MINISTRY OF ENERGY AND MINERAL RESOURCES
DIRECTORATE GENERAL OF OIL AND GAS

INDONESIA’S OIL AND GAS OVERVIEW AND CHALLENGES ON UPSTREAM SECTOR

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Bandung – December 10th 2012
POLICY AND TARGETS OF INDONESIA OIL & GAS MANAGEMENT

**PETROLEUM POLICY**
- Oil and Gas Supply Security
- Oil and Gas Utilization
- Oil and Gas Pricing Policy
- Unconventional Oil and Gas Business
- Conservation Of Oil and Gas Production
- Increasing National Capacity In Oil And Gas Industry

**FUEL POLICY**
- Feedstock & Fuel Supply Security
- Fuel Categorization
- Pricing Policy
- Fuel Diversification
- Fuel Standard and Quality
- Fuel Efficiency

**TARGETS FOR 2025**
- Maintain oil production level
- 50% national operatorship
- Security of domestic Fuel Supply and Industrial Feedstock
- 91% local content (goods and services)
- 99% skilled national workforce
- Achieving oil and gas safety, zero accidents, zero failure, and achievement of zero flares, and zero waste
EXPLORATION DRILLING

Rencana | Realisasi | Discovery | Success Ratio (%)
---|---|---|---
2002 | 117 | 75 | 38 | 51
2003 | 96 | 54 | 26 | 48
2004 | 88 | 64 | 33 | 52
2005 | 79 | 45 | 16 | 36
2006 | 117 | 82 | 31 | 38
2007 | 111 | 73 | 28 | 38
2008 | 162 | 70 | 34 | 49
2009 | 84 | 74 | 35 | 47
2010 | 126 | 95 | 35 | 37
2011 | 237 | 107 | 34 | 32
2012 | 276 | 36 | 19 | 52

*) May 2012
INDONESIA’S OIL AND GAS PRODUCTION PROFILE
STRONG INVESTMENT IN UPSTREAM OIL AND GAS

The increasing investment trend in the upstream sector will support the growth of natural gas development.
1. Preparing flare gas utilization policy (CNG, LPG, City Gas, EOR, Gas for Power Plant)

2. Socializing flare gas reduction policy to business entities (year 2010);

3. Monitoring flare gas reduction implementation (year 2010 – 2025);

CCS IN OIL AND GAS INDUSTRY

GREEN OIL AND GAS INDUSTRY INITIATIVE (GOGII)

ENERGY UTILIZATION OIL AND GAS FUELS

CO2

EFFICIENT

- EOR
- INDUSTRY
- CCS

OIL AND GAS UPSTREAM & DOWNSTREAM ACTIVITIES
MINISTRY OF E&MR

AREA FOR CCS POTENTIAL IN INDONESIA

Natural CO₂ Source

Depleted Oil Reservoirs & CO₂ from LNG Plant

Banda Aceh
MALAYSIA

Natuna

Sangatta
Bontang LNG Plant
Attaka

DURI STEAM
FLOOD

South Sumatra

Indonesia

Indian Ocean

Java

Bali

Timor

Australia

Pacific Ocean

Thailand

Philippines

Brunei

East Malaysia

Kalimantan

Irlandia

Jakarta

Singapore

Bontang LNG Plant
CHALLENGES ON UPSTREAM SECTOR

**POLICY:**
- BALANCE BETWEEN NATIONAL INTEREST AND INVESTOR INTEREST
- FEEDSTOCK & FUEL SUPPLY SECURITY

**OIL & GAS CORE BUSINESS:**
- NATURAL DECLINE
- OVERLAPPING
- LIMITED INFRASTRUCTURE CAPACITY (PROCESSING & DISTRIBUTION)

**GOOD ENGINEERING PRACTICES & ENVIRONMENT:**
- OIL & GAS SAFETY OPERATION
- ENVIRONMENTAL SAFETY
- RESERVOIR MANAGEMENT
- COMMUNITY DEVELOPMENT
THANK YOU

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