

Investor Presentation

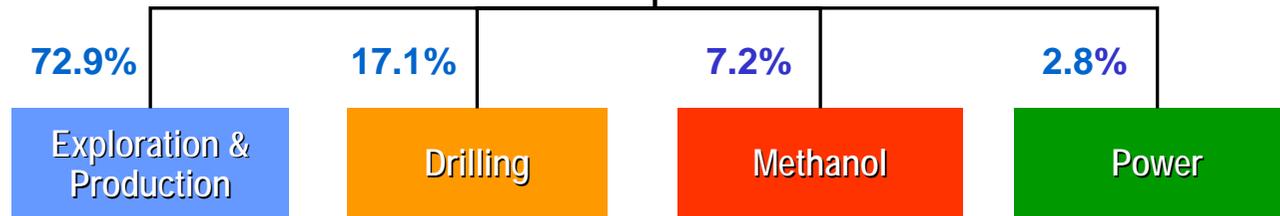
PT Medco Energi Internasional Tbk.

- 1. Introduction**
2. Highlights
3. Financials
4. Operations
5. 2006 Outlook

Strategic assets spread across Indonesia



Highlights Revenue Contributions

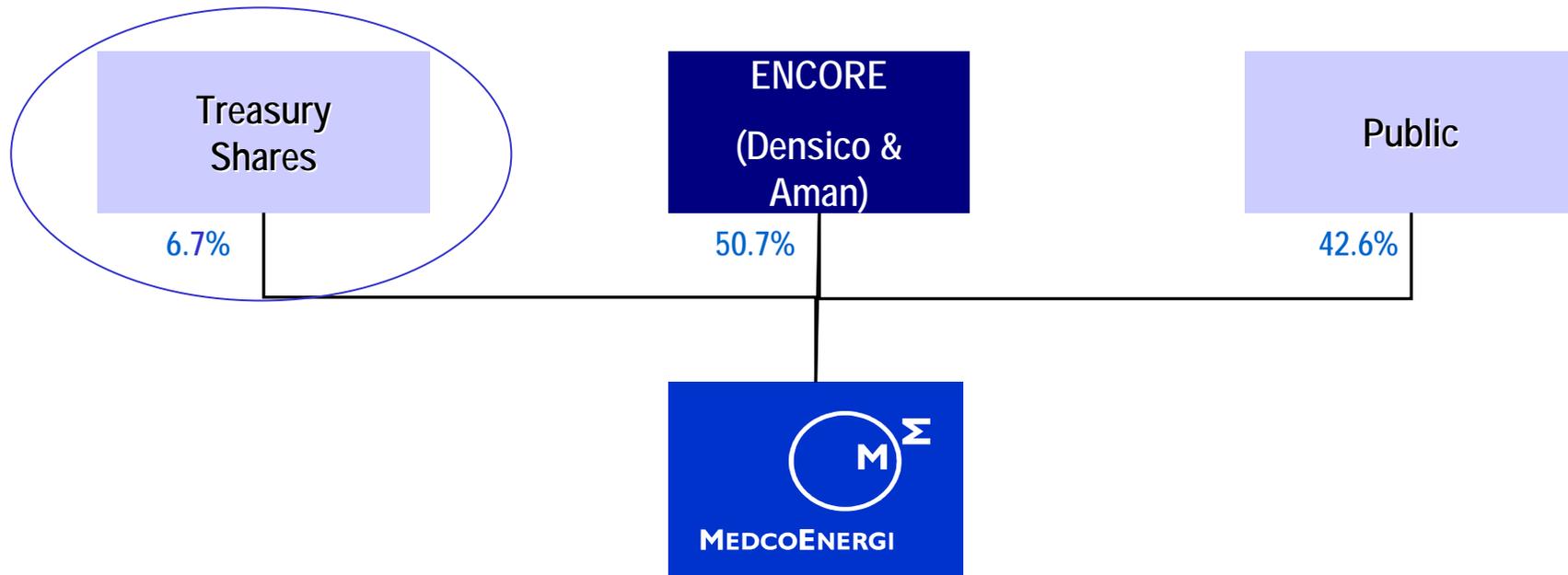


- E&P Oil and Gas focused company, supported by onshore and offshore drilling operations, expanding to power opportunities.
- Reserves Portfolio (per January 1, 2006):
 - Gross 1P reserve – 173 MMBOE (68% oil, 32% gas)
 - Gross 2P reserve – 532 MMBOE (35% oil, 65% gas)
- Medco's Oil and Gas assets in Indonesia are strategically located to supply growing gas demand.

Ownership Structure



MEDCOENERGI



- Medco (MEDC IJ) is listed in Jakarta Stock Exchange and Luxembourg (GDS)
- Market Capitalization ~ USD 1.14 billion (at IDR. 3,375/share and IDR 9,830)
- Number of shares 3,332,451,450

Note: as of December 2005

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- Successfully **disposed stakes in Novus Middle East Ltd and Novus Pakistan Pty Ltd** for an aggregate amount of approximately USD 65 million.
- **Medco won bid to explore oil and gas in Area 47**, a 6,812 km² area in the Ghadames Basin in northwest Libya. (see page 25)
- **Jeruk discovery – initial operator’s estimate of 170 mmboe 2P total reserves**
- **Anadarko** signed with Medco an **Exploration Joint Venture Agreement** to jointly explore high risk prospects in Indonesia for 3 years committing investments of USD80 million. (see page 23)
- A **“Secondary Offering”** of existing shares were offered by the **founding shareholders** in July 2005, which increased the Public free-float to 42.6%.
- **Apexindo raised IDR 460.7 billion from Rights Issue Offering** in October 2005 - effectively diluting Medco’s stake from 77.5% to 52.4%.
- **Acquired Sembakung TAC**, a producing block that produces about 5,000 BOPD at the time of the acquisition. (see page 21)
- Ventured into the **renewable energy** in the form of cassava-based ethanol. Plant construction in 3Q06 located in Lampung, south Sumatra.

- **Medco won bid to operate** a cluster of 18 fields in Nimr-Karim area in south of Oman (“**Karim Fields**”) under a service agreement. (see page 24)
- Jeruk acquisition completed. **Jeruk field** is currently undergoing further appraisal drilling. (see page 22)
- **15% farm-in at Bangkanai Block** (Central Kalimantan). (see page 20)
- In March signed 2 new gas contracts:
 - HoA with Mitra Energi Buana for 6 BCF of gas, **average price of USD 3.10/mmbtu**, from 2007 – 2013
 - MoU with Petromuba for 2.1 BCF, from 2007 - 2010
- Acquired 50% **Block A from Exxon-Mobil** (North Sumatra).
- PT Medco Energi Internasional issued **Convertible Bonds** to be converted in Treasury Shares of the Company valued at Approximately **USD 177 million**.
- Acquired 43.75% working interest in **Mustang Island Block 758**, located offshore of Texas.

Oil and Gas Operations



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Medco Energi's E&P operations:

- 14 producing blocks/operations
- 2 development blocks
- 8 exploration blocks
- 1 service contract

Major assets are:

- ❖ Rimau, SS Extension and Kampar (oil production)
- ❖ Senoro – Toili (gas reserves)

●	Production
●	Development
●	Exploration
●	Headquarter
●	Service contract

Diversified block portfolio with strategic locations next to Java, Sumatra and Singapore

	Strategy	Implementation
Optimization/ Development	<ul style="list-style-type: none"> Indonesia focus Optimizing existing oil and gas portfolio 	<ul style="list-style-type: none"> Optimize production from maturing fields Gas monetization
Acquisition	<ul style="list-style-type: none"> Indonesian and International Balanced mix of producing and exploration assets 	<ul style="list-style-type: none"> Presence in US and Middle East Leverage Indonesia network, market intelligence and experience to acquire new blocks
Exploration	<ul style="list-style-type: none"> Primary Indonesia focus Focus on: <ul style="list-style-type: none"> Best prospects Near existing fields Strategic alliance with foreign partners 	<ul style="list-style-type: none"> From 2006-2008, plan to drill 46 exploration wells <ul style="list-style-type: none"> 33 wildcats and 13 delineation wells Target 5 Indonesian exploration & 6 production blocks, and Libya Anadarko Exploration Joint Venture

Reserves Replacements (cont'd)



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MBOE	Production 2005	Addition 2005
1. Rimau PSC	13,069	27,812
2. SSE & Kampar PSC	7,702	15,416
3. Tarakan PSC	1,893	1,060
4. East Kalimantan TAC	2,525	(286)
5. Kakap PSC	1,403	-
6. Brantas PSC	1,026	-
7. Tuban PSC – JOB	568	-
8. Sembakung TAC	-	4,830
9. Lematang PSC	77	29
10. Langsa TAC	456	1,129
11. Senoro – Toili PSC – JOB	155	(545)
12. Middle East*)	502	-
13. Novus US	503	-
Total	29,879	49,445

Reserves replenishment of 165% for the year.

Note: Production and addition to reserves are based on gross working interest

*) Novus Middle East assets were sold on July 15, 2005

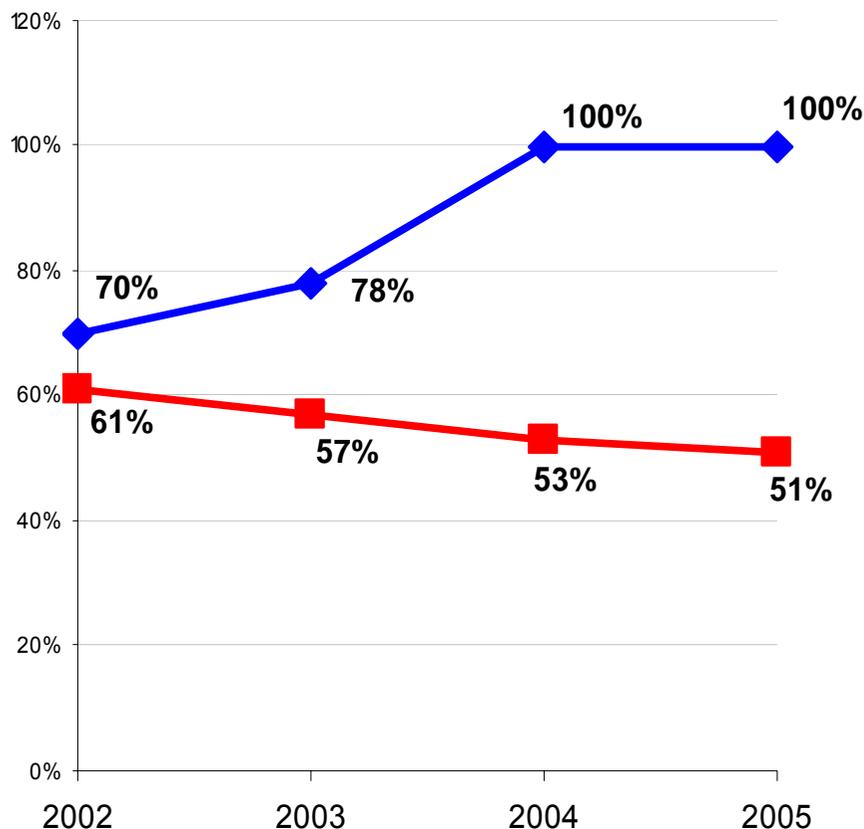


52%

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

- ◆ Incorporated in 1991.
- ◆ Operates 5 offshore rigs (1 additional jack-up rig scheduled operating in early 2007).
- ◆ Currently operates 9 onshore rigs.
- ◆ Key long term clients like Total ensure high utilization.
- ◆ Revenue of USD105.9 M in FY05.

Average Utilization

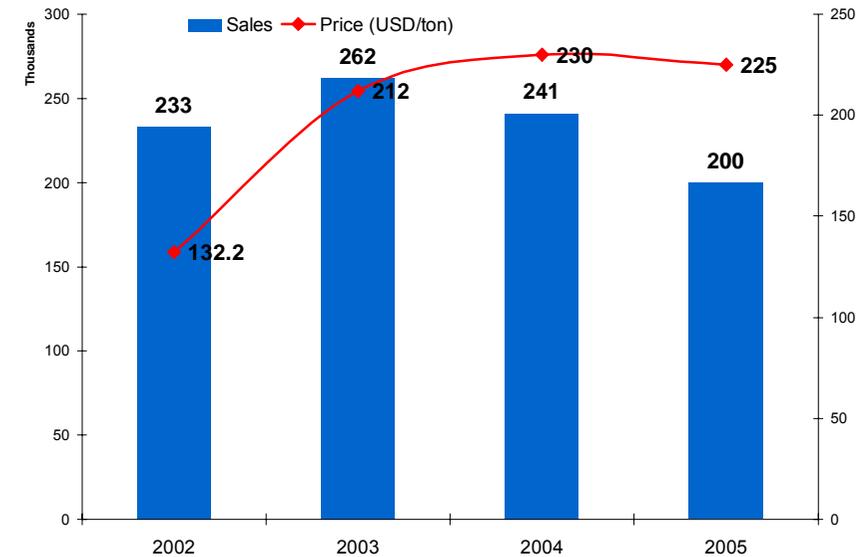


—◆— Offshore —■— Onshore

Methanol Business Overview

- Lease and operate a Methanol Plant owned by PERTAMINA.
- Plant location on Bunyu Island—East Kalimantan.
- 330,000 ton / annum (900 Ton/day operating capacity).
- Natural Gas feedstock from Tarakan.
- 60% exports, 40% domestic market sales.

Methanol Sales



Mitra Energi Batam

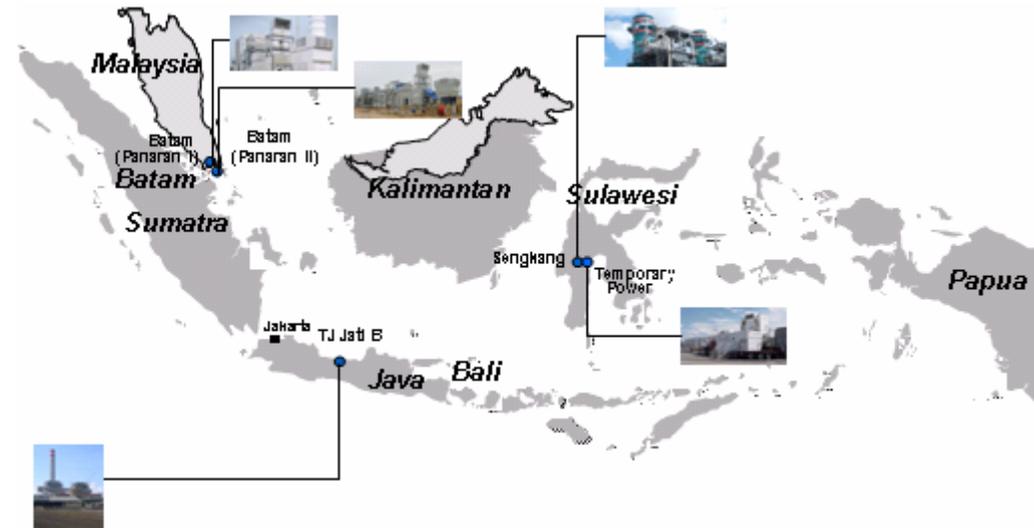
- Panaran I with capacity of 2x31.5 MW.

Dale Energi Batam

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

Medco Power Indonesia

- Signed Taking 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.



Tanjung Jati B

- O&M Agreement has been effective as of 19 September 2005 for 23 years.
- Consortium: Medco and Fortum.

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FINANCIAL HIGHLIGHTS (in million USD)	3M06	3M05	Δ%
Revenue	177.3	130.5	35.8
Gross Profit	86.9	69.8	24.5
Income from Operations	59.4	51.8	14.6
EBITDA	84.6	73.9	14.4
Earnings Before Tax	67.1	39.8	68.6
Net Income	25.9	20.0	29.7
EPS (USD/share)	0.0083	0.0064	29.6
Equity	561.7	519.6	8.1
Total Assets	1,618.3	1,376.6	17.6
Debt to Equity Ratio	1.00	1.12	-15.3
Net Debt to Equity Ratio	0.64	0.82	-27.4
Total Liabilities / Total Equity	1.70	1.57	8.0

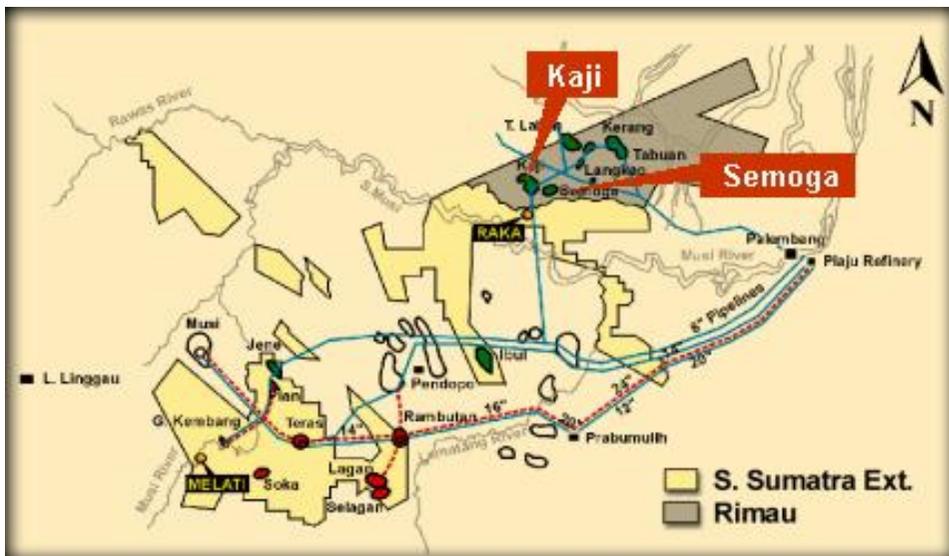
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OPERATION HIGHLIGHTS	3M06	3M05	Δ%
Oil Lifting / BOPD	53,374	47,914	11.4
Gas Sales / MMCFD	133.80	132.91	0.7
TOTAL Oil and Gas (BOEPD)	76,245	70,634	7.9
Crude Price, USD/barrel	61.77	46.78	32.0
Gas Price, USD/mmbtu	2.55	2.51	1.6
Onshore Rig Utilization / %	60	44	36.4
Offshore Rig Utilization (Swambarges) / %	100	100	0.0
Offshore Rig Utilization (Jackup) / %	100	-	-
Methanol Production / 000' MT	46.21	60.44	-23.5
Methanol Sales / 000' MT	47.00	52.00	-9.6
Methanol Price, USD/MT	223	248	-10.0
LPG / MTD	100.08	92.20	8.5
LPG price, USD/MT	317	349	-9.3

Rimau PSC – Optimization of Kaji-Semoga Field



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- Average daily production **36,000 boepd** for 12M05 period.
- Contract expires on 23 April 2023, acquired from Exxon-Mobil (Stanvac) in 1995.
- Medco: 95%
Contract oil sale to; e.g. Itochu, PTTEP and Mitsui.
- Reserves:
 - 1P 74.86 MMBO, 18.6 bcf (GCA Jan 2006);
 - 2P 93.42 MMBO, 23.9 bcf (GCA Jan 2006).
- Optimizing production efforts:
 - Completed 44 development wells FY 2005;
 - POD progress on waterflooding;
 - Study for EOR in 2006 (Schlumberger/Mitsubishi).
- An LPG plant in Kaji/Semoga to allow 200 tons/day of propane and butane production. 12M05 average daily production is 96.81 MTD.



Numerous Developments on Senoro

- **JOB with Pertamina:** Medco 50% Pertamina 50%
- **Tiaka oil field average production FY 2005 was 850 BOPD.**
- **Company's 2P estimate 2.6 tcf (444 mmboe) of natural gas under marketing.** Medco share 222 mmboe.
- **Progress Update:**
 - Senoro 4 appraisal well completed in February, and determined non-commercial. Additional 3 wells to be drilled in 2006;
 - June '05: Exclusivity agreement to sell to mini-LNG project of an Australian-listed company (120 mmcf/d); **(exclusivity expired in September 2005)**
 - May '05: Development plan approved in 2005 for up to 230 mmcf/d (Phase I);
 - March '05: Binding-HOA to supply Ammonia Plant (reduced to 60 mmcf/d), PT Panca Amara Utama.
 - Compressed Natural Gas (CNG) as method of transportation studied.



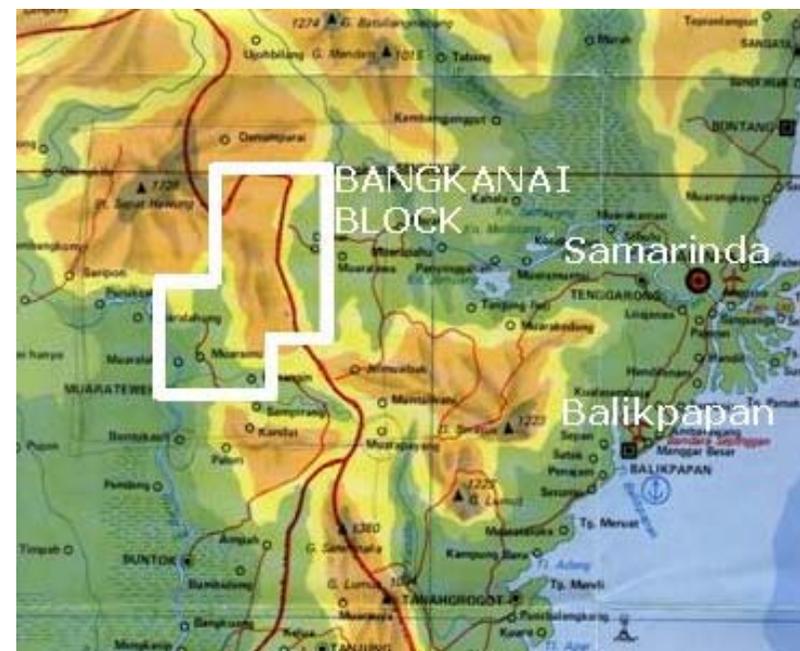
- **Upstream Development:**
 - Appoint EPC contractor from Australia to construct upstream facilities for Senoro gas reserves (2x130 mmcf/d).

Recent Acquisition – Bangkanai PSC



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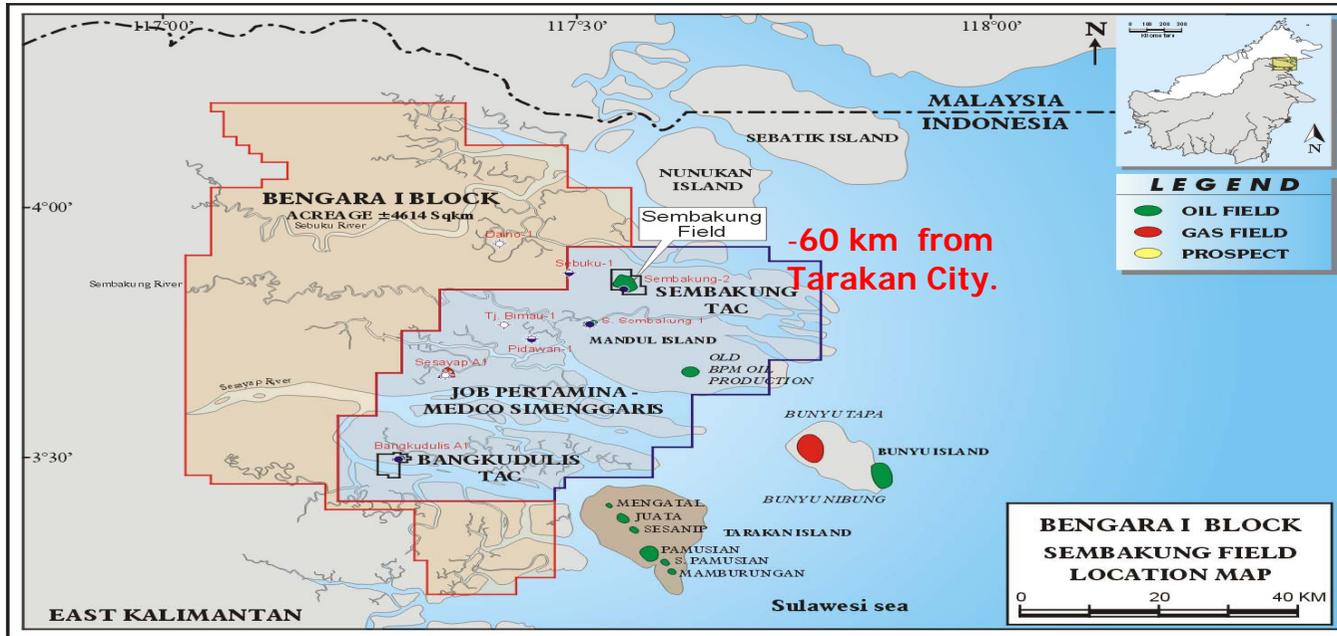
- Located in Central Kalimantan, about 200km west of Balikpapan.
- Block size: 6,976 sq km.
- Medco: 15%.
- Contract expire: December 4, 2033.
- Discovery of one gas field: Karendan gas filed with estimated 3P reserves of about 400 BCF.



Sembakung TAC



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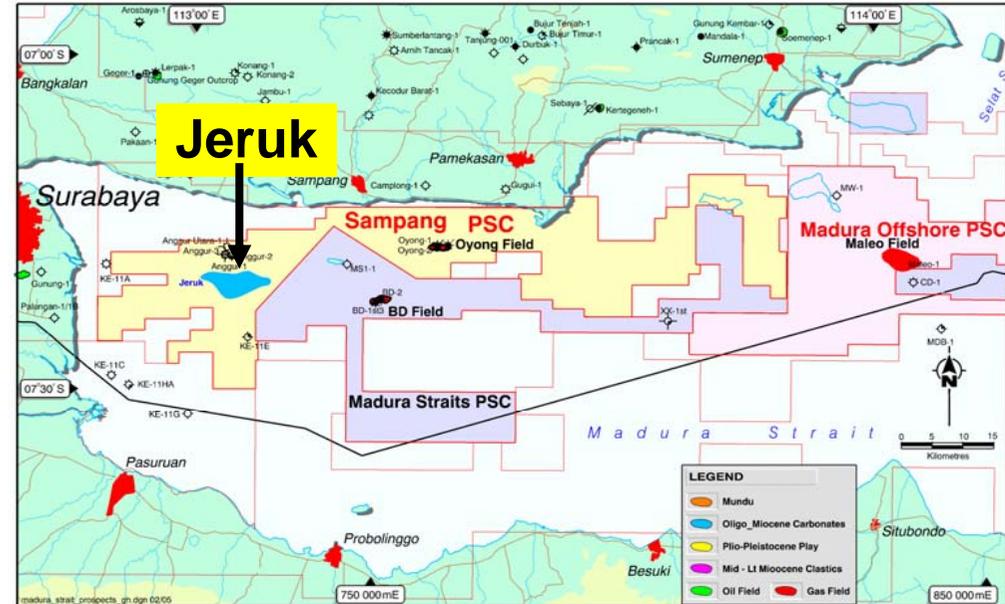
- Contractor's entitlement : 28.846% of share oil (minus cost); 67.3077% for gas.
- Block size 23.37 sq km, onshore area in NE in Kalimantan.
- Contract Terms: 22 December 2013.
- Medco: 100%.
- Purchase price of USD 31.7 million in September 2005.
- Proved and probable (1P) oil reserves of 4.8 million barrel (MMBO) as of January 1, 2006.
- The average production rate for the period ended June 30, 2005 was 5,000 bopd.
- Excellent synergy with Medco's surrounding blocks; Nunukan, Simenggaris, Bengara and Tarakan.

Jeruk Prospect – Update



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- Located offshore east of Surabaya, within Sampang PSC.
- Medco Economic Interest in Jeruk prospect: 22.5%.
- Contract Terms: December 4, 2027.
- Estimated Jeruk Reserve: Operator (Santos) pre-drill estimates of 170 million barrel oil 2P total reserves
- “Acquisition cost” of USD 20.25 million.
- Appraisal Activities:
 - Jeruk-3 well flowing 3,200 bopd;
 - Plan to drill 3 more appraisal wells.
- Target Depth ~5,500 m.
- Target Reservoir: Kujung Formation.
- Target production in 2008.



Anadarko – Exploration Joint Venture



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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:
 - 3 year work program (exploration);
 - Medco’s Indonesian blocks (except Merangin) at a cost USD 80 million;
 - Anadarko’s interest up to 40% in initial interest.
- **Activities up-to-date:**
 - Executed 3 implementation agreements on EJVA; Nunukan, Simenggaris and Tarakan Seismic;
 - Drilled Sesayap B1 in Simenggaris Block, East Kalimantan;
 - Drilling South Sembakung 2.

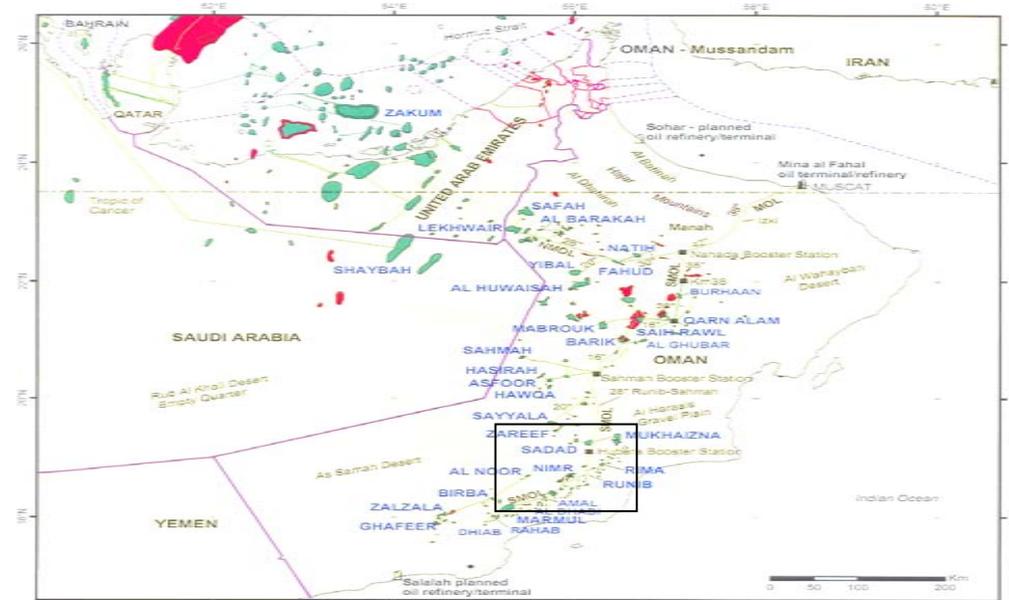


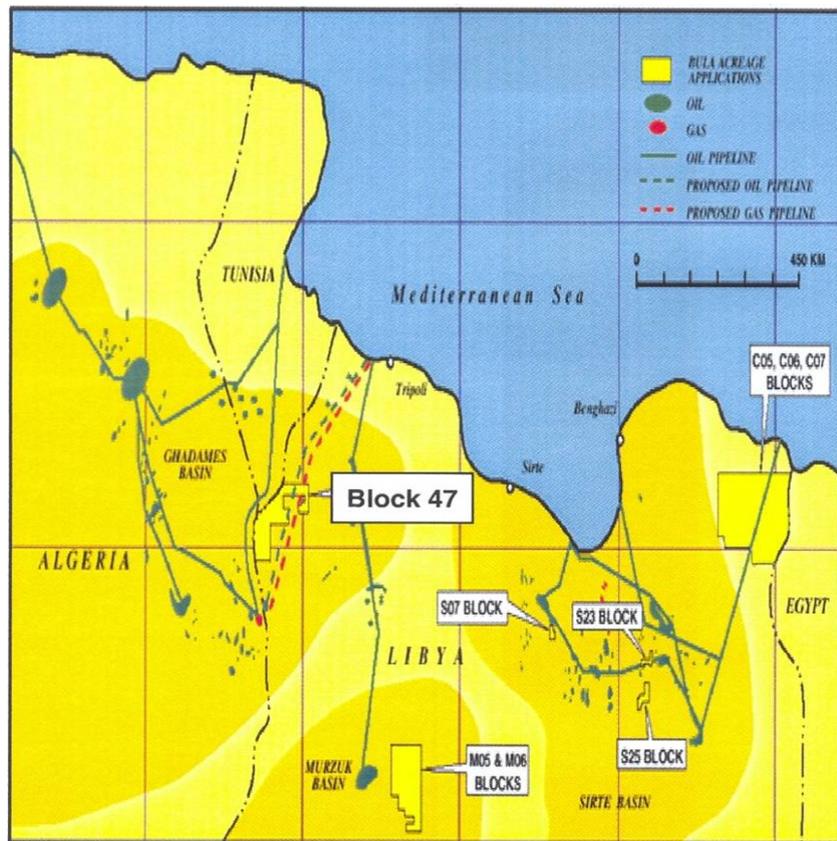
Karim Fields- Oman



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- Location: The Sultanate of Oman.
- Status: Producing fields; ~16,000 bopd.
- Signed: February, 2006.
- Effective: June, 2006.
- Service Contract Tenor: 10 years.
- Economic Interest:
 - Medco Energi 51%.
- Service Contract Arrangement:
 - 100% cost recovery with a maximum of 30% of gross revenue annually;
 - Signature Bonus of USD 30 million.
- Plan to double the existing production by 2008.
- Strategy: “beach-head” to the prolific oil and gas assets of the Middle East.





- Medco signed an Exploration and Production Sharing Agreement (“EPSA”) with Libya’s National Oil Company for Area 47;
 - Effective March 12, 2005. Expires in 2035;
 - Medco 50% and Verenex 50%.
- 6,812 sq kilometer area in the Ghadames Basin, Northwest Libya.
- Exploration Activities 2006:
 - 2D & 3D seismic 1H06;
 - Drilling commences 2H06: 3 wells and 1 work-over well.
- Significant oil upside: existing discoveries of 2 oil fields, estimated ranges 120-150 million barrels 2P basis.
- Reserve estimates based on Libyan government estimates and are not booked by the company.

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CAPEX

- **Total Capex about USD 400 Million.**
- **Drilling Program:**
 - ~ 20 exploration wells;
 - ~ 110 development wells.
- **Development Status:**
 - **Rimau** - 67 wells to be drilled in 2006, 1 wildcat;
 - **Jeruk** - to drill Jeruk-3 in 1H 2006. Plan to drill 4 wells in total over 2006;
 - **Lematang** gas field – Singa field;
 - a. Signed Head of Agreement to supply PGN ~50 mmcf/d;
 - b. Target for commissioning and start up in Q1'08;
 - **Tarakan**, to cope with the gas deliverability short-fall for Methanol Bunyu Plant;
 - a. Short Term Plan: helping Pertamina Bunyu in funding remedial works for their production wells.
 - b. Long Term Plan:
 - Jointly develop Pertamina Bunyu's gas fields;
 - Develop gas field in Nunukan block;
 - Tarakan exploration activities.

ACQUISITION

- Medco will continue to look for opportunities, both domestic and international assets within its financial strength.

PRODUCTION

- Oil production is expected to be ~ 56,000 bopd in 2006 from existing oil and gas portfolio;
- Gas production is projected to maintain ~ 160 mmcf/d in 2006.

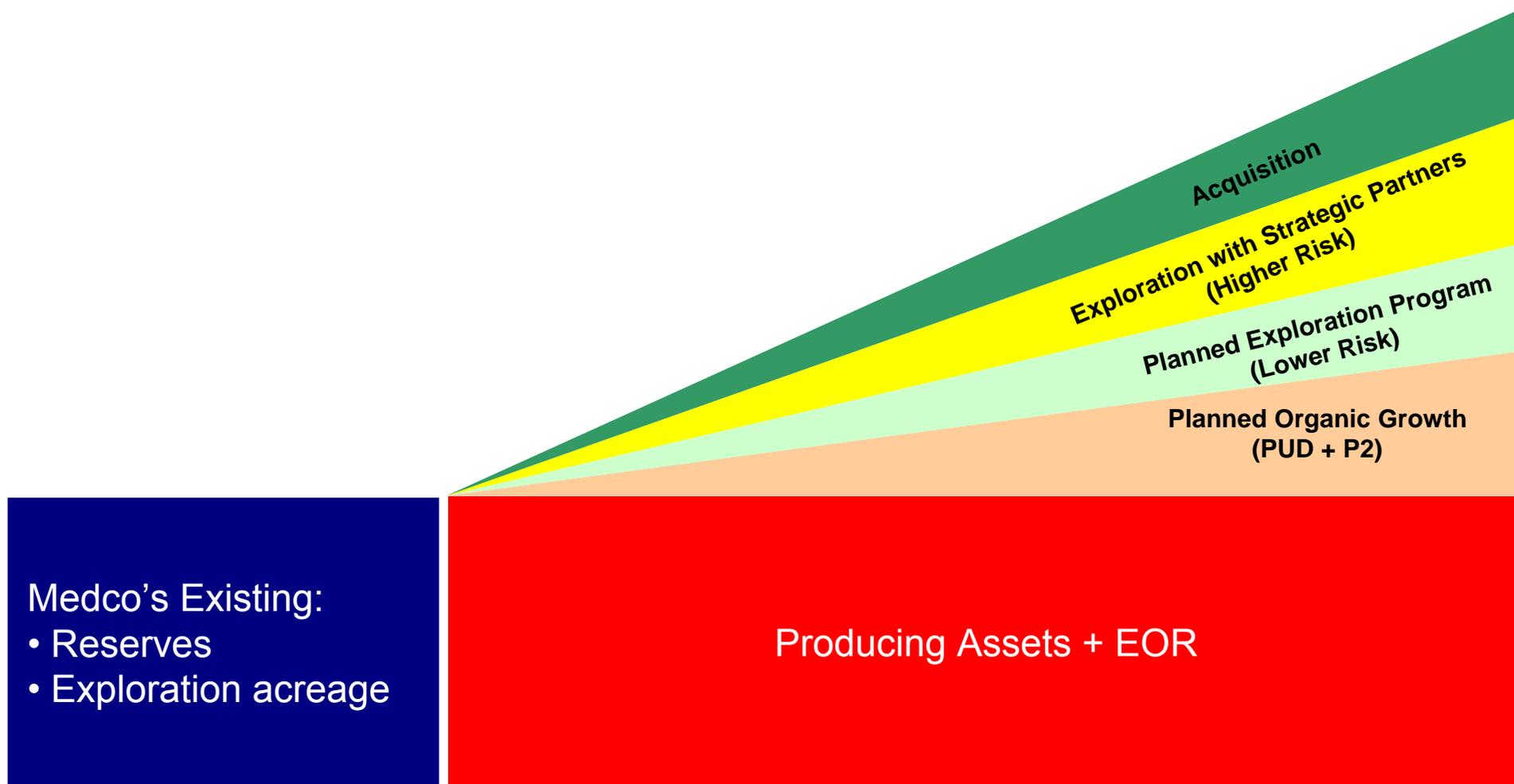
LIABILITY – LONG TERM DEBT

- Raise funds on project by project basis.

Comprehensive Growth Strategy



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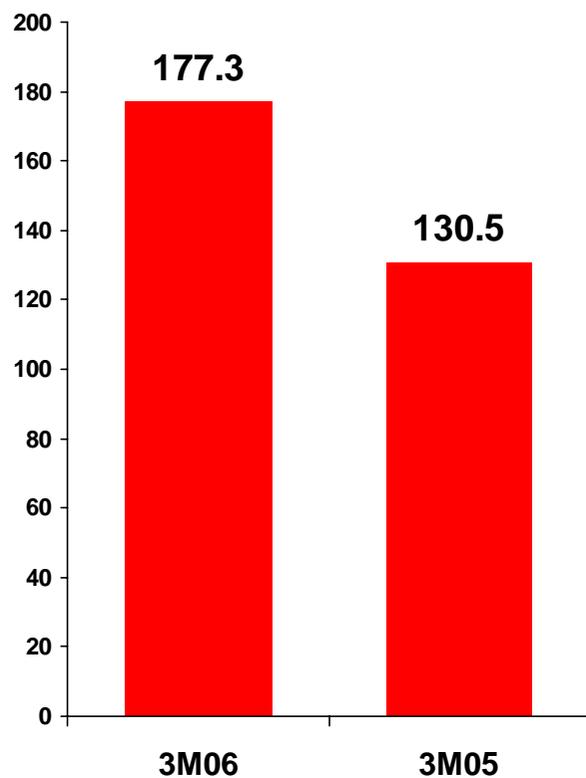
Supplements

3M06 Financial Results (in million USD)

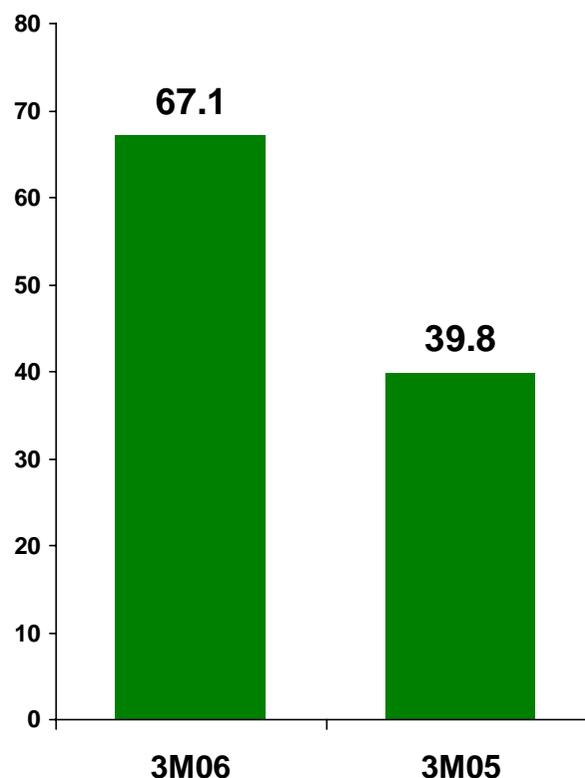


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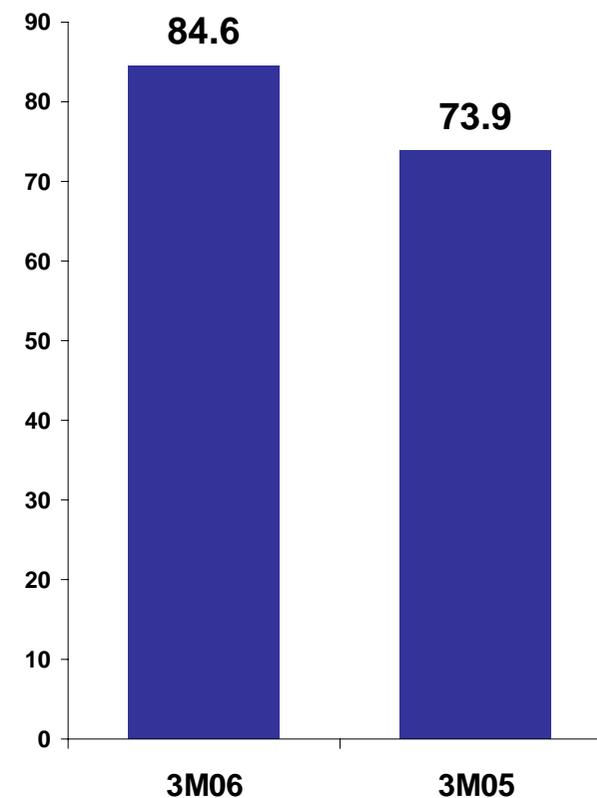
Revenues



Earnings Before Tax



EBITDA



EPS (in US dollars)

0.0083

0.0064

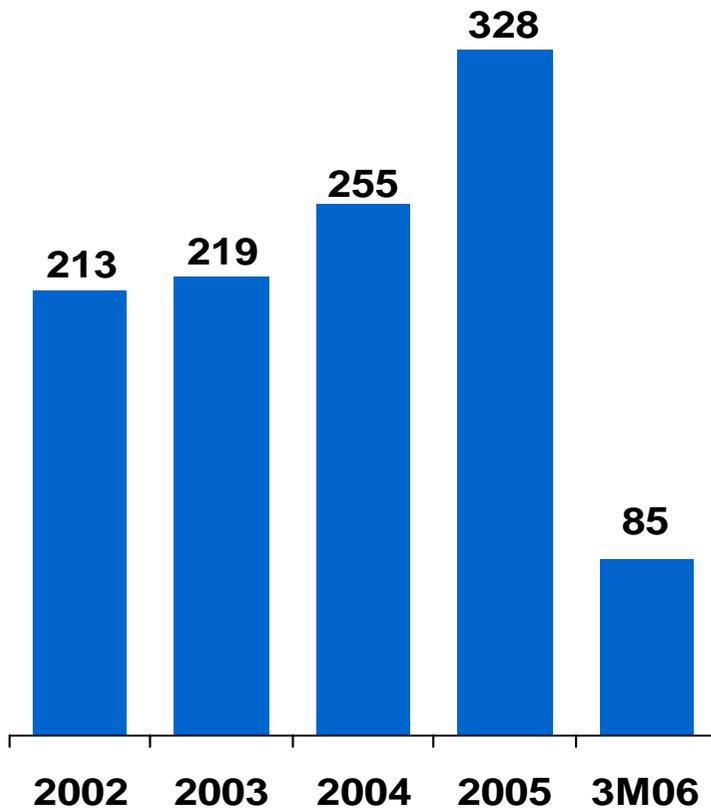
EBITDA Growth



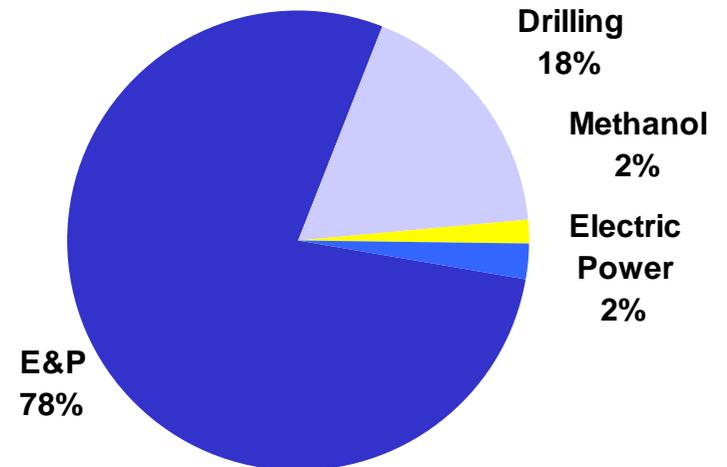
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EBITDA

USD mm



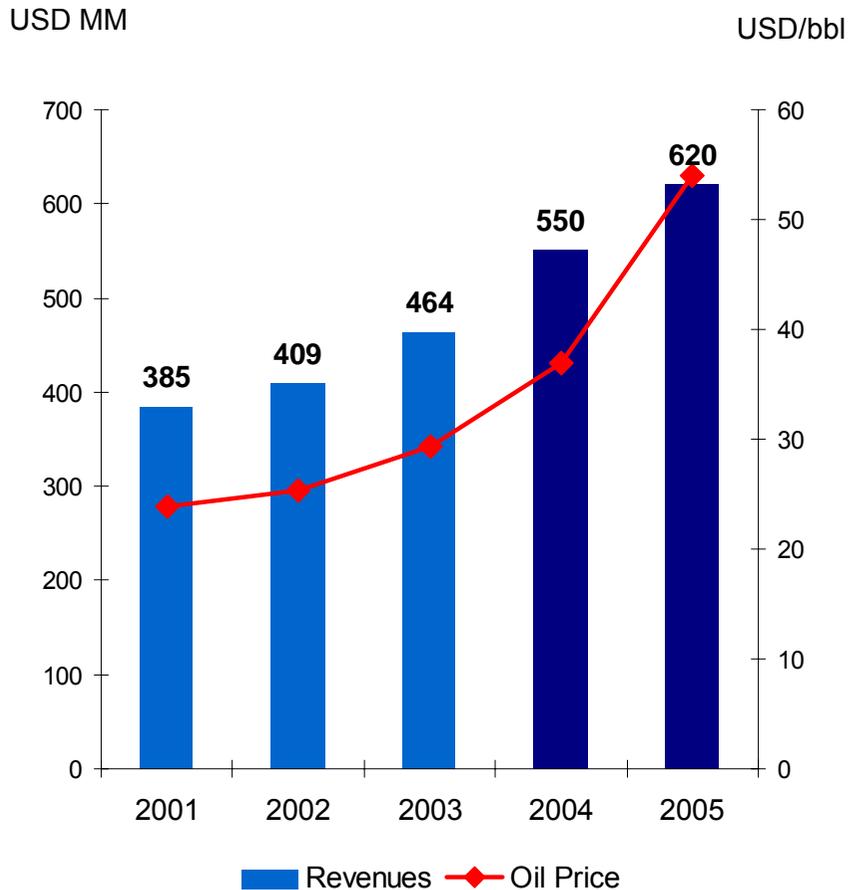
EBITDA 2005



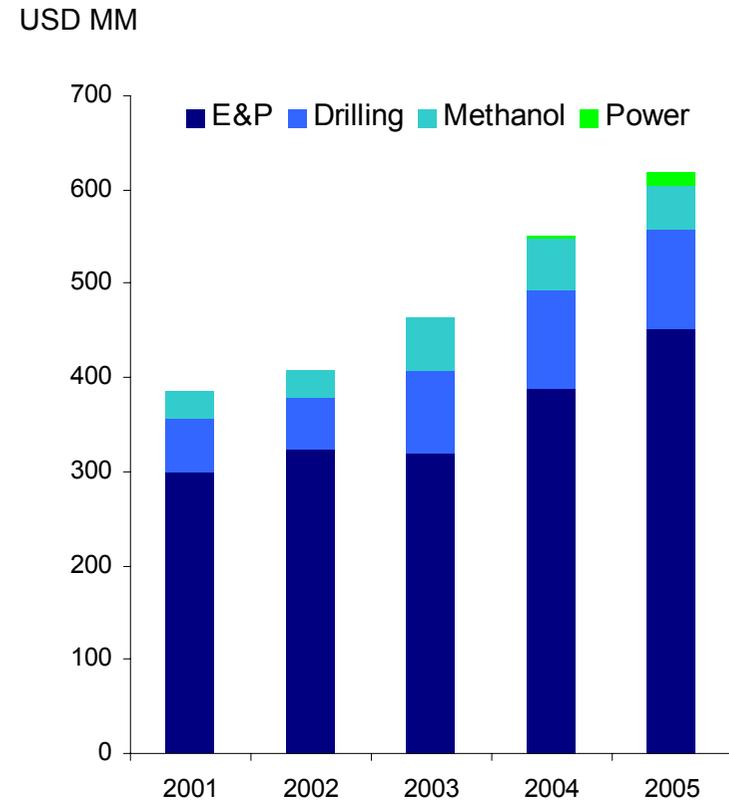
USD 84.6 mm

Despite oil price volatility, Medco grew its revenues by diversification of its assets

Revenues



Revenue Contribution



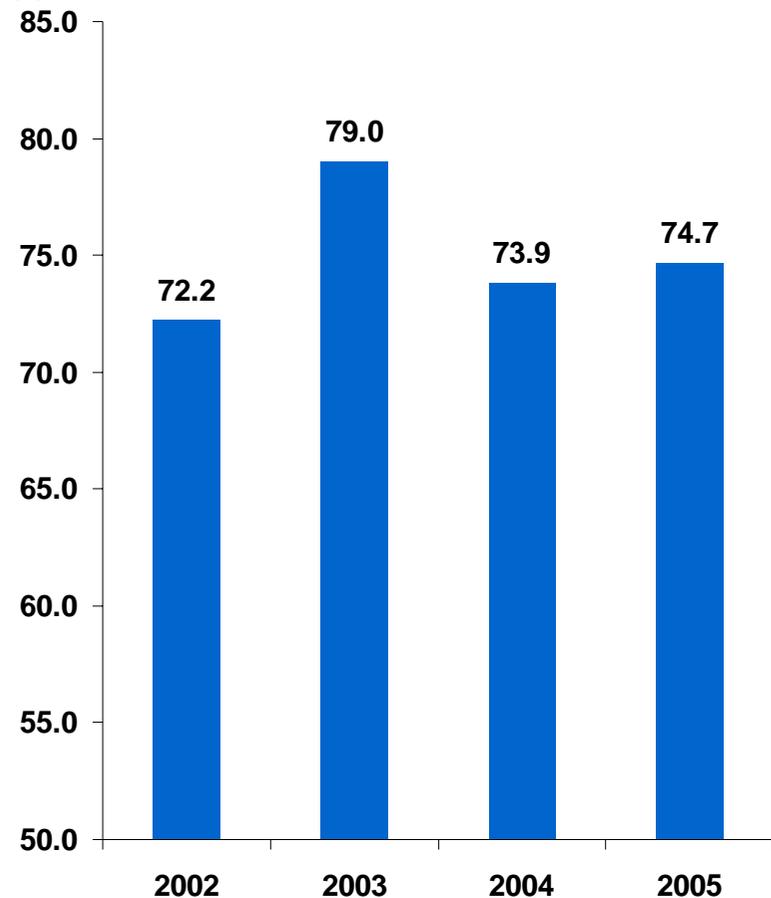
Net Profit and Dividends



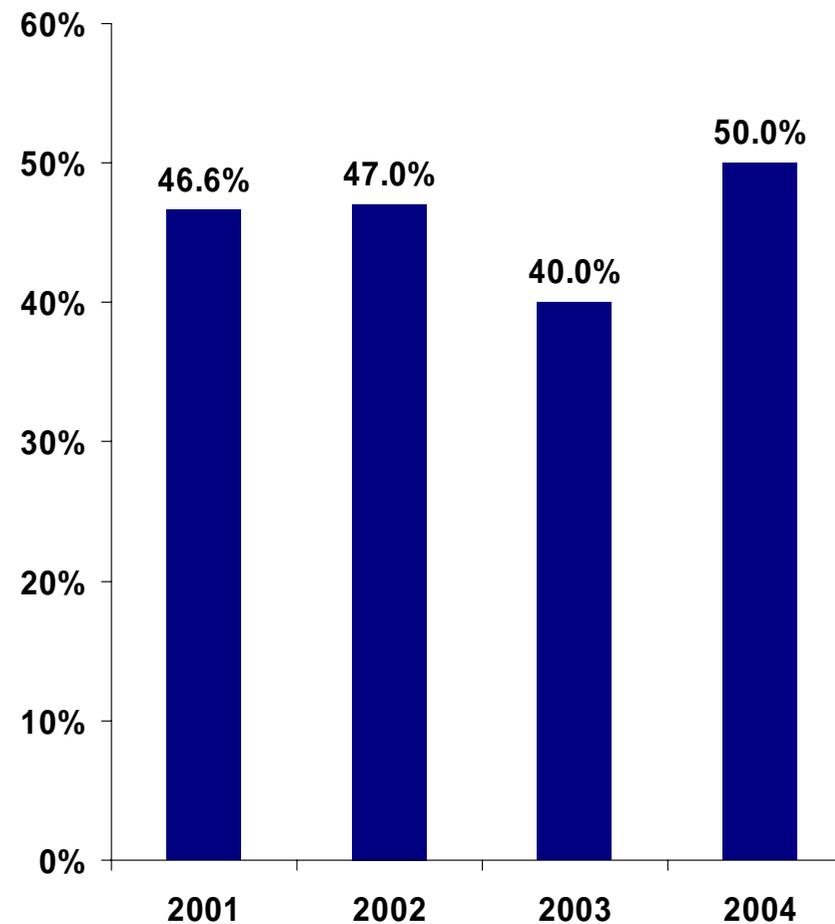
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Net Profit

USD MM



Dividend Payouts



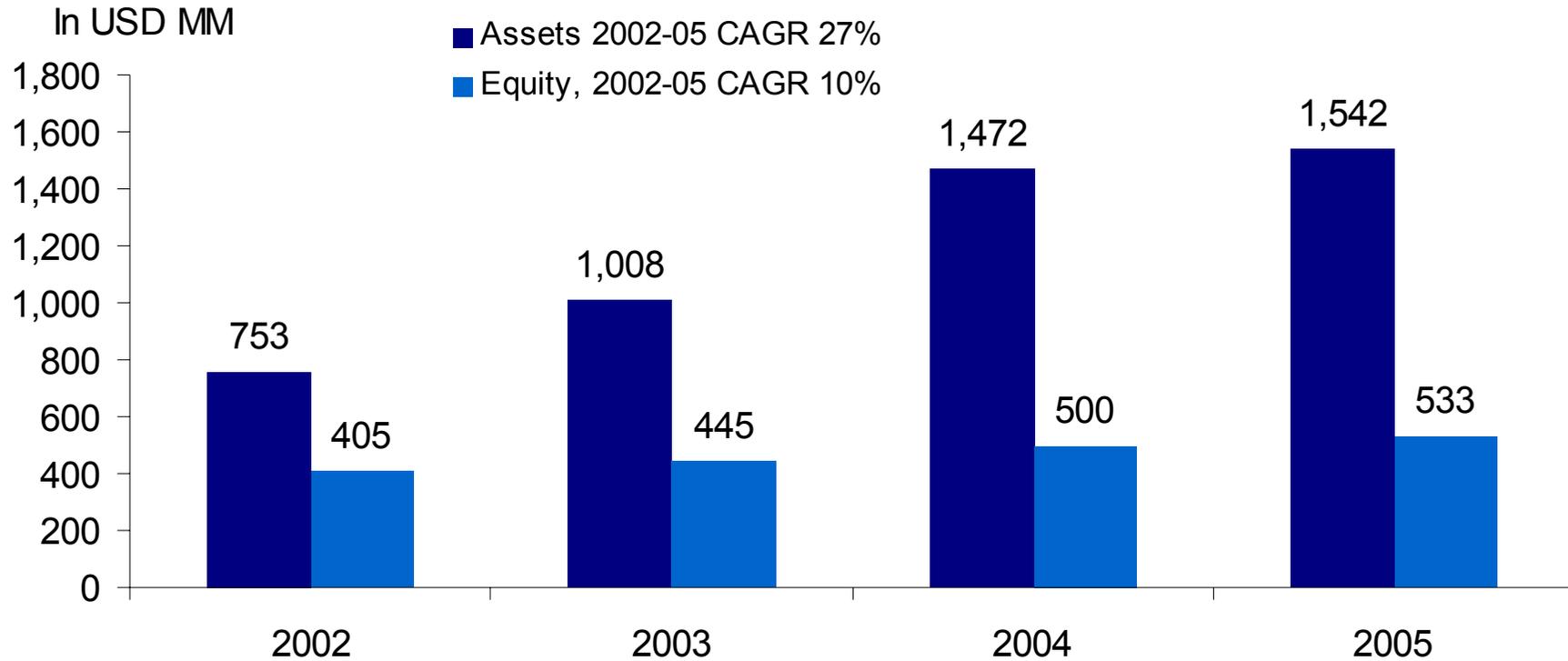
Note: Dividend payout ratio above bars

Exchange rate in 2000 and 2001 used was 1USD = Rp8,420

Strong Asset Growth



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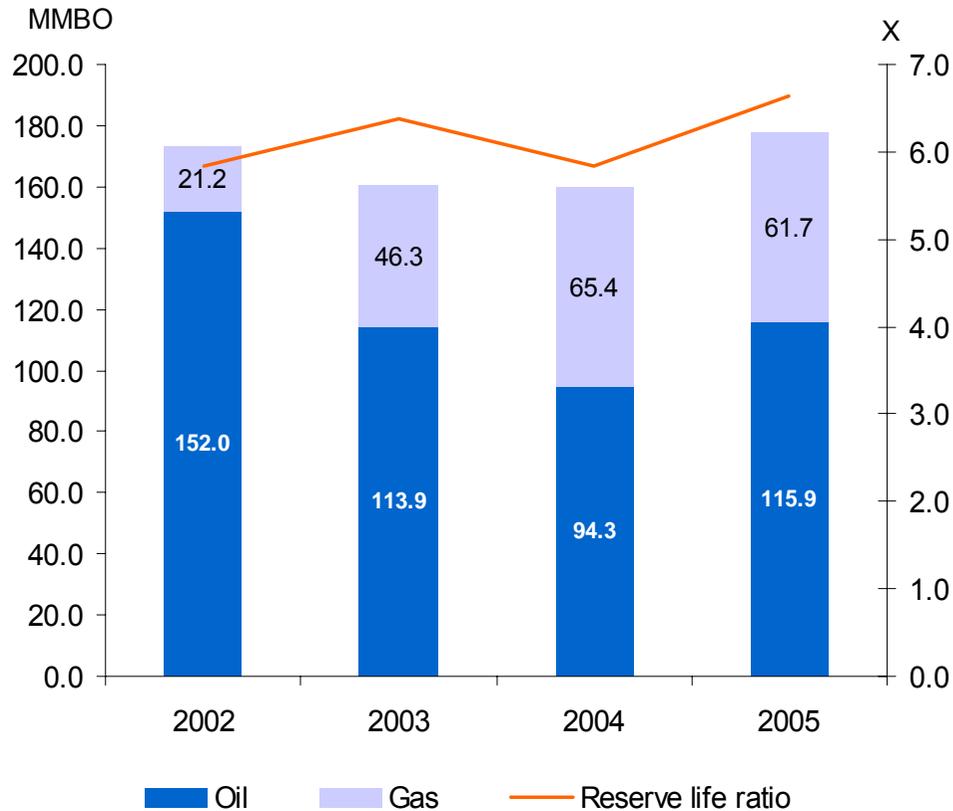


E & P Reserves and Production

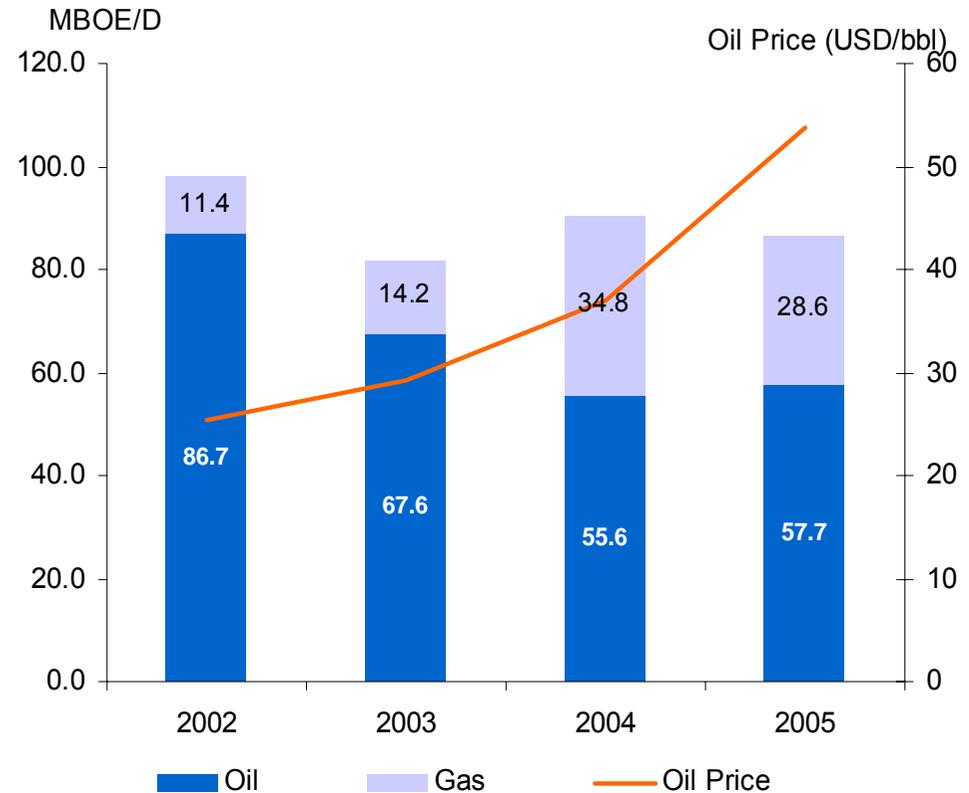


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Gross 1P Reserves (MMBOE)



Average daily production (MBOEPD)



Source: Gaffney Cline & Associates (1 January 2006) and in-house estimates

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