

DANANTARA INDONESIA
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From the Danantara Indonesia Investor Relations Team

INVESTING AT DANANTARA INDONESIA

A Bounty of Gas in Eastern Kalimantan

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Jangkrik FPU sits seventy kilometres offshore, processing gas and condensate at sea. Geliga's raw resources will flow to facilities like this: the first visible knot in the invisible chain. / Photo credit: Eni

Written by Kireina Ayasha Ridwan with contributions from Timothy Wijaya

"He who controls the spice **controls the universe.**"

BARON HARKONNEN, from Frank Herbert's 1965 novel *Dune*

Here is how dinner starts in most Indonesian homes. We make sure the rice is steaming. We cut up the garlic and the shallots, maybe a few red chillies if the mood calls for it.

Then we turn the knob on the stove and wait for the blue ring to appear beneath the pan.

That blue ring is the last visible moment in a very long, very invisible chain. Before it reaches the kitchen, that gas has been drilled, separated, shipped, stored, and distributed.

We do not think about where it came from. It simply works, until the day it does not.

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DIARIES



Photo credit: Fairuz Naufal Zaki / Unsplash

What actually keeps that chain running, in Indonesia's case, is more tangled than most of us assume. We export gas and we import gas, sometimes in the same year, for reasons that rarely make it past the business pages.

On 20 April 2026, one part of that tangle shifted, far from any kitchen. Seventy kilometres off the coast of East Kalimantan, in the Kutei Basin, Italian energy major Eni confirmed a major gas discovery.

A Discovery Seventy Kilometres Offshore

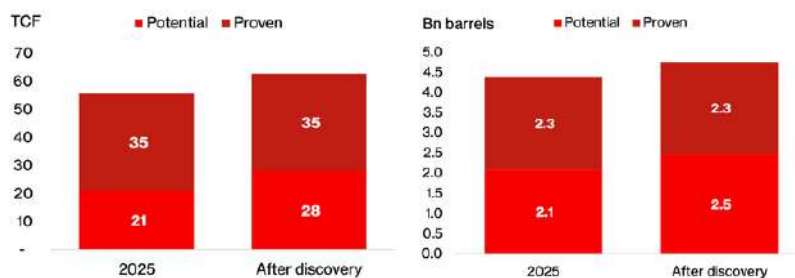
The Geliga-1 well holds preliminary estimates of 5 trillion cubic feet of gas and 300 million barrels of condensate. Right beside it sits the previously undeveloped Gula field, holding a further 2 trillion cubic feet (TCF) and 75 million barrels.

Combined, Geliga and Gula represent roughly 7 TCF of gas. That is enough on its own to lift Indonesia's potential gas reserves by one-third, from 21 TCF to 28 TCF, in a single well campaign.

Before going further, it helps to slow down on one thing. Terms like gas, condensate, liquified natural gas (LNG), and liquified petroleum gas (LPG) get used almost interchangeably in the news, but they are not the same thing.

Indonesia's oil and gas potential and proven reserves

Source: HEESI, Danantara Indonesia OCE team



Geliga & Gula potential resources amount to 7 TCF of gas + 375Mn barrels of condensate.

Picture squeezing an orange. Several things come out together, and then get separated.

The heavier liquid becomes condensate, sold much like crude oil. The lighter gas, mostly methane, either gets piped straight to power plants and factories, or cooled into LNG for export by ship.

Cooking gas, or LPG, is a different fraction again, pulled out at a processing stage many Indonesian gas fields are not yet built for. Keep that in mind. It will matter later.

How the Discovery Fits a Bigger Buildout

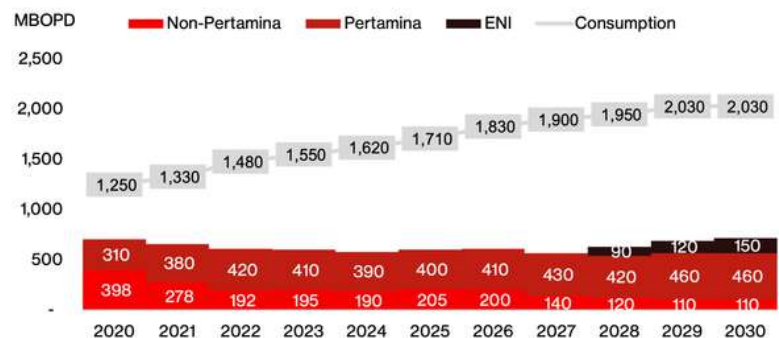
This find did not appear out of nowhere. Eni has been active in this basin since 2023, and Geliga is its third major discovery here in under three years.

The company has also already committed to building out its existing North and South Hub projects nearby, worth a combined 10 TCF of gas and 550 million barrels of condensate. Geliga and Gula, arriving weeks later, now raise the possibility of an entirely new third hub in the basin.

At its peak, that third hub could produce up to a billion cubic feet of gas and 80,000 barrels of condensate a day.

ENI to produce up to 150kbpd at its peak in 2030

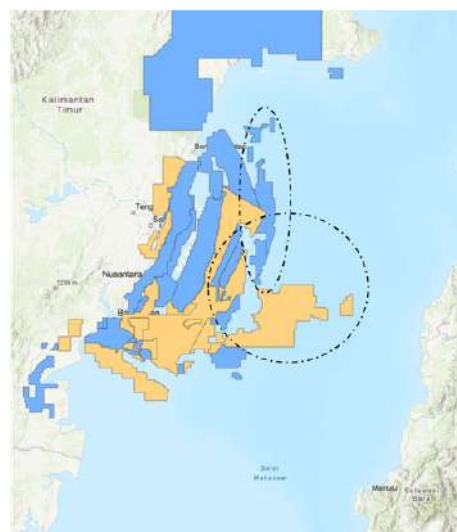
Source: Pertamina Hulu Energy, Danantara Indonesia OCE team



The timing of this buildout matters. Eni's output from the Kutei Basin barely registers in Indonesia's gas balance today.

The North and South Hub are expected onstream in 2028. Geliga is projected to follow in 2030, by which point Eni's production from the basin could exceed every non-Pertamina producer in the country combined.

This is not a gradual trickle. It arrives in two distinct waves, four and six years from now.



Geliga & Gula sits within Ganal Production Sharing Contract (PSC), along with North & South Hub in Ganal & Rapak PSC

Why It Matters More Than the Headline Suggests

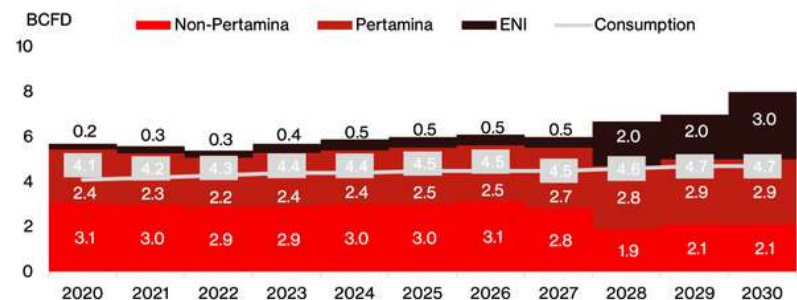
To understand why this discovery carries weight, it helps to see the chain it feeds into. And more importantly, how precarious it has become.

For four months, two Pertamina tankers sat stranded in the Persian Gulf, loaded with crude oil, waiting for Iranian authorities to clear them through the Strait of Hormuz. In late June, one of them, the Gamsunoro, finally made it through. The other, the Pertamina Pride, is still there. Still waiting.

This is not hypothetical. It has been playing out for months, as conflict in the region disrupts one of the world's most important shipping routes.

ENI's gas production could grow to become the largest in Indonesia

Source: Pertamina Hulu Energy, Danantara Indonesia OCE team



Indonesia imports roughly 7.5 million tons of LPG a year to keep that blue ring lit in millions of kitchens. Until recently, close to a third of it came from the Middle East.

With that route now unreliable, the country has scrambled toward the United States and opened emergency talks with Russia. Around 85 percent of Indonesia's LPG now comes from America, up from roughly 70 percent a year ago, according to BPS.

This is not, mostly, a story about the kitchens of everyday Indonesians either. Roughly 93 percent of Indonesia's LPG volume moves through the subsidized 3kg canister, the kind sold in *warungs* across the country.

When LPG prices rise or subsidies tighten, the households most exposed are the ones with the least room to absorb it. That exposure shows up directly in the state budget.

Indonesia's LPG subsidy bill has swung wildly over the past six years. Roughly Rp33 trillion in 2020, spiking to Rp100 trillion in 2022 as global oil prices surged, easing to around Rp78 trillion in 2025.

The 2026 budget assumes Rp80 trillion, built on an oil price near 70 dollars a barrel. If oil trades closer to 90 dollars, a scenario well within recent memory, that budget could be tested again, echoing the overruns of 2021 and 2022.

A Story Bigger Than Cooking Gas

Cooking gas is the most visible symptom of a larger pattern concerning Indonesia's gas resources.

In the 1990s, Indonesia was not a mere participant in the global gas trade. For a stretch, we were a dominant player, supplying more than a third of the entire world's LNG exports.

That position has eroded steadily for three decades. By 2020, Indonesia's share of the global LNG market had fallen to just 4.4 percent.

If the trend holds, the country could flip from exporter to net importer over the long run.



*The little lime green canister below the cart helps feed countless people /
Photo credit: Damar Handyanjaya / Unsplash*

It is tempting to read Geliga as the fix. The truth is more complex, because Geliga does not solve the LPG story on its own.

Firstly, finding more gas does not guarantee that it stays home. Indonesia has export contracts, foreign partners, and infrastructure built for shipping gas abroad, and none of that disappears just because a new field is discovered.

What actually happens to Geliga's gas, how much stays in Indonesia and how much does not, comes down to a policy called the Domestic Market Obligation. It requires producers to reserve a share of new production for the domestic market. How much exactly? For Geliga, it is still to be decided.

Secondly, turning raw gas into household cooking fuel requires processing infrastructure. But it is one area that Indonesia has historically underinvested in. That is why LPG import dependency and the country's broader gas decline, though connected at the root, are not the same fix.

The government's own answer to the LPG problem, in fact, is not more gas processing. It is a different fuel entirely.

In May, the Energy Ministry announced it would accelerate development of compressed natural gas (CNG) in 3kg cylinders, as a domestically sourced substitute for imported LPG.

CNG deployment today remains limited to commercial kitchens and government meal programs. Household rollout is still years away, and depends on new compression infrastructure not yet built.

It is a smaller, more targeted fix than a single gas discovery. But it points toward the same underlying goal, relying less on tankers crossing contested waters, and more on what sits under Indonesian soil and seas.

The blue flame on our stoves will still ask nothing of us. But for a country that slid from a leading gas exporter toward growing dependence on tankers crossing contested waters, a discovery like this is a rare chance to write a different ending.

Not next year, and not by itself. But discoveries like Geliga are how a thirty-year decline starts to bend the other way. One field, one policy decision, one hub at a time.

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Did You Know?



A Dayak dancers / Photo credit: Ainun Jamila / Unsplash

DANANTARA INDONESIA
DIARIES

The Kutai Basin is Dayak land. For centuries, it has been home to the indigenous Borneo peoples, and home to the Kutai Martapura Kingdom, which left Sanskrit stone pillars (Yupa inscriptions) in the 4th–5th centuries. Today at the National Museum of Indonesia, those pillars stand as testimony to people who documented their presence here.

Geliga's gas lies beneath soil where that history runs deep. Extraction does not erase what came before. It just adds another layer to what has always been claimed.

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