

MEDCOENERGI

Investors' Update

PT Medco Energi Internasional Tbk.

November, 2008

www.medcoenergi.com

Energy Company of Choice

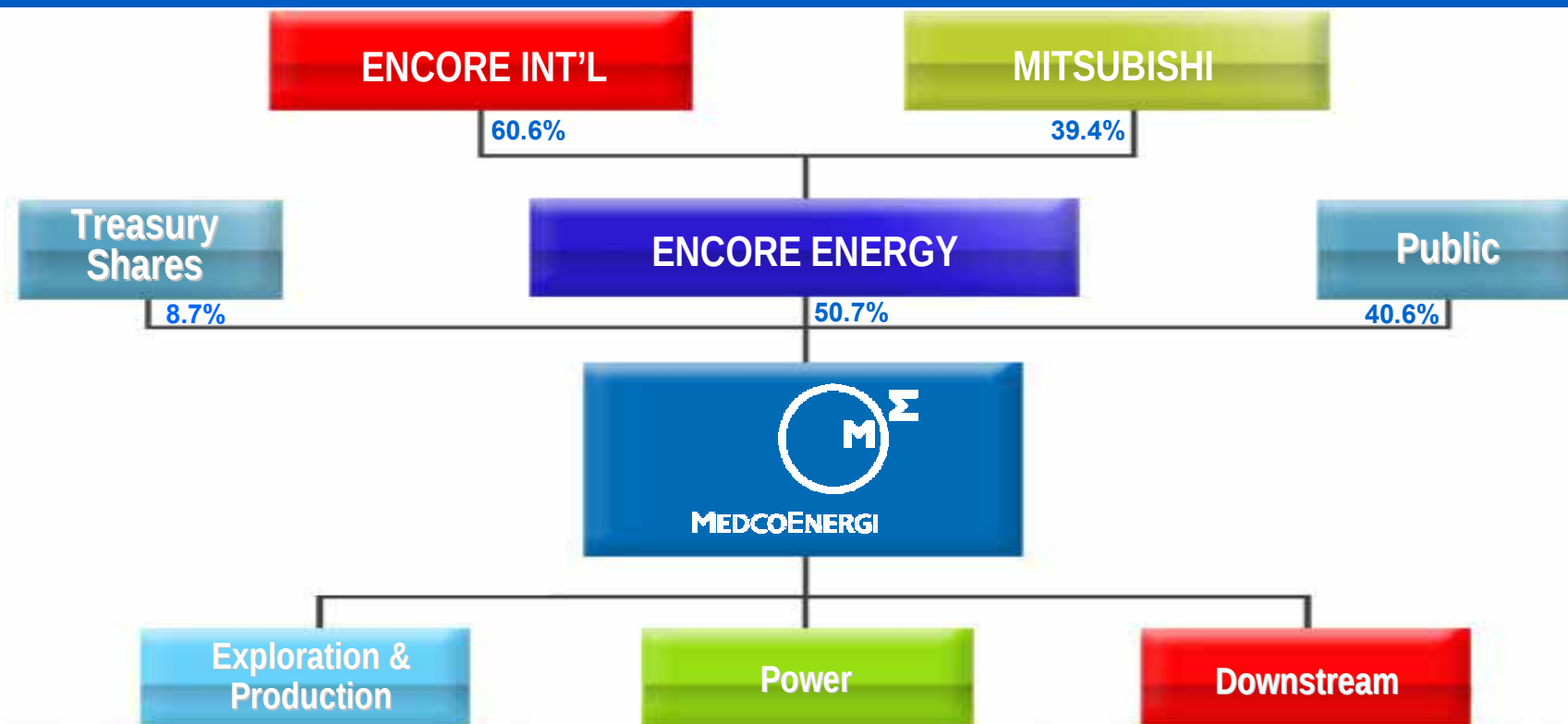
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MedcoEnergi's Ownership Structure



MEDCOENERGI



- E&P Oil and Gas focused company, expanding to downstream and power sectors.
- Strategic assets spread across Indonesia's prolific hydrocarbon bearing basins as well as international assets.
- Reserves Portfolio as of 30th September 2008:
 - Gross 1P reserve – 118.25 MMBOE (67% oil, 33% gas)
 - Gross 2P reserve – 206.81 MMBOE (65% oil, 35% gas)
 - Contingent resources – 542.36 MMBOE (44% oil, 56% gas)

Note: Contingent Resources consist of Senoro Toili (gas), Block A, Bangkanai, Simenggaris and Libya, but excludes Rimau EOR

We are revisiting our budget for the next few years so that it will be line with our requirements and funding capabilities in lieu of the current financial industry turmoil. Some of the projects mentioned may be directly affected.

Block A

- Block A, 7-yr 280bcf with *Pupuk Iskandar Muda* (USD 5.00/mmbtu) with up side linked to Urea price. Commencing 2010;
- Block A, 17-yr 85 bcf with Perusahaan Listrik Negara (PLN) at USD 5.30/mmbtu with 3% escalation annually. Commencing 2010;
- Awaiting government approval on contract extension;

Senoro LNG

Up Stream

- Financing option by JBIC;
- MedcoEnergi, Pertamina and Mitsubishi has agreed on a gas pricing formula, while floor and ceiling prices have been removed;
- In process of getting BP Migas approvals on Gas Sales Agreement and plan of development;
- Final investment decision in 2008.

Down Stream

- To be financed by JBIC;
- A new operating company PT. Donggi Senoro LNG has been established in January 2008;
- Final investment decision in 2008;
- Once GSA is signed and Final Investment Decision approved, LNG production will be on stream by end of 2012.

Rimau (EOR)

- EOR Program will increase potential oil reserves by 64 mmbo;
- Pilot project implementation in 2008 and 2009;
- Chemical injection slated to start in 1Q 2010;
- EOR production 2012;
- Capex will effectively be self funded through cost recovery mechanism under the PSC.

Lematang

- Lematang, 9-yr 130bcf with *PLN* (USD 3.22/mmbtu average);
- EPC has been awarded for a contract value of USD 65 million to PT. Inti Karya Persada Teknik; Commencing 2009;
- The construction of the gas facility has reached 60% and the first phase construction is expected to be completed in April 2009, as scheduled;
- Project financing of USD 25 million already in place.

Libya

- Successful exploration of Block 47 in Libya based on results from 14 exploration and appraisal wells drilled and evaluated, with an aggregate estimated flowrate of 90,000 bopd;
- Gross Contingent Resources of 351.7 mmboe on Best Estimates basis;
- Production slated for late 2010 at 50,000 bopd;
- FEED for gathering line, oil and gas export pipelines and processing facilities are being conducted;
- Reserve based financing to be utilized.

Sarulla Geothermal

- New tariff negotiation underway;
- Project will be operated by the Consortium consisting of MedcoEnergi, Kyushu, Itochu and Ormat Int'l Ltd;
- Financial Investment Decision is targeted by mid 2009;
- Construction will be in 3 phases over the next 5 years;
- First unit is scheduled to commence operation within 30 months after FID approval;
- Currently the Consortium is under discussions with JBIC and ADB to secure project financing.

Lampung Ethanol

- Commercial production is expected to start in 26th of November 2008;
- Early production will reach an estimated 50,000 KL/pa;
- Funded by internal cash flow;
- In process of acquiring a strategic partner.

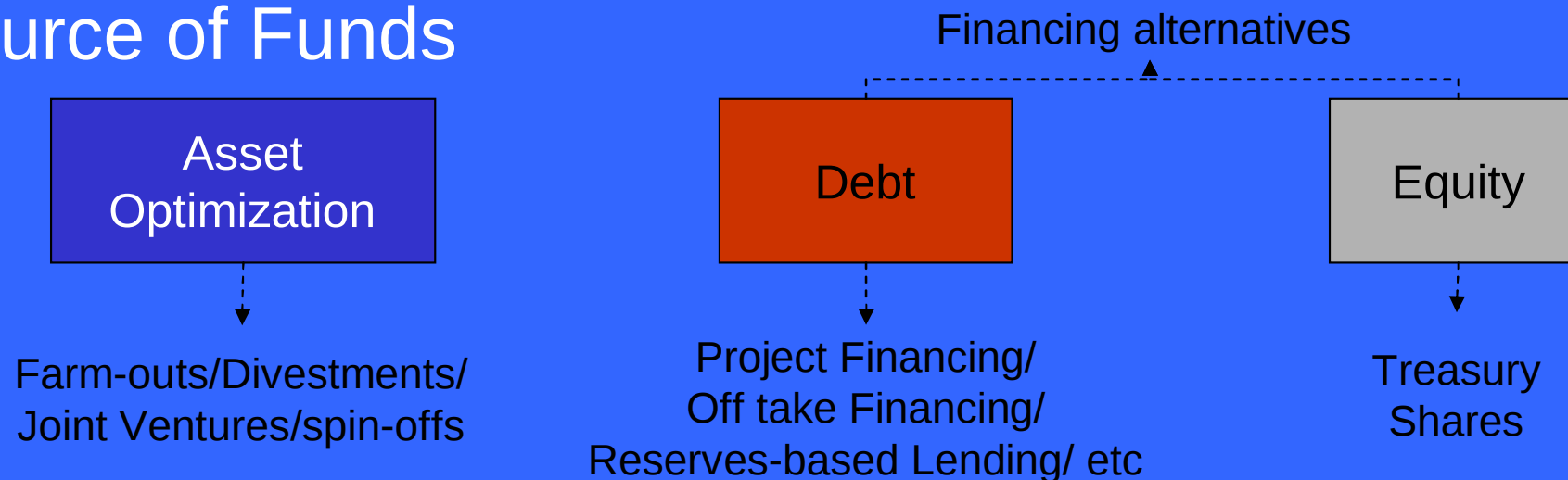
Liability/Financing Plans

Source and Use of Funds

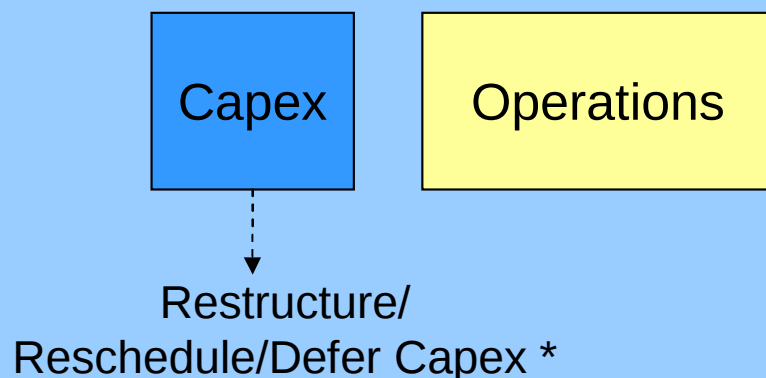


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Source of Funds



Use of Funds



*** Restructure/Reschedule/Defer Capex includes:**
Potential change in projects' ownership and timetable

1. Create a lean and efficient structure of four sub-holding companies:
 - **MedcoEnergi Global** holding all international E&P assets (established in 2007);
 - **Medco Downstream Indonesia** holding all downstream assets (to be completed in October 2008);
 - **Medco Power Indonesia** holding all power assets (established in July 2008); and
 - **MedcoEnergi E&P Indonesia** as a management holding of the Indonesian E&P assets (established in prior years);
2. Strategic minority divestment in **Medco Power Indonesia**. Data room process is underway. Close 1H2009;
3. Signed subscription agreement and joint venture agreement with Biofuel Industries Pte Ltd and Biofuel Services Pte Ltd to develop and operate a **25MW Biomass** Cogeneration Power Plant in Jurong, Singapore. Project Cost USD 55 million;
4. Signed a gas sales agreement for Block A, 17-yr 85 bcf with **Perusahaan Listrik Negara (PLN)**. USD 5.30/mmbtu with 3% escalation annually. Amended GSA for South Sumatra Extension, 5-yr 71 bcf with PLN from USD 2.75/mmbtu to USD 4.17/mmbtu with 3% escalation annually. Commencing August 2008. GSA for Tuban Block, 3-yr 6 bcf with **PT. Petro Kimia Gresik** from USD 4.90/mmbtu with 2.5% escalation annually;
5. Obtained share buyback approval at the EGMS on May 15th, 2008 for 3.29% of issued shares at a USD 80 million budget; amended the buyback plan without EGMS on October 14th, 2008 to 10% of issued shares at a USD 100 million budget. This is in accordance to the Stock Exchange Authority's new ruling of share buyback during potential market crisis.

6. Signed an SPA on June 9th, 2008, with **PT. Mitra Rajasa** for the sale of 48.8% Apexindo owned by MedcoEnergi for USD 340 million. Payment terms 80% cash, 20% in a form of a 1-year note. On August 7th, 2008, through an Extraordinary General Meeting of Shareholders, MedcoEnergi obtained an approval of the transaction. Transaction concluded on September 10th, 2008;
7. As part of the domestic asset optimization program, on July 31st, 2008, MedcoEnergi together with Koperasi Nusantara, signed an SPA, with **PT Pertamina Hulu Energi and PT Pertamina Gas** for 100% of **PT Medco E&P Tuban** for a price of USD 6.6/BOE. This transaction concluded on September 11th, 2008 at a value of USD 42 million;
8. On August 5th, 2008, preliminary independent Gross Contingent Resources estimates conducted by **DeGolyer and MacNaughton** (D&M) for Area 47 in Libya was announced with Low Estimate of **106.3 mmboe**, Best Estimate of **396.4 mmboe** and High Estimate of **700.6 mmboe**. On September 30th 2008 D&M has completed an updated assessment of oil and gas resources in the Company's discoveries and portfolio of exploration prospects based on 14 exploration and appraisal wells, resulting in Low Estimate of **180.7 mmboe**, Best Estimate of **351.7 mmboe** and High Estimate of **1,099.5 mmboe**.
9. Expiration of Technical Assistant Contract for Tarakan, Sanga-Sanga and Samboja. Production from these field add up to 4,456 BOPD with remaining reserves of **1.84 MMBOE**.

Financial Highlights

FINANCIAL HIGHLIGHTS (in million USD)	9M08	9M07	Δ%
Revenue	972.2	641.4	51.6
Gross Profit	413.8	298.0	38.9
Income from Operations	296.5	203.3	45.8
EBITDA	374.8	312.0	20.1
Earnings Before Tax	485.4	129.0	276.2
Net Income	292.6	37.0	690.3
EPS (USD/share)	0.0878	0.0111	690.3
Equity	766.3	551.3	39.0
Total Assets	2,120.3	2,061.6	2.8

Financial Highlights - continued

Normalized 9M08 Profit and Loss statement



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FINANCIAL HIGHLIGHTS (in million USD)	Actual		Normalized	
	9M08	9M07	9M08	9M07
Revenue	972.2	641.4	911.1	496.7
Gross Profit	413.8	298.0	397.8	238.3
Income from Operations	296.5	203.3	282.1	149.7
Other Income (Expenses)	189.0	(74.3)	(55.1)	(42.1)
Income Before Tax Expenses	485.4	129.0	227.0	107.6
Income Before Minority Interest	300.6	51.5	44.4	42.9
Minority Interest	(8.0)	(14.5)	(3.1)	(3.3)
Net Income After Minority Interest	292.6	37.0	41.3	39.6
Gain/(Loss) on Divestment/Impairment	-	-	230.7	(19.2)
Apexindo - Equity	-	-	15.7	11.8
Tuban - Equity	-	-	4.9	4.8
Net Income - Actual	292.6	37.0	292.6	37.0

Financial Highlights - continued

9M08 Net Income Breakdown by Business Segments



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Business Segment (in million USD)	Net Income
Medco Energi Internasional, Tbk. (stand-alone)	182.9
Exploration & Production – Domestic	127.9
Exploration & Production – Foreign	(30.7)
Drilling	16.2
Downstream	(1.4)
Power	(2.3)
Consolidated Net Income after Eliminations	292.6

Operational Highlights

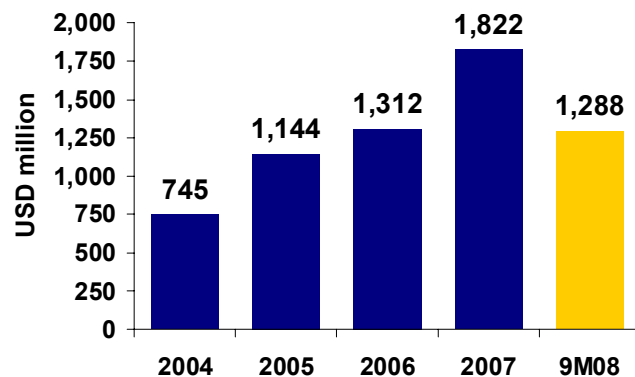
OPERATIONAL HIGHLIGHTS	9M08	9M07	Δ%
Oil Lifting / MBOPD	47.09	49.98	(5.8)
Gas Sales / MMCFD	107.45	116.94	(8.1)
TOTAL Oil and Gas (MBOEPD)	65.46	69.97	(6.4)
Crude Price, USD/barrel	113.53	66.86	69.8
Gas Price, USD/mmbtu	4.49	2.81	58.0
Power Production / GWH	684.21	688.50	(0.6)
Fuel Distribution / kl	172.64	15.09	1,044.1
Methanol Sales / 000' MT	98.76	68.00	45.2
Methanol Price, USD/MT	342.00	240.00	42.5
LPG Production / MTD	45.24	78.31	(42.2)
LPG Price, USD/MT	793.61	375.12	111.6

Attachments

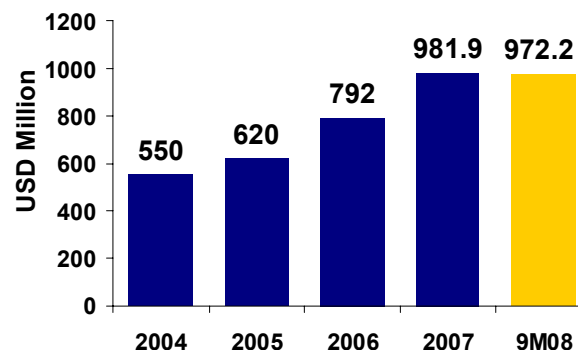
Financial Charts

Consolidated

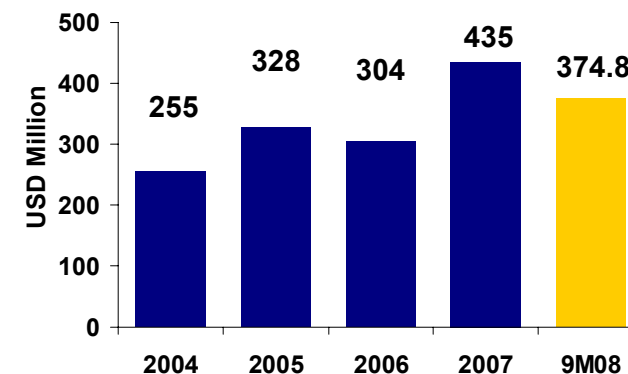
Market Capitalization
at end of period



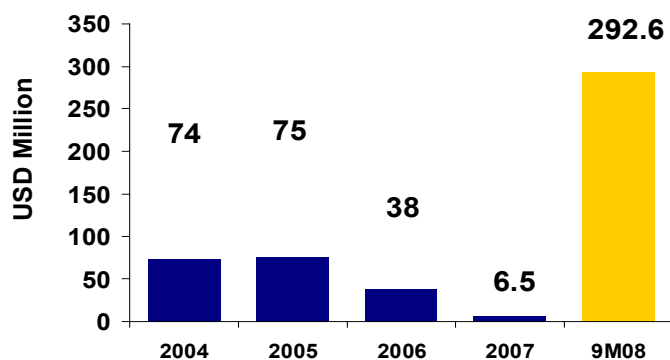
Revenues



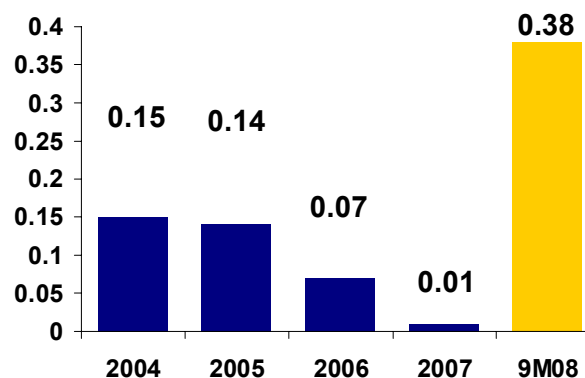
EBITDA



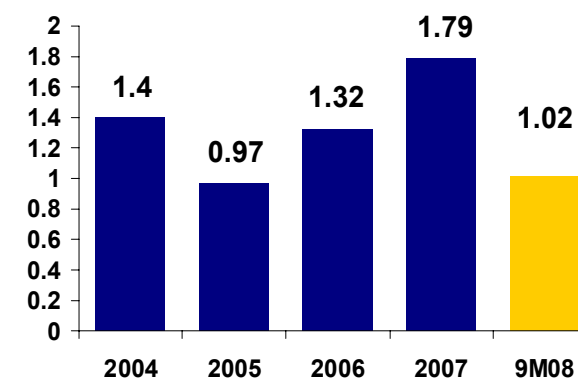
Net Income



Return on Equity



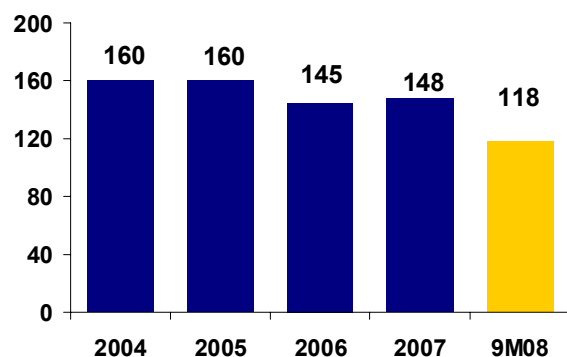
Debt to Equity Ratio



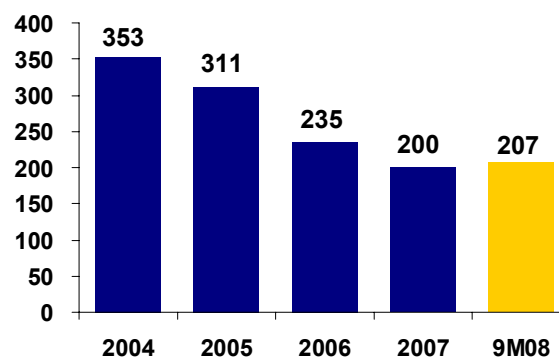
Financial Charts

Consolidated

1P Reserves in MMBOE

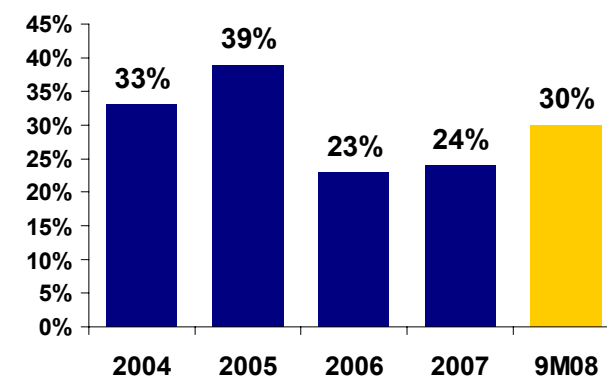


2P Reserves in MMBOE

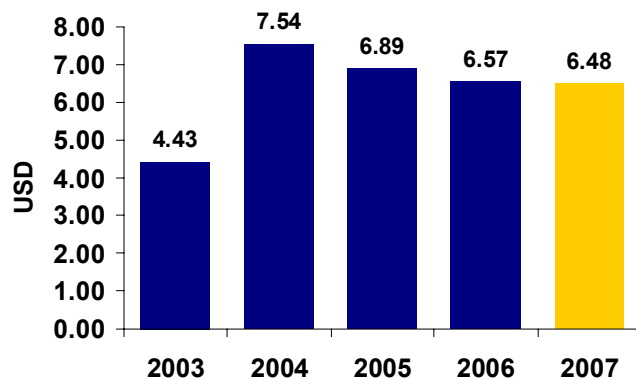


Note : Reserves quoted exclude Rimau (EOR) and Libya

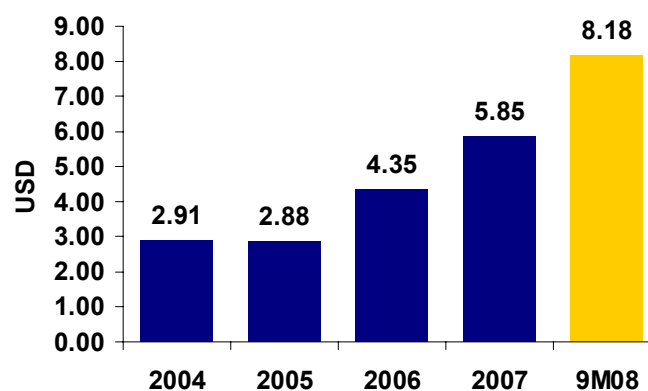
Operating Margin



Finding and Development per BOE

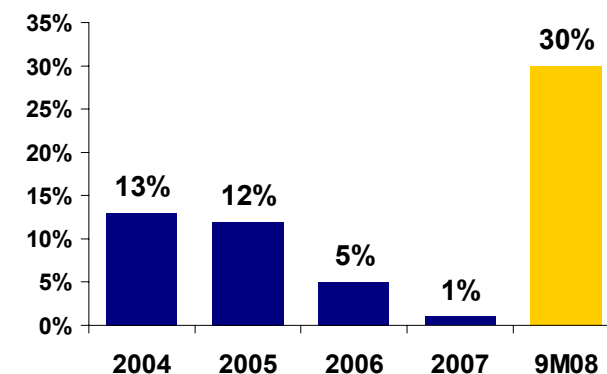


Lifting Cost per BOE



Note: Lifting Cost is based on production volume.

Net Margin



RATIOS	9M08	9M07	Δ%
Liquidity & Solvability			
Cash Ratio	1.56	1.06	47.5
Quick Ratio	2.10	1.74	20.4
Debt to Equity Ratio	1.02	1.74	(34.4)
Net Debt to Equity Ratio	0.08	1.02	(92.1)
Total Liabilities / Total Equity	1.75	2.52	(30.6)
Profitability			
Gross Margin	43%	46%	(8.4)
EBITDA Margin	39%	49%	(20.8)
Operating Margin	30%	32%	(3.8)
Net Margin	30%	6%	421.5
Interest Coverage Ratio	8.22	6.24	31.8
Return on Equity	38%	7%	468.6

RATIOS	9M08	9M07	Δ%
Coverage Ratios (x)			
Income from Operations/ net interest	6.50	4.06	60.0
Net debt/ EBITDA	0.17	1.81	(90.8)
Efficiency Ratios (x)			
Revenue/ fixed assets	1.06	0.54	98.1
Revenue/ net working capital	1.69	2.14	(21.2)
Investment Ratios (x)			
CapEx/ Revenue	0.17	0.14	21.8
CapEx/ depreciation	2.13	0.83	156.2
Capital Structure (%)			
Net debt/ total equity	0.08	1.02	(92.1)
Net debt/ (net debt + equity)	0.08	0.51	(85.2)

Strategy

MedcoEnergi Business Portfolio

1

Build a business with profitable growth based on three main businesses, E&P, Power and downstream (renewables, fuel distribution and other downstream businesses that utilize upstream resources e.g. LPG and Methanol).

2

Develop a strong position in renewable fuels over 5-8 year period by reconfiguring and refocusing Medco Downstream's businesses leveraging off Indonesia's vast agriculture economy.

3

Improve MEG global position and increasing clarity around MedcoEnergi's international activity footprint

4

Allowing flexibility and innovation through allocation of capital to a "New Business Incubator" unit

MedcoEnergi Organizational Effectiveness

5

Enhance MedcoEnergi's organizational effectiveness by instilling rigorous financial discipline and fostering a pervasive performance culture

Strategic Transformation Plan

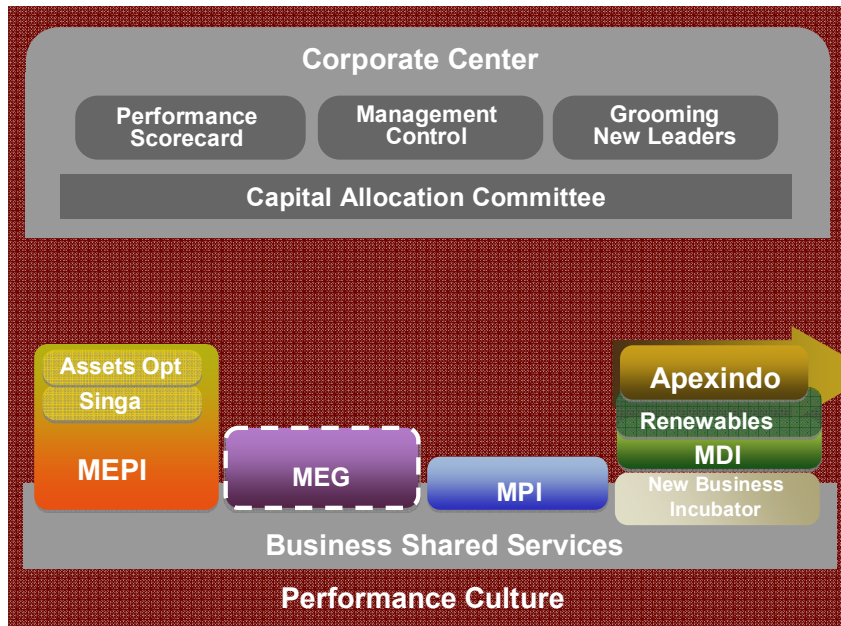
Transformation Blueprint



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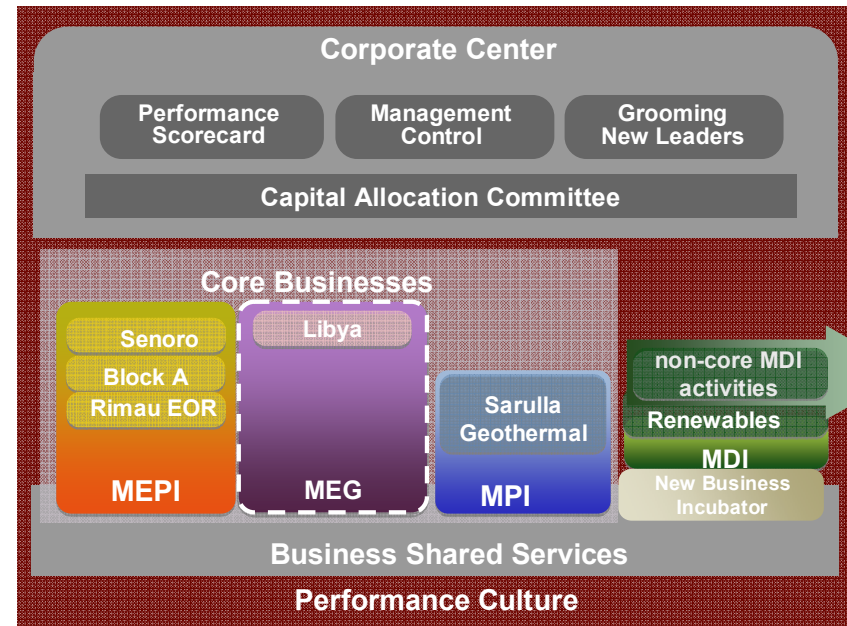
Stage 1

June 08
Dec 09



Stage 2

2010
2012

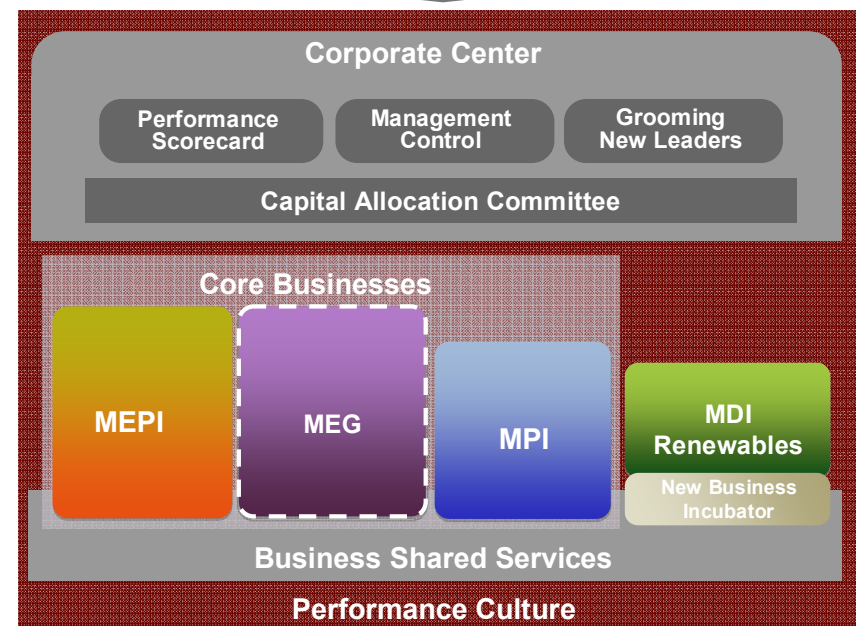


By the end of 2017 the total revenue will be approximately 70% derived from E&P evenly divided between MEPI and MEG, 20% derived from MPI and the balance from MDI and New Business Incubator activities.

Note: MEPI = Medco E&P Indonesia;
MEG = Medco Energi Global;
MPI = Medco Power Indonesia;
MDI = Medco Downstream Indonesia.

Stage 3

2012
2017



Key Near Term Plans

to Achieve MedcoEnergi's Long-term Strategies



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Near Term Plans

Asset Mgmt Plans (in near term)

- Complete asset Optimization programs by early 2009
- Complete holding – sub holding – subsidiary structure in 2008
- Deliver on major projects in the pipeline over the next 5 yrs
- Continued focus on E&P (domestic and international) with some downstream and power activities
- Retain controlling interest in assets but not at 100%
- Develop a incubator business unit

Liability/Financing Plans (in near term)

- Establish flexible financing schemes with sub holding structures;
- Conversion of debt to equity – increase EV in MPI, MDI and MEG ;
- Place MEI in strong cash and lower debt equity positions to service the convertible and IDR bonds and capex due in 2009;
- De-leverage MEI debt; limit MEI guarantees;
- Manage currency and interest swap with strategy of 50% hedged
- Increase use of project financing to eliminate negative spreads
- Maximize investment returns on cash balances

Human Capital Plans (in near term)

- Implement performance-based HRM
- Prioritize Leadership Development for high performers
- Rotate high performing employees within the Group
- Optimize Global HR Policy and Procedures
- Disseminate KM at every level and activities within the Group

IT/Systems/ Processes/ Procedures Plans (in near term)

- Implement more robust budget and forecast systems
- Roll-out SAP and other systems to MPI, MDI and MEG
- Implement/utilize new KPI's – EVA and others
- Improve existing Enterprise Risk Management system
- Update and issue standard corporate wide Delegation of Authority Guidelines
- Improve upon existing matrix management structure between MEI and subsidiaries

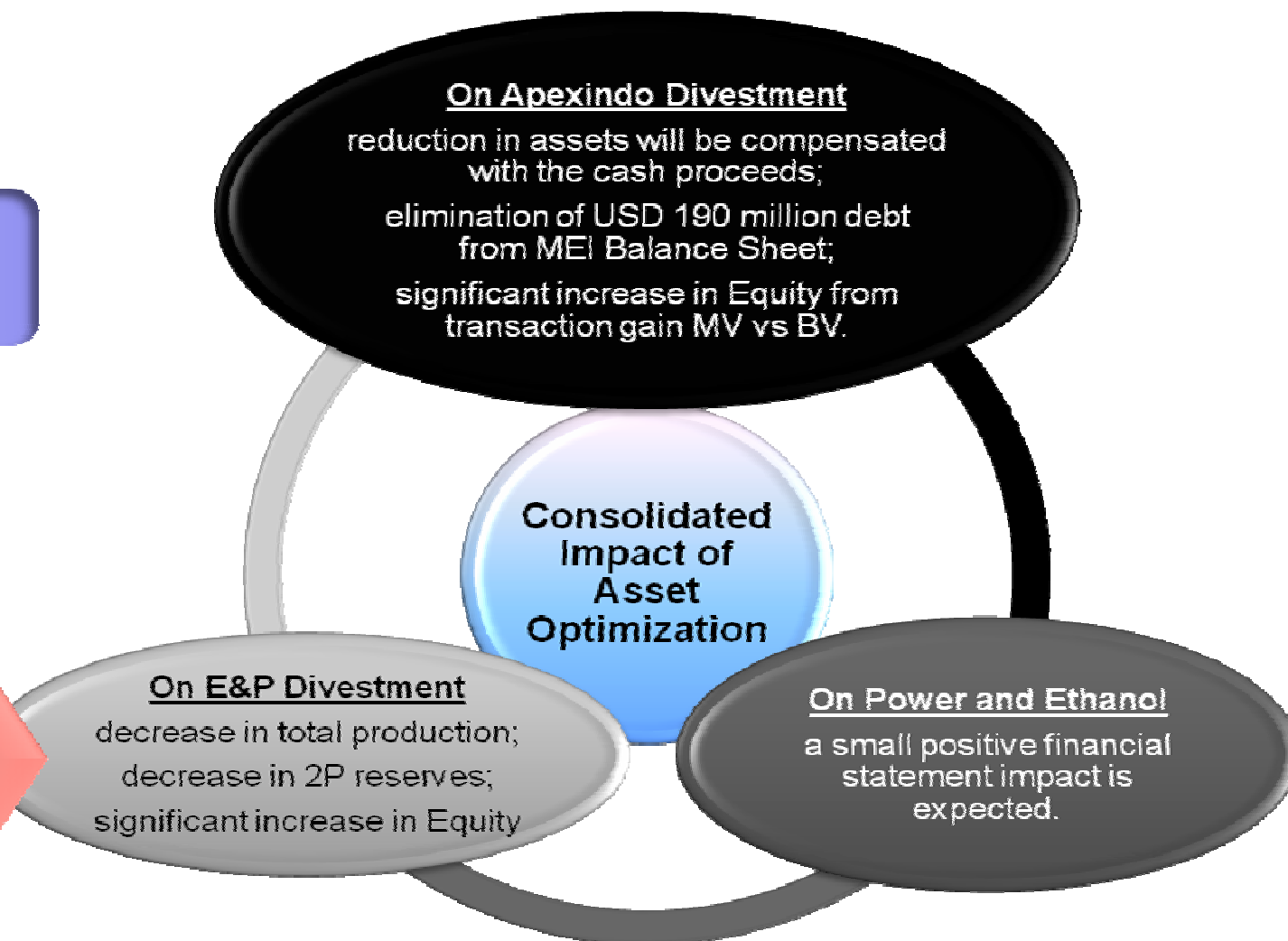
Asset Management Plans

Asset Optimizations

Other potential alternatives include minority divestment in projects and subsidiaries level

E&P divestment impact will be compensated by:

- a significant amount of Cash from divestment with market valuation benchmark;
- a significant increase in 2P reserves from Libya, Simenggaris; Senoro and Block A;
- Increase in equity creating a lower debt to equity ratio, which in turns increases the borrowing capacity;
- optimization of human resources.



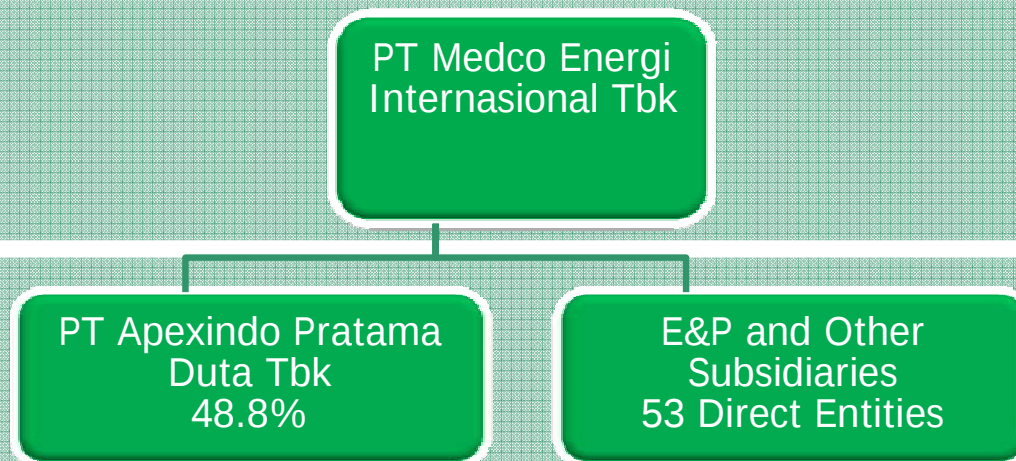
Asset Management Plans

Holding & Sub-holding Structure



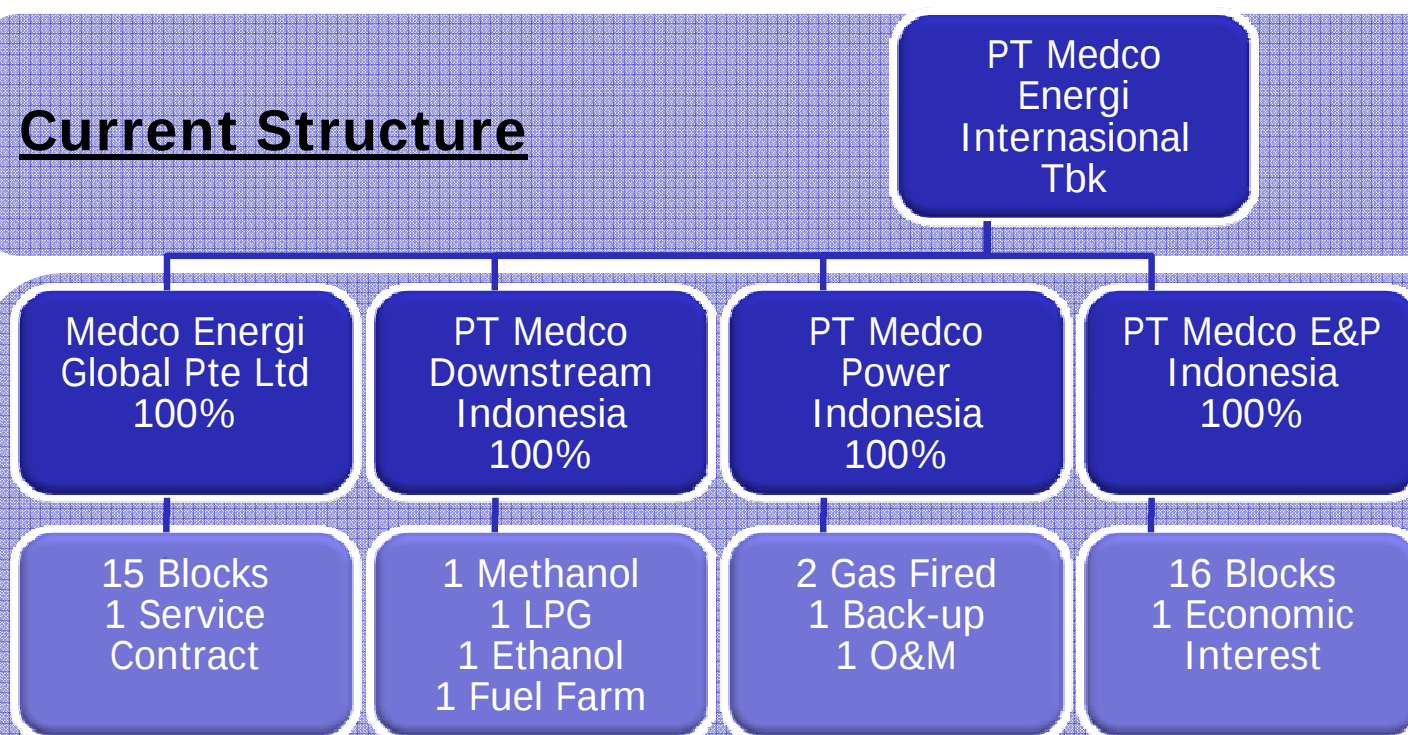
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Old Structure



The old structure only recognizes Apexindo as a separately run listed company and the remainder of assets as direct subsidiaries of Medco Energi

Current Structure



The new structure will promote a better platform to analyze, operate and assess business units and provide additional financing options and flexibility

- Preserve Medco's entrepreneurial instincts and flexibility in making small investments in new areas
- Keep incubator projects as small, 1-3 years timeframe investments. If an investments generates promising returns beyond the 1-3 years timeframe then a strategic decision shall be made whether to assimilate it into one of the main business units or to create a new business unit.
- New Business incubator performance is measured by the rate of return generated by the new business
- Current Incubator Projects:
 - o Coal gasification/liquefaction
 - o Biomass – power
 - o Coal / hard-rock mining
 - o Coal Bed Methane
 - o Applied EP Technologies
 - o Medco Gas (transmission)

Domestic E&P Assets

MedcoEnergi's – Indonesian Operations



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Map of E&P Operations in Indonesia



MedcoEnergi's E&P operations:

- 9 producing blocks/operations
- 2 development blocks
- 5 exploration blocks
- 1 economic interest

Major operated assets are:

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

MedcoEnergi's Power Plants:

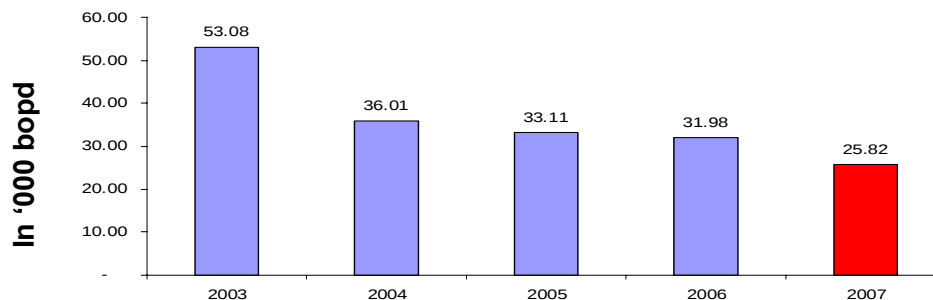
- Panaran 1 & 2 Power Plant in Batam (118 MW)
- Batam Back-up Power Plant (20MW)
- Tanjung Jati B (O&M) in Central Java (1,320MW)
- Sarulla Geothermal in North Sumatra (330MW)

MedcoEnergi's Downstream

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

• Optimizing production efforts:

- Will drill 38 development wells and 3 exploration wells in 2008;
- Complete drilling the remaining 11 water-flood wells by end of 2008;
- EOR Pilot Project on 15 wells have been completed throughout 2007 and 2008 to identify the type of surfactant and viability of the EOR
- Full scale chemical injection slated for 1Q2010 with the effect of EOR to start in 2012.
- Strategic Alliances with other parties to optimize production.



Telisa and Talang Akar develop 8 wells for 2008

• Reserves: as of September 30, 2008

- 1P 46.01 MMBO, 24.77 bcf;
- 2P 83.84 MMBO, 57.23 bcf.

• Reserves Movement (3P)

Original Oil in Place	: 652 mmbbbls
Cum. Production	: 164 mmbbbls
Balance after Production	: 488 mmbbbls
EOR	: 64 mmbbbls
Balance after EOR	: 552 mmbbbls

• Working Interest:

– MedcoEnergi	95%
– South Sumatra Regency	5%



- **Optimizing production efforts:**

- In 2008 MedcoEnergi plan to drill 7 explorations wells and 15 development wells
- Drilled 7 development wells in 1H08
- Amended 5-yr 71 bcf gas supply to PLN from USD 2.75/mmbtu to USD 4.17/mmbtu with 3% escalation
- Ibul reactivation project and Jene optimization study
- PSC Extension negotiation still in progress

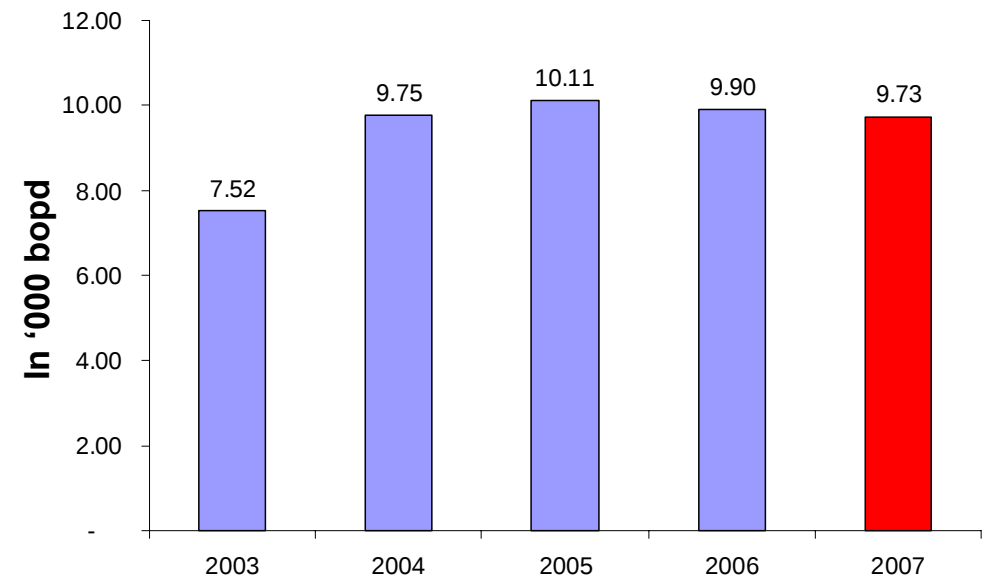


- **Reserves: as of September 30, 2008**

- 1P 9.49 MMBO, 82.66 bcf;
- 2P 13.99 MMBO, 169.87 bcf.

- **Working Interest:**

– MedcoEnergi 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**.
- **USD 65 million** will be spent during 2007 – 2008 for production facilities.
- Financing from BCA
- The construction of the gas facility has reached 60%
- Expected commencement of production end of 2009.

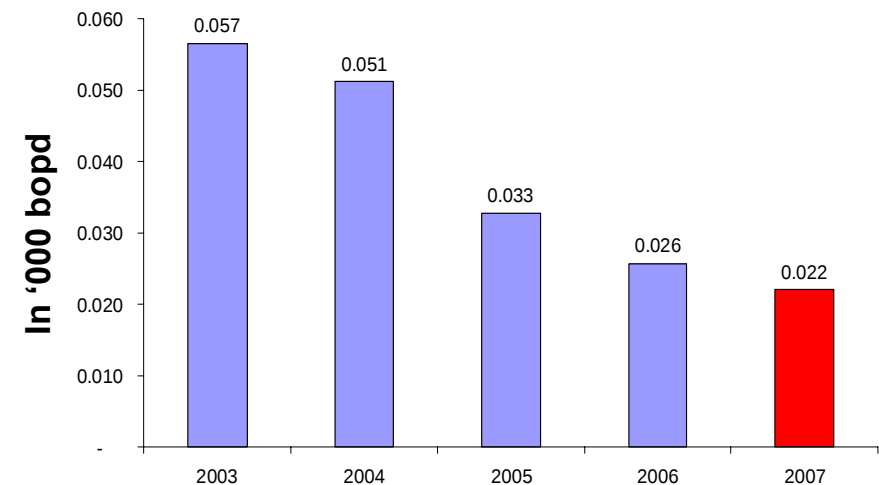
- **Reserves: as of September 30, 2008**

- 1P 40.37 bcf.
- 2P 90.62 bcf.

- **Working Interest:**

- MedcoEnergi 74%
- Lundin Lematang 26%

Harimau Field Production



- **Upstream Development:**
 - Estimated contingent resources of 1.76 TCF gas; (based on GCA certification dated January 1st, 2008)
 - 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 September 30th, 2008 gross production **2,656 BOPD**.
- **Upstream Working Interest:**
 - MedcoEnergi 50%
 - Pertamina 50%



- **LNG plant with a 2 million tons capacity for 15 years.**
- **Progress Update:**
 - 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;
 - Negotiations with potential LNG buyers and Upstream gas suppliers are underway;
 - Shareholders Agreement between Medco, Pertamina and Mitsubishi has been signed.
 - Gas Sales Agreement (GSA) targeted to be completed by the end of 2008
- **Downstream Holdings:**
 - MedcoEnergi 20%
 - Pertamina 29%
 - Mitsubishi 51%



Indonesia

Block A Gas



MEDCOENERGI

- Block size : 1,803 sq km.
- MedcoEnergi : 41.67%.
- Contract expire : August 31, 2011.
- Discovery of **4 gas fields** : Estimated contingent resources of 22.88 MMBOE
- **Working Interest** :

MedcoEnergi	41.67%
Premier	41.66%
Japex	16.67%



- Medco is the **Operator**.
- On December 10th, 2007, signed a 7-year 280 BCF Gas Sales Agreement with PT Pupuk Iskandar Muda for Block A gas, price of USD 5.00/mmbtu. With upside when Urea prices reaches above USD 365/ton the Working Interest holders receives 70% of the difference.
- On April 14th, 2008, signed a 17-year 85 bcf with Perusahaan Listrik Negara (PLN) at USD 5.30/mmbtu with 3% escalation annually.
- Expected production of 125 BBTUD.
- Currently seeking approval from BPMIGAS for Contract Extension.
- Expected commencement of production in 2010.

International E&P Assets

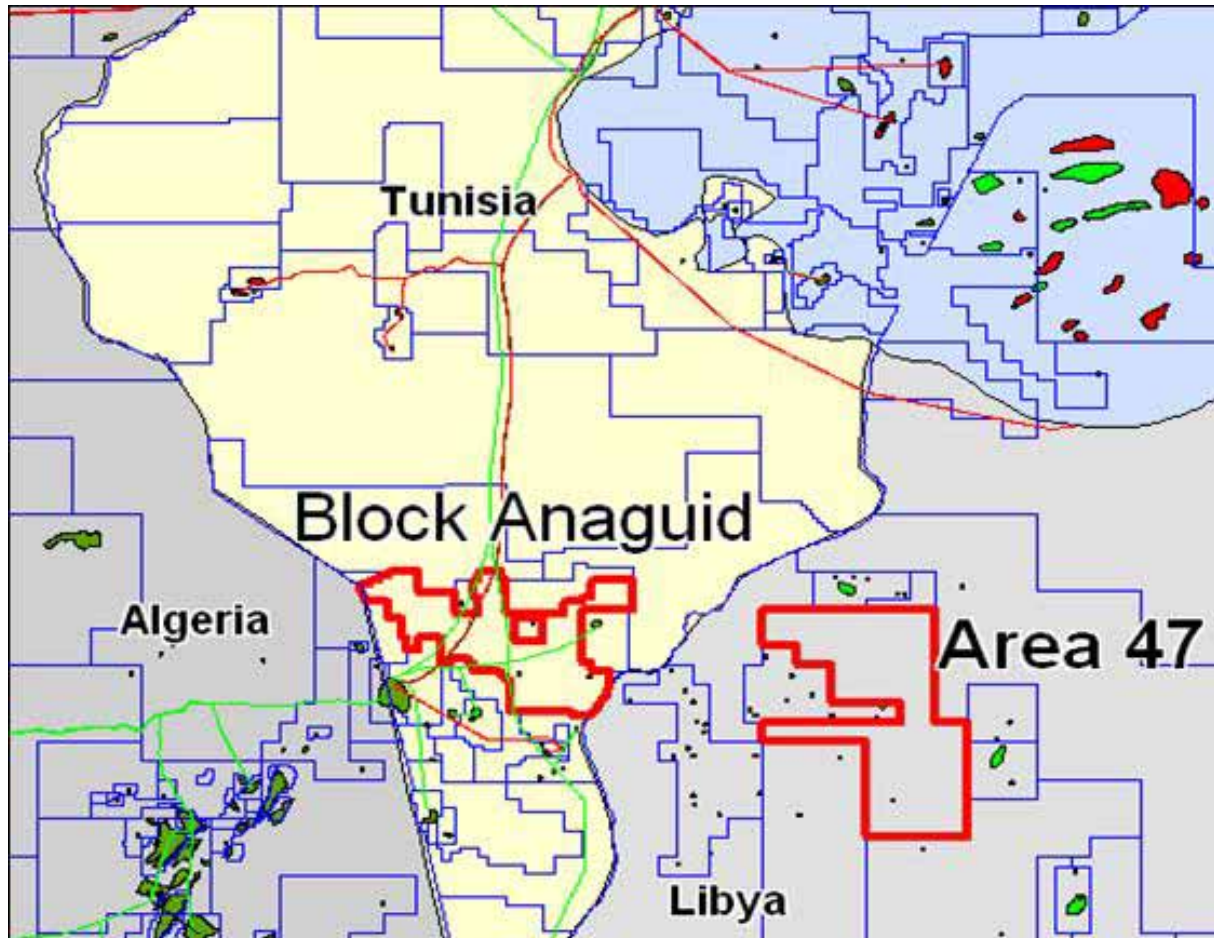
MedcoEnergi's - International Operations



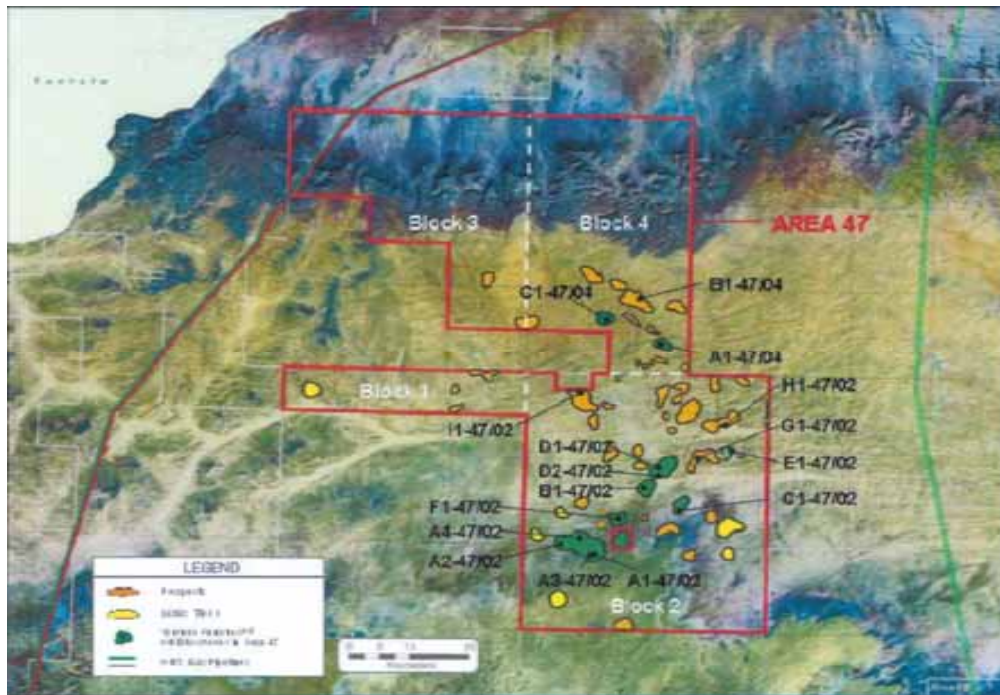
- **USA*** – Producing (12 mmscfd):
 - East Cameron (317/318)
 - Main Pass (64/65 and 57)
- **Exploration**
 - Mustang Island (758)
 - Brazos Area (435, 437, 451, 492, 514)
 - West Delta (52)
- **Yemen*** - Exploration:
 - Block 82/83 (45% working interest)
- * operator
- **Libya** – Exploration and Discovery:
 - Block 47 (50% working interest)
 - Significant oil discovery
- **Oman*** – Service Contract (12 mbod):
 - Karim Small Fields
- **Cambodia*** - Exploration:
 - Block E (41.25% working interest)
 - Block 12 (52.5% working interest)
- **Tunisia** - Exploration:
 - Anaguid Block (40% working interest)

International

Ghadames Basin Oil Play of North Africa



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



Appraisal Wells:

A2-47/02 well, flow-tested 7,352 bopd;
A3-47/02 well, trace;
A4-47/02 well, flow-tested 2,490 bopd;
D2-47/02 well, trace.

Drilling:

B1-47/04 well, awaiting testing;
H1-47/04 well, drilling;
I1-47/02 well, drilling.

- Contract term : EPSA IV;
- Signature Bonus US\$ 0.25 million;
- Successful drilling on 9 exploration wells with significant oil discovery. Four appraisal wells have been drilled. 4 drilling programs underway;
- There are 37 oil prospects and leads;
- 13.7% production allocated;
- Working Interest :
 - MedcoEnergi 50%
 - Verenex (operator) 50%
- Completed all **Exploration** commitment;
- Initial production in 2010 at approximately 50,000 bopd.

New oil discovery based on own exploration:

A1-47/02 well, flow-tested 12,500 bopd;
B1-47/02 well, flow-tested 23,800 bopd;
C1-47/02 well, flow-tested 23,570 bopd;
D1-47/02 well, flow-tested 7,742 bopd;
E1-47/02 well, flow-tested 1,216 bopd*;
F1-47/02 well, flow-tested 7,215 bopd;
A1-47/04 well, flow-tested 6,603 bopd;
C1-47/04 well, flow-tested 1,350 bopd;
G1-47/02 well, flow-tested 4,167 bopd.

International

Area 47 - Reserves

		Area 47 Gross Contingent Resources ⁽¹⁾	
	Low Estimate ⁽²⁾	Best Estimate ⁽³⁾	High Estimate ⁽⁴⁾
Oil – mmb	157.5	306.9	962.4
Raw Gas – bcf	139.1	268.8	822.8
Total – mmboe ⁽⁵⁾	180.7	351.7	1,099.5

(1) Contingent resources, as evaluated by DM, are those quantities of petroleum estimated, as of September 30, 2008, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. There is no certainty that it will be commercially viable to produce any portion of the resources.

(2) The Low Estimate is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the Low Estimate.

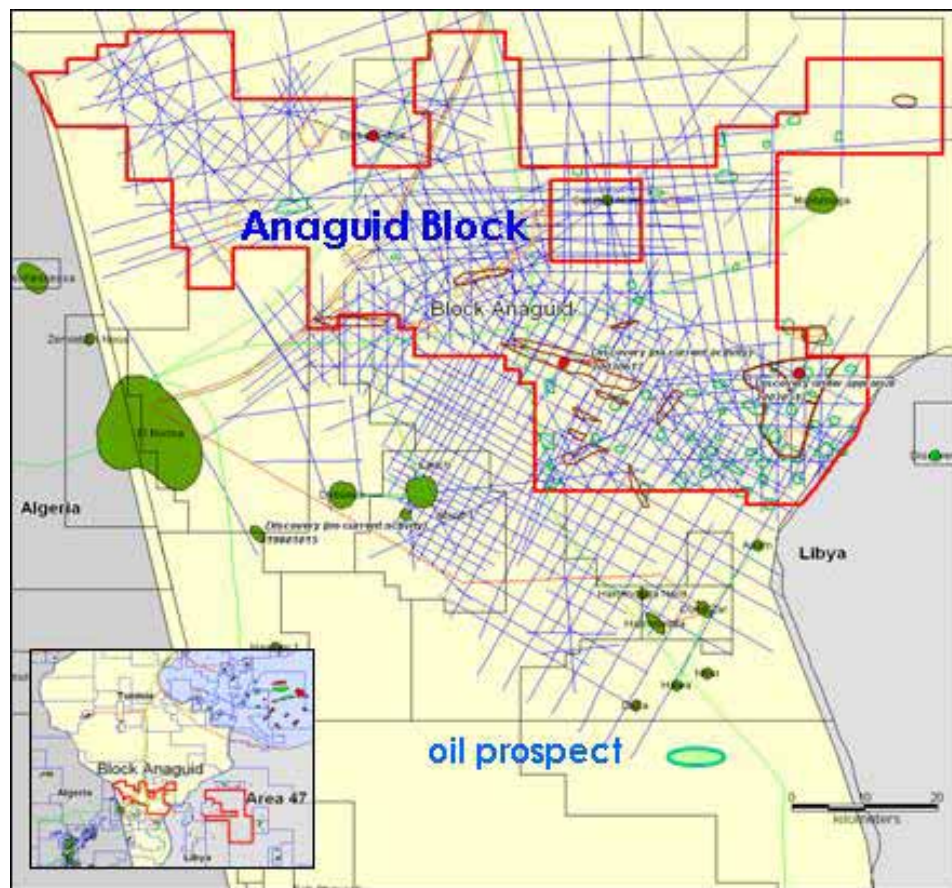
(3) The Best Estimate is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the Best Estimate.

(4) The High Estimate is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the High Estimate.

(5) Total Contingent Resources represents the aggregate of the resources disclosed under “Raw Gas” and “Oil”, combined on the basis that 6,000 cubic feet of raw gas is equivalent to one barrel of oil equivalent (“boe”).

International

Tunisia - Anaguid Block



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.

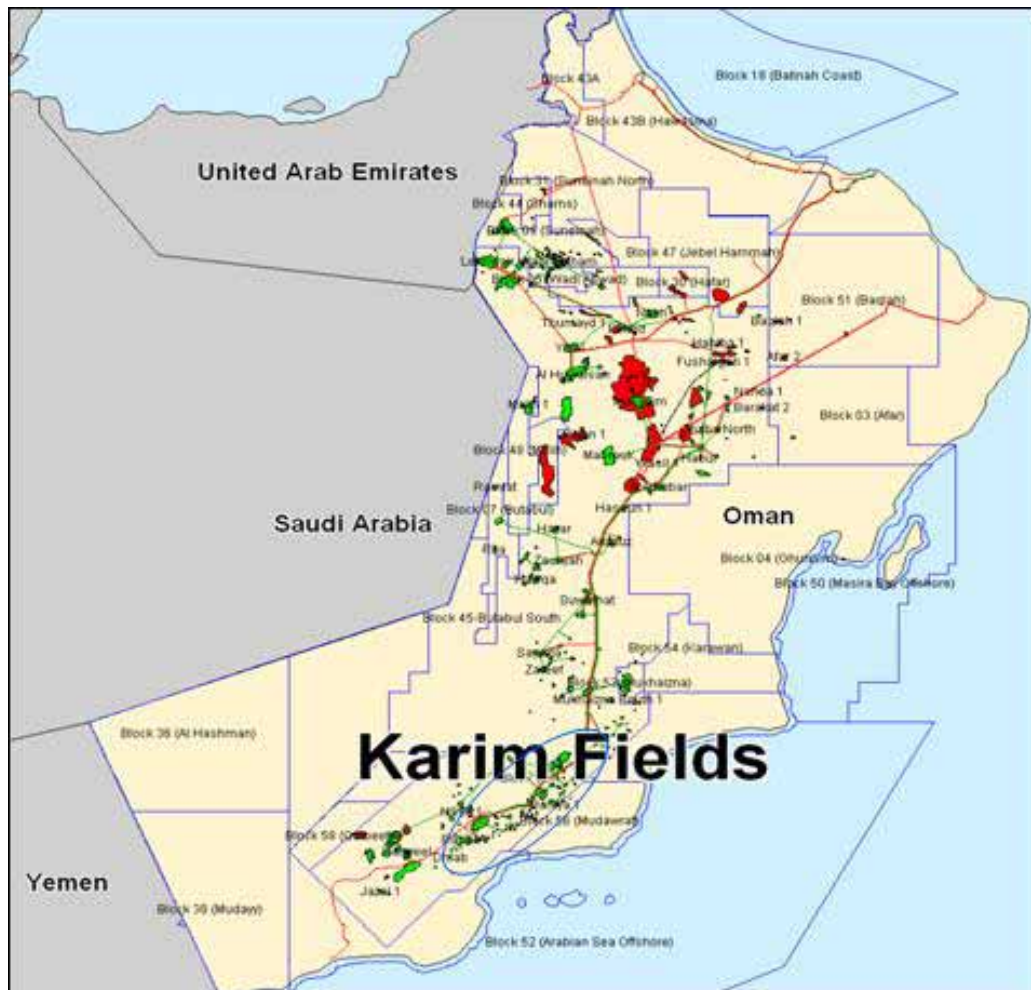
- Type of Contract : Concession;
- Farm-out of Anadarko's Working Interest;
- Working Interest* :
 - MedcoEnergi 40%
 - Pioneer 60%
- *) ETAP – Tunisia Govt has participation right up to 50% WI of development;
- Carried through ETAP exploration capex;
- Acquire 3D Seismic ~ 2,200 km² and 2 exploration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

International

Oman - Karim Fields



MEDCOENERGI



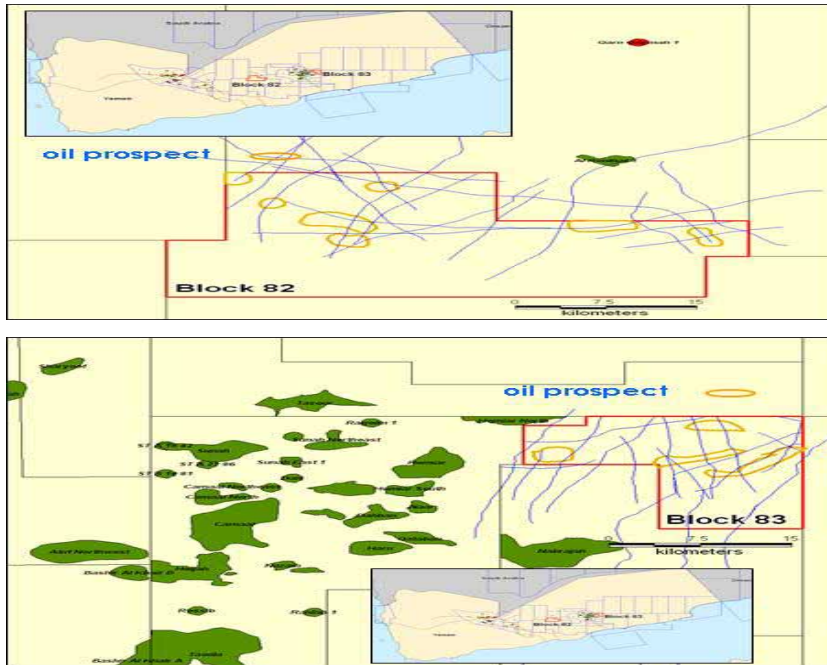
- Service Contract Agreement with PDO;
- Producing Block;
- Probable Reserve 122 mmbo;
- Current Production 13,000 bopd;
- Target Production 38,000 bopd by 2008;
- Operational Handover to Medco in August 2006;
- Contract:
 - 30% CR Ceiling
 - US\$ 30 million Signatue Bonus
 - MedcoEnergi 51% WI (operator)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

International

Yemen - Block 82 & 83



MEDCOENERGI



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:
 - MedcoEnergi (operator) 38.25%
 - Kuwait Energy 21.25%
 - IOC 12.75%
 - OIL 12.75%
 - YBCO 15.00%
- Awarded in Dec. 2006 and PSA signing in Sept 2007.

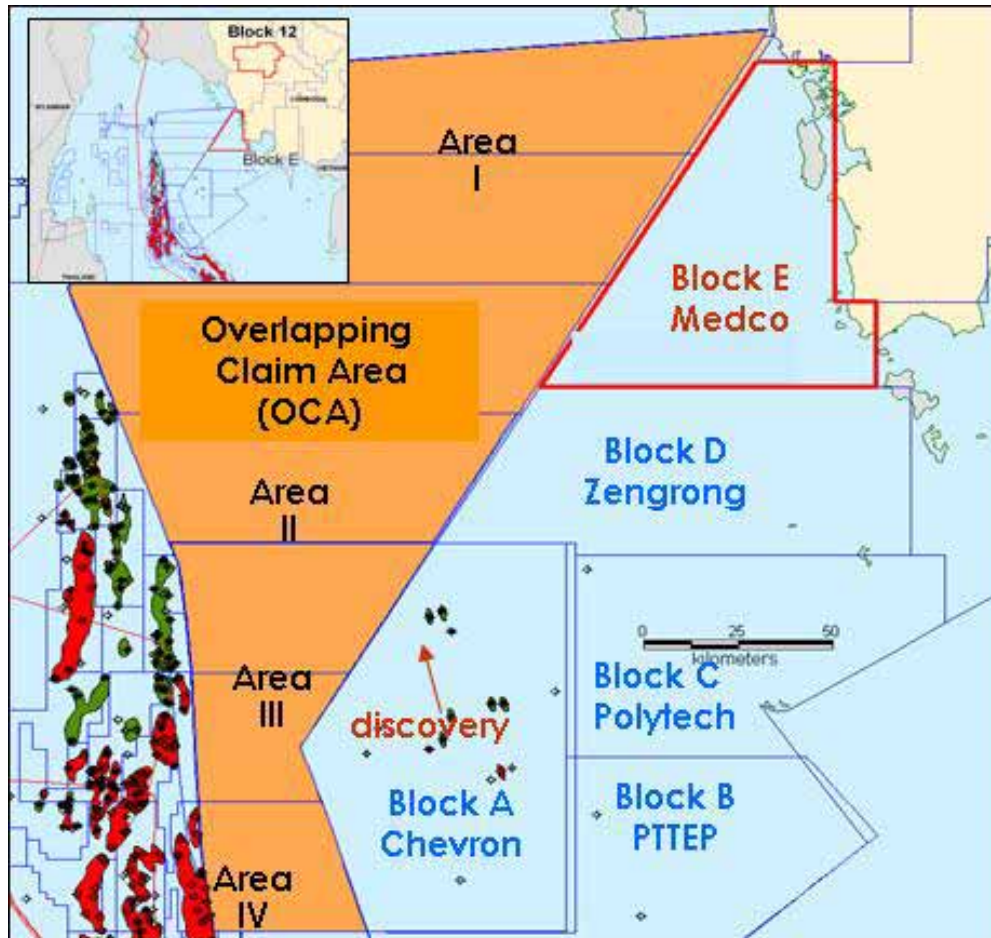


- Operating Data;
 - 20 producing wells;
 - Proven reserve as per December 31st, 2007 is 4,935 mboe;
 - 2007 production : 2,570 mmscfd, 112 mbo.

- Eight Concessions;
- MedcoEnergi as Operator;
- MedcoEnergi's Working Interest :
 - East Cameron : 75% WI
 - Main Pass 64/65 : 75% WI
 - Main Pass 57 : 7% WI
 - Mustang Island : 66.25% WI
 - Block 435 : 100% WI
 - Block 437 : 100% WI
 - Block 492 : 100% WI
 - Block 514 : 100% WI
 - West Delta 52 : 53.84% WI
- Development program to improve reserve and production;
- Sold Sorrento Dome and impaired reserves mainly from East Cameron and Main Pass in 2007

International

Cambodia - Block E

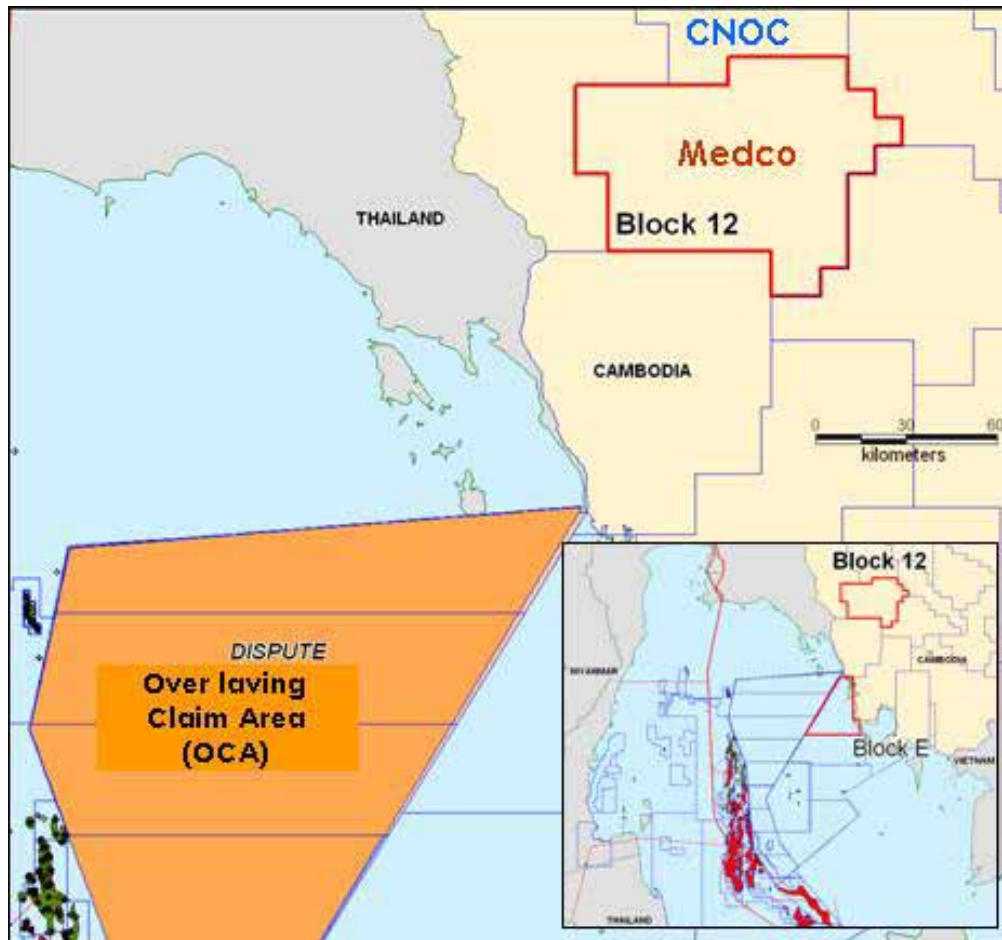


Block E Located in Northern part Cambodia. Known as proven prolific source of oil offshore Cambodia. 1,760 km 2D seismic are acquired, and several leads defined.

- Contract signed on September 3rd, 2006;
- Signature Bonus US\$ 4.5 million;
- Contract Type : Production Sharing Contract;
- 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 :
 - MedcoEnergi (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;

International

Cambodia - Block 12



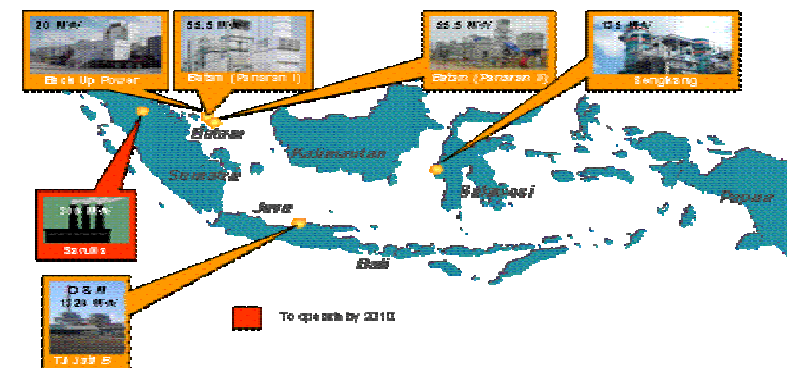
- Contract signed on September 28th, 2007;
- Contract Type : Production Sharing Contract,
- Signature Bonus USD 3.0 million,
- Block 12 Onshore targeting Tonle Sap basin in Northern Cambodia;
- 3 years exploration license with one time extension of 2 years.;
- Attractive fiscal term;
- Working Interest :
 - MedcoEnergi (operator): 52.5% WI
 - CNPA : 40.0% WI
 - JHL Petroleum*) Ltd. : 7.5% WI

Block 12 Located in south-western part of the Tonle Sap Basin, onshore Cambodia. The prospective area has been previously identified through gravity and magnetic mapping and satellite images.

Power

Given the unique characteristics and the opportunities in the Indonesian power market, MPI has chosen to pursue a differentiated strategy that it believes will best allow it to capitalize on these opportunities and compete effectively in the market. The key points of this strategy are highlighted below:

- Focus on small-to-medium size Independent Power Projects and captive plants in Indonesia
- Develop renewable energy projects as a significant part of its overall portfolio
- Aggressively expand the Power Plant Services business
- Maximize synergies with MedcoEnergi
- Expand Medco Power Indonesia's presence internationally
- Portfolio management of assets
- Achieve critical mass for a possible IPO



Panaran 1, Batam 2x27.5 MW gas fired power plant

- Initiate discussion with PLNB for Combined Cycle plant expansion

Panaran 2, Batam 2x27.5 MW and 8 MW Chiller.

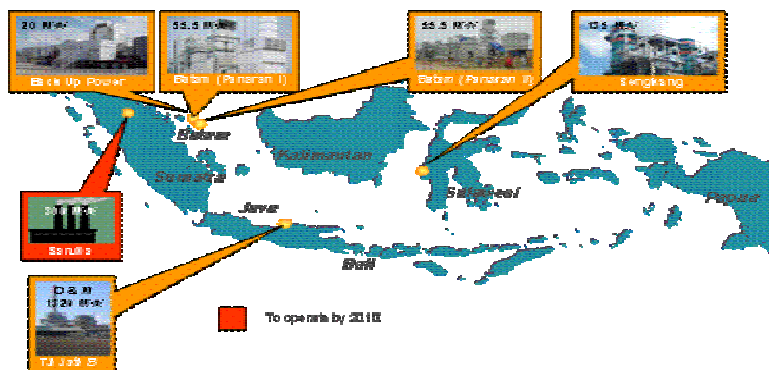
- 20 MW TM 2500
- 21 MW Combined Cycle add on for Panaran II construction started expected to complete by mid 2010
- PPA Amendment V regarding CCPP Panaran II was signed on May 7th 2008.
- PPA Amendment VI regarding TM2500 was signed on June 9th 2008.

Tanjung Jati B, Central Java

- O&M provider for 1320 MW coal fired power plant

Sengkang, South Sulawesi

- 135 MW Gas fired power plant
- Construction of 60 MW expansion plant started and expected to complete by end 2008



Sarulla, North Sumatera

- 330 MW Geothermal power plant
- Energy Sales Contract (ESC) and Deed of Assignment (DOA) was signed by PLN and Consortium on December 14th 2007.
- Join Operation Contract (JOC) was signed by Pertamina and Consortium on December 14th 2007
- Amended DOA signed on 3rd July 08 to formalize Kyushu Electric participation
- Finalization of EPC contract
- Negotiation with potential lender continued

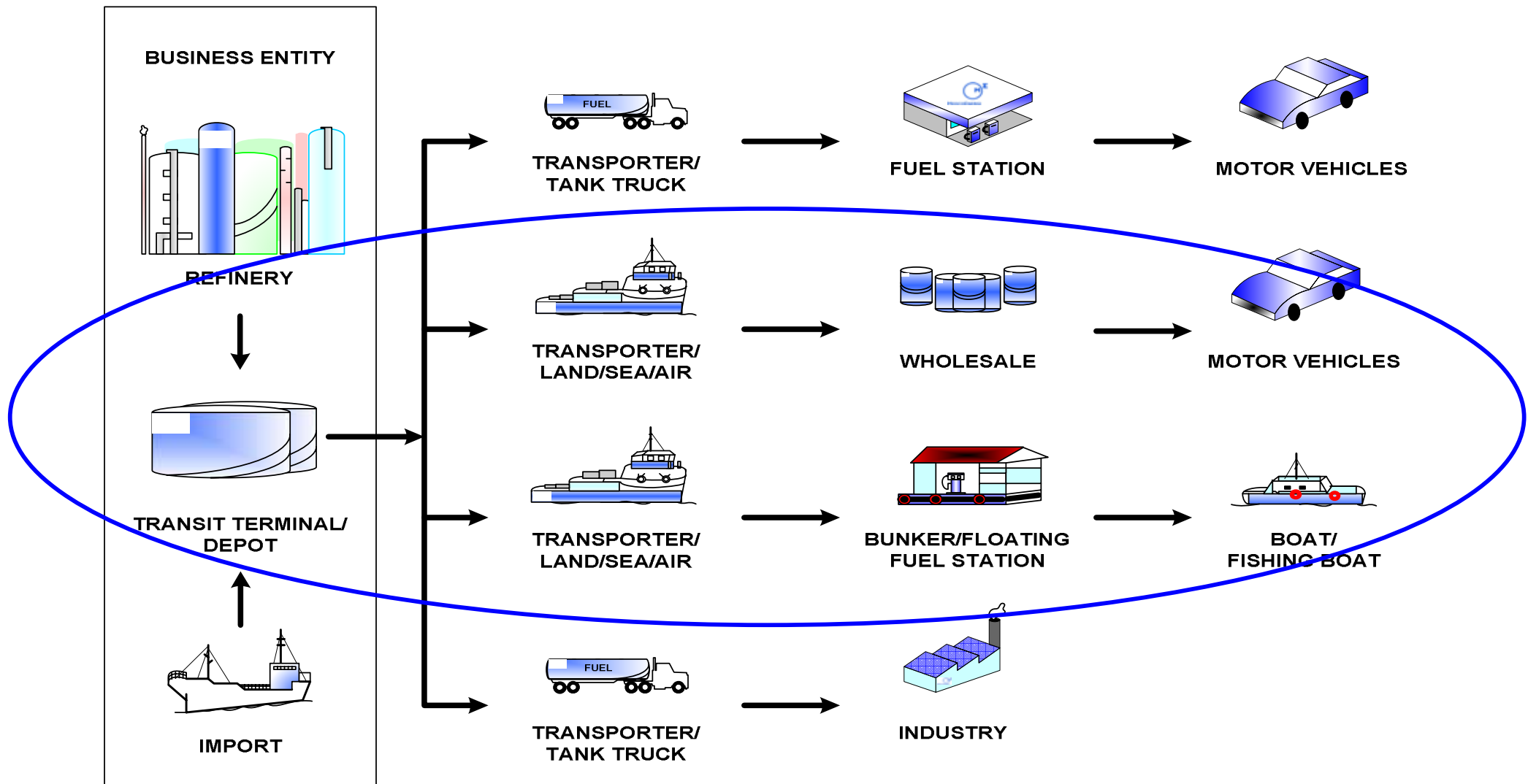
Jurong, Singapore

- 25 MW Biomass power plant
- JVA signed with Biofuel Services Pte. Ltd.
- Finalization EPC Contract, Fuel Supply Contract and Project Financing
- Basic engineering design work started

Future Committed Projects:

- 6 MW gas-fired power plant in Muara Enim, South Sumatra, utilizing MEPI flared gas.
- 6 MW gas fired power plant for Singa field, South Sumatra. Will demonstrate synergy and entry to PSC's market
- Senoro, Central Sulawesi and Block A, Aceh gas fired power plant project development

Downstream



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 26,803 tons in 2007 and 4,254 tons for first half of 2008;
- Produce 96,536 barrels of condensate and 2,979.46 MMCF of lean gas in 2007.

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 4th Quarter 2008;
- Progress to date 95% 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.



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.

Company address:

PT Medco Energi Internasional Tbk.
Graha Niaga Building 16th Floor
Jl. Jend. Sudirman Kav. 58
Jakarta 12190
Indonesia.
P. +62-21 250 5459
F. +62-21 250 5536

Investor Relations:

Nusky Suyono

M. +62-816 895 928
Email: nusky.suyono@medcoenergi.com

Nugraha Adi

M. +62-21-7100 3455
Email: nugraha.adi@medcoenergi.com

Website: www.medcoenergi.com

