

LAW OF THE REPUBLIC OF INDONESIA
NUMBER 27 YEAR 2003
CONCERNING
GEOTHERMAL

BY THE GRACE OF GOD ALMIGHTY

PRESIDENT OF THE REPUBLIC OF INDONESIA

Considering:

- a. that geothermal is a natural resource that can be renewed, potentially large, which is controlled by the state and has an important role as an energy source of choice in the national energy diversity to support sustainable national development for the realization of people's welfare;
- b. that the utilization of geothermal energy is relatively environmentally friendly, mainly because it does not contribute to greenhouse gases, so that should be encouraged and accelerated its manifestations;
- c. that the utilization of geothermal energy will reduce dependence on fossil fuels so as to conserve petroleum reserves;
- d. that the legislation that already exists has not been able to accommodate the developmental needs of the management of upstream geothermal resources so that the law on this geothermal can push geothermal activity for the continuation of national energy needs;
- e. Based on the considerations referred to in letter a, b, c, and d, and the implementation of the provisions of Article 33 paragraph (2) and paragraph (3) of the Constitution of the Republic of Indonesia Year 1945 and to provide a legal basis for measures -step reform and restructuring of the management and utilization of geothermal resources, it is deemed necessary to establish a Law on Geothermal;

In view of:

Article 5 paragraph (1), Article 20 paragraph (1), and Article 33 paragraph (2) and paragraph (3) of the Constitution of the Republic of Indonesia Year 1945;

WITH THE APPROVAL
HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA
DECIDES:
To stipulate: LAW ON GEOTHERMAL.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Act referred to as:

1. Geothermal energy is the source of heat contained in hot water, water vapor, and rocks with minerals and other gases that genetically can not be separated in a geothermal system and its utilization is required for the mining process.
2. Entity means any legal entity that can form the state owned enterprises, regionally owned enterprises, cooperatives, or private establishment in accordance with the provisions of the legislation in force, running the kind of permanent and continuous, working and domiciled in the territory of the Republic of Indonesia.
3. Preliminary surveys are activities involving the collection, analysis and presentation of data related to the condition information of geology, geophysics, and geochemistry to estimate the location and the presence of geothermal resources as well as the Work Area.
4. Exploration is a series of activities that include geological, geophysical, geochemical, drilling test, and drilling of exploration wells that aims to acquire and add information subsurface geological conditions in order to find and obtain the estimated geothermal potential.
5. Feasibility studies are the stages of Geothermal mining operations to obtain detailed information regarding all aspects to determine the feasibility of mining Geothermal, including investigations or studies of reserves that can be exploited.
6. Exploitation is a series of activities in a particular area of work which includes the drilling of development wells and wells re-injection, construction of field facilities and production operations of geothermal resources.
7. Geothermal Mining Enterprises is a business that includes exploration activities, feasibility studies, and exploitation.
8. Mining Geothermal Business Permit, hereinafter referred to IUP, a permit to carry Mining Geothermal.
9. Mining Geothermal Working Area, hereinafter called the Work Area, is called for in the IUP.
10. Mining jurisdiction Geothermal Indonesia is the entire area of land, waters and continental shelf of Indonesia.
11. Fixed Dues are dues paid to the state in return for opportunity exploration, feasibility studies, and exploitation in a working area.
12. Production levy is a levy paid to the state for the results obtained from the Mining Geothermal.
13. Joined minerals are minerals other than oil and gas are found in the fluid and / or produced in sufficient quantity in the utilization of geothermal activity and does not require mining and production in particular as provided for in the process of mining other minerals.
14. Direct utilization of energy utilization is a business activity and / or geothermal fluid for non-electrical purposes, either in the public interest or for its own sake.
15. Indirect utilization for power generation is an activity of utilizing geothermal energy for power generation, both in the public interest or for its own sake.

16. Government is the Central Government consisting of the President and the ministers, which is the Republic of Indonesia.
17. Minister is the minister responsible in the field of Geothermal.
18. Local Government is the head of the region along with the other autonomous regions as a regional executive body.

CHAPTER II
PRINCIPLES AND OBJECTIVES
Article 2

Implementation of the mining activities Geothermal embrace the principle of benefit, efficiency, fairness, equality, economic optimization of resource utilization, affordability, sustainability, trust and rely on its own capabilities, security and safety, preservation of the environment, as well as legal certainty.

Article 3

Geothermal Implementation of mining activities aimed at:

1. controlling the utilization of geothermal exploitation activities to support sustainable development and provide added value as a whole; and
2. increase the income of state and society to encourage the growth of national economy in order to improve the welfare and prosperity of the people.

CHAPTER III
CONTROL OF GEOTHERMAL MINING
Article 4

1. Geothermal as a natural resource that is contained within the Indonesian Geothermal mining jurisdiction is the national wealth, which is controlled by the state and used for the greatest prosperity of the people.
2. Geothermal Mining Control by the state as referred to in paragraph (1) hosted by the Government and Local Government.
3. All data and information obtained in accordance with the provisions of the IUP is a state-owned data and utilization arrangements made by the Government.

CHAPTER IV
MANAGEMENT AUTHORITY
GEOTHERMAL MINING
Part One

Government Authorities
Article 5

Government authority in the management of geothermal mining include:

- a. creation of legislation in the field of Geothermal mining;
- b. national policy-making;
- c. guidance and supervision of the Geothermal mining concession on inter-provincial areas;
- d. licensing and supervision of Geothermal mining on inter-provincial areas;
- e. management of geological information and the potential for geothermal;
- f. inventory and compilation of balance of resources and national geothermal reserves.

Part Two
Local Government Authority
Paragraph 1
Provincial Administrations
Article 6

(1) The authority of the province in the management of geothermal mining include:

- a. making laws and regulations in the area in Geothermal mining;
- b. guidance and supervision of mining concessions in areas of cross Geothermal district / city;
- c. licensing and supervision of Geothermal mining in the area of cross district / city;
- d. management of geological information and the potential of geothermal in the trans regency / municipality;
- e. inventory and compilation of balance of resources and geothermal reserves in the province.

(2) The authority of the province referred to in paragraph (1) is implemented in accordance with the provisions of the legislation in force.

Paragraph 2
Authority of the County / City
Article 7

(1) Authority of district / city in the management of geothermal mining include:

- a. making laws and regulations in the area in geothermal mining district / city;
- b. guidance and supervision of geothermal mining in the district / city;
- c. licensing and supervision of geothermal mining in the district / city;
- d. management of geological information and the potential of geothermal in the district / city;

- e. inventory and compilation of balance of resources and geothermal reserves in the district / city;
- f. empowerment of communities living within or around the working area in the district / city.

(2) Authority of district / municipality referred to in paragraph (1) is implemented in accordance with the provisions of the legislation in force.

CHAPTER V
WORKING AREA
Article 8

Working Areas that will be offered to business entities shall be announced publicly.

Article 9

1. Minister, Governor and Regent / Mayor in accordance with their respective authorities to bid the Work Area by way of auction.
2. Limits and spacious working area as referred to in Article 8 stipulated by the Government.
3. Provisions on the guidelines, boundaries, coordinates, area, ordinances, and requirements regarding the bidding procedures, preparation of tender documents, and the auction referred to in paragraph (1) shall be regulated by government regulations.

CHAPTER VI
OPERATIONAL AND BUSINESS ACTIVITIES
Part One
Operational Activities
Article 10

- 1) Geothermal operational activities include:
 - a. Preliminary Survey;
 - b. Exploration;
 - c. Feasibility Study;
 - d. Exploitation; and
 - e. Utilization.
- 2) Government and / or Local Government in accordance with their respective authorities conduct Preliminary survey referred to in paragraph (1) letter a.

- 3) The Government may assign others to do the Preliminary Survey referred to in paragraph (2).
- 4) Exploration referred to in paragraph (1) letter b can be done by the Government.
- 5) Exploration, Feasibility Study, and exploitation as referred to in paragraph (1) b, c, and d be done by the Business Entity.
- 6) Direct Utilization related to the utilization of geothermal energy is set by government regulation.
- 7) Indirect utilization related to the utilization of geothermal energy for power generation for the public interest or own interest to be done in accordance with the provisions of the legislation in force in the field of electricity.

Part Two
Utilization
Article 11

- 1) The utilization of geothermal resources include:
 - a. Exploration;
 - b. Feasibility studies; and
 - c. Exploitation.
- 2) The utilization of geothermal resources as referred to in paragraph (1) conducted in an integrated manner or in a single unit or in certain circumstances can be done separately.
- 3) The utilization of geothermal resources as referred to in paragraph (1) conducted by the Business Entity after obtaining IUP from the Minister, the Governor and Regent / Mayor in accordance with their respective authority.

Article 12

In carrying out the utilization of geothermal resources as defined in Article 11, the Business Entity must follow the rules of engineering, financial and management capabilities in accordance with national standards, and uphold the ethics of business.

Article 13

1. Working for the Exploration Area which can be assigned to one Geothermal IUP shall not exceed 200,000 (two hundred thousand) hectares.
2. Business Entity shall gradually restore partially or completely from the working area to the Government or Local Government.

3. Provisions on the broad working areas that can be maintained at the Exploitation stage and IUP area changes at each stage of Geothermal Mining regulated by government regulation.

Part Three
Exploration and Exploitation
Article 14

1. Holders of IUP must submit a plan of long-term exploration and exploitation to the Minister, the Governor and Regent / Mayor in accordance with their respective authorities that include action plans and budget plans as well as convey the size of the reserve.
2. Adjustments to long-term plans for Exploration and Exploitation as referred to in paragraph (1) can be carried from year to year in accordance with the conditions encountered.

Part Four
Follower Mineral Utilization
Article 15

Follower Mineral utilization contained in Geothermal can be done commercially by the holders of IUP or other parties in accordance with the provisions of the legislation in force.

CHAPTER VII
LAND USE
Article 16

- 1) Geothermal Mining Operations carried out in the Indonesia Geothermal mining jurisdiction.
- 2) Right to Work Area does not include rights to the land surface of the earth.
- 3) Geothermal Mining Operations can not be implemented in:
 - a. cemetery, a place considered sacred, public places, public facilities and infrastructure, nature reserves, cultural heritage, as well as land owned by indigenous peoples;
 - b. field and the building of national defense as well as the surrounding soil;
 - c. historic buildings and symbols of the state;
 - d. buildings, houses or factories along the ground surrounding yard;
 - e. Other places that are prohibited to do business in accordance with the provisions of the legislation in force.
- 4) The provisions referred to in paragraph (3) can be implemented in the case obtained permission from Government agencies, community consent and individuals associated with it.

Article 17

1. In the event that will use the parcels of land rights, state land, or forest areas in the Work Area, IUP holder concerned must first be entered into a settlement with the holders of rights or land user on state land in accordance with the provisions of legislation applicable.
2. Settlement referred to in paragraph (1) conducted by deliberation and consensus by way of sale, exchange, adequate compensation, acknowledgment or other form of reimbursement to the holder of the rights or land user on state land.

Article 18

Holders of land rights required to allow IUP holder to implement the Geothermal Mining on the land in question if:

- a. before the activity starts, it first shows the IUP or legitimate copies, and notify the purpose and the activities to be performed;
- b. done first settlement or assurance of completion approved by the holders of land rights or land user on state land as referred to in Article 17.

Article 19

1. In the event that holders of IUP has been given the working areas, to areas of land which is used directly for the business and the security area, granted rights of use in accordance with the provisions of the legislation in force and shall maintain and keep the land field.
2. In the case of the working area as referred to in paragraph (1) covers large areas on state land, parts of land not used for business activity can be given to other parties by the minister of duties and responsibilities include the areas of agrarian or land with emphasis on the local community after a recommendation from the Minister.

Article 20

Settlement of land use rights and state land referred to in Article 18 is implemented in accordance with the provisions of the legislation in force.

CHAPTER VIII

LICENSING

Article 21

- (1) IUP issued by the Minister, the Governor and Regent / Mayor in accordance with their respective authority.
- (2) IUP as referred to in paragraph (1) must include provision of at least:
 - a. name of the organizer;
 - b. type of business exerted;
 - c. period of license validity;
 - d. rights and obligations of license holders;
 - e. Working Area, and
 - f. Working Area return stage.
- 3) Each IUP which has been given shall be used in accordance with its designation as referred to in Article 11 paragraph (1) and paragraph (2).
- 4) IUP can be transferred to business entities affiliated with the approval of the Minister, the Governor and Regent / Mayor in accordance with their respective authority.

Article 22

1. The period IUP consists of:
 - a. Exploration applicable period not longer than 3 (three) years from the IUP issued and may be extended at most 2 (two) times each for 1 (one) year;
 - b. Feasibility Study period applies not more than 2 (two) years since the exploration period ended;
 - c. Exploitation valid period of not more than 30 (thirty) years from the time exploration period ends and can be extended.
2. Holders of IUP may request an extension of exploitation time permits as referred to in paragraph (1) letter c to the Minister, the Governor and Regent / Mayor in accordance with their respective authorities of the fastest 5 (five) years and no later than 3 (three) years before the Exploitation permit expired.
3. In the event the exploitation activities are not carried out within a period of 2 (two) years from the exploration period expires, the IUP holder must return the entire working area.

Article 23

IUP ended because:

- a. expired;
- b. returned;
- c. canceled; or
- d. revoked.

Article 24

1. Holders of IUP can return the IUP with a written statement to the Minister, the Governor and Regent / Mayor in accordance with their respective authorities with a clear reason.
2. IUP returns referred to in paragraph (1) shall be declared valid after it is approved by the Minister, the Governor and Regent / Mayor in accordance with their respective authority.

Article 25

1. Minister, Governor and Regent / Mayor in accordance with their respective authority may revoke an IUP if the IUP holder:
 - a. violation of one of the requirements stated in the IUP; or
 - b. does not meet the requirements established under this law.
2. Prior to revocation of the IUP as intended in paragraph (1), the Minister, Governor and Regent / Mayor in accordance with their respective authorities provides in advance the chance to a IUP holder for a period of 6 (six) months to meet the specified requirements.

Article 26

In the case of a specified period of IUP has ended and the IUP extension has not been filed or extension application does not meet the requirements, the IUP ended.

Article 27

1. In the case of IUP ended for reasons referred to in Article 25, IUP holder shall meet and settle all its obligations in accordance with the provisions of the legislation in force.
2. The obligation of IUP holder as referred to in paragraph (1) is deemed to have met after the approval of the Minister, the Governor and Regent / Mayor in accordance with their respective authority.
3. The Minister, Governor and Regent / Mayor in accordance with their respective authorities set a termination approval after IUP holders carry out preservation and restoration of environmental functions in the areas it works as well as other obligations referred to in paragraph (1).

CHAPTER IX

RIGHTS AND OBLIGATIONS OF PERMIT HOLDERS

GEOTHERMAL MINING
Part One
Rights of Geothermal Mining Business License Holders
Article 28

IUP holder is entitled to:

- a. Mining activities in the form of the Geothermal Exploration, Feasibility Study, and Exploitation in the Working Area;
- b. using data and information referred to in Article 4 paragraph (3) during the period of validity of IUP in the Working Area;
- c. can obtain tax facilities in accordance with the provisions of tax laws and regulations.

Part Two
Business Permit Holders Obligations
Geothermal Mining
Article 29

IUP holder shall:

- a. understand and comply with legislation in the field of occupational safety and health, environmental protection, as well as meeting the applicable standards;
- b. manage the environment include pollution prevention and control activities and restoration of the environment and reclamation;
- c. prioritizes the utilization of goods, services, and engineering and design capabilities in the country in a transparent and competitive;
- d. provide support for research activities and development of science and technology Geothermal;
- e. provide support for the creation of activities, competence development, and fostering human resources in the field of Geothermal;
- f. implement development programs and empowerment of local communities;
- g. provide periodic written reports on the work plan and implementation of the Geothermal Mining activities to the Minister, the Governor and Regent / Mayor in accordance with their respective authority.

CHAPTER X
STATE REVENUE

Article 30

1. Holders of IUP is obligated to pay state income in the form of taxes and the state non tax income in accordance with the provisions of the legislation in force.
2. The state income in the form of taxes referred to in paragraph (1) consists of:
 - a. taxes;
 - b. customs duties and other levies of excise and import;
 - c. regional taxes and levies.
3. State Non Tax Income as referred to in paragraph (1) consists of:
 - a. state levies in the form of Fixed Fee and the production levy and other state levies in accordance with the provisions of the legislation in force;
 - b. bonus.
4. Further provisions concerning the type and rate of State Non Tax Income referred to in paragraph (3) regulated by government regulation.
5. The state income in the form of tax and State Non Tax Income constitutes acceptance of the Government and Local Government division is as follows.
 - a. State income in the form of tax, the division determined in accordance with the provisions of tax laws and regulations;
 - b. State Non Tax Income in the from of Fixed Fee and the production levy, a division determined by the balance of 20% (twenty percent) for the Government and 80% (eighty percent) for Local Government.
6. The Government portion as referred to in paragraph (5) letter b is divided with the following details:
 - a. the province concerned by 16% (sixteen percent);
 - b. district / city producing 32% (thirty two percent);
 - c. other districts / cities in the province concerned by 32% (thirty two percent).

CHAPTER XI GUIDANCE AND CONTROL

Article 31

1. Responsibility for guidance and supervision over the work and the implementation of the business activities of the compliance with provisions of laws and regulations that apply are on the Minister, Governor and Regent / Mayor in accordance with their respective authority.
2. The Governor and Regent / Mayor shall report the implementation of the Geothermal Mining operation in each region every 6 (six) months to the Government.

Article 32

Guidance and supervision as referred to in Article 31 include:

- a. Exploration;
- b. Exploitation;
- c. finance;
- d. Geothermal data processing;
- e. conservation of minerals;
- f. occupational safety and health;
- g. environmental management and reclamation;
- h. utilization of goods, services, technology, and engineering and design capabilities in the country;
- i. Indonesia workforce development;
- j. development environment and local communities;
- k. acquisition, development, and application of Geothermal mining technology;
- l. Other activities in the field of Geothermal Mining activity along the public interest;
- m. Geothermal management;
- n. application of economic principles and good engineering.

Article 33

Further provisions regarding the guidance and supervision as referred to in Article 31 and Article 32 shall be regulated by government regulations.

CHAPTER XII INVESTIGATION

Article 34

- 1. In addition to investigating officers of the Republic of Indonesia State Police, Civil Servants specific scope of duties and responsibilities include the Geothermal Mining activities were given special authority as investigators as referred to in the laws governing the criminal procedure law to conduct criminal investigations in geothermal mining business activity.
- 2. Civil Servant Investigators as referred to in paragraph (1) authorized:
 - a. verify a report or information received relating to criminal offenses in Geothermal Mining activity;
 - b. conduct examination of persons or entities suspected of committing a crime in Geothermal Mining activity;
 - c. calling people to be heard and examined as a witness or a suspect in the case of criminal Geothermal Mining activities;
 - d. ransacked the place and / or the means allegedly used to commit criminal acts in Geothermal mining activity;

- e. conduct inspection of facilities and infrastructure Geothermal Mining activity and discontinue use of the equipment allegedly used to commit criminal acts;
 - f. seal and / or confiscate equipment Geothermal Mining activities are used to commit criminal acts as evidence;
 - g. bring in experts who are needed in connection with the examination of criminal cases in Geothermal Mining activity; or
 - h. stop the criminal case investigation activities Geothermal Mining.
3. Civil Servant Investigators as referred to in paragraph (1) notify the commencement of investigation of criminal cases to the Police Officers of the Republic of Indonesia in accordance with the provisions of the legislation in force.
 4. Investigator as referred to in paragraph (1) shall stop the investigation in terms of the events referred to in paragraph (2) letter a, there is insufficient evidence and / or the event is not a crime.
 5. Implementation of the authority referred to in paragraph (2) conducted in accordance with the provisions of the legislation in force.

CHAPTER XIII
CRIMINAL PROVISIONS
Article 35

Any person conducting Geothermal Mining business without IUP referred to in Article 11 paragraph (3) shall be sentenced to imprisonment for a minimum of 6 (six) months and a maximum of 6 (six) years and / or a minimum fine of Rp 2,000,000,000.00 (two billion rupiah) and a maximum of Rp 50,000,000,000.00 (fifty billion rupiah).

Article 36

IUP holder who is intentionally leaving Working Area without completing its obligations as referred to in Article 29 letter a, b, c, d, e, f, or the letter g is liable to a maximum confinement of 6 (six) months.

Article 37

Any person who interfere with or impede the activities of the Geothermal Mining so that holders of IUP hampered in carrying out activities Geothermal Mining referred to in Article 18 shall be sentenced to confinement of 6 (six) months or a maximum fine of Rp 100,000,000.00 (one hundred million rupiahs).

Article 38

- (1) The crime as referred to in Article 35 is a crime.
- (2) The crimes referred to in Article 36 and Article 37 are the offense.

Article 39

In the case of a crime referred to in Article 35, Article 36 and Article 37 carried by the Entity, the threat of criminal fines imposed on business entities plus a third of the criminal fines.

Article 40

In addition to penalty may be imposed as referred to in Article 39, the criminal can be sentenced to an additional form of:

- a. confiscation of goods used in crime;
- b. deprivation of the benefits derived from crime;
- c. obligation to pay the costs incurred due to criminal acts.

CHAPTER XIV TRANSITIONAL PROVISIONS

Article 41

At the time this law applies, all exploitation contracts of geothermal resources that have existed before the enactment of this law, shall remain in force until the expiration of the contract.

Article 42

At the time this law applicable, guidance and supervision of the implementation of a Geothermal mining business cooperation contract signed before the enactment of this law transferred to the Government.

CHAPTER XV FINAL PROVISIONS

Article 43

With the enactment of this law, any provisions contrary to this law declared invalid.

Article 44

This Act shall come into force on the date of promulgation.

In order that every person may know of it, it is ordered that this law be promulgated in State Gazette of the Republic of Indonesia.

Ratified in Jakarta
on October 22, 2003
PRESIDENT OF THE REPUBLIC OF INDONESIA
Signed.
MEGAWATI SOEKARNOPUTRI

Promulgated in Jakarta
on October 22, 2003
SECRETARY OF STATE OF THE REPUBLIC OF INDONESIA
Signed.
BAMBANG KESOWO

STATE GAZETTE OF REPUBLIC OF INDONESIA OF 2003 NUMBER 115

Signed
Deputy Cabinet Secretary
Legal Affairs and Legislation,

Lambock V. Nahattands
Explanation>>>

EXPLANATION THE
LAW OF THE REPUBLIC OF INDONESIA
NUMBER 27 YEAR 2003
CONCERNING

GEOTHERMAL

GENERAL

Geothermal energy is a source of heat that occurs naturally beneath the earth's surface. Source of energy comes from heating water with rocks and other elements contained Geothermal stored in the crust of the earth. To use, needs to be done in the form of mining exploration and exploitation in order to transfer heat energy to the surface in the form of hot steam, hot water, or a mixture of steam and water and other elements contained Geothermal. In principle, the activity is being mined Geothermal hot water and steam.

Geothermal resources are environmentally friendly because of the elements associated with the heat does not carry energy or environmental impacts are within the regulations. Geothermal is a source of heat with the characteristics of renewable energy since its formation process continuously throughout the period as long as environmental conditions can be maintained in balance.

Indonesia has the potential of geothermal resources are large compared with the world's geothermal potential. However, until now Geothermal is still not used optimally, particularly as an energy substitute for oil fuel option.

Given the nature of geothermal energy sources can not be exported, their utilization is primarily intended to meet domestic energy needs that can provide added value in terms of optimizing the utilization of diverse energy sources in Indonesia. Thus, the utilization of geothermal can be contributed to national development to realize a prosperous society.

Operation of Geothermal activity in accordance with the mandate in the Constitution of the Republic of Indonesia Year 1945, controlled by the state and aimed for the greatest welfare and prosperity of the people of Indonesia.

Geothermal potential spread along the entire trajectory of volcanoes in Indonesia. In other words, Geothermal resources found only in certain areas, in the mountains that its location is remote and therefore requires development of adequate infrastructure support facilities. Because the specificity of the location and potential as well as a huge benefit in Indonesia to be developed as an energy option for improving people's welfare, the conduct of state assets in the form of geothermal need to be regulated by a statute specifically.

To achieve this purpose, utilization of geothermal activity on the upstream side which is a capital-intensive activities and technology-intensive set forth in this legislation, while the activity on the downstream side related to the utilization set its own or follow the laws and regulations. In the case concerning the utilization of geothermal indirectly to generate electricity, according to arrangements made laws and regulations applicable in the electricity sector. In addition, as one of the laws and regulations governing exploitation of natural resources, the spirit embodied in this legislation very closely related to the legislation concerning local government, as well as laws on fiscal balance between central and local governments.

It is hoped this law can give legal certainty to the geothermal sector players in a balanced and non-discriminatory.

ARTICLE BY ARTICLE

Article 1

Sufficiently clear

Article 2

Sufficiently clear

Article 3

Sufficiently clear

Article 4

Paragraph (1)

Sufficiently clear

Paragraph (2)

Sufficiently clear

Paragraph (3)

All data and information obtained by business entities in accordance with the IUP in any Geothermal operational activities should only be used for its interests in accordance with the IUP. Therefore, the data and information should not be owned, stored, and / or delivered and transferred to other parties without the permission of the Government. All data and information must be submitted to the state through government immediately after the data and information obtained. Data or information about the state below the ground surface of the investments made Enterprises can not be opened directly to the public to protect the interests of its investment

Article 5

Letter a

Sufficiently clear

Letter b

National policy-making, among others, include:

- 1) the creation and establishment of standardization;
- 2) the creation and establishment of Geothermal mining licensing system nationwide;
- 3) determination of the utilization and conservation policy;
- 4) establishing a policy of cooperation and partnership;
- 5) determination of criteria Geothermal mining areas;
- 6) the formulation and determination of tariff and the production levy Fixed Fee.

Letter c

Sufficiently clear

Letter d

Sufficiently clear

Letter e

Sufficiently clear

Letter f

Sufficiently clear

Article 6

Paragraph (1)

Letter a

Preparation of legislation in the area, including the establishment of cooperation and partnership in the field of geothermal mining in the province.

Letter b

Sufficiently clear

Letter c

Sufficiently clear

Letter d

Sufficiently clear

Letter e

Sufficiently clear

Paragraph (2)

Sufficiently clear

Article 7

Paragraph (1)

Letter a

Making laws and regulations in the area, including the establishment of cooperation and partnership in the field of geothermal mining in the district / city.

Letter b

Sufficiently clear

Letter c

Sufficiently clear

Letter d

Sufficiently clear

Letter e

Sufficiently clear

Letter f

Sufficiently clear

Paragraph (2)

Sufficiently clear

Article 8

Sufficiently clear

Article 9

Paragraph (1)

Auction process under this provision have the stage, among others, the auction description, preliminary checking of survey data, data retrieval, a period of bid submission, bid evaluation, clarification of the bidding, confidentiality agreements, as well as announcements and appointment of the auction winner.

Paragraph (2)

Setting the boundaries and extent of working area defined by coordinates in a map the location of the Work Area or in the field.

Paragraph (3)

Sufficiently clear

Article 10

Sufficiently clear

Article 11

Subsection (1)

Sufficiently clear

Paragraph (2)

The meaning of integrated activities are activities involving exploration, feasibility study, and exploitation committed by business entities, while a separately defined activity is in terms of exploration undertaken by the Government.

Paragraph (3)

Sufficiently clear

Article 12

Sufficiently clear

Article 13

Sufficiently clear

Article 14

Paragraph (1)

Submission of a long-term action plan is to provide information intended to align with the long-term development programs the Government or Local Government, including an inventory of the amount of investment. Submission of action plan not to get approval from the Government or Local Government.

Paragraph (2)

Sufficiently clear

Article 15

Sufficiently clear

Article 16

Paragraph (1)

Sufficiently clear

Paragraph (2)

Sufficiently clear

Paragraph (3)

Letter a

In this provision is meant by "public places, public facilities and infrastructure" is a facility provided by the Government, for the benefit of the wider community and have social functions, such as roads, markets, cemeteries, parks, and places of worship.

Letter b

Sufficiently clear

Letter c

Sufficiently clear

Letter d

Sufficiently clear

Letter e

Sufficiently clear

Paragraph (4)

Sufficiently clear

Article 17

Sufficiently clear

Article 18

Sufficiently clear

Article 19

Paragraph (1)

Given the rights to the Work Area does not include rights to the land surface, IUP did not immediately have the use rights on parcels of land within the working area. If the holders of IUP will use direct parcels of land referred to, rights of use shall be processed in accordance with the provisions of the legislation in force

Paragraph (2)

Sufficiently clear

Article 20

Sufficiently clear

Article 21

Subsection (1)

Sufficiently clear

Paragraph (2)

Sufficiently clear

Paragraph (3)

Sufficiently clear

Paragraph (4)

What is meant by business entities in this paragraph are affiliated business entities who directly controls or owns 25% (twenty five percent) or more of the shares have voting rights in Entity original IUP

Article 22

Sufficiently clear

Article 23

Sufficiently clear

Article 24

Sufficiently clear

Article 25

Sufficiently clear

Article 26

- Sufficiently clear
- Article 27
 - Sufficiently clear
- Article 28
 - Sufficiently clear
- Article 29
 - Letter a
 - Sufficiently clear
 - Letter b
 - This provision relates to the obligation referred to in Article 27
 - Letter c
 - The use of domestic resources should be paramount, and fully utilized
 - Letter d
 - Sufficiently clear
 - Letter e
 - Sufficiently clear
 - Letter f
 - In accordance with the intent and purpose of the utilization of natural resources in Indonesia, Mining Geothermal should bring benefits to the community and environment where activities are located so that surrounding communities have a sense of "ownership" and support the business activities
 - Letter g
 - Sufficiently clear
- Article 30
 - Paragraph (1)
 - Sufficiently clear
 - Paragraph (2)
 - Letter a
 - Sufficiently clear
 - Letter b
 - The meaning of other levies of excise duty, such as stamp duty.
 - The meaning of other levies on imports, such as Value Added Tax on Luxury Goods
 - Letter c
 - Sufficiently clear
 - Paragraph (3)
 - Letter a
 - Referred to other state levies, such as education and training services, and research and development services
 - Letter b
 - Sufficiently clear
 - Paragraph (4)
 - Sufficiently clear

- Paragraph (5)
 - Sufficiently clear
- Paragraph (6)
 - Sufficiently clear
- Article 31
 - Sufficiently clear
- Article 32
 - Sufficiently clear
- Article 33
 - Sufficiently clear
- Article 34
 - Sufficiently clear
- Article 35
 - Sufficiently clear
- Article 36
 - Sufficiently clear
- Article 37
 - The term "interfere with or impede Geothermal Mining " is any action that uses violence or threats of violence that can result in losses in material.
- Article 38
 - Sufficiently clear
- Article 39
 - Sufficiently clear
- Article 40
 - Sufficiently clear
- Article 41
 - Sufficiently clear
- Article 42
 - Sufficiently clear
- Article 43
 - Sufficiently clear
- Article 44
 - Sufficiently clear