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Oil & Gas Regulation

Oil & Gas Industry

Petromindo.com, Investor Daily (p.10), 12 January 2021

Cilacap refinery to start production of 'green' diesel fuel end 2021

The Cilacap refinery in Central Java is expected to start production of "green" automotive diesel fuel made from 100 percent refined, bleached and deodorized palm oil (RBDPO) starting end of this year at a production rate of 3,000 bpd. Corporate Secretary of state-owned PT Kilang Pertamina Internasional (KPI), Ifki Sukarya said that the design for the modification of the Cilacap refinery has been completed, which will be followed with the phase-1 refinery modification work expected to be completed by end of this year, by which time the refinery will start production of the "green" diesel fuel, or also known as D-100. He said that in the middle of this year, phase-2 modification process will start, expected to be completed by end of 2022, doubling the refinery's production capacity of "green" diesel fuel to 6,000 bpd. "The phase-2 construction will start in the middle of 2021 through to the end of 2022," he said.

Petromindo.com 11 January 2021, Investor Daily (p.9) 12 January 2021

Chandra Asri partners with Ecolab to improve environmental performance

Ecolab, the global leader in water solutions and services has partnered with IDX-listed petrochemical firm PT Chandra Asri Petrochemical Tbk to implement its state-of-the-art Green Chemistry technologies, to embed world-class safety and environmental standards. Chandra Asri said in a statement on Monday that the partnership reaffirms the company's commitment to sustainability, and reiterates the importance of environmental, social and governance factors in the company's strategy.

Petromindo.com, 11 January 2021

Elnusa utilizes HWU drilling technique in Mahakam block

IDX-listed upstream services company PT Elnusa Tbk said that it has successfully conducted drilling of a new well at the Mahakam block, East Kalimantan, utilizing hydraulic work over (HWU) unit, instead of jack-up rig. Elnusa said in a statement Monday that it plans to use the HWU EHR-12 to drill four additional new wells at the block, operated by affiliated firm PT Pertamina Hulu Mahakam. The company said that HWU is generally deployed in well intervention activity. But the company managed to successfully drill one new well at the block, reaching a depth of 1,215 meters, utilizing the HWU EHR-12, fabricated independently.

<p>Petromindo.com, 11 January 2021</p>	<p>PGN to complete new gas infrastructure facilities in 2021-2023</p> <p>State-controlled gas distribution firm PT PGN Tbk said it aims to massively develop new gas infrastructure facilities in 2021-2023 period to help optimize the utilization of domestic gas output. PGN said in a statement Monday that the first is the development of gas pipeline facilities. In the 2021-2023 period, the company plans to complete the construction of a number of pipeline line projects including the Rokan block crude pipeline, Northern and Central Part of Sumatra Gas Transmission Pipeline, South Sumatra West Java (SSWJ)-West Java Area (WJA) Integrated Pipeline, gas pipeline for petrochemical industry, gas transmission pipeline in Kalimantan, gas transmission pipeline in Central Java, the Kendal-Semarang-Demang gas distribution pipeline, and the city gas pipeline network for households. Agus Suprijanto, Senior Vice President for Corporate Communication and Investor Relations at state-owned oil and gas firm PT Pertamina, holding company of PGN, said that PGWN will also provide gas for all Pertamina refineries.</p>
<p>The Jakarta Post (p.4), 12 January 2021</p>	<p>OPEC crude output cuts should help US shale profits in 2021</p> <p>A decision by OPEC and allied countries to cut crude production through March delivered a late Christmas present for United States shale firms that have slashed costs, but any rise in prices spurred by the unexpected move may be just a modest stocking stuffer. US crude oil production has fallen 2 million barrels per day (bpd) in the last year as low prices and demand forced shale producers to cut their losses. Investors had already been pressuring the industry to curb spending and boost returns before the pandemic hit. Shale output was quickly cut, but might return quickly if prices keep rising. On Tuesday, Saudi Arabia, the world's biggest oil exporter, said it would voluntarily reduce its production by 1 million bpd in February and March, after Russia pushed to increase output, worried about US shale capitalizing on the group's cuts.</p>
<p>Investor Daily (p.10), 12 January 2021</p>	<p>2021, PGN to Aggressively Develop Gas Infrastructure</p> <p>Perusahaan Gas Negara (PGN), Pertamina's sub-holding in the gas sector, will be more aggressive in developing the infrastructure for gas this year. PGN plans to develop a number of gas pipelines, gasification power plants and LNG terminals from 2021 – 2023. Pertamina Senior Vice President Corporate Communication and Investor Relation Agus Suprijanto said PGN is prepared to massively develop the infrastructure for gas in 2021. PGN currently manages 96% of the national gas infrastructure and 92% of national gas commerce.</p>
<p>Investor Daily (p.10), 12 January 2021</p>	<p>SKK Migas Hailing This Year as 'The Year of No Decline'</p> <p>The Upstream Oil and Gas Regulatory Special Task Force (SKK Migas) is committed to achieving the one million barrels of oil per day (bopd) and 12 bscfd of gas production target by the year 2030. This year would be the key for Indonesia to boost output after seeing production decline in the past 25 years. "So we are declaring the year 2021 as The Year of No Decline. This is crucial for increasing (oil output). So If production does not decline in 2021,</p>

	<p>then it could increase in 2022,” SKK Migas Head Dwi Soetjipto said in Jakarta on Monday (11/1).</p>
<p>Kontan (p.13), 12 January 2021</p>	<p>Requesting Tax Incentive for Mahakam & Sanga-Sanga Block</p> <p>The Upstream Oil and Gas Regulatory Special Task Force (SKK Migas) proposed an incentive in the form of a tax facility for the Mahakam Block and Sanga-Sanga Block, both operated by Pertamina. SKK Migas acting Head of the Program and Communications Division Susana Kurniasih said this proposal for a tax incentive for these two blocks is aimed at improving the oil and gas investment climate and hiking production. Energy and Mineral Resources (ESDM) Minister Arifin Tasrif said the ESDM Ministry has approved of the incentive for the Mahakam Block and is now waiting for the approval of the Finance Ministry.</p>
<p>Media Indonesia (p.10), 12 January 2021</p>	<p>Upstream Oil and Gas Sector Speeds Up Efforts to Achieve 1 Million Barrels Per Day</p> <p>The Upstream Oil and Gas Regulatory Special Task Force (SKK Migas) is committed to achieving the one million barrels of oil per day (bopd) and 12 bscfd of gas production target by the year 2030. SKK Migas’s long-term plan is in line with the General Planning for National Energy (RUEN) roadmap. “If we achieve this target in 2030, the upstream oil and gas sector would see a record high production of gas throughout the history of Indonesia,” SKK Migas Head Dwi Soetjipto said in a release.</p>
<p>The Jakarta Post (p.5), 12 January 2021</p>	<p>Terregra, Waskita sign hydropower plants deal</p> <p>Publicly listed renewables developer PT Terregra Asia Energy has struck an agreement with state-owned construction firm PT Waskita Karya, with the latter set to build mega projects comprising seven hydro power plants worth Rp 12.5 trillion (US\$897.7 million) on Sumatra Island. The projects consist of five mini hydropower plants (PLTMH) in North Sumatra and two hydropower plants (PLTA) in Aceh, according to the companies’ joint statement on Wednesday. The North Sumatra’s plants combined capacity is 42.98 megawatts (MW) and the Aceh plants’ is 467 MW. “Indonesia has huge renewable energy potential,” said Terregra president director Djani Sutedja.</p>
<p>Bisnis Indonesia (p.4), 12 January 2021</p>	<p>Government Targets 3 Geothermal Working Areas</p> <p>The Energy and Mineral Resources (ESDM) Ministry has allocated Rp450 billion for drilling activities at three geothermal exploration working areas. The ministry’s Director of Geothermal Energy at the Directorate of New Renewable Energy and Energy Conservation Ida Nuryatin Finahari said these three working areas have the potential to produce up to 112 MW of electricity with a development plan of 60 MW. “We will be drilling at three areas, which include the Cisolok Cisukarame working area in Sukabumi, West Java, Bittuang working area in South Sulawesi and Nage working area in East</p>

	Nusa Tenggara,” she told Bisnis.
Kompas (p.11), 12 January 2021	<p>Southeast Sulawesi’s Potential Has Yet to be Mapped</p> <p>Southeast Sulawesi’s renewable energy potential has yet to be mapped out per the start of 2021 despite the province holding an abundance of renewable energy sources, such as wind, the sun and the ocean’s waves. The province is still in the phase of preparing a regulation on the development of energy. Southeast Sulawesi Governor Ali Mazi said this regulation would serve as the foundation for managing Southeast Sulawesi’s energy and natural resources. Southeast Sulawesi is also one of the mining centers for nickel, an important commodity for the electric vehicle industry.</p>
Kontan (p.12), 12 January 2021	<p>PLN’s Demand for LNG to Increase</p> <p>PLN Director of Primary Energy Rudy Hendra Prastowo projected this year’s demand for LNG would be higher than last year’s demand. In 2021, the demand for LNG is estimated to reach 400 TBTU. He said last year’s demand for LNG was lower at below 400 TBTU because the demand for power declined due to the Covid-19 pandemic. “In 2021, we project it to be above 400 TBTU, we hope the demand for electricity supports this,” he told KONTAN on Monday (11/1).</p>
Republika (p.1+7), 12 January 2021	<p>Indonesia Targets EV Market</p> <p>Indonesia has a huge opportunity to enter the electric vehicle (EV) industry as the main producer of lithium batteries considering the country holds the biggest amount of nickel reserves in the world. President Joko Widodo announced he would be prioritizing the development of the downstream nickel industry for the next five years. He said 25% of the world’s nickel reserves are in Indonesia amounting to approximately 21 million tons. The government is also open to partnering with a foreign investor to establish a holding for Indonesian battery companies.</p>
Bisnis Indonesia (p.T2), 12 January 2021	<p>Oil Prices Rise Again</p> <p>Oil prices in the United States have again risen to the level of US\$52 per barrel due to the prospect of a large stimulus package from the Biden administration to fight the economic victims of the Covid-19 pandemic. West Texas Intermediate oil price for February delivery rose 15 cents to US\$52.39 per barrel on the New York Mercantile Exchange yesterday after rising 2.8% on Friday. Brent-type oil for delivery in March 2021 rose 4 cents to US\$56.03 on the ICE Futures Europe exchange after rising 3% on Friday.</p>
Investor Daily (p.10), 12 January 2021	<p>PLN Again Receives Greenhouse Gas Emission Reduction Certificate</p>

	<p>PT Perusahaan Listrik Negara (PLN) has obtained greenhouse gas emission reduction certificates for three renewable energy generators, namely 1.2 tons of CO₂eq from the Musi Hydroelectric Power Plant (PLTA) in Bengkulu and PLTA Renun and PLTA Sipansihaporas in North Sumatra. With this addition, in total PLN has received emission reduction certificates totaling at 7.9 tons CO₂eq. The certificate was presented virtually by South East Asia Regional Director Pole, Kat Khunikakorn to the Director of PLN, Zulkifli Zaini, yesterday.</p>
<p>Media Indonesia (p.9), 12 January 2021</p>	<p>Pertamina Strengthens Expansion in Rural Areas of Central Java-Yogyakarta Special Region</p> <p>PT Pertamina continues to finalize its plans for marketing expansion by developing Pertashops in rural areas. Yesterday, General Manager of PT Pertamina Central Java and Yogyakarta Special Region (DIY), Sylvia Grace Yuvenna met with the Governor of Yogyakarta, Sri Sultan Hamengkubuwono X. "This year our plan is to expand the Pertashop network. Its establishment will be in cooperation with village-owned enterprises," she said. By the end of 2020, there have been 8 Pertashops in DIY and 16 are ready to operate from the target of 40 locations.</p>

Finance & Economy

<p>The Jakarta Post (p.1), 12 January 2021</p>	<p>Hunt for black boxes continues</p> <p>The authorities have yet to be able to retrieve the flight recorders from the Sriwijaya Air SJ182 passenger jet that crashed off the coast of Jakarta at the weekend despite having identified the signal indicating its location. The National Search and Rescue Agency (Basarnas), along with the Navy and relevant stakeholders have been involved in a coordinated search effort to find the recorders containing flight and cockpit voice data from the aircraft. Retrieving the cockpit voice and flight data recorders will help explain why the Sriwijaya Air Boeing 737-500 plunged some 3,000 meters in less than a minute before slamming into the Java Sea. Investigators have so far been unable to say why the 26-year-old plane crashed just four minutes after takeoff from Jakarta.</p>
<p>The Jakarta Post (p.3), 12 January 2021</p>	<p>House of Representatives to set legislative priority list for 2021</p> <p>The House of Representatives will soon set the list of priority bills to be deliberated in the current sitting, Speaker Puan Maharani said on Monday. Speaking at a plenary session to start the third sitting of the 2020-2021 term, Puan said that setting priorities for the National Legislation Program (Prolegnas) was important as the starting point to deliberating bills. She added that in the third sitting the House would also deliberate four bills on the state civilian apparatus, the Indonesian continental shelf, special autonomy for Papua province and ratification of the Comprehensive Economic Partnership Agreement with the European Free Trade Association member states.</p>

<p>Kontan (p.1), 12 January 2021</p>	<p>Government Prepares Incentives in Positive Investment List</p> <p>The government is preparing a red carpet for investors in the Presidential Regulation draft on the Positive Investment List as derivative rules the Job Creation Law, which will open new fields of businesses for both foreign and local private investment, unless stipulated otherwise by the Job Creation Law. Several incentives for investors include fiscal incentives in priority business fields which consist of tax allowances, tax holidays, investment allowances, and exemption from import duties, and non-fiscal incentives such as ease of permits and in employment issues, in which the priority business sectors include national strategic projects, as well as capital intensive, labor-intensive, and high-tech enterprises. The rules also stipulate the minimum foreign investment in the real sector at above Rp 10 billion and investment of less than Rp 10 billion in startup business at special economic zones.</p>
<p>Kompas (p.1+15), 12 January 2021</p>	<p>Sinovac Vaccine Ready to Use</p> <p>The permit for emergency use of the Covid-19 vaccine from Sinovac has given new hopes for the public, following the approval from the Food and Drug Administration (BPOM) and halal certification from the Indonesian Ulema Council (MUI). Head of BPOM, Penny K. Lukito, Monday (11/1), said the efficacy analysis of CoronaVac from the clinical trials in Bandung shows the hope to reduce Covid-19 incidence by up to 65.3%, while the immunogenicity data shows it can kill and neutralize the virus by 99.23% three months after the vaccination. BPOM ensures CoronaVac is safe with mild to moderate side effects, such as pain, irritation, swelling, muscle pain, and fever, while severe side effects such as headaches, skin disorders, and diarrhea are at 0.1-1%.</p>
<p>Bisnis Indonesia (p.1), 12 January 2021</p>	<p>Aircraft Maintenance Emergency</p> <p>The Sriwijaya Air SJ-182 aircraft incident on Saturday (9/1), has become a momentum to review aircraft maintenance mechanisms during the Covid-19 pandemic that highly affects the commercial activities of all airlines, while high maintenance costs make many airlines postpone their aircraft maintenance schedules. VP Corporate Secretary and Legal Garuda Maintenance Facility AeroAsia, Rian Fajar Isnaeni, said many airlines fail to carry out maintenance during the grounded period amid the pandemic due to low revenues as maintenance takes approximately 20% of the airline's total operations. Although technical problems may not be the main cause of the incident, the government and related stakeholders have been urged to check the aircraft's maintenance schedule, while Coordinating Minister for Maritime Affairs and Investment Luhut Binsar Panjaitan said the tragedy would be a point for the government to review the air transportation maintenance process.</p>

