

Regulation of the Minister of Energy and Mineral Resources of the R.I.

Number: 27 Year 2013

Concerning

**The Procedure and Pricing of Share Divestment
As well as Alteration in Capital Investment
In Mineral and Coal Mining Business Undertaking**

By the Grace of the One God Almighty

The Minister of Energy and Mineral Resources of the R.I.,

Considering : a. that in the framework of implementing the provisions in Article 99 of Government Regulation No.23 Year 2010 concerning the Realization of Mineral and Coal Mining Business Activities as amended with Government Regulation No.24 Year 2012, it is necessary to regulate the procedure and pricing of share divestment;

b. that in realizing mineral and coal mining business activities alteration can happen in capital investment for business entities, thereby it is necessary to provide directives for the implementation of the alteration in capital investment as mentioned;

c. that based on considerations as referred to in letter a and letter b, it is necessary to establish the Regulation of the Minister of Energy and Mineral Resources concerning the Procedure and Pricing of Share Divestment, as well as the Alteration in Capital Investment in Mineral and Coal Mining Business Undertaking;

In view of : 1. Law No.32 Year 2004 concerning Regional Governance (State Gazette of the R.I. of 2004 No.125, State Gazette Supplement of the R.I. No.4437) as twice amended lastly with Law No.12 Year 2008 (State Gazette of the R.I. of 2008 No.59, State Gazette Supplement of the R.I. No.4844);

2. Law No.25 Year 2007 concerning Capital Investment (State Gazette of the R.I. of 2007 No.67, State Gazette Supplement of the R.I. No.4724);
3. Law No.40 Year 2007 concerning Limited Liability Company (State Gazette of the R.I. of 2007 No.106, State Gazette Supplement of the R.I. No.4756);
4. Law No.4 Year 2009 concerning Mineral and Coal Mining (State Gazette of the R.I. of 2009 No.4, State Gazette Supplement of the R.I. No.4959);
5. Government Regulation No.38 Year 2007 concerning the Division of Governance Affairs between the Government, the Provincial Regional Governance, and the Regency/City Regional Governance (State Gazette of the R.I. of 2007 No.82, State Gazette Supplement of the R.I. No.4737);
6. Government Regulation No.23 Year 2010 concerning the Realization of Mineral and Coal Mining Business Activities (State Gazette of the R.I. of 2010 No.29, State Gazette Supplement of the R.I. No.5111) as amended with Government Regulation No.24 Year 2012 (State Gazette of the R.I. of 2012 No.45, State Gazette Supplement of the R.I. No.5282);
7. Presidential Decree No.59/P Year 2011 dated October 18, 2011;
8. The Regulation of the Minister of Energy and Mineral Resources No.18 Year 2010 concerning Organization and Working Arrangement of the Ministry of Energy and Mineral Resources (State Bulletin of the R.I. of 2010 No.552) as amended with the Regulation of the Minister of Energy and Mineral Resources No.22 Year 2013 (State Bulletin of te R.I. of 2013 No.1022);

Has decided:

To establish : **The Regulation of the Minister of Energy and Mineral Resources concerning the Procedure and Pricing of Share Divestment, as well as an Alteration in Capital Investment in Mineral and Coal Business Undertaking.**

Chapter I

General Provision

Article 1

In this Ministerial Regulation:

1. Share Divestment refers to the amount of foreign shares which should be offered for sale to Indonesian Participants.
2. Production Operation Mining Business License, hereinafter referred to as Production Operation IUP, refers to a business license given after the realization of Exploration IUP has been completed to carry out the stages of Production operation activities.
3. Production Operation Special Mining Business License, hereinafter referred to as Production Operation IUPK, refers to a business license given after the realization of Exploration IUPK has been completed to carry out the stages of production operation activities in the special mining business license area.
4. Domestic Capital Investment, hereinafter referred to as PMDN, refers to the activity of investing capital to undertake business in the territory of the Republic of Indonesia carried out by domestic capital investor using domestic capital.
5. Domestic Capital Investor refers to an individual person of Indonesian Citizenship, an Indonesian Business Entity, the State of the Republic of Indonesia, or a region which carries out capital investment in the territory of the Republic of Indonesia.
6. Foreign Capital Investment, hereinafter referred to as PMA, refers to an activity of investing capital to undertake business in the territory of the Republic of Indonesia carried out by a foreign capital investor either entirely using foreign capital or in partnership with domestic capital investor.

7. Foreign Capital refers to capital owned by a foreign country, an individual of foreign citizenship, a foreign business entity, a foreign legal body, and/or an Indonesian legal body whose part or the entire capital is owned by a foreign party.
8. Central Government, hereinafter referred to as Government, refers to the President of the Republic of Indonesia who holds the power of the Governance of the State of the Republic of Indonesia as referred to in the 1945 Constitution of the State of the Republic of Indonesia.
9. Provincial Government refers to the governor and the regional provincial employees as the element administering the regional provincial governance.
10. Regency/City government refers to the regent/mayor and the regional regency/city employees the element administering the regional regency/city governance.
11. State Owned Business Entity, hereinafter abbreviated into BUMN, refers to a BUMN engaged in mining in compliance with the provision in the laws and regulations.
12. Region Owned Business Entity hereinafter abbreviated into BUMD, refers to a BUMD engaged in mining in compliance with the provision in the laws and regulations.
13. National Private Business Entity refers to a business entity of legal entity whose capital or share ownership is 100% (one hundred percent) domestic.
14. Independent Surveyor refers to a surveyor company not connected with the bank and debtor to carry out surveying activities based on the Code of Ethics of Indonesian Surveyors as well as other provisions determined by the Indonesian Surveyors Council and possesses a business license from a competent agency.

15. Mining Business License of Exploration, hereinafter referred to as Exploration IUP, refers to a business license given to carry out the stages of general survey, exploration and feasibility study.
16. Special Mining Business License of Exploration, hereinafter referred to Exploration IUPK, refers to a business license given to carry out the stages of general survey, exploration and feasibility study, in the special mining business license area.
17. Mining Business License of special Production Operation for processing and/or refining, hereinafter referred to as special Production Operation IUP for processing and/or refining, refers to a business license given to a company to purchase, transport, process, and refine including the sale of processed mine commodities of mineral or coal.
18. Mining Business License of special Production Operation for transporting and selling, hereinafter referred to as special Production Operation IUP for transporting and selling, refers to a business license given to a company to purchase, transport, and sell mine commodities of mineral or coal.
19. The activity of mining refers to a part of mining activities to produce minerals and/or coal and associated minerals.
20. Minister refers to the Minister who administers governance affairs in mineral and coal mining.
21. Director General refers to the Director General who realizes the task and is responsible for the formulation and implementation of policies and technical standardization in mineral and coal.

22. Directorate General refers to the Directorate General which has the task of formulating as well as implementing policies and technical standardization in mineral and coal.

Chapter II
Share Divestment
First Part

Article 2

- (1) The holder of Production Operation IUP and Production Operation IUPK, in the framework of foreign capital investment, after 5 (five) years since in production should carry out Share Divestment in a gradual basis, so that by the tenth year its share of at last 51% (fifty-one percent) is owned by the Indonesian Participant.
- (2) Since the company is in production as referred to in sub-article (1) is calculated since the activity of mining at production operation stage
- (3) The Divestment of Shares on a gradual basis to the Indonesian Participant as referred to in sub-article (1) cannot be less than the following percentages:
 - a. 20% (twenty percent) in the sixth year;
 - b. 30% (thirty percent) in the seventh year;
 - c. 37% (thirty-seven percent) in the eights year;
 - d. 44% (forty-four percent) in the ninth year;
 - e. 51% (fifty-one percent) in the 10th year, of the entire shares
- (4) Indonesian Participant as referred to in sub-article (1) is comprised of:
 - a. the Government;
 - b. the Provincial Government

- c. the Regency/City government;
- d. BUMN;
- e. BUMD; or
- f. National Business Entity.

- (5) The National Business Entity a referred to sub-article (4) letter f, constitutes a private limited liability company.
- (6) The holder of Production Operation IUP and Production Operation IUPK to carry out Share Divestment their affiliates are not permitted to lend funds for the purchase of the divested shares to the Indonesian Participant.
- (7) In the case the holder of Production Operation IUP and Production Operation IUPK in the 5th (fifth) year since in production, whose shares of at least 51% (fifty-one percent) have been owned by a Domestic Capital Investor, is not obligated to carry out Share Divestment.
- (8) In the case there is an increase in the amount of capital at the holder of Production Operation IUP and Production Operation IUPK after Share Divestment, the shares of the Indonesian Participant as referred to in sub-article (4) must not be diluted to be smaller than the number of shares in accordance with the obligation of divestment as referred to in sub-article (3).
- (9) In the case the share holder of the Indonesian Participant as referred to in sub-article (4) does not use its right to purchase the shares which comes from the increase in capital as referred to in sub-article (8), the holder of Production Operation IUP or Production Operation IUPK should offer their shares to another Indonesian Participant by remain taking into account the composition of share ownership of the Indonesian Participant in accordance with the obligation of share divestment.

Article 3

The holder of Production Operation IUP and Production Operation IUPK are prohibited from pawning the shares which should be divested.

Article 4

The shares of the holder of Production Operation IUP and Production Operation IUPK floated through the stock exchange in Indonesia, is no part of the obligation of Share Divestment.

Second Part

The Procedure of Divestment

Article 5

The holder of Production Operation IUP and Production Operation IUPK should offer Share Divestment to the Indonesian Participant within 90 (ninety) calendar days at the latest since 5 (five) years in production in stages to:

- a. The Government through the Minister, the Provincial Government and the local Regency/City Government;
- b. BUMN and BUMD; and
- c. National Private Business Entity.

Article 6

- (1) The Government through the Minister, the Provincial Government and the local Regency/City Government within 60 (sixty) calendar days at the latest after the date of offer of Share Divestment as referred to in Article 5 should give a reply in writing on said offer to the holder of Production Operation IUP or Production Operation IUPK.

- (2) In the case the Government, the Provincial Government and the Regency/City Government state their interest toward the offer of Share Divestment, the Government, the Provincial Government and the Regency/City Government should submit a declaration of interest to the holder of Production Operation IUP or Production Operation IUPK by attaching the mechanism of payment of Share Divestment with carbon copies to:
- a. the governor and regent/mayor if the Government states its interest;
 - b. the Government and regent/mayor if the governor states his/her interest;
 - c. the Government and governor if the regent/mayor states his/her interest.
- (3) The statement of interest of the Government as referred to in sub-article (2) is submitted after obtaining approval from the R.I. House of People's Representatives.
- (4) The statement of interest of the Provincial Government as referred to in sub-article (2) is submitted after obtaining approval from the Provincial Regional House of People's Representatives.
- (5) The statement of interest of the Regency/City Government as referred to in sub-article (2) is submitted after obtaining the approval from the Regional People's House of Representatives of the Regency/City.
- (6) In the case the Government, the Provincial Government and the Regency/City Government state their interest toward the offer of Share Divestment within a limited period of offer of 60 (sixty) calendar days as referred to in sub-article (1), the Government is given priority to purchase the Share Divestment.
- (7) In the case the Government states that they are not interested in the offer of Share Divestment or within the period as referred to in sub-article (1) no reply comes from the Government, and if the Provincial Government and the Regency/City Government state

their interest, the Provincial Government and the Regency/City Government are to coordinate with the Minister to determine the composition of the amount of percentage of the Share Divestment to be purchased.

Article 7

- (1) In the case the Government, the Provincial Government and the Regency/City Government state they are not interested in or that within the period as referred to in Article 6 sub-article (1) no reply comes from the Government, the Provincial Government and the Regency/City Government, the holder of Production Operation IUP or Production Operation IUPK should immediately launch an offer of the Share Divestment as referred to in Article 5 openly to BUMN and BUMD as an initial stage of the realization of auction of Share Divestment to BUMN and BUMD.
- (2) The BUMN and BUMD within a period of 60 (sixty) calendar days at the latest after the date of offer of Share Divestment as referred to in sub-article (1) should reply in writing on said offer to the holder of Production Operation IUP or Production Operation IUPK.
- (3) In the case the BUMN and BUMD state their interest toward the offer of Share Divestment, the BUMN and BUMD should submit their statement of interest to the holder of Production Operation IUP or Production Operation IUPK completed with:
 - a. bid price on the Share Divestment in a sealed envelope;
 - b. deed of establishment of the BUMN or BUMD legalized by a competent official;
 - c. profile of BUMN or BUMD;
 - d. declaration of seriousness to be equally responsible in the development of mineral or coal mining business activities carried out by the holder of Production Operation IUP or Production Operation IUPK; and

e. Taxpayer's Registration Number.

(4) The envelopes containing the bid price on Share Divestment is opened on the 60th (sixtieth) day after the bid date as referred to in sub-article (1) and should be attended by all auction participants.

(5) The holder of Production Operation IUP or Production Operation IUPK determines the winner based on the highest bid and takes into consideration the requirements as referred to in sub-article (3) letter b up to letter e.

(6) In the case the BUMN or BUMD which submits the statement of having an interest as referred to in sub-article (2) is only 1 (one), the auction remains to be held.

Article 8

- (1) In the case the BUMN or BUMD states their being not interested in or that within the period as referred to in Article 7 sub-article (2) no reply comes from the BUMN or BUMD, the holder of Production Operation IUP or Production Operation IUPK should offer the Share Divestment as referred to in Article 5 openly to the National Private Business Entity as an initial stage of the realization of auction of Share Divestment to the National Private Business Entity.
- (2) The National Private Business Entity within a period of 30 (thirty) calendar days at the latest after the date of offer as referred to in sub-article (1) should reply in writing on said offer to the holder of Production Operation IUP or Production Operation IUPK.
- (3) In the case the National Private Business Entity states its interest in the offer of Share Divestment, the National Private Business Entity should submit its statement of interest to the holder of Production Operation IUP or Production Operation IUPK completed with:

- f. bid price on the Share Divestment in a sealed envelope;
 - g. deed of establishment of the National Private Business Entity legalized by a competent official;
 - h. profile of the National Private Business Entity;
 - i. declaration of seriousness to be equally responsible in the development of mineral or coal mining business activities carried out by the holder of Production Operation IUP or Production Operation IUPK; and
 - j. Taxpayer's Registration Number.
- (4) The envelopes containing the bid price on Share Divestment is opened on the 30th (thirtieth) day after the bid date as referred to in sub-article (1) and should be attended by all auction participants.
- (5) The holder of Production Operation IUP or Production Operation IUPK determines the winner based on the highest bid and takes into consideration the requirements as referred to in sub-article (3) letter b up to letter e.
- (6) In the case the BUMN or BUMD which submits the statement of having an interest as referred to in sub-article (2) is only 1 (one), the auction remains to be held.

Article 9

In the case the Share Divestment of the holder of Production Operation IUP or Production Operation IUPK as referred to in Article 5 up to Article 8 cannot be realized, the process of Share Divestment should be repeated and accumulated in accordance with its obligation based on the procedure of Share Divestment as referred to in Article 5 up to Article 8.

Third Part

The Procedure of Payment of Share Divestment

Article 10

- (1) Payment and transfer of Share Divestment is made within a period of 90 (ninety) calendar days at the latest after the date of statement of interest from the Government, the Provincial Government, or the Regency/City Government and embodied in the sales agreement of Share Divestment signed by both sides.

- (2) Payment and transfer of Share Divestment is made within a period of 90 (ninety) calendar days at the latest after the determining of the auction winner for BUMN, BUMD or National Private Business Entity and embodied in the sales agreement of Share Divestment signed by both sides.

- (3) Payment and transfer of Share Divestment as referred to in sub-article (1) and sub-article (2) should be published in the official report signed by both sides.

Article 11

- (1) The holder of Production Operation IUP and Production Operation IUPK should submit the report on the realization of Share Divestment to the Minister through the Director General with carbon copies to the governor and the regent/mayor.

- (2) The report as referred to in sub-article (1) should includes in it the official report and sales agreement of Share Divestment already approved and signed by both sides.

Article 12

The holder of Production Operation IUP and Production Operation IUPK who have completed the realization of Share Divestment should submit the altered share composition to the Minister through the Director General with carbon copies to the governor and regent/mayor.

Fourth Part
The Procedure of Pricing of Share Divestment

Article 13

- (1) The price of Share Divestment from the holder of Production Operation IUP or Production Operation IUPK offered to Indonesian Participant is determined based on replacement cost on investment of the holder of Production Operation IUP or Production Operation IUPK.

- (2) The replacement cost on investment of the holder of Production Operation IUP or Production Operation IUPK as referred to in sub-article (1) is in the form of replacement cost of the cumulative amount of investment cost expended since the exploration stage up to the year of obligation of Share Divestment deducted by:
 - a. accumulated depreciation and amortization based on the economic life or benefit of the different property group adjusted to the effect of inflation; and
 - b. financial obligation until the end of the year at the time the obligation of Share Divestment is due.

- (3) The price of Share Divestment as referred to in sub-article (1) and sub-article (2) becomes:
 - a. the highest price for the offer to the Government, the Provincial Government and the Regency/City Government;
 - b. the highest price as referred to in letter a constitutes the base price for the offer to BUMN, BUMD, and National Private Business Entity by way of auction.

Chapter III
A Change in Capital Investment
First Part
G e n e r a l

Article 15

(1) A change in capital investment can be realized after obtaining approval from the Minister, governor or regent/mayor in accordance with his/her competence.

(3) A change in capital investment as referred to in sub-article (1) is comprised of:

- a. a change in investment and funding source;
- b. a change in company status from PMA to PMDN or from PMDN to PMA;
- c. a change in the Memorandum of Association;
- d. a change of Directors and Commissioners; and
- e. a change in share ownership.

Second Part
A Change in Investment and Funding Source

Article 16

(1) The application for a change in investment and funding source as referred to in Article 15 sub-article (2) letter a is submitted by the holder of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, special Production Operation IUP for processing and/or refining, or special Production Operation IUP for transport and sales to:

- a. the Minister through the Director General;
- b. the governor; or
- c. the regent/mayor.

in accordance with his/her competence based on the format as included in Appendix IA which constitutes an inseparable part of this Ministerial Regulation.

- (2) The application for a change in investment and funding source as referred to in sub-article (1) should attach:
- a. the base/reason for the change and funding source;
 - b. proof of having paid off the dead rent for the holder of Exploration IUP, Exploration IUPK, Production Operation IUP and Production Operation IUPK;
 - c. proof of having paid off production dues for the past 2 (two) years for the holder of Production Operation IUP and Production Operation IUPK;
 - d. proof of having paid off production dues for the holder of Exploration IUP or Exploration IUPK who owns a temporary license for transporting and sales as well as the holder of special Production Operation IUP for processing and/or refining who makes use of associated minerals;
 - e. financial report in the past 2 (two) years already audited by a public accountant;
 - f. document of fund loan agreement;
 - g. copies of Exploration IUP, Exploration IUPK, Production Operation IUP or Production Operation IUPK already registered at the Directorate General and are declared clean and clear.

Article 17

- (1) In the case the application for a change in investment and funding source as referred to in Article 16 is already complete, the Director General, governor or regent/mayor in accordance with his/her competence conducts checking and evaluation.

- (2) The governor or regent/mayor in accordance with his/her competence assigns the technical service of the province or the technical service of the reGENCY/city in charge of mineral and coal mining to carry out checking and evaluation.
- (3) Based on the result of checking and evaluation as referred to in sub-article (1), the Minister, governor or regent/mayor in accordance with his/her competence makes his/her decision whether to approve or refuse the application for a change in investment and funding source.
- (4) Whether the application for a change in investment and funding source as referred to in sub-article (3) is to be approved or refused is determined within 14 (fourteen) working days at the latest, as of the date the application is received complete and correct.
- (5) The provision concerning the format of the decision for approving a change in investment and funding source as referred to in sub-article (4) is included in Appendix IB which constitutes an inseparable part of this Ministerial Regulation.
- (6) In the case the application for a change in investment and funding sources is refused, the refusal should be sent in writing to the applicant including the reason for refusal.

Third Part

A Change in the Status of PMA Company to PMDN or PMDN to PMA

Article 18

- (1) The application for a change in the status of PMA company to PMDN or PMDN to PMA as referred to in Article 15 sub-article (2) letter b, is applied by the holder of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, special Production Operation IUP for processing and/or refining, or special Production Operation IUP for transport and sales to the Minister through the Director General based on the

format as included in Appendix IIA and Appendix IIB which constitute inseparable parts of this Ministerial Regulation.

- (2) A change in the status of PMDN company to PMA for Exploration IUP and Exploration IUPK can only be effected if the ownership of Foreign Capital is not more than 75% (seventy-five percent).
- (3) A change in the status of PMDN company to PMA for Production Operation IUP and Production Operation IUPK can only be effected if the ownership of Foreign Capital is not more than 49% (forty-nine percent).
- (4) The application for a change in the status of PMA company to PMDN or PMDN to PMA as referred to in sub-article (1) should attach:
 - a. the base or reason for a change in the status of PMA company to PMDN or PMDN to PMA;
 - b. the decision of the General Meeting of Shareholders prior to being embodied in the Deed of the notary public;
 - c. a report on the result of activities of feasibility study which proved at least 2 (two) prospect areas had been discovered in exploration activities for the holder of Exploration IUP or Exploration IUPK;
 - d. proof of having paid off the dead rent of the past 2 (two) years for the holder of Exploration IUP, Exploration IUPK, Production Operation IUP and Production Operation IUPK;
 - e. proof of having paid off the production dues of the past 2 (two) years for the holder of Production Operation IUP and Production Operation IUPK;
 - f. proof of having paid off the production dues for the holder of Exploration IUP or Exploration IUPK who owns a temporary license for transporting and sales, as well as the holder of special Production Operation IUP for processing and/or refining who makes use of associated minerals;

- g. a financial report of the past 2 (two) years which had already been audited by a public accountant;
- h. planning for the sale and purchase of shares;
- i. deed of establishment of the company as the new shareholder candidate;
- j. Identity Card (KTP) and Taxpayer's Registration Number for the new shareholder candidate of Indonesian Citizenship or passport for the new shareholder candidate of Foreign Citizenship if the change in share ownership is to an individual;
- k. profile of the new shareholder candidate;
- l. recommendation of the governor or regent/mayor in accordance with his/her competence for a change in the status from PMDN to PMA for the IUP issued by the governor or regent/mayor; and
- m. copies of Exploration IUP, Exploration IUPK, Production Operation IUP or Production Operation IUPK which had been registered at the Directorate General and are declared clean and clear.

Article 19

(1) In the case the application for a change in the status of PMA company to PMDN or PMDN to PMA as referred to in Article 18 is already complete, the Director General conducts checking and evaluation.

(2) Based on the result of checking and evaluation as referred to in sub-article (1), the Minister makes the decision whether to give or refuse to give the approval for .

(3) a change in the status of a PMA company to PMDN or PMDN to PMA.

(4) Whether the application for a change in the status of a PMA company to PMDN of PMDN to PMA as referred to in sub-article (2) is to be approved or refused is determined within 14 (fourteen) working days at the latest, as of the date the application is received complete and correct.

- (5) The provision concerning the format of the decision in approving a change in the status of a PMA company to PMDN or PMDN to PMA as referred to in sub-article (3) is included in Appendices IIC and IID which constitute inseparable parts of this Ministerial Regulation.
- (6) In the case the application for approval of a change in the status of a PMA company to PMDN or PMDN to PMA is refused, the refusal should be sent in writing to the applicant including the reason for refusal.
- (7) The holder of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, special Production Operation IUP for processing and/or refining, or special Production Operation IUP for transport and sales is prohibited from submitting an application for a change in the status of a PMA company to PMDN or PMDN to PMA to the Capital Investment Coordinating Agency prior to obtaining approval from the Minister as referred to in sub-article (2).
- (8) The holder of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, special Production Operation IUP for processing and/or refining or special Production Operation IUP for transport and sales who commits violation as referred to in sub-article (6), is considered that a change in the status of a PMA company to PMDN or PMDN to PMA has not taken place.

Article 20

The Minister notifies the governor or regent/mayor in accordance with his/her competence after giving approval to a change in the status of a company from PMA to PMDN for WIUP located in cross regency/city in 1 (one) province or in an area in 1 (one) regency/city.

Article 21

- (1) In the case the application for approval of a change in the status of a company from PMDN to PMA has obtained approval from the Capital Investment Coordinating Agency and

legalization of the Memorandum of Association from the Ministry of Justice and Human Rights, within 1 (one) month at the latest after the date of the legalization of the Memorandum of Association, the holder of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, special Production Operation IUP for processing and/or refining or special Production Operation IUP for transport and sales should submit a copy of said agreement and legalization to the Minister through the Director General for the processing of a change in the status of IUP or IUPK.

- (2) In the case the application for approval of a change in the status of a company from PMA to PMDN has obtained approval from the Capital Investment Coordinating Agency and legalization of the Memorandum of Association from the Ministry of Justice and Human Rights, within 1 (one) month at the latest after the date of the legalization of the Memorandum of Association, the holder of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, special Production Operation IUP for processing and/or refining or special Production Operation IUP for transport and sales should submit a copy of said agreement and legalization to the Minister, governor or regent/mayor in accordance with his/her competence for the processing of a change in the status of IUP.
- (3) In the case the application for approval of a change in the status of a company from PMA to PMDN has obtained approval from the Capital Investment Coordinating Agency and legalization of the Memorandum of Association from the Ministry of Justice and Human Rights, within 1 (one) month at the latest after the date of the legalization of the Memorandum of Association, the holder of Exploration IUPK and Production Operation IUPK, should submit a copy of said agreement and legalization to the Minister, through the Director General for the processing of a change in the status of IUPK.

Article 22

- (1) The Minister submits the IUP document in the framework of a change in the status from PMA to PMDN to the governor or regent/mayor in accordance with his/her competence for the renewal of the IUP.
- (2) The governor or regent/mayor in accordance with his/her competence submits the IUP document in the framework of a change in the status of a company from PMDN to PMA to the Minister through the Director General for the renewal of the IUP.
- (3) The Minister, governor or regent/mayor in accordance with his/her competence should issues the IUP in the framework of a change in the status of a company from PMA to PMDN or PMDN to PMA as referred to in sub-article (1) and sub-article (2).

Fourth Part

Amendment to the Memorandum of Association

Article 23

- (1) The application for amendment to the Memorandum of Association as referred to in Article 15 sub-article (2) letter c, is submitted by the holder of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, special Production Operation IUP for processing and/or refining, or special Production Operation IUP for transport and sales to:
 - a. the Minister through the Director General;
 - b. the governor; or
 - c. the regent/mayor.in accordance with his/her competence based on the format as included in Appendix IIIA which constitutes an inseparable part of this Ministerial Regulation.

(2) The amendment to the Memorandum of Association as referred to in sub-article (1), among others encompasses the change in:

- a. the name of the Company and/or the domicile of the Company;
- b. the amount of initial capital;
- c. the amount of paid-in and deposited capital; and/or
- d. the status of a Company which has not go public to a public company and vice versa.

(3) The application for amendment to the Memorandum of Association as referred to in sub-article (1) should attach:

- a. the base or reason for the amendment to the Memorandum of Association;
- b. the result of the General Meeting of Stakeholders prior to being embodied in the Deed of the notary public;
- c. proof of having paid off the dead rent in the past 2 (two) years for the holder of Exploration IUP, Exploration IUPK, Production Operation IUP and Production Operation IUPK;
- d. proof of having paid off production dues in the past 2 (two) years for the holder of Production Operation IUP and Production Operation IUPK;
- e. proof of having paid off production dues for the holder of Exploration IUP or Exploration IUPK who owns a temporary license for transport and sales, as well as the holder of special Production Operation IUP for processing and/or refining which makes use of associated minerals;
- f. financial report of the past 2 (two) years already audited by a public accountant;
- g. the source and utilization of the increased initial capital, paid-in and deposited capital for the application for amendment to the Memorandum of Association as referred to in sub-article (2) letter b and letter c;
- h. the prospectus to be published for the application for amendment to the Memorandum of Association as referred to in sub-article (2) letter d;
- i. a report on the result of feasibility study which proved that at least 2 (two) prospect areas have been discovered in the exploration, for the holder of

- Exploration IUP or Exploration IUPK for the application for amendment to the Memorandum of Association as referred to in sub-article (2) letter d; and
- j. a copy of Exploration IUP, Exploration IUPK, Production Operation IUP or Production Operation IUPK already registered at the Director General and are declared clean and clear.

Article 24

- (1) In the case the application for amendment to the Memorandum of Association as referred to in Article 23 is already complete, the Director General, governor or regent/mayor in accordance with his/her competence conducts checking and evaluation.
- (2) The governor or regent/mayor in accordance with his/her competence assigns the technical service of the province or the technical service of the regency/city in charge of mineral and coal mining to conduct checking and evaluation.
- (3) Based on the result of checking and evaluation as referred to in sub-article (1), the Minister, governor or regent/mayor in accordance with his/her competence makes his/her decision whether to give or refuse to give approval for the amendment to the Memorandum of Association.
- (4) Whether to give or refuse the application for approval to the amendment of the Memorandum of Association as referred to in sub-article (3) is determined within a period of 14 (fourteen) working days at the latest, as of the date the application is received complete and correct.
- (5) The provision concerning the format of decision of giving approval to the amendment to the Memorandum of Association as referred to in sub-article (4) is included in Appendix IIIB which constitutes an inseparable part of this Ministerial Regulation.

- (6) In the case the application for amendment to the Memorandum of association is refused, the refusal should be sent in writing to the applicant including the reason for refusal.

Fifth Part

Changes in the Board of Directors and Commissioners

Article 25

- (1) The application for a change in the Board of Directors and Commissioners as referred to in Article 15 sub-article (2) letter d, is submitted by the holder of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, special Production Operation IUP for processing and/or refining or special Production Operation IUP for transport and sales to:
- a. the Minister through the Director General;
 - b. the governor; or
 - c. the regent/mayor,
- in accordance with his/her competence based on the format as included in Appendix IVA which is an inseparable part of this Ministerial Regulation.
- (2) The application for a change in the Board of Directors and Commissioners as referred to in sub-article (1) should attach:
- a. the base or reason for a change in the Board of Directors or Commissioners;
 - b. the result of the General Meeting of Shareholders prior to being embodied in the Deed of the notary public;
 - c. the document of the latest/newest Memorandum of Association;
 - d. proof of having paid off the dead rent of the past 2 (two) years for the holder of Production Operation IUP and Production Operation IUPK;

- e. proof of having paid off production dues of the past 2 (two) years for the holder of Production Operation IUP and Production Operation IUPK;
- f. proof of having paid off production dues for the holder of Exploration IUP or Exploration IUPK who owns a temporary license for transport and sales, as well as the holder of special Production Operation IUP for processing and/or refining who makes use of associated minerals;
- g. financial report of the past 2 (two) years already audited by a public accountant; and
- h. copies of Exploration IUP, Exploration IUPK, Production Operation IUP or Production Operation IUPK already registered at the Directorate General and are declared clean and clear.

Article 26

- (1) In the case the application for a change in the Board of Directors and Commissioners as referred to in Article 25 is already complete, the Director General, governor or regent/mayor in accordance with his/her competence conducts checking and evaluation.
- (2) The governor or regent/mayor in accordance with his/her competence assigns the technical service of the province or the technical service of the regency/city in charge of mineral and coal mining to conduct checking and evaluation.
- (3) Based on the result of checking and evaluation as referred to in sub-article (1), the Minister, governor or regent/mayor in accordance with his/her competence makes the decision whether to give or refuse to give approval to the change in the Board of Directors and Commissioners.
- (4) Whether to give or refuse the application for approval to the change in the Board of Directors and Commissioners as referred to in sub-article (3) is determined within a period of 14 (fourteen) working days at the latest, as of the date the application is received complete and correct.

(5) The provision concerning the format of decision for giving approval to the change in the Board of Directors and Commissioners as referred to in sub-article (4) is included in Appendix IVB which constitutes an inseparable part of this Ministerial Regulation.

(6) In the case the application for a change in the Board of Directors and Commissioners is refused, the refusal should be sent in writing to the applicant including the reason for refusal.

Sixth Part

A Change in Share ownership

Article 27

(1) The application for a change in share ownership as referred to in Article 15 sub-article (2) letter e is submitted by the holder of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, special Production Operation IUP for processing and/or refining or special Production Operation IUP for transport ad sales, to:

- a. the Minister through the Director General;
- b. the governor; or
- c. the regent,

in accordance with his/her competence based o the format as included in Appendix VA which constitutes an inseparable part of this Ministerial Regulation.

(2) The change in the share ownership of PMA for Exploration IUP and Exploration IUPK can only be effected if the ownership of foreign capital is not more than 75% (seventy-five percent).

(3) The change in share ownership of PMA for Production Operation IUP and Production Operation IUPK can only be effected if ownership of foreign capital is not more than 49% (forty-nine percent).

(4) A change in share ownership as referred to in sub-article (1) encompasses sale, merger, amalgamation, acquisition or splitoff carried out by the holder of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, special Production Operation IUP for processing and/or refining, or special Production Operation IUP for transport and sale.

(5) Application for a change in share ownership as referred to in sub-article (1) should attach:

- a. the base or reason for a change in share ownership;
- b. the result of the General Shareholders Meeting prior to being embodied in the Deed of the notary public;
- c. a report on the result of feasibility study which proved that at least 2 (two) prospect areas had been discovered in exploration activities for the holder of Exploration IUP, Exploration IUPK, Production Operation IUP and Production Operation IUPK;
- d. proof of having paid off the dead rent in the past 2 (two) years for the holder of Exploration IUP, Exploration IUPK, Production Operation IUP and Production Operation IUPK;
- e. proof of having paid off production dues in the past 2 (two) years for the holder of Production Operation IUP and Production Operation IUPK;
- f. proof of having paid off production dues for the holder of Exploration IUP or Exploration IUPK who owns a temporary license for transport and sales, as well as the holder of special Production Operation IUP for processing and/or refining who makes use of associated minerals;
- g. financial report of the past 2 (two) years already audited by a public accountant; . .
- h. planning for the sale and purchase of shares.
- i. deed of establishment of the shareholder candidate's company;

- j. identity card and Taxpayer's Registration Number of the new shareholder candidate of Indonesian citizenship or passport for the new shareholder candidate of foreign citizenship if a change in the share ownership is to an individual person;
- k. profile of the new shareholder candidate; and
- l. copies of Exploration IUP, Exploration IUPK, Production Operation IUP or Production Operation IUPK already registered at the Directorate General and is declared clean and clear.

Article 28

- (1) In the case the application for a change in share ownership as referred to in Article 27 is already complete, the Director General, governor or regent/mayor in accordance with his/her competence conducts checking and evaluation.
- (2) The governor or regent/mayor in accordance with his/her competence assigns the technical service of the province or the technical service of the regency/city in charge of mineral and coal mining to conduct checking and evaluation.
- (3) Based on the result of checking and evaluation as referred to in sub-article (1), the Minister, governor or regent/mayor in accordance with his/her competence makes the decision whether to give or refuse to give approval to a change in share ownership. .
- (4) Whether to give or refuse the application for approval to a change in share ownership as referred to in sub-article (3) is determined within a period of 14 (fourteen) working days at the latest, as of the date the application is received complete and correct.

(5) The provision concerning the format of decision for giving approval to a change in share ownership as referred to in sub-article (4) is included in Appendix VB which constitutes an inseparable part of this Ministerial Regulation.

(6) In the case the application for a change in share ownership is refused, the refusal should be sent in writing to the applicant including the reason for refusal.

Seventh Part

Follow Up to the Approval to a Change in Capital Investment

Article 29

Based on the approval to a change in capital investment as referred to in Article 17, Article 19, Article 24, Article 26 and Article 28, the holder of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, special Production Operation IUP for processing and/or refining, or special Production Operation IUP for transport and sale should submit an application for approval, legalization, recording, or other forms to the Capital Investment Coordinating Agency and/or the Ministry of Justice and Human Rights in compliance with the provision in the laws and regulations.

Chapter IV

Administrative Sanction

Article 30

(1) The holder of Production Operation IUP or Production Operation IUPK who commits violation of the provisions as referred to in Article 2 sub-article (1), sub-article (4), sub-article (5), sub-article (6), sub-article (8) or sub-article (9), Article 3, Article 4, Article 5, Article 7 sub-article (1), sub-article (4), sub-article (5) or sub-article (6), Article 8 sub-article (1), sub-article (4), sub-article (5) or sub-article (6), Article 9, Article 11 sub-

article (1) or sub-article (2), Article 12, or Article 13 sub-article (1) and sub-article (2) or sub-article (3) is imposed with administrative sanctions.

(2) The administrative sanctions as referred to in sub-article (1) are in the form of:

- a. reprimand;
- b. temporary halting of activities; and
- c. revocation of Production Operation IUP or Production Operation IUPK.

(3) The administrative sanctions as referred to in sub-article (2) is given by the Minister.

Article 31

Reprimand as referred to in Article 30 sub-article (2) letter a is given 3 (three) times at the most, with a time span of 1 (one) months at the longest in between.

Article 32

(1) In the case the holder of Production Operation IUP or Production Operation IUPK who had been sanctioned with reprimand, after the time span of reprimand ended as referred to in Article 31 has not carried out his/her obligation, an administrative sanction of temporary halting of activities as referred to in Article 30 sub-article (2) letter b, will be imposed.

(2) Administrative sanction in the form of temporary halting of activities as referred to in sub-article (1) is imposed within a time span of 2 (two) months at the longest.

Article 33

Administrative sanction in the form of revocation of Production Operation IUP or Production Operation IUPK as referred to in Article 30 sub-article (2) letter c, is imposed on the holder of

Production Operation IUP or Production Operation IUPK who does not carry out his/her obligation up to the end of the time span of imposed sanction of temporary halting as referred to in Article 32 sub-article (2).

Chapter V

Transitional Provision

Article 34

- (1) The holder of Exploration IUP and Production Operation IUP who had already carried out a change in status to PMA with share ownership which originated from Foreign Capital of more than 49% (forty-nine percent) prior to this Ministerial Regulation becomes effective remains to be imposed with the obligation to carry out Share Divestment in compliance with the provision in this Ministerial Regulation.

- (2) The holder of Exploration IUP and Production Operation IUP who had already carried out a change of status to PMA with share ownership which originated from Foreign Capital of more than 49% (forty-nine percent) as referred to in sub-article (1) cannot increase the amount of shares they own which originated from Foreign Capital up to the imposition of the obligation to carry out Share Divestment in compliance with the provision in this Ministerial Regulation.

Article 35

The governor or regent/mayor in accordance with his/her competence should submit the document of Exploration IUP, Production Operation IUP, special Production Operation IUP for transport and sale, or special Production Operation for processing and/or refining in the framework of PMA which had already been issued prior to this Ministerial Regulation becomes effective to the Minister within a period of 1 (one) year at the latest since this Ministerial Regulation becomes effective for their IUP to be renewed by the Minister in compliance with the provision in this Ministerial Regulation.

Article 36

- (1) The application for a change in the status of a company from PMA to PMDN or PMDN to PMA which had already submitted by the holder of Exploration IUP, Production Operation IUP, special Production Operation IUP for transport and sale, or special Production Operation IUP for processing and/or refining prior to this Ministerial Regulation becomes effective, should be processed in compliance with the provision in this Ministerial Regulation.
- (2) The governor or regent/mayor should submit the document of application for a change in the status of a company from PMA to PMDN or MDN to PMA as referred to in sub-article (1) to the Minister in 6 (six) months at the latest since this Ministerial Regulation becomes effective for their IUP to be renewed by the Minister in compliance with the provision in this Ministerial Regulation.

Article 37

The application of the holder of Exploration IUP, Production Operation IUP, special Production Operation IUP for transport and sale, or special Production Operation IUP for processing and/or refining for a change in investment and funding source, amendment to the Memorandum of Association and/or a change in the Board of Directors and Commissioners submitted prior to this Ministerial Regulation is established, is processed in compliance with the provision in this Ministerial Regulation

Article 38

At the time this Ministerial Regulation becomes effective, the procedures and pricing of Share Divestment valid for the holder of Contract of Work and Coal Contract of Work (PKP2B) should observe the provision in this Ministerial Regulation.

Chapter VI
Concluding Provision

Article 39

This Ministerial Regulation becomes effective on the date of its promulgation

In order that it may be known to all, this Ministerial Regulation is ordered to be published in the State Bulletin of the R.I

Established in Jakarta

On September 13, 2013

The Minister of Energy and Mineral Resources of the R.I.

Signed

Jero Wacik

Promulgated in Jakarta

On September 13, 2013

The Minister of Justice and Human Rights

Signed

Amir Syamsudin

For copy conform

The Ministry of Energy and Mineral Resources

Head of Legal Affairs Bureau

Signed

Susyanto

APPENDIX IA
 DECREE OF MINISTER OF ENERGY AND MINERAL RESOURCES
 REPUBLIC OF INDONESIA
 NUMBER 27 YEAR 2013
 ABOUT
 PRICING AND PROCEDURES OF DIVESTMENT,
 CHANGES OF INVESTMENT IN MINERAL AND COAL MINING
 UNDERTAKINGS

FORMAT OF REQUEST FOR
 CHANGES OF INVESTMENT AND FINANCIAL SOURCES
 (COMPANY HEADLETTER)

Date :

Number:

Subject : Request for Approval on the Changes of Investment and
 Financial Sources of PT "X"

Submitted to:

- Minister of Energy and Mineral Resources c.q. Director General of Mineral and Coal;
 - Governor; or
 - Regent/Mayor;
- in

In regard of the changes of the Investment and Financial Sources of PT "X", we would hereby request for the approval of the changes of investment and financial sources, and consequently the composition will be as follows:

DESCRIPTION	From	To
	Value (Rp/USD)	Value (Rp/USD)
Types of investment:		
1.
2.
Total
Financial Sources:		
1. Equity
2. Loans		
• Domestic loan
• Offshore loan

For your consideration, we attach the documents in light of the subject as follows:

1. The reasons of changes of investment and financial sources;
2. Documents of payments of deadrent by the holders of IUP Exploration, IUPK Exploration, IUP Operation Production, and IUPK Operation Production;
3. Evidences of payments of production contribution for 2 (two) years of the holders of IUP Production Operation and IUPK Production Operation;
4. Evidences of payments of production contribution of the holders of IUP Exploration, IUPK Exploration with temporary permit for deliveries and sales, as well as the holder of Operation Production special for processing and or purification that utilizes associated minerals;
5. Financial statements for 2 (two) years audited by public accountant;
6. Document on loan agreement; and
7. Copies of IUP Exploration, IUPK Exploration, IUP Operation Production, or IUPK Operation Production that have been registered at the Director-General, of which has clear and clean status.

That is all to be advised and for the attention of Minister/ Governor/Regent/Mayor*, we would like to say thank you.

Requested by,

(-----)

Full Name, Signature, Job title,
Corporate hallmark

Note:

*in accordance with the authority

APPENDIX IB
 DECREE OF MINISTER OF ENERGY AND MINERAL RESOURCES
 REPUBLIC OF INDONESIA
 NUMBER 27 YEAR 2013
 ABOUT
 PROCEDURE AND PRICING OF DIVESTMENT,
 CHANGES OF INVESTMENT IN MINERAL AND COAL MINING
 UNDERTAKINGS
 FORMAT OF APPROVAL
 CHANGES IN INVESTMENT AND FINANCIAL SOURCES

Date

Number :
 Nature :
 Attachment (Appendix) :
 Subject : Approval of the Changes in Investment and Financial Sources

Director of PT "X"
 in

Dear Sir/ Madam:

Referring to your letter No. ... dated ... on the subject as mentioned above, we would hereby let you know as follows:

1. We can approve the Changes in Investment and Financial Sources based on IUP or IUPK No. ... dated ...
2. With the the Changes in Investment and Financial Sources, the financial structure will be as follows:

DESCRIPTION	From	To
	Value (Rp/USD)	Value (Rp/USD)
Types of investment:		
1.
2.
Total
Financial Sources:		
1. Equity
2. Loans		
• Domestic loan
• Offshore loan

We would like to say thank you for your attention.

Minister of Energy and Mineral Resources/
Governor/Regent/Mayor*

(.....)

Carbon copies:

1. Minister of Finance
2. Minister of Justice and Human Rights
3. Head of Coordinating Board of Investment
4. Director General of Mineral and Coal
5. Director General of Taxation under Finance Ministry
6. Governor/Regent/Mayor*

Note:

*in accordance with the authority

MINISTER OF ENERGY AND MINERAL RESOURCES
REPUBLIC OF INDONESIA

SIGNED

JERO WACIK

Copy as the original version
Ministry of Energy and Mineral Resources (MEMR)
Head of Bureau of Laws,

Signed

Susyanto

APPENDIX IIA
 DECREE OF MINISTER OF ENERGY AND MINERAL RESOURCES
 REPUBLIC OF INDONESIA
 NUMBER 27 YEAR 2013
 ABOUT
 PROCEDURES AND PRICING OF DIVESTED SHARES, AS WELL AS
 CHANGE OF CAPITAL INVESTMENT IN
 MINERAL AND COAL MINING UNDERTAKINGS

FORMAT OF REQUEST
 CHANGE OF THE STATUS OF FOREIGN-INVESTMENT COMPANY (PMA) TO
 BECOME DOMESTIC-INVESTMENT COMPANY (PMDN)

(COMPANY LETTERHEAD)

Date

Number:

Subject: Request for Change of the Status of PMA to be PMDN

Minister of Energy and Mineral Resources
 c.q Director General of Mineral and Coal
 in Jakarta

Dear Sir:

In light of the plan to transfer the shares of Foreign Investment Company (PMA) to Domestic Investment Company (PMDN) as decided at the General Meeting of Shareholders of PT "X", we hereby request for the approval of the change of the company's status from Foreign Investment Company (PMA) to become Domestic Investment Company (PMDN).

With such a change the composition of the ownership of Shareholders, Directors and Commissioners will be as follows:

Description	Name/ Country	From		To	
		Rp/US\$	%	Rp/US\$	%
Shareholders					
1.....
2.....
Total	100%	100%
Board of Directors		Name		Name	
President Director		1.....		1.....	
Director		2.		2.	

Board of Commissioners	Name	Name
President Commissioner	1.....	1.....
Commissioner	2.	2.

For your consideration we attach the documents in regard of the subject as follows:

1. The basis or reason for the change of the status from PMA to PMDN;
2. The result of the General Meeting of Shareholders before it was officiated into a notary act (deed of establishment);
3. Report of the result of feasibility study proving that it has found at least two (2) exploration prospects in the region for the holders of IUP Exploration and IUPK Exploration;
4. Evidence of payments of deadrents for 2 (two) years of the holders of IUP Exploration, IUPK Exploration, IUP Operation Production, and IUPK Operation Production;
5. Evidence of payments of production for 2 (two) years of the holders of IUP Operation Production and IUPK Operation Production;
6. Evidence of payments of production of the holders of IUP Exploration or IUPK Exploration with temporary permits for deliveries and sales, as well as of the holders of IUP Operation Production special for processing and/or purification of associated minerals;
7. Financial statements for 2 (two) years that have been audited by public accountant;
8. Scheme on the purchase of shares;
9. Deed of establishment of company for new shareholders;
10. Identity card (KTP) and Taxpayer Identification Number (NPWP) for prospective new shareholders of Indonesian residents or passports of prospective shareholders of foreign residents in case there is an amendment on the changes of individual ownership of shares;
11. Profiles of prospective new shareholders; and
12. Copies of IUP Exploration, IUPK Exploration, IUP Operation Production, or IUPK Operation Production that have been registered at the Director-General with clear and clean status.

That is all to be informed and we would like to thank for the attention of the Minister.

Requested by,

(-----)

Full Name, Signature, Job title,
corporate hallmark

APPENDIX IIB

MINISTER OF ENERGY AND MINERAL RESOURCES
 REPUBLIC OF INDONESIA
 NUMBER 27 YEAR 2013
 ABOUT
 PROCEDURE AND PRICING OF DIVESTED SHARES,
 AS WELL AS THE CHANGES OF INVESTMENT
 IN MINERAL AND COAL MINING UNDERTAKINGS

FORMAT OF REQUEST
 CHANGE OF STATUS

From Domestic Investment Company (PMDN) to become Foreign Investment Company
 (PMA)
 (COMPANY LETTERHEAD)

Date

Number:

Subject : Request for Change of Status from PMDN to be PMA

Minister of Energy and Mineral Resources
 c.q. Director General of Mineral and Coal
 in Jakarta

Dear Sir:

In light of the plan to transfer the shares owned by national entities to foreign companies as decided at the General Meeting of Shareholders of PT "X", we hereby request for the approval of the change of the status from Domestic Investment Company (PMDN) to become Foreign Investment Company (PMA).

With the change the composition of ownership of shares, Directors and Commissioners will be as follows:

Description	Name/ Country	From		To	
		Rp/US\$	%	Rp/US\$	%
Shareholders					
1.....
.....
2.....
.....
Total	100%	100%
	
Board of Directors		Name		Name	
President Director		1.....		1.....	
		
Director		2.		2.	

Board of Commissioners	Name	Name
President Commissioner	1.....	1.....
Commissioner	2.	2.

For your consideration we attach the documents in regard of the subject as follows:

1. The basis or reason for the change of the status from PMDN to PMA;
2. The result of the General Meeting of Shareholders before it was officiated into a notary act (deed of establishment);
3. Report of the result of feasibility study proving that it has found at least two (2) exploration prospects in the region for the holders of IUP Exploration and IUPK Exploration;
4. Evidence of payments of deadrents for 2 (two) years by the holders of IUP Exploration, IUPK Exploration, IUP Operation Production, and IUPK Operation Production;
5. Evidence of payments of production for 2 (two) years by the holders of IUP Operation Production and IUPK Operation Production;
6. Evidence of payments of production by the holders of IUP Exploration or IUPK Exploration with temporary permits of deliveries and sales, as well as of the holders of IUP Operation Production special for processing and/or purification of associated minerals;
7. Financial statements for 2 (two) years that have been audited by public accountant;
8. Scheme on the purchase of shares;
9. Deed of establishment of company for new shareholders;
10. Identity card (KTP) and Taxpayer Identification Number (NPWP) for prospective new shareholders of Indonesian residents or passports of prospective shareholders of foreign residents in case there is amendment on the changes of individual ownership of shares;
11. Profiles of prospective new shareholders; and
12. Recommendation from Governor and/or Regent/ Mayor based on the authority for the change of status from PMDN to be PMA for IUP issued by Governor or Regent/Mayor; and
13. Copies of IUP Exploration, IUPK Exploration, IUP Operation Production, or IUPK Operation Production that have been registered at the Director-General with clear and clean status.

That is all to be informed and we would like to thank for the attention of the Minister.

Requested by,

(-----)
Full Name, Signature, Job title,
corporate hallmark

APPENDIX IIC
 DECREE OF MINISTER OF ENERGY AND MINERAL RESOURCES
 REPUBLIC OF INDONESIA
 NUMBER 27 YEAR 2013
 ABOUT
 PROCEDURES AND PRICING OF DIVESTED SHARES, AS WELL AS
 CHANGE OF CAPITAL INVESTMENT IN
 MINERAL AND COAL MINING UNDERTAKINGS

FORMAT OF APPROVAL
 CHANGE IN STATUS OF FOREIGN-INVESTMENT COMPANY (PMA) TO
 DOMESTIC-INVESTMENT COMPANY (PMDN)

Date.....

Number :
 Nature :
 Appendix :
 Subject : Approval of Change of Status from PMA to PMDN

Director of PT "X"
 in

Dear Sir/ Madam:

Referring to your letter No. ... dated ...on the subject as mentioned above, we would hereby let you know as follows:

1. We can approve the Change of status from PMA to PMDN based on IUP or IUPK No. ... dated ...
2. With the the Change of status from PMA to PMDN the formation will be as follows:

Description	Name/ Country	From		To	
		Rp/US\$	%	Rp/US\$	%
Shareholders					
1.....
2.....
Total	100%	100%
Board of Directors		Name		Name	
President Director		1.....		1.....	
Director		2.		2.	

Board of Commissioners	Name	Name
President Commissioner	1.....	1.....
Commissioner	2.	2.

For your attention, we thank you.

Minister of Energy and Mineral Resources,

(.....)

Carbon copies:

1. Minister of Finance
2. Minister of Justice and Human Rights
3. Head of Coordinating Board of Investment
4. Director General of Mineral and Coal
5. Director General of Taxation under Finance Ministry
6. Governor/Regent/Mayor*

Note:

*in accordance with the authority

APPENDIX IID
 DECREE OF MINISTER OF ENERGY AND MINERAL RESOURCES
 REPUBLIC OF INDONESIA
 NUMBER 27 YEAR 2013
 ABOUT
 PROCEDURE AND PRICING OF DIVESTMENT,
 CHANGES OF INVESTMENT IN MINERAL AND COAL MINING
 UNDERTAKINGS

FORMAT OF APPROVAL
 CHANGE OF STATUS FROM Domestic Investment Company (PMDN)
 TO Foreign Investment Company (PMA)

Date

Number :
 Nature :
 Attachment (Appendix) :
 Subject : Approval of the Change of status from PMDN to PMA

Directors of PT "X"
 in

Referring to your letter No. ... dated ...on the subject as mentioned above, we would hereby let you know as follows:

1. We can approve the Change of status from PMDN to PMA based on IUP or IUPK No. ... dated ...
2. With the the Change of status from PMDN to PMA, the structure will be as follows:

Description	Name/ Country	From		To	
		Rp/US\$	%	Rp/US\$	%
Shareholders					
1.....
2.....
Total	100%	100%
Board of Directors		Name		Name	
President Director		1.....		1.....	
Director		2.		2.	
Board of Commissioners		Name		Name	
President Commissioner		1.....		1.....	

Commissioner	2.	2.

We would like to say thank you for your attention.

Minister of Energy and Mineral Resources

(.....)

Carbon copies:

1. Minister of Finance
2. Minister of Justice and Human Rights
3. Head of Coordinating Board of Investment
4. Director General of Mineral and Coal
5. Director General of Taxation under Finance Ministry
6. Governor/Regent/Mayor*

Note:

*in accordance with the authority

MINISTER OF ENERGY AND MINERAL RESOURCES
REPUBLIC OF INDONESIA

SIGNED

JERO WACIK

Copy as the original version
Ministry of Energy and Mineral Resources (MEMR)
Head of Bureau of Laws,

Susyanto

TOTAL	-	-	-	10 0	-	-	-	100

For your consideration we attach the documents in regard of the subject as follows:

1. The basis or reason for the change of the Deed of Establishment;
2. The result of the General Meeting of Shareholders before it was officiated into a notary act;
3. Evidence of payments of deadrents for 2 (two) years by the holders of IUP Exploration, IUPK Exploration, IUP Operation Production, and IUPK Operation Production;
4. Evidence of payments of production for 2 (two) years by the holders of IUP Operation Production and IUPK Operation Production;
5. Evidence of payments of production by the holders of IUP Exploration or IUPK Exploration with temporary permits of deliveries and sales, as well as of the holders of IUP Operation Production special for processing and/or purification of associated minerals;
6. Financial statements for 2 (two) years that have been audited by public accountant;
7. Sources and uses to raise capital base, placed-in capital and paid-in capital for the sake of the amendment of the Deed of Establishment in regard of the changes of capital base, placed-in capital and paid-in capital.
8. Prospectus to be published in light of the request for the amendment of the Deed of Establishment of company from a limited liabilities company (ltd) to become a public liabilities company (plc, or go-public company), and vice versa.
9. Report of the result of feasibility study proving that it has found at least two (2) exploration prospects in the region for the holders of IUP Exploration and IUPK Exploration in regard of the intention to change the status from a limited liabilities company (ltd) to become a public liabilities company (plc, or go-public company), and vice versa;
10. Copies of IUP Exploration, IUPK Exploration, IUP Operation Production, or IUPK Operation Production that has been registered at the Director-General with clear and clean status.

That is all to be advised and for the attention of Minister/ Governor/Regent/Mayor*, we would like to say thank you.

Requested by,

(-----)

Full Name, Signature, Job title,
corporate hallmark

Note:

*in accordance with the authority

Shareholder								
-	-	-	-	-	-	-	-	-
_____	-	-	-	-	-	-	-	-

TOTAL	-	-	-	10 0	-	-	-	100

We would like to say thank you for your attention.

Minister of Energy and Mineral Resources/
Governor/Regent/Mayor*

(.....)

Carbon copies:

1. Minister of Finance
2. Minister of Justice and Human Rights
3. Head of Coordinating Board of Investment
4. Director General of Mineral and Coal
5. Director General of Taxation under Finance Ministry
6. Governor/Regent/Mayor*

Note:

*in accordance with the authority

MINISTER OF ENERGY AND MINERAL RESOURCES
REPUBLIC OF INDONESIA

SIGNED

JERO WACIK

Copy as the original version
Ministry of Energy and Mineral Resources (MEMR)
Head of Bureau of Laws,

Signed

Susyanto

APPENDIX IVA
 DECREE OF MINISTER OF ENERGY AND MINERAL RESOURCES
 REPUBLIC OF INDONESIA
 NUMBER 27 YEAR 2013
 ABOUT
 PROCEDURE AND PRICING OF DIVESTMENT,
 CHANGES OF INVESTMENT IN MINERAL AND COAL MINING
 UNDERTAKINGS

FORMAT OF REQUEST
 CHANGES OF BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS
 (COMPANY LETTER HEAD)

Date

Number:

Subject : Changes of Board of Directors and Board of Commissioners

- Minister of Energy and Mineral Resources c.q. Director General of Mineral and and Coal;
- Governor; or
- Regent/ Mayor
 in

Dear Sir/ Madam:

As referring to the result of the General Meeting of Shareholders of PT "X" dated on, we would hereby request for the changes of the Board of Directors and the Board of Commissioners in composition as follows:

DESCRIPTION	NAME	
	FROM	TO
BOARD OF DIRECTORS:		
President Director
Director
BOARD OF COMMISSIONERS:		
President Commissioner
Commissioner

For your consideration we attach the documents in regard of the subject as cited below:

1. The basis or reason for the changes of the Board of Directors and the Board of Commissioners;
2. The result of the General Meeting of Shareholders before it was officiated into a notary act (deed of establishment);

3. The updated document of the Deed of Establishment
4. Evidence of payments of deadrents for 2 (two) years by the holders of IUP Exploration, IUPK Exploration, IUP Operation Production, and IUPK Operation Production;
5. Evidence of payments of production for 2 (two) years by the holders of IUP Operation Production and IUPK Operation Production;
6. Evidence of payments of production by the holders of IUP Exploration or IUPK Exploration with temporary permits for deliveries and sales, as well as by the holders of IUP Operation Production special for processing and/or purification of associated minerals;
7. Financial statements for 2 (two) years that have been audited by public accountant;
8. Copies of IUP Exploration, IUPK Exploration, IUP Operation Production, or IUPK Operation Production that have been registered at the Director-General with clear and clean status.

That is all to be informed and we would like to thank for the attention of the Minister/
Governor/Regent/ Mayor.

Requested by,

(-----)

Full Name, Signature, Job title,
corporate hallmark

Note:

*in accordance with the authority

APPENDIX IVB

DECREE OF MINISTER OF ENERGY AND MINERAL RESOURCES
 REPUBLIC OF INDONESIA
 NUMBER 27 YEAR 2013
 ABOUT
 PRICING AND PROCEDURES OF DIVESTMENT,
 CHANGES OF INVESTMENT IN MINERAL AND COAL MINING
 UNDERTAKINGS

FORMAT OF APPROVAL
 FOR CHANGES OF BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

Date

Number :
 Nature :
 Appendix :
 Subject : Approval for Changes of Board of Directors and Board of Commissioners

Director of PT "X"
 in

Dear Sir/ Madam:

Referring to your letter No. ... dated ...on the subject as mentioned above, we would hereby let you know as follows:

1. We can approve the Change of status from PMA to PMDN based on IUP or IUPK No. ... dated ...
2. With the the Changes of the Board of Directors and the Board of Commissioners, the formation will be as follows:

DESCRIPTION	NAME	
	FROM	TO
BOARD OF DIRECTORS:		
President Director
Director
BOARD OF COMMISSIONERS:		
President Commissioner
Commissioner

We would like to say thank you for your attention.

Minister of Energy and Mineral Resources/
Governor/Regent/Mayor*

(.....)

Carbon copies:

1. Minister of Finance
2. Minister of Justice and Human Rights
3. Head of Coordinating Board of Investment
4. Director General of Mineral and Coal
5. Director General of Taxation under Finance Ministry
6. Governor/Regent/Mayor*

Note:

*in accordance with the authority

MINISTER OF ENERGY AND MINERAL RESOURCES
REPUBLIC OF INDONESIA

SIGNED

JERO WACIK

Copy as the original version

Ministry of Energy and Mineral Resources (MEMR)
Head of Bureau of Laws,

signed

Susyanto

APPENDIX VA

DECREE OF MINISTER OF ENERGY AND MINERAL RESOURCES
REPUBLIC OF INDONESIA
NUMBER 27 YEAR 2013
ABOUT
PRICING AND PROCEDURES OF DIVESTMENT,
CHANGES OF INVESTMENT IN MINERAL AND COAL MINING
UNDERTAKINGS

FORMAT OF REQUEST
FOR CHANGES OF SHARE OWNERSHIP
(COMPANY LETTER HEAD)

Date

Number :

Subject : Request for changes of share ownership of PT "X"

Submitted to:

- Minister of Energy and Mineral Resources c.q. Director General of Mineral and Coal;
 - Governor; or
 - Regent/Mayor;
- in

In regard of the transfer of the shares of PT "X", we would hereby request for the approval of the changes of share ownership with the composition as follows:

DESCRIPTION	FROM		TO	
	Rp/US\$	%	Rp/US\$	%
SHAREHOLDERS:				
1.....
2.....
3.....
TOTAL		100%		100%

For your consideration we attach the documents in regard of the subject as follows:

1. The basis or reason for the change of the share ownership;
2. The result of the General Meeting of Shareholders before it was officiated into a notary act;

3. Report of the result of feasibility study proving that it has found at least two (2) exploration prospects in the region for the holders of IUP Exploration and IUPK Exploration;
4. Evidence of payments of deadrents for 2 (two) years by the holders of IUP Exploration, IUPK Exploration, IUP Operation Production, and IUPK Operation Production;
5. Evidence of payments of production for 2 (two) years by the holders of IUP Operation Production and IUPK Operation Production;
6. Evidence of payments of production by the holders of IUP Exploration or IUPK Exploration with temporary permits for deliveries and sales, as well as of by the holders of IUP Operation Production special for processing and/or purification of associated minerals;
7. Financial statements for 2 (two) years that have been audited by public accountant;
8. Scheme on the purchase of shares;
9. Deed of establishment of company for new shareholders;
10. Identity card (KTP) and Taxpayer Identification Number (NPWP) for prospective new shareholders of Indonesian residents or passports of prospective shareholders of foreign residents in case there is an amendment on the changes of individual ownership of shares;
11. Profiles of prospective new shareholders; and
12. Copies of IUP Exploration, IUPK Exploration, IUP Operation Production, or IUPK Operation Production that have been registered at the Director-General with clear and clean status.

That is all to be informed and we would like to thank for the attention of the Director General/ Governor/ Regent/ Mayor.

Requested by,

(-----)

Full Name, Signature, Job title,
Corporate hallmark

Note:

*in accordance with the authority

APPENDIX VB
 DECREE OF MINISTER OF ENERGY AND MINERAL RESOURCES
 REPUBLIC OF INDONESIA
 NUMBER 27 YEAR 2013
 ABOUT
 PRICING AND PROCEDURES OF DIVESTMENT,
 CHANGES OF INVESTMENT IN MINERAL AND COAL MINING
 UNDERTAKINGS
 FORMAT OF APPROVAL
 FOR CHANGES OF SHARE OWNERSHIP

Date

Number:
 Nature :
 Subject : Approval for Changes of Share Ownership

Director of PT "X"
 in

Dear Sir/ Madam:
 Referring to your letter No. ... dated ...on the subject as mentioned above, we would hereby let you know as follows:
 1. We can approve the Changes of Share Ownership based on IUP or IUPK No. ... dated ...
 2. With the the Changes of share ownership, the structure will be as follows:

DESCRIPTION	FROM		TO	
	Rp/US\$	%	Rp/US\$	%
SHAREHOLDERS:				
1.....
2.....
3.....
TOTAL		100%		100%

We would like to say thank you for your attention.
 Minister of Energy and Mineral Resources/
 Governor/Regent/Mayor*

(.....)

Carbon copies:

1. Minister of Finance
2. Minister of Justice and Human Rights
3. Head of Coordinating Board of Investment
4. Director General of Mineral and Coal
5. Director General of Taxation under Finance Ministry
6. Governor/Regent/Mayor*

Note:

*in accordance with the authority

MINISTER OF ENERGY AND MINERAL RESOURCES
REPUBLIC OF INDONESIA

SIGNED
JERO WACIK

Copy as the original version
Ministry of Energy and Mineral Resources (MEMR)
Head of Bureau of Laws,

Signed

Susyanto