



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
May 19, 2009

PT Medco Energi Internasional Tbk.

PEFINDO re-affirmed its “**idAA-**” ratings for PT Medco Energi Internasional Tbk (MEDC or the Company) and the Company's Bonds I/2004 of IDR1.35 trillion due in July 2009. According to the latest audit financial statement, MEDC has purchased a portion of this bond amounting to USD15.34 million or equivalent to IDR168 billion. At the same time, PEFINDO also assigned “**idAA-**” rating for MEDC's proposed 3-Year and 5-Year Bond II/2009 with maximum amount of IDR1.5 trillion. The “**Outlook**” for the ratings is “**Stable**”. The proceeds of the new bond issuance will be used for investment and working capital. The ratings reflect MEDC's relatively competitive lifting cost, potential additional reserves and above average liquidity. However, the ratings are constrained by the Company's decreasing production from a limited number of producing fields, high capital requirement for business expansion and weakening business and financial performance due to global economic slowdown.

MEDC is the largest privately-owned independent oil and gas company in Indonesia, with the latest estimated proven (1P) crude oil reserves of 75 million barrel oil equivalent (mmboe) and natural gas of 32 mmboe from fields located in Sumatra, Kalimantan, Sulawesi, East Java, and United States. The Company is also active in downstream (ethanol, LPG, distribution of high speed diesel) and power business. MEDC is listed on Indonesia Stock Exchange with the latest ownership composition consisting of Encore Energy Pte. Ltd (50.7%), treasury shares (11.7%) and the public (37.6%). Encore Energy is owned by Panigoro family through Encore International (60.6%), and Mitsubishi Corp. (39.4%). In 2008, the Company divested its all ownership in PT Apexindo Pratama Tbk.

Rating Period: April 29, 2009 – May 1, 2010

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