

## Company Profile

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PERTAMINA is a State Owned oil & gas company (National Oil Company), established on December 10, 1957 under the name PT PERMINA. In 1961 the company changed its name to PN PERMINA and after the merger with PN PERTAMIN in 1968 it became PN PERTAMINA. With the enactment of Law 8 of 1971 the company became PERTAMINA. This name persisted until after PERTAMINA changed its legal status to PT PERTAMINA (PERSERO) on October 9, 2003.

PERTAMINA's scope of business incorporates the upstream and downstream sectors. The upstream sector covers oil, gas and geothermal energy exploration and production both domestically and overseas. The foregoing is pursued through own operations and through partnerships in the form of joint operations with JOBs (Joint Operating Bodies), TACs (Technical Assistance Contracts) and JOCs (Joint Operating Contracts), whereas the downstream sector includes processing, marketing, trading and shipping. Commodities produced range from Fuel (BBM) and Non Fuel (Non BBM), LPG, LNG, petrochemicals to Lube Base oil.

With the enactment of the Law of the Republic of Indonesia No. 22 of 2001 on November 23, 2001 relating to Oil and Gas, Law No. 8 of 1971 relating to the State Oil and Gas Mining Company was declared void. In accordance with the provisions of Law No. 22 of 2001, PERTAMINA was transformed into a Public Liability Company (Persero) designated PT. PERTAMINA (PERSERO) under Government Regulation No. 31 of 2003. All existing PERTAMINA provisions including its structural organization, employment guidelines and procedures as well as other matters associated with its duties and responsibilities, unless such matters are in contravention of the said Government Regulation, are declared to continue in force until the Company provides otherwise.

PT PERTAMINA (PERSERO) was established under Notarial Deed of Lanny Janis Ishak, SH No. 20 of September 17, 2003, and ratified by the Minister for Law & Human Rights under Decision No. C-24026 HT.01.01 on October 9, 2003. The above proceeded in accordance with the provisions set forth in Law No. 1 of 1995 relating to Limited Liability Companies, Government Regulation No. 12 of 1998 relating to Public Companies (Persero), and Government Regulation No. 45 of 2001 relating to Amendment to Government Regulation No. 12 of 1998.

Consistent with its deed of establishment, the objective of the PERSERO is to engage in oil and gas exploitation, domestically and overseas, as well as in other exploitation associated with or supporting oil and gas operations.

The objective of the Public Company is to:

1. Exploit profits based on the principle of effective and efficient PERSERO management.
2. Contribute toward improvement of economic conditions for the welfare and prosperity of the people.

In order to achieve the above aims and purposes, the Public Company engages in the following:

- Oil and gas exploitation and the processed products and derivatives thereof.
- Geothermal energy exploitation existing at the time the PERSERO was established, including Geothermal Power Plants (PLTP) in the final stages of negotiations and which the Perseroan has managed to gain possession of.
- Liquefied Natural Gas (LNG) exploitation and other products generated by LNG refineries.
- Other exploitation associated with or in support of the undertakings referred to in points above.

## Corporate Values

### ***Clean***

Professionally managed, avoid conflict of interest, never tolerate bribery, respect trust and integrity based on Good Corporate Governance principles

### ***Competitive***

Able to Compete both regionally and internationally, support growth through investment, build cost effective and performance oriented culture.

### ***Confident***

Involve in national economic development as a pioneer in State owned Enterprises' reformation, and build national pride.

### ***Customer Focused***

Focus on customers and commit to give the best service to customers

### ***Commercial***

Create added values based on commercial oriented and make decisions based on fair business principles.

### ***Capable***

Managed by professional, skilled, and high quality leaders and workers, committed to build research and development capability.

## Pertamina Transformation Agenda

Paradigm change on management and human resources.

Activities transformation in upstream sector as the main profit generator.

Activities transformation in downstream sector as the front line to interact with customers

Corporate restructurization transformation on Finance, Human Resource, Legal, IT and General Administration including Asset Management.

### **The objective of the transformation are:**

To Create corporate management as:

- Confident
- Clean
- Customer-focused
- Competitive and efficient
- To be a role model company in Indonesia.

### **Achieved targets with continuous improvement since July to December 31, 2010:**

- Phase I of Breakthrough Projects in 100 days has generated income of + USD 15 million.

- The potencial cost reduction of Rp. 2 trillion in supply chain through the improvement on field distribution efficiency .
- 5 gas station have met the standards of "Pertamina Way".
- The roll out of gas stations quality and quantity assurance.
- The cooperation with world-class oil & gas companies.

**The resume of Breakthrough Projects Phase I:**

- Pondok Tengah Exploitation has generated income of USD 11 to 11.5 million
- Less critical depots.
- LSWR processing to RCC/FC has generated income of USD 2.5 to 2.8 million.
- Transportation loss control has saved Rp. 3 - 3.5 trillion.