

PT Medco Energi Internasional Tbk. Monthly Newsletter



STOCK DATA*

Market Cap. (bn Rp)	:	7,164.8
Highest (12mth)	:	4,350
Lowest (12mth)	:	1,980
Last Price	:	2,150
Free Float	:	37.56%

*as of 30 September 2011

MedcoEnergi Will Soon Open its Operational Office in Tripoli. PT Medco Energi Internasional Tbk ("MedcoEnergi") Chief Executive Officer, Mr. Lukman Mahfoedz, acknowledged the statement made by Indonesian Foreign Minister on Saturday (3/9) supporting a peaceful transitional process towards democracy in Libya through the National Transition Council ("NTC"). Mr. Lukman also endorsed the support made by the Association of South-east Asian Nations ("ASEAN") on Sunday (4/9) towards every efforts made by the National Transition Council to help assist a reconciliation and uphold a democratic and stable Libya according to the people's wish and aspiration.

On Wednesday (31/8), MedcoEnergi has also received news from its partner the Libyan Investment Authority ("LIA"), that NTC has re-appointed Mr. Mohammed H. Layas as Chairman of LIA's Board of Directors, and Mr. Rafik A. Nayed as the Chief Executive Officer. LIA is the state investment agency established by Libyan Government in 2006 to manage their earnings from oil and gas resources with total assets exceeding US\$65 billion.

Lukman Mahfoedz said, "MedcoEnergi will soon begin to open its operational office in Tripoli, so that 60 of MedcoEnergi's local employees can resume their work. We will also make preparations on our worksite at Area 47 so that we can resume operation as soon as possible."

MedcoEnergi New Exploration on Lagan Deep-1, South and Central Sumatra PSC Block. Lagan Deep-1 well is an exploration well which The Company spudded in September 8, 2011. The well is located 13 kilometers to the south from Rambutan Deep-1 Exploration well, under the South & Central Sumatra production Sharing Contract (PSC) working area, in the village of Mas Ujan Lama, district Ujan Mas, Muara Enim regency, South Sumatra. Lagan Deep-1 will target gas-bearing sandstones in the Talangakar Formations (Oligocene in age) at approximately 3,500 meters total vertical depth using the Antareja-8 rig. It was expected to take 75 days after spudding to complete. Medco Energi has a 100% interest in the South & Central Sumatra PSC.

On Tuesday, 13 September 2011, around 23:00 pm, there has been an unintended flow of gas from Lagan Deep-1 well. The unintended flow of gas occurred during the drilling of Lagan Deep-1 well reached a depth of approximately 800 meters (2,678 foot) of the total planned depth of 3,500 meters (11,500 feet).

The pumping of lost circulation material has been performed, but well continued to experience unintended flow of gas, along with the flow of fluids to

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the surface around the point of well. Therefore, the drilling activity was temporarily suspended.

There were no fatalities, injuries, damage to facilities and fire due to this incident. All the personnel at the drilling site were moved to a safer place, and safety measure was also performed at surrounding area of the well. It is also identified that the flow of gas or fluids that comes out of the well is non-toxic and harmless.

The well is located approximately 2 (two) kilometers from the nearest communities, thus this incident will not impact to the surrounding communities.

Due to this incident, the Company has declared emergency condition. All necessary safety measures and best efforts are being taken to overcome the incident. Since the Lagan Deep-1 well is an exploration well, thus this incident will not impact to the gas production and revenue of the Company generated from the South & Central Sumatra PSC working area.



Exploration Report

Rimau Block PSC, South Sumatra

Background Rimau Block PSC is located in Musi Banyu Asin, South Sumatra. The block was originally awarded to PT Stanvac Indonesia which was then jointly owned by Exxon and Mobil Oil . PT Medco E & P Indonesia acquired 100% shares from them on December 22nd 1995. The company holds 95% of

Working Interest (WI), while “Perusahaan Daerah Pertambangan & Energi SUMSEL (PDPDE)” holds the remaining Working Interest. The PSC has been extended until 22 April 2023.

Exploration Activities **Seismic Activities**

2D Land Seismic acquisition are located in 2 districts, Kabupaten Banyuasin and Kabupaten Musi Banyuasin, with total track of 400 km. Work sequences are divided into 3 survey areas, Iliran High, Elkap and Karamba. Topography Survey activities starts on 27 July 2011 and Parameter Test begins on 12 and 13 August 2011.

As of the end of July 2011, the progress status are :

- Bench Mark Seismic : 26 point from 28 point (93%)
- Survey Topography : 130.025 km from 400 km (32.51%)
- Rintis and Bridging : 17.975 km from 400 km (4.49%)

Next Plan Continue topography survey and parameter test recording.

South & Central Sumatra Block PSC

Background The South & Central Sumatra Block PSC was originally awarded to PT Stanvac Indonesia which shares were 50% Exxon and 50% Mobil. Medco has taken over the 100% shares operatorship from its original shareholder (Exxon and Mobil) on December 22, 1995.

Exploration Activities Lica-1 well was spudded on July 11th 2011 with a plan to drill a total depth of 4,730 feet MD. As of the end of August 2011, the Company drilled Lica-1 well to a total depth of 4,645 feet MD. Results shows flow thru 12/64” choke : 195 BOPD within 4,335 – 4,345 feet MD.

The Company also spudded Lica-2 well on August 26th 2011 with a plan to drill a total depth of 4,826 feet MD. As of the end of August 2011, the Company drilled Lica-2 well to a total depth of 2,440 feet MD, with no results yet.

Next Plan The Lica-1 well is temporary shut in. Company will produce the well after the next well have been drilled. Company will continue drilling on Lica-2 well to the programmed Total Depth.

Major Project Progress Report

- LNG Development**
- The DSLNG Project is progressing ahead of schedule, within budget and safely executed.
 - PT Pembangunan Perumahan (PP) has started doing Road Rerouting Project, with 31 units of heavy equipment being mobilized to the site. Land price continuously being negotiated with Team 9.
 - A joint Upstream & Downstream CSR working group is planned to be established within the month of September.

Senoro Gas • Starts EPC tender process on 5 Aug2011. Five consortiums are participat-

ing. Bidder's site visit will be held on 14 – 15 Sept. Technical stage will be closed on 21 Oct 2011.

- Land Acquisition for Jetty Area and Central Processing Plant Area are 78% completed. Document verification for area of Nanking group (14 HA) is in progress. Other remaining 10 HA is still under negotiation.
- Started Land Clearing works on Jetty Area, will continue to CPP area when area is acquired.
- Due to civil unrest in Tiaka on August, production was stopped temporarily but now the operation has resumed back to normal. No major impact affecting operational activities in Senoro area.

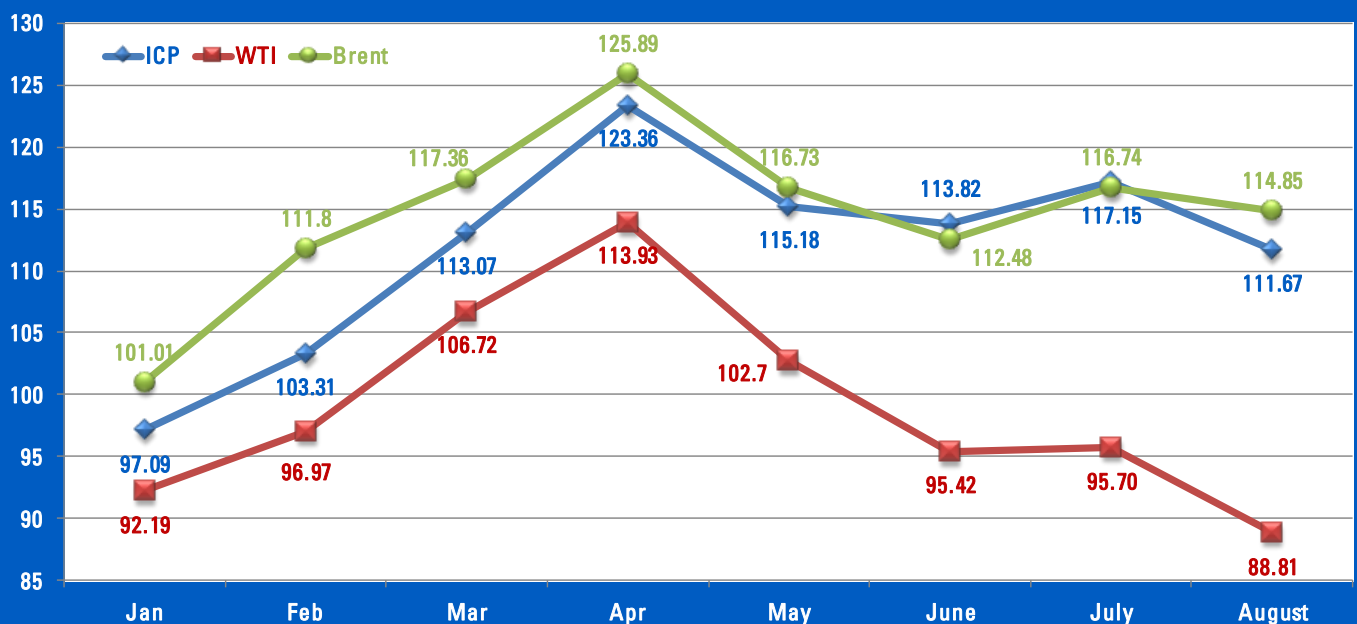
Block A

- In the process of EPC tender, 4 bidders submitted Technical package on September 5. Technical evaluation is ongoing. Target award date is Feb 2012.
- Exxon Mobil Indonesia Technical Team agreed on 1C1 (commingled) option. Detailed Risk Assessment is being analyzed. Expected to conclude FSA by October 2011
- Continue land acquisition, land parcel map for CPP is completed and continue with Right of Way area (30%)
- Matang-1 land preparation nearly completed. Exploration team is currently conducting assurance process on proposed Matang-1 exploration well as part of PSC commitment.

Drilling Activities Summary

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Actual 2011 YTD
Exploration Wells	0	0	0	0	0	1	2	1	4
Development Wells	3	6	3	4	4	5	0	0	25

WTI, Brent and ICP Oil Price



Production Report

Crude Oil (mbbls)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Rimau	521.7	451.2	512.9	491.1	510.9	494.9	502.7	507.0	3,992.5
South & Central Sumatra	243.4	218.1	247.1	233.9	249.2	230.1	247.5	239.9	1,909.1
Tarakan	54.5	52.3	69.9	66.1	80.6	67.6	72.5	75.7	539.2
Sembakung	58.8	51.8	57.4	56.0	56.1	60.2	75.0	71.2	486.6
Bawean	1.7	0.0	21.3	38.7	42.1	37.8	37.7	34.8	214.1
Tiaka	30.1	26.3	28.8	26.6	15.3	15.0	15.3	9.5	166.8
USA	11.2	7.0	10.6	15.1	18.2	15.4	16.4	16.1	110.0
Gas Sales (bbtu)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
South & Central Sumatra	4,345.0	3,819.8	3,943.8	3,927.5	4,014.1	4,194.1	4,502.0	4,348.5	24,244.3
Lematang	404.5	404.6	461.5	439.2	857.7	560.6	615.1	778.0	3,128.2
Tarakan	144.2	142.2	167.7	159.7	146.0	144.0	136.7	130.8	903.8
USA	160.7	116.9	130.4	91.4	97.6	80.5	79.9	45.1	677.6
Electricity (GWH)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Power Production - IPP	105	99	106	106	103	107	107	110	844
Power Production - O&M	829	819	856	840	533	895	907	785	6,464
Downstream	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Fuel Distribution / KL	11,636	13,516	17,031	35,119	25,532	29,220	15,753	21,295	169,102
Ethanol Production / KL	1,139	736	844	1,536	2,819	2,984	1,801	901	12,760
LPG Production / MT	1,366	1,161	1,330	1,243	1,288	1,272	1,142	1,330	10,132

