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**Future Petroleum Production from
Indonesia and Papua New Guinea ¹**

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Deep water systems and natural gas are two sectors that will likely show significant production growth within the next decade in Indonesia and Papua New Guinea. At least six deep water areas are poised for further petroleum exploration, and a number of large gas projects are awaiting development. Frontier exploration, innovative enhanced recovery techniques, production from gas hydrates, and use of gas-to-liquids technology could unlock additional large petroleum volumes for exploitation in the region over the longer term.

More than 55 billion BOE of ultimate reserves have been discovered to date in the two countries, reservoirized in about 1,000 fields within >50 separate proven petroleum systems. Of this total, at least 12.5 billion BOE (75 TCF) of discovered gas reserves await development offshore Natuna Island, onshore and offshore Irian Jaya, and in the Fold and Thrust Belt of Papua New Guinea. Planned infrastructure to exploit these resources, such as the proposed international gas-export pipeline from Papua New Guinea to Queensland, will spur future activity in these relatively high cost and remote areas. Significant increases in activity and production potential can also be expected in offshore deepwater areas, such as the Makassar Straits in Indonesia, where recent oil and gas discoveries have been made in water depths approaching 1,000 meters. In addition to proven petroleum systems, at least 50 lightly explored to unexplored speculative petroleum systems exist, both onshore and offshore, with the highest potential for future production likely from frontier areas in Eastern Indonesia and Papua New Guinea.

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² Atlantic Richfield Indonesia, Inc., Plano, TX.