



REGULATION OF DOWNSTREAM OIL AND GAS REGULATORY AGENCY
REPUBLIC OF INDONESIA
NUMBER 3 OF 2025

ON
EXCLUSIVE RIGHT TO THE TRANSMISSION PIPELINE AND/OR
DISTRIBUTION NETWORK AREA

BY THE GRACE OF GOD ALMIGHTY

HEAD OF THE DOWNSTREAM OIL AND GAS REGULATORY AGENCY
REPUBLIC OF INDONESIA

- Considering :
- a. whereas in accordance with the provisions of Article 7 and Article 9 paragraph (1) letter b of Government Regulation Number 36 of 2004 on Downstream Oil and Gas Business Activities, the Regulatory Agency has the authority to regulate the granting of Exclusive Right to Transmission Pipelines and/or Distribution Network Areas;
 - b. whereas for the optimization of the use of natural gas and the acceleration of the development of natural gas pipeline infrastructure, it is necessary to rearrange the procedures and procedures for granting Exclusive Right to the Transmission Pipeline and/or Distribution Network Area;
 - c. whereas Regulation of the Downstream Oil and Gas Regulatory Agency Number 8 of 2019 on the Granting of Exclusive Right to Transmission Pipelines and/or Distribution Network Areas, is no longer in accordance with legal developments, so it needs to be replaced;
 - d. whereas based on the considerations as referred to in letters a, b and c, it is necessary to stipulate the Regulation of the Downstream Oil and Gas Regulatory Agency on Exclusive Right in the Transmission Pipeline and/or Distribution Network Area;

- Observing :
1. Law Number 22 of 2001 on Oil and Gas (State Gazette of the Republic of Indonesia of 2001 Number 136, Supplement to State Gazette of the Republic of Indonesia Number 4152) as amended by Law Number 6 of 2023 on the Stipulation of Government Regulations in Lieu of Law Number 2 of 2022 on Job Creation into Law (State Gazette of the Republic of Indonesia of 2023 Number 41, Supplement to State Gazette of the Republic of Indonesia Number 6856);

2. Government Regulation Number 67 of 2002 on the Regulatory Agency for the Supply and Distribution of Fuel Oil and Natural Gas Transportation Business Activities by Pipeline (State Gazette of the Republic of Indonesia of 2002 Number 141, Supplement to State Gazette of the Republic of Indonesia Number 4253) as amended by Government Regulation Number 49 of 2012 on Amendment to Government Regulation Number 67 of 2002 on the Regulatory Agency for the Supply and Distribution of Fuel Oil and Natural Gas Transportation Business Activities Through Pipelines (State Gazette of the Republic of Indonesia of 2012 Number 95, Supplement to State Gazette of the Republic of Indonesia Number 5308);
3. Government Regulation Number 36 of 2004 on Downstream Oil and Gas Business Activities (State Gazette of the Republic of Indonesia of 2004 Number 124, Supplement to State Gazette of the Republic of Indonesia Number 4436) as amended by Government Regulation Number 30 of 2009 on Amendment to Government Regulation Number 36 of 2004 on Downstream Oil and Gas Business Activities (State Gazette of the Republic of Indonesia of 2009 Number 59, Supplement to State Gazette of the Republic of Indonesia Number 4996);
4. Government Regulation Number 28 of 2025 on the Implementation of Risk-Based Licensing (State Gazette of the Republic of Indonesia of 2025 Number 98, Supplement to State Gazette of the Republic of Indonesia Number 7115);
5. Presidential Decree Number 86 of 2002 on the Establishment of the Regulatory Agency for the Supply and Distribution of Fuel Oil and Natural Gas Transportation Business Activities through Pipelines as amended by Presidential Regulation Number 45 of 2012 on Amendment to Presidential Decree Number 86 of 2002 on the Establishment of the Regulatory Agency for the Supply and Distribution of Fuel Oil and Natural Gas Transportation Business Activities through Pipelines (State Gazette of the Republic of Indonesia of 2012 Number 103);
6. Regulation of the Minister of Energy and Mineral Resources Number 29 of 2017 on Licensing in Oil and Gas Business Activities (State Bulletin of the Republic of Indonesia of 2017 Number 569) as amended by Regulation of the Minister of Energy and Mineral Resources Number 52 of 2018 on Amendments to the Regulation of the Minister of Energy and Mineral Resources Number 29 of 2017 on Licensing in Oil and Gas Business Activities (State Bulletin of the Republic of Indonesia Number 1711 of 2018));
7. Regulation of the Minister of Energy and Mineral Resources Number 4 of 2018 on Natural Gas Exploitation in Downstream Oil and Gas Business Activities (State Bulletin of the Republic of Indonesia of 2018 Number 169) as amended by Regulation of the Minister of Energy and Mineral Resources Number 19 of 2021 on Amendment to the Regulation of the Minister of Energy and Mineral Resources Number 4 of 2018 on Natural Gas Exploitation

in Downstream Oil and Gas Business Activities (State Bulletin of the Republic Indonesia Year 2021 Number 792));

HAS DECIDED:

To issue : REGULATION OF THE DOWNSTREAM OIL AND GAS REGULATORY AGENCY ON EXCLUSIVE RIGHT TO THE TRANSMISSION PIPELINES AND/OR DISTRIBUTION NETWORK AREAS.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Agency Regulation, what is meant by:

1. Natural Gas is the result of a natural process in the form of hydrocarbons that are under atmospheric pressure and temperature conditions in the form of gas phases obtained from the oil and gas mining process.
2. Natural Gas Transportation is the activity of distributing Natural Gas through transmission pipelines and/or transmission pipelines and distribution pipelines, and equipment that is operated and/or operated as an integrated system unit, and/or Natural Gas transportation activities through other modes of transportation.
3. Natural Gas Commerce is the activity of buying, selling, exporting, and/or importing Natural Gas.
4. Oil and Gas Transportation Business License is a permit granted to a Business Entity to carry out Oil and Gas Transportation business activities with the aim of obtaining profits and/or profits.
5. Oil and Gas Trading Business License is a license granted to Business Entities to carry out Oil and Gas Trading business activities with the aim of obtaining returns and/or profits.
6. Exclusive Right is the right granted by the Regulatory Agency to Business Entities to operate Natural Gas Transportation Through Pipelines on Transmission Sections and/or in Distribution Network Areas based on auctions.
7. Auction is a method of selecting Business Entities to be granted Exclusive Right in the Transmission Pipeline and/or Natural Gas Distribution Network Area.
8. The National Natural Gas Transmission and Distribution Network Master Plan, hereinafter abbreviated as RIJTDGBN, is a document regarding the development and construction plan of the Natural Gas transmission and distribution network and other Natural Gas infrastructure within the territory of the Republic of Indonesia and can be adjusted every year.
9. The Transmission Section is a certain section of the Natural Gas transmission network which is part of the National Natural Gas Transmission and Distribution Network Master Plan to carry out natural gas

- transportation business activities through transmission pipelines.
10. The Distribution Network Area is a certain area of the Natural Gas distribution network which is part of the National Natural Gas Transmission and Distribution Network Master Plan to carry out Natural Gas Transportation business activities through distribution pipelines.
 11. Certain Commercial Areas are certain areas to carry out Natural Gas Trading business activities.
 12. Certain Commercial Sub Areas are certain areas that are part of Certain Commercial Areas to carry out Natural Gas Trading business activities.
 13. Transmission Pipeline is a pipeline to transport Natural Gas from Natural Gas supply sources or Natural Gas fields to Transmission Pipelines, Distribution Network Areas, Certain Commercial Areas, and/or Natural Gas consumers.
 14. Distribution Pipeline is a pipeline for transporting Natural Gas from Transmission Pipelines on a Transmission Pipeline and/or Distribution Pipeline in a Distribution Network Area to Natural Gas consumers and/or other Distribution Network Areas in the form of a network.
 15. Reserved Capacity is the amount of pipeline capacity that can be used to transport its own Natural Gas after obtaining approval from the Regulatory Agency.
 16. Natural Gas Transportation Tariff Through Pipeline, hereinafter referred to as Tariff is a fee charged by the *transporter* from the *shipper* for the Pipeline Gas Transportation service in the amount of USD (United States Dollars) per *MSCF* of Natural Gas transported *by the transporter*.
 17. A Business Entity is a company in the form of a legal entity that runs a permanent, continuous and established business type in accordance with the applicable laws and regulations and works and is domiciled in the territory of the Republic of Indonesia.
 18. Transporter is a Business Entity that has a business license for Transporting Natural Gas Through Pipelines and/or has an Exclusive Right.
 19. Shipper is a Business Entity that utilizes the Transporter Facilities to transport Natural Gas that it owns.
 20. State-Owned Enterprises, hereinafter abbreviated as SOEs, are Business Entities that meet at least one of the following conditions:
 - a. all or most of its capital is owned by the government through direct participation; or
 - b. there are privileges owned by the State of the Republic of Indonesia.
 21. SOE Subsidiaries are subsidiaries of SOEs and their derivatives established by SOEs in order to meet the business interests of SOEs.
 22. National Strategic Areas are areas whose spatial arrangement is prioritized because they have a very important influence nationally on state sovereignty,

national defense and security, economic, social, cultural, and/or environmental issues, including areas that have been designated as world heritage.

23. Special Economic Zone, hereinafter abbreviated as SEZ, is an area with certain boundaries within the jurisdiction of the of the Republic of Indonesia which is determined to carry out economic functions and obtain certain facilities.
24. The State Revenue and Expenditure Budget, hereinafter abbreviated as the State Budget, is the annual financial plan of the state government approved by the House of Representatives.
25. The Tax Identification Number, hereinafter abbreviated as NPWP, is a number given to the Taxpayer as a means of tax administration which is used as a sign of identity or identity of the Taxpayer in carrying out his tax rights and obligations.
26. Gas Transportation Agreement, hereinafter abbreviated as PPG, is a cooperation agreement between *the Transporter* and *the Shipper* related to the transportation of Natural Gas owned *by the Shipper* through the Transporter's *Natural Gas Pipeline Facility*.
27. The Downstream Oil and Gas Regulatory Agency, hereinafter referred to as the Regulatory Agency, is an agency formed to regulate and supervise the supply and distribution of oil and gas fuels and natural gas transportation through pipelines in downstream business activities.
28. The Minister is the Minister who organizes government affairs in the oil and gas sector.

Article 2

The regulation of granting Exclusive Right to Natural Gas Business Activities Through Pipelines aims to:

- a. optimizing the use of Natural Gas for domestic needs;
- b. accelerate the development of Natural Gas infrastructure;
- c. ensuring the efficiency and effectiveness of the implementation of the provision of Natural Gas as an energy source and raw materials for domestic needs;
- d. provide legal certainty in doing business for Business Entities; and
- e. fulfillment of the rights of Natural Gas Consumers in accordance with the provisions of laws and regulations.

CHAPTER II

NATURAL GAS BUSINESS ACTIVITIES THROUGH PIPELINES

Article 3

- (1) Natural Gas Business Activities Through Pipelines includes Natural Gas Transportation Business Activities Through Pipelines and/or Natural Gas Trading Business Activities Through Pipelines.
- (2) Natural Gas Transportation Business Activities Through Pipelines as referred to in paragraph (1) are in the form of Natural Gas Transportation Business Activities Through Pipelines on the Transmission Section.

- (3) Natural Gas Transportation Business Activities Through Pipelines and/or Natural Gas Trading Business Activities Through Pipelines as intended in paragraph (1) in the form of Business Activities in the Distribution Network Area.
- (4) Natural Gas Transportation Business Activities Through Pipelines and/or Natural Gas Trading Business Activities Through Pipelines as intended in paragraph (1) can also be carried out at distribution network facilities.

Article 4

- (1) The Business Activity of Transporting Natural Gas Through Pipeline on the Transmission Pipeline as intended in Article 3 paragraph (2) is carried out by the Business Entity after obtaining the Exclusive Right of Transportation of Natural Gas Through Pipeline on certain Transmission Pipelines and the Oil and Gas Transportation Business License with the business activity of transporting Natural Gas through the pipeline.
- (2) Natural Gas Transportation Business Activities Through Pipelines in the Distribution Network Area as intended in Article 3 paragraph (3) are carried out by the Business Entity after obtaining Exclusive Right in certain Distribution Network Areas and Oil and Gas Transportation Business Permits with Natural Gas transportation business activities through pipelines.
- (3) Natural Gas Transportation Business Activities Through Pipelines in distribution network facilities as intended in Article 3 paragraph (4) are carried out by Business Entities after obtaining Exclusive Right for Pipeline Natural Gas Transportation at certain distribution network facilities and Oil and Gas Transportation Business Permits with Natural Gas Transportation business activities through pipelines.
- (4) Business Entities as referred to in paragraph (1) and paragraph (3) must:
 - a. have natural gas pipeline infrastructure and its supporting facilities; or
 - b. control the natural gas pipeline infrastructure and its supporting facilities whose development budget is sourced from the state budget.
- (5) Business Entities as intended in paragraph (2) must own and/or control the Natural Gas pipeline infrastructure and its supporting facilities in certain Distribution Network Areas.
- (6) Exclusive Right as referred to in paragraph (1), paragraph (2) and paragraph (3) are only granted to 1 (one) Business Entity.
- (7) Business Entities Holding Exclusive Right as intended in paragraph (1), paragraph (2) and paragraph (3) may be granted more than 1 (one) Exclusive Right for certain Transmission Pipelines, certain Distribution Network Areas and/or other certain distribution network facilities.

Article 5

- (1) Natural Gas Trading Business Activities Through Pipelines in the Distribution Network Area as intended in Article 3 paragraph (3) are carried out by the Business Entity after obtaining an Oil and Gas Trading Business License in Natural Gas Trading business activities that have distribution network facilities and Exclusive Right in certain Distribution Network Areas.
- (2) Natural Gas Trading Business Activities through pipelines in distribution network facilities as intended in Article 3 paragraph (4) are carried out by Business Entities after obtaining an Oil and Gas Trading Business License in Natural Gas Trading business activities that have distribution network facilities and Natural Gas Commercial Exclusive Right that have distribution network facilities.

CHAPTER III
GRANTING EXCLUSIVE RIGHT FOR TRANSMISSION
PIPELINES AND/OR
DISTRIBUTION NETWORK REGION

Part One
General Provisions

Article 6

Exclusive Right as referred to in Article 4 paragraph (1) and paragraph (2) and Article 5 paragraph (1) are granted by the Regulatory Agency through an Auction or special assignment by the Government based on the RIJTDGBN.

Article 7

Exclusive Right as referred to in Article 6 contain:

- a. name, address and NPWP of the Business Entity;
- b. the type of Exclusive Right granted;
- c. a map of the location and geographical coordinates of the Transmission Pipeline and/or Distribution Network Area;
- d. plans for the construction and development of natural gas pipeline infrastructure;
- e. technical data on natural gas pipeline infrastructure plans and their supporting facilities;
- f. the obligations of the Business Entity; and
- g. Validity period of Exclusive Right.

Part Two
Exclusive Right Through Auction

Article 8

- (1) The granting of Exclusive Right based on the Auction as intended in Article 6 is determined by the Head of the Regulatory Agency through a committee meeting.
- (2) Exclusive Right based on the Auction as intended in paragraph (1) are given to the winner of the Transmission Pipeline Auction and/or Distribution Network Area.

Article 9

The Exclusive Right Holder as referred to in Article 4 paragraph (1), paragraph (2) and paragraph (3) must provide equal opportunities to other parties to utilize the facilities owned and/or controlled by them by considering technical and economic aspects.

Article 10

In the event that the flow of Natural Gas will exceed the capacity of the Natural Gas pipeline listed in the Exclusive Right as intended in Article 4 paragraph (1) and paragraph (3), then:

- a. The Regulatory Agency may propose new Transmission Pipelines to the Minister to be included in the RIJTDGBN for auction; or
- b. Business Entities holding Exclusive Right can increase the capacity of Natural Gas pipeline infrastructure and its supporting facilities by considering technical and economic aspects to then get adjustments to Exclusive Right.

Article 11

- (1) Exclusive Right Holders in certain Distribution Network Areas as referred to in Article 4 paragraph (2) and Article 5 paragraph (1) are given Certain Commercial Areas whose territory is the same as the Distribution Network Area.
- (2) Certain Commercial Areas as intended in paragraph (1) are granted exclusively for a period of 30 (thirty) years for areas where there is no Natural Gas pipeline infrastructure and 15 (fifteen) years for areas where there is already Natural Gas pipeline infrastructure.
- (3) Exclusivity as intended in paragraph (2) can be revoked in the event that the Business Entity holding Exclusive Right in the Distribution Network Area does not meet the provisions regarding its obligations as a holder of Exclusive Right.
- (4) After the exclusivity period as intended in paragraph (2) ends, the area is open for commercial business activities for other Oil and Gas Trading Business License Holders.
- (5) The Exclusive Right Holder as intended in paragraph (1) shall apply the principle of separation of at least the separation of accounting records between the business activities of Natural Gas Transportation through pipelines and the business activities of Natural Gas Trading in Certain Commercial Areas.

Part Three

Exclusive Right through Special Assignment

Article 12

- (1) The Central Government may give special assignments to build and operate Transmission Pipelines and/or Distribution Network Areas to:
 - a. SOEs; or
 - b. A subsidiary of SOEs, who already have an Oil and Gas Transportation Business License and/or Oil and Gas Trading Business License in

the Transmission Pipeline and/or other Distribution Network Area.

- (2) Special assignments as intended in paragraph (1) are carried out in accordance with the provisions of laws and regulations.

Article 13

- (1) SOEs or SOE Subsidiaries receiving special assignments as intended in Article 12 paragraph (1) submit an application for Exclusive Right for Transmission Pipelines and/or Distribution Network Areas as intended in Article 4 paragraph (1) and paragraph (2) and Article 5 paragraph (1) to the Regulatory Agency.
- (2) The Application for Exclusive Right as intended in paragraph (1) is submitted in writing by the company's top leadership through the application system at the Regulatory Agency with at least attaching the following required documents:
 - a. the decree of appointment of special assignments by the Central Government;
 - b. National Strategic Project (PSN) documents if special assignments are in support of PSN;
 - c. Business Entity profile that describes:
 - 1) company name;
 - 2) Company NPWP;
 - 3) company address;
 - 4) types of business activities;
 - 5) the organizational structure of the company accompanied by name and position;
 - 6) the composition of the company's board of commissioners;
 - 7) the structure of shareholding and *beneficiary ownership*; and
 - 8) A brief explanation of the company's business processes.
 - d. a copy of the deed of establishment of the Business Entity and its amendment (if any) that have been ratified by the authorized agency;
 - e. a written statement with sufficient sealing of the correctness of the documents and the ability to comply with the provisions of laws and regulations;
 - f. the application for Exclusive Right in the Distribution Network Area must submit a written statement from the company's leadership with sufficient seal on the ability to provide Natural Gas infrastructure including the Natural Gas pipeline network for household users, small customers and/or gas refueling stations for land transportation;
 - g. The feasibility study of the Natural Gas pipeline infrastructure development and development plan at least includes:
 - 1) scope of study;
 - 2) background
 - 3) business schemes;
 - 4) potential sources of supply and demand for

- natural gas;
- 5) the technical aspect at least contains *basic engineering design*;
- 6) minimum financial aspects include investment cost plans, IRR values, distribution costs, transportation rates, margin costs; and
- 7) development schedule.
- h. the application for Exclusive Right in the Transmission Pipeline must submit a copy of PPG which is at least covering the volume of Natural Gas Transportation, the contract term, as well as the rights and obligations between *the Transporter* and *the Shipper*;
- i. application for Exclusive Right in the Distribution Network Area is required to submit a copy of the main document (*head of agreement*) with the prospective consumer and/or prospective *Shipper*;
- j. location map plans;
- k. the geographical coordinate plan of the Transmission Pipeline and/or Distribution Network Area is equipped with pipeline coordinate data in the form of *.kmz*;
- l. technical data of the Natural Gas pipeline construction plan at least including length, diameter, capacity and operating pressure; and
- m. data on supply source plans, receiving points, handover points, pipeline users and volumes of Natural Gas transported and/or traded, as well as supporting facilities and facilities.

Article 14

- (1) The Regulatory Agency conducts an examination of the completeness and suitability of the requirements as intended in Article 13 paragraph (2) by inviting SOEs or SOE Subsidiaries to make presentations and clarifications.
- (2) In the event that the results of the examination of the completeness and suitability of the requirements as intended in paragraph (1) are declared incomplete and/or inappropriate, the SOE or SOE Subsidiary shall make improvements to the completeness of the application.
- (3) In the event that the results of the examination of the completeness and suitability of the requirements as intended in paragraph (1) are declared complete and appropriate, the Regulatory Agency shall verify the application for Exclusive Right within a maximum period of 30 (thirty) working days from the date the requirements are declared complete and appropriate.
- (4) Verification as intended in paragraph (3), at least includes:
 - a. feasibility study;
 - b. the agreement document of the parties;
 - c. the technical data plan of the Natural Gas pipeline infrastructure;
 - d. plans for natural gas pipeline supporting facilities and facilities;
 - e. planned volume of Natural Gas transported and/or

- traded; and
- f. plan of the receiving point and the point of handing over Natural Gas.
- (5) In the event that verification as intended in paragraph (3) is required, the Regulatory Agency may conduct a physical examination in the field.
- (6) Based on the results of the verification as referred to in paragraphs (3) and (4), the Head of the Regulatory Agency determines the granting of Exclusive Right to SOEs or SOE Subsidiaries through a committee hearing.

CHAPTER IV
EXCLUSIVE RIGHT TO TRANSPORT NATURAL GAS
THROUGH PIPELINES DIRECTLY

Part One
General Provisions

Article 15

- (1) In the event that there is a need to carry out Natural Gas transportation business activities through pipelines, the Regulatory Agency can grant Exclusive Right for Natural Gas Transportation through pipelines directly to Business Entities by considering technical and economic aspects.
- (2) The needs for the implementation of Natural Gas Transportation Business Activities through pipelines as intended in paragraph (1) include:
 - a. change of the designation of self-interest pipelines or distribution pipelines that have been contained in the RIJTDGBN to pipelines to carry out Natural Gas Transportation Business Activities through pipelines;
 - b. the implementation of Natural Gas Transportation Business Activities through pipelines in National Strategic Areas, SEZs, or other special areas determined by the Government;
 - c. management of Natural Gas pipeline infrastructure on certain Transmission Sections that have been built before the enactment of this regulation and have not been listed in the RIJTDGBN; and/or
 - d. the implementation of the operation of natural gas pipelines built with the state budget.
- (3) The technical aspects as referred to in paragraph (1) are at least as follows:
 - a. the need for Natural Gas pipeline infrastructure to distribute Natural Gas to consumers who use Natural Gas;
 - b. is an existing Natural Gas pipeline infrastructure or the construction of new Natural Gas pipeline infrastructure;
 - c. There is more capacity in *the existing* pipeline which in terms of technical feasibility can be used together;
 - d. do not interfere with the existing operational activities of the Business Entity; and/or
 - e. not in the area that has been determined by the holder of Exclusive Right in the Distribution Network Area.

- (4) The economic aspect as intended in paragraph (1) with the consideration does not reduce the economic value of the Business Entity.

Part Two
Special Duty Load of Natural Gas Transportation Through
Pipeline

Article 16

Exclusive Right as referred in Article 15 paragraph (1) contain:

- a. name, address and NPWP of the Business Entity;
- b. the type of Exclusive Right granted;
- c. map of the location and geographical coordinates of the Natural Gas pipeline infrastructure;
- d. technical data on Natural Gas pipeline infrastructure and its supporting facilities;
- e. the obligations of the Business Entity; and
- f. Validity period of Exclusive Right.

Part Three
Mechanism for Granting Exclusive Right for Natural Gas
Transportation Through Pipelines

Article 17

- (1) In the event that there is a need to carry out Natural Gas Transportation business activities through pipelines as intended in Article 15 paragraph (2), the Business Entity may submit an application for Exclusive Right to the Regulatory Agency.
- (2) The Application for Exclusive Right as intended in paragraph (1) is submitted in writing by the company's top leadership through the application system at the Regulatory Agency with at least attaching the following required documents:
 - a. Business Entity profile that describes:
 - 1) company name;
 - 2) Company NPWP;
 - 3) company address;
 - 4) types of business activities;
 - 5) the organizational structure of the company accompanied by name and position;
 - 6) the composition of the company's board of commissioners;
 - 7) the structure of shareholding and *beneficiary ownership*; and
 - 8) A brief explanation of the company's business processes.
 - b. a copy of the deed of establishment of the Business Entity and its amendment (if any) that have been ratified by the authorized agency;
 - c. a copy of the document proving the ownership of the Natural Gas pipeline and its supporting facilities for the existing Natural Gas pipeline infrastructure is evidenced by:

- 1) deed of ownership of Natural Gas pipelines/contract documents for the procurement of Natural Gas pipeline facilities/deed of sale and purchase of Natural Gas pipeline facilities notarized/proof of grant notarized or sealed statement stating ownership of Natural Gas pipelines; or
 - 2) Business Entities appointed as cooperation partners to manage the utilization of Natural Gas pipeline assets whose development is sourced from the State Budget can attach a letter of appointment of cooperation partners for pipeline segments with financing sources from the State Budget;
- d. a written statement with sufficient seals on the correctness of the documents and the ability to comply with laws and regulations;
- e. in the event that there is an addition/construction of Natural Gas pipeline infrastructure and/or its supporting facilities, attach a feasibility study of the business plan for Natural Gas transportation through the pipeline at least including:
- 1) scope of study;
 - 2) background;
 - 3) business schemes;
 - 4) potential sources of supply and demand for natural gas;
 - 5) the technical aspects that contain the least *basic engineering design*;
 - 6) the least financial aspects include investment costs, IRR value, distribution costs, freight rates, margin costs; and
 - 7) construction schedule (if any).
- f. a copy of the agreement with the gas user or *Shipper* in the form of a minimum PPG covering the volume of Natural Gas transportation, the term of the contract, as well as the rights and obligations between *the Transporter* and *the Shipper*;
- g. for the implementation of natural gas transportation business activities through pipelines in the National Strategic Area or SEZ, attach a determination document by the Government;
- h. location maps;
- i. the geographical coordinates of the Natural Gas pipeline infrastructure are complemented by the coordinate data of the pipeline network in the form of *.kmz*;
- j. technical data of the minimum Natural Gas pipeline including length, diameter, capacity and operating pressure; and
- k. data on supply sources, receiving points, handover points, pipeline users and volumes of Natural Gas transported, as well as supporting facilities and facilities.

Article 18

- (1) The Regulatory Agency conducts an examination of the completeness and suitability of the requirements as intended in Article 17 paragraph (2) by inviting Business Entities to make presentations and clarifications.
- (2) In the event that the results of the examination of the completeness and suitability of the requirements as intended in paragraph (1) are declared incomplete and/or inappropriate, the Business Entity shall make improvements to the completeness of the application.
- (3) In the event that the results of the examination of the completeness and suitability of the requirements as intended in paragraph (1) are declared complete and appropriate, the Regulatory Agency shall verify the application for Exclusive Right as intended in paragraph (1) within a maximum period of 30 (thirty) working days from the date the requirements are declared complete and appropriate.
- (4) Verification as intended in paragraph (3) shall at least include:
 - a. the need for the implementation of Natural Gas Transportation Business Activities through pipelines as intended in Article 15 paragraph (2);
 - b. consideration of technical aspects as referred to in Article 15 paragraph (3);
 - c. Natural Gas pipeline ownership documents and supporting facilities;
 - d. feasibility studies;
 - e. the agreement document of the parties;
 - f. technical data on natural gas pipeline infrastructure;
 - g. Natural Gas pipeline supporting facilities and facilities;
 - h. planned volume of Natural Gas transported and/or traded; and
 - i. Gas receiving and handover points.
- (5) In the event that verification as intended in paragraph (3) is required, the Regulatory Agency may conduct a physical examination in the field.
- (6) Based on the results of the verification as referred to in paragraph (3) and paragraph (4), the Head of the Regulatory Agency through the committee hearing:
 - a. to establish the approval of the granting of Exclusive Right; or
 - b. give a letter of refusal,to the Business Entity.

CHAPTER V
NATURAL GAS TRADING PRIVILEGES WITH DEDICATED
DISTRIBUTION NETWORK FACILITIES

Part One
General Provisions

Article 19

The Regulatory Agency may grant Natural Gas Special Trading Rights that have distribution network facilities as intended in Article 5 paragraph (2) to Business Entities in commercial areas that have not been determined to be auctioned as Distribution Network Areas by the Regulatory Agency in the current year.

Part Two

Commercial Exclusive Right Charge

Article 20

The provisions on the content of Exclusive Right as intended in Article 16 apply to the provisions of the content of Special Commercial Rights *mutatis and mutandis*.

Part Three

Mechanism for Granting Commercial Exclusive Right

Article 21

- (1) Business Entities that hold Oil and Gas Trading Business Licenses for Natural Gas Trading Business Activities that have distribution network facilities are required to apply for Natural Gas Trading Exclusive Right that have distribution network facilities to the Regulatory Agency.
- (2) The Application for Exclusive Right as intended in paragraph (1) is submitted in writing by the company's top management through the application system at the Regulatory Agency by attaching the following required documents:
 - a. a copy of the Oil and Gas Trading Business License for Natural Gas Trading Business Activities that have distribution network facilities;
 - b. Business Entity profile that describes:
 - 1) company name;
 - 2) Company NPWP;
 - 3) company address;
 - 4) types of business activities;
 - 5) the organizational structure of the company accompanied by name and position;
 - 6) the composition of the company's board of commissioners;
 - 7) the structure of shareholding and *beneficiary ownership*; and
 - 8) A brief explanation of the company's business processes.
 - c. a copy of the deed of establishment of the Business Entity and its amendment (if any) that have been ratified by the authorized agency;
 - d. a written statement with sufficient sealing of the correctness of the documents and the ability to comply in accordance with the provisions of laws and regulations;
 - e. a copy of the agreement with the Natural Gas supplier

- in the form of a natural gas sale and purchase agreement or Collective Agreement;
- f. a copy of the agreement with Natural Gas consumers in the form of a natural gas sale and purchase agreement;
- g. a copy of the Natural Gas Transportation agreement with *the Transporter* in the form of PPG in the event that the business entity utilizes *the Transporter's* Natural Gas transportation pipeline;
- h. location maps;
- i. the geographical coordinates of the Natural Gas pipeline infrastructure are complemented by the coordinate data of the pipeline network in the form of *.kmz*;
- j. technical data of the minimum Natural Gas pipeline including length, diameter, capacity and operating pressure; and
- k. data on supply sources, receiving points, handover points, natural gas consumers and the volume of natural gas traded, as well as supporting facilities and facilities.

Article 22

- (1) The Regulatory Agency conducts an examination of the completeness and suitability of the requirements as referred to in Article 21 paragraph (2) by inviting Business Entities to make presentations and clarifications.
- (2) In the event that the results of the examination of the completeness and suitability of the requirements as intended in paragraph (1) are declared incomplete and/or inappropriate, the Business Entity shall make improvements to the completeness of the application.
- (3) In the event that the results of the examination of the completeness and suitability of the requirements as intended in paragraph (1) are declared complete and appropriate, the Regulatory Agency shall verify within a maximum period of 30 (thirty) working days from the date the requirements are declared complete and appropriate.
- (4) Verification as intended in paragraph (3) shall at least include:
 - a. natural gas supply volume;
 - b. volume of Natural Gas traded;
 - c. technical data on natural gas pipeline infrastructure;
 - d. Natural Gas pipeline supporting facilities and facilities; and
 - e. Gas receiving and handover points.
- (5) In the event that verification as intended in paragraph (3) is required, the Regulatory Agency may conduct a physical examination in the field.
- (6) Based on the results of the verification as referred to in paragraph (4) and paragraph (5), the Head of the Regulatory Agency through the committee hearing:
 - a. to establish the approval of the granting of Exclusive Right; or
 - b. give a letter of refusal,

to the Business Entity.

CHAPTER VI
RIGHTS AND OBLIGATIONS

Article 23

In the implementation of Natural Gas Transportation Business Activities through Pipelines on Transmission Pipelines as intended in Article 3 paragraph (2) and/or distribution network facilities as intended in Article 3 paragraph (4), Exclusive Right holders have the right to:

- a. carry out the construction of Transmission Pipelines and their supporting facilities on certain Transmission Sections;
- b. carrying out Natural Gas Transportation Business Activities Through Pipelines on certain Transmission Pipelines and/or certain distribution network facilities; and
- c. carry out its own Natural Gas transportation activities in accordance with *the Reserved Capacity* that has been approved and determined by the Regulatory Agency on the Transmission Pipeline and/or distribution network facilities owned by it.

Article 24

In the implementation of Natural Gas Transportation and/or Trading Business Activities Through Pipelines in certain Distribution Network Areas as intended in Article 3 paragraph (3), the Exclusive Right holder has the right to:

- a. carry out the construction of distribution pipelines and their supporting facilities in certain Distribution Network Areas;
- b. carrying out Natural Gas Transportation and/or Trading Business activities through Pipelines in certain Distribution Network Areas;
- c. obtain a Certain Commercial Area whose area is the same as the Distribution Network Area exclusively within a period of 30 (thirty) years for areas where there is no Natural Gas pipeline infrastructure and 15 (fifteen) years for areas where there is already Natural Gas pipeline infrastructure; and
- d. cooperate and appoint other Business Entities as managers of Certain Commercial Sub-Areas to carry out Natural Gas Commercial business activities in part of its Distribution Network Areas.

Article 25

(1) In the implementation of Natural Gas Transportation Business Activities through pipelines on the Transmission Section, distribution network facilities as intended in Article 3 paragraph (2) and paragraph (4), the Exclusive Right holder has a minimum obligation:

- a. not stop business activities for 2 (two) consecutive years;
- b. provide equal opportunities to other parties to utilize

- c. building Natural Gas pipeline infrastructure and its supporting facilities and facilities in accordance with the provisions of laws and regulations;
 - d. have an Oil and Gas Transportation Business License;
 - e. implement *access arrangements*;
 - f. apply the Tariff set by the Regulatory Agency;
 - g. pay Fees to the Regulatory Agency;
 - h. apply for adjustment of Exclusive Right;
 - i. report its activities to the Regulatory Agency on a monthly basis and at any time as required;
 - j. convey data and information required by the Regulatory Agency;
 - k. apply the principle of separation of at least the separation of accounting records between the business activities of Natural Gas Transportation through pipelines and the business activities of Natural Gas Trading through pipelines; and
 - l. apply for and obtain a determination of *Reserved Capacity* from the Regulatory Agency in the event that the Business Entity will transport its own gas on its own Transmission Pipeline and/or distribution network facilities.
- (2) In the implementation of Natural Gas Transportation Business Activities through pipelines in the Distribution Network Area and/or Natural Gas Trading in the Distribution Network Area as intended in Article 3 paragraph (3), the Exclusive Right holder has the minimum obligations:
- a. provide equal opportunities to other parties to utilize the facilities owned and/or controlled by them by considering technical and economic aspects;
 - b. building Natural Gas pipeline infrastructure and its supporting facilities and facilities in accordance with the provisions of laws and regulations;
 - c. have an Oil and Gas Transportation Business License and/or Oil and Gas Trading Business License;
 - d. implement *access arrangements*;
 - e. apply the Tariff set by the Regulatory Agency;
 - f. pay Fees to the Regulatory Agency;
 - g. apply for adjustment of Exclusive Right;
 - h. report its activities to the Regulatory Agency on a monthly basis and at any time as required;
 - i. convey data and information required by the Regulatory Agency;
 - j. apply the principle of separation of at least the separation of accounting records between the business activities of Natural Gas Transportation through pipelines and the business activities of Natural Gas Trading through pipelines;
 - k. carry out the construction and development of the Natural Gas distribution network in certain Distribution Network Areas that are its management areas in accordance with the infrastructure

development plan as stipulated in the decision on the Auction winner, while still paying attention to technical and economic aspects;

- l. report the annual natural gas infrastructure development plan submitted annually to the Regulatory Agency during the period of validity of the Exclusive Right;
- m. prioritizing the use of Natural Gas transportation infrastructure and existing distribution networks;
- n. Provide Natural Gas infrastructure in the form of Natural Gas pipelines and/or gas refueling stations for household users, small customers, and/or land transportation in accordance with the offer documents for Exclusive Right holders in Certain Distribution Network Areas; and
- o. in collaboration with the Business Entity that manages and/or owns the Industrial Estate located in the Distribution Network Area and can be appointed as the manager of the Certain Commercial Sub-Area.

Article 26

- (1) A Business Entity holding a Natural Gas Trading Exclusive Right that has a distribution network facility as intended in Article 3 paragraph (4) has the right to carry out Natural Gas trading business activities through pipelines in the distribution network facilities owned and/or controlled by it.
- (2) In the implementation of Natural Gas Trading Business activities that have distribution network facilities, Exclusive Right holders have minimum obligations:
 - a. prioritizing the use of natural gas transportation infrastructure and existing distribution networks;
 - b. pay Fees to the Regulatory Agency;
 - c. apply for adjustment of Exclusive Right;
 - d. report its activities to the Regulatory Agency on a monthly basis and at any time as required;
 - e. report to the Regulatory Agency in the event of a transfer of ownership of the Business Entity;
 - f. convey data and information required by the Regulatory Agency; and
 - g. apply for and obtain a determination of *Reserved Capacity* from the Regulatory Agency in the event that the Business Entity will transport its own gas on the Transmission Pipeline and its distribution network facilities.

CHAPTER VII

ADJUSTMENT AND EXTENSION OF EXCLUSIVE RIGHT

Part One

General Provisions

Article 27

- (1) The Exclusive Right Holder is obliged to submit an application for adjustment of Exclusive Right, in the event that:
 - a. adding natural gas pipeline infrastructure, facilities and supporting facilities for Natural Gas pipelines;
 - b. transfer the ownership of the Business Entity and/or change the identity of the Business Entity;
 - c. changing the capacity of Natural Gas pipeline infrastructure;
 - d. for Exclusive Right obtained based on the Auction if the construction of the Natural Gas pipeline and its facilities is not in accordance with the decision on the determination of the Auction winner;
 - e. for Natural Gas Commercial business activities that have distribution network facilities if they lose control of the controlled distribution network facilities; and/or
 - f. for Natural Gas Commercial business activities that have distribution network facilities if there is an increase or change in Natural Gas consumers.
- (2) The addition of Natural Gas pipeline infrastructure as referred to in paragraph (1) letters a and c in the Transmission Section consists of:
 - a. addition of *looping* pipes; and/or
 - b. addition of *branching* pipes.
- (3) The addition of Natural Gas pipeline infrastructure and changes in the capacity of Natural Gas pipeline infrastructure as referred to in paragraph (2) are not new Transmission Pipelines.
- (4) The addition of *looping* pipes as intended in paragraph (2) letter a must meet the criteria:
 - a. does not go out of the initial and final geographical coordinates of the Transmission Pipeline that it already has; and
 - b. placed parallel to the pipeline on the Transmission Pipeline that it already has.
- (5) The addition of branching pipes as intended in paragraph (2) b must meet the following criteria:
 - a. the size of the pipe diameter is smaller or the same as the diameter of the pipe in the Transmission Pipeline that it already has; and
 - b. The gas pressure in the *branching pipe* is less than or equal to the gas pressure in the pipe in the Transmission Pipeline that it already has.
- (6) In planning the addition of Natural Gas pipeline infrastructure in the Transmission Section as intended in paragraph (3), the holder of Exclusive Right must obtain the approval of the Regulatory Agency.
- (7) The approval as intended in paragraph (6) is determined by the Regulatory Agency through a committee meeting.
- (8) The Regulatory Agency establishes technical guidelines for granting approval as intended in paragraph (7).

Exclusive Right Holders may submit an application for extension of Exclusive Right to the Regulatory Agency no later than 3 (three) months before the validity period of the Exclusive Right ends.

Part Two

Procedure for Extension and/or Adjustment of Exclusive Right

Article 29

- (1) The Regulatory Agency in granting an extension as intended in Article 28 considers the following minimum matters:
 - a. the agreement document of the parties;
 - b. availability of Natural Gas supply;
 - c. pipeline eligibility status;
 - d. operational capabilities; and
 - e. Compliance with laws and regulations.
- (2) The submission of an application for extension and/or adjustment of Exclusive Right to the Regulatory Agency is submitted in writing by the company's top management through the application system at the Regulatory Agency with at least attaching the following required documents:
 - a. a copy of the Oil and Gas Transportation Business Permit and/or Oil and Gas Trading Business Permit;
 - b. Business Entity profile that describes:
 - 1) company name;
 - 2) Company NPWP;
 - 3) company address;
 - 4) types of business activities;
 - 5) the organizational structure of the company accompanied by name and position;
 - 6) the composition of the company's board of commissioners;
 - 7) the structure of shareholding and *beneficiary ownership*; and
 - 8) A brief explanation of the company's business processes.
 - c. a copy of the deed of establishment of the Business Entity and its amendment (if any) that have been ratified by the authorized agency;
 - d. a written statement with sufficient seals on the correctness of the documents and the ability to comply with laws and regulations;
 - e. in the event that there is an addition/construction of Natural Gas pipeline infrastructure and/or its supporting facilities, attach a feasibility study of the business plan for Natural Gas transportation through the pipeline at least including:
 - 1) scope of study;
 - 2) Background;
 - 3) business schemes;
 - 4) potential supply and demand;
 - 5) the technical aspects that contain the least *basic engineering design*;
 - 6) the least financial aspects include investment

- costs, IRR value, distribution costs, *toll fees*, margin costs; and
 - 7) development schedule.
 - f. location maps;
 - g. the geographical coordinates of the Natural Gas pipeline infrastructure are complemented by the coordinate data of the pipeline network in the form of *.kmz*;
 - h. the least technical data of Natural Gas pipelines including length, diameter, capacity and operating pressure;
 - i. data on supporting facilities and facilities;
 - j. supply sources, receiving points, handover points, natural gas consumers and the volume of Natural Gas transported or traded; and
 - k. a copy of the Natural Gas pipeline infrastructure Feasibility Approval document (if any).
- (3) In addition to attaching the required documents as intended in paragraph (2) for natural gas transportation business activities through pipelines, it is stated that:
- a. a copy of the agreement with the gas user/ *Shipper* in the form of a minimum PPG covering the volume of Natural Gas transportation, the contract term, and the rights and obligations between *the Transporter* and *the Shipper*;
 - b. A copy of the document proving the ownership of the Natural Gas pipeline and its supporting facilities for the existing Natural Gas pipeline infrastructure can be proven by:
 - 1) deed of ownership of Natural Gas pipelines/documents for procurement of Natural Gas pipeline facilities/deed of sale and purchase notarized/proof of grant notarized or sealed statement of ownership of Natural Gas pipelines; or
 - 2) Business Entities appointed as cooperation partners to manage the utilization of Natural Gas pipeline assets whose development is sourced from the State Budget can attach a letter of appointment of cooperation partners for pipeline sections with financing sources from the State Budget.
- (4) In addition to attaching the required documents as intended in paragraph (2) for Natural Gas Commercial business activities that have distribution network facilities, submit a copy:
- 1) agreements with Natural Gas suppliers in the form of natural gas sale and purchase agreements or collective agreements;
 - 2) agreements with natural gas consumers in the form of natural gas purchase and sale agreements or collective agreements;
 - 3) the agreement to transport Natural Gas with *the Transporter* in the form of PPG in the case of a

business entity utilizing *the Transporter's natural gas transportation pipeline*.

Article 30

- (1) The Regulatory Agency conducts an examination of the completeness and suitability of the requirements as referred to in Article 29 by inviting Business Entities to make presentations and clarifications.
- (2) In the event that the results of the examination of the completeness and suitability of the requirements as intended in paragraph (1) are declared incomplete and/or inappropriate, the Business Entity shall make improvements to the completeness of the application.
- (3) In the event that the results of the examination of the completeness and suitability of the requirements as intended in paragraph (1) are declared complete and appropriate, the Regulatory Agency shall verify the application for Exclusive Right as intended in paragraph (1) within a maximum period of 30 (thirty) working days from the date the requirements are declared complete and appropriate.
- (4) Verification as intended in paragraph (3) shall at least include:
 - a. the agreement document of the parties;
 - b. availability of Natural Gas supply;
 - c. pipeline eligibility status;
 - d. operational ability to manage Natural Gas pipelines; and
 - e. Compliance with the provisions of laws and regulations.
- (5) In the event that verification as intended in paragraph (3) is required, the Regulatory Agency may conduct a physical examination in the field.
- (6) Based on the results of the verification as referred to in paragraph (4) and paragraph (5), the Head of the Regulatory Agency through the committee hearing:
 - a. to establish the approval of the granting of Exclusive Right; or
 - b. give a letter of refusal, to the Business Entity.

CHAPTER VIII
VALIDITY PERIOD

Article 31

- (1) The validity period of the Exclusive Right of Transportation of Natural Gas Through Pipeline on a certain Transmission Pipeline as intended in Article 4 paragraph (1) and the Exclusive Right of Transportation of Natural Gas Through Pipeline at certain distribution network facilities as intended in Article 4 paragraph (3) is determined by the Regulatory Agency for a maximum of 20 (twenty) years and can be extended for a maximum of 10 (ten) years for each extension.
- (2) The Head of the Agency establishes technical guidelines for

the determination of the validity period of Exclusive Right as intended in paragraph (1).

Article 32

The validity period of Exclusive Right in certain Distribution Network Areas as referred to in Article 4 paragraph (2) and Article 5 paragraph (1) is determined by the Regulatory Agency following the exclusivity period in Certain Commercial Areas for 30 (thirty) years for areas where there is no Natural Gas pipeline infrastructure or 15 (fifteen) years for areas where there is already Natural Gas pipeline infrastructure.

Article 33

The validity period of the Natural Gas Trading Exclusive Right that has distribution network facilities as intended in Article 5 paragraph (2) is determined by the Regulatory Agency in accordance with the validity period of the Oil and Gas Trading Business License.

CHAPTER IX REPORTING

Article 34

- (1) The Exclusive Right Holder must submit a report as intended in Article 25 paragraph (1) letter i, Article 25 paragraph (2) letter h and Article 26 paragraph (2) letter d, to the Regulatory Agency and at any time if necessary through the application system at the Regulatory Agency.
- (2) The report as intended in paragraph (1) shall contain at least the following:
 - a. for Exclusive Right Holders as referred to in Article 4 paragraph (1) and paragraph (3) contains:
 - 1) supply sources, receiving points, handover points, pipeline users and volumes of Natural Gas transported;
 - 2) supporting facilities;
 - 3) the implementation of operations and maintenance activities in the field and the obstacles faced; and
 - 4) Applicable rates.
 - b. for Exclusive Right Holders as intended in Article 4 paragraph (2) and Article 5 paragraph (1) contains:
 - 1) supply source, receiving point, handover point, pipeline users, consumers, volume of Natural Gas traded and volume of Natural Gas transported;
 - 2) supporting facilities;
 - 3) the implementation of operations and maintenance activities in the field and the obstacles faced;
 - 4) Applicable rates; and
 - 5) selling price of Natural Gas to consumers.
 - c. for Exclusive Right Holders as intended in Article 5 paragraph (2) contains:
 - 1) source of supply, point of receipt, point of

- handover, consumers and volume of Natural Gas traded;
 - 2) supporting facilities;
 - 3) the implementation of operations and maintenance activities in the field and the obstacles faced; and
 - 4) selling price of Natural Gas to consumers.
- (3) In the event that the application system at the Regulatory Agency is not available, the Exclusive Right holder submits a report as intended in paragraph (1) outside the application system at the Regulatory Agency.

CHAPTER X SUPERVISION

Article 35

- (1) The Regulatory Agency supervises the implementation of Exclusive Right in Natural Gas Transportation and/or Commercial business activities through pipelines.
- (2) Supervision as intended in paragraph (1) shall be at least in the form of:
 - a. evaluation of reports submitted by Exclusive Right holders; and
 - b. supervision in the field.
- (3) The Head of the Regulatory Agency establishes technical guidelines for supervision procedures as intended in paragraph (1) and paragraph (2).

CHAPTER XI SANCTIONS

Article 36

- (1) The Regulatory Agency provides administrative sanctions to holders of Exclusive Right who violate the provisions of Article 25, Article 26 and Article 27 paragraph (1) and paragraph (6).
- (2) Administrative sanctions as intended in paragraph (1) are in the form of:
 - a. written reprimands;
 - b. revocation of Exclusive Right; and
 - c. proposal for the revocation of Oil and Gas Transport Business Permit and/or Oil and Gas Commercial Business Permit to the Minister.
- (3) The imposition of administrative sanctions can be carried out in stages or independently for each type of administrative sanction.
- (4) The imposition of administrative sanctions that result in the revocation of Exclusive Right as intended in paragraph (2) b does not eliminate the responsibility of the Exclusive Right holder to complete all unfulfilled obligations.
- (5) All losses arising from the imposition of administrative sanctions as intended in paragraph (2) shall be the burden of the Exclusive Right holder.

Article 37

- (1) Written reprimands as referred to in Article 36 paragraph (2) letter a shall be given a maximum of 3 (three) times, with a maximum period of 2 (two) months each.
- (2) In the event that after the expiration of the period of written reprimand as intended in paragraph (1) the holder of the Exclusive Right has not carried out his obligations, he will be subject to the sanction of revocation of the Exclusive Right and proposed for the revocation of the Oil and Gas Transportation Business License and/or the Oil and Gas Trading Business License to the Minister.

Article 38

The Head of the Regulatory Agency establishes technical guidelines for the imposition of administrative sanctions as referred to in Article 36 and Article 37.

CHAPTER XII MISCELLANEOUS PROVISIONS

Article 39

- (1) In the case of Exclusive Right holders:
 - a. have obtained a court decision with permanent legal force so that it cannot carry out natural gas transportation and/or trading business activities through pipelines; or
 - b. proposes to revoke his Exclusive Right,
The Regulatory Agency revokes Exclusive Right to Exclusive Right holders.
- (2) The revocation of Exclusive Right as intended in paragraph (1) is carried out by considering the technical and economic aspects of the Gas Transportation and/or Trading business activities through existing pipelines.
- (3) The revocation of the Exclusive Right as intended in paragraph (1) does not eliminate the responsibility of the Exclusive Right holder to complete all unfulfilled obligations.

CHAPTER XIII TRANSITIONAL TERMS

Article 40

- (1) Exclusive Right that have been determined before the enactment of this Agency Regulation remain valid until the end of the Exclusive Right period.
- (2) Applications for Exclusive Right that have been submitted to the Regulatory Agency before the enactment of this Agency Regulation will still be processed in accordance with this Agency Regulation.

Article 41

Business Entities that have been designated as Auction Winners and have not obtained Exclusive Right before this Agency Regulation comes into effect, Exclusive Right are granted to Business Entities after the completion of natural gas

pipeline infrastructure development.

CHAPTER XIV
CLOSING PROVISIONS

Article 42

At the time this Agency Regulation came into effect, Regulation of the Downstream Oil and Gas Regulatory Agency Number 8 of 2019 on the Granting of Exclusive Right to Transmission Pipelines and/or Distribution Network Areas (State Gazette of the Republic of Indonesia Year 2019 Number 411), was revoked and declared invalid.

Article 43

This Agency Regulation comes into force on the date of promulgation.

In order for everyone to know about it, order the promulgation of this Agency Regulation with its placement in the State Gazette of the Republic of Indonesia.

Issued in Jakarta
on October 9, 2025

HEAD OF THE DOWNSTREAM OIL
AND GAS REGULATORY AGENCY
REPUBLIC OF INDONESIA

Signed

ERIKA RETNOWATI

Promulgated in Jakarta
on October 14, 2025

DIRECTOR GENERAL
LAWS & REGULATIONS
MINISTRY OF LAW OF THE REPUBLIC OF INDONESIA,

Signed

DHAHANA PUTRA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2025 NUMBER 813