

Annex IV: PARTNERSHIP FOR EQUITABLE GROWTH

PARTNERSHIP FOR EQUITABLE GROWTH ASIAN GAS GRID PROJECT

Progress of Starting Plan:

Completed:

- Agreement has been received from H.E. B.J. Habibie to be a patron of PEG Inc.
- Establishment of Indonesia consortium of companies, which will take part in the PEG Inc., consisting of:
 - Bakrie Group of Companies
 - PT Catur Yasa
 - PT PGN
 - PT Guna Nusa Utama Fabricators
 - PT Lirik Petroleum
- Appointment of Mr. Aburizal Barkie as a Director.
- Nomination of Mr. Suharno Rusdi as staff professional for projects office.

To be followed-up:

- Indonesia consortium's contribution commitment of USD 126,000 (USD 45,000/ Year for 3 years) will be realized.

ASIAN GAS GRID (AGG)

- Identified Indonesia Gas Resources (Proved)
 - Natuna Alpha-D (tributary supply)
 - Consortium of PSC Natuna (committed for Singapore)
- Identified Other Gas Resources:
 - Joint Development Authority Malaysia/ Thailand
 - Nam Con Son Fields Offshore Vietnam
- Identified Consuming Economies:
 - Thailand
 - People's Republic of China
 - Chinese Taipei
 - Indonesia
- Additional Critical Factors to be included in Pre-Feasibility Study:
 - Gas Resources Base beside those three identified sources
 - Development & Processing Costs
 - Gas Pricing
 - Domestic Gas policy of Gas resources Rich Economies
 - National gas grids in Thailand, Vietnam and Indonesia

- Indonesia Long Term Vision of Gas Industry:
 - Efficient both in investment and operation throughout the entire natural gas chain, supporting industrial and commercial growth;
 - Dynamic, producing natural gas for the domestic and export markets;
 - Contributing significantly to Indonesia's balance of payments through the displacement of imported and exportable oil products by natural gas supplies;
 - Provides maximum benefits from the country's gas resources for the prosperity of the people.
 - Provides an environment for the growth of national capability in domestic gas sector.
 - Sells natural gas to many consumers, either directly or through intermediaries, with the gas being delivered through a regulated natural gas transportation infrastructure.