan faktor-faktor lainnya yang relevan, setiap elemen mungkin akan menghasilkan klasifikasi sewa yang berbeda.

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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**j. Property, Plant and Equipment (continued)**

*Construction in progress is stated at cost. The accumulated costs are reclassified to the appropriate property, plant and equipment accounts when the construction is substantially completed and the asset is ready for its intended use.*

**k. Assets under Finance Lease**

*The Group adopts PSAK No. 30 (Revised 2011), "Leases". Based on this revised PSAK, when a lease includes both land and building elements, an entity should assess the classification of each element separately as finance or operating lease. As the result of separate assessment performed by an entity by considering the comparison between the lease period and the economic life which is reassessed from each element and other relevant factors, each element may result in a different classification of 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.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

k. Aset dalam Sewa Pembiayaan (lanjutan)

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.

Dalam sewa operasi, Grup mengakui pembayaran sewa sebagai beban dengan dasar garis lurus (*straight-line method*) selama masa sewa.

Dalam sewa operasi, Grup mengakui aset untuk sewa operasi di laporan posisi keuangan konsolidasian sesuai sifat aset tersebut. Biaya langsung awal sehubungan proses negosiasi sewa operasi ditambahkan ke jumlah tercatat dari aset sewaan dan diakui sebagai beban selama masa sewa dengan dasar yang sama dengan pendapatan sewa. Sewa kontinjen, apabila ada, diakui sebagai pendapatan pada periode terjadinya. Pendapatan sewa operasi diakui sebagai pendapatan atas metode garis lurus selama masa sewa.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

k. Assets under Finance Lease (continued)

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.*

*Under an operating lease, the Group recognizes lease payments as an expense on the straight-line method over the lease term.*

*Under an operating lease, the Group presents assets subject to operating leases in its consolidated statements of financial position according to the nature of the asset. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents, if any, are recognized as revenue in the periods in which they are earned. Lease income from operating leases is recognized as income on the straight-line method over the lease term.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

k. 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.

l. 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)**

k. 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.

l. 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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

**i. 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 (empat) sampai dengan 20 (dua puluh) tahun.

Entitas Anak yang bergerak dalam bidang eksplorasi dan produksi minyak dan gas bumi dan pertambangan batu bara menerapkan PSAK No. 64, "Aktivitas Eksplorasi dan Evaluasi pada Pertambangan Sumber Daya Mineral". 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.

Aset eksplorasi dan evaluasi dinilai untuk penurunannya pada saat terdapat bukti dan keadaan yang menunjukkan bahwa nilai tercatat aset tersebut mungkin melebihi jumlah yang dapat dipulihkan (Catatan 2v). Aset eksplorasi dan evaluasi direklasifikasi ke aset minyak dan gas bumi pada saat kelayakan teknis dan komersialitas dari minyak dan gas yang diekstraksi tersebut dapat dibuktikan.

Pengeluaran yang dilakukan sebelum perolehan ijin penambangan untuk entitas anak yang bergerak dibidang tambang batu bara dibebankan pada saat terjadinya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**i. Oil and Gas Properties and Mining Properties  
(continued)**

*Depreciation, depletion and amortization of oil and gas properties, except uncompleted wells, equipment and facilities, is 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 (four) to 20 (twenty) years.*

*The Subsidiaries engaged in oil and gas exploration and production and coal mining apply PSAK No. 64, "Exploration and Evaluation of Mineral Resources". 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.*

*Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of such assets may exceed their recoverable amount (Note 2v). Exploration and evaluation assets are reclassified to oil and gas properties when technical feasibility and commercial viability of extracting oil and gas are demonstrable.*

*The costs incurred before the acquisition of mining license for subsidiaries engaged in coal mining are expensed when incurred.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

**i. Aset Minyak dan Gas Bumi dan Properti  
Pertambangan (lanjutan)**

Pengeluaran untuk eksplorasi dan evaluasi dikapitalisasi dan diakui sebagai "Aset Eksplorasi dan Evaluasi" untuk setiap daerah pengembangan (*area of interest*) apabila izin pertambangan telah diperoleh dan masih berlaku dan: (i) biaya tersebut diharapkan dapat diperoleh kembali melalui keberhasilan pengembangan dan eksploitasi daerah pengembangan, atau (ii) apabila kegiatan eksplorasi dalam daerah pengembangan belum mencapai tahap yang memungkinkan untuk menentukan adanya cadangan terbukti yang secara ekonomis dapat diperoleh, serta kegiatan yang aktif dan signifikan, dalam daerah pengembangan (*area of interest*) terkait masih berlangsung. Pengeluaran ini meliputi penyelidikan umum, perizinan dan administrasi, geologi dan topografi, pemboran eksplorasi dan biaya evaluasi yang terjadi untuk mencari, menemukan dan mengevaluasi cadangan batu bara terbukti pada suatu wilayah tambang dalam jangka waktu tertentu seperti yang diatur dalam peraturan perundangan yang berlaku. Setelah pengakuan awal, aset eksplorasi dan evaluasi dicatat menggunakan model biaya dan diklasifikasikan sebagai aset berwujud, kecuali memenuhi syarat untuk diakui sebagai aset tak berwujud.

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 2009), "Penurunan Nilai Aset".

Aset eksplorasi dan evaluasi ditransfer ke "Tambang dalam Pengembangan" pada akun "Properti Pertambangan" setelah ditetapkan bahwa tambang memiliki nilai ekonomis untuk dikembangkan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**i. Oil and Gas Properties and Mining Properties  
(continued)**

The expenditures for exploration and evaluation activities are capitalized and recognized as "Exploration and Evaluation Assets" for the mining area (*area of interest*) when the mining licenses are acquired and still valid and : (i) the expenditures for exploration and evaluation activities are expected to be recovered through the successful development and exploitation of the mining area, or (ii) when the exploration activities in the mining area have yet to determine the technical feasibility and commercial viability of extracting the coal reserves and the activities are still active and significant in the related area of mining (*area of interest*). Those expenditures consist of general inspection, licenses and administration, geological and topographical studies, exploration drilling and evaluation costs incurred to explore, find, and evaluate proven coal reserves in the area of mining within a certain period of time set forth in the applicable regulation. After the initial recognition, the evaluation and exploration assets are measured at cost and classified as tangible assets, except when these assets meet the criteria for recognition as intangible assets.

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 2009), "Impairment of Assets".

The exploration and evaluation assets are transferred to "Mining Development" in the "Mining Properties" account after the mining area is determined to have commercial reserves for further development.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

m. Aset Takberwujud

Biaya-biaya untuk memperoleh dan menyiapkan penggunaan perangkat lunak dicatat sebagai aset takberwujud dan diamortisasi selama 4 (empat) sampai 5 (lima) tahun dengan menggunakan metode garis lurus.

n. Saham Tresuri

Perolehan kembali modal saham sebagai saham tresuri yang akan diterbitkan kembali di masa yang akan datang dicatat dengan menggunakan metode nilai nominal. Berdasarkan metode ini, nilai nominal saham tresuri 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.

o. Program Pensiun dan Imbalan Kerja Lainnya

Grup menerapkan PSAK No. 24 (Revisi 2010) "Imbalan Kerja".

i. Program Pensiun Iuran Pasti

Entitas Anak yang bergerak di bidang eksplorasi dan produksi minyak dan gas bumi menyelenggarakan program pensiun iuran pasti untuk seluruh karyawan tetap lokalnya. Program pensiun tersebut dibiayai dari kontribusi entitas anak dan karyawannya berdasarkan persentase tertentu dari gaji karyawan.

Biaya atas program pensiun iuran pasti tersebut diakui pada saat terjadinya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

m. Intangible Assets

Cost to acquire and prepare used of software for use is recorded as intangible asset and amortized over four (4) to five (5) years using the straight-line method.

n. Treasury Stock

Reacquisition of capital stock to be held as treasury stock for future reissuance is recorded by using fair 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.

o. Pension and Other Employment Benefits

The Group applies PSAK No. 24 (Revised 2010), "Employee Benefits".

i. Defined Contribution Pension Plan

Subsidiaries involved in oil and gas exploration and production have established defined contribution pension plans covering all of their local permanent employees. The plans are funded by contributions from both the subsidiaries and their employees based on a certain percentage of the employees' salaries.

The costs of the defined contribution plans are recognized when incurred.



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

**o. Program Pensiun dan Imbalan Kerja Lainnya  
(lanjutan)**

- ii. Undang-undang Ketenagakerjaan No. 13/2003 dan Imbalan Pasca-Kerja Lainnya

Grup mengakui liabilitas imbalan pasca-kerja untuk karyawan tetap sesuai dengan Undang-undang Tenaga Kerja No. 13 Tahun 2003 dan untuk personil manajemen kunci sesuai dengan kebijakan Grup.

- iii. 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.

- iv. Penghargaan *Jubilee*

Pegawai permanen dari Grup berhak atas penghargaan *jubilee*. Penghargaan *jubilee* akan dibayarkan kepada pegawai setelah menyelesaikan sejumlah tahun masa kerja. Penghargaan *jubilee* tidak didanai. Estimasi biaya dari manfaat tersebut diakui selama periode masa kerja menggunakan metodologi akuntansi yang sama dengan program pensiun manfaat pasti. Keuntungan dan kerugian aktuarial yang timbul dari penyesuaian berdasarkan pengalaman, dan perubahan atas asumsi aktuarial, dibebankan atau dikreditkan ke dalam laporan laba rugi tahun berjalan pada saat terjadinya. Kewajiban ini dinilai tahunan oleh aktuaris independen yang berkualifikasi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**o. Pension and Other Employment Benefits  
(continued)**

- ii. Labor Law No. 13/2003 and Other Post-employment Benefits

The Group recognizes post-employment benefit liabilities for its permanent employees in accordance with the requirements of Labor Law No. 13 Year 2003 and for its key management personnel in accordance with the Group policy.

- iii. Defined Benefit Pension Plan

The Group recognizes defined benefit obligation for employees involved in oil and gas operations in accordance with applicable regulations.

- iv. Jubilee Awards

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 service. Jubilee awards are not funded. The expected cost of this benefit is recognized over the period of employment using an accounting methodology which similar to defined benefit pension plans. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are charged or credited to the income statement in the year when they arise. This obligation is valued annually by independent qualified actuaries.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

**o. Program Pensiun dan Imbalan Kerja Lainnya  
(lanjutan)**

Biaya imbalan pasca-kerja ditentukan dengan menggunakan metode penilaian aktuarial *projected unit credit*. Keuntungan dan kerugian aktuarial diakui sebagai penghasilan atau beban pada saat akumulasi neto keuntungan dan kerugian aktuarial yang belum diakui untuk masing-masing individu pada akhir tahun pelaporan sebelumnya melebihi 10% dari nilai kini liabilitas imbalan pasti atau 10% dari nilai wajar dari aset program imbalan kerja, jika ada. Keuntungan atau kerugian ini diakui berdasarkan metode garis lurus selama rata-rata sisa masa kerja yang diharapkan dari karyawan yang ditanggung. Lebih lanjut, biaya jasa lalu yang timbul dari pengenalan program imbalan pasti atau perubahan liabilitas imbalan kerja dari rencana yang telah ada diamortisasi selama beberapa tahun sampai dengan imbalan tersebut dinyatakan menjadi hak karyawan.

**p. Liabilitas Pembongkaran Aset Restorasi Area  
dan Aktivitas Pengupasan Tanah**

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/didepresiasi dengan menggunakan metode satuan unit produksi yang sejalan dengan tarif depleksi aset yang dipilih.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**o. Pension and Other Employment Benefits  
(continued)**

The cost of providing post-employment benefits is determined using the projected unit credit actuarial valuation method. Actuarial gains or losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses for each individual plan at the end of the previous reporting year exceeded the greater of 10% of the present value of the defined benefit obligation or 10% of the fair value of the plan assets, if any. These gains or losses are recognized on a straight-line basis over the expected average remaining working lives of the employees. Furthermore, past service costs arising from the introduction of a defined benefit plan or changes in the benefits payable of an existing plan are required to be amortized over the years until the benefits concerned become vested.

**p. Asset Abandonment, Site Restoration and  
Stripping Activities**

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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

p. Liabilitas Pembongkaran Aset Restorasi Area dan Aktivitas Pengupasan Tanah (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. Perkiraan liabilitas pembongkaran dan pemindahan aset, dan restorasi area di masa yang akan datang tersebut melibatkan estimasi manajemen mengenai saat aktivitas tersebut akan dilakukan, sejauh mana aktivitas tersebut harus dilakukan, dan juga teknologi yang akan digunakan di masa depan.

Estimasi tersebut ditelaah setiap tahun dan disesuaikan bila diperlukan. Penyesuaian dicerminkan dalam nilai kini atas provisi liabilitas pembongkaran dan pemindahan aset, dan restorasi area pada tanggal laporan posisi keuangan konsolidasian, dimana juga dilakukan penyesuaian dengan jumlah yang sama atas nilai buku aset yang bersangkutan.

Pembalikan dari efek diskonto dalam penghitungan provisi diakui sebagai beban pendanaan.

Grup menerapkan PSAK No. 33 (Revisi 2011), "Aktivitas Pengupasan Lapisan Tanah dan Pengelolaan Lingkungan Hidup pada Pertambangan Umum".

Pengeluaran yang terkait dengan pemulihan, rehabilitasi dan lingkungan hidup yang terjadi pada tahap produksi dibebankan sebagai bagian dari biaya produksi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

p. Asset Abandonment, Site Restoration and Stripping Activities (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. The estimate of future dismantlement and transfer of assets, and site restoration obligation therefore requires management to make judgments regarding the timing of removal and transfer, the extent of restoration activities required and future removal and restoration technologies.

Such estimates are reviewed on an annual basis and adjusted each year as required. Adjustments are reflected in the present value of the dismantlement and transfer of assets, and site restoration obligation provision at the statements of financial position date, with a corresponding change in the book value of the associated asset.

The unwinding of the effect of discounting the provision is recognized as a finance cost.

The Group also adopts PSAK No. 33 (Revised 2011), "Stripping Activity and Environmental Management in Mining".

The costs related to restoration, rehabilitation and living environment which occurred in the production phase are expensed as part of production cost.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

p. Liabilitas Pembongkaran Aset Restorasi Area  
dan Aktivitas Pengupasan Tanah (lanjutan)

Grup memiliki kewajiban tertentu untuk merestorasi dan merehabilitasi daerah pertambangan serta penarikan aset sesudah produksi selesai. Dalam menentukan keberadaan liabilitas tersebut, Grup mengacu kepada kriteria pengakuan liabilitas sesuai dengan standar akuntansi yang berlaku. Besarnya kewajiban tersebut dihitung dengan menggunakan metode unit produksi sepanjang masa penambangannya sehingga diperoleh jumlah yang cukup untuk memenuhi kewajiban tersebut ketika produksi sudah selesai. Perubahan taksiran biaya restorasi dan lingkungan hidup yang akan terjadi dihitung secara prospektif berdasarkan sisa umur tambang.

Biaya pengupasan tanah dibebankan sebagai biaya produksi berdasarkan rasio rata-rata pengupasan tanah selama umur tambang. Jika rasio pengupasan tanah aktual melebihi rasio rata-rata tanah penutup selama umur tambang, kelebihan biaya pengupasan tanah tersebut, dikapitalisasi sebagai pengupasan tanah ditangguhkan sebagai bagian dari properti pertambangan. Secara kolektif, aset-aset ini merefleksikan investasi gabungan pada unit penghasil kas yang relevan, yang diuji untuk penurunan nilai bila kejadian dan kondisi mengindikasikan bahwa nilai tercatatnya tidak dapat dipulihkan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

p. Asset Abandonment, Site Restoration and  
Stripping Activities (continued)

The Group has certain obligations to restore and rehabilitate its mining areas as well as withdrawal of its assets after the completion of production. In determining the existence of such liability, the Group refers to the liability recognition criteria in accordance with applicable accounting standards. The obligation is calculated using the unit-of-production method throughout the useful life of the mine in order to determine the sufficient amount for such obligations after the completion of production stage. Changes in estimated costs of environmental restoration are prospectively recognized over the remaining useful life of the mine.

Stripping costs are expensed as cost of production based on the average stripping ratio over the mine's useful life. If the actual stripping ratio exceeds the average ratio of covered soil over the mine's useful life, the excess stripping costs are capitalized as deferred stripping cost as part of mining properties. Collectively, these assets reflect the combined investment in the relevant cash-generating units, which are tested for impairment when events and circumstances indicate that the carrying amount may not be recovered.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

p. Liabilitas Pembongkaran Aset Restorasi Area dan Aktivitas Pengupasan Tanah (lanjutan)

Grup menerapkan:

- i. PSAK No. 57 (Revisi 2009), "Provisi, Liabilitas Kontinjensi dan Aset Kontinjensi", yang bertujuan untuk mengatur pengakuan dan pengukuran provisi, liabilitas kontinjensi dan aset kontinjensi serta untuk memastikan informasi memadai telah diungkapkan dalam catatan atas laporan keuangan untuk memungkinkan para pengguna memahami sifat, waktu, dan jumlah yang terkait dengan informasi tersebut.
- ii. Interpretasi Standar Akuntansi Keuangan (ISAK) No. 9, "Perubahan atas Liabilitas Purna Operasi, Liabilitas Restorasi, dan Liabilitas Serupa", yang diterapkan terhadap setiap perubahan pengukuran atas aktivitas purna-operasi, restorasi atau liabilitas yang serupa yaitu diakui sebagai bagian dari biaya perolehan aset tetap sesuai PSAK No. 16 dan sebagai liabilitas sesuai PSAK No. 57.

q. Instrumen Keuangan

Aset keuangan dalam lingkup PSAK No. 55 (Revisi 2011) 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.

PSAK No. 60 mensyaratkan pengungkapan signifikan instrumen keuangan untuk posisi keuangan dan kinerja, beserta sifat dan tingkat yang timbul dari instrumen keuangan Grup yang terungkap selama periode berjalan dan pada akhir periode pelaporan, dan cara entitas mengelola risiko tersebut.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

p. Asset Abandonment, Site Restoration and Stripping Activities (continued)

The Group adopts:

- i. PSAK No. 57 (Revised 2009), "Provisions, Contingent Liabilities and Contingent Assets", which aims to provide the appropriate recognition criteria and measurement bases that are applied to provisions, contingent liabilities and contingent assets and to ensure that sufficient information is disclosed in the notes to the financial statements to enable the users to understand the nature, timing and amount related to the information.
- ii. Interpretation of Statement of Financial Accounting Standards (ISAK) No. 9, "Changes in Existing Decommissioning, Restoration and Similar Liabilities", which applies to changes in the measurement of any existing decommissioning, restoration or similar liability recognized as part of the cost of an item of property, plant and equipment in accordance with PSAK No. 16 and as a liability in accordance with PSAK No. 57.

q. Financial Instruments

Financial assets within the scope of PSAK No. 55 (Revised 2011) 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.

PSAK No. 60 requires disclosure of significance of financial instruments for financial position and performance, and the nature and extent of risks arising from financial instruments to which the Group is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

q. Instrumen Keuangan (lanjutan)

**Aset Keuangan**

Pengakuan awal

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.

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.

Pembelian atau penjualan aset keuangan yang memerlukan penyerahan aset dalam kurun waktu yang telah ditetapkan oleh peraturan atau kebiasaan yang berlaku di pasar (pembelian yang lazim) diakui pada tanggal perdagangan, yaitu tanggal Grup berkomitmen untuk membeli atau menjual aset tersebut.

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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

q. Financial Instruments (continued)

**Financial Assets**

Initial recognition

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.

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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchases) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the assets.

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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

q. Instrumen Keuangan (lanjutan)

**Aset Keuangan (lanjutan)**

Pengukuran setelah pengakuan awal  
(lanjutan)

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.

- 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

q. Financial Instruments (continued)

**Financial Assets (continued)**

Subsequent measurement (continued)

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.

- 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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

q. Instrumen Keuangan (lanjutan)

**Aset Keuangan (lanjutan)**

Pengukuran setelah pengakuan awal  
(lanjutan)

- 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 komprehensif konsolidasian.

Investasi yang diklasifikasi sebagai aset keuangan tersedia untuk dijual adalah sebagai berikut:

- Investasi pada saham yang tidak tersedia nilai wajarnya dengan kepemilikan kurang dari 20% dan investasi jangka panjang lainnya dicatat pada biaya perolehannya.
- Investasi pada saham yang tersedia nilai wajarnya dengan kepemilikan kurang dari 20% dicatat pada nilai wajar.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

q. Financial Instruments (continued)

**Financial Assets (continued)**

Subsequent measurement (continued)

- *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 comprehensive income.

The investments classified as AFS are as follows:

- Investments in shares of stock 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.
- Investments in equity shares that have readily determinable fair value in which the equity interest is less than 20% are recorded at fair value.



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

q. Instrumen Keuangan (lanjutan)

**Aset Keuangan (lanjutan)**

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.

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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

q. Financial Instruments (continued)

**Financial Assets (continued)**

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.

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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

q. Instrumen Keuangan (lanjutan)

**Aset Keuangan (lanjutan)**

Penurunan nilai dari aset keuangan (lanjutan)

- 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.

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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

q. Financial Instruments (continued)

**Financial Assets (continued)**

Impairment of financial assets (continued)

- *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.*

*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.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

q. Instrumen Keuangan (lanjutan)

**Aset Keuangan (lanjutan)**

Penurunan nilai dari aset keuangan (lanjutan)

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.

• 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

q. Financial Instruments (continued)

**Financial Assets (continued)**

Impairment of financial assets (continued)

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.

• 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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

q. Instrumen Keuangan (lanjutan)

**Aset Keuangan (lanjutan)**

Penurunan nilai dari aset keuangan (lanjutan)

- Aset keuangan yang tersedia untuk dijual (lanjutan)

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 "Penghasilan 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)**

q. Financial Instruments (continued)

**Financial Assets (continued)**

Impairment of financial assets (continued)

- *AFS financial assets (continued)*

*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.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

q. Instrumen Keuangan (lanjutan)

**Liabilitas Keuangan**

Pengakuan awal

Liabilitas keuangan dalam lingkup PSAK No. 55 (Revisi 2011) 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 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

q. Financial Instruments (continued)

**Financial Liabilities**

Initial recognition

Financial liabilities within the scope of PSAK No. 55 (Revised 2011) 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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

q. Instrumen Keuangan (lanjutan)

**Liabilitas Keuangan (lanjutan)**

Pengukuran setelah pengakuan awal  
(lanjutan)

Keuntungan atau kerugian atas liabilitas yang dimiliki untuk diperdagangkan diakui dalam laporan laba rugi.

• Pinjaman dan utang

Setelah pengakuan awal, pinjaman dan utang yang dikenakan bunga selanjutnya diukur pada biaya perolehan yang diamortisasi dengan menggunakan metode suku bunga efektif. Pada tanggal laporan posisi 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 komprehensif konsolidasian ketika liabilitas dihentikan pengakuannya serta melalui proses amortisasi menggunakan metode suku bunga efektif.

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)**

q. Financial Instruments (continued)

**Financial Liabilities (continued)**

Subsequent measurement (continued)

*Gains or losses on liabilities held for trading are recognized in profit or loss.*

• *Loans and borrowings*

*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 profit or loss when the liabilities are derecognized as well as through the amortization process using the effective interest rate method.*

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.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

q. 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.

**Nilai wajar instrumen keuangan**

Nilai wajar instrumen keuangan yang diperdagangkan di pasar aktif, ditentukan dengan mengacu pada kuotasi harga penawaran pasar yang berlaku pada waktu penutupan bisnis setiap tanggal pelaporan.

Untuk instrumen keuangan yang tidak memiliki pasar aktif, nilai wajar ditentukan dengan menggunakan teknik penilaian yang diizinkan oleh PSAK No. 55 (Revisi 2011) seperti dengan mengacu pada transaksi wajar (*arm's length market transactions*); mengacu pada nilai wajar instrumen lain yang serupa; analisa arus kas yang didiskontokan; atau model penilaian lain.

**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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

q. Financial Instruments (continued)

**Offsetting of financial instruments**

*Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement 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.*

**Fair value of financial instruments**

*The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at each reporting date.*

*For financial instruments where there is no active market, fair value is determined using valuation techniques permitted by PSAK No. 55 (Revised 2011), which may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis; or other valuation models.*

**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.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

r. 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.

Pendapatan dari penjualan produk kimia dan produk minyak dan gas lainnya diakui pada saat barang diserahkan kepada pelanggan.

Pendapatan dari penjualan batu bara diakui pada saat terpenuhinya seluruh kondisi berikut:

- Grup telah memindahkan risiko dan manfaat kepemilikan batu bara secara signifikan kepada pembeli;
- Grup tidak lagi melanjutkan pengelolaan yang biasanya terkait dengan kepemilikan atas batu bara maupun melakukan pengendalian efektif atas batu bara yang dijual;
- Jumlah pendapatan dapat diukur secara andal; kemungkinan besar manfaat ekonomi yang terkait dengan transaksi tersebut akan mengalir ke Grup; dan
- Biaya yang terjadi atau akan terjadi sehubungan transaksi penjualan tersebut dapat diukur secara andal.

Terpenuhinya kondisi tersebut tergantung persyaratan penjualan dengan masing-masing pelanggan. Sebagai tambahan, penjualan batu bara Grup dapat tergantung penyesuaian berdasarkan inspeksi terhadap pengiriman oleh pelanggan. Dalam hal ini, penjualan diakui berdasarkan estimasi terbaik Grup terhadap kualitas dan/atau kuantitas saat pengiriman, dan penyesuaian kemudian dicatat dalam akun pendapatan. Secara historis, perbedaan antara kualitas dan kuantitas estimasi dan/atau aktual tidak signifikan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

r. 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.

Revenue from sales of chemical and other petroleum products is recognized upon delivery to the customer.

Revenue from coal is recognized when the following conditions are met:

- The Group has transferred the significant risks and rewards of ownership of coal to the customer;
- The Group retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the coal sold;
- The amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in relation to the sales transaction can be measured reliably.

The fulfillment of the above conditions depends on the requirements of the respective selling terms and conditions of the customer. In certain instances, the coal sales recognized depend on the adjustments made by the customer based on its inspections of the coal shipments. In this case, the sale is recognized based on the Group's best estimate on the quality and/or quantity at the time of delivery, and subsequent adjustments are recorded in profit or loss. Historically, the difference between estimated and/or actual quality and quantity is insignificant.



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

r. Pengakuan Pendapatan dan Beban (lanjutan)

Penghasilan/pendapatan lain-lain diakui pada saat diperoleh.

Beban diakui pada saat terjadinya dengan menggunakan metode akrual.

s. Pajak Penghasilan

Pajak kini

Beban pajak penghasilan merupakan jumlah dari pajak penghasilan badan yang terutang saat ini dan pajak tangguhan.

Aset dan liabilitas pajak kini untuk tahun berjalan dan lalu diukur sebesar jumlah yang diharapkan dapat direstitusi dari atau dibayarkan kepada otoritas perpajakan. Tarif pajak dan peraturan pajak yang digunakan untuk menghitung jumlah tersebut adalah yang telah berlaku atau secara substantif telah berlaku pada tanggal pelaporan.

Penghasilan kena pajak berbeda dengan laba yang dilaporkan dalam laporan laba rugi karena penghasilan kena pajak tidak termasuk bagian dari pendapatan atau beban yang dikenakan pajak atau dikurangkan di tahun-tahun berbeda dan juga tidak termasuk bagian-bagian yang tidak dikenakan pajak atau tidak dapat dikurangkan.

Koreksi terhadap liabilitas perpajakan dicatat saat surat ketetapan pajak diterima atau apabila dilakukan banding, ketika hasil banding sudah diputuskan. Kekurangan/kelebihan pembayaran pajak penghasilan dicatat sebagai bagian dari "Beban Pajak Kini" dalam laporan laba rugi komprehensif konsolidasian.

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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

r. Revenue and Expense Recognition (continued)

Other income/revenues are recognized when earned.

Expenses are recognized as incurred on an accrual basis.

s. Income Tax

Current tax

Income tax expense represents the sum of the corporate income tax currently payable and deferred tax.

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. Tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Taxable profit is different from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Amendments to taxation obligations are recorded when an assessment is received or, 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 comprehensive income.

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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

s. Pajak Penghasilan (lanjutan)

Pajak tangguhan (lanjutan)

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.

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.

Perubahan nilai tercatat aset dan liabilitas pajak tangguhan yang disebabkan perubahan tarif pajak dibebankan pada tahun berjalan, kecuali untuk transaksi-transaksi yang sebelumnya telah langsung dibebankan atau dikreditkan ke ekuitas.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

s. Income Tax (continued)

Deferred tax (continued)

*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.*

*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.*

*Changes in the carrying value of deferred tax assets and liabilities due to changes in tax rates are charged in the current year, except for transactions that were previously charged or credited directly to equity.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

s. Pajak Penghasilan (lanjutan)

Pajak tangguhan (lanjutan)

Pajak tangguhan yang berkaitan dengan transaksi baik yang ada di pendapatan komprehensif lainnya atau langsung dibebankan ke ekuitas, dicatat pada pendapatan komprehensif lainnya atau ekuitas bersangkutan.

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 badan 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%.

t. Kapitalisasi Biaya Pinjaman dan Rugi Selisih Kurs

Sesuai dengan PSAK No. 26 (Revisi 2011), "Biaya Pinjaman", beban bunga dan selisih kurs (sepanjang selisih kurs tersebut merupakan penyesuaian beban bunga) yang timbul dari pinjaman dan biaya lainnya yang timbul untuk mendanai pembangunan atau pemasangan fasilitas utama dikapitalisasi. Kapitalisasi dari biaya pinjaman tersebut dihentikan pada saat konstruksi atau instalasi sebagian besar telah selesai dan aset sudah siap digunakan sesuai tujuannya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

s. Income Tax (continued)

Deferred tax (continued)

*Deferred tax relating to transactions recognized in other comprehensive income or directly in equity, is recorded in other comprehensive income or equity.*

*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%.*

t. Capitalization of Borrowing Costs and Foreign Exchange Losses

*In accordance with PSAK No. 26 (Revised 2011), "Borrowing Costs", interest charges and foreign exchange differences (to the extent such differences constitute an adjustment of interest) and other costs incurred on borrowings to finance the construction or installation of major facilities are capitalized. Capitalization of these borrowing costs ceases when the construction or installation is substantially completed and the asset is ready for its intended use.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

u. 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.

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 laba 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

u. 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.

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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

v. Penurunan Nilai Aset

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 aset takberwujud dengan umur manfaat tidak terbatas, aset takberwujud yang belum dapat digunakan, atau *goodwill* yang diperoleh dalam suatu kombinasi bisnis) diperlukan, maka Grup membuat estimasi jumlah terpulihkan aset tersebut.

Jumlah terpulihkan yang ditentukan untuk aset individual adalah jumlah yang lebih tinggi antara nilai wajar aset atau UPK dikurangi biaya untuk menjual dan nilai pakainya, dan ditentukan untuk sebuah aset 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". Dalam menghitung nilai pakai, estimasi arus kas masa depan neto didiskontokan ke nilai kini dengan menggunakan tingkat diskonto sebelum pajak yang menggambarkan penilaian pasar terkini atas nilai waktu dari uang dan risiko spesifik dari aset. Jika tidak terdapat transaksi yang dapat teridentifikasi, Grup menggunakan model penilaian yang sesuai untuk menentukan nilai wajar aset. Perhitungan-perhitungan ini dihitung dengan metode *multiple valuation* atau indikasi nilai wajar yang tersedia lainnya.

Dalam menentukan nilai wajar dikurangi biaya untuk menjual, mempertimbangkan harga penawaran pasar terakhir, jika tersedia. Kerugian penurunan nilai dari operasi yang dilanjutkan, jika ada, diakui pada laporan laba rugi dalam kategori beban yang konsisten dengan fungsi dari aset yang diturunkan nilainya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

v. Impairment of Asset Value

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., an intangible asset with an indefinite useful life, an intangible asset not yet available for use, or goodwill acquired in a business combination) is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of the asset's or 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. Impairment losses of continuing operations are recognized in profit or loss as "impairment losses". In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the assets. These calculations are corroborated by valuation techniques or other available fair value indicators.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. Impairment losses of continuing operations, if any, are recognized in profit or loss under expense categories that are consistent with the functions of the impaired assets.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

v. Penurunan Nilai Aset (lanjutan)

Penilaian dilakukan pada akhir setiap periode pelaporan untuk melihat apakah terdapat indikasi bahwa rugi penurunan nilai yang telah diakui dalam periode sebelumnya untuk aset selain *goodwill* mungkin tidak ada lagi atau mungkin telah menurun. Jika terdapat indikasi tersebut, maka entitas mengestimasi jumlah terpulihkan aset tersebut.

Kerugian penurunan nilai yang telah diakui dalam periode sebelumnya untuk aset selain *goodwill* dipulihkan hanya jika terdapat perubahan asumsi-asumsi yang digunakan untuk menentukan jumlah terpulihkan aset tersebut sejak rugi penurunan nilai terakhir diakui. Dalam hal ini, jumlah tercatat aset dinaikkan ke jumlah terpulihkannya. 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 dalam laporan 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.

*Goodwill* diuji untuk penurunan setiap tahun (per 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

v. Impairment of Asset Value (continued)

An assessment is made at end of each reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognized impairment loss for an asset other than goodwill is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. 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 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.

*Goodwill* is tested for impairment annually (as at 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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

w. Akuntansi Restrukturisasi Entitas  
Sepengendali

Grup menerapkan PSAK No. 38 (Revisi 2012), "Kombinasi Bisnis Entitas Sepengendali", yang mengatur perlakuan akuntansi dan transaksi penggabungan usaha antara entitas sepengendali. PSAK No. 38 (Revisi 2012) menggantikan PSAK No. 38 (Revisi 2004), "Akuntansi Restrukturisasi Entitas Sepengendali".

Ruang lingkup PSAK No. 38 (Revisi 2012) terbatas hanya untuk perlakuan akuntansi, pengakuisisi dan diakuisisi, dalam kombinasi bisnis entitas sepengendali, jelas tidak termasuk jenis transaksi lainnya.

Sesuai dengan PSAK No. 38 (Revisi 2012), kombinasi bisnis entitas sepengendali tidak mengakibatkan perubahan substansi ekonomi kepemilikan atas aset, liabilitas, saham atau instrumen kepemilikan lainnya yang dipertukarkan, aset atau liabilitas yang dialihkan dicatat pada nilai buku sebagai kombinasi bisnis dengan menggunakan metode pengukuran kepemilikan (*pooling - of - interests*).

Dalam menerapkan metode penyatuan kepemilikan, komponen laporan keuangan konsolidasian untuk periode dimana terjadi penggabungan usaha dalam periode perbandingan, disajikan sedemikian rupa seolah-olah perusahaan tersebut telah bergabung sejak periode penggabungan entitas sepengendali. Selisih antara nilai tercatat investasi pada tanggal efektif dan harga pengalihan diakui sebagai tambahan modal disetor.

PSAK No. 38 baru (Revisi 2012) diterapkan secara prospektif. "Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali" dalam PSAK No. 38 (Revisi 2004) akan disajikan pada bagian ekuitas sebagai tambahan modal disetor pada awal penerapan dari standar revisi dan seharusnya tidak diperhitungkan dalam laba rugi atau direklasifikasi ke saldo laba.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

w. Accounting for Restructuring of Entities Under  
Common Control

The Group adopts PSAK No. 38 (Revised 2012), "Business Combination between Entities Under Common Control", which prescribes the accounting treatment for business combination transactions between entities under common control. PSAK No. 38 (Revised 2012) supersedes PSAK No. 38 (Revised 2004), "Accounting for Restructuring of Entities Under Common Control".

The scope of PSAK No. 38 (Revised 2012) is confined only to the accounting treatment by an acquirer and acquiree, in business combination of commonly controlled entities, clearly excluding any other types of transactions between them.

Under PSAK No. 38 (Revised 2012), since the business combination of entities under common control does not result in a change of the economic substance of the ownership of assets, liabilities, shares or other instruments of ownership which are exchanged, the assets or liabilities transferred are recorded at book values as a business combination using the pooling of interests method.

In applying the pooling of interests method, the components of the financial statements for the period when the business combination occurred and for any comparative periods, are presented as if the entities have been combined from the period in which the merging entities were placed under common control. The difference between the carrying values of investments at the effective date and the transfer price is recognized as additional paid-in capital.

The new PSAK No. 38 (Revised 2012) is applied prospectively. The balance of the "Difference in Value from Restructuring Transactions between Entities Under Common Control" under the superseded PSAK No. 38 (Revised 2004) will be presented in equity as additional paid-in capital on the initial application of the revised standard and should not be accounted for in profit or loss nor reclassified to retained earnings.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

w. Akuntansi Restrukturisasi Entitas  
Sepengendali (lanjutan)

Penerapan PSAK No. 38 (Revisi 2012) tidak berdampak signifikan pada laporan keuangan konsolidasian Grup.

x. Ventura Bersama

Grup menerapkan PSAK No. 12 (Revisi 2009), "Pelaporan Keuangan Mengenai Bagian Partisipasi dalam Ventura Bersama". Grup memiliki kepemilikan dalam ventura bersama yaitu entitas yang dikendalikan secara bersama-sama, dimana pihak-pihak dalam ventura memiliki perjanjian kontraktual (*contractual arrangement*) yang membentuk pengendalian bersama atas aktivitas ekonomi entitas tersebut. Perjanjian tersebut membutuhkan suatu kesepakatan antara venturer mengenai keputusan keuangan dan operasional. Grup mengakui bagian kepemilikan dalam ventura bersama menggunakan metode konsolidasi proporsional (*proportionate consolidation*). Grup menggabungkan bagiannya atas setiap aset, liabilitas, pendapatan dan beban dari ventura bersama dengan unsur yang sama, satu demi satu dalam laporan keuangan konsolidasiannya. Laporan keuangan ventura bersama disiapkan dalam periode pelaporan yang sama dengan Grup. Penyesuaian dilakukan ketika diperlukan untuk membuat kebijakan akuntansi sejalan dengan kebijakan akuntansi Grup.

Penyesuaian dilakukan dalam laporan keuangan konsolidasian Grup untuk mengeliminasi bagian saldo transaksi antar grup, transaksi dan keuntungan dan kerugian yang belum direalisasi dari transaksi antar grup dan ventura bersama tersebut. Kerugian dari transaksi akan segera dicatat jika kerugian tersebut memberikan bukti pengurangan dari nilai realisasi neto dari aset lancar atau kerugian penurunan nilai. Ventura bersama dikonsolidasi proporsional sampai tanggal dimana Grup berhenti memiliki pengendalian bersama atas ventura bersama tersebut.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

w. Accounting for Restructuring of Entities Under  
Common Control (continued)

The adoption of PSAK No. 38 (Revised 2012) did not have a significant impact on the consolidated financial statements of the Group.

x. Joint Venture

The Group applies PSAK No. 12 (Revised 2009), "Financial Reporting of Interests in Joint Ventures". The Group has an interest in a joint venture, which is a jointly controlled entity, whereby the venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. The agreement requires unanimous agreement for financial and operating decisions among the venturers. The Group recognizes its interest in the joint venture using the proportionate consolidation method. The Group combines its proportionate share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting period as the Group. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, transactions and unrealized gains and losses on such transactions between the Group and its joint venture. Losses on transactions are recognized immediately if the loss provides evidence of a reduction in the net realizable value of current assets or an impairment loss. The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture.



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

x. Ventura Bersama (lanjutan)

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.

y. Informasi Segmen

Grup menerapkan PSAK No. 5 (Revisi 2009), "Segmen Operasi", yang mengharuskan pengungkapan untuk memungkinkan pengguna laporan keuangan untuk mengevaluasi sifat dan dampak keuangan dari aktivitas bisnis dimana entitas terlibat dan lingkungan ekonomi dimana entitas beroperasi.

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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

x. Joint Venture (continued)

*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 associated entity.*

y. Segment Information

*The Group applies PSAK No. 5 (Revised 2009), "Operating Segments", which requires disclosures that will enable users of financial statements to evaluate the nature and financial effects of the business activities in which the entity engages and the economic environments in which it operates.*

*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.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

y. Informasi Segmen (lanjutan)

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 40, termasuk faktor yang digunakan untuk mengidentifikasi segmen yang dilaporkan dan dasar pengukuran informasi segmen.

z. 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 tahun yang bersangkutan.

aa. Standar akuntansi yang telah disahkan namun belum berlaku efektif

Berikut ini adalah beberapa standar akuntansi yang telah disahkan oleh Dewan Standar Akuntansi Keuangan (DSAK) yang dipandang relevan terhadap pelaporan keuangan Perusahaan namun belum berlaku efektif untuk laporan keuangan tahun 2014 (berlaku efektif untuk periode tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2015):

- PSAK No. 1 (Revisi 2013), Penyajian Laporan Keuangan, yang diadopsi dari IAS 1. PSAK ini mengubah penyajian kelompok pos-pos dalam Penghasilan Komprehensif Lain. Pos-pos yang akan direklasifikasi ke laba rugi (contohnya: selisih kurs dari penjabaran laporan keuangan) disajikan terpisah dari pos-pos yang tidak akan direklasifikasi ke laba rugi (contohnya: keuntungan dan kerugian actuarial atas liabilitas imbalan pasti).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

y. Segment Information (continued)

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 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

z. 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 year.

aa. Accounting standards issued but not yet effective

The following are several issued accounting standards by the Indonesian Financial Accounting Standards Board (DSAK) that are considered relevant to the financial reporting of the Company but not yet effective for 2014 financial statements (effectively applied on or after the beginning of annual reporting period on January 1, 2015):

- PSAK No. 1 (Revised 2013), Presentation of Financial Statements, adopted from IAS 1. This PSAK changes the grouping of items presented in Other Comprehensive Income. Items that could be reclassified to profit or loss (for example: exchange differences on translation of foreign operations) would be presented separately from items that will never be reclassified (for example: actuarial gains and losses on defined benefit liability).

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

aa. Standar akuntansi yang telah disahkan namun  
belum berlaku efektif (lanjutan)

- PSAK No. 4 (Revisi 2013), Laporan Keuangan Tersendiri, yang diadopsi dari IAS 27. PSAK ini hanya mengatur persyaratan akuntansi ketika entitas induk menyajikan laporan keuangan tersendiri sebagai informasi tambahan. Pengaturan akuntansi untuk laporan keuangan konsolidasian diatur dalam PSAK No. 65.
- PSAK No. 24 (Revisi 2013), Imbalan Kerja, yang diadopsi dari IAS 19. PSAK ini, antara lain, menghapus mekanisme koridor dan pengungkapan atas informasi liabilitas kontinjensi untuk menyederhanakan klarifikasi dan pengungkapan.  
  
Penerapan PSAK ini akan menyebabkan adanya penyajian kembali untuk akun liabilitas imbalan kerja pada laporan posisi keuangan konsolidasian tahun 31 Desember 2014 dan 1 Januari 2014.
- PSAK No. 46 (Revisi 2014), Pajak Penghasilan, yang diadopsi dari IAS 12. PSAK ini memberikan tambahan pengaturan untuk aset dan liabilitas pajak tangguhan yang berasal dari aset yang tidak disusutkan yang diukur dengan menggunakan model revaluasi, dan yang berasal dari property investasi yang diukur dengan menggunakan model nilai wajar.
- PSAK No. 48 (Revisi 2014), Penurunan Nilai Aset, yang diadopsi dari IAS 36. PSAK ini memberikan tambahan persyaratan pengungkapan untuk setiap aset individual atau unit penghasil kas yang mana kerugian penurunan nilai telah diakui atau dibalik selama periode.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

aa. Accounting standards issued but not yet  
effective (continued)

- PSAK No. 4 (Revised 2013), Separate Financial Statements, adopted from IAS 27. This PSAK prescribes only the accounting requirements when a parent entity prepares separate financial statements as additional information. Accounting for consolidated financial statements is determined in PSAK No. 65.
- PSAK No. 24 (Revised 2013), Employee Benefits, adopted from IAS 19. This PSAK, among other, removes the corridor mechanism and contingent liability disclosures to simple clarifications and disclosures.  
  
*The implementation of this PSAK requires restatements of the employee benefits liabilities account on the consolidated statements of financial position as of December 31, 2014 and January 1, 2014.*
- PSAK No. 46 (Revised 2014), Income Taxes, adopted from IAS 12. This PSAK now provides additional provision for deferred tax asset or deferred tax liability arises from a non-depreciable asset measured using the revaluation model, and those arises from investment property that is measured using the fair value model.
- PSAK No. 48 (Revised 2014), Impairment of Assets, adopted from IAS 36. This PSAK provides additional disclosure terms for each individual asset (including goodwill) or a cash-generating unit, for which an impairment loss has been recognized or reversed during the period.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG  
SIGNIFIKAN (lanjutan)**

**aa. Standar akuntansi yang telah disahkan namun  
belum berlaku efektif (lanjutan)**

- PSAK No. 50 (Revisi 2014), Instrumen Keuangan: Penyajian, yang diadopsi dari IAS 32. PSAK ini mengatur lebih dalam kriteria mengenai hak yang dapat dipaksakan secara hukum untuk melakukan saling hapus atas jumlah yang telah diakui dan kriteria penyelesaian secara neto.
- PSAK No. 55 (Revisi 2014), Instrumen Keuangan: Pengakuan dan Pengukuran, yang diadopsi dari IAS 39. PSAK ini, antara lain, menambah pengaturan kriteria instrumen lindung nilai yang tidak dapat dianggap telah kadaluarsa atau telah dihentikan, serta ketentuan untuk mencatat instrumen keuangan pada tanggal pengukuran dan pada tanggal setelah pengakuan awal.
- PSAK No. 60 (Revisi 2014), Instrumen Keuangan: Pengungkapan, yang diadopsi dari IFRS 7. PSAK ini, antara lain, menambah pengaturan pengungkapan saling hapus dengan informasi kuantitatif dan kualitatif, serta pengungkapan mengenai pengalihan instrumen keuangan.
- PSAK No. 65, Laporan Keuangan Konsolidasi, yang diadopsi dari IFRS 10. PSAK ini menggantikan porsi PSAK No. 4 (Revisi 2009) yang mengenai pengaturan akuntansi untuk laporan keuangan konsolidasian, menetapkan prinsip penyusunan dan penyajian laporan keuangan konsolidasian ketika entitas mengendalikan satu atau lebih entitas lain.
- PSAK No. 66, Pengaturan bersama, yang diadopsi dari IFRS 11, berlaku efektif 1 Januari 2015.

PSAK ini menggantikan PSAK No. 12 (2009) dari ISAK 12. PSAK ini menghapus opsi metode konsolidasi proposional untuk mencatat bagian ventura bersama.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**aa. Accounting standards issued but not yet  
effective (continued)**

- PSAK No. 50 (Revised 2014), Financial Instruments: Presentation, adopted from IAS 32. This PSAK provides deeper about criterion on legally enforceable right to set off the recognized amounts and criterion to settle on a net basis.
- PSAK No. 55 (Revised 2014), Financial Instruments: Recognition and Measurement, adopted from IAS 39. This PSAK, among other, provides additional provision for the criteria of not an expiration or termination of the hedging instrument, and provision to account financial instruments at the measurement date and after initial recognition.
- PSAK No. 60 (Revised 2014), Financial Instruments: Disclosures, adopted from IFRS 7. This PSAK, among other, provides additional provision on offsetting disclosures with quantitative and qualitative information, and disclosures on Transfers of financial instruments.
- PSAK No. 65, Consolidated Financial Statements, adopted from IFRS 10. This PSAK replaces the portion of PSAK No. 4 (Revised 2009) that addresses the accounting for consolidated financial statements, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- PSAK No. 66, Joint Arrangement adopted from IFRS 11, effective January 1, 2015.

This PSAK replaces PSAK No. 12 (2009) and ISAK 12. This PSAK removes the option to account for jointly controlled entities using proportionate consolidation.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

aa. Standar akuntansi yang telah disahkan namun belum berlaku efektif (lanjutan)

- PSAK No. 68, Pengukuran Nilai Wajar, yang diadopsi dari IFRS 13. PSAK ini memberikan panduan tentang bagaimana pengukuran nilai wajar ketika nilai wajar disyaratkan atau diizinkan.

Grup sedang mengevaluasi dampak dari standar akuntansi tersebut dan belum menentukan dampaknya terhadap laporan keuangan konsolidasian Perusahaan.

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI AKUNTANSI YANG SIGNIFIKAN**

**Pertimbangan**

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 asumsi dan estimasi tersebut dapat mengakibatkan penyesuaian material terhadap nilai tercatat dari aset dan liabilitas di masa yang akan datang.

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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

aa. Accounting standards issued but not yet effective (continued)

- PSAK No. 68, Fair Value Measurement, adopted from IFRS 13. This PSAK provides guidance on how to measure fair value when fair value is required or permitted.

The Group is presently evaluating and has not yet determined the effects of these accounting standards on its consolidated financial statements.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

**Judgments**

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 assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future.

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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI  
AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**Pertimbangan (lanjutan)**

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 2011) berdasarkan pertimbangan Grup.

Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Grup seperti diungkapkan pada Catatan 2q.

**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 asumsi dan estimasi 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.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS,  
ESTIMATES AND ASSUMPTIONS (continued)**

**Judgments (continued)**

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 2011) 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 2q.

**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 assumptions and estimates 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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI  
AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**Estimasi dan Asumsi (lanjutan)**

Uji penurunan nilai dilakukan apabila terdapat indikasi penurunan nilai. Dalam hal *goodwill*, aset 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.

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 31 Desember 2014 and 2013 masing-masing sebesar AS\$101.763.116 dan AS\$148.004.259. 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 31 Desember 2014 dan 2013 termasuk porsi lancar dan tidak lancar masing-masing sebesar AS\$284.803.605 dan AS\$231.716.897. Penjelasan lebih lanjut diungkapkan dalam Catatan 7 atas laporan keuangan konsolidasian.

Penurunan Nilai Aset Non-Kuangan

Grup mengevaluasi apakah terdapat indikator penurunan untuk semua aset non-keuangan pada setiap tanggal pelaporan. *Goodwill* diuji untuk penurunan nilainya setiap tahun, sedangkan aset non-keuangan lainnya diuji penurunan nilainya apabila terdapat indikasi adanya nilai tercatat yang tidak terpulihkan.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS,  
ESTIMATES AND ASSUMPTIONS (continued)**

**Estimates and Assumptions (continued)**

*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.*

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 December 31, 2014 and 2013, are US\$101,763,116 and US\$148,004,259, 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 December 31, 2014 and 2013 inclusive of current and non-current portions, are US\$284,803,605 and US\$231,716,897, 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. Goodwill is tested for impairment annually, while other non-financial assets are tested for impairment when there are indicators that carrying amounts may not be recoverable.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI  
AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**Estimasi dan Asumsi (lanjutan)**

Penurunan Nilai Aset Non-Keuangan (lanjutan)

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.

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 demikian, 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 31 Desember 2014 dan 2013 masing-masing sebesar AS\$14.800.338 dan AS\$13.515.334. Penjelasan lebih rinci diungkapkan dalam Catatan 38 atas laporan keuangan konsolidasian.

Penyusutan Aset Tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode garis lurus berdasarkan taksiran masa manfaat ekonomisnya. Manajemen mengestimasi masa manfaat ekonomis aset tetap antara 3 sampai 20 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 31 Desember 2014 dan 2013 masing-masing sebesar AS\$88.513.473 dan AS\$85.700.769. Penjelasan lebih rinci diungkapkan dalam Catatan 14 atas laporan keuangan konsolidasian.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS,  
ESTIMATES AND ASSUMPTIONS (continued)**

**Estimates and Assumptions (continued)**

Impairment of Non-Financial Assets (continued)

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.

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 its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those 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 December 31, 2014 and 2013 are US\$14,800,338 and US\$13,515,334, respectively. Further details are disclosed in Note 38 to the consolidated financial statements.

Depreciation of Property, Plant and Equipment

The costs of property, plant and equipment 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 20 years. These are common 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 of December 31, 2014 and 2013 are US\$88,513,473 and US\$85,700,769, respectively. Further details are disclosed in Note 14 to the consolidated financial statements.



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI  
AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**Estimasi dan Asumsi (lanjutan)**

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.

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 31 Desember 2014 dan 2013 masing-masing sebesar AS\$39.499.307 dan AS\$43.775.056. 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, 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 31 Desember 2014 dan 2013 masing-masing sebesar AS\$62.389.014 dan AS\$50.825.708. Penjelasan lebih rinci diungkapkan dalam Catatan 46 atas laporan keuangan konsolidasian.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS,  
ESTIMATES AND ASSUMPTIONS (continued)**

**Estimates and Assumptions (continued)**

Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses and deductible 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.

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 December 31, 2014 and 2013 are US\$39,499,307 and US\$43,775,056, 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 December 31, 2014 and 2013 are US\$62,389,014 and US\$50,825,708, respectively. Further details are disclosed in Note 46 to the consolidated financial statements.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**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, gas alam dan gas alam cair yang berdasarkan data geologis dan teknis dapat diambil dengan tingkat kepastian yang memadai di tahun-tahun mendatang dari reservoir yang ada berdasarkan kondisi ekonomi dan operasi yang sekarang ada, yaitu harga dan biaya pada tanggal estimasi tersebut dibuat. Cadangan terbukti meliputi: (i) cadangan terbukti dikembangkan: jumlah hidrokarbon yang diharapkan akan diambil melalui sumur, fasilitas, dan metode 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. Berdasarkan jumlah cadangan ini, Perusahaan telah menetapkan pengeluaran program pengembangan yang bertujuan untuk mengembangkan cadangan tersebut. Cadangan terbukti tidak termasuk cadangan terindikasi dan cadangan tereka. 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 Perusahaan dalam berbagai cara, diantaranya:

- Penyusutan dan amortisasi yang dibebankan ke dalam laporan laba rugi dapat berubah apabila beban-beban tersebut 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.

**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, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e., prices and costs as at the date the estimate is made. 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. Based on these amounts the Company has already defined a clear development expenditure program which is an expression of the Company's determination to develop existing reserves. Proved reserves do not include probable or possible reserves. 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 and their interpretation and judgement, 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 Company's financial results and financial position in a number of ways, including:*

- *Depreciation and amortization charged in the statements of income may change where such charges 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.*

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**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI  
AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**Estimasi dan Asumsi (lanjutan)**

Estimasi Cadangan (lanjutan)

- Nilai tercatat aset/liabilitas pajaktanggung dapat berubah karena perubahan estimasi pemulihan manfaat pajak.

**4. KAS DAN SETARA KAS**

Akun ini terdiri dari:

	<u>2014</u>	<u>2013</u>	
<u>Kas</u>	169.079	44.081	<u>Cash on hand</u>
<u>Bank</u>			<u>Cash in banks</u>
<u>Pihak berelasi</u>			<u>Related party</u>
<u>Rupiah</u>			<u>Rupiah</u>
PT Bank Himpunan Saudara 1906 Tbk	3.692.588	1.697.788	PT Bank Himpunan Saudara 1906 Tbk
Dolar Amerika Serikat			United States Dollar
PT Bank Himpunan Saudara 1906 Tbk	1.114.322	3.475.149	PT Bank Himpunan Saudara 1906 Tbk
<u>Pihak ketiga</u>			<u>Third parties</u>
<u>Rupiah</u>			<u>Rupiah</u>
PT Bank Mandiri (Persero) Tbk	4.912.514	1.453.062	PT Bank Mandiri (Persero) Tbk
PT Bank Negara Indonesia (Persero) Tbk	1.093.986	1.053.825	PT Bank Negara Indonesia (Persero) Tbk
Citibank, NA	654.831	191.189	Citibank, NA
Lain-lain	661.035	538.816	Others
<u>Dolar Amerika Serikat</u>			<u>United States Dollar</u>
PT Bank Danamon Indonesia Tbk	31.016.686	25.422.965	PT Bank Danamon Indonesia Tbk
PT Bank QNB Indonesia Tbk	20.022.074	-	PT Bank QNB Indonesia Tbk
Muscat Bank	18.213.613	19.899.762	Muscat Bank
PT Bank Muamalat Indonesia Tbk	15.551.422	-	PT Bank Muamalat Indonesia Tbk
PT Bank Negara Indonesia (Persero) Tbk	15.229.848	37.138.666	PT Bank Negara Indonesia (Persero) Tbk
Standard Chartered Bank	7.665.971	15.000.039	Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Ltd	4.918.849	-	The Hongkong and Shanghai Banking Corporation Ltd
Union Bancaire pour le Commerce Et l'Industrie (UBCI)	4.302.045	-	Union Bancaire pour le Commerce Et l'Industrie (UBCI)
Banque Internationale Arabe De Tunisie (BIAT)	4.031.869	-	Banque Internationale Arabe de Tunisie (BIAT)
Citibank, NA	2.308.265	3.795.691	Citibank, NA
PT Bank Mandiri (Persero) Tbk	2.259.991	33.250.639	PT Bank Mandiri (Persero) Tbk
Capital One Bank	2.206.271	4.371.282	Capital One Bank
Libyan Foreign Bank	2.090.023	2.090.023	Libyan Foreign Bank
Bank of Tokyo Mitsubishi – UFJ	1.253.368	5.265.078	Bank of Tokyo Mitsubishi – UFJ
PT Bank Central Asia Tbk	1.161.979	-	PT Bank Central Asia Tbk
Bank of Commerce and Development (BOCD)	951.960	951.960	Bank of Commerce and Development (BOCD)
PT Bank DKI	504.586	170.848	PT Bank DKI
PT Bank CIMB Niaga Tbk	306.805	4.969.572	PT Bank CIMB Niaga Tbk
Cooperative and Agricultural Credit Bank	120.684	1.049.544	Cooperative and Agricultural Credit Bank
PT Bank DBS Indonesia	28.665	1.388.272	PT Bank DBS Indonesia
PT Bank Internasional Indonesia Tbk	5.687	1.271.527	PT Bank Internasional Indonesia Tbk

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**4. KAS DAN SETARA KAS (lanjutan)**

Akun ini terdiri dari: (lanjutan)

	2014	2013	
<u>Bank</u>			<u>Cash in banks</u>
<u>Pihak ketiga</u>			<u>Third parties</u>
<u>Dolar Amerika Serikat</u>			<u>United States Dollar</u>
Lain-lain (masing-masing di bawah AS\$500.000)	795.333	1.102.832	Others (each below US\$500,000)
<u>Mata uang asing lainnya</u>	304.478	300.335	<u>Other foreign currencies</u>
Sub-jumlah bank	147.379.748	165.848.864	Sub-total - cash in banks
<u>Setara kas</u>			<u>Cash equivalents</u>
<u>Deposito berjangka</u>			<u>Time deposits</u>
<u>Pihak berelasi</u>			<u>Related party</u>
<u>Rupiah</u>			<u>Rupiah</u>
PT Bank Himpunan Saudara 1906 Tbk	4.660.908	2.420.215	PT Bank Himpunan Saudara 1906 Tbk
<u>Dolar Amerika Serikat</u>			<u>United States Dollar</u>
PT Bank Himpunan Saudara 1906 Tbk	7.500.000	45.264.395	PT Bank Himpunan Saudara 1906 Tbk
<u>Pihak ketiga</u>			<u>Third parties</u>
<u>Dolar Amerika Serikat</u>			<u>United States Dollar</u>
PT Bank Mandiri (Persero) Tbk	25.000.000	-	PT Bank Mandiri (Persero) Tbk
Barclays Bank PLC	5.601.382	3.094.761	Barclays Bank PLC
PT Bank QNB Indonesia Tbk	5.035.375	10.000.000	PT Bank QNB Indonesia Tbk
PT Bank Bukopin Tbk	5.000.000	5.000.000	PT Bank Bukopin Tbk
PT Bank CIMB Niaga Tbk	4.000.000	-	PT Bank CIMB Niaga Tbk
UBS AG	2.293.420	2.290.970	UBS AG
PT Bank DKI	-	10.000.000	PT Bank DKI
PT Bank UOB Buana Tbk	-	5.010.712	PT Bank UOB Buana Tbk
PT Bank Muamalat Indonesia Tbk	-	5.000.000	PT Bank Muamalat Indonesia Tbk
PT Bank Permata Syariah	-	5.000.000	PT Bank Permata Syariah
PT DBS Bank Indonesia	-	5.000.000	PT DBS Bank Indonesia
Sub-jumlah setara kas	59.091.085	98.081.053	Sub-total - cash equivalents
<b>Jumlah</b>	<b>206.639.912</b>	<b>263.973.998</b>	<b>Total</b>
Tingkat bunga per tahun			Interest rate per annum
<u>Deposito berjangka</u>			<u>Time deposits</u>
<u>Rupiah</u>	4,25% - 11,00%	5,00% - 8,75%	<u>Rupiah</u>
<u>Dolar Amerika Serikat</u>	0,12% - 3,50%	0,05% - 3,75%	<u>United States Dollar</u>

**5. INVESTASI JANGKA PENDEK**

Akun ini terdiri dari:

	2014	2013	
Surat berharga - diperdagangkan			Marketable securities - for trading
<u>Rupiah</u>			<u>Rupiah</u>
Unit Reksadana	3.129.622	2.926.250	Mutual fund units
Obligasi	237.540	324.258	Bonds
<u>Dolar Amerika Serikat</u>			<u>United States Dollar</u>
Dana kelolaan manajer investasi	265.261.141	250.186.644	Managed funds
<b>Jumlah</b>	<b>268.628.303</b>	<b>253.437.152</b>	<b>Total</b>
Tingkat bunga per tahun			Interest rate per annum
Surat berharga yang diperdagangkan (obligasi)			Marketable securities for trading (bonds)
<u>Rupiah</u>	7,35% - 10,85%	7,35% - 10,85%	<u>Rupiah</u>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**5. INVESTASI JANGKA PENDEK (lanjutan)**

Dana kelolaan manajer investasi terdiri dari saham-saham perusahaan publik, pendapatan tetap/surat utang, pasar uang dan instrumen keuangan lainnya. Untuk tahun yang berakhir pada tanggal 31 Desember 2014 dan 2013, keuntungan yang belum terealisasi dari investasi jangka pendek adalah masing-masing sebesar AS\$12,4 juta dan AS\$9,3 juta.

**6. PIUTANG USAHA - Neto**

Rincian dari akun ini adalah sebagai berikut:

a. Berdasarkan Pelanggan

	2014	2013
<u>Pihak berelasi</u>		
Petro Diamond Singapore Pte Ltd	12.347.821	18.923.991
PT Mitra Energi Batam	78.780	-
PT Donggi Senoro LNG	7.700	-
PT Medco Power Indonesia	4.360	-
PT Api Metra Graha	4.167	25.738
PT Puma Energy Indonesia (dahulu PT Medco Sarana Kalibaru)	-	32.793
Sub-jumlah	12.442.828	18.982.522
<u>Pihak ketiga</u>		
Pelanggan dalam negeri	51.428.333	75.907.431
Pelanggan luar negeri	37.891.955	53.114.306
Sub-jumlah	89.320.288	129.021.737
Cadangan penurunan nilai	(169.334)	(4.369.739)
Neto	89.150.954	124.651.998
<b>Jumlah</b>	<b>101.593.782</b>	<b>143.634.520</b>

b. Berdasarkan Umur

	2014	2013
Belum jatuh tempo	27.086.119	40.511.104
1 - 30 hari setelah jatuh tempo	62.565.443	95.986.253
31 - 60 hari setelah jatuh tempo	9.486.426	1.976.630
61 - 90 hari setelah jatuh tempo	2.241.565	4.301.966
91 - 120 hari setelah jatuh tempo	94.792	13.424
Lebih dari 120 hari setelah jatuh tempo	288.771	5.214.882
Jumlah	101.763.116	148.004.259
Cadangan penurunan nilai	(169.334)	(4.369.739)
<b>Neto</b>	<b>101.593.782</b>	<b>143.634.520</b>

**5. SHORT-TERM INVESTMENTS (continued)**

Investments in managed funds comprise of shares of publicly-listed companies, fixed income/notes payable, money market and other financial instruments. For the years ended December 31, 2014 and 2013, unrealized gain from short-term investments amounted to US\$12.4 million and US\$9.3 million, respectively.

**6. TRADE RECEIVABLES - Net**

The details of this account are as follows:

a. By Customer

	2014	2013
<u>Related parties</u>		
Petro Diamond Singapore Pte Ltd	18.923.991	-
PT Mitra Energi Batam	-	-
PT Donggi Senoro LNG	-	-
PT Medco Power Indonesia	-	-
PT Api Metra Graha	25.738	-
PT Puma Energy Indonesia (formerly PT Medco Sarana Kalibaru)	32.793	-
Sub-total	18.982.522	-
<u>Third parties</u>		
Local customers	75.907.431	53.114.306
Foreign customers	53.114.306	-
Sub-total	129.021.737	-
Allowance for impairment	(4.369.739)	-
Net	124.651.998	-
<b>Total</b>	<b>143.634.520</b>	<b>-</b>

b. By Aging Category

	2014	2013
Not yet due	40.511.104	-
1 - 30 days past due	95.986.253	-
31 - 60 days past due	1.976.630	-
61 - 90 days past due	4.301.966	-
91 - 120 days past due	13.424	-
More than 120 days past due	5.214.882	-
Total	148.004.259	-
Allowance for impairment	(4.369.739)	-
Net	143.634.520	-

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**6. PIUTANG USAHA - Neto (lanjutan)**

c. Berdasarkan Mata Uang

	2014	2013	
Dolar Amerika Serikat	100.444.076	143.445.452	United States Dollar
Rupiah	1.319.040	4.558.807	Rupiah
Jumlah	101.763.116	148.004.259	Total
Cadangan penurunan nilai	(169.334)	(4.369.739)	Allowance for impairment
<b>Neto</b>	<b>101.593.782</b>	<b>143.634.520</b>	<b>Net</b>

Perubahan dalam cadangan penurunan nilai adalah sebagai berikut:

	2014	2013	
Saldo awal tahun	4.369.739	144.495	Balance at beginning of year
Cadangan selama tahun berjalan	33.695	4.225.244	Provision during the year
Penghapusan tahun berjalan	(6.329)	-	Write-off for the year
Direklasifikasi ke aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual	(4.227.771)	-	Reclassified to non current assets held for sale
<b>Saldo akhir tahun</b>	<b>169.334</b>	<b>4.369.739</b>	<b>Balance at end of year</b>

Manajemen berkeyakinan bahwa tidak terdapat risiko kredit yang terkonsentrasi secara signifikan atas piutang dari pihak ketiga, kecuali yang disebutkan dalam Catatan 42 b (iii).

Berdasarkan hasil penelaahan status dari akun piutang pada akhir tahun, manajemen berpendapat bahwa cadangan penurunan nilai piutang cukup untuk menutupi kerugian yang mungkin timbul dari tidak tertagihnya piutang tersebut.

Pada tanggal 31 Desember 2014, sebagian besar piutang usaha Grup terdiri dari Petroleum Development Oman LLC, PT Perusahaan Listrik Negara (Persero) dan Petro Diamond Pte Ltd yang masing-masing mewakili 31%, 26% dan 12% dari jumlah piutang usaha.

Pada tanggal 31 Desember 2013, sebagian besar piutang usaha Grup terdiri dari Petroleum Development Oman LLC dan Petro Diamond Pte Ltd yang masing-masing mewakili 21% dan 13% dari jumlah piutang usaha.

**6. TRADE RECEIVABLES - Net (continued)**

c. By Currency

	2014	2013	
Dolar Amerika Serikat	100.444.076	143.445.452	United States Dollar
Rupiah	1.319.040	4.558.807	Rupiah
Jumlah	101.763.116	148.004.259	Total
Cadangan penurunan nilai	(169.334)	(4.369.739)	Allowance for impairment
<b>Neto</b>	<b>101.593.782</b>	<b>143.634.520</b>	<b>Net</b>

The changes in the allowance for impairment are as follows:

	2014	2013	
Saldo awal tahun	4.369.739	144.495	Balance at beginning of year
Cadangan selama tahun berjalan	33.695	4.225.244	Provision during the year
Penghapusan tahun berjalan	(6.329)	-	Write-off for the year
Direklasifikasi ke aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual	(4.227.771)	-	Reclassified to non current assets held for sale
<b>Saldo akhir tahun</b>	<b>169.334</b>	<b>4.369.739</b>	<b>Balance at end of year</b>

Management believes that there are no significant concentrations of credit risk involving third party receivables, except as specified in Note 42 b (iii).

Based on the review of the status of the receivable accounts at the end of the year, management is of the opinion that the allowance for impairment of receivables is adequate to cover possible losses on uncollectible accounts.

As of December 31, 2014, trade receivables substantially consist of receivables from Petroleum Development Oman LLC, PT Perusahaan Listrik Negara (Persero) and Petro Diamond Pte Ltd representing 31%, 26% and 12%, respectively, of the total trade receivables (2013: Petroleum Development Oman LLC: 21% and Petro Diamond Pte Ltd: 13%).

As of December 31, 2013, trade receivables substantially consist of receivables from Petroleum Development Oman LLC and Petro Diamond Pte Ltd representing 21% and 13%, respectively, of the total trade receivables.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**7. PIUTANG LAIN-LAIN - Neto**

Akun ini terdiri dari:

a. Berdasarkan Pihak/Jenis

	2014	2013
<u>Pihak berelasi</u>		
PT Donggi Senoro LNG	158.685.931	142.351.092
PT Medco Power Indonesia	467.565	222.657
Tomori E&P Ltd	150.000	26.691
PT Api Metra Graha	80.850	-
Kuala Langsa (Block-A) Ltd	10.471	-
Sub-Jumlah	159.394.817	142.600.440
Bagian jangka panjang	159.313.967	142.600.440
Bagian yang jatuh tempo dalam satu tahun - neto	80.850	-
<u>Pihak ketiga</u>		
Pajak Pertambahan Nilai (PPN) yang dapat ditagihkan	68.412.001	59.464.149
Piutang <i>underlifting</i>	23.631.101	1.390.145
Piutang Ventura Bersama	19.348.509	14.217.639
Piutang bunga	1.618.580	536.719
PT Sele Raya Merangin Dua	1.197.160	193.640
PT Unitrada Komutama	989.683	1.249.344
Pinjaman karyawan	834.612	1.203.432
Lain-lain (masing-masing di bawah AS\$1.000.000)	5.445.328	5.187.649
<b>Jumlah sebelum cadangan penurunan nilai</b>	<b>121.476.974</b>	<b>83.442.717</b>
Bagian jangka panjang	1.398.169	1.579.549
Cadangan penurunan nilai	(60.635)	(47.169)
<b>Bagian jangka panjang - neto</b>	<b>1.337.534</b>	<b>1.532.380</b>
Bagian yang jatuh tempo dalam satu tahun	120.078.805	81.863.168
Cadangan penurunan nilai	(7.871.214)	(5.922.625)
<b>Bagian yang jatuh tempo dalam satu tahun - neto</b>	<b>112.207.591</b>	<b>75.940.543</b>

b. Berdasarkan jenis debitur

	2014	2013
Pihak berelasi	159.394.817	142.600.440
<u>Pihak ketiga</u>		
Pemerintah Indonesia	68.720.486	61.061.270
Badan Usaha Milik Negara	27.701.824	498.612
Perusahaan Multinasional	13.444.425	10.407.823
Perusahaan lainnya	10.471.484	10.101.354
Individual	1.138.755	1.373.658
<b>Jumlah</b>	<b>280.871.791</b>	<b>226.043.157</b>

**7. OTHER RECEIVABLES - Net**

This account consists of:

a. By Party/Nature

<u>Related parties</u>
PT Donggi Senoro LNG
PT Medco Power Indonesia
Tomori E&P Ltd
PT Api Metra Graha
Kuala Langsa (Block-A) Ltd
Sub-Total
Long-term portion
Current portion - net
<u>Third parties</u>
Reimbursable Value Added Tax (VAT)
Underlifting receivable
Receivables from Joint Venture
Interest receivable
PT Sele Raya Merangin Dua
PT Unitrada Komutama
Loans to employees
Others (each below US\$1,000,000)
<b>Total before allowance for impairment</b>
Long-term portion
Allowance for impairment
<b>Long-term portion - net</b>
Current portion
Allowance for impairment
<b>Current portion - net</b>

b. By Debtor

<u>Related Parties</u>
<u>Third parties</u>
Government of Indonesia
State-owned companies
Multinational companies
Other companies
Individual
<b>Total</b>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**7. PIUTANG LAIN-LAIN – Neto (lanjutan)**

c. Berdasarkan Mata Uang

	2014	2013	
Dolar Amerika Serikat	215.631.133	165.643.610	United States Dollar
Rupiah	65.240.658	60.399.547	Rupiah
<b>Jumlah</b>	<b>280.871.791</b>	<b>226.043.157</b>	<b>Total</b>
Bagian jangka panjang	160.712.136	144.179.989	Long-term portion
Cadangan penurunan nilai	(60.635)	(47.169)	Allowance for impairment
<b>Bagian jangka panjang - neto</b>	<b>160.651.501</b>	<b>144.132.820</b>	<b>Long-term portion - net</b>
Bagian yang jatuh tempo dalam satu tahun	120.159.655	81.863.168	Current portion
Cadangan penurunan nilai	(7.871.214)	(5.922.625)	Allowance for impairment
<b>Bagian yang jatuh tempo dalam satu tahun - neto</b>	<b>112.288.441</b>	<b>75.940.543</b>	<b>Current portion - net</b>

d. Berdasarkan area geografis

	2014	2013	
Indonesia	268.365.237	215.491.172	Indonesia
Yaman	10.095.272	7.996.613	Yemen
Amerika Serikat	705.421	763.476	United States of America
Oman	534.563	494.456	Oman
Singapura	128.003	128.003	Singapore
Libya	-	906.252	Libya
Lain-lain	1.043.296	263.185	Others
<b>Jumlah</b>	<b>280.871.791</b>	<b>226.043.157</b>	<b>Total</b>

Piutang dari PT Donggi Senoro LNG (DSLNG) pada tanggal 31 Desember 2014 dan 2013 terutama merupakan pinjaman atas pembiayaan proyek *liquefied natural gas* yang sedang berjalan. Atas piutang ini Grup mengenakan bunga sebesar biaya pendanaan ditambah margin 3,75% per tahun.

Receivables from PT Donggi Senoro LNG (DSLNG) as of December 31, 2014 and 2013, mainly represent advances to finance the ongoing *liquefied natural gas* project. The receivable is charged interest at cost of funds plus 3.75% per annum.

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) (dahulu BPMigas).

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) (formerly BPMigas).



The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**7. PIUTANG LAIN-LAIN - Neto (lanjutan)**

Piutang ventura bersama merupakan piutang dari mitra ventura bersama yang berkaitan dengan aktivitas eksplorasi dan produksi minyak dan gas.

Piutang *underlifting* dari SKK Migas pada tanggal 31 Desember 2014 dan 2013 berasal dari Blok Rimau, Tomori dan Bawean.

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.

Berdasarkan penelaahan status akun piutang lain-lain pada akhir tahun, manajemen berpendapat bahwa cadangan penurunan nilai piutang lain-lain cukup untuk menutupi kemungkinan kerugian atas tidak tertagihnya akun-akun tersebut.

**8. PERSEDIAAN - Neto**

Persediaan terdiri dari:

	2014	2013	
Suku cadang, perlengkapan sumur dan lainnya	35.208.624	40.351.516	Spareparts, well supplies and others Coal inventory
Persediaan batu bara	4.290.683	3.423.540	
Jumlah	39.499.307	43.775.056	Total
Cadangan keusangan dan penurunan nilai	(182.695)	(6.610.703)	Allowance for obsolescence and decline in value
<b>Neto</b>	<b>39.316.612</b>	<b>37.164.353</b>	<b>Net</b>

Perubahan cadangan keusangan dan penurunan nilai persediaan adalah sebagai berikut:

	2014	2013	
Saldo awal tahun	6.610.703	6.969.074	Balance at beginning of year
Direklasifikasi ke aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual	(6.428.008)	-	Reclassified to non current assets held for sale
Pembalikan selama tahun berjalan	-	(358.371)	Reversal during the year
<b>Saldo akhir tahun</b>	<b>182.695</b>	<b>6.610.703</b>	<b>Balance at end of year</b>

Persediaan batu bara merupakan hasil produksi oleh PT Duta Tambang Rekayasa, yang merupakan entitas anak PT Medco Energi Mining Internasional (MEMI).

**7. OTHER RECEIVABLES - Net (continued)**

Receivables from Joint Venture represent receivables from joint venture partners relating to oil and gas exploration and production activities.

The *underlifting* receivable as of December 31, 2014 and 2013 from SKK Migas relates to Rimau, Tomori and Bawean Block.

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.

Based on the review of other receivables at the end of the year, management is of the opinion that the allowance for impairment of other receivables is adequate to cover possible losses from uncollectible accounts.

**8. INVENTORIES - Net**

Inventories consist of:

The movement in the allowance for obsolescence and decline in value is as follows:

Coal inventory is produced by PT Duta Tambang Rekayasa, a subsidiary of PT Medco Energi Mining Internasional (MEMI).

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**8. PERSEDIAAN - Neto (lanjutan)**

Seluruh persediaan telah diasuransikan kepada berbagai perusahaan asuransi pada tanggal 31 Desember 2014 dan 2013 (Catatan 14). Manajemen berpendapat bahwa nilai pertanggungan cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungkan.

Berdasarkan hasil penelaahan terhadap kondisi fisik dan nilai realisasi neto dari persediaan pada akhir tahun, manajemen berpendapat bahwa cadangan penurunan nilai persediaan adalah cukup.

**8. INVENTORIES - Net (continued)**

As of December 31, 2014 and 2013, all inventories were insured with various insurance companies (Note 14). Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

Based on the review of the physical condition and net realizable values of inventories at year end, management is of the opinion that the allowance for obsolescence and decline in value is adequate.

**9. PAJAK DIBAYAR DI MUKA**

Rincian akun ini adalah sebagai berikut:

	2014	2013
<u>Perusahaan</u>		
Pajak Pertambahan Nilai (PPN)	971.181	757.257
Lebih bayar pajak penghasilan badan	5.304.278	4.358.104
Sub-jumlah	6.275.459	5.115.361
<u>Entitas Anak</u>		
PPN	2.468.005	5.099.998
Lebih bayar pajak penghasilan badan	1.864.653	1.197.860
Sub-jumlah	4.332.658	6.297.858
<b>Jumlah</b>	<b>10.608.117</b>	<b>11.413.219</b>

**9. PREPAID TAXES**

The details of this account are as follows:

<u>The Company</u>
Value added tax (VAT)
Corporate income tax overpayments
Sub-total
<u>Subsidiaries</u>
VAT
Corporate income tax overpayments
Sub-total
<b>Total</b>

**10. BEBAN DIBAYAR DI MUKA**

Rincian akun ini adalah sebagai berikut:

	2014	2013
Asuransi	3.030.842	3.136.344
Sewa	255.641	274.512
Lain-lain	107.117	347.269
<b>Jumlah</b>	<b>3.393.600</b>	<b>3.758.125</b>

**10. PREPAID EXPENSES**

The details of this account are as follows:

Insurance
Rental
Others
<b>Total</b>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**11. REKENING BANK YANG DIBATASI  
PENGGUNAANNYA**

Rincian akun ini adalah sebagai berikut:

	2014	2013
<u>Lancar</u>		
<u>Pihak ketiga</u>		
<u>Dolar Amerika Serikat</u>		
Morgan Stanley International PLC - Singapura	-	5.593.518
<u>Tidak lancar</u>		
<u>Pihak berelasi</u>		
<u>Rupiah</u>		
PT Bank Himpunan Saudara 1906 Tbk	3.766.984	4.551.668
<u>Pihak ketiga</u>		
<u>Rupiah</u>		
PT Bank CIMB Niaga Tbk	1.397.830	1.783.083
<u>Dolar Amerika Serikat</u>		
PT Bank Mandiri (Persero) Tbk	1.146.850	1.500.000
Standard Chartered Bank	32.367	-
<b>Jumlah</b>	<b>6.344.031</b>	<b>7.834.751</b>

Saldo kas yang dibatasi penggunaannya (Rupiah) di PT Bank Himpunan Saudara 1906 Tbk dan PT Bank CIMB Niaga Tbk terutama merupakan deposito berjangka entitas anak yang digunakan untuk jaminan utang karyawan.

Saldo kas yang dibatasi penggunaannya (Dolar Amerika Serikat) di Standard Chartered Bank dan PT Bank Mandiri (Persero) Tbk pada tanggal 31 Desember 2014 merupakan *escrow account* PT Medco E & P Tomori Sulawesi yang disyaratkan di dalam perjanjian pinjaman.

Deposito berjangka (Dolar AS) di Morgan Stanley International PLC yang dibatasi penggunaannya merupakan jaminan (*top up*) sehubungan dengan transaksi *cross currency swap* antara Perusahaan dengan bank dimana deposito berjangka telah dicairkan tahun 2014.

**11. RESTRICTED CASH IN BANKS**

The details of this account are as follows:

	2014	2013	
			<u>Current</u>
			<u>Third parties</u>
			<u>United States Dollar</u>
			Morgan Stanley International PLC - Singapore
			<u>Non-current</u>
			<u>Related party</u>
			<u>Rupiah</u>
			PT Bank Himpunan Saudara 1906 Tbk
			<u>Third parties</u>
			<u>Rupiah</u>
			PT Bank CIMB Niaga Tbk
			<u>United States Dollar</u>
			PT Bank Mandiri (Persero) Tbk
			Standard Chartered Bank
<b>Total</b>	<b>7.834.751</b>	<b>6.344.031</b>	

Restricted cash accounts (Rupiah) with PT Bank Himpunan Saudara 1906 Tbk and PT Bank CIMB Niaga Tbk mainly represent the Subsidiaries' time deposits used as collaterals for employee loans.

As of December 31, 2014, restricted cash accounts (US Dollar) with Standard Chartered Bank and PT Bank Mandiri (Persero) Tbk represents the escrow account of PT Medco E & P Tomori Sulawesi required under the loan agreement.

Restricted time deposit accounts (US Dollar) in Morgan Stanley International PLC represent collaterals ("top-up") in connection with cross currency swap transactions between the Company and this bank, which in 2014, the restricted time deposit had been withdrawn.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**11. REKENING BANK YANG DIBATASI  
PENGGUNAANNYA (lanjutan)**

Saldo kas di PT Bank Mandiri (Persero) Tbk yang dibatasi penggunaannya (Dolar Amerika Serikat) pada tanggal 31 Desember 2013 terutama merupakan *performance bond* sehubungan dengan produksi minyak di Camar Resources Canada, Inc.

**11. RESTRICTED CASH IN BANKS (continued)**

As of December 31, 2013, restricted cash account (US Dollar) with PT Bank Mandiri (Persero) Tbk, represents the performance bond in relation to oil production of Camar Resources Canada, Inc.

	2014	2013	
<u>Tingkat bunga per tahun</u>			<u>Interest rate per annum</u>
Rekening bank yang dibatasi penggunaannya			<i>Restricted cash in banks</i>
Rupiah	5,25% - 10,25%	5,25% - 9,75%	Rupiah
Dolar Amerika Serikat	2,00%	0,16%	United States Dollar

**12. INVESTASI JANGKA PANJANG**

Akun ini terdiri dari sebagai berikut:

**12. LONG-TERM INVESTMENTS**

This account consists of the following:

31 Desember 2014/December 31, 2014					
	Persentase Kepemilikan (%) <i>Percentage of Ownership (%)</i>	Biaya Perolehan/ Cost	Akumulasi Bagian Laba atau Rugi Bersih/ Accumulated Share in Net Income	Nilai Tercatat Neto/ Net Carrying Value	
<b>Investasi saham</b>					<i>Investments in shares of stock</i>
<u>Dengan Metode Ekuitas</u>					<u>Equity Method</u>
Kuala Langsa (Blok-A) Limited (KLL) (dahulu Conoco Phillips Aceh Ltd)	50	216.000	894.251	1.110.251	<i>Kuala Langsa (Block-A) Limited (KLL), (formerly ConocoPhillips Aceh Ltd)</i>
PT Medco Power Indonesia (MPI)	49	111.052.676	11.689.056	122.741.732	<i>PT Medco Power Indonesia (MPI)</i>
PT Api Metra Graha (AMG)	49	101.426.293	6.791.882	108.218.175	<i>PT Api Metra Graha (AMG)</i>
<u>Dengan Metode Biaya Perolehan</u>					<u>Cost Method</u>
PT Donggi Senoro LNG (DSLNG)	11,1	105.061.501	-	105.061.501	<i>PT Donggi Senoro LNG (DSLNG)</i>
<b>Jumlah</b>		<b>317.756.470</b>	<b>19.375.189</b>	<b>337.131.659</b>	<b>Total</b>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**12. INVESTASI JANGKA PANJANG (lanjutan)**

**12. LONG-TERM INVESTMENTS (continued)**

31 Desember 2013/December 31, 2013

	Persentase Kepemilikan (%) <i>Percentage of Ownership (%)</i>	Biaya Perolehan/ Cost	Akumulasi Bagian Laba atau Rugi Bersih/ Accumulated Share in Net Income	Nilai Tercatat Neto/ Net Carrying Value	
<b>Investasi saham</b>					<b>Investments in shares of stock</b>
<u>Dengan Metode Ekuitas</u>					<u>Equity Method</u>
Kuala Langsa (Blok-A) Limited (KLL), dahulu Conoco Phillips Aceh Ltd	50	216.000	792.397	1.008.397	Kuala Langsa (Block-A) Limited (KLL), formerly Conoco Phillips Phillips Aceh Ltd
PT Medco Power Indonesia (MPI)	49	111.052.676	7.491.067	118.543.743	PT Medco Power Indonesia (MPI)
PT Api Metra Graha (AMG)	49	101.965.293	4.024.453	105.989.746	PT Api Metra Graha (AMG)
<u>Dengan Metode Biaya Perolehan</u>					<u>Cost Method</u>
PT Donggi Senoro LNG (DSLNG)	11,1	93.917.101	-	93.917.101	PT Donggi Senoro LNG (DSLNG)
<b>Jumlah</b>		<b>307.151.070</b>	<b>12.307.917</b>	<b>319.458.987</b>	<b>Total</b>

Bagian laba atau rugi bersih entitas asosiasi adalah sebagai berikut:

The share of net income or losses of associated companies are as follows:

	2014	2013	
AMG	2.767.429	4.024.453	AMG
MPI	4.197.989	4.612.393	MPI
KLL	101.854	105.946	KLL
PT Puma Energy Indonesia - PEI (dahulu PT Medco Sarana Kalibaru - MSK)	-	(4.188.497)	PT Puma Energy Indonesia - PEI (formerly PT Medco Sarana Kalibaru - MSK)
Direklasifikasi ke aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual	-	4.188.497	Reclassified to non-current asset held for sale
<b>Neto</b>	<b>7.067.272</b>	<b>8.742.792</b>	<b>Net</b>

Pada tanggal 23 Mei 2013, PT Api Metra Graha melakukan pembagian dividen kas kepada Perusahaan sebesar Rp1.470.000.000 atau setara dengan AS\$143.135.

On May 23, 2013, PT Api Metra Graha distributed cash dividends to the Company amounting to Rp1,470,000,000 or equivalent to US\$143,135.

Pada tanggal 11 November 2014, PT Api Metra Graha melakukan pembagian dividen kas kepada Perusahaan sebesar AS\$539.000. Pada tanggal 31 Desember 2014, dividen tersebut masih menjadi piutang lain-lain perusahaan senilai AS\$80.850 (Catatan 7).

On November 11, 2014, PT Api Metra Graha distributed cash dividends to the Company amounting to US\$539,000. As of December 31, 2014, dividend still recorded as part of other receivable amounted to US\$80,850 (Note 7).

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**13. INVESTASI PADA PROYEK**

Investasi pada proyek pada tanggal 31 Desember 2014 dan 2013 berasal dari Proyek Jeruk-Indonesia senilai 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 44(a)]. Dalam perjanjian tersebut, Grup berhak memperoleh pengembalian atas pengeluaran tersebut dari Cue dan SPC pada saat Lapangan Oyong di Blok Sampang mulai memproduksi dan saat Cue dan SPC telah sepenuhnya memperoleh pengembalian atas seluruh biaya terkait.

**13. INVESTMENT IN PROJECT**

Investment in project as of December 31, 2014 and 2013 represents the Jeruk Project-Indonesia amounting to US\$30,324,414. This account represents disbursements for the Jeruk Project made by the Group to Cue Sampang Pty Ltd (Cue) and Singapore Petroleum Company Ltd (SPC), in accordance with the Jeruk Economic Agreement entered into by the Group with Cue and SPC on January 4, 2006 [Note 44(a)]. 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.

**14. ASET TETAP - Neto**

Akun ini terdiri dari sebagai berikut:

**14. PROPERTY, PLANT AND EQUIPMENT - Net**

This account consists of the following:

	2014							
	Saldo Awal/ Beginning Balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassi- fications	Penjabaran Laporan Keuangan/ Translation Adjustments	Dampak Penghentian Operasi/Effects from Discontinued Operation of - PT Medco Downstream Indonesia	Saldo Akhir/ Ending Balance	
<b>Biaya Perolehan</b>								<b>Cost</b>
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
<b>Jumlah Biaya</b>	<b>156.024.002</b>	<b>5.828.402</b>	<b>(2.392.876)</b>	<b>19.127.137</b>	<b>(80.842)</b>	<b>(15.101.621)</b>	<b>163.404.202</b>	<b>Total Cost</b>
<b>Akumulasi Penyusutan</b>								<b>Accumulated Depreciation</b>
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	412.194	(401.922)	-	(48.193)	(536.172)	7.677.157	Office and other equipment
Leasehold improvements	1.067.177	51.589	-	-	-	-	1.118.766	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
<b>Jumlah Akumulasi Penyusutan</b>	<b>66.907.759</b>	<b>10.513.343</b>	<b>(1.471.468)</b>	<b>11.475.947</b>	<b>(76.228)</b>	<b>(15.084.530)</b>	<b>72.264.823</b>	<b>Total Accumulated Depreciation</b>
Penurunan Nilai	3.415.474	299.698	(1.076.975)	-	(1.329)	(10.962)	2.625.906	Allowance for impairment
<b>Nilai Buku Neto</b>	<b>85.700.769</b>						<b>88.513.473</b>	<b>Net Book Value</b>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**14. ASET TETAP - Neto (lanjutan)**

**14. PROPERTY, PLANT AND EQUIPMENT - Net  
(continued)**

		2013							
	Saldo Awal/ Beginning Balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassi- fications	Penjabaran Laporan Keuangan/ Translation Adjustments	Dampak Penghentian Operasi/Effects from Discontinued Operation of - PT Medco Ethanol Lampung	Saldo Akhir/ Ending Balance	Cost	
<b>Biaya Perolehan</b>									
Tanah	1.439.662	-	-	-	-	(547.972)	891.690	Land	
Bangunan dan prasarana	18.738.630	1.014.986	-	-	(1.559)	(8.093.709)	11.658.348	Buildings and land improvements	
Mesin	36.142.004	2.204.887	-	(5.264.983)	-	-	33.081.908	Machinery	
Peralatan panel pengendali	42.953.014	5.430	-	5.264.983	(1.492)	(34.867.938)	13.353.997	Control panel equipment	
Peralatan dan perlengkapan pengeboran	64.489.813	2.348.137	(1.350.332)	-	-	-	65.487.618	Drilling rigs and equipment	
Kendaraan bermotor	6.965.948	258.481	(301.425)	-	(49.279)	(245.940)	6.627.785	Vehicles	
Peralatan kantor dan lainnya	10.119.446	180.817	(614.956)	-	(17.795)	(150.569)	9.516.943	Office and other equipment	
Leasehold improvements	6.762.517	-	(5.651.925)	-	-	-	1.110.592	Leasehold improvements	
Pesawat terbang	14.004.200	-	-	-	-	-	14.004.200	Aircraft	
Aset sewa guna usaha	423.063	77.583	(44.863)	-	(164.862)	-	290.921	Assets under finance lease	
Jumlah Biaya	202.038.297	6.090.321	(7.963.501)	-	(234.987)	(43.906.128)	156.024.002	Total Cost	
<b>Akumulasi Penyusutan</b>								<b>Accumulated Depreciation</b>	
Bangunan dan prasarana	5.737.537	1.194.280	-	-	(1.066)	(1.850.444)	5.080.307	Buildings and land improvements	
Mesin	14.662.305	2.442.377	-	-	-	-	17.104.682	Machinery	
Peralatan panel pengendali	21.954.061	1.673.267	-	-	(583)	(10.283.830)	13.342.915	Control panel equipment	
Peralatan dan perlengkapan pengeboran	11.074.803	4.935.983	(1.350.332)	-	-	-	14.660.454	Drilling rigs and equipment	
Kendaraan bermotor	4.865.920	756.316	(301.425)	-	(31.953)	(181.039)	5.107.819	Vehicles	
Peralatan kantor dan lainnya	8.468.175	397.295	(463.632)	-	(13.036)	(137.552)	8.251.250	Office and other equipment	
Leasehold improvements	6.519.157	197.349	(5.649.329)	-	-	-	1.067.177	Leasehold improvements	
Pesawat terbang	1.400.421	700.209	-	-	-	-	2.100.630	Aircraft	
Aset sewa guna usaha	333.220	44.749	(44.863)	-	(140.581)	-	192.525	Assets under finance lease	
Jumlah Akumulasi Penyusutan	75.015.599	12.341.825	(7.809.581)	-	(187.219)	(12.452.865)	66.907.759	Total Accumulated Depreciation	
Penurunan Nilai	6.611.716	18.861.301	-	-	-	(22.057.543)	3.415.474	Allowance for impairment	
<b>Nilai Buku Neto</b>	<b>120.410.982</b>						<b>85.700.769</b>	<b>Net Book Value</b>	

Beban penyusutan dialokasikan sebagai berikut:

Allocation of depreciation expense is as follows:

	2014	2013	
<b>Operasi yang dilanjutkan</b>			<b>Continuing Operations</b>
Beban pokok penjualan	8.981.513	8.392.609	Cost of sales
Beban usaha (Catatan 32)	1.507.856	1.672.863	Operating expenses (Note 32)
Sub-jumlah	10.489.369	10.065.472	Sub-total
<b>Operasi yang tidak dilanjutkan</b>			<b>Discontinued Operations</b>
Beban pokok penjualan	-	1.412.607	Cost of sales
Beban usaha	23.974	863.746	Operating expenses
Sub-jumlah	23.974	2.276.353	Sub-total
<b>Jumlah</b>	<b>10.513.343</b>	<b>12.341.825</b>	<b>Total</b>

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**14. ASET TETAP - Neto (lanjutan)**

Tidak ada biaya pinjaman yang dikapitalisasi untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2014 dan 2013.

Tidak ada aset tetap pada tanggal 31 Desember 2014 yang digunakan sebagai jaminan atas utang yang diperoleh Grup.

Aset tetap sebesar AS\$3,4 juta pada tanggal 31 Desember 2013 digunakan sebagai jaminan atas utang yang diperoleh Entitas Anak (Catatan 24).

Seluruh persediaan dan aset tetap, kecuali tanah, telah diasuransikan terhadap risiko kebakaran, pencurian dan risiko lainnya dengan nilai pertanggungan sebesar AS\$94 juta dan Rp58 miliar pada tanggal 31 Desember 2014 dan AS\$139 juta dan Rp125 miliar pada tanggal 31 Desember 2013 (Catatan 8). Manajemen berkeyakinan bahwa nilai pertanggungan tersebut adalah cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungjawabkan.

Beberapa pelepasan aset tetap adalah sebagai berikut:

	2014	2013	
<u>Hasil pelepasan neto</u>			<u>Net proceeds</u>
Operasi yang dilanjutkan	90.022	20.620	Continuing Operations
Operasi yang tidak dilanjutkan	2.531.409	104.308	Discontinued Operations
Sub-jumlah	2.621.431	124.928	Sub-total
Dikurangi :			Less:
<u>Nilai buku neto</u>			<u>Net book value</u>
Operasi yang dilanjutkan	63.244	150.562	Continuing Operations
Operasi yang tidak dilanjutkan	858.164	3.358	Discontinued Operations
Sub-jumlah	921.408	153.920	Sub-total
<b>Untung/ (Rugi)</b>	<b>1.700.023</b>	<b>(28.992)</b>	<b>Gain/ (Loss)</b>

Pada tanggal 31 Desember 2014 dan 2013, nilai perolehan aset tetap Perusahaan yang telah disusutkan penuh namun masih digunakan adalah masing-masing sebesar AS\$8,16 juta dan AS\$14,3 juta, yang terutama terdiri atas mesin, *leasehold improvements* dan peralatan kantor lainnya.

Pada tanggal 31 Desember 2014 dan 2013, nilai tercatat aset tetap yang telah disusutkan namun tidak dipakai untuk sementara adalah masing-masing sebesar AS\$29,5 juta dan AS\$27,7 juta, yang terdiri dari peralatan dan perlengkapan pengeboran dan *gas compressor*.

**14. PROPERTY, PLANT AND EQUIPMENT - Net (continued)**

No borrowing costs were capitalized as part of property, plant and equipment as of December 31, 2014 and 2013.

No property, plant and equipment as of December 31, 2014 are used as collateral to the loans obtained by the Group.

Property, plant and equipment amounting to US\$3.4 million as of December 31, 2013 are used as collateral to the loans obtained by the Subsidiaries (Note 24).

All inventories and property, plant and equipment, except land, were insured against fire, theft and other possible risks for US\$94 million and Rp58 billion as of December 31, 2014, and US\$139 million and Rp125 billion as of December 31, 2013 (Note 8). Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

Disposals of property, plant and equipment are as follows:

As of December 31, 2014 and 2013, the acquisition value of property, plant and equipment that have been fully depreciated but are still being used by the Group amounted to US\$8.16 million and US\$14.3 million, respectively, consisting of machinery, *leasehold improvements* and office and other equipment.

As of December 31, 2014 dan 2013, the carrying value of property, plant and equipment that have been temporarily idle amounted to US\$29.5 million and US\$27.7 million, respectively, consisting of drilling rigs and equipment and gas compressor.



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**14. ASET TETAP - Neto (lanjutan)**

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, dan manajemen berkeyakinan bahwa penurunan nilai atas aset tetap sudah memadai.

Berdasarkan hasil penelaahan atas aset tetap secara individu pada tanggal 31 Desember 2013, Grup mengakui kerugian penurunan nilai aset tetap terutama dari PT Medco Ethanol Lampung (MEL) dan PT Exspan Petrogas Intranusa (EPI), Entitas Anak, pada tahun 2013 masing-masing sebesar AS\$15,5 juta dan AS\$3,3 juta, dan manajemen berkeyakinan bahwa penurunan nilai atas aset tetap sudah memadai.

Pada tanggal 31 Desember 2014, aset yang dikategorikan sebagai "Aset Minyak dan Gas Bumi" sebesar AS\$7.651.190 direklasifikasi ke Mesin, yang dikategorikan sebagai "Aset Tetap"

**14. PROPERTY, PLANT AND EQUIPMENT - Net (continued)**

Based on the review of individual property, plant 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, and management believes that the impairment loss for property, plant and equipment recognized is adequate.

Based on the review of individual fixed assets as of December 31, 2013, the Group recognized impairment losses of fixed assets mainly from PT Medco Ethanol Lampung (MEL) and PT Exspan Petrogas Intranusa (EPI), Subsidiaries, in 2013 amounting to US\$15.5 million and US\$3.3 million, respectively, and management believes that the impairment loss for property, plant and equipment recognized is adequate.

As of December 31, 2014, assets under "Oil and Gas Properties" amounting to US\$7,651,190 was reclassified to Machinery under "Property, Plant, and Equipment".

**15. ASET EKSPLORASI DAN EVALUASI**

**15. EXPLORATION AND EVALUATION ASSETS**

	<b>Jumlah/ Amount</b>	
<b>Saldo akhir 31 Desember 2012</b>	<b>112.434.713</b>	<b>Ending balance, December 31, 2012</b>
Penambahan	65.976.725	Additions
Transfer ke aset minyak dan gas bumi	(316.298)	Transfer to oil and gas properties
Penurunan nilai dan sumur kering	(22.365.181)	Impairment and dry hole
<b>Saldo akhir 31 Desember 2013</b>	<b>155.729.959</b>	<b>Ending balance, December 31, 2013</b>
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
Penurunan nilai dan sumur kering	(16.155.439)	Impairment and dry hole
<b>Saldo akhir 31 Desember 2014</b>	<b>181.670.432</b>	<b>Ending balance, December 31, 2014</b>

Pada tahun 2013, Grup mengakui kerugian penurunan nilai aset eksplorasi dan evaluasi untuk usaha minyak dan gas bumi masing-masing sebesar AS\$17,7 juta dan biaya sumur kering sebesar AS\$4,7 juta.

Pada tahun 2014, Grup mengakui kerugian penurunan nilai aset eksplorasi dan evaluasi untuk usaha minyak dan gas bumi masing-masing sebesar AS\$0,4 juta dan biaya sumur kering sebesar AS\$15,7 juta.

In 2013, the Group recognized impairment losses for the exploration and evaluation of oil and gas business amounting to US\$17.7 million and dryhole expense amounting to US\$4.7 million.

In 2014, the Group recognized impairment losses for the exploration and evaluation of oil and gas business amounting to US\$0.4 million and dryhole expense amounting to US\$15.7 million.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**16. ASET MINYAK DAN GAS BUMI DAN PROPERTI  
PERTAMBANGAN**

a. Properti Pertambangan - Neto

Entitas Anak - tambang berproduksi:

	2014	2013
<i>South Block:</i>		
Abah	642.307	608.033
Ganggoro	725.349	721.851
Kris	468.170	465.932
Erna	147.811	-
Elonita	586.365	-
Lain-lain	1.716.408	-
Jumlah	4.286.410	1.795.816
Akumulasi amortisasi	(1.987.834)	(1.169.161)
Penurunan nilai aset	(16.391)	(16.391)
<b>Neto</b>	<b>2.282.185</b>	<b>610.264</b>

Pembebanan amortisasi properti pertambangan ke biaya produksi untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013 masing-masing sebesar AS\$818.673 dan AS\$1.169.161.

b. Aset Minyak dan Gas Bumi - Neto

Akun ini terdiri dari sebagai berikut:

	2014	2013
Sumur dan perlengkapan terkait dan fasilitasnya	1.480.671.775	1.294.421.360
Aset sewa pembiayaan	3.674.375	18.976.754
Sumur, perlengkapan dan fasilitas dalam pengerjaan	508.309.646	424.390.084
<i>Operated acreage</i>	74.265.892	74.265.892
Perlengkapan kantor	17.729.986	16.811.248
Kendaraan bermotor	1.279.234	1.067.735
Jumlah	2.085.930.908	1.829.933.073
Akumulasi penyusutan, deplesi, dan amortisasi dan cadangan penurunan nilai	(992.917.661)	(927.464.165)
<b>Nilai Buku Neto</b>	<b>1.093.013.247</b>	<b>902.468.908</b>

**16. OIL AND GAS ASSETS AND MINING PROPERTIES**

a. Mining Properties - Net

Subsidiaries - producing mines:

	2014	2013
<i>South Block:</i>		
Abah	642.307	608.033
Ganggoro	725.349	721.851
Kris	468.170	465.932
Erna	147.811	-
Elonita	586.365	-
Others	1.716.408	-
Jumlah	4.286.410	1.795.816
Akumulasi amortisasi	(1.987.834)	(1.169.161)
Allowance for impairment	(16.391)	(16.391)
<b>Net</b>	<b>2.282.185</b>	<b>610.264</b>

Amortization expense of mining properties charged to production costs for the years ended December 31, 2014 and 2013 amounted to US\$818,673 and US\$1,169,161, respectively.

b. Oil and Gas Properties - Net

This account consists of the following:

	2014	2013
Sumur dan perlengkapan terkait dan fasilitasnya	1.480.671.775	1.294.421.360
Aset sewa pembiayaan	3.674.375	18.976.754
Sumur, perlengkapan dan fasilitas dalam pengerjaan	508.309.646	424.390.084
<i>Operated acreage</i>	74.265.892	74.265.892
Perlengkapan kantor	17.729.986	16.811.248
Kendaraan bermotor	1.279.234	1.067.735
Jumlah	2.085.930.908	1.829.933.073
Akumulasi penyusutan, deplesi, dan amortisasi dan cadangan penurunan nilai	(992.917.661)	(927.464.165)
<b>Net Book Value</b>	<b>1.093.013.247</b>	<b>902.468.908</b>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**16. ASET MINYAK DAN GAS BUMI DAN PROPERTI  
PERTAMBANGAN (lanjutan)**

b. Aset Minyak dan Gas Bumi - Neto (lanjutan)

Pergerakan aset minyak dan gas bumi adalah sebagai berikut:

**16. OIL AND GAS ASSETS AND MINING  
PROPERTIES (continued)**

b. Oil and Gas Properties - Net (continued)

The movements in oil and gas properties are as follows:

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
Blok A	Aceh	63.606.993	706.563	-	64.313.556	Block A
Kampar/S.S. Extension	Sumatera Selatan/ South Sumatera	85.873.364	8.021.927	15.168.846	78.726.445	Kampar/S.S. Extension
Rimau	Sumatera	151.738.793	3.760.020	20.904.855	134.593.958	Rimau
Senoro Toili	Sulawesi	130.355.577	109.522.096	2.231.693	237.645.980	Senoro Toili
Lematang	Sumatera	86.202.919	-	18.535.775	67.667.144	Lematang
Tarakan	Kalimantan	18.755.146	2.683.942	4.598.215	16.840.873	Tarakan
Bawean	Jawa Timur/ East Java	47.007.443	-	4.243.045	42.764.398	Bawean
Simenggaris	Kalimantan	15.380.978	577.191	-	15.958.169	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
Adam <sup>7)</sup>	Tunisia <sup>7)</sup>	-	13.636.749	-	12.557.445	Adam <sup>*</sup>
Bir Ben Tartar <sup>*</sup>	Tunisia <sup>7)</sup>	-	67.064.798	1.816.672	65.248.126	Bir Ben Tartar <sup>*</sup>
Cosmos <sup>*</sup>	Tunisia <sup>7)</sup>	-	21.951.142	-	21.951.142	Cosmos <sup>*</sup>
Yasmin <sup>*</sup>	Tunisia <sup>7)</sup>	-	28.178.109	-	28.178.109	Yasmin <sup>*</sup>
		<b>902.468.908</b>	<b>277.480.553</b>	<b>86.936.214</b>	<b>1.093.013.247</b>	

<sup>7)</sup> Entitas Anak yang baru diakuisisi di bulan Agustus 2014 dengan total nilai wajar dari aset minyak dan gas bumi sebesar AS\$126.293.256/ Newly acquired entity in August 2014 with total fair value of oil and gas property of US\$126,293,256

2013						
Area Kepemilikan	Lokasi/ Location	Saldo Awal 31 Desember 2012/ Beginning Balance December 31, 2012	Penambahan/ Additions	Pengurangan/ Deductions	Saldo Akhir 31 Desember 2013/ Ending Balance December 31, 2013	Area of Interest
Blok A	Aceh	61.556.326	2.050.667	-	63.606.993	Block A
Kampar/S.S. Extension	Sumatera Selatan/ South Sumatera	96.343.959	10.374.147	20.844.742	85.873.364	Kampar/S.S. Extension
Rimau	Sumatera	152.506.415	18.261.221	19.028.843	151.738.793	Rimau
Senoro Toili	Sulawesi	33.990.924	99.133.041	2.768.388	130.355.577	Senoro Toili
Lematang	Sumatera	104.696.464	2.210.445	20.703.990	86.202.919	Lematang
Tarakan	Kalimantan	16.768.835	7.634.907	5.648.596	18.755.146	Tarakan
Bawean	Jawa Timur/ East Java	51.399.280	214.745	4.606.582	47.007.443	Bawean
Simenggaris	Kalimantan	16.057.860	-	676.882	15.380.978	Simenggaris
Main Pass	Amerika Serikat/USA	40.610.909	-	2.272.935	38.337.974	Main Pass
East Cameron	Amerika Serikat/USA	24.162.609	30.187	2.200.000	21.992.796	East Cameron
Area 47 Libya	Libya	154.894.062	4.149.388	-	159.043.450	Area 47 Libya
Malik 9	Yaman/Yemen	85.832.399	3.992.789	13.726.777	76.098.411	Malik 9
Blok-blok lainnya di Yaman	Yaman/Yemen	10.567.603	4.281.044	6.773.583	8.075.064	Other blocks in Yemen
		<b>849.387.645</b>	<b>152.332.581</b>	<b>99.251.318</b>	<b>902.468.908</b>	

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**16. ASET MINYAK DAN GAS BUMI DAN PROPERTI  
PERTAMBANGAN (lanjutan)**

**b. Aset Minyak dan Gas Bumi - Neto (lanjutan)**

Pada tahun 2013, Grup merevisi estimasi cadangan terbukti (P1) di Blok Yaman Malik 9 berdasarkan laporan McDaniel & Associates Consultants Ltd tertanggal 28 Februari 2014. Penyesuaian atas saldo estimasi cadangan tersebut menurunkan beban deplesi sebesar AS\$1,95 juta.

Beban bunga dan beban pendanaan lainnya yang dikapitalisasi sebagai aset minyak dan gas bumi sebesar AS\$8,8 juta pada tahun 2014 (2013: Nihil).

Berdasarkan penilaian teknik atas hasil eksplorasi, Medco Yaman Arat Ltd memutuskan untuk tidak melakukan aktifitas eksplorasi lebih lanjut di Blok 83 dan menyerahkan seluruh Blok 83 kepada Pemerintah Yaman. Kementerian Minyak dan Mineral Yaman melalui surat resminya tertanggal 27 April 2014 menyatakan bahwa Pemerintah Yaman telah menyetujui permohonan yang diajukan oleh Medco Yaman Arat Ltd.

Berdasarkan penelaahan atas aset minyak dan gas secara individu pada akhir tahun, manajemen berkeyakinan bahwa tidak diperlukan cadangan penurunan nilai lebih lanjut atas aset minyak dan gas, kecuali untuk aset minyak dan gas bumi di Medco US - East Cameron dan Medco Yaman Arat Blok 83 masing-masing sebesar AS\$3,44 juta dan AS\$7,80 juta.

Pada tanggal 31 Desember 2014 dan 2013, 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\$1,67 miliar dan AS\$1,71 miliar. Manajemen berkeyakinan bahwa nilai pertanggungan tersebut adalah cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungkan.

**17. UANG MUKA PEMBELIAN SAHAM**

Uang muka lancar lain-lain pada tanggal 31 Desember 2013 terkait dengan uang muka atas akuisisi saham Medco Trada Tebat Agung Ltd.

Pada bulan September 2014, Grup telah mengakui kerugian penurunan nilai atas uang muka tersebut.

**16. OIL AND GAS ASSETS AND MINING  
PROPERTIES (continued)**

**b. Oil and Gas Properties - Net (continued)**

In 2013, the Group revised the estimated proved reserves (P1) in Yemen Malik Block 9 based on the report of McDaniel & Associates Consultants Ltd dated February 28, 2014. As a result, the depletion expense decreased by US\$1.95 million.

Interest and other financing costs are capitalized as oil and gas properties amounted to US\$8.8 million in 2014 (2013:Nil).

Based on the technical assessment of the result of exploration, Medco Yemen Arat Ltd decided not to conduct further exploration activities in Block 83 and relinquished the whole Block 83 to the Government of Yemen. The Ministry of Oil and Mineral of Yemen through an official letter dated April 27, 2014 that the Yemeni Government has approved the request of Medco Yemen Arat Ltd.

Based on the review of the individual oil and gas properties at the end of the year, the management is of the opinion that no further impairment in value of oil and gas properties is necessary, except for oil and gas properties in Medco US - East Cameron and Medco Yemen Arat Block 83 amounting to US\$3.44 million and US\$7.80 million.

As of December 31, 2014 and 2013, all wells, mining area and related equipment and facilities of Subsidiaries involved in oil and gas exploration and production are insured for US\$1.67 billion and US\$1.71 billion, respectively. Management believes the insurance coverage is adequate to cover possible losses on the assets insured.

**17. ADVANCE FOR PURCHASE OF SHARES OF  
STOCK**

As of December 31, 2013, this account pertains to advance payment for the acquisition of shares of Medco Trada Tebat Agung Ltd.

In September 2014, the Group has fully impaired this advance.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**18. ASET LAIN-LAIN**

Akun ini terdiri dari:

	2014	2013
<u>Lancar</u>		
Uang muka	1.257.926	160.194
Lain-lain	106.834	-
	<b>1.364.760</b>	<b>160.194</b>
<u>Tidak lancar</u>		
Biaya yang ditangguhkan	5.579.923	-
Uang muka untuk pembelian/sewa	3.597.932	5.739.561
Bonus penandatanganan kontrak - neto	3.424.975	6.749.768
Setoran jaminan	2.489.516	2.663.435
Lain-lain	5.228.637	6.219.197
<b>Jumlah</b>	<b>20.320.983</b>	<b>21.371.961</b>

Biaya yang ditangguhkan merupakan biaya-biaya yang terjadi atas entitas anak yang dapat ditagihkan pada saat memasuki tahap produksi.

Saldo uang muka terdiri atas pembayaran-pembayaran uang muka untuk keperluan dinas karyawan dan uang muka proyek. Pada tahun 2013, dibuat kebijakan baru mengenai uang muka karyawan yang harus dilunasi tidak lebih dari 3 bulan setelah uang muka diberikan kepada karyawan.

Saldo uang muka untuk pembelian/sewa aset tetap terdiri atas pembayaran-pembayaran uang muka yang dibuat berkaitan dengan perolehan/sewa berbagai aset.

Bonus penandatanganan kontrak tersebut di atas terkait dengan perjanjian kontrak jasa dengan Petroleum Development Oman LLC (Catatan 43b).

**19. UTANG USAHA**

Rincian dari akun ini adalah sebagai berikut:

a. Berdasarkan Pemasok

	2014	2013
<u>Pihak berelasi</u>		
PT Api Metra Graha	1.378.913	339.699
PT Medco Inti Dinamika	36.921	13.584
Lain-lain	644	6.293
<b>Sub-jumlah</b>	<b>1.416.478</b>	<b>359.576</b>

**18. OTHER ASSETS**

This account consists of the following:

	2014	2013	
<u>Current</u>			
Advances	1.257.926	160.194	
Others	106.834	-	
	<b>1.364.760</b>	<b>160.194</b>	
<u>Non-current</u>			
Deferred charges	5.579.923	-	
Advance payments for purchase/rental	3.597.932	5.739.561	
Signing bonuses - net	3.424.975	6.749.768	
Security deposits	2.489.516	2.663.435	
Others	5.228.637	6.219.197	
<b>Total</b>	<b>20.320.983</b>	<b>21.371.961</b>	

Deferred charges represents cost incurred by a subsidiary that will be billed once it enters production stage.

Advances consist of advance payments to employees for official business purposes and for project advances. In 2013, the Group implemented a new policy which requires the employee advances to be settled not more than 3 months after the advances were given to the employees.

Advance payments for purchase/rental of property and equipment represent payments made in relation to the acquisition/rental of various assets.

The signing bonuses above are related to a service contract entered into with Petroleum Development Oman LLC (Note 43b).

**19. TRADE PAYABLES**

This account consists of the following:

a. By Supplier

	2014	2013	
<u>Related parties</u>			
PT Api Metra Graha	1.378.913	339.699	
PT Medco Inti Dinamika	36.921	13.584	
Others	644	6.293	
<b>Sub-total</b>	<b>1.416.478</b>	<b>359.576</b>	

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**19. UTANG USAHA (lanjutan)**

a. Berdasarkan Pemasok (lanjutan)

	<u>2014</u>	<u>2013</u>	
<u>Pihak ketiga</u>			<u>Third parties</u>
Pemasok dalam negeri	58.857.455	69.176.091	Local suppliers
Pemasok luar negeri	31.630.923	25.017.439	Foreign suppliers
Sub-jumlah	90.488.378	94.193.530	Sub-total
<b>Jumlah</b>	<b><u>91.904.856</u></b>	<b><u>94.553.106</u></b>	<b>Total</b>

b. Berdasarkan Umur

	<u>2014</u>	<u>2013</u>	
Sampai dengan 1 bulan	49.906.057	48.956.701	Up to 1 month
1 - 3 bulan	16.406.600	13.097.850	1 - 3 months
3 - 6 bulan	19.834.975	30.108.142	3 - 6 months
6 bulan - 1 tahun	2.417.162	1.465.954	6 months - 1 year
Lebih dari 1 tahun	3.340.062	924.459	More than 1 year
<b>Jumlah</b>	<b><u>91.904.856</u></b>	<b><u>94.553.106</u></b>	

c. Berdasarkan Mata Uang

	<u>2014</u>	<u>2013</u>	
Dolar Amerika Serikat	67.638.111	79.357.905	United States Dollar
Rupiah	24.211.693	15.111.314	Rupiah
Lain-lain	55.052	83.887	Others
<b>Jumlah</b>	<b><u>91.904.856</u></b>	<b><u>94.553.106</u></b>	<b>Total</b>

Utang usaha baik dari pemasok lokal maupun luar negeri tidak dijamin dan secara umum mempunyai masa kredit kurang dari 30 hari.

Trade payables to both local and foreign suppliers are unsecured and generally have credit terms less than 30 days.

**20. UTANG LAIN-LAIN**

a. Uang muka dari pelanggan

	<u>2014</u>	<u>2013</u>	
<u>Pihak ketiga</u>			<u>Third party</u>
PT Perusahaan Listrik Negara (Persero)	<b><u>4.713.197</u></b>	<b><u>12.599.877</u></b>	PT Perusahaan Listrik Negara (Persero)

**20. OTHER LIABILITIES**

a. Advances from a customer

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**20. UTANG LAIN-LAIN (lanjutan)**

b. Utang lainnya

	2014	2013	
Kewajiban pajak atas <i>First Tranche Petroleum</i>	18.088.213	13.085.147	<i>Tax payable on First Tranche Petroleum</i>
Utang kepada Ventura Bersama	10.220.585	6.605.574	<i>Payables to Joint Ventures</i>
BP West Java Ltd	4.536.217	4.536.217	<i>BP West Java Ltd</i>
Utang <i>overlifting</i>	1.965.848	27.278.156	<i>Overlifting payable</i>
PT Airfast Indonesia	1.854.323	-	<i>PT Airfast Indonesia</i>
Karyawan	1.102.541	304.590	<i>Employee</i>
Cityview Energy Corp Ltd	1.008.980	1.008.980	<i>Cityview Energy Corp Ltd</i>
Lain-lain (masing-masing di bawah AS\$1.000.000)	11.497.255	7.675.381	<i>Others (each below US\$1,000,000)</i>
Jumlah	50.273.962	60.494.045	<i>Total</i>
Bagian yang jatuh tempo dalam satu tahun	(41.152.140)	(50.795.338)	<i>Current portion</i>
<b>Bagian jangka panjang</b>	<b>9.121.822</b>	<b>9.698.707</b>	<b><i>Long-term portion</i></b>

Utang *overlifting* kepada PT Pertamina Hulu Energi pada tanggal 31 Desember 2014 berkaitan dengan Blok Senoro-Toili. Utang *overlifting* kepada SKK Migas pada tanggal 31 Desember 2013 berkaitan dengan Blok Rimau, Tarakan dan Blok Bawean.

Utang kepada Ventura Bersama merupakan utang atas aktivitas eksplorasi dan produksi yang berkaitan dengan kontrak kerjasama dimana Grup bukan merupakan operator.

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.

Kewajiban pajak atas *First Tranche Petroleum (FTP)* merupakan bagian kurang bayar pajak penghasilan badan dan pajak dividen untuk *FTP* atas bagian PT Medco E & P Lematang dan Lematang E&P Limited untuk tahun pajak 2008 sampai 2014, Camar Resources Canada Inc untuk tahun pajak 1994 sampai 2014 dan PT Medco E & P Tomori Sulawesi untuk tahun pajak 2014. Entitas Anak akan membayar pajak tersebut jika terdapat "Equity to be split" dari penjualan gas.

**20. OTHER LIABILITIES (continued)**

b. Other payables

As of December 31, 2014, the *overlifting payable* to PT Pertamina Hulu Energi is related to Senoro-Toili Block. As of December 31, 2013, the *overlifting payable* to SKK Migas is related to Rimau, Tarakan and Bawean Blocks.

*Payables to Joint Ventures* represent payables for exploration and production activities related to joint ventures, where the Group is not the operator.

*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.

*Tax payable on First Tranche Petroleum (FTP)* is part of underpayment of income tax and dividend tax on *FTP* from PT Medco E & P Lematang and Lematang E&P Limited for fiscal years 2008 until 2014, Camar Resources Canada Inc for fiscal years 1994 until 2014 and PT Medco E & P Tomori Sulawesi for fiscal year 2014. The Subsidiaries will pay the tax if there is "Equity to be split" from the sale of gas.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**21. UTANG PAJAK**

Akun ini terdiri dari:

	2014	2013
<u>Perusahaan</u>		
Pajak penghasilan		
Pasal 4(2)	152.850	102.115
Pasal 15	34.624	21.396
Pasal 21	523.598	575.037
Pasal 23	172.295	186.555
Pasal 26	1.374.363	1.338.537
Sub-jumlah	2.257.730	2.223.640
<u>Entitas Anak</u>		
Pajak penghasilan (PPH) badan	14.083.866	12.679.453
Pajak penghasilan		
Pasal 4(2)	281.893	1.080.615
Pasal 15	32.153	9.630
Pasal 21	751.599	1.286.089
Pasal 23	2.055.796	1.759.041
Pasal 26	21.130	12.264
Pajak Pertambahan Nilai (PPN)	4.420.469	6.298.165
Sub-jumlah	21.646.906	23.125.257
<b>Jumlah</b>	<b>23.904.636</b>	<b>25.348.897</b>

**21. TAXES PAYABLE**

This account consists of:

	The Company
<u>Income tax</u>	
Article 4(2)	102.115
Article 15	21.396
Article 21	575.037
Article 23	186.555
Article 26	1.338.537
Sub-total	2.223.640
<u>Subsidiaries</u>	
Corporate income tax	12.679.453
<u>Income tax</u>	
Article 4(2)	1.080.615
Article 15	9.630
Article 21	1.286.089
Article 23	1.759.041
Article 26	12.264
Value added tax (VAT)	6.298.165
Sub-total	23.125.257
<b>Total</b>	<b>25.348.897</b>

Surat Ketetapan Pajak

Berikut ini adalah status audit pajak dan surat ketetapan pajak (SKP) yang signifikan dalam Grup:

a. Perusahaan

Untuk tahun pajak 2005, Pengadilan Pajak telah memutuskan menerima sebagian banding PPN sebesar Rp1,1 miliar dan menolak banding PPh Pasal 26. Kantor Pajak telah mengajukan Peninjauan Kembali kepada Mahkamah Agung atas sebagian keputusan Pengadilan Pajak mengenai sengketa PPN tahun 2005 sebesar Rp707 juta. Belum ada surat keputusan yang diterima dari Mahkamah Agung sampai tanggal penyelesaian laporan keuangan konsolidasian.

Tax Assessment Letters

Summarized below are the current status of significant tax audits and tax assessment letters ("SKP") within the Group:

a. The Company

For fiscal year 2005, the Tax Court has partially granted the Value Added Tax (VAT) appeal for Rp1.1 billion and rejected the income tax article 26 appeal. The Indonesian Tax Office (ITO) has filed to the Supreme Court a Reconsideration Request on the Tax Court decision on the 2005 VAT dispute amounting to Rp707 million. No decision letter from the Supreme Court has been received as of the completion date of the consolidated financial statements.



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**21. UTANG PAJAK (lanjutan)**

Surat Ketetapan Pajak (lanjutan)

a. Perusahaan (lanjutan)

Untuk tahun pajak 2007, Pengadilan Pajak telah memutuskan menolak banding PPN sebesar Rp11,1 miliar dan memutuskan menerima banding PPh badan sebesar AS\$65 juta dapat digunakan sebagai pengurang penghasilan kena pajak. Perusahaan telah mengajukan Peninjauan Kembali ke Mahkamah Agung atas sengketa PPN tahun 2007 sebesar Rp10,8 miliar yang ditolak oleh Pengadilan Pajak. Kantor Pajak telah mengajukan Peninjauan Kembali kepada Mahkamah Agung atas keputusan Pengadilan Pajak mengenai PPh badan tahun pajak 2007 sebesar AS\$65 juta. Belum ada surat keputusan yang diterima dari Mahkamah Agung sampai tanggal penyelesaian laporan keuangan konsolidasian.

Audit pajak oleh Kantor Pajak atas Perusahaan untuk tahun pajak 2013 sedang dalam proses, dan belum ada surat ketetapan pajak yang diterima sampai tanggal penyelesaian laporan keuangan konsolidasian.

Untuk tahun pajak 2011, Kantor Pajak telah memutuskan menolak keberatan Perusahaan atas koreksi beban pembiayaan pinjaman sehubungan dengan pinjaman yang tidak berhubungan langsung dengan kegiatan usaha Perusahaan sebesar AS\$60,3 juta. Atas penolakan tersebut, Perusahaan telah mengajukan banding kepada Pengadilan Pajak. Belum ada surat ketetapan pajak yang diterima sampai tanggal penyelesaian laporan keuangan konsolidasian.

Untuk tahun pajak 2012, perusahaan telah menyampaikan Surat Keberatan kepada Kantor Pajak atas SKP PPh Badan sebesar AS\$70,7 juta dan PPN sebesar Rp1,7 miliar. Belum ada surat ketetapan pajak yang diterima sampai saat ini.

**21. TAXES PAYABLE (continued)**

Tax Assessment Letters (continued)

a. The Company (continued)

For fiscal year 2007, the Tax Court has rejected the VAT appeal amounting to Rp11.1 billion and accepted the corporate income tax appeal amounting to US\$65 million as deduction of taxable income. The Company has filed a Reconsideration Request to the Supreme Court for the Tax Court Decision on the 2007 VAT amounting to Rp10.8 billion which was earlier rejected by the Tax Court. On the other hand, the ITO has filed a Reconsideration Request to the Supreme Court against the Tax Court's decision regarding the 2007 corporate income tax amounting to US\$65 million. No decision letter from the Supreme Court has been received as of the completion date of the consolidated financial statements.

The tax audit by the ITO on the Company for fiscal year 2013 is still ongoing, and no assessment letter has been received as of the completion date of consolidated financial statements.

For fiscal year 2011, the ITO has rejected the Company's objection application on the fiscal correction relates to the financing costs incurred for the loans that are not directly related to the Company's business amounting to US\$60.3 million. The Company has filed the appeal application to the rejection to the Tax Court. No decision letter from the Tax Court has been received as of the completion date of the consolidated financial statements.

For fiscal year 2012, the Company has filed objection to the ITO on the corporate income tax assessment letter amounting to US\$70.7 million and the VAT assessment letter amounting to Rp1.7 billion. No decision letter from the ITO has been received as of the completion date of the consolidated financial statements.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**21. UTANG PAJAK (lanjutan)**

Surat Ketetapan Pajak (lanjutan)

b. PT Exspan Petrogas Intranusa (EPI)

EPI telah mengajukan surat keberatan atas Surat Ketetapan Pajak Kurang Bayar (SKPKB) PPh badan tahun pajak 2008 sebesar Rp5,9 miliar yang telah ditolak oleh Kantor Pajak pada bulan Juni 2011. EPI telah mengajukan banding ke Pengadilan Pajak. Pada tanggal 10 September 2014, Pengadilan Pajak telah menyetujui seluruh banding EPI. Jumlah lebih bayar tersebut telah diterima pada tanggal 18 November 2014, setelah dikurangi dengan kurang bayar dan denda PPN untuk periode Januari - Mei 2010.

Surat keberatan EPI atas kurang bayar PPN periode Januari - Mei 2010 sejumlah Rp1,7 miliar telah ditolak oleh Kantor Pajak. EPI mengajukan banding ke Pengadilan Pajak. Pada tanggal 10 September 2014, Pengadilan Pajak telah menyetujui sebagian banding EPI sejumlah Rp827,1 juta dan jumlah yang ditolak dibebankan pada tahun 2014.

EPI telah mengajukan surat keberatan atas Surat Ketetapan Pajak Kurang Bayar (SKPKB) PPN periode Juli - November 2010 sebesar Rp1,1 miliar. Kantor Pajak telah menerbitkan surat keputusan keberatan EPI sebagai berikut:

- Juli 2010: Keputusan diterbitkan pada tanggal 28 Desember 2012 dengan menerima sebagian keberatan EPI sejumlah Rp122,7 juta dan menolak keberatan sejumlah Rp70,4 juta.
- Agustus 2010: Keputusan diterbitkan pada tanggal 6 Februari 2013 dengan menerima sebagian keberatan EPI sejumlah Rp70,9 juta dan menolak keberatan sejumlah Rp262,1 juta.
- September 2010: Keputusan diterbitkan pada tanggal 9 Januari 2013 dengan menerima sebagian sejumlah Rp5,9 juta dan menolak keberatan sejumlah Rp139,7 juta.
- Oktober 2010: Keputusan diterbitkan pada tanggal 15 Februari 2013 dengan menerima sebagian keberatan EPI sebesar Rp6,9 juta dan menolak keberatan sejumlah Rp185,9 juta.

**21. TAXES PAYABLE (continued)**

Tax Assessment Letters (continued)

b. PT Exspan Petrogas Intranusa (EPI)

*EPI has submitted its objection letter on the tax underpayment assessment letter ("SKPKB") corporate income tax for fiscal year 2008 amounting to Rp5.9 billion which was rejected by the ITO in June 2011. EPI filed an appeal to the Tax Court. On September 10, 2014, Tax Court has decided to fully granted EPI's appeal. The refund was received on November 18, 2014, after deducted by underpayment and tax penalties of VAT for the period January - May 2010.*

*The objection letter of EPI for the assessment of underpayment of VAT for the period January - May 2010 amounting to Rp1.7 billion was rejected by the ITO. EPI filed an appeal to the Tax Court. On September 10, 2014, the Tax Court has decided to partially grant EPI's appeal amounting to Rp827.1 million and charged the rejected amount to 2014 expenses.*

*EPI submitted its objection letter for the tax assessment on underpayment ("SKPKB") of VAT for the period July - November 2010 amounting to Rp1.1 billion. The ITO has issued its decisions on the objection letter of EPI as follows:*

- *July 2010: Decision was issued on December 28, 2012 which accepted partially EPI's objection amounting to Rp122.7 million and rejected the remaining amount of Rp70.4 million.*
- *August 2010: Decision was issued on February 6, 2013 which accepted partially EPI's objection amounting to Rp70.9 million and rejected the remaining amount of Rp262.1 million.*
- *September 2010: Decision was issued on January 9, 2013 which accepted partially EPI's objection amounting to Rp5.9 million and rejected the remaining amount of Rp139.7 million.*
- *October 2010: Decision was issued on February 15, 2013 which accepted partially EPI's objection amounting to Rp6.9 million and rejected the remaining amount of Rp185.9 million.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**21. UTANG PAJAK (lanjutan)**

Surat Ketetapan Pajak (lanjutan)

b. PT Exspan Petrogas Intranusa (EPI) (lanjutan)

- November 2010: Keputusan diterbitkan pada tanggal 28 Desember 2012 dengan menerima sebagian keberatan EPI sejumlah Rp35,5 juta dan menolak keberatan sejumlah Rp240,6 juta.

Atas penolakan sebagian permohonan keberatan tersebut di atas, EPI telah mengajukan banding ke Pengadilan Pajak. Pada tanggal 20 Agustus 2014, Pengadilan Pajak telah menerima seluruh banding EPI.

Audit pajak untuk PPN periode Juli - Desember 2012 telah selesai dilakukan pada bulan Mei 2014. EPI telah menerima Surat Ketetapan Pajak Lebih Bayar ("SKPLB") untuk PPN September 2012 sejumlah Rp35,9 miliar dan Desember 2012 sejumlah Rp3,3 miliar. EPI juga menerima SKPKB PPN Juli 2012 sejumlah Rp13,6 juta, Agustus 2012 sejumlah Rp4,8 juta, Oktober 2012 sejumlah Rp15,7 juta dan November 2012 sejumlah Rp8 juta. Jumlah lebih bayar tersebut telah diterima oleh EPI tanggal 7 Juli 2014, setelah dikurangi dengan kurang bayar PPN masa Juli, Agustus, Oktober dan November 2014.

Audit pajak untuk PPN periode Januari - Juni 2013 telah selesai dilakukan pada bulan Mei 2014. EPI telah menerima Surat Ketetapan Pajak Lebih Bayar untuk PPN Juni 2013 sejumlah Rp2,6 miliar. EPI telah menerima pengembalian atas lebih bayar tersebut pada tanggal 8 Oktober 2014. EPI juga menerima SKPKB untuk PPN Maret 2013 sejumlah Rp54,2 juta, April 2013 sejumlah Rp13,6 juta, dan Mei 2013 sejumlah Rp60,3 juta. Jumlah kurang bayar tersebut telah disetor oleh EPI pada tanggal 9 Oktober 2014.

**21. TAXES PAYABLE (continued)**

Tax Assessment Letters (continued)

b. PT Exspan Petrogas Intranusa (EPI) (continued)

- November 2010: Decision was issued on December 28, 2012 which accepted partially EPI's objection amounting to Rp35.5 million and rejected the remaining amount of Rp240.6 million.

Regarding the objections that were partially rejected by the ITO above, EPI has filed an appeal to the Tax Court. On August 20, 2014, Tax Court has decided to fully grant EPI's appeal.

The tax audit for VAT for the period July - December 2012 was completed in May 2014, EPI received Tax Assessment Letters for overpayment ("SKPLB") for September 2012 in the amount of Rp35.9 billion and for December 2012 in the amount of Rp3.3 billion. EPI also received SKPKB for VAT for July 2012 in the amount of Rp13.6 million, for August 2012 in the amount of Rp4.8 million, for October 2012 in the amount of Rp15.7 million, and for November 2012 in the amount of Rp8 million. The refund was received on July 7, 2014, after deducted by underpayment of VAT for the months of July, August, October and November 2014.

Tax audit for VAT for the period January - June 2013 was completed in May 2014. EPI received the overpayment tax assessment letter for June 2013 amounting to Rp2.6 billion and received the refund on October 8, 2014. EPI also received underpayment tax assessment letter for March 2013 amounting to Rp54.2 million, April 2013 amounting to Rp13.6 million and for May 2013 amounting to Rp60.3 million. The underpayment was paid by EPI on October 9, 2014.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**21. UTANG PAJAK (lanjutan)**

Surat Ketetapan Pajak (lanjutan)

b. PT Exspan Petrogas Intranusa (EPI) (lanjutan)

Audit pajak untuk PPh Badan tahun pajak 2012 telah selesai dilakukan pada bulan November 2014. EPI telah menerima SKPLB sejumlah Rp3 miliar. Pada tanggal 16 Desember 2014, EPI telah menerima pengembalian atas lebih bayar tersebut, setelah dikurangi dengan kurang bayar PPh senilai Rp342,4 juta.

Audit pajak atas PPh Badan tahun pajak 2013 dan PPN periode Juli - Desember 2013 masih dalam proses. Sampai dengan tanggal penyelesaian laporan keuangan konsolidasian, belum ada surat ketetapan yang diterbitkan oleh Kantor Pajak.

c. PT Medco Downstream Indonesia (MDI) dan Entitas Anak

**PT Medco Methanol Bunyu ("MMB")**

Audit pajak oleh Kantor Pajak atas PT Medco Methanol Bunyu (MMB) sampai tahun pajak 2008 telah ditutup. Atas pemeriksaan pajak tahun 2009, MMB mengajukan keberatan pada tanggal 12 Oktober 2011 atas SKPKB Pajak Penghasilan 23 dan SKPKB PPN Barang dan Jasa bulan November masing-masing sebesar Rp3.140.668.090 dan Rp3.267.259.402.

Pada tanggal 28 September 2012, MMB menerima SKPKB PPN untuk tahun pajak 2009 (periode Januari - April 2009) sebesar Rp47.747.940. MMB sudah melakukan pembayaran atas kurang bayar pada tanggal 2 November 2012 dan mengajukan Surat Keberatan kepada Kantor Pajak atas kurang bayar sebesar Rp47.747.940.

**21. TAXES PAYABLE (continued)**

Tax Assessment Letters (continued)

b. PT Exspan Petrogas Intranusa (EPI) (continued)

The tax audit for corporate income tax fiscal year 2012 was completed in November 2014. EPI has received overpayment tax assessment letter amounting to Rp3 billion. On December 16, 2014, EPI has received the refund after deducted by various underpayment of withholding tax amounting to Rp342.4 million.

Tax audit for corporate income tax fiscal year 2013 and VAT for the period July - December 2013 are still ongoing. No assessments have been issued by the ITO as of the completion date of the consolidated financial statements.

c. PT Medco Downstream Indonesia (MDI) and its Subsidiaries

**PT Medco Methanol Bunyu ("MMB")**

The tax audit by the ITO on PT Medco Methanol Bunyu (MMB) until fiscal year 2008 has been closed. For fiscal year 2009, MMB filed the objection letters on October 12, 2011 for SKPKB of income tax article 23 and VAT on goods and services for November amounting to Rp3,140,668,090 and Rp3,267,259,402, respectively.

On September 28, 2012, MMB received a SKPKB of VAT for the fiscal year 2009 (period of January - April 2009) amounting to Rp47,747,940. MMB has paid the VAT underpayment on November 2, 2012 and filed objection letter to the ITO for underpayment amounting to Rp47,747,940.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**21. UTANG PAJAK (lanjutan)**

Surat Ketetapan Pajak (lanjutan)

- c. PT Medco Downstream Indonesia (MDI) dan Entitas Anak (lanjutan)

**PT Medco Methanol Bunyu ("MMB") (lanjutan)**

Pada tanggal 27 Juni 2014, MMB menerima Surat Putusan Pengadilan Pajak atas PPN untuk tahun pajak 2009 (periode Januari - April dan November) yang menerima sebagian banding PPN tahun pajak 2009. Pada tanggal 1 September 2014, MMB menerima pengembalian pajak atas hasil banding tersebut sebesar Rp3.304.458.706, sisanya dicatat pada bagian rugi dari operasi yang dihentikan.

Terkait banding PPh Pasal 23 tahun pajak 2009, pada tanggal 18 Desember 2014 telah diucapkan putusan oleh Pengadilan Pajak, yang memutuskan untuk membatalkan Keputusan Dirjen Pajak nomor KEP-1822/WPJ.07/2012 tanggal 4 Oktober 2012. Pada tanggal 20 Februari 2015, MMB menerima pengembalian pajak sepenuhnya atas hasil banding PPh Pasal 23 sebesar Rp3.140.668.090.

**PT Medco Ethanol Lampung ("MEL")**

Audit pajak oleh Kantor Pajak untuk PPh Badan tahun pajak 2011 telah selesai dilaksanakan. MEL telah menerima Surat Keputusan Pajak Nihil (SKPN) atas pajak penghasilan badan tahun pajak 2011 pada tanggal 4 Desember 2014.

- d. PT Medco E & P Lematang (MEPL)

Audit pajak oleh Kantor Pajak untuk tahun pajak 2011, 2012, dan 2013 sedang dalam proses, dan belum ada surat ketetapan pajak yang sudah diterima sampai tanggal penyelesaian laporan keuangan konsolidasian.

**21. TAXES PAYABLE (continued)**

Tax Assessment Letters (continued)

- c. PT Medco Downstream Indonesia (MDI) and its Subsidiaries (continued)

**PT Medco Methanol Bunyu ("MMB") (continued)**

On June 27, 2014, MMB received the Tax Court decision on appeals of VAT for fiscal year 2009 (period of January - April and November) which partially granted the VAT 2009 appeals. On September 1, 2014, MMB received the overpayment of VAT amounting to Rp3,304,458,706 and the remaining is recorded in loss on discontinued operation.

Regarding appeal on income tax article 23 for fiscal year 2009, on December 18, 2014, the Tax Court has also granted the appeal by revoking the DGT Decision Letter number KEP-1822/WPJ.07/2012 dated October 4, 2012. On February 20, 2015, MMB received the full overpayment of income tax article 23 amounting to Rp3,140,668,090.

**PT Medco Ethanol Lampung ("MEL")**

The tax audit by the ITO on corporate income tax fiscal year 2011 has been completed. MEL has received Tax Assessment Letter ("SKPN") on corporate income tax for the fiscal year 2011 on December 4, 2014 indicating no over or underpayment.

- d. PT Medco E & P Lematang (MEPL)

The tax audit by the ITO for fiscal years 2011, 2012 and 2013 is still on-going and no tax assessment letter has been received as of the completion date of the consolidated financial statements.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**21. UTANG PAJAK (lanjutan)**

Surat Ketetapan Pajak (lanjutan)

e. PT Medco E & P Tarakan (MEPT)

Audit pajak oleh Kantor Pajak untuk tahun pajak 2006 telah selesai dilakukan. MEPT menerima SKPKB PPh Pasal 21 sebesar Rp8.625.992 yang telah dibayar pada tanggal 10 Februari 2014.

Audit pajak oleh Kantor Pajak untuk tahun pajak 2009 telah selesai. MEPT menerima SKPKB PPh Pasal 21 sebesar Rp10.911.040 yang telah dibayar pada tanggal 25 Februari 2014 dan STP PPN sebesar Rp7.352.359 yang telah dibayar pada tanggal 27 Februari 2014. Audit pajak oleh Kantor Pajak untuk tahun pajak 2011, 2012 dan 2013 sedang dalam proses dan belum ada surat ketetapan pajak yang diterima sampai dengan tanggal penyelesaian laporan keuangan konsolidasian.

f. PT Medco LNG Indonesia (MLI)

Pada tanggal 11 Juli 2014, MLI telah menerima SKPLB PPh Badan untuk tahun pajak 2011 sebesar Rp822.140.858.

Audit pajak untuk Pajak Penghasilan Badan tahun pajak 2009, 2010 dan 2012 telah selesai dilaksanakan. MLI telah menerima SKPLB PPh Badan tahun pajak 2012 sebesar Rp4,3 miliar, dan SKP Nihil untuk PPh Badan tahun pajak 2009 dan 2010.

g. PT Medco Sarana Balaraja (MSB)

Audit pajak oleh Kantor Pajak untuk Pajak Penghasilan Badan tahun pajak 2009 telah selesai dilaksanakan, dan MSB telah menerima SKP Nihil pada tanggal 13 Oktober 2014.

h. PT Medco Energi Mining Internasional (MEMI)

Audit pajak oleh Kantor Pajak untuk pajak penghasilan badan tahun pajak 2009 telah selesai dilaksanakan, dan MEMI telah menerima SKPN atas PPh Badan tahun pajak 2009.

**21. TAXES PAYABLE (continued)**

Tax Assessment Letters (continued)

e. PT Medco E & P Tarakan (MEPT)

The tax audit by the ITO for the fiscal year 2006 has been completed. MEPT received SKPKB of income tax article 21 amounting to Rp8,625,992 which was paid on February 10, 2014.

The tax audit by the ITO for fiscal year 2009 has been completed. MEPT received SKPKB of income tax article 21 amounting to Rp10,911,040 which was paid on February 25, 2014 and STP on VAT amounting to Rp7,352,359 which was paid on February 27, 2014. The tax audit by the ITO for the fiscal years 2011, 2012 and 2013 are still on-going and no SKP has yet been received as of the completion date of the consolidated financial statements.

f. PT Medco LNG Indonesia (MLI)

On July 11, 2014, MLI has received SKPLB for fiscal year 2011 corporate income tax amounting to Rp822,140,858.

The tax audit by the ITO on corporate income tax for the fiscal years 2009, 2010 and 2012 has been completed. MLI has received SKPLB amounting Rp4.3 billion for corporate income tax for the fiscal year 2012, and Tax Assessment Letter for corporate income tax for the fiscal years 2009 and 2010 indicating no over or underpayment.

g. PT Medco Sarana Balaraja (MSB)

The tax audit by the ITO for Corporate Income Tax for the fiscal year 2009 has been completed, and MSB has received Tax Assessment Letter on October 13, 2014 indicating no over or underpayment.

h. PT Medco Energi Mining Internasional (MEMI)

The tax audit by the ITO on corporate income tax for the fiscal year 2009 has been completed, and MEMI has received Tax Assessment Letter of corporate income tax for the fiscal year 2009 indicating no over or underpayment.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**21. UTANG PAJAK (lanjutan)**

Surat Ketetapan Pajak (lanjutan)

i. PT Medco Integrated Resources (MIR)

Audit pajak oleh Kantor Pajak untuk tahun pajak 2009 telah selesai dilaksanakan, dan MIR telah menerima SKPN atas pajak penghasilan badan tahun pajak 2009 pada tanggal 5 November 2014.

j. PT Medco E & P Rimau (MEPR)

Audit pajak oleh Kantor Pajak untuk tahun pajak 2011, 2012 dan 2013 sedang dalam proses dan belum ada surat ketetapan pajak yang diterima sampai dengan tanggal penyelesaian laporan keuangan konsolidasian.

Audit pajak oleh Kantor Pajak untuk tahun pajak 2007 telah selesai dilakukan. MEPR menerima STP PPh Pasal 23 sebesar Rp188.865.547 yang telah dibayar pada tanggal 21 Januari 2014.

Untuk tahun pajak 2009, Kantor Pajak telah menolak pengajuan keberatan oleh MEPR atas SKPKB PPh Pasal 21, PPh Pasal 23 dan PPh Final Pasal 4 ayat (2) masing-masing sebesar Rp5,1 miliar, Rp703 juta, dan Rp2,7 miliar. MEPR telah mengajukan banding atas penolakan tersebut kepada Pengadilan Pajak. Belum ada Surat Ketetapan Pajak yang diterima dari Pengadilan Pajak sampai dengan tanggal penyelesaian laporan keuangan konsolidasian.

k. PT Medco E & P Indonesia (MEPI)

Audit pajak oleh Kantor Pajak untuk tahun pajak 2011, 2012 dan 2013 sedang dalam proses dan belum ada surat ketetapan pajak yang diterima sampai tanggal penyelesaian laporan keuangan konsolidasian.

**21. TAXES PAYABLE (continued)**

Tax Assessment Letters (continued)

i. PT Medco Integrated Resources (MIR)

The tax audit by the ITO on corporate income tax for the fiscal year 2009 has been completed, and MIR has received Tax Assessment Letter for corporate income tax for the fiscal year 2009 on November 5, 2014 indicating no under or overpayment.

j. PT Medco E & P Rimau (MEPR)

The tax audits by the ITO for the fiscal years 2011, 2012 and 2013 are still on-going and no tax assessment letter has yet been received as of the completion date of the consolidated financial statements.

The tax audit by the ITO for fiscal year 2007 has been completed. MEPR received STP for income tax article 23 amounting Rp188,865,547 which has been paid on January 21, 2014.

For the fiscal year 2009, the ITO has rejected MEPR objection for the SKPKB of income tax article 21, article 23 and article 4(2) amounting to Rp5.1 billion, Rp703 million and Rp2.7 billion, respectively. MEPR has filed appeal applications on the rejection to the Tax Court. No decision letter received from the Tax Court of the completion date of the consolidated financial statements.

k. PT Medco E & P Indonesia (MEPI)

The tax audits by the ITO for the fiscal years 2011, 2012 and 2013 are still ongoing and no assessment letter received as of the completion date of the consolidated financial statements.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**21. UTANG PAJAK (lanjutan)**

Surat Ketetapan Pajak (lanjutan)

I. Medco Ventures International (Barbados) Limited (MVI) and Medco Sahara Limited (MSL)

Medco Ventures International (Barbados) Limited dan Medco Sahara Limited menerima SKP sejumlah TND9,9 juta (sekitar AS\$5,2 juta) and TND5,3 juta (sekitar AS\$2,8 juta) pada tahun 2014, untuk SKPKB PPh Badan tahun pajak 2010 - 2013 (periode sebelum "Effective Date" seperti tercantum pada Catatan 44). Menurut peraturan perpajakan di Tunisia, belum ada pajak yang terhutang pada tahap ini. Jika kemudian akan terhutang, ketentuan dalam Perjanjian Jual Beli Saham menyebutkan bahwa segala kewajiban perpajakan yang terjadi sebelum periode "Effective Date" akan menjadi tanggungan penjual.

Berdasarkan peraturan perpajakan Indonesia, Perusahaan dan Entitas Anak menghitung, menetapkan dan membayar jumlah pajak yang terutang secara *self-assessment*. Surat pelaporan pajak konsolidasian tidak diperkenankan dalam peraturan perpajakan Indonesia. Sejak 1 Januari 2008, kadaluarsa penetapan pajak tersebut telah diubah menjadi 5 tahun dimana sebelumnya 10 tahun. Manajemen berkeyakinan Grup telah menaati ketentuan perpajakan yang berlaku di Indonesia.

Untuk yurisdiksi pajak lainnya, manajemen juga secara substansi berkeyakinan bahwa Grup telah menaati ketentuan perundang-undangan perpajakan yang berlaku dalam hal pelaporan pajak.

**21. TAXES PAYABLE (continued)**

Tax Assessment Letters (continued)

I. Medco Ventures International (Barbados) Limited (MVI) and Medco Sahara Limited (MSL)

Medco Ventures International (Barbados) Limited and Medco Sahara Limited received SKP amounting to TND9.9 million (approximately US\$5.2 million) and TND5.3 million (approximately US\$2.8 million) in 2014, for the underpayment of corporate income tax for the fiscal years 2010 - 2013 (prior to the "Effective Date Stated in Note 44). According to the Tunisian Income Tax Laws, there is no tax liability yet at this stage. In case, the corporate income taxes become payable, the Shares Sales and Purchase Agreement stipulates that any tax obligations incurred prior to effective date remain the responsibility of the seller.

Under the taxation laws of Indonesia, the Company and Subsidiaries compute, determine and pay their tax liabilities on the basis of self-assessment. Consolidated tax returns are not allowed under the Indonesia taxation laws. Starting January 1, 2008, the statute of limitation for tax assessment is amended to 5 years which was previously 10 years. Management believes the Group has fully complied with the tax requirements in Indonesia.

For other tax jurisdictions, management also believes the Group has substantially complied with the applicable laws in regard to tax reporting requirements.



The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**22. BIAYA AKRUAL DAN PROVISI LAIN-LAIN**

Akun ini terdiri dari:

	2014	2013
Kontrak jasa	52.513.393	31.850.820
Sewa	7.217.998	16.209.544
Bunga	6.249.752	4.051.650
Beban operasional lainnya	5.231.959	4.809.641
Ventura bersama	4.818.557	6.940.891
Tenaga kerja	766.766	813.213
Perbaikan dan pemeliharaan aset tetap	-	5.839.269
Lain-lain	56.405	181.863
<b>Jumlah</b>	<b>76.854.830</b>	<b>70.696.891</b>

**22. ACCRUED EXPENSES AND OTHER PROVISIONS**

This account consists of:

Contract services
Rentals
Interest
Other operating expenses
Joint ventures
Labor supply
Repairs and maintenance of property, plant and equipment
Others
<b>Total</b>

**23. DERIVATIF**

Akun ini terdiri dari transaksi derivatif Perusahaan sebagai berikut:

**23. DERIVATIVES**

This account consists derivative transactions of the Company as follows:

Pihak ketiga	Jenis/ Type	2014			2013			Counterparties
		Aset Derivatif/ Derivative Assets	Liabilitas Derivatif/ Derivative Liabilities	Keuntungan (Kerugian)/ Gain (Loss)	Aset Derivatif/ Derivative Assets	Liabilitas Derivatif/ Derivative Liabilities	Keuntungan (Kerugian)/ Gain (Loss)	
<b>Perusahaan</b>							<b>Company</b>	
PT DBS Bank Indonesia	Perjanjian swap atas mata uang silang/ Cross-currency swap	-	68.497.091	4.164.720	-	72.661.811	(63.628.434)	PT DBS Bank Indonesia
Standard Chartered Bank	Perjanjian swap atas mata uang silang/ Cross-currency swap	-	49.801.364	5.127.433	-	54.928.797	(46.983.322)	Standard Chartered Bank
Bank of Tokyo Mitsubishi-UFJ, Ltd	Perjanjian swap atas mata uang silang/ Cross-currency swap	-	18.949.932	2.449.371	-	24.269.544	(23.718.182)	Bank of Tokyo Mitsubishi-UFJ, Ltd
Morgan Stanley & Co International PLC	Perjanjian swap atas mata uang silang/ Cross-currency swap	-	-	2.221.729	-	6.980.642	(6.525.183)	Morgan Stanley & Co International PLC
PT Bank Permata Tbk	Perjanjian swap atas mata uang silang/ Cross-currency swap	-	12.315.601	1.499.226	-	13.814.827	(13.814.827)	PT Bank Permata Tbk
Morgan Stanley & Co International PLC	Perjanjian swap atas tingkat suku bunga/ Interest rate swap	-	18.981	(18.981)	-	-	-	Morgan Stanley & Co International PLC
PT Bank CIMB Niaga Tbk	Perjanjian swap atas tingkat suku bunga/ Interest rate swap	-	16.585	(16.585)	-	-	-	PT Bank CIMB Niaga Tbk
Bank of Tokyo Mitsubishi-UFJ, Ltd	Perjanjian swap atas tingkat suku bunga/ Interest rate swap	-	19.272	(19.272)	-	-	-	Bank of Tokyo Mitsubishi-UFJ, Ltd
<b>Jumlah</b>		-	149.618.826	15.407.641	-	172.655.621	(154.669.948)	<b>Total</b>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**23. DERIVATIF (lanjutan)**

**23. DERIVATIVES (continued)**

Pihak ketiga	Jenis/ Type	2014			2013			Counterparties
		Aset Derivatif/ Derivative Assets	Liabilitas Derivatif/ Derivative Liabilities	Keuntungan (Kerugian)/ Gain (Loss)	Aset Derivatif/ Derivative Assets	Liabilitas Derivatif/ Derivative Liabilities	Keuntungan (Kerugian)/ Gain (Loss)	
Dikurangi yang jatuh tempo dalam satu tahun		-	35.856.281		-	10.520.221	Less current portion	
<b>Bagian jangka panjang</b>		<b>-</b>	<b>113.762.545</b>		<b>-</b>	<b>162.135.400</b>	<b>Long-term portion</b>	
Keuntungan (kerugian) yang terrealisasi atau belum direalisasi yang diakui pada laporan laba rugi komprehensif konsolidasian				2.891.067		(9.945.596)	Unrealized or realized gain (loss) on derivatives recognized in consolidated statements of comprehensive income	
Pendapatan komprehensif lainnya atas lindung nilai atas arus kas				<b>12.516.574</b>		<b>(144.724.352)</b>	Other comprehensive income of cash flow hedge	

Perusahaan melakukan transaksi *swap* tingkat bunga atas mata uang silang, *swap* atas mata uang silang dan kontrak *forward* mata uang asing sebagai instrumen lindung nilai untuk mengelola risiko atas tingkat bunga dan mata uang asing. Seluruh kontrak yang dilakukan Perusahaan mempunyai kewajiban yang mendasari.

The Company entered into cross-currency interest rate swaps, cross-currency swaps, and forward exchange contracts as hedging instruments to manage its interest rate and foreign currency risks. All contracts entered into by the Group have underlying obligations.

Informasi lebih lanjut mengenai berbagai kontrak derivatif Perusahaan adalah sebagai berikut:

Further information relating to the derivatives undertaken by the Company is as follows:

Pihak Ketiga/ Counterparties	Jenis/ Type	Nilai Notional/Notional amount		Tanggal Efektif/ Effective date	Tanggal Pertukaran Akhir/ Final exchange date	Syarat/ Terms and conditions
		Dalam AS\$/ In US\$	Dalam Rupiah/ In IDR			
PT Bank DBS Indonesia	Perjanjian <i>swap</i> atas mata uang silang/ Cross-currency <i>swap</i>	81.833.061	1.000.000.000.000	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.
Bank of Tokyo Mitsubishi-UFJ, Ltd	Perjanjian <i>swap</i> atas suku bunga/ Interest Rate <i>Swap</i>	10.000.000	N/A	14 Juli 2014/ July 14, 2014	3 Juli 2017/ July 3, 2017	Perusahaan menerima tingkat suku bunga mengambang dengan basis Libor per tahun dan membayar pada tingkat suku bunga tetap per tahun setiap tiga bulan pada tanggal 3 Januari, 3 April, 3 Juli dan 3 Oktober. The Company shall receive a floating libor-based interest rate per annum and pay a fixed interest rate per annum on every January 3, April 3, July 3 and October 3.

Catatan:  
\* tanggal pertukaran awal

Note:  
\* initial exchange date

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**23. DERIVATIF (lanjutan)**

**23. DERIVATIVES (continued)**

Pihak Ketiga/ Counterparties	Jenis/ Type	Nilai Notional/Notional amount		Tanggal Efektif/ Effective date	Tanggal Pertukaran Akhir/ Final exchange date	Syarat/ Terms and conditions
		Dalam AS\$/ In US\$	Dalam Rupiah/ In IDR			
Morgan Stanley & Co International PLC	Perjanjian swap atas suku bunga/ Interest Rate Swap	10.000.000	N/A	14 Juli 2014/ July 14, 2014	3 Juli 2017/ July 3, 2017	Perusahaan menerima tingkat suku bunga mengambang dengan basis Libor per tahun dan membayar pada tingkat suku bunga tetap per tahun setiap tiga bulan pada tanggal 3 Januari, 3 April, 3 Juli dan 3 Oktober./ <i>The Company shall receive a floating libor-based interest rate per annum and pay a fixed interest rate per annum on every January 3, April 3, July 3 and October 3.</i>
PT CIMB Niaga Tbk	Perjanjian swap atas suku bunga/ Interest Rate Swap	10.000.000	N/A	14 Juli 2014/ July 14, 2014	3 Juli 2017/ July 3, 2017	Perusahaan menerima tingkat suku bunga mengambang dengan basis LIBOR per kuartal dengan spread dan membayar pada tingkat suku bunga tetap per tahun setiap tiga bulan pada tanggal 3 Januari, 3 April, 3 Juli dan 3 Oktober./ <i>The Company shall receive a floating 3 months LIBOR based interest rate plus spread per annum and pay a fixed interest rate per annum on every January 3, April 3, July 3 and October 3.</i>
PT Bank DBS Indonesia	Perjanjian swap atas mata uang silang/ Cross-currency swap	71.794.871	700.000.000.000	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./ <i>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.</i>
PT Bank Permata Tbk	Perjanjian swap atas mata uang silang/ Cross-currency swap	41.025.641	400.000.000.000	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./ <i>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.</i>

Catatan:  
\* tanggal pertukaran awal

Note:  
\* initial exchange date

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**23. DERIVATIF (lanjutan)**

**23. DERIVATIVES (continued)**

Pihak Ketiga/ Counterparties	Jenis/ Type	Nilai Notional/Notional amount		Tanggal Efektif/ Effective date	Tanggal Pertukaran Akhir/ Final exchange date	Syarat/ Terms and conditions
		Dalam AS\$/ In US\$	Dalam Rupiah/ In IDR			
Standard Chartered Bank	Perjanjian swap atas mata uang silang/ Cross-currency swap	20.512.820	200.000.000.000	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. <i>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.</i>
Bank of Tokyo Mitsubishi – UFJ, Ltd	Perjanjian swap atas mata uang silang/ Cross-currency swap	20.512.820	200.000.000.000	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. <i>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.</i>

Catatan:

\* tanggal pertukaran awal

Note:

\* initial exchange date

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**23. DERIVATIF (lanjutan)**

**23. DERIVATIVES (continued)**

Pihak Ketiga/ Counterparties	Jenis/ Type	Nilai Notional/Notional amount		Tanggal Efektif/ Effective date	Tanggal Pertukaran Akhir/ Final exchange date	Syarat/ Terms and conditions
		Dalam AS\$/ In US\$	Dalam Rupiah/ In IDR			
PT Bank DBS Indonesia	Perjanjian swap atas mata uang silang/ Cross- currency swap	31.088.083	300.000.000.000	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. <i>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.</i>
Standard Chartered Bank	Perjanjian swap atas mata uang silang/ Cross- currency swap	20.725.389	200.000.000.000	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. <i>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.</i>

Catatan:

\* tanggal pertukaran awal

Note:

\* initial exchange date

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**23. DERIVATIF (lanjutan)**

**23. DERIVATIVES (continued)**

Pihak Ketiga/ Counterparties	Jenis/ Type	Nilai Notional/Notional amount		Tanggal Efektif/ Effective date	Tanggal Pertukaran Akhir/ Final exchange date	Syarat/ Terms and conditions
		Dalam AS\$/ In US\$	Dalam Rupiah/ In IDR			
PT Bank DBS Indonesia	Perjanjian swap atas mata uang silang/ Cross- currency swap	41.731.873	400.000.000.000	27 September 2012 */ September 27, 2012 *	24 September 2015/ September 24, 2015	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 25 Maret, 25 Juni, 24 September dan 25 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./ <i>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 25, June 25, September 25 and December 25. 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.</i>
Standard Chartered Bank	Perjanjian swap atas mata uang silang/ Cross- currency swap	52.164.841	500.000.000.000	27 September 2012 */ September 27, 2012 *	24 September 2015/ September 24, 2015	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 24 Maret, 24 Juni, 24 September dan 24 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./ <i>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 24, June 24, September 24 and December 24. 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.</i>

Catatan:

\* tanggal pertukaran awal

Note:

\* initial exchange date

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**23. DERIVATIF (lanjutan)**

**23. DERIVATIVES (continued)**

Pihak Ketiga/ Counterparties	Jenis/ Type	Nilai Notional/Notional amount		Tanggal Efektif/ Effective date	Tanggal Pertukaran Akhir/ Final exchange date	Syarat/ Terms and conditions
		Dalam AS\$/ In US\$	Dalam Rupiah/ In IDR			
Bank of Tokyo Mitsubishi – UFJ, Ltd	Perjanjian swap atas mata uang silang/ Cross- currency swap	52.164.841	500.000.000.000	27 September 2012 */ September 27, 2012 *	24 September 2015/ September 24, 2015	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 24 Maret, 24 Juni, 24 September dan 24 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. <i>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 24, June 24, September 24 and December 24. 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.</i>
PT DBS Bank Indonesia	Perjanjian swap atas mata uang silang/ Cross- currency swap	78.947.368	750.000.000.000	19 Juni 2012 */ June 19, 2012 *	19 Juni 2017/ June 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. <i>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.</i>

Catatan:

\* tanggal pertukaran awal

Note:

\* initial exchange date

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**23. DERIVATIF (lanjutan)**

**23. DERIVATIVES (continued)**

Pihak Ketiga/ Counterparties	Jenis/ Type	Nilai Notional/Notional amount		Tanggal Efektif/ Effective date	Tanggal Pertukaran Akhir/ Final exchange date	Syarat/ Terms and conditions
		Dalam AS\$/ In US\$	Dalam Rupiah/ In IDR			
Standard Chartered Bank	Perjanjian swap atas mata uang silang/ Cross-currency swap	78.947.368	750.000.000.000	19 Juni 2012*/ June 19, 2012 *	19 Juni 2017/ June 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-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.
Bank of Tokyo Mitsubishi – UFJ	Perjanjian swap atas mata uang silang/ Cross-currency swap	15.000.000	143.100.000.000	10 September 2012*/ September 10, 2012 *	16 Juni 2014/ June 16, 2014	Perusahaan menerima tingkat bunga tetap sebesar 14,25% per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap 9,20% per tahun atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 16 Maret, 16 Juni, 16 September dan 16 Desember. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah./ The Company shall receive a fixed interest rate of 14.25% per annum on the Rupiah notional amount and pay a fixed interest rate of 9.20% per annum on the US Dollars notional amount every March 16, June 16, September 16 and December 16. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount.
Morgan Stanley & Co International PLC, Singapura	Perjanjian swap atas mata uang silang/ Cross-currency swap	35.000.000	323.750.000.000	19 dan 28 Januari 2011*/ January 19 and 28, 2011 *	17 Juni 2014/ June 17, 2014	Perusahaan menerima tingkat bunga tetap sebesar 14,25% per tahun atas nilai nominal Rupiah dan membayar pada tingkat bunga tetap 10,35% dan 10,75% per tahun atas nilai nominal Dolar AS setiap tiga bulan pada tanggal 17 Maret, 17 Juni, 17 September dan 17 Desember. Pada pertukaran akhir, Perusahaan membayar nilai nominal Dolar AS dan menerima nilai nominal Rupiah dengan kondisi yang telah ditetapkan./ The Company shall receive a fixed interest rate of 14.25% per annum on the Rupiah notional amount and pay a fixed interest rate of 10.35% and 10.75% per annum on the US Dollars notional amount every March 17, June 17, September 17 and December 17. On the final exchange date, the Company pays the US Dollars notional amount and receives the Rupiah notional amount with conditions applied.

Catatan:  
\* tanggal pertukaran awal

Note:  
\* initial exchange date



The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**24. PINJAMAN BANK**

**24. BANK LOANS**

	2014	2013	
Pinjaman Bank Jangka Pendek	-	60.000.000	Short-term Bank Loans
Pinjaman Bank Jangka Panjang - bagian yang jatuh tempo dalam satu tahun	183.790.193	928.203	Long-term Bank Loans - current portion
	183.790.193	60.928.203	
Pinjaman Bank Jangka Panjang - bagian pinjaman jangka panjang	553.762.073	374.867.214	Long-term Bank Loans - long-term portion
<b>Jumlah</b>	<b>737.552.266</b>	<b>435.795.417</b>	<b>Total</b>
Dikurangi diskonto yang belum diamortisasi	9.186.857	-	Less unamortized discount
Neto	728.365.409	435.795.417	Net
Dikurangi bagian yang jatuh tempo dalam satu tahun	183.696.183	60.928.203	Less current portion
<b>Bagian jangka panjang</b>	<b>544.669.226</b>	<b>374.867.214</b>	<b>Long-term portion</b>

a. Pinjaman Bank

a. Bank Loans

2014					
Kreditur	Jumlah/ Total	Jangka Pendek/ Current	Jatuh Tempo Dalam Satu Tahun/ Maturing Within One Year	Jangka Panjang/ Non-current	Lenders
<b>Dolar AS</b>					
<b>Pihak ketiga</b>					
PT Bank Mandiri (Persero) Tbk	345.000.000	-	-	345.000.000	PT Bank Mandiri (Persero) Tbk
PT Bank Negara Indonesia (Persero) Tbk	105.000.000	-	67.500.000	37.500.000	PT Bank Negara Indonesia (Persero) Tbk
PT Bank ICBC Indonesia	50.000.000	-	-	50.000.000	PT Bank ICBC Indonesia
The Bank of Tokyo - Mitsubishi UFJ	30.000.000	-	3.750.000	26.250.000	The Bank of Tokyo - Mitsubishi UFJ
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	Syndicated loan from Standard Chartered Bank, PT Bank ANZ Indonesia, Natixis Bank Singapore and PT Bank Mandiri (Persero) Tbk
Sub-jumlah	625.012.073	-	71.250.000	553.762.073	Sub-total
<b>Rupiah</b>					
<b>Pihak ketiga</b>					
PT Bank Negara Indonesia (Persero) Tbk (dalam mata uang asli: Rp1,4 triliun)	112.540.193	-	112.540.193	-	PT Bank Negara Indonesia (Persero) Tbk (in original currency: Rp1.4 trillion)
Sub-jumlah	112.540.193	-	112.540.193	-	Sub-total
Dikurangi diskonto yang belum diamortisasi	9.186.857	-	94.010	9.092.847	Less unamortized discount
<b>Jumlah</b>	<b>728.365.409</b>	<b>-</b>	<b>183.696.183</b>	<b>544.669.226</b>	<b>Total</b>

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**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**24. PINJAMAN BANK (lanjutan)**

**24. BANK LOANS (continued)**

a. Pinjaman Bank (lanjutan)

a. Bank Loans (continued)

2013					
Kreditur	Jumlah/ Total	Jangka Pendek/ Current	Jatuh Tempo Dalam Satu Tahun/ Maturing Within One Year	Jangka Panjang/ Non-current	Lenders
<b>Dolar AS</b>					
<b>Pihak ketiga</b>					
PT Bank Mandiri (Persero) Tbk	245.000.000	50.000.000	-	195.000.000	<i>PT Bank Mandiri (Persero) Tbk PT Bank Negara Indonesia (Persero) Tbk PT Bank ICBC Indonesia</i>
PT Bank Negara Indonesia (Persero) Tbk	65.000.000	-	-	65.000.000	
PT Bank ICBC Indonesia	10.909.091	10.000.000	909.091	-	
Sub-jumlah	320.909.091	60.000.000	909.091	260.000.000	Sub-total
<b>Rupiah</b>					
<b>Pihak ketiga</b>					
PT Bank Negara Indonesia (Persero) Tbk (dalam mata uang asli Rp1,4 triliun)	114.857.658	-	-	114.857.658	<i>PT Bank Negara Indonesia (Persero) Tbk (in original currency: Rp1.4 trillion) PT Bank Rakyat Indonesia (Persero) Tbk (in original currency: Rp350 million)</i>
PT Bank Rakyat Indonesia (Persero) Tbk (dalam mata uang asli: Rp350 juta)	28.668	-	19.112	9.556	
Sub-jumlah	114.886.326	-	19.112	114.867.214	Sub-total
Dikurangi diskonto yang belum diamortisasi	-	-	-	-	Less unamortized discount
<b>Jumlah</b>	<b>435.795.417</b>	<b>60.000.000</b>	<b>928.203</b>	<b>374.867.214</b>	<b>Total</b>

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**24. PINJAMAN BANK (lanjutan)**

a. Pinjaman Bank (lanjutan)

Informasi mengenai tanggal efektif pinjaman dan jadwal pelunasan pinjaman bank adalah sebagai berikut:

**24. BANK LOANS (continued)**

a. Bank Loans (continued)

Information relating to bank loans effectivity date and repayment schedule is as follows:

Kreditur/Lenders	Tanggal efektif pinjaman/ Loan effectivity date	Jadwal pelunasan/ Repayment schedule	Jaminan/Security
<b>Perusahaan (lanjutan)/ Company (continued)</b>			
PT Bank Mandiri (Persero) Tbk			
Fasilitas Kredit Modal Kerja /Working Capital Credit Facility	Maret 2013/ March 2013	Maret 2014/ March 2014	Fasilitas ini tidak dijamin dengan agunan khusus/ The loan facility is unsecured.
Fasilitas Kredit Transaksi Khusus I/ Special Transaction Credit Facility I	April 2011/ April 2011	April 2016/ April 2016	Fasilitas ini tidak dijamin dengan agunan khusus./ The loan facility is unsecured.
Fasilitas Kredit Transaksi Khusus II/ Special Transaction Credit Facility II	September 2011/ September 2011	September 2016/ September 2016	Fasilitas ini tidak dijamin dengan agunan khusus./ The loan facility is unsecured.
Fasilitas Kredit Transaksi Khusus III/ Special Transaction Credit Facility III	Agustus 2014/ August 2014	Agustus 2017/ August 2017	Fasilitas ini tidak dijamin dengan agunan khusus./ The loan facility is unsecured.
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./ The loan facility is unsecured.
PT Bank Negara Indonesia (Persero) Tbk			
Fasilitas Kredit Pendanaan Umum	Juni 2010/ June 2010	Telah dibayar penuh pada bulan Juni 2013/ Fully paid in June 2013	Fasilitas ini tidak dijamin dengan agunan khusus./ The loan facility is unsecured.
Fasilitas Kredit Modal Kerja/ Revolving Working Capital Loan Facility	Juli 2011/ July 2011	Juli 2016/ July 2016	Fasilitas ini tidak dijamin dengan agunan khusus./ The loan facility is unsecured.
Fasilitas Kredit Term Loan/ Term Loan Facility	September 2012/ September 2012	Telah dibayar sebagian pada Februari dan Juli 2013/ Partially paid in February and July 2013	Fasilitas ini tidak dijamin dengan agunan khusus./ The loan facility is unsecured.
September 2012/ September 2012		September 2015/September 2015	Fasilitas ini tidak dijamin dengan agunan khusus./ The loan facility is unsecured.
PT Bank DKI			
Fasilitas Kredit Transaksi Khusus/ Special Transaction Credit Facility	Mei 2011/ May 2011	Juni 2014/ June 2014	Fasilitas ini tidak dijamin dengan agunan khusus./ The loan facility is unsecured.
		Telah dibayar penuh pada bulan Mei 2013/ Fully paid in May 2013	

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**24. PINJAMAN BANK (lanjutan)**

**24. 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
<b>Perusahaan (lanjutan)/ Company (continued)</b>			
PT Bank ICBC Indonesia			
Fasilitas Pinjaman Tetap atas Permintaan/ Fixed Loan on Demand	Februari 2013/ February 2013	Februari 2014/ February 2014	Fasilitas ini tidak dijamin dengan agunan khusus./ The loan facility is unsecured.
Fasilitas Pinjaman Tetap atas Permintaan/ Fixed Loan on Demand	Februari 2014/ February 2014	Februari 2017/ February 2017	Fasilitas ini tidak dijamin dengan agunan khusus./ The loan facility is unsecured.
PT Bank Rakyat Indonesia (Persero) Tbk			
Fasilitas Kredit/ Standby Loan Credit Facility	Juni 2011/ June 2011	Juni 20016/ June 2016  Telah dibayar penuh pada bulan Maret dan April 2013/ Fully paid in March and April 2013	Fasilitas ini tidak dijamin dengan agunan khusus./ The loan facility is unsecured.
Bank of Tokyo - Mitsubishi UFJ			
Fasilitas Kredit/ Standby Loan Credit Facility	Mei 2011/ May 2011  July 2014	Mei 2016/ May 2016  Fully paid in January 2013  Juli 2017/ July 2017	Fasilitas ini tidak dijamin dengan agunan khusus./ The loan facility is unsecured.  The loan facility is unsecured.
Fasilitas Kredit/ Revolving Credit Facility			
<b>PT Medco E&amp;P Tomori Sulawesi</b>			
Bank Standard Chartered PT Bank Mandiri (Persero) Tbk PT Bank ANZ Indonesia Natixis Bank, Singapore Pinjaman Sindikasi untuk pendanaan Proyek Senoro/ Syndicated Loan for financing the Senoro Project	Juli 2013/ July 2013	Juni 2020/ June 2020	Dijamin dengan gadai atas <i>debt service account</i> , rekening operasional dan fidusia atas hak tagih./ Collateralized by pledge over the <i>debt service account</i> , operational account, and fiduciary over the <i>receivables</i> .
<b>PT Medco E &amp; P Lematang</b>			
PT Bank Central Asia Tbk PT Bank Mandiri (Persero) Tbk PT Bank Negara Indonesia (Persero) Tbk Pinjaman Sindikasi untuk pendanaan Proyek Singa Syndicated Loan for financing the Singa Project	Juni 2010/ June 2010	Telah dibayar penuh pada bulan Maret 2013/ Fully paid in March 2013	Dijamin dengan gadai atas <i>debt service account</i> dan rekening operasional dan fidusia atas hak tagih./ Collateralized by pledge over the <i>debt service account</i> and operational account, and fiduciary security over the <i>receivables</i> .

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**24. PINJAMAN BANK (lanjutan)**

**24. BANK LOANS (continued)**

a. Pinjaman Bank (lanjutan)

a. Bank Loans (continued)

Kreditur	Tanggal efektif pinjaman	Jadwal pelunasan	Jaminan
<b>PT Exspan Petrogas Intranusa (EPI)</b>			
Lembaga Pembiayaan Ekspor Indonesia (LPEI) (sebelumnya PT Bank Ekspor Indonesia (Persero))  Pendanaan untuk pembelian Rig 11/ Financing for purchase of Rig 11	April 2010	5 cicilan bulanan (2010 - 2013)/ 5 monthly installments (2010 - 2013)  Telah dibayar penuh pada bulan Mei 2013/ Fully paid in May 2013	Dijamin dengan fidusia atas rig, seluruh piutang EPI atas kontrak pekerjaan dan corporate guarantee terbatas dari MEI./ Collateralized by fiduciary right over rig, all receivables of EPI related to the work contract and limited corporate guarantee from MEI.
PT Bank CIMB Niaga Tbk  Pendanaan untuk pembelian/ Financing for purchase of Rig DPC #11, DPC #01, DPC #02, DPC #03, DPC #04, DPC #05, DPC #06	September 2012	Agustus 2019/August 2019  Telah dibayar penuh pada bulan Maret 2013/ Fully paid in March 2013	Dijamin dengan 1 unit Drilling Rig Ex Energy Tata Persada Rig DPC#11 1500 HP dengan nomor seri Mast Sn No. 172004 & Sub Structure Sn No. 172001 dan aksesoris 6 unit Workover Rig dan aksesoris Rig DPC#01, DPC#02, DPC#03, DPC#04, DPC#05, DPC#06), dengan hak fidusia sebesar AS\$30.268.027.51./ Collateralized by 1 unit Drilling Rig Ex Energy Tata Persada Rig DPC#11 1500 HP with serial number Mast Sn No. 172004 & Sub Structure Sn No. 172001 and accessories, 6 units of Workover Rig and accessories (Rig DPC#01, DPC#02, DPC#03, DPC#04, DPC#05, DPC#06), with fiduciary right amounting to US\$30,268,027.51.
PT Bank Danamon Indonesia Tbk  Pendanaan untuk pembelian Rig AR7 kapasitas 450 HP/ Financing for purchase of Rig AR7 capacity	September 2012	September 2019  Telah dibayar penuh pada bulan Maret 2013/ Fully paid in March 2013	Dijamin dengan 1 unit Heavy Equipment 450 HP Rig dan piutang dari penggunaan Heavy Equipment./ Collateralized by 1 unit Heavy Equipment 450 HP Rig and receivables from the use of Heavy Equipment.
PT Bank ICBC Indonesia  Pendanaan untuk pembelian Rig 8/ Financing for purchase of Rig 8	Desember 2012/ December 2012	21 cicilan bulanan (2012-2014)/ 21 monthly installments (2012 - 2014)	Dijamin dengan 1 unit Heavy Equipment 450 HP Rig dan piutang dari penggunaan Heavy Equipment./ Collateralized by 1 unit Heavy Equipment 450 HP Rig and receivables from the use of Heavy Equipment.

b. Fasilitas Bank Yang Belum Terpakai

b. Unused Bank Facilities

Pada tanggal 31 Desember 2014, Grup memiliki Fasilitas Kredit Bank dan Fasilitas Umum Bank yang belum terpakai sebagai berikut:

As of December 31, 2014, the Group has the following Unused Credit Bank Facilities and General Bank Facility:

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**24. PINJAMAN BANK (lanjutan)**

b. Fasilitas Bank (lanjutan)

Bank	Fasilitas/Facility	Jumlah Fasilitas Maksimum/ Maximum Facility Amount	Fasilitas yang Tidak Dipakai pada Tanggal 31 Desember 2014/ Unused Portion of the Facility as of December 31, 2014
<b>Fasilitas Umum Bank/ General Banking Facility</b>			
Standard Chartered Bank, Jakarta	Fasilitas Perbankan/ Banking Facility	AS\$50.000.000/ US\$50,000,000	AS\$34.650.000/ US\$34,650,000
PT Bank Mandiri (Persero) Tbk	Fasilitas Non-Cash Loan/ Non-Cash Loan Facility	AS\$160.000.000/ US\$160,000,000	AS\$64.686.925/ US\$64,686,925
PT Bank DBS Indonesia	Fasilitas Perbankan/ Banking Facility	AS\$100.000.000/ US\$100,000,000	AS\$15.000.000/ US\$15,000,000
PT Bank Danamon Indonesia Tbk	Fasilitas Bank Garansi, Fasilitas Standby Letter of Credit, Fasilitas Import Letter of Credit/ Bank Guarantee Facility, Standby Letter of Credit Facility, Import Letter of Credit Facility	AS\$10.000.000/ US\$10,000,000	AS\$10.000.000/ US\$10,000,000

**24. BANK LOANS (continued)**

b. Bank Facilities (continued)

Bank	Facility/Facility	Jumlah Fasilitas Maksimum/ Maximum Facility Amount	Fasilitas yang Tidak Dipakai pada Tanggal 31 Desember 2013/ Unused Portion of the Facility as of December 31, 2013
<b>Fasilitas Umum Bank/ General Banking Facility</b>			
Standard Chartered Bank, Jakarta	Fasilitas Perbankan/ Banking Facility	AS\$50.000.000/ US\$50,000,000	AS\$28.262.107/ US\$28,262,107
Citibank, NA, Jakarta	Letter of Credit Facility	US\$8,500,000	AS\$8.500.000/ US\$8,500,000
PT Bank Mandiri (Persero) Tbk	Fasilitas Non-Cash Loan/ Non-Cash Loan Facility	AS\$100.000.000/ US\$100,000,000	AS\$95.701.491/ US\$95,701,491
PT Bank DBS Indonesia	Fasilitas Perbankan/ Banking Facility	AS\$10.000.000/ US\$10,000,000	AS\$10.000.000/ US\$10,000,000
PT Bank Danamon Indonesia Tbk	Fasilitas Bank Garansi, Fasilitas Standby Letter of Credit, Fasilitas Import Letter of Credit/ Bank Guarantee Facility, Standby Letter of Credit Facility, Import Letter of Credit Facility	AS\$10.000.000/ US\$10,000,000	AS\$10.000.000/ US\$10,000,000

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**24. PINJAMAN BANK (lanjutan)**

b. Fasilitas Bank (lanjutan)

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 pembagian dividen; dan harus mematuhi rasio-rasio keuangan tertentu.

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 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.

**24. BANK LOANS (continued)**

b. Bank Facilities (continued)

The Group, under its loan agreements, 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 payments of dividends; and requirement to comply with certain financial ratios.

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 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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**24. PINJAMAN BANK (lanjutan)**

b. Fasilitas Bank (lanjutan)

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 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 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 31 Januari 2013, Perusahaan melakukan pelunasan dipercepat dan membatalkan Fasilitas Kredit *Standby Loan* dari Bank of Tokyo-Mitsubishi UFJ ("BTMU") sebesar AS\$20.000.000. Dengan pembatalan ini, Perusahaan sudah tidak mempunyai kewajiban kepada BTMU.

Pada tanggal 1 Februari 2013, Perusahaan melakukan pelunasan dipercepat atas sebagian Fasilitas Kredit Modal Kerja Tahun 2011 ("Fasilitas Kredit") dari PT Bank Negara Indonesia (Persero) Tbk sebesar AS\$50.000.000.

Pada bulan Februari 2013, Perusahaan menandatangani Perjanjian Kredit dengan PT Bank ICBC Indonesia untuk memperpanjang Fasilitas Kredit Modal Kerja yang jatuh tempo sebesar AS\$10,9 juta. Fasilitas ini akan jatuh tempo pada tanggal 25 Februari 2014.

**24. BANK LOANS (continued)**

b. Bank Facilities (continued)

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 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 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 31, 2013, the Company made an early repayment of and cancelled the *Standby Loan Credit Facility* from Bank of Tokyo-Mitsubishi UFJ ("BTMU") amounting to US\$20,000,000. With this cancelation, the Company has no more liabilities to BTMU.

On February 1, 2013, the Company made an early partial repayment of the 2011 *Working Capital Credit Facility* ("Credit Facility") from PT Bank Negara Indonesia (Persero) Tbk amounting to US\$50,000,000.

In February 2013, the Company signed a *Credit Agreement* with PT Bank ICBC Indonesia to extend the matured *Working Capital Credit Facility* amounting to US\$10.9 million. This facility will mature on February 25, 2014.



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**24. PINJAMAN BANK (lanjutan)**

b. Fasilitas Bank (lanjutan)

Pada tanggal 3 Maret 2013, PT Medco E&P Lematang melakukan pelunasan dipercepat atas sisa utang Fasilitas Kredit Sindikasi *Tranche A* dari PT Bank Mandiri (Persero) Tbk, PT Bank Negara Indonesia (Persero) Tbk, dan PT Bank Central Asia Tbk dengan saldo AS\$30 juta.

Pada bulan Maret 2013, Perusahaan menandatangani Perjanjian Kredit dengan PT Bank Mandiri (Persero) Tbk untuk memperpanjang Fasilitas Kredit Modal Kerja yang jatuh tempo sebesar AS\$50 juta. Fasilitas ini akan jatuh tempo pada tanggal 12 Maret 2014.

Pada tanggal 18 Maret 2013, PT Exspan Petrogas Intranusa melakukan pelunasan dipercepat atas pinjamannya kepada PT Bank Danamon Indonesia Tbk sejumlah AS\$4.611.973 dan PT Bank CIMB Niaga Tbk sejumlah AS\$19.380.027. Berdasarkan perjanjian kredit, pinjaman tersebut akan jatuh tempo masing-masing pada tanggal 26 Mei 2019 dan 6 September 2019.

Pada tanggal 28 Maret 2013, Perusahaan melakukan pelunasan dipercepat atas sebagian Fasilitas Kredit *Standby Loan* Tahun 2011 ("Fasilitas Kredit") dari PT Bank Rakyat Indonesia (Persero) Tbk ("BRI") sebesar AS\$60.000.000 dan melunasi sisa fasilitas sebesar AS\$50.000.000 pada tanggal 15 April 2013. Dengan pelunasan tersebut, utang Perusahaan kepada BRI dengan jumlah total sebesar AS\$110.000.000 telah lunas.

Pada tanggal 3 Mei 2013, Perusahaan melakukan pelunasan dipercepat atas Fasilitas Kredit Transaksi Khusus dari PT Bank DKI sebesar AS\$25.000.000.

Pada tanggal 28 Juni 2013, Perusahaan melakukan penarikan dana dari Fasilitas Kredit Modal Kerja tahun 2011 dari PT Bank Negara Indonesia (Persero) Tbk sebesar AS\$50.000.000.

**24. BANK LOANS (continued)**

b. Bank Facilities (continued)

On March 3, 2013, PT Medco E & P Lematang made an early repayment of the remaining Credit Facility Syndicated Loan *Tranche A* from PT Bank Mandiri (Persero) Tbk, PT Bank Negara Indonesia (Persero) Tbk and PT Bank Central Asia Tbk amounting to US\$30 million.

In March 2013, the Company signed a Credit Agreement with PT Bank Mandiri (Persero) Tbk to extend the matured Working Capital Credit Facility amounting to US\$50 million. This Facility will mature on March 12, 2014.

On March 18, 2013, PT Exspan Petrogas Intranusa made an early repayment of its loan to PT Bank Danamon Indonesia Tbk amounting to US\$4,611,973 and PT Bank CIMB Niaga Tbk amounting to US\$19,380,027. Based on the loan agreements with PT Bank Danamon Indonesia Tbk and PT Bank CIMB Niaga Tbk, the loans will mature on May 26, 2019 and September 6, 2019, respectively.

On March 28, 2013, the Company made an early partial repayment of the 2011 Standby Loan Credit Facility ("Credit Facility") from PT Bank Rakyat Indonesia (Persero) Tbk ("BRI") amounting to US\$60,000,000 and repaid the remaining amount of US\$50,000,000 on April 15, 2013. With these settlements, the Company's debt to BRI with total amount of US\$110,000,000 has been fully settled.

On May 3, 2013, the Company made an early repayment of the Special Transaction Credit Facility from PT Bank DKI amounting to US\$25,000,000.

On June 28, 2013, the Company made a drawdown of US\$50,000,000 from the 2011 Working Capital Credit Facility from PT Bank Negara Indonesia (Persero) Tbk.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**24. PINJAMAN BANK (lanjutan)**

b. Fasilitas Bank (lanjutan)

Pada tanggal 1 Juli 2013, Perusahaan melakukan pelunasan dipercepat atas sebagian Fasilitas Kredit Modal Kerja tahun 2011 ("Fasilitas Kredit") dari PT Bank Negara Indonesia (Persero) Tbk sebesar AS\$50.000.000. Setelah pelunasan tersebut, sisa utang Fasilitas Kredit menjadi AS\$65.000.000 dan akan jatuh tempo pada bulan Juli 2016.

Pada tanggal 31 Juli 2013, PT Medco E & P Tomori Sulawesi telah menandatangani Perjanjian Fasilitas dengan para pemberi pinjaman yaitu Standard Chartered Bank, cabang Singapura dan PT Bank Mandiri (Persero) Tbk, untuk mendapatkan fasilitas pinjaman yang dapat ditarik kembali (*revolving credit facility*) sampai jumlah sebesar AS\$260.000.000. Tujuan penggunaan fasilitas tersebut, antara lain, untuk pembiayaan porsi *operational expenditure* dan *capital expenditure* dari PT Medco E & P Tomori Sulawesi di *Production Sharing Contract* untuk blok Senoro Toili.

**24. BANK LOANS (continued)**

b. Bank Facilities (continued)

On July 1, 2013, the Company made an early partial repayment of the 2011 Working Capital Credit Facility ("Credit Facility") from PT Bank Negara Indonesia (Persero) Tbk amounting to US\$50,000,000. After the settlement, the remaining Credit Facility amounted to US\$65,000,000 and will mature in July 2016.

On July 31, 2013, PT Medco E & P Tomori Sulawesi signed a Facility Agreement with the lenders, which are Standard Chartered Bank, Singapore branch and PT Bank Mandiri (Persero) Tbk, for obtaining revolving credit facility up to the amount of US\$260,000,000. The purpose of this facility is, among others, to fund operational expenditure and capital expenditure of PT Medco E & P Tomori Sulawesi under the Production Sharing Contract for Senoro Toili block.

**25. UTANG JANGKA PANJANG LAINNYA**

	2014	2013
<b>Pihak Berelasi</b>		
<u>Mitsubishi Corporation</u>		
Jatuh tempo pada tahun 2016	-	130.947.913
<b>Pihak Ketiga</b>		
<u>Wesel Jangka Menengah</u>		
Jatuh tempo pada tahun 2018	80.385.852	-
	80.385.852	-
Dikurangi diskonto yang belum diamortisasi	633.236	-
Neto	79.752.616	-
<b>Bagian jangka panjang</b>	<b>79.752.616</b>	<b>-</b>

**25. OTHER LONG-TERM DEBT**

<b>Related Party</b>
<u>Mitsubishi Corporation</u>
Due in 2016
<b>Third Parties</b>
<u>Medium term notes</u>
Due in 2018
Less unamortized discount
Net
<b>Long-term portion</b>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**25. UTANG JANGKA PANJANG LAINNYA (lanjutan)**

**25. OTHER LONG-TERM DEBT (continued)**

	2014	2013	
<u>Obligasi Rupiah</u>			<u>Rupiah Bonds</u>
Jatuh tempo pada tahun 2014	-	80.933.629	<i>Due in 2014</i>
Jatuh tempo pada tahun 2017	160.771.704	164.082.369	<i>Due in 2017</i>
Jatuh tempo pada tahun 2018	120.578.778	123.061.777	<i>Due in 2018</i>
	281.350.482	368.077.775	
Dikurangi diskonto yang belum diamortisasi	1.097.114	1.597.446	<i>Less unamortized discount</i>
Neto	280.253.368	366.480.329	<i>Net</i>
Dikurangi bagian yang jatuh tempo dalam satu tahun	-	80.768.414	<i>Less current portion</i>
<b>Bagian jangka panjang</b>	<b>280.253.368</b>	<b>285.711.915</b>	<b>Long-term portion</b>
<u>Obligasi Dolar Amerika Serikat</u>			<u>US Dollar Bonds</u>
Jatuh tempo pada tahun 2016	79.000.000	99.000.000	<i>Due in 2016</i>
Jatuh tempo pada tahun 2017	18.784.000	-	<i>Due in 2017</i>
Dikurangi diskonto yang belum diamortisasi	377.916	533.744	<i>Less unamortized discount</i>
Neto	<b>97.406.084</b>	<b>98.466.256</b>	<b>Net</b>
	<b>2014</b>	<b>2013</b>	
<u>Tingkat bunga per tahun</u>			<u>Interest rates per annum</u>
Rupiah	8,75% - 11,20%	8,75% - 14,25%	<i>Rupiah</i>
Dolar Amerika Serikat	6,05%	3,99% - 6,05%	<i>United States Dollar</i>

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
<b>Perusahaan/Company</b>						
Obligasi Rupiah II Tahun 2009/ <i>Rupiah Bonds II Year 2009</i>	Rp1.500.000.000.000  Tranche A sebesar Rp513.500.000.000 (Telah dilunasi pada bulan Juni 2012)/ Tranche A amounting to Rp513,500,000,000 (Fully paid in June 2012)  Tranche B sebesar Rp986.500.000.000 (Telah dilunasi pada bulan Juni 2014)/ Tranche B amounting to Rp986,500,000,000 (Fully paid in June 2014)	PT Pemeringkat Efek Indonesia (PEFINDO) : AA- (2014)	Bursa Efek Indonesia/ Indonesia Stock Exchange	Tranche A: Juni 2012/ June 2012  Tranche B: Juni 2014/ June 2014	Tranche A: 13,38%  Tranche B: 14,25%  Terutang setiap kuartal/ Payable quarterly	Obligasi ini tidak dijamin dengan agunan khusus./ These bonds are unsecured.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**25. UTANG JANGKA PANJANG LAINNYA (lanjutan)**

**25. OTHER LONG-TERM DEBT (continued)**

Utang Jangka Panjang/ Long-Term Debt	Pokok/ Principal	Peringkat/ Rating	Terdaftar/ Listed	Jatuh Tempo/ Maturity	Kupon/ Coupon	Jaminan/ Security
<b>Perusahaan (lanjutan) /Company (continued)</b>						
Wesel Jangka Menengah I/ Medium-Term Notes I	Tranche B sebesar AS\$22.000.000 (Telah dilunasi pada bulan Desember 2012 dan Februari 2013/ Fully paid in December 2012 and February 2013)	PT Pemeringkat Efek Indonesia (PEFINDO) : AA- (2012)	-	Tranche B: Desember 2012/ December 2012 dan/and Februari 2013/ February 2013	Tranche B: 8,00%  Terutang setiap kuartal/ Payable quarterly	Wesel ini tidak dijamin dengan agunan khusus./ These notes are unsecured.
Wesel Jangka Menengah II/ Medium-Term Notes II	Tranche B sebesar AS\$10.000.000 (Telah dilunasi pada bulan Maret 2013/ Fully paid in March 2013)	PT Pemeringkat Efek Indonesia (PEFINDO) : AA- (2012)	-	Tranche B: Maret 2013/ March 2013	Tranche B: 8,00%  Terutang setiap kuartal/ Payable quarterly	Wesel ini tidak dijamin dengan agunan khusus./ These notes are unsecured.
Wesel Jangka Menengah III/ Medium-Term Notes III	AS\$50.000.000 (Telah dilunasi pada bulan Oktober 2013/ Fully paid in October 2013)	PT Pemeringkat Efek Indonesia (PEFINDO) : AA- (2012)	-	Oktober 2013/ October 2013	6,375% Terutang setiap kuartal/ Payable quarterly	Wesel ini tidak dijamin dengan agunan khusus./ These notes are unsecured.
Obligasi Berkelanjutan AS\$ I/ US\$ Shelf Registered Bonds I	AS\$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) : AA- (2014)	Bursa Efek Indonesia/ Indonesia Stock Exchange	Juli 2016/July 2016   November 2016/ November 2016   Juli 2017/ 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/ and swapped into US\$157,894,737	PT Pemeringkat Efek Indonesia (PEFINDO) : AA- (2014)	Bursa Efek Indonesia/ Indonesia Stock Exchange	Juni 2017/ 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) : AA- (2014)	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) : AA- (2014)	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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**25. UTANG JANGKA PANJANG LAINNYA (lanjutan)**

**25. 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) /Company (continued)						
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 swapped into US\$81,833,061	-	-	Oktober 2018/ October 2018	11,2% Terutang setiap kuartal/ 11,2% Payable Quarterly	Wesel ini tidak dijamin dengan agunan khusus/ These note are unsecured.
<b>PT Medco LNG Indonesia</b>						
Mitsubishi Corporation	Fasilitas pinjaman berjangka maksimum sebesar AS\$120.000.000/ Term loan facility amounting to US\$120,000,000	-	-	2016	LIBOR 3 bulan+ margin/ 3 months LIBOR + margin	Liabilitas ini dijamin dengan gadai atas saham MLI di DSLNG./ This liability is collateralized by pledge of MLI shares in DSLNG.

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 31 Desember 2014 dan 2013, 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.

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 adalah PT Bank Mega Tbk.

a. Debt Covenants

*As of December 31, 2014 and 2013, 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.*

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, and Shelf Registered Rupiah Bonds I Phase I and II are PT Bank Mega Tbk.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**25. UTANG JANGKA PANJANG LAINNYA (lanjutan)**

c. Lain-lain

Penandatanganan Perjanjian Fasilitas Pinjaman

Pada bulan Februari 2014, Perusahaan juga membeli kembali sebagian Obligasi Berkelanjutan AS\$ I Tahap III tahun 2012 sebesar AS\$1.216.000.

Pada tanggal 6 Oktober 2014, Perusahaan menandatangani Perjanjian Penerbitan MTN IV Medco Tahun 2014 ("MTN Medco") dengan PT DBS Vickers Securities Indonesia selaku *Arranger* dan PT Bank Mega Tbk selaku Agen Pemantau. Jumlah MTN Medco yang diterbitkan sebesar Rp1 triliun dengan tenor empat tahun ini didistribusikan pada tanggal 8 Oktober 2014.

Perusahaan telah melakukan perjanjian swap suku bunga dan mata uang untuk MTN dari IDR tetap menjadi USD tetap setiap tanggal 8 Oktober, 8 Januari, 8 April dan 8 Juli dengan tenor yang sama dengan MTN.

Pada tanggal 8 Oktober 2014, PT Medco LNG Indonesia ("MLI") melakukan pembayaran atas sebagian Fasilitas Pinjaman Berjangka ("Fasilitas Kredit") dari Mitsubishi Corporation sebesar AS\$50 juta. Pada tanggal 24 Oktober 2014, MLI melakukan pelunasan dipercepat sisa Fasilitas Kredit sebesar AS\$54,5 juta.

**26. KEPENTINGAN NONPENGENDALI**

Kepentingan nonpengendali atas entitas anak terkait dengan Medco Oman LLC.

Pada tanggal 1 April 2014, Medco LLC membayarkan dividend interim untuk tahun 2013 sebesar AS\$17.500.000, dimana sebesar AS\$5.600.000 telah dibayarkan kepada pihak nonpengendali.

**25. OTHER LONG-TERM DEBT (continued)**

c. Others

Signing of the Loan Facility Agreement

In February 2014, the Company has also bought back part of the US\$ Shelf Registered Bond I Phase III year 2012 amounting to US\$1,216,000.

On October 6, 2014, the Company signed MTN IV Medco Year 2014 ("MTN Medco") with PT DBS Vickers Securities Indonesia, as *Arranger*, and PT Bank Mega Tbk as *Monitoring Agency*. MTN Medco amounting to Rp1 trillion with four years terms was issued on October 8, 2014.

The Company has entered into Cross Currency-Interest Swap to fixed the interest rate and currency of the MTN from fixed IDR to fixed USD on every October 8, January 8, April 8 and July 8 with terms to match the underlying MTN.

On October 8, 2014, PT Medco LNG Indonesia ("MLI") repaid part of its Term Loan Facility ("Credit Facility") from Mitsubishi Corporation amounting to US\$50 million. On October 24, 2014, MLI fully repaid in advance the remaining balance of the Credit Facility amounting to US\$54.5 million.

**26. NON-CONTROLLING INTERESTS**

Non-controlling interests in subsidiary pertains to Medco Oman LLC.

On April 1, 2014, Medco 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.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**27. MODAL SAHAM**

**27. CAPITAL STOCK**

31 Desember 2014/December 31, 2014

Pemegang Saham / Shareholders	Jumlah Saham/ Number of Shares	Persentase Kepemilikan/ Ownership Percentage of	Jumlah / Amount	
			Rp'000	AS\$/US\$
Encore Energy Pte Ltd	1.689.393.006	50,70%	168.939.301	51.285.313
PT Medco Duta	8.305.500	0,25%	830.550	252.108
PT Multifabrindo Gemilang	2.000.000	0,06%	200.000	60.693
Credit Suisse AG SG Trust Account Client	690.813.800	20,73%	69.081.380	20.969.218
PT Prudential Life Assurance - REF	240.363.600	7,21%	24.036.360	7.296.086
Masyarakat (masing-masing di bawah 5%)/ Public (each below 5%)	701.575.544	21,05%	70.157.554	21.291.046
<b>Jumlah</b>	<b>3.332.451.450</b>	<b>100,00%</b>	<b>333.245.145</b>	<b>101.154.464</b>

31 Desember 2013/December 31, 2013

Pemegang Saham / Shareholders	Jumlah Saham/ Number of Shares	Persentase Kepemilikan/ Ownership Percentage of	Jumlah / Amount	
			Rp'000	AS\$/US\$
Encore Energy Pte Ltd	1.689.393.006	50,70%	168.939.301	51.285.313
PT Medco Duta	3.489.500	0,10%	348.950	105.921
PT Multifabrindo Gemilang	2.000.000	0,06%	200.000	60.693
Credit Suisse AG SG Trust Account Client	690.813.800	20,73%	69.081.380	20.969.218
Masyarakat (masing-masing dibawah 5%)/ Public (each below 5%)	946.755.144	28,41%	94.675.514	28.733.319
<b>Jumlah</b>	<b>3.332.451.450</b>	<b>100,00%</b>	<b>333.245.145</b>	<b>101.154.464</b>

Pada tanggal 5 Mei 2006, dalam Rapat Umum Pemegang Saham Luar Biasa, pemegang saham menyetujui untuk merubah keputusan Rapat Umum Pemegang Saham Luar Biasa tanggal 23 Juni 2000 dan 25 Juni 2001 dalam hal penjualan kembali saham treasury Perusahaan.

*On May 5, 2006, in an Extraordinary Shareholders' Meeting, the shareholders approved the changes to the resolutions of the Company's Extraordinary Shareholders' Meetings dated June 23, 2000 and June 25, 2001 with regard to the sale of the Company's treasury stock.*

Berdasarkan keputusan Rapat Umum Pemegang Saham Luar Biasa tersebut, pemegang saham memberikan kuasa dan wewenang kepada Direksi Perusahaan untuk melakukan segala tindakan yang diperlukan sehubungan dengan pengalihan, penjualan dan pertukaran saham treasury Perusahaan dengan tetap mematuhi peraturan perundang-undangan yang berlaku termasuk peraturan pasar modal.

*As decided in the Extraordinary Shareholders' Meeting, the shareholders granted authority to the Company's Board of Directors to carry out necessary actions related to the assignment, sale and exchange of the Company's treasury stocks in compliance with applicable laws and regulations, including capital market regulations.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**27. MODAL SAHAM (lanjutan)**

Pada bulan Mei 2008, dalam Rapat Umum Pemegang Saham Luar Biasa, pemegang saham telah menyetujui pembelian kembali saham-saham Perusahaan yang telah diterbitkan dan disetor penuh sampai jumlah maksimum 3,29% dari seluruh jumlah saham yang telah diterbitkan dan dengan biaya maksimum AS\$80 juta untuk jangka waktu 18 bulan, yang berakhir pada bulan November 2009.

Sesuai dengan Keputusan Ketua BAPEPAM-LK No. KEP-401/BL/2008 tanggal 9 Oktober 2008, tentang pembelian kembali saham yang dikeluarkan oleh emiten atau perusahaan publik dalam kondisi pasar yang berpotensi krisis, perusahaan publik atau emiten dalam kondisi pasar yang berpotensi krisis dapat membeli kembali saham sebanyak maksimal 20% dari modal disetor dan hanya dapat dilakukan dalam jangka waktu 3 bulan sejak keterbukaan informasi disampaikan ke BAPEPAM-LK.

Dengan adanya peraturan tersebut, pada tanggal 13 Oktober 2008, Perusahaan mengumumkan rencana untuk membeli kembali sebanyak 333.245.145 saham atau 10% dari modal disetor. Dana yang dicadangkan untuk melakukan program pembelian kembali saham ini adalah sebesar AS\$100 juta. Program ini dilakukan dalam kurun waktu 3 bulan setelah pengumuman tersebut.

Hasil dari program pembelian kembali, Perusahaan telah melakukan pembelian kembali sejumlah 166.857.500 saham atau 5,01% dari seluruh jumlah saham yang telah diterbitkan dan disetor penuh dengan nilai sekitar Rp508 miliar atau setara dengan AS\$51,8 juta, terdiri atas:

- a. Sejumlah 85.561.000 saham atau 2,57% dari seluruh jumlah saham yang telah diterbitkan dan disetor penuh dengan harga rata-rata Rp3.869 atas program pembelian kembali saham berdasarkan Rapat Umum Pemegang Saham bulan Mei 2008;
- b. Sejumlah 81.296.000 saham atau 2,44% dari seluruh jumlah saham yang telah diterbitkan dan disetor penuh dibeli kembali dengan harga rata-rata Rp2.178 atas program kedua sesuai dengan peraturan Keputusan Ketua BAPEPAM-LK No. KEP-401/BL/2008.

**27. CAPITAL STOCK (continued)**

*In May 2008, in an Extraordinary Shareholders' Meeting, the shareholders approved a buy-back of the Company's issued and fully paid shares up to a maximum of 3.29% of the total shares issued with maximum cost of US\$80 million within 18 months, which ended in November 2009.*

*As stipulated in the Decision Letter of the Chairman of BAPEPAM-LK No. KEP-401/BL/2008 dated October 9, 2008 with respect to the buy-back of shares issued by a public company during potential market crisis conditions, a company is allowed to buy back its shares up to a maximum of 20% of its paid-up capital during potential market crisis conditions. The shares buy-back should be executed within 3 months from the submission of the disclosure of such plan to the BAPEPAM-LK.*

*In light of the above regulation, on October 13, 2008, the Company announced its plan to buy back 333,245,145 shares or equivalent to 10% of its paid-up capital. In order to implement its buy-back program, the Company set aside funds in the amount of US\$100 million. The buy-back program was conducted within a period of 3 months from the announcement.*

*At the conclusion of the buy-back program, the Company bought back a total of 166,857,500 shares or 5.01% of its total issued and fully paid shares at a total cost of approximately Rp508 billion or equivalent to US\$51.8 million consisting of:*

- a. *85,561,000 shares or 2.57% of the total issued and fully paid share capital purchased at an average price of Rp3,869 for shares buy-back program based on Extraordinary Shareholders' Meeting in May 2008;*
- b. *81,296,000 shares or 2.44% of the total issued and fully paid share capital purchased at an average price of Rp2,178 for the second share buy-back program based on Decision Letter of the Chairman of BAPEPAM-LK No. KEP-401/BL/2008.*



The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**27. MODAL SAHAM (lanjutan)**

Pada tanggal 27 Mei 2010, pemegang saham, pada Rapat Umum Pemegang Saham Luar Biasa, menyetujui penggunaan saham treasuri sebanyak maksimal 5% untuk program opsi saham oleh karyawan dan manajemen.

Berdasarkan Pasal 37 ayat 4 Undang-undang No. 40 tahun 2007 tentang Perseroan Terbatas bahwa saham yang dibeli kembali persero maksimal dikuasai paling lama 3 tahun, pada tanggal 15 Agustus 2013, Perusahaan telah menjual saham treasuri kepada Clio Capital Ventures Limited pada tahun 2013 sebanyak 390.454.500 lembar yang merupakan jumlah seluruh saham hasil pembelian kembali Perseroan.

Perusahaan melakukan pembukuan atas transaksi saham treasuri dengan menggunakan metode nilai nominal (Catatan 2n).

**28. TAMBAHAN MODAL DISETOR**

Akun ini terdiri dari:

	2014	2013
Penerbitan 321.730.290 saham melalui penawaran umum terbatas I kepada pemegang saham pada tahun 1999	139.908.988	139.908.988
Penjualan 22.000.000 saham melalui penawaran umum perdana kepada masyarakat pada tahun 1994	33.500.000	33.500.000
Penjualan kembali saham	1.073.325	1.073.325
Pembagian saham bonus pada tahun 1998	(32.254.579)	(32.254.579)
Penurunan modal disetor dari saham treasuri	(33.600.836)	(33.600.836)
Penjualan kembali saham treasuri	74.812.935	74.812.935
<b>Jumlah</b>	<b>183.439.833</b>	<b>183.439.833</b>

**29. DAMPAK PERUBAHAN TRANSAKSI EKUITAS ENTITAS ANAK/ENTITAS ASOSIASI**

Akun ini terutama merupakan dampak dari penerimaan setoran modal pada Entitas Anak.

**27. CAPITAL STOCK (continued)**

On May 27, 2010, the shareholders, in their Extraordinary Shareholders' Meeting, approved the utilization of treasury stock for employee and management stock option program at the maximum of 5%.

Based on Article 37 paragraph 4 of Law No. 40 Year 2007 regarding Limited Liability Company that repurchased shares may be owned up to maximum of 3 years. Accordingly, on August 15, 2013, the Company sold all its treasury stock of 390,454,500 shares to Clio Capital Ventures Limited.

The Company adopted the par value method in recording its treasury stock transactions (Note 2n).

**28. ADDITIONAL PAID-IN CAPITAL**

This account consists of:

	2014	2013
Issuance of 321,730,290 shares through rights offering I to stockholders in 1999	139.908.988	139.908.988
Sale of 22,000,000 shares through public offering in 1994	33.500.000	33.500.000
Resale of shares	1.073.325	1.073.325
Distribution of bonus shares in 1998	(32.254.579)	(32.254.579)
Deduction of additional paid-in capital on treasury stock	(33.600.836)	(33.600.836)
Resale of treasury stock	74.812.935	74.812.935
<b>Total</b>	<b>183.439.833</b>	<b>183.439.833</b>

**29. EFFECTS OF CHANGES IN EQUITY TRANSACTIONS OF SUBSIDIARIES/ ASSOCIATED ENTITIES**

This account mainly represents the effects of capital injection in a Subsidiary.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**30. PENJUALAN DAN PENDAPATAN USAHA  
LAINNYA**

Rincian penjualan dan pendapatan usaha lainnya yang diperoleh Grup adalah sebagai berikut:

a. Berdasarkan jenis pendapatan

	<u>2014</u>	<u>2013</u>	
Penjualan minyak dan gas neto	701.426.544	826.842.368	<i>Net oil and gas sales</i>
Penjualan dari batu bara	36.148.131	42.959.147	<i>Revenue from coal</i>
Pendapatan dari jasa	13.155.844	16.719.719	<i>Revenue from services</i>
<b>Jumlah</b>	<b><u>750.730.519</u></b>	<b><u>886.521.234</u></b>	<b>Total</b>

b. Berdasarkan pelanggan

	<u>2014</u>	<u>2013</u>	
<u>Pihak berelasi</u>			<u>Related parties</u>
Petro Diamond Singapore Pte Ltd	231.001.250	325.921.128	<i>Petro Diamond Singapore Pte Ltd</i>
Petro Diamond Co Ltd, Hong Kong	35.267.259	21.624.222	<i>Petro Diamond Co Ltd, Hong Kong</i>
<u>Pihak ketiga</u>			<u>Third parties</u>
Pelanggan dalam negeri	267.353.503	298.254.970	<i>Local customers</i>
Pelanggan luar negeri	217.108.507	240.720.914	<i>Foreign customers</i>
<b>Jumlah</b>	<b><u>750.730.519</u></b>	<b><u>886.521.234</u></b>	<b>Total</b>

Rincian pendapatan dari pelanggan yang melebihi 10% dari jumlah pendapatan yang dilaporkan berasal dari:

	<u>2014</u>	<u>2013</u>	
Petro Diamond Singapore Pte Ltd	231.001.250	325.921.128	<i>Petro Diamond Singapore Pte Ltd</i>
Petroleum Development Oman LLC	107.465.919	109.489.694	<i>Petroleum Development Oman LLC</i>
<b>Jumlah</b>	<b><u>338.467.169</u></b>	<b><u>435.410.822</u></b>	<b>Total</b>

**30. SALES AND OTHER OPERATING REVENUES**

The breakdown of the sales and other operating revenues of the Group are as follows:

a. By nature of revenues

	<u>2014</u>	<u>2013</u>	
Penjualan minyak dan gas neto	701.426.544	826.842.368	<i>Net oil and gas sales</i>
Penjualan dari batu bara	36.148.131	42.959.147	<i>Revenue from coal</i>
Pendapatan dari jasa	13.155.844	16.719.719	<i>Revenue from services</i>
<b>Jumlah</b>	<b><u>750.730.519</u></b>	<b><u>886.521.234</u></b>	<b>Total</b>

b. By customer

	<u>2014</u>	<u>2013</u>	
<u>Pihak berelasi</u>			<u>Related parties</u>
Petro Diamond Singapore Pte Ltd	231.001.250	325.921.128	<i>Petro Diamond Singapore Pte Ltd</i>
Petro Diamond Co Ltd, Hong Kong	35.267.259	21.624.222	<i>Petro Diamond Co Ltd, Hong Kong</i>
<u>Pihak ketiga</u>			<u>Third parties</u>
Pelanggan dalam negeri	267.353.503	298.254.970	<i>Local customers</i>
Pelanggan luar negeri	217.108.507	240.720.914	<i>Foreign customers</i>
<b>Jumlah</b>	<b><u>750.730.519</u></b>	<b><u>886.521.234</u></b>	<b>Total</b>

The details of revenues from customers which exceeded 10% of the total reported revenues, are as follows:

	<u>2014</u>	<u>2013</u>	
Petro Diamond Singapore Pte Ltd	231.001.250	325.921.128	<i>Petro Diamond Singapore Pte Ltd</i>
Petroleum Development Oman LLC	107.465.919	109.489.694	<i>Petroleum Development Oman LLC</i>
<b>Jumlah</b>	<b><u>338.467.169</u></b>	<b><u>435.410.822</u></b>	<b>Total</b>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**31. 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:

	2014	2013
Biaya kontrak minyak dan gas	112.524.500	106.113.016
Biaya overhead operasi lapangan	95.081.266	146.392.340
Operasi dan pemeliharaan	56.510.721	38.126.118
Biaya pipa dan transportasi	9.041.211	8.054.316
Pendukung operasi	8.321.669	9.077.930
<b>Jumlah</b>	<b>281.479.367</b>	<b>307.763.720</b>

b. Biaya Jasa

Akun ini terutama terdiri dari biaya operasional EPI.

c. Penyusutan, Deplesi dan Amortisasi

Akun penyusutan, deplesi dan amortisasi, adalah sebagai berikut:

	2014	2013
Operasi minyak dan gas bumi	87.968.496	93.121.454
Kontrak lainnya dan jasa terkait	5.196.756	5.105.581
Pertambangan batu bara	3.807.932	3.382.679
<b>Jumlah</b>	<b>96.973.184</b>	<b>101.609.714</b>

d. Beban Eksplorasi

Akun ini terdiri dari:

	2014	2013
Sumur kering	15.750.909	4.593.031
Overhead eksplorasi	8.634.300	9.486.786
<b>Jumlah</b>	<b>24.385.209</b>	<b>14.079.817</b>

e. Biaya Pembelian Minyak Mentah

Akun ini terdiri dari biaya pembelian minyak mentah oleh Grup dari SKK Migas dan Pertamina. Tidak terdapat pembelian dari satu pihak yang melebihi 10% dari pendapatan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2014 dan 2013.

**31. 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:

	2014	2013
Biaya kontrak minyak dan gas	112.524.500	106.113.016
Biaya overhead operasi lapangan	95.081.266	146.392.340
Operasi dan pemeliharaan	56.510.721	38.126.118
Biaya pipa dan transportasi	9.041.211	8.054.316
Pendukung operasi	8.321.669	9.077.930
<b>Jumlah</b>	<b>281.479.367</b>	<b>307.763.720</b>

b. *Cost of Services*

This account mainly represents operational costs of EPI.

c. *Depreciation, Depletion and Amortization*

This account represents depreciation, depletion and amortization for the following:

	2014	2013
Operasi minyak dan gas bumi	87.968.496	93.121.454
Kontrak lainnya dan jasa terkait	5.196.756	5.105.581
Pertambangan batu bara	3.807.932	3.382.679
<b>Jumlah</b>	<b>96.973.184</b>	<b>101.609.714</b>

d. *Exploration Expenses*

This account consists of:

	2014	2013
Sumur kering	15.750.909	4.593.031
Overhead eksplorasi	8.634.300	9.486.786
<b>Jumlah</b>	<b>24.385.209</b>	<b>14.079.817</b>

e. *Cost of Crude Oil Purchases*

This account consists of cost of crude oil purchased by the Group from SKK Migas and Pertamina. There were no purchases from a single vendor which exceeded 10% of revenues for the years ended December 31, 2014 and 2013.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**31. BEBAN POKOK PENJUALAN DAN BIAYA LANGSUNG LAINNYA (lanjutan)**

f. Biaya Produksi Batu Bara

Akun ini terutama merupakan biaya langsung dan biaya tidak langsung.

**31. COST OF SALES AND OTHER DIRECT COSTS (continued)**

f. Coal Production Costs

This account mainly consists of direct and indirect costs.

**32. BEBAN PENJUALAN, UMUM, DAN ADMINISTRASI**

	2014	2013
<b>Umum dan administrasi</b>		
Gaji, upah dan imbalan kerja lainnya	52.225.263	53.859.073
Beban kontrak	8.603.982	3.873.896
Honorarium profesional	6.191.000	11.587.640
Sewa	6.045.090	8.236.717
Jasa	4.087.093	2.164.938
Asuransi	2.646.262	3.504.011
Perawatan dan perbaikan	2.156.859	2.462.466
Kerugian penurunan piutang	2.068.967	63.218
Penyusutan (Catatan 14)	1.507.856	1.672.863
Peralatan dan perlengkapan kantor	1.342.006	3.831.748
Pendidikan	993.804	1.379.553
Transportasi	723.996	1.143.550
Lain-lain (masing-masing di bawah AS\$100.000)	4.051.513	5.835.983
Sub-jumlah	92.643.691	99.615.656
<b>Penjualan</b>		
Beban ekspor	12.679.168	11.722.882
Perjalanan dinas	2.954.564	2.764.924
Iklan dan promosi	62.558	2.774.288
Beban jamuan	1.973.305	229.563
Sub-jumlah	17.669.595	17.491.657
<b>Jumlah Beban Usaha</b>	<b>110.313.286</b>	<b>117.107.313</b>

**32. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

	2014	2013
<b>General and administrative</b>		
Salaries, wages and other employee benefits	52.225.263	53.859.073
Contract charges	8.603.982	3.873.896
Professional fees	6.191.000	11.587.640
Rental	6.045.090	8.236.717
Service	4.087.093	2.164.938
Insurance	2.646.262	3.504.011
Repairs and maintenance	2.156.859	2.462.466
Allowance for doubtful account	2.068.967	63.218
Depreciation (Note 14)	1.507.856	1.672.863
Office supplies and equipment	1.342.006	3.831.748
Education	993.804	1.379.553
Transportation	723.996	1.143.550
Others (each below US\$100,000)	4.051.513	5.835.983
Sub-total	92.643.691	99.615.656
<b>Selling</b>		
Export expenses	12.679.168	11.722.882
Business travel	2.954.564	2.764.924
Advertising and promotion	62.558	2.774.288
Entertainment	1.973.305	229.563
Sub-total	17.669.595	17.491.657
<b>Total Operating Expenses</b>	<b>110.313.286</b>	<b>117.107.313</b>

**33. PENDAPATAN DAN BEBAN LAIN-LAIN**

Pendapatan lain-lain atas tahun yang berakhir pada tanggal 31 Desember 2014 dan 2013 umumnya dari keuntungan atas investasi jangka pendek masing-masing sebesar AS\$12.800.230 dan AS\$11.429.758.

**33. OTHER INCOME AND OTHER EXPENSE**

Other income for the years ended December 31, 2014 and 2013 mainly consist of income from short-term investments amounting to US\$12,800,230 and US\$11,429,758, respectively.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**34. PAJAK PENGHASILAN**

- a. Beban pajak Perusahaan dan Entitas Anak terdiri dari sebagai berikut:

	2014	2013
<b>Operasi yang dilanjutkan</b>		
Beban pajak kini		
Entitas Anak	(79.240.040)	(128.219.371)
Beban pajak tangguhan		
Perusahaan	(3.120.041)	(3.141.838)
Entitas Anak	(15.438.794)	(22.499.479)
Sub-jumlah	(18.558.835)	(25.641.317)
<b>Jumlah Beban Pajak dari Operasi yang Dilanjutkan</b>	<b>(97.798.875)</b>	<b>(153.860.688)</b>

- b. Pajak Kini

Rekonsiliasi antara laba sebelum beban pajak menurut laporan laba rugi komprehensif konsolidasian dan rugi fiskal Perusahaan adalah sebagai berikut:

	2014	2013
Laba konsolidasian sebelum beban pajak penghasilan dari operasi yang dilanjutkan	110.985.504	192.111.815
Dikurangi laba sebelum pajak penghasilan Entitas Anak	(159.686.747)	(255.542.611)
Rugi sebelum pajak		
- Perusahaan	(48.701.243)	(63.430.796)
Dividen dari Entitas Anak	-	366.457.981
<b>Laba (rugi) sebelum pajak - Perusahaan</b>	<b>(48.701.243)</b>	<b>303.027.185</b>
<b>Perbedaan temporer</b>		
Kerugian transaksi derivatif yang belum direalisasikan	-	9.945.595
Penyusutan aset tetap	(30.342)	67.027
Amortisasi beban ditangguhkan	(38.043)	(17.112)
Imbalan kerja	(122.549)	485.532
Keuntungan (kerugian) surat berharga yang belum direalisasikan	(12.415.321)	3.954.579
Kerugian selisih kurs imbalan kerja	(291.348)	(468.823)
<b>Perbedaan tetap</b>		
Beban yang tidak dapat dikurangkan	256.697	32.369.788
Pendapatan tidak kena pajak	-	(366.457.981)
Pendapatan yang dikenai pajak final	(3.529.908)	(5.803.323)
<b>Rugi fiskal tahun berjalan Perusahaan</b>	<b>(64.872.057)</b>	<b>(22.897.533)</b>

**34. INCOME TAX**

- a. Income tax expense of the Company and Subsidiaries consists of the following:

<b>Continuing Operations</b>
Current income tax expense
Subsidiaries
Deferred tax expense
Company
Subsidiaries
Sub-total
<b>Total Income Tax Expense from Continuing Operations</b>

- b. Current Income Tax

A reconciliation between profit before income tax expense per consolidated statements of comprehensive income and the Company's tax loss is as follows:

Consolidated profit before income tax expense from continuing operations
Less income before income tax expense of Subsidiaries
Loss before income tax of the Company
Dividend from Subsidiaries
<b>Profit (loss) before income tax of the Company</b>
<b>Temporary differences</b>
Unrealized loss from derivative transactions
Depreciation of property, plant and equipment
Amortization of deferred charges
Employee benefits
Unrealized (gain) loss on marketable securities
Loss on foreign exchange employee-benefits
<b>Permanent differences</b>
Non-deductible expenses
Non-taxable income
Income subjected to final income tax
<b>Tax loss of the Company for the year</b>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**34. PAJAK PENGHASILAN (lanjutan)**

b. Pajak Kini (lanjutan)

	2014	2013
Rugi fiskal tahun lalu	(287.516.536)	(320.680.988)
Rugi fiskal yang kadaluarsa	116.759.431	56.061.985
<b>Rugi fiskal kumulatif Perusahaan pada akhir tahun</b>	<b>(235.629.162)</b>	<b>(287.516.536)</b>

**34. INCOME TAX (continued)**

b. Current Income Tax (continued)

Prior years tax losses  
Expired tax loss  
**Accumulated tax loss carry-forward  
at end of year - the Company**

c. Pajak Tangguhan

Rincian dari aset dan liabilitas pajak tangguhan dari Grup adalah sebagai berikut:

c. Deferred Tax

The details of the Group's deferred tax assets and liabilities are as follows:

	2014				
	31 Desember 2013/ December 31, 2013	Aset/liabilitas pajak tangguhan kumulatif atas entitas anak yang dijual/ Cumulative deferred tax assets/ liabilities of divested subsidiaries	Dibebankan (dikreditkan) ke laporan laba rugi/ Charged (credited) to consolidated statement of comprehensive income	31 Desember 2014/ December 31, 2014	
<b>Perusahaan</b>					
<b>Liabilitas Pajak Tangguhan</b>					
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 asosiasi	(7.490.545)	-	-	(7.490.545)	Fair value adjustment of investment in associate
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	(87.724.692)	(1.139.113)	3.852.394	(90.437.973)	Deferred Tax Liabilities - Subsidiaries
Liabilitas Pajak Tangguhan atas akuisisi Tunisia	-	-	-	(7.903.675)	Deferred Tax Liabilities of Tunisia acquisition
Total Liabilitas Pajak Tangguhan Entitas Anak	(87.724.692)			(98.341.648)	Total Deferred Tax Liabilities - Subsidiaries

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**34. PAJAK PENGHASILAN (lanjutan)**

c. Pajak Tangguhan (lanjutan)

**34. INCOME TAX (continued)**

c. Deferred Tax (continued)

		2014				
	31 Desember 2013/ December 31, 2013	Aset/liabilitas pajak tangguhan kumulatif atas entitas anak yang dijual/ Cumulative deferred tax assets/ liabilities of divested subsidiaries	Dibebankan (dikreditkan) ke laporan laba rugi/ Charged (credited) to consolidated statement of comprehensive income	31 Desember 2014/ December 31, 2014		
Aset Pajak Tangguhan Grup - Neto	42.600.507	-	11.529.192	31.071.315	Net Deferred Tax Assets of the Group	
Liabilitas Pajak Tangguhan Grup - Neto	(99.150.300)	(1.139.113)	6.972.435	(104.983.622)	Net Deferred Tax Liabilities of the Group	
Liabilitas Pajak Tangguhan atas akuisisi Tunisia	-	-	-	(7.903.675)	Deferred Tax Liabilities of Tunisia acquisition	
Total Liabilitas Pajak Tangguhan Grup - Neto	(99.150.300)			(112.887.297)	Net Deferred Tax Liabilities of the Group	
<b>Beban Pajak Tangguhan dari Operasi yang Dilanjutkan</b>			18.501.627		<b>Deferred Tax Expense from Continuing Operations</b>	
Dampak selisih kurs			57.208		Effect of foreign exchange rate	
<b>Beban Pajak Tangguhan Neto dari Operasi yang Dilanjutkan</b>			(18.558.835)		<b>Net Deferred Tax Expense from Continuing Operations</b>	
		2013				
	31 Desember 2012/ December 31, 2012	Aset/liabilitas pajak tangguhan kumulatif atas entitas anak yang dijual/ Cumulative deferred tax assets/ liabilities of divested subsidiaries	Dibebankan (dikreditkan) ke laporan laba rugi/ Charged (credited) to consolidated statement of comprehensive income	31 Desember 2013/ December 31, 2013		
<b>Perusahaan</b>					<b>Company</b>	
<b>Aset Pajak Tangguhan</b>					<b>Deferred Tax Assets</b>	
Kewajiban imbalan kerja	2.164.770	-	2.164.770	-	Employee benefit liabilities	
Amortisasi biaya yang ditangguhkan	1.792.502	-	1.792.502	-	Amortization of deferred expenses	
Penyusutan aset tetap	772.923	-	772.923	-	Depreciation of property, plant and equipment	
Kerugian atas transaksi derivatif yang belum direalisasikan	143.656	-	143.656	-	Unrealized loss from derivative transactions	
Sub-jumlah	4.873.851	-	4.873.851	-	Sub-total	

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**34. PAJAK PENGHASILAN (lanjutan)**

**34. INCOME TAX (continued)**

c. Pajak Tangguhan (lanjutan)

c. Deferred Tax (continued)

	2013				
	31 Desember 2012/ December 31, 2012	Aset/liabilitas pajak tangguhan kumulatif atas entitas anak yang dijual/ Cumulative deferred tax assets/ liabilities of divested subsidiaries	Dibebankan (dikreditkan) ke laporan laba rugi/ Charged (credited) to consolidated statement of comprehensive income	31 Desember 2013/ December 31, 2013	
<b>Liabilitas Pajak Tangguhan</b>					<b>Deferred Tax Liabilities</b>
Keuntungan yang belum direalisasikan atas surat berharga	(4.947.407)	-	(1.012.344)	(3.935.063)	Unrealized income on marketable securities
Penyesuaian nilai wajar investasi pada entitas asosiasi	(8.210.214)	-	(719.669)	(7.490.545)	Fair value adjustment of investment in associate
Sub-jumlah	(13.157.621)	-	(1.732.013)	(11.425.608)	Sub-total
Liabilitas Pajak Tangguhan Neto - Perusahaan	(8.283.770)	-	3.141.838	(11.425.608)	Net Deferred Tax Liabilities - the Company
Aset Pajak Tangguhan-Entitas Anak	59.541.169	-	16.940.662	42.600.507	Deferred Tax Assets - Subsidiaries
Liabilitas Pajak Tangguhan Entitas Anak	(81.883.273)	-	5.841.419	(87.724.692)	Deferred Tax Liabilities - Subsidiaries
Aset Pajak Tangguhan Grup - Neto	59.541.169	-	16.940.662	42.600.507	Net Deferred Tax Assets of the Group
Liabilitas Pajak Tangguhan Grup - Neto	(90.167.043)	-	8.983.257	(99.150.300)	Net Deferred Tax Liabilities of the Group
<b>Beban Pajak Tangguhan dari Operasi yang Dilanjutkan</b>			<b>25.923.919</b>		<b>Deferred Tax Expense from Continuing Operations</b>
<b>Dampak selisih kurs</b>			<b>(282.602)</b>		<b>Effect of foreign exchange rate</b>
<b>Beban Pajak Tangguhan Neto dari Operasi yang Dilakukan</b>			<b>25.641.317</b>		<b>Net Deferred Tax Expense from Continuing Operations</b>

Rekonsiliasi antara beban pajak dengan hasil perhitungan menggunakan tarif pajak statutory yang berlaku atas laba sebelum beban pajak, adalah sebagai berikut:

A reconciliation between the income tax expense and the amount computed by applying the statutory tax rate to profit before income tax expense, is as follows:

	2014	2013	
Laba konsolidasian sebelum beban pajak penghasilan dari operasi yang dilanjutkan	110.985.504	192.111.815	Consolidated profit before income tax expense from continuing operations
Dikurangi laba sebelum pajak penghasilan Entitas Anak	(159.686.747)	(255.542.611)	Less profit before income tax expense of Subsidiaries
Rugi sebelum pajak - Perusahaan	(48.701.243)	(63.430.796)	Loss before income tax of the Company
Dividen dari Entitas Anak	-	366.457.981	Dividend of Subsidiaries
<b>Jumlah laba (rugi) sebelum pajak - Perusahaan</b>	<b>(48.701.243)</b>	<b>303.027.185</b>	<b>Profit (loss) before income tax of the Company</b>



The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**34. PAJAK PENGHASILAN (lanjutan)**

c. Pajak Tangguhan (lanjutan)

	2014	2013
Manfaat (beban) pajak menggunakan tarif pajak efektif yang berlaku	12.175.311	(75.756.796)
Dampak pajak dari perbedaan tetap: Pendapatan yang tidak dikenakan pajak	-	91.614.495
Pendapatan yang sudah dikenai pajak penghasilan final	882.477	1.450.831
Penyesuaian rugi fiskal	16.113.655	(12.357.921)
Beban yang tidak dapat dikurangkan	(64.174)	(8.092.447)
Beban pajak dari operasi yang dilanjutkan:		
Perusahaan	(3.120.041)	(3.141.838)
Entitas Anak	(94.678.834)	(150.718.850)
<b>Beban Pajak - Neto</b>	<b>(97.798.875)</b>	<b>(153.860.688)</b>

Manajemen berpendapat bahwa aset pajak tangguhan yang diakui dapat direalisasi sepenuhnya.

**34. INCOME TAX (continued)**

c. Deferred Tax (continued)

	2014	2013
Manfaat (beban) pajak menggunakan tarif pajak efektif yang berlaku	12.175.311	(75.756.796)
Dampak pajak dari perbedaan tetap: Pendapatan yang tidak dikenakan pajak	-	91.614.495
Pendapatan yang sudah dikenai pajak penghasilan final	882.477	1.450.831
Penyesuaian rugi fiskal	16.113.655	(12.357.921)
Beban yang tidak dapat dikurangkan	(64.174)	(8.092.447)
Beban pajak dari operasi yang dilanjutkan:		
Perusahaan	(3.120.041)	(3.141.838)
Entitas Anak	(94.678.834)	(150.718.850)
<b>Beban Pajak - Neto</b>	<b>(97.798.875)</b>	<b>(153.860.688)</b>

The management is of the opinion that the deferred tax assets of the Company and Subsidiaries recognized are fully recoverable.

**35. OPERASI YANG DIHENTIKAN**

Pada tanggal 16 Oktober 2013, Grup telah menghentikan dan menutup kegiatan operasi kilang ethanol karena tidak mencukupinya pasokan bahan baku yang berkesinambungan yaitu singkong dan tetes tebu untuk produksi ethanol. Sebagai hasilnya, untuk tahun 2014 dan 2013, rugi setelah pajak PT Medco Ethanol Lampung (MEL) dicantumkan sebagai suatu jumlah tunggal dalam laporan laba rugi komprehensif konsolidasian, dan aset dan liabilitas MEL pada tanggal 31 Desember 2014 dan 2013 dicantumkan dalam jumlah tunggal sebagai aset dan liabilitas yang dimiliki untuk dijual dalam laporan keuangan konsolidasian.

Sampai pada saat penyelesaian laporan keuangan konsolidasian, proses penawaran MEL masih berlangsung.

Selain itu, pada 2013, Grup juga mencatat investasi pada PT Puma Energy Indonesia (PEI) (dahulu PT Medco Sarana Kalibaru), Entitas Asosiasi, sebagai aset yang dimiliki untuk dijual, yang divestasi pada bulan Maret 2014 (Catatan 44).

**35. DISCONTINUED OPERATIONS**

On October 16, 2013, the Group has closed down the operations of PT Medco Ethanol Lampung (MEL), a subsidiary engaged in ethanol production, due to insufficiency of sustainable feedstock supply, i.e. cassava and molasses, for the ethanol production. MEL has been classified as a discontinued operation. As a result, for 2014 and 2013, the loss after tax of MEL was presented as single line item in the consolidated statements of comprehensive income, and the assets and liabilities of MEL as of December 31, 2014 and 2013 are also presented as single line item as assets and liabilities held for sale in the consolidated statements of financial position.

Until the completion date of the consolidated financial statements, the bidding process of MEL is still on going.

Moreover, in 2013, the Group also recorded its investment in PT Puma Energy Indonesia (formerly PT Medco Sarana Kalibaru), Associated Entity, as asset held for sale, which the Group divested in March 2014 (Note 44).

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**35. OPERASI YANG DIHENTIKAN (lanjutan)**

Pada tanggal 31 Desember 2014, Grup investasi usaha PT Medco Downstream Indonesia dan Entitas Anak (MDI Grup) sebagai bagian dari operasi yang dihentikan, hal ini sejalan dengan tujuan dari Grup agar dapat lebih fokus mengembangkan unit usaha yang berkaitan dengan lini bisnis minyak dan gas. Selain itu Grup juga mencatat investasi pada Synergia Trading International Pte Ltd (Synergia), Entitas Anak, sebagai aset yang dimiliki untuk dijual, dan penjualan atas Synergia telah selesai pada Februari 2015 (Catatan 48).

Akun-akun laba rugi utama untuk unit usaha yang dihentikan adalah sebagai berikut:

	2014	2013
Penjualan kimia dan produk petroleum lainnya neto	858.488	5.900.251
Beban pokok penjualan kimia dan produk petroleum lainnya	(1.219.278)	(8.574.630)
Laba/ (rugi) kotor	(360.790)	(2.674.379)
Beban penjualan, umum dan administrasi	(2.372.480)	(6.709.874)
Beban pendanaan	(5.436)	(24.931)
Kerugian dari perusahaan asosiasi	(21.596)	(4.188.497)
Penurunan nilai aset - neto	(3.293.684)	(15.524.991)
Pendapatan bunga	2.133	74.812
Pendapatan lain-lain	2.173.251	8.175.949
Beban lain-lain	(322.189)	(1.400.640)
Keuntungan dari pelepasan anak perusahaan	3.591.812	-
Rugi sebelum pajak penghasilan dari operasi yang tidak dilanjutkan	(608.979)	(22.272.551)
Beban pajak penghasilan	1.139.113	-
<b>Laba (rugi) setelah beban pajak penghasilan</b>	<b>530.134</b>	<b>(22.272.551)</b>

**35. DISCONTINUED OPERATIONS (continued)**

As of December 31, 2014, the Group recorded its investment in PT Medco Downstream Indonesia and Subsidiaries (MDI Group) as a part of discontinued operation, this is in line with the objectives of the Group in order to be more focus on oil and gas business line. Moreover, the Group also recorded its investment in Synergia Trading International Pte Ltd (Synergia), Subsidiary, as assets held for sale, in pursuant to the subsequent sale of Synergia which was completed in February 2015 (Note 48).

The profit and loss accounts for discontinued business units are presented below:

Revenue from chemical and other petroleum products
Cost of sales of chemical and other petroleum products
Gross profit/ (loss)
Selling, general and administrative expenses
Finance costs
Loss from associated entity
Loss recognized on the measurement to fair value less cost to sell
Finance income
Other expense
Other income
Gain from disposal of subsidiaries
Loss before income tax from discontinued operations
Income tax expense
<b>Profit (loss) after income tax from discontinued operations</b>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**35. OPERASI YANG DIHENTIKAN (lanjutan)**

Akun-akun laporan posisi keuangan utama untuk MDI Grup dan Synergia pada tanggal 31 Desember 2014 dan MEL dan PEI pada tanggal 31 Desember 2013:

	2014	2013
<b>ASET</b>		
Kas dan setara kas	46.484	30.301
Piutang - pihak ketiga	308.426	14.459
Persediaan	312.742	1.549.627
Pajak dibayar di muka	484.297	179.936
Beban dibayar di muka	48.596	31.650
Aset lain-lain	42.491	26.677
Aset tetap	24.735.727	24.729.598
Aset dari operasi yang tidak dilanjutkan	25.978.763	26.562.248
Pengakuan kerugian atas pengukuran nilai wajar dikurangi biaya untuk menjual	(18.688.651)	(15.394.967)
Sub-jumlah	7.290.112	11.167.281
Investasi asosiasi - PT Puma Energy Indonesia (dahulu PT Medco Sarana Kalibaru)	-	13.822.404
<b>Aset dari operasi yang tidak dilanjutkan</b>	<b>7.290.112</b>	<b>24.989.685</b>
<b>LIABILITAS</b>		
Utang usaha - Pihak ketiga	38.618	55.575
Utang lain-lain	482.750	7.245
Utang Pajak	83.652	71.765
Beban yang masih harus dibayar	8.392.708	2.962.806
Uang muka dari pelanggan	5.959	295.970
Liabilitas atas aset dari operasi yang tidak dilanjutkan	9.003.687	3.393.361
<b>Aset neto dari operasi yang tidak dilanjutkan</b>	<b>(1.713.575)</b>	<b>21.596.324</b>

Akun-akun laporan arus kas utama untuk MDI Grup (termasuk MEL), Synergia dan PEI adalah sebagai berikut:

	2014	2013
<b>ARUS KAS</b>		
Aktivitas operasi	322.489	(19.154.677)
Aktivitas investasi	19.957.801	77.957
Aktivitas pendanaan	(20.688.127)	15.145.232
<b>Arus kas - neto</b>	<b>(407.837)</b>	<b>(3.931.488)</b>

Sehubungan dengan penerapan PSAK No. 58, "Aset Tidak Lancar yang Dimiliki untuk Dijual dan Operasi yang Dihentikan", Grup menyajikan kembali laporan laba rugi komprehensif konsolidasian terkait atas operasi PT Medco Downstream Indonesia dan Entitas Anak dan Synergia yang dihentikan untuk tahun yang berakhir pada tanggal 31 Desember 2013.

**35. DISCONTINUED OPERATIONS (continued)**

The statement of financial position accounts for MDI Group and Synergia as of December 31, 2014 and MEL and PEI as of December 31, 2013 are presented below:

	2014	2013
<b>ASSETS</b>		
Cash and cash equivalents	46.484	30.301
Receivables - third parties	308.426	14.459
Inventories	312.742	1.549.627
Prepaid taxes	484.297	179.936
Prepaid expenses	48.596	31.650
Other assets	42.491	26.677
Property, plant and equipment	24.735.727	24.729.598
Assets from discontinued operations	25.978.763	26.562.248
Impairment loss on assets recognized at fair value less cost to sell	(18.688.651)	(15.394.967)
Sub-total	7.290.112	11.167.281
Investment in associated entity - PT Puma Energy Indonesia (formerly PT Medco Sarana Kalibaru)	-	13.822.404
<b>Net assets classified as held for sale</b>	<b>7.290.112</b>	<b>24.989.685</b>
<b>LIABILITIES</b>		
Trade payables - third parties	38.618	55.575
Other payables	482.750	7.245
Taxes payable	83.652	71.765
Accrued expenses	8.392.708	2.962.806
Advance payment from customer	5.959	295.970
Liabilities directly associated with assets of discontinued operations	9.003.687	3.393.361
<b>Net assets directly associated with discontinued operations</b>	<b>(1.713.575)</b>	<b>21.596.324</b>

The major accounts in the statements of cash flows for MDI Group (including MEL), Synergia and PEI are presented below:

	2014	2013
<b>CASH FLOWS</b>		
Operating activities	322.489	(19.154.677)
Investing activities	19.957.801	77.957
Financing activities	(20.688.127)	15.145.232
<b>Net cash flows</b>	<b>(407.837)</b>	<b>(3.931.488)</b>

In connection with the application of PSAK No. 58, "Non-current Assets Held for Sale and Discontinued Operations", the Group restated its consolidated statements of comprehensive income in relation to the discontinued operation of PT Medco Downstream Indonesia and Subsidiaries and Synergia for the year ended December 31, 2013.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**35. OPERASI YANG DIHENTIKAN (lanjutan)**

**35. DISCONTINUED OPERATIONS (continued)**

		2013			
	Dilaporkan Sebelumnya/ As previously reported	Disajikan kembali/ Restatements	Setelah disajikan kembali/ As restated		
<u>Laporan laba rugi</u>					<u>Consolidated statements of</u>
<u>komprehensif konsolidasian</u>					<u>comprehensive income</u>
Penjualan minyak dan gas neto	826.842.368	-	826.842.368		Net Oil and Gas Sales
Penjualan kimia dan produk petroleum lainnya	2.426.172	(2.426.172)	-		Revenue from chemical and petroleum products
Pendapatan dari batubara	42.959.147	-	42.959.147		Coal Sales
Pendapatan dari jasa lainnya	16.719.719	-	16.719.719		Revenues from Other Contracts and Related Services
Jumlah Penjualan dan Pendapatan Usaha Lainnya	888.947.406	(2.426.172)	886.521.234		Total Sales and Revenue from other Contracts and Related Services
Biaya Produksi dan lifting	(307.763.720)	-	(307.763.720)		Production and lifting costs
Penyusutan, deplesi dan amortisasi	(101.609.714)	-	(101.609.714)		Depreciation, depletion and amortization
Beban eksplorasi	(14.079.817)	-	(14.079.817)		Exploration expenses
Biaya pembelian minyak mentah	(44.378.789)	-	(44.378.789)		Cost of crude oil purchase
Biaya jasa	(29.717.463)	-	(29.717.463)		Cost of other contracts and related services
Biaya produksi batubara	(24.179.183)	-	(24.179.183)		Cost of coal mining
Jumlah Beban Pokok Penjualan dan Biaya Langsung Lainnya	(521.728.686)	-	(521.728.686)		Total cost of sales and other direct costs
Beban penjualan, umum dan administrasi	(121.485.761)	4.378.448	(117.107.313)		Selling, general and administrative expenses
Beban pendanaan	(77.083.376)	19.607	(77.063.769)		Finance costs
Kerugian atas penurunan nilai asset-neto	(27.244.234)	68.934	(27.175.300)		Loss on impairment of assets-net
Bagian laba dari entitas asosiasi-neto	4.554.295	4.188.497	8.742.792		Share of net income of associated entities-net
Pendapatan bunga	11.751.425	(73.775)	11.677.650		Finance income
Pendapatan lain-lain	49.676.093	(8.056.338)	41.619.755		Other income
Beban lain-lain	(13.650.350)	275.802	(13.374.548)		Other expenses
Laba sebelum beban pajak penghasilan dari operasi yang dilanjutkan	193.736.812	(1.624.997)	192.111.815		Profit before income tax expense from continuing operations
Beban Pajak Penghasilan	(153.860.688)	-	(153.860.688)		Income Tax Expense
Laba tahun berjalan dari operasi yang dilanjutkan	39.876.124	(1.624.997)	38.251.127		Profit from continuing operations for the year
Rugi setelah beban pajak penghasilan dari operasi yang dihentikan	(23.897.548)	1.624.997	(22.272.551)		Loss after income tax expense from discontinued operations
Laba yang dapat diatribusikan kepada pemilik entitas induk dari operasi yang dilanjutkan	36.480.969	(1.624.997)	34.855.972		Profit attributable to equity holders of the parent company from continuing operations
Rugi yang dapat diatribusikan kepada pemilik entitas induk dari operasi yang dihentikan	(23.897.548)	1.624.997	(22.272.551)		Loss attributable to equity holders of the parent company from discontinued operations
Rugi komprehensif yang dapat diatribusikan kepada pemilik entitas induk dari operasi yang dilanjutkan	(3.017.737)	(1.624.997)	(4.642.734)		Comprehensive loss attributable to equity holders of the parent company from continuing operations
Rugi komprehensif yang dapat diatribusikan kepada pemilik entitas induk dari operasi yang dilanjutkan	(23.897.548)	1.624.997	(22.272.551)		Comprehensive loss attributable to equity holders of the parent company from continuing operations

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**35. OPERASI YANG DIHENTIKAN (lanjutan)**

**35. DISCONTINUED OPERATIONS (continued)**

		2013			
		Dilaporkan Sebelumnya/ As previously reported	Disajikan kembali/ Restatements	Setelah disajikan kembali/ As restated	
<u>Laporan arus kas konsolidasian</u>					<u>Consolidated statements of cash flow</u>
Penerimaan kas dari pelanggan	923.326.504		(8.700.038)	914.626.466	Cash receipts from customers
Pembayaran kas kepada pemasok dan karyawan	(536.912.825)		11.589.226	(525.323.599)	Cash paid to suppliers and employee
Penerimaan bunga	11.987.987		(74.812)	11.913.175	Interest received
Penerimaan atas penjualan asset tetap	124.928		(104.308)	20.620	Proceed from disposal of property, plant and equipment
Penambahan asset lain-lain	(1.538.483)		(1.641)	(1.540.124)	Addition to other asset
Pembayaran atas beban pendanaan	(77.992.145)		720.612	(77.271.533)	Payment of financing charges

**36. LABA PER SAHAM**

**36. EARNINGS PER SHARE**

a. Laba per saham

a. Earnings per share

	2014	2013	
Laba tahun berjalan	10.113.687	12.583.421	Profit for the year
Rata-rata saham yang beredar	3.332.451.450	3.088.417.387	Average shares outstanding
Laba per saham dasar	0,0030	0,0041	Basic earnings per share

b. Laba per saham dilusian

b. Diluted earnings per share

Perusahaan tidak menghitung laba per saham dilusian karena tidak terdapat dampak dilutif yang potensial (anti dilutif) dari saham biasa.

The Company did not compute diluted earnings per share since there were no potentially dilutive ordinary shares (anti-dilutive).

**37. DIVIDEN TUNAI**

**37. CASH DIVIDENDS**

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 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 dividends were paid in June 2014.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**37. DIVIDEN TUNAI (lanjutan)**

Pada tanggal 26 April 2013, pemegang saham, pada Rapat Umum Pemegang Saham (RUPS) tahunan, menyetujui pembagian dividen kas atas tahun 2012 sejumlah AS\$0,00113 per saham atau setara dengan AS\$3,3 juta. Dividen telah dibayar pada bulan Juni 2013.

**38. 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 dan DPLK Jiwasraya yang masing-masing 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 7% dari gaji kotor maupun dari karyawan masing-masing sebesar 2% dan 3% dari gaji kotor.

Biaya atas pensiun iuran pasti dari Entitas Anak yang bergerak dalam eksplorasi dan produksi minyak dan gas bumi sejumlah AS\$2.247.135 dan AS\$2.503.305 pada tanggal-tanggal 31 Desember 2014 dan 2013.

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 AIG Life, PT Asuransi Allianz Life Indonesia dan PT Asuransi Jiwa Manulife Indonesia.

**37. CASH DIVIDENDS (continued)**

On April 26, 2013, the shareholders, in their Annual General Meeting (AGM) approved the distribution of cash dividends pertaining to year 2012 in the amount of US\$0.00113 per share or equivalent to approximately US\$3.3 million. The dividends were paid in June 2013.

**38. 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 and DPLK Jiwasraya 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, respectively. The pension plans are funded by contributions from both of the Subsidiaries at 6% and 7% of gross salaries and their employees at 2% and 3% of gross salaries, respectively.

The defined contribution pension cost of Subsidiaries involved in oil and gas exploration and production amounted to US\$2,247,135 and US\$2,503,305 for the years ended December 31, 2014 and 2013, 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 AIG Life, PT Asuransi Allianz Life Indonesia and PT Asuransi Jiwa Manulife Indonesia.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**38. LIABILITAS IMBALAN KERJA (lanjutan)**

b. Program Pensiun Imbalan Pasti (lanjutan)

Grup juga mengakui manfaat pasca kerja lainnya untuk pegawai yang bukan anggota program pensiun imbalan pasti sesuai dengan Undang-undang Ketenagakerjaan No. 13 Tahun 2003 dan kebijakan Grup yang berlaku.

Jumlah orang yang berhak memperoleh imbalan tersebut masing-masing adalah 1.067 dan 1.181 orang pada tanggal 31 Desember 2014 dan 2013.

i. Analisa liabilitas pensiun imbalan pasti yang diakui di dalam laporan posisi keuangan konsolidasian adalah sebagai berikut:

	2014	2013	
Nilai sekarang liabilitas pensiun imbalan pasti	49.192.883	70.476.777	<i>Present value of defined benefit obligations</i>
Nilai wajar aset program imbalan	(87.986.527)	(86.172.625)	<i>Fair value of plan assets</i>
Kelebihan pendanaan liabilitas pensiun imbalan kerja	(38.793.644)	(15.695.848)	<i>Overfunded defined benefit obligations</i>
Kerugian aktuarial yang belum diakui	54.882	17.686	<i>Unrecognized actuarial loss</i>
Batasan pengakuan aset PSAK No. 24 (Revisi 2010)	39.390.736	16.127.744	<i>Limitation on asset recognition based on PSAK No. 24 (Revised 2010)</i>
<b>Liabilitas pensiun imbalan pasti - neto</b>	<b>651.974</b>	<b>449.582</b>	<b><i>Defined benefit obligations - net</i></b>

ii. Analisa biaya pensiun imbalan pasti pada laporan laba rugi komprehensif konsolidasian adalah sebagai berikut:

	2014	2013	
Biaya jasa kini	4.551.089	8.270.851	<i>Current service cost</i>
Beban bunga	6.413.741	6.776.245	<i>Interest expense</i>
Keuntungan aktuarial yang diakui	(29.044.884)	(25.577.110)	<i>Actuarial gain recognized</i>
Pengembalian dari aset yang diharapkan	(5.306.154)	(6.290.632)	<i>Expected return on plan assets</i>
Batasan pengakuan aset PSAK No. 24 (Revisi 2010)	23.834.872	18.809.120	<i>Limitation on asset recognition based on PSAK No. 24 (Revised 2010)</i>
Lain-lain	634	721	<i>Others</i>
<b>Jumlah</b>	<b>449.298</b>	<b>1.989.195</b>	<b><i>Total</i></b>

**38. EMPLOYEE BENEFITS LIABILITIES (continued)**

b. Defined Benefit Pension Plan (continued)

The Group also recognizes post-employment benefits expense for non-members of the defined benefit pension plan in accordance with Labor Law No. 13 Year 2003 and the prevailing Group policy.

The number of people eligible for the benefits is 1,067 and 1,181 personnel as of December 31, 2014 and 2013, respectively.

i. An analysis of defined benefit obligations recognized in the consolidated statements of financial position is as follows:

ii. An analysis of the defined benefit costs in the consolidated statements of comprehensive income is as follows:

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**38. LIABILITAS IMBALAN KERJA (lanjutan)**

- b. Program Pensiun Imbalan Pasti (lanjutan)
- iii. Analisa mutasi liabilitas pensiun imbalan pasti di laporan posisi keuangan konsolidasian adalah sebagai berikut:

	2014	2013	
Saldo awal tahun	449.582	9.153.439	<i>Balance at beginning of year</i>
Biaya imbalan kerja pada tahun berjalan	449.298	1.989.195	<i>Employee benefit costs</i>
Kurtailmen	-	1.976.917	<i>Curtailment</i>
Kontribusi pada tahun berjalan	(38.329)	(8.399.648)	<i>Contributions for the year</i>
Imbalan kerja yang dibayarkan	(64.449)	(2.087.539)	<i>Benefits paid</i>
Dampak selisih kurs	(144.128)	(2.182.782)	<i>Effect of foreign exchange differences</i>
<b>Saldo akhir tahun</b>	<b>651.974</b>	<b>449.582</b>	<b><i>Balance at end of year</i></b>

- iv. Mutasi liabilitas diestimasi atas imbalan kerja karyawan:

**Tahun yang berakhir pada tanggal 31 Desember/  
Years ended December 31**

	2014	2013	2012	2011	2010	
Nilai sekarang liabilitas imbalan pasti	49.192.883	70.476.777	122.313.973	105.616.686	92.721.383	<i>Present value benefit obligation</i>
Penyesuaian pada liabilitas	8.300.619	37.414.874	(22.892.980)	(9.785.168)	-	<i>Experience adjustment on liability</i>

- v. Mutasi nilai wajar aset program atas imbalan kerja karyawan:

**Tahun yang berakhir pada tanggal 31 Desember/  
Years ended December 31**

	2014	2013	2012	2011	2010	
Aset program imbalan	(87.986.527)	(86.172.625)	(113.139.579)	(105.052.194)	(84.042.022)	<i>Plan assets</i>
Penyesuaian pada aset	34.627.167	(130.181.916)	(29.793.312)	(74.632.021)	-	<i>Experience adjustment on plan assets</i>

**38. EMPLOYEE BENEFITS LIABILITIES (continued)**

- b. Defined Benefit Pension Plan (continued)
- iii. An analysis of the movements of defined benefit obligations in the consolidated statements of financial position is as follows:

- iv. Movements in the estimated liabilities for employee benefits:

- v. Movements fair value of plan assets of employee benefits:



The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**38. LIABILITAS IMBALAN KERJA (lanjutan)**

b. Program Pensiun Imbalan Pasti (lanjutan)

- vi. Kategori utama atas aset program imbalan sebagai persentase dari nilai wajar aset program adalah sebagai berikut:

	2014	2013	
Obligasi pemerintah	58%	40%	Government bonds
Deposito berjangka	28%	60%	Time deposits
Obligasi perusahaan	14%	-	Corporate bonds
<b>Jumlah</b>	<b>100%</b>	<b>100%</b>	<b>Total</b>

- vii. Liabilitas pensiun imbalan pasti pada tanggal 31 Desember 2014 dan 2013 dihitung dengan menggunakan asumsi sebagai berikut:

	2014	2013	
Tingkat diskonto	8,0% - 8,3%	5,0% - 9,0%	Discount rates
Tingkat pengembalian yang diharapkan dari aset:			Expected rate of return on assets:
- Portofolio Rupiah	0% - 8%	0% - 6%	- Rupiah Portfolio
Tingkat proyeksi kenaikan gaji	5% - 9,5%	9,5% - 10%	Salary increment rate
Tingkat mortalitas	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	Morbidity rate (disability rate)
Tingkat pengunduran diri	1% - 2% terutama sesuai tingkat usia primarily in line with age profile	0,028% - 6% terutama sesuai tingkat usia primarily in line with age profile	Resignation rate
Proporsi pengambilan pensiun normal	100%	100%	Proportion of normal retirements

Pada tanggal 31 Desember 2014, jika tingkat diskonto tahunan dinaikan atau diturunkan sebesar 1% dengan semua variabel dianggap konstan, liabilitas imbalan pasca-kerja pada tanggal 31 Desember 2014 akan lebih rendah atau tinggi sebesar AS\$4.578.376/ AS\$5.370.958. (Pada tanggal 31 Desember 2013: AS\$7.738.086/AS\$9.228.542).

**38. EMPLOYEE BENEFITS LIABILITIES (continued)**

b. Defined Benefit Pension Plan (continued)

- vi. The major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

- vii. The defined benefit obligations as of December 31, 2014 and 2013 were calculated using the following assumptions:

As of December 31, 2014, if the annual discount rate is increased or decreased by 1% with all variables held constant, the employment benefit liability would have been lower/higher by US\$4,578,376/US\$5,370,958. (As of December 31, 2013: US\$7,738,086/US\$9,228,542).

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**38. LIABILITAS IMBALAN KERJA (lanjutan)**

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 Tahun 2003 dan kebijakan Grup yang berlaku.

Jumlah karyawan yang berhak memperoleh imbalan tersebut masing-masing adalah 465 dan 414 orang pada tanggal 31 Desember 2014 dan 2013.

Liabilitas imbalan kerja ditetapkan berdasarkan perhitungan aktuaris independen, PT Dayamandiri Dharmakonsilindo untuk karyawan selain direksi dan PT Sentra Jasa Aktuaria untuk direksi, yang laporan terakhirnya masing-masing tertanggal 19 Maret 2015. Penilaian aktuaris ini dilakukan setiap tanggal pelaporan akhir tahun atau bila diperlukan.

i. Analisa liabilitas Undang-undang Ketenagakerjaan No. 13/2003 dan imbalan pasca-kerja lainnya yang diakui di dalam laporan posisi keuangan konsolidasian adalah sebagai berikut:

	2014	2013	
Nilai sekarang liabilitas imbalan kerja	11.559.408	12.980.708	Present value of liabilities employment benefits
Jasa masa lalu yang belum diakui	(44.853)	(270.485)	Unrecognized past service cost-non-vested
Keuntungan aktuarial yang belum diakui	1.611.493	355.529	Unrecognized actuarial loss
<b>Jumlah liabilitas imbalan kerja</b>	<b>13.126.048</b>	<b>13.065.752</b>	<b>Total employment benefits liabilities</b>

ii. Analisa biaya Undang-undang Ketenagakerjaan No. 13/2003 dan imbalan pasca-kerja lainnya pada laporan laba rugi komprehensif konsolidasian adalah sebagai berikut:

**38. EMPLOYEE BENEFITS LIABILITIES (continued)**

c. Labor Law No. 13/2003 and Other Post-employment Benefits

The Group also recognizes post-employment benefits for employee whom are non-members of the defined benefit plan and key management in accordance with Labor Law No. 13 Year 2003 and current Group policy.

The number of employees eligible for the benefits is 465 and 414 as of December 31, 2014 and 2013, respectively.

Employee benefits liabilities are determined based on the calculation of an independent actuary, PT Dayamandiri Dharmakonsilindo, for employees other than directors and PT Sentra Jasa Aktuaria for directors, as set forth in their reports dated March 19, 2015. The actuarial valuation is performed at each reporting date or as necessary.

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:

ii. An analysis of the Labor Law No. 13/2003 and other post-employment benefits costs in the consolidated statements of comprehensive income is as follows:

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**38. LIABILITAS IMBALAN KERJA (lanjutan)**

c. Undang-undang Ketenagakerjaan No. 13/2003 dan Imbalan Pasca-Kerja Lainnya (lanjutan)

	2014	2013	
Biaya jasa kini	1.810.674	2.763.455	Current service cost
Beban bunga	567.675	832.655	Interest expense
Biaya pesangon	28.760	976	Termination expense
Biaya jasa lalu yang diakui segera	8.837	(1.297.482)	Past service cost recognized
Amortisasi kerugian aktuarial	(902.883)	1.082.000	Amortization of actuarial losses
Kurtailmen	(200.096)	(751.734)	Curtailment
Lain-lain	644.502	1.479.940	Others
<b>Jumlah</b>	<b>1.957.469</b>	<b>4.109.810</b>	<b>Total</b>

iii. Analisa mutasi liabilitas Undang-undang Ketenagakerjaan No. 13/2003 dan imbalan pasca-kerja lainnya di laporan posisi keuangan konsolidasian adalah sebagai berikut:

	2014	2013	
Saldo awal tahun	13.065.752	15.769.959	Balance at beginning of year
Biaya Undang-undang Ketenagakerjaan No. 13/2003 dan imbalan pasca-kerja lainnya pada tahun berjalan	1.957.469	4.109.810	Labor Law No. 13/2003 and other post-employment benefit costs for the year
Imbalan kerja yang dibayarkan	(913.848)	(1.236.627)	Benefits paid
Pemberhentian karyawan	(758.053)	(1.732.082)	Termination of employees
Dampak selisih kurs	(225.271)	(3.845.308)	Effect of foreign exchange differences
<b>Saldo akhir tahun</b>	<b>13.126.049</b>	<b>13.065.752</b>	<b>Balance at end of year</b>

iv. Mutasi liabilitas diestimasi atas imbalan kerja karyawan:

iii. An analysis of the movements of Labor Law No. 13/2003 and other post-employment benefits obligations in the consolidated statements of financial position is as follows:

iv. Movements in the estimated liabilities for employee benefits:

**Tahun yang berakhir pada tanggal 31 Desember/  
Years ended December 31**

	2014	2013	2012	2011	2010	
Nilai sekarang liabilitas imbalan pasti	11.559.408	12.980.708	18.250.667	17.200.174	14.952.802	Present value benefit obligation
Penyesuaian pada liabilitas	556.493	2.578.887	(2.337.915)	891.044	46.495	Experience adjustment on liability

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* pada tanggal 31 Desember 2014 sebesar AS\$1.022.315. (Pada tanggal 31 Desember 2013: Nihil).

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* as of December 31, 2014 amounted to US\$1,022,315. (As of December 31, 2013: Nil).

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**38. LIABILITAS IMBALAN KERJA (lanjutan)**

c. Undang-undang Ketenagakerjaan No. 13/2003 dan Imbalan Pasca-Kerja Lainnya (lanjutan)

vi. Liabilitas Undang-undang Ketenagakerjaan No. 13/2003 dan imbalan pasca-kerja lainnya pada tanggal 31 Desember 2014 dan 2013 dihitung dengan menggunakan asumsi sebagai berikut:

	2014	2013	
Tingkat diskonto	1% - 8.9%	2% - 9%	Discount rates
Tingkat proyeksi kenaikan gaji	5% - 10%	6% - 10%	Salary increment rate
Tingkat mortalitas	TMI 2011	TMI 2011	Mortality rate
Tingkat morbiditas	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	0,05% - 1% terutama sesuai tingkat usia/ primarily in line with age profile	Resignation rate
Proporsi pengambilan pensiun normal	100%	100%	Proportion of normal retirements

Pada tanggal 31 Desember 2014, jika tingkat diskonto tahunan dinaikan atau diturunkan sebesar 1% dengan semua variabel dianggap konstan, liabilitas imbalan pasca-kerja pada tanggal 31 Desember 2014 akan lebih rendah atau tinggi sebesar AS\$940.813/AS\$392.759. (Pada tanggal 31 Desember 2013: AS\$964.777/AS\$349.739).

**38. EMPLOYEE BENEFITS LIABILITIES (continued)**

c. Labor Law No. 13/2003 and Other Post-employment Benefits (continued)

vi. The Labor Law No. 13/2003 and other post-employment benefits obligations as of December 31, 2014 and 2013 were calculated using the following assumptions:

As of December 31, 2014, if the annual discount rate is increased or decreased by 1% with all variables held constant, the employment benefit liability would have been lower/higher by US\$940,813/US\$392,759. (As of December 31, 2013: US\$964,777/US\$349,739).

**39. SIFAT HUBUNGAN DAN TRANSAKSI-TRANSAKSI DENGAN PIHAK-PIHAK BERELASI**

**a. Sifat Hubungan Berelasi**

- i. PT Bank Himpunan Saudara 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 Petro Diamond Co Ltd, Hong Kong. Petro Diamond Singapore Pte Ltd (PDS) dan Tomori E&P Ltd (TEL) adalah entitas anak MC.

**39. NATURE OF RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES**

**a. Nature of Relationships**

- i. PT Bank Himpunan Saudara 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. Petro Diamond Co Ltd, Hong Kong, Petro Diamond Singapore Pte Ltd and Tomori E&P Ltd are subsidiaries of MC.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**39. SIFAT HUBUNGAN DAN TRANSAKSI-  
TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
(lanjutan)**

**a. Sifat Hubungan Berelasi (lanjutan)**

- iii. PT Donggi Senoro LNG (DSLNG) adalah entitas di bawah pengaruh signifikan Grup pada tanggal 31 Desember 2010 dimana kepemilikan Grup adalah 20%. Pada tanggal 31 Desember 2011, kepemilikan Grup turun menjadi 11,1%.
- iv. PT Medco Inti Dinamika (INTI) mempunyai pemegang saham pengendali yang sama dengan Perusahaan.
- v. PT Medco Duta (DUTA) adalah salah satu pemegang saham Perusahaan.
- vi. PT Api Metra Graha dimiliki oleh Grup sebesar 49%.
- vii. PT Medco Power Indonesia (MPI) dimiliki oleh Grup sebesar 49%.
- viii. PT Puma Energy Indonesia (PEI) (dahulu PT Medco Sarana Kalibaru) dimiliki oleh Grup sebesar 49% sebelum didivestasi pada bulan Maret 2014 (Catatan 44).

**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.

**39. NATURE OF RELATIONSHIPS AND  
TRANSACTIONS WITH RELATED PARTIES  
(continued)**

**a. Nature of Relationships (continued)**

- iii. *PT Donggi Senoro LNG (DSLNG) is an entity under significant influence of the Group as of December 31, 2010 in which the Group owned 20% equity as of that date. As of December 31, 2011, the Group ownership was reduced to 11.1%.*
- iv. *PT Medco Inti Dinamika (INTI) has the same controlling shareholder as the Company.*
- v. *PT Medco Duta (DUTA) is a stockholder of the Company.*
- vi. *PT Api Metra Graha is 49%-owned by the Group.*
- vii. *PT Medco Power Indonesia (MPI) is 49%-owned by the Group.*
- viii. *PT Puma Energy Indonesia (formerly PT Medco Sarana Kalibaru) is 35.28%-owned by the Group before divested in March 2014 (Note 44).*

**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 are may not be the same as those of the transactions between unrelated parties.*

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**39. SIFAT HUBUNGAN DAN TRANSAKSI-  
TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
(lanjutan)**

**39. NATURE OF RELATIONSHIPS AND  
TRANSACTIONS WITH RELATED PARTIES  
(continued)**

**b. Transaksi-transaksi dengan Pihak-pihak  
Berelasi (lanjutan)**

**b. Transactions with Related Parties  
(continued)**

		2014			
		Jumlah/ Amount	Persentase terhadap Jumlah (%)/ Percentage to related totals (%)		
<b><u>Aset</u></b>				<b><u>Assets</u></b>	
Kas dan setara kas				Cash and cash equivalents	
	PT Bank Himpunan Saudara 1906 Tbk	16.967.818	0,627869	PT Bank Himpunan Saudara 1906 Tbk	
Piutang usaha				Trade receivables	
	Petro Diamond Singapore Pte Ltd	12.347.821	0,456913	Petro Diamond Singapore Pte Ltd	
	PT Mitra Energi Batam	78.780	0,002915	PT Mitra Energi Batam	
	PT Donggi Senoro LNG	7.700	0,000285	PT Donggi Senoro LNG	
	PT Medco Power Indonesia	4.360	0,000161	PT Medco Power Indonesia	
	PT Api Metra Graha	4.167	0,000154	PT Api Metra Graha	
	PT Puma Energy Indonesia (dahulu PT Medco Sarana Kalibaru)	-	-	PT Puma Energy Indonesia (formerly PT Medco Sarana Kalibaru)	
Rekening bank yang dibatasi penggunaannya				Restricted cash in bank	
	PT Bank Himpunan Saudara 1906 Tbk	3.766.984	0,139392	PT Bank Himpunan Saudara 1906 Tbk	
Piutang lain-lain				Other receivables	
	PT Donggi Senoro LNG	158.685.931	5,871935	PT Donggi Senoro LNG	
	PT Medco Power Indonesia	467.565	0,017302	PT Medco Power Indonesia	
	Tomori E&P Limited	150.000	0,005551	Tomori E&P Limited	
	PT Api Metra Graha	80.850	0,002992	PT Api Metra Graha	
	Kuala Langsa (Blok A) Ltd	10.470	0,000387	Kuala Langsa (Blok A) Ltd	
<b><u>Liabilitas</u></b>				<b><u>Liabilities</u></b>	
Utang usaha				Trade payables	
	PT Api Metra Graha	1.378.913	0,077375	PT Api Metra Graha	
	PT Medco Inti Dinamika	36.921	0,002072	PT Medco Inti Dinamika	
Utang jangka panjang				Other long-term debt	
	Mitsubishi Corporation	-	-	Mitsubishi Corporation	
<b><u>Transaksi</u></b>				<b><u>Transactions</u></b>	
Penjualan minyak neto				Net oil sales	
	Petro Diamond Singapore Pte Ltd	231.001.250	30,770196	Petro Diamond Singapore Pte Ltd	
	Petro Diamond Ltd, Hong Kong	35.267.259	4,697726	Petro Diamond Co Ltd, Hong Kong	

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**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**39. SIFAT HUBUNGAN DAN TRANSAKSI-  
TRANSAKSI DENGAN PIHAK-PIHAK BERELASI  
(lanjutan)**

**39. NATURE OF RELATIONSHIPS AND  
TRANSACTIONS WITH RELATED PARTIES  
(continued)**

**b. Transaksi-transaksi dengan Pihak-pihak  
Berelasi (lanjutan)**

**b. Transactions with Related Parties  
(continued)**

	2013		
	Jumlah/ Amount	Persentase terhadap Jumlah (%)/ Percentage to related totals (%)	
<b><u>Aset</u></b>			<b><u>Assets</u></b>
Kas dan setara kas			Cash and cash equivalents
PT Bank Himpunan Saudara 1906 Tbk	52.857.547	2,087845	PT Bank Himpunan Saudara 1906 Tbk
Piutang usaha			Trade receivables
Petro Diamond Singapore Pte Ltd	18.923.991	0,747488	Petro Diamond Singapore Pte Ltd
PT Puma Energy Indonesia (dahulu PT Medco Sarana Kalibaru)	32.793	0,001295	PT Puma Energy Indonesia (formerly PT Medco Sarana Kalibaru)
PT Api Metra Graha	25.738	0,001017	PT Api Metra Graha
Rekening bank yang dibatasi penggunaannya			Restricted cash in bank
PT Bank Himpunan Saudara 1906 Tbk	4.551.668	0,179788	PT Bank Himpunan Saudara 1906 Tbk
Piutang lain-lain			Other receivables
PT Donggi Senoro LNG	142.351.092	5,622793	PT Donggi Senoro LNG
Tomori E&P Limited	26.691	0,001054	Tomori E & P Limited
PT Medco Power Indonesia	222.657	0,008795	PT Medco Power Indonesia
<b><u>Liabilitas</u></b>			<b><u>Liabilities</u></b>
Utang usaha			Trade payables
PT Api Metra Graha	339.699	0,020778	PT Api Metra Graha
PT Medco Inti Dinamika	13.584	0,000831	PT Medco Inti Dinamika
Utang jangka panjang			Other long-term debt
Mitsubishi Corporation	130.947.913	8,009424	Mitsubishi Corporation
<b><u>Transaksi</u></b>			<b><u>Transactions</u></b>
Penjualan minyak neto			Net oil sales
Petro Diamond Singapore Pte Ltd	325.921.128	36,663713	Petro Diamond Singapore Pte Ltd
Petro Diamond Ltd, Hong Kong	21.624.222	2,432565	Petro Diamond Ltd, Hong Kong

**40. INFORMASI SEGMENT**

Grup mengklasifikasikan dan mengevaluasi informasi keuangan mereka menjadi pelaporan segmen usaha yang dikelompokkan menjadi enam (6) kelompok bisnis strategis:

**40. SEGMENT INFORMATION**

The Group classifies and evaluates its financial information into reportable operating segments which are grouped into six (6) strategic business groups.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**40. INFORMASI SEGMENT (lanjutan)**

a. Segmen Usaha

Grup bergerak di bidang usaha sebagai berikut:

- i. Eksplorasi dan produksi minyak dan gas
- ii. Jasa
- iii. Kimia
- iv. Batu bara
- v. Perdagangan
- vi. Holding dan operasional terkait.

Informasi segmen Grup adalah sebagai berikut:

**40. SEGMENT INFORMATION (continued)**

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.

Segment information of the Group is as follows:

2014

	Eksplorasi dan produksi minyak dan gas bumi/ <i>Exploration for and production of oil and gas</i>	Jasa/ <i>Services</i>	Kimia/ <i>Chemicals</i>	Batu bara/ <i>Coal mining</i>	Perdagangan/ <i>Trading</i>	Holding dan operasional terkait/ <i>Holding and related operations</i>	Operasi yang dihentikan/ <i>Discontinued operations</i>	Eliminasi/ <i>Elimination</i>	Konsolidasi/ <i>Consolidation</i>	
Penjualan eksternal	416.031.980	13.155.843	858.488	36.148.131	285.394.565	-	(858.488)	-	750.730.519	External sales
Penjualan antar segmen	252.519.392	18.179.412	-	-	-	-	-	(270.698.804)	-	Intersegment sales
Jumlah pendapatan dan pendapatan usaha lainnya	668.551.372	31.335.255	858.488	36.148.131	285.394.565	-	(858.488)	(270.698.804)	750.730.519	Total revenues
Laba (rugi) kotor	261.654.965	(3.463.987)	(360.790)	6.199.656	6.565.897	-	360.790	-	270.956.531	Gross profit (loss)
Beban penjualan, umum dan administrasi	(74.041.569)	(3.981.260)	(2.441.353)	(2.894.813)	(4.617.393)	(24.709.378)	2.372.480	-	(110.313.286)	Selling, general, and administrative expenses
Beban pendanaan	(20.873.562)	(87.669)	(5.212)	(386.853)	(107)	(61.863.777)	5.436	11.762.955	(71.448.789)	Finance costs
Kerugian atas penurunan Nilai aset - neto	(14.798.384)	(248.909)	(3.293.684)	-	-	(1.380.824)	3.293.684	-	(16.428.117)	Loss on impairment of assets - net
Bagian hak atas laba dari perusahaan asosiasi - neto	101.854	-	(21.596)	-	-	6.965.418	21.596	-	7.067.272	Share in net income (loss) of associated entities - net
Pendapatan bunga	6.728.951	102.633	2.133	38.859	210	15.331.178	(2.133)	(11.762.955)	10.438.876	Finance income
Keuntungan dari Pelepasan entitas anak	-	-	3.591.812	-	-	-	(3.591.812)	-	-	Gain on disposal of subsidiaries
Pendapatan lain-lain	793.900	1.082.208	1.965.287	-	1.269.419	31.660.282	(2.173.251)	(5.609.807)	28.988.038	Other income
Beban lain-lain	(2.695.750)	(41.741)	(54.625)	(1.205.644)	-	(10.209.257)	322.189	5.609.807	(8.275.021)	Other expenses



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**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**40. INFORMASI SEGMENT (lanjutan)**

**40. SEGMENT INFORMATION (continued)**

a. Segmen Usaha (lanjutan)

a. Operating Segments (continued)

2014

	Eksplorasi dan produksi minyak dan gas bumi/ <i>Exploration for and production of oil and gas</i>	Jasa/ <i>Services</i>	Kimial/ <i>Chemicals</i>	Batu bara/ <i>Coal mining</i>	Perdagangan/ <i>Trading</i>	Holding dan operasional terkait/ <i>Holding and related operations</i>	Operasi yang dihentikan/ <i>Discontinued operations</i>	Eliminasi/ <i>Elimination</i>	Konsolidasi/ <i>Consolidation</i>	
Laba (rugi) sebelum beban pajak penghasilan	156.870.405	(6.638.725)	(618.028)	1.751.205	3.218.026	(44.206.358)	608.979	-	110.985.504	<i>Profit (loss) before income tax expense from continuing operations</i>
Beban pajak penghasilan	(93.452.208)	(1.993.336)	1.139.113	(1.413.546)	(27.516)	(912.269)	(1.139.113)	-	(97.798.875)	<i>Income tax expense</i>
Kepentingan non-pengendali	(3.603.076)	-	-	-	-	-	-	-	(3.603.076)	<i>Non-controlling interests</i>
Laba dari operasi yang dihentikan	-	-	-	-	-	-	530.134	-	530.134	<i>Profit after income tax from discontinued operations</i>
<b>LABA (RUGI) YANG DAPAT DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK</b>	<b>59.815.121</b>	<b>(8.632.061)</b>	<b>521.085</b>	<b>337.659</b>	<b>3.190.510</b>	<b>(45.118.627)</b>	<b>-</b>	<b>-</b>	<b>10.113.687</b>	<b>PROFIT (LOSS) ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY</b>
Aset segmen	2.930.457.585	66.833.609	26.787.380	29.968.516	159.719.211	2.170.470.593	-	(3.049.246.088)	2.334.990.806	<i>Segment assets</i>
Investasi dalam saham	106.171.753	-	-	-	-	602.354.690	-	(371.394.784)	337.131.659	<i>Investment in shares</i>
Investasi dalam proyek	30.324.414	-	-	-	-	-	-	-	30.324.414	<i>Investment in project</i>
<b>JUMLAH ASET</b>	<b>3.066.953.752</b>	<b>66.833.609</b>	<b>26.787.380</b>	<b>29.968.516</b>	<b>159.719.211</b>	<b>2.772.825.283</b>	<b>-</b>	<b>(3.420.640.872)</b>	<b>2.702.446.879</b>	<b>TOTAL ASSETS</b>
<b>LIABILITAS</b>										<b>LIABILITIES</b>
Liabilitas segmen	2.660.201.619	18.898.974	37.681.919	23.841.712	80.858.082	2.009.891.901	-	(3.049.246.086)	1.782.128.121	<i>Segment liabilities</i>
Pembelian barang modal dan amortisasi	330.634.112	2.613.288	(677.312)	781.518	-	304.543	-	-	333.656.149	<i>Capital expenditures</i>
Penyusutan, deplesi dan amortisasi	89.288.243	4.995.032	22.810	3.780.992	-	417.169	(23.206)	-	98.481.040	<i>Depreciation, depletion and amortization</i>
Beban non kas selain depresiasi, deplesi dan amortisasi	27.497.430	472.386	2.912	744.986	(2.018.331)	-	(2.912)	-	26.696.471	<i>Non-cash expenses other than depreciation, depletion and amortization</i>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**40. INFORMASI SEGMENT (lanjutan)**

**40. SEGMENT INFORMATION (continued)**

a. Segmen Usaha (lanjutan)

a. Operating Segments (continued)

	2013										
	Eksplorasi dan produksi minyak dan gas bumi/ <i>Exploration for and production of oil and gas</i>	Jasa/ <i>Services</i>	Kimial/ <i>Chemicals</i>	Batu bara/ <i>Coal mining</i>	Perdagangan/ <i>Trading</i>	Holding dan operasional terkait/ <i>Holding and related operations</i>	Operasi yang dihentikan/ <i>Discontinued operations</i>	Eliminasi/ <i>Elimination</i>	Konsolidasi/ <i>Consolidation</i>		
Penjualan eksternal	479.297.018	16.719.719	5.900.251	42.959.147	347.545.350	-	(5.900.251)	-	886.521.234		External sales
Penjualan antar segmen	327.170.542	19.214.943	2.417.775	-	-	-	(2.417.775)	(346.385.485)	-		Intersegment sales
Jumlah pendapatan dan pendapatan usaha lainnya	806.467.560	35.934.662	8.318.026	42.959.147	347.545.350	-	(8.318.026)	(346.385.485)	886.521.234		Total revenues
Laba (rugi) kotor	336.786.961	2.023.032	(256.605)	15.311.514	8.253.267	-	2.674.379	-	364.792.548		Gross (loss) profit
Beban penjualan, umum dan administrasi	(89.523.954)	(4.387.878)	(6.657.095)	(2.552.099)	(249.833)	(20.446.328)	6.709.874	-	(117.107.313)		Selling, general and administrative expenses
Beban pendanaan	(27.629.057)	(490.447)	(6.118.223)	(3.047.944)	-	(66.979.166)	24.931	27.176.137	(77.063.769)		Finance costs
Bagian hak atas laba dari perusahaan asosiasi - neto	105.946	-	(4.188.497)	-	-	8.636.846	4.188.497	-	8.742.792		Share in net income (loss) from associated entities - net
Pendapatan bunga	10.394.638	28.224	74.781	71.468	-	28.359.488	(74.812)	(27.176.137)	11.677.650		Finance income
Pendapatan lain-lain	34.838.521	-	36.805.577	1.703.874	-	22.584.553	(8.175.949)	(46.136.821)	41.619.755		Other income
Beban lain-lain	(3.610.671)	(683.262)	(1.105.432)	-	(19.318.276)	(36.194.368)	1.400.640	46.136.821	(13.374.548)		Other expenses
Kerugian atas penurunan nilai aset - neto	(26.858.577)	(208.993)	(15.524.991)	(107.730)	-	-	15.524.991	-	(27.175.300)		Loss on impairment of assets - net
Laba (rugi) sebelum beban pajak penghasilan	234.503.807	(3.719.324)	3.029.515	11.379.083	(11.314.842)	(64.038.975)	22.272.551	-	192.111.815		Profit (loss) before income tax expense from continuing operations
Beban pajak penghasilan	(145.014.689)	(2.580.756)	-	(2.475.963)	(19.904)	(3.769.376)	-	-	(153.860.688)		Income tax expense
Rugi dari operasi yang dihentikan	-	-	-	-	-	-	(22.272.551)	-	(22.272.551)		Loss after income tax expense from discontinued operations
Kepentingan non-pengendali	(3.395.155)	-	-	-	-	-	-	-	(3.395.155)		Non-controlling interest
<b>LABA (RUGI) YANG DAPAT DIATRIBUSIKAN KEPADA PEMILIK ENTITAS INDUK</b>	<b>86.093.963</b>	<b>(6.300.080)</b>	<b>3.029.515</b>	<b>8.903.120</b>	<b>(11.334.746)</b>	<b>(67.808.351)</b>	<b>-</b>	<b>-</b>	<b>12.583.421</b>		<b>PROFIT (LOSS) TO THE EQUITY HOLDERS OF THE PARENT COMPANY</b>
Aset segmen	2.409.686.077	76.694.801	27.127.285	34.492.356	134.777.358	2.503.793.251	-	(3.004.675.059)	2.181.896.069		Segment assets
Investasi dalam saham	94.925.498	-	-	-	-	520.365.708	-	(295.832.219)	319.458.987		Investment in shares
Investasi dalam proyek	30.324.414	-	-	-	-	-	-	-	30.324.414		Investment in project
<b>JUMLAH ASET</b>	<b>2.534.935.989</b>	<b>76.694.801</b>	<b>27.127.285</b>	<b>34.492.356</b>	<b>134.777.358</b>	<b>3.024.158.959</b>	<b>-</b>	<b>(3.300.507.278)</b>	<b>2.531.679.470</b>		<b>TOTAL ASSETS</b>
<b>LIABILITAS</b>											<b>LIABILITIES</b>
Liabilitas segmen	2.162.659.255	38.413.113	40.659.499	30.837.628	27.275.155	2.339.753.464	-	(3.004.675.059)	1.634.923.055		Segment liabilities
Pembelian barang modal	219.463.106	-	-	3.218.061	-	37.879	2.327.882	-	225.046.928		Capital expenditures
Penyusutan, depleksi dan amortisasi	94.141.286	5.163.845	2.238.337	3.412.440	-	576.394	(2.249.727)	-	103.282.575		Depreciation, depletion and amortization
Beban non kas selain depresiasi, depleksi dan amortisasi	34.515.096	631.141	15.620.816	590.937	-	11.172.704	(15.620.816)	-	46.909.878		Non-cash expenses other than depreciation, depletion and amortization

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**40. INFORMASI SEGMENT (lanjutan)**

b. Informasi Geografis

Tabel berikut ini menampilkan distribusi pendapatan Grup berdasarkan pasar geografis dan aset Grup berdasarkan letak geografis:

Pendapatan

	<u>2014</u>	<u>2013</u>
Indonesia	267.353.503	300.681.142
Luar negeri		
Asia	321.542.696	458.322.521
Afrika dan Timur Tengah	148.709.103	109.489.694
Amerika Serikat	13.125.216	18.027.877
<b>Jumlah</b>	<b><u>750.730.518</u></b>	<b><u>886.521.234</u></b>

Jumlah Aset

**Lokasi geografis**

	<u>2014</u>	<u>2013</u>
Indonesia	3.544.558.870	3.922.466.448
Luar negeri		
Asia	2.026.419.792	1.481.311.018
Afrika dan Timur Tengah	491.997.171	345.182.930
Amerika Serikat	60.111.918	83.226.352
Jumlah	6.123.087.751	5.832.186.748
Eliminasi	(3.420.640.872)	(3.300.507.278)
<b>Setelah eliminasi</b>	<b><u>2.702.446.879</u></b>	<b><u>2.531.679.470</u></b>

**40. SEGMENT INFORMATION (continued)**

b. Geographical Information

The following table shows the distribution of the Group's revenues by geographical market and the Group's assets by geographical location:

Revenues

	<u>2014</u>	<u>2013</u>
Indonesia	267.353.503	300.681.142
Overseas		
Asia	321.542.696	458.322.521
Africa and Middle East	148.709.103	109.489.694
United States of America	13.125.216	18.027.877
<b>Total</b>	<b><u>750.730.518</u></b>	<b><u>886.521.234</u></b>

Total Assets

**Geographical location**

	<u>2014</u>	<u>2013</u>
Indonesia	3.544.558.870	3.922.466.448
Overseas		
Asia	2.026.419.792	1.481.311.018
Africa and Middle East	491.997.171	345.182.930
United States of America	60.111.918	83.226.352
Jumlah	6.123.087.751	5.832.186.748
Elimination	(3.420.640.872)	(3.300.507.278)
<b>After elimination</b>	<b><u>2.702.446.879</u></b>	<b><u>2.531.679.470</u></b>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**40. INFORMASI SEGMENT (lanjutan)**

b. Informasi Geografis (lanjutan)

Aktivitas Grup terkonsentrasi di beberapa lokasi geografis yang signifikan (Asia, Amerika Serikat, dan Afrika dan Timur Tengah). Aktivitas utama berpusat di Indonesia.

Transaksi antar segmen ditetapkan dengan syarat dan kondisi yang normal sebagaimana halnya jika dilakukan dengan pihak ketiga.

**40. SEGMENT INFORMATION (continued)**

b. Geographical Information (continued)

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.

Intersegment transactions are set with normal terms and conditions as if conducted with third parties.

**41. ASET ATAU LIABILITAS MONETER DALAM MATA UANG ASING**

Grup memiliki aset dan liabilitas moneter dalam mata uang asing dengan rincian sebagai berikut:

**41. MONETARY ASSETS OR LIABILITIES DENOMINATED IN FOREIGN CURRENCIES**

The Group has monetary assets and liabilities denominated in foreign currencies as follows:

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		
<b>Aset</b>					<b>Assets</b>
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
Piutang usaha	16.409	-	-	1.319.041	Trade receivables
Piutang lain-lain	811.594	-	-	65.240.658	Other receivables
Rekening bank yang dibatasi penggunaannya	64.250	-	-	5.164.814	Restricted cash in banks
<b>Liabilitas</b>					<b>Liabilities</b>
Utang usaha	(301.193)	(0,06)	(0,04)	(24.266.745)	Trade payables
Liabilitas jangka panjang lainnya	(4.478.474)	-	-	(360.005.984)	Other long-term payables
Pinjaman bank	(1.400.000)	-	-	(112.540.193)	Bank loans
<b>Liabilitas Neto</b>	<b>(5.048.543)</b>	<b>(0,05)</b>	<b>0,20</b>	<b>(405.582.077)</b>	<b>Net Liabilities</b>

2013					
	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		
<b>Aset</b>					<b>Assets</b>
Kas dan setara kas	89.649	0,04	0,06	7.655.229	Cash and cash equivalents
Investasi jangka pendek	39.620	-	-	3.250.508	Short-term investments
Piutang usaha	55.567	-	-	4.558.807	Trade receivables
Piutang lain-lain	736.210	-	-	60.399.547	Other receivables
Rekening bank yang dibatasi penggunaannya	77.214	-	-	6.334.751	Restricted cash in banks
<b>Liabilitas</b>					<b>Liabilities</b>
Utang usaha	(184.192)	(0,10)	-	(15.195.201)	Trade payables
Liabilitas jangka panjang lainnya	(3.482.542)	-	-	(285.711.915)	Other long-term payables
Pinjaman bank	(1.400.349)	-	-	(114.886.326)	Bank loans
<b>Liabilitas Neto</b>	<b>(4.068.823)</b>	<b>(0,06)</b>	<b>0,06</b>	<b>(333.594.600)</b>	<b>Net Liabilities</b>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**42. INSTRUMEN KEUANGAN**

**a. Nilai Wajar atas Instrumen Keuangan**

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 31 Desember 2014 dan 2013:

	2014		2013		
	Nilai Buku/ Book Value	Nilai Wajar/ Fair Value	Nilai Buku/ Book Value	Nilai Wajar/ Fair Value	
<b>Aset Keuangan</b>					<b>Financial Assets</b>
<b>Aset lancar</b>					<b>Current Assets</b>
Kas dan setara kas	206.639.912	206.639.912	263.973.998	263.973.998	Cash and cash equivalents
Investasi jangka pendek	268.628.303	268.628.303	253.437.152	253.437.152	Short-term investments
Rekening bank yang dibatasi penggunaannya	-	-	5.593.518	5.593.518	Restricted cash in banks
Piutang usaha	101.593.782	101.593.782	143.634.520	143.634.520	Trade receivables
Piutang lain-lain	43.876.440	43.876.440	16.476.394	16.476.394	Other receivables
<b>Aset tidak lancar</b>					<b>Non-Current Assets</b>
Piutang lain-lain	160.651.501	160.651.501	144.132.820	144.132.820	Other receivables
Rekening bank yang dibatasi penggunaannya	6.344.031	6.344.031	7.834.751	7.834.751	Restricted cash in banks
Investasi jangka panjang	105.061.501	105.061.501	93.917.101	93.917.101	Long-term investments
Aset lain-lain	2.489.516	2.489.516	2.663.435	2.663.435	Other assets
<b>Jumlah Aset Keuangan</b>	<b>895.284.986</b>	<b>895.284.986</b>	<b>931.663.689</b>	<b>931.663.689</b>	<b>Total Financial Assets</b>
<b>Liabilitas Keuangan</b>					<b>Financial Liabilities</b>
<b>Liabilitas lancar</b>					<b>Current liabilities</b>
Pinjaman bank jangka pendek	-	-	60.000.000	60.000.000	Short-term bank loans
Utang usaha	91.904.856	91.904.856	94.553.106	94.553.106	Trade payables
Utang lain-lain	41.152.140	41.152.140	50.795.338	50.795.338	Other payables
Biaya akrual dan provisi lain-lain	76.854.830	76.854.830	70.696.891	70.696.891	Accrued expenses and other provisions
Liabilitas derivatif	35.856.281	35.856.281	10.520.221	10.520.221	Derivative liabilities
Pinjaman jangka panjang yang jatuh tempo dalam satu tahun					Current maturities of long-term debts
Pinjaman bank	183.696.183	183.696.183	928.203	928.203	Bank loans
Obligasi Rupiah	-	-	80.768.414	80.768.414	Rupiah bonds
<b>Liabilitas tidak lancar</b>					<b>Non-Current Liabilities</b>
Pinjaman jangka panjang					Long-term debt
Pinjaman bank	544.669.226	544.279.955	374.867.214	369.879.624	Bank loans
Obligasi Rupiah	280.253.368	251.918.371	285.711.915	294.867.686	Rupiah bonds
Obligasi Dolar AS	97.406.084	98.457.504	98.466.256	97.722.256	US Dollar bonds
Utang kepada pihak berelasi	-	-	130.947.913	128.189.001	Payable to a related party
Wesel jangka menengah	79.752.616	75.900.383	-	-	MTN Notes
Liabilitas derivatif	113.762.545	113.762.545	162.135.400	162.135.400	Derivative liabilities
Utang lain-lain	9.121.822	9.121.822	9.698.707	9.698.707	Other payables
<b>Jumlah Liabilitas Keuangan</b>	<b>1.554.429.951</b>	<b>1.522.904.870</b>	<b>1.430.089.578</b>	<b>1.430.754.847</b>	<b>Total Financial Liabilities</b>

**i. Instrumen keuangan dicatat pada nilai wajar**

Instrumen derivatif diukur pada nilai wajarnya berdasarkan perhitungan nilai kini dari arus kas masa depan berdasarkan syarat dan kondisi yang berlaku.

**42. FINANCIAL INSTRUMENTS**

**a. Fair Values of Financial Instruments**

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 December 31, 2014 and 2013:

**i. Financial instruments carried at fair value**

Fair values of derivative instruments and short-term investments are determined by calculating the present value of future cash flows based on their terms and conditions.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**42. INSTRUMEN KEUANGAN (lanjutan)**

**a. Nilai Wajar atas Instrumen Keuangan (lanjutan)**

- ii. Instrumen keuangan dicatat sebesar nilai yang mendekati nilai wajarnya

Seluruh aset dan liabilitas lancar seperti disajikan pada tabel di atas, termasuk rekening bank jangka panjang yang dibatasi penggunaannya dan piutang lain-lain adalah pada nilai wajarnya karena jatuh temponya dalam jangka pendek dan sifat instrumen keuangan tersebut.

- iii. 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.

- iv. Instrumen keuangan dicatat sebesar biaya perolehan yang diamortisasi

Nilai wajar dari pinjaman jangka panjang (pinjaman bank, wesel jangka menengah dan obligasi Rupiah dan Dolar AS) dihitung berdasarkan arus kas yang didiskontokan.

- v. Instrumen keuangan lainnya

Nilai wajar dari piutang lain-lain, aset lain-lain dan utang lain-lain jangka panjang di atas 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 (input) 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.

**42. FINANCIAL INSTRUMENTS (continued)**

**a. Fair Values of Financial Instruments (continued)**

- ii. Financial instruments with carrying values approximating their fair values

All current assets and liabilities listed above, as well as non-current restricted cash in banks and other receivables approximate their fair values due to the short-term maturity and nature of such financial instruments.

- iii. 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.

- iv. Financial instruments carried at amortized cost

The fair values of long-term debts (bank loans, medium-term notes and Rupiah and US Dollar bonds), are determined based on discounted cash flows method.

- v. Other financial instruments

The fair values of non-current other receivables, other assets and other liabilities listed above 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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**42. 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, referensi kepada nilai wajar terkini dari instrumen lain yang secara substansial sama, analisa arus kas yang didiskontokan dan model harga opsi. Jika terdapat metode penilaian yang biasa digunakan oleh para peserta 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 membuat penggunaan maksimum dari pasar dan bergantung sedikit mungkin atas masukan yang spesifik untuk Grup. Metode tersebut memperhitungkan semua faktor yang akan dipertimbangkan oleh peserta pasar dalam menentukan sebuah harga dan selaras dengan metode ekonomis 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.

**42. 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, discounted cash flow analysis and option pricing models. 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.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**42. INSTRUMEN KEUANGAN (lanjutan)**

**a. Nilai Wajar atas Instrumen Keuangan  
(lanjutan)**

Hirarki nilai wajar pada tanggal 31 Desember 2014 dan 2013 adalah sebagai berikut:

**42. FINANCIAL INSTRUMENTS (continued)**

**a. Fair Values of Financial Instruments  
(continued)**

The hierarchy of fair value as of December 31, 2014 and 2013 is as follows:

		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)		
<b>Aset Keuangan</b>						<b>Financial Assets</b>
Investasi jangka pendek	268.628.303	-	268.628.303	-		Short-term investments
<b>Liabilitas Keuangan</b>						<b>Financial Liabilities</b>
Liabilitas derivatif	149.618.826	-	149.618.826	-		Derivative liabilities
		2013				
	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)		
<b>Aset Keuangan</b>						<b>Financial Assets</b>
Investasi jangka pendek	253.437.152	-	253.437.152	-		Short-term investments
<b>Liabilitas Keuangan</b>						<b>Financial Liabilities</b>
Liabilitas derivatif	172.655.621	-	172.655.621	-		Derivative liabilities

**b. Manajemen Risiko**

Liabilitas keuangan utama Grup meliputi utang jangka pendek dan jangka panjang, utang usaha dan utang lain-lain dan beban yang masih harus dibayar. 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.

**b. Risk Management**

The principal financial liabilities of the Group consist of short-term and long-term borrowings, 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.



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**42. INSTRUMEN KEUANGAN (lanjutan)**

**b. Manajemen Risiko (lanjutan)**

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**

Grup memiliki risiko tingkat suku bunga yang timbul dari fluktuasi tingkat suku bunga dalam pinjaman jangka pendek dan panjang.

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.

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 Swap*.

**42. FINANCIAL INSTRUMENTS (continued)**

**b. Risk Management (continued)**

*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 is exposed to interest rate risk resulting from fluctuations in interest rates on its short-term and long-term borrowings.*

*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.*

*The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term receivable and obligations with floating interest rates. In order to manage interest rate risk, the Group entered into Interest Rate Swap.*

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**42. INSTRUMEN KEUANGAN (lanjutan)**

**42. FINANCIAL INSTRUMENTS (continued)**

**b. Manajemen Risiko (lanjutan)**

**b. Risk Management (continued)**

**i. Risiko suku bunga (lanjutan)**

**i. Interest rate risk (continued)**

Tabel di bawah ini menyajikan nilai tercatat, berdasarkan periode jatuh tempo dari instrumen keuangan Grup yang terkena dampak risiko suku bunga:

The following table sets out the carrying amounts, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

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
2013						
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	18.892.522	142.600.440	-	-	161.492.962	Receivable from a related party
Liabilitas kepada pihak berelasi	-	130.947.913	-	-	130.947.913	Payable to a related party
Pinjaman bank jangka pendek	60.000.000	-	-	-	60.000.000	Short-term bank loans
Pinjaman bank jangka panjang	928.203	114.867.214	260.000.000	-	375.795.417	Long-term bank loans
Liabilitas derivatif	10.520.221	39.195.318	122.940.082	-	172.655.621	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 31 Desember 2014, jika tingkat suku bunga pinjaman meningkat/menurun sebesar 0,5% dengan semua variabel konstan, laba sebelum manfaat (beban) pajak untuk tahun yang berakhir pada tanggal tersebut lebih rendah atau tinggi sebesar AS\$2,3 juta. (Pada tanggal 31 Desember 2013: AS\$2,1 juta).

As of December 31, 2014, if the borrowing rate increases/decreases by 0.5% with all variables held constant, the consolidated income before tax expense for the year will be lower or higher by US\$2.3 million. (As of December 31, 2013: US\$2.1 million).

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**42. INSTRUMEN KEUANGAN (lanjutan)**

**b. 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* dan *forward* valuta asing. Pada tanggal 31 Desember 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 23).

Pada tanggal 31 Desember 2014, jika nilai tukar Dolar AS terhadap mata uang asing meningkat/menurun sebanyak 10% dengan semua variabel konstan, laba sebelum manfaat (beban) pajak untuk tahun yang berakhir pada tahun tersebut lebih tinggi/rendah sebesar AS\$40 juta terutama sebagai akibat dari translasi pinjaman bank dan pinjaman jangka panjang lainnya. (Pada tanggal 31 Desember 2013: AS\$1,7 juta).

**42. FINANCIAL INSTRUMENTS (continued)**

**b. Risk Management (continued)**

- ii. Foreign exchange rate risk

*The Group maintains its bookkeeping in US Dollars, therefore, a portion of its revenues, expenses, assets and liabilities which are denominated in currencies other than US Dollars are exposed to currency exchange rates against US Dollars. 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 swap and forward contracts. As of December 31, 2014, these contracts are accounted for as transactions that are not designated as hedging contracts except for 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 23).*

*As of December 31, 2014, if the exchange rate of the US Dollars against foreign currencies increases/decreases by 10% with all variables held constant, consolidated income before tax expense for the year will be higher/lower by US\$40 million primarily as a result of translations of bank loans and other long-term debt. (As of December 31, 2013: US\$1.7 million).*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**42. INSTRUMEN KEUANGAN (lanjutan)**

**b. Manajemen Risiko (lanjutan)**

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. 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.

Eksposur paling besar adalah sebesar nilai tercatat aset keuangan sebagaimana diungkapkan pada Catatan 6 dan 7.

Pada tanggal 31 Desember 2014, sebagian besar piutang usaha Grup terdiri dari 2 debitur yang masing-masing memiliki 31% dan 26% dari jumlah piutang usaha. (Pada tanggal 31 Desember 2013 : 21% dan 13%).

Risiko kredit atas piutang usaha dan lain-lain berdasarkan informasi yang disediakan oleh manajemen pada tanggal 31 Desember 2014 dan 2013 adalah sebagai berikut:

a. Berdasarkan area geografis

	2014		
	Piutang usaha/ Trade Receivables	Piutang lain-lain/ Other Receivables	
Indonesia	51.523.184	199.953.235	Indonesia
Oman	31.376.268	534.563	Oman
Singapura	12.347.976	128.003	Singapore
Amerika Serikat	1.319.330	705.421	United States of America
Yaman	-	10.095.272	Yemen

**42. FINANCIAL INSTRUMENTS (continued)**

**b. Risk Management (continued)**

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. 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.

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 statements of financial position.

As of December 31, 2014, a significant portion of the trade receivables of the Group is due from 2 debtors whose respective accounts constitute 31% and 26% of the total trade receivables as of that date. (As of December 31, 2013: 21% and 13%).

The credit risk on trade receivables and other receivables as of December 31, 2014 and 2013 based on information provided by management is as follows:

a. By Geographical Area

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**42. INSTRUMEN KEUANGAN (lanjutan)**

**42. FINANCIAL INSTRUMENTS (continued)**

**b. Manajemen Risiko (lanjutan)**

**b. Risk Management (continued)**

iii. Risiko kredit (lanjutan)

iii. Credit risk (continued)

a. Berdasarkan area geografis (lanjutan)

a. By Geographical Area (continued)

		2014		
		Piutang usaha/ Trade Receivables	Piutang lain-lain/ Other Receivables	
	Tunisia	5.196.358	-	Tunisia
	Lain-lain	-	1.043.296	Others
	<b>Jumlah</b>	<b>101.763.116</b>	<b>212.459.790</b>	<b>Total</b>

		2013		
		Piutang usaha/ Trade Receivables	Piutang lain-lain/ Other Receivables	
	Indonesia	75.955.105	156.027.023	Indonesia
	Singapura	29.967.366	128.003	Singapore
	Oman	31.800.162	494.456	Oman
	Amerika Serikat	2.194.178	763.476	United States of America
	Yaman	-	7.996.613	Yemen
	Swiss	8.087.448	-	Switzerland
	Libya	-	906.252	Libya
	Lain-lain	-	263.185	Others
	<b>Jumlah</b>	<b>148.004.259</b>	<b>166.579.008</b>	<b>Total</b>

b. Berdasarkan jenis debitur

b. By Debtor

		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	48.842.384	27.701.824	State - owned enterprises
	Perusahaan lainnya	2.477.257	10.471.484	Other companies
	Pemerintah Indonesia	108.691	308.485	Government of Indonesia
	Perusahaan Multinasional	37.891.956	13.444.425	Multinational companies
	Individual	-	1.138.755	Individual
	<b>Jumlah</b>	<b>101.763.116</b>	<b>212.459.790</b>	<b>Total</b>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**42. INSTRUMEN KEUANGAN (lanjutan)**

**b. Manajemen Risiko (lanjutan)**

iii. Risiko kredit (lanjutan)

b. Berdasarkan jenis debitur (lanjutan)

	2013		
	Piutang usaha/ Trade Receivables	Piutang lain-lain/ Other Receivables	
Pihak-pihak berelasi	18.982.522	142.600.440	<i>Related parties</i>
Pihak ketiga:			<i>Third parties:</i>
Badan Usaha Milik Negara	67.472.780	498.612	<i>State - owned enterprises</i>
Perusahaan lainnya	25.280.148	10.101.354	<i>Other companies</i>
Pemerintah Indonesia	2.255.442	1.597.121	<i>Government of Indonesia</i>
Perusahaan Multinasional	33.994.340	10.407.823	<i>Multinational companies</i>
Individual	19.027	1.373.658	<i>Individual</i>
<b>Jumlah</b>	<b>148.004.259</b>	<b>166.579.008</b>	<b>Total</b>

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.

**42. FINANCIAL INSTRUMENTS (continued)**

**b. Risk Management (continued)**

iii. Credit risk (continued)

b. By Debtor (continued)

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 original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**42. INSTRUMEN KEUANGAN (lanjutan)**

**b. Manajemen Risiko (lanjutan)**

iv. Risiko likuiditas (lanjutan)

Tabel di bawah ini menyajikan, periode jatuh tempo liabilitas keuangan Grup. Berdasarkan pembayaran kontraktual yang tidak didiskontokan:

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
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	41.152.140	-	-	9.121.822	50.273.962	Other payables
Biaya akrual dan provisi lain-lain	76.854.830	-	-	-	76.854.830	Accrued expenses and other provisions
Pinjaman bank	183.696.183	-	631.458.945	-	815.155.128	Bank loans
Wesel jangka menengah	-	-	113.918.637	-	113.918.637	MTN Notes
Obligasi Dolar Amerika Serikat	-	-	107.966.638	-	107.966.638	US Dollar bonds
Obligasi Rupiah	-	-	371.762.739	-	371.762.739	Rupiah bonds
Liabilitas derivatif	35.856.281	-	113.762.545	-	149.618.826	Derivative liabilities

2013						
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	359.576	-	-	-	359.576	- Related parties
- Pihak ketiga	94.193.530	-	-	-	94.193.530	- Third parties
Utang lain-lain	50.795.338	-	-	9.698.707	60.494.045	Other payables
Biaya akrual dan provisi lain-lain	70.696.891	-	-	-	70.696.891	Accrued expenses and other provisions
Pinjaman bank	60.928.203	114.867.214	260.000.000	-	435.795.417	Bank loans
Obligasi Dolar Amerika Serikat	-	-	98.466.256	-	98.466.256	US Dollar bonds
Obligasi Rupiah	80.768.414	-	285.711.915	-	366.480.329	Rupiah bonds
Liabilitas derivatif	10.520.221	39.195.318	122.940.082	-	172.655.621	Derivative liabilities
Utang kepada pihak berelasi	-	130.947.913	-	-	130.947.913	Payable to a related party

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.

**42. FINANCIAL INSTRUMENTS (continued)**

**b. Risk Management (continued)**

iv. Liquidity risk (continued)

The table below presents the maturity period of the Group's financial liabilities based on undiscounted contractual payments:

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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**42. INSTRUMEN KEUANGAN (lanjutan)**

**b. Manajemen Risiko (lanjutan)**

v. Risiko volatilitas harga (lanjutan)

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 bumi dan gas.

**c. Manajemen Modal**

Tujuan Grup ketika mengelola modal adalah:

- Mempertahankan basis modal yang kuat sehingga dapat mempertahankan kepercayaan investor, kreditur dan pasar
- 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.

**42. FINANCIAL INSTRUMENTS (continued)**

**b. Risk Management (continued)**

v. Price volatility risk (continued)

*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.*

**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*
- *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.*



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**42. INSTRUMEN KEUANGAN (lanjutan)**

**c. Manajemen Modal (lanjutan)**

Untuk tujuan pengelolaan modal, manajemen menganggap seluruh ekuitas yang diatribusikan kepada pemilik entitas induk sebagai modal. Jumlah modal pada tanggal 31 Desember 2014 adalah sebesar AS\$910.768.062 yang dianggap optimal oleh manajemen setelah memperhatikan pengeluaran modal yang diproyeksikan dan proyeksi peluang investasi strategis. (Pada tanggal 31 Desember 2013: AS\$896.756.415). 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 tahun.

**43. 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.

**42. FINANCIAL INSTRUMENTS (continued)**

**c. Capital Management (continued)**

For capital management purposes, management regards total equity attributable to the owners of parent company as capital. The amount of capital as of December 31, 2014 is US\$910,768,062 which the management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities. (As of December 31, 2013: US\$896,756,415). 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 year.

**43. 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 operate 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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**43. KESEPAKATAN BAGI HASIL MINYAK DAN GAS  
(lanjutan)**

**a. Kesepakatan Bagi Hasil - Indonesia  
(lanjutan)**

**i. Kontrak Bagi Hasil (PSC) - Indonesia  
(lanjutan)**

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.

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.

**43. OIL AND GAS PRODUCTION SHARING  
ARRANGEMENTS (continued)**

**a. Production Sharing Arrangements -  
Indonesia (continued)**

**i. Production Sharing Contracts (PSC) -  
Indonesia (continued)**

*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.*

*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.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**43. 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.

iii. Kontrak Bantuan Teknis (TAC) - Indonesia

TAC diberikan pada wilayah yang sebelumnya atau sedang berproduksi dan diberikan selama beberapa tahun, tergantung pada perjanjian kontraknya. Produksi minyak atau gas bumi dibagi terlebih dahulu menjadi bagian yang tidak dapat dibagikan (*non-shareable*) dan bagian yang dapat dibagikan (*shareable*). Bagian yang tidak dapat dibagikan merupakan produksi yang diperkirakan dapat dicapai dari suatu wilayah (berdasarkan data historis produksi dari suatu wilayah) pada saat perjanjian TAC ditandatangani dan menjadi hak milik Pertamina.

Dalam TAC, produksi dari bagian yang tidak dapat dibagikan akan menurun setiap tahunnya. Bagian yang dapat dibagikan berkaitan dengan penambahan produksi yang berasal dari investasi pihak operator terhadap wilayah yang bersangkutan secara umum dibagikan kepada pihak-pihak dengan cara yang sama seperti PSC.

Kontraktor diwajibkan untuk membayar bonus produksi kepada SKK Migas apabila jumlah produksi tertentu tercapai.

**43. 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.*

iii. Technical Assistance Contracts (TAC) -  
Indonesia

*A TAC is awarded when a field has prior or existing production and is awarded for a certain number of years depending on the contract terms. The oil or gas production is first divided into non-shareable and shareable portions. The non-shareable portion represents the production which is expected from the field (based on historic production of the field) at the time the TAC is signed and accrues to Pertamina.*

*Under a TAC, the non-shareable portion of production declines annually. The shareable portion corresponds to the additional production resulting from the operator's investment in the field and is in general split between the parties in the same way as for a PSC.*

*Contractors are obliged to pay a production bonus to SKK Migas if certain production levels are attained.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**43. KESEPAKATAN BAGI HASIL MINYAK DAN GAS  
(lanjutan)**

**a. Kesepakatan Bagi Hasil - Indonesia  
(lanjutan)**

**iii. Kontrak Bantuan Teknis (TAC) - Indonesia  
(lanjutan)**

Pada saat kontrak berakhir atau diputuskan, pelepasan sebagian kontrak area, atau penutupan lapangan, kontraktor mungkin diharuskan untuk memindahkan semua peralatan dan instalasi dari kontrak area, dan melakukan seluruh aktivitas restorasi sesuai dengan syarat-syarat yang tercantum di kontrak atau peraturan pemerintah yang berlaku. Biaya untuk penutupan dan pekerjaan restorasi area dapat dipulihkan berdasarkan masing-masing kontrak.

Grup pada saat ini memiliki 11 PSC dan 2 JOB di Indonesia.

Sisa komitmen biaya untuk kegiatan pengembangan dan eksplorasi terkait dengan kontrak-kontrak diatas pada tanggal 31 Desember 2014 adalah sebesar AS\$175 juta (tidak diaudit). (Pada tanggal 31 Desember 2013: AS\$179 juta (tidak diaudit)).

**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:

**43. OIL AND GAS PRODUCTION SHARING  
ARRANGEMENTS (continued)**

**a. Production Sharing Arrangements -  
Indonesia (continued)**

**iii. Technical Assistance Contracts (TAC) -  
Indonesia (continued)**

*Upon the expiration or termination of the contract, relinquishment of part of a contract area, or abandonment of any fields, the contractors may be required to remove all equipment and installation from the contract area, and perform site restoration activities in accordance with the terms of the contract or applicable government regulations. The cost of abandonment and site restoration work is cost recoverable under the respective contracts.*

*The Group currently has 11 PSCs and 2 JOBS in Indonesia.*

*The remaining commitment for exploration and development expenditures relating to the above contracts as of December 31, 2014 is US\$175 million (unaudited). (As of December 31, 2013 is US\$179 million (unaudited)).*

**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:*

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**43. KESEPAKATAN BAGI HASIL MINYAK DAN GAS  
(lanjutan)**

**b. Kesepakatan Bagi Hasil - Internasional  
(lanjutan)**

**43. OIL AND GAS PRODUCTION SHARING  
ARRANGEMENTS (continued)**

**b. Production Sharing Arrangements -  
International (continued)**

Entitas Anak/ Subsidiaries	Kepemilikan Blok/ Block Ownership	Negara/ Country	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	10 tahun/ 10 years	96,02% atas laba dari jumlah produksi/ 96.02% of profit from total production	3,98% atas laba dari jumlah produksi/ 3.98% 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
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

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**43. KESEPAKATAN BAGI HASIL MINYAK DAN GAS  
(lanjutan)**

**b. Kesepakatan Bagi Hasil - Internasional  
(lanjutan)**

**43. OIL AND GAS PRODUCTION SHARING  
ARRANGEMENTS (continued)**

**b. Production Sharing Arrangements -  
International (continued)**

Entitas Anak/ Subsidiaries	Kepemilikan Blok/ Block Ownership	Negara/ Country	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 Cosmos/ <i>Block Cosmos</i>	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/ <i>Block Yasmin</i>	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 Sud Remada/ <i>Block Sud Remada</i>	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/ <i>Block Jenein</i>	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/ <i>Block Hammamet</i>	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

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**43. KESEPAKATAN BAGI HASIL MINYAK DAN GAS  
(lanjutan)**

**43. 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/ Country	Jangka Waktu Kontrak/ Contract Term	Perjanjian Bagi Hasil Konsesi/ Concession Production Sharing Agreement	
				Pemerintah Setempat/ Local Government	Entitas Anak/ Subsidiaries
Medco Sahara Limited	Blok Adam/ <i>Block Adam</i>	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/ <i>Block Borj El Khadra</i>	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 31 Desember 2014 adalah sebesar AS\$36,1 juta (tidak diaudit). (Pada tanggal 31 Desember 2013: AS\$38,5 juta (tidak diaudit)).

The total remaining commitment for exploration expenditures relating to the above contracts as of December 31, 2014 is US\$36.1 million (unaudited). (As of December 31, 2013 is US\$38.5 million (unaudited)).

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN**

**a. Akuisisi dan Pengalihan yang Signifikan**

- i. Pada tanggal 18 Desember 2014, Perusahaan, melalui PT Medco CBM Lematang, Entitas Anak yang dimiliki seluruhnya, menandatangani *Asset Sale and Purchase Agreement* (ASPA) dengan PT Methanindo Energi Resources, untuk mengalihkan partisipasi interesnya 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% partisipasi interesnya tersebut, PT Methanindo Energi 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. Transaksi ini belum berlaku efektif karena masih menunggu persetujuan Pemerintah Republik Indonesia atas pengalihan partisipasi interes dan *operatorship* tersebut.
- ii. Pada tanggal 10 November 2014, Perusahaan melalui Medco Energi Global Pte Ltd (MEG), entitas anak yang dimiliki seluruhnya, melakukan penjualan 1 lembar saham Medco International Petroleum Ltd (MIPL) ke Tuscany Investment Group Ltd dengan harga AS\$1 dan pada tanggal 28 November 2014, Perusahaan melalui Medco Asia Pasific Ltd (MAP) melakukan penjualan 1 lembar saham Medco Cambodia Tonle SAP Ltd (MCTS) ke Tuscany Investment Group Ltd dengan harga AS\$1.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS**

**a. Major Acquisitions and Disposals**

- i. On December 18, 2014, the Company, through PT Medco CBM Lematang, a wholly-owned subsidiary, signed the *Asset Sale and Purchase Agreement* (ASPA) with PT Methanindo Energi Resources, to decrease 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. This transaction has not closed yet since it is awaiting the participating interest and *operatorship* transfer approval from the Government of Indonesia.
- ii. On November 10, 2014, the Company, through Medco Energi Global Pte Ltd (MEG), a wholly-owned subsidiary, has completed the sale of 1 share of Medco International Petroleum Ltd (MIPL) to Tuscany Investment Group Ltd amounting to US\$1 and on November 28, 2014, the Company through Medco Asia Pasific Ltd. (MAP) has completed the sale of 1 share of Medco Cambodia Tonle SAP Ltd (MCTS) to Tuscany Investment Group Ltd amounting to US\$1.



The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**

**Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut**

**(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**a. Akuisisi dan Pengalihan yang Signifikan  
(lanjutan)**

- iii. Pada tanggal 19 Agustus 2014, Perusahaan, melalui Medco Tunisia Petroleum Limited, Entitas Anak yang dimiliki seluruhnya, telah menyelesaikan akuisisi 100% saham Storm Ventures International (Barbados) Ltd ("SVI") dan Storm Sahara Ltd ("SSL") dengan Storm Ventures International (BVI) Ltd. ("Penjual") ("Transaksi") dengan nilai total transaksi sebesar AS\$128,5 juta. Penjual adalah entitas anak Chinook Energy, Inc, yang terdaftar di Bursa Saham Toronto. Persetujuan dari Pemerintah Tunisia dan beberapa mitra kerja dari blok-blok tersebut telah diperoleh pada tanggal 18 Agustus 2014 ("Tanggal Efektif"). Selanjutnya, pada tanggal yang berbeda di bulan Agustus 2014, nama perusahaan SVI dan SSL, masing-masing telah berubah menjadi Medco Ventures International (Barbados) Limited ("MVI") dan Medco Sahara Limited ("MSL"). Sejak tanggal efektif, Medco memiliki hak kepemilikan di delapan area yang terdiri dari empat area eksplorasi, dua area pengembangan dan dua area produksi.

Nilai wajar dari aset dan liabilitas teridentifikasi MVI pada tanggal akuisisi (19 Agustus 2014) adalah:

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**a. Major Acquisitions and Disposals (continued)**

- iii. On August 19, 2014, the Company, through Medco Tunisia Petroleum Limited, a wholly-owned subsidiary has completed the acquisition of 100% of the shares of Storm Ventures International (Barbados) Ltd ("SVI") and Storm Sahara Ltd ("SSL") with Storm Ventures International (BVI) Ltd. (the "Seller") (the "Transaction") with the total value of the Transaction of US\$128.5 million. The Seller is a subsidiary of Chinook Energy Inc, which is listed on the Toronto Stock Exchange. The approval of the Government of Tunisia and the consent of existing partners' have been obtained on August 18, 2014 ("Effective Date"). Subsequently, in different dates in August 2014, the registered names of SVI and SSL were amended to become Medco Ventures International (Barbados) Limited ("MVI") and Medco Sahara Limited ("MSL"), respectively. As of the effective economic date, Medco has working interest in eight areas which comprise of four exploration areas, two development areas and two production areas.

The fair values of the identifiable assets and liabilities of MVI as at the date of acquisition (August 19, 2014) were:

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**a. Akuisisi dan Pengalihan yang Signifikan  
(lanjutan)**

**a. Major Acquisitions and Disposals  
(continued)**

	<b>Nilai wajar sementara (AS\$)/ Provisional Fair Value (US\$)</b>	
Kas dan setara kas	5.738.992	Cash and cash equivalents
Piutang dagang	7.932.247	Account receivables
Persediaan	7.752.543	Inventory
Biaya dibayar di muka	323.623	Prepaid charges
Aset Lain-Lain	856.938	Other assets
Aset minyak dan gas bumi	126.293.236	Oil and gas properties
Utang usaha	(5.932.558)	Trade payable
Utang pajak	(1.216.782)	Tax payable
Liabilitas pembongkaran aset dan restorasi area dan provisi lain-lain	(5.306.770)	Asset abandonment and site restoration obligations and other provisions
Liabilitas pajak tangguhan	(7.903.675)	Deferred tax liabilities
Nilai wajar aset neto teridentifikasi	<u>128.537.794</u>	Total identifiable net assets at fair values
Imbalan pembelian yang dialihkan	<u>128.537.794</u>	Purchase consideration transferred
Dikurangi kas yang diperoleh dari entitas anak yang diakuisisi	<u>(5.738.992)</u>	Net cash of the acquired subsidiary
<b>Akuisisi entitas anak, setelah dikurangi kas yang diperoleh</b>	<b><u>122.798.802</u></b>	<b>Acquisition of a subsidiary, net of cash acquired</b>

Aset neto yang diakui pada laporan keuangan konsolidasian tanggal 31 Desember 2014, pada awalnya didasarkan pada penilaian sementara terhadap nilai wajarnya, dimana Kelompok Usaha masih menyelesaikan hasil penilaian terhadap aset minyak dan gas bumi yang dimiliki oleh MVI, jumlah yang dapat terpulihkan atas aset tersebut dan menentukan adanya liabilitas kontinjensi. Penilaian tersebut belum diselesaikan pada tanggal laporan keuangan konsolidasian tahun 2014 disetujui oleh Direksi Perusahaan untuk diterbitkan.

The net assets recognized on the December 31, 2014 consolidated financial statements were initially based on a provisional assessment of their fair value, while the Group is still determining the fair valuation for the oil and gas properties owned by MVI and the recoverable amounts of the identifiable assets and liabilities. The valuation and assessment had not been completed by the date the 2014 consolidated financial statements were approved for issue by the Board of Directors.

- iv. Berdasarkan Keputusan Sirkulasi Para Pemegang Saham, pada tanggal 10 Februari 2014, Duta Tambang Rekayasa ("DTR") meningkatkan modal dasarnya dari Rp1.000.000.000 menjadi Rp30.000.000.000 dan masing-masing saham bernilai nominal Rp1.000. Selain itu juga DTR meningkatkan modal ditempatkan dan disetor dari sebesar Rp250.000.000 menjadi Rp30.000.000.000 yang mana penambahan setoran tersebut dilakukan secara tunai dan seluruhnya diambil bagian oleh MEMI.

- iv. On February 10, 2014, based on the Circular Resolution of the Shareholders, Duta Tambang Rekayasa ("DTR") increased its capital stock from Rp1,000,000,000 to Rp30,000,000,000 with par value of Rp1,000 per share. In addition, the issued and paid-up capital increased from Rp250,000,000 to Rp30,000,000,000 in which the additional issuance of shares is subscribed and fully paid by MEMI.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**a. Akuisisi dan Pengalihan yang Signifikan  
(lanjutan)**

- v. Berdasarkan Keputusan Sirkulasi Para Pemegang Saham, pada tanggal 10 Februari 2014, MEMI meningkatkan modal dasarnya dari Rp1.000.000.000 menjadi Rp30.000.000.000 dan masing-masing saham bernilai nominal Rp1.000. Selain itu juga MEMI meningkatkan modal ditempatkan dan disetor dari sebesar Rp1.000.000.000 menjadi Rp30.000.000.000 yang mana penambahan setoran tersebut dilakukan secara tunai dan seluruhnya diambil bagian oleh MEI.
- vi. Berdasarkan Perjanjian Pembelian Saham tanggal 16 Januari 2014, Perusahaan 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\$3.565.000. 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 (PPL 470)* untuk melakukan eksplorasi minyak dan gas bumi selama enam tahun di wilayah Juha Extension, yang terletak di Provinsi Barat, Papua Nugini. Akuisisi tersebut bukan merupakan akuisisi bisnis, sehingga manajemen menyajikan harga beli saham tersebut sebagai bagian dari aset eksplorasi dan evaluasi pada laporan posisi keuangan konsolidasian.
- vii. Efektif pada tanggal 15 Januari 2014, Medco Cambodia Holding Ltd, entitas anak yang didirikan berdasarkan hukum British Virgin Islands, telah berubah nama menjadi Medco Asia Pacific Ltd.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**a. Major Acquisitions and Disposals  
(continued)**

- v. *Based on the Circular Resolution of the Shareholders, on February 10, 2014, MEMI increased its capital stock from Rp1,000,000,000 to Rp30,000,000,000 with par value of Rp1,000 per share. In addition, the issued and paid-up capital increased from Rp1,000,000,000 to Rp30,000,000,000 in which the additional issuance of shares is subscribed and fully paid by MEI.*
- vi. *On January 16, 2014, the Company 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\$3,565,000. 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. The acquisition does not constitute an acquisition of a business, therefore, management has presented the purchase price as part of exploration and evaluation assets in the consolidated financial position.*
- vii. *Effective on January 15, 2014, Medco Cambodia Holding Ltd, a subsidiary incorporated under the laws of the British Virgin Islands, has changed its registered company name to Medco Asia Pacific Ltd.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**a. Akuisisi dan Pengalihan yang Signifikan  
(lanjutan)**

- viii. Pada tanggal 9 Januari 2014, Perusahaan menandatangani *Share Sales and Purchase Agreement* (SPA) dengan PT Kayo Raya Utama, untuk menjual kepemilikan sahamnya di PT Medco E & P Yapen (99,999%) yang tercakup dalam akta notaris Karlita Rubianti, S.H. tanggal 28 Januari 2014.
- ix. Pada tanggal 9 Januari 2014, Perusahaan melalui entitas anaknya, PT Medco Energi Nusantara menandatangani *Share Sales and Purchase Agreement* (SPA) dengan menjual kepemilikan sahamnya di PT Medco E & P Yapen (0,0001%) kepada PT Kayo Putra Lubalung yang tercakup dalam akta notaris Karlita Rubianti, S.H. tanggal 28 Januari 2014.
- x. Pada bulan Desember 2013, Kontrak Bantuan Teknis (TAC) Wilayah Kerja Sembakung, yang terletak di Kalimantan Utara yang dipegang oleh PT Medco E & P Sembakung, Entitas Anak Perusahaan yang dimiliki 100% oleh Perusahaan, telah berakhir.
- xi. Pada tanggal 9 Januari 2014, PT Medco Services Indonesia (MSI) dan PT Usaha Tani Sejahtera (UTS), entitas anak dari PT Medco Downstream Indonesia, telah menandatangani Perjanjian Jual Beli Saham dengan PT Kayo Rama Putra dan PT Kayo Putra Lubalung untuk penjualan 100% kepemilikan atau 16.536 lembar saham PT Bumi Agro Lampung (BAL) yang dimiliki oleh MSI dan UTS dengan harga Rp1.127.203 atau setara dengan AS\$91. Saham tersebut akan dialokasikan pada PT Kayo Rama Putra sebanyak 16.535 saham (99,994%) dan PT Kayo Putra Lubalung sebanyak 1 saham (0,006%).

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**a. Major Acquisitions and Disposals  
(continued)**

- viii. On January 9, 2014, the Company signed a *Share Sales and Purchase Agreement* with PT Kayo Raya Utama, to sell its shares in PT Medco E & P Yapen (99,999%) which is covered in the notarial deed of Karlita Rubianti, S.H. dated January 28, 2014.
- ix. On January 9, 2014, the Company through its wholly-owned subsidiary, PT Medco Energi Nusantara, signed a *Share Sales and Purchase Agreement* to sell its shares in PT Medco E & P Yapen (0,0001%) to PT Kayo Putra Lubalung which is covered in the notarial deed of Karlita Rubianti, S.H. dated January 28, 2014.
- x. In December 2013, the Technical Assistance Contract (TAC) of PT Medco E & P Sembakung, a wholly-owned subsidiary, at Sembakung, North Kalimantan, has ended.
- xi. On January 9, 2014, PT Medco Service Indonesia (MSI) and PT Usaha Tani Sejahtera (UTS), subsidiaries of PT Medco Downstream Indonesia, signed the *Share Purchase Agreement* (SPA) with PT Kayo Rama Putra and PT Kayo Putra Lubalung for the sale of its 100% ownership or 16,536 shares of PT Bumi Agro Lampung (BAL) owned by MSI and UTS with purchase price of Rp1,127,203 or equivalent to US\$91. The share ownership will be allocated to PT Kayo Rama Putra for 16,535 shares (99.994%) and PT Kayo Putra Lubalung for 1 share (0.006%).

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**a. Akuisisi dan Pengalihan yang Signifikan  
(lanjutan)**

xii. Pada bulan Oktober 2013, Kontrak Bagi Hasil Produksi (PSC) Wilayah Kerja Merangin-I, yang terletak di Jambi yang dipegang oleh PT Medco E & P Merangin, Entitas Anak Perusahaan yang dimiliki 100% oleh Perusahaan, telah berakhir.

xiii. Pada tanggal 2 Agustus 2013, Perusahaan melalui Entitas Anak yang dimiliki sepenuhnya, Medco Energi (BVI) Ltd (Medco), menandatangani transaksi Perjanjian Jual Beli Saham dengan Trada Petroleum Pte Ltd (Trada), untuk mengakuisisi 60% Medco Trada Tebat Agung Ltd, perusahaan yang berkedudukan di British Virgin Islands. Harga beli atas transaksi ini adalah sebesar AS\$1,38 juta.

xiv. Pada tanggal 28 Januari 2013, Perusahaan melalui entitas anak Medco International Ventures Ltd (MIVL) menandatangani suatu perjanjian operasi (*Joint Operating Company/JOC*) yang dinamakan Nafusah Oil Operations BV (NOO), dengan partnernya National Oil Corporation (NOC) dengan kepemilikan sebesar 24,5%, sementara NOC dan Libyan Investment Authority (LIA) akan memiliki hak kepemilikan masing-masing sebesar 51% dan 24,5%.

Pembentukan JOC didasarkan pada perjanjian bagi hasil eksplorasi dan produksi (*Exploration and Production Sharing Agreement/EPSA*) pada tahun 2005 oleh pihak tersebut di atas. Menurut EPSA, pihak-pihak tersebut harus membuat perjanjian pemegang saham dan membentuk sebuah JOC setelah menyatakan penemuan komersial pertama kali. JOC akan bertindak sebagai operator di bawah EPSA dan menurut perjanjian operasi para pihak.

NOO secara formal terdaftar dan dibentuk di Belanda pada tanggal 18 Maret 2013.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**a. Major Acquisitions and Disposals  
(continued)**

xii. In October 2013, the Production Sharing Contract (PSC) of PT Medco E & P Merangin, a wholly-owned subsidiary, at Merangin-I, Jambi, has ended.

xiii. On August 2, 2013, the Company through its wholly-owned subsidiary, Medco Energi (BVI) Ltd (Medco), signed a Shares Sale and Purchase Agreement with Trada Petroleum Pte Ltd (Trada), to acquire 60% ownership of Medco Trada Tebat Agung Ltd, a company incorporated in British Virgin Islands. The purchase price amounts to US\$1.38 million.

xiv. On January 28, 2013, the Company through its wholly-owned subsidiary, Medco International Ventures Ltd (MIVL), established a joint operating company (JOC), namely, Nafusah Oil Operations BV (NOO), with its partners, National Oil Corporation (NOC) and Libyan Investment Authority (LIA), with ownership of 24.5%, while NOC and LIA will have ownership of 51% and 24.5%, respectively.

The establishment of the JOC is based on the requirement of the Exploration and Production Sharing Agreement (EPSA) entered into in 2005 by the parties. According to the EPSA, the parties shall enter into a shareholders agreement and form a JOC upon declaring the first Commercial Discovery. The JOC will act as the Operator under the EPSA and according to an operating agreement to be entered into by the parties.

NOO has been formally registered and established in The Netherlands on March 18, 2013.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**a. Akuisisi dan Pengalihan yang Signifikan  
(lanjutan)**

Pada tanggal 30 September 2013, NOC, LIA, MIV, dan NOO menetapkan hak dan kewajiban untuk pemegang hak partisipasi dan operator sebagai pelaksana operasi minyak di bawah EPSA. Perjanjian ini menyatakan bahwa NOO ditunjuk sebagai operator untuk melaksanakan seluruh operasi minyak, khususnya untuk melaksanakan rencana pengembangan sesuai dengan syarat dan ketentuan perjanjian operasi dan EPSA. Perjanjian ini ditandatangani pada tanggal 9 Maret 2014.

- xv. Pada tanggal 20 Desember 2012, Perusahaan telah menandatangani *Shares Sales and Purchase Agreement* atau SPA untuk pembelian 49% saham PT Api Metra Graha (AMG) yang dimiliki oleh Jaden Holdings Ltd (Jaden). Pada tanggal 31 Desember 2012, setoran awal sebesar AS\$25 juta, yang mewakili 24% dari harga beli telah dibayarkan kepada Jaden dan sebesar AS\$5,1 juta atas terutangnya pajak penghasilan pasal 26 yang dicatat sebagai "Uang muka pembelian saham" pada laporan posisi keuangan konsolidasian. Pada tanggal 12 Februari 2013, Perusahaan telah menyelesaikan pembayaran atas sisa dari harga beli sebesar AS\$72 juta termasuk di dalamnya penyesuaian harga beli akibat adanya selisih atas nilai modal kerja antara tanggal penandatanganan SPA dan tanggal penutupan transaksi.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**a. Major Acquisitions and Disposals  
(continued)**

On September 30, 2013, the Operating Agreement was executed by NOC, LIA, MIVL and NOO to establish the respective rights and obligations of the Parties and the Operator on the conduct of Petroleum Operations under the EPSA. The Operating Agreement states that NOO is appointed as the Operator to conduct all petroleum operations in particular to implement the Development Plan in accordance with the terms and conditions of the Operating Agreement and the EPSA. The Operating Agreement was signed by the Parties on March 9, 2014.

- xv. 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). As of December 31, 2012, an advance payment to Jaden of US\$25 million, representing 24% of the purchase price has been made and US\$5.1 million for income tax article 26 has been paid which are recorded as "Advance for purchase of shares of stock" in the consolidated statements of financial position. This transaction has been completed on February 12, 2013. The Company has completed the payment of the remaining purchase commitment amounting to US\$72 million including purchase price adjustment between the equity value from the signing date of *Shares Sales and Purchase Agreement* and the closing date.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**a. Akuisisi dan Pengalihan yang Signifikan  
(lanjutan)**

xvi. Pada tanggal 10 Oktober 2012, Perusahaan, melalui entitas anak yang dimiliki penuh, PT Medco Downstream Indonesia (MDI), telah menandatangani *Share Purchase and Subscription Agreement* (SPSA) dengan Puma Energy (Singapore) Pte Ltd atas penjualan 63,88% atau 1.852.520 lembar saham milik MDI di PT Puma Energy Indonesia (PEI) (dahulu PT Medco Sarana Kalibaru) sebesar AS\$13.003.200, dan kemudian Puma bersama-sama dengan MDI akan melakukan penempatan atas saham baru yang akan dikeluarkan PEI secara pro rata sesuai dengan kepemilikan masing-masing pemegang saham, yaitu Puma sebesar 63,88% dengan nilai penempatan sebesar AS\$22.996.800 dan MDI sebesar 36,12% dengan nilai penempatan sebesar AS\$13.003.200. Transaksi ini diselesaikan pada tanggal 3 Desember 2012.

Berdasarkan perjanjian di atas, PEI harus membayar jumlah berikut:

1. Berdasarkan perjanjian tanggal 15 September 2012 antara PEI dan MEI, dimana PEI sebagai peminjam dan MEI sebagai pemberi pinjaman untuk membiayai operasional PEI berhubungan dengan pembayaran PPN yang diperlukan untuk pengiriman *cargo* ke PT Freeport Indonesia sebesar AS\$8.000.000, bersama dengan bunga yang diperoleh pada tanggal penyelesaian.
2. Berdasarkan "*Management Services Agreement*" dengan MDI, saldo yang terutang ke MDI tahun buku 2012 untuk jasa manajemen yang diberikan ke PEI untuk tahun 2010 dan 2011 sekitar AS\$800.000.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**a. Major Acquisitions and Disposals  
(continued)**

xvi. On October 10, 2012, the Company, through its wholly-owned subsidiary, PT Medco Downstream Indonesia (MDI), signed a *Share Purchase and Subscription Agreement* (SPSA) with Puma Energy (Singapore) Pte Ltd ("Puma") for the sale of 63.88% or 1,852,520 shares of PT Puma Energy Indonesia (PEI) (formerly PT Medco Sarana Kalibaru) owned by MDI for the price of US\$13,003,200, and subsequently, Puma together with MDI will subscribe to the issuance of new shares by PEI pro-rata in accordance with the ownership percentage of each shareholder, that is, Puma at 63.88% with subscription price of US\$22,996,800 and MDI at 36.12% with subscription price of US\$13,003,200. The transaction was completed on December 3, 2012.

Based on the above SPSA, PEI shall repay the following:

1. Under a loan agreement dated September 15, 2012 between PEI and MEI, PEI obtained a loan from MEI to finance the VAT payment on the cargo delivery to PT Freeport Indonesia amounting to US\$8,000,000, plus interest.
2. Based on the *Management Services Agreement* with MDI, PEI has outstanding payable to MDI in 2012 amounting to US\$800,000 for the management services provided to PEI in fiscal years 2010 and 2011.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**a. Akuisisi dan Pengalihan yang Signifikan  
(lanjutan)**

3. Berdasarkan "Intercompany Loan Agreements" antara PEI dan MDI memiliki utang sebesar Rp39.612.995.000, (termasuk bunga yang dibebankan pada tanggal penyelesaian), dimana utang ke MDI sebesar Rp12.032.995.000 dan ke MEI sebesar Rp27.580.000.000, masing-masing dikurangi dengan utang MEI ke PEI sebesar Rp8.898.243.643 dan utang ke MLK sebesar Rp232.565.688.

Semua utang tersebut telah dibayarkan oleh PEI pada tanggal 5 Desember 2012. MDI dan Puma setuju bahwa:

- a. Untuk tujuan perhitungan "Sale Consideration", bisnis PEI dinilai oleh Puma, pada tanggal perjanjian, sebesar AS\$20.355.867 dimana sebesar AS\$6.000.000 diatribusikan ke Perjanjian Sewa Tanjung Priok. Jika Perjanjian Sewa Tanjung Priok diberhentikan atau kadaluwarsa tanpa diperbarui atau diperpanjang kapanpun sebelum kadaluwarsa terhitung 10 tahun dari 31 Desember 2012, nilai bisnis PEI harus dianggap sudah berkurang setara dengan nilai yang sama dengan nilai amortisasi Perjanjian Sewa Tanjung Priok pada tanggal penghentian atau kadaluwarsa. MDI harus mentransfer ke Puma dengan penambahan saham yang dikeluarkan dari modal PEI.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**a. Major Acquisitions and Disposals  
(continued)**

3. Based on the Intercompany Loan Agreements between PEI and MDI, PEI has an outstanding intercompany payable totaling Rp39,612,995,000 (including interest charged on the settlement date), which consists of payables to MDI and MEI amounting to Rp12,032,995,000 and Rp27,580,000,000, respectively, to be reduced by the intercompany receivables of PEI from MEI and MDI amounting to Rp8,898,243,643 and Rp232,565,688, respectively.

Since all the obligations above had been paid by PEI on December 5, 2012, MDI and Puma agreed on the following:

- a. For purposes of calculating the "Sale Consideration", the PEI business is valued by Puma on the date of the agreement, at US\$20,355,867 of which US\$6,000,000 is attributable to the Tanjung Priok Lease Agreement. If the Tanjung Priok Lease Agreement is terminated or expires without renewal or extension at any time within 10 years starting from December 31, 2012, the value of the PEI business shall be deemed to have declined equivalent to the amortization amount under the Tanjung Priok Lease Agreement on the date of termination or expiration. MDI must transfer to Puma the additional shares issued by PEI.



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**a. Akuisisi dan Pengalihan yang Signifikan  
(lanjutan)**

- b. MDI dan Puma setuju jika ada bagian dari piutang usaha PEI yang belum dibayar 180 hari setelah penyelesaian, MDI harus mentransfer ke Puma dengan penambahan saham yang dikeluarkan dari modal PEI. PEI setuju untuk menetapkan dan segera membayar utangnya kepada MDI, dengan memperhitungkan atau dikurangi dengan kondisi-kondisi di bawah ini:

1. Setelah penyesuaian pemegang saham, PEI mengembalikan piutang yang belum dibayar kepada MDI yang timbul dari penyesuaian tersebut,
2. Setelah tanggal penyelesaian, PEI membayar ke MDI atas piutang PT Kiani Kertas Nusantara atau PT Optima Enviro Resources, atau
3. Setelah tanggal penyelesaian, PEI membayar lebih rendah dari jumlah yang telah ditetapkan atas klaim BPH Migas terhadap PEI, sebesar Rp4.678.000.000.

Mengingat PEI masih memiliki piutang yang belum tertagih sebesar Rp7.174.027.271 pada 180 hari setelah penutupan, maka berdasarkan Pasal 7.4.2 SPSA MDI telah mengalihkan 53.388 saham dengan nilai nominal Rp100.000 miliknya kepada Puma. Dengan demikian kepemilikan saham MDI terdilusi dari 36,12% menjadi 35,28%. Transaksi ini disetujui pemegang saham PEI sebagaimana tercantum dalam Akta Notaris Edward, S.H. No. 17 tanggal 25 Oktober 2013 dan berlaku efektif pada saat penandatanganan Perjanjian Pengalihan Saham tanggal 25 November 2013.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**a. Major Acquisitions and Disposals  
(continued)**

- b. MDI and Puma agree that if any portion of the unpaid receivables remains outstanding for 180 days after the transaction is completed, MDI must transfer to Puma additional shares issued by PEI. PEI agrees to promptly determine and pay its debts to MDI, or reduce it considering the conditions below:

1. After the adjustment made by the shareholders, PEI shall pay back to MDI the unpaid receivables arising from such adjustment,
2. After the transaction completion date, PEI shall pay back to MDI the receivables from PT Kiani Kertas Nusantara or PT Optima Enviro Resources, or
3. After the transaction completion date, PEI shall pay less than a predetermined amount of claims against PEI by BPH Migas amounting to Rp4,678,000,000.

Considering PEI still has outstanding receivables amounting to Rp7,174,027,271 on 180 days after completion, then pursuant to Clause 7.4.2 of the SPSA MDI has transferred its 53,388 shares with nominal amount Rp100,000 per share to Puma. Therefore, MDI shares ownership is diluted from 36.12% to 35.28%. This transaction was approved by PEI shareholders as stated in the Deed No. 17 of Edward, S.H. dated October 25, 2013 and effective as of execution of the Share Transfer Agreement on November 25, 2013.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**a. Akuisisi dan Pengalihan yang Signifikan  
(lanjutan)**

Berdasarkan Pasal 7.6.1 dan 7.6.2 SPSA dan Perjanjian Pengalihan Piutang 20 Desember 2013 PEI mengalihkan piutang yang belum tertagih kepada beberapa debitor dengan total Rp51.532.296.711 kepada MDI.

Pada tanggal 20 Maret 2014, PT Medco Downstream Indonesia (MDI), telah menandatangani Perjanjian Jual Beli Saham dengan Puma Energy (Singapore) Pte. Ltd. (Puma), Puma Asia Pacific, B.V. (Puma Offshore) dan PT Puma Energy Indonesia (dahulu PT Medco Sarana Kalibaru) (PEI) untuk penjualan sisa kepemilikan sebesar 35,28% atau 2.241.489 lembar saham PEI yang dimiliki oleh MDI dengan harga AS\$17.400.000. Saham tersebut akan dialokasikan ke Puma dan Puma Offshore masing-masing sebanyak 2.241.389 lembar saham dan 100 lembar saham. Transaksi ini berlaku efektif pada tanggal 24 April 2014 dengan dipenuhinya seluruh persyaratan pendahuluan berdasarkan SPA, antara lain dengan telah diperolehnya persetujuan dari Badan Koordinasi Penanaman Modal (BKPM). Dengan efektifnya transaksi ini, MDI tidak lagi memiliki kepemilikan saham di PEI. Enam bulan setelah transaksi dilakukan, PEI diwajibkan untuk melepaskan nama "Medco" dari nama perusahaannya. Keuntungan dari transaksi divestasi ini adalah sebesar AS\$3,5 juta.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**a. Major Acquisitions and Disposals  
(continued)**

Based on the clause 7.6.1 and 7.6.2 of the SPSA and Assignment of Receivables Agreement dated December 20, 2013, PEI assigned the account receivables totaling to Rp51,532,296,711 to MDI.

On March 20, 2014, PT Medco Downstream Indonesia (MDI), signed the Shares Purchase Agreement (SPA) with Puma Energy (Singapore) Pte. Ltd. (Puma), Puma Asia Pacific, B.V. (Puma Offshore) and PT Puma Energy Indonesia (formerly PT Medco Sarana Kalibaru) (PEI) for the sale the remaining ownership of 35.28% or 2,241,489 shares of PEI owned by MDI with purchase price of US\$17,400,000. The shares will be allocated to Puma and Puma Offshore for 2,241,389 shares and 100 shares, respectively. This transaction is effective on April 24, 2014 with the satisfaction of all condition precedents specified under the SPA, amongst other, the receipt of the approval from Indonesia Investment Coordinating Board (BKPM). Upon the effectivity of this transaction, MDI shall no longer have any shares in PEI. Six months after the transaction completion date, PEI is obliged to remove the name "Medco" from its registered company name. Gain from this divestment transaction amounted to US\$3.5 million.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**

**Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut**

**(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**a. Akuisisi dan Pengalihan yang Signifikan  
(lanjutan)**

xvii. Pada tanggal 5 Juli 2012, Medco Yemen Malik Limited menandatangani Perjanjian Jual Beli (*Sale Purchase Agreement/SPA*) dengan Reliance Exploration and Production DMCC, untuk membeli 25% kepemilikan Blok 9 di Yaman dengan harga perolehan sebesar AS\$90 juta. Perjanjian ini efektif tanggal 4 Desember 2012. Setelah persyaratan transaksi selesai, termasuk mendapat persetujuan dari Kementerian Minyak dan Mineral Yaman, Medco memiliki secara efektif 21,25% hak partisipasi di Blok 9 dengan nilai transaksi AS\$90 juta. Selain Medco, struktur hak partisipasi di Blok 9 terdiri atas Calvalley Petroleum (Cyprus) Ltd, selaku operator sebesar 42,5%, Hood Oil Ltd sebesar 21,25%, dan Yemen Oil and Gas Company (YOGC) sebesar 15%.

xvi. 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) Ply 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 ekonomis tersebut, hak partisipasi langsung atas PSC Sampang (termasuk Lapangan Jeruk) tidak berubah.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**a. Major Acquisitions and Disposals  
(continued)**

xvii. On July 5, 2012, Medco Yemen Malik Limited signed a *Sale and Purchase Agreement (SPA)* with Reliance Exploration and Production DMCC, to purchase 25% participating interest in Block 9 in Yemen at a cost of US\$90 million. This agreement was completed on December 4, 2012. After the conditions precedent to the transaction are completed, including obtaining the approval of the Ministry of Oil and Minerals of Yemen, Medco has effective participating interest of 21.25% in Block 9. Besides Medco, the other parties holding participating interests in Block 9 are Calvalley Petroleum (Cyprus) Ltd, as operator with interest of 42.5%, Hood Oil Ltd with interest of 21.25%, and Yemen Oil and Gas Company (YOGC) with interest of 15%.

xvi. 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) Ply Ltd which is the operator of the PSC. In accordance with the economic agreement, the Group agreed to assume proportionate share of Jeruk costs.

Whilst the Indonesian Authorities have sanctioned the commercial agreement between the participants, Sampang PSC interests (including Jeruk Field interests) remain unchanged.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**a. Akuisisi dan Pengalihan yang Signifikan  
(lanjutan)**

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".

xviii. Pada tanggal 20 November 2014, Perusahaan, melalui Entitas Anak yang dimiliki sepenuhnya, Medco Arabia Ltd ("Medco") melakukan perjanjian bagi hasil eksplorasi dan produksi (*Exploration and Production Sharing Agreement/EPSA*) di Oman ("Blok 56") dengan pemerintah Kesultanan Oman yang diwakili oleh Kementerian Minyak dan Gas. Perjanjian ini adalah antara Pemerintah Oman dan Perusahaan bersama dengan mitra local, Intaj LLC ("Intaj"). Sesuai yang tercantum dalam EPSA, Medco akan bertindak sebagai operator sebelum komersialisasi, dimana Medco dan Intaj memiliki hak partisipasi bersama sebesar 75%, sementara 25% dimiliki oleh Pemerintah Oman. EPSA tersebut berlaku efektif setelah disahkan melalui Dekrit Kerajaan yang dikeluarkan oleh Sultan Oman tertanggal 29 Desember 2014.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**a. Major Acquisitions and Disposals  
(continued)**

*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".*

*xviii. On November 20, 2014, the Company, through its wholly-owned subsidiary, Medco Arabia Ltd ("Medco"), entered into a new Exploration and Production Sharing Agreement (EPSA) in Oman ("Block 56"), with the Government of the Sultanate of Oman which is represented by the Ministry of Oil and Gas. The EPSA is between the Government of Oman and the Company, together with a local partner Intaj LLC ("Intaj"). As stated in the EPSA, Medco will be the Operator prior to the declaration of Commerciality, and both Medco and Intaj have a combined participating interest of 75% while 25% for the Oman Government. The EPSA is effective upon the ratification through the Royal Decree to be issued by His Majesty the Sultan of the Government of the Sultanate of Oman, which was obtained and dated December 29, 2014.*

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**b. Perjanjian Pasokan Gas**

**b. Gas Supply Agreements**

Perusahaan/Entity	Tanggal Perjanjian/ Date of Agreement	Komitmen/Commitment	Periode Kontrak/ Contract Period
<b>PT Medco E &amp; P Indonesia</b>			
Perusahaan Daerah Pertambangan dan Energi (Jakabaring)	10 Agustus 2011/ August 10, 2011	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.
PT Perusahaan Daerah Kota Tarakan (PDKT)	6 April 2011/ April 6, 2011	Komitmen untuk memasok gas untuk memenuhi kebutuhan gas rumah tangga di kota Tarakan sebesar 0,15 BBTUD./ Commitment to supply gas to meet the needs of household in Tarakan of 0.15 BBTUD.	5 tahun sejak bulan Juni 2011 hingga tercapainya pasokan gas sesuai kesepakatan./ 5 years since June 2011 until such quantity in the agreement has been fully supplied.
PT Sarana Pembangunan Palembang Jaya (SP2J)	13 April 2010/ April 13, 2010	Komitmen untuk memasok gas sebanyak 0,15 BBTUD - 1 BBTUD./ Commitment to supply gas involving 0.15 BBTUD - 1 BBTUD.	4 tahun atau sampai jumlah yang disepakati telah dipasok, yang mana terjadi lebih dahulu./ 4 years or when such quantity has been fully supplied, whichever occurs first.
PT PLN Tarakan	1 April 2010/ April 1, 2010	Komitmen untuk memasok dan menjual gas sebanyak 10.134 BBTU/ Commitment to supply and sell 10,134 BBTU of gas.	5 tahun atau sampai seluruh jumlah yang disepakati telah dipasok, yang mana terjadi lebih dahulu./ 5 years or until such quantity has been fully supplied, whichever occurs first.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**b. Perjanjian Pasokan Gas (lanjutan)**

**b. Gas Supply Agreements (continued)**

Perusahaan/Entity	Tanggal Perjanjian/ Date of Agreement	Komitmen/Commitment	Periode Kontrak/ Contract Period
<b>PT Medco E &amp; P Indonesia (lanjutan)/(continued)</b>			
PT Pertamina EP	19 Februari 2010/ February 19, 2010	Komitmen untuk membeli gas sebanyak 1.359,96 MMSCF./ Commitment to supply 1,359.96 MMSCF of gas per year.	4 tahun (27 April 2009 sampai dengan 27 November 2013), atau sampai dengan jumlah yang disepakati telah dipasok, yang mana terjadi lebih dahulu./ 4 years (April 27, 2009 up to November 27, 2013), or when such quantity has been fully supplied, whichever occurs first.
Perusahaan Daerah Pertambangan dan Energi	4 Agustus 2009/ August 4, 2009	Komitmen untuk memasok gas total sebesar 729 BBTU. Per April 2013, pasokan gas baru dimulai karena persyaratan untuk memasok gas baru terpenuhi./ Commitment to supply 729 BBTU of gas. As of April 2013, the gas supply has just commenced due to the requirements to supply gas has just been fulfilled.	Sampai terpenuhinya total jumlah kontrak./ Until such quantity has been fully supplied.
Perusahaan Daerah Mura Energi	4 Agustus 2009 diubah terakhir dengan perjanjian tanggal 27 Januari 2015/ August 4, 2009 last amended with agreement dated January 27, 2015	Komitmen untuk memasok gas sebesar 2,5 BBTUD yang berasal dari Lapangan Temelat./ Commitment to supply 2.5 BBTUD of gas produced from the Temelat Field.	10 tahun sejak Februari 2015 atau tidak lebih dari kuartal I 2015/ 10 years starting from February 2015 or not later than first quarter in 2015
Perusahaan Daerah Kota Tarakan	22 Januari 2009/ January 22, 2009	Komitmen untuk memasok gas sebesar 1-3 BBTUD untuk kebutuhan kelistrikan di kota Tarakan/ Commitment to supply 1-3 BBTUD of gas for electricity in Tarakan.	10 tahun./10 years.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**b. Perjanjian Pasokan Gas (lanjutan)**

**b. Gas Supply Agreements (continued)**

Perusahaan/Entity	Tanggal Perjanjian/ Date of Agreement	Komitmen/Commitment	Periode Kontrak/ Contract Period
<b>PT Medco E &amp; P Indonesia (lanjutan)/(continued)</b>			
PT Pupuk Sriwidjaja (Persero)	7 Agustus 2007/ August 7, 2007	Komitmen untuk memasok gas rata-rata sebanyak 45 BBTU/hari (BBTUD)./ Commitment to supply 45 BBTU of gas/day (BBTUD).	11 tahun dan dapat diperpanjang menjadi 15 tahun jika memenuhi persyaratan sesuai perjanjian./ 11 years and could be amended to 15 years in accordance with terms and conditions as stated in the agreement.
PT Mitra Energi Buana	24 Juli 2006 diubah terakhir dengan perjanjian tanggal 1 Desember 2012/ July 24, 2006 last amended with agreement 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.
PT Perusahaan Listrik Negara (Persero) (untuk pusat listrik Keramasan, Palembang, Sumatera Selatan)	20 Januari 2006 diubah terakhir dengan perjanjian tanggal 16 Desember 2013/ January 20, 2006 last amended with agreement dated December 16, 2013	Komitmen untuk memasok dan menjual gas sebanyak 22,3 BBTUD sampai dengan 27 November 2013 dan 14 BBTUD sampai dengan 31 Desember 2014. Setelah kontrak berakhir pada tanggal 31 Desember 2014, pasokan gas untuk PLN Keramasan dan Borang dialihkan dari lapangan Singa./ Commitment to supply and sell gas in the quantity of 22.3 BBTUD until November 27, 2013 and 14 BBTUD until December 31, 2014. After the contract has ended in December 31, 2014, supply gas to PLN Keramasan and Borang diverted to Singa field.	Perpanjangan kontrak menjadi 31 Desember 2014 atau sampai seluruh jumlah yang disepakati telah dipasok yang mana terjadi lebih dahulu./ Contract extension until December 31, 2014 or until such quantity has been fully supplied, whichever occurs first.
PT Meta Epsi Pejebe Power Generation (MEPPO - GEN)	17 Oktober 2014/ October 17, 2014	Komitmen untuk memasok gas sebanyak 10 BBTUD untuk periode 21 bulan sejak Tanggal Dimulai yaitu tanggal 24 Oktober 2014. Total Jumlah Kontrak 6.560 BBTU./ Commitment to supply 10 BBTUD of gas for a period of 21 months from October 24, 2014. Total gas contract quantity amounted to 6,560 BBTU.	21 Bulan sejak 24 Oktober 2014 atau sampai seluruh jumlah kontrak terpenuhi, mana yang lebih dahulu terjadi./ 21 Months from October 24, 2014 or until the total amount as specified in the contract are met, whichever occurs first.
PT Perusahaan Listrik Negara (Persero) (untuk PLTG Borang, Palembang, Sumatera Selatan)	30 Desember 2003 dan terakhir diubah dengan perjanjian tanggal 9 Oktober 2012/ December 30, 2003 and last amended with agreement dated October 9, 2012	Komitmen untuk memasok dan menjual gas sebanyak 7 BBTUD mulai bulan Desember 2009 sampai dengan bulan Maret 2010 dan 12,5 BBTUD mulai bulan April 2010 sampai dengan bulan September 2012 dan 18,3 BBTUD mulai bulan Oktober 2012 sampai dengan bulan Agustus 2014./ Commitment to supply and sell 7 BBTUD of gas from December 2009 to March 2010 and 12.5 BBTUD from April 2010 to September 2012 and 18.3 BBTUD from October 2012 to August 2014.	10 tahun 8 bulan atau sampai seluruh jumlah yang disepakati telah dipasok, yang mana terjadi lebih dahulu./ 10 years and 8 months or until such quantity has been fully supplied, whichever occurs first.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**b. Perjanjian Pasokan Gas (lanjutan)**

**b. Gas Supply Agreements (continued)**

Perusahaan/Entity	Tanggal Perjanjian/ Date of Agreement	Komitmen/Commitment	Periode Kontrak/ Contract Period
<b>PT Medco E &amp; P Indonesia (lanjutan)/(continued)</b>			
PT Perusahaan Listrik Negara (Persero) (untuk PLTG Simpang Tiga, Indralaya, Palembang, Sumatera Selatan)	30 Desember 2002 dan diubah dengan perjanjian terakhir tanggal 11 Juli 2014/ December 30, 2002 and last amended with agreement dated July 11, 2014	Komitmen untuk memasok dan menjual gas sebesar 56,182 BBTU menjadi 65,342 BBTU (Total Jumlah Kontrak Gas Tambahan sebesar 9,160 BBTU)./ Commitment to supply and sell gas from 56,182 BBTU to 65,342 BBTU (additional Total gas contract quantity amounted to 9,160 BBTU).	30 April 2015 atau terpenuhi seluruh Total Jumlah Kontrak, mana yang lebih dahulu terjadi./ April 30, 2015 or until the total amount in the contract are met, whichever occurs first.
<b>PT Medco E &amp; P Lematang</b>			
PT Perusahaan Listrik Negara (Persero)	21 Maret 2007 terakhir diubah pada tanggal 10 Desember 2014/ March 21, 2007 last amended on December 10, 2014	Komitmen untuk memasok dan menjual gas sebanyak 48,6 BBTUD./ Commitment to supply and sell gas of 48.6 BBTUD.	Pasokan gas diperkirakan sejak tanggal 1 Desember 2012 sampai dengan tanggal 5 April 2017./ Gas supply is expected to start from December 1, 2012 until April 5, 2017.
<b>PT Medco E&amp;P Malaka</b>			
PT Perusahaan Listrik Negara (Persero)	9 April 2008/ April 9, 2008	Komitmen untuk memasok gas sebanyak 15 BBTUD untuk kebutuhan kelistrikan di daerah provinsi Nanggroe Aceh Darussalam./ Commitment to supply 15 BBTUD of gas for electricity in Nanggroe Aceh Darussalam.	Pada saat total jumlah kontrak telah terpenuhi atau gas tidak lagi mempunyai nilai ekonomis atau pada saat berakhirnya PSC Blok A (tanggal 1 September 2031), yang mana terjadi lebih dahulu./ At the time when quantity in the agreement has been fully supplied, or gas no longer has an economic value or until the termination of Block A PSC (September 1, 2031), whichever occurs first.
PT Pupuk Iskandar Muda (Persero)	10 Desember 2007 terakhir diubah pada tanggal 12 November 2010/ December 10, 2007 last amended on November 12, 2010	Komitmen untuk memasok gas sebanyak 110 BBTUD dengan jumlah total 233 TBTU./ Commitment to supply gas with the total gas volume 110 BBTUD with a total of 233 TBTU.	Pada saat total jumlah kontrak telah terpenuhi atau gas tidak lagi mempunyai nilai ekonomis atau pada saat berakhirnya PSC Blok A (tanggal 1 September 2031) yang mana terjadi lebih dahulu./ At the time when such quantity in the agreement has been fully supplied or gas no longer has an economic value, or until the termination of the Block A PSC (September 1, 2031), whichever occurs first.



The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**b. Perjanjian Pasokan Gas (lanjutan)**

**b. Gas Supply Agreements (continued)**

Perusahaan/Entity	Tanggal Perjanjian/ Date of Agreement	Komitmen/Commitment	Periode Kontrak/ Contract Period
<b>PT Medco E &amp; P Tomori</b> PT Panca Amara Utama	13 Maret 2014/ March 13, 2014	Komitmen untuk memasok gas sebanyak 248.200 MMSCF dengan Jumlah Penyerahaan Harian sebesar 55 BBTUD./ Commitment to supply 248.200 MMSCF of gas with Daily Contract Quantity of 55 BBTUD.	Pada saat total jumlah kontrak telah terpenuhi atau pada saat berakhirnya PSC Senoro-Toili (tanggal 3 Des 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/ January 22, 2009	Komitmen untuk memasok gas sebanyak 227 BBTUD./ Commitment to supply 227 BBTUD of gas.	15 tahun (dimulai sejak tanggal operasi Kilang LNG). Sampai dengan laporan ini diterbitkan, pasokan gas belum dimulai karena masih dalam proses pekerjaan konstruksi./ 15 years (starting from the date of commercial operations of the LNG Plant). Until the completion of these consolidated financial statements, the gas supply has yet to be started since the construction is still on-going.
<b>PT Medco E &amp; P Simenggaris</b> Perusahaan Daerah Nusa Serambi Persada (melalui JOB P-MEPS)	29 Oktober 2012/ October 29, 2012	Komitmen untuk memasok gas 5 MMSCFD yang berasal dari Lapangan South Sembakung./ Commitment to supply 5 MMSCFD from South Sembakung well.	11 tahun sejak tahun 2013. Sampai dengan laporan ini diterbitkan, pasokan gas belum dimulai./ 11 years starting from 2013. Until the completion of these consolidated financial statements, the gas supply has yet to be started.
PT PLN (Persero)	17 Oktober 2014/ October 17, 2014	Komitmen untuk memasok gas sebesar 0,5 MMSCFD dengan Total Jumlah Kontrak 805 MMSCF./ Commitment to supply gas at 0.5 MMSCFD with Total Number of Contracts 805 MMSCF.	5 tahun sejak Tanggal Dimulai (suatu tanggal pada akhir kwartal kedua tahun 2015 atau tanggal lain yang disepakati para pihak namun tidak melewati tahun 2015) atau sampai dengan terpenuhinya Total Jumlah Kontrak, mana yang lebih dahulu terjadi./ 5 years from the starting date (the date at the end of the second quarter of 2015, or such other date as agreed by the parties, but did not pass 2015) or until the fulfillment of the total amount of the Contract, whichever occurs first.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Perjanjian Lain-lain**

**c. Other Agreements**

i. Perjanjian Pengangkutan Gas Melalui Pipa

i. Gas Transportation Agreement

Pada tanggal 10 Desember 2014, PT Mitra Energi Gas Sumatra (MEGS) menandatangani Perjanjian Pengangkutan Gas Melalui Pipa dari Lapangan Singa Blok Lematang ke Stasiun Gunung Megang dengan PT Medco E & P Lematang. Berdasarkan perjanjian tersebut, MEGS akan memberikan jasa pengangkutan dan menyediakan kapasitas pipa guna menyalurkan gas kepada PT Medco E & P Lematang dengan estimasi total nilai kontrak sebesar AS\$16.497.432 dan total volume gas sebesar 36.660,96 MMSCF sampai dengan 5 April 2017.

On December 10, 2014, PT Mitra Energi Gas Sumatra (MEGS) signed the Gas Transportation Agreement from Singa Field in Lematang Block to Gunung Megang Station with PT Medco E & P Lematang. Based on this agreement, MEGS will provide gas transportation service and pipeline facilities to PT Medco E & P Lematang with a contract value of approximately US\$16,497,432 and total volume of gas of 36,660.96 MMSCF until April 5, 2017.

ii. Perjanjian penyewaan *land drilling rig* EPI ke PHE Metana Sumatera

ii. Rent workover rig EPI with PHE Metana Sumatera Agreement

Pada tanggal 1 Maret 2014, EPI sepakat untuk menyediakan jasa penyewaan *land drilling rig* kapasitas minimal 400 HP lengkap dengan tenaga kerja dan peralatan penunjangnya untuk pemboran sumur eksplorasi gas metana batubara di wilayah kerja PHE Metra 7 dengan nilai kontrak maksimum AS\$3.169.500. Kontrak berakhir pada 1 Maret 2015.

On March 1, 2014, EPI agreed to provide land drilling rig rental service with minimum capacity of 400 HP, complete with labor and supporting equipment, for the drilling of Coal Bed Methane gas exploration wells in PHE Metra 7 Field with maximum total contract value of US\$3,169,500. The contract ended on March 1, 2015.

iii. Perjanjian Pengalihan Piutang

iii. Receivable Novation Agreement

Berdasarkan Perjanjian Pengalihan Piutang tertanggal 20 Desember 2013 antara PT Medco Downstream Indonesia (MDI) dengan PT Puma Energy Indonesia (PEI) (dahulu PT Medco Sarana Kalibaru), PEI menyetujui untuk memindahkan dan memberikan hak tagih atas piutangnya ke MDI. Piutang yang dialihkan ke MDI adalah sebagai berikut:

Under the Receivable Novation Agreement dated December 20, 2013 between PT Medco Downstream Indonesia (MDI) and PT Puma Energy Indonesia (PEI) (formerly PT Medco Sarana Kalibaru), PEI agreed to novate its right to collect on certain receivables to MDI, as follows:

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**c. Perjanjian Lain-lain (lanjutan)**

iii. Perjanjian Pengalihan Piutang (lanjutan)

Nama Pelanggan	Jumlah (Rp)/ Amount (Rp)
PT Sapta Prima Adikarya	2.114.752.719
PT Pelayaran Nesitor Sakti Segara	2.912.685.540
PT Partner Resource Indonesia	1.539.589.006
H. Rahmat	181.700.000
PT Istaka Karya	89.270.000
PT Pillar Utama	70.555.006
PT Kertas Nusantara	37.673.744.440
PT Optima Enviro Resources	6.950.000.000
<b>Jumlah</b>	<b>51.532.296.711</b>

Pada tanggal 8 Januari 2014, MDI menerima pembayaran dari PT Sapta Prima Adikarya dan PT Kertas Nusantara, masing-masing sebesar Rp305.475.000 dan Rp35.171.236. Pada tanggal 31 Desember 2014, jumlah piutang menjadi sebesar Rp51.191.649.875 atau setara dengan AS\$4.115.084.

iv. Pengembalian dan Pengelolaan Sementara Wilayah Kampar

Merujuk kepada Surat Menteri Energi dan Sumber Daya Mineral No. 8837/13/MEM.M/2013 tanggal 26 November 2013 yang menyatakan bahwa Pemerintah menyetujui pengembalian wilayah Kampar bagian dari wilayah kerja *South Sumatera Extension Area* dan *Central Sumatera Kampar Area* menjadi wilayah terbuka terhitung 28 November 2013. Dalam rangka menjaga kelangsungan produksi di wilayah Kampar, Pemerintah menugaskan PT Medco E & P Indonesia ("MEPI") untuk mengelola sementara wilayah Kampar selama 6 (enam) bulan terhitung sejak tanggal 28 November 2013 atau sampai dengan operator baru telah ditunjuk oleh Pemerintah (mana yang terjadi lebih dulu).

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Other Agreements (continued)**

iii. Receivable Novation Agreement  
(continued)

Customer
PT Sapta Prima Adikarya
PT Pelayaran Nesitor Sakti Segara
PT Partner Resource Indonesia
H. Rahmat
PT Istaka Karya
PT Pillar Utama
PT Kertas Nusantara
PT Optima Enviro Resources
<b>Total</b>

On January 8, 2014, MDI received payment from PT Sapta Prima Adikarya and PT Kertas Nusantara amounting to Rp305,475,000 and Rp35,171,236, respectively. As of December 31, 2014, total receivable amounted to Rp51,191,649,875 or equivalent to US\$4,115,084.

iv. Relinquishment and Temporary Management of Kampar Area

In accordance with the Ministry of Energy and Mineral Resources letter No. 8837/13/MEM.M/2013 dated November 26, 2013, the Government approved the relinquishment of Kampar area, a part of *South Sumatera Extension Area* and *Central Sumatera Kampar Area*, to become an open area starting from November 28, 2013. In order to maintain the production in Kampar area, the Government assigned PT Medco E & P Indonesia ("MEPI") to temporarily operate the Kampar area for a period of six (6) months starting from November 28, 2013 or until the Government has appointed a new operator (whichever occurs first).

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**c. Perjanjian Lain-lain (lanjutan)**

iv. Pengembalian dan Pengelolaan  
Sementara Wilayah Kampar (lanjutan)

Merujuk kepada surat Menteri Energi dan Sumber Daya Mineral No. 8383/13/MEM.M/2014 tanggal 23 Desember 2014, Pemerintah telah memutuskan PT Pertamina sebagai pengelola wilayah Kampar, yang berlaku efektif sejak ditandatanganinya Kontrak Kerja Sama di wilayah Kampar. Selanjutnya, untuk menjaga kelangsungan produksi dan penerimaan Negara, PT Medco E & P Indonesia (MEPI) ditugaskan kembali untuk mengelola sementara wilayah Kampar sampai dengan tanggal 31 Desember 2015 atau sampai ditandatanganinya KKS Kampar (mana yang terjadi lebih dahulu).

v. Jasa Pendukung Pengeboran Minyak dan Gas Bumi

Pada tanggal 30 Januari 2013, EPI sepakat untuk menyediakan Jasa *Electric Wireline Logging Perforation and Data Processing* (EWLPP) pada Sumur-Sumur Kerja Ulang (workover) PT Pertamina EP Region Jawa dengan nilai kontrak sebesar AS\$3.573.422. Kontrak berakhir pada tanggal 2 Februari 2015.

Pada tanggal 4 Maret 2013, EPI sepakat untuk menyewakan *Workover Rig* Min 350 HP - 450 HP selama 2 tahun kepada Pertamina EP Ubep Adera dengan nilai kontrak AS\$4.062.910.

Pada tanggal 29 Juli 2013, EPI sepakat untuk melaksanakan *bridging* rental satu unit Rig kapasitas 350 HP Field Jatibarang kepada Pertamina EP Asset 3 Jatibarang dengan nilai kontrak sebesar AS\$1.110.024. Kontrak berakhir pada tanggal 17 Januari 2014.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Other Agreements (continued)**

iv. *Relinquishment and Temporary Management of Kampar Area (continued)*

*In accordance with the Ministry of Energy and Mineral Resources letter No. 8383/13/MEM.M/2014 dated December 23, 2014, the Government approved PT Pertamina, as administrator Kampar Area, which become effective since Production Sharing Contract signed. Furthermore, in order to maintain the production and Government revenue share in Kampar area, PT Medco E & P Indonesia (MEPI) is reassigned to maintain and temporarily operate the Kampar until December 31, 2015 or until PSC Kampar is signed (whichever occurs first).*

v. *Oil and Gas Drilling Support Services*

*On January 30, 2013, EPI agreed to provide Electric Wireline Logging Perforation and Data Processing (EWLPP) services on the workover wells of PT Pertamina EP Java Region with total contract amount of US\$3,573,422. The contract will end on February 2, 2015.*

*On March 4, 2013, EPI agreed to rent its workover rig with capacity of 350 HP - 450 HP for two (2) years to PT Pertamina EP Ubep Adera with total contract amount of US\$4,062,910.*

*On July 29, 2013, EPI agreed to rent its workover rig with capacity of 350 HP to PT Pertamina EP Asset 3 Jatibarang with total contract amount of US\$1,110,024. The contract has expired on January 17, 2014.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**c. Perjanjian Lain-lain (lanjutan)**

- v. Jasa Pendukung Pengeboran Minyak dan Gas Bumi (lanjutan)

Pada tanggal 3 Juli 2014, EPI sepakat untuk menyediakan tambahan 1 (satu) unit *land rig workover truck mounted* kapasitas 350 HP (Max. 450 HP) lengkap dengan tenaga kerja, alat-alat berat, peralatan utama dan penunjangnya untuk jangka waktu dua tahun di wilayah kerja PT Pertamina EP Asset 2 Adera Field tahun 2014-2016 dengan nilai kontrak maksimum AS\$4.214.168. Kontrak berakhir pada tanggal 12 September 2016.

Pada tanggal 1 Maret 2014, EPI sepakat untuk menyediakan jasa penyewaan *land drilling rig* kapasitas minimal 400 HP lengkap dengan tenaga kerja dan peralatan penunjangnya untuk pemboran sumur eksplorasi gas metana batubara di wilayah kerja PHE Metra 7 dengan nilai kontrak maksimum AS\$3.169.500. Kontrak berakhir pada 1 Maret 2015.

Pada tanggal 4 Agustus 2014, EPI sepakat untuk menyediakan jasa *open & cased hole wire logging services for standar tools* kepada PT Medco E & P Rimau dengan nilai kontrak maksimum AS\$2.309.495. Kontrak berakhir pada 2 Agustus 2016.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Other Agreements (continued)**

- v. Oil and Gas Drilling Support Services (continued)

On July 3, 2014, EPI agreed to provide 1 (one) unit of *land rig workover truck mounted* with capacity of 350 HP (Max. 450 HP) complete with labor, heavy equipments, main equipment and its supporting for the period of 2 (two) years in PT Pertamina EP Asset 2 Adera Field year 2014-2016 with maximum total contract value of US\$4,214,168. The contract will end on September 12, 2016.

On March 1, 2014, EPI agreed to provide *land drilling rig rental service* with minimum capacity of 400 HP, complete with labor and supporting equipment, for the drilling of Coal Bed Methane gas exploration wells in PHE Metra 7 Field with maximum total contract value of US\$3,169,500. The contract ended on March 1, 2015.

On August 4, 2014, EPI agreed to provide *open & cased hole wire logging services for standar tools* to PT Medco E & P Rimau with maximum total contract value of US\$2,309,495. The contract will end on August 2, 2016.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Perjanjian Lain-lain (lanjutan)**

**c. Other Agreements (continued)**

- v. Jasa Pendukung Pengeboran Minyak dan Gas Bumi (lanjutan)

- v. Oil and Gas Drilling Support Services (continued)

Pada tanggal 22 Oktober 2014, EPI sepakat untuk menyediakan jasa penyewaan mobile rig 350 HP untuk operasional *workover/ wellservice* selama 6 (enam) bulan di Sembakung Field Tarakan kepada PT Pertamina EP Asset 5 dengan nilai kontrak maksimum AS\$1.143.975. Kontrak berakhir pada 8 Juni 2015.

On October 22, 2014, EPI agreed to provide mobile rig rental services 350 HP for workover/wellservice operation for the period of 6 (six) months in Sembakung Field Tarakan to PT Pertamina EP Asset 5 with maximum total contract value of US\$1,143,975. The contract will end on June 8, 2015.

Pada tanggal 11 Februari 2014, EPI sepakat untuk menyediakan jasa pengadaan mobile rig 350 HP untuk operasional *workover/ wellservice* selama 6 (enam) bulan di Sembakung Field Tarakan kepada PT Pertamina EP Asset 5 dengan nilai kontrak maksimum AS\$1.116.810. Kontrak berakhir pada 11 Oktober 2014.

On February 11, 2014, EPI agreed to provide mobile rig rental services 350 HP for workover/wellservice operation for period of 6 (six) months in Sembakung Field Tarakan to PT Pertamina EP Asset 5 with maximum total contract value of US\$1,116,810. The contract will end on October 11, 2014.

- vi. Perjanjian Penyelesaian Klaim

- vi. Claim Settlement Agreement

Berdasarkan surat No. 042/MDI/DIR/BWS/VII/13 tertanggal 18 Juli 2013, MDI menyetujui proposal penyelesaian piutang PEI kepada PT Global Arta Borneo (GAB). Penyelesaian tersebut terkait dengan surat No. 3/A/MSK-VII/2013 tertanggal 11 Juli 2013 dari PEI ke MDI. PEI mengajukan penyelesaian klaim dari GAB terkait keterlambatan pengiriman HSD menggunakan kapal tanker MT Team Ace dan penyelesaian piutang GAB atas PT Optima Enviro Resources yang ditanggung oleh PEI masing-masing sebesar Rp2.451.750.000 dan Rp1.668.217.152 dibagi dengan porsi Rp1.471.050.000 untuk PEI dan Rp2.648.917.152 untuk MDI. Bagian klaim yang akan ditanggung oleh MDI akan dibayarkan oleh PEI ke GAB dan PEI akan mengklaim kembali ke MDI dengan cara mengurangi pembayaran biaya pengembangan bisnis terkait dengan Perjanjian Pengembangan Bisnis antara MDI dengan PEI tertanggal 3 Desember 2012 sebesar Rp250.000.000 per bulan dari bulan Juli 2013 sampai dengan bulan Mei 2014.

Based on letter No. 042/MDI/DIR/BWS/VII/13 dated July 18, 2013, MDI agreed to the proposal for the settlement of PEI's receivable from PT Global Arta Borneo (GAB). Such settlement relates to the Letter No. 3/MSK-VII/2013 dated July 11, 2013 from PEI to MDI. PEI has proposed to pay the claim of GAB arising from the delay in the HSD shipment using the tanker MT Team Ace as well as GAB's receivable from PT Optima Enviro Resources amounting to Rp2,451,750,000 and Rp1,668,217,152, respectively, whereby Rp1,471,050,000 will be borne by PEI and Rp2,648,917,152 shall be borne by MDI. Part of the amount to be borne by MDI will be paid first by PEI and later claimed from MDI as a reduction of the business development cost amounting to Rp250,000,000 per month from July 2013 to May 2014 owed by PEI to MDI under the Business Development Agreement between them dated December 3, 2012.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Perjanjian Lain-lain (lanjutan)**

**c. Other Agreements (continued)**

vi. Perjanjian Penyelesaian Klaim (lanjutan)

vi. Claim Settlement Agreement (continued)

Pada tanggal 19 Juli 2013, PEI telah melakukan penyelesaian pembayaran kepada GAB. Pada tanggal 31 Desember 2014 dan 2013, sisa kewajiban MDI kepada PEI adalah sebesar Rp1.148.917.152.

On July 19, 2013, PEI has repaid all the amounts due to GAB. As of December 31, 2014 and 2013, the remaining MDI obligation to PEI amounted to Rp1,148,917,152.

vii. Perjanjian Penyediaan Jasa

vii. Supply of Service Agreement

Berdasarkan perjanjian penyediaan jasa (*Supply of Service Agreement*) antara MDI dan PEI pada tanggal 3 Desember 2012, MDI sebagai penyedia jasa harus menyediakan jasa kepada PEI sesuai dengan jangka waktu yang ditentukan yaitu satu tahun dan dapat diperpanjang secara otomatis dari tahun ke tahun untuk jangka waktu berikutnya setiap dua belas bulan, sampai diakhiri oleh salah satu pihak berupa pemberitahuan tertulis tiga bulan sebelumnya kepada pihak lainnya sebelum habis masa berlakunya.

Under the services agreement (*Supply of Service Agreement*) between MDI and PEI dated December 3, 2012, MDI as service provider must provide services to PEI for the stipulated period of one year renewable automatically on an annual basis until terminated by either party, through a written notice to be given three months prior to the expiration date.

Jasa yang disediakan sesuai dengan perjanjian adalah sebagai berikut:

Services to be provided under the agreement are as follows:

1. Jasa Pengembangan Bisnis dan Jasa Hubungan Pemerintah, dengan biaya sebesar Rp3.000.000.000 per tahun;
2. Jasa Pendukung Teknologi Informasi (TI) dengan biaya untuk enam bulan selama masa transisi sebesar AS\$10.000 per bulan dengan jumlah pemakai, tipe sistem, perangkat lunak, jasa dan kondisi yang ada. Untuk biaya akses sistem SAP selama periode transisi adalah sebesar AS\$3.000 per bulan, untuk tujuan audit pemerintah/lokal yang berwenang dan maksimum tiga pengguna SAP.

1. Business Development Services and Government Liaison Services at a cost of Rp3,000,000,000 per year;
2. IT Support Services at a cost of US\$10,000 per month for a six month transition period with the number of users, types of systems, software, services, and conditions. The cost of IT service to access SAP system during the transition period for the purpose of the audit of government/local authorities amounts to US\$3,000 per month with a maximum of 3 SAP IDs.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Perjanjian Lain-lain (lanjutan)**

**c. Other Agreements (continued)**

viii. Perpanjangan *Plan of Development*  
(POD) Bengara-I

viii. *Extension of Plan Of Development (POD)*  
for Bengara-I

Pada tanggal 26 November 2012, Kementerian Energi dan Sumber Daya Mineral (ESDM) melalui suratnya telah memberikan persetujuan tambahan waktu dalam rangka proses POD pertama di Wilayah Kerja Bengara-I selama satu tahun, terhitung sejak tanggal 27 November 2012 sampai dengan tanggal 26 November 2013 atau disetujuinya POD pertama Lapangan South Sebuku oleh Menteri ESDM, mana yang terjadi lebih dahulu sesuai dengan ketentuan dan syarat yang berlaku.

*On November 26, 2012, the Ministry of Energy and Mineral Resources (ESDM) in its letter has given approval to grant additional time in order to process the first POD in the Bengara I Work Area for one (1) year from November 27, 2012 to November 26, 2013 or approval of the first POD of South Sebuku Field by the Minister, whichever occurs first in accordance with the applicable terms and conditions.*

PSC Wilayah Kerja Bengara-I ditandatangani pertama kali oleh PT Petroner Bengara dan BPMigas (sekarang SKK Migas) pada tanggal 27 September 1999 untuk mengeksplorasi dan mengembangkan Blok Bengara-I di Provinsi Kalimantan Timur, Indonesia dengan masa eksplorasi sampai dengan 26 September 2009.

*The PSC of Bengara I Work Area was originally signed between PT Petroner Bengara and BPMigas (now SKK Migas) on September 27, 1999 to explore and develop Bengara-I Block in the province of East Kalimantan, Indonesia with exploration period up to September 26, 2009.*

Pada tanggal 22 Maret 2013, Kementerian ESDM melalui suratnya telah memberikan persetujuan POD pertama lapangan South Sebuku Wilayah Kerja Bengara-I. Apabila dalam jangka waktu lima tahun sejak persetujuan ini PT Medco E&P Bengara tidak melaksanakan kegiatan sesuai dengan rencana pengembangan lapangan, maka KKKS wajib mengembalikan wilayah kerja Bengara-I kepada pemerintah.

*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 years from this approval date, then the PSC for Bengara-I Work Area has to be relinquished to the Government.*



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Perjanjian Lain-lain (lanjutan)**

**c. Other Agreements (continued)**

- ix. Penghentian Perjanjian Jual Beli Gas (PJBG) JOB Simenggaris dan Kilang Methanol Bunyu dan Pengalihan PJBG kepada PLN

- ix. Termination of Gas Sale and Purchase Agreement (PJBG) between JOB Simenggaris and the Bunyu Consortium for Methanol Refinery

Pada tanggal 24 Oktober 2012, PT Medco Simenggaris menerima dua surat dari SKK Migas No. 0899/BPO2000/2012/S2 dan No. 0900/BPO2000/2012/S2. Surat No. 0899/BPO2000/2012/S2 yang menyatakan bahwa Perjanjian Jual Beli Gas antara JOB Simenggaris (PJBG JOB Simenggaris) dan Konsorsium Pertagas - Medco Gas untuk Kilang Methanol Bunyu (KMB) akan diterminasi dengan beberapa pertimbangan. Efisiensi pabrik yang rendah dan harga jual produk methanol yang rendah menyebabkan KMB tidak ekonomis apabila harus membeli gas untuk keperluan bahan baku. Selain itu, pihak pembeli belum mendapatkan izin pokok dan izin lokasi dari Bupati Tana Tidung.

On October 24, 2012, PT Medco Simenggaris received two letters from SKK Migas No. 0899/BPO2000/2012/S2 and No. 0900/BPO2000/2012/S2. The first letter No. 0899/BPO2000/2012/S2 stated that the Gas Sale and Purchase Agreement between Simenggaris JOB (PJBG JOB Simenggaris) and the Consortium for Bunyu Methanol Refinery (BMR) will be terminated, based on certain considerations. The letter stated that it would not be economical to buy gas to produce methanol due to the low efficiency of the refinery and the low selling price of methanol. In addition, the buyer has not obtained the licenses in principle and location permits from the Regent of Tana Tidung.

Surat kedua dari SKK Migas No. 0900/BPO2000/2012/S2 menyatakan bahwa, terkait dengan terminasi PJBG JOB Simenggaris dengan Konsorsium Pertagas - Medco Gas, SKK Migas memutuskan gas dari South Sembakung, Blok Simenggaris dapat dimanfaatkan untuk memenuhi kebutuhan gas PLN di Kalimantan Timur.

The second letter of SKK Migas No. 0900/BPO2000/2012/S2 stated that, with respect to the termination of the Gas Sale and Purchase Agreement between PJBG JOB Simenggaris and the Consortium, SKK Migas decided that the gas from South Sembakung, Simenggaris Block can be utilized to supply the needs of PLN in East Kalimantan.

Dengan demikian, Perjanjian Kerjasama Operasi antara PT Medco Methanol Bunyu (MMB) dan PT Pertamina (Persero) dibatalkan dan MMB wajib melakukan rekondisi terhadap kilang methanol Bunyu tersebut sampai kilang tersebut dapat dipergunakan kembali. Pemanfaatan gas dari South Sembakung, Blok Simenggaris dialihkan kepada PLN.

Thus, the Joint Operating Agreement between PT Medco Methanol Bunyu (MMB) and PT Pertamina (Persero) shall be cancelled and MMB has the obligation to perform the reconditioning of the Bunyu methanol refinery until the refinery can be operated again under normal conditions. The utilization of gas from South Sembakung, Simenggaris Block is now transferred to PLN.

Sementara itu, pada tanggal 17 Mei 2013, PT Medco E & P Simenggaris, PT Pertamina Hulu Energi Simenggaris dan PT Perusahaan Listrik Negara (PLN) Persero membuat pokok-pokok perjanjian jual beli gas bumi yang berasal dari lapangan South Sembakung, Blok Simenggaris.

Meanwhile, on May 17, 2013, PT Medco E & P Simenggaris, PT Pertamina Hulu Energi Simenggaris and PT Perusahaan Listrik Negara (PLN) Persero have entered into a gas sales and purchase agreement for the gas production at South Sembakung Field, Simenggaris Block.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Perjanjian Lain-lain (lanjutan)**

**c. Other Agreements (continued)**

x. Perjanjian Jasa Kompresi Gas

x. Gas Compression Service Agreement

Pada tanggal 13 Agustus 2012, PT Mitra Energi Gas Sumatera (MEGS) menandatangani Perjanjian Jasa Kompresi Gas Lapangan Soka dengan PT Medco E & P Indonesia. Berdasarkan perjanjian ini, MEGS akan menyewakan tiga unit kompresor gas *reciprocating* kepada PT Medco E&P Indonesia dengan nilai kontrak sekitar AS\$3.395.653 dengan jumlah minimal gas yang dipasok sebesar 21.900 MMSCF sampai dengan 13 Agustus 2015.

On August 13, 2012, PT Mitra Energi Gas Sumatra (MEGS) signed the Agreement for Gas Compression Services for Soka Field with PT Medco E & P Indonesia. Based on this agreement, MEGS will lease out three reciprocating gas compressors to PT Medco E & P Indonesia with a contract value of approximately US\$3,395,653 with a minimum volume of gas served of 21,900 MMSCF until August 13, 2015.

xi. Kontrak Jasa Ekstraksi Gas dan Pengelolaan *Feed Gas*

xi. Contract for Gas Extraction Services and Feed Gas Processing

Pada tanggal 1 Agustus 2011, PT Medco LPG Kaji (MLK) dan PT Medco E & P Indonesia (MEPI) menandatangani "Kontrak Jasa Ekstraksi Gas Ikutan Lapangan Kaji-Semoga". Dalam kontrak ini, MLK akan menyediakan layanan ekstraksi gas untuk MEPI. Kontrak ini berlaku dari tanggal 1 Agustus 2011 sampai dengan tanggal 31 Desember 2011 dengan nilai kontrak sebesar AS\$1.575.000.

On August 1, 2011, PT Medco LPG Kaji (MLK) and PT Medco E & P Indonesia (MEPI) signed a Contract for Gas Extraction Service around the Kaji-Semoga Field. Under this contract, MLK shall provide gas extraction services to MEPI. The contract is valid from August 1, 2011 until December 31, 2011 with a total contract value of US\$1,575,000.

Pada tanggal 13 Desember 2011, MLK dan MEPI menandatangani amandemen pertama kontrak dimana kontrak diperpanjang sampai dengan tanggal 31 Januari 2012. Sehubungan dengan penambahan jangka waktu kontrak, nilai kontrak naik sebesar AS\$157.500 menjadi AS\$1.732.500.

On December 13, 2011, MLK and MEPI signed the first amendment of the contract whereby the contract period was extended to January 31, 2012. In connection with the extension of the term of the contract, the contract value was increased by US\$157,500 to become US\$1,732,500.

Pada tanggal 20 Januari 2012, MLK dan MEPI menandatangani perjanjian "*Bridging* Kontrak Jasa Ekstraksi Gas Ikutan Lapangan Kaji-Semoga" yang memperpanjang kontrak tersebut di atas sampai dengan tanggal 19 Juli 2012.

On January 20, 2012, MLK and MEPI signed the bridging agreement for Gas Extraction Services around the Kaji-Semoga Field to extend the above mentioned contract to July 19, 2012.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Perjanjian Lain-lain (lanjutan)**

**c. Other Agreements (continued)**

- xi. Kontrak Jasa Ekstraksi Gas dan Pengelolaan Feed Gas (lanjutan)

- xi. Contract for Gas Extraction Services and Feed Gas Processing (continued)

Pada tanggal 20 Juli 2012, MLK dan MEPI menandatangani Perjanjian "Processing Fee Pengolahan Feed Gas dari Lapangan Kaji-Semoga" yang berlaku sampai dengan tanggal 20 Januari 2013. Berdasarkan Perjanjian tersebut, MLK setuju untuk menyediakan layanan pengolahan gas untuk MEPI dengan nilai kontrak sebesar AS\$1.889.415.

On July 20, 2012, MLK and MEPI signed the Agreement on Fee for Processing Feed Gas from Kaji-Semoga Field which is effective up to January 20, 2013. Based on the agreement, MLK agreed to provide gas processing services to MEPI with a contract value of US\$1,889,415.

Pada tanggal 6 Desember 2012, MLK menerima surat dari MEPI yang menginformasikan bahwa Pasokan Gas dari Blok Rimau (MEPI) ke Kilang LPG Kaji dihentikan, oleh karena itu perjanjian antara MEPI dan MLK telah berakhir pada tanggal 31 Desember 2012 dan tidak diperpanjang.

On December 6, 2012, MLK received a letter from MEPI stating that the supply of gas from the Rimau Block for the LPG refinery was terminated, therefore, the agreement between MEPI and MLK was also terminated on December 31, 2012 and was not renewed.

- xii. Perjanjian Swap Bangkanai, Simenggaris, dan Bengara

- xii. Swap Agreement among Bangkanai, Simenggaris and Bengara

Pada bulan Juli 2013, Pemerintah Republik Indonesia melalui Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi (SKK Migas) dengan:

In July 2013, the Government of the Republic of Indonesia through the Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi (SKK Migas) with:

1. Surat No. 7936/13/DJM.E/2013 memberikan persetujuan atas Pengalihan Hak Partisipasi di Wilayah Kerja Simenggaris;
2. Surat No. 7937/13/DJM.E/2013 memberikan persetujuan atas Pengalihan Hak Partisipasi di Wilayah Kerja Bangkanai; dan
3. Surat No. 7938/13/DJM.E/2013 memberikan persetujuan atas Pengalihan Hak Partisipasi di Wilayah Kerja Bengara-I.

1. Letter No. 7936/13/DJM.E/2013, approved the transfer of the Participating Interest in the Simenggaris Work Area;
3. Letter No. 7937/13/DJM.E/2013, approved the transfer of the Participating Interest in the Bangkanai Work Area; and
3. Letter No. 7938/13/DJM.E/2013, approved the transfer of the Participating Interest in the Bengara I Work Area.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**c. Perjanjian Lain-lain (lanjutan)**

- xii. Perjanjian Swap Bangkanai, Simenggaris, dan Bengara (lanjutan)

Dengan persetujuan ini maka efektif sejak tanggal 22 Juli 2013 :

1. Salamander Energy Simenggaris mengalihkan hak partisipasinya sebesar 21% di PSC Simenggaris kepada PT Medco E & P Simenggaris;
2. Bangkanai Bhd mengalihkan hak partisipasinya sebesar 15% di PSC Bangkanai kepada Salamander Bangkanai;
3. Salamander Energy Bengara mengalihkan hak partisipasinya sebesar 41,67% di PSC Bengara kepada PT Medco E & P Bengara.

Pemegang hak partisipasi di dalam PSC tersebut berubah menjadi:

- (i) Bangkanai Bhd tidak lagi menjadi pemegang hak partisipasi di PSC Bangkanai;
- (ii) Medco Simenggaris akan memiliki 62,5% hak partisipasi di PSC Simenggaris; dan
- (iii) Medco Bengara akan memiliki 100% hak partisipasi di PSC Bengara.

- xiii. Perjanjian Ventura Bersama 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. 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.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Other Agreements (continued)**

- xii. Swap Agreement among Bangkanai, Simenggaris and Bengara (continued)

With the above approvals, effective from July 22, 2013:

1. Salamander Energy Simenggaris transferred its 21% participating interest in Simenggaris PSC to PT Medco E & P Simenggaris;
2. Bangkanai Bhd transferred its 15% participating interest in the Bangkanai PSC to Salamander Bangkanai;
3. Salamander Energy Bengara transferred its 41.67% participating interest in Bengara PSC to PT Medco E & P Bengara.

The holders of the participating interests in the respective PSCs will be changed as follows:

- (i) Bangkanai Bhd will no longer have a participating interest in the Bangkanai PSC;
- (ii) Medco Simenggaris will own a 62.5% participating interest in the Simenggaris PSC; and
- (iii) Medco Bengara will own a 100% participating interest in the Bengara PSC.

- xiii. Joint Venture to Market 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.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Perjanjian Lain-lain (lanjutan)**

**c. Other Agreements (continued)**

xiv. Perpanjangan PSC

xiv. Extension of PSCs

Pada bulan Oktober 2010, Pemerintah Republik Indonesia melalui Badan Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi (BPMIGAS, sekarang SKK Migas) memberikan persetujuan perpanjangan Kontrak Kerja Sama (PSC) wilayah kerja Blok *South Sumatra*, Blok A dan Bawean.

*In October 2010, the Government of the Republic of Indonesia through the Badan Pelaksana Usaha Hulu Minyak dan Gas Bumi (BPMigas, now known as SKK Migas) approved the extension of the respective Production Sharing Contracts (PSC) of South Sumatera Working Blocks, Block A and 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.

*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.*

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.

*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.*

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.

*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.*

Dalam tambahan hak dan kewajiban Kontraktor yang diatur dalam Kontrak Kerjasama Produksi (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.

*In addition to the rights and obligations of the contractors as set forth in the amended and restated Production Sharing Contract for Block A in 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.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Perjanjian Lain-lain (lanjutan)**

**c. Other Agreements (continued)**

xv. Perjanjian Jual Beli LNG

xv. LNG Purchase and Sell Agreement

Pada bulan Oktober 2010, PT Donggi Senoro LNG (DSLNG), yang sahamnya dimiliki 20% oleh Grup pada waktu itu, telah menandatangani Pokok-pokok Perjanjian untuk Jual Beli LNG yang Diamandemen dan Dinyatakan Kembali (A&R LNG HOA) dengan Chubu Electric Power Co, Inc (Chubu). Berdasarkan A&R LNG HOA tersebut, Chubu akan membeli sebanyak 1 juta ton LNG per tahun dari DSLNG untuk jangka waktu 13 tahun mulai tahun 2014. LNG tersebut akan diproduksi oleh kilang LNG milik DSLNG mulai tahun 2014.

In October 2010, PT Donggi Senoro LNG (DSLNG), which was 20% owned by the Group at that time, signed the amended and restated Agreement on the Principles for the Sale and Purchase of LNG (A&R LNG HOA) with Chubu Electric Power Co, Inc. Based on the A&R LNG HOA, Chubu will buy as much as 1 million tons of LNG per year from DSLNG for a period of 13 years starting in 2014. LNG will be produced by the LNG refinery to be owned by DSLNG starting in 2014.

xvi. Sewa Gedung

xvi. Building Rental

Grup menandatangani perjanjian sewa gedung dengan PT Api Metra Graha, Entitas Asosiasi, untuk menyewa Gedung The Energy selama lima tahun yang dimulai pada pertengahan tahun 2014. Pembayaran sewa gedung ini dilakukan secara kuartalan dan dibayar di muka.

The Group has a lease agreement with PT Api Metra Graha to rent office space at The Energy Building for 5 years starting in the middle of 2014. The rental is paid on a quarterly basis in advance.

Pada tanggal 31 Desember 2014, sisa komitmen sewa Gedung The Energy adalah sejumlah AS\$27,5 juta yang merupakan biaya sewa untuk empat setengah tahun. (Pada tanggal 31 Desember 2013: AS\$2 juta yang merupakan biaya sewa untuk setengah tahun).

As of December 31, 2014, the remaining rental commitment on The Energy Building amounted to US\$27.5 million which represents the rental cost for four and half year. (As of December 31, 2013: US\$2 million which represents the rental cost for half year).

xvii. Perjanjian Pengembangan Coal Bed Methane (CBM)

xvii. Agreement for the Development of Coal Bed Methane (CBM)

Pada bulan Februari 2009, Grup melalui PT Medco Energi CBM Indonesia menandatangani Pokok-Pokok Perjanjian (HOA) dengan Arrow Energy (Indonesia) Holdings Pte Ltd (Arrow). Grup dan Arrow akan bekerjasama melakukan kegiatan eksplorasi dan pengembangan Coal Bed Methane (CBM) di wilayah kerja minyak dan gas konvensional yang dimiliki oleh Grup. Masing-masing pihak akan memiliki hak partisipasi sebesar 50%.

In February 2009, the Group through PT Medco Energi CBM Indonesia and Arrow Energy (Indonesia) Holdings Pte Ltd (Arrow), signed a Head of Agreement (HOA). The Group and Arrow will cooperate to explore and develop Coal Bed Methane (CBM) over the Group's conventional oil and gas PSC working area. Each of the parties shall have a 50% participating interest.

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Perjanjian Lain-lain (lanjutan)**

**c. Other Agreements (continued)**

xvii. Perjanjian Pengembangan *Coal Bed Methane* (CBM) (lanjutan)

xvii. Agreement for the Development of *Coal Bed Methane* (CBM) (continued)

Selanjutnya Grup dan Arrow secara bersama-sama akan melakukan negosiasi atas Kontrak Kerjasama Produksi CBM dengan pemerintah Indonesia agar kegiatan eksplorasi dapat dilakukan sesegera mungkin.

The Group and Arrow will work together to expeditiously negotiate a CBM Production Sharing Contract with the Indonesian regulatory authorities aimed at commencing exploration operations as soon as possible.

Pada tanggal 3 Desember 2010, Perusahaan melalui PT Medco CBM Pendopo menandatangani Kontrak Bagi Hasil Produksi CBM dengan Dart Energy (Muralim) Pte Ltd (dahulu Arrow) dan SKK Migas untuk melakukan kegiatan pengembangan CBM di Blok Muralim, Sumatera Selatan.

On December 3, 2010, the Company through PT Medco CBM Pendopo, signed a CBM Production Sharing Contract with Dart Energy (Muralim) Pte Ltd (previously Arrow) and SKK Migas to carry out CBM development activities in Muralim Block, South Sumatera.

Selanjutnya Grup dan Dart Energy (Muralim) Pte Ltd telah menandatangani Kontrak Operasi Bersama pada bulan Mei 2011 agar kegiatan eksplorasi dapat dilakukan sesegera mungkin.

The Group and Dart Energy (Muralim) Pte Ltd have executed the Joint Operating Agreement in May 2011 aimed at commencing exploration operations as soon as possible.

Berdasarkan Akta Notaris Karlita Rubianti, S.H., No. 26 tanggal 18 Februari 2011, PT Medco Energi CBM Indonesia mendirikan PT Medco CBM Bengara dengan modal disetor sebesar Rp4.000.000.000. Jumlah penyertaan modal PT Medco Energi CBM Indonesia bersama dengan kepemilikan saham PT Medco Energi Nusantara di PT Medco CBM Bengara sebesar Rp1.000.000.000 mewakili 100% kepemilikan saham.

Based on Notarial Deed No. 26 dated February 18, 2011 of Karlita Rubianti, S.H., PT Medco Energi CBM Indonesia established PT Medco CBM Bengara with initial paid-in capital amounting to Rp4,000,000,000. PT Medco Energi CBM Indonesia's investment together with share ownership of PT Medco Energi Nusantara's in PT Medco CBM Bengara amounting to Rp1,000,000,000, represents share ownership of 100%.

Pada tanggal 1 Agustus 2011, Perusahaan melalui PT Medco CBM Lematang menandatangani Kontrak Bagi Hasil Produksi CBM dengan PT Methanindo Energy Resources, PT Saka Energi Indonesia, dan SKK Migas untuk melakukan kegiatan pengembangan *Coal Bed Methane* (CBM) di Blok Lematang, Sumatera Selatan.

On August 1, 2011, the Company through PT Medco CBM Lematang, signed a CBM Production Sharing Contract with PT Methanindo Energy Resources, PT Saka Energi Indonesia and SKK Migas to carry out *Coal Bed Methane* (CBM) development activities in Lematang Block, South Sumatera.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Perjanjian Lain-lain (lanjutan)**

**c. Other Agreements (continued)**

xvii. Perjanjian Pengembangan *Coal Bed Methane* (CBM) (lanjutan)

xvii. Agreement for the Development of *Coal Bed Methane* (CBM) (continued)

Selanjutnya Grup dan PT Methanindo Energy Resources telah menandatangani Kontrak Operasi Bersama pada bulan Januari 2014. PT Saka Energi Indonesia yang telah mengalihkan 5% Hak Partisipasi kepada PT Methanindo Energi Resources.

The Group and PT Methanindo Energy Resources have executed the Joint Operating Agreement in January 2014, wherein PT Saka Energi Indonesia transferred its Participating Interest of 5% to PT Methanindo Energi Resources.

Berdasarkan Akta Notaris Karlita Rubianti, S.H., No. 3 tanggal 4 Januari 2012, PT Medco Energi CBM Indonesia mendirikan PT Medco CBM Rimau dengan modal disetor sebesar Rp1.000.000.000. Jumlah penyertaan modal PT Medco Energi CBM Indonesia bersama dengan kepemilikan saham PT Medco Energi Nusantara di PT Medco CBM Rimau sebesar Rp1.000.000.000 mewakili 100% kepemilikan saham.

Based on Notarial Deed No. 3 dated January 4, 2012 of Karlita Rubianti, S.H., PT Medco Energi CBM Indonesia established PT Medco CBM Rimau with initial paid-in capital amounting to Rp1,000,000,000. PT Medco Energi CBM Indonesia's investment together with that of PT Medco Energi Nusantara's in PT Medco CBM Rimau amounting to Rp1,000,000,000, represents equity interest of 100%.

xviii. Perjanjian Manajemen Investasi

xviii. Portfolio Investment Management Agreement

Perusahaan mengadakan perjanjian manajemen investasi portofolio dengan UBS AG dan Barclays Wealth (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.

The Company entered into portfolio investment management agreements with UBS AG and Barclays Wealth (acting as "Fund Managers"), whereby the Company appointed these Fund Managers 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.

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. Jumlah aset neto dari dana Perusahaan yang dikelola oleh para Manajer Investasi tersebut adalah sebesar AS\$265,3 juta pada tanggal 31 Desember 2014. (Pada tanggal 31 Desember 2013: AS\$250,2 juta). Investasi ini disajikan sebagai bagian dari "Investasi Jangka Pendek" dalam laporan posisi keuangan konsolidasian (Catatan 5).

Under the agreements, the Fund Managers are required to report every month the net asset value of the Company's respective investment portfolios under their management. The Fund Managers are entitled to management fee based on the Net Asset Value of the investment portfolio. The total net asset value of the Company's funds managed by the Fund Managers amounted to about US\$265.3 million as of December 31, 2014. (As of December 31, 2013: US\$250.2 million). These investments are presented as part of



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**c. Perjanjian Lain-lain (lanjutan)**

xviii. Perjanjian Manajemen Investasi  
(lanjutan)

xix. Transaksi Minyak Mentah

Pada tanggal 30 Juni 2011, Perusahaan melalui entitas anaknya, 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.

Pada bulan Oktober 2014, perjanjian ini telah diperpanjang sampai dengan 30 Juni 2015.

xx. Pengembangan Potensi Sumber Energi Panas Bumi

(a) Pada bulan April 2007, Grup dan Kyushu Electric Power (KEP) menandatangani Perjanjian Pengembangan Usaha Bersama dan Kerjasama Patungan, yang merupakan suatu landasan kerjasama di masa depan bagi usaha pembangkit listrik.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Other Agreements (continued)**

xviii. Portfolio Investment Management Agreement (continued)

*"Short-term Investments" in the consolidated statements of financial position (Note 5).*

xix. Crude Oil Transaction

*On June 30, 2011, the Company 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 three (3) years, starting in January 2012 up to December 2014 at a price based on Indonesian Crude Price (ICP) of Sumatera Light Crude (SLC) plus a fixed premium per barrel as stated in the agreement. The first delivery occurred in January 2012.*

*In October 2014, the agreement has been amended until June 30, 2015.*

xx. Development of Potential Geothermal Energy Resources

(a) *In April 2007, the Group and Kyushu Electric Power (KEP) signed the Development of Joint Business and Joint Cooperation Agreement that is a joint venture based in the future for electric power business.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**44. KONTRAK, PERJANJIAN DAN IKATAN YANG  
SIGNIFIKAN (lanjutan)**

**c. Perjanjian Lain-lain (lanjutan)**

xx. Pengembangan Potensi Sumber Energi Panas Bumi (lanjutan)

(b) Pada bulan April 2007, suatu Konsorsium non-institusi yang dibentuk oleh Grup bersama dengan Ormat International Inc dan Itochu Corporation mengadakan perjanjian dengan PT PB Power Indonesia (PBPI), dimana PBPI setuju untuk menyediakan jasa tertentu untuk Proyek Sarulla.

**45. KONTINJENSI**

**a. Litigasi**

i. Arbitrase dengan Singapore Petroleum Sampang Ltd ("SPC") dan Cue Sampang Pty Ltd ("Cue")

Pada tanggal 10 Agustus 2012, Medco Strait Services Pte Ltd, Entitas Anak, 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. Pengadilan arbitrase ("Tribunal") yang bersifat *ad hoc* telah terbentuk dan para pihak telah menyerahkan dokumentasi yang secara prosedural diperlukan untuk keperluan sidang arbitrase kepada majelis.

Para pihak telah melangsungkan sidang arbitrase pada tanggal 3-5 September 2013. Atas sidang arbitrase tersebut, masih belum ada keputusan untuk kasus tersebut. Klaim dari Medco Strait Services Pte Ltd telah direvisi dari AS\$35,06 juta menjadi AS\$33,16 juta.

**44. SIGNIFICANT CONTRACTS, AGREEMENTS  
AND COMMITMENTS (continued)**

**c. Other Agreements (continued)**

xx. *Development of Potential Geothermal Energy Resources (continued)*

*(b) In April 2007, a non-institution Consortium formed by the Group together with Ormat International Inc and Itochu Corporation, entered into an agreement with PT PB Power Indonesia (PBPI), whereby PBPI agreed to provide certain services to the Sarulla Project.*

**45. CONTINGENCIES**

**a. Litigations**

i. Arbitration against Singapore Petroleum Sampang Ltd (SPC) and Cue Sampang Pty Ltd (Cue)

*On August 10, 2012, Medco Strait Services Pte Ltd, a Subsidiary, 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. The Court of Arbitration ("Tribunal") has been formed on an ad-hoc basis, and the disputing parties have filed their documents needed to proceed with the case to said court of arbitration.*

*The disputing parties underwent the arbitration trials on September 3-5, 2013. From these trials, no decision was issued on the case. The claim of Medco Strait Services Pte Ltd had been revised from US\$35.06 million to US\$33.16 million.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**45. KONTINJENSI (lanjutan)**

**a. Litigasi (lanjutan)**

i. Arbitrase dengan Singapore Petroleum  
Sampang Ltd (SPC) dan Cue Sampang  
Pty Ltd (Cue)

Pada tanggal 6 Maret 2014, Majelis Arbitrase telah menerbitkan putusan sementara (*Interim Award*) kepada para pihak, putusan mana memuat hal-hal pokok sebagai berikut:

- Majelis mengabulkan tuntutan Perseroan agar SPC dan Cue mengembalikan kelebihan dana *cash call* Proyek Jeruk yang selama ini telah ditahan SPC dan Cue dengan dikenakan bunga sesuai besaran dalam *Jeruk Project Agreement* tanggal 4 Januari 2006 (JPA).
- Majelis Arbitrase menyetujui bahwa Medco Strait Services Pte Ltd berhak atas pengembalian biaya yang telah dikeluarkan untuk investasi sumur Jeruk ketika SPC dan Cue telah memulihkan seluruh pengembalian biaya porsi mereka di Jeruk, meskipun dana pengembalian berasal dari pendapatan lapangan lainnya dalam PSC Sampang.
- Majelis Arbitrase berpendapat bahwa pengembalian biaya investasi sumur Jeruk tidak perlu menunggu hingga terpenuhinya pengembalian biaya investasi lapangan lainnya kepada SPC dan Cue terlebih dahulu (yang merupakan sumber pendapatan yang dipergunakan untuk pengembalian biaya investasi sumur Jeruk) dimana SPC dan Cue menyangkal hal tersebut.

**45. CONTINGENCIES (continued)**

**a. Litigations (continued)**

i. Arbitration against Singapore Petroleum  
Sampang Ltd (SPC) and Cue Sampang  
Pty Ltd (Cue)

On March 6, 2014, the Tribunal issued an *Interim Award* to the parties, the verdict of which contains the following key points:

- The Tribunal granted the Company's demand, and instructed SPC and Cue to refund the excess investment fund the Jeruk Project that had been held by SPC and Cue including its accrued interest under the *Jeruk Project Agreement* dated January 4, 2006 (JPA).
- The Tribunal agreed that Medco Strait Services Pte Ltd is entitled to receive the refund of its expended cost in the investment of the Jeruk field, once SPC and Cue have received all their share of investment cost in Jeruk, even though the source of fund for the refund should come from revenues derived from other fields in the Sampang PSC.
- The Tribunal is of the opinion that the refunding of the investment cost in the Jeruk field need not wait for the full recovery of the investment cost in other fields to SPC and Cue beforehand (that constitute the source of fund that will be used in the refund of the investment cost for the Jeruk field), which SPC and Cue denied.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**45. KONTINJENSI (lanjutan)**

**a. Litigasi (lanjutan)**

i. Arbitrase dengan Singapore Petroleum Sampang Ltd (SPC) dan Cue Sampang Pty Ltd (Cue) (lanjutan)

- Majelis Arbitrase menolak bukti yang disampaikan kedua belah pihak dalam menentukan apakah SPC dan Cue telah memperoleh seluruh biaya investasi sumur Jeruk porsi SPC dan Cue. Majelis telah melakukan metode penghitungan tersendiri untuk menentukan apakah telah atau belum terjadi pengembalian seluruh biaya investasi di Jeruk.

Berdasarkan metode penghitungan yang ditetapkan Majelis, SPC dan Cue belum mendapatkan seluruh pengembalian biaya investasi porsi SPC dan Cue di Jeruk sebelum arbitrase dimulai. Dengan dasar itu, Perusahaan melalui Medco Strait Services Pte Ltd belum berhak untuk mendapatkan jumlah sebagaimana yang dimintakan dalam tuntutan arbitrasenya.

Namun demikian, Majelis telah mengindikasikan bahwa saat ini mungkin biaya-biaya tersebut telah mendapatkan pengembalian dari Negara berdasarkan metode penghitungan tersebut.

Majelis juga telah menetapkan metode penghitungan jumlah yang ditahan (*withholding amount*) terkait *oil profit* dari biaya yang telah dikembalikan oleh Negara. Walaupun metode penghitungan jumlah yang ditahan telah ada, namun Majelis saat ini belum dapat menentukan nilainya.

Berdasarkan keputusan interim tersebut, Majelis memberikan kesempatan kepada para pihak (MedcoEnergi, SPC dan Cue) dalam jangka waktu 14 (empat belas) hari atau lebih berdasarkan kesepakatan para pihak untuk menyampaikan dokumen-dokumen secara tertulis yang diperlukan guna membantu Majelis dalam menerbitkan putusan akhir arbitrase.

**45. CONTINGENCIES (continued)**

**a. Litigations (continued)**

i. Arbitration against Singapore Petroleum Sampang Ltd (SPC) and Cue Sampang Pty Ltd (Cue) (continued)

- The Tribunal declined proofs filed by both parties in the determination whether SPC and Cue have received all of the investment cost recovery pertaining to the share of SPC and Cue. The Tribunal decided on a specific method of calculation to determine whether the investment cost at the Jeruk field has been fully recovered or not.

Based on the calculation method stipulated by the Tribunal, SPC and Cue are deemed to have not received their share of the full amount of investment cost recovery at Jeruk prior to the start of this arbitration proceedings. On that basis, the Company, through Medco Strait Service Pte Ltd, is not yet entitled to receive the sum of funds that it had sought for in the arbitration suit.

However, the Tribunal had indicated that at this time there is the possibility that a full recovery of said investment cost might have been settled by the Government based on said calculation method.

The Tribunal also stipulated the method by which the withheld amount related to the oil profits from the cost that is recovered from the Government, could be calculated. Although the method for calculating any such withheld amount has been stipulated, the Tribunal at this time has not been able to determine the value.

Based on this Interim Award, the Tribunal gave the opportunity for all parties (Medco Energi, SPC and Cue) a period of 14 days or more, if agreed by all parties, to file written documents that could help the Tribunal to award a final decision on this arbitration.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**45. KONTINJENSI (lanjutan)**

**a. Litigasi (lanjutan)**

i. Arbitrase dengan Singapore Petroleum Sampang Ltd (SPC) dan Cue Sampang Pty Ltd (Cue) (lanjutan)

Sebagai tindak lanjut atas keputusan interim tersebut, Medco Strait Services Pte Ltd, SPC dan Cue telah mengadakan serangkaian pertemuan komersial dalam rangka mencapai kesepakatan atas angka pengembalian dana investasi Perusahaan dalam Proyek Jeruk dengan memperhitungkan jumlah uang yang ditahan berdasarkan metode yang telah ditetapkan dalam keputusan interim. Para pihak telah menyepakati untuk memperpanjang waktu penyelesaian hal ini dari waktu 14 hari yang telah ditetapkan dalam keputusan interim. Hingga tanggal penyesuaian laporan keuangan konsolidasian, proses untuk mencapai kesepakatan tersebut masih berlangsung.

Khusus terkait kelebihan dana *cash call* Proyek Jeruk, Majelis telah menerbitkan keputusan interim lanjutan ("*Further Interim Award*") tanggal 29 Desember 2014 dengan inti keputusan sebagai berikut:

- Besaran bunga dalam JPA ditetapkan sebesar LIBOR+3% ("Bunga")
- SPC diwajibkan untuk mengembalikan kelebihan dana *cash call*:
  - sebesar AS\$614.727,27 ditambah bunga yang dihitung sejak 1 Desember 2009; dan
  - sebesar AS\$327.272,73 ditambah Bunga yang dihitung sejak 1 Maret 2011.
- Cue diwajibkan untuk mengembalikan kelebihan dana *cash call*:
  - sebesar AS\$68.181,82 ditambah bunga yang dihitung sejak 1 November 2007;
  - sebesar AS\$250.522,73 ditambah bunga yang dihitung sejak 1 Desember 2009; dan
  - sebesar AS\$122.727,27 ditambah bunga yang dihitung sejak 1 Maret 2011

**45. CONTINGENCIES (continued)**

**a. Litigations (continued)**

i. Arbitration against Singapore Petroleum Sampang Ltd (SPC) and Cue Sampang Pty Ltd (Cue) (continued)

As a follow-up to the interim award decision, Medco Strait Services Pte Ltd, SPC and Cue has held a series of commercial meetings in order to reach an agreement for the repayment of the investment funds of the Company in Jeruk Project taking into account the amount of money that is being held with the method stated in the interim decision. The parties have agreed to extend the time of completion of this case of the 14 days specified in the interim decision. Until the completion date of the consolidated financial statements, the process to reach the conclusion is still in progress.

Specifically, related to excess of cash call from Jeruk Project, the Tribunal has issued a supplemental interim decision ("*Further Interim Award*") dated December 29, 2014, with the main decision as follows :

- The interest under the JPA is stipulated at the rate of LIBOR+3% ("Interest")
- SPC is determined to have an obligation to refund the excess cash call obligation in the amount of:
  - US\$614,727.27 plus interest accrued as of December 1, 2009; and
  - US\$327,272.73 plus interest accrued as of March 1, 2011.
- Cue is determined to have an obligation to refund the excess cash call obligation in the amount of :
  - US\$68,181.82 plus interest accrued as of November 1, 2007;
  - US\$250,522.73 plus interest accrued as of December 1, 2009; and
  - US\$122,727.27 plus interest accrued as of March 1, 2011.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**45. KONTINJENSI (lanjutan)**

**a. Litigasi (lanjutan)**

i. Arbitrase dengan Singapore Petroleum Sampang Ltd (SPC) dan Cue Sampang Pty Ltd (Cue) (lanjutan)

Mengacu pada keputusan interim lanjutan di atas, total besaran kelebihan dana *cash call* Proyek Jeruk (termasuk bunga) berdasarkan perhitungan Perseroan adalah sebesar AS\$1.601.771,86 sementara perhitungan SPC dan Cue adalah sebesar AS\$1.601.084,47. Perbedaan kecil sebesar AS\$687,39 terjadi disebabkan oleh pembulatan tingkat bunga yang digunakan.

Guna mempercepat proses penyelesaian pengembalian kelebihan dana *cash call* (termasuk bunga) Proyek Jeruk, Perusahaan memutuskan untuk menerima pengembalian dari SPC dan Cue sebesar AS\$1.601.084,47 di mana dana tersebut sudah diterima pada rekening Perseroan pada tanggal 20 Januari 2015.

Dengan telah diterimanya pengembalian kelebihan dana *cash call* Proyek Jeruk, Perusahaan bersama SPC dan Cue akan fokus masuk ke dalam tahap selanjutnya yaitu fokus menegosiasikan besaran angka dana yang dapat di klaim oleh Perusahaan dalam Proyek Jeruk berdasarkan keputusan interim Majelis. Perkembangan selanjutnya di tahun 2015 dibahas pada Catatan 48vi.

ii. Gugatan Hukum M. Nur AB dan Jamaluddin Rani atas Proses Pembebasan Lahan di Desa Blang Simpo

Pada tanggal 20 Desember 2011, M. Nur AB dan Jamaluddin Rani (Para Penggugat) mengajukan gugatan kepada PT Medco E & P Malaka (Tergugat) di Pengadilan Negeri Idi. Para Penggugat mengklaim bahwa Tergugat telah melakukan perbuatan melawan hukum pada proses pembebasan lahan di Desa Blang Simpo, Peureulak, Matang-1 Aceh Timur. Para Penggugat menuntut Tergugat untuk membayar ganti rugi sebesar Rp 1.050.000.000.

**45. CONTINGENCIES (continued)**

**a. Litigations (continued)**

i. Arbitration against Singapore Petroleum Sampang Ltd (SPC) and Cue Sampang Pty Ltd (Cue) (continued)

By referring to the Further Interim Award, the calculation made by the Company with respect to the Jeruk Project excess cash call obligation (including interest) is US\$1,601,771.86, whereby, the calculation made by SPC and Cue is US\$1,601,084.47. Such small discrepancy in the amount US\$687.39 is due to the rounding of interest.

To expedite the settlement of the Jeruk Project excess over cash call refund (including interest), the Company decided to accept to receive the refund from SPC and Cue in the amount of US\$1,601,084.47 which has been fully received by the Company on January 20, 2015.

Since the refund of the Jeruk Project excess cash call has been received by the Company, the Company together with SPC and Cue will focus on the next step which is to negotiate the settlement of Company's claim in the Jeruk Project under the Interim Award. Further developments in 2015 are discussed in Note 48vi.

ii. M. Nur AB and Jamaluddin Rani's Law Suit Relating to Land Clearing in Blang Simpo Village

On December 20, 2011, the law suit submitted by M. Nur AB and Jamaluddin Rani (Plaintiffs) was filed against PT Medco E & P Malaka (Defendant) at the Idi District Court. The Plaintiffs claimed that Defendant acted against the law in the process of land clearance at Blang Simpo Village, Peureulak, Matang-1 East Aceh. Plaintiffs are claiming for compensation of Rp1,050,000,000.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**45. KONTINJENSI (lanjutan)**

**a. Litigasi (lanjutan)**

- ii. Gugatan Hukum M. Nur AB dan Jamaluddin Rani atas Proses Pembebasan Lahan di Desa Blang Simpo (lanjutan)

Perusahaan berpendapat bahwa gugatan tersebut tidak memiliki dasar hukum yang kuat, dan masih dalam tahap pemeriksaan oleh Pengadilan Negeri Idi sehingga tidak ada pencadangan atas gugatan tersebut dalam laporan keuangan konsolidasian.

- iii. Arbitrase dengan Soconord S.A.

Pada tanggal 17 Mei 2013, Soconord S.A. (Pemohon) mengajukan petisi kepada Joint Operating Body Pertamina - Medco Tomori Sulawesi (Termohon) di Badan Arbitrase Nasional Indonesia (BANI), Jakarta. Pemohon mengklaim bahwa Termohon telah melakukan perbuatan melawan hukum mengacu pada surat jaminan yang diterbitkan oleh Termohon untuk melakukan pembayaran kepada Pemohon sebesar AS\$1.161.310 ditambah bunga 6% per tahun.

Termohon adalah operator di Blok Senoro-Toili, Sulawesi Tengah, dalam bentuk *Joint Operating Body* berdasarkan Kontrak Bagi Hasil (PSC) yang ditandatangani oleh PT Pertamina Hulu Energi dan PT Medco E & P Tomori Sulawesi dengan masing-masing kepemilikan saham PT Pertamina Hulu Energi sebesar 50% dan PT Medco E & P Tomori Sulawesi 50%. Namun berdasarkan pengalihan hak partisipasi pada tanggal 31 Desember 2010, saat ini kepemilikan hak partisipasi di wilayah kerja Senoro-Toili adalah PT Pertamina Hulu Energi sebesar 50%, PT Medco E & P Tomori Sulawesi 30%, dan Tomori E&P Limited sebesar 20%.

**45. CONTINGENCIES (continued)**

**a. Litigations (continued)**

- ii. M. Nur AB and Jamaluddin Rani's Law Suit Relating to Land Clearing in Blang Simpo Village (continued)

The Company is of the opinion that such a claim has no real legal basis, and the case still awaits due process at the Idi District Court, therefore, the Company did not recognize a provision for this case in its consolidated financial statements.

- iii. Arbitration Against Soconord S.A.

On May 17, 2013, Soconord S.A. (Petitioner) filed a petition against the Joint Operating Body Pertamina - Medco Tomori Sulawesi (Respondent) at the Indonesian National Arbitration Board (BANI), Jakarta. The Petitioner claimed that the Respondent acted against the law pertaining to a Guarantee Letter issued by the Respondent to pay to the Petitioner a sum of US\$1,161,310 plus 6% interest per annum.

The Respondent is the operator in Block Senoro-Toili, Central Sulawesi, in a form of Joint Operating Body (JOB) formed through a Production Sharing Contract (PSC) signed by PT Pertamina Hulu Energi and PT Medco E & P Tomori Sulawesi, with original share ownership of 50% by PT Pertamina Hulu Energi and 50% by PT Medco E & P Tomori Sulawesi. However, based on the transfer of interest on December 31, 2010, the share ownership in Senoro-Toili working area was amended, as follows, PT Pertamina Hulu Energi owns 50%, PT Medco E & P Tomori Sulawesi owns 30% and Tomori E&P Limited owns 20%.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**45. KONTINJENSI (lanjutan)**

**a. Litigasi (lanjutan)**

iii. Arbitrase dengan Soconord S.A. (lanjutan)

BANI telah mengeluarkan putusan arbitrase pada tanggal 10 Januari 2014 dengan amar putusan sebagai berikut:

- a) Menerima permohonan Pemohon untuk sebagian;
- b) Menyatakan Termohon telah melakukan wanprestasi;
- c) Menghukum Termohon membayar ganti rugi sejumlah AS\$1.161.309,80 (satu juta seratus enam puluh satu ribu tiga ratus sembilan Dolar Amerika Serikat delapan puluh sen) kepada Pemohon;
- d) Menghukum Termohon membayar bunga yang dihitung dari tanggal jatuh tempo pembayaran yang tercantum dalam surat jaminan sampai dengan tanggal keputusan arbitrase yaitu sebesar AS\$67.576,62 (enam puluh tujuh ribu lima ratus tujuh puluh enam Dolar Amerika Serikat enam puluh dua sen) kepada Pemohon.

Termohon telah melaksanakan putusan BANI untuk seluruhnya dan Perusahaan telah melakukan pencadangan atas putusan tersebut dalam laporan keuangan konsolidasian.

iv. 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 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.

**45. CONTINGENCIES (continued)**

**a. Litigations (continued)**

iii. Arbitration Against Soconord SA (continued)

BANI issued an arbitration award on January 10, 2014, in favour of the Petitioner, with verdict as follows:

- a) To accept Petitioner's petition partially;
- b) To declare that the Respondent has committed a breach of contract;
- c) To order the Respondent to pay a sum of US\$1,161,309.80 (one million one hundred sixty one thousand three hundred and nine United States Dollar and eighty cents) to Petitioner;
- d) To order the Respondent to pay interest which is calculated from the due date of payment stated in the Guarantee Letter until the date of the arbitration award) in the amount of US\$67,576.62 (sixty seven thousand five hundred seventy six United States Dollar and sixty two cents) to Petitioner.

The Respondent has implemented such decision, as such, the Company recognized a provision for this arbitration in the consolidated financial statements.

iv. Legal Claim of PT Mira Mirza Samudra Samarinda

On May 29, 2006, PT Mira Mirza Samudra Samarinda (Plaintiff) filed a law suit 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.



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**45. KONTINJENSI (lanjutan)**

**a. Litigasi (lanjutan)**

iv. Gugatan Hukum PT Mira Mirza Samudra Samarinda (lanjutan)

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. Perusahaan berpendapat bahwa gugatan tersebut tidak memiliki dasar hukum yang kuat, sehingga tidak ada pencadangan atas gugatan tersebut dalam laporan keuangan konsolidasian.

v. Arbitrase dengan PT Asia Petrocom Services

Pada tanggal 13 Oktober 2014, PT Asia Petrocom Services (Pemohon) mengajukan petisi kepada Joint Operating Body Pertamina - Medco Tomori Sulawesi (Termohon) di Badan Arbitrase Nasional Indonesia (BANI). 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*.

**45. CONTINGENCIES (continued)**

**a. Litigations (continued)**

iv. Legal Claim of PT Mira Mirza Samudra Samarinda (continued)

On May 3, 2007, the Tenggarong District Court decided that the claim by Plaintiff was not acceptable and Plaintiff appealed against this decision to the Samarinda High Court. As of the completion date of this consolidated financial statements, this law suit is still under due process at the Samarinda High Court. The Company is of the opinion that the law suit has no real legal basis, and as such, the Company did not recognize a provision in its consolidated financial statements.

v. Arbitration Against PT Asia Petrocom Services

On October 13, 2014, PT Asia Petrocom Services (Petitioner) filed request of arbitration against Joint Operating Body Pertamina - Medco Tomori Sulawesi (Respondent) in Indonesian National Board of Arbitration (BANI), Jakarta. Such request of arbitration filed pertains to Petitioner's claim that the Respondent has committed breach of contract of the Contract No. K6094R/JOBT/DRL dated November 24, 2011 signed by Respondent and Petitioner concerning *Integrated Project Management*.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS**  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)

**45. KONTINJENSI (lanjutan)**

**a. Litigasi (lanjutan)**

v. Arbitrase dengan PT Asia Petrocom Services (lanjutan)

Termohon adalah operator di Blok Senoro-Toili, Sulawesi Tengah, dalam bentuk *Joint Operating Body* (JOB) berdasarkan Kontrak Bagi Hasil (PSC) yang ditandatangani oleh PT Pertamina Hulu Energi dan PT Medco E & P Tomori Sulawesi dengan masing-masing kepemilikan saham PT Pertamina Hulu Energi sebesar 50% dan PT Medco E & P Tomori Sulawesi 50%. Namun berdasarkan pengalihan hak partisipasi pada tanggal 31 Desember 2010, saat ini kepemilikan saham di wilayah kerja Senoro-Toili adalah PT Pertamina Hulu Energi sebesar 50%, PT Medco E & P Tomori Sulawesi 30%, dan Tomori E & P Limited sebesar 20%.

Pemohon mengklaim Termohon gagal memenuhi kewajibannya membayar tagihan yang diajukan oleh Pemohon yang telah jatuh tempo. Sementara itu Termohon mengklaim bahwa Pemohon telah terlambat melakukan tajak dan terlambat dalam mobilisasi rig selama 169 hari, oleh karena itu Termohon menahan pembayaran dan langsung mengenakan denda keterlambatan sesuai dengan ketentuan yang diatur dalam PSC.

Perusahaan berpendapat bahwa Pemohon tidak memiliki dasar hukum yang kuat dan tidak ada pencadanan atas gugatan tersebut dalam laporan keuangan konsolidasian.

**b. Klaim dari Audit oleh Pemerintah dan Mitra Kerjasama Operasi**

Sehubungan dengan kegiatan eksplorasi dan produksi minyak dan gas bumi, Pemerintah dan mitra kerjasama operasi secara periodik melakukan audit atas kegiatan Grup tersebut. Sampai dengan penyelesaian laporan keuangan konsolidasian ini, belum ada kelanjutan mengenai klaim yang timbul dari audit tersebut apakah bisa disetujui oleh manajemen dan diakui di dalam pencatatan, atau tidak disetujui oleh manajemen.

**45. CONTINGENCIES (continued)**

**a. Litigations (continued)**

v. Arbitration Against PT Asia Petrocom Services (continued)

*The Respondent is the operator in Block Senoro-Toili, Central Sulawesi, in a form of Joint Operating Body (JOB) formed through a Production Sharing Contract (PSC) signed by PT Pertamina Hulu Energi and PT Medco E & P Tomori Sulawesi, with original share ownership of 50% by PT Pertamina Hulu Energi and 50% by PT Medco E & P Tomori Sulawesi. However, based on the transfer of interest on December 31, 2010, the share ownership in Senoro-Toili working area is amended, as follows, PT Pertamina Hulu Energi owns 50%, PT Medco E & P Tomori Sulawesi owns 30% and Tomori E & P Limited owns 20%.*

*The Petitioner claims that Respondent failed to fulfill the obligation to pay invoice submitted by the Petitioner which were already due and payable. Meanwhile, the Respondent claims that Petitioner has delay in execution of spud due to the delay of mobilization of rig for 169 days, therefore, the Respondent retained the payment of such invoice as a deduction in accordance with the provision stipulated in the PSC.*

*The Company is of the opinion that the Petitioner's claim does not have strong legal basis and no provision was recognized in the consolidated financial statements.*

**b. Government and Joint Venture 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 venture partners. Claims arising from these audits are either agreed by management and recorded in the accounting records, or are disputed.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**45. KONTINJENSI (lanjutan)**

**b. Klaim dari Audit oleh Pemerintah dan Mitra Kerjasama Operasi (lanjutan)**

Resolusi atas klaim yang tidak disetujui dapat memerlukan waktu pembahasan yang lama hingga beberapa tahun. Pada tanggal 31 Desember 2014, manajemen berkeyakinan bahwa Grup memiliki posisi yang kuat terhadap klaim yang sebagian besar terkait dengan biaya yang tidak dapat di cost recovery untuk tahun 2010, 2011 dan 2012. 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 secara kontinjen berkewajiban kepada perusahaan asuransi penjamin, dengan jumlah keseluruhan sebesar AS\$18.430.200 pada tanggal 31 Desember 2014 dan berkaitan dengan penerbitan obligasi atas nama Perusahaan kepada The United States Bureau of Ocean Energy Management (BOEM) [dahulu *United States Department of the Interior Minerals Management Service (MMS)*] dan kepada pihak ketiga dimana aset minyak dan gas bumi dibeli. Obligasi tersebut adalah jaminan pihak ketiga dari perusahaan asuransi penjamin bahwa Perusahaan akan beroperasi sesuai dengan aturan dan ketentuan yang diterapkan dan akan melakukan kewajiban *Plugging and Abandonment* seperti disebut dalam perjanjian pembelian dan penjualan.

**46. LIABILITAS PEMBONGKARAN ASET DAN RESTORASI AREA**

Mutasi liabilitas restorasi dan pembongkaran aset adalah sebagai berikut:

	2014	2013
<u>Indonesia</u>		
Saldo awal	69.805.261	69.095.595
Akresi selama tahun berjalan	5.574.289	709.666
Penambahan selama tahun berjalan	6.236.138	-
Penyesuaian	487.724	-
Saldo akhir	82.103.412	69.805.261
Rekening yang dicadangkan	(39.868.964)	(34.371.226)
Saldo akhir - neto	42.234.448	35.434.035

**45. CONTINGENCIES (continued)**

**b. Government and Joint Venture Audit Claims (continued)**

Resolution of disputed claims may require a lengthy negotiation process extending over a number of years. As of December 31, 2014, the outstanding Government audit finding, mainly relates to cost not eligible for cost recovery for year 2010, 2011 and 2012. 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 is contingently liable to a surety insurance company in the aggregate amount of US\$18,430,200 as of December 31, 2014 relative to bonds issued on Medco's behalf to the Bureau of Ocean Energy Management (BOEM) [formerly *United States Department of the Interior Minerals Management Service (MMS)*] 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 Medco Energi US LLC will operate in accordance with applicable rules and regulations and perform certain *Plugging and Abandonment* obligations as specified by applicable purchase and sale agreements.

**46. ASSET ABANDONMENT AND SITE RESTORATION OBLIGATIONS**

The movements in site restoration and abandonment obligations are presented below:

	Indonesia
	<i>Beginning balance</i>
	<i>Accretion during the year</i>
	<i>Additions during the year</i>
	<i>Adjustment</i>
	<i>Ending balance</i>
	<i>Escrow accounts</i>
	<i>Ending balance - net</i>

The original consolidated financial statements included herein are in the Indonesian language.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**46. LIABILITAS PEMBONGKARAN ASET DAN RESTORASI AREA (lanjutan)**

	2014
Amerika Serikat (AS) dan Tunisia	
Saldo awal	15.391.673
Akresi selama tahun berjalan	1.247.821
Akuisisi entitas anak	5.306.770
Penyesuaian	(1.791.698)
Saldo akhir	20.154.566
<b>Jumlah</b>	<b>62.389.014</b>

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 telah cukup untuk menutup semua liabilitas yang timbul dari kegiatan restorasi area dan pembongkaran aset.

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 ditempatkan di PT Bank Mandiri (Persero) Tbk untuk mendanai reklamasi area sehubungan dengan operasi pertambangan.

**47. 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 dan Oman. Situasi di Yaman dan Oman tidak memiliki dampak yang signifikan terhadap operasi Grup di negara-negara tersebut.

**46. ASSET ABANDONMENT AND SITE RESTORATION OBLIGATIONS (continued)**

	2013	
		<i>United States of America (USA) and Tunisia</i>
	16.427.476	<i>Beginning balance</i>
	562.889	<i>Accretion during the year</i>
	-	<i>Acquisition of a subsidiary</i>
	(1.598.692)	<i>Adjustment</i>
	15.391.673	<i>Ending balance</i>
<b>Jumlah</b>	<b>50.825.708</b>	<b>Total</b>

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 site restoration and asset abandonment.

The above escrow accounts are placed in PT Bank Negara Indonesia (Persero) Tbk and PT Bank Rakyat Indonesia (Persero) Tbk for the funding of 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 to fund the reclamation area in connection with mining operations.

**47. MIDDLE EAST AND NORTH AFRICA**

The Group has oil and gas exploration and production joint venture 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 and Oman. The situations in Yemen and Oman have not had any significant effects on the Group's operations in those countries.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**47. TIMUR TENGAH DAN AFRIKA UTARA (lanjutan)**

Pasca kerusuhan yang terjadi di Libya, di tahun yang sama, Grup mulai membuka kembali operasi di sana dengan aktivitas yang masih terbatas. Saat ini kegiatan operasional di Libya sudah mulai pulih dan berjalan normal kembali. Grup memiliki biaya eksplorasi yang dikapitalisasi sebesar AS\$180 juta atau 6,78% dari jumlah aset konsolidasian Grup pada tanggal 31 Desember 2014. 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.

**48. PERISTIWA SETELAH TANGGAL PERIODE PELAPORAN**

- i. Pada tanggal 19 Januari 2015, Perusahaan, melalui Medco Straits Service Pte Ltd, Entitas Anak yang dimiliki seluruhnya, menandatangani perjanjian jual beli saham atas penjualan seluruh saham yang dimilikinya dalam Synergia Trading Internasional Pte Ltd kepada Kingsley Traders Enterprise Ltd dengan harga sebesar AS\$10. Transaksi akan efektif setelah memenuhi persyaratan untuk penjualan yang tertera dalam perjanjian jual beli.
- ii. Pada tanggal 27 Januari 2015, PT Medco E & P Malaka menandatangani Perjanjian Jual Beli Gas (PJBG) dengan PT Pertamina (Persero). Berdasarkan PJBG, PT Medco E & P Malaka akan memasok jumlah keseluruhan gas sebanyak 198 TBTU sepanjang periode kontrak. Harga jual kontrak di titik penyerahan adalah AS\$9,45/MMBTU. Perjanjian dimulai pada saat tanggal penandatanganan dan akan berakhir pada tanggal dimana (i) seluruh jumlah gas yang diperjanjikan telah diserahkan sepenuhnya, (ii) penyerahan gas dari sumber pasokan gas untuk pembeli tidak lagi ekonomis, (iii) tidak berlakunya lagi PSC blok A, (iv) periode 13 (tiga belas) tahun sejak tanggal penyerahan gas pertama ini telah berlalu, mana yang terjadi lebih dahulu.

**47. MIDDLE EAST AND NORTH AFRICA (continued)**

After the civil unrest in Libya in the same year, the Group has already resumed its operations with limited activities. Currently, the operational activity in Libya has recovered and normal activity has resumed. The Group has total capitalized exploration expenditures of US\$180 million or 6.78% of the Group's total consolidated assets as of December 31, 2014. 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.

**48. EVENTS AFTER THE REPORTING PERIOD**

- i. On January 19, 2015, the Company, through Medco Straits Service Pte Ltd, a wholly-owned subsidiary, signed the Shares Sale and Purchase Agreement (SPA) for the sale of all of its share ownership of Synergia Trading Internasional Pte Ltd to Kingsley Traders Enterprise Ltd with the purchase price amounting to US\$10. This transaction is effective when all the document formalities to the sale as stated in SPA are fulfilled.
- ii. On January 27, 2015, PT Medco E & P Malaka signed a Gas Sales Agreement (GSA) with PT Pertamina (Persero). Based on the GSA, PT Medco E & P Malaka will supply total gas volume of 198 TBTU during the contract period. The contract sales prices at the delivery point shall be US\$9.45/MMBTU. This agreement shall begin on the signing date and end on the date which is the earlier: (i) gas quantities committed under this agreement have been fully delivered, (ii) deliveries of gas from the gas supply sources to the buyer are no longer economic, (iii) the expiration of PSC of Block A, (iv) the expiration of the period of 13 (thirteen) years since the gas delivery date, which ever occurs first.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**48. PERISTIWA SETELAH TANGGAL PERIODE  
PELAPORAN (lanjutan)**

- iii. Pada tanggal 27 Januari 2015, PT Medco E & P Indonesia menandatangani amandemen Perjanjian Jual Beli Gas (PJBG) dengan Perusahaan Daerah Mura Energi untuk kebutuhan kelistrikan di Kabupaten Musi Rawas, Sumatera Selatan. Berdasarkan amandemen PJBG tersebut, penyaluran gas akan dilakukan pada Februari 2015 atau tidak lebih dari Kuartal 1 tahun 2015. Jangka waktu kontrak 10 tahun atau sampai dengan jumlah yang disepakati telah dipasok, yang mana terjadi lebih dulu.
- iv. Pada tanggal 30 Januari 2015 telah dilakukan pencairan pertama atas proyek pendanaan DSLNG sebesar 11,1% atau sebesar AS\$151.881.300. Pencairan dana ini dilakukan sebagai pembayaran atas pinjaman pemegang saham dari DSLNG kepada PT Medco LNG Indonesia.
- v. Pada tanggal 13 Februari 2015, Medco Straits Services Pte Ltd ("Medco") menerima pembayaran sebesar AS\$11.509.095,75 ("Dana") dari Singapore Petroleum Sampang Ltd PC ("SPC") pembayaran dilakukan sepihak oleh SPC. Medco meyakini bahwa SPC melakukan pembayaran kompensasi atas Perjanjian Proyek Jeruk yang ditandatangani pada 4 Januari 2006 ("Perjanjian"). Medco tidak menyetujui bahwa jumlah yang dibayarkan telah mencukupi untuk pembayaran kompensasi atas perjanjian yang disepakati Medco dan tidak mencerminkan beban bunga yang harus dibayarkan. Medco telah mengirimkan surat keberatan kepada SPC pada tanggal 18 Februari dan 9 Maret 2015. Medco belum menerima tanggapan atau konfirmasi mengenai rekening bank SPC untuk mengembalikan jumlah yang tidak disepakati sebesar AS\$11.509.095,75, Medco tidak memiliki pilihan dan akan menangguhkan dana ini untuk sementara waktu. Medco belum menerima tanggapan atau konfirmasi atas pembayaran ini dari SPC sampai tanggal penyelesaian laporan keuangan konsolidasian.

**48. EVENTS AFTER THE REPORTING PERIOD  
(continued)**

- iii. On January 27, 2015, PT Medco E & P Indonesia signed a Gas Sales Agreement (GSA) amendment with Perusahaan Daerah Mura Energi for electricity in Kabupaten Musi Rawas, South Sumatera. Based on GSA amendment, gas supply will commence in February 2015 or not later than first quarter of 2015. The expiration of the agreement is 10 years since the gas delivery date, or when such quantity has been fully supplied, whichever occurs first.
- iv. On January 30, 2015, DSLNG project financing has conducted the first drawdown by 11.1% or amounting to US\$151,881,300. The drawdown is made for repayment the shareholder loan from DSLNG to PT Medco LNG Indonesia.
- v. On February 13, 2015, Medco Straits Services Pte Ltd ("Medco") received payments of US\$11,509,095.75 ("Funds") from Singapore Petroleum Sampang Ltd PC ("SPC"), unilaterally remitted by SPC. Medco believes that SPC has remitted this amount in purported performance of its obligation to make compensatory payments for Jeruk Project Agreement dated January 4, 2006 ("Agreement"). Medco does not agree that the amount of the Funds is sufficient to meet the compensatory payment that Medco is entitled to, and accordingly, does not adequately halt the accrual of interest. Medco already sent objection letter to SPC on February 18, and March 9, 2015. Medco did not receive any response or the confirmation from SPC bank to remit back the un-agreed number of US\$11,509,095.75, Medco have no other option than to temporarily hold the Funds. Until completion date of the consolidated financial statements, Medco did not receive any response or the confirmation from SPC about this remitted amount.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

**48. PERISTIWA SETELAH TANGGAL PERIODE  
PELAPORAN (lanjutan)**

vi. Pada tanggal 27 Februari 2015, Perusahaan melakukan pelunasan dipercepat atas sebagian utang fasilitas kredit modal kerja dari PT Bank Negeri Indonesia Tbk ("BNI") sebesar AS\$25.000.000.

vii. PT Medco E & P Tomori Sulawesi melakukan dua kali penarikan pada bulan Februari dan Maret 2015 sebesar AS\$6,9 juta atas fasilitas kredit dari Bank Sindikasi, yaitu Bank Standard Chartered cabang Singapura ("Agen Fasilitas") dan PT Bank Mandiri (Persero) Tbk.

Pada tanggal 4 Maret 2015, PT Medco E & P Tomori Sulawesi mengirimkan surat notifikasi kedua untuk melakukan pembatalan sukarela atas fasilitas yang tersedia sebesar AS\$50.000.000 yang telah disetujui oleh agen fasilitas pada tanggal 20 Maret 2015 sehingga jumlah fasilitas yang tersedia sebesar AS\$200.000.000 menjadi AS\$150.000.000.

**49. 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.

Sebagai perlindungan terhadap bahaya operasi 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.

**48. EVENTS AFTER THE REPORTING PERIOD  
(continued)**

vi. On February 27, 2015, the Company paid in advance partially working capital facility from PT Bank Negara Indonesia Tbk ("BNI") amounting to US\$25,000,000.

vii. PT Medco E & P Tomori Sulawesi made two withdrawals in February and March 2015 amounting to US\$6.9 million for credit facility from the Syndicate of Banks, namely Standard Chartered Bank - Singapore branch ("Facility Agent") and PT Bank Mandiri (Persero) Tbk.

On March 4, 2015, PT Medco E & P Tomori Sulawesi sent a second notification letter to voluntarily cancel the available facility amounting to US\$50,000,000, which the Facility Agent approved on March 20, 2015, therefore available facilities amount of US\$200,000,000 become US\$150,000,000.

**49. OPERATIONAL RISKS**

The Group's operations in the oil and gas sector are subject to hazards and risks inherent 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 spills, 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.

As protection against operating hazards, 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.

*The original consolidated financial statements included herein  
are in the Indonesian language.*

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2014 dan 2013 dan untuk  
Tahun yang Berakhir pada Tanggal-Tanggal  
Tersebut  
(Disajikan dalam Dolar Amerika Serikat,  
Kecuali Dinyatakan Lain)**

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**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED  
FINANCIAL STATEMENTS  
As of December 31, 2014 and 2013  
and for the Years Then Ended  
(Expressed in United States Dollars,  
Unless Otherwise Stated)**

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**50. PERSETUJUAN DAN OTORISASI PENERBITAN  
LAPORAN KEUANGAN KONSOLIDASIAN**

Penerbitan laporan keuangan konsolidasian Grup telah disetujui dan disahkan oleh Direksi pada tanggal 25 Maret 2015.

**50. 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 March 25, 2015.*



**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
INFORMASI TAMBAHAN  
31 Desember 2014 dan 2013  
(Tidak Diaudit)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
SUPPLEMENTARY INFORMATION  
December 31, 2014 and 2013  
(Unaudited)**

**TAKSIRAN CADANGAN**

Informasi berikut mengenai kuantitas cadangan yang *proved developed*, *undeveloped* dan *probable* serta sumber daya kontinjen hanya merupakan taksiran, dan tidak dimaksudkan untuk menggambarkan nilai yang dapat direalisasikan atau nilai pasar yang wajar dari cadangan Grup. Grup menekankan bahwa taksiran cadangan secara bawaan tidak akurat. Sehubungan dengan hal tersebut, taksiran ini diharapkan dapat saja berubah bila tersedia informasi baru di kemudian 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. ataupun berdasarkan taksiran 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 taksiran yang wajar berdasarkan data geologi dan teknik yang tersedia.

**Proved (dalam MBOE\*)**

			<i>Proved (dalam MBOE*)/Proved (in MBOE*)</i>				
			Saldo awal/ <i>Beginning balance</i>	Penambahan atau revisi/ <i>Addition or revision</i>	Penjualan Asset/ <i>Sale of assets</i>	Produksi/ <i>Production</i>	Saldo akhir/ <i>Ending balance</i>
			31 Desember 2013/ <i>December 31, 2013</i>				31 Desember 2014/ <i>December 31, 2014</i>
<b>Aset di Indonesia/ <i>Indonesia Assets</i></b>							
1	Produksi/ <i>Production</i>	Rimau <sup>(1)</sup>	27.536	-	-	4.216	23.320
2	Produksi/ <i>Production</i>	Kampar/S.S. Extension <sup>(9)</sup>	43.478	743	-	9.235	34.986
3	Produksi/ <i>Production</i>	Lematang (Lapangan Singa) <sup>(1)</sup>	5.216	-	-	2.013	3.203
4	Produksi/ <i>Production</i>	Tarakan <sup>(1)</sup>	2.442	-	-	694	1.748
5	Produksi/ <i>Production</i>	Senoro Toili (Lapangan Tiaka) <sup>(2)</sup>	920	-	-	106	814

**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. 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.

**Proved (in MBOE\*)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
INFORMASI TAMBAHAN  
31 Desember 2014 dan 2013  
(Tidak Diaudit)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
SUPPLEMENTARY INFORMATION  
December 31, 2014 and 2013  
(Unaudited)**

**TAKSIRAN CADANGAN (lanjutan)**

**RESERVES ESTIMATION (continued)**

**Proved (dalam MBOE\*)**

**Proved (in MBOE\*) (continued)**

			<i>Proved (dalam MBOE*)/Proved (in MBOE*)</i>				
			Saldo awal/ Beginning balance	Penambahan atau revisi/ Addition or revision	Penjualan Asset/ Sale of assets	Produksi/ Production	Saldo akhir/ Ending balance
			31 Desember 2013/ December 31, 2013				31 Desember 2014/ December 31, 2014
<b>Aset di Indonesia/ (lanjutan) Indonesia Assets (continued)</b>							
6	Produksi/ Production	Bawean <sup>(1)</sup>	5.103	-	-	268	4.835
7	Pengembangan/ Development	Senoro Toili (Lapangan Gas Senoro) <sup>(2)</sup>	67.248	11.656	-	11	78.893
8	Pengembangan/ Development	Blok A <sup>(3)</sup>	7.818	-	-	-	7.818
	<b>Sub-jumlah/ Sub-total</b>		<b>159.761</b>	<b>12.399</b>	<b>-</b>	<b>16.543</b>	<b>155.617</b>
<b>Aset Internasional/ International Assets</b>							
1	Produksi/ Production	Amerika Serikat <sup>(4)</sup> / United States <sup>(4)</sup>	6.603	-	-	175	6.428
2	Pengembangan/ Development	Libya 47 <sup>(5)</sup>	30.612	14.471	-	-	45.083
3	Produksi/ Production	Yaman 9 <sup>(6)</sup>	4.872	(373)	-	222	4.277
4	Produksi/ Production	Tunisia <sup>(8)</sup> : Bir Ben Tartar	-	4.355	-	266	4.089
		Adam	-	1.233	-	68	1.165
	<b>Sub-jumlah/ Sub-total</b>		<b>42.087</b>	<b>19.686</b>	<b>-</b>	<b>731</b>	<b>61.042</b>
	<b>Total Cadangan Terbukti/ Total Proved Reserves</b>		<b>201.848</b>	<b>32.085</b>	<b>-</b>	<b>17.274</b>	<b>216.659</b>

\* MBOE: Ribu Barel setara Minyak. Aset Indonesia menggunakan angka 5,85 sebagai faktor konversi, sedangkan aset di Amerika Serikat, Libya and Yemen 9 menggunakan angka 6 sebagai faktor konversi gas ke minyak.

\* MBOE: Thousand Barrel Oil Equivalent. Indonesia assets are using 5.85 as conversion factor while US, Libya and Yemen 9 assets are using 6 for Gas to Oil conversion factor.

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
INFORMASI TAMBAHAN  
31 Desember 2014 dan 2013  
(Tidak Diaudit)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
SUPPLEMENTARY INFORMATION  
December 31, 2014 and 2013  
(Unaudited)**

**TAKSIRAN CADANGAN (lanjutan)**

**RESERVES ESTIMATION (continued)**

**Proved dan Probable (dalam MBOE\*)**

**Proved and Probable (in MBOE\*)**

			<i>Proved dan Probable (dalam MBOE*)/Proved and Probable (in MBOE*)</i>				
			<i>Saldo awal/ Beginning balance</i>	<i>Penambahan atau revisi/ Addition or revision</i>	<i>Penjualan Asset/ Sale of assets</i>	<i>Produksi/ Production</i>	<i>Saldo akhir/ Ending balance</i>
			<b>31 Desember 2013/ December 31, 2013</b>				<b>31 Desember 2014/ December 31, 2014</b>
<b>Aset di Indonesia/</b>							
1	Produksi/Production	Rimau <sup>(1)</sup>	33.807	-	-	4.216	29.591
2	Produksi/Production	Kampar/S.S. Extension <sup>(9)</sup>	49.906	743	-	9.235	41.414
3	Produksi/Production	Lematang (Lapangan Singa) <sup>(11)/ (Singa Field) <sup>(1)</sup></sup>	6.817	-	-	2.013	4.804
4	Produksi/Production	Tarakan <sup>(1)</sup>	3.107	-	-	694	2.413
5	Produksi/Production	Senoro Toili (Lapangan Tiaka) <sup>(2)/ (Tiaka Field) <sup>(2)</sup></sup>	2.427	-	-	106	2.321
6	Produksi/Production	Bawean <sup>(1)</sup>	6.977	-	-	268	6.709
7	Pengembangan/ Development	Senoro Toili (Lapangan Gas Senoro) <sup>(2)/ (Senoro Gas Field) <sup>(2)</sup></sup>	71.345	10.395	-	11	81.729
8	Pengembangan/ Development	Blok A <sup>(3)</sup>	22.067	-	-	-	22.067
	<b>Sub-jumlah/ Sub-Total</b>		<b>196.453</b>	<b>11.138</b>	<b>-</b>	<b>16.543</b>	<b>191.048</b>
<b>Aset Internasional/ International Assets</b>							
1	Produksi/ Production	Amerika Serikat <sup>(4)/ United States <sup>(4)</sup></sup>	9.102	-	-	175	8.927
2	Pengembangan/ Development	Libya Area 47 <sup>(5)</sup>	51.974	18.610	-	-	70.584
3	Produksi/ Production	Yemen 9 <sup>(6)</sup>	9.743	(629)	-	222	8.892
4	Produksi/ Production	Tunisia <sup>(8)</sup> : Bir Ben Tartar	-	9.143	-	266	8.877
		Adam	-	1.780	-	68	1.712
	<b>Sub-jumlah/ Sub-Total</b>		<b>70.819</b>	<b>28.904</b>	<b>-</b>	<b>731</b>	<b>98.992</b>
	<b>Total Cadangan Proved dan Probable/ Total Proved and Probable Reserves</b>		<b>267.272</b>	<b>40.042</b>	<b>-</b>	<b>17.274</b>	<b>290.040</b>
<b>Sumber Daya Kontinjen/ Contingent Resources</b>							
1	Pengembangan/ Development	Senoro Toili (Lapangan Gas Senoro) <sup>(2)/ (Senoro Gas Field) <sup>(2)</sup></sup>	76.710	37.290	-	-	114.000
2	Pengembangan/ Development	Simenggaris <sup>(7)</sup>	15.865	-	-	-	15.865
3	Eksplorasi/ Exploration	Libya Area 47 <sup>(5)</sup>	79.437	(33.082)	-	-	46.355
4	Eksplorasi/ Exploration	Yemen 9 <sup>(6)</sup>	5.181	383	-	-	5.564

**PT MEDCO ENERGI INTERNASIONAL Tbk  
DAN ENTITAS ANAKNYA  
INFORMASI TAMBAHAN  
31 Desember 2014 dan 2013  
(Tidak Diaudit)**

**PT MEDCO ENERGI INTERNASIONAL Tbk  
AND ITS SUBSIDIARIES  
SUPPLEMENTARY INFORMATION  
December 31, 2014 and 2013  
(Unaudited)**

**TAKSIRAN CADANGAN (lanjutan)**

- (1) Taksiran cadangan Grup per 31 Desember 2011 disertifikasi dengan Laporan Netherland, Sewell & Associates, Inc. (NSAI) per tanggal 27 April 2012, sesuai dengan hak partisipasi Grup.
- (2) Taksiran cadangan Grup per 31 Juli 2014 untuk lapangan blok Senoro Toili dilaporkan dalam Pernyataan Cadangan Gaffney, Cline & Associates (GCA) dengan hak partisipasi 30%.
- (3) Taksiran cadangan Grup untuk Blok A disertifikasi dengan Laporan GCA per tanggal 31 Desember 2007 dengan hak partisipasi 41,67%. Pada tahun 2010, telah didapatkan perpanjangan PSC sampai tahun 2031.
- (4) Taksiran cadangan Grup untuk blok di Amerika Serikat disertifikasi dengan Laporan Netherland, Sewell, & Associates, Inc (NSAI) per tanggal 31 Desember 2010.
- (5) Perusahaan telah memperoleh hak komersialisasi untuk Area 47, Libya pada struktur A, D dan F pada tanggal 14 Desember 2011, oleh sebab itu Perusahaan memutuskan memindahkan sebagian sumber daya kontinjen yang terkait sebagai cadangan Proved dan Probable dengan hak partisipasi 25% (sesuai dengan hak partisipasi setelah komersialisasi). Taksiran cadangan Proved and Probable pada struktur A, D, dan F berdasarkan evaluasi dari DeGolyer and MacNaughton per tanggal 30 September 2008. Pada tanggal 19 September 2014, Perusahaan memperoleh hak komersialisasi untuk struktur B, C, dan J sehingga memindahkan sumber daya kontinjen terkait menjadi cadangan *Proved* dan *Probable* berdasarkan FAR BCJ (FAR: *Final Appraisal Report*). Taksiran sumber daya kontinjen untuk Area 47 Libya berdasarkan estimasi Perusahaan (*in-house*) dengan hak partisipasi 25%, yang merupakan jumlah estimasi minyak dan gas bumi yang dapat diproduksi dengan teknologi terkini atau teknologi yang sedang berkembang.
- (6) Taksiran cadangan untuk Blok Yemen 9 dilaporkan dalam Laporan McDaniel & Associates Consultants Ltd per 31 Desember 2014, dengan hak partisipasi Grup sebesar 21,25%.
- (7) Taksiran sisa sumber daya kontinjen Grup untuk blok Simenggaris dibuat berdasarkan POD bulan Februari 2008 dengan hak partisipasi 62,5%.
- (8) Taksiran cadangan untuk Blok Tunisia berdasarkan evaluasi InSite Petroleum Consultant per 31 Desember 2013 dengan hak partisipasi 86% untuk blok Bir Ben Tartar dan 5% untuk blok Adam.
- (9) Taksiran cadangan Grup per 31 Desember 2011 dilaporkan dalam Laporan Netherland, Sewell, & Associates, Inc (NSAI), sesuai dengan hak partisipasi Grup. Tambahan taksiran cadangan adalah pengembalian kumulatif produksi Kampar yang diambil dari South Sumatera Blok hingga akhir 2014. Cadangan akhir tahun 2014 South Sumatera Extension/Kampar seluruhnya merupakan cadangan South Sumatera Blok.

**RESERVES ESTIMATION (continued)**

- (1) *The Group's reserves estimates as of December 31, 2011 were certified in the Report of Netherland, Sewell & Associates, Inc. (NSAI) dated April 27, 2012, based on the Group's effective working interest.*
- (2) *The Group's reserve estimates as of July 31, 2014 for Senoro Toili block were stated in the Gaffney, Cline & Associates (GCA) Statement, with effective working interest of 30%.*
- (3) *The Company's reserves estimates for Block A were certified in the Report of GCA as of December 31, 2007, with effective working interest of 41.67%. In 2010, PSC extension up to 2031 was obtained.*
- (4) *The Group's reserves estimates for the US assets were derived from the NSAI Report as of December 31, 2010.*
- (5) *The Company had already been granted the commercial rights for A, D, and F structure on December 14, 2011, therefore, the Company decided to move the portion of Contingent Resources to Proved and Probable reserves with 25% of participating interest (based on the Company's participating interest after the declaration of Commerciality). The Company's Proved and Probable reserves estimates for A, D, and F structures are based on DeGolyer and MacNaughton evaluation as of September 30, 2008. On September 19, 2014, The Company was granted commercial rights for structure B, C, and J, shifting the related Contingent Resources to Proved and Probable reserves based on FAR BCJ (FAR: Final Appraisal Report). The Company's Contingent Resources estimates for Libya Area 47 are based on in-house estimates, with effective working interest of 25%, which represent the estimated quantities of petroleum to be potentially recoverable from known accumulations using established technology or technology under development.*
- (6) *The Group's reserve estimates for Yemen Block 9 were reported in the McDaniel & Associates Consultants Ltd Report as of December 31, 2014 with effective working interest of 21.25%.*
- (7) *The remaining Contingent Resource estimates for Simenggaris blocks are based on POD February 2008 with working interest of 62.5%.*
- (8) *The Group's reserves estimates for Tunisia were evaluated by InSite Petroleum Consultant as of December 31, 2013 with working interest of 86% for Bir Ben Tar Tar and 5% for Adam.*
- (9) *The Group's reserve estimates as of December 31, 2011 were reported in Netherland, Sewell, & Associates, Inc (NSAI) Report, based on Group's effective working interest. Reserves addition is cumulative production taken from South Sumatera Block up to 2014. Ending balance reserves of South Sumatera Extension/Kampar consist of reserves from South Sumatera Block only.*

