

Our Business

PERTAMINA in conducting business activities in the field of energy and petrochemicals, was divided into two sectors, namely upstream and downstream, and supported by the activities of Children's Subsidiaries and Joint Ventures

Upstream Activities

Upstream activities cover exploration and production of oil, gas, and geothermal. The aim of exploration activities is to discover new oil and gas reserves as a replacement of hydrocarbon that has been produced. This effort is intended to maintain the production continuity. The exploration and production activities are performed through its own operation and joint operation arrangements.

The business partnership forms are JOB-EOR (Joint Operating Body for Enhance Oil Recovery), JOB-PSC (Joint Operating Body for Production Sharing Contract), TAC (Technical Assistance Contract), Consortium Cooperation System, IP (Indonesian Participation), PPI (Pertamina Participating Interest) and project loan. While for the geothermal sector, the business partnership is JOC (Joint Operating Contract) arrangement.

The company has concession block operated as own operation arrangement covering 7 (seven) oil and gas Operation Area , i.e. Nangroe Aceh Darussalam (NAD) Northern Sumatra Operation Area with the main office in Rantau, Central Sumatra Operating Area with the main office in Jambi, Southern Sumatra Operation Area with main office in Prabumulih, Western Java Operation Area with main office in Cirebon, Eastern Java Operation Area with main office in Cepu, Kalimantan Operation Area with main office in Balikpapan, and Papua Operation Area with main office in Sorong. There are 3 geothermal producing areas with the 162 MW installed capacity owned by Pertamina. Those areas are : Sibayak (2 MW) located in North Sumatra, Kamojang (140 MW) located in West Java and Lahendong (20 MW) located in North Sulawesi.

Pertamina markets its fuel products for fulfilling the demand from industry, bunker, land transportation and domestic consumption. Pertamina lubricant has Lube Oil Blending plant (LOBP) in Jakarta, Surabaya and Cilacap with total capacity of around 573,000 kilo liter per year (2 shift/day). Pertamina lubricant is consumed by industrial engine, automotive engine, marine engine etc. Pertamina has come to be the market leader of Indonesian lubricant. Pertamina Upstream has 64 oil and gas contracts of joint operation arrangements. They consist of 6 partnership under JOB-EOR contract systems, 12 partnership under JOB-TAC contract systems, 34 partnership under TAC contract systems, 1 partnership under Consortium Cooperation System, 3 project loans, and 8 partnership under IP/PPI contract systems. Meanwhile there are 8 Joint Operating Contracts for geothermal exertion.

Among 64 of oil and gas contracts within the joint operation arrangement, 30 contracts are in the commercial-producing stage and the other areas are still in the exploration stage.

To develop its exploration and production business, Pertamina Upstream has made a step forward through strategic alliances with domestic and foreign partners. Pertamina Upstream has prospective business in oil and gas drilling services called Pertamina Drilling Service (PDS), which owns 28 drilling-rig units.

In the gas transmission business, Pertamina Upstream has 3800 km total length of gas pipeline and 64 compressor stations.

Downstream Activities

Directorate engages in the activities of oil and gas refining, and managing the distribution and marketing of the

refined products. The main objective of its activities is to meet the domestic market fuel demand, also non-fuel and petrochemical demand in the domestic and international markets.

Processing, Pertamina operates 7 fuel refineries, 2 LPG plants, and 2 LNG & LPG plants. Some fuel refineries also process non-fuel and petrochemical products.

Shipping, Pertamina has sea transportation fleet to carry oil and gas, and to distribute fuel, non-fuel, and petrochemical products for domestic and export market. It is conducted using owned and chartered tankers. The other activities are brokerage, ship agency, crewing, etc. In 2002, the activities are conducted by 130 units of tankers which consist of 32 units owned by Pertamina, 96 units of chartered tankers, and 2 units of floating storage. The tanker fleet is capable to offer transportation with 48.9 million Long Ton capacity.

Marketing and Trading, Main Marketing activities cover business activities in marketing fuel, lube oil, LPG, LNG, aviation, petrochemical, and other non-fuel products for domestic market. Export and import is conducted by Trading.

Fuel Business, Pertamina market fuel products for the needs of industry, land transportation, household (retail), and bunker.

Lube Oil Business, Pertamina has Lube Oil Blending Plant (LOBP) in Jakarta, Surabaya, and Cilacap with 573,000 kilo liter annual total capacity (2 shifts/day). The product is used for industrial machinery, automotive machine, marine engine, etc. Pertamina is currently the market leader in Indonesia lube oil business.

LPG Business, LPG business has good prospect in the future because the market growth and demand are relatively high. It has not given profit contribution because the market price has not reach the economical level.

LNG Business, Pertamina has long experience in LNG business and has an excellent reputation in international market. Aviation Business, The rapid development of air transportation will stimulate the aviation business growth. Pertamina has the resources and infrastructure for aviation business in all airports in Indonesia. The products has meet the international standard requirements.

Petrochemical and Non-Fuels Business, Pertamina has refineries which produce various non-fuels and petrochemical products for domestic and international markets. This is a profitable business for Pertamina.

Distribution and Marketing Network, In distributing fuel, non-fuel, gas, and petrochemical products for domestic market, Pertamina operates 8 Marketing Units located throughout Indonesia. Pertamina storage facilities comprise of 24 units of in-land depo, 97 units of sea-fed depo, 53 units of aviation depo with 1,308 units of tanks and 1,051 kilometers pipeline. Maximum storage capacity reaches 13.6 million kiloliters.

The distribution channels include over-land, by sea and by air. To expand its distribution network for its products, Pertamina and partners have developed a range of supporting facilities for its distribution activities.

Downstream Business Products

In general, the Downstream products consist of fuel, special fuel, non-fuel and petrochemical, gas, and other products. Fuel products, comprise of Premium, Kerosene, Autogas, Automotive Diesel Oil (ADO), and Industrial Fuel Oil (IFO).

Special Fuel products, comprise of Aviation Gasoline (Avigas), Aviation Turbin Fuel (Avtur), Super TT, Premix 94, Pertamax, and Pertamax Plus.

Non-Fuel and Petrochemical products, comprise of Green Cokes, SBP/LAWS/SGO, Polytam, Pure Terephthalic Acid (PTA), Asphalt, Paraxylene, Benzene, Minarex, Lube Base Oil, Lube Oil, Minasol, Waxes, Pertasol, Propylene, Paraffinic 60 & 95, Raffinate, Toluena, and Heavy Aromat. Some well-known lube oil brands are Mesran, Mesrania, Meditran, Rored, Translik HD, Prima XP, Martron, Medripal, Salyx, Turalik, Grease Pertamina, etc.

Gas products, comprise of Liquid Petroleum Gas (LPG) and Liquid Natural Gas (LNG).

Other products, comprise of Low Oil Mogas Component (LOMC), Naphta, Residue, LSWR, HVGO, Decant Oil, Sulfur, and Lean Gas.

Other Businesses

Pertamina has 13 Subsidiaries and 16 Joint Ventures operating in various industries such as hotel, Upstream & Downstream business support service, shipping, airlines, dockyard, marketing service, hospital, oil drilling service, management service, contractor, supplier, insurance, manufacturing, and others.

Subsidiaries and Joint Ventures as Portfolio Investment are expected to increase company's value such in the form of either dividend or through their support to Pertamina activities.