

LEGAL NEWSLETTER

May 2012

RECENT DEVELOPMENTS

RI government to limit coal exports

Jakarta (ANTARA News) - The Government will issue a regulation that will limit coal exports in order to guarantee sustainable use of domestic coal.

"A draft of the regulation is being discussed with officials of responsible ministries," said Edy Prasodjo, the energy and mineral resource ministry's coal director.

"There are several forms being put on the table. There will be categories of coal that could be exported and others that are not for export," he noted.

The regulation on coal exports is necessary given the fact that coal production has been increasing significantly.

In 2012, coal production is estimated to reach, or probably exceed, 330 million tons.

"So, next year the production could exceed 450 million tons or even reach 500 million tons," Edy stated.

"The consumption of coal in the domestic market was initially 30 percent, but now it is 25 percent, and it could become just 10 percent later," he added.

An energy analyst of ReforMiner Institute, Komaidi Notonegoro, supports the plan to control coal exports.

"I even hope the coal exports are stopped, so it could be fully used for domestic purposes," he said.

Coal production should be adjusted to the domestic consumption rate.

Source: http://www.antaranews.com/en/news/82124/ri-govt-to-limit-coal-exports

LEGAL NEWS

MKK Green Mining Seminar

The MKK Green Mining Seminar dealt with the question "Is Jatropha the Key to Green Mining?" Jatropha seems to offer the following green solutions:

- Bioenergy to fuel dumpsters and other equipment
- Containment of waste, tailings, etc.
- Solutions for ecologically friendly shutdown of operations
- Employment of the local population (CSR)

However, whether or not this potential can be realized is a matter of much controversy.

Bjoern Heidrich of PT Ibris Jatro took the 'for' position, Arian Ardie of Terrasys Energy took the 'against' position, and Chris Naziris of MKK took on the role of moderator.



Bill Lloyd of Asian Tigers (AT) as sponsor

took the floor first and spoke about AT's records management. Many do not realize that AT offers this service, and Bill gave a detailed explanation on how records management can benefit a company and simplify its operations, thereby allowing it to focus on its core business.



Opening the debate, Bjoern Heidrich took the position that Jatropha was not a "silver bullet" nor was it the single "key" to green mining, in his view, Jatropha can constitute an integral part of a green mining strategy. He advocated its potential for biofuel as well as its usefulness in land reclamation, which would make it a definite asset for any mining operation. Arian Ardie took an opposing view. He made reference to many companies that had experimented with Jatropha, only to

abandon it after losing their initial investment. He termed Jatropha "a poisonous shrub" with little or no commercial use. He cited a lack of evidence of quantifiable returns in Jatropha experiments and noted that in his view, significant testing was still required before he could

advise a mining company to use Jatropha. In terms of a CSR tool, Jatropha did not limit environmental risk.



Chris Naziris pointed to specific case studies and asked both sides to comment critically on them. The two speakers sparred over case studies with Bjoern reiterating that those who failed with Jatropha simply did not understand the intricacies of agribusiness and lacked the requisite technical expertise. Arian countered that there were other plants that were much more effective in reclaiming land and providing biofuel.

The judges, Didier Perez, Lydia Ruddy and Caroline Stern, failed to render a definitive judgment, acknowledging that both sides had made a good case and that further experimentation with Jatropha would be needed. They affirmed the need for CSR and land rehabilitation after mining activities but were reticent to



declare Jatropha as the solution, though neither were they were prepared to rule it out.

Another debate is planned with the subject matter being "Re-mining: can it raise the bottom line?"

*Photos by Thumbur Nababan. Photography graciously provided by **B&N Photoworks**,

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