



TANGGUH COORDINATION WITH THE POLICE DURING YEARS 2003 - 2005

The Integrated Community Based Security (ICBS) program was designed with the goal of providing those who live and work around the Tangguh project with a safe and secure environment. It was formulated in collaboration with the Indonesian authorities to address the security and human rights concerns of all stakeholders based on partnerships between Tangguh, the communities, and the government's security providers. As such, on April 16, 2004, a Security "Field" Guidelines Agreement was executed between the Papua police and BP, as operator of the Tangguh project¹. The Field Guidelines set forth the measures to implement the broader Memorandum of Understanding dated August 22, 2003 between BPMIGAS (Indonesia's Upstream oil & gas regulatory body) and the Indonesian police concerning security of oil and gas projects throughout the Republic of Indonesia.

The Field Guidelines are aimed at ensuring that the working conditions at the Tangguh project remain secure, in order, and without violation of law. They cover the provision of security at the project and at associated project facilities. The Field Guidelines make clear that BP is responsible for primary security provided by unarmed private security guards. The Guidelines also specify the procedures to be followed whereby BP can request assistance from the police, and the procedures to be followed by the police in deploying such assistance.

The Field Guidelines describe specific commitments of both BP and the police with respect to bearing the costs of security for Tangguh. In this regard:

- Each respective organization will bear its own cost for the conduct of its activities or the discharge of its basic obligations under the Guidelines.
- All costs, payments, and provisions of materials or supplies will be open and transparent and either side has the discretion to publicly disclose this information.
- If BP requests security assistance from the police:
 - With BP approval and request for payment, BPMIGAS (the Indonesia Upstream oil & gas regulatory body) will make payment for transportation, lodging, meals, and daily allowances.
 - The amount and procedure for payment will be based on standards and procedures issued by BPMIGAS.
 - BP will not be obligated to pay for any support unless previously approved and accepted by BPMIGAS as 'cost recoverable' based on the applicable

¹ "Field Guidelines for Joint Security Measures Within the Work Area of the Tangguh LNG Project", Joint Decree of Chief of Regional Police of Papua and BP Berau, Ltd, April 16, 2004. See www.bp.com/tangguh



production sharing contracts and approved by BP Management and its investment partners in the Tangguh project

- BP will not be allowed and will not provide any weapon, weaponry, ammunition or any funding to support the procurement of these items.

Further information on the ICBS program as well as a copy of the Field Guidelines is available on this web site, www.bp.com/tangguh.

Payments During 2003 Through 2005 in Direct Support of Tangguh Security

In 2003, the village heads of Tanah Merah and Saengga made a formal request to the Babo police office (as there was no police office in the villages of Tanah Merah or Saengga) asking them to deploy personnel to their villages for purposes of responding to a growing number of incidents involving unruly behaviors, which were occurring in the villages and also to assist in the promotion of community awareness of the role of the police in peaceful resolution of conflict. During this period, the project was promoting the concept of community policing as part of its ICBS program, and as it was early days for ICBS, also saw the need for building awareness in the villages on the rule of law and utilizing peaceful means for resolving conflict. Furthermore, the project was increasing its own physical presence in these villages due to its activities associated with the physical relocation of the Tanah Merah village and construction of new houses and facilities in Saengga and Onar. In accordance with the procedure later formalized in the Field Guidelines, BP therefore agreed to support the transportation, payment for meals, and daily allowance for deployment of police personnel in these locations.

There were two payments made to the police for services delivered in 2003 and January/February 2004. Formal receipts were received by BP from the regional police office, and rates were based on year 2003 Government of Indonesia published guidelines issued by BP MIGAS. Subsequent to these payments, a formal procedure was agreed with BPMIGAS to address payment for police services consistent with the Security “Field” Guidelines, which applied in the manner described above from April 2004. The services provided by the police were completed in June 2005.

A summary breakdown of payments is listed in the following table. Note: It does not reflect support provided for training classes conducted by human rights organizations associated with the establishment of village forums and community policing in the Bintuni Bay area, which is supported by Tangguh Integrated Social Program (ISP) as part of its Integrated Community Based Security program (see www.bp.com/tangguh) for more information on the ICBS). It also does not reflect the cost for training classes provided by the police that are required under Indonesia regulation as part of the project’s security guards professional certification.



SUPPORT FOR BABO POLICE FOR SERVICES RENDERED IN TANAH MERAH AND SAENGGGA VILLAGES

<u>Period of Services</u>	<u>Amount (Indonesia rupiah)</u>	<u>Number of Days Total</u>	<u>Number of Police Personnel Total</u>
June 6, 2003 – July 5, 2003	12,000,00	30	4
December 30, 2003 – January 2, 2004	1,600,000	4	4
January 22, 2004 – January 31, 2004	5,000,000	10	5
February 1 – March 1, 2004	14,500,000	29	5
March 1 – 31, 2004	15,500,000	31	5
March 7 – 9, 2004 (Onar village)	600,000	3	2
April 1-30, 2004	15,000,000	30	5
May 5 – June 5, 2004	16,000,000	32	5
June 27 – July 11, 2004	7,500,000	15	5
August 26 – September 26, 2004	16,000,000	32	5
September 27 – October 27, 2004	15,500,000	31	5
October 27 – November 27, 2004	16,000,000	32	5
November 27 – December 27, 2004	15,500,000	31	5
January 1 – February 1, 2005	16,000,000	32	5
February 1 – March 1, 2005	14,500,000	29	5
March 1 – April 1, 2005	16,000,000	32	5
April 1 – May 1, 2005	15,500,000	31	5
May 1 – June 1, 2005	16,000,000	32	5
June 1 – July 1, 2005	15,500,000	31	5
TOTAL (rupiah)	244,100,000		
TOTAL (USD)	\$24,100		

Note: Rate per day = 100,000 Indonesia rupiah (rp) consists of daily allowance of rp. 50,000 and meals allowance of rp 50,000 based on year 2003 BPMIGAS rates.