

An LDI Training Course

Indonesian PSC SYSTEMS

(Past and Present)

Facilitators:
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INTRODUCTION

The most important understanding in doing business for an oil and gas industry is to understand the forms of contractual system which would be impact to the economic and revenue of the business.

The oil and gas industry is different from other industries because of several factors which include high risks and uncertainties to make a business' decision which involving high technology and qualified human resources; requires a relatively large investment in capital costs; the length of time to get income after spending costs even though the oil and gas industry promises big profits.

Production Sharing Contract (PSC) has probably become the most dominant form of contract in granting access to oil and gas exploration and exploitation to international oil companies particularly in developing countries. An encouragement for greater government involvement behind the birth and the use of the PSC system where ownership and control under the state/government.

The birth of the PSC in the world of international oil and gas is an extraordinary breakthrough because previously with the system of concessions the role of the state/government was still minimal, where the state/government only received payments in the form of royalties and taxes. Indonesia was recorded as a pioneer of the PSC and later became popularly used overseas.

Understanding Indonesian PSC is very important because Indonesia has been using and implementing the PSC system since the early 1960s. Several versions and revisions had been applied since then.

COURSE OBJECTIVES:

To provide participants an understanding the basic philosophy of the PSC, its concept and practical knowledge and should be capable of the use of its mechanism. By taking this course, the participants will get knowledge and benefits from quite a long experience in the implementation of the PSC system and are expected to be a reference for the possibility of being applied in participating countries. They should be able to choose which system of the PSC they prefer to use for benefits on their countries.

COURSE SUBJECTS:

1. Introduction to Oil and Gas Industry

- What:
Access to oil and gas resources, ownership and licensing
- Why:
Commercial realities, resources and reserves, objectives of host countries
- How:
Negotiation framework and strategy, geological and fiscal regimes, contractual system

2. Type of Oil and Gas Contract

Role of government and contractors, contractual terms and conditions, commercial terms in licensing

- Concession
- Service Contract
- PSC

3. History of Indonesian PSC and Its Commercial Elements

Pre-PSC

- Colonial Era
- Post-Independence Era

PSC

- First Generation (1966 – 1975)
Government/Pertamina and contractor, production split, taxes, ceiling cost recovery, DMO, bonuses
- Second Generation (1976 – 1988)
IRS - Tax issues, no ceiling cost recovery (GAAP), modified DMO, production split impacts due to taxes issues, Investment Credit (IC), Depreciation

- Third Generation (1989 – 2016)
FTP, ceiling cost recovery due to FTP, IC, export price for DMO, incentive packages
- Fourth Generation (2017 – present)
PSC Gross split

WHO SHOULD ATTEND:

Anyone who needs to have an overall knowledge and understanding of the PSC system applied in Indonesia's oil and gas industry e.g. Government agencies, Regulators, Geoscientists, Economists and Accountants

COURSE DELIVERY

- This live online course will be delivered via Zoom.
- Each participant needs to prepare a PC with a wifi connection to join this training.
- Participants will receive course material in the form of a hard copy and a soft file which will be delivered to the participant's address via a courier.
- Participants will receive a certificate after the training.
- Training time is from 9:00 to 15:00 WIB

FACILITATORS:

Ir. Sonny T. Sampurno is a practitioner in the oil and gas industry with more than 30 years of experience and had done many exploration activities from the selection of working areas including document preparation to bid and operate several PSCs to the commercialization stages e.g. Kambuna and the Giant Tangguh Gas fields.

Dr. Wiwiek M.Daryanto, SE-Ak,MM,CMA is an expert in accounting and finance. She earned a degree in accounting from the University of Gadjah Mada, a Master of Management (MM) from the University of the Philippines (UP) and a Doktoral degree from Institut Pertanian Bogor (IPB). She is also a member of Certified Management Accountant of the Institute of Certified Management accountant (ICMA), Australia.



Registration Information

Two ways to enroll:

1. Enroll online at www.lditraining.com
2. Email your enrollment message to LDI Training at lditrain@indo.net.id

LDI Training will send the access code for this online training after we have received the participant's registration, email address, and WA number.

For more information please contact

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