FY09 Investors' Update
PT Medco Energi Internasional Tbk.

March, 2010

www.medcoenergi.com

Energy Company of Choice

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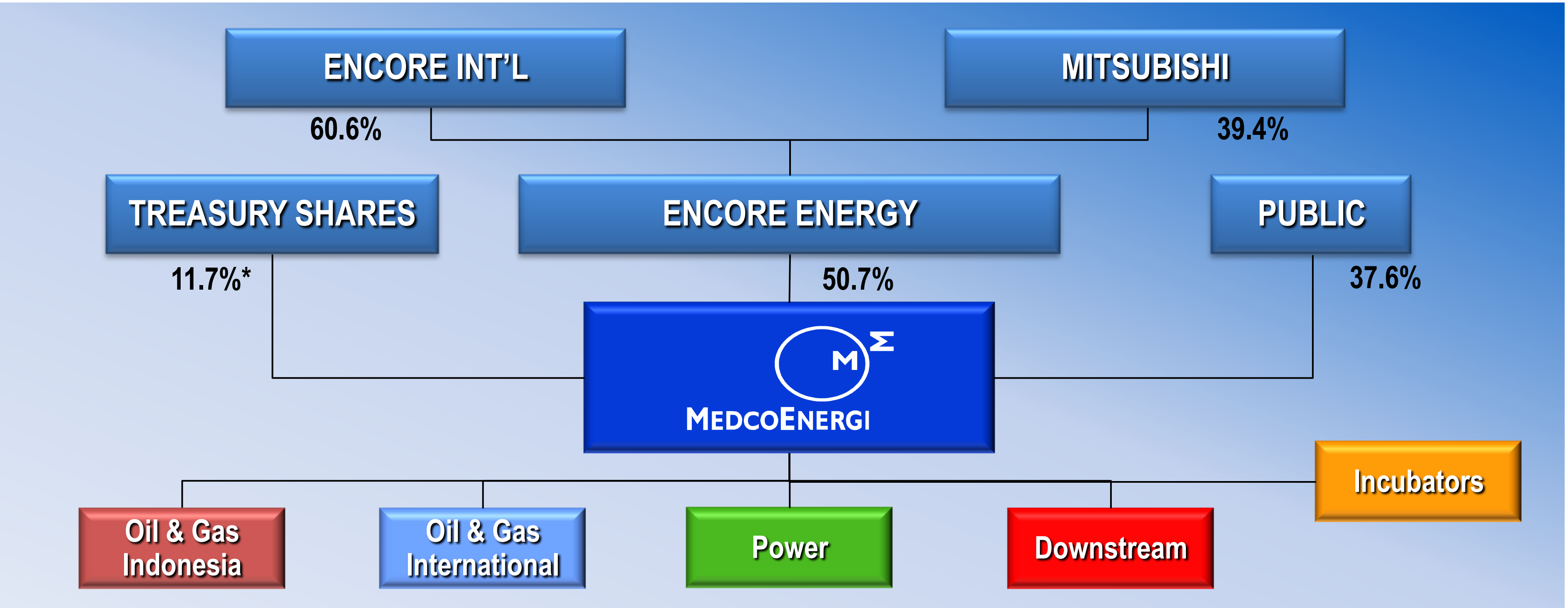
MedcoEnergi

Overview

MEDCOENERGI

Corporate Structure

"A leading, domestic E&P focused company with international oil and gas assets, supported by diversified business portfolio."



*All treasury shares including the 6.7% tied to the CB are now free and unencumbered after the CB has been put back to us on 12 May 2009

- An integrated energy company, operating in:
  - Oil and gas E&P sector (domestic and international assets)
  - Power sector (power generation plants, EPC and O&M services)
  - Downstream sector (renewables, fuel distribution and other utilization of upstream resources)
- With a long-term view, Medco allocates a portion of its capital to its incubator unit to supervise the development for nurturing new energy-related business opportunities, e.g.:
  - Coal Bed Methane
  - Mining (coal)
  - Natural gas distribution

Assets Portfolio (1)

"Large portfolio, domestic and international, offers diversification of opportunities and risks across broader geological formation."

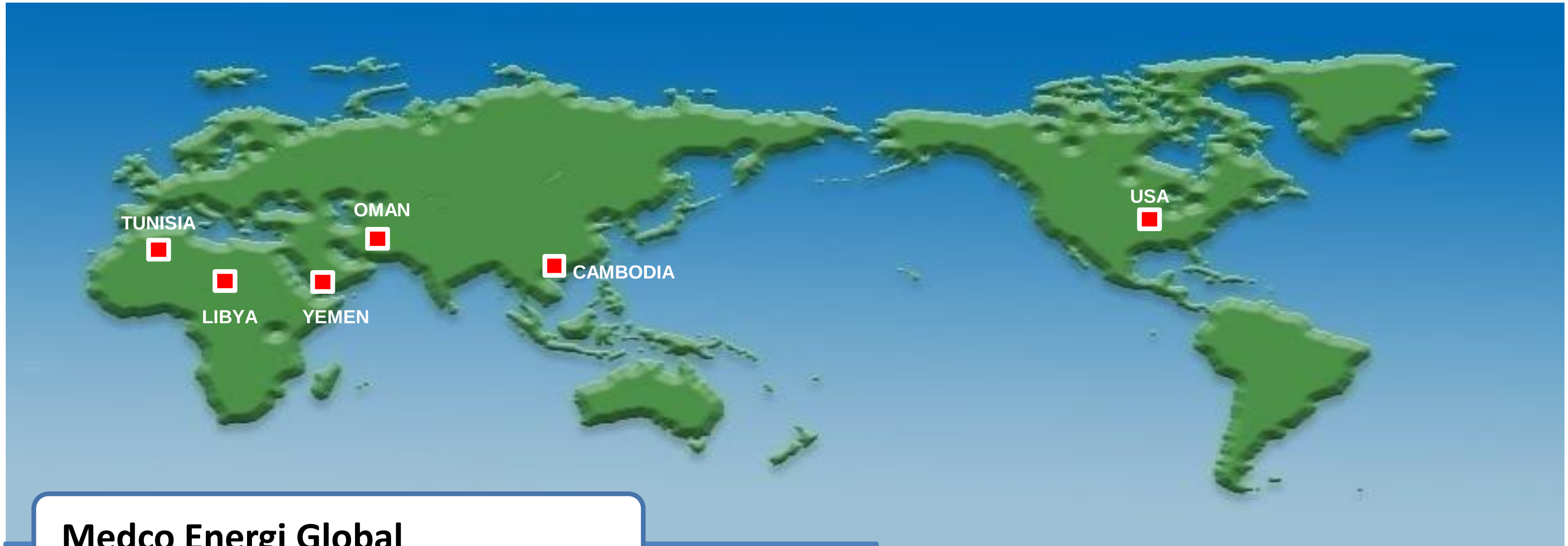
Medco E&P Indonesia

- In Indonesia, Medco operates 10 blocks, maintains working interests in 3 blocks operated by strategic partners, and holds economic participating interest in an exploration field.

Indonesia			
Producing blocks	7	Exploration blocks	5
Development block	1	Economic interest	1

Assets Portfolio (2)

"Global presence enhanced Company's credibility when negotiating for hydrocarbon assets in under-exploited countries."



Medco Energi Global

- Medco's international operations spread across 20 assets in Asia, Africa, and the US

US (incl. Gulf of Mexico)	
▪ Producing blocks	8
▪ Exploration blocks	5

Yemen	
▪ Exploration blocks	2

Tunisia	
▪ Development block	1

Oman	
▪ E&P service contract	1

Libya	
▪ Exploration Block	1

Cambodia	
▪ Exploration blocks	2

Assets Portfolio (3)

"Other revenue streams not only further diversify risks but also monetize upstream assets by midstream and downstream integration."

Medco Power Indonesia

- 4 gas-fired power generation plants in Batam with total capacity of 167 MW including a new commercially operated gas-fired combined cycle power plant with additional capacity of 20.6 MW
- 1 Operation & Maintenance project in Tanjung Jati B, Central Java 1,320 MW

MEDCOENERGI Power

Medco Downstream Indonesia

- LPG plant in Rimau, South Sumatra, with capacity of 73,000 ton/year -- processing associated gas from Rimau block
- Ethanol plant in Lampung, with capacity of 180 KL/day
- HSD storage and distribution, with storage capacity of 22,700 KL.

MEDCOENERGI Downstream

Incubator Projects

- Coal Bed Methane project, South Sumatra
- Coal Mining project, South Sumatra
- Gas Pipeline project in Singa - Lematang

Corporate Strategy

1

Build a business with profitable growth based on three main businesses; E&P, Power and Downstream.

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 Global's position and increase clarity around the Group's international activity footprint.

4

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

5

Enhance organizational effectiveness by instilling rigorous financial discipline, fostering a pervasive performance culture and building personnel competencies.

MedcoEnergi

FY09 Financial and Operational Highlights

Financial Highlights

Consolidated

Financial Highlights(mn USD)	FY09	FY08	Δ%
Revenue	667.8	1,283.8	(48.0)
Gross Profit	229.1	498.1	(54.0)
Income from Operations	72.2	343.8	(79.0)
EBITDA	155.2	471.1	(67.1)
Earnings Before Tax	50.6	497.2	(89.8)
Net Income	**19.2**	**280.2**	**(93.1)**
EPS (USD/share)	0.0065	0.0912	(92.9)
Equity	708.8	733.2	(3.3)
Total Assets	2,040.5	1,980.2	3.0
Total Liabilities	1,312.8	1,234.8	6.3

MEDCOENERGI

Oil and Gas E & P

Operational & Financial Highlights	FY09	FY08	Δ%
Proved Reserves - 1P (MMBOE)	235.5	106.7	120.7
Proved and Probable Reserves - 2P (MMBOE)	276.5	191.5	44.4
Oil Lifting / MBOPD	35.0	45.0	(22.3)
Gas Sales / MMCFD	104.3	108.1	(3.5)
Total Oil and Gas (MBOEPD)	**52.8**	**63.5**	**(16.7)**
Average Oil Price, USD/barrel	64.0	101.0	(36.6)
Average Gas Price, USD/mmbtu	3.1	4.2	(26.1)
Revenues (mn USD)	470.2	841.0	(44.1)
Cost of Sales (mn USD)	269.9	394.9	(31.6)
Net Income (mn USD)	75.2	130.6	(42.4)

Breakdown by Business Segments

Electricity

Operational & Financial Highlights	FY09	FY08	∆%
Power Production - IPP / GWH	869.4	900.3	(3.0)
Power Production - O&M / GWH	8,720	8,530	2.2
Revenues (mn USD)	66.1	81.9	(19.3)
Cost of Sales (mn USD)	48.3	63.9	(24.6)
Net Income (mn USD)	1.5	0.3	40.0

Breakdown by Business Segments

Downstream

Operational & Financial Highlights	FY09	FY08	Δ%
Fuel Distribution / '000 KL	92.0	196.8	(53.2)
Average HSD Price / Rp per KL	5,495	8,241	(33.3)
Ethanol Production/ KL	8,698	0.0	n.m.
Average Ethanol Price, USD / MT	484	0.0	n.m.
LPG Sales / MT per day	45.2	45.3	(0.2)
LPG Price/ USD per MT	447.5	713.9	(37.3)
Revenues (mn USD)	47.7	215.9	(77.9)
Cost of Sales (mn USD)	48.5	212.9	(77.2)
Net Income* (mn USD)	(31.9)	(13.2)	(141.6)

*Includes USD 8 million in recondition and termination costs of Medco Methanol Bunyu which was terminated in early 2009

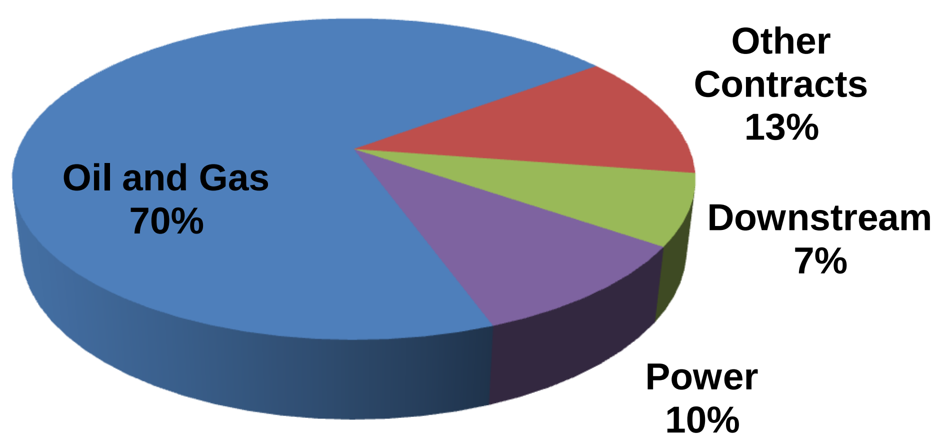
Breakdown by Business Segments

Other Contracts*

Financial Highlights	FY09	FY08	∆%
Revenues (mn USD)	83.8	145.0	(42.2)
Cost of Sales (mn USD)	71.9	113.9	(36.9)
Net Income (mn USD)	3.1	9.8	(68.4)

*Operation and service contract from Oman, drilling services from EPI and Apexindo (partially in FY08)

Segmental breakdown, FY09 Revenues



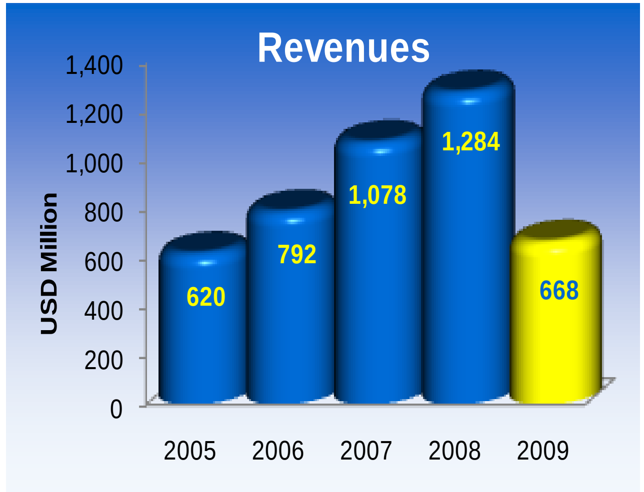
Current Financial Status

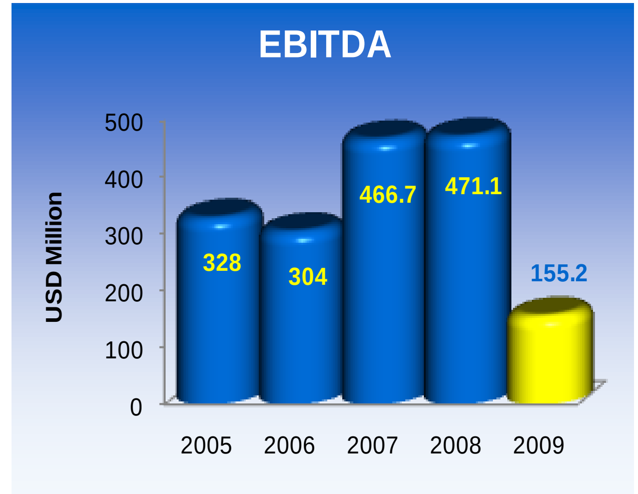
CONSOLIDATED DEBTS (in million USD)	FY09	FY08	∆%
A. Total Bank Loans	**496.7**	**348.4**	**42.6**
Current Portion	128.2	60.1	113.5
Non Current Portion	368.5	288.4	27.8
B. Other Obligations	**288.6**	**344.6**	**(16.3)**
Rupiah Bonds (due in 2012 and 2014)	158.7	107.8	47.2
MTN (due in 2011 and 2012)	41.8	0.0	n.m.
USD Notes (due in 2010)	88.1	88.7	(0.7)
USD Convertible Bonds (put back in 2009)	0.0	148.1	n.m.
Total	**785.3**	**693.1**	**13.3**

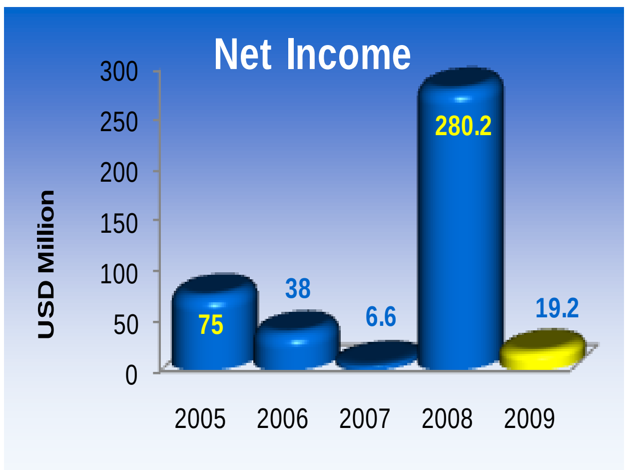
STOCKHOLDER COMPOSITION	FY09	FY08	∆%
Encore Energy Pte. Ltd.	**1,689,393,006**	1,689,393,006	**50.70**
Public	**1,252,603,944**	1,419,461,444	**37.59**
Treasury Shares	**390,454,500**	223,597,000	**11.72**
Total	**3,332,451,450**	**3,332,451,450**	**100.00**

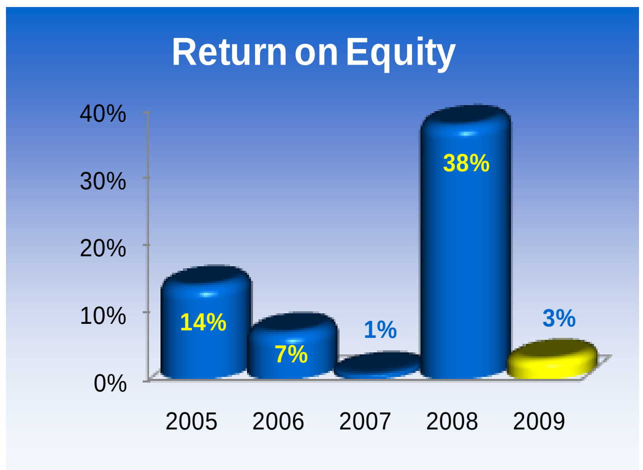
Charts and Ratios

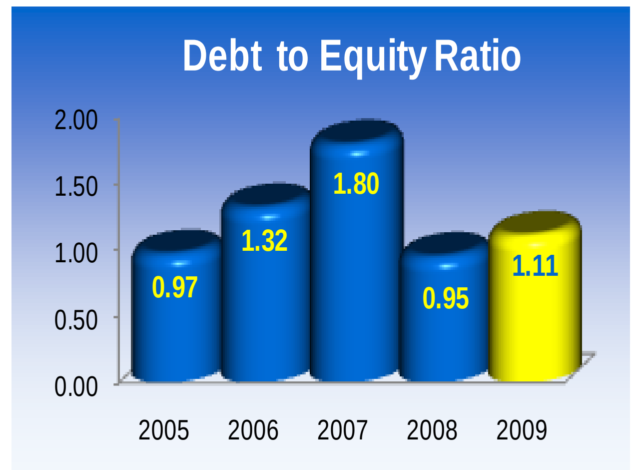
Financial Charts - Consolidated



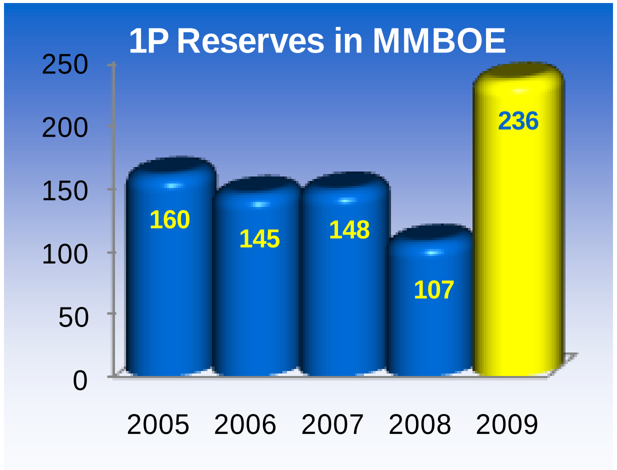


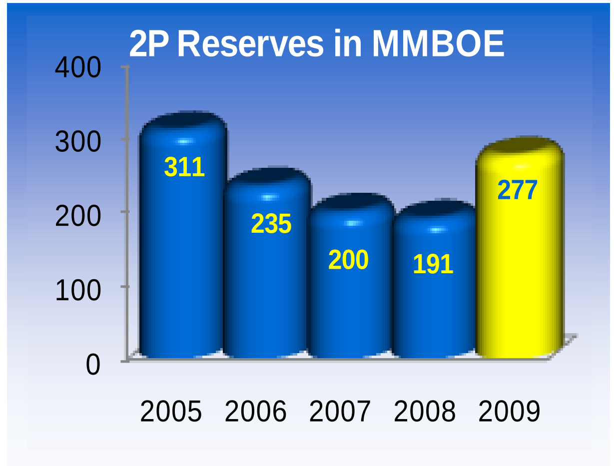


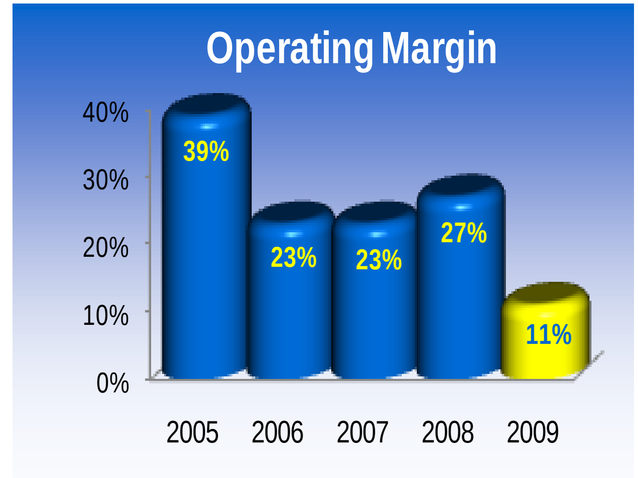


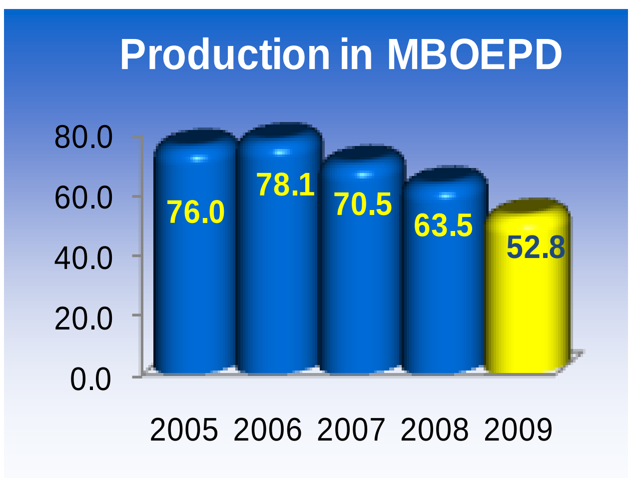


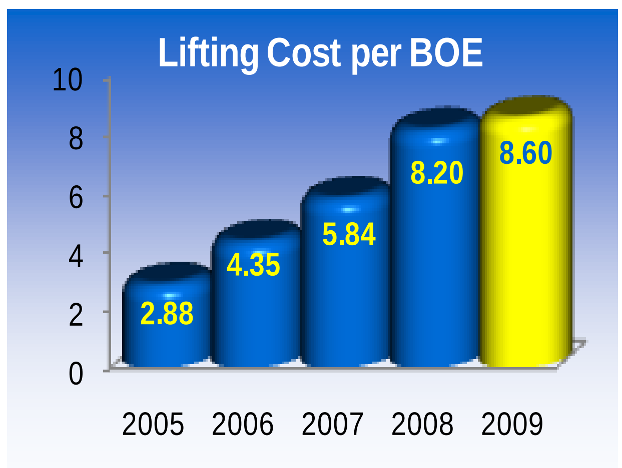
Financial Charts - Consolidated

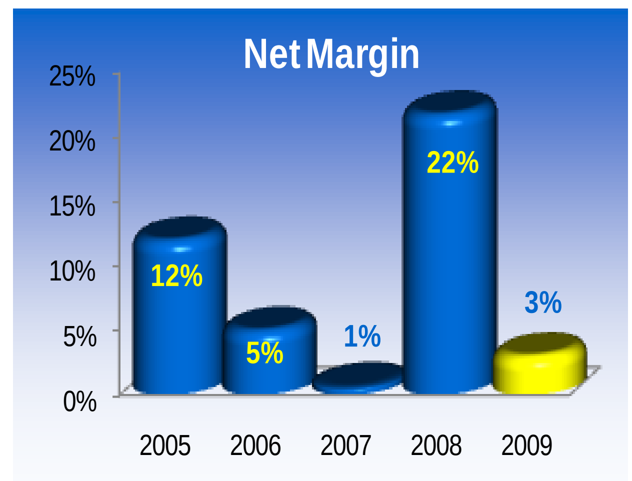












Financial Ratios

RATIOS	FY09	FY08	Δ%
Liquidity & Solvability (x)			
Cash Ratio	0.50	0.90	(44.71)
Quick Ratio	1.41	2.09	(32.59)
Current Ratio	1.55	2.22	(30.16)
Debt to Equity Ratio	1.11	0.95	17.21
Net Debt to Equity Ratio	0.75	0.47	59.83
Total Liabilities / Total Equity	1.85	1.68	9.97
Profitability (%)			
Gross Margin	34%	39%	(11.6)
EBITDA Margin	23%	37%	(36.7)
Operating Margin	11%	27%	(59.6)
Net Margin	3%	22%	(86.8)
Return on Equity	3%	38%	(92.9)

Financial Ratios

RATIOS	FY09	FY08	∆%
Coverage Ratios (x)			
Interest Coverage Ratio	3.10	10.21	(69.7)
Net debt/ EBITDA	3.43	0.73	369.1
Efficiency Ratios (x)			
Revenue/ fixed assets	0.65	1.40	(54.0)
Revenue/ net working capital	2.37	2.70	(12.4)
Investment Ratios (x)			
CapEx/ Revenue	0.40	0.23	75.0
CapEx/ Depreciation	3.24	2.32	39.7
Capital Structure (x)			
Net debt/ total equity	0.75	0.47	59.8
Net debt/ (net debt + equity)	0.43	0.32	34.2

Reserves Profile

Reserves Profile

"Medco will book its technically proven discovery as proved reserves upon achievement of certain milestones."

Indonesia	International	1P (Proved)
▪ Rimau ▪ Kampar ▪ Lematang ▪ Tarakan ▪ Sembakung ▪ Senoro Toili ▪ Bawean	▪ East Cameron ▪ Main Pass ▪ Mustang Island ▪ Brazos ▪ West Delta	**235.49 MMBOE** 38% oil, 62% gas

Indonesia	International	2P (Proved and Probable)
▪ Rimau ▪ Kampar ▪ Lematang ▪ Tarakan ▪ Sembakung ▪ Senoro Toili ▪ Bawean	▪ East Cameron ▪ Main Pass ▪ Mustang Island ▪ Brazos ▪ West Delta	**276.50 MMBOE** 41% oil, 59% gas

Based on FY09 data

- **1P or Proved reserves**:
  Reserves claimed to have a reasonable certainty (normally at least 90% confidence) of being produced.
- **2P or Proved and Probable reserves:**
  Reserves claimed to have a lower certainty (at least 50% confidence) of being produced due to operational, contractual, or regulatory uncertainties.
- **Contingent Resources:**
  Discoveries not yet considered fully ready for commercial development due to certain contingencies.

→ Most of 2P reserves and Contingent Resources are **technically proven** – conversion to proved reserves is pending certain milestones of commerciality factors e.g. government approvals, final POD etc.

	Contingent Resources
▪ **Libya-47** ▪ **Block A** ▪ Bangkanai ▪ Simenggaris	**212.09 MMBOE** 73% oil, 27% gas

MEDCOENERGI

Reserves Profile: Potential Additional Reserves

"Major projects provide significant upside potentials -- by converting technical reserves to commercial reserves from either one of Libya or Senoro alone, Medco's proved reserves will be more than doubled"

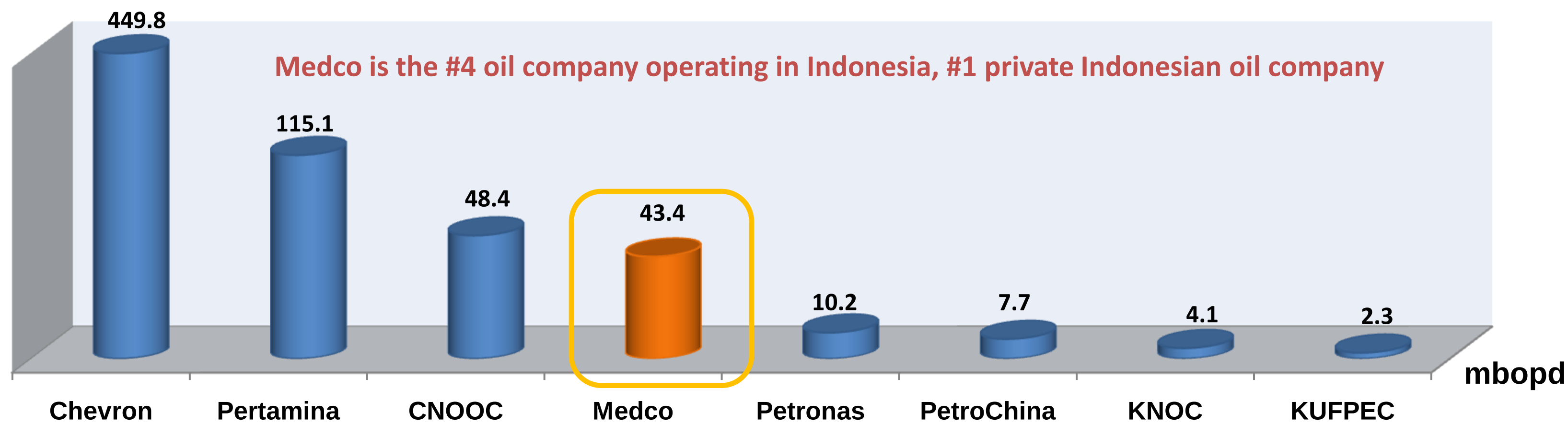
Major Projects Assets	Est. Contingent Resources	Key Milestones
Libya-47	175,850 MBOE	❖ Acquired 50% working interest in 2005 ❖ Obtained reserves estimation from D&M in 2008 ❖ Submitted POD to Libyan National Oil Corporation (NOC) in late 2008 ❖ Secured operatorship and exploration extension in April 2010 ❖ **FID pending: POD approval by the NOC**
Block A	22,067 MBOE	❖ Acquired 41.67% working interest in 2006 ❖ Signed GSA with two off-takers in Q4 2007 and Q1 2008 ❖ **FID pending: PSC extension (current contract expires in 2011)**
Subtotal	**197,917 MBOE**	
Total 2P + contingent reserves	**474,421 MBOE**	

Key Investment Points

Key Investment Positives

Diversified Upstream Asset Portfolio	Geographically Medco has diversified upstream asset portfolio both in domestic and international markets, in term of fuel type Medco has 41% oil and 59% gas proved and probable reserves (2P) as of December 31, 2009.
Industry Fundamentals still attractive	Energy sector remains attractive with favorable demand-supply dynamics supporting future oil prices. Solid long-term gas market fundamentals, and LNG market is growing rapidly as energy markets are becoming increasingly globalized.
Strong reserves and production Upside	Current reserves are 235.5 mmboe (1P reserves); 276.5 mmboe (2P reserves); 212.1 mmboe (contingent resources) as of December 31, 2009. Main projects that could provide significant reserves upside particularly from Senoro Toili and Libya Block 47. When the two projects start producing, it will add up an additional production of 46 mboepd from the current 53 mboepd or almost doubling it.

2008 gross oil production of oil upstream operators in Indonesia

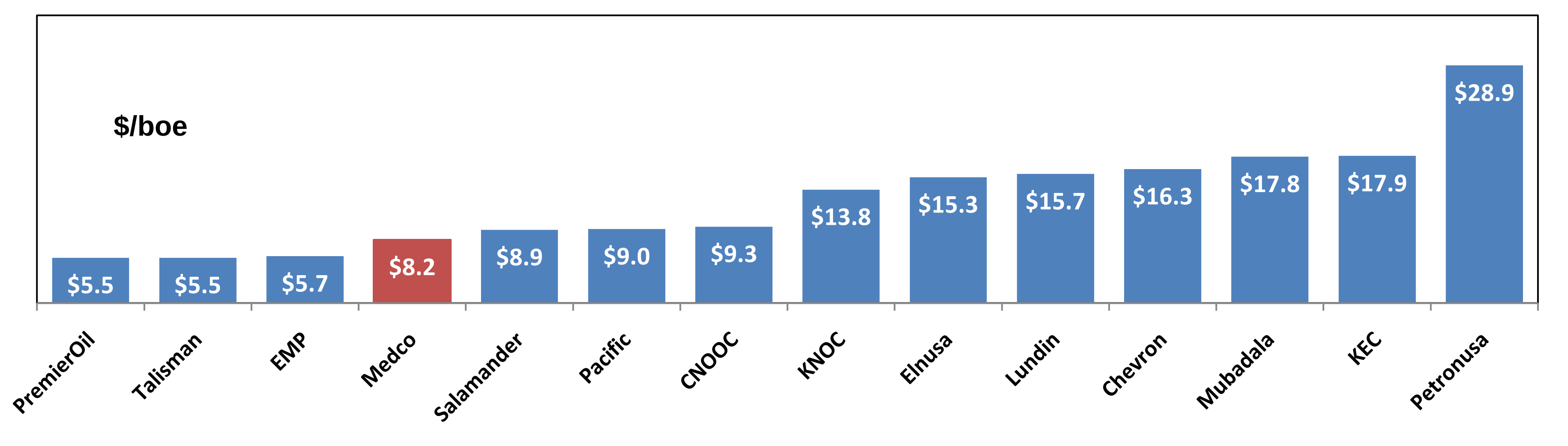


Source: WoodMackenzie

Key Investment Positives

Focused Business Strategy	Medco's asset optimization-divestment strategy is set to reshape its asset portfolio to mainly focus on exploration and production in oil and gas with an increasing midstream and downstream integration to support its upstream activities.
Strong Management Track Record	Managed by seasoned professionals with at least 25 years of industry experience and clear business strategy. The Company has demonstrated its ability to acquire exploration acreage, increase assets and expand business internationally.
Low Cost Producer	The company remains a low cost producer by implementing cost efficiency measures and applying latest proven technology while also committing to continue cost containment and reduction program.

2008 lifting costs for major operators in Indonesia



Source: WoodMackenzie

MEDCOENERGI

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.
3. Signed a Head of Agreement with Arrow Energy Holdings Pte Ltd. Australia on 17 February 2009 for a cooperation to explore and develop **Coal Bed Methane (CBM) in South Sumatra**.
4. MedcoEnergi **acquired 100% participating interest in Block 316, East Cameron Area**, South Addition OCS-G 23803, Gulf of Mexico, USA on 25 February 2009. The acquisition will increase MedcoEnergi Proved and Probable (2P) reserves and production by approximately 13.9 billion cubic feet (BCF) and 10 million cubic feet per day (MMCFD).
5. On 12 March 2009 MedcoEnergi **renew USD 125 million banking facilities with Bank Mandiri** consisting of a USD 50 million Working Capital Credit Facility, a USD 50 million Non Cash-Loan Facility and a USD 25 million FOREX Line Facility.
6. MedcoEnergi has **paid the remaining balance of the USD 176.9 million Convertible Bonds** which were put to the Company on May 12th, 2009. The Company has made a USD 76.3 million or around 43.13% buyback of the principal amount in 2008 and 2009, leaving the total outstanding balance at USD 100.6 million.
7. Finalized **IDR bond issuance of 1.5 trillion rupiah** in two tranches, Series A which will have a 3-year tenor with an interest rate of 13.375% and Series B which will have a 5-year tenor with an interest rate of 14.250%. IDX listing on June 18th, 2009.

Corporate Updates 2009

8. MedcoEnergi **acquired PT Duta Tambang Sumber Alam and PT Duta Tambang Rekayasa** on June 26th, 2009 through PT Medco Energi Mining Indonesia a wholly-owned subsidiary operating in the coal and other mineral mining activities for USD 0.8 million.
9. On July 13th, 2009 MedcoEnergi **made full repayment of the principal and the 20th interest payment of The Medco Energi Internasional 2004 IDR Bond** with an interest rate of 13.125%. Total amount paid was 1.35 trillion rupiah.
10. MedcoEnergi has **sold 25% participating interest in the Kakap PSC** in North Sumatra to Star Energy Holdings Pte Ltd for USD 70.3 million. As a result, effective on July 15th, 2009 the Company's proved reserves decreased by 4,635 MBOE.
11. On September 17, 2009, MedcoEnergi, has **sold 70% participating interest in Langsa Technical Assistant Contract ("TAC")** to Pyramid International Holding Inc. for USD 1.5 million. As a result, effective on November 15, 2009 the Company's proved reserves decreased by 1.54 MMBOE.
12. MedcoEnergi has signed **Gas Sales Purchase Agreement with PT Perusahaan Gas Negara** on December 4, 2009 to supply natural gas from Keramasan field in South & Central Sumatra of 14,000 BBTU at USD 4.3/mmbtu for a 24-month period, and also from Singa field in Lematang of 53,266 BBTU at USD 5.4/mmbtu for a 38-month period.
13. MedcoEnergi has issued **Medium Term Notes (MTN)** in a total amount of USD 50 million. The MTN were issued in two tranches: Series A in the amount of USD 28 million with coupon rate of 7.25% per annum and a 2-year tenor and Series B in the amount of USD 22 million with coupon rate of 8.00% per annum and a 3-year tenor. The drawdowns were made into two stages: the first on December 23, 2009 amounting USD 42.1 million, and the second on February 3, 2010 amounting USD 7.9 million.

Major Projects Update

Major Projects Portfolio

- Oil Development
- Power Plant
- Gas Development

PROJECTS	TARGET Start-Up	Project Descriptions	% ownership	Partners
Singa	2010	Gas field development of 50 MMscfd	74.12%	Lundin Lematang
Block A	2012/2014	Gas field development up to 110 MMscfd	41.67%	Premier, Japex
Rimau	2013	Oil field - Enhanced Oil Recovery – 46 MMBO	95%	PD-PDE
Senoro	2014	Gas field development up to 250 MMscfd	50%	Pertamina
DS- LNG	2014	LNG plant , single train of 2.1 mtpa capacity	20%	Pertamina, Mitsubishi
Libya 47	2014	Oil field development of 50,000 - 100,000 bopd	50%	Verenex
Sarulla	2013 - 2014	Geothermal power plant, 3x110 MW	37.25%	Kyushu, Ormat, Itochu

Progress on Major Projects (1)

Singa - Lematang

- Gas Production Facilities Status; Engineering 100% complete, Procurement 99.3 % complete, and construction 98.6% complete;
- Construction of 12” 42-km Gas Shipping Line from Singa to Pagar Dewa completed;
- MedcoEnergi has signed Gas Sales Purchase Agreement with PT Perusahaan Gas Negara on December 4, 2009 to supply natural gas of 53,266 BBTU at USD 5.4/mmbtu for a 38-month period;
- Current production profile is targeted 35 mmscfd by end of April 2010, remaining 15 mmscfd will be delivered upon Singa-4/Singa-1 completion.

Block A

- GSA with Pupuk Iskandar Muda and PLN have been signed in 2007 and 2008, respectively. Gas prices for both buyers have been approved by MESDM in 2009;
- Obtained verbal endorsement from Governor of Aceh;
- Follow up with Central Regulator to obtain PSC Extension approval;
- Protracted PSC Extension progress which the impact is delay of FID to 4Q2010, no major capex before Final Investment Decision;

Progress on Major Projects (2)

Rimau (EOR)

- Expected to increase original oil in place by 16.4% in 2013;
- Capex will be internally funded from operation;
- Continue pilot project contract for 2 years from 2010-2012 to confirm viability of the project;
- This pilot project is a step to full expansion, contains 6 pattern drilling.

Senoro Gas Development

Upstream:

- Awaiting final Government of Indonesia's decision on Project Approval. ESDM has recommended project to proceed. Obtained support from the local parliament-Sulawesi and forward plan if the approval is beyond March;
- No major capex before Final Investment Decision;
- Reserve assessment by GCA completed;
- Financing – negotiations with commercial banks

Downstream:

- Land acquisition progress is 98%:
- Continuing negotiation with potential LNG buyers:
- Financing – continuing negotiations with JBIC and commercial banks

Progress on Major Projects (3)

Libya – Block 47

- Successful exploration results with aggregate flow of 109,936 bopd based on 12 exploration and 2 appraisal wells;
- Gross Contingent Resources of 351.7 mmboe as of December 2009;
- Strong prospective value in Libya Project was reflected from the recent buyout of Verenex' shares who owns 50% interest in Libya Blok 47 by The Libyan Investment Authorithy for US$350mn. The transaction was finalized in December 22, 2009;
- Secured operatorship on Block 47, replacing Verenex;
- Received exploration extension for one year since April 1, 2010;
- Continue exploring financing in the form of reserve based lending.

Sarulla Geothermal

- Electricity Tariff – renegotiate underway with PLN
- Downstream – Completed soil resistivity test; held technical meeting with EPC contractor to reduce costs.
- Financing – positive response from JBIC/ADB and other commercial banks to provide funding

Disclaimer

This document contains certain 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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