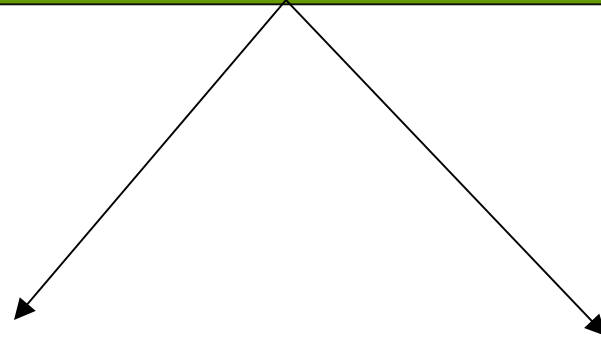


# THE DOWN-STREAM REGULATORY BODY OF OIL AND GAS



APGAS FORUM PERTH 1-2 SEPTEMBER  
2005

**Law No.22 year  
2001 Concerning Oil  
& Gas**



**Up-Stream**

**Down-Stream**

# Oil & Gas Law



Up-Stream

1. Exploration & Production

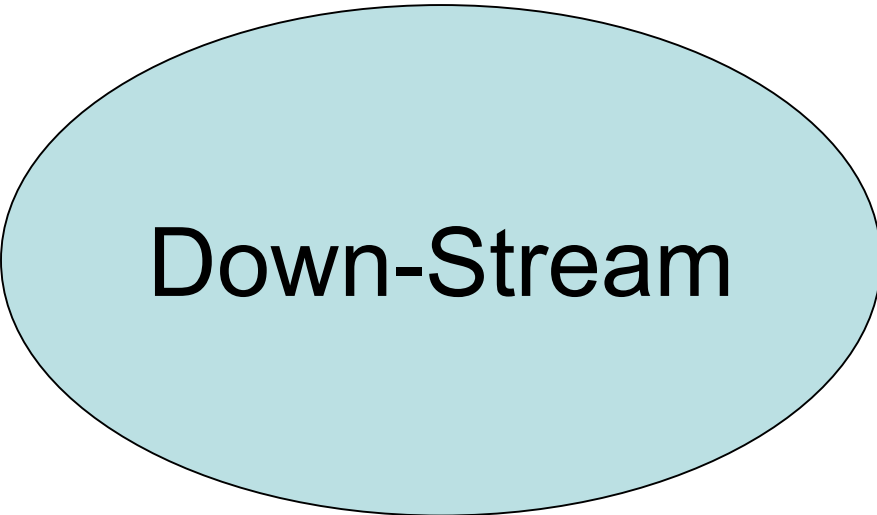
2. LNG & Natural Gas

- **BP-Migas**

- **Cooperation Contrack**

3. Market Price

# Oil & Gas Law



Down-Stream

- **BPH-Migas**

- **License**

1. Refineries

2. Storages

3. Transportation:

- Domestic Refinery products
- Gas through pipeline

4. Trading

# BPH MIGAS

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1. Supervision on the implementation of "Oil Fuel supply" and distribution as well as transportation of Natural gas through pipelines, shall be conducted by The Regulatory Body as referred to in Article 8 paragraph (4).

2. The function of The Regulatory Body is to regulate the availability and distribution of Oil Fuel and Natural Gas throughout the entire area of the Unitary State of The Republic of Indonesia as well as to improve the domestic use of Natural Gas.

### 3. The duties of the Regulatory Body determine :

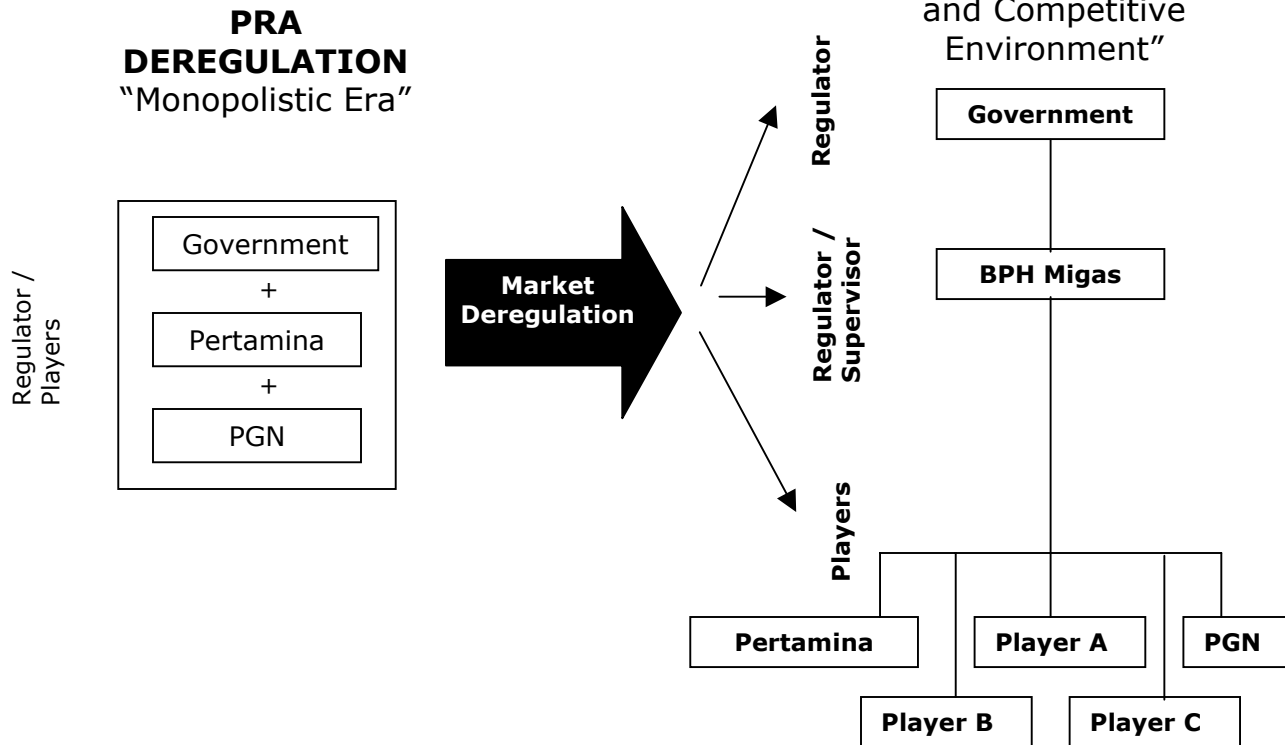
- a. The availability and distribution of Oil Fuel;
- b. The national Oil Fuel reserves;
- c. The use of Transportation and Storage Facilities of Oil Fuel
- d. The tariff of Natural Gas Transportation through the pipeline;
- e. The price of Natural Gas for households and small - scale consumers;
- f. The Natural Gas transmission and distribution businesses.

4. The duties of the Regulatory Body as referred to in paragraph (1) shall also include the supervision on those areas set out in paragraph (3).



Go to Menu

# DOWNSTREAM OIL & GAS MARKET STRUCTURE



## Regulating Body Work Scope (Based on Government Ordinance No. 67/2002)

- Regulating Body (BPH Migas) is responsible to conduct supervision of oil based fuel supply and distribution and transportation of natural gas via pipelines through issuing regulations that ensure domestic supply and distribution of Oil Based Fuel (OBF) and increase domestic use of natural gas.
- BPH Migas has function to regulate and determine :
  - Supply and distribution of Oil Based Fuel (OBF)
  - OBF reserve/inventory level
  - Use of OBF transportation and terminal link facilities
  - Natural Gas Transportation tariffs via pipelines
  - Natural Gas prices for households and consumer segments
  - Deployment of transmission and distribution of Natural Gas products



Go to Menu

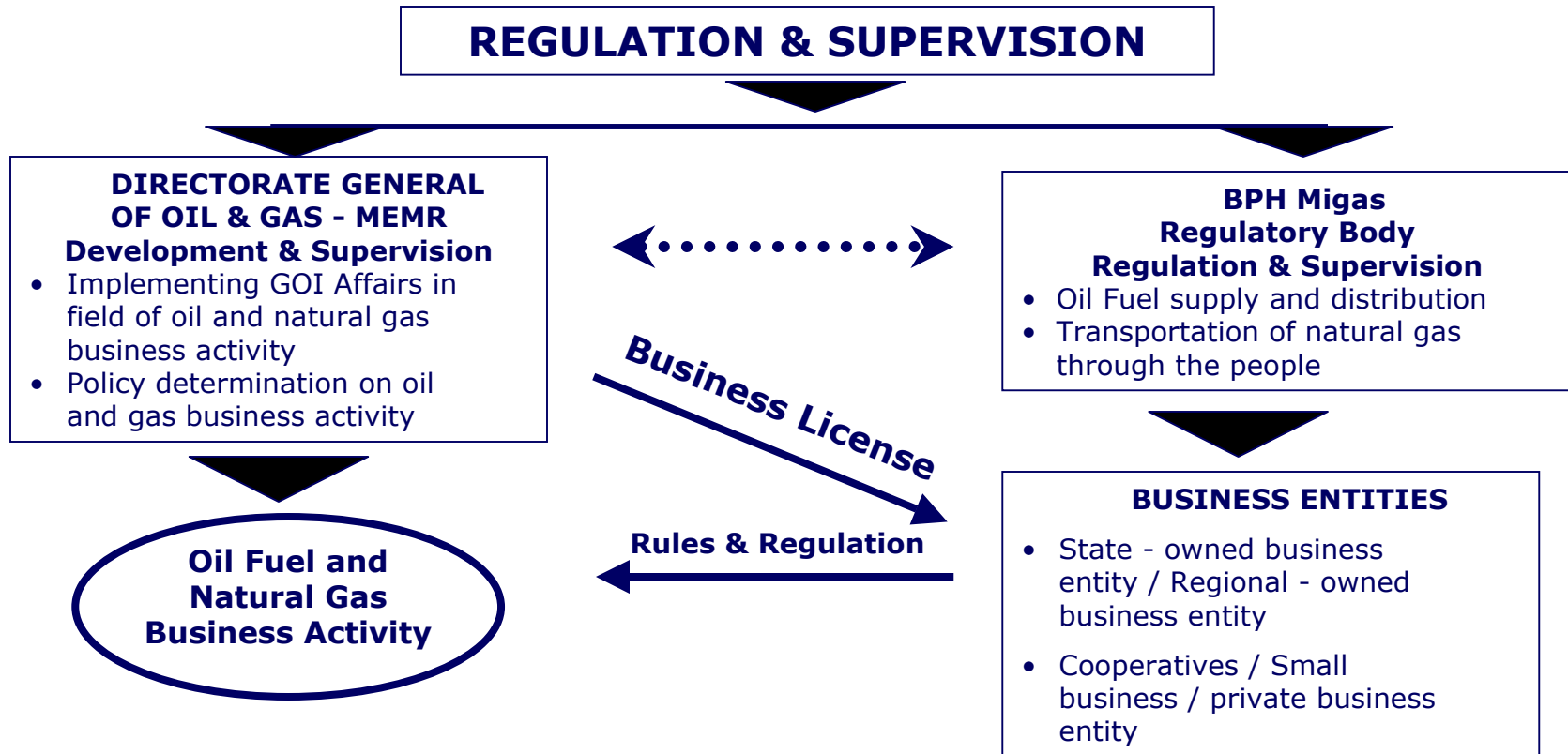
# UNBUNDLING POLICY

- An Enterprise Body or permanent business establishment engaging in upstream business activities is prohibited engage in Downstream Business activities; or in vice versa
- An Enterprise Body holding a business license for gas transportation (transporter) through the pipelines shall only be granted a certain pipeline segment;
- An enterprise Body holding a business license for gas trading (trader) through the pipelines shall only be granted a certain trading area.



Go to Menu

# DOWNSTREAM BUSINESS ACTIVITY

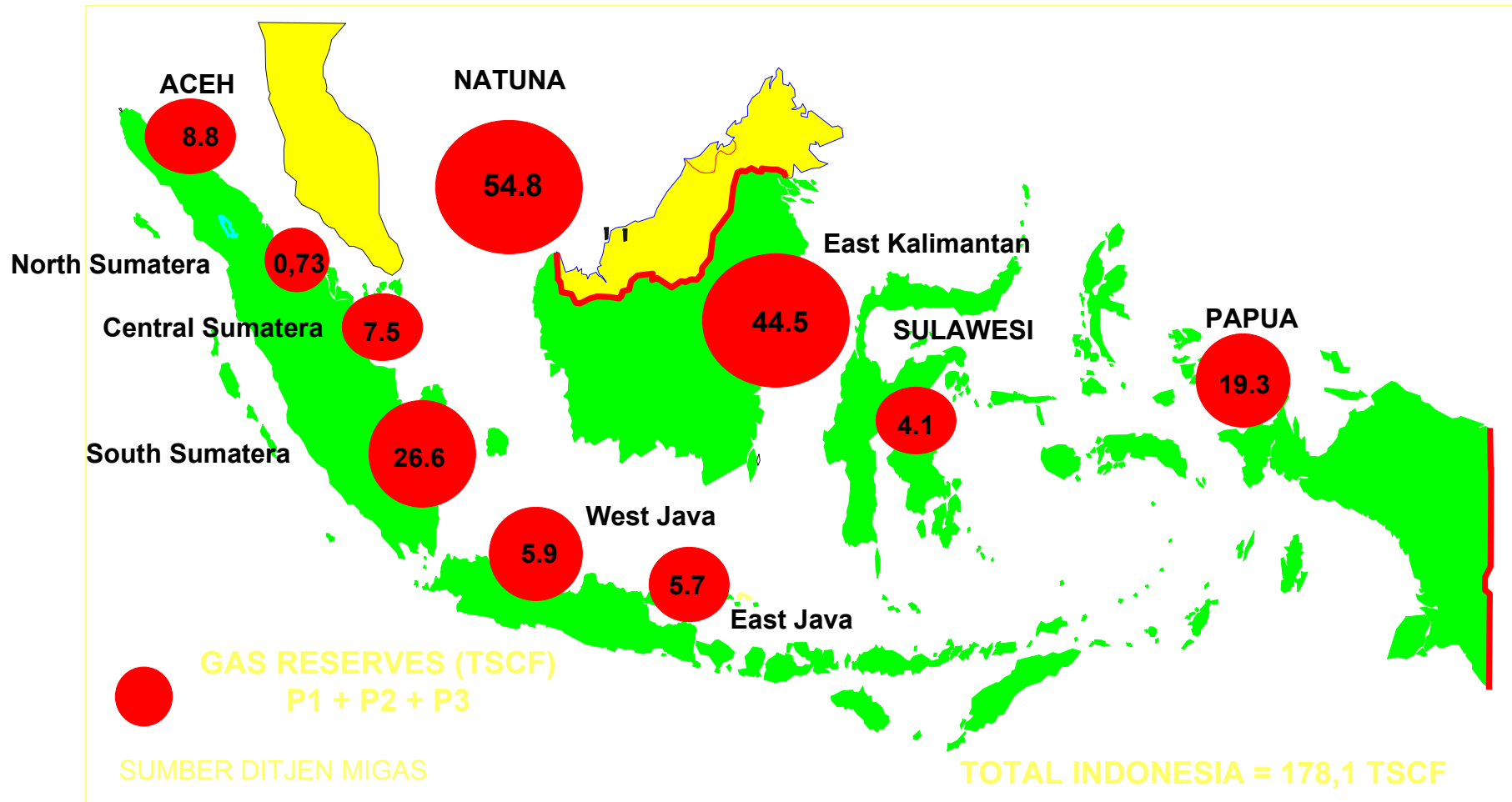


**GOI = Government of Indonesia**

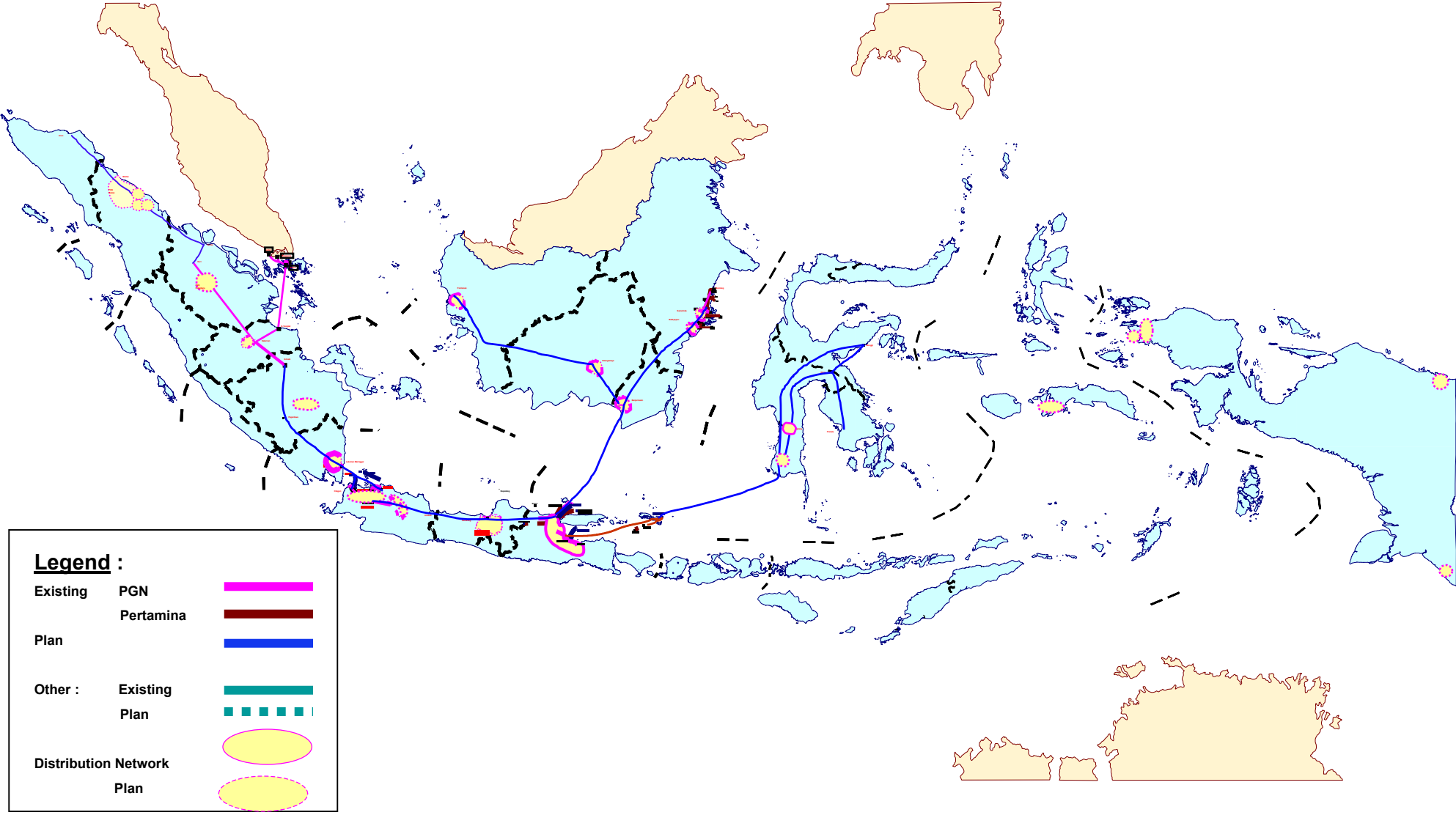


Go to Menu

# INDONESIAN GAS RESERVE (January 2003)



# Transmission Gas Pipeline in Indonesia



# ASEAN Transmission Gas Pipeline

