

1Q12 Investors' Update

PT Medco Energi Internasional Tbk.



Table of Contents

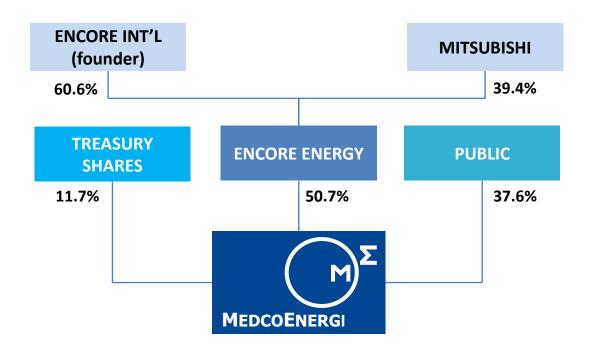
| 01: The Overview: Company Profile & Assets Portfolio | 3 |
|--|----|
| Shareholding Structure | 4 |
| Organization Structure | 5 |
| Business Strategy | 6 |
| Assets Portfolio | 7 |
| 02: Business Performance: Operational & Financial KPIs | 11 |
| Operational KPIs | 12 |
| Financial KPIs | 15 |
| 03: Business Development: Reserves and Capex | 18 |
| Reserves & Production Profile FY11 | 19 |
| Capex Profile | 20 |
| 04: Highlights: Asset Development Projects | 21 |

01

The Overview: Profile & Assets Portfolio

Shareholding Structure





PT Medco Energi Internasional Tbk. is a publicly listed integrated energy company with focus in exploration and production of oil and gas business. MedcoEnergi also has other energy related businesses in Liquefied Petroleum Gas, bio-ethanol, and involved in trade and distribution HSD, and operates some power plants and supplies electricity to the Perusahaan Listrik Negara (PLN).

| Stockholder Composition | 1Q12 | % |
|-------------------------|---------------|--------|
| Encore Energy Pte. Ltd. | 1,689,393,006 | 50.70 |
| Public | 1,252,603,944 | 37.58 |
| Treasury Shares | 390,454,500 | 11.72 |
| Total | 3,332,451,450 | 100.00 |

Medco Energi Internasional Tbk. Organization Structure





Audit Committee

Remuneration & Nomination Committee

Board of Commissioners

President Director & C E O



Lukman Mahfoedz Legal Counsel, Corporate Affairs

Legal Counsel, E&P

Corporate Internal Audit

Corporate Secretary

Executive Assistant

Board of Medco Energi Internasional Tbk

Director & Chief Financial



Syamsurizal Munaf

Director & Chief Human Capital Officer



Dasril Dahya

Director & COO E&P



Frila Berlini Yaman

Director & Chief Planning Officer



Akira Mizuta

Chief Business
Support Officer



J. Kustadi

Chief Exploration & New Ventures Officer



Faiz Shahab

Director & COO
Power, Mining &
Downstream



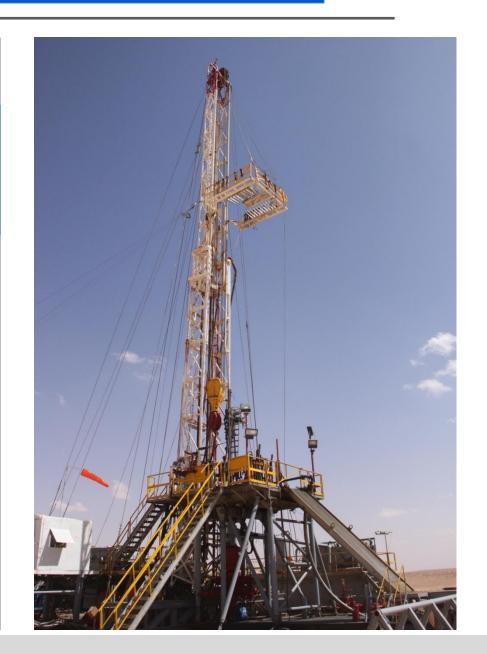
Budi Basuki

Medco Energi Internasional Tbk. Business Strategy



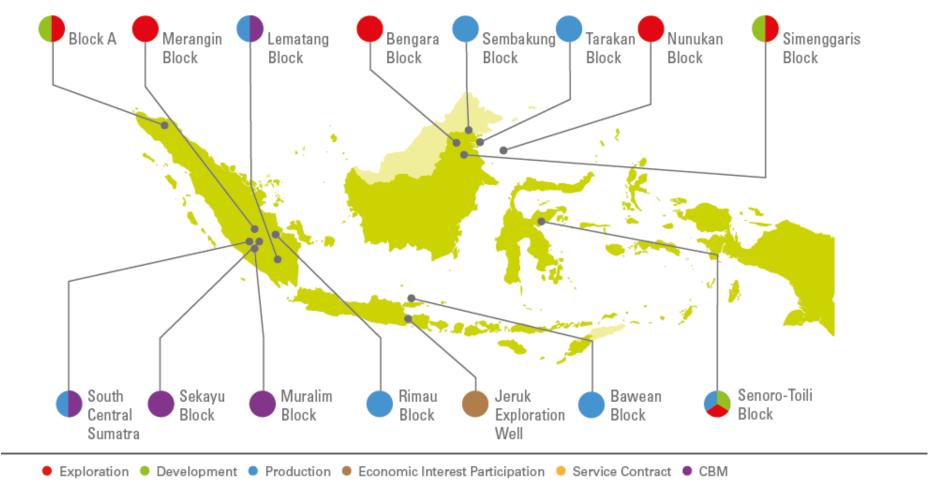
Our Business Strategy

- Strengthen the portfolio of producing assets, including acquisitions.
- Increase the reserve life index through exploration activities.
- Complete all Major Projects as planned
- Accelerate the growth of non-oil and gas assets through strategic partners.



Assets Portfolio - 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.

Assets Portfolio - E&P (International)



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

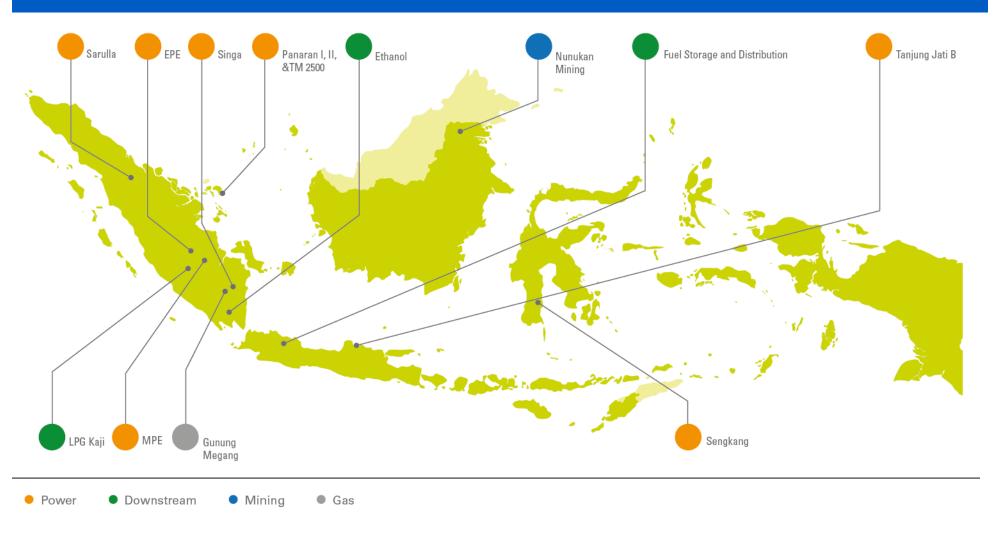


Medco's international operations spread across 10 assets in Asia, Africa, and the US.

Asset Portfolio - Other Energy Related Business



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



Asset Portfolio - Other Energy Related Business (cont'd)







Downstream

- 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





Gas Pipeline

 Booster Compressor and 17.5km pipeline at Gunung Megang South Sumatra

Drilling Services (EPI)

• Provide well services / workover rigs and Electric Wireline Logging (EWL) for oil & gas operations





Coal Mining

- Operates two Mining Rights at Nunukan, East Kalimantan. Production started in February 2012
- 1 Block still in exploration phase, target for production in 2013
- Peak production estimated at 500,000 ton per year





Power

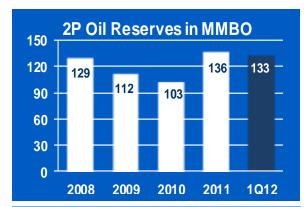
- 2 gas-fired power generation plants with a mobile truck mounted power plant in Batam and 3 gasfired power generation plants in South Sumatra with total capacity of 189.5 MW
- 1 Operation & Maintenance Contract in Tanjung Jati B Coal Plant, C. Java 1,320 MW

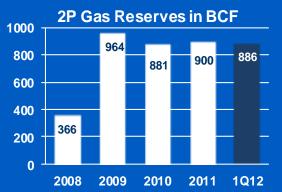
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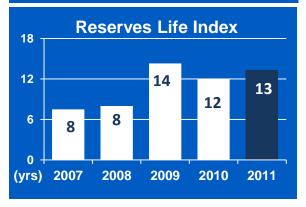
Business Performance:Operational & Financial KPIs

Operational Breakdown





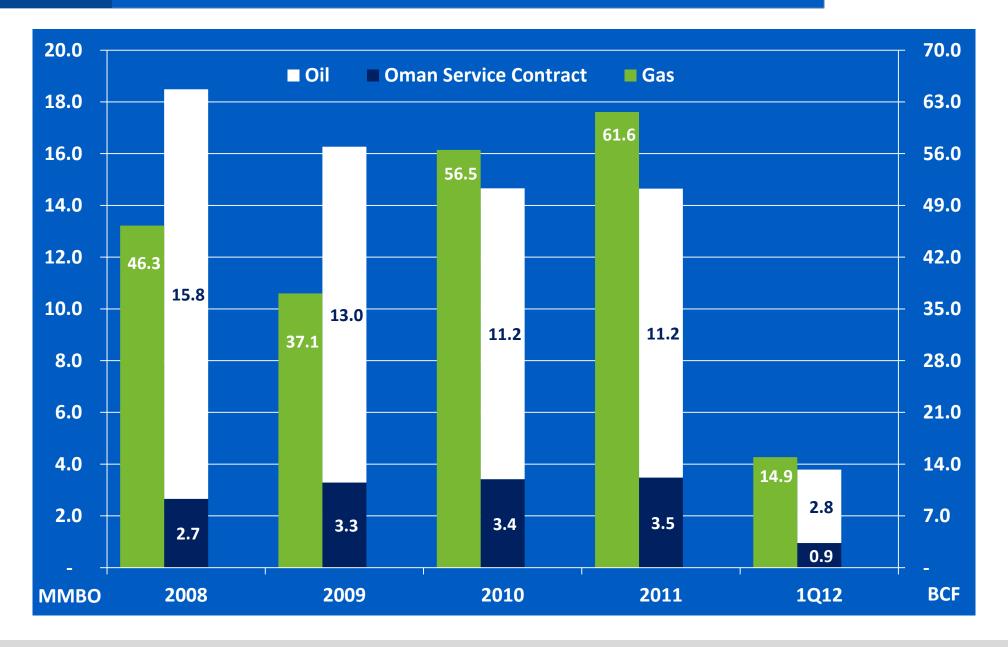




| Oil and Gas E&P | 1Q11 | 1Q12 | Δ% |
|---|-------|-------|--------|
| Proven Reserves - 1P (MMBOE) | 196.3 | 202.8 | 3.3 |
| Proven and Probable Reserves - 2P (MMBOE) | 248.4 | 284.4 | 14.5 |
| Oil Lifting / MBOPD | 27.5 | 29.2 | 6.2 |
| Oman Service Contract / MBOPD | 9.3 | 10.4 | 12.5 |
| Gas Sales / MMCFD | 157.7 | 155.3 | (1.5) |
| Total Oil and Gas* (MBOEPD) | 63.7 | 66.1 | 3.9 |
| Average Oil Price, USD/barrel | 106.6 | 125.0 | 17.3 |
| Average Gas Price, USD/mmbtu | 3.7 | 3.9 | 4.3 |
| LPG Sales / MT per day | 41.7 | 40.6 | (2.7) |
| LPG Price/ USD per MT | 802.6 | 972.4 | 21.2 |
| Non-Oil and Gas | 1Q11 | 1Q12 | Δ% |
| HSD Sales (000 KL) | 42.2 | 70.1 | 66.3 |
| HSD Price (Rp/KL) | 7,681 | 8,133 | 5.9 |
| Ethanol Production (KL) | 2,718 | 938 | (65.5) |
| Ethanol Price (USD/MT) | 607 | 798 | 31.5 |
| Electricity Generation (GWh) | 309 | 320 | 3.6 |

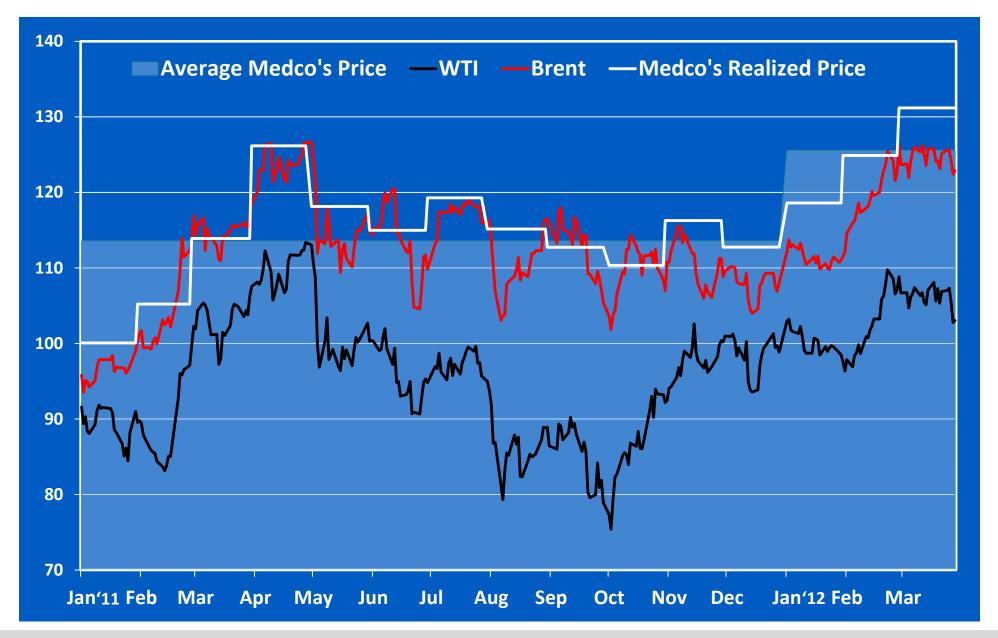
^{*}Including Oman Service contract





Oil Price Comparison





Financial KPIs





EBITDA

223

2010

155

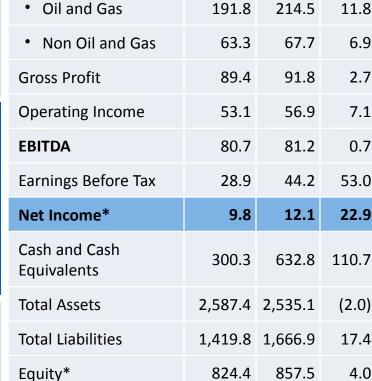
2009

338

2011

81

1Q12



1Q11

255.1

1,100.1

0.0033

29.9

780.5

0.0041

27.2

1Q12

282.2

Δ%

17.4

4.0

(29.1)

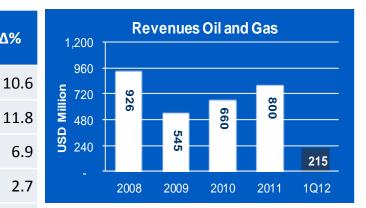
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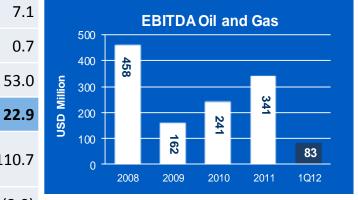
(9.3)

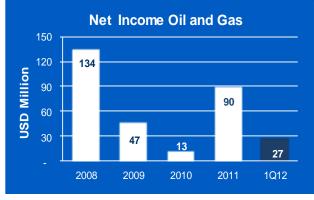
Financial Highlights

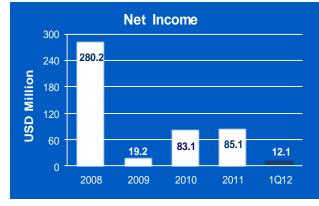
(USD mm)

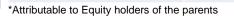
Revenue











Market Capitalization

EPS (USD/share)

Capex

500

400

300

200

100

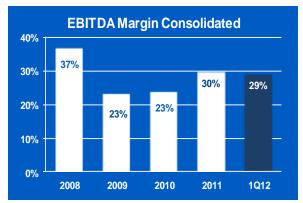
USD Million

473

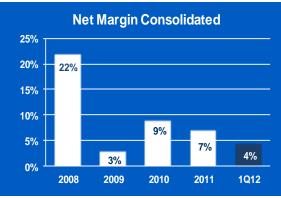
2008

Financial KPIs (cont'd)

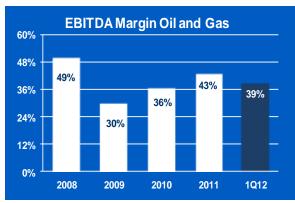


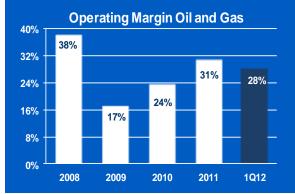


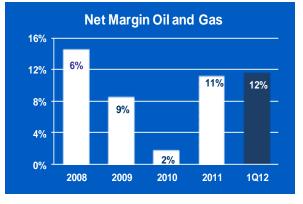




| Profitability Ratios (%) | 1Q11 | 1Q12 | Δ% |
|--|----------------------|------------------------------|---------------|
| Gross Margin | 35.1% | 32.5% | (7.2) |
| EBITDA Margin | 31.6% | 28.8% | (8.9) |
| Operating Margin | 20.8% | 20.2% | (3.1) |
| Net Margin | 3.8% | 4.3% | 11.1 |
| Return on Equity - Annualized | 4.8% | 5.6% | 18.2 |
| Efficiency Ratios (x) – Ann | 1Q11 | 1Q12 | Δ% |
| Revenue/fixed assets | 0.93 | 1.20 | 29.0 |
| | | | |
| Revenue/net working capital | 2.27 | 2.25 | (0.9) |
| Revenue/net working capital Investment Ratios (x) | 2.27 1Q11 | 2.25 1Q12 | (0.9) Δ% |
| | | 1Q12 | , |
| Investment Ratios (x) | 1Q11 | 1Q12 | Δ% |
| Investment Ratios (x) CapEx/Revenue | 1Q11 0.12 | 1Q12 0.10 | Δ% (18.0) |
| Investment Ratios (x) CapEx/Revenue CapEx/Depreciation | 1Q11 0.12 1.08 | 1Q12 0.10 1.11 1Q12 | Δ% (18.0) 2.7 |



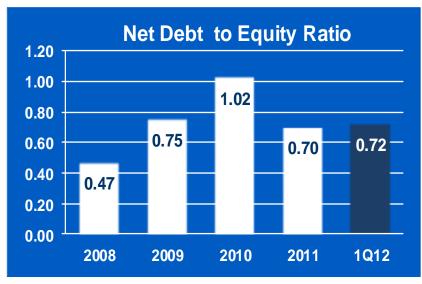




Financial KPIs (cont'd)



| CONSOLIDATED DEBTS (in USD mn) | 1Q11 | 1Q12 | Δ% |
|--------------------------------|-------|---------|--------|
| A. Total Bank Loans | 660.0 | 864.3 | 31.0 |
| Current | 169.4 | 385.3 | 127.4 |
| Non Current | 490.5 | 479.1 | (2.3) |
| B. Other Obligations | 321.2 | 387.6 | 20.7 |
| Current: MTN | 67.8 | 21.4 | (68.4) |
| Rupiah Bonds | - | 55.8 | n.m. |
| Non Current: Related Party | - | 83.5 | n.m. |
| MTN | 81.7 | 40.4 | (50.6) |
| Rupiah Bonds | 171.7 | 107.1 | (37.6) |
| USD Bonds | - | 79.4 | n.m. |
| Total | 981.1 | 1,252.0 | 27.6 |



| Liquidity & Solvability (x) | 1Q11 | 1Q12 | Δ% |
|--------------------------------|------|------|--------|
| Cash Ratio | 0.60 | 0.87 | 45.1 |
| Quick Ratio | 1.60 | 1.48 | (7.3) |
| Current Ratio | 1.90 | 1.69 | (11.0) |
| Debt to Equity Ratio | 1.19 | 1.46 | 22.7 |
| Net Debt to Equity Ratio | 0.83 | 0.72 | (12.6) |
| Total Liabilities/Total Equity | 1.72 | 1.94 | 12.9 |
| Coverage Ratios (x) | 1Q11 | 1Q12 | Δ% |
| Interest Coverage Ratio | 4.33 | 4.22 | (2.4) |
| Net debt/EBITDA - Annualized | 2.11 | 1.91 | (9.7) |

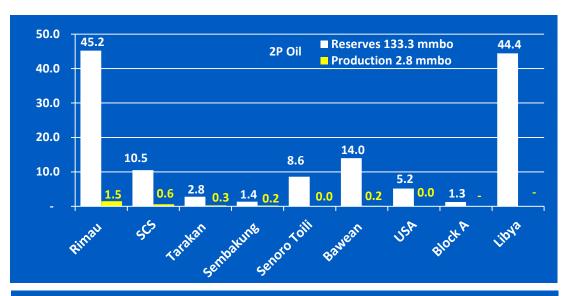
03

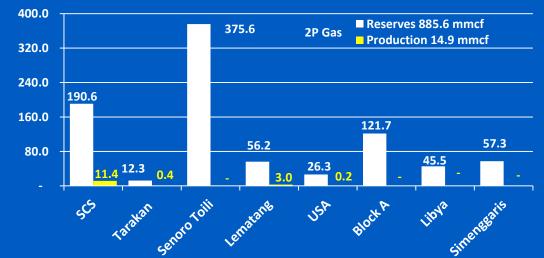
Business Development:Reserves and Capex

Reserves and Production Profile 1Q12



"The combination of oil and gas reserves on Medco's portfolio will help sustain production life for years to come"





2P or Proven and Probable reserves:

Reserves claimed to have a lower certainty (at least 50% confidence) of being produced due to operational, contractual, or regulatory uncertainties. For 1Q12, the addition of reserves from Libya and Simenggaris has increased the 2P Oil and Gas reserves to 133.3 mmbo and 885.4 mmcf respectively.

- As of 1Q12, both Medco's 2P reserves are comprised of 47% oil and 53% gas.
- → Most of 2P reserves and Contingent Resources are <u>technically proven</u> conversion to proven reserves is pending certain milestones of commerciality factors e.g. government approvals, final POD etc.
- Libya-47
- Senoro Toili
- Bangkanai
- Simenggaris

Contingent Resources

110.9 MMBOE

54% oil, 46% gas

Capex Profile



"During the next 3 years Medco will spent substantial amount of Capex to start develop its Major Projects following the approval of their Final Investment Decisions."

| E&P CAPEX | 2010 | 2011 | 2012 F | 2013 F | 2014 F | 3-YR F |
|--------------------------|-------|-------|--------|--------|--------|---------|
| Exploration Capex | 38.5 | 46.5 | 19.9 | 27.4 | 33.3 | 80.6 |
| Development Capex | 88.4 | 96.6 | 205.2 | 386.2 | 375.4 | 966.8 |
| TOTAL E&P CAPEX | 126.9 | 143.2 | 225.1 | 413.6 | 408.7 | 1,047.4 |
| Non E&P Capex | 17.0 | 13.2 | 46.2 | 10.4 | 0.3 | 56.9 |
| TOTAL CAPEX NET | 143.9 | 156.3 | 271.3 | 424.0 | 409.0 | 1,104.3 |

^{*}Preliminary figures, subject to change

04

Highlights: Asset Development Projects

Asset Development Projects

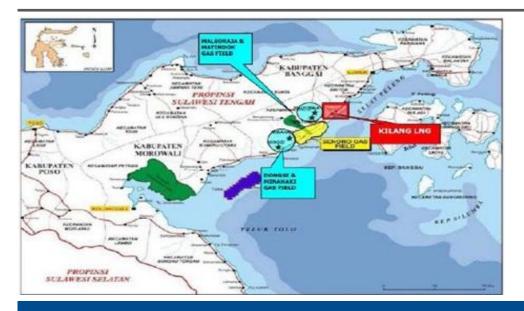




| PROJECTS | TARGET Start-Up | Project Descriptions | % Ownership | Partners |
|-----------|--------------------|--|----------------|-----------------------------------|
| Senoro | 2014 | Gas field development up to 310 MMscfd | 30% | Pertamina, Tomori E&P Ltd |
| DSLNG | 2014 | LNG plant , single train of 2.0 mtpa capacity | 11.1% | Pertamina, Mitsubishi |
| Libya 47 | 2015 | Oil field development of 50,000 - 100,000 bopd | 50% | Libyan Investment Authority (LIA) |
| Block A | 2014 - 2016 | Gas field development up to 110 MMscfd | 41.67% | Premier, Japex |
| Rimau EOR | 2015 | Oil field - Enhanced Oil Recovery | 95% | PD-PDE |

Senoro Upstream & DSLNG Project







Objective: Commercialize 1.96 TCF of gross 2P reserve and contingent gas resources through LNG product

Upstream:

- ❖ Scope: Build 310 MMSCFD plant, target 3Q 2014
- Status:
 - FID Approved. Obtain POD approval in May 2011.
 AFE approved on Feb 2012
 - EPC Re-tender ongoing, target to award / LOI issuance by July 2012
 - CPP & Jetty Land Acquisition substantially complete, site preparation work is progressing well.

Downstream:

- Scope: Build 2.1 MT per annum LNG facilities, target first LNG to buyer by 4Q 2014.
- Status:
 - Commence LNG EPC contract on 28 Feb 2011
 - EPC progress currently 49% (10% ahead of schedule)
 - Project Financing with JBIC and/or export credit agencies are under negotiation.

DSLNG Project Progress





DSLNG Project Progress





A000: Process Train Area

- Main PR Columns & Beams
- Sub rack formworks & rebar and concrete works
- Steel Structure erection
- Manhole & GRE U/G Pipe works
- Unit S/S & LER-1 Bldg Rebar and formworks
- Equip. fdn concrete work (MCHE&Compressors)



B000: Utility Area

- Pipe rack columns & beams.
- MSR & Main S/S foundation work in progress.
- FW & UTL/PW Tank foundation works in progres
- EDG & GTG Foundation works in progress.
- -Sewer MH work in progress.



C300: 071-TK-1001 [LNG Tank]

- Prefabrication of roof support & roof block assembly in progress.
- Rebar works , Formworks, & Concrete casting for PC Walf 1st lift in progress.
- Roof Support & Preassembled Roof installation in progress.



D130 Area Pipe Sleeper

- Excavation of sleeper fdn in progress



C100 Pipe rack

- Steel STR erection work in progress.

DSLNG Project Progress



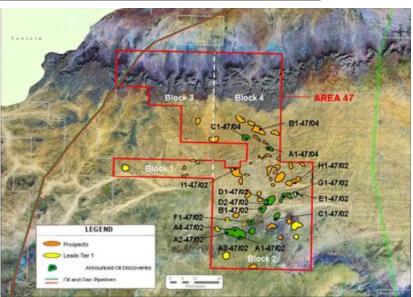








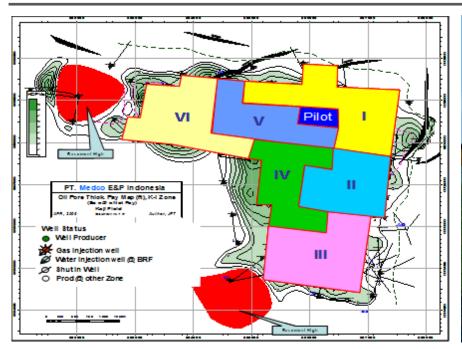


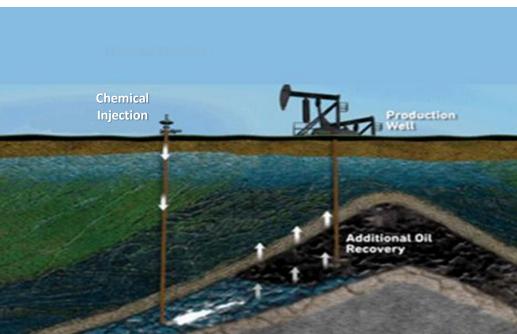


- Scope: Produce 50-100 MBOPD production facilities with associated pipelines
- ❖ Status :
 - Total 26 wells drilled, 20 exploration wells and 6 appraisal wells. 18 out of 20 exploration wells discovered oil/gas.
 - Successful exploration results, Contingent Resources increased by 2/3 from 352 MMBOE (D&M, Sept 2008) to 588 MMBOE (in-house estimates, Apr 2011);
 - Obtained Commerciality Declaration on 14 December 2011. Start Pre-Engineering Study update in June 2012.
 - Continue Joint Operation Agreement (JOA) and Shareholder Agreement (SHA) negotiation with National Oil Company (NOC) of Libya

Enhanced Oil Recovery (EOR) Project

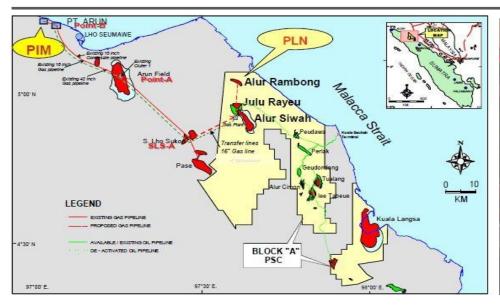






- Objective: Increase oil production from existing reservoir using enhanced recovery technique (surfactant)
- Scope: Implementation of Chemical Flooding EOR project in Kaji Semoga to increase the recovery of oil in place by up to 60 MMBO starting 2015
- Status :
 - Started pre-flush activity in Dec 2011
 - Finalizing the plant to start Chemical Injection in July 2012
 - Capex will be internally funded from operation







❖ Scope:

2 x 60 MMSCFD gas plant and associated pipeline, to monetize 343 BCF of gross gas reserves; to supply state owned fertilizer company (PIM) and electricity company (PLN).

Status:

- EPC contract tender in continues, target to receive commercial submission from the bidders in June.
- Land acquisition for CPP is 91% complete and continue progressing with the remaining land both CPP and pipeline.
- Finalizing Facility Sharing Agreement (FSA) with Exxon Mobil and Service agreement with PT Arun and DJKN
- Final Investment Decision is targeted on 3Q 2012
- Matang-1 exploration contracts ready on track for spud target in 3Q-2012



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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