

9M14 Investors' Update

PT Medco Energi Internasional Tbk.

**ACT!
NOW!**

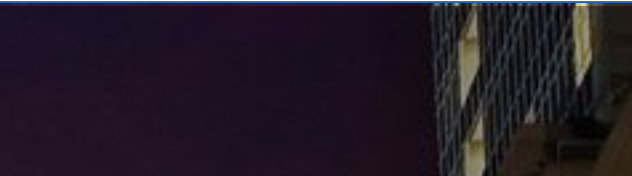
October, 2014
www.medcoenergi.com
Energy Company of Choice

Table of Content

01: Company Profile	3
Business Strategy & Shareholding Structure	4
Organizational Structure	5
2014 Success Stories	6
Corporate Updates	7
02: Company's Performance	8
Operational Performance	9
Financial Performance	14
03: Business Activities	17
Oil and Gas E&P	18
Other Energy Related Business	20
Capex Profile	21
Exploration Program	22
04: Major Projects Development	24



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.



Company Profile



Business Strategy

1

Strengthen the portfolio of producing assets, including acquisitions.

2

Increase the reserve life index through exploration activities.

3

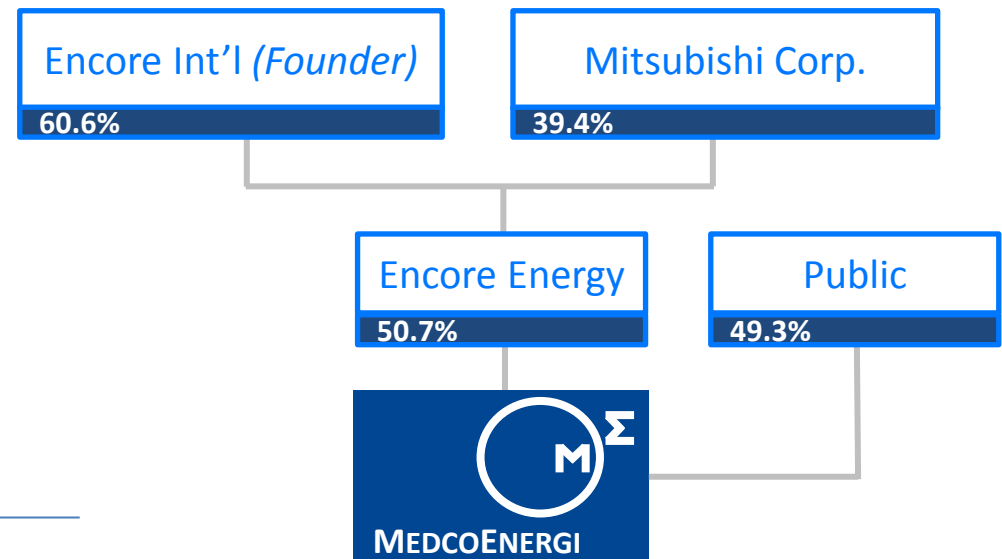
Complete all Major Projects as planned

4

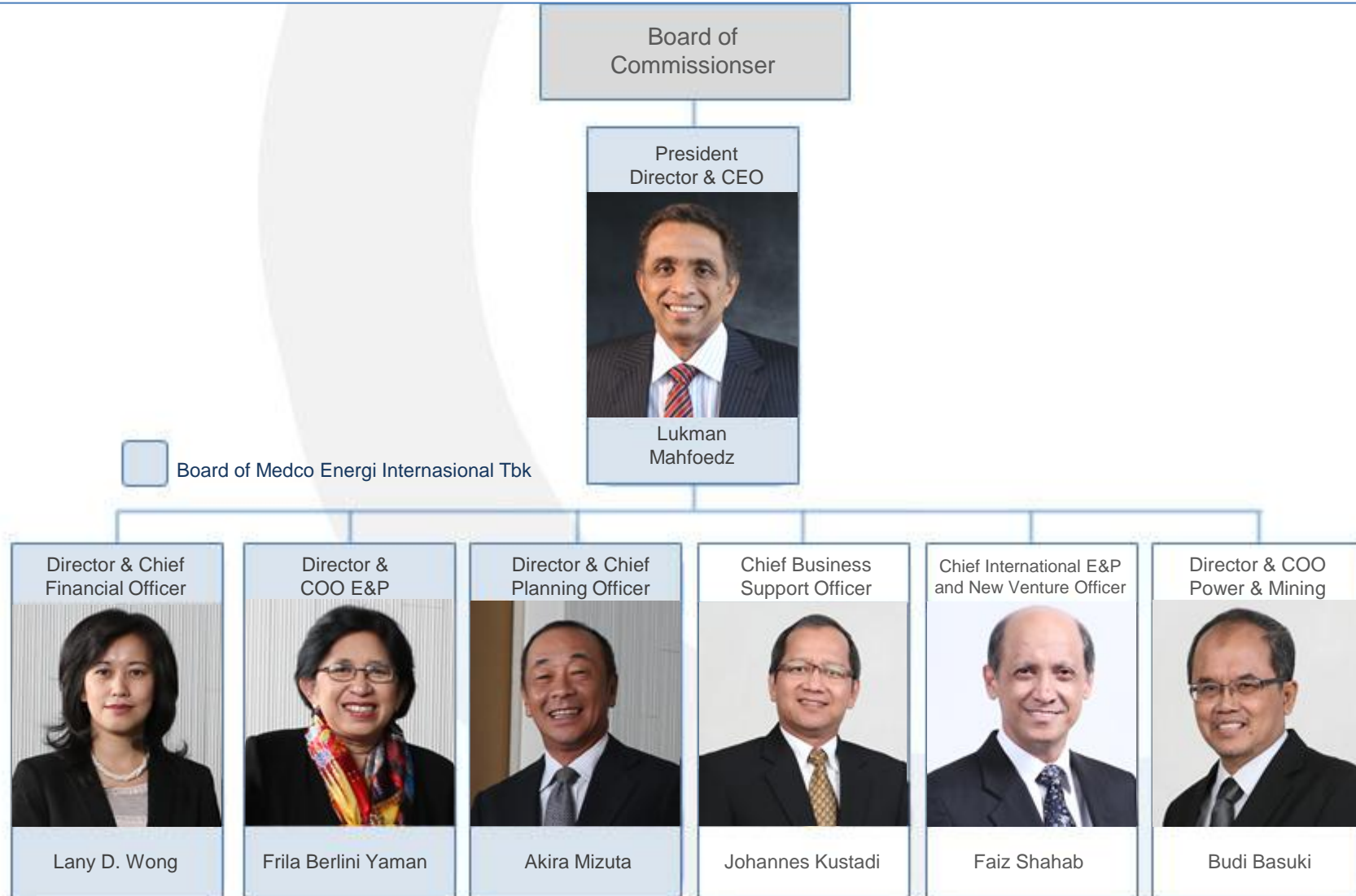
Accelerate the growth of non-oil and gas assets through strategic partners.

Shareholdings Structure

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 coal mining and and power generation to Perusahaan Listrik Negara (PLN).



Organizational Structure



Success Stories

1980

Established as Meta Epsi Pribumi Drilling Company

1994

Initial Public Offering in Indonesia

1995

Acquired 100% shares of Stanvac Indonesia from Exxon/Mobil

1996

Discovered largest inshore oil reserve of the decade (Kaji-Semoga)

2005

Awarded EPSA IV PSC Contract for Area 47 Libya

2006

Awarded Oman Service Contract. Increased production up to 100% in 5-years time

2007

Discovered large hydrocarbon resources in Area 47, Libya; about 352 MMBOE with 90% exploration success ratio

2009

LNG Sales Agreement signed with Japanese & Korea buyers, gas to be supplied from Senoro-Toili Block

2010

Obtained 20-year extension for 3 PSC contract area in Indonesia (South Sumatra, Block A and Bawean)

2011

Obtained Commerciality approval on Area 47, Libya

Received Final Investment Decision for Senoro-Toili Gas and LNG projects

2012

Acquired 25% in Block 9 Malik, Yemen

First coal sales shipment to China

2013

Secured Project Financing for Senoro for USD 260 million.

Received Gold PROPER Award for Rimau Block for three consecutive years (2011, 2012, 2013)

2014 Corporate Updates

10 Feb
2014

MedcoEnergi has acquired 90% shares in Moonbi Energy Ltd. holder of oil and gas exploration license in PPL 470 area located in the Western Province of Papua New Guinea.

13 Mar
2014

MedcoEnergi through its Joint Operating Body in Senoro-Toili signed a Gas Sales Agreement with PT Panca Amara Utama for gas supply of 55mmscfd.

20 Mar
2014

MedcoEnergi has sold the remaining stake it has of 35.28% in PT Medco Sarana Kalibaru the fuel distribution and storage unit to Puma Energy

23 May
2014

MedcoEnergi, through its subsidiary PT Medco Power Indonesia, has signed a \$1.2 billion project financing agreement with JBIC, ADB and six other syndicated commercial banks to develop the 330MW Sarulla Geothermal Project in North Sumatra.

18 Aug
2014

MedcoEnergi has acquired 100% shares of Storm Ventures Int'l, holder of participating interest in eight working areas in Tunisia which comprise of four exploration areas, two development areas and two production areas for US\$114 million with the effective economic date of 1 January 2014.

17 Sep
2014

The Government of Libya declared the commerciality of B, C and J Structures in Area 47, Libya. Combined with the A, D and F Structures, previously declared commercial in 2011, the total estimated oil and gas recoverable reserves to be developed is 250 MMBOE.

17 Oct
2014

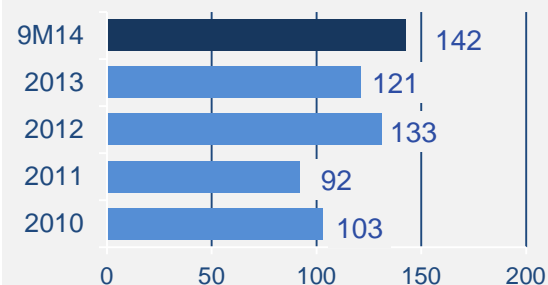
MedcoEnergi has signed two Gas Sales and Purchase Agreements, first one is with PT PLN Persero North Kalimantan for a gas supply of 805 BBTU with 5 years contract period at an agreed price of US\$5.52/mmbtu. The second one is with PT MEPPOGEN for a gas supply of 6.6 TBTU with 21 months contract period at an agreed price of US\$7.32/mmbtu.



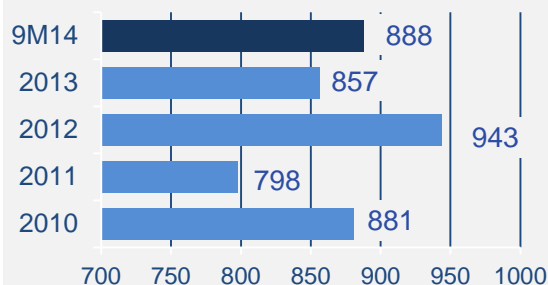
Company's Performance

Operational Performance

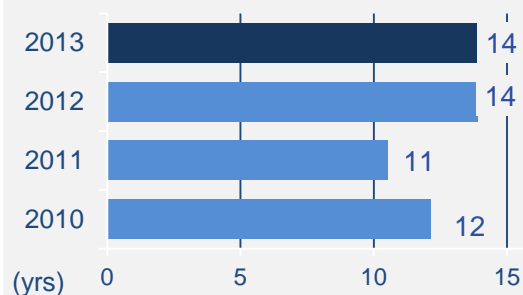
2P Oil Reserves in MMBO



2P Gas Reserves in BCF



2P Reserves Life Index

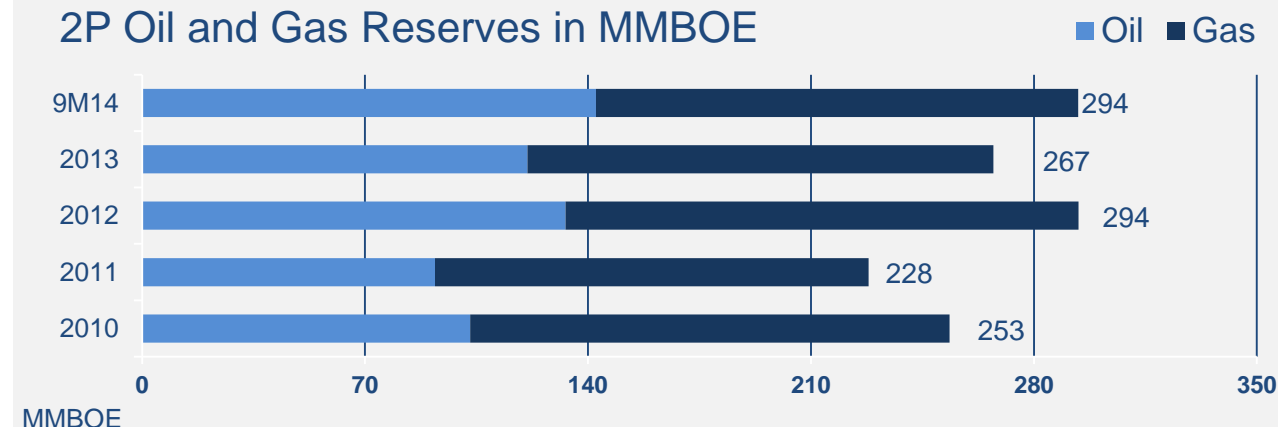


Oil and Gas E&P

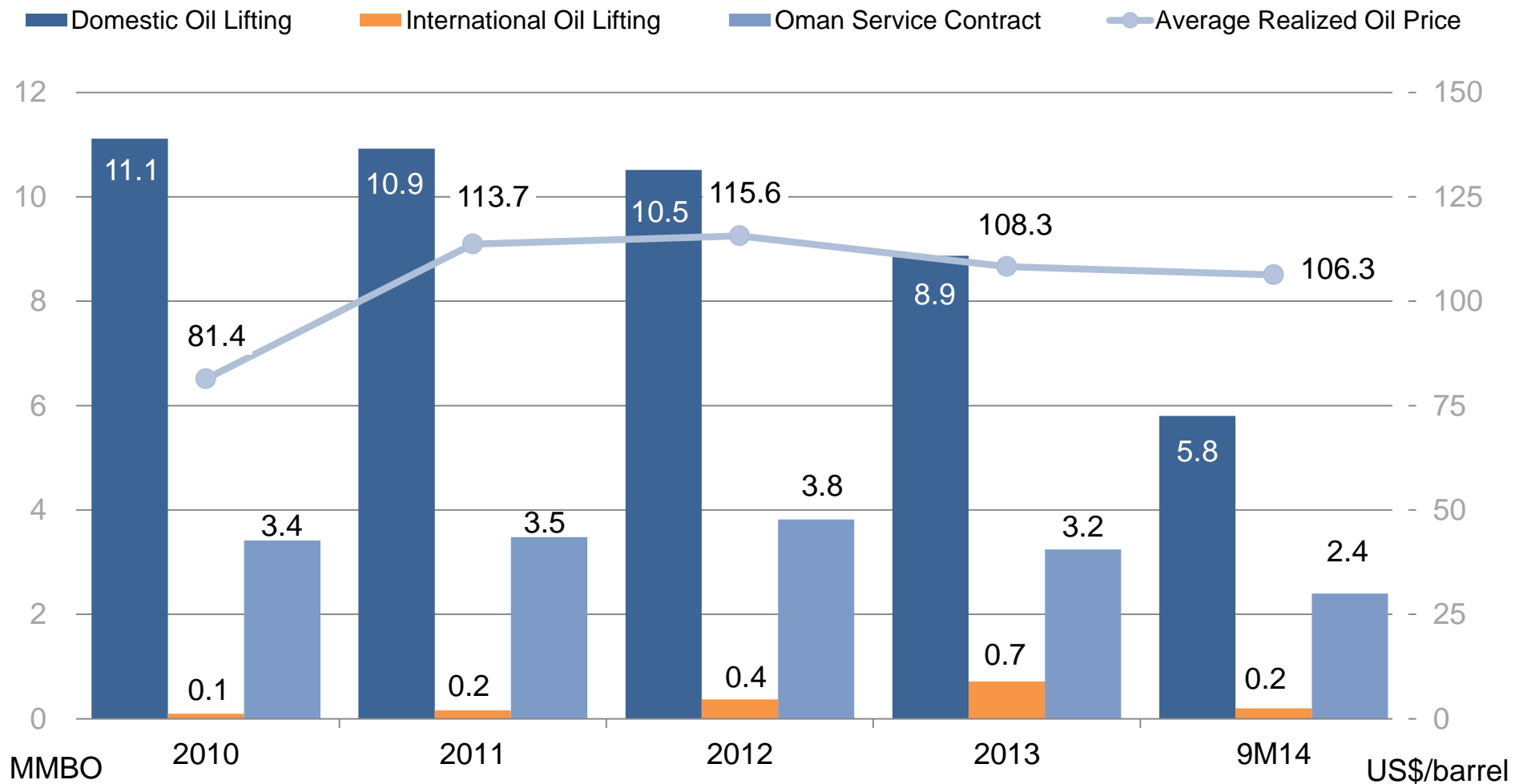
	9M13	9M14	Δ%
Proved Reserves - 1P (MMBOE)	207.7	220.3	6.0
Proved and Probable Reserves - 2P (MMBOE)	274.6	293.9	7.0
Oil Lifting / MBOPD	25.3	21.7	(14.2)
Oman Service Contract / MBOPD	8.9	8.6	(3.3)
Oil Lifting including Oman Service Contracts	34.3	30.4	(11.4)
Gas Sales / BBTUPD	160.8	150.3	(6.5)
Total Oil and Gas Production (MBOEPD)*	53.7	51.0	(5.1)
Average Oil Price, USD/barrel	108.5	106.3	(2.0)
Average Gas Price, USD/mmbtu	5.04	5.60	11.1
Coal Sales, MT	315,042	330,880	5.0
Average Coal Price, USD/MT	79.4	77.0	(3.0)

*excluding Oman Service Contracts

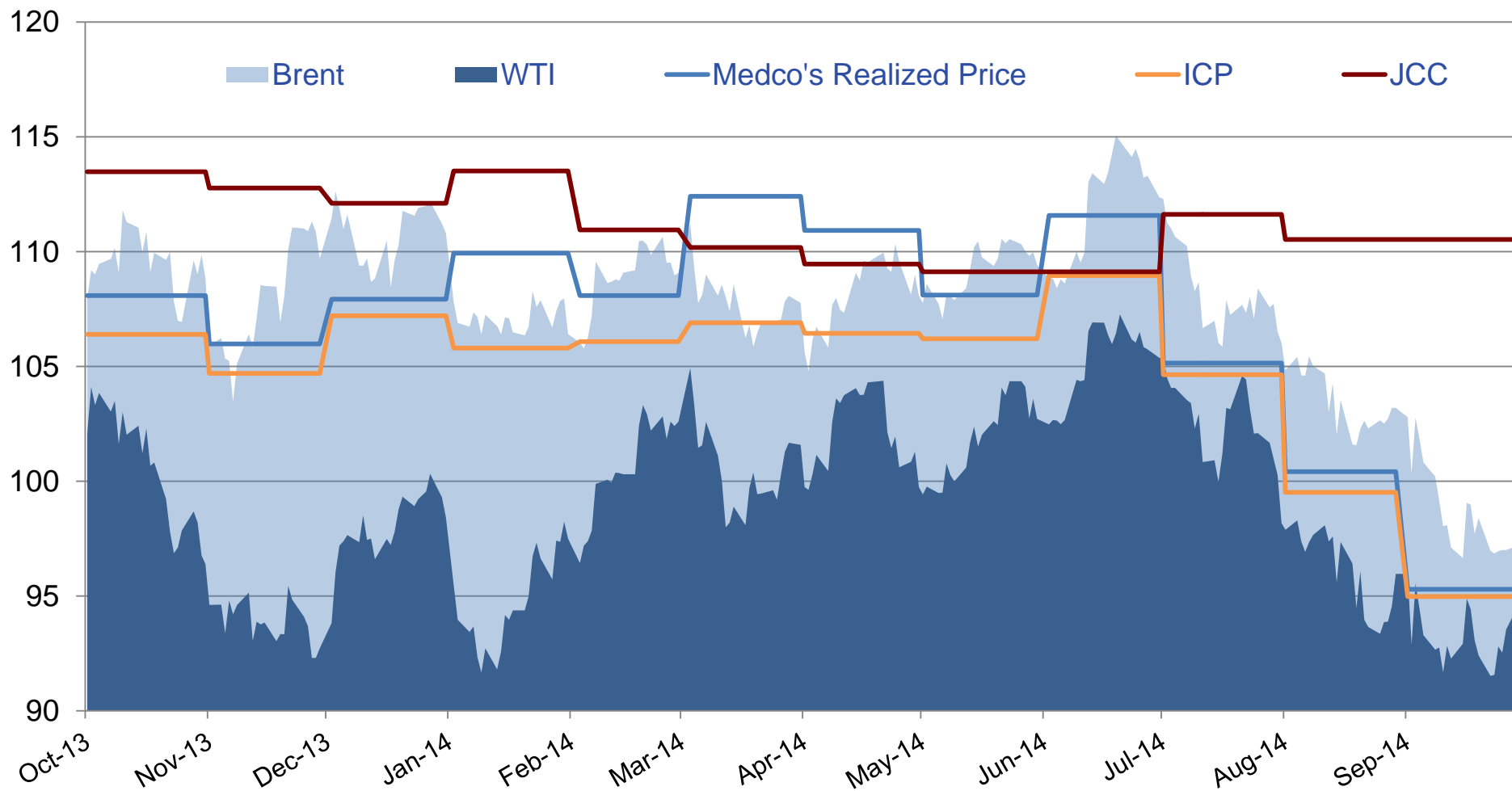
2P Oil and Gas Reserves in MMBOE



Oil Lifting and Service Contract



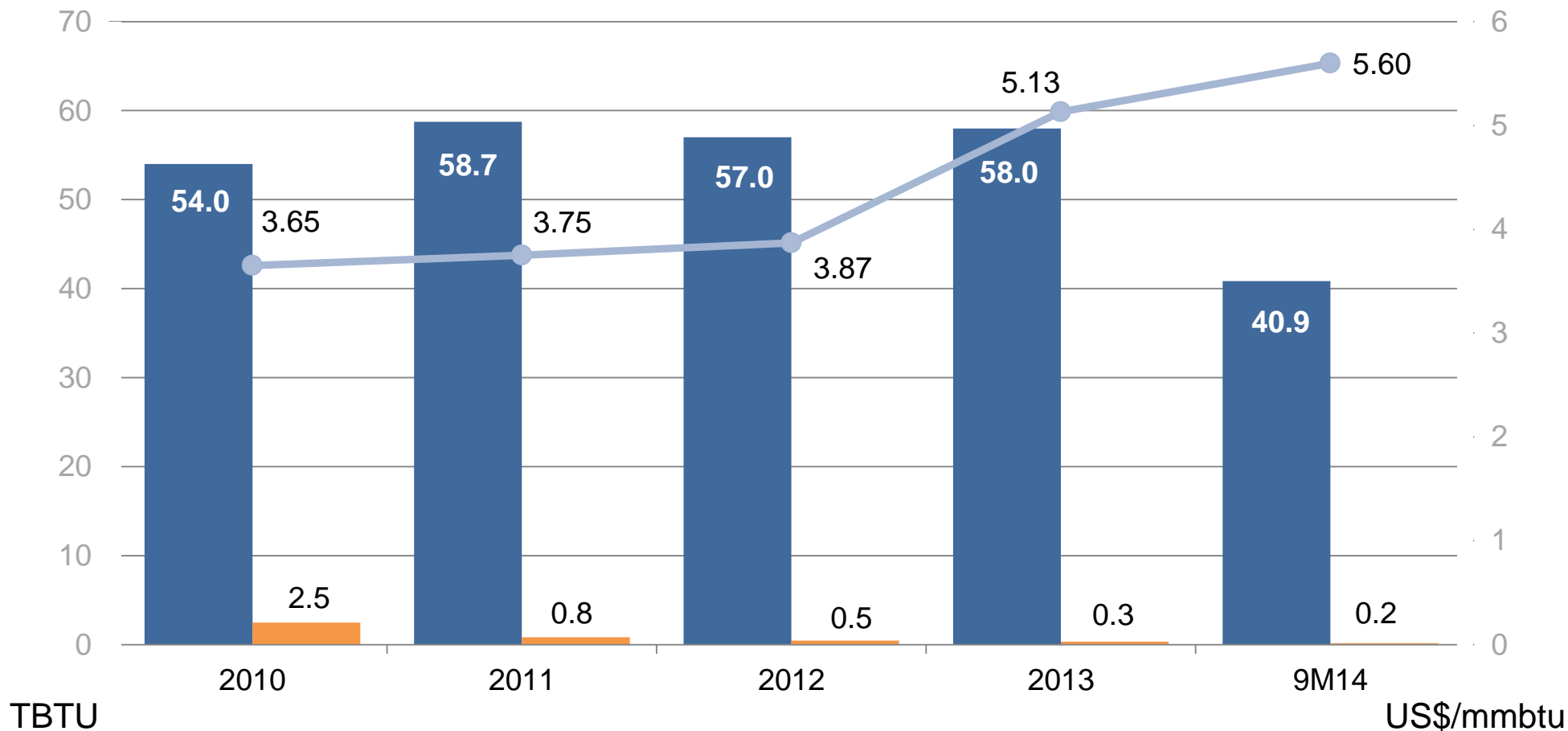
Oil Price Comparison (US\$/barrel)



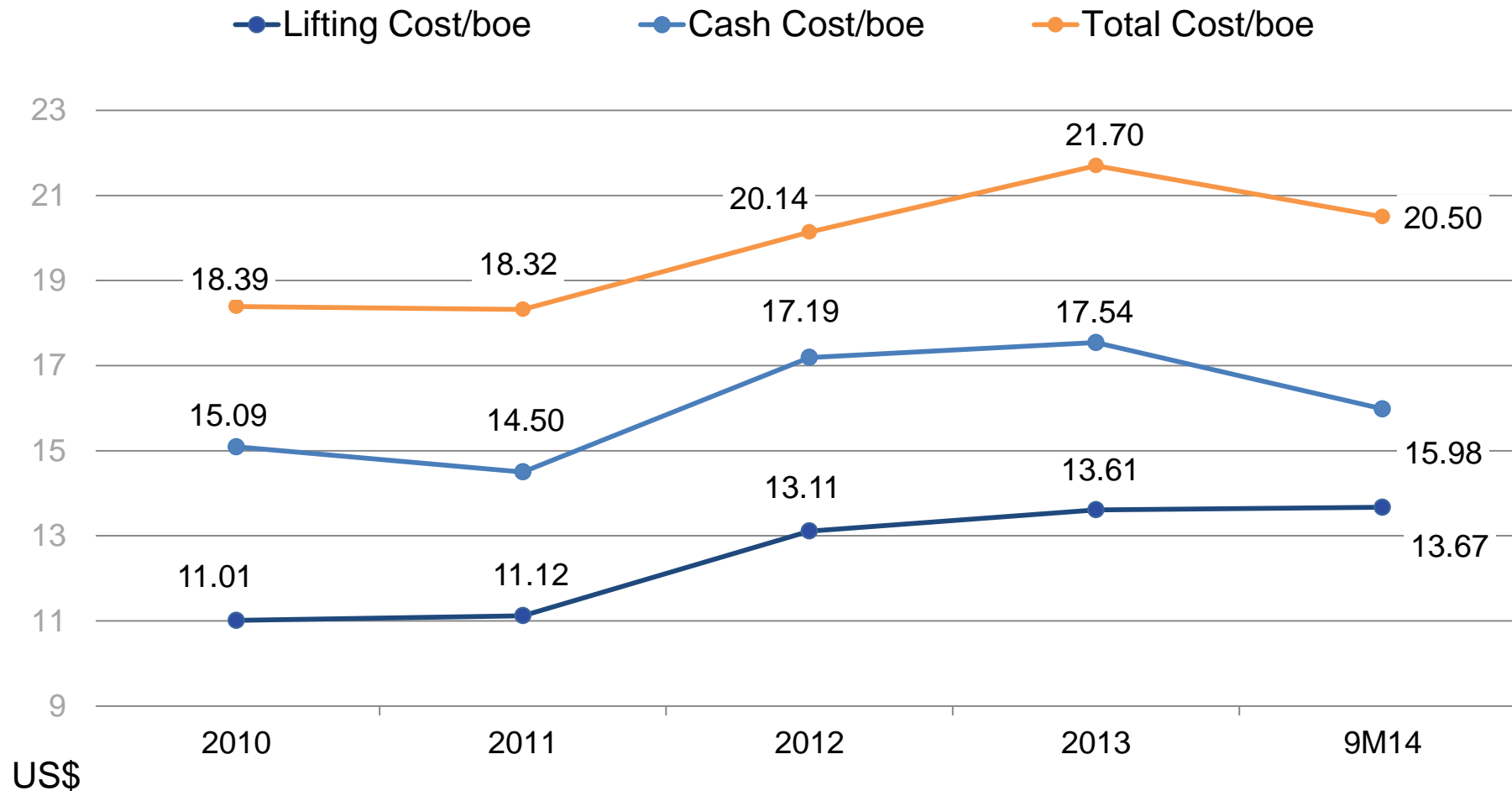
Gas Sales

■ Domestic Gas Sales ■ International Gas Sales ● Average Realized Gas Price*

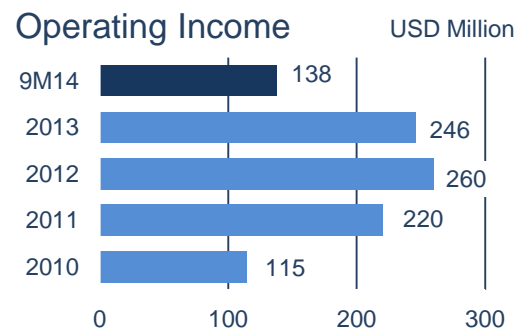
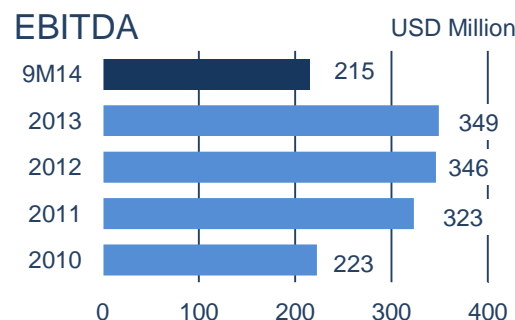
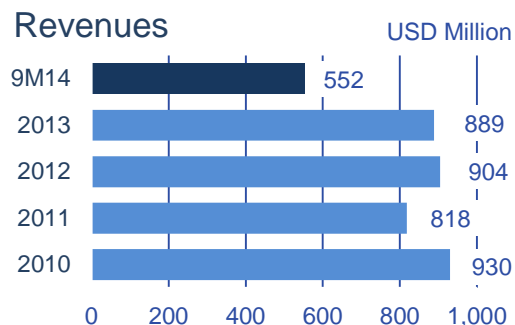
*Restated with make-up gas adjustment



Oil and Gas Costs

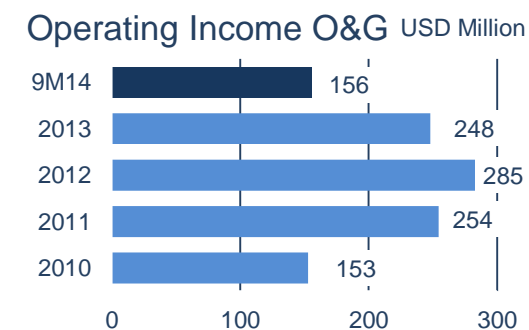
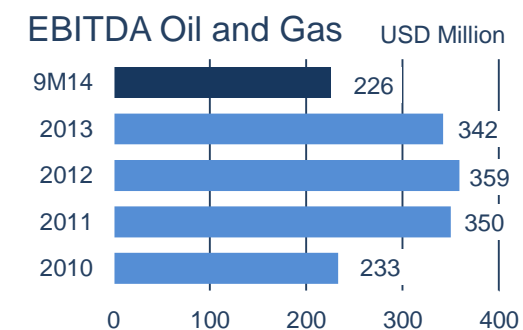
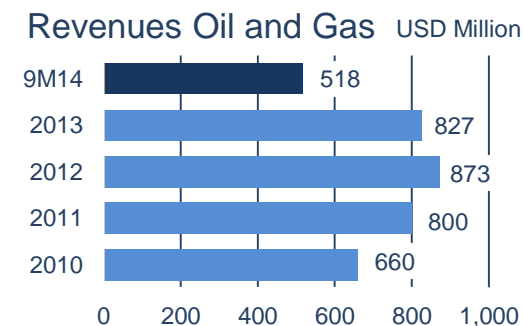


Financial Performance



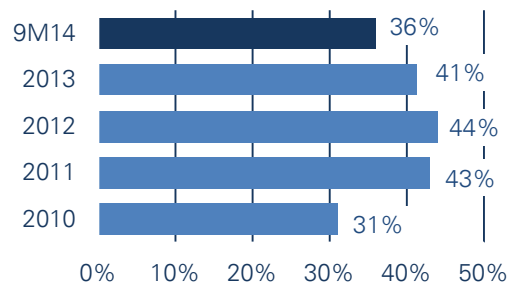
Financial Highlights (USD mm)	9M13	9M14	Δ%
Revenue	613.1	551.9	(10.0)
• Oil and Gas	573.6	517.8	(9.7)
• Non Oil and Gas	39.5	34.1	(13.6)
Gross Profit	249.2	198.8	(20.2)
Operating Income	181.5	138.0	(24.0)
EBITDA	251.5	215.0	(14.5)
Earnings Before Tax	153.6	104.7	(31.8)
Net Income	10.0	9.5	(5.0)
Cash and cash equivalents	386.8	220.3	(43.0)
Total Assets	2,578.0	2,711.4	5.2
Total Liabilities	1,680.0	1,791.7	6.6
Equity	886.6	910.2	2.7
Market Capitalization	753.3	974.2	29.3
EPS (USD/share)	0.0030	0.0029	(5.0)
Capex*	180.2	309.2	71.6

*including DS-LNG

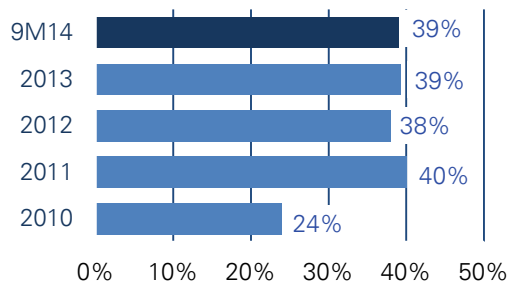


Financial Performance (cont'd)

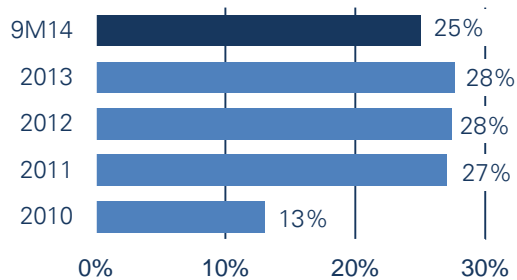
Gross Margin Consolidated



EBITDA Margin Consolidated



Operating Margin Consolidated



Profitability (%)	9M13	9M14	Δ%
Gross Margin	40.7%	36.0%	(11.4)
EBITDA Margin	41.0%	39.0%	(5.0)
Operating Margin	29.6%	25.0%	(15.6)
Net Margin	1.6%	1.7%	5.6

Return on Equity - Annualized	1.5%	1.4%	(7.4)
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Efficiency Ratios (x) - Annualized	9M13	9M14	Δ%
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Revenue/ fixed assets	0.75	0.55	(26.9)
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Revenue/ net working capital	1.74	2.38	36.6
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Liquidity (x)	9M13	9M14	Δ%
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Cash Ratio	0.89	0.45	(49.6)
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Quick Ratio	1.92	1.47	(23.5)
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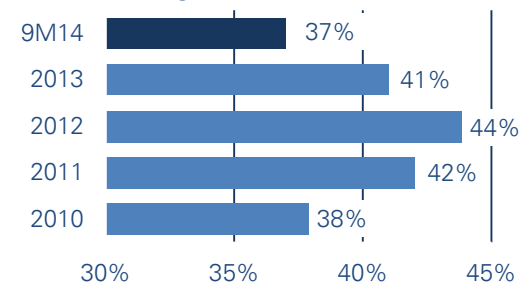
Current Ratio	2.08	1.63	(21.6)
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Investment Ratios (x)	9M13	9M14	Δ%
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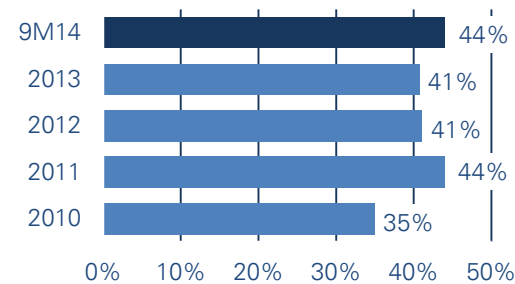
CapEx to Revenue	0.29	0.56	90.6
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CapEx to Depreciation	2.58	4.01	55.7
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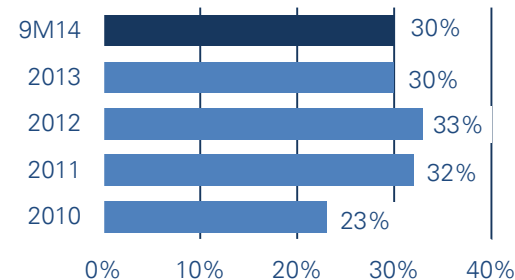
Gross Margin Oil and Gas



EBITDA Margin Oil and Gas



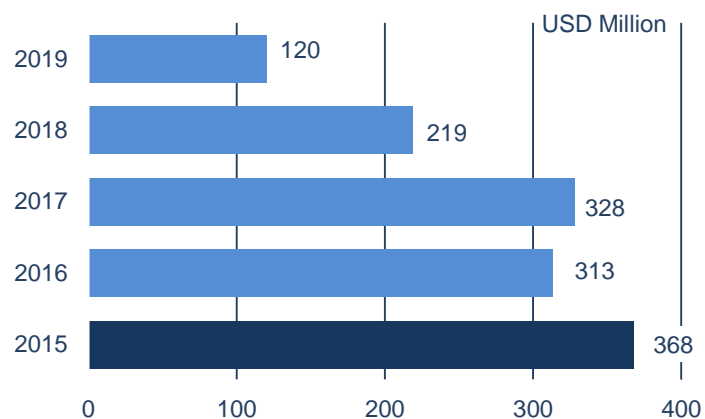
Operating Margin Oil and Gas



Financial Performance (cont'd)

CONSOLIDATED DEBTS (in USD mn)	9M13	9M14	Δ%
A. Total Bank Loans	441.7	748.0	69.3
Current	61.1	232.1	279.7
Non Current	380.6	515.8	35.6
B. Other Obligations	642.5	487.2	(24.2)
Current: MTN	29.9	-	n.m.
Rupiah Bonds	85.1	-	n.m.
Non Current: Related Party	128.4	104.4	(18.7)
Rupiah Bonds	299.6	285.4	(4.7)
USD Bonds	99.5	97.4	(2.0)
Total	1,084.2	1,235.2	13.9

Debt Maturity Profile



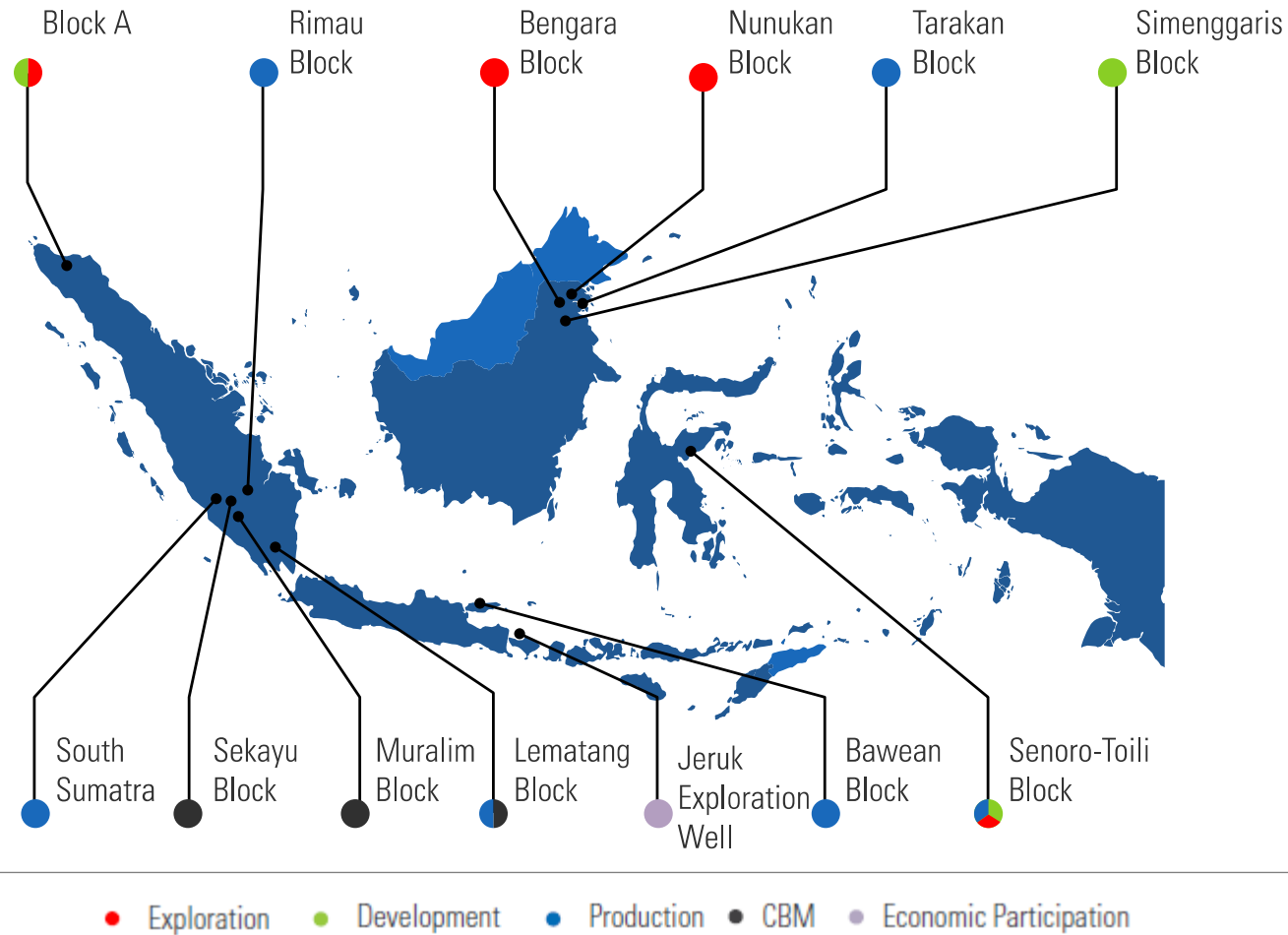
Leverage Ratios (x)	9M13	9M14	Δ%
Debt to Equity Ratio	1.22	1.36	11.0
Net Debt to Equity Ratio	0.79	1.11	41.7
Total Liabilities / Total Equity	1.89	1.97	3.9
Coverage Ratios (x)	9M13	9M14	Δ%
Debt to EBITDA - Annualized	3.23	4.31	33.2
Net debt/ EBITDA - Annualized	2.08	3.54	70.2
EBITDA to Interest Coverage Ratio	4.30	4.29	(0.4)
Capital Structure (x)	9M13	9M14	Δ%
Net debt to (net debt + equity)	0.44	0.53	19.7
Debt to Capital	0.55	0.58	4.7



Business Activities



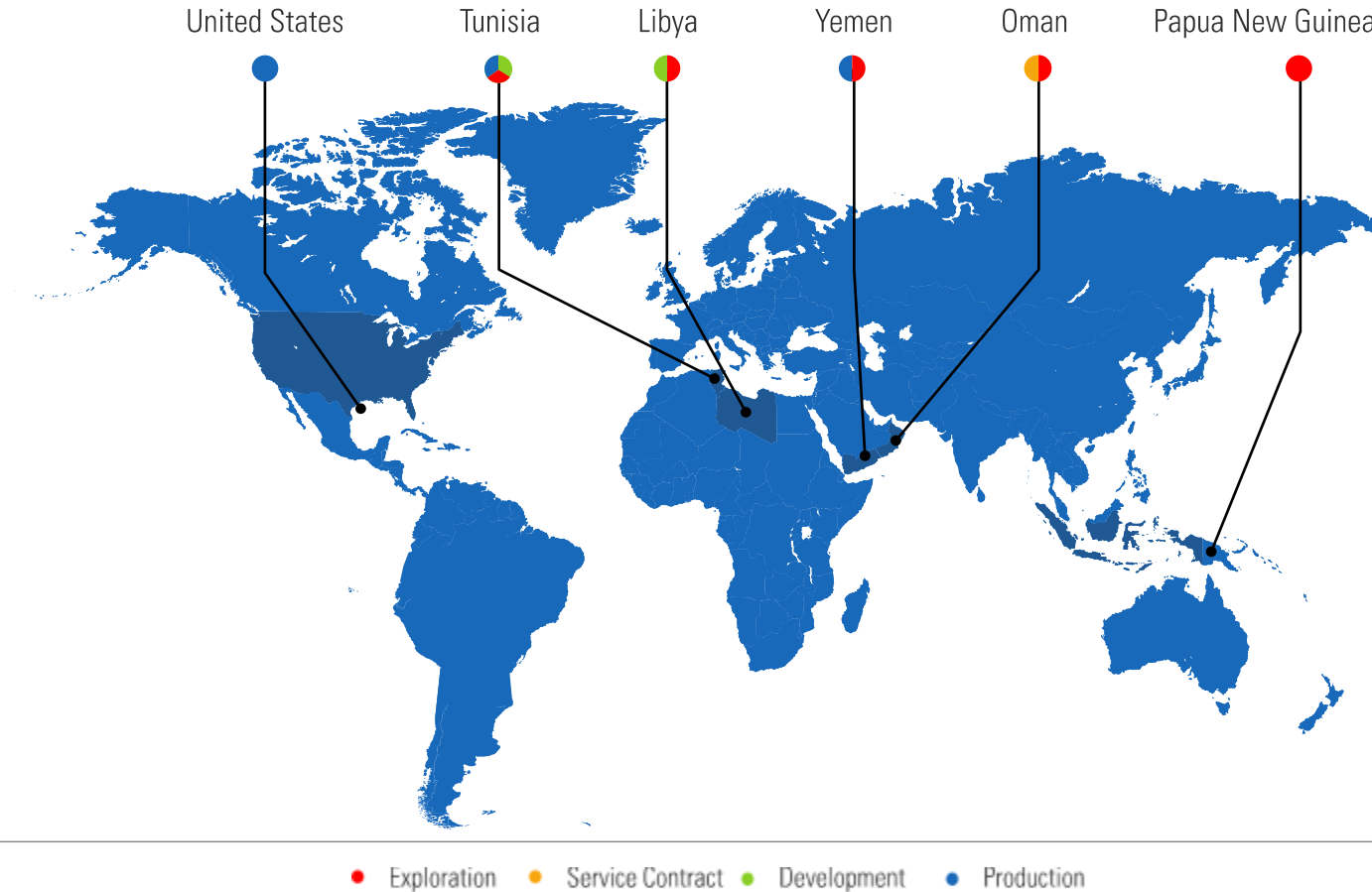
Oil and Gas E&P (Indonesia)



In Indonesia, Medco operates 9 blocks, maintains working interests in 1 block operated by strategic partners, and holds economic participating interest in an exploration field. Moreover the Company also holds 3 CBM contracts.

Oil and Gas E&P (International)

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



Medco’s international operations spread across 20 assets in the Middle East, North Africa, US and Papua New Guinea.

Other Energy Related Business



Power

Operated through Medco Power Indonesia, with an ownership structure of Saratoga Power (51%) and MedcoEnergi (49%), the company's businesses include:

- 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 190 MW
- 1 Operation & Maintenance Contract in Tanjung Jati B Coal Plant, Central Java 1,320 MW
- Engineering, Procurement and Construction contracts

MedcoEnergi believes electricity remains an attractive business and can provide added value to the Company in the future by pursuing new projects such as:

- A Combined Cycle Power Plant or CCGT project in Panaran I through Mitra Energi Batam (30MW)
- Build and operate Simple Cycle GasTurbine Power Plant of 70 MW in Tanjung Uncang, Batam upgradeable to 110 MW (CCGT)
- Two geothermal projects in Sarulla, North Sumatra (3x110MW) and Ijen, East Java (2x55MW)
- Mini hydro projects in West Java and Sumatera with total targeted capacity of 45MW.

The addition of these new assets will help drive Medco Power Indonesia's installed capacity grow to more than 800 MW within next 5 (five years).



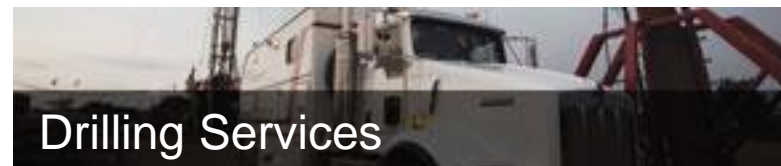
Coal Mining

- 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



Gas Pipeline

Booster Compressor and 17.5km pipeline at Gunung Megang South Sumatra



Drilling Services

PT Exspan Petrogas Intranusa provides well services / workover rigs and Electric Wireline Logging (EWL) for oil & gas operations

Capex Profile

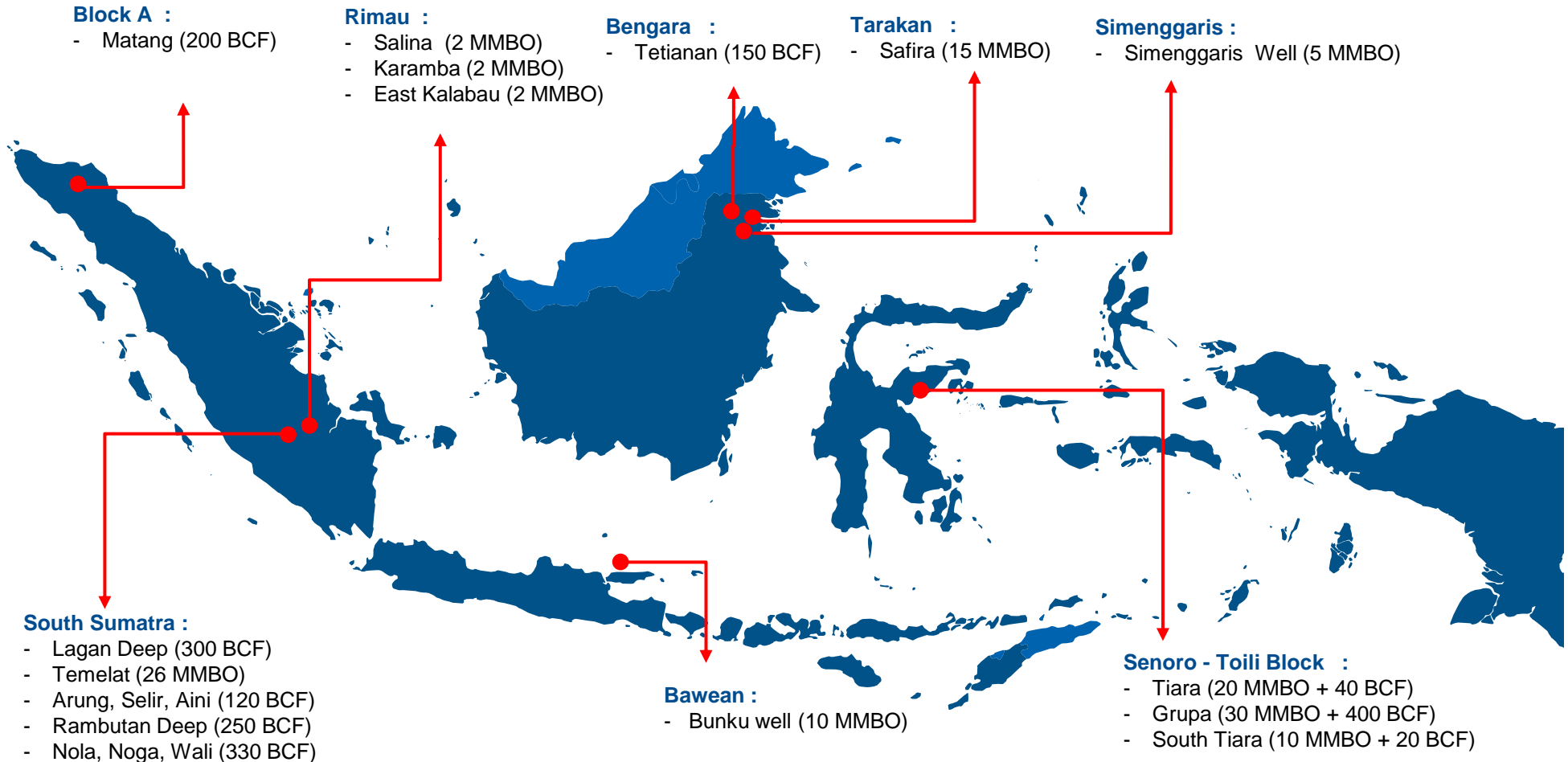
“During 2014-2016 Medco will spent substantial amount of Capex to start develop its Major Projects following the approval of their Final Investment Decisions and PSC contractors appointment”

E&P CAPEX	2014 F	2015 F	2016 F	3-YR F
Producing Assets	116.0	165.8	152.7	434.4
Exploration Capex	51.5	82.1	43.8	177.4
Development Capex	64.4	83.7	108.9	257.0
Development Assets	269.3	358.0	195.4	822.7
Senoro Upstream	153.5	52.0	50.6	256.1
Others	115.9	306.0	144.8	566.7
Exploration Assets	18.4	10.7	13.2	42.3
Donggi-Senoro LNG	27.3	12.2	-	39.5
TOTAL E&P CAPEX	431.0	546.6	361.2	1,338.9
Non E&P Capex	10.1	25.7	14.2	50.0
TOTAL CAPEX NET	441.1	572.4	375.4	1,388.9

*Net Working Interest to MedcoEnergi. Forecasted figures, subject to change. Capex for producing assets will be funded internally through cost recovery, while capex for development will be funded proportionately through equity and debt.

Exploration Program: Domestic

“Estimated potential resources addition for Domestic and International (2014 – 2019) :
633 MMBOE net unrisked resources or 180 MMBOE net risked resources”



Exploration Program: International

“Estimated potential resources addition for Domestic and International (2014 – 2019) :
633 MMBOE net unrisked resources or 180 MMBOE net risked resources”

Tunisia:

- 6 Exploration wells (38 MMBO)

Oman:

- 4 Exploration wells (60 MMBO)

Papua New Guinea:

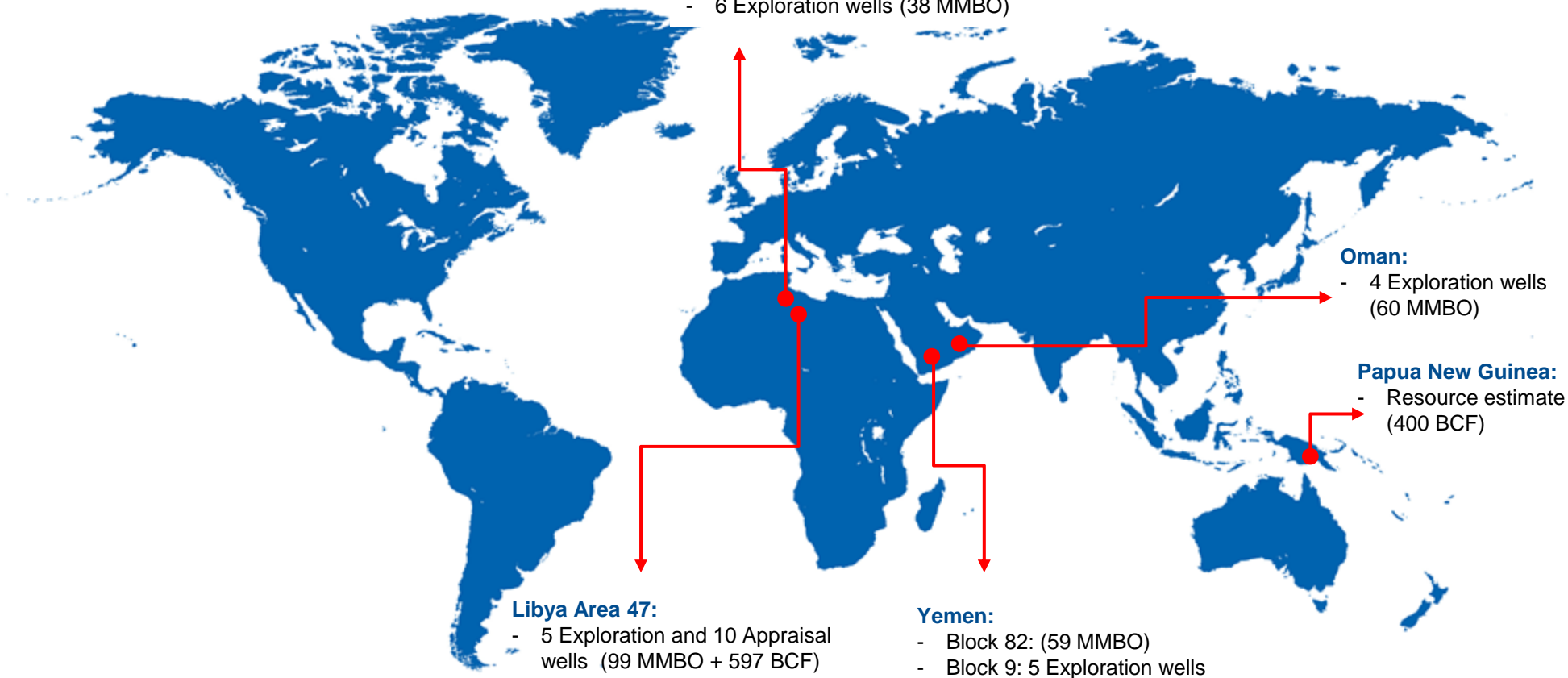
- Resource estimate (400 BCF)

Libya Area 47:

- 5 Exploration and 10 Appraisal wells (99 MMBO + 597 BCF)

Yemen:

- Block 82: (59 MMBO)
- Block 9: 5 Exploration wells





Major Projects Development

Projects	Summary	% Ownership	Partners	Page
Senoro	Gas field development up to 310 MMscfd	30%	Pertamina, Mitsubishi, Kogas	26
DSLNG	LNG plant, single train of 2.0 mtpa capacity	11.1%	Pertamina, Mitsubishi, Kogas	28

Senoro Upstream and Downstream LNG Project Milestones



2000

Acquired 50% working interest from ARCO for US\$1mn. Partnering with Pertamina as a Joint Operating Body

2005

Start producing crude oil from approx. 1.5mbopd from Tiaka field

2009

Gas Sales Agreement (GSA) with Downstream LNG as well as LNG Sales Agreement with Japanese & Korea buyers, has been signed

2010

Moving 1.9tcf of gas into gross 2P reserves and contingent resources categories

2011

Secured Final Investment Decision and at the same time sold 20% working interest in upstream to Mitsubishi for US\$260mn

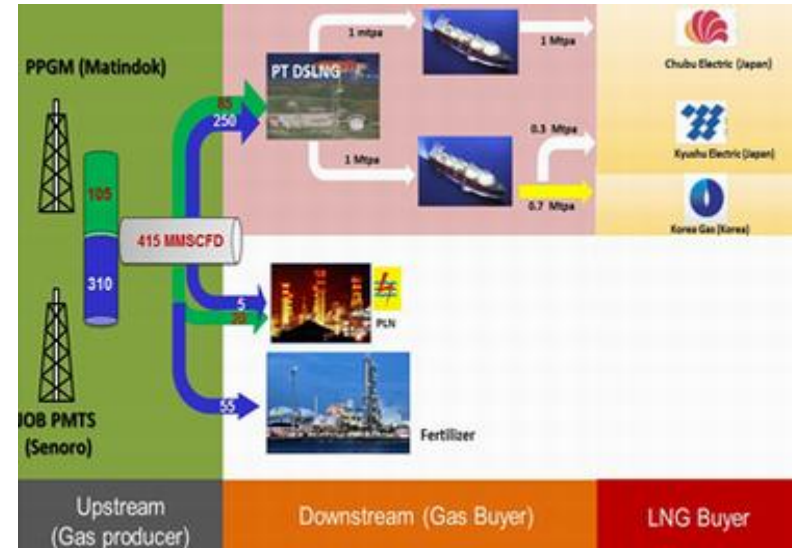
2013

Secured Project Financing for Upstream Gas Plant for US\$260mn

2014

As of September 2014, Upstream Gas Plant construction progress has reached 87% completion and 99.4% for Downstream LNG Plant

Senoro Upstream Project



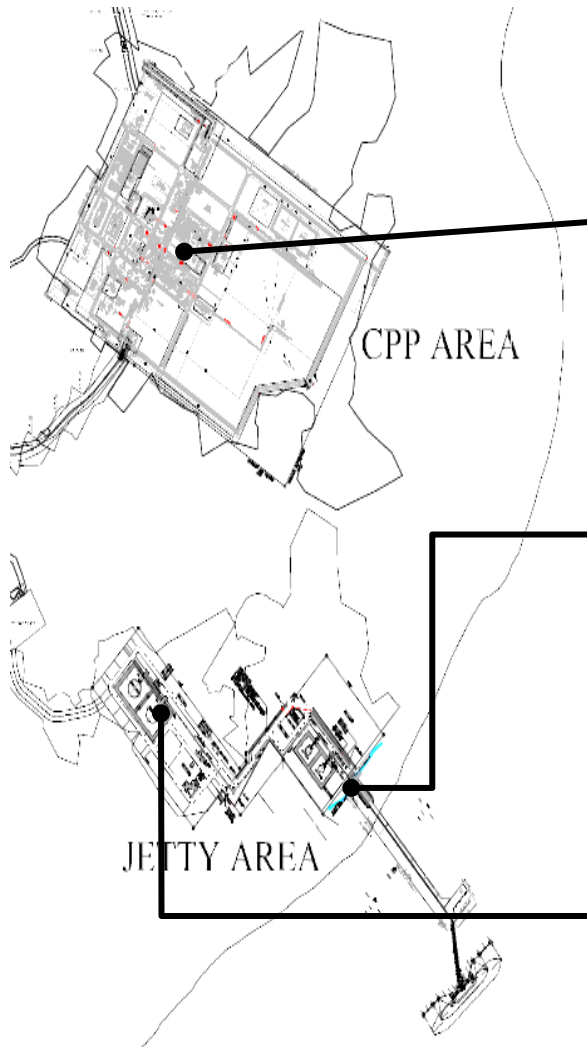
Working Interest Structure:

Pertamina 50%
MedcoEnergi 30%
Mitsubishi & Kogas 20%

Upstream Status:

1. Objective: Commercialize 1.96 TCF of gross 2P reserve and contingent gas resources through LNG product
2. Scope: Build 310 MMSCFD plant, target Commissioning by end of 2014
3. Status:
 - Overall Progress is 87% as of end of September 2014.
 - On 28 September 2014, ESU system (SNO5, Pipeline & USO metering) was completed, accordingly gas sales started on 3 October 2014
 - Complete drilling / Re-entry 10 wells
 - Obtained Project financing for Senoro project from Standard Chartered and Bank Mandiri on July 31, 2013.
 - GSA with Panca Amara Utama has been signed on March 13, 2014

Facilities Pictures



Air Cooler Installed at Main Rack



Pipe Stringing



Condensate Loading Tank



PHT work

DSLNG Downstream Project



Ownership Structure:

Mitsubishi & Kogas 59.9%
Pertamina 29%
MedcoEnergi 11.1%

Downstream Status:

1. Objective: Commercialize 1.96 TCF of gross 2P reserve and contingent gas resources through LNG product
2. Scope: Build 2.0 MT per annum LNG facilities, target completion of plant facilities by end of 2014.
3. Status:
 - As of September 2014, LNG Plant EPC progress has reached 99.4%
 - Commissioning gas to DSLNG Fuel Gas system was done on 3 Oct 2014
 - Project Finance finalization is still ongoing

Facilities Pictures



- 1. Material Offloading Facility
- 2. Refrigerant Storage
- 3. LNG Tank

- 4. LNG
- 5. Air Fin Coolers
- 6. Flare

- 7. MCHE
- 8. Firewater Tank
- 9. Main Control Room

- 10. Gas Turbine Generators
- 11. Main Substation



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