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PPA'S STRONG COMMITMENT ON SAFETY AMID PANDEMIC

NICKEL TUG OF WAR

Christianto Setyo, President Director of PT Putra Perkasa Abadi (PPA) and **Irfan Setiaputra**, President Director of PT Garuda Indonesia (Persero) Tbk

Juga Tersedia Edisi Bahasa Indonesia

English Version

Indonesia's Electricity Power Supply Business Plan 2019-2028

DESCRIPTION

The Ministry of Energy and Mineral Resources (ESDM) has recently issued Ministerial Decree No. 39 K/20/MEM/2019 on the Legalization of Business Plan of PT PLN (Persero) on Rencana Usaha Penyediaan Tenaga Listrik or RUPTL for 2019-2028, to guide PLN in developing national power infrastructure.

The RUPTL is based on detailed calculations of electricity demand and the subsequent transmission and distribution requirements during the period. The proposed new RUPTL will adopt economic growth assumption at 6.45% with electricity demand projected by an average of 6.42% per year. During the period the sector is anticipated to build a total of 56.4 GW of power generations; 57,293 km of transmission network with a total of 124,341 MVA of station transformers; 472,795 km of medium-to-low voltage lines; and a total of 33,730 MVA of substation transformers.

This publication is aimed at disseminating information regarding PLN's electricity RUPTL 2019-2028 to international community, who need to know them in English as well as for investors wishing to get involved in Indonesian electricity projects.

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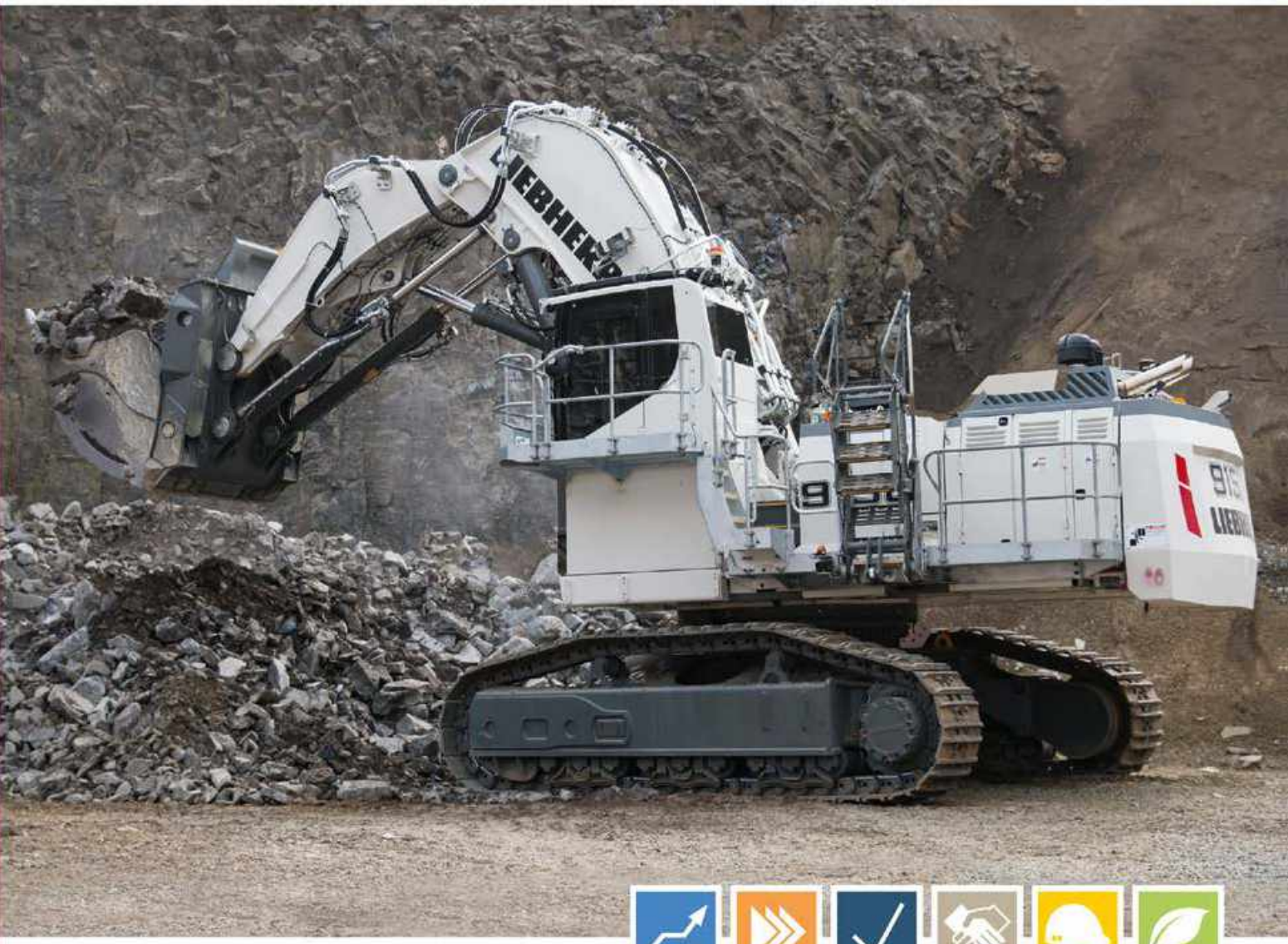

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health and safety are the most important things in mining industry. However, during lingering COVID-19 pandemic in Indonesia, health and safety are becoming much more important considerations. Miners will take any measure to ensure not even a single worker is infected by coronavirus. Otherwise, the consequences may be unthinkable and unbearable.

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9th EDITION INDONESIAN COAL BOOK 2020/2021

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"Indonesian Coal Book 2020/2021", which is the ninth edition of the Indonesian Coal Book series, is the most comprehensive source of information on coal mining industry in Indonesia. It is an invaluable source of information on more than 300 coal mining companies operating in Indonesia, including maps of their locations, mining methods, production activities and coal specification and business plans. It also contains information about the existing common-user coal terminals, statistical data on the sector and directories of industry and government contacts.

This full color book provides a comprehensive and easy-to-use reference containing detailed and up-to-date information on Indonesian coal industry. This edition is definitely a must-buy reference book for not only business executives, prospective coal investors, players, but also research centers and consultants.

Content

- Profiles of more than 300 coal mining companies
- Profiles of services companies, Government, Provincial and Organization contacts
- Indonesian coal statistics: Coal Resources/Reserves; Production; Domestic Sales; Export;
- Updated list of PKP2Bs; coal IUPs 'clean and clear' (concession holder, location, area, status)

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[PUBLISHER'S LETTER]

Nickel Price

Minister of Energy and Mineral Resources Arifin Tasrif issued new Ministerial Regulation No 11/2020 on the third amendment of Ministerial Regulation No 07/2017 regarding the procedure to determine the benchmark price in the sale of metal mineral and coal. The regulation requires nickel miners holding the IUP OP or IUPK OP licenses to use the mineral benchmark price (or HPM) in selling their nickel ores, including to affiliates. The smelter operators purchasing nickel ores from miners are also required to make the purchase using HPM as benchmark.

Currently, nickel smelters in the country consume only high-grade nickel (nickel content of higher than 1.7 percent) to produce ferronickel and nickel pig iron for the stainless-steel industry. Previously, a number of nickel miners have complained over the low price of nickel ore supplied to the smelter developers since the latter determines the price. The Office of the Coordinating Minister for Maritime Affairs and Investment has issued Ministerial Regulation No 108/2020 on setting up a team to supervise the implementation of the metal mineral benchmark price (or better known as HPM) policy in nickel transaction.

The team is headed by Deputy for Coordinating of Investment and Mining Affairs at the Office of the Coordinating Minister for Maritime Affairs and Investment. The team head is assisted by a secretary and six deputies representing the aforementioned related ministries and BKPM. Members of the team include senior officials from the related ministries and BKPM.

Data from the Indonesian Nickel Miners Association (APNI) shows that as of 2020, Indonesia has low-grade nickel (nickel content of less than 1.7%) reserve of 3.6 billion tons, compared to only 930 million tons of high-grade nickel reserve.

U.S. Geological Survey ranks Indonesia as the world's biggest nickel producer in the world. Steven Brown, a nickel industry observer, said that the current condition reflects market imbalance between so many nickel ore producers with only few big smelter developers. The condition, according to Brown, may hamper the sustainability of domestic nickel industry.

"Nickel miners compete each other that drag the nickel ore price down. Low profitability will eventually translate into no new exploration activity and low commitment on environmental issues," he said. The Ministry of Mineral and Energy Resources has targeted to have 30 nickel smelter projects that would be operated in 2022.

CoalAsia highlights the nickel industry as its main story as the country is eyeing to become a key player in global nickel-based lithium battery production.

We also publish analysis and opinion articles by noted experts in mining industry to enrich knowledge of the country's mining industry.

CoalAsia Magazine and Petromindo.com also would jointly organize a series of webinars on mining-related issues, namely webinar on Sumatra Coal Transportation and Logistic Infrastructures Outlook and webinar on Indonesian coal market summit.

Happy reading

Adianto P. Simamora
Editor in Chief

2nd INDONESIAN MINERALS BOOK 2019/2020

The mining industry has been one of the key sectors supporting Indonesia's economic growth for a number of years. The sector makes a significant contribution to Indonesian GDP, exports, government revenues, employment, and perhaps most importantly, the economic development of the remote regions where mining operations are located. The country has long been a major producer of minerals for international markets.

According to the Central Statistics Agency (BPS), the mining industry accounted for approximately 8% of Indonesia's Gross Domestic Product (GDP) in 2018 of Rp 14,837.4 trillion, with minerals and related products contributing 16.25% of the country's total exports of about US$180.22 billion.

"Indonesian Minerals Book 2019/2020" is the most comprehensive source of information on minerals mining industry in Indonesia. It is an invaluable source of information on minerals mining companies operating in Indonesia, including maps of their locations, mining methods, production activities, product specification and business plans. It also contains information about regulatory frame work in the industry, statistical data, and directories of industry and government contacts.

This full color book provides a comprehensive and easy-to-use reference containing detailed and up-to-date information on Indonesian minerals mining industry. This edition is definitely a must-buy reference book for not only business executives, prospective investors, players, but also research centers and consultants.

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OPINION

By Singgih Widagdo *- Indonesian Coal Observer*

Questioning funding for mineral and coal (MINERBA) security

Providing the funds for MINERBA security is nothing new in the mining industry in Indonesia. But the "spirit" (at least, in coal business) has been attached for a long time in the coal royalty. During the initial growth of the mining industry in Indonesia (in the early 80s), Coal Development Fund of 7.5 percent was integrated into the 13.5 percent coal royalty. Coal Security Fund, in its related interests to the advancement of explorations, technology, and human resources in the mining industry, was taken from the Coal Development Fund. The concept of integrating the Coal Development Fund as a part of the royalty was the appropriate and strategic measure because coal, a non-renewable resource, should be treated as a source of energy.

At present, MINERBA Security Fund is stipulated as one of the priorities under Law No.3 of 2020 on Amendments of Law No. 4 of 2009 on Mineral and Coal Mining. Observing the mandate of the law, the subordinate Government Regulation(s) should enforce the implementation of MINERBA Security Funding. History has proven that a strategic commodity should be closely related to economic, social, and political stabilities to be able to provide the security. However, the latest law basically does not define MINERBA Security. It is elaborated under the State Reserve Area (WPN) or parts of mining areas reserved for the national strategic interests.

Long before that, in managing the non-renewable natural resources, the government should have comprehensively assessed the existence of minerals and coal, the declining reserves bound to happen, also the consequences of such condition to the nation's economic development going forward. The development funding for coal explorations, technology, and human resources should have been taken from the Coal Development Funds of 7.5 percent, integrated into the royalty of 13.5 percent. Some 20 percent of the remaining six percent of the coal royalty should be given to the central government, while 80 percent out of the six percent should be given to the local governments. The Ministry of Energy and Mineral Resources (ESDM) should have been capable of withdrawing the funds to be utilized for the development of coal explorations, also the research and technology by adequate institutions or universities. It could have been utilized as the Mineral and Coal (MINERBA) Security Funds (for, at least, the necessary development of coal mining industry).

The awareness of policy makers in the initial stages of the establishment to integrate and stipulate Coal Development Fund of 7.5 percent in the coal royalty vanished with the issuance of the government policy afterwards, stipulating that coal royalty is a Non-tax State Revenue (PNBP), therefore, it should entirely go to the state treasury. On the other hand, the government through Law No. 3 of 2020 stipulates other means of funding by establishing MINERBA Security Funds integrated into the Mining Business License (IUP) and Special Mining Business License (IUPK) for holders already in the production operation stage.

Then, how should the government stipulate the amount of MINERBA Security Funds to be paid by corporations? It would not be easy. The mapping on the scales of mining corporations, types and qualities of the minerals and coal, mining locations, and mining utilizations going forward should be taken into account before stipulating any amount of MINERBA Security Fund. Just stipulating an average amount for the security funding imposed on various scales of mining companies in different geographical locations would only result in unjust and inappropriate policies.

For the mining companies, MINERBA Security Funds (whatever amount they have to pay) would be added into the mining cost, which would, eventually, affect their EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization). With this condition, during which the price of the mining commodity strengthens or weakens, mining companies would

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certainly try to minimize the stripping ratio. As a result, MINERBA Security Fund goes to two opposite directions. On one side, the government really wants to expand the exploration activities to increase the reserves, while on the other, potential reserves of mining companies already in production stage are disappearing. This condition would directly affect the lifetime of mining operations.

MINERBA security

We have to admit that defining the MINERBA security, moreover, deciding on the amount of MINERBA Security Fund, are complicated efforts. Discussing the issues on MINERBA security should not only concern mining explorations. Such discussions should include issues on other parameters such as stockpiles, infrastructure, supply-and-demand, all of which should be integrated to provide appropriate definition of MINERBA security. Discussing the topic is actually too late right now, as the industry is already developed far, judging from the total national coal production reaching approximately 550 million tons a year.

The term security has been used since 1970s, during the global food crisis. The country had no food security. Then the concept of food security was expanded further to include the energy security that, eventually, included the availability (of food/energy supply) on the national, as well as global scales. Learning from the concept of food security, the discourse on the mineral-and-coal (MINERBA) security has been placed on the national level, down to the user and user industry levels. With the recent condition of the mineral and coal mining industry, the MINERBA security has to include the global level relationship related to the international trade pattern.

Nevertheless, the proper definition of MINERBA security should mean the fulfillment of long-term demand of the government and domestic industry on mineral and coal commodities. The MINERBA security covers a vast area not limited to exploration activities, or making the MINERBA Security Fund the main entry to answer all occurring problems.

MINERBA security is not just about the availability of the reserves, nor just about exploration reports being finished and done. The government has to be responsible for providing the MINERBA security. And that is not an easy matter. In other words, evaluation on MINERBA security should be done regularly by taking into account the mineral-and-coal reserves, and by meeting the supply-and-demand to generate the country's economy. Such evaluation should not be separated from the existence of the mining industry, in production to meet the demand of, not only domestic, but also export markets.

Observing the different roles of

mineral and coal, the definition of MINERBA security should not cover the same areas. Mineral can be positioned to grow for the industry security. Moreover, the mineral refinery industry has grown so fast that the supply of the raw material mineral for the refinery and other metal industries should be secured to survive a long-term operation. But coal has a far more strategic role. In the MINERBA security, coal should become an integral part of the national energy security. By managing coal as energy, the energy from the coal utilization should be positioned as a part of the energy security not separated from the accesses for its affordability, acceptability, availability, accessibility, and sustainability.

Article 112A Paragraph (2) of Law No. 3 of 2020 affirms that MINERBA Reserve Fund should be used to finance the activities to find new reserves. For the MINERBA security interest within the framework of its utilization for the interest of national economic development, the works should not be stopped after the explorations are done and new reserves are discovered. For the continuity of the utilization, we have to think of the MINERBA users, how the infrastructure is built, and how the conditions of the mining area and transportation are.

Similarly, enhancing exploration activities is not just utilizing the MINERBA Security Fund. The ESDM (Energy and Mineral Resources) authority should actively improve the role of Junior Mining Companies (JMCs) in MINERBA explorations. Opening the door of investment for JMCs requires new work and evaluation of old policies hampering their entries into the trade. Mapping the prices of MINERBA commodities going forward, assessment and comparison of state policies on JMCs, also evaluation on Information Data Compensation (KDI) are the parameters to make the fiscal and non-fiscal policies attractive to JMCs to make them want to invest on exploration activities in Indonesia.

MINERBA security fund

Deciding on MINERBA Security Fund is not easy. Basically, MINERBA Security Fund can be taken from the royalty (particularly, in the case of coal royalty). And calculation of mineral royalty should also include such deduction for the funding. Based on that ground, calculation of MINERBA royalty should cover the social, economic, and environment costs. Without considering the three parameters, management of MINERBA is considered not in line with the mandate of constitution, therefore, not done for the broader interest of the nation.

Nevertheless, Law No. 3 of 2020 has given mandate on MINERBA Security Fund. Like it or not, the Government Regulations (PP) should also include elaboration of MINERBA Security Funds. Though the law clearly confirms the use of MINERBA Security Fund to enhance activities to find new reserves, the ESDM authority is expected to open new doors of opportunities to attract investment on explorations by JMCs, have easy access to activities for new and expansion of explorations by mining companies, establish activities on joint-explorations by several mining companies (especially those located in neighboring areas).

With these steps, explorations for new reserves would not be limited to easy access on utilization of MINERBA Security Fund. Other measures taken along the way would encourage explorations as expected. With various

measures to push enough explorations, MINERBA Security Funds can be utilized, not only to find new reserves, but also to establish the necessary MINERBA security in the form of research and development to support exploration activities, push constructions of infrastructure up to certain limits, facilitate and aid MINERBA utilization up to certain levels.

In deciding the amounts of MINERBA Security Fund, the government should not leave out considerations on various parameters to push MINERBA security to the right direction. Various proposals and levels of involvement of the Association of Earth and Mining Science Professionals on the use of MINERBA Security Funds would widen the view of the ESDM (Energy and Mineral Resources) authority,

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while providing the necessary inputs for drafting the government regulations (PP). The progress of the PP drafting should be communicated to the related parties to avoid issuance of a final draft without considering their inputs. How we measure successful enforcement of a government regulation would depend on how we can observe and assess the implementation by business actors in MINERBA mining industry.

Based on those grounds, the government (ESDM authority) should take the following measures before deciding on the amounts of MINERBA Security Fund:

There are different ways to calculate and decide the right amount of MINERBA Security Fund. The formula to decide the amount of security fund for a type of mineral should be different from the formula for calculating the security fund for coal. Based on the analyses of the reserves, spread, and recent conditions of the industry, each mineral or coal has specific utilization, therefore, its own definition of security, based on which, the calculation on the appropriate amount is made.

On coal alone, the government (ESDM authority) should not use the same calculation formula for various qualities of coal. Coal utilization very much depends on its type, user's location, also potential utilization for domestic as well as export markets going forward. The prime purpose of utilization of MINERBA Security Fund is finding new reserves, meaning reserves that can be economically utilized. Achieving that requires clear directions on users' projections, users' technology, type of coal to be utilized, geographical characteristics of the area to be explored, and, of course, transportation. Calculation of the coal security should be focused on domestic utilization. As for the minerals, each one is unique with its own type and road map to direct the industry in the long run. Therefore, MINERBA Security Fund should be imposed on the affected parties in various amounts, not just one figure or percentage.

The government should continue to encourage JMCs (Junior Mining Companies) to improve the reserves for MINERBA security. Some 45 percent of the entire findings of minerals-and-coal reserves in the world come from JMCs. Counted as startups, JMCs can increase the financing from investors through trade of their shares, to maintain the operation of the reserves they find, or to sell the reserves to other Junior Mining Companies in operation, after they find new reserves. JMCs' business is very sensitive on price projections of mining commodities. For that reason, the ESDM authority should first establish a map on price projections of mineral prices. The authority can do that. Besides that, the government should aid JMCs to get easy access to get second-party capitals or funding through the Stock Exchange (IDX) by maintaining the involvement of the Indonesian Mineral Reserves Committee (KCMI) and the role of Competent Person Indonesia (CPI).

Finally, we have to understand that MINERBA security is not just about increasing the numbers of MINERBA reserves, not just about supporting exploration activities to find new reserves. It is also important and in line with the mandate of constitution that we have the means to optimize the existing MINERBA utilization to generate the wheels of the economy for the highest welfare of the people. C

OPINION

By Bill Sullivan
Christian Teo & Partners (in asscociation with Stephenson Harwood LLP)

Shipping coal from Indonesia – Penny finally drops[1][2][3][4]

Introduction

For nearly 10 years, the Government has sought to make it compulsory for Indonesia's coal exports to be shipped in Indonesian-owned ships and insured with Indonesian insurance companies.

The Government has now "backtracked" to a very significant degree, with the Indonesian shipping requirement and the Indonesian insurance requirement being ultimately confined to ships with a capacity of 10,000 DWT or less.

It seems tolerably clear that the immediate catalyst for the Government's change of position is the ongoing economic crisis in Indonesia, brought about by the Covid-19 pandemic, and the consequently deteriorating financial situation of many of the country's largest coal producers. In the face of falling demand for and falling prices of Indonesian coal, the Government simply could not risk imposing additional requirements on coal exporters that would only serve to further reduce the competitiveness of Indonesian coal.

The surprising thing, however, is that it took so long for "the penny to finally drop" and required a major economic crisis before the Government would effectively acknowledge, albeit still very reluctantly, that Indonesia's market position is just not strong enough to impose requirements that are seriously inconsistent with the limited available capacity of the local shipping industry as well as with the well-established norms of international trade and with economic reality.

In this article, the writer will review the latest form of the national shipping requirement and the national insurance requirement as well as the factors that ultimately made the recent "backtracking" inevitable.

Background

Indonesia is the world's largest exporter of crude palm oil ("CPO") and one of the world's largest exporters of coal. Indonesia is also a major importer of rice as well as of other commodities and products.

The Government has long sought to "leverage" the country's undeniable importance as an exporter and importer of certain commodities and products in order to promote other domestic industries. This nationalist agenda has, however, often been unfortunately pursued with substantial disregard for (i) practical considerations, (ii) international trade norms and (iii) economics.

The requirement that that Indonesian coal producers export their production using Indonesian-owned ships ("National Shipping Requirement") and with cargo insurance provided by Indonesian insurance companies ("National Insurance Requirement") has a convoluted, long and unfortunate history.

The National Shipping Requirement and the National Insurance Requirement were first introduced, for coal only, by Minister of Energy & Mineral Resources ("MoEMR") Regulation No. 17 of 2010 re Procedures for Minerals & Coal Benchmark Price Determination ("MoEMRR 17/2010"). As introduced by MoEMRR 17/2010, the National Shipping Requirement and the National Insurance Requirement were never actually enforced in respect of coal.

MoEMRR 17/2010 was, later, partially revoked by MoEMRR 7 of 2017 re Procedures for Metal Minerals & Coal Benchmark Price Determination ("MoEMRR 7/2017") but only with regard to those provisions of MoEMRR 17/2010 dealing with coal benchmark

1. *Bill Sullivan, Senior Foreign Counsel with Christian Teo & Partners and Senior Adviser to Stephenson Harwood LLP.*
2. *Bill Sullivan is the author of "Mining Law & Regulatory Practice in Indonesia – A Primary Reference Source" (Wiley, New York & Singapore 2013), the first internationally published, comprehensive book on Indonesia's 2009 Mining Law and its implementing regulations.*
3.
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price determination. MoEMRR 7/2017 did not specifically relieve Indonesia's coal producers of the obligation to comply with the National Shipping Requirement and the National Insurance Requirement.

The National Shipping Requirement and the National Insurance Requirement were subsequently restated and greatly extended by Minister of Trade ("MoT") Regulation No. 82 of 2017 re Provisions for the Utilization of National Maritime Transportation for Export and Import of Certain Goods ("MoTR 82/2017"). Pursuant to MoTR 82/2017, the scope of the National Shipping Requirement and the National Insurance Requirement came to also include (i) exports of CPO as well as of coal and (ii) import of rice and "government procurement goods".

As envisaged by MoTR 82/2017, the National Shipping Requirement and the National Insurance Requirement applied to (i) all exports of coal and CPO and (ii) all imports of rice and government procurement goods, in each case without regard to either the volume of any particular export/import quantity or the size of the ship carrying the relevant exported/imported commodity/good.

Between 2017 and 2019 there were numerous and, invariably, last-minute extensions of the deadline for compliance with the National Shipping Requirement and the National Insurance Requirement.

The National Insurance Requirement finally came into operation on 1 February 2019 while the start date for the National Shipping Requirement was postponed until 1 May 2020.

In April 2020 and less than one month before the National Shipping Requirement was due to come into force, MoTR 82/2017 was revoked by MoT Regulation No. 40 of 2020 re Provisions for the Utilization of National Maritime Transportation for Export and Import of Certain Goods ("MoTR 40/2020"). MoTR 40/2020 greatly reduced the scope of both the National Shipping Requirement and the National Insurance Requirement by restricting its application to relevant exports and imports transported in ships with a capacity of 15,000 deadweight tons ("DWT") or less.

In July 2020 and less than two months after the National Shipping Requirement had finally come into force, the Ministry of Trade moved to amend MoTR 40/2020 with the issuance of MoT Regulation No. 65 of 2020 re Amendment of MoTR 40/2020 ("MoTR 65/2020"). MoTR 65/2020 reduces, still further, the scope of both the National Shipping Requirement and the National Insurance Requirement by restricting its application to relevant exports and

imports transported in ships with a capacity of 10,000 DWT or less.

Readers interested in knowing more about the history of the National Shipping Requirement and the National Insurance Requirement are referred to the writer's earlier article "New Commodity Export & Import Restrictions – Favouring National Shipping & Insurance Companies", Coal Asia Magazine, January – February 2018, Petromindo.

Analysis and discussion

1. Market Confusion

As highlighted in the Background section above, there have been an extraordinary number of "twists and turns" in the history of the National Shipping Requirement and the National Insurance Requirement. It would not be surprising therefore if there is considerable confusion in the market as to just what obligations are imposed by the National Shipping Requirement and the National Insurance Requirement as well as to on which parties these obligations are imposed.

Having regard to the above, it is appropriate to set out with some precision the current scope of the National Shipping Requirement and the National Insurance Requirement.

2. Current scope of national shipping requirement

2.1 Relevant exports and imports:

The national shipping requirement applies to:

a. exports of coal and CPO:
   i. from Indonesia; and
   ii. carried in ships with a capacity of 10,000 DWT or less ("relevant exports"); and

b. imports of rice and government procurement goods:
   i. into Indonesia; and
   ii. carried in ships with a capacity of 10,000 DWT or less ("relevant imports") (Articles 3(1) and 3(2) of MoTR 65/2020).

Coal and CPO exported from Indonesia in ships with a capacity of more than 10,000 DWT are not Relevant Exports and, therefore, are not subject to the National Shipping Requirement. Likewise, rice and government procurement goods imported into Indonesia in ships with a capacity of more than 10,000 DWT are not Relevant Imports and, therefore, are not subject to the National Shipping Requirement.

2.2 Use of National Maritime Transportation: Relevant Exports may only leave Indonesia and Relevant Imports may only enter Indonesia if they are transported in ships that qualify as "National Maritime Transportation", being ships:

a. owned by National Maritime Transportation Companies; or
b. leased by National Maritime Transportation Companies under:
   i. bareboat arrangements;
   ii. time charters;
   iii. voyage charters;
   iv. contracts of affreightment; or
   v. other ship lease agreements (Article 1.5 of MoTR 40/2020).

National Maritime Transportation Company: A "National Maritime Transportation Company" is (i) an Indonesia incorporated company, (ii) majority owned by Indonesian nationals and (iii) licensed to carry out maritime transportation activities in the territorial waters of Indonesia and/or from/to foreign seaports (Article 1.7 of MoTR 40/2020).

2.3 Verification and Reporting:

Exporters of Relevant Exports/ importers of Relevant Imports ("Relevant Exporters/Relevant Importers") must:

a. have verification/technical surveys carried out:
   i. of the Relevant Exports/Relevant Imports in the case of coal and rice only;
   ii. before loading; and
   iii. by a Surveyor approved by/ registered with the Ministry of Trade (Article 14 of MoTR 40/2020);

b. prepare/submit Export Goods Notifications/Import Goods Notifications, including details of cost and freight, to the Director General of Foreign Trade at the Ministry of Trade ("Director General") via Inatrade (Article 10 of MoTR 40/2020); and
c. submit National Maritime Utilization Reports to the Director General via Inatrade (Article 4(2) of MoTR 40/2020).

National Maritime Transportation Companies, with ships used to carry Relevant Exports/Relevant Imports, must also submit National Maritime Transportation utilization data to the Director General via Inatrade, which data includes (i) the name of the ship used to carry Relevant Exports/ Relevant Imports, (ii) number of relevant international maritime organization and (iii) contract/lease/charter period of the ship used to carry Relevant Exports/ Relevant Imports (Article 4(4) of MoTR 40/2020).

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2.4 Sanctions: Relevant Exporters/ Relevant Importers, which fail to comply with the National Shipping Requirement, may be the subject of sanctions in the form of:

a. recommendation for suspension of Business Identification Number; and/or
b. postponement of future Relevant Exports/Relevant Imports (Article 17 of MoTR 40/2020).

National Maritime Transportation Companies, which fail to comply with their reporting requirements, may also be subject to sanctions in the form of recommendation for suspension of Business Identification Number (Article 18(1) of MoTR 40/2020).

Suspension of a company's Business Identifcation Number effectively amounts to suspending the right of the relevant company to carry on its normal business activites.

3. Current Scope of National Insurance Requirement

3.1 Relevant Exports and Imports: The National Insurance Requirement applies to Relevant Exports and Relevant Imports (Articles 3(1) and 3(2) of MoTR 65/2020).

Coal and CPO exported from Indonesia in ships with a capacity of more than 10,000 DWT are not Relevant Exports and, therefore, are not subject to the National Insurance Requirement. Likewise, rice and government procurement goods imported into Indonesia in ships with a capacity of more than 10,000 DWT are not Relevant Imports and, therefore, are not subject to the National Insurance Requirement.

3.2 Use of National Insurance Companies: Relevant Exporters/ Relevant Importers must obtain cargo insurance for the Relevant Exports/Relevant Imports from National Insurance Companies (Article 2 of MoTR 40/2020).

3.3 National Insurance Companies: A "National Insurance Company" is (i) an Indonesia incorporated company, (ii) majority owned by Indonesian nationals, (iii) licensed by the Financial Services Authority to market marine cargo insurance, (iv) registered with the Ministry of Trade and (v) fulfilling certain minimum paid-up capital and equity requirements (Article 6(1) of MoTR 40/2020).

Obtaining a registration certificate from the Ministry of Trade requires the relevant National Insurance Company to fulfil extensive documentation and other requirements (Article 6(3) of MoTR 40/2020).

3.4 Reporting: Relevant Exporters and Relevant Importers must submit National Insurance Utilization

Reports to the Director General via Inatrade (Article 15(3) of MoTR 40/2020).

National Insurance Companies, which provide cargo insurance in respect of Relevant Exports/Relevant Imports, must also submit policy data or insurance certificates to the Director General via Inatrade, which data includes (i) number and date of relevant policy/insurance certificate, (ii) insurance premium, (iii) identity of insurer, (iv) identity of insured, (v) identity of ship used to carry insured cargo, (vi) loading port and Relevant Export destination, (vii) destination port and Relevant Import origin and (viii) type of Relevant Export/Relevant Import covered by cargo insurance (Article 15(4) of MoTR 40/2020).

3.5 Sanctions: Relevant Exporters/ Relevant Importers, which fail to comply with the National Insurance Requirement, may be the subject of sanctions in the form of:

a. recommendation for suspension of Business Identification Number; and/or
b. postponement of future Relevant Exports/Relevant Imports (Article 18(2) of MoTR 40/2020).

National Insurance Companies, which fail to comply with their registration or reporting requirements, may also be subject to sanctions in the form of suspension of registration certificate (Article [ ] of MoTR 40/2020).

4. Practical problems for national shipping requirement

It really should have come as little surprise to anyone, including the Government, that the National Shipping Requirement, as originally envisaged, was patently unworkable from the very beginning. Requiring (i) all exports of coal and CPO and (ii) all imports of rice and government procurement goods, to be carried in ships qualifying as National Maritime Transportation and without regard to either the volume of any particular export/import quantity or the size of the ship carrying the relevant exported/imported commodity/good, was always going to be logistically impossible, at least in the case of coal, given Indonesian coal export volumes and the small size of Indonesia's existing maritime fleet.

According to data compiled by the Indonesian Coal Mining Association ("APBI") and published in The Jakarta Post on 20 February 2020, Indonesia exports 35 to 38 million tons of coal per month but only has National Maritime Transportation with a combined capacity of 3.5 million DWT. Assuming every ship (qualifying as National Maritime Transportation) made 2 to 3 round trips per month, this would still leave a huge shortfall in available coal export shipping capacity of 20 to 25 million tons per month.

APBI has also pointed out that Indonesia's National Maritime Transportation, in the form of bulk carriers, comprises approximately 109 ships but includes only 18 Panamax bulk carriers with an average capacity of 65,000 DWT. Panamax bulk carriers are the preferred ship type for long distance and large volume coal exports.

Finally, APBI has highlighted that 78 of Indonesia's 109 bulk carriers are more than 15 years old and, as such, are not welcome in important coal export destinations, such as Japan, because they are considered to be too old and, therefore, unsafe.

The most that can "charitably" be said, in respect of the original announcement of the National Shipping Requirement nearly 10 years ago, is that the Government may have expected or, at least, hoped this would spur huge investment in additional National Maritime Transportation by National Marine Transportation Companies eager to take advantage of the market opportunity the Government was seeking to create for them. If this is, indeed, the case then the Government can only have been greatly disappointed by the lack of sufficient new investment in National Maritime Transportation over the ensuing 10 years.

5. Implications for International Trade

Even leaving aside the practical problems highlighted in Part 4 above, the National Shipping Requirement and the National Insurance Requirement were always and continue to be of highly questionable value given the negative implications of the same for international trade.

The National Shipping Requirement and the National Insurance Requirement are wholly inconsistent with the long established norms of international trade which traditionally allow the buyer and the seller to decide (i) which of them will be responsible for organizing and paying for the transportation and insurance costs of delivery of the bought/sold commodities/products to the buyer, (ii) what shipping company (domestic or foreign) will be engaged to provide the required transportation services for delivery of the bought/sold commodities/products to the buyer and (iii) what insurance company (domestic or foreign) will be engaged to provide the required insurance services for the

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bought/sold commodities/products to be delivered to the buyer.

The writer understands that the majority of Indonesian coal has, for a long time, been sold for export on "free on board" or FOB terms pursuant to which the buyer is responsible for organizing and paying for the transportation and insurance costs once the coal is delivered on board the relevant ship. Other commodities/ products may, though, be routinely sold on "commission, insurance and freight" or "CIF" terms pursuant to which the seller is responsible for organizing and paying for the associated transportation and insurance costs of delivery.

The National Shipping Requirement and the National Insurance Requirement, however, effectively compel (i) Relevant Exporters to accept CIF terms for Relevant Exports and (ii) Relevant Importers to accept FOB terms for Relevant Imports. This is because foreign buyers of Relevant Exports and foreign sellers of Relevant Imports cannot reasonably be expected to assume responsibility for identifying, negotiating with and paying the likely higher costs of using National Maritime Transportation Companies and National Insurance Companies, as part of compliance with the National Shipping Requirement and the National Insurance Requirement, when similar restrictions do not apply in other countries with (i) equivalent commodities available for export in the case of Relevant Exports and (ii) available buyers in the case of Relevant Imports.

Under weak market conditions (i.e., low demand and excess supply), Indonesia's Relevant Exporters are at a distinct competitive disadvantage as the National Shipping Requirement and the National Insurance Requirement make Indonesia/Indonesian producers of coal and CPO less attractive to foreign buyers as a source of Relevant Exports. Likewise, strong market conditions (i.e., high demand and inadequate supply) mean that Indonesia's Relevant Importers are at a distinct competitive disadvantage as the National Shipping Requirement and the National Insurance Requirement make Indonesia/Indonesian buyers of rice and government procurement goods less attractive to foreign sellers as a destination for Relevant Imports.

It should also go without saying that the National Shipping Requirement and the National Insurance Requirement overtly discriminate against foreign shipping companies and foreign insurance companies in favour of National Maritime Transportation Companies and National Insurance Companies when it comes to transporting and insuring Relevant Exports and Relevant Imports. This overt discrimination is, self-evidently, always going to be a seriously negative factor in promoting the international trade of goods and services between Indonesia and the rest of the world .

6. Economic Crisis forces a Rethink

Coal is Indonesia's most important mineral export and the Government relies heavily on revenue from the coal

industry. The percentage contribution that the coal industry makes to Government revenue varies from year to year and is a matter of some debate. However, a April 2019 study by the Institute for Essential Servces Reform ("IESR") indicates that, in recent years, coal production royalties may, on average, have been as much as 80% of the Government's total non-oil & gas revenue.

IESR also reported, in the same 2019 study, that (i) Indonesia's coal exports increased more than 250% in the 10 year period from 2006 to 2016 and (ii) the Government increasingly relies upon ever greater coal exports to help keep the country's current account deficit within sustainable limits.

Given the importance of coal production royalties and coal exports to the Government, the negative impact of the current economic crisis on coal demand and coal prices has serious implications for the Government.

Covid-19 has reduced economic activity throughout the world and, hence, demand for Indonesian coal along with demand for various other Indonesian commodities. At the same time, restrictions imposed by various traditional export destinations for Indonesian coal, including China, India and The Philippines, on the importation of coal and other commodities have further exacerbated the drop off in demand for Indonesian coal.

According to APBI, (i) Indonesian coal exports dropped to a three year low in May 2020 and (ii) Indonesian coal prices dropped to a four year low in August 2020.

The above harsh economic and market realities are clearly at odds with the fundamental premise on which the National Shipping Requirement and the National Insurance Requirement are based; namely, that Indonesia's market position is so strong, in the case of coal (and other Relevant Exports/ Relevant Imports), that Indonesia can interfere with the norms of and impose additional costs on international trade in the Relevant Exports and Relevant Imports without Relevant Exporters and Relevant Importers suffering any material disadvantage.

Covid-19 and the resulting economic crisis for Indonesia (as well as for the rest of the world) have conclusively shown that, at least for the time being, Indonesia's traditional leading market role in the export of coal, CPO and other commodities counts for much less than was previously thought to be the case. More particularly, Indonesia cannot interfere, in a time of serious economic crisis, with the norms of and impose additional costs on international trade in the Relevant Exports and Relevant Imports without Relevant Exporters and Relevant Importers suffering very material financial disadvantage as a consequence.

Having regard to the above, it is hardly surprising that Indonesia was forced to (i) dramatically scale back the scope of the National Shipping Requirement/the National Insurance Requirement in April 2020 being two months into the Covid-19 economic crisis and (ii) further scale back the scope of the National Shipping Requirement/ the National Insurance Requirement in April 2020 being five months into the Covid-19 economic crisis.

Summary and conclusions

Limited to the transportation of certain exports and imports in ships with a capacity of 10,000 DWT or less, the National Shipping Requirement and the National Insurance Requirement are now mere "shadows" of what the Government originally envisaged, especially in the case of exports of coal.

The preference for using Panamax bulk carriers (with an average capacity of 65,000 DWT), in the case of long distance and large volume coal exports, makes all too apparent that the latest and much reduced scope of the National

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Shipping Requirement (and the National Insurance Requirement), with its focus on ships of 10,000 DWT or less, means that the National Shipping Requirement and the National Insurance Requirement are now almost meaningless, at least in the case of coal exports for delivery to distant ports.

The fact that the Government has been forced to "backtrack" so far on the National Shipping Requirement and the National Insurance Requirement shows all too clearly what so often happens when nationalism "collides" with economics under weak market conditions.

There is nothing wrong, as such, in the Government seeking to promote opportunities for National Maritime Transportation Companies and National Insurance Companies. The problem arises, however, when the Government seeks to promote opportunities for National Maritime Transportation Companies and National Insurance Companies without regard to (i) practical considerations, (ii) international trade norms and (iii) economics.

Indonesia's first president, Sukarno, was a notable supporter of the Indonesian economist, Muhammad Fadhli, who was supposedly fond of saying: "You should never miss a good economic crisis and the opportunities it presents for reform"

What Muhammad Fadhli was getting at of course was that, in good economic times, Governments have the financial leeway to introduce very bad policies but, in bad economic times, that financial leeway disappears and Governments are, consequently, forced to re-think those policies as they become unsustainable.

The current Covid-19 driven economic crisis in Indonesia and what it has forced the Government to do in terms of dramatically scaling back the scope of the National Shipping Requirement and the National Insurance Requirement is a very good example of Muhammad Fadhli's clever saying at work.

It is, needless to say, a positive development for international trade that the National Shipping Requirement and the National Insurance Requirement have, at least for the time being, been substantially "neutered". It must be regretted, however, that it has taken nearly ten years for "the penny to finally drop" and economic reality make itself felt in the case of the National Shipping Requirement and the National Insurance Requirement.

It also remains to be seen whether or not the original versions of the National Shipping Requirement and the National Insurance Requirement are reintroduced once the current Covid-19 driven economic crisis is behind us. The unthinking pursuit of aggressively nationalist agendas is a perennial problem in Indonesia and one that has survived many previous economic crises. The writer can only hope (albeit with not a lot of conviction this hope will actually be realized) that, somehow, this time it will be different. C

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MEMI eyeing S. Sumatra UCG potential

Coal miner PT. Medco Energi Mining Internasional (MEMI) said it has filed last year a request to the ministry of energy and mineral resources to develop an underground coal gasification project in Rimau area, South Sumatra.

Director F. Hari Kristiono told a webinar that the company has identified coal gasification prospects in the area located within Rimau PSC, operated by IDX-listed firm PT. Medco Energi Internasional Tbk. Rimau is an oil, gas producing block.

Hari said the company has identified two locations namely UCG-A (Astaka) and UCB-B (Baturona) with coal located within the depth of 15-300 meter and CV of 3,800 kcal/kg GAR. According to Hari the area has a potential of 15 TCF of coal gas.

Hari added that development of UCG in Rimau area is commercially attractive as it was close to the market such as power plants and pipeline infrastructure to transmit the gas is already available.

Hari urged the government to soon grant MEMI license to develop the UCG potential. MEMI is directly controlled by the Panigoro family and is not part of Medco Energi Internasional.

Bumi Resources minimizes stock build-up

IDX-listed coal giant PT Bumi Resources Tbk said it is now producing coal at volume in accordance with market demand as it seeks to minimize stock build-up amid the lingering weak price environment.

Bumi Director and Corporate Secretary Dileep Srivastava said that the company does not sell its coal in the spot market via traders, but directly to end consumers particularly power plants.

"We are producing a mix of coal which we can market to minimize build-up of stock," he told petromindo.com.

Bumi has set coal production target of 85 million-89 million tons this year, from its two coal subsidiaries PT Kaltim Prima Coal (60-62 million tons) and PT Arutmin Indonesia (25-27 million tons).

In the first semester of 2020 it produced 41 million tons of coal, up 5 percent from same period of last year. Meanwhile, sales volume in the January-June period of this year slightly declined to 41.2 million tons compared to 41.5 million ton in the corresponding period of last year.

Bumi does not sell its coal in the spot market where prices are severely under pressure. "We do not sell to traders but to utilities against term of contracts," said Dileep. C

KAN conducts pile load test on AN plant

PT Kaltim Amonium Nitrat (KAN) said that construction of its ammonium nitrate (AN) plant has entered a new phase following a 'pile load test' conducted at the project site in the Bontang Industrial Estate, East Kalimantan Province.

KAN is a joint venture between two state-owned firms, namely explosives maker PT Dahana and fertilizer firm PT Pupuk Kalimantan Timur. The company said in a statement that the AN plant is targeted to be completed and start operation in 2022.

A pile load test is usually performed to confirm the design load calculations and to provide guidelines for setting up the limits of acceptance for routine tests.

The AN plant is designed to have a production capacity of up to 75,000 tons of ammonium nitrate per year. The EPC contractor for the project is a consortium consisting of PT Wijaya Karya and SEDIN Engineering. The plant will be built on around 6 hectares of land with an estimated investment of Rp1.1 trillion.

The project aims to reduce the import of explosive materials. In addition, the construction of the AN plant can also support the development of the country's Main Armament System (Alutsista), KAN said.

President Director of Dahana Budi Antono said that his company and PT Pupuk Kaltim have involved international reputable consultants in conducting comparative studies on various aspects such as technology selection, availability of raw materials, laws, and regulations, and the market before developing the plant.

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"Based on our study, the AN plant could save foreign exchange by reducing imports of ammonium nitrate, create value-added as well as create new jobs for Indonesian people, in particular the Bontang people," Budi said.

PTBA continues to suspend exploration activity

IDX-listed coal mining firm PT Bukit Asam Tbk (PTBA) said it will continue to suspend exploration activity at least until the first quarter of next year, amid lingering weak coal price environment due to the pandemic-triggered global economic recession.

"Over the next six months through March 2021, the company will not carryout exploration activity for increasing resources outside areas which have obtained exploitation permits," PTBA said in a monthly exploration report filed with the Indonesia Stock Exchange. The company did not provide details.

PTBA has suspended exploration activity since at least March of this year when it also made similar announcement of a six-month suspension in exploration activity through September 2020.

PTBA operates a combined 93,977-ha of coal mines, of which more than 66,000-ha are located in Tanjung Enim, South Sumatra Province, and the rest in Riau and East Kalimantan provinces.

PTBA said in July of this year that its coal resources stood at 8.17 billion tons and reserves at 3.25 billion tons.

The company said earlier this month that it was revising downward its coal production target this year to about 25 million tons from the initial target of 30 million tons due to weak demand and price amid the pandemic.

The government has been pushing the country's mining firms to accelerate exploration activities in a bid to find new resources and reserves. C

Port operator sees weaker coal handling volume

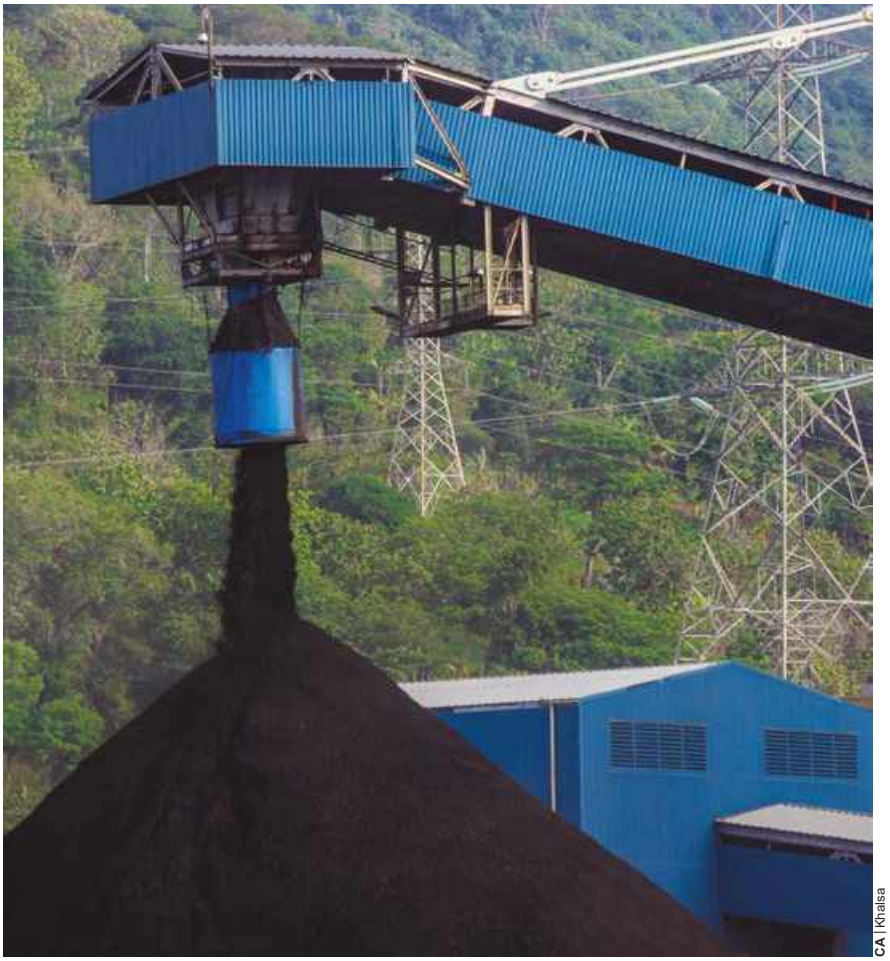
PT Astrindo Nusantara Infrastruktur Tbk, which operates a number of coal ports in Kalimantan, saw coal handling volume in the first semester of this year reached 37 million tons, or less than half of the full-year target of up to 80 million tons.

"Realized coal handling volume until second quarter of 2020 was 37 million tons," said Corporate Secretary Kurniawati Budiman to Petromindo.com recently without providing details.

Astrindo through subsidiary PT Mitratama Perkasa operates three coal ports including Asam Asam Coal Port in Tanah Laut, South Kalimantan Province; Bengalon Coal Port in Lubuk Tutung, East Kalimantan; and West Mulia Coal Port in Central Kalimantan

This year, Astrindo sets coal handling volume target of 75 million-80 million tons, lower than last year's 82.11 million tons. Its largest clients are coal giants PT Kaltim Prima Coal and PT Arutmin Indonesia, which in the first half of this year respectively saw a 2 percent year-on-year decline in coal sales to 29.5 million tons, and 2 percent year-on-year increase to 11.6 million tons.

The Covid-19 pandemic, which has weakened coal demand and prompted lockdowns in some key coal markets, has undermined Indonesia's coal export.



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ABM says to proceed with coal acquisition plan

IDX-listed coal mining firm PT ABM Investama Tbk said it will press ahead with its plan to acquire coal mines in a bid to increase reserves.

Director Adrian Erlangga was quoted by Kontan as saying the company has already identified the acquisition targets, but could not yet disclose them as the plan is still being internally reviewed.

He added that the acquisition cost is estimated at around US$150 million-$250 million, to be financed through internal and external funds.

Adrian, however, said that the company could not yet decide whether it would realize the acquisition plan this year or next year amid the current volatility in the global coal market. "Nothing is certain, but we'll strive for the best," he said.

ABM, which had made acquisition plan since 2015, currently operates two coal concessions in Aceh Province, and another in South Kalimantan Province. The company plans to produce 15 million tons of coal this year.

Golden Eagle realizes half of 2020 coal output target

IDX-listed PT Golden Eagle Energy Tbk said that as per August it has realized about half of its full-year coal production and sales volume target.

"Realized coal production and sales volume in the January-August 2020 period is close to 800,000 tons, or about 50 percent of the full-year target of about 1.5 million tons," said President Director Roza Permana Putra to Petromindo.com.

He said that the performance was quite encouraging given the current overall weak global coal market condition.

Roza said that about 85 percent of this year's coal production target have been contracted with buyers in India, the Philippines, Cambodia and at home.

Golden Eagle through subsidiary Triaryani operates three producing coal concessions with combined acreage of 2,143-ha in South Sumatra, and through another subsidiary PT Internasional Prima Coal operates a 3,238-ha concession in East Kalimantan which has also been in production since 2010. C

TBS Energi reports lower revenue on coal price drop

IDX-listed coal mining firm PT TBS Energi Utama Tbk (previously known as PT Toba Bara Sejahtra Tbk) reported that sales revenue in the first half of this year (1H 2020) declined by 5 percent to US$219.2 million compared to the corresponding period of last year due primarily to coal price drop.

TBS said in a statement that its average selling price (ASP) in 1H 2020 fell 17.2 percent to $56.9 per ton from $68.7 per ton in line with the decline in NEWC Index over the same period.

The company said 1H 2020 revenue declined despite recognition of revenue from construction of Sulbagut-1 and Sulut-3 power projects (based on accounting treatment PSAK 72). Construction revenue recognized for both projects during 1H20 stood at $ 92.8 million.

TBS said production volume of 0.93 million tons in the second quarter of 2020 (2Q20) was generated by all three mining subsidiaries of PT Adimitra Baratama Nusantara (ABN), PT Indomining (IM), and PT Trisensa Mineral Utama (TMU), contributing 0.53 million tons, 0.16 million tons, and 0.24 million tons, respectively.

ABN remained as the largest contributor to the company's overall production volume, accounting for 57.0 percent of total 2Q20 production, followed by TMU and IM at 25.8 percent and 17.2 percent, respectively.

The quarterly stripping ratio was lower by 8.6 percent than in 1Q20 due to pre-stripping activities at ABN and TMU during 1Q20 and y-oy SR was the same as 2Q19.

In 1H 2020, TBS predominantly sold its coal to China, India, Malaysia and Bangladesh, representing 72.4 percent of sales volume. As a percentage of total customer base, the composition of traders and end-users in 1H 2020 came in at 61.0 percent and 39.0 percent, respectively, compared to 49.0 percent and 51.0 percent in 1H 2019, respectively, in line with the company's objective to increase the composition of end-user customers.

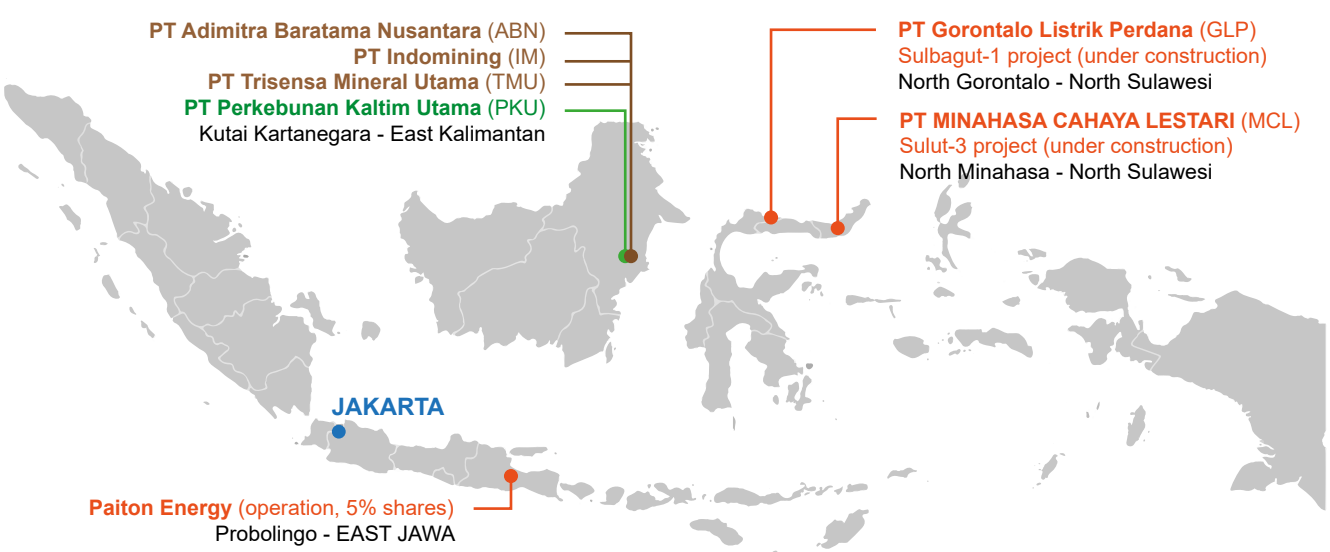
Major international traders and end users, such as major regional power generation companies, accounted for the company's main customers. As of 1H 2020, a mix of 4900 GAR and 5200 - 5600 GAR coal still accounted for the company's largest product composition. Around 61.6 percent of total sales volume by product was contributed by 5600 GAR, 24.4 percent by 4900 GAR, 11.4 percent by 5200 GAR, 2.6 percent by 5400 GAR and 5700 GAR

TBS said cost of goods sold decreased by 2.4 percent y-o-y, as a result of lower mining contractor tariff despite higher construction cost of Sulbagut-1 and Sulut-3 power projects. Construction cost during 1H 2020 was realized at $ 75.6 million.

TBS said EBITDA declined 6.8 percent y-o-y to $ 35.5 million in 1H 2020 from $ 38.1 million in 1H 2019 and slightly decreased EBITDA margin from 16.5 percent to 16.2 percent over the period.

After taking into account finance cost of $ 12.0 million and tax expense of $ 3.5 million, the company booked total profit of $ 32.9 million in 1H 2020, a 41.8 percent y-o-y increase from the previous year.

The company, through its three coal mining subsidiaries (ABN, IM and TMU) operates coal mine concessions located in Sangasanga District, Kutai Kartanegara Regency, East Kalimantan, with total concession areas of approximately 7,087 hectares. These adjacent concessions, all enjoy highly favorable mine locations, with close proximity to local river ports. C



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DME, UCG technologies economically feasible: Minister

Minister of Energy and Mineral Resources, Arifin Tasrif insisted that technologies to upgrade and process the country's low rank coal reserve into products with greater added value are economically feasible.

The minister called on the country's coal miners to start developing downstream business by processing coal into downstream products such as methanol and dimethyl ether (DME), or underground coal gasification (UCG).

"There are technologies feasible to increase the added value of coal, such as coal to DME, coal to methanol and underground coal gasification," Arifin said in an opening speech of the 5th Save Indonesian coal virtual conference organized by the Association of Indonesian Mining Professional, referring to dimethyl ether.

"Therefore, it is necessary to strengthen coal conservation, especially low calorific coal in order to secure (future) domestic supply," he added.

Arifin asserted that the government would continue push coal miners to transform their coal business into downstream industry rather than only focusing on selling coal to power plants.

The economic feasibility of coal upgrading technologies has long been a hot debate in the country since the 2009 Mining Law has mandated for the development coal downstream industry, a mandate maintained in the new 2020 Mining Law.

Only a few companies in the country which have unveiled plans to develop coal downstream industry, but so far none of them has realized the proposed projects.

State-owned oil and gas firm PT Pertamina (Persero) and coal producer PT Bukit Asam (PTBA) are teaming with US-based Air Products and Chemical Inc to develop a DME plant in Tanjung Enim, South Sumatera, with production capacity 1.4 million tons of DME per year and coal feedstock requirement of 9.2 million tons per year.

Air Products has also announced recently of its plan to develop a US$2 billion coal-to-methanol plant in East Kalimantan, in cooperation with Indonesia's PT Bakrie Capital Indonesia, part of the Bakrie Group, and PT Ithaca Resources, part of the PT AP Investment, which will supply the coal feedstock and have committed to offtake the methanol production for sale within Indonesia.

Ministry of Energy and Mineral Resources' Center for Mineral and Coal Technology Development and Research (or Puslitbang Tekmira) earlier said that Tekmira had conducted trial implementation of UCG technology in South Sumatra in 2019, and had also implemented pre-feasibility study in East Kalimantan. C

Indonesian Coal Map Series 2019

As of August 2019, there were a total of 1,232 registered coal mining concessions (PKP2Bs and IUPs) throughout Indonesia, of which about 1,209 concessions are in production operation production stage, while the remaining 23 concessions are still in exploration stage, according to the Directorate General of Mineral and Coal at the Ministry of Energy and Mineral Resources.

Indonesian Regional and Provincial Coal Maps are a must-have for company/professional who's involved/ interested in coal related businesses in Indonesia. This full-colored map outlined on a A0+ glossy paper (260 gr) and laminated for durability.

KALIMANTAN COAL MAP

Format	: Wall map; Laminated
Size	: 1,704 x 1,212 mm (A0+)
Printing	: Full color
Packaging	: Rolled + Drawing Tube
Price	: US$500.00
Release	: October 2019
Code	: KCM07L

SUMATRA COAL MAP

Format	: Wall map; Laminated
Size	: 1,370 x 1,212 mm (A0+)
Printing	: Full color
Packaging	: Rolled + Drawing Tube
Price	: US$500.00
Release	: October 2019
Code	: SCM07L

INDONESIA COAL INDUSTRY MAP

Format	: Wall map; Laminated
Size	: 1,844 x 875 mm
Printing	: Full color
Packaging	: Rolled + Drawing Tube
Price	: US$300.00
Release	: October 2019
Code	: ICM07L

Also Available Provincial Coal Maps

East Kalimantan; South Kalimantan; Central Kalimantan; North Kalimantan; South Sumatra; Jambi; Riau; Bengkulu; West Sumatra

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Govt to push junior miners to boost exploration

The Ministry of Energy and Mineral Resources will push junior mining companies (JMCs) to boost exploration activities in the country in a bid to find new coal and mineral resources and reserves.

Director of Mineral Development and Management at the ministry, Yunus Saefulhak was quoted by Kontan daily as saying that the JMCs will be encouraged to participate in tender of new mining areas to be held by the government.

He said that once the JMCs, which are specialized in exploration work, have completed the exploration activities and discovered new resources and reserves, they will be allowed to transfer their IUP mining business licenses to other companies, which are specialized in production, processing and refining.

"Why do we have to push the JMCs? Because in other countries with advanced mining sector, the role of JMC in mining discovery is quite huge," he said.

He pointed out that according to MinEx Consulting, as per October of last year, JMCs accounted for 60 percent of the global mining exploration activities. "The government observes this and tries to provide opportunity for the JMCs to play role in reviving coal and mineral exploration in Indonesia," he said.

Aside from pushing the JMCs, Yunus said that the government will also provide legal and business certainty for IUP or IUPK miners who have completed exploration work can proceed to the next production phase after fulfilling the requirements.

In addition, the government will also require miners to allocate reserves security fund every year set under their respective work and budget plans (or RKAB) in a bid to increase funding for exploration.

According to ministry data, exploration fund has never exceeded 3.5 percent of total mining investment. This year, exploration fund is projected at US$271.09 million, or 3.5 percent of the total projected investment in the coal and mineral mining sector.

PLN awaits new RUPTL before acquiring coal mines

State-owned electricity firm PT PLN has yet to realize planned acquisition of coal mines to help ensure coal supply for its coal-fired power plants as the utility is still waiting for the approval of its new 2020-2029 electricity procurement business plan (or RUPTL) by the government.

Kontan reported that the proposed new RUPTL is still being discussed by related ministries.

"All preparations by PLN hinge on the new RUPTL. We're are ready to implement the policies set in the new RUPTL," PLN Vice President for Public Communications Arsyadany G. Akmalaputri told the paper.

The paper said that in 2018, PLN announced plan to acquire coal mines to help ensure coal supply for its power plants particularly mine mouth coal-fired power plants (or PLTU MT) including for PLTU MT Kaltim 5, PLTU MT Jambi, PLTU MT Riau, PLTU MT Sumsel 6, PLTU MT Kalselteng 3, PLTU MT Kalselteng 4, PLTU MT Kalselteng 5, and PLTU MT Kaltim 3.

So far, PLN has only realized acquisition of coal mine for PLTU MT Jambi and PLTU MT Kalselteng 3.

Arsyadany said that another alternative to ensure the coal supply is through cooperation with coal miners, in which PLN holds an interest in the coal mines, such as in the case of PLTU Nagan Raya in Aceh Province. C

Jokowi asks China to continue coal import from RI

President Joko Widodo (Jokowi) has recently asked China to continue coal import from Indonesia when he discussed with Chinese President Xi Jinping about the latter country's policy of optimizing domestic coal production and reducing coal import.

"President Jokowi has discussed this problem (coal export) with Chinese President Xi Jingping," said Coordinating Minister of Maritime Affairs and Investment, Luhut Binsar Panjaitan in a coal webinar organized by the Association of Indonesian Mining Professionals (Perhapi).

"Pak President (Jokowi) has asked if China can still import from Indonesia, for example 100 million tons, as it could develop coal industry in Indonesia."

Luhut did not explain when the discussion was made, saying the coal export to China could also help improve global coal price.

China reportedly will reduce import of coal as the country prioritizes own coal production for domestic use. China is Indonesia's biggest coal market.

ZJG Resources to build three coal upgrading plants

Minister of Energy and Mineral Resources Arifin Tasrif said that PT ZJG Resources Technology Indonesia plans to build three coal upgrading facilities with expected total annual capacity of 4.5 million tons.

He said that the planned three coal upgrading facilities would be built in 2024, 2026, and 2028.

"Each (coal upgrading facility) has capacity of 1.5 million tons per year," he said in a webinar organized by Association of Indonesian Mining Professional on Monday.

Sujatmiko, Director of Coal Development and Management at the Ministry of Energy and Mineral Resources earlier said that PT ZJG Technology in Bulungan Regency, North Kalimantan, has started coal upgrading business with capacity of 100,000 tons per year.

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Mifa, BEL eyeing higher coal output in 2021

Coal mining firm PT Reswara Minergi Hartama is planning to increase coal production of its two subsidiaries in Aceh, PT Mifa Bersaudara and PT Bara Energi Lestari (BEL) next year.

"We expect to optimize our production (next year) based on the maximum capacity of our port of 14 million tons per year," Slamet Haryadi, Director of Reswara told Petromindo.com.

He said that the plan to increase the coal production would be discussed at the company's upcoming 2021 budgeting meeting in October.

Slamet said that the two companies have enough manpower and equipment to boost coal production to 14 million tons next year. Reswara is optimistic to meet its production target of 12 million tons this year.

The company's website says Mifa and BEL hold concession rights for 4,629 hectares in Aceh, with total resources of 370 million tons of coal as of December 31, 2018. C

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MEK to build new semi-coke plants

Minister of Energy and Mineral Resources Arifin Tasrif said that PT Megah Energi Khatulistiwa (MEK), a subsidiary of PT Energy Nusa Mandiri, plans to build two additional semi-coke plants with combined annual production capacity of one million tons of semi-cokes.

Speaking at a webinar, Arifin said that the new semi-coke plants would be built in 2026 and 2028.

MEK started commercial production of its first semi-coke plant located in Bulungan Regency, North Kalimantan Province, in March 2020.

The plant, using Vertical Retard Carbonizer Technology, blends low rank coal with calorific value of 3,100 kcal/kg sourced from affiliated North Kalimantan coal miner PT Pesona Khatulistiwa Nusantara (PKN) with high rank coal with calorific value of 6,300 kcal/kg to produce semi-cokes.

PKN is also a subsidiary of Energy Nusa Mandiri, which is part of the Harita Group. MEK previously said that the semi-coke output has been shipped to Harita's nickel smelter on Obi Island, North Maluku Province.

Indika's 7-month coal output at 20.4m tons

IDX-listed energy company PT Indika Energy Tbk said that realized coal output in the first seven months of this year ending July stood at 20.4 million tons, or relatively the same compared to same period of last year.

Indika's Head of Corporate Communications, Ricky Fernando was quoted by news portal kontan.co.id as saying over the weekend that its subsidiary PT Kideco Jaya Agung, contributed 19.5 million tons, about the same with output in January-July period of last year at 19.6 million tons.

Another subsidiary PT Multi Tambang Jaya Utama (MUTU) contributed 900,000 tons to the seven-month 2020 period. "This is the same as the realized output in the same period of last year," he said.

Ricky reiterated that the company will maintain its original 2020 coal production target of 30.95 million tons, despite the current weak coal price environment. Kideco is targeted to produce 29.65 million tons of coal this year, while MUTU 1.3 million tons.

PTBA, Pelindo to expand coal transport capacity

IDX-listed coal mining firm PT Bukit Asam Tbk (PTBA) signed on Friday a heads of agreement (HOA) with state-owned port operator PT Pelindo II on cooperation to expand transport capacity of coal via river and port in South Sumatra Province.

PTBA said in a statement that as its coal mines in South Sumatra are located far away from the sea ports, it needs sufficient transport infrastructure facilities that are effective and efficient in transporting coal to the customers.

PTBA Corporate Secretary Apollonius Andwie C. said that the cooperation is aimed at improving cost efficiency and expanding the coal transport capacity. "This is the time for PTBA to develop a coal transport (system) that's more efficient in terms of cost and operation," he said in the statement, but did not provide details on the proposed cooperation between the two firms.

PTBA said that in the first-half of this year, it produced 11.9 million tons of coal, which its coal transport volume capacity reached 11.7 million tons. C

PKN realizes more than half of full-year output target

North Kalimantan coal miner PT Pesona Khatulistiwa Nusantara (PKN) said that as per August, it has produced about 2 million tons of coal, or more than half of the full-year target of 3.5 million tons.

"The Sekayan (mine) and Kelubir (mine) has each produced 1 million tons, so PKN has (so far) produced 2 million tons out of the total target of 3.5 million tons for this year," said PKN Director Rayendra Pradipta to Petromindo.com on Wednesday.

He said that the Covid-19 pandemic is expected to slightly affect the company's coal sales this year due to reduced power consumption particularly in key markets of China and India during the pandemic.

Mifa exports coal to new markets

Aceh-based coal miner PT Mifa Bersaudara has started exporting coal to Thailand and Vietnam as it seeks to diversify its market.

"It has started since early this year. We export 1 vessel or about 50,000 tons of coal per month to Thailand and Vietnam," said Mifa President Director Ricky Nelson to Petromindo.com recently.

"The duration of the contracts varies, ranging from six months to 12 months," he added. Mifa, which produces coal with CV of 3,400 kcal/kg for thermal power plants, has been exporting most of its coal output to India, given the relatively shorter distance compared to other export markets.

Toba Bara Sejahtera changes name

IDX-listed coal miner PT Toba Bara Sejahtera Tbk (IDX:TOBA) has changed its name to PT TBS Energy Utama Tbk. The name change has been approved by the company's extraordinary general meeting of shareholders (EGMS) held on Aug. 26, 2020, and followed by approval of the Ministry of Justice and Human Rights on Sep. 7, 2020.

The change of the company's name was done to adjust to the new business direction of the company, namely becoming an integrated energy company.

The company owns a number of subsidiaries engaging in the mining sector, including PT Adimitra Baratama Nusantara (ABN), PT Indomining (IM), and PT Trisensa Mineral Utama (TMU), which are all based in East Kalimantan.

The company has also expanded into the power generation business, through its subsidiary firm PT Gorontalo Listrik Perdana (GLP) and PT Minahasa Cahaya Lestari (MCL). Through its subsidiary PT Toba Bara Energi, the company owns 5 percent interest in PT Paiton Energy, the operator of one of the largest power plants in Java.

Toba Bara Sejahtera also engages in the plantation sector through its subsidiary PT Perkebunan Kaltim Utama I (PKU), which is located in East Kalimantan. The company controls 90 percent PKU shares. C

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IMM hands over watershed rehabilitation area in Kutai National Park

PT Indominco Mandiri (IMM), subsidiary of PT Indo Tambangraya Megah Tbk. (ITM), handed over a-3,040-hectare area of plants grown for watershed rehabilitation to the government on September 14, in a webinar session.

The handover event was the peak of watershed rehabilitation planting activities after going through a series of stages and evaluation. The submitted watershed rehabilitation zone has been enriched since 2015.

The handover was carried out by PT Indominco Mandiri President Director A.H. Bramantya Putra to the Director General of PDASHL under the Ministry of Environment and Forestry, witnessed by the Deputy Minister LHK Alue Dohong. The ceremony was performed virtually, engaging locals residing in the forest to take part in a discussion with the Deputy Minister.

The process of plant enrichment in the area of watershed rehabilitation goes through three phases. The first phase is called P.0, that is, the first year of planting. It is followed by P.1 phase and P.2, the calls of treatment in the year two and three up to the execution of the evaluation of success. The assessment was conducted by the Directorate General of Watershed and Forest Management, referring to some certain criteria of success.

The watershed rehabilitation is an additional obligation imposed by the government to the holders of IPPKH (Borrow and Permit License of Forest Area). Based on the Minister of Forest Number 2628/Menhut-V/RHL/2012 on May 14 2012 and the Decree of MenLHK Number SK.8671/MenLHK-PDASHL/KTA/DAS.1/12/218 on December 18, 2018, the holders of IPPKH like IMM have a duty to rehabilitate watershed as wide as the given license. This regulation also states that the area planted in the context of watershed rehabilitation must be outside the concession area designated by the Government as a critical watershed area and requiring rehabilitation. In this purpose, IMM has an obligation to carry out planting in the context of DAS Rehabilitation covering an area of 24,600 hectares.

IMM, which has started to fulfill its obligation to carry out DAS Rehab since 2013, as a whole has handed over to the government an area of 6,640 hectares. This amount is the accumulation of the previous handover of 600 hectares in 2017, 3000 hectares in 2018, and in 2020 this is 3040 hectares.

Synergy with The Stakeholders Melawan Forest with its vegetation has been enriched during this program. It is a part of Kutai National Park. Surrounding the rehabilitation zone reside locals whose lives depend on the forest management. Therefore, IMM collaborated with Kutai National Park in supervising the area.

The existence of the locals surrounding the forest became IMM attention as well. IMM believes that the locals, when they have a “forest consciousness” and possess a well economic resources revenue, will become a forest friendly community. Therefore, they have been engaged in various activities such as seed provision, treatment and supervision. In the future, it is expected that they will have been accustomed to the plant seeding technique enabled to be developed into a community business model.

The Kutai NationaL Park Agency Head Nur Patria Kurniawan stated that the watershed rehabilitation by IMM along with community development is something worth being appreciated.

“IMM has engaged 150 locals and it is expected to change their paradigm, from forest encroachers to responsible forest holders,” he said.

IMM has also collaborated closely with the Forestry Agency, both at local and central levels to ensure that these activities meet the success criteria set by the Government.

The Head of BP DAS Mahakam–Berau Sudaryanto stated that what IMM had done could support people’s economy if it is strengthened by institutional development. C

PLN says 62 coal miners compete to supply Jawa 7

State electricity firm PT PLN (Persero) said that 62 miners are competing in a tender to supply coal to the 2x1,000 MW Jawa 7 coal-fired power plant in Banten.

PLN Coal Division Head Harlen told Petromindo.Com that PLN is looking to procure 6.7 million tons (MT) per annum of coal for the power plant under long term contracts. He said that the volume excludes the 1 MT one-year contract of PLN's coal trading unit PT PLN Batubara Niaga to supply to Jawa 7.

Harlen said the long-term contracts will be signed in October.

PLN opened low-rank coal supply tender for Jawa 7 in March 2020. PLN said it's looking for miners which can supply a minimum of 300,000 tons per annum exclusively to Jawa 7.

The Jawa 7 is a 2x1000 MW power plant owned by PT Shenhua Guohua Pembangkitan Jawa Bali. The company is 70 percent owned by China Shenhua Energy Company Limited and 30 percent by PLN's subsidiary PT PJB Indonesia.

Under the IPP scheme, PLN is responsible for the procurement of coal for the power plant, under which the IPP will pass through the coal procurement cost to PLN.

PLN Batubara starts coal shipment to Jawa 7

PT PLN Batubara Niaga has commenced the first shipment of coal to the Jawa 7 coal-fired power plant in Serang, Banten.

Parent state-owned electricity company PT PLN (Pesero) said that the first batch of the shipment arrived at Jawa 7 on September 5, 2020.

An industry source said that the coal originated from Titan Mining's mine in the southern part of Sumatra. The source said that Titan was contracted to deliver 108,000 tons of coal in 15 barges.

PLN Coal Division Head Harlen told Petromindo.com that PLN Batubara Niaga has a 1 million tons supply contract with Jawa 7 for a one-year duration with option for extension. He did not give further details.

The Jawa 7 is a 2x1000 MW power plant owned by PT Shenhua Guohua Pembangkitan Jawa Bali. The company is 70 percent owned by China Shenhua Energy Company Limited and 30 percent by PLN's subsidiary PT PJB Indonesia. C

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India expresses interest in RI's UCG technology

The Indian government has expressed interest in underground coal gasification (UCG) technology developed by the Indonesian Ministry of Energy and Mineral Resources' Center for Mineral and Coal Technology Development and Research (or Puslitbang Tekmira).

The ministry said in a statement that India has asked for cooperation with Tekmira in trial implementation of the UCG technology in two locations, namely West Bengal and Rahigajt.

The statement said that Tekmira is currently waiting for geological data of the two locations.

The ministry said that Tekmira had conducted trial implementation of the UCG technology in South Sumatra in 2019, and had also implemented pre-feasibility study in East Kalimantan. The study will be continued this year by developing eight underground water monitoring wells, in the hope the first commercial UCG facility in Indonesian can start operation by 2023

PTBA cuts down 2020 output target

IDX-listed coal mining firm PT Bukit Asam Tbk (PTBA) said it will revise downward its initial coal output target this year by 17 percent due to tumbling coal price and weaker demand.

PTBA said in a statement that coal production target this year has been cut down to 25.1 million tons from the initial target of 30 million tons.

The move comes amid falling coal price and demand as the Covid-19 pandemic has triggered global economic recession, which reduced power consumption.

A number of other coal majors in the country are also adopting similar strategy, while some smaller miners have temporarily suspended mining operations amid the weak market situation. The Indonesian Coal Mining Association has called on the country, the world's major exporter of thermal coal, to cut down coal production to help support price of the commodity.

Elsewhere, PTBA said that coal output in the first six-month of this year reached 11.9 million tons, while sales volume stood at 12.5 million, of which 41.4 percent went to export market, and 58.6 percent, or around 7.3 million tons, were sold at home.

Court rules in favor of Bayan's subsidiary

IDX-listed coal firm PT Bayan Resources Tbk said the Supreme Court has approved a request made by its subsidiary PT Briant Anjat Sentosa (BAS) to revoke a judicial review filed by oil palm plantation firm PT Sasana Yudha Bhakti (SYB) over a state administrative court (PTUN) ruling in relation to land dispute between the two companies.

Bayan said in a statement that BAS has already obtained the copy of the Supreme Court's ruling.

The statement said the case started when BAS filed a lawsuit at the Samarinda State Administrative Court against the Kutai Kartanegara regency administration which issued plantation permits for SYB in 2007 and for PT Enggang Alam Sawita (EAS) in 2008, causing overlapping of concession problem with BAS, and which led to the legal dispute.

According to a previous statement issued by Bayan, BAS had already obtained in 2006 mining license from the Kutai Kartanegara regency administration over 4,025-ha coal concession.

The PTUN in Samarinda ruled in favor of BAS, demanding the East Kutai regency administration to revoke the licenses given to SYB and EAS.

The PTUN in Jakarta later confirmed the ruling made by the PTUN in Samarinda. The Supreme Court in October 2019 also ruled in favor of BAS, stressing that its ruling is legally binding. C

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Regulation on renewal of mining permit to be issued next month

The government is seeking to quickly complete three implementing regulations of the new Mining Law No 3/2020, one of which will be issued in November this year, while the other two in December.

Director General of Mineral and Coal at the Ministry of Energy and mineral Resources Ridwan Djamluddin said that government regulation on mineral and coal mining business activity will be issued in November. "We'll try to complete this (regulation) in November. The remainders (will be completed) in December," he told the media.

The government regulation on mineral and coal mining business activity will among others govern the renewal of operating permits of coal miners. Some of the major coal miners will see their current coal mining contracts of work (or PKP2B) expire within the next couple of years. The mining contract of PT Arutmin Indonesia, a subsidiary of IDX-listed coal giant PT Bumi Resources Tbk, is set to expire on 1 November 2020.

Arutmin has already made a request for the renewal of its operating permit, which will see its PKP2B converted into special mining busines permit (or IUPK) upon renewal.

Aside from mining operating permit, the government regulation on mineral and coal mining business activity will also govern the national mineral and coal management plan, expansion and reduction of mining business license area, share divestment, value added creation or downstream business development, and sale and production control.

Meanwhile, the two other planned implementing regulations are government regulation on mining areas and government regulation on mining supervision and management.

MME signs coal transport contract with KAI

South Sumatra coal miner PT Manambang Muara Enim (MME) has signed a contract with state railway company PT Kereta Api Indonesia (Persero) to transport coal from Muara Enim.

MME Director Agustinus Thamrin told Petromindo.Com that the 5-year contract will transport 1 million tons of MME's coal per year starting this September.

Agustinus said coal will be loaded from Muara Lawai Station and will be discharged at Simpang Station by logistics firm PT RMK Energy and will be further transported by trucks to Musi 2 port at Keramasan, Palembang.

MME produces coal with CV of 4,700 Kcal/kg (GAR) sold both to the domestic and export market. The company plans to produce 1.5 million tonnes of coal this year. Prior to using KAI's transport service, the company uses haul road and jetty operated by PT. Servo Lintas Raya.

"Contract with KAI will enable MME to significantly increase production next year," he said without giving detail. C

BSSR's revenue down, profit up

IDX-listed coal mining firm PT Baramulti Suksessarana Tbk (BSSR) saw sales revenue in the first-half (H1) of this year declined by 13.46 percent to US$177.92 million compared to $205.59 million in the same period of last year.

The company reported that cost of sales in H1 2020 was down to $125.66 million from $156.88 million in H1 2019.

Gross profit in the January-June period of this year increased to $52.66 million from $$48.71 million in the corresponding six months period of last year.

Profit attributable to shareholders of parent entity jumped by 56.92 percent to $17.61 million in H1 2020 from $11.22 million in the same period last year.

BSSR's coal concessions are located in South Kalimantan and East Kalimantan provinces. The coal concession in South Kalimantan is operated by subsidiary firm PT Antang Gunung Meratus, while, concession in Loa Janan, East Kalimantan, is operated by Baramulti.

NG seeks to acquire Jambi coal mine

Indian firm NG Group of Companies is seeking to acquire a 5,000-ha coal mine in Jambi Province in an expansion drive, hoping that negotiation talks could be concluded this year.

"We are currently at the due diligence stage," Biju N.G., President Director of NG Group told Petromindo.com, adding that the NG team has made site visit for several times.

But due to the Covid-19 pandemic, negotiation process has been mostly made through virtual meetings. Biju expected the negotiation process could be completed this year.

He said that the IUP (mining business license) coal mine is already in production stage and contains coal with calorific value of 4,000 kcal/kg, equipped with a 100-km hauling road to a jetty.

Biju said prospect of the coal mining industry is quite good as coal price is expected to improve going forward.

NG Group operates a coal mine in South Kalimantan through subsidiary PT Pacific Energy Lestari.

Nusantara Berau Coal on track to achieve production target

Coal mining company PT Nusantara Berau Coal, a subsidiary of PT Ithaca Resources, is on track to achieve its 2020 coal production target of 1.8 million tons of 5,500 kcal/kg cv from its mine in Berau, East Kalimantan.

Liberty Simanjuntak, Director of Nusantara Berau Coal, said that the company has already produced over one million tons of coal in the first six months of this year. He, however, didn't specify the actual amount.

"We are on track to realize the output target as agreed in RKAB (work plan & budget) of 1.8 million tons this year. So far, we have no problem in production activities," Liberty told Petromindo.com on Tuesday (01/09)

Nusantara Berau Coal sells most of its coal to China and India. C

Following are the three largest sale transactions in H1 2020 (in US$)

June 30, 2020			June 30, 2019		
	Total	Percentage	Total	Percentage	
PT Lestari Banten Energi	26.132.295	14.69%	19.081.166	9.28%	PT Lestari Banten Energi
PT GS Global Resources	15.512.443	8.72%	30.690.945	14.93%	PT GS Global Resources
Adani Global Pte. Ltd	8.306.870	4.67%	35.921.015	17.47%	Adani Global Pte. Ltd

Following are sale transactions with related parties in HI 2020 (in US$)

June 30, 2020		June 30, 2019	
Brooklyn Enterprise Pte Ltd	6.677.562	7.753.095	Brooklyn Enterprise Pte Ltd
Goodlink International Limited	5.088.264	3.636.176	Goodlink International Limited
PT. Hasil Bumi Kalimantan	1.262.919	-	PT. Hasil Bumi Kalimantan
Coastal Gujarat Power Ltd	-	11.283.061	Coastal Gujarat Power Ltd
The Tata Power Company Limited	-	1.719.268	The Tata Power Company Limited

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Moody's - Trouble mounts for APAC miners as demand dries up

Moody's Investors Service says in a new report that the pandemic-triggered demand shock and commodity price volatility will drive a protracted contraction in EBITDA and weaken the credit quality of rated mining and mining services companies.

"Aggregate EBITDA for our 24 rated companies in Asia Pacific will decline around 10% to $53 billion in 2020 from $59 billion in 2019. We expect earnings will not recover to 2019 levels for the next 2–3 years as coronavirus disruptions result in a severe contraction in global economic activity," says Maisam Hasnain, a Moody's Assistant Vice President and Analyst.

"Commodity profile and regional differences will influence the degree of credit deterioration, with companies whose primary earnings are exposed to thermal coal and metallurgical coal — the hardest-hit commodities — most affected," adds Matthew Moore, a Moody's Vice President and Senior Credit Officer.

Indonesian companies' leverage metrics will weaken the most, given their small scale and sizeable exposure to thermal coal. Meanwhile, although Chinese companies have, on aggregate, the weakest leverage metrics among rated companies in the region, most are state-owned and will benefit from strong access to funding and government support if required.

In this environment, three companies — Indonesia Asahan Aluminium (Persero) (P.T.) (Inalum, Baa2 negative), Vedanta Resources Limited (B1 negative) and Indika Energy Tbk (P.T.) (Ba3 negative) — are likely to breach their leverage downgrade triggers over the next 18 months.

Additionally, six companies will have insufficient internal cash sources to meet their cash needs through to June 2021. Four are government-owned and benefit from demonstrated access to bank and bond markets. Among the remaining two, Vedanta Resources has flexibility to upstream dividends from its cash-rich subsidiaries if it faces difficulty in raising new debt. Zijin Mining Group Company Limited (Ba1 stable) will continue to roll over its near-term maturities with Chinese domestic banks given its strong relationships with these banks.

While there will be minimal rated debt maturities over the next 18 months, around $4.4 billion of rated high-yield debt is set to mature in 2022. These high-yield companies will face substantial refinancing risk if economic disruptions are prolonged.

Kalimantan Pacific hopes to resume coal production next year

Coal mining company PT Kalimantan Pacific Coal -- a subsidiary of Indian firm NG Group of Companies – hopes to resume production in the second semester of next year after the government approves request for a second extension of its mining permit business (IUP).

The South Kalimantan company has suspended mining operations since its IUP permit expired in February 2020.

"The company (PT Kalimantan Pacific Coal) is not operating right now. But we expect to resume production in the second semester of next year after the second IUP extension is approved," Biju NG, President Director of NG Group, told Petromindo.com recently.

He added that the company is expected to have monthly production volume of 100,00 tons, or equal to last year's monthly production level, when it resumes operations.

Kalimantan Pacific's coal mine in Kota Baru, South Kalimantan, produces coal with CV of 6.700 kcal/kg with high ash content. Most of the production is aimed for India market. C

OPINION

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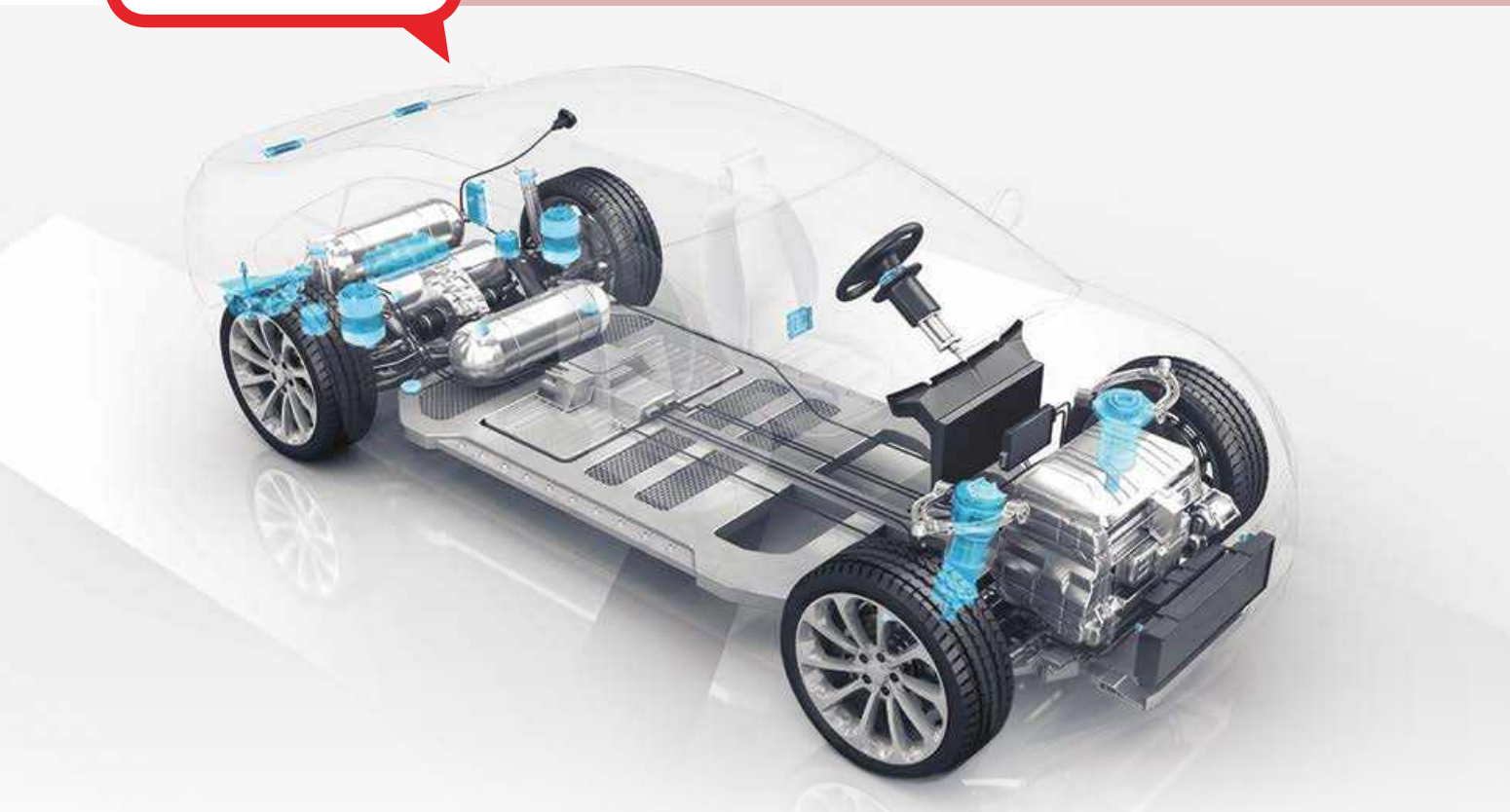


Indonesia: Charging-up Indonesia's battery electric vehicle infrastructure

In brief

The Indonesian government has been pushing the development of Battery Electric Vehicles ("BEV") and related infrastructure with a view to having low carbon emission vehicles account for at least one fifth of all domestically manufactured vehicles by 2025.

A key milestone in the development of BEV and its related infrastructure in Indonesia was the issuance of Presidential Regulation No. 55 of 2019 on the Acceleration of Battery Electric Vehicles for Road Transportation Program ("PR 55"). PR 55, which was issued in August 2019, is the umbrella regulation for BEV development in Indonesia (please see our previous Client Alert).

New implementing regulation - what does it do?

On 4 August 2020, the Minister of Energy and Mineral Resources ("MEMR") issued Regulation No. 13 of 2020 on the Provision of Charging Infrastructure For Battery Electric Vehicles ("Reg 13"). Reg 13, which came into force on 7 August, is one of the implementing regulations for PR 55 and sets out: who can engage in the charging infrastructure business; the different charging infrastructure business models; the applicable electricity tariff; and technical and safety requirements.

Key provisions

BEV charging infrastructure

Reg 13 identifies two broad types of BEV infrastructure:

1. charging facilities, i.e.,:
   a. Private Electricity Installations – private charging facilities for own-use (either for public or non-public transportation). These installations cannot be used to sell electricity.
   b. Public Electricity Charging Stations (*Stasiun Pengisian Kendaraan Listrik Umum* or "SPKLU") – charging facilities that may be used to supply (and sell) electricty

for BEV to the public. SPKLU will be located in petrol stations (SPBU and SPBG), central and regional government offices, malls, and roadside public parking lots. SPKLU may also be located in other areas, so long as they meet certain criteria (such as being reachable by BEV owners and having dedicated parking spaces).

2. Battery exchange stations.

Public Electricity Battery Exchange Stations (*Stasiun Penukaran Baterai Kendaraan Listrik Umum* or "SPBKLU"), enable members of the public to rent batteries and exchange them when they run out. Similar with charging facilities, exchange stations will be located within petrol stations (SPBU and SPBG), central and regional government offices, malls, and roadside public parking lots, or other locations meeting the relevant criteria.

Who can engage in the charging infrastructure business?

1. PLN – Reg 13 initially assigns the provision of charging facilities infrastructure (which includes SPKLU and SPBKLU) to PT PLN, which in turn can cooperate with other state-owned enterprises or other business entities in accordance with the prevailing laws and regulations.
2. SPKLU business entities – Reg 13 further clarifies that other than PLN, SPKLU may also be provided by business entities that:
   a. hold either:
      - an Integrated Electricity Supply Business License ("Integrated IUPTL") or
      - an Electricity Supply Business License for Sales ("Sales IUPTL"); and
   b. have a business area (wilayah usaha) covering the relevant location. The business entities are required to hold SPKLUs in more than one province in Indonesia.

Further, the business entities must also obtain an SPKLU identity number for each SPKLU. They can apply for this identity number from the MEMR, through the Director General of Electricity.

3. SPBKLU business entities – Other than PLN, Battery Exchange Stations/ SPBKLU may also be provided by private business entities. They are not required to hold an IUPTL, but Reg 13 requires that they hold the necessary license - we believe this should be a Trading Business License (*Surat Izin Usaha Perdagangan* or SIUP). Given general restrictions on PMA companies carrying out leasing activities, query whether this line of business will be open for foreign investment.

Similar with SPKLU, the business entities must also obtain an SPBKLU identity number for each SPBKLU by applying to the MEMR through the Director General of Electricity.

Charging infrastructure business models

Reg 13 introduces several business models for the provision of BEV charging infrastructure as follows:

Business models for SPKLU

1. for business entities holding an Integrated IUPTL:
   a. provide, own, self-operate ("POSO") scheme – the business entities own and operate an SPKLU, through which they will sell electricity;
   b. provide, own, privately operate ("POPO") scheme – the business entities own an SPKLU, through which they sell electricity; however the SPKLU will be operated by another business entity holding an Operational Electricity Support Business License (Izin Usaha Jasa Penunjang Tenaga Listrik bidang pengoperasian or "Operational IUJPTL");
   c. provide, privately own, operate ("PPOO") scheme – the business entities provide and sell electricity through an SPKLU that is owned and operated by an Operational IUJPTL holder;
   d. provide, lease, self-operate ("PLSO") scheme – the business entities will provide and sell electricity through an SPKLU operated by them, but leased from a third party;
   e. provide, lease, privately operate ("PLPO") scheme – the business entities provide and sell electricity through an SPKLU that is leased from a partner and operated by an Operational IUJPTL holder.
2. for business entities holding a Sales IUPTL:
   a. retail, own, self-operate ("ROSO") scheme –business entities own and operate an SPKLU through which they sell electricity purchased from an Integrated IUPTL holder;
   b. retail, own, privately operate ("ROPO") scheme – business entities owning an SPKLU purchase electricity from an Integrated IUPTL holder for onsale; however, the SPKLU is operated

by an Operational IUJPTL holder;

c. retail, privately own, operate ("RPOO") scheme – business entities purchase electricity from an Integrated IUPTL holder and sell electricity through an SPKLU that is owned and operated by an Operational IUJPTL holder;
d. retail, lease, self-operate ("RLSO") scheme – business entities purchase electricity from an Integrated IUPTL holder and sell electricity through an SPKLU, operated by them, but leased from a third party;
e. retail, lease, privately operate ("RLPO") scheme – the business entities purchase electricity from an Integrated IUPTL holder and sell it through an SPKLU that is leased from a third party and operated by an Operational IUJPTL holder.

Business models for SPBKLU

a. battery provider, cabinet owner ("BPCO") scheme – the business entities own batteries to be rented to BEV owners and have battery swapping cabinets;
b. battery provider, cabinet lessee ("BPCL") scheme –the business entities own batteries to be rented to BEV owners, and lease battery swapping cabinets from third parties.

Electricity tariff

1. Reg 13 provides that the electricity tariff applied for charging BEV is based on the prevailing laws and regulations on tariffs for electricity supplied by PT PLN. This would seem to suggest that the electricity tariff will be linked to the 'standard' consumer electricity tariff.
2. For electricity from Integrated IUPTL holders to:
   a. owners of Private Electricity Installations
   b. business entities providing SPKLU business entities providing SPBKLU

   the applicable tariff will be the electricity tariff for bulk sales (*penjualan curah*) multiplied by a 'Q' multiplier factor (ranging from 0.8 to two) determined by the Integrated IUPTL holders.

3. For electricity from Integrated IUPTL holders to Private Electricity Installations (for non-public transportation) - the applicable tariff will be PLN's standard electricity tariff depending on the category (e.g., residential area with certain installed capacity).
4. For electricity from SPKLU to BEV owners, the applicable tariff will be the electricity tariff for special services multiplied by an 'N' multiplier factor (up to 1.5) determined by the IUPTL holders operating the SPKLU.

Conclusions

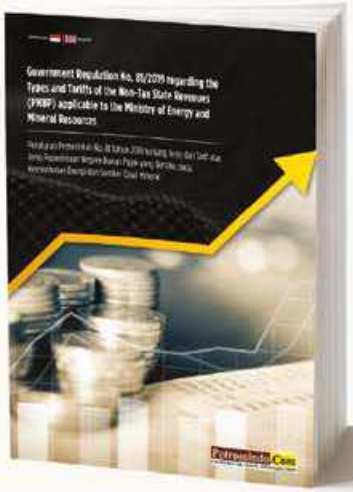
Reg 13 provides useful clarification as to how the Government sees this industry being rolled out. Given the variety of business structures and models contemplated by the regulation, the Government seems determined to encourage a wide variety of investors to enter into the market. It remains to be seen whether the pricing models set out in the regulation will be sufficient to attract significant investment. However, the regulation would seem to be a significant step in Indonesia's desire to become a major player in the BEV industry. C

Indonesia | English

Government Regulation No. 81/2019 regarding the Types and Tariffs of the Non-Tax State Revenues (PNBP) applicable to the Ministry of Energy and Mineral Resources

Peraturan Pemerintah No. 81 Tahun 2019 tentang Jenis dan Tarif atas Jenis Penerimaan Negara Bukan Pajak yang Berlaku pada Kementerian Energi dan Sumber Daya Mineral

New Release



In order to implement the 2018 Law No. 9 on Non-Tax State Revenue (PNBP), the Government has recently issued Government Regulation No. 81/2019 (PP 81) regarding the types and tariffs of PNBP applicable to the Ministry of Energy and Mineral Resources (Oil & Gas, Mineral and Coal, Electricity, New and Renewable Energy, Geological Agency, Human Resource Development Agency (BPSDM), and Research & Development Agency). This new regulation replaces Government Regulation No. 9/2012.

PNBP are all Government receipts received in the form of revenues from natural resources, service provided by the relevant government divisions or agencies and revenues from Public Service Agency (BLU).

This publication is aimed at disseminating information regarding the new regulation to international community, who need to know them in English as well as for investors wishing to get involved in Indonesian energy and mining related industries. The narrative is presented in dual language with Bahasa Indonesia and English versions appearing side-by-side on each page.

Specifications :

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MINERBA for the welfare of the people

In the midst of Covid-19 pandemic throughout the year, we celebrate the 75th Mining and Energy Day. This is just a moment in the long journey of the mining sector, and its contributions to the state for the welfare of the people.

Though experiencing hardships during the pandemic, the mining sector has been pushed to keep on making contributions in trying to maintain Indonesia's economy, currently on the brink of recession. When many sectors had already fallen into severe difficulties that they had to sign work terminations, the mining sector has tried to minimize the impact of the pandemic, expected to affect the world within the next several years.

We have to be thankful that after a long process lasted for several years, the draft of amendments of Law No. 4 of 2009 was finally passed into Law No. 3 of 2020 by DPR House of Representatives.

Arifin Tasrif, the Minister of Energy and Mineral Resources, officials of the Directorate General of Minerals and Coal, also members of DPR House had to work hard during the pandemic to discuss, and finally, complete the draft amendments.

"Allow us to extend our highest appreciation to the chairpersons and members of DPR, especially Commission VII DPR RI for the efforts we have strived together, solely to carry out the mandate of the constitution in the formation of the law," Arifin said during the Plenary Session at DPR House of Representatives on passing Law No. 3 of 2020 on Amendments of Law No. 4 of 2009 on Minerals and Coal Mining.

Arifin expects that the new law on MINERBA (Minerals and Coal) would

increase the added value of minerals and coal to be able to optimize the efforts in the interest of the state. The occurring challenges in the mining governance are expected to be resolved with the issuance of the new law, which would provide, among others, the legal certainty for the entire stakeholders of the mining sector, including the business actors, and especially for the welfare of the people in line with the mandate of the constitution.

In general, the Minerba Law adds 2 chapters and 52 articles, amends 78 articles, and deletes 18 articles of Law No. 4 of 2009 on Minerals and Coal Mining.

The government expects that the implementation of the New Minerba Law would give positive impact on the growth of the economy and provide job opportunities in Indonesia, as during the pandemic that is full of uncertainty, various sectors have been hit hard triggering new growth of unemployment.

In general, the main substance of the New Minerba Law is divided into four sections.

The first section relates to efforts to improve the national mining governance. They include ways to develop explorations and reserve security funds, carry out MINERBA governance planning, stipulate Rock Mining License (SIPB) and Rock Mining Business License (IUPB), also establish concept of the Indonesian legal mining areas.

This section of management includes improving the role of the government in carrying out the MINERBA governance plan to ensure adequate supply of the national energy going forward. Through the provision of reserve security, the business stakeholders are pushed to do the explorations, not relying only on exploitations of the natural resources for their own interests. This enables the state to meet domestic demands going forward. Meanwhile, the business actors already fulfilling their obligations regarding their explorations could upgrade their status to production operation miners. This relation is fairer in the interests of the industry, the state, and the people.

This section also includes more clear and simple stipulation of two rock mining licenses in the interests of the local business actors in the areas.

The second section relates to the aspect of alignment to the nation's interests. This is marked with the obligation of foreign mining companies to divest 51 percent of their shares to confirm the sovereignty of the state over its natural resources.

Then there is the affirmation for the policy on the increase of added value. The new law on MINERBA encourages abandonment of an improper practice dubbed "sales of the homeland" (meaning trading a country's natural resources in the form of raw materials). Though facing challenges, the recent program of increasing the added-value led to the establishment of new industries that keep on growing for the interest of Indonesia, even the world, in the future. With this policy, demands of various minerals derivative products for the future's global electric car industry could be supported by domestic products of Indonesia.

The existence of smelters of various derivative products opens new job opportunities to grow the local economy, as industries are no longer centered in Java. This is in line with the government's vision to establish Indonesia centric within the development policies.

Related to the empowerment of BUMNs (the State-owned Enterprises), it is clearly stated in the new MINERBA law that it "rolls out the red-carpet" for BUMNs of the mining sector to have more than one Mining Business Licenses (IUP) or Special Mining Business Licenses (IUPK). The priority right to operate the business under IUPK located in the State Reserve Areas or Special Mining Business Areas is also given to state-owned companies or BUMNs.

The size of a special mining business area granted to a BUMN should be in line with the development plan of the entire area. The size can exceed the maximum size of a regular, normal special mining business area (WIUPK). There is also the priority right given to a BUMN for areas of assignment and research in the context of increasing the reserves of mineral and coal resources. Expired IUPK licenses can be extended for the same area of operation. There is also IUP or IUPK extensions that last until the mineral or coal reserves run out.

The privilege is given to the BUMN to open up the space so that state companies in the mining sector could strengthen their operation to give great impacts on the trade in the interest of the nation.

The new law on MINERBA also applies policy on control of production and sales of minerals and coal to increase

the state revenue from the mining sector. This is related to the interest of Indonesia to maintain production and sales of its natural resources so they are not merely export commodities, but also capital for the nation's development.

Through a stricter control by the government, the minerals and coal demand for domestic use gets the first priority for its fulfillment going forward. Similarly, relating to the state income, the net profit that goes to the local government (especially the provincial government) would be higher than before.

In the third section, the legal certainty and ease of investment are regulated. They are the pillars for improvement of our economy. This would be marked by the use of designated spaces and zones for mining business activities.

The role of the local government leaders is affirmed in deciding the Mining Areas.

Related to extension of IUPK (Special Mining Business License) contracts or agreements, the government has confirmed that such extensions could not be granted automatically. The contract or agreement extensions should take into account track records of the company performance, increase of the state income, optimized conservation of MINERBA reserves, aspects of the improved added value and economics of the business, also strict evaluations on the given size of the mining areas. The evaluations should be conducted by the government in transparent, accountable, and independent manners.

Simplified licensing in the form of integrated Mining Business License for exploration and production operations is also elaborated in the new MINERBA law. The simplified licensing and bureaucracy in the field of mining business is expected to generate mining investment in Indonesia.

The new law on MINERBA also confirms the government's commitment in pushing the implementation of policy on the increase of minerals and coal added value in Indonesia, among others, in the form of non-fiscal incentive given to mining companies showing commitments on making improvements on the downstream business and the added-value programs. The non-fiscal incentive is also given to mining business actors showing commitments on improvements of the state conditions and welfare of the people. The incentive is in the form of IUP or IUPK license term of 30 years, guaranteed extension of 10 years in each submission, and a longer timeline for the fulfillment of the divestment obligation.

Furthermore, the new MINERBA law provides stipulation related to settlement of land rights for mining business activities. In this case, the government could become the mediator in the process for settlement of land rights by putting forward the spirit of deliberation to reach consensus between the owners of the land rights and the ones holding the IUP or IUPK licenses. With the stipulation, conflicts on land use, often happening between the right owners of mining sites and those of non-mining lands could be resolved accordingly.

The spirit of justice is reflected in

the new law on MINERBA through the opening of more spaces for public participation. This is integrated into the process of deciding mining areas by the local government, which mechanism is based on the government's approval with consideration of inputs and opinions of the surrounding communities. Therefore, long before the mining areas are decided by the government, aspirations of the communities and the local governments are accommodated. Auctions of mining business licenses should be announced to the public as a form of transparency and accountability.

The stipulation of the new MINERBA law also ends the licensing dualism often obstructing downstream improvement programs. For smelters integrated into mining activities, the licensing is authorized to the ESDM (Energy and Mineral Resources) Ministry, while for the unintegrated (stand-alone) smelters, the licensing process is authorized to the Ministry of Industries. This is an old issue, finally resolved with the new legal protection with better stipulation on the matter.

More importantly, the fourth section of the new MINERBA law elaborates on the environment management, which further confirms the government's position. This is marked with the obligation of reclamation of the post-mining sites with 100 percent success rate. Furthermore, the new law requires a balanced management between fulfillment of open lands and that of reclaimed lands. There is also imposition of specific criminal sanctions against the parties failing to meet their obligation on reclamation and post-mining activities.

The new law on MINERBA that imposes criminal imprisonment of five years for failing to meet the obligations of reclamation and post-mining requirements provides a breath of fresh air in the legal enforcement in the environmental field. Imposition of severe sanctions against parties failing to complete the reclamation and post-mining activities is a form of the government commitment to ensure sustainable management of the environment and protection of the interests of the surrounding communities.

Ridwan Djamaludin, the Director General of Minerals and Coal of the ESDM Ministry said that the drafting of the new MINERBA law contains the spirit for executing improvements of the existing regulations that, first of all, relates to rearrangement of balanced authorities between the central government and that of local governments.

Furthermore, Ridwan said that the government provides the same opportunities to all business actors in conducting their mining activities. Finally, aspects of long-term protection and clear area divisions to avoid overlapping zoning issues are also elaborated in the new law.

Additionally, the new MINERBA law is expected to appropriately utilize Indonesian minerals and coal resources going forward, as the capital of development in the interest of the society at large, in accordance with the mandate of the constitution.

"Indonesian natural energy resources should become the authorized capital of development, so usage of the resources should be maximized to provide a value to the community at large," Ridwan said.

Ridwan confirmed that the spirit contained in the MINERBA law no longer accommodate concerns of only sectoral interests, but also the broader interests of the nation. "That's what we guard, right now," he concluded.

Marking the diamond moment or 75th year of mining and energy industry, it is just reasonable for us to tidy up. The new law on MINERBA is expected to make contributions, not just of issues, but also of advancement. A better governance is presented now to be able to improve the MINERBA (minerals and coal) industry, and eventually, the welfare of the people. *(Humas Minerba)*

OPINION

By **Yunus Saefulhak**
Director of Mineral Business Supervision at the Ministry of Energy and Mineral Resources

Future of mineral and coal explorations in Indonesia

Indonesia is endowed with mineral and coal reserves, which are even categorized as global class in several regions. But not all regions have data on the amount of their reserves

Explorations are the key factor in the series of mining process of finding the new reserves. Therefore, the government has been continually trying to create an attractive ecosystem to encourage the exploration activities across Indonesia.

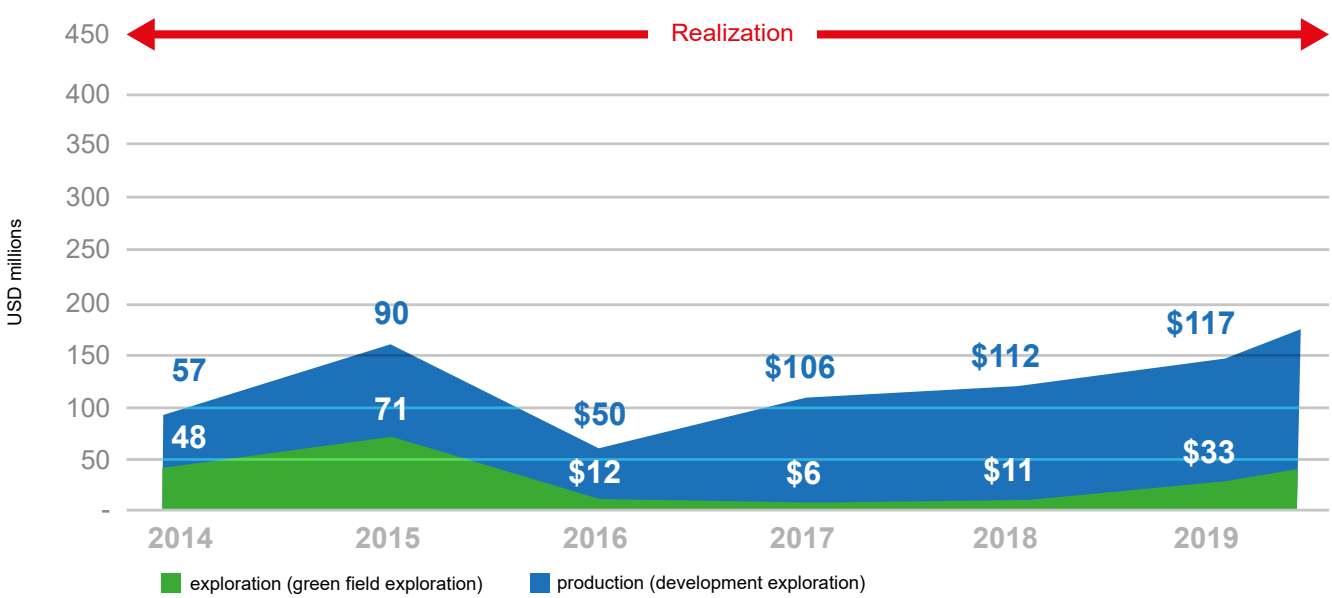
Based on data of S&P Global Market Intellegence (March 2020), during the last 20 years the total cost of explorations in Indonesia was only 1.0% of the total exploration cost spent by mining companies across the globe.

Based on the work plan and budget (RKAB) of mining companies in Indonesia during the period 2014-2019, the investments in the explorations increased, especially on development exploration. But it was not accompanied by the increase of explorations in greenfield areas. This will become the focus of government's attention to continually try to make investors more interested to conduct explorations in Indonesia.

The government has been always trying to accommodate the aspirations of the general public, business players, experts in geology and mining. Such condition has led to the issuance of mineral and coal law (UU Minerba) No: 3/2020, which is a revision of UU Minerba No:4/2009 and is expected to meet the challenges in the mining sector until now. The challenges include the certainty of investments in the mining sector and the acceleration of explorations to find the new reserves of mineral and coal which then can be produced at maximum level for improving the public welfare of Indonesians.

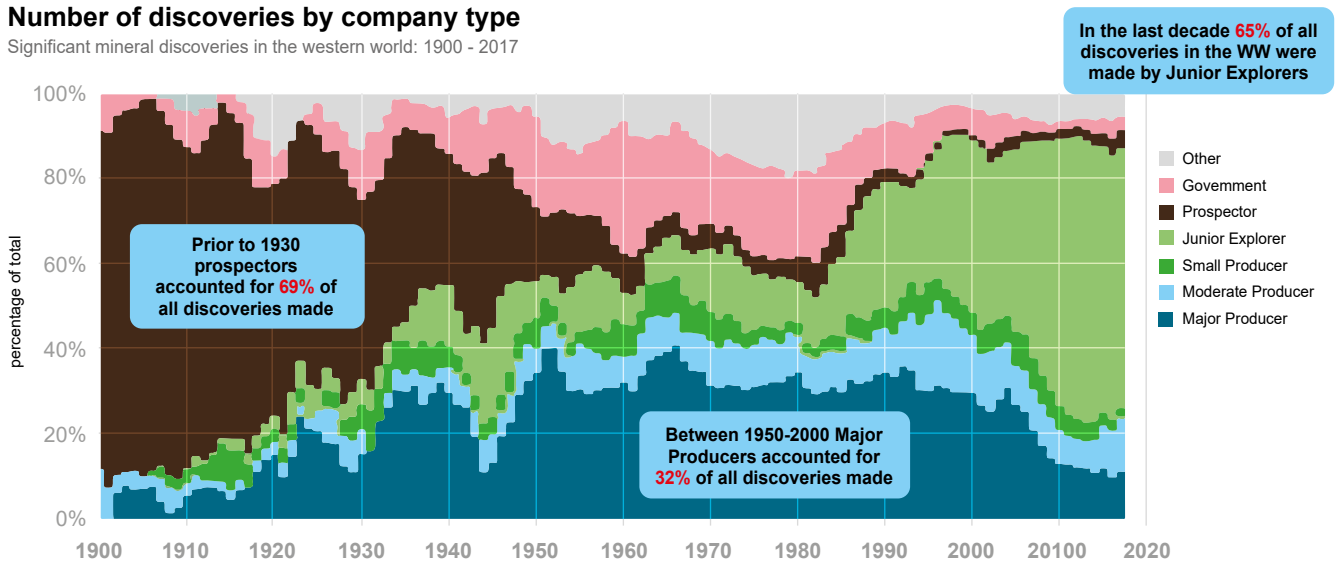
The government's new plan and strategy to create the ecosystem that will encourage the explorations is contained in the law (UU) No:3/2020, which rules, among others:

1. Ensure certainty of legality and doing business for the mining business



Number of discoveries by company type

Significant mineral discoveries in the western world: 1900 - 2017



Source: MinEx Consulting © October 2018

Note:
-Junior Explorer has no income
"Small Producer" has a singbe small mine and 450m pa sales revenue (in 2013 US Dollars)
"Moderate Producer' has 1-3 mines and S50-500m pa sales revenue
"Major Produær- has several large mines and *00m pa revenue
"Other* includes industrial companies, major oil companies and private/unlisted companies

licenses (IUP) and special mining business licenses (IUPK) holders who have finalized exploration activities, by providing guarantee to continue with production operation after fulfilling all required conditions according to prevailing regulations.

2. Obliging companies to provide reserve security fund (DKC) of mineral and coal. The DKC is used by holders of IUP/IUPK to finance further explorations for production operation at certain amount that is determined by the government every year in the companies' RKAB.
3. Assignments for state institute of research, state-owned companies (BUMN), region-owned companies (BUMD) or companies assigned to conduct research and assessment for the preparation of WIUP. The mining research and assessment was conducted through the following mechanism:
   a. Assignments for state institute of research, BUMN, and BUMD for regions that are prepared by the government.
   b. Assignment proposal by companies that have expertise in explorations and mining in regions that have not yet had data on their potential, so that through synergies that will be undertaken there will be an acceleration of new reserve discoveries in Indonesia.

The government supervises the activities of research and assessment by those who are assigned, so that the activities can be implemented according to the agreed plans and they will get sanction which is a revocation of their assignment letter if there is no activity within a year.

4. The government is also trying to encourage companies that are specialized in explorations (Junior Mining Company/JMC) to file proposals on regions of research and assessment assignments and participate in WIUP tenders. If the JMC has finalized exploration and discovered a new reserve that is eligible for the transfer of IUP to other parties who are specialized in mining, processing and refining with the approval of minister.

Why the JMC should be encouraged? It is because in countries with developed mining sector, the JMC companies play a very important role in the process of discovering new reserves.

Based on data of MinEx Consulting (October, 2019), the JMC companies contributed more than 60 percent of the global discoveries. The government has paid special attention to that and has been trying to give such opportunities to the JMC companies to activate the mineral and coal mining explorations in Indonesia.

In implementing the strategy on the explorations, the government needs support and good cooperation with all stakeholders, including the related ministries and institutions, regional governments and the Indonesian people as a whole. C

Ten IUPs in North Maluku temporarily revoked

Governor of North Maluku Abdul Gani Kasuba said the North Maluku provincial government has temporarily revoked the Mining Operational Business Permit (IUP Production) of 10 miners.

The decision was undertaken through the Governor's Stipulation Number 540/1839/G dated Sept. 23, 2020, a local online news Kieraha.com reported.

The permit revocation was signed by Governor Abdul Gani, the copy of which has been sent to Minister of Domestic Affairs, Minister of Energy and Mineral Resources (MEMR), Head of Corruption Eradication Commission (KPK) and Directorate General for Mineral and Coal at the MEMR.

The Head of Energy and Mineral Resources (EMR) Office of the North Maluku Province Hasyim Daeng Barang said the temporary revocation of the IUP Operation permit was decided as these companies are yet to report their Work Plan and Budget (WP&B) for 2020 to the North Maluku ESDM Office.

He said his office has earlier issued reprimands to these companies, namely on Jan. 6, 2020, Feb. 14, 2020 and the third reprimand on March 23, 2020 over the WP&B.

The ten companies whose IUP Operational Permit have been temporarily revoked are as follows:

1. PT Bawo Kekal Sejahtera Internasional
2. PT Lopoly Mining CDX
3. PT Mineral Elok Sejahtera
4. PT Putra Pangestu
5. PT Obi Prima Nikel
6. PT Karyacipta Sukses Lestari
7. PT Kurun Cerah Cipta
8. PT Makmur Jaya Lestari
9. PT Shana Tova Anugerah
10. PT Wana Halmahera Barat Permai Unit

Antam suspends Papua exploration activities

IDX-listed mining firm PT. Aneka Tambang Tbk (Antam) has temporarily suspended gold exploration activities at Pegunungan Bintang regency, Papua.

Corporate Secretary Kunto Hendrapawoko told Petromindo.Com that the suspension was due to covid-19 pandemic. "Suspension is part of Antam's efforts to ensure safety of workers," he said.

He said that exploration will resume once conditions improve.

According to reports, Antam obtained four exploration licenses in Pegunungan Bintang regency in 2011, covering a huge area of 200,000 hectares.

Timah liquidates Aceh gold JV

IDX-listed tin mining firm PT Timah Tbk said that the liquidation process of gold and copper mining firm PT Kutaraja Tembaga Raya (KTR) had been completed on 3 September.

KTR, a joint venture between Timah and Australia's Phelps Dodge, started gold and copper mining operations in Aceh in 1997, but failed to make significant progress. In 1999, the company suspended mining operations due to heightened security condition in the province amid separatist movement at the time.

Timah said in a statement, that the KTR shareholders started liquidation process in July 2012.

The company said that following the completion of the liquidation, KTR is no longer included in Timah's consolidated financial report. It added that the KTR liquidation does not provide significant impact on Timah's finances. C

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REFERENCE BOOKS

Indonesian Minerals Book 2019/2020
Price: US$200
Release: June 2019

Indonesian OIL & GAS Book 2018
Price: US$200
Release: May 2018

NEW RELEASE

Indonesian Coal Book 2020/2021
Price: US$200
Release: March 2020

MAGAZINES

COAL ASIA
Monthly Magazine
(issued 15th of each month)
Price: US$9.00

BOOKS

NEW RELEASE

Indonesian Coal Report
Price: US$950
(for 12 months subscription)

PLN's Guidelines for Procurement of Goods/Services (Indonesia-English)
Price: US$310.35
Release: July 2019

Compilation Of Indonesian Regulations on Electricity
Indonesia – English (Book 6)
Price: US$420

Compilation Of Indonesian Regulations On Mineral And Coal Mining (2018 - March 2019)
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Price: US$189.66
Release: August 2019

Indonesian Gas Development Plans Series 2018
(Indonesia-English)
Release: Oct 2018
Price: US$105

NEW RELEASE

Government Regulation No. 81/2019 regarding the Types and Tariffs of the Non-Tax State Revenues (PNBP)
Price: US$172.44
Release: January 2020

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Weda Bay reports first ferroalloy sale

French metal giant Eramet Group reported that it is selling 7,000 tons of nickel ferroalloy for the first time, produced by the Weda Bay Nickel plant, North Maluku.

A first cargo bought by Chinese clients was shipped on September 17, the company said.

After 20 months of construction, the plant had carried out its first tapping on April 30. Since then, its production is constant and allows Eramet to add a new product to its commercial range, which complements the ferronickel manufactured by Société Le Nickel in New Caledonia.

This is a new step in this project, which is the object of a partnership between Tsingshan (57%) and Eramet (43%), the company said.

Nusantara's CFO resigns

ASX-listed Nusantara Resources Limited announced that Chief Financial Officer and Company Secretary, Derek Humphry has resigned and will finish with Nusantara on 30 September.

Nusantara said in a statement that Derek joined the company in February 2018. The company added that it's at an advanced stage with the recruitment of a replacement.

Nusantara is seeking to develop the Awak Mas gold mining project in Indonesia's South Sulawesi Province. The company said on 17 September an Independent Technical Expert (ITE) report on the Awak Mas gold project prepared for investors to support project financing has been completed, allowing the next stage of project financing to commence.

Elsewhere, Nusantara said that it is transitioning to outsource the management of certain accounting and finance administration, including company secretarial services to Leydin Freyer.

It added that Claire Newstead-Sinclair has been appointed Company Secretary of Nusantara.

"Leydin Freyer have vast experience working with listed entities and bring a strong background of working with growing companies within the resources sector," the company said.

In conjunction with this appointment the company has relocated its Registered Office to: C/- Leydin Freyer Level 4, 100 Albert Road, South Melbourne Vic 3205 Australia Phone: +61 3 9692 7222 Fax: +61 3 9077 9233

Gulf Manganese director resigns

ASX-listed miner Gulf Manganese Corporation Limited (ASX: GMC) announced on Wednesday (23/09) that Tan Hwa Poh has resigned as a director of the company with immediate effect.

"The Board thanks Tan for his contribution and wishes him all the best for the future. The company is undertaking a search for a new director as a priority," Gulf Manganese said in a statement.

The company, however, did not explain the reason behind the resignation of Tan.

Gulf is currently focusing on developing a ferromanganese smelting business in West Timor. The smelter is designed to produce and sell low carbon ferromanganese alloy. Once fully operational, the Kupang Smelting Hub will produce up to 155,000 tpa of manganese alloy, directly supplying high-demand Asian markets. C

Minister wants Antam to develop ex-gold mine of PT Freeport

State Minister of State-Owned Enterprises Erick Thohir wants state-controlled mining firm PT Aneka Tambang Tbk (Antam) to manage and develop the former gold mining areas of PT Freeport Indonesia which have been returned to the government.

Speaking at a hearing with the House of Representatives Commission VI, Erick said that he had sent a letter to Minister of Energy and Mineral Resources Arifin Tasrif regarding this request.

He said that the handing over the ex-gold mine areas of PT Freeport in Papua to Antam is expected to help improve the performance of the state mining firm particularly as gold is a prospective commodity.

Antam currently produces gold at its Pongkor mine in West Java and Cibaliung mine in Banten. The company has requested to the government for a 10-year extension of its current contract in the Pongkor mine, which will expire in 2021.

Aussie firm to acquire Sumbawa gold project

ASX-listed mining firm Orminex Limited recently announced that it has executed a binding framework letter with PT Amman Mineral Internasional (AMI) for the acquisition of economic interests in all or a substantial part of a significant epithermal gold project asset in West Nusa Tenggara.

AMI is a major Indonesian mining entity which owns Batu Hijau copper and gold mine in West Nusa Tenggara as well as significant other investments in the resources sector.

The asset is located only 60 kms from the world class Batu Hijau Project located on the island of Sumbawa. The project is advanced with a Feasibility Study due for completion in the fourth quarter of this year.

"Whilst discussions are in preliminary stage and the valuation of the asset is to be determined, it is expected that the consideration for the transaction will be the issue of ordinary shares in the company and will result in the vendors acquiring a controlling interest in the company. The transaction will be subject to completion of satisfactory," the company said.

Orminex has received the deposit of A$1 million from AMI which will be refundable if the transaction does not proceed in certain circumstances. These funds will be used to progress the transaction and associated work streams. Orminex is currently in the process of assessing suitable corporate advisors to support the company through the transaction, it said. C

Sihayo ready to start gold exploration drilling in N. Sumatra

Following recent successful fund raising activities, ASX-listed gold miner Sihayo Gold Limited said it is well funded for aggressive exploration drilling activities at the Hutabargot Julu gold prospect located in the northern block of its mining contract area in Indonesia's North Sumatra Province.

Sihayo said in a statement that field preparations are well advanced for the commencement of a 5,500-meter diamond drilling program at the Hutabargot Julu prospect.

Sihayo Gold Executive Chairman, Colin Moorhead, commented: "After successfully completing Tranche I of the equity raise announced in August, we are excited to recommence exploration activities at the highly prospective Hutabargot Julu prospect. We believe there is significant exploration potential in the Sihayo Contract of Work package and the commencement of this drilling program represents the beginning of a new chapter in unlocking the potential of this province."

Preparations for the drilling program are well underway, with key highlights including:

- Granting of a 13,217-ha forestry permit (also known as IPPKH) by the Indonesian Ministry of Environment and Forestry on 4 September 2020, valid for 2 years (extendable), which allows for access and exploration activities to be conducted within the permit area;
- Arranging a services agreement with an experienced drilling contractor, PT Indodrill Indonesia, providing an initial two, man-portable, rigs with capacity to drill holes up to 350-m and 500-m depth, respectively, in PQ/HQ/NQ core sizes;
- Signing of a services agreement with an experienced aviation operator, PT Intan Angkasa Air Service, providing a MD500ER helicopter to commence the mobilization of drill rigs and support equipment to site in the first week of October;
- Commenced construction of a field camp, recruitment of local personnel, planning and pegging of the proposed drill sites to support the drilling program;
- Commenced construction of the first two drill pads of the planned drilling program; and
- Prepared and implemented a management plan to reduce the risk of infection and spread of COVID-19 virus and ensure the continuity of the work program.

"Sihayo anticipates to start drilling soon after the commencement of the helicopter mobilization in the first week of October and will inform the market accordingly," the company said.

Following completion of the initial Hutabargot drilling program, Sihayo said it also plans to conduct step out drilling to test targets along strike and withing trucking distance of the open pits defined in the Sihayo DFS, with the aim of identifying additional shallow oxide ore sources for the project.

The company is also commencing a greenfields discovery program to assess the potential for porphyry copper and epithermal precious metal deposits in the broader Contract of Work. "Our team has compiled all historical regional geology, geochemical and geophysical data sets and is in the process of integrating and interpreting these to generate specific targets for follow up work. To aid and accelerate this initiative an expert consulting group has been engaged to reprocess and model available airborne magnetic and radiometric data."

Sihayo owns a 75 percent interest in PT Sorikmas Mining, which holds the Sihayo-Pungkut 7th Generation Contract of Work (CoW). IDX-listed mining firm PT Aneka Tambang Tbk (Antam) is the company's joint venture partner in the CoW with a 25 percent interest. C

Trinitan plans nickel-cobalt smelter in C. Sulawesi

IDX-listed metal and mineral processing firm PT. Trinitan Metals and Minerals (TMM) announced that it had signed a deal on September 16, 2020 with PT. Bangun Palu Sulawesi Tengah (BPST) to build a nickel smelter at Palu special economic zone in Central Sulawesi.

Under the deal, BPST will provide a 200 hectares plot of land for the smelter site. TMM CEO Petrus Tjandra told a virtual press conference that the smelter will utilize the so-called step temperature acid leaching (SPAL) to process low grade ore into 99.6 percent nickel cobalt and nickel sulphate.

Petrus claimed that the SPAL hydrometallurgy technology which the company developed is more efficient than high pressure acid leaching (HPAL) commonly used in nickel-cobalt extraction. Currently, he said, the technology is in the pilot plant stage.

He said that ore for the proposed smelter will be supplied by Indonesian Nickel Miner Association (APNI). The company will build mine-mouth leaching plants at the mines which will supply ore to the company's proposed smelter, he said. He did not give detail about the smelter's capacity.

Petrus also said that the company plans to float shares of its subsidiary PT. Hydrotech Metals Indonesia in Canada in the near future to raise funds for the proposed smelter project.

Bolt Metals seeks off takers for Papua nickel-cobalt project

Vancouver-based junior mining firm Bolt metals Corp. reported that it was in dialogue with industry players in China, Indonesia and Korea with a focus on securing supply contracts with downstream users and commodity suppliers to the international energy storage and electric vehicle battery space for its Cyclops nickel-cobalt project.

The Cyclops nickel-cobalt project is a 100 percent controlled, 5,000 hectare mineral project located in Papua Province, Indonesia. Cyclops features strong near surface nickel and cobalt mineralization, environmental and mining permits, and comprehensive infrastructure including year-round sealed road access.

Ranjeet Sundher, President & CEO said: "Nickel has shown strong resiliency in the face of the ongoing health crisis, rising from approximately $5/lb in March to $6.80/lb today. The company's Cyclops project has produced robust drilling results, and we continue to optimize exploration data while preparing for the development for a pilot process test plant in Canada."

The company did not disclose its estimated nickel-cobalt resources in Cyclop concession.

The company said in June 2020 that it has signed preliminary offtake agreements with Beijing Easpring, China's top battery metals supplier and Junan Jinxin, primarily engaged in the acquisition, production, processing and marketing of tungsten and cobalt. C

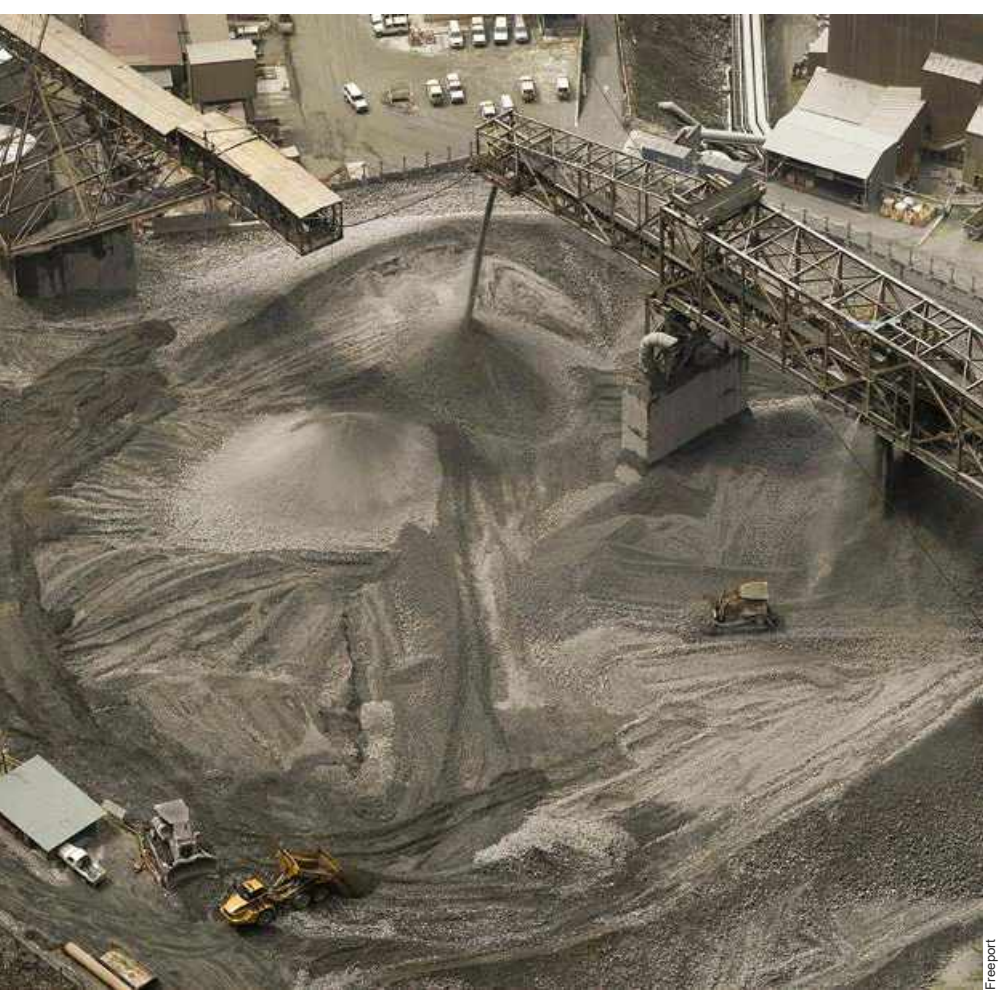
FCX announces commitment to Copper Mark

Copper mining giant Freeport-McMoRan Inc. (FCX) announced commitment to the Copper Mark, a new comprehensive assurance framework that demonstrates the industry's responsible production practices and contribution to the United Nations Sustainable Development Goals (SDGs).

It is the first and only framework developed specifically for the copper industry and enables each site to demonstrate to customers, investors and other stakeholders their responsible production performance.

FCX has commenced the process for six of its operating sites and has future plans to validate all of its operating sites against the Copper Mark requirements.

Richard C. Adkerson, President and Chief Executive Officer, said, "I am proud to announce our commitment to the Copper Mark. Our focus on responsible production is critical to establish and maintain acceptance from our stakeholders. The Copper Mark demonstrates our responsible production practices to downstream markets, helping to meet our customers' responsible sourcing objectives. Copper plays an essential role in the technologies necessary to develop and deliver clean energy and to support the global transition to a low-carbon economy.



Freeport

As the energy transition continues, copper use is expected to increase from the use of electric vehicles and their charging stations and renewable energy technologies, such as solar and wind, and their necessary connections to grids. This increased copper demand should not come at a cost to sustainability. As one of the world's largest copper producers, we understand we play a critical role in this transition, and we remain dedicated to supplying the global economy with responsibly produced copper."

To receive the Copper Mark, copper producers must be assessed independently against a comprehensive set of environmental, social and governance (ESG) criteria on a site-by-site basis. The framework currently is focused on copper producers at the beginning of the supply chain, but it intends to develop criteria for fabricators and component producers in the coming years with the goal of establishing a chain of custody for downstream companies, such as automobile and electronics producers.

The Copper Mark was originally founded and developed by the International Copper Association, to which FCX is a member, in conjunction with various stakeholders including financial institutions, commodities exchanges, Nongovernmental Organizations, Original Equipment Manufacturers, and copper fabricators. The Copper Mark now is an independent entity and builds on the advice of its multi-stakeholder advisory council.

FCX's portfolio of assets includes the Grasberg minerals district in Indonesia, one of the world's largest copper and gold deposits; and significant mining operations in North America and South America, including the large-scale Morenci minerals district in Arizona and the Cerro Verde operation in Peru. C

Kingsrose records strong performance in FY 2020

ASX-listed gold miner Kingsrose Mining Ltd posted A$19 million profit after tax in fiscal year 2020, which ended at end June, compared to loss after tax of A$14 million in the previous year.

Revenues more than doubled in FY2020 to A$70.7 million compared to A$32 million in previous year, on the back of solid production at the Way Linggo project in South Sumatra and strong prices for gold and silver.

The significant profit turnaround came despite the company booking an A$8.2 million impairment and asset write-down and investing A$4 million in exploration and resource extension drilling at the Way Linggo Project.

Its gold production in FY2020 reached 28,508oz, increased from 18,815oz in FY2019. The strong operational and financial performance means Kingsrose has the financial strength to pursue growth opportunities in addition to those at the Way Linggo Project, the company said.

This may include acquisitions, mergers and other transactions which the Board believes will create shareholder value and establish a platform for long-term growth.

"We have established a strong balance sheet which will enable us to capitalise on growth opportunities," Managing Director, Karen O'Neill, said.

The company's board, he said, is committed to pursuing a two-pronged expansion strategy which involves unlocking further value at the Way Linggo Project while assessing opportunities elsewhere.

"At all times, this strategy will be driven by the need to generate strong financial returns," he said.

Kingsrose holds interest in the Way Linggo Project through its 85 percent owned Indonesian subsidiary PT Natarang Mining (PTNM), the owner and operator of the Way Linggo Project.

East Asia Minerals closes first tranche financing

Canada-listed junior mining firm East Asia Minerals Corporation announced that it has closed its C$2 million lead order from Palisades Goldcorp Ltd., the first tranche of the $4 million financing previously announced on September 10th, 2020.

Due to significant market interest in the financing, the company has increased the financing to $4.4 million from $ 4 million initially and anticipates the second and final tranche to close next week, the company said.

The company plans to use the proceeds to advance its Sangihe gold project.

The Sangihe gold-copper project is located on the island of Sangihe off the northern coast of Sulawesi and has an existing National Instrument 43-101 inferred mineral resource of 114,700 indicated and 105,000 inferred ounces of gold. The Company's 70-percent interest in the Sangihe-mineral-tenement contract of work is held through PT Tambang Mas Sangihe . The term of the Sangihe CoW agreement is for 30 years upon commencement of the production phase of the project.

Subject to the final environmental permit being issued as well the Indonesian Government Operations Production License being granted, the company intends to proceed to production without the benefit benefit of first establishing mineral reserves supported by a feasibility study. C

Indonesia Regional Minerals Maps 2019

New Release

As of August 2019, there are a total of 1,438 registered minerals mining concessions (KKs and IUPs) throughout Indonesia, of which about 1,403 concessions are in production operation production stage, while the remaining 35 concessions are still in exploration stage, according to the Directorate General of Mineral and Coal at the Ministry of Energy and Mineral Resources.

Indonesian Regional and Provincial Minerals Maps are a must-have for company/professional who's involved/ interested in minerals related businesses in Indonesia. These maps feature location of coal mining concessions which have been granted 'clean & clear' status; location of existing and proposed smelting plants. The concession areas are appeared in different colors according to deposit type so that you can find the ones easily.

This full-colored map outlined on a 1189 mm x 841 mm (A0) glossy paper (260 gr) and laminated for durability.

Map Features

- Location of 'clean & clear' minerals concessions (KKs and IUPs) and their status of operation.
- Location of existing/proposed Minerals Processing/Smelter Projects.
- Basic features: Name of Rivers, Bays, Capes, Provinces, Cities, Regencies, and Towns with administrative boundaries.

Also available Provincial Minerals Map: Aceh, Riau, Bangka Belitung, West Kalimantan, Central Sulawesi, South Sulawesi, Southeast Sulawesi, North Maluku, etc..

MAP SPECIFICATIONS :				
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Pefindo: PT Aneka Tambang Tbk's rating affirmed at "idA", outlook revised to stable

PEFINDO has affirmed its "idA" ratings for PT Aneka Tambang Tbk (ANTM) and its Shelf Registered Bond I Year 2011. At the same time, the outlook of ANTM's corporate rating has been revised to "stable" from "negative" in light of expected stable financial performance.

ANTM has reduced its gold export sales and is focusing on the high-margin domestic retail market, and we expect that the gold segment continues to generate higher profit on the back of increasing gold price.

By focusing on the sales of lower ticket size of gold ANTM could tap wider customer base as it is considered to be more affordable.

The unfavorable circumstances particularly during coronavirus disease (COVID-19) pandemic has triggered increasing demand for gold as a safe haven investment.

In terms of nickel, we expect that ANTM's initiatives of strategic partnership with other smelters in Indonesia could somewhat compensate declining sales of nickel ore with the ban of nickel ore export from Indonesia on top of better nickel price that started to rebound.

In addition, we expect that ANTM's other initiatives in maintaining its low cost position could mitigate lower EBITDA in the near term through cost efficiency and synergy with its Parent.

An obligor rated idA has a strong capacity to meet its long-term financial commitments relative to that of other Indonesian obligors.

However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higherrated obligors.

The corporate rating reflects ANTM's sizeable reserves and resources, strong position within the industry backed by diversified mining products, and vertically integrated mining operations. The rating is constrained by high financial leverage and exposure to fluctuating commodity prices.

We may raise the rating if ANTM improves its business profile substantially, as reflected by higher than projected revenue and EBITDA on a sustained basis, and its financial leverage to a conservative level. The rating could also be raised if it receives strong support from INALUM such as in the form of capital injections, shareholder loans, and/or business synergy, which substantially increases ANTM's operating performance. We could lower the rating if the prolonged pandemic results in slower than expected global economic recovery and a negative impact on commodity prices and demand, which could weaken ANTM's business operations and financial profile. The rating could also be under pressure if it incurs higher than projected debt and/or fails to complete its expansion projects as scheduled.

We view that COVID-19 pandemic has a moderate impact to ANTM's overall credit profile, triggered by lower demand and commodity price, particularly nickel. However, nickel price has started to improve in line with the rebound of economic activities in China as the largest market for nickel. Moreover, ANTM should also benefitted by the high trend of gold price. We will closely monitor the effect of the pandemic on the Company's business operations and/or financial profile in the near to medium term, such as any significant disruption on its cash flow generation.

Founded in July 1968, ANTM is a mining company in Indonesia producing nickel ore and ferronickel, gold, bauxite, alumina and coal.

As of June 30, 2020, it was 65% owned by PT Indonesia Asahan Aluminium (Persero), which is wholly owned by the Indonesian government. the Government of Indonesia also owns class A share of ANTM at below than 0.1%, while the remaining ownership were held by the directors, Mr Aprilandi Hidayat Setia and Hartono (less than 0.1%), as well as the public (35%). C

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CITIC Seram Energy Ltd

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J Resources maintains gold output target

IDX-listed gold mining firm PT J Resources Asia Pasifik Tbk has decided to maintain its original gold output target this year despite the Covid-19 pandemic that had undermined its operations in the first half (1H) of this year.

The company saw revenue in the January-June period of this year declined by 2.66 percent to US$118.60 million from $121.85 million in the corresponding period of last year.

The company booked a net loss of $3.27 million in 1H of this year, compared to a net profit of $4.29 million in the same period of last year.

J Resources President Director Edi Permadi was quoted by Kontan daily as saying that the Covid-19 pandemic, which as prompted large scale social restriction (or PSBB) in Indonesia, and full lock down in Malaysia, had affected the company's logistics and gold processing operations.

"The PSBB in Indonesia and full lock down in Malaysia had affected (the company) from the end of the first quarter to the second quarter," he said.

In the first-half of this year, the company produced only 72,000 oz of gold.

Edi said that despite the ongoing pandemic, the company maintains its original gold production target this year of 171,000 oz. He said that J Resources will seek breakthrough measures to help increase mining productivity while observing health protocols in a bid to realize the target.

J Resources currently operates four open-pit gold mines, namely Bakan and Lanut Utara in North Sulawesi Province; Seruyung in North Kalimantan, and Penjom in Malaysia.

Nusantara reports encouraging drilling results from Awak Mas

ASX-listed gold mining firm Nusantara Resources reported on Monday the results of close spaced diamond drilling in the Rante domain of the Awak Mas gold deposit in South Sulawesi.

According to the company, results include numerous broad intersections (up to 43m) and individual high grades (up to 19 g/t gold). Close spaced drilling is being conducted over areas targeted for first mining production, with the intention of providing sufficient drill data density that enables delineation of a maiden Measured Resource for delivery in early 2021.

Selected results from Rante drilling include:

Diamond drilling is now underway at Tanjung and will move to Mapacing and then to Salu Bulo, before a program of exploration drilling late in 2020, it said."Early drilling results yielding up to 43m of gold mineralization, intervals of 8m at 6.69 g/t, 5m at 7.18 g/t and exceptional grades of up to 19.0 g/t and 15.64 g/t are outstanding. We will be drilling for much of the rest of 2020, targeting areas that are expected to provide the first two years of production, as well as areas that could be brought forward under expanded production scenarios, as we advance toward Final Investment Decision for the Awak Mas Gold Project." Neil Whitaker, Managing Director. C

RGD013	30.25m @ 1.96 g/t Au from 20.55m (incl 3.35m @ 5.68 g/t Au and 4.1m @ 4.97 g/t Au)
RGD014	22m @ 2.89 g/t Au from 32m (incl 5.9m @ 5.08 g/t Au)
RGD015	5m @ 7.18 g/t Au from 17m (incl 1m @ 19.0 g/t Au) and 21m @ 2.4 g/t Au from 27m (incl lm @ 8.99 g/t Au)
RGD016	5m @ 6.23 g/t Au from 15m (incl lm @ 15.64 g/t Au) and 43m @ 1.23 g/t Au from 26m (incl 4m @ 4 g/t Au)
RGD022	20m @ 3.58 g/t Au from 10m (incl 8m @ 6.69 g/t Au)

Govt to push junior miners to boost exploration

The Ministry of Energy and Mineral Resources will push junior mining companies (JMCs) to boost exploration activities in the country in a bid to find new coal and mineral resources and reserves.

Director of Mineral Development and Management at the ministry, Yunus Saefulhak was quoted by Kontan daily as saying that the JMCs will be encouraged to participate in tender of new mining areas to be held by the government.

He said that once the JMCs, which are specialized in exploration work, have completed the exploration activities and discovered new resources and reserves, they will be allowed to transfer their IUP mining business licenses to other companies, which are specialized in production, processing and refining.

"Why do we have to push the JMCs? Because in other countries with advanced mining sector, the role of JMC in mining discovery is quite huge," he said.

He pointed out that according to MinEx Consulting, as per October of last year, JMCs accounted for 60 percent of the global mining exploration activities. "The government observes this and tries to provide opportunity for the JMCs to play role in reviving coal and mineral exploration in Indonesia," he said.

Aside from pushing the JMCs, Yunus said that the government will also provide legal and business certainty for IUP or IUPK miners who have completed exploration work can proceed to the next production phase after fulfilling the requirements.

In addition, the government will also require miners to allocate reserves security fund every year set under their respective work and budget plans (or RKAB) in a bid to increase funding for exploration.

According to ministry data, exploration fund has never exceeded 3.5 percent of total mining investment. This year, exploration fund is projected at US$271.09 million, or 3.5 percent of the total projected investment in the coal and mineral mining sector. C

Talang Santo Mineral Resource — As at 30 June 2020

Category	Tonnes (kt)	Gold g/t Au	Au Ounces (koz)	Silver g/t Ag	Ag Ounces (koz)
Measured	-	-	-	-	-
Indicated	244	6.1	48	13	102
Inferred	606	4.7	92	13	250
Total	850	5.1	140	13	352

Note: - Small discrepancies may have occurred due to rounding

Kingsrose Mining announces update of Talang Santo resource

ASX-listed gold miner Kingsrose Mining Ltd announced that a recently updated Mineral Resource estimate for Talang Santo prospect, Lampung, has been completed and is reported in accordance with the JORC Code (2012).

This estimate comprises Indicated and Inferred Resources of : 850,000 tonnes @ 5.1 g/t Au and 13 g/t Ag for 140,000 ounces of gold and 352,000 ounces of silver)

This is the first update of the Talang Santo Resource estimate by Kingsrose since that reported in 2015 and incorporates additional data from the Company's increased geological understanding and updated interpretations of the deposit (gained through recent operating experience), "mine to mill" reconciliation, significant additional diamond drilling and mining depletion.

Kingsrose Managing Director Karen O'Neill commented "This updated resource statement includes results of our recent drilling programmes. We believe there is potential to expand this resource as mineralisation remains open at depth and along strike. We plan to recommence drilling at Talang Santo in the near future".

The company also said that it has approved the immediate recommencement of the Talang Santo Phase 2 Deep drilling programme, which was suspended towards the end of April 2020 as part of the Company's response to the COVID-19 pandemic.

The objective of this drilling programme is to infill the current Mineral Resource estimate and test the exploration target, the company said.

PGE studies ways to extract minerals from geothermal ops

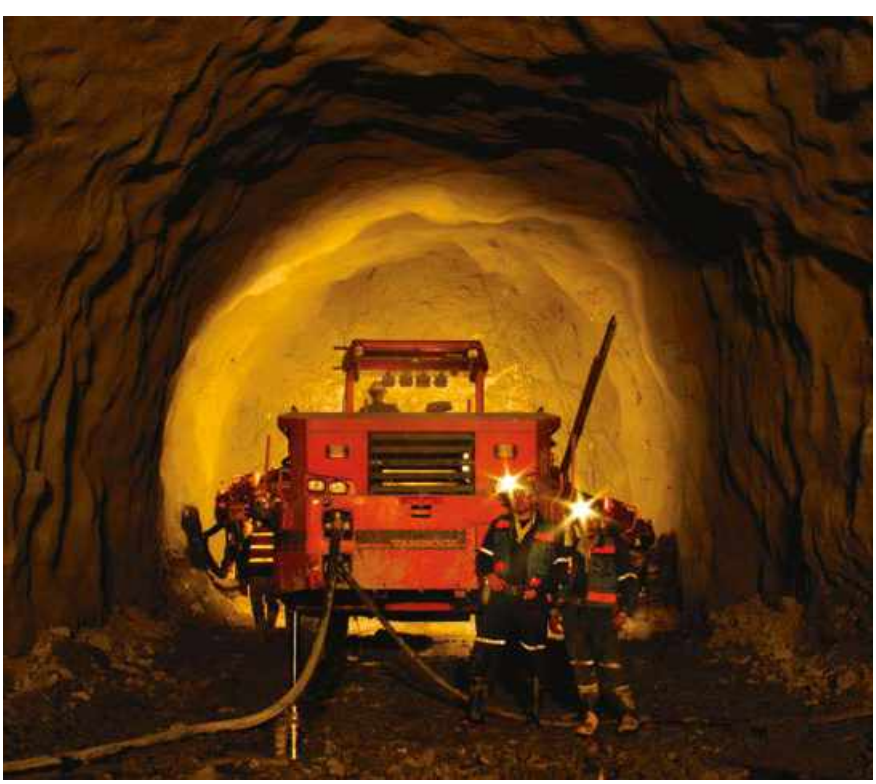
PT. Pertamina Geothermal Energy (PGE), a geothermal unit of state oil and gas firm PT.Pertamina (Persero), is embarking on studies to exploit minerals at its working areas.

VP Exploration Tavip Dwikorianto told a webinar participants that significant potential of lithium has been identified at its areas in Lahendong and Tompaso in North Sulawesi, Lumut Balai in South Sumatra and Hulu Lais in Bengkulu.

Tavip said that the company is conducting in-depth studies to identify the best technology to be able to commercially exploit the associated minerals.

Aside from lithium, Tavip said that PGE also has identified silica sediment which has a potential volume of up to 8,000 tons per year in Hulu Lais. Other minerals include zinc, boron and salt, he said.

PGE is currently one of the biggest geothermal power plant operators with 672 MW in operations across the country and is aiming to operate 1,112 MW in the next 6 years. C



Awak Mas enters project financing stage

ASX-listed gold mining firm Nusantara Resources Limited announced that an Independent Technical Expert (ITE) report on the Awak Mas Gold Project (Awak Mas) prepared for the Project to support project financing has been completed, allowing the next stage of project financing to commence.

In addition, regulatory approval has now been received for PT Indika Energy Tbk through PT Indika Mineral Investindo to become a shareholder in the Awak Mas project vehicle.

Nusantara, along with its partner Indika, are seeking to build a syndicate of project financiers interested in providing senior debt for Awak Mas, along with potential providers of mezzanine finance.

The ITE review was commissioned by a consortium of potential financiers and is a standard form of technical due diligence when seeking project financing in the industry. The ITE report will allow formal engagement with interested parties, advancing towards a complete project financing solution, the company said.

Managing Director, Neil Whitaker said "This ITE report and Indika's equity investment of USD15M for 25% of the project are significant steps for Awak Mas. Nusantara warmly welcomes Indika into the Awak Mas project vehicle, noting their proven track record in developing, operating and financing mining projects in Indonesia. In particular we look forward to leveraging their experience and proven ability to secure bank financing.

The June 2020 addendum to the Definitive Feasibility Study (DFS)1 confirmed Awak Mas to be a high margin development opportunity and now key technical aspects have been independently validated in the ITE report. This allows Nusantara and Indika to work even closer with interested financiers to obtain a project financing solution.

Awak Mas generates significant upfront cashflow at the DFS gold price assumption of USD1,700/oz and is exposed to further upside with record highs above USD1,900/oz. The gold price sensitivity analysis indicates a 28% increase in discounted cashflows to USD661M, driving a rapid project payback of 1.6 years (post-tax)".

The Awak Mas project is located in South Sulawesi. C

Merdeka anticipates rising capex

IDX-listed PT Merdeka Copper Gold Tbk said that its capital expenditure (capex) for this year may be greater than the original projection of US$80 million following cracks at the heap leach pad in Tujuh Bukit mine in Banyuwangi, East Java, on Saturday, which prompted the company to suspend production activity.

Merdeka CEO Tri Boewono said at a public expose meeting that the company has so far realized $30 million of the planned capex, and will spend another $50 million in the remaining period of this year.

Tri said, however, this capex figure has yet to include the expected additional expenditure resulting from the weekend's crack incident at the heap leach pad, which will negatively affect production and cashflow of the company. Plans are underway to repair the facility.

The incident comes after Merdeka announced in August that it has revised upward its gold production guidance this year to 175,000-190,000 oz, compared to the original guidance of 165,000-185,000 oz, to capitalize on the rising gold price. Following the weekend incident, Merdeka may fail to realize the higher gold production target.

PT Vale appoints new VP as Inalum becomes shareholder

IDX-listed integrated nickel mining firm PT Vale Indonesia Tbk reshuffled its board of directors and board of commissioners as state-owned PT Indonesia Asahan Aluminium (Inalum) is set to become a new shareholder in the company.

PT Vale said in a statement that at an extraordinary general meeting of shareholders, the shareholders approved the appointment of Adriansyah Chaniago as the new Vice President Director of the company for a period of three years, effective upon completion of the shares sale and purchase between the controlling and majority shareholders of the company with the potential buyer, with respect to the divestment obligation of 20 percent shares of the company , until the closing of the company's annual general meeting of shareholders in 2024.

As had been previously reported, PT Vale's controlling and majority shareholders, Vale Canada Limited (VCL) and Sumitomo Metal Mining Co Ltd (SMM), signed in June the definitive agreements for the sale of a 20 percent stake in PT Vale to Inalum.

Adriansyah is a former commissioner at state-owned toll road firm PT Jasa Marga and PT Samudra Energy.

Furthermore, PT Vale said the shareholders also approved the appointment of Ogi Prastomiyono as the new Vice President Commissioner of the company, the appointment of Rizal Sukma, Alexandre Silva D'Ambrosio each as the new Commissioner of the company; and the appointment of Dwia Aries Tina Pulubuhu as the new Independent Commissioner of the company each for a period of 3 years, effective upon completion of the aforementioned shares sale and purchase, until the closing of the company's annual general meeting of shareholders in 2024.

PLN to supply power to N. Sulawesi gold miner

State electricity firm PT PLN (Persero) has signed an electricity sales agreement with North Sulawesi gold mining firm PT Sumber Energi Jaya (SEJ).

PLN's General Manager for North, Southeast and Central Sulawesi Leo Basuki Bremani told Petromindo.Com that under the deal, PLN will gradually increase supply to SEJ to 15MW when the mine is fully operational. He said that the mine will start construction soon. He did not give further details.

SEJ's mine is located in Minahasa Tenggara regency. C

Kapuas Prima sets aside funds for exploration

IDX-listed base metal miner PT Kapuas Prima Coal Tbk (ZINC) said it sets aside US$3-4 million annually for the development and exploration of the company's mining areas.

The mining area of the company, which produces base metal consists of lead (Pb) concentrate, zinc (Zn) and silver (Ag) concentrate, is currently covering 5,569 hectares (ha) with a newly produced area of 390 ha.

This decision, the company said, was taken because of the large market share and to maintain the company's business sustainability to ensure sufficient reserves for the long term.

Previously, ZINC had also announced an increase in company-owned Galena or basic metal resources.

The total resources of the company as of August 2020 reached 23.33 million tons, an increase from the previous data of 14.44 million tons in 2018.

The potential resources and reserves of ZINC are still quite large because until now, the company has only produced an area of 390 Ha, or around 7 percent of the total area of IUPs owned.

ZINC Director Hendra William said the amount of Galena resources and reserves owned by ZINC has referred to the JORC (Joint Ore Reserves Committee) standard.

"We are grateful for the release of the latest results from the assessment of these resources so that the JORC results will be a positive sentiment towards the sustainability of the company's development and increase in shareholder value," he said.

"Meanwhile, the mineral reserves report is still in process, which we anticipate it will take another 1-2 months from now," he said.

The company has also invested in constructed of two smelter factories for Lead (Pb) and Zinc (Zn) smelters.

Currently, the Timbal smelter construction progress has reached 99 percent and is targeted to start production in the first quarter of next year. Meanwhile, the zinc smelter is targeted to produce in 2022.

In addition, realizing that the general commodity market has moved up since July 2020, the company considers to carry out domestic iron ore production.

It said if this can be realized, it will provide positive added value for the company in the future.

The current 62 percent iron ore price is in the range of $110/ ton.

"We see that these two commodities have very positive prospects, because the need for domestic market share is still very large and very dependent on imports to meet the needs of this commodity every year," Hendra said.

"At the same time this smelter project is in line with the government's program to meet local needs (downstream) and reduce the number of imports," added Hendra.

The company is also completing smelter project for refining lead (Pb) and the construction of a Zinc (Zn) smelter located in Pangkalan Bun, Central Kalimantan. C

Silkroad Nickel names new CFO

Singapore-based miner Silkroad Nickel Ltd has announced the appointment of Ketan Ranadive as the company's new Chief Financial Officer.

Ketan Ranadive was recommended by the Nominating Committee and approved by the Board of Directors after taking into consideration Ranadive's professional qualifications, educational background and work experience.

Silkroad said Ranadive will be responsible for all accounting, financial, taxation and corporate matters of the group.

Ranadive has 10 years of working experience in a similar position. The following is his positions in the past 10 years or so:

- August 2018-Present: Silkroad Nickel Ltd, Legal and Corporate Consultant
- September 2016-September 2020: JABAR Education City Pte Ltd, Chief Financial Officer
- January 2014-August 2016: SilverNeedle Hospitality Group, Vice President, Corporate Finance
- April 2011-December 2013: Korvac Holdings Pte Ltd, Executive Vice President, Finance
- March 2009-December 2010: Maybank MEACP Private Equity Fund, Investment Director

Silkroad Nickel Ltd is principally engaged in the business of exploration, mining, production, and sale of nickel ore. It has obtained the Production Operations IUP to conduct nickel ore mining operations in the mining concession area, covering approximately 1,301 hectares located in Morowali, Sulawesi.

Based on the standards of the JORC Code 2012, the independent qualified person's report dated Sept. 30, 2019, the mineral resources covering the mining concession area is estimated to reach 146.6 million wet metric tons (wmt), including an estimated 56.8 million wmt being defined as indicated resources and an estimated 89.7 million wmt being defined as inferred resources.

Of the total resources, an estimated 44.5 mwmt were defined as probable ore reserves.

The company said last month that it is in the process of finalizing necessary financing and operating agreements in relation to its nickel pig iron (NPI) smelter project in Sulawesi. C

Darma's non-coal mining projects delayed due to pandemic

IDX-listed coal mining services company PT Darma Henwa Tbk, which last year started diversification by providing services in the mineral mining sector, said that two of its non-coal mining projects have been delayed due to the Covid-19 pandemic.

Darma Corporate Secretary Mukson Arif was quoted by news portal kontan.co.id as saying that the schedule to start works at the lead and zinc mining project in Dairi, North Sumatra Province, has been postponed, to the first semester of next year.

After signing a mining services contract for the Dairi lead and zinc mining project with concession owner PT Dairi Prima Mineral (DPM) in March of this year, Darma said at the time that works were expected to start in June. Under the US$23.5 million contract, Darma will among others provide services including earthworks, civil/construction work, and mechanical and electrical installation at the lead and zinc mine for a period of 12 months.

Mukson said that another affected project is the gold mining project in Palu, Central Sulawesi, owned by PT Citra Palu Minerals (CPM). He also expected works at this project can be started in the first semester of next year.

"To date there's no definite information yet from the clients related to the schedule to start work, but we hope that the projects can be started in the first semester of 2021," he said.

Previous reports said that at the CPM project, Darma is will carry out road construction and surface preparation with contract duration of 3-4 years worth $40 million-$50 million.

Meanwhile, Mukson said that works at the gold mining project in Garut, West Java, owned by IDX-listed PT Aneka Tambang Tbk, continues to progress. Darma won the contract of the Garut project in December of last year for the construction of access road, box cut, and gold processing industrial test.

The company is also seeking to provide services at a gold and copper mining project in Tombulilato, Gorontalo Province. C

1H 2020 Financial Highlights

(In US$)	FY 2019	1Q 2020	1H 2020
Revenues	4,460,530	991,860	2,550,319
Net Income	1,264,725	161,265	955,388
Cash	752,333	226,442	2,450,043
Inventories (ore stock pile)	1,800,560	2,270,977	2,007,728
Restricted Deposit*	32,625,000	32,625,000	32,625,000
Short term loan	53,995,367	53,995,367	0
3rd Party Payables	52,262,673	53,028,512	56,447,278
Equity	520,323,795	521,450,523	574,765,920
Debt to Equity ratio**	0.2	0.2	0.1

* Fund allocated to develop PT &Uri Prima Mineral (Zinc & Lead Project).
**Debt to Equity ratio = (Short term loon + 34 Party Payables)/ Equity.

Volume of Dore Bullions Produced by CPM in the IH 2020

Date	Dore Bullion	Estimated Processed Gold
18-Feb-20	679 gr	557 gr
3-Mar-20	4.3 kg	1.3 kg
17-Mar-20	5.3 kg	1.6 kg
7-Apr-20	4.7 kg	1.25 kg
21-Apr-20	3.3 kg	0.9 kg
27-May-20	3.07 kg	0.9 kg
17-Jun-20	3.9 kg	1 kg
Total	25.25 kg	7.5 kg

BRMS reports positive 1H results as gold revenue rises

IDX-listed mining firm PT Bumi Resources Minerals Tbk (BRMS) reported positive financial results in the first-half ending June of this year (1H 2020) as its gold mining subsidiary, which started production earlier this year, continued to increase production.

BRMS said that it recorded revenues of US$2.55 billion and net income of $955,388 in 1H 2020. Around 16 percent of the revenues in the 1H 2020 ($408,319) came from the sale of gold produced by the company's subsidiary, PT Citra Palu Minerals (CPM) in Poboya, Palu, Central Sulawesi. The remaining of the revenues was from the mining advisory services.

The company said its revenues from the sale of gold in 1H 2020 already showed significant improvement from the first quarter of 2020. BRMS only booked $99,860 revenues from the sale of its gold in the first quarter of 2020, which only accounted for 10 percent of the total revenues at that period.

In the 1H2020, BRMS had also deleveraged its balance sheet when the company settled its $53 million loan to its creditor (Wexler Capital Pte. Ltd). As a result, BRMS' debt to equity ratio improves from 0.2 in December 2019 to 0.1 in June 2020.

BRMS' producing plant in Poboya has produced and sent more than 25 kg of dore bullions in the first semester 2020 to the Logam Mulia smelter in Jakarta, which is operated by IDX-listed PT Aneka Tambang Tbk (Antam). The Poboya producing plant has the capacity to process up to 500 tons of ore per day, which is operated by CPM.

PGN eyeing LNG supply opportunity for smelters

IDX-listed gas distribution firm PT PGN (Persero) Tbk is eyeing opportunities to supply LNG and small-scale regasification infrastructures to a number of smelter projects in Indonesia.

Strategy and Development Director Syahrial Mukhtar told a webinar participants recently that it has identified three smelter projects which may require gas for their operations; namely PT. Freeport Indonesia's copper smelter in Gresik, East Java, with gas requirement of 29 BBTUD; PT. Amman Minerals Nusa Tenggara's copper smelter project in West Nusa Tenggara with 34 BBTUD gas requirement; and PT. Aneka Tambang's nickel smelter in Pomalaa, Southeast Sulawesi with gas requirement of 17 BBTUD.

He did not give further details.

According to his presentation, PGN is also eyeing an opportunity to supply LNG to a steel industrial complex in Batulicin, South Kalimantan. C

September HPE of most commodities up

The export reference price (or better known as HPE) of most mineral commodities for the period of September increases compared to August in line with rising international prices as demand increased.

"The HPE of mining products (for the) period of September 2020 fluctuates including copper concentrates, iron concentrates, laterite iron concentrates, lead concentrates, zinc concentrates, iron sand concentrates, ilmenite concentrates, and washed bauxite which increases compared to last month," said Director General of International Trade Didi Sumedi in a statement.

He said that price of a number of mining commodities had started to recover in line with rising global demand. Meanwhile, manganese price declined due to oversupply situation and lower demand from processing plants in China. He added that demand for rutile concentrates from steel industry declined, putting pressure on the price.

The ministry sets the HPE of mineral commodities which are subject to export tax every month.

The ministry said that mineral commodities with higher September HPE, compared to August are copper concentrates (Cu ≥ 15%) at average price of US$2,855.44/wmt, or up 7.45 percent; iron concentrates (hematite, magnetite) (Fe ≥ 62% and ≤ 1% TiO2) at $99,70/wmt, up 11.22 percent; laterite iron concentrates (gutite, hematite, magnetite) with purity (Fe ≥ 50 persen dan (Al2O3 + SiO2) ≥ 10 persen) at $50.95/wmt, up 11.22 percent; lead concentrates (Pb ≥ 56%) at $771.38/wmt, up 4.55 percent; zinc concentrates (Zn ≥ 51%) at $550.45/wmt, up10.63 percent; iron sand concentrates (lamella magnetite-ilmenite) (Fe ≥ 56%) at $59.53/wmt, up 11.22 percent; ilmenite concentrates (TiO2 ≥ 45%) at $275.83/wmt, up 4.38 percent; and washed bauxite (Al2O3 ≥ 42%) at $22.96/wmt, up 6.2 percent.

Commodities with lower September HPE are manganese concentrates (Mn ≥ 49%) at $212.93/wmt, or down 21.18 percent; and rutile concentrates (TiO2 ≥ 90%) at $856.34/wmt, down 3.39 percent.

Meanwhile, HPE of iron sand concentrates (lamella magnetite-ilmenite) (Fe ≥ 54) is unchanged at $117.98/wmt.

Timah seeks partner in rare earth project

IDX-listed tin giant PT Timah Tbk said it is seeking for foreign partner to develop a monazite processing plant in Bangka Barat, Bangka Belitung Province.

The company said in a statement that it needs partner in developing the planned project because the processing of rare earth minerals requires advanced technology.

As has been previously reported, Timah is planning to develop a monazite processing plant, which will separate rare earth minerals and radioactive elements uranium or thorium from monazite mineral, which is an accompanying mineral of tin ore mining. Timah said last year it has completed the feasibility study. C

Sumitomo to absorb entire output of PT Vale's nickel smelter

Sumitomo Metal Mining Co Ltd will absorb the entire output of the proposed nickel smelter in Pomalaa, Southeast Sulawesi Province, to be developed by IDX-listed integrated nickel mining firm PT Vale Indonesia Tbk in partnership with the Japanese firm.

The smelter will produce mixed sulphine precipitate (MSP), an intermediate product that can be further processed into raw material for production of electric vehicle batteries.

"The MSP will be entirely absorbed by Sumitomo. The MSP can be further processed into raw material for battery," PT Vale Finance Director Bernardus Irmanto on Monday.

He previously said that construction process of the smelter project, which will use the high-pressure acid leaching (HPAL) technology, is expected to start next year.

Elsewhere, Bernardus welcomes Elon Musk's plan to seek for "clean" nickel supply for Tesla Inc's batteries.

"Elon Musk's statement is very interesting," said Bernardus, adding that this provides new opportunities for firms that can supply nickel products for Tesla in ways that are environmentally friendly.

Musk has recently promised a "giant contract" to miner that can supply nickel for Tesla at low cost and minimal environmental impact. He said that Tesla is facing challenges in getting nickel supply from producers that are operating efficiently and environmentally friendly. He added that nickel-based battery is crucial for large size electric vehicle.

Bernardus could not confirm whether the Pomalaa smelter output will be directed toward catering Tesla's raw material requirement. "Whether Sumitomo will later hold communications with Tesla, we don't know. It's the domain of Sumitomo as the off-taker," he said.

Government considering special price for limonite

The Ministry of Energy and Mineral Resources is conducting research to assess the economic value of the country's limonite reserve as the main raw material to produce battery for electrical vehicle.

"In an attempt to create an economic value of the battery industry, (the assessment will see) how limonite price can be different from the current HPM," Yunus Saifulhak, Director of Mineral Development and Business at the Ministry of Energy and Mineral Resources said in a recent webinar.

He was referring to the metal mineral benchmark price (or better known as HPM), a government-administered benchmark price for nickel transaction between miners and smelter operators.

Yunus said that the nickel limonite with grade of less than 1.4 percent would have a special price in order to give incentives for battery producers and miners.

It is not clear when the assessment would be completed. Indonesia holds the world's largest nickel reserve of the limonite type.

Data from the Indonesian Nickel Miners Association (APNI) shows that as of 2020, Indonesia has reserve of low-grade nickel of less than 1.7 percent of 3.6 billion tons, compared to only 930 million tons of high-grade nickel reserve.

All the nickel smelters in the country currently consume the high grade nickel to produce ferronickel and nickel pig iron for the stainless steel industry.

Nickel laterite ore has two ore types namely saprolite and limonite. The limonite-type ore is subject to hydrometallurgy process to produce nickel metal products. C

Ceria expects smelter to start ops in 2022

South East Sulawesi nickel miner and smelter firm PT. Ceria Nugraha Indotama expects construction of its first unit of ferronickel smelter to be completed in 2022.

Business Development Amando B. Kaligis recently told Petromindo.com that the smelter, which will utilize 1x72 MVA rotary kiln electric furnace (RKEF) technology, will process 1.4 million tons ore with cutoff grade of 1.59 percent and will produce 63,000 tons per annum of ferronickel with nickel grade of 22 percent, or equivalent to 13,900 tons of pure nickel.

The company's ultimate plan is to expand the processing facilities into 4 units of 72 MVA facilities with annual production of 252,000 tons per annum of ferronickel. Ceria will build another 1x72MVA line in the second phase and 2x72 MVA in the third phase, the official said. Total investment for the four lines is estimated at around US$700 million.

The company assigns state contractor PT. PP (Persero) and Chinese firm China Enfi Engineering as EPC contractors. The latter also serves as a technology provider for the smelter.

Amando said that ceria owned 100 percent of the smelter. Ceria is controlled by Indonesian businessman Derian Sakmiwata.

Apart from the ferronickel smelter, the company has also completed a feasibility study for the nickel hydrometallurgy project with engineering design by Enfi. Processing plant will process 4.2 million tons of nickel ore to produce 3.6 million tons autoclave bait. The annual output for nickel/cobalt hydroxide is 103,000 tons, containing 40,000 tons of nickel metal and 4,100 tons of cobalt metal. High pressure acid leaching (HPAL) process will be adopted in this processing process.

Ceria operates a large laterite nickel mine on a mining area with the size of 6,785 hectares, which is known as Block Lapaopao in the sub-district of Wolo, Kolaka, South East Sulawesi.

The block has resource of 91.3 million tons (wet) with an average of 1.53% nickel in saprolite and 74 million tons (wet) with an average of 1.25% nickel and 0.13% cobalt in limonite.

The Lapaopao block also has potential resources of 80 – 292 million tons (wet), containing an average of 1.05% – 1,7% nickel. Latest JORC Mineral Resource Report in April 2018 reported a total of 90.12 million tons (wet) with an average of 1.52% nickel in saproline and a total of 75.40 million tons (wet) with an average of 1.25% nickel and 0.13% cobalt. C

OPINION

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Minister of Energy and Mineral Resources sets ground rules on battery electric vehicle charging infrastructure

Following the Government's program to accelerate the adoption of battery based electric vehicle in Indonesia under President Regulation No. 55 of 2019 on the Acceleration of Battery Electric Vehicle ("BEV") Program for Road Transportation issued last year, the Minister of Energy and Mineral Resources (the "MEMR") issues the MEMR Regulation No. 13 of 2020 on the Provision of Electric Charging Infrastructure for Battery Electric Vehicle ("MEMR Regulation 13/2020") in August 7, 2020.

The MEMR Regulation 13/2020 complements the already existing MEMR Regulations which regulates other aspects of BEV charging in Indonesia, such as the MEMR Regulation No. 35 of 2013 as lastly amended by MEMR Regulation No. 12 of 2016 which regulates the relevant permits in electricity supply and electricity supporting services business.

Notably, the MEMR Regulation 13/2020 serves as the ground rule for the provision of BEV charging infrastructure, stipulating the various types of charging infrastructure, the necessary licensing requirements and safety standards, as well as determining the tariff to be imposed for BEV charging.

Types of infrastructure

The MEMR Regulation 13/2020 divides BEV charging infrastructure in two types, namely: (i) battery charging facilities (also known as fasilitas pengisian ulang) and (ii) battery exchange facilities (also known as fasilitas penukaran baterai).

Battery charging facilities may take place at (i) Private Electric Installations and/or (ii) Public Electric Vehicle Charging Stations (Stasiun Pengisian Kendaraan Listrik Umum or "SPKLU"), while battery exchange facilities will take place at Public Electric Vehicle Battery Exchange Stations (Stasiun Penukaran Baterai Kendaraan Listrik Umum or "SPBKLU").

Private Electric Installations are facilities at electricity utilization installations used for BEV charging specifically for captive use which shall not be used for commercial activities. Private Electric Installations may be located at government offices or at residential area.

Meanwhile, SPKLU and SPBKLU are BEV charging facilities and BEV battery exchange facilities used for public interest.

SPKLU and SPBKLUs shall be located at locations that are easily reachable by BEV owners, that would not disturb the security, safety, and order of traffic. Specifically for SPKLUs, the

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location shall be complimented with a specific designated parking area.

To accelerate the adoption of BEV, the MEMR Regulation 13/2020 also suggests SPKLU and SPBKLUs to be provided in pre-existing facilities, such as at public gas stations, shopping malls, government offices, and public parking spaces, without eliminating other potential locations for as long as the meet the accessibility and safety requirements.

MEMR Regulation 13/2020 provides a more detailed technical requirement for SPKLU(s), which includes standards of its power supply equipment, current/voltage/communication control system, also [protection] and safety system.

Meanwhile, SPBKLU(s) appear to have a less stringent requirement, focusing primarily on the guarantee of the battery being [leased], the online application provided by the operator on the battery swapping facilities and other information, and the ownership of the battery [exchanger].

Every charging and battery exchange infrastructure shall meet the stipulated electricity safety, including utilizing only certified products meeting the Indonesian national safety standards (SNI), employing certified technicians, and obtaining operation-worthiness certification in the form of Operational Feasibility Certificate (Sertifikat Laik Operasi or "SLO").

Licensing requirements and safety standards

Depending on whether the SPKLU sources its own electricity or simply purchasing the electricity, the entity developing SPKLU will be required to obtain either an integrated Electric Provision Business License (Izin Usaha Penyediaan Tenaga Listrik Terintegrasi or "Integrated IUPTL") or a sale IUPTL (Izin Usaha Penyediaan Tenaga Penjualan or "Sale IUPTL"), respectively.

In addition to the IUPTL, all SPKLUs developer shall also obtain determination of Business Area (Wilayah Usaha) from the MEMR and approval of their Electric Provision Business Plan (Rencana Usaha Penyediaan Tenaga Listrik or "RUPTL"). A holder of integrated IUPTL is also required to own several SPKLUs located in more than 1 (one) province nationwide.

Since at the moment, PT PLN Persero (PLN) is the only Integrated IUPTL holder, we refer the Integrated IUPTL holder as PLN in this Newsflash.

Meanwhile, Private Installation and SPBKLU operator are not required to obtain IUPTL (nor the relevant Business Area or RUPTL) to run its business.

Based on MEMR Regulation 13/2020, SPBKLU developer shall have a license in accordance with the prevailing laws and regulations.

Both SPKLU and SPBKLU must obtain SPKLU or SPBKLU Identity Number by submitting an application to the MEMR. Once issued, a SPKLU or SPBKLU shall put its Identity Number in a clearly visible location.

Any change to the SPKLU or SPBKLU's scheme data or location shall be reported in writing to the MEMR within 5 (five) business days upon the change.

Business Model

The MEMR Regulation 13/2020 provides possible business models in which SPKLU and SPBKLU may be run. Some business models of SPKLU involve the role of holders of Electricity Supporting Services Business License specifically for Operations (Izin Usaha Jasa Penunjang Tenaga Listrik untuk Pengoperasian or "IUJPTL") as the operator.

There are 5 (five) possible business models in which SPKLU may be run by the holder of an Integrated IUPTL or PLN:

(i) provide/sell electricity, own, self-operated by IUPTL holder ("POSO");
(ii) provide/sell electricity and own by IUPTL holder, but operated by the IUJPTL holder ("POPO");
(iii) provide/sell by IUPTL holder, but owned and operated by IUJPTL holder ("PPOO");
(iv) provide/sell and self-operated by IUPTL holder, but lease the facilities from partner ("PLSO");
(v) provide/sell by the IUPTL holder, lease the facilities from a partner, and operated by IUJPTL holder ("PLPO").

Meanwhile, there are other 5 (give) possible business models in which SPKLU may be run by the holder of a Sales IUJPTL:

(i) by buying electricity from IUPTL holder, sell and self-operate (also known as retail, own, self-operated or "ROSO");
(ii) by buying electricity from Integrated IUPTL holder, sell yet privately operated by IUJPTL holder (also known as retail, own, privately-operated or "ROPO");
(iii) by buying electricity from Integrated IUPTL holder, sell, yet owned and operated by IUJPTL holder (also known as retail, privately owned and operated or "RPOO");
(iv) by buying electricity from Integrated IUPTL holder, sell, lease from partner yet still self operate (also known as retail, lease, self-operated or "RLSO"); and/or
(v) by buying electricity from Integrated

IUPTL holder, sell, yet lease from partner and operated by IUJPTL holder (also known as retail, lease, privately operated or "RLPO").

SPBKLUs business models are classified based on whether the SPBKLU developer owns the battery swapping cabinet. There are two possible business models in which SPBKLU may be run:

(i) battery provider, battery swapping cabinet owner ("BPCO"), and
(ii) battery provider, battery swapping cabinet lessee ("BPCL").

Appointment of PLN and Tariff

Same as the approach implemented under President Regulation No. 55 of 2019, as a pioneer project, the MEMR Regulation 13/2020 appoints PT PLN (Persero) ("PLN") to implement the provision of charging infrastructure. However, PLN may also collaborate with other entities.

PLN shall also create a roadmap of SPKLU and SPBKLU installations (by coordinating with the SPKLU and SPBKLU developers) to be submitted to the MEMR within 6 (six) months from the issuance of the MEMR Regulation 13/2020 (i.e., January 2021), including the location, capacity, and the chosen business model for each SPKLU and SPBKLU.

The imposed tariff for electricity provided by PLN varies between:

(i) retail tariff imposed by Integrated IUPTL holder for Private Electric Installation for public transportation charging, SPKLU, or SPBKLU;
(ii) retail tariff imposed by Integrated IUPLT holder for Private Electric Installation for non-public transportation use; and
(iii) tariff imposed for special services being tariff for charging imposed by SPKLU developers to BEV owners.

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Despite so, MEMR Regulation 13/2020 provides an additional criteria for determining electricity retail tariff being a Q factor at a minimum amount of 0.8 (point zero eight) and a maximum amount of 2 (two).

Whereas, SPKLU developer as Integrated IUPTL or Sales IUPTL holder shall use an N factor at the highest amount of 1.5 (one point five) in determining tariff to BEV owners.

On the other hand, tariff of battery exchange/battery swapping imposed by SPBKLU developer shall be based on the commercial considerations of such developer and agreement between the SPBKLU developer and the BEV owner.

Guidance, Monitoring, and Sanctions

The MEMR will continuously provide guidance on the provision of charging infrastructure and regulation of electric power tariff for BEVs, including through socialization, dialogue, and/or focus group discussions; technical education and training; assistance in troubleshooting; and monitoring and evaluation of the provision of charging infrastructure.

The MEMR will also monitor the criteria and facilities installed , the implementation of tariff, the quality of operational services provided, and the safety standard of each charging infrastructure.

Failure to obtain and display valid SPKLU or SPBKLU Identity Number visibly and failure to report any change of data scheme or location of SPKLU or SPBKLU may result in administrative sanction. The MEMR may issue up to three written warning to such SPKLU or SPBKLU.

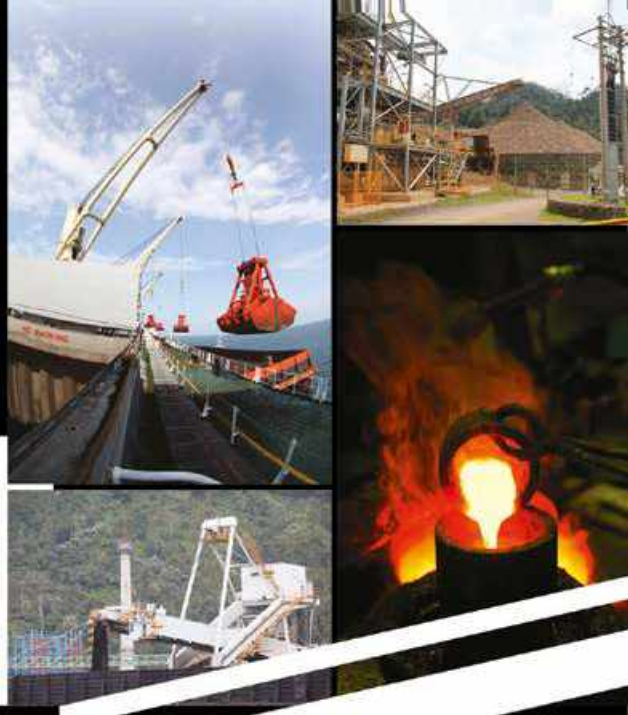
Failure to observe with the written warnings may result in temporary suspension of business activities for 3 (three) months. Subsequently, the MEMR may revoke the relevant business licenses of the SPKLU and SPBKLU operators if they fail to comply with the stipulated provision after the temporary suspension.

The MEMR will also impose sanction pursuant to the prevailing laws and regulations on electric power for failure to meet the stipulated safety standards.

Owners of Private Installations, SPKLU and SPBKLU that have operated before the enactment of MEMR Regulation 12/2020 shall comply and adjust its operations in accordance with the regulation. Specifically, for existing SPKLU(s) developer, adjustment shall be made at the latest 6 (six) months as of the enactment of the regulation. C

Indonesia | English

UNDANG-UNDANG NOMOR 3 TAHUN 2020
TENTANG
PERUBAHAN ATAS UNDANG-UNDANG NOMOR 4 TAHUN 2009 TENTANG PERTAMBANGAN MINERAL DAN BATUBARA

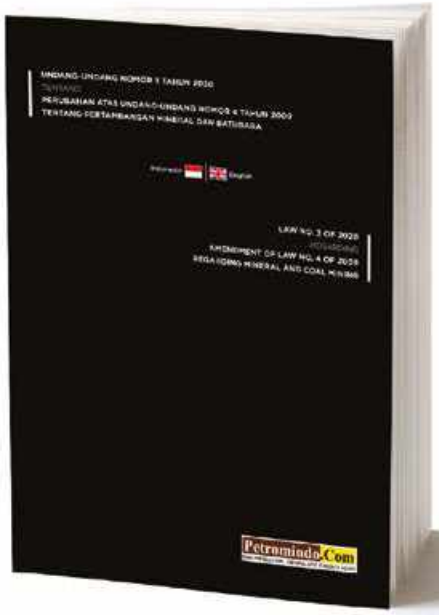


LAW NO. 3 OF 2020
REGARDING
AMENDMENT OF LAW NO. 4 OF 2009 REGARDING MINERAL AND COAL MINING

President Joko Widodo has recently enacted the long-awaited new mining law, which is an amendment to Law No. 4 of 2009 regarding Mineral and Coal Mining, introducing significant changes to the mining sector and how the players operate in Indonesia.

Key points in the new Law No. 3 of 2020 regarding Amendment of Law No. 4 of 2009 Regarding Mineral and Coal Mining include: centralizing permit issuance, nationalizing resources, profit sharing with local administrations, guarantee on continued operations of Coal Contract of Work/PKP2B, expanding mining reserves, and developing downstream industries. This new law has been in force since June 10, 2020.

This publication is aimed at disseminating information regarding the new law to the international community, who needs to know them in English as well as for investors wishing to get involved in Indonesian energy and mining related industries. The narrative is presented in dual language with Bahasa Indonesia and English versions appearing side-by-side on each page.



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IEEFA: Last hopes for demand growth set to disappoint thermal coal exporters

The world's largest thermal coal exporter is eyeing new markets as its largest export destinations threaten to cut imports. Indonesia is targeting Bangladesh, Pakistan and Vietnam as China and India seek to curb thermal coal imports into the long term.

Australian and South African thermal coal exporters aren't going to have it their way

As a result, Australian and South African thermal coal exporters aren't going to have it all their own way in seeking increased deliveries to markets like Vietnam. Furthermore, it looks increasingly like Vietnam, Bangladesh and Pakistan are going to disappoint those hoping for more demand growth from these countries.

A key problem faced by thermal coal exporters in Australia, Indonesia and South Africa is that China and India are increasingly prioritising their own very large domestic coal mining industries. Both nations are keen to reduce imports as much as possible for energy security reasons and to protect domestic jobs.

Other established coal export destinations are also likely to reduce imports in the long term.

South Korea has been the third largest thermal coal export destination for Australia, Indonesia and South Africa. However, in September 2020 President Moon Jae-in announced that 30 coal-fired power plants will be closed by 2034 and wind and solar capacity tripled by 2025.

Meanwhile Japan is now planning the closure of 100 coal-fired power units by 2030 as it gears up for its own push into offshore wind.

Bangladesh set to abandon its coal push

Bangladesh's coal power capacity will likely now be limited to what is already under construction.

With one of the largest coal power project pipelines in the world, Bangladesh has been considered a significant source of future demand growth for thermal coal in the Asian seaborne market.

However, that hope looks like it is about to come to an abrupt end now that the nation's power ministry has sought approval from the Prime Minister to cancel 13,000 megawatts of coal power plans.

The relative expense of coal-fired power compared to new energy technology, and increasing difficulties securing finance for coal projects are behind Bangladesh's sudden shift. Bangladesh's coal power capacity will likely now be limited to what is already under construction – a major boom in coal imports to help replace declines elsewhere won't now happen.

Pakistan's Imported-Coal-Fired Plants Are Stranded According to New Power Plan

Like Bangladesh, Pakistan was also once seen as one of the last major thermal coal growth markets. However, the government has been shifting away from imported coal and is now prioritising power plants fuelled by domestic coal, hydro and renewable energy.

South African exporters will need to find alternative markets

Another planned coal power plant intended to be fuelled by imported coal was cancelled in June 2020. And Pakistan's new long term power plan continues the trend away from imported coal.

According to this plan, focus on other power sources would mean that the nation's coal plants that use imported coal would be operating at just 14% utilisation by 2030. In such a scenario, those coal power plants are stranded – they can't operate economically at such low utilisation.

This would end any chances of Pakistan replacing lost markets for Indonesia and Australia. It's even worse news for South African coal exporters as Pakistan is currently the nation's second largest export destination.

India is South Africa's largest coal export destination by far but with the Indian government stepping up action to replace coal imports with domestic supply and Pakistan turning towards domestic power sources, South African exporters will need to find alternative markets.

In 2020, South Africa has managed to significantly increase exports to Vietnam, although this has not been enough to counteract a fall in exports to India.

Vietnam prepares to dial down coal focus

Increased export focus on Vietnam this year highlights how this nation is becoming a battleground market as the Asian seaborne thermal coal pond threatens to shrink significantly in the long term.

Although Vietnam has significantly increased coal imports recently, it now looks like nation's next long term power plan will further disappoint the thermal coal sector.

A boost in renewable energy focus along with curtailment of coal-fired power additions are set to be key features of Vietnam's soon-to-be-finalised Power Development Pan VIII.

Vietnam won't be able to replace markets the main exporters are set to lose elsewhere

This follows the Vietnamese National Steering Committee for Power Development's recommendation that 15 gigawatts of planned coal projects be scrapped as renewables get cheaper and more banks pull out of coal power financing.

Coal power plants currently under construction in Vietnam will continue, increasing the demand for thermal coal imports in the medium term, but with Indonesia, Australia and South Africa all targeting the nation, it won't be able to replace markets the main exporters are set to lose elsewhere in Asia.

The International Energy Agency's (IEA) most recent World Energy Outlook – often quoted by the coal industry – outlines a 15% decline in the global thermal coal trade by 2030 under its central Stated Policies Scenario. Under its Sustainable Development Scenario, the decline is 56% by 2030.

According to the IEA, it is increasing coal exports to Asian markets outside of Japan, China, South Korea and Taiwan that will slow thermal coal's decline under its central scenario.

With the recent moves by Vietnam, Bangladesh and Pakistan that is looking less likely and the decline of seaborne thermal coal threatens to look more like the accelerated decline in the Sustainable Development Scenario.

The thermal coal industry can no longer claim that growth markets ensure a rosy future for exports. C

Writer: Simon Nicholas is an energy finance analyst at the Institute for Energy Economics and Financial Analysis (IEEFA). This commentary first appeared in Asia Times.

About IEEFA: The Institute for Energy Economics and Financial Analysis (IEEFA) examines issues related to energy markets, trends, and policies. The Institute's mission is to accelerate the transition to a diverse, sustainable and profitable energy economy. www.ieefa.org.

PWP: A reliable long-term partner

By **Tri Subhki R.**

Reliable fuel supply is very crucial in ensuring more sustainable mining operations. Since fuel cost contributes a large share of total production cost, competitive fuel price helps reducing mining operation costs. PT Prima Wiguna Parama (PWP) offers both of them.

PWP, a fuel supplier and part of PT ABM Investama Tbk, offers long term partnership with mining industry players in providing reliable fuel and lubricants supply. The company fully understands about the requirement of reliable fuel supply for 24 hours 7 days in mining operations.

"We provide not only reliable fuel delivery, but also reliable fuel quality and more competitive fuel price," Haris Mustarto, President Director of PWP, said to *CoalAsia* recently.

In addition, PWP ensures that it is not only a fuel trading company since PWP also provides reliable fuel availability for miners. The company has long term and strategic partnership with PT Pertamina (Persero) and other fuel vendors in supplying fuel for customers.

"There is no single mining operation that we serve dealing with operational disruption due to fuel availability," Haris said.

As part of ABM Investama's integrated mining solution, PWP supplies fuel to the jobsites where PT Cipta Kridatama (CK) operates, such as PT Tunas Inti Abadi, PT Mifa Bersama, PT Multi Harapan Utama and PT Binuang Mitra Bersama.

ABM Investama applies mining to trading services which focusing on coal business value chain. Its core business subsidiaries are PT Reswara Minergi Hartama and PT Cipta Kridatama and the enabler subsidiaries are PT CKB, PT Sumber Sarana Baja and PT PWP.

"We can guarantee reliable and continuous fuel supply from mining operations to trading activities. PWP also provides high quality fuel which improves the productivity of heavy equipment," Haris said.

PWP secures high fuel volume base as it is part of ABM Investama's integrated mining solution which prefer life-of-mine contract with mine owners. In 2018, PWP supplies 84.96 million litres of fuel for four companies at eight jobsites and is expected to increase.

"In 2019, we supplied 145 million litres of diesel fuel, and this year we will supply about 170-180 million litres. In 2021, we expect the fuel supply will be around 200 million litres," Bayu Anggoro, Head of Operation of PWP said.

The high volume base offers competitive advantage to PWP since Pertamina, as a strategic partner, sees PWP as reliable customer, especially because of its ability to provide ontime payment and payment before due. "PWP strives to always maintain good relations and partnership with our vendor by providing mutual benefit to each other" Bayu said.

In addition, PWP claimed that the company complies with all regulations regarding fuel distribution in industrial sector. "Since January 2020, we only provide B30 fuel for customers," Bayu added.

More efficient operations

Since fuel contributes the second largest share of total production cost, more competitive fuel price means more efficient mining operations. During the current low coal price condition, Haris said that only efficient mining operations will survive.

"It reflects on the CK's jobsites, where we provide fuel supply, that maintains the more efficient operations," Haris said. Mine owners, according to Haris, confirm that the end-to-end mining service solution by ABM Investama translates into more efficient operations.

On top of that, PWP also complies with health and safety regulation in mining industry, which is the most important aspect. "We have zero accident because we have certified and qualified personnel on the field," Haris said.

Currently, Haris said that PWP is focusing on the internal integrated service solution under ABM Investama. But he mentioned that the track record of PWP as reliable long term partner has been attracting a number of potential customers.

In fact, PWP supplies fuel for some miners outside the ABM Investama's integrated mining solution. "For example, we supplied fuel for PT Adimitra Baratama Nusantara (ABN), group of Toba in 2019," Bayu said.

Domestic mining industry alone, according to Bayu, required 5 billion litres of fuel before the COVID-19 outbreak which means that there are huge opportunities for PWP in the industry.

During the current hardship, when many miners are suffering due to low coal price situation, PWP understands that it is now a survival mode and all stakeholders need to work hand-in-hand to be able to survive.

"We fully support our customers during current survival mode, so we provide the best prices for customers. The most important thing is that we all can survive," Haris said. C

Golden Eagle, realizing 50% of production, expects a breath of fresh air next year

PT Golden Eagle Energy Tbk (Golde Eagle) is enjoying the outcome of their good performance of last year. In many plans for improvements of performance, companies must admit that the ongoing Covid-19 pandemics has hit most sectors of industries very hard, causing severe contractions in the growth of the global economy.

In the midst of the pandemic situation, Golden Eagle has made efforts to optimize their operation to achieve the best performance they can work on. Until last August, the company finally managed to realize 50 percent of their production target and the year's sales reaching around 1.5 million tons, which is below the company realization in the same period, last year.

Observing the dynamics in the market, especially those related to China and India, the company expects that next year, the availability of Covid-19 vaccine would make a good push toward a better condition. Though they expect for the better, Golden Eagle also admits they would, first of all, observe the situation of the market, while trying to penetrate, particularly, the domestic market that offers better prices for their products for the time being.

Throughout last year, Golden Eagle has reached positive performance with production recorded at 1.73 million tons or having a 17 percent increase of production compared to their production in 2018. The company managed to achieve 98 percent of production target by establishing an optimized mining plan with a stripping ratio down from 7.92x to 7.02x.

Along with that, they managed to increase the sales by 18 percent to 1.66 million tons compared to that of last year of 1.4 million tons. Their domestic sales contributed 31 percent or 515,000 tons of their total sales. The rest of the production went to the export market. The company also successfully surpassed the DMO (Domestic Market Obligation) of 25 percent, stipulated by the government.

How Golden Eagle observes their prospects in the business during the pandemic, and what they expect to achieve next year are elaborated by ***CoalAsia's*** reporter **Thomas Sembring** in an interview with Roza Permana Putra, the President Director of Golden Eagle. Due to the pandemic situation, the recent interview was done through e-mail communication.

Question: How is the general condition of the company, during the ongoing pandemic?

Answer: By continuing to implement the health protocol, in line with recommendations of WHO and the government, we have tried to maintain the normal operation of the company. Nevertheless, we have to admit that restriction of business activities in many countries including Indonesia to prevent the spread of Coronavirus has caused a decline of production demand and put pressures on the price down to the lowest level for the past 10 years. The condition has, eventually, led to a steep decrease of production volume and severe cut of margin.

How much are the production target and its realization up to August this year? Is the realization figure satisfactory in the midst of the pandemic condition? The existing production comes from which mines?

The realization and sales of the company's coal production from January to August 2020 reached close to 800,000 tons, or approximately 50 percent of the production target. And the year's sales during the period reached some 1.5 million tons. The company should, of course, be thankful of the accomplishment considering the sluggish market at the moment. The realization of production comes from our mining sites in Kalimantan and Sumatra, with each mine contributing proportionally similar amounts of coal products.

What is the percentage of the production plan already having sales contracts? On the whole, where should they go to?

Some 85 percent of the company's production plan for 2020 are already under sales contracts for destinations in the domestic and export markets such as India, the Philippines, and Cambodia.

Is there any chance of additional new contracts approaching the end of the year? Where do they come from? And what are the capacities?

Along with the decreasing growth of Coronavirus cases on the global level, activities of industries in many countries are expected to gradually improve to encourage the recovery of the global economy. This condition is highly expected to enable countries to push the growth of coal trade and stabilize the price.

Meanwhile, the domestic market is mostly trying to meet the demand for coal to fuel electricity power plants. The company keeps on making efforts to penetrate the domestic market, which, at the moment, offers a better price, while observing export opportunities, particularly to Southeast Asia including the Philippines, Thailand, Cambodia, and Vietnam.

With the present condition, how does the company see the production planning for next year? What are the considerations in establishing an adequate production planning?

The condition of the international market in the coming years would very much depend on whether China would keep its restrictions, or otherwise, they would reopen the tab of coal imports into the country. How fast the economy would improve in India also determines the range of demand for Indonesian coal in the international market, next year. The invention of Covid-19 vaccine, ready to start mass production by early next year, is expected to provide a breath of fresh air to the economy and industries.

The company keeps on making efforts to increase production by having additional transport fleet and optimized cycle time, especially of the mines in Sumatra, to achieve the economic scale. And we try to reduce the fix and overhead costs. The company is confident that its product is still on demand in the market, considering one characteristic of the company coal is that it is clean coal with relatively low content of ash and sulfur, suitable to fuel electricity power plants. And the demand for such type of coal is quite high in the domestic, as well as international markets.

Related to the mining infrastructure, what are the recent efforts the company are working on to support a smooth operation? How much is your total Capital Expenditure, specifically allocated for infrastructure expansion?

Roza Permana Putra

This year, the company would keep the capital expenditure to a minimum, considering the slow condition in the market during the pandemic. However, the company continues the proper maintenance and improvement of the infrastructure to optimize productivity and cycle time. We also continue to make efforts to increase the transport fleet of the contractors to be able to maximize the existing infrastructure capacities.

Related to expansion of the infrastructure, is there any synergy in the production planning involving works with the other mines you own? Is there any chance of additional new assets in production?

At present, the company focuses on working on ways to go back to a normal operation, despite difficulties to do so during the pandemic situation. We have yet any plan on infrastructure expansion or adding new assets.

Related to the acquisition you have planned the previous year, is there any chance to do it this year? The pandemic puts companies in difficult situation. Is the plan delayed, or on the contrary, accelerated in the midst of the severe condition experienced by other mines?

The acquisition is not the first priority of the company to work on, this year. We should be more careful in assessing the worthiness of the available prospects.

What are the criteria of mines you would acquire, and would you choose the ones already in production or those starting their initial production?

The company would take into account various factors, including their licensing, mining locations, amount of coal reserves and qualities (the caloric values, ash and sulfur content), as well as infrastructure and logistic facilities.

How does the company see the industry in the coming years? Is there any chance you would enter the renewable energy business on trend at the moment?

The company still sees prospects in coal business going forward, especially in Asia. Dependance on affordable primary energy resources in abundant amount is still very high, especially to developing countries in Southeast Asia regions. Along with the new power plants starting their operation, we expect the demand of the domestic market would also increase. That would motivate the company to work in progress, knowing that prospects of growth in the coal industry are there.

The company is committed to continue its efforts to maximize the growth of optimum volume of products through improvement of qualities and capacities of the logistic infrastructure, expansion of the market while maintaining its focus on the existing clients, also control of the overall cost to achieve efficient management of the operation enabling the company to gain optimum profit. C


Garuda Indonesia
SKYTEAM
PK-GFK
PPA

PPA's strong commitment on safety amid pandemic

By Tri Subhki R

Health and safety are the most important things in mining industry. However, during lingering COVID-19 pandemic in Indonesia, health and safety are becoming much more important considerations. Miners will take any measure to ensure not even a single worker is infected by coronavirus. Otherwise, the consequences may be unthinkable and unbearable.

As one of industries which is allowed to keep operating during the pandemic, mining sector is heavily affected by the social restriction policy in all regions in Indonesia. Manpower mobilization back and forth to mine sites during the pandemic must ensure that no single case occurs. In fact, many mine sites have to isolate itself and forbid anyone in and out of mines.

By considering the health and safety of all workers, Christianto Setyo, President Director of PT Putra Perkasa Abadi (PPA), decides to take an initiative by chartering flights of PT Garuda Indonesia Tbk. "Our human capital is the most importart asset," he said to *CoalAsia* recently.

In August, PPA, a coal mining contractor, signed a five years charter flight agreement with Garuda Indonesia which will provide PPA not only flexible and guaranteed flight schedules, but also safer and more comfortable services from Garuda Indonesia.

Christianto Setyo, President Director of PT Putra Perkasa Abadi (PPA)

The reason why PPA eventually decided to charter flight of Garuda Indonesia is due to Christianto's concerns not only about health and safety risk when flying with unknown passengers, but also the uncertain schedules of regular flights during the social restriction period.

Irfan Setiaputra, President Director of PT Garuda Indonesia (Persero) Tbk, confirmed that COVID-19 pandemic hardly hit the airline industry when very few passengers traveling during social restriction. "But the demand of charter flight of Garuda Indonesia is increasing significantly," he said.

Regarding the charter flight agreement with PPA, Irfan highly appreciates PPA that really care about workers' health and safety. "We can provide safety and comfortable flights," he said. Besides charter flight, Garuda Indonesia offers passenger and logistic flight services as well.

Irfan said that charter flight is in fact not a new service of Garuda Indonesia. "But under current situation, the charter flight business is more justifiable since the airline reduces regular and scheduled passenger flights," he said.

Not only for private companies, Irfan mentioned that surging demand of charter flight service also comes from individuals or big families and government/state-owned companies who want to avoid physical contact with other passengers.

Regarding charter flight agreement with PPA, Garuda Indonesia provides

Irfan Setiaputra, President Director of PT Garuda Indonesia (Persero) Tbk

flexible and guaranteed flight schedules to six flight routes namely Surabaya, Banjarmasin, Balikpapan, Semarang, Yogyakarta and Samarinda. PPA uses the service to mobilize 7,000 workers back and forth to mine sites.

Christianto ensures all workers who will take the charter flight, both for day-off or go back to mine sites, have to be COVID-free and comply with all health protocols. PPA secures partnership with local hospitals to conduct health test prior boarding to the aircraft.

"Workers who are going to go back to jobsites have to be quarantined for 14 days and then tested to ensure they are COVID-free. Then they will be transported by bus to the airport," Christianto said.

In the airport, PPA workers will be provided a dedicated check-in service which avoid any physical contact with other passengers in the airport terminal. "In the destination airport, they will be picked up by bus and go straight to the job sites," Christianto said.

More comfortable

Garuda Indonesia realizes the growing demand of safer and more comfortable flight services for particular customers, including mining companies. Hence, Irfan stated that Garuda Indonesia is fully committed to serve the demand by implementing strict health protocols.

Garuda Indonesia is strengthening the preventive action towards the spread of Covid-19 by disinfecting aircraft to assure its cabin cleanliness as well as doing sterilization to kill all germs and viruses. Disinfection applied thoroughly to the cabin areas that directly contact passengers, for instance, lavatory, seat, tray tables, headrest, seat armrests, overhead compartment, and galley.

"As an effort to minimize the spread of COVID-19 through cross-contamination, Garuda Indonesia has adjusted the in-flight service such as by using mono-use cutlery for in-flight meals and temporarily remove reading material. Furthermore, All passengers are required wearing mask during flight," Irfan said.

"We continue to improve our services and facilities in all operational aspects, which one of them is the use of personal protective equipment for the cabin crew in accordance to the government's regulations and safety standard, for instance, masks and hand gloves", added Irfan

Moreover, Irfan stated that all Garuda Indonesia's aircrafts are equipped with air filtration system which applies vertical air circulation and filters very small particles in the

air. This aircraft filtration systems can filter 99.9 percent of dust particles and airborne contaminants such as viruses and bacteria ensuring the highest possible quality of cabin air.

Irfan said that Garuda Indonesia complies with the government regulation during COVID-19 pandemic, by consistently implementing physical distancing procedure for regular passenger flights. “But for charter flights, based on Ministry of Transportation Regulation, all seats can be occupied since all passengers have been strictly monitored by the employer and ensuring health protocols,” he said.

As a mining contractor company, PPA aims to maintain the sustainable operations even amid COVID-19 pandemic while at the same time ensures the health and safety of all workers.

“By having charter flight of Garuda Indonesia, we will have guaranteed flight schedules which eventually help sustaining the operations at the job sites,” Christianto said.

During the first months of COVID-19 outbreak, Christianto recalled that there were so many cancelled flight schedules. “Moreover, we were not feeling comfortable when sitting next to strangers inside the aircraft,” he said.

By chartering flight of Garuda Indonesia, Christianto can ensure the smooth roster of PPA’s workers, which previously disrupted by COVID-19 outbreak. “It means more productivity at the jobsites and the customers feel more comfortable and have confidence of sustainable operation production activities,” he said.

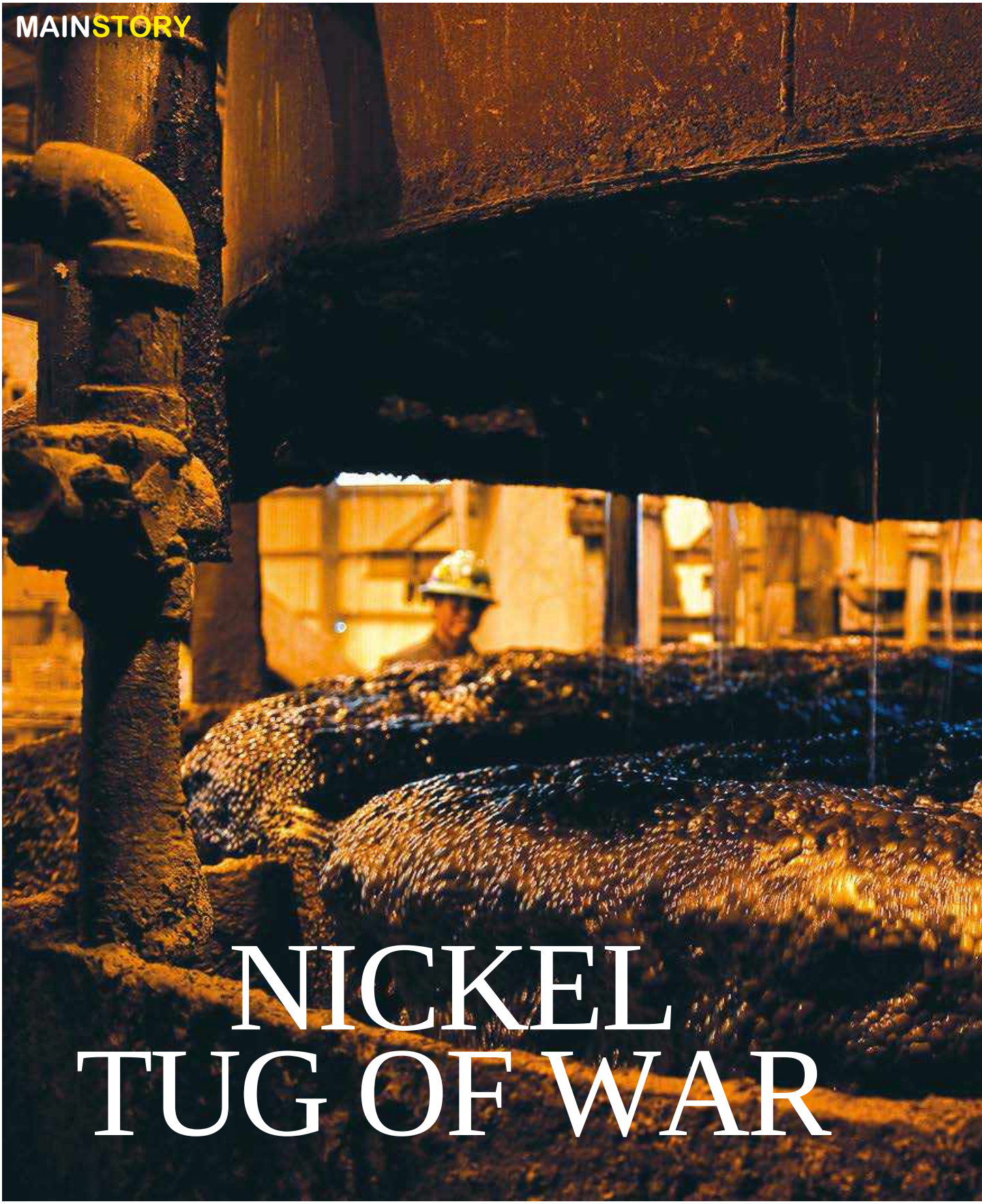
For PPA’s workers, Christianto stated that they also feel more comfortable because all workers should have been declared COVID-free before going back to the jobsites.

Mutual cooperation

The charter flight agreement between PPA and Garuda Indonesia marks a mutual cooperation that also helps mitigating the spread of COVID-19 pandemic. In one side, Garuda Indonesia provides safer and more comfortable flights with all implementing health protocols, on the other side PPA gets guaranteed flight schedules and more productivity at the jobsites.

Irfan mentioned that PPA has been paving the way to other mining companies which have shared concern on not only the workers’ health and safety but sustainable mining production operations as well.

“We welcome any cooperation with other mining companies and mining contractors, such as PPA,” Irfan said. He understands that the current difficult condition is requiring all stakeholders to sit together and put everything on the table. “Anything can be discussed.” C



NICKEL TUG OF WAR

Domestic downstream nickel industry keeps growing and making Indonesia as the world's largest nickel producer. The outlook seems positive as global appetite for nickel as raw material of electric vehicle (EV) battery is increasing. However, there are some challenges facing industry players in developing domestic nickel industry, such as domestic nickel ore price and the utilization of low grade nickel ores.

By **Tri Subhki R.** & **Adianto P Simamora**

Minister of Energy and Mineral Resources Arifin Tasrif issued new Ministerial Regulation No 11/2020 on the third amendment of Ministerial Regulation No 07/2017 regarding the procedure to determine the benchmark price in the sale of metal mineral and coal.

Under the regulation, nickel miners holding the IUP OP or IUPK OP licenses are required to use the mineral benchmark price (or HPM) in selling their nickel ores, including to affiliates. Smelter operators purchasing the nickel ores from these miners are also required to make the purchase using HPM as benchmark, the regulation says.

The regulation was issued following the government's decision to ban the export of low grade nickel ore starting from January 1, 2020 based on MEMR Regulation No

11/2019 regarding mineral and coal mining business operation.

Domestic smelter developers only consume nickel ore grade which is equal to or more than 1.8 percent. The condition made local nickel miners prefer export markets that offer more profitable prices..

The Indonesia Nickel Miners Association (or APNI) warned that the country's nickel smelters could only operate for seven years if they only consume high grade nickel ores.

"The existing nickel smelters only consume nickel ores with grade higher than 1.8 percent," APNI Secretary General Meidy Katrin Lengkey told a webinar hosted by CoalAsia and Petromindo recently.

APNI estimated the nickel smelters will require about 46 million tons of high grade nickel ores this year, and which is projected to increase to 71 million tons in 2021 and 140 million tons in 2022.

She said that the country's reserve of high grade nickel ores currently stands at only 930 million tons, compared to the reserve of ores with lower grade of less than 1.7 percent at 3.6 billion tons.

"If the smelters only use high grade nickel, it (the high grade ores) will last only for seven years," she said. Domestic smelter operators are currently hesitant in utilizing low grade nickel ores due to the higher processing cost and environmental-related issues.

On the other hand, The Indonesian Nickle Industry Forum (FINI) and PT Indonesia Morowali Industrial Park (IMIP) have rejected the government policy on benchmark price in the sale of nickel ores by nickel miners to smelter operators.

Alexander Barus, chairman of FINI said that the forum has officially sent letters to President Joko Widodo to reject the mineral benchmark price policy.

"We (FINI) have already sent letter twice (stating) that we can't accept this formula," Alexander told the same webinar. "IMIP does not agree with the benchmark."

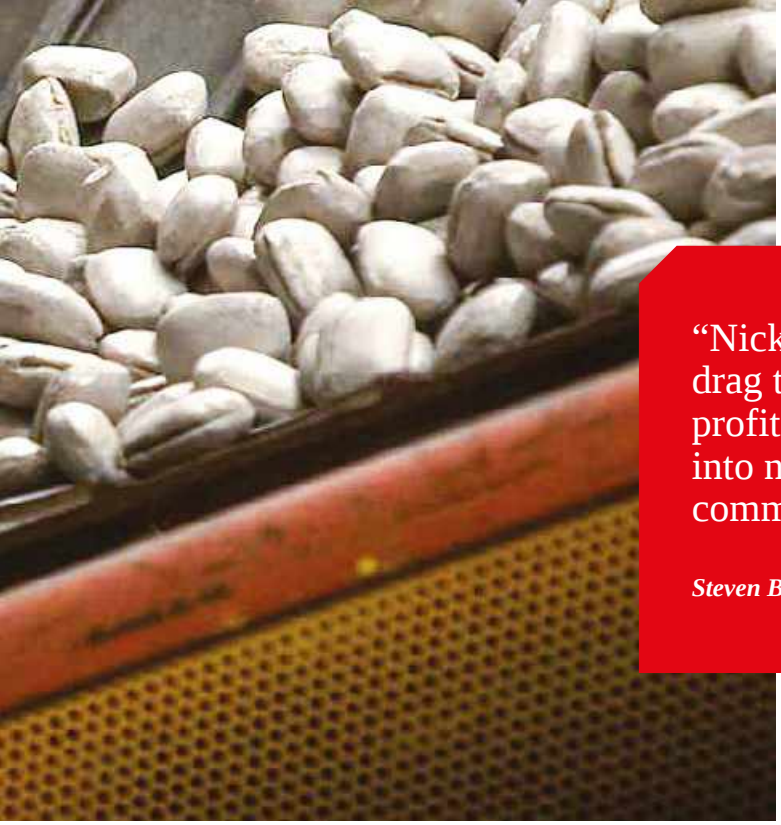
Alexander, who is also President Director of IMIP, which operates an industrial estate in Morowali, Central Sulawesi Province, did not elaborate the reason for rejecting the benchmark price. FINI members include domestic nickel smelter operators who control about 90 percent of installed production capacity.

A senior official at the Ministry of Energy and Mineral Resources confirmed that the office has received the letter from IMIP and the nickel forum. "Our Minister has already replied the letter," the official said.

The official insisted that the HPM price was made in order to prevent smelters from determining their own price in buying the nickel ores that's unprofitable to the nickel miners.

Miners failing to comply with the new HPM policy in conducting mineral transaction may risk their licenses revoked, said Septian Hario Seto, Deputy at the Office of the Coordinating Minister for Maritime and Investment Affairs at a coordination meeting on July 24.

Steven Brown, nickel industry observer, said that the current condition reflects market imbalance between nickel ore producers and smelter developers. He stated that there are



> "Nickel miners compete each other that drag the nickel ore price down. Low profitability will eventually translate into no new exploration activity and low commitment on environmental issues,"
>
> ***Steven Brown,*** *Nickel industry observer*

so many nickel miners, but there are few big and well-established smelter developers.

The condition, according to Brown, may hamper the sustainability of domestic nickel industry. "Nickel miners compete each other that drag the nickel ore price down. Low profitability will eventually translate into no new exploration activity and low commitment on environmental issues," he said.

Smelter outlook

Brown sees that the established nickel smelter developers in Indonesia, particularly nickel pig iron (NPI), have a good time since they are highly profitable. However, for longer term, Brown expects that the situation may not be long-lasting.

"For new NPI producers, it will be quite challenging since big and well-established smelters already have good nickel ore supplies," Brown said. But overtime, he added, high grade nickel ore reserves will eventually drop and it will be challenging for new NPI producers to be established.

Moreover, Brown mentioned that there is currently a slight NPI oversupply situation in global nickel market. "NPI is consumed by stainless steel industry, which mostly goes to China's market," he said.

Brown stated that the growth of NPI production in Indonesia is much higher than the growth of stainless steel in China. So, Brown highlights two key challenges for new NPI producers in Indonesia and urges them to think ahead. "First, the supply of high grade saprolite and second is the limited NPI buyers in the market," he said.

BHP Group Limited stated in a report recently that nickel first–use is dominated by the stainless steel sector. It comprises more than two–thirds of primary demand today.

The world needs nickel as a material for producing stainless steel, alloy, plating, batteries and other materials used in the construction, automotive and energy industries. Currently several countries supply the world's nickel needs, and Indonesia hold 20 percent shares of the world nickel export market.

Strong appetite

Nevertheless, with a rapid and prolonged drive towards the electrification of transport in prospect, BHP contends that there are plausible long run paths where batteries and stainless steel will become equally important consumers of nickel, in a much bigger global market.

Brown also stated a different story of potential business nickel smelter developers that will produce raw material for electronic vehicle (EV) battery. "Currently, there are under construction nickel smelters that will apply HPAL technology," he said.

HPAL (high pressure acid leaching) technology produce mixed sulphide precipitate (MSP) that may be processed to be raw material of EV battery. When NPI smelters consume saprolite ores, HPAL smelters consumes limonite ores.

Brown mentioned that there is global booming of EV when people are looking for cleaner vehicles that require clean materials, including EV battery. "So, sustainability issue in nickel industry is very crucial," he said. C

By Ian Wollff
The author is an expatriate principal geologist of about 30 years' experience in the Indonesian exploration and mining industry. The authors' web site is www.ianwollff.com

Measuring the health of the Indonesian exploration industry

Introduction

This article is designed to provide some indication towards the overall health of the Indonesia mineral & coal exploration industry, as reflected by the public monthly exploration reports on the IDX.

The Indonesian stock exchange [IDX] requires mining companies to submit a monthly exploration report. These reports typically follow a standard format summarizing the unaudited funds spent, along with the briefest outline of exploration activity, plus a freer style attachment that sometimes gives more details. A review was undertaken of the January – July 2020 monthly reports posted on the IDX, that can be found at [https://www.idx.co.id/en-us/listed-companies/disclosure/]. This review excluded IDX mining board listed companies in the mining service business, and in the oil & gas business.

Readers of this article should not rely on the information herein for investment decisions, nor for a high degree of accuracy or reliability.

IDX rules for mining companies

Rule no. 1-A.1 concerns the IDX rules for mineral and coal mining firms. This applies to companies with mining tenements, where most of their income is derived from mining and refining, but may exclude service companies handling transport and sales of commodities. There are a number of listing requirements, including having proven and probable reserves based on the report of a Competent Person, plus having a production history, or a Feasibility study that will support the starting of a mine within 3 years. These rules are strongly focussed towards the commercial business requirements, and tend to leave technical reporting to the discretion of the directors, as may be developed by the competent persons. Annual reports have many requirements, including; are not to be misleading, contain material information and business risks (including supply of raw materials). In practice, the concept of "material information & business risk" tends to be aligned towards accounting standards, with very few annual reports refereeing to resource or mining risks.

It would appear that mining companies are to submit monthly exploration reports by the 12th of the following month. The standard form requires basic information on the name of subsidiaries, exploration areas, total exploration expenses for the month, naming the party carrying out the exploration, method of exploration (drill, assay etc), the monthly exploration results (typically mapping or number of bore holes etc) and planed work that was not achieved.

Limitations to understanding the IDX monthly report data

The record of expenditure can be in Rupiah or US Dollars. In this review the US dollar expenditure has been converted to Rupiah using an arbitrary conversion of Rp 14,000 to the USD. Some reports are not clear on nominating the reported currency. The contribution of head office overheads / project holding costs to the exploration budget is not specified. The portion of expenditure undertaken in the district, or in the head office district, is not defined, though the common use of exploration contractors (geological, drilling, assay etc) would suggest that in many cases, only a modest portion of the exploration expenditure is paid at the site. The definition of "exploration" for this reporting compliance is not clear, with no distinction between greenfields or brownfields for the determination of resources, or if this exploration includes mine development work such

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as geotechnical, dewatering drilling, drifting etc.

The exploration work often involves data studies, geophysical studies and reporting that is not well defined in these monthly reports, but can be a significant part of an exploration program. The drill program (and pitting / trenching) seems to be more regularly reported upon with number of sites and total meterage, and occasionally the number of samples is mentioned. Only very rarely do the attached reports provide maps, core log details, assay highlights or changes to resource estimates. A number of reports do not adequately identify the projects for which expenditure is undertaken. A number of IDX listed mining companies have reported undertaking zero exploration expenditure, and a few have not submitted any monthly reports.

Findings

This January – June 2020 review of 16 IDX listed coal companies shows 61 coal concessions, of which only 18 have active exploration programs for a combined expenditure of Rp. 116,479,665,000 [USD 8.3 million]. There are about 1,000 drill holes for 106,000m drilled and 270 samples. The greatest exploration spending coal companies are PT. Bumi Resources Tbk (Rp 57 billion), PT. Indika Energy Tbk (Rp 29.6 billion), PT. Indo Tambangraya Megah Tbk (Rp 16.7 billion).

This January – July 2020 review of 11 IDX listed mineral companies shows 29 locations, of which 20 sites are being explored for a combined budget of Rp. 694,147,891,000 [USD 49,6 million]. There are about 200 drill sites for 64,300m drilled and 14,100 samples. The greatest exploration spending mineral companies are PT. Aneka Tambang Tbk (Rp 46 billion), PT. Bumi Resource Minerals (Rp 27.6 billion), PT. Vale Indonesia Ybk (Rp 87.3 billion), PT. Merdeka Copper Gold Tbk (376.3 billion), PT. JResources Tbk (57.1 billion), PT. Timah Tbk (Rp 80.4 billion), PT Kapus Prima Coal (19.2 billion). The range of minerals sought by these IDX listed companies includes Au, Ag, Cu, Fe, Pb, Zn, Ni, Al, Mn.

There is also one other IDX listed mining company that is mining stone (marble).

The use of such IDX exploration reports

Foreign stock exchanges tend to require exploration & mining companies to promptly provide more technical detail, particularly if it may lead to speculation of a positive /

negative change in the forward-looking prospects of the company. It would seem the technical detail provided in the IDX monthly exploration reports is inadequate for public shareholders, or prospective shareholders, to readily estimate the forward-looking prospects of the company. This review of the monthly exploration report does not indicate the outcomes of such exploration projects, but provides some guide as to which companies have active exploration projects.

Other public data on measuring exploration

A number of international industry analysists look to compile data on the Purchasing Managers Index [PMI] as a reflection of the health of the mining industry, so several analysists look towards the statistics on drilling to reflect the health of the exploration industry. These drilling statistics have not traditionally been readily available in Indonesia. Should they become available, they may need to be broken down into industry sectors, with fewer and longer holes for gold and minerals [typically 150-250m depth], or modest depth for coal [typically 70-150m depth], or shallower for nickel laterite [typically 10-50m depth].

There are several other forms of data that have the potential to reflect upon the health of the Indonesian exploration industry.

Other data - ESDM digital systems

On the 2nd December 2019 the Mines Department [ESDM] undertook the launching of three new computer systems to record the mineral and coal industries activities of commodity sales [Aplikasi Modul Mineral Verifikasi Penjulan – MVP], exploration reporting [Exploration Monitoring System – EMS] and submitting of exploration data [Exploration Data Warehouse – EDW] for minerals and coal. These digital data systems shall help the

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Mines Department coordinate and 1) manage the exploration and mining tenement areas, 2) direct efforts towards reserve replacement ratio, and 3) monitor greenfield and brownfield exploration budget activity. The three new systems rely on participation / compliance with other MOMS digital systems regarding company name, location, payment of certain fees etc. These new computer systems also rely upon the registered Surveyors, and upon Competent Persons to ensure reliable and correct data. Some parts of the system are open to the public, while other parts are restricted, based on the level of Government echelon, or for approved requests for information.

It is understood that by mid-2020 that more than 30 coal companies and 20 mineral companies regularly submitting monthly reports into the EMS & EDW systems. As with any new locally developed system, the varied nature of the data has prompted a review of the system's format. The new Mining Law amendment 3/2020 now requires the monitoring of all 2,000+ mining IUP's, wherein the manpower and budget requirements of the monitoring team may need to be revised.

This new computer system has the potential to inform the public, in some detail, on the health of the exploration industry.

Other data - Mines department annual reports

The Mines Department [ESDM] have continued to improve their public Annual Reports, though the focus tends to be on the success of the mining industry, or the administrative performance of the department. For example, the 2019 Performance Report from the Ministry of Energy and Mineral Resources Directorate General of Minerals and Coal includes; -

Table 74. Activities that support KPI Amount of Revenue from Mineral and Coal Business. The optimal realization of mineral and coal state revenues. Management of National Data on the Results of Mineral Exploration Activities. Planed Rp 1,337,300,000 with Actual Rp 1,244,803,252.

Coordination of the completion of the litigation process, problems with coal mining business permits and problems in coal exploration activities in forest areas. Planned Rp 1,156,921,000 with Actual Rp 1,150,175,975

Evaluation and Verification of Data on Exploration Activities in PKP2B and IUP. Planned Rp 1,563,381,000 with Actual Rp 1,560,269,203

The above extracts on Mines Department expenditure and operations indicate there could be suitable data to make a detailed analysis of the health of the exploration industry. In some public seminars / webinars, the Mines Department presentation of exploration tends to be lumped together in such a way that it is difficult for the public to analyse the performance of the various segments of the Indonesian exploration industry.

The Mines Department is presumed to have detailed data on every operating tenement in Indonesia through its approval process of annual work programs [RKAB]. By referring to the RKAB process, it may be possible to formulate detailed public reports on the planned verses actual performance of the exploration industry, without compromising the confidentiality of individual companies.

Other Data - Reserve resilience fund.

The amendments to the mining law 3/2020 continue much of the original obligations towards undertaking and reporting upon exploration. The new article 112A introduces the concept of a "mineral and coal reserve resilience fund" that is to be used for the discovery of new reserves. Implementing provisions are to be issued within a year, by March 2021.

There is considerable ongoing debate within industry, and between industry and the Mines Department about the distinction between Greenfields and Brownfields exploration activity. It will be interesting to see what nature the implementing regulations take, and if the "reserve resilience fund" or the "reserve replacement ratio" can be used by the public to measure the health of the exploration industry. C

Compilation of exploration reports January – July 2020

IDX	COMPANY	SUBSIDIARIES	MIN	EXPENDITURE Rp	BORE	METERS	SAMPLE
ADRO	Adaro Energy	Total	coal	6,977,933,900	84	14,836.00	
		Tutupan, Wara, Paringin		4,957,960,000	71	14,620.00	
		Semesta Centramas		261,677,900			
		Paramitha Cipta Sarana		1,758,296,000	13	216.00	
ANTM	Aneka Tambang	total		46,021,215,378			
		Pegunungan Bintang, Pongkor	Au				
		Pomalaa, Tapunopaka	Ni				
		Tayan, BEI Mempawah.	Al				
ARII	Atlas Resources	Total	coal	0			
		Kalbar Energi Pratama					
		Citra Global Artha					
		Ratna Utama Karya					
		Diva Kencana Borneo					
		Gorby Putra Utama					
		Banyan Koalindo Lestari					
		Gorby Global Energy					
		Cipta Wanadana					
		Hanson energy					
		Anugerah Energy					
		Papua Inti energy					
		Karya Manunggal					
BOSS	Borneo Olah Sarana Sukses	Total	coal	821,449,625			
		Bangun Olahsarana Sukses		821,449,625			
		Pratama Buana Sentosa		0			
		Pratama Bersama		0			
BUMI	Bumi Resources			56,943,628,000			
		Kaltim Prima Coal	coal	56,943,628,000			
		Gailo Oil (Jersey)	oil	Large sum			
BRMS	Bumi Resource Minerals	Total		27,678,468,160			
		Citra Palu Minerals block 1-5	Au	15,656,320,120			
		Dairi Prima Mineral	Pb, Zn	8,588,669,600			
		Gorontalo Minerals	Cu	3,433,478,440			
BSSR	Baramulti Suksessarana	Total	coal	24,320,000			
		Baramulti Suksessarana		0			
		Antang Gunung Meratus		24,320,000			
BYAN	Byan Resources	Total	coal	3,189,153,520	111	7,906.38	
		Perkasa Inakakerta		1,398,919,340	43	3,464.90	
		Tiwa Abadi		76,852,440	4	125.00	
		Tanur Jaya		1,713,381,740	64	4,316.48	
		Gunungbayan Pratama Coal					
		Orkida Makmur					
		Silau Kencana					
		Bara Sejati					
		Apira Utama					
		Cahaya Alam					
		Mahakam Bara Energi					
CTTH	Citatah	NO REPORTS	stone				
		Pangkep marble - no report					
DKFT	Central Omega Resources		Ni				
		Mulia Pacific Resources		0			
DSSA	Dian Swastatika Sentosa	Total	coal	22,074,664			
		Manggala Alam Lestari		19,780,664			
		Surya Kalimantan Sejati		2,294,000			
FIRE	Alfa Energi Investama	Total	coal	113,200,000	7	224.00	
		Alfara Delta Persada		113,200,000	7	224.00	
		Berkat Bara Jaya		0			
GEMS	Golden Energy Mines	Total	coal	1,880,780,634	160	11,838.62	
		Borneo Indobara		1,827,658,058	155	11,475.10	

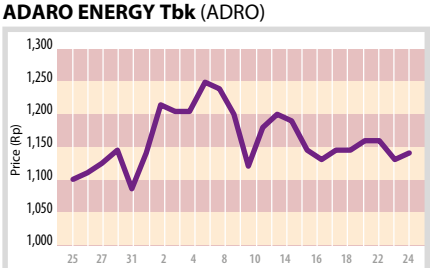
		Barasentosa Lestari		53,122,576	5	363.52	
		Kuansing Int Makmur					
		Berkat Satria Abadi					
		Wahana Rimba Lestari					
		Trisula Kencana Sakti					
HRUM	Harum Energy, Perseroan	NO REPORTS	coal				
		Mahakam Sumber Jaya					
		Layar Lintas Jaya					
		Santan Batubara					
		Karya Usaha Pertiwi					
		Bumi Karunia Pertiwi					
		Tambang Batubara Harum					
		Harum energy Australia Ltd					
		Harum Energy capital Ltd					
		Lotus Coalindo Marine					
KKGI	Resource Alam Indonesia	Total	coal	11,166,969			
		Resource Alam Indonesia		11,166,969			
INCO	Vale Indonesia	Total	Ni	87,314,444,000			
		Sorowako, Bahodopi, Pomalaa		87,314,444,000			
IFSH	Isishdeco	NO REPORTS	Ni				
INDY	Indika Energy	Total	coal	29,653,759,854	146?	36,821.45	256
		Kideko Jaya Agung		25,927,821,455	146	36,149.65	
		Multi Tambangjaya Utama		3,725,938,399		671.80	256
ITMG	Indo Tambangraya Megah	Total	coal	16,705,586,626	488	34,953.00	
		Indominco Mandiri		8,999,378,564	312	21,375.00	
		Trubaindo Coal Mining		7,706,208,062	176	13,578.00	
MDKA	Merdeka Copper Gold	Total		376,297,111,651	87	18,917.55	599
		Bumi suksesindo-tuju bukit	Au	163,850,000,000	49	12,374.80	
		Batutua Kharisma Permai -wetar	Au	5,730,000,000	19	2,783.30	599
		Puncak Emas Tani Sejahtera	Au	583,014,223,302	19	3,759.45	
PSAB	JResources	Total	Au	57,109,444,000	134	22,712.80	13,518
		Bolaang Mongondow		40,514,768,000	101	22,442.30	13229
		Sago Prima Pratama		3,615,430,000	33	270.50	
		Gorontalo Sejahtera Mining		8,198,988,000			289
		Specific Resources Sdn Bhd		336,588,000			
		Arafura Surya Alam		4,443,670,000			
PTBA	Bukit Asam	Total	coal	0			
		Bukit Asam		0			
SMMT	Golden Eagle Energy	Total	coal	0			
		Triaryani		0			
		Internasional Prima coal		0			
SMRU	SMR Utama	Total		0			
		SMR Utama	Mn	0			
SQMI	Wilton Makmur Indonesia	Total	Au	0			
		Cikadu(CKD),					
		Sekolah(SEK),					
		Cibatu(CBT), .					
		Pasir Mangga(PSM),					
		Cibak(CBK),					
		Cipancar(CPR)					
TINS	Timah	Total	Sn	80,468,430,393		22,697.90	
		Offshore				15,752.00	
		Onshore				6,945.90	
TOBA	Toba Bara Sejahtra	Total	coal	136,611,243			15
		Trisensa Mineral Utama		136,611,243			15
		Indomining		0			
		Adimitra Baratama Nusantara		0			
ZINC	Kapuas Prima Coal	Total	Pb Zn	19,258,777,450			
				19,258,777,450			

SHARESPERFORMANCE

IDX-Listed coal miners shares performance

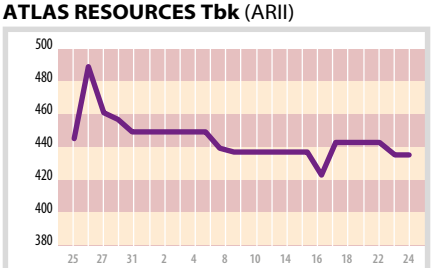
No	Company	AUGUST 2020				SEPTEMBER 2020							
		25	27	31	2	4	8	10	14	16	18	22	24
1	ADARO ENERGY Tbk (ADRO)	1,100	1,125	1,085	1,215	1,205	1,240	1,120	1,200	1,145	1,145	1,160	1,130
2	ATLAS RESOURCES Tbk (ARII)	446	462	450	450	450	440	438	438	438	444	444	436
3	BAYAN RESOURCES Tbk (BYAN)	13,100	13,000	12,850	12,600	12,600	12,000	11,175	12,500	12,500	12,450	12,650	12,650
4	BORNEO LUMBUNG ENERGI & METAL Tbk (BORN)												
5	BUMI RESOURCES Tbk (BUMI)	50	50	50	50	51	50	50	50	50	50	50	50
6	GOLEN ENERGY MINES Tbk (GEMS)	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550
7	HARUM ENERGY Tbk (HRUM)	1,625	1,600	1,520	1,605	1,595	1,610	1,515	1,635	1,645	1,650	1,625	1,625
8	INDIKA ENERGY Tbk (INDY)	1,045	1,060	1,025	1,070	1,025	1,010	895	965	910	915	920	905
9	INDO TAMBANGRAYA MEGAH Tbk (ITMG)	8,300	8,500	8,275	8,700	8,500	8,550	7,800	8,375	8,400	8,325	8,325	8,050
10	RESOURCES ALAM INDONESIA Tbk (KKGI)												
11	TAMBANG BATUBARA BUKIT ASAM (Persero) Tbk (PTBA)	2,120	2,130	2,040	2,150	2,100	2,080	1,900	2,050	2,040	2,000	2,000	1,950
12	ALFA ENERGI INVESTAMA TBK (FIRE)	138	132	132	146	132	132	122	126	126	132	143	200

ADARO ENERGY Tbk (ADRO)



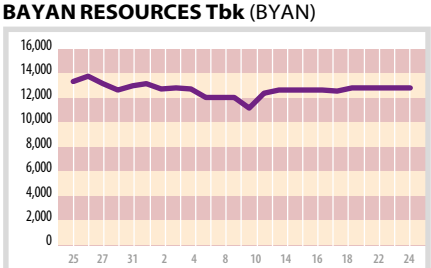
Date (Aug - Sept 20) — ADARO ENERGY Tbk (ADRO)

ATLAS RESOURCES Tbk (ARII)



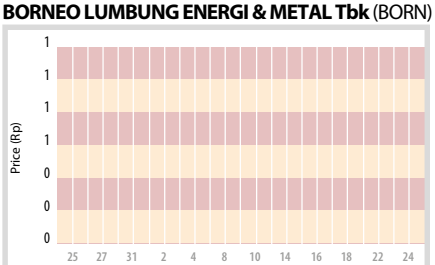
Date (Aug - Sept 20) — ATLAS RESOURCES Tbk (ARII)

BAYAN RESOURCES Tbk (BYAN)



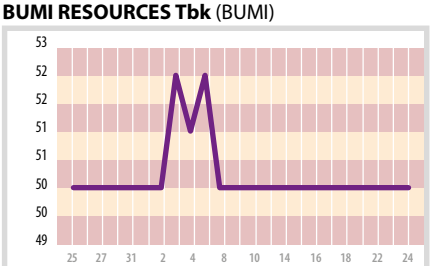
Date (Aug - Sept 20) — BAYAN RESOURCES Tbk (BYAN)

BORNEO LUMBUNG ENERGI & METAL Tbk (BORN)



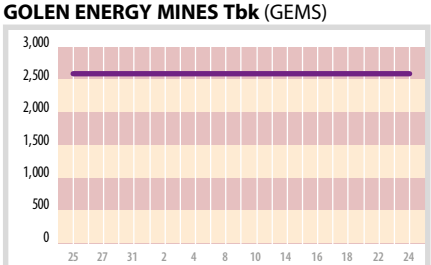
Date (Aug - Sept 20) — BORNEO LUMBUNG ENERGI & METAL Tbk (BORN)

BUMI RESOURCES Tbk (BUMI)



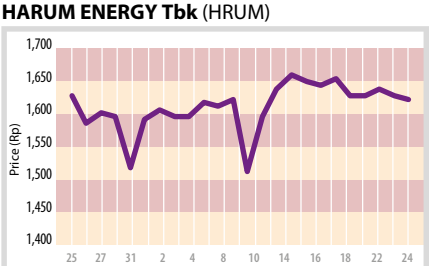
Date (Aug - Sept 20) — BUMI RESOURCES Tbk (BUMI)

GOLEN ENERGY MINES Tbk (GEMS)



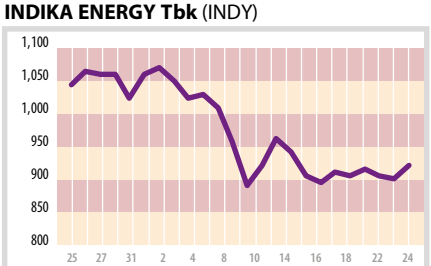
Date (Aug - Sept 20) — GOLEN ENERGY MINES Tbk (GEMS)

HARUM ENERGY Tbk (HRUM)



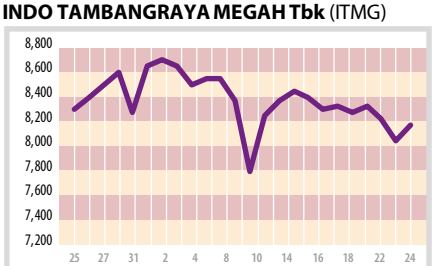
Date (Aug - Sept 20) — HARUM ENERGY Tbk (HRUM)

INDIKA ENERGY Tbk (INDY)



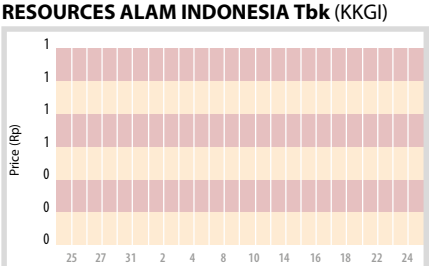
Date (Aug - Sept 20) — INDIKA ENERGY Tbk (INDY)

INDO TAMBANGRAYA MEGAH Tbk (ITMG)



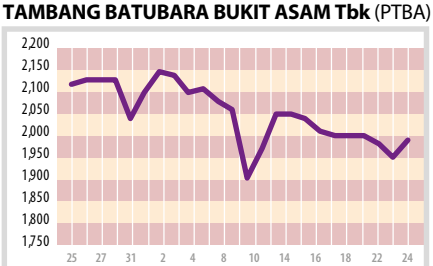
Date (Aug - Sept 20) — INDO TAMBANGRAYA MEGAH Tbk (ITMG)

RESOURCES ALAM INDONESIA Tbk (KKGI)



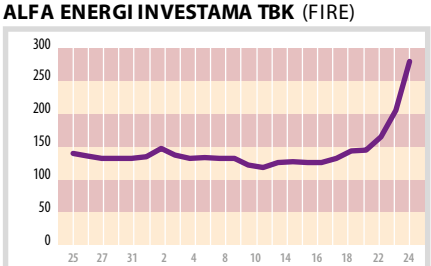
Date (Aug - Sept 20) — RESOURCES ALAM INDONESIA Tbk

TAMBANG BATUBARA BUKIT ASAM Tbk (PTBA)



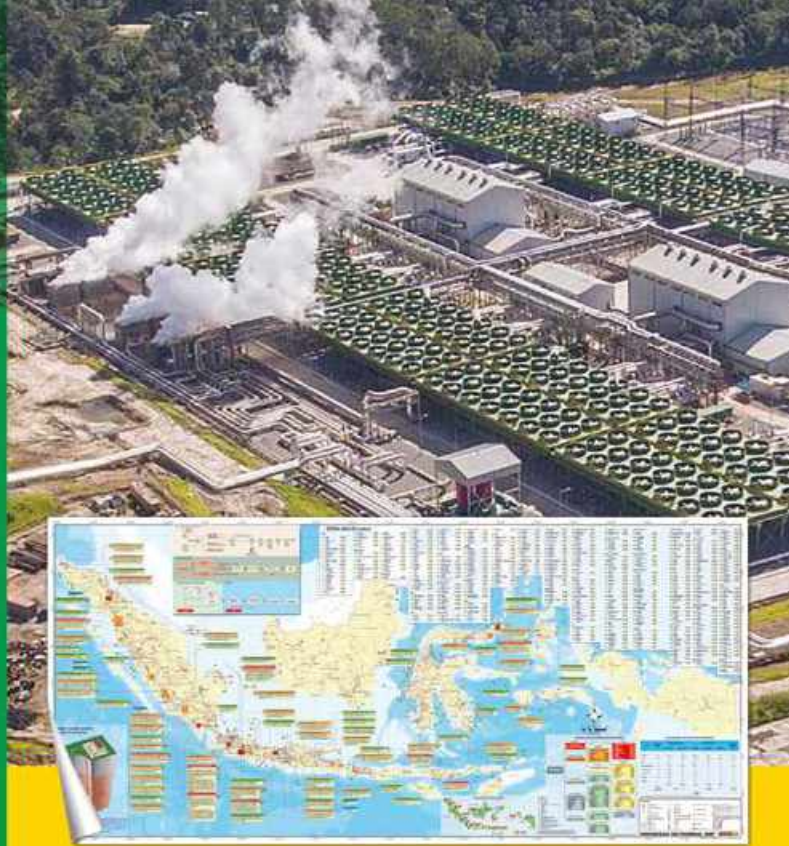
Date (Aug - Sept 20) — TAMBANG BATUBARA BUKIT ASAM Tbk

ALFA ENERGI INVESTAMA TBK (FIRE)



ALFA ENERGI INVESTAMA TBK (FIRE)

INDONESIAN GEOTHERMAL MAP 2019



Indonesia has the largest geothermal potentials in the world with reserves of about 17,506 MW and resources of around 11,073 MW. In 2018, the utilization of geothermal reached 1,924.5 MW and put the country in second place in the world after the United States in utilizing geothermal power.

The installed geothermal power generation capacity in Indonesia is expected to increase by 95 MW in the near future with additional capacity to come from the 55 MW Lumut Balai Unit 1 and the 40 MW Sorik Marapi geothermal power plants.

The capacity of geothermal power plants will continue to be increased to reach 7,200 MW by 2025 in a bid to achieve the target of the 2025 energy mix where the portion of renewable energy has been set at 23%.

Indonesian Geothermal Map 2019 is a must-have for company/ professional who's involved/ interested in geothermal related businesses in Indonesia. The map features the location of geothermal potential areas (331 of 342 locations identified by the Government), existing/ proposed Working Areas (75 WKPs), existing/proposed Geothermal Power Plants (PLTPs), Transmission and Distribution Networks, and Station and Substations (GI or Gardu Induk).

This full-colored map is outlined at a large-scale on a heavy paper stock and laminated for durability.

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Format	: Wall map; laminated
Size	: 1811 mm x 841 mm (A0)
Printing	: Full color
Packaging	: Rolled + Drawing Tube
Price	: US$200.00
Release	: February 2019
Code	: IGM04L

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- Keputusan Badan Koordinasi Penanaman Modal (BKPM) tentang Surat Izin Usaha Jasa Survey (SIUJS) No. 63/1/IU/PMDN/2014
- Keputusan Menteri Perdagangan Republik Indonesia tentang Surat Ijin Usaha Jasa Survey (SIUJS) No. 11/S04-SIUJS.0519
- Nomor Induk Berusaha (NIB) dari Pemerintah Republik Indonesia No. 9120304103516
- Izin Usaha by Online Single Submission (OSS) No. 9120304103516
- Surat Keterangan Terdaftar (SKT) dari Kementerian ESDM, Direktorat Jenderal Mineral dan Batubara No. 684/30/DJB/2015
- Surat Keputusan Pelaksana Verifikasi Analisa Kualitas dan Kuantitas Penjualan Batubara (LHV) dari Kementerian Energi dan Sumber Daya Mineral No. 212.K/30/DJB/2018
- Penetapan PT. Asiatrust Technovima Qualiti Sebagai Surveyor Pelaksana Verifikasi dan Penelusuran Teknis Terhadap Ekspor Batubara dan Produk Batubara dari Kementerian Perdagangan No.390 Tahun 2020

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