



PEFINDO CREDIT RATING INDONESIA

PRESS RELEASE
April 28, 2011

PT Medco Energi Internasional Tbk.

PEFINDO affirmed its “**idAA-**” ratings for PT Medco Energi Internasional Tbk (MEDC or the Company), its Bond II/2009 and MTN I-III/2009-2010. PEFINDO also assigned “**idAA-**” rating for MEDC’s proposed bond III/2011 up to USD150 million to be used for refinancing and general purpose. The outlook of the Corporate rating remains “**Negative**”, reflecting MEDC’s weakening financial profile as a result of its aggressive financial policy. The ratings reflect favorable crude oil price, MEDC’s strong proved oil and gas reserve, and strong financial flexibility. However, the ratings are constrained by the Company’s aggressive financial policy due to sizeable capital expenditure and decreasing trend of oil production from limited producing fields.

MEDC is the largest privately-owned independent oil and gas company in Indonesia. The Company is also engaged in downstream (ethanol, LPG, distribution of high speed diesel) and power generation. In 2010, the Company’s revenue was mostly generated from oil & gas (61%), downstream (18%), power generation (10%), and other contracts and related services in Oman (11%). At the end of 2010, MEDC’s shareholders consist 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%).

Rating Period: April 28, 2011 – April 1, 2012

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