

Study on Prospect and Market Opportunity of OIL & NATURAL GAS in Indonesia, 2015 - 2019

The glory period of Indonesian oil industry occurred in 1977 – 1992 with average production of 1.5 million barrels per day. The condition made Indonesia as a respectful oil producing country in OPEC (Organization of the Petroleum Exporting Countries) of which the establishment was initiated by Indonesia. However, in line with the rising consumption and declining production of oil in the country, Indonesia has become an oil importing country since 2003.

Indonesian oil production at present reaches 800 thousand barrel per day so it is not able to meet the domestic oil need and Indonesia shall import a great deal of oil. The government through Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) has encouraged to increase oil production. To realize production target of 820 thousand barrels per day in 2015, some 7 units of new oil and gas projects have been in operation including Bayan field performed by Manhattan Kalimantan Investment Pte Ltd, Kerendan Gas Plant (Salamander Energy Ltd), South East Sumatra Development (CNOOC SES), Beringin Field (Pertamina EP), Kepodang Field (Petronas Carigali Muriah) and Full Development of South Belut (Conoco Philips Indonesia Inc).

Based on a research of CDMI that fossil fuel reserves in Indonesia are getting thin and only 3.61 billion barrels or 0.21% of world reserves left. With average oil production of 300 million barrels per annum and if new proven reserves are not discovered, Indonesian oil will be used up in upcoming 12 years. Similarly, the proven natural gas reserve in Indonesia is only 102 TSCF/Trillion Square Cubic Feet, or 1.6% of world gas reserves. By viewing the production rate of 3 TSCF per annum, it is estimated that Indonesian natural gas reserve will run out in upcoming 34 years.

Oil and gas sector has great contribution to state income which is obtained from the export. In 2000 – 2014, the export value of oil and gas had increased with average growth rate of 7.95% per annum from US\$ 14.37 billion in 2000 to US\$ 30.33 billion in 2014. In this period, the contribution of oil and gas export value towards total Indonesian export value was 20.27% per annum on the average.

The potential of Indonesian oil and gas is still great enough. From Indonesian hydrocarbon basins, it is estimated to produce more than 9 billion barrels. Most of the basins have already discovered in Western Indonesian regions. If the potential of oil and gas resources in Eastern Indonesian regions can be realized, the number of oil and gas will be greater. From 60 sediment basins which is estimated to contain hydrocarbon, some 22 basins have yet to be explored.

Viewing the great potential, P.T. Central Data Mediatama Indonesia (CDMI), an independent consultant company in Jakarta, is interested in performing a deep research and finally succeeded to publish a study book with the title of "Study on Prospect and Market Opportunity of OIL & NATURAL GAS in Indonesia, 2015 - 2019".

This study book is only available at CDMI and directly ordered to our marketing division Mrs. Tina by phones (021) 3193 0108, 3193 0109, 3193 0070 or Fax (021) 3193 0102 or e-mail: marketing@cdmione.com at a price of US\$ 700.- for Indonesian Edition and US\$ 750.- for English Edition.

Having submitted this offer, we thank you for your cooperation and look forward to hearing your response promptly.

Cordially yours,
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