



FY11 Investors' Update

PT Medco Energi Internasional Tbk.

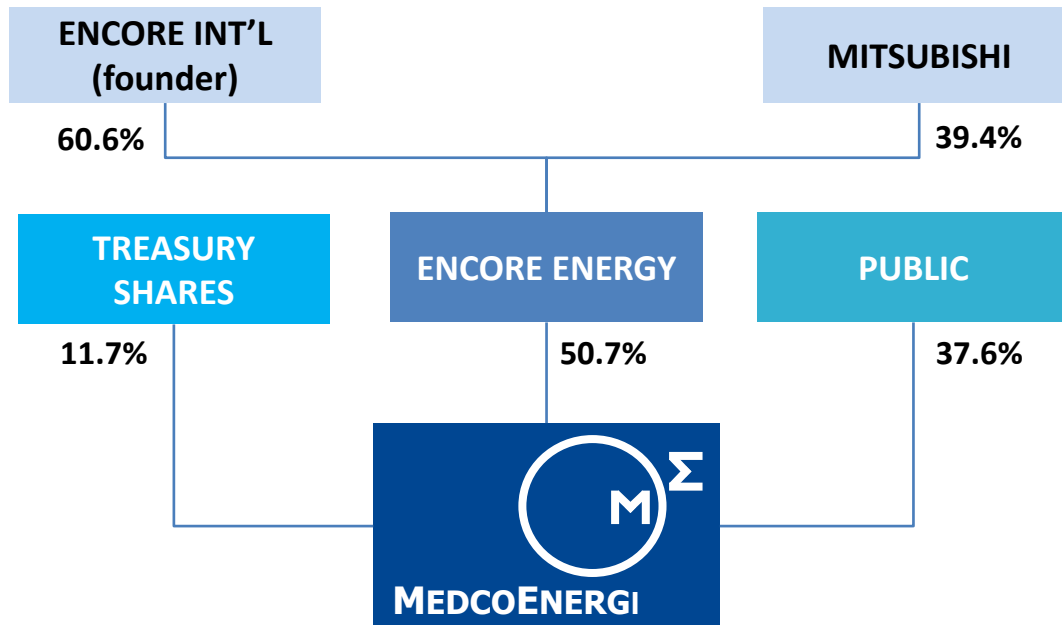
March, 2012 | www.medcoenergi.com | Energy Company of Choice

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01

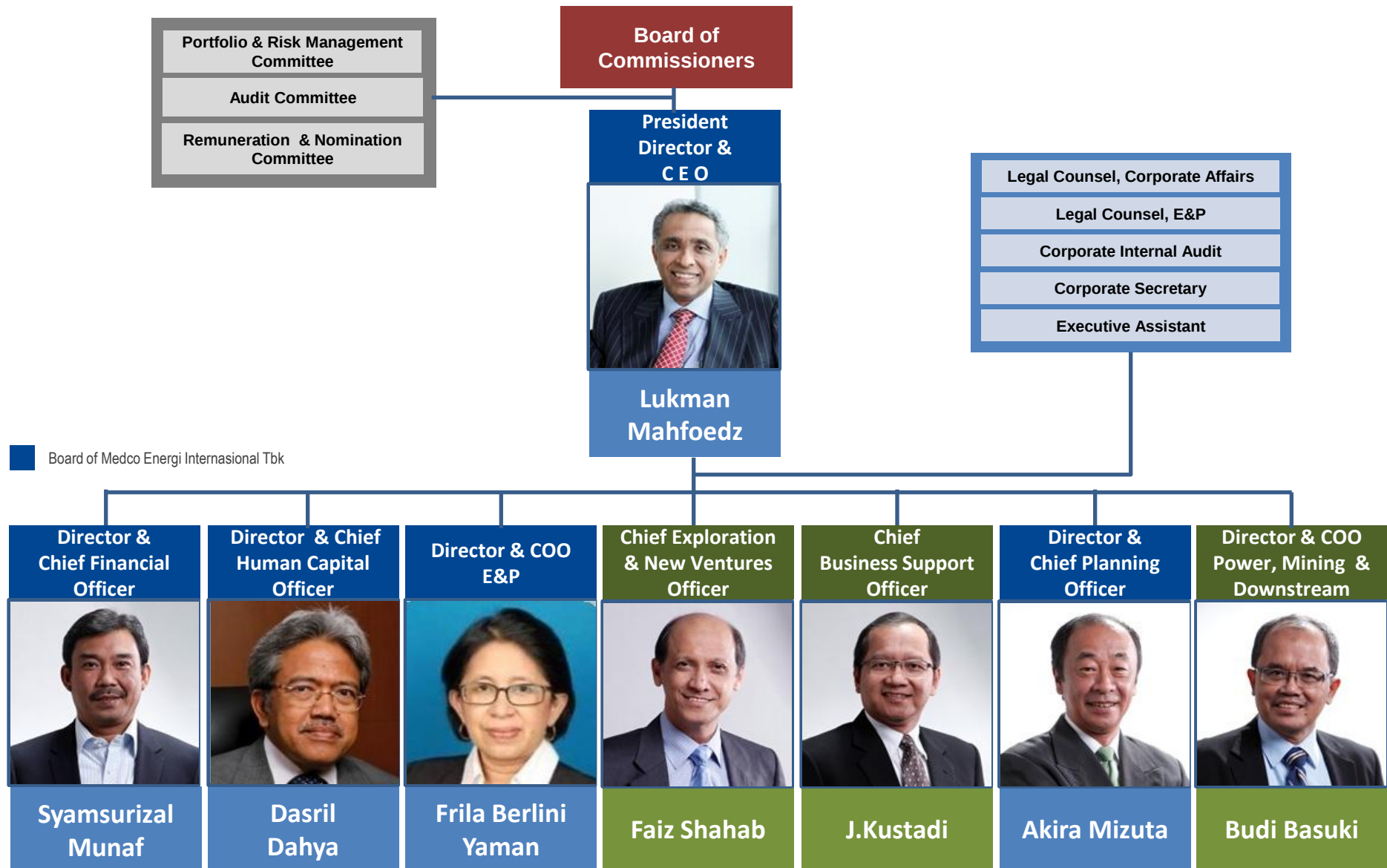
The Overview: Profile & Assets Portfolio



PT Medco Energi Internasional Tbk. is a publicly listed integrated energy company with focus in exploration and production of oil and gas business. MedcoEnergi also has other energy related businesses in Liquefied Petroleum Gas, bio-ethanol, and involved in trade and distribution HSD, and operates some power plants and supplies electricity to the Perusahaan Listrik Negara (PLN).

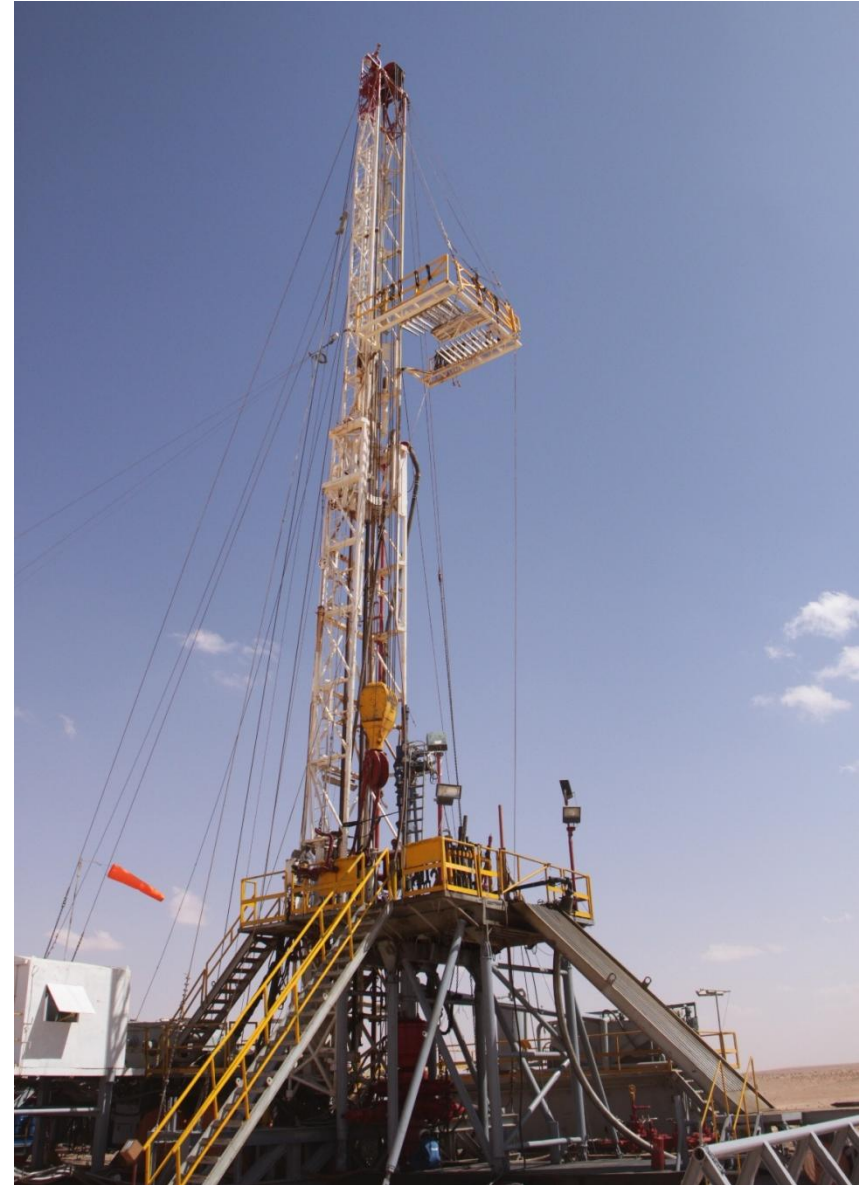
Stockholder Composition	FY11	FY10	%
Encore Energy Pte. Ltd.	1,689,393,006	1,689,393,006	50.70
Public	1,252,603,944	1,252,603,944	37.58
Treasury Shares	390,454,500	390,454,500	11.72
Total	3,332,451,450	3,332,451,450	100.00

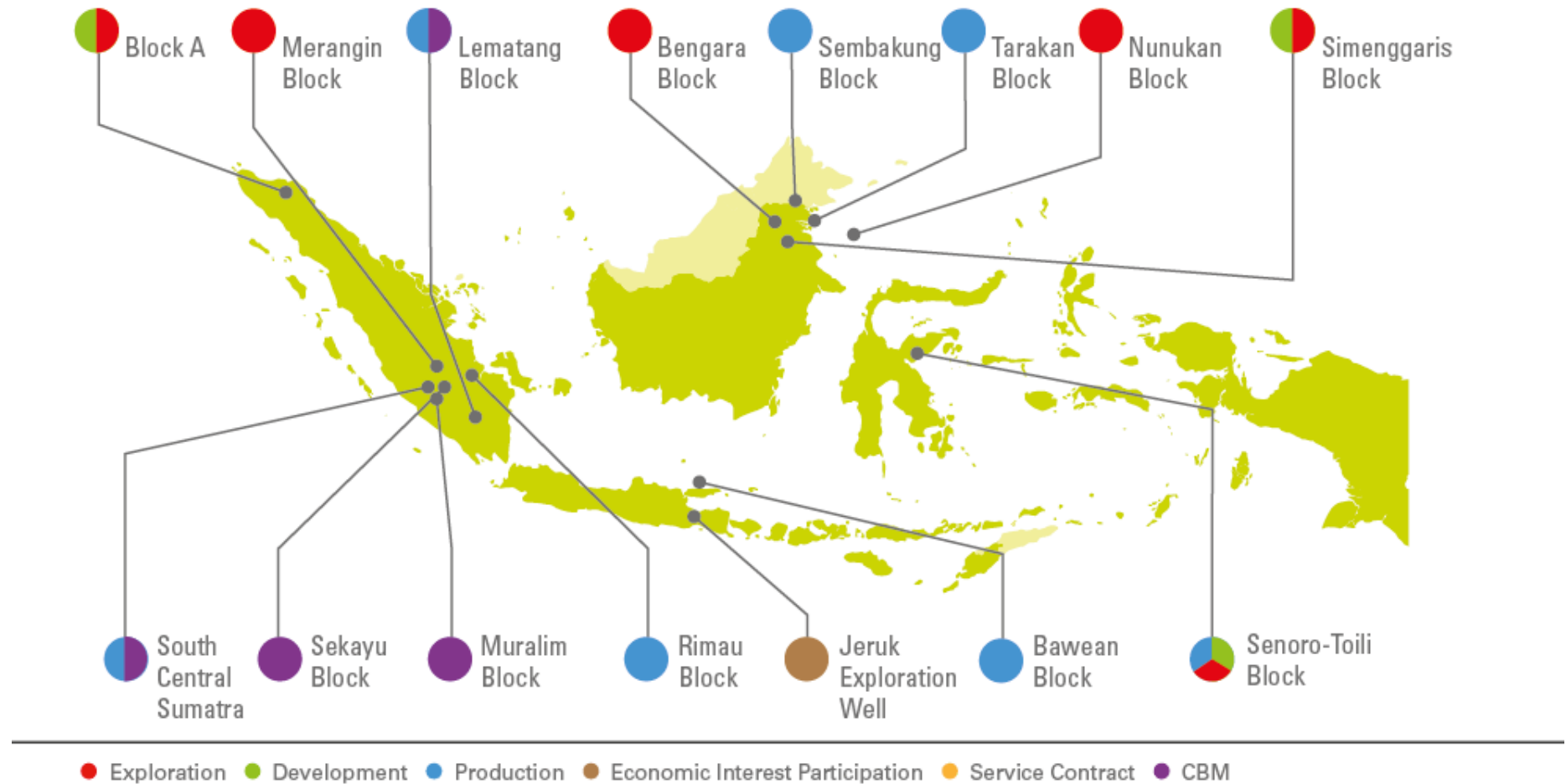
Medco Energi Internasional Tbk. Organization Structure



Our Business Strategy

- Strengthen the portfolio of producing assets, including acquisitions.
- Increase the reserve life index through exploration activities.
- Complete all Major Projects as planned
- Accelerate the growth of non-oil and gas assets through strategic partners.





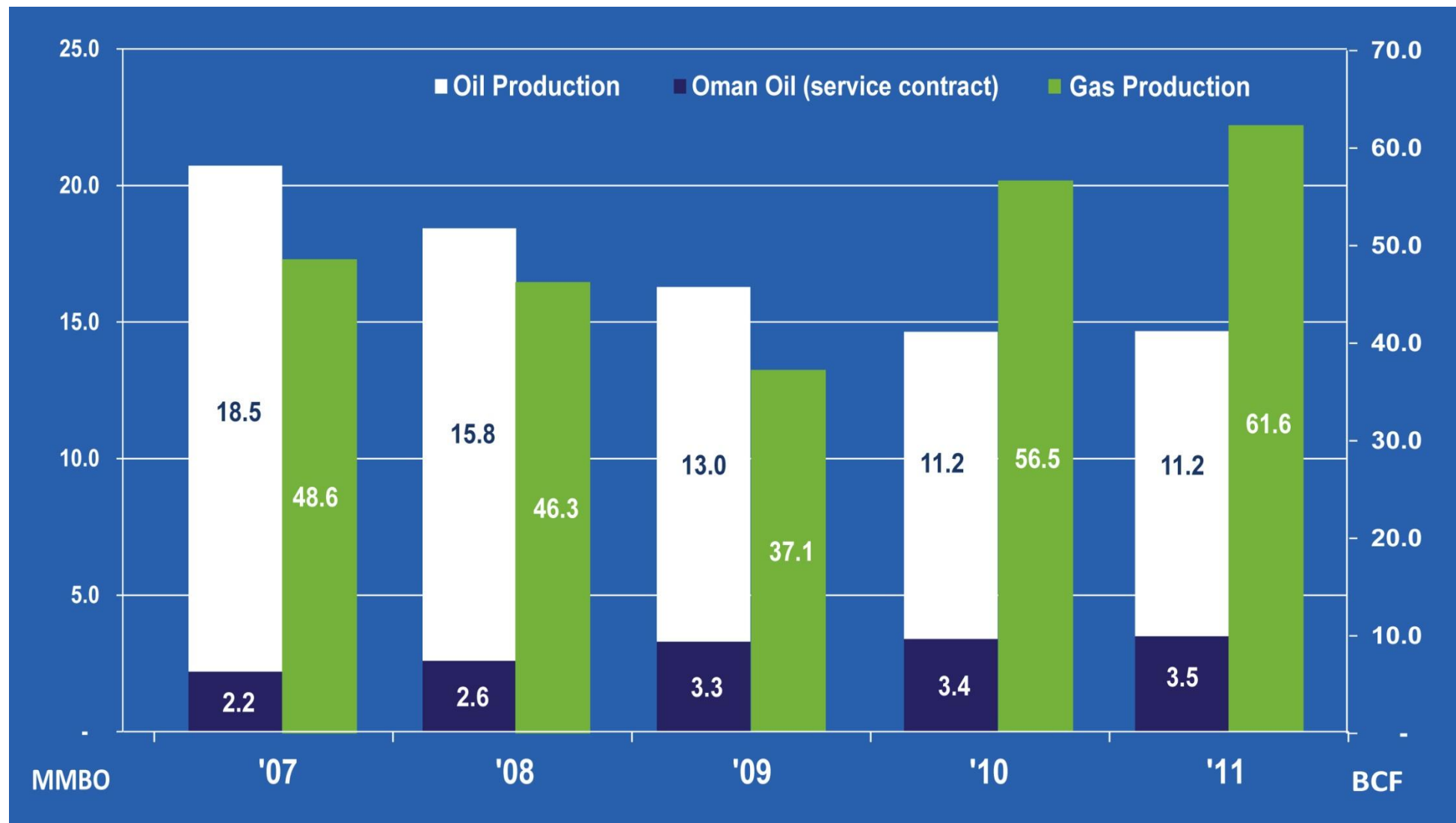
In Indonesia, Medco operates 10 blocks, maintains working interests in 3 blocks operated by strategic partners, and holds economic participating interest in an exploration field.

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

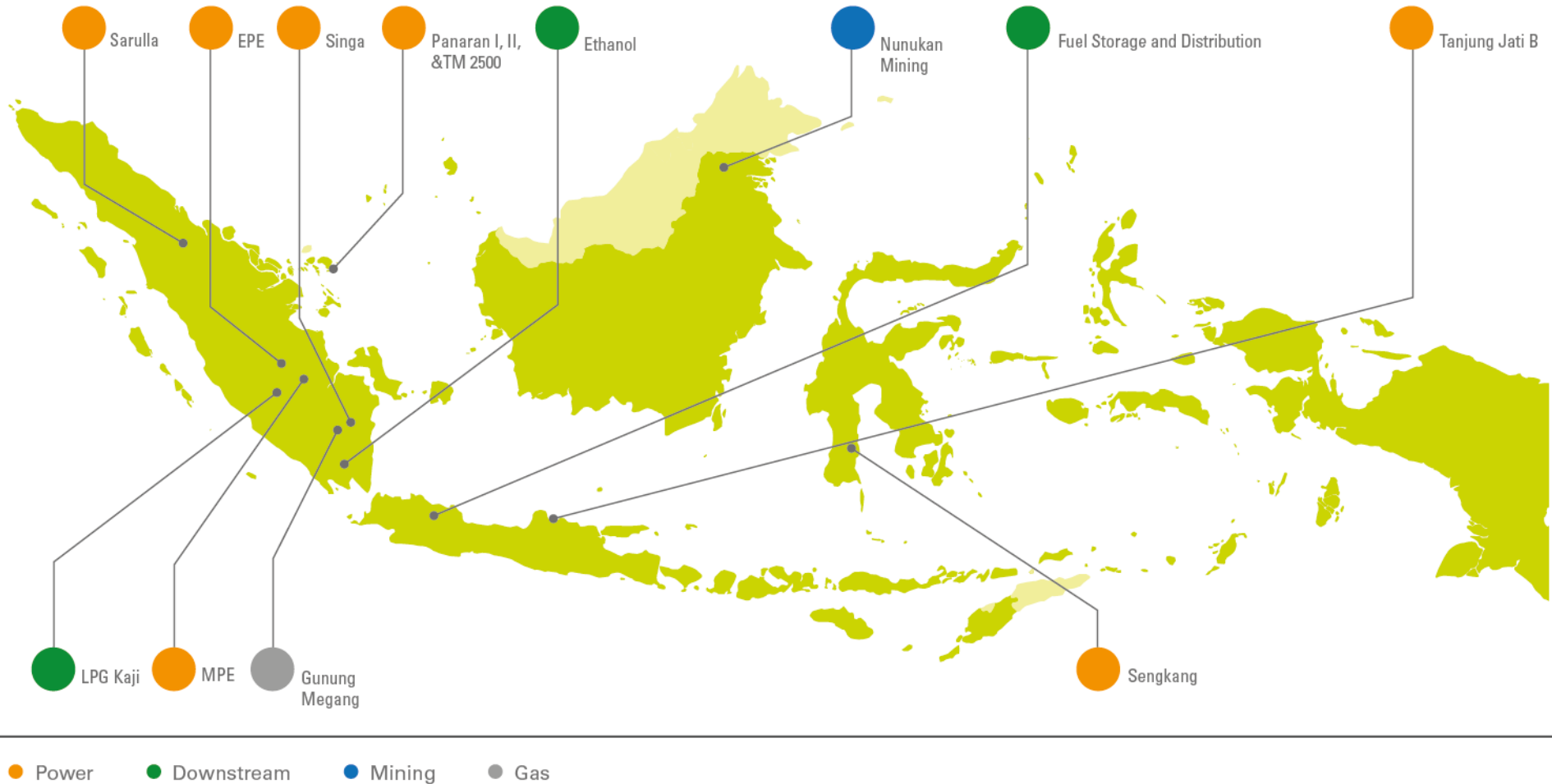


Medco's international operations spread across 10 assets in Asia, Africa, and the US.

Assets Portfolio - Historical Oil & Gas Production



“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 189.5 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 Pipelines

- Booster Compressor and 17.5km pipeline at Gunung Megang South Sumatra

Coal Mining

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

02

Company's Milestone

1

On January 24th, 2011 MedcoEnergi announced that **the Final Investment Decision (FID) for Senoro-Toili Gas and LNG Projects has been reached**. In conjunction 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.

2

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.

3

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.

4

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

5

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.

6

MedcoEnergi has **signed a standby loan facility agreement of USD 140 million from PT Bank Rakyat Indonesia (Persero) Tbk** on June 21, 2011. This loan facility will be available for utilization for 24 months after signing, with 5 years tenor from the time the Loan Facility is drawdown and a competitive 3-month LIBOR-based interest rate.

7

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.

8

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 drawdown.

9

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.

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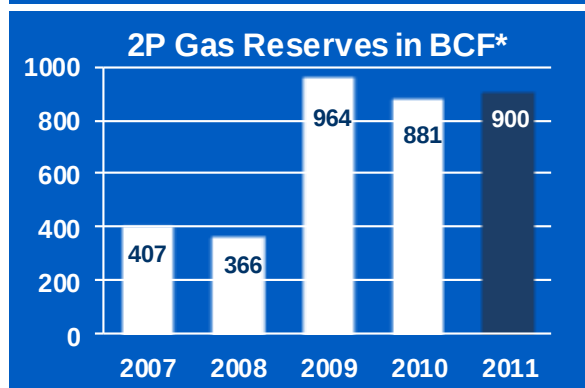
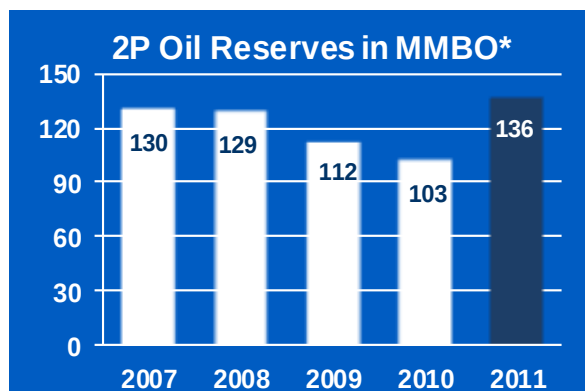
MedcoEnergi, through its wholly owned subsidiary, Medco Tunisia Holding Ltd, has **completed the sales of Medco Tunisia Anaguid Limited to OMV (Tunesien) Production GmbH**. The total sales value of the shares of Medco Anaguid is US\$ 58 million. The sales of Medco Anaguid shares resulted the transfer 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.

11

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 .

03

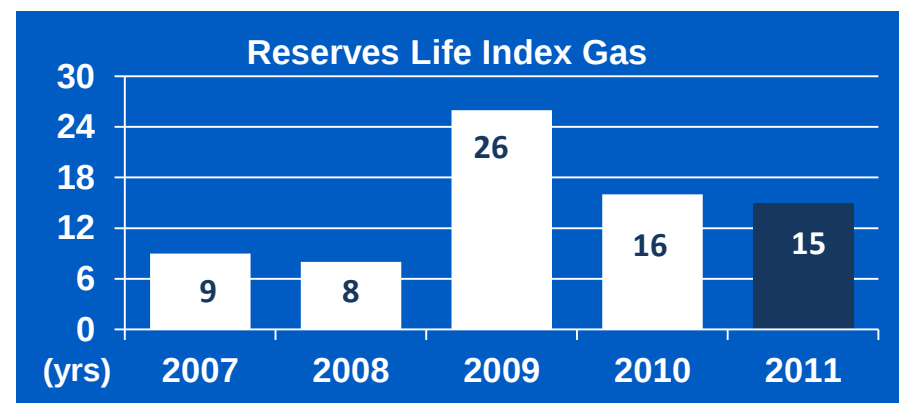
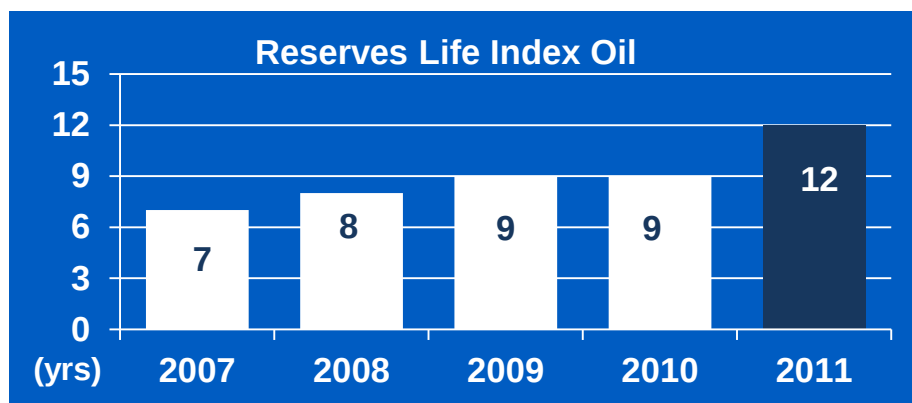
Business Performance: Operational & Financial KPIs



Oil and Gas E&P	FY10	FY11	Δ%
Proven Reserves - 1P (MMBOE)*	201.4	217.4	7.9
Proven and Probable Reserves - 2P (MMBOE)*	253.5	290.0	14.4
Oil Lifting / MBOPD	30.7	30.4	(1.1)
Oman Service Contract / MBOPD	9.4	9.5	1.9
Gas Sales / MMCFD	155.2	162.1	4.5
Total Oil and Gas** (MBOEPD)	66.6	67.6	1.5
Average Oil Price, USD/barrel	81.4	113.7	39.6
Average Gas Price, USD/mmbtu	3.6	3.8	4.7
LPG Sales / MT per day	42.0	41.8	(0.5)
LPG Price/ USD per MT	651.0	787.5	21.0

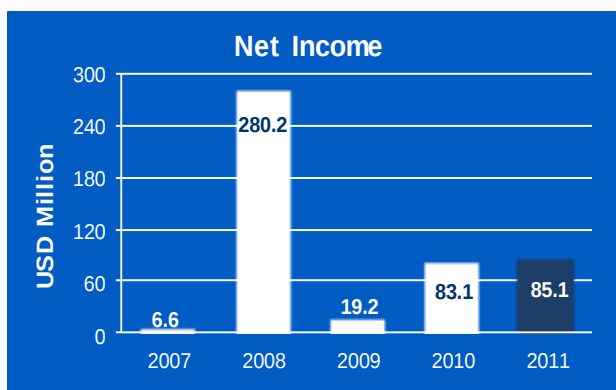
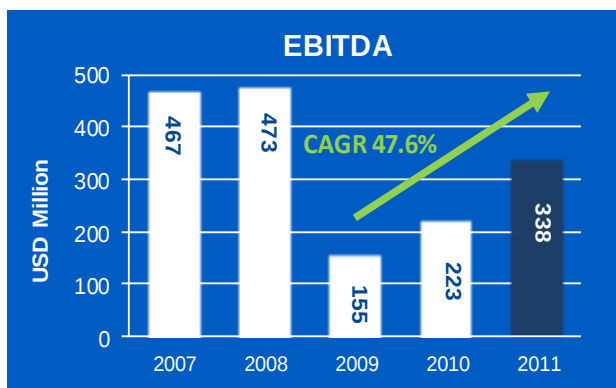
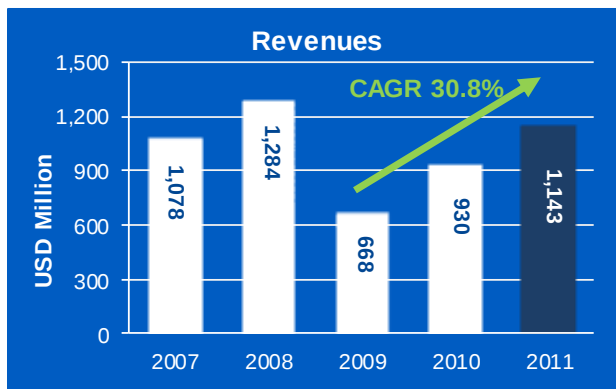
*Including reserves from Libya and Simenggaris, see page 24 for details

**Including Oman Service contract



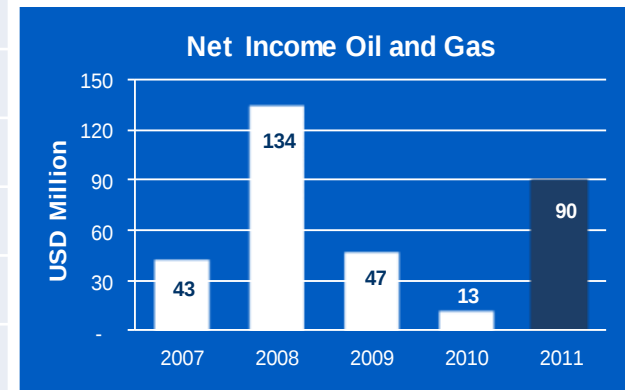
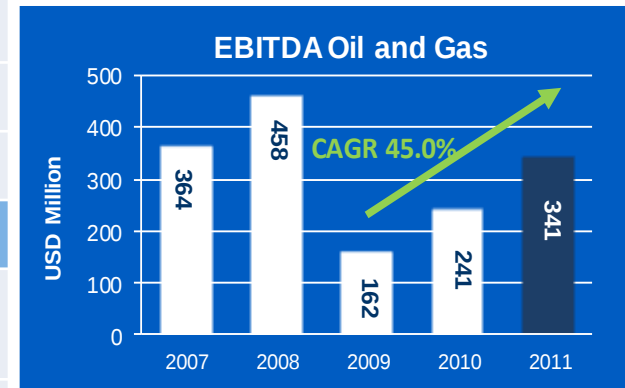
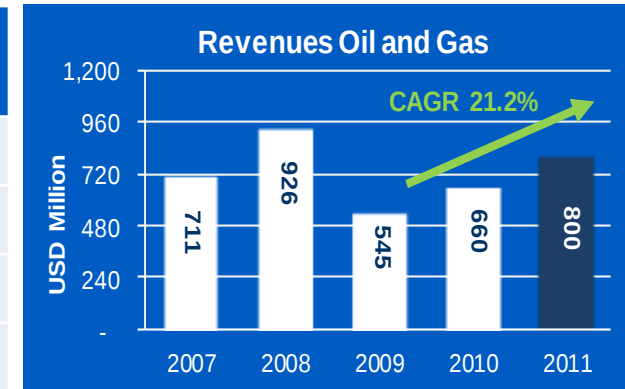
Oil Price Comparison



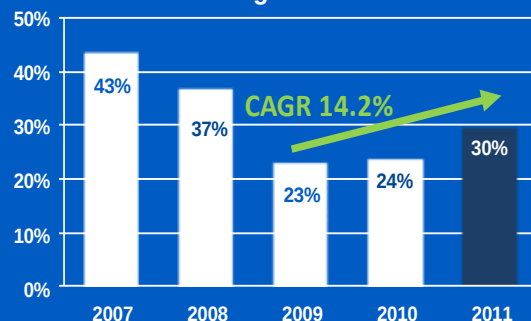


Financial Highlights (USD mm)	FY10	FY11	Δ%
Revenue	929.9	1,143.3	23.0
• Oil and Gas	659.7	800.5	21.3
• Non Oil and Gas	270.2	342.8	26.9
Gross Profit	287.8	375.2	30.4
Operating Income	114.5	224.3	95.9
EBITDA	222.5	338.2	52.1
Earnings Before Tax	215.8	214.3	(0.7)
Net Income*	83.1	85.1	2.4
Cash and Cash Equivalents	178.9	704.0	293.6
Total Assets	2,278.1	2,587.4	13.6
Total Liabilities	1,463.2	1,732.1	18.4
Equity*	786.1	845.5	7.6
Market Capitalization	1,250.9	891.2	(28.8)
EPS (USD/share)	0.0282	0.0289	2.5
Capex	143.9	156.3	8.6

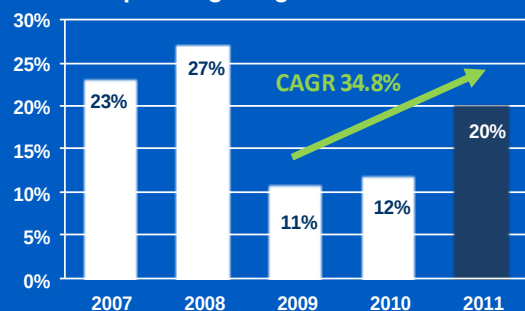
*Attributable to Equity holders of the parents



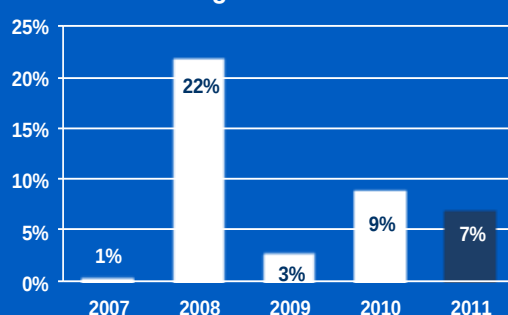
EBITDA Margin Consolidated



Operating Margin Consolidated



Net Margin Consolidated



Profitability Ratios (%)

	FY10	FY11	Δ%
Gross Margin	30.9%	32.8%	6.0
EBITDA Margin	23.9%	29.6%	23.7
Operating Margin	12.3%	19.6%	59.3
Net Margin	8.9%	7.4%	(16.7)
Return on Equity	10.6%	10.1%	(4.8)

Efficiency Ratios (x)

	FY10	FY11	Δ%
Revenue/ fixed assets	0.85	1.21	42.1
Revenue/ net working capital	3.60	2.33	(35.3)

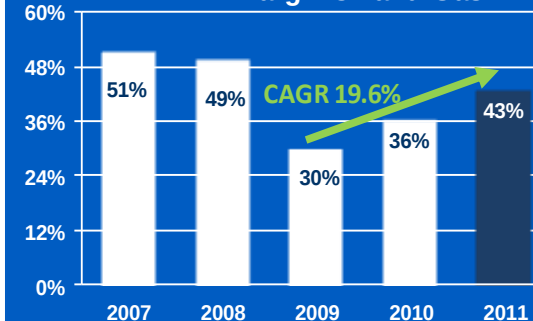
Investment Ratios (x)

	FY10	FY11	Δ%
CapEx/ Revenue	0.15	0.14	(11.7)
CapEx/ Depreciation	1.33	1.37	2.9

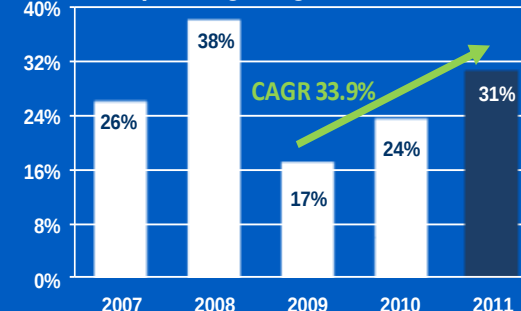
Capital Structure (x)

	FY10	FY11	Δ%
Net debt/total equity	1.02	0.70	(31.3)
Net debt/(net debt + equity)	0.51	0.41	(18.4)

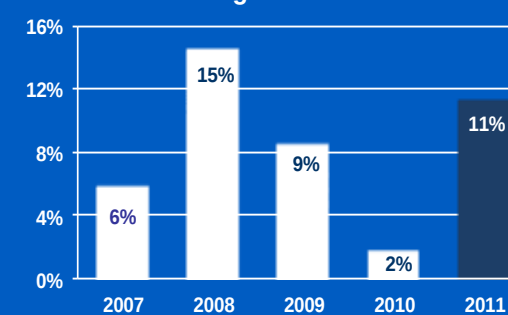
EBITDA Margin Oil and Gas



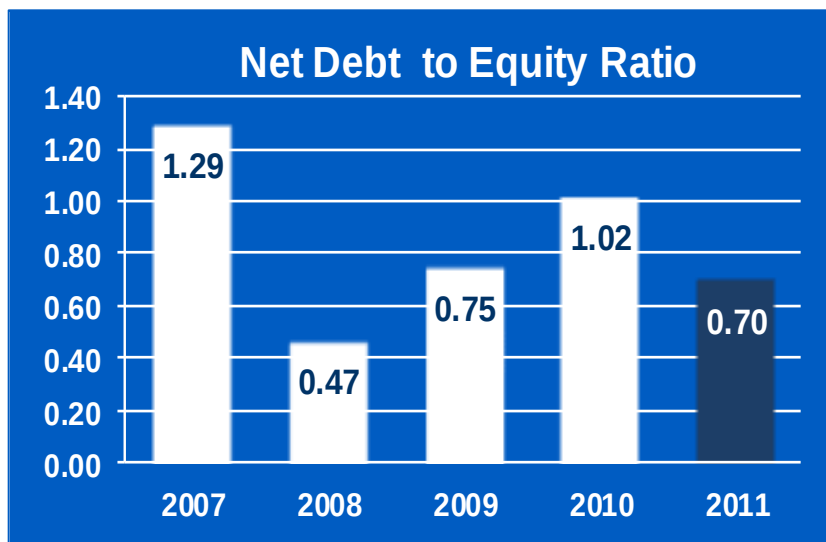
Operating Margin Oil and Gas



Net Margin Oil and Gas



CONSOLIDATED DEBTS (in USD mn)	FY10	FY11	Δ%
A. Total Bank Loans	668.7	879.5	31.5
Current	175.4	413.1	135.6
Non Current	493.3	466.4	(5.5)
B. Other Obligations	315.6	419.6	32.9
Current: MTN	20.5	64.9	216.4
Rupiah Bonds	-	56.6	n.m.
Non Current: Related Party	-	70.0	n.m.
MTN	128.9	40.3	(68.7)
Rupiah Bonds	166.2	108.4	(34.8)
USD Bonds	-	79.4	n.m.
Total	984.3	1,299.0	32.0



Liquidity & Solvability (x)	FY10	FY11	Δ%
Cash Ratio	0.36	0.87	142.6
Quick Ratio	1.31	1.50	14.0
Current Ratio	1.52	1.61	5.9
Debt to Equity Ratio	1.25	1.54	22.7
Net Debt to Equity Ratio	1.02	0.70	(31.3)
Total Liabilities/Total Equity	1.86	2.05	10.1

Coverage Ratios (x)	FY10	FY11	Δ%
Interest Coverage Ratio	2.56	4.23	65.1
Net debt/EBITDA	3.62	1.76	(51.4)

Share Price versus EBITDA Performance



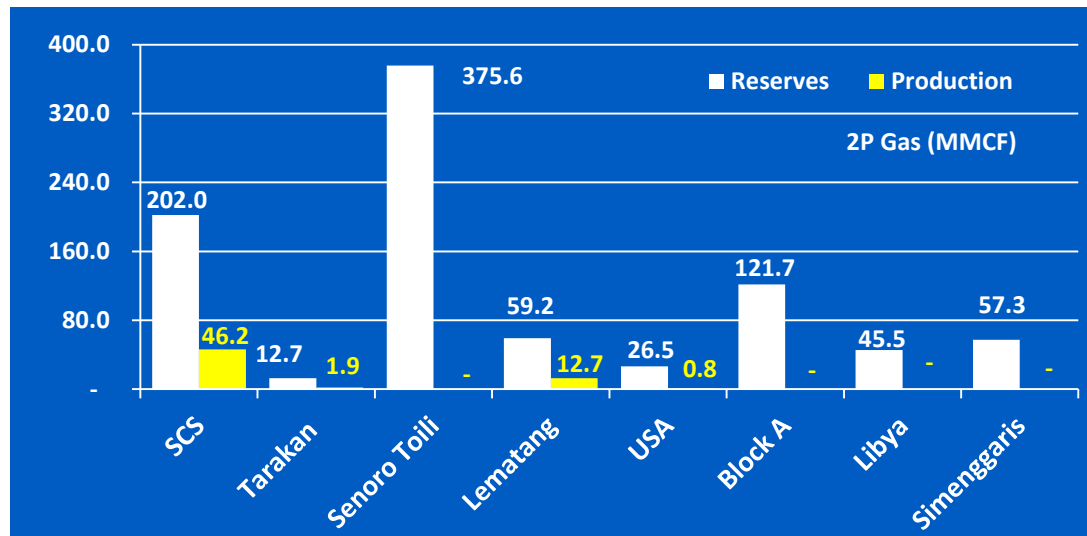
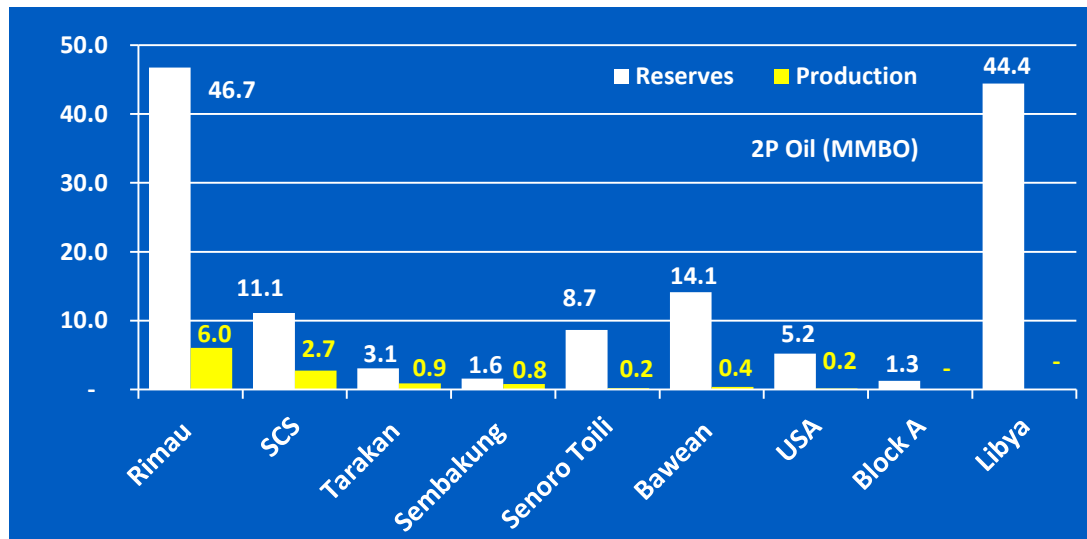
		1Q11	1Q12	Δ %
Oil Production (bopd)	:	27,456	31,448	14.5
Oman Oil Production (bopd)	:	9,320	10,493	12.6
Gas Sales (bbtupd)	:	157.7	157.4	(0.2)
Opex Oil and Gas* (USD mn)	:	49.2	57.0	15.9
Realized Oil Price (USD/bbl)	:	106.6	122.6	15.0
Realized Gas Price (USD/mmbtu)	:	3.73	3.8	2.7
EBITDA (USD mn)	:	80.7	78.3	(3.0)
Interests Expense (USD mn)	:	18.6	19.7	5.4
Principal Payment (USD mn)	:	189.4	78.4	(58.6)
Cash and cash equivalents (USD mn)	:	300.3	570.1	89.9

*Excluding US and Oman

04

Business Development: Reserves and Capex

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



❖ 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 FY11, both Medco’s 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
- Bengara

Contingent Resources

**161.9
MMBOE**

44% oil, 56% gas

“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	2012 F	2013 F	2014 F	3-YR F
Exploration Capex	38.5	46.5	19.9	27.4	33.3	80.6
Development Capex	88.4	96.6	205.2	386.2	375.4	966.8
TOTAL E&P CAPEX	126.9	143.2	225.1	413.6	408.7	1,047.4
Non E&P Capex	17.0	13.2	46.2	10.4	0.3	56.9
TOTAL CAPEX NET	143.9	156.3	271.3	424.0	409.0	1,104.3

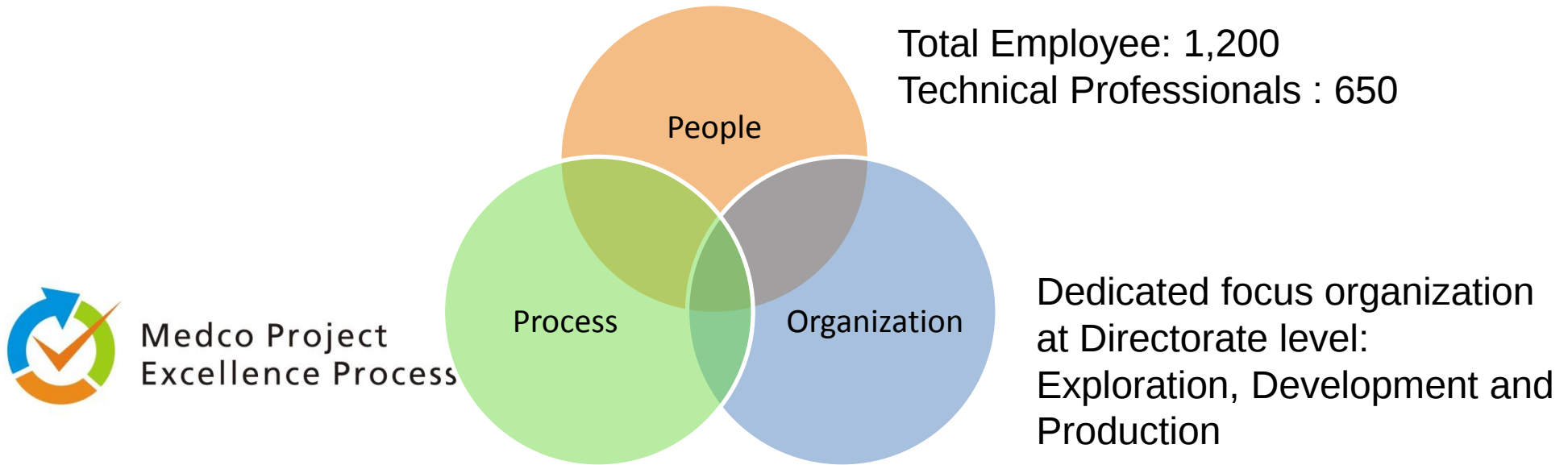
*Preliminary figures, subject to change

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Highlights: Asset Development Projects



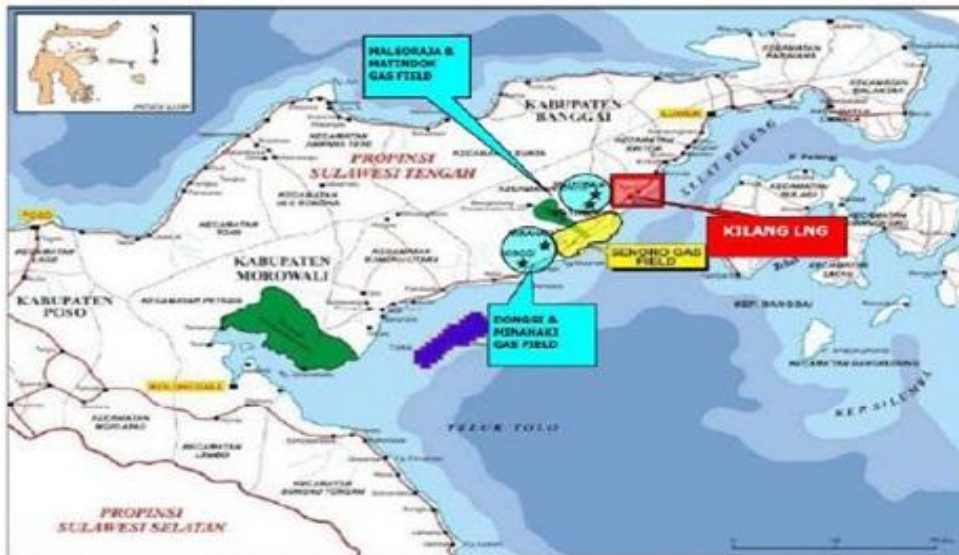
PROJECTS	TARGET Start-Up	Project Descriptions	% Ownership	Partners
Senoro	2014	Gas field development up to 310 MMscfd	30%	Pertamina, Tomori E&P Ltd
DSLNG	2014	LNG plant , single train of 2.0 mtpa capacity	11.1%	Pertamina, Mitsubishi
Libya 47	2015	Oil field development of 50,000 - 100,000 bopd	50%	Libyan Investment Authority (LIA)
Block A	2014 - 2016	Gas field development up to 110 MMscfd	41.67%	Premier, Japex
Rimau EOR	2015	Oil field - Enhanced Oil Recovery	95%	PD-PDE



Major Project Key Success Factor

We understand that delivering major projects is a complex and comprehensive task. Therefore we focus on three main factors: People, Process & Organization

We have all the expertise and dynamic human capital, proven best practice process using Medco Project Excellence Process and mature system and policies



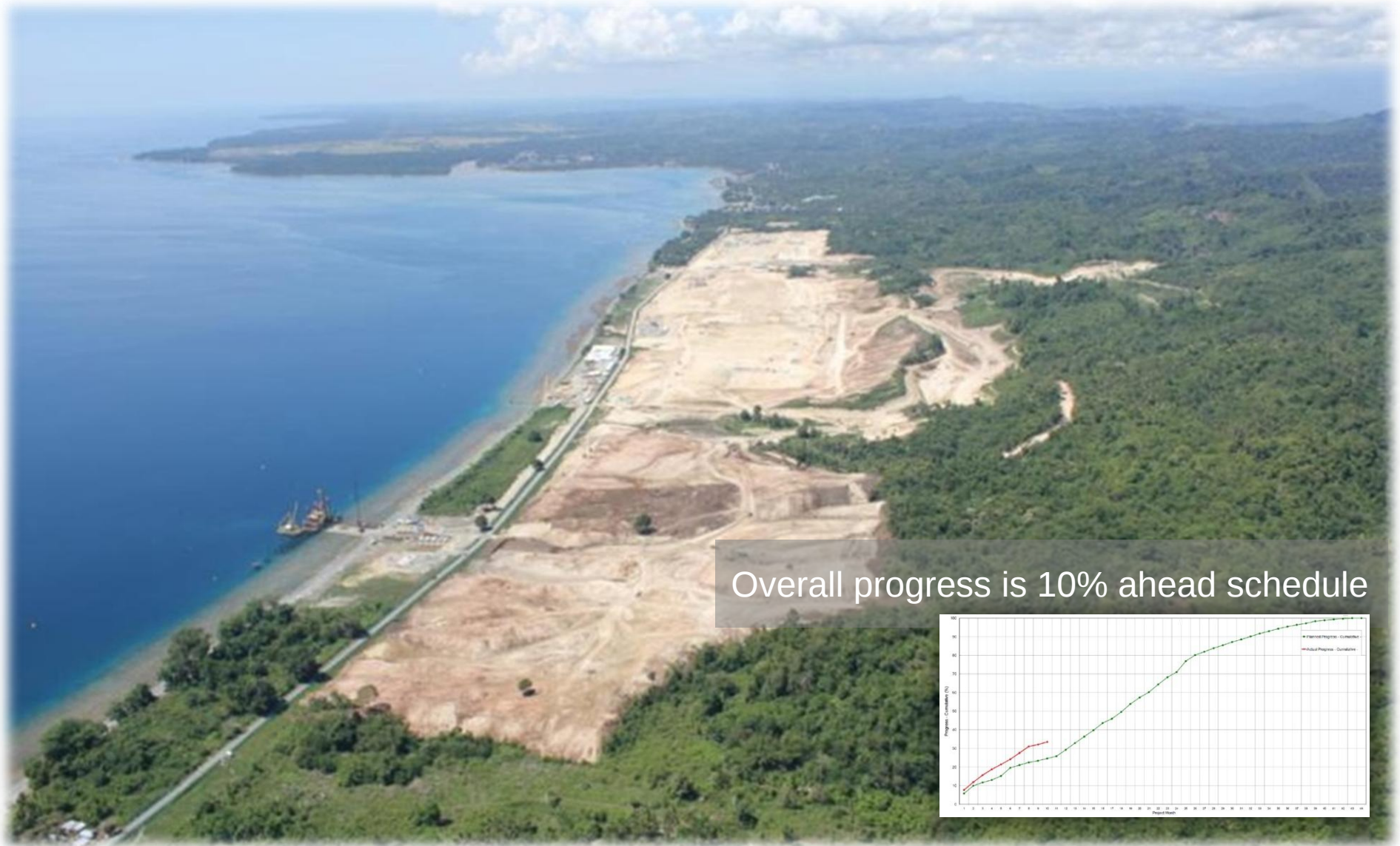
Objective: Commercialize 1.96 TCF of gross 2P reserve and contingent gas resources through LNG product

Upstream:

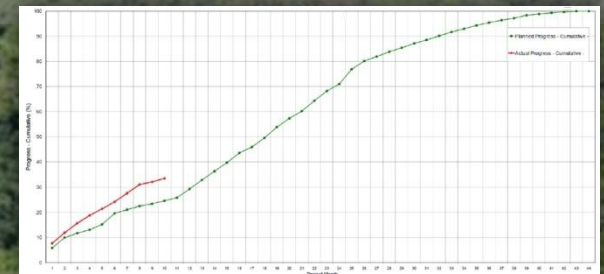
- ❖ Scope: Build 310 MMSCFD plant, target 3Q 2014
- ❖ Status:
 - FID Approved. Obtain POD approval in May 2011. AFE approved on Feb 2012
 - EPC Tender completed, target to award / LOI early April 2012
 - CPP & Jetty Land Acquisition substantially complete, site preparation work is progressing well.

Downstream:

- ❖ Scope : Build 2.1 MT per annum LNG facilities, target first LNG to buyer by 4Q 2014.
- ❖ Status:
 - Commence LNG EPC contract on 28 Feb 2011
 - EPC progress currently 38% (10% ahead of schedule)
 - Project Financing with JBIC and/or export credit agencies are under negotiation.

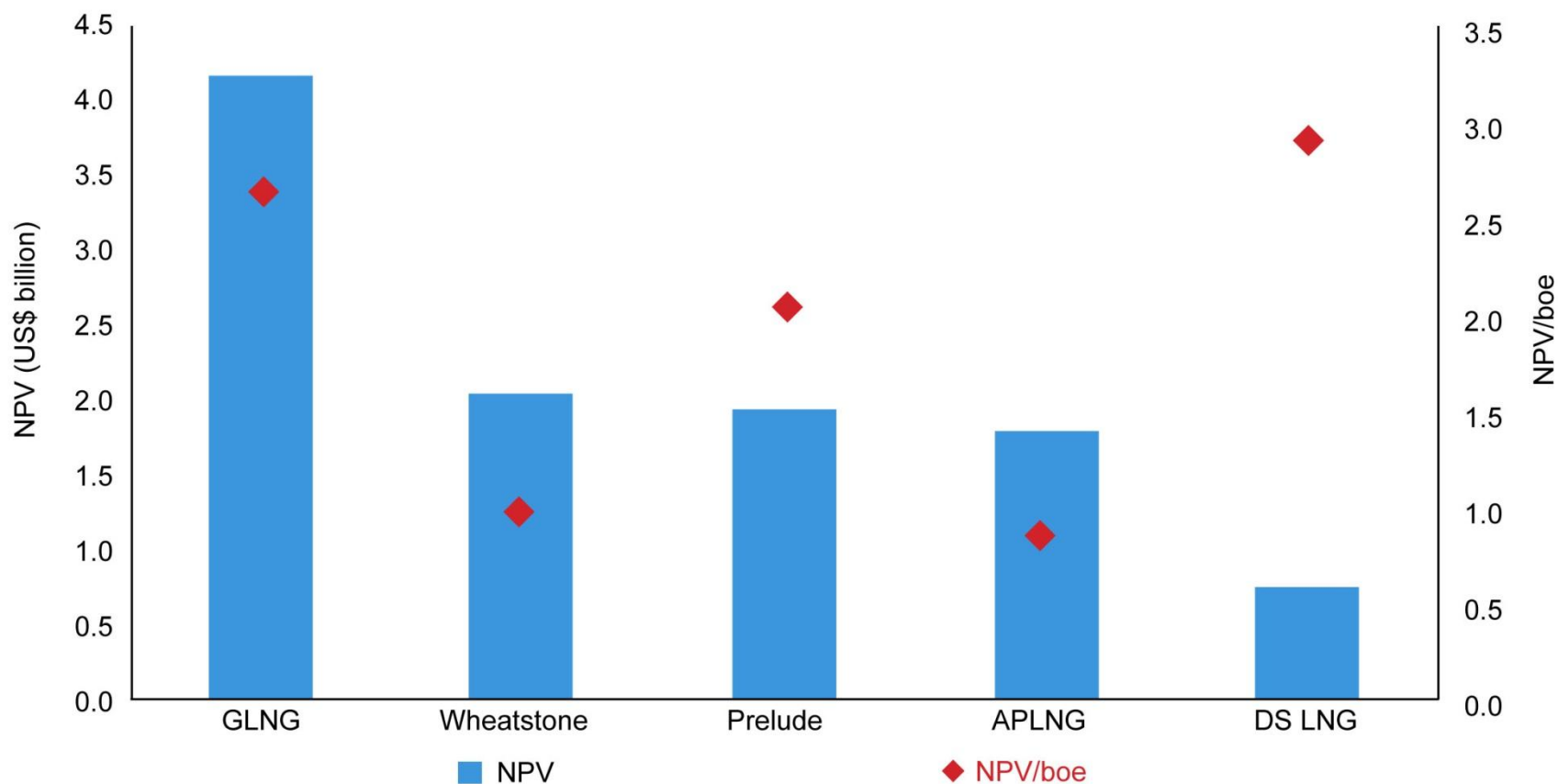


Overall progress is 10% ahead schedule

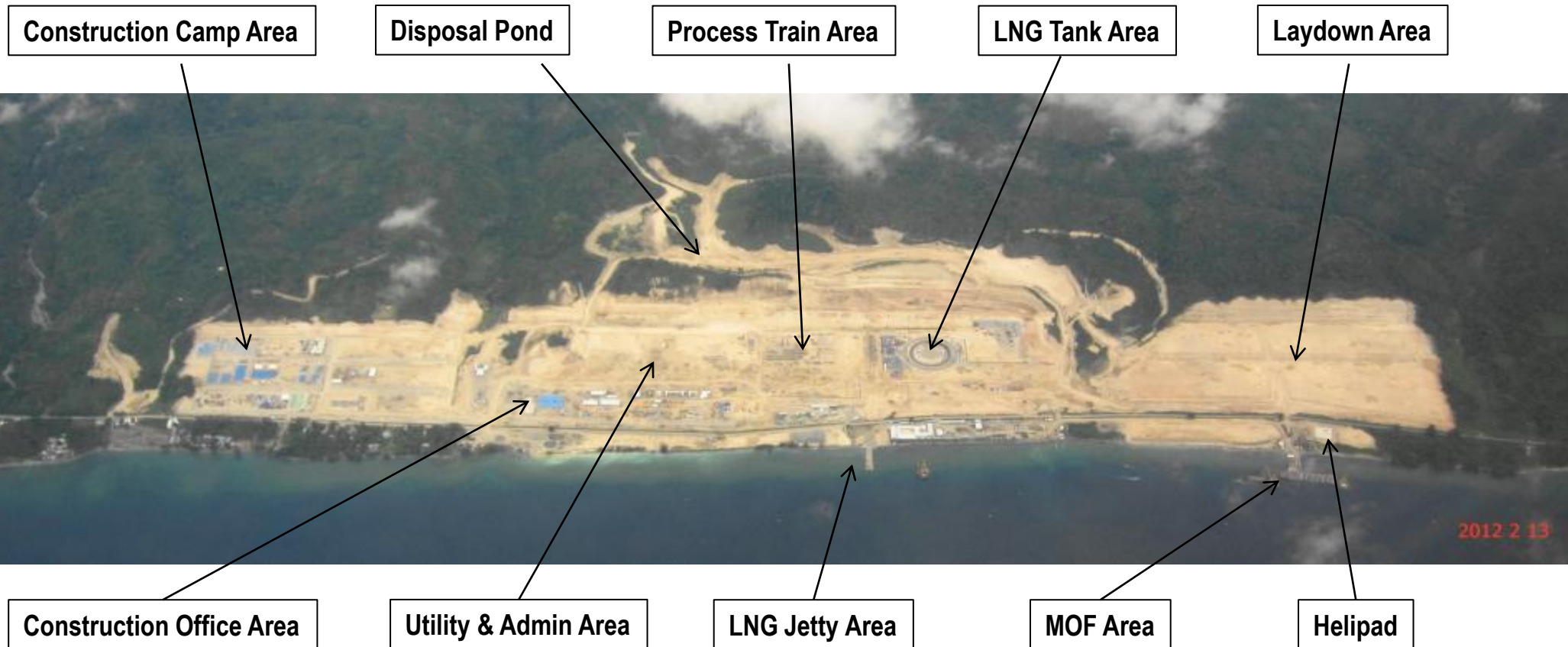


Significant potential value creation from Donggi-Senoro LNG, among the highest NPV/boe in the region

NPV for Projects which took FID in 2011



Source: Woodmac



LNG Tank Area

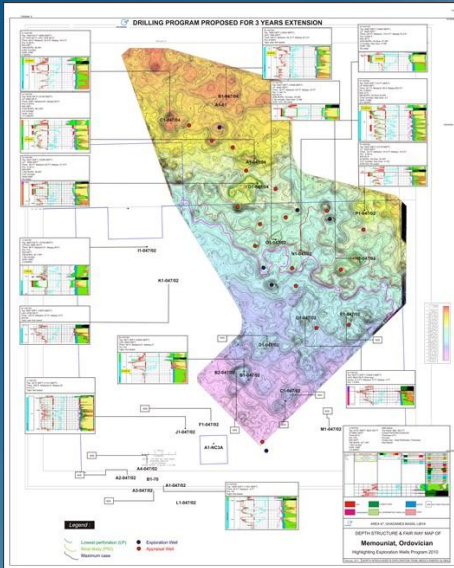


Process Train Area





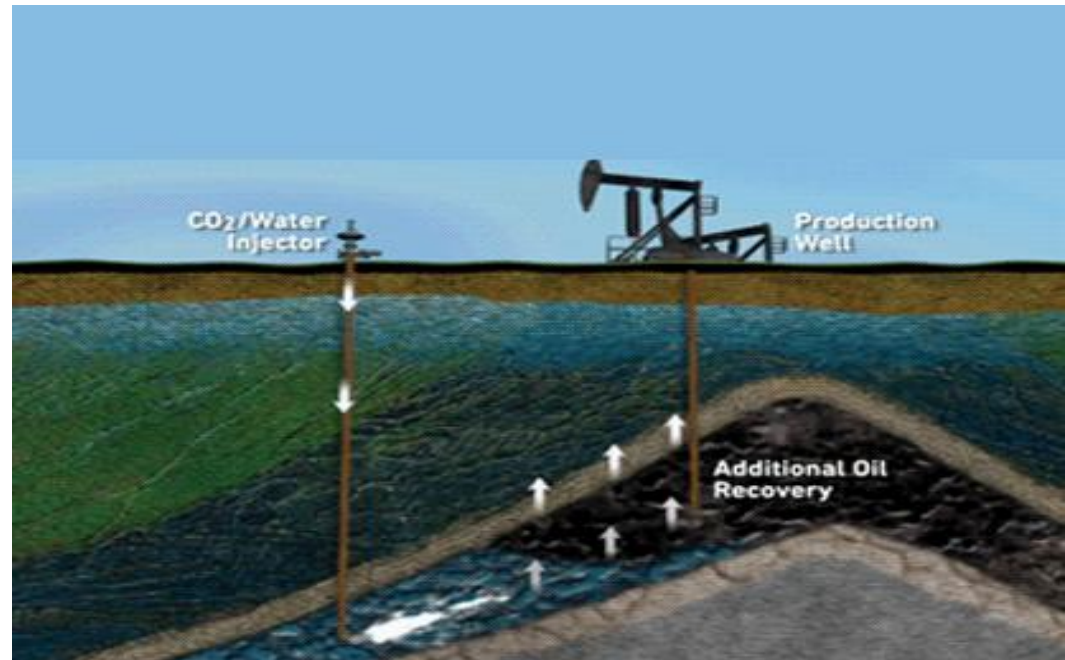
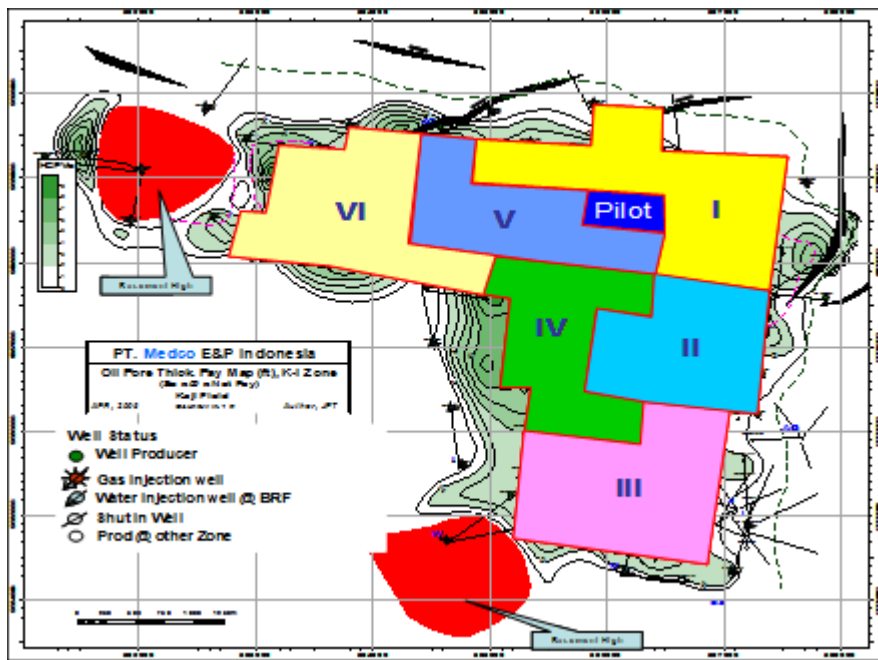
Area 47 Exploration Map



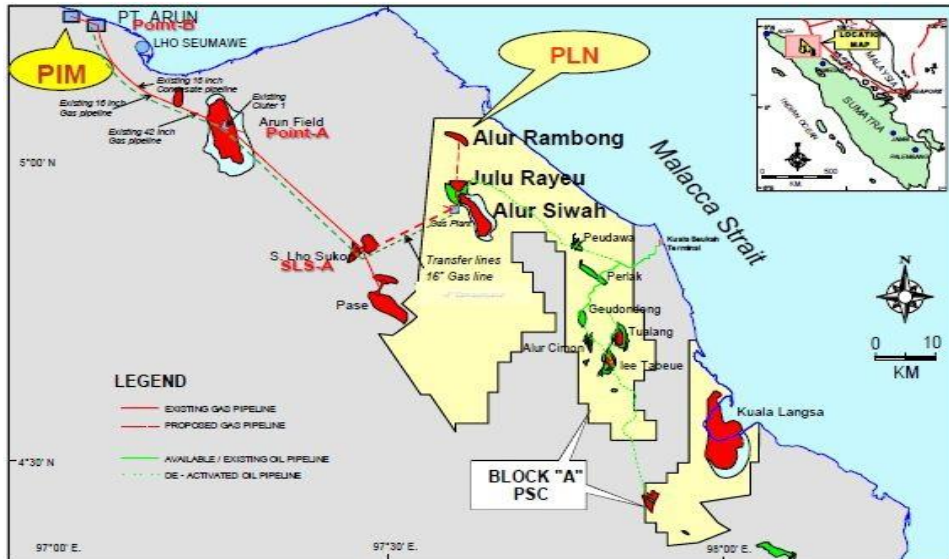
Exploration Success Ratio :
Global Conventional : 20%
Medco in Libya : 90%



- ❖ Scope : 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 Declaration on 14 December 2011.
 - Continue Joint Operation Agreement (JOA) and Shareholder Agreement (SHA) negotiation with National Oil Company (NOC) of Libya



- ❖ Objective: Increase oil production from existing reservoir using enhanced recovery technique (surfactant)
- ❖ Scope : Implementation of Chemical Flooding EOR project in Kaji Semoga to increase the recovery of oil in place by up to 60 MMBO starting 2015
- ❖ Status :
 - Started pre-flush activity in Dec 2011
 - On track to start Chemical Injection in 2Q-2012.
 - Capex will be internally funded from operation



- ❖ Scope:
2 x 60 MMSCFD gas plant and associated pipeline, to monetize 343 BCF of gross gas reserves; to supply state owned fertilizer company (PIM) and electricity company (PLN).
- ❖ Status:
 - Received PSC Extension until 2031 from the government
 - EPC contract tender in process
 - Final Investment Decision is targeted on 2Q 2012
 - Facility Sharing Agreement (FSA) Head of Agreement with Exxon Mobil has been signed, continue with detail FSA
 - Matang-1 exploration contracts ready, AR-08 rig repair plan is being finalized and plan to spud in 3Q-2012



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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