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Churchill Mining seeks resolution to Indonesian dispute

By [Fiona Bond](#) | Fri, 02/12/2011 - 10:37

Beleaguered mining minnow [Churchill Mining](#) (CHL) has filed a formal letter to the Republic of Indonesia seeking co-operation to resolve an investment dispute the company is currently facing.

In a statement, the company said it was seeking assistance from senior government officials to achieve an "amicable and commercial resolution" to the dispute.

The letter highlighted that following a significant investment in coal exploration in Indonesia, Churchill identified a "world-class thermal coal deposit" at East Kutai, only to be subjected to a sustained campaign designed to take Churchill's legitimate rights to develop this deposit.

"We are writing to bring to your attention the significance and urgency of this situation in the expectation that you will exercise your authority to take the necessary steps to achieve an amicable resolution of this situation.

"If an amicable resolution cannot be achieved, we regret that Churchill will have no other choice than to initiate international arbitration against the Republic of Indonesia, thus putting Indonesia's reputation as a reliable country for foreign investment at risk," the company said in its letter.

Churchill has consistently argued that the actions of various Indonesian parties, both government and private, to expropriate its rights are in direct breach of both Indonesia's investment laws and Indonesia's obligations under a number of international investment treaties.