



INDONESIAN PETROLEUM ASSOCIATION

2008 ANNUAL REPORT

THIRTY-SEVENTH GENERAL MEETING

DECEMBER 9th, 2008

TABLE OF CONTENTS

<u>SECTION</u>	<u>DESCRIPTION</u>
1	President's Report
2	Treasurer's Report
3	Communications Committee Report
4	Convention Committee Report
5	Data Management Committee Report
6	Downstream Committee Report
7	Environment & Safety Committee Report
8	Finance & Tax Committee Report
9	Human Resources Committee Report
10	LNG, Gas & CBM Committee Report
11	Professional Division Committee Report
12	Regulatory Affairs Committee Report
13	Security Committee Report
14	Service Companies Committee Report
15	Supply Chain Management Improvement Committee Report
16	List of Companies & Associates

SECTION 1

INDONESIAN PETROLEUM ASSOCIATION

PRESIDENT'S REPORT - 2008

by

Roberto Lorato

On behalf of

IPA Board of Directors

December 2008

www.ipa.or.id



CONTENTS

	<u>PAGE</u>
INTRODUCTION	3
IPA MEMBERSHIP AND OBJECTIVES	4
IPA PERFORMANCE AGAINST OBJECTIVES	6
GENERAL COMMENTARY	8
CONCLUSION	10

LIST OF FIGURES

FIGURE 1	NATURAL GAS RESOURCES
FIGURE 2	HISTORICAL OIL & CONDENSATE PRODUCTION
FIGURE 3	LIQUIDS PRODUCTION VS CONSUMPTION
FIGURE 4	HISTORICAL INDONESIA LICENSE AWARDS
FIGURE 5	IPA MISSION
FIGURE 6	2008 IPA FOCUS OBJECTIVES
FIGURE 7	2008 CONVENTION THEME
FIGURE 8	INDUSTRY CONCERNS ...

INDONESIAN PETROLEUM ASSOCIATION

President's Report for 2008

INTRODUCTION

This has been a year of extraordinary events. The first part of the year was characterized by increasing signs of deteriorating financial markets while commodities prices kept surging to all time highs. Crude oil prices, in particular, rose to unprecedented levels and almost reached the 150 \$/bbl mark in July.

Since July, the financial crisis and a dramatic credit squeeze have progressively eroded investors' confidence worldwide and led to a drastically deteriorated outlook for the world economy.

The consequent expectation of reduced world demand has in turn led to a collapse of oil prices. In a matter of just four months, oil prices have fallen by over 60% to a level around 50\$/bbl.

This "new reality" is already causing investors and oil companies to review their plans for capital spending. The long-term danger on investment decisions lies in the effect of lower oil prices and reduced access to credit combined with the high commodities prices legacy: high costs for equipment and services and tighter fiscal regimes.

Indonesia of course is not exempt from the effects of this global crisis and our Industry's activities in this country might be badly affected unless we – the Industry & the Government together - will be able to identify and implement policies apt to counter the above challenges.

For years now, 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 5% increase from 2007 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 (Figure 1). Although oil production has been on a steady decline since 1995, decline rates have been mitigated by increased development activity in existing producing PSCs and new field development projects. In fact, 2008 oil production expected to register a slight increase versus 2007 (Figure 2).

The oil production decline, the loss of self sufficiency (Figure 3) and their impact on the Indonesian economy have 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 2008 Convention and those that preceded it were all built around that common theme.

In 2008, thirty four (34) new PSCs were awarded by the Energy Ministry to both existing IPA member companies and many new companies seeking to invest in Indonesia (Figure 4). In October the Energy Ministry has announced plans for another licensing round before year end. In addition, the Energy Ministry awarded also seven (7) PSCs for the exploration and exploitation of CBM resources, a new frontier with promising potential for Indonesia.

The number of licenses awarded between 2007 and 2008 plus the great level of interest expressed in relation to the CBM potential in Indonesia would point to a much improved investment climate. We should give credit to the Government for these initiatives.

However, the escalation of the debate over the Cost Recovery, partially mitigated by the issue of the Ministerial Decree No. 22/2008, has created a high level of uncertainty amongst the investors, while the timely and efficient execution of exploration and development plans remains one the biggest challenges.

Throughout this difficult year, the IPA Board and its Committee members have worked intensively together 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 2008 Annual Report.

IPA MEMBERSHIP AND OBJECTIVES

As of October this year, the IPA membership has grown to 49 Member Companies and 95 Associate 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.

IPA Mission is simply stated:

“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”

The way we go about delivering our mission is through dialogue and engagement. In fact:

- IPA is a Forum for our members and future investors to exchange knowledge, ideas and experiences about the Oil & Gas Industry in Indonesia and worldwide;
- IPA is also a Forum to facilitate the dialogue between the Industry, the Government of Indonesia and its agencies; and again
- IPA is a Forum to promote education and knowledge transfer. This is the main focus area of our Professional Division – which today comprises over 1800 individual



members who meet, collaborate and learn through luncheon talks, short courses, field trips, workshops, technical symposiums and intense interaction with various Indonesian universities and institutions

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 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 has expanded 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 2008, 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 Objectives and to develop a list of focused objectives for 2008. The results of that meeting are as follows:

IPA Long Term 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 long term objectives were indeed already well embedded in the scope and ongoing activity of our Committees. In addition, 4 key 2008 Objectives on which to focus the IPA Board Members attention were elaborated:

IPA 2008 Focus Objectives

1. Empower the IPA Secretariat to become a more effective forum for its Members;
2. Define a strategy to institutionalize IPA dialogue with the Government authorities with the aim of becoming the "Partner of Choice";
3. Continue the efforts to Improve Indonesia's investment competitiveness with respect to regulatory environment, taxation and WP&B execution by reinforcing the Board engagement in key IPA Committees: Regulatory Affairs, Finance & Tax, Supply Chain Management Improvement;



-
4. Promote exploration and development investment by enhancing IPA understanding of and engagement on the Government's "Energy Balance" goals.

IPA PERFORMANCE AGAINST 2008 FOCUS OBJECTIVES

1. *"Empower the IPA Secretariat ..."* In April 2008 the IPA Secretariat has moved to a new office at the Stock Exchange Building. The new office, which was inaugurated by the Minister of Energy and Mineral Resources Dr. Purnomo Yusgiantoro, has since become the preferred location for holding meetings by our committees and of course the IPA Board.

Early 2008 we also reviewed the IPA Secretariat organization and subsequently the Board has approved a plan to gradually upgrade its resources and capabilities. As part of this plan, we have approved a new set of Financial Policies & Procedures and are now in the process of selecting an accounting firm that will ensure the accurate and timely book keeping by the IPA Secretariat, the IPA Professional Division and the IPA Convention & Exhibition Committee.

The scope and objectives of our IPA Committees have been reviewed and the total number of Committees has been reduced from 15 to 13 through the consolidation of the ICP Committee into the Finance & Tax Committee and the assignment of the University Assistance and Local Relations areas of responsibility to the revised Communications, CSR & Local Relations Committee.

The KRIS Committee was renamed "Supply Chain Management Improvement" to better reflect the Committee's objectives while the LNG & Gas Sales Committee scope has been broadened to include CBM. The future level of IPA engagement on this new area of activities will be further discussed during the annual Brain Storming session that we plan to hold in January 2009.

Finally, with the help of the Professional Division, we have undertaken a revamping of the IPA website which will be completed early next year.

2. *"Define a Strategy to become the "Partner of Choice":* The IPA Board has often debated on how to institutionalize IPA dialogue with the Government authorities. Monthly meetings with ESDM and BPMigas were agreed early in the year and regularly held up and until the month of June. During the summer period, the frequency fell off, as a result of changes in Migas and BP Migas leadership plus the extraordinary demands for time and resources imposed on such institutions by various debates and investigations on the Oil and Gas activities promoted by the Parliament. However, we have since registered a renewed willingness to engage our Association and the Industry at a high level, as further indicated by BPMigas' initiative to organize on September 5th, 2008 the workshop: "Partnership: the Cornerstone of Success". Also, during 2008 we have increased IPA visibility vis a vis important institutions such as DPR Commission VII and KADIN and we have also increased IPA exposure to the media through meetings with some of the key players. These efforts, greatly supported by our Communications Committee, are starting to pay off. IPA is receiving more requests for inputs and comments while media reports on IPA positions appear to be better informed and more balanced.

-
3. *“... Improve Indonesia’s investment competitiveness with respect to regulatory environment, taxation and WP&B execution by reinforcing the Board engagement in key IPA Committees”*. The IPA Committees, with particular mention to the Regulatory and Tax & Finance Committees, have been extremely busy this year and actively supported by the entire Board. The first half of the year saw the IPA directly engaged in the discussions with the Government which eventually led to the new 2008 PSC Model (the final draft was greatly improved versus the one originally proposed by the Government, though still not ideal from the investors' perspective). However, the issue of the Ministerial Decree N.22/2008 on Cost Recovery and of the BPMigas proposals for 2009 WP&B Processes were not preceded by the level of consultation we had hoped for. This notwithstanding, the IPA promoted a number of meetings with the regulatory authorities which eventually led to a much higher level of mutual understanding on such matters.
 4. *“... understanding and engaging on the Government’s “Energy Balance” goals”*. Not much progress in this area. Last year the Government took the very positive step of completing 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 was meant to 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. It was one of IPA goals to become more engaged and pro-active in this process. However, a combination of insufficient resources from our side and uncertainty on which Government institution the IPA should be liaising with has frustrated our intentions. In August, Presidential Regulation No. 26/2008 established the National Energy Board (Dewan Energi Nasional, DEN) which will have the responsibility to design and formulate national energy policies and should therefore represent an ideal counterpart for the IPA. Understanding and engaging on the Government’s Energy Balance goals remains, in our view, one of the key areas of attention by our industry association.

With these 2008 focus objectives in mind, the IPA Board and the Convention Committee framed our annual convention around enhancing investment and partnerships with the theme:

“Meeting Energy Challenges through Cooperation”

The 2008 Convention & Exhibition received extensive media coverage and was well supported with over 3000 participants & visitors and 113 expositors. The opening speech by the Minister of Energy and Mineral Resources, Dr. Purnomo Yusgiantoro and keynote speeches set the stage for the two plenary sessions that followed on the challenges facing the oil industry and the key themes of corporate social responsibility and Sustainable Development. Participants in those two sessions included Minister of State Enterprises, Sofyan Djalil, Chairman of Committee VII, the House of Representatives, Airlangga Hartarto, Director General of MIGAS, Luluk Sumiarso, and Chairman of BPMIGAS, R. Priyono.

The Plenary Session on “CSR and Sustainable Development” was very well attended and attracted considerable interest from IPA member companies, government agencies and

media. Our industry can be extremely proud of the leadership role we have played in promoting responsible CSR and the substantial investments that the industry, in partnership with the Government, has made in this regard.

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 May 5 – 7, 2009.

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 some significant steps in this regard. As shown in Figure 4, 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 November, the Government announced plans for another bid round with the inclusion of 31 areas for open tender and issued the Ministerial Decree No. 36/2008 aimed at regulating the exploration and exploitation of CBM resources.

The IPA welcomes these initiatives and hopes they will contribute to a stronger investment climate in Indonesia. A positive investment climate is what leads to exploration and with exploration success come development and production.

However, 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.

Both Government and industry recognize that many of the procedures that are mandated by higher level government regulation often slow down project execution. In this regard, IPA confirms its commitment to work with the Government to develop procedures for improving Work Program & Budget and AFE approval processes and goods and services procurement regulations.

Also, 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. The IPA Tax

& Finance Committee has maintained engagement with the relevant tax departments to develop solutions that meet the requirements of all parties.

Over the past few years, driven by a surge in demand for commodities and energy, 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. Over the last few months however, the whole economic environment has turned around. We are now facing a sudden and dramatic economic downturn which has already led to a collapse of oil prices and increased costs to access credit.

To secure sufficient investments to dedicate to the desired continued growth of oil and gas exploitation in Indonesia, it will therefore be even more important that investors' confidence on contractual stability is not compromised.

In this regard, the heated debate over Cost Recovery has not been very helpful. Notwithstanding the IPA and BPMIGAS, efforts to explain to the many stakeholders the principles of the Indonesian PSC, a broad misunderstanding persists on what is included in cost recovery, how it is shared and how it is managed by BPMIGAS.

On 30 June 2008 the Minister of Energy and Mineral Resources issued Ministerial Regulation No. 22/2008 in an attempt to clarify the Government's position on certain activities eligibility for cost recovery.

No doubt that over the past few years cost recovery levels have increased. This is the result of the maturity of Indonesian producing oil fields, which require substantial annual field investments just to mitigate their natural decline, plus the flow-on effects of higher commodity prices – which has caused the increase of costs for equipment and services – that have resulted in an increase of cost recovery even when production is decreasing.

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 recovery 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.

Shifting additional financial burden to the PSC operators will raise 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 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.

The IPA has already expressed to the Government and its agencies its concern that a number of changes [or rumored changes] to the Cost Recovery principles, the 2001 Oil & Gas Law, the WP&B Processes are spreading considerable uncertainty among our members and the investors community at large and that there is an increasing perception that the balance of risk / reward is being altered.

The IPA remains convinced that only close cooperation between government and industry will ensure that as new government laws and regulations are being drafted, investor confidence is not eroded due to increased economic risk uncertainty.

CONCLUSION

Investor interest in exploration and production in Indonesia has remained 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 pursue production growth and re-establish self-sufficiency.

The PSC fiscal regime has served the industry well over more than forty years and provided a stable framework that investors understood and were comfortable with while at the same time providing much benefit to the country.

Over the past several years however investor's perception of the stability of the PSC has been slowly eroding and investors are becoming very concerned about uncertainty over cost recovery.

It is essential that the current and perspective investors operating in Indonesia be reassured as to the principle of contract sanctity. It is also important that the Government recognizes the extraordinary challenges that all economic players, we included, are facing as a consequence of the current global crisis and that it enacts policies and aimed at establishing a sufficient level of incentives to promote investment in an industry which contributes some 30% of the Government budget revenues and is so very critical to the Indonesian economy.

In this respect, The IPA remains committed to our Mission 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. I would like to thank my colleagues in Government, the MIGAS and BPMIGAS leadership, the Board of Directors, the Chairpersons and members of the IPA Committees and the IPA membership for your support and dedication in pursuit of our goals and objectives.

Figure 1

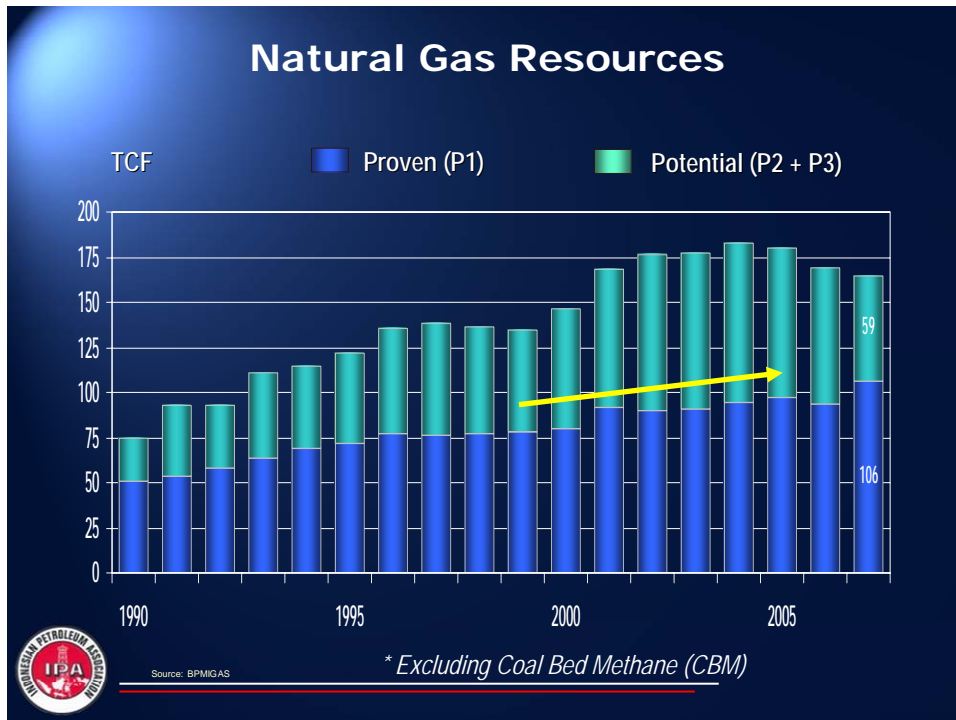


Figure 2

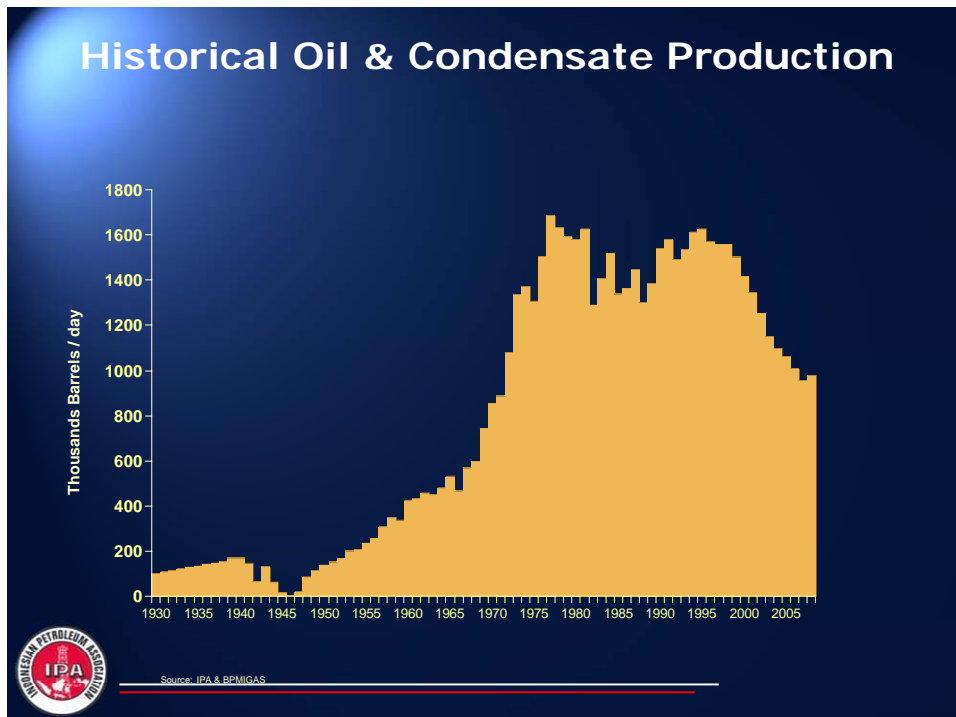


Figure 3

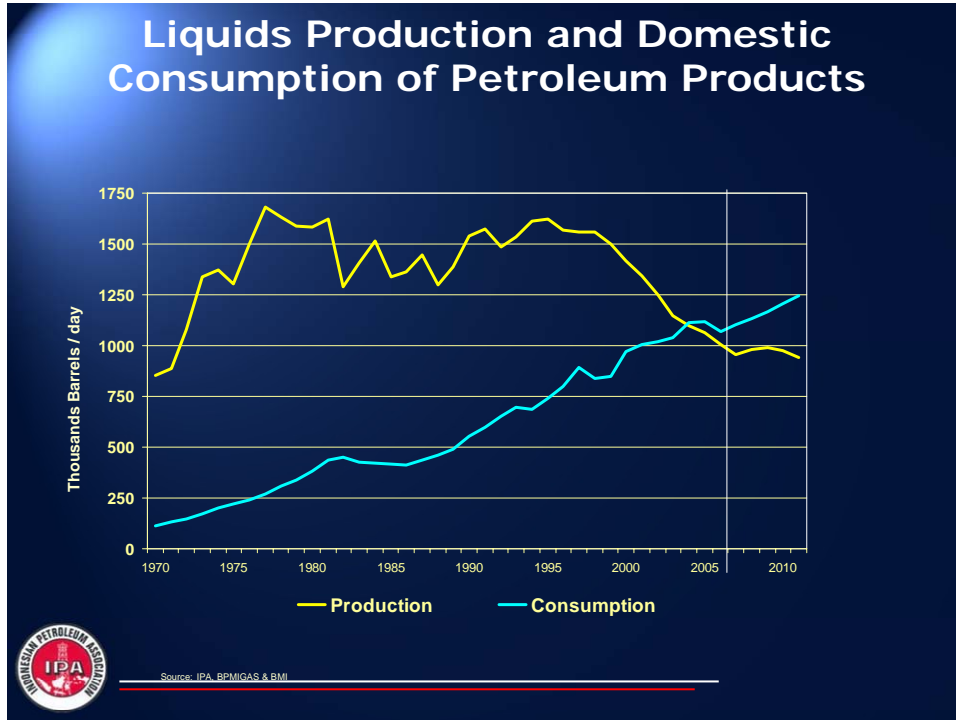
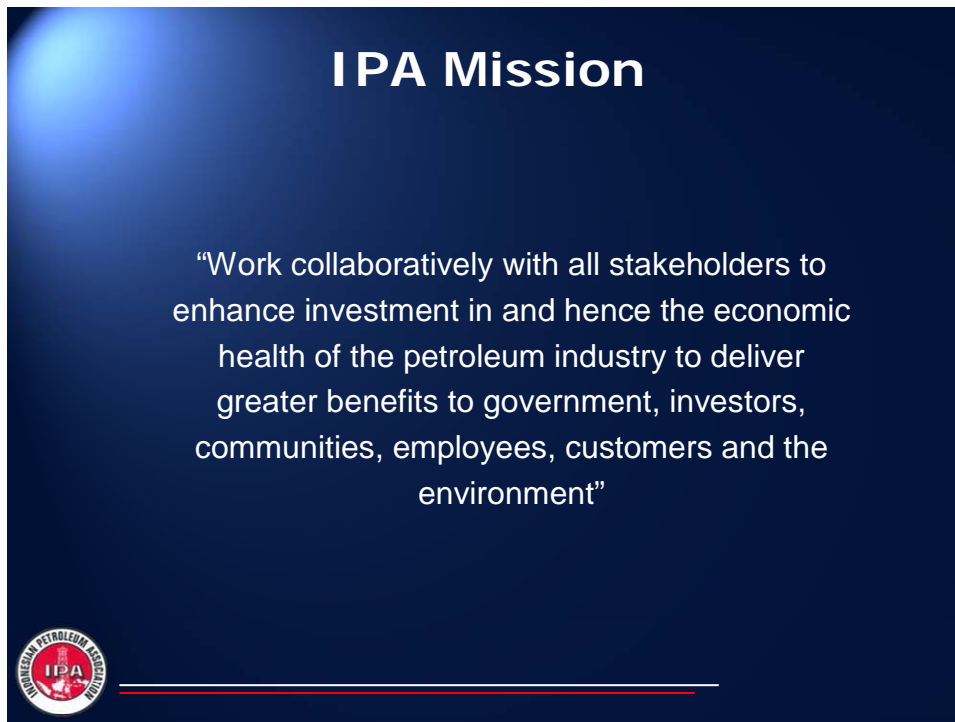


Figure 4



Figure 5



IPA Mission

“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, customers and the environment”


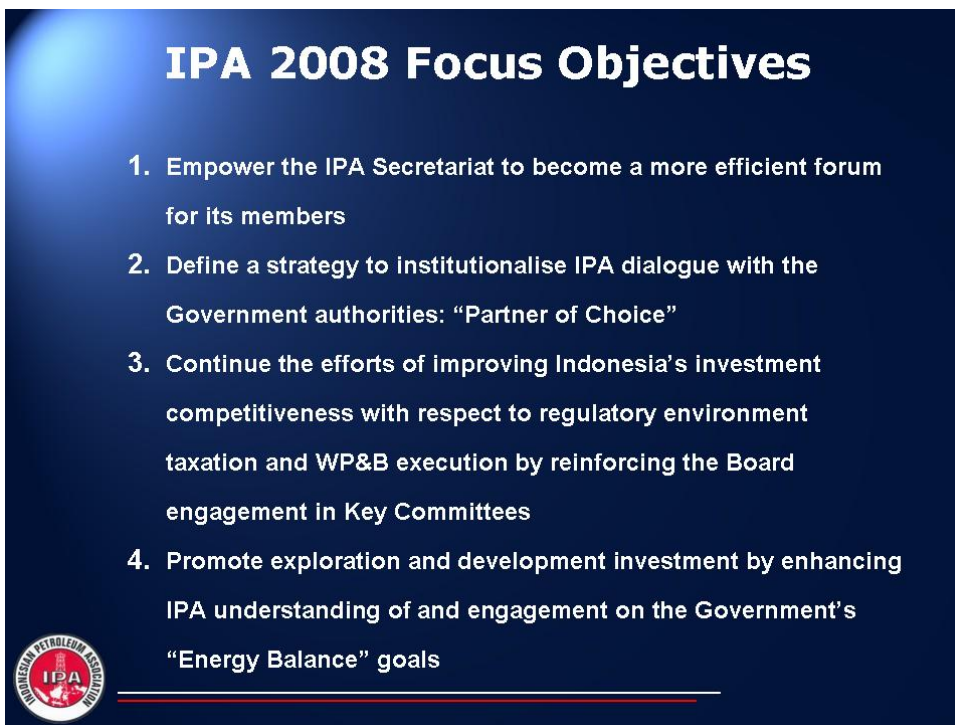


Figure 6



IPA 2008 Focus Objectives

1. Empower the IPA Secretariat to become a more efficient forum for its members
2. Define a strategy to institutionalise IPA dialogue with the Government authorities: “Partner of Choice”
3. Continue the efforts of improving Indonesia’s investment competitiveness with respect to regulatory environment taxation and WP&B execution by reinforcing the Board engagement in Key Committees
4. Promote exploration and development investment by enhancing IPA understanding of and engagement on the Government’s “Energy Balance” goals




Figure 7

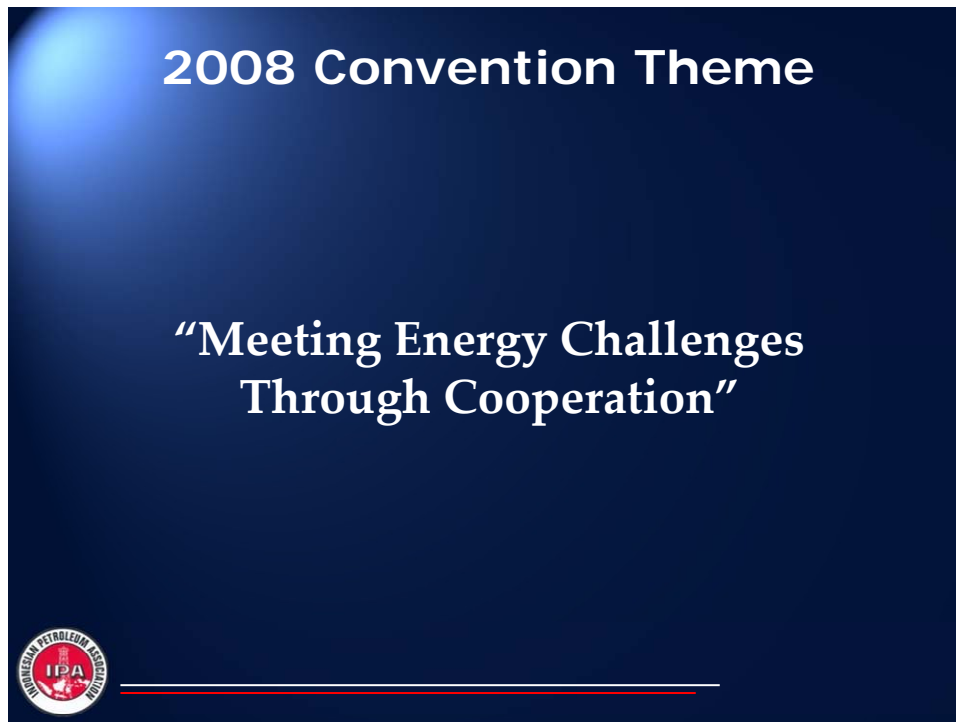


Figure 8



SECTION 2

TREASURER'S REPORT

FINANCIAL YEAR 2007

by

Philippe Armand
Treasurer of IPA Board of Directors



INDONESIAN PETROLEUM ASSOCIATION

Treasurer 's Report Financial Year 2007 and 2008 highlights

The IPA Audited Statement of Revenue & Expenses for the year ending December 31, 2007 shows excess of revenues over expenditures which resulting a net surplus of Rp. 1.8 billion after corporate income tax : Rp. 321 million versus a forecast surplus of Rp. 57.3 million for the year. The variance of Rp. 1.7 billion in revenue is largely the result of a stellar performance by the Professional Division which contribute a surplus of Rp. 1.2 billion (versus Rp. 400 million budgeted) from a series of well attending training activities.

Opening balance for the year 2007 is Rp. 4.411 billion. During the year 2007 a net (Decrease) in cash equivalent to (Rp. 400) million which resulted an ending balance cash and cash equivalent of Rp. 4.011 billion.

The surplus of Rp. 1.834 billion, when adjusted for depreciation and other changes in assets and liabilities totaling Rp. 2.234 billion result in a net decrease in cash of (Rp. 400) million and a year-end cash balance of Rp. 4.011 billion as indicated by the IPA Audited Cash Flow Statement

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 from 4.00 % (2006 : 3.25 % to 4.00 %) per annum, Rupiah deposit 2007 ranged from 6.00 % to 7.75 %. (2006 : 8.00 % - 9.50 %) per annum .

The IPA's Audited Financial Statements 2007 are issued by the public accounting firm of Purwantono, Sarwoko & Sandjaja Ernst and Young .

Financial Highlights 2008

The surplus for Rp. 2.515 billion recorded up to October 2008 which mainly come from 2008 IPA Convention. IPA 2008 Outlook the ending balance 2008 surplus is estimated for Rp. 299 million if all IPA Committee expenses as a budget.



Indonesian Petroleum Association 2007 Net Income

(in Thousand Rupiah)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenues	5,466,814	4,445,600	1,021,214
Expenses	3,311,112	4,388,300	(1,077,188)
Operating Surplus / (Defisit)	2,155,702	57,300	2,098,402
Net Income	2,155,702	57,300	2,098,402

Indonesian Petroleum Association 2007 Cash Flow

(in Thousand Rupiah)

Opening Balance		4,411,374
Operating Surplus/ (Defisit)		2,155,702
Depreciation		29,177
Net (Decrease) / Increase in cash and cash equivalents	1)	(2,584,754)
Balance @ December 31 , 2007		4,011,499

Notes : 1) - Account Receivable and Prepayment		182,248
- Employee service entitlements expense		197,588
- Employee loans receivable		(110,608)
- Inventory		52,328
- Deposits		0
- Account Payable and accrued liabilities		(1,172,056)
- Taxes payable		10,139
- Payment for employee service entitlements to an approved pension fund		(1,273,456)
- Corporate income tax paid		(459,682)
- Purchase of Fixed assets		(11,255)
		(2,584,754)

Indonesian Petroleum Association 2007 Revenues

(in Thousand Rupiah)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Company & Associate Dues (***)	499,315	2,082,600	(1,583,285)
Professional Division Surplus	1,256,373	400,000	856,373
Sale of Publications	11,737	30,000	(18,263)
Sale of Seismic Atlas	0	10,000	(10,000)
Bank Interest, Other	14,267	25,000	(10,733)
Convention Surplus	3,685,122	1,898,000	1,787,122
	<hr/> 5,466,814 <hr/> <hr/>	<hr/> 4,445,600 <hr/> <hr/>	<hr/> 1,021,214 <hr/> <hr/>

Note : We refunded to Company & Associate member 75 % from their Fees

Indonesian Petroleum Association 2007 Expenses

(in Thousand Rupiah)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
University Assistance Committee	359,087	391,000	(31,913)
Regulatory Affair Comm.	0	40,000	(40,000)
LNG & Gas Sales Com.	0	20,000	(20,000)
KRIS Committee	0	0	0
Finance Committee	0	550,000	(550,000)
Environmental Affairs Committee	22,158	7,000	15,158
Communication Committee	289,032	250,000	39,032
Special Project	0	500,000	(500,000)
Salaries & Employee Costs	1,670,732	1,638,600	32,132
Office Rental (Incl. Electricity)	366,912	320,000	46,912
Transportations	67,863	68,000	(137)
General & Administrative 1)	436,250	603,700	(167,450)
Foreign Exchange (Gain)	(74,722)	0	(74,722)
Others expenses	0	0	0
Corporate income tax : Current	173,800	0	173,800
	<u>3,311,112</u>	<u>4,388,300</u>	<u>(1,077,188)</u>

Notes :

1) Explained on the 2007 G & A



Indonesian Petroleum Association 2007 General & Administrative Expenses

(in Thousand Rupiah)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Printing & Reproductions	1,267	30,000	(28,733)
Postage & Mails	7,367	15,000	(7,633)
Bank Charges	44,556	7,000	37,556
Travel & Employee training	4,305	32,000	(27,695)
Telephone & Facsimile	47,140	49,200	(2,060)
AGM Meeting	204,895	150,000	54,895
Office Supplies	53,207	75,000	(21,793)
Office Maintenance & Renovation	35,179	24,000	11,179
Photocopy Equipment Rental	12,207	40,000	(27,793)
Public Accountant/Tax Consultant	5,428	130,000	(124,572)
Write off A / Receivable	0	0	0
Miscellaneous, Depreciation	20,699	51,500	(30,801)
Total	436,250	603,700	(167,450)

Notes ;

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



Indonesian Petroleum Association

CASH FLOW

YEAR TO DATE OCTOBER 31 , 2008

(Rp.000s)

	2007		YTD Oct.2008	
	Actual		Actual	
	IDR	US\$	IDR	US\$
	(million)	('000)	(million)	('000)
CASH FLOW FROM OPERATING ACTIVITIES				
Excess revenue over expenditure before tax	2,155	239	2,515	270
Depreciation expenses	29	3	195	21
Employee entitlement expense	198	22	0	0
<u>Changes in assets and liabilities</u>				
Account Receivable	182	20	(115)	(12)
Employee loan receivable	(111)	(12)	18	2
Prepaid		0	18	2
Inventory	52	6	(8)	(1)
Payable and accruals	(661)	(73)	201	22
Unearned revenue	(511)	(57)	0	0
Liability for severance payments	(1,273)	(141)	165	18
Taxes payable	10	1	0	0
Corporate income tax paid	(459)	(51)	(118)	(13)
<u>NET CASH PROVIDED BY (used In) OPERATING ACTIVITIES</u>	(389)	(43)	2,871	309
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase Furniture and P & E	(11)	(1)	(1,291)	(139)
<u>NET CASH PROVIDED BY INVESTING ACTIVITIES</u>	(11)	(1)	(1,291)	(139)
CASH FLOW FROM FINANCING ACTIVITIES				
Advance from shareholders	0	0	0	0
<u>NET CASH PROVIDED BY (used in) FINANCING ACTIVITIES</u>	0	0	0	0
Increase (decrease) in cash and cash equivalents	(400)	(44)	1,580	170
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	4,411	490	4,011	431
CASH & CASH EQUIVALENTS AT END OF YEAR	4,011	446	5,591	601

Indonesian Petroleum Association

STATEMENT OF REVENUE & EXPENSE

OCTOBER 31, 2008

(Rp.000s)

	YTD ACTUAL	AVG.YTD. 2008 BUDGET	FULL YEAR 2008 BUDGET
<u>REVENUES</u>			
Company & Associate Membership Dues	2,186,803	1,825,125	2,190,150
Professional Division Revenues	5,038,668	5,879,167	7,055,000
Others	39,576	21,667	26,000
TOTAL REVENUE	7,265,047	7,725,958	9,271,150
<u>EXPENDITURES</u>			
Professional Division Committee	3,985,989	5,212,500	6,255,000
Communication Committee	121,002	208,333	250,000
Environmental Affairs Committee	-	16,667	20,000
Finance & Tax Committee	19,155	243,333	292,000
Human Resources Committee	-	25,000	30,000
University Assistance Committee	315,879	342,500	411,000
Supply Chain Management Improvement	-	19,167	23,000
LNG & Gas Committee	-	0	-
Regulatory Affair Committee	6,401	38,333	46,000
Security Committee	12,500	321,667	386,000
Service Company Committee	-	12,500	15,000
Data Management	-	0	-
General & Administration	1,619,229	1,121,667	1,346,000
Fits-Out New Office	277,248	453,333	544,000
Salaries & Benefit	1,815,305	1,540,000	1,848,000
TOTAL EXPENDITURES	8,172,708	9,555,000	11,466,000
Running Surplus / (Deficit)	(907,661)	(1,829,042)	(2,194,850)
Convention Surplus / (Deficit)	3,422,929	2,053,333	2,464,000
TOTAL SURPLUS / (Deficit)	2,515,268	224,292	269,150

Noted : Fits out budget : 172 K\$, Fixed Asset : 140 K\$, Moving, transport etc : 32 K\$

2007 Rate : 1 US\$ = IDR 9.000.

2008 Rate : 1 US\$ = IDR 9.300.



Indonesian Petroleum Association

STATEMENT OF REVENUE & EXPENSE

L.E DECEMBER 31, 2008

(Rp.000s)

	OCT 31, 2008 YTD ACTUAL	DECEMBER 31 2008 OUTLOOK	FULL YEAR 2008 BUDGET
<u>REVENUES</u>			
Company & Associate Membership Dues	2,186,803	2,186,803	2,190,150
Professional Division Revenues	5,038,668	5,785,000	7,055,000
Others	39,576	42,000	26,000
TOTAL REVENUE	7,265,047	8,013,803	9,271,150
<u>EXPENDITURES</u>			
Professional Division Committee	3,985,989	4,935,000	6,255,000
Communication Committee	121,002	250,000	250,000
Environmental Affairs Committee	-	50,000	20,000
Finance & Tax Committee	19,155	292,000	292,000
Human Resources Committee	-	30,000	30,000
University Assistance Committee	315,879	355,000	411,000
Supply Chain Mngmt Improvement	-	5,000	23,000
LNG & Gas Committee	-	0	-
Regulatory Affair Committee	6,401	46,000	46,000
Security Committee	12,500	386,000	386,000
Service Company Committee	-	15,000	15,000
Data Management	-	0	-
General & Administration	1,619,229	2,234,000	1,346,000
Fits-Out New Office	277,248	300,000	544,000
Salaries & Benefit	1,815,305	2,280,000	1,848,000
TOTAL EXPENDITURES	8,172,708	11,178,000	11,466,000
Running Surplus / (Deficit)	(907,661)	(3,164,197)	(2,194,850)
Convention Surplus / (Deficit)	3,422,929	3,423,000	2,464,000
TOTAL SURPLUS / (Deficit)	2,515,268	258,803	269,150

Noted : Fits out budget : 172 K\$, Fixed Asset : 140 K\$, Moving, transport etc : 32 K\$

2007 Rate : 1 US\$ = IDR 9.000.

2008 Rate : 1 US\$ = IDR 9.300.



Indonesian Petroleum Association BALANCE SHEET

AS AT DECEMBER 31, 2007 AND DECEMBER 31, 2006

(Rp'000)

<u>ASSETS</u>	<u>AUDITED DEC.31.07</u>	<u>AUDITED DEC.31.06</u>
Current Assets :		
Cash On Hand and in Banks	1,757,004	3,219,374
Time Deposits	2,254,495	1,192,000
2006 , 07 Convention Receivable	73,655	484,369
Account Receivable	384,064	239,072
Account Receivable - 1987/88 Tax Refunds	0	0
Current Portion of Employee Loans Receivable	137,832	27,225
Inventory	111,394	163,722
Prepaid	419,487	338,081
Bad Debt	0	0
Total Current Assets	5,137,931	5,663,843
Fixed Assets at cost :		
Office Furniture & Fixtures	20,300	20,300
Office Machines	443,068	443,068
Accumulated Depreciation	(396,338)	(380,485)
Defered Tax Assets	67,030	82,883
Employee Loans Receivable	0	0
TOTAL ASSETS	5,204,961	5,746,726
<u>LIABILITIES AND ACCUMULATED SURPLUS</u>		
Current Liabilities :		
Account Payable and Accrued Liabilities	700,496	1,872,552
Corporate Income Tax Payable	79,903	209,196
Total Current Liabilities	780,399	2,081,748
Non Current Liabilities :		
Liability for Severance Payments	0	1,075,868
Other Payable	1,053	0
TOTAL LIABILITIES	781,452	3,157,616
Accumulated Surplus	4,423,509	2,589,110
TOTAL	5,204,961	5,746,726



Indonesian Petroleum Association

BALANCE SHEET

AS AT OCTOBER 31, 2008 AND DECEMBER 31, 2007

(Rp'000.)

<u>ASSETS</u>	<u>UNAUDIT OCT.31.08</u>	<u>UNAUDIT SEP.30.08</u>	<u>AUDITED DEC.31.07</u>
Current Assets :			
Cash On Hand and in Banks	5,375,714	5,064,234	1,757,004
Time Deposits	215,500	215,500	2,254,495
2006 , 07 Convention Receivable	197,384	313,334	73,655
Account Receivable	376,087	183,377	384,064
Current Portion of Employee Loans Receivable	119,500	122,000	137,832
Inventory	170,383	170,383	111,394
Prepaid	487,699	458,540	419,487
Allowance for Bad Debt	0	0	0
Total Current Assets	6,942,267	6,527,368	5,137,931
Fixed Assets at cost :			
Office Furniture & Fixtures	1,310,965	1,304,365	20,300
Office Machines	443,068	443,068	443,068
Accumulated Depreciation	(591,579)	(563,750)	(396,338)
Deferred Tax Assets			
Employee Loans Receivable	1,162,454	1,183,683	67,030
	0	0	0
TOTAL ASSETS	8,104,721	7,711,051	5,204,961
<u>LIABILITIES AND ACCUMULATED SURPLUS</u>			
Current Liabilities :			
Account Payable and Accrued Liabilities	744,368	743,632	700,496
Corporate Income Tax Payable	0	0	79,903
Total Current Liabilities	744,368	743,632	780,399
Non Current Liabilities :			
Liability for Severance Payments	164,657	148,191	0
Others Payable	30,337	30,337	1,053
TOTAL LIABILITIES	939,362	922,160	781,452
Accumulated Surplus	7,165,359	6,788,891	4,423,509
TOTAL	8,104,721	7,711,051	5,204,961



SECTION 3

COMMUNICATIONS COMMITTEE

REPORT ON 2008 ACTIVITIES

CHAIRMAN

Deva Rachman

(EXXONMOBIL OIL INDONESIA, INC.)



COMMUNICATIONS COMMITTEE

Report of 2008 Activities and 2009 Objectives

Background

The current condition of oil and gas operations in Indonesia has forced Indonesian Petroleum Association (IPA) to re-strategize its communications strategy. Oil and gas operations has been considered as vital business to the country as it contributes more than 25% of Indonesia's income, 7% of budget revenue, direct employment of more than 300 thousands industry personnel and more than US\$ 10 of annual expenditure in exploration, development and production. This industry is a critical component of the overall Indonesian energy sector and it goes without saying that a sound energy sector is vital to the growth of any nation.

However, the industry is facing a deteriorating situation where the level of investment is decreasing, challenges in some government regulations, the decrease of oil production in Indonesia, the loss of self sufficiency (in 2005), the recent spike in world oil prices and some environmental incident in the industry that has shaped a negative Industry's profile in the public particularly in Lapindo case.

As a professional organization that has been formed since 32 years ago, it is apparent that public's awareness of the organization's profile and importance of the organization is very limited. The organization realizes that its presence is important. The organization needs more exposure to gain public awareness of its role in building Indonesia's oil and gas operations by working together with strategic stakeholders such as Indonesian Government, Media, NGOs and oil and gas suppliers as well as oil and gas companies' employees.

Program

Based on to the above condition, the organization through its Communications Committee has launched **a new strategy** to re-branding IPA as follows:

1. Launched IPA Integrated Communications Strategy:

- Build public awareness of IPA organization as a reliable partner of Government of Indonesia and general public in oil and gas industry.
- Increase the understanding of oil and gas business in Indonesia
 - *Project's benefit*
 - *Environmental commitment*
 - *Good corporate governance*
 - *State of art of technologies implementation/ transfer of technologies*

-
- ➡ Cultivate a well informed group of current and future opinion leaders and decision makers.

2. Launched IPA 2008 Grand Key Messages:

- ➡ IPA is an organization formed by an interest to promote investment of oil and gas business in Indonesia thus creates significant benefits for the people in the country.
- ➡ IPA houses a group of companies with one vision to provide energy demand in Indonesia in an economically, safely, environmentally and socially responsible manner.
- ➡ IPA is ready to serve as a facilitator to bridge the industry and key stakeholders in oil and gas businesses (government, broader community, opinion leaders).

3. Integrate and include IPA Exhibition and Convention Communications Strategy into IPA Integrated Communications Strategy.

IPA has implemented an integrated communications strategy by repositioning its position among its strategic stakeholders and reinforces the above key messages in IPA exhibition and Convention event. All communications materials and key personnel of IPA used the grand key messages in the event.

4. Identify the Face of IPA Organization

As part of IPA Communications Integrated Communications strategy, IPA organization finally decided on "the Face of the Organization". These personnel will be acted as the spokesperson in the media and public event. There are:

- Roberto Lorato: IPA Organization Chairman
- Suyitno Patmosukismo: Executive Director of IPA

The two persons were participated actively in meeting with press, media interview, TV talk show and seminars.

5. Produce IPA Integrated Communications Strategy 2008 - 2012.

As oil and gas industry is a long-term business and recognizing the importance of the organization to the country and how it shaped the path of oil and gas industry in Indonesia in general by doing a mediator between Government of Indonesia and oil and gas business community, the Communications Committee produce the IPA Integrated Communications Strategy 2008 - 2012.

Time frame and Grand Plan

➤ *Level 1 (2H 2008)*

Public Awareness & Reputation Building

➤ *Level 2 (2009 – 2010)*

Reputation Maintenance

➤ *Level 3 (2011 – 2012)*

Ongoing Communications

This strategy will help the organization to do strategic programs that will shape organization's profile in the future.

6. Implement pro-active media relations strategy

IPA organization agreed to implement a pro-active media relations strategy to highlight and elevate its profile in its strategic stakeholder. Therefore, by using the momentum of IPA Convention and Exhibition, the organization conducted:

- Media road show to key media outlets: TEMPO Magazine, Jakarta Post and Metro TV.
- Partnership with NGO media: Newspaper in Education -- by giving a sponsorship of free entrance to more than 100 NIE participants (teachers and students) from all across Jakarta to come and see IPA Exhibition and Convention 2008.
- Media partnership with Kompas Cyber Media, TEMPO Magazine, TEMPO Newspaper, The Jakarta Post, Media Indonesia and Metro TV in promoting IPA's profile and activities during IPA Exhibition and Convention 2008.
- Participated in talk show crafted by Metro TV to highlight about IPA organization.

Conclusion

IPA organization has an important role in the industry and it is crucial that the organization exercise more strategic and pro-active communications internally and externally to gain more public understanding about oil and gas industry.

The high level of misperception about the industry often creates fractures that can impact the excellence of operations and contribution of oil and gas industry to Indonesia.

SECTION 4

CONVENTION COMMITTEE
REPORT ON 2008 ACTIVITIES

CHAIRMAN

Ananda Idris

(STATOIL HYDRO)

CONVENTION COMMITTEE

Report on the Preparation, Organization and Implementation of the 32nd Annual 2008 IPA Convention and Exhibition

The 2008 Convention was held successfully from May 27th to May 29th 2008 at the Jakarta Convention Center bringing together 2 218 registered attendees and exhibitors which could be broken down as follows:

- 1704 paid convention registration
- 401 exhibitors and others
- 89 exhibition booths
- 26 free booths

The theme selected for this year's event was:

“Meeting Energy Challenges through Cooperation”

The logo agreed to be adopted after evaluating several submission during a student design competition was confirmed at the Committee level then at Board level was:



At the Convention's Opening Ceremony, IPA President Roberto Lorato made a brief report on the current industry situation as well as the role and objectives of the IPA.

This was followed by the Speech and Keynote address by HE the Minister of Energy and Mineral Resources who then, on behalf of the Government of Indonesia, opened officially the convention by striking the gong three times.

After the signing of six new Production Sharing Contracts, Minister Purnomo led the delegates to tour the exhibition area before holding a press conference. Companies signing the new PSC's were : Lundin, ENI, CNOOC, Genting Oil Ltd., Murphy Oil and PT Medco CBM Sekayu.

This program has been a deviation from the original plan to have HE President Susilo Bambang Yudhoyono presiding over the Ceremony but had to be cancelled due to the tense security situation related to unrest triggered by a recent government decision to increase the price of fuel.

32nd IPA Convention & Exhibition Committee

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

<u>Sub-Committee</u>	<u>Chairperson</u>	<u>Vice-Chairperson</u>
Exhibition	Moh. Berli (Total E&P Indonesia)	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	Nova Artika (JOB PN-Talisman)	Karlina Hardja (Energy Equity) Cynthia Watung (Murphy)
Sponsorship	Handoyo Eko Wahono (BPMIGAS)	Suprijonggo Santoso (Saripari)
Student Volunteer	Fitrix Putro (BP)	Irma Hermawaty (Vico)
Technical Program	Moh. Syaifu I (ETTI)	Chris Jones (JOB PN-Hess)

PLENARY SESSIONS

Two sessions with eight panellists were held and included some of the most influential people in the Indonesian oil and gas industry to discuss issues related to its challenges and issues of CSR while ensuring a sustainable development of this sector.

Day One - Session I

The Oil and Gas Industry: Our Challenge

With panellists:

Airlangga Hartarto	-	Chairman of Commission VI (Energy and Industry) at Parliament
Luluk Sumiarso	-	Director General for Oil and Gas, Ministry of E&MR
Ari Soemarno	-	President and CEO of PT Pertamina Persero
Terry McPhail	-	President and GM of ExxonMobil Oil Indonesia

Session moderated by Ron Aston, Vice President of the IPA BoD

Day Two – Session II

CSR and Sustainable Development

With panellists:

- Sofjan Djalil - Minister of State Owned Enterprise
- R. Prijono - Chairman of BPMIGAS
- Noke Kiroyan - Chairman of Indonesia Business Links
- Philippe Armand - President and GM of Total E&P Indonesia

Session moderated by Sammy Hamzah, Vice President of the IPA BoD

TECHNICAL PROGRAMS

97 oral presentations were made consisting of 94 professional presentations and 3 student presentations. 28 poster presentations were exhibited consisting of 17 professional posters and 11 student posters.

Through a team of objective jury panel consisting of recognized professionals, distinctions to the above have been awarded to:

- I. For Best Professional Oral Presentation:
 1. *Engineering*: Indra Utama, JOB PERTAMINA-TALISMAN (OK)
 2. *Geoscience*: Amy Ruf, EXXONMOBIL OIL INDONESIA
 3. *Others*: Guy Allinson, UNIVERSITY OF NEW SOUTH WALES
- II. For Best Professional Poster Presentation:

Moyra E.J. Wilson, CURTIN UNIVERSITY
- III. For Best Paper Student:
 1. Best Oral Presentation: Ratna Widiarti, ITB
 2. Best Poster Presentation: Amalia Yunita Halim, ITB

EXHIBITION

Over one hundred exhibitors participated in the exhibition consisting of

- 21 Production Sharing Contractor's
- 51 Service Companies
- 2 Foreign Embassies
- 1 Foreign Chamber of Commerce
- 12 Government and Professional Institutions
- 13 Media Partners

The exhibition booths were very well attended and participants have developed new and innovative strategies to communicate with visitors.

A ten member jury panel has agreed on the following

For PS Company participants – Best booth is ExxonMobil Oil Indonesia

For Contracting Companies – Best booth is Halliburton
 For Servicing Companies – Best booth is Paradigm Geophysical

SHORT COURSES

1. 25 - 26 May 2008 at the Mulia Hotel with 19 participants
Evaluation of Reservoirs, Seals and Pay
2. 25 - 26 May 2008 at the Mulia Hotel with 25 participants
Cenozoic Tectonics of Indonesia: Problems and Models
3. 25 - 26 and 30 - 31 May 2008 at the Mulia Hotel with 23 and 19 participants
Understanding the Indonesian Upstream Oil and Gas Industry
4. 26 May 2008 at the Mulia Hotel with 28 participants
Reserves: How to Get It Right

BUDGET

The 2008 Convention & Exhibition has earned a budget surplus of **Rp. 3.4 billion** resulted from net revenue of **Rp.15.6 billion** against expenditures of **Rp. 12.2 billion**.

32ND ANNUAL CONVENTION, MAY 27-29, 2008 INDONESIAN PETROLEUM ASSOCIATION				
No.	BUDGET CATEGORY	ACTUAL 2007 In Rp	BUDGET 2008	ACTUAL 2008
			BUDGET III Rp	TOTAL ACTUAL III Rp
A	REVENUES			
1	Advance from IP A Board / (Surplus partial)	-	-	
2	Registered Booth Assistant 225 persons @\$75 (last conv. @\$75)	154,011,715	151,875,000	212,310,454
3	Convention Fees: 1500 persons @Rp2,500,000 (last conv. @2,250,000)	3,416,664,630	3,750,000,000	4,819,804,324
4	Golf Fees: Men + Ladies 135 persons @Rp1,500,000 (last conv. @Rp1,500,000)	131,470,000	202,500,000	192,048,309
5	Indl Booths/ Exhibition : 2642 sqm x \$295 (last conv. \$279) Ind. Shell Scheme of 300sqm x \$70 (last conv. \$65)	7,150,705,708	8,002,693,600	8,505,813,499
6	Sponsor	1,674,407,500	1,400,000,000	1,739,567,000
7	Sponsor Golf	-	75,000,000	139,000,000
8	Other Income / Over Payment	-	-	43,165,163
	TOTAL CASH RECEIVED	12,527,259,553	13,582,068,600	15,651,708,749
B	EXPENDITURES			
1	Secretariat and System	183,312,185	673,000,000	938,461,111
2	Technical Program Committee	795,095,438	1,075,000,000	1,116,616,729
3	Publicity Committee	468,166,889	614,983,578	678,044,761
4	Social & F&B Committee	2,703,239,445	2,945,929,590	3,599,661,015
5	Reception Committee	969,802,343	1,366,782,577	1,216,213,247
6	Registration Committee	424,762,641	200,000,000	536,028,926
7	Exhibition Committee	2,296,615,229	2,308,650,418	2,983,299,415
8	Golf Committee	338,781,574	538,441,200	451,057,746
9	Finance Committee	1,423,594	35,000,000	51,530,102
10	Plenary Session	123,942,023	165,000,000	199,631,200
11	(Gain) / Loss on Exchange Rate - Finance Committee	(47,991,047)	-	(258,375,000)
12	Security	333,391,900	390,112,500	396,050,694
13	Student Volunteer	113,100,000	165,154,589	182,968,950
14	Sponsorship	101,759,700	130,000,000	135,591,000
	TOTAL EXPENDITURES	8,805,401,914	10,608,254,451	12,228,779,896

SECTION 5

DATA MANAGEMENT COMMITTEE

REPORT ON 2008 ACTIVITIES

CHAIRMAN

Leo Tjahjadi

(BP Indonesia)

DATA MANAGEMENT COMMITTEE

Report of 2008 Activities and 2009 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.

Committee Member:

Leo Tjahjadi (Chairman)
Zuki Harahap (Secretary)

BP
ConocoPhillips

Members:

Abi Suyoso	BP
Ellinda Roza	Chevron
Tutuko Resihadi	Chevron
Minter Silalahi	EMP
Lukman Hidayat	ConocoPhillips
Sri Intan Wirya	Exxon Mobil
Cut Savana	ExxonMobil
Bambang Muhadi	Total
Forrest Wilson	Pearl Energy
Dwi Hendayanti	Pearl Energy
Kukuh Tjatur	Medco Energy
Henry Banjarnahor	INPEX
Tatang Juhatta	INPEX

2008 Highlights:

1. Expressed IPA concern on the cost of data loading to PUSDATIN system by formal letter to BPMIGAS. Several follow up meetings with BPMIGAS have been conducted. PSCs expect to receive an official letter regarding payment mechanism in Q4 2008.
2. Conducted a meeting with BPMIGAS Exploration on the new PTK on Exploration Data Management. PSCs expect BPMIGAS - Exploration Division to launch the guideline for exploration data management in Q4 2008. IPA DMC offered to assist on the content; Exploration Division will seek IPA DMC comment after the launch.
3. No progress yet on the Forum for Joint Cooperation between Industry and Government related to technical data standards and data management systems.

2009 Objectives:

- Continue to improve effective communication with DitJen MIGAS, PUSDATIN and BPMIGAS.
- Provide inputs on the subsequent data management regulation such as BPMIGAS PTK on Data Management.
- Establish a Forum for Joint Cooperation between Industry and Government related to technical data standards and data management systems.
- Knowledge management sharing and learning between members.

SECTION 6

DOWNSTREAM COMMITTEE
REPORT ON 2008 ACTIVITIES

CHAIRMAN

Debut Kamajaya

(TOTAL OIL)

DOWNSTREAM COMMITTEE

Report of 2008 Activities and 2009 Objectives

2008 Highlights

- Much less meetings and limited discussions held during 2008 because of the busy situation of each individual of Committee members
- More issues addressed directly by individual companies in term of discussion to the governments because it is related to the specific business strategy from each companies
- Active committee members don't change; AKR, BP, Chevron, Elnusa Petrofin, Petronas, Shell, Total and new member Synergy consultant.
- Meetings with BPH Migas mostly on PSO issues.
- Meetings with Migas on the fuel spec and bio fuel implementation issues.

Industry and Environment:

- Fuel market price was peak during early July 2008 (i.e. MOPS – Mean Oil Platts Singapore Price was USD180/bbl) and now being the lowest (early November was less than USD70/bbl). The price was cut off more than USD110/bbl only within less than 4 months.
- Government increased subsidized fuel price (diesel and gasoline) by 35% average in May 2008 due to the pressure on high oil price to the state budget.
- In September 2008, BPH Migas started the process of selection for assignment of PSO Fuels Supply and Distribution for year 2009. More than 20 companies invited for pre-selection process and 7 companies, outside of Pertamina, proceeded into the selection process (Shell, Petronas and AKR are among them). BPH Migas will announce the selection result by mid December 2008.
- There is still slim chance for non Pertamina players will be given opportunity to participate into the PSO Fuels Supply and Distribution for 2009 although BPH Migas has initiated positive approach in regard to the selection process. Furthermore, in term of the clarity on how the PSO assignment business model looks like is still quite a lack.
- The proposed 2009 PSO fuels reimbursement figure would be less than 2008 which is MOPS + 12%.

-
- In retail (petrol station) business, new players continue to grow but in slower pace than 2007. Shell now operates 25 sites in Jakarta and Petronas operates 15 sites in Jakarta and Medan while Total as new comer will open its first site by end of Dec 2008. Pertamina also grows its network at least by 200 sites throughout the country due to the improvement on the fuel retail margin.
 - There are more new players enter the fuel market for industry, i.e. Total, SPC, and few other local companies due to less entry barrier because of minimum condition requirement and promising business prospect triggered by 'everyday increasing' oil price between mid 2007 – mid 2008. The volume of new players continue to grow (now reaching 8% market share of diesel for commercial and industry sector) and this year for the first time the diesel supply into PLN won by Shell and AKR (total about 1 million kl per year).
 - Due to the continuously decreasing of oil price for the last 4 months, it causes very difficult situation for the industrial fuel market as the retail price keeps on going down. However, for retail business (petrol station), it gives good impact as it narrows down the price gap between subsidized fuels vs non subsidized fuels and it stimulates more sales in non Pertamina fuel stations.

Regulation Issues:

- The bio fuel implementation regulation (in the form of ministerial decree) was issued in September which put the obligation of bio fuel content in all gasoline and diesel sales at the certain minimum level.
 - For retail (petrol station) – will be effective in January 2009
 - The non subsidized gasoline should have minimum 5% of bio ethanol
 - The non subsidized diesel should have minimum 1% of bio diesel
 - For commercial and industrial fuel – effectively is October 2008
 - The non subsidized diesel should have minimum 2.5% of bio diesel

Special Issue (Organization – Internal):

- Limited activities; meeting and discussion with authorities due to :
 - The busy situation of each member.
 - The common issues are less raised up now via the group due to most of issues would be related to the individual business strategy.
- Need urgently chairmanship rotation (the existing Chairman and Vice Chairman has been 2.5 years in the position – myself from Total and Imansyah from Shell, and both resigning from their company).

Concerns Left in 2008

- Fair and equal access to PSO grades through clear selection process, condition and business model.

-
- If the PSO existence is long term, it is critical to support economics, encourage investment and stimulates the competition.
 - We basically support the government program on bio fuel implementation but:
 - The time line is not enough for preparation.
 - Lack of analysis from government of the economical impact (limited supply, additional infrastructures, different price than fossil fuel price), quality impact for the user (i.e. water content and corrosive impact on bio ethanol).
 - Standardization of product spec and quality still an issue.
 - Fuels specification (market friendly).
 - Streamlining of local permits to avoid duplication (Migas license and NRU from BPH Migas in example).

Agenda in 2009

- Hold IPA dialogue with relevant authorities.
- Chairmanship rotation.
- Access to PSO fuels to new entrants.
- Access to existing import/distribution facilities.
- Getting industry's messages across to government/authorities.

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 2008 ACTIVITIES

CHAIRMAN

Agustanzil Sjahroezah

(ENERGI MEGA PERSADA)

ENVIRONMENT AND SAFETY COMMITTEE

Report of 2008 Activities and 2009 Objectives

I. OVERVIEW

IPA ESC is a working committee and serves as a bridge between oil and gas operations and regulatory bodies. The committee is here to ensure that oil and gas operations comply with the applicable regulations. Furthermore, the committee actively participates in reviewing the draft of the regulations and providing input to ensure the regulations are sensible for industries without sacrificing the environment and human being.

For the past few years, IPA ESC have been very actively involved in regulatory advocacy from the industry and professional perspective and influencing government to revisit regulations which are not reasonable to achieve sustainability.

II. ENVIRONMENT & SAFETY COMMITTEE (ESC) MEMBERS

Environmental issues have grown up 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. On 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. Consequently, regulations in national level become more and more important because local legislations will refer to the higher regulations stipulated by the central government.

The same constantly growing concern was also recognized in safety issues. Along with the complexity of environmental and safety issues, the ESC membership has also grown. In 2003, the ESC members consisted of 13 members, and this number grew up in year 2008, into 18 members.

The ESC members in 2008 are shown below:

Chairman	:	Agustanzil Sjahroezah	Energi Mega Persada
Secretary	:	Agustina Parwitosari	Chevron
Members	:	1. Ali Dikri	Chevron
		2. Arudji Wahyono	Chevron
		3. Doni G. Wibisono	Medco E&P Indonesia
		4. Harry Eddyarso	PT Permata Drilling Intl
		5. Juli Rusjanto	Total E&P Indonesia
		6. Karel Piet	CNOOC

7.	Lidia Ahmad	BP Indonesia
8.	Muhammad Shobirin	Premier Oil
9.	Muhammad Najib	Total E&P Indonesia
10.	Randoelf Bledoeg	PetroChina
11.	Rossi Yuliani	BP Indonesia
12.	Sapta Nugraha	BPMIGAS
13.	Satrio Pratomo	Energi Mega Persada
14.	Sugiarto	Elnusa Tristar
15.	Prijo Hutomo	Star Energy
16.	Ibrahim Arsyad	Medco E&P Indonesia

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

HONORARY CHAIRMEN

1.	Michael Bradey	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

New members joining in 2008:

1.	Prijo Hutomo	Star Energy
2.	Ibrahim Arsyad	Medco E&P Indonesia

Members who left in 2008:

1.	Elviera T. Putri	ExxonMobil Oil Indonesia
2.	Tri Wisono	Chevron
3.	Nindyo Sukardjo	ConocoPhillips
4.	Tangkas Siahaan	VICO

III. 2008 ENVIRONMENT AND SAFETY WORK PROGRAM AND ACHIEVEMENT

IPA-ESC is routinely having a monthly meeting every second Thursday of the month. Various environmental and safety topics were discussed in the meeting, focusing on regulatory advocacy, sharing lessons learned and best practices (for example: Pandemic Preparedness Plan).

IPA-ESC continues to promote communication and advocacy with BPMIGAS, Migas and the Ministry of Environment in the Environmental Forum. In the past IPA-ESC was very influential in the transformation of PROPER evaluation scheme, hence the achievement of green and gold ratings for upstream oil and gas industry are now likely under current PROPER assessment. In 2002, only six (6) PSCs received Blue (the

highest) rating. The next year, 2003, eleven (11) PSCs got blue ratings. There were no PROPER evaluations in 2004 and 2005 due to revitalization of the PROPER scheme as a result of IPA-ESC appeal. Recently in 2006-2007 period evaluation after the revitalization of the PROPER scheme, seven (7) Green ratings and twenty nine (29) Blue ratings were awarded to oil and gas companies.

In terms of personnel safety certification, IPA-ESC continues to engage with ICCOSH (Institute Certification of Competency on Occupational Safety and Health) by attending their regular meeting.

The followings are 2008 Work Programs and Achievements progress report:

1. The Development of Migas/Government Regulation on the Management and Supervisory of Technical Aspects in Oil and Gas / RPP Pengaturan dan Pengawasan Keteknikan dalam Kegiatan Usaha Migas
(Person in Charge: Satrio Pratomo)

The Directorate General of Oil and Gas under the Department of Energy and Mineral Resources (ESDM) is developing a Draft of Migas/Government Regulation on the Management and Supervisory of Technical Aspects in Oil and Gas. The IPA-ESC working group conducted and facilitated several meetings internally and with Migas representatives in 2008 to discuss the draft of regulation and provide input from the industry point of view.

The discussion to review the draft is suspended in IPA-ESC working group, awaiting ESDM decision to finalize the draft of the regulation format which is being reviewed by Legal Department of ESDM.

2. The Revision of Ministry of Environment Decree No. 129/2003 concerning Air Emission Standard for Oil and Gas Industry
(Person in Charge: Rossi Yuliani)

IPA-ESC has appealed the Ministry of Environment to revisit this Decree soon after being issued in 2003. IPA-ESC working group for this program have worked closely with BPMIGAS in providing input to MoE. The proposed suggestions for revision were presented in a meeting with MoE in Bandung in August 2008. New air emission standards and fugitive emission management were among other things that were discussed with MoE.

IPA-ESC working group has succeeded in convincing the Ministry of Environment that CEM does not have added value to effectively monitor the emission from oil and gas activities. Manual emission monitoring, which is regularly carried out by oil and gas industry, has served the function.

3. The Implementation of Ministry of Environment Regulation No. 4/2007 concerning Wastewater Standards for Oil and Gas and Geothermal Activities
(Person in Charge: Doni Wibisono)

The oil and gas industry has several concerns in the implementation of this Regulation. To compile all concerns and assess the impacts to the operations, a working group who would focus on articulating industry challenges was formed. The group was able to identify the issues and compile a proposal for solution. One of the issues is the standard for few wastewater parameters that IPA-ESC would like to be reviewed based on available technology, technical constraints, best practices, economical feasibility and environmental carrying capacity. At the moment, the working group is care about the scheme to pass on our suggestions considering this is a recently issued regulation and it is unlikely that MoE will revise or evaluate it until 2012.

4. The Implementation of Ministry of Environment Regulation No. 2/2008 concerning Toxic and Hazardous (B3) Waste Utilization
(Person in Charge: Ali Dikri)

The oil and gas industry has several concerns in the implementation of this Regulation. To compile all concerns and assess the impacts to the operations, a working group who would focus on articulating industry challenges was formed. The group was able to identify the expectations and compile a proposal as feedback. One of the concerns is that the decision for selection of B3 waste management implementation shall take into account the technical, safety, environmental, financial, nature of operations and regulation compliance feasibility analysis. Another one is to recognize other current 3R (Reduce, Reuse, Recycle) initiatives, both internal within industry and external. At the moment, IPA-ESC is care about the scheme to pass on our suggestions considering this is a recently issued regulation and it is unlikely that MoE will revise or evaluate it until 2012.

FORWARD PLAN

- Continue the advocacy work from 2008 and new emerging issues in 2009 on various government regulations development and/or changes through working team assigned with the relevant government agencies.
- Launch environmental and safety sharing lessons learned and best practices in the IPA website (http://www.ipa.or.id/cmt_enviromental.htm).
- Produce IPA-ESC leaflet to promote IPA-ESC activities.
- Continue involvement competency development of health, safety and environmental by organizing trainings and/or workshops.
- Expand and maximize the active participation of IPA-ESC in the health, safety and environmental discipline of IPA and other relevant events, such as IPA or SPE Annual Convention.

SECTION 8

FINANCE & TAX COMMITTEE

REPORT ON 2008 ACTIVITIES

CHAIRMAN

A. Noviyanto

(TOTAL E&P INDONESIA)

FINANCE & TAX COMMITTEE

Report of 2008 Activities and 2009 Objectives

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

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.

2008 Activities

- 1) As a result of several working meetings with Fiscal Coordinating Body of the Ministry of Finance, BPMIGAS, and also other related Government entities on import facility for the new PSC, as continuation effort starting from the beginning of Q4 2007, in early 2008, the new regulation of import facilities for the New PSCs was finally issued through the Minister of Finance Decrees, while for the Old PSCs the existing facilities are still valid.

Several discussion related to this issue with BPMIGAS have been taken place during 2008, to seek more permanent solution of VAT and WHT on import exemption to Ministry of Finance.

-
- 2) Constructive dialogues with BPMIGAS to develop better procedures for resolution of government audit has been initiated and continued. The outstanding audit findings have been significantly reduced in term of amount and number of cases through quarterly meetings.
 - 3) Engaged in the dialogues with BPMIGAS regarding cost recovery issues and more intensively after the issuance of Minister of Energy and Mineral Resources decree on the negative list on cost recovery (no.22/2008) dated 30 June 2008, to find solution, which is more workable and in line with the PSC. Task force to handle this matter was established in June 2008, involving member of HR Committee, Supply Chain Management Improvement Committee and Regulatory Committee.

In November 2008, a discussion between IPA and BPMIGAS regarding this issue has clarified some items and proposal to issued implementation guidelines or directive of this decree has been accepted by BPMIGAS.

- 4) Continued engaging the industry finance & tax practitioners and advisors in the development of oil and gas industry taxation and financial matters through 2 (two) VP Finance meetings conducted during the year, several work-group meetings and telephone conferences.

5) Other Activities:

- Initiated process to get the assistance of outsourced consultant, in preparing the input on the drafting process of the New Government Regulation for oil & gas business.
- Conducted discussion and meeting with BPMIGAS on the practicality matters of new procedure or process of Work Program and Budget.
- Initiated a constructive dialogue in September 2008 with BPMIGAS Finance to address issues related to the revocation of QQ method in August 2008. In principle, BPMIGAS agrees to follow up with the DGT to find workable solution. IPA had also sent an official letter to BPMIGAS in November 2008 to highlight the potential price increase due to withdrawal of QQ method. IPA is expecting to meet with BPMIGAS senior official to discuss a way forward.
- Actively supported the Regulatory Affair Committee in discussion with DirGen MIGAS and BPMIGAS in relation to changes in tax clauses and other cost recovery clauses in the 2008 PSC Model.
- Followed up issues related to contradiction of VAT payment due date in MoF Regulation No. 11. We have obtained DGT final response on the issue, despite unfavorable, but it provides clarification to the industry.
- Updated the member of Audit Sub committee on result of discussion with BPMIGAS on Minister of Energy and Mineral Resources decree no.22/2008 and reminded the urgency to follow up and to verify any possible impact to the outstanding Government Audit findings.

-
- Appointed Bapak Rachmanto Surahmat (E&Y Partner and ex International Tax Director of Indonesia Tax Office) to help IPA progress and lobby Tax Office on 2 items, i.e. (a) capital gain tax on transfer of PSC interest and (2) PSC income tax calculation methodology for future PSCs.

2009 Objectives

- 1) To continue constructive dialogues with BPMIGAS and other stakeholders to get more permanent solution on the Import Facilities, especially the issuance of VAT Import facilities (borne by the government) which is currently has to be renewed annually. For a longer term to seek more secure import facilities covering all importation component (WHT, VAT and Duties) from the government.
- 2) To maintain a constructive dialogue with BPMIGAS and other Government Auditors to keep or even improve procedures for resolution of government audit findings that is fair to the PSC contractors and the Government.
- 3) To continue communication and discussion with BPMIGAS in the finalization of IPA proposal regarding the issuance implementation guidelines related to Ministry of Energy and Mineral Resources decree no.22/2008 (Cost Recovery Issues).
- 4) To continue engaging the industry finance & tax practitioners and advisors in the development of oil and gas industry taxation and financial matters.
- 5) To influence the shape of the new proposed oil and gas Government Regulations to be closer to industry's expectation & requirement with the assistance of external consultant.
- 6) To conduct regular meeting of Finance and Tax Committee Meetings and conference calls in regular basis and on-call basis.

SECTION 9

HUMAN RESOURCES COMMITTEE

REPORT ON 2008 ACTIVITIES

CHAIRMAN

M.H. Manullang

(VICO Indonesia)

HUMAN RESOURCES COMMITTEE

Report of 2008 Activities and 2009 Objectives

A. ORGANIZATION

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

Chairman	:	M.H. Manullang	-	VICO Indonesia
Vice Chairman	:	Harris Djauhari	-	Chevron
Secretary	:	Salmona Jahja	-	BP Indonesia
		Anna Suherman	-	Schlumberger
Members	:	Amyra Sindukusumo	-	CNOOC
		Budi Setiadi	-	PetroChina
		M Suharmoko	-	Total Indonesia
		Indrarko Susatijo	-	ExxonMobil
		Taufik Ahmad	-	ConocoPhillips
		Reddy S Sunardi	-	Medco
		Insan Purwarisya	-	Pertamina
		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. 2008 ACTIVITIES

1. Provided inputs to BPMIGAS to support the revisions of Human Resources Work Procedure Guidelines BPMIGAS (PTK – 018) on the following subjects:
 - a. Remuneration package for nationals and expats related to PSC Work Program & Budget.
 - 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.
 - f. Administration procedure for referring patients for treatment abroad
 - g. Cross posting manpower

The HR Committee on these issues are to provide the inputs in line with PSC term and industry concern and support BPMIGAS initiative to provide written guidelines for clarification both to the PSC companies and Government auditors (BPK and BPKP). We suggested the guidelines should recognize difference conditions and philosophy of each company and 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 Governments and Police Offices in the following:
 - a. Streamline the formalities process and requirements by various Government Offices
 - b. Coordination among Government Offices in conducting control or inspections
 - c. National Tripartite Forum on handling industrial dispute

Our effort on the above issues is to make a better coordination among various offices for efficiency and respect the jurisdiction of each of the Government offices in the formalities approvals, controls and inspections.

3. Continued the advocacy to BPMIGAS and Manpower and Departments related to draft of Government Regulations on severance pay.
Our position on this issue is to ensure that employees in our sector who have got sufficient protection are not negatively impacted by the new regulation.
4. Supported the annual IICS compensation survey administered by third party and followed by discussion forum at year end which includes the discussion on financial and non financial program in order to retain the talents within the company especially in this current situation.
5. Conducted joint training program on Indonesian culture orientation for expats and translation for secretaries. Shared the information with other PSC on accelerated development program for petrotechnical and operators/technician with cooperation with ITB Bandung and 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 Human Resources Annual Forum with participant consist of HR professional and management from BPMIGAS, PSC, Services Company and other Government Offices on October 20 – 21, 2008 in Surabaya discussing various HR issues in the oil and gas sector including CDM Award, Signing HR BPMIGAS Guideline, Lecturer and Sharing Best Practice

D. 2009 PLANS

1. Conduct workshop and socialization of the Human Resources Work Procedure Guidelines BPMIGAS (PTK – 018) revisions to all HR PSC personnel through the HR Sub-committees.
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, cost recovery
 - e. Any new laws and regulations affecting oil & gas sector.
3. Continue joint training acceleration and development programs for petrotechnical and operator/technician in cooperation with ITB Bandung, PPP MIGAS Cepu and other universities for similar program.
4. Continue information sharing on medical programs including Avian Flu response plan and regular medical referral meeting.

-
5. Continue HR Annual Forum with BPMIGAS and other Government Offices to improve communication and relations.
 6. Conduct quarterly HR Committee meeting in IPA Office and continue information sharing on attrition and retention issues on critical competency.
 7. Conduct workshop and joint training programs related to industrial relation, occupational health and talent assessment.
 8. Support the annual IICS compensation & benefits survey and discussion forum for better benchmarking for local and regional.

SUB COMMITTEE OF HUMAN RESOURCES COMMITTEE

UNIVERSITY ASSISTANCE COMMITTEE

REPORT ON 2008 ACTIVITIES & 2009 WORK PROGRAM AND BUDGET

An industry initiative toward developing a better education system throughout assistance , cooperation&promotion of the oil & gas industry to university students

CHAIRMAN

Dedi Sukmara

(P.T. MEDCO E&P INDONESIA)

SUMMARY

The University Assistance Committee has successfully organized and carried out the 2008 activities and programs. Total 2008 budget expenditure was IDR 354.75 millions *), which is 86.32% of the approved budget. The less expenses from the approved budget is mainly caused by less One Day Industrial Course proposal. And the some members are not entitle for Financial Assistance due to some reasons i.e. fail for proposal submission or fail to submit the last financial assistance expenditure documents.

The committee continued to invite the student representatives from the various relevant student associations of the IPA-UAC members to the IPA-UAC 2008 annual meeting in May 2008 hosted by Geology Department STTNAS in Jogjakarta. 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 2008 IPA Annual Convention in Jakarta and also sponsored 17 lecturer to attended the commercial courses organized by IPA.

The proposed 2008 budget is IDR 415 million, or 1 % increase from 2008 budget.

*) As per November 19, 2008

GENERAL

The University Assistance Committee in co-ordination 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 2008, the committee is consists 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	One-Day Industrial Courses
Member	: Ferry Yustiana	HESS	Book/Journal Distribution
Member	: Iranta B. Sinaga	VICO	UAC Grant Aid
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. Geophysics Department University of Indonesia – Jakarta
5. Geology Department Pakuan University – Bogor
6. Geology Department Institute Technology Bandung – Bandung
7. Applied Geophysics Department Institute Technology Bandung– Bandung
8. Petroleum Engineering Department Institute Technology Bandung– Bandung
9. Geology Department Padjadjaran University – Bandung
10. Geophysics Department Padjadjaran University – Bandung
11. Geology Department Gadjah Mada University – Yogyakarta
12. Geophysics Department Gadjah Mada University – Yogyakarta
13. Geology Department Pembangunan Nasional University – Yogyakarta
14. Petroleum Engineering Department Pembangunan Nasional University – Yogyakarta
15. Geology Department Sekolah Tinggi Teknologi Nasional – STTNAS – Yogyakarta
16. Geophysics Department Pembangunan Nasional University – Yogyakarta
17. Petroleum Engineering Department Proklamasi University – Yogyakarta
18. Geophysics Department Institute Technology Surabaya – Surabaya
19. Geophysics Department Brawijaya University – Malang
20. PTK-AKAMIGAS – STEM – Cepu
21. Mining Geology Department Sriwijaya University – Palembang
22. Geology Department Institute Technology Medan – Medan
23. Petroleum Engineering Department University Islam Riau – Pekanbaru
24. Physics Department FMIPA Lampung University – Lampung
25. Geology Department Hasanudin University – Ujung Pandang
26. Geophysics Department Hasanudin University – Ujung Pandang

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.

Any member shall entitle for this financial assistance when they propose the projects and be able to submit the last year project report and relevant expenditure documents to the sub committee.

A total of 17 university departments are entitled for financial assistance during 2008, the remaining member are not entitle for some reasons. Total spending by Financial Assistance was IDR 174 million or 87% 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 and organized by IPA and others. The Lecturers are also allowed to present their technical paper in the scientific convention like IAGI, IATMI and HAGI. The lecturers are expected 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.

Total of 17 lecturers attended the IPA courses during the year of 2008, with a total expenditure to date of Rp. 60.475 million or 9.95 % over the budget

DISTRIBUTION OF TECHNICAL JOURNALS AND PUBLICATIONS

The Committee assists university departments in purchasing technical textbooks and CD-ROMs. The book shall relevant to oil and gas industry and knowledge. The committee also paid for subscriptions to world-class journals, such as IPA, IAGI, AAPG, SEG and others.

During the year of 2008, sub-committee spending was approximately IDR 16.61 million, which is under the budget. Total of 6 universities are submitted book proposal.

INDUSTRY-SPONSORED COURSES

The Committee selects a One Day Course courses organized by students and taught by professionals from the petroleum industry. The locations are spread around the participating university campuses. Attendance is normally 30 - 50 students. Expenses for lecturers are covered by their company, which helps to keeps IPA costs down. This gesture is much appreciated.

During 2008, the sub-committee sponsored and coordinated 7 sessions in various universities. Total expenditure was IDR 17.8 million or 44.55 % of approved budget. Lack of

proposal from students/members is the main caused of the under expenditure, this may caused by difficulties in obtaining lecturers from industries.

UAC GRANT AID

The Grant Aid program is a most new program launch by the UAC. The program is replacing Research Grant. The lack of research proposed for the aid lead us to replace the program. The aim of the grant is to help and encourage the students. For this very first implementation, the Sub-committee launched 2 types of grant:

1. A Rp. 3,000,000 grant for 4 best students (in term of IPK) at the final year.
2. A Rp. 1,000,000 grant for 6 students with best IPK at any year of study.

Off course, we will re-visit the system and criteria of selection for next year to optimized the grants.

Total grant given in 2008 is Rp. 18 million for students from various universities.

ANNUAL UAC MEETING

UAC held one meeting of UAC/University Representatives in May 2, 2008 at Geology Department, STTNAS. 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 In 2008, IPA held annual convention meeting in May 2008. We sponsored 17 persons 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 30.2 million or approx. 81.62 % of the approved budget.

THE 2009 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 2008	OUTLOOK 2007	DIFFERENCE %	PROPOSED BUDGET 2008
01	INDUSTRY ONE DAY COURSE	40,000,000	17,818,000	45%	40,000,000
02	UNIVERSITY FINANCIAL ASSISTANCE	200,000,000	174,000,000	87%	200,000,000
03	COMMERCIAL COURSES	55,000,000	60,475,100	110%	60,000,000
04	JOURNAL / BOOK DISTRIBUTION	26,000,000	16,612,970	63.9%	20,000,000
05	IPA CONV. ATTENDANCE	37,000,000	30,200,000	82%	35,000,000
06	SEMI ANNUAL UAC/ UNIVERSITY REPS MEETING	35,000,000	37,650,000	108%	40,000,000
07	UAC GRANT AID	18,000,000	18,000,000	100%	20,000,000
	TOTAL	411,000,000	354,756,070	86%	415,000,000

SECTION 10

LNG, GAS & CBM COMMITTEE

THE CHAIRMAN IS VACANT



SECTION 10

LNG, GAS & CBM COMMITTEE

THE CHAIRMAN IS VACANT



SECTION 11

PROFESSIONAL DIVISION COMMITTEE

REPORT ON 2008 ACTIVITIES

CHAIRMAN

Ron Noble

(BLACK GOLD ENERGY)



PROFESSIONAL DIVISION COMMITTEE

January 2008 – December 2008

CHAIRMAN'S REPORT

Ron Noble (BLACK GOLD ENERGY)

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 2008 stands at 1638 individuals, down 5% from 1732 members in 2007. We now offer lifetime membership, and currently have 13 life members, 12 from Indonesia and 1 from overseas.

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. There was only one change in composition of the Professional Division Committee for 2008, although some of our committee members have changed their company affiliation during this time (myself included). Ida Herawati (CHEVRON) has taken over from Ridwan Widijanto as Chairman of the Balikpapan Chapter. We are greatly indebted to all our committee members for volunteering their time and effort to the IPA.

The Professional Division Committee at the end of 2008 is as follows:

Chairman	Ron Noble	(BLACK GOLD ENERGY)
Vice Chairman	Hans Schwing	(MURPHY)
Secretary	Taufik Manan	(MEDCO)
Treasurer	Roland Panjaitan	(HESS)
Continuing Education	H.L. Ong	(GEOSERVICES)
	Sigit Sukmono	(ITB)
Field Trips	Toby Read	(AREX ENERGY)
Newsletter	Joel Guttormsen	(CONOCOPHILLIPS)
	James Farmer	(HALLIBURTON)
Luncheon Talks	Hans Schwing	(MURPHY)



Membership	Sugembong C.F.	(STAR ENERGY)
Publications	Andy Livsey	(HORIZON)
Homepage & Information Technology	Jonathan Gilbey	(CHEVRON)
Student Chapter	Sujud Sunawan	(BLACK GOLD ENERGY)
Riau Chapter	Parvita Siregar	(SALAMANDER)
Balikpapan Chapter	Mariwu Dengah	(CHEVRON)
IPA Secretariat	Ida Herawati	(CHEVRON)
	Audrey Sahertian	(IPA)

The Professional Division has continued to successfully carry out its mission during 2008. Five (5) luncheon talks were held during the year, with attendance exceeding 520 professionals in Jakarta and several more in Balikpapan and Riau. In addition, fifteen (15) short courses were held on diverse technical topics throughout the year and all were well received and attended. The short courses presented in 2008 drew a total of 327 attendees, which is only slightly lower than last year. The strong demand for educational services continues, and the excellent work of short course organizers and instructors, has resulted in a healthy surplus for the IPA.

Three (3) educational fieldtrips were successfully completed during the course of the 2008. The *field Seminar at Cepu, Central Java* was run in June, with a total of 32 attendees. Due to the popularity of this trip, it was re-run in October, again with a full compliment of 32 attendees.

The 2008 IPA Membership Directory was published and distributed to members, as were two (2) informative newsletters each focusing on a theme of technical interest to our members.

The Publications group continue to report strong 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. Hard copy book sales are now quite rare.

Progress to upgrade the IPA website is nearing completion, with web design services being provided by VeeLabs. The IPA is considering hiring a full time person to assist with the information content of the website. This person would be responsible for keeping all information about the industry live and up-to-date.

Many thanks are offered to the dedicated officers and sub-committee chairmen for making 2008 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 2007 surplus was Rp. 1,256 billion, which was from Revenue of Rp. 6,416 billion and expenditure of Rp. 5,160 billion.



Financial results for 2008 are still in progress. As of October 2008 the cash surplus was Rp. 1,053 billion. The surplus derived from Revenue of Rp. 5,039 billion and expenditure of Rp. 3,986 billion.

The main contribution to the cash surplus was sales of IPA Publications DVD, others publication Rp. 145 million, Courses Rp. 501 million, and Fieldtrip Rp. 150 million gain on foreign exchange is Rp. 282 million, and others surplus Rp. 23 million.

As of December 2008, we estimate a cash surplus of Rp. 1,106 billion, compared to forecasted annual surplus of Rp. 800 million.

CONTINUING EDUCATION SUB-COMMITTEE

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

Vice-Chairman : Sigit Sukmono (ITB)

There were 15 professional courses offered in 2008, including 5 short courses in conjunction with the Thirty-Second (2008) IPA Annual Convention and Exhibition. A full list showing the courses titles and the instructors is provided in Appendix A. A total of 327 participants attended the courses, of which 38 people came from overseas. In general, all courses were well attended and have generated a surplus for the IPA.

FIELDTRIP SUB-COMMITTEE

Chairman: Toby Read (AREX ENERGY)

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.

Three fieldtrips were scheduled during the course of the 2008.

The first trip of the year was the classic Modern and Ancient Mahakam Delta Sedimentology trip which ran in May, with a total of 14 attendees. This was timed to be co-incident with the IPA convention. We greatly appreciate the assistance of Total E&P Indonesia in making this trip possible.

The *Oil Exploration, Drilling and Production Operations; A field Seminar at Cepu, Central Java*, which was run twice, due to its popularity. The first time in June, with a total of 32 attendees, and the second in October, again with 32 attendees. Taking on board comments from the attendees, we are considering adapting this course to include a taught classroom session as a further introduction to the industry operational environment.

Looking forward to 2009, the field trip budget proposal for next year includes further re-runs of the Cepu trip, as well as the Mahakam Delta trip, which again will be organized to coincide with the convention. In addition a trip to South Sumatra is in the final stages of planning, and we hope to run this in the first quarter 2009.

NEWSLETTER SUB-COMMITTEE

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

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 Petroleum Services, 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.

For 2009, two issues of the Newsletter have been published. Themes covered this year have been:

- May 2008: Pre-convention issue, anchor article on the Miocene Carbonates of Turkey by Dr. Phillip Bassant (Chevron), and executive summaries of Luncheon Talks by Bapak Abdul Muin on "2007 E&P Activities in Indonesia" and Mr. Peter Cockroft (Independent) on "The Building Blocks for a Successful Coalbed Methane Industry in Indonesia."
- December 2008 (in progress): Highlights of the 2008 IPA Annual Conference and a reprint of Allinson and Naim's "Economics of the Indonesian PSC," which was nominated as the Best Professional Oral Presentation - Others category.

The current publisher is Java Star. Average charge for printing 2,000 glossy color newsletters and distributing to the membership is Rp. 37 million. 2008 total costs for the Newsletter are expected to be around Rp. 74 million for two issues.

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

A relatively low number of short technical articles are submitted to the Newsletter, and has remained a challenge for 2008. The editors have been leveraging the IPA technical archives for relevant articles to re-print in the newsletter, and this has proved to be a useful resource to fill this gap. Another option might be to schedule topical themes through 2009 and invite short technical 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 targeted at young professionals: 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, Gravity and Magnetics, Earth

Modeling, Reservoir Engineering and Simulation, Economics and Risk Analysis, Operations Geology, Drilling, and Production.

For 2009, the Editors will 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 are an important focal point for members of the IPA. However, it has been quite difficult to find quality presentations suitable for a wide audience in 2008.

We were able to host five very good presentations from March through November. A wide range of topics were covered by the various speakers. In March 2008 Pak Abdul Muin presented a very well attended talk entitled a Summary of 2007 E&P Activities in Indonesia and Outlook for 2008.

A full listing of all talks and attendances is attached as Appendix C. Total attendance was greater than 520 members throughout the year.

Planning is underway already for 2009 with new speakers for February and March firming up.

MEMBERSHIP SUB-COMMITTEE

Chairman: Sugembong C.F. (STAR ENERGY)

The total for 2008 IPA Professional Division Membership is 1638. The breakdown of members is as follows: Jakarta 1236, Riau 304, Balikpapan 22, and Overseas 76.

This year, membership is 5% less compared to last year. We have seen membership remain fairly constant over the past several years. The membership fee of Rp. 150.000 (or \$20) remains very affordable for all who wish to join the association. This year is the second year of introducing lifetime membership to the IPA. In order to qualify for lifetime membership, an individual must have been an IPA member in good standing for at least 5 years. We currently have 13 lifetime members, 12 from Indonesia and 1 from overseas. Life membership costs Rp. 2.250.000 or US \$300.

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.

The IPA Publications have undergone profound changes over the last few years with most purchases now involving digital files rather than hard copy books. Sales of the IPA



Publications CD-ROM have continued (13 sold during 2008) and income was also generated for the IPA from downloading of individual publications from the AAPG datapages website (US\$ 3,595.21 in 2008).

Initiatives for 2009 include:

- Production of an updated DVD with the last few years IPA Proceedings incorporated
- Publication of a book on the Geology of Java

HOMEPAGE AND INFORMATION TECHNOLOGY SUB-COMMITTEE

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

The Homepage and Information Technology Committee reviewed the existing web hosting, email hosting and server co-location services provided by PetroData. Due to repeated system downtime and issues with mail services, a new provider is being actively sought.

Veelabs was awarded the contract to upgrade the IPA website. This project is near completion and is hoped to go-live very soon, pending minor modifications and development of additional pages outside the original scope.

STUDENT ACTIVITIES SUB-COMMITTEE

Chairman: Parvita H. Siregar (SALAMANDER)

There were no new student activities in 2008. We are planning to increase the level of student involvement in 2009.

RIAU CHAPTER

Chairman: Mariwu Dengah (CHEVRON)

Membership of the Riau chapter increased from 305 last year to 324 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 vacant positions on the sub-committee.

BALIKPAPAN CHAPTER

Chairman: Ida Herawati (CHEVRON)

The IPA membership of Balikpapan Chapter increased from 45 to 54 members in 2008. In November 2008, Ridwan Widiyanto handed over the Chairman's position to Ida Herawati (CHEVRON). The Balikpapan Chapter will be reorganized to fill the empty position. The chapter also needs to plan a technical program in 2009 by working together with other professional organizations in Balikpapan, as most of our members are also members of IAGI, HAGI, IATMI, and SPE.



APPENDIX A SHORT COURSES – 2008

1. Title : Understanding the Indonesian Upstream Oil & Gas Industry
Instructor : Dr. H.L. Ong – Lecturer of ITB & Advisor to P.T. Geoservices
Date : February, 25 - 26, 2008
Venue : Hotel Mulia Senayan - Jakarta, Indonesia
Cost : US\$ 700 (IPA Members) - US\$ 750 (Others)
No. of participants: 27

2. Title : Practical Investment Appraisal and Business Decision Analysis in Petroleum Exploration & Production - with special reference to the Indonesian PSC system
Instructor : Dr. H.L. Ong - Lecturer of ITB & Advisor to PT Geoservices (Ltd.)
Dates : March 10 - 14, 2008
Venue : Sheraton Bandung Hotel & Towers - Bandung, Indonesia
Cost : US\$ 1,700 (IPA Members) - US\$ 1,800 (Others)
No. of participants: 11

3. Title : Risk Analysis, Prospect Evaluation and Exploration Economics
Instructors : Jim Gouveia & Steve McIntyre - Rose & Associates, USA
Dates : April 21 - 25, 2008
Venue : Sheraton Bandung Hotel & Towers, Bandung - Indonesia
Cost : US\$ 2,500 (IPA Members & Others)
No. of participants: 35

4. Title : Risk Analysis for Development Applications (RAD)
Instructors : Jim Gouveia & Steve McIntyre - Rose & Associates, USA
Dates : April 28 - May 2, 2008 (break on May 1)
Venue : Sheraton Bandung Hotel & Towers - Bandung, Indonesia
Cost : US\$ 2,100 (IPA Members & Others)
No. of participants: 12

5. Title : Evaluation of Reservoirs, Seals and Pay
(pre-convention course, in conjunction with 2008 IPA Annual Convention and Exhibition)
Instructor : Dr. John G. Kaldi - Chief Scientists CO2CRC, University of Adelaide
Dates : May 25 - 26, 2008
Venue : Hotel Mulia Senayan - Jakarta, Indonesia
Cost : US\$ 900 (IPA Members) - US\$ 950 (Others)
No. of participants: 19

6. Title : Cenozoic Tectonics of Indonesia: Problems & Models
(pre-convention course, in conjunction with 2008 IPA Annual Convention and Exhibition)
Instructor : Prof. Robert Hall - University of London
Date : May 25 - 26, 2008
Venue : Hotel Mulia Senayan - Jakarta, Indonesia
Cost : US\$ 850 (IPA Members) - US\$ 900 (Others)
No. of participants: 25

-
7. Title : Understanding the Indonesian Upstream Oil & Gas Industry
(*pre-convention course, in conjunction with 2008 IPA Annual Convention and Exhibition*)
Instructor : Dr. H.L. Ong - Lecturer of ITB & Advisor to P.T. Geoservices
Date : May 25 - 26, 2008
Venue : Hotel Mulia Senayan - Jakarta, Indonesia
Cost : US\$ 700 (IPA Members) - US\$ 750 (Others)
No. of participants: 23
8. Title : Understanding the Indonesian Upstream Oil & Gas Industry
(*pre-convention course, in conjunction with 2008 IPA Annual Convention and Exhibition*)
Instructor : Dr. H.L. Ong - Lecturer of ITB & Advisor to P.T. Geoservices
Date : May 30-31, 2008
Venue : Hotel Mulia Senayan - Jakarta, Indonesia
Cost : US\$ 700 (IPA Members) - US\$ 750 (Others)
No. of participants: 19
9. Title : Reserves – How to Get It Right !
(*pre-convention course, in conjunction with 2008 IPA Annual Convention and Exhibition*)
Instructor : David Ahye & Douglas Peacock - Gaffney, Cline, and Associates,
Date : May 26, 2008
Venue : Hotel Mulia Senayan - Jakarta, Indonesia
Cost : US\$ 450 (IPA Members) - US\$ 500 (Others)
No. of participants: 28
10. Title : Carbonate Seismic Reservoir Analysis
Instructor : Dr. Sigit Sukmono - Lecturer, Institute Technology Bandung (ITB)
Dates : June 23 - 27, 2008
Venue : Sheraton Senggigi Beach Resort Lombok, Indonesia
Cost : US\$ 1,700 (IPA Members) - US\$ 1,800 (Others)
No. of participants: 19
11. Title : Petroleum Geology of Deep-Water (Turbidite) Depositional Systems
Instructor : Dr. Roger Slatt - University of Oklahoma
Dates : July 7 - 11, 2008
Venue : Hotel Padma Bali, Bali - Indonesia
Cost : US\$ 2,100 (IPA Members) - 2,200 (Others)
No. of participants: 18
12. Title : Applied Subsurface Geological Mapping
Instructor : Siamak Agah - Subsurface Consultants & Associates, LLC - USA
Dates : August 4 - 8, 2008
Venue : Sheraton Bandung Hotel & Towers - Bandung, Indonesia
Cost : US\$ 2,750 (IPA Members) - US\$ 2,850 (others)
No. of participants: 28
13. Title : Geological Interpretation of Well Log
Instructor : Martin Kennedy Ph.D. - Chief Petrophysicist, Woodside Energy Ltd
Dates : October 13 - 17, 2008

Venue : Sheraton Senggigi Beach Resort Lombok - Lombok, Indonesia
Cost : US\$ 1,850 (IPA Members) - US\$ 1,950 (Others)
No. of participants: 27

14. Title : Understanding Overpressure and Its Prediction
Instructor : Dr. Richard Swarbrick - Consultant, UK
Dates : November 3 - 7, 2008
Venue : Sheraton Senggigi Beach Resort Lombok, Indonesia
Cost : US\$ 1,850 (IPA Members) - US\$ 1,950 (Others)
No. of participants: 16

15. Title : Advance Seismic Methods for Field Exploration & Development
Instructor : Dr. Sigit Sukmono - Lecturer, Institute Technology Bandung (ITB)
Dates : December 15 - 19, 2008
Venue : Hotel Santika Beach Resort Bali, Bali - Indonesia
Cost : US\$ 1,700 (IPA Members) - US\$ 1,800 (Others)
No. of enrollments: 20

APPENDIX B
FIELD TRIPS - 2008

Trip # 1 : The Modern and Ancient Mahakam Delta Sedimentology
A Technical Field Trip for Geoscientists
Dates : May 18-22, 2008
Trip Leader : Irfan CIBAJ (TOTAL)
Participants : 14

Trip # 2 : Geological Trip to Cepu Area for Non-Geoscientist Personnel
Dates : June 9-12, 2008
Trip Leaders : H.M. Yohannes P. Koesoemo (Pusdiklat "Migas", Cepu)
Participants : 32

Trip # 3 : Geological Trip to Cepu Area for Non-Geoscientist Personnel
Dates : October 27-30, 2008
Trip Leaders : H.M. Yohannes P. Koesoemo (Pusdiklat "Migas", Cepu)
Participants : 32

APPENDIX C
LUNCHEON TALK - 2008

1. Date : March 5, 2008
Venue : The Ritz-Carlton Jakarta
Speaker : Abdul Muin / BPMIGAS
Title : Summary of 2007 E&P Activities in Indonesia and Outlook for 2008
No. of Guest : 227

2. Date : April 2, 2008
Venue : The Ritz-Carlton Jakarta
Speaker : Phillip Bassant / CHEVRON PACIFIC INDONESIA
Title : Miocene carbonates of Southern Turkey: a striking analog for Indonesian exploration
No. of Guest : 78

3. Date : May 6, 2008
Venue : JW Marriott Jakarta
Speaker : Peter Cockcroft
Title : The Building Blocks for a successful Coal Bed Methane (CBM) Industry in Indonesia
No. of Guest : 123

4. Date : June 10, 2008
Venue : Crowne Plaza Jakarta
Speaker : Peter J. McCabe / CSIRO
Title : Deltaic Systems and Super-Systems – Controls on Petroleum Accumulation
No. of. Guest : 48

5. Date : November 5, 2008
Venue : Gran Melia Jakarta
Speaker : Dr. Alton Brown, Consultant
Title : Implications Of Methane Storage Mechanisms For Exploration and Production From Gas Shales
No. of. Guest : 48

SECTION 12

REGULATORY AFFAIRS COMMITTEE

REPORT ON 2008 ACTIVITIES

CHAIRMAN

Peter Dumanauw

(CHEVRON INDONESIA CO.)

REGULATORY AFFAIRS COMMITTEE

Report of 2008 Activities and 2009 Objectives

Chairman	:	Peter Dumanauw	(CHEVRON)
Deputy Chairman	:	Heike Butar Butar	(CONOCOPHILLIPS)
Members	:	Deny Rijadi	(BP)
		Gunawan Sjamsuddin	(CHEVRON)
		Chris Angus	(CHEVRON)
		Mark Snell	(EXXONMOBIL)
		Anna Rosita	(EXXONMOBIL)
		Lona Tarigan	(PREMIER)
		Yandri Hendarta	(PREMIER)
		Joseph Tobing	(HESS)
		Arvin Mogot	(SANTOS)
		Hanny Denalda	(SANTOS)
		Gwendoline Brooker	(TOTAL)
		Dewi Mayang Sari	(TOTAL)
		Anton Latief	(TOTAL)
		Indri Khrisnavari	(TOTAL)
		Maeritta Putri	(VICO)
		Andi Ismail	(MEDCO)
		Rico Moegandhi	(MEDCO)
		Chip Rothschild	(MARATHON)
		Tom Hamilton	(ANADARCO)

PRIMARY EFFORTS IN 2008

1. New Model Production Sharing Contract 2008.

Support IPA Officers in negotiation with BPMIGAS and MIGAS on the latest draft of PSC introduced by the government in early 2008. IPA has expressed big concerns over the terms of the PSC that IPA believes can be a set back in development of oil industry in Indonesia from Investor perspective. The issues that were discussed are as follows:

- Parent Company Guarantee
- Joint and Several Liability
- Arbitration
- Plan of Development & Commerciality
- Definition of Gross Negligence or Willful Misconduct
- Interest Expense and Interest Recovery
- Community Development
- Change of Control

-
- Carving Out Uneconomical Gas Filed
 - Appointment of Operator
 - Escrow Agent for Abandonment and Restoration Fund
 - Surviving Obligation
 - Participation by Indonesian Participant
 - Implication on Change of Operatorship or Change of Control
 - Limited Commercial Contract Area
 - Performance Bond
 - Loss Insurance
 - Definition of natural Gas and LPG
 - Right to Audit
 - Role of BPMigas

Clarifications and changes to the 2008 model PSC were acceptable by both Industry and the Government.

2. Cost Recovery Issue

The cost recovery issue has been continuously debated in 2008. The public and government perceptions seem to be that cost recovery must be heavily regulated and that the terms in the PSC are considered to be insufficient. On 30 June 2008, the Minister of Mineral Resources issued a ministerial Regulation on Types of Expenditure For Oil and Gas Upstream Activities which Cannot be Reimbursed to the Cooperation Contract Contractor. After the issuance of this Decree, RAC supports Finance and Tax Committee to have a thorough discussion with BPMIGAS about the 17 items on the negative list of cost that can be recovered. Until the report is submitted, the discussion is still ongoing.

3. Amendment of Law No 22/2001

The DPR has drafted a new Amendment of Law No. 22 with a controversial content. IPA has submitted a comment to this proposed amendment. The issues are as follows:

- Need approval of Indonesian house representatives (DPR):
 - New PSC
 - Appointment of PSC Contractor(s)
 - Fuel and natural gas prices
- PSC period will be reduced from 30 years to 25 years
- Government has the right to revise and/or revoke PSC if it considered as against country interests with approval of DPR
- DPR has the right to propose a revision to the PSC period if in the implementation it is found an evidence that the Laws and Regulations have been breached
- DMO will be increased to 75
- Fuel and certain processed products may only be exported after the domestic demand has been met

-
4. Coordination with the Tax and Finance 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.
 5. The 2008 PSC Lawyers Luncheon. On 2nd December, the IPA RAC and sponsored a PSC Lawyers Luncheon at Bimasena. The PSC Lawyers Luncheon this year is hosted by ExxonMobil. 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. The topics that will be discussed is about BPMIGAS perdiem policy for domestic & international travelling and the use of BANI arbitration.

2009 OBJECTIVES

The IPA RAC's objectives for 2009 are as follows:

- Continue to engage BPMIGAS and MIGAS on Cost Recovery and New Procedure for Work Program and Budget.
- Continue to engage in the discussion with MIGAS, KADIN or the Parliament in connection with the draft amendment of Law No. 22
- 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;

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 13

SECURITY COMMITTEE
REPORT ON 2008 ACTIVITIES

CHAIRMAN

Whisnu Bharata

(BP Indonesia)



SECURITY COMMITTEE

Report of 2008 Activities and 2009 Objectives

I. General

In April 2008, Whisnu Bharata from BP Indonesia has been appointed as the new Chairman of IPA Security Committee replacing Satria Djaya from Chevron. In the year 2008, Security has a plan to produce Security Outlook of 2009 one of the references to the Board of Directors of IPA. In the development of Security Outlook 2009, reorganization of the current IPA Security committee members is necessary, as also to conduct series of discussions among Security IPA members involving other related external resources.

II. New IPA Security Committee Members

Security Committee conducted a meeting on October 16, 2008 to up date the Organizations, which previously had 13 members to be now 6 members. The new organization of Security Committee is as follows:

Security Chairman : Whisnu Bharata – BP Indonesia
Vice Chairman : M Sajid – Chevron
Secretary : Astrid Febrina – BP Indonesia

Committee Members:

1. Peter Harland - Vico
2. Doddy Hendratna - Conoco Phillips
3. Untung S. - CNOOC
4. Djayai Anwar - Pertamina EP
5. Satrio Wyardiono - BP Indonesia
6. Baruno Subroto - Chevron

III. Related Activities and Programs

a. Forum Discussion I (Jakarta, November 12, 2008)

In relation to brainstorm and collect many inputs in the topics of “Security Forecast and General Situation in the year 2009; Impact to investment of Oil & Gas Industry”, it is required to have a Forum Discussion involving all members of IPA Security and External Resources (Subject Matters Expert). The sub-topic of the discussion is divided into three issues covering; National Security Establishment, Terrorism and Security of National Vital Objects. The external resources will be invited in the discussion are:

-
1. Political Analyst - CSIS (Center for Strategic and International Studies).
 2. Head of Anti-Terror Detachment Special Unit.
 3. Security Advisor to the Minister of Energy and Mineral Resources.

b. Forum Discussion II (Jakarta, November 26, 2008)

As the continuation of the 1st Forum Discussion, the similar study is conducted with different external resources, to enrich the inputs and scope of Security Outlook 2009. External parties involved are:

1. Deputy V Coordinating Minister of Politics, Law and Security (Covering National Security Issues).
2. Researcher – Terrorism Expert.
3. Deputy Director of the National Vital Object Security – Police HQ.

c. IPA Security Committee Conference (Surabaya, Dec 15 – 16, 2008)

The result of Forum Discussion I & II will be presented and reviewed before all IPA Security members. External resources are also involved in the conference, they are:

1. Director A BAIS TNI (Military Intelligence).
2. Director of the National Special Object Security – Police HQ.
3. Head of Security BPMIGAS.
4. Head of Anti-Terror Detachment Special Unit.

The final result of the conference will be compiled and produced as 2008 Security Papers which focus on Security Outlook 2009.

SECTION 14

SERVICE COMPANIES COMMITTEE

NO REPORT SUBMITTED

by the

CHAIRMAN

Bambang Purwohadi

(APMI)



SECTION 15

SUPPLY CHAIN MANAGEMENT IMPROVEMENT COMMITTEE

REPORT ON 2008 ACTIVITIES

CHAIRMAN

I.G.K. Modana

(TOTAL E&P INDONESIA)

SUPPLY CHAIN MANAGEMENT IMPROVEMENT COMMITTEE

Report of 2008 Activities and 2009 Objectives

This Committee is a new form of previous committee in IPA called as KRIS Committee.

The working group consist of 8 people mainly from Supply Chain function of different PSC's have met 4 times (on 9th, 18th, 25th April and 9th May 2008) to review the mission and scope of KRIS Committee and discussing of possibility for restructuring. This volunteer working group finally issued proposal for a new name of this committee, i.e. "Supply Chain Management Improvement Committee".

The working group considered necessary to change the name, mission and scope of previous KRIS Committee for the following reasons:

- "KRIS" or Cost Reduction is a routine PSC's business practice.
- Supply Chain and Operations Support are not well represented in IPA and becoming major issues.
- Supply Chain is a main factor for cost reduction.
- To be more focus and clear in mission and scope.
- More systematically in carrying out the task.

The mission of Supply Chain Management Improvement Committee is then set up, i.e.: "To propose Supply Chain Management improvement that will more efficient and cost effective within regulatory boundary".

The scope of this committee was defined as follows:

- Procurement
- Logistics
- Customs & Formalities
- Materials / Assets
- POD, WP&B, AFE
- SCM benchmarking and best practice sharing

The work program 2008 has also been set up as follows:

- To recommend improvement of PTK-007.
- To recommend improvement on POD, WP&B and AFE processes.
- To recommend improvement on Assets & Material Management processes.
- Others if needed.

The committee members are:

Chairman	: I.G.K. Modana	TOTAL E&P INDONESIA
Vice Chairman	: Hayu S.Prabowo	VICO (<i>resigned</i>)
Secretary	: Win Sukardi	SUPREME ENERGY



Members	:	Iwan H. Djalinus	CHEVRON
		Pandji A. Ariaz	CHEVRON
		A. Halim Hamid	EXXONMOBIL
		A. Darwanto	EMP
		Kin Tjendrasa	EMP
		Dwi Ananto	MEDCO
		Agung B. Indriyo	MEDCO
		Iwan D. Satiagunawan	CONOCOPHILLIPS
		Chris Pudjianto	CITIC SERAM
		Fitriono Suwardi	PETROCHINA
		Rizal Kamal	CNOOC
		Tonny Damiri	ENI
		Muhammad Zikrullah	VICO

The mission, scope, work program 2008 and the members of this new committee have been then presented to IPA Board of Directors on 21st May 2008 and accepted by the Board.

The activities in 2008 of this committee were:

I. Monthly meetings amongst SIC members

A monthly meeting amongst SIC members were done on:

1. **20th June 2008**, with agenda:
 - Proposal for improvement of BPMIGAS Procurement Guidelines PTK-007.
 - Cost Recovery Issue.
 - Planning of creation standard Material Code (MasterCode) by BPMIGAS.
2. **15th August 2008**, with agenda:
 - Proposal for improvement of BPMIGAS Procurement Guidelines PTK-007.
 - Increase of fuel price and impact to on-going contracts.
 - Planning of creation standard Material Code (MasterCode) by BPMIGAS.
 - Cost recovery issue – 17 negative list (Minister EMR Decree no.22/ 2008).
3. **19th September 2008**, with agenda:
 - Proposal for improvement of BPMIGAS Procurement Guidelines PTK-007.
 - Increase of fuel price and impact to on-going contracts.
 - Feed back on Planning of creation standard Material Code (MasterCode) by BPMIGAS. (letter from IPA sent to BPMIGAS on 15th September 2008)
 - Feedback from Coordination Meeting between PSC's and BPMIGAS Procurement and Asset Management Division.
 - Membership of Supply Chain Management Improvement Committee.
4. **17th October 2008**, with agenda:
 - Proposal for improvement of BPMIGAS Procurement Guidelines PTK-007.
 - Increase of fuel price and impact to on-going contracts.
 - Feed back on planning of creation standard Material Code (MasterCode) by BPMIGAS. (letter from IPA to BPMIGAS dated 15th September 2008 and response fro BPMIGAS through letter dated 18th September 2008).

-
- Feedback from Coordination Meeting between PSC's and BPMIGAS Procurement and Asset Management Division.
 - Draft of Minister of Finance Decree on State Assets Management.
 - Membership of Supply Chain Management Improvement Committee.

II. BPMIGAS plan to create standard Material Code (MasterCode) for all PSC's

SIC has made a review and discussed amongst its members regarding the plan from BPMIGAS to create the standard material code for all PSC's called as MasterCode. Further to this review, SIC has drafted a letter which was then signed by the President of IPA and submitted to BPMIGAS on 15th September 2008. Through this letter IPA requested BPMIGAS to reconsider this project as it is costly (about 1.2 MUS\$) and asked to explain technically in advance how this project will be carried out in each PSC before implementing the project.

BPMIGAS then replied to IPA through their letter No.953/BPD0000/2008/S7 dated 18th September. In this letter BPMIGAS confirmed that the implementation of this system will not change anything to the existing system own by PSC's. Moreover, BPMIGAS explained that the advantages of this material coding system will be:

- a) Simplification of Material Grouping and Classification since it will have a detailed material descriptions.
- b) It can be used to make a uniform archiving and providing statistical data as the basis for decision making.
- c) To make a uniform terminology of material coding amongst PSCs.
- d) Optimization in utilization of materials in PSCs, so that it can minimize the cost.

BPMIGAS did not response request from IPA to conduct a workshop to discuss in more detail about this issue.

III. Other activities

SIC was also participated together with IPA Regulatory Affairs Committee (RAC) and Finance and Tax Committee (FTC) in the workshop with BPMIGAS on 11 November 2008 to discuss the implementation of new WP&B process for 2009.

IV. 2009 Objectives

The SIC objectives for 2009 will be:

- To finalize the recommendation for improvement of Procurement Guidelines from BPMIGAS (PTK-007).
- To recommend improvement on Assets & Material Management processes.
- To join with other IPA Committees in issuing the recommendation for improvement on WP&B and AFE processes.

SECTION 16

**LIST OF
COMPANY AND ASSOCIATE MEMBERS**



INDONESIAN PETROLEUM ASSOCIATION

COMPANY MEMBERS

1. ANADARKO INDONESIA COMPANY
2. BP INDONESIA
3. BUMI PARAHYANGAN RANHILL ENERGIA CITARUM PTE. LTD.
4. CHEVRON INDONESIA COMPANY
5. CITIC SERAM ENERGY LTD.
6. CNOOC SES, B.V.
7. CONOCOPHILLIPS INDONESIA, INC. LTD.
8. EPHINDO, PT.
9. ENERGY EQUITY EPIC (SENGKANG) PTY. LTD.
10. ENI INDONESIA LTD.
11. EXXONMOBIL OIL INDONESIA, INC.
12. FREEPORT INDONESIA, PT.
13. GENTING OIL NATUNA PTE. LTD.
14. HESS (INDONESIA PANGKAH) LIMITED
15. HUSKY ENERGY, INC.
16. INDELBERG INDONESIA, PT.
17. INPEX CORPORATION
18. IRIAN PETROLEUM LTD.
19. JAPAN BUTON LTD.
20. KALREZ PETROLEUM (SERAM) LTD.
21. KANGEAN ENERGY INDONESIA LTD.
22. KODECO ENERGY CO. LTD.
23. KONDUR PETROLEUM S.A.
24. LAPINDO BRANTAS, INC.
25. LEKOM MARAS PENGABUAN, INC.
26. LUNDIN OIL & GAS B.V.
27. MARATHON INTERNATIONAL PETROLEUM INDONESIA LTD.
28. MEDCO ENERGI INTERNASIONAL TBK.
29. MITRA ENERGY (INDONESIA SIBARU) LTD.
30. MURPHY
31. OILEX LTD.
32. OVERSEAS PETROLEUM & INVESTMENT
33. PACIFIC OIL & GAS INDONESIA, PT.
34. PEARLOIL (TUNGKAL) LTD.
35. PERTAMINA DIRECTORATE OF UPSTREAM
36. PETROCHINA
37. PETROLIAM NASIONAL BERHAD/PETRONAS
38. PETROSELAT LTD., PT.
39. PPPTMGB "LEMIGAS"
40. PREMIER OIL NATUNA LTD.
41. PROVIDENT INDONESIA ENERGY LLC
42. SALAMANDER ENERGY (BONTANG) PTE. LTD.
43. SANTOS (SAMPANG) PTY. LTD.
44. SHELL INDONESIA, PT.
45. STAR ENERGY (KAKAP) LTD.
46. STATOIL KARAMA AS
47. TALISMAN ENERGY INC.
48. TOTAL E&P INDONESIE
49. 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 LNG, PT.
7. BAHAR & PARTNERS
8. BAKER ATLAS INDONESIA, PT.
9. BAKER HUGHES INTEQ
10. BECHTEL INDONESIA, PT.
11. BGP INDONESIA, PT.
12. BJ SERVICES INDONESIA
13. BMT ASIA PACIFIC INDONESIA, PT.
14. BORMINDO NUSANTARA, PT.
15. CENTURY DINAMIK DRILLING
16. CITRA TUBINDO, PT.
17. CITRABUANA INDOLOKA, PT.
18. COMPACTO SOLUSINDO, PT.
19. COOPER CAMERON
20. CORELAB INDONESIA, PT.
21. DAYA TURANGGA, PT.
22. DELOITTE PETROLEUM SERVICES
23. DIMAS UTAMA, PT.
24. ERNST & YOUNG
25. EXLOG SARANA INDONESIA, PT.
26. FLUOR DANIEL INDONESIA, PT.
27. FMC SANTANA PETROLEUM EQUIPMENT INDONESIA
28. GAFFNEY, CLINE & ASSOCIATES
29. GEOPROLOG INTIWIJAYA, PT.
30. GEOSERVICES, PT.
31. GERARD DANIELS
32. GRANT GEOPHYSICAL INDONESIA, PT.
33. HALLIBURTON INDONESIA, PT.
34. HANOVER INDONESIA, PT.
35. HITEK NUSANTARA OFFSHORE DRILLING
36. HORIZON GEOCONSULTING, PT.
37. IMECO INTERSARANA, PT.
38. INSTITUTE TECHNOLOGY BANDUNG
39. INSTITUTE TECHNOLOGY MEDAN
40. INSTITUTE TECHNOLOGY SEPULUH NOPEMBER
41. INTERTEK UTAMA SERVICES, PT.
42. ITOCHU CORPORATION
43. JGC CORPORATION
44. KALIRAYA SARI, PT.
45. LANDMARK CONCURRENT SOLUSI INDONESIA
46. LERINDRO INTERNATIONAL
47. M-I INDONESIA, PT.
48. McDERMOTT INDONESIA
49. MITSUBISHI CORPORATION
50. MUTIARA BIRU PERKASA, PT.

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