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Increasing Domestic Energy Supply and Utilisation in Indonesia

Pacific Oil & Gas Indonesia (PO&G) is carrying out its business development plan in Indonesia's energy sector, particularly in upstream development, LNG plants and CCGT power plants.

Initial investment on the upstream oil and gas sector was done through the acquisition of a 25% share in Jambi Merang Block in 2004. Currently, the Jambi Merang Block is awaiting approval for its revised Plan of Development (POD) to increase gas production to 120mmscf/d. The new gas supply can support the increasing demand in Sumatra and Batam. The investment for Jambi Merang Block development will be about US\$300 million.

PO&G is evaluating and negotiating a few other blocks, in order to implement further investments in upstream field development in Indonesia.

PO&G has also obtained principle approval from the Government of Indonesia to build an initial 5 MTPA LNG Plant. The LNG Plant Project will not only be dedicated for export market but can also supply the Receiving Terminals in Java.

Besides that, PO&G is planning to build CCGT Power Plants, to anticipate future increase in power demand and substitution from oil fuel to gas fuel.

Susilo Sopotro, the Vice President Director, said that PO&G is very attracted by the many investment opportunities in Indonesia's energy sector, from upstream to LNG to power, and hopes to announce more investments in the future. Through its investments in Indonesia, PO&G will support the energy policy of the Government to increase domestic gas supply and utilisation.