

# PT Medco Energi Internasional Tbk.

## Monthly Newsletter



### STOCK DATA\*

|                     |   |         |
|---------------------|---|---------|
| Market Cap. (bn Rp) | : | 5,431.9 |
| Highest (12mth)     | : | 2,600   |
| Lowest (12mth)      | : | 1,410   |
| Last Price          | : | 1,630   |
| Free Float          | : | 37.56%  |

\*as of 31 December 2012

## News Release

***MedcoEnergi Signed New Gas Sales Contract in Senoro-Toili and Increased Gas Sales Price to PGN and Meppogen.*** During the 2013 Indo-gas Conference & Exhibition held on 21 January 2013, MedcoEnergi announced three gas supply contracts with domestic gas buyers. The signed contracts are: Heads of Agreement between Joint Operating Body PT Pertamina Medco Tomori Sulawesi, with PT Panca Amara Utama (PAU); the Amendment on Gas Supply Agreement between Medco E&P with PT Perusahaan Gas Negara (PGN); and the Amendment on Gas Supply Agreement between Medco E&P with PT Meppogen (MEPPOGEN).

PT Pertamina Medco Tomori Sulawesi (a partnership between Pertamina Hulu Energi - 50% working interest, MedcoEnergi - 30% WI, and Tomori E&P Limited - 20% WI), as the operator of the working area of Senoro - Toili PSC in Central Sulawesi, will supply gas to PAU's ammonia plant at 55 MMSCF per day at a gas price indexed to international ammonia price. At an ammonia price of USD 720 per metric ton as of December 2012, PAU will buy gas at USD 8.44/MMBTU. The contract period is 2015 - 2027. The Senoro upstream project is already underway and on target to deliver first gas to the Donggi Senoro LNG at the end of 2014 and PAU in the first quarter of 2015. The total value of the PAU contract is estimated at over USD 2.6 billion in revenues, of which the Government share is approximately USD 1.3 billion and the Senoro PSC contractors' USD 820 million.

The amended contracts with PGN and MEPPOGEN carry new gas prices and additional volumes. The agreed new gas price for PGN is USD 7.11/MMBTU in 2013, with an escalation factor of 3% per annum. The current gas supply rate of 20 BBTU per day will remain the same but the Total Contract Quantity (TCQ) volume increases by 50% to 41,900 BBTU. The amended contract with MEPPOGEN provides for an additional sales rate to 17.3 BBTU per day, at a gas price of USD 6.5/MMBTU (previous contract was USD 2.3/MMBTU), with Total Contract Quantity volume increasing by 7% to 36,904 BBTU. All the new sales volumes are from gas produced in the South & Central Sumatra PSC Block, to be utilized for electricity for domestic needs. The Company estimates to receive incremental contractor's share of over USD 21 million from the two amendment contracts.

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***MedcoEnergi Demonstrates an Outstanding Safety Performance in Oman Operations.*** Medco LLC Oman, a wholly owned subsidiary of PT Medco Energi Internasional Tbk received the Health, Safety and Environment (HSE) Shield Award from Petroleum Development Oman (PDO) – Oil South Directorate on 12 January 2013, for successfully achieving an outstanding HSE record of 4.7 million man-hours without Loss Time Injury (LTI) in Karim Fields (KSF) operation. The Award was presented to MedcoEnergi's President Director & CEO, Lukman Mahfoedz, by PDO's Managing Director, Raoul Restucci. PDO is a joint venture company of the Government of Oman and Shell.

This Award demonstrates MedcoEnergi's commitment to ensure its employees' safety at all times and manage its operations safely. MedcoEnergi will continue to deliver the best quality service and operation performance, as evident through its safety record and contribution to PDO's oil production.

MedcoEnergi operates KSF, located 700 kilometers southwest of Muscat, Oman under a service contract awarded by PDO to the Company in 2006. The KSF consists of 18 mature fields, the majority of which are 20 to 25 years old. Since 2006 MedcoEnergi has successfully increased production by 80%, to over 22,000 BOPD at the end of 2012. This success has shown MedcoEnergi's capability in operating mature fields, not only in domestic assets, but also in overseas.

***MedcoEnergi Increased Gas Sales Price to PT Mitra Energi Buana, in South Sumatra.*** PT Medco E&P Indonesia signed a gas sales and purchase agreement (GSPA) Amendment with PT Mitra Energi Buana to supply gas to the Muara Enim Regency in South Sumatra area on 1 December 2012. The gas will be supplied from South & Central Sumatra PSC Block and sent to Rambutan Station as the Delivery Point. The GSPA will take effect on 1 December 2012 and will last for five years or until the the Total Contract Quantity volume has been fulfilled, whichever earlier.

The Amendment will bring several important changes, among others, the increase of gas supply from 2.5 BBTUD to 3.7 BBTUD. The TCQ was also increased from 6.1 TBTU to 12.6 TBTU. Other adjustment includes the increase of gas price, from the previous gas price of USD3.41/MMBTU to USD6.04/MMBTU in 2012, with an escalation factor of 3% per year. The new gas price is effective after the signing of the GSPA. The combined increase of gas sales volume and price contributes a positively, in increasing the gross revenues of the project by approximately by USD 40 million (an increase from USD18 million to USD 58 million). Hence this GSPA Amendment will also contribute an increase income for the central government, local government of Muara Enim Regency, and Medco E&P as the contractor of the South & Central Sumatra PSC Block.

## Major Projects Report

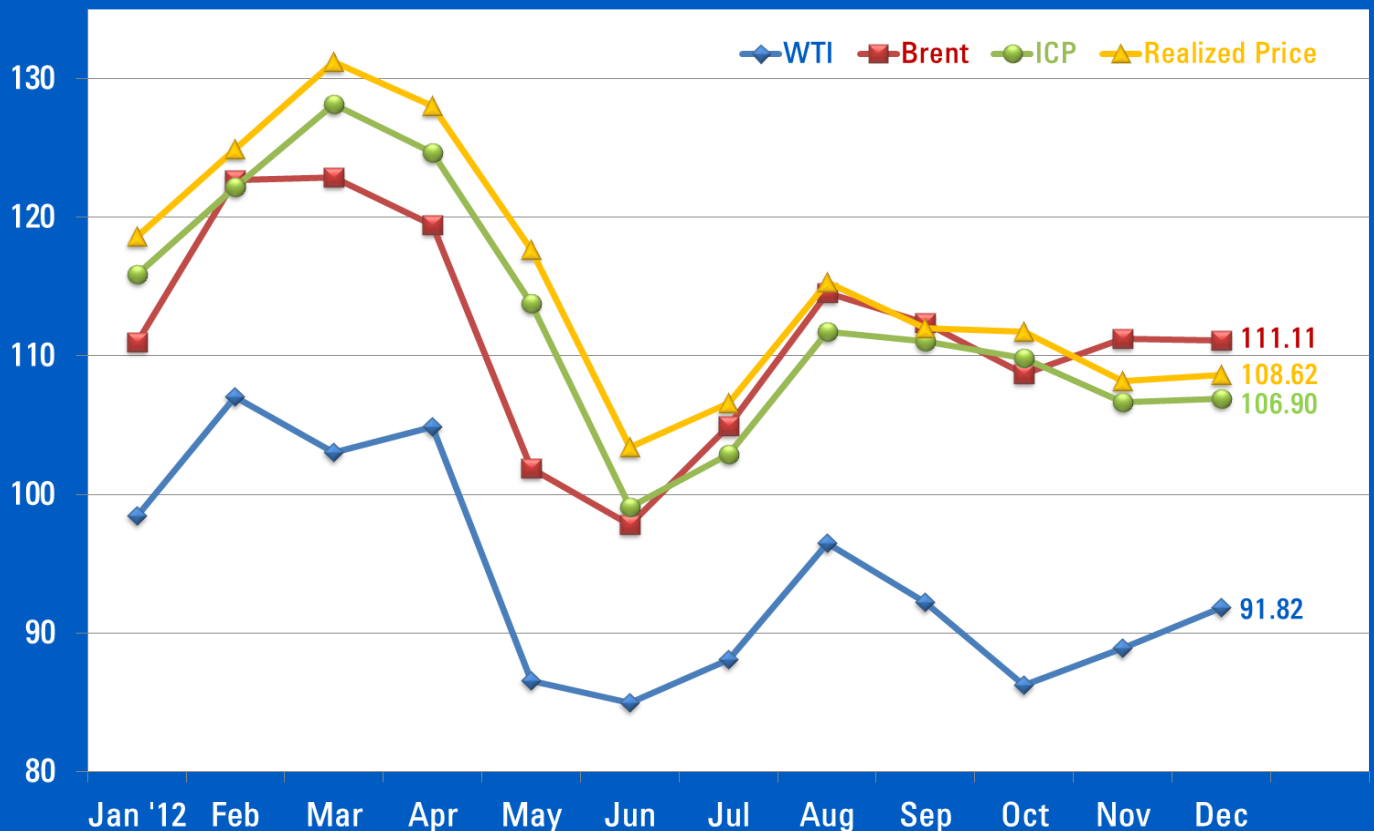
**Senoro Upstream** EPC facilities progress 1.95% actual. Total hauled landfill material for the site preparation progress as of December 28th was 611,625 m3. Central Processing Plant (CPP) completion is targeted by end January 2013. And target for handover land in February 2013. CPP and Jetty fencing is still ongoing. Head of Agreement with PAU has been signed on 5 October 2012 and Discussed with SKMIGAS on 18 Dec 2012.

**Donggi-Senoro LNG** EPC Progress is 74.67% compare to 64.44% as planned. The project continues being executed safely and ahead of plan.

**Blok A** EPC Tender is ongoing. Overall land acquisition payment progress is 85.2% completed (122.8 of 144 ha). Right of Way (RoW) CPP to Alur Rambong was 100% completed, CPP area was 96.7% completed, RoW CPP – Alur Siwah and RoW CPP – SLS A was 89.6% and 53.7% completed.

**Rimau EOR** Continue Chemical injection which has been started since 1 December 2012. All injection facility has been completed. The Opening was performed by Rimau Assets on December 28, 2012, while the inauguration by SKMIGAS was done on 7th January 2013.

## WTI, Brent, ICP and Realized Oil Price



## Production Report

| Oil Production (mbbls)   | Jan            | Feb            | Mar            | Apr            | May            | Jun            | Jul            | Aug            | Sep            | Oct            | Nov            | Dec            | YTD 2012        |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Rimau                    | 520.5          | 471.5          | 505.6          | 490.2          | 495.8          | 478.3          | 479.3          | 477.2          | 459.7          | 461.4          | 451.7          | 462.9          | 5,753.9         |
| South & Central Sumatra  | 194.6          | 202.0          | 216.0          | 204.1          | 219.2          | 221.1          | 237.2          | 230.2          | 217.2          | 218.4          | 212.1          | 208.0          | 2,579.9         |
| Tarakan                  | 82.4           | 84.9           | 102.8          | 93.6           | 90.6           | 87.3           | 100.4          | 84.8           | 73.8           | 68.8           | 62.8           | 57.9           | 990.1           |
| Sembakung                | 83.0           | 73.0           | 71.3           | 69.3           | 71.2           | 68.8           | 69.6           | 65.4           | 60.1           | 59.9           | 55.0           | 57.4           | 804.0           |
| Bawean                   | 51.4           | 60.3           | 42.0           | 10.9           | 12.9           | 38.8           | 47.5           | 51.4           | 45.5           | 38.8           | 38.1           | 36.8           | 474.3           |
| Tiaka                    | 13.3           | 12.2           | 12.6           | 12.0           | 11.8           | 10.9           | 11.2           | 10.9           | 9.9            | 10.3           | 9.5            | 9.6            | 134.1           |
| USA                      | 15.7           | 12.2           | 14.8           | 14.2           | 14.4           | 11.9           | 12.3           | 9.6            | 5.6            | 14.8           | 14.5           | 15.0           | 154.9           |
| <b>TOTAL OIL</b>         | <b>961.0</b>   | <b>916.2</b>   | <b>965.0</b>   | <b>894.2</b>   | <b>915.8</b>   | <b>917.0</b>   | <b>957.3</b>   | <b>929.4</b>   | <b>871.7</b>   | <b>872.3</b>   | <b>843.7</b>   | <b>847.6</b>   | <b>10,891.2</b> |
| Gas Production (mmcf)    | Jan            | Feb            | Mar            | Apr            | May            | Jun            | Jul            | Aug            | Sep            | Oct            | Nov            | Dec            | YTD 2012        |
| South & Central Sumatra  | 3,999.1        | 3,745.9        | 4,156.2        | 4,084.2        | 4,179.6        | 4,108.1        | 4,215.8        | 4,288.8        | 4,130.6        | 4,191.9        | 4,117.2        | 4,305.0        | 49,522.4        |
| Lematang                 | 992.4          | 916.8          | 669.9          | 573.2          | 595.3          | 574.9          | 545.0          | 446.8          | 665.5          | 902.4          | 881.4          | 1,136.2        | 8,899.7         |
| Tarakan                  | 152.1          | 115.8          | 115.0          | 87.4           | 78.0           | 134.2          | 126.4          | 41.2           | 15.9           | 6.5            | 8.6            | 10.7           | 891.9           |
| USA                      | 58.8           | 48.8           | 68.0           | 62.2           | 55.7           | 54.0           | 26.5           | 16.1           | 40.5           | 42.1           | 41.3           | 29.1           | 543.0           |
| <b>TOTAL GAS</b>         | <b>5,202.4</b> | <b>4,827.3</b> | <b>5,009.1</b> | <b>4,806.9</b> | <b>4,908.6</b> | <b>4,871.2</b> | <b>4,913.7</b> | <b>4,792.9</b> | <b>4,852.5</b> | <b>5,142.9</b> | <b>5,048.5</b> | <b>5,481.0</b> | <b>59,857.1</b> |
| Service Contract (mbbls) | Jan            | Feb            | Mar            | Apr            | May            | Jun            | Jul            | Aug            | Sep            | Oct            | Nov            | Dec            | YTD 2012        |
| Oman                     | 318.3          | 301.3          | 327.6          | 309.1          | 341.2          | 341.8          | 336.2          | 314.2          | 305.5          | 315.4          | 302.4          | 307.6          | 3,821           |

