



FY12 Investors' Update

PT Medco Energi Internasional Tbk.

March, 2013 | www.medcoenergi.com | Energy Company of Choice

Table of Contents

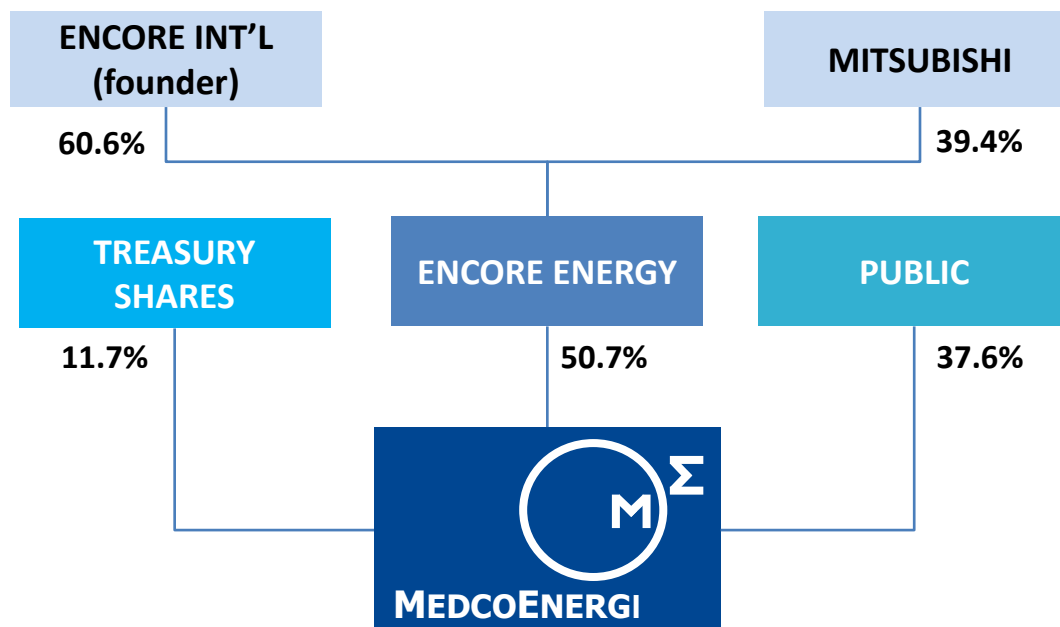


This document contains certain results of operation, and may also contain certain projections, plans, strategies, policies and objectives of the Company, which could be treated as forward looking statements within the meaning of applicable law. Forwards looking statements, by their nature, involve risks 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.

01: Company Profile	3
Shareholding Structure	4
Organizational Structure	5
Business Strategy	6
02: Company's Performance	7
Corporate Achievements Summary	8
Operational Performance	10
Financial Performance	19
Awards	22
03: Business Activities	23
Oil and Gas E&P	24
Reserves and Production Breakdown by Assets	26
Other Energy Related Business	27
Capex Profile	29
Assets Development Projects Summary	30

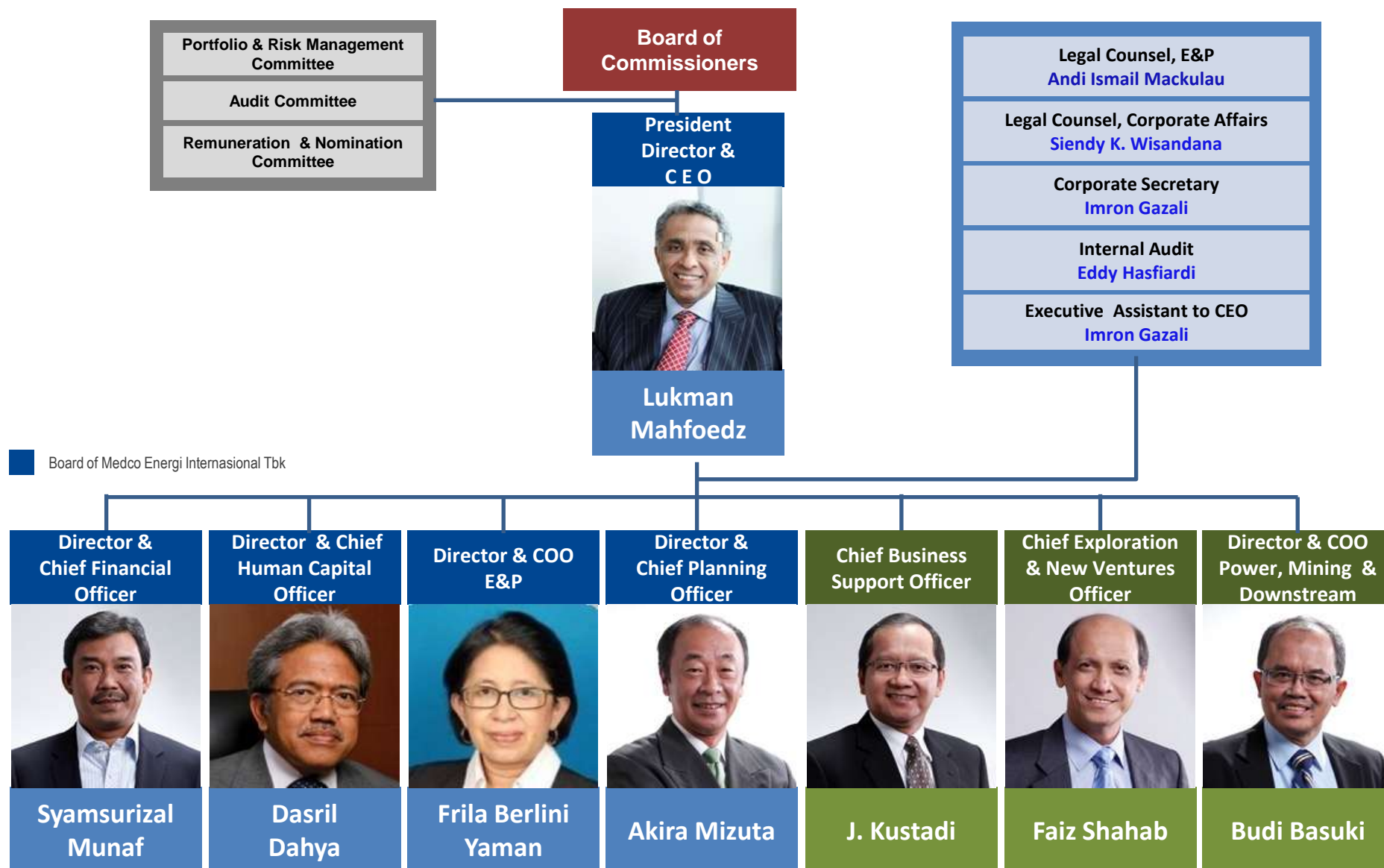
01

Company Profile



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).

Stockholders Composition (as of 31 December 2012)	Nominal Value of IDR 100 per share		Percentage (%)
	No. of Shares	Nominal Value (IDR)	
Encore Energy Pte. Ltd.	1,689,393,006	168,939,300,600	50.70
Public	1,252,603,944	125,260,394,400	37.58
Treasury Shares	390,454,500	39,045,450,000	11.72
Total	3,332,451,450	333,245,145,000	100.00



Board of Medco Energi Internasional Tbk

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.



02

Company's Performance

1

January 16th 2012 : Dilution of 51% ownership in PT Medco Power Indonesia (MPI) to PT Saratoga Power

- Shares Purchase and Subscription Agreement was signed on 14 November 2011
- Transactions started on 16 December 2011 (1st Phase) and completed on 16 January 2012 (2nd Phase)
- Total amount paid by PT Saratoga Power was USD112,000,000.

2

March 14th 2012 : Medco Signed Memorandum of Understanding to develop Coal Bed Methane (CBM)

- Partner : Korea Gas Corporation (KOGAS).
- MedcoEnergi and KOGAS will jointly identify and study all the best possibilities to monetize and add value to CBM, including business opportunities relating to CBM industry, such as: Liquefied Natural Gas (LNG), pipelined gas, Dimethyl Ether (DME).

3

June 11th 2012 : issuance of a 5-year Rupiah Bond III with Principal Amount of Rp 1.5 trillion

- Coupon Rate of 8.75% per annum.
- MedcoEnergi signed a Cross Currency Swap agreement with PT Bank DBS Indonesia and Standard Chartered Bank
- Proceed of the Bond will be received in US Dollar (USD). Medco effectively converted its Rupiah liability into USD liability
- All-in interest expense incurred is 4.85% per annum.

4

June 19th 2012 : Production from Karim Small Fields in Oman has reached over 22,000 BOPD,

- Highest production record since the service contract awarded in 2006 when production was around 9,500 BOPD.
- Medco operates Karim Small Fields under a production service contract on behalf of PDO (Petroleum Development of Oman)
- Medco Oman LLC, holds 51% of participating interest.

5

July 5th 2012 : Medco signed a Sale and Purchase Agreement with Reliance Exploration & Production DMCC (REPDMCC) to acquire 25% participating interest in Block 9 (Malik) in Republic of Yemen

- Effective economic date of 1st January 2012.
- MedcoEnergi and REPDMCC completed the SPA on 4 December 2012

6

October 1st 2012 : The maiden shipment of 38,000 tons of thermal coal from Duta Tambang Rekayasa (DTR) a subsidiary of Medco Energi Mining.

- The coal was sold to China Coal Solution Pte Ltd.
- Calorific value specification of 5,900 kcal/kg (air dried basis), medium ash and low moisture content.
- Production is estimated to achieve its full capacity of 50,000 tons of coal per month as early as January 1, 2013.

7

October 9th 2012 : Signed a Gas Sales and Purchase Agreement (GSPA) with Perusahaan Daerah Nusa Serambi Persada.

- GSPA signed through MedcoEnergi's subsidiary PT Medco E&P Simenggaris
- Daily gas supply of 5 MMSCFD for 11 years (2013 – 2024) starting in the third quarter of 2013
- Gas price of USD5.2/MMBTU with an escalation factor of 3% per year.

8

October 9th 2012 : Signed the 4th Amendment of the GSPA with PLN Borang, South Sumatra.

- The GSPA Amendment constituted price increase from USD2.55/MMBTU to a range between USD 4.7-6.0/MMBTU.
- Furthermore, the Amendment also set the gas price to be adjusted at USD6.00/MMBTU starting in June 2013.

9

October 11th 2012 : Dilution of 63.88% ownership in PT Medco Sarana Kalibaru (MSK) to Puma Energy LLC.

- PT Medco Sarana Kalibaru is the fuel storage and distribution subsidiary of PT Medco Energi Internasional.
- The new venture will be called PT Puma Medco Petroleum.
- This agreement was completed on 4 December 2012.

10

December 1th 2012 : Signed an Amendment of the GSPA with PT Mitra Energi Buana, South Sumatra.

- The GSPA will take effect on 1 December 2012 and will last for five years or until the Total Contract Quantity (TCQ) volume has been fulfilled, whichever earlier.
- Gas supply will be increased from 2.5 BBTUD to 3.7 BBTUD. The TCQ volume was also increased from 6.1 TBTU to 12.6 TBTU.
- Gas price was adjusted from USD3.41/MMBTU to USD6.04/MMBTU in 2012, with an escalation factor of 3% per year.

11

December 12th 2012 : Issuance of Medco Energi Internasional Shelf-Registered Bond I in the amount of IDR 4.5 trillion for a 5-year maturity period

- First phase issuance amounted up to IDR 500 billion, the Bond is rated idAA- from Pefindo.
- Coupon rate of 8.8%, but after Cross Currency Swap with DBS and StanChart all-in interest rate will be 4.6%.

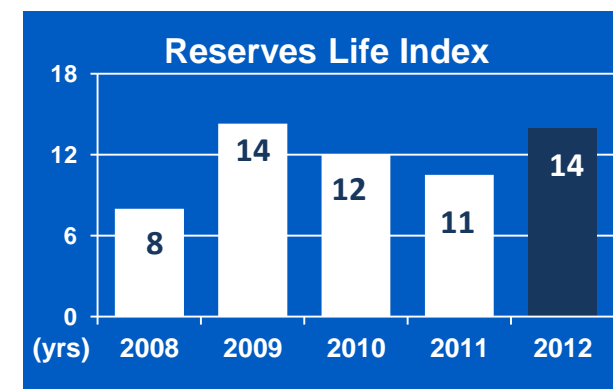
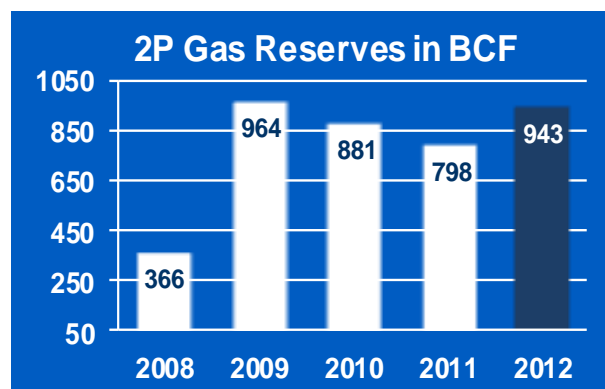
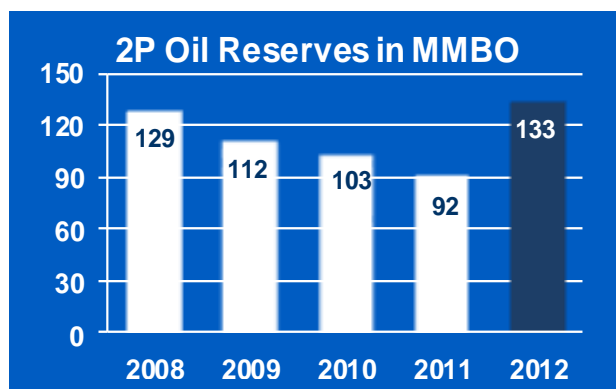
12

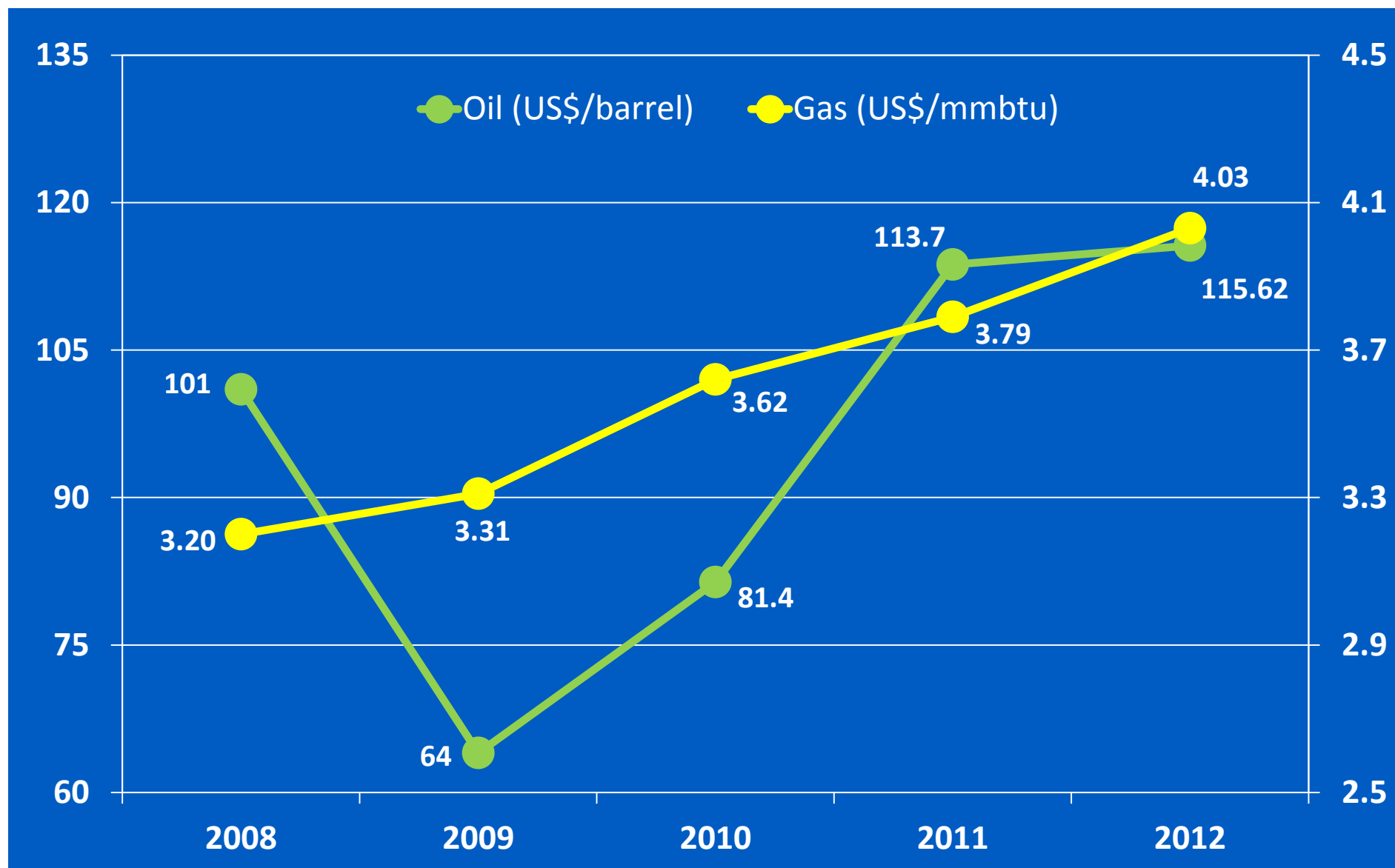
January 21st 2013 : Signed New GSPA in Senoro-Toili and Increased Gas Sales Price to PGN and Meppogen.

- The GSPA is with ammonia plant PT Panca Amara Utama for 2015-2017 with delivery of 55mmscfd and gas price of US\$8.44/mmbtu.
- Gas price increase from South and Central Sumatra to PGN from US\$6.9/mmbtu to US\$7.11/mmbtu with 3% escalation per annum.
- Gas price increase from South and Central Sumatra to Meppogen from US\$2.3/mmbtu to US\$6.5/mmbtu.

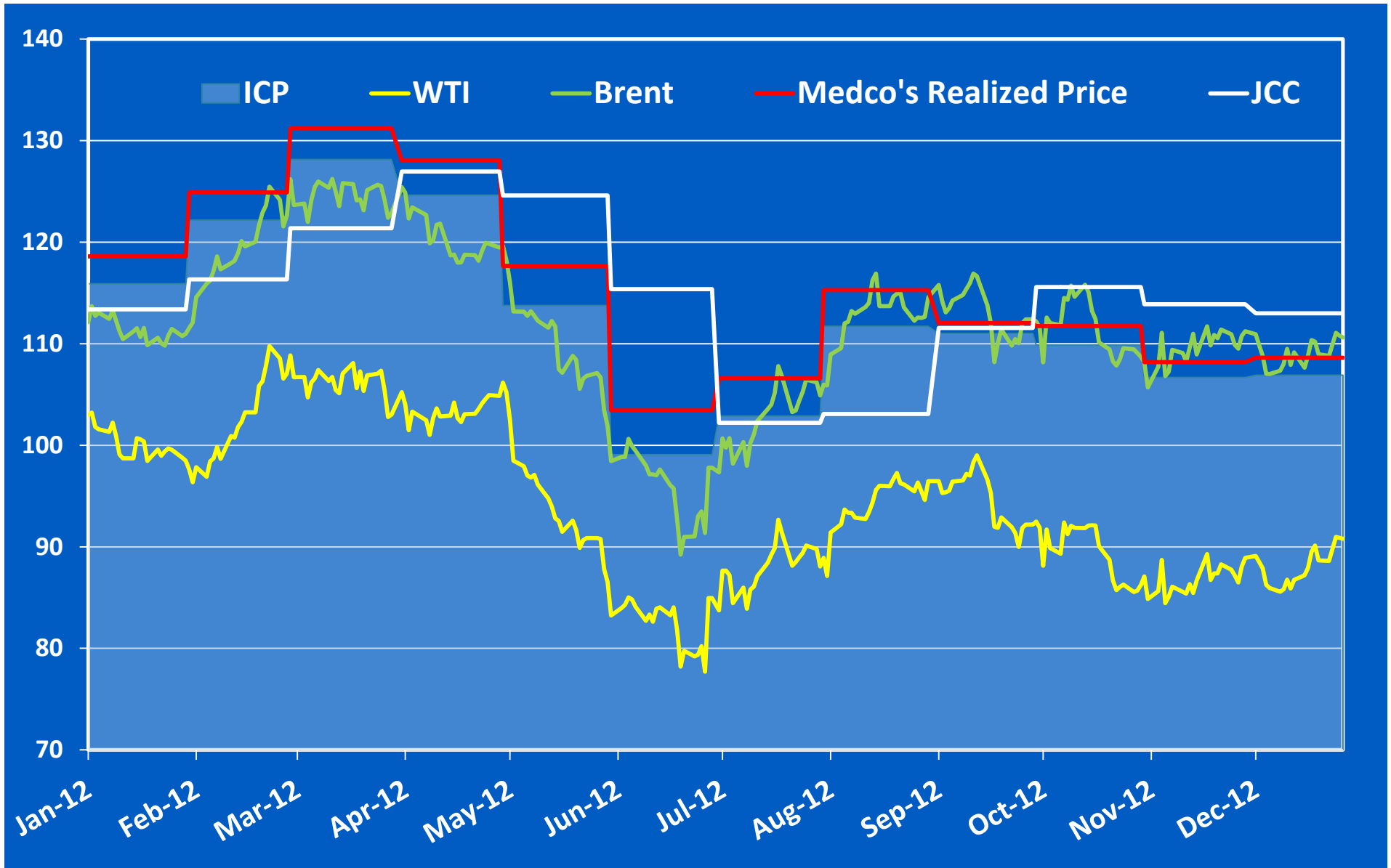
Oil and Gas E&P	FY11	FY12	Δ%
Proved Reserves - 1P (MMBOE)	177.6	227.1	27.9
Proved and Probable Reserves - 2P (MMBOE)	228.1	294.0	28.9
Oil Lifting / MBOPD	30.4	29.8	(2.0)
Oman Service Contract / MBOPD	9.5	10.4	9.9
Gas Sales / BBTUPD	163.2	153.9	(5.7)
Total Oil and Gas (MBOEPD)*	58.3	56.1	(3.8)
Average Oil Price, USD/barrel	113.7	115.6	1.7
Average Gas Price, USD/mmbtu	3.8	4.0	6.1
LPG Sales / MT per day	41.8	40.1	(4.1)
LPG Price/ USD per MT	787.5	855.1	8.6

*excluding Oman Service contract

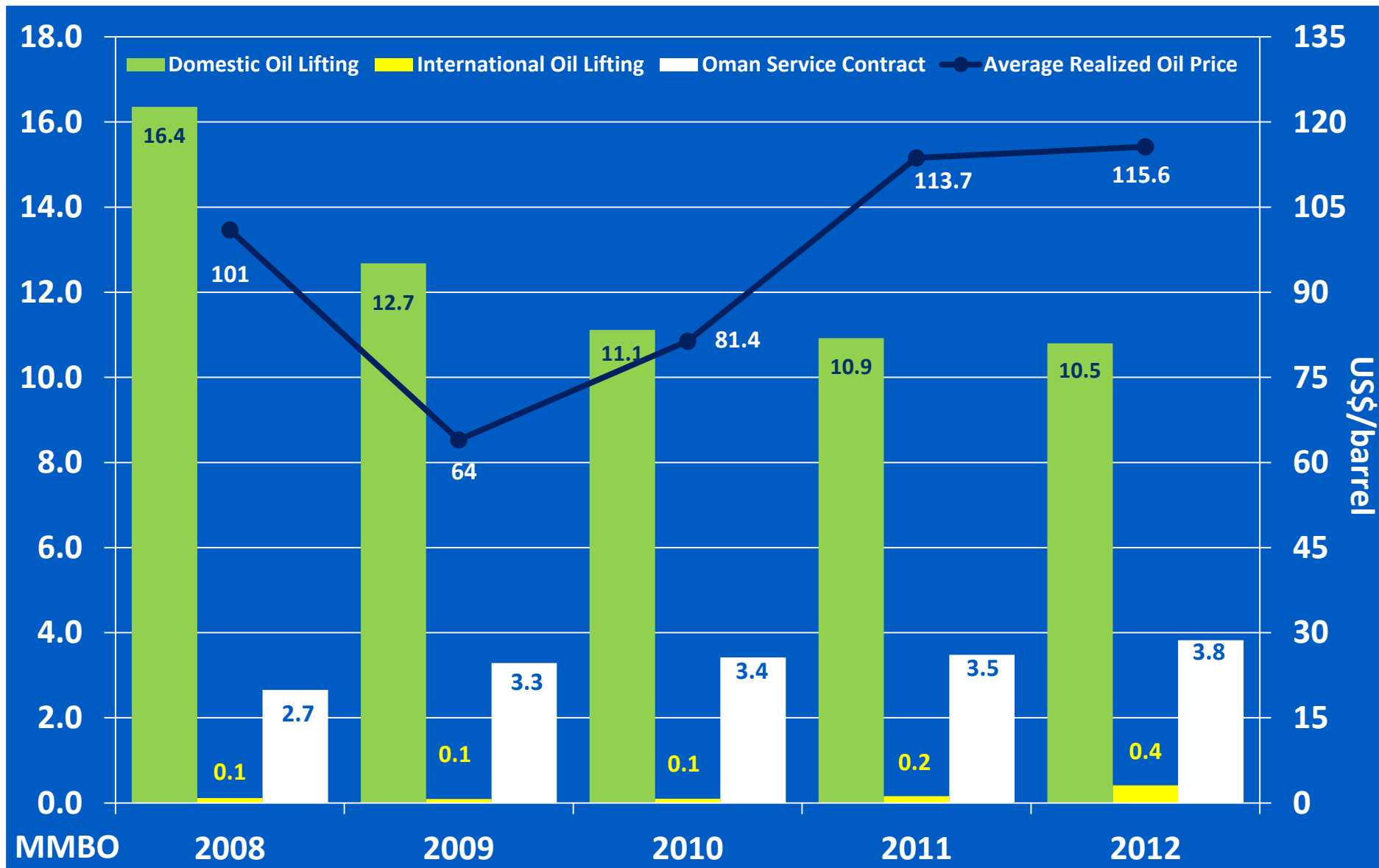




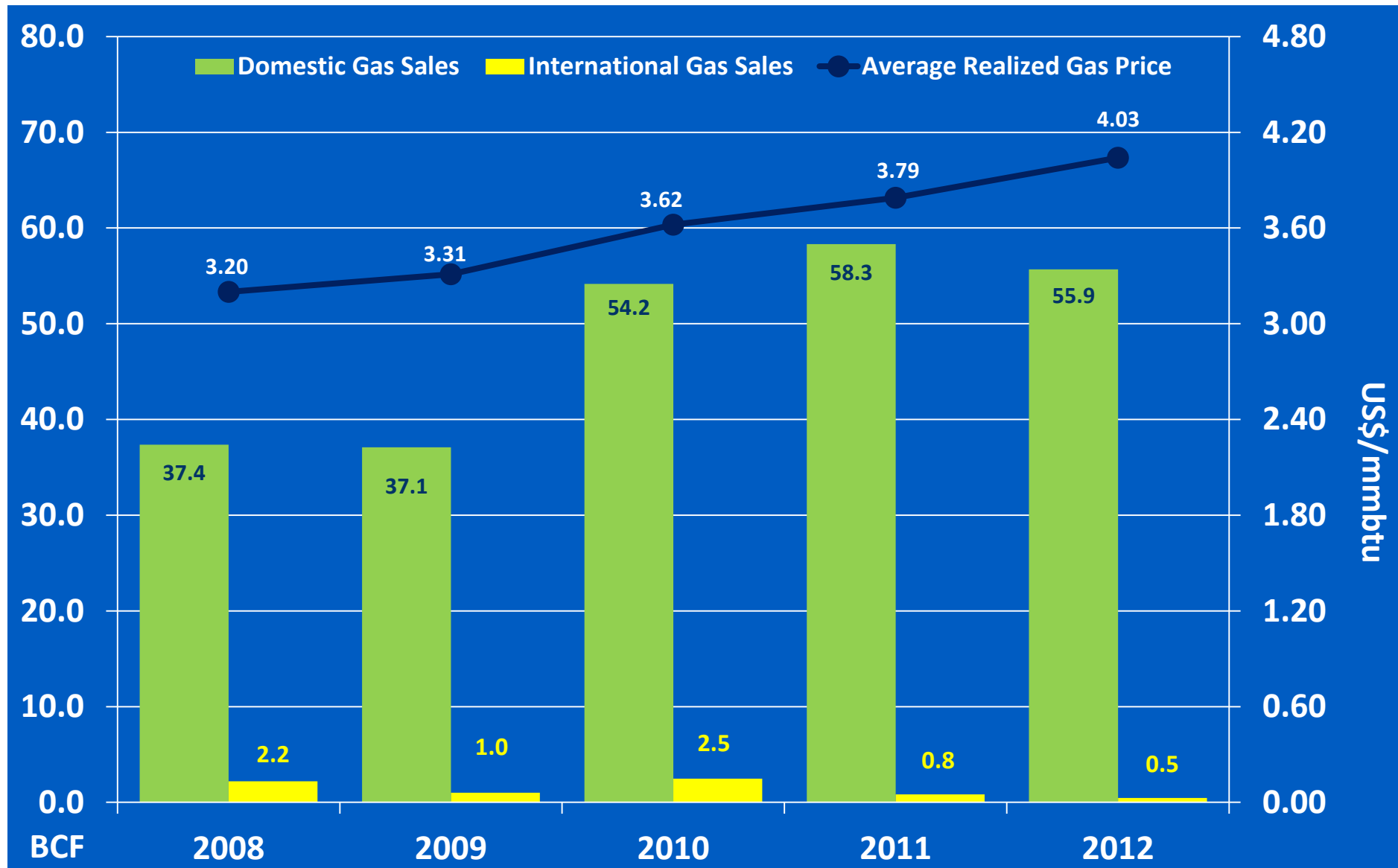
Oil Price Comparison



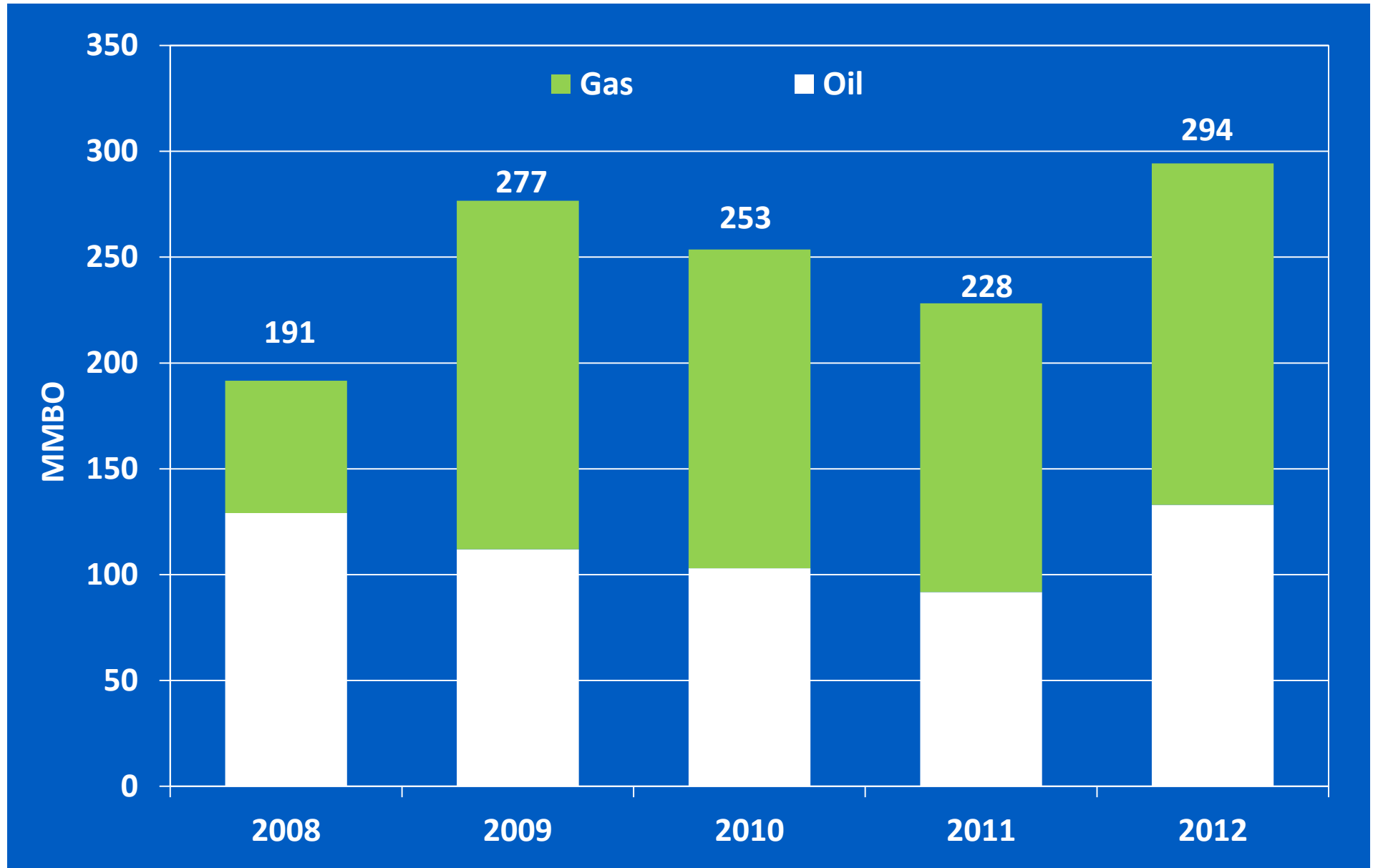
Oil Lifting* And Service Contract

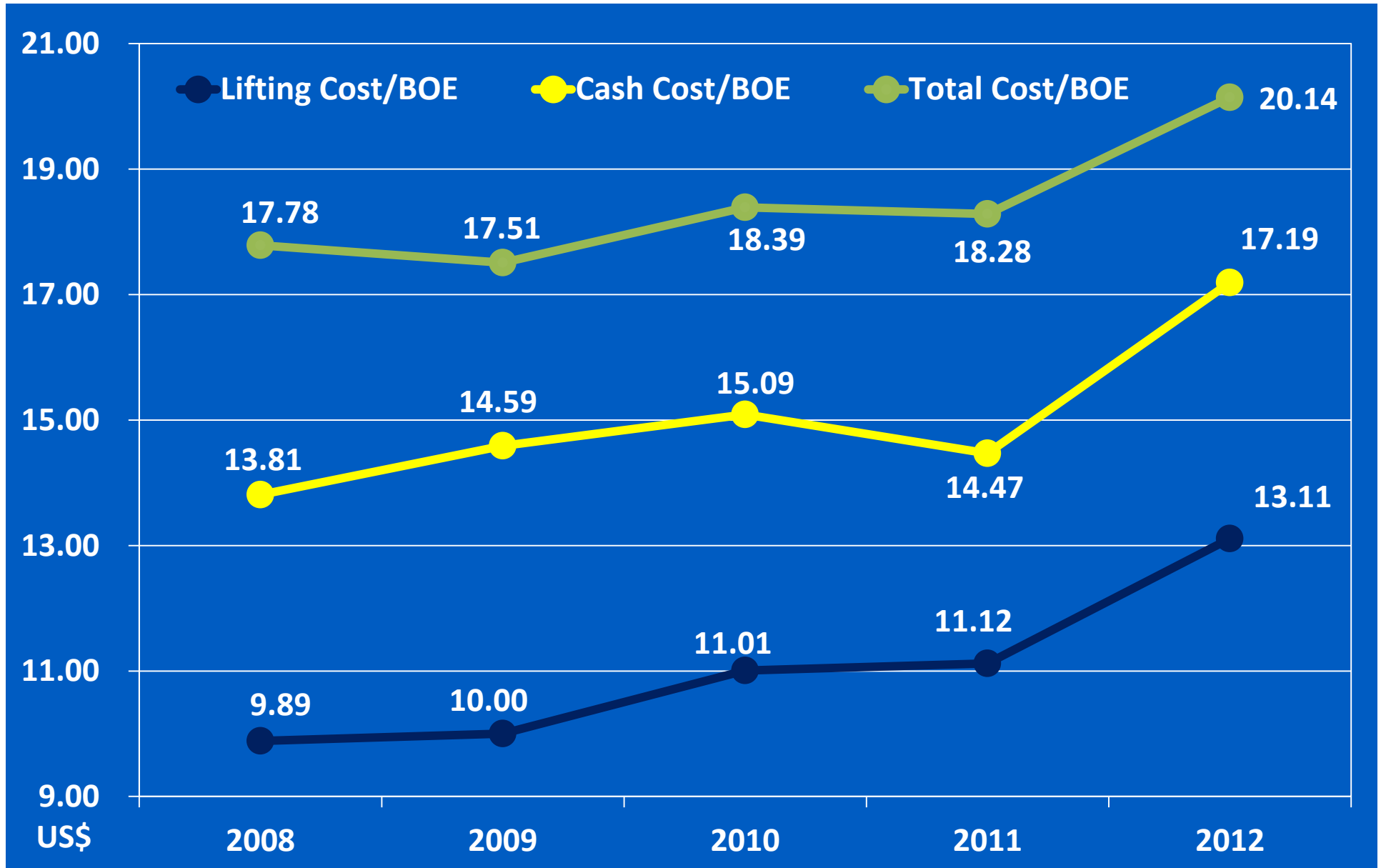


*Net to MedcoEnergi, includes government portion

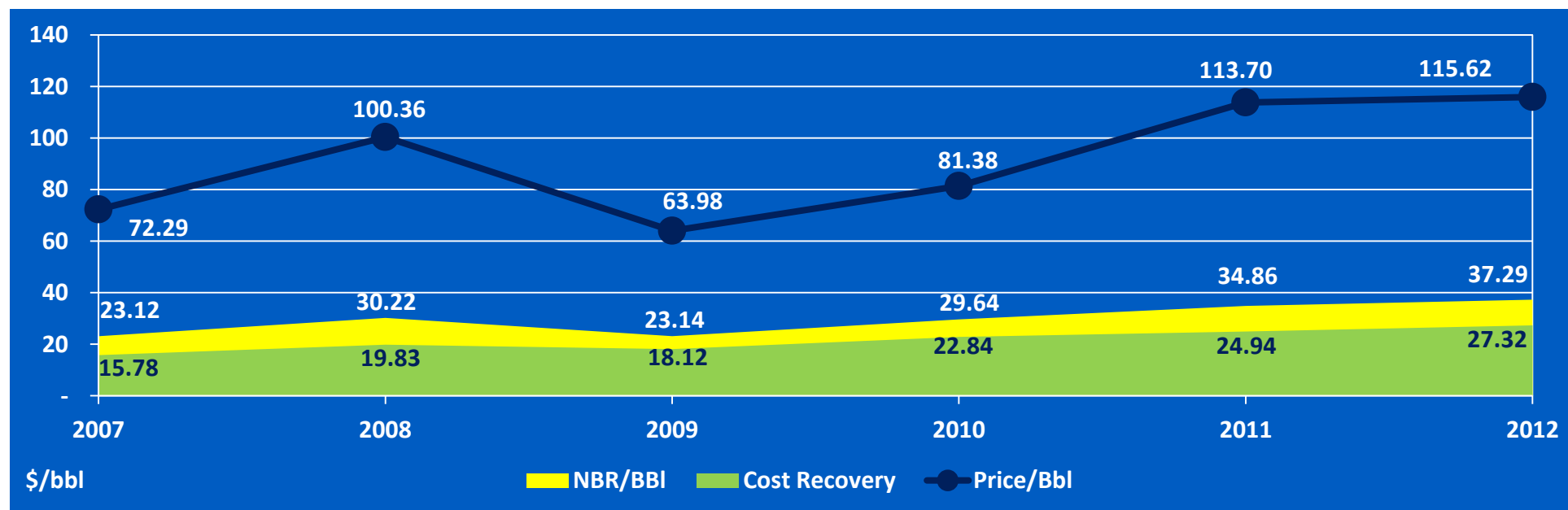
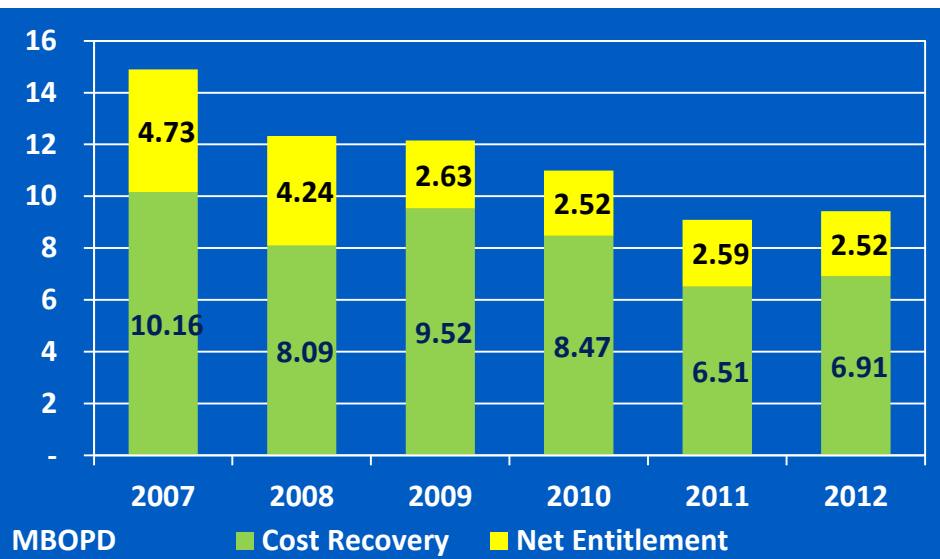
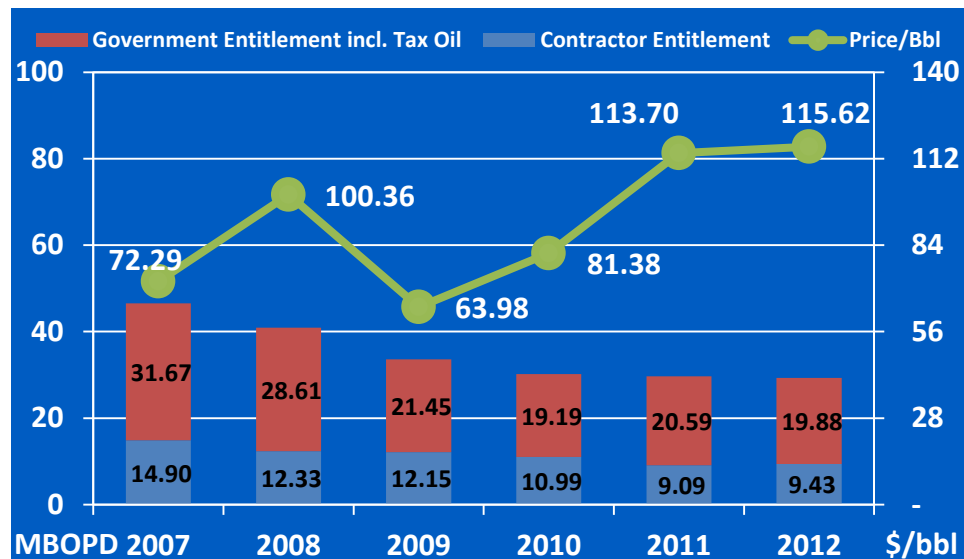


*Net to MedcoEnergi, includes government portion

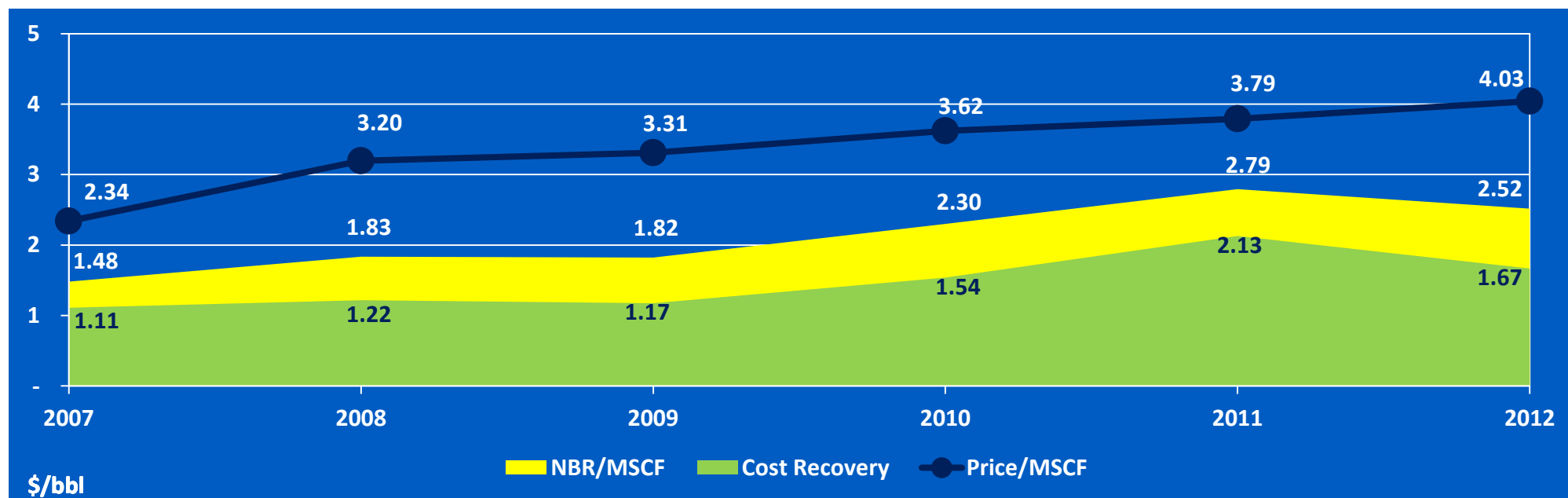
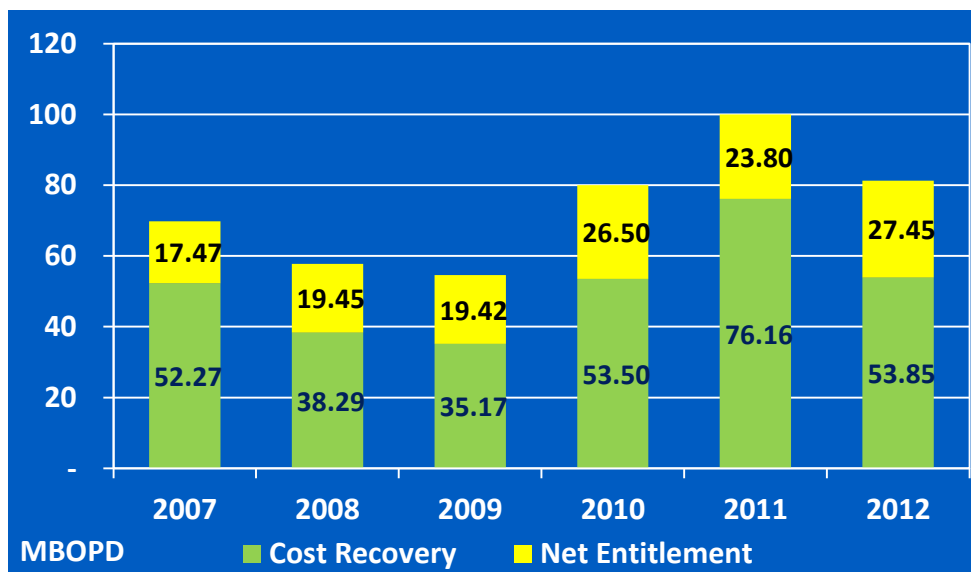
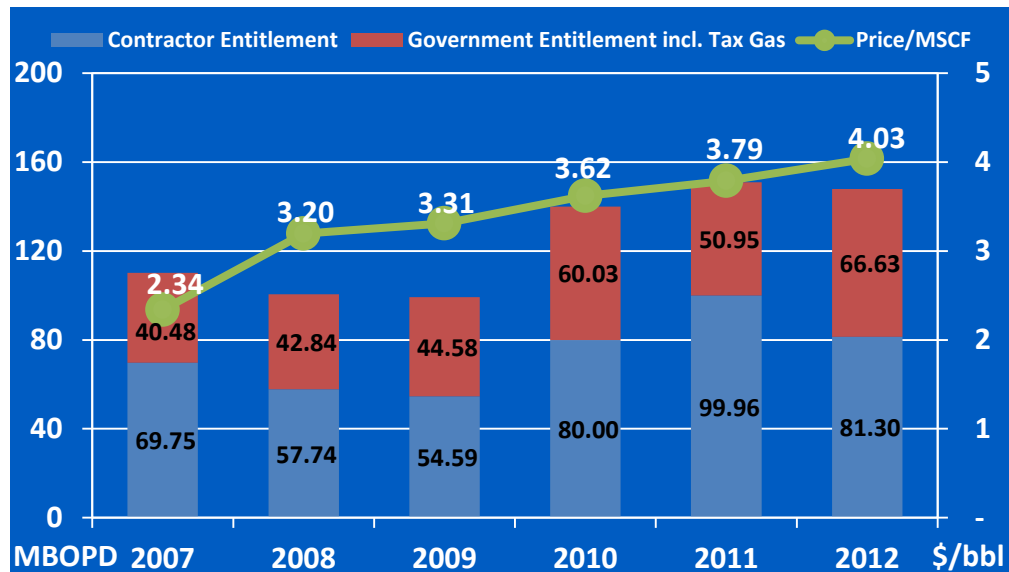


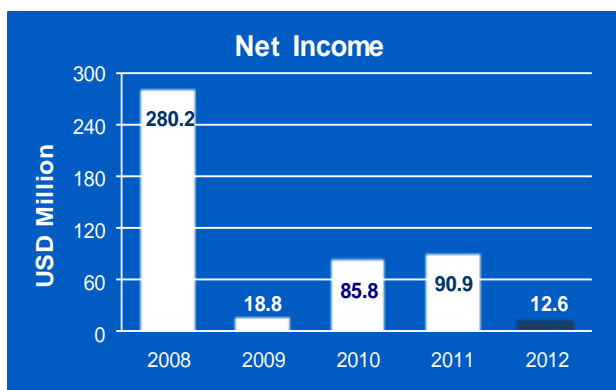
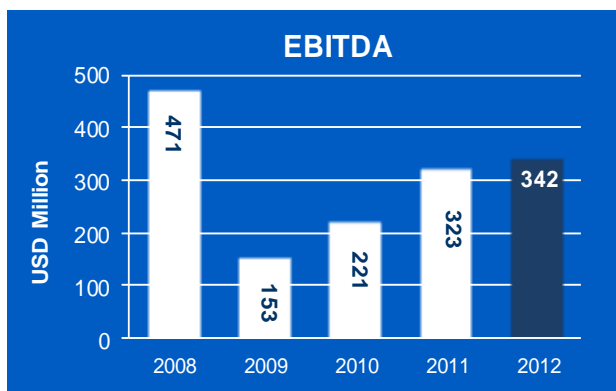
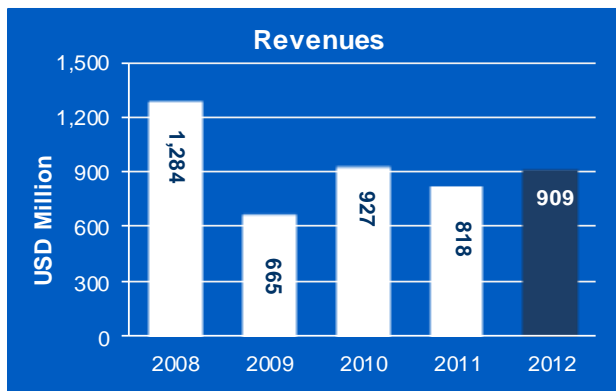


Oil Net Entitlement, Cost Recovery and Net Back

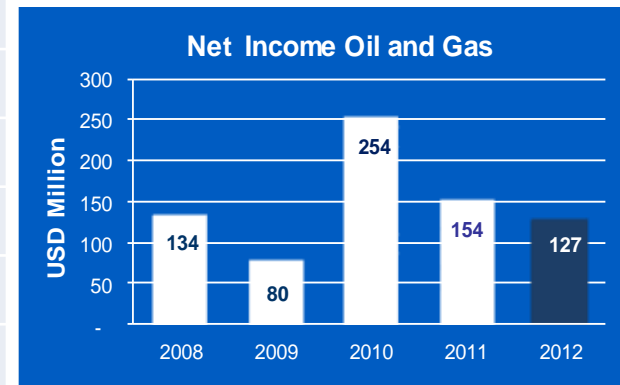
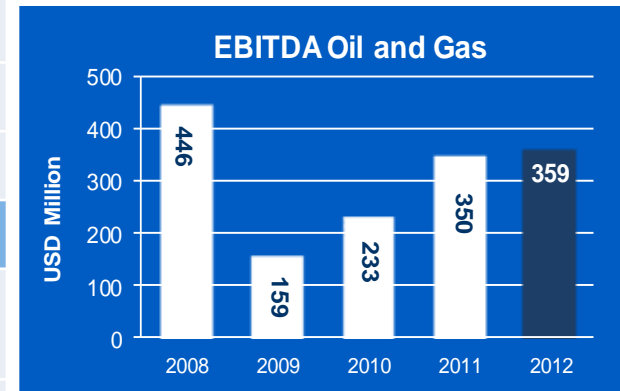
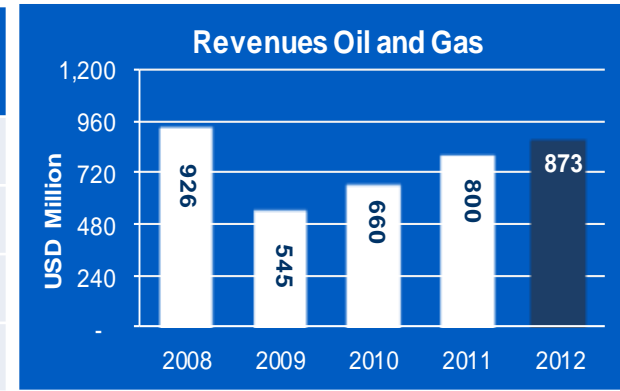


Gas Net Entitlement, Cost Recovery and Net Back



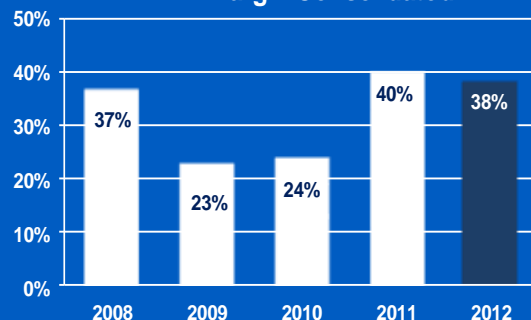


Financial Highlights (USD mm)	FY11	FY12	Δ%
Revenue	817.7	909.0	11.2
• Oil and Gas	800.5	873.0	9.1
• Non Oil and Gas	17.2	36.0	108.9
Gross Profit	350.9	396.2	12.9
Operating Income	220.3	253.2	14.9
EBITDA	323.0	341.5	5.7
Earnings Before Tax	213.7	180.5	(15.5)
Net Income*	90.9	12.6	(86.2)
Cash and Cash Equivalents	704.0	523.7	(25.6)
Total Assets	2,597.8	2,655.8	2.2
Total Liabilities	1,730.1	1,812.6	4.8
Equity*	857.8	835.1	(2.6)
Market Capitalization	891.2	561.7	(37.0)
EPS (USD/share)	0.0309	0.0043	(86.1)
Capex	156.3	240.0	53.5

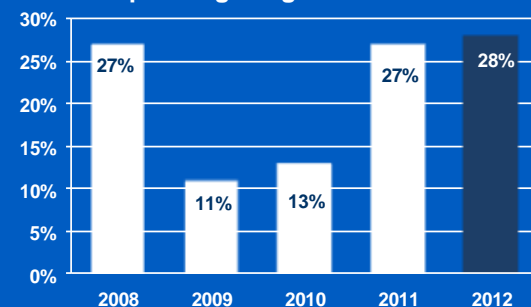


*Attributable to Equity holders of the parents

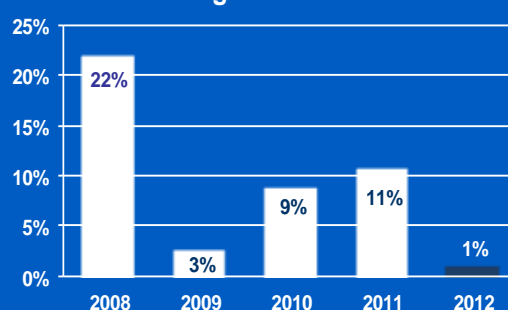
EBITDA Margin Consolidated



Operating Margin Consolidated



Net Margin Consolidated



Profitability Ratios (%)

	FY11	FY12	Δ%
Gross Margin	42.9%	43.6%	1.6
EBITDA Margin	39.5%	37.6%	(4.9)
Operating Margin	26.9%	27.9%	3.4
Net Margin	11.1%	1.4%	(87.5)
Return on Equity	10.6%	1.5%	(85.8)

Leverage Ratios (x)

	FY11	FY12	Δ%
Debt to Equity Ratio	1.51	1.62	6.8
Net Debt to Equity Ratio	0.69	0.99	42.7
Total Liabilities to Total Equity	2.02	2.17	7.7

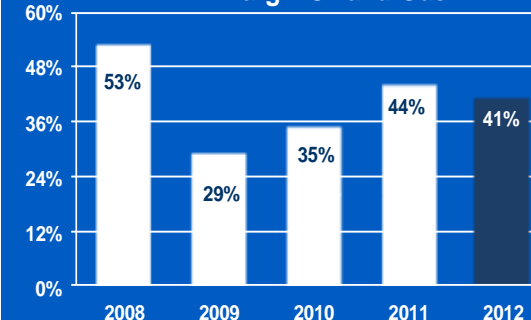
Coverage Ratios (x)

	FY11	FY12	Δ%
Debt to EBITDA	4.02	3.95	(1.7)
Net debt to EBITDA	1.84	2.42	31.4
EBITDA to Interest	4.16	3.56	(14.5)

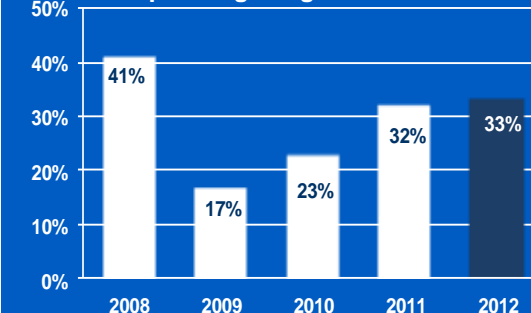
Efficiency Ratios (x)

	FY11	FY12	Δ%
Revenue/ fixed assets	0.85	0.84	(1.3)
Revenue/ net working capital	1.67	1.28	(23.4)

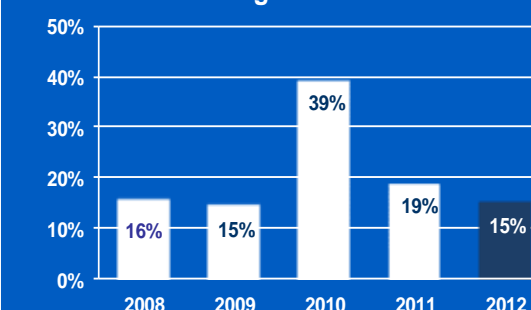
EBITDA Margin Oil and Gas






Operating Margin Oil and Gas



Net Margin Oil and Gas



CONSOLIDATED DEBTS (in USD mn)	FY11	FY12	Δ%
A. Total Bank Loans	879.5	777.2	(11.6)
Current	413.1	122.9	(70.3)
Non Current	466.4	654.4	40.3
B. Other Obligations	419.6	573.0	36.6
Current: MTN	64.9	40.4	(37.8)
Rupiah Bonds	56.6	0.0	n.m.
Non Current: Related Party	70.0	125.7	79.6
MTN	40.3	0.0	n.m.
Rupiah Bonds	108.4	307.5	183.8
USD Bonds	79.4	99.3	25.1
Total	1,299.1	1,350.2	3.9

Fasilitas Stand by Loan	Liquidity (x)	FY11	FY12	Δ%
 <ul style="list-style-type: none"> • US\$ 150 Million 	Cash Ratio	0.87	1.21	39.7
	Quick Ratio	1.50	2.46	64.0
	Current Ratio	1.61	2.65	65.0
 <ul style="list-style-type: none"> • US\$ 200 Million 	Investment Ratios (x)	FY11	FY12	Δ%
	CapEx to Revenue	0.19	0.26	38.1
	CapEx to Depreciation	1.52	2.72	78.5
 <ul style="list-style-type: none"> • US\$ 140 Million 	Capital Structure (x)	FY11	FY12	Δ%
	Net debt to equity	0.69	0.99	42.7
	Net debt to (net debt + equity)	0.41	0.50	21.4
	Debt to Capital	0.60	0.62	2.6



2012

- Gold PROPER for Rimau Block in South Sumatra, Green PROPER for South Sumatra Extension Block (South Sumatra), Tarakan Block (East Kalimantan), Kampar Block (Riau) and Sembakung Block (East Kalimantan), and Blue PROPER for Lematang Block (South Sumatra) and Medco Ethanol Lampung from the Ministry of Environment of Indonesia.
- GCG Award – The Best Non-Financial from Indonesian Institute for Corporate Directorship
- Best Booth Award – Achieved best booth at Indonesian Petroleum Association Exhibition 2012



2011

- Gold PROPER for Rimau Block in South Sumatra and Green PROPER for South Sumatra Extension Block (South Sumatra), Tarakan Block (East Kalimantan), and Kampar Block (Riau) from the Ministry of Environment of Indonesia.
- GCG Award – The Best Non-Financial from Indonesian Institute for Corporate Directorship
- Asia's Best Corporate Social Responsibility from Finance Asia Magazine
- Attained 4 awards for four different categories in CSR Award 2011 from CFCD for Rimau Block



2010

- GCG Award – The Best Equitable Treatment of Shareholders from the Indonesian Institute for Corporate Directorship
- Green PROPER for Rimau Block, South Sumatra Extension and Kampar from Ministry of Environment of Indonesia.
- Millennium Development Goals Award from Metro TV for category of Environmental Sustainability



2009

- GCG Award – Best Overall 2009 from Indonesian Institute for Corporate Directorship
- Annual Report Award 2008 as first runner-up in the category of private non-financial public and listed company
- Millennium Development Goals Award from Metro TV for category Improvement Gender Equality and Women Empowerment through its community development program of Organic System of Rice Intensification (SRI)

2008

- Green Corporate Award in the category of Environment for Medco Methanol Bunyu from Association of Indonesian Engineers
- Environmental Management & Monitoring Award for Medco Power Indonesia from Ministry of Environment of Indonesia
- Zero Accident Award for PT Medco LPG Kaji from Department of Manpower RI

2007

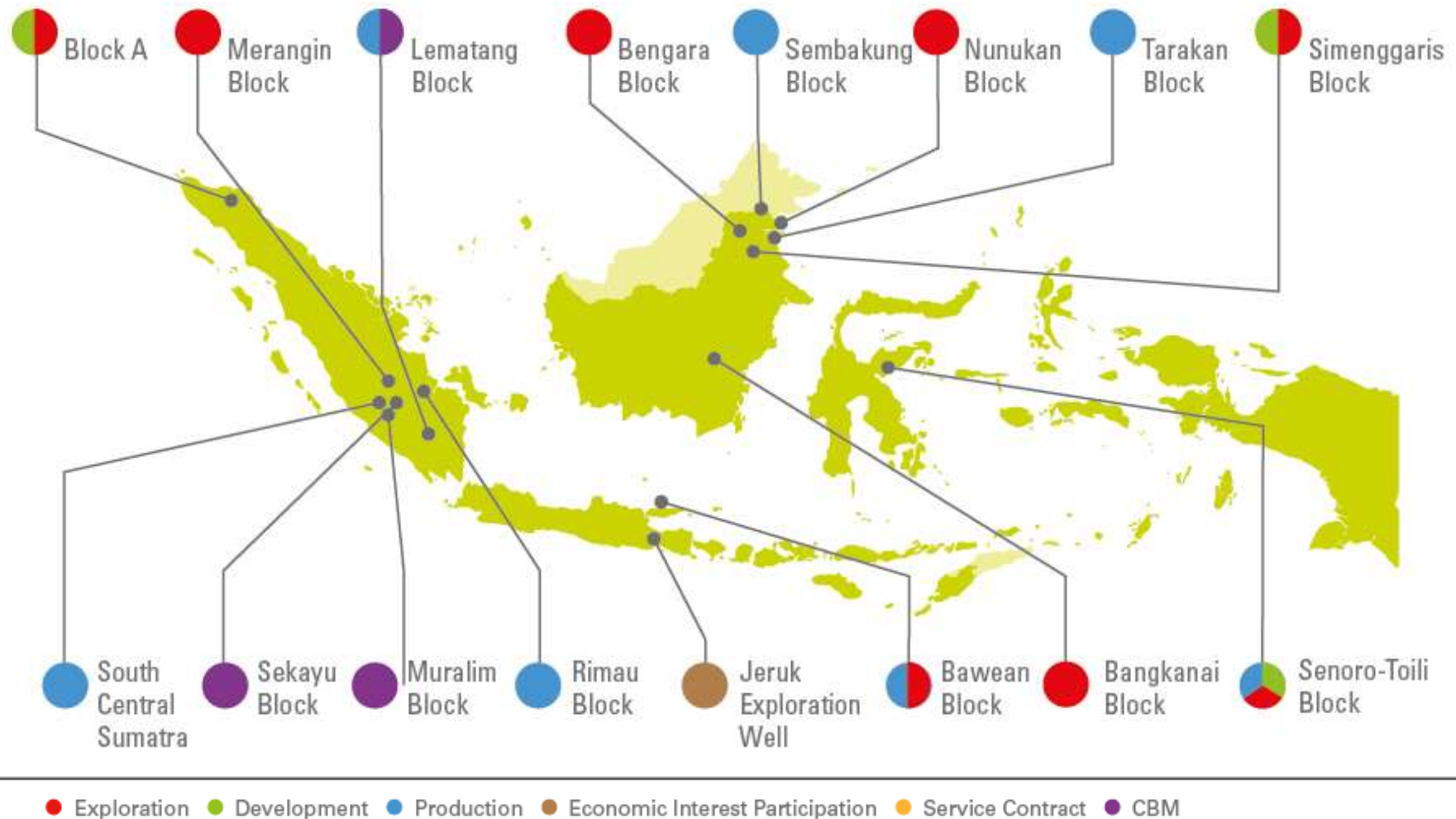
- "No Lost Time Accident" awards from the Government for several assets including Tarakan and Rimau blocks
- Social Empowerment Award from the Coordination Ministry of Peoples Welfare (Menko Kesra) in 2007
- One of Indonesia's Most Admired Knowledge Enterprises (MAKE) 2007

2006

- The best Annual Report in the Annual Report Award 2005
- The best of top 10 Companies at GCG Perception Index by IICG and SWA Magazine
- One of Indonesia's Most Admired Knowledge Enterprises (MAKE) 2007

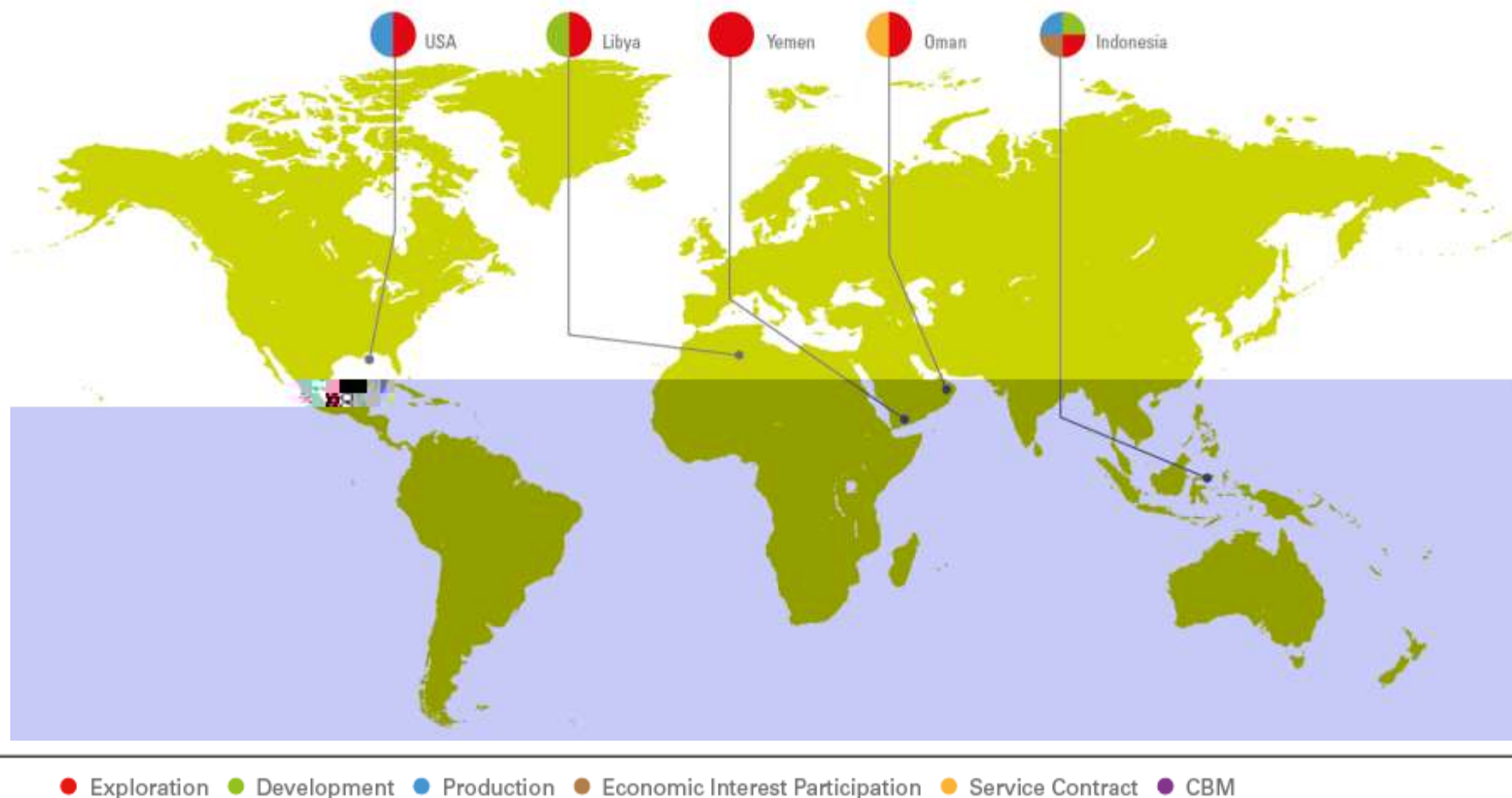
03

Business Activities



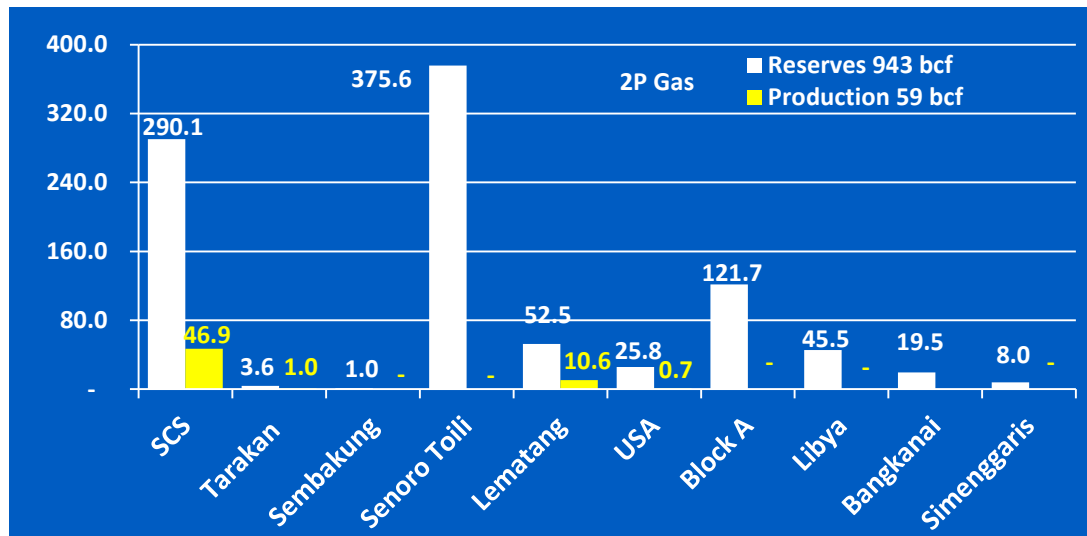
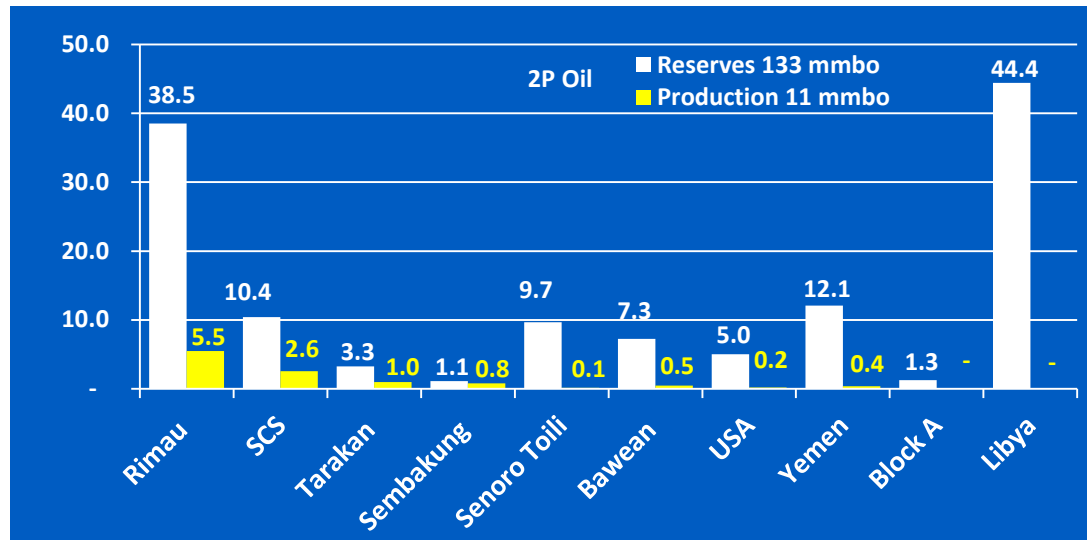
In Indonesia, Medco operates 10 blocks, maintains working interests in 3 blocks operated by strategic partners, and holds economic participating interest in an exploration field.

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



Medco's international operations spread across 7 assets in Asia, Africa, and the US.

“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. For FY12, the addition of reserves from Libya, SCS, and Yemen has increased the 2P Oil and Gas reserves to 133 mmbo and 943 bcf respectively.

❖ As of FY12, Medco’s 2P reserves are comprised of **45% oil** and **55% 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
- Yemen 9

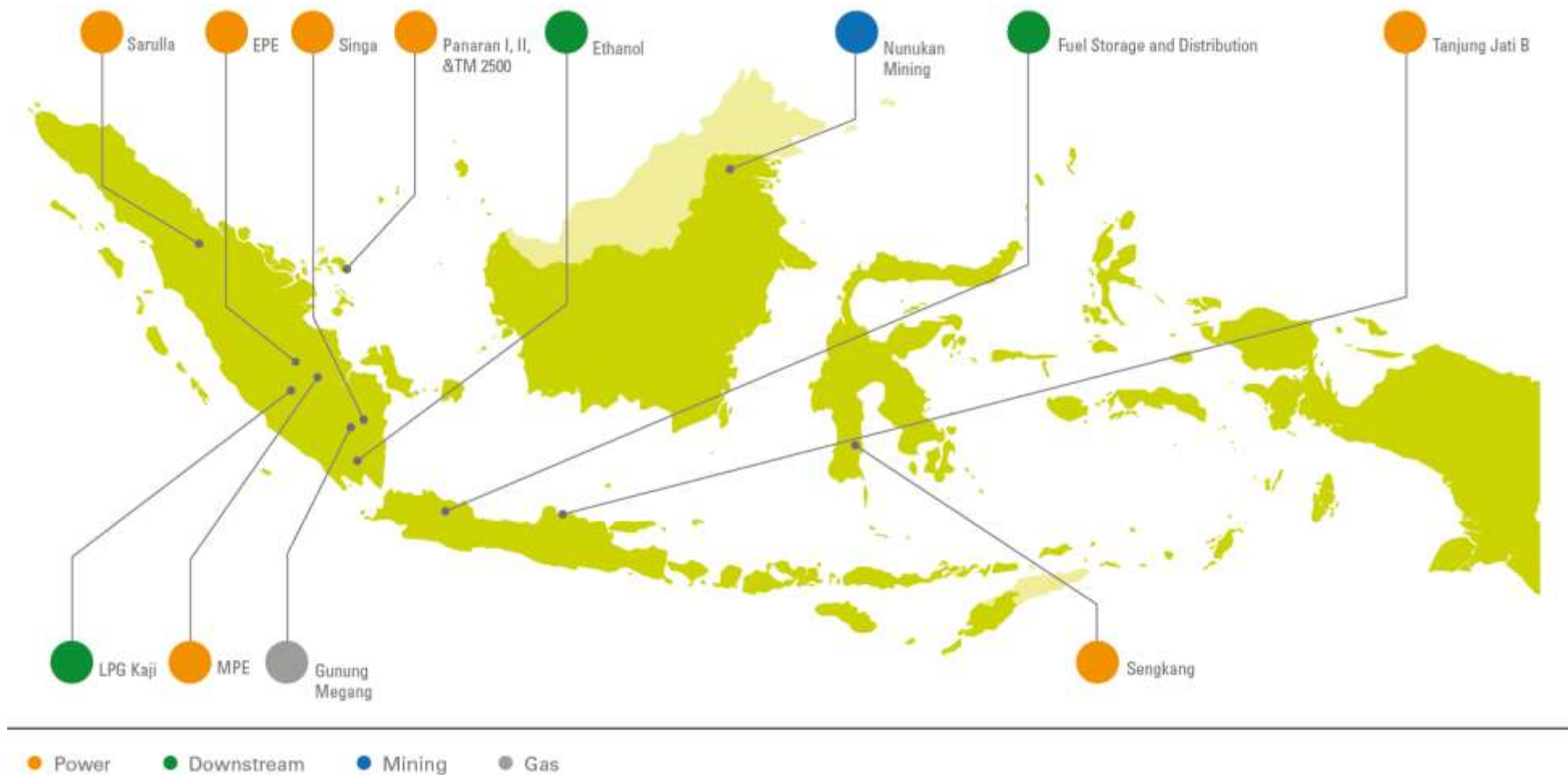
Contingent Resources

170.8

MMBOE

43% oil, 57% gas

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





MEDCOENERGI
Downstream



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**



MEDCOENERGI



Gas Pipeline

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

Drilling Services (EPI)

- Provide well services / workover rigs and Electric Wireline Logging (EWL) for oil & gas operations



MEDCOENERGI
MINING



Coal Mining

- Operates two Mining Rights at Nunukan, East Kalimantan. Production started in February 2012
- 1 Block already in production, with first coal cargo shipment on October 2012
- Peak production estimated at 500,000 ton per year



MEDCOENERGI
Power



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 Contract in Tanjung Jati B Coal Plant, C. Java 1,320 MW

*(49% participating interest)

** (36.12% participating interest)

“During 2013-2015 Medco will spent substantial amount of Capex to start develop its Major Projects following the approval of their Final Investment Decisions and PSC contractors appointment”

Oil and Gas E&P	2012	2013 F	2014 F	2015 F	3-YR F
Producing Assets	144.7	164.9	271.9	252.6	689.4
Exploration Capex	5.9	47.0	70.7	52.9	170.5
Development Capex	138.8	117.9	201.2	199.8	518.9
Development Assets	31.8	243.6	153.6	40.9	438.0
Exploration Capex	9.4	11.7	13.6	30.8	56.1
Development Capex	22.4	231.9	140.0	10.1	381.9
Exploration Assets	10.8	10.7	6.9	-	17.6
Exploration Capex	10.8	10.7	6.9	-	17.6
TOTAL Oil and Gas E&P	189.2	419.2	432.4	293.5	1,145.1
Other Energy Related Business	50.8	30.8	25.5	4.2	60.5
TOTAL CAPEX NET	240.0	450.0	457.9	297.7	1,205.6

*Net Working Interest to MedcoEnergi. Forecasted figures, subject to change.



PROJECTS	TARGET Start-Up	Project Descriptions	% Ownership	Partners	Page
Senoro	2014	Gas field development up to 310 MMscfd	30%	Pertamina, Mitsubishi, Kogas	31
DSLNG	2014	LNG plant , single train of 2.0 mtpa capacity	11.1%	Pertamina, Mitsubishi, Kogas	32
Libya Area 47	2015 - 2016	Oil field development of 50,000 - 100,000 bopd	25%	National Oil Company (NOC), Libyan Investment Authority (LIA)	35
Block A	2015 - 2016	Gas field development up to 60 MMscfd	41.67%	Premier, Japex	36
Rimau EOR	2015	Oil field - Enhanced Oil Recovery	95%	PD-PDE	38



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

Upstream:

- ❖ Scope: Build 310 MMSCFD plant, target Commissioning 3Q-2014
- ❖ Status:
 - Overall progress 10.3 % (EPC 7%, Drilling Tender 82%, Land Acquisition 99.4% and Site preparation CPP 100% and Jetty 31%)
 - Land acquisition practically complete
 - Site preparation, CPP and Jetty ready for partial handover to TSC in mid march
 - Drilling rig tender completed commercial negotiation and Drilling services tender still on going
 - Project Financing Due Diligence is in final stage
 - PAU HOA and Gas price approval from Minister has been signed . GSA is in final stage.



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

Downstream:

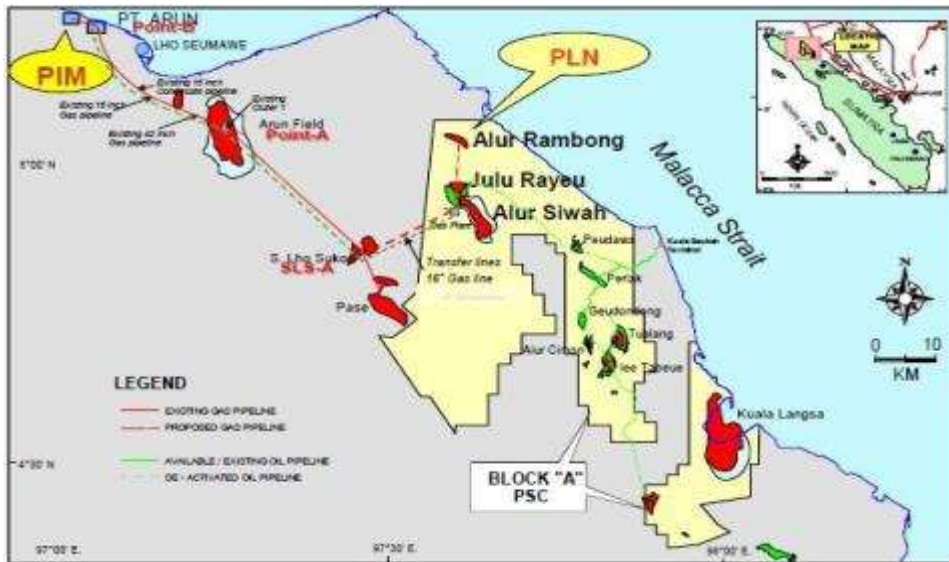
- ❖ Scope : Build 2.0 MT per annum LNG facilities, target first LNG to buyer by 4Q-2014.
- ❖ Status:
 - EPC progress currently reached 83% (Engineering: 99%, Procurement: 93%, Construction: 68%)as of February 2013.
 - LNG Tank roof has been raised on 2 March 2013
 - Project Financing Due Diligence is ongoing.







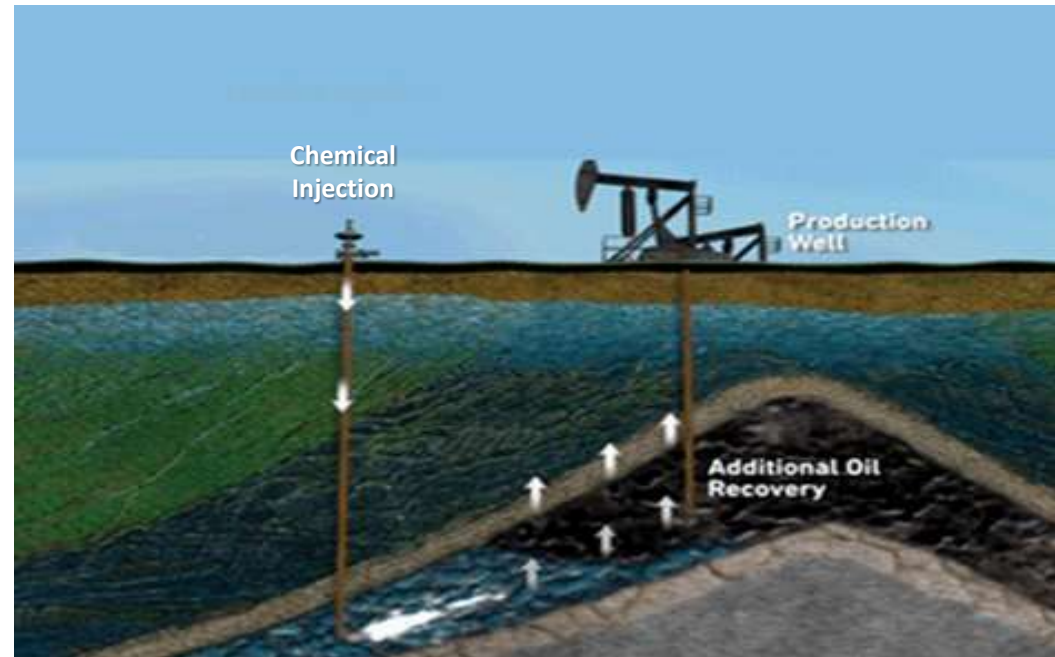
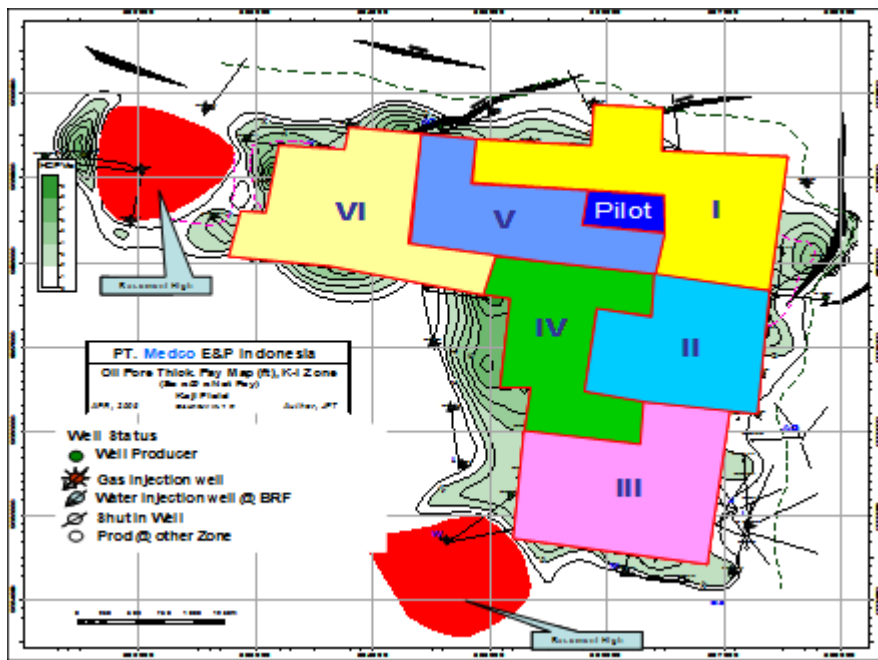
- ❖ Scope : Build 50-100 MBOPD capacity production facilities with associated pipelines
- ❖ Status :
 - Total 26 wells drilled, 20 exploration wells and 6 appraisal wells. 18 out of 20 exploration wells discovered oil and gas (exploration success rate of 90%).
 - Obtained Commerciality Declaration for structure A,D and F on 14 December 2011.
 - Pre-Engineering study by Foster Wheeler is completed in October 2012
 - JOC has been officially established on 25 February 2013, and now setting up managing organization of Operators Management Committee (OMC) under Joint Operating Agreement (JOA)
 - Progressing commerciality of structure B, C and J to target declaration of commerciality by Q3-2013.
 - Market assessment for Survey works and FEED are being progressed.



Future office illustration

- ❖ Scope:
Build 60 MMSCFD capacity gas plant facilities and associated pipelines, to monetize 343 BCF of gross contingent reserves; to supply state owned fertilizer company (Pupuk Iskandar Muda) and PLN.
- ❖ Status:
 - Main EPC tender negotiation process is almost complete
 - Negotiation gas price with PIM is in final stage
 - Facility Sharing Agreement (FSA) finalization with Exxon Mobil Indonesia (EMOI), DJKN and PT Arun is ongoing
 - Matang-1 drilling still on going





- ❖ Objective: Increase oil production from existing reservoir using enhanced recovery technique (surfactant)
- ❖ Scope : Implementation of Chemical Flooding project in Kaji Semoga to increase the recovery of original oil in place (OOIP) by up to 60 MMBO starting 2015 - 2017
- ❖ Status :
 - Started pre-flush activity in December 2011
 - Obtained Mechanical Completion of Chemical Injection Facility on August 2012 and started commissioning Chemical Injection in December 2012
 - Data gathering is ongoing to prepare for POD and full development scenario by end of 2013.



Road Asphalting on EOR Pilot Area



EOR Pilot Project Production Area



EOR Pilot Project Grand Opening

Company address:

PT Medco Energi Internasional Tbk.
The Energy Building 52nd Floor
SCBD Lot 11A
Jl. Jend. Sudirman, Jakarta 12190
Indonesia
P. +62-21 2995 3000
F. +62-21 2995 3001

Investor Relations:**Sumantri Slamet**

M. +62-811 158 298

Email: sumantri.slamet@medcoenergi.com

Nugraha Adi

M. +62-819 815 815

Email: nugraha.adi@medcoenergi.com

Website: www.medcoenergi.com