



MEDCOENERGI

1Q10 Investors' Update

PT Medco Energi Internasional Tbk.

29 April, 2010

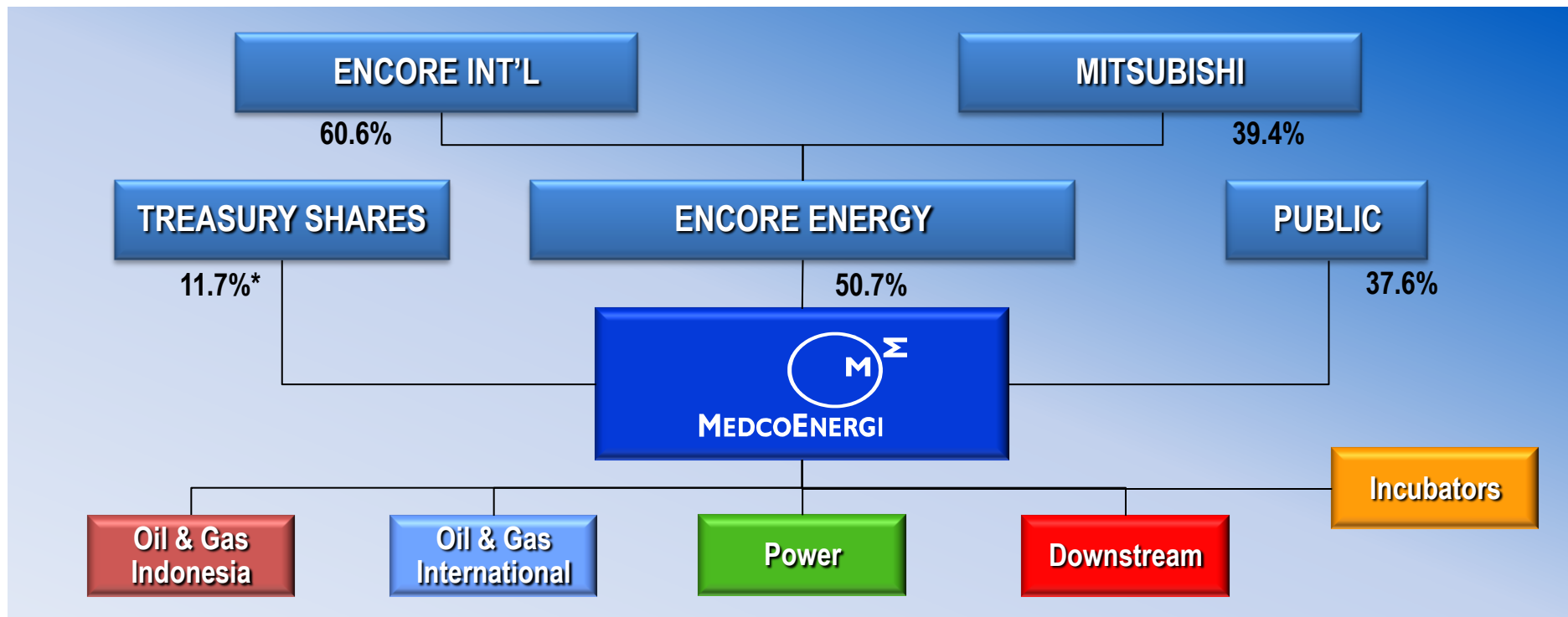
www.medcoenergi.com

Energy Company of Choice

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Overview

"A leading, domestic E&P focused company with international oil and gas assets, supported by diversified business portfolio."



*All treasury shares including the 6.7% tied to the CB are now free and unencumbered after the CB has been put back to us on 12 May 2009

- ❖ An integrated energy company, operating in:
 - Oil and gas E&P sector (domestic and international assets)
 - Power sector (power generation plants, EPC and O&M services)
 - Downstream sector (renewables, fuel distribution and other utilization of upstream resources)
- ❖ With a long-term view, Medco allocates a portion of its capital to its incubator unit to supervise the development for nurturing new energy-related business opportunities, e.g.:
 - Coal Bed Methane
 - Mining (coal)
 - Natural gas distribution

"Large portfolio, domestic and international, offers diversification of opportunities and risks across broader geological formation."



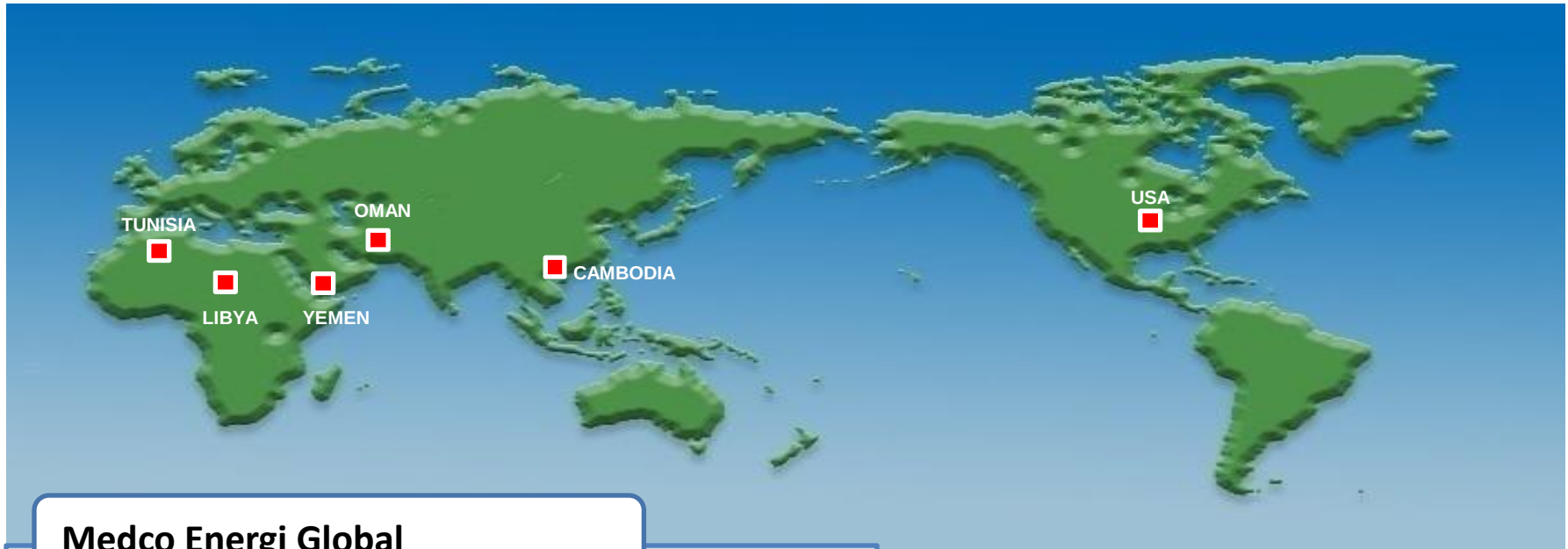
Medco E&P Indonesia

- In Indonesia, Medco operates 10 blocks, maintains working interests in 3 blocks operated by strategic partners, and holds economic participating interest in an exploration field.

Indonesia

■ Producing blocks	7	■ Exploration blocks	5
■ Development block	1	■ Economic interest	1

“Global presence enhanced Company’s credibility when negotiating for hydrocarbon assets in under-exploited countries.”



Medco Energi Global

- Medco’s international operations spread across 20 assets in Asia, Africa, and the US

US (incl. Gulf of Mexico)		Yemen		Tunisia	
▪ Producing blocks	8	▪ Exploration blocks	2	▪ Development block	1
▪ Exploration blocks	5				
Oman		Libya		Cambodia	
▪ E&P service contract	1	▪ Exploration Block	1	▪ Exploration blocks	2

“Other revenue streams not only further diversify risks but also monetize upstream assets by midstream and downstream integration.”

Medco Power Indonesia

- 4 gas-fired power generation plants in Batam with total capacity of 156.6 MW including a new commercially operated gas-fired combined cycle power plant with additional capacity of 20.6 MW
- 1 Operation & Maintenance project in Tanjung Jati B, Central Java 1,320 MW



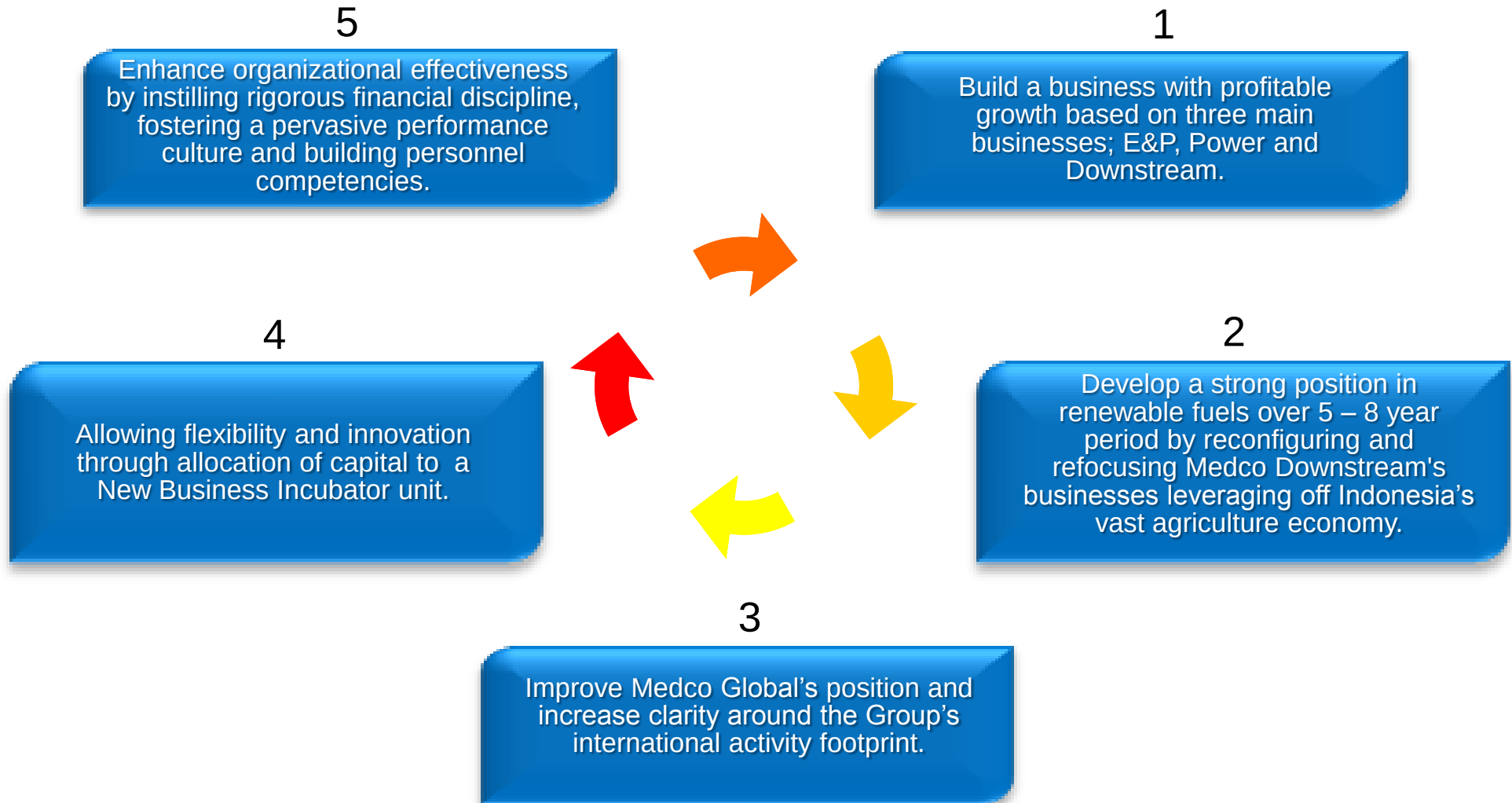
Medco Downstream Indonesia

- LPG plant in Rimau, South Sumatra, with capacity of 73,000 ton/year -- processing associated gas from Rimau block
- Ethanol plant in Lampung, with capacity of 180 KL/day
- HSD storage and distribution, with storage capacity of 22,700 KL.



Incubator Projects

- Coal Bed Methane project, South Sumatra
- Coal Mining project, East Kalimantan
- Gas Pipeline project, Gunung Megang – Pagar Dewa





MEDCOENERGI

1Q10 Financial and Operational Highlights

Consolidated

Financial Highlights(mn USD)	1Q10	1Q09	Δ%
Revenue	186.0	134.9	37.9
Gross Profit	73.1	51.0	43.4
Income from Operations	45.7	24.1	89.2
EBITDA	64.5	46.3	39.4
Earnings Before Tax	18.7	12.4	51.1
Net Income	8.8	7.5	17.2
EPS (USD/share)	0.0030	0.0025	20.0
Equity	719.6	740.4	(2.8)
Total Assets	2,085.4	1,989.5	4.8
Total Liabilities	1,344.2	1,236.7	8.7

Oil and Gas E & P

Operational & Financial Highlights	1Q10	1Q09	Δ%
Proved Reserves - 1P (MMBOE)	230.6	103.6	122.6
Proved and Probable Reserves - 2P (MMBOE)	271.6	188.8	43.8
Oil Lifting / MBOPD	31.0	34.0	(8.7)
Gas Sales / MMCFD	139.6	97.2	43.5
Total Oil and Gas (MBOEPD)	54.9	50.6	8.4
Average Oil Price, USD/barrel	78.7	46.1	70.9
Average Gas Price, USD/mmbtu	3.5	3.2	10.2
Revenues (mn USD)	125.8	93.0	35.3
Cost of Sales (mn USD)	65.8	47.4	38.7
Net Income (mn USD)	34.0	18.1	87.6

Electricity

Operational & Financial Highlights	1Q10	1Q09	Δ%
Power Production - IPP / GWH	239	225	6.2
Power Production - O&M / GWH	2,352	1,533	53.4
Revenues (mn USD)	17.8	14.2	25.9
Cost of Sales (mn USD)	12.9	10.2	26.6
Net Income (mn USD)	1.2	0.1	1,994.7

Downstream

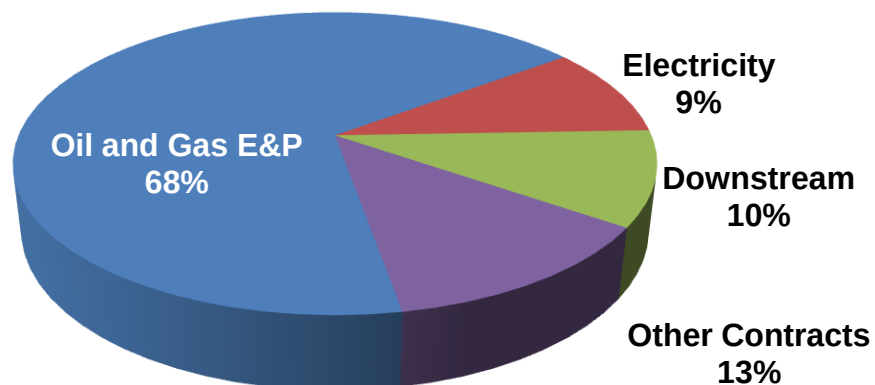
Operational & Financial Highlights	1Q10	1Q09	Δ%
Fuel Distribution / '000 KL	32.4	17.3	87.1
Average HSD Price / Rp per KL	5,593	4,474	25.0
Ethanol Production/ KL	2,006	2,077	(3.4)
Average Ethanol Price, USD / KL	547	390	40.3
LPG Sales / MT per day	41.0	46.1	(11.2)
LPG Price/ USD per MT	671.8	387.9	73.2
Revenues (mn USD)	18.9	9.7	94.4
Cost of Sales (mn USD)	17.9	11.1	60.9
Net Income (mn USD)	(2.6)	(3.6)	(28.0)

Other Contracts*

Financial Highlights	1Q10	1Q09	Δ%
Revenues (mn USD)	23.5	18.1	30.2
Cost of Sales (mn USD)	16.4	15.3	7.5
Net Income (mn USD)	2.6	0.9	176.9

*Operation and service contract from Oman and drilling services from EPI

Segmental breakdown, 1Q10 Revenues



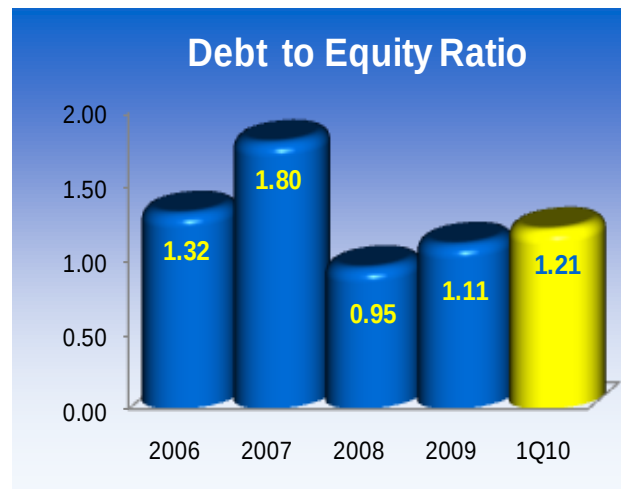
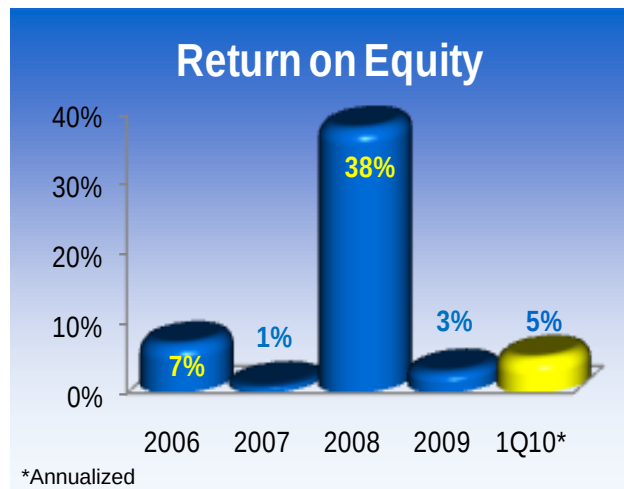
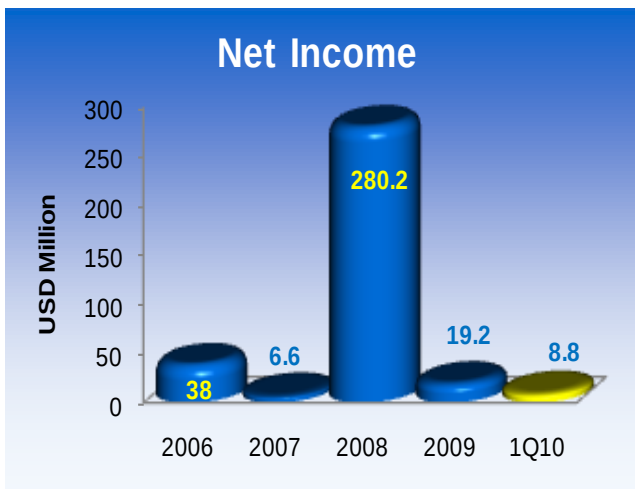
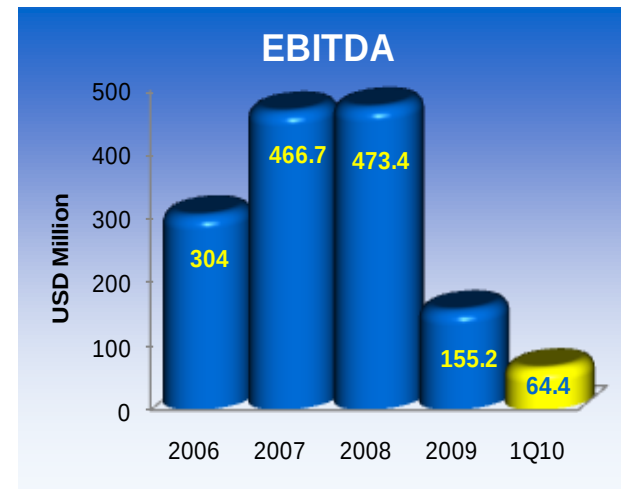
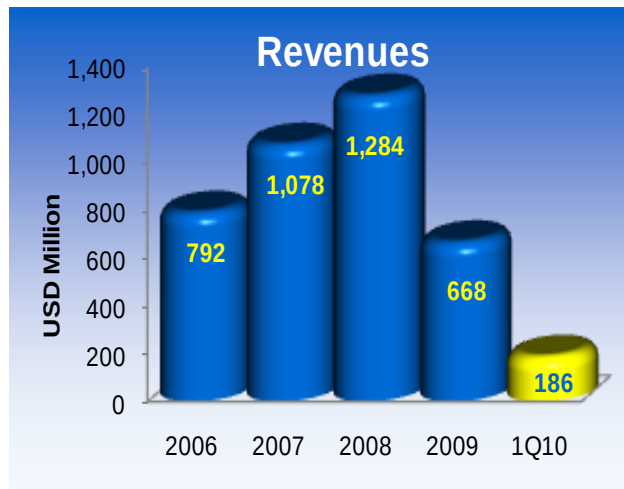


Current Financial Status

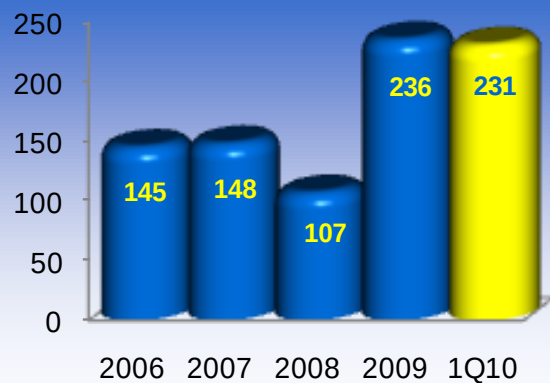
CONSOLIDATED DEBTS (in million USD)	1Q10	1Q09	Δ%
A. Total Bank Loans	517.0	427.3	21.0
Current Portion	147.3	56.8	159.1
Non Current Portion	369.7	370.5	(0.2)
B. Other Obligations	351.5	313.2	12.2
Rupiah Bonds (due in 2012 and 2014)	163.7	102.0	60.5
MTN (due in 2011 and 2012)	99.6	0.0	n.m.
USD Notes (due in 22 May 2010)	88.2	88.8	(0.7)
USD Convertible Bonds (put back in 2009)	0.0	122.4	n.m.
Total	868.5	740.5	17.3
STOCKHOLDER COMPOSITION	1Q10	1Q09	Δ%
Encore Energy Pte. Ltd.	1,689,393,006	1,689,393,006	50.70
Public	1,252,603,944	1,252,603,944	37.58
Treasury Shares	390,454,500	390,454,500	11.72
Total	3,332,451,450	3,332,451,450	100.00

Charts and Ratios

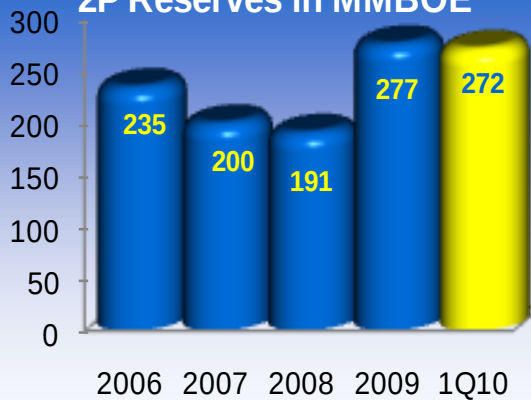
Financial Charts - Consolidated



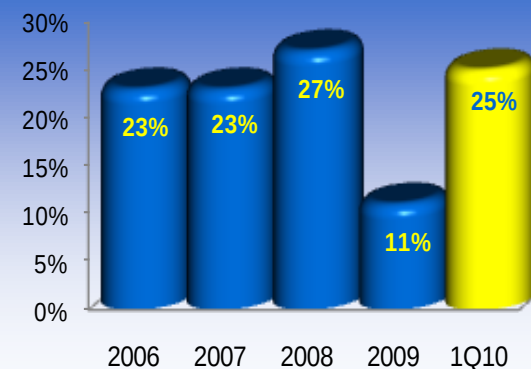
1P Reserves in MMBOE



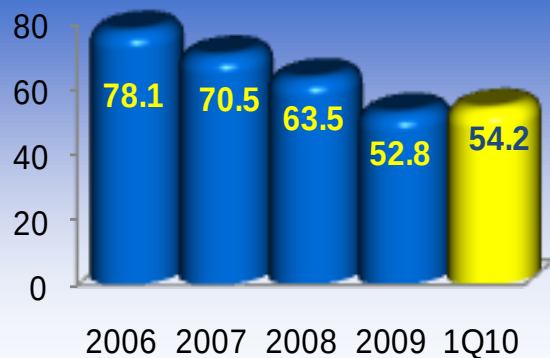
2P Reserves in MMBOE



Operating Margin



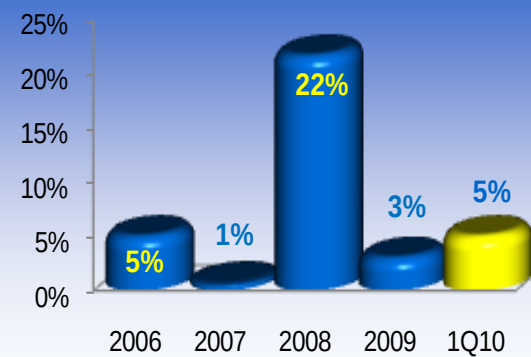
Lifting in MBOEPD



Lifting Cost per BOE



Net Margin



RATIOS	1Q10	1Q09	Δ%
Liquidity & Solvability (x)			
Cash Ratio	0.63	0.65	(3.63)
Quick Ratio	1.52	1.62	(5.65)
Current Ratio	1.70	1.81	(5.86)
Debt to Equity Ratio	1.21	1.00	20.67
Net Debt to Equity Ratio	0.79	0.59	32.89
Total Liabilities / Total Equity	1.87	1.67	11.84
Profitability (%)			
Gross Margin	39%	38%	4.0
EBITDA Margin	35%	34%	1.1
Operating Margin	25%	18%	37.2
Net Margin	5%	6%	(15.0)
Return on Equity - Annualized	5%	4%	20.6

RATIOS	1Q10	1Q09	Δ%
Coverage Ratios (x)			
Interest Coverage Ratio	4.15	5.36	(22.5)
Net debt/ EBITDA - Annualized	2.20	2.37	(7.3)
Efficiency Ratios (x)			
Revenue/ fixed assets - Annualized	0.71	0.56	26.3
Revenue/ net working capital - Annualized	2.22	1.45	53.0
Investment Ratios (x)			
CapEx/ Revenue	0.22	0.41	(45.4)
CapEx/ Depreciation	2.21	2.50	(11.4)
Capital Structure (x)			
Net debt/ total equity	0.79	0.59	32.9
Net debt/ (net debt + equity)	0.44	0.37	18.4

Reserves Profile

“Medco will book its technically proven discovery as proved reserves upon achievement of certain milestones.”

Indonesia	International	1P (Proved)
▪ Rimau ▪ Kampar ▪ Lematang ▪ Tarakan ▪ Sembakung ▪ Senoro Toili ▪ Bawean	▪ East Cameron ▪ Main Pass ▪ Mustang Island ▪ Brazos ▪ West Delta	230.57 MMBOE 38% oil, 62% gas

- ❖ **1P or Proved reserves:**
Reserves claimed to have a reasonable certainty (normally at least 90% confidence) of being produced.
- ❖ **2P or Proved and Probable reserves:**
Reserves claimed to have a lower certainty (at least 50% confidence) of being produced due to operational, contractual, or regulatory uncertainties.
- ❖ **Contingent Resources:**
Discoveries not yet considered fully ready for commercial development due to certain contingencies.

Indonesia	International	2P (Proved and Probable)
▪ Rimau ▪ Kampar ▪ Lematang ▪ Tarakan ▪ Sembakung ▪ Senoro Toili ▪ Bawean	▪ East Cameron ▪ Main Pass ▪ Mustang Island ▪ Brazos ▪ West Delta	271.58 MMBOE 40% oil, 60% gas

→ Most of 2P reserves and Contingent Resources are **technically proven** – conversion to proved reserves is pending certain milestones of commerciality factors e.g. government approvals, final POD etc.

▪ Libya-47 ▪ Block A ▪ Senoro Toili ▪ Bangkanai ▪ Simenggaris	Contingent Resources 257.30 MMBOE 60% oil, 40% gas
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Based on 1Q10 data

Reserves Profile: Potential Additional Reserves

“Major projects provide significant upside potentials -- by converting technical reserves to commercial reserves from either one of Libya or Senoro alone, Medco’s proved reserves will be more than doubled”

Major Projects Assets

Est. Contingent Resources

Key Milestones

Libya-47

175,850
MBOE

- ❖ Acquired 50% working interest in 2005
- ❖ Obtained reserves estimation from D&M in 2008
- ❖ Submitted POD to Libyan National Oil Corporation (NOC) in late 2008
- ❖ Secured operatorship and exploration extension in April 2010
 - ❖ **FID pending: POD approval by the NOC**

Senoro Toili

45,214
MBOE

- ❖ Established operating company in 2007
 - ❖ Signed GSA early 2009
- ❖ Migration of 118.9 mmboe contingent resources to 2P
 - ❖ **FID pending: conditions on GSA**

Block A

22,067
MBOE

- ❖ Acquired 41.67% working interest in 2006
- ❖ Signed GSA with two off-takers in Q4 2007 and Q1 2008
- ❖ **FID pending: PSC extension (current contract expires in 2011)**

Subtotal 243,131 MBOE

Total 2P + contingent reserves 514,707 MBOE

Key Investment Points

Key Investment Positives

Diversified Upstream Asset Portfolio

Geographically Medco has diversified upstream asset portfolio both in domestic and international markets, in term of fuel type Medco has 40% oil and 60% gas proved and probable reserves (2P) as of March 30, 2010.

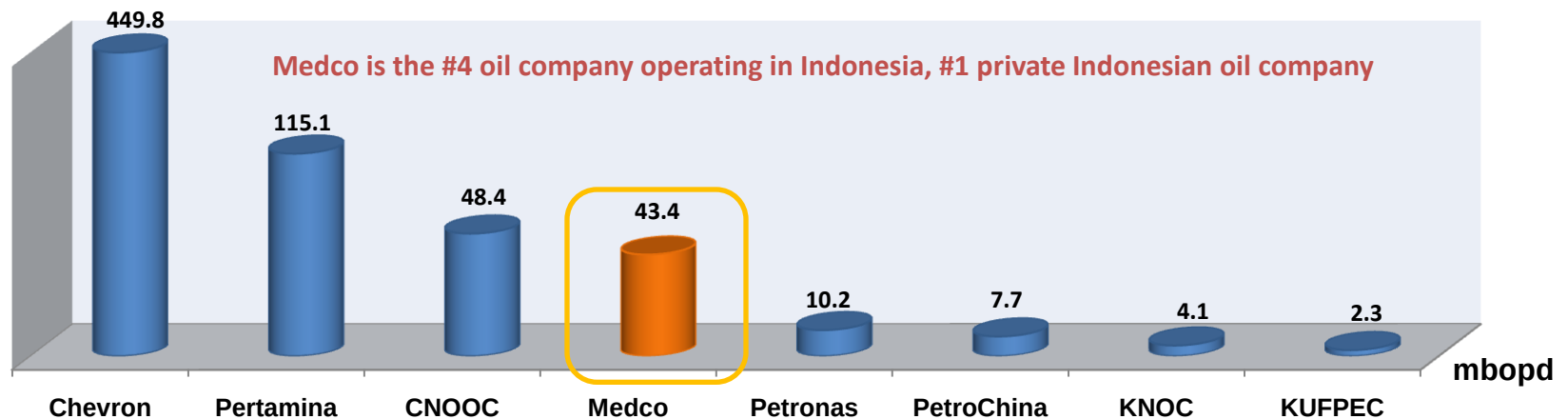
Industry Fundamentals still attractive

Energy sector remains attractive with favorable demand-supply dynamics supporting future oil prices. Solid long-term gas market fundamentals, and LNG market is growing rapidly as energy markets are becoming increasingly globalized.

Strong reserves and production Upside

Current reserves are 230.6 mmboe (1P reserves); 271.6 mmboe (2P reserves); 257.3 mmboe (contingent resources) as of March 30, 2010. Main projects that could provide significant reserves upside particularly from Libya Block 47 and Senoro Toili. When the two projects start producing, it will add up an additional production of 46 mboepd from the current 54 mboepd or almost doubling it.

2008 gross oil production of oil upstream operators in Indonesia



Source: WoodMackenzie

Key Investment Positives

Focused Business Strategy

Medco's asset optimization-divestment strategy is set to reshape its asset portfolio to mainly focus on exploration and production in oil and gas with an increasing midstream and downstream integration to support its upstream activities.

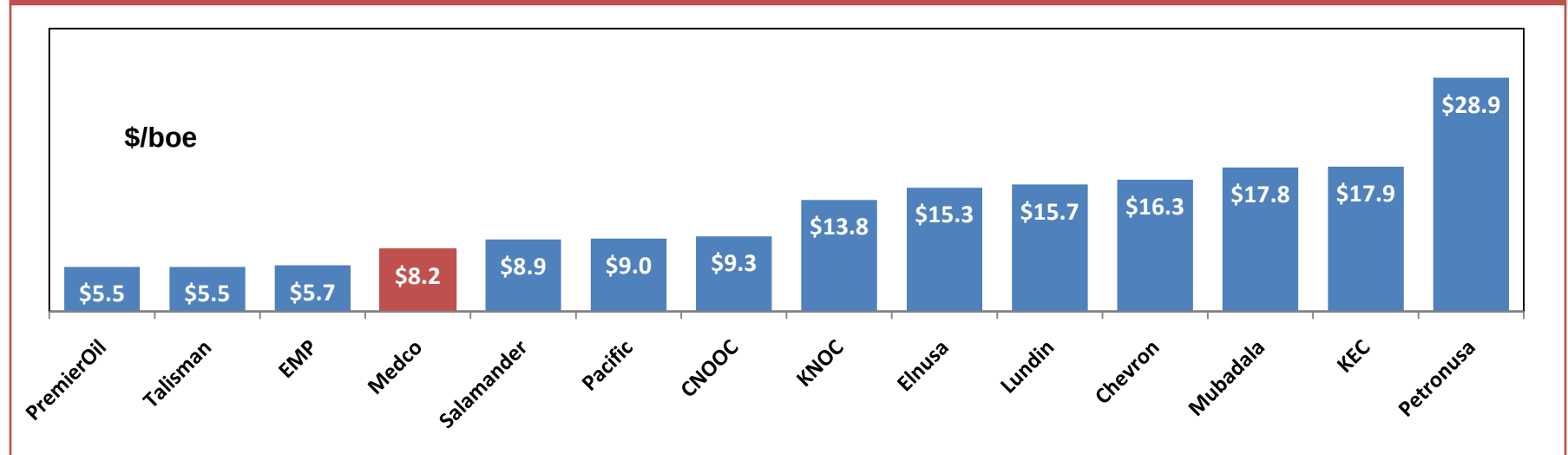
Strong Management Track Record

Managed by seasoned professionals with at least 25 years of industry experience and clear business strategy. The Company has demonstrated its ability to acquire exploration acreage, increase assets and expand business internationally.

Low Cost Producer

The company remains a low cost producer by implementing cost efficiency measures and applying latest proven technology while also committing to continue cost containment and reduction program.

2008 lifting costs for major operators in Indonesia



Source: WoodMackenzie

Corporate Updates 2010



1. MedcoEnergi has issued the **2nd Medium Term Notes (MTN)** in a total amount of USD 50 million on 22 March 2010. The MTN were issued in two tranches: Series A in the amount of USD 40 million with coupon rate of 7.25% per annum and a 2-year tenor and Series B in the amount of USD 10 million with coupon rate of 8.00% per annum and a 3-year tenor. The transaction was arranged by Bahana Securities, OSK Nusadana Sekuritas and NISP Sekuritas and privately placed it to a number of prominent institutional investors.
2. MedcoEnergi completed the construction of **Combined Cycle Power Plant in PLTGU Panaran II, Batam** and started the operation on 25 March 2010. The combined cycle which is operated by the Company's indirect subsidiary PT Dalle Energy Batam will add an another 20.6 MW of power supply from Panaran II by utilizing steam produced from the simple cycle gas turbine generator. Prior to this, Panaran II produces 61.5 MW of power supply from 55.5 MW (2x27.75 MW) gas turbine generator and 6 MW chiller.
3. MedcoEnergi **secured operatorship of Area 47 in Libya** from the Libyan General People's Committee (GPC) starting 1 April 2010 replacing Verenex Energy Area 47 Libya Limited (VEAL). GPC also **granted a one year extension to the exploration period** commencing the same date of Operatorship. The move came after Verenex Energy Inc. which is Medcoenergi's partner and also operator of Area 47 was acquired by Libya Investment Authority (LIA) a sovereign wealth fund established by the Libyan Government in 2006 and has assets in excess of US\$65 billion.

Major Projects Update

Major Projects Portfolio



- Oil Development
- Power Plant
- Gas Development

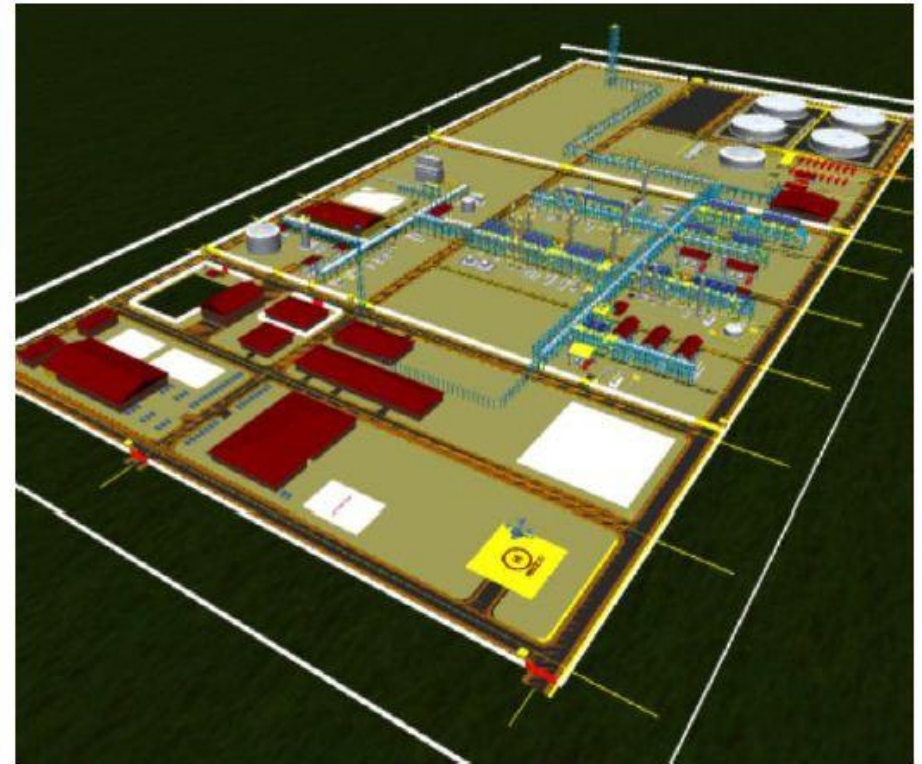
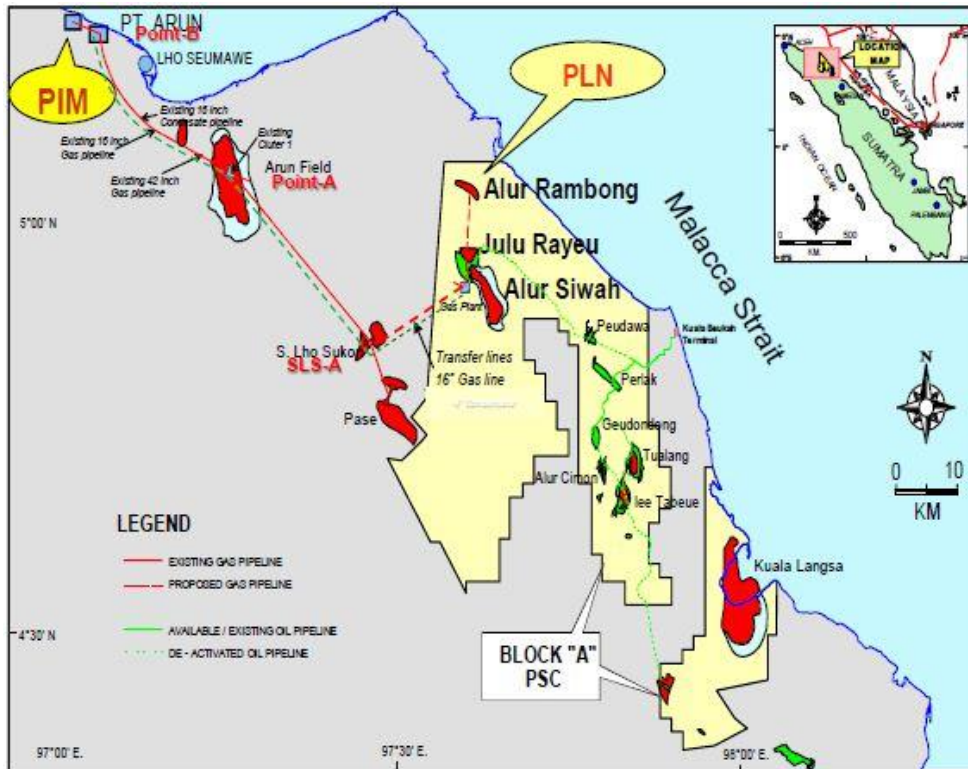
PROJECTS	TARGET Start-Up	Project Descriptions	% ownership	Partners
Singa	2010	Gas field development of 50 MMscfd	74.12%	Lundin Lematang
Block A	2012/2014	Gas field development up to 110 MMscfd	41.67%	Premier, Japex
Rimau	2013	Oil field - Enhanced Oil Recovery	95%	PD-PDE
Senoro	2014	Gas field development up to 250 MMscfd	50%	Pertamina
DS- LNG	2014	LNG plant , single train of 2.1 mtpa capacity	20%	Pertamina, Mitsubishi
Libya 47	2014	Oil field development of 50,000 - 100,000 bopd	50%	Verenex
Sarulla	2013 - 2014	Geothermal power plant, 3x110 MW	37.25%	Kyushu, Ormat, Itochu

Singa Lematang Gas Project



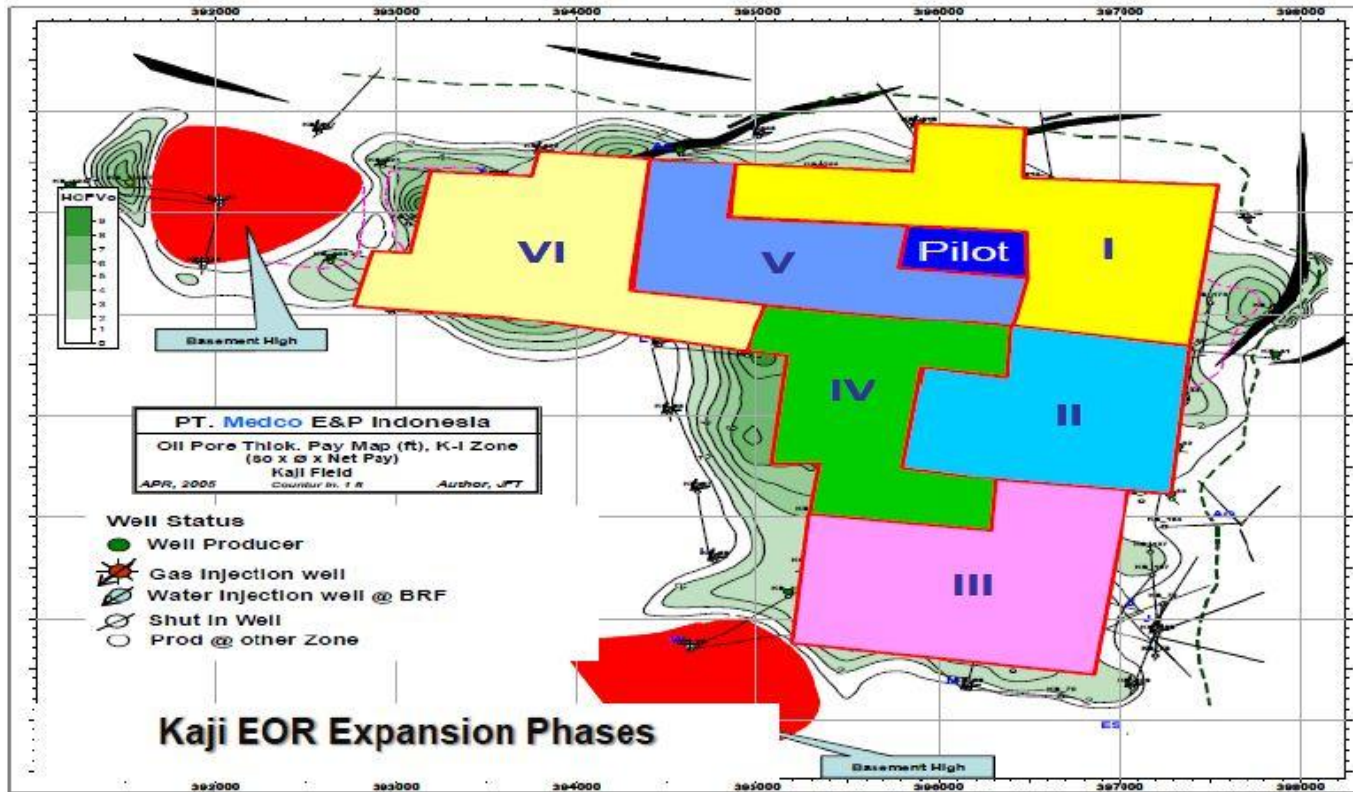
- Gas Production Facilities Status; Engineering 100% complete, Procurement 99.3 % complete, and construction 98.6% complete;
- Construction of 12" 42-km Gas Shipping Line from Singa to Pagar Dewa completed and operated;
- MedcoEnergi has signed Gas Sales Purchase Agreement with PT Perusahaan Gas Negara on December 4, 2009 to supply natural gas of 53,266 BBTU at USD 5.4/mmbtu for a 38-month period;
- First start production profile is targeted at 35 mmscfd by 2Q10.





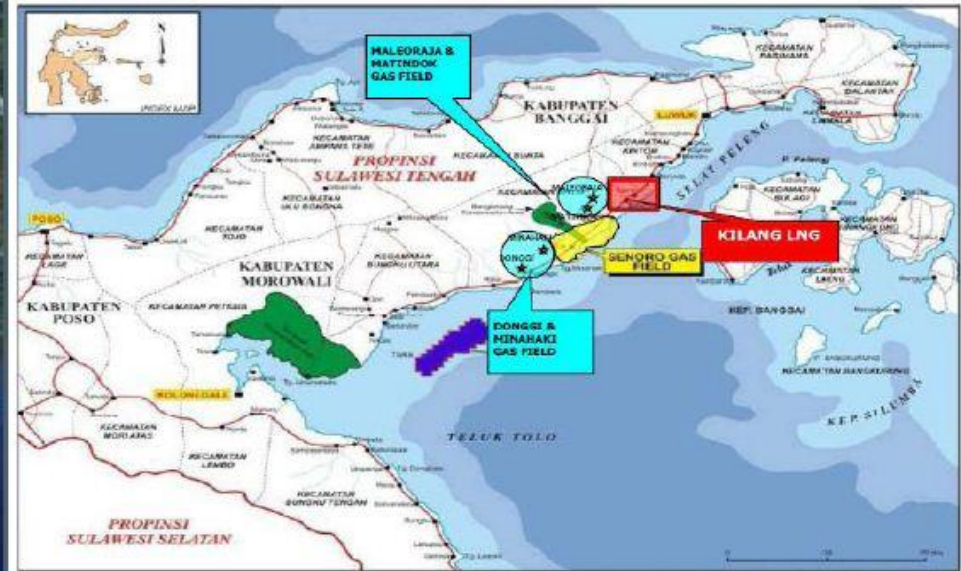
- GSA with Pupuk Iskandar Muda and PLN have been signed in 2007 and 2008, respectively. Gas prices for both buyers have been approved by MESDM in 2009;
- FEED completed;
- Obtained verbal endorsement from Governor of Aceh;
- Follow up with Central Regulator to obtain PSC Extension approval;
- Protracted PSC Extension progress which will impact the delay of FID to 4Q10, no major capex before Final Investment Decision;

Rimau Enhance Oil Recovery Project



- Expected to increase original oil in place by 16.4% in 2013;
- Capex will be internally funded from operation;
- Continue pilot project contract for 2 years from 2010-2012 to confirm viability of the project;
- This pilot project is a step to full expansion, contains 6 pattern drilling.

Senoro Gas/LNG Development

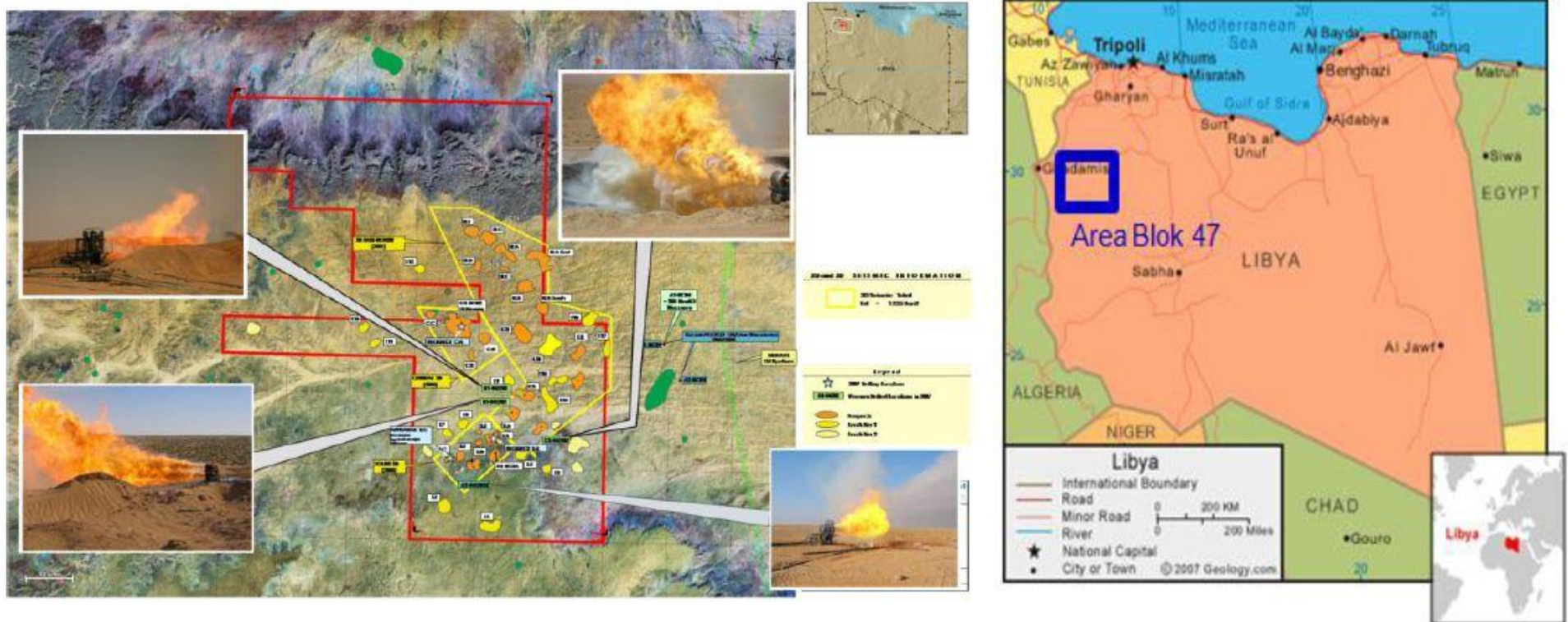


Upstream:

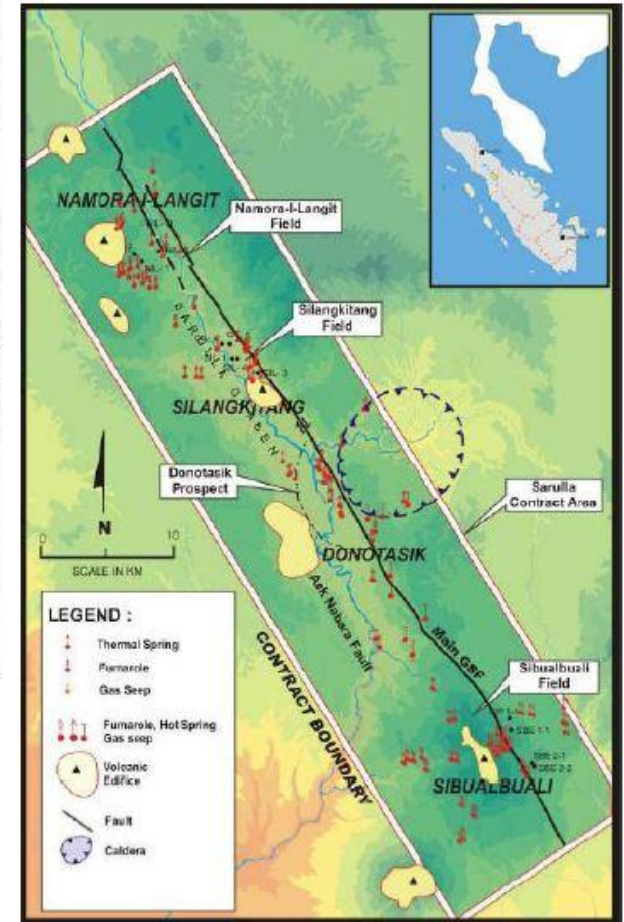
- Awaiting final Government of Indonesia's decision on Project Approval. ESDM has recommended project to proceed. Obtained support from the local parliament-Sulawesi and forward plan if the approval is beyond March;
- No major capex before Final Investment Decision;
- Reserve assessment by GCA completed;
- Financing – negotiations with commercial banks

Downstream:

- Land acquisition progress is 98%;
- Continuing negotiation with potential LNG buyers;
- Financing – continuing negotiations with JBIC and commercial banks



- Successful exploration results with aggregate flow of 109,936 bopd based on 17 exploration and 4 appraisal wells;
- Gross Contingent Resources of 351.7 mmboe as of December 2009;
- Strong prospective value in Libya Project was reflected from the recent buyout of Verenex' shares who owns 50% interest in Libya Blok 47 by The Libyan Investment Authority for US\$350mn. The transaction was finalized in December 22, 2009;
- Secured operatorship on Block 47, replacing Verenex;
- Received exploration extension for one year since April 1, 2010;
- Continue exploring financing in the form of reserve based lending.



- Electricity Tariff – renegotiate underway with PLN
- Downstream – Completed soil resistivity test; held technical meeting with EPC contractor to reduce costs.
- Financing – positive response from JBIC/ADB and other commercial banks to provide funding



This document contains certain results of operation, and may also contain certain projections, plans, strategies, policies and objectives of the Company, which could be treated as forward looking statements within the meaning of applicable law. Forwards looking statements, by their nature, involve risks and uncertainties that could cause actual results and development to differ materially from those expressed or implied in these statements. PT MEDCO ENERGI INTERNASIONAL TBK. does not guarantee that any action, which should have been taken in reliance on this document will bring specific results as expected.

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