

Aggressive Expansion, IATA Acquires Oil and Gas Company in West Papua

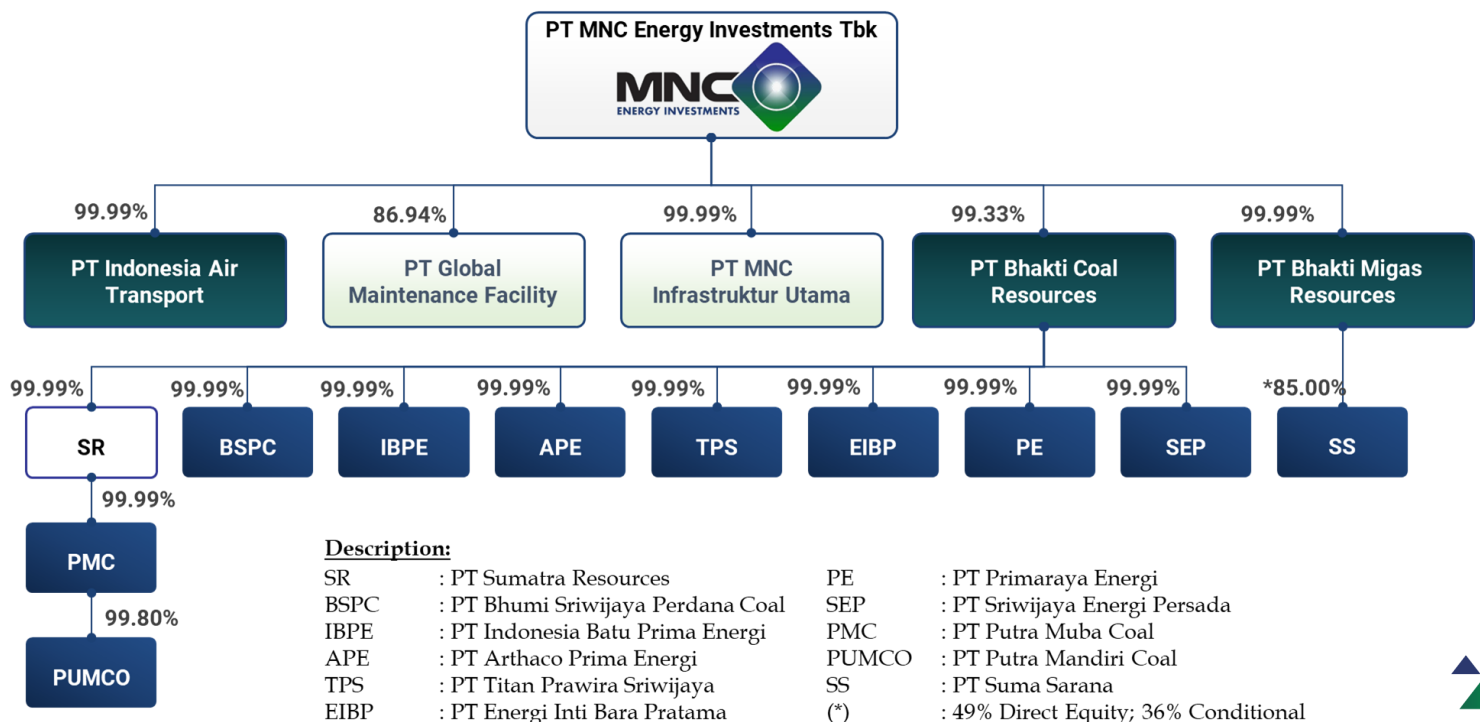
Jakarta, 18 April 2022 – Keep optimizing its value and performance, PT MNC Energy Investments Tbk (IATA or the Company), made corporate action to acquire a 85% stake in PT Suma Sarana (SS). The acquisition plan has been stated in the Conditional Sale and Purchase Agreement (CSPA) which was then continued with the finalization today.



The acquisition process is carried out in two stages:

1. A total of 49% of the shares is purchased directly by PT Bhakti Migas Resources (BMR), a subsidiary focusing on oil and gas investment. BMR is one of the main pillars of IATA besides PT Bhakti Coal Resources (BCR).
2. A total of 36% of the shares is acquired in the form of PPJB (Conditional Sale and Purchase Agreement), which will then be upgraded to AJB (Final Sale and Purchase Deed) after obtaining Government approval for a change of Controlling Shareholder.

After the Government approves the 36% acquisition, IATA will control 85% of SS shares through BMR.



About PT Suma Sarana

PT Suma Sarana has signed a Production Sharing Contract (“PSC”) for the Semai III Block in Papua and has 100% of the Participating Interest (“PI”) in the PSC of the Semai III Block.

The Semai III Block is one of the best exploration opportunities in Eastern Indonesia, with an estimated 30 trillion cubic feet (TCF) of untested gas resources. There are 4 prospect areas which include Cucak Ijo, Murai Batu, Poksai, and Kaley-Opior in Semai III.

Semai III is located in the center of productive hydrocarbons, where significant oil and gas deposits have been found in the vicinity of the Tangguh Gas Fields, Asap, Merah, Seram Island, Andalan (Semai V), as well as the Abadi and NW Shelf Gas Field to the south.

Semai III resources estimate:

Prospect Name	Oil Case (BBO, Billion Barrel Oil)						Gas Case (TCF, Trillion Cubic Feet)					
	OOIP (Original Oil in Place)			EUR (Estimated Ultimate Recovery), RF=20%			OGIP (Original Gas in Place)			EUR (Estimated Ultimate Recovery), RF=70%		
	Low	Best	High	Low	Best	High	Low	Best	High	Low	Best	High
Poksai	1.2	7.3	20.6	0.2	1.5	4.1	2.0	13.5	42.4	1.4	9.5	29.7
Murai Batu	0.4	6.6	31.7	0.1	1.3	6.3	0.6	12.1	65.2	0.5	8.5	45.7
Cucak Ijo	0.3	7.4	28.3	0.1	1.5	5.7	0.6	13.7	58.3	0.4	9.6	40.8
Kaley-Oplor	0.1	3.1	10.8	0.0	0.6	2.2	0.2	6.2	23.8	0.2	4.3	16.7
Total	2.0	24.4	91.4	0.4	4.9	18.3	3.4	45.5	189.7	2.4	31.8	132.8

In the future, IATA will invite international operators to partner in operating the Semai III Block. This is one of the Company’s strategies in order to reduce capital expenditure and increase production efficiency.

IATA’s Turnaround Story

IATA has officially changed its name to PT MNC Energy Investments Tbk to reflect the changes in the Company’s business activities and strengthen its

position in the related industry. With new name, the Company has also acquired PT Bhakti Coal Resources (BCR) which has 9 Mining Business Permits (IUP) in Musi Banyuasin, South Sumatra, including:

IATA reserve resources

IUP	Area (ha)	GAR (kcal/kg)	Resources (MT)				Reserves (MT)		2022 Production Target
			Measured	Indicated	Inferred	Total	KCMI	Internal Assessment	
Based on Indonesian Joint Committee for Mineral Reserves (KCMI)									
BSPC-N	4,708	3,200 - 3,300	74,500,000	29,500,000	26,700,000	130,700,000	83,275,520		1,800,000
PMC	2,947	3,000 - 3,600	60,400,000	12,900,000	3,600,000	76,900,000	54,822,642		4,500,000
Subtotal	7,655		134,900,000	42,400,000	30,300,000	207,600,000	138,098,162		6,300,000
Based on Internal Assessment									
APE	15,000	3,000 - 3,500	297,086,038	264,076,478	231,066,918	792,229,434		103,827,266	1,000,000
IBPE	15,000	3,100 - 3,500	211,105,054	187,648,937	161,540,293	560,294,284		7,104,000	500,000
BSPC-S	2,158	2,600 - 3,800	15,777,000	6,581,000	2,028,000	24,386,000		9,831,388	
PUMCO	1,526	3,000 - 3,500	9,632,701	756,100		10,388,801		2,876,576	
PE	4,424		295,417	871,883	1,496,160	2,663,460			
TPS	6,015		62,591	1,520,220	3,443,479	5,026,290			
SEP	8,596		38,906	296,312	607,672	942,890			
EIBP	13,630								
Subtotal	66,349		533,997,707	461,750,930	400,182,522	1,395,931,159		123,639,230	1,500,000
Total	74,004		668,897,707	504,150,930	430,482,522	1,603,531,159	138,098,162	123,639,230	7,800,000

Organically, BCR will continue to focus on increasing production in existing IUPs and start the production of new IUPs, to take advantage of the high coal prices momentum.

Inorganically, IATA will continue to look for opportunities to acquire new mining sites, both coal and other minerals such as gold and nickel. At the same time, assess other prospects related to renewable energy.

In addition, IATA will continue to evolve to improve synergies and effectiveness in all lines. The Company plans to engage in contracting, logistics & transportation, trading, and others.

The mentioned above coupled with the planned acquisition of the Semai III Block belonging to PT Suma Sarana, further strengthens the Company's steps in the energy sector. IATA will also continue to focus on exploration activities to find new reserves and enter into long-term sales contracts with buyers. Taking advantage of the momentum of rising prices for various mining commodities, the Company's management believes that all the efforts taken will further encourage IATA's performance and profitability to accelerate among its competitors and bring a positive impact to shareholders.

Prospect of Non-Renewable Energy

The world is entering a new phase of open conflict marked by the entry of Russian troops into Ukrainian territory. This geopolitical conflict has also heated energy and commodity prices globally. Prices of crude oil and natural gas continue to strengthen. Brent price stood at US\$ 97.90 per barrel on Friday (8/4). Meanwhile, the natural gas price hit US\$ 6.30 per MMBtu (million british thermal units).

Russia ranks second in the world's crude oil supplier after Saudi Arabia, with a market share of up to 10% of global oil needs. Meanwhile, Russian natural gas exports account for 26% of international pipeline trade and 8% of LNG trade. About 77% of these exports go to European countries and account for about 40% of Europe's total natural gas consumption. Judging from these data, Russia is a major player in meeting the needs of oil and natural gas in Europe. Although many countries are reluctant to embargo Russia's energy trade, sanctions against banks and other entities will hamper Russia's oil, natural gas, and coal exports, threatening global energy markets. Reducing Russia's oil and natural gas supply will push up fossil energy prices.

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