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U.K. Miner Challenges Indonesia

Churchill Mining Raises Possibility of International Arbitration in Dispute Over Multibillion-Dollar Deposit

By ERIC BELLMAN

JAKARTA, Indonesia—Churchill Mining PLC has moved toward taking Indonesia to international arbitration, saying the company was unfairly stripped of a multibillion-dollar coal discovery in the jungles of Borneo.

Stymied by Indonesian courts and regulators, the London-based company has sent a letter to the country's president and other officials, threatening to seek arbitration.

While the dispute goes to the core of Churchill's business, the struggle also offers a cautionary tale for any company interested in diving into Indonesia's booming commodities sector.

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