

PT Medco Energi Internasional Tbk.

Monthly Newsletter



STOCK DATA*

Market Cap. (bn Rp)	:	7,747.9
Highest (12mth)	:	3,500
Lowest (12mth)	:	1,870
Last Price	:	2,325
Free Float	:	37.56%

*as of 31 January 2012

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.

Seismic Activities

2D Land Seismic acquisitions are located in 2 district, Kabupaten Banyuasin and Kabupaten Musi Banyuasin, with total track amounting to 400 km. Work sequences are divided in 3 areas survey Iliran High, Elkap and Karamba. Topography Survey activities started on 27 July 2011 and Parameter Test on 12 and 13 August 2011.

As per end of January 2012, the progress status are :

- Bench Mark Seismic : 26 point from 28 point (93%)
- Survey Topography : 319.19 k from 400 km (79%)
- Drilling : 12,993 holes from 17,400 holes (74%)
- Recording : 5,551 profiles / 167.6 km (32%)

Next Plan

Continue topography survey, drilling and recording.

South & Central Sumatra Block PSC

Background

The South & Central Sumatra Block PSC was originally awarded to PT Stanvac Indonesia which ownership were 50% Exxon and 50%

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Mobil. Medco acquired 100% shares operatorship from its original shareholder (Exxon and Mobil) on December 22, 1995.

Exploration Activities The Company spudded Sida-1 well in January 17th 2012 and planned to drill a total depth of 3,047 feet MD. As the end of January 2012, the Company drilled to a final total depth of 3,030 feet MD.

Next Plan The company will plug and abandon the well.

Senoro Toili Block PSC

Background The Senoro-Toili Block is located in the Central Sulawesi Province, which is operated by JOB Pertamina Medco Tomori Sulawesi (JOB P-MTS). The working interest are 50% Pertamina, 30% PT Medco E&P Tomori Sulawesi and Tomori E&P Limited 20%. This block was taken over from JOB Pertamina—ARCO—UTTI in 2000. This block has 1 (one) oil producing well at Tiaka field, 1 (one) oil & gas discovery field of Cendanapura and 1 (one) gas field of Senoro. Kolo (Tiara) and Pandauke (Grupa) fields are Prospect areas. Senoro and Cendanapura fields are located onshore, whilst others are offshore.

Seismic Activities Survey 3D seismic includes: transition zone (TZ) and 2D marine covering the land, with transition area covering 95 sqkm and marine of 400 km. Total full fold area 128 sqkm. Seismic survey started on 29th December 2011.

Topography work started at Kecamatan Batui Selatan on 26th January 2012. Until the end of January 2012, the progress status are :

- Survey Topography : 29.56 km from 607.28 (4.87%)
- Survey Marine (29th December 2011—7th January 2012) complete 400.5 km (23 lines)

Next Plan Continued Topography survey seismic 3D marine, land and transition areas. Parameter test is scheduled on March 2012.

Drilling Activities Summary

	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Actual 2011 YTD	Jan 2012
Exploration Wells		0	0	0	0	1	2	1	3	1	3	0	11	1
Development Wells		6	3	4	4	5	0	0	0	0	0	0	25	0

Major Project Report

Senoro Upstream & DSLNG

- Four bidders qualified technical stage of the EPC tendering process as announced on Dec 21st 2011. The commercial bid submission was being extended by one week to January 27, 2012 from the previous plan on January 20, 2012. The target for contract award is in February 2012.
- Acquisition of The CPP and Jetty land is 96.5 % completed with the remaining 4.4 Ha still being negotiated.
- Offshore seismic has been completed. Onshore topography survey for 3D was planned in the 4th week of January 2012. Socialization was conducted on January 17-18 2012. 1 bidder qualified the technical evaluation for the 3D seismic consultant tender.
- DSLNG Project is relatively ahead of schedule (35% in actual vs 26% planned) and safely executed.

Block A

- Current progress suggested that FID would most likely be postponed around June 2012 since Engineering, Procurement, Construction and Installation for CPP bid process is considered failed due to the final result is 10% higher from owner estimate. Team is now preparing to conduct rebid process while conducting internal study for modifying the scope of work considering certain scope optimization.
- As part of community development program, Medco will build hospital in Aceh Timur. The groundbreaking summary was held in November 2011. Kick off meeting with the contractor was conducted on January 25 2012 and continue with design & engineering phase.

Rimau EOR

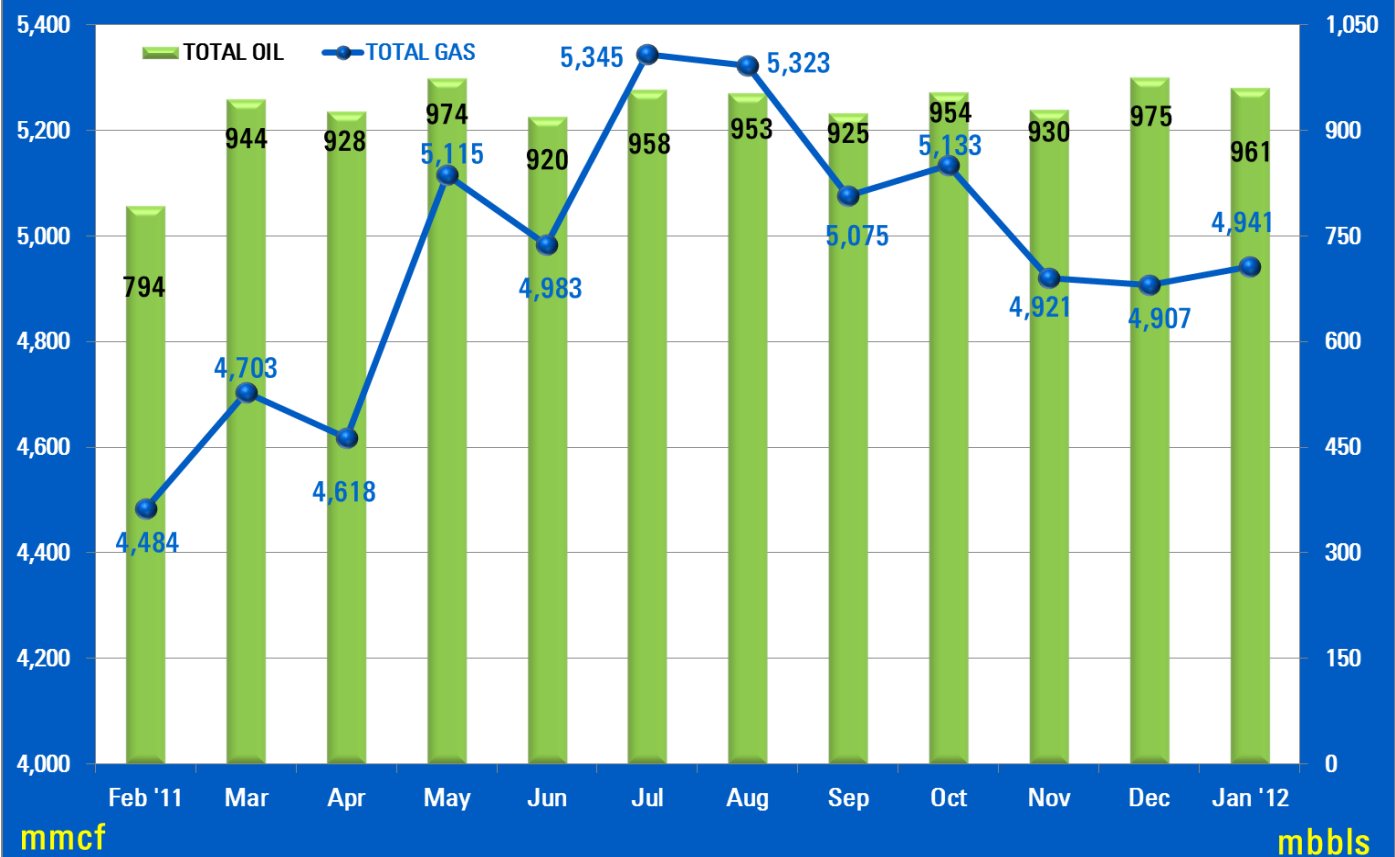
- The EOR pilot starts injecting 3 wells out of 6 wells for pre-flush. Tracer survey run in the first injector and sample was being taken from surrounding producing well. Samples were shipped to Kuala Lumpur for analysis. The progress of tie-in pre-flush on the remaining 3 injectors is still being continued.

Libya

- A workshop on the exploration results hand over to development project was conducted in the last week of January 2012. An appraisal closing session review with IPA as the consultant is planned in the 4th week of February, with completion target by March 2012.
- A human resources organization chart proposal is being prepared for NOC (Libya National Oil Company) describing Medco's ability to start the project immediately.

Production Report

Oil Production (mbbls)	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY11	Jan
Rimau	451.2	512.9	491.1	510.9	494.9	502.7	507.1	492.8	503.6	506.9	527.6	6,023.2	520.5
South & Central Sumatra	215.6	254.7	244.6	250.8	229.5	238.5	238.3	219.2	203.7	188.1	210.9	2,728.9	194.6
Tarakan	52.3	69.9	66.1	80.6	67.6	72.5	76.3	78.6	86.0	82.1	83.7	870.3	82.4
Sembakung	51.8	57.4	56.0	56.1	60.0	74.9	70.9	68.5	88.9	87.0	82.3	812.8	83.0
Bawean	0.0	21.3	38.7	42.1	37.8	37.7	34.8	38.0	43.7	41.8	44.5	382.2	51.4
Tiaka	15.8	17.3	15.9	15.3	15.0	15.3	9.5	15.0	15.0	14.3	14.3	180.8	13.3
USA	7.0	10.6	15.1	18.2	15.4	16.4	16.1	12.9	13.2	9.4	11.8	157.3	15.7
TOTAL OIL	793.6	944.1	927.5	974.0	920.2	958.1	953.0	925.1	954.2	929.6	975.2	11,155.5	961.0
Gas Sales (bbtu)	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY11	Jan
South & Central Sumatra	3,819.8	3,943.8	3,927.5	4,014.1	4,197.6	4,513.0	4,365.6	4,139.2	4,181.3	4,054.5	3,932.7	49,434.2	3,999.1
Lematang	404.6	461.5	439.2	857.7	560.6	615.1	778.0	775.9	788.4	715.1	762.0	7,562.7	735.5
Tarakan	142.2	167.7	159.7	146.0	144.0	136.6	134.7	139.2	141.0	121.7	161.3	1,738.4	152.1
USA	116.9	130.4	91.4	97.6	80.5	79.9	45.1	21.2	22.5	29.5	50.8	926.5	54.6
TOTAL GAS	4,483.6	4,703.4	4,617.7	5,115.5	4,982.7	5,344.6	5,323.5	5,075.5	5,133.2	4,920.9	4,906.8	59,661.7	4,941.3
Electricity (GWH)	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY11	Jan
Power Production - IPP	99	106	106	103	107	107	110	105	109	107	99	1,263	111
Power Production - O&M	819	856	840	533	895	907	785	646	746	877	799	9,532	678
Downstream	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	FY11	Jan
Fuel Distribution / KL	13,516	17,031	35,119	25,532	29,220	15,753	21,295	22,342	29,560	15,796	31,668	268,468	36,834
Ethanol Production / KL	736	844	1,536	2,819	2,984	1,801	901	268	401	925	1,744	16,098	853
LPG Production / MT	1,161	1,330	1,243	1,288	1,272	1,142	1,330	1,304	1,364	1,181	1,323	15,304	1,306



WTI, Brent and ICP Oil Price

