

# Procurement Professional in Oil & Gas

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# Oil Price Dynamic



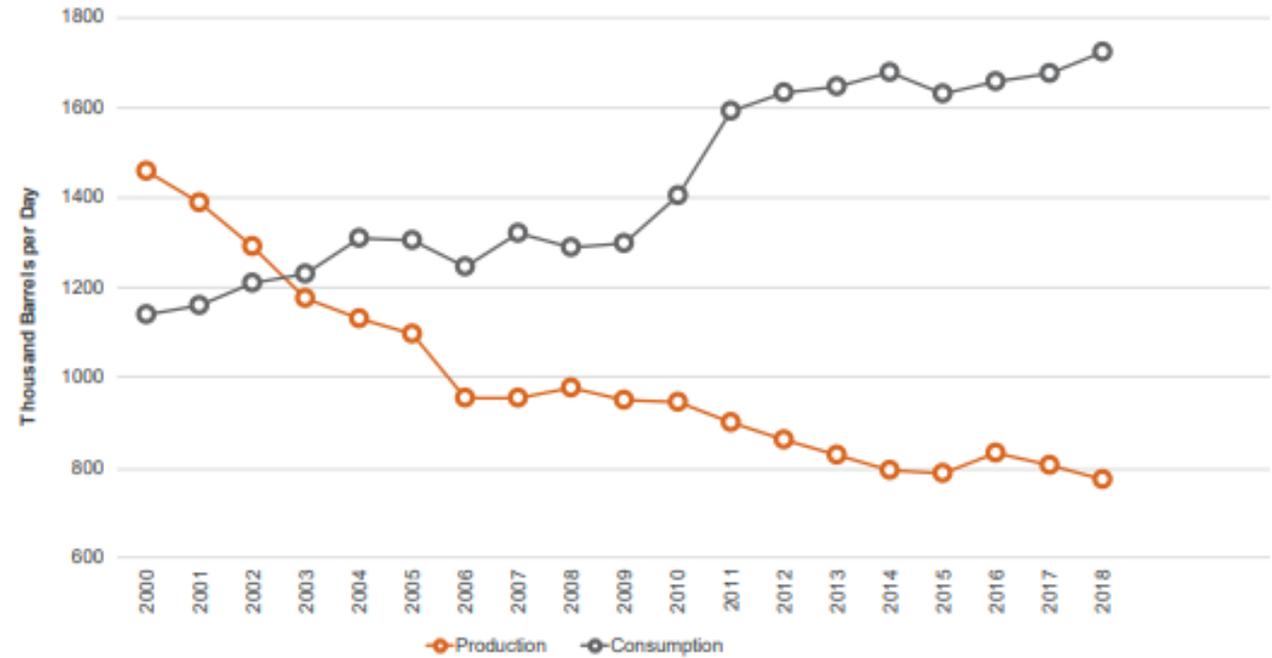
Source: <https://www.macrotrends.net/1369/crude-oil-price-history-chart>

- Highest at \$160/barrel
- Oil price continued to decline during 2019 and early 2020, as low as \$18/barrel, requires oil & gas companies to work more efficiently to survive.

# Indonesia's Production & Consumption

- Prior to 2003, Indonesia's production is higher than its consumption (OPEC member).
- In 2018, Chevron Indonesia is the most contributing PSC to Indonesia's production.

## Indonesian Oil Production and Consumption



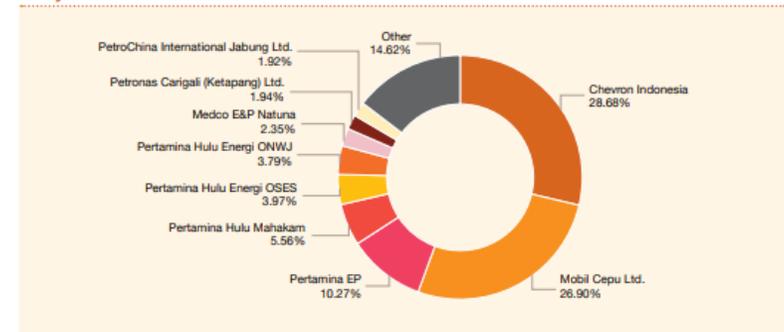
Source:

\*Oil Production and Consumption 2000-2005: BP Statistical Review of World Energy 2011

\*Oil Production and Consumption 2006-2017: SKK Migas, Ministry of Energy and Mineral Resources (MoEMR), Fitch Connect - Business Monitor International

\*Oil Production and Consumption 2018 : DGOG, BP Statistical Review of World Energy 2019

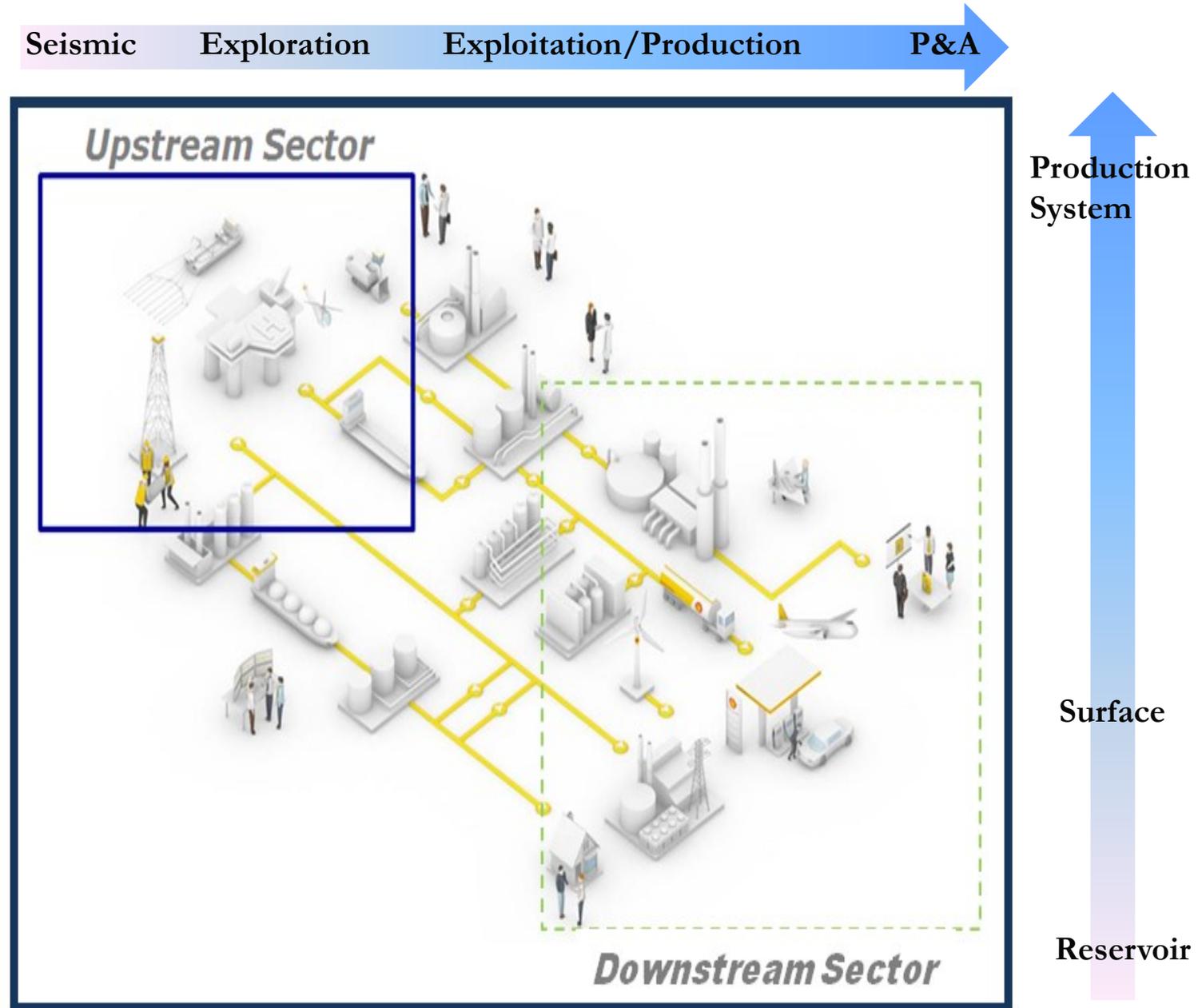
## Major Oil Producers 2018



Source: PwC Analysis

## Upstream Sector

- Exploration – the searching for potential onshore or offshore oil and gas reservoirs, and the drilling of exploratory wells
- Production and maintenance of wells and facilities to recover and bring the crude oil and/or raw natural gas to the surface plant and to process the produced hydrocarbons.



# Contracting in Oil & Gas

## Safety Levers

**Bid Package Development:**

- Accurate safety requirement included in contract's scope of work
- Include high impact Technical Evaluation Requirement to ensure accurate V&V

Prequalification :  
CHESM process

Technical Evaluation:  
Stringent V&V , e.g.: for key personnel/ equipment

New contract's operational dry run

- Contractor performance monitoring (F-100)
- Safety reinforcement via Supplier Relationship, e.g.: SQM, ASR, Vendor forum



Compliant and effective Contracting Strategy (e.g.: compliant award basis selection, accurate supplier shortlist for Direct Selection)

Prequalification:  
EASENet Screening

Prior to Bid Award:  
STARS clearance for Contractor with potential ties to Governmental agency/personnel

PTK – 007, BPP & Corporate Policy

## Key Compliance V&V Levers

Compliance is an integral part for the whole Contracting Cycle. The above key compliance levers are only to depict selected key process that support Verification and Validation process

Q & A

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