

2019 ANNUAL REPORT

48TH ANNUAL GENERAL MEETING

Jakarta, 4 December 2019

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SECTION 1

INDONESIAN PETROLEUM ASSOCIATION

PRESIDENT'S REPORT - 2019

by

Bij Agarwal

(Acting of IPA President)

**On behalf of
IPA Board of Directors**

December 2019

www.ipa.or.id



INDONESIAN PETROLEUM ASSOCIATION

President's Report for 2019

1. INTRODUCTION

2019 has been a significant year for the Indonesian people as well as for the upstream oil and gas industry. This year, the democratic process of the Presidential Election and Legislative Elections both at national and regional levels was held simultaneously throughout Indonesia. Although the Presidential Election was held in Q2 2019, everything related to the preparation and even the process afterwards was interesting to note because it was also related to the development of the oil and gas industry in Indonesia.

There have been so many changes in the upstream oil and gas industry that have occurred throughout 2019. In fact, the change of SKK Migas Chairman from Amien Sunaryadi to Dwi Soetjipto at the end of 2018 was also interesting to note before we discuss further today about the activities of the national upstream oil and gas industry during 2019.

Unfortunately, the hopes to improve the national upstream oil and gas industry has not been supported by an increase in global oil prices. Although the oil price passed the USD 80 per barrel level in Q4 2018, global oil prices throughout 2019 were recorded as never exceeding USD 80 per barrel. The global oil price around April and May 2019 was approximately USD 70 per barrel which was the highest level reached in 2019. For the remainder of the year, global oil prices in 2019 have been in the range of USD 60 per barrel.

As a result, the low global oil price has also affected several PSC Companies. Several KKKS also must change their strategy in doing business, both in terms of conducting exploration activities and optimizing production.

On the other hand, the Government, particularly the Ministry of Energy and Mineral Resources, also continued to be eager to conduct working area auctions, both for exploration areas and for terminated blocks due to their expired contracts. Based on the existing data, the Ministry of Energy and Mineral Resources has conducted several working area auctions in 2019 which resulted over 50% positive responses. However, there have been several good discoveries and field approvals completed in 2019, e.g.: Sakakemang Block in South Sumatra Province; and the POD Approval of the Abadi Gas Field, in Maluku Province.

As mentioned earlier, 2019 has been a dynamic year. After winning the election and being installed as President of the Republic of Indonesia for 2019-2024, President Joko Widodo appointed the former Indonesian Ambassador to Japan, Arifin Tasrif, to become the Minister of Energy and Mineral Resources. He was advised by President Joko Widodo to reduce the trade balance deficit due to high oil and gas imports in order to fulfill Indonesia's energy needs. And it was not only the oil and gas sector, the President also set targets for ease of investment in other sectors.

In addition, the Coordinating Ministry for Maritime Affairs also received an expansion of assignments and now becomes the Coordinating Ministry for Maritime and Investment Affairs. This clearly shows how the Government of Indonesia has set its focus on matters related to the area of investments. In fact, the Government has invited the relevant parties in the industry to address any regulations which are hindering investment, so that they are immediately identified, and a regulation has been developed that covers all of them - an omnibus law. As a result, in Q3 and Q4 this year, the IPA has been more focused on efforts to support the Government to ensure that both national and global oil and gas investment will be re-attracted to Indonesia and that increased exploration and further optimization of production activities can be carried out.

The IPA highly appreciates the cooperation and opportunities given by the Indonesian Government in order to provide input for increasing oil and gas investment in Indonesia. Acknowledgments are also given to all the IPA Committees who have worked together with the relevant Government agencies at all levels throughout 2019.

Efforts to improve the oil and gas investment climate in Indonesia on a sustainable level are expected to increase the national oil and gas production in order to meet the energy needs of the country in the future. Ultimately, and as stated regularly by the President Joko Widodo, the industry hopes that the trade balance deficit can be overcome for the benefit of all stakeholders and that the industry can continue to grow to benefit the people of Indonesia.

2. KEY INDUSTRY ISSUES

2.1 Omnibus Law

In line with the focus set by President Jokowi to improve Indonesia's attractiveness for investors, the government is also trying to improve the business climate and Indonesian competitiveness to attract oil & gas investment. There are a lot of regulations that need to be

changed and in order to simplify the changes, an omnibus law is being created to encompass all of the changes that are needed. An omnibus law is a law incorporating various provisions from various laws, in order to improve the ease of doing business in Indonesia.

The IPA has prepared input for the Omnibus Law on behalf of the industry and the process of communicating the input is being performed through letters and presentations. The IPA input covered industry concerns on the following:

- Contract certainty
- Legal certainty
- Fiscal stability
- Consolidation of cost
- Guaranteed access to market
- Freedom or flexibility in choosing the form of contract
- Competitive investment climate

There have been a number of regulations that have mostly been issued in the last 2 – 3 years. Some of these have resulted in a negative impact on the oil and gas industry or have been government regulations that need implementing regulations by the ministers or are regulations that need to be changed due to the change in the higher-level regulation. In 2019, the IPA have been having extensive discussions and working with government to identify possible solutions. Summarised below are the key industry issues in 2019:

2.2 VAT on LNG

In the past, VAT has not been imposed on LNG, however the Supreme Court decision no 05/2018 decided that LNG for domestic usage is a VATable good. This has caused a problem for the upstream sector as it would have increased the cost of purchasing LNG and it would have also increased the PLN electricity cost by 10% which would either burden the government subsidy OR result in burdening the community with increased prices.

The IPA have held discussions with PLN and the government and have agreed that applying VAT on LNG is a negative step and that LNG is a strategic good that will help the country's growth and so should be freed up from VAT. The solution requires changing GR81/2015 and also needs to be made retroactive to November 2018, the time of the implementation of the Supreme Court decision.

The IPA position is that the industry also does not want the status of the industry to be changed to a PKP (taxable enterprise) as a result of the imposition of VAT on LNG. Discussions are continuing on this issue and the IPA hope for a successful resolution in 2020.

2.3 Land and Building Tax (LBT)

The current formula for LBT which is to be paid during production is considered high. This affects project economics and is unattractive to investors. Following discussions with ESDM and SKK Migas, the government have agreed to reduce the amount of LBT by revising PMK 139/2014 which will change the formula for the gas price (17.9% of ICP) to the actual contract price. In addition, the Gross Split PSC contractors have also asked for the volumes in the formula for calculating LBT tax to only include the contractor entitlement.

The current status is that the Ministry of Finance are still reviewing this decision by ESDM and SKK Migas and the IPA will continue advocacy efforts on this issue.

2.4 State Asset Management

In June 2019, the Ministry of Finance issued PMK 89/2019 for state asset management and the IPA have identified several crucial issues with this regulation.

Firstly, the regulation adds significant additional processes and bureaucracy to the management of state assets as the Ministry of Finance would now be involved in all of the planning, budgeting, maintenance and disposal of assets.

Secondly, with this new regulation, assets that are deemed as ex-termination would have to be rented from the state. There would consequently be difficulties in calculating the rental price and the period, and there would be no alternative option available to PSC's – operators would be required to rent these assets or not continue operating at all. This regulation is also not consistent with the terms of the Gross Split contract which states that operations and asset management are up to the operator and therefore it reduces the advantages of having a Gross Split contract.

The regulation was issued in June 2019, but it also states that it is to be retroactively applied for all ex-termination contracts which, for the pre-June 2019 ex-termination contracts, is an additional cost which is not included in their negotiations with government.

The IPA position is that as long as all assets are still used by the oil and gas industry and regardless of ex-termination but are still used, then the handling of these assets should be performed by ESDM which will mean that the regulation is based on investment and operational needs.

2.5 Implementing Regulations for GR53/2017 on tax Regulations in Gross Split Contracts

The government has issued GR53/2017 on the Tax Regulations for Gross Split contracts, however this regulation requires the associated implementing regulations to be issued by the Ministry of Finance and these have not been issued as yet.

The IPA will continue to monitor this situation and remain in contact with the MoF regarding the outstanding implementing regulations that are needed by the upstream sector.

2.6 Implementing Regulations for the Tax on Transfer of Participating Interest

In GR27/2017, it states that for the transfer of participating Interest (PI), there will be an income tax of 5% for transfer of PI during exploration or 7% for transfer of PI during exploitation and that is the final tax. After that there is no additional tax.

The current related Ministry of Finance regulation which is PMK 257/2011 does not reflect the change in this new MoF regulation and the IPA have therefore issued a request to the MoF to produce a PMK to reflect the regulation stated in GR27/2017.

2.7 Limit of Remuneration on Foreign Workers

The list of remuneration figures for foreign workers in the oil and gas industry issued by the MoF have not changed since 2011, so they are not in line with market prices. The IPA have asked the MoF to prepare and issue an updated list for the upstream industry.

2.8 Issuance of GR 01/2019 – Export Proceeds from cultivation, management and / or processing of Natural Resources

In previous years, foreign oil and gas companies could export their profits to their home countries or to a country of their choice. According to GR01/2019, the proceeds must be retained in Indonesia and can only be transferred under certain conditions which is not in line

with the contracts that are in place which state that PSC contractors may freely retain their proceeds under the PSC overseas.

Currently, export proceeds are received by external trustees and paying agents who then distribute proceeds to all parties and send those profits to their account in Indonesia in accordance with agreed contracts and agreements.

Most of the trustee paying agents of the current existing contracts are outside Indonesia. Moving them to Indonesia cannot be done unilaterally by the seller (namely the PSC contractor and the seller of the state share) in the middle of the contract as it will create a lot of issues and would require the opening of existing contracts with all of the associated risks.

The IPA have presented the issues to the government and they have agreed to simplify the process of transferring proceeds from Indonesia to other countries and have also agreed to keep the external trustee mechanism in place.

2.9 MEMR Regulation 37/2016 on the provision of offer of 10% PI to Regional Governments

The “carry” concept in this new regulation contradicts GR35/2004 which states that the offer of 10% to regional governments shall be made after agreement following B2B discussions and not as a concept of privilege. In this MR 37/2016, the PSC’s are obliged to carry them, and it is not clear in terms of the procedures for the offer or its implementation.

The IPA have recommended reverting back to GR35/2004.

2.10 MEMR 15/2018 – Post Operations activities for the upstream Oil and Gas industry

This regulation is not in line with existing old PSC Contracts because it stipulates an additional requirement for the contractor to fund post-operational activities after handover of the Block, including decommissioning.

The IPA have recommended that this Regulation be reviewed and must honour existing contracts that are in place.

2.11 MEMR 42/2018 – Prioritization of Crude Oil for Domestic Consumption

The regulation states that PSC’s have to offer crude oil production first to Pertamina but based on B2B discussions and that if it is not agreed, then the operator can use the crude as

they wish. The key issue is that even though in the Regulation it states that there is a B2B discussion, the requirement to offer the crude oil to Pertamina will limit the contractor's ability to achieve the highest value available on the open market.

This regulation changes the existing PSC contract which mentions that the contractor has the right to freely lift. The IPA are in ongoing discussions with ESDM on this issue and are requesting that government adhere to existing contracts.

2.12 Ministry of Transportation Regulation MR 115/2017 – Cabotage

Currently there is a requirement to renew the cabotage permit every 6 months which significantly increases bureaucracy and costs, as well as uncertainty for many of the contracts which are for more than 6 months.

The IPA are recommending that the permit period time is fixed in accordance with the Contract time period.

2.13 Ministry of Trade Regulation 110/2018 – Steel Import Approval

This regulation states a requirement for all industries, including oil and gas PSC's, to have approval for the import of steel. The PSC's only utilise steel in the form of the final products and the IPA have therefore requested that this requirement for steel imports approval should not be applied to the oil and gas sector in order to reduce the bureaucracy and the time required to do business

2.14 Permits

Permits still need to be simplified and reduced in number. The requirements for multiple permits from multiple government ministries and departments (both central and regional) increases bureaucracy and costs and slows down the ability to perform exploration and enhance production. This suggestion is for all permits under ESDM and other Ministries.

The issues are that there is no transparency in the process, and it is difficult to know the status of permit applications as they are being processed. In addition, there is duplication, with similar permits coming from different ministries.

The IPA recommend that the permit process should be simplified and reduced in number. There should be optimisation in terms of online tracking of permit applications and better communication among government institutions or even single permits for those related to environmental regulations. The IPA will continue to work with government to address these issues.

3. IPA ACTIVITIES

3.1 IPA BOARD MEETINGS

From December 2018 to November 2019, the IPA held 12 monthly Board Meetings. The average attendance of Board Members at the monthly meetings throughout the year was approximately 76 %.

Besides the regular Board Meetings, there were some other significant meetings during the year of 2019. Below are the meetings which were attended by the Board of Directors:

3.1.1 IPA PLANNING AND STRATEGY MEETINGS

During the year 2019, there were four (4) significant meetings:

A. IPA Planning and Strategy Meeting – 7 February 2019

The Meeting was attended by the IPA Board, Company members, Associate members and Committee representatives. The IPA President outlined the 8 key priorities for 2019, which the Committees would be working on and considering during their respective work programs for the year:

1. 43rd IPA Convex 2019
2. PSC Gross Split Implementation Regulation
3. Abandonment & Site Restoration
4. Permitting
5. Land and Building Tax (PBB)
6. VAT on LNG
7. Devisa Hasil Ekspor (DHE)
8. Seismic Atlas

B. Meeting with the New SKK Migas Chairman – 18 January 2019

Starting the year, the IPA Board of Directors were received in a courtesy visit with the new Chairman of SKK Migas, Dwi Soetjipto, on Friday 18 January 2019. At the meeting, the IPA President conveyed the 2019 Priorities to the Chairman of SKK Migas who was accompanied by his Vice Chairman and the Deputies. IPA also asked SKK Migas, particularly the relevant working units, to collaborate with the IPA team for further discussion on key issues.

C. Meeting with the New Minister of Energy & Mineral Resources – 11 November 2019

After being inaugurated by President Jokowi, the IPA Board of Director had an opportunity to meet with the new Minister of Energy and Mineral Resources, Arifin Tasrif, on Monday 11 November 2019. The meeting took place very productively, and it was agreed that the IPA and the Government would collaborate in order to enhance the upstream oil and gas industry through increasing the level of investment. Most of the IPA Board of Directors attended the visit.

D. Meeting with the Director General of Tax – 28 November 2019

In order to maintain the good relationship between the IPA and the Ministry of Finance, particularly the Directorate General of Tax, the IPA had an opportunity to hold a courtesy visit with the new Director General of Tax who was appointed in early November 2019, Suryo Utomo. The meeting took place on Thursday 28 November 2019 and was attended by the Finance and Tax Committee as well as the representatives of the IPA Board of Directors.

3.1.2 ELECTION OF 2020 BOARD OF DIRECTORS

In accordance with IPA Constitution Article VIII, the IPA President will appoint three (3) Company Member Representatives, who are not members of the Board of Directors, to serve with the IPA Board as an Election Committee for the purpose of certifying the election results.

The persons appointed as the Election Committee were as follows:

- | | | |
|----------------|---------------------------|-------------------|
| 1. Gary Selbie | Premier Oil Natuna Sea BV | Board of Director |
| 2. Greg Holman | Repsol | Company Member |

3. Arividya Noviyanto Total E&P Indonesia Company Member
4. Chandra Tiranda Mandala Energy Lemang Pte.Ltd. Company Member

The election of the 2020 Board of Directors and Supervisory Board was launched on October 11th, 2019. The voting for the election was closed on November 8th, 2019. Out of 32 Company Members eligible to vote, 26 Company Members (81%) participated in this 2020 IPA Board election.

The results of the elections for the 2020 IPA Supervisory Board and Board of Directors are as follows:

NO	NAME	COMPANY
<i>Supervisory Board</i>		
1	Kuntoro Mangkusubroto	Former Head of President's Delivery Unit for Development Monitoring and Oversight (UKP4) 2010-2014
<i>Board of Directors</i>		
1	Nader Zaki	BP INDONESIA
2	Kevin Lyon	CHEVRON INDONESIA
3	Bijan Agarwal	CONOCOPHILLIPS (GRISSIK) LTD.
4	Diego Portoghese	ENI INDONESIA
5	Louise M. McKenzie	EXXONMOBIL CEPU LTD.
6	Kevin Moore	HUSKY ANUGERAH LTD.
7	Nico Muhyiddin	INPEX MASELA LTD.
8	Ronald Gunawan	MEDCO E&P INDONESIA PT
9	Nanang Abdul Manaf	PERTAMINA PERSERO PT
10	Mohd. Nazlee Rasol	PETRONAS CARIGALI
11	Gary Selbie	PREMIER OIL INDONESIA
12	Nofriadi	SAKA INDONESIA PANGKAH LTD.
13	Greg Holman	TALISMAN ENERGY INC./REPSOL

The Supervisory Board and the 13 (thirteen) elected Board of Directors will meet to elect the President and Officers of the association for the year 2020, and they also will be formally introduced at the IPA Annual General Meeting which will be held on December 4th 2019 at the Dharmawangsa Hotel.

3.1.3 OTHER MEETINGS

A. IPA Participation on ADPM (Asosiasi Daerah Penghasil Migas) – 25 July 2019

During 2019, the IPA have participated on the ADPM (Association for the Regional Oil and Gas Producer) in Solo. The IPA Board of Director, Nanang A. Manaf, delivered the presentation regarding the Future of National Oil and Gas. The meeting was attended by several Governors and Regents in Indonesia who are the members of the ADPM.

B. IPA Visit to Media

In order to maintain the good relationship between the association and the media, the IPA routinely visits several media offices, both printed and electronic. This activity is carried out specifically to support the preparation of the IPA Convex. Several media offices which were visited by representatives of the IPA Board of Director and the Communication team were as follows: Jakarta Post Dailynews, Jawa Post Dailynews, Kompas Dailynews, and Kumparan.com.

C. IPA Media Briefing

In addition to conducting media visits, the IPA also routinely holds a media briefing in regard to providing a focused explanation for the journalists related to a specific issue in the oil and gas industry.

During 2019, there were two Media Briefing activities carried out by the IPA. First, a Media Briefing on July 3, 2019 with the topic of "*Could it be Exploration without Oil and Gas Investment?*". At the event, the oil and gas practitioner, Tumbur Parlindungan, and the oil and gas observer from ReforMiner, Pri Agung, were appointed to be the speakers. The event was attended by around 30 journalists from several media organizations.

The second Media Briefing was held on Thursday, August 8, 2019 with the topic of "*Meet the Primary Energy Targets on 2025*". Vice Chairman of SKK Migas, Fatar Yani Abdurrahman, and the IPA Board of Director, Nanang A. Manaf, were appointed to be the speakers.

SECTION 2

FINANCIAL REPORT

2019

by

Marjolijn Wajong

Executive Director

Financial Executive Summary

For Year 2018 and Highlights 2019

For Year 2018

The IPA's audited Statements of Revenues and Expenditures for the year ending December 31, 2018 shows a surplus of Rp 1,3 billion before Corporate Income Tax (CIT) of Rp. 397 million. Total 2018 surplus after CIT is Rp. 859 million.

The 2018 income is from the annual membership dues of Company and Associate Members, activities of the Professional Division and the IPA Convention which exceed expenditures of the association related to the activities of the IPA Committees, General & Administrations Expenses. The surplus mostly come from the Professional Division which organized core workshop and the IPA Convention and Exhibition.

The opening balance of cash flow for the year 2018 was Rp 9 billion. During the year 2018, adjustments made for depreciation and other changes in assets and liabilities resulted in cash and cash equivalent of Rp 569 million. Such adjustments contributed to an increase of cash and cash equivalent ending balance 2018 to Rp 9,6 billion as indicated in the audited cash flow.

Financial Highlights 2019

There is a decrease in revenue of 2019 compared with 2018, mainly due to membership dues and Professional Division revenue.

The expenses in 2019 reduced because there is no special project, and significant decrease of office rental. At the end, there is an indication of a surplus for Rp. 1,6 billion.

**Indonesian Petroleum Association
2018 Net Surplus/ (Deficit)
(in million Rp)**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues	13.904	11.683	(2.221)
Expenses	12.648	11.511	(1.137)
Operating Surplus / (Deficit)	1.256	172	(1.084)
Corporate Income Tax (CIT)	(397)	(43)	354
Net Surplus/(Deficit) After CIT	859	129	(730)

**Indonesian Petroleum Association
2018 Cash Flow
(in million Rp)**

Balance per January 1, 2018	9.068
Operating Surplus/ (Deficit) before Corporate Income Tax	1.256
Allowance for impairment losses	9
Depreciation	42
Net (Decrease) / Increase in cash and cash equivalent	(737) ^{*)}
Balance per December 31 , 2018	9.638
Notes : *) - Account Receivables and Prepayments	288
- Employee service entitlement expenses	(145)
- Employee loans receivables	23
- Account Payables and accrued liabilities	124
- Tax payables	(484)
- Corporate income tax paid	(467)
- Deposits	(41)
- Purchase of fixed assets	(36)
	(737)

**Indonesian Petroleum Association
2018 Revenues
(in million Rp)**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Company and Associate Company Dues	7.000	6.669	331
Professional Division Revenues	1.263	389	874
Bank Interest, Other	469	125	344
Convention Surplus	5.171	4.500	671
	13.904	11.683	2.221

**Indonesian Petroleum Association
2018 Expenses
(in million Rp)**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Professional Division Committee	467	53	414
Communication Committee	-	-	-
Environmental & Safety Committee	26	25	1
Finance & Tax Committee	81	30	51
Human Resource	-	30	(30)
Scholarship			-
University Assistance Committee			-
Supply Chain Management Committee	2	5	(3)
LNG and Gas Sales Committee	5	5	(0)
Regulatory Affair Committee	3	10	(7)
Exploration Committee	-	2	(2)
Unconventional Committee	-	4	(4)
Associate Members Committee	0	1	(1)
Data Management Committee	-	-	-
Ethics and Compliance Committee	28	55	(27)
Special Projects	-	-	-
Social Investment and Partnership	-	-	-
General and Administrative	6.798	5.514	1.285
Salaries and Benefits	5.237	5.777	(540)
	12.648	11.511	1.137

**Indonesian Petroleum Association
2018 General & Administrative Expenses
(in million Rp)**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Office Rent	2.441	2.559	(117)
Electricity	29	30	(1)
Telephone and Facsimile	11	21	(10)
Photocopy Machine	66	55	11
Stationaries and Other Supplies	91	73	19
Printings and Reproductions	151	184	(33)
Postages and Mailings	15	19	(4)
Transportations	81	79	2
Meetings	583	693	(110)
Information Technology	336	358	(22)
Bank Charges	77	18	60
(Gain) or Loss on Exchange Rate	(141)	(100)	(41)
Audit and Tax Service Fees	1.440	1.075	366
Insurance Expense	6	7	(0)
IPA Exhibition Booth	331	319	12
Tax		-	-
Depreciation	42	90	(49)
Other Expenses	1.238	36	1.202
Sub -T o t a l G & A	6.798	5.514	1.284
Salaries & Benefit	5.237	5.777	(540)
Total G & A and Salary Expenses	12.035	11.291	744

Indonesian Petroleum Association
CASH FLOW
December 31, 2018 and YTD November 30 , 2019
(in million Rp)

	Dec. 31, 2018		YTD Nov. 30, 2019	
	Actual		Actual	
	Rp (million)	US\$ ('000)	Rp (million)	US\$ ('000)
Cash Flow From Operating Activities				
Excess revenue over expenditure before Corporate Income Tax	1.256	87	2.035	144
Allowance for impairment losses	9	1	-	-
Depreciation expenses	42	3	29	2
Employee entitlement expenses	(145)	(10)	-	-
Changes in assets and liabilities				
Account Receivables	288	20	(259)	(18)
Employee loan receivables	23	2	(64)	(5)
Prepayments	-	-	307	22
Deposits	(41)	(3)	124	9
Account Payables and accrued liabilities	124	9	(648)	(46)
Tax payables	(484)	(33)	(1)	(0)
Corporate Income Tax paid	(467)	(32)	-	-
Estimate Tax Refund	-	-	-	-
NET CASH PROVIDED BY (used In) OPERATING ACTIVITIES	605	42	1.523	108
Cash Flow From Investing Activities				
Purchase of fixed assets	(36)	(2)	(51)	(4)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(36)	(2)	(51)	(4)
TOTAL OF NET CASH PROVIDE (USED) IN THIS PERIOD	569	39	1.472	104
CASH AND CASH EQUIVALENT AT BEGINNING OF PERIOD	9.068	626	9.637	683
TOTAL OF CASH AND CASH EQUIVALENT AT END OF PERIOD	9.637	665	11.109	788

Exchange Rate 2018 : 1 US\$ = 14,481

Exchange Rate November, 30 2019 : 1 US\$ = 14,102

Indonesian Petroleum Association
STATEMENT OF REVENUE AND EXPENDITURES
November 30, 2019
(in million Rp)

	YTD NOV 30, 2019 ACTUAL (1)	AVG. YTD 2019 BUDGET (2)	Variance (3 = 1 - 2)
<u>REVENUES</u>			
Company and Associate Company Dues	6.125	5.813	312
Professional Division Revenues	869	1.020	(151)
Convention	3.837	4.583	(746)
Other Revenues	505	367	138
TOTAL REVENUE	11.336	11.783	(447)
<u>EXPENDITURES</u>			
Professional Division Committee	211	702	(491)
Communication Committee	-	-	-
Environmental Committee	128	39	89
Finance & Tax Committee	40	46	(6)
Human Resources Committee	1	5	(4)
- Scholarship	-	-	-
- University Assistance	-	-	-
Supply Chain Mngmt Improvement	1	5	(3)
LNG & Gas Committee	0	5	(4)
Regulatory Affair Committee	6	6	0
Associate Members Committee	-	5	(5)
Data Management Committee	-	-	-
Unconventional Gas Committee	-	5	(5)
Exploration Committee	0	5	(4)
Social Investment & Partnership Committee	-	-	-
Ethics and Compliance Committee	34	37	(3)
Special Project	-	-	-
General and Administration	4.207	4.349	(142)
Salaries and Benefits	4.672	5.784	(1.112)
TOTAL EXPENDITURES	9.300	10.990	(1.690)
Net Surplus / (Deficit) Before Tax	2.036	793	1.243

Indonesian Petroleum Association
STATEMENT OF REVENUE AND EXPENDITURES
L.E. December 31, 2019
(in million Rp)

	NOV 30, 2019 YTD ACTUAL (1)	DEC 31, 2019 L.E. (2)	FY 2019 BUDGET (3)	VARIANCE (4 = 2 - 3)
<u>REVENUES</u>				
Company and Associate Company Dues	6.125	6.125	6.341	(216)
Professional Division Revenues	869	872	1.113	(241)
Convention Surplus / (Deficit)	3.837	5.626	5.000	626
Other Revenues	505	542	400	142
TOTAL REVENUE	11.336	13.165	12.854	311
<u>EXPENDITURES</u>				
Professional Division Committee	211	219	766	(547)
Communication Committee	-	-	-	-
Environmental Committee	128	128	43	85
Finance & Tax Committee	40	50	50	-
Human Resources Committee	1	1	5	(4)
- Scholarship	-	-	-	-
- University Assistance	-	-	-	-
Supply Chain Mngmt Improvement	1	14	5	9
LNG & Gas Committee	0	1	5	(4)
Regulatory Affair Committee	6	6	6	-
Associate Members Committee	-	5	5	-
Data Management Committee	-	-	-	-
Unconventional Gas Committee	-	-	5	(5)
Exploration Committee	0	1	5	(4)
Social Investment & Partnership Committee	-	-	-	-
Ethics and Compliance Committee	34	35	40	(5)
Special Project	-	-	-	-
General and Administration	4.207	5.077	4.744	333
Salaries and Benefits	4.672	5.436	6.310	(874)
TOTAL EXPENDITURES	9.300	10.973	11.989	(1.017)
NET SURPLUS / (DEFICIT) BEFORE TAX	2.036	2.192	865	1.328

Indonesian Petroleum Association
BALANCE SHEETS
DECEMBER 31, 2017 AND 2018
(in million Rp)

	<u>Audited</u> <u>Dec. 31, 2018</u>	<u>Audited</u> <u>Dec. 31, 2017</u>
<u>ASSETS</u>		
Current Assets		
Cash and Cash Equivalent	9.638	9.068
Account Receivable and Prepayments	783	1.081
Employee Loans Receivable	35	58
Total Current Assets	10.456	10.207
Non Current Assets		
Fixed Assets, net	43	49
Deposits	573	532
Estimated Tax Refund	2.182	3.624
Deferred Tax Assets	209	209
Total Non Current Assets	3.007	4.413
TOTAL ASSETS	13.463	14.621
<u>LIABILITIES AND ACCUMULATED SURPLUS</u>		
LIABILITIES		
Current Liabilities :		
Account Payable and Accrued Liabilities	(1.193)	(1.069)
Tax Payables	(167)	(2.559)
Total Current Liabilities	(1.360)	(3.628)
Non Current Liabilities		
Provision for Employee Service Entitlements	(545)	(690)
Deferred tax liability	-	-
Total Non Current Liabilities	(545)	(690)
TOTAL LIABILITIES	(1.905)	(4.318)
ACCUMULATED SURPLUS	15.368	18.939
TOTAL LIABILITIES AND ACCUMULATED SURPLUS	13.463	14.621

Indonesian Petroleum Association
BALANCE SHEETS
NOVEMBER 30, 2019 AND DECEMBER 31, 2018
(in million Rp)

	Unaudited	Audited
	Nov. 30, 2019	Dec. 31, 2018
<u>ASSETS</u>		
Current Assets :		
Cash and Cash Equivalent	11.109	9.638
Account Receivable and Prepayments	1.414	783
Employee Loan Receivables	-	35
Total Current Assets	12.523	10.456
Non Current Assets		
Fixed Assets, net	65	43
Deposits	-	573
Estimated Tax Refund	2.182	2.182
Deferred Tax Assets	209	209
Total Non Current Assets	2.456	3.007
TOTAL ASSETS	14.979	13.463
<u>LIABILITIES AND ACCUMULATED SURPLUS</u>		
LIABILITIES		
Current Liabilities		
Account Payables and Accrued Liabilities	(529)	(1.193)
Tax Payable	(182)	(167)
Total Current Liabilities	(711)	(1.360)
Non Current Liabilities		
Provision for Employee Service Entitlements	(545)	(545)
Deferred Tax Liability	-	-
Total Non Current Liabilities	(545)	(545)
TOTAL LIABILITIES	(1.256)	(1.905)
ACCUMULATED SURPLUS	16.235	15.368
TOTAL LIABILITIES AND ACCUMULATED SURPLUS	14.979	13.463

Indonesian Petroleum Association
STATEMENT OF REVENUES AND EXPENDITURES
DECEMBER 31, 2017 AND 2018
(in million Rp)

	Audited Dec, 31 2018	Audited Dec, 31 2017
REVENUE:		
Company members	5.937	5.710
Associate members	1.063	996
Professional division members	119	163
Course revenue	366	312
Convention Fees Revenue	5.171	4.789
Core Workshop	430	-
Luncheon meeting revenue	22	48
Sales of publications - professional division	327	216
Bank interest	383	104
Other income	86	151
Total revenues	13.904	12.489
EXPENDITURES:		
Technical course expenses	433	491
Salaries and benefits expenses	5.237	5.231
Office rent expenses	2.441	2.557
Professional fees expenses	1.440	1.174
Special project expenditure	-	3.518
Field trip expenses	-	-
Meeting expenses	701	769
Printing and stationery expenses	316	254
IPA Exhibition Booth	331	295
Employee service entitlements expenses	(145)	(414)
Luncheon meeting expenses	14	61
Office and IT maintenance expenses	377	410
Depreciation expenses	42	58
Medical expenses	101	128
Foreign exchange loss/(gain) - net	(141)	(29)
Other expenses	1.424	2.289
Total expenditures	12.571	16.791
Excess of revenues over expenditures - before tax	1.333	(4.302)
Final Tax	77	21
Corporate income tax expense - current		
Deferred tax benefit	397	115
(Deficit)/Excess of revenues over expenditures	859	(4.438)

SECTION 3

ASSOCIATE MEMBERS COMMITTEE

2019 ACTIVITIES REPORT

AND

2020 WORK PROGRAM

CHAIRPERSON

Pungky Hermawan

(Schlumberger)



ASSOCIATE MEMBERS COMMITTEE

Nothing to Report



SECTION 4

CONVENTION COMMITTEE

2019 ACTIVITIES REPORT

AND

2020 WORK PROGRAM

CHAIRPERSON

Hanny Denalda

Ophir Energy



CONVENTION COMMITTEE

I. 2019 ACTIVITIES

A. INTRODUCTION

The 43rd Annual Convention and Exhibition of the Indonesian Petroleum Association (IPA Convex) was held on 4-6 September 2019 at the Jakarta Convention Centre. The theme of the Convex was ***Driving Exploration and Optimizing Existing Production for Long Term Energy Security.***

Event was participated by prominent figures, speakers, government officers, media, and another key stakeholder form both national and international. They discussed the recent issues within the industry in order to ensure that Indonesia is ready to face the global competitiveness.

The IPA sincerely hope that the government and industry can continue to work together in close collaboration to increase exploration and production to ensure the future energy security of Indonesia and re-attract the investment that is needed to achieve these common goals.

B. HIGHLIGHTS

- Opened by H.E. Minister of Energy and Mineral Resources, Ignasius Jonan;
- 25.903 exhibition visitors and 1.687 registered delegates from 15 countries, a significantly increased number compared to 2017 and 2018;
- Excellent industry participation with 122 companies in the Convex exhibition which is an increase in the number of companies who exhibited in both 2017 and 2018;
- 120 oral presentations and 59 poster presentations from professionals and students covering Geosciences, Engineering and Business/Commercial subjects in the Technical Program;
- Strong media turnout with 249 national, international, local and specialist media organizations being represented by 472 journalists from Indonesia and overseas;
- Successful PetroChallenge event, with teams of students proving their investment knowledge and technical skills using specialist software in an online competition to produce the best Return on Investment

C. PROGRAM SUMMARY

1. OPENING CEREMONY

In her opening speech, Louise M. McKenzie, Acting President of the IPA, welcomed the Minister ESDM, the Chairman of SKK Migas and all participants to the 2019 Convention. She noted the following key points;

- The IPA is ready to work together with government to increase investment and improve production.
- The demand for oil and gas will continue with the growing economy in Indonesia and energy needs to be affordable for all.
- Indonesian reserves are globally significant and are attractive for companies to explore. Half of the basins in Indonesia are yet to be explored but return on investment and risks are also important factors to be considered when deciding to invest.
- Globally, the number of opportunities exceeds the capital available and it is a competitive investment environment that requires a long-term commitment. Success in attracting new investment will require joint efforts between all stakeholders.
- There have been good recent initiatives from government in terms of simplifying permits in ESDM, improving data openness and the introduction of tax incentives.
- The IPA commits to working with government to share the global knowledge of major operating companies and to maintain the partnership with government that is so critical to future success

In summary, Louise thanked all stakeholders for their continuing support and for a successful convention and exhibition over the three days of the Convex.

Then, the Minister of Energy and Mineral Resources, Ignasius Jonan, noted some following items:

- On the regulatory side, the government will focus on improving governance and increasing efficiencies. He has instructed his senior staff to find solutions to make the industry as efficient as possible.
- The Gross Split scheme and / or Cost Recovery are no longer the primary focus of government and the focus now is on cost management.

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- He noted the positive news on recent successful announcements, such as the Sakakemang Block discovery and the acceleration of the Abadi field development. He added that he had opened the ring-fencing policy and that there is USD 2.5 Billion of firm working commitment from producing Blocks for exploitation, exploration and EOR, of which 1.25 billion USD is for exploration on existing blocks.
 - The government aims to make fiscal policy as competitive as possible (with the support of the MoF) that will help all operators in Indonesia.
 - The Minister concluded his speech by commenting that global economic growth is slowing, which is a challenge for all countries but that the government is committed to support new exploration, improve efficiencies and cooperate to improve regulatory policies

Following the opening speeches, the 43rd IPA Convention and Exhibition Convention was officially declared open by the Minister EMR, Ignasius Jonan, the Chairman of SKK Migas, Dwi Soetjipto, the Acting DGOG, Djoko Siswanto, and the Acting Presidents of the IPA, Louise McKenzie and Bij Agarwal.

2. KEYNOTE SPEECH ON PERTAMINA'S STRATEGY

Speaker:

Dharmawan Samsu, Upstream Director of PT. Pertamina (Persero) Tbk.

Dharmawan provided an update on Pertamina's strategy, noting that Pertamina had identified three prongs to its future strategy.

Firstly, enhancing existing production – the company have been producing from some fields for 50 years or more and these fields were at the core of the business and will continue to be for many more years as a second life cycle for these mature fields. However, the company is aiming for a breakthrough in technological advancement, commercial optimization supported by regulatory improvements and strategic collaboration in future to increase oil and gas reserves.

Pertamina will also be looking to “step out” and examine possible non-organic access to new reserves through mergers and acquisitions. Also, the company would be looking at exploration through New Ventures in order to “invest for growth” and this includes new acreage in Indonesia. This also includes international exposure as well

and increasing investment in overseas markets to ensure the supply of oil for Indonesia's refineries.

Lastly, Pertamina will continue to develop new forms of energy, focusing particularly on geothermal power which Dharmawan believes is philosophically the best way forward for Indonesia.

In summary, Pertamina aim to be a global, international player with a focus on strategic partnerships to achieve the above strategy and increase exploration, reserves and production.

3. PLENARY SESSIONS

3.1 PLENARY SESSION 1

Theme: *Global Success Stories: Recent Improvements in Exploration Activities Worldwide*

Panellists:

1. **Michael Deal**, *Vice President, Asia Pacific Exploration & New Ventures of ExxonMobil*
2. **Aldo Napolitano**, *EVP Global Exploration Projects of Eni*
3. **David Ramos**, *Director Regional Exploration Eastern Hemisphere of Repsol*
4. **Prof. Peter Cameron**, *Director of the Centre for Energy, Petroleum and Mineral Law & Policy of the University of Dundee*

Moderator:

Dylan Mair, Executive Director, Global Upstream of IHS Markit

The moderator opened the session by asking the panel what has been working up to now in terms of global exploration within their respective companies and what should be done next to increase exploration.

Aldo Napolitano explained how ENI consider exploration as a key line of business within the company and they are directly responsible for delivering results. Exploration is centrally managed, and they believe in high investment in technology and integration of teams to ensure success. He noted Egypt as a good example of working

collaboratively with their government to move from initial exploration to first production in under 3 years.

Michael Deal from ExxonMobil noted that exploration success starts with the fundamentals and that people are very important. He emphasized that the upstream business is a depletion business, so to see 6% growth a year in Indonesia is a good achievement bearing in mind that production declines are inevitable from maturing fields. He noted that three keys to exploration success are data, technology and people. In terms of future exploration, he feels that the exploration of tomorrow needs to integrate the subsurface issues, the fiscal terms and the regulatory issues to realize the full value of new exploration and this includes recognizing the huge importance of quality data.

David Ramos from Repsol explained how their exploration function was centrally managed and they ensure competition from global prospects as part of their business processes. The emphasis was on being Selective and Effective. Selective in terms of where is the expertise, where to explore, and where to invest and make sure that the regulatory environment is conducive for those investments. Effective exploration is needed in terms of finding the right partners and benefiting from synergies. Repsol actively look at emerging or frontier areas to replace reserves. They recognize that in future, it is going to be increasingly important to manage the huge volumes of data and they are actively looking at artificial intelligence to speed up processes.

Peter Cameron from the UK noted that governments have a challenge to fully understand what is going on around the world in the upstream sector and acknowledging the global competition for capital investment. However, he emphasized that it is possible to influence the global environment by reviewing the country's own fiscal environment and by looking at how government institutions are organized and how they interact in order to identify improvements. He also mentioned the key aspects of the energy transition, noting that Indonesia needs to look forward to the energy mix in 2035-2040 and ensure energy sustainability. In future, Indonesia needs to examine the country's fiscal and regulatory policies and identify the variables that need to be introduced to attract the type of companies that the country needs for investment.

In terms of exploration spending, all of the companies emphasized that they will continue to maintain their current levels of exploration spending globally, and Indonesia is a key part of that strategy but improvements could be made in permitting and that fiscal policies need to encourage exploration and ensure the ability to move to production after exploration has identified new reserves.

3.2 PLENARY SESSION 2

Theme: *New Era for Data Management and The Impact on Exploration*

Panellists:

1. **Robert Shoup**, VP Regions of AAPG
2. **Fatar Yani Abdurrahman**, Vice Chairman of SKK Migas
3. **Agus Cahyono Adi**, Head of Data & Information Technology Center of Ministry of Energy and Mineral Resources, Republic Indonesia
4. **Alex Dolya**, Partner & Managing Director of BCG

Moderator:

Tumbur Parlindungan, Oil and Gas Expert

The session opened with presentations from all panellists, with **Agus Cahyono** from ESDM outlining the new era of data openness as stated in MR 07/2019 which had been developed in response to stakeholder demands for more open access to data. It is hoped this new policy will attract more investment to Indonesia to increase exploration. He emphasized that data is not seen now as a source of government revenue but is to be used proactively for exploration and exploitation. The new policy describes the following;

- Nature and types of data (open or confidential)
- Methods of classification (Absolute ownership by the state v. Bound by agreement)
- Data access (new categories for members which have full access to all data and non-members who will have some restrictions and can access general data and basic data only)
- Data amnesty regarding the legalization of data that exists that is not previously recorded by the state. The existence of this data must be reported back to the government.

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- Current policy will be maintained whereby data acquired by companies is still confidential to that company for an initial stated period, even though it will ultimately be an asset of the government

He also stressed that the new ESDM enterprise system covers all areas of responsibility of ESDM, including oil and gas, mining, renewables, electricity and finally geology which is the geological database of Indonesia (GDI). Integrated systems are also being developed on a collaborative basis to enable easy access to data, although he welcomes input from operators and service companies to make these integrated systems work well together for the benefit of all stakeholders. Challenges in the future include managing vast amounts of data, the completeness, accuracy and quality of metadata, physical data storage options, digital storage capacity and effective utilisation of cloud systems.

Alex Dolya from the BCG showed some examples from the UK, Norway and Australia where the data openness policies adopted in those countries had a highly significant effect on exploration success. The key message is that Indonesia should not stand alone with this policy in the early years of its development and implementation but should learn from the data management policies and methods employed by other countries, and also talk to operators and service companies on the type and quality of data. Collaboration is the key to success.

Bob Shoup from the AAPG noted that exploration is data intensive and interpreters need timely access to quality data. Investment dollars will go to the areas with lower risk and higher reward; therefore, the new data openness policy will help Indonesia greatly for investors to define the opportunity scope and risk more easily. Data is available from several different sources and Indonesia should utilise all sources, including associations, operators, vendors and research consortiums.

Fatar Yani, Deputy Chairman, SKK Migas welcomes this new initiative and stated that this was a real breakthrough with this new regulation. Production is declining and he welcomes the opportunity to work collaboratively to improve data access, attract exploration and increase production in future to 1 million barrels per day.

He emphasized that there were still many unexplored basins in Indonesia (119) and still significant proven reserves of 3.2 BBO of oil and 52.5 Tcf of gas. However, to achieve future production growth, exploration was essential, to go along with

improved EOR and other initiatives such as new work programs on existing fields and transformational production efforts.

In summary, all panellists agreed that there are no downsides about having a data openness policy and it should be welcomed by all stakeholders, but it was recognized that there is still a lot of work to do to make this a success.

Consistent standards need to be developed to ensure quality data and ease of access. All stakeholders are encouraged to support government and collaborate to make this happen for mutual benefit.

As noted by Fatar Yani, the President RI has stated that the time for a step by step approach has gone – now is the time to make big leaps and get the production and energy that the country needs.

3.3 PLENARY SESSION 3

Theme: “Role of Technological Advancements in Mature Basins”

Panellists:

1. **William Ramsay**, Senior Manager Subsurface of Hess
2. **Thakun Jiwalai**, PE Technical Manager of Chevron Thailand
3. **Panu Boonwattanopas**, Digital Champion of Chevron Thailand
4. **Devan Raj**, Managing Director of Schlumberger Indonesia
5. **John Anis**, General Manager of Pertamina Hulu Mahakam

Moderator:

Andrew Harwood, Research Director of Wood Mackenzie

The moderator opened the session by noting that exploration is not the only way of increasing production, but it can be achieved through the application of technology to existing fields to increase recovery rates. Research states that by 2040, there will be a global shortfall of 40 million barrels a day of production. New exploration will fill approximately 12 million barrels of this shortfall, a further 12 million barrels will come from pre-FID and other US assets, and the final 12 million barrels will come from existing resources / mature growth.

The Schlumberger country manager noted that there are 4 levels to maximise recovery – primary / secondary / tertiary recovery, accelerate new production facilities, more efficient operations, and finally easy access to quality data across multi-disciplinary teams. EOR is also expected to add new production but currently the timescales have been too long, and Schlumberger are devoting efforts to reduce these timescales by collaborating with operators. The strategy should be to make technology available and deploy it where it has the highest impact, supported by good economics.

William Ramsey from Hess noted that his company are focused on HP/HT technology to identify deeper reservoirs, particularly in the Gulf of Thailand where they are operating in the region. He added that wells are taking longer to drill, requiring more QA/QC and technical assurance, and that subsurface data needs to be better to shorten these timescales. For example, with new technology in the past 5 years, seismic re-processing is now happening every year rather than every 5 years, enabling subsurface experts to target production zones more accurately.

Chevron panellists from Thailand noted their technical successes and challenges in the Gulf of Thailand where they operate 7500 wells, with over 300 platforms and 1700 MMscfd of gas production. Digital technologies and machine learning are enabling the company to increase production from mature fields. Enhancing people skills are also paramount, and technology transfer to individuals enables better decision making leading to improved production as well. They are optimising well factory processes via integration and automation, performing predictable and accurate subsurface evaluations, optimizing maintenance through new technology and using technology to increase workforce productivity.

The GM of Pertamina Mahakam noted that Pertamina are applying new technology in many areas of the Mahakam fields, including targeting shallow gas for production that was previously not being utilised. HP/HT wells are the next frontier for Mahakam area and there is one well targeted for 2020 utilising this new technology. In addition, cheaper sand controls are enabling them to unlock potential reservoirs with marginal reserves, thereby enhancing overall production figures. Pertamina believe that technological advancement is the key to unlocking new potential, reduce development costs and use new technology such as HT/HP to increase production.

In summary, members of the panel noted that the application of new technology requires transparency and clear alignment of goals between service companies and operators. Data sharing and ownership were also key to success. EOR is also seen as a key to the future if timescales can be reduced to enable the technology to be applied earlier to increase production rates.

3.4 SPECIAL SESSION

Theme: *Exploration Going Forward: Indonesia's Prospective Basins*

Panellists:

1. **Shinta Damayanti**, Head of Exploration Planning Division of SKK Migas
2. **Abdul Mutalib Masdar**, Exploration Director of Pertamina Hulu Energi
3. **Damion Rudd**, SE Asia Business Development Advisor of Mubadala Petroleum
4. **Suhaileen Shahar**, Head of Global Exploration New Ventures of Petronas

Moderator:

Moektianto Soeryowibowo, Head of Country & VP Exploration Indonesia of BP

Exploration has reduced in Indonesia over the past 5 years following the oil price crash and there is an opinion that Indonesia is seen as a mature basin, but there are still significant potential resources for discovery. There has been 130 billion barrels of oil discovered to date in Indonesia and 19 producing basins from 128 sedimentary basins.

SKK Migas noted in their presentation that Indonesia was now focused on 10 possible areas that had the potential for a giant discovery. These had been identified in conjunction with operators and input from universities. She also noted that for new exploration, USD 1.25 Billion of work commitments from operators which would need to be spent over the next 5 years. The road ahead to these giant discoveries was now clear and had been in progress since 2016:

- Creation of the SDMS (Subsea Data Management System) in 2016-2018
- Collaboration to find the 10 high prospect areas in 2018.
- In 2019, there is now the Regional Geology Reconstruction which is another collaborative effort between oil and gas companies and SKK Migas to revisit the regional geology of 5 areas to identify proven and new plays

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- 2020-2024 will see a period of Data Acquisition based on activities relating to seismic surveys and exploration drilling leading to giant discoveries in 2024-2025

The panellist from Mubadala also expressed his optimism for the north Sumatra blocks where they have invested. Suhaileen Shahar from Petronas also expressed her company viewpoint that Indonesia was still important to Petronas in terms of exploration prospects and they were focussing on mature and emerging basins as well. East Indonesia was proving to be more challenging, but they were encouraged with results to date using new technologies and will continue to explore for new reserves to add to their portfolio.

Mutalib from Pertamina presented the company profile and existing working areas, noting that PHE had over 50 working areas throughout Indonesia. Focus was now on the Tarakan Block in Kalimantan, where Pertamina believe there is a giant gas discovery potential. Developing this Block will be good for Indonesia's future energy security as well as providing a multiplier effect on Kalimantan as well as the rest of Indonesia. However, he acknowledged that we need a new model – a more aggressive exploration strategy to achieve future growth and collaboration between all stakeholders is crucial to achieve this.

In summary, there was a lot of optimism for increasing production from mature fields, through good collaboration between all stakeholders, and the new data openness policy is seen as being a key positive development that will encourage exploration. However, it was noted that exploration and geological prospects cannot be decoupled from commercial and fiscal aspects in order to make it attractive for investors to invest.

In contrast to these good prospects, Unconventional sources of energy were not currently seen as a good viable opportunity and were perceived as a niche play in Indonesia, although it was encouraging to hear from SKK Migas who have recently welcomed US investors looking at data on shale prospects in Rokan and North Sumatra.

4. TECHNOLOGY SESSIONS

4.1. TECHNOLOGY SESSION 1

Theme: "Application of Artificial Intelligence (AI) in Exploration & Production Activities"

Panellists:

1. **Steve Freeman**, Director of Artificial Intelligence and ML of Schlumberger
2. **Daniel Sparing**, Machine Learning Specialist, Japan Asia Pacific of Google

Moderator:

Agus Wicaksono, CEO & Co Founder Alumnia

Steve Freeman, Director of Artificial Intelligence and Machine Learning of Schlumberger demonstrated the use of AI in the E&P process at Schlumberger and illustrated how it can be used to accelerate the exploration process. Schlumberger's use of AI technology starts with its assets (such as using cameras on equipment), and for its Safety & Security, Training & Guidance, and Interpretation & Insights.

According to Steve, the biggest challenge in the E&P process is the turn-around time. AI technology can be used to help speed up the process, for example speeding up the interpretation of seismic data, reducing the process of interpreting seismic data from 1 month to 1 day. He also noted that the entire process of data interpretation starting with Processing, Interpretation, to gaining Insights, and continuing to the development and production phases that usually takes up to 30 months, can be shortened to two months. Uniting the business focus, domain teams, and connected technology is the key to success.

During the session, Daniel Sparing, Machine Learning Specialist, Japan Asia Pacific of Google also presented the latest Google AI technology. As an example, Google's AI technology is used for Geospatial Modelling. He cited the use of AI by Global Fishing Watch where AI technology is used to catch illegal fishermen. Using machine learning, people no longer must look at the ships one by one, the machines do it for them. He is convinced that the same can be used to help in the oil and gas exploration process.

4.2. TECHNOLOGY SESSION 2

Theme: *Driving Innovation for Exploration and Production Industry through Application of Data Analytics*

Panellist:

1. **Rini Saputra**, Sr. Subsurface manager, Saka Energi
2. **Ruli Harjowidianto**, CEO, Big Java

Moderator:

Dwi Cahyo Nugroho, Chief Information Officer Asia Pacific of BP Indonesia

Panellists agreed that the oil and gas industry need to adapt to technological developments and one of them is by optimizing the use of data to create a more effective and efficient production processes.

This was realized by Saka Energi, who have developed software to analyse data on oil and gas wells and using analytics to optimize existing production. Ibu Rini stated that the implementation is simple, but it has a big impact on production and has reduced the time to review data from 30 wells from 4 months to one week. She also believes it could have a positive effect in helping to reach national production targets if data analytics could be employed more within operating companies.

The CEO and Founder of Big Jawa, Ruli Harjowidianto, revealed that until now only around 36 percent of oil and gas companies had invested in big data, while only 13% has used big data as new information insight. He added that big data had many benefits in the oil and gas industry from upstream to downstream sectors. By utilizing big data, we could find out more fully about the needs of consumers. While in the context of the upstream sector, companies could find out how much oil and gas had to be produced. According to him, some of the uses of artificial intelligence in general included projecting needs, understanding seismic activities, stock management, supply chain management, and logistics.

BP Asia Pacific Chief Information Officer Dwi Cahyo Nugroho, said that it is important for companies to own and process data. The paradigm has also changed at this time. Now, data is an asset that can drive the development of the oil and gas industry. He gave an example that recently the UK released 130 terabytes of data on oil and gas wells, geospatial and infrastructure. "The use of data is useful for exploration and drilling activities and it is important to understand how data can add knowledge and insight of correctly used and analysed.

4.3. TALENT LEADERSHIP SESSION

Theme: *Let's Talk About People*

Panellists:

1. **Darmawan Prasodjo**, 1st Deputy National Priority Program of Presidential Staff Office
2. **Evita Najolan**, VP Human Resources and Medical of ConocoPhillips Indonesia
3. **Zudaldi Rafdi**, Head of Division of Sumber Daya Manusia & Sekuriti Operasi Minyak & Gas, SKK Migas
4. **Iwan Prayogi**, VP Human Resources, Medco Energi

Moderator:

Ahmad Yuniarto, Founder and Chairman of Biru Peduli Foundation

It was highlighted at the start of the session that creating excellent human resources is one of the visions of President Joko Widodo and that the oil and gas industry is one of the sectors that also pays special attention in the development of human resources.

The session was hosted by Ahmad Yuniarto, Founder and Chairman of Yayasan Biru Peduli, who pointed out the importance of developing the competence of workers in the oil and gas industry through qualified education. Today's challenge is to understand how universities in Indonesia can create and maintain a network with industries and how to make education no longer a luxury. Attention to both these factors will correlate to increasing the capacity of human resources in the future.

Darmawan Prasodjo, Deputy 1 for Priority Development Control in the Presidential Staff Office highlighted various HR issues, including those related to the Indonesian oil and gas industry. One important thing is access to education and cooperation for the country's workers. He noted that currently Indonesia actually has a lot of national oil and gas human resources and that the country needs experts coming from university graduates, so we need to be given a good education. He believed that this is very likely to be realized through collaboration and joint enforcement with global investors.

Daniel Kurnianto, Manpower Planning Manager for SKK Migas, said that culture was the main obstacle for Indonesian human resources to compete globally. He added that the skills of Indonesian workers are actually good, but a very collective culture, productivity that is still below the neighboring countries, and a culture of not being outspoken are still the main problems of Indonesia's human resources today. He

noted that in future, the workforce must be able to engage in effective decision making.

Evita Najoran emphasized the importance of opportunities for Indonesian oil and gas workers to gain as much work experience internationally. She noted that her company is committed to participating in the development of excellent human resources in the future through the development of a global workforce experience, adding that about 100 of their workforces had been assigned overseas to develop experience while enriching their cultural insights.

The session was closed with a presentation of MedcoEnergi's strategy in developing HR quality through Iwan Prajogi. He highlighted the importance of preparing future leaders in the Indonesian oil and gas industry. He noted Medco's task is how to prepare a workforce that is globally competitive and relevant, not only on the technical side but also on the leadership side, starting from the individual, up to manager and to VP Level. He added that Medco have a Fresh Graduates Development Program with the aim of accelerating local graduates to become professionals in their fields.

4.4. BREAKFAST MEETING

Theme: *Indonesia Upstream Oil and Gas Industry Updates on Supply Chain Management Key Terms*

Speaker:

Dr. Erwin Suryadi ST, MBA, Division Head of Procurement and Services, SKK Migas

Moderator:

Fery Sarjana, Petronas Carigali

The breakfast meeting focused on providing an update on how tenders are managed and processed, together with the organisation structure within the Procurement division of SKK Migas. The speaker also provided updates on PTK007 Revision 4 and acknowledged that complaints had been received from contractors regarding the time required for procurement of goods and services. He noted the issues but also remarked that the Minister had also highlighted that Indonesia still has a lot of Cost Recovery contractors and that it is therefore necessary to closely manage costs.

PTK 007 updates are as follows;

- Acceleration of tender periods to 60 working days for goods and 120 working days for services
- Transparency and fairness – Owner estimates to be stated in the tender documents
- National capacity building – Tenders of up to USD 1 million can only be followed by bidders domiciled in the province of the PSC contractors main operating area
- Empowerment of SME's—for PSC contractors & sub-contractors it is mandatory to use local products
- Performance based contracts to implement new Technology – Opportunities to implement proven technologies using performance-based targets to optimise timing and costs
- SKK Migas priorities for Procurement are focused now on being effective, efficient, competitive, transparent, environmentally friendly, fair and responsible, in addition to being in place to support national capacity building.

5. TECHNICAL PROGRAM

During the Technical Program held for 3 days, there were 120 oral presentations and 59 poster presentations. 70 Session Chairs were present in 36 sessions located in 6 different rooms. 188 professionals became judges who evaluated the papers.

Detail of the Technical Program is as follows:

- Professional Oral Presentations : 100 presenters
- Professional Poster Presentations : 43 posters
- Student Oral Presentations : 20 presenters
- Student Poster Presentations : 16 posters

Technical Program was opened on Wednesday, 4 September 2019 at 10:20 am by Mr. Fatar Yani Abdurrahman as the Vice Chairman of SKK Migas accompanied by Mr. Arya Disiyona, Mr. Moektianto Soeryowibowo, Mr. Mohammad Syaiful marked with the procession of cutting the flower garland, giving the memento, and VIP Tour around the poster area led by Mr. Arya Disiyona as the TPC Chairman.

Winners of the Best Speaker for oral and poster presentation are:

A. STUDENT BEST PAPER & POSTER

1. Best Presentation Student– Geoscience

Mohammad Hasyim Taufik,

Institute of Technology Bandung

Quantitative Interpretation: A Novel Approach using Spectral Trend Attribute Analysis and Iterative Wiener Filter in Characterizing Carbonate Reservoir on West Java Basin

2. Best Presentation Student – Engineering

Kevin Woe

Trisakti University

Surfactant-Polymer Coreflooding: A Comparative Analysis of Injection Scheme for “K” Field in Riau

3. Best Poster Student – Geoscience

Laila Annafi

University of Gadjah Mada

Simultaneous Inversion Analysis using Rock Physics for Carbonate Reservoir Characterization in the "Omicron" Field Kujung I Formation, North East Java Basin

4. Best Poster Student – Engineering

Rinaldy Surya Gumilar

University of Proclamation 45 Yogyakarta

A Study Case: Comprehensive Analysis of Hydraulic Fracturing in Tight Reservoir

B. PROFESSIONAL – BEST PAPER & POSTER

1. Best Presentation Professional – Geoscience

Riki Tasrianto

ConocoPhillips Grissik Limited

Identification of New Exploration Potential in Central Kalimantan

2. Best Presentation Professional –Engineering

M-Dahnil Maulana

Pertamina Hulu Mahakam

3.4 Days – Evolution of The Fastest Development Wells in Mahakam

3. Best Presentation Professional – Facilities

Cindy Chairunissa

ExxonMobil Cepu Limited

Process Control Improvement to Optimize Banyu Urip Plant Reliability

4. Best Presentation Professional – HSE and Commercial

Novri Susanto

Eni Indonesia

Venting Methane Emissions Management Approach in The Oil & Gas Sector

5. Best Presentation Professional – Overall

Enry Horas Sihombing

Colorado School of Mines

The Stratigraphy of a Lacustrine Associated Reservoir in The Belut Formation, Block B, West Natuna Basin

6. Best Poster Professional – Geoscience

Vicki Amir

ConnocoPhillips Kalimantan Limited

Kualakurun Frontier Exploration: Surface Reconnaissance on Petroleum Prospectivity in Onshore Central Kalimantan Area

7. Best Poster Professional – Engineering

I Gusti Agung Aditya Surya W.

PetroChina International Companies in Indonesia

A Case Study of Hydraulic Fracturing Stimulation as Proven Novel Treatment in Revealing Jabung North East Betara (Neb) Oil Capacity

8. Best Poster Professional – Overall

Prima Tirto Kusumo

Medco E&P Natuna Ltd.

ROV Tool Innovation for Underwater Plug Removal

C. JAM SESSIONS

In the 2019 Convex IPA activities, the Technical Program Committee held a new program called Jam Session in the form of mini-talkshows which lasted for 2 days on September 4 and 5, 2019 during the coffee break at 15.00-15.30 with 2 different themes.

Detail of the Jam Session is as follows:

1. Jam Session 1

Theme: *Geo-tourism - Much More Than Meets the Eye*

Through this session, the speakers promote new experiences in Geo-Tourism to millennials not only for the visual beauty of the geological locations, but also the science of the origin, formation and history. Changing the mindset and travel paradigm of travelers and adventures.

Speakers:

- **Awang H. Satyana**, SKK Migas
- **Mahandis Yoanata**, Editor Magazine, Traveller, Adventurer

MC:

Prili Aufa Andriani, Geophysicist

2. Jam Session 2

Theme: Coaching Clinic: Fun-tastic Tales of Hiring Millennials in Oil Industry by Recruiter

Through this session, the speakers sharing about the interesting true story of millennials recruitment experienced from the recruiter themselves. And also, the takeaways of explicit “Do’s and Dont’s” in the recruitment process and how the companies adapted to the current generation.

Speakers:

- **Hendy Rustam**, Humanindo Tech Indonesia
- **Mira Tripuspita**, Pertamina Hulu Kalimantan Timur

MC

Prili Aufa Andriani, *Geophysicist*

6. EXHIBITION

Located at Main Lobby and Assembly Hall with total booths of this year event are 116 booths from 116 companies.

The winner of the best booth on the Exhibition are shown below:

BEST BOOTH CONTEST AWARD					
BEST BOOTH CONTENT			BEST BOOTH DESIGN		
Category: SILVER ($\leq 25 \text{ m}^2$)			Category: SILVER ($\leq 25 \text{ m}^2$)		
1	PT Prasada Pamunah Limbah Industri	Winner	1	NPS Energy Indonesia	Winner
2	NPS Energy Indonesia	1st Runner Up	2	Weatherford	1st Runner Up
3	Surveyor Indonesia	2nd Runner Up	3	PT Prasada Pamunah Limbah Industri	2nd Runner Up
Category: GOLD (26-50 m²)			Category: GOLD (26-50 m²)		
1	ConocoPhillips Indonesia	Winner	1	Rock Flow Dynamics	Winner
2	Elnusa	1st Runner Up	2	PetroChina	1st Runner Up
3	Halliburton Indonesia	2nd Runner Up	3	Indoturbine	2nd Runner Up
Category: PLATINUM ($\geq 51 \text{ m}^2$)			Category: PLATINUM ($\geq 51 \text{ m}^2$)		
1	MedcoEnergi	Winner	1	Pertamina (Persero)	Winner
2	Chevron	1st Runner Up	2	Premier Oil Natuna	1st Runner Up
3	Schlumberger	2nd Runner Up	3	MedcoEnergi	2nd Runner Up

7. PRE-CONVENTION ACTIVITIES

7.1. MEDIA BRIEFING

A. Media Briefing 1

Day, Date : Wednesday, 3 July 2019
 Time : 12.00 – 14.30
 Venue : Artotel Wahid Hasyim
 Topic : *(Could it be)* Exploration without Oil and Gas Investment?
 Participants : 24 journalists from 24 media

Speakers :

1. **Tumbur Parlindungan**, Oil & Gas Practitioner
2. **Pri Agung Rakhmanto**, Oil & Gas Observer

B. Media Briefing 2

Day, Date : Thursday, 8 August 2019

Time : 12.00 – 14.30

Venue : Madame Delima Cikini

Topic : Memenuhi Target Energi Primer Hingga 2025

Participants : 28 journalists from 26 media

Speakers :

1. **Fatar Yani Abdurrahman**, Deputy Operation of SKK Migas
2. **Nanang Abdul Manaf**, IPA Director

7.2. MEDIA VISIT

A. Harian Jawa Pos

Day, Date : Friday, 28 June 2019

Time : 15.00 – 16.00 Hrs

B. The Jakarta Post

Day, Date : Thursday, 16 July 2019

Time : 15.00 – 16.00 Hrs

C. Kumparan

Day, Date : Thursday, 18 July 2019

Time : 15.00 – 16.00 WIB

D. Harian KOMPAS

Day, Date : Tuesday, 22 October 2019

Time : 14.00 – 15.00 WIB

7.3. RADIO ATTACK

A. Sonora FM

Day, Date : Thursday, 16 May & Tuesday, 13 August 2019



Program : Sonora Hari Ini
Hour : 16.00 – 17.00 Hrs

B. Smart FM

Day, Date : Tuesday, 28 May 2019
Program : Smart Happy Hour
Hour : 16.00 – 17.00 Hrs

C. Motion FM

Day, Date : Wednesday, 7 August 2019
Program : Tap Out
Hour : 16.00 – 17.00

7.4. PRESS CONFERENCE

A. Press Conference 1

Day, Date : Tuesday, 20 August 2019
Time : 11.30 – 14.00 Hrs
Venue : Lobby Lounge, Bimasena
Participants : 32 journalists from 30 media
Speakers :

1. **Bij Agarwal**, Acting President of IPA
2. **Marjolijn Wajong**, Executive Director of IPA
3. **Hanny Denalda**, Chairperson of the 43rd IPA Convex 2019

B. Press Conference 2

Day, Date : Wednesday, 4 September 2019
Time : 10.30 – 11.00 Hrs
Venue : Cendrawasih
Speakers:

4. **Dwi Soetjipto**, Chairman of SKK Migas
5. **Bij Argawal**, Acting President IPA
6. **Louise McKenzie**, Acting President IPA
7. **Marjolijn Wajong**, Executive Director IPA

8. INDUSTRY COCKTAIL

The Industry Cocktail is a part of the IPA Convex programs which allow networking opportunity in a casual and dynamic environment. During the Industry Cocktail, winners of IPA Voice were announced as well. The 2019 Industry Cocktail was sponsored by MEDCO.

To be noted for next year is to organize the Industry Cocktail not too early (to avoid clash of schedule with other activities in convention and exhibition which are still ongoing).

Day/Date : Thursday, 5 September 2019
Hour : 15.00 Hrs - end
Location : Kasuari Lounge

9. CLOSING CEREMONY

The closing ceremony of the 43rd IPA Convention and Exhibition commenced with Arya, Chairman of the TPC Committee, announcing the awards for the winners of the Technical papers and Poster sessions for professionals and students. This was followed by the announcements of the winners of the Best Booths during the Convention exhibition and the winners of the PetroChallenge.

The Chairperson of the IPA Convex Committee, Hanny Denalda, then provided a Report on the results of the Convex, thanking all participants for their contributions and noting that there had been 25717 visitors, 249 representatives from the media, 1704 convex delegates and 122 exhibiting companies.

The acting President of the IPA, Bij Agarwal, then congratulated the convex committee on achieving such a successful convention, adding that Indonesia still has a great future, with many unexplored basins and he welcomed recent initiatives to improve the investment climate, including the new data openness policy. He looked forward to government and industry working together to achieve future success.

The Convex concluded with an address by Dwi Soetjipto, Chairman, SKK Migas, in which he congratulated the committee and all attendees for a successful convex. He stated that it was good to create a new open spirit of partnership

between government and industry represented by the IPA member companies. The government aim is to return to the glory days of over 1 million barrels a day of production which he realizes is a big challenge but that will be achievable if we all work together, supported by improved policies such as MR 07/2019 on data openness.

He added that the government has 4 strategies for future success;

- Optimize existing production
- Speed up the transformation process from exploration to production
- Application of EOR and future cooperation to utilize new technology
- Maintain renewed focus on exploration

He concluded by saying that SKK Migas will continue to provide as much support as possible, even though there were challenges ahead such as declining production. He was hopeful that government and industry can work together to accelerate and increase reserves and production through new breakthroughs and achieve sustainable energy for Indonesia and its people.

10. CONCLUSIONS

The 43rd IPA Convention and Exhibition was a great success considering the current global climate in the oil and gas industry, including nearly 26000 visitors, 122 exhibiting companies and 1687 registered participants. Plenary Sessions and the Special Session were also well attended and proved to be productive and insightful.

There was also wide coverage in the media covering the key issues discussed and raised during the Convention. The Technical Program was also a great success and contained innovative concepts in all the oral and poster presentations, with over 120 oral presentations and 59 posters being displayed at the Convention.

The IPA sincerely hope that the government and industry can continue to work together in close collaboration to increase exploration and production to ensure the future energy security of Indonesia and re-attract the investment that is needed to achieve these common goals.

Appendix A

COMMITTEE MEMBERS – 2019 IPA CONVEX

COMMITTEE	POSITION	NAME	COMPANY
CHAIRMAN		Hanny Denalda	Ophir Energy
Secretariat & Registration	Secretary	Wursitaningari	IPA
	Member	Takdir Johan	IPA
	Member	Agung Pratama	IPA
Communication	Chairperson	Posman Sianturi	IPA
	Member	Moch. Nunung Kurniawan	INPEX Masela Ltd.
	Member	Zsa Zsa Ryski	Saka Energi
	Member	Gayatri Handari K.	Pertamina (Persero)
VICE CHAIRMAN 1		Lita Liana	Shell Indonesia
Plenary Session	Chairperson	Rina Rudd	Husky Anugerah
	Member	Titin Sumarni	Pertamina Hulu Energi
	Member	Lisnanda A. Perdana	INPEX Masela Ltd
Protocol	Chairperson	Hafif Assaf	Medco E&P Natuna Ltd.
	Vice-Chairperson	Rian Amri	BP Indonesia
	Member	Indah Anggraini	Pertamina Hulu Energi
	Member	Malik M. Habir	ConocoPhillips
Infographics	Chairperson	Leo Tjahjadi	BP Indonesia
VICE CHAIRMAN 2		Novie D. Hernawati	Schlumberger
Technical Program	Chairperson	Arya Disiyona	SKK Migas
	Vice-Chairperson	Siti Sitawati	Medco E&P Indonesia
	Vice-Chairperson	Don Duttlinger	PT CIME Global Teknologi
	Member	Anna Sulistiyaningsih	IPA
	Member	Taufikurrahman	IPA
Technology Session	Chairperson	Abrarriadi	Schlumberger
VICE CHAIRMAN 3		Alvin Anwari	Individual Members
Sponsorship	Chairperson	Leony Lervyn	Medco E&P Indonesia
Exhibition	Chairperson	Fitria Martaniah	Ophir Energy
	Vice-Chairperson	Nevi Septianti	IPA
Special Event & Reception	Chairperson	Indriasari L. Hadiwidjoyo	Individual Members
	Vice-Chairperson	Sasha K. Tutupoly	Medco E&P Indonesia
	Member	Maydy Rahmadani	IPA
Security	Chairperson	Awan Suryanada	JOB Pertamina-Medco
	Vice-Chairperson	Danang Agung Wikantadhi	JOB Pertamina-Medco

II. 2020 WORK PROGRAM

A. Date and venue reservation

The 44th IPA Convention and Exhibition Committee had reserved at the Jakarta Convention Center, in September 2020, which are Sep 2-4, 2020. Venue reservation was made by the PT. Dyandra Promosindo, on behalf of IPA, as the Event Organizer of 2020 IPA Convex.

B. Call for technical papers issued

Call for papers has been issued in November and the deadline for the abstract submission is 6th January 2020. The Technical Program Committee will review all the submitted abstract and issue the notification of acceptance by 14 February 2020. Draft of manuscript should be received by the committee at the latest on 12th May 2020.

C. IPA Convex 2020 Event Organizer

Refers to the last year performance and evaluation conducted by the IPA Convex Committee, PT. Dyandra Promosindo is assigned for the 44th IPA Convention and Exhibition 2020 event organizer.

D. Adapting to the new reality

Adjustments will be made to the convex arrangements to reflect the new reality of the industry without compromising the objectives of the event. Convex will aspire to reach out to a wider set of stakeholders than the usual set.

SECTION 5

ENVIRONMENT AND SAFETY COMMITTEE

2019 ACTIVITIES REPORT

AND

2020 WORK PROGRAM

CHAIRPERSON (*Acting*)

Julfrida Nababan

Pertamina Hulu Sanga Sanga

ENVIRONMENT & SAFETY COMMITTEE

I. COMMITTEE MEMBERS

Chairman : -
Vice Chair : -
Secretary : Julfrida Nababan Pertamina Hulu Sanga Sanga

Environment Sub-committee

Pipi Pujiani	BP Indonesia
Hanifatu Avida	ExxonMobil Indonesia
Ibrahim Arsyad	Medco E&P Indonesia
Shanti Nata Artha	Medco E&P Indonesia
Dewi Restuti	Chevron

Safety Sub-committee

Indra Maizir	SHELL Indonesia
Eko Suharyanto	Husky Anugerah
Olivia Kabi	Medco E&P Indonesia
Teguh H Susanto	ExxonMobil Indonesia

Since its establishment in 1990, the Committee chairpersonship has changed during the period, with the honorary chairpersons of the committee listed below for information:

HONORARY CHAIRPERSONS

- | | |
|--------------------------|-------------------------------|
| 1. Arryati Ramadhani | ConocoPhillips (Grissik) Ltd. |
| 2. Mega Nainggolan | Energi Mega Persada |
| 3. Ibrahim Arsyad | Medco EP Indonesia |
| 4. Krishna Ismaputra | ENI Indonesia |
| 5. Satrio Pratomo | Mubadala Petroleum |
| 6. Agustanzil Sjahroezah | Energi Mega Persada |
| 7. Arudji Wahyono | Chevron |
| 8. Jusuf R. Odang | Vico |
| 9. Otong S. Adisapoetra | Repsol YPF |
| 10. Benky Bagoes Oka | ARCO Indonesia |
| 11. I Made Surya Kusuma | Caltex Pacific Indonesia |
| 12. Steve Massey | Mobil Oil Indonesia |
| 13. Michael Bradey | Lasmo Oil |

II. 2019 ACTIVITIES REPORT

IPA ESC in 2019 continued to be a trusted partner of regulatory bodies, particularly of the Ministry of Environment & Forestry (KLHK), Ministry of Energy and Mineral Resources (ESDM/MIGAS) and SKKMIGAS in revising and/or developing implementable environmental guidelines and regulations which applies to the upstream oil and gas industry.

During 2019, IPA ESC had routine monthly meeting in every first/second of Friday of each month. Various issues are discussed in these meetings: sharing of lessons learned within the industry, focusing on regulatory advocacies, strategies in managing environmental and safety tasks, and member's capacity building. Besides regular meeting, the members of IPA-ESC also occasionally conduct non-regular meetings to respond to urgent issues and expectations from key stakeholders.

As a trusted partner of the government, IPA ESC continues to provide support and advices in various events hosted by the government.

ESC also actively participating in discussions of new, revision and/or implementation assessments of regulations with key stakeholders including:

- Providing input in the Revision of Minister of Environment Decree no. 05/2012 now become Minister of Environment and Forestry Decree No. P.38/MENLHK/SETJEN/KUM.1/7/2019 regarding Types of Business and/or Activity Plans Which Are Obligated to Process the Environmental Impact Analysis (*Analisis Mengenai Dampak Lingkungan - AMDAL*). During the revision, ESC working with SKKMIGAS and MIGAS to provide input that then be used by KLHK as the basis of criteria alteration, which include increasing size of oil and gas production which are subject to mandatory AMDAL.
- Providing recommendations on the implementation of Minister of Environment and Forestry Decree No. P.93/MENLHK/SETJEN/KUM.1/8/2018 regarding Continuous and Online Quality Monitoring of Wastewater for Business and/or Activities that shall be fully implemented in August 2020. The proposal received by KLHK on Oct 9th, 2019; are recommendations of technical basis and justifications in 1) the selection of an applicable wastewater compliance point, and 2) the determination of applicable monitoring parameters, based on existing oil & gas upstream industry data collected by SKKMIGAS and evaluated by ESC.
- Providing input and review on the implementation guideline draft of Minister of Environment Decree no. 13/2007 regarding Requirements and Procedures for Wastewater Management for Upstream Oil and Gas and Geothermal Business and / or Activities by Injection. The input and review which mainly to ensure an alignment with the existing regulation were discussed with MIGAS and delivered to KLHK through MIGAS letter on Oct 2nd, 2019.

In addition to, IPA ESC has been particularly requested by the PROPER (*Program Penilaian Peringkat Kinerja Perusahaan*) Secretariat to:

- conduct evaluation on Sustainable Development Goals (SDGs) implementation by Upstream Oil and Gas Industry based on 2018 PROPER data collection. ESC presented the result during SDGs Forum at Bandung.
- propose Life Cycle Analysis (LCA) Implementation roadmap for upstream oil and gas industry considering the breadth of LCA aspects in the industry (from cradle/wells to grave/consumer analysis). ESC worked with Pertamina representatives in preparing the roadmap and delivered to KLHK during LCA Talk show in July 2019.
- and Environmental Performance Benchmarking for upstream oil and gas industry

Lead by Executive Director of IPA, the ESC together with other relevant committees has been participating in the discussion with Republic of Indonesian Cabinet Secretary about input on regulations that have issue faced by the upstream oil and gas industry in order to improve the investment climate.

In order to improve HSE professional capacity building, in 2019 ESC has carried out 2 (two) certified training from trusted/prominent training provider for IPA member, which are:

- Life Cycle Analysis (LCA) on March 4-6, 2019 in Jakarta and partnership with Dr. Jessica Hanafi from ILCAN. There were 6 (six) professionals from PSCs and 2 (two) representatives from MIGAS & KLHK attended the training.
- NEBOSH International Technical Certificate in Oil and Gas Operational Safety training on August 12-18, 2019 in Jakarta and partnership with KEN Knowledge International and Agile & Young. There were 3 (three) professionals from PSCs attended the training

III. 2020 WORK PROGRAM

For 2020, the IPA ESC will continue the roles with the following activities, namely:

- Engagement
 - Courtesy visit with the new Director of Engineering and Environment Section – Directorate General of Oil and Gas. Objective of the courtesy visit is to introduce IPA ESC, discuss current challenge relevant to HSE, and propose regular engagement or discussion to talk over HSE related issue and the overcome approach
 - Stakeholder engagement plan: mapping and communication strategy

-
- Advisory
 - Identify and obtain review on the implementation of existing permit that potentially affect regulatory compliance and provide input to the government for improvement (e.g. revision or new regulation)
 - Provide input on the draft of new and/or revised regulation as well as government policy relevant to HSE aspect and Sustainable Development Goals (e.g. climate change, biodiversity, social)
 - Support climate change action by giving input to new guideline about CCS/CCUS (carbon capture storage/carbon capture utilization storage) with relevant stakeholder.
 - Provide benchmarking in environmental performance for oil and gas industry in collaboration with Ministry of Environment and Forestry
 - Collaborate with other IPA Committee to tackle issue potentially affect regulatory compliance including HSE
 - Provide insight to the Board on the new or revised regulation and/or policy that potentially affect compliance with regulations
 - Capacity building
 - Hold regular event with HSE Professionals in the industry or invite relevant organization to monthly meeting for knowledge sharing and discussion on HSE and Sustainable Development aspect e.g. Life Cycle Analysis, Biodiversity Offset, Process safety, road safety
 - Seek opportunity to carry out certified training from trusted/prominent training provider for IPA member with special price
 - Seek opportunity to influence external party(es) in safety issue e.g. road safety of public transportation
 - Hold annual IPA Environment and Safety Professional Gatherings

SECTION 6

ETHICS & COMPLIANCE COMMITTEE

2019 ACTIVITIES REPORT

AND

2020 WORK PROGRAM

CHAIRPERSON

Ronny Siahaan

(MedcoEnergi)



ETHICS & COMPLIANCE COMMITTEE

I. COMMITTEE MEMBERS

Chair	: Ronny Siahaan	MedcoEnergi
Vice Chair	: Krishna Ismaputra	ENI Indonesia (Sep 2019 – Sep 2020)
Vice Chair	: Raditia Patriaji	BP Indonesia (Oct 2020 – Sep 2021)
Secretary	: Nathalia Sumirat	ConocoPhillips Indonesia

Task Forces Leads:

a. Ethics & Compliance,	Ira Thania Rasjidi	Ophir Energy
b. Licensing, Tariff and Engagement	Chandra Triayu	Equinor
c. Third Party Risk Management	Bernadetta Ambar	HCML

II. 2019 KEY ACTIVITIES



This report presents the Ethics & Compliance Committee (ECC) annual program in 2019.

No	Activities	Timeline 2019				Remarks
		Q1	Q2	Q3	Q4	
1	Launching 2018 Corruption Perception Index (CPI).	29 Jan				Participated the launching of 2018 CPI hosted by TII and KPK.
2	Compliance Coffee Corner.	12 Feb				Meeting agenda: sharing 2018 MedcoEnergi Sustainability Report, 2019 ECC – IPA Program, 2018 CPI.
3	Government Meeting.	13 Feb				Meeting with BKPM regarding Online Single Submission.
4	Professional Breakfast Meeting.	12 Mar				Oil and Gas Practitioner Breakfast Meeting with theme is “Resiko Tindak Pidana Korupsi” hosted by Assegaf, Hamzah and Partners (AHP).
5	Public Seminar – Open Government.	13 Mar				Participated on TII Seminar re. Strengthening Accountability and Innovation in Public Procurement and


						Licensing by Regional Governments in Semarang.
6	ECC – IPA, IPA Executive Board and TII Meeting.	25 Mar				Meeting agenda: Reviewing TII concept on anti-corruption collaborative efforts at national, O&G Sector and youth participation.
7	Stakeholder engagement – Bojonegoro Institute.		24 Apr			IPA – ECC visited Local Anti-Corruption Watch i.e. Bojonegoro Institute discussing on community participation in open government.
8	Hearing Session with KPK Leadership Selection Panel.			03 Jul		Attend KPK, TII and IBL meeting in providing input to KPK Leadership Selection Panel.
9	Public Seminar – Anti Corruption.			24 Jul		Attend the Seminar Nasional Sosialisasi Hasil Monitoring dan Evaluasi Stranas PK hosted by TII and KPK at Kuningan, Jakarta.
10	Sharing Session Cross Industry Sector on Anti-Bribery.			27 Aug		As a keynote speaker on Sharing Session with Ministry of Health and IPACA re. Implementation of Anti-Bribery Management System within Public Sector.
11	ECC – IPA Board Election.				15 Oct	The new appointed ECC – IPA Board period Sep 2019 – Sep 2021 as follows: <ul style="list-style-type: none"> • Chairman: Ronny Siahaan (MedcoEnergi). • Vice Chairman: Krishna Ismaputra (ENI) (period Sep 2019 – Sep 2020). • Vice Chairman: Raditia Patriaji (BP) (period Sep 2020 – Sep 2021). • Secretary: Nathalia Sumirat (COPI).
12	Annual Gathering Event – Seminar.				30 Oct	Conduct IPA, TII and KPK Seminar with topic “Anti-Corruption Movement and Its implication to Investment Climate”. Keynote speakers:

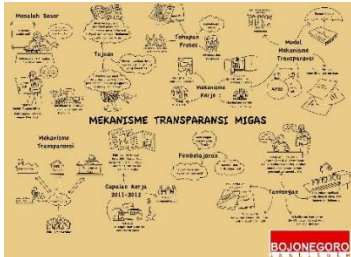
						<ul style="list-style-type: none"> • Amien Sunaryadi (Former Head of SKKMigas/Partner at Assegaf Hamzah and Partners (AHP)), • Giri Suprapdiono (Director for Education and Public Service of KPK Indonesia) • Hani Yulianto – (Senior Researcher TII).
13	Annual Gathering Event – Compliance Clinic.				30 Oct	Facilitated a Clinic Session on ISO37001 ABMS Implementation and Certification for Members and Associates on topics: ABMS Overview, Bribery Risk Assessment, Internal Audit and ABMS Manual.
14	Sharing session with Pertamina Hulu Energi (PHE).				25 Nov	As a keynote speaker for PHE Compliance Session re. Strengthening a Clean and Integrity Corporate Governance.

III. 2019 DOCUMENTATION

Compliance Coffee corner.







IPA – ECC visited Local Anti-Corruption Watch i.e. Bojonegoro Institute discussing on community participation in open government.



IPA, TII and KPK Seminar re. Anti-Corruption Movement and Its implication to Investment Climate.



KPK, TII and IBL meeting in providing input to KPK Leadership Selection Panel at Morissey Hotel



20 Mar 2019

13 May 2019

10 Oct 2019

20 Nov 2019

IV. PROGRAM EVALUATION

ECC – IPA consists of 3 tasks forces with the following categories along with the 2019 work program.

2019 Program	Implementation
Task Force 1 – Ethics & Compliance, Anti-Bribery Corruption.	
Internal Program with IPA Members and Associates	Program Delivery
<ul style="list-style-type: none"> Following SKK Migas certification on ISO37001 ABMS on 26 October 2018. 	<ul style="list-style-type: none"> As a keynote speaker during Sharing Session with Ministry of Health and IPACA

<ul style="list-style-type: none"> - Provide assistance to SKK Migas regarding to ISO37001 ABMS implementation to medium to low vendor. - Participate on Implementation of National Anti – Corruption Strategy. • Re – election of ECC IPA Board. • 2019 Annual Gathering ECC – IPA with theme: <ul style="list-style-type: none"> – Corruption Law enforcement in Indonesia. – Information Protection Awareness on Ethics & Compliance Perspective. – Political Contribution on Ethics & Compliance Perspective. 	<p>on 27 Aug 2019 regarding Implementation of Anti-Bribery Management System within Public Sector.</p> <ul style="list-style-type: none"> • ECC Board Election at IPA Office on 15 Oct 2019. • Conduct IPA, TII and KPK Seminar on 30 Oct 2019 with topic “Anti-Corruption Movement and Its implication to Investment Climate”. Keynote speakers: <ul style="list-style-type: none"> - Amien Sunaryadi (Former Head of SKKMigas/ Partner at Assegaf Hamzah and Partners (AHP)), - Giri Supradiono (Director for Education and Public Service of KPK Indonesia) - Hani Yulianto – (Senior Researcher TII).
External Program	Program Delivery
<ul style="list-style-type: none"> • Collaborative efforts with ICW and local Anti – Corruption Watch for prevention program. • Working with KPK on corporate crime prevention. <p><u>Pending Items:</u></p> <ul style="list-style-type: none"> • ECC – IPA Goes to Campus. • Participate on 2019 KPK’s IBIC Program. 	<ul style="list-style-type: none"> • Attending KPK, TII and IBL meeting on 03 Jul 2019 re. Providing input to KPK Leadership Selection Panel on Corporate Crime Prevention. • Meeting with IPA Executive Board and Transparency International Indonesia (TII) on 25 Mar 2019 to review TII concept on anti-corruption collaborative efforts at national, O&G Sector and youth participation. • Attend the Seminar Nasional Sosialisasi Hasil Monitoring dan Evaluasi Stranas PK on 24 Jul 2019 hosted by TII and KPK at Kuningan, Jakarta <p><u>Explanation:</u></p> <ul style="list-style-type: none"> • ECC – IPA Goes to Campus will be continued in 2020

<ul style="list-style-type: none"> Professional network and support Ahli Pembangun Integritas (Certified Integrity Officer/CeIO). 	<ul style="list-style-type: none"> Participation on IBIC and API will be subject on KPK's availability
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2019 Program	Implementation
Task Force 2 – Licensing, Tariff and Engagement.	
<ul style="list-style-type: none"> Continue Anti-Corruption Working Group (ACWG) on licensing and permitting. 	<p>Licensing and Permitting Progress</p> <ul style="list-style-type: none"> Providing support to IPA Board and RAC to identify issues on licenses and permits as a feedback. <p>Progress:</p> <ul style="list-style-type: none"> Monitoring the Omnibus Law implementation.
<ul style="list-style-type: none"> stakeholder engagement (KPK, SKK Migas, Ombudsman, Compliance - ESDM, TII, etc.) 	<p>Stakeholder and Authority Engagement Program</p> <ul style="list-style-type: none"> ECC – IPA has conducted stakeholder and authority engagement during 2019: Meeting with BKPM on 13 Feb 2019. Local Anti-Corruption Watch in Bojonegoro on 24 Ap 2019. Collaborative Seminar with TII and KPK on 30 Oct 2019.

2019 Program	Implementation
Task Force 3 – Third Party Risk Management	
<ul style="list-style-type: none"> Sharing session on Third Party Risk Management. Sharing session on Third Party Due Diligence. 	<ul style="list-style-type: none"> Facilitated a Clinic Session on ISO37001 ABMS Implementation and Certification for Members and Associates on topics: ABMS Overview, Bribery Risk Assessment, Internal Audit and ABMS Manual on 30 Oct 2019. Conducted Coffee Corner on 12 Feb 2019 regarding MedcoEnergi Sustainability on Governance/Anti- Corruption. As a keynote speaker during Sharing Session with Pertamina Hulu Energi re. Strengthening a Clean and Integrity Corporate Governance on 25 Nov 2019.

V. Government Regulation Updates

In 2019, Government of Indonesia has issued several regulations to support Corruption Prevention Strategy as below:

No	Regulation Number	Explanation
1	Law No. 19 Year 2019 re. Second amendment on the Law No. 30 Year 2002 re. Commission for the Eradication of Corruption.	<p>The law objectives are to optimize the synergy of Police, Prosecutors and Commission for the Eradication of Corruption to effectively and efficiently eradicate the corruption based on the principle of equality of authority and protection of human rights and to increase the Commission for the Eradication of Corruption role through prevention and eradication strategy.</p> <p>The law consists of, including but not limited to:</p> <ul style="list-style-type: none">- Definition.- Authority of KPK.- Amendment, etc.
2	Circular Letter State Owned Ministry No. SE 2 / 07 2019 re. State Owned Enterprise clean management through implementation of corruption, collusion, and nepotism prevention, and supervision of conflict of interest and code of conduct.	<p>The circular letter objectives are to maintain the reputation and credibility of SOEs as value-creating agents and agents development in which business management is carried out based on governance principles good corporate governance, namely transparency, accountability, responsibility, independence, and fairness, as well as free from corruption, collusion and nepotism and Provide support to SOEs to implement a systematic framework corruption, collusion and nepotism prevention initiatives on an ongoing basis accordingly with the structure and capability of State Owned Enterprise. The circular letter consists of:</p> <ul style="list-style-type: none">- General.- Objectives.- Scope.- References.- Contents.

VI. 2020 WORK PROGRAM

In 2020, ECC – IPA Committee will be reorganized becoming 2 Sub-Committees to deliver the 2020 Working Program as follows:

2020 Work Program	
<p>Sub-Committee 1 – Internal Program.</p> <p>This Sub-Committee focusing on nurturing members and associates on best practices in compliance and anti-corruption program. The Sub-Committee members are:</p> <ul style="list-style-type: none"> - Anita Zainal (BP). - Dini Sudewo (COPI). - Chandra Triayu (Repsol). - Irwan Supranto (MedcoEnergi). - Tri Hartarto (Premier). - Andri Avriline (MedcoEnergi). 	<ul style="list-style-type: none"> • Provide consultative session to member and associate on the Anti-Bribery Management System (ABMS) implementation including ISO37001, KPK Corruption Prevention Guideline for Private Sector. • Participate on Implementation of National Anti – Corruption Strategy. • 1st Gathering Event: Cyber Risk and Compliance Seminar. • 2nd Gathering Event ECC – IPA. • ECC – IPA Compliance Benchmark. • Quarterly best practices sharing: <ul style="list-style-type: none"> - Sharing session on Third Party Risk Management including Due Diligence. - Sharing session on Conflict of Interest. - Sharing session on Data Protection. - Sharing session on Sanction Compliance.
<p>Sub-Committee 2 – External Program (including key stakeholders such as KPK, NGO, Public, etc).</p> <p>This Sub-Committee focusing on effective engagement with key stakeholders and authority. The Sub-Committee members are:</p> <ul style="list-style-type: none"> - Indah Damayanti (ENI). - Ghema Akbar (Petronas). - Indira Dewi (PHM). 	<ul style="list-style-type: none"> • Collaborative efforts with ICW and local Anti – Corruption Watch for prevention program. • Collaboration with KPK: <ul style="list-style-type: none"> - Participate on 2020 KPK’s Anti-Corruption Program. (IBIC, FGD, etc.) - Working with KPK on corporate crime prevention. • Professional network and support Ahli Pembangun Integritas (Certified Integrity Officer/CeIO). • Key stakeholders’ engagement (KPK, SKKMigas, Ombudsman, TII, ICW, National Strategy on Corruption Prevention (Stranas PK) Team, etc.) • Outreaching: <ul style="list-style-type: none"> - ECC – IPA Goes to Campus.

<ul style="list-style-type: none">- Widi Wijayanto (COPI).- Noki Saefullah (MedcoEnergi).- Aditya WP (MedcoEnergi).	<ul style="list-style-type: none">- Youth Integrity Program. (South Sumatra or East Kalimantan).- Vendor Compliance Program. (For IPA Associate Member).
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SECTION 7

EXPLORATION COMMITTEE

2019 ACTIVITIES REPORT

AND

2020 WORK PROGRAM

CHAIRPERSON

Rina Rudd

(Husky Anugerah)

EXPLORATION COMMITTEE

I. COMMITTEE MEMBERS

Chairperson :	Rina Rudd	Husky Anugerah
Vice Chair :		
Members :	Feriyanto	Medco Indonesia
	Ferry Yustiana	Statoil
	Tim Keller	ConocoPhillips
	Vincenzo Ragone	Eni Indonesia
	Gajah Eko Pireno	Kris Energy
	Nick Comrie Smith	Premier Oil
	Hendry Manur	Star Energy
	Iman Argakoesoemah	PTTEP

II. 2019 ACTIVITIES

ESDM issued a new Ministerial Decree no. 07/2019 in August on the Upstream Data Management. Under the new Ministerial Decree, Indonesia adopts the open data system. Upstream data is now available for public and a subscription system will be implemented to be able to access processed data.

The IPA has assisted with the socialization of the Ministerial Decree, through the IPA Convention and the socialization in the extended board meetings.

III. 2020 WORK PROGRAM

The IPA will continue to assist with the implementation of the Data Ministerial Decree. The subscription system is expected to be kicked off in 2020. IPA will try to facilitate benchmarking workshops with IPA members that have headquarters in countries that adopts open data system.

The carried over program from 2019 is the inventory of potential remaining reserves in specific basins in Indonesia. The identified potential remaining reserves can be used as input for the F&T committee to decide the future incentives needed for exploration activities in Indonesia.

SECTION 8

FINANCE AND TAX COMMITTEE

2019 ACTIVITIES REPORT

AND

2020 WORK PROGRAM

CHAIRPERSON

Hendra Halim

(BP Indonesia)

FINANCE AND TAX COMMITTEE

I. COMMITTEE MEMBERS

Chairperson	: Hendra Halim	BP Indonesia
Vice Chairperson	: Zahra Mulachella	Premier Oil
Secretary	: Merril Faizun	ENI
Tax Lead	: Mulyo Basuki	ConocoPhillips
Audit Lead	: Aslan Wiguna	INPEX
Finance Lead	: Arifin Ahmad	Pertamina Hulu
Mahakam		
Commercial Lead	: Lita Liana	Shell

II. 2019 ACTIVITIES

1. Clarity on Tax Facility for PSC Cost Recovery

With the IPA active engagement with the relevant stakeholders for more than two years, the government issued PMK 122 as an implementing regulation of GR27/2017 related to indirect Tax Facilities for Cost Recovery PSC. This PMK 122 has marked a very positive development for the industry further clarity for tax facilities under PSC Cost Recovery in the form of tax reduction and/or exemption during the exploration and the exploitation stage for VAT, Land and Building tax, as well as the tax exemption on facility sharing and parent company overhead charges.

2. Clarity on Oil & Gas Export Proceeds into an Indonesian Foreign Exchange Bank

Jointly with RAC committee, F&T committee has obtained clarity on the implementation of Government Regulation No.1/2019 regarding Export Proceeds from the Exploitation, Management, and/or Processing Activities of Natural Resources (DHE).

3. PTK Gross Split

The committee was working closely with SKK Migas to finalize the guidelines (PTK-066/SKKMA0000/2019/S0) of the accounting policies and reporting of the WP&B, FQR and the monthly financial report (FMR).

4. IPA Goes to Campus

As part of giving awareness as well as educating wider audiences regarding oil & gas latest condition, contractual system, cost recovery misconception as well as the nature of oil & gas business, the committee support the Faculty of Law of University of Indonesia for the Energy of the Law Training program in August 2019.

5. Providing input on the draft of Omnibus Laws as well as providing input on what's required to improve investment climate in Indonesia

The committee has been working closely with the Secretary of President Office as well as the Secretariat Cabinet to provide our input on what's needed by the oil and

gas industry, so the investment climate can continually improve, and the government can compete with the neighboring countries.

6. Building and maintaining a strategic alliance with the Ministry of Finance and the Ministry of Energy

The committee has spent extra long hours and has dedicated themselves to proactively building and maintaining a trusted relationship with the relevant government stakeholders. With this trust, the committee can provide industry's input/concerns in timely manner before the government issued the actual regulation.

7. Beyond Finance & Tax agenda

As part of giving back to society, the committee has invited Yayasan Kanker Anak Indonesia (Children Cancer Foundation – YKAI) to present their vision, mission, and their current program. YKAI hopes for more and more PSC companies to support their mission by way of giving cash donation or by other means.

III. TAXATIONS ACTIVITIES THAT WILL BE CARRIED FORWARD TO 2020

1. Resolving the Supreme Court decision related to VAT on LNG

Several advocacies process to various stakeholders have been conducted to the Ministry of Finance, Ministry of Energy and Mineral Resources, Ministry of Coordinating Economics, Ministry of Maritime and Investment, Secretary of the President, and Secretary of Cabinet). The advocacy including deliver recommendations and raising potential impacts on the wider society and stakeholders if VAT is imposed for upstream LNG.

2. Improving the certainty of law and the fiscal terms of the following items is a must:

- a. Implementing regulation/procedure on import taxes/duties exemption (well known as "Master list facility") for both PSC gross split and cost recovery regime;
- b. Improvement of Land and Building Tax (LBT) terms, i.e. gas price to follow the actual contract price instead of ICP price and to reduce the overall LBT cost/burden during the production stage;
- c. Implementing regulation of the Government Regulation no. 53/2017 (GR53 – Gross Split Taxation Procedure);
- d. The procedure of VAT reimbursement for non-SSP/VAT paid to vendors must be clarified so that the reimbursement can be done effectively.

3. Further advocating the government on how to compete and to attract the new investment in the oil & gas industry in Indonesia:

- e. **Draft of Omnibus Law:** Continue to provide input for the draft of Omnibus Law to all levels of the relevant governmental bodies.
- f. **Tax Allowance/Incentive:** Continue looking for an opportunity to advocate the need to have tax holiday/incentive for the oil & gas industry to stimulate exploration activities in Indonesia as well as to compete with other countries;
- g. **Oil and Gas Bill:** Continue working with the RAC committee to provide feedback on the draft of Oil & Gas bill;
- h. **Taxation bills:** Continue working closely with tax consultants and professional

associations to provide industry feedback on the relevant tax reforms that have been planned by the government on General Provision and Tax Procedure, VAT, Income Tax, Land & Building, Stamp duty, and Tax Court.

4. FGD and National Oil & Gas Tax Seminar

Continue to maintain a strong and trusted relationship with SKK Migas, ESDM, DGT, BKF, IAI, and the relevant professional associations to continue to amplify industry's voice/input through various forums, such as FGD and national seminars.

5. Supporting 2020 IPA Convex

Provide the required F&T expertise to ensure the relevant data and feedback are fully embedded and presented in the 2020 IPA Convention materials.

IV. FINANCE ACTIVITIES THAT WILL BE CARRIED FORWARD TO 2020

1. MoF Regulation number 89/2019 on State-Owned Assets

The committee will continue working closely with all relevant government stakeholders to get a reasonable treatment on the lease of state-owned assets.

2. Monitor the implementation of PTK Gross Split

The committee to continue support SKK Migas to implement its gross split procedure and to provide feedback as required.

V. AUDIT ACTIVITIES THAT WILL BE CARRIED FORWARD TO 2020

1. Monitor the implementation of Joint Audit activities

The committee to work closely with SKK Migas to monitor and to seek improvement on the Joint Audit process (as required).

2. Sharing Joint Audit Process among PSC-es

The committee to maintain close communication with SKK Migas, DGT, BPKP, and BPK by sharing the current compliance & audit issues as well as its improvement idea on regular basis.

3. Audit by Supreme Audit Body (BPK)

In coordination with SKK Migas, the committee to manage the potential consequences of BPK audit that might jeopardize contractor's business continuity in Indonesia.

VI. OTHER OBJECTIVES THAT WILL CONTINUE IN 2020

1. To periodically provide and to seek guidance to and from IPA Board on various fiscal policies and the relevant draft regulations, so there is alignment among IPA members.

-
2. To maintain a trusted and strong relationship with regulators and professional associations, SKK Migas, DGT, Fiscal Policy Agency (BKF), Coordinating Ministry of Economic and its KPPIP, the Executive Office of the President Republic of Indonesia, Forum Audit Migas Indonesia and Indonesian Institute of Accountant.
 3. Internal Collaboration:
 - a. To proactively collaborate with RAC committee to review and to provide feedback/input on finance and tax-related matters regularly.
 - b. To regularly provide an update to IPA Corporate Members.
 - c. To conduct regular meetings with the Committee's members to share knowledge, discuss issues and agree on the strategic action point to resolve issues.
 - d. To encourage all members of F&T to be more proactive and to think wider beyond its own company.

SECTION 9

HUMAN RESOURCES COMMITTEE

2019 ACTIVITIES REPORT

AND

2020 WORK PROGRAM

CHAIRPERSON

Evita Najoa

(ConocoPhillips Indonesia)

HUMAN RESOURCES COMMITTEE

I. COMMITTEE MEMBERS

Chairperson	: Evita Najoran	ConocoPhillips Indonesia
Vice Chairperson	: Mohamad Hermawan	Talisman Sakakemang BV / Repsol
Secretary	: Iwan Prajogi	Medco Energi
	Kurnia Mariani	Schlumberger Indonesia
Members	: Andi Prasetianto	Premier Oil
	Budi Mumandari	BP Berau Ltd.
	Chandra Rajasa	INPEX
	Dencio Boele	PetroChina
	Dewi Puspa	ExxonMobil
	Pantja Widdarini	Petronas Carigali Muriah Ltd.
	Rizka Emilia	PT Chevron Pacific Indonesia
	Widiati Wageono	Eni Indonesia

II. 2019 ACTIVITIES REPORTS

The 3 main activities of HRC members are evolved around:

1. Continue with “Simplification, macro-management and value adding” approach to enhance efficiency and effectiveness leading to higher productivity of the industry and to provide advocacy and input to specific issues.
 - PMK258 recommendation and joint special taskforce by SKKMigas
 - Gross split impact to people management
 - Continue providing feedback on PTK018 rev 2
 - Continue providing guidance to 4 taskforces: Manpower Planning, Compensation & Benefits, Learning & Development & Medical
 - Continue partnership on professional certifications and support of HR Professional development i.e. HR Summit

-
2. Updates and sharing to IPA Members on HR best practices and industry challenges
 - Talent Leadership Session at 2019 IPA Convex – special session to support government efforts to develop “SDM Unggul, Indonesia Maju”
 - Sharing within HRC:
 - a. Petronas’ sharing on Partnership with local community and delivering staffing target (Sarawakians)
 - b. ExxonMobil’s sharing on building operator readiness – local community capacity building for Banyu Urip
 3. IPA high level engagement with key government and industry stakeholders on HR related challenges
 - Cabinet Secretariat Office – to response supply-demand Human Resources and Education or Training to support economic growth and investment in ESDM sector
 - Participated in the submission of list regulations related to Human Resources to support investor-friendly environment.

III. 2020 WORK PROGRAMS

Our plan is to carry-on the 3 main activities with some focus areas as follows.

1. Continue with “Simplification, macro-management and value adding” approach to enhance efficiency and effectiveness leading to higher productivity of the industry and to provide advocacy and input to specific issues with focus on:
 - PMK258/2011
 - Upcoming Revision of UU13
 - Pension Funding
 - Alih Kelola Guidance
 - Redundancies in certification & reporting
 - Continue providing guidance to 4 taskforces: Manpower Planning, Compensation & Benefits, Learning & Development & Medical

-
2. Updates and sharing to IPA Members on HR best practices and industry challenges with the focus on journey to SDM Unggul Indonesia Maju
 - Provide avenues for updates and sharing with the target of 1-2 extended members participations
 - Provide avenue for taskforce to share in IPA Forum (if required)
 3. IPA high level engagement with key government and industry stakeholders on HR related challenges

IV. COMMITTEE PURPOSE & SCOPE

PURPOSE

1. IPA Company member's forum to discuss, interpret, clarify and communicate all human resources and industrial relations related issues in oil and gas industry.
2. To represent the oil and gas industry in the advocacy efforts directly to various government institutions or via other associations to ensure that the concerns of the IPA Company members or the oil and gas industry are properly addressed.
3. To share knowledge, experience, practices and to synergize in the area of employees' development, regulation application and industrial relations, where possible and permissible under applicable laws and regulations.

SCOPE

Strategic government engagement and advocacy on human resources related regulations, policies and processes with the following key focus areas:

1. Continue to build respectful relationship and address any concerns with a right balance between industry effectiveness and aligned with government objectives.
2. Continuous improvement on "simplification, bureaucracy reduction, adding value and enhancing efficiency and effectiveness".
3. Consistent and streamlined regulation, requirement and review processes will increase process effectiveness and efficiency, which in turn will lead to higher productivity of the Industry.

SECTION 10

LNG & GAS COMMITTEE

2019 ACTIVITIES REPORT

AND

2020 WORK PROGRAM

CHAIRPERSON

Marusaha Lumban Gaol

(INPEX Masela Ltd.)



LNG & GAS COMMITTEE

I. ORGANIZATION

Chairman	:	Marusaha Lumban Gaol	INPEX Masela Ltd.
Vice Chairman	:	Joe Frizal	Husky Energy
Members/Alternates	:	Teddy Abrian / Fifi Roesmawi	Chevron
		Irawati Hartojo	BP Indonesia
		Indira Miranti / Fenny Lautan	ConocoPhillips Indonesia
		Syah Reza / Wulan Nurindah	ExxonMobil Indonesia
		Rudolf F. Doloksaribu / Irma Surya	Pertamina
		Noritsugu Ishikawa	INPEX Masela Ltd.
		Salmar Ngadikan	MedcoEnergi
		Rizky A. Syarif	Premier Oil
		Gana Pradana	Genting Oil
		Peter Wijaya / Callista Tenggara	Star Energy
		Teresita L. Indah/ Rene Hutauruk	Repsol
		A. Rizqi Darsono	Sugih Energy
		Aris Munandar	Kangean Energy
		Erica Listiani / Zaki Zulqornain	Ophir Energy
		Lita Liana / Saphyrenia Adelissa	Shell Indonesia

II. 2019 ACTIVITIES

The LNG and Gas Committee focuses on issues, studies and regulations regarding or impacting the LNG and Gas business in Indonesia. Members and alternate members of the Committee represent 16 IPA company members.

Key activities of the Committee during 2019 include:

1. Regular Meeting on Gas/LNG issues

The committee have several regular meetings to discuss recent issues, challenges and development in LNG and Gas business in Indonesia. The topic varies spanning from upstream to downstream of oil and gas and also the related fields such as energy.

2. Provide Inputs on Regulations which Support Economic Growth

In September, the Committee provided inputs to State's Secretary Minister on the Regulations which can support Economic growth. Two items were included in the letter:

- 1) Related to ESDM Minister Regulation No. 40/2016 regarding Gas Price for Certain industries. The Committee proposed to respect something that have been agreed between seller and buyer.
- 2) Related to ESDM Minister Regulation No.42/2018 regarding obligation to offer contractors' share of oil for domestic needs before exporting. The committee proposed to revoke the regulation, or the implementation should be under voluntary basis by the contractors.

III. 2020 WORKING PLANS

The LNG & Gas Committee will continue the advocacy efforts on the upstream gas business in Indonesia for 2020 which will include the following initiatives:

1. Continue engagements with key stakeholders in the gas business (SKK Migas, MIGAS, BAPENAS, IGA, IGS and other Government and non-Government stakeholders including consultants engaged by the Government);
2. Support the IPA Board and other IPA Committees in the overall advocacy efforts for the upstream industry.
3. Study on gas market and infrastructure to come up with more competitive gas prices, taking into consideration of the view of gas producers and consumers. One of the ideas is to have pipeline infrastructure connectivity in Java so that Java/Sumatra/Batam are connected and it creates a huge market size which is able to absorb all the produced LNG/gas supply. This will in turn reduce the gas supply price naturally and it will reduce the idle time between gas finding and the gas monetization. Finally, the gas market itself will grow as well.

SECTION 11

PROFESSIONAL DIVISION COMMITTEE

2019 ACTIVITIES REPORT

AND

2020 WORK PROGRAM

CHAIRPERSON

Moektianto Soeryowibowo

(BP Indonesia)



PROFESSIONAL DIVISION COMMITTEE

I. COMMITTEE MEMBERS

Chairman	: M. Soeyowibowo	BP Indonesia
Advisor	: Ron Noble	PT Agra Energi Indonesia
Secretary	: Anna Sulistyaningsih	IPA
Treasurer	: Freddy	RH Petrogas
Continuing Education	: Leonardus S. Tjahjadi	BP Indonesia
	Sinchia Dewi Puspita	Pertamina
Membership & Student	: Redo Waworuntu	Medco E&P Natuna
	Dyah Woelandari	PHE
Collaboration & Publications	: Andy Livsey	Horizon

II. 2019 ACTIVITIES REPORT

The Professional Division Activities in 2019 continues to serve its members particularly in the areas of continuing education (short courses, field trips and breakfast talks) and publishing the regular newsletters.

The Professional Division continues to face the challenge of participation to the activities such as courses and field trips. The significant drop of education budget in each company has significantly impacted to the level of participation. The format of breakfast talks has attracted more participants, it may due to lower fee, local venue or shorter time of the event.

There is a slight increase of professional membership compared to last year, but current number of members is still around half compared to 2016. The Professional Division has been successfully provided benefit to its member to freely access IPA technical papers and quarterly newsletter.

The plan to issue the Seismic Atlas during 2019 IPA Convention and Exhibition was not happened due to some issues in the preparation of the atlas. We plan to launch it in 2020 instead.

On financial aspect, we successfully booked some net revenues this year. The source of income primarily comes from the Publication and Membership. This year we also booked significant revenues from courses and talks.

CONTINUING EDUCATION SUB-COMMITTEE

This year we are focus on delivering a shorter duration of continuing education with the hope that they would attract more participants. We conducted one Pre-Convention Short Courses which attended only by 8 participants and one regular two-days course which attended by 22 participants. We would like to thank BHGE for bringing the experts for the course. A list of the short courses and the names of the instructors is provided in Appendix A.

We conducted four Breakfast Talks which two of them are SEG Distinguish Lecture Tours. All these talks were very well attended. We are continually on the lookout for topics that are relevant and of interest to the IPA members. A full listing of all talks and attendance is listed in Appendix B.

We conducted a Field Trip in collaboration with IAGI-FOSI which attended by 10 participants. A list is provided in Appendix C.

MEMBERSHIP SUB-COMMITTEE

The total for 2019 IPA Professional Division Membership is 490. It represents an increase of three percent (3%) compare to the last year mostly from the overseas and student membership. The breakdown of members is as follows: Jakarta 426, Riau 4, Balikpapan 10, and Overseas 26 and Student 24. Please see the detail membership by area in the table below.

Years	Jakarta & Others	Riau	Balikpapan	Overseas	Student	Total
2016	857	3	2	40	0	902
2017	695	7	3	41	7	746
2018	459	1	3	13		475
2019	426	4	10	26	24	490

The Professional Division Newsletter for member continues to publish regularly for its members. Hopefully it will attract more people to be an individual member of IPA. The plan is to maintain this newsletter published quarterly.

PUBLICATIONS SUB-COMMITTEE

Cooperation with Elsevier GEOFACETS and AAPG DATAPAGES has continued during 2019 with incorporation of all the maps from the existing IPA publications archive in GEOFACETS and addition of the latest core workshop and 2019 convention proceedings to DATAPAGES during the year. Both these initiatives continue to generate revenue for the IPA and open our publications to a global audience.

All IPA Publications are now available to IPA Members via the IPA website (<http://ipapublication.org/>) allowing both guests and members to search and download individual papers, members direct from the IPA site and guests via payment to AAPG DATAPAGES. The 2019 conference proceedings are currently being added and the database is being upgraded to include keywords for each paper.

Unfortunately, the Seismic Atlas of Indonesian Basins project has not proceeded as quickly as hoped but we are now in the process of compiling the various basin databases and hope to get started on Eastern Indonesia shortly, with the product available during 2020.

STUDENT ACTIVITIES LIAISON

One of the regular IPA Professional Division programs is to offer technical training courses for industry professionals. With the purpose of sharing the latest technology and update the best practices of oil and gas industry, the IPA feels the need to involve academics participation in the training program.

Lecture visit to university will be reactivated in 2020 for the technical and non-technical topics. IPA Professional Division plan to have the Student Rig Visit around Bekasi, West Java.

TREASURER'S REPORT

During the year 2018 total surplus achieved is IDR 796 million, which was derived from revenue of IDR 1,263 million billion and expenditure of IDR 467 million. This surplus is higher than the 2018 budget expectation of IDR 336 million.

Financial results for 2019 are still in progress. As shown in the table below, as of October 31, 2019 surplus was IDR 535 million. The surplus was derived from revenue of IDR 701 million and expenditure of IDR 166 million.

PROFESSIONAL DIVISION FINANCIAL PERFORMANCE YTD 31 OCTOBER 2019 IN MILLION (IDR)				Dec 31, 2019 Outlook
Type of Activities	Revenue	Expenditure	Surplus (Deficit)	Surplus (Deficit)
Short Courses	133	68	65	154
Field Trips	33	48	(15)	14
Luncheon Talks	54	33	21	21
Workshop	45	-	45	45
Publications & Others	301	12	289	289
Individual Memberships	135	5	130	130
Exchange Rate Gain/(Loss)	-	-	-	-
TOTAL	701	166	535	653

The surplus was mainly contributed by short courses IDR 65 million, workshop IDR 45 million, publication and others IDR 289 million and individual memberships IDR 130 million.

By the end of December 2019, we forecast a surplus of IDR 653 million. This surplus is derived from revenue of IDR 872 million and expenditure of IDR 219 million. The surplus of IDR 653 million forecasted above is higher than the 2019 budgeted expectation of IDR 348 million, which is mainly contributed by the increase of surplus derived mainly from short courses, workshop, publication and others and individual memberships activities.

III. 2020 WORK PROGRAM

Our work plans for 2020 are:

1. Continuing Education:
 - a. Plan to have 1-2 Regular Courses
 - b. Plan to have 2-3 Luncheon Talks
2. Membership
 - a. Try and highlight value of membership to the industry (e.g. online publication access)
 - b. Continue to promote the Student membership

-
- c. Continue Newsletter for members only
 - d. Consider consolidating the Balikpapan and Riau Chapter into Jakarta Member
3. Publications
- a. Sustain current strength of cooperation with partners, e.g. AAPG and Elsevier
 - b. Website improvement vital for member interaction/refine online publication database
 - c. Initializing the digital databases from previous publications.
 - d. Publishing regular newsletter for its members.
 - e. Publishing Seismic Atlas – Eastern Indonesia Basins
4. Student Activity
- a. Encourage student to be a member of Professional Division members by actively promoting through email or social media.
 - b. Conduct university visit by Professional Division for short course and non-technical sharing such as how to write & present technical paper.
 - c. Continue offer lecture to join IPA course for free if seat available.
 - d. Continue having short course in university by lecture who teach in IPA course.
 - e. Having the Student Rig Visit around Bekasi, West Java.
5. We will start engaging other Professional Associations such as HAGI, IAGI, IATMI, Seapex and IAFMI for collaboration that benefits both associations.

IV. COMMITTEE MISSION

- Continues to focus on providing technical knowledge and know-how sharing around the upstream oil and gas activities, methodology, techniques, and new initiatives in Indonesia. The target recipients of our program are the Professional Division members of IPA also those from oil and gas industry in general.
- Focuses its activities on capability and capacity development and knowledge sharing of its members through luncheon talks, field trips, training courses, scientific publications and support of student activities.

-
- To provide direct support toward the annually organized technical program of the IPA Convention and Exhibition
 - Promote IPA papers to global community through collaboration with AAPG and PIIA and other regional/international associations

SECTION 12

REGULATORY AFFAIRS COMMITTEE

2019 ACTIVITIES REPORT

AND

2020 WORK PROGRAM

CHAIRPERSON

Ali Nasir

(Premier Oil)



REGULATORY AFFAIRS COMMITTEE

I. COMMITTEE MEMBERS

Chairperson	: Ali Nasir	Premier Oil
Vice Chairperson	: Hardi Hanafiah	BP Indonesia
Members	: Debbie Chastity	Chevron Indonesia
	Marlina Tambunan/Abigael Ferdita	Chevron Indonesia
	Natasha Nababan/Elysia Risanti	ExxonMobil
	George Poyoh/ Dewita Tambunan	ConocoPhillips
	Heike Butar Butar/Mustika A.	Eni Indonesia
	Noki Luqmanulhakim/Ray Amalia	Ophir
	Iman Suseno/Trinzky Ginting	MedcoEnergi
	Prana Widyawan	INPEX
	Deny Riyadi	BP Indonesia
	Dewi Mayang Sari/Mahardika	Repsol
	Dhanny Jauhar	Kufpec
	Daniel Kohar	PwC
	Hatmanto Biman	Genting Oil
	Fransiscus Rodyanto	SSEK

1. 2019 ACTIVITIES REPORT

The 2019 Regulatory Affairs Committee (RAC) activities as follows:

1.1. RAC Membership Re-alignment

Re-alignment of RAC 2019 members (due to people movement and members refresh); Updating RAC email distribution list regulatory-affairs@ipa.or.id ; and Establishment a list of RAC tag to other IPA committee and task force.

Committee/Task Force	Sub-issue	RAC SPA
RAC Regulatory Issues	MR No. 15/2018 – ASR	Dewita Tambunan / Abigael Ferdita

Oil and Gas Law	Prana Widyawan/Deny Rijadi
Omnibus Law	Natasha Nababan/Prana Widyawan/Ali Nasir
F&T	George Poyoh/Marlina Tambunan
Gas & Commercial	Heike Butar Butar/ Elysia Risanti
SCM	Trinzky Ginting/ Ray Rahayu Amalia
HR	Debbie Chastity /
Ethics & Compliance	Noki Luqmanulhakim/Mahardika
Learn & Lunch	Hardi Hanafiah / Ali Nasir

1.2. Export Proceeds from Natural Resources (GR 1/2019)

- 1.2.1. In January 2019, the Government issued GR 1/2019. The regulation requires export proceeds from natural resources to be deposited in a special account with limited overseas transfer allowed. Essentially, the allowed overseas transfers are those sanctioned under the investment law, including capital injection, dividend, bill-in charges and other purposes. The funds deposited in the special account can be subsequently deposited into a time deposit with a reduced income tax rate being imposed over the interest.
- 1.2.2. The issuance of the regulation is viewed to have undermined PSC Contractors' right under the PSC with a provision that warrants the PSC Contractors' freedom to retain their proceeds overseas. This regulation is viewed as a step up to PBI 16/2014, which requires PSC Contractors to receive their export proceeds in country – which have been complied by the members on a good faith basis.
- 1.2.3. Upon a few rounds of discussions with the Coordinating Ministry of Economy and other relevant stakeholders, in August 2019, there was finally an alignment between the stakeholders, including the Central Bank, that the PSC Contractors can continue to transfer their export proceeds overseas without hindrance on the basis of their rights under the PSC, which is recognized as “other” categories of overseas transfer allowed under the Investment Law. The mechanism is to use PADG BI No. 21/16/PADG/2019 with code: 2251 (saving abroad - “simpanan di luar Indonesia”). The stakeholders also agreed that overseas escrow accounts which are used to temporarily receive export

proceeds, such as the existing overseas trustee and paying agent accounts that are used for LNG or gas exports, do not have to be moved to Indonesia.

1.2.4. Thus far, no member has any issue remitting their export proceeds overseas, despite initial receipt here in country. The advocacy on this issue has been viewed as a success.

1.3. Problematic Regulations

1.3.1. On 13 August IPA received a letter from Ministry of State Secretary asking for inputs on regulations that may hinder investments (Problematic Regulations).

1.3.2. On 3 September IPA sent a list of 30 regulations that could be improved to boost investment in oil and gas sector.

1.3.3. The issues raised ranging from tax, oil and gas management, procurement of goods and services (supply chain management), employment, HSE and other industrial issues.

1.3.4. IPA emphasizes its inputs on legal certainty (contract sanctity), ease of doing business and reasonable return on investment. These are salient elements considered by investors in making investment decision.

1.3.5. Similar letter was also sent to SKK Migas and Migas. IPA has met with Migas and SKK Migas to explain the issues and proposed way out.

1.3.6. Under Jokowi's new administration, the effort to revise the problematic regulations has been transferred into Omnibus Law (see below).

1.4. Omnibus Law

1.4.1. On 19 September 2019, IPA attended a meeting with Pak Bhakti Parikesit – Deputy of Economic Affairs of the Cabinet Secretariat, discussing the Omnibus Law on Investment.

1.4.2. The Omnibus Law is a concept where a specific law would be formed, by taking some provisions from other laws, and revising them so that the overall target for improving the ease of doing business factor in Indonesia can be achieved. Within the early days of the new administration, GOI is planning to submit the draft omnibus law to DPR for deliberation.

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- 1.4.3. IPA presented the high-level input to the Omnibus Law on Investment to Pak Fatar Yani – Vice Chairman of SKK Migas and team on 28 October 2019.
 - 1.4.4. IPA sent a letter to each of Chairman of SKK Migas, Minister ESDM and Coordinating Minister of Maritime and Investment Affairs, proposing input to the Omnibus Law.
 - 1.4.5. On 22 November 2019, IPA had a meeting with BKPM, explaining input to the Omnibus Law.
 - 1.4.6. This advocacy will continue in 2020 as the Government has now target to issue the Omnibus Law in April 2020.

1.5. Draft Oil and Gas Law

- 1.5.1. The latest draft of Oil and Gas Law received by IPA was dated 3 December 2018. From RAC review, the changes in the latest draft of New Oil and Gas law is principally on the determination that the BUK Migas would be in the form of a State-Owned Enterprise. The other significant change is the way Indonesian Participant 10% would be offered, previously in Work Areas which is managed in its entirety by BUK Migas, BUK Migas can make an offer of Indonesian Participant 10% to Local Government-Owned Enterprise, now BUK Migas can give a grant of Indonesian Participant 10% to Local Government-Owned Enterprise.
- 1.5.2. Despite efforts to finalize the New Oil and Gas Law within the 2014-2019 DPR term, with the latest being the President already sent the President Letter to DPR on November 2018, DPR did not move forward.
- 1.5.3. Traditionally when a draft law fails to be issued by the end of a particular term, new DPR under the new term would have to start from scratch, however, now that Law 15/2019 on Revision to Law 12/2011 on the Formation of Laws and Regulations went into law on 4 October 2019, a draft law can be carried over to the new term, provided that new DPR under the new term agrees to insert such draft law into the national legislative program.
- 1.5.4. Discussions in DPR are likely to continue in 2020

1.6. Management of State-owned Assets

- 1.6.1. Ministry of Finance Regulation No. 89/2019 on Management of State-owned Assets Originating from Implementation of Cooperation Contracts for Oil and Gas Business Activities (MR 89/19) went into effect on 19 June 2019. MR 89/19 covers the management of state-owned assets (BMN) in the upstream oil and gas business activities, from planning up to disposal.
- 1.6.2. MR 89/19 creates additional business processes and bureaucracies for BMN originating from upstream management starting from planning, budgeting, procurement, maintenance, and disposal by involving government bodies other than the Ministry of ESDM as the technical ministry responsible for operational requirements and investments needs.
- 1.6.3. The imposition of a rental fee to the ex-termination BMN and compensation for the utilization of remaining stocks (ex-termination) are burdensome to project economics and are not aligned with the objective of BMN utilization.
- 1.6.4. MR 89/19 is also inconsistent with Gross Split (GS) PSC principles related to planning, budgeting, procurement, and maintenance of BMN. MR 8/2017 regarding Gross Split PSC has granted the freedom for the contractor to perform procurement of goods and services, which has become the main advantage of the GS PSC. However, on the contrary, this MR 89/19 requires GS contractors to follow new procurement regulations which will be issued by the Government of Indonesia.
- 1.6.5. IPA had sent a letter to the State Secretariat on 3 September 2019 on various problematic regulations, among them is MR 89/19. IPA also discussed MR 89/19 with the Cabinet Secretariat on 12 September 2019, with ESDM and SKK Migas on 28 October 2019.

1.7. Abandonment and Site restoration (MR 15/2018)

- 1.7.1. In December 2018, IPA had several meetings with MIGAS (*Direktur Teknik dan Lingkungan – Bapak Adhi Wibowo*) to follow-up prior discussions with SKK Migas on IPA's proposed revision to MEMR 15/2018, as addressed in IPA letter to Head of SKK Migas dated 17 September 2018. In those meetings, MIGAS informed that there had been a discussion with the Vice Minister, Director General of MIGAS and Head of SKK Migas earlier in December 2018

on the possibility for revision to MEMR 15/2018. In such meeting, IPA was also informed that SKK Migas shared to Vice Minister and Directorate General of MIGAS its proposed revision to Article 21. However, according to SKK Migas, there were some feedbacks from the discussion with the Vice Minister on SKK Migas' proposed draft revision to Article 21.

1.7.2. In the meeting with SKK Migas later on 30 January 2019, SKK Migas explained to IPA that further process of revision to Article 21, including to address the feedbacks from the meeting with Vice Minister should be led by MIGAS. SKK Migas suggested for a meeting among IPA, SKK Migas, and MIGAS to finalize the draft proposed revision to Article 21. MIGAS requested the meeting to be coordinated by SKK Migas through an official letter from the Head of SKK Migas to Director General of MIGAS. There has not been any further progress from SKK Migas since then.

1.7.3. IPA will re-engage SKK Migas and MIGAS to progress the latest status above.

1.8. Extractive Industries Transparency Initiative (EITI) – 2021 Standard

1.8.1. In October 2019, IPA attended a meeting held by the Coordinating Ministry of Economy in relation to the captioned subject. The meeting aimed to discuss the readiness to implement the 2019 EITI standard of disclosing extractive industry's contracts to the public, ones that are entered into, or any amendment of the existing ones, **from 1 January 2021**. The meeting was also attended by other relevant stakeholders, including, the Ministry of Energy and Mineral Resources, SKKMIGAS, industry associations and the National Committee of Public Information.

1.8.2. In the meeting, IPA conveyed that it is supportive to the transparency initiative and has been participating through collating the information requested by the Government through SKKMIGAS. On whether such disclosure should be extended to the disclosure referred to in the previous paragraph, is a matter of the Government's policy, being a member country of the EITI. Whatever the ultimate Government's decision (e.g. partial disclosure), such disclosure should take into account the applicable regulatory framework, including limitations applicable under the Public Information Law, such as non-

disclosure for information that will disclose the natural resources of the country. In any event, any public disclosure should consider the quality of the information (accuracy and up to date) and provides the context of the information disclosed.

1.8.3. A follow up action for IPA is to confirm its view through a letter to SKKMIGAS.

1.9. Support to other IPA committees, among others:

1.9.1. Implementing Regulation to GR27/2017 on Cost Recovery

- (i) RAC provided support to the Finance and Tax committees in conducting engagement with SKKMigas and Migas in order to have the MOF Regulations to be issued.
- (ii) In August 2019, PMK 122/2019 was issued and the said PMK has provided clarity to certain tax incentives as provided in GR 27/2017 for its implementation.

1.9.2. Implementing Regulation for GR 53/2017, RAC has been providing necessary legal assistance to F&T in the effort to get tax incentives and facilities as outlined in the GRs (on going).

1.9.3. VAT on LNG

- (i) The issue on VAT on LNG started when Donggi submitted an appeal to Supreme court to challenge PMK252/2012 and Supreme Court accepted Donggi's appeal and confirmed that LNG shall be VAT-able and this VAT is to be applied by MOF at the latest on 13 November 2018. This ruling then creates a significant issue for all upstream LNG producers.
- (ii) The solution being discussed with government are to ensure that : (i) LNG will be classified as a strategic good and exempted from VAT; (ii) Upstream LNG contractors will be exempted from a requirement to become a VAT-able firm; and (iii) such exemptions will be applied retroactively to November 2018.

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- (iii) RAC is supporting the Finance and Tax committees in conducting engagement with SKKMigas, Migas, ESDM and BKF to resolve the issue.

1.9.4. Land and Building Tax

- (i) The existing Land and Building tax (LBT) applied for upstream is a significant burden to the industry. IPA RAC working together to support Finance and Tax committee is working to build the awareness since few years ago to conduct dialog with SKK Migas, ESDM, KSP and MOF in order to fix the LBT formula not to be overly burdensome for the industry in order to make Gross Split more attractive.
- (ii) In the last round of negotiation, MOF, ESDM and SKK Migas reached an agreement to reduce the basis for calculation of LBT for natural gas through revision of PMK 139/2014 so that natural gas price to refer to actual contract price instead of assumption of 17.97% of ICP.
- (iii) The revision of PMK 139/2014 is yet to be issued.

2. Monthly Meeting & RAC Learn and Lunch/Breakfast

RAC conducts regular monthly meeting to discuss issues and find solutions. This regular meeting help member to properly allocate their time and attendance so far has been good.

Additionally, RAC has also continued its academic program called Learn & Lunch (“L&L”), which is expected to help members develop their knowledge & skills. The following Learn & Lunch has been conducted during 2019:

- (i) 1st L&L (27 Feb): **Gross Split PSC - Procurement process and its implications to anti-trust law**, hosted by **Premier Oil** with speaker from OSP/Ashurst.
- (ii) 2nd L&L (22 April): A lunch and learn with Jakarta Post on **Craft Your Message with Narration**, hosted by **ExxonMobil Indonesia**.
- (iii) 3rd L&L (31 July): **DNI and its impacts to construction in oil & gas sector**, hosted by **PwC**.
- (iv) 4th L&L: **Selected issues on contracts and sales under New York and English laws**, hosted by **Medco Energi**.

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- (v) 5th L&L: **Latest AIPN Model FOA**, hosted by **ENI** with speaker King & Spalding.

3. 2020 WORK PROGRAM

The IPA RAC's objectives for 2020 are predominantly consistent with its activities in 2019. RAC will continue to perform an active advocacy role in the Omnibus Law and draft Oil and Gas Law. Also, RAC will continue to support the IPA Board and other IPA committees in responding to prospective and new laws and regulations including proposed amendments to existing laws and regulations.

RAC will renew stakeholder's engagement and plan to have a courtesy visit and meetings with legal department of SKK Migas Legal, Ditjen Migas and ESDM. "IPA-RAC Goes to Campus" will also be a new program for 2020. This program is aimed at giving back to the society (students) and bringing the industry closer to students with the hope they will have a good and correct understanding on the industry.

4. 2020 BUDGET

Meetings (internal & external) for advocacy = USD 2,000

SECTION 13

SUPPLY CHAIN IMPROVEMENT COMMITTEE

2019 ACTIVITIES REPORT

AND

2020 WORK PROGRAM

CHAIRPERSON

Fery Sarjana

(Petronas Carigali Indonesia)

SUPPLY CHAIN IMPROVEMENT COMMITTEE

I. COMMITTEE MEMBERS

Chairperson :	Fery Sarjana	Petronas Carigali Indonesia
Vice Chair :	Lily Sastriyanti	INPEX Masela, Ltd
Secretary :	Listiani Dewi	HCML
Members :	Budi L Widjaja/Benny Panjaitan	ConocoPhillips Indonesia
	James Tehubijuluw	BP Indonesia
	Indra Syafrin	ENI
	Didi Basuki	Kangean Energy Indonesia
	Penny Setiadi	Ophir Energy
	Herry Luthfi	Premier Oil
	Iwan Kristiantono	Energi Mega Persada
	Agus Setiawan	Saka Indonesia Pangkah Ltd
	Kenneth / Astrid Nadya / Yudhi	Medco Energy
	Imam S/Lita Myrosa	PT. PHM
	Sigit	Chevron
	Citra Jaya/Badruddin Gantou	Exxon Mobil Indonesia
	Fransjono / Visnu	PEP Cepu

II. 2019 ACTIVITIES REPORT

The 2019 Supply Chain Management (SCM) activities are focusing on providing advocacy on deregulation of processes within Supply Chain and Procurement process. SCM meets regularly every month and has been actively communicated and shared information among its members when issues arise.

Following is work programs which were implemented in 2019:

- 1) Networking Improvement with SKK Migas (PRS-AB Division, PPBJ Division and Asset Management Division of SKK Migas), Ditjen Migas, Bea Cukai, PPBMN &

-
- DJKN. We invited SKK Migas Division Heads, Ditjen Migas, Bea Cukai, PPBMN & DJKN to one of the monthly meeting or courtesy meeting to channel inputs / feed backs.
- 2) Collaboration with F & T and Resources Committees to advocacy PMK 189/2019 regarding Asset Management.
 - 3) Collaboration with all committees to advocacy all regulations; whereas the SCM Committee submit improvement on regulations which identified not efficient & effective. The improvement proposal was submitted to Sekretariat Kabinet and followed up with regular meeting; submitted and discussed it to Special Staff of Ministry Energy and followed up with regular meeting; submitted and discussed it to SKK Migas and followed up with regular meeting; submitted and discussed it to Ministry of Finance facilitated by Special Staff of Ministry Energy.
 - 4) Conducted Breakfast Session – collaboration with SKK Migas Procurement Head of Division during IPA Convex 2019, discussing current procurement regulations applied in Oil & Gas Industry including best practices which strategic and impactful whilst delivered Value Creation to the industry.
 - 5) As part of advocacy on Energy and Mineral Resources Minister Decision No. 17/2018, IPA conducted meeting with Director Pembinaan Program, Ditjen Migas (with her management) & Deputi Procurement Management SKK Migas (with his management) on 30 Sept 2019 for the improvement on the implementation Pre-Master List. As one of the follow up, IPA SCM Committee with the collaboration with Ditjen Migas and SKK Migas Asset Management Division conducted workshop on 28 November 2019 for the evaluation and improvement on the implementation of Pre-Master List with the participation from all PSC's.

By proactively advocating the above, it is expected that the SCM Committee able to contribute improvement on Supply Chain activities to be more efficient and effective which contribute for better investment climate in the upstream oil and gas sector and maintain the competitiveness of the Indonesia upstream oil and gas industry.

III. 2020 WORK PROGRAM

The 2020 Supply Chain Management (SCM) activities are focusing on providing advocacy on deregulation of processes within Supply Chain and Procurement. SCM will conduct regular monthly meetings.

The work programs are as follows:

- 1) Maintain networking with SKK Migas (PRS-AB Division, PPBJ Division and Asset Management Division of SKK Migas), Ditjen Migas, Bea Cukai, PPBMN & DJKN. We will invite SKK Migas Division Head, Ditjen Migas, Bea Cukai, PPBMN & DJKN to one of the monthly meeting with the hope to channel inputs. The plan is to have a more regular participants in 2020 meetings.
- 2) SCM Best practice sharing from members or other expert in monthly SCM meetings.
- 3) Improve networking with IPA Associate Members. We will invite AM members into the regular SIC gathering where appropriate.
- 4) Conduct Breakfast Session and invite key stakeholder from Government as resource during IPA Convex 2020
- 5) Continue advocacy on Government of Indonesia Regulation's Draft, as well as on Deregulation of Permitting process within Oil & Gas. IPA submitted input on all permits (around Asset disposal and Importation) that are bureaucratic.
- 6) After more than one-year implementation (since July 2017), IPA will provide feedback to SKK Migas Procurement Guideline PTK 007 Book 1 and 2 Revision 4 post, as well as to Book 3 & Book 4.

SECTION 14

UNCONVENTIONAL GAS & EOR COMMITTEE

2019 ACTIVITIES REPORT

AND

2020 WORK PROGRAM

CHAIRPERSON

Unggul Setyatmoko

(NuEnergy)

VICE CHAIRPERSON

Andi W. Bachtiar

(Pertamina)

UNCONVENTIONAL GAS & EOR COMMITTEE

I. COMMITTEE MEMBERS

Chairperson	:	Unggul Setyatmoko	NuEnergy
Vice Chair	:	Andi Bachtiar	Pertamina
Members	:	Puti Permata	Medco
		Kurnia Praja	Eni Indonesia
		Amritzar Aimar	Pacific Oil and Gas
		Dave Taber	Chevron
		Dini Sunardi	Conocophillips
		Erica Listiani	Ophir
		Israr Saputra	Medco
		Mutia Djafaar	Vico
		Sekar Hastasari	Pertamina
		Tonny Supriadi – Pertamina	

II. 2019 ACTIVITIES REPORT

1. Provided advocacy to the government in relation to the current CBM PSC status issues. The number of active CBM PSCs is 17 out of originally 54. The 37 CBM PSCs have been terminated or returned to the government. The current active PSCs are close to their end of exploration period.
2. Continued to pursue the first CBM Plan of Development to provide confidence for the remaining CBM industry players to keep exploring and developing their active CBM assets.
3. Continued introducing a joint project involving active CBM Operators for proofing technology to enable or improve commerciality of CBM development learning from the experience from other country. This proposal required government policy to allow additional exploration period to all remaining CBM PSCs because this project would require more than 2 years.

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4. Provided advocacy to the government in relation to the current EOR issues.
 5. Get more attention from technology providers, technical providers, chemical companies and others from all over the world who have interest to expand their activities to support EOR activities in Indonesia.

III. 2020 WORK PROGRAM

3.1. EOR

- 3.1.1. Achieve same perception regarding terms, definition, and success criteria of EOR business process among related stakeholders by conducting workshop and technical conference.
- 3.1.2. Establish “Joint Technical Program” consists of EOR expertise groups as the representative of oil and gas Company, independent consultants and government whom continuously improve their knowledge and competencies by organizing worldwide benchmarking and discussion with prominent EOR expert.
- 3.1.3. Establish “Joint Industry Program” to communicate the evaluation and planning of EOR activities to EOR supporting industries for leveraging their capability in executing EOR programs.
- 3.1.4. Continue advocacy process with the government to resolve EOR challenges especially related to technology, legal and commercial including incentive granting and legal certainty for EOR project implementation.
- 3.1.5. Build a standardized guideline based on the agreed perception of EOR business process, government advocacy outcome, the result of Joint Technical and Joint Industry Program to accelerate EOR project implementation in Indonesia.

3.2. UNCONVENTIONAL

- 3.2.1. Continue discussion with the government to ensure that the relevant regulations, policies and guidelines for unconventional are suitable. This includes technology and standard operations for unconventional, guidelines for Plan of Development as well as Gross Split Contract for CBM.
- 3.2.2. Continue to pursue the approval of the first CBM Plan of Development in Indonesia.
- 3.2.3. Continue provide advocacy to the government to keep the current active PSCs issues where there is a technical requirement which will take much longer time than the remaining exploration period of all active PSCs to be able to achieve commercial discovery. The objective is to provide enough additional exploration period.
- 3.2.4. Continue to secure support from the government and remaining CBM players to conduct a joint project for proofing technology to enable and improve commerciality of CBM development.

SECTION 15

**LIST OF
COMPANY MEMBERS
AND
ASSOCIATE MEMBERS**



INDONESIAN PETROLEUM ASSOCIATION COMPANY MEMBERS

No.	Company	Representative	Title
1	BP Indonesia (Upstream)	Mr. Nader Zaki	Regional President
2	Chevron Indonesia	Mr. Kevin Lyon	President
3	CITIC Seram Energy Limited	Mr. Deng Yuanzhong	President
4	ConocoPhillips (Grissik) Ltd.	Mr. Bijan Agarwal	President & General Manager
5	Eni Indonesia Limited	Mr. Diego Portoghese	Managing Director
6	Equinor	Mr. Helge G. Håland	Country Manager Indonesia
7	ExxonMobil Cepu Limited	Mrs. Louise McKenzie	President
8	Genting Oil Kasuri Pte. Ltd.	Mr. Nara Nilandaroe	General Manager
9	Harpindo Mitra Kharisma, PT	Mr. Xinghua Huang	General Manager
10	Husky Anugerah Limited	Mr. Kevin S. Moore	General Manager
11	Husky-CNOOC Madura Limited (HCML)	Mr. Tilak Nithiyeswaran	President & General Manager
12	INPEX Masela Ltd.	Mr. Nico Muhyiddin	Vice President Corporate Services
13	JAPEX Co., Ltd.	Mr. Akinori Matsumoto	Chief Representative
14	Kangean Energy Indonesia Limited	Mr. Minoru Kuniyasu	President
15	KrisEnergy (Satria) Ltd.	Mr. Kusmutarto Basuki	General Manager
16	Mandala Energy Lemang Pte. Ltd.	Mr. Chandra D. Tiranda	General Manager
17	Medco E&P Indonesia, PT	Mr. Ronald Gunawan	President Director
18	Mubadala Petroleum Indonesia	Mr. Adel Al Hammadi	President
19	Neptune Energy Muara Bakau B.V.	Eko Lumadyo	Managing Director
20	OPIC Indonesia	Mr. Vincent Chang	Chief Representative
21	Pertamina EP, PT.	Mr. Nanang Abdul Manaf	President Director of PEP
22	PetroChina International Jabung Ltd.	Mr. Gong Bencai	President
23	Petronas Carigali Muriah Ltd.	Mr. Mohd. Nazlee Rasol	President

24	Premier Oil Natuna Sea B.V.	Mr. Gary Selbie	President
25	PTTEP Indonesia	Mr. Grinchai Hattagam	General Manager
26	Saka Energi Indonesia, PT	Mr. Nofriadi	President Director
27	Semeru Energy Limited	Mr. Jeff Steketee	CEO
28	Shell Indonesia, PT	Mr. Darwin Silalahi	Country Chairman
29	Star Energy (Kakap) Ltd.	Mr. Rudy Suparman	President & CEO
30	Talisman Energy Inc. / Repsol	Mr. Greg Holman	General Manager
31	Total E&P Indonesia	Mr. Arividya Noviyanto	President & General Manager
32	Triangle Pase Inc.	Mr. Tumbur Parlindungan	Acting General Manager

INDONESIAN PETROLEUM ASSOCIATION

ASSOCIATE MEMBERS

No.	Company	Representative	Title
1	Abhitech Matra Indah, PT	Mr. Dennis Karnadi	Director
2	Altus Logistics Services Indonesia PT.	Mr. Indra Angelo	President Director
3	Apexindo Pratama Duta Tbk., PT	Mr. Zainal Abidinsyah Siregar	President Director
4	Armada Gema Nusantara, PT	Mr. Gerhardus S. Doubell	Country Director
5	Badak LNG, PT	Mr. Didik Sasongko	President Director
6	Baker Hughes, a GE Company	Mr. Iwan Chandra	President
7	Bama Bumi Sentosa, PT	Mr. M. Amin Mujib	Ka. Div. QHSE
8	BGP Indonesia, PT	Mr. Zhang Haitao	President Director
9	Binder Indonesia, PT	Ms. Endah	Sales & Marketing
10	BMT Asia Pacific Indonesia, PT	Mr. Johnny Tjea	President Director
11	Bureau Veritas Indonesia, PT	Mr. Didie B. Tedjosumirat	Director
12	Cameron Systems, PT	Mr. Scott Schauer	Regional Director
13	CARSURIN, PT	Ms. Sheila Maria Tiwan	President Director / CEO
14	CGG Services Indonesia, PT	Ms. Tenny Yoan	President Director
15	China Petroleum Technology & Dev't Corp	Mr. Yang Xiao	
16	Citra Tubindo Tbk., PT	Mr. Joe C. Barlett	General Director
17	Citrabuana Indoloka, PT	Mr. Taufik Hidayat	Country MD
18	Corelab Indonesia, PT	Mr. Kristanto Himawan	Operations Manager
19	Denvegraha (DNV GL), PT	Mr. Dedi Murdiadi	Head of Section Oil & Gas
20	Donggi-Senoro LNG, PT	Mrs. Doty Damayanti	
21	Dwi Lestari Nusantara, PT.	Mr. Edison Sinaga	General Manager
22	EagleBurgmann Indonesia, PT	Mr. Soebagio Soegiharto	General Manager
23	Energy Logistic, PT	Ms. Christina Novi	
24	Exlog Sarana Indonesia, PT	Mr. Wimborn M. Hutapea	Director
25	Fugro Indonesia	Mr. Agus Wiryawan	Country Manager

26	Future Pipe Industries, PT	Mr. Dimas S. Yuditya	Sales & Marketing Manager
27	Geolog Indonesia, P.T.	Mr. Adel Gasmi	Director
28	Halliburton Indonesia, PT	Mr. Ahmed Helmi	
29	Hitek Nusantara Offshore Drilling, PT	Mr. Kamil	President Director
30	Horizon Geoconsulting, PT	Mr. Andy Livsey	Technical Director
31	IADC Southeast Asia Chapter	Mr. Chit Hlaing	
32	IKM Subsea Indonesia, PT	Mr. Husnul Furqon	Business Dev. Manager
33	Imeco Inter Sarana, PT	Mr. Sarwi H. Notoatmodjo	Director
34	Inspektindo Sinergi Persada	Mrs. Esra Siahaan	
35	Institut Sains & Teknologi AKPRIND	Ms. Sri Mulyaningsih	
36	Institute of Technology Bandung	Mr. Hendra Grandis	
37	Institute of Technology Medan	Mr. Gustam Lubis	
38	Institute of Technology Sepuluh Nopember	Mr. A. Syaeful Bahri	
39	Integrated Petroleum Services, PT	Mr. Abdul Halim Abdul Hamid	President Director
40	Intertek Utama Services, PT	Mr. Jose Richard Gamo	President Director
41	Islamic University of Riau	Ms. Ira Herawati	
42	JGC Corporation	Mr. Tanaka Hideaki	Chief Representative
43	Kaliraya Sari, PT	Mr. Vincent Darja	Managing Director
44	KAP Purwantono, Suherman & Surja-EY	Mr. Hari Purwantono	Partner
45	Korosi Specindo, PT	Mr. Baskifo Yulinardo	Business Development
46	KPMG Advisory Indonesia	Mr. Irwan Setiawan	Partner
47	Lerindro International, PT	Mr. Andrew H. Suryadi	President Director
48	Linklaters Singapore Pte. Ltd.	Mr. Kevin Crombie	
49	McDermott Indonesia, PT	Mr. Mudhito (Adhi) Prakosa	Country Manager
50	MCX Asia, PT	Mr. Shinichi Fukuda	
51	M-I Production Chemical Indonesia, PT	Mr. Devan Raj	President Director
52	Mitsubishi Corporation Indonesia, PT.	Mr. Masao Okawara	
53	Oentoeng Suria & Partners	Mr. Avinash Panjabi	

54	OPAC Barata, PT	Mr. Jeremy Dyer	Director
55	Oscos Utama, PT	Mr. Antonius Nurimba	President Director
56	Perforindo Teknik Nusantra, PT	Mr. Indra Adji	Country Manager
57	Petroprima Geo Service Nusantra, PT	Mr. Risan Setia Putra	
58	Petrosea Tbk., PT	Mr. Hanifa Indradjaya	President Director
59	PPPTMGB "LEMIGAS"	Mrs. Setyorini Tri Hutami	
60	Precision Energy Services Indonesia PT.	Ms. Mirana Ganettasari	
61	PricewaterhouseCoopers	Mr. Sacha Winzenried	
62	Pumpa Cakrawala Mulia, PT	Mrs. Maya Rahmawati	
63	Pusdiklat "Migas"	Mr. Wakhid Hasyim	
64	SGS Indonesia, PT	Mr. Deny Sitorus	OGC Manager
65	Stainless Steel Primavalve Majubersama, PT	Mr. Mustoko Ali Sasongko	
66	STTNAS Yogyakarta	Mr. Sukartono	
67	Sucofindo, PT	Mr. Erwin S.P. Sibuea	
68	Supraco Indonesia, PT	Mr. Misyal A. Bahwal	Managing Director
69	TD Energy Services, PT	Mr. Paul Colston	President Director
70	Tenaris-Seamless Pipe Indonesia Jaya, PT	Mr. Pungky Hermawan	Commercial Manager
71	Tripatra Engineering, PT	Mr. Dhira Nandana	CEO
72	University of Brawijaya	Mr. Adi Susilo	
73	University of Diponegoro	Mr. Reddy Setyawan	
74	University of Gadjah Mada	Mr. Sismanto	
75	University of Hasanuddin	Mr. Sabrianto Aswad	
76	University of Indonesia	Mr. Mahmud Sudibandriyo	
77	University of Lampung Mangkurat	Mr. Ibrahim Sota	
78	University of Lampung	Mr. Ordas Dewanto	
79	University of London	Mr. Robert Hall	
80	University of Padjadjaran	Mr. Ildrem Syafri	
81	University of Pakuan	Mr. Agus Karmadi	

82	University of Proklamasi 45	Mr. Wirawan Widya Mandala	
83	University of Sriwijaya	Mr. Marwan Asof	
84	University of Trisakti	Mr. Agus Guntoro	
85	UPN "Veteran"	Mr. Agus Santoso	
86	Vopak Terminal Merak, PT	Mr. Lars Schauman	
87	Widyawan & Partners	Mr. Widyawan	Managing Partners
88	Wira Cipta Perkasa, PT	Mr. Burhanuddin Ali	
89	Wira Insani PT.	Ms. Mirana Ganettasari	



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