

The Energy Company of Choice

INDEX

Moving In The Right Direction	
The Historical Beginning	
Milestones	
Vision, Mission and Values	
Map of Operation Areas	1
Oil and Gas E&P Indonesia	1
Competency, Key to Global Exposure	1
Power Generation	1
Downstream Industries	1
Business Ethics	2
The Technology	2
People Development	2
Operating in a Safe and Responsible Way	2
Care for The Environment	2
Empowering Communities	3

MOVING IN THE RIGHT DIRECTION



For over two decades, MedcoEnergi, the leading private national oil and gas company in Indonesia, has pursued a business progression that reflects our commitments towards economic growth, social welfare and environmental preservation.

Darmoyo Doyoatmojo, CEO of MedcoEnergi

MEDCOENERGI



MedcoEnergi is an Indonesia-based group of integrated companies, engaged in the energy sector with a focus on Oil and Gas E&P, Power Generation and Downstream Industries.

As an integrated group of companies engaged in the energy sector, MedcoEnergi maintains a STRATEGY to build a portfolio of profitable growth oriented businesses operating in three major areas: Oil and Gas Exploration and Production (Oil and Gas E&P), Power Generation and Downstream Industries. MedcoEnergi also strengthens its competitive position as an established player in the global Oil and Gas E&P business. It continues to transform its downstream business as a fuel distributor. producer of renewable fuels, and continues to innovate for the development of other energy related business opportunities through the allocation of capital in a new business incubator unit. At the same time, the Company commits to enhance its organizational effectiveness by instilling rigorous financial discipline, fostering a pervasive performance culture and competencies. At MedcoEnergi, all project executions are carried out with adherence to the highest standards of Good Corporate Governance (GCG) and Safety, Health and Environment (SHE) with dedication to environmental protection and preservation as well as the implementation of effective and sustainable programs for Corporate Social Responsibility (CSR).

This strategy underpins MedcoEnergi's position as one of the leading integrated energy companies in Indonesia, as well as a respected player in the global market for Oil and Gas E&P.



THE HISTORICAL BEGINNING





1980 marked the historical beginning of MedcoEnergi as the first national drilling services company in Indonesia under the name of PT Meta Epsi Pribumi Drilling Company, which was established on 9 June 1980 by Arifin Panigoro and his partner Hertriono Kartowisastro.

MILESTONES

1980	Incorporated as an Indonesian drilling contractor.	1997	Entered into the downstream industry through a Joint Management Agreement	2003	Signed Gas Supply Agreement with PLN (state- owned power producer).
1992	Established an Oil and Gas subsidiary.		to operate Pertamina's Methanol Plant on Bunyu Island.		MEI Euro Finance Ltd., a subsidiary company of MEI, issued USD 250 million
	Acquired technical assistance contract and production sharing contract for two oil and gas blocks in East	1999	Completed Corporate debt restructuring, followed by Rights Issue of 10:11.	0004	144A Bonds through the Singapore Stock Exchange.
	Kalimantan from Tesoro.		Rights issue of 10:11.	2004	Acquired Novus Petroleum Ltd.
1994	Initial Public Offering as MedcoEnergi on the Indonesia Stock Exchange. Ticker symbol is MEDC.	2000	Acquired three new working areas: Simenggaris, Western Madura and Senoro-Toili. Discovery of oil field in Soka, South Sumatra.		Inaugurated the Company's first gas-fueled power plant in Batam Island, a Joint Venture with PLN Batam.
1995	Acquired 100% shares of PT Stanvac Indonesia from Exxon and Mobil.	2001	Discovery of new oil field Matra-Nova, Sumatra.		
1996	Discovery of the giant oil field, Kaji and Semoga, Rimau Block, South Sumatra.	2002	Acquired 25% working interest of the producing Tuban block.	2005	Acquired interest in Area 47 in Libya; and Langsa block and Sembakung block in Indonesia
			MEI Euro Finance Ltd, a subsidiary company of MEI issued USD 100 million Eurobonds through the Singapore Stock Exchange.		Signed Tanjung Jati O&M power agreement with PLN.
					graphy b
***		-		-	No.

2006

Awarded a 45% working interest in Blocks 82 and 83 in Yemen.

Commissioned Panaran II Gas-fired Power Plant 2x27 5 MW

Awarded the development of a geothermal project of 300 MW capacity in Sarulla, North Sumatra.

2007

Launched exploration of Area 47 in Libya with six discovery wells.

Launched pilot project for Enhanced Oil Recovery (EOR) in Rimau Block.

Established PT Donggi-Senoro LNG (DSLNG). 2008

Signed a Production
Sharing Agreement with
the Ministry of Oil and
Minerals Republic of Yemen
for Block 82 and 83.

Completed the sale of PT Apexindo Pratama Duta Tbk, a subsidiary in drilling rig services.

Signed a CBM Production Sharing Contract (PSC) to carry out activities in the first CBM development in Indonesia in Musi Banyuasi Regency, South Sumatra. 2009

Signed Asset Purchase
Agreement with Energy
Resource Technology GOM,
Inc. for the acquisition of
Block 316, East Cameron
Area, South Addition, OCS-G
23803, Gulf of Mexico, USA.

Signed Head of Agreement between PT Medco Energi CBM Indonesia and Arrow Energy (Indonesia) Holdings Pte Ltd.

Entered the gas distribution and coal mining businesses under the "Incubator Business" unit.



VISION, MISSION, **AND VALUES**









Ethical



Open



Innovative

MedcoEnergi's VISION is to become the Energy Company of Choice for our investors, shareholders, partners, and employees as well as for the greater public community. This vision can only be attained if our MISSION, to develop profitable investment portfolios from energy resources, is carried out properly and responsibly.

MedcoEnergi's challenge is to realize this MISSION while at the same time ensuring that each project is executed on time, with adherence to the highest standards of Good Corporate Governance (GCG) and Safety, Health and Environment (SHE). Additionally, the Company is dedicated to environmental protection and preservation as well as the implementation of effective and sustainable programs for Corporate Social Responsibility (CSR). We meet these challenges through a continuous commitment to maintaining our Corporate VALUES -Professional, Ethical, Open, and Innovative across MedcoEnergi's culture.



MedcoEnergi is strongly committed to the goals of sustainability for its business, the environment and communities in which it operates. By relying on the professionalism of its people, and adhering to good corporate governance, MedcoEnergi strikes a balance between economic, social and environmental performances in order to achieve long-term sustainability for the benefit of future generations.

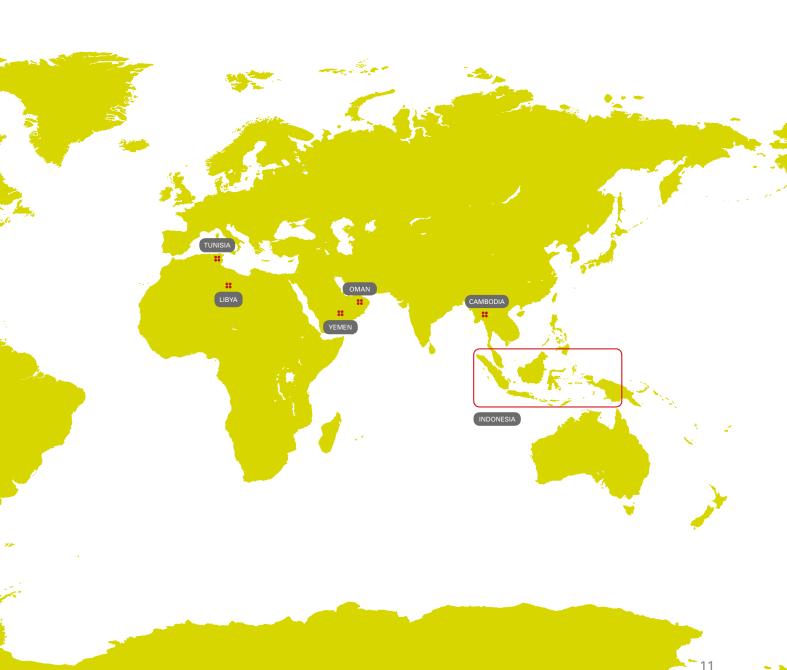
MAP OF OPERATION AREAS

MedcoEnergi operates in several countries with its major operation in Indonesia.

In Indonesia, MedcoEnergi's oil and gas business operates several producing and exploration oil and gas blocks with locations stretched across the country from the far west to the most eastern part. Internationally, MedcoEnergi continues to operate a number of producing and exploration oil and gas blocks and a Service Management Agreement. In the power generation business, MedcoEnergi operates as Independent Power Producer (IPP), and provides services in Project Engineering,

Procurement and Construction (EPC) and Project Management, as well as Operating and Maintenance (O&M) services. Meanwhile, the Company's downstream business has an LPG plant, fuel storage and distribution facility for High Speed Diesel (HSD), as well as the development of biofuel.













MedcoEnergi is the first Indonesian company operating in the oil & gas exploration and production business listed in Jakarta Stock Exchange since 1994. MedcoEnergi's oil and gas activities in Indonesia focus on upstream activity, exploration, development and production of crude oil and natural gas.

In support of the Government of Indonesia's (GOI) increasing demand in oil and gas, MedcoEnergi began its Oil and Gas Exploration and Production business since 1992 through the acquisition of Tesoro's East Kalimantan assets. The success in maintaining steady production of oil from East Kalimantan assets, enabled the Company to acquire Exxon and Mobil Oil's Stanvac Sumatra assets in 1995 and continued improving its contribution to the GOI. Since then, MedcoEnergi strives to increase its oil and gas production and proven reserves with its exploration, development and production activities of mature fields and newly discovered fields, as well as acquiring new assets with high potential hydrocarbon resources, in order to continuously support the government in meeting the country's oil & gas demand and increase Company values.

The GOI has entrusted MedcoEnergi with participating interests over more than 10 blocks that stretches from South Sumatra, East Java, East Kalimantan, Central Sulawesi, to Papua, and has contributed significantly to the nation's growth. MedcoEnergi operates all of those blocks under various production sharing arrangements with Upstream Oil and Gas Supervisory Agency (BPMIGAS) which is applicable to the new Indonesian Oil and Gas Law and Regulations, namely Production Sharing Contract (PSC), Technical Assistance Contract (TAC) and Joint Operating Body (JOB).

All of the participating interests of MedcoEnergi's Indonesian oil and gas blocks are held through its wholly owned subsidiaries, while the exploration, development and production activities are managed and performed either directly through PT Medco E&P Indonesia, the Company's major Oil and Gas E&P subsidiary, or jointly with strategic partners.

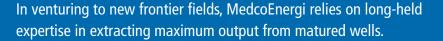
COMPETENCY, KEY TO GLOBAL EXPOSURE











MedcoEnergi's success in Novus Petroleum Ltd. shares acquisition in 2004 and competency in increasing oil and gas output from idle and sour fields in Indonesia have provided MedcoEnergi to embark on new ventures and terrains in the global arena. With the increasing business opportunities of the oil & gas exploration and production overseas, MedcoEnergi entered into the United States of America, and several Middle East and North African countries such as the Sultanate of Oman, the Republic of Yemen, the socialist country of Libya, and the Republic of Tunisia.

MedcoEnergi's International Oil and Gas E&P is committed to managing the international business in such a way that it minimizes risks to the health and safety of its employees and any other persons or party on whom it may have an impact. The Company's international operations provide working opportunities for local workforce and skill improvement as well as overseas work experience.

The international operation covers exploration, development and production of crude oil and natural gas, as well as providing management and operation of oil and gas producing field services.

The international Oil and Gas E&P activities are managed and operated by Medco Energi Global Pte Ltd, (Medco Global), a wholly owned subsidiary of MedcoEnergi, which was established under the law of the Republic of Singapore with most of its professional experts originated from Indonesia. The Company's participating interests are held solely or jointly with strategic partners and operate under different laws and regulations. The conditions governing the leases and contracts of participating interests on assets vary from one country to another, namely: Lease Agreement, Production Sharing Contracts, Service Exploration and Production Agreement.



POWER GENERATION







MedcoEnergi's power business activities cover power producer and power project services provider business.

In respond to the country's lack of electricity supply and with a commitment to support the GOI strategy in meeting the national energy demand, MedcoEnergi entered the power generation business as an Independent Power Producer. The Company's first power plant was a gas-fired power generation unit Panaran I to supply the state-owned electricity company, PT Perusahaan Listrik Negara (PLN), in Batam Island. Following the success of Panaran I, the Company gained trust from PLN to add capacity of electricity supply with the development and operation of Panaran II in 2006, of which the capacity was further added using additional generator units and turbines. Being a responsible Company, MedcoEnergi is committed to develop and operate power plants using clean source of energy.

PLN's recognition of the strong commitment and capability of MedcoEnergi in providing and managing power plants has granted the Company an Operation & Maintenance contract for the state-owned electricity company's coal-fired power plant Tanjung Jati B, Central Java in 2006. In addition, the Company has also been awarded the contract to develop and operate a Geothermal power plant in Sarulla, North Sumatra, in the same year and is expected to begin development in the near future.

The country's increasing electricity demand has expanded MedcoEnergi's power business unit into providing Project Management service and Engineering, Procurement & Contractors (EPC) services for power projects in 2008.

MedcoEnergi's wholly owned subsidiary, PT Medco Power Indonesia, manages and operates the Company's power generation business of which all professional experts originate from Indonesia.







1EDCOENERGI



MedcoEnergi believes there are a number of business opportunities from refining to retail to create value for shareholders in the downstream market.

MedcoEnergi's effort to create an integrated energy chain of business from upstream to downstream industry started since 1997 when MedcoEnergi started the operation of a methanol plant owned by PT Pertamina (Persero) that uses natural gas from the company's oil & gas Tarakan Production Sharing Contract (PSC) in East Kalimantan. Later In 2003, MedcoEnergi developed and operated a Liquified Petroleum Gas (LPG) Plant to process associated gas from the company's largest oil production field, Kaji and Semoga, located in Rimau PSC Block, South Sumatra. This process has proven to reduce emission produced by the associated gas flare.

The issuance of the Law of the Republic of Indonesia No. 22/2001 on Oil & Gas and Government Regulation No. 36/2004 on Downstream Oil & Gas Activities, allows MedcoEnergi to continue and expand its downstream business with the requisition and operation of a Fuel Storage and Distribution facility in Cilincing, North Jakarta.

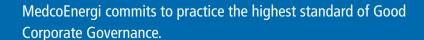
Taking the benefit of the Presidential Instruction No. 1 of the Republic of Indonesia Year 2006 on the Provision and Use of Biofuel as alternative fuel source, MedcoEnergi explored into developing Bio-ethanol plant using cassava as feed stock. The plant was completed at the end of 2008 and production preparation was conducted throughout 2009 for target of full production capacity in 2010. With the issuance of the Law of the Republic of Indonesia No. 30/2007 on Energy. MedcoEnergi's commitment to support the GOI strategy in providing environmentally friendly energy in the future became more firm. Therefore, the development of the Company's downstream industry as producer of bio-fuel will continue for years to come.

MedcoEnergi's wholly owned subsidiary, PT Medco Downstream Indonesia, manages and operates The Company's downstream business of which all professional experts originate from Indonesia.

BUSINESS ETHICS

"

Our commitment and adherence to GCG has been a key factor in our continuing successes over the years, and will serve as the guiding force in meeting today's challenges while achieving future goals.



The results of debt restructuring in 1999 allowed the Company in having healthier financial conditions and wider participation of foreign independent shareholders. To maintain a sound financial performance and protect shareholders interest, MedcoEnergi strengthened the commitment to practice Good Corporate Governance (GCG). Along with its commitment, MedcoEnergi launched its new Vision and Mission, Corporate Strategy and Code of Conduct in 2001, which was then followed by the launching of its first corporate wide GCG and Code of Ethics Manual in 2003 to all members of MedcoEnergi Group. In late 2008, the Manual was revised and re-launched as GCG Guidelines and Code of Conduct (GCG & CoC).

The adoption of GCG principles – transparency, accountability, responsibility, independent and fairness – into the Company's corporate values - professional, ethical, open and innovative – in 2004 has reaffirmed the Company's commitment to implement and practice the highest standard of GCG. The GCG principles form an integral part of MedcoEnergi's day to day activities.

The commitment to the Principles of GCG and sound leadership are the key to MedcoEnergi's continuous success growth.





CO2 and H2S Removal Technology

The CO2 and H2S removal technology in the Oil and Gas E&P business is based on MDEA absorption – a regeneration process to reduce CO2/H2S contaminants up to 5% of CO2 and 8 ppm of H2S, supported by utilization of high grade and special material for flow lines and process equipment. To meet environment requirement, the CO2 and H2S offgas is treated and converted prior to their release into the atmosphere and the residual water re-injected into the well for pressure maintenance.

Enhanced-Oil-Recovery Technology

An Enhanced-Oil-Recovery (EOR) technology is able to increase the amount by 30% to 60%, compared to 20% to 40% using more conventional recovery technology.

Gas Flare Reduction (GFR)

MedcoEnergi is aware of the impact of greenhouse gas emitted from its business activities, especially those resulting from gas flares. To address this issue, and in the effort to support the government in promoting the efficient use of fossil fuel, MedcoEnergi applies Gas Flare Reduction (GFR) efforts through the establishment of the Company's LPG plant, which started operations in 2004.

Combined-Cycle Power Plant (CCPP)

Further attempts to generate more electricity have been taken by the Company through the development of a cogeneration combined cycle power plant (CCPP) for its gas-fired power plant on Batam Island. This cogeneration unit which combines heat and power increases overall efficiency and electricity, while simultaneously reducing greenhouse gas emission.

Bio-Fuel

Through its Downstream business, MedcoEnergi enters into renewable energy business with the completion of its bio-ethanol plant in Lampung, Sumatra.





A Reliable And Competent Operator For The Upstream Industry

Incorporated as the first Indonesian drilling company in 1980, MedcoEnergi developed into an Oil and Gas Exploration and Production (E&P) company by acquiring Tesoro's East Kalimantan assets in 1992 and Exxon and Mobil's Stanvac Sumatra assets in 1995. Under the operatorship of MedcoEnergi, the production rate of the assets can be improved and a large oil reserves was discovered in Rimau Block at the Sumatra assets in 1996. Following this success, MedcoEnergi has gained trust from the Sultanate of Oman to operate its Karim field under a Service E&P Agreement and managed to increase the production of Karim field.

High Performance Operator

Today, with approximately 3,000 people worldwide including more than 500 professional engineers, MedcoEnergi has become an Oil and Gas E&P Operator around the world, from

South East Asia to Middle East and the United States of America (USA), as well as an instrumental player in advising its partners in operating the Oil and Gas fields.

A Learning Organization

Towards managing human resources as capital, MedcoEnergi maintains a Leadership Development Program (LDP) to keep a record of future leadership candidates. In addition to the LDP, MedcoEnergi also established profiles for technical competencies for Petro-Technical Professionals as a foundation for the accelerated development of professions including: Geologists, Geophysicists, Reservoir and Production Engineers.

In its pursuit to become the Energy Company of Choice, MedcoEnergi has taken firm steps towards becoming a learning organization. We believe that, a knowledge sharing culture fosters collaboration among all members and departments, and therefore key to ensuring progress.







MedcoEnergi is highly committed to maintaining international standards for Safety, Health and Environment (SHE) management systems to support and achieve a SAFE WORKING ENVIRONMENT for its employees and meet all stakeholders' expectations.

MedcoEnergi policies also ensure that each operating unit has resources, expertise, systems, procedures and rules to facilitate a safe, reliable and environmentally friendly working conditions.

MedcoEnergi's Indonesia Oil & Gas exploration and production subsidiaries applies "Performance Integrity Of MedcoEnergi (PRIME)" Management System in undertaking SHE operations. PRIME contains 15 key processes, which define in detail the extent of every operation that has to comply with SHE requirements. These key processes include aspects related to safety, security, health and environmental management (SHE).

PRIME has also become the guideline for MedcoEnergi to ensure its operations do not disrupt local communities. Through PRIME, the Company is able to fully assess the social and environmental impact of new projects.

Since December 2006, MedcoEnergi's Indonesian Oil & Gas business unit has adopted the 7th Edition of the International Safety Rating System (isrs7), one of the most recognized world leading SHE management systems for measuring, improving, and demonstrating health, safety, security, environmental sustainability and business performance. The system complies with the highest standard requirements combining ISO 9001 (quality), ISO 14001 (environment), OHSAS 18001 (Occupational Health & Safety), PAS 55 (Asset Management), and GRI (Corporate Social Responsibility). An assessment using the isrs7 not only measures the effectiveness of SHE procedures and implementations but also assesses the business performance of a company.



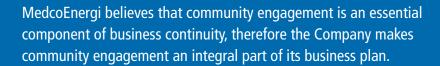


Over the past several years, MedcoEnergi has entered into a number of industries that support the creation of a cleaner environment while at the same time conserving nature. All Company operations are conducted by adhering to internationally approved best practices for environmental protection and conservation. Among the regulations already enacted by the Government of Indonesia through the Ministry of Environment: the Analysis on Environmental Impact (Amdal) which contains a Framework for Guideline on Environmental Impact, Analysis of Ecological

Impact, Plans for Ecological Management and Plans or Ecological Monitoring.

Through its Indonesian Oil & Gas business unit, the Company has also undertaken a series of activities to restore the ecological balance in conjunction with its business operations.





As a corporate citizen in the extractive industry — with operation activities spread across the country and abroad — the Company takes responsibility for the well-being of the natural habitat and communities in operation areas. Achieving the triple-bottom line of sustainability in economic growth, social welfare and environmental preservation represents the foundation of the belief which motivates and drives all business activities.

Our Corporate Social Responsibility (CSR) programs seek to achieve triple bottom line results in economic growth, social progress and environmental conservation. Restoration

and recovery efforts are conducted in our oil and gas operation areas, ensuring a preserved environmental condition. In the execution of its triple-bottom line philosophy, MedcoEnergi contributes its uniqueness and expertise for the improvement of the local economy by developing small-scale energy-related community-based projects using locally available resources.



In respond to the global energy demand, MedcoEnergi commits to continue to increase domestic and international oil and gas production, electricity, renewable fuels and other alternative energy sources through the company's "New Business Incubator" unit.





Produced in the year of MedcoEnergi's 30th **Diamond Anniversary**

PT Medco Energi Internasional Tbk The Energy Building, 52nd Floor SCBD Lot 11A Jl. Jend. Sudirman Jakarta 12190, Indonesia Tel +62-21 29953000 Fax +62-21 29953001 Email. medc@medcoenergi.com

www.medcoenergi.com

