MEDCOENERGI

Analyst Briefing

PT Medco Energi Internasional Tbk.

November 3, 2006

www.medcoenergi.com

Energy Company of Choice

1. **Highlights**
2. Operations Update

9M 2006 Operations Highlight

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OPERATION HIGHLIGHTS	9M06	9M05	Δ%
Oil Lifting / MBOPD	55.75	54.03	3.2%
Gas Sales / MMCFD	131.18	135.65	-3.2%
TOTAL Oil and Gas (MBOEPD)	78.17	77.22	1.2%
Average Crude Price, USD/barrel	66.33	53.29	24.4%
Average Gas Price, USD/mmbtu	2.49	2.53	-1.5%
Onshore Rig Utilization / %	61%	46%	32.6%
Offshore Rig Utilization (Swambarges) / %	100%	100%	0.0%
Offshore Rig Utilization (Jackup) / %	100%	100%	0.0%
Methanol Production / 000’ MT	120.10	154.58	-22.3%
Methanol Sales / 000’ MT	122.00	152.00	-19.7%
Methanol Price, USD/MT	228	233	-2.1%
LPG / MTD	101.52	94.05	7.9%
LPG price, USD/MT	316.79	333.92	-5.1%
Electricity Production - MKWH	495.57	329.91	50.2%

9M 2006 Financials Highlight

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FINANCIAL HIGHLIGHTS (in million USD)	9M06	9M05	△%
Revenue	544.1	442.2	23.0
Gross Profit	270.4	247.4	9.3
Income from Operations	186.2	190.7	-2.4
EBITDA	269.7	251.1	7.4
Earnings Before Tax	166.9	121.8	37.0
Net Income	47.2	56.4	-16.3
EPS (USD/share)	0.0152	0.0181	-16.0
Total Assets	1,734.7	1,424.3	21.8
Total Liabilities	1,188.3	899.7	32.0
Total Equity	546.4	524.6	4.2
FINANCIAL RATIOS			
Current Ratio	3.73	2.92	27.7
Debt to Equity Ratio	1.31	0.96	37.4
Net Debt to Equity Ratio	0.85	0.52	63.7

Recent Developments

- **Signed 3 Gas Sales Agreements** for SCS gas**, 1 Head of Agreement** for Lematang gas, and **1 MOU** for SCS gas. With prices reaching **USD3.10/mmbtu.**
- **Acquired 50% Block A from Exxon-Mobil,** North Sumatra through a consortium with Japex and Premier Oil.
- **Acquired 43.75% working interest in Mustang Island Block 758**, located offshore of Texas. Subsequent gas discovery.
- **Acquired 3 additional US assets**; Block 435, 492 and 514 in Brazos Area.
- **Acquired 90% Block E, Cambodia.**
- **Awarded Sarulla Geothermal Project with a 300MW capacity with consortium members ORMAT and Itochu..**
- **Commissioning Panaran-2 Gas Fueled Power Plant in Batam.**
- **Secured 3 years long-term contract from Total E&P Indonesie for 80% completion of new jack-up rig – Soehanah.**

1. Highlights
2. **Operations Update**

Areas of Operations

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Medco Energi's E&P operations:

- 14 producing blocks/operations
- 3 development blocks
- 13 exploration blocks
- 1 service contract

Major assets are:

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

Medco Energi's Drilling Rigs:

- 9 onshore rigs
- 4 swamp barge rigs
- 1 jack-up rig

Medco Energi's Power Plants:

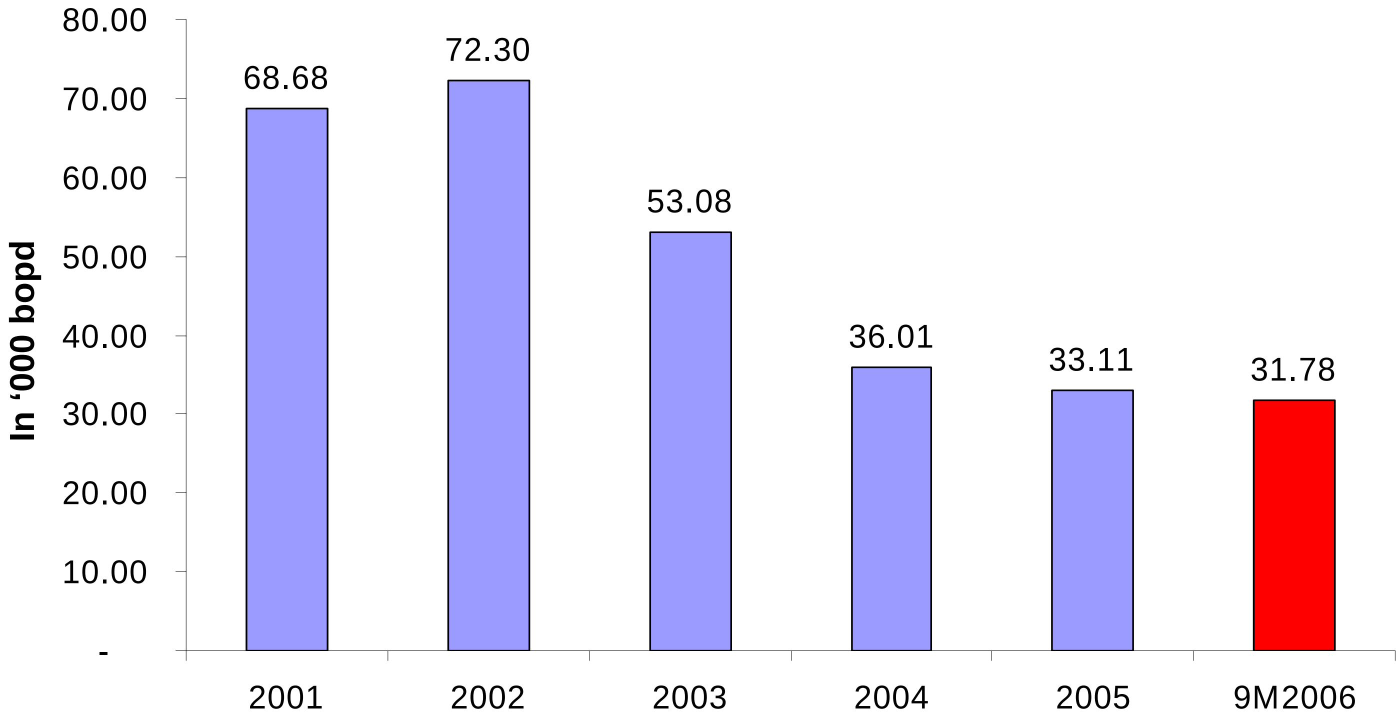
- 2 Gas Fueled Power Plant
- 1 Coal Fueled Power Plant

Medco Energi's Chemical Plants:

- 1 methanol plant in Bunyu Island
- 1 LNG plant in Kaji
- 1 ethanol plan in Lampung (under construction)

Rimau PSC – Maintain oil production

- Reserves:
  - 1P 74.86 MMBO, 18.6 bcf (GCA Jan 2006);
  - 2P 93.42 MMBO, 23.9 bcf (GCA Jan 2006).
- Optimizing production efforts:
  - Drilled 51 development wells for 9M 2006;
  - POD progress on waterflooding;
  - Study for EOR in 2006 (Schlumberger/Mitsubishi).



Senoro Gas and LNG Developments

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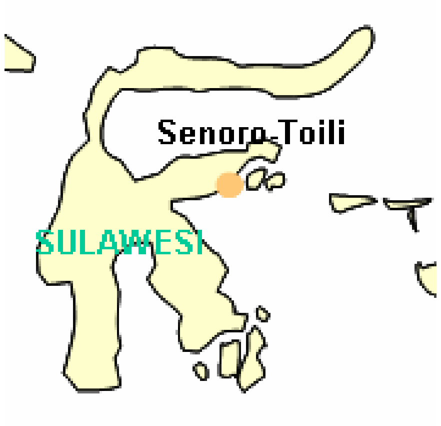
- **Progress Update:**
  - Decision for a downstream LNG liquefaction project has been agreed;
  - September – October 2006, 8 interested parties in constructing and off-take the LNG submitted proposals;
  - October 2006: 3 short-listed parties has been identified;
  - Winner will be notified end of 2006;
  - Gas Sales Agreement expected to be signed 1Q 2007.

- **Upstream Development:**
  - To appoint main EPC contractor to construct upstream facilities for Senoro gas reserves (2x130 mmfcd).

- **Tiaka oil field** average production 9M 2006 was **1,000 BOPD**.



Recent Acquisition – Block A PSC

- Located in Aceh province, North Sumatra.
- Block size: 3,910 sq km.
- Medco: 16.67%.
- Contract expire: August 31, 2011.
- Discovery of 3 gas fields: estimated 600 BCF.
- Gas markets: Fertilizer plants (AAF & PIM fertilizer plants) and nearby LNG terminal.
- Potential exploration upside of more gas reserves.

Jeruk Prospect – Update

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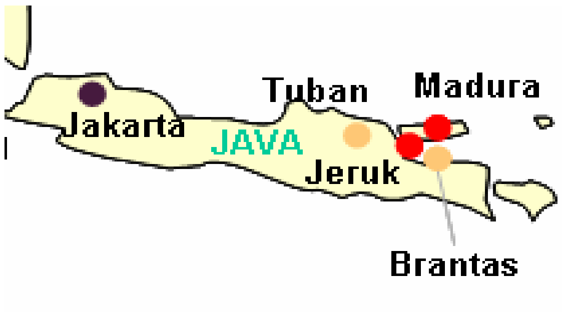
- Contract Terms: December 4, 2027.
- Estimated Jeruk Reserve: Operator (Santos) pre-drill estimates of 170 million barrel oil 2P total reserves
- “Acquisition cost” of USD 20.25 million.
- Appraisal Activities:
  - Jeruk-3 well tested oil but reduced oil volume height;
  - Plan to drill 3 more appraisal wells.
- Target Depth ~5,500 m.
- Target Reservoir: Kujung Formation.
- Target production in 2008.



Anadarko – Exploration Joint Venture

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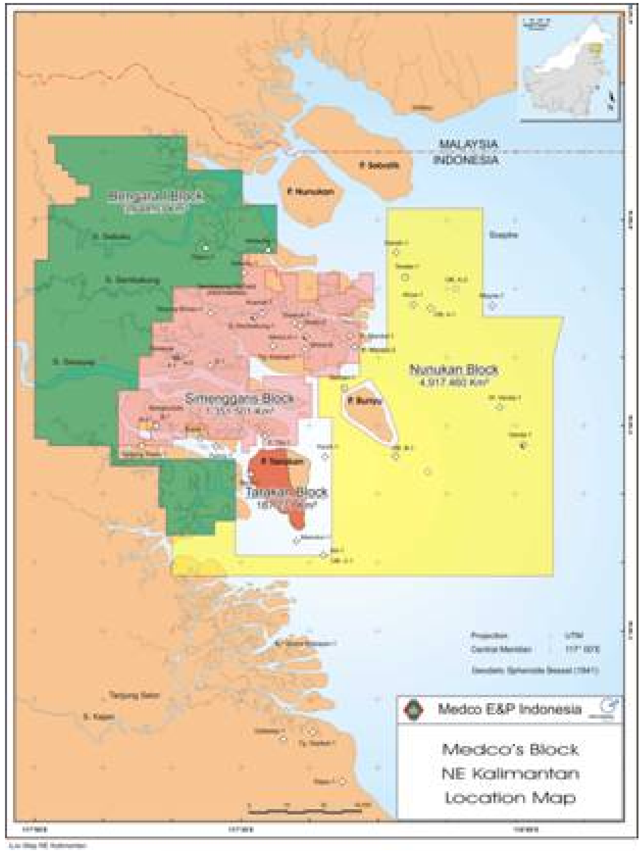
- **Activities up-to-date:**
  - Executed 3 implementation agreements on EJVA; Nunukan, Simenggaris and Tarakan Seismic;
  - Drilled Sesayap B1 in Simenggaris Block, East Kalimantan;
  - Drilling South Sembakung 2.



Area 47, Libya – Oil Upside

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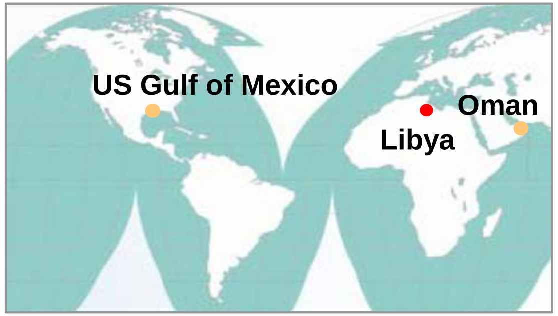
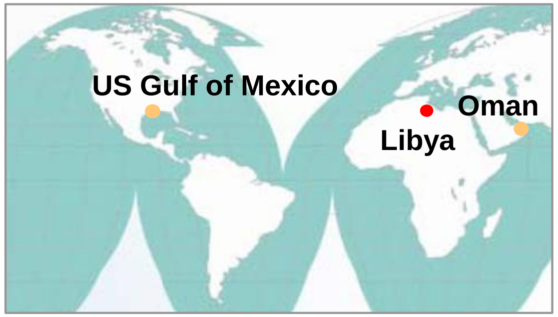
- Reserve estimates based on Libyan government estimates and are not booked by the company.
- Significant oil upside: existing discoveries of 2 oil fields, estimated ranges 120-150 million barrels 2P basis.
- Exploration Activities 2006:
  - 2D & 3D seismic 1H06;
  - Drilling commences 2H06: 3 wells and 1 work-over well.
- 6,812 sq kilometer area in the Ghadames Basin, Northwest Libya.



Karim Fields- Oman

- Status: Producing fields; ~16,000 bopd.
- Commence Operation: August 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.



Drilling Business

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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 8 onshore rigs.
- Key long term clients like Total ensure high utilization.
- Revenue of USD 111.8 M in 9M 2006.

FINANCIAL HIGHLIGHTS (in billion IDR, unless otherwise stated)	9M06	9M05 (restated)	Δ%
Revenue	1,030.1	798.9	28.9
Gross Profit	354.8	230.5	53.9
Income from Operations	304.1	177.9	70.9
EBITDA	439.5	311.8	41.0
Earnings Before Tax	403.9	-218.7	284.7
Net Income	**289.2**	**-156.5**	**284.8**
Equity	1,842.3	1,453.1	26.8
Total Assets	3,862.1	2,869.2	34.6
Debt to Equity Ratio Net Debt to Equity Ratio Total Liabilities / Total equity	0.4 0.3 1.1	0.7 0.6 1.0	-42.9 -100.0 10.0
Offshore average daily revenues Jack ups (USD per day)	52,438	70,373	34
Offshore, average daily revenues Swamp barges (USD per day)	49,691	45,196	10
Onshore, average daily revenues (USD per day)	17,570	8,018	119

Methanol Business

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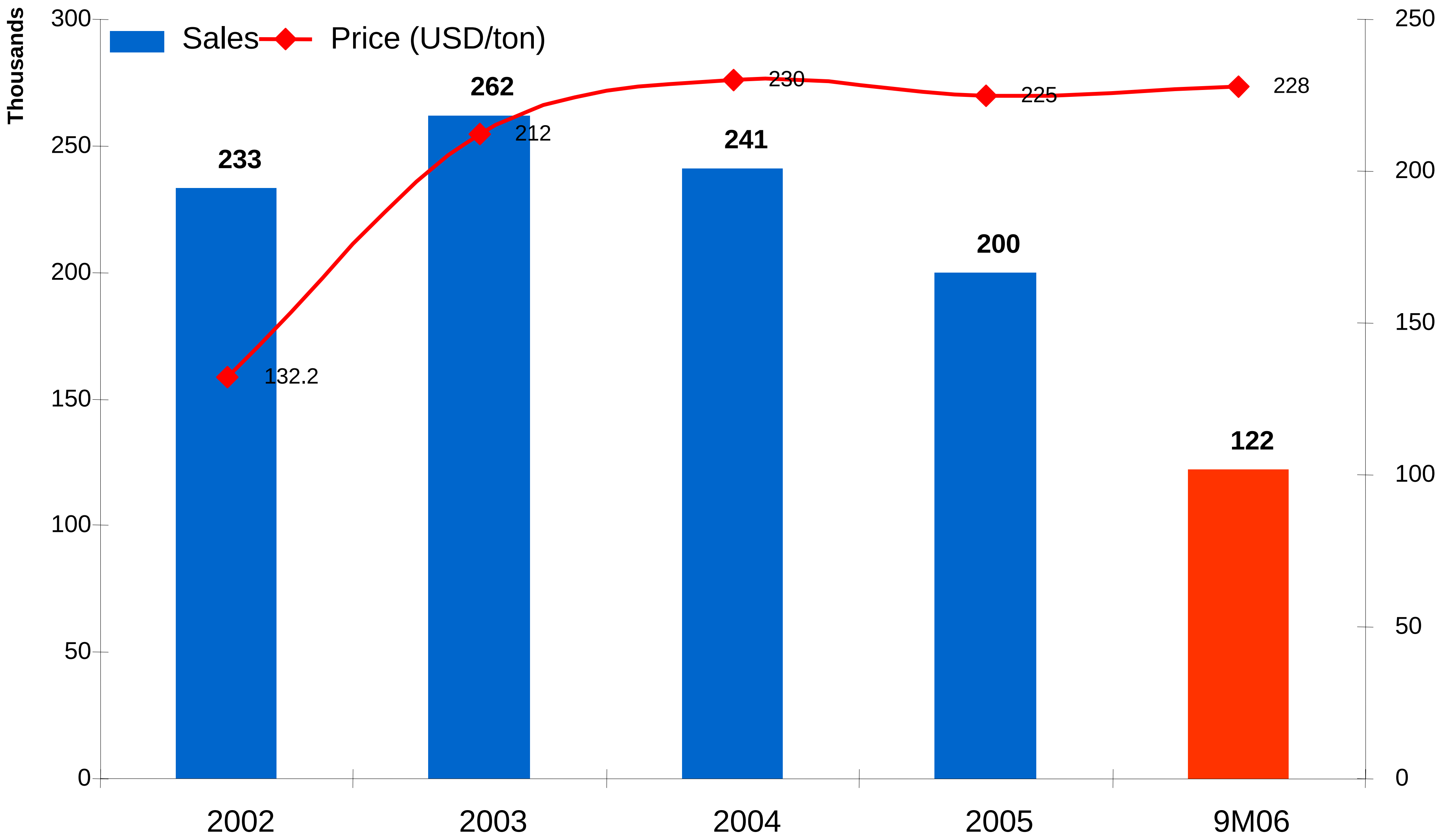
Methanol Sales



Power Business

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Mitra Energi Batam

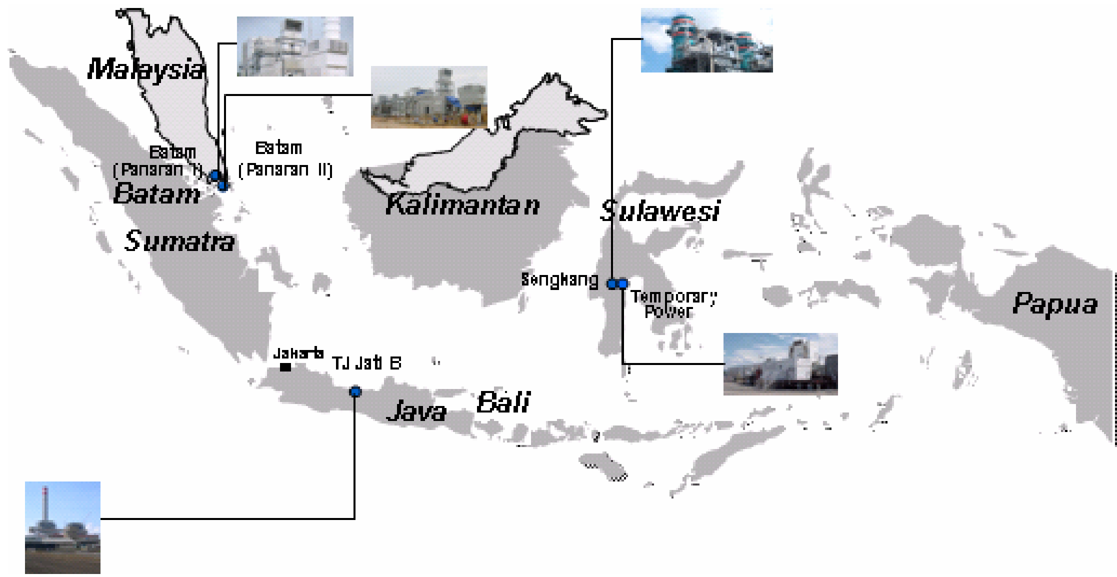
- Panaran I with capacity of 2x31.5 MW.

Dale Energi Batam

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

Medco Power Indonesia

- 20 MW Panaran back-up power,
- 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.
- Awarded the 300 MW Sarulla Geothermal Project with consortium members ORMAT and Itochu.



Tanjung Jati B

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

Renewable Energy - Ethanol

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Location

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

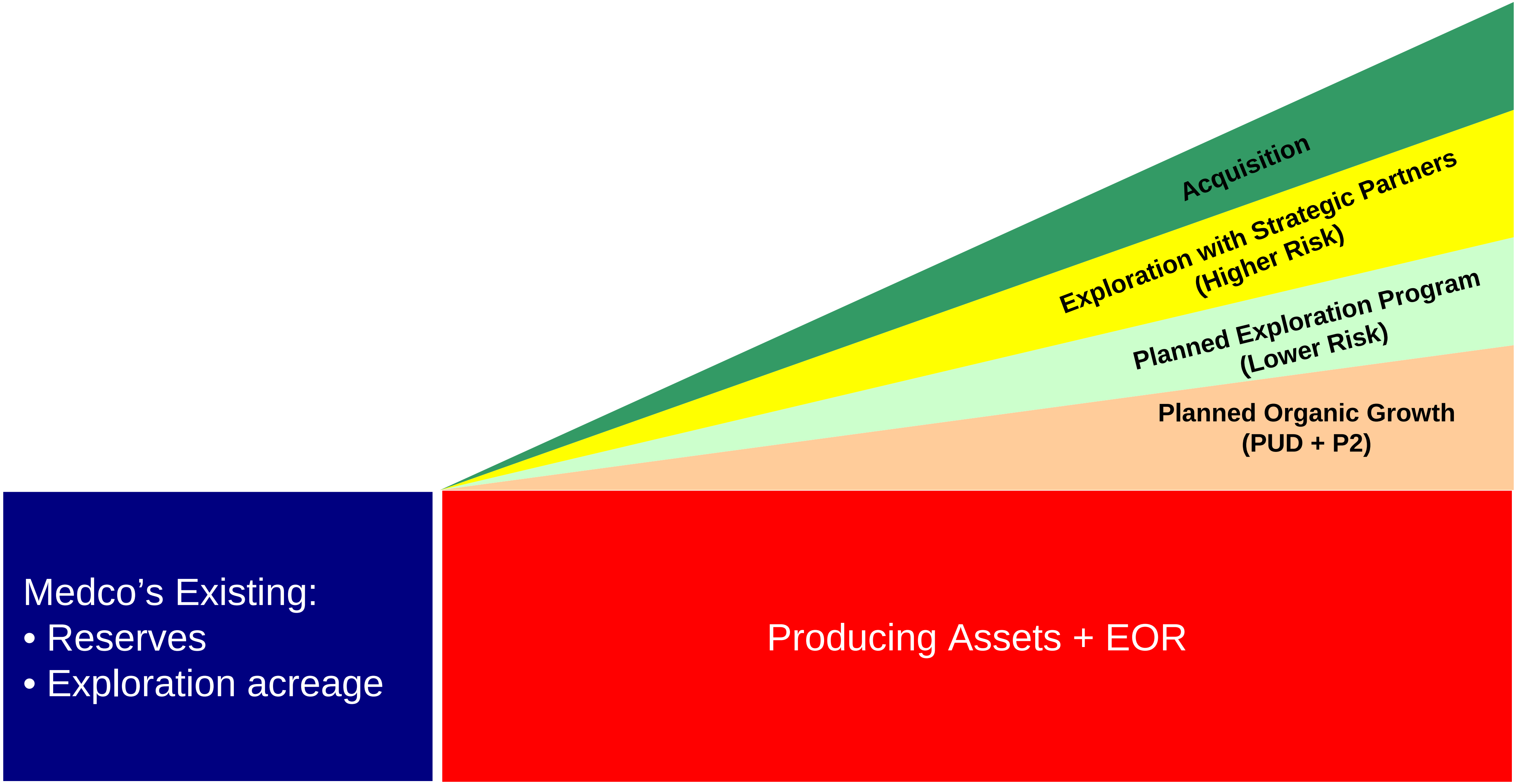
Plant Output

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

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.
- Expected commencement of production 4Q 2007.

Comprehensive Growth Strategy



Disclaimer

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