Consideration: a. that in order to implement the provisions of Article 7, paragraph (2) Presidential Decree No. 4 Year 2010 on Appointment To State Electricity Company (Limited) for Conducting Accelerated Development of Power Plant That Uses Renewable Energy, Coal, and Gas as amended by Presidential Decree No. 48 Year 2011, issued Minister of Finance Regulation number 77 Year 2011 on Guidelines for Feasibility Guarantees To the State Electricity Company (Limited) for Development of Power Plant and / or Transmission Using Renewable Energy, Coal and Gas Through Cooperation with Private Power Developer;

b. that in order to realize the Power Plant Development Project, implementation of the necessary regulatory encourage the fulfillment of collateral financing in the construction of power plants through cooperation with the private power developers by Presidential Decree No. 4 Year 2010;

c. Based on the considerations referred to in point b, it is necessary to replace Finance Minister Regulation Number 77 Year 2011;

d. Based on the considerations referred to in letters a, b, and c, it is necessary to stipulate Regulation of the Minister of Finance on procedures for the granting security Feasibility To the State Electricity Company (Limited) Power Plant Development Using Renewable Energy, Coal and Gas Performed Through Cooperation with the Private Power Developer;

e. Based on the considerations referred to in letters a, b, and c, it is necessary to stipulate Regulation of the Minister of Finance on procedures for the granting
security Business Feasibility To the State Electricity Company (Limited) in Power Plant Development Using Renewable Energy, Coal and Gas Performed Through Cooperation with the Private Power Developer;

In View of:
1. Act Number 17 Year 2003 on State Finance (State Gazette of the Republic of Indonesia Year 2003 Number 47, Supplement to the Republic of Indonesia Number 4268);
2. Act Number 19 Year 2003 regarding State-Owned Enterprises (State Gazette of the Republic of Indonesia Year 2003 Number 70, Supplement to State Gazette of the Republic of Indonesia Number 4297);
3. Act Number 27 Year 2003 regarding Geothermal (State Gazette of the Republic of Indonesia Year 2003 Number 115, Supplement to State Gazette of the Republic of Indonesia Number 4327);
4. Act Number 1 Year 2004 on State Treasury (State Gazette of the Republic of Indonesia Year 2004 No. 5, Supplement to the Republic of Indonesia Number 4355);
5. Act Number 30 Year 2009 on Electricity (State Gazette of the Republic of Indonesia Year 2009 Number 133, Supplement to State Gazette of the Republic of Indonesia Number 5052);
6. Government Regulation No. 59 Year 2007 on Geothermal Operations (State Gazette of the Republic of Indonesia Year 2007 Number 132, Supplement to State Gazette of the Republic of Indonesia No. 4777);
7. Presidential Decree No. 4 Year 2010 concerning Assignment To State Electricity Company (Limited) for Conducting Accelerated Development of Power Plant That Uses Coal, and Gas;
8. Presidential Decree No. 56 / P Year 2010

DECIDES:

To stipulate:

PROCEDURE FOR GRANTING BUSINESS FEASIBILITY WARRANTIES OF STATE ELECTRICITY COMPANY (LIMITED) IN THE CONSTRUCTION OF RENEWABLE ENERGY, COAL AND GAS POWER PLANT THROUGH COOPERATION WITH PRIVATE POWER DEVELOPER

CHAPTER I

GENERAL PROVISIONS

Article 1

Set out in this Regulation:
1. Business Feasibility guarantee is a guarantee of the Government of PLN Inc. ability to meet its financial obligations regarding the risk of Failure to Pay by the Power Purchase Agreement with the Private Power Developers.

2. The risk of failure to pay is the PLN Inc. inability to pay the financial obligations stated in the bill payments for the purchase of electricity to the Private Power Developer based Power Purchase Agreement.

3. Private Power Developer, hereinafter abbreviated as PPD is a company that signed a Power Purchase Agreement with PLN Inc.

4. Power Plant Construction Project, hereinafter referred to as Power Plant Project are projects related to power generation and transmission are implemented with the cooperation scheme between PLN Inc. with PPD in accordance with Presidential Decree No. 4 Year 2010 concerning Assignment To State Electricity Company (Limited) to Perform Accelerated Development of Power Plant That Uses Renewable Energy, Coal and Gas.

5. Power Purchase Agreement, hereinafter called PPA is power purchase agreement governing the rights and obligations of PLN Inc. as a buyer to PPD as the seller.

6. Financial Close is the stage where the PPD has signed a loan / credit and have earned draw-down for financing Power Plant Project on the date set out in PPA.

7. Period of Operation Power Plant Project is the period from the commercial operation date until the expiration date of PPA.

CHAPTER II
PURPOSE AND SCOPE
OF BUSINESS FEASIBILITY WARRANTIES

Article 2

Providing Warranty Business Feasibility carried out in order to seek the fulfillment of Financial close of Power Plant Project.

Article 3

Business Feasibility Warranty is issued upon Risk Failure to Pay that occurs in several or all Future Operations Power Plant Project.

CHAPTER III
FORM AND VALIDITY
OF BUSINESS FEASIBILITY WARRANTIES

Part One
Form

Article 4

Business Feasibility Warranty expressed in the form of a letter signed by the Minister of Finance and addressed to the PPD.

Part Two

Validity

Article 5

(1) In terms of Business Feasibility Warranty is given to all the Power Plant Project Operations Period, Business Feasibility Warranty period starts from the date of issue until the end PPA.

(2) In the case of Business Feasibility Warranty is given for the partial Power Plant Project Operations Period, Business Feasibility Warranty period starts from the date of issue until the date specified in the Business Feasibility Warranty.

(3) Business Feasibility Warranty does not apply if the PPD failed to achieve the Financial Close in time of:
   a. 12 (twelve) months from the issuance, for Power Plant Project in addition to Geothermal Power Plant;
   b. 48 (forty eight) months from the issuance, for Geothermal Power Plant Project.

CHAPTER IV

PROCEDURES AND REQUIREMENTS FOR GRANTING OF BUSINESS FEASIBILITY WARRANTIES

First Part

Geothermal Power Plant Project

Article 6

(1) Business Feasibility Warranty is given to the Geothermal Power Plant Project conducted by:
   a. PPD formed by the winning bidder on geothermal mining working area, or
   b. Companies that signed PPA with PLN Inc. for Geothermal Power Plant Projects conducted by granting authority or geothermal exploitation licenses by legislation prior to the enactment of Act No. 27 Year 2003 on Geothermal.

Article 7

1. PLN Inc. recommend to the Minister of Finance to give Business Feasibility Warranty to the Geothermal Power
Plant Project as referred to in Article 6.

2. The proposal referred to in paragraph (1) of the projects referred to in Article 6 letter a to PPA Project that has not been signed, enclosing at least:
   a. Study of the operation feasibility;
   b. PPA Final Draft;
   c. Financial Models Project;
   d. Documents submitted by the PPD to PLN Inc. containing:
      1) Letter from the Minister / Governor / Regent / Mayor publisher Geothermal Mining Business License (MBL) as its authority, which states that:
         a) auction of geothermal mining working area that has been conducted in compliance with applicable laws;
         b) Geothermal Mining Business License valid and shall continue in force until the expiration time, unless it was handed back by the holder of Geothermal Mining Business License (MBL) or revoked by the Minister / Governor / Regent / Mayor in accordance with Act No. 27 Year 2003 on Geothermal;
         c) In accordance with the authority and all the eligibility requirements have been met, the Minister / Governor / Regent / Mayor will issue other licenses required by PPD based on laws and regulations.
      2) reports that must be prepared by PPD containing results of:
         a) Study of geosciences (geological, geophysical, geochemical);
         b) Magneto-Telluric (MT), and
         c) Temperature ramps drilling or other similar activities that demonstrate the potential of geothermal reserves.

3) The proposal referred to in paragraph (1) of the projects referred to in Article 6 letter a to PPA Project that was signed, enclosing at least:
   a. The Study of operation feasibility;
   b. PPA which has been signed;
   c. Financial Models Project;
   d. Documents submitted by the PPD to PLN Inc. containing results of:
      a) Study of geosciences (geological, geophysical, geochemical);
b) Magneto-Telluric (MT), and
c) Temperature ramps drilling or other similar activities that demonstrate the potential of geothermal reserves.

4) The proposal referred to in paragraph (1) of the projects referred to in Article 6 letter b for PPA that has not been signed, enclosing at least:
   a. The Study of operation feasibility;
   b. PPA which has been signed;
   c. Financial Models Project;
   d. Documents that must be prepared and submitted by the PPD to PLN Inc. containing result of:
      a) Study of geosciences (geological, geophysical, geochemical);
      b) Magneto-Telluric (MT), and
      c) Temperature ramps drilling or other similar activities that demonstrate the potential of geothermal reserves.

5) The proposal referred to in paragraph (1) of the projects referred to in Article 6 letter b for its PPA Project that has been signed, enclosing at least:
   a. The Study of operation feasibility;
   b. PPA which has been signed;
   c. Financial Models Project;
   d. Documents that must be prepared and submitted by the PPD to PLN Inc. containing result of:
      a) Study of geosciences (geological, geophysical, geochemical);
      b) Magneto-Telluric (MT), and
      c) Temperature ramps drilling or other similar activities that demonstrate the potential of geothermal reserves.

Article 8

(1) Fiscal Policy Board by fiscal risk management unit evaluates the proposed offering Business Feasibility Warranty referred to in Article 7, in coordination with the Directorate General of Debt Management by Directorate of Strategy and Portfolio Debt and the Secretariat General of Legal Bureau.

(2) Based on the results of the evaluation referred to in paragraph (1), Fiscal Policy Board shall submit a recommendation to the Minister of Finance.
Article 9

(1) Based on the recommendation referred to in Article 8 (2), the Minister of Finance issued a Letter of Business Feasibility Guarantee.

2. The Minister of Finance shall issue the Business Feasibility Warranty at the same time as or after the signing of PPA.

Second Part

Power Plant Project

In addition to the Geothermal Power Plant

Article 10

(1) Business Feasibility Warranty given to Power Plant Project in addition to Geothermal Power Plant are:
   a. the procurement process of PPD that has not been carried out by PLN Inc., or
   b. the procurement process of PPD that has been carried out by PLN Inc. prior to the enactment of this Regulation.

(2) Business Feasibility Warranty for Power Plant Project in addition to the Geothermal Power Plant as referred to in paragraph 1, letter b, can be given to:
   a. Project procurement process of PPD that was conducted by PLN Inc. prior to the enactment of this Regulation, but the winner has not been determined, or
   b. Project procurement process of PPD that was conducted by PLN Inc. and the winners have been determined before the enactment this regulation.

Article 11

(1) PLN Inc. recommends to the Minister of Finance to issue Business Feasibility Warranty to the Power Plant Project in addition to Geothermal Power Plant Project as referred to in Article 10.

(2) The proposal referred to in paragraph (1) of the projects referred to in Article 10 paragraph (1) letter a, enclosing at least:
   a. Study of the operation feasibility;
   b. PPA Final Draft;
   c. Financial Model for the calculation of Project Estimate Price (PEP/Owner’s Estimate) and its amount of financing costs used in the calculation.

(3) The proposal referred to in paragraph (1) of the projects referred to in Article 10 paragraph (1) letter b and Article 10 paragraph (2) letter a, enclosing at least:
a. Study of the operation feasibility;
b. PPA Final Draft;
c. Financial Model Project for the calculation of Estimate Price (PEP/Owner's Estimate) and its amount of financing costs used in the calculation.
d. Procurement documents therein has suggested a Business Feasibility Warranty by Presidential Decree No. 4 Year 2010 on a related project;
e. Statement from PLN Inc. stating that the project procurement process has been implemented in accordance with the Applicable Law.

(4) The proposal referred to in paragraph (1) of the projects referred to in Article 10 paragraph (1) letter b and Article 10 paragraph (2) letter b, enclosing at least:
   a. Study of the operation feasibility;
b. PPA Final Draft;
c. Financial Model Project for the calculation of Estimate Price (EP/Owner's Estimate) and its amount of financing costs used in the calculation.
d. Procurement documents therein has suggested a Business Feasibility Warranty by Presidential Decree No. 4 Year 2010 on a related project;
e. Statement from PLN Inc. stating that the project procurement process has been implemented in accordance with the Applicable Law.

Article 12

(1) Fiscal Policy Board by fiscal risk management unit evaluates the proposed offering Business Feasibility Warranty referred to in Article 7, in coordination with the Directorate General of Debt Management and Directorate of Strategy by Portfolio Debt and the Secretariat General of Legal Bureau.

2. Based on the results of the evaluation referred to in paragraph (1), Fiscal Policy Board shall submit a recommendation to the Minister of Finance.

Article 13

(1) Based on the recommendations referred to in Article 12 paragraph (2), the Minister of Finance issued a Letter of Business Feasibility Warranty.

(2) The Minister of Finance shall issue the Business Feasibility Warranty at the same time as or after the
CHAPTER V
MONITORING AND RISK MITIGATION

Article 14
(1) PLN Inc. must do its best to prevent the risk of Failure to Pay and reduce the impact if that is happened.
(2) PLN Inc. submit a report on the possibility of Risk Failure to Pay and the report referred to in paragraph (1) to the Minister of Finance every 3 (three) months for a period of 1 (one) years or when needed.

Article 15
(1) Directorate General of Debt Management by Directorate of Strategy and Portfolio Debt and Fiscal Policy Board by fiscal risk management unit to monitor the risk of Failure to Pay PLN Inc. on the Power Plant Project that has been given Business Feasibility Warranty.
(2) Based on the monitoring referred to in paragraph (2), the Directorate General of Debt Management and Fiscal Policy Board can make recommendations to the Minister of Finance to provide support and / or take action in accordance with the authority of the Minister of Finance in order to prevent the risk of Failure to Pay.

CHAPTER V
CLOSING PROVISIONS

Article 16
By the time of this regulation applies, the Minister of Finance No. 77/PMK.01/2011 on Guidelines for Business Feasibility Guarantee To State Electricity Company (Limited) for Development of Power Plant and / or Transmission Using Renewable Energy, Coal, and gas A Guide Through Cooperation with the Private Power Developers, revoked and declared void.

Article 17
This Regulation of the Minister of Finance shall come into force on the date of its promulgation.
For public cognizance, this Regulation of the Minister of Finance shall be promulgated by placing it in State Gazette of the Republic of Indonesia.
MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

Stipulated in Jakarta
on August 22, 2011
MINISTER OF FINANCE
Signed,
AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta
On August 22, 2011
MINISTER OF LAW AND HUMAN RIGHTS
Signed
PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2011 NUMBER 518