



**DIRECTORATE GENERAL OF OIL AND GAS
REPUBLIC OF INDONESIA**

**THE PROMOTION OF NEW ACREAGES
FOR OIL AND GAS**

**AAPG
INTERNATIONAL PAVILION
LONG BEACH, 2012**



UPSTREAM OIL AND GAS EXPLORATION IN INDONESIA

- Legal foundation
- Types of contracts
- Who eligible to conduct oil and gas business activities
- Indonesian Oil and Gas Potential



LEGAL FOUNDATION

(OIL AND GAS LAW No. 22 / 2001)

- **Oil and Gas** as strategic Non-renewable Natural Resources within the Indonesian Legal Territory are **controlled by the state**
- Upstream activities shall be conducted and controlled through **Cooperation Contract**
- The Cooperation Contract comprise at least the following requirement/ principles:
 - a. Ownership of resource remain under the government of Indonesia until point of delivery
 - b. BPMIGAS controls the Management of Operation
 - c. The business entity or permanent establishment undertake capital risk



TYPE OF CONTRACTS

1. Production Sharing Contract
2. Other Cooperation Contract, that give more benefit to the state, such as **Service Contract** (Cost and Fee Contract) etc.



WHO ELIGIBLE TO CONDUCT THE BUSINESS

- State-Owned Business Entity
- Regional Government-Owned Business Entity
- Cooperatives, Small Companies
- Private Business Entities
- Permanent Establishment



INDONESIAN OIL AND GAS POTENTIAL

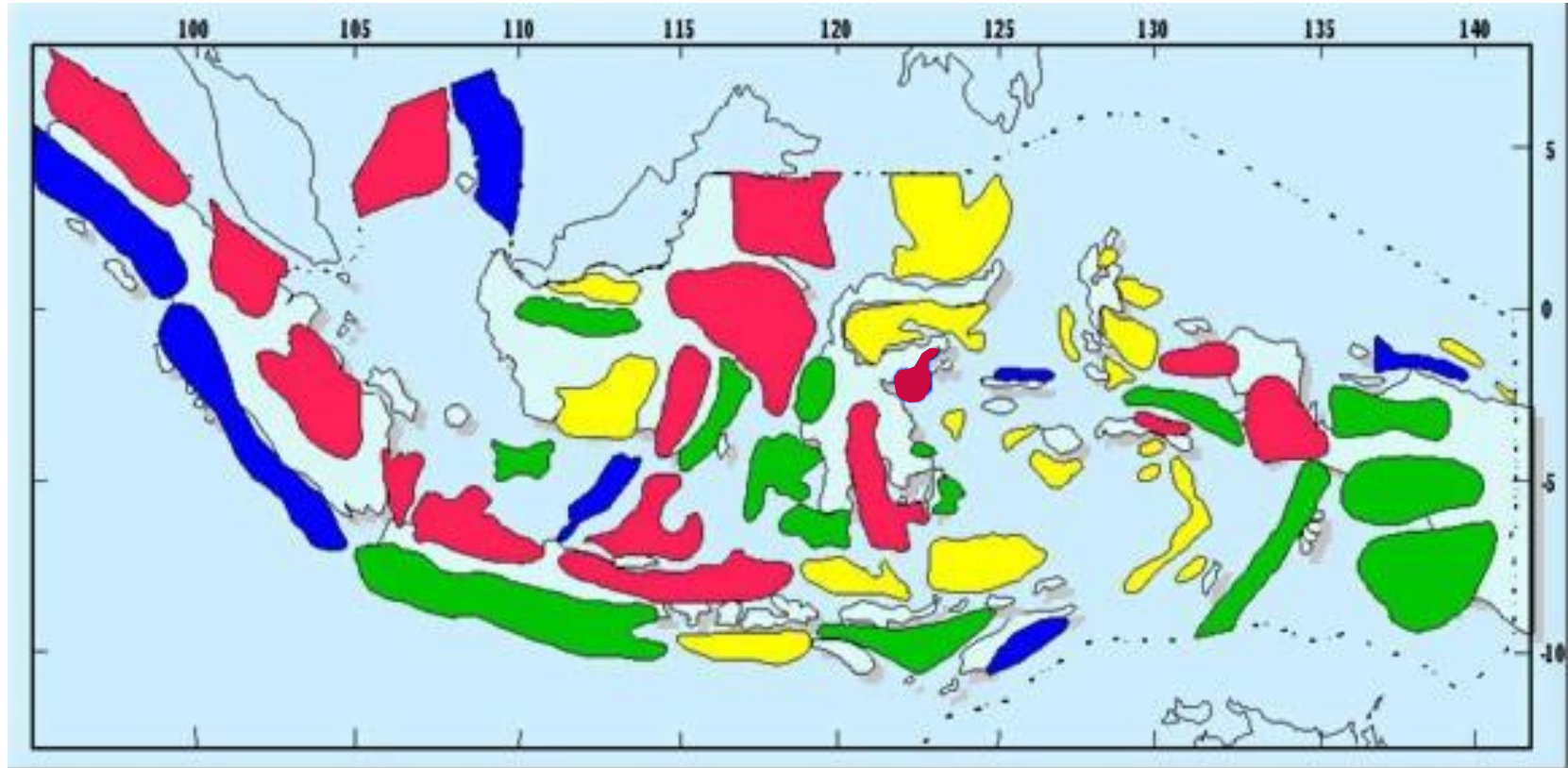



INDONESIA OIL AND GAS POTENTIAL

- Plenty of hydrocarbon basins have not been explored
- Potential Geological Prospect still promising. Significant new discoveries in old producing areas, deep water and remote area.
- High Success ratio on exploration drilling
- Huge energy market which grows rapidly in the country as well as in the world



TERTIARY SEDIMENTARY BASINS IN INDONESIA

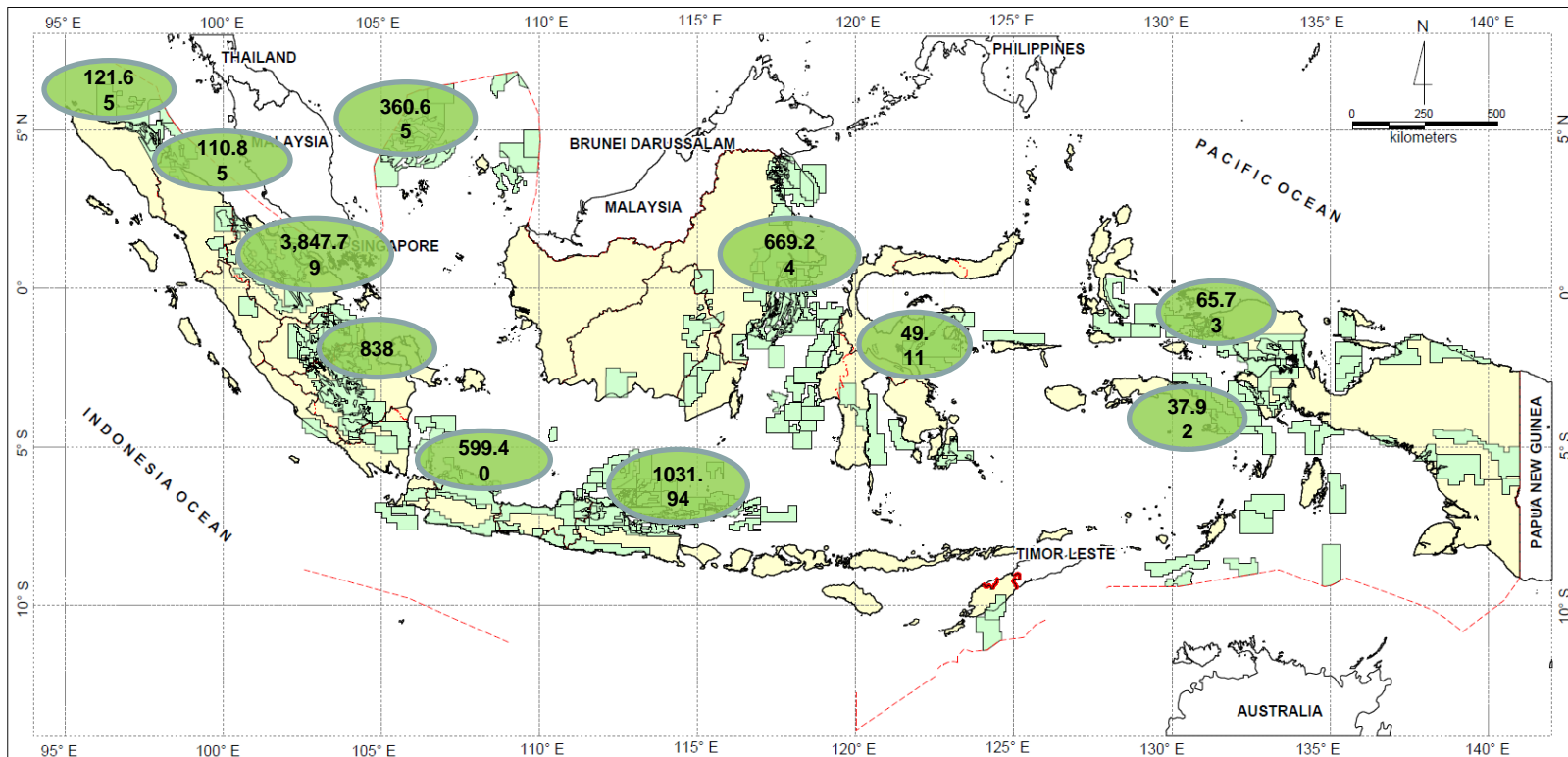


-  Producing basin (16)
-  Drilled and proven discovery, but not producing yet (7)
-  Drilled basin, no discovery yet (15)
-  Frontier basin (22)





OIL RESERVES MAP (JANUARY 2011)



Active Blocks



Proven : 4,039.57 MMSTB
Potential : 3,692.70 MMSTB
TOTAL : 7,732.27 MMSTB

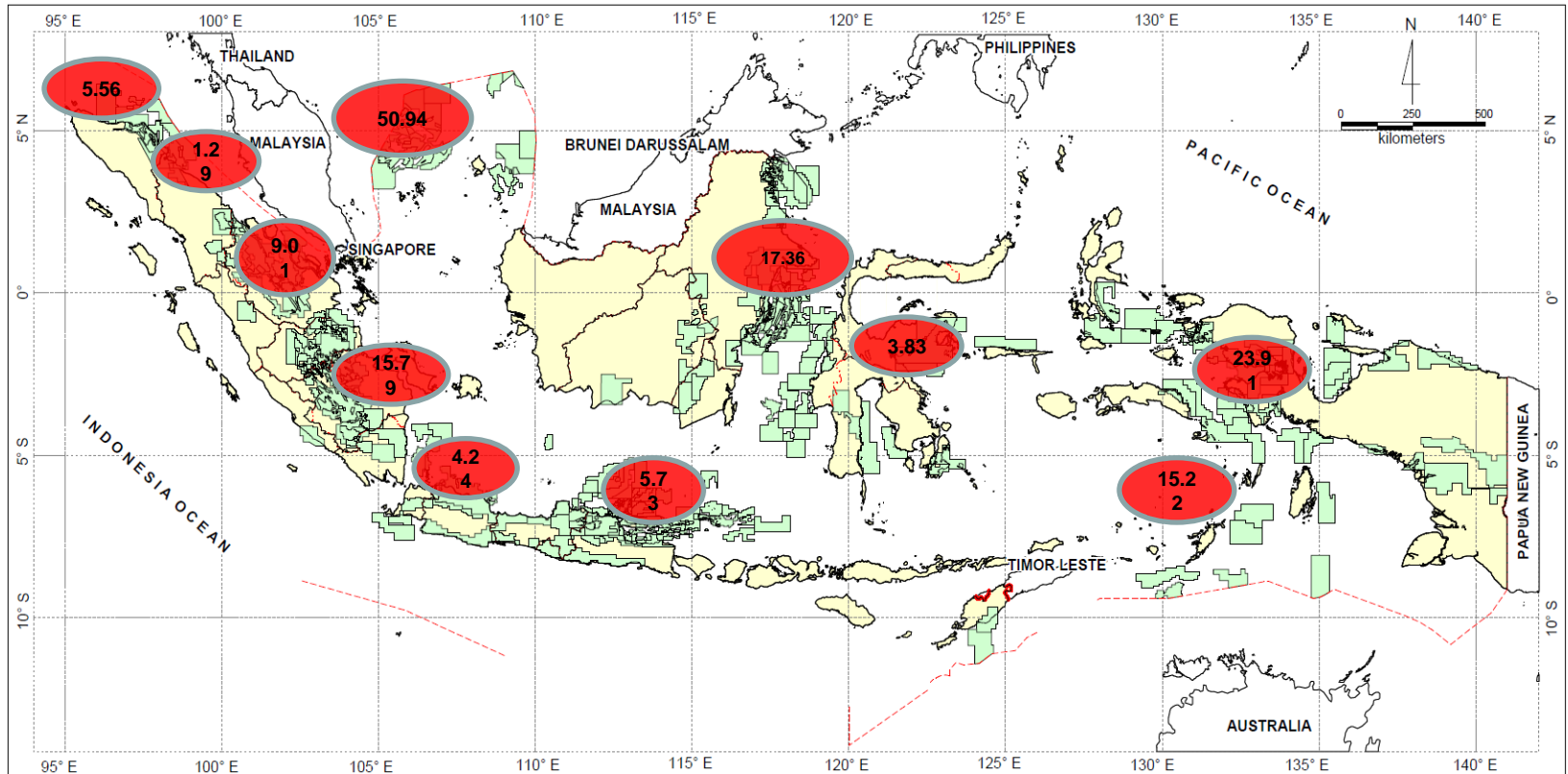


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Directorate Of Upstream Business Development



GAS RESERVES MAP

(JANUARY 2011)



Active Blocks



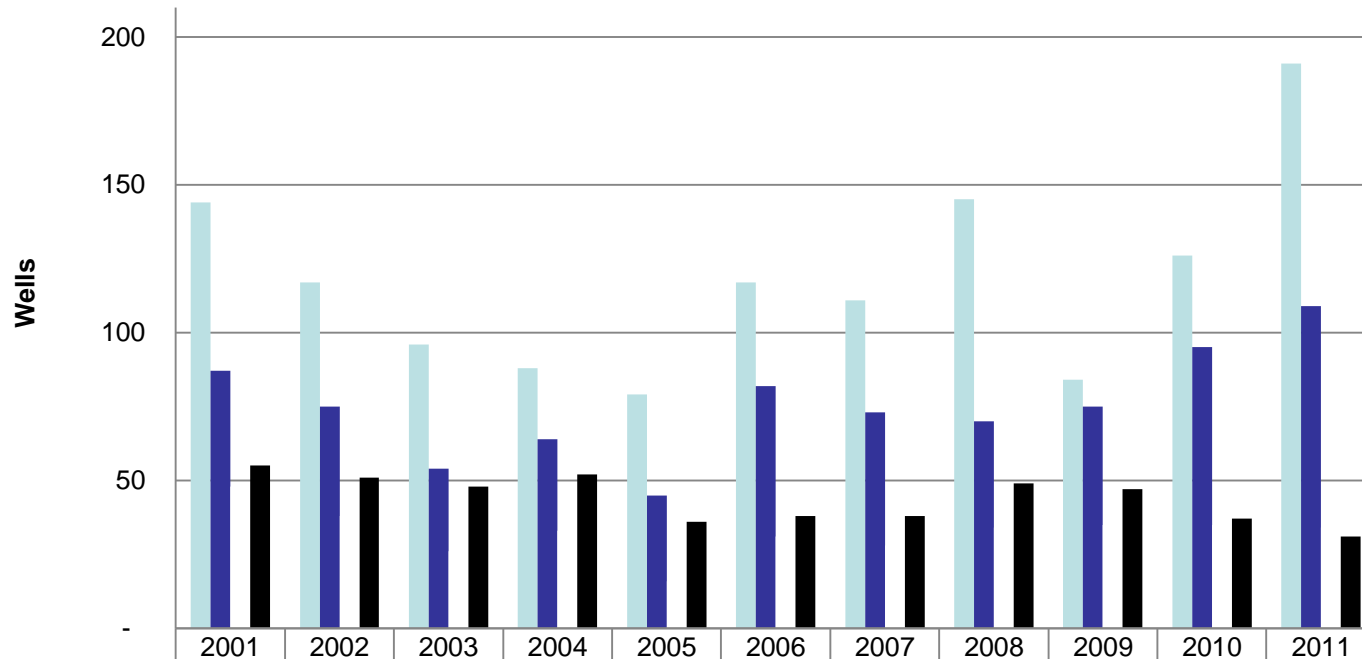
Proven : 104.71 TSCF
Potential : 48.18 TSCF
TOTAL : 152.89 TSCF



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EXPLORATION DRILLING (2001-2011)



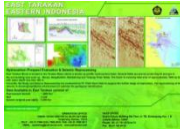
Plan	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Actual	87	75	54	64	45	82	73	70	75	95	109
Discovery	48	38	26	33	16	31	28	34	35	35	34
Success Ratio (%)	55	51	48	52	36	38	38	49	47	37	31



PSC acquisition :

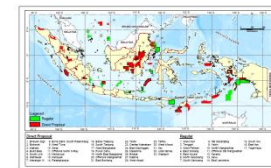
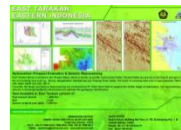
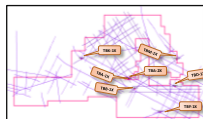
(1) REGULAR Tender

MIGAS → INVESTOR



(2) JOINT STUDY (Direct Proposal Tender)

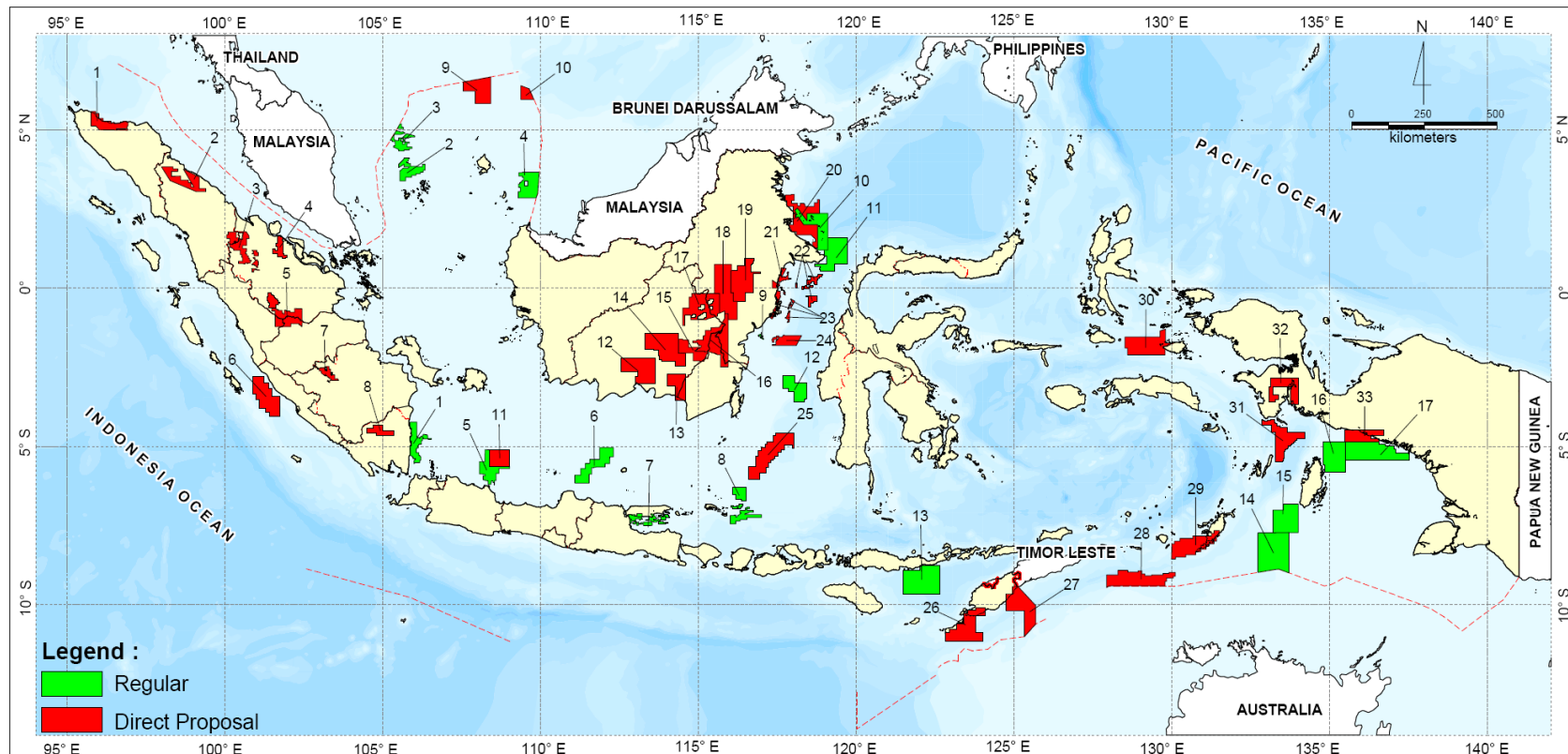
INVESTOR → MIGAS → INVESTOR



(ITB, UGM, Trisakti, UPN Jogja, UNPAD)



BIDDING ROUND 2012



Direct Proposal

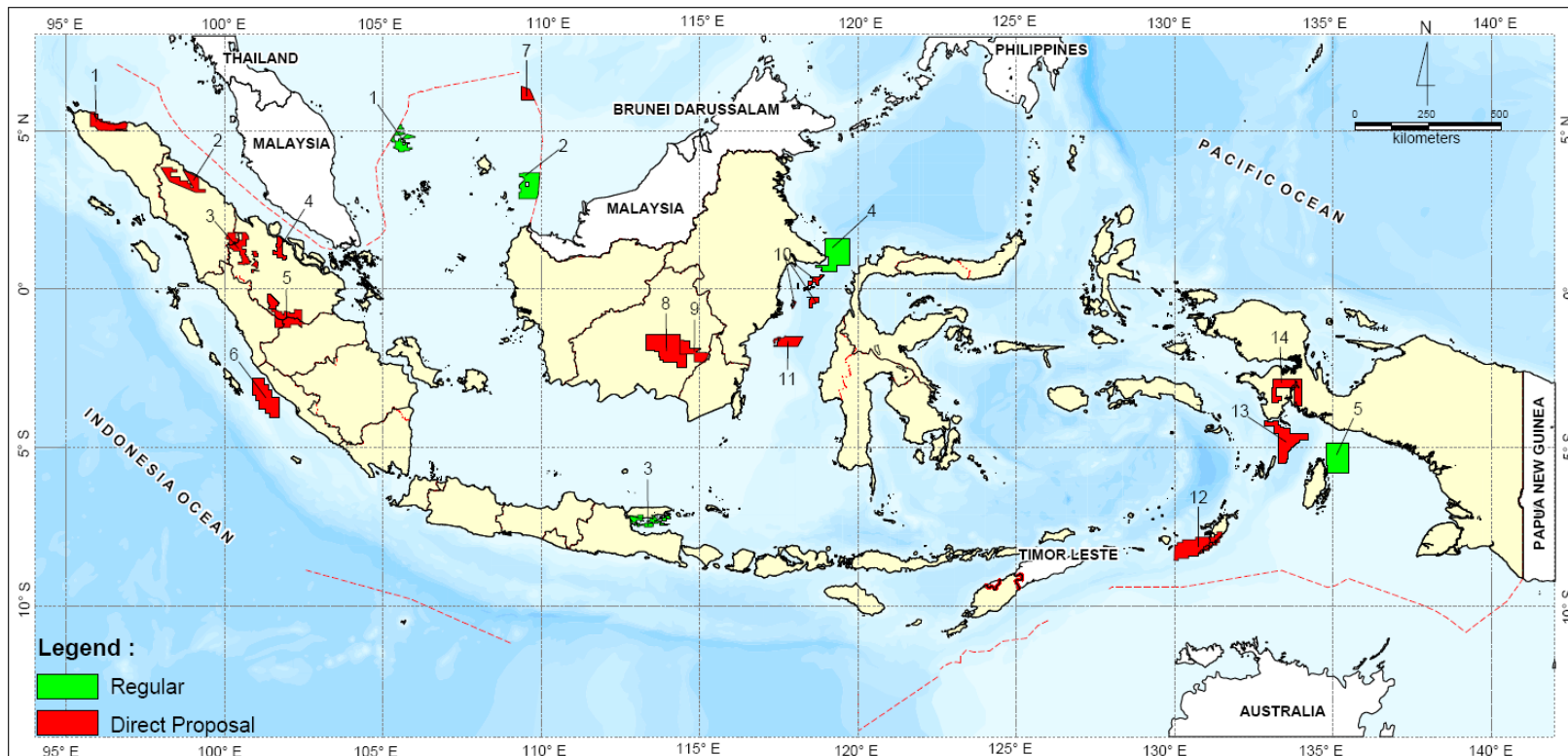
- | | | | | |
|------------------|--------------------------------|--------------------------|---------------------|-----------------|
| 1. Bireuen Sigli | 8. Bima Sakti, South Palembang | 15. Babai Tanjung | 22. Telen | 29. Tatiyu |
| 2. Bohorok | 9. West Tuna | 16. South Tanjung | 23. Central Mahakam | 30. West Misool |
| 3. Mahato | 10. Selar | 17. West Bangkanai | 24. East Sepinggan | 31. Aru |
| 4. Bukit Batu | 11. Offshore North X-Ray | 18. Puruk Cahu | 25. Masalima | 32. Udan Emas |
| 5. South Lirik | 12. Menduawai | 19. North East Bangkanai | 26. Bikase | 33. Wanapiri |
| 6. Mentawai | 13. Kahayan | 20. Offshore Mangkalahat | 27. Katena | |
| 7. Merangin III | 14. Palangkaraya | 21. East Bontang | 28. West Abadi | |

Regular

- | | | |
|-------------------|-----------------------------|---------------|
| 1. West Asri | 8. NE Sepanjang | 15. South Aru |
| 2. Tenggiri | 9. Yakin | 16. East Aru |
| 3. West Pelikan | 10. North Mangkalahat | 17. YegeYepa |
| 4. East Sokang | 11. Offshore SE Mangkalahat | |
| 5. East Arjuna | 12. Karana | |
| 6. North Kepodang | 13. Savu | |
| 7. South Sampang | 14. East Jamdena | |



1st ROUND 2012



Direct Proposal

1. Bireuen Sigli
2. Bohorok
3. Mahato
4. Bukit Batu
5. South Lirik
6. Mentawai
7. Marlin
8. Palangkaraya
9. Babai Tanjung
10. Telen
11. East Sepinggan
12. Tatihu
13. Aru
14. Udan Emas

Regular

1. West Pelikan
2. East Sokang
3. South Sampang
4. Offshore SE Mangkalihat
5. East Aru



DIRECTORATE GENERAL OF OIL AND GAS
Directorate Of Upstream Business Development

REGULAR Tender
DIRECT PROPOSAL Tender

: 28 March – 26 July 2012
: 28 March – 14 May 2012



BIDDING REQUIREMENTS:

(1) Administrative

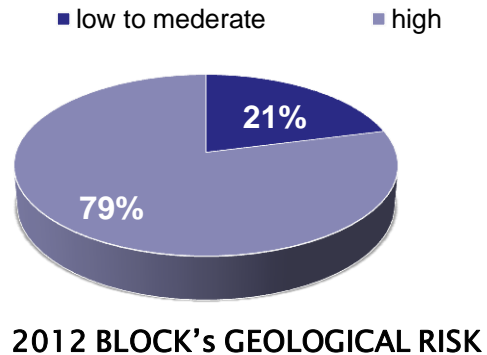
- BID DOCUMENT : US\$ 5,000
- DATA PACKAGE : US\$ 1,000 – US\$ 80,000

(2) Technical & Financial

- WORK PROGRAM & COMMITMENT :
G&G, seismic surveys & exploration well
- PSC SIGNATURE BONUS



Government incentives:



- : – better PSC split for high risk block
65/35 and 60/40
- low PSC signature bonus requirement
 - no exploration well in the firm commitment
 - investment incentive
 - exemption of import duty



TERMS & CONDITIONS

No.	BLOCK	SIZE (Km2)	AGREEMENT	Ketentuan Pokok Kerja Sama (Term and Condition)								Minimum Signature Bonus (US\$)	Minimum Firm Commitment & 4th year commitment
				1st Relinquishment	FTP 1)	DMO		Government's share (%) After Tax ³⁾		Contractor's share (%) After Tax ³⁾			
						Volume	Fee ²⁾	Oil	Gas	Oil	Gas		
REGULAR BLOCK													
1	WEST PELIKAN	2,664.40	PSC	25%	20%	25%	25%	65	60	35	40	1,000,000	Seismic 3D & 1 well
2	EAST SOKANG	6,585.97	PSC	25%	20%	25%	25%	65	60	35	40	1,000,000	Seismic 3D + 1 well in 4th year
3	SOUTH SAMPANG	2,665.11	PSC	25%	20%	25%	25%	60	60	40	40	1,000,000	Seismic 3D + 1 well in 4th year
4	OFFSHORE SE MANGKALIHAT	8,207.49	PSC	30%	20%	25%	25%	65	60	35	40	1,000,000	Seismic 2D + 1 well in 4th year
5	EAST ARU	8,178.21	PSC	30%	20%	25%	25%	65	60	35	40	1,000,000	Seismic 2D + 1 well in 4th year
DIRECT PROPOSAL BLOCK													
1	BIREUN SIGLI	4,865.98	PSC	25%	20%	25%	25%	70	65	30	35	1,000,000	Seismic 2D & 1 well
2	BOHOROK	5,021.73	PSC	25%	20%	25%	25%	65	60	35	40	1,000,000	Seismic 2D + 1 well in 4th year
3	MAHATO	5,636.68	PSC	25%	20%	25%	25%	70	60	30	40	1,000,000	Seismic 2D & 1 well
4	BUKIT BATU	1,921.86	PSC	10%	20%	25%	25%	65	60	35	40	1,000,000	Seismic 2D & 1 well
5	SOUTH LIRIK	5,468.50	PSC	25%	20%	25%	25%	70	60	30	40	1,000,000	Seismic 2D & 1 well
6	BENGKULU I - MENTAWAI	8,034.16	PSC	25%	20%	25%	25%	65	60	35	40	1,000,000	Seismic 3D + 1 well in 4th year
7	MARLIN	1,570.79	PSC	10%	20%	25%	25%	80	65	20	35	1,500,000	Seismic 3D & 1 well
8	PALANGKARAYA	7,612.91	PSC	25%	20%	25%	25%	60	60	40	40	1,000,000	Seismic 2D + 1 well in 4th year
9	BABAI	3,672.90	PSC	25%	20%	25%	25%	65	60	35	40	1,000,000	Seismic 2D + 1 well in 4th year
10	TELEN	2,371.13	PSC	25%	20%	25%	25%	65	60	35	40	1,500,000	Seismic 3D & 1 well
11	EAST SEPINGGAN	2,912.90	PSC	25%	20%	25%	25%	65	60	35	40	2,000,000	Seismic 3D & 1 well
12	TATIHU	8,220.87	PSC	30%	20%	25%	25%	65	60	35	40	1,000,000	Seismic 2D + 1 well in 4th year
13	ARU	8,054.45	PSC	30%	20%	25%	25%	65	60	35	40	1,000,000	Seismic 2D + 1 well in 4th year
14	UDAN EMAS	5,396.42	PSC	25%	20%	25%	25%	65	60	35	40	1,000,000	Seismic 2D + 1 well in 4th year

KETERANGAN :

¹⁾ FTP 20% is shared

²⁾ DMO Fee after five (5) years of production

³⁾ Tax rate 40%



THANK YOU

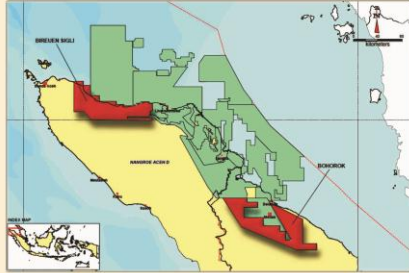
For more information please visit our booth 1920

www.wkmigas.com

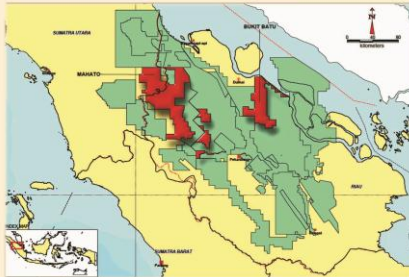
www.migas.esdm.go.id



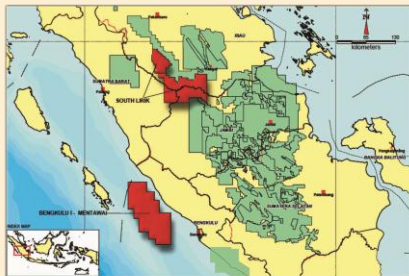
BIREUN SIGLI & BOHOROK



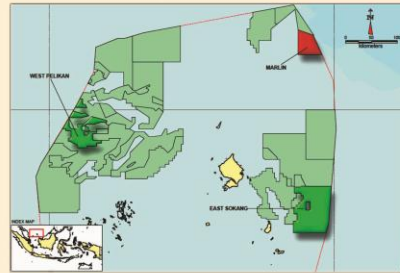
MAHATO & BUKIT BATU



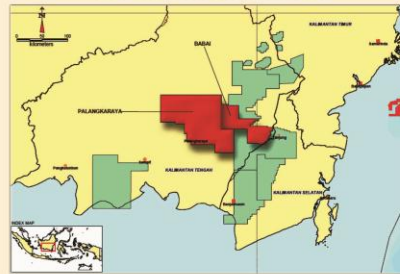
SOUTH LIRIK & BENGKULU I-MENTAWAI



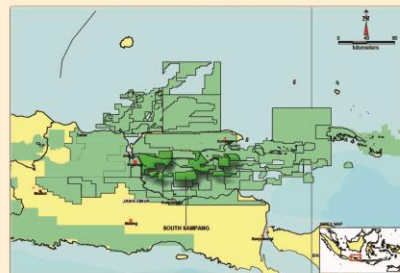
WEST PELIKAN, EAST SOKANG & MARLIN



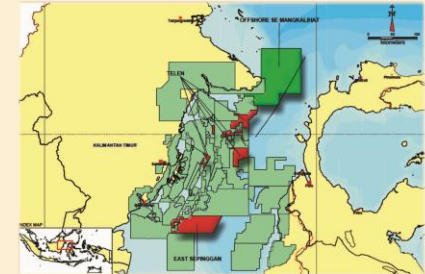
PALANGKARAYA & BABAI



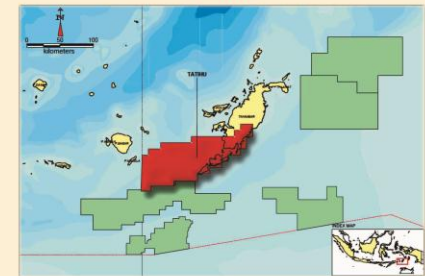
PALANGKARAYA & BABAI



OFFSHORE SE MANGKALIHAT, TELEN & EAST SEPINGGAN



TATIHU



ARU, EAST ARU & UDAN EMAS

