



Launching of MR 52/2017 Improvement of PSC Gross Split

Jakarta, 8 September 2017



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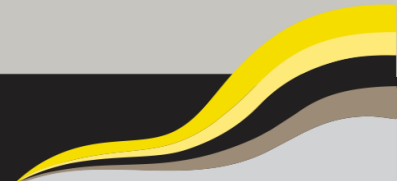
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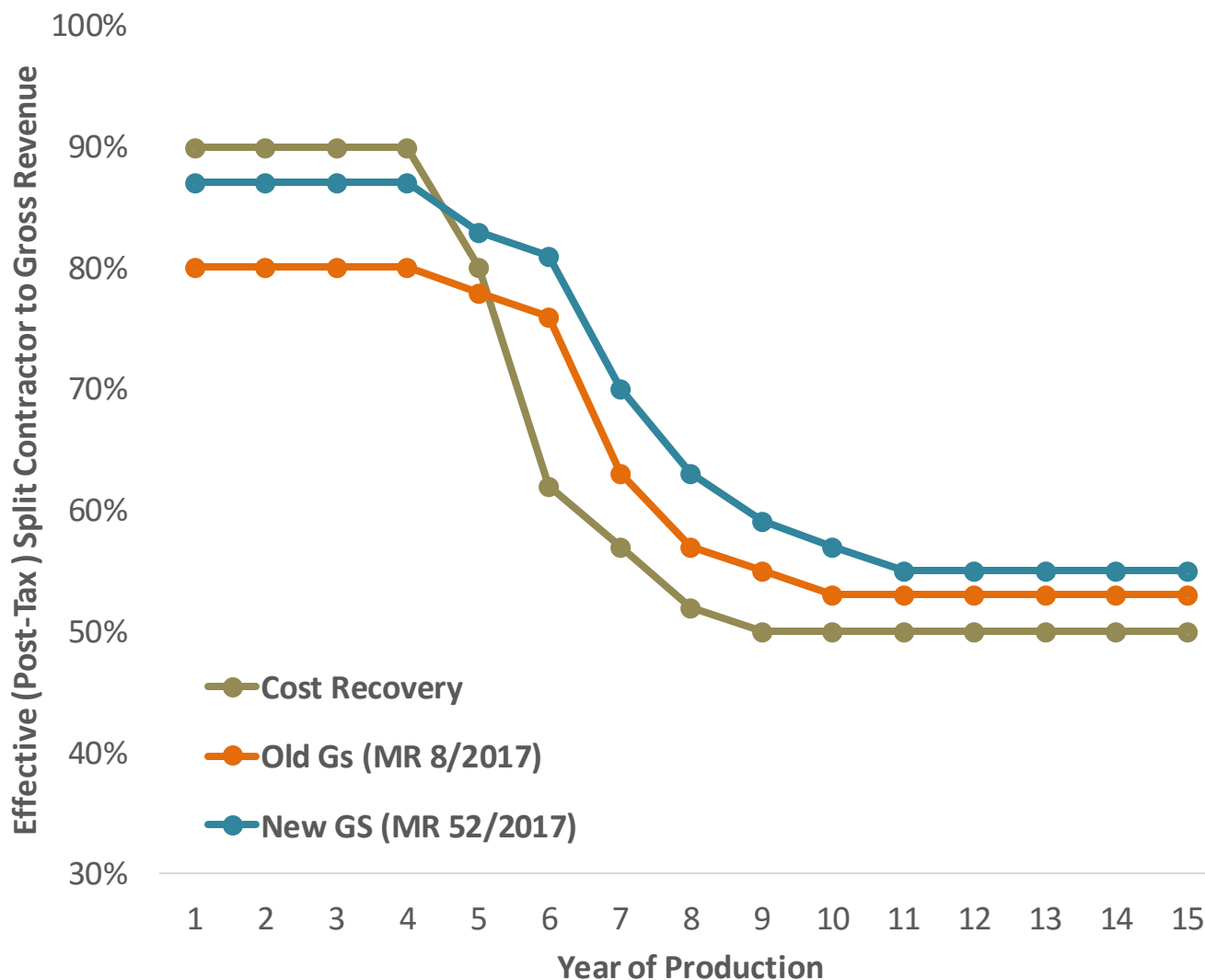
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Improvement of PSC Gross Split



Several improvements are made in the gross split terms to increase the economic attractiveness

- 1 Modification of progressive split: cumulative production and oil price
- 2 Introducing a new progressive split: gas price
- 3 Improving several variables split based on field's characteristics



8 Revision in the PSC Gross Split

■ MR 52/2017- PSC Gross Split



Improvement of PSC Gross Split:

Increase the economic viability by improving the contractor IRR and NPV
Calibrated in 12 oil and gas field with various characteristics.

#IRR and NPV PSC Gross Split at least comparable with PSC Cost Recovery



CUMULATIVE PRODUCTION

Additional Split up to 10%



PRODUCTION PHASE

Additional split up to 10%



OIL PRICE

Split adjusted by formula



H₂S IMPURITIES

Additional split up to 5%



GAS PRICE

Split adjusted by formula
(new progressive split)



INFRASTRUCTURE

Additional split up to 4%



POD-2

Additional split 3%



MINISTERIAL DISCRETION SPLIT

uncapped



Progressive Split – Cumulative Production



MR 8/2017

Cumulative Production	
Criteria	Cont. Split
<1 mmboe	5.0%
$1 \leq x < 10$ mmboe	4.0%
$10 \leq x < 20$ mmboe	3.0%
$20 \leq x < 50$ mmboe	2.0%
$50 \leq x < 150$ mmboe	1.0%
≥ 150 mmboe	0.0%

MR 52/2017

Cumulative Production	
Criteria	Cont. Split
<30 mmboe	10.0%
$30 \leq x < 60$ mmboe	9.0%
$60 \leq x < 90$ mmboe	8.0%
$90 \leq x < 125$ mmboe	6.0%
$125 \leq x < 175$ mmboe	4.0%
≥ 175 mmboe	0.0%





New Progressive Split – Oil and Gas Price

Oil Price

MR 8/2017

Oil Price (US\$/bbl)	
Criteria	Cont. Split
<40	7.5%
40≤x<55	5.0%
55≤x<70	2.5%
70≤x<85	0.0%
85≤x<100	-2.5%
100≤x<115	-5.0%
≥115	-7.5%

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Split correction from oil price is adjusted based on the formula

$$(85-ICP) \times 0.25\%$$

Split Correction Calculation

ICP (US\$/bbl)	Cont. Split
40	11.25%
45	10.00%
55	7.50%
65	5.00%
85	0.00%
95	-2.50%
105	-5.00%
115	-7.50%

Gas Price

Split correction from gas price is adjusted based on the formula

Gas Price (US\$/mmbtu)	
Criteria	Cont. Split
<7	(7-Gas Price) x 2.5%
7≤x≤10	0.0%
>10	(10-Gas Price) x 2.5%

Split Correction Calculation

Gas Price (US\$/mmbtu)	Cont. Split
5	5.00%
6	2.50%
7	0.00%
10	0.00%
11	-2.50%
12	-5.00%



Variable Split – Field Status



MR 8/2017

Field Status	
Criteria	Cont. Split
POD 1	5%
Further POD (POD 2 etc)	0%
POFD	0%
No POD	-5%

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Field Status	
Criteria	Cont. Split
POD 1	5.0%
Further POD (POD 2 etc)	3.0%
No POD	0.0%



Variable Split – Production Phase



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Production Phase	
Criteria	Cont. Split
Primary	0.0%
Secondary	3.0%
Tertiary	5.0%

MR 52/2017

Production Phase	
Criteria	Cont. Split
Primary	0.0%
Secondary	6.0%
Tertiary	10.0%



Variable Split - H₂S Impurities



MR 8/2017

H ₂ S Impurities (ppm)	
Criteria	Cont. Split
<100	0.0%
100 ≤ x < 300	0.5%
300 ≤ x < 500	0.75%
x ≥ 500	1.0%

MR 52/2017

H ₂ S Impurities (ppm)	
Criteria	Cont. Split
<100	0.0%
100 ≤ x < 1000	1.0%
1000 ≤ x < 2000	2.0%
2000 ≤ x < 3000	3.0%
3000 ≤ x < 4000	4.0%
x ≥ 4000	5.0%



Variable Split – Infrastructure



MR 8/2017

Infrastructure	
Criteria	Cont. Split
Well developed	0%
New Frontier	2%

MR 52/2017

Infrastructure	
Criteria	Cont. Split
Well developed	0%
New Frontier Offshore	2%
New frontier Onshore	4%



Ministerial Discretion Split



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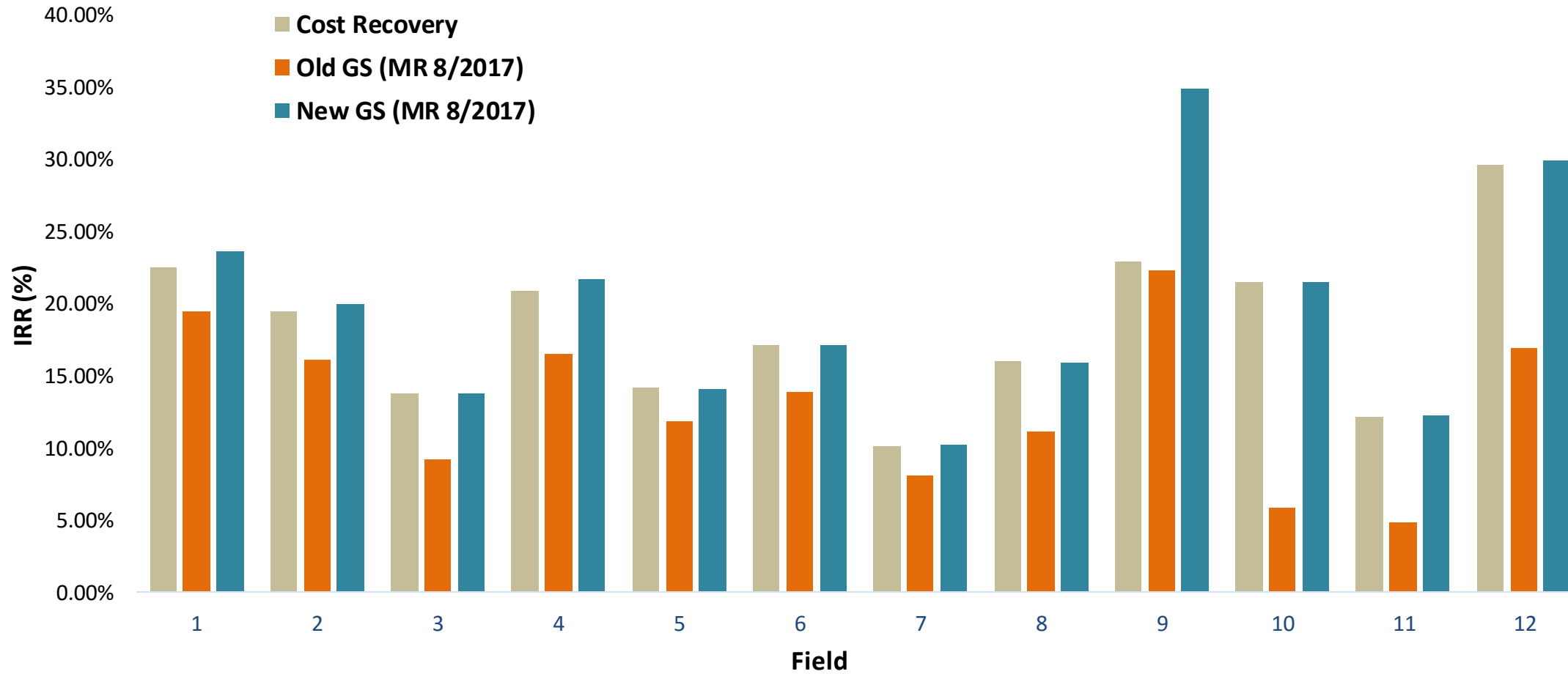
Ministerial Discretion
Split is capped at a
maximum of +5%

MR 52/2017

Ministerial Discretion
Split is UNCAPPED



Economic Analysis Results₍₁₎ - IRR



Notes:

Field 2: 5% cost efficiency and 2% Discretion

Field 3: 5% cost efficiency and 5% Discretion

Field 7: 5% cost efficiency and 1% Discretion

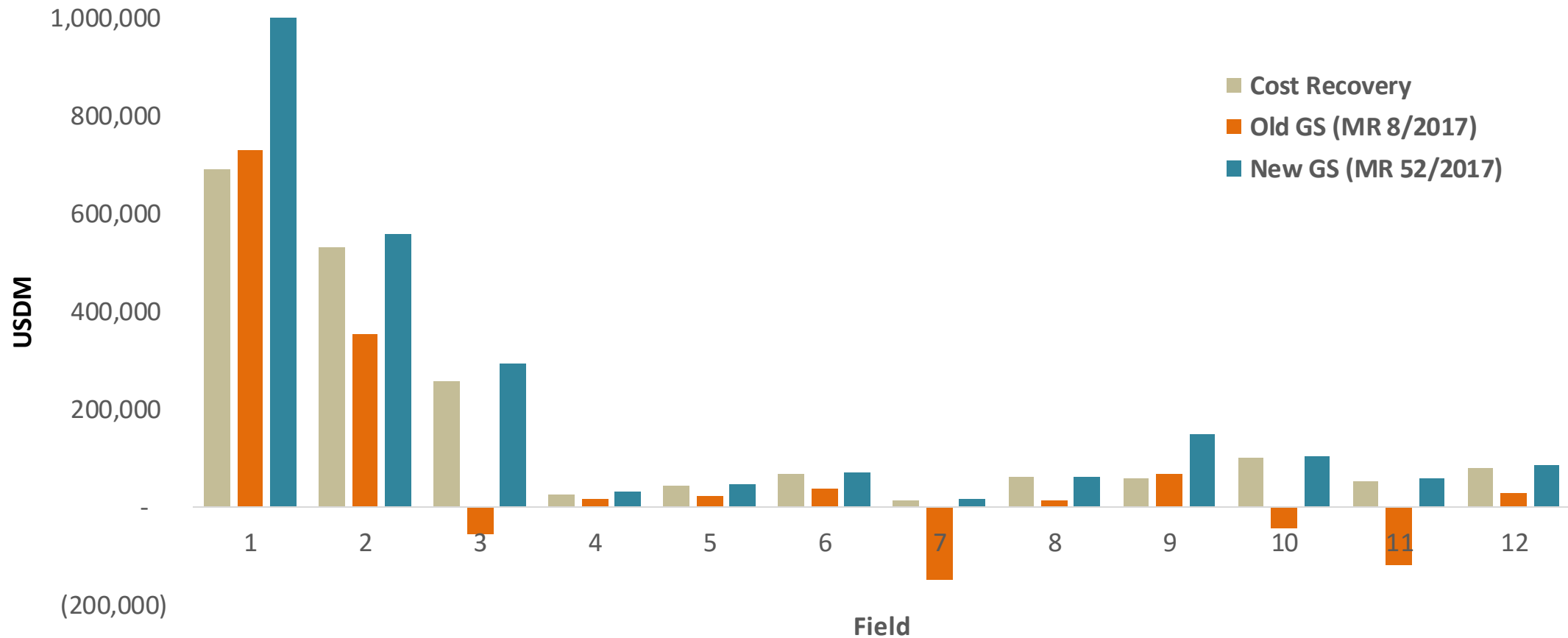
Field 10: 5% cost efficiency

Field 11: 5% cost efficiency and 7% Discretion

Field 12: 5% cost efficiency and 3% Discretion



Economic Analysis Results₍₂₎ - NPV



Notes:

Field 2: 5% cost efficiency and 2% Discretion

Field 3: 5% cost efficiency and 5% Discretion

Field 7: 5% cost efficiency and 1% Discretion

Field 10: 5% cost efficiency

Field 11: 5% cost efficiency and 7% Discretion

Field 12: 5% cost efficiency and 3% Discretion



THANK YOU

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