

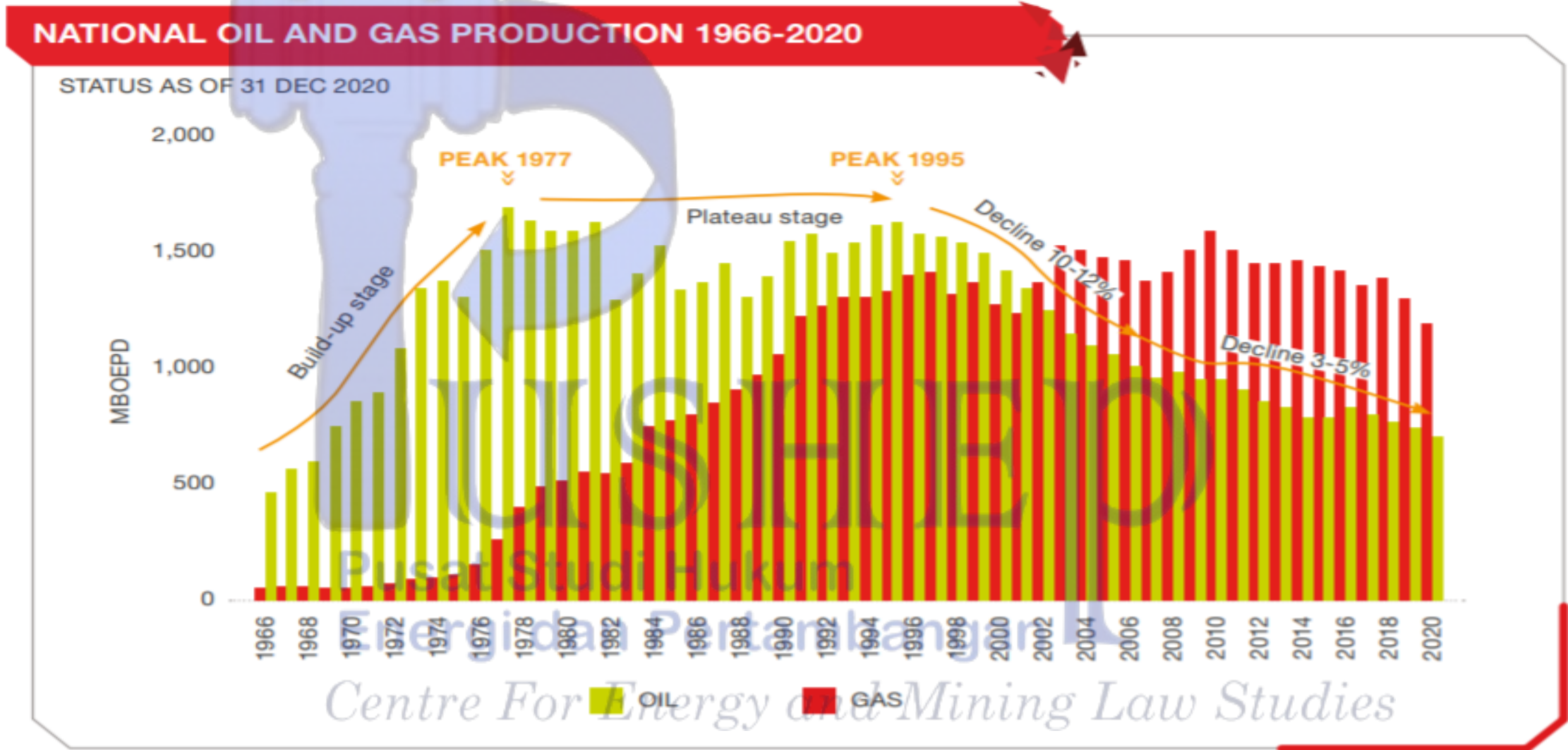
Indonesia Oil and Gas Production: What Improvements Required to Unlock the Potentials?

RPDU – Komisi VII DPR RI
29 Mei 2023

Pusat Studi Hukum
Energi dan Pertambangan
Centre For Energy and Mining Law Studies



Indonesia Oil and gas production has declined since the last few years



Indonesia has a lot of potential but needs huge investment



Indonesia Oil & Gas Potential



2.36 BBO and
42.93 TCF Proven Reserves

**) ESDC status 31 Dec 2021*

173 Working Area

94 Production

79 Exploration

134 Cost Rec

39 Gross Split

**) Per 1 Jan 2022*

- Producing Basin
- Drilled with Discovery
- Drilled, No Discovery
- Un-drilled

20 Basins

27 Basins

13 Basins

68 Basins

± 1000 O&G Fields

± 30,000 Wells

126 Proven Play

832 Field/Structure, and

110 BBOE Discovered Vol. Inplace



> 440,000 km²
Working Area
Onshores & Offshores



630 Platform

Operation Offshore Platform	522 unit
Not Operated	102 unit
Already Abandonment	6 unit
Total	630 unit



3 LNG Plant

5 LPG Plant

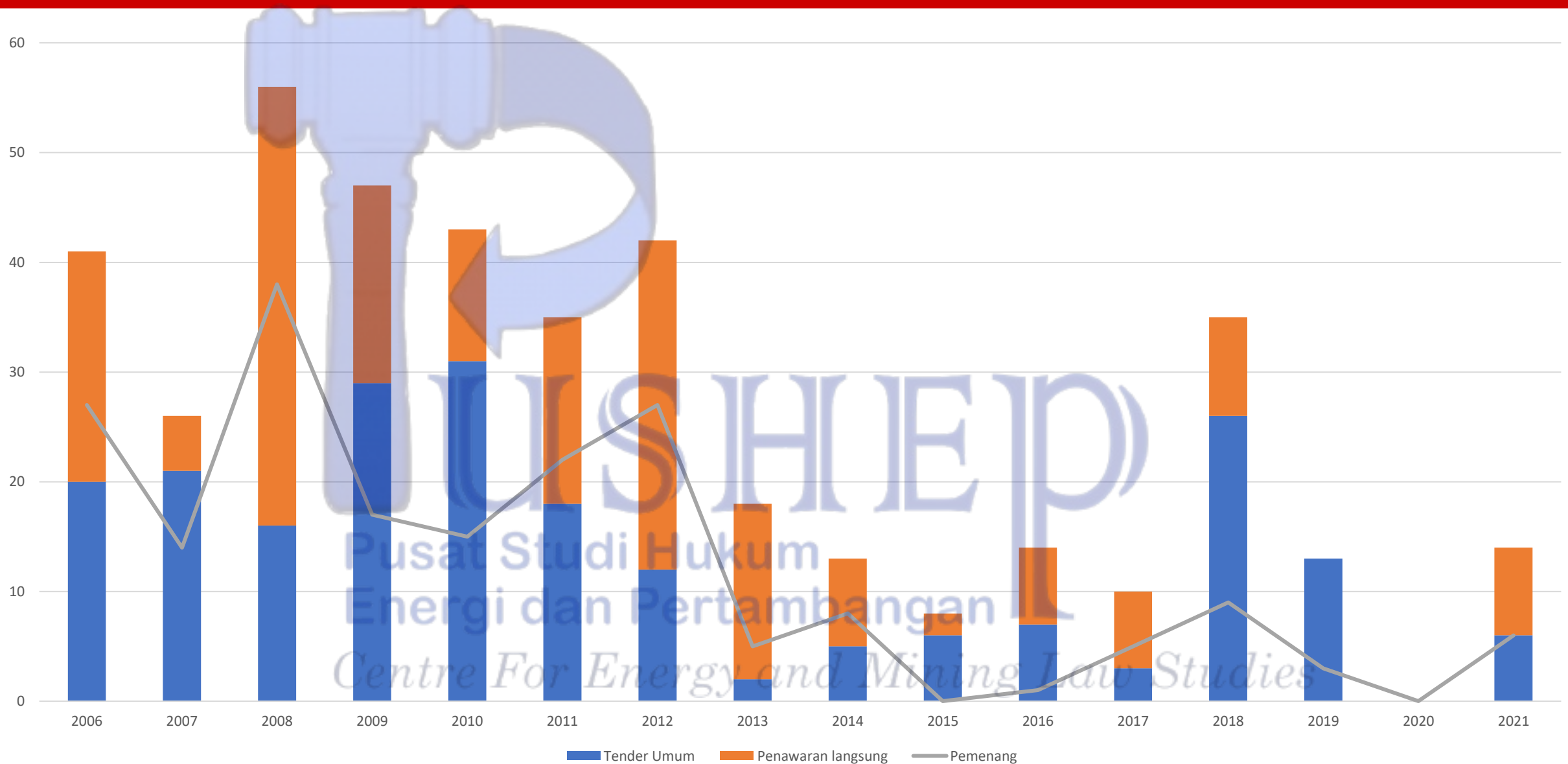
26 FPSO/FSO/FPU



~20,300 km
Pipeline

Status: 31 DECEMBER 2021

But, it seems investors' appetite for new blocks has also declined



Sumber: Migas

Some improvements introduced by the Government to attract investors

GR 27/2017

Limited Tax facilities for CR PSC

Indirect tax facilities only applied during exploration period, not included exploitation period
Tax facilities should be extended beyond exploration period to include the remaining period of the contract

GR 53/2017

Limited Tax Facilities for GS PSC

- Indirect tax facilities only applied until commercial production, not included exploitation period
- Tax facilities should be extended beyond that period to include the remaining contract period and other cost such as facilities rental and PBB should be changed

ESDM Regulations

Incentives for certain projects

- Kepmen 199/2021: Providing more clarity on incentives criteria for upstream activities
- Permen 12/2020: flexibility to choose CR or GS PSC but no substantial change to split

Fundamental improvements to oil and gas law are required





“Terima Kasih ”

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