



INDONESIAN PETROLEUM ASSOCIATION

2007 ANNUAL REPORT

THIRTY-SIXTH GENERAL MEETING

DECEMBER 5th, 2007

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SECTION 1

**INDONESIAN PETROLEUM ASSOCIATION
PRESIDENT'S REPORT - 2007**

by

Chris A. Prattini

On behalf of

IPA Board of Directors

December 2007

www.ipa.or.id



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INDONESIAN PETROLEUM ASSOCIATION

President's Report for 2007

INTRODUCTION

Throughout this year, much emphasis has been placed on the critical need to restore and sustain growth in oil and gas production volumes. Preliminary figures suggest that gas production will continue its historical growth trend with a forecasted 7% increase from 2006 and projections of sustained growth over the next 3 years. Gas reserves have also increased as a result of numerous discoveries in both producing and exploration PSCs. Although oil production has been on a steady decline since 1995, decline rates have tapered off as a result of increased development activity in existing producing PSCs and new field development projects (Figure 1).

The loss of self sufficiency (Figure 2) and the impact of this decline on what our Industry's contribution to the Indonesian economy could have been in the current high oil price environment has been the subject of much concern by both government and the Indonesian Petroleum Association (IPA).

The IPA has long recognized that a critical component of arresting production decline is the need to increase investment in exploration and accelerate development of new field discoveries. To attract both domestic and foreign investment, the IPA has stressed the need for an investment climate that is globally competitive, sustains investor confidence, allows flexibility in fiscal terms and generates mutual cooperation between industry and government. Our 2007 Convention and those that preceded it were all built around that common theme.

In 2007, twenty five (25) new PSCs were awarded by the Energy Ministry to both existing IPA member companies and many new companies seeking to invest in Indonesia (Figure 3). This number of new PSCs is the highest recorded in the past 40 years and the Energy Ministry has announced plans for another licensing round before year end.

High commodity prices and the expectation that they will remain at record levels have contributed to a global growth in investment in the energy industry. While some may think that this is all well and good, we cannot relax into a comfort zone feeling an immediate upswing is on the way. Costs of doing business have risen significantly as a result of the flow-on effects of high energy prices and the demand on the service industry that is critical to execution of work programs and budgets. Across our global industry, human resources are in high demand and one of the primary root causes of talent leakage from Indonesia to competing nations.

Throughout this year, the IPA Board and its Committee members have continued to work with our regulatory agencies to address these challenges, seek workable solutions to resolve ongoing and newly surfaced issues and promote the cooperation needed to position our industry for achievement of our common goals and objectives. The efforts of the Board and the Committees are further elaborated in this report and their respective committee reports enclosed in this our 2007 Annual Report.



IPA MEMBERSHIP AND OBJECTIVES

As of October this year, the IPA membership has grown to 46 Member Companies and 94 Associate Members. The Professional Division has experienced much greater membership growth and now stands at 1805 members. As you are aware, the IPA is predominantly a volunteer based organization whose members contribute their time and resources focused on the principle objective of promoting the petroleum industry in Indonesia. This personal commitment is critical to the success of the IPA particularly during these challenging times for our industry.

The IPA Board of Directors, comprised of 13 representatives from Member Companies, continued to meet monthly. Included in those meetings are selected Committee members who periodically update the Board on their committee activities and seek Board input as and when necessary on specific Committee activities and undertakings. The number of IPA Committees remains at 15 and the Chairman Reports, some of which will be presented at the Annual General Meeting, are enclosed for your review.

To further stay in touch with Member Companies, the IPA Board decided to expand the attendance at their regular monthly Board meetings on a quarterly basis to include Member Company representatives if they wished to attend. This opportunity has received favorable response from those representatives that took time from their busy schedules to attend.

In January 2007, the Board conducted a Brain Storming session with the Committee Chairpersons and Member Company representatives in attendance. The purpose of that meeting was to reconfirm the IPA Long Term Objective and to develop a list of focused objectives for 2007. The results of that meeting are as follows:

IPA Long Term Objective

“Work collaboratively with all stakeholders to enhance investment in and hence the economic health of the petroleum industry to deliver greater benefits to government, investors, communities, employees, customer and the environment”

2007 IPA Objectives

- Support government petroleum sector objectives by strengthening the partnership with government to maximize production from and investment in the petroleum industry
- Promote exploration investment to increase reserves and production
- Promote gas exploration and development investment by enhancing upstream economic viability and securing clarity and certainty over key gas issues
- Improve Indonesia’s investment competitiveness with respect to taxation by taking opportunities presented in the new tax law to harmonize conflicting laws and regulations
- Enhance investment efficiency by streamlining the VAT and Duties regime where different procedures apply to different vintages of PSC
- Promote industry as an employer of choice and enhance total workforce capabilities



Each of these objectives contained specific action items that were subsequently assigned to the Board or a specific Committee to champion. Details are shown in Figure 4 and discussed further in this report.

With these objectives in mind, the IPA Board and the Convention Committee framed our annual convention around enhancing investment and partnerships with the theme:

“Promoting Investment through Partnership”

The convention was well supported with registration exceeding 2300 attendees. Opening speeches by the President of the Republic of Indonesia, Dr. Susilo Bambang Yudhoyono, and Minister of Energy and Mineral Resources, Dr. Purnomo Yusgiantoro and keynote speeches by Chairman and CEO – Total, Mr. Christophe de Margerie and Minister of Finance, Dr. Sri Mulyani, set the stage for the two plenary sessions that followed. Participants in those two sessions included Director General of MIGAS, Ir. Luluk Sumiarso, and Chairman of BPMIGAS, Dr. Ir. Kardaya Warnika.

In his report, the Convention Chairman has provided additional summary details of the convention. Also in the Treasurer’s report, you will notice the much welcomed financial contribution to the IPA balance statement. Planning is now underway for next year’s convention which is scheduled for 27 – 29 May 2008.

IPA PERFORMANCE AGAINST OBJECTIVES

2007 IPA Objectives	Progress Against Objectives
<p><input type="checkbox"/> Support government petroleum sector objectives by strengthening the partnership with government to maximize production from and investment in the petroleum industry. Do this by:</p> <ul style="list-style-type: none"> • Institutionalizing dialogue with ESDM, MIGAS & BPMIGAS through regularly scheduled meetings • Leveraging IPA’s position & full membership involvement to timely respond to GOI requests for industry input to government initiatives • Demonstrating IPA’s commitment to the 'National Interest' • Develop stakeholder engagement plans to identify how IPA will engage other institutions, organizations and government entities • Work collaboratively with GOI in response to the production 	<ul style="list-style-type: none"> • Established regular meetings with Minister ESDM, DirGen MIGAS & Chairman BPMIGAS in February but frequency has fallen off. • BoD & IPA Committees continued to respond to requests for input on Tax, Draft GRs and Cost Recovery issues • Fiscal Term Study, Tax White Paper and 2006 Draft PSC submitted to relevant GOI entities, but follow-up dialogue with IPA has been minimal • Conducted initial introductory meetings with newly formed Team 12 but no subsequent requests for meetings from the Team • Formed two Industry teams to review BPMIGAS procedures related to AFE approval process and Procurement procedures; initial meetings with BPMIGAS staff suggested quick solutions would not be easily achievable • Some progress being made with the



<p>growth challenge by identifying specific actions and process improvements to effect a step change in industry activity</p>	<p>Procurement team in presenting alternatives to BPMIGAS</p> <ul style="list-style-type: none"> • IPA Environmental & Safety Committee has continued to provide support & input to the Ministry of Environment on the revitalization of the PROPER initiative and drafting of new environmental regulations
<p><input type="checkbox"/> Promote Exploration Investment to increase reserves and production</p> <ul style="list-style-type: none"> • Complete socialization of Fiscal Terms Study with BPMIGAS • Incorporate recommendations on tax and duty issues and fully integrate with Fiscal Terms Study to enhance overall exploration investment competitiveness • Review BPMIGAS regulatory procedures and develop industry position paper for generating future dialogue • Follow-up on IPA response to GR 35 through further dialogue with relevant authorities 	<ul style="list-style-type: none"> • Fiscal Terms Study completed and submitted to BPMIGAS and under internal review • VAT for post 2001 PSC's is still being worked by Tax Committee with DirGen Tax with requests for more information • Regulatory Committee submitted two responses to draft GR 35, limited incorporation of IPA comments. • IPA Officers met with DirGen MIGAS to express concerns & need for IPA input in GR 35 and new regulation on Cost Recovery • Board attendance at ESDM organized Seminar on Cost Recovery; an IPA member company presented compelling case for status quo.
<p><input type="checkbox"/> Promote Gas Exploration and Development investment by enhancing upstream economic viability and securing clarity and certainty over key gas issues.</p> <ul style="list-style-type: none"> • Ability to Export. • Gas DMO volumes & pricing. • Seller's appointment and liability issues. • Fiscal Terms • Develop an IPA response the GOI gas balancing study 	<ul style="list-style-type: none"> • MIGAS published the Indonesian Natural Gas Balance Study, a good first step but uncertainty how it will be used to make gas market decisions • Decisions on future LNG and natural gas exports being made on a case by case basis • Gas sales in some markets are beginning to reflect slightly higher prices reflecting a move by GOI to recognize industry requirements for competitive pricing to justify new developments • Lots of talk about incentives but difficult to rationalize need in high oil price environment • Response to GBS on hold due to high political sensitivity to domestic vs export issues
<p><input type="checkbox"/> Improve Indonesia's investment competitiveness with respect to taxation by taking opportunities presented in the new tax law to</p>	<ul style="list-style-type: none"> • Tax Committee continues to pursue this issue but resolution proving difficult due to conflicting laws and inability to isolate issues to just O&G

<p>harmonize conflicting laws and regulations. Follow three principles:</p> <ul style="list-style-type: none"> • Clarity, Certainty and Consistency of taxation regime. • Maintaining the Uniformity Principle. • Encouraging Exploration Investment. • Assist MIGAS/BPMIGAS in defense of cost recovery model with a focused educational campaign 	<p>industry and to reach common ground on what is best for GOI and Industry</p> <ul style="list-style-type: none"> • Certain GOI entities still reluctant to recognize uniformity principle and give O&G industry what they perceive as special treatment • Continue to express concerns regarding drafting of a Cost Recovery regulation but proving difficult to demonstrate that current system is in alignment with basic PSC principles
<p><input type="checkbox"/> Enhance investment efficiency by streamlining the VAT and Duties regime where different procedures apply to different vintages of PSC.</p> <ul style="list-style-type: none"> • Advocate for reinstatement of VAT deferral while working with authorities to reduce backlog and stream line reimbursement procedures. • Secure extension of PMK 6/21 past June 2006 and expansion to include VAT and tax on imports. • Focus on securing final determination of the Master List 	<ul style="list-style-type: none"> • Tax Committee continues to work IPA tax issues and concerns with the Tax Office, but progress remains slow • Tax office requesting more information to better understand the magnitude of the issues and to make more informed decisions • Exemption on Temporary Imports expired and MoF did not issue extension, thus • Customs Office now imposing Import Duties and VAT based on equipment value which is also subject to interpretation • In addition Customs are also imposing tax on imports based on cost of work program
<p><input type="checkbox"/> Promote industry as an employer of choice and enhance total industry workforce capabilities</p> <ul style="list-style-type: none"> • Grow domestic talent • Address obstacles to infusion of global professional technical resources • Proactively publicize the IPA website as avenue for communication, internal and external • Education and University Sub-Committees to jointly collaborate with universities on curriculum and educator professional growth 	<ul style="list-style-type: none"> • Demand for local talent continues to grow as industry ramps up local hiring programs • Loss of talent to external competitors continues to pose challenges for industry as regulators continue to scrutinize need for infusion of global talent • HR Committee & BPMIGAS are looking into more flexible means of retaining experienced professionals beyond official retirement age • Used IPA Convention to promote IPA website and attendance/participation by university professors and students • Sponsorship opportunities for educational & training institutions are also under consideration by the IPA Board

GENERAL COMMENTARY

Over the past several years as oil production has continued to decline, the IPA has continued to emphasize the necessity of revitalizing investment in the oil and gas sector, particularly with respect to new area licensing and more importantly, the timely execution of exploration programs. The government has taken significant steps in this regard. As shown in Figure 3, there has been a sharp increase over the past five years in the number of new PSCs entered into by a multitude of companies seeking to invest in Indonesia.

To further enhance the awarding of new PSCs, the government issued Ministerial Regulation No. 040/2006 outlining new procedures for the award and offering of oil and gas working areas. This new regulation expanded the mechanisms for acquiring new acreage with the inclusion of a procedure for Direct Offers. To date, many companies have embraced this concept and have entered into Joint Study agreements with MIGAS.

This past October, the government announced plans for another bid round with the inclusion of 26 areas for open tender. How industry views the current investment climate in Indonesia and how that might impact the results of this bid round are questions that time will tell and open for individual interpretation.

The IPA has continued to emphasize the need for a strong investment climate if continued economic recovery is to be realized in this country. Investment is what leads to exploration and with success comes development and production. In the January 2004 President's Report, investment climate was described as the "overall confidence level that allows a company or individual to invest hard-earned limited capital into new and existing business opportunities". Confidence was described as a relative term relating to the sense of wellbeing generated from past experiences, micro-economic stability, political stability, security and the level of uncertainty in investment opportunities.

Based on industry response to new acreage offerings in recent years, it would appear that confidence in the investment climate in the energy sector continues to improve. The IPA has continued to reinforce the need for close cooperation between government and industry to ensure that this upward trend remains solid. As new government laws and regulations are being drafted, the IPA has worked to various degrees with regulators to help ensure that investor confidence is not eroded due to increased economic risk uncertainty.

The risk profile in oil & gas investment decisions goes well beyond just the risk of making a successful geologic discovery. Risks associated with development costs, operating expenses, production volumes, product markets & associated prices, project execution, and fiscal terms & stability are just some of the components that factor into any economic analysis. To the extent that these risk profiles can be mitigated, the easier decisions become.

In this regard, IPA has been working with government to develop procedures for improving Work Program & Budget and AFE approval processes and goods and services procurement regulations. Both government and industry recognize that many of the procedures that are mandated by higher level government regulation often slow down project execution. Our business environment has changed considerably with the increased demand on service providers due to the significant increase in the level of activity in the global energy sector. To secure these services and thus allow timely execution of project schedules, processes and procedures

need to reflect today's business environment while still preserving the need for fair competition, transparency and cost efficiency.

The need to resolve the conflicts between the Tax Law, the Oil & Gas Law and PSC provisions has been long recognized and discussed in a multitude of venues. Late last year, Price Waterhouse Coopers issued their report on "Taxation of the Indonesian Upstream Oil & Gas Industry" which describes in great detail the issues on taxation and offers a roadmap for resolution. The IPA Tax Committee has maintained engagement with the relevant tax departments to develop solutions that meet the requirements of all parties. The report of the Committee is included in this Annual Report and expands on their activities and efforts in this regard.

A major growing concern of the industry with respect to new PSCs awarded under O&G Law No. 22 of 2001 is the expiration in July 2007 of the exemption on Import Duties and the application of VAT and WHT on all imports. Differentiation between permanent and temporary imports no longer exists. With import duties based on the capital value of equipment, the resulting duties and taxes on temporary imports such as drilling rigs and seismic vessels will drastically increase the cost of these exploration activities. The extent to which these costs increase and the added financial risk being placed on investors could adversely impact decisions to continue exploration activity.

Debate continues to escalate on PSC cost recovery with increasing pressure to do something. Many stakeholders misunderstand the principles of cost recovery, what is included in cost recovery, how it is shared and how it is managed by BPMIGAS.

Few will argue that cost recovery levels have increased. As previously mentioned, costs of goods and services have risen significantly due to the flow-on effects of higher energy prices and the simple forces of supply and demand. Development activities in both old and new PSCs are on the rise in response to a concerted effort by Member Companies to arrest production decline and to develop new gas resources. In 2004, a significant increase in cost recovery levels occurred when the national oil company cost recovery values were added on a go-forward basis to the cost recovery statistics published by BPMIGAS and shown in Figure 10.

A principle component of the PSC model is cost recovery. Companies do not spend more just because cost recovery exists and government does not bear 100% of the cost recoverable expenditure pool. PSC operators also bear their equity percentage of the cost recovery pool and depending on the specific expenditure category, full recovery can span several years. For PSCs in their exploration phase, cost recover is not a certainty and is only realized in the case of success from production revenue generated within the PSC.

Cost recovery is essentially no different than deductible costs in other businesses for the purpose of calculating taxable income. At a seminar arranged by ESDM, one of our IPA colleagues delivered a well prepared and informative presentation on cost recovery in support of our position on this important issue. Currently, MIGAS is considering publishing a list of expenditure categories that will be non-deductible from cost recovery irrespective if those expenditures were previously approved and allowed for deduction. Shifting this financial burden to the PSC operators will heighten the risk profile on fiscal certainty that is always of concern to many investors.

Domestic versus export marketing of gas has also been the focus of much attention in recent years as the country strives to reduce its consumption of liquid fuels by

conversion to natural gas and LPG. Decisions in this regard as well as those involving export sales are complex in nature with many factors and stakeholders to consider. Indonesia has significant reserves of natural gas. Annual production volumes have shown steady growth and this trend is expected to continue as new development projects mature and come on stream. Critical to achieving this anticipated growth, is the need for timely decisions with regards to markets and prices.

A positive step taken by government this year was the completion of an Indonesian Natural Gas Balance Study. The study focused on gas supply resources and likely gas demand on a regional basis for the next nine years. The output from this study will enhance the decision making capabilities of the government as it strives to develop a comprehensive strategy to manage its gas business from both regional and national perspectives. The study also provides investors with information that will assist in their assessment of risk in evaluating gas exploration and development opportunities.

This year, Indonesia will host the United Nations Framework Convention on Climate Change. The convention is expected to bring together representatives of over 180 countries, observers from intergovernmental and non-governmental organizations and the media. Many IPA member companies will be supporting the Government of Indonesia's Energy Villa Booth. Our industry can be extremely proud of the leadership role we have played in promoting responsible CSR and the substantial investments that industry, in partnership with government, have jointly made in this regard. This convention will provide our industry with a unique opportunity to demonstrate our long standing commitment to corporate social responsibility particularly with respect to protecting the environment, investing in renewable energy and technology and conservation and efficiency.

IN CONCLUSION

Investor interest in exploration and production in Indonesia continues to remain high as demonstrated by the sharp increase in PSC awards and the numerous development projects underway and in the design stage. Maintaining or more preferably increasing this level of interest is essential for Indonesia to attract the global upstream investment capital needed to restore production growth and re-establish self-sufficiency.

The IPA remains committed to our long term objective of working collaboratively with all stakeholders to enhance the future of the petroleum industry in this country. Developing mutual trust and respect amongst stakeholders, recognizing the highly competitive and changing business environment and fostering a high level of investor confidence will ensure achievement of that objective.

On a personal note, it has been my esteemed privilege to have been appointed to the IPA Board as a Director and to serve as President this year. I would like to thank my colleagues in Government, the Board of Directors, the Chairpersons and members of the IPA Committees and the IPA membership for your support and dedication during my tenure in pursuit of achieving our goals and objectives.

ATTACHMENTS

Figure 1

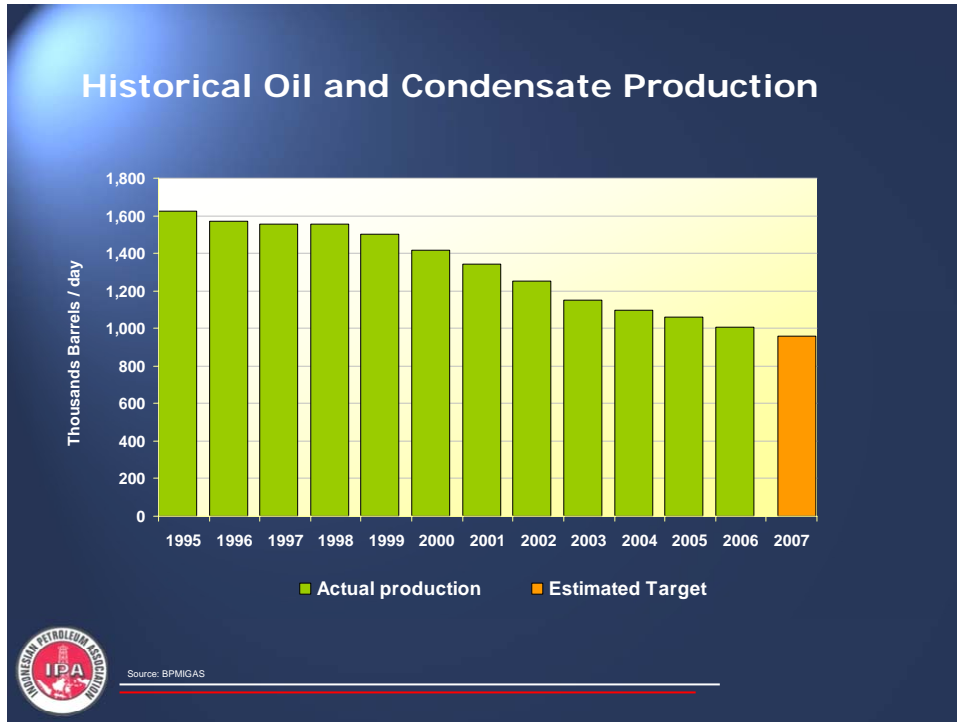


Figure 2

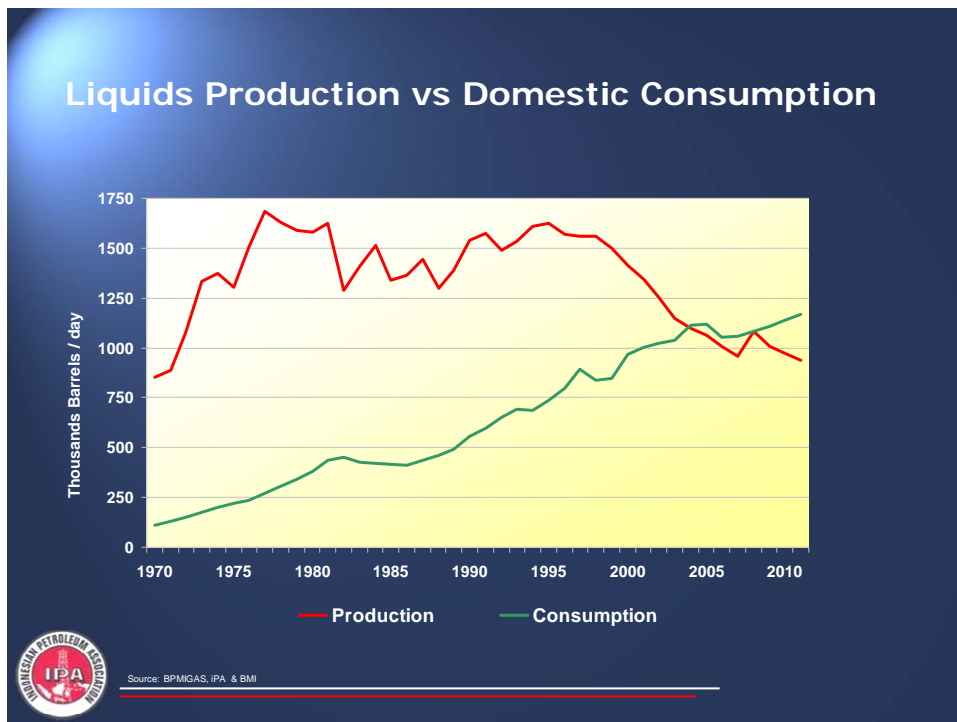


Figure 3

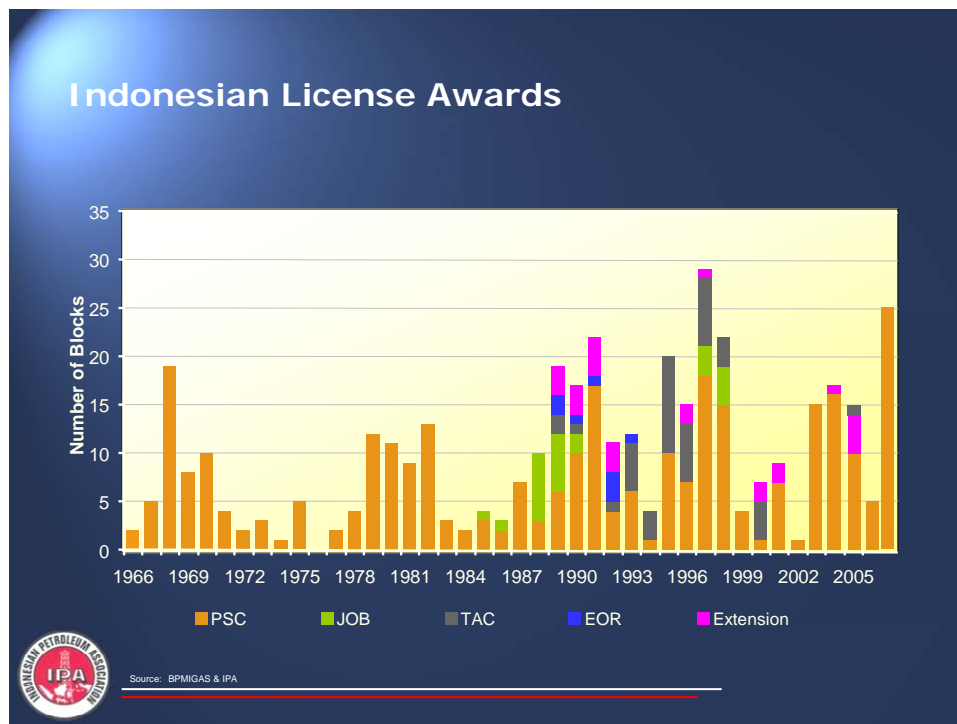


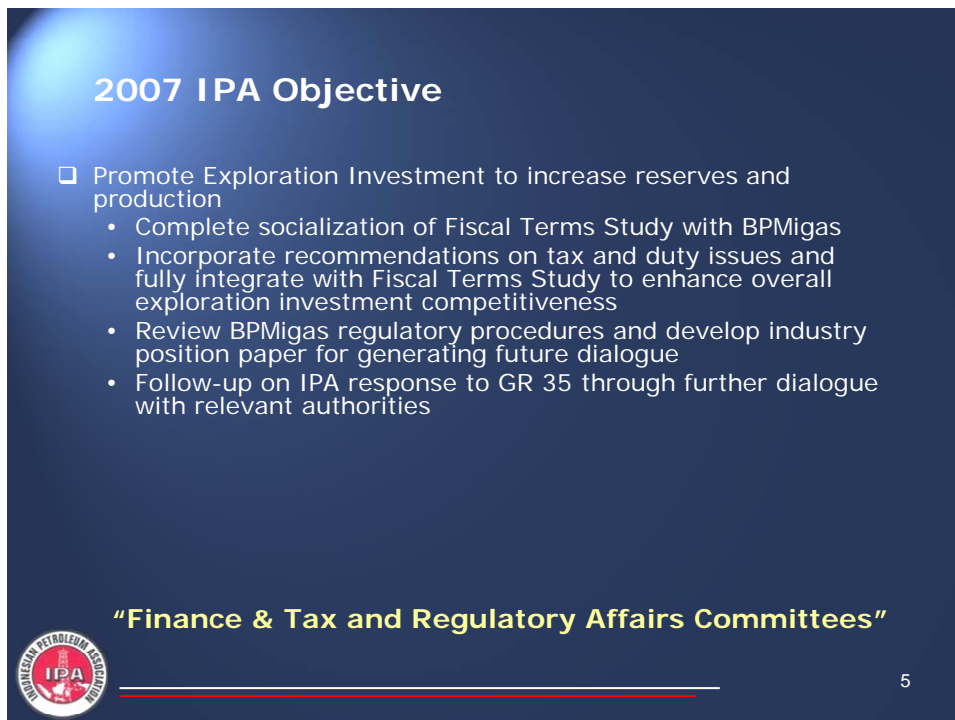
Figure 4

2007 IPA Objective

- Support government petroleum sector objectives by strengthening the partnership with government to maximize production from and investment in the petroleum industry. Do this by:
 - Institutionalizing dialogue with ESDM, Migas & BPMigas through regularly scheduled meetings
 - Leveraging IPA's position & full membership involvement to timely respond to GOI requests for industry input to government initiatives
 - Demonstrating IPA's commitment to the 'National Interest'
 - Develop stakeholder engagement plans to identify how IPA will engage other institutions, organizations and government entities
 - Work collaboratively with GOI in response to the production growth challenge by identifying specific actions and process improvements to effect a step change in industry activity

"IPA Board"


Figure 5



2007 IPA Objective

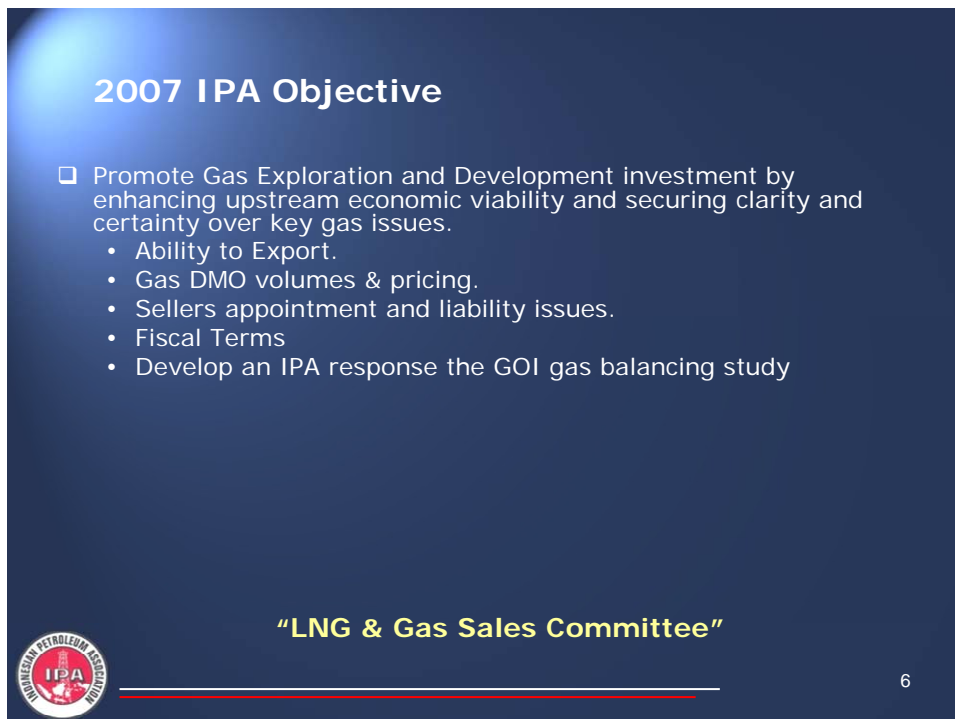
- Promote Exploration Investment to increase reserves and production
 - Complete socialization of Fiscal Terms Study with BPMigas
 - Incorporate recommendations on tax and duty issues and fully integrate with Fiscal Terms Study to enhance overall exploration investment competitiveness
 - Review BPMigas regulatory procedures and develop industry position paper for generating future dialogue
 - Follow-up on IPA response to GR 35 through further dialogue with relevant authorities

“Finance & Tax and Regulatory Affairs Committees”



5


Figure 6



2007 IPA Objective

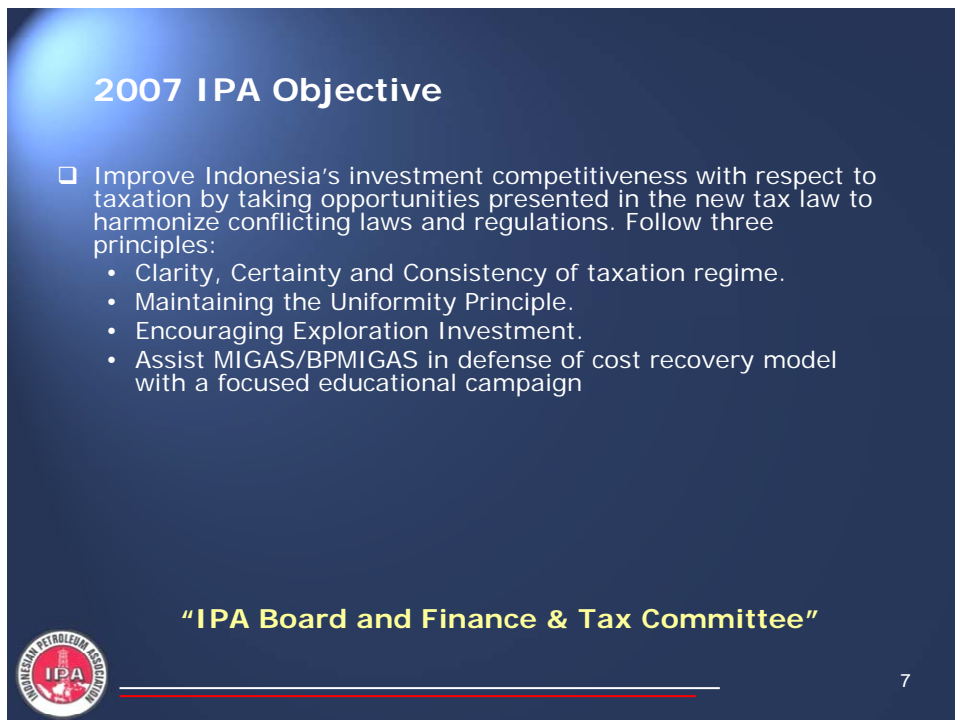
- Promote Gas Exploration and Development investment by enhancing upstream economic viability and securing clarity and certainty over key gas issues.
 - Ability to Export.
 - Gas DMO volumes & pricing.
 - Sellers appointment and liability issues.
 - Fiscal Terms
 - Develop an IPA response the GOI gas balancing study

“LNG & Gas Sales Committee”



6


Figure 7



2007 IPA Objective

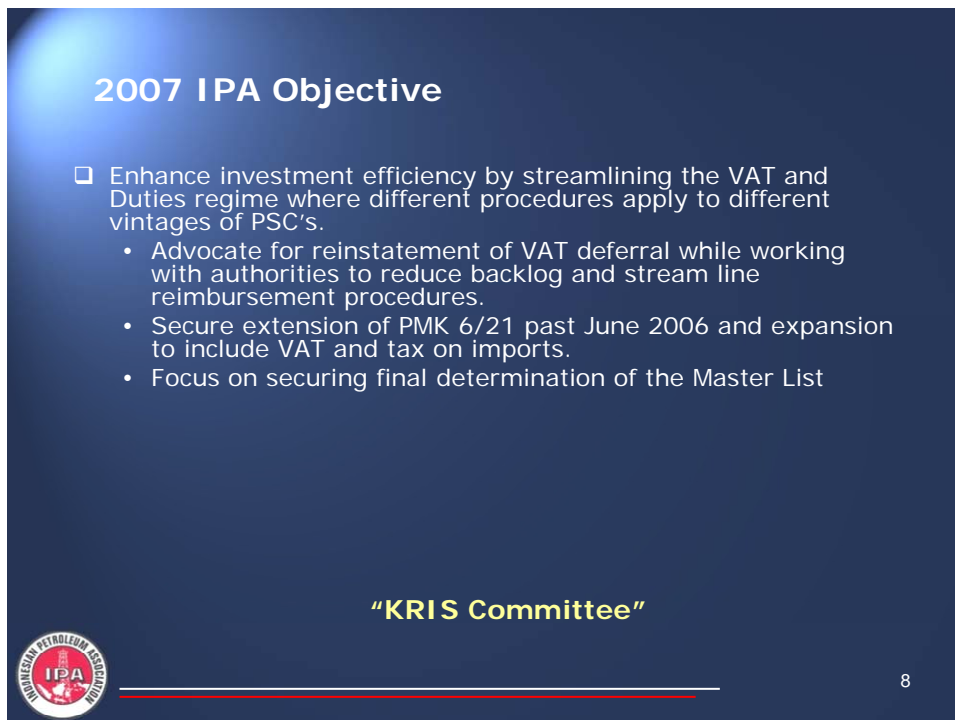
- Improve Indonesia's investment competitiveness with respect to taxation by taking opportunities presented in the new tax law to harmonize conflicting laws and regulations. Follow three principles:
 - Clarity, Certainty and Consistency of taxation regime.
 - Maintaining the Uniformity Principle.
 - Encouraging Exploration Investment.
 - Assist MIGAS/BPMIGAS in defense of cost recovery model with a focused educational campaign

"IPA Board and Finance & Tax Committee"



7


Figure 8



2007 IPA Objective

- Enhance investment efficiency by streamlining the VAT and Duties regime where different procedures apply to different vintages of PSC's.
 - Advocate for reinstatement of VAT deferral while working with authorities to reduce backlog and stream line reimbursement procedures.
 - Secure extension of PMK 6/21 past June 2006 and expansion to include VAT and tax on imports.
 - Focus on securing final determination of the Master List

"KRIS Committee"




8

Figure 9

2007 IPA Objective

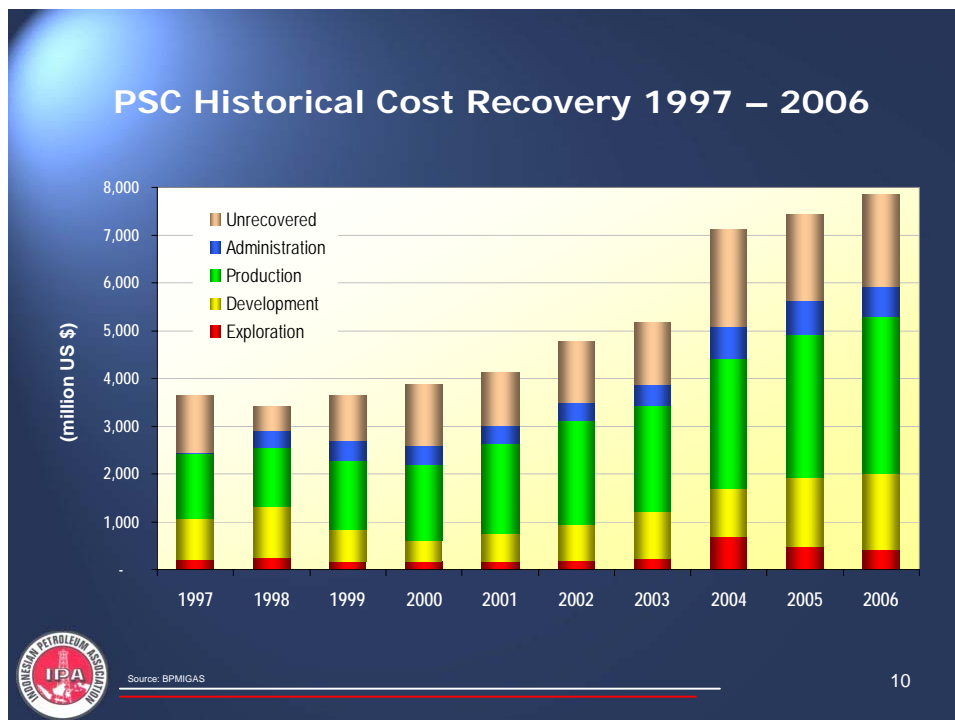
- Promote industry as an employer of choice and enhance total industry workforce capabilities
 - Grow domestic talent
 - Address obstacles to infusion of global professional technical resources
 - Proactively publicize the IPA web-site as avenue for communication, internal and external
 - Education and University Sub-Committees to jointly collaborate with universities on curriculum and educator professional growth

"University Committee and Professional Division"



9

Figure 10



SECTION 2

TREASURER'S REPORT
FINANCIAL YEAR 2006

by

Philippe Armand
Treasurer of IPA Board of Directors



TREASURER'S REPORT

Financial Year 2006 and 2007 highlights

The IPA Audited Statement of Revenue & Expenses for the year ending December 31, 2006 shows excess of revenues over expenditures which resulting a net surplus of Rp. 411.1 million after corporate income tax: Rp.236 million versus a forecast surplus of Rp.10 million for the year. The variance of Rp.401.1 million in revenues is largely the result of a stellar performance by the Professional Division which contributed a surplus of Rp.2.07 billion (versus Rp.1.1 billion budgeted) from a series of well attending training activities and surplus from IPA Joint Conference with IAGI-IATMI-HAGI-SEG.

Opening balance for the year 2006 is Rp.2.805 billion. During the year 2006 a net increase in cash equivalent to Rp.1.606 billion which resulted an ending balance cash and cash equivalent of Rp.4.411 billion.

The IPA funds are managed through the use of Rupiah and US Dollar bank accounts with the surplus funds invested in US Dollar denominated time deposit certificates earning on averages for Rupiah in 2006 ranged from 8.00 % to 9.50 % per annum. US Dollar deposits during 2006 ranged from 3.25 % to 4.00 % .

The IPA's Audited Financial Statements 2006 are issued by the public accounting firm of Purwantono, Sarwoko & Sandjaja Ernst and Young.

Financial Highlights 2007.

The surplus for Rp.4.563 billion recorded up to October 2007 which mainly come from 2007 IPA Convention. IPA Board has decided to allocate unbudgeted fund for office relocation in December 2007 approximately for the amount of Rp.1.792 billion; however, the office relocation cost for year 2007 will be approximately Rp.360 million only. The ending balance 2007 surplus is estimated for Rp.3.493 billion and taking into account the Corporate Income Tax 2007 for Rp.1.223 billion (tariff 35 %), which resulted the net surplus for 2007 (after tax) approximately for Rp.2.270 billion.

Indonesian Petroleum Association 2006 Net Income

(in Thousand Rupiah)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues	4,597,951	3,302,900	1,295,051
Expenses	4,186,797	3,292,900	893,897
Operating Surplus / (Deficit)	411,154	10,000	401,154
Net Income	411,154	10,000	401,154

Indonesian Petroleum Association 2006 Cash Flow

(in Thousand Rupiah)

Opening Balance		2,804,894
Operating Surplus/ (Deficit)		647,828
Depreciation		59,132
Net (Decrease) / Increase in cash and cash equivalents	1)	899,520
* Net increase (decrease) period operation		1,606,480
 Balance @ December 31 , 2006		4,411,374

Notes : 1)	- Account Receivable and Prepayment	(50,165)
	- Employee loans receivable	(14,439)
	- Inventory	3,101
	- Deposits	(21,178)
	- Account Payable and accrued liabilities	887,327
	- Taxes payable	(16,302)
	- Others payable	(22,000)
	- Corporate income tax paid	(46,750)
	- Reversal of allowance for doubtful accounts	(7,432)
	- Employee service entitlements exp.	187,358
		899,520
		899,520

Indonesian Petroleum Association 2006 Revenues

(in Thousand Rupiah)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Company & Associate Dues	2,401,179	2,122,900	278,279
Convention Surplus	0	0	0
Professional Division Surplus	2,075,111	1,100,000	975,111
Sale of Publications	70,410	50,000	20,410
Sale of Seismic Atlas	0	0	0
Bank Interest, Other	51,251	30,000	21,251
	<hr/> 4,597,951	<hr/> 3,302,900	<hr/> 1,295,051
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Indonesian Petroleum Association 2006 Expenses

	(in Thousand Rupiah)		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
University Assistance Committee	317,228	391,000	(73,772)
Regulatory Affair Committee	12,176	20,000	(7,824)
LNG & Gas Sales Committee	0	20,000	(20,000)
Finance Committee	24,960	550,000	(525,040)
Environmental Affairs Committee	846	7,000	(6,154)
Communication Committee	215,003	30,000	185,003
General & Administration *)	1,313,826	761,900	551,926
Salaries & Benefit	1,465,683	1,513,000	(47,317)
Special Project	837,075	0	837,075
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	4,186,797	3,292,900	893,897
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Notes :

*) = Explained on the 2006 G & A

Indonesian Petroleum Association 2006 General & Administrative Expenses

	(in Thousand Rupiah)		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Printing & Reproductions	23,576	34,000	(10,424)
Postage & Mails	8,523	11,000	(2,477)
Bank Charges	4,571	9,000	(4,429)
Travel & Employee training	16,971	17,900	(929)
Telephone & Facsimile	44,256	42,000	2,256
AGM Meeting	131,118	65,000	66,118
Office Supplies	64,429	45,000	19,429
Office Maintenance & Renovation	39,790	4,000	35,790
Photocopy Equipment Rental	12,223	40,000	(27,777)
Public Accountant/Tax Consultant	157,695	85,000	72,695 (**)
Office Rental (Incl.Electricity)	325,232	315,000	10,232
Transportations	61,249	45,000	16,249
Foreign Exchange (Gain)	118,492	0	118,492
Corporate Income Tax Current	236,932	0	236,932
	-----	-----	-----
Total	1,313,826	761,900	551,926
	=====	=====	=====

Notes :

(**) Tax consultants fees being 2001 Tax Audit by KARIPKA / Tax government
Unbudgeted

Indonesian Petroleum Association
CASH FLOW

YEAR TO DATE OCTOBER 31 , 2007

(Rp.000s)

	<u>YTD</u> 2007 ACTUAL
Opening Balance January 1, 2007	4,411,374
Net Operating Surplus / (Deficit)	4,563,969
Surplus adjustment year to date depreciation	13,698
General Fund	
Changes in Working Capital	
Collection of Prof. Div. Account Receivable	118,517
Collection of 2005, IPA Convention Acc. Receivable	0
Increase of 2006 IPA Convention Acc. Receivable	(105,781)
Collection of Employees Personal Loans Acc. Recv.	0
Additional of Employees Personal Loans Acc. Recv.	(119,239)
Prepayment of 2006 Office Rent & other prepayment	(1,512)
Payment of 2005,06 Account Payable	(1,056,374)
Collection 2006 Account Receivable, Jak2006 Conv	481,308
Other: Inventory	1,267
	<hr/>
	8,307,227
	<hr/>

Indonesian Petroleum Association STATEMENT OF REVENUE & EXPENSE

OCTOBER 31, 2007

(Rp.000s)

	YTD ACTUAL	AVG. YTD. 2007 BUDGET	FULL YEAR 2007 BUDGET
<u>REVENUES</u>			
Company & Associate Membership Dues	2,041,220	1,735,500	2,082,600
2007' IPA Convention	3,768,105	1,581,667	1,898,000
Professional Division Surplus / (Deficit)	1,275,426	333,333	400,000
Sale of Publications	7,450	33,333	40,000
Bank Interest, Other	10,729	20,833	25,000
	7,102,930	3,704,667	4,445,600
<u>EXPENDITURES</u>			
University Assistance Committee	252,593	325,833	391,000
Regulatory Affair	0	33,333	40,000
LNG & Gas Sale Committee	0	16,667	20,000
Finance Committee	0	458,333	550,000
Environmental Affairs Committee	11,882	5,833	7,000
Communication Committee	126,532	208,333	250,000
General & Administrative	619,936	826,417	991,700
Salaries & Employee Costs	1,385,915	1,365,500	1,638,600
Special Project (PwC & WMc) **	0	416,667	500,000
	2,396,858	3,656,917	4,388,300
NET OPERATING SURPLUS (DEFICIT)	4,706,072	47,750	57,300
Income Tax / Corporate Tax Est.2007	142,103		
NET SURPLUS AFTER TAX	4,563,969		



Indonesian Petroleum Association STATEMENT OF REVENUE & EXPENSE

L.E. DECEMBER 31, 2007

(Rp.000s)

	OCT.31,2007 YTD ACTUAL	DECEMBER 31 2007 OUTLOOK	FULL YEAR 2007 BUDGET
REVENUES			
Company & Associate Membership Dues	2,041,220	2,126,720	2,082,600
2007' IPA Convention	3,768,105	3.612.000	1,898,000
Professional Division Surplus / (Deficit)	1,275,426	1.287.000	400,000
Sale of Publications	7,450	7.450	40,000
Bank Interest, Other	10,729	12.000	25,000
	7,102,930	7.045.170	4,445,600
EXPENDITURES			
University Assistance Committee	252,593	391.000	391,000
Regulatory Affair	0	0	40,000
LNG & Gas Sale Committee	0	0	20,000
Finance Committee	0	0	550,000
Environmental Affairs Committee	11,882	55.000	7,000
Communication Committee	126,532	126.532	250,000
General & Administrative	619,936	983,507	991,700
Salaries & Employee Costs	1,385,915	1,636,611	1,638,600
Office Relocations - Dec. 07 exp. *)	0	360.000	0
Special Project (PwC & WMc) **	0	0	500,000
	2,396,858	3.552.650	4,388,300
NET OPERATING SURPLUS (DEFICIT)	4,706,072	3.492.520	57,300
Income Tax / Corporate Tax Est.2007	142,103	1.222.382	
NET SURPLUS AFTER TAX	4,563,969	2.270.138	



INDONESIAN PETROLEUM ASSOCIATION
BALANCE SHEET
AS AT DECEMBER 31, 2006 AND DECEMBER 31, 2005
(Rp'000)

	AUDITED DEC.31.06	AUDITED DEC.31.05
ASSETS		
Current Assets :		
Cash On Hand and in Banks	3,219,374	2,047,894
Time Deposits	1,192,000	757,000
2005 , 06 Convention Receivable	484,369	453,830
Account Receivable	239,072	467,297
Account Receivable - 1987/88 Tax Refunds	0	21,042
Current Portion of Employee Loans Receivable	27,225	12,786
Inventory	163,722	166,823
Prepaid	338,081	95,333
Bad Debt	0	(3,716)
Total Current Assets	5,663,843	4,018,289
Fixed Assets at cost :		
Office Furniture & Fixtures	20,300	20,300
Office Machines	443,068	390,268
Accumulated Depreciation	(380,485)	(319,592)
Deferred Tax Assets		
Employee Loans Receivable	82,883	90,976
	0	0
TOTAL ASSETS	5,746,726	4,109,265
LIABILITIES AND ACCUMULATED SURPLUS		
Current Liabilities :		
Account Payable and Accrued Liabilities	1,872,552	985,225
Corporate Income Tax Payable	209,196	35,316
Total Current Liabilities	2,081,748	1,020,541
Non Current Liabilities :		
Liability for Severance Payments	1,075,868	888,510
Other Payable	0	22,258
TOTAL LIABILITIES	3,157,616	1,931,309
Accumulated Surplus	2,589,110	2,177,956
TOTAL	5,746,726	4,109,265

INDONESIAN PETROLEUM ASSOCIATION
BALANCE SHEET
AS AT OCTOBER 31, 2007 AND DECEMBER 31, 2006
(Rp'000)

<u>ASSETS</u>	<u>OCT.31.07</u>	<u>AUDITED DEC.31.06</u>
Current Assets :		
Cash On Hand and in Banks	4,698,701	3,219,374
Time Deposits	3,608,525	1,192,000
2005 , 06 Convention Receivable	108,842	3,061
Account Receivable	120,555	239,072
Account Receivable Others, Jak.2006 Conv.	0	481,308
Account Receivable - 1987/88 Tax Claim	0	0
Current Portion of Employee Loans Receivable	146,464	27,225
Inventory	162,455	163,722
Prepaid	339,593	338,081
Allowance for Bad Debt	0	0
Total Current Assets	9,185,135	5,663,843
Fixed Assets at cost :		
Office Furniture & Fixtures	20,300	20,300
Office Machines	443,068	443,068
Accumulated Depreciation	(394,182)	(380,485)
Deferred Tax Assets	69,186	82,883
Employee Loans Receivable	0	0
TOTAL ASSETS	9,254,321	5,746,726
<u>LIABILITIES AND ACCUMULATED SURPLUS</u>		
Current Liabilities :		
Account Payable and Accrued Liabilities	852,381	1,872,552
Corporate Income Tax Payable	8,337	209,196
Total Current Liabilities	860,718	2,081,748
Non Current Liabilities :		
Liability for Severance Payments	1,240,524	1,075,868
Others Payable	0	0
TOTAL LIABILITIES	2,101,242	3,157,616
Accumulated Surplus	7,153,079	2,589,110
TOTAL	9,254,321	5,746,726

SECTION 3

COMMUNICATIONS COMMITTEE

NO REPORT SUBMITTED

by the

CHAIRMAN

Sonny Kosasih

(TALISMAN ENERGY)



SECTION 4

THE ANNUAL IPA CONVENTION & EXHIBITION COMMITTEE
REPORT OF ACTIVITIES

CHAIRMAN

Maman Budiman

(EXXONMOBIL OIL INDONESIA INC.)



31st ANNUAL IPA CONVENTION & EXHIBITION REPORT

The 31st Annual IPA Convention & Exhibition was successfully held from 14 to 16 May 2007 at the Jakarta Convention Center, bringing together 2,454 registered attendees and exhibitors.

With the theme of "**Promoting Investment Through Partnership**", the Convention was introduced by speeches from the President of the IPA Board of Directors, Mr. Chris Prattini and the Minister of Energy and Mineral Resources, DR. Purnomo Yusgiantoro. The President of the Republic of Indonesia, DR. Susilo Bambang Yudhoyono, then officially opened the Convention followed by a tour to the exhibition booths.

Key notes speech was delivered by the Chairman & CEO of TOTAL, Mr. Christophe de Margerie.

The Convention was closed by the Minister of Energy and Mineral Resources, DR. Purnomo Yusgiantoro at a closing ceremony that was attended by the Secretary General of OPEC, Mr. Abdulla Salem el Badri.

PLENARY SESSIONS

Two sessions included some of the most influential people in the Indonesian oil and gas industry and discussed issues challenging the industry

Day One:

Theme: "**Continuing and Sustaining Investment Efforts to Enhance Energy Sector**".

Keynote speaker: DR. Sri Mulyani, the Minister of Finance of the Republic of Indonesia.

Moderator: Supramu Santosa, Vice President IPA BOD

Panelists:

- Ir. Luluk Sumiarso, Director General of MIGAS
- Chris Newton, EMP
- Ir. Arie H. Sumarno, President Director & CEO Pertamina

Day Two:

Theme: "**Improving Partnership to Maximize Long Term Productivity**".

Moderator: Roberto Lorato, Vice President IPA BOD.

Panelists:

- Dr. Ir. Kardaya Warnika, Chairman of BPMIGAS
- Ir. Hilmi Panigoro, CEO MEDCO
- David Tournadre, President Director Schlumberger Geophysics Nusantara
- John Minge, President of BP Indonesia

TECHNICAL PROGRAM

1. **Oral Presentations : 81**
consisted of 77 Professional presentations and 4 Student presentations.
3 professional papers and 1 student paper received the best paper awards.
2. **Poster Presentations: 25**
consisted of 14 Professional posters and 11 Student posters.
2 professional posters and 1 student poster were awarded as best posters.

SHORT COURSES

1. *May 7 - 11, 2007*
Reservoir Geology
2. *May 12 - 13, 2007*
Cenozoic Tectonics of Indonesia: Problems & Models
3. *May 12, 2007*
Understanding the Indonesian Upstream Oil & Gas Industry
4. *May 13, 2007*
The Assessment, Classification and Reporting of Reserves and Resources
5. *May 18 - 19, 2007*
Borehole Geophysics: Theory and Practice
6. *May 11 - 12, 2007*
Seismic Stratigraphy and Seismic Geomorphology into the 21st Century.

FIELD TRIPS

- 18th – 22nd May 2007*
Carbonate Model and Petroleum System of South Sulawesi

EXHIBITION

One hundred and twelve (112) exhibitors participated in the exhibition. They are:
22 PSC's,
71 Services companies,
1 Embassy (Canadian Embassy), and
18 Universities/Media.

Approximately 3000 people visited the booths.

BUDGET

The Convention & Exhibition has earned a budget surplus of Rp. 3.6 billion resulted from net revenue of Rp.12.4 billion against expenditures of Rp. 8.8 billion.

32nd ANNUAL IPA CONVENTION & EXHIBITION PLAN

27 - 29 May 2008

The 32nd Annual IPA Convention & Exhibition will be held on 27 through 29 May 2008 at the Jakarta Convention Center.

The Boards has approved the theme of Convention, i.e. "**Meeting Energy Challenges Through Cooperation**". It is planned to invite the President of the Republic of Indonesia to open the convention and exhibition. The President of the IPA Board of Directors and the Minister of Energy and Mineral Resources of the Republic of Indonesia will give speeches in the opening ceremony. The Committee is now approaching some major companies CEO's to determine their availability to deliver the key notes.

Members of the 32nd IPA Convention & Exhibition Committee are listed below:

General Chairman	:	Maman Budiman	(ExxonMobil Oil Indonesia)
General Vice Chairman	:	Ananda Idris	(Total Indonesie)
		A.H. Batubara	(Chevron)
Advisors	:	Suyitno Patmosukismo	(IPA)
		Wursitaningari	(IPA)
IPA Secretariat	:	Audrey Sahertian	(IPA)
		Nevi Septianti	(IPA)

<u>Sub-Committee</u>	<u>Chairperson</u>	<u>Vice-Chairperson</u>
Exhibition	Moh. Berli (Total Indonesie)	Ivan Sebayang (ConocoPhillips)
Finance	Freddy (PetroChina)	Moenartioso Moenarjo (Eni Indonesia)
		Edy Jusuf Siswoyo (IPA)
Plenary	Iswani Waryono (Murphy Oil)	Fanny Herawati (Haliburton)
Publicity	Deva Rachman (ExxonMobil Indonesia)	Desy Unidjaja (BP)
Reception	Joang Laksanto (ConocoPhillips)	Ratna S. Novianti (Chevron)
Security	Gunarsito (Petrochina)	Untung Medianto (CNOOC)
Short Course	Leonard Lisapaly (Fugro-Jason)	Sigit Sukmono (ITB)
Golf	Jacob Kastanja (BP)	Franky Tungka (Star Energy)
		Tjut Hamzah (Vico)
Social	Ratih Indra (Premier Oil)	Nova Artika (Talisman)
Sponsorship	Handoyo Eko Wahono (BPMIGAS)	Suprijonggo Santoso (Saripari)
Student Volunteer	Fitrix Putro (CNOOC)	Irma Hermawaty (Vico)
Technical Program	Greg Harris (Santos)	Moh. Syaiful (ETTI)



PLENARY SESSIONS

Two plenary sessions are set to discuss how all stakeholders can work together to help meet the country's growing energy demands. First session will focus on a follow up to the last convention's discussions on how to increase investment and accelerate the development, while the second session will bring up other issues challenging our industry such as environmental and CSR.

TECHNICAL PROGRAM

A preliminary call for papers has been sent to producers, service companies, government agencies, universities and students. The due date for abstracts is first week of December 2007 with a target of 150 abstracts of which 85 will be selected for oral presentation, and 20 for poster presentations.

EXHIBITION

The Committee is targeting approximately 100 exhibitors to participate. To date about 60 companies have expressed their intention to reserve booths, of which 24 has been booked.

SOCIAL ACTIVITIES

Two events will be held to provide opportunity for all participants to socialize in informal settings. A golf tournament will be held on 25 May 2007 and a gala dinner on 27 May 2007.

BUDGET

The committee has set a budget to earn Rp. 12.4 billion in revenue against expenditures of Rp. 10.2 billion. The target surplus is Rp. 2.2 billion. Details of budget are provided in the table below:

32ND ANNUAL CONVENTION, 27 - 29 MAY 2008 INDONESIAN PETROLEUM ASSOCIATION				
NO.	BUDGET CATEGORY	2007 BUDGET	2007 ACTUAL	2008 BUDGET
A. REVENUES				
1	Registered Booth Assistant : 200 persons @\$85 (last conv. @\$75)	135,000,000	154,011,715	153,000,000
2	Convention Fees: 1,500 persons @Rp.2,500,000 (last conv. @Rp.2,250,000)	3,375,000,000	3,413,923,530	3,750,000,000
3	Golf Fees: 135 persons @Rp.1,500,000 (last conv. @Rp.1,500,000)	202,500,000	131,470,000	202,500,000
5	Tech. Program Comm/Ind'l Booths: 2554 sqm x \$279 (last conv. \$279)	6,414,705,450	7,150,705,708	7,200,000,000
6	Deduction for Withholding Tax 10% on Booth Revenue	(641,470,545)	(155,815,280)	(300,000,000)
7	Sponsorship	1,813,500,000	1,674,407,500	1,400,000,000
TOTAL CASH RECEIVED		11,299,234,905	12,368,703,173	12,405,500,000
B. EXPENDITURES				
1	Secretariat and System	175,500,000	183,312,185	605,000,000
2	Technical Program Committee	842,917,600	795,095,438	1,288,000,000
3	Social Committee	2,688,366,000	2,703,239,445	2,973,563,390
4	Reception Committee	921,592,360	969,802,343	1,066,782,577
5	Registration Committee	403,000,000	424,762,641	200,000,000
6	Exhibition Committee	2,042,533,602	2,206,342,474	2,426,976,721
7	Golf Committee	347,500,000	338,781,574	347,500,000
8	Finance Committee	25,250,000	9,180,235	35,000,000
9	Plenary Session	85,000,000	123,942,023	138,000,000
10	(Gain) / Loss on Exchange Rate - Finance Committee	-	(11,722,332)	-
11	Media Week / Publicity Committee	555,856,694	468,166,889	514,983,578
12	Student Volunteer Committee	116,700,000	113,100,000	124,410,000
13	Security Committee	345,800,000	333,391,900	366,731,090
14	Sponsorship Committee	130,000,000	101,759,700	130,000,000
TOTAL EXPENDITURES		8,680,016,256	8,759,154,515	10,216,947,356
C. SURPLUS		2,619,218,649	3,609,548,658	2,188,552,644

Exchange Rate for Budget: US\$ 1 = Rp.9,000.-

SECTION 5

**DATA MANAGEMENT COMMITTEE
REPORT ON 2007 ACTIVITIES**

CHAIRMAN

Prajuto

(MEDCO E&P INDONESIA)

DATA MANAGEMENT COMMITTEE

Report of 2007 Activities and 2008 Objectives

PURPOSE (as in IPA DMC Charter):

The Data Management Committee serves as a standing committee to the IPA Board of Directors on:

1. Matters involving management and regulation of petroleum industry technical data. The committee confers on such matters at the request of the Board of Directors.
2. Makes recommendations to the Board on matters of interest to the IPA membership.
3. Provides a forum for joint cooperation between industry and government organizations in the development of:
 - a. Technical data standards
 - b. Formulation of regulatory requirements
 - c. Design and implementation of government-sponsored technical data management initiatives
 - d. Operation of technical data management systems.

ACTIVE MEMBERSHIP

Prajuto (**Chairman**)

Leo Tjahjadi (**Secretary**)

Medco E&P

BP

Member:

Abi Suyoso

Ellinda Roza

Tutuko Resihadi

Minter Silalahi

Zuki Harahap

Lukman Hidayat

Abdi Mulia

Bambang Muhadi

Forrest Wilson

Dwi Hendayanti

Kukuh Tjatur

BP

Chevron

Chevron

Santos

ConocoPhillips

ConocoPhillips

Exxon Mobil

Total

Pearl Energy

Pearl Energy

Medco Energy

2007 HIGHLIGHTS

1. Implementing Regulation of Oil and Gas Law No. 22
2. Implementation of Ministry Regulation on the Management and Utilization of Data deriving from General Survey, Exploration and Exploitation of Oil and Natural Gas

Other monitored activities:

1. Data Submission SOP by Pusdatin, that is not included the Committee to endorse the SOP development. The development should be done by all PSC, Pusdatin, BP MIGAS, DitJen MIGAS, and professional association as it was proposed previously. Input has been drafted to the IPA President



-
2. PSC history by MIGAS (productive and exploration areas, reported)
 3. Direct production data capture (Scada system by MIGAS, reported)
 4. Production and Sales data standard (BPMIGAS, reported)
 5. KM sharing (shared once)

ISSUES

- Data submission that including data loading decision from Pusdatin.
 - .. 2007 cost is not in Budget, neither the AFE
 - .. Not in 2008 budget plan
- Recommendation: Conduct a meeting with BPMIGAS prior the implementation of the regulation

2008 OBJECTIVES

To establish a communication within IPA DM members and with DitJen MIGAS, PUSDATIN and BPMIGAS:

- New Chairman for IPA Data Management Committee
- Providing inputs on the subsequent data management regulation
- Still to find understand and work together to explore opportunities for mutual collaboration on issues of management of oil and gas data:
 - Data Submission by Pusdatin
 - PSC history by MIGAS (productive and exploration areas)
 - Review direct production data capture (Scada system by MIGAS)
 - Production and Sales data standard (BPMIGAS)
- Work together on Knowledge Management (sharing and learning)

SECTION 6

**DOWNSTREAM COMMITTEE
REPORT ON 2007 ACTIVITIES**

CHAIRMAN

Debut Kamajaya

(TOTAL OIL)

DOWNSTREAM COMMITTEE

2007 Highlights and 2008 Agenda

2007 HIGHLIGHTS

IPA Downstream Committee Activities:

- Active committee members represent AKR, British Petroleum, Chevron, Elnusa Petrofin, Petronas, Shell and Total
- There is one new member approved by the Board; Synergy (consultant company).
- Meetings with BPH Migas mostly on PSO issues.
- Meetings with Migas on the fuel spec, PSO and other issues.

Industry and Environment:

- Fuel market price is maintained at the high level since May 2007 and the highest ever during November 2007.
- Government expects fuel subsidy will roar exceeding approved 2007 state budget due to higher product price, higher volume consumption and delayed of conversion program (kerosene to LPG).
- Govt decides for PSO fuels reimbursement figure (avg: MOPS + 13%) for 2007.
- The PSO fuels supply and distribution for 2008 is likely to be given to Pertamina, however there is intention from BPH Migas to be involved and control in the supply/importation of PSO fuels.
- In retail (petrol station) business, new players continue to grow. By end of 2008, Shell operates 20 sites in Jakarta and Petronas operates more than 10 sites in Jakarta and Medan. Pertamina also grows its network at least by 100 sites throughout the country due to the improvement on the fuel retail margin.
- While there are Total and one other local independent company (Sigma Gulf) will enter the market in 2007/2008.
- There are more players enter the fuel market for industry; Chevron, Humpuss and few other independent local companies beside 3 private existing players (Shell, Petronas and AKR). The volume of new players continue to grow Although the new players' volume is growing, it is still considerably small market share compared to Pertamina (4% total industrial fuel market share).

Regulation Issues:

- BPH Migas regulation: PSO Fuels Tender Guideline (still under discussion).
- Requirement to Government to review the BPH Migas regulation No.9 (PSO Fuels and Distribution Zones), in particular to the article of being presence in at least two (2) distribution zones as the condition to be qualified into PSO fuels distribution tender.

Special Issue (Organization – Internal):

- Due to most of active members (Shell, Petronas, BP, Chevron, Total, Elnusa and AKR) is busy with their own business activities, the committee's activities are much less for this year.
- The issues discussed are only around PSO fuels with BPH Migas and Migas and fuels spec with Migas.
- No more significant follow up on the intention from some members to form New Downstream Investor Group as alternative group used for discussion about PSO fuels with Government due to the different interest with Pertamina.

CONCERNS LEFT IN 2007

- The clear road of map of the subsidy elimination program (the duration of the existence of the PSO fuels) and the confident level of the implementation of such road map.
- Fair and equal access to PSO grades if the PSO existence is long term. PSO fuels access if it is long term, it is critical to support economics and stimulates the competition.
- Condition/requirement for the participation to the PSO tender.
- Fuels specification (market friendly).
- BPH Migas fees (the calculation and figure).
- Streamlining of local permits
- Improvement in details of some regulations. Needs for more implementing regulations.

AGENDA IN 2008

- Hold IPA dialogue with relevant authorities
- Access to PSO fuels to new entrants
- Access to existing import/distribution facilities
- Getting industry's messages across to government/authorities
- Getting IPA Board more involved in governmental approach and education of the nature of business

IPA DOWNSTREAM COMMITTEE AHEAD

- Recognition of the organisation's power of influence and strengthening it
- Scope of coverage to enable tackling more relevant common issues such as HSE, technical, commercial, local government & communications
- New organisation structure to anticipate changes in industry and to promptly responds government's queries.
- Inviting more new or potential players in the downstream industry as committee member.
- The needs of having secretary assistance & ad hoc consultant.
- Structured regular meetings, once/2 months and ad hoc basis, if necessary.

SECTION 7

ENVIRONMENT AND SAFETY COMMITTEE
REPORT ON 2007 ACTIVITIES

CHAIRMAN

Agustanzil Sjahroezah
(ENERGI MEGA PERSADA)

IPA Environment and Safety Committee (IPA ESC)

2007 ANNUAL REPORT

I. OVERVIEW

The oil and gas industry has long been recognized as an important component of the Indonesian economy. This industry provides energy and products that stimulate economic and social development as well as a critical component of the overall Indonesian energy sector.

The oil and gas industry has been in so much attention in recent years, it simply because the oil and gas production is in decline. The Government of Indonesia wants to restore self sufficiency and meet its future energy demands required for national growth, in the other hand each member of IPA wants to see its Company grow and for them that translates to sustained production growth.

The challenges cannot be overcome if government and industry independently seeks its own solutions. Finding answer requires a true sense of partnership with all parties working as a united front with a common goal. For the last three decades, environmental, safety and regulatory issues become more and more important. These issues become barometer of corporate reputation. IPA Environment & Safety Committee (IPA ESC) has been formed to provide an independent liaison between the oil & gas industry and the Government with the associated matters to address the growing environmental, regulatory and safety issues in oil and gas industry.

IPA ESC is a working committee and serves as a bridge between oil and gas operations and regulatory body. The committee is to ensure that oil and gas operations comply with the applicable regulations. On the other hand, the committee actively participates in reviewing the draft of the regulations to ensure the regulations are reasonable for industries without sacrificing the environment and human being.

II. ENVIRONMENT & SAFETY COMMITTEE (ESC) MEMBERS

Over the past few years environmental issues have grown more complex and demanding for the oil & gas industry in Indonesia. The increase in public awareness and knowledge of environmental issues has resulted in a higher demand for information. In the other hand legislation continues to raise the bar as community expectations rise across a broad spectrum of issues. On-going local autonomy changes in Indonesia have increased the involvement of local authorities in most aspects of environmental management.

The same constantly growing concern was also recognized in safety issues. Along with the complexity of environmental and safety issues, the ESC membership also has grown. In 2003 the ESC members consisted of 13 members, and this number has grown up in year 2007, into 21 members.

The ESC members in 2007 as follow:

Chairman	:	Agustanzil Sjahroezah	Energi Mega Persada
Secretary	:	Sapta Nugraha	BPMIGAS
Members	:	1. Agustina Parwitosari	Chevron
		2. Ali Dikri	Chevron
		3. Arudji Wahyono	Chevron
		4. Bambang SP	Pertamina EP
		5. Doni G Wibisono	Medco E&P Indonesia
		6. Elviera T Putri	ExxonMobil Oil Indonesia
		7. Harry Eddyarso	Bormindo Nusantara
		8. Juli Rusjanto	Total E&P Indonesia
		9. Karel Piet	CNOOC
		10. Lidia Ahmad	BP Indonesia
		11. M. Shobirin	Premier Oil
		12. Muhammad Najib	Total E&P Indonesia
		13. Nindyo Sukardjo	ConocoPhillips
		14. Randolph I Bledoeg	PetroChina
		15. Rossi Yuliani	BP Indonesia
		16. Satrio Pratomo	Energi Mega Persada
		17. Sugiarto	Elnusa Ramba
		18. Tangkas Siahaan	Vico Indonesia
		19. Tri Wisono	Chevron

New members joining in 2007:

1.	Randolf I Bledoeg	PetroChina
2.	Tangkas Siahaan	Vico Indonesia
3.	Juli Rusjanto	Total E&P Indonesia
4.	Lidia Ahmad	BP Indonesia
5.	Nindyo Sukardjo	ConocoPhillips

Members who left in 2007:

1.	S. Penangsang	BPMIGAS
2.	Huala Nadapdap	HESS
3.	Rachmat Priatna	BPMIGAS
4.	Ateng Surachmat	VICO
5.	Suripno	Total E&P Indonesia
6.	Singgih Hidayat	Pertamina Corporate

Since its establishment in 1990, the Committee chairmanship has changed along the period, the honorary chairmen of the committee as listed below:

Honorary Chairmen

1.	Michael Brady	Lasmo Oil
2.	Steve Massey	Mobil Oil Indonesia
3.	I Made Surya Kusuma	Caltex Pacific Indonesia
4.	Benky Bagoes Oka	ARCO Indonesia
5.	Otong S. Adisapoetra	Repsol YPF
6.	Jusuf R. Odang	Vico
7.	Arudji Wahyono	Chevron

III. 2007 WORK PROGRAM AND ACHIEVEMENT

ENVIRONMENT

The following are 2007 environment work programs and achievements progress report:

1. Regulatory Issues

Actively involved in the advocacy work on various environmental regulations, both under the Ministry of Environment (LH) and the Department of Energy and Mineral Resources (DESDM):

- **Permen ESDM No. 45/2006** on Drilling & Cutting Management for Oil & Gas Activities → feedback conveyed during the roll out session in Mar 07. Issues: This regulation is not considered as reference for PROPER evaluation by the Ministry of Environment.
- **Permen LH No. 04/2007** on Effluent Standards for Oil, Gas and Geothermal Activities (replacing Kepmen LH No. 42/1996 on Liquid Waste Standards for Oil & Gas Activities) Issues: This regulation is not workable for oil & gas industry, the standards are not all realistically achievable.
- **Permen LH No. 13/2007** on Produced Water Management by Injection Technique for Oil, Gas & Geothermal Activities. Issues: The drilling mud waste is not included while injecting them into the formation is a common practice in the upstream business.

Continuing advocacy work on regulatory issues:

- Kepmen LH No. 129/2003 regarding Emission Standards for Oil & Gas Activities. Issues: The requirement to install continuous emission monitoring (cem) and prohibition of open burning pit.
- Kepmen LH No. 128/2003 regarding Bioremediation in Oil & Gas Activities Issues: The minimum of TPH (Total Petroleum Hydrocarbon) of 1% is too costly to achieve, while Risk Based Screening Level (RBSL) calculated for 62 crude oils around the world indicates that at least 3.5 % is still acceptable.

2. PROPER Revitalization

After appealing the government to revisit the PROPER requirement, mechanism and evaluation, The Committee has provided input to the Ministry of Environment (KLH) on PROPER Revitalization. IPA ESC Chairman delivered a presentation and paper on PROPER Mechanism in Upstream Oil & Gas Sector as well as suggestions for PROPER implementation improvement during PROPER Revitalization Workshop, which was organized by KLH on 4 June 2007. Following this workshop, IPA ESC was working on formulating constructive input and suggestions for PROPER and its implementation in upstream oil and gas activities based on among others: best available technologies, applicability in operations, regulatory compliance, sustainable development and Corporate Social Responsibility.

Status: Input and suggestions have been submitted to KLH (in October 2007). In general, input and suggestions focused on the Green and Gold

criteria to make them more applicable, achievable and operational for upstream oil and gas sector.

Forward Plan:

- Proactively communicating IPA ESC input and suggestions to KLH (in meetings and workshops held by KLH).
- Prepare for further formal dialogue with KLH.

SAFETY

The following are 2007 safety work programs and achievements progress report:

1. Equipment Certification (Chairman: Elviera T. Putri)

The Directorate General of Oil & Migas is in the middle of developing a SHE Best Practice Standards, which expected to address the need for Risk Based Assessment practices in equipment certification. The working team has been formed by Ditjen Migas and chaired by the Director of Technical & Environment. Members of the team are represented by association, PSC's and universities. Several meetings have been conducted to discuss the first draft of regulation.

2. Crisis Management Procedure (Chairman: Ali Dikri)

The Safety Committee is assisting BPMIGAS in the development of "BPMIGAS Crisis Management Procedure". The objective of this procedure is to serve as guideline for coordination in responding various types of crisis situation in PSC's operations among internal BPMIGAS functions, PSC Management and related Government of Indonesia agencies.

Status: Final DRAFT has been submitted and reviewed by various BPMIGAS functions, i.e. Safety, Operations, Supply Chain, etc. Currently under reviewed by Legal and BPMIGAS Management.

Forward Plan:

- Seek further feedback from Legal Department for finalization
- Engage with BPMIGAS Management for endorsement
- Develop communication package for stakeholders (PSC's, related GOI Agencies)
- Conduct stakeholders socialization workshop
- Approval of BPMIGAS management
- Distribution of document procedures

3. Personnel Certification (Chairman: Satrio Pratomo)

IPA ESC committee support ICCOSH (Indonesian Certification of Competence for Occupational Safety and Health), and actively participated in its Board of Governor and Technical Committee on development of standard competence (SKKNI- Standar kompetensi K3 Nasional Indonesia). A proposal on OHS standards competence (SKKNI), developed by the technical committee currently is waiting for an approval by the authority, BNSP (Badan Nasional Sertifikasi Profesi), Indonesian Professional Certification Authority. The ICCOSH or LSK-K3, is a not for profit institution

founded by OSH professional associations, National Safety Council (DK3N), industries associations, university.

4. SHE Incident Lessons Learned (Chairman: Karel Piet)

SHE lessons learned package has been prepared by the committee, waiting to be uploaded to IPA Website for sharing.

FORWARD PLAN

- Continue the advocacy work on various government regulations development and/or changes through working team attached with the relevant government institutions.
- Launch environmental and safety sharing lessons learned and best practices involving professional experts thru IPA website.
- Continue the advocacy work on Equipment and Installation Worthiness Certification (SKPI/SKPP) to be addressed in the development of Draft of Regulation on Management and Supervision of Oil & Gas Engineering Aspect.
- Participate in the follow up actions on Clean Development Mechanism (CDM) relevant to Oil & Gas sector, based on the results from COP-13 to be held in Bali – Dec '07.
- Expand and maximize the active participation of IPA ESC in the SHE-discipline of IPA and other relevant events:
 - Flag IPA BoD to get support.
 - IPA Annual Convention Technical Committee to improve the quality of SHE related papers in May '08.
 - SPE & IADC (International Association of Drilling Contractors) in August '08.
- Continue involvement in the development of SHE professions requiring Personnel Certification, under the coordination of National Certification Body.
- Propose new initiatives and focus on major concerns which have significant potential impacts on oil & gas industry to maintain business continuity , such as :
 - Pandemic Preparedness Plan
 - Managing Major Incident Risks

SECTION 8

FINANCE AND TAX COMMITTEE
REPORT ON 2007 ACTIVITIES

CHAIRMAN

A. Noviyanto

(TOTAL E&P INDONESIA)

FINANCE AND TAX COMMITTEE REPORT OF 2007 ACTIVITIES AND 2008 OBJECTIVES

Chairperson: A. Noviyanto (Total)
Secretary: Putri Wirjawan (Chevron)
Coordinator Finance,
Budget and Reporting: Eddie During (Marathon)
Coordinator Tax: Hendra Halim (BP)
Coordinator Audit : Edwinsjah Iskandar (CNOOC)

2007 Objectives

- 1) To engage in a constructive dialogue with the DGT on the proposed tax regulations for the upstream oil and gas industry.
- 2) To engage in a constructive dialogue with the DGT on the taxation on transfer of PSC interest.
- 3) To continue to socialize the IPA White Paper and Roadmap on the taxation of the upstream oil and gas industry to ensure that the Tax Laws, Oil & Gas Law and the model PSC provide a harmonized approach to the taxation of PSC contractors.
- 4) To continue engagement with BPMigas and Directorate General of Budget and Revenue to ensure that VAT reimbursement process is undertaken in a timely and efficient manner.
- 5) To continue engaging the industry tax practitioners and tax advisors in the development of oil and gas industry taxation.
- 6) Conduct regular meeting of Tax Committee Meetings and conference calls at least every 2 months.

2007 Activities – related to objectives

- 1) Engaged the DGT (Directorate General of Tax) on the proposed tax regulations for the upstream oil and gas industry, as follows:
 - a) Sent a follow up letter in March 2007 to the DGT proposing a meeting with the Director and his team to discuss the following action plan:
 - i) Set up a working committee which include representative from the DGT, BPMigas and industry representatives;
 - ii) Share DGT draft of government regulations for the upstream oil and gas industry to BPMigas and industry representatives;
 - iii) Establish the time table for the completion of the government regulations.
 - b) Engaged BPMigas on the above plan.

As per BPMigas recommendation, we will wait for the invitation from the Director General of Tax instead of being proactive.
- 2) Provided input to DGT on industry's view on the taxation on transfer of PSC interest.

-
- 3) Continued in communicating the IPA White Paper and Roadmap on the taxation of the upstream oil and gas industry to ensure that the Tax Laws, Oil & Gas Law and the model PSC provide a harmonised approach to the taxation of PSC contractors, as follows:
 - a) Provided input to the Ministry of Finance (MoF) prior to the IPA Annual Convention. The MoF responded to the IPA White Paper and Road Map in the IPA Annual Convention.
 - b) Conducted a meeting with the Fiscal Coordinating Body of the Ministry of Finance and BPMigas on the Deferred VAT facility for PSC during exploration phase and import facility for new PSCs. Agreed on the action plan to provide information on the estimated amount of VAT to be spent during the exploration stage.
 - c) Provided data of import duty and import taxes annually by PSC to BPMigas. The data is to be provided to the Fiscal Coordinating Body as part of action item to resolve the import facility issues of new PSCs.
 - 4) Engaged BPMigas and Directorate General of Budget and Revenue to address VAT reimbursement delay between March – August 2007. The Ministry of Finance addressed the resolution on this issue during the IPA Annual Convention.
 - 5) Continued engaging the industry tax practitioners and tax advisors in the development of oil and gas industry taxation through 2 (two) industry tax meetings and 1 (one) VP Finance level meeting, conducted during the year.
 - 6) Conducted regular meeting of Tax Committee Meetings and conference calls

2007 Additional Activities

- 7) In coordination with the Regulatory Affair Committee, provided input to the Draft Amendments of Government Regulation No. 35 regarding Upstream Regulation.
- 8) Engaged BPMigas in addressing cost recovery issues on employee income tax. Provided support during BPMigas and Government Auditors meeting in April 2007. Obtained BPMigas and Government Auditors agreement that cost recovery would be allowed provided that the income tax calculation follows an agreed principle and PSC companies could prove and provide documents to support their argument.
- 9) Together with BPMigas push back BPKP's opinion that expat tax allowance is not cost recoverable because its personal tax in nature which as per PSC is not recoverable. After intensive education and discussion, the latest development has been quite encouraging with BPKP start to acknowledge that expat tax allowance is part of remuneration package/salary & benefit cost. Hence, it shall be cost recoverable.
- 10) Provided support to BPMigas on the preparation of the 2007 BPMigas Finance & Economic Forum (FOREK).
- 11) Combined Finance Committee and Tax Committee to become Finance and Tax Committee; selected a new Chairperson of the Finance and Tax Committee.
- 12) Presented and discussed possible solutions related to importation facilities for the new PSCs, particularly for temporary import duty and taxes matter to the Fiscal Policy Body. This meeting was also attended by Directorate of Customs, BPMigas and Directorate General of Migas.

2008 Objectives

- 1) To engage in a constructive dialogue with the Fiscal Coordinating Body of the Department of Finance, BPMigas, and other stakeholders to obtain workable resolution of the import facility issues for old and new PSCs.
- 2) To engage in a constructive dialogue with BPMigas to develop procedures for resolution of government audit findings that is fair to the PSC contractors and the Government.
- 3) To be involved in the working committee consists of BPMigas, Directorate General Oil and Gas and other relevant stakeholders and worked on getting a resolution on certain cost recovery issues.
- 4) To continue engaging the industry tax practitioners and tax advisors in the development of oil and gas industry taxation.
- 5) To coordinate and advocate audit issues (Government and BPMigas) for appropriate attention and resolution.
- 6) To conduct regular meeting of Finance and Tax Committee Meetings and conference calls at least every 2 months.

SECTION 9

**HUMAN RESOURCES COMMITTEE
REPORT ON 2007 ACTIVITIES**

CHAIRMAN

Taufik Ahmad

(CONOCOPHILLIPS INDONESIA LTD.)



HUMAN RESOURCES COMMITTEE

Report of 2007 Activities and 2008 Plans

A. ORGANIZATION

Listed below are the current members of the Human Resources Committee:

Chairman	:	Taufik Ahmad	-	ConocoPhillips
Vice Chairman	:	M. Suharmoko	-	Total
Secretary	:	Dwianugerah Hariadi	-	Chevron
		Anna Suherman	-	Schlumberger
Members	:	Amyra Sindukusumo	-	CNOOC
		Budi Setiadi	-	PetroChina
		Gerhard Rumeser	-	BP
		Indrarko Susatijo	-	ExxonMobil
		Harris Djauhari	-	Chevron
		P.M. Susbandono	-	Medco
		Parluhutan Sibuea	-	VICO
		Sugembong CF	-	Star Energy
		Etty Purwanto	-	Santos

B. PURPOSE & SCOPE

PURPOSE:

- To provide a forum for IPA Company members to discuss, interpret, clarify and communicate all human resources and industrial relations issues in the oil and gas sector.
- To represent the oil and gas sector in the advocacy effort directly to various government institutions or via other associations such as APINDO (Employers Association) to ensure that the concerns of the IPA Company members or the oil and gas sector are properly addressed.

SCOPE:

- To continuously advocate to the Government to streamline the formalities requirements and processes for the expatriate and national employees.
- To continuously advocate to the Government to properly address the industrial relations issues for the national employees.
- To benchmark good practices in the employee compensation and benefits issues as allowed by the laws and regulations of the host and home countries of Company members.
- To share knowledge, experience and practices in the employees development and to synergize on the employees training programs where possible.

-
- To share knowledge, experience and practices in the medical services and to provide input to BPMIGAS on medical cases that require further treatment outside Indonesia.

Based on the above purpose and scope, the HR Committee has 4 sub-committees and work closely with BPMIGAS to address the issues within the above scope:

- Sub-Committee I covers the formalities issues (RPTK, Work Permits, Visas, etc)
- Sub-Committee II covers the industrial relations and compensation & benefits issues.
- Sub-Committee III covers the training and development issues.
- Sub-Committee IV covers the medical issues

C. 2007 ACTIVITIES

1. Reviewed and provided inputs to BPMIGAS on the additions and revisions of the BPMIGAS HR Guide Book on the following subjects:
 - a. Remuneration package for nationals and expats related to PSC Work Program & Budget and AFE submission.
 - b. Extension of employment for national employees after mandatory retirement age of 56 years.
 - c. Re-hiring of Indonesian expats working overseas and national employees who were previously terminated in mass termination (MAT) by PSC companies.
 - d. Strike and demonstration procedures.
 - e. RPTK and work permit procedures.

Our position on these issues is that we will support BPMIGAS initiative to provide written guidelines on these issues for clarification to the PSC companies and for Government auditors (BPK and BPKP) but suggest that the guidelines must still be inline with PSC terms and also recognize differences in the conditions and philosophy of each company. We also suggest the guidelines to have global perspective in light of the current competition for talents across the countries and regions.

2. Continuously worked with BPMIGAS, MIGAS, Manpower, Immigration, provincial and regent governments and Police with the following objective:
 - a. Streamline the formalities process and requirements by various Government offices
 - b. Coordination among Government offices in conducting control or inspections

Our position on the above issues is that we respect the jurisdiction of each of the Government offices in the formalities approvals and controls/inspections. However, we suggested a need for good coordination among various offices for efficiency.

3. Continued the advocacy to Manpower Department on draft Government Regulations on severance pay.

Our position on this is that we support Government intention to protect the labors in general but need to ensure that employees in our sector who have got sufficient protection are not negatively impacted by the new regulation.

-
4. Participated in the annual compensation survey administered by third party followed by discussion forum at year end which includes discussion on retaining talent in the current situation.
 5. Conducted joint training program on performance management, on Indonesian culture orientation for expats and training program for secretaries. Also shared information on accelerated development program for operators/technician (polytechnic fresh graduates) with cooperation with PPP MIGAS Cepu.
 6. Conducted regular meeting on medical referral issues to provide input to BPMIGAS on medical cases for national employee requiring treatment overseas.
 7. Conducted annual forum with BPMIGAS and other Government offices on November 19-20 in Batam discussing various HR issues in the oil and gas sector.

D. 2008 PLANS

1. Continue to provide input to BPMIGAS on the HR Guide Book additions and revisions.
2. Continue advocacy efforts on:
 - a. Streamlining the requirements and process for expatriates' formalities.
 - b. Better coordination in the inspections by various Government offices
 - c. National Tripartite Forum
 - d. Government Regulation on severance pay
 - e. Any new laws and regulations affecting our sector.
3. Continue information sharing on attrition and retention issues.
4. Support the annual IICS compensation and benefits survey and forum.
5. Continue joint training program and cooperation with PPP MIGAS Cepu and other universities
6. Continue information sharing on medical programs including Avian Flu response plan and regular medical referral meeting.

Continue annual forum with BPMIGAS and other Government offices to improve communication and relations.

SECTION 10

ICP COMMITTEE

NO REPORT SUBMITTED

by the

CHAIRMAN



SECTION 11

KRIS COMMITTEE
REPORT ON 2007 ACTIVITIES

CHAIRMAN

Dharma Irawan Jenie
(ENERGI MEGA PERSADA)

KRIS COMMITTEE

2007 was not a good year for KRIS committee. Out of seven meeting planned only one was realized. The attendee was also extremely low only 3 out of seven members invited came. Therefore, in 2007 the KRIS is not a productive.

KRIS committee still continues having difficulty as describe in 2006 Annual Report. Such as:

- Lack of KRIS committee participation due to members activities in their own PSCs
- It is very difficult to narrow down the KRIS scope of work. Cost reduction is a big inter related web among various functions not only procurement matters
- KRIS committee has only limited persuasive power to influence the government body in the developing and implementation rule and regulation

However, the members with their own way participated in several task force teams to improve the SCM regulation. One KRIS member participated in the MIGAS sponsor team to develop a rule and regulation on SCM that will cover and give a solid ground for PTK 007. Another member has participated in local content task force set up in the PSCs –BPMIGAS SCM forum.

In 2007 the hottest issue is the importation tax for new PSC. Several forums have been conducted to raise the issue to the regulator. However, the result is not to encouraging for PSCs. This tax issue should be a major agenda for the next KRIS committee work program.

Same as last year, to increase the effectiveness of the KRIS Committee members, approval and endorsement from the PSCs Presidents are required. So, KRIS committee active participation will be improved and it is not voluntary anymore.

2008 will be another challenging year because of the high oil price and the pressure to increase the overall Indonesia Oil production to 1,000,000 BOPD by 2009. To achieve this target, KRIS could and should participate as enabler to improve the SCM Oil and Gas in Indonesia.

SECTION 12

**LNG AND GAS SALES COMMITTEE
REPORT ON 2007 ACTIVITIES**

CHAIRMAN

Martin Tiffen

(TOTAL E&P INDONESIA)

LNG AND GAS SALES COMMITTEE

The IPA LNG and Gas Sales Committee met once in February 2007, to brainstorm ideas for an agenda that could realistically be tackled at an IPA level rather than an individual company or PSC level. Three areas were identified:

1. Firstly to offer our perspectives to MIGAS for the 'Indonesia Gas Balance' exercise. To this end a letter was sent from IPA President to DirGen MIGAS, but the offer was not taken up
2. Secondly to seek to engage with MIGAS/BPMIGAS to explore how the 'DMO Gas' mechanism written into recent PSC's might work in practice. The idea was to have a generic type discussion on PSC articles 5.2.16 ii a)-g) to (i) understand the thought processes behind these and (ii) to see whether these are really possible to implement in practice. In fact this proposal was not supported by the IPA BoD
3. Thirdly to identify means of mitigation should the Govt wish to preferentially allocated gas to the domestic market, and in particular if prices are not negotiated business-to-business. Any such mitigation implicitly recognizes a deviation from the 'ideal world' of market pricing, and thus could be perceived as somehow endorsing an alternative model. There could be a risk of 'cost plus' or 'economic threshold' pricing, however to be pragmatic it was agreed to evaluate the pros and cons of several possible alternatives - all of which have been mentioned by the Authorities - such as changing the profit split, selling separately Govt and Contractor's entitlement, etc. Again little progress has been made, partly because they are perhaps better carried out at PSC rather than IPA level, and partly because of the difficulty of identifying counterparts in GoI to brainstorm these concepts with.

Thus the IPG Gas & LNG committee has been largely dormant in 2007. In the current climate it is difficult to engage in a meaningful industry-level dialogue with the Authorities, although undeniably progress has been made by individual PSCs in the year 2007 on a deal-by-deal basis.

The Gas & LNG committee stands ready to continue in 2008 if so directed by the IPA Board of Directors. Alternatively it can be disbanded (or at least put on standby), or perhaps replaced by a 'ad hoc business issues' committee able to treat items that cut across many disciplines.

SECTION 13

PROFESSIONAL DIVISION COMMITTEE
REPORT ON 2007 ACTIVITIES

CHAIRMAN

Ron Noble

(ANADARKO INDONESIA COMPANY)



PROFESSIONAL DIVISION COMMITTEE

January 2007 – December 2007

CHAIRMAN'S REPORT

Ron Noble (ANADARKO)

The mission of the IPA Professional Division is to promote and facilitate the transfer of technical information and advancing new technologies to individuals and companies working in the upstream oil and gas industry of Indonesia, and foster individual professional development amongst its members. The primary method of accomplishing this task is through an active program of luncheon talks, short courses, field trips, workshops and technical symposiums. In addition, the Professional Division issues a quarterly newsletter, publishes and sells technical proceedings, and maintains an interactive web-based homepage.

As stated in Article X of the IPA Constitution, membership of the Professional Division is open to all individuals, whether salaried or self-employed, participating in petroleum activities in Indonesia. Individual membership in the Professional Division is, for the most part, drawn from industry professionals of all disciplines throughout Indonesia and from overseas. The Professional Division membership at year-end 2007 stands at 1732 individuals, down slightly from 1805 members in 2006. A modest decrease was noted in the Riau Chapter, whereas all other regions remained about the same.

The Professional Division Committee is composed of a dedicated, multi-discipline group of volunteers who assume particular responsibility for various functions of the Division's programs. The program is executed with the very able assistance of staff from the IPA Secretariat, with whom the Committee works closely throughout the year. The composition of the Professional Division Committee had several changes during 2007. Antonio Argenton (ENI), Vice Chairman Education, left the committee due to repatriation to Italy. Hans Schwing (MURPHY) assumed Antonio's responsibilities, in a combined role of Vice Chairman, Professional Division. Hans Schwing also agreed to serve as Chairman of Luncheon Talks, following the excellent work of Dharmawan Samsu (BP). Bryan Soh (LAMD MARK) co-editor of the IPA Newsletter handed over his position to James Farmer (LANDMARK). We also welcomed Jonathon Gilbey (CHEVRON) and Sujud Sunawan (BLACK GOLD), who took over administration of the Website and IT development from Roland and Kristina Kirschner, who moved to Alaska. Ridwan Widijanto (CHEVRON) has taken over from Lucas Nasution as Chairman of the Balikpapan Chapter. We welcome these individuals to the Committee are greatly indebted to them and to our continuing committee members for their dedication to the IPA.

The Professional Division Committee at the end of 2007 is as follows:

Chairman	Ron Noble	(ANADARKO)
Vice Chairman	Hans Schwing	(MURPHY)
Secretary	Taufik Manan	(MEDCO)
Treasurer	Roland Panjaitan	(HESS)
Continuing Education	H.L. Ong	(GEOSERVICES)
	Sigit Sukomono	(ITB)
Field Trips	Toby Read	(PREMIER)



Newsletter	Joel Guttormsen	(CONOCOPHILLIPS)
Luncheon Talks	James Farmer	(LANDMARK)
Membership	Hans Schwing	(MURPHY)
Publications	Sugembong C.F.	(STAR ENERGY)
Homepage & Information Technology	Andy Livsey	(HORIZON)
Student Chapter	Jonathon Gilbey	(CHEVRON)
IPA Secretariat	Sujud Sunawan	(BLACK GOLD)
	Parvita Siregar	(SALAMANDER)
	Wursitaningari	(IPA)
	Audrey Sahertian	(IPA)
Riau Chapter	Mariwu Dengah	(CHEVRON)
Balikpapan Chapter	Ridwan Widijanto	(CHEVRON)

The Professional Division has continued to successfully carry out its mission during 2007. Five (5) luncheon talks were held during the year, with attendance exceeding 500 professionals in Jakarta and several more in Balikpapan and Riau. In addition, eighteen (18) short courses were held on diverse technical topics throughout the year and all were well received and attended. The short courses presented in 2007 drew a total of 358 attendees, which represents an increase of over 60% compared to last year. The strong demand for educational services, and the excellent work of short course organizers and instructors, has resulted in a large surplus for the IPA.

Four (4) educational fieldtrips were successfully completed during the course of the 2007. The *field Seminar at Cepu, Central Java* was run in March, with a total of 30 attendees. Due to the popularity of this trip, it was re-run in July, again with a full compliment of 30 attendees.

The 2007 IPA Membership Directory was published and distributed to members. A highlight of the year was the publication and distribution of three (3) excellent newsletters each focusing on a theme of technical interest to our members.

The Publications group is now in full production mode for sales and distribution of the IPA Proceedings volumes in digital format, both via an online website and on CD. This service can be accessed via the AAPG data pages, which is a highly efficient and cost effective method of disseminating technical information. A total of 76 copies of the DVD have been licensed by various companies (16), universities (11) and individuals (49).

Progress to upgrade the IPA website is continuing using the web hosting services of PetroData Systems. A service tender for a new web-site design was issued in November, and we expect to see significant improvements to the website in 2008.

The student program offered two (2) courses in Basic Petrophysics and Basic Core Analysis This was a very popular event amongst the students. A geology field project was also held in the Ombilin Basin, C. Sumatra, involving four students from ITB and Unpad. The results of their field study will be used for thesis preparation at their respective universities. This project was entirely funded by the Professional Division.

Many thanks are offered to the dedicated officers and sub-committee chairmen for making 2007 such a successful year. In addition, special thanks are extended to all members of the IPA Secretariat for their outstanding work and continued assistance throughout the year.

TREASURER'S REPORT

Chairman: Roland Panjaitan (HESS)

Full year 2006 surplus was Rp. 2,075 billion, which was from Revenue of Rp. 11,177 billion and expenditure of Rp. 9,102 billion. Year 2007 is forecasting a surplus of Rp. 1,100 billion.

As of October 2007 the cash surplus was Rp. 1,275 billion. The surplus derived from Revenue of Rp. 5,453 billion and expenditures of Rp. 4,178 billion.

The main contribution to the cash surplus was the Sales of IPA DVD, others publication Rp. 389 million, Courses Rp. 781 million, Fieldtrip Rp. 94 million, gain on foreign exchange is Rp. 33 million, and other surplus Rp. 115 million.

As of December 2007, we estimate a cash surplus of Rp. 1,287 billion. This surplus derived from Revenue of Rp. 6,080 billion and expenditures of Rp. 4,793 billion.

CONTINUING EDUCATION SUB-COMMITTEE

Chairman : H.L. Ong (P.T. GEOSERVICES)

Vice-Chairman : Sigit Sukmono (ITB)

There were 18 professional courses offered in 2007, including 7 courses in conjunction with the Thirty-First (2007) IPA Annual Convention and Exhibition. A full list showing the course titles and the instructors is provided in the Appendix-A. A total of approximately 358 participants attended the courses, of which 41 coming from overseas. In general, all courses were well attended and give significant surpluses. Compared to the 2006 activity which had 11 courses attended by 223 participants, the 2007 activity records an increase of almost 60% for the total number of participants and 63% for the total number of courses.

FIELDTRIP SUB-COMMITTEE

Chairman: Toby Read (PREMIER OIL)

The Fieldtrip Professional Sub Committee arranges educational fieldtrips for IPA members across the Indonesian archipelago. These fieldtrips are designed to provide educational training for individuals and petroleum companies working within Indonesia. The sub-committee usually has two co-chairman, however the 2nd position remained vacant this year.

Four fieldtrips were scheduled during the course of the 2007.

The first trip of the year was the *Oil Exploration, Drilling and Production Operations; A field Seminar at Cepu, Central Java*, which was run in March, with a total of 30 attendees.

Due to the popularity of this trip, it was re-run in July, and again was well attended.

The classic Modern and Ancient Mahakam Delta Sedimentology trip was run in April, with a total of 11 attendees. We appreciate the assistance of Total Oil Indonesia in making this trip possible.

One trip was run in conjunction with the IPA Convention. *Carbonate Models and Petroleum System of South Sulawesi*, which was run in May with a total of 9 attendees.

Looking forward to 2008, the field trip budget proposal for next year includes further re-runs of the Cepu trip, with the possibility of similar style “introduction to oilfield operations” in Sumatra or West Java. A modern and ancient carbonate fieldtrip to Bandung and the Thousand Islands is also planned to be run as separate long weekend trips.

NEWSLETTER SUB-COMMITTEE

Chairman: Joel Guttormsen (CONOCOPHILLIPS) and James Farmer (LANDMARK)

The Newsletter Sub-Committee currently consists of Joel Guttormsen (Editor) and James Farmer (Co-Editor). Earlier this year Bryan Soh decided to pursue a career outside the petroleum sector and relinquished his position as co-editor, at which time Mr. Farmer assumed this role. The Professional Committee recognizes the positive impact of Mr. Soh, and appreciates his efforts to improve the quality and delivery of the Newsletter.

The Newsletter focus remains on sharing articles and issues relevant to the Indonesian petroleum industry. Quarterly distribution of the Newsletter is targeted, but may be less depending on whether there is useful content to share. Each Newsletter will typically have one or two anchor articles, along with regular segments such as:

- Editor’s Page: contributed by Joel Guttormsen and James Farmer
- Chairman’s Corner: contributed by Ron Noble
- Drilling Highlights: contributed by Mark Harris (Geosolutions Asia, Singapore)
- Events Calendar: contributed by Simon Crellin (Deloitte & Touche, Singapore)
- IPA Training Calendar: compiled by Audrey Sahertian and Sita
- Ganti Wajah: list of member and company changes, compiled by Audrey Sahertian and Sita
- Miscellaneous: Sub-Committees such as Conferences, Training, Field Trips, Students, and Luncheon Talks often contribute notifications or short articles.

Once Newsletters are completed, a web friendly formatted version is provided to the Home Page Sub-Committee for posting on the IPA web site.

To date, two issues of the Newsletter have gone to press, with one more targeted for publishing in December 2007. Themes covered this year have been:

- February 2007: President’s Report and Mud Volcanoes
- August 2007: Highlights of the 2007 IPA Annual Conference
- December 2007 (in progress): Student Development Programs

The current publisher is Java Star. Average charge for printing 2,000 Newsletters and distributing to the membership is 37 million Rp. 2007 total costs for the Newsletter are expected to be around 113 million Rp for three issues.

A relatively low submittal of articles for review and publishing has remained a challenge for 2007. Mr. Guttormsen suggested leveraging the IPA archives for relevant articles to re-print. For example, the August 2007 issue contained the nominated Best Papers from the IPA 2007 Annual Convention. This helps highlight the accomplishments of these members, along with serving as a good examples for others to follow.

Another option might be to schedule topical themes through 2008 and invite short articles from the membership. Perhaps with some lead time, this might encourage article submissions. Such topics which might be of interest are:

- East Indonesia and Frontier Exploration
- Deepwater Exploration of the Kutei and Makassar Basins
- Controlled Source Electro-Magnetic (CSEM) Surveys in Exploration
- Introduction Series: Biostratigraphy, Sequence Stratigraphy, Well Log Correlation, Structural Geology, Petrophysics, Seismic Acquisition and Processing, Seismic Interpretation and Visualization, Seismic Inversion, AVO and Seismic Attributes, Mapping, GIS, Remote Sensing, Gravity and Magnetics, Earth Modeling, Reservoir Engineering and Simulation, Economics and Risk Analysis, Operations Geology, and Drilling

Another task for 2008 is to review options for publishing, to see what other providers might be able to offer for improving on cost, design, timely editing, publishing, and delivery.

LUNCHEON TALKS SUB-COMMITTEE

Chairman: Hans Schwing (MURPHY)

Luncheon Talks again are an important focal point for members of the IPA. However, the increased activity in the industry has made it more difficult to find volunteers to present talks during 2007.

Five presentations were made in 2007 from February through November. A wide range of topics were covered by the various speakers. In March 2007 Kardaya Warnika presented a very well attended talk entitled a Summary of 2006 E&P Activities in Indonesia and Outlook for 2007.

Total attendance was greater than 500 members through the year. A full listing of all talks and attendances is attached as Appendix C.

Planning is underway already for 2008 with talks with new speakers in February and March firming up.

MEMBERSHIP SUB-COMMITTEE

Chairman: Sugembong C.F. (STAR ENERGY)

Membership of the Professional Division decreased in 2007 to 1732 individuals. This represents a decrease of 4% relative to last year's figure of 1805. Most regions remained the same or increased slight, although the Riau membership fell to 303 individuals, compared to 387 last year. Lifetime membership of the IPA was offered for the first time in 2007. In order to qualify for life membership, an individual must have been an IPA member in good standing for at least 5 years.



PUBLICATIONS SUB-COMMITTEE

Chairman: Andy Livsey (HORIZON)

The Publications Committee oversees the production and sale of all IPA publications. These provide a valuable source of information on hydrocarbon exploration, development and production in the SE Asian region. Sales are achieved via the IPA website and AAPG Datapages, newsletter advertising of books and DVD's, and through a joint arrangement with the Geological Society of London.

Sales of digital copies of IPA Publications have progressed very well in 2007. These publications are accessible on DVD or via AAPG Datapages website. A total of 76 copies of the DVD have been licensed by various companies (16), universities (11) and individuals (49). We expect the demand to continue in 2008. The DVD provides a complete set of all IPA Convention Proceedings from 1973-onwards, Special Conference Proceedings, Oil and Gas Field Atlas and Field Trip Guides.

HOME PAGE AND INFORMATION TECHNOLOGY SUB-COMMITTEE

Chairman: Jonathan Gilbey (CHEVRON) and Sujud Sunawan (BLACK GOLD)

The Homepage and Information Technology Committee reviewed the existing Web Hosting, Email Hosting and Server Co-Location Services provided by PetroData. The facilities and services provided were deemed of high standard and overall PetroData were more favorable than other reviewed providers in terms of price and services.

Services through year end (December 2006) were settled and a new contract was negotiated with PetroData at a reduced monthly rate (20% discounted) through 2007.

Several web design companies were approached for proposals on reformat and redesign of the IPA's homepage. Once the full scope of the project was framed, the companies were invited to tender; awarding of the contract is anticipated in late November.

STUDENT ACTIVITIES SUB-COMMITTEE

Chairman: Parvita H. Siregar (SALAMANDER)

As to the student program, two courses were held in Jakarta. Basic Petrophysics (by Bambang Gumilar from Shell) in July and Basic Core Analysis (by Sanggam Hutabarat, Saudi Aramco) in August. One field project was also held on the Ombilin Basin, in which four students from ITB and Unpad went to Central Sumatra to log the outcrops. The result of this study will be their thesis in their universities, with possibilities to be presented in the IPA convention next year. This fieldwork was championed by Chris Atkinson.

RIAU CHAPTER

Chairman: Mariwu Dengah (CHEVRON)

Membership of the Riau chapter reduced from 387 last year to 305 at present. Local technical activities have been held along with other professional organizations, as most of our members are also members of SPE, IATMI, IAGI/HAGI. The Riau Chapter was reorganized to fill the empty position.



BALIKPAPAN CHAPTER

Chairman: Ridwan Widiyanto (CHEVRON)

The IPA membership of Balikpapan Chapter increased from 33 to 45 members in 2007. Lucas Nasution handed over the Chairman's position to Ridwan Widiyanto (CHEVRON). The Balikpapan Chapter will need to revitalize its membership with additional activities and programs in 2008.

APPENDIX A SHORT COURSES - 2007

1. Title : 3-D Seismic Interpretation Techniques
Instructor : Alistair R. Brown - Consulting Reservoir Geophysicist
Dates : January 15 - 19, 2007
Venue : Sheraton Senggigi Beach Resort - Lombok, Indonesia
Cost : US\$ 2,000 (IPA Members) - US\$ 2,100 (Others)
No. of participants : 24

2. Title : Practical Investment Appraisal and Business Decision Analysis in
Petroleum Exploration & Production
Instructor : Dr. H.L. Ong - Lecturer, Lecturer of ITB & Advisor to
PT Geoservices (Ltd.)
Dates : February 19 - 23, 2007
Venue : Sheraton Bandung Hotel & Towers - Bandung, Indonesia
Cost : US\$ 1,700 (IPA Members) - US\$ 1,800 (Others)
No. of participants : 19

3. Title : Corrosion Control in Oil and Gas Production
Instructor : Dr. Yves Gunaltun - Total E&P, France
Dates : March 19 - 23, 2007
Venue : Hotel Padma Bali - Bali, Indonesia
Cost : US\$ 1,600 (IPA Members) - US\$ 1,700 (Others)
No. of participants : 16

4. Title : Applied Subsurface Geological Mapping
Instructor : Siamak Agah - Subsurface Consultants & Associates, LLC - USA
Dates : April 23 - 27, 2007
Venue : Hotel Mulia Senayan - Jakarta, Indonesia
Cost : US\$ 2,750 (IPA Members) - US\$ 2,850 (Others)
No. of participants : 28

5. Title : Reservoir Geology
(pre-convention course, in conjunction with 2007 IPA Annual Convention and Exhibition)
Instructor : Dr. John G. Kaldi - University of Adelaide
Dates : May 7 - 11, 2007
Venue : Hotel Mulia Senayan - Jakarta, Indonesia
Cost : US\$ 1,500 (IPA Members) - US\$ 1,600 (Others)
No. of participants : 9

6. Title : Cenozoic Tectonics of Indonesia: Problems & Models
(pre-convention course, in conjunction with 2007 IPA Annual Convention and Exhibition)
Instructor : Prof. Robert Hall - University of London
Date : May 12 - 13, 2007
Venue : Hotel Mulia Senayan - Jakarta, Indonesia
Cost : US\$ 750 (IPA Members) - 800 (Others)
No. of participants : 31

-
7. Title : Understanding the Indonesian Upstream Oil & Gas Industry
(*pre-convention course, in conjunction with 2007 IPA Annual Convention and Exhibition*)
Instructor : Dr. H.L. Ong - Geological Department, ITB & Advisor to
P.T. Geoservices
Date : May 12, 2007
Venue : Hotel Mulia Senayan - Jakarta, Indonesia
Cost : US\$ 400 (IPA Members) - US\$ 450 (Others)
No. of participants : 26
8. Title : The Assessment, Classification and Reporting of Reserves &
Resources
(*pre-convention course, in conjunction with 2007 IPA Annual Convention and Exhibition*)
Instructor : David Ahye and Ian Dunderdale - Gaffney, Cline, and Associates,
Singapore
Date : May 13, 2007
Venue : Hotel Mulia Senayan - Jakarta, Indonesia
Cost : US\$ 450 (IPA Members) - US\$ 500 (Others)
No. of participants : 19
9. Title : Understanding the Indonesian Upstream Oil & Gas Industry
(*pre-convention course, in conjunction with 2007 IPA Annual Convention and Exhibition*)
Instructor : Dr. H.L. Ong - Geological Department, ITB & Advisor to
P.T. Geoservices
Date : May 17, 2007
Venue : Hotel Mulia Senayan - Jakarta, Indonesia
Cost : US\$ 400 (IPA Members) - US\$ 450 (Others)
No. of participants : 26
10. Title : Borehole Geophysics: Theory and Practice
(*post-convention course, in conjunction with 2007 IPA Annual Convention and Exhibition*)
Instructor : Ronald C. Hinds & Richard D. Kozminski - sponsored by SEG
Dates : May 18 - 19, 2007
Venue : Sheraton Bandung Hotel & Towers, Bandung - Indonesia
Cost : US\$ 850 (IPA Members) - US\$ 900 (Others)
No. of participants : 19
11. Title : Seismic Stratigraphy and Seismic Geomorphology
(*pre-convention course, in conjunction with 2007 IPA Annual Convention and Exhibition*)
Instructor : Dr. Henry Posamentier
Dates : May 11 - 12, 2007
Venue : Hotel Mulia Senayan – Jakarta
Cost : US\$ 900 (IPA Members) – US\$ 950 (Others)
No. of participants : 13
12. Title : Advance Seismic Methods for Field Exploration & Development
Instructor : Dr. Sigit Sukmono - Lecturer, Institute Technology Bandung (ITB)
Dates : June 18 - 22, 2007
Venue : Sheraton Senggigi Beach Resort Lombok - Lombok, Indonesia
Cost : US\$ 1,700 (IPA Members) - 1,800 (Others)
No. of participants : 20

-
13. Title : Seismic Methods for Field Exploration & Development
Instructor : Dr. Sigit Sukmono - Lecturer, Institute Technology Bandung (ITB)
Dates : July 23-27, 2007
Venue : Sheraton Senggigi Beach Resort Lombok - Lombok, Indonesia
Cost : US\$ 1,700 (IPA Members) - 1,800 (Others)
No. of participants : 11 (July 23-27)
14. Title : Practical Investment Appraisal and Business Decision Analysis in
Petroleum Exploration & Production
Instructor : Dr. H.L. Ong - Lecturer, Lecturer of ITB & Advisor to
PT Geoservices (Ltd.)
Dates : August 20 - 24, 2007
Venue : Sheraton Bandung Hotel & Towers - Bandung, Indonesia
Cost : US\$ 1,700 (IPA Members) - US\$ 1,800 (Others)
No. of participants : 22
15. Title : Petroleum Geology of Deep-Water (Turbidite) Depositional
Systems
Instructor : Dr. Roger Slatt – University of Oklahoma
Dates : September 3 - 7, 2007
Venue : Hotel Padma Bali - Bali, Indonesia
Cost : US\$ 2,100 (IPA Members) - US\$ 2,200 (Others)
No. of participants : 17
16. Title : 3-D Seismic Interpretation Techniques
Instructor : Alistair R. Brown - Consulting Reservoir Geophysicist
Dates : October 29 - November 2, 2007 and
Venue : Sheraton Senggigi Beach Resort - Lombok, Indonesia
Cost : US\$ 2,000 (IPA Members) - US\$ 2,100 (Others)
No. of participants : 29
17. Title : Carbonate Reservoir Characterization
Instructor : Dr. Bradford W. Macurda, Jr. - The Energists
Dates : November 26 - 30, 2007
Venue : Bali
Cost : US\$ 1,900 (IPA Members) - US\$ 2,000 (Others)
No. of enrollments : 22
18. Title : Carbonate Seismic Reservoir Analysis
Instructor : Dr. Sigit Sukmono - Lecturer, Institute Technology Bandung (ITB)
Dates : December 10-14, 2007
Venue : Bandung
Cost : US\$ 1,700 (IPA Members) - US\$ 1,800 (Others)
No. of enrollments : 7

**APPENDIX B
FIELD TRIPS - 2007**

Trip # 1	:	Geological Trip to Cepu Area for Non-Geoscientist Personnel
Dates	:	March 20-23, 2007
Trip Leaders	:	H.M. Yohannes P. Koesoemo (Pusdiklat "Migas", Cepu) H. Sabardi Musliki (Pusdiklat "Migas", Cepu)
Participants	:	30
Trip # 2	:	The Modern and Ancient Mahakam Delta Sedimentology A Technical Field Trip for Geoscientists
Dates	:	April 16-20, 2007
Trip Leader	:	Irfan CIBAJ (TOTAL)
Participants	:	11
Trip # 3	:	Carbonate Model and Petroleum System of South Sulawesi
Dates	:	May 18-22, 2007
Trip Leader	:	Alit Ascaria (Premier Oil)
Participants	:	9
Trip # 4	:	Geological Trip to Cepu Area for Non-Geoscientist Personnel
Dates	:	July 17-20, 2007
Trip Leaders	:	H.M. Yohannes P. Koesoemo (Pusdiklat "Migas", Cepu) H. Sabardi Musliki (Pusdiklat "Migas", Cepu)
Participants	:	14

APPENDIX C LUNCHEON TALK - 2007

1. Title : Chasing Channel Sands in SE Asia
Date : February 21, 2007
Speaker : Peter Lloyd
Participants : 94

2. Title : Summary of 2006 E&P Activities in Indonesia and Outlook for 2007
Date : March 1, 2007
Speaker : Kardaya Warnika, Chairman BPMIGAS
Participants : 228

3. Title : "The Prospect Generation Process – What do we do and How do we do it?"
Date : May 1, 2007
Speaker : Antonio Argenton, New Ventures & Divestment Manager ENI Indonesia
Participants : 73

4. Title : "Why Indonesia is Still Attractive for the Exploration and Production of Oil and Gas"
Date : September 12, 2007
Speaker : H.L. Ong, Lecturer, Institut Teknologi Bandung and Consultant to P.T. Geoservices
Participants : 84

5. Title : "Uncertainty in Petroleum Geoscience – Concepts and Examples"
Date : November 20, 2007
Speaker : Mary H. Feeley and Kurt W. Rudolph, ExxonMobil Exploration Company
Participants : 113

SECTION 14

REGULATORY AFFAIRS COMMITTEE
REPORT OF 2007 ACTIVITIES

CHAIRMAN

Peter Dumanauw

(CHEVRON IndoAsia)

DEPUTY CHAIRMAN

Debbie M. Chastity

(CONOCOPHILLIPS INDONESIA LTD.)

REGULATORY AFFAIRS COMMITTEE

REPORT OF 2007 ACTIVITIES

Chairman	:	Peter Dumanauw	(CHEVRON)
Deputy Chairman	:	Debbie M. Chastity	(CONOCOPHILLIPS)
Members	:	Vini Siregar	(BP)
		Deny Rijadi	(BP)
		Gunawan Sjamsuddin	(CHEVRON)
		Dewi Monica Irawan	(CHEVRON)
		Heike Butar Butar	(CONOCOPHILLIPS)
		Nurman Djumiril	(EXXONMOBIL)
		Anna Rosita	(EXXONMOBIL)
		Lona Tarigan	(PREMIER)
		Yandri Hendarta	(PREMIER)
		Joseph Tobing	(HESS)
		Arvin Mogot	(SANTOS)
		Hanny Denalda	(SANTOS)
		Nancy Korompis	(TOTAL)
		Gwendoline Brooker	(TOTAL)
		Dewi Mayang Sari	(TOTAL)
		Larry Cantu	(VICO)
		Andi Ismail	(MEDCO)
		Rico Moegandhi	(MEDCO)
		Ervin Pakpahan	(NATIONS PETROLEUM)

PRIMARY EFFORTS IN 2007

1. Amendment to Government Regulation No. 35 of 2004 regarding Upstream Activities. Early this year, MIGAS has initiated the process to amend the existing Government Regulation No. 35 of 2004 regarding Upstream Activities. This process was triggered by the ruling of the Constitutional Court who has decided that several articles in the current regulations are deemed to be unconstitutional. Instead of addressing these specific articles, MIGAS has decided to amend a number of other articles which obviously caused major concerns to the industry. Our initial response to MIGAS was that the IPA did not support any amendment to the existing regulation instead prefer to have the existing regulation preserve. As expected, MIGAS continued with the amendment anyway and the IPA-RAC began working on providing comments to the proposed amendment. We have prepared a summary of issues list regarding the draft amendment and have submitted to the Board for approval and for further delivery to MIGAS. Below is a summary of the issue list that has been submitted to MIGAS. To date, we have not received any response nor comments from MIGAS. We believe that some of these amendments, if they are ever enacted, will have negative impact to the investment climate for the oil and gas industry in Indonesia.

No.	Issue	Remarks
1.	Article 11: Share ownership in Business Entity/Permanent Establishment & Parent Company guarantee	Share ownership of a Business Entity/Permanent Establishment that will sign the Cooperation Contract should be decided by the Contractor due to various business reasons but most particularly due to tax reasons. The parent company guarantee requirement is very troubling and will certainly discourage further investment in the oil and gas industry in Indonesia.
2.	Article 14: Offer to PT Pertamina (Persero)	This requirement will certainly undermine the contractor's economic calculation of the working area prior to entering its bid.
3.	Article 28: Reduction of period to request for extension of Cooperation Contract	This requirement will discourage contractor to invest in long term project such as gas development project which in most cases will only be economic if calculated based on a scenario beyond the term of the Cooperation Contract.
4.	Article 31: 3 Years Firm Commitment	BPMIGAS should not be given discretion to calculate the value that must be paid for the work program that the Contractor unable to perform particularly when there is no standard established for the calculation.
5.	Article 34: Reserves Certification conducted by the Minister	Contractors may be required by lenders or buyers or home office to have an international agency to conduct the reserves certification.
6.	Article 37: Plan of Development	The consideration for approval for subsequent PODs should be based on the economic benefit that will be received by both Government and Contractor. There is no guarantee that there will always be an increase of percentage of State's revenue on every subsequent PODs.
7.	Article 67: Natural Gas Price	Any determination of price should also consider the business to business negotiation between the seller and buyer.
8.	Article 86: Approval for Drilling Activities from the Minister	This is just another bureaucracy that has the potential to delay any drilling activities.
9.	Article 87-97: Licensing & Reporting	The amount of reporting is very significant and this additional bureaucracy has the potential to interfere with the Contractor's operation.
10.	Article 125: Standard of Remuneration	The remuneration in the industry should be determined by the market and it is part of a competitive advantage of each company and has been benchmarked in each respective country of origin to maintain its competitiveness.
11.	Article 104: Transition Provision	It is highly important for the Contractor to have a provision in the regulation that states that the sanctity of the existing contracts shall be honored.
12.	Agreements signed under PP 35/2004	Sanctity of the agreements that have been signed under PP 35/2004 must be protected as with the other agreement that were signed before the new oil and gas law.

-
2. Draft Energy Law. The IPA RAC continues its work on providing comments to the draft Energy Law. In 2006, we have submitted our comments to the Indonesian Chamber of Commerce (*Kamar Dagang Indonesia*, "KADIN") as part of a task force formed by KADIN on the Energy Law. This year, the IPA was invited to a hearing with the Parliament on 17 July 2007 to submit and provide our comments to the draft Energy Law. The IPA RAC supported and assisted the Board in this hearing including preparing and submitting our comments to the Parliament.
 3. Cost Recovery Issue. The cost recovery issue has been continuously debated in 2007. The public perception seems to be that cost recovery must be heavily regulated and that the terms in the PSC are considered to be insufficient. The IPA RAC is working closely with the Board to monitor this issue and our position is that the PSC terms (including the accounting procedures) are sufficient to govern the provisions regarding costs to be recovered in petroleum operation. To date, the Government still insists to issue a regulation regarding cost recovery.
 4. The IPA-AIPN Workshop on Gas Transportation Arrangement. On 8 March 2007, the IPA together with AIPN held a workshop on Gas Transportation Arrangement at the Shangri-La Hotel, Jakarta. This is a half day workshop which was conducted as part of IPA-RAC's continuing goal to provide education to our key stakeholders in Indonesia. This workshop was attended mainly by the in house counsels of the PSC companies as well as BPMIGAS. The speakers of the workshop came from, amongst other, BPMIGAS, Chevron and ConocoPhillips.
 5. Coordination with the Tax Committee. Throughout the year, the IPA RAC coordinated and provide input to the Tax Committee on various tax issues surrounding the oil and gas industry.
 6. The 2007 PSC Lawyers Luncheon. On 6 November 2007, the IPA RAC and BPMIGAS sponsored a PSC Lawyers Luncheon at the Four Seasons Hotel. The PSC Lawyers Luncheon this year is hosted by Total E&P. The purposes of this luncheon, other than to promote networking among the PSC lawyers and BPMIGAS, are also to share knowledge on current legal issues surrounding the oil and gas industry in Indonesia as well as elsewhere in the region. Clifford Chance was invited to give a presentation on several legal issues such as oil and gas dispute, bilateral trade investment and take or pay. Mr. Alan Frederik, Chief Legal Counsel of BPMIGAS, also gave a presentation on the current legal issues in the country such as import duties, cost recovery and external counsel engagement.

2008 OBJECTIVES

The IPA RAC's objectives for 2008 are as follows:

- Play an active advocacy role in educating our key stakeholders with respect to IPA's key regulatory –related messages (i.e. contract sanctity, improved corporate governance, fair and consistent application of the rule of law, etc.);
- Actively engage MIGAS and BPMIGAS in the discussion of the amendment to the Government Regulation No. 35 of 2004 and ensure that our comments are properly submitted timely to the relevant government body;
- Play an active role in supporting the IPA Board in preparing comments and discussions in relation to the proposed cost recovery regulation;
- Continue to engage in the discussion with MIGAS, KADIN or the Parliament in connection with the draft Energy Law;
- Support the IPA Board and other IPA's committees in drafting and commenting new laws and regulations including other proposed amendment to the existing laws and regulations pertaining to the oil and gas industry and also on other current oil and gas legal issues.

SECTION 15

SECURITY AND LOCAL RELATIONS COMMITTEE
REPORT ON 2007 ACTIVITIES

CHAIRMAN

Satria Djaya

(CHEVRON INDONESIA CO.)



SECURITY AND LOCAL RELATIONS COMMITTEE

Charter and 2007 Program

MISSION

- Provide a focal point for communication of security-related issue between IPA and Central Government Security authorities
- Provide a forum to interpret, clarify and communicate issues of security importance to IPA membership. Among other things, these issues include joint programs with the Government Security authorities, sharing best practices on handling security and to ensure implementation of Voluntary Principles on Security and Human Rights in resolving the security issues.
- Recommend actions to the IPA Board concerning security matters.
- Represent the IPA as authorized by the Board of Directors to other persons/bodies in connection with security-related matters.

SCOPE

- Stay abreast of all security needs and government actions that affect the IPA Members Companies
- Provide a forum for sharing relevant information concerning security issues and address matters of mutual interest
- Liaise between Central Government Security and the IPA on all relevant security matters and to inform the IPA Board accordingly. To make recommendations to the IPA Board as deemed necessary
- Upon direction by the IPA Board, to advise BP Migas / Government of the views and proposals of the IPA membership

NOTE:

In June 2006 it was suggested that the IPA Security Committee also take the role for "Local Relations" for all external government entities representing IPA.

The Security Committee met and suggested that this scope be taken out of the Security Committee scope but keep all government / external entity relations which are related to Security issues.

DEFINITION OF SUCCESS

- Success Vision
 - IPA members feel secure environment in which business operations may be successfully conducted
 - The Government provide support in resolving collective security issues affecting IPA members
- Success Factors
 - Establish IPA Security Charter and get IPA Board's endorsement
 - Develop and implement security program



- Communicate the security program to IPA Board periodically
- Success Metrics
 - Completed yearly IPA Security Committee Program timely
 - Recognition from Government , BPMIGAS and community due to the secured environment

COMMITTEE MEMBERS

No	Name	Company	Title	Remark
1	Satria Djaya	Chevron Indonesia Co.	GM Security	Chairman
2	Brahmadi	MEDCO	Manager Security	Member
3	Johnson Manurung	Conoco Philips	Manager Security	Member
4	Pujiwo	ENI	Coordinator Security	Member
5	Whisnu Bharata	BP	Manager Security	Member
6	Eko Supriyadi	TOTAL	Security Coordinator	Member
7	Soemardan Asmawidjaya	CNOC	Head of Security	Member
8	Gunarsito	Petro China	Manager Security	Member
9	Heri AS	Star Energy	Coordinator Security	Member
10	Jefri	Petronas	Coordinator Security	Member
11	H. M. Arsyad G.	Exxon Mobil	Coordinator Security	Member
12	Alitan Harahap	PREMIER	General Service Manager	Member
13	Ratih Panji Indra	PREMIER	ComRel Specialist	Member

COMMITTEE MEMBERS AND ACTIVITIES

- In November 2007, the IPA Security Committee members were reviewed. Some members are proposed to be added / taken out from the team for 2008.
 - The Committee agree:
 - to only include members who actively participate in the committee activities.
 - To propose to the board for a new Chairman. The current chairman has served the committee for two years.
- Meeting place is in Jakarta
- Monthly or as needed for 2 hrs maximum
- Minutes Of Meeting should be distributed to IPA Security Committee members via email at latest of 3 days after meeting

2007 PROGRAM

NO	PROGRAM	WHEN	REMARK
1	Support IPA Convention 2007	May 2007	Petro China (Mr. Gunarsito as Security Chairman for this event). No security related incidents were reported. Event was successful.
2	Participate in the National Security bi-yearly meeting in Yogyakarta	August 2007	Bi-yearly meeting between PSC, BPMIGAS and the Police, national coverage.
3	Participate in the monthly coordination meeting between PSCs, BPMIGAS and or Security providers	Monthly	
4	Industrial Security Regulatory and Advocacy with BPMIGAS	As needed	On going processes

SECTION 16

SERVICE COMPANIES COMMITTEE

NO REPORT SUBMITTED

by the

CHAIRMAN

Bambang Purwohadi

(APMI)



SECTION 17

UNIVERSITY ASSISTANCE COMMITTEE
REPORT ON 2007 ACTIVITIES
&
2008 WORK PROGRAM AND BUDGET

*An industry initiative toward developing a better education system
through assistance and cooperation
&
promoting the oil & gas industry to university students*

CHAIRMAN

Dedi Sukmara

(MEDCO E&P INDONESIA)



UNIVERSITY ASSISTANCE COMMITTEE

2007

SUMMARY

*The University Assistance Committee has successfully organized and carried out the 2007 activities and programs. Total 2007 budget expenditure was IDR 342.9 millions *) , which is 87.76% of the approved budget. The less expenses of the approved budget mainly caused by the plan to move the One Day Industrial Course into Student Chapter and it was announced in annual IPA-UAC 2007 annual meeting but in fact some proposal are addressed to UAC due to some reason.*

The committee continued to invite the student representatives from the various relevant student associations of the IPA-UAC members to the IPA-UAC 2007 annual meeting in ITS (Institute Technology Surabaya) in Surabaya. Their participation proved very useful in supporting and making recommendations for the execution of the IPA-UAC programs.

UAC sponsored the attendance of a lecturer from IPA-UAC membership at 2007 IPA Annual Convention in Jakarta and 2007 IAGI –HAGI and IATMI Joint Convention in Bali.

The proposed 2008 budget is IDR 411 million, or 5 % increase from 2007 budget. We increase the budget due to the increase of the budget for sponsoring lecturer to IPA annual convention and HAGI, IAGI or IATMI annual convention.

**) As per November 7, 2007.*

GENERAL

The University Assistance Committee co-ordinates with government/industry groups to provide assistance to universities that provide petroleum-related faculties and facilities, as well as promoting the oil & gas industry to university students. The committee processes requests to the IPA for educational help, funding for special projects/equipments/research and for technical literature.

In 2007, the committee will consist of the following members:

Chairman	: Dedi Sukmara	MEDCO E&P IND.	Liaison with IPA Board
Advisor	: Edwin Tandean	MEDCO E&P IND.	
Member	: Hadiyati	TATELY	Financial Assistance
Member	: Robhy Permana	VICO	Commercial Courses
Member	: Caroline Malla	TOTAL INDONESIA	Book/Journal Distribution
Member	: Sumar Mahadi	TATELY	One-Day Industrial Courses
Member	: Irinta B. Sinaga	VICO	Research Award
Secretary	: Rosinta Wibowo	VICO	Administrative



PARTICIPATING UNIVERSITIES AND INSTITUTIONS

Educational and financial assistance is provided to the following university departments offering petroleum-related courses:

1. Geology Department Trisakti University – Jakarta
2. Petroleum Engineering Department Trisakti University - Jakarta
3. Gas Technology Department University of Indonesia – Jakarta
4. Geology Department Pakuan University – Bogor
5. Geology Department Institute Technology Bandung
6. Applied Geophysics Department Institute Technology Bandung
7. Petroleum Engineering Department Institute Technology Bandung
8. Geology Department Padjadjaran University – Bandung
9. Geology Department Gadjah Mada University – Yogyakarta
10. Geophysics Department Gadjah Mada University – Yogyakarta
11. Geology Department Pembangunan Nasional University – Yogyakarta
12. Petroleum Engineering Department Pembangunan Nasional University – Yogyakarta
13. Geology Department Sekolah Tinggi Teknologi Nasional – STTNAS – Yogyakarta
14. PTK-AKAMIGAS – STEM – Cepu
15. Mining Geology Department Sriwijaya University – Palembang
16. Geology Department Hasanudin University – Ujung Pandang
17. Geology Department Institute Technology Medan – Medan
18. Geophysics Department Institute Technology Surabaya – Surabaya
19. Geophysics Department Hasanudin University – Ujung Pandang
20. Geophysics Department University of Indonesia – Jakarta
21. Petroleum Engineering Department Proklamasi University – Yogyakarta
22. Petroleum Engineering Department University Islam Riau – Pekanbaru
23. Physics Department FMIPA Lampung University – Lampung
24. Geophysics Department Brawijaya University – Malang
25. Geophysics Department Pembangunan Nasional University – Yogyakarta

These universities are associate members of the IPA. They are therefore on the direct mailing list and receive notices of all IPA courses and luncheon talks.

FINANCIAL ASSISTANCE

Limited financial assistance is offered to participating universities to cover the purchase or repair of laboratory equipment and computers and for field excursions. Priorities are given to projects that directly benefit as many students as possible.

A total of 21 university departments submitted requests for financial assistance during 2007 and 5 student received student sponsorships. Total spending by Financial Assistance was IDR 201 million or 106% from budget.

COMMERCIAL COURSES

This program sponsors a limited number of lecturers to attend commercial courses in earth sciences or engineering. These are normally one to five-day courses held in Jakarta or other places in Indonesia and organized by IPA and others. The lecturers are asked to pass on to students the concepts/technology learned during the courses

via course updates. The committee always approaches and persuades course institutions to provide a special discounted course fee for efficiency.

Some lectures are also sponsored to present their technical paper in the scientific convention like IAGI, IATMI and HAGI.

A total of 12 lecturers received sponsorship to attend the IPA courses (5 lectures) & IAGI/HAGI convention (7 lectures) with a total expenditure to date of Rp. 52,985,140, or 17.74 % over the budget.

DISTRIBUTION OF TECHNICAL JOURNALS AND PUBLICATIONS

The committee collects surplus periodicals and technical journals from oil and service companies in Jakarta and distributes them to university department libraries. The journals are sorted, catalogued and redistributed according to need. The committee also assists university departments in purchasing textbooks and CD-ROMs and paying for subscriptions to world-class journals, such as IPA, IAGI, AAPG, SEG and others.

During the year of 2007, sub-committee spending was approximately IDR 26.053 million, which is over the budget.

INDUSTRY-SPONSORED COURSES

At the beginning of the year 2007, the One Day Course is over handled by Student Chapter and it was announced in meeting of UAC/University Representatives in Surabaya. In the mid of 2007 some proposal was sent to IPA Secretariat for review but some proposal is not reviewed due to some reason and forwarded to UAC for review. The UAC then started to received and reviewed the incoming proposal. This situation is shown in the actual budget that spent for such activities.

In 2008, we propose to put One Day Course back in UAC and we can handle the proposal as we did in years.

During 2007, the sub-committee sponsored and coordinated 5 sessions (2006: 17 sessions) in various universities. Total expenditure was IDR 12.16 million or approx. 70 % under budget.

IPA RESEARCH GRANT

The aim of the grant is to boost scientific research activities among students and lecturers. In early 2007, the sub-committee awarded remaining grants totaling IDR 4,000,000 to the 2006 winners from ITB.

During 2007, this competitive-based assistance attracted 15 participants. Two winners will be selected and received a partial grant award of IDR 10,000,000. The remaining grand will be awarded after their research final report is submitted in early 2008. Total expenditure in 2007 was IDR 15,000,000.

ANNUAL UAC MEETING

UAC held one meeting of UAC/University Representatives in May 4, 2007 at Geophysics Department Institute Technology Surabaya. The meeting provides a forum to discuss the committee's programs and to solicit university input, in addition to promoting the IPA program and the oil & gas industry to student representatives. IPA covers transportation, meals and accommodation expenses for the university representatives. The UAC committee members expense were paid by individual company employers, which relieved the IPA cost burden.

IPA CONVENTION ATTENDANCE

UAC sponsored the attendance of a lecturer from IPA-UAC members at IPA Convention and other professional association such as HAGI, IAGI and IATMI. In 2007, IPA held annual convention meeting in May 2007. We sponsored 27 persons to attend the convention. In 2007, HAGI, IAGI and IATMI held a joint convention in Bali and we sponsored some lecturer to attend the convention.

By attending IPA Conventions, the lecturer is expected to explore and gain experience from the technical papers/posters presented by various domestic and international oil & gas industries as well as services companies.

Total expenditure was IDR 36.05 million or approx. 97.43 % of the budget

THE 2007 BUDGET

The proposed 2008 budget is IDR 411 million, or a 5 % increase compared to the 2007 budget. The committee is trying to keep the budget as low as possible by reshuffling the budget allocation from one sub-committee to another in order to improve efficiency and effectiveness.

The list of the proposed is as the table below.

CODE	EXPENDITURE	APPROVED BUDGET 2007	OUTLOOK 2007	DIFFERENCE %	PROPOSED BUDGET 2007
01	INDUSTRY ONE DAY COURSE	40,000,000	20,000,000	50%	40,000,000
02	UNIVERSITY FINANCIAL ASSISTANCE	190,000,000	201,000,000	106%	200,000,000
03	COMMERCIAL COURSES	45,000,000	53,000,000	118%	55,000,000
04	JOURNAL / BOOK DISTRIBUTION	26,000,000	26,057,000	100.2%	26,000,000
05	IPA CONV. ATTENDANCE	37,000,000	36,050,000	97%	37,000,000
06	SEMI ANNUAL UAC/ UNIVERSITY REPS MEETING	35,000,000	28,350,000	81%	35,000,000
07	IPA Research Competition	18,000,000	18,000,000	100%	18,000,000
	TOTAL	391,000,000	382,457,000	98%	411,000,000

SECTION 18

**LIST OF
COMPANY AND ASSOCIATE MEMBERS**



INDONESIAN PETROLEUM ASSOCIATION COMPANY MEMBERS

1. ANADARKO INDONESIA COMPANY
2. BONTANG EXPLORATION CO. PTE. LTD.
3. BP INDONESIA
4. BUMI PARAHYANGAN RANHILL ENERGIA CITARUM PTE. LTD.
5. CHEVRON INDONESIA COMPANY
6. CITIC SERAM ENERGY LTD.
7. CNOOC SES, B.V.
8. CONOCOPHILLIPS INDONESIA, INC. LTD.
9. ENERGI PASIR HITAM INDONESIA, PT
10. ENERGY EQUITY EPIC (SENGKANG) PTY. LTD.
11. ENI INDONESIA LTD.
12. EXXONMOBIL OIL INDONESIA, INC.
13. FREEPORT INDONESIA, PT.
14. GENTING OIL NATUNA PTE. LTD.
15. HESS (INDONESIA PANGKAH) LIMITED
16. HUSKY OIL (MADURA) LTD.
17. INDELBERG INDONESIA, PT.
18. INPEX CORPORATION
19. IRIAN PETROLEUM LTD.
20. JAPAN (BUTON) LTD.
21. KALREZ PETROLEUM (SERAM) LTD.
22. KANGEAN ENERGY INDONESIA LIMITED
23. KODECO ENERGY CO. LTD.
24. KONDUR PETROLEUM S.A.
25. LAPINDO BRANTAS, INC.
26. LEKOM MARAS PENGABUAN, INC.
27. LUNDIN OIL & GAS B.V.
28. MARATHON INTERNATIONAL PETROLEUM INDONESIA LTD.
29. MEDCO ENERGI INTERNASIONAL TBK.
30. MITRA ENERGY (INDONESIA SIBARU) LTD.
31. OVERSEAS PETROLEUM & INVESTMENT
32. PACIFIC OIL & GAS INDONESIA, PT
33. PEARLOIL (TUNGKAL) LIMITED
34. PERTAMINA DIRECTORATE OF UPSTREAM
35. PETROCHINA
36. PETROLIAM NASIONAL BERHAD/PETRONAS
37. PETROSELAT LTD. PT.
38. PPPTMGB "LEMIGAS"
39. PREMIER OIL NATUNA LTD.
40. PROVIDENT INDONESIA ENERGY LLC
41. SANTOS (SAMPANG) PTY. LTD.
42. SHELL COMPANIES IN INDONESIA
43. STAR ENERGY (KAKAP) LTD.
44. STATOIL
45. TALISMAN (ASIA) LIMITED
46. TOTAL E&P INDONESIE
47. VICO INDONESIA

INDONESIAN PETROLEUM ASSOCIATION

ASSOCIATE MEMBERS

1. ABHITECH MATRA INDAH, PT
2. ACCENTURE, PT
3. AMEC BERCA INDONESIA, PT
4. APEXINDO PRATAMA DUTA, PT
5. ARMINDO PRIMA, PT
6. BADAQ NGL, PT
7. BAKER ATLAS INDONESIA, PT
8. BAKER HUGHES INTEQ
9. BECHTEL INDONESIA, PT
10. BGP INDONESIA, PT
11. BJ SERVICES INDONESIA
12. BMT ASIA PACIFIC INDONESIA, PT
13. BORMINDO NUSANTARA, PT
14. CENTURY DINAMIK DRILLING
15. CITRA TUBINDO, PT
16. CITRABUANA INDOLOKA, PT
17. COMPACTO SOLUSINDO, PT
18. COOPER CAMERON
19. CORELAB INDONESIA, PT
20. DAYA TURANGGA, PT
21. DELOITTE PETROLEUM SERVICES
22. DIMAS UTAMA, PT
23. ERNST & YOUNG
24. EXLOG SARANA INDONESIA, PT
25. FLUOR DANIEL INDONESIA, PT
26. FMC SANTANA PETROLEUM EQUIPMENT INDONESIA
27. GAFFNEY, CLINE & ASSOCIATES (CONSULTANTS) PTE. LTD.
28. GEOPROLOG INTIWIJAYA, PT.
29. GEOSERVICES, PT
30. GERARD DANIELS
31. GRANT GEOPHYSICAL INDONESIA, PT
32. HALLIBURTON INDONESIA, PT
33. HANOVER INDONESIA, PT
34. HITEK NUSANTARA OFFSHORE DRILLING
35. HORIZON GEOCONSULTING, PT
36. IMECO INTERSARANA, PT.
37. INSTITUTE TECHNOLOGY BANDUNG
38. INSTITUTE TECHNOLOGY MEDAN
39. INSTITUTE TECHNOLOGY SEPULUH NOPEMBER
40. INTERTEK UTAMA SERVICES, PT
41. ITOCHU CORPORATION
42. JGC CORPORATION
43. KALIRAYA SARI, PT
44. KMC OIL TOOLS, PT
45. LANDMARK CONCURRENT SOLUSI INDONESIA
46. LERINDRO INTERNATIONAL
47. M-I INDONESIA, PT
48. McDERMOTT INDONESIA

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49. MITSUBISHI CORPORATION
 50. MURPHY OIL CORPORATION
 51. MUTIARA BIRU PERKASA, PT
 52. OSCO UTAMA, PT
 53. PAMERINDO BUANA ABADI, PT
 54. PELITA AIR SERVICE, PT
 55. PETRATAMA NUSAPERTIWI (PETRANUSA)
 56. PETROSEA TBK. PT
 57. PGS NUSANTARA, PT
 58. PRICEWATERHOUSECOOPERS
 59. PURNA BINA INDONESIA, PT
 60. PUSDIKLAT "MIGAS"
 61. RESOURCES JAYA TEKNIK MANAGEMENT INDONESIA, PT
 62. RIAU ISLAMIC UNIVERSITY
 63. SAIPEM INDONESIA, PT
 64. SANTA FE SUPRACO INDONESIA
 65. SCHLUMBERGER GEOPHYSICS NUSANTARA, PT
 66. SEAMLESS PIPE INDONESIA JAYA, PT
 67. SIDDHARTA & SIDDHARTA, DRS.
 68. STTNAS YOGYAKARTA
 69. SUCOFINDO
 70. SUDJACA PALEMBANG, PT
 71. SUMBER DAYA KELOLA, PT
 72. SYNERGY DOWNSTREAM SOLUTIONS PTE. LTD.
 73. SUPRACO INDONESIA, PT.
 74. TIDEWATER OPERATORS INDONESIA
 75. TRANS NUSANTARA MULTI CONSTRUCTION, PT.
 76. TRIPATRA ENGINEERING, PT.
 77. TUGU PRATAMA INDONESIA, PT.
 78. UNIVERSITY OF BRAWIJAYA
 79. UNIVERSITY OF GADJAH MADA
 80. UNIVERSITY OF HASANUDDIN
 81. UNIVERSITY OF INDONESIA
 82. UNIVERSITY OF LAMPUNG
 83. UNIVERSITY OF LONDON
 84. UNIVERSITY OF PADJADJARAN
 85. UNIVERSITY OF PAKUAN
 86. UNIVERSITY PROKLAMASI
 87. UNIVERSITY OF SRIWIJAYA
 88. UNIVERSITY OF TRISAKTI
 89. U.P.N. VETERAN
 90. VELISIA LARASATI LAW OFFICES
 91. VERITAS DGC MEGA PRATAMA, PT.
 92. WELLTEKINDO NUSANTARA, PT.
 93. WOOD MACKENZIE LTD.