

## **Newmont 'optimistic' it can reach out-of-court settlement in Indonesian pollution case**

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JAKARTA, Indonesia (AP) - U.S.-mining giant Newmont is "very optimistic" it can reach an out-of-court settlement with the government over a multimillion dollar lawsuit stemming from allegations one of its mines polluted a bay in central Indonesia, the company's lawyer said Tuesday.

Luhut Pangaribuan made the comments soon after an Indonesian court Tuesday formally postponed hearing the US\$133.6 million (euro105.9 million) lawsuit for one month so both sides could try and negotiate a deal.

Pangaribuan declined to speculate on the terms of any agreement.

Colorado-based Newmont Mining Corp. has been dogged by allegations for more than a year that its gold mine on Sulawesi Island polluted a bay, sickening villagers and making fish unsafe to eat.

Six company executives face separate criminal charges over the allegations and could receive 15 years in jail if found guilty.

Pangaribuan said any agreement would not involve the company paying compensation to villagers. "Our position is clear, we have done nothing wrong, so what is there to compensate for?"

Newmont has acknowledged the mine released 17 tons of waste mercury into the air and 16 tons into the water over five years, but says the totals were within Indonesian government standards. No credible evidence has been presented that villagers living close to the mine are any less healthy than those living in other poor coastal communities in Indonesia.

The World Health Organization and an initial Environment Ministry report found the water in the bay was unpolluted, but a subsequent ministry study found arsenic levels in the seabed were 100 times higher at the waste-dumping site than in other parts of the bay.

The legal action against Newmont has cheered green activists, but risks spooking investors at a time when the country is seeking to attract foreign capital.

Newmont stopped mining two years ago at the Sulawesi site, 2,100 kilometers (1,300 miles) northeast of the capital, Jakarta, after extracting all the gold it could, but kept processing ore there until Aug. 31, 2004, when the mine was permanently shut.

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