

9M11 Investors' Update

PT Medco Energi Internasional Tbk.



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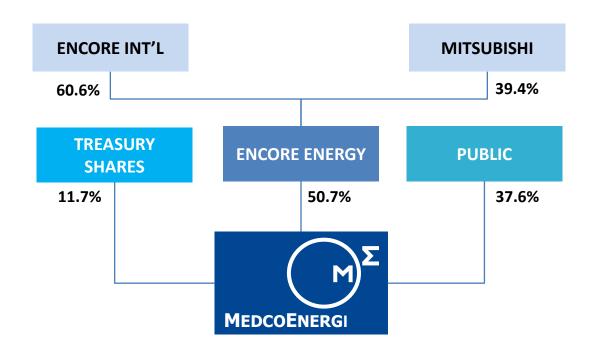
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Overview: Profile & Assets Portfolio

Shareholding Structure



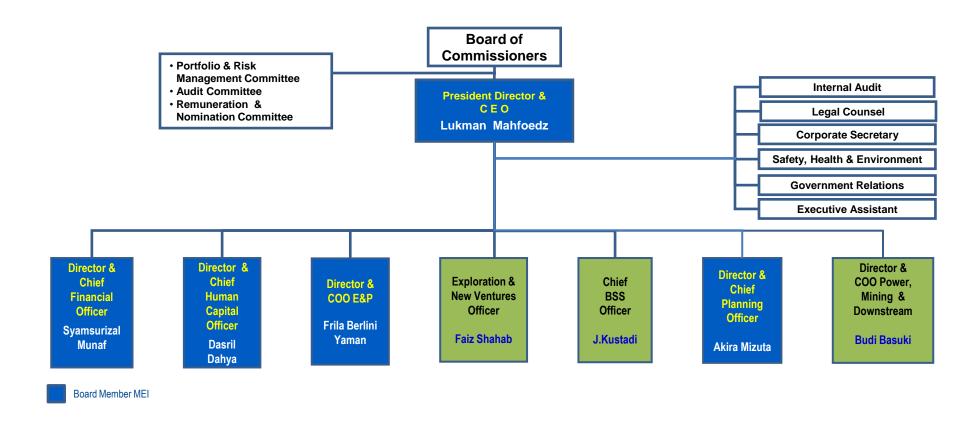


PT Medco Energi Internasional Tbk ("MEI") is an investment holding company with 1 operating – holding company for domestic oil and gas business unit, and 3 sub-holding companies for international oil and gas, power generation, and downstream industries.

Stockholder Composition	FY10	FY09	Δ%
Encore Energy Pte. Ltd.	1,689,393,006	1,689,393,006	50.70
Public	1,252,603,944	1,252,603,944	37.58
Treasury Shares	390,454,500	390,454,500	11.72
Total	3,332,451,450	3,332,451,450	100.00

Medco Energi Internasional Tbk. Organization Structure





Assets Portfolio – E&P



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



E&P Indonesia

- MedcoEnergi operates 10 oil & gas blocks, maintains working interests in 3 oil & gas blocks operated by strategic partners, and holds an oil & gas economic participating interest in an exploration field.
- MedcoEnergi also operates 3 CBM blocks in South Sumatra province

Oil	&	Gas	

•	Producing blocks	7	•	Exploration blocks	4
۰	Development blocks	2		Economic participation	1

CBM

Exploration blocks 3

USA OMAN LIBYA YEMEN	CAMBODIA
100	

E&P International

 MedcoEnergi operations spread across 19 assets in Asia, Africa, and the US.

8

5

1

2

US (incl. Gulf of Mexico)

Producing blocks

Exploration blocks

Libya

Exploration block

Yemen

Exploration blocks

Oman

E&P service contract

Cambodia

Exploration blocks

2

Assets Portfolio – Non E&P



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

Power

- 2 gas-fired power generation plants with a mobile truck mounted power plant in Batam and 3 gas-fired power generation plants in South Sumatra with total capacity of 185.1 MW
- 1 Operation & Maintenance project in Tanjung Jati B, Central Java 1,320 MW









Downstream

- 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.

Gas Pipeline

 Booster Compressor and 17.5km pipeline at Gunung Megang South Sumatra

Coal Mining

 MedcoEnergi operates 2 Mining Rights at Nunukan, East Kalimantan which currently still under exploration phase.



Company's Milestones

Corporate Updates



On January 24th, 2011 MedcoEnergi announced that **the Final Investment Decision (FID) for Senoro-Toili Gas and LNG Projects has been reached**. In conjuction with the FID, the company also managed to pare down its participating interest in DS-LNG from 20% to 11.1% through dilution which is in accordance to the Company's strategy in developing its Key Projects.

MedcoEnergi has completed the **divestment of 100% shares of Tomori E&P Limited (TEL) to Mitsubishi Corp. for USD 260 million** on January 31st, 2011. The transaction refers to the Company which has recently acquired 20% undivided working interest of Senoro-Toili Production Sharing Contract (PSC) from PT Medco E&P Tomori Sulawesi (MEPTS) on December 22nd, 2010 both of whom are wholly-owned subsidiaries of PT Medco Energi Internasional Tbk. (MEI). With the acquisition of TEL, MEI still hold a 30% stake in Senoro-Toili PSC through MEPTS.

Tunisian Minister of Industry and Technology granted MedcoEnergi **the Durra Concession located in Anaguid Block, Tunisia** for 30 years starting 24 March 2011. The acreage of Durra concession is 40km2 and the participating interests are held by Pioneer Natural Resources Anaguid Ltd. (now OMV Anaguid Ltd.), Medco Tunisia Anaguid and Entreprise Tunisienne d'Activités Pétrolières (ETAP). MedcoEnergi also received extension permit for the Anaguid Block up until 8 June 2012.

MedcoEnergi **appointed new members for its Board of Directors** during the Annual General Meeting of Shareholders on 19 May 2011. The new Board of Directors are as follows:

- 1. Mr. Lukman A. Mahfoedz, President Director and Chief Executive Officer
- 2. Mr. Syamsurizal Munaf, Director and Chief Financial Officer
- 3. Mrs. Frila Berlini Yaman, Director and Chief Operation Officer
- 4. Mr. Akira Mizuta, Director and Chief Planning Officer
- 5. Mr. Dasril Dahya, Director and Chief Human Capital Officer

MedcoEnergi received USD 35 million payment on PT Mitra International Resources ("MIRA") receivables from the sale of PT Apexindo Pratama Duta ("APEX") shares back in September 2008. The actual cash payment was received on June 7, 2011.

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Corporate Updates





- MedcoEnergi on June 16, 2011 announced the **issuance of The Self-registration USD Bond with Principal Amount of up to USD 150 million** within a maximum period of 2 year. Phase I Bond with the amount of USD 50 million was finalized on July 14, 2011 and offered at par for a period of 5 years with coupon rate of 6.05% per annum, payable every 3 months according to each bond's interest payment date. It got id AA- (double A minus, negative outlook) rating from PEFINDO.
- MedcoEnergi has **signed a loan facility agreement of USD 150 million from PT Bank Negara Indonesia (Persero) Tbk** on July 26, 2011. This loan facility will be available for utilization for 24 months after signing, with a 5 year tenor from the time the Loan Facility is drawndown.
- On August 1, 2011, the Company through PT Medco CBM Lematang, **signed its third CBM Production Sharing Contract** with PT Methanindo Energy Resources, PT Saka Energi Indonesia, dan BPMIGAS to carry out CBM development activities in Lematang Block, South Sumatra. The Lematang CBM PSC allows the Company a maximum of 10 years exploration and 20 years of exploitation period.
 - MedcoEnergi, through its wholly owned subsidiary, Medco Tunisia Holding Ltd, has **completed the sales of Medco Tunisia Anaguid Limited to OMV (Tunesien) Production GmbH**. The total sales value of the shares of Medco Anaguid is US\$ 58 million. The sales of Medco Anaguid shares resulted the transfer of the entire 40% participating interest in Anaguid Exploration Permit and 20% participating interest in Dorra Concession of MedcoEnergi in Tunisia to OMV effective since October 27, 2011.
 - MedcoEnergi, has divested 51% of its shares in PT Medco Power Indonesia (MPI) to PT Saratoga Power on 16 December 2011. The divestment was also structured that subscription of new shares will going to take place in two phases as specified in the Shares Purchase and Subscription Agreement (SPSA) which was signed on 14 November 2011. The total amount paid in acquisition of 51% shares and subscription of new shares of phase I in MPI by PT Saratoga Power, so far is USD87,000,000. Upon the effective subscription of Phase II by PT Saratoga Power and MedcoEnergi which is expected to be completed entirely on 16 January 2012, the total amount paid by PT Saratoga Power will be USD112,000,000.

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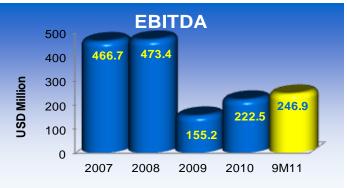
Business Performance: Financial & Operational KPIs

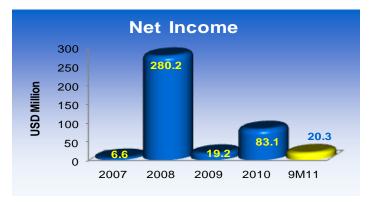
Financial KPIs



Financial Highlights (USD mm)	9M11	9M10	Δ%
Revenue	850.5	632.8	34.4
Gross Profit	278.4	226.9	22.7
Income from Operations	156.8	116.9	34.2
EBITDA	246.9	188.8	30.8
Earnings Before Tax	93.3	51.1	82.7
Net Income	20.3	18.0	12.8
Equity	782.5	721.6	8.4
Total Assets	2,419.4	2,099.8	15.2
Total Liabilities	1,603.6	1,355.0	18.3
Market Capitalization	812.1	1,241.6	(34.6)
EPS (USD/share)	0.0068	0.0061	11.5
Capex	112.3	112.9	(0.6)







Financial KPIs (cont'd)









Profitability Ratios (%)	9M11	9M10	Δ%
Gross Margin	32.7%	35.9%	(8.7)
EBITDA Margin	29.0%	29.8%	(2.7)
Operating Margin	18.4%	18.5%	(0.2)
Net Margin	2.4%	2.8%	(16.1)
Return on Equity - Annualized	3.5%	3.3%	4.0

Efficiency Ratios (x) - Annualized	9M11	9M10	Δ%
Revenue/ fixed assets	1.04	0.77	34.9
Revenue/ net working capital	2.95	2.39	23.7

Investment Ratios (x)	9M11	9M10	Δ%
CapEx/ Revenue	0.13	0.18	(26.0)
CapEx/ Depreciation	1.25	1.57	(20.6)

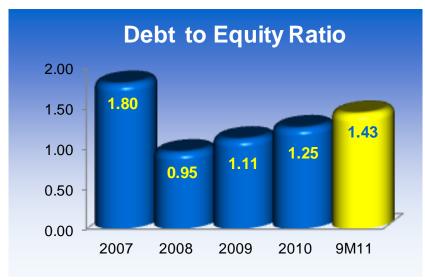
Capital Structure (x)	9M11	9M10	Δ%
Net debt/total equity	0.86	1.08	(20.6)
Net debt/(net debt + equity)	0.46	0.52	(11.1)

*annualized

Financial KPIs (cont'd)



CONSOLIDATED DEBTS (in USD mn)	9M11	9M10	Δ%
A. Total Bank Loans	822.8	677.1	21.5
Current	345.4	158.1	118.4
Non Current	477.4	519.0	(8.0)
B. Other Obligations	345.1	267.0	29.3
Current: MTN	67.6	-	n.m.
Rupiah Bonds	58.1	-	n.m.
Non Current: MTN	58.0	99.7	(41.8)
Rupiah Bonds	111.5	167.3	(33.3)
USD Bonds	49.8	-	n.m.
Total	1,167.8	944.1	23.7



)	Δ%
42	78.6
59	(7.6)
89	(16.7)
31	9.1
80	(26.7)
88	9.1
	0.42 59 89 31 08

Coverage Ratios (x)	9M11	9M10	Δ%
Interest Coverage Ratio	4.22	3.01	40.1
Net debt/EBITDA - Annualized	2.04	3.09	(34.2)

Financial Breakdown by Business Segments

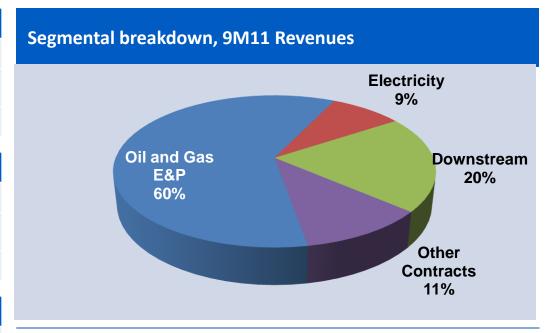


Oil and Gas E&P	9M11	9M10	Δ%
Revenues (mn USD)	510.2	411.4	24.0
Cost of Sales (mn USD)	284.6	216.1	31.7
Net Income (mn USD)	52.7	80.5	(34.6)

Electricity	9M11	9M10	Δ%
Revenues (mn USD)	72.7	59.5	22.0
Cost of Sales (mn USD)	50.1	42.4	18.3
Net Income (mn USD)	0.49	0.92	(46.7)

Downstream	9M11	9M10	Δ%
Revenues (mn USD)	174.5	88.1	98.2
Cost of Sales (mn USD)	173.4	88.2	96.5
Net Income (mn USD)	(8.3)	(7.5)	11.0

Other Contracs	9M11	9M10	Δ%
Revenues (mn USD)	93.1	73.7	26.3
Cost of Sales (mn USD)	54.3	59.1	(8.1)
Net Income (mn USD)	9.4	6.2	51.1

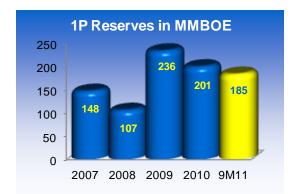


Business Segment (in USD mn)	9M11 Revenue	9M10 Revenue
Oil and Gas, E&P	510.2	411.4
Electricity	72.7	59.5
Downstream	174.5	88.1
Other Contracts	93.1	73.7
Consolidated Revenue*	850.5	632.8

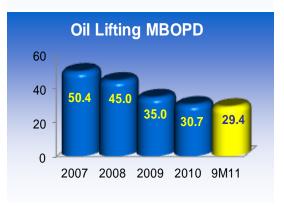
^{*}after elimination

Operational Breakdown by Business Segments

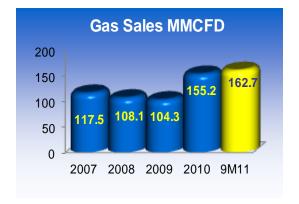








Oil and Gas E&P	9M11	9M10	Δ%
Proven Reserves - 1P (MMBOE)	185.3	220.1	(15.8)
Proven and Probable Reserves - 2P (MMBOE)	237.3	261.1	(9.1)
Oil Lifting / MBOPD	29.4	30.5	(3.7)
Gas Sales / MMCFD	162.7	151.4	7.5
Total Oil and Gas (MBOEPD)	57.2	56.4	1.4
Average Oil Price, USD/barrel	113.9	79.4	43.4
Average Gas Price, USD/mmbtu	3.8	3.6	5.3
LPG Sales / MT per day	41.8	42.3	(1.3)
LPG Price/ USD per MT	810.3	621.0	30.5





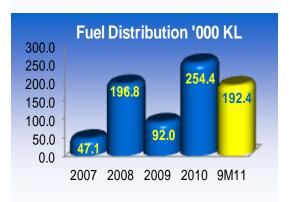
Operational Breakdown by Business Segments (cont'd)





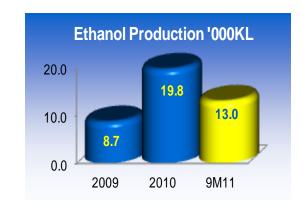


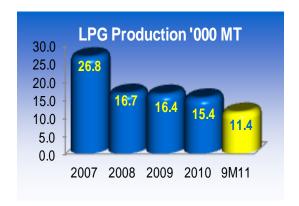
2007 2008 2009 2010 9M11



Electricity	9M11	9M10	Δ%
Power Production - IPP / GWH	951.0	799.6	18.9
Power Production - O&M / GWH	7,100	6,709	5.8

Downstream	9M11	9M10	Δ%
Fuel Distribution / KL	192,426	134,868	42.7
Average HSD Price / Rp per liter	7,354	5,972	23.1
Ethanol Production/ KL	13,026	14,443	(9.8)
Average Ethanol Price, USD / KL	616.0	560.0	10.0
Associated Gas Processed / MMSCF	1,752	1,749	0.2
LPG Produced / MT	11,437	11,599	(1.4)





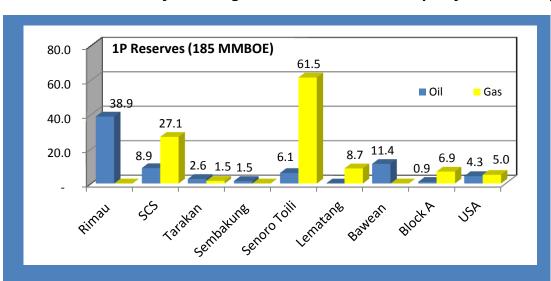


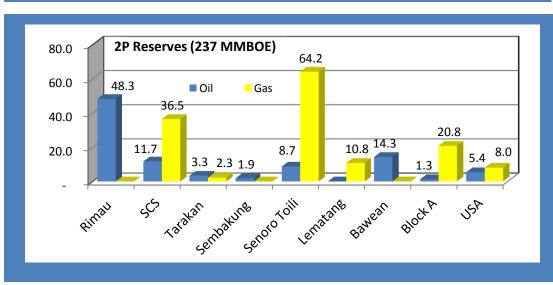
Business Development: Reserves & Exploration Program

Reserves Profile 9M11



"The combination of oil and gas reserves on Medco's portfolio will help sustain production life for years to come"





❖ 1P or proven reserves:

Reserves claimed to have a reasonable certainty (normally at least 90% confidence) of being produced.

2P or Proven 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.

- ❖ As of 1H11, both Medco's 1P reserves and 2P reserves are comprised of 40% oil and 60% gas.
- → Most of 2P reserves and Contingent Resources are technically proven – conversion to proven reserves is pending certain milestones of commerciality factors e.g. government approvals, final POD etc.
 - Libya-47
 - Senoro Toili
 - Bangkanai
 - Simenggaris

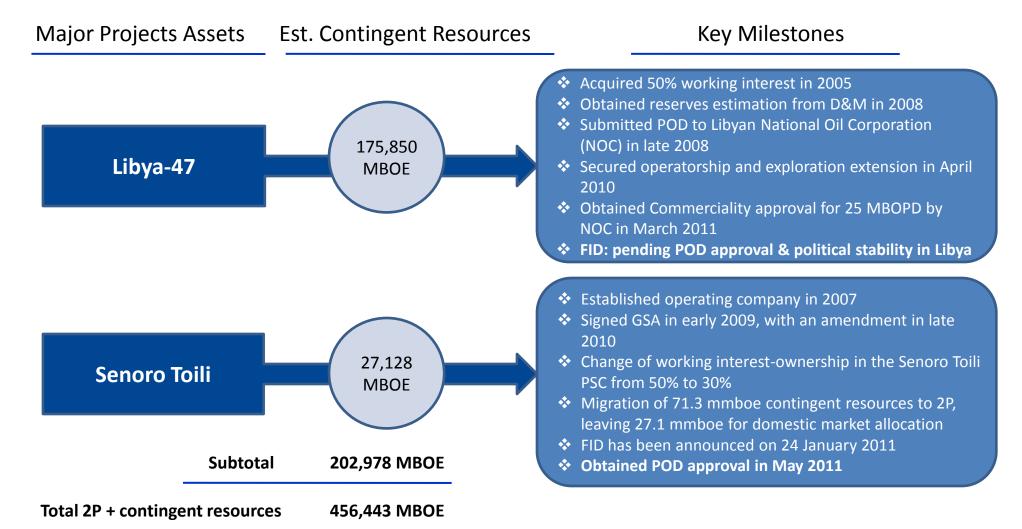
Contingent Resources

217.2 MMBOE71% oil, 29% gas

Potential Additional Reserves



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

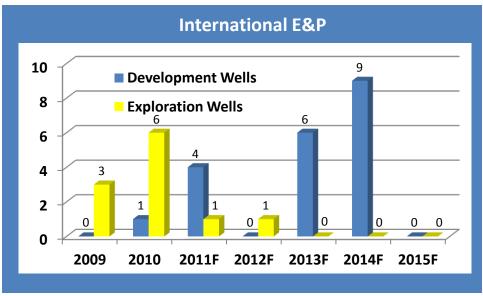


Exploration Program



"To help arrest the decline and replenish reserves due to production of existing and new assets, Medco will do more exploration drillings in the future."





	2004	2005	2006	2007	2008	2009	2010
Oil and Gas Capex	235.09	140.57	156.51	312.64	284.30	198.61	126.94
Reserve Addition, MMBOE	(6.53)	39.74	4.34	30.26	(9.88)	154.00	32.19
Actual 3 Year Avg F&D \$/BOE	10.98	9.41	14.18	8.20	30.48	4.56	3.46
Actual 3 Year Avg RRR	0.37	0.52	0.41	0.86	0.31	2.49	2.75
Reserves Life Index, years	5.84	6.37	6.90	6.50	7.21	6.53	12.27

Capex Profile



"During the next 3 years Medco will spent substantial amount of Capex to start develop its Major Projects following the approval of their Final Investment Decisions."

E&P CAPEX	2010	2011 E	2012 F	2013 F	2014 F	3-YR F
Exploration Capex	38.5	47.9	77.4	168.1	138.9	384.4
Development Capex	88.4	153.4	205.5	449.5	458.9	1,113.9
TOTAL E&P CAPEX	126.9	201.3	282.9	617.6	597.8	1,498.3
Non E&P Capex	17.0	13.9	73.7	22.9	0.3	96.9
TOTAL CAPEX NET *	143.9	215.3	356.6	640.5	598.1	1,595.2

^{*}Preliminary figures, subject to change

Capital Generation Strategy



"Asset optimization/divestment strategy is in place to reshape Medco's asset portfolio."

Funding Requirement Balance Sheet Management Optimum Capital Structure Asset optimization: Debt service Capex (for major projects) Asset optimization: Capex rationalization as a result from divestments Optimum Capital Structure Lower financing More equity & cash proceeds from assets optimization

Asset Optimization

- Strategic minority divestment in subsidiaries.
- Divestment of maturing assets (where Medco does not hold operatorship).
- Prioritize capex allocation for major projects, accompanied by regular review of cost and schedule.
- Limited funding for selected exploration activities and new incubator business for future growth.
- Cost containment and reduction program.
- Explore opportunistic-driven projects (icl. potential acquisitions) with immediate value generation.

Liability/Financing Plans

- Continue discussion with ECA and multilateral agencies, which less affected by recent credit crunch, to finance major projects.
- Utilize the underlying assets/reserved –based lending for selective E&P assets.
- Continue to explore various financing options (bank facilities, capital market instruments) with competitive price.
- Balance the proportion of debt at corporate and subsidiary level, project finance at assets level.



Highlights: Projects Initiatives

Projects Initiatives



Major Projects Portfolio

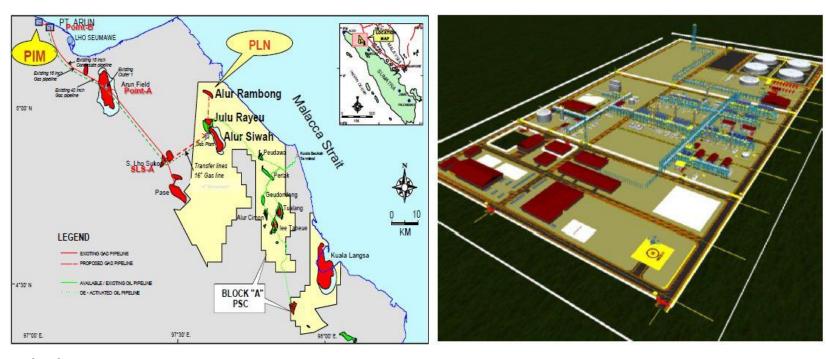




- Oil Development
- Power Plant
- Gas Development

PROJECTS	TARGET Start-Up	Project Descriptions	% ownership	Partners	Page
Block A	2013 - 2015	Gas field development up to 120 MMscfd capacity	41.67%	Premier, Japex	26
Rimau	2013	Oil field - Enhanced Oil Recovery	95%	PD-PDE	27
Senoro	2014	Gas field development up to 310 MMscfd capacity	30%	Pertamina	28
DS- LNG	2014	LNG plant , single train of 2 mtpa capacity	11.1%	Pertamina, Mitsubishi & Kogas	28
Libya 47	2014	Oil field development of 50,000 - 100,000 bopd	50%	Libya Investment Authority	29
Sarulla	2014 - 2015	Geothermal power plant, 3x110 MW	37.25%	Kyushu, Ormat, Itochu	30





Block A

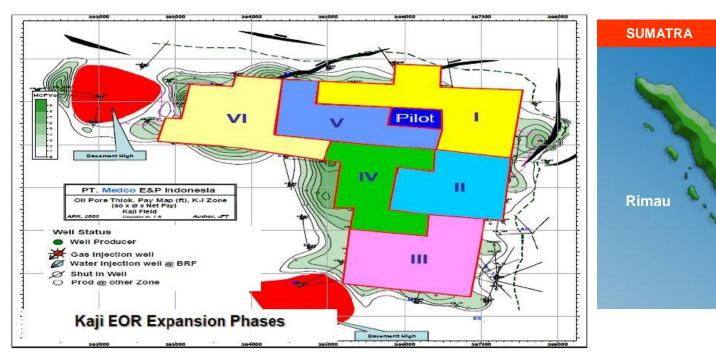
Scope:

2 x 60 MMSCFD capacity gas plant and associated pipelines, to monetize 343 BCF gross gas contingent resources; to supply state owned fertilizer company Pupuk Iskandar Muda (PIM) and electricity company (PLN).

Status:

- Received PSC Extension up until 2031 from the Government;
- Obtained government approval on Tender Plan. FEED is completed and in the process of EPC tender with 4 bidders submitted Technical package. Final Investment Decision is targeted on 1Q 2012;
- Matang-1 exploration contracts are started with target spud date 1Q 2012.





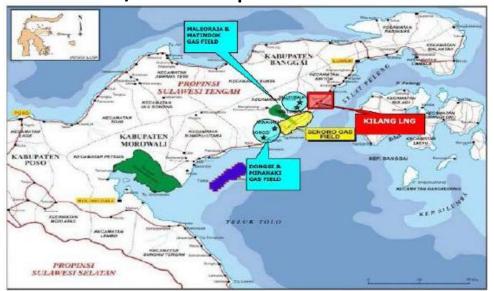
Rimau Enhanced Oil Recovery Project

- Objective: Increase oil production volume from existing reservoir by using enhanced recovery technique (surfactant).
- Project Scope: Implementation of Chemical Flooding EOR project Kaji Semoga to increase oil recovery up to 60 MMBO of Original Oil in Place starting 2013 until the end of contract in 2023.
- Project Status:
 - Budget approved by BPMIGAS. 6 pilot pattern drilling completed. Construction 52% progress, Raw material chemicals arrived at site location. Pilot is a step towards full field expansion;
 - Estimated completion of construction injection –production facilities in Q4 2011;
 - Capex will be internally funded by Operation.

Projects Initiatives (cont'd)



Senoro Gas/LNG Development





Objective : Commercialize 1.96 TCF of gross 2P reserve and contingent gas resources through LNG Product

Upstream:

- ❖ Scope: Build gas plant with 310 MMSCFD capacity and associated pipelines, target on stream by 3Q 2014.
- **Status:**
 - FID approved. Obtained POD approval in May 2011 and submit EPC AFE approval to BPMIGAS;
 - Started EPC Tender process in Aug 2011, participated by 5 consortiums with targeted contract award in 1Q 2102;
 - CPP & Jetty Land Acquisition is nearly completed, site preparation works prior to EPC award already started, which will help ease the construction time.

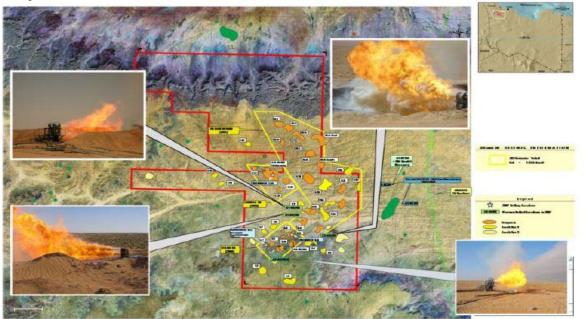
Downstream:

- Scope: Build 2 MT per annum LNG facilities, target first LNG to buyer by 4Q 2014.
- **Status:**
 - Commence LNG EPC contract on 28 Feb 2011.
 - Currently progressing ahead of schedule, within budget and safely executed. Started Road Rerouting Project with PT PP on 1 July 2011:
 - Secured \$120mn bilateral loan from Mitsubishi for bridging.
 - Project Financing with JBIC is in progress.

Projects Initiatives (cont'd)



Libya Block 47





Scope: Development of Area 47 oil discovery in Libya to produce 50-100 MBOPD production facilities with associated pipelines.

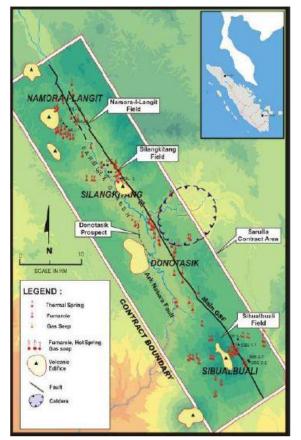
Status:

- Total 26 wells drilled, 20 exploration wells and 6 appraisal wells. 18 out of 20 exploration wells discovered oil/gas;
- Successful exploration results, Contingent Resources increased by 2/3 from 352 MMBOE (D&M, Sept 2008) to 588 MMBOE (in-house estimates, Apr 2011);
- Obtained Commerciality approval for 25 MBOPD by NOC in March 2011;
- The development programs are targeted to continue toward 2013-2014, dependent upon Libya political stability, while pre-FEED preparation will be conducted in Jakarta.

Projects Initiatives (cont'd)



Sarulla Geothermal







- Objective : Develop renewable energy resources in Geothermal sector by building strategic alliances with Kyushu, Ormat, Itochu
- ❖ Project Scope: Build geothermal power plant 3x110MW in Sarulla North Sumatra, using combined cycle unit and Ormat Energy Converter
- Project Status :
 - Electricity Tariff approved by Minister of Energy in March 2011;
 - Energy Sales Contract renegotiation with PLN is being finalized;
 - Engineering, Procurement & Construction (EPC), Drilling, O&M contract preparing for negotiations and finalization;
 - Financing positive response from JBIC/ADB and other commercial banks to provide funding.





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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