



**MINISTRY OF ENERGY AND MINERAL RESOURCES
OF THE REPUBLIC INDONESIA**

DIRECTORATE GENERAL OF OIL AND GAS

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Ref No. B-11942/MG.04/DJM/2021

31 Desember 2021

HE Cameron MacKay
Ambassador
The Embassy of Canada
World Trade Center Lt. 6,
Jalan Jend. Sudirman Kav. 29-31, Jakarta 12920

Subject: Indonesia Petroleum Bidding Round (IPBR) – 2nd Round 2021

Your Excellency,

Allow me, on behalf of the Directorate General of Oil and Gas, to deliver my warmest greeting to Your Excellency, Ambassador of Canada to Indonesia.

To continue the success of the 1st IPBR 2021 with the signing of two (2) PSCs (South CPP and Liman) and to share the cooperation opportunity in investment especially in the area of oil and gas exploration in Indonesia, the Directorate General of Oil and Gas of the Ministry of Energy and Mineral Resources of the Republic of Indonesia has announced eight (8) oil and gas working areas in Indonesia Petroleum Bidding Round (IPBR) – 2nd Round 2021 on 29 November 2021 at the 2nd International Convention and Indonesian Upstream Oil and Gas 2021 (IOG 2021) in Bali.

The Government of Indonesia has improved the Terms & Conditions of IPBR 2021 that makes this Bidding Round to be more competitive as it is adjusted to the market interest. As the reference, herewith we attached the booklet of “Indonesia Petroleum Bidding Round (IPBR) – 2nd Round 2021” providing a further information on the Terms & Conditions, bidding procedure, fiscal regime, and incentives in IPBR 2021. The information is also available on <https://esdm.go.id/wkmigas>.

We would like to request Your Excellency's assistance to convey this information to Canada oil and gas exploration companies interested in becoming our prospective investors.

Thank you for your kind attention.

Sincerely yours,



Ditandatangani secara elektronik

Tutuka Ariadji

Director General of Oil and Gas

Enclosure: Booklet

Cc:

Director General for American and European Affairs, Ministry for Foreign Affairs



FIND INSIDE

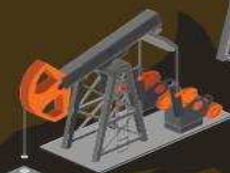
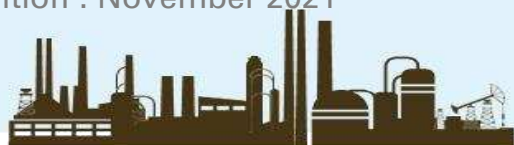
**IMPROVED T&C
IPBR 2021**

INDONESIA PETROLEUM BIDDING ROUND

2021

2st ROUND

Edition : November 2021



**Regulation, bidding round
mechanism, incentives and
opportunity**

Contact



Directorate General of Oil & Gas
Ministry of Energy and Mineral Resources

dmew.konvensional@esdm.go.id
<https://esdm.go.id/wkmigas>

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Improved Terms & Conditions in IPBR 2021

CONTRACT FLEXIBILITY

COST
RECOVERY



GROSS
SPLIT

SIGNATURE BONUS OPEN BID



bidders are free to bid
the signature bonus

20% **FTP**



10%

IMPROVED SHARING SPLIT



Improved sharing
split, based on
geological,
infrastructure,
resources risk

Risk	Profit Sharing	
	Oil	Gas
Very Low	80:20	75:25
Low	75:25	70:30
Moderate	70:30	60:40
High	60:40	55:45
Very High	55:45	50:50

DMO PRICE



Full Price

AREA RELINQUISHMENT



Not mandatory for 3rd contract
year relinquishment

COST RECOVERY

NO COST CEILING

EASIER DATA ACCESS

MDR Member can access all
available data to get more
comprehensive evaluation

TAX FACILITIES

during exploration and
exploitation period

NON TAX INCENTIVES

Investment credit,
accelerated depreciation,
etc

BIDDING MECHANISM

- Government awards oil and gas Contract Area through bidding process for local and foreign company.
- Bidding process is conducted in 2 (two) periods in a year). Information regarding to the area released for the bidding is provided in <https://esdm.go.id/wkmigas>
- In accordance to the Minister of Energy and Mineral Resources Regulation No.35 of 2008, bidding process is conducted through 2 (two) schemes, they are **Regular Tender** and **Direct Proposal Tender**.
- Regular Tender tends to be a rigid process during bidding and basically take it or leave it in principle, Government stipulate the terms & conditions of the area for Regular Tender (firm commitments, contract schemes etc).
- Direct proposal schemes offers more flexible process, local or foreign companies may nominate open areas and then given such Joint Study approval to conduct preliminary study with DITJEN MIGAS ¹⁾ for 6-8 months. The companies may propose terms & conditions to Government. At the end, this joint study's area also will be announced for bidding round, whereas the conductor of joint study shall have privilege to match the higher bid, if there are competitors.
- During bidding process, Government stipulate certain area in which PERTAMINA ²⁾ may have right to get a 15% participating interest offering from the awarded bidder. Implementation of this participating interest offering is in a *b-to-b* basis.
- Winning bidder will sign the contract with SKK MIGAS ³⁾

BIDDER QUALIFICATIONS

- Domestic and overseas companies are eligible
- Having good technical & financial capability to conduct petroleum operations
- Good track record
- Provide Bank Guarantee from reputable banks operated in Indonesia
- Accessing Bid Document
- Accessing Data Package
- Register to <https://esdm.go.id/wkmigas>

1) DITJEN MIGAS is abbreviation for Directorate General of Oil and Gas, a government unit under Ministry of Oil and Gas which has role in regulating of oil and gas sector

2) PERTAMINA, state-owned limited liability company

Dokumen ini telah ditandatangani secara elektronik menggunakan sertifikat elektronik yang diterbitkan oleh BSI

3) The management of upstream oil and gas business activities

Indonesia PSC

Indonesia is currently implementing two contract schemes namely cost recovery and gross split PSC, each with its advantages, providing flexibility in contract selection.

Cost Recovery PSC

- Fixed profit split at the beginning of contract, the split normally vary for each area
- FTP deducted after gross production, shared between contractor and state
- Operating cost deducted after FTP
- Need work program & budget authorization
- Tax facilities : land & building tax reduction, VAT exemption during exploration period, import duties
- Other incentives: investment credit, DMO fee holiday, accelerated depreciation

TAX FACILITIES

Related regulation for this incentives and tax facilities for Cost Recovery PSC is accordance to Government Regulation No. 79/2010, as amended by Government Regulation No. 27/2017 and Minister of Finance Regulation No. 122/PMK.03/2019 (PMK 122/2019).

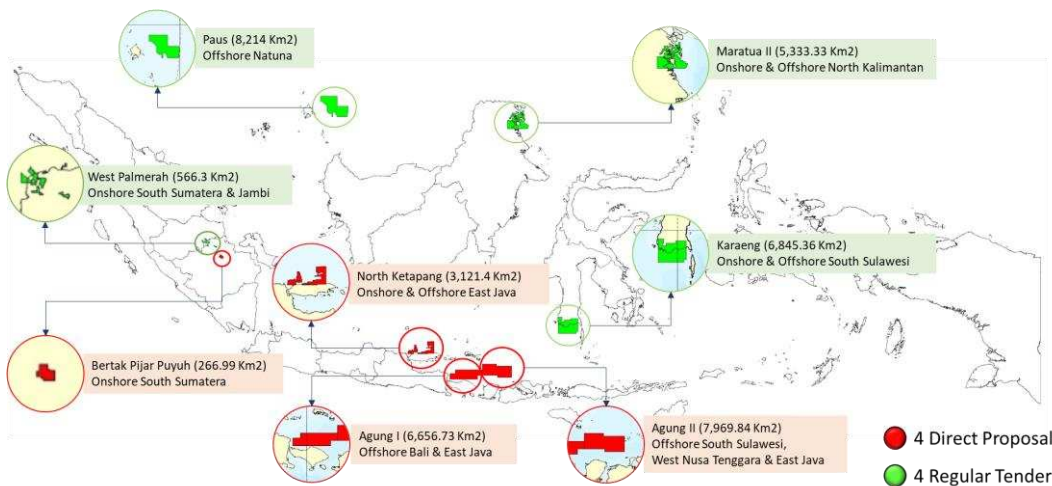
Gross Split PSC

TAX FACILITIES

Related regulation for this incentives and tax facilities is accordance to Government Regulation No. 53/2017 and Minister of Finance Regulation No. 67/PMK.03/2020 (PMK 67/2020)

- Base split at the beginning of contract, Contractors split for oil is 43% and 48% for gas (before tax)
- At POD, additional variable split will be given to contractor based on actual condition (working area status, field location, reservoir depth, supporting facilities availability, reservoir type, reservoir depth, CO₂ & H₂S content, HC API gravity, local content, production phase, oil & gas price and cumulative production)
- Operating cost included in the contractor's split
- No need budgetary authorization
- Self procurement process
- Tax incentives: land & building tax reduction, vat exemption during exploration period, import duty
- Other incentives: additional split based on economic

8 WORKING AREAS OFFERED



TENDER SCHEDULE

	Access Bid Document	Clarification Forum	Bid Submission
Direct Proposal Tender	November 29, 2021 – January 11, 2022	November 29, 2021 – January 11, 2022	January 11 - 12, 2022
Regular Tender	November 29, 2021 – March 24, 2022	November 29, 2021 – March 24, 2022	March 24 - 25, 2022

The tender process is carried out through the website <https://esdm.go.id/wkmigas>, you must register to the website to participate the tender.

TERMS & CONDITIONS

DIRECT PROPOSAL TENDER

Working Area	Area (km ²)	Region	Contract Type	Signature Bonus (US\$)	Minimum Firm Commitment ²⁾
Bertak Pijar Puyuh	266.99	South Sumatera Basin, onshore South Sumatera	Cost Recovery PSC 75:25 (oil) 70:30 (gas)	OPEN BID	Workover 5 Wells
North Ketapang	3,121.40	Northeast Java Basin, offshore East Java	Cost Recovery PSC 70:30 (oil) 60:40 (gas)	OPEN BID	G&G, 3D Seismic 300 km ²
Agung I	6,656.73	Deep Water Northern of Bali, offshore Bali and East Java	Cost Recovery PSC 55:45 (oil) 50:50 (gas)	OPEN BID	G&G, 2D Seismic 2,000 km
Agung II	7,969.84	Deep Water Northern of Lombok, offshore South Sulawesi, West Nusa Tenggara, and East Java	Cost Recovery PSC 55:45 (oil) 50:50 (gas)	OPEN BID	G&G, 2D Seismic 2,000 km

REGULAR TENDER

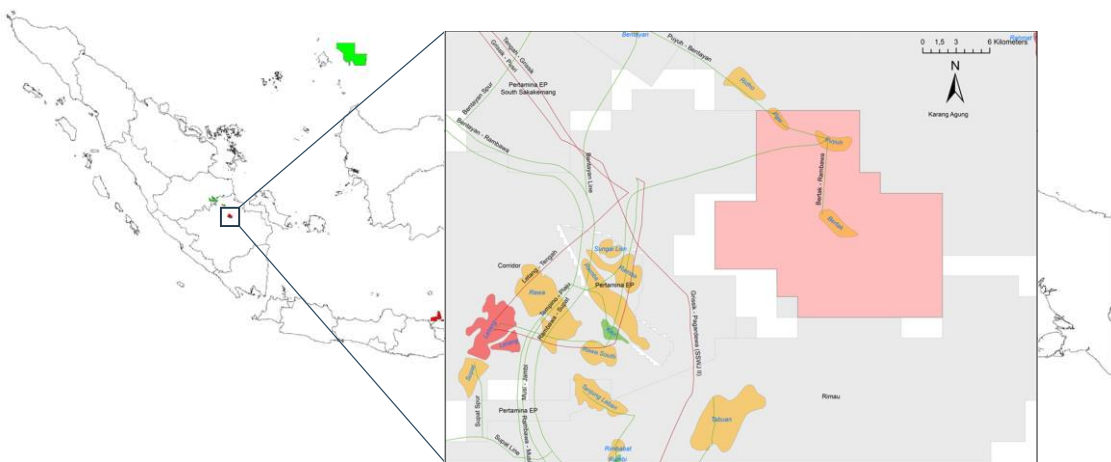
Working Area	Area (km ²)	Region	Contract Type	Signature Bonus (US\$)	Minimum Firm Commitment ²⁾
West Palmerah	566.30	Jambi Sub Basin, South Sumatra Basin, onshore Jambi and South Sumatera	Flexible ¹⁾ 70:30 (oil) 60:40 (gas)	OPEN BID	G&G, 2D Seismic 200 km
Paus	8,214.00	East Natuna Basin	Flexible ¹⁾ 70:30 (oil) 60:40 (gas)	OPEN BID	G&G, 3D Seismic 200 km ² , 1 Well
Maratua II	5,333.33	Tarakan Basin, offshore North Kalimantan	Flexible ¹⁾ 60:40 (oil) 55:45 (gas)	OPEN BID	G&G, 2D Seismic 1,000 km
Karaeng	6,845.36	Offshore and onshore South Sulawesi	Flexible ¹⁾ 55:45 (oil) 50:50 (gas)	OPEN BID	G&G, 2D Seismic 200 km

¹⁾ Bidders may choose to apply Cost Recovery PSC or Gross Split PSC, the draft are available in the Bid Document. Sharing split shown on the table is corresponds to the Cost Recovery PSC's sharing split (%). For Gross Split PSC: the Base Split, variable

GEOLOGICAL SYNOPSIS

The following chapter describes the location, adjacent oil & gas fields, base map of G&G data availability and the prospective of each working area.

A complete synopsis is available in the Bid Document.

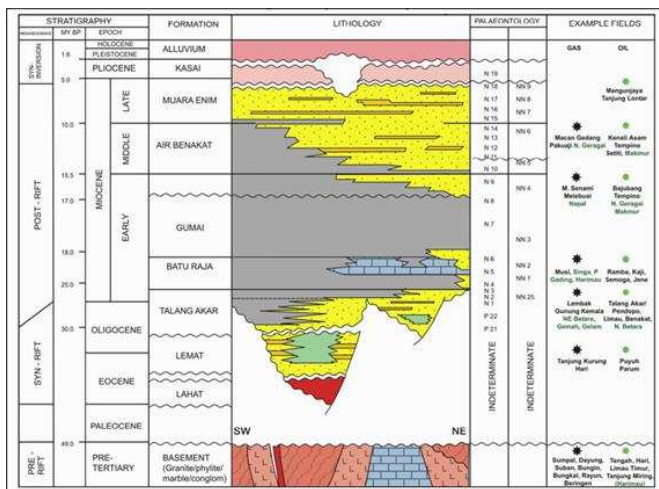


BERTAK PIJAR PUYUH (Exploitation Block) – Direct Proposal

This Working Area is covering approximately 266.99 km². The Bertak, Pijar and Puyuh area are located in the South Sumatra Basin specifically in the North Palembang Sub Basin.

- Source rock: Lemat Fm, and Talang Akar Fm
- Reservoir: from the basement through Gumai Formation & Baturaja Carbonate
- Traps: Structure (anticline and fault)
- Plays : Pre-Tertiary Basement, Lower Talang Akar Fm (and Lemat/Lahat Fm), Baturaja Fm, Gumai Fm, Air Benakat Fm

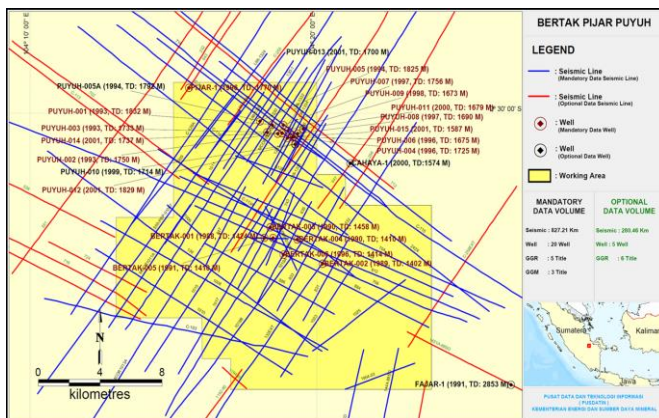
Total estimated resources, 1.37 MMSTB.

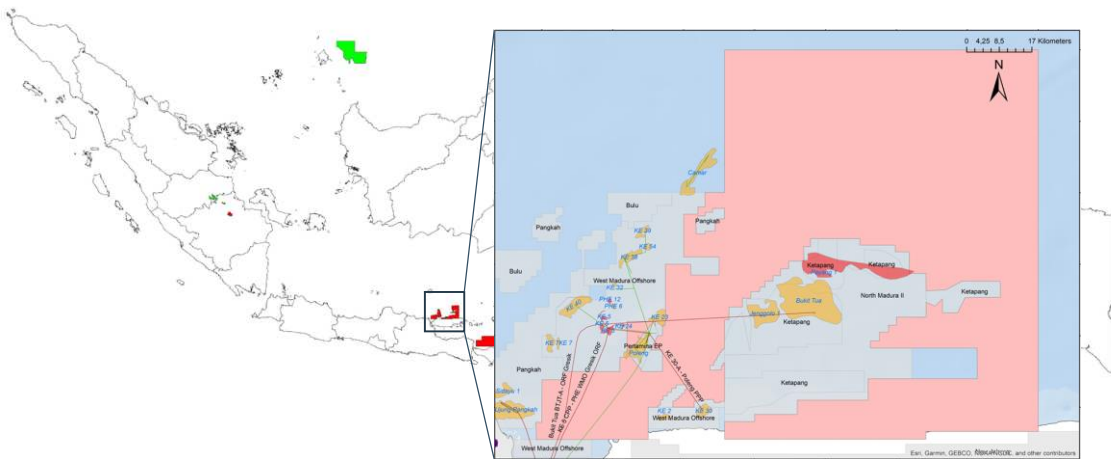


Oil & gas fields within: Bertak, Pijar, Puyuh.

There are 827.21 km length of 2D seismic data and 20 wells data which will be provided as a mandatory Data Package in this bid.

Another 280.46 km 2D seismic and 5 wells will be available for access as optional data.





NORTH KETAPANG – Direct Proposal

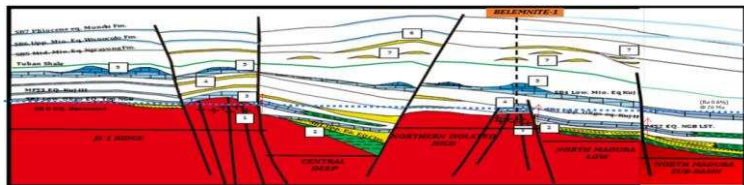
This Working Area is covering approximately 3,121.4 km². The North Ketapang Area is located in the offshore area of Northeast Java Basin, with water depth up to 100 m below sea-level.

- Source rock: Ngimbang Sequences and Kujung Sequences
- Reservoir: sandstones and limestone of the Ngimbang Fm, Kujung III & II, carbonate build-ups of Kujung I and basement fractured
- Traps: Structure and Stratigraphic
- Plays : Carbonate Play Kujung Fm and Ngimbang Fm

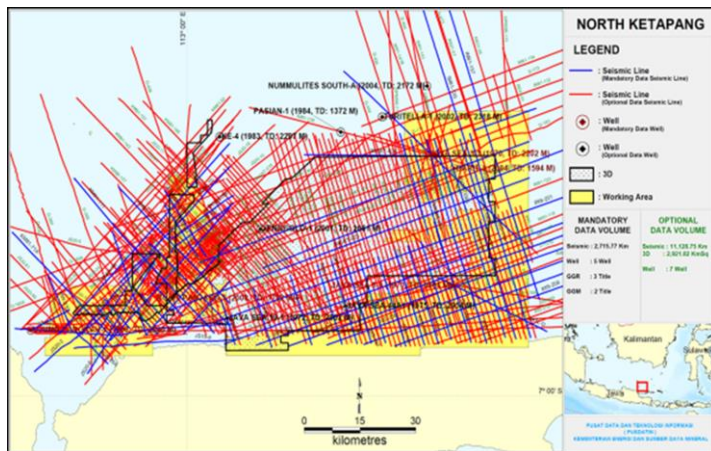
Total estimated resources, 270.08 MMBO and 1,580.81 BCF.

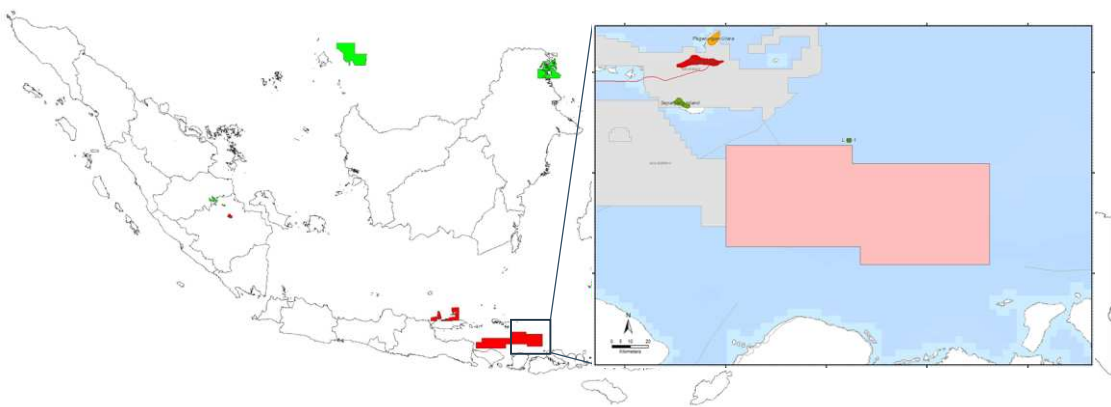
There are 2,715.77 km length of 2D seismic data and 5 wells data which will be provided as a mandatory Data Package in this bid.

Another 11,128.75 km 2D seismic and 7 wells will be available for access as optional data.



Surrounding oil & gas fields: Ketapang, Bukit Tua, Jenggolo, Poleng, Sidayu, WMO, dan Camar





AGUNG II – Direct Proposal

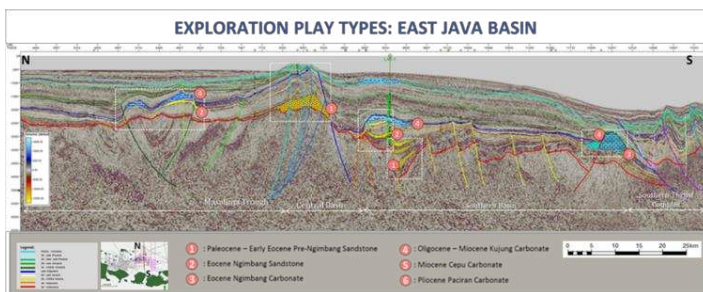
This Working Area is covering approximately 7,969.84 km². The Agung II Area is located in the offshore deep water northern of Lombok, administratively belongs to Bali and West Nusa Tenggara Province.

- Source rock: Eocene non-marine Ngimbang-shale Fm
- Reservoir: Palaeocene sequence shale intercalated with sandstone, coal, and siltstone
- Traps: structure (Masalima Through, Central High Sepanjang Ridge, Southern basin graben system, and Southern thrust complex of Bali-Lombok Through
- Plays : Eocene synrift, Eocene Postrift, Oligocene Carbonate, Oligocene Debris Carbonate, Miocene Carbonate, dan Pliocene Sandstone

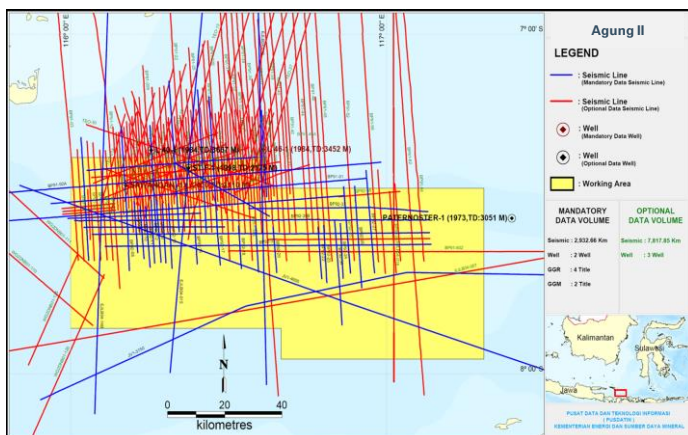
Total estimated resources, 16.5 TCF.

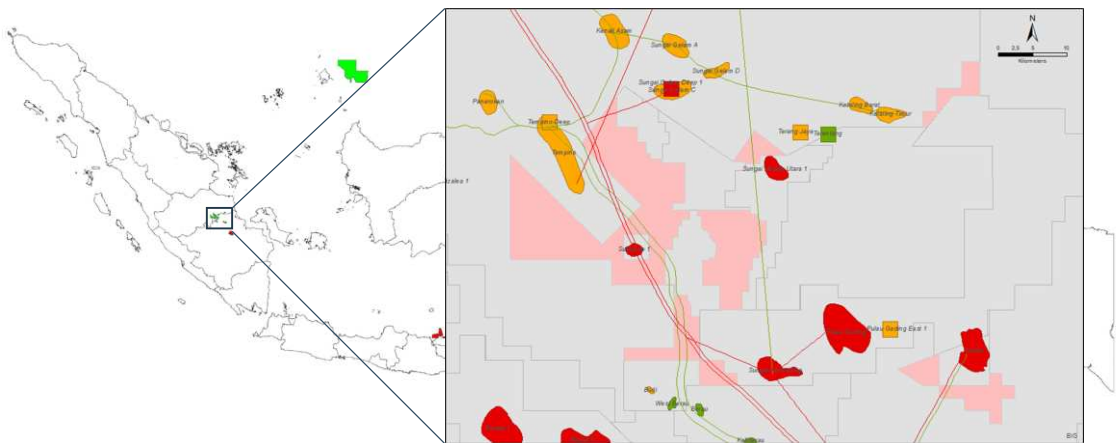
There are 2,932.66 km length of 2D seismic data and 2 wells data which will be provided as a mandatory Data Package in this bid.

Another 7,817.85 km 2D seismic and 3 wells will be available for access as optional data.



Nearest oil & gas fields: Pagerungan





WEST PALMERAH – Regular Tender

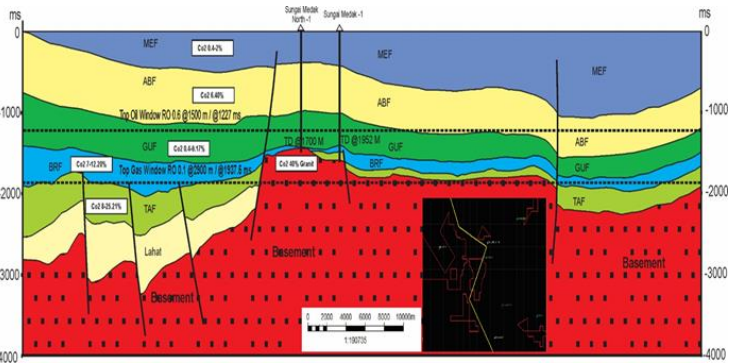
This Working Area is covering approximately 566.3 km². Regionally, the West Palmerah Area is positioned in Jambi Sub Basin, within South Sumatra Basin, South Sumatera Province, which has proven to be very prospective in hydrocarbon occurrences.

- Sorce rock: Talang Akar Fm, Gumai Fm
- Reservoir: Talang Akar Sandstone, Baturaja Carbonate, Air Benakat Sandstone Fm, and Basement Fractured
- Traps: Structure (anticline), stratigraphic (Basement drape and fractured)
- Plays : Fracture Basement, Lower Talangakar, Baturaja Carbonate, and Air Benakat

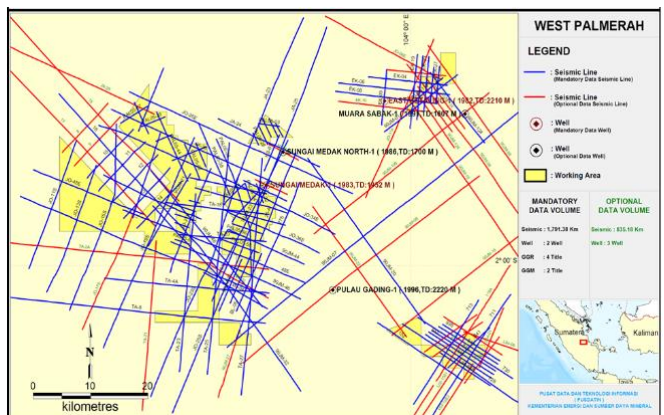
Total estimated resources, 71,7 MMBO and 270,9 BCF.

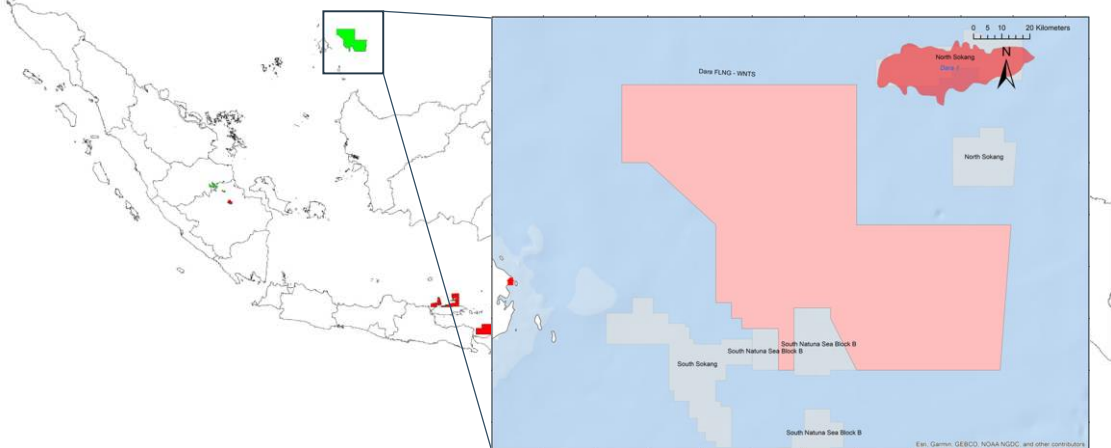
There are 1,791.38 km length of 2D seismic data and 2 wells data which will be provided as a mandatory Data Package in this bid.

Another 835.18 km 2D seismic and 3 wells will be available for access as optional data.



Surrounding oil & gas fields: Petapahan, Kotabatak, Baru, Buntu, Segat and Binio.





PAUS – Regular Tender

This Working Area is covering approximately 8,214 km². Regionally, the Paus Area is positioned in East Natuna Basin. The East Natuna Basin is a Tertiary basin located within the Indonesian side of the East Natuna Sea. As part of the north-eastern margin of the pre-Tertiary Sunda landmass, the basin consists of both clastic and carbonate sediments, ranging in age from Early Oligocene to recent.

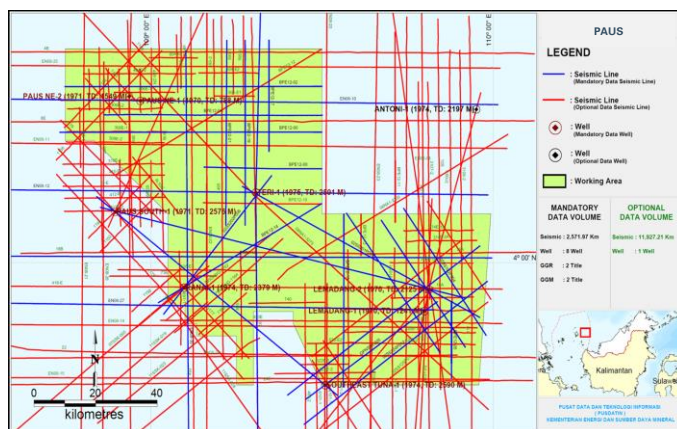
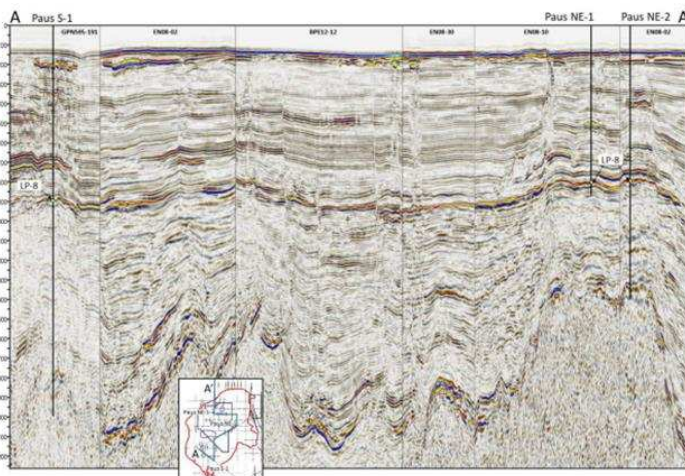
- Source rock: lower Arang Fm and upper Gabus Fm
- Reservoir: Terumbu carbonate, sandstones within the Muda Fm
- Traps: structure and stratigraphic
- Plays: structure and stratigraphic play Pliocene Shallow Marine

Total estimated resources, 2,555.78 BCF.

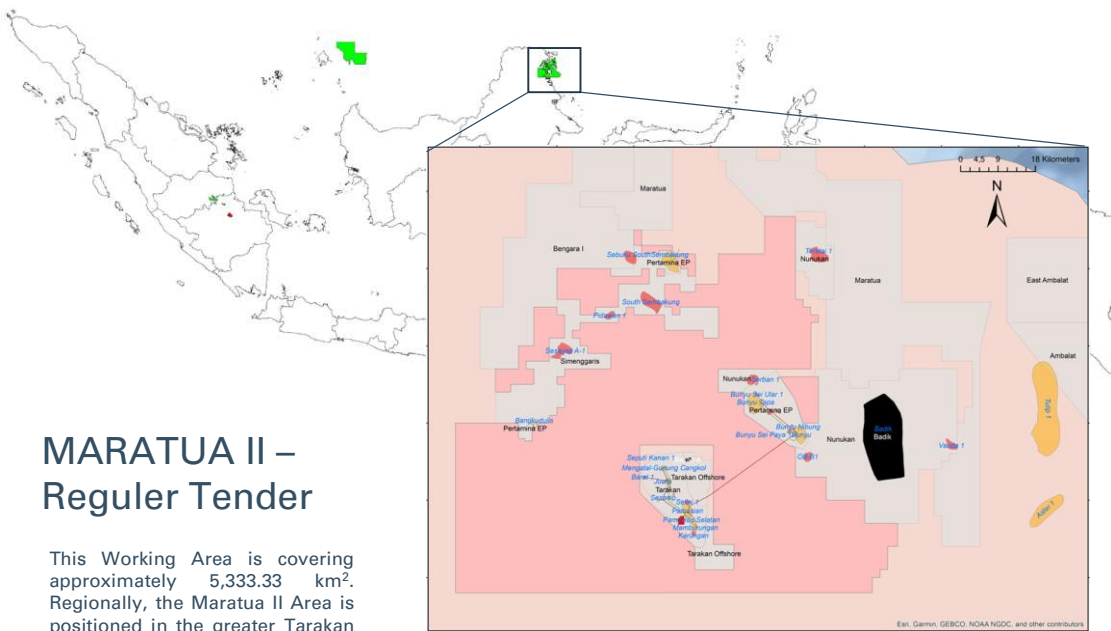
Surrounding oil & gas fields: North Sokang, South Sokang, and South Natuna Sea Block B.

There are 2,571.97 km length of 2D seismic data and 8 wells data which will be provided as a mandatory Data Package in this bid.

Another 11,927.21 km 2D seismic and 1 well will be available for access as optional data.



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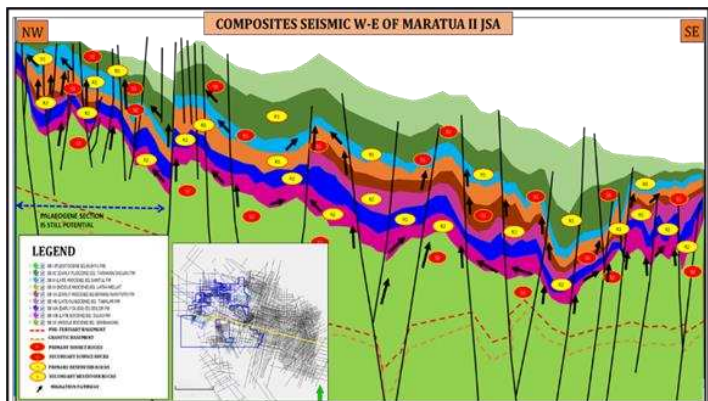


MARATUA II – Reguler Tender

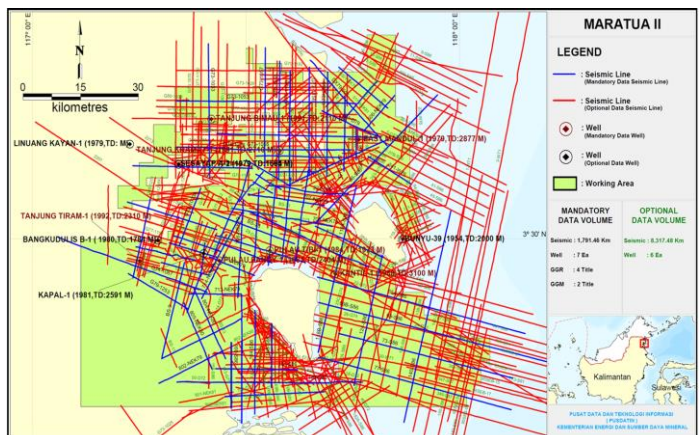
This Working Area is covering approximately 5,333.33 km². Regionally, the Maratua II Area is positioned in the greater Tarakan Basin, administratively belongs to North Kalimantan Province.

- Sorce rock: Naintupo, Tabul, Santul, and Tarakan Fm
- Reservoir: Birang, Tabul, Santul, and Tarakan Fm
- Traps: structure (four-way dip closure) and stratigraphic
- Plays : structure Tarakan sandstone and stratigraphic Santul, Tabul, and Meliat sandstone

Total estimated resources, 107.06 MMBO or 556.77 BCF.



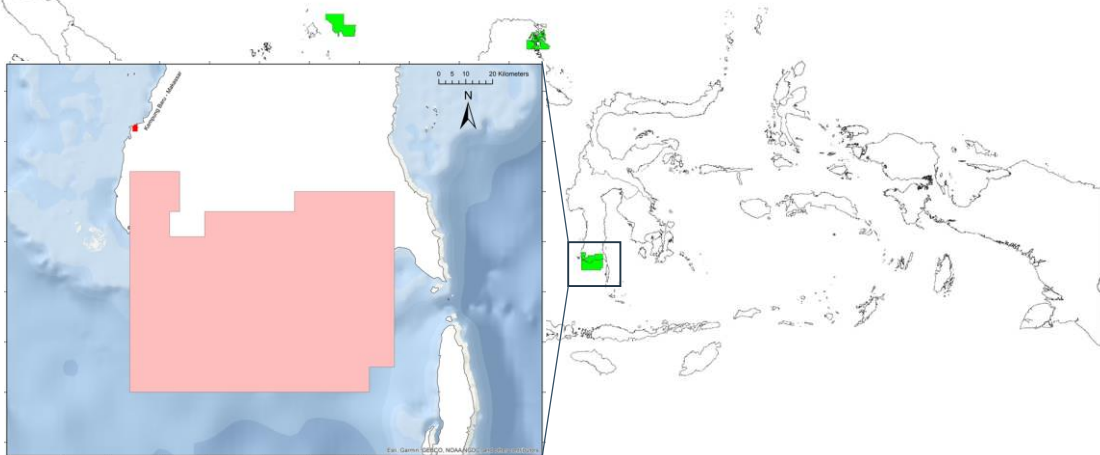
Surrounding oil & gas production area: Simenggari, Tarakan (Bunyu Area), and Nunukan.



There are 1,791.46 km length of 2D seismic data and 7 wells data which will be provided as a mandatory Data Package in this bid.

Another 8,317.48 km 2D seismic and 6 wells will be available for access as optional data.

Dokumen ini telah ditandatangani secara elektronik menggunakan sertifikat elektronik yang diterbitkan oleh BSR

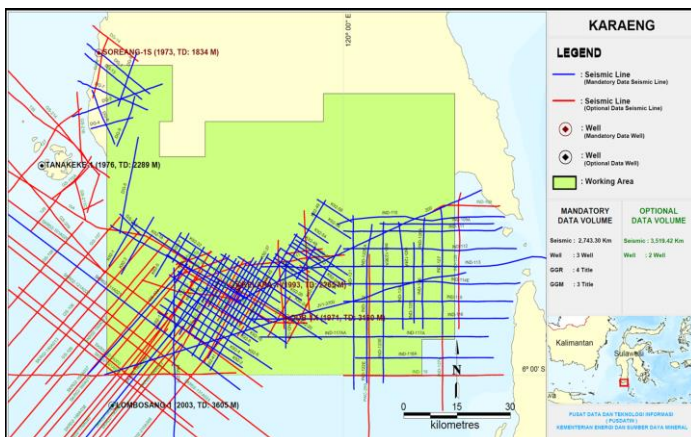
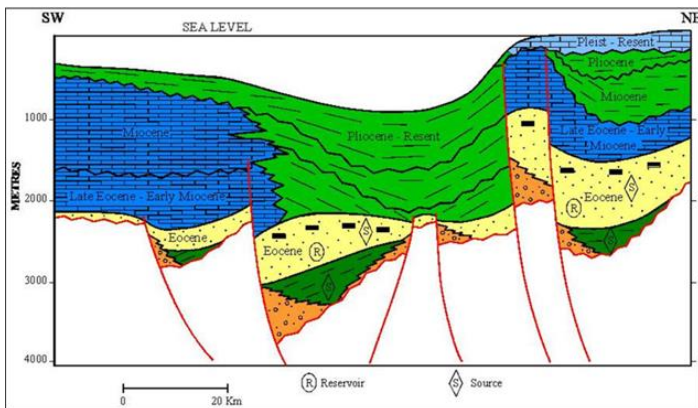


KARAENG – Regular Tender

This Working Area is covering approximately 6,845.36 km². Regionally, the Karaeng Area is positioned in South Sulawesi Province, offshore and onshore areas.

- Source rock: carbonaceous shale of the Eocene Malawa/Toraja Fm
- Reservoir: Eocene classic (Malawa Fm), Eocene – Lower Miocene carbonates (Tonasa E)
- Traps: Structural (anticlinal traps with four-way and three-way dip closures) and Stratigraphic
- Plays : Eocene Malawa sandstones and L. Miocene Tonasa carbonates

Total estimated resources, 64.2 MMBO or 182.08 BCF.



There are 2,743.30 km length of 2D seismic data and 3 wells data which will be provided as a mandatory Data Package in this bid.

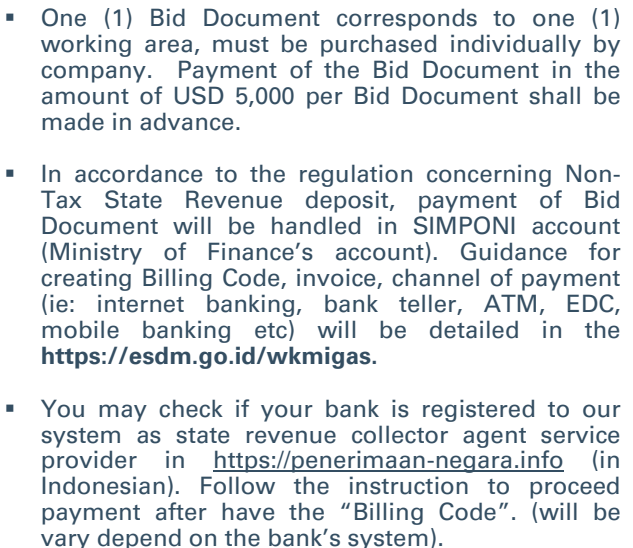
Another 3,519.42 m 2D seismic and 2 wells will be available for access as optional data.

OTHER INFORMATIONS

- How to participate the Bidding
- How to access data
- Joint Study Application
- Gross Split's variable and progressive components

DOCUMENTS TO BE PREPARED

- Accessing Bid Document shall be made during the allocated duration for each Tender Mechanism.
- Registering your company is mandatory in <https://esdm.go.id/wkmigas>

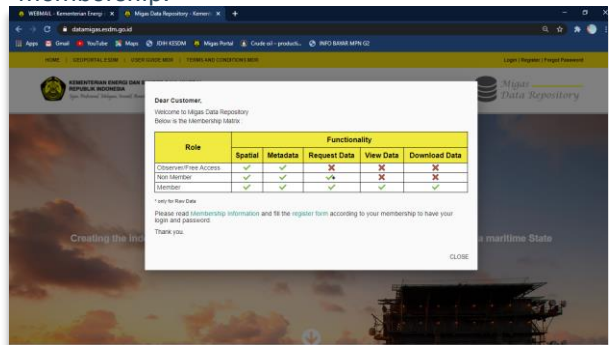


ACCESSING DATA PACKAGE

- For every bidder which has purchased the Bid Document, the Data Package is free of charge with conditions applies
 - Did not win the Working Area; or
 - Does not continue to participate in the bidding

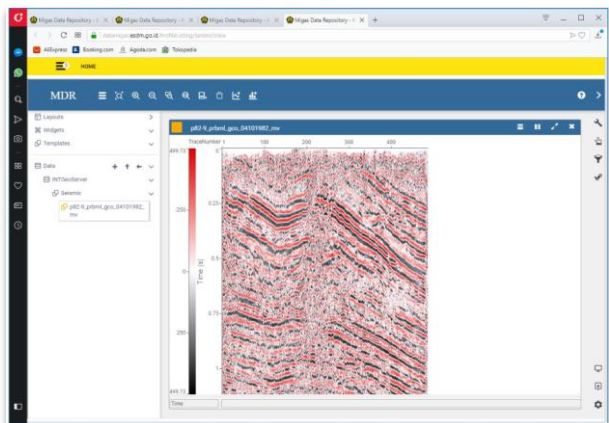
If the bidder wins the Working Area, the bidder shall pay the Data Package

- Instead of Data Package accessing for each Working Area, company may register for membership in **MDR (Migas Data Repository)** ¹⁾, these registration valid for one year exclusive access to Indonesia G&G data library.
- Bidder which has registered as a MDR's member is not obligated to access bid Data Package.
- With regard to the Minister of Energy and Mineral Resources Regulation No.7/2019, PSC's contractors are mandatory to register for MDR's membership.



How to observe the data freely

- Please contact helpdesk.datamigas@esdm.go.id to get user and password
- Log in to MDR website <https://datamigas.esdm.go.id>
- Detail information about location, data availability and surrounding information, can be accessed in the MDR Bidding Round sub menu



1) MDR (Migas Data Repository) is web based G&G Indonesian data library managed by PUSDATIN (Centre of Data and Information Technology) Ministry of Energy and Mineral Resources.
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During the Joint Study, there are field geological activities in order to collect samples for laboratory analysis and better field understanding of the geology of the study area.

In some cases, seismic or other non seismic data surveys are required to be done as a joint study work commitment.



Joint Study Application

- 1) Scan the open area in <https://geoportal.esdm.go.id/migas>
- 2) See our data library in <https://datamigas.esdm.go.id>
- 3) Submit Joint Study application to Directorate General of Oil and Gas

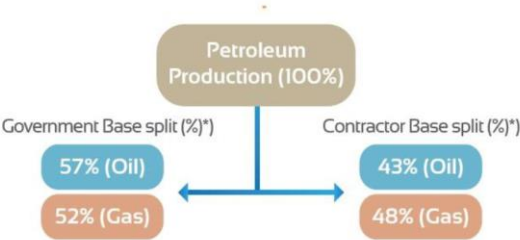
Our Team Member

The Oil and Gas Working Area Offering Team consists of representatives from the Directorate General of Oil and Gas, Geology Agency, LEMIGAS, PPPGL, SKK MIGAS and expertise from reputable universities: ITB, UNPAD, TRISAKTI, UPN Jogjakarta and UGM.



Variable and progressive components of Gross Split PSC

Gross Split PSC



Variable Components

No	Characteristics	Parameters	Contractor's sharing split correction (%)
1	Field Status	POD I	5.0
		POD II	3.0
		No POD	0.0
2	Field Location	Onshore	0.0
		Offshore (0<h≤20)	8.0
		Offshore (20<h≤50)	10.0
		Offshore (50<h≤150)	12.0
		Offshore (150<h≤1000)	14.0
3	Reservoir depth (m)	Offshore (h>1000)	16.0
		<2500	0.0
		>2500	1.0
4	Infrastructures	Well Developed	0.0
		New Frontier Offshore	2.0
		New Frontier Onshore	4.0
5	Reservoir	Conventional	0.0
		Unconventional	16.0
6	Co2 (%) content	<5	0.0
		5≤x<10	0.5
		10≤x<20	1.0
		20≤x<40	1.5
		40≤x<60	2.0
7	H2S content	x≥60	4.0
		<100	0.0
		100≤x<1000	1.0
		1000≤x<2000	2.0
		2000≤x<3000	3.0
8	API Gravity	3000≤x<4000	4.0
		x≥4000	5.0
		<25	1.0
		x≥25	0.0
		30≤x<50	2.0
9	Local Content (%)	50≤x<70	3.0
		70≤x<100	4.0
		Primary	0.0
		Secondary	6.0
10	Production phase	Tertiary	10.0

*) Adjustment to Base Split consider to the actual conditions (additional incentive split)

1. Block status
2. Field location (onshore or offshore, remote)
3. Reservoir depth
4. Infrastructure
5. Reservoir condition
6. CO₂ content
7. H₂S content
8. Specific Gravity (API)
9. Local Contents
10. Production phase
11. Oil prices
12. Gas Price
13. Cumulative productions

Progressive Components

No	Characteristics	Parameters	Contractor's sharing split correction (%)
1	Oil Price (US\$)		(85 - ICP) x 0.25
		ICP : Indonesia	
		Crude Price	
2	Gas Price (US\$)	<7	(7 - Gas Price) x 2.5
		7-10	0
		>10	(10 - Gas Price) x 2.5
3	Cummulative Production (MMBOE)	<30	10.0
		30≤x<60	9.0
		60≤x<90	8.0
		90≤x<125	6.0
		125≤x<175	4.0
		≥175	0.0



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