MEDCOENERGI

Investors' Update
PT Medco Energi Internasional Tbk.

March 31st, 2009

www.medcoenergi.com

Energy Company of Choice

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MEDCOENERGI

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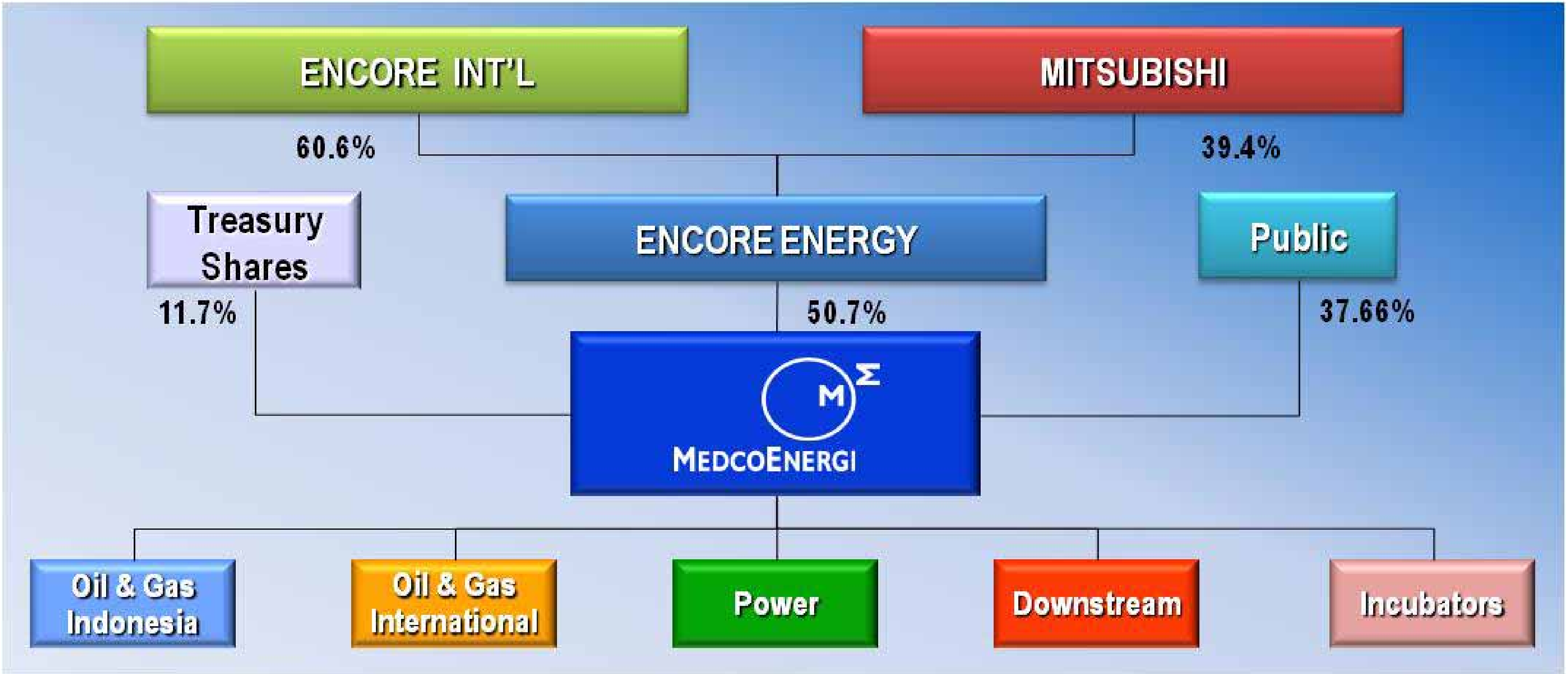
Overview

MedcoEnergi's Ownership Structure



- 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 31st December 2008:
  - Gross 1P reserve – 106.74 MMBOE (67% oil, 33% gas)
  - Gross 2P reserve – 191.54 MMBOE (65% oil, 35% gas)
  - Contingent resources – 379.75 MMBOE (54% oil, 46% gas)

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

Operation Areas & Assets

MEDCOENERGI

- Indonesia –
  - Oil & Gas:
    - 9 producing blocks
    - 2 development block
    - 5 exploration blocks
    - 1 economic interest
  - Power:
    - Panaran 1 & 2 Power Plant in Batam (118 MW) [1]
    - Batam Back-up Power Plant (20MW) [1]
    - Tanjung Jati B (O&M) in Central Java (1,320MW)[1]
    - Sarulla Geothermal in North Sumatra (330MW)[2]
  - Downstream:
    - 1 Methanol plant in East Kalimantan[3]
    - 1 LPG plant in South Sumatra[1]
    - 1 Fuels storage and distribution facilities in Jakarta[1]
    - 1 Ethanol plant in Lampung, South Sumatra[1]

1-Operator   2- Ongoing Project

3-In the process of returning to Pertamina   4-Recently acquired

- USA – Producing :
    - East Cameron[1] -317, 318 and 316[4]
    - Main Pass[1] (64/65 and 57)
  - Exploration
    - Mustang Island 758[1]
    - Brazos Area[1] 435, 437, 451, 492, 514
    - West Delta 52[1]
    - EB Schwing #1
    - Walker Ranch[1] - Cibola[4]
- Yemen* - Exploration:
  - Block 82/83 (45% working interest)
- Libya – Exploration and Discovery:
  - Block 47 (50% working interest)
  - Significant oil discovery
- Oman* – Service Contract :
  - Karim Small Fields
- Cambodia* - Exploration:
  - Block E (41.25% working interest)
  - Block 12 (52.5% working interest)
- Tunisia - Exploration:
  - Anaguid Block (40% working interest)

Corporate Strategy

MEDCOENERGI

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, Methanol, and Power).
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 Medco Energi Global (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, fostering a pervasive performance culture and building personnel competencies

Financial Highlights

Financial Highlights

MEDCOENERGI

FINANCIAL HIGHLIGHTS (in million USD)	2008	2007	∆%
Revenue	1,286.3	1,078.0	19.3
Gross Profit	510.1	390.3	30.7
Income from Operations	346.3	248.7	39.2
EBITDA	473.4	466.7	1.4
Earnings Before Tax	499.7	122.0	309.6
Net Income	280.2	6.6	4,146.1
EPS (USD/share)	0.0913	0.0021	4,247.6
Equity	733.2	521.3	40.6
Total Assets	1,980.2	2,179.8	(9.2)

Financial Highlights - continued

2008 Net Income Breakdown by Business Segments

MEDCOENERGI

Business Segment (in million USD)	Net Income
Medco Energi Internasional, Tbk. (stand-alone)	148.79
Exploration & Production – Domestic	162.36
Exploration & Production – Foreign	(22.4)
Drilling	4.3
Downstream	(13.2)
Power	0.35
Consolidated Net Income after Eliminations	280.2

Current Financial Status

MEDCOENERGI

CONSOLIDATED DEBTS (in million USD)	2008	2007	Δ%
A. Total Bank Loans	**348.4**	**305.7**	**14.0**
Current Portion	60.1	87.8	(31.6)
Non Current Portion	288.4	217.9	32.3
B. Other Obligations	**344.6**	**633.3**	**(45.6)**
USD Notes and Bonds (Maturity 2010 & 2011)	236.8	431.7	(45.2)
Rupiah Bonds (Maturity 2009)	107.8	201.6	(46.5)
Total	**693.1**	**939.0**	**(26.2)**

STOCKHOLDER COMPOSITION	2008*	2007	Δ%
Encore Energy Pte. Ltd.	**1,689,393,006**	1,689,393,006	**50.70**
Public	**1,252,603,944**	1,419,461,444	**37.59**
Treasury Shares	**390,454,500**	223,597,000	**11.72**
2000 & 2001 Program	223,597,000	223,597,000	6.71
2008 (XI.B.2 Buy Back)*	85,561,000	-	2.57
2008 (XI.B.3 Buy Back during Market Crisis)*	81,296,500	-	2.44
Total	**3,332,451,450**	**3,332,451,450**	**100.00**

*The Company launched XI.B.2. Buy Back Program after EGMS 15 May ’08 approval and XI.B.3. Buy Back Program during Market Crisis Condition in 14 Oct ’08

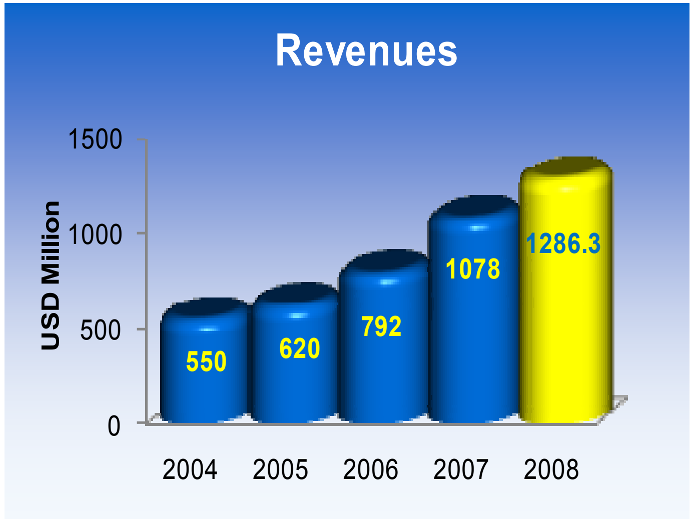
Operational Highlights

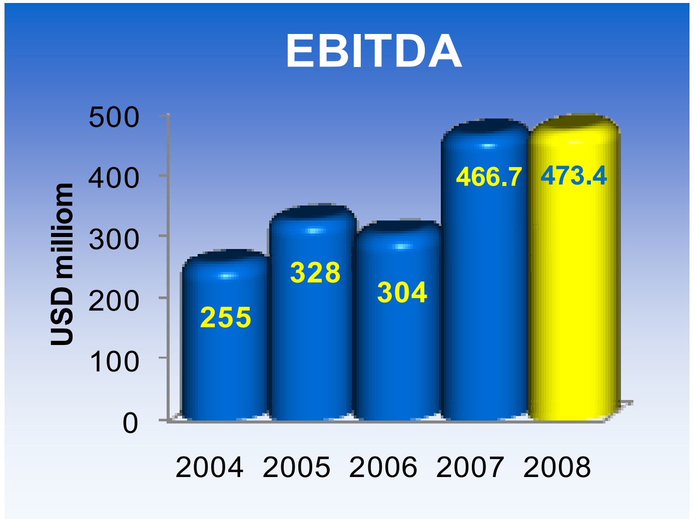
MEDCOENERGI

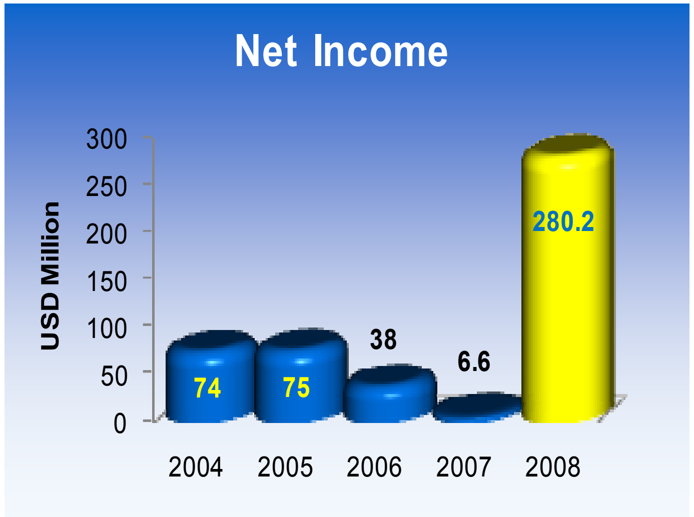
OPERATIONAL HIGHLIGHTS	FY08	FY07	Δ%
Oil Lifting / MBOPD	45.00	50.40	(10.7)
Gas Sales / MMCFD	108.1	117.5	(8.0)
TOTAL Oil and Gas (MBOEPD)	63.5	70.5	(9.9)
Crude Price, USD/barrel	100.1	72.5	38.1
Gas Price, USD/mmbtu	4.2	3.2	31.3
Power Production / GWH	844.1	877.7	(3.8)
Fuel Distribution / ‘000 KL	196.8	47.0	318.7
Methanol Production / ‘000 MT	129.6	114.2	13.5
Methanol Sales / ‘000 MT	123.3	117.0	5.4
Methanol Price, USD / MT	315	294	7.1
LPG Production / ‘000 MT	16.7	26.8	(37.7)
LPG Price, USD / MT	714	440	62.3

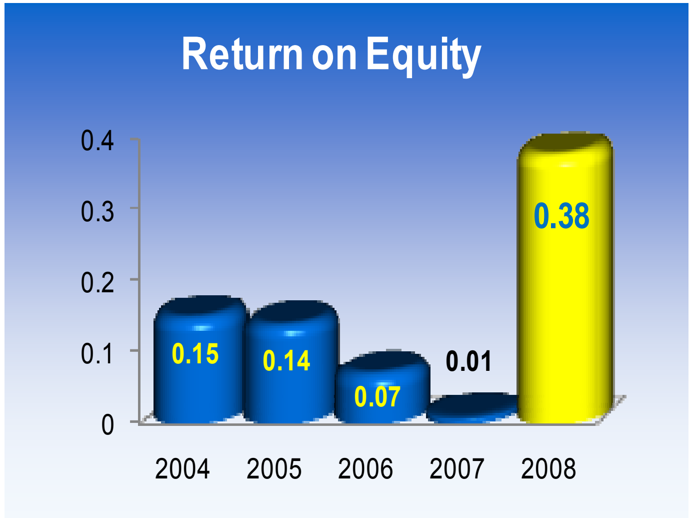
Charts and Ratios

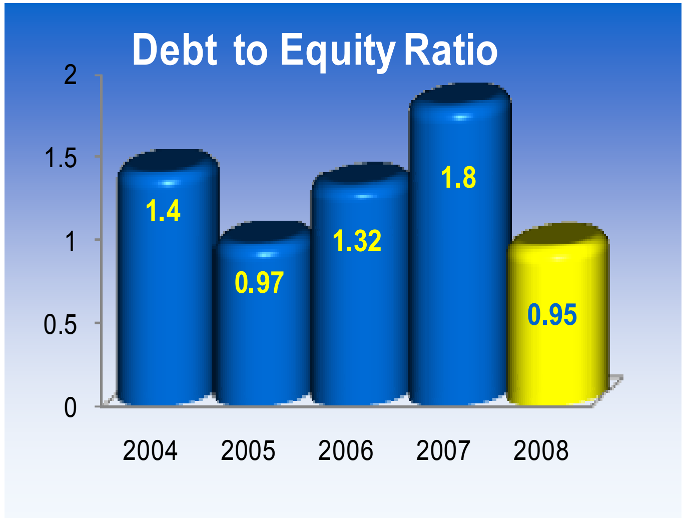
Financial Charts
Consolidated











Financial Charts
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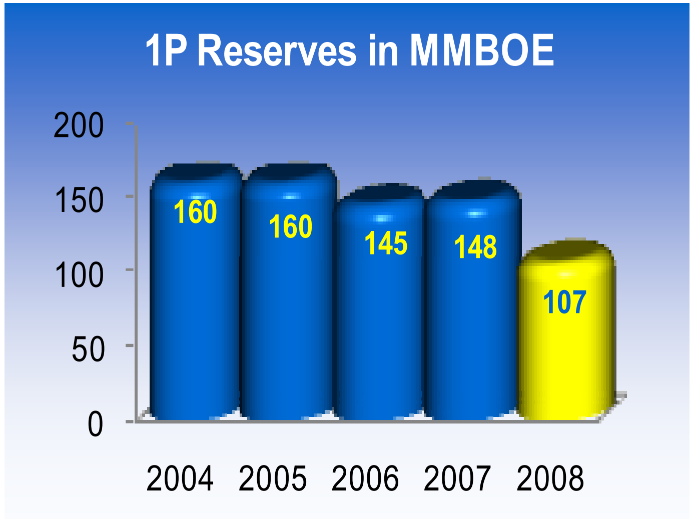
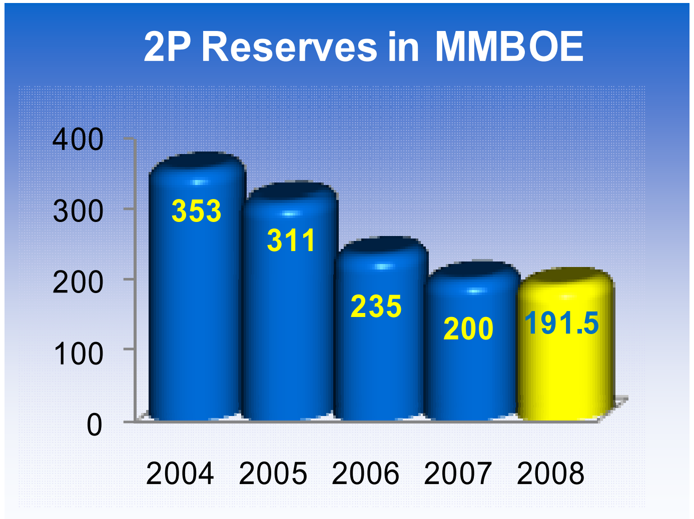
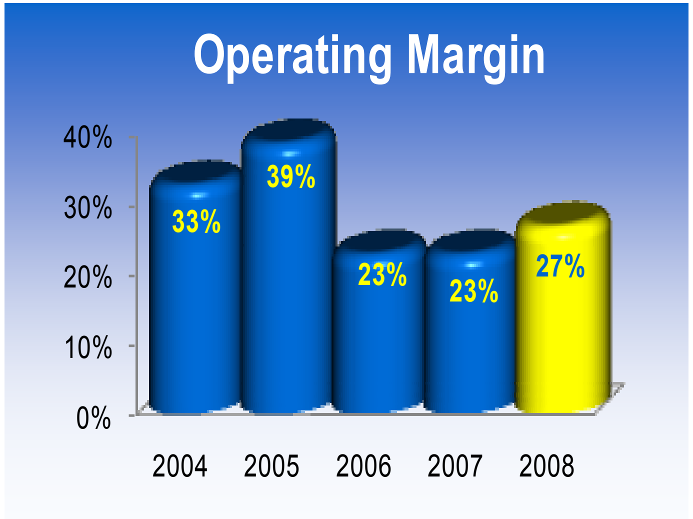
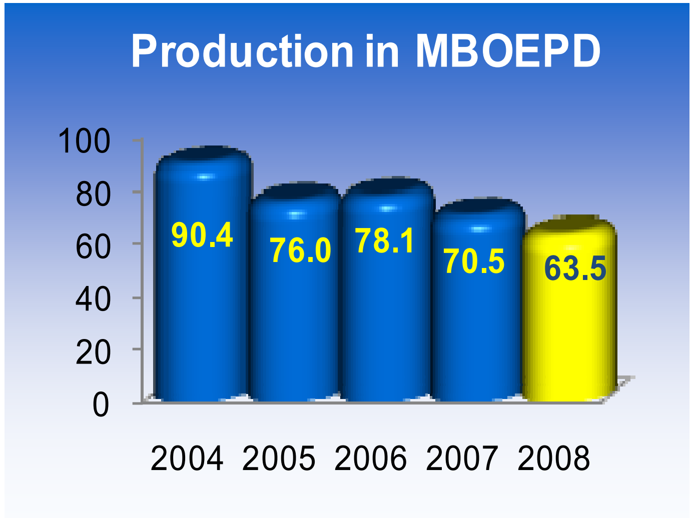
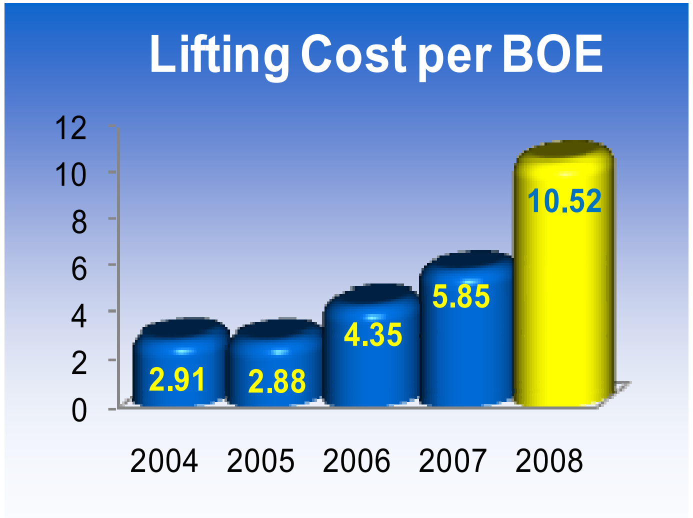


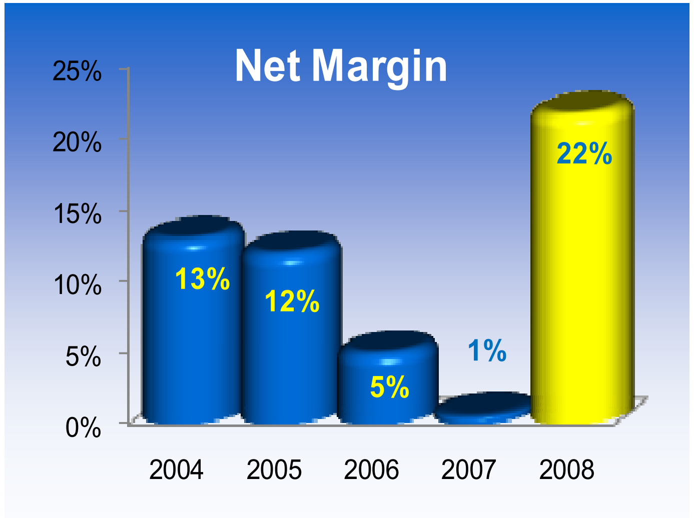




Note : Reserves quoted exclude Rimau (EOR) and Libya







Corporate Updates 2008

Corporate Updates 2008

MedcoEnergi

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 (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. 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;
3. Obtained **share buyback approval** at the EGMS on May 15th, 2008 for 3.29% of issued shares at a USD 80 million bugdet; 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;
4. Signed an SPA on June 9th, 2008, with **PT. Mitra Rajasa** for the sale of 48.8% shares of **Apexindo Pratama Duta** 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;

Corporate Updates 2008
Continued

5. 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 11^{th}, 2008 at a value of USD 42 million;
6. 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 30^{th} 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**;
7. Technical Assistant Contract (TAC) for Tarakan, Sanga-Sanga and Samboja expired on October 15^{th} 2008. Relinquishment of the TAC will cause a drop in production contribution from these fields by up to 4,456 BOPD and a de-booking in reserves of **1.84 MMBOE**;
8. On December 16^{th}, 2008, MedcoEnergi and **Anadarko Global Holdings Company** executed a Mutual Termination Agreement to their previous Exploration Joint Venture Agreement and Interim Operating Agreement. A compensation benefit of around USD 15 million was paid to MedcoEnergi as the result;
9. Signed a 3-year Crude Oil Sales and Purchases Agreement (COSPA) with **Petro-Diamond Pte Ltd** a wholly owned subsidiary of Mitsubishi Corporation on December 18^{th}, 2008 for oil produced from Kaji-Semoga field in Rimau. Received upfront advance facility of **USD 130 million** as part of a prepayment agreement.

Major Projects Update

Major Projects Portfolio

- Gas development
- Power Generation
- Oil development
- Renewables

Total Budgeted 5 Years Investment for these projects USD 1.7 Billion (net Medco's share)*

PROJECTS	TARGET Start Up	Project Descriptions	% ownership	Partners
Bioethanol	2008	Bio-ethanol plant of 60,000 kL per year from cassava	100%	-
Singa	2009	Gas field development of 50 MMscfd	74.12%	Lundin Lematang
Block A	2011	Gas field development of 120 MMscfd	41.67%	Premier, Japex
Libya 47	2011	Oil field development of 50,000 - 100,000 bopd	50%	Verenex
Rimau	2011	Oil field - Enhanced Oil Recovery – 64 MMBO	95%	PD-PDE
Senoro	2013	Gas field development of 250 MMscfd	50%	Pertamina
DS- LNG	2013	LNG plant , single train of 2.1 mtpa capacity	20%	Pertamina, Mitsubishi
Sarulla	2012	Geothermal power plant, 3x110 MW	37.20%	Kyushu, Ormat, Itochu

* Subject to certain conditions, all the projects will be reviewed regularly and options explored to maximize value

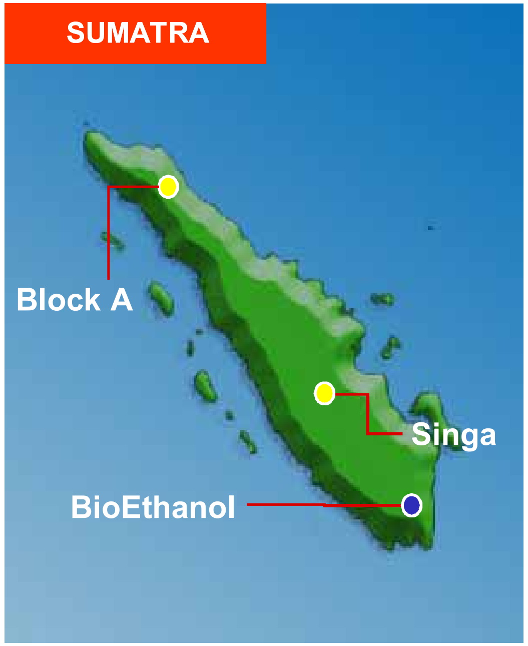
Progress on Major Projects (1)

Bio-Ethanol, Lampung

- Under commissioning phase - First drop production on Nov. 26, 2008
- Commercial production/first shipment may take up to 3 months (delayed from end of January 2009 – due to longer stabilization period for waste water treatment facility)
- Early production will reach an estimated 25,000 kl per year (from early estimation of 50,000 kl per year)

Singa - Lematang

- GSA with PLN signed in 2007
- Gas Production Facilities under construction - 90% complete
- Singa-3 and Singa-4 wells to be completed by end August '09
- Production Start-up: October 2009 (for 50 mmscfd) – subject to availability of pipeline capacity to West Java, but Take or Pay clause exists under GSA



Block A

- GSA with Pupuk Iskandar Muda and PLN have been signed in 2007 and 2008, respectively
- Technical study completed
- PSC Extension waiting for Government approval
- No major capex before Final Investment Decision

Progress on Major Projects (2)

Libya – Block 47

- Successful exploration result (14 exploration and appraisal wells):
  - Gross Contingent Resources of 351.7 mmboe as of September 2008
- Additional discovery from H1-47/02 NFW exploration well:
  - + 1,315 bopd (gross) of light sweet crude oil and 16.2 mmcf/day (gross) of natural gas (choke 32/64ths to 48/64ths inch); or
  - +1,021 bopd and 17.7 mmcf/day (gross) (choke 32/64ths inch)
- Operating Committee Meeting & Technical Committee Meeting with Libya National Oil Company (NOC) and partner to determine further development program will be held on March/April 2009;
- Verenex announced CNPC as their shareholder's preferred bidder – waiting approval from NOC;
- Contacted NOC for clarification;
- Continue exploring financing in the form of reserve based lending.

Rimau (EOR)

- Review the economic of the program due to the declining of oil price;
- Capex will be internally funded from operation.

Progress on Major Projects (3)

MEDCOENERGI

Senoro Gas Development

Upstream:

- GSA signed on January 22, 2009
- Awaiting for Seller Appointment Agreement from BPMIGAS, Gas Price approval from Minister of Energy & Mineral Resources and Plan Of Development Revision from BPMIGAS
- Preparing drilling of Senoro #6 well – land survey and acquisition in progress
- Financing – negotiations with commercial banks
- No major capex before Final Investment Decision

Downstream:

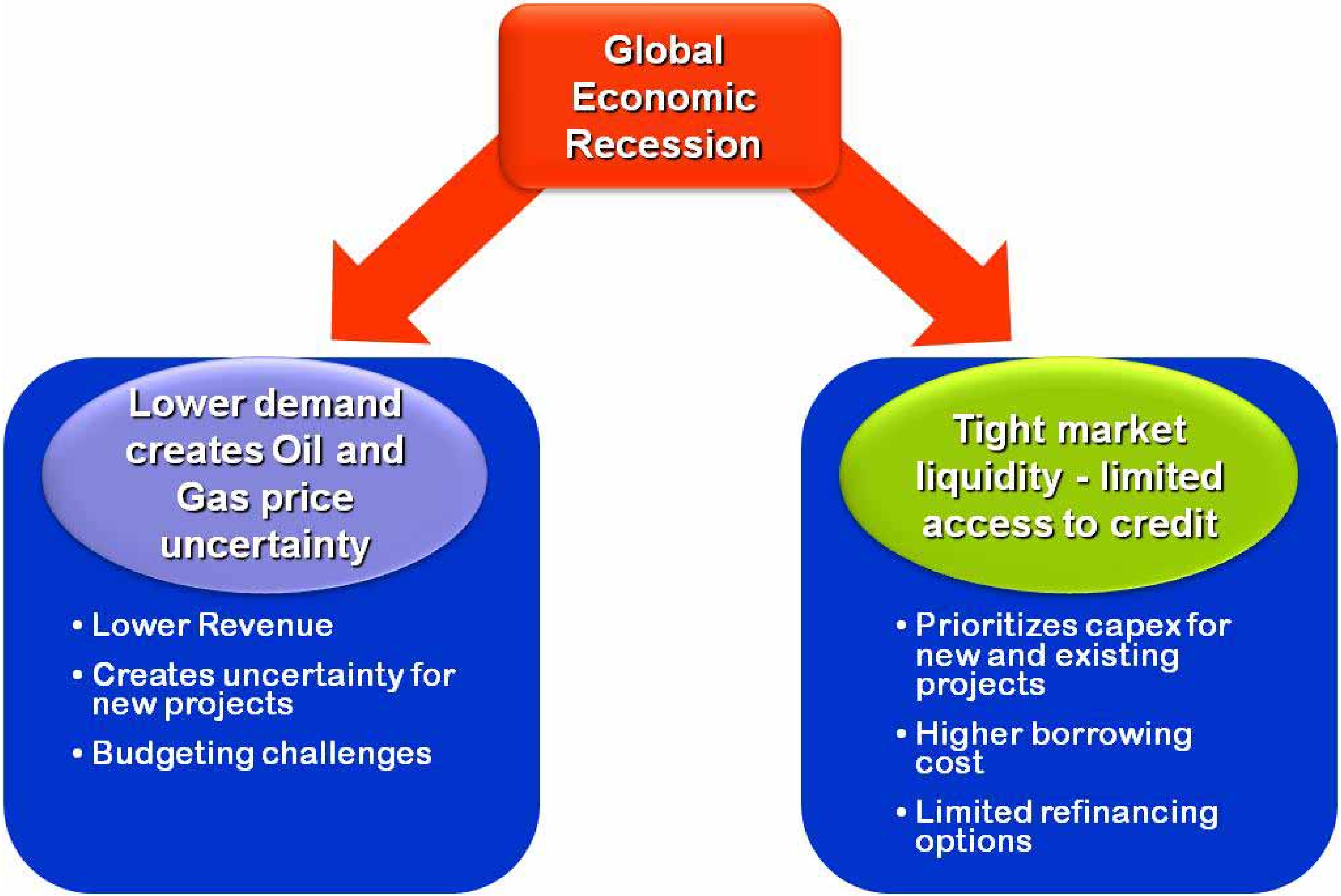
- Completed negotiation of HoA with potential LNG buyers
- Land acquisition progress is 95%
- Financing – continuing negotiations with JBIC and commercial banks

Sarulla Geothermal

- Electricity Tariff – renegotiate underway with PLN
- Engineering, Procurement & Construction (EPC) contract – preparing for negotiations with EPC supplier
- Financing – positive response from JBIC/ADB and other commercial banks to provide funding

Challenges Ahead

Potential Impact of Global Economic Recession



Implementation of Mitigation Plans

ASSETS MANAGEMENT PLANS

Program	Implementation
• Continue assets optimizations	→ Strategic minority divestment in Medco Power Indonesia. Also continuing E&P divestments in Kakap, Bawean, Lematang and Langsa.
• Prioritize Capex allocation to major projects and operations	→ – Investing in and optimizing cash flow from the Rimau and South Central Sumatra Blocks – Continuing progress development stage for Senoro, Lematang, Block A and Block 47, Libya – Capex allocation, 84% for E&P units, 9% for Power unit and 7% for Downstream and other emerging business
• Maintain limited funding for selected exploration activities and new incubator business unit for future growth	→ Signed a Head of Agreement with Arrow Energy Holdings Pte Ltd. for a cooperation to explore and develop Coal Bed Methane (CBM).
• Cost containment and reduction program	→ Currently in discussions with EPC contractors involved in the Senoro and Sarulla projects to reduce costs.
• Explore other projects which immediately generates value (opportunity based)	→ Acquired 100% participating interest in Block 316, East Cameron Area, South Addition OCS-G 23803, Gulf of Mexico, USA.

Implementation of Mitigation Plans

LIABILITY/FINANCING PLANS

Program	Implementation
• Continue discussions with ECA (i.e. JBIC) and multilateral (i.e. ADB) for financing in certain key projects	→ Ongoing negotiations with JBIC and ADB for Sarulla project, and with JBIC in Senoro project
• Continue project financing at the assets level	→ Continue searching for project financing opportunities, i.e. Block A, Aceh
• Utilize reserves based lending for selective E&P assets	→ Obtained a reserve based lending facility of up to USD 50 million subject to certain conditions for US operations. Issued a Request For Proposal to banks for reserve based lending related to Block 47, Libya.
• Discipline over project execution and capital stewardship	→ Prioritized projects and executing those projects that meet certain economics, and closely monitoring progress of each project. No major capex on Senoro and Sarulla until Final Investment Decision.
• Explore Rupiah and other forms of financing at reasonable prices	→ Renew USD 125 milion banking facilities with Bank Mandiri. Issued a RFP to banks to assist with a IDR bonds offering planned for 2H09. Drawn on remaining BNI facility of USD 77 million in IDR

Corporate Updates 2009

Corporate Updates 2009

1. On January 22nd, 2009 **Senoro-Toili Gas Sales Agreement (GSA)** has been signed by PT Medco E&P Tomori Sulawesi as holder of 50% working interest as well as the operator of Senoro-Toili PSC block (JOB Tomori) and PT Donggi Senoro-LNG as the buyer. Pursuant to the GSA, JOB Tomori will supply approximately 1,417 TBTU of natural gas to the LNG plant for a 15 years period.
2. MedcoEnergi terminated its **Methanol Plant operation in Bunyu, East Kalimantan** which was operated by a wholly owned subsidiary PT Medco Methanol Bunyu (MMB) since February 1st 2009, due to the lack of gas supply from Tarakan PSC block. Bunyu Methanol Plant which was established in 1983, is owned by PT Pertamina and operated by MMB based on Methanol Plant Joint Operation Management since 1997.

Attachments

Financial Ratios

MEDCOENERGI

RATIOS	2008	2007	∆%
Liquidity & Solvability			
Cash Ratio	0.90	0.78	15.6
Quick Ratio	2.09	1.86	12.3
Current Ratio	2.22	2.17	2.5
Debt to Equity Ratio	0.95	1.80	(47.5)
Net Debt to Equity Ratio	0.23	1.11	(79.0)
Total Liabilities / Total Equity	1.68	2.94	(42.7)
Profitability			
Gross Margin	40%	36%	9.5
EBITDA Margin	37%	43%	(15.0)
Operating Margin	27%	23%	16.7
Net Margin	22%	1%	3,458.4
Interest Coverage Ratio (x)	10.25	6.43	59.4
Return on Equity	38%	1%	2,919.1

Financial Ratios

MEDCOENERGI

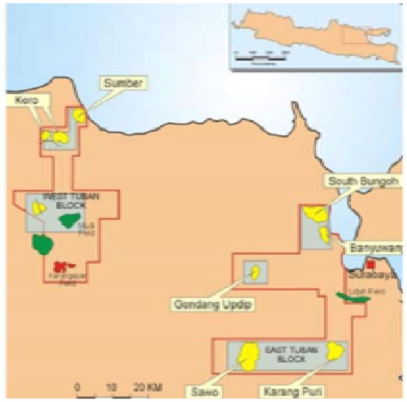
RATIOS	2008	2007	Δ%
Coverage Ratios (x)			
Income from Operations/ net interest	7.50	3.43	118.8
Net debt/ EBITDA	0.36	1.24	(70.9)
Efficiency Ratios (x)			
Revenue/ fixed assets	1.41	0.88	59.8
Revenue/ net working capital	2.71	2.69	0.7
Investment Ratios (x)			
CapEx/ Revenue	0.23	0.36	(35.7)
CapEx/ depreciation	2.32	1.77	31.7
Capital Structure (%)			
Net debt/ total equity	0.23	1.11	(79.0)
Net debt/ (net debt + equity)	0.19	0.53	(64.1)

Assets Divestment Program

Shares sales of PT Apexindo Pratama Duta Tbk – Drilling Services

Objective	: Focus on E&P business
Number of shares	: 1,287,045,106 (48.8%)
Buyer	: PT Mitra Rajasa Tbk
Term of Payment	: USD 272 million – cash USD 68.2 million – 1-year secured note
Completion Date	: September 10, 2008
Financial Impact	: Increase equity by USD 246 million Reduce debt by USD 185.5 million

Shares sales of PT Medco E&P Tuban – 25% interests of Tuban PSC



Objective	: Focus on operated assets in Indonesia
Number of shares	: 100%
Buyer	: PT Pertamina E&P Persero
Price	: USD 6.6/BOE (gross USD 42 million)
Completion Date	: September 11, 2008
Financial Impact	: Increase equity by USD 14 million
Reserves Impact	: 6,469 MBOE de-booked

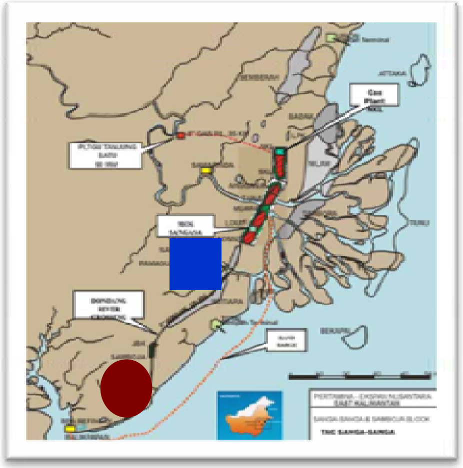
Gain on divestment of assets above:

- USD 260.5 million

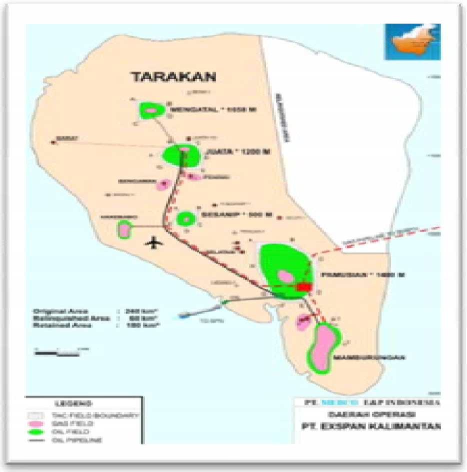
Expiration Contract of Working Area
Subsequent Event

East Kalimantan TAC

- Date of expiry : October 15, 2008
- Fields : Sanga-Sanga, Samboja, Tarakan
- Production Impact: Reduce by 4,456 BOPD and 1.08 MMSCFD
- Reserve Impact : 2P 1.8 MMBOE de-booked



Sanga-sanga
Samboja



Tarakan

Disclaimer

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Notes

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