IPA News
News From the Indonesian Petroleum Association

The Role of the Oil and Gas Industry in the Energy Transition

Greg Holman: Repsol Takes Steps For the Energy Transition

Satya Widya Yudha: Integrated Policies Are Needed To Support The Energy Transition

IPA Is Ready To Have The 46Th IPA Convex As A Hybrid Event

Irtiza Sayyed Was Elected As President Of IPA 2022

Volume 07 2021

Dear Readers,

The oil and gas industry has undergone various pressures for the past two years. Restriction on activities due to the COVID-19 pandemic and unstable world oil prices are a couple of problems that have put this industry under pressure. Another big issue unavoidable by the oil and gas industry is the global drive to reduce carbon emissions.

This situation demands stakeholders in the oil and gas industry to look for ways to reduce carbon emissions and, at the same time, to try and achieve production targets to meet energy needs. The oil and gas industry must promptly adapt.

The energy transition is one of the main current agendas of the global discussion. We hope that in 2022 there will be significant improvements in this industry, both nationally and globally.

In this edition of IPA News, we discuss the upstream oil and gas industry's efforts in adapting to the challenges of reducing carbon emissions and what the government is doing to achieve these goals. Director of Repsol Sakakemang B.V, Greg Holman, in the CEO Talks section, will share stories about Repsol's efforts to become one of the pioneering oil and gas companies in the energy transition.

Then, in the Members section, Premier Oil, which has been operating in Indonesia for 25 years, shares its experiences in helping communities around its work area through various CSR programs and community empowerment.

Finally, we hope that the 7th edition of IPA News in 2021 can provide fascinating information and enlighten all stakeholders and the people in the national oil and gas industry to build optimism in their continuing work for Indonesia. We hope you have an interesting read.

Warmest regard,

Gary Selbie
IPA President of 2021

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IPA Is Ready To Have The 46Th IPA Convex As A Hybrid Event

JAKARTA – Seeing the declining number of Covid 19 transmission cases and the government's confidence in the post-pandemic economy revival, IPA plans to hold its annual routine event, the 46th IPA Convention and Exhibition (IPA Convex) as a hybrid event on September 7-9, 2022. This hybrid event will combine two forms of activities, online and offline, for all the 46th IPA Convex activities. "We hope that the number of Covid-19 cases will continue to decline now and in the future. So that it can foster our optimism that for next year IPA can hold the 46th IPA Convex as a hybrid event," said Marjolijn Wajong, Executive Director of IPA, recently.

She added that the 45th IPA Convex which was held online on September 1-3, 2021, had been a success. The event was attended by more than 23,000 visitors and more than 10,000 convention participants. The stakeholders attending the 45th IPA Convex agreed to balance the national oil and gas production target with the carbon emission reduction target. They also agreed on the efforts to improve the oil and gas investment climate in Indonesia to achieve the targets set by the government. ❍

Irtiza Sayyed Was Elected As President Of IPA 2022

JAKARTA - The Indonesian Petroleum Association held its 50th Annual General Meeting (AGM) in 2021 virtually. In this AGM, IPA appointed Irtiza Sayyed (President Director of ExxonMobil Cepu Ltd) as President of IPA for 2022. On the same occasion, the Supervisory Board and IPA Board of Directors for 2022 were announced.

"It is an honor to be elected as the President of IPA for 2022. We will continue the good cooperation with the government and stakeholders to achieve our common goal, which is to meet national energy needs in accordance with the targets set by the government," he said in his remarks as President of IPA in 2022.

He added that the oil and gas industry will continue to face various challenges in the coming years, given the growing issue of the current energy transition. "After experiencing challenges due to the Covid pandemic, the oil and gas industry will have to face another challenge related to reducing carbon emissions and energy transition," he said.

The previous President of IPA, Gary Selbie, then expressed his gratitude for the ongoing cooperation between IPA and its stakeholders. This is a valuable experience, especially in the context of improving the condition of the upstream oil and gas industry in Indonesia. "Amidst challenges caused by the Covid 19 Pandemic, the industry and the government continue to match their steps and goals for the advancement of oil and gas investment in Indonesia. This is a historical experience for the national oil and gas industry," he said.

The meeting was attended by more than 150 people consisting of IPA company members supporters, the Supervisory Board, and the Board of Directors, as well as IPA committee members. ❍

CEO TALKS >> **GREG HOLMAN**
Director of
Repsol Sakakemang B.V.

Repsol Takes Steps For the Energy Transition

A player in the global oil and gas industry, Repsol has ambitious targets related to reducing carbon emissions and becoming a pioneer in the energy transition. In its 2021-2025 strategic plan, Repsol even sets the target to become a zero-emission company by 2050. No kidding. To achieve this target, Repsol will invest €19.3 billion, around €6.5 billion of which will be allocated for low-carbon initiatives.

IPA News had the privilege to talk with the Director of Repsol Sakakemang B.V., Greg Holman regarding the Spanish company's strategic plan in Indonesia. The following is an excerpt of the interview, conducted in writing.

As one of the industry players in the oil and gas sector, what is Repsol doing to support the Government in meeting the oil and gas production target by 2030?

To date, Repsol has maintained an active exploration program in Indonesia to support the Government's 2030 oil and gas production target. In addition to the Sakakemang PSC working area, we recently completed a major 3D acquisition in the Southeast Jambi Block with our partners, Pertamina and MOECO. Next year, we hope to carry out deep-sea well exploration in the Andaman III PSC working area with our partner, Petronas. If successful, this field would have the potential to contribute greatly to the standing national oil and gas production target.

The government has set a carbon emission reduction target, in addition to oil and gas production targets. What concrete efforts have Repsol made globally and in Indonesia regarding the carbon emission reduction targets and energy transition?

In 2019, Repsol was the first global oil and gas company to commit to targeting zero-emission by 2050. The company's strategic plan released at the end of 2020 further emphasizes the need to support the energy transition and set out several steps that the company needs to take, as a multi-energy company, by developing lines of business dealing with low carbon and renewable energy issues.

In this regard, Repsol is in line with the Government's target of reducing emissions and if possible, we will continue to participate in existing agendas in the context of drafting the necessary regulations.

Through IPA, we are also active in the Energy Transition Committee led by Deny Rijadi from BP Indonesia in 2021, and I sit as the Board Liaison on the committee. This committee is very active in establishing relationships with stakeholders, including the government, getting involved in various efforts to formulate new regulations related to the topic of the energy transition.

In your opinion, what are the challenges faced by actors in the Indonesian oil and gas sector to meet the nation's energy needs in the future?

Indonesia has a strong and growing economy, meaning an increasing energy demand. In turn, this can encourage the Government to have more productive energy sources to reduce the country's dependence on oil imports and their impact on the existing trade balance.

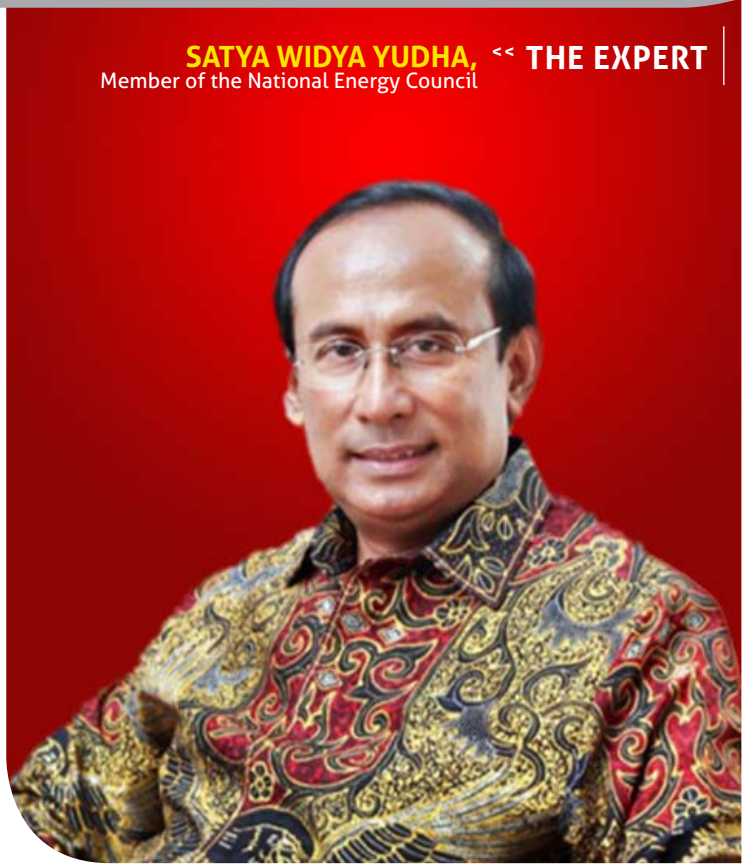
To date, the Government has shown its response by increasing the attractiveness of oil and gas investment through fiscal provisions at the recent auction of oil and gas working areas and simplification of regulations to help achieve set targets.

As the discussion about the current energy transition continues to grow, we see a global trend of existing energy companies significantly reducing their exploration activities. In many cases, companies are starting to focus on their high-value and highly profitable portfolios located in just a few countries.

Under these circumstances, more radical improvement efforts are called-for to increase the investment attractiveness of the oil and gas sector in Indonesia. Additionally, it is also important to establish Indonesia as a country that successfully implements carbon reduction solutions by applying CCS and CCUS technology effectively; so that it can keep existing oil and gas projects internationally competitive.

I am sure there will be much more discussion about this among all the stakeholders, and I hope that this industry can continue to exist and meet Indonesia's energy needs in the future. ❍

Integrated Policies Are Needed To Support The Energy Transition



The government continues to encourage the transition from fossil energy to new and renewable energy (EBT). By 2025, the government has set a target for the energy mix from renewable energy to 23 percent and Indonesia will achieve zero carbon emissions by 2060. On the other hand, the government also has a large oil and gas target, namely 1 million barrels of oil per day (BOPD) and 12 billion standard cubic feet of gas per day (BSCFD) by 2030.

Then, what of the national upstream oil and gas industry amid these challenges? What solution did the National Energy Council (DEN) provide, as the initiator and formulator of Indonesia's future energy strategy? The following is an interview by the editor of IPA News with Satya Widya Yudha, a member of the National Energy Council (DEN).

What do you think about the oil and gas industry, both globally and in Indonesia today?

The global energy market is going through a storm due to high global energy prices. Energy demand is soaring in China, India, the UK, and several other major economies. Winter in Europe drives gas demand quite high. Meanwhile, Russia, one of Europe's biggest gas suppliers, refuses to increase its supply in the short-term spot market. The United States is also entangled in this storm. To reduce the increase in domestic gasoline prices due to a surge in winter demand, the United States plans to reduce its emergency oil reserves. The lesson learned from Britain, China, and India is that the current global energy crisis shows that the world is still highly dependent on fossil fuels. Although there are efforts to use renewable energy sources, fossil energy sources such as coal and natural gas will not disappear in the near future.

If the price of fossil fuels fluctuates and tends to increase, the availability of fossil fuel reserves and increased diversification of NRE sources will be of utmost necessity. And thus, we can gradually reduce dependence on fossil energy.

For Indonesia, the increase in energy prices is the prime driver of increasing state revenues. For the oil and gas sector, for example, an increase in oil prices of USD 1 per barrel will provide additional state revenues of around USD 3.7 trillion to USD 4.6 trillion. But on the other hand, as an oil-importing country, price increases also have an impact on the increased burden of the state budget for energy subsidies and increased national inflation.

As stipulated in the RUEN (National Energy General Plan), fossil energy will eventually be replaced by NRE. In your opinion, what can be done by oil and gas companies to address this issue? What is the role of the oil and gas industry in this energy transition stage?

The oil and gas industry must be able to make a transition and slowly shift to the new and renewable energy industry. This is because the demand for petroleum will continue to decline sharply due to the global warming issues and an agenda that encourages the reduction of carbon emissions in all oil and gas companies around the world. Oil and gas companies need to prepare several strategies to participate in this energy transition. Among the efforts that the companies can take is converting existing refineries into green refineries.

Indonesia is currently in the process of the energy transition, by implementing a low-carbon energy mix in the electrification and transportation sectors. In the process of energy transition towards NRE, Indonesia has not wholly abandoned the use of fossil energy. However, fossil energy must be utilized using technologies that can reduce emissions, such as CCU and CCUS. In this way, Indonesia will continue to fulfill its commitments to the Paris Agreement.

The oil and gas industry is currently facing two targets that seem to contradict each other, namely the oil and gas production target and the carbon emission reduction target. How do you respond to this?

The energy diversification strategic program in the National Energy Grand Strategy (GSEN) is in line with the

energy sector mitigation action plan to meet the NDC target in 2030. Indonesia has implemented efforts to reduce carbon emissions in the oil and gas industry, as stipulated in several related regulations, including the Regulation of the Minister of Energy and Resources Mineral No. 32 of 2017 concerning Utilization and Selling Price of Flaring Gas in Upstream Oil and Gas Business Activities. This regulation stipulates that Contractors are required to propose an optimization of Gas Flaring utilization to SKK Migas.

This regulation was made to minimize gas emission, to use renewable energy in the production process in several KKKS, and as feasibility study projects for potential CCUS to be integrated with EOR, such as the Gundih Block, Sukowati Field, Limau Niru Field, and Tangguh Block.

DEN and the Ministry of Energy and Mineral Resources have developed a national energy grand strategy known as GSEN. GSEN's vision is to accomplish a national energy mix based on the principles of justice, sustainability, and environmental insight, in the context of achieving resilience, independence, and energy sovereignty, based on the Pancasila ideology.

As part of the National Energy Council (DEN), what solutions can you recommend to oil and gas companies in Indonesia so that they can continue operating and meet the oil and gas production targets set by the Government?

To continue operating and meet the oil and gas production targets set by the government, oil and gas companies in Indonesia need to strike a balance between the national oil and gas production targets and the carbon emission reduction targets. To achieve this balance, an integrated policy is needed. This can provide clarity for global investors looking to invest in Indonesia.

The Indonesian oil and gas industry can position itself and maintain its business by doing what the international oil and gas industry players, such as BP, Chevron, Eni, and ExxonMobil are doing; that is, transforming into cleaner energy producers. The government needs to guarantee the availability of a budget should gas prices fall below the economic value of oil and gas fields which is above or greater than USD 6 per MMBtu (Presidential Decree No. 121 of 2020 article 5 paragraph 6). This legal certainty will encourage investment growth in the natural gas sector in Indonesia.

Energy security and independence is the goal of RUEN. What do you think the government and other stakeholders have done and what other efforts need to be made to achieve this goal?

To achieve energy security and independence, the government seeks to continue reducing dependence on imported energy sources, such as fuel and LPG, through several energy diversification programs as listed in the GSEN. For example, programs that support energy diversification in the transportation sector such as the use of biodiesel (B30), accelerated utilization of electric motorized vehicles; as well as the programs to increase the capacity of domestic refineries, programs to support energy diversification in the household sector, the development of DME from coal, city gas network programs, and the use of electric stoves.

In addition to diversifying energy, the government of course still needs to optimize domestic energy resources, provide access to energy through infrastructure development (e.g. refineries, gas networks, SPKLU/SPLU), and ensure that energy prices remain affordable for the community.

To ensure energy security in the future, Indonesia is expected to provide clean and affordable energy for all Indonesian people. In your opinion, what are some examples of clean and affordable energy, both in terms of investment and distribution?

Indonesia has many kinds of renewable energy sources, the utilization of which is currently very limited. One of the reasons for the low utilization of renewable energy is the high investment cost of renewable energy power plants, causing uncompetitive prices compared to the price of electricity sourced from PLTU (coal-powered generators).

To cope with this problem, the government or local governments should focus on developing off-grid EBT power plants for isolated or outermost areas, adjusting to the type of EBT available in local locations. Thus, the government can continue to improve public access to energy while still prioritizing the use of EBT. Equitable economic value is a value or cost that reflects the cost of energy production, including environmental costs and conservation costs, as well as benefits that are assessed based on the capacity of local communities. Currently, the cleanest and affordable energy still desperately needs incentives or subsidies from the Government. Examples of clean and affordable energy for the community are RE-based electricity in local areas (i.e. solar), LPG, biogas, and biomass (waste, plantation/forestry/timber industry residue).

What are your hopes for Indonesia's energy future?

We all hope that Indonesia can continue to improve the national energy security and independence, at the same time also pay attention to environmental issues; especially the issue of climate change which is currently a common concern for the international community. In addition, we also hope that the government can carefully formulate a roadmap for the energy transition (from fossil energy to renewable energy) fairly and thoroughly, keeping in mind the aspirations of the Indonesian people to see their country become a developed country by 2045.

> **"TO ACHIEVE A BALANCE BETWEEN THE NATIONAL OIL AND GAS PRODUCTION TARGETS AND THE CARBON EMISSION REDUCTION TARGETS AN INTEGRATED POLICY IS NEEDED.** THIS CAN PROVIDE CLARITY FOR GLOBAL INVESTORS LOOKING TO INVEST IN INDONESIA."

The Role of the Oil and Gas Industry in the Energy Transition

The energy transition is one of the main current agendas of world leaders. One of the efforts to achieve this agenda is reducing carbon emissions. This commitment to reduce carbon emissions was strengthened at the recent meeting of leaders of the G-20 Summit in Rome, Italy.

This situation certainly affects the oil and gas industry, which is considered one of the largest CO2 contributing sectors in the world. The oil and gas industry must find a balance between maintaining an adequate level of oil and gas production and efforts to reduce carbon emissions from its operational activities.

A Member of the Indonesian National Energy Council (DEN), Satya Widya Yudha, told IPA News recently that oil and gas industry players are required to make a transition, gradually switch to new and renewable energy. This is because the future trend in demand for oil will decline due to global warming issues and the agenda of reducing carbon emissions around the world.

He said oil and gas companies need to prepare several strategies to participate in the energy transition. Companies can make some efforts including converting existing refineries to environmentally friendly energy-based refineries or green refineries. In addition, oil and gas companies also need to maximize the existing refineries in producing petrochemicals.

"Indonesia is in the energy transition phase by implementing a low-carbon energy mix, which is applied to the electrification and transportation sectors. In the process of energy transition to NRE, Indonesia has not completely abandoned the use of fossil energy. However, the use of fossil energy must utilize emission reducing technologies, such as Carbon Capture and Storage (CCS) and Carbon Capture, Utilization, and Storage (CCUS). Thus, Indonesia continues to fulfill its commitments to the Paris Agreement," he said.

On another occasion, Deputy Head of SKK Migas, Fatar Yani Abdurrahman, separately revealed that SKK Migas is currently continuing to encourage KKKS to achieve oil and gas production targets and, at the same time, to look for solutions to reduce carbon emissions. "There are several strategies KKKS can do to reduce carbon emissions," he said.

He elaborated that several oil and gas working areas are currently in the stage of developing CCS and CCUS technologies, such as Repsol's Sakakemang and INPEX's Abadi Field. In addition, SKK Migas has also approved the Plan of Development (POD) of the Tangguh LNG Field, namely the Ubadari Field and Vorwata Carbon Capture Utilization and Storage (CCUS) in West Papua, operated by BP Indonesia.

BP Regional President Asia Pacific, Nader Zaki, who is in charge of BP Indonesia, explained that this POD estimates that there is a potential for 1.3 trillion cubic feet (Tcf) additional gas reserves, from the Ubadari and Vorwata CCUS Fields. He explained that the development of the Ubadari field was an accelerated step after the successful appraisal program by his party. The gas production process through this unmanned installation is connected by an offshore pipeline to the Tangguh LNG facility. Meanwhile, the Vorwata Field CCUS plans to inject around 25 million tons of CO2 into the Vorwata reservoir to reduce most of the carbon emissions produced and provide additional gas production through enhanced gas recovery (EGR). "This CO2 injection will reduce up to 90% of the CO2 from the reservoir which is currently released into the air, or almost half of Tangguh LNG's emissions. This will make Tangguh one of the LNG plants with the lowest greenhouse gas (GHG) intensity in the world," he said.

He said the Front-End Engineering and Design (FEED) for the CCUS Ubadari and Vorwata Fields will begin in mid-2022, after obtaining approval from SKK Migas and Tangguh partners. Nader predicts that work would be completed in 2026, after the final investment decision (FID).

Aside from that, Repsol is also working to reduce carbon emissions in the Sakakemang WK. General Manager of Repsol Indonesia, Greg Holman, said that starting in 2027,

the company plans to start injecting around 2 million tons of captured carbon dioxide (CO2) per year into the Dayung and Gelam fields in the Sakakemang Block, South Sumatra. It is hoped that the field can contribute to the achievement of the oil and gas production target by 2030 as well as the carbon emission reduction target set by the government.

"In addition to our work on the Sakakemang PSC, we recently completed a major 3D acquisition in the Southeast Jambi block with our partners, Pertamina and MOECO. Next year we also hope to drill a deep sea well in our Andaman III PSC with our partner Petronas. One of them has the potential to contribute to the national oil and gas production target, if successful," he said

Separately, a member of Commission VII of the House of Representatives, Sugeng Suparwoto, stated that to meet the existing carbon emission targets, it is necessary to immediately reduce the rate of carbon emissions. However, oil and gas exploration and production activities must continue to run without any significant disturbances because the current fossil energy demand still dominates the national energy demand. "There are two things that can be done, first, replacing fuel products with ones of a higher RON, which is 92 and above. Second, controlling the level of fuel consumption because failing that, consumption is estimated to increase to 2 million barrels by 2030," he said.

Deputy Head of SKK Migas, **Fatar Yani Abdurrahman**

In addition, according to Sugeng, the oil and gas products which have been dominantly consumed for transportation needs, in the future can be transferred to the petrochemical industry. As is known, most of the energy from fossil fuels is currently used in the transportation sector. "In the future, we must shift 40% of the utilization to the petrochemical industry while transportation can get the rest," he said.

Exploration is Still the Priority

Despite the continuing discussion about efforts to reduce carbon emissions, various studies show that the oil and gas industry still plays a very important role in meeting the world's energy needs today and in the next few years. Global energy consultant, Wood Mackenzie, assesses the global energy transition will affect investment in the oil and gas sector in the coming years. In fact, energy demand has started to recover after being hit by the Covid-19 pandemic. According to Wood Mackenzie, energy demand will surpass the record 160 million barrels of oil equivalent per day (boepd) achieved in 2019. Moreover, with oil prices recovering to US$ 60 per barrel, this sector will enjoy cash flow equivalent to when oil prices reach US$ $100 per barrel before 2014.

Deputy Head of SKK Migas, Fatar Yani Abdurrahman, said the need for fossil energy will continue to increase until 2050. According to him, the need for fossil fuels is estimated to increase twice the current demand by 2030. "This means that upstream oil and gas investment must continue. Even though there are large companies starting to move to EBT, they still do not deny that the upstream oil and gas business will continue to exist," he explained.

According to Fatar, Indonesia still has the opportunity to attract oil and gas investment considering that fossil energy needs are still dominant. "From a business perspective, of course it is still attractive because the demand is still high. It's just a matter of how we get investors interested in investing in Indonesia," he said.

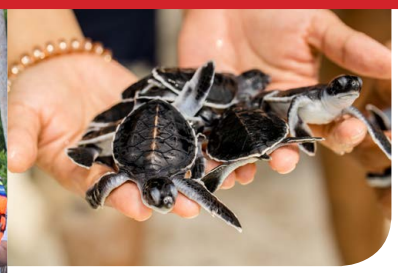
Fatar claims that the government is currently trying to increase the attractiveness of oil and gas investment in Indonesia in an effort to achieve the oil and gas production target by 2030, which is 1 million barrels of oil and 12 billion cubic meters of natural gas per day. One of the efforts is providing fiscal incentives. "We have and will continue the initiative in terms of fiscal terms. In addition, SKK Migas also continues to boost efficiency in terms of licensing to increase investors' convenience in carrying out business activities (ease of doing business) in Indonesia through the One Door Service Policy," he said.

Fatar acknowledged that the national oil and gas production by the end of 2021 had only reached around 97% of the national target. Several factors hindered the fulfillment of the oil and gas production target such as the price of crude oil which had fallen in 2020 and the Covid-19 pandemic which slowed down oil and gas investment. "So the 2021 production is still affected by 2020 conditions," he said.

In line with Fatar, Sugeng Suparwoto also said that oil and gas exploration and exploitation activities are absolutely necessary and even must be increased considering the oil and gas production targets by 2030 and the national energy needs in the future. "If it is not boosted, the production will fail to meet the national energy needs. As a result, Indonesia will continue to import fuel and this will clearly affect our state budget," he said.

"EVEN THOUGH THERE ARE LARGE COMPANIES STARTING TO MOVE TO EBT, THEY STILL DO NOT DENY **THAT THE UPSTREAM OIL AND GAS BUSINESS WILL CONTINUE TO EXIST."**

(Fatar Yani Abdurrahman)



The 25Th Year of Premier Oil Serves Indonesia

Premier Oil, a Harbor Energy company, has been operating in Indonesia for 25 years. Not only care about business, but Premier Oil has also laid the foundation to improve the welfare and standard of living of the people around the company's operational areas, namely the Anambas Islands Regency and Natuna Regency, Riau Islands Province.

"Premier Oil has done a lot of work on the ground to actualize its social responsibility for the community around the area of operation. This contribution is of course in addition to Premier Oil's main contribution in the form of profit sharing funds or DBH, taxes, local labor and various other multiplier effects," said Awalus Sadeq, Community Investment Manager of Premier Oil Indonesia to IPA News recently.

Through its CSR program, Premier Oil is committed to growing and improving the welfare and self-reliance of the communities around its operation areas. Social programs have always been the company's priority implementation for the community. "CSR for Premier Oil is no longer just carrying out obligations to the community in the area of operation but is a necessary community investment that the company must always maintain and mobilize optimally. If CSR is only seen as corporate social responsibility, then it would be just a routine job," he said.

Furthermore, he added, Premier Oil views the CSR program as an investment to the community so that the existing corporate social work will be more measurable in its process, benefits, and sustainability. The main foundation built by Premier Oil on its CSR program is to build access to education and increase the quality of human resources, income and economic empowerment, access to and quality of public health, quality of infrastructure, and awareness of environmental conservation. "Premier Oil continuously conducts community investment programs based on the five main pillars, namely economy, education, health, infrastructure, and sustainable environment," he explained.

In the education pillar, Premier Oil has made various efforts, including laying a strong foundation for education, especially in early childhood education. This is inseparable from the historical factors. "When Premier Oil first started its operation, one of the crucial problems was the low quality of human resources. At that time there was only one kindergarten in the entire Anambas area and the building was very poorly maintained. On the other hand, there are many children who just played on the street all day because there were no schools and adequate educational facilities," he said.

So in 1999, Premier Oil began to build the first kindergarten building equipped with various supporting facilities. This later became the largest and most complete kindergarten in the Anambas Islands Regency to date. The construction of kindergarten buildings equipped with various supporting facilities continues to be carried out in various areas in the Anambas Islands Regency. To date, there are nine kindergarten buildings equipped with good supporting facilities in each of the nine villages in the Anambas Islands Regency.

"It's not just about building a kindergarten. We also seek to improve the quality of our teaching staff by conducting various trainings, including the Kindergarten management, Kindergarten curriculum, effective kindergarten teaching methods with national level resource persons, comparative studies to other kindergarten schools in Jakarta as well as providing early childhood undergraduagte (S1) scholarships for the kindergarten teachers," said Sadeq.

In addition to building the educational infrastructure as previously mentioned, Premier Oil also provides full undergraduate scholarships to Anambas children to continue their education at the Agricultural Institute (INTAN) Yogyakarta. This scholarship is intended for children around the company's operational areas who are unable to continue their education to the university level due to economic factors. Scholarships are also awarded for marine and fisheries majors and at the Jakarta Arts Institute (IKJ).

"This program provides the opportunities for Anambas children to get a better education. Currently, most of the graduates from the Premier Oil scholarship program are already working in various sectors, including in the government and private sectors," he said.

In addition, the public's low interest in reading has also

become a concern for Premier Oil. The company also built a Community Reading Garden and a school library to foster interest in reading in the community, including students in the Anambas Islands Regency. Then there is the Community Radio. Premier Oil supports the establishment of community radio which can be used as a means of media for information, education, and public entertainment. "We regularly hold a bi-annual Cultural Arts Festival. There were 20 participating schools involving around 150 school children from various levels of education. During the festival, at least 1,000 Anambas people will attend the festival," said Sadeq.

Not only that. Premier Oil also had the opportunity to build an arts and culture building that is currently utilized by seven art studios. This building can also be used by the general public to hold various activities, such as seminars, discussions, community deliberations, meetings, celebrations, or weddings. In the current pandemic era, the place was even used for the implementation of the community vaccination program.

"CSR FOR PREMIER OIL IS NO LONGER JUST CARRYING OUT OBLIGATIONS TO THE COMMUNITY IN THE AREA OF OPERATION BUT IS A NECESSARY COMMUNITY INVESTMENT THAT THE COMPANY MUST ALWAYS MAINTAIN AND MOBILIZE OPTIMALLY."

For the economic sector, Premier Oil's CSR programs include empowering farmers with the concept of organic farming. This program uses a screen house as a location for planting various types of secondary crops, increasing farmers' income, and at the same time inviting farmers to farm with environmentally friendly principles, such as using organic fertilizer or homemade compost.

In the fisheries sector, Premier Oil runs a fisherman empowerment program in each of the six villages in four sub-districts. The program, which involves 133 fishermen, consists of grouper cultivation, fishing platform (bagan) management, and fishing boats. The income of traditional fishermen has increased after the implementation of this program. Likewise for the SME empowerment program. There are at least 224 MSME actors from 11 villages in three sub-districts who take part in this program. Premier Oil continues to encourage MSMEs to carry out economic activities even amidst the current pandemic. Some of the existing MSME business fields, among others, are traditional cakes and culinary, clothes, and handicrafts.

In the health sector, Premier Oil has built three posyandu (integrated maternal and infant health center) buildings complete with supporting facilities, as well as a health clinic and various outreach activities related to public health. "With the onset of the Covid-19 pandemic, we provide assistance to prevent Covid-19 by providing masks, hand sanitizers, PPE, antigens, PCR and much more," he said.

Regarding the infrastructure sector, until 2021 Premier Oil has built at least 37 public facilities supporting various community needs. It is in line with Premier Oil's goal to provide access for the community around the operating area to quality public infrastructure to encourage community productivity and creativity.

The last pillar serves as a foundation for Premier Oil's Community Investment activities in the environment. This pillar is very important because it has a broad impact on regional development, local community wisdom, and of course the sustainability of the existing ecosystem. There are two activities carried out in this pillar, namely the turtle conservation program on Pahat Island and mangrove conservation by replanting 20,000 mangrove seedlings.

Sadeq admits that it is not easy to carry out various CSR programs in the area of operation. The company must face various challenges. Starting from the assumption that early childhood education is not a priority to the limited available resources. "It took a long process to convince the community and get benefactors who voluntarily donated their land for a kindergarten building. Anoa Kindergarten is the first kindergarten built by Premier Oil with land obtained from a grant," he said.

Despite the challenges, according to Awalus, managing CSR programs is also filled with various joys if the program is successful and the company gets appreciation from the community as well as from the local government. "The point is communication and friendship with all levels of society, so that the implementation of the Community Investment program can run well. This is a form of our dedication to Indonesia," he said with conviction.

He hopes that Premier Oil's CSR activities can improve the quality of life and community independence as well as the community's ability to manage existing natural resources sustainably.