CHRISTIAN TEO & PARTNERS
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TAKEOVER OF MINING & OTHER PROJECTS – HIGHLY QUESTIONABLE PROCESS [12345]

INTRODUCTION

The recently proposed Government takeover of some 28 mining and other projects, including the very valuable Martabe Gold Mining Project in North Sumatra, is a highly questionable process characterized by various problematic issues and a lack of transparency.

The most problematic issue is the apparent absence of a proper legal basis for at least some of these project takeovers which the Government has sought to justify on the grounds of alleged wrongdoing in forest areas by the relevant project owners. This alleged wrongdoing is said to have exacerbated the damage from last year's disastrous floods in Sumatra.

The recently proposed project takeovers can also be viewed from the perspective of a lack of transparency on the part of the Government as to what is really happening and why.

Although the Government now seems to be "furiously back-peddling" on at least the proposed takeover of the Martabe Gold Project, this may well be too little and too late to overcome the damage that has already been caused to Indonesia's reputation as a reliable destination for investment generally and, more particularly, for mining industry investment.

In this article, the writer will briefly review what is known about the proposed mining and other project takeovers before considering, in some detail, the various problematic issues underlying the legality of at least some of those proposed takeovers as well as the associated lack of transparency. Finally, the writer will consider the implications, for project owners, investors and financiers, of the proposed takeovers.

BACKGROUND

In late January 2026, it was reported that (i) the Indonesian sovereign wealth fund, Danantara, would take over the Martabe gold mining project, in North Sumata, operated by PT Agincourt Resources (**PTAR**) (**Martabe Gold Project**) and (ii) a new "*national mineral company*", called "Perminas" and operating under Danantara, had already been established for the purpose of owning/controlling/operating the Martabe Gold Project. The Martabe Gold Project is, in fact, apparently just 1 of some 28 mining and other projects that have had or will have their "***permits***"

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revoked and which have been or will be taken over by Danantara/Perminas or other State-owned enterprises because, so the Government alleges, the relevant project owners have been "***violating forest area utilization regulations***".

The 28 projects include mining projects, plantation projects and power plant projects among others.

Most of the 28 projects are/were most probably the subject of business "*permits*" of one form or another including, in the case of at least some of the relevant mining projects, mining business licenses/permits (**IUPs**) as has been reported in the popular press. However, this is most definitely **not** the case for the Martabe Gold Project which is/has been operated by PTAR on the basis of a Contract of Work (**CoW**) rather than on the basis of an IUP. CoWs predate Law No. 4 of 2009 re Minerals & Coal Mining (as subsequently amended on multiple occasions) (**Mining Law**) which introduced a new mining licensing regime based on IUPs. CoWs were traditionally entered into by the Government/State with companies (very often foreign-owned) willing to commit to making particularly large capital investments in developing Indonesia's most important mining areas and its most strategic mineral resources. In return for this commitment, CoWs were designed to provide relevant mine owners with significantly higher levels of investment certainty and significantly greater security of tenure than were given to IUP holders.

It has been reported that **all** 28 mining and other project owners hold/held various forms of approvals/licenses/permits to carry out certain activities in forest areas or involving certain forest products. These forest area/forest product related approvals/licenses/permits are said to have included Forest Area Utilization Business Licenses (**PBPHs**) and Utilization of Forest Timber Products Permits (**PBPHHKs**). It is also possible that they included Approvals to Use Forest Areas (**PPKHs**). It is not clear, from the public record, whether PTAR was/is the holder of a PBPH, a PBPHHK or, possibly, even a PPKH.

PTAR had sales of some US$558 million and a net profit of US$158 million in 2024. PTAR also made 2025 contributions to Government revenue, in the form of production royalties, taxes and fees, of about US$113 million. Self-evidently, PTAR's Martabe Gold Project is a large scale and very profitable gold mining operation.

The Forest Area Enforcement Task Force (**Satgas PKH**), rather than the Ministry/Minister of Energy & Mineral Resources (**ESDM/MoEMR**) or some other relevant ministry/minister, is said to be the primary "force" or "mover" in facilitating/making possible the proposed takeover of the 28 mining and other projects.

It must be acknowledged that many of the reports in the popular press about the proposed takeover of the 28 mining and other projects are inconsistent with one another and contain factual, as well as technical, errors. However, for the purposes of this article, the writer will assume that what has appeared in the popular press about the proposed project takeovers is, more or less, substantively correct except where specifically indicated otherwise.

The proposed takeover of 28 mining and other projects is occurring against a backdrop of:

(a) growing Government and public concern about the extent of illegal mining and other natural resources development activities in Indonesia as well as the huge cost of illegal mining and other natural resources development activities to (i) the Government in terms of foregone tax revenue and (ii) the environment as a result of the widespread use of unsafe practices by parties carrying on illegal mining and other natural resources development activities;

(b) the evident and probably correct belief of the Government that forest areas are both a major focus of illegal mining and other natural resources development activities as well as being particularly prone to environmental damage from illegal mining and other natural resources development activities;

(c) numerous indications that the Government is increasingly determined to ensure that mining and other natural resources development companies strictly comply with their license terms and regulatory obligations – in other words, the Government's focus is not just on "illegal mining and other natural resources development activities" (**i.e.**, carrying out mining and other natural resources development activities without having the necessary business license, permit or other required form of authorization, it is also on "non-compliant mining and other natural resources development activities" (**i.e.**, carrying out mining and other natural resources development activities with the necessary business license, permit or other required form of authorization but in a manner that is not compliant with the terms of the necessary business license, permit or other required form of authorization, with the laws/regulations applicable to mining and other natural resources development activities and/or with the "national interest" (whatever that might mean); and

(d) the President's warning to mining companies (among other companies developing natural resources), at the last cabinet meeting of 2025, about (among other things) (i) the paramount importance of Article 33(3) of the 1ndonesian Constitution, (ii) a possible moratorium on new IUP/other business license/permit issuance and existing IUP/other business license/permit extensions/renewals pending Government review and (iii) the possible large-scale cancellation/non-renewal of existing IUPs/other business licenses/permits.

For the purpose of the rest of this article, the writer will confine his attention to those recently proposed takeovers concerning mining projects only and to the Martabe Gold Mining Project in particular.

COMMENTARY

1. Preliminary Observations

Revocation of IUPs is not a new phenomenon in Indonesia at all. Since the coming into force of the Mining Law, the Government has revoked thousands of IUPs, on several occasions and for a variety of reasons. Many of these previous IUP revocations were clearly justified while other previous IUP revocations were much more questionable. There has also been at least 1 previous CoW termination.

With a couple of exceptions, however, the previous IUP/CoW revocations/terminations have been in respect of mining projects (i) where the underlying IUPs had been improperly granted/obtained, (ii) where very little work had ever been done in developing the underlying mining concessions, (iii) which were not currently operational or (iv) which were currently operational but where the operations needed to be shut down altogether in order to avoid serious environmental damage. **None** of these circumstances appear to apply in the case of the recently proposed takeover of various mining projects and, most particularly, **not** in the case of the Martabe Gold Project.

The recently proposed takeover of mining projects is, in fact, very different from previous IUP/CoW revocations/terminations because, if the Government proceeds with the proposed takeovers, the current operations of the relevant mining projects will not be discontinued or terminated at all but, rather, will simply be transferred to Danantara/Perminas which will then become the new owner of these mining projects and continue their current operations, albeit under different management and for the benefit of different stakeholders.

2. Problematic Issues

There would seem to be at least 3 problematic issues underlying the recently proposed takeover of various mining projects as follows:

(a) Given that PTAR and each of the other mine owners apparently holds/held a PBPH, a PBPHHK or, possibly, a PPKH which entitles/entitled them to operate in/carry out certain activities in designated forest areas/make use of certain forest products, what exactly have they each done that amounts to "***violating forest area utilization regulations***"? (**First Problematic Issue**).

(b) Does Satgas PKH really have the authority to assume the otherwise usual role of ESDM/MoEMR in investigating and dealing with mine owners which are believed to be carrying out their mining activities in a way that is not compliant with their CoWs/IUPs or with the applicable laws and regulations? (**Second Problematic Issue**).

(c) Assuming that PTAR and the other mine owners have "***violated forest area utilization regulations***", does this provide a proper legal basis for the **immediate** revocation/termination of their CoWs/IUPs and without the need for the Government to give them any opportunity to cease/cure their non-compliant behaviour? (**Third Problematic Issue**).

In Parts 3, 4 and 5 below, the writer will consider each of the above identified problematic issues in turn.

3. First Problematic Issue – What are the Claimed Violations of Forest Area Utilization Regulations?

It is necessary to consider what the PBPHs/PBPHHKs/PPKHs apparently held by PTAR and each of the other mine owners allowed the relevant mine owners to do.

Holders of PBPHs/PBPHHKs are not allowed to carry out mining activities in forest areas. However, they are allowed to use designated forest areas for a variety of non-mining activities including planting new forest areas and collecting/harvesting/processing/utilizing timber and other products found in existing forest areas (Articles 129 to 165 of Government Regulation No. 23 of 2021 re Forestry Implementation (**GR 23/2021**)).

PPKH holders, on the other hand, are allowed to carry out specified mining activities in designated forest areas of certain types. More particularly, PPKH holders may carry out (a) both open pit mining and underground mining in Production Forests and (b) underground mining in Protected Forests, subject to this underground mining activity not causing (i) land

subsidence, (ii) permanent changes in the primary function of the relevant Protected Forest area and/or (iii) damage to groundwater aquifers (Article 92(1) of GR 23/2021)).

Given the above, the mere fact that PTAR and the other relevant mine owners may have been carrying out activities in forest areas on their mining concessions does **not** necessarily mean that these activities amounted to "*violations of the forest area utilization regulations*" – it all depends on (i) whether each mine owner held, at the relevant time, a PBPH, a PBPHHK or, possibly, even a PPKH, (ii) what type of forest area each mine owner was operating in and (iii) what type of activity each mine owner was carrying out in that forest area.

The writer, however, is not aware of any disclosure by the Government as to precisely what the relevant mine owners are supposed to have done in terms of "*violating forest area utilization regulations*" and which was not allowed by the terms of their respective PBPHs/PBPHHKs/PPKHs. This is surprising to say the least given that it is these alleged violations which the Government claimed to be relying upon when it was announced, on 19 - 20 January 2026, that it would be revoking/terminating the CoWs/IUPs in respect of the relevant mining projects and transferring these mining projects to Perminas.

Subsequent statements of the ESDM Director General of Law Enforcement, as reported in the 30 January 2026 edition of on-line news portal Kontan.co.id, indicate that, **some 10 days after the originally announced revocations/terminations**, the Government was still waiting to receive a full report from Satgas PKH on the results of its investigation into the alleged "*violations of forest area utilization regulations*". Surely then it was much too early for any decision to have already been taken, on or before 19 – 20 January 2026, to revoke/terminate the CoWs/IUPs of the relevant mine owners and to transfer their mining projects to Danantara/Perminas on the basis of supposedly established/proven "*violations of forest area utilization regulations*" by the relevant mine owners.

The apparent lack of transparency as to the real reason why the Government proposed, in late January 2026, to take over the Martabe Gold Mining Project, together with other mining projects as well as non-mining projects, is obviously highly concerning.

4. Second Problematic Issue – Does Satgas PKH Really have the Authority to take a Leading Role in the Mining Project Takeovers?

Whether or not the proposed takeover of the Martabe Gold Project and various other mining projects by Danantara/Perminas has any proper legal basis also depends, in part, on what exactly are the authorities, duties and responsibilities of Satgas PKH which, according to the ESDM Director General of Law Enforcement, investigated/is investigating the activities carried out in forest areas by PTAR and each of the other mine owners. Statements by the ESDM Director General of Law Enforcement, as reported in the popular press, would suggest that (i) ESDM/MoEMR is relying upon Satgas PKH to determine whether or not the CoWs/IUPs of the relevant mine owners should be revoked/terminated and (ii) the role of ESDM/MoEMR in this process is very much a subsidiary or supportive one only in giving effect to Satgas PKH's determination. However, if Satgas PHK is, in fact, operating outside of its actual authorities, duties and responsibilities then this is likely to represent a fundamental defect in the proposed takeover process.

Satgas PKH was established pursuant to Presidential Regulation No. 5 of 2025 re Control of Forest Areas (**PR 5/2025**) which makes provision for, among other things, the Government taking "*control of **forest** areas*" (**PKH**) where parties are found to have been carrying out **mining**, plantation and other activities in those forest areas without the necessary business licenses or in a manner that is not compliant with the terms of their business licenses (Article 4 of PR 5/2025).

The specific duties/responsibilities of Satgas PKH (**i.e.**, of its Directorate and of its Executive) include:

(a) in the case of the Directorate, to conduct monitoring and evaluation of the implementation PKH (Article 10(2) of PR 5/2025); and

(b) in the case of the Executive, to:

(i) implement the necessary steps and breakthrough efforts in order to address problems in handling and improving the governance of **mining**, plantation and/or other activities in forest areas for the purpose of optimizing State revenue;

(ii) conduct effective and efficient law enforcement efforts to handle and improve the governance of **mining**, plantation and/or other activities in forest areas for the purpose of optimizing State revenue; and

(iii) coordinate law enforcement in accordance with statutory provisions (Article 10(2) of PR 5/2025).

In carrying out its duties/responsibilities, Satgas PKH may involve other ministries and governmental agencies (both central and provincial/regional) as well as the private sector and other parties, which other ministries, government agencies etc. are obliged to support the activities of Satgas PKH (Article 12 of PR 5/2025).

The implementation of PKH (**i.e.**, taking control of forest areas by Satgas PKH on behalf of the Government) may result in the following (i) penalties/sanctions being imposed on business actors (**i.e.**, PTAR and the other mine owners in the case of the recently proposed project takeovers) found to be illegally carrying out activities in forest areas and (ii) other actions being taken by Satgas PKH (Article 4 of PR 5/2025):

PKH Subject	**Type of Forest**	**Situation/Scenario**	**Sanctions For Failing to Obtain/Comply with Licenses/Permits**
Any person engaging in **mining**, plantation, and/or other activities outside area utilization, environmental services utilization, collection of non-	Conservation Forests/ Protected Forests	Relevant party has necessary business licenses but has **not** obtained licenses/permits in forestry sector	Administrative fine and "**Repossession**"
		Relevant party has **not** obtained/fulfilled one of the required	Administrative fine and "**Repossession**"

PKH Subject	Type of Forest	Situation/Scenario	Sanctions For Failing to Obtain/Comply with Licenses/Permits
timber forest products		components of necessary business licenses	
		Relevant party has **not** obtained necessary business licenses	Administrative fine, criminal sanction and "**Repossession**"
		Relevant party has necessary business licenses that have been **obtained unlawfully**	Administrative fine and "**Repossession**"
Any person engaging in **mining**, plantation, and/or other activities	Production Forests	Relevant party has necessary business licenses but has **not** complied with basic requirements and other requirements under the prevailing laws	Administrative fine and "**Repossession**"
		Relevant party has **not** fulfilled/obtained one of the components of necessary business licenses	Administrative fine and "**Repossession**"
		Relevant party has **not** obtained necessary business licenses	Administrative fine, criminal sanction and "**Repossession**"
		Relevant party has necessary business licenses that have been **obtained unlawfully**	Administrative fine and "**Repossession**"

"Repossession" means the Government, through Satgas PKH, taking action to save and control (**i.e.**, reclaiming or seizing) **forest areas** that are found to have been the subject of illegal activities.

Having regard to the foregoing, the writer has no problem in accepting that Satgas PKH does have the authority to (i) investigate whether or not PTAR and the other relevant mine owners have been carrying out activities in forest areas without the necessary PBPHs/PBPHHKs/PPKHs or, if they do have the necessary PBPHs/PBPHHKs/PPKHs, carrying out forest area activities in a manner that is not compliant with their PBPHs/PBPHHKs/PPKHs and (ii) if the answer to (i) is "yes", imposing the **permitted** sanctions on them, being administrative fines and/or "repossession" **of the relevant forest**

areas where these non-compliant activities have been taking place. However, the writer most definitely has a major problem (from a legal and regulatory perspective) in accepting that Satgas PKH has any authority to (i) repossess or seize the **mining concessions/contract areas** (as opposed to any forest areas on those mining concessions/contract areas) of the relevant mine owners or (ii) revoke/terminate the IUPs/CoWs of the relevant mine owners as these are **not** authorities or penalties which are provided for anywhere in PR 5/2025.

It may well be the case that, as recently indicated by the ESDM Director General of Law Enforcement, (i) Satgas PKH will refer to ESDM/MoEMR the results of its investigations into the forest activities of the relevant mine owners together with its determination that their IUPs/CoWs should be revoked/terminated and (ii) ESDM/MoEMR will then proceed, on the basis of these investigation results/this determination, to revoke/terminate the IUPs/CoWs of the relevant mine owners. While this would be somewhat more consistent with the generally understood role of ESDM/MoEMR when it comes to dealing with non-compliant mine owners, the writer has not been able to find anything in the Mining Law and its implementing regulations which allows/requires ESDM/MoEMR to cede so much authority to a body such as Satgas PKH, especially when it comes to determining whether or not an IUP/CoW should be revoked/terminated. Again, there has been a notable lack of transparency on the part of the Government in explaining/making clear the respective roles of Satgas PKH and ESDM/MoEMR in connection with the proposed takeover of the relevant mining projects by Danantara/Perminas.

5. Third Problematic Issue – Even if there have been "*Violations of Forest Area Utilization Regulations*", does this provide a Proper Legal Basis for Immediate Termination of CoWs/IUPs?

5.1 **Overview:** The rights enjoyed by holders of CoWs and the rights enjoyed by holders of IUPs are very different. Accordingly, assuming (without further discussion and although this remains highly problematic) that (i) each of the relevant mine owners has committed "*violations of forest area utilization regulations*" and (ii) Satgas PKH and ESDM/MoEMR have each acted in strict accordance with their respective authorities, duties and responsibilities in connection with these "*violations of forest area utilization regulations*" by the relevant mine owners, it is necessary to look separately at the legality of revoking/terminating the (i) CoWs of PTAR and of any other relevant mine owner which holds/held a CoW and (ii) IUPs of those mine owners which hold/held IUPs.

5.2 **Revocation/Termination of CoWs:** Because CoWs supposedly offer mine owners much greater security of continued operation than do IUPs, it has long been believed that CoWs are far superior to IUPs from an owner/investor/financier perspective. More particularly, unlike IUPs, CoWs provide for a multi-step termination process that includes various protections and safeguards for the mine owner including (i) where the Government wants to terminate the CoW because of an alleged default by the mine owner, it must give the mine owner notice of the alleged default (**Default Notice**), (ii) following its receipt of the Default Notice, the relevant mine owner then has 180 days to cure the default (**180 Day Cure Period**) and (iii) if the mine owner disputes the existence of the alleged default or its failure to cure the alleged default within the 180 Day Cure Period, the mine owner has the right to resolve the dispute with the Government by international arbitration, unless the mine owner and the Government have previously agreed to some other dispute resolution mechanism. It is only once (iv) the Default Notice has been given, (v) the 180 Day Cure Period has

expired without the alleged default being cured, (vi) any resulting dispute, over the alleged default/the claimed failure to cure the alleged default/the Government's right to terminate the relevant CoW, has been adjudicated (in accordance with the applicable dispute resolution mechanism) and (vii) a final decision/determination of the relevant dispute resolution body has been made in favour of the Government, that the Government then has the right to terminate the CoW.

The problem for the Government is there is **no** indication whatsoever that (i) the Default Notice has been issued to PTAR, (ii) the 180 Day Cure Period has expired without the alleged default being cured, (iii) any resulting dispute has been adjudicated (in accordance with the applicable dispute resolution mechanism) or (iv) such dispute has been finally determined in favour of the Government. Assuming this is correct, it appears that the Government does **not** have any proper legal basis at all for terminating PTATR's CoW at this time and even if the, as yet wholly unsubstantiated, allegations of "*violations of forest area utilization regulations*" can be proven. According to a report in the 30 January 2026 edition of Bloomberg Technoz, the ESDM Director General of Law Enforcement has belatedly acknowledged the 180 Cure Period issue but has claimed that the existence of "*extraordinary circumstances*" and the fact that the investigation of PTATR's alleged "*violation of forest area utilization regulations*" is being handled by Satgas PKH means that this is a "*special case*" where the 180 Day Cure Period does not apply. Really? Is that so? Why? The writer has been unable to identify any credible legal basis for this "interesting" argument by the ESDM Director General of Law Enforcement as to why the Government does not have to follow the termination procedures in the PTAR CoW. The real answer may be that, in the first instance, the Government simply failed to understand or perhaps did understand but just chose to ignore the critical distinction between a CoW and an IUP in acting so quickly to direct Danantara/Perminas to take over the Martabe Gold Project – the former possible answer, if correct, is merely highly embarrassing for the Government while the latter possible answer, if correct, is extremely concerning for all mine owners as well as for their investors and financiers.

5.3 **Revocation/Termination of IUPs:** The considerable protections/safeguards for mine owners provided by CoWs are to be compared with the much fewer protections/safeguards available to IUP holders. In this regard, MoEMR Regulation No. 7 of 2020 re Procedures for Grant of Areas, Permits and Reporting of Mineral & Coal Mining Business Activities (as amended by MoEMR Regulation No. 16 of 2021) (**MoEMR Regulation 7/2020**) allows the Government to immediately revoke/terminate an IUP, without the need to give the relevant IUP holder any warning letters or an opportunity to cure the alleged default, in various situations including where the relevant IUP holder is found to have caused "*environmental damage*" or "*failed to implement good mining practices*" (Article 100 of MoEMR Regulation 7/2020).

Notwithstanding the above, it does **not** necessarily follow that committing "*violations of forest area utilization regulations*" (even if this can be proven) amounts to either (i) causing "*environmental damage*" or "*failing to implement good mining practices*". Once again, there has been a lack of transparency on the part of the Government in explaining exactly how and in what way the alleged "*violations of forest area utilization regulations*", by those mine owners with IUPs, has caused "*environmental damage*" or amounted to the "*failure to implement good mining practices*" such as would justify the immediate termination of their IUPs. Unless and until we know a whole lot more than we currently do about what exactly took place in the relevant forest areas, it is impossible to definitely conclude that the Government has a proper legal basis for immediately terminating the IUPs of relevant mine

owners without having to first issue warning letters or impose other less onerous and interim penalties that are intended to allow the relevant mine owners an opportunity to belatedly discharge their compliance obligations as IUP holders.

6. Implications for Investors

As Parts 3, 4 and 5 above make clear, it is far from certain that the Government has any proper legal basis for the recently proposed takeover of mining projects. This gives rise to much increased risk for all mining project owners, as well as for their investors and financiers, with respect to the previously assumed right to continued ownership and operation of mining projects in the absence of proven wrongdoing and unless the applicable contractual, licensing and other procedural protections in respect of CoW/IUP revocation/termination are strictly complied with. The increase in risk is likely to be particularly concerning to foreign investors and foreign financiers which typically require a higher level of certainty, than do local investors and local financiers, about the right to continued ownership and operation of the mining projects that they invest in and finance.

Indonesia is already "under the spotlight" as a result of Morgan Stanley Capital International "calling out" the inadequate transparency in respect of the shareholding composition of Indonesia Stock Exchange listed companies and threatening to downgrade the Indonesia Stock Exchange to "frontier market" status if shareholding transparency is not quickly improved. Accordingly, the lack of transparency surrounding almost every aspect of the Government's proposed mining project takeovers only serves to compound the seriousness of the growing investor "perception problem" that Indonesia is facing.

SUMMARY & CONCLUSIONS

The recently proposed Danantara/Perminas takeover of various mining projects, including the Martabe Gold Project, amounts to an excellent "case study" of the increasing risks to mining project security of tenure confronting Indonesia's mine owners as well as their investors and financiers.

It is entirely understandable and appropriate that the Government should be concerned about the extent of illegal mining in forest areas and the lack of compliance by some mine owners which are otherwise carrying on legal mining activities. However, this concern does not justify the Government refusing to acknowledge and uphold the rights of mine owners with CoWs or IUPs to be allowed the full benefit of the protections and safeguards afforded by their CoWs, IUPs and the applicable laws and regulations.

Particularly concerning are (i) the fact that it seems the Government announced the proposed takeovers on the basis of alleged "*violations of forest area utilization regulations*" but before it had actually received any report from Satgas PKH on the results of its investigation into these alleged "*violations of forest area utilization regulations*" and (ii) the Government's apparent disregard of the special protections accorded to CoW holders.

Those mine owners, investors and financiers with a more cynical outlook are likely to view the proposed mining project takeovers as being little more than an opportunistic move by the Government to seize already operating and profitable mining projects on the pretext of the relevant mine owners having committed wholly unproven "*violations of forest area utilization regulations*".

Given the various problematic issues that have been identified as underlying the proposed takeovers as well as the associated lack of transparency, the Government may well find it hard to convince foreign investors and foreign financiers in particular that this is really not the case.

Even if the Government now "reverses course" and at least allows PTAR to retain ownership of the Martabe Gold Project, the worsening investor perception problem for Indonesia is not likely to go away any time soon.

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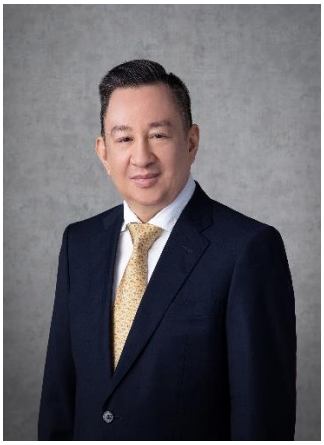

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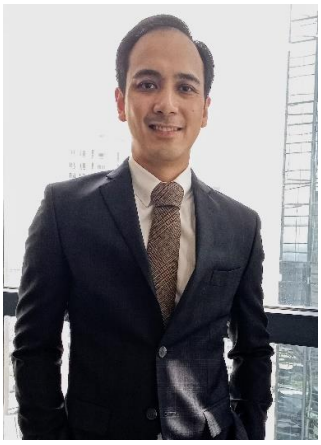

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