



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
October 25, 2010

PT Medco Energi Internasional Tbk

PEFINDO placed the rating of PT Medco Energi Internasional Tbk (MEDC or the Company) on "**Creditwatch with developing implications**" following the acquisition plan of Encore Energy Pte Ltd (EEPL), the ultimate shareholder of MEDC, by PT Pertamina (PTMA), the largest oil and gas producer in Indonesia. Currently, the ratings of MEDC, its bond II/2009 of IDR1.5 trillion, MTN I-II/2009-2010 of USD100 million and proposed MTN III/2010 of USD50 million are "**idAA-**".

If the acquisition plan is materialized and PTMA becomes the new shareholder, it could create a good business synergy and subsequently strengthen MEDC's business profile. However, the change of shareholder structure may have implications on certain loans but the Company believes that remedial steps can be taken.

PEFINDO will closely monitor the realization of the acquisition and the impact to the Company's overall business and financial performances.

MEDC is the largest privately-owned independent oil and gas company in Indonesia. MEDC is also engaged in downstream business (ethanol, LPG, distribution of high speed diesel) and power generation. MEDC is a public company listed in Indonesia Stock Exchange (IDX).

Rating period: October 19, 2010 – January 19, 2011
Contact Analyst: Ronald Hertanto & Vonny Widjaja
ronald.hertanto@pefindo.co.id & vonny.widjaja@pefindo.co.id

DISCLAIMER

PT Pemeringkat Efek Indonesia (PEFINDO) does not guarantee the accuracy, completeness, timeliness or availability of the contents in this report or publication. PEFINDO cannot be held liable for its use, its partial use, lack of use, in combination with other products or used solely, nor can it be held responsible for the result from its use or lack of its use in any investment or other kinds of financial decision making on which this report or publication is based. In no event shall PEFINDO be held liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses including but not limited to lost profits and opportunity costs in connection with any use of the contents of this report or publication. Credit analyses, including ratings, and statements in this report or publication are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold or sell any securities or to make any investment decision. The contents cannot be a substitute for the skill, judgment and experience of its users, its management employees and/or clients in making investment or other business decisions. PEFINDO also assumes no obligation to update the content following publication in any form. PEFINDO does not act as fiduciary or an investment advisor. While PEFINDO has obtained information from sources it believes to be reliable, PEFINDO does not perform an audit and does not undertake due diligence or independent verification of any information used as the base of and presented in this report or publication. PEFINDO keeps the activities of its analytical units separate from its business units to preserve independence and objectivity of its analytical processes and products. As a result, certain units of PEFINDO may have information that is not available to other units. PEFINDO has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. PEFINDO may receive compensation for its ratings and other analytical work, normally from issuers of securities. PEFINDO reserves the right to disseminate its opinions and analyses. PEFINDO public ratings and analyses are made available on its Website, <http://www.pefindo.com> (free of charge) and through other subscription-based services, and may be distributed through other means, including via PEFINDO publications and third party redistributors. Information in PEFINDO's website and its use fall under the restrictions and disclaimer stated above. Reproduction of the content of this report, in full or in part, is subject to written approval from PEFINDO.

Phone : (62-21) 521 0077
Fax : (62-21) 521 0078
PEFINDO Website: <http://www.pefindo.com>