

An LDI Training ONLINE Course

Indonesian PSC Systems Past and Present

by
LDI Instructor

INTRODUCTION

In Indonesia, the production sharing contract (PSC) is a contract signed by the government of Indonesia and an oil company that allows the company to explore and produce oil and gas in Indonesia.

This contract specifies the percentage of oil and gas production each party will receive after the participating parties have recovered a specified amount of costs and expenses.

The Indonesian PSC system has been evolving since its birth in 1966. Besides the common form of PSC contracts, Indonesia has several other forms of contracts that allow oil companies to operate in Indonesia.

In this course, participants will:

1. Learn the various forms of oil and gas contracts
2. Know the changes in the Indonesian production sharing contracts from the past until the present.
3. Understand the basic philosophy and concepts of the PSC system
4. Know the benefits and risks of PSC
5. Be able to evaluate and select the best form of contracts

Course Content

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

Production Sharing Contracts

- 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 know and understand the Indonesia PSC system.

COURSE DELIVERY

This online course will be delivered via Zoom. The training will consist of:

- Presentation of Concepts
- Discussions
- Exercises

Each participant needs to prepare a PC to join this program.

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.

DAILY HOURS

Training time is from 09:00 to 15:00 with several breaks in between.

Session 1 → 09:00 – 10:30

Session 2 → 11:00 – 12:00

Session 3 → 13:30 – 15:00

REGISTRATION INFORMATION

Title : INDONESIA PSC SYSTEMS

Facilitator : LDI Instructor

Date : May 3 – 5, 2021

Tuition fee : IDR 8,500,000 per person



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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