
Indonesia extends deadline for divestment talks with Newmont

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Asia Pulse reported that Indonesian government has decided to extend the deadline for divestment talks with PT Newmont Nusa Tenggara by 2 weeks, from June 15th 2009 to the end of June 2009.

Mr Bambang Setiawan director general for mineral, coal and geothermal affairs of Ministry of Energy & Mineral Resources said that the government still saw a chance to reach an agreement with NNT.

He added that "There is still a chance to find a meeting point so that we extend the deadline of the divestment negotiations by two more weeks."

With the extension of the deadline, the appointment of an independent assessment team is delayed for the time being. Previously, the government and NNT had agreed to appoint an independent assessment team to calculate the value of NNT assets for the divestment process if both sides failed to reach an agreement by June 15th 2009.

In 2008, NNT and the government went through an international arbitration procedure following a dispute on how to implement the divestment scheme. The court ruled in favor of the Indonesian government. Under the international arbitration court ruling, Newmont is required to sell 17% of its stake which was supposed to be carried out in the 2006-2008 period.

The government and NNT have reached an agreement for the divestment of 3% worth USD 109 million of the company's shares for 2006 with assets valued at USD 3.63 billion and 7% worth USD 282 million for 2007 with assets estimated at USD 4.03 billion.

However both sides are still negotiating the divestment of 7% of NTT stake for 2008 and 2009 respectively. They however have not yet reached an agreement on the value of NTT's assets for 2008 and 2009.

(Sourced from www.asiapulse.com)

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