



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

# **INDONESIA'S OIL AND GAS OVERVIEW AND CHALLENGES ON UPSTREAM SECTOR**

**By  
Dr. Ir. Naryanto Wagimin, M.Si  
Director of Upstream Business Development**

**Bandung – December 10<sup>th</sup> 2012**

# POLICY AND TARGETS OF INDONESIA OIL & GAS MANAGEMENT

## **PETROLEUM POLICY**

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

## **FUEL POLICY**

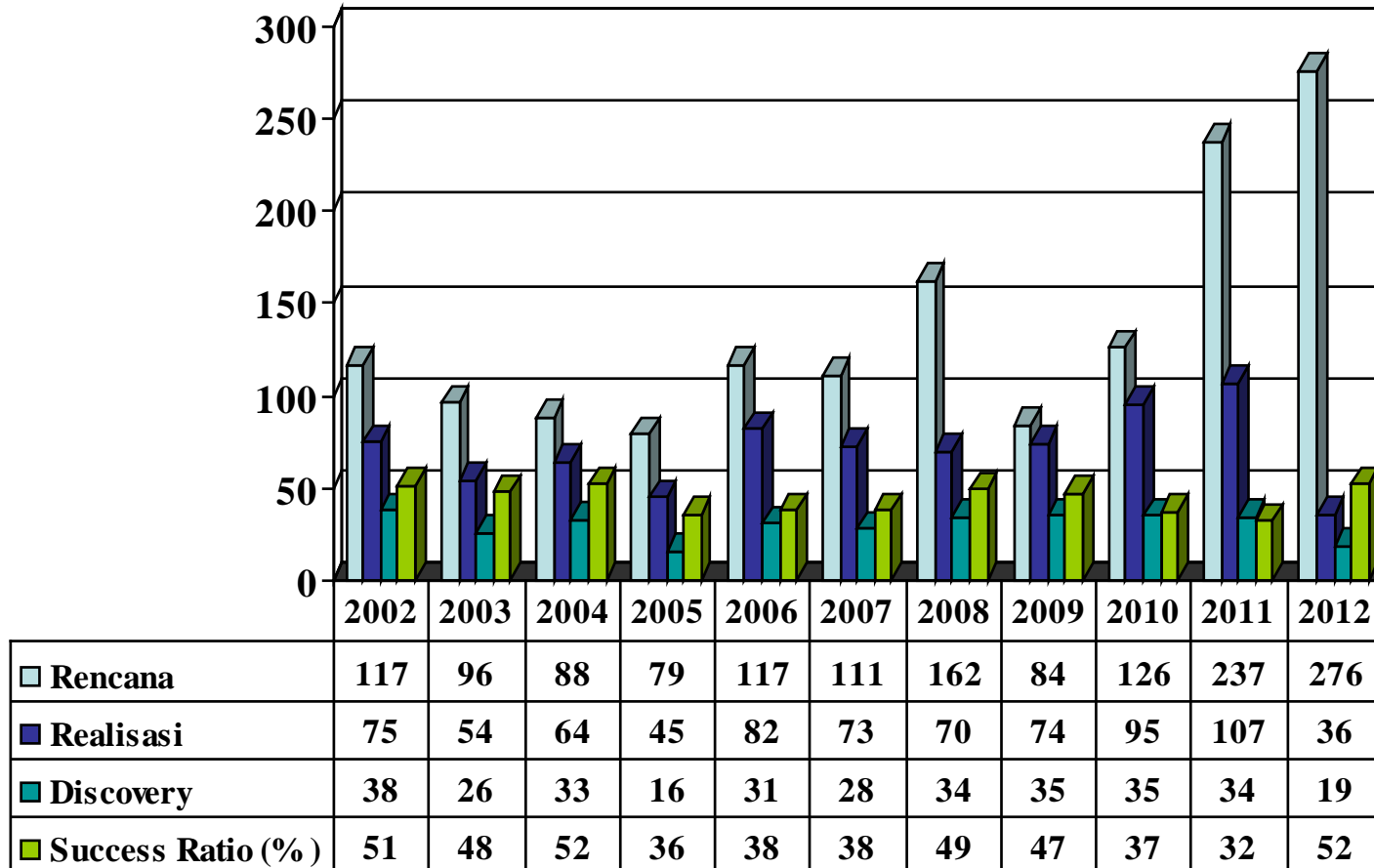
- ❖ Feedstock & Fuel Supply Security
- ❖ Fuel Categorization
- ❖ Pricing Policy
- ❖ Fuel Diversification
- ❖ Fuel Standard and Quality
- ❖ Fuel Efficiency

## **TARGETS FOR 2025**

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

# EXPLORATION DRILLING

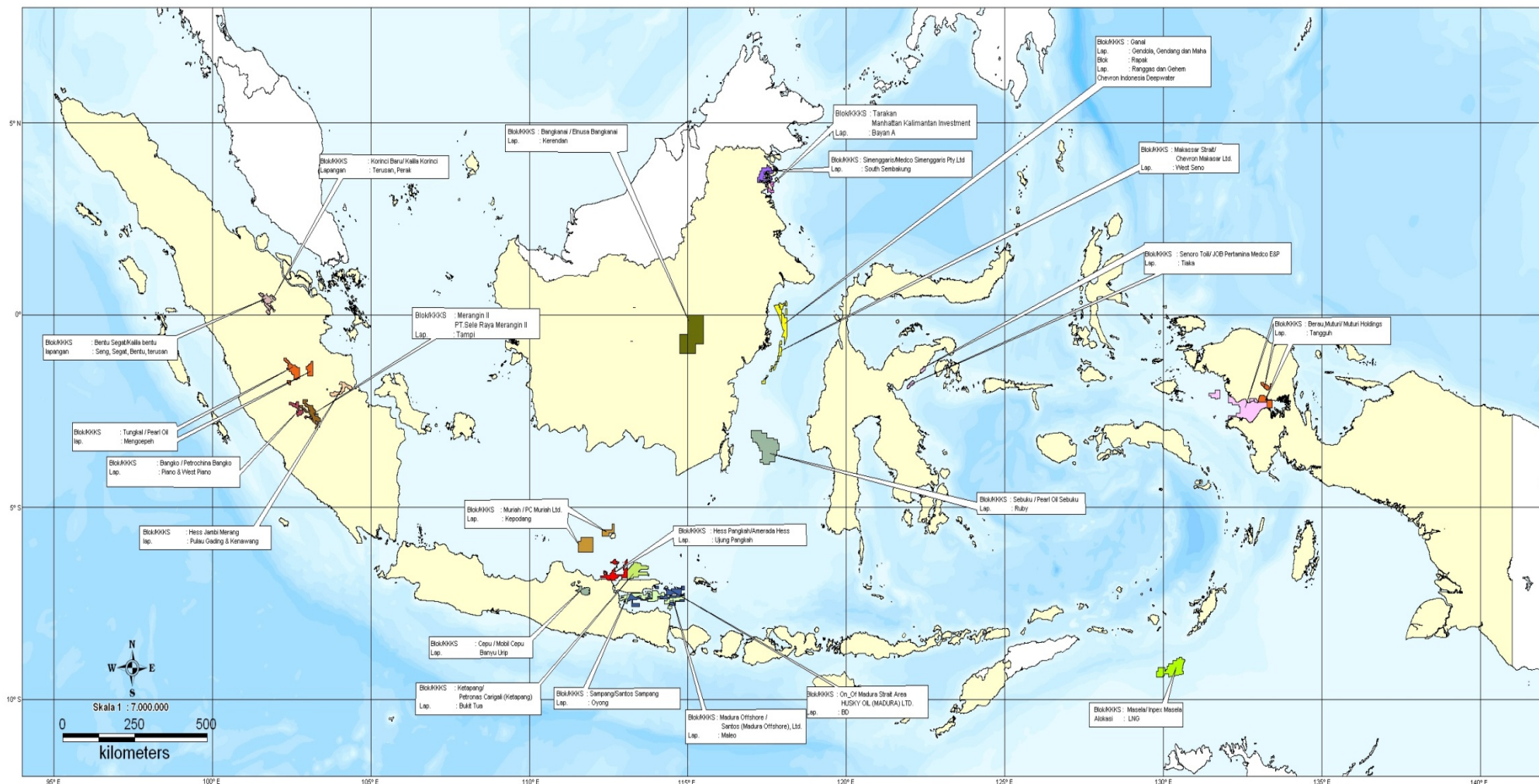
----- 2002-2012<sup>\*)</sup>



■ Rencana 
 ■ Realisasi 
 ■ Discovery 
 ■ Success Ratio (%)

<sup>\*)</sup> May 2012

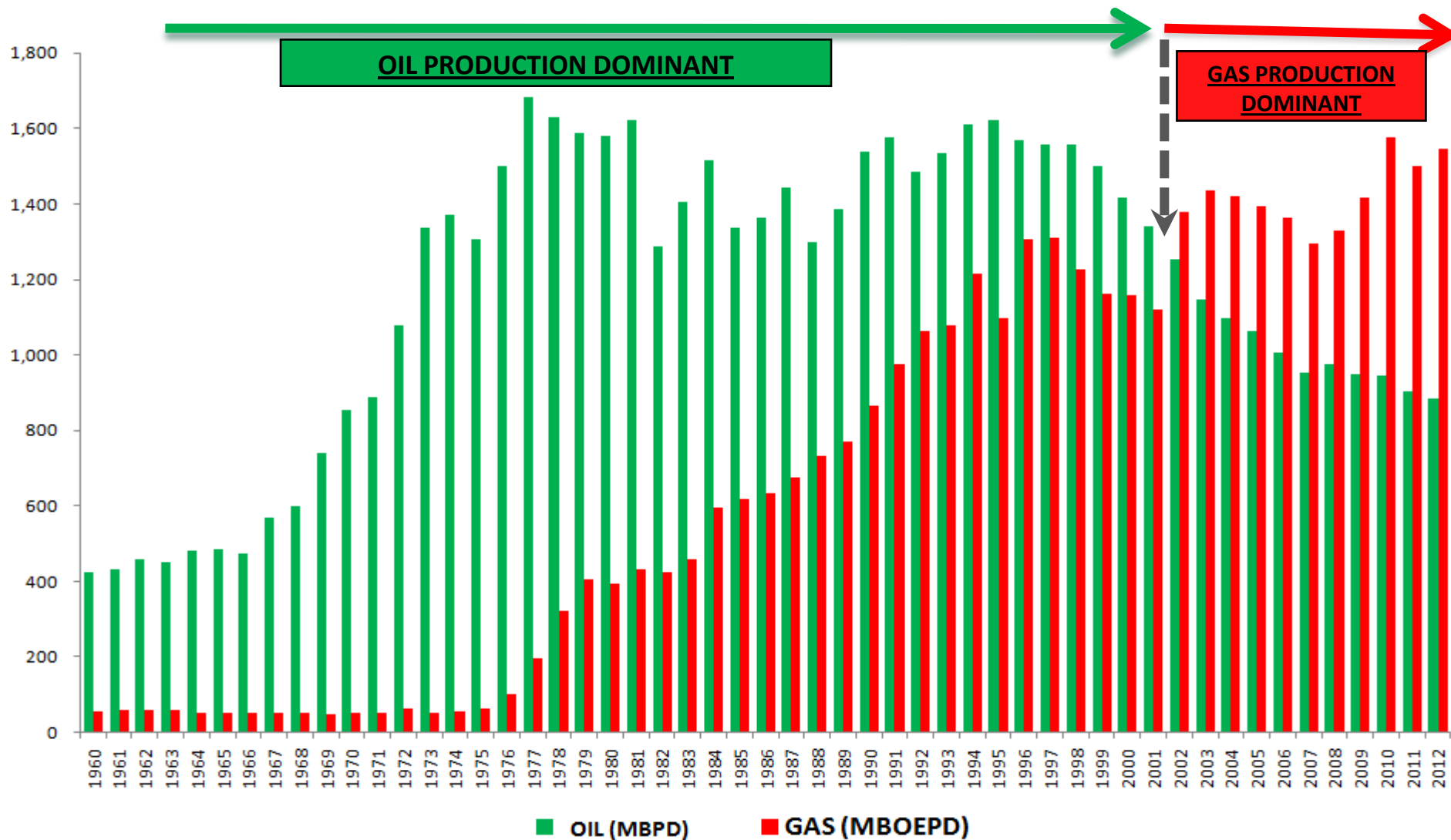
## SUCCESS EXPLORATION & PRODUCTION





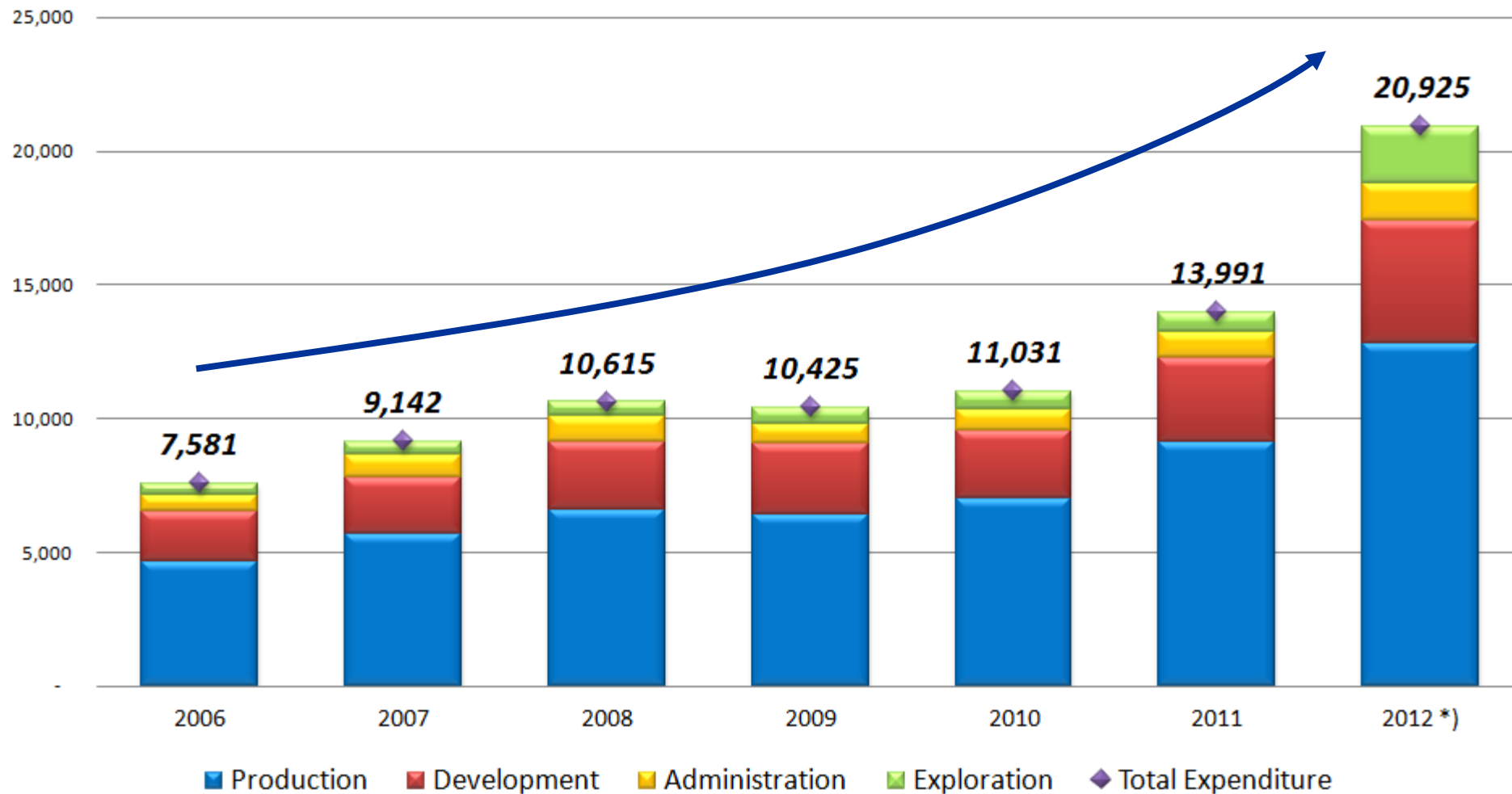


# INDONESIA'S OIL AND GAS PRODUCTION PROFILE



# STRONG INVESTMENT IN UPSTREAM OIL AND GAS

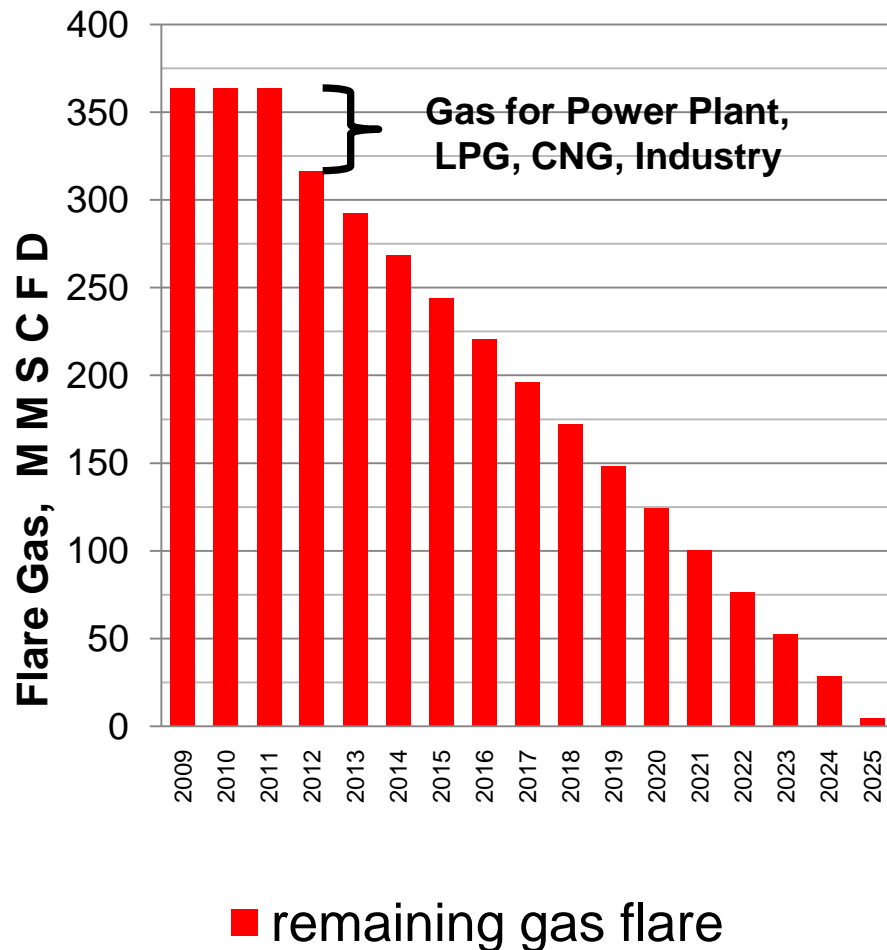
US\$ Million



The increasing investment trend in the upstream sector will support the growth of natural gas development

\*) Outlook

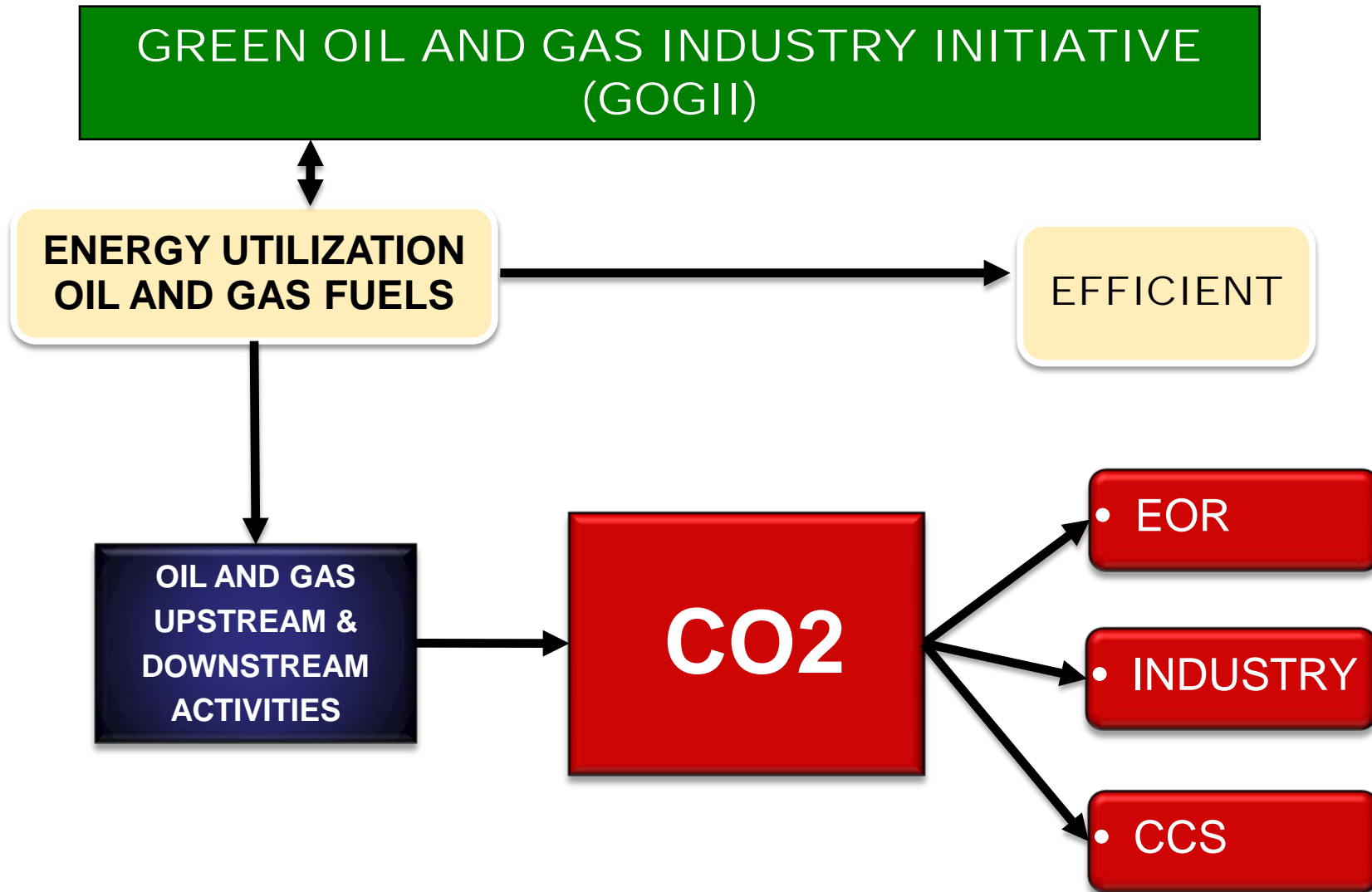
## FLARE GAS REDUCTION PROGRAM



## ZERO FLARE PROGRAM

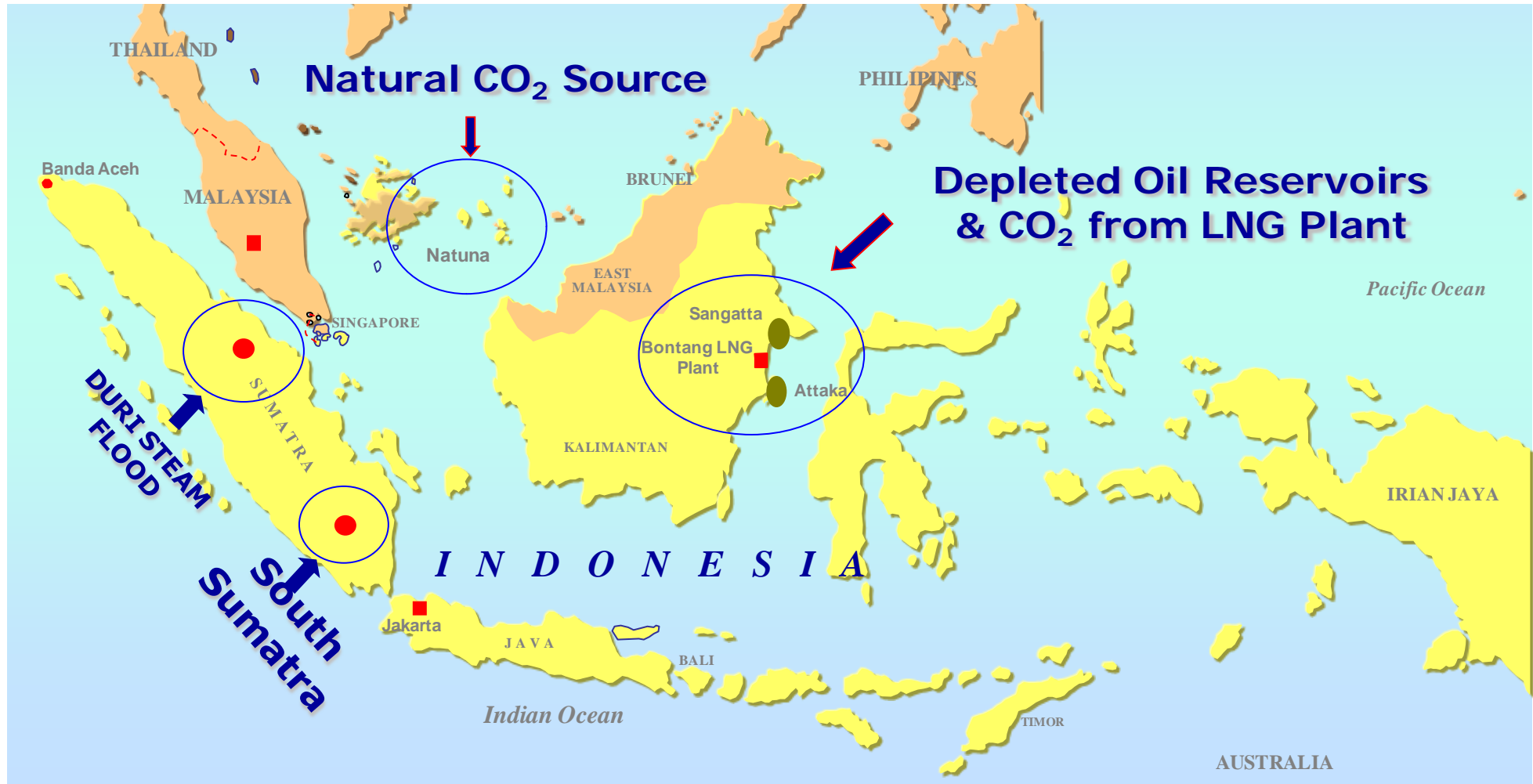
1. Preparing flare gas utilization policy (CNG, LPG, City Gas, EOR, Gas for Power Plant)
2. Socializing flare gas reduction policy to business entities (year 2010);
3. Monitoring flare gas reduction implementation (year 2010 – 2025);
4. Achieving zero flare gas target in year 2025.

# CCS IN OIL AND GAS INDUSTRY





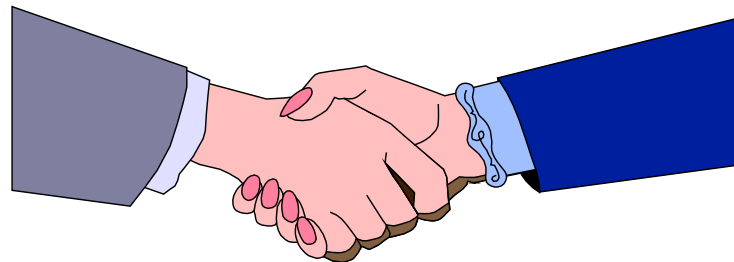
# AREA FOR CCS POTENTIAL IN INDONESIA



# CHALLENGES ON UPSTREAM SECTOR



**THANK YOU**



***[www.migas.esdm.go.id](http://www.migas.esdm.go.id)***