AgroSpectrum ASIA
Envisaging Future | Updating Present

Pupuk Indonesia affirms collaboration between energy sector and fertilizer industry as key to food security

26 May 2025 | News

A close operational alliance prevails between the fertilizer industry and the energy sector



A close operational alliance prevails between the fertilizer industry and the energy sector

PT Pupuk Indonesia (Persero) emphasizes that close cooperation between the energy sector and the fertilizer industry is an important foundation for realizing national food security, which is part of the government's Asta Cita vision.

The energy sector has an important role in Indonesia's success towards food self-sufficiency," said President Director of Pupuk Indonesia, Rahmad Pribadi at the Indonesia Petroleum Association Convention and Exhibition (IPA Convex) 2025, in Tangerang. As a form of commitment to strengthen the synergy, Pupuk Indonesia signed two initial agreement documents to explore the potential for cooperation in the utilization of natural gas from two oil and gas projects, namely the Masela Working Area and the South Andaman Working Area.

The signing of the two documents was carried out in a series of events for the Indonesia Petroleum Association Convention and Exhibition (IPA Convex) 2025 which took place in Tangerang, May 20-21, 2025. The first agreement successfully made by Pupuk Indonesia was the signing of the Head of Agreement (HoA) with JV INPEX Masela Ltd - PT Pertamina Hulu Energi Masela and PETRONAS Masela Sdn. Bhd. The signing of the HoA between Pupuk Indonesia and the consortium managing the Masela block will be the initial step in the cooperation in utilizing gas from the Abadi Field in the Masela Working Area.

Pupuk Indonesia plans to utilize gas supply from Abadi Field in Masela Working Area for the blue ammonia plant to be built on Yamdena Island, Maluku. The plant, targeted to start operating in 2030, is estimated to require a long-term gas supply of 150 Million Standard Cubic Feet per Day (MMSCFD). The construction of the blue ammonia factory on Yamdena Island not only represents Pupuk Indonesia's contribution in supporting the government's Asta Cita vision in the field of downstreaming and industrialization, but also becomes a driving force for economic growth in eastern Indonesia.

By utilizing the giant gas reserves in the Abadi Masela Field, this project is expected to be able to create jobs for the local community, as well as encourage an increase in Regional Original Income (PAD).Â In addition to the signing of the HoA, Pupuk Indonesia and Mubadala Energy also signed a Memorandum of Understanding (MoU) to explore the potential for cooperation in utilizing gas from the South Andaman Working Area.

Through this signing, both parties will explore the potential for utilizing natural gas from the South Andaman Working Area.The exploration of potential cooperation in gas procurement from the South Andaman Working Area is related to Pupuk Indonesia's plan to build a methanol and blue ammonia production facility. Pupuk Indonesia plans to build a methanol plant and develop blue ammonia in the Nangroe Aceh Darussalam area, which is located close to the South Andaman Working Area.

The methanol plant facility is estimated to require a gas supply of 115 Million Standard Cubic Feet per Day (MMSCFD). Meanwhile, the blue ammonia plant is estimated to require a gas supply of 85 MMSCFD. Through the MoU with Mubadala Energy, Pupuk Indonesia is exploring the possibility of meeting the gas supply needs for the two facilities from the South Andaman Working Area gas field.The methanol and blue ammonia plant projects also play an important role in strengthening the downstreaming and transition of low-carbon energy. This is because methanol and blue ammonia are clean energy commodities that are increasingly needed in the future energy ecosystem.