

**RECENT DEVELOPMENTS**

**Shell ready to develop Masela Block: Hatta**

Jakarta (ANTARA News) - Chief economic minister Hatta Rajasa stated Royal Dutch Shell was prepared to develop the Masela Block in the Arafuru waters in Maluku in order to boost production of liquefied natural gas (LNG).

"The development of Masela Block, with the addition of a floating LNG facility of 2.5 million metric tons per annum (MTPA) capacity, would run parallel with the development of phase one. With this, the overall capacity will be increased," he said after receiving Shell representatives here on Thursday.

Hatta expressed hope with the development of the Masela Block, LNG production would be enough to meet national gas needs until 2018.

"We have to produce large amount of LNG to meet domestic needs," he said.

Hatta stated Shell was likely to invest around US\$10 billion in the project.

He added the energy company from the Netherlands would also continue to develop infrastructure facilities in the country, such as filling stations.

At present, Shell has 30 percent stake in the Masela Block, while PT Energi Mega Persada Tbk (ENRG) controls 10 percent.

The majority stake is still held by Japanese oil and gas company Inpex, at 60 percent.

Source: <http://www.antaraneews.com/en/news/82705/shell-ready-to-develop-masela-block-hatta>



## **New Reg on Green Indicators for Open Pit Coal Mining**

by Made Yossy Pratiwi

The New Minister of the Environment (“MoE”) Regulation No. 4 of 2012, regarding Green Indicators for Open Pit Coal Mining (“MoE Reg 4/2012”) sets out environmental guidelines or green indicators for open pit coal mining activities. MoE Reg 4/2012 serves as a reference for government officials who carry out a supervisory role in the environmental sector and also provides the criteria of green indicators for mining companies which conduct open pit coal mining. MoE Reg 4/2012 is an implementing regulation of Law No. 32 of 2009 on Environmental Protection and Management.

Basically, open pit coal mining involves the stripping away of topsoil and the dumping of soil, earth and rocks within the mining area; therefore, such area needs to be restored, re-forested and rehabilitated after mining operations have been completed. The activities to restore, re-forest and rehabilitate the damaged mining area are termed reclamation or post mining activities.

The appendix of MoE Reg 4/2012 provides details on how to measure the green indicators of mining activities as well as reclamation and post mining activities. Water quality is also regulated under the MoE Reg. It is stated under MoE Reg 4/2012 that miners must ensure that the quality of surface water within the mining area does not fall below certain standards. The authorities will check water acidity levels to ensure that mining companies are in compliance with the applicable laws and regulations.

In conclusion, open pit coal mining activities must comply with the standards set out for mining, reclamation and post-mining activities. Mining companies which carry out mining activities have the obligation to protect and maintain the green indicators of the environment within the mining area.

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