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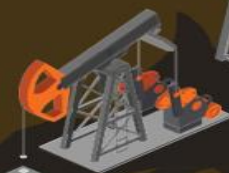
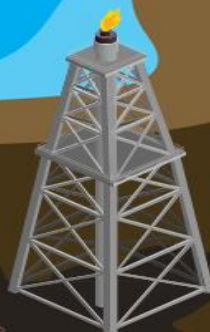
**IMPROVED T&C
IPBR 2021**

INDONESIA PETROLEUM BIDDING ROUND

2021

2st ROUND

Edition : January 2022



Regulation, bidding round
mechanism, incentives and
opportunity

Contact



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

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<https://esdm.go.id/wkmigas>

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,
DMO fee

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, April and September (conditionally). Information regarding to the area released for the bidding is provided in <https://esdm.go.id/wkmigas>
- In accordance to the regulation, 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.

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>
- Based on the new regulation, un-awarded block is available for direct proposal without joint study, it is a 'fast track' bidding, companies may propose the un-awarded block and propose the terms & conditions. It will be open for bid, no privilege.
- 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⁾

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

3) SKK MIGAS, a task force given the task by the Government of the Republic of Indonesia c.q. the Minister of Energy and Mineral Resources ("MEMR") to conduct 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).

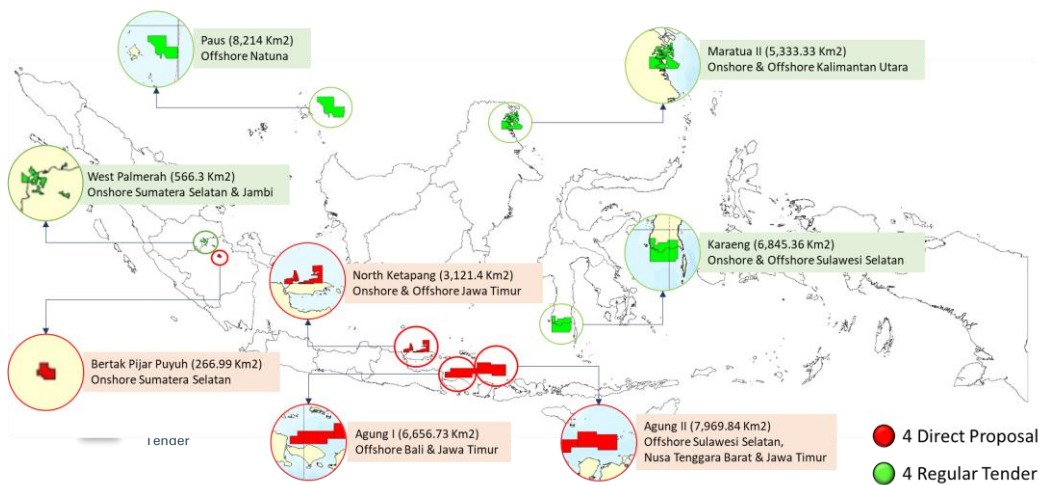
TAX FACILITIES

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)

Gross Split PSC

- Base split at the beginning of contract, Contractors split for oil = 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 Sumatera Selatan	Cost Recovery PSC 75:25 (oil) 70:30 (gas)	OPEN BID	Workover 5 Wells
North Ketapang	3,121.40	Northeast Java Basin, offshore Jawa Timur	Cost Recovery PSC 70:30 (oil) 60:40 (gas)	OPEN BID	G&G, 3D Seismic 300 km ² , 1 Well
Agung I	6,656.73	Deep water northern of Bali, offshore Bali and Jawa Timur	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 Sulawesi Selatan, Nusa Tenggara-Barat, and Jawa Timur	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 Sumtra Basin, onshore Jambi and Sumatera Selatan	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 Kalimantan Utara	Flexible ¹⁾ 60:40 (oil) 55:45 (gas)	OPEN BID	G&G, 2D Seismic 1,000 Km
Karaeng	6,845.36	Offshore and onshore Sulawesi Selatan	Flexible ¹⁾ 55:45 (oil) 50:50 (gas)	OPEN BID	G&G, 2D Seismic 200 Km

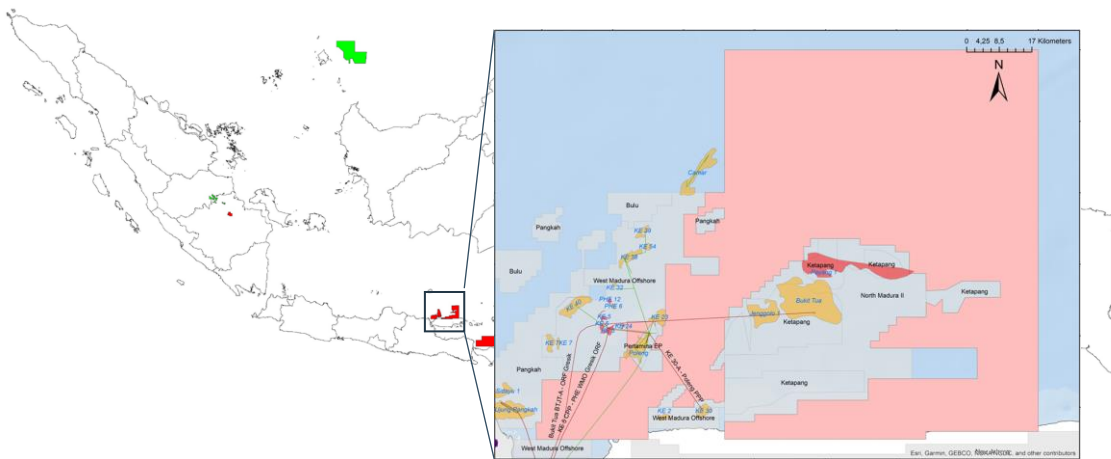
¹⁾ Bidders may choose to apply Cost Recovery PSC or Gross Split PSC, the draft are available in the Bid Document. Sharing split shown on the table is corresponds to the Cost Recovery PSC's sharing split (%). For Gross Split PSC: the Base Split, variable component and progressive component shown in the page 17.

²⁾ Work commitment during 3 contract years

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.



NORTH KETAPANG – Direct Proposal

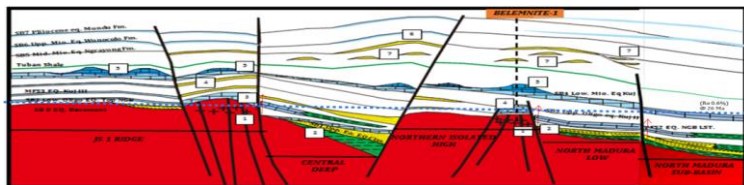
This Working Area is covering approximately 3,121.4 km². The North Ketapang Area is located in the offshore area of Northeast Java Basin, with water depth ranging from +150 to -100 m.

- 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

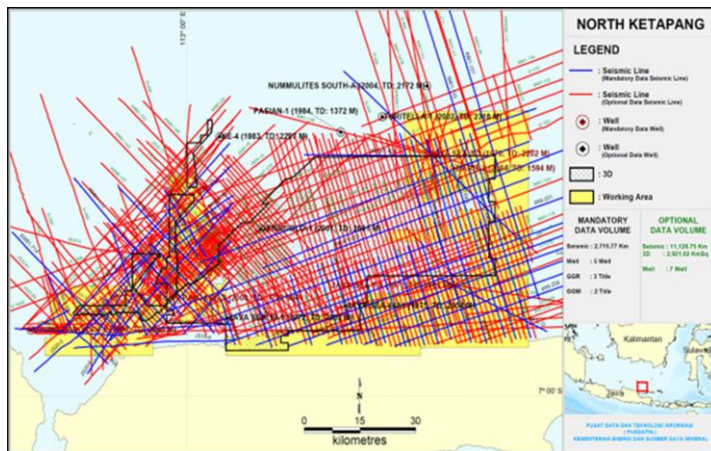
Total estimated resources, 270.08 MMBO and 1,580.81 BCF.

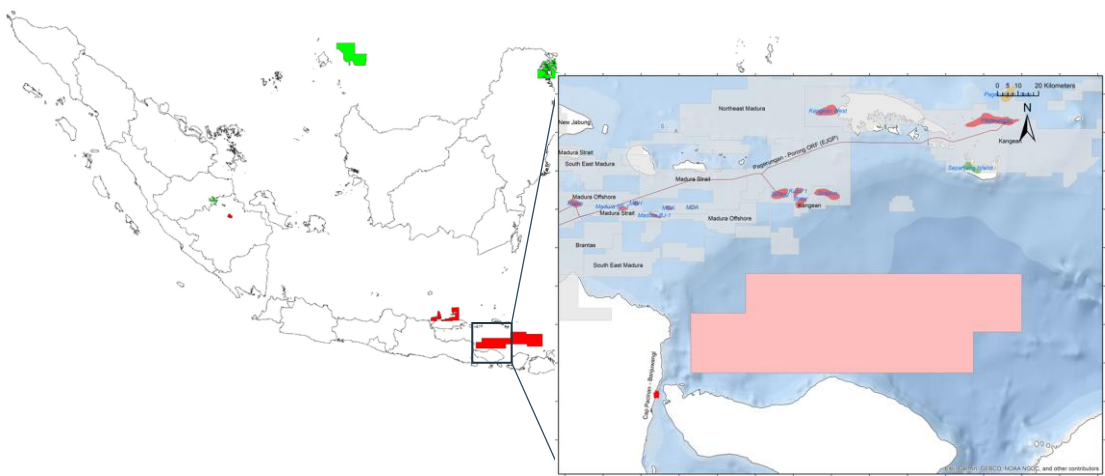
There are 2,715.77 Km length of 2D seismic data and 5 wells data which will be provided as a mandatory Data Package in this bid.

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 I – Direct Proposal

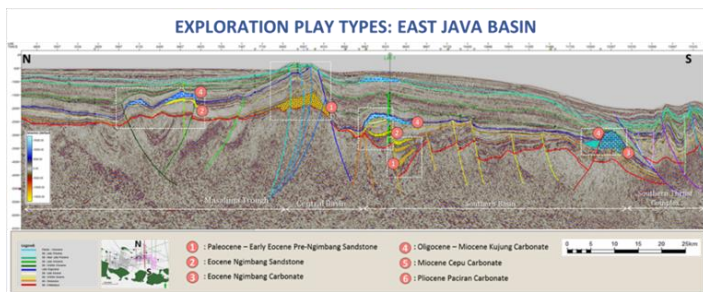
This Working Area is covering approximately 6,656.73 km². The Agung I Area is located in the offshore deep water northern of Bali and Lombok, administratively belongs to Bali and Jawa Timur Province.

- 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

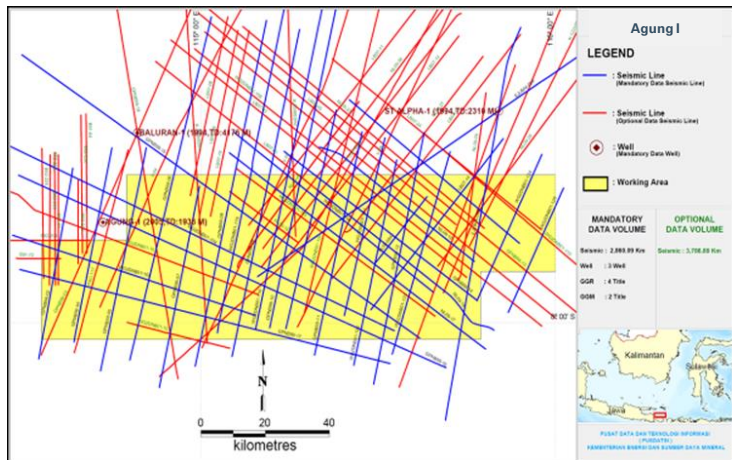
Total estimated resources, 985 BCF.

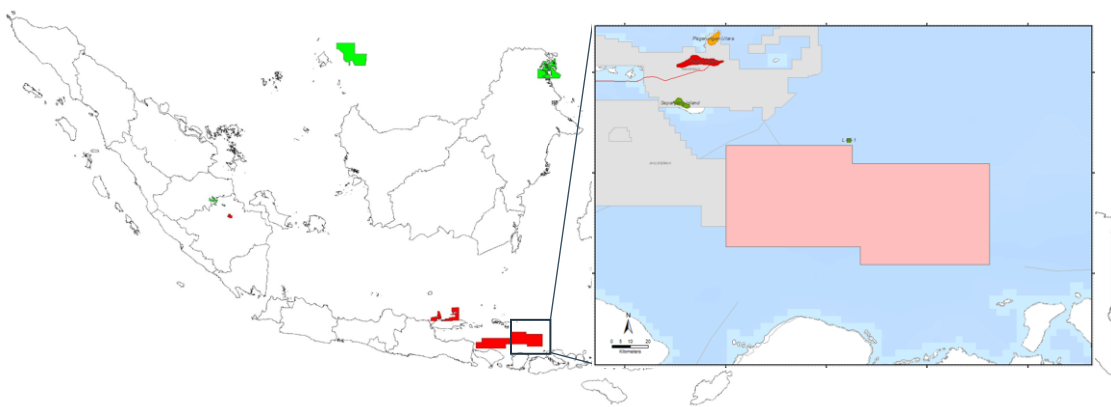
There are 2,860.09 Km length of 2D seismic data and 3 wells data which will be provided as a mandatory Data Package in this bid.

Another 3,786.89 Km 2D seismic will be available for access as optional data.



Surrounding oil & gas fields: Pagerungan, Terang, Sirasun, Batur





AGUNG II – Direct Proposal

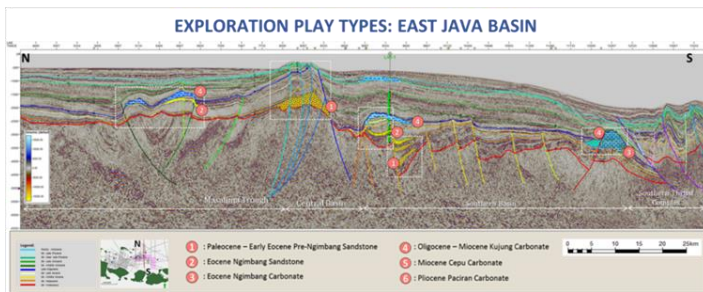
This Working Area is covering approximately 7,969.84 km². The Agung II Area is located in the offshore deep water northern of Lombok, administratively belongs to Bali and Nusa Tenggara Barat Province.

- 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

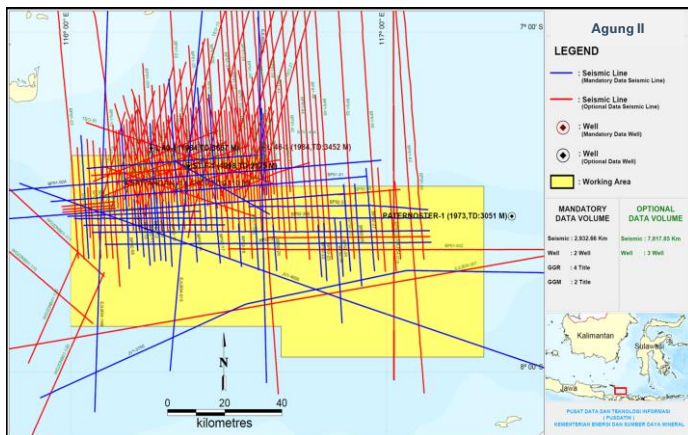
Total estimated resources, 16.5 TCF.

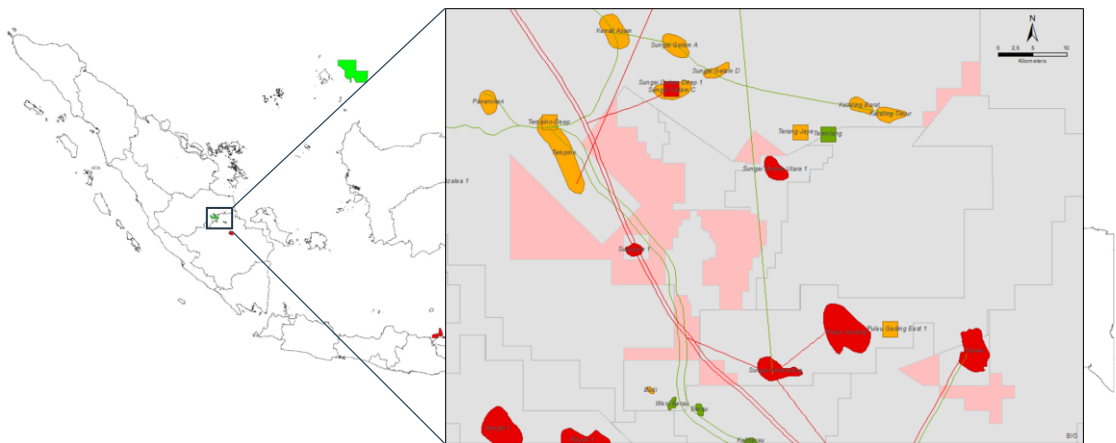
There are 2,932.66 Km length of 2D seismic data and 2 wells data which will be provided as a mandatory Data Package in this bid.

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

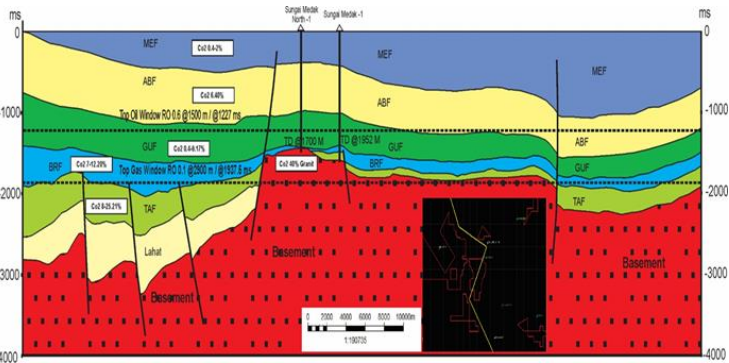
This Working Area is covering approximately 566.3 km². Regionally, the West Palmerah Area is positioned in Jambi Sub Basin, within South Sumatra Basin, Sumatera Selatan Province, which has proven to be very prospective in hydrocarbon occurrences.

- 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

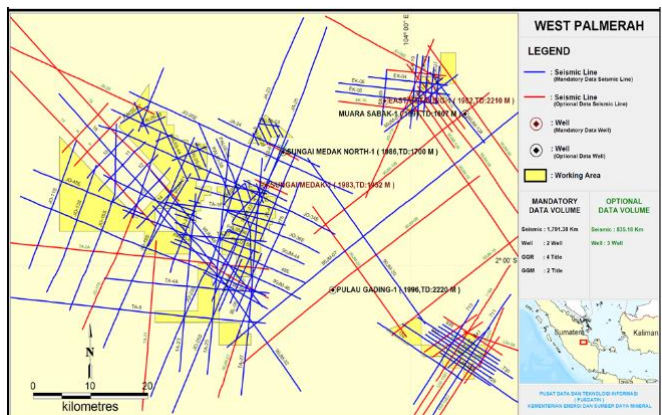
Total estimated resources, 71,7 MMBO and 270,9 BCF.

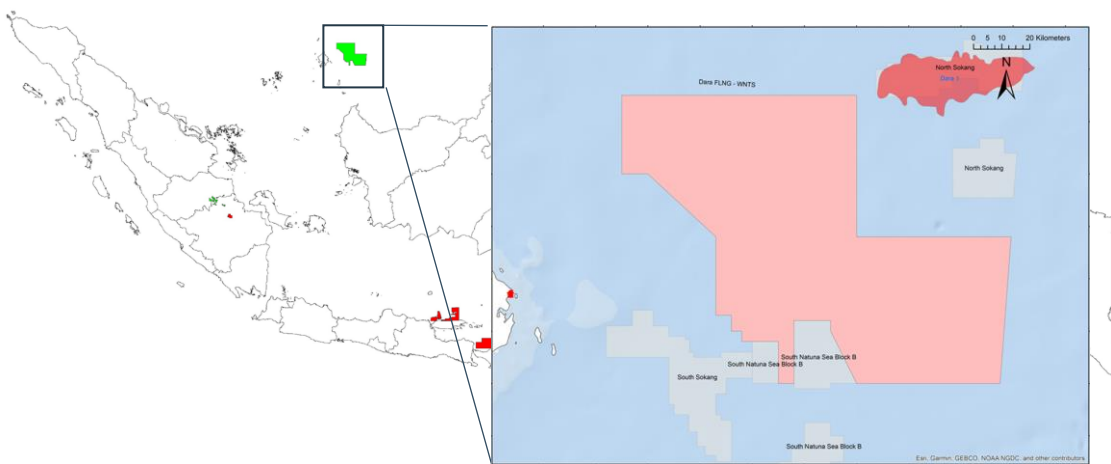
There are 1,791.38 Km length of 2D seismic data and 2 wells data which will be provided as a mandatory Data Package in this bid.

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.

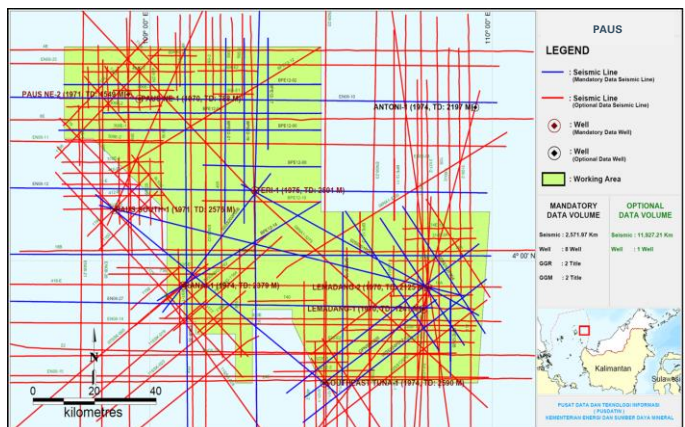
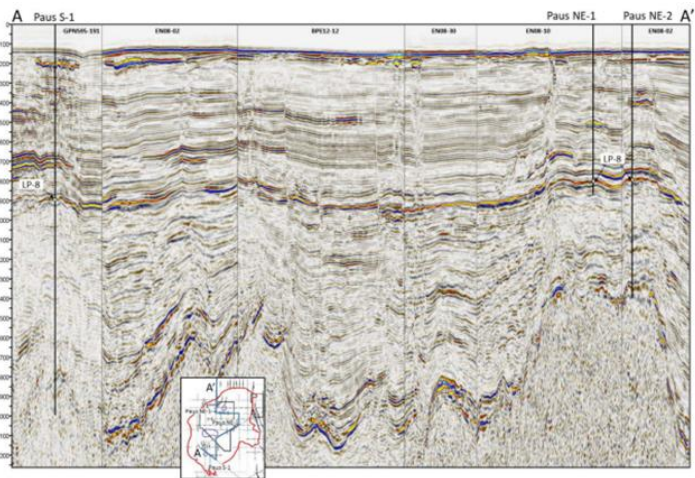
- Source rock: lower Arang Fm and upper Gabus Fm
- Reservoir: Terumbu carbonate, sandstones within the Muda Fm
- Traps: structure and stratigraphic
- Plays: structure and stratigraphic play Pliocene Shallow Marine

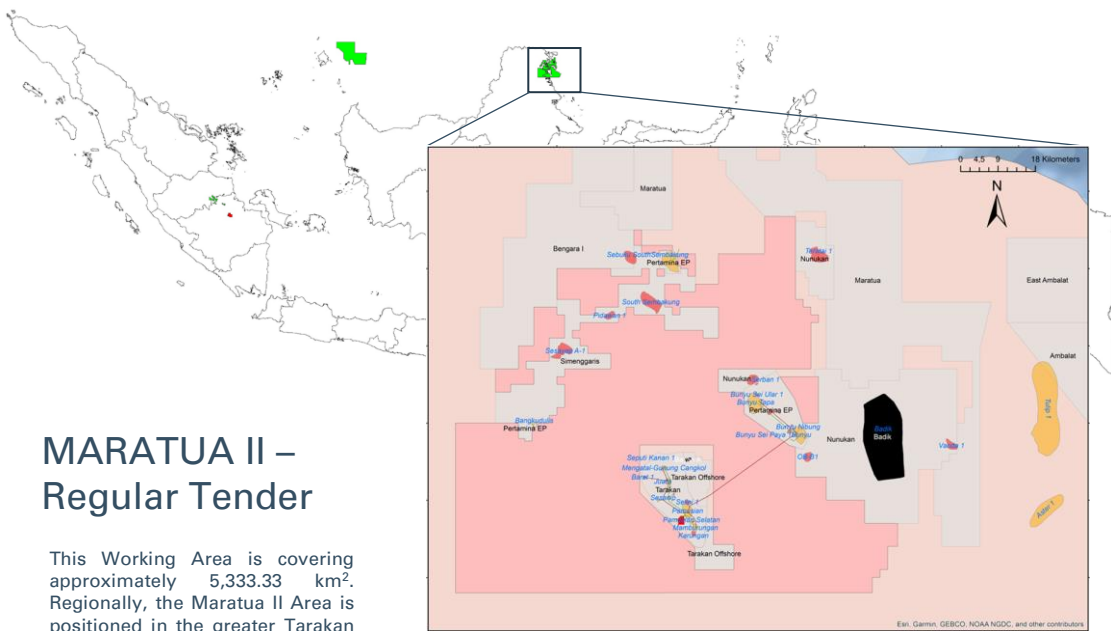
Total estimated resources, 2,555.78 BCF.

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.

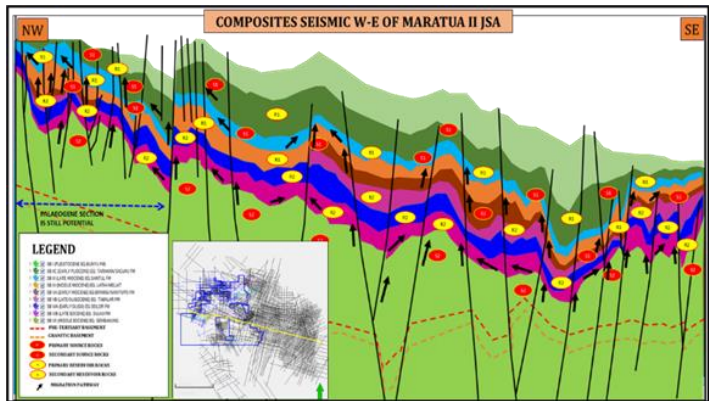
Another 11,927.21 Km 2D seismic and 1 wells will be available for access as optional data.





- 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

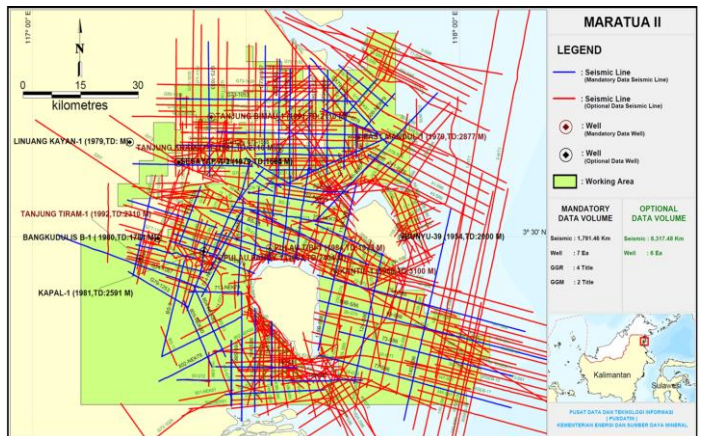
Total estimated resources, 107.06 MMBO or 556.77 BCF.

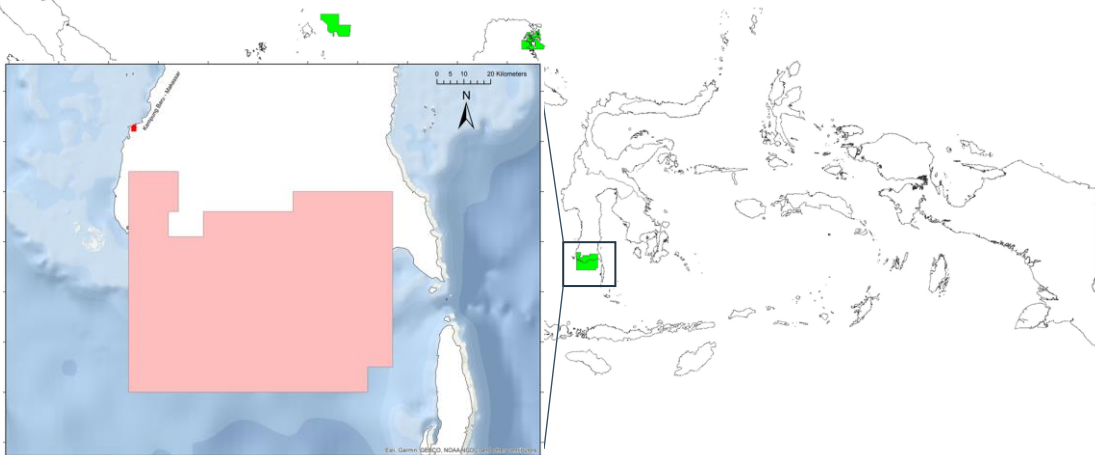


Surrounding oil & gas production area: Simengggaris, Tarakan (Bunyu Area), and Nunukan.

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.



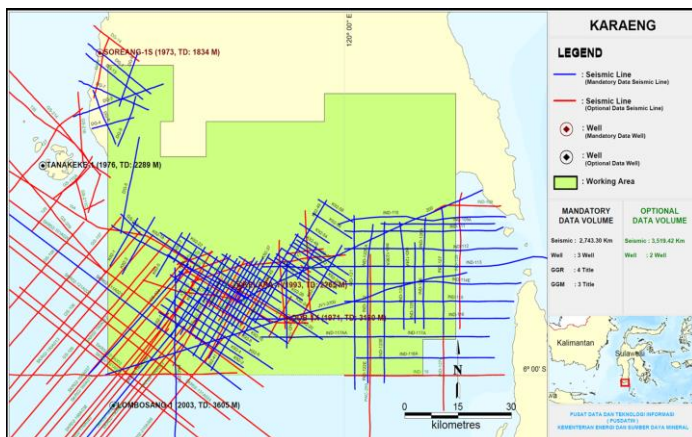
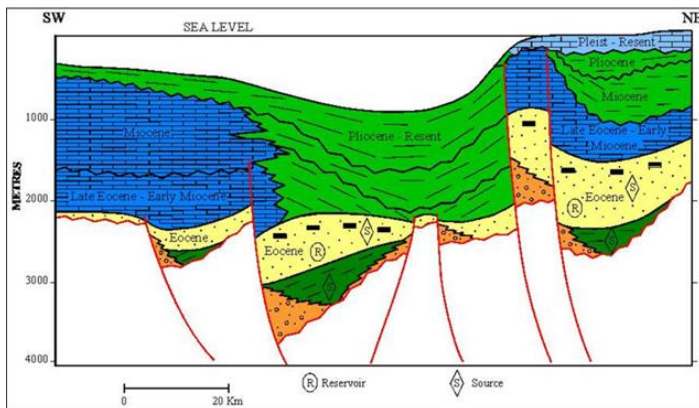


KARAENG – Regular Tender

This Working Area is covering approximately 6,845.36 km². Regionally, the Karaeng Area is positioned in Sulawesi Selatan 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.

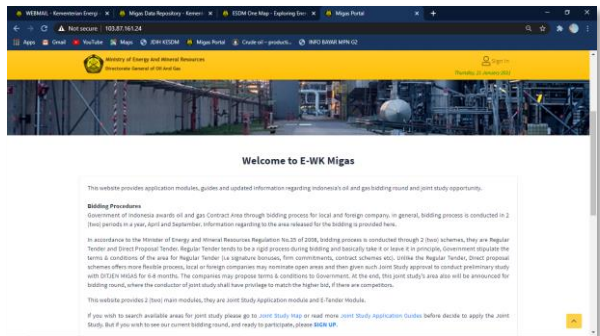
Another 3,519.42 Km 2D seismic and 2 wells will be available for access as optional data.

OTHER INFORMATIONS

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

ACCESSING BID DOCUMENT

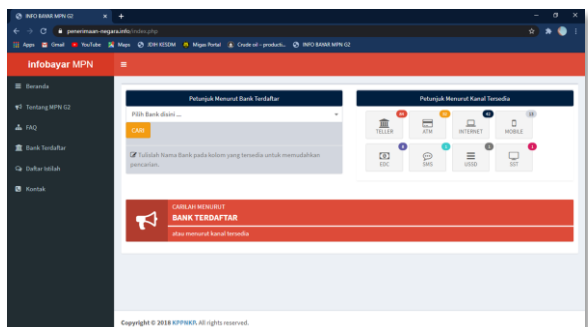
- Accessing Bid Document shall be made during the allocated duration for each Tender Mechanism.
- Registering your company is mandatory in <https://esdm.go.id/wkmigas>



- One (1) Bid Document corresponds to one (1) working area, must be purchased individually by company. Payment of the Bid Document in the amount of USD 5,000 per Bid Document shall be made in advance.
- In accordance to the regulation concerning Non-Tax State Revenue deposit, payment of Bid Document will be handled in SIMPONI account (Ministry of Finance's account). Guidance for creating Billing Code, invoice, channel of payment (ie: internet banking, bank teller, ATM, EDC, mobile banking etc) will be detailed in the <https://esdm.go.id/wkmigas>.
- You may check if your bank is registered to our system as state revenue collector agent service provider in <https://penerimaan-negara.info> (in Indonesian). Follow the instruction to proceed payment after have the "Billing Code". (will be very depend on the bank's system).

DOCUMENTS TO BE PREPARED

- NPWP (domestic company) or Tax Payer ID (overseas company)
- Company Director's ID
- Notarial Deed, Article of Incorporation
- Company Profile
- Email (will be used as user)
- Phone number

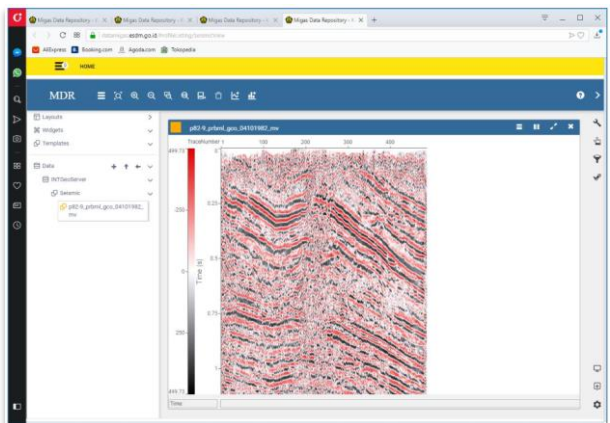
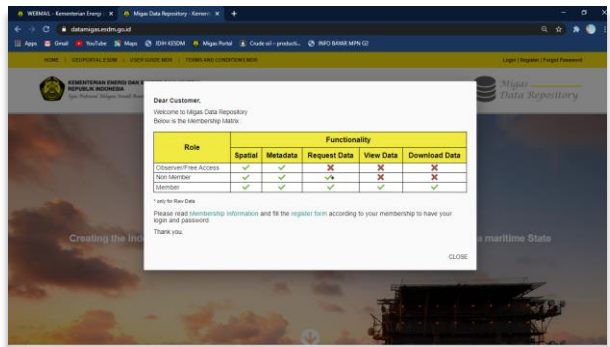


ACCESSING DATA PACKAGE

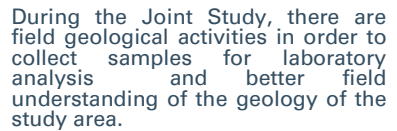
- For every bidder which has purchased the Bid Document, the Data Package is free of charge with conditions applies
 1. Not winning the Working Area or doesn't continue to participate in the bidding
 2. If the bidder wins the Working Area, the bidder is obligated to pay the Data Package
- Instead of accessing bid Data Package for each Working Area, company may register for membership in **MDR (Migas Data Repository)**¹⁾, 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.



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



- 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

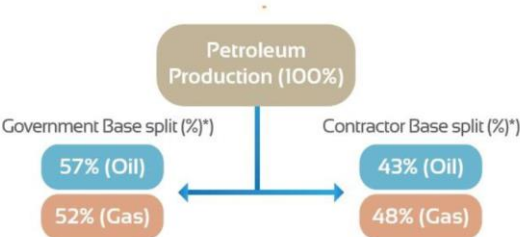
Our Team Member

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	>=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
		>=4000	5.0
		<25	1.0
		>=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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