

MEDCOENERGI

Public Expose

PT Medco Energi Internasional Tbk.

November, 2007

www.medcoenergi.com

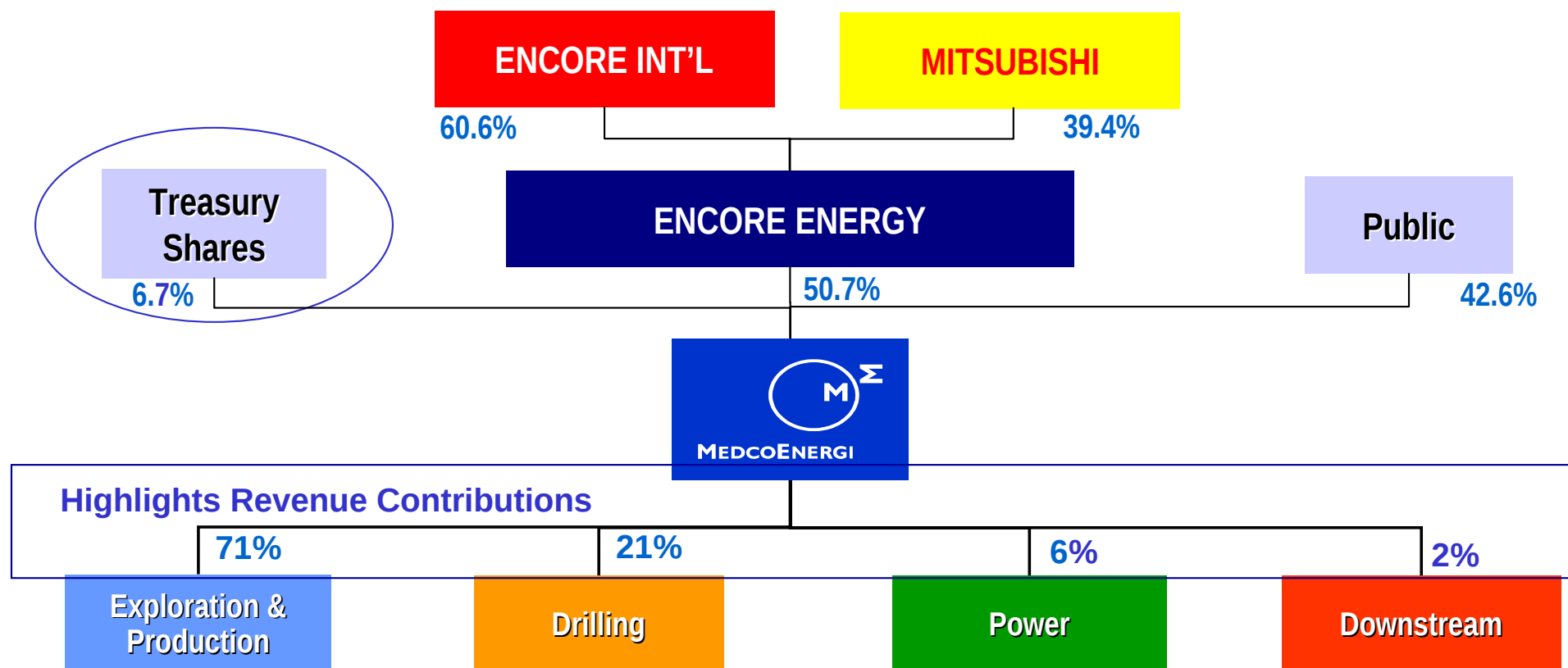
Energy Company of Choice

This document contains certain financial conditions and 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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Overview

Medco Energi's Ownership Structure



- E&P Oil and Gas focused company, supported by onshore and offshore drilling operations, expanding to downstream and power opportunities.
- Strategic assets spread across Indonesia's prolific hydrocarbon bearing basins as well as international assets.
- Reserves Portfolio as of 31 December 2006:
 - Gross 1P reserve – 148 MMBOE (71% oil, 29% gas)
 - Gross 2P reserve – 483 MMBOE (34% oil, 66% gas)

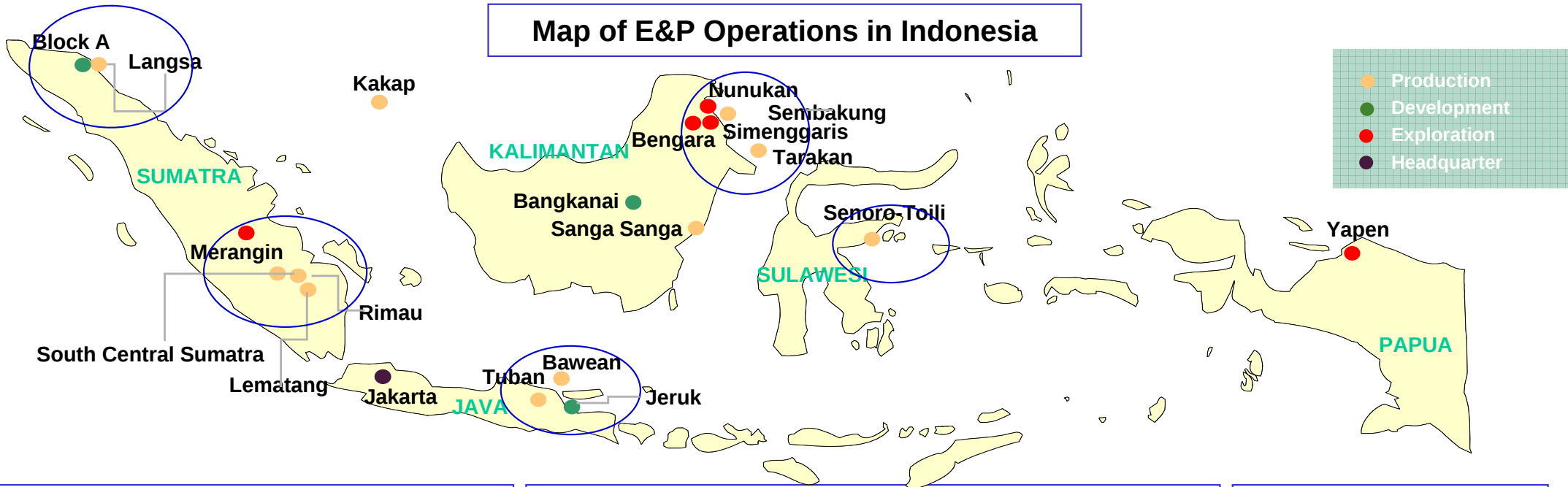
Note: Reserves portfolio excludes Block A, Rimau EOR and Libya reserves

Medco Energi's - Indonesian Operations



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Map of E&P Operations in Indonesia



Medco Energi's E&P operations:

- 11 producing blocks/operations
- 3 development blocks
- 5 exploration blocks

Major operated assets are:

- ❖ Rimau
- ❖ South Central Sumatra
- ❖ Lematang
- ❖ Senoro – Toili (gas reserves)
- ❖ Block A

Medco Energi's Power Plants:

- Panaran 1 & 2 Power Plant in Batam (118 MW)
- Batam Movable Power Plant (20MW)
- Sarulla Geothermal in North Sumatra (340MW)
- Tanjung Jati B (O&M) in Central Java (1,320MW)

Medco Energi's Drilling Rigs:

- 8 onshore rigs
- 4 swamp barge rigs
- 2 jack-up rigs

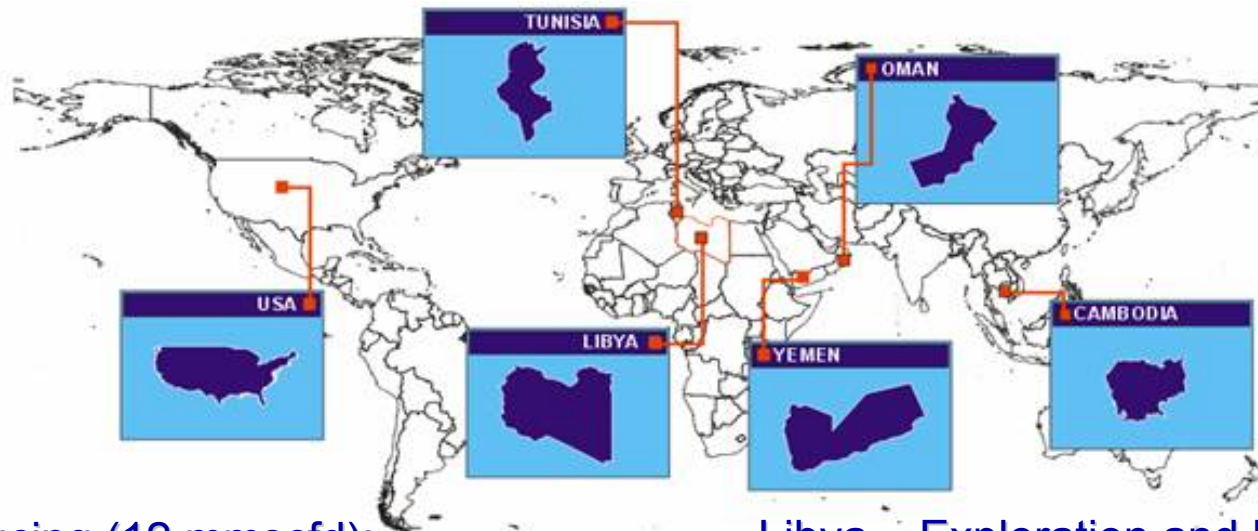
Medco Energi's Downstream

- 1 Methanol plant in North East Kalimantan
- 1 LPG plant in South Sumatra
- 1 Ethanol plant in Lampung, South Sumatra
- 2 Wholesale storage and distribution facilities of refined fuels (Jakarta and East Java)

Medco Energi's - International Operations



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■ USA* – Producing (12 mmscfd):

- East Cameron
- Main Pass

– Exploration

- Mustang Island (May 2006)
- Brazos Area, Gulf of Mexico (October 2006)
- West Delta, Gulf of Mexico (May 2007)

■ Yemen* - Exploration:

- Block 82 & 83 (Dec. 2006)
- 45% working interest

* operator

■ Libya – Exploration and Discovery:

- Area 47 (Feb. 2005)
- 50% working interest
- Significant oil discovery

■ Oman* – Service Contract (12 mbod):

- Karim Small Fields (Aug. 2006)

■ Cambodia* - Exploration:

- Block E (Sept. 2006)
- 41.25% working interest

■ Tunisia - Exploration:

- Anaguid Block
- 40% working interest

Company Performance

Operational Highlights

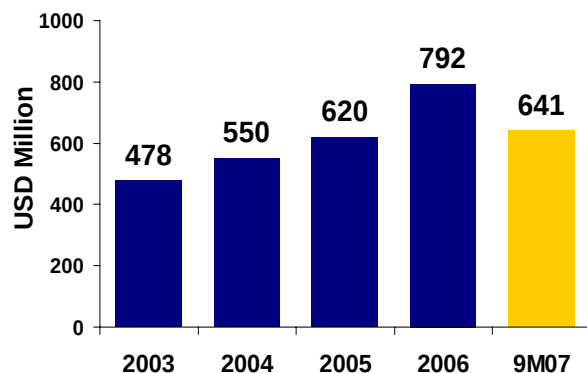
OPERATIONAL HIGHLIGHTS	9M07	9M06	Δ%
Oil Lifting / MBOPD	49.94	55.75	-10.4
Gas Sales / MMCFD	116.3	131.18	-11.3
TOTAL Oil and Gas (MBOEPD)	69.82	78.17	-10.6
Crude Price, USD/barrel	66.86	66.33	0.8
Gas Price, USD/mmbtu	2.81	2.49	12.8
Onshore Rig Utilization / %	75%	61%	23
Offshore Rig Utilization (Swamp barges) / %	100%	100%	-
Offshore Rig Utilization (Jack-up) / %	50%	100%	-50
Methanol Production / 000' MT	71	120	-40.8
Methanol Sales / 000' MT	68	122	-44.3
Methanol Price, USD/MT	240	228	5.3
LPG Production / MTD	78.31	101.52	-22.9
LPG price, USD/MT	375.12	316.79	18.4

Financial Highlights

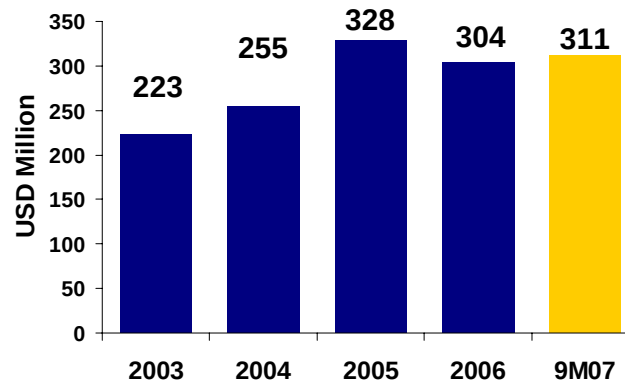
FINANCIAL HIGHLIGHTS (in million USD)	9M07	9M06	Δ%
Revenue	641.4	578.7	10.8
Gross Profit	300.7	257.1	17.0
Income from Operations	206.0	172.9	19.1
EBITDA	310.5	260.9	19.0
Earnings Before Tax	131.7	153.5	-14.2
Net Income	38	34	13.4
EPS (USD/share)	0.0123	0.0108	13.9
Equity	556	533	4.2
Total Assets	2,030.8	1,723.9	17.8
Ratios			
Debt to Equity	1.63	1.51	7.9
Current Ratio	2.17	3.68	-41.1
EBITDA/Interest Expense	6.21	8.51	-27.0

Financial and Operating Highlights

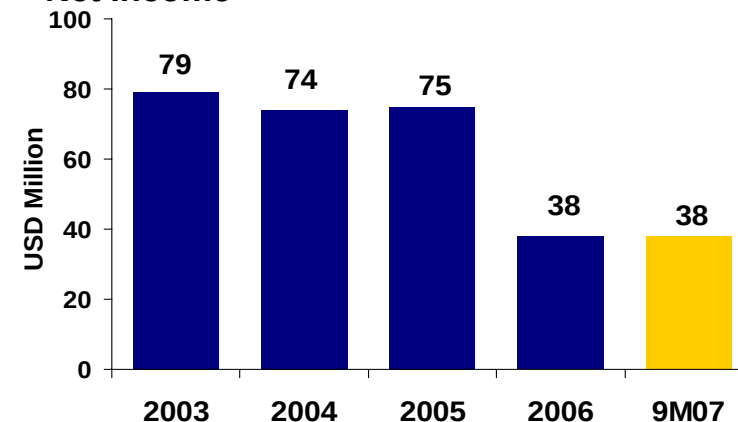
Revenues



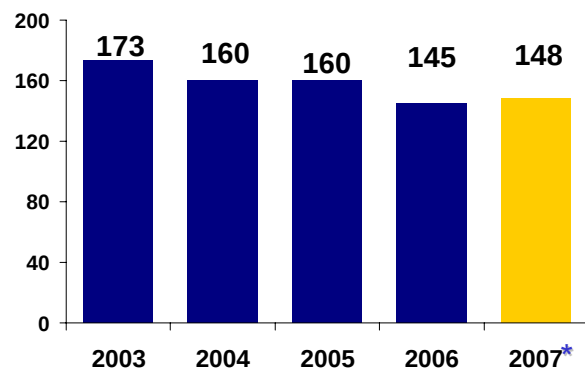
EBITDA



Net Income

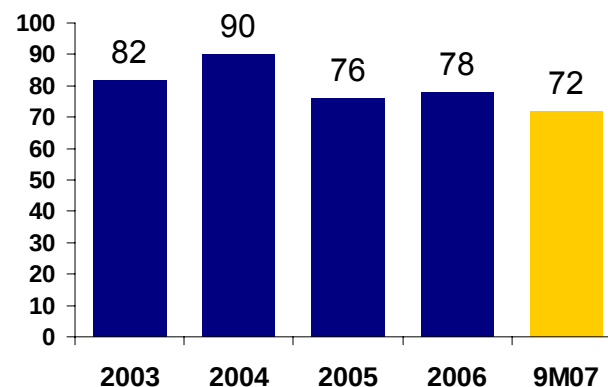


1P Reserves in MMBOE

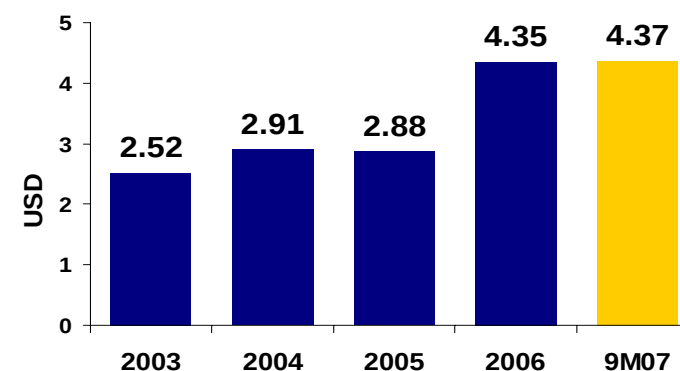


*) Reserves as of Jan 1, 2007

Lifting volume (in MBOEPD)



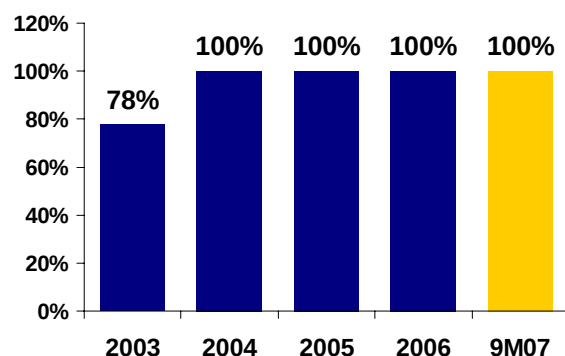
Lifting Cost per BOE



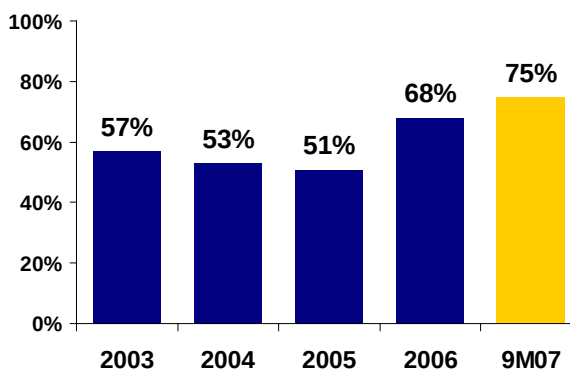
Note: Lifting Cost is based on production volume.

Financial and Operating Highlights

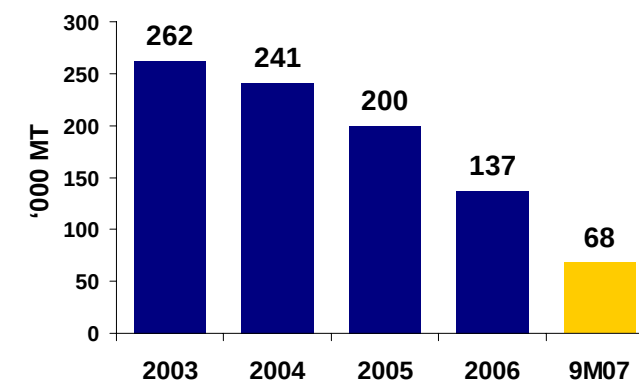
Swampbarges utilization rate



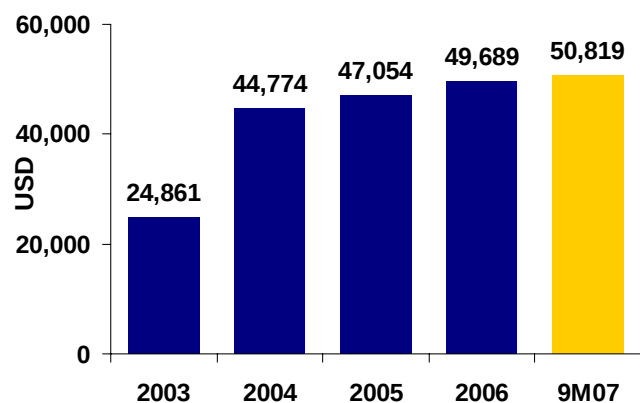
Onshore utilization rate



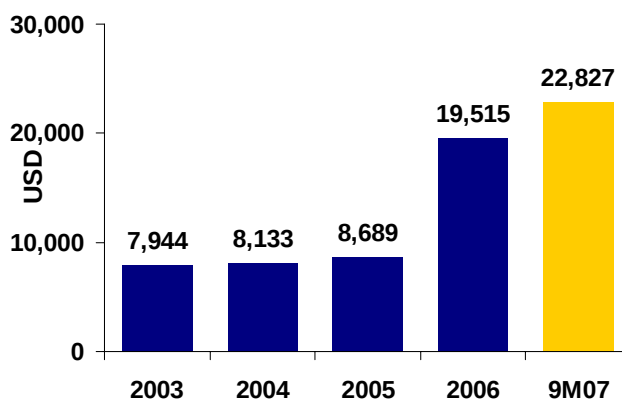
Methanol sales



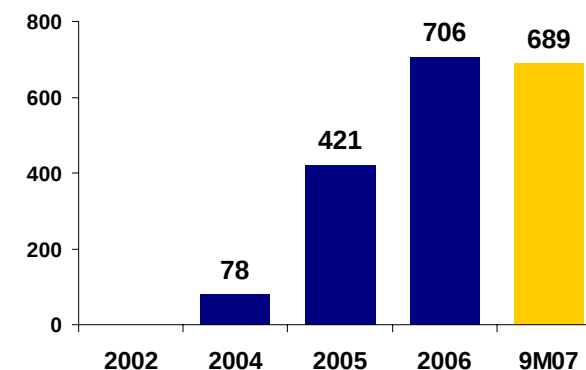
Swampbarges average daily revenues



Onshore average daily revenues

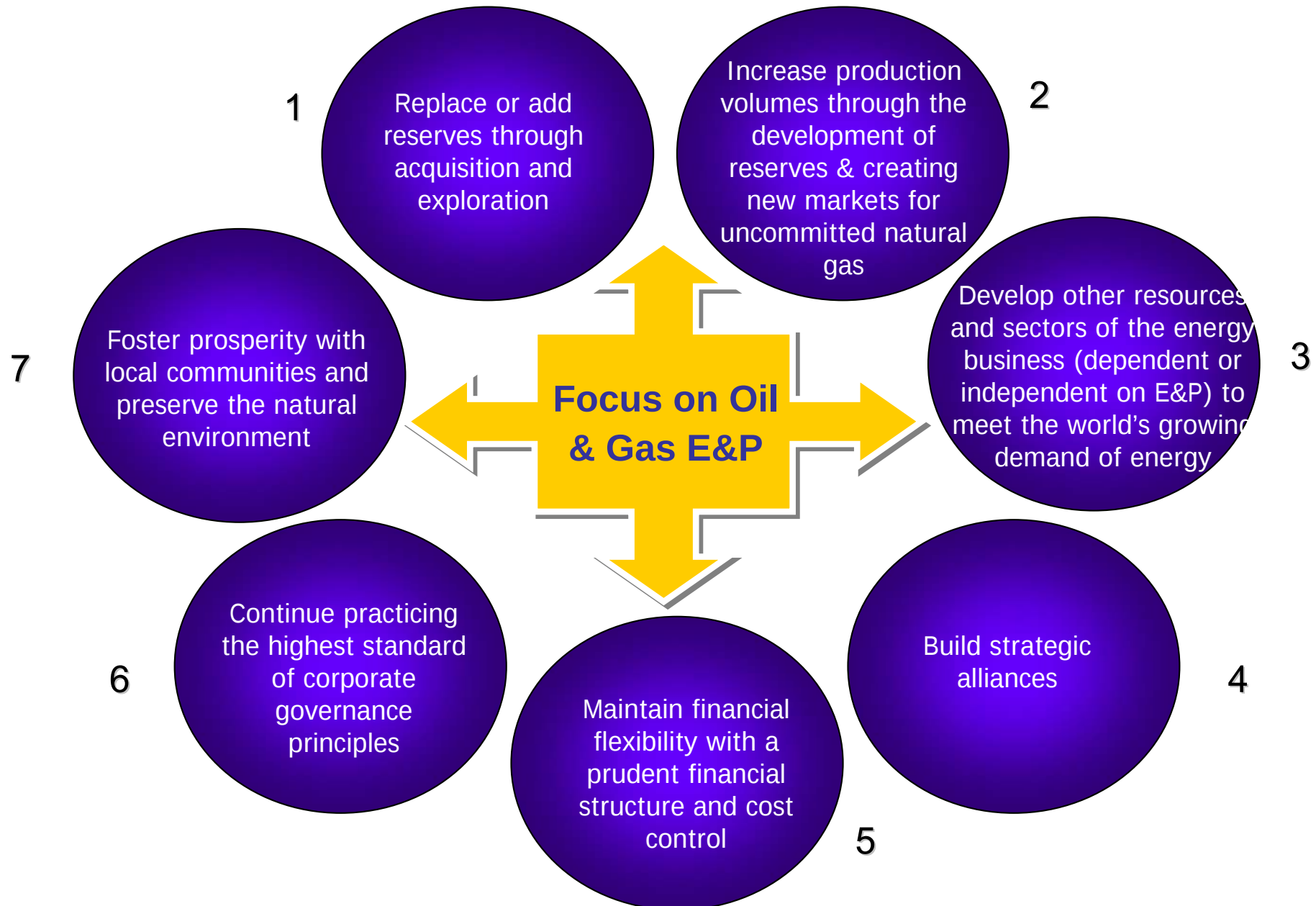


Power production in MWH



Strategy

Medco Energi's - Long Term Strategies



1. In line with our long term strategy to **replace and add reserves through acquisitions and exploration**:
 - **Acquired Block A, North Sumatra, in 2 stages: 50% from Exxon-Mobil** (through a consortium with Japex and Premier Oil) on April 26th 2006 and another **50% from ConocoPhillips** (with Premier Oil) on January 23rd 2007. 690 bcf of gas reserves and good upside.
 - **Acquired** 40% of participating interest in Anaguid Block in **Tunisia** on June 12th 2007.
 - **Acquired 90% Block E in Cambodia on September 4th 2006**, subsequently farmed-out to Kuwait Energy and Lundin making Medco's stake **41.25%**.
 - **Acquired 4 additional US assets on October 12th and 19th 2006**; Block 435, 437, 492 and 514 in Brazos Area.
 - **Acquired** blocks 82 and 83 in **Yemen** on December 9th 2006, through a consortium with Kuwait Energy Company, Indian Oil Corporation Limited, and Oil India Limited.

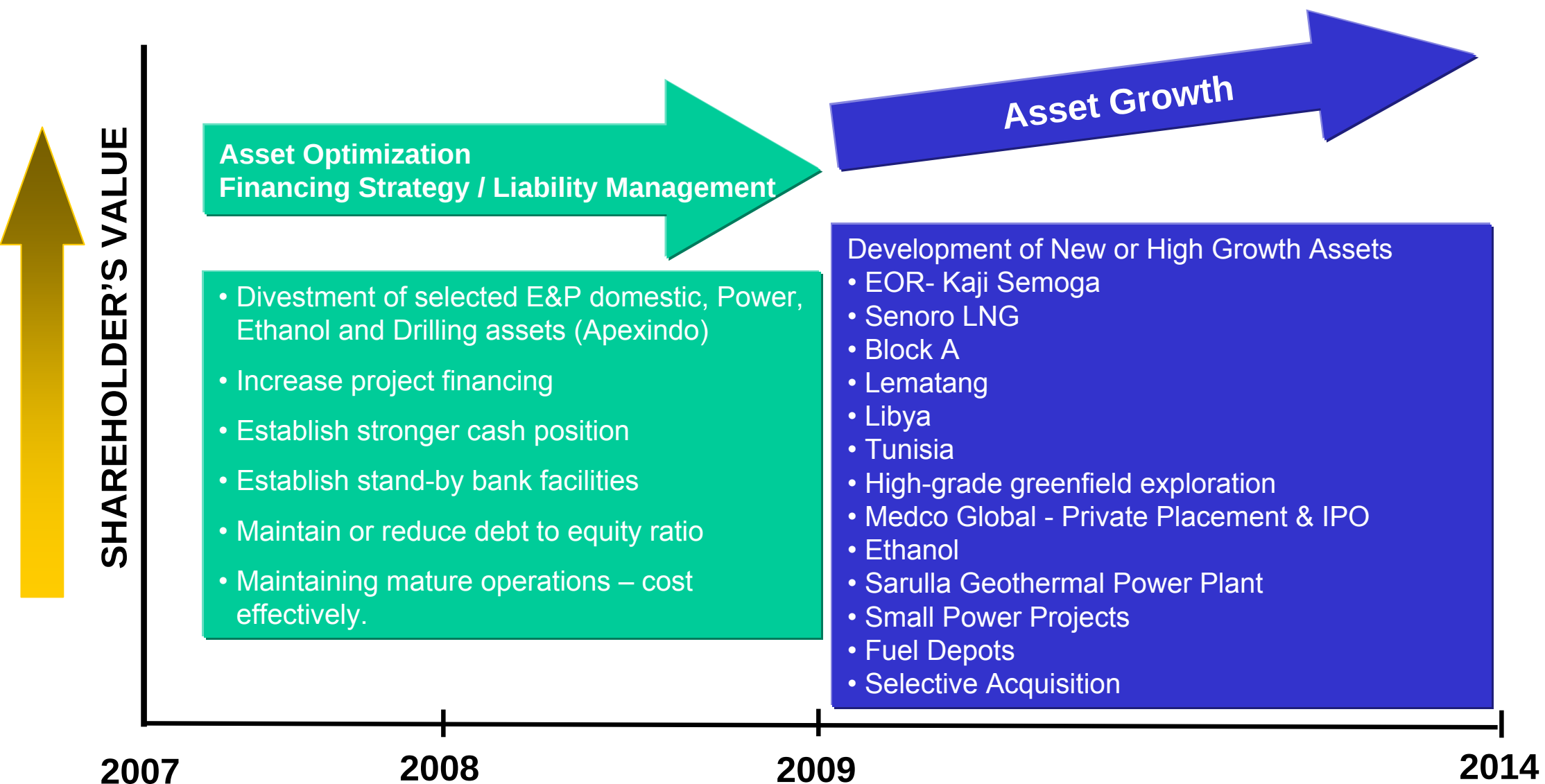
2. In line with our long term strategy to increase production volume through development of reserves and creating new markets for uncommitted gas:
 - On March 21st 2007, signed a 9-year 130bcf **Gas Sales Agreement with PLN** for **Lematang** with an average price of **USD 3.22/mmbtu**.

3. In line with our long term strategy to develop other resources and sectors of the energy business to meet the world's growing demand of energy:
 - a. **Downstream:**
 - **Acquired** 28.4% of PT Trada International (a petroleum commodity trading company) on August 1st 2007 at a total price of USD 12.3 million.
 - **Acquired 100%** of a fuel farm facility in Tanjung Priok Harbor - Jakarta
 - Committed to the development of Lamongan fuel farms - East Java.
 - b. **Power:**
 - On August 20th 2007, Signed **Head of Agreement with PLN** for **Sarulla Geothermal Project** with consortium member ORMAT and Itochu. On October 8th 2007, Kyushu Electric Power Co., Inc became a new consortium partner.

4. In line with our long term strategy to build strategic alliances and maintain prudent financial structure:

- On June 27th 2007 Simmengaris farmed-out 21% to **Salamander Energy (Simenggaris) Ltd** at a price of USD 4.13 million.
- On July 4th 2007 Nunukan farmed-out 49% plus additional 11% to **Anadarko Nunukan Indonesia Company**.
- On June 24th 2007 **Bawean** farmed-out 35%, from 100% to 65%, to **Kuwait Energy Company** at a price of USD 23.5 million.
- On August 23rd 2007 **Mitsubishi** acquired an indirect 19.9% stake in PT Medco Energi Internasional Tbk.
- On October 24th 2007 farmed-out **Block E in Cambodia** to **Lundin** making their stake 34.00%, Medco 41.25%, with KEC and JHL 20.625% and 4.125% respectively.

Medco Energi's Short to Mid – Term Growth Strategy



... continued focus on E&P activities with a max of 70-80% of E&P assets and 20 – 30% other energy dependent or independent of our E&P business.

Asset Optimization-Divestment

WHY ?

- Good risk management – MEI or subsidiary maintains majority/operatorship but reduces operational and financial risks;
- Good corporate governance – promotes further transparency and accountability by MEI and/or subsidiaries management;
- Acquire expertise or technology from partner(s) – e.g. Enhanced Oil Recovery (EOR), deep water, LNG, refining, marketing, power etc;
- Leverage off current high market valuations to monetize mature assets with limited upside and new undeveloped assets to fund future projects/operations;
- Reshape asset portfolio to obtain a position which is not reliant on mature assets and related cash flows;
- Improve cash position/strengthen balance sheet to reduce reliance on debt and have resources for new opportunities;
- Increase MEI stock price by demonstrating the value of our assets through limited realized asset sales.

Financing Strategy/Liability Management

- Strategically to have a long term sound, prudent and sustainable capital structures at optimal gearing (debt to equity ratio);
- Maintaining sufficient debt capacity and financing flexibility for future expansion in line with the corporate strategic plan;
- Manage our debt maturity profile and maintain a balance between short-term and long-term debt;
- Use of non or limited recourse financing (no parent guarantee) at the project or subsidiary level (Senoro, Block A, Sarulla, Lematang etc) to limit MEI exposure;
- Establish stand-by bank facilities or use asset optimization proceeds for:
 - establishing a safe position for put option on bonds;
 - retiring and/or restructuring debt to remove restrictive debt covenants;
- To reduce currency mismatch risk, to increase financing flexibility, to limit any restrictive covenants and to obtain competitive cost of fund on new or existing debt;
- Centralized liability management;
- Disciplined on capital allocation;

Financing Strategy/Liability Management (cont'd)

- Creating a large cash position before 2009 elections as cost of borrowing is likely to increase, and reduce dependency on lenders;
- Centralize cash management to maximize investment returns on cash balances;
- Continue using structured products for foreign currency and interest rate risks;
- Provide and maintain non cash bank facility (L/C, bank guarantee) for operational and other purposes.

Potential Uses of Proceeds From Asset Optimization

Asset Management

- Fund future greenfield exploration (high grade on company – wide basis);
- Fund existing projects (excl. project funding);
- Provide a buffer for development projects (Senoro, Sarulla, Block A) if project financing is delayed or not obtained;
- Fund new ventures (e.g. CBM, downstream, power, etc) and potential acquisitions;
- Provide a buffer for potential project overruns in light of industry consolidations where costs are escalating and becoming difficult to estimate;
- Expand and improve our technology capability (SAP, Landmark, Geoquest and other practical applications);
- Further recruitment and development of Human Resources and Training program;
- Further enhancement on our Internal Controls and Risk Management Process;

Liability Management

- To be utilized in implementing our finance strategy and liability management;

Equity Management

- Continue high dividend payout (20% - 50%);
- To potentially repurchase MEI shares within allowable prevailing regulations.

Impact of Asset Optimization-Divestment

Consolidated Impact of Asset Optimization – maximum impact can be estimated as follows:

On E& P Divestment

- 12% decrease in total production;
- 8% decrease in total disclosed 2P reserves;

E&P divestment impact will be compensated by a significant amount of Cash from divestment with market valuation average : EV/2P around \$7 - \$10/boe.

On Apexindo Divestment

- reduction in assets will be compensated with the cash proceed;
- elimination of \$200mn debt from MEI Balance Sheet;
- significant increase in Equity from transaction gain MV vs BV.

On Power and Ethanol

- a small positive financial statement impact is expected.

By leveraging off current market valuation it is very likely significant value will be unlocked from our asset optimization program.

Attachment 1 – Domestic E&P Assets

- **Optimizing production efforts:**

- Drilled 9 development wells for 1H07 with budgeted FY07 of 49 wells;
- Complete drilling water-flood wells by next year;
- Pilot Project on EOR by drilling 5 wells this year and surfactant test next year;
- Strategic Alliances with other parties to optimize production.

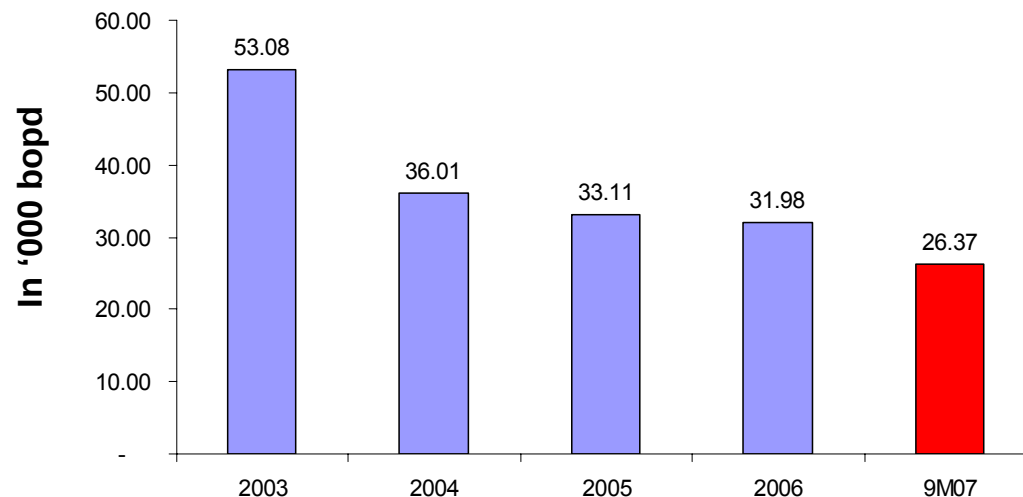
- **Reserves: as of June, 2007**

- 1P 64.60 MMBO, 6.23 bcf;
- 2P 81.26 MMBO, 13.82 bcf.

- **EOR may increase reserves between 20 to 70 MMBOE.**

- **Working Interest:**

- Medco Energy 95%
- South Sumatra Regency 5%



- **Optimizing production efforts:**

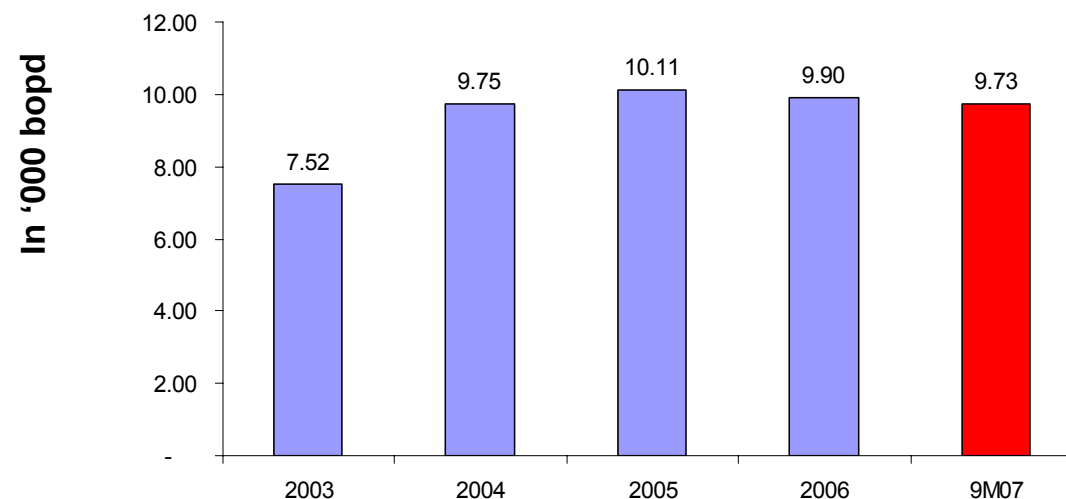
- Drilled 3 development wells for 1H07 out of the planned 13 wells for FY07
- Drilled 2 Exploration wells for 1H07
- New Gas sales to PLN G.Megang and MEB of 10 MMBTU/day
- Ibul reactivation project and Jene optimization study
- PSC Extension negotiation still in progress

- **Reserves: as of June, 2007**

- 1P 9.36 MMBO, 126.36 bcf;
- 2P 15.93 MMBO, 209.69 bcf.

- **Working Interest:**

- Medco 100%



- **Recent Development**

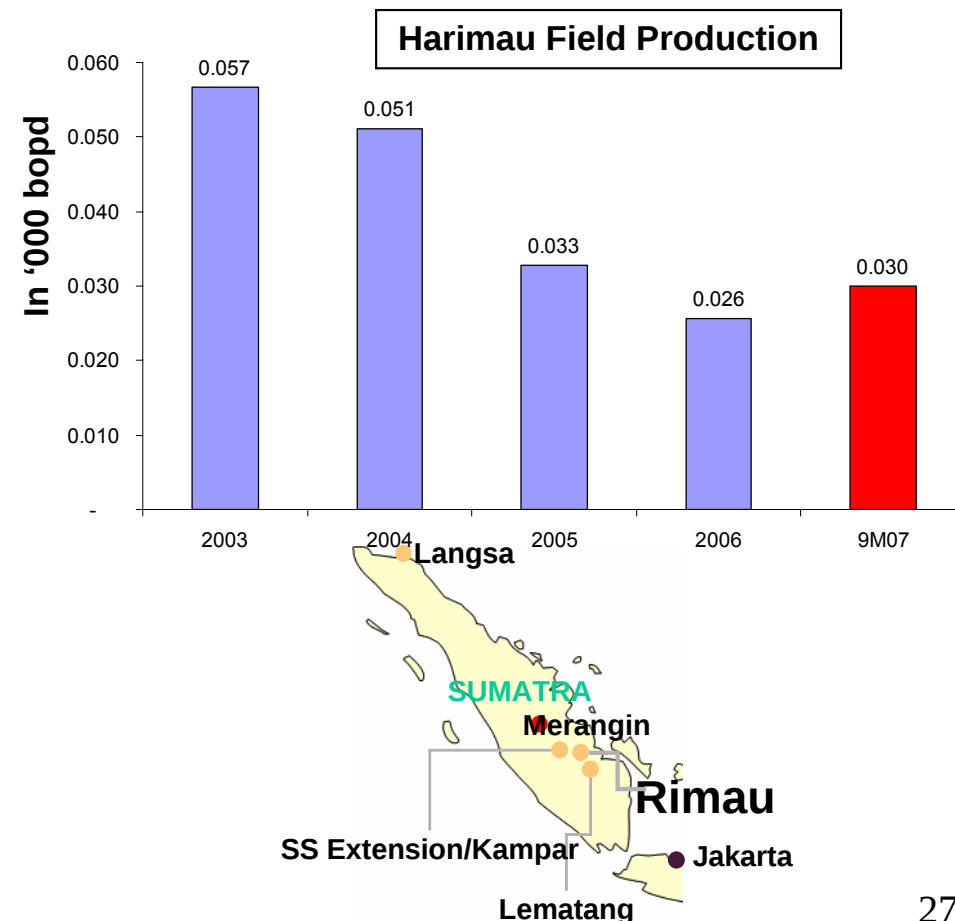
- Plan of Development has been approved by BPMIGAS in 2006.
- On March 21st 2007, signed a 9-year 130 bcf Gas Sales Agreement with PLN with an average price of USD 3.22/mmbtu.
- Engineering Procurement & Construction Contract award waiting for BPMIGAS approval.
- USD 75.24 million will be spent during 2007 – 2008 for production facilities.
- 2 new production wells and 2 work-over wells will be done in 2008 at a cost of approximately USD 44.7 million.
- Expected commencement of production in 2009.

- **Reserves: as of June, 2007**

- 1P 130 bcf.
- 2P 183 bcf.

- **Working Interest:**

- Medco 74%
- Lundin Lematang 26%



- **LNG plant with a 2 million tons capacity for 15 years.**
- **Progress Update:**
 - Estimated 2P reserves of 2.6 TCF gas; (2.9 TCF gas include Senoro-5 in house estimate);
 - First LNG project since the 2001 Oil and Gas Law;
 - Framework Agreement (Pertamina, Medco, Mitsubishi) signed May 10, 2007, superseded by Development Corporation Agreement signed August 20, 2007;
 - FEED contract for LNG is being developed;
 - Negotiations with potential LNG buyers and Upstream gas suppliers are underway;
 - Financial Advisor for financing has been identified.
- **Working Interest:**
 - Medco 50%
 - Pertamina 50%
- **Upstream Development:**
 - Continue performing Engineering & Design Optimization for new sales scenarios (250 mmscfd to LNG and 70 mmscfd to PAU);
 - Prepare bid document for EPC tender.
- **Tiaka oil field** as of June 2007 production **3,683 BOPD** (100%).
- Estimated Upstream Capex USD 485 Million gross, Medco's portion 50%.



- Block size : 3,910 sq km.
- Medco : 41.67%.
- Contract expire : August 31, 2011.
- Discovery of **3 gas fields** : Estimated 2P reserves of 690 BCF (gross reserves).
- **Working Interest** :

Medco	41.67%
Premier	41.66%
Japex	16.67%
- Medco is the **Operator**.
- Gas markets: State owned fertilizer plant, **Pupuk Iskandar Muda (“PIM”)** and state owned electricity company PLN.
- On March 21, 2007, signed MoU with PIM.
- Potential exploration upside of **more oil and gas reserves**.



Indonesia – Anadarko's Exploration Activities

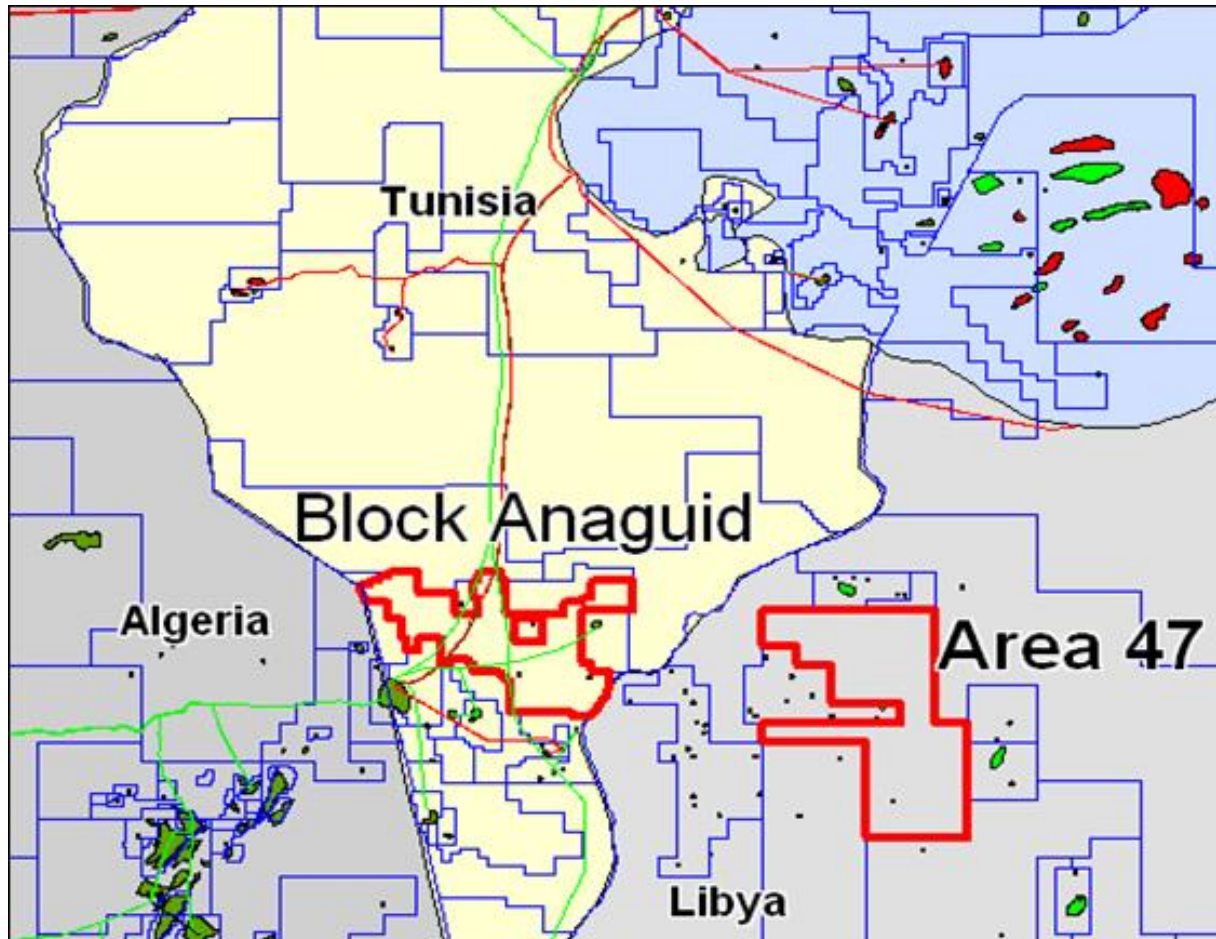


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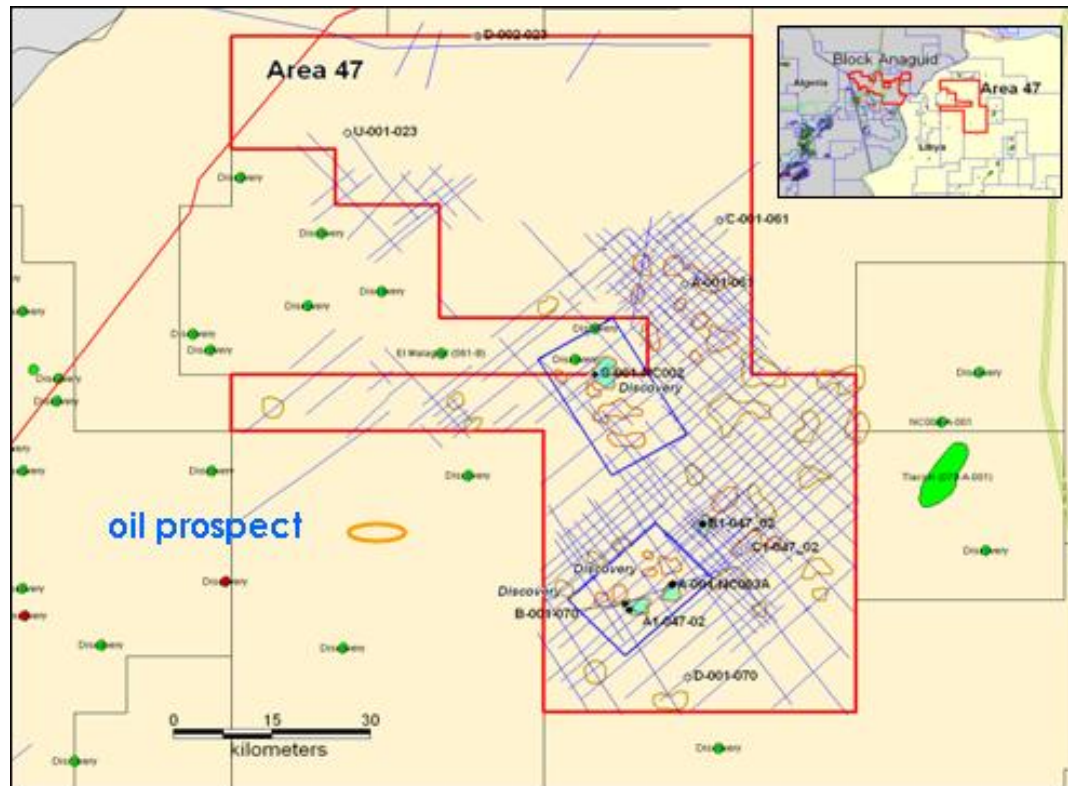
- On July 26, 2005, Medco entered into an **Exploration Joint Venture Agreement (“EJVA”)** with a wholly-owned subsidiary of **Anadarko Petroleum Corporation (“Anadarko”)**.
- **Under the EJVA, Anadarko has committed to:**
 - Medco’s Indonesian blocks (except Merangin) at a cost USD 80 million, with a maximum cap of USD 25 million to be credit to USD 80 million as a result Anadarko farm-in to Nunukan PSC.
 - Capex spent to June 2007 is USD 18.2 million which excludes the portion from the farm-in of Nunukan.
- **Activities up-to-date:**
 - Executed 3 implementation agreements on EJVA; Simenggaris, Nunukan and Tarakan Seismic;
 - Farmed-in 49% plus additional 11% in Nunukan Block



Attachment 2 – International E&P Assets



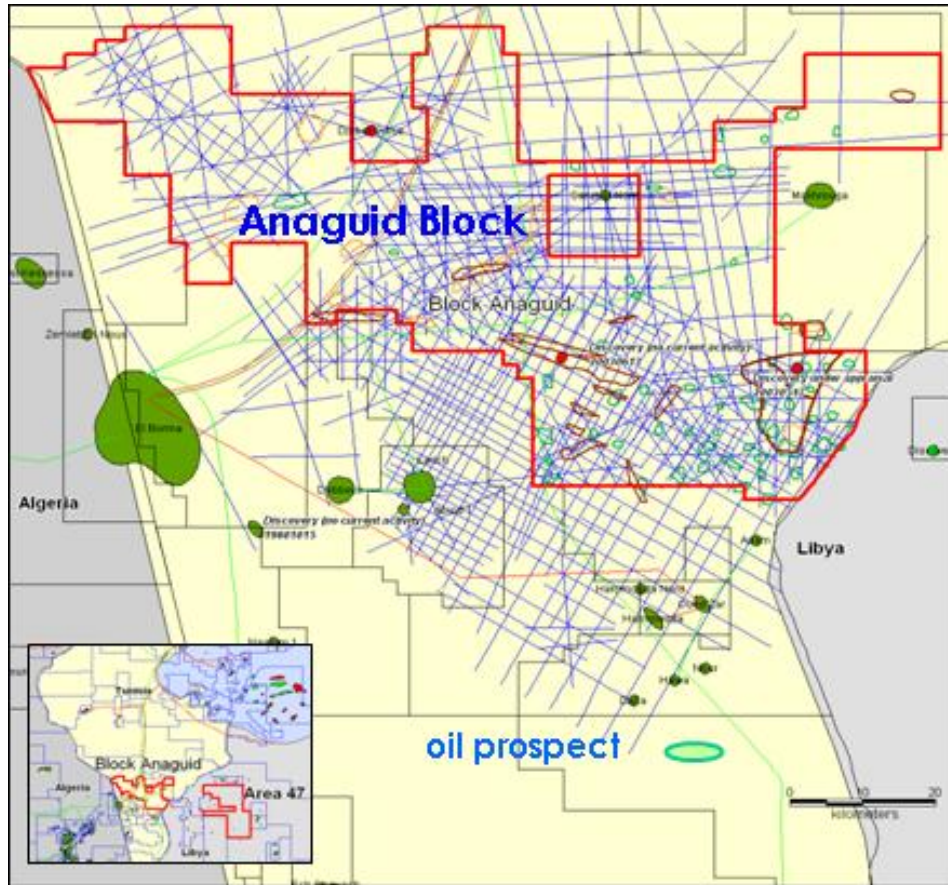
Both Area 47 block in Libya and Anaguid block in Tunisia sits on the prolific hydrocarbon basin, called the Ghadames basin.



Area 47 Located in the prolific Ghadames basin. Surrounded by oil discoveries and producing fields of The Lower Acacus, Silurian as main objectives and Tadrat, Lower Devonian as secondary objectives. Number of Proven discoveries, prospects and leads was confirmed by 3D and 2D seismic.

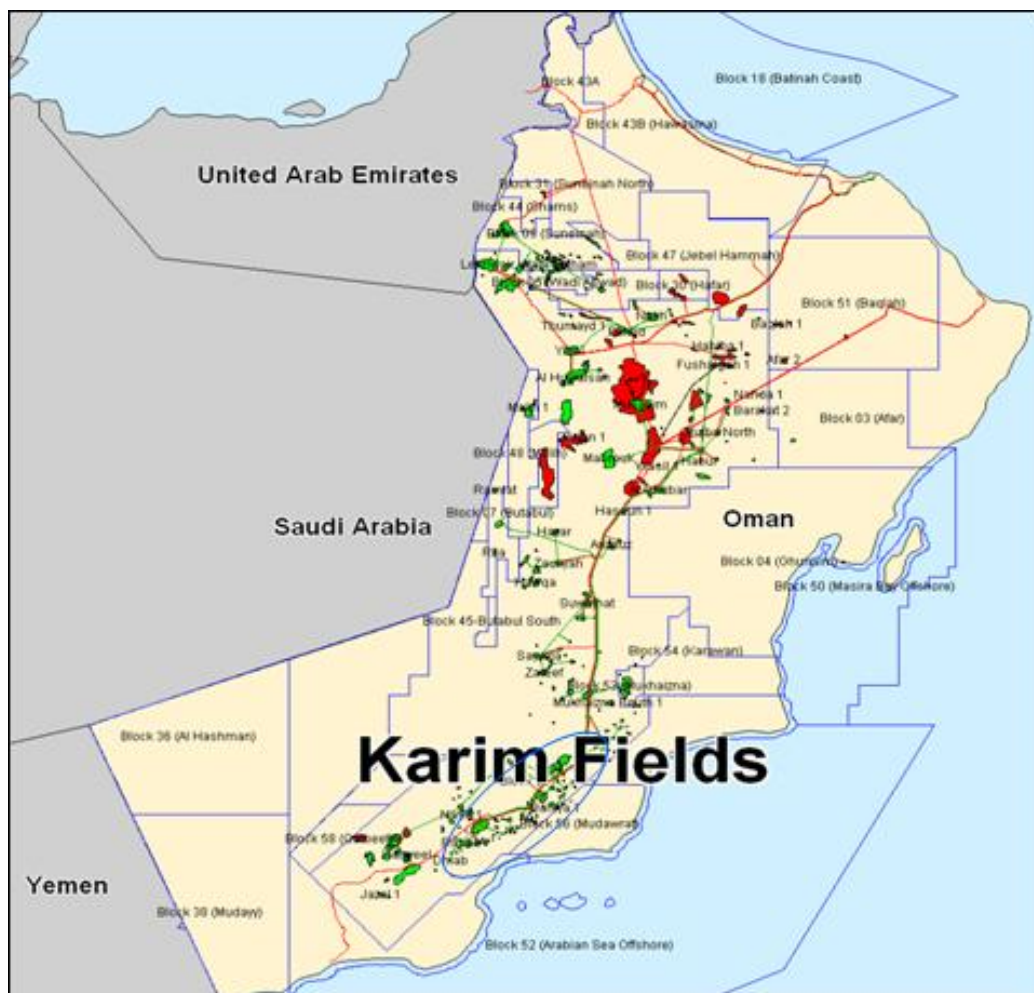
- Contract term : EPSA IV;
- Signature Bonus US\$ 0.25 million;
- Successful drilling on 4 exploration wells with significant oil discovery. The 5th exploration well is in progress;
- There are 45+ oil prospects and leads;
- 13.7% production allocated;
- Working Interest :
 - Medco 50%
 - Verenex (operator) 50%
- Completed all Exploration commitment;
- New oil discovery based on own exploration:
 - A1-47/02 well flow-tested 12,500 bopd;
 - B1-47/02 well flow-test 23,800 bopd;
 - C1-47/02 well flow-test 23,570 bopd;
 - D1-47/02 well drilled, currently testing;
 - E1-47/02 well drilled and cased.

International - Tunisia - Anaguid Block



- Type of Contract : Concession;
- Farm-out of Anadarko's Working Interest;
- Working Interest* :
 - Medco 40%
 - Pioneer 60%
- *) ETAP – Tunisia Govt has participation right up to 50% WI of development;
- Carried through ETAP exploration capex;
- Acquired 3D Seismic ~ 2,200 km2 (Nov 2007 – March 98) and 3 exploration wells will be proposed commencing August 2008 to test Lower Acacus targets.

Anaguid Block situated in western part of the prolific Ghadames basin, in Tunisia. The Ordovician sands tested gas a main objective, and Lower Acacus, Silurian sand provide oil zone objectives.

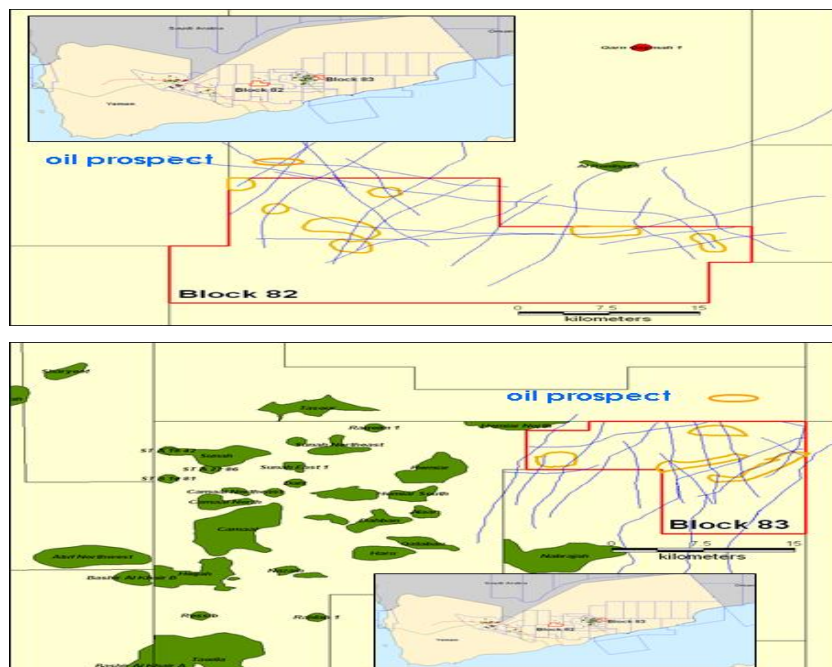


- Service Contract Agreement with PDO;
- Producing Block;
- Probable Reserve 122 mmbo;
- Current Production 13,000 bopd;
- Target Production 38,000 bopd by 2008;
- Operational Handover to Medco in August 2006;
- Contract:
 - 30% CR Ceiling
 - US\$ 30 million Sign. Bonus
 - Medco 51% WI (operator)
 - Partner : Kuwait Energy 15% WI, OOC 25% WI, Vision 5% WI, and Petrovest 4% WI.

International - Yemen - Block 82 & 83



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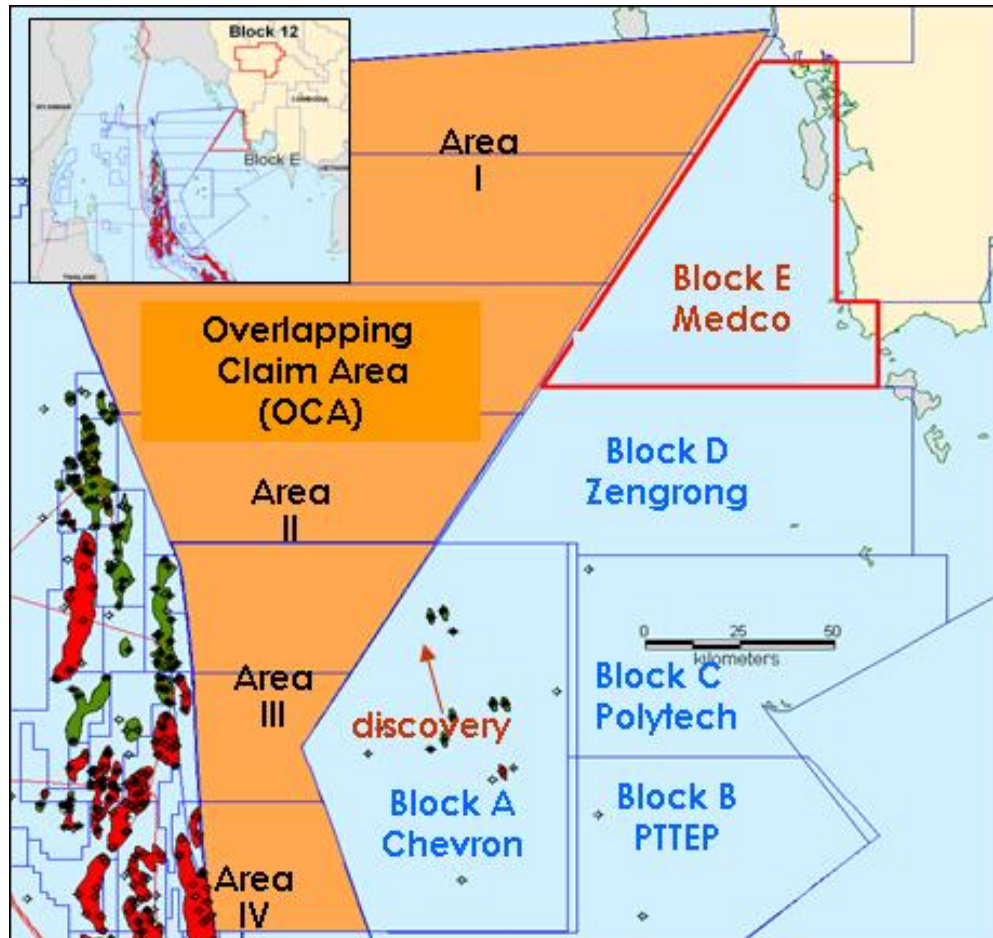
Block 82 lies on the south western part of the Sir Sayun prolific basin. Qishn Clastic, Cretaceous sands are the main oil objectives in these blocks.

Block 83 Located in the prolific Sir Sayun basin. The block is surrounded by oil fields, and Qishin clastics, Cretaceous sands are the oil objective zones. Number of leads was confirmed by the 2D lines.

- Type of Contract : Production Sharing;
- Signature Bonus USD 7.0 million and USD 10.0 million for Block 82 and 83 respectively;
- Working Interest*:
 - Medco (operator) 45%
 - Kuwait Energy 25%
 - IOC 15%
 - OIL 15%
- *) YOC has participation right 15% of WI for both exploration and development periods, carried by contractor;
- Awarded in Dec. 2006 and PSA signing in Sept 2007.



- Eight Concessions;
- Medco as Operator;
- Medco Working Interest :
 - East Cameron : 75% WI
 - Main Pass : 79% WI
 - Mustang Island : 43.75% WI
 - Block 435 : 100% WI
 - Block 437 : 100% WI
 - Block 492 : 100% WI
 - Block 514 : 100% WI
 - West Delta 52 : 100% WI
- Mustang Commercial Gas discovery (October 2006);
- Development program to improve reserve and production;
- Operating Data;
 - 20 producing wells;
 - Proven reserve : 6 mmboe (net Medco);
 - 2007 production : 7 mmscfd, 300 bopd.



Block E Located in Northern part Khmer Through, known as proven prolific source in offshore Cambodia. 1,760 km 2D seismic are acquired, and several leads defined.

- Contract signed on Sept. 03, 2006;
- Signature Bonus US\$ 4.5 million;
- Contract Type : Production Sharing Agreement;
- Block E Offshore in Khmer Basin, with potential resources 77 mmbo;
- 3 Years Min. Commitment : US\$ 10.25 million;
- Attractive fiscal term : the profit oil has 2 – 2.5 time of Indonesia PSC;
- Working Interest :
 - Medco (operator) : 41.250% WI
 - Lundin : 34.000% WI
 - KE : 20.625% WI
 - JHL Petroleum*) Ltd. : 4.125% WI
- Oil discovery in block A, a Chevron concession;

Attachment 3 – Drilling Business



52%

PT Apexindo Pratama Duta Tbk. (onshore / offshore drilling)

- ◆ Incorporated in 1991.
- ◆ Operates 6 offshore rigs
- ◆ Currently operates 8 onshore rigs.
- ◆ Key long term clients like Total ensure high utilization.
- ◆ Revenue of USD 156.1 M in FY 2006.
- ◆ Market Capitalization USD 677 million (As of September 28th 2007)

FINANCIAL HIGHLIGHTS (in million USD, unless otherwise stated)	9M07	9M06	Δ%
Revenue	140.0	111.8	25.2
Gross Profit	55.0	37.0	48.6
Income from Operations	48.8	31.4	55.4
EBITDA	68.6	47.7	43.8
Earnings Before Tax	35.8	39.4	-6.8
Net Income	23.0	26.0	-11.5
Equity	223.0	209.7	6.3
Total Assets	480.5	428.4	12.2
Debt to Equity (Ratio)	0.9	0.4	125.0
Net Debt to Equity (Ratio)	0.7	0.3	133.3
Offshore average daily revenues Jack ups	63,488	70,373	-9.8
Offshore Swamp barges, average daily revenues	50,819	49,691	2.3
Onshore, average daily revenues	22,827	17,570	29.9

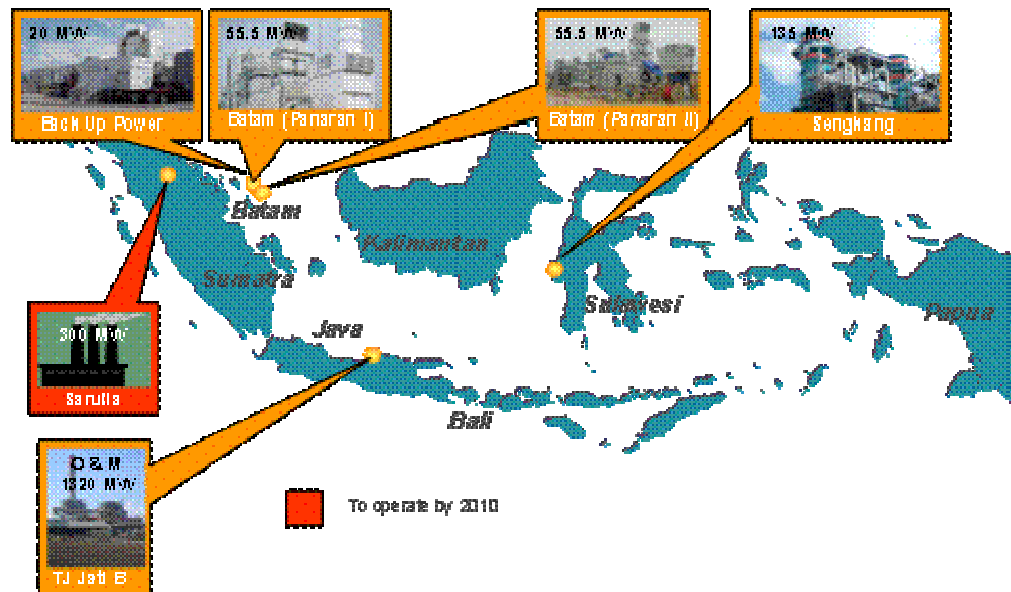
Attachment 4 – Downstream

Mitra Energi Batam

- Panaran I with capacity of 2x31.5 MW.

Dale Energy Batam

- Panaran II with capacity of 2x27.5 MW.

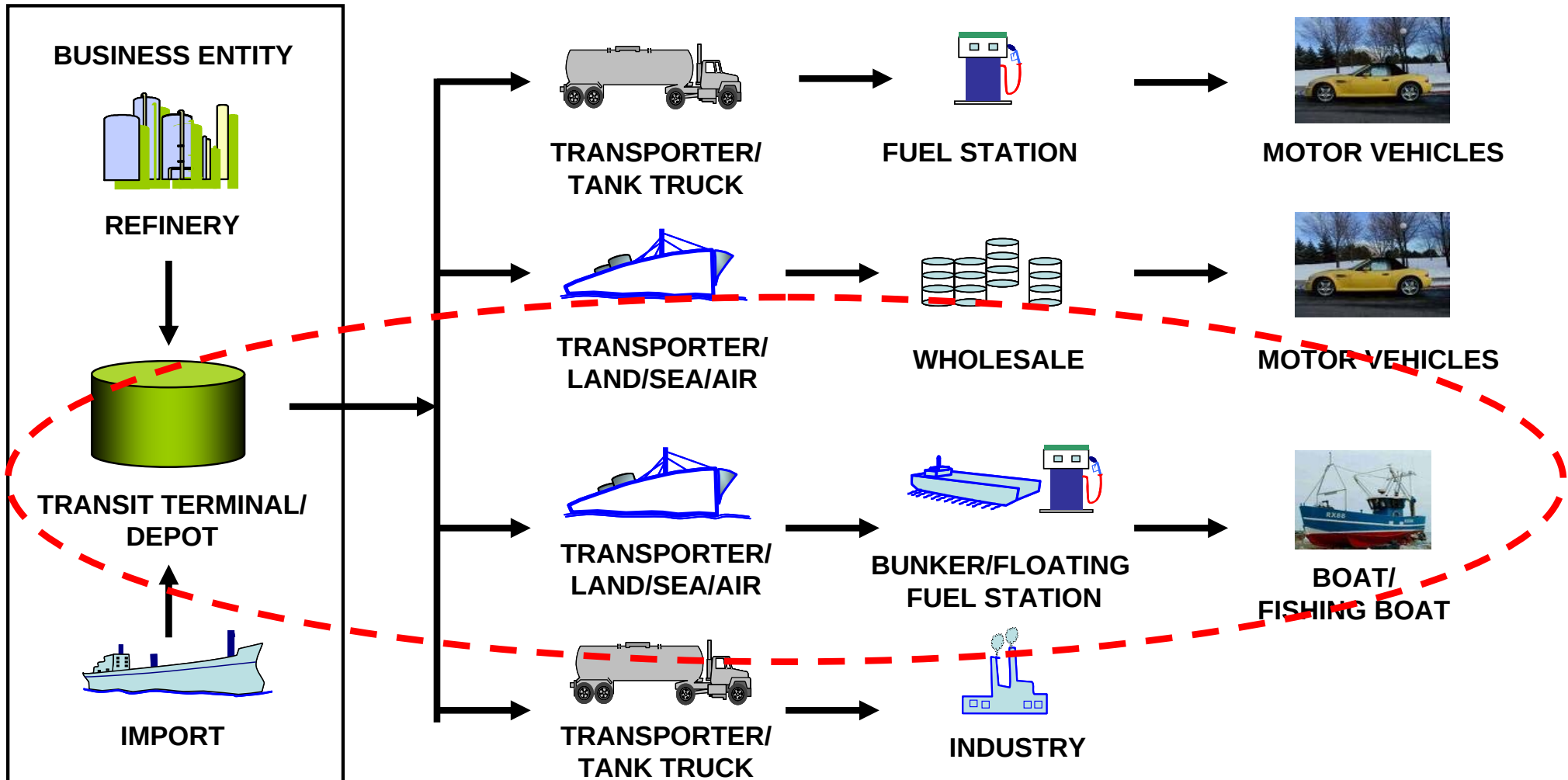


Ongoing Sarulla Geothermal Project:

- Head of Agreement was signed by Pertamina, PLN, Consortium on 20th August 2007.
- The Consortium also signed an MOU with Kyushu Electric Power Co., Inc a potential new consortium partner.
- Consortium members are ORMAT, Itochu and Medco.

Future Projects:

- 20 MW Panaran back-up power,
- **Signed** a Take Over Agreement of 65% shares of 2x40 MW Gas Fired Power Plant in South Sumatra.
- **Signed** MoU Agreement with PLN Tarakan for 20 MW Temporary Power Sengkang.
- Medco through South Central Sumatra will supply gas to Panaran I.



Growing in the newly opened mid-stream fuel farms that is relatively low cost, with potential to grow horizontally in the near future and vertically in the long run.

Methanol

- Plant location on Bunyu Island - East Kalimantan;
- Methanol plant owned by PERTAMINA;
- Capacity 330,000 tons per annum or 900 tons per day;
- 60% export, 40% domestic market sales.

Status

- Lack of gas supply;
- Possible plant shutdown;
- Looking to find gas resources from Sembakung, Simenggaris, Tarakan and Nunukan.

LPG Kaji

- Plant located in Rimau PSC in South Sumatra;
- Plant Capacity 73,000 tons per annum
- Processed 5,301 MMCF of associated gas from Kaji/Semoga fields;
- LPG production of 36,510 tons in 2006 and 15,250 tons for first half of 2007;
- Produce 138,737 barrels of condensate and 2,710 MMCF of lean gas in 2006.

Status

- Lack of gas supply due to lower production of Rimau PSC.

Ethanol

General

- **Raw Material** of 396,000 MT of cassava or 236,000 MT of molasses;
- **Operation** 330days per year 24 hours per day;
- **13,200 ha** of cassava plantation area, run and owned by independent farmers;
- Commencement of production is expected to be in late 1Q08;
- Progress to date 70% completed;
- Divestment of minority share.

Location

- **Kotabumi**, North Lampung, Sumatra.

Plant Output

- **180 kiloliters** per day (1,130 boepd) or **60 million liters** per year.



Fuel Farm

- The new deregulations in the Oil and gas Law brought the opportunity to enter a business with added value and stable income

Medco Sarana Kalibaru :

- Fuel Blending Plant and Storage
- Located in a special zone of Tanjung Priok Harbour
- Has 5 tanks (3 tanks of 6,000 KL & 2 tanks of 2,350 KL) with total capacity of 22,700 KL.



Lemongan Intergrated Shorebase :

- Located in a East Java
- Initial startup with one tank with a capacity of 6,000 KL and will be increased gradually to four tanks by 1Q2010 with a total capacity of 24,000 KL.

Attachment 5 – Industry Background

- Indonesia has been in oil and gas business for more than 100 years and is still a significant producer of oil and gas.
- Indonesia is the only Asian member in OPEC.
- Albeit Indonesia is currently a net importer of oil.
- Most oil and gas in Indonesia is produced by foreign contractor under the Production Sharing Contract (“PSC”).
- Tenor on a PSC is typically 30 years.
- Upstream regulator has been taken over by BPMIGAS.
- Typical split for oil is 85% Government 15% Contractor and gas 70% for Government and 30% for Contractor. The split are net of taxes.
- Each block is held by a dedicated company and is “ring-fenced”
- Typical provisions on a PSC are First Tranche Petroleum, Cost Recovery, Domestic Market Obligation.

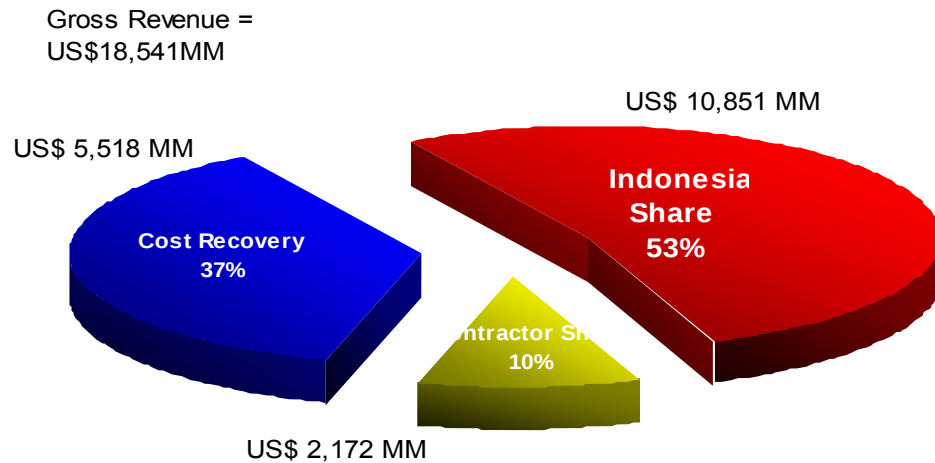
- Oil :
 - Production 900,000 Bopd (barrels of oil per day).
 - Consumption 1 Million Bopd.
 - Growth in oil consumption - 1% per annum over five years.
 - Reserves 4.7 billion barrels, 11 years life.
- Gas :
 - Production around 7 Bcfd (billion cubic feet per day) of gas.
 - Consumption 3 Bcfd, mostly for electricity and fertilizer production, which the prices are subsidized.
 - Growth in gas consumption - 2% p.a.
 - Reserves 108.3 Tcf, over 40 years life.

Indonesian PSC Share Allocation

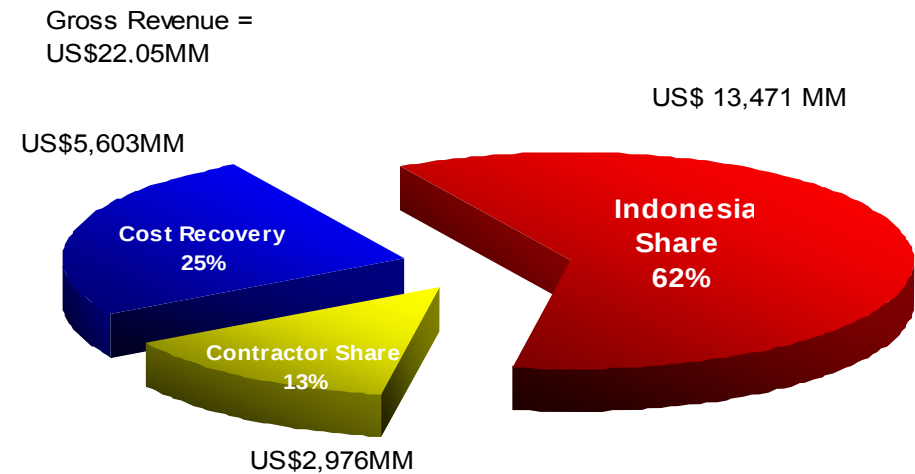


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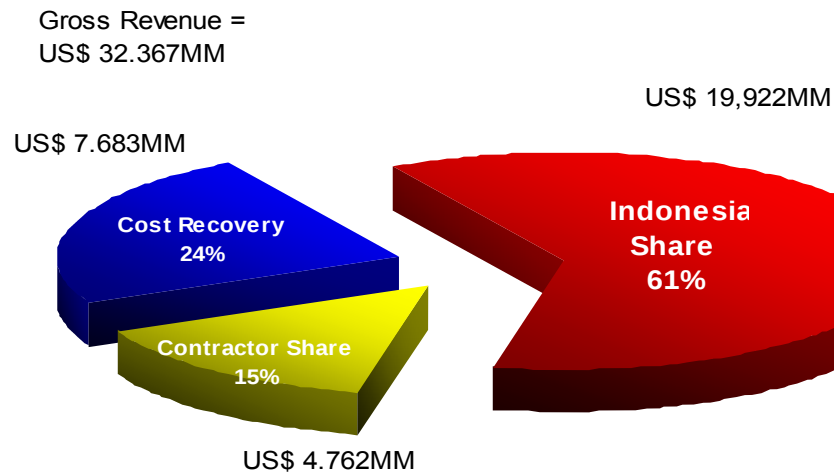
YEAR 2003



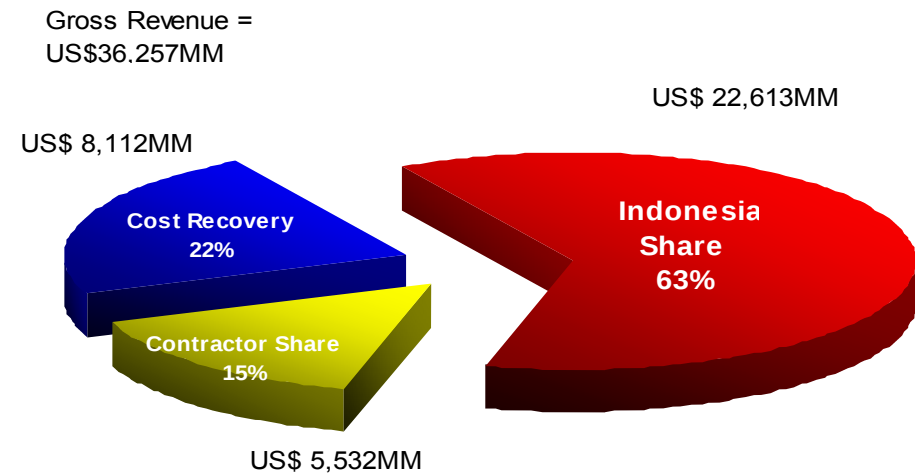
YEAR 2004



YEAR 2005



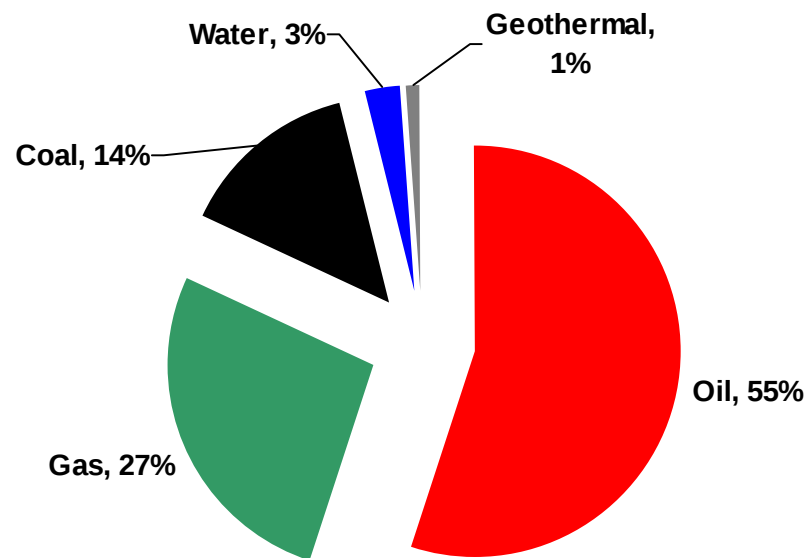
YEAR 2006



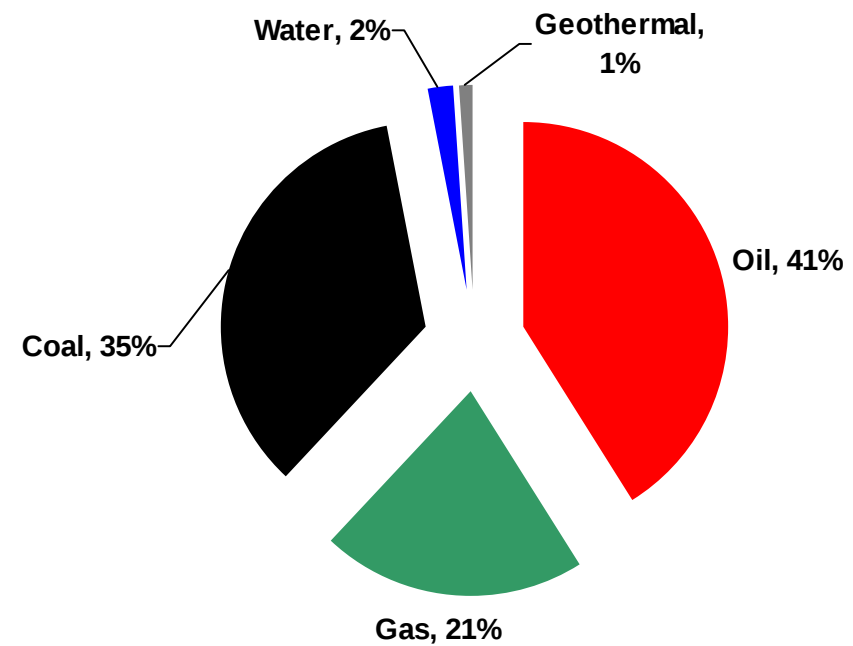
Oil and Gas Contract Comparisons

	Indonesia	Tunisia	Yemen	Libya	Cambodia
Equity oil (in favor of the Gov) after tax	85%/15%	N/A	80-90%/20-10%	Base Factor * A Factor (4 – 85%)	42-62%/38-58%
Equity gas (in favor of the Gov) after tax	70-65%/30-35%	N/A	75-82.5%/17.5-25%	A Factor (20 – 85%)	35%/65%
Royalty	N/A	2 – 15% based on R factor	Oil 12-18% Gas 12.5%	N/A	12.5%
Cost Recovery Limits	80-85% for oil, none for gas	N/A	33%	13.7%	90% revenue after royalty
Tax Rate	44% above equity split after tax	Oil 50 – 75% Gas 50 – 65%	N/A	N/A	30% of Net petroleum minus fee

Current energy mix at 857 MMboe

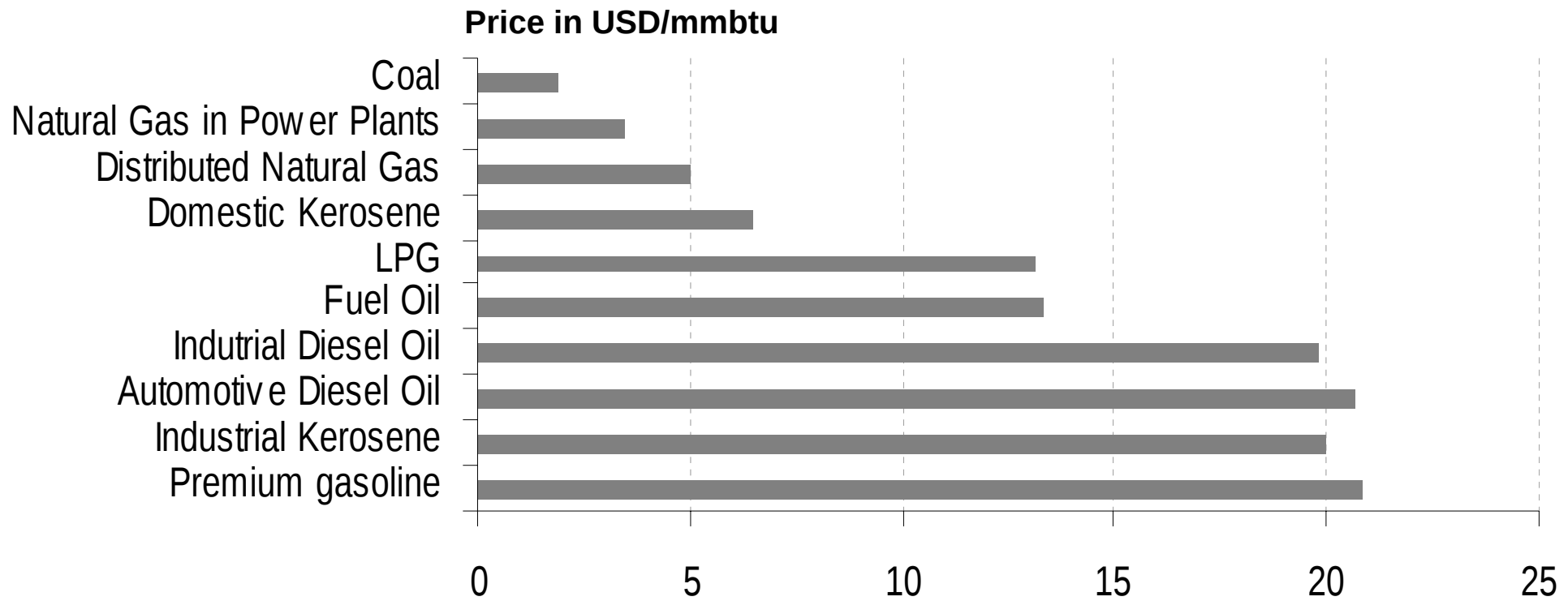


Energy mix in 2025 at 3,754 MMboe



Source: Ministry of Mines and Energy.

Current Indonesian Energy Prices

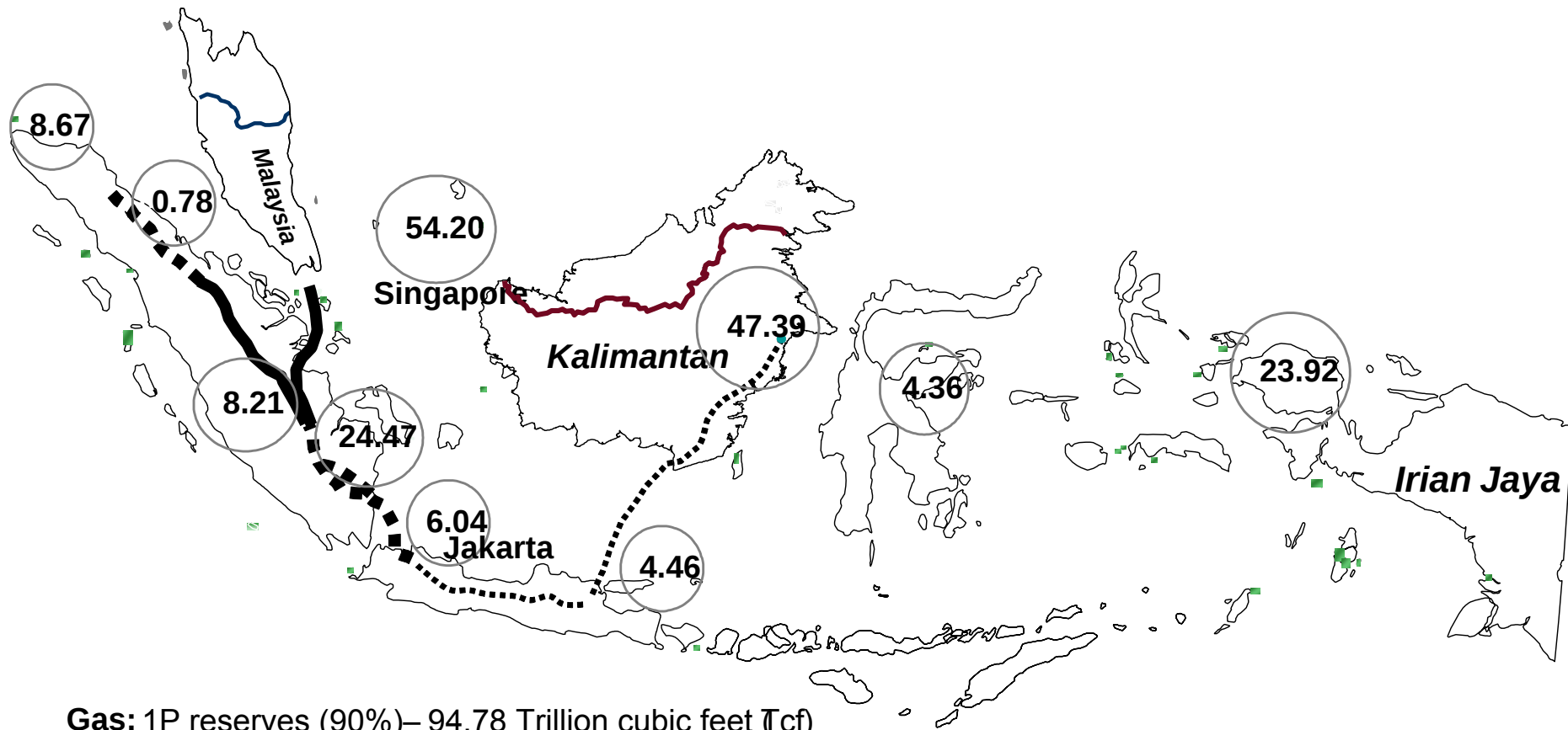


Source: JPMorgan Research

Indonesian Gas Reserves Distribution



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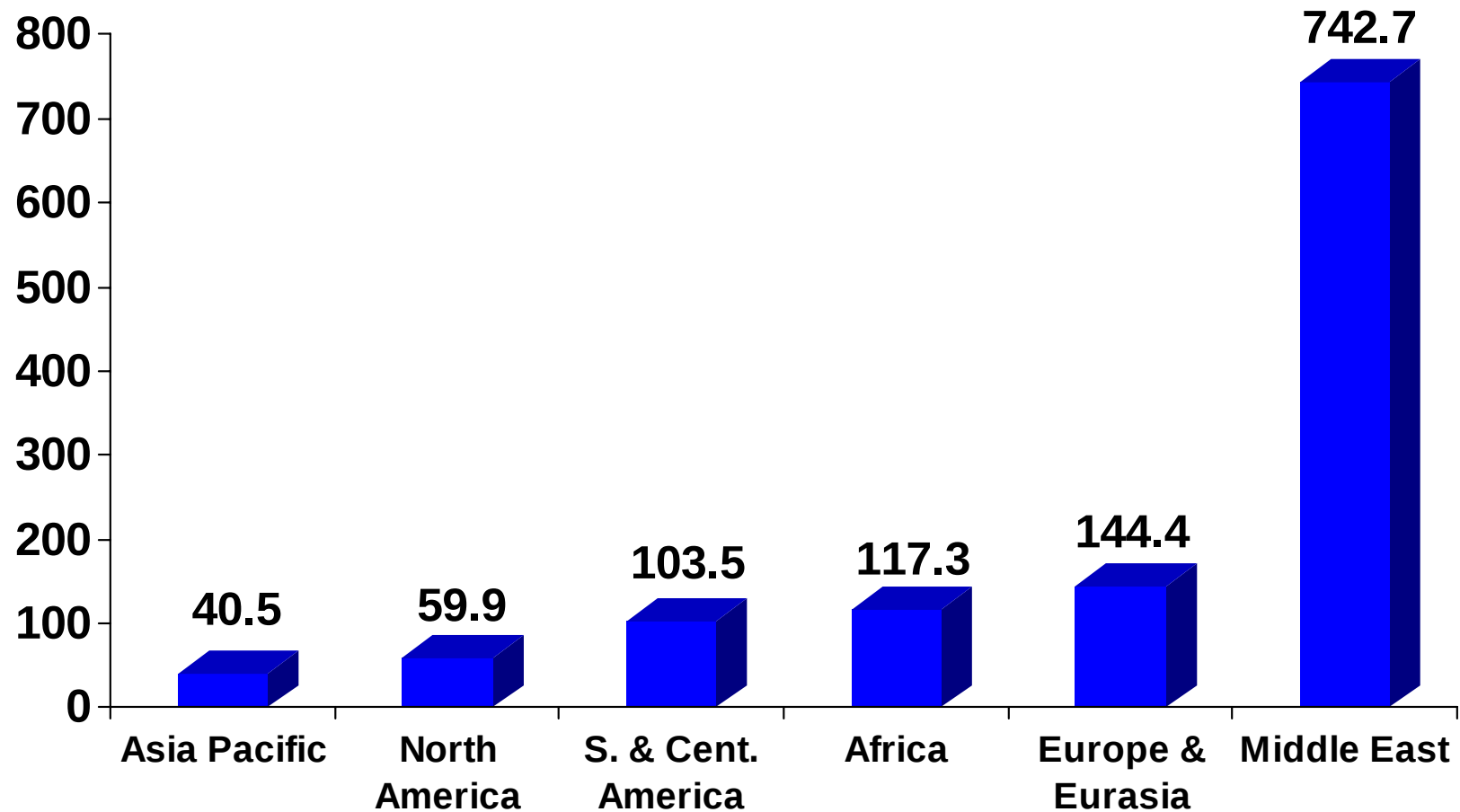
Source: BP Migas, JPMorgan Research

Proved Global Oil Reserves at end 2006



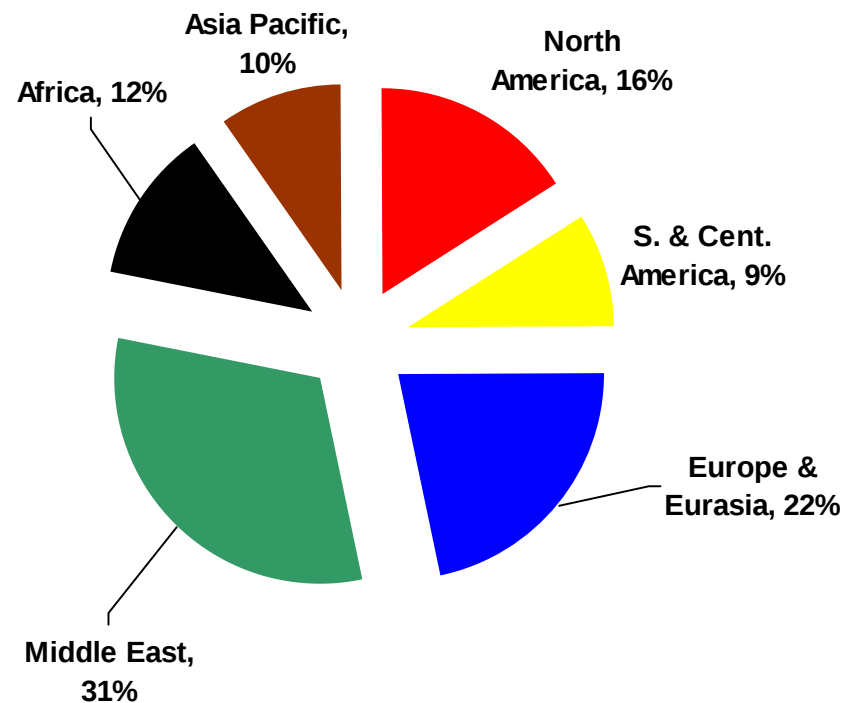
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In billion barrels

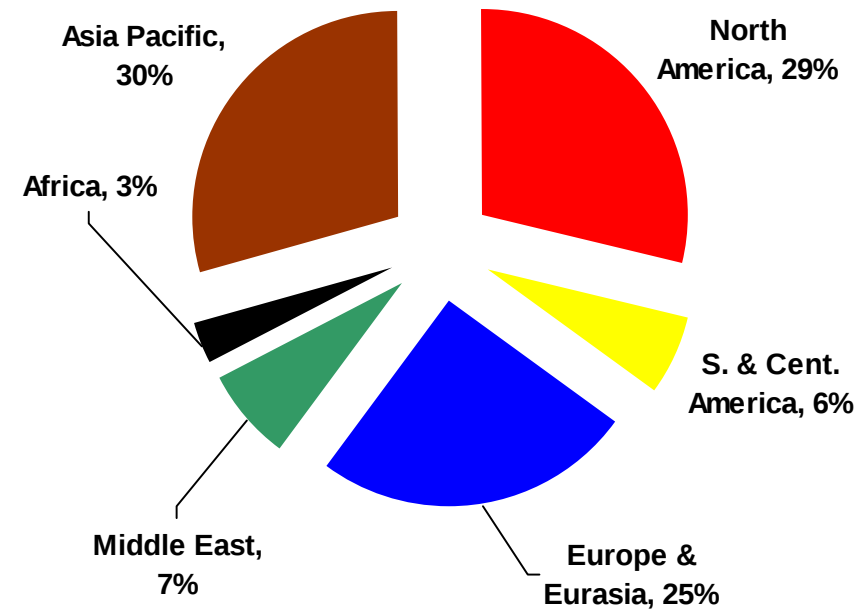


Source: BP Statistical Review 2007

Global Oil Production: 81.7 million barrels/day



Global Oil Consumption: 83.7 million barrels/day

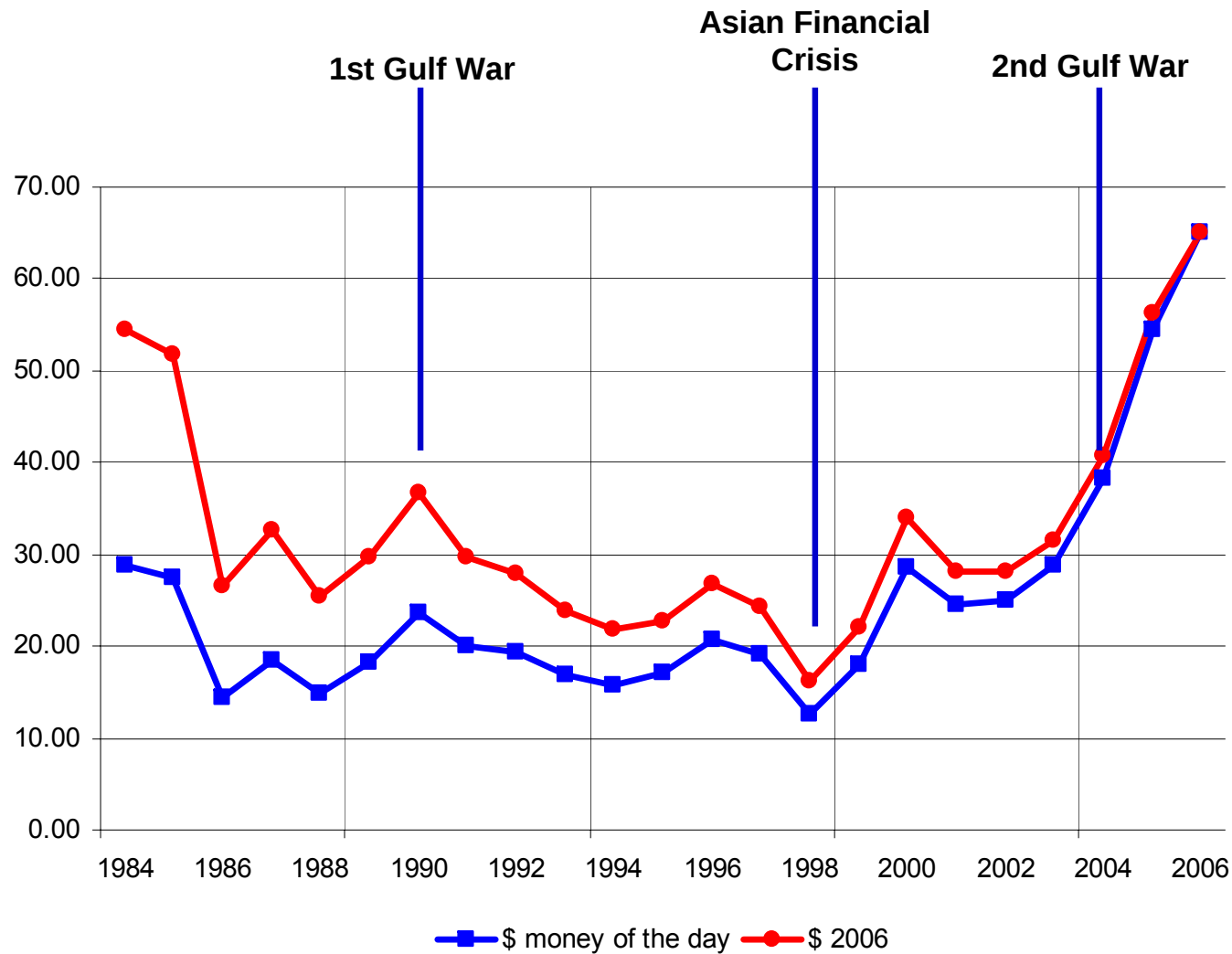


Source: BP Statistical Review 2007

Crude Oil Prices 1984 – 2006 (Brent dated)

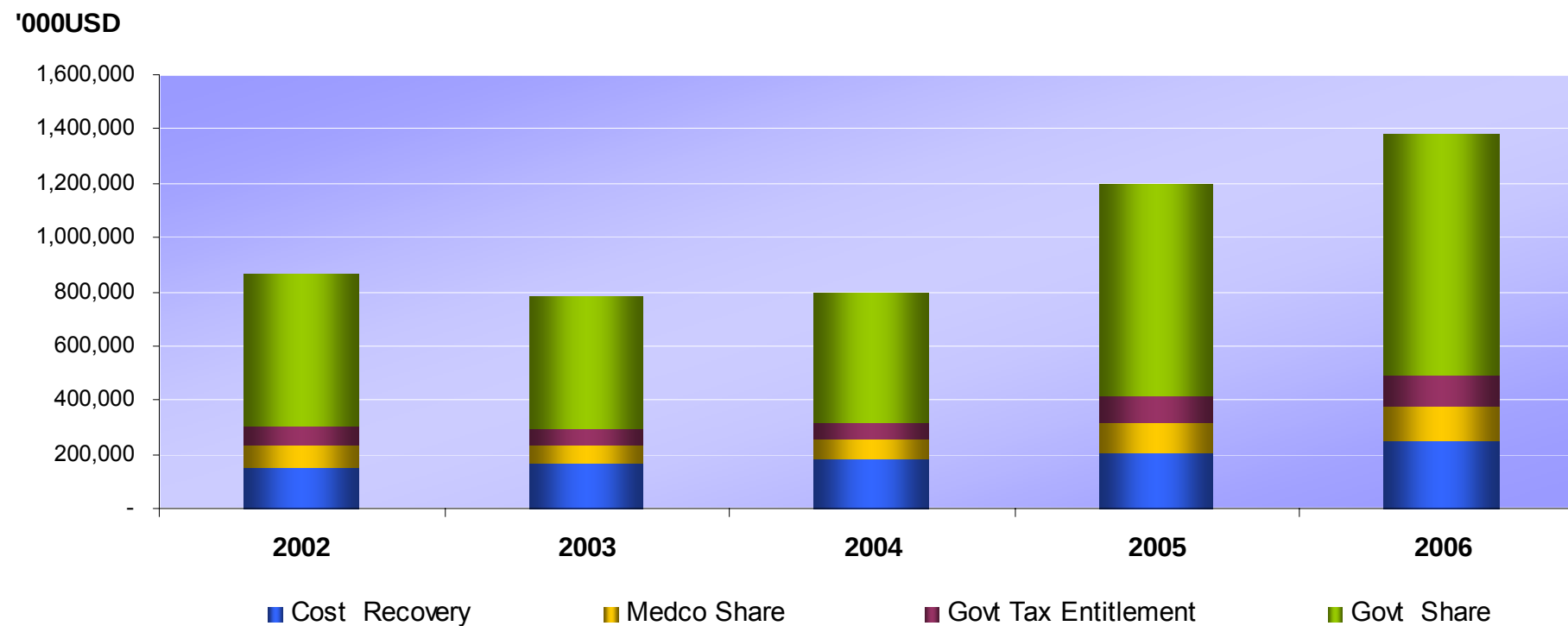


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Source: BP Statistical Review 2007

2006 E&P Revenues Breakdown



Attachment 6 – Financial Ratios

RATIOS	3 rd Q07	3 rd Q06	Δ%
Liquidity & Solvability			
Cash Ratio	0.70	1.1	-36.4
Quick Ratio	1.81	2.95	-38.6
Current ratio	2.17	3.68	-41.1
Debt to Equity Ratio	1.63	1.51	8.4
Net Debt to Equity Ratio	1.10	1.04	6.0
Total Liabilities / Total Equity	2.43	2.03	19.8
Profitability			
Gross Margin	47%	44%	5.5
EBITDA Margin	48%	45%	7.3
Operating Margin	32%	30%	7.5
Net Margin	5.98%	5.85%	2.3
Interest Coverage Ratio	6.21	8.51	-27
Return on Equity	0.069	0.063	8.6

RATIOS	3 rd Q07	3 rd Q06	Δ%
Coverage Ratios (x)			
Income from Operations/ net interest	4.12	5.64	-27.0
Dividend payout ratio	0.47	0.47	0.0
Net debt/ EBITDA	2.33	2.51	-7.0
Efficiency Ratios (x)			
Revenue/ fixed assets	0.55	0.57	-2.6
Revenue/ net working capital	2.07	1.66	24.7
Investment Ratios (x)			
CapEx/ Revenue	0.36	0.23	54.0
CapEx/ depreciation	0.86	1.53	-43.6
Capital Structure (%)			
Net debt/ total equity	1.30	1.23	6.0
Net debt/ (net debt + equity)	0.57	0.55	2.6

Attachment 7 – Others

MEDC Share Performance



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Domestic Gas Contracts



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Counterparty	Offtaker Industry	Agreement	Term	Pricing (US\$/MMBTU)		Index	Signing Date	Gross	
				Contract	1H'07			Contract (in BBTUD)	1H'07
1. PLN	Kaji MUBA Power Plant / Talang Duku	GSPA	Oct 2003 - Oct 2013	1.15	1.17	Indexed to Power tariff	10-Jul-03	11	1.87
2. Pertamina	LPG	GSPA	May 2004 - May 2009	\$313/ton		N.A.	16-Jan-04	60 ton/day	
3. Pertamina	Fertilizer plant	Amendment to GSUA	Sep 2004 - Dec 2007	1.40 - 1.55	1.55	Escalated	12-Dec-04	45	41.25
4. PLN	Simpang Indralaya Power Plant	Amendment to GSPA	2002 - 2012	2.685	2.69	Flat	12-Dec-04	22.8	17.27
5. PLN	Keramasan Power Plant	GSPA	Jan 2007 - May 2013	2.685 - 2.75	N/A (delay)	Flat	20-Jan-06	24	N/A (delay)
6. Meta Epsi/PJB	Gunung Megang Power Plant	GSPA	Feb 2006 - May 2013	2.3	N/A (delay)	Flat	20-Jan-06	14.5	N/A (delay)
7. PLN	Borang Power Plant	Amendment to GSPA	Jan 2006 - May 2013	2.55	2.55	Flat	12-Dec-04	5 - 21	10.80
8. PLN	Muara Tawar	GSPA	Apr 2009 - Oct 2017	2.55 - 3.91	N/A	Escalated	14-Mar-07	48.5	N/A
a. Pertamina	Tanjung Batu Power Plant	GSUA	Jul 2003 - Mar 2008	2.5	2.21	Flat	21-Jan-04	18.3	4.26
b. Pertamina	Bunyu Methanol Plant	GSUA	1997 - 2007	1.42	1.42	Flat	23-Apr-97	30	8.77
c. PLN	Gunung Belah Power Plant	Amendment to GSPA	2002 - 2012	1.00 - 2.74	2.28	Step - up	10-Jun-05	1.2 - 3.5	3.72

- Banjar-Panji 1 well mudflow incident, Brantas PSC occurred May 29th 2006.
- On March 16, 2007, **Medco signed an SPA** for PT Medco E&P Brantas (“Medco Brantas”), **which holds 32% working interest of Brantas PSC.** Sales price of USD 100 for 100% of Medco Brantas.
- The Buyer (Prakarsa Group) shall assume:
 - a. Any past, current or future potential liabilities to Medco Brantas; and**
 - b. All the future cash calls requested from Medco Brantas.**
- Financial impact: **a loss of USD 61.66 million in the P&L in 2006.**
- The Company decided to divest Medco Brantas in order to allocate its resources to a more attractive assets within its portfolio.

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