

Preparing and Offering New Acreages Minister of Energy and Mineral Resources Decree No. 040 year 2006

1. REGULAR TENDER

INITIATIVES OF NEW ACREAGES OPENING :

- EVALUATION OF REGIONAL GEOLOGY DATA
- DATA OF SPECULATIVE SURVEY
- MARKET DEMAND
- NEW DISCOVERY

DATA INTERPRETATION AND EVALUATION

THE RESULT OF TECHNICAL AND ECONOMIC EVALUATION

- BOUNDARIES OF WORKING AREA
- T&C OF COOPERATION CONTRACT
- BID DOCUMENT

WORKING AREA DECLARATION

120 DAYS

TENDER

45 DAYS

SUBMISSION OF THE PARTICIPATING DOCUMENTS

TENDER EVALUATION BY COMMITTEE

DETERMINATION OF THE WINNING BIDDER BY MINISTER ENERGY AND MINERAL RESOURCES

ANNOUNCEMENT OF THE WINNING BIDDER BY DIRECTOR GENERAL OF OIL AND GAS

CONTRACT SIGNING

2. DIRECT PROPOSAL

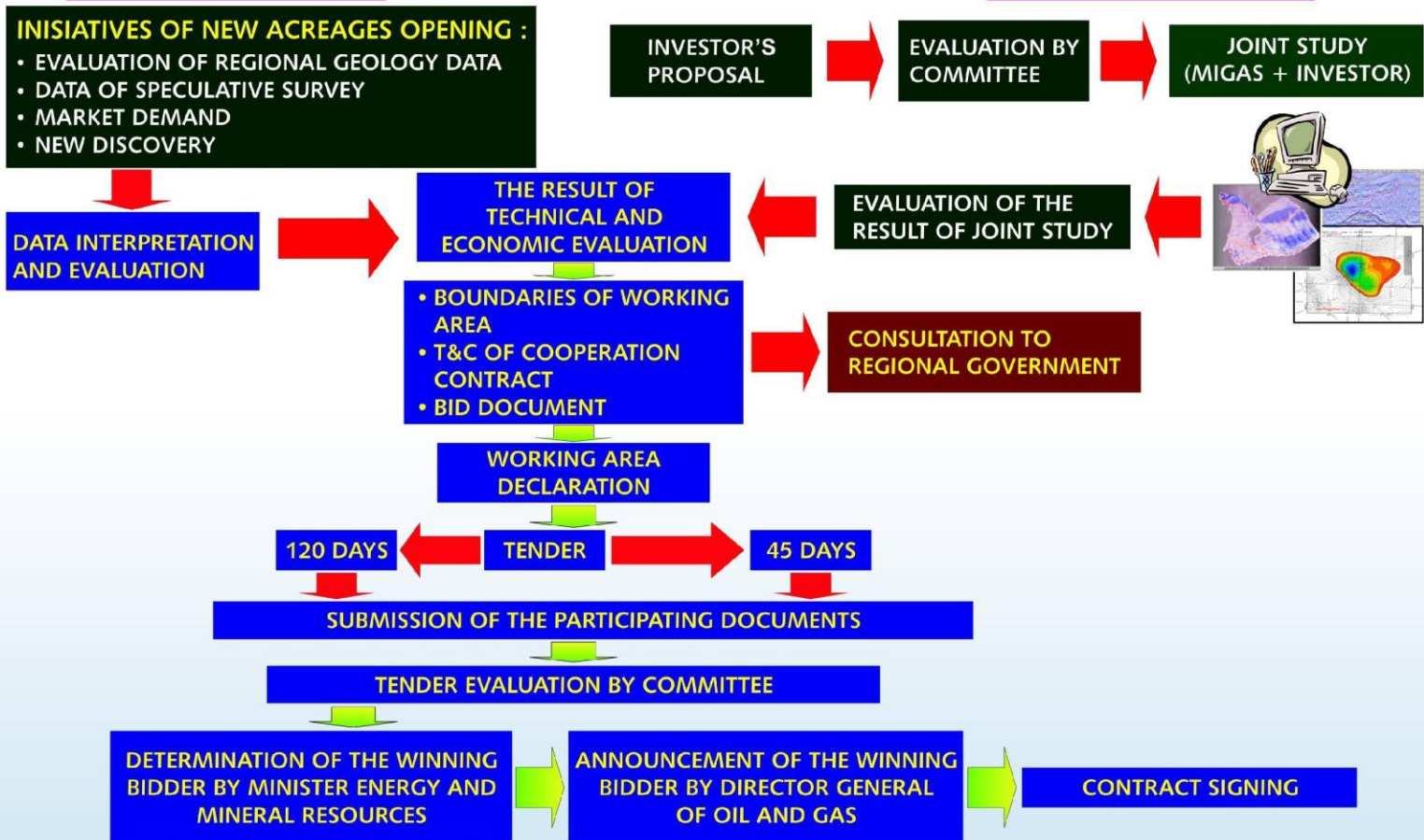
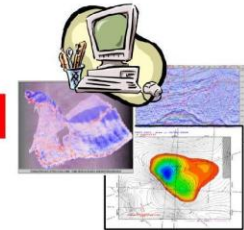
INVESTOR'S PROPOSAL

EVALUATION BY COMMITTEE

JOINT STUDY (MIGAS + INVESTOR)

EVALUATION OF THE RESULT OF JOINT STUDY

CONSULTATION TO REGIONAL GOVERNMENT



Direct Proposal Tender

- Direct Proposal shall be carried out in the joint study framework either by enhancing data quality and or conducting survey for additional data.
- All risk and cost shall be borne to business entity / permanent establishment requirement to submit.
- Performance Bond in the amount of US\$ 500.000 for joint study.
- Participating Document should be submitted exactly 45 days (and not earlier) from the date of issue of the Bid Document.

Investor's Proposal

Investor's proposal for open acreage or available block shall describing area boundaries with geographical coordinates, short geology report, data completeness, profiles and capability of the company. If within not later than 14 calendar days after the receipt of submitted proposal from Business Entity (BE) or Permanent Establishment (PE), there are any other BE or PE submitting proposal for direct proposal of an area in which:

- Cover more than 25% from previously proposed, the whole areas will accordingly be reserved for the tender (Regular)
- Cover less than or equal to 25% from the previously proposed, the sub-sequent BE or PE shall adjust the proposal with the proposal of previous BE or PE

Determined by Minister of Energy and Mineral Resources (MEMR)

Minister (MEMR) determine the acreage for tender including boundary of acreage, term and condition of cooperation contract and issues Direct Proposal Document.

Direct Proposal Document

It contains information of tender procedures, schedules, data access procedures, technical information of working acreage, PSC draft and other requirements. The intended participant must purchase the Direct Proposal Document at MIGAS.

Clarification Forum

Participants who have obtained the Direct Proposal Document may submit questions regarding tender process.

Evaluation of Participating Documents

Participating Document will be assessed based on the technical criteria of 3 years exploration commitment, financial capabilities and company performance, as proposed by bidder.

Contract Signing

BPMIGAS and contractor sign the cooperation contract.



1 Evaluation of Proposal

The committee evaluates the proposal submitted by company for open acreage and available blocks. The Director General of Oil and Gas may approve proposal of joint study based on the evaluation of the committee.

2 Joint Study

Joint Study will be conducted between MIGAS and BE/PE

3 Result of Joint Study

The committee evaluates the result of joint study in the technical and economical aspect.

4 Announcement

The new acreage will be announced through electronic and other media (our Website: <http://www.migas.esdm.go.id>)

5 Data & Information

It is mandatory that any participant will have to purchase an official government data package through and set by MDM prior to submitting the participating document.

6 Participating Documents

The Tender Participant should submit the entire Participating Document on the closing date of the tender.

7 Determination of The Winning Bidder

The Minister (MEMR) will appoint the winning bidder, based on the committee recommendation.

BPMIGAS and contractor sign the cooperation contract.

Regular Tender

- Blocks from open acreage prepared and designated by MIGAS
- Available Blocks
- Participating document should be submitted exactly 120 days (and not earlier) from the date of issue of the Bid Document.

Determined by Minister of Energy and Mineral Resources

Minister MEMR determine the new acreage for tender including boundary of acreage, term and condition of cooperation contract and bid documents.

Bid Documents

It contains information of Tender procedures, schedules, data access procedures, technical information of working acreage, PSC draft and other requirements. The Intended participant must purchase the Bid Document at MIGAS.

Clarification Forum

Participants who have obtained the Bid Document may submit questions regarding Tender Process.

Evaluation of Participating Documents

Participating Document will be assessed based on the technical criteria of 3 years exploration commitment, financial capabilities, and company performance, as proposed by bidder.

Contract Signing

BPMIGAS and contractor sign the cooperation contract.

